

## Website product disclosure for financial products that promote environmental or social characteristics.

Article 10 (1) SFDR, and articles 25-36 RTS.

DIANA CAPITAL III, F.C.R.

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For financial products promoting environmental or social characteristics, participants in the financial markets will publish the information mentioned in Article 10, paragraph 1, of Regulation (EU) 2019/2088 and in Articles 25 to 36 of this Regulation in the following order, and integrated by all the following sections:

**a) Summary (article 25)**

The Fund promotes environmental or social characteristics but does not have a sustainable investment objective. It will actively manage its portfolio of investees by promoting improvements in environmental, social and governance (ESG) factors. The ability to influence will vary depending on the degree of control exercised over the investee.

Through the introduction of ESG improvements in the performance of investee companies (such as decarbonization processes in the economy, equality and inclusion policies in the workplace and reinforcement, where necessary, of good governance). In this way, it aims to make a significant contribution to the Sustainable Development Goals (SDGs) and as a priority to SDGs 5, 8, 9, 10, 13 and 16. The improvement of ESG performance will be promoted in 100% of the investments made by the Fund.

Certain investments that are contrary to the Fund manager's ethical principles are excluded at the origination stage. Specifically, it will not invest directly or indirectly in companies whose activities are related to (i) the sale or production of weapons, equipment or ammunition for military or police use; (ii) the development and/or implementation of projects whose outcome limits the rights of individuals or violates human rights; (iii) the development and/or implementation of projects that are detrimental to sustainability or socially inappropriate; and (iv) ethically or morally controversial projects.

The Fund considers the principal material or potentially material adverse impacts of the Fund's investments on sustainability factors. The main negative externalities generated by the investment will be qualitatively assessed during the due diligence phase. Once in the portfolio, they will be monitored through the annual calculation of the 16 indicators set out in the RTS of the Disclosure Regulation. Periodic monitoring should be followed by corrective actions to

minimise them as far as possible. Information relating to principal adverse impacts on sustainability factors will be integrated into the regular investor disclosures and on the institution's website as described in the SFDR and the RTS.

The Fund pursues a strategy of active dialogue (engagement) in the promotion of social and environmental improvements among investees through the leverage provided by political rights on the Board of Directors and through continuous dialogue with management teams. The capacity to influence will vary depending on the degree of control exercised over the investee.

Investees must report on the progress of their improvement plans and KPIs to the ESG manager so that progress can be monitored.

The Fund does not use a benchmark for the purpose of promoting environmental or social characteristics.

**b) No sustainable investment objective (article 26)**

This financial product promotes environmental or social characteristics but does not aim at sustainable investment.

**c) Environmental or social characteristics of the financial product (article 27)**

The Fund will actively manage its portfolio of investees by promoting improvements in environmental, social and corporate governance (ESG) factors. The ability to influence will vary depending on the degree of control exercised over the investee.

The improvements to be implemented will be prioritized in three areas:

1. The contribution of investees to the process of decarbonization of the economy through active policies for measuring, reducing and, where appropriate, offsetting the carbon footprint generated by their activity.
2. The promotion of equality, diversity, and inclusion in the employment policies of investees, generating the conditions that enable the creation of youth employment and the integration of groups at risk of exclusion or with different abilities into the workplace.
3. Strengthening the mechanisms that guarantee good corporate governance and control through the constitution, where appropriate, of a board of directors, a management committee, a risk committee, the appointment of an auditor for some of the entities known as the "big 4" and/or the implementation of a criminal compliance system adapted to best practices.

Through the introduction of these improvements in the performance of the investee companies, the aim is to make a significant contribution to the Sustainable Development Goals (SDGs) and, as a priority, to:

- SDG 5: Gender equality
- SDG 8: Decent work and economic growth
- SDG 9: Industry, innovation, and infrastructure
- SDG 10: Reducing inequalities
- SDG 13: Climate action

- SDG 16: Peace, justice and strong institutions

**d) Investment strategy (article 28)**

The Fund's investment strategy will be primarily directed at growth capital, in the equity and/or quasi-equity (mezzanine, participating loans, etc.) of unlisted companies already established for at least three (3) years, excluding investments in senior debt. Although the Fund's primary focus is on growth capital, it also considers the possibility of replacement/buyout transactions, with a low degree of leverage.

The Fund pursues a strategy of active dialogue (engagement) in promoting social and environmental improvements among investees through the leverage provided by political rights on the Board of Directors and through continuous dialogue with management teams. The capacity to influence will vary depending on the degree of control exercised over the investee.

In addition, as a binding element of the investment strategy used to achieve the intended improvements in ESG factors, certain investments contrary to the ethical principles of the Manager are excluded.

The Fund will not invest directly or indirectly in companies whose activities are related to (i) the sale or production of weapons, equipment or ammunition for military or police use; (ii) the development and/or implementation of projects whose outcome limits the rights of individuals or violates human rights; (iii) the development and/or implementation of projects that are detrimental to sustainability or socially inappropriate; and (iv) ethically or morally controversial projects.

In particular, the Fund may not invest in entities that are substantially focused on one or more of the following activities: (i) the manufacture and trade of tobacco and related products; (ii) human cloning, including human reproductive cloning; (iii) pornography; (iv) illegal economic activities (i.e. production, marketing or other activity which is illegal under laws or regulations applicable to the Fund or the company or entity concerned); (v) the financing of the manufacture of and trade in arms and ammunition of all types (this restriction shall not apply to the extent that such activities form part of or are complementary to explicit European Union policies); or investments in Investee Entities directly involved (as determined at the time of initial investment in that Investee Entity) in the manufacture of anti-personnel landmines, cluster bombs, chemical or biological weapons; direct involvement for these purposes means (a) the manufacture of all or substantially all of a weapon, or (b) the manufacture of key components linked to munitions of the weapon, such as submunitions, rifles and warheads; (vi) casinos and similar ventures; (vii) research, development or technical applications related to software or solutions that (a) are specifically aimed at supporting any of the activities listed in (i) to (vi) above or (b) are designed to enable illegal access to electronic data networks or illegal downloading of electronic data; (viii) oil and/or gas exploration and any other activity directed towards the extraction of oil and gas; (ix) gambling (including gambling houses and online gambling); (x) blind pools or hedge Funds; (xi) improper or speculative investments in derivatives; and (xii) any other activity in which the Fund is not permitted to invest under Law 22/2014 or any other applicable regulations.

If the target company meets the exclusion criteria and there is interest in the transaction, a descriptive document is prepared for the Investment Committee which will include, inter alia, a list of those ESG factors that are material to the transaction. If the Investment Committee decides to proceed with the transaction, an offer is made for the target company, subject in other conditions to due diligence.

Both the Manager and the Funds under management are regulated and supervised by the Spanish National Securities Market Commission ("CNMV"). The governance scheme developed internally, both for the Manager itself and for the Fund and its investee companies, has a twofold objective:

1. Unity of information and governance
2. High emphasis on the avoidance of conflicts of interest at all levels

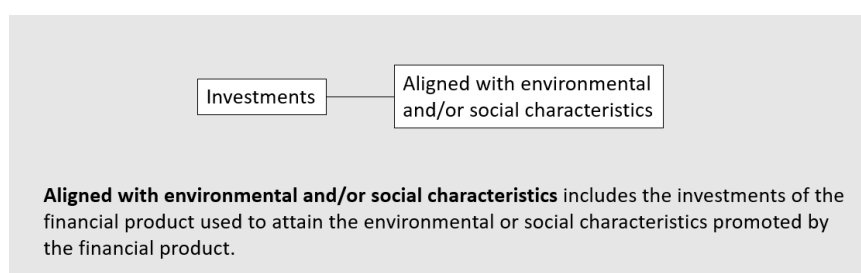
The Manager and its Funds have governance bodies, Board of Directors and Supervisory Boards with clearly defined functions with different levels of investment approval and supervision of the activity carried out. All investee companies have established Boards of Directors.

The Management Company will have an active presence on the Board of Directors of the investee companies to monitor and control these practices in order to evaluate and enforce compliance.

In addition, the investee companies of the Funds have Management Committees that meet weekly or fortnightly and, where appropriate, Risk Committees, in which Diana Capital is involved, when necessary, thus reinforcing the supervision and reporting systems.

#### e) Proportion of investments (article 29)

Improvement of ESG performance will be promoted in 100% of the investments made by the Fund.



#### f) Monitoring of environmental or social characteristics (article 30)

The entire Diana Capital team strives to invest responsibly, incorporating best practices in sustainability. Diana is a signatory to the United Nations Principles for Responsible Investment and is committed to:

1. Incorporate ESG issues into investment analysis and decision-making processes.
2. Incorporate ESG issues in the exercise of our ownership practices and policies.

3. Influence our investees to report on ESG issues relevant to them.
4. Promote acceptance and implementation of the Principles among the investment industry.
5. Work with other signatories to improve the effectiveness of the implementation of the Principles.
6. Report on our activities and progress in implementing the Principles. In addition, the Manager conducts its business and the management of its investees in accordance with the principles recognized in the main international agreements.

Mainly those signed within the framework of the United Nations, the International Labor Organization, or the OECD, which guide our actions regarding respect for the environment, human rights and the law. In the area of climate change, Diana is committed to disclose its activities through the framework established by the Task Force on Climate-Related Financial Disclosures (TCFD) considering the risks and opportunities that climate change represents for the activity of the Manager and its investees.

**g) Methodologies for environmental or social characteristics (article 31)**

We use the following indicators to measure improvements in environmental, social and governance (ESG) factors during the investment period:

- Scope 1 and 2 GHG emissions
- % of Renewable electricity consumption
- Employees by employee category, gender, skills
- New employee hires by professional category, gender, skills
- Composition of the Board of Directors by gender
- Composition of the Management Committee by gender
- Existence of a criminal compliance system

These indicators are complemented with the calculation of those associated with the Principal Adverse Impacts.

**h) Data sources and processing (article 32)**

In order to achieve the social and environmental characteristics promoted by the Fund, data is obtained directly from the investee. Investees must report on the progress of their ESG improvement plans so that progress on the ESG score can be monitored. They must also report at least annually on ESG KPIs, including those associated with the measurement of negative externalities.

To ensure data quality, Diana Capital has an ESG governance structure that is organized as follows:

(i) The Board is responsible for the approval of the ESG Policy and any amendments thereto, as well as for its compliance. The Board is also responsible for the management of serious ESG issues that could affect the reputation of the Manager or any of its investees.

(ii) The Manager's ESG Committee, comprising senior members of the investment team and the Head of ESG, is responsible for overseeing the ESG activity of Diana Capital and its investees.

(iii) The ESG Officer manages the Manager's day-to-day ESG affairs and engagement with investees, compiling key ESG indicators and reporting progress to the Committee.

Governance of ESG at Diana is complemented by reinforcement of the team's ESG competencies through specific training courses and external advice from a specialized consultant.

The ESG officer is responsible for compiling key ESG indicators and reporting on progress to the ESG Committee of the Fund manager.

There is no proportion of data that is estimated. In case any data cannot be provided by the investee it can be estimated based on experience.

**i) Limitations to methodologies and data (article 33)**

In some cases, it may not be possible to obtain the necessary data for the calculation of the investee's indicators when the investee has been recently acquired and, as a result, has not been able to implement the ESG processes required by the Manager.

The lack of data to measure the indicators does not prevent the investee from achieving the social or environmental characteristics.

**j) Due diligence (article 34)**

Following the acceptance of the non-binding offer by the seller, a comprehensive analysis phase begins in which an ESG due diligence is carried out. The due diligence will be carried out by an expert consultant and will include at least the following points:

- Identification of the main ESG risks, adverse impacts and opportunities affecting the company, whether due to the sector or geographies in which it operates, or other factors.
- Recommendations and proposed actions for improvement in relation to the main ESG risks, adverse impacts and opportunities identified.

The actions proposed in the due diligence phase will pay special attention to the priority ESG areas in the Fund's strategy, in particular (i) the potential contribution of the investee to the process of decarbonization of the economy, (ii) the promotion of equality, diversity and inclusion in the employment policies of the investee and, (iii) the reinforcement of the mechanisms that guarantee good corporate governance and control.

The Investment Committee will submit the transaction to the Board of Directors for final approval once it reviews the results of the due diligence and successfully completes the negotiation of the legal and economic terms of the transaction. The outcome of the ESG due diligence will be assessed in the process of closing the investment and the conclusions will be reported to both the Investment Committee and the Board of Directors.

**k) Engagement policies (article 35)**

During the portfolio tenure, Diana Capital promotes improvements in ESG factors through its presence on the Board of Directors or participation in specific Committees. Diana Capital will

endeavor to ensure that improvements are included in an Action Plan reflecting the recommendations arising from the Due Diligence phase. The main actions that characterize the active management of the different ESG factors in the investee include, among others, the following:

- In contributing to the process of decarbonization of the economy by the investees, Diana Capital will promote that all investees measure their carbon footprint and implement reduction plans.
- Among the measures recommended for the Action Plans are the substitution of fossil energy sources with renewable energy sources and the implementation of energy efficiency plans.
- Regarding job creation, the Management Company monitors the employment performance of each investee in the annual report. Employment monitoring is complemented by indicators such as the turnover rate and annual satisfaction surveys.
- In the area of equality, diversity and inclusion, the Management Company promotes, through its role on the Board of Directors of the investee, the implementation of equality, diversity and inclusion policies. These policies are monitored through ratios such as youth employment, socially excluded groups and groups with different abilities. Diana Capital will be involved in the selection processes of key personnel in the investee companies whenever possible, ensuring that the selection criteria are compatible with equality, diversity and inclusion policies.

Diana Capital will promote the participation of the investees in associations whose objective is to promote equality, processing certifications related to work-life balance and equality in hiring, as well as training initiatives for the employment of people at risk of social exclusion, especially young people in special education.

**I) Designated reference benchmark (article 36)**

The Fund does not use a benchmark for the purpose of promoting environmental or social characteristics.