

INDICO BLUE FUND SUSTAINABILITY POLICY

Indico Blue Fund ('The Fund') is considered an 'Article 8' fund type product under the Sustainable Finance Disclosures Regulation ("SFDR"). This financial product promotes environmental or social characteristics but does not have as its objective a sustainable investment.

PRINCIPAL ADVERSE SUSTAINABILITY IMPACTS STATEMENT

Description of policies to identify and prioritize principal adverse sustainability impacts

The assessment of ESG related risks and opportunities is an integral part of Indico's investment strategy. Prior to each investment, ESG risks and opportunities are evaluated as part of the due diligence process. The results of this assessment are considered when taking investment decisions. Additionally, ESG performance targets are defined, where appropriate.

During the holding period, the ESG practices of portfolio companies are monitored through company specific key performance indicators (KPIs). These metrics have been developed in accordance with the GRI G4 Sustainability Reporting Guidelines, the ICGN Global Corporate Governance Principles, the EFFAS ESG Guidelines, as well as the IRIS metrics. Investees are required to report on the KPIs once per year based on a specific questionnaire. The data gathered is transferred into Indico's reporting tool giving objective statistics and a comprehensive overview of the ESG compliance and progress of the portfolio companies. This enables us to identify ESG related issues early and encourage and support actions for improvement. In case risks or adverse sustainability impacts are identified, Indico takes its best effort to develop a mitigation strategy with the respective company.

Engagement policies

Indico Capital Partners requires its portfolio companies to report on ESG related issues via an annual questionnaire once per year. In addition, the Indico's team undertakes multiple interactions per year with regard to ESG with its investees via e-mail, letter, phone call, meetings, or Board of Directors and shareholder meetings with a view to support the sustainable development of the company. Particularly if represented on the Board of Directors of the portfolio company, the team strives to actively provide value-adding input.

In its free discretion, Indico Capital Partners may decide to make an investment even if the risks of potential adverse impacts have been determined. In such case, it may apply appropriate mitigation measures including but not limited to offering training for portfolio companies to support their capacity to control, mitigate, and/or reduce such adverse impacts.

References to international standards

To ensure sustainability and ESG compliance, investees are monitored through company specific key performance indicators (KPIs). These metrics have been developed in accordance with different international standards such as the GRI G4 Sustainability Reporting Guidelines, the ICGN Global Corporate Governance Principles, the EFFAS ESG Guidelines, as well as the IRIS metrics.

Investment Strategy

The Blue Fund invests in startups and SMEs (Small and Medium Enterprises / Pequenas e Médias Empresas) that are based, or with very significant operations in Portugal and is dedicated to investing in ocean related companies that have a positive impact on ocean ecosystems. The areas below are the focus of the Blue Fund:

- Coastal Tourism
- Services
- Sustainable Aquaculture
- Blue Biotech / Engineered Marine Biology
- Sustainable Fisheries
- Software (digital ocean)
- Ocean Renewable Energy
- Maritime Operations (inc. Ports)
- Shipbuilding & Repair
- Ocean Security
- Waste & Circular Economy
- Green Shipping

The companies invested by the Fund are expected to fulfill certain criteria for positive contribution and sustainability ('promote environmental or social characteristics'), namely companies that are primarily active in business areas

targeting at least 1 (one) SDG (United Nations Sustainable Development Goal) that can be assessable / measurable (impact metric / goal) since the inception of the investment of the Fund in each Portfolio Company.

Methodology

Monitoring of Environmental or Social Characteristics

Indico Capital Partners created, for this Fund, an Advisory Committee that shall be composed of a minimum of 3 members and a maximum of 5 members. The members of the Advisory Committee shall be appointed by the Management Company and shall not be affiliated with the Management Company and count with a deep experience on sustainable or/and impact or/and Blue Economy sectors. The role of the Advisory Committee is to evaluate and validate the set-up of Impact KPIs on the moment of the initial investment in any Portfolio Company, any amendments to it and to analyze on the impact ratio on the moment of the divestment from each Portfolio Company.

Therefore, before the realization of an Equity Investment in each of the Fund's Portfolio Company, Indico Capital Partners will define impact KPIs (from one to five impact KPIs), which will measure climate, environmental, social or societal impact:

a. Each Impact KPI will be expressed in a Quantified Target and shall be communicated and non-opposed by the Advisory Committee before the realization of investment in each Portfolio Company. The Quantified Target may be reviewed in the context of any Follow-on Investment, if so decided by Indico;

b. On the Fund's full divestment from the relevant Portfolio Company, Indico will compare the realized value of the Impact KPI with the Quantified Target, which will result in the Impact Multiple (the "Impact Multiple") (ratio between the realized value and the Quantified Target), which will be communicated to the Unitholders;

c. In case of being set several Impact KPIs, the overall Impact KPI of each Portfolio Company will correspond to the weighted average of each Impact KPI, based on the weight assigned to each Impact KPI in the moment of the initial Equity Investment or in the context of any Follow-on Investment.

If the criteria are not satisfied, the investee must have a credible plan to create a significant positive contribution to the environment or society in the future. We aim to invest only in companies that meet the criteria; however, quantifying the positive contribution or sustainability of early-stage companies with complicated technologies might sometimes be difficult – we could consider investing in such case if we saw potential for significant positive contribution in the future.

We are committed to steer and coach the companies to maximize their impact potential and minimize their negative impacts. All investee companies of the Fund must create an ESG policy and approve it in a Board meeting. The companies must re-evaluate and approve their ESG policies annually.

Furthermore, we are committed to the further development of ESG policies and procedures in a manner that has a positive impact on us and our investee companies. We are engaged to monitor and promote compliance with the UN Global Compact (e.g. respect for human rights) and to ensure that in our monitoring process, ESG is a part of our investment decision procedure, including appropriate consideration of environmental, social (including health and safety, employees, human rights, consumer and community issues) and governance issues.

Proportion of Investments

In line with the ESG methodology, the Fund promotes environmental or social characteristics but does not commit to make only environmentally sustainable investments as defined in the Taxonomy Regulation; we do focus on sustainability and impact on a broader range.

The Fund aims to only make investments aligned with the investment strategy and plans not to allocate any capital to companies that have a significant negative impact on the environment or society.

EU Taxonomy for 'Environmentally Sustainable' Investments

The Fund follows the development of the EU Taxonomy Regulation and applies technical screening criteria to evaluate whether an investment is 'environmentally sustainable' by considering the following aspects:

1. Substantial contribution to at least one of the six environmental objectives
2. Do no significant harm (DNSH) to the other five environmental objectives
3. Meet minimum safeguards (e.g. OECD Guidelines on Multinational Enterprises and the UN Guiding Principles on Business and Human Rights)

'Do No Significant Harm' Principle

The 'do no significant harm' principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the

remaining proportion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Within the investment process of this fund, this is ensured primarily by screening criteria that ensure that negative impacts are minor in relation to the size of the investee company and the size of its positive impacts.

Deal Sourcing

Negative Screening

Indico Capital Partners has a duty to act in the best long-term interests of the Fund and of its beneficiaries. In this fiduciary role, Indico believes that environmental, social, and corporate governance (“ESG”) issues can affect the performance of Portfolio Companies and represent risks that are required to be managed in order to generate sustainable long-term returns. The Fund adopts responsible investment practices that incorporates ESG factors and potential impacts into its investment analysis and decision-making process, with an established governance framework for ESG incorporation, impact measurement, reporting, and practice active ownership about ESG issues with the Portfolio Companies and stakeholders. The Fund

adopts the following responsible investment policies:

(a) The Fund adopts a ESG screening process for its investments;

(b) The Fund shall not invest, guarantee, or otherwise provide financial or other support, directly or indirectly, to any companies or other entities:

(i) performing research and innovation activities considered as illegal according to the legislation applicable in the country of the company or entity;

(ii) performing any of the following excluded activities referred to in Article 19 of the Regulation EU (no) 1291/2013 of the European Parliament and of the Council: research activity aiming at human cloning for reproductive purposes; research activity intended to modify the genetic heritage of human beings which could make such changes heritable (excluding research relating to cancer treatment of the gonads); research activities intended to create human embryos solely for the purpose of research or for the purpose of stem cell procurement, including by means of somatic cell nuclear transfer; or

(iii) whose business activity consists of an illegal activity (i.e. any activity, which is illegal under the laws or regulations applicable to the company or entity); or

(iv) which substantially focus on:

1. the production of and trade in tobacco and distilled alcoholic beverages and related products;

2. the production of and trade in weapons and ammunition of any kind, it being understood that this restriction does not apply to the extent such activities are part of or accessory to explicit European Union policies;

3. casinos and equivalent enterprises;

4. the research, development or technical applications relating to electronic data programs or solutions, which (x) aim specifically at supporting any activity referred to above; internet gambling and online casinos; or pornography; or which (y) are intended to enable to illegally enter into electronic data networks; or download electronic data.

(c) In addition, when providing support to the financing of the research, development or technical applications relating to:

(i) human cloning for research or therapeutic purposes or

(ii) genetically modified organisms (“GMOs”);

(d) the Fund shall ensure the appropriate control of legal, regulatory, and ethical issues linked to such human cloning for research or therapeutic purposes and/or GMOs.

(e) The Fund will report on its responsible investment practices and ESG incorporation to the Unitholders and other stakeholders on an annual basis in alignment with reporting frameworks such as the one from the Principles for Responsible Investment (PRI).

Due Diligence

All our investment decisions are made based on financial, legal, commercial, and ESG due diligence as well as estimated return and key risk components. We conduct a standard due diligence on investee companies, including financial, legal, governance, business, and other appropriate issues. Investee company’s legal compliance and compliance to other applicable standards and practices is evaluated for each investment. This consideration includes ESG factors as well as potential future regulation and marketplace factors anticipated at that time.

Furthermore, during due diligence, we re-evaluate that each potential investee company does not have a predominantly negative impact on environment or social characteristics nor does significant harm on any of the six environmental objectives categorized in the EU taxonomy. The evaluation and assessment are done by using both

formal and heuristic methodologies and depending on the case, for example, by utilizing public databases, requesting information from the company, and applying schematic frameworks.

A summary of due diligence, including any material findings, is included in the investment documentation for our investment decisions. The summary is complemented with further details regarding possible ESG issues or markings when necessary. An investment proposal with its appendices is the summarized information for the evaluation of the attractiveness of an investment opportunity as well as the investment decision. Based on the due diligence findings we may exclude investing in businesses, including such that contain ESG risks.

Data Sources and Processing

Investee companies report their financial performance quarterly and ESG-related updates annually. Each investment manager in the Fund is responsible for reviewing the data and following up on the progress towards achieving ESG-related targets. The ESG performance of the portfolio is reported to our investors on an annual basis.

All investee companies' net impact is reassessed annually, and we keep track of the results and changes. Part of the annual monitoring consists of a questionnaire, which is used to collect impact-related information from the companies.

Engagement Policies

Active Ownership

We invest in startup companies in their early stages; usually, the companies are in a pre-market phase and the teams consist of founders only.

While we engage ourselves in the processes and policy-creations, we require each portfolio company to take active ownership of their ESG and corporate responsibility matters, and to implement them in a way that best serves value-creation in the company. They must adopt a corporate governance policy which advances good governance and a Code of Conduct based on the company's values.

Requirements and expectations may vary with respect to other ESG aspects depending for example on the sector, geography, and business model of the portfolio company in question. Possible violations or noted issues related to ESG or Code of Conduct are brought forward and discussed with founders by the investment manager or managing partner of Indico Capital Partners.

Designated reference benchmark

The Fund does not use any reference benchmark.