



Article 10 (SFDR) Website product disclosure

A/O Built Technologies II SCSp

A/O VC UK Limited

Summary

The Fund is committed to responsible investing within early-stage Built World Technology companies. It prioritizes environmental, social, and governance (ESG) factors in its investment decisions, although its primary objective is not sustainable investment.

Its main objective is to invest in portfolio companies that have a positive impact through solutions and technologies which enhance sustainability in construction, real estate development, and urban infrastructure. As part of its investment strategy, the Fund aims for 50% or more of its investments to qualify as sustainable investments with an environmental objective.

The Fund diligently monitors and engages with portfolio companies to effectively manage sustainability risks. Data is primarily sourced from portfolio companies, with measures in place to ensure accuracy and reliability, despite potential limitations in early-stage businesses. Pre-investment due diligence involves ESG analysis, and post-investment, the Fund integrates ESG engagement into its interactions, placing a strong emphasis on tracking progress. No specific benchmark index is designated for the Fund.

This SFDR disclosure provides insight into the Fund's ESG approach and steadfast commitment to fostering the transformation of real estate, with the goal of improving quality of life, accelerating sustainable living, and advancing the decarbonization of the built world.

No sustainable investment objective

This financial product promotes environmental or social characteristics but does not have as its objective sustainable investment.

Environmental or social characteristics

The Fund focuses on investments in early-stage (late seed, series A, series B) companies within the built world sector across Europe and North America. While its primary objective is not sustainable investment, it actively seeks opportunities to promote environmental and social characteristics in the following ways:

Environmental Characteristics

The Fund invests in companies that provide innovative solutions and technologies to improve sustainability in construction, real estate development, and urban infrastructure. Its investments aim to support improved environmental outcomes, such as reducing carbon emissions, enhancing energy efficiency, and minimizing resource consumption.

Social Characteristics

The Fund prioritizes investments in companies that contribute to the betterment of society. The Fund supports innovations that improve essential built world related services, improve living conditions, and create more inclusive and sustainable urban environments.

Furthermore, to ensure alignment with the business's core values, the Fund avoids investing in certain business models and sectors, including companies involved in:

- Production or trade of products or services deemed illegal under host country laws or international conventions.
- Tobacco (and other addictive substances), weapons/munitions, pesticides/herbicides (subject to international phase-outs/bans), sex work, pornography, gambling, or casinos, as well as companies deriving more than five percent of total sales from distributing these products.
- Production or involvement in fossil fuels, including unconventional extraction like oil sands and deep-sea drilling in particularly sensitive areas.

Additionally, the Fund excludes companies (where legally compliant) whose:

- Business models and products exacerbate social and environmental issues.
- Founders or senior team members have a history of involvement in cases of harassment, discrimination, or bullying without demonstrable repentance and rehabilitation.
- Non-compliance with international standards and conventions concerning human rights, environmental protection, anti-corruption, or labour laws.
- Products, services, or business models rely on exploitative tactics targeting specific demographics or at-risk groups.

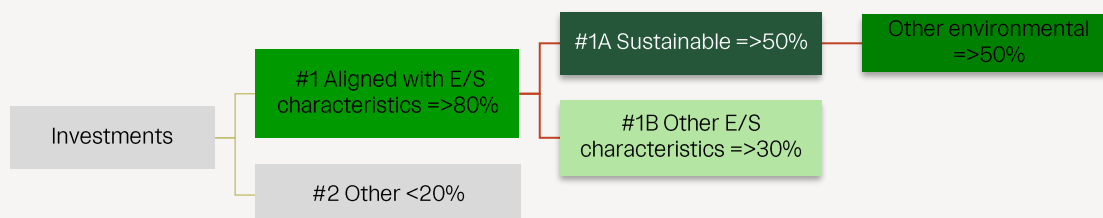
Investment Strategy

The Fund's investment strategy is to make early-stage (pre-seed, seed, Series A and Series B) investments in companies operating within the built world sector across Europe and North America. It actively seeks out opportunities to invest in startups and emerging enterprises that align with its values and demonstrate potential for growth and impact. The Fund intends to invest capital, leverage networks, provide expertise, and offer strategic support to stimulate growth within the businesses it backs.

The Fund also implements robust governance controls to ensure good governance practices throughout the investment period beginning with Manager's assessment at the pre-investment due diligence phase with regular monitoring once the investment has been carried out.

Proportion of Investments

Although not all investments made by the Fund within the built world sector directly promote environmental and/or social characteristics, the Fund aims to maximize the positive impact of its portfolio companies on the environment and society. It is expected that at least 50% of the Funds' investments will qualify as sustainable investments with an environmental objective.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

Monitoring of environmental and/or social characteristics

The Fund actively monitors its portfolio companies to assess and track the environmental and social characteristics of its investments, enabling the management of sustainability risks throughout the investment lifecycle. It engages with portfolio companies, encouraging them to adopt sustainable practices, improve their ESG performance, and align with internationally recognized frameworks and standards.

During the due diligence phase, the Manager assesses key ESG metrics relevant to the business and sector, ensuring alignment with the Fund's impact objectives. Certain business models and sectors are excluded from investment, guided by a list loosely modelled on the International Finance Corporation's exclusion criteria.

Due to the Partnership's focus on early-stage companies, data availability is limited, making it difficult to acquire consistent and meaningful data. Therefore, the Partnership tracks the following characteristics:

- Number of portfolio companies with a climate policy
- Number of portfolio companies with a diversity and inclusion policy
- Number of portfolio companies with a code of conduct policy

Methodologies

The Fund's portfolio managers use a combination of negative and positive screening to evaluate potential investments within the built world sector. They assess how each investment aligns with the Fund's target sectors and identify associated ESG characteristics and potential issues. Post-investment, they take actions as necessary to manage and improve these issues over time.

Data sources and processing

Data for assessing environmental and social characteristics primarily comes from the Fund's portfolio companies, with potential supplementation from third-party data sources where available. The portfolio manager strives to compare this data with industry peers whenever feasible to gain valuable insights. To ensure data quality, the portfolio manager engages regularly with portfolio companies during business planning to verify data accuracy and reliability. Additionally, the Investment Advisor has appointed an ESG and Finance manager to engage with the portfolio companies on their metrics and data collection processes and is in the process of appointing a third-party ESG data platform to facilitate efficient data collection, storage, aggregation, and reporting.

While the intent is to rely on actual data from the Fund's portfolio companies, in cases of data absence or incompleteness (e.g., greenhouse gas emissions data), estimates may be utilized to bridge gaps.

Limitations to methodologies and data

The Fund invests in early-stage businesses and acknowledges that data collected from portfolio companies may have limitations in terms of completeness, accuracy, or timeliness due to the fact that they may not have developed or implemented processes and systems in this regard. To address these limitations, the Fund emphasizes building trust-based partnerships and are looking to engage with an ESG data management tool with built-in controls to enhance data reliability.

While the intent is to rely on actual data from the Fund's portfolio companies, in cases of data absence or incompleteness (e.g., greenhouse gas emissions data), estimates may be utilized to bridge gaps.

Due Diligence

During the pre-investment due diligence process, the Fund conducts an initial ESG analysis to assess the alignment of potential investments with its sustainability objectives and criteria. The portfolio manager analyses ESG factors alongside financial considerations to ensure that investments not only generate returns but also contribute positively to sustainability outcomes. Throughout the investment period, it monitors ESG risks and opportunities through ongoing dialogue with portfolio companies, and, when needed, the engagement of external consultants.

Engagement Policies

Following an investment, the Fund integrates ESG engagement into its interactions with portfolio companies. This entails continuous monitoring and reporting, with a specific focus on tracking the implementation of new processes. This emphasis on progress is especially vital given the Fund's focus on early-stage businesses in the process of scaling up. Additionally, the Fund actively manages its investments in the built world sector and collaborates with industry stakeholders on sustainability initiatives to drive positive change within the sector.

Designated Reference Benchmark

The Fund does not have a specific benchmark index.