

## ANNEX V

Template for periodic disclosure for the financial products referred to in Article 9, paragraphs 1 to 4a, of Regulation (EU) 2019/2088 and Article 5, first paragraph, of Regulation (EU) 2020/852

Product Name: Fair Capital Impact Fund

Legal entity identifier: 724500WYYJRPZH4I2L29

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

**The EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of environmentally sustainable economic activities. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

## Sustainable investment objective

### Did this financial product have a sustainable investment objective?

Yes

No

It will make a minimum of sustainable investments with an environmental objective: 100%

in economic activities that qualify as environmentally sustainable under the EU Taxonomy

in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

It will make a minimum of sustainable investments with a social objective: 0%

It promotes **Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of \_ of sustainable investments

with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

with a social objective

It promotes E/S characteristics, but will not make any sustainable investments



### To what extent was the sustainable investment objective of this financial product met?

Fair Capital Impact Investing manages one fund that exclusively invests in early stage companies that assist in the transition to a sustainable economy. The objective of the fund is to accelerate transition under three pillars: sustainable energy, fair food systems and circular economy. The Fund does not consider an investment into any company of which the primary business activities do significant harm as defined by the Fund.

The sustainable investment objective has been met to the extent that no investment has been made into a company of which the primary business activities do significant harm.

#### • How did the sustainability indicators perform?

The sustainability indicators used to measure the attainment of each of the environmental characteristics promoted by the Fund are:

1. Kilograms of CO2 emissions avoided  
During 2023, a total of 16.930.050 KG Co2-eq was avoided on the portfolio level.
2. Kilograms of waste reduced or reused  
During 2023, a total of 703.600 KG waste was reduced on the portfolio level.

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

3. Units of sustainable products sold  
During 2023, a total of 9.260.414 sustainable products were sold by the portfolio companies

- **...compared to previous periods?**

No comparison can be made based on the available data, as this is the first year that the Fund discloses this information.

- **How did the sustainable investments not cause significant harm to any sustainable investment objective?**

The Fund assessed the business activities, internal policies & processes of all companies pre-investment on current or potential significant environmental or social harm based on Principal Adverse Impact Indicators (PAIs). When a company did not pass the threshold for a PAI, an investment was not considered any further.

*How were the indicators for adverse impacts on sustainability factors taken into account?  
The indicators for adverse impacts on the sustainability factors were taken into by Fair Capital in the following way. The fund considers the potential negative consequences of any investment opportunity as indicated by adverse impact indicators (PAIs), as part of the investment process. During this process, investment opportunities which did not meet minimum environmental or social thresholds were excluded.*

*By engaging with investees the fund already invested in, the potential negative impacts were monitored. Investees are required to report on indicators relevant to the investee on at least an annual basis. This information is analyzed and reported in the annual impact report.*

*Were sustainable investments aligned with [the OECD Guidelines for Multinational Enterprises](#) and [the UN Guiding Principles on Business and Human Rights](#)?*

*Yes, the Fund analyzed the potential investee for violations of the OECD Guidelines for Multinational Enterprises, as well as the UN Guiding Principles on Business and Human Rights, as well as presence of compliance mechanisms that the investee has in relation with both of these. Any investee for which a violation was discovered in the last 3 years, or that is not willing to conduct an internal assessment to check adherence with the OECD Guidelines & UN Guiding Principles on Business and Human Rights, was not considered a sustainable investment.*



## **How did this financial product consider principal adverse impacts on sustainability factors?**

If the Fund concludes that an investment currently does not meet the internally set threshold, or is at risk of crossing a threshold of any of the PAIs, then the investment cannot be considered as not doing significant harm, and therefore cannot be classified as a sustainable investment.

In conducting these assessments the Fund considered adverse impacts directly caused due to the products or services offered by the investee, or if more appropriate, the adverse impacts of the products or services that are enabled by the offerings of the investee in comparison with existing conventional alternatives that these would replace.

Where no proxy data was available, the Fund will aimed to make an estimate of the value of the PAI based on the sector, nature of business of the investee and other reported metrics from the investee. Finally, when a credible estimate could be made either, then the Fund would consider that the investee company did not meet the threshold of that specific PAI.

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.



## What were the top investments of this financial product?

The list includes the investments constituting the **greatest proportion of investments** of the financial product during the reference period which is: **[complete]**

|    | Largest Investments | Sector                 | % Assets  | Country         |
|----|---------------------|------------------------|---|-----------------|
| 1  | HeatTransformers    | Consumer Discretionary | 20,09%  | The Netherlands |
| 2  | Seepje              | Consumer Staples       | 15,63%  | The Netherlands |
| 3  | ECO Group           | Consumer Staples       | 14,51%  | Germany         |
| 4  | Chainable           | Consumer Discretionary | 7,81%   | The Netherlands |
| 5  | Reliving            | Consumer Discretionary | 7,25%   | The Netherlands |
| 6  | 3DTI                | Materials              | 7,09%   | The Netherlands |
| 7  | NICE                | Consumer Staples       | 6,70%   | The Netherlands |
| 8  | Lazy Vegan          | Consumer Staples       | 6,14%   | The Netherlands |
| 9  | Local Tea           | Consumer Staples       | 5,58%   | The Netherlands |
| 10 | GreenPro            | Consumer Staples       | 5,30%   | The Netherlands |
| 11 | Tap Electric        | Information Technology | 2,79%   | The Netherlands |
| 12 | De Clique           | Materials              | 1,12%   | The Netherlands |
| 13 |                     |                        | To enable a like for like comparison of the ESG characteristics of different portfolios, the above figures exclude cash |                 |
| 14 |                     |                        |   |                 |
| 15 |                     |                        |   |                 |



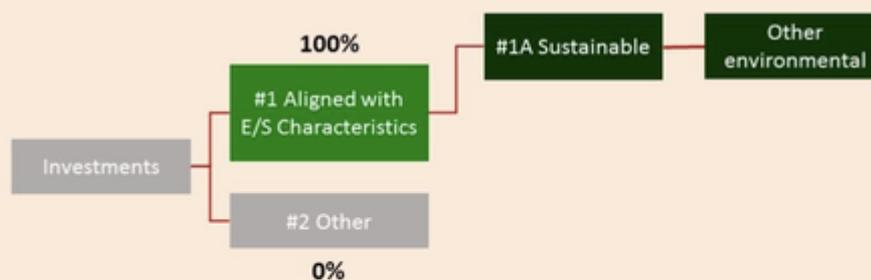
## What was the proportion of sustainability-related investments?

**Reference benchmarks** are indexes to measure whether the financial product attains the sustainable investment objective

**Asset allocation** describes the share of investments in specific assets.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable

### • What was the asset allocation?



**#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 subcategory **#1A Sustainable** covers sustainable investments with environmental or social objectives.

### • In which economic sectors were the investments made?

|   | Sector                 | % Assets |
|---|------------------------|----------|
| 1 | Consumer Staples       | 50%      |
| 2 | Consumer Discretionary | 25%      |

power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

|    |                        |     |
|----|------------------------|-----|
| 3  | Materials              | 17% |
| 4  | Information Technology | 8%  |
| 5  |                        |     |
| 6  |                        |     |
| 7  |                        |     |
| 8  |                        |     |
| 9  |                        |     |
| 10 |                        |     |
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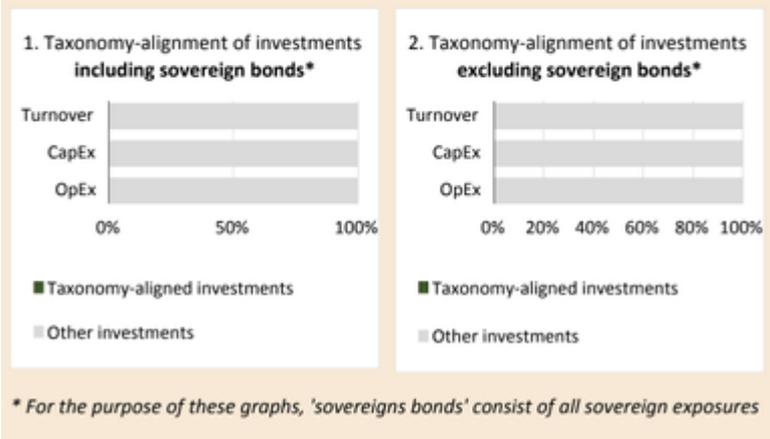
### To what extent were sustainable investments with an environmental objective aligned with the EU Taxonomy?

The extent of sustainable investments with an environmental objective aligned with the EU Taxonomy was 0%.

The proportion of the investments per each of the environmental objectives set out in the EU Taxonomy was as follows:

- (a) climate change mitigation: 0%
- (b) climate change adaptation: 0%
- (c) the sustainable use and protection of water and marine resources: 0%
- (d) the transition to a circular economy: 0%
- (e) pollution prevention and control: 0%
- (f) the protection and restoration of biodiversity and ecosystems: 0%

*The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy alignment of sovereign bonds\*, the first graph shows the taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*



Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue

### Did the financial product invest in fossil gas and/or nuclear energy-related activities that complying with the EU Taxonomy\* ?

No

from green activities of investee companies

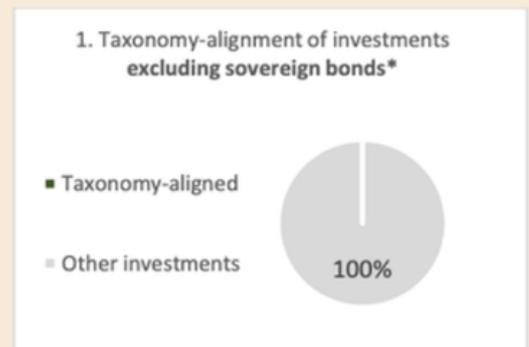
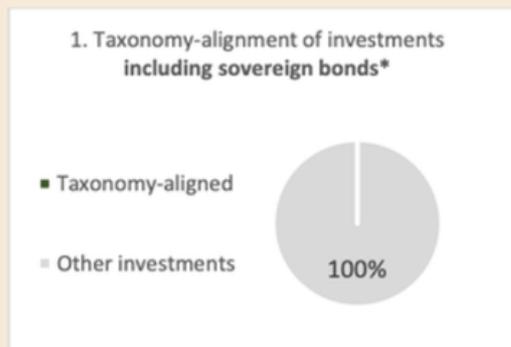
- **capital expenditure (CapEx)** showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure (OpEx)** reflecting green operational activities of investee companies.

[\*] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change (“climate change mitigation”) and do not significantly harm any EU Taxonomy objectives - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

 are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.

***The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.***



\*For the purpose of these graphs, ‘sovereign bonds’ consist of all sovereign exposures

- **What was the share of investments made in transitional and enabling activities?**  
0%

- **How did the percentage of investments aligned with the EU Taxonomy compare with**

**previous reference periods?**

No comparison with previous periods can be made yet based on the available data.



**What was the share of sustainable investments with an environmental objective that were not aligned with the EU Taxonomy?**

100%



**What was the share of socially sustainable investments?**

The fund invests with an environmental objective and therefore there the share of socially sustainable investments is not applicable.



**What investments were included under "not sustainable", what was their purpose and were there any minimum environmental or social safeguards?**

N/A



**What actions have been taken to attain the sustainable investment objective during the reference period?**

The Fund followed a binding strategy during the reference period to attain the sustainable investment objective.

For all of our investees, we followed a screening process based on the following:

- Have a clear and measurable positive contribution to the sustainable objectives of the fund
- Be willing to communicate and/or share information on its contribution to the sustainable investment objectives of the Fund and report on it regularly
- Report its performance on the principal adverse impacts considered by the Fund
- Be open to an audit of its reported financial statements, governance mechanisms, and internal business processes, if required by the Fund
- Accept a veto by the Fund (if necessary together with other sustainable investors in the company) on any action or decision that would alter the sustainable objectives of the company



**How did this financial product perform compared to the reference sustainable benchmark?**

No specific index was designated

**How did the reference benchmark differ from a broad market index?**

N/A

**Reference benchmarks** are indexes to measure whether the financial product attains the sustainable investment objective

***How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the sustainable investment objective?***

N/A

***How did this financial product perform compared with the reference benchmark?***

N/A

***How did this financial product perform compared with the broad market index?***

N/A