



Brussels, 6.4.2022
C(2022) 1931 final

ANNEX 5

ANNEX

to the

Commission Delegated Regulation (EU) .../....

supplementing Regulation (EU) 2019/2088 of the European Parliament and of the Council with regard to regulatory technical standards specifying the details of the content and presentation of the information in relation to the principle of ‘do no significant harm’, specifying the content, methodologies and presentation of information in relation to sustainability indicators and adverse sustainability impacts, and the content and presentation of the information in relation to the promotion of environmental or social characteristics and sustainable investment objectives in pre-contractual documents, on websites and in periodic reports

ANNEX V

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: Future Food Fund II Cooperatief U.A

Legal entity identifier: 84521023

Sustainable investment objective

Did this financial product have a sustainable investment objective?	
<input checked="" type="radio"/> <input checked="" type="radio"/> <input checked="" type="checkbox"/> Yes	<input checked="" type="radio"/> <input type="radio"/> <input type="checkbox"/> No
<input checked="" type="checkbox"/> It made sustainable investments with an environmental objective : 100 % <ul style="list-style-type: none"><input checked="" type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy<input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	<input type="checkbox"/> It promoted Environmental/Social (E/S) characteristics and while it did not have as its objective a sustainable investment, it had a proportion of ___% of sustainable investments <ul style="list-style-type: none"><input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy<input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy<input type="checkbox"/> with a social objective
<input type="checkbox"/> It made sustainable investments with a social objective : ___%	<input type="checkbox"/> It promoted E/S characteristics, but did not make any sustainable investments



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

Future Food Fund II (FFF II) is a specialist venture capital fund that invests in early stage companies that positively impact the value chain of food & agriculture. FFF II aims to deliver environmental and financial returns in equal measure. Future Food Fund Management, the manager of FFF II, believes financial returns are strongly correlated with sustainable management of environmental, social and governance risks (ESG).

Sustainability and impact are deeply rooted within management of the Future Food Fund. It is embedded in its mission and investment process. The Fund therefore classifies as an article 9 fund within the meaning of Regulation (EU) 2019/2088, that is, a product targeting sustainable investments.

Who are we: FFF II is a specialist food & agri tech fund investing in Seed and Serie-A in North West Europe. The Fund is managed by a diverse and experienced team backed by entrepreneurial food & agriculture investors.

What are we doing: FFF II contributes to positive environmental impact through VC investments. FFF II invests capital in entrepreneurs building sustainable food systems. By adding capital, knowledge and network FFF II helps them to make a positive impact with their food & agriculture ventures.

How are we doing it: By driving innovation and change to food systems. Current food and agricultural systems pose a big problem to a sustainable life on earth. By driving innovation and change to these systems, they transform from being the cause of overstretching the planetary boundaries to becoming the solution.

Why are we doing it: If we want a sustainable future on earth we need to stay within the planetary boundaries which are holding the stability of the earth together. Mankind is undermining the stability and ability of planet earth to support human development as we know it. The insight is deeply troubling but it also gives us hope as it shows us how to fix things.

FFF management uses the Planetary Boundaries framework as our leading format in the decision-making. Sustainability indicators used to measure the attainment of the sustainable investment objective are linked to that framework. The companies FFF II invests in, must have (at least) a positive impact on two Planetary Boundaries (out of the first six FFF II selected as most material for food & agri investments).

Note that the exact definition of the sustainability indicators used for the FFF II portfolio are in the process of being formulated and decided upon. Each of the indicators are being formulated in such a way that they adequately measure progress of the solution that is being offered by the specific portfolio company and the contribution towards the Planetary Boundaries framework.

The Planetary Boundaries framework describes the limits to the impacts of human activities on the Earth system. Beyond these limits, the environment may not be able to self-regulate anymore. Crossing a planetary boundary comes at the risk of abrupt environmental change. The framework is proposed by a group of earth system and environmental scientists led by Johan Rockström from the Stockholm Resilience Centre in 2009 to help policymakers and society identify and manage key environmental challenges that humanity faces in the 21st century. The United Nations secretary general Ban Ki-moon endorse the concept of planetary boundaries when he presented the key points of the report of his High-Level panel on Global Sustainability to an informal plenary of the UN General Assembly in 2012.

These boundaries represent the biophysical processes that regulate the stability and resilience of the Earth's ecosystem, which are essential for maintaining life as we know it.

The Planetary Boundaries framework contributes to an understanding of global sustainability because it brings a planetary scale and a long-term framework into focus. The framework describes nine 'planetary life support systems. These nine boundaries are:

1. Climate Change: The increase in atmospheric concentrations of greenhouse gases, primarily carbon dioxide, due to human activities is causing global warming, resulting in significant changes in temperature, precipitation, and extreme weather events.

2. Biodiversity loss: Human activities such as habitat destruction, overfishing, and pollution are causing a significant reduction in the variety and abundance of plant and animal species, leading to a decline in the functioning and resilience of ecosystems.

3. Biogeochemical cycles: The disruption of biogeochemical cycles, such as nitrogen and phosphorus, caused by human activities such as fertiliser use, is leading to the eutrophication of waterways and the deterioration of the quality of soil and freshwater.

4. Land Use: Human activities such as deforestation, agriculture, and urbanisation are causing significant changes in land use, leading to a loss of biodiversity, soil degradation, and changes in the carbon cycle.

5. Freshwater use: The unsustainable use and management of freshwater resources by humans, including irrigation, urbanisation, and pollution, are leading to declining water availability, water quality, and the loss of aquatic biodiversity.

6. Novel entities: The release of synthetic chemicals and other novel entities into the environment can have significant impacts on ecosystems and human health, and their long-term effects are often unknown.

7. Ocean Acidification: The increase in atmospheric carbon dioxide due to human activities is causing the acidification of the ocean, leading to significant impacts on marine ecosystems and the services they provide.

8. Atmospheric Aerosols: The increased use of fossil fuels and other human activities are leading to increased atmospheric aerosols, which can have significant impacts on human health and climate.

9. Stratospheric ozone depletion: The use of certain chemicals, including chlorofluorocarbons (CFCs), is causing a depletion of the protective ozone layer in the Earth's atmosphere, leading to increased exposure to harmful ultraviolet radiation.

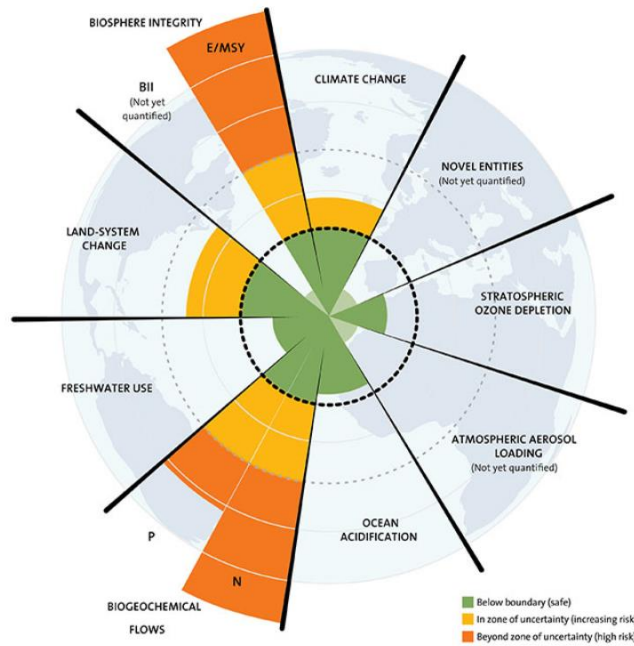


Figure 1: Graphic representation & state of the nine Planetary Boundaries

Source: Stockholm Resilience Sector (www.stockholmresilience.org/research/planetary-boundaries/the-nine-planetary-boundaries)

During 2022 the first investment was made by Future Food Fund II. This was an investment in an early-stage plant breeding technology firm. This investment contributed positively to the sustainability goal of FFF II, specifically towards the problem as defined above: ‘Land Use: Human activities such as deforestation, agriculture, and urbanisation are causing significant changes in land use, leading to a loss of biodiversity, soil degradation, and changes in the carbon cycle.’. This portfolio company developed an innovative technique to better plants much faster, thereby opening the door for diversity crops.

● **How did the sustainability indicators perform?**

No sustainability indicators were measured yet in 2022. The FFF II made its first investment in December 2022, and the measurement period was too short for a meaningful measurement.

● **...and compared to previous periods?**

Future Food Fund II was launched in 2022, and this report over 2022 is the first report for Future Food Fund II. No previous period comparison is possible at current. The next periodic reports will be release measurement over 2023 at which point a comparison with 2022 can be provided.

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

How were the indicators for adverse impacts on sustainability factors taken into account?

The earlier described Planetary boundaries framework entails all the impact opportunities and impact indicators and can be seen as 'do good' model. Our ESG analysis is based on the 'do no harm' principle, which is part of the due diligence of each investment and the outcome of which is integrated in the investment decision. This ESG analysis is part of a bigger decision making process where we screen the entire proposition on whether they could positively impact the environment, based on our proprietary Theory of Change methodology.

FFF has two governing bodies that provide input and decision making in this process, the Investment Committee (IC) and the impact board (IB). The IC makes the decision to progress with a prospective investment into the due diligence phase and makes the final investment, follow-on investment, and divestment decision. The independent IB reviews and advises on the setting of impact targets (pre-investment).

As part of our impact investing strategy, we consider possible adverse sustainability impacts of our portfolio companies in due diligence and monitor these potential risks after the investment. These include the Principal Adverse Impact (PAI) indicators provided by the European Union as part of the SFDR. Because of our early stage (start-up/ young scale-up) investment strategy and the fact that we invest in companies with a sustainable objective we do not currently expect material adverse impacts on these key performance indicators. Our typical investment companies are also likely to be inherently conscious about their potential adverse impacts and strive to mitigate these where possible. However, in the situation that a risk of material negative impact occurs this would be recorded and reported to our stakeholders.

Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?

All FFF II investments were aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights

As part of our ESG analysis we check how our portfolio companies are aligned with the OECD Guidelines for Multinational Enterprises and UN Guiding Principles on Business and Human Rights during the due diligence phase of the Financial Product's investment process.



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

In addition to the above mentioned regarding how principle adverse impact on sustainability factors. Please see below how the principle adverse indicator data collected from FFF II investments over reporting period 2022.

Area	Adverse sustainability indicator	2022	Explanation or actions taken	
Greenhouse gas emissions	Scope 1 Emissions (Tons CO ₂ e)	0	The investee company had a non-material GHG footprint over 2022. It is an asset-light, environmentally aware investment. Not enough data was available at the time of reporting for Scope 3 calculation.	
	Scope 2 Emissions (Tons CO ₂ e)	0.85		
	Scope 3 Emissions (Tons CO ₂ e)	N/A		
	Total GHG Emissions (Tons CO ₂ e)	0.85		
	Carbon footprint (Tons CO ₂ e)/EUR capital invested)	0.00		Carbon footprint of FFFII investments were non-material over 2022.
	GHG Intensity of investee companies (Tons CO ₂ e)/EUR revenue)	N/A		The investment was pre-revenue in 2022.
	Exposure to companies active in the fossil fuel sector	0%		
	Renewable energy consumption	17.1%		
	Energy consumption intensity per high negative impact climate sector	N/A		FFF II did not have any investments in negative high impact climate sectors in 2022
Biodiversity	Companies with a negative affect on a biodiversity-sensitive area	0%		
	Investments in companies without sustainable land/agriculture practices	0%		
Water	Emissions to water (Tons/EUR invested)	0		
Waste	Hazardous waste generated (Tons/EUR invested)	0		
Social and employee matters	Companies which violated the UN Global Compact principles and OECD Guidelines for Multinational Enterprises	0%		
	Companies that lack processes and mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises	0%		
	Gender pay gap (difference women & men)	-197%	This a negative number as average female wage was higher than average male employees wage in 2022.	
	Representation of female members on the board	100%	The investment of FFF II had an all female board in 2022.	
	Exposure to controversial weapons	0%		
	Companies without a human rights policy	0%		



What were the top investments of this financial product?

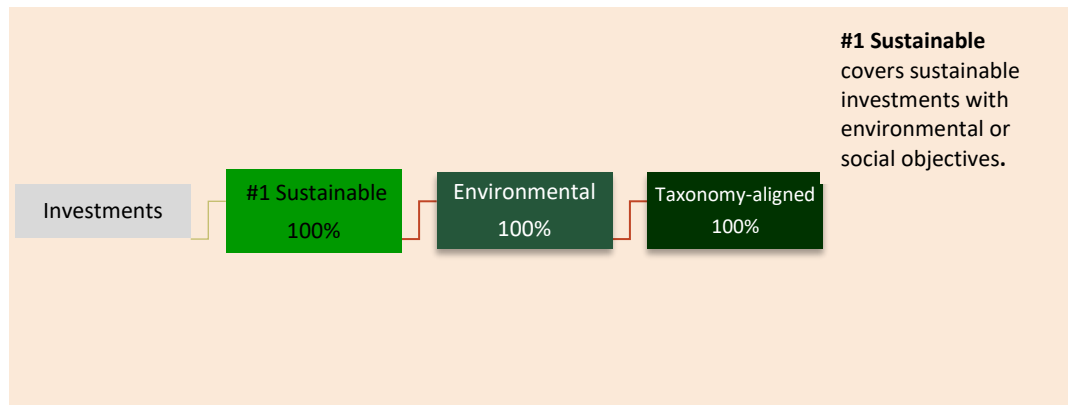
Largest investments FFF II 2022	Sector	% Assets	Country
Plant breeding technology	Agri Tech	100%	France



What was the proportion of sustainability-related investments?

● *What was the asset allocation?*

The strategic asset allocation of FFF II was 100% direct investment in an early stage company, where FFF II holds minority stake. The investment has a full environmental goal, and was fully taxonomy aligned, working towards 'Climate Mitigation'.



● *In which economic sectors were the investments made?*

The investment in the FFF II Fund were in agricultural technology.



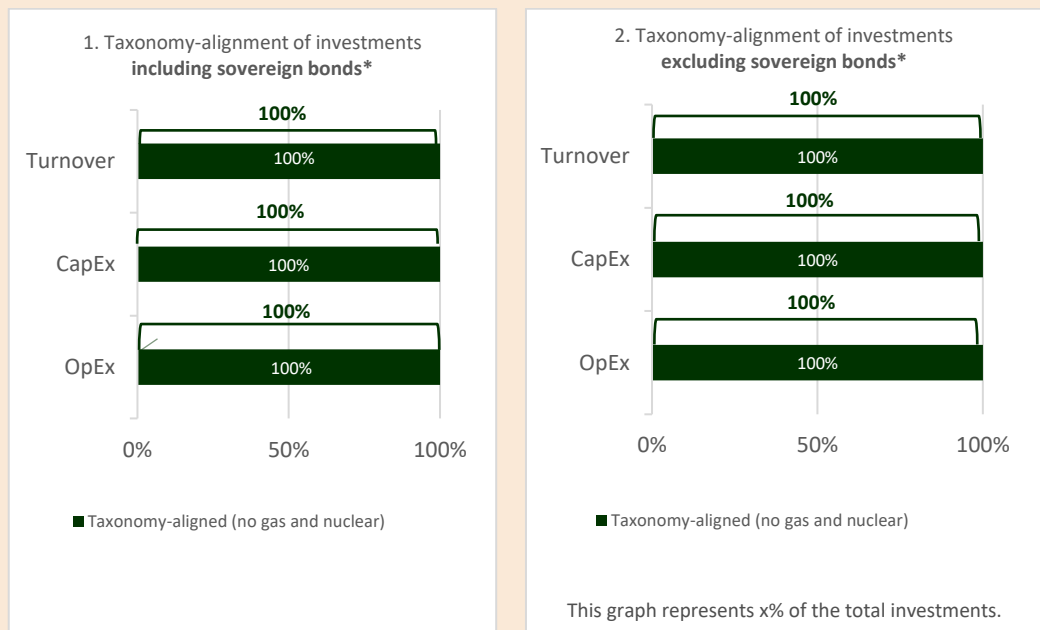
To what extent were sustainable investments with an environmental objective aligned with the EU Taxonomy?

All sustainable investments made by Future Food Fund II had an environmental objective and were aligned with the EU Taxonomy over 2022, specifically with 'Climate Mitigation'. Specifically the investment made by FFF II in 2022 is working towards solving the problem posed by the current food and agricultural systems which pose a big threat to a sustainable life on earth and are part of the problem which cause overstretching of the planetary boundaries. By driving innovation and change to these systems, the investment FFF II made (and makes) help transform the food & agricultural value chain and are part of the solution.

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

Not applicable, the Financial Product does not invest in fossil gas and / or nuclear energy related activities

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.*



* For the purpose of this disclosure where exposure including & excluding sovereign bonds is requested. This Financial Product does not and will not invest in sovereign bonds..

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

Not applicable. No investments were made in transitional or enabling activities.

- **How did the percentage of investments aligned with the EU Taxonomy compare with previous reference periods?**

Future Food Fund II was launched in 2022, and this report over 2022 is the first report for Future Food Fund II. No previous period comparison is possible at current. The next periodic reports will be release measurement over 2023 at which point a comparison with 2022 can be provided.



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

Not applicable as all of FFF II's investments are expected to contribute to environmental objectives aligned with the planetary boundaries, which are in line with the EU taxonomy.



What was the share of socially sustainable investments?

Not applicable. No sustainable investments with an explicit social objective were made.



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

Not applicable. No ‘not sustainable’ investments were made by FFF II.



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

During 2022 the first investment was made by Future Food Fund II. This was an investment in an early-stage plant breeding technology firm. This investment contributed positively to the sustainability goal of FFF II, specifically towards the problem as defined by FFF: ‘Land Use: Human activities such as deforestation, agriculture, and urbanisation are causing significant changes in land use, leading to a loss of biodiversity, soil degradation, and changes in the carbon cycle.’. This portfolio company developed an innovative technique to better plants much faster, thereby opening the door for diversity crops.



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

No specific reference benchmark has been designated for the purpose of attaining the sustainable investment objective. To date we have not found a relevant impact benchmark for early stage private equity impact investments.