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ANNEX 1

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 I

Template principal adverse sustainability impacts statement

For the purposes of this Annex, the following definitions shall apply:

- (1) ‘scope 1, 2 and 3 GHG emissions’ means the scope of greenhouse gas emissions referred to in points (1)(e)(i) to (iii) of Annex III to Regulation (EU) 2016/1011 of the European Parliament and of the Council¹;
- (2) ‘greenhouse gas (GHG) emissions’ means greenhouse gas emissions as defined in Article 3, point (1), of Regulation (EU) 2018/842 of the European Parliament and of the Council²;
- (3) ‘weighted average’ means a ratio of the weight of the investment by the financial market participant in an investee company in relation to the enterprise value of the investee company;
- (4) ‘enterprise value’ means the sum, at fiscal year-end, of the market capitalisation of ordinary shares, the market capitalisation of preferred shares, and the book value of total debt and non-controlling interests, without the deduction of cash or cash equivalents;
- (5) ‘companies active in the fossil fuel sector’ means companies that derive any revenues from exploration, mining, extraction, production, processing, storage, refining or distribution, including transportation, storage and trade, of fossil fuels as defined in Article 2, point (62), of Regulation (EU) 2018/1999 of the European Parliament and of the Council³;
- (6) ‘renewable energy sources’ means renewable non-fossil sources, namely wind, solar (solar thermal and solar photovoltaic) and geothermal energy, ambient energy, tide, wave and other ocean energy, hydropower, biomass, landfill gas, sewage treatment plant gas, and biogas;
- (7) ‘non-renewable energy sources’ means energy sources other than those referred to in point (6);
- (8) ‘energy consumption intensity’ means the ratio of energy consumption per unit of activity, output or any other metric of the investee company to the total energy consumption of that investee company;

¹ Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014 (OJ L 171, 29.6.2016, p. 1).

² Regulation (EU) 2018/842 of the European Parliament and of the Council of 30 May 2018 on binding annual greenhouse gas emission reductions by Member States from 2021 to 2030 contributing to climate action to meet commitments under the Paris Agreement and amending Regulation (EU) No 525/2013 (OJ L 156, 19.6.2018, p. 26).

³ Regulation (EU) 2018/1999 of the European Parliament and of the Council of 11 December 2018 on the Governance of the Energy Union and Climate Action, amending Regulations (EC) No 663/2009 and (EC) No 715/2009 of the European Parliament and of the Council, Directives 94/22/EC, 98/70/EC, 2009/31/EC, 2009/73/EC, 2010/31/EU, 2012/27/EU and 2013/30/EU of the European Parliament and of the Council, Council Directives 2009/119/EC and (EU) 2015/652 and repealing Regulation (EU) No 525/2013 of the European Parliament and of the Council (OJ L 328, 21.12.2018, p. 1).

- (9) ‘high impact climate sectors’ means the sectors listed in Sections A to H and Section L of Annex I to Regulation (EC) No 1893/2006 of the European Parliament and of the Council⁴;
- (10) ‘protected area’ means designated areas in the European Environment Agency’s Common Database on Designated Areas (CDDA);
- (11) ‘area of high biodiversity value outside protected areas’ means land with high biodiversity value as referred to in Article 7b(3) of Directive 98/70/EC of the European Parliament and of the Council⁵;
- (12) ‘emissions to water’ means direct emissions of priority substances as defined in Article 2(30) of Directive 2000/60/EC of the European Parliament and of the Council⁶ and direct emissions of nitrates, phosphates and pesticides ;
- (13) ‘areas of high water stress’ means regions where the percentage of total water withdrawn is high (40-80%) or extremely high (greater than 80%) in the World Resources Institute’s (WRI) Water Risk Atlas tool “Aqueduct”;
- (14) ‘hazardous waste and radioactive waste’ means hazardous waste and radioactive waste;
- (15) ‘hazardous waste’ means hazardous waste as defined in Article 3(2) of Directive 2008/98/EC of the European Parliament and of the Council⁷ ;
- (16) ‘radioactive waste’ means radioactive waste as defined in Article 3(7) of Council Directive 2011/70/Euratom⁸;
- (17) ‘non-recycled waste’ means any waste not recycled within the meaning of ‘recycling’ in Article 3(17) of Directive 2008/98/EC;
- (18) ‘activities negatively affecting biodiversity-sensitive areas’ means activities that are characterised by all of the following:
- (a) those activities lead to the deterioration of natural habitats and the habitats of species and disturb the species for which a protected area has been designated;
- (b) for those activities, none of the conclusions, mitigation measures or impact assessments adopted pursuant to any of the following Directives or national provisions or international standards that are equivalent to those Directives have been implemented:

⁴ Regulation (EC) No 1893/2006 of the European Parliament and of the Council of 20 December 2006 establishing the statistical classification of economic activities NACE Revision 2 and amending Council Regulation (EEC) No 3037/90 as well as certain EC Regulations on specific statistical domains Text with EEA relevance (OJ L 393, 30.12.2006, p. 1–39).

⁵ Directive 98/70/EC of the European Parliament and of the Council of 13 October 1998 relating to the quality of petrol and diesel fuels and amending Council Directive 93/12/EEC (OJ L 350, 28.12.1998, p. 58).

⁶ Directive 2000/60/EC of the European Parliament and of the Council of 23 October 2000 establishing a framework for Community action in the field of water policy (OJ L 327, 22.12.2000, p. 1).

⁷ Directive 2008/98/EC of the European Parliament and of the Council of 19 November 2008 on waste and repealing certain Directives (OJ L 312, 22.11.2008, p. 3).

⁸ Council Directive 2011/70/Euratom of 19 July 2011 establishing a Community framework for the responsible and safe management of spent fuel and radioactive waste (OJ L 199, 2.8.2011, p. 48).

- (i) Directive 2009/147/EC of the European Parliament and of the Council⁹;
 - (ii) Council Directive 92/43/EEC¹⁰;
 - (iii) an Environmental Impact Assessment (EIA) as defined in Article 1(2), point (g), of Directive 2011/92/EU of the European Parliament and of the Council¹¹;
 - (iv) for activities located in third countries, conclusions, mitigation measures or impact assessments adopted in accordance with national provisions or international standards that are equivalent to the Directives and impact assessments listed in points (i), (ii) and (iii);
- (19) ‘biodiversity-sensitive areas’ means Natura 2000 network of protected areas, UNESCO World Heritage sites and Key Biodiversity Areas (‘KBAs’), as well as other protected areas, as referred to in Appendix D of Annex II to Commission Delegated Regulation (EU) 2021/2139¹²;
- (20) ‘threatened species’ means endangered species, including flora and fauna, listed in the European Red List or the IUCN Red List, as referred to in Section 7 of Annex II to Delegated Regulation (EU) 2021/2139;
- (21) ‘deforestation’ means the temporary or permanent human-induced conversion of forested land to non-forested land;
- (22) ‘UN Global Compact principles’ means the ten Principles of the United Nations Global Compact;
- (23) ‘unadjusted gender pay gap’ means the difference between average gross hourly earnings of male paid employees and of female paid employees as a percentage of average gross hourly earnings of male paid employees;
- (24) ‘board’ means the administrative, management or supervisory body of a company;
- (25) ‘human rights policy’ means a policy commitment approved at board level on human rights that the economic activities of the investee company shall be in line with the UN Guiding Principles on Business and Human Rights;
- (26) ‘whistleblower’ means ‘reporting person’ as defined in Article 5(7) of Directive (EU) 2019/1937 of the European Parliament and of the Council¹³;

⁹ Directive 2009/147/EC of the European Parliament and of the Council of 30 November 2009 on the conservation of wild birds (OJ L 20, 26.1.2010, p. 7).

¹⁰ Council Directive 92/43/EEC of 21 May 1992 on the conservation of natural habitats and of wild fauna and flora (OJ L 206, 22.7.1992, p. 7).

¹¹ Directive 2011/92/EU of the European Parliament and of the Council of 13 December 2011 on the assessment of the effects of certain public and private projects on the environment (OJ L 026, 28.1.2012, p. 1).

¹² Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by establishing the technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to climate change mitigation or climate change adaptation and for determining whether that economic activity causes no significant harm to any of the other environmental objectives (OJ L 442, 9.12.2021, p. 1).

¹³ Directive (EU) 2019/1937 of the European Parliament and of the Council of 23 October 2019 on the protection of persons who report breaches of Union law (OJ L305, 26.11.2019, p. 17).

- (27) ‘inorganic pollutants’ means emissions within or lower than the emission levels associated with the best available techniques (BAT-AEL) as defined in Article 3, point (13) of Directive 2010/75/EU of the European Parliament and of the Council¹⁴, for the Large Volume Inorganic Chemicals- Solids and Others industry;
- (28) ‘air pollutants’ means direct emissions of sulphur dioxides (SO₂), nitrogen oxides (NO_x), non-methane volatile organic compounds (NMVOC), and fine particulate matter (PM_{2,5}) as defined in Article 3, points (5) to (8), of Directive (EU) 2016/2284 of the European Parliament and of the Council¹⁵, ammonia (NH₃) as referred to in that Directive and heavy metals (HM) as referred to in Annex I to that Directive;
- (29) ‘ozone depletion substances’ mean substances listed in the Montreal Protocol on Substances that Deplete the Ozone Layer.

For the purposes of this Annex, the following formulas shall apply:

- (1) ‘GHG emissions’ shall be calculated in accordance with the following formula:

$$\sum_n^i \left(\frac{\text{current value of investment}_i}{\text{investee company's enterprise value}_i} \times \text{investee company's Scope}(x) \text{ GHG emissions}_i \right)$$

- (2) ‘carbon footprint’ shall be calculated in accordance with the following formula:

$$\frac{\sum_n^i \left(\frac{\text{current value of investment}_i}{\text{investee company's enterprise value}_i} \times \text{investee company's Scope 1, 2 and 3 GHG emissions}_i \right)}{\text{current value of all investments (€M)}}$$

- (3) ‘GHG intensity of investee companies’ shall be calculated in accordance with the following formula:

$$\sum_n^i \left(\frac{\text{current value of investment}_i}{\text{current value of all investments (€M)}} \times \frac{\text{investee company's Scope 1, 2 and 3 GHG emissions}_i}{\text{investee company's €M revenue}_i} \right)$$

- (4) ‘GHG intensity of sovereigns’ shall be calculated in accordance with the following formula:

¹⁴ Directive 2010/75/EU of the European Parliament and of the Council of 24 November 2010 on industrial emissions (integrated pollution prevention and control) (OJ L 334, 17.12.2010, p. 17).

¹⁵ Directive (EU) 2016/2284 of the European Parliament and of the Council of 14 December 2016 on the reduction of national emissions of certain atmospheric pollutants, amending Directive 2003/35/EC and repealing Directive 2001/81/EC (Text with EEA relevance), OJ L 344, 17.12.2016, p. 1–31

$$\sum_n^i \left(\frac{\text{current value of investment}_i}{\text{current value of all investments (€M)}} \times \frac{\text{The country's Scope 1, 2 and 3 GHG emissions}_i}{\text{Gross Domestic Product}_i(\text{€M})} \right)$$

(5) 'inefficient real estate assets' shall be calculated in accordance with the following formula:

$$\frac{((\text{Value of real estate assets built before 31/12/2020 with EPC of C or below}) + (\text{Value of real estate assets built after 31/12/2020 with PED below NZEB in}))}{\text{Value of real estate assets required to abide by EPC and NZEB rules}}$$

For the purposes of the formulas, the following definitions shall apply:

- (1) 'current value of investment' means the value in EUR of the investment by the financial market participant in the investee company;
- (2) 'enterprise value' means the sum, at fiscal year-end, of the market capitalisation of ordinary shares, the market capitalisation of preferred shares, and the book value of total debt and non-controlling interests, without the deduction of cash or cash equivalents;
- (3) 'current value of all investments' means the value in EUR of all investments by the financial market participant;
- (4) 'nearly zero-energy building (NZEB)', 'primary energy demand (PED)' and 'energy performance certificate (EPC)' shall have the meanings given to them in paragraphs 2, 5 and 12 of Article 2 of Directive 2010/31/EU of the European Parliament and of the Council¹⁶.

Table 1

Statement on principal adverse impacts of investment decisions on sustainability factors

Future Food Fund BV
Summary

¹⁶ Directive 2010/31/EU of the European Parliament and of the Council of 19 May 2010 on the energy performance of buildings (recast) (OJ L 153, 18.6.2010, p. 13)

Sustainability and impact are deeply rooted within management of the Future Food Fund BV (“FFF”). It is embedded in its mission and investment process.

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 overstressing 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.

By investing in companies that positively impact the food value chain and contribute to sustainable food systems, FFF strives to drive innovation and transformation in the industry. FFF actively monitors and assesses the attainment of its investments, employing various methodologies and data sources. FFF engages with its invested companies, providing guidance and support to help them achieve their sustainability goals.

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/characteristics 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).

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.

With a focus on good governance practices, the fund ensures sound management structures and actively considers ESG factors during due diligence.

FFF considers principal adverse impacts of its investment decisions on sustainability factors. The present statement is the consolidated statement on principal adverse impacts on sustainability factors of FFF.

This statement on principal adverse impacts on sustainability factors covers the reference period from January 1 to 31 December 2022.

FFF assesses material impacts of investee companies on Sustainability Factors through analysis conducted during the investment due diligence process, and regular monitoring throughout the holding period.

Samenvatting

Duurzaamheid en impact zijn diep geworteld in het management van het Future Food Fund. Het is verankerd in haar missie en beleggingsproces. Het fonds classificeert daarom als een artikel 9 fonds in de zin van Verordening (EU) 2019/2088, dat wil zeggen, een product gericht op duurzame investeringen.

Wie zijn wij: FFF is een gespecialiseerd food & agri tech fonds dat investeert in Seed en Serie-A in Noordwest-Europa. Het fonds wordt beheerd door een divers en ervaren team dat wordt gesteund door ondernemende investeerders in voeding en landbouw.

Wat doen we? FFF draagt bij aan een positieve impact op het milieu door middel van VC-investeringen. FFF investeert kapitaal in ondernemers die bouwen aan duurzame voedselsystemen. Door kapitaal, kennis en netwerk toe te voegen helpt FFF II hen om een positieve impact te maken met hun voedsel & landbouwondernemingen.

Hoe doen we dat? Door innovatie en verandering van voedselsystemen aan te jagen. De huidige voedsel- en landbouwsystemen vormen een groot probleem voor een duurzaam leven op aarde. Door innovatie en verandering in deze systemen te stimuleren, transformeren ze van de oorzaak van het overschrijden van de planetaire grenzen naar de oplossing.

Waarom doen we dit? Als we een duurzame toekomst op aarde willen, moeten we binnen de planetaire grenzen blijven die de stabiliteit van de aarde bij elkaar houden. De mensheid ondermijnt de stabiliteit en het vermogen van de planeet aarde om de menselijke ontwikkeling zoals we die kennen te ondersteunen. Dit inzicht is zeer verontrustend, maar het geeft ons ook hoop omdat het ons laat zien hoe we dingen kunnen herstellen.

Door te beleggen in bedrijven die een positieve invloed hebben op de voedselwaardeketen en bijdragen aan duurzame voedselsystemen, streeft FFF naar innovatie en transformatie in de sector. Het fonds monitort en beoordeelt actief het bereiken van de duurzame beleggingsdoelstelling en maakt daarbij gebruik van verschillende methodologieën en gegevensbronnen. FFF gaat de dialoog aan met de bedrijven waarin wordt belegd en biedt begeleiding en ondersteuning om hen te helpen hun duurzaamheidsdoelen te bereiken.

FFF richt zich op goede bestuurspraktijken, zorgt voor solide managementstructuren en houdt tijdens due diligence actief rekening met ESG-factoren.

FFF houdt rekening met de belangrijkste nadelige gevolgen van haar investeringsbeslissingen op duurzaamheidsfactoren.

Deze verklaring is de geconsolideerde verklaring over de belangrijkste nadelige gevolgen voor duurzaamheidsfactoren van FFF.

Deze verklaring over de belangrijkste nadelige gevolgen voor duurzaamheidsfactoren heeft betrekking op de referentieperiode van 1 januari tot en met 31 december 2022.

FFF beoordeelt de materiële impact van ondernemingen waarin wordt geïnvesteerd op duurzaamheidsfactoren door middel van analyse tijdens het due diligence-proces van de investering en regelmatige monitoring gedurende de gehele holding periode.

Description of the principal adverse impacts on sustainability factors

As part of our impact investing strategy, we consider possible adverse sustainability impacts of our portfolio companies in due diligence and monitor these impacts after the investment. These include the Principal Adverse Impact (PAI) indicators provided by the European Union as part of the SFDR. Our typical investment companies are 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.

Future Food Fund I (FFF I) is a closed-end investment fund with the sole focus on investing in early-stage Dutch companies which contribute positively to the food & agricultural value chain. FFF I did not explicitly consider the principal adverse impacts as defined under the SFDR over 2022. The fund was founded in 2017 and this regulation was not in place when the investments were made. Hence the fund did not take the specific principal adverse impact into account during the due diligence process and does not measure nor report on it during the holding period. However, in the situation that a risk of material negative impact occurs this would be recorded and reported to the stakeholders of FFF I. During 2022 no material negative impacts occurred in the portfolio companies however it is not measured on PAI indicators as such.

During December 2022 the first investment was made for Future Fund II for which PAI indicators were measured. This was an investment in an early-stage plant breeding technology firm. So the measurement period is too short for a meaningful measurement. Below the numbers on a best effort basis. Data coverage will improve over the years.

In the below table we provide the quantitative data per mandatory principal adverse impact indicator of table 1 and the two additional indicators from table 2 and indicator of table 3 of Delegated Regulation 2022/1288). All the data was received from Qdrop. They receive the information directly from the investee companies. Next to the figures we also provide an explanation of the indicators in the table below. Finally, we explain any action taken in 2022 or planned on the PAI-indicator for 2023.

Indicators applicable to investments in investee companies						
Adverse sustainability indicator	Metric	Impact 2022	Impact [year n-1]	Explanation	Actions taken, and actions planned and targets set for the next reference period	
CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS						
Greenhouse gas emissions	1. GHG emissions	Scope 1 GHG emissions	0	N/A	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.	FFF engaged with all portfolio companies on carbon emissions in 2022. We intend to continue our engagement in 2023, also on Scope 1, 2 and 3 carbon emissions by set targets for all companies.
		Scope 2 GHG emissions	0.85	N/A	See above	See above
		Scope 3 GHG emissions	No data	N/A	See above	See above

	Total GHG emissions	0.85	N/A	See above	See above
2. Carbon footprint	Carbon footprint	0.00	N/A	Carbon footprint of FFF investments were non material over 2022	We aim in 2023, to also have non material carbon footprint, however we accept having a higher footprint in comparison to 2022 as we expand the number of our investments
3. GHG intensity of investee companies	GHG intensity of investee companies	N/A	N/A	The investment was pre-revenue in 2022	We aim having a low intensity in 2023 and have set targets alike
4. Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector	0	N/A	We had no exposure to companies in the fossil fuel sector in 2022.	We aim having a no exposure 2023 but accept having some exposure as we further invest over 2023
5. Share of non-renewable energy consumption and production	Share of non-renewable energy consumption and non-renewable energy production of investee companies from non-renewable energy sources compared to renewable energy sources, expressed	17.1	N/A	The renewable energy consumption = 17.1% The non-renewable energy consumption = 82.9%	Plantik does not purchase any carbon credits nor it has solar panels or anything similar with which they

		as a percentage of total energy sources				generate energy themselves
	6. Energy consumption intensity per high impact climate sector	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector	N/A	N/A	FFF II did not have any investments in negative high impact climate sectors in 2022	We aim having low or 0 GWh per million EUR of revenue of its investments for 2023
Biodiversity	7. Activities negatively affecting biodiversity-sensitive areas	Share of investments in investee companies with sites/operations located in or near to biodiversity-sensitive areas where activities of those investee companies negatively affect those areas	0 %	N/A	FFF II did not have any investments in activities that negatively affect biodiversity areas in 2022 as it would contradict its investment strategy.	We aim having a no exposure 2023 but accept having some as we further invest over 2023
Water	8. Emissions to water	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average	0	N/A	Plantik does not emit any priority substances to water	We use 2023 to evaluate and monitor all companies for their reporting on fresh water use, water oversight and any water so we can set reduction targets for 2024.
Waste	9. Hazardous waste and	Tonnes of hazardous waste and radioactive waste generated by	0	N/A	FFF II did not have any investments in	We aim having no exposure for 2023

	radioactive waste ratio	investee companies per million EUR invested, expressed as a weighted average			hazardous/radioactive s in 2022 as it would contradict its investment strategy.	
INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS						
Social and employee matters	10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	0%	N/A	FFF II did not have any investments involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises as it would contradict its investment strategy.	We aim at having no exposure for 2023
	11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for	Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance /complaints handling mechanisms to address violations of the	0%	N/A	FFF II only invested in companies that have policies in place to monitor compliance with UNGC principles or OECD Guidelines for Multinational Enterprises.	We aim at having no exposure for 2023.

	Multinational Enterprises	UNGC principles or OECD Guidelines for Multinational Enterprises				
	12. Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies	-197%	N/A	This a negative number as average female wage was higher than average male employees wage in 2022.	Numbers for 2023 could deviate as number of investment are increased
	13. Board gender diversity	Average ratio of female to male board members in investee companies, expressed as a percentage of all board members	100%	N/A	The investment of FFF II had an all female board in 2022.	We aim at having the same percentage for 2023.
	14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	Share of investments in investee companies involved in the manufacture or selling of controversial weapons	0%	N/A	All investments are periodically screened against controversial weapons	We continue this screening in 2023
Other indicators for principal adverse impacts on sustainability factors						
Water, waste and material emissions (Table 2)	11. Investments in companies without sustainable land/agriculture practices	Share of investments in investee companies without sustainable land/agriculture practices or policies	0%	N/A	FFF II did not have any investments in companies without sustainable land/agriculture	We aim at having the same percentage for 2023.

					practices/policies as it would contradict its strategy	
Human Rights (Table 3)	9. Lack of a human rights policy	Share of investments in entities without a human rights policy	0%	N/A	FFF II did not have any investments in companies without policies in place as it would contradict its strategy	We aim at having the same percentage for 2023.

Description of policies to identify and prioritise principal adverse impacts on sustainability factors

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.

As part of our impact investing strategy [01-10-2022] , 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.

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/characteristics 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).

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.

Its selection process also has a focus on good governance practices, that for the investments made sound management structures are actively considered during due diligence.

Moreover FFF considers principal adverse impacts of its investment decisions on sustainability factors. FFF has engaged with a trusted third-party service provider ([Qdrop](#)) to obtain the data necessary for the monitoring of the PAI indicators.

If during selection we assess PAI indicators for which quantitative thresholds or qualitative thresholds could possibly be exceeded and or is potentially irremediable we will not invest.

We selected the additional indicators based on our investment strategy.

Each company has an impact strategy, which consists of numerical metrics and targets that are reported on, on a quarterly basis. Considering that FFF's portfolio companies constitute primarily of companies in the start-up / scale-up phase, the fund is aware that information will in some cases be challenging to obtain or not available. In this phase of company development, business models are being tested, products still in development and data systems are often not yet in place. The aim is to improve the methodologies of data collection constantly. For the PAIs, FFF gathers data using a third-party provider, in which data improvement is also taken into account.

As data is being collected directly and from our data provider the data challenges that occur are being identified at an early stage so actions can be taken at short notice to improve the data. Data challenges will therefore not affect the attainment of its sustainable investment objective.

Engagement policies

FFF has no engagement policies in place. However, the environmental objectives/characteristics of FFF's investments are discussed during yearly shareholder's meetings as regular agenda item to measure progress against the set targets.

References to international standards

FFF II has also committed to initiatives like the Biodiversity Pledge and is a signatory of the UNPRI (United Nations Principles for Responsible Investment). However FFF does not assess whether and to what extent these standards use indicators that are equal to the indicators used to consider the principal adverse impacts on sustainability factors.

Historical comparison

N/A.