

SFDR Fund Disclosure

SHIFT Invest Coöperatief UA

This fund, which closed its investment period as of February 24, 2020, and only conducts follow-on investments in existing portfolio companies and/or realises exits, is classified as an **Article 9-fund** under SFDR with the following sustainability objectives:

A) Sustainable investment objectives

The goal of this financial product is to invest in innovate start- and scale-ups that have a positive impact on environmental and/or social sustainability (health). In doing so, it seeks both financial and impact-based returns. To realise this, the fund invests in companies active in the following themes, with corresponding sustainability objectives:

1. health and nutrition, including but not limited to:
 - a. increasing the quality of life (days healthy/less sick)
 - b. decreasing days sick / health complaints
2. agriculture and nutrients, including but not limited to:
 - a. minimising the spatial footprint of food (ha/t)
 - b. minimising the emission-intensity of food (CO₂e/nutritional value)
 - c. minimising the use of pesticides (g/ha)
 - d. maximising ecosystem stability and the amount/richness of biodiversity
 - e. minimising food and packaging waste (t)
3. bio-based and clean technologies, including but not limited to:
 - a. minimising pollution to air and waterways
 - b. minimising the depletion of (natural) resources such as rare metals, organic waste streams, and water (through circular design, reuse, recycling, upcycling, etc.)
 - c. minimising the energy intensity (MJ/product) of the production chain

SHIFT Invest believes that innovative (technology) companies will act as catalysts and pioneers in the transition to a sustainable, low-carbon, bio-based, circular economy and healthy society. With SHIFT Invest's support in the form of financial resources, shared knowledge and a broad network, selected companies (mostly based in the Netherlands) are and will be enabled to accelerate their innovation and commercial ambitions. SHIFT Invest subscribes to the definition that sustainable development is "development that meets the needs of the present without compromising the ability of future generations to meet their own needs". It will always consider the three main dimensions - economic, environmental and social - in its decision-making in a balanced way.

In terms of social sustainability, SHIFT Invest aims to have a positive impact on human health. Investments should contribute to the improvement of health and/or quality of life. Themes include the prevention of malnutrition, obesity, and diseases such as cardiovascular disease or diabetes, by influencing human or animal nutrition. For SHIFT Invest, social sustainability also includes issues such as (good) governance, human rights working conditions etc. However, these are formulated as minimum requirements for investment rather than areas where impact is specifically sought.

B) Impact methodology

All portfolio companies must comply to ESG-standards and adhere to the ten principles of the UN Global Compact. Where a SHIFT Invest investment has a positive impact on either environmental or social (health) sustainability, it must be demonstrated that there is no adverse impact on the other. An exclusion list as a precursor to Principal Adverse Impacts exclusions applies to the fund.

The fund has identified relevant 'Sustainable Development Goals' for each investee, which are used to benchmark their contribution to environmental objectives. In addition, SHIFT uses IRIS KPIs (as advised by the Global Impact Investing Network) as indicators to measure the environmental performance of its holdings, which are theme and company specific and as such vary through the Fund's portfolio. The fund uses global (such as international NGOs like the UN), European and national targets to contextualise the potential impact of portfolio companies.

Throughout the life of the fund, various actions are taken to assess, analyse and monitor the (potential) impact of the companies. As the fund is now in the divestment period, the main actions currently undertaken by the fund are listed below:

On an annual basis, the realization of the impact of the portfolio companies is monitored by the fund manager, in cooperation with the Impact Committee. This is reported to the members of SHIFT Invest, and aggregate performance is publicly disclosed in the annual Impact Report. Monitoring is based on a questionnaire sent by the fund manager to the companies of the fund. This includes the following aspects:

- Changes/additions to the company's Key Sustainability Impact indicators;
- Progress on previously defined Key Sustainability Impact indicators, both in terms of relative and potential impact;
- New insights into the relative impact compared to similar products or services;
- Developments related to total potential impact (i.e., positive or negative market or regulatory developments);
- Risk analysis (including potential obstacles or problems) of factors relevant to the sustainability impact.

C) Realised impact

SHIFT Invest annually measures the realized impact of the portfolio by means of a questionnaire on impact and production data which is requested from the companies. Outcomes are calculated based on our own research, assumptions, additional data from the company and possible LCAs.

Example calculation for CO₂(e) emission reduction (kt):

CO₂ footprint product X - CO₂ footprint product Y = CO₂ savings company per product sold by company Y

CO₂ savings company Y per product * products sold 2021 = CO₂ saved by company Y in 2021

Example calculation CO₂(e) emission reduction (kt) at service-based companies:

CO₂ footprint company X - (CO₂ footprint company X * Y% savings realised by company Y) = CO₂ savings company Y per customer

CO₂ savings of company Y per customer * customers 2021 = CO₂ saved by company Y in 2021

The results of this assessment are captured by our annual impact reports, which can be found on our website. The results of this report are also discussed with our Investment Committee and Impact Committee to check-in on progress and flag any potential areas of concern or improvement. Given the early stage of investee companies, it should be noted that impact (performance) data is based on best-estimates derived from data collected by the company, LCAs, and/or scientific research. We review this and adjust where necessary, but it is not externally audited.