

## Pre-contractual disclosure for financial products referred to in Article 9(1), (2) and (3) of Regulation (EU) 2019/2088

(content is aligned with the template in ANNEX II to the Joint Consultation Paper on Taxonomy-related sustainability disclosures [JC 2021 22] from 15 March 2021 by the Joint Committee of the European Supervisory Authorities)

Product name/legal identifier: UIV Fund I Coöperatief U.A.

### Sustainable Investment Objective

- This product:
- Promotes environmental or social characteristics, but does not have as its objective a sustainable investment
    - It does not invest in sustainable investments
    - It invests partially in sustainable investments
      - In activities aligned with the EU Taxonomy
      - In activities not aligned with the EU Taxonomy
  - Has sustainable investment as its objective. 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.
    - In activities aligned with the EU Taxonomy
    - In activities not aligned with the EU Taxonomy



### What is the sustainable investment objective of this financial product?

The financial product ('Fund')'s sustainable investment objective is to achieve measurable positive contributions to the sustainable transformation of cities in Europe, while also supporting gender equality, creation of decent jobs and an inclusive economic growth.

#### ● *What sustainability indicators are used to measure the attainment of the sustainable investment objective of this financial product?*

The sustainability indicators used are related to the specific United Nations Sustainable Development Goals (SDGs) and their individual targets that are in the focus of the Fund's objective and impact thesis.

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

These SDGs and their relevant targets are, as follows:



**Goal 6. Ensure availability and sustainable management of water and sanitation for all**

**SDG 6.1** By 2030, achieve universal and equitable access to safe and affordable drinking water for all.

**SDG 6.3** By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally.

**SDG 6.4** By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity.

**SDG 6.5** By 2030, implement integrated water resources management at all levels, including through transboundary cooperation as appropriate.

**SDG 6.b** Support and strengthen the participation of local communities in improving water and sanitation management.



**Goal 7. Ensure access to affordable, reliable, sustainable and modern energy for all**

**SDG 7.1** By 2030, ensure universal access to affordable, reliable and modern energy services.

**SDG 7.2** By 2030, increase substantially the share of renewable energy in the global energy mix.

**SDG 7.3** By 2030, double the global rate of improvement in energy efficiency.



**Goal 9. Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation**

**SDG 9.1** Develop quality, reliable, sustainable and resilient infrastructure, including regional and trans-border infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all.

**SDG 9.4** By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities.



**Goal 11. Make cities and human settlements inclusive, safe, resilient and sustainable**

**SDG 11.2** By 2030, provide access to safe, affordable, accessible and sustainable transport systems for all, improving road safety, notably by expanding public transport, with special attention to the needs of those in vulnerable situations, women, children, persons with disabilities and older persons.

**SDG 11.6** By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management.

**Goal 12. Ensure sustainable consumption and production patterns**

**SDG 12.2** By 2030, achieve the sustainable management and efficient use of natural resources.

**SDG 12.4** By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment.

**SDG 12.5** By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.

In addition, the Fund aims for achieving positive impact across all of its investee companies on another two SDGs (with selection of targets on a per case basis):

**Goal 8. Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.****Goal 13. Take urgent action to combat climate change and its impacts**

Every target of the UN SDGs has assigned to it indicators for measurement of impact. The Fund uses these indicators where possible and meaningful. In all other cases – and depending on the specific impact(-s) created by the individual investee companies – indicators for measurement are sought from well-established and widely used repositories such as the IRIS+ System (incl. IRIS Catalog of Metrics), SDG Compass, HIPS0, Eurostat SDG Indicators, etc. In the very rare cases when no adequate measurement indicator could be found within the aforementioned databases, the Fund Manager’s investment and impact team will design appropriate indicator(-s) for measurement of the realized impact over the holding period of the respective investee company.

**What investment strategy does this financial product follow?**

The Fund is a venture capital investment vehicle with a specific objective to achieve measurable net positive impact on the quality of life in the cities of Europe through its investments in early-stage and expansion-stage private companies offering scalable innovative and transformative products or services.

**● *What are the binding elements of the investment strategy used to select the investments to attain the sustainable investment objective?***

When selecting investments the Fund weights equally the quality of the business potential and the expected positive impact on the urban sustainability of each prospective portfolio company.

**● *How is that strategy implemented in the investment process on a continuous basis?***

**Investment strategies** guide investment decisions based on factors such as investment objectives and risk tolerance.

Selection of investments in the *Screening and Research* phase is done using proprietary developed tools for capturing both the business and the impact potential, and only those opportunities passing pre-defined thresholds on both the business and the impact side are further analyzed as investable prospects.

In the *Due Diligence and Investment Structuring* phase of the investment process, along with the necessary thorough inspection on the prospective investee company from legal, technical and financial side, concrete financial and impact performance targets are set for achievement within the expected holding period.

In the *Portfolio Management* phase of the investment process a regular measurement of the progress on the impact targets is carried out and specific numerical impact rating is assigned per each investee company according to a predefined grading scale (from 0 to 10) under the principles defined in the Impact Measurement Framework, adopted by the Fund Manager.

In the *Exit* phase of the investment process specific criteria hold for evaluation of each divestment opportunity, such as minimum internal rate of return and a minimum impact rating achieved by the investee company at the time of the prospective divestment.

● **What is the policy to assess good governance practices of the investee companies?**

Investee companies should fully comply with Fund Manager's Sustainability Policy.

**Good governance practices** include sound management structures, employee relations, remuneration of staff and tax compliance.

Has a reference sustainable benchmark been designated for the purpose of meeting the sustainable investment objective?

Yes  No

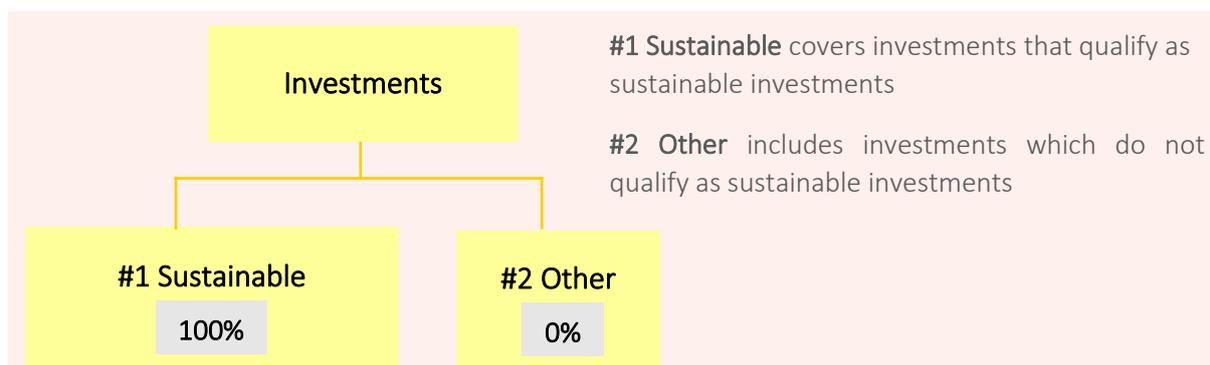
● **Where can I find further details on the investment strategy?**

Sustainability Policy (section 'Sustainability risks and the Investment process').



**What is the asset allocation planned for this financial product?**

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



**Note:** Occasionally the Fund may hold cash / cash equivalents for short periods of time in preparation for participation in actual investment transactions.

● **How does the use of derivatives attain the sustainable investment objective?**

Not applicable. The Fund does not use derivative financial instruments.

● **What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

No “#2 Other” investments. (Please, see the Note below the diagram above)

● **How does the proportion and use of such investments not affect the delivery of the sustainable investment objective?**

Not applicable.



**To which objectives do the sustainable investments contribute to and how do they not cause significant harm?**

The Fund aims for measurable contributions to specific UN SDGs and their respective targets. Some of them relate to the following environmental objectives, as set out in Article 9 of Regulation (EU) 2020/852 (‘the EU Taxonomy’):

- climate change mitigation;
- climate change adaptation;
- the sustainable use and protection of water;
- the transition to a circular economy;
- pollution prevention and control;

Potential material negative outcomes, resulting from the activities of Fund’s investee companies, on any of the 17 SDGs are assessed, monitored and systematically reduced to ultimately achieve a net positive change for the wide group of stakeholders (people and/or the environment).



**What is the minimum share of investments aligned with the EU Taxonomy?**

The Fund sets a minimum target share of 50% for the investments contributing to the above-listed EU Taxonomy objectives. As Fund’s portfolio is continuously changing with adding of new investments (in the investment period) and exiting existing ones (in the divestment (exit) phase) the structure of shares of the EU Taxonomy-aligned versus EU Taxonomy non-aligned investments (though also contributing to concrete sustainable development goals, especially in the social area) will dynamically vary.

● **What methodology is used for the calculation of the alignment with the EU Taxonomy and why?**

A direct relation between the UN SDGs and the EU Taxonomy environmental objectives is not officially available yet, though there is an obvious commonality among many of them.



The symbol refers to investments that finance activities considered sustainable under the EU Taxonomy. The EU Taxonomy is a classification system, establishing a list of environmentally sustainable economic activities.

The detailed descriptions of the environmentally sustainable economic activities in the EU Taxonomy provide a solid foundation for evaluation and classification according to the specific targets of interest for the Fund in the subset of SDGs where core impact realization is sought through investments.

● ***What is the minimum share of transitional and enabling activities?***

No minimum share of investments in transitional and enabling activities is set. The dynamic nature of the Fund's portfolio provides for varying shares of such investments over time and only the acceptable combination of business scalability and impact potential should be the rationale behind the portfolio composition.



● **What is the minimum share of sustainable investments that are not aligned with the EU Taxonomy?**

Similarly, no minimum share of other sustainable investments, such as those pursuing social objectives, has been pre-determined for the Fund. However, their maximum share should be no more than 50 %.

● ***Why does the financial product invest in economic activities that are not environmentally sustainable?***

The Fund does not invest in economic activities that are not environmentally sustainable, as it will be against its Sustainability Policy. Even when investing in other activities which are not directly aligned with the EU Taxonomy, but contribute to other goals for sustainable development, like those in the social area, the Fund assesses the environmental sustainability of the activities and may impose targets for its improvement if necessary.

● ***How will sustainable investments contribute to a sustainable investment objective and not significantly harm any sustainable investment objective?***

*How have the indicators for adverse impacts on sustainability factors been taken into account?*

Material adverse (negative) impacts are evaluated, monitored and targeted for reduction on a continuous basis throughout the investment holding period.

*Are sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:*

Yes. They are also aligned with:

- UN Global Compact Principles;
- UN 2030 Agenda for Sustainable Development;
- Paris Climate Agreement (UNFCCC);
- Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work;

- International Bill of Human Rights.



Does this product take into account principal adverse impacts on sustainability factors?

Yes

No

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



Is a specific index designated as a reference sustainable benchmark to meet the sustainable investment objective?

No. (Please, refer to the Sustainability Policy document for more explanations on how is tracked the impact performance of the Fund)

**Reference sustainable benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- *How does the reference benchmark take into account sustainability factors in a way that is continuously aligned with the sustainable investment objective?*

Not applicable.

- *How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?*

Not applicable.

- *Why and how does the designated index differ from a relevant broad market index?*

Not applicable.



Does the financial product have the objective of a reduction in carbon emissions?

The Fund targets the reduction in carbon emissions alongside other environmental objectives related to the sustainable transformation of the cities in Europe.



Can I find I find more product specific information online?

More product-specific information can be found on the website:  
<https://uiventures.com/home-page/our-mission-and-approach/>