

ANNEX III

Template pre-contractual 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: UIV Fund I Coöperatief U.A.

Legal entity identifier: N/A

## Sustainable investment objective

Does this financial product have a sustainable investment objective? *[tick and fill in as relevant, the percentage figure represents the minimum commitment to sustainable investments]*

<input checked="" type="radio"/> <input checked="" type="radio"/> <input checked="" type="checkbox"/> <b>Yes</b>	<input checked="" type="radio"/> <input type="radio"/> <input type="checkbox"/> <b>No</b>
<input checked="" type="checkbox"/> It will make a minimum of <b>sustainable investments with an environmental objective: 50%</b> <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input checked="" type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> </ul>	<input type="checkbox"/> It <b>promotes Environmental/Social (E/S) characteristics</b> and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments <ul style="list-style-type: none"> <li><input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with a social objective</li> </ul>
<input type="checkbox"/> It will make a minimum of <b>sustainable investments with a social objective: %</b>	<input type="checkbox"/> It promotes E/S characteristics, but <b>will not make any sustainable investments</b>

**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.



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

The financial product's ('Fund') sustainable investment objective is to achieve measurable positive contributions to the sustainable transformation of cities through investments in companies that perform decarbonization and circular economy activities, while also supporting creation of decent jobs and an inclusive economic growth.

The sustainable investment objective of the Fund will contribute to the realization of the following environmental objectives set out in Article 9 of Regulation (EU) 2020/852:

- Climate change mitigation
- Climate change adaptation

**Sustainability indicators** measure how the sustainable objectives of this financial product are attained.

- Sustainable use and protection of water
- Transition to a circular economy
- Pollution prevention and control

The Fund has no designated EU Climate Transition / EU Paris -aligned index as a reference benchmark. Instead the Fund uses internally designed framework for impact measurement that:

(1). Sets core targets for achievement of a materially positive contribution to the following five UN Sustainable Development Goals (SDGs) that are central to the sustainable transformation of the cities: SDG 6 (Clean water and sanitation); SDG 7 (Affordable and clean energy); SDG 9 (Industry, innovation and infrastructure); SDG 11 (Sustainable cities and communities); SDG 12 (Responsible consumption and production).

At least one target on any of these five core goals is assigned to a portfolio company (investee) at the time the investment is made by the Fund.

Progress is tracked annually through a pre-defined rating-based system (1 to 10).

(2). Sets additional targets for achievement of a contribution to the SDGs that deal with the inclusive economic growth and decent work conditions (SDG 8), and the climate action (SDG 13).

At least one target on any of these two additional goals is assigned to a portfolio company (investee) at the time the investment is made by the Fund.

Progress is tracked annually and if there is at least 75% of achievement on the target(-s), a bonus 1 grade to the rating on the core targets is added.

(3). Investment proposals are screened to ensure the “do no significant harm” criterion is complied with.

Fund’s Impact Rating, tracking the performance of the entire portfolio against the upfront set impact targets, is calculated as an average of all investee’s individual ratings, weighted by the size of invested amounts as part of the total size of the portfolio.

The objective of reducing carbon emissions is ensured by design of the Fund, as its core goals are focused on decarbonization and promoting of circular economy practices and applications within the urban sustainability context. Thus, various specific core targets explicitly aim at reducing or avoiding greenhouse gas (GHG) emissions via investee’s core product or service. Furthermore, the additional target(-s) on the climate action goal are set to decrease investee’s own carbon footprint.

● ***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 SDGs and their individual targets that are in the focus of Fund's sustainable investment objective and impact thesis.

In particular, these are:

**Core Goals**



**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.

**SDG 9.5** Enhance scientific research, upgrade the technological capabilities of industrial sectors in all countries, in particular developing countries, including, by 2030, encouraging innovation and substantially increasing the number of research and development workers per 1 million people and public and private research and development spending.



**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.

**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.

**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.

**SDG 12.8** By 2030, ensure that people everywhere have the relevant information and awareness for sustainable development and lifestyles in harmony with nature.

**Additional Goals**



**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 SDGs has indicators assigned to it 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 portfolio 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, HIPSO, Eurostat SDG Indicators, etc. In the 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 investment based on relevant academic research and in collaboration with portfolio company’s team and third party subject matter experts.

***How do sustainable investments not cause significant harm to any environmental or social sustainable investment objective?***

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

The indicators on principle adverse impacts of investment decisions, as listed in Annex I to the Commission Delegated Regulation (EU) 2022/1288, supplementing Regulation (EU) 2019/2088 of the European Parliament and of

the Council, are applied to Fund's portfolio with. Portfolio companies are required to report on quarterly basis on the metrics.

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

The Fund invests in companies that comply with Fund Manager's essential investment principles. This minimum standard is defined by environmental, social and governance (ESG) principles that are fundamental to climate-neutral and sustainable living, good citizenship, good corporate governance, and the fulfilment of our fiduciary duties towards society at large. The principles are agreed upon in international treaties, conventions, and best practices.

Each investee is expected to have or required to develop its own ESG policy that aligns with (including, but not limited to):

- UN Global Compact Principles;
- UN Guiding Principles on Business & Human Rights;
- UN 2030 Agenda for Sustainable Development;
- OECD Guidelines for Multinational Enterprises;
- Paris Climate Agreement (UNFCCC);
- Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work;
- International Bill of Human Rights;
- Regulation (EU) 2020/852 of the European Parliament and of the Council.



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

Yes

The Fund requires quarterly reporting from its portfolio companies on the metrics used for calculating of the indicators on principle adverse impacts, listed in Annex I to the Commission Delegated Regulation (EU) 2022/1288, supplementing Regulation (EU) 2019/2088 of the European Parliament and of the Council.

Calculated indicators on portfolio (Fund) level are presented on the website of the Fund Manager ([www.uiventures.com](http://www.uiventures.com); section Sustainability Disclosures).

No



### **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 urban quality of life through its investments in

**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

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

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.

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

Investees should fully comply with Fund Manager's Sustainability Policy (available at: [www.uiventures.com](http://www.uiventures.com); section Sustainability Disclosures).

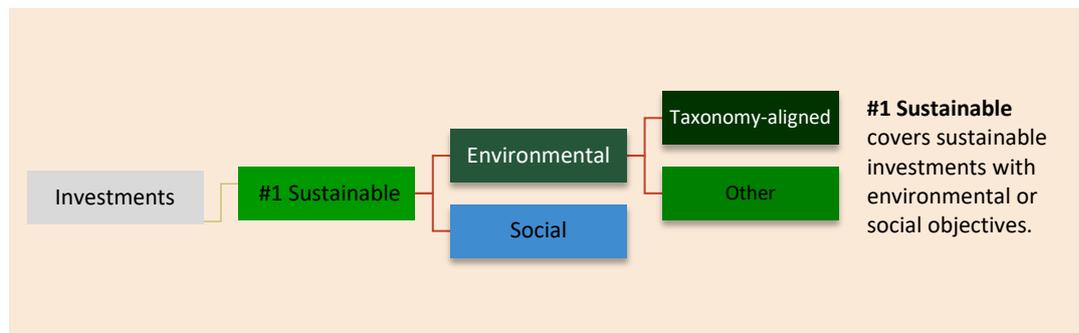


### What is the asset allocation and the minimum share of sustainable investments?

The Fund employs by design a strategy for investing in early-stage and expansion-stage companies that exhibit substantial potential for a material positive impact on people or the planet via their core product or service. Investee companies are also required to comply with strict ESG principles.

Therefore, target allocation of Fund's assets is 100% in sustainable investments as defined under SFDR.

**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?**

The Fund does not use derivative financial instruments.



### To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

The current EU Taxonomy regulation is subject to further development. At this point in time, it is not yet possible to assess the level of taxonomy alignment of the Fund. As a result we put the minimum extent of alignment of the sustainable investments with an environmental objective at 0%. UIV continues to monitor developments and

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue 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.

will amend the EU Taxonomy alignment percentage as soon as sufficient data is available.

**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.

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

**Note:** The Fund does not invest in sovereign bonds.

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

The Fund does not target investments in transitional activities and has not set a target minimum share for enabling activities. The dynamic nature of Fund's portfolio provides for varying shares of such investments over time and only the acceptable combination of business scalability and materially positive environmental impact potential should be the rationale behind the portfolio composition.

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



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

The Fund does not target a minimum share of sustainable investments with an environmental objective not in alignment with the EU Taxonomy. Rather, there might be periods of time when certain share of the investments with environmental objective do not take into account all the criteria for environmentally sustainable activities under the EU Taxonomy.



**What is the minimum share of sustainable investments with a social objective?**

The Fund does not target a minimum share of sustainable investments with a social objective.



## What investments are included under “#2 Not sustainable”, what is their purpose and are there any minimum environmental or social safeguards?

The Fund does not invest in economic activities that are not environmentally sustainable, as it will be against the principles of 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 improvement if necessary.



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

No such index designated.

- ***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.

- ***How does the designated index differ from a relevant broad market index?***

Not applicable.

- ***Where can the methodology used for the calculation of the designated index be found?***

Not applicable.

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



## Where can 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/>