



**Website disclosures pursuant to Article 10 of  
Regulation (EU) 2019/2088 and Articles 25 to 36 of  
Commission Delegated Regulation (EU) 2022/1288**

**Product Name:**

Convent Capital Agri Food Fund Coöperatief U.A.

*Strictly private and confidential*

## A. Summary

- a) **No significant harm to the sustainable investment objective:** The fund has implemented careful procedures to ensure that its investments contribute to the sustainable investment objective while avoiding significant harm to environmental and social aspects. This includes screening potential investments against exclusion criteria related to human rights, working conditions, and business integrity. The fund also assesses the overall ESG performance of targets based on internationally recognized standards and conducts an ESG due diligence and impact report for each investment. Independent committees review these findings before investment decisions are made. The fund calculates and monitors adverse impact indicators on an annual basis.
- b) **Sustainable investment objective of the financial product:** The fund focuses on investing in companies in the Agri & Food sector that address challenges in agricultural and food production value chains. It seeks innovative companies that positively impact at least one of the following Sustainable Development Goals (SDGs): Zero Hunger (SDG 2), Responsible Consumption and Production (SDG 12), Climate Action (SDG 13), Life Below Water (SDG 14), and Life on Land (SDG 15).
- c) **Investment Strategy:** The fund's investment strategy aligns with its sustainable investment objective by investing in Agri & Food companies that contribute to the SDGs mentioned above. It aims to acquire majority or meaningful minority stakes in companies in the growth capital stage, primarily based in OECD countries. The fund provides equity or equity-like funding, typically ranging from EUR 5-20 million per investment. The anticipated average holding period is 5 to 7 years. Investments in B2B businesses along the Agri & Food value chain are targeted, excluding the retail sector's "last mile."
- d) **Proportion of investments:** We expect 100% of the fund's investments to make sustainable investments in accordance with Article 9 (2) of Regulation (EU) 2019/2088.
- e) **Monitoring of sustainable investment objective:** The fund continuously monitors the sustainable investment objective and associated indicators throughout the investment lifecycle. Impact targets and indicators are set during the acquisition phase, and control mechanisms are established by independent committees. Progress reports, including performance on adverse impact indicators and progress towards impact targets, are provided to investors on a quarterly basis. The fund reviews the impact contribution upon exit, determining if the targeted impact was achieved.
- f) **Methodologies:** Impact targets and indicators are defined in the due diligence phase. These are approved by the Investment Committee prior to the investment.
- g) **Data sources and processing:** The fund engages with portfolio companies on a quarterly basis to monitor progress throughout the reporting year.
  - a. **Data sources:** Information is gathered directly from the portfolio companies. PAI indicators are collected via a data request Excel sent to the appropriate person in the company.
  - b. **Data quality:** The fund engages with an external advisor to check and review the information to ensure data quality. In cases where data quality is put into question, the fund manager, with the help of the external advisor, engages with the investee to iterate the data until it is correct and undertakes an internal validation.
  - c. **Data processing:** The data obtained from portfolio companies is processed by the fund manager with the help of an external ESG consultant. The data is collected in a digital format and processed in an ESG monitoring tool.
  - d. **Data estimation:** The fund relies on real data provided by the companies and does not use estimates to the extent possible, with the limitations outlined below.
- h) **Limitations to methodologies and data:** Limitations to the methodologies and data referred to in the above sections include, but are not limited to:
  - a. limited capacity to measure or report from the portfolio companies,
  - b. different reporting periods and group perimeters,
  - c. human error in the provision of data,
  - d. data collection is done by email and Excel, which could lead to human error.

We expect to improve data quality and minimize the limitations mentioned above as we improve the data collection process. The engagement with an external ESG consultant helps with the centralization of the data collection process and ensures the highest amount of accuracy and consistency possible.

- i) **Due diligence:** The fund conducts structured and formal ESG due diligence to evaluate potential investments thoroughly. This includes assessing the relevance of ESG factors within the industry, identifying material themes, evaluating performance against these themes, developing action plans, and conducting impact assessments. An independent sustainability committee reviews the impact report, and investment decisions require a unanimous vote within the investment committee.
- j) **Engagement policies:** The fund adopts an active ownership approach, investing in significant minority stakes and seeking board representation. Active engagement occurs during the holding period, collaborating with portfolio companies on strategic initiatives and sharing expertise. Quarterly reports and discussions facilitate ongoing communication and monitoring.
- k) **Attainment of the sustainable investment objective:** The fund has not designated as a reference benchmark, nor does it have carbon emissions as its objective and does not have a reduction in carbon emissions as its objective.

**Summary provided in the official language of the home Member State of where the fund is made available (Netherlands):**

- a) Geen aanzienlijke schade ('no significant harm') aan het duurzame beleggingsdoel: Het fonds heeft zorgvuldige procedures geïmplementeerd om ervoor te zorgen dat de investeringen bijdragen aan het duurzame beleggingsdoel, terwijl aanzienlijke schade aan milieu en sociale aspecten wordt vermeden. Dit omvat het screenen van potentiële investeringen aan de hand van uitsluitingscriteria met betrekking tot mensenrechten, arbeidsomstandigheden en bedrijfsethiek. Het fonds beoordeelt ook de algehele ESG-prestaties van doelwitten op basis van internationaal erkende normen en voert een ESG due diligence en impactrapport uit voor elke investering. Onafhankelijke comités beoordelen deze bevindingen voordat investeringsbeslissingen worden genomen. Het fonds berekent en bewaakt de PAI indicatoren op jaarbasis.
- b) Duurzaam beleggingsdoel van het financiële product: Het fonds richt zich op investeringen in bedrijven in de Agri & Food sector die uitdagingen aanpakken in de waardeketens voor landbouw- en voedselproductie. Het fonds zoekt naar innovatieve bedrijven die positieve invloed hebben op ten minste een van de volgende Duurzame Ontwikkelingsdoelen (SDG's): Geen Honger (SDG 2), Verantwoorde Consumptie en Productie (SDG 12), Klimaatactie (SDG 13), Leven in het Water (SDG 14) en Leven op het Land (SDG 15).
- c) Beleggingsstrategie: De beleggingsstrategie van het fonds is in lijn met het duurzame beleggingsdoel door te investeren in AgriFund bedrijven die bijdragen aan de hierboven genoemde SDG's. Het fonds streeft naar het verwerven van meerderheids- of betekenisvolle minderheidsbelangen in bedrijven in de groeifase van het kapitaal (growth capital stage), voornamelijk gevestigd in OESO-landen. Het fonds verstrekt aandelenkapitaal of vergelijkbare financiering, meestal variërend van EUR 5-20 miljoen per investering. De verwachte gemiddelde aanhoudperiode is 5-7 jaar. Investeringen worden gericht op B2B-bedrijven in de AgriFund waardeketen, met uitzondering van de detailhandel in de "laatste mijl".
- d) Verhouding van investeringen: We verwachten dat 100% van de investeringen in het fonds duurzame investeringen zullen zijn in overeenstemming met artikel 9 (2) van Verordening (EU) 2019/2088.
- e) Monitoring van duurzaam beleggingsdoel: Het fonds bewaakt continu het duurzame beleggingsdoel en de bijbehorende indicatoren gedurende de gehele levenscyclus van de investering. Impactdoelen en indicatoren worden vastgesteld tijdens de acquisitiefase, en er worden controlemechanismen opgezet door onafhankelijke comités. Voortgangsrapporten, inclusief prestaties op indicatoren voor nadelige gevolgen en voortgang naar impactdoelen, worden per kwartaal verstrekt aan beperkte partners. Het fonds evalueert de impactbijdrage bij sluiting en bepaalt of het beoogde effect is bereikt.
- f) Methodologieën: Impactdoelen en indicatoren worden gedefinieerd in de 'due diligence' fase. Deze worden goedgekeurd door het Investeringscomité voorafgaand aan de investering.
- g) Gegevensbronnen en verwerking: Het fonds communiceert per kwartaal met portfoliobedrijven om voortgang gedurende het rapportagejaar te monitoren.

- a. Gegevensbronnen: Informatie wordt rechtstreeks verzameld bij de portfoliobedrijven. PAI-indicatoren worden verzameld via een Excel dataverzoek dat naar de juiste persoon in het bedrijf wordt gestuurd.
  - b. Datakwaliteit: Het fonds werkt samen met een externe adviseur om de informatie te controleren en de datakwaliteit te waarborgen. In gevallen waarin de datakwaliteit in twijfel wordt getrokken, benadert de fondsbeheerder, met behulp van de externe adviseur, de investeerder om de data te verbeteren en voert een interne validatie uit.
  - c. Gegevensverwerking: De verkregen gegevens van portfoliobedrijven worden verwerkt door de fondsbeheerder met behulp van een externe ESG-consultant. De gegevens worden verzameld in digitale vorm en verwerkt in een ESG-monitoringstool.
  - d. Gegevensraming: Het fonds vertrouwt op echte gegevens verstrekt door de bedrijven en maakt zo min mogelijk gebruik van schattingen, met de hieronder beschreven beperkingen.
- h) Beperkingen aan methodologieën en gegevens: Beperkingen aan de methodologieën en gegevens die in de bovenstaande secties worden genoemd, zijn onder meer, maar niet beperkt tot:
- a. beperkte capaciteit om te meten of te rapporteren vanuit de portefeuillebedrijven,
  - b. verschillende rapportageperioden en groepsparameters,
  - c. menselijke fouten bij het verstrekken van gegevens,
  - d. gegevensverzameling gedaan per e-mail en Excel, wat kan leiden tot menselijke fouten.

We verwachten de gegevenskwaliteit te verbeteren en de bovengenoemde beperkingen tot een minimum te beperken naarmate we het gegevensverzamelingsproces verbeteren. De betrokkenheid bij een externe ESG-consultant helpt bij de centralisatie van het gegevensverzamelingsproces en zorgt voor de hoogst mogelijke nauwkeurigheid en consistentie.

- i) Due diligence: Het fonds voert gestructureerde en formele ESG due diligence uit om potentiële investeringen grondig te evalueren. Dit omvat het beoordelen van de relevantie van ESG-factoren binnen de branche, het identificeren van materiele thema's, het evalueren van prestaties op basis van deze thema's, het ontwikkelen van actieplannen en het uitvoeren van impactbeoordelingen. Een onafhankelijk duurzaamheidscomité beoordeelt het impactrapport en investeringsbeslissingen vereisen een unanieme stem binnen het investeringcomité.
- j) Betrokkenheidsbeleid: Het fonds hanteert een actieve benadering van eigendom, waarbij het investeert in significante minderheidsbelangen en streeft naar vertegenwoordiging in het bestuur. Actieve betrokkenheid vindt plaats tijdens de houdperiode, waarbij wordt samengewerkt met portfoliobedrijven aan strategische initiatieven en expertise wordt gedeeld. Kwartaalrapporten en discussies vergemakkelijken voortdurende communicatie en monitoring.
- k) Behalen van het duurzame beleggingsdoel: Het fonds heeft geen referentiebenchmark aangewezen, noch heeft het koolstofemissies als doel en heeft het verminderen van koolstofemissies niet als doel.

#### B. No significant harm to the sustainable investment objective

The fund has put in place careful procedures to ensure that the investments made contribute to the sustainable investment objective without causing significant harm to any environmental or social sustainable investment objective.

To assess and evaluate whether sustainable investments do not cause significant harm, the fund:

- Screens all potential investments against its exclusion criteria when it comes to protecting human rights and working conditions (i.e., forced labour, child labour, anti-discrimination) and business integrity (i.e., legal compliance, fight against corruption, fair competition) – in line with the ten principles of the UN Global Compact.
- Assesses the overall ESG performance of targets based on internationally recognised standards and frameworks (SASB and GRI).
- Carries out an ESG due diligence and Impact Report for each investment identifying the target's main risks and opportunities. These findings are reviewed by an independent Sustainability Committee and Convent Capital's Investment Committee before an investment decision is made.

### Principal Adverse Impact Indicators:

The 14 indicators for adverse impacts outlined in Table 1 of Annex I of Commission Delegated Regulation (EU) 2022/1288 are calculated for each investment in the company's portfolio. The fund has selected the following two additional indicators from Tables 2 and 3 of the same Annex:

1. Environmental:
  - a. Investments in companies without carbon emission reduction initiatives
2. Social:
  - a. Rate of accidents: rate of accidents in companies expressed as a weighted average.

These indicators are calculated, and their performance is monitored on an annual basis.

### Alignment with OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the principles set out in the eight fundamental conventions identified in the Declaration of the ILO on Fundamental Principles and Rights at Work and the International Bill of Human Rights:

- Most of the fund's investments are in companies headquartered in OECD countries, with an option to equally invest in opportunities in Singapore.
- The fund's exclusion criteria screens all potential targets for their performance with respect to social and governance themes. The methodology used in the ESG due diligence assesses the company's performance on social and governance themes along the value chain.
- A minimum safeguards questionnaire aligned with the principles outlined above, is used to assess a target's performance on these topics in the due diligence phase.

Any reported red flags are reviewed by the Sustainability Committee and the fund's Investment Committee.

#### C. Sustainable investment objective

The fund will invest in companies within the Agri & Food sector that contribute to solving challenges in the agricultural and food production value chains.

The fund will invest in innovative companies that have a positive impact on at least one of the five following SDGs:

- SDG 2 (Zero Hunger): Drive resilient and sustainable agricultural practices, increase food security, and improve nutrition.
- SDG 12 (Responsible Consumption and Production): Drive sustainable food consumption and production, eliminate waste and food losses.
- SDG 13 (Climate Action): Minimise greenhouse gas emissions.
- SDG 14 (Life Below Water): Preserve and conserve biodiversity and ecosystems below water.
- SDG 15 (Life on Land): Preserve and conserve biodiversity and ecosystems on land.

#### D. Investment Strategy

The investment strategy of this fund is designed to align with its sustainable investment objective, which involves investing in companies operating within the Agri & Food sector while contributing to the achievement of the Sustainable Development Goals (SDGs) detailed above.

To implement this strategy, the fund aims to acquire majority or meaningful minority stakes in companies engaged in the Agri & Food industry. It provides equity or equity-like funding, typically ranging from EUR 5-20 million per investment. The anticipated average holding period for these investments spans between 5 to 7 years.

The fund primarily targets companies based and headquartered in OECD countries, focusing on the growth capital stage that immediately follows the venture capital phase. It welcomes B2B businesses across the Agri & Food value chain, ranging from service providers to distributors. However, investments in the retail sector, specifically the "last mile," fall outside the fund's investment scope.

As part of its sustainability criteria, Convent Capital, the fund manager, requires that each investment generates measurable sustainability impact. This impact is assessed in accordance with the SDGs framework, with a particular emphasis on Climate Action (SDG 13), Sustainable Consumption and Production (SDG 12), Life Below Water (SDG 14), Life on Land (SDG 15), and Zero Hunger (SDG 2). By adhering to these sustainability conditions, the fund seeks to foster positive environmental and social outcomes while pursuing financial returns within the Agri & Food sector.

Policies to assess good governance:

To ensure diligent assessment of governance practices, the fund conducts a comprehensive ESG due diligence process during the initial evaluation of potential investments. This process includes a thorough evaluation of the target company's performance in relation to governance issues. Any red flags or areas of concern that emerge from this assessment are duly flagged for further scrutiny.

In cases where an investment proceeds, the fund proactively engages with the investee companies on a quarterly basis. These engagements provide us with a platform to discuss material ESG and impact themes pertinent to the company's governance practices. Through these constructive dialogues, we aim to encourage improvements in governance standards, fostering sustainable and ethical business practices.

#### E. Proportion of Investments

We expect 100% of the fund's investments to make sustainable investments in accordance with Article 9 (2) of Regulation (EU) 2019/2088.

#### F. Monitoring of the sustainable investment objective

The monitoring of the sustainable investment objective and the associated sustainability indicators occurs throughout the entire lifecycle of the fund:

##### **Acquisition Phase**

The impact targets and indicators, based on the assessment completed in the due diligence phase, are set and are incorporated as part of the company's strategy. An impact hurdle is also set at this stage that is monitored throughout the holding period and at exit.

Control Mechanisms:

- The due diligence is completed by an external expert advisor.
- The impact targets and indicators are approved by the independent Sustainability Committee and by the Investment Committee.

##### **Holding Period**

The targets are incorporated into the company's strategy. The fund manager reports on the progress of the impact targets and indicators, performance on the PAI indicators, and on the progress towards the impact hurdle.

Control Mechanisms:

- Quarterly reports are sent to the funds limited partners (LPs). This reporting is based on active engagement with the portfolio companies to discuss progress, initiatives, any flagged issues, among others.

##### **Exit**

Upon exit the impact contribution is reviewed by the fund manager to calculate whether the targeted impact contribution was realised.

Control Mechanisms:

If aggregate realised Impact Target is higher than the impact hurdle, the carry vehicle has the right to receive carried interest. If this is not the case, the complete carried interest will go to an environmental-friendly charity that is to be approved by the investors.

## G. Methodologies

Impact targets and indicators are defined in the due diligence phase. These are approved by the Investment Committee prior to the investment. The fund regularly engages with portfolio companies throughout the reporting year and monitors progress on a quarterly basis.

### Environmental:

- Carbon emissions (Scope 1 & 2) in tCO<sub>2</sub>e
  - *Scope 1 emissions are defined as direct emissions at company facilities and company-owned vehicles.*
  - *Scope 2 emissions are defined as indirect emissions from energy purchased and used by the organization.*
- Carbon footprint intensity (tco<sub>2</sub>eq/€)
  - *Carbon footprint intensity is calculated per company as the total scope 1 and 2 emissions, divided by the company's revenues, in €, multiplied by the weight of the current investment.*

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

- GHG intensity (tco<sub>2</sub>eq/€revenue)
  - *GHG intensity of investee companies is calculated per company as the sum of current value of investment divided by the current value of all investments, multiplied by the company's Scope 1,2 and 3 GHG emissions divided by the investee company's revenue in millions of euros.*

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

- Renewable and non-renewable energy consumed, expressed as a percentage.
  - *Information provided by companies based on their office/facility energy bills. Where no information is available, a proxy is used based on the national electricity mix.*
- Renewable and non-renewable energy produced (if the company produces energy), expressed as a percentage.
  - *Information provided by companies based on their office/facility energy bills. Where no information is available, a proxy is used based on the national electricity mix.*
- Energy intensity (kWh/€m revenue)
  - *Energy intensity is calculated as total energy consumption per million EUR of revenue of investee companies.*
- Emissions to water
  - *Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average.*
- Quantity of hazardous waste produced, expressed in tonnes.
- Hazardous waste ratio
  - *Tonnes of hazardous waste generated by investee companies per million EUR invested, expressed as a weighted average.*

### Social:

- Unadjusted gender pay gap: *average unadjusted gender pay gap of investee companies, where the 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.*
- Rate of accidents: *rate of accidents in investee companies expressed as a weighted average.*

### Governance:

- Board gender diversity: *diversity average (woman/man ratio) in investee companies.*

### Company Specific KPIs

The impact targets and indicators are set at company level and are dependent on the SDG to which they contribute to. The following are examples of the targets and indicators set for the companies currently in the fund's portfolio:

**Company A:** Company active in the agricultural biotech industry.

Impact Indicators:

- Amount of animal feed saved using the company's products, expressed in tons.
- Amount of antibiotics avoided using the company's products, expressed in kg.

**Company B:** Company active in biobased materials industry.

Impact Indicators:

- Greenhouse gas emissions avoided by the company's process, expressed in tons.
- Land use for palm tree cultivation avoided, expressed in km<sup>2</sup>.

**Company C:** Precision farming

Impact Indicators:

- Additional crop yield from use of the company's services, expressed in tons.
- Greenhouse gas emissions avoided, expressed in tons.

## H. Data sources and processing

- 1. Data sources:** Information is gathered directly from the portfolio companies. PAI indicators are collected via a data request Excel sent to the appropriate person in the company.
- 2. Data quality:** The fund engages with an external advisor to check to review the information to ensure data quality. In cases where data quality is put into question, the fund manager, with the help of the external advisor, engages with the investee to iterate the data until it is correct and undertakes an internal validation.
- 3. Data processing:** The data obtained from portfolio companies is processed by the fund manager with the help of an external ESG consultant. The data is collected in a digital format and processed in an ESG monitoring tool.
- 4. Data estimation:** The fund relies on real data provided by the companies and does not use estimates to the extent possible, with the limitations outlined below.

The fund engages with portfolio companies on a quarterly basis to monitor progress throughout the reporting year.

## I. Limitations to methodologies and data

Limitations to the methodologies and data referred to in the above sections include, but are not limited to:

- limited capacity to measure or report from the portfolio companies,
- different reporting periods and group perimeters,
- human error in the provision of data,
- data collection done by email and Excel, which could lead to human error.

We expect to improve data quality and minimize the limitations mentioned above as we improve the data collection process.

The engagement with an external ESG consultant helps with the centralization of the data collection process and ensures the highest amount of accuracy and consistency possible.

## J. Due Diligence

The ESG due diligence process of the fund follows a structured and formal approach that ensures a thorough evaluation of the environmental, social, and governance aspects of potential investments:

**Relevance Assessment:** The fund conducts an assessment to determine the relevance of ESG factors within the specific industry in which the target company operates. This evaluation considers the industry's environmental impact, social implications, and governance practices.



**Identification of Material Themes:** A comprehensive analysis is undertaken to identify the key material themes throughout the entire value chain of the target company. These themes encompass significant ESG factors that have a substantial influence on the company's performance and sustainability.

**Performance Evaluation and Scoring:** The target company's performance is rigorously evaluated and scored against the identified material themes. This evaluation provides a quantitative and qualitative assessment of the company's ESG practices and achievements.

**Action Plan Development:** Based on the evaluation results, an action plan is formulated to address any areas of improvement or weaknesses identified in the company's ESG performance. This plan outlines specific measures and strategies to enhance the company's sustainability practices and align with industry best practices.

**Impact Assessment:** Simultaneously, an impact assessment is conducted to evaluate the target company's positive contribution to one or more of the five selected SDGs. This assessment identifies and selects 1-2 impact indicators that reflect the company's contribution to the chosen SDGs. Periodic impact targets are suggested and agreed upon to track and measure the company's progress.

**Impact Report Preparation:** Following the completion of the due diligence process, an impact report is prepared. This report provides a comprehensive overview of the company's ESG performance, action plan, and impact assessment findings. The report undergoes a review by an independent sustainability committee.

**Control Mechanisms:** The impact report, based on the due diligence results, is submitted to the independent sustainability committee for review. Although the committee does not possess veto power regarding investment decisions, their opinion carries significant weight. If the sustainability committee expresses the view that a company's impact is insufficient, the investment is highly unlikely to be committed. Additionally, for an investment to proceed, a unanimous vote is required within the investment committee. If the sustainability committee provides highly unfavourable feedback on the impact report, it is improbable that the investment will pass the investment committee's evaluation.

This formal and robust ESG due diligence process ensures a comprehensive assessment of potential investments, with control mechanisms in place to ensure alignment with the fund's sustainability objectives.

#### K. Engagement Policies

The fund adopts an active ownership approach by investing in significant minority stakes and seeking board representation. With a focus on active engagement during the holding period, the firm actively collaborates with portfolio companies to drive strategic initiatives, share expertise, and contribute to their long-term success and positive impact generation. Engagement occurs on a quarterly basis with portfolio companies and is reported back to investors.

#### L. Attainment of sustainable investment objective

The fund has not designated a reference benchmark, nor does it have carbon emissions as its objective and does not have a reduction in carbon emissions as its objective.