



Responsible Investment Policy

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1. Introduction.....	2
2. Scope.....	2
3. Responsible investment approach.....	2
Environment.....	3
Social.....	3
Governance.....	4
Supporting Frameworks.....	4
4. Implementation approach.....	4
Pre-investment.....	4
Post-investment.....	5
Exit.....	5
Internal Processes.....	5
5. Reporting and accountability.....	6
6. Governance and oversight.....	6
7. Principal Adverse Impact Statement.....	6



1. Introduction

Faber Capital SCR SA ("Faber") has adopted this Responsible Investment Policy ("Policy"), which defines our approach to responsible investing and the management of Environmental, Social and Governance ("ESG") topics within Faber's business operations and investment activities.

The Policy applies to all funds managed by Faber, as well as to everyone involved in Faber's operations (notably, its board of directors, partners, employees and advisors).

This Policy shall be reviewed at least annually, to align with any potential changes in Faber's growth and investment strategy, operations, external best practices and relevant local and global laws and regulations.

This Policy has been adopted considering the requirements set forth in the Sustainable Finance Disclosure Regulation ("SFDR").

2. Scope

The Policy aims to cover the totality of Faber's assets under management ("AuM") and will be executed throughout the fundraising, investment and ownership cycles.

Faber's degree of influence over responsible investment topics of the funds' portfolio companies varies with the ownership stake and formal influence at each portfolio company.

Regardless of the degree of influence, Faber strives to encourage the establishment of commitments in defining, measuring and reporting the positive impact that the business generates, as well as to develop, implement and track appropriate sustainability standards through the shareholder agreements for our portfolio companies.

3. Responsible investment approach

Faber invests in outstanding entrepreneurs who innovate at the intersection of science and technology to drive digital transformation and climate action.

The firm combines a specialist focus on deep tech early-stage startups (pre-seed or seed stage, oftentimes pre-revenue at first ticket) with thematic funds, dedicated investment teams and fund-specific expert advisors to actively help founders build global companies.

Faber's responsible investment philosophy is focused on backing purpose-driven founders and investing in companies that will create a positive impact to economies



and societies and/or the future of the planet and, as of today, Faber manages a fund that promotes environmental characteristics (in accordance with article 8 SFDR).

In this regard, Faber seeks to integrate sustainability risks into its investment decisions. To do so, Faber is committed to establishing and practicing a proactive ESG approach, ensuring that potential sustainability risks are always considered during due diligence, monitoring and reporting processes, both for potential and actual investments.

Faber's activity is guided by the following ESG principles:

Environment

- Complying with current environmental laws and regulations;
- Reducing greenhouse gas emissions and pollution (including responsible business traveling);
- Reducing food waste to minimal levels;
- Reducing digital and electronic waste;
- Maximize recycling of our office waste and packaging;
- Efficiently managing energy and water resources;
- Supporting value creation potential from developing portfolio companies that are environmentally sound.

Social

- Raising awareness and complying with international human rights standards under the UN Guiding Principles for Business and Human Rights;
- Complying with labor laws and encourage competitive employee remuneration, safe and healthy work spaces in line with local legislation;
- Promoting diversity and inclusion (fair treatment regardless of age, race, gender, religion, sexual orientation or disability);
- Considering employee working conditions such as minimum wages, working hours, health and safety of employees;
- Having sufficient qualified staff, with adequate technical capacity;
- Promoting positive community relations.

Governance

- Ensuring an ethical business conduct, including anti-corruption and anti-bribery practices, consistent with the United Nations Convention against Corruption;

- Ensuring each company's CEO and management team are responsible for executing strategy and running the daily operations of the company according to the policies approved by the board and in respect of the approved fund's investment policies;
- Committing to help our portfolio to develop policies and processes to protect Information and maintain its confidentiality, integrity and availability;
- Enforcing shareholder rights, including voting rights, shareholder meetings, voting frequency and procedures and quality of information provided to shareholders;
- Having adequate risk management and conflict of interest mechanisms that consider sustainability risks.

Supporting Frameworks

To ensure the compliance with the ESG principles mentioned above, Faber works hard to operate in accordance with the following supporting frameworks:

- [OECD Guidelines for Multinational Enterprises](#);
- [UN Sustainable Development Goals](#);
- [UN Guiding Principles for Business and Human Rights](#);
- [UN Principles for Responsible Investments](#) (UNPRI).

4. Implementation approach

In accordance with the UNPRI, Faber commits to incorporating sustainability/ESG risks into all investment analysis and decision-making processes, them being:

Pre-investment

- Implementing an ESG checklist revision in the early stages of the due diligence process - which includes the investment exclusion policy from each respective fund.
 - At the present date Faber has two active funds, with two different investment exclusion policies that can be consulted on each of the funds' SFDR Statement - [SFDR Statement Faber Tech II](#); [SFDR Statement Faber Blue Pioneers I](#).
- Incorporating a new section in the investment memo that summarizes the findings of the ESG due diligence, along with material ESG risks and opportunities and discussing them during the Investment Committee meetings;
- Making sure that Faber's principles regarding ESG matters are overall reflected in the investment agreements with our portfolio companies.



Post-investment

- Collaborating with the management team and co-investors to identify relevant ESG issues, discussing management approaches and accountability in the company's strategy;
- Monitoring ESG risks and opportunities through quarterly reports from our portfolio companies;
- Including ESG related topics to the board meetings agendas (whenever deemed necessary provided that Faber is present);
- Helping portfolio companies without established ESG policies address such gaps, either directly or by reference to external experts;
- Providing portfolio companies with access to ESG training and materials.

Exit

All portfolio companies will, during the time of the holding period, accumulate an ESG performance track record, thus allowing Faber to calculate and promote the overall ESG contribution value in the exit process. Faber will also ensure that this value will be part of any information pack or online data room pertaining to the company's future fundraising, sale or IPO process.

Internal Processes

Faber is an equal opportunities employer and respects the diversity of its team. Our aim is to attract, motivate, develop and retain a diverse and talented group of people while also providing a working environment that promotes both inclusion and equality.

Currently, Faber does not have a formal remuneration policy. Although Faber is not required to have one under local Law 18/2015, this is an aspect that may be reviewed and adjusted in the future and a formal remuneration policy that considers the integration of sustainability risks may be adopted.

Despite the above employee remuneration is based on an annual appraisal process which considers a variety of factors, but includes the extent to which staff members promote the firm's guiding principles and adhere to the firm's policies (including this ESG Policy).

A relevant portion of overall remuneration for Faber team members is also linked to the long-term performance of the Faber funds, including Faber Blue Pioneers I considering impact KPI performance in calculating variable remuneration (carried interest). We consider this approach, which aligns the interest of team members with those of our limited partners, to be appropriate to promote a culture of



reducing long-term ESG risks within our portfolio and creating long term impact and financial performance for our funds and other stakeholders.

5. Reporting and accountability

Faber is focused on ensuring full transparency on ESG topics with the limited partners (“LPs”) in the funds under Faber’s management. To this end, we proactively include risk related information in our reports to LPs and provide updates on ESG issues and initiatives at our annual Investor Meetings and at our advisory board meetings.

Each Investment Manager is responsible for collecting and reviewing ESG related performance data received from their portfolio companies.

Faber is committed to following Invest Europe and UNPRI guidelines in relation to responsible investment practices.

6. Governance and oversight

Faber’s management team has an overall responsibility for the execution of this Policy and an ultimate ownership for integrating the ESG risks into the investment decisions at Investment Committees, being responsible for:

- Leading the Policy’s drafting efforts;
- Ensuring internal and external buy-in;
- Assigning the necessary resources for the implementation;
- Reviewing the Policy on, at least, an annual basis.

The funds investment teams must ensure that the ESG factors are correctly implemented across the due-diligence, investment decisions, portfolio company initiatives and through exits.

7. Principal Adverse Impact Statement

Faber does not currently consider the principal adverse impacts of its investment decisions on sustainability factors as set out under the SFDR, since the majority of our first investments is done at very early stage (pre-seed and seed stage startups) and we cannot currently ensure the obtention or measurement of all the data that would need to be reported under the SFDR.

Whenever conditions are met, Faber intends to comply with the relevant requirements by developing processes to gather information on the sustainability



impact of its portfolio companies and by undertaking a full principal adverse impact assessment.

Faber's current management mandates do not require that principal adverse impacts are accounted for when making an investment decision.

Nevertheless, Faber may consider principal adverse impacts on sustainability factors in the context of any of its managed funds, if the required conditions are met at that specific product level.