

Statement on principal adverse impacts of investment decisions on sustainability factors

Financial market participant Agri-Business Capital (ABC) Fund S.A., SICAV-RAIF - ABC Global Sub-Fund (the “ABC Fund”)

Summary

The ABC Fund considers principal adverse impacts of its investment decisions on sustainability factors. The present statement is the consolidated statement on principal adverse impacts on sustainability factors of the ABC Fund. This statement on principal adverse impacts on sustainability factors covers the reference period from 1 January to 31 December 2023.

Description of the principal adverse impacts on sustainability factors

Indicators applicable to investments in investee companies

| Adverse sustainability indicator | Metric | Impact [year n] | Impact [year n-1] | Explanation | Actions taken, and actions planned and targets set for the next reference period |
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CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS

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|--------------------------|------------------|-----------------------|----------------------------|-------------------------|--|---|
| Greenhouse gas emissions | 1. GHG emissions | Scope 1 GHG emissions | 15,570 tCO ₂ eq | 805 tCO ₂ eq | This data was estimated using the Joint Impact Model SFDR PAI calculation tool. This tool has been improved from last year to estimate the GHG emissions with more accuracy. | No specific quantitative targets have been set related to this PAI for the next reference period. |
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| | | Scope 2 GHG emissions | 481 tCO ₂ eq | 300 tCO ₂ eq | This data was estimated using the Joint Impact Model SFDR PAI calculation tool. This tool has been improved from last year to estimate the GHG emissions with more accuracy. | No specific quantitative targets have been set related to this PAI for the next reference period. |
| | | Scope 3 GHG emissions | 61,075 tCO ₂ eq | 3,669 tCO ₂ eq | This data was estimated using the Joint Impact Model SFDR PAI calculation tool. This tool has been improved from last year to estimate the GHG emissions with more accuracy. The significant difference between the 2023 value and the 2022 is due to these improvements as well as the fact that the underlying portfolio of financial intermediaries is included in the estimates for the scope 3 GHG emissions of financial intermediaries, which explains the significant increase in the value of this indicator in 2023. | No specific quantitative targets have been set related to this PAI for the next reference period. |

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| | | Total GHG emissions | 77,126 tCO ₂ eq | 4,774 tCO ₂ eq | The GHG emissions data scope 1, 2 and 3 on which this indicator is based were estimated using the Joint Impact Model SFDR PAI calculation tool. This tool has been improved from last year to estimate the GHG emissions with more accuracy. The significant difference between the 2023 value and the 2022 value is due to these improvements as well as the fact that the underlying portfolio of financial intermediaries is included in the estimates for the scope 3 GHG emissions of financial intermediaries, which explains the significant increase in the value of this indicator in 2023. | No specific quantitative targets have been set related to this PAI for the next reference period. |
| | 2. Carbon footprint | Carbon footprint | 2,221 tCO ₂ eq/€M | 150.87 tCO ₂ eq/€M | This data was estimated using the Joint Impact Model SFDR PAI calculation tool. This tool has been improved from | No specific quantitative targets have been set related to this PAI for |

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| | | | | | last year to estimate the GHG emissions with more accuracy. The significant difference between the 2023 value and the 2022 value is due to these improvements as well as the fact that the underlying portfolio of financial intermediaries is included in the estimates for the scope 3 GHG emissions of financial intermediaries, which explains the significant increase in the value of this indicator in 2023. | the next reference period. |
| | 3. GHG intensity of investee companies | GHG intensity of investee companies | 5,617 tCO ₂ eq./€M | 266.79 tCO ₂ eq./€M | This data was estimated using the Joint Impact Model SFDR PAI calculation tool. This tool has been improved from last year to estimate the GHG emissions with more accuracy. The significant difference between the 2023 value and the 2022 value is due to these improvements as well as the fact that the | No specific quantitative targets have been set related to this PAI for the next reference period. |

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| | | | | | underlying portfolio of financial intermediaries is included in the estimates for the scope 3 GHG emissions of financial intermediaries, which explains the significant increase in the value of this indicator in 2023. | |
| | 4. Exposure to companies active in the fossil fuel sector | Share of investments in companies active in the fossil fuel sector | 0% | 0% | None of the ABC Fund's investees are active in the fossil fuel sector. | The ABC Fund does not invest in companies active in the fossil fuel sector. The target for this PAI for the next reference period is therefore 0%. |
| | 5. Share of non-renewable energy consumption and production | Share of non-renewable energy consumption and non-renewable energy production of investee companies from non-renewable energy sources compared to renewable energy | 54.7% | 57% | No investee companies of the ABC Fund produce energy. The percentage included here represents the share of energy consumed from non-renewable energy sources by investee companies compared to renewable energy sources. As many of the ABC Fund's | No specific quantitative targets have been set related to this PAI for the next reference period. |

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| | | sources, expressed as a percentage of total energy sources | | | investee do not track this data, this indicator has been estimated based on the share of non-renewable energy sources in the national grids in the countries where investees operate. | |
| | 6. Energy consumption intensity per high impact climate sector | Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector | 0,043 GWh/mEUR | N/A | This data was estimated using the Joint Impact Model SFDR PAI calculation tool. FIs do not classify as part of a high climate sector given its direct activities in the financial industry. | |
| Biodiversity | 7. Activities negatively affecting biodiversity-sensitive areas | Share of investments in investee companies with sites/operations located in or near to biodiversity-sensitive areas where activities of those investee companies negatively affect those areas | 0% | 0% | Some investee companies have activities located near to biodiversity-sensitive areas but none of them are negatively affecting those areas. | No specific quantitative targets have been set related to this PAI for the next reference period. |

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| Water | 8. Emissions to water | Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average | N/A | N/A | At this stage, very few investee companies of the ABC Fund are able to track this data and no suitable proxy data providers were identified for this PAI. | No specific quantitative targets have been set related to this PAI for the next reference period. |
| Waste | 9. Hazardous waste and radioactive waste ratio | Tonnes of hazardous waste and radioactive waste generated by investee companies per million EUR invested, expressed as a weighted average | N/A | N/A | At this stage, very few investee companies of the ABC Fund are able to track this data and no suitable proxy data providers were identified for this PAI. | No specific quantitative targets have been set related to this PAI for the next reference period. |
| INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS | | | | | | |
| Social and employee matters | 10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for | Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises | 0% | 0% | | |

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| | Multinational Enterprises | | | | | |
| | 11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises | Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance /complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises | 36,5% | 81% | | |
| | 12. Unadjusted gender pay gap | Average unadjusted gender pay gap of investee companies | 14,7% | N/A | | |
| | 13. Board gender diversity | Average ratio of female to male | 25% | 25% | | |

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| | | board members in investee companies, expressed as a percentage of all board members | | | | |
| | 14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons) | Share of investments in investee companies involved in the manufacture or selling of controversial weapons | 0% | 0% | The Sub-Fund's exclusion list includes ammunition, weapons, and weapons carriers. | The ABC Fund does not invest in weapons. The target for this PAI for the next reference period is therefore 0%. |
| Indicators applicable to investments in sovereigns and supranationals | | | | | | |
| Adverse sustainability indicator | | Metric | Impact [year n] | Impact [year n-1] | Explanation | Actions taken, and actions planned and targets set for the next reference period |
| Environmental | 15. GHG intensity | GHG intensity of investee countries | N/A | N/A | Not applicable | N/A |
| Social | 16. Investee countries subject to | Number of investee countries | N/A | N/A | Not applicable | N/A |

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|---|---|---|------------------------|--------------------------|--------------------|---|
| | social violations | subject to social violations (absolute number and relative number divided by all investee countries), as referred to in international treaties and conventions, United Nations principles and, where applicable, national law | | | | |
| Indicators applicable to investments in real estate assets | | | | | | |
| | Adverse sustainability indicator | Metric | Impact [year n] | Impact [year n-1] | Explanation | Actions taken, and actions planned and targets set for the next reference period |
| Fossil fuels | 17. Exposure to fossil fuels through real estate assets | Share of investments in real estate assets involved in the extraction, storage, transport or | N/A | N/A | Not applicable | N/A |

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|-------------------|---|---|-----|-----|----------------|-----|
| | | manufacture of fossil fuels | | | | |
| Energy efficiency | 18. Exposure to energy-inefficient real estate assets | Share of investments in energy-inefficient real estate assets | N/A | N/A | Not applicable | N/A |

Other indicators for principal adverse impacts on sustainability factors

Share of investment in companies without sustainable land/agriculture practices or policies: 0%

Share of investments in investee companies exposed to operations and suppliers at significant risk of incidents of forced or compulsory labour in terms of geographic areas and/or the type of operation: 0%

Description of policies to identify and prioritise principal adverse impacts on sustainability factors

Across its investments, the Fund is exposed to sustainability risks in the form of environmental, social or governance (ESG) events and conditions that can have negative impacts on the assets, financial and/or earnings situation, or the reputation of the Fund. However the Fund’s investments are selected for their high potential for positive impact in line with the Fund’s impact framework, and the risks of negative impacts are mitigated through the Sub-Fund’s ESG policy which allows the identification and prioritisation of principal adverse impact on sustainability factors. The Fund’s impact and ESG management process is deployed throughout the lifetime of each investment.

First, during the pre-investment phase, the investment team checks potential clients against both the Fund’s impact criteria as well as the Fund’s Exclusion List.

Second, prior to any investment, the investment team conducts further on-site analyses on the expected impact of the company towards the overarching impact goal of the ABC Fund and ensures that all the activities of the Fund’s investee companies are consistent with the Fund’s ESG standards. An investment memo is prepared and submitted to the Fund’s investment committee, containing a description of the alignment of the company with the impact goals of the ABC Fund, and which informs the investment committee’s decision to finance the company or not.

Third, during the negotiation of terms for investment, the ABC Fund investment team and the investee company agree on selected output/outcome indicators which the investee will report on to the ABC Fund team on a yearly basis for the duration of the investment.

Fourth, through its monitoring process, the ABC Fund further seeks to capture and assess information to support performance improvements.

The binding elements of the investment strategy must be applied by the ABC Fund's investees at each stages of the investment process: (1) Alignment with at least one of the ABC Fund's impact objectives (ii) Compliance with the ABC Fund's Exclusion List; (iii) Compliance with national applicable national laws, including those on labour, environment, health, safety and social issues; (iv) Compliance with the policies of the International Fund for Agricultural Development (IFAD) on the prevention and treatment of harassment, exploitation and sexual abuse, on the prevention of fraud and corruption and on the social, environmental and climate assessment; (v) Compliance with international principles of respect for human rights and international conventions of the International Labour Organization (ILO), and international conventions relating to the environment; (vi) Possession of all necessary environmental and social permits applicable to the activity of the company.

Engagement policies

The Fund's engagement with investees, including on sustainability-related matters, is an integral component of the Fund's investment cycle and contribution to positive development impact. Prior to investing in any company, the Fund conducts an ESG assessment of investees, during which any potential sustainability-related controversies are identified, and monitors progress through annual reporting. Incident reporting further facilitates the Fund's management of such sustainability-related incidents. In addition, the Fund requires its investees to comply with a set of ESG requirements and, where necessary, engages with investees to ensure improvement of their ESG performance. Where relevant, the ABC Fund's Technical Assistance Facility can provide business advisory and technical support to help investee improve their performance on environmental, social and governance matters.

References to international standards

The Fund Manager of the Sub-Fund, Bamboo Capital Partners, is a signatory to the Global Compact, the Principles for Responsible Investments (PRI) and the Operating Principles for Impact Management. The principles set by these standards are applied in the investments made by the Funds that Bamboo manages. The Sub-Fund is also committed to operate according to the International Finance Corporation (IFC) Performance Standards (2012) and Interpretation Note on Financial Intermediaries. Investees of the Sub-Fund are required to comply with the international principles of respect for human rights and international conventions of the International Labour Organization (ILO).

Historical comparison

Most significant divergences between 2022 and 2023 results are found in the metrics related to the GHG emissions. The GHG emissions data scope 1, 2 and 3 were estimated using the Joint Impact Model SFDR PAI calculation tool. This tool has been improved from last year to estimate the GHG emissions with more accuracy. The significant difference between the 2023 values and the 2022 values is due to these improvements as well as the fact that the underlying portfolio of financial intermediaries is included in the estimates for the scope 3 GHG emissions of financial intermediaries, which explains the significant increase in the value of indicators related to GHG emissions in 2023.

Table 2

Additional climate and other environment-related indicators

| Adverse sustainability impact | Adverse impact on sustainability factors (qualitative or quantitative) | Metric |
|---|---|---|
| Indicators applicable to investments in investee companies | | |
| CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS | | |
| Emissions | 1. Emissions of inorganic pollutants | Tonnes of inorganic pollutants equivalent per million EUR invested, expressed as a weighted average |
| | 2. Emissions of air pollutants | Tonnes of air pollutants equivalent per million EUR invested, expressed as a weighted average |
| | 3. Emissions of ozone-depleting substances | Tonnes of ozone-depleting substances equivalent per million EUR invested, expressed as a weighted average |
| | 4. Investments in companies without carbon emission reduction initiatives | Share of investments in investee companies without carbon emission reduction |

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| | | initiatives aimed at aligning with the Paris Agreement |
| Energy performance | 5. Breakdown of energy consumption by type of non-renewable sources of energy | Share of energy from non-renewable sources used by investee companies broken down by each non-renewable energy source |
| Water, waste and material emissions | 6. Water usage and recycling | 1. Average amount of water consumed by the investee companies (in cubic meters) per million EUR of revenue of investee companies 2. Weighted average percentage of water recycled and reused by investee companies |
| | 7. Investments in companies without water management policies | Share of investments in investee companies without water management policies |
| | 8. Exposure to areas of high water stress | Share of investments in investee companies with sites located in areas of high water stress without a water management policy |
| | 9. Investments in companies producing chemicals | Share of investments in investee companies the activities of which fall under Division 20.2 of Annex I to |

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| | | Regulation (EC) No 1893/2006 |
| | 10. Land degradation, desertification, soil sealing | Share of investments in investee companies the activities of which cause land degradation, desertification or soil sealing |
| | 11. Investments in companies without sustainable land/agriculture practices | Share of investments in investee companies without sustainable land/agriculture practices or policies |
| | 12. Investments in companies without sustainable oceans/seas practices | Share of investments in investee companies without sustainable oceans/seas practices or policies |
| | 13. Non-recycled waste ratio | Tonnes of non-recycled waste generated by investee companies per million EUR invested, expressed as a weighted average |
| | 14. Natural species and protected areas | 1.Share of investments in investee companies whose operations affect threatened species 2.Share of investments in investee companies without a biodiversity protection policy covering operational sites owned, leased, |

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| | | managed in, or adjacent to, a protected area or an area of high biodiversity value outside protected areas |
| | 15. Deforestation | Share of investments in companies without a policy to address deforestation |
| Green securities | 16. Share of securities not issued under Union legislation on environmentally sustainable bonds | Share of securities in investments not issued under Union legislation on environmentally sustainable bonds |
| Indicators applicable to investments in sovereigns and supranationals | | |
| Green securities | 17. Share of bonds not issued under Union legislation on environmentally sustainable bonds | Share of bonds not issued under Union legislation on environmentally sustainable bonds |
| Indicators applicable to investments in real estate assets | | |
| Greenhouse gas emissions | 18. GHG emissions | Scope 1 GHG emissions generated by real estate assets |
| | | Scope 2 GHG emissions generated by real estate assets |

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| | | Scope 3 GHG emissions generated by real estate assets |
| | | Total GHG emissions generated by real estate assets |
| Energy consumption | 19. Energy consumption intensity | Energy consumption in GWh of owned real estate assets per square meter |
| Waste | 20. Waste production in operations | Share of real estate assets not equipped with facilities for waste sorting and not covered by a waste recovery or recycling contract |
| Resource consumption | 21. Raw materials consumption for new construction and major renovations | Share of raw building materials (excluding recovered, recycled and biosourced) compared to the total weight of building materials used in new construction and major renovations |
| Biodiversity | 22. Land artificialisation | Share of non-vegetated surface area (surfaces that have not been vegetated in ground, as well as on roofs, terraces and walls) compared to the total surface area of the plots of all assets |

Table 3

Additional indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters

| INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS | | |
|---|---|---|
| Adverse sustainability impact | Adverse impact on sustainability factors (qualitative or quantitative) | Metric |
| Indicators applicable to investments in investee companies | | |
| Social and employee matters | 1. Investments in companies without workplace accident prevention policies | Share of investments in investee companies without a workplace accident prevention policy |
| | 2. Rate of accidents | Rate of accidents in investee companies expressed as a weighted average |
| | 3. Number of days lost to injuries, accidents, fatalities or illness | Number of workdays lost to injuries, accidents, fatalities or illness of investee companies expressed as a weighted average |
| | 4. Lack of a supplier code of conduct | Share of investments in investee companies |

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| | | without any supplier code of conduct (against unsafe working conditions, precarious work, child labour and forced labour) |
| | 5. Lack of grievance/complaints handling mechanism related to employee matters | Share of investments in investee companies without any grievance/complaints handling mechanism related to employee matters |
| | 6. Insufficient whistleblower protection | Share of investments in entities without policies on the protection of whistleblowers |
| | 7. Incidents of discrimination | <p>1. Number of incidents of discrimination reported in investee companies expressed as a weighted average</p> <p>2. Number of incidents of discrimination leading to sanctions in investee companies expressed as a weighted average</p> |

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| | 8. Excessive CEO pay ratio | Average ratio within investee companies of the annual total compensation for the highest compensated individual to the median annual total compensation for all employees (excluding the highest-compensated individual) |
| Human Rights | 9. Lack of a human rights policy | Share of investments in entities without a human rights policy |
| | 10. Lack of due diligence | Share of investments in entities without a due diligence process to identify, prevent, mitigate and address adverse human rights impacts |
| | 11. Lack of processes and measures for preventing trafficking in human beings | Share of investments in investee companies without policies against trafficking in human beings |
| | 12. Operations and suppliers at significant risk of incidents of child labour | Share of investments in investee companies exposed to operations |

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| | | and suppliers at significant risk of incidents of child labour in terms of geographic areas or type of operation |
| | 13. Operations and suppliers at significant risk of incidents of forced or compulsory labour | Share of the investments in investee companies exposed to operations and suppliers at significant risk of incidents of forced or compulsory labour in terms in terms of geographic areas and/or the type of operation |
| | 14. Number of identified cases of severe human rights issues and incidents | Number of cases of severe human rights issues and incidents connected to investee companies on a weighted average basis |
| Anti-corruption and anti-bribery | 15. Lack of anti-corruption and anti-bribery policies | Share of investments in entities without policies on anti-corruption and anti-bribery consistent with the United Nations Convention against Corruption |

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| | 16. Cases of insufficient action taken to address breaches of standards of anti-corruption and anti-bribery | Share of investments in investee companies with identified insufficiencies in actions taken to address breaches in procedures and standards of anti-corruption and anti-bribery |
| | 17. Number of convictions and amount of fines for violation of anti-corruption and anti-bribery laws | Numbers of convictions and amount of fines for violations of anti-corruption and anti-bribery laws by investee companies |
| Indicators applicable to investments in sovereigns and supranationals | | |
| Social | 18. Average income inequality score | The distribution of income and economic inequality among the participants in a particular economy including a quantitative indicator explained in the explanation column |
| | 19. Average freedom of expression score | Measuring the extent to which political and civil society organisations can operate freely including a quantitative indicator |

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| | | explained in the explanation column |
| Human rights | 20. Average human rights performance | Measure of the average human right performance of investee countries using a quantitative indicator explained in the explanation column |
| Governance | 21. Average corruption score | Measure of the perceived level of public sector corruption using a quantitative indicator explained in the explanation column |
| | 22. Non-cooperative tax jurisdictions | Investments in jurisdictions on the EU list of non-cooperative jurisdictions for tax purposes |
| | 23. Average political stability score | Measure of the likelihood that the current regime will be overthrown by the use of force using a quantitative indicator explained in the explanation column |
| | 24. Average rule of law score | Measure of the level of corruption, lack of fundamental rights, and |

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| | | the deficiencies in civil and criminal justice using a quantitative indicator explained in the explanation column |
|--|--|---|