Sustainable Finance Disclosure Regulation: Pre-Contractual Disclosures

Faber Blue Pioneers I

V1.0 02/10/2024

This statement has been prepared by Faber Capital SCR, S.A. ("Faber") to comply with the requirements of Article 6 and 7 of the Sustainable Finance Disclosure Regulation ("SFDR").

Sustainability risks as part of Faber's investment decision-making process (Article 6 SFDR)

In accordance with the The UN Principles for Responsible Investments (UNPRI) and in line with its Responsible Investment Policy, Faber integrates sustainability risks into its discretionary investment decision-making process. "Sustainability risks" means an event or condition of an environmental, social or governance nature whose occurrence is likely to cause an actual or potential significant negative impact on the value of the investment.

Sustainability risk alone would not deter Faber from making an investment. Rather, it is considered as part of Faber's broader risk management framework and is one of several risks that may be relevant depending on the particular investment opportunity. As stated in its Responsible Investment Policy, in the pre-investment stage, Faber implements an ESG checklist in the early stages of the due diligence process. This ensures that sustainability risks are considered alongside the traditional financial metrics throughout the entire process.

The likely impacts of a sustainability risk may be numerous and can vary depending on the specific risk. If a sustainability risk materialises, or occurs in an unexpected way, it could lead to a sudden and significant negative impact on the value of an investment. The assessment of the likely impacts of sustainability risks on the returns of Faber Blue Pioneers I ("Fund") led to the establishment of an exclusion policy, which prohibits the provision of financial support to specific companies. Companies that are involved in activities that could potentially pose a significant sustainability risk that would have a significant negative impact on the value of the investment are excluded, including those engaged in fossil fuel-based energy production and related activities, as well as energy-intensive and/or high CO_2-emitting industries.

Furthermore, the Fund monitors a range of climate, environmental, social and/or societal impact indicators for each investment. In order to guarantee that sustainability risks are taken into account in investment decisions, the Fund has established an Investment Committee, appointed by Faber, which is responsible for executing all investments and divestments to be made by the Fund according to its investment policy and objectives, including assessing and approving investment and divestment opportunities.

Faber is committed to ensuring comprehensive transparency on ESG matters with the limited partners (LPs) associated with the funds under its management. To this end, Faber proactively incorporates risk-related information into its reports to LPs and provides updates on ESG issues and initiatives at its annual investor meetings and advisory board meetings.

No consideration of the Principal Adverse Impacts (Article 7 SFDR)

Faber and the Fund do not currently consider the principal adverse impacts of their investment decisions on sustainability factors, as stated in the Pre-Contractual Disclosure (please see Faber Annual Principal Adverse Impact Statement and Faber Blue Pioneers I_Pre Contractual Disclosure).

The majority of Faber's and the Fund's first investments is done at very early stage (pre-seed and seed stage startups) in companies that due to their size, development stage and limited resources, are not yet able to adequately provide the information required under the law. In fact, regarding the principal adverse impacts on sustainability, the Delegated Regulation (Commission Delegated Regulation (EU) 2022/1288 of 6 April 2022) sets out the main indicators that shall be considered in the identification of such adverse impacts, which include, greenhouse gas emissions (GHG emissions, carbon footprint, GHG intensity of investee companies), biodiversity (activities negatively affecting biodiversity-sensitive areas), water (emissions to water), social and employee matters (violations of UN Global Compact principles and Organisation for Economic Cooperation and Development Guidelines for Multinational Enterprises, unadjusted gender pay gap, board gender diversity), among others.

Thus, Faber and the Fund cannot currently ensure the obtention or measurement of all the data that would need to be reported under the SFDR Regulation and the Delegated Regulation.

Faber's decision not to consider the adverse impacts of its investment decisions on sustainability factors will be subject to periodic reassessment and will not preclude Faber's commitment to combine its mission and strategic objectives with an active contribution to do everything in its power to pursue sustainability factors.