

SFDR Transparency Statement

Faber Blue Pioneers I

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1. Introduction

The following statement in respect of Faber Blue Pioneers I, Fundo de Capital de Risco Fechado (the “Fund” or “Faber Blue Pioneers I”), is made in accordance with the requirements under Article 10 of SFDR and Section 1 of Chapter IV of the Delegated Regulation supplementing SFDR regarding regulatory technical standards (“RTS”). This document is prepared to meet the regulatory requirements and should not be considered an offer or solicitation to invest in the Fund.

2. Summary

[Summary available in Portuguese as Schedule I]

Faber Blue Pioneers I is a venture capital fund, managed by Faber Capital SCR, SA (“Faber” or “Management Company”), which focuses on investing in early-stage technology companies from all sectors, with innovation capacity and growth potential that qualify as SMEs at the time of the first investment and that are developing technology solutions for climate action or for fostering sustainable Blue Economy Activities, and with a clear alignment with the UN SDGs, namely SDG 13 (“Take urgent action to combat climate change and its impacts”) and SDG 14 (“Conserve and sustainably use the oceans, seas and marine resources for sustainable development”).

The Fund promotes environmental or social characteristics but does not have sustainable investment as its objective. However, in addition to investments promoting environmental or social characteristics, the Fund can make sustainable investments.

Because the Fund invests in companies that aim to have a positive impact on the environment, some of the Fund’s investments have economic activities that are within the scope of the EU Taxonomy. However, (i) this is not a criterion for investment, (ii) the sustainable investments of the Fund may or may not be aligned with the EU Taxonomy and (iii) there is no minimum share of investments required to be aligned with the EU Taxonomy.

The Fund seeks to promote the environmental and social characteristics by pursuing one of the Environmental Objectives and by integrating certain relevant Environmental, Social and Governance (“ESG”) considerations into the investment decision making process (as described below).

The Fund shall exclusively target investments in SMEs, under the form of equity investments and / or Hybrid Debt / Equity Investments.

The Fund integrates sustainability risks as part of its investment decision-making and monitoring processes.

The Fund will seek to carry out the investment objective by following the investment policy and investment restrictions set out in the Fund's Management Regulations.

As a key component of its investment approach, the Management Company firstly applies screening and exclusions to reduce the investment universe of the Fund, it then uses its internal research process to identify potential investments.

The Fund is committed to incorporating sustainability considerations into all investment analysis and decision-making processes, during all investment management activities (pre-investment, post-investment and exit).

The portfolio companies provide the main third-party data source reviewed by the Investment Manager to assess whether an investment is aligned with sustainability indicators.

The Management Company can engage actively with the portfolio companies as well as with other stakeholders to drive improvements in their transparency regarding ESG matters as well as ESG performance overall.

The Management Company does not utilize a reference benchmark to determine whether the Fund is aligned with the environmental and/or social characteristics that it promotes. Given the early stage and dynamic nature of the Fund's venture capital investments, Faber developed its own impact framework to identify investments that qualify within the sustainable objectives, and monitor the attainment of their impact goals on an annual basis.

3. No sustainable investment objective

This Fund promotes environmental or social characteristics but does not have as its objective sustainable investment.

In addition to investments promoting environmental or social characteristics, the Fund can make sustainable investments that contribute to the following objectives ("**Environmental Objectives**") foreseen in article 9 of Regulation (EU) 2020/852 ("**EU Taxonomy**"):

- i. climate change mitigation;
- ii. climate change adaptation;
- iii. the sustainable use and protection of water and marine resources;

- iv. the transition to a circular economy;
- v. pollution prevention and control; and
- vi. the protection and restoration of biodiversity and ecosystems.

To ensure sustainable investments do no significant harm any environmental or social sustainable investment objective the following measures are applicable:

- i. each investee will use its reasonable efforts to engage in not significantly harming any of its environmental objectives (at least one of the objectives being climate change mitigation, climate change adaptation, sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and control or protection and restoration of biodiversity and ecosystems); and
- ii. in identifying whether any relevant indicators “significantly harms” any sustainable investment objective, the Fund will determine the severity of the potential harm and whether it (the Fund) can address the potential harm during its period of ownership. This may result in seeking changes to practices at the portfolio company or not proceeding with the investment.

Because the Fund invests in companies that aim to have a positive impact on the environment, some of the Fund’s investments have economic activities that are within the scope of the EU Taxonomy. However, (i) this is not a criterion for investment, (ii) the sustainable investments of the Fund may or may not be aligned with the EU Taxonomy and (iii) although our ambition is to invest as much as possible in economic activities eligible within the EU Taxonomy, and support investments to become Taxonomy aligned, there is no minimum share of investments required to be aligned with the EU Taxonomy.

When investing in companies with an economic activity outside of the EU Taxonomy, the Fund shall determine how the investment will contribute to a sustainable investment objective, by using performance indicators and thresholds to demonstrate the impact/contribution it can have. In this sense, Impact KPIs (as defined below in “Monitoring of Environmental or Social Characteristics”) with targets will be used to determine the possible outcomes of the investment.

Sustainable investments shall intend to generate measurable positive environmental impact to one or more of the above identified environmental objectives, by considering strategies for key performance indicators to reach environmental impact targets set according to science-based criteria. In addition to such intended impact, these investments shall seek to not significantly harm any environmental objectives (in particular, the abovementioned Environmental Objectives) nor any social objectives (in particular, social objectives with regards to inequality or social cohesion, social integration and labor relations, human capital, or economically or socially disadvantaged communities).

As part of the due diligence process, indicators for adverse impacts on sustainability factors, whether material or likely to be material, are identified as regards the sustainable investment not causing significant harm to any environmental objectives or any social objectives. Such exercise considers the indicators in the SFDR and RTS (as may be relevant for the investment at stake and which may include one or more of these indicators, namely, just to name a few and without limitation, GHG related metrics, activities negatively affecting biodiversity sensitive areas, exposure to companies active in the fossil fuel sector, board gender diversity or hazardous waste ratio), as well as indicators present in the EU Taxonomy and its delegated acts for no significant harm (if available and pertinent according to a logic of proportionality).

Such indicators for adverse impacts on sustainability factors, as well as available information in this regard, are considered as part of the investment decision and the action plan for the investee company, with a view to the investment not causing significant harm to any environmental or social objective.

The Fund will evaluate the level of compliance of investee companies with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labor Organization on Fundamental Principles and Rights at Work and the International Bill of Human Rights.

If the investee fails to meet its fundamental responsibilities in the areas of human rights, labor, environment, and anti-corruption as aligned with international norms identified above, it shall not be considered to meet the sustainable investment requirements.

Sustainable investments may or may not be aligned with these frameworks.

4. Environmental or social characteristics of the fund

The Fund seeks to promote the environmental and social characteristics by pursuing one of the Environmental Objectives and by integrating certain relevant Environmental, Social and Governance (“ESG”) considerations into the investment decision making process (as described below).

Furthermore, the Fund implements certain investment exclusions (see “Investment Strategy”) during the decision-making process.

Given the Fund’s investment strategy and objectives, the impact must be a core and intrinsic

part of the portfolio company's business model and theory of change. This means that the contribution to the SDGs must be incorporated into the business model in such a way that when the company grows (depending on the stage of the company, this can be through revenue, cost, or personnel growth), the contribution to the SDGs must also grow.

5. Investment strategy

The Fund focuses on investing in early-stage technology companies from all sectors, with innovation capacity and growth potential that qualify as SMEs at the time of the first investment and that are developing technology solutions for climate action or for fostering sustainable Blue Economy Activities, and with a clear alignment with the UN SDGs, namely SDG 13 ("Take urgent action to combat climate change and its impacts") and SDG 14 ("Conserve and sustainably use the oceans, seas and marine resources for sustainable development").

The Fund's main investment focus is on innovative applications of deep technology to achieve a high positive impact on ocean sustainability, ocean health, and decarbonization, including themes such as Blue Biotech, Food & Feed, Decarbonization & Plastics, and Ocean Intelligence. The Fund may also seek to invest in other technologies for positive impact in the Desalination & Fresh Water and Clean Energy areas.

The Fund shall exclusively target investments in SMEs, under the form of equity investments and / or Hybrid Debt / Equity Investments.

The Fund integrates sustainability risks as part of its investment decision-making and monitoring processes.

The Fund will seek to carry out the investment objective by following the investment policy and investment restrictions set out in the Fund's Management Regulations.

As a key component of its investment approach, the Management Company first applies screening and exclusions to reduce the investment universe of the Fund; it then utilizes its internal research process to identify potential investments.

To be considered an impact investment by the Fund, the economic activity of an investee is assessed in terms of sustainability based on the following criteria:

- The economic activity contributes to one of the Environmental Objectives;
- The economic activity does 'no significant harm' ("DNSH") to any of the Environmental Objectives;

- The economic activity applies good governance practices, which shall be assessed by Faber with respect to the management structure, employee remuneration, compliance with tax and social security obligations, and additional relevant information on a case by case basis.

Each portfolio company will use its reasonable efforts to engage in not significantly harming any of its Environmental Objectives. In identifying whether any relevant indicators “significantly harms” any sustainable investment objective, the Fund will determine the severity of the potential harm and whether the Fund can address the potential harm during its period of ownership. This may result in the Fund seeking changes to practices at the portfolio company or not proceeding with the investment.

The DNSH principle applies only to those investments of the Fund that take into account the EU criteria for environmentally sustainable economic activities.

6. Proportion of investments

The Fund will invest in technology companies from all sectors with innovation capacity and growth potential that qualify as SMEs at the time of the first investment and are developing technology solutions for climate action or for fostering sustainable Blue Economy Activities.

The Fund promotes environmental or social characteristics, and while it does not have a sustainable investment as its objective, it will have a minimum proportion of 80% of sustainable investments.

The Fund does not use derivatives.

7. Monitoring of environmental or social characteristics

In accordance with the Management Company’s [Responsible Investment Policy](#), the Fund is committed to incorporating sustainability considerations into all investment analysis and decision-making processes during all investment management activities (pre-investment, post-investment, and exit).

In addition to the processes established across funds (management entity level), the Fund also applies the Theory of Change to the high potential opportunities, positively screens and identifies the relevant SDGs, targets relevant impact indicator(s) of the company based on its activity and estimates the potential impact of the company together with its founders/ management.

To pursue the impact strategy, the Fund defines one to five climate and environmental, social and/or societal impact indicators (“**Impact KPI**”) per portfolio company.

Impact KPIs are to be designed interactively between the Fund and the entrepreneur(s) at the time of investment due diligence and should seek to consist of a range of outputs, outcomes, and impact indicators where possible.

They are meant to express the Theory of Change pursued by the impact-driven enterprise and by the Fund with its investment and consider both the ‘depth’ and ‘breadth’ of impact generated.

The impact objective pursued against each of these Impact KPIs is to be expressed in quantified targets (“**Target**”) on each Impact KPI. These are to be defined and set by the Fund and the entrepreneur according to the base case business model, and presented to the Fund’s Investment Committee for consideration before an investment is approved and afterwards validated by the Advisory Board.

All Targets should be clearly communicated and defined to avoid ambiguity about how these should be measured once the investment has been approved. Where possible, the Fund will seek to reflect the impact generated over the investment’s life using cumulative figures.

Whenever appropriate, the Fund uses relevant frameworks to target investments and assess the sustainability of blue economy activities, such as the Ocean Impact Navigator, developed by 1000 Ocean Startups, the Sustainability Criteria for the Blue Economy and Methodology for GHG Emission Avoidance Calculation, both published by the European Commission.

The Fund has been using the [Ocean Impact Navigator](#) to help identify the most impactful startups:

- A new open-source impact KPI framework, designed to simplify, harmonize and strengthen impact measurement and reporting for the Ocean Impact Innovation ecosystem;
- The framework consists of 30 KPIs spanning six impact areas aligned with our investment thesis.

Besides adopting the KPI framework, Faber is also a member of the Ocean Impact Navigator Working Group of 1000 Ocean Startups Coalition, which is focused on further researching and developing the methodology.

Exclusion Policy:

The Fund shall not invest, guarantee or otherwise provide financial or other support, directly or indirectly, to companies or other entities:

(a) whose business activity consists of an Illegal Economic Activity; or

(b) which substantially focus on:

- (i) The production of and trade in tobacco and distilled alcoholic beverages and related products;
- (ii) The financing of the production of and trade in weapons and ammunition of any kind, it being understood that this restriction does not apply to the extent such activities are part of or accessory to explicit European Union policies;
- (iii) Casinos and equivalent enterprises;
- (iv) The research, development or technical applications relating to electronic data programmes or solutions, which:

(1) aim specifically at:

- a. supporting any activity referred to under paragraphs (a) and (b), subparagraphs (i) to (iii), above;
 - b. internet gambling and online casinos; or
 - c. pornography;
- or which

(2) are intended to enable to illegally:

- a. enter into electronic data networks; or
- b. download electronic data.

(v) Fossil fuel-based energy production and related activities, as follows:

- (1) Coal mining, processing, transport and storage;
- (2) Oil exploration & production, refining, transport, distribution and storage;
- (3) Natural gas exploration & production, liquefaction, regasification, transport, distribution and storage;
- (4) Electric power generation exceeding the Emissions Performance Standard (i.e. 250 grams of CO₂e per kWh of electricity), applicable to fossil fuel-fired power and cogeneration plants, geothermal and hydropower plants with large reservoirs;

- (vi) Energy-intensive and/or high CO₂-emitting industries, as follows:
- (1) Manufacture of other inorganic basic chemicals (NACE 20.13);
 - (2) Manufacture of other organic basic chemicals (NACE 20.14);
 - (3) Manufacture of fertilizers and nitrogen compounds (NACE 20.15);
 - (4) Manufacture of plastics in primary forms (NACE 20.16);
 - (5) Manufacture of cement (NACE 23.51);
 - (6) Manufacture of basic iron and steel and of ferro-alloys (NACE 24.10);
 - (7) Manufacture of tubes, pipes, hollow profiles and related fittings, of steel (NACE 24.20);
 - (8) Manufacture of other products of first processing of steel (NACE 24.30, incl. 24.31-24.34);
 - (9) Aluminum production (NACE 24.42);
 - (10) Manufacture of conventionally fuelled aircraft and related machinery (sub-activity of NACE 30.30);
 - (11) Conventionally fuelled air transport and airports and service activities incidental to conventionally fuelled air transportation (sub-activities of NACE 51.10, 51.21 and 52.23).

Notwithstanding the above, investments in sectors mentioned in subparagraph (vi), items (1) to (11) included, shall be allowed if the Management Company confirms that the specific final recipient transaction either (i) qualifies as environmentally sustainable investments as defined in the EU Taxonomy, as supplemented by the technical criteria established under the “EU Taxonomy Delegated Acts” (Commission delegated Regulations (EU) supplementing Regulation (EU) 2020/852 or upcoming Taxonomy Delegated Acts, respectively), or (ii) is eligible under EIF’s Climate Action & Environmental Sustainability (CA&ES) criteria for green financing. (c) that cannot benefit directly or indirectly from financing supported by EGF as a result of the application of the Guidelines on the EIF Restricted Sectors as amended from time to time.

In addition, when providing support to the financing of the research, development or technical applications relating to (i) human cloning for research or therapeutic purposes, or (ii) genetically modified organisms, the Management Company shall ensure the appropriate control of legal, regulatory and ethical issues linked to such human cloning for research or therapeutic purposes and/or genetically modified organisms.

8. Methodologies

As further detailed in this disclosure, the Fund will mainly invest in companies that, on the view of the Management Company, promote one or more environmental or social

characteristics.

The methodology for measuring the impact generated by each portfolio company is established during the pre-investment stage.

The impact KPIs are defined for each investment, which should be directly attributable to the intended change in outcome as defined in the theory of change.

These should be closely linked to the business and to the identified SDG, and can be designed to either capture scale or depth of impact, or key milestones, if the business is very early on its impact journey.

Post investment, the portfolio companies must report their Impact KPI's on an annual basis.

9. Data sources and processing

The main third-party data source reviewed by the Investment Manager to assess whether an investment is aligned with the sustainability indicators is provided by the portfolio companies.

However, the Investment Manager may also review other third-party data and/or research to determine whether an investment meets the required sustainability indicators.

Data retrieved is processed by the Management Company and to check for quality and consistency, if required, it may be compared against (i) data sourced from external vendors or analysts; (ii) data retrieved from other companies/peers or (iii) data which the company reported in prior years.

10. Limitations to methodologies and data

The Management Company acknowledges that alternative methodologies could be used to determine whether investments promote the environmental or social characteristics.

The Management Company also acknowledges that all ESG related information, including, if applicable, the data to attain a sustainable investment objective are mainly provided by the portfolio company.

Although this information is verified and complemented with internal research (when needed), it cannot be ruled out completely that certain false information may sometimes remain undetected.

In addition, early stage companies (many times pre-revenue at the time of our first investment) often use innovative technologies to generate impact, and therefore pre-established methodologies and/or historical data for measuring positive impact are many times hard to obtain.

This may originate some degree of deviation between actual and estimated impact; however, the Fund believes that in most cases, the results will still be directionally right, and we work closely with each portfolio company to help it iterate and finetune the impact measuring process over time.

11. Due diligence

As further described above, the Management Company carries out due diligence to ensure that an investment promotes one or more of the environmental or social characteristics through:

- (i) screening the Fund's potential investments to ensure that portfolio companies are eligible for investment; and
- (ii) ongoing and continued assessment and monitoring of the extent to which the available data indicates that an investment continues to promote one or more environmental or social characteristics.

12. Engagement policies

The Management Company can engage actively with the portfolio companies as well as with other stakeholders to drive improvements in their transparency regarding ESG matters as well as ESG performance overall.

Should the Management Company on behalf of the Fund determine any potential risks relating to the environmental or social characteristics, it will engage the portfolio company's manager in discussions with a view to resolving, reducing or mitigating such effects, provided that such efforts will always remain within a scope considered by Faber in its absolute discretion to be proportionate in light of the size and strategic importance of the respective investment in the portfolio companies and shall take into account the respective bargaining positions and transactional context.

13. Designated reference benchmark

The Management Company does not utilize a reference benchmark to determine whether

the Fund is aligned with the environmental and/or social characteristics that it promotes. Given the early stage and dynamic nature of the Fund's venture capital investments, Faber developed its own impact framework to identify investments that qualify within the sustainable objectives and monitor the attainment of their impact goals annually.

14. Principal adverse impact

Principal Adverse Impact Statement Principal adverse impact indicators are metrics that measure the negative effects on environmental and social matters. As of today, the Fund is committed to assessing and measuring the positive impact, as well as potential negative externalities, of its investees. However, the Fund 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 are done at a 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.

As soon as conditions are met, the Fund intends to promptly 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.



Schedule I

Portuguese version of the Summary

O Faber Blue Pioneers I é um fundo de capital de risco, sob gestão da Faber Capital SCR, SA ("Faber" ou "Sociedade Gestora"), que investe em empresas tecnológicas numa fase inicial da sua atividade, de todos os sectores, com capacidade de inovação e potencial de crescimento, que se qualifiquem como PME no momento do primeiro investimento e que estejam a desenvolver soluções tecnológicas para a ação climática ou para a promoção de atividades sustentáveis de Economia Azul, e com um alinhamento claro com os ODS da ONU, nomeadamente o ODS 13 ("Tomar medidas urgentes para combater as alterações climáticas e os seus impactos") e o ODS 14 ("Conservar e utilizar de forma sustentável os oceanos, os mares e os recursos marinhos para o desenvolvimento sustentável").

O Fundo promove características ambientais ou sociais, mas não tem como objetivo o investimento sustentável. No entanto, para além dos investimentos que promovem características ambientais ou sociais, o Fundo pode efetuar investimentos sustentáveis.

Uma vez que o Fundo investe em empresas que pretendem ter um impacto positivo no ambiente, alguns dos investimentos do Fundo desenvolvem atividades económicas que se enquadram no âmbito da Taxonomia da UE. No entanto, (i) este não é um critério para o investimento, (ii) os investimentos sustentáveis do Fundo podem ou não estar alinhados com a Taxonomia da UE e (iii) não existe uma percentagem mínima de investimentos que deva estar alinhada com a taxonomia da UE.

O Fundo procura promover características ambientais e sociais através da prossecução de um dos Objetivos Ambientais e da integração de determinadas considerações ambientais, sociais e de governação ("ESG") relevantes no processo de tomada de decisões de investimento (conforme descrito abaixo).

O Fundo deve visar exclusivamente investimentos em PME, sob a forma de investimentos de capital e/ou investimentos híbridos de dívida/capital.

O Fundo integra riscos de sustentabilidade como parte dos seus processos de tomada de decisões de investimento e de monitorização.

O Fundo procurará realizar os seus objetivos de investimento seguindo a política de investimento e as restrições de investimento estabelecidas no Regulamento de Gestão do Fundo.

Um aspeto fundamental subjacente à sua lógica de investimento, passa pela Sociedade Gestora começar por fazer uma triagem e aplicar critérios de exclusão para reduzir o universo de



investimentos do Fundo, utilizando depois o seu processo de investimento interno para identificar potenciais investimentos.

O Fundo está empenhado em incorporar considerações sobre sustentabilidade em todas as análises de investimento e processos de tomada de decisão, durante todas as fases de gestão de investimento (pré-investimento, pós-investimento e saída).

A principal fonte de dados de terceiros analisada pela Sociedade Gestora para avaliar se um investimento está alinhado com os indicadores de sustentabilidade é fornecida pelas empresas participadas do Fundo.

A Sociedade Gestora pode colaborar ativamente com as participadas, bem como com outras partes interessadas, para promover melhorias na sua transparência relativamente a questões ESG, bem como no desempenho ESG em geral.

A Sociedade Gestora não utiliza um índice de referência para determinar se o Fundo está alinhado com as características ambientais e/ou sociais que promove. Dada a fase inicial e a natureza dinâmica dos investimentos de capital de risco do Fundo, a Faber desenvolveu o seu próprio quadro de impacto para identificar investimentos que se enquadrem nos objetivos sustentáveis e monitorizar anualmente a concretização dos seus objetivos de impacto.