



Sustainable Finance Disclosures Regulation Statement

Faber Tech II FCR

V1.0 31/03/2023

| | |
|---|----------|
| 1. Introduction..... | 2 |
| 2. Sustainable Investment Disclosures..... | 2 |
| Investment Strategy..... | 2 |
| Objectives..... | 2 |
| Monitoring environmental and/or social characteristics..... | 2 |
| Methodologies and data processing..... | 3 |
| Limitations to the methodologies and data processing..... | 4 |
| Engagement policies..... | 4 |
| 3. Principal Adverse Impact Statement..... | 4 |



1. Introduction

Faber Tech II ("Fund") is considered an "Article 6" fund type product under the Sustainable Finance Disclosures Regulation ("SFDR").

2. Sustainable Investment Disclosures

Investment Strategy

Faber Tech II is a venture capital fund, which focuses on investing in early-stage deep technology startups developing artificial intelligence powered vertical industry solutions or cross-industry data management platforms, aiming to increase intelligence, automation or transparency across value chains.

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

Objectives

Faber Tech II has no sustainable investment objectives and does not promote environmental or social characteristics. Although the applicable policies at the Fund level do not require that sustainability risks are integrated into its investment decisions, the Fund incorporates sustainability principles as part of its investment decision-making and monitoring processes, as detailed below. However, at this stage, the Fund remains free in its decision to refrain from investing or to invest despite sustainability risks.

Monitoring environmental and/or social characteristics

In accordance with [Faber Capital SCR, SA Responsible investment Policy](#), Faber Tech II is committed to incorporate ESG issues into all investment analysis and decision-making processes, during all investment management activities (pre-investment, post investment and exit).

- 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;

(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:

a. aim specifically at supporting any activity referred to under items (a) to (b)(iii), above, internet gambling and online casinos or pornography; and which

b. are intended to enable to illegally enter into electronic data networks or download electronic data.

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.

Methodologies and data processing

At the present time, the methodologies applied consist in adding an ESG checklist to the Fund's due diligence process, thus ensuring the considerations are ensured in every new investment that is appraised.

The checklist is filled by the Fund's investment team during the due diligence process, and the data is obtained through the information provided by the company in analysis and through the team's independent investigation.

There is currently no quantitative measurement with regard to environmental or social characteristics and no sustainability indicators are currently used.

Limitations to the methodologies and data processing

The information collected via ESG checklist, is mainly based on the details that the companies provide during the due diligence process. Although this information is verified and complemented with internal research (when needed), it cannot be ruled out completely that false information may remain undetected in certain cases.



Engagement policies

Should Faber Capital SCR SA on behalf of the Fund determine any potential issues relating 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.

3. Principal Adverse Impact Statement

Faber Tech II 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, the Fund 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 principal adverse impact assessment.