

Sustainable Blue Economy Finance Initiative Report

May, 2025

Introduction

The Blue Pioneers I Fund is Faber Capital SCR, SA's investment vehicle into the Blue Economy

Faber Capital SCR, SA ("Faber"), is a Portuguese VC firm regulated by the Comissão de Mercado de Valores Mobiliários (CMVM) – Portuguese capital markets regulation entity – managing the Faber Blue Pioneers I in accordance with the Investment Policy and the other terms set forth in the Fund's management provisions.

Faber Blue Pioneers I ("Fund") is a venture capital fund, managed by Faber, 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 is an Article 8 Fund under the EU Sustainable Finance Disclosure Regulation (SFDR), and its 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.

Faber is a subscriber to the United Nations Principles for Responsible Investment since 2023, as well as a signatory to the Sustainable Blue Economy Financing Principles (SBE FP) since 2023, therefore bounded to report.

This report sets out our main actions and plans in respect to the blue economy, done throughout the period from January 1st to December 31st 2024.

Actions taken during the reporting period

Progress and developments towards the SBE Principles from 1 January 2024 - 31 December 2024

1. Investing in companies that directly contribute to the UN Sustainable Development

Goal 14:

Contributing to SBE principles 1 (Protective), 8 (Purposeful), 9 (Impactful), 10 (Precautionary), 11 (Diversified), 12 (Solution-driven)

Our venture capital firm is dedicated to backing early-stage companies that are not only financially promising but also deeply committed to advancing sustainability. Through our impact fund, Faber Blue Pioneers I, these investments are aligned with the UN Sustainable Development Goal (UN SDGs) 14 and other UN SDGs, namely UN SDG 13.



New/More efficient chemistry for fuel cells and electrolysis membranes for hydrogen production using renewable energy (Green Hydrogen).

Impact:

Target 13.2 - Integrate climate change measures into national policies, strategies, and planning: Indicator 13.2.2 Total greenhouse gas emissions per year

Target 14.3 - Minimize and address the impacts of ocean acidification



Navigation and sensor systems (image and acoustic) to implement in an autonomous drone for underwater inspection of ships biofouling and recommend an optimized cleaning schedule.

Impact:

Target 13.2 - Integrate climate change measures into national policies, strategies, and planning: Indicator 13.2.2 Total greenhouse gas emissions per year

Target 14.3 - Minimize and address the impacts of ocean acidification



Providing the food industry with sustainable alternative proteins from algal waste (from the agar industry) and invasive biomass at a competitive price and lower environmental impact.

Impact:

Target 14.1 : "...prevent and significantly reduce marine pollution of all kinds, ...including marine debris and nutrient pollution"

Target 14.4: "...regulate harvesting and end overfishing..."

Actions taken during the reporting period

Progress and developments towards the SBE Principles from 1 January 2024 - 31 December 2024

1. Investing in companies that directly contribute to the UN Sustainable Development

Goal 14:

Contributing to SBE principles 1 (Protective), 8 (Purposeful), 9 (Impactful), 10 (Precautionary), 11 (Diversified), 12 (Solution-driven)



Novel seaweed bio-based solutions for the packaging industry, home compostable, biodegradable and compatible with the large scale production machinery.

Impact:

Target 13.2 - Integrate climate change measures into policies, strategies and planning

Target 14.1: Prevent and significantly reduce marine pollution (...) including plastic waste and microplastics.



KOA Biotech is a Spanish company with an interesting technology to automate detection of bacterial fish infections (early detection, less need for antibiotics, more productivity) targeting the global aquaculture market. Initial focus is on finfish RAS (seabass / seabream / sole / turbot) with a plan to expand to shrimp ponds in a later stage.

Impact:

Target 14.2: By 2030, sustainably manage and protect marine and coastal ecosystems to avoid significant adverse impacts(...)

Actions taken during the reporting period

Progress and developments towards the SBE Principles from 1 January 2024- 31 December 2024

2. Contributing with our expertise to ocean-related organisations:

Contributing to SBE principles 6 (Cooperative), 13 (Partnering), 14 (Science-led)



[1000 Ocean Startups Coalition](#): The coalition brings together the global ecosystem of incubators, accelerators, competitions, matching platforms and VCs supporting startups for ocean impact. Its mission is to scale at least 1000 transformative startups by the end of the Ocean Decade to restore ocean health and achieve SDG 14. Faber participates as an active contributor to the [Ocean Impact Navigator](#) framework.



[Blue Bio Alliance](#): A national network that includes all subsectors of the marine bioresources value chain in Portugal. It ranges from raw material producers and R&D units to biotech SMEs, transforming centers and manufacturers, public sector entities and support companies, up to the final consumer product developers. Faber is an associated entity of Blue Bio Alliance.



[Fórum Oceano](#): Fórum Oceano is the managing entity of the Portuguese Sea Cluster, certified and recognized by the Ministry of Economy and the Sea, the Ministry of National Defense and the Ministry of Planning and Infrastructure. Faber is an associated entity of Fórum Oceano.



[Blue Bio Value Acceleration Program](#): The programme aims to accelerate startups that operate along the value chain of marine bioresources, specifically in the blue biotechnology sector, which offer sustainable services or products contributing to a healthier use of ocean bioresources.

Actions taken during the reporting period

Progress and developments towards the SBE Principles from 1 January 2024 - 31 December 2024

3. Developed and organized a free entrepreneurship program for university students, to create an opportunity to share Faber's wealth of experience and accumulated knowledge with the talent community:

Contributing to SBE principles 6 (Cooperative), 13 (Partnering), 14 (Science-led)

[Faber Entrepreneurship Program 2024](#) is targeted for MSc, Ph.D. students and postdocs, from STEM related areas of study, from Portuguese Universities, and aims to help them discover what it means to be an entrepreneur and how to transition from university to the entrepreneurial world.

During the program, they get to learn what are the key tools that will help take projects out of the paper while exploring Faber's current investment focus areas, main problems being solved and get to know some of the most impactful and disruptive startups in those spaces.

After the learning stage of the program, students will also get the chance to intern at one of our portfolio companies, and discover first hand the day-to-day processes and routines needed to run and grow an early stage startup.

4. Development and publishing of our Responsible Investment Policy and each fund's SFDR disclosures:

Contributing to SBE principles 2 (Compliant), 3 (Risk-aware), 4 (Systemic), 7 (Transparent), 8 (Purposeful), 9 (Impactful), 12 (Solution-driven)

- [Faber Responsible Investment Policy](#)
- [Faber Blue Pioneers I SFDR Transparency Statement](#)

5. Becoming a United Nations Principles for Responsible Investment (UN PRI) and a Sustainable Blue Economy Financing Principles (SBE FP) signatory.

Contributing to SBE principles 2 (Compliant), 6 (Cooperative), 7 (Transparent)

Short and Long Term Plans

Short-term and long-term plans the signatory has to implement the SBE Finance Principles and the exclusions developed

- Develop and share with the relevant stakeholders our first “ESG & Impact Report” in 2025;
- Conduct a new edition of the Faber Entrepreneurship Program in 2025;
- Continue to invest in companies that directly contribute to SDG 14;
- Increase the number of affiliations to international initiatives;
- Investigate and incorporate agreements and frameworks that contribute to the adoption of the SBE Principles, into Faber Blue Pioneers I Fund’s investment strategy;
- Continue to foster a growing blue economy innovation ecosystem by contributing to initiatives where we share our accumulated knowledge and learn from other experts.

Alignment with Global Agreements

How Faber has aligned — or plans to align— its strategy to be consistent with and contribute to global agreements

UN Sustainable Development Goals (SDGs):

Faber Blue Pioneers I 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, and SDG 14**

However current and future investments may also contribute to other SDGs such as, SDG 2, SDG 3, SDG 6, SDG 7, SDG 9, SDG 12.



How does the Fund access the companies' contribution to the SDGs?

By applying the Theory of Change to the high potential opportunities. This allows the Fund to identify the companies' contribution to the relevant SDGs, targets and relevant impact indicator(s) based on the companies activities.

SBE Targets

Sustainable Blue Economy target setting and established means to measure and monitor progress against set targets

Target 1: All Faber Blue Pioneers I investments must have quantifiable environmental impact (on SGD 13 and/or SGD 14).

Contributing to principles 2 (Compliant), 4 (Systemic), 7 (Transparent), 8 (Purposeful), 9 (Impactful), 12 (Solution-driven)

Each company invested in by the Faber Blue Pioneers I Fund (per mandate developing technology solutions for climate action or for fostering sustainable blue economy activities) is assigned specific contribution targets, alongside regular establishment of impact key performance indicators (KPIs) to track progress and results.

This target is monitored once a year, via impact reporting sent by the companies to the Fund's investment management team.

Current performance: After the end of the third full year of the investment period (2024), the environmental impact KPIs and metrics have been defined and monitored for all investments. As such we have achieved 100% of the target.

Target 2: Until the end of the investment period, Faber Blue Pioneers I must ensure a set target (%) for capital invested into companies contributing to blue economy activities (defined as per management regulations).

Contributing to principles 1 (Protective), 7 (Transparent), 8 (Purposeful)

This target is monitored on a monthly basis within the Management Company.

Current performance: After the end of the third full year of the investment period (2024), as all the companies contribute to blue economy activities, we estimate that we will achieve 100% of the set target by the end of the investment period of the Fund.

Governance Overview

Various governance structures, policies, and practices have been established to comply to the Principles

Cross-funds:

- Faber has established a **variety of policies, disclosures and practices that are in harmony with the Principles**.
 - We have a Responsible Investment Policy in place, that is reviewed annually
 - We comply with SFDR and all emerging regulations
 - We have active exclusion policies per fund
 - We ensure an ethical business conduct, including anti-corruption and anti-bribery practices
 - We strive for active board involvement

For this, Faber has established an **ESG Committee** that is composed of one partner of each fund and the designated ESG Team. The **ESG Team has an overall responsibility for the execution and implementation of the policies, disclosures and practices**, with the support of the other members of the **ESG Committee**.

Before disclosing and/or reporting any of the final products, the content must be **validated by the Faber Partners and approved in a board meeting**.

Faber Blue Pioneers I:

- For each portfolio company, the **impact KPIs and targets are defined by the investment management team and the entrepreneur(s)** according to the base case business model, and **presented to the Fund's Investment Committee ("IC") for consideration before an investment is approved and subsequently validated by the Advisory Board**.

On an **annual basis the portfolio companies report on impact performance to Faber**. This information is presented in the **annual management report to the Fund's Limited Partners (LPs)**.