



Article 10 (SFDR)

Website disclosure for an Article 8 fund Collateral Good Ventures Food Tech I SCSp RAIF

Version
1.0

Date
22.07.2024

Explanation



SUMMARY

On this page, investors are informed on sustainability-related matters, as required under the regulation on sustainability-related disclosures in the financial services sector (EU/2019/2088) (hereinafter 'SFDR').

These disclosures set out the environmental and social characteristics promoted by Collateral Good Ventures Food Tech I SCSp RAIF (the "Fund") as required by Article 8 of the SFDR.

NO SUSTAINABLE INVESTMENT OBJECTIVE

This financial product promotes environmental or social characteristics, but does not have as its objective a sustainable investment.

How have the indicators for adverse impacts on sustainability factors been taken into account?

Not applicable. Collateral Good Ventures Food Tech I SCSp RAIF does not intend to make sustainable investments within the meaning of Article 2 (17) of SFDR.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

Not applicable. The Fund does not intend to make sustainable investments within the meaning of Article 2 (17) of SFDR.



ENVIRONMENTAL OR SOCIAL CHARACTERISTICS OF THE FINANCIAL PRODUCT

The Fund pursues to promote environmental characteristics within the environmental objective of climate change mitigation (cf. EU Taxonomy, Regulation (EU) 2020/852). The existing portfolio primarily operates within three verticals that promote climate change mitigation in the following ways:



Alternative proteins, fats, and food colourings:

- Reduction of the environmental impact of livestock farming or
- Reduction of environmental impact through the requirement of fewer resources to produce.



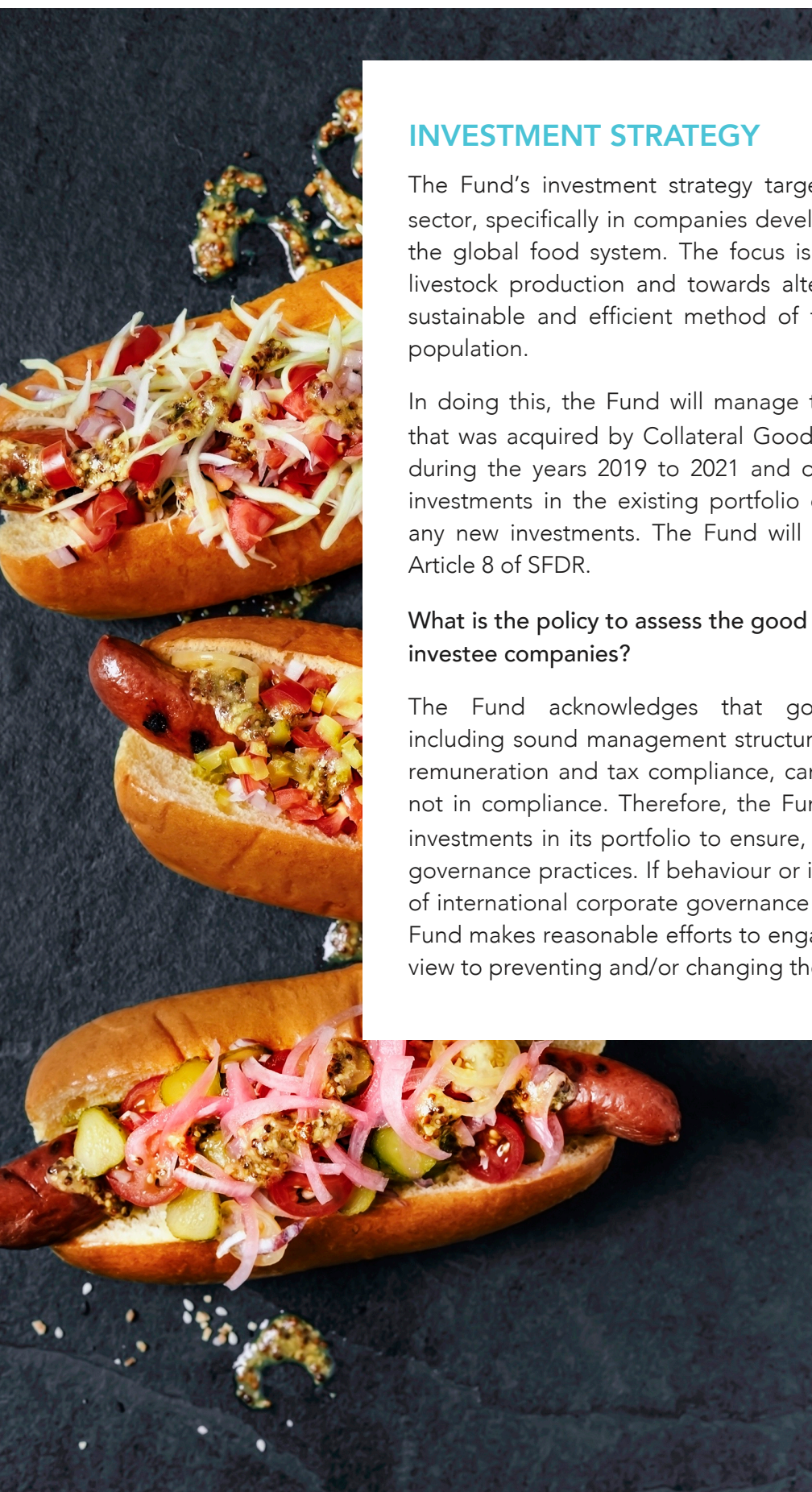
Food waste solutions: Reduction of environmental impact through conservation of resources.



Sustainable packaging: Reduction of environmental impact by using renewable, recyclable, or biodegradable materials and optimising packaging design to lower carbon footprints.

Thus, the Fund promotes its environmental characteristics by:

1. Using remaining assets only for follow-on investments in existing portfolio companies in the three verticals and, thus, excludes investments in all other sectors and
2. Active ownership with reasonable efforts to work with the portfolio companies on these environmental characteristics.



INVESTMENT STRATEGY

The Fund's investment strategy targets investments in the food sector, specifically in companies developing solutions to transform the global food system. The focus is on transitioning away from livestock production and towards alternative proteins as a more sustainable and efficient method of feeding the growing global population.

In doing this, the Fund will manage the existing legacy portfolio that was acquired by Collateral Good's key investment personnel during the years 2019 to 2021 and only seek to make follow-on investments in the existing portfolio companies. It will not make any new investments. The Fund will operate in compliance with Article 8 of SFDR.

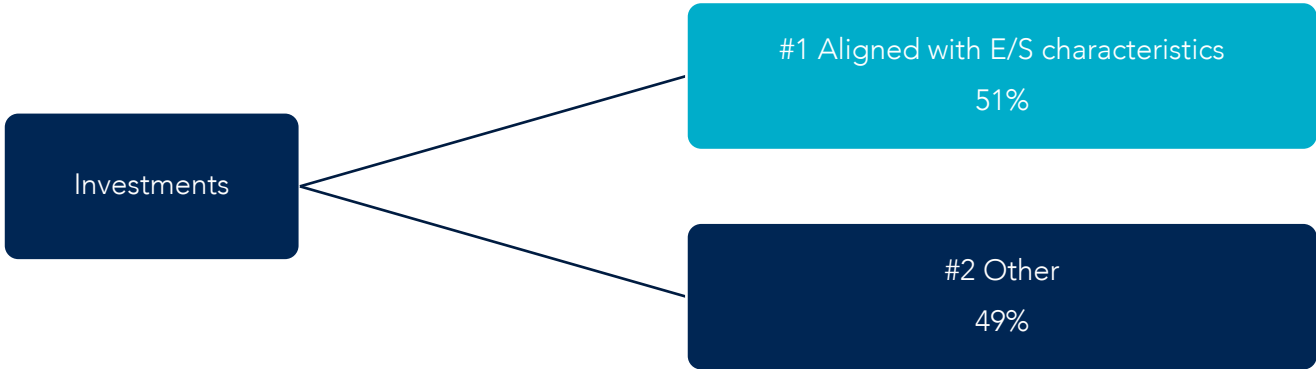
What is the policy to assess the good governance practices of the investee companies?

The Fund acknowledges that good governance practices, including sound management structures, employee relations, staff remuneration and tax compliance, can pose a sustainability risk if not in compliance. Therefore, the Fund continuously monitors all investments in its portfolio to ensure, among other aspects, good governance practices. If behaviour or incidents that are in violation of international corporate governance principles are observed, the Fund makes reasonable efforts to engage with the company with a view to preventing and/or changing the behaviour of the company.



PROPORTION OF INVESTMENTS

The Fund will invest a minimum of 51% of its assets in investment companies which promote other environmental characteristics (#1) but does not make any sustainable investments as defined by SFDR.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product that are neither aligned with the environmental or social characteristics nor qualified as sustainable investments.

MONITORING OF SUSTAINABLE INVESTMENT OBJECTIVE

The continued monitoring of environmental and social characteristics of the Fund is done on a quarterly basis as part of its standard quarterly reporting process. In addition, each company is required to report on progress against its ESG framework once per year.

Company-level ESG focus areas are regularly updated in consultation with the portfolio companies to reflect changes in the company’s processes, products or business strategy.

METHODOLOGY

The sustainability indicator selected to demonstrate the attainment of the promoted environmental characteristics is the exclusion from investing in companies that fall outside the defined verticals above.



DATA SOURCES AND PROCESSING

The Fund's primary source of data is information provided directly by companies during the due diligence process and or from portfolio companies.



LIMITATIONS ON METHODOLOGIES AND DATA

The Fund primarily holds investments in early stage start-up companies, and therefore there may be limitations on the quality of data that can be provided by companies. In some cases, companies may not be able to provide the required data to fully calculate the quantum of ESG metrics. Nevertheless, it will be clear from the business strategy and ongoing technical and operating progress of the investee companies that they are continuing to promote positive environmental or social outcomes.



DUE DILIGENCE

The Fund has established a framework for reviewing ESG practices as part of the due diligence process, which is considered as essential to every due diligence process prior to making an investment, as well as to monitoring ESG practices post-investment. Accordingly, Collateral Good, the investment advisor of the Fund, has in place an ESG Policy detailing how Collateral Good’s investment analysis incorporates ESG principles.

ENGAGEMENT POLICIES

Is engagement part of the environmental or social investment strategy?

Yes, The Fund considers that value creation stems from active engagement with portfolio companies, including company support, board leadership, and governance. The Fund monitors the strategy and financial and non-financial performance of portfolio companies in accordance with its investment strategy, as well as monitoring the activities of its investments for alignment with Collateral Good ESG policy on an ongoing basis.

DESIGNATED REFERENCE BENCHMARK

Has a specific index been designated as a reference benchmark to meet the environmental or social characteristics promoted by the financial product?

No.

How is that index aligned with the environmental or social characteristics promoted by the financial product?

Does not apply.

