

## Website Disclosure Pursuant to Article 9 of Regulation (EU) 2019/2088

*Presentation of financial products that have sustainable investments as their objective, financial market participants shall publish the information referred to in Article 10(1) of Regulation (EU) 2019/2088*

Product name: BSocial Impact Fund and BSocial Impact FESE S.A (referred to as “the Fund”)

Legal entity identifier (BSocial Impact Fund, FESE): ES0114527007

Legal entity identifier (BSocial Impact Fund, FESE S.A): ES0114574009

### 1. Summary

Ship2B Ventures manages two funds in parallel that invest in the same investee companies in proportion to their committed capital. BSocial Impact Fund, FESE and BSocial Impact FESE S.A., are European Social Entrepreneurship Funds (EuSEF) subject to regulation number 346/2013 of the European Parliament and of the Council of April 17th of 2013 that invests in social enterprises. Therefore, the funds must invest in companies aligned with the established criteria represented in the regulation mentioned before. Additionally, Ship2B Ventures does a negative screening based on the exclusion list of the funds.

The funds have developed an impact methodology analysis that considers the impact and sustainability objectives of the fund from screening until exit. This methodology includes a legal, financial, and tax due diligence that allows us to understand the status around governance and social aspects of each investee. Moreover, Ship2B Ventures measures ESG indicators and the PAIs of the funds. With the results of the PAIs, and the ESG indicators, Ship2B Ventures will create an action plan for each investee.

Regarding compliance with the OECD Guidelines for Multinational Enterprises and the United Nations Guiding Principles on Business and Human Rights, the companies in which the Funds invested are all located in Europe. Therefore, these companies follow policies and good practices of the countries where they are based and follow the European Regulations. Nevertheless, the regulations mentioned before are designed for multinational companies, making their implementation very difficult for early stage companies, therefore their direct application in investees requires previous adaptation, especially in pre-seed stage companies.

Regarding the Sustainable Investment Objectives, they are stated as follows: (i) Contribution to reduction the Greenhouse Gas Emissions measured in Co2 Equivalent; (ii) Improve the quality of life of the elderly, people with disabilities and people with chronic diseases; (iii) Reduce the school dropout or unemployment. To measure the achievement of the Sustainable Investment Objectives, the Funds have established measurable targets and indicators with respect to each objective.

It is important to highlight that Ship2B Ventures has created different actions that will contribute to the achievement of the sustainable objectives: (i) It has created an impact indicator dashboard that is updated annually and it helps to review the accomplishment of the sustainable objectives; (ii) it has created an impact investment methodology that takes into account the impact and

sustainability of each company from screening until exit using the theory of change and the IMP; (iii) It has developed a ESG Questionnaire aligned with PAI allowing the analysis of the sustainability risks of each investee; (iv) it requires a quarterly report of the impact indicators and an annual report of the ESG plan achievements; (v) have a seat on the advisory board of the investees when possible.

Regarding the policies to evaluate practices of Good Governance, Ship2B Ventures have developed an ESG Questionnaire that allows each portfolio company to be analyzed in this regard.

Regarding the proportions of the fund in sustainable investments, 100% of the funds are sustainable investments that have a social or environmental impact. 37% are investments focused on the reduction of GHG emissions and 63% are investments focused on the improvement of the quality of life of the elderly, disabled people and people with chronic diseases and reduction of the educational gap.

To measure the sustainability objectives (Impact Objectives) the fund has used the following indicators: (i) GHG emissions avoided (measures in Co2 Equivalent); (ii) Number of people benefited, and (iii) Number of people that have improved their educational skills. The results of the sustainable objectives are presented annually in the Board of Directors of Ship2B Ventures and at the annual team meeting, establishing improvement actions if necessary.

Regarding the data source, all the data comes entirely from the investee companies. Considering the above, for the companies that have more than two years as part of our portfolio, and their revenue per year is larger than 1M€, they must audit their impact data. Additionally, the Operational area of Ship2B Ventures oversees data management, and it has developed and deployed a process to manage the information properly. Currently, the Impact Team and the Operational Team are using Apiday to collect impact, financial and ESG data. Finally, we have used Apiday methodology to measure the GHG emissions of each investee. To do that, we have used the sector, the location, and the number of employees of each portfolio company. Despite making an effort to carry out a rigorous measurement, in some cases it is necessary to apply various assumptions to be able to extrapolate the result.

As mentioned before, in the formalization phase, a legal, labor, financial and tax due diligence takes place through external companies that allow us to evaluate each company in these areas. Regarding the engagement policies, Ship2B Ventures holds a position in the advisory board of each investee. In most cases with a seat on the board, and in some other cases just as an observer. Moreover, the board members closely monitor the company on business and impact and sustainability issues.

Finally, the funds do not have a designated reference benchmark for any of the sustainable objectives (impact objectives) given that we invest in pre-seed and seed stages, making it very difficult to designate a reference index.

## **2. No significant harm to the sustainable investment objective**

### *a. Consideration of principal adverse impacts indicators*

The assessment of an investment's performance on the "do not significant harm" principle will occur in relation to the investment's performance on Principle Adverse Impacts (PAIs). The funds will monitor all portfolio companies on the mandatory PAIs and will track the evolution. If performance on these indicators worsen then the funds will engage with portfolio companies' investments to identify the causes and implement a corrective action plan accordingly.

The Funds also commit to monitoring their portfolio companies' social and environmental controversies.

### *b. Alignment with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights*

The Funds' investments comply with minimum safeguards. The minimum safeguards are based on OECD Guidelines for Multinational Enterprises & UN Guiding Principles on Business and Human Rights. The investments alignment with these are ensured through engagement with portfolio companies on topics related to:

- Human Rights (Including Labour and Consumer Rights)
- Bribery, bribe solicitation and extortion
- Taxation
- Fair Competition

The Funds collect data to maintain oversight on portfolio companies' performance on these topics. Our team will engage to ensure that there is adequate implementation of due diligence procedures, internal controls and assigned personnel to relevant policies / procedures in place.

## **3. Sustainable Investment Objective of the Financial Product**

The sustainable objectives pursued by the funds are:

- Reduction of Carbon Emissions. The funds contribute to reaching zero emissions by investing in disruptive projects with the highest CO2 reduction potential within these key sectors: Industrial Manufacturing, Energy, Agrifood, Mobility and Transport, and Buildings.
- Improvement of the quality of life of the elderly and disabled people, and people that suffer from chronic diseases.
- Reducing school dropout and unemployment.

## 4. Investment Strategy

- a. The investment strategy used to attain the sustainable investment objectives

Sustainability Factors and Impact are integral to our investment strategy and consequently the Funds' business model.

The funds have designed a methodology where impact and sustainability are anchored in the investment process since the screening until the exit: (i) During the screening, the investment team applies the criteria of exclusion when evaluating companies. In addition, the investment team looks for social enterprises that solve an environmental or social problem, where the core team has the clear intention to (i) fight climate change, or (ii) improve the quality of life of the elderly, or disabled people, or people that suffered from chronic diseases, or (iii) reduce unemployment and school dropout. (ii) During the analysis phase, the investment team assesses each company regarding their impacts and ESG risks. The investment opportunity is presented to the Investment Committee, who is the organ that takes the ultimate decision about the investment. In this Committee, the team discusses the impact and ESG risk of each investment opportunity. (iii) During the closing phase, the operational team implements a fiscal, legal, and tax due diligence which completes the ESG risk assessment. (iv) Finally, during the period of investment, the impact manager and the representative of Ship2B Ventures in the board of each company, create an Impact and ESG Plan for each portfolio company according to their stage.

In addition, there is a person in the team in charge of evaluating the investment process to keep it updated to the necessities of the team, the startups and the market. In addition, the impact team includes changes over the investment process when necessary, in order to comply with the regulation.

To find more detailed and comprehensive information, please refer to internal personnel who will provide more details on request.

- b. The policy to assess good governance practices of the investee companies, including with respect to sound management structures, employee relations, remuneration of staff and tax compliance.

The funds are dedicated to promoting good governance practices among their investees. They employ a systematic approach to engage portfolio companies on key governance issues, including:

- Respect to sound management structures
- Employee relations
- Remuneration of staff
- Tax compliance

These practices are crucial for maintaining a company's integrity and resilience, shielding investments from operational, legal, and reputational risks.

To find more detailed and comprehensive information, please refer to internal personnel who will provide more details on request.

## 5. Proportion of investments

The Funds' investments allocated to achieve sustainable investments are coherent with the binding elements of their investment strategy. All the investments are focused on the achievement of impact and sustainable objectives.

The Funds differentiates between direct exposures in investee and other types of exposures to these investments. Direct investment refers to equity investments which buy shares in a company rather than indirectly (e.g., via fixed income fund). Please find the breakdown of investments which are direct versus indirect below:

Direct Investments	[100%]
Indirect Investments	[0%]

## 6. Monitoring of Sustainable Investment Objective

The Fund monitors the following sustainability indicators to measure the attainment of the sustainable investment objectives:

Sustainability Indicators	Indicators relation to Sustainable Objectives Attainment
Tons of Co2 equivalent reduced or avoided per company	Carbon emissions
Number of users of the service or product of each company	<ul style="list-style-type: none"> <li>- Improve the quality of life of people: this indicator reflects the number of people served.</li> <li>- Reduce school dropout and unemployment: this indicator reflects the people that have improved their skills.</li> </ul>

These indicators are collected on a quarterly basis and are used to engage discussion with our portfolio companies. Based on the portfolio company's performance on these indicators and other impact indicators, the Fund provides resources and a progress plan specific to its industry, size

and maturity. Targets are defined for each sustainable indicator, which are used to measure the attainment of the Fund's sustainable investment objective.

## **7. Methodologies**

In addition to the sustainability and impact indicators that the Funds are monitoring and that are used to engage with portfolio companies to ensure attainment of the impact and sustainable investment objective, the binding elements of the Funds' investment strategy have also been defined to ensure the sustainable investment objectives are attained. The Funds' exclusion policy and consequently the excluded activities' list binding; this means adherence to this policy is mandatory.

The following elements of our responsible investing strategy are binding:

- (1) Incorporate ESG issues into investment analysis and decision-making processes
- (2) Appropriate disclosure on ESG issues by the entities in which we invest

## **8. Data Sources and Processing**

### *(a) The Data Sources Used to Attain the Sustainable Investment Objective*

The Funds use resources and methodologies to identify relevant sustainability and impact indicators, and therefore the practices to be adopted and indicators to be measured. Our approach relies on materiality, measurability, data quality and availability.

Data is sourced directly from portfolio companies and the platform Apiday is used for the calculation of the indicators.

### *(b) Measures Taken to Ensure Data Quality*

The funds invest in very early stage start-ups where the entrepreneurs are still in the business model and impact validation phase. In this respect, the funds will promote data auditing by a third-party verifier, when possible.

### *(c) How is Data Processed*

Data is collected through a defined, internally and externally relevant manner, and measurable manner. The impact team with the entrepreneurs define the indicators that are going to be measured during the period of investment. We establish a clear description of the measurement formula for each indicator, the data collection frequency, and the responsibility for the collecting data and measurement in each of the invested companies. These indicators are approved by the Investment Committee conformed by the General Partners of the firm, and by the Advisory Committee conformed by the largest investors (LP's).

*(d) The Portion of Data Estimated*

The indicators of GHG emissions for companies that fight climate change are based on different assumptions based on the sector, the size, and the location of each of the companies invested.

## **9. Limitations to Methodologies and Data**

(a) The Funds acknowledge the limitations inherent in the methodologies related to their investment strategy and the sustainability indicators collected. These limitations include:

- The investment strategy prioritizes only the most relevant sustainable investment policies and procedures (e.g., the Fund does not conduct negative screening);
- Potential lack of comparability and reliability of the data,
- Human error,
- Variations in scope and boundaries,
- Insufficient information from portfolio companies,
- Differences in methodologies used for the reporting years 2022 and 2023,

(b) Why such limitations do not affect the attainment of the sustainable objective of the financial product.

The limitations above are either unavoidable or too complex to properly account for, with the resources the Funds possess. As such, the methodology presented is the best available. The methodology is deemed to adequately contribute to the defined sustainable objectives targeted by the Funds.

(c) The actions taken to address such limitations

The Funds will regularly review the methodologies and data used to assess the attainment of the sustainable investment objectives to ensure the most up-to-date approach possible. When severe limitations are identified, actions will be taken immediately to overcome them.

## **10. Due Diligence**

The Funds carries out ESG due diligence on all prospective investments to identify and analyze any risks of controversies or issues related to social, environmental, human rights, ethical and governance matters.

## **11. Engagement Policies**

One key aspect of engagement is exercising active ownership over investments through means such as:

- Voting: we formally express approval or disapproval through voting on resolutions and propose shareholder resolutions on specific ESG and impact issues.
- Cooperation: when necessary, we cooperate with other shareholders to exert influence over how ESG and impact issues should be considered by the portfolio company.

For engagement activities that are conducted in response to an incident or due to insufficient adaptive capacity, portfolio companies will be given the opportunity and resources to improve. The main objective of our engagement activities is to achieve the impact that each company has planned, reduce principal adverse impacts of our investments, and enhance the positive impacts of our portfolio companies' operations.

## **12. Attainment of the Sustainable investment Objective**

No reference benchmark has been designated for the purpose of attaining the sustainable objectives pursued by the Funds.

### *EU Climate Transition or EU Paris-Aligned Benchmark*

Although the sustainable objective of the Funds is to reduce carbon emissions, a reference benchmark which qualifies as a EU Climate Transition or EU Paris-Aligned benchmark was not utilized.

It is important to highlight that we are an Impact VC firm investing in early stage companies, therefore, it is not possible at this moment to follow the benchmarks. Nevertheless, the impact investment thesis of the fund was created based on the information given by the IPCC. The fund is committed to reduce 1.000.000 tons of CO2 equivalent during the investment period (10 years).