

ANNEX III

Pre-contractual disclosure for the financial products referred to in Article 9, paragraphs 1 to 4a, of Regulation (EU) 2019/2088 and Article 5, first paragraph, of Regulation (EU) 2020/852

Product name: Planetary Impact Ventures Fund K/S

Legal entity identifier: 43366904

Sustainable investment objective

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Does this financial product have a sustainable investment objective?

Yes

It will make a minimum of **sustainable investments with an environmental objective: 100 %**

in economic activities that qualify as environmentally sustainable under the EU Taxonomy

in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

It will make a minimum of **sustainable investments with a social objective: ___%**

No

It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments

with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

with a social objective

It promotes E/S characteristics, but **will not make any sustainable investments**



What is the sustainable investment objective of this financial product?

Planetary Impact Ventures Fund K/S ("the Fund") seeks to invest in economic activities that contribute to the following environmental objectives

1. Climate change mitigation and adaption
2. Sustainable use and protection of water and marine resources
3. The protection and restoration of biodiversity and ecosystems

By investing in companies that are developing and selling services and products that are fostering and contributing to sustainable transition within the 3 areas, the Fund contribute to these sustainability objectives. The Fund does not use a reference benchmark.

Sustainability indicators measure how the sustainable objectives of this financial product are attained.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

What sustainability indicators are used to measure the attainment of the sustainable investment objective of this financial product?

The Fund invests in very early-stage companies, exclusively with sustainable objectives. Due to the nature of these early-stage companies, the data they are tracking is closely related to the desired performance of the core product, e.g. taste or texture in the case of a food product, or measuring accuracy of a soil sampling device. Very often, the (raw) material that goes into the products, such as legumes or microbe scanning tools are at the center of the product development, whereas the more overall impact metric, e.g. tons of CO₂ emissions avoided, will be measurable at a later stage when the company and product is more mature, and the impact measurement is more sound. There is currently not a sound data coverage to enable proof of compliance with the technical screening criteria, nor structured impact measurement, to secure EU Taxonomy compliance.

Regardless of this implicit challenge of being a fund supporting very early stage startups, the Fund has high ambitions for impact, and requires of all portfolio companies that they aim to implement sustainability indicators. In time, this will enable the Fund to measure the attainment of the sustainable investment objectives more diligently. Due to the reasons described above, there is no specific benchmark or threshold, but all activities of the company must contribute to a sustainability goal, and the preferred indicators are that they contribute to one or several of the following objectives:

- 1) CO₂e emissions avoided
- 2) Pesticide usage avoided
- 3) Land use avoided

The Fund is establishing the impact measurement framework to support portfolio-wide data collection with the limiting conditions of working with small-scale, early-stage start-ups that the Fund invests in. The Fund expects to be able to gradually build the competences in the investments/start-ups over time.

How do sustainable investments not cause significant harm to any environmental or social sustainable investment objective?

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

The Fund considers the ethical, environmental and societal consequences of all its investments. As described in the Responsible Investment Policy of the Fund, awareness of sustainability risks is integrated into all of the processes of the Fund, from screening and due diligence to portfolio governance and monitoring. Several mechanisms are in place to ensure that the investments of the Fund do not significantly harm the sustainable investment objectives it is seeking to pursue.

These include:

- 1) Investments (start-up companies that the Fund seeks to invest in) do a self-declaration of potential significant adverse impacts prior to investments
- 2) Incorporating contractual clauses covering minimum standards of conduct on investee companies

- 3) The right to divest if investee company no longer can be classified as sustainable under the EU Taxonomy.

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

The Fund's Responsible Investment Policy covering the procedures for investment screening, due diligence and investment monitoring, and investment governance are aligned 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 Labour Organisation on Fundamental Principles and Rights at Work and the International Bill of Human Rights (the "Guidelines"). The Ten Principles are included in the Fund's Code of Business Ethics which all investments are required to join.



Does this financial product consider principal adverse impacts on sustainability factors?

- Yes
 No

It is currently beyond the capability and capacity of the Fund to verify the self-assessment in detail and to ensure that all criteria are taken into account, which is why the Fund cannot report that it meticulously considers all of the specific adverse impact indicators set out in Annex 1 of the Commission's delegated regulation supplementing Regulation (EU) 2019/2088 (the Sustainable Finance Disclosure Regulation) in its investment decisions.

However, in order to assess potential adverse impacts prior to investing, the Fund performs a screening which consists of two parts that stem from the EU Taxonomy:

- 1) Impact Assessment: a self-assessment of potential impact
- 2) "Do no significant harm" (DNSH) Assessment: a self-assessment of how the business model of the potential investment avoids causing significant harm within the areas outlined in the EU Taxonomy that are relevant to the investment. The companies are asked to assess whether the business is in risk of causing significant harm to any of the environmental objectives of the EU Taxonomy, the reason, and any plans to mitigate this risk.

The Fund will on a continuous basis assess whether to consider all of the specific adverse impact indicators set out in Table 1-3 of Annex 1 in its investment decisions.

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.



What investment strategy does this financial product follow?

In accordance with Clause 3.1 of the Limited Partnership Agreement governing the Fund, the Fund will invest, directly or indirectly, in for-profit companies that have the potential to solve systemic problems and regenerate natural environments and communities. The investments shall primarily be made in early-stage companies, principally based in, or which conduct a substantial proportion of their business in the EU/EEA, the United Kingdom and Switzerland. The Fund shall invest in accordance with its Responsible Investment Policy, except in each case as otherwise approved by the Investor Advisory Board (IAB), and article 9 of the regulation (EU) 2019/2088 of the European Parliament and of the

council of 27 November 2019 on sustainability-related disclosures in the financial services sector.

Asset allocation describes the share of investments in specific assets.

● **What are the binding elements of the investment strategy used to select the investments to attain the sustainable investment objective?**

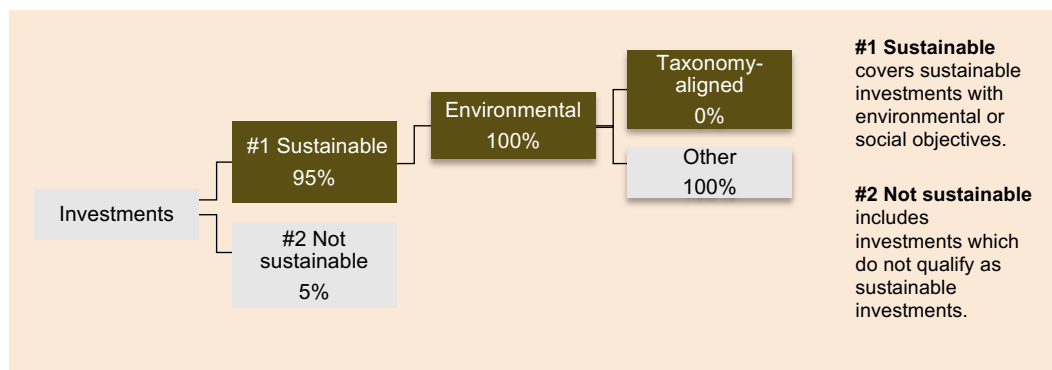
The Fund must adhere to the pre-selected investment limitations described above and set out in Clause 3.1 of the Limited Partnership Agreement, which is the binding contractual document governing the Fund. The investment strategy specifically mandates that the Fund must invest in accordance with the requirements applicable to financial products covered by Article 9 of SFDR. All investments are expected to be in accordance with the Responsible Investment Policy.

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

The Fund ensures good governance practices in investee companies in accordance with the Responsible Investment Policy, and the companies are required to sign and adhere to the Ethical Business Conduct Policy. Where relevant, the Fund will use its governance rights to ensure investee companies adhere the Responsible Investment Policy and the good governance principles described therein.



What is the asset allocation and the minimum share of sustainable investments?



Apart from a very small opening for investments for cash management and liquidity purposes, The Fund's entire portfolio is directed toward economic activities that contribute to an environmental objective, without causing significant harm and while ensuring alignment with minimum safeguards. The Fund is classified under Article 9 of the SFDR and invests exclusively in sustainable investments, as defined by Article 2(17) of the Regulation, something which is also reflected in the Fund's binding investment strategy described above and in Clause 3.1 of the Limited Partnership Agreement governing the Fund.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

While the Fund targets 100% sustainable investment allocation, the share of EU Taxonomy-aligned investments is currently not verifiable against the Technical Screening Criteria, due to the early-stage nature of the Fund's portfolio companies and the lack of comprehensive, publicly available data required to fully assess compliance with the technical screening criteria, especially for organic regenerative farming and food.

Accordingly, the Fund applies a "reasonable efforts approach", conducting qualitative assessments of potential Taxonomy alignment during due diligence (in the form of self-assessment questionnaires) and working with companies post-investment to improve data availability and alignment over time.

As disclosure practices and portfolio companies mature, the Fund expects the proportion of taxonomy-aligned investments to increase, as data will be more accessible.

● **How does the use of derivatives attain the sustainable investment objective?**

Not applicable.



To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

At this stage, the Fund is not in a position to commit to a minimum proportion of sustainable investments that are aligned with the EU Taxonomy. While all investments are made with the intention to contribute substantially to environmental objectives, the current level of alignment with the Taxonomy's technical screening criteria is not quantifiable due to the limited availability of reliable, activity-level data from early-stage portfolio companies. As such, the minimum proportion of taxonomy-aligned investments is set at 0%. However, the Fund applies a screening process at the point of investment to assess the environmental contribution and potential for alignment, and actively engages with portfolio companies to improve data granularity and disclosure practices. Over time, and in line with regulatory developments and market data maturity, the Fund aims to progressively increase the proportion of taxonomy-aligned sustainable investments.

● **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy¹?**

Yes:

In fossil gas In nuclear energy

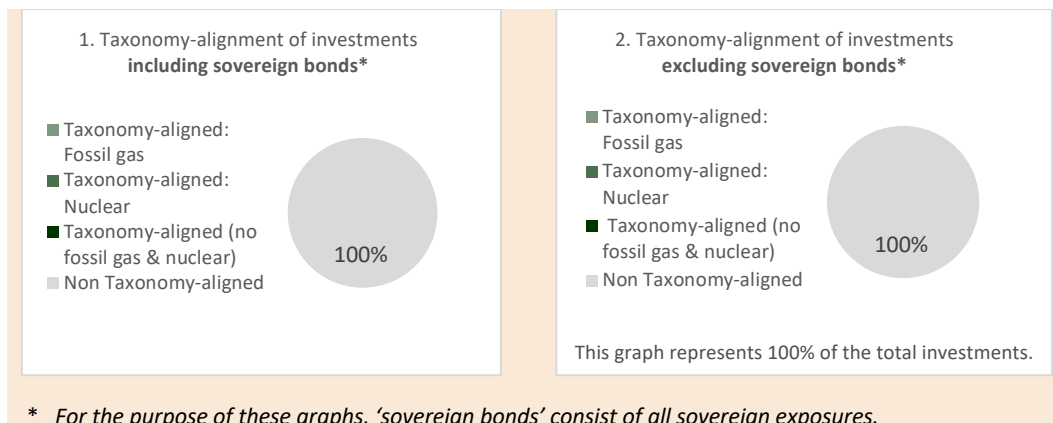
No

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*

¹ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.



* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.

● **What is the minimum share of investments in transitional and enabling activities?**

The Fund is investing in companies with sustainability objectives and expects to be aligned with the EU Taxonomy to a very large extent. It is expected that all investments go beyond the threshold of the transitional and enabling activities.



What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The Fund's purpose and investment policy (described above) is to invest exclusively in sustainable activities with environmental objectives, and all investments are considered to contribute to such objectives. Due to current data limitations, particularly among early-stage companies, a significant portion of these investments cannot yet be assessed as aligned with the EU Taxonomy's technical screening criteria. As such, the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy must currently be estimated at 100%. This figure reflects a cautious and transparent approach in the absence of verified taxonomy data and does not imply that these investments are environmentally unsustainable. The Fund actively works with portfolio companies to improve disclosure and alignment over time, with the expectation that taxonomy alignment will increase as data and market practices mature.



What investments are included under "#2 Not sustainable", what is their purpose and are there any minimum environmental or social safeguards?

The Fund makes investments in this category at a minimum extent and only for liquidity and cash management purposes. All investments made by the Fund will comply with the Fund's Responsible Investment Policy and Limited Partnership Agreement, in which environmental and social safeguards are defined, and hence must be met for all investments.



Where can I find more product specific information online?

More product-specific information can be found on the website:

<https://www.planetary.dk/disclosures/>