SUSTAINABILITY-RELATED DISCLOSURES

Product name: Fund II

Legal entity identifier: CapAgro

ARTICLE 10 SFDR DISCLOSURE: WEBSITE PRODUCT DISCLOSURE FOR FINANCIAL PRODUCTS THAT HAVE SUSTAINABLE INVESTMENTS AS THEIR OBJECTIVE

(a) Summary

Sustainable investment objective

CapAgro Fund II ("the Fund") has sustainable investment as its objective. The financial product commits to a sustainable objective by ensuring that all investments contribute to the objectives set by the fund as detailed below. The fund undertakes that 100% of its investments, excluding cash and liquidities, will meet these criteria.

To assess whether an investment attains the sustainable investment objective defined by the Fund, a first criterion is applied:

- At least 50% of the turnover is aligned with the EU Green Taxonomy.

In case the EU Green Taxonomy criterion is not met or not applicable if the investment is not eligible to the EU Taxonomy, an investment must meet the secondary criterion:

- At least 60% of the turnover or OPEX of the company positively contributes to one of the 6 sub-objectives defined by the Management Company.

If the company is in early stage of development and doesn't have any turnover or OPEX, the Fund will assess whether the company's activity contributes to one of the 6 sub-objectives defined by the Management Company. Once the company begins to generate turnover or incur operating expenses, the Fund will assess whether it meets the thresholds for contribution to the sustainable investment objective.

Investment strategy

The Fund will invest primarily, in equity shares, in the agri-food technology and innovation-related businesses in early and expansion stages in the following sectors, without being limited to, specialized ingredients, alternative proteins, innovative packaging, personalized nutrition, e-models, bio-inputs, robotics, green chemistry, agri-food finance and insurance, energy and biomass, carbon farming.

The Fund will predominantly invest in Portfolio Companies having their registered office or their main location of business conduct in France.

The investments are made in compliance with sustainable investment criteria defined by the Fund.

No significant harm to the sustainable investment objective

To ensure that the investee companies respect the "Do Not Significantly Harm" principle, the company implemented several policies to monitor any potential adverse impacts on sustainability, and especially the Principal Adverse Impact (PAI) at each stage of the investment process:

- CapAgro identifies and mitigates PAIs through the application of its exclusion policy.
- During the pre-investment phase, CapAgro assesses ESG criteria, including Principal Adverse Impacts on sustainability factors, using an ESG pre-investment analysis grid.
- In the holding phase, the fund monitors the 14 mandatory PAIs and 3 additional PAIs (1 social, 1 environmental, 1 governance) through the annual reporting and tracking of indicators. Additionally, the fund monitors at least one indicator (PAI) per environmental objective of the DNSH principle.

Good governance practices

To assess good governance practices of the investees, the Management Company implemented several policies:

During the pre-investment phase:

- Conduction of an ESG due diligence
- Use of a pre-investment analysis grid, including PAIs on sustainability factors

During the holding phase:

- The fund monitors the 14 PAIs and 3 additional PAIs, including 1 additional PAI related to governance:
- Lack of anti-corruption and anti-bribery policies: share of investments in entities without policies on anti-corruption and antibribery consistent with the United Nations Convention against Corruption

In its annual ESG reporting system, the Management Company also requires the portfolio companies to address additional governance issues.

Proportion of investments

It is anticipated that 100% of the Fund's investments, which are predominantly direct investments, will be sustainable investments.

The Fund will commit to a minimum of 55% of investments contributing to an environmental objective, and a minimum of 25% of investments contributing to a social objective in the Fund's portfolio.

(b) No significant harm to the sustainable investment objective

The Fund considers the Principal Adverse Impacts (PAI) at each stage of the investment process:

- As a minimum standard to ensure that its investments do no significant harm to any environmental of social objective, CapAgro identifies and mitigates PAIs through the application of its exclusion policy as defined in the fund's regulations. The Fund shall be prohibited from investing, directly or indirectly, in companies:
    - Whose activity consists primarily in the production or sale of firearms, and in particular cluster munitions, cluster bombs, landmines, anti-personnel mines,
    - Whose activity consists in the production, manufacturing and/or exploitation of and trade or distribution of tobacco and related products,
    - Which substantially focus on casinos and equivalent enterprises,
    - Whose activity consists in the production or sale of pornography and related products,

    - Whose activity consists in the extraction, production, sale, storage, and transportation of conventional and non-conventional fossil fuels.

  In addition to the aforementioned exclusion list, the Fund shall limit investment in companies whose activities involve the production, manufacturing and/or exploitation or trade of GMOs and new genomic techniques (NGTs). Where relevant the companies' activities must consist in confined GMOs and confined NGTs and must prior to the investment be unanimously approved by Capagro's Advisory Committee. As an exception to the above, any investment in the field of fermentation will not require the prior approval of the Advisory Committee.

- During the pre-investment phase, CapAgro assesses ESG criteria, including certain Principal Adverse Impacts on sustainability factors when relevant, using an ESG pre-investment analysis grid. The outcomes of this assessment are discussed at the investment committee.

- In the holding phase, the fund monitors the 14 mandatory PAIs and 3 additional PAIs (1 social, 1 environmental, 1 governance) through the annual reporting and tracking of indicators.
    - The fund monitors 3 additional PAIs as follows:
        - Rates of accidents: Rate of accidents in portfolio companies expressed as a weighted average.
        - Lack of anti-corruption and anti-bribery policies: Share of investments in entities without policies on anti-corruption and antibribery consistent with the United Nations Convention against Corruption.
        - Investments in companies without carbon emission reduction initiatives: Share of investments in investee companies without carbon emission reduction initiatives aimed at aligning with the Paris Agreement.
- Additionally, the fund monitors at least one indicator per environmental objective of the DNSH principle:
    - Climate change mitigation: GHG intensity of portfolio companies per M€ of revenue
    - Adapting to climate change: share of non-renewable energy consumption & production, expressed as a percentage.
    - Sustainable use and protection of aquatic and marine resources: tons of emissions to water generated by portfolio companies per million EUR invested, expressed as a weighted average.
    - Transition to a circular economy: materials recycling/reuse rate, expressed as a percentage.
    - Pollution prevention and reduction: tons of hazardous waste generated by portfolio companies per million EUR invested, expressed as a weighted average.
    - Protection and restoration of biodiversity and ecosystems: share of investments in portfolio companies with sites/operations located in or near to biodiversity sensitive areas where activities of those portfolio companies negatively affect those areas.

The assessment of the respect of the DNSH principle regarding the outcomes of the indicators will rely on the fund's judgment.

If any negative impact compromising the DNSH principle is identified, the fund will implement an action plan alongside the investee company to mitigate the impact.

(c) Sustainable investment objective of the financial product

To assess whether an investment attains the sustainable investment objective defined by the Fund, a first criterion is applied:

- At least 50% of the turnover is aligned with the EU Green Taxonomy.

In case the EU Green Taxonomy criterion is not met or not applicable if the investment is not eligible to the EU Taxonomy, an investment must meet the secondary criterion:

- At least 60% of the turnover or OPEX of the company positively contributes to one of the 6 sub-objectives defined by the Management Company.

If the company is in early stage of development and doesn't have any turnover or OPEX, the Fund will assess whether the company's activity contributes to one of the 6 sub-objectives defined by the Management Company.

To determine the company's contribution to the objectives, Capagro will conduct an analysis of the company's business plan to determine alignment with these objectives. Specifically, Capagro will:

- Review the company's mission and vision
- Review the proof of concept and the potential for contribution
- Review the development plan, detailing how the company intends to contribute to the objectives
- Review the financial projections

Once the company begins to generate turnover or incur operating expenses, the Fund will assess whether it meets the thresholds for contribution to the sustainable investment objective. Should the company begin generating revenue but remain insufficiently mature to meet the fund's sustainable investment criteria, Capagro will establish prospective KPIs that the company must achieve during its development. Future investments will be contingent upon the successful attainment of these milestones to achieve the fund's sustainable investment objectives.

The 6 sub-objectives, all related to the sustainable Agri-Food sector, are as follows:

- **Objective 1: Better Nutrition**
- **Objective 2: Improving the sustainability and circularity of production systems**
- **Objective 3: Fighting climate change**
- **Objective 4: Improving the safety, health, and well-being of consumers**
- **Objective 5: Promoting sustainable working practices (safety, inclusiveness, diversity)**
- **Objective 6: Protecting biodiversity**

The objectives set by the fund are closely linked to the United Nations Sustainable Development Goals (SDGs), the Secrétariat général à la planification écologique (SPGE) levers, and the criteria outlined in the EU Taxonomy. The fund commits to aligning its investments with these frameworks to ensure that they contribute meaningfully to sustainable development (see Methodologies).

In particular, the United Nations Sustainable Development Goals (SDGs) that have been identified and linked to the 6 previously listed sub-objectives will be used to measure the attainment of the investment towards the overall sustainable investment objective (see Methodologies).

The Management Company will rely on the SDG targets and as much as possible on the European Taxonomy as they provide a greater level of detail and are thus more suitable to establish Key

Performance Indicators (KPIs) and assess how the company's activities contribute to each sub-objective.

(d) Investment strategy

The investment strategy of the Fund is to invest primarily, directly, or indirectly, in equity shares or securities, giving companies access to capital whose securities are not traded on a Financial Instruments Market. The Fund may invest on an ancillary basis in the form of shareholders loans (in French “avances en compte courant”) or bonds, or debt securities or in companies whose securities are not traded on a Financial Instruments Market. The fund is committed to ensuring that these investments are all aligned with the overall sustainable investment objective.

The Fund will invest primarily in agri-food technology and innovation-related businesses in early and expansion stages in the following sectors, without being limited to, specialized ingredients, alternative proteins, innovative packaging, personalized nutrition, e-models, bio-inputs, robotics, green chemistry, agri-food finance and insurance, energy and biomass, carbon farming.

The Fund will predominantly invest in Portfolio Companies having their registered office or their main location of business conduct in France.

The investments are made in compliance with the sustainable investment criteria defined by the Fund.

Investment strategy used to meet the sustainable investment objective

ESG considerations play a key role for CapAgro both internally and externally as the fund has developed an ESG and impact strategy based on three levels: the Management Company (ESG Charter), the portfolio companies and its ecosystem.

The ESG integration process begins during the sourcing phase. At this stage, the exclusion list is enforced, then a preliminary deal flow analysis is performed by the Management Company. For each company, information is requested on its ESG policy, the impact of the company given its sector of activity, its positioning, the SDG targets that are addressed by the activities of the company and the ESG risks identified. During the pre-investment phase, once a company of interest is identified, the Management Company uses its ESG analysis grid to assess the target’s company’s ESG maturity and the related risks and opportunities.

To ensure that the investment is considered as sustainable, the Management Company will assess the eligibility and alignment of the company to the EU Green Taxonomy. In case the company is not eligible or does not respect the threshold of 50% of turnover contributing to the EU Taxonomy, the Management Company verifies that at least 60% of company’s turnover or OPEX contribute to one of the 6 sub-objectives defined by the Fund.

If the company is in early stage of development and doesn’t have any turnover or OPEX, the Fund will assess whether the company’s activity contributes to one of the 6 sub-objectives defined by the Management Company. Once the company begins to generate turnover or incur operating expenses, the Fund will assess whether it meets the thresholds for contribution to the sustainable investment objective.

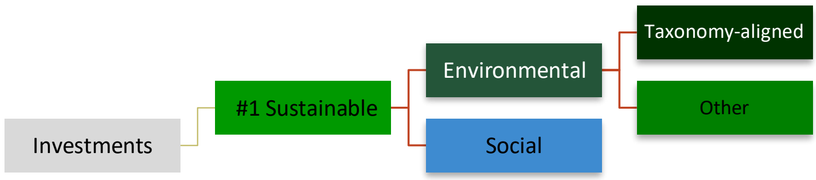
In addition to the sustainable investment objective, the Management Company undertakes to monitor the levers for the ecological transition of agriculture (SGPE) at the time of investment appraisal, and throughout the holding phase.

This analysis also enables the Management Company to define, post-investment decision, an action plan (100-day plan) to accompany the company in monitoring, among others, its ESG performance evolution and setting improvement targets.

During the holding phase, the Management Company will measure each company's attainment of the environmental and social characteristics promoted by the Fund, sustainability indicators will be chosen among a list of predefined criteria for each company at the time of its entry into the portfolio, depending on the company's position along the value chain. ESG data will also be reported annually by the investee companies. These data will be consolidated and presented in the annual report, thus allowing the Management Company to monitor the evolution of ESG-related risks.

(e) Proportion of investments

It is anticipated that 100% of the Fund's investments, which are predominantly direct investments, will be sustainable investments.



'#1 Sustainable includes the investments of the financial product used to attain the sustainable investment objective defined by the Fund.

Sustainable investments will address either an environmental objective, a social objective, or both, depending on the Sustainable Development Goals to which the investee company contributes.

As the assets of the Fund will be identified during the life of the Fund, the precise portfolio composition of the Fund is not presently known at the time of this disclosure. The Fund will therefore commit to a minimum of 55% of investments contributing to an environmental objective, and a minimum of 25% of investments contributing to a social objective in the Fund's portfolio, without compromising the fact that 100% of the investments will meet the overall sustainable investment objective.

(f) Monitoring of sustainable investment objective

The investment strategy includes environmental, social and governance (in short "ESG") criteria at all stages.

During the sourcing phase:

- The exclusion list, as defined in the Fund's regulations, is enforced.
- A preliminary deal flow analysis is performed by the Management Company.

During the pre-investment phase:

- The Management Company collects information on company's ESG policy, the impact of the company given its sector of activity, its positioning, the Sustainable Development Goals that are addressed and the ESG risks identified.
- The Management Company uses its ESG analysis grid to assess the target company's ESG maturity and the related risks and opportunities.
- The Management Company measures the contribution to the sustainable investment objective through the following indicators related to the EU Green Taxonomy:
    - Share of the turnover eligible to the EU Taxonomy.
    - If eligible, share of the turnover aligned to the EU Taxonomy.
- If the company is not eligible, or does not reach the threshold of the turnover aligned to the EU Taxonomy, the Management Company measures additional indicators to assess whether the investee company contributes to at least one of the 6 sub-objectives:
    - Share of the Turnover contributing to one or several targets of the SDGs linked to the sub-objectives.
    - Share of the OPEX contributing to one or several targets of the SDGs linked to the sub-objectives.

If the company is in early stage of development and doesn't have any turnover or OPEX, the Management Company will ensure that the company's activity contributes in itself to one of the 6 sub-objectives.

Based on this analysis, the Management Company defines an action plan (100-day plan) to accompany the company in monitoring its ESG performance evolution and setting realistic yet ambitious goals, in terms of value creation and ESG.

During the holding phase:

- The Management Company ensures that each company respects the criteria of the sustainable investment objective throughout the investment holding period.
- The Management Company ensures that good governance practices are followed by the portfolio companies.
- ESG data will be reported annually by the investee companies and consolidated in the annual report of the Management Company.

<u>Policy to assess good governance practices of the investee companies.</u>

During the pre-investment phase:

- The ESG due diligence also takes into account the governance practices of the company, ensuring that good governance practices are in place before investing.
- The pre-investment analysis grid used by the Fund includes the 14 Principal Adverse Impacts on sustainability factors.

During the holding phase:

- The fund monitors the 14 PAIs and 3 additional PAIs, including 1 additional PAI related to governance:
    - Lack of anti-corruption and anti-bribery policies: share of investments in entities without policies on anti-corruption and antibribery consistent with the United Nations Convention against Corruption

In its annual ESG reporting system, the Management Company also requires the portfolio companies to address governance issues such as independence of Board members, gender equality in senior position, management profit sharing, impact policy, sensitive data governance, code of conduct, business ethics and litigations.

(g) Methodologies

In order to ensure the contribution of an investment to the sustainable investment objective, the fund has chosen to measure the eligibility and alignment of the company's turnover to the EU Green Taxonomy. If at least 50% of the company's turnover is aligned with the Taxonomy, the investment is considered a sustainable investment.

In case the company is not eligible or does not respect the threshold of 50% of the turnover aligned with the EU Taxonomy, the Fund will analyze the company's activities and whether they contribute to one of the funds' sub-objectives.

As shown in the correspondence table below, the objectives set by the fund are closely linked to the United Nations Sustainable Development Goals (SDGs), the Secrétariat général à la planification écologique (SPGE) levers, and the criteria outlined in the EU Taxonomy. The fund commits to aligning its investments with these frameworks to ensure that they contribute meaningfully to sustainable development.

	Fund's objectives	SDG	SPGE Levers	Objectives of the European Taxonomy
1	**Better Nutrition**	SDG 2 "**Zero Hunger**"	5, 10, 14	Human capital
2	**Improving the sustainability and circularity of production systems**	SDG 12 "**Responsible consumption and production**" SDG 9 "**Industry, Innovation and Infrastructure**" SDG 6 "**Clean water and sanitation**"	1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13	Transition to cicular economy Pollution prevention and control Sustainable use and protection of water and marine resources
3	**Fighting climate change**	SDG 13 "**Climate Action**"	3, 4, 9, 12, 13	Climate change mitigation Climate change adaptation
4	**Improving the safety, health, and well-being of consumers**	SDG 3 "**Good Health and Well-being**"	10, 14	Human capital
5	**Promoting sustainable working practices (safety, inclusiveness, diversity)**	SDG 8 "**Decent work and economic growth**" SDG 5 "**Gender equality**" SDG 10 "**Reduced inequalities**"	10	Human capital
6	**Protecting biodiversity**	SDG 14 "**Life below water**" SDG 15 "**Life on land**"	1, 2, 3, 5, 7, 8, 10, 13	Protection and restoration of biodiversity and ecosystems Sustainable use and protection of water and marine resources

The targets within the SDGs are sufficiently detailed, allowing the Management Company to establish Key Performance Indicators (KPIs) and assess how the company's activities contribute to each sub-objective.

In order to evaluate the contribution of the company to each sub-objective defined by the Fund, the Management Company identifies all the company's activities and their related turnover or OPEX and measures the contribution of each activity to the targets of the SDGs mentioned above.

The process to measure the contribution is as follows:

- The Management Company identifies each company's activity.
- The Management Company assesses whether each activity contributes to one or several targets of the SDGs mentioned above. As the SDGs are linked to the 6 sub-objectives of the Fund, if an activity contributes to a specific SDG target, it consequently follows that it contributes to the associated sub-objective.
- If the Management Company concluded that one activity contributes to one or several sub-objectives, it will associate the activity's turnover or OPEX to the corresponding sub-objectives.
- The Management Company will then consolidate the turnover of all the company's activities contributing to the sub-objectives, to verify whether the company reaches the threshold of 60% of the overall turnover or OPEX contributing to the sub-objectives defined by the Fund. If the company is in early stage of development and doesn't have any turnover or OPEX, the Management Company will ensure that the company's activity contributes in itself to one of the 6 sub-objectives.

The process used to measure the contribution of the investee company to the sub-objectives will be reviewed every year, in order to ensure that no significant change occurred that could potentially impact the achievement of the overall sustainable investment objective.

(h) Data sources and processing

The financial data and activity-related data used to measure the attainment of the sustainable investment objective defined by the Fund are the direct data provided by each portfolio company via their answers to the annual ESG questionnaire. CapAgro measures the contribution to the SDG targets from the KPIs they monitor via company responses to the annual ESG questionnaire. Alignment with targets can be reassessed annually, as turnover and OPEX vary from year to year, and the company may diversify its activities over time.

(i) Limitations to methodologies and data

The methodology described in section (g) 'Methodologies' and data sources used and described in section (h) 'Data sources and processing' may be subject to the following limitations:

- The methodology used is based on declarative statements from the investee company and may not be completely reliable. Nevertheless, the Management Company analyses the data provided to ensure its consistency and tracks KPIs to assess the contribution to the sustainable investment objective and monitor the ESG performance. Moreover, coherence checks of annual variations are made on the data reported.
- The methodology is closely correlated with the growth of the company, so it may not reflect the intentions of the investee company to make the best efforts to improve its ESG performance. To handle this issue, the Management Company follows additional indicators and sets objectives to the investee companies, as part of its impact strategy.

(j) Due diligence

As described in section (d) 'Investment strategy', the pre-investment phase includes several steps to assess the target company's ESG maturity and related sustainability risks and opportunities. The due diligence phase conducted via an ESG analysis grid enables the Management Company to define an action plan post-investment to assist the company in monitoring its ESG performance evolution and setting objectives. The indicators remain generic in order to fit all types of companies. If necessary, the Management Company can engage external service providers to assist with due diligence, but most controls remain internal.

(k) Engagement policies

The Management Company has implemented engagement policies as part of its environmental and social investment strategy. Environmental, Social and Governance policies have been defined, annual ESG reports are requested from the investee companies to involve them in the ESG process. The Management Company is committed to supporting the investee companies generating a positive impact and improvements over time. Thanks to the reporting campaign, progress reports are monitored by the portfolio companies for this purpose. The Management Company also publishes for its investors an annual report that includes a specific report on ESG progress and is committed to addressing ESG issues at the Board of Directors of the invested companies at least annually to discuss actions and improvements.

(l) Attainment of the sustainable investment objective

No benchmark has been designated for the purpose of achieving the sustainable investing objective.