

## 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 Funds”)

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. 40% are investments focused on the reduction of GHG emissions and 70% 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.. 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 objectives

Sustainable investments that the Funds intend to make fulfill the requirement of not significantly harming any other environmental or social sustainable investment objective.

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.

### a. Indicators for adverse impacts on sustainability factors taken into account

As part of our in-depth investment analysis, each company is required to complete an ESG Questionnaire that is fully aligned with the Principal Adverse Impact (PAI) indicators. This process enables us to assess the ESG maturity of each investment opportunity.

Given that we typically invest at early stages, we anticipate that portfolio companies may lack formalized ESG policies or practices. Therefore, we include specific clauses in the Shareholders' Agreements (SHAs) to ensure the reporting and monitoring of PAIs and other key ESG indicators.

Post-investment, we maintain ongoing ESG monitoring through regular data collection and performance reviews. When necessary, we conduct detailed assessments in collaboration with the company to support continuous ESG improvement.

### b. *Alignment of the sustainable investments 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 Funds**

The sustainable objectives of the Funds are:

- Reducing 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.
- Promoting adequate living standards and well-being for end-users. This include:
  - improving the quality of life for the elderly, persons with disabilities, and individuals with chronic illnesses
  - reducing school dropout rates and unemployment

### **4. Investment Strategy**

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 from 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.

- a. The binding elements of the investment strategy used to select the investments to attain the objectives

An investment strategy's binding elements refer to criteria that are binding on the financial product manager in the investment decision-making process. It is the mandatory aspect related to the selection of underlying assets. In this case, the investment strategy's binding elements should include strategic actions to attain the objective. The firm's exclusion policy and consequently the excluded activities' list binding, this means adherence to this policy is mandatory.

In addition to this, incorporating ESG issues into investment analysis and decision-making processes are binding. The funds have designed a methodology where impact and sustainability are anchored in the investment process from 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.

- b. The policy to assess good governance practices of the investee companies

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
- Data Management

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

### a) *Asset allocation planned for the Funds*

The minimum proportion of the Funds investment allocated to achieve sustainable investments is coherent with the binding elements of the strategy. The minimum proportion of investments used to achieve the sustainable investment objective is 100%. All investments are made with the intention of contributing to sustainable and impact-related objectives.

The Funds employ an effective strategy to allocate the minimum proportion of investments towards these sustainable investments: the funds have been strategically designed with investment theses centered on addressing climate change and enhancing the quality of life for the elderly. As a result, all investments are guided by these thematic priorities.

Each step of the impact investment process ensures that portfolio companies are aligned with the funds' core objectives and are positioned to generate measurable, positive impact in line with the investment theses.

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%

### b) Investments included under "Other", their purpose and the minimum environmental or social safeguards

Not applicable, the Funds do not have "other" investments.

### c) Use of derivatives to attain the sustainable investment objective

The Funds do not use derivatives to attain the environmental or social characteristics promoted.

## **6. Monitoring of Sustainable Investment Objectives**

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

1. Tons of Co2 eq reduced or avoided per company
2. Number of users of the service and product of each company

These indicators are collected on a quarterly basis and are used to engage in discussions with our portfolio companies. Based on each portfolio company's performance on these indicators, the Funds provide resources and a progress plan tailored to the company's industry, size, and maturity. Targets are defined for each sustainability indicator and are used to measure the achievement of the sustainable objectives.

The Funds use external mechanisms to monitor progress toward their sustainable objectives, including ESG data providers. The Funds use Apiday as the platform to gather ESG data and calculate the PAI indicators.

## **7. Methodologies**

We currently do not employ any methodology to measure the attainment of the sustainable investment objectives using the sustainability indicators.

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

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

We currently do not employ any data sources to attain the sustainable investment objectives pursued by the Funds.

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

There is a procedure in place to systematically collect data which follows international guidelines (e.g., Greenhouse Gas Protocol). 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.

*(c) How is Data Processed*

ESG data is collected annually, at designated intervals. Data is sourced directly from portfolio companies and the platform Apiday is used for the calculation of the PAI's indicators.

*(d) The Portion of Data Estimated*

7 % of data will be estimated.

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

(a) The Funds are aware of the limitations to methodologies and data sources associated with the sustainability indicators collected:

- The investment strategy only prioritized the most relevant E/S characteristics related policies and procedures (e.g., the Fund does not conduct negative screening);
- For data collected, error from proxy usage;
- Potential lack of comparability and reliability of the data;
- Human error;
- Variations in scope and boundaries;
- Insufficient information from portfolio companies.

(b) How such limitations do not affect the attainment of the sustainable objectives of the Funds

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 objective 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 objectives being pursued 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**

We carry 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.



The firm has developed an ESG Questionnaire aligned with PAI allowing the analysis of the sustainability risks of each investee during the analysis process of each company. Also during the closing phase, the firm conducts legal, financial, tax and labour due diligences by a third part. Depending on the case, it is also possible to conduct a technological due diligence

## **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 Impact/ESG issues.

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 reduce principal adverse impacts of our investments and enhance the positive impacts of our portfolio companies' operations.

## **12. Designated reference benchmark**

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

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

A reference benchmark which qualifies as a EU Climate Transition and/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).