



ANNUAL PRINCIPAL ADVERSE IMPACT STATEMENT

(reference period 1 January - 31 December 2023)

No consideration of adverse impacts of investment decisions on sustainability factors

In compliance with the provisions of Article 4(1)(b) of Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 ("SFDR") and in accordance with the provisions of Article 12 of Commission Delegated Regulation (EU) 2022/1288 of 6 April 2022 ("Delegated Regulation"), Faber SCR SA ("Faber" or "Company"), hereby discloses that it did not take into consideration the adverse impacts of its investment decisions on the sustainability factors during the calendar year of 2022, due to the nature and scale of the Faber's activities, and also considering the additional grounds set out below:

- As a matter of principle, Faber seeks to integrate sustainability risks into its investment decisions. To do so, Faber is committed to establishing and practicing a proactive ESG approach, ensuring that potential sustainability risks are always considered during due diligence, monitoring and reporting processes, both for potential and actual investments - as set out in Faber's Responsible Investment Policy, available here [Responsible Investment Policy v1 \(faber-ventures.com\)](https://www.faber-ventures.com/responsible-investment-policy-v1). This enables Faber to have a supporting element to assess the impact that potential or actual sustainability factors have in its investments.

- Regarding the principal adverse impacts on sustainability, the Delegated Regulation sets out the main indicators that shall be considered in the identification of such adverse impacts include, greenhouse gas emissions (GHG emissions, carbon footprint, GHG intensity of investee companies), biodiversity (activities negatively affecting biodiversity-sensitive areas), water (emissions to water), social and employee matters (violations of UN Global Compact principles and Organisation for Economic Cooperation and Development Guidelines for Multinational Enterprises, unadjusted gender pay gap, board gender diversity), among others.

- In this context, we note that the majority of Faber's first investments is done at very early stage (pre-seed and seed stage startups) in companies that due to their size, development stage and limited resources, are not yet able to adequately provide the information required for the intended purposes.

-In addition, the information publicly available on the main indicators that shall be considered in the identification of adverse impacts is not sufficiently exact, accurate and comparable to enable a rigorous assessment on the adverse impacts of the investment decisions on sustainability factors.

- Thus, Faber cannot currently ensure the obtention or measurement of all the data that would need to be reported under the SFDR and the Delegated Regulation.

- Furthermore, Faber's current management mandates do not require that principal adverse impacts are accounted for when making an investment decision and, for this reason, investors/participants in the funds do not expect adverse impacts to be taken into consideration in the Company's investment decisions.

Notwithstanding the above, whenever conditions are met, Faber intends to comply with the relevant requirements by developing processes to gather information on the sustainability impact of its portfolio companies and by undertaking a full principal adverse impact assessment. Particularly, Faber may consider principal adverse impacts on sustainability factors in the context of any of its managed funds if the required conditions are met at that specific fund level.

The Company's decision not to consider the adverse impacts of its investment decisions on sustainability factors will be subject to periodic reassessment and will not preclude Faber's commitment to combine its mission and strategic objectives with an active contribution to do everything in its power to pursue sustainability factors.

30 June 2024