

**Template periodic disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852**

**Product name:** FFG Cleantech II

**Legal entity identifier:** 549300BOYS2N4DQ86621

## Environmental and/or social characteristics

**Did this financial product have a sustainable investment objective?**

| <input checked="" type="radio"/> <input type="radio"/> <b>Yes</b>   | <input type="radio"/> <input checked="" type="radio"/> <b>No</b>   |
|---|--|
| <p><input type="checkbox"/> It made <b>sustainable investments with an environmental objective: ___%</b></p> <ul style="list-style-type: none"> <li><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> </ul> <p><input type="checkbox"/> It made <b>sustainable investments with a social objective: ___%</b></p> | <p><input checked="" type="checkbox"/> It promoted <b>environmental/social (E/S) characteristics and</b> while it did not have as its objective a sustainable investment, it had a proportion of <b>75.4%</b> of sustainable investments</p> <p>with <input type="checkbox"/> an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</p> <p><input checked="" type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU taxonomy</p> <p><input type="checkbox"/> with a social objective</p> <p><input type="checkbox"/> It promoted E/S characteristics, but did not make any sustainable investments</p> |

**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 lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.



**To what extent were the environmental and/or social characteristics promoted by this financial product met?**

In accordance with the objectives set out in its prospectus, the sub-fund has promoted the following environmental and social characteristics:

- Clean technologies
- Compliance with international human and labour rights standards
- Exclusion of controversial activities from a societal point of view
- Indirectly through Funds For Good, the fight against poverty through job creation

● **How did the sustainability indicators perform?**

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

- On average 75.4% of the fund's net assets were exposed to clean technologies, as calculated by the investment manager;
- International human and labour rights standards were respected by the companies in the portfolio;
- Exclusions relating to controversial activities from a societal point of view were respected;
- The investment in the fund made it possible, indirectly via Funds For Good, to combat poverty by creating around one hundred jobs in Europe (99 at the end of November 2023).

● ***...and compared to previous periods?***

- Exposure to clean technologies was on average slightly higher than last year (75.4% vs. 70%).
- International human and labour rights standards were respected by the companies in the portfolio;
- Exclusions relating to controversial activities from a societal point of view were also respected;
- Funds For Good financed fewer projects than in 2022 (around a hundred versus 154). The unfavourable market conditions for Funds For Good reduced its income and therefore its ability to finance entrepreneurial projects.

● ***What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?***

The objective of the Sub-Fund was to contribute to several sustainability themes (renewable energy, resource efficiency and energy efficiency) by investing in companies that, through their activities, have themselves contributed to these themes.

The Fund therefore contributed to the following environmental objectives:

- mitigation of climate change;
- adaptation to climate change;
- the sustainable use and protection of water and marine resources;
- the transition to a circular economy;
- pollution prevention and control.

**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.

***How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?***

*How were the indicators for adverse impacts on sustainability factors taken into account?*

The indicators for adverse impacts on sustainability factors included in Table 1 of Annex I to Commission Delegated Regulation (EU) 2022/1288 of 6 April 2022 have been assessed and continuously monitored by the investment manager. The investment manager has not identified any securities that cause significant harm to a sustainable investment objective, either before or after the investment.

*Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding principles on Business and Human Rights? Details:*

Yes, to the best of the investment manager's knowledge, portfolio companies have not breached the OECD Guidelines for Multinational Enterprises and the UN Guidelines on Business and Human Rights

The EU Taxonomy sets out a "do no significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities.

The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

### **How did this financial product consider principal adverse impacts on sustainability factors?**



This Sub-fund has taken into account the indicators for the principal adverse impact on sustainability factors by applying its binding exclusion policy. In addition, the adverse impact indicators have been selected and monitored on an ongoing basis by the investment manager. Extreme negative values were analysed in more detail and the corresponding actions were taken on a case-by-case basis (e.g. engagement with the companies concerned or even exclusion of the asset concerned) with the general aim of reducing the adverse impacts.



### **What were the top investments of this financial product?**

The list includes the investments constituting **the greatest proportion of investments** of the financial product during the reference period which is:

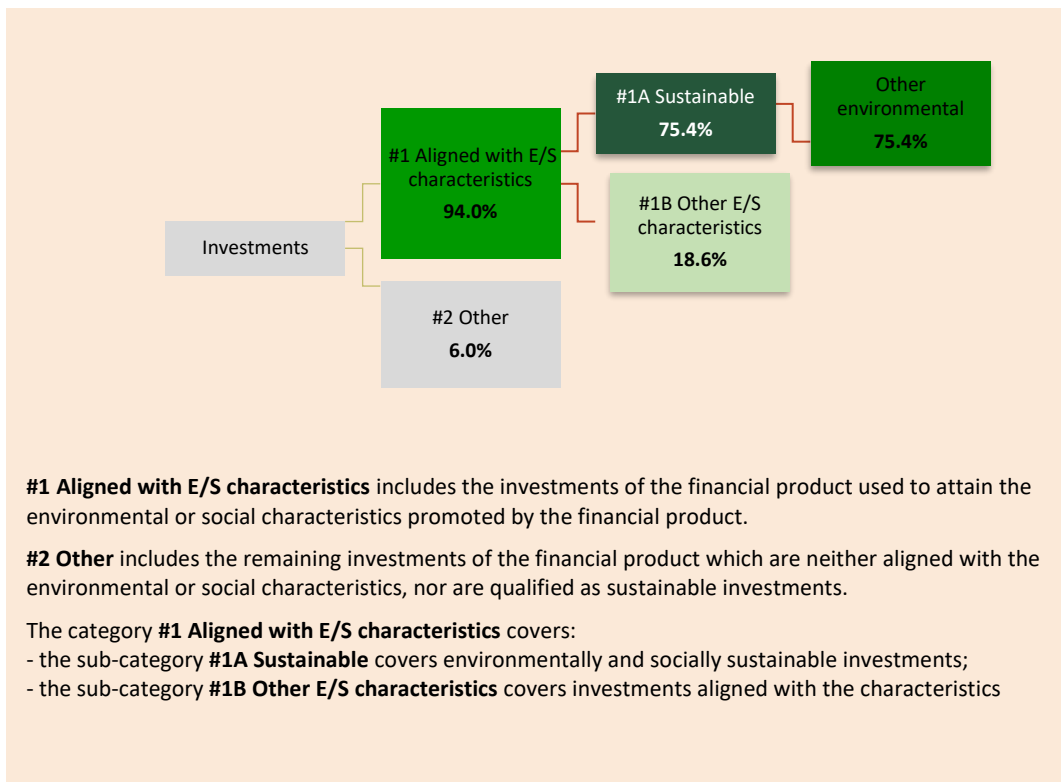
| Largest investments     | Country       | Sector             | % Assets |
|-------------------------|---------------|--------------------|----------|
| Melexis NV              | Belgium       | Technology         | 6,25%    |
| Arcadis NV              | Netherlands   | Industrials        | 6,15%    |
| Aalberts NV             | Netherlands   | Industrials        | 5,90%    |
| Kerry Group PLC Class A | Ireland       | Consumer Defensive | 5,36%    |
| Legrand SA              | France        | Industrials        | 4,99%    |
| Kingspan Group PLC      | Ireland       | Industrials        | 4,72%    |
| Waste Management Inc    | United States | Industrials        | 4,70%    |
| LKQ Corp                | United States | Consumer Cyclical  | 4,34%    |
| Andritz AG              | Austria       | Industrials        | 4,33%    |
| Mayr-Melnhof Karton AG  | Austria       | Consumer Cyclical  | 4,27%    |
| Aixtron SE              | Germany       | Technology         | 4,19%    |
| Neste OYJ               | Finland       | Energy             | 3,77%    |
| Deme Group NV           | Belgium       | Industrials        | 3,65%    |
| Alfa Laval AB           | Sweden        | Industrials        | 3,46%    |
| Schneider Electric SE   | France        | Industrials        | 3,41%    |



## What was the proportion of sustainability-related investments?

- *What was the asset allocation?*

**Asset allocation** describes the share of investments in specific assets.



● **In which economic sectors were the investments made?**

| Sector                    | Weight (%) | Sub-sector              | Weight (%) |
|---------------------------|------------|-------------------------|------------|
| <b>Consumer Cyclical</b>  | 6,49       | Vehicles & Parts        | 3,46       |
|                           |            | Packaging & Containers  | 3,03       |
| <b>Consumer Defensive</b> | 4,94       | Consumer Packaged Goods | 4,94       |
| <b>Energy</b>             | 4,69       | Oil & Gas               | 4,69       |
| <b>Industrials</b>        | 64,96      | Industrial Products     | 28,75      |
|                           |            | Construction            | 23,58      |
|                           |            | Industrial Distribution | 4,55       |
|                           |            | Waste Management        | 4,35       |
|                           |            | Business Services       | 3,73       |
| <b>Technology</b>         | 14,46      | Semiconductors          | 14,46      |



**To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?**

This Sub-fund has not targeted sustainable investments within the meaning of Article 17(2) of Regulation 2019/2088 and has not committed to a minimum alignment with the EU Taxonomy Regulation, as the Investment Manager has not been able to reliably determine the precise extent to which the Sub-fund's investments have been made in activities aligned with the EU Taxonomy or enabling and transitional activities. The alignment could not be reliably calculated.

● **Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy<sup>1</sup>?**

- Yes:
- In fossil gas                       In nuclear energy
- No

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

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

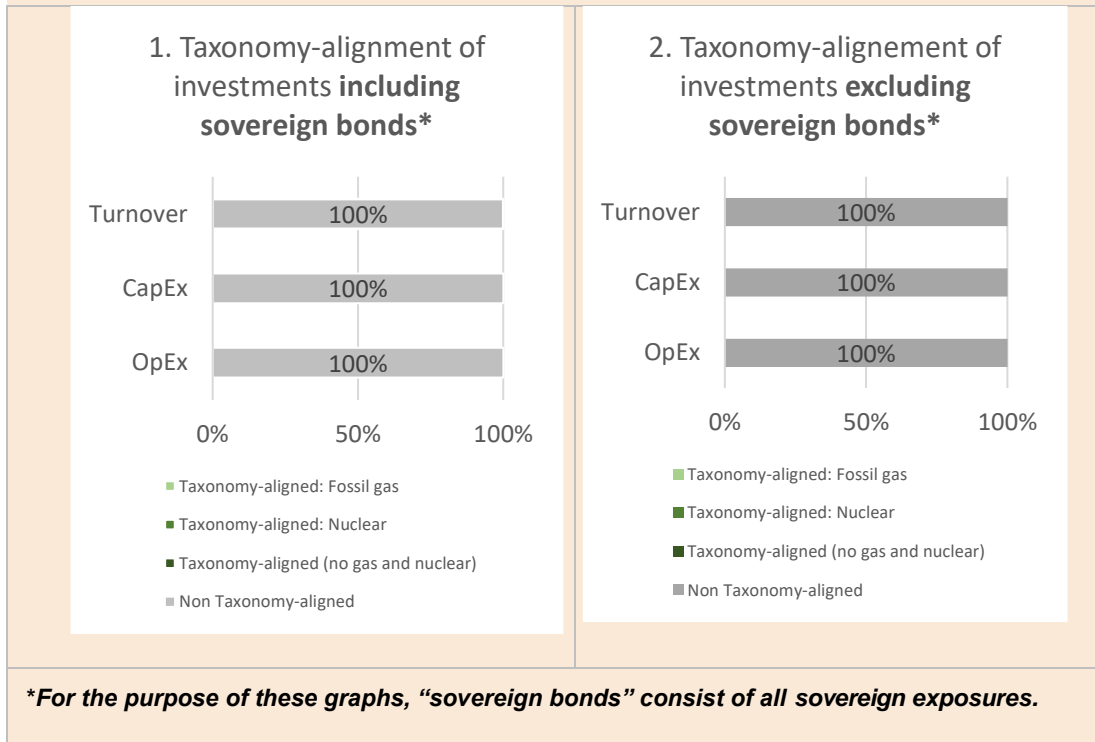
**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

<sup>1</sup> 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 objective – 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.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies;
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy;
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

The graphs below show in green the percentage of investments that were 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.



● **What was the share of investments made in transitional and enabling activities?**

The minimum proportion of the investments underlying this financial product that target environmentally sustainable economic activities within the meaning of the EU Taxonomy had been estimated at 0% of the net assets of the sub-fund and was not measured during the period under review.

● **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?**

N/A



**What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?**

75.4%, i.e. the portion of the fund's net assets that was exposed to clean technologies, as calculated by the investment manager.



**What was the share of socially sustainable investments?**

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under Regulation (EU) 2020/852.

The sub-fund has not made any socially sustainable investments.



### **What investments were included under “other”, what was their purpose and were there any minimum environmental or social safeguards?**

The investments included under the heading “#2 Other” were investments in cash, bank deposits, money market instruments or funds or other eligible liquid assets, or investments for hedging purposes.



### **What actions have been taken to meet the environmental and/or social characteristics during the reference period?**

At least once a year the investment manager monitored how consistent the securities in the portfolio were with the environmental and/or social characteristics promoted. Exclusion factors were monitored prior to each investment and on a regular basis after the investment.

The investment manager also engaged with the shareholders of certain portfolio companies. Capricorn Partners is an active shareholder that invests a significant portion of its assets under management in small and medium-sized growth companies listed in Europe. As such, Capricorn Partners engages with portfolio companies in personal contacts with management to discuss and promote ESG issues. In addition, Capricorn Partners exercises its voting rights in accordance with its code of conduct.



### **How did this financial product perform compared to the reference sustainable benchmark?**

The sub-fund does not have a reference sustainable benchmark.

- ***How does the reference benchmark differ from a broad market index?***  
N/A
- ***How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?***  
N/A
- ***How did this financial product perform compared with the reference benchmark?***  
N/A
- ***How did this financial product perform compared with the broad market index?***  
N/A

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.