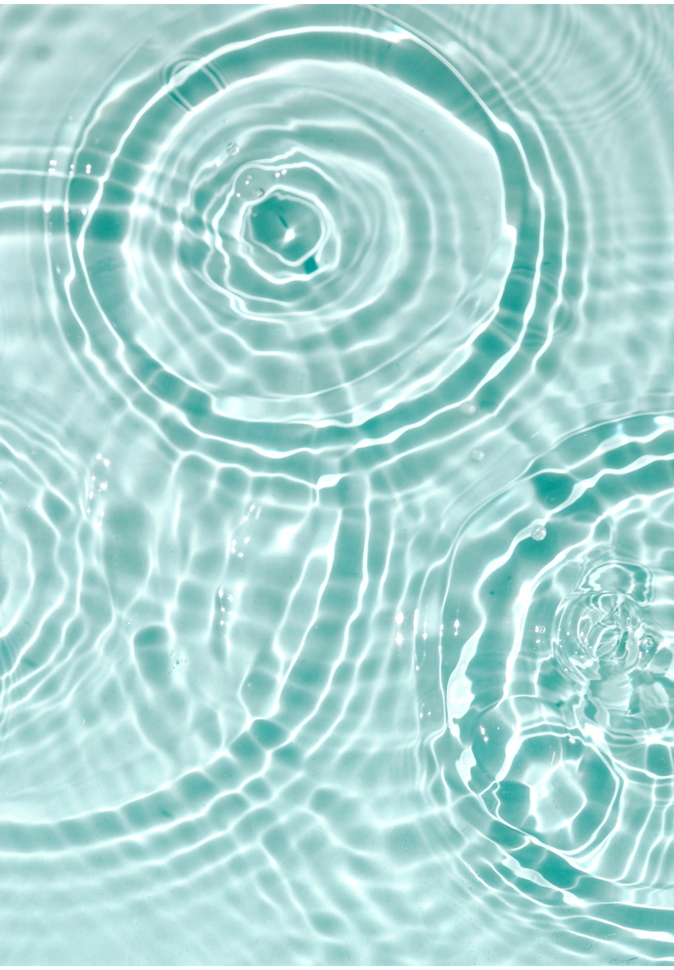
WEBSITE DISCLOSURE

Collateral Good Ventures Sustainability I

December 2022



SUMMARY

Collateral Good Ventures Sustainability I SCSp – RAIF (the "Fund") is managed by Collateral Good Management S.à r.l. ("Collateral Good"). Collateral Good is an impact fund manager with the overall vision to actively support the transformation towards sustainable industry systems.

The Fund has two investment focus areas:

1) Speed up the world's transition to more sustainable packaging solutions

2) Avoid, reduce or revalorise food waste

The Fund is classified as an Article 9 Fund under the Sustainable Finance Disclosure Regulation ("SFDR") and allocates 100% of its assets to sustainable investments that are not classified as sustainable under the EU taxonomy.

In addition, the Fund considers Principal Adverse Impacts ("PAI") of investment decisions and will report on the PAI indicators annually.

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NO SIGNIFICANT HARM TO THE SUSTAINABLE INVESTMENT OBJECTIVE

As part of Collateral Good's pre-investment assessment, a Do No Significant Harm ("DNSH") assessment on the Principal Adverse Impacts ("PAI") of investment decisions is conducted.

This evaluation is done by assessing a potential investee company's impact on the 14 mandatory PAI indicators set out in Table 1, indicator 14 in Table 2, and Indicator 4 in Table 3 in Annex 1 of the EU Commission's Regulatory Technical Standard ("RTS"), supplementing the Regulation (EU) 2019/2088. If any additional indicators from Tables 2 and 3 are deemed material, these are also included in the assessment. In addition, policies and procedures to assess compliance with material areas of the Organization for Economic Co-Operation and Development ("OECD") guidelines are verified as part of the "Good Governance" assessment by using a red-yellow-green scale. This is supplemented with an analysis of the investee company's alignment with the UN Guiding Principles for Business and Human Rights ("UNGP") for taxonomy-eligible cases.

THE SUSTAINABLE INVESTMENT OBJECTIVE OF THE FINANCIAL PRODUCT

Based on the focus areas of the Fund being sustainable packaging and food waste reduction, its overall sustainable investment objectives can be summarised as follows:

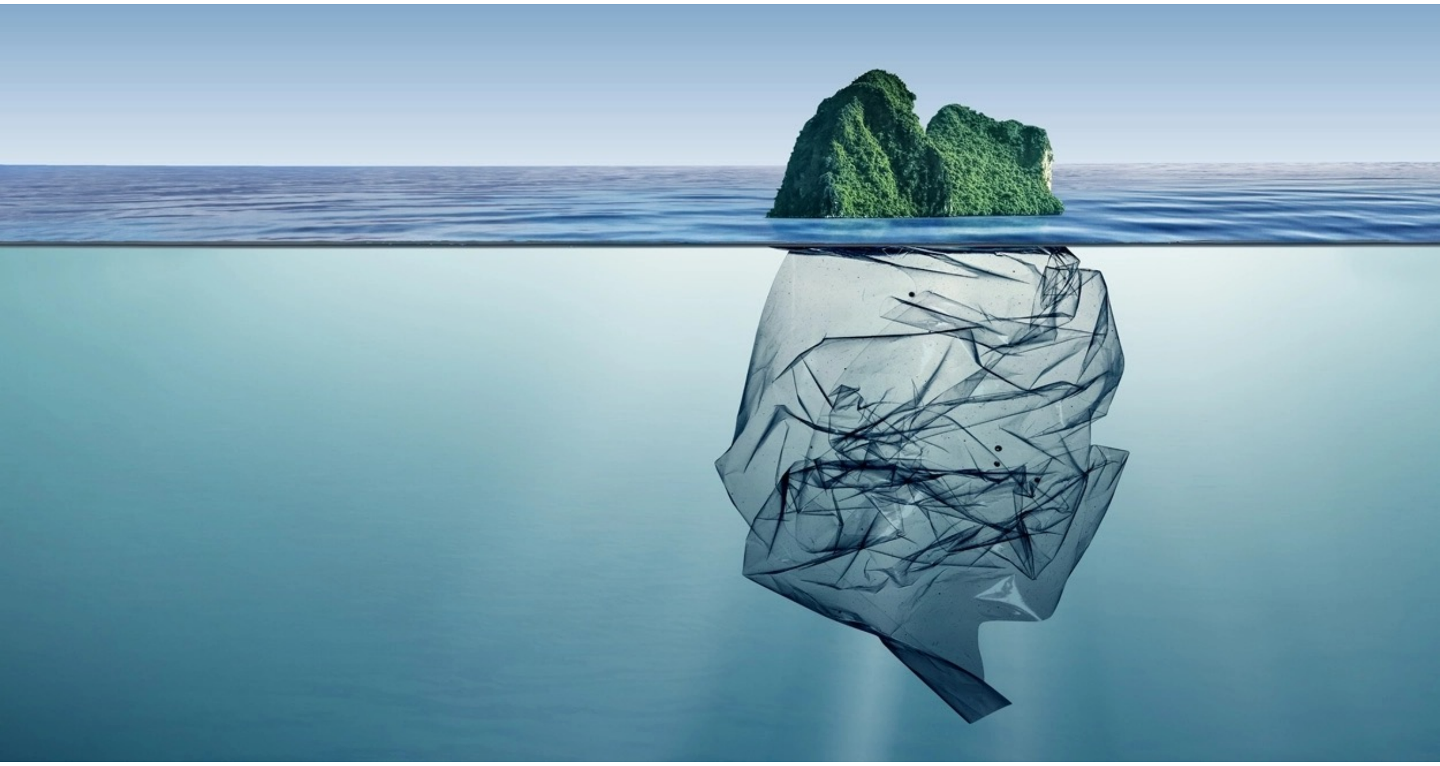
Climate change mitigation: Reducing CO2e-emissions from avoided, reduced, or revalorised food waste and plastic packaging* that is more sustainable than the alternative. This is measured in tons of CO2e avoided.

Transition to a circular economy: Preventing, redistributing, and upcycling food waste, eliminating packaging, and promoting recyclable, reusable and compostable packaging. This is measured in tons of plastic waste avoided (split between food and packaging waste).

Protection and restoration: Decreasing impact on biodiversity through reduced land use, water and natural resource input needed to produce food and packaging, as well as mitigation of littering of plastic packaging waste. This is measured in 1) m3 of water avoided and 2) m2 of land use avoided (reporting on these KPIs is mandatory for food waste cases only).

The impact KPIs have been identified based on an assessment of being relevant for all Portfolio Companies ("PCs") of the Fund. They can be supplemented with further PC-specific impact KPIs, if applicable.

* "Plastic packaging" here and in the following refers to conventional fossil fuel-based packaging



INVESTMENT STRATEGY

The Fund primarily invests in early-stage companies, with a preference for pre-seed to series A investments, and focuses on sustainable investments with an environmental objective that is not taxonomy aligned. However, the Fund's investee companies may be eligible under the EU taxonomy. **In these cases, the Fund will only invest if alignment with the technical screening criteria for substantial contribution and DNSH in the EU taxonomy can be substantiated.** Due to the common low maturity level of investee companies, taxonomy-eligible cases might not comply with the documentation requirements outlined in the EU taxonomy at the pre-investment stage. However, documentation of taxonomy alignment, including third-party verification, will be a key focus area during ownership and is subject to Collateral Good’s ownership requirement for PCs if the last financing round with Collateral Good’s participation was larger than 1 million EUR.

Compliance with the Fund's sustainable investment objective is verified by assessing the potential investee company's substantial contribution, DNSH and Good Governance at the pre-investment phase. Substantial contribution is verified as knock-out criteria, based on the potential investee company's fit with Collateral Good’s impact focus and its potential to contribute to the Fund's impact Key Performance Indicators ("KPIs"). The assessment is done qualitatively and supplemented with quantitative assessments, where possible.

To ensure Good Governance, an evaluation of sound management structures, employee relations, staff remuneration, and tax compliance is always performed and supplemented with other material topics defined by the OECD guidelines, if relevant. Furthermore, due to the Fund's investment focus on relatively immature companies, Good Governance is assessed by reviewing 1) if the potential investee company has a policy in place and, if not, 2) if the potential investee company can demonstrate sound management practices within the area assessed. Therefore, documentation of Good Governance practices is a key focus area for Collateral Good during ownership.

PROPORTION OF INVESTMENTS

The Fund allocates 100% of its assets to sustainable investments with an environmental objective that is not taxonomy-aligned.

For eligible cases under the EU taxonomy, documentation of alignment will be a key focus area during ownership but is optional at the time of the investment due to the predominantly low maturity of investments. However, eligible cases under the EU taxonomy must substantiate alignment with the technical screening criteria at the pre-investment stage for Collateral Good to proceed with the investment.

MONITORING OF SUSTAINABLE INVESTMENT OBJECTIVE

Collateral Good is an active owner committed to supporting PCs in their impact and sustainability efforts. Collateral Good's ownership requirements are communicated to the PCs during the pre-investment phase. These are subject to the maturity level of the individual PCs as defined by the size of the latest financing round in which Collateral Good has participated. Furthermore, the requirements are implemented in waves during Collateral Good's ownership. The ownership requirements are built into the Shareholder Agreement ("SHA") and include the following:

Size of financing round below 1 million EUR:

1. **Development of Lifecycle Assessments** ("LCAs") for relevant products and/or services using the EU's Product Environmental Footprint ("PEF") methodology
2. **Reporting on the defined impact KPIs** of the Fund on an annual basis

Tons of CO_2e avoided or reduced

Tons of plastic waste avoided or reduced

M3 of water avoided or reduced[1]

M2 of reduced land use[1]

Additional requirements if the size of the financing round is 1 to 5 million EUR:

3. **Reporting on the 14 mandatory and the two selected voluntary PAI indicators**[2] on an annual basis
4. **Development of policies and/or Codes of Conduct** in material areas, if not already in place
5. **Documentation of taxonomy alignment** (for eligible activities only)

Additional requirements if the size of the financing round is above 5 million EUR:

6. **Annual sustainability reporting** of targets, efforts, and achievements

[1] Mandatory reporting for food waste cases only
[2] 14 mandatory plus 2 voluntary indicators (tons of non-recycled waste generated and lack of supplier code of conduct)

METHODOLOGIES

As part of the ownership requirements, PCs must perform a third-party verified LCA following the PEF methodology[3] defined by the EU, which should be benchmarked against a comparative LCA of the most relevant market alternative to the provided product and/or service solution. This will cover the impact throughout the entire life cycle of the PC's product and or service on 16 environmental parameters (including CO2e-emissions, land use and water use). The comparison to the market alternative will quantify the impact of the provided product and/or service solutions and calculate the PC's impact KPIs. **As the avoided plastic waste indicator is not directly addressed as one of the 16 parameters, an additional case-based calculation distinguishes between waste type (food and plastic packaging) and waste prevention and upcycling.**

DATA SOURCES AND PROCESSING

As data availability in Collateral Good's investment space is generally limited, Collateral Good always conducts a qualitative assessment supplemented with quantitative data if available. For taxonomy-eligible cases, alignment with the technical criteria is always verified by using an external advisor. During ownership, PCs are expected to improve documentation by developing an LCA, policies and procedures for DNSH and Good Governance, collecting data on the PAI indicators, and documenting taxonomy alignment (if eligible), if this is yet to be made available.

Portfolio Company reporting of data on the PAI indicators is a Collateral Good's ownership requirement for PCs with a financing round of above 1 million EUR in the latest financing round in which Collateral Good has invested. For less mature PCs[4], data is estimated by Collateral Good. For PCs acquired shortly before the reporting deadline, data may also be estimated by Collateral Good in the first reporting year, depending on the availability of resources on the PC level.

[3] Annex 1. Product Environmental Footprint Method. Accessed on December 8th 2022.
[4] Defined as the latest financing round (in which Collateral Good has invested) being below 1 million EUR

LIMITATIONS ON METHODOLOGIES AND DATA

Due to the primarily low maturity level of PCs at the time of investment, Collateral Good invests to the best of its knowledge and believes that the investee company complies with the requirement of being a sustainable investment based on the available data and documentation. However, in case the PC, contrary to prior expectations, will not be able to comply with Collateral Good's definition of a sustainable investment during ownership, the PC will be subject to Collateral Good's engagement policy.

DUE DILIGENCE

Collateral Good always thoroughly screens substantial contribution, DNSH, Good Governance, and sustainability risks at the pre-investment phase. This is done by assessing the investee company's contribution and fit with Collateral Good's focus areas and impact KPIs, serving as knock-out criteria for the investment. Impact and mitigating actions on the PAI indicators and sustainability risks, as well as policies and management practices within the OECD guideline areas, are assessed using a red-yellow-green scale. In the case of red flags[5], Collateral Good will only proceed with the investment if the red flag can be solved prior to closing. If any yellow flags are discovered, the respective correction will be a key focus area after closing.

For investments with a financing round size of above 1 million EUR, as well as for taxonomy-eligible cases, Collateral Good's internal screening is always supplemented with external ESG due diligence to substantiate compliance with substantial contribution, DNSH, Good Governance and sustainability risks, as well as the technical screening criteria in the EU taxonomy, if relevant.

[5] A red flag is defined as an incident or practice that is deemed so deficient that there is a great likelihood of breaches or misalignment with Collateral Good's definition of a sustainable investment

ENGAGEMENT POLICIES

Collateral Good is an active owner who supports its PCs in their sustainability efforts during ownership. In case a PC does not meet Collateral Good's expectations of being a sustainable investment during ownership (e.g. if a taxonomy-eligible PC is or will not be able to comply with the technical screening criteria set forth by the EU taxonomy), such PC has to fulfil the requirements for the classification of a sustainable investment within 24 months. If the PC continues to be non-compliant with the requirements, Collateral Good will make its best effort to sell off the investment. If such a sale transaction does not succeed, Collateral Good will not re-invest in subsequent financing rounds.

ATTAINMENT OF THE SUSTAINABLE INVESTMENT OBJECTIVE

Collateral Good uses impact KPIs to measure and track the overall sustainability contribution of the Fund annually, based on the PCs' reporting on the Fund's impact KPIs. Due to Collateral Good's preferred investment stage, a relevant reference index to measure the attainment of the sustainable investment objective has not been identified. As the Fund's overall mission is to support the transformation towards a sustainable food system, with one of the impact focus areas being CO2 emissions avoided, Collateral Good invests in solutions that support the achievement of the goals and targets set forth in the Paris Agreement[6].

[6] The Paris Agreement is an international treaty on climate change adopted in 2015