pymwymic

Pre-contractual Disclosures

PYMWYMIC IMPACT INVESTING COÖPERATIEF U.A.

Last reviewed: August 2023

Sustainable Investment Objective

Does this financial product have a sustainable investment objective?

☒ ***Yes***

It will make a minimum of
sustainable investments with an environmental objective: 100%

☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☒ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

It will make a minimum of
sustainable investments with a social objective: 0%

What is the sustainable investment objective of this financial product?

Pymwymic Impact Investing Coöperatief U.A. (‘**Pymwymic Coop**’), managed by Pymwymic Investment Management B.V. (‘**PIM**’, ‘**the Manager**’), is an investment cooperative: a peer-to-peer holding company of mission-aligned investors, consisting of families, family foundations and select individual investors. Pymwymic Coop’s mission is to make impact investing common place.

Pymwymic Coop is founded on the principal belief that investing in impact driven companies contributes to deep, sustainable development; contributing positively on the earth and her people. Pymwymic Coop’s focus is on the world’s most pressing issues as articulated in the United Nations’ Sustainable Development Goals (‘**SDG**s’) and thus on impact funds that invest in portfolio companies that provide innovative solutions to those issues.

By providing risk capital to impact funds which invest in impact portfolio companies that are financially sustainable and scalable, Pymwymic Coop aims to create a positive socio-economic and environmental impact. Pymwymic Coop sets up and, jointly with potential co-investors, is a participant in one or more thematically oriented funds (‘**Sub-Funds**’ or ‘**Funds**’). Currently, the Pymwymic Coop invests in two Sub-Funds, also managed by the Manager:

- Pymwymic Healthy Ecosystems Impact Investing Fund (‘**PymHeif**’) and;
- Pymwymic Healthy Food Systems Impact Fund II (‘**PymHfs**’).

Both Funds are investing in impact companies with a product or service to either support our ecosystems or to support the transition of the food chain. The Pymwymic Coop solely invests in Funds that are so-called ‘Article 9’ as set out by the Sustainable finance Disclosure Regulation (‘**SFDR**’) and have a sustainable investment objective. The Manager is responsible for ensuring Article 9 compliance of the Pymwymic Coop and the Sub-Funds. Described methods and approaches towards realising the sustainable investment objectives are similar across the Funds.

For each Sub-Fund, detailed disclosures in line with the SFDR have been set up to describe its sustainable investment objective and how attainment of this objective will be measured. Moreover, each Fund describes its contribution to the objectives as set out by the EU Taxonomy. For more information, see the following disclosures per Fund:

- Pymwymic Healthy Ecosystems Impact Investing Fund:
    - Website level Disclosure PymHeif
    - Pre-contractual Disclosure PymHeif

- Pymwymic Healthy Food Systems Impact Fund II:
    - Website level Disclosure PymHfs
    - Pre-contractual Disclosure PymHfs

How do sustainable investments not cause significant harm to any environmental or social sustainable investment objective?

Pymwymic Coop invests in Article 9 Funds that aim to not cause significant harm to the environment or society. When managing the Funds, there are three ways in which the Manager safeguards that no harm is being caused to the sustainable investment objectives of a Sub-Fund.

First, the Manager only selects portfolio companies for the Sub-Funds who are inherently impact driven. For each investment opportunity, and impact estimate is conducted to assess how it contributes to driving positive change, including any risk of unintended consequences.

Second, a negative screening is being applied for each portfolio company of a Sub-Fund. In this phase, reasonable efforts to be compliant with the ten principles of the UN Global Compact is verified. Taking into consideration the size of the portfolio companies of the Sub-Funds, the Manager uses the principle of proportionality in abiding with the Organisation for Economic Cooperation and Development ('**OECD'**) Guidelines for Multinational Enterprises and UN Guiding Principles for Multinational Enterprises ('**UNGPs**'). Compliance with these principles for each portfolio company is verified annually by the Manager, which has been integrated in its Principle Adverse Impact ('**PAI**') indicator framework.

Third, part of the screening phase is to assess whether any unintended consequences take place at a portfolio company of a Sub-Fund. For this purpose, an in-depth review on the EU Taxonomy is performed to investigate no harm is being caused to any of the environmental objectives. An investment that could cause significant harm to any of these objectives would lead to direct declination of the company. With the adoption of the PAI framework, adverse impacts on the environment that may be caused by a portfolio company will be tracked on an annual basis. This will be reviewed and where relevant, action plans will be set up to mitigate any (significant) adverse impacts or unintended consequences that are being caused with the company's activities.

How have the indicators for adverse impacts on sustainability factors been taken into account?

The Manager is taking necessary preparations to report on the PAIs for its Sub-Funds. The 14 mandatory indicators and two optional ones are considered for each Fund. The PAIs are not only considered on product-level but also on entity-level to determine if 'Do No Significant Harm' and 'Minimum Social Safeguards' are met. The following PAIs are considered:

Sustainable investment objective	PAI indicator(s)
Climate Change Mitigation	Scope 1 Greenhouse Gas ('**GHG**') emissions Scope 2 GHG emissions
Climate Change Adaptation	Climate Risk Assessment (no indicator)
Sustainable Use and Protection of Water and Marine Resources	Emissions to water
Transition to a Circular Economy	Hazardous waste ratio
Pollution Prevention and Control	Hazardous waste ratio
Minimum Social Safeguards	Violations of UN Global Compact and OECD Guidelines for Multinational Enterprises

	Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises

How are the sustainable investment aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?

The Manager applies reasonable efforts to comply with the ten principles of UN Global Compact for all portfolio companies of its Sub-Funds. Taking into consideration the growth phase of the portfolio companies of the Funds, the Manager uses the principle of proportionality in abiding with the OECD Guidelines for Multinational Enterprises, UNGPs, Declaration of the International Labour Organisation on Fundamental Principles, and Rights at Work and the International Bill of Human Rights. The ten principles of the UN Global Compact are in part based on the above frameworks, as well as additional declarations on environment and corruption. Compliance with the principles for each portfolio company is verified annually by the Manager, which has also been integrated in its PAI framework.

Does this financial product consider principal adverse impacts on sustainability factors?

Yes ✖

No

What investment strategy does this financial product follow?

Pymwymic Coop will solely invest in Funds that have a clear sustainable investment objective as set out by the SFDR. Currently, it invests in two Article 9 Funds, PymHeif and PymHfs, that focus on investing in impact companies with a profitable product or service to either support our ecosystems or to support the transition of the food system. More information can be found in the disclosure documents per Fund.

What are the binding elements of the investment strategy used to select the investments to attain the sustainable investment objective?

PIM has developed a tailor-made approach to include impact into each step of its due diligence process and investment processes, for which multiple tools have been developed. By going through these steps, the Manager ensures that all investments contribute to its sustainable investment objective.

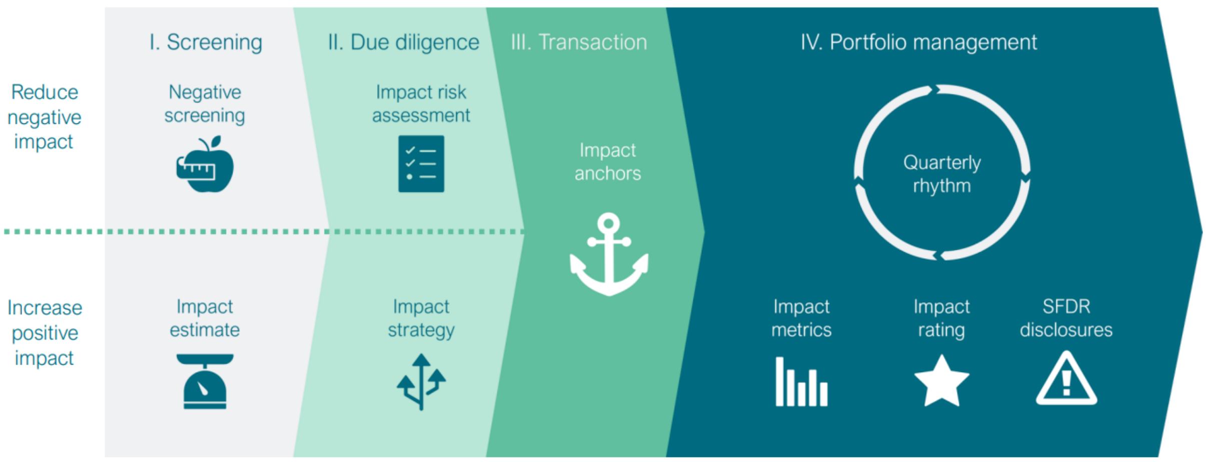

Figure 2 – Impact due diligence & management overview

1. Screening. The Manager excludes certain industries (e.g. gambling, GMO, drugs) as well as make an outside-in judgement of the intended positive impact with our impact radar. This tool looks at items such as the degree to which management is committed to impact, potential unintended consequences, or the scale of the impact. The impact radar has been inspired, amongst others, by the work of Impact Measurement Project and it's five principles of impact.

2. Due Diligence. During our due diligence, the Manager performs a qualitative assessment on potential impact risks (e.g. looking at supply chain, HR procedures) and supports a company in the development of an impact strategy. The latter is considered to be the backbone of a company's impact and follows the structure of the Logic Model - Theory of Change - which leads to an impact mission, strategy, and metrics for which a baseline and four-year targets are set.

3. Transaction. When closing a transaction, there are various matters which the Manager aims to anchor in the company's corporate documents to ensure long-term safeguarding of impact. Some examples include adding the impact mission to the articles of association, ensuring impact reporting, agreeing on an annual review and refinement of the impact strategy, and including reporting obligations on violations to the impact mission.

4. Portfolio management. This consists of an annual review of Principle Adverse Impact disclosures under the SFDR as well as quarterly reporting on impact metrics. Our impact rating is our prime tool which we use to challenge ourselves on whether or not we are actually on the right track as impact guardian in encouraging and challenging a company to embed impact further into its DNA. More information on our impact rating can be found in our Impact Report 2022.

What is the policy to assess good governance practices for the investee companies?

In all of its processes, the Manager values good governance practices. To assess and safeguard such practices at portfolio companies of the Sub-Funds throughout the investment period, the following structures are currently in place:

1. Sound management structures & positive employee relations: working with an impact-minded team is important to the Manager. During the screening and due diligence phase, it is therefore reviewed whether a portfolio company has an experienced team with complementary skillsets, and a strong fit with the Manager's vision. Moreover, compliance with good corporate governance practices is assessed.
2. Fair remuneration of staff: fair remuneration is essential to the Manager, which is why portfolio companies with unequal renumeration are excluded as investment opportunity in the screening phase. To monitor fair remuneration, the Manager is part of Fundright (an organisation that aims to create more diverse investment ecosystems) and tracks the gender pay gap of portfolio companies of the Sub-Funds on an annually as part of the PAI framework.
3. Tax compliance: tax avoidance is part of the negative screening performed. As part of due diligence, an independent tax advisor reviews and assesses tax risk and compliance of a potential portfolio company. Moreover, portfolio companies of the Sub-Fund must ensure effective exchange of tax information.

What is the asset allocation and the minimum share of sustainable investments?

The minimum share of sustainable investments for the Pymwymic Coop is 100% as all investments are in Article 9 Funds. As a result, all investments aim to contribute to the environmental objective of the EU Taxonomy, as set out in the pre-contractual disclosures per Fund. At this point in time, both Funds invest in economic activities aiming to meet an objective for which the Regulatory Technical Standards ('**RTS**') are not yet available or applicable. When the RTS are not yet available for a Fund's economic activities, the EU Taxonomy regulation has developed an approach to show the sustainable nature of the investments. This entails following a Fund's own impact indicators as well as the PAI indicators, to demonstrate how the sustainable investment objective is achieved. As soon as the remaining RTS come into force, the Sub-Funds will assess the new information and the applicability for its portfolio companies.

#1 Sustainable covers sustainable investments with environmental or social objectives.

#2 Not sustainable includes investments which do not qualify as sustainable investments.

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

The minimum share of sustainable investments with an environmental investment objective aligned with the EU Taxonomy for Pymwymic Coop at this point in time is 0%. All investments of the Sub-Funds are qualified as ‘sustainable’ based on its own criteria. The Manager will screen all investments of the Sub-Funds for EU Taxonomy alignment when the new RTS come into force.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

There is no minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy as 100% of investments of the Sub-Funds are qualified as ‘sustainable’ based on the its own criteria. Since the EU Taxonomy is not yet complete and the Sub-Funds economic activities are not yet included, both Funds utilise the EU Taxonomy general framework to prove it is meeting the sustainable investment objective.

What is the minimum share of sustainable investments with a social objective?

The Pymwymic Coop will invest in Article 9 Funds that have a 100% environmental objective. No specific percentage is set as an ambition for the share of investments with a social objective. However, current Sub-Funds do aim to stimulate social objectives with its investments. This will be reflected in the periodic disclosures that will be published each year.

What investments are included under “#2 Not sustainable”, what is their purpose and are there any minimum environmental or social safeguards?

There are no investments included under ‘#2 Not Sustainable’. The Fund will make only investments which actively contribute to the identified environmental objectives.

Where can I find more product specific information online?

More product-specific information can be found on the website:

- https://pymwymic.com/for-investors/

Pymwymic
Mauritskade 63
1092AD Amsterdam
The Netherlands

Phone: +31 (0)20 226 10 00
Mail: info@pymwymic.com
Web: www.pymwymic.com
KvK: 66512972