



Pymwymic Healthy Food Systems Growth Impact Fund III N.V.

Template pre-contractual disclosure for the financial products referred to in Article 9, paragraphs 1 to 4a, of Regulation (EU) 2019/2088 and Article 5, first paragraph, of Regulation (EU) 2020/852

Product name: Pymwymic Healthy Food Systems Growth Impact Fund III N.V.
Legal entity identifier: [XXXX]

Sustainable investment objective

Does this financial product have a sustainable investment objective?	
<input checked="" type="radio"/> <input checked="" type="radio"/> <input checked="" type="checkbox"/> Yes	<input type="radio"/> <input type="radio"/> <input type="checkbox"/> No
<input checked="" type="checkbox"/> It will make a minimum of sustainable investments with an environmental objective: 80% <ul style="list-style-type: none"> <input checked="" type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy 	<input type="checkbox"/> It promotes Environmental/Social (E/S) characteristics and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments <ul style="list-style-type: none"> <input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with a social objective
<input type="checkbox"/> It will make a minimum of sustainable investments with a social objective: ___%	<input type="checkbox"/> It promotes E/S characteristics, but will not make any sustainable investments

The Fund is managed by JTC Global AIFM Solutions S.A., an alternative investment fund manager authorised in accordance with the Luxembourg law of 12 July 2013 on alternative investment fund managers, and is advised by Pymwymic Investment Management II B.V. in its capacity as Investment Advisor.

What is the sustainable investment objective of this financial product?

Pymwymic Healthy Food Systems Growth Impact Fund III N.V. ("Fund") is an Article 9 financial product that aims to make sustainable investments by contributing to the transition towards ecologically and socially resilient food and agriculture systems.

The Fund uses an impact framework to formulate its impact objectives in a transparent and concrete way in all stages of the investment process, from deal sourcing and due diligence to

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

execution and portfolio management. The framework illustrates the process from identifying objectives to assessing impact results based on indicators. The Fund has both environmental and social objectives. In particular, the sustainable investment objectives of the Fund are:

- Soil regeneration (environmental objective)
- Fair value chains (environmental & social objective)
- Healthy food (environmental & social objective)

The Fund contributes to climate change mitigation as environmental objective as set out in Article 9 of the Taxonomy Regulation. Further, it is expected that the Fund also contributes to other environmental objectives.

No reference benchmark has been designated for the purpose of attaining the sustainable investment objectives.

What sustainability indicators are used to measure the attainment of the sustainable investment objective of this financial product?

For the attainment of its sustainable investment objectives, the Fund uses among others the following indicators to measure, monitor and report its sustainability performance, with regard to its sustainable investment objectives:

Soil regeneration:

- Turnover in organic food products (EUR)
- Tonnes of resource waste avoided

Fair value chains:

- Number of farmers supported

Healthy food:

- Organic meals served

It must be noted that the portfolio companies are active in different parts of the value chain, from a product developer with a business-to-business approach to a retailer with a business-to-consumer approach. Due to this diversity, reporting on impact at an aggregated fund level is challenging and therefore limited to a small range of indicators reflecting the entire fund portfolio.

The performance of such indicators is a consequence of the investment strategy of the Fund and not a result of targeting specific indicator results.

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

The Fund applies a multi-layered due diligence and monitoring process to ensure that its sustainable investments do not cause significant harm to any environmental or social sustainable investment objective.

Sustainability indicators measure how the sustainable objectives of this financial product are attained.

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.

First, the Fund invests in companies that are inherently impact-driven and whose core business activities are aligned with the Fund's impact thesis of contributing to the transition towards ecologically and socially resilient food and agriculture systems. For each potential investment, the Investment Advisor conducts an impact assessment to evaluate the expected positive contribution to environmental and/or social objectives, as well as to identify potential impact risks and unintended negative effects.

Second, the Fund applies a negative screening process to exclude investments that do not meet minimum safeguards as set out in the Pymwymic Sustainability Policy. As part of this screening, the Investment Advisor verifies, on a proportionate basis and taking into account the size and nature of the portfolio companies, compliance with the ten principles of the UN Global Compact. These principles are aligned with the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights, the Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work, and the International Bill of Human Rights. Compliance with these minimum safeguards is assessed prior to investment and monitored on an annual basis.

Third, as part of the investment screening and ongoing monitoring process, the Investment Advisor assesses potential adverse environmental impacts with reference to the EU Taxonomy "Do No Significant Harm" criteria. Investments that are expected to cause significant harm to any of the EU environmental objectives are excluded.

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

The Fund takes into account principal adverse impact ("PAI") indicators on sustainability factors as part of its investment decision-making, due diligence, monitoring and engagement processes.

During the due diligence phase, the Investment Advisor conducts an ESG assessment for each potential investment. Where ESG topics are identified as material, relevant PAI data is collected to inform the investment decision, to the extent that data is available and proportionate to the size, nature and maturity of the investee. On an annual basis, the Fund tracks all mandatory PAI indicators set out in Annex I of the SFDR Regulatory Technical Standards, as well as two selected optional indicators.

PAI indicators are used to identify, assess and monitor the most significant actual or potential adverse impacts of investment decisions on environmental, social and employee matters, respect for human rights, and anti-corruption and anti-bribery matters.

Where material adverse impacts are identified, the Investment Advisor engages with the portfolio company and, where appropriate, defines and monitors action plans aimed at preventing, mitigating or remediating such adverse impacts.

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

Prior to being selected for investment and throughout the holding period, portfolio companies are screened and assessed to ensure alignment with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. Given the size, nature

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

and growth stage of the portfolio companies, this assessment is primarily conducted by reference to the ten principles of the UN Global Compact, which provide a practical and proportionate framework aligned with these principles.

Such due diligence is carried out by the Investment Advisor and includes desk-based research and, where appropriate given the nature of the investment, enhanced or on-site due diligence. As part of this process, the Investment Advisor assesses governance practices, employee relations, respect for human rights, business conduct and other relevant sustainability-related matters, taking into account the operational context and maturity of the investee.

Where actual or potential breaches of the above-mentioned principles are identified during the investment period, the Investment Advisor engages with the portfolio company to seek remediation. Where remediation is not deemed feasible within a reasonable timeframe, escalation measures may be considered, including reassessment of the investment's continued eligibility as a sustainable investment.

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

Yes No

The mandatory PAI indicators, together with two selected optional indicators, are assessed for each portfolio company on an annual basis. On the basis of the annual data collection and analysis, the Investment Advisor may define specific objectives, actions and engagement priorities at the level of the Fund and, where relevant, for individual portfolio companies.

What investment strategy does this financial product follow?

The Fund aims to manage a diversified portfolio of mainly private Equity and Quasi-equity investments in companies, active in different sub-sectors and parts of the organic and sustainable food value chain, and across different European Union, EEA countries and the United Kingdom. Through an Evergreen Approach that is non-exit driven, the Fund invests as a mission aligned co-owner and provides long-term capital for growth and/or succession. As a long-term investment partner, the Fund typically takes significant minority or majority Equity positions, be represented at the board of directors of portfolio companies and add value through a strategic, professional ownership approach. The Investment Advisor adopts an impact management approach into the investment process in order to attain the sustainable investment objectives of the Fund:

Positive selection: The Fund actively looks for companies with a primary focus in Europe that provide significant contributions to the transition towards ecologically and socially resilient food and agriculture systems .

Analyse transformative potential: Each Investee that is selected for the Fund's portfolio should positively contribute to at least one of the sustainability objectives of the Fund. The mission and strategy of potential companies is screened to ensure alignment with the vision and mission of the Fund. All investments are assessed on an individual basis, which includes an assessment of the key stakeholders behind the Investee (shareholders, board, management), the Investee's mission and

its ability to contribute to the transition to a sustainable food and agricultural system. The Investment Advisor evaluates whether social responsibility is reflected in the Investee's operations, embedded in its culture, and reflected in its policies and practices.

Mitigate negative impact: Investees are screened against negative impact on people and planet (inside-out lens) that could jeopardise the sustainable transition that is envisioned. This includes the minimum safeguards as set out in the Pymwymic Sustainability Policy, do-no-significant-harm principle under the SFDR Delegated Regulation and any relevant sector-specific negative impacts to ensure they do not cause any significant harm. Investees are excluded when they significantly harm environmental and/or do not follow good governance practices.

Monitoring and measuring impact: Investees report regularly on their financial performance, impact metrics and ESG performance. An extensive review is conducted at least annually, assessing the environmental and sustainability performance of each Investee to ensure continued contribution to the Fund's sustainability objectives and that no significant harm is caused. To minimise the risk of deviation from the Fund's impact mission, impact-related clauses are included in transaction documentation, where appropriate. Where concerns are identified, the Investment Advisor engages in dialogue with the Investee and, where relevant, agrees on remediation actions and improvement plans. Progress is monitored over time. Where remediation is not deemed feasible within a reasonable timeframe, escalation measures may be considered, including reassessment of the investment's continued eligibility as a sustainable investment and, where contractually possible, termination of the investment relationship.

Accelerate transitions: The Investment Advisor is active and involved and integrates active stewardship in every aspect of the investment management process to promote sustainable long-term value creation for all its stakeholders and to accelerate sustainable transitions. This includes all efforts of the Investment Advisor: besides the provision of financing to its Investees as per the other elements of the Investment Advisor's impact management approach described above, this includes the use of social and environmental action plans and engagement on the progress made by Investees.

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

The Fund primarily invests in companies in Europe that provide significant contributions to the transition towards ecologically and socially resilient food and agriculture systems by:

- Advance soil regeneration, by promoting healthy soils and biodiversity, enabling data-driven resource optimisation, reducing carbon emissions, and strengthening resilience across food value chains (soil regeneration); and/or
- Enable fair value chains, by empowering farmers and improving their economic resilience, shortening and increasing transparency in supply chains, and enhancing fair pricing and origin visibility to improve the accessibility and affordability of healthy food (fair value chains); and/or
- Promote healthy food, by increasing the availability of sustainable, nutrient-dense, and clean-label products, reducing food waste through better demand matching, and

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

Asset allocation describes the share of investments in specific assets.

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 to make a substantial contribution to an environmental objective.

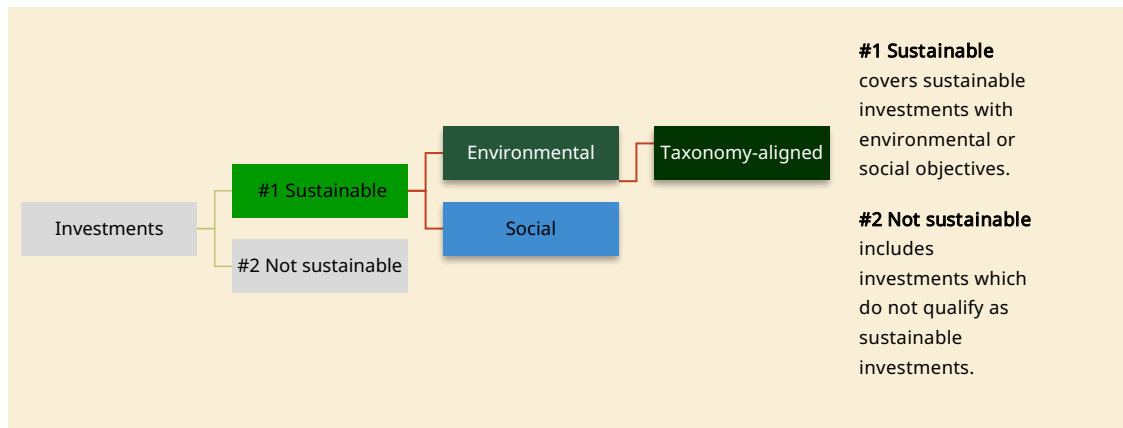
supporting behavioural and dietary shifts toward balanced, sustainable consumption patterns (healthy food); and

- Comply with the minimum safeguards as set out in the Pymwymic Sustainability Policy and the do-no-significant-harm principle under the SFDR Delegated Regulation.

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

The assessment of good governance practices of Investees performed by the Investment Advisor looks at the structure of rules, practices, and processes used to direct and manage a company or a project and aims to balance the interests of all stakeholders. It is an integral part of the due diligence phase and may vary in depth, complexity and scope depending on the Investee and context of a transaction. It covers a wide range of aspects but specifically checks for irregularities and compliance with best practices in at least the following areas: accounting, remuneration, business (mal)practices, corporate structure, disclosures, stakeholder management, anti-money and counter-terrorism financing, and taxation. At a minimum, all investments must demonstrate a sufficient level of good governance, and in case of identified controversies demonstrate an acceptable action plan for improvement in order to be considered for investment. This process is described in more detail in the Pymwymic Sustainability Policy.

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



The Fund invests at least 80% of its Net Assets in sustainable investments. This allocation will be divided between sustainable investments with an environmental objective and those with a social objective. A maximum of 20% will be cash or cash equivalents held as ancillary liquidity and derivatives for hedging purposes. Due to the neutral nature of these investments, they will not qualify as sustainable investments. Due to the illiquid nature of the investments of the Fund and the need to retain sufficient buffers in the form of cash or cash equivalents to allow for redemption requests, the actual percentage of non-sustainable investment (cash or cash equivalents) might exceed the above stated percentage for a limited period of time of maximum six months. Should such a situation arise, the Fund will take reasonable actions to remedy such situation as soon as possible, taking due account of the interests of its shareholders.

How does the use of derivatives attain the sustainable investment objective?

Not applicable.

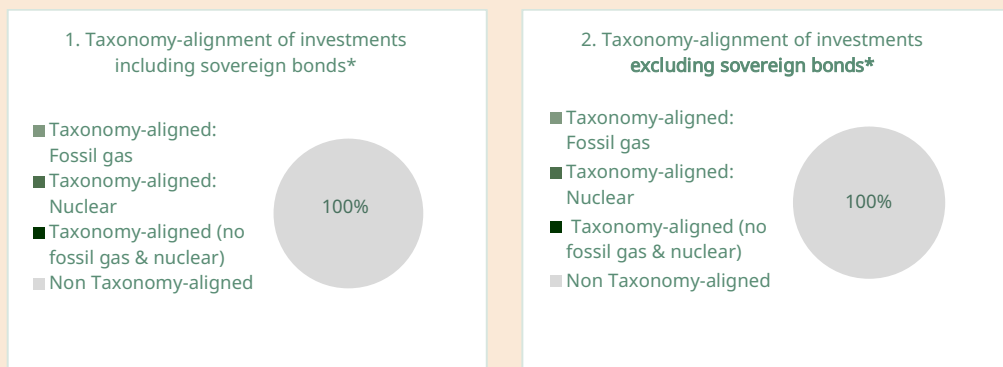
To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

Since not all environmental objectives are yet specified in the Taxonomy Regulation it is not possible to ascertain a percentage of investments that are taxonomy aligned, therefore in accordance with current regulatory discussions a 0% taxonomy alignment is presumed until further specification of the objectives becomes available.

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy?¹

- Yes
 - In fossil gas
 - In nuclear Energy
- No

The two graphs below show in green the minimum percentage of investments that are 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.



* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.

¹ 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 no significant harm to 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.

Enabling activities directly enable other activities

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.

are sustainable investments with an environmental objective that do not take into account the criteria for environmentally sustainable economic activities under the EU Taxonomy.

What is the minimum share of investments in transitional and enabling activities?

The minimum share of investments in transitional and enabling activities are expected to be 0%.

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

The Fund does not commit to a minimum share of sustainable investments with an environmental objective that are aligned with the EU Taxonomy, as the EU Taxonomy is not yet fully developed and does not cover all economic activities relevant to the Fund's investment strategy. As a result, environmentally sustainable investments may be not aligned with the EU Taxonomy. Accordingly, the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy is 0%.

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

The Fund primarily aims to make investments that are contributing to an environmental objective and has to a lesser extent a social objective. Therefore, until further notice 0% of sustainable investments with a social objective is presumed.

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

Although the Fund does not plan to have other investments than sustainable investments, it can hold cash and liquid assets as ancillary liquidity.

These assets do not affect the delivery of the sustainable investment objectives of the Fund on a continuous basis. Firstly, they are used – in limited proportion – to support the proper liquidity and risk management of the Fund. The Fund aims to retain sufficient buffers in the form of cash or cash equivalents to allow for redemption requests whilst remaining invested in relatively illiquid investments that contribute to the sustainable investment objectives of the Fund. Secondly, the Investment Advisor regularly assesses whether the counterparties for these assets comply with the four pillars of the UN Global Compact.

UN Global Compact is a principle-based framework that calls companies everywhere to align their operations and strategies with ten universally accepted principles in the areas of human rights, labour, environment and anti-corruption, and to take action in support of UN goals. Furthermore, the Investment Advisor assesses its counterparties' policies and sustainability performance.

Is a specific index designated as a reference benchmark to meet the sustainable investment objective?

Not applicable.

Where can I find more product specific information online?

More product-specific information can be found on the website: <https://pymwymic.com/>