



Article 29 of the Energy Climate Law (2021)

1. Introductory information

Five Seasons Ventures (“Five Seasons”) invests 100% of its funds in impact-driven companies (i.e., companies that have aim to achieve societal or environmental impact by providing entrepreneurial solutions to an issue along the food supply chain with scalable approach).

Five Seasons manages 4 venture capital vehicles focusing on the European Food Tech sector. Thus, as we only invest in equity or equity-like instruments, no distinctions were made by asset class within this report.

Three out of four of Five Seasons vehicles are concerned by the Firm’s ESG strategy, the fourth fund being a legacy fund.

As of 31 December 2021, the Firm’s assets under management did not exceed €500 million.

2. Consideration of ESG criteria

Acting on climate change and its related environmental consequences, together with the desire to provide a strong social base for all, is a priority for Five Seasons. For this reason, the Firm only invests in sustainable start-ups and has a dedicated Fund and two SPVs with sustainable investment objectives aligned with Art. 8 SFDR. At Five Seasons, sustainability is at the core of any investment decision and the United Nations’ Sustainable Development Goals (“SDGs”) have been adopted as a frame of reference.

Thus, Five Seasons incorporates ESG criteria, and Adverse Sustainability factors within its investment processes and within its monitoring processes.

2.1 Investment strategy

Five Seasons invests in Food Consumer products and services with quantifiable impact on the planet and / or human health and entrepreneurs with a vision to build future leaders in existing categories or build products to create a new category, and businesses with high growth potential and early commercial traction (Series A or Series B). Moreover, we only invest in equity or equity-like between 2-10M€ as first investment.

The SDG goals are consolidated in our investment themes:

- **Shifting Diet:** Better food and nutrition, at the right price for more demanding consumers
- **Trust & Transparency:** Customers want to know more about the product journey
- **Increase Yield & Efficiency:** Increase food production with existing resource footprint and lower environmental impact
- **Reduce Wasted Calories:** Reduce food waste in domestic / restaurant / retail / production
- **Sustainable Packaging:** to limit the volume of plastic waste and resources exploitation

2.2 Investment sourcing

Five Seasons excludes investments, guarantees, or otherwise financial or other support, directly or indirectly, to companies, including portfolio companies, or other entities whose business activity consists of: alcohol and tobacco, gambling, weapons, pornography, fossil fuels and distilled alcohol.

Rather, Five Seasons concentrates investment decisions on companies that promote positive environmental, social or governance practices along the food supply chain. Examples include companies which commit to:

- Organic, free trade/choice or plant-based ingredients
- Low carbon production (e.g. green energy, zero waste)
- Sustainable packaging and delivery
- “Healthier for you” food products
- Diversity and inclusion

As part of its standard procedure, Five Seasons conducts a due diligence prior to investing. Such due diligence includes a range of questions relating to environmental, social, or governance-related aspects, thereby also providing a basis for assessing potential sustainability risks.

The outcome of the due diligence, including any information on sustainability risks revealed through the due diligence, guides Five Seasons’ investment decisions. To its discretion, Five Seasons may decide to make an investment even if sustainability risks have been determined upon applying appropriate mitigation measures.

2.3 Investment monitoring

Five Seasons’ approach to impact aims to be based on objective quantitative metrics. Some of the companies in the portfolio would lend themselves well to measuring and reporting on quantitative metrics, others less so.

Some of such metrics include:

- *Environment and climate:* environmental policy, environmentally friendly practices, energy consumption monitoring, waste, biodiversity, environmental certifications, carbon footprint assessment, supply chain efficiency, etc.

- *Social*: employment, turnover rate, training budget, discrimination against women, profit-sharing system, accident frequency/severity rate, absenteeism and injuries
- *Governance*: governing bodies, CSR governance, integration of social and environmental performance into decision making, CSR risk management, suppliers, health and safety.

Thus, Five Seasons Ventures Sustainability Team constantly monitors the environmental and social characteristics and performance of the Fund. For that purpose, portfolio companies are required to report on ESG using the Planet, Product and People Impact Framework once per year.

(a) Methodologies

The Planet, Product and People Impact Framework helps us evaluate the impacts and sustainability of our investments, influences our decision making and guides Five Seasons' due diligence to ensure our investments contribute to our mission to create a healthier work for the Planet and all its People.

During the holding period of each investment, the ESG practices of portfolio companies are monitored through company specific key performance indicators (KPIs). These metrics have been developed in accordance with the GRI Sustainability Reporting Guidelines, the Principles for Responsible Investments (PRI), as well as the IRIS metrics. Investees are required to report on the KPIs once a year based on a specific questionnaire.

The data gathered is transferred into the Planet, Product and People reporting tool giving objective statistics and a comprehensive overview about the ESG targets and progress of the portfolio companies. This enables Five Seasons to identify ESG related issues early, encourage and support actions for improvement by writing and committing to a sustainability strategy with the respective company.

(b) Data sources and processing

At the beginning of each investment, portfolio companies are required to appoint a Head of Sustainability and perform a complete Life Cycle Assessment (LCA) on a material portion of their products in terms of volumes sold.

Each year, portfolio companies are asked to fill in the PPP SMART framework (via our ESG questionnaire) which covers both general ESG factors included in PAI and specific to food companies ESG metrics, determined at pre-investment stage and reassessed at least annually.

Five Seasons Ventures Sustainability Team is in charge of analysing this data and make recommendations on how to improve these KPIs moving forward.

(c) Limitations to methodologies and data

The information collected via the People, Product and Planet questionnaire is internally verified by the Sustainability Team and only if and to the extent misrepresentations are suspected it is sent to a third party for verification.

A Life Cycle Assessment (LCA) on the most sold product for each portfolio company is performed by a selected third-party provider. However, it cannot be ruled out completely that false or inaccurate information may remain undetected in certain cases.

As the Funds' investments are held for several years, Five Seasons considers it a priority to establish and maintain trust within a good working relationship with the portfolio company as a safeguard considering the limitations described in this section.

(d) Engagement policies

A key part of our approach to ESG is our role in actively engaging with portfolio companies to influence their behaviour to improve the long-term sustainability of their business model.

We assess and measure Planet, Product and People KPIs every year, and we support companies to achieve agreed targets at least 3 and 5 years from investment. Our Sustainability Team engages with portfolio companies on a regular base providing training, support and introduction to suppliers that could help reduce carbon footprint along the supply chain as well as other environmental, social and governance targets.

Our venture capital investment strategy provides the following opportunities for engagement with portfolio companies:

- Minority shareholding with customary voting rights
- Direct access to management of portfolio companies and customary information rights
- Representation on Board of Directors of portfolio companies (or Advisory Boards, depending on legal jurisdiction) as Directors or Observers
- Where applicable, representation on sub-committees of the Board of Directors, like Audit Sub-Committee, Remuneration Sub-committee, ESG Sub-committee, etc.
- Proactive engagement via Shareholders meetings

3 Human resources and technical means

As mentioned above, Five Seasons has a dedicated Sustainability Team to ensure that the Firm's operational reality aligns with its ESG policy. Their responsibilities include collection of information and engagement with portfolio companies, for example, providing ad-hoc assistance, training, and introduction to suppliers.

Five Seasons monitors specific metrics throughout the investment period and collects information via the PPP questionnaire.

The collection and elaboration of the information is done in collaboration with an independent specialist agency to ensure quality of output and the adoption of industry best practices (including the use of specialized questionnaires and direct interviews with management).

Monitoring and reporting models are regularly updated in consultation with the portfolio companies to reflect changes in the start-up's processes or products.

The ESG reporting of each portfolio company is assessed by the Five Seasons Sustainability Team. The results and findings are examined with the investment managers, who can bring ESG risks and opportunities to the attention of the Board of the respective company.

At least annually, the Firm prepares a written report detailing the identified ESG impact metrics by each portfolio companies. These reports are discussed during the Fund's Advisory Committee and sent to our Investors at least annually. Also, for the last 3 years, the Firm has published an aggregated version of the ESG Report on the company web site and made it available to the public. The Firm is committed to continue this in the future.

Investors can also find information relating to our investment approach within our periodic reporting.

Lastly, Investors who wish to discuss any specific ESG matters are encouraged to contact the Firm via the contact information provided on the Firm's website.

4 [The list of financial products mentioned under Article 8 and Article 9 of Regulation \(EU\) 2019/2088 of the European Parliament and of the Council of 27 November 2019 \(SFDR\)](#)

The Firm has 3 'Article 8' products which respect the Firm's ESG strategy:

- Food Tech Opportunity II SCSp;
- Five Seasons Ventures Dogmates SPV SCSp;
- Five Seasons Ventures Ten Ace SPV SCSp.

The assets under management of these three vehicles represent a total €204 million, equivalent to 73% of the assets under management of Five Seasons.

5 [References to international standards and adherence to labels, charters, codes, etc.](#)

Five Seasons is not a signatory of any labels or codes.

However, the Firm's "Planet, Product and People" metrics have been developed in accordance with different international standards such as the GRI, SASB and IRIS metrics.

