SFDR

Rubio is a venture capital fund investing in entrepreneurs with social impact, solving the world's biggest issues with scalable game changing solutions. Besides having a financially healthy business model, these companies must have a positive and measurable impact on people and nature.

Impact investing

Rubio invests in three impact themes (circular solutions, healthy living and people power) in which we strive to make powerful, scalable and true impact.

- Innovative technologies and services that accelerate the transition to a circular and zero carbon future (circular solutions)
- Businesses that empower people to create sustainable livelihoods, championing equal education and employment opportunities (people power)
- Solutions that create positive change in human health, food, nutrition and medicine (healthy living)

Rubio builds and guides successful businesses with measurable impact targets (key performance indicators) to which we hold ourselves accountable. We are convinced that our business approach contributes to investing and operating in a sustainable and responsible manner. With impact investing, knowing the 'why' propels positive change. We embed the company's Theory of Change and social mission in corporate documents and impact objectives in the business plan, aligning all stakeholders. With this approach as well as with our process of due diligence, we are able to incorporate Environmental, Social and Governance (ESG) factors and manage its material potential risks (if any) on a structural basis. We take into account factors such as CO2 emissions, safety, employee relations, leadership structure, social inclusion and empowerment, and gender diversity in our due diligence process and identify areas for improvement during the investment period.

Once a year Rubio report the impact results and its methodology in its impact report.

Policies, procedures and risk management

Rubio's due diligence and its investment decision making process has been recorded in a manual. All investments go through a screening of whether they could positively impact the world, based on our Theory of Change methodology. This also means we evaluate potential sustainability risks that our investments may be exposed to and have integrated this in our processes (i.e. an ESG event, if it occurs, could cause an actual or a potential material negative impact on the value of an investment as described in SFDR article 3: in our investment process we will flag such risks which could constitute disqualifiers for investing).

Rubio has three governing bodies that provide input and decisionmaking in this process, the investment committee, the impact advisory board and the member council. The Investment Committee takes the decision to progress with a prospective investment into the due diligence phase and makes the final investment, follow-on investment, and divestment decision. The independent Impact Advisory Board reviews and approves the setting of impact targets (pre-investment). And the Member Council validates the impact targets at fund level (post-investment). The respective Member Councils of Social Impact Ventures Fund I and Rubio Impact Ventures Fund II consist of a delegation of the members of both funds.

As part of our impact investing philosophy, we consider possible adverse sustainability impacts SFDR article 4) of our (potential) portfolio companies in due diligence and monitor these potential risks after the investment. These include the Principal Adverse Impact (PAI) indicators provided by the European Union as part of the SFDR. Within our main investment themes we mostly focus on a number of potential adverse impacts that do have the potential to occur such as energy use related to data processing, rare earth materials required for the energy transition, and impact of advancing one group of vulnerable people at the possible expense of others.

Because of our early stage (start-up/ young scale-up) investment strategy and the fact that we invest in companies with a sustainable objective we do not currently consider or expect material adverse impacts on these key performance indicators. Our typical investment companies are also likely to be inherently conscious about their potential adverse impacts and strive to mitigate these where possible.

However, in the situation that a risk of material negative impact occurs this would be recorded and reported to our stakeholders.

Sustainability risk linked to remuneration

Remuneration (SFDR article 5) at Rubio reflects the success of the company and is based along multiple parameters. To have an effective risk management system it takes into account the careful and diligent decision making and lacks any form of incentives for its employees in excessive risk taking for both business and sustainability. Renumeration is also aligned with the long-term interest of the entity and our success-based incentive program is based on both financial and impact results (i.e. achieving aforementioned impact targets). Rubio's remuneration policy and salary house are yearly reviewed by its management.

Rubio Funds

Rubio manages two venture capital funds, named Coöperatieve Social Impact Ventures NL Fund I U.A. (Fund I) and Rubio Impact Fund II Cooperatie U.A. (Fund II). Fund I has started in 2015 and Fund II in 2020. Fund II undertakes new investments, Fund I only follow-on investments for existing portfolio companies since the investment period has ended in 2020. Both Funds invest in entrepreneurs with relevant social impact as described above.

The goal of these Funds (i.e. financial product under SFDR) is to invest in start- and scale-ups that have a positive impact on environmental and/or social sustainability (health). The sustainable investment objective (SFDR article 10) for both Funds is to invest in innovative solutions to fight climate change, biodiversity loss, and the depletion of natural resources by means of the following investment themes, circular solutions, healthy living and people power.

Rubio proactively sources deals with extensive market search. When we review and analyse a potential new portfolio company, we set up an impact case upfront. To do this, we assess the company's Theory of Change, identify measurable impact KPI's, set specific and measurable impact metrics, and potential (sustainability and social) risks: these then go through the aforementioned process of being approved by the Investment Committee and independent Impact Advisory Board prior to investing, and validated by the Member Council after investing.

Qualification financial product

We believe, based on previous explanation, that our products qualify as Article 9 products and will work to define them as such in 2022 in order to be compliant for future years. As the rules regarding SFDR are subject to change, we will continue to follow them closely. All companies have an inherent requirement to have a positive impact and this is combined with a structured ESG risk management system to ensure no significant harm is done against other ESG characteristics.