



Brussels, 31.10.2022
C(2022) 7545 final

ANNEXES 1 to 4

ANNEXES

to the

COMMISSION DELEGATED REGULATION (EU) .../...

amending and correcting the regulatory technical standards laid down in Delegated Regulation (EU) 2022/1288 as regards the content and presentation of information in relation to disclosures in precontractual documents and periodic reports for financial products investing in environmentally sustainable economic activities

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: Shift4Good Fund I

Legal entity identifier: GP202168

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
<p><input checked="" type="checkbox"/> It will make a minimum of sustainable investments with an environmental objective: 100%</p> <ul style="list-style-type: none"> <input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input checked="" type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <p><input type="checkbox"/> It will make a minimum of sustainable investments with a social objective: ___%</p>	<p><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</p> <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 <p><input type="checkbox"/> It promotes E/S characteristics, but will not make any sustainable investments</p>

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.



What is the sustainable investment objective of this financial product?

The transport sector is responsible for approximately one-quarter of global greenhouse gas (GHG) emissions. Shift4Good's sustainable investment objective is to reduce these emissions and the negative environmental impact of the transportation industry. This objective aligns with the EU Taxonomy objective of climate change mitigation.

The product does not employ a reference benchmark but instead provides annual reporting on two Impact KPIs for each portfolio company, monitoring their contribution to this sustainability objective.

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

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

For each portfolio company of the Fund, an Impact Plan is defined at the investment phase. It defines yearly targets over the projected investment period on at least two KPIs .

These KPIs will be validated by Shift4Good Impact Committee (which is independent from the managers of the Fund) and measured annually. At the exit, the KPIs are compared to the Impact Plan to measure the attainment of the sustainable objective.

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

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

Every Shift4Good investments undergo screening against the Shift4Good impact methodology to demonstrate:

- Substantial contribution to environmental objectives, assessed via EU taxonomy eligibility.
- Do Not cause Significant Harm to other objectives, assessed via PAIs indicators established by the EU Regulatory Standard Authority (see PAI statement for more details).
- Governance best-in-class standards;

Thus, adverse impacts on sustainability factors are taken into account for every investment opportunity.

PAI indicators are compared to sectorial best practices to ensure the company assessed is compliant with those. These indicators are collected annually by Shift4Good, progress that have been made are noted and areas of improvement for coming years are shared with the company assessed.

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

As described in the Risks integration policy, investments are subject to an ESG audit which includes the OECD MNE.

See Risks Integration Policy for more details.

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.



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

- Yes
- No

See Risks integration policy for more details.



What investment strategy does this financial product follow?

See Risks integration policy for more details.

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

All the investment strategy components presented above are systematically applied and therefore binding.

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

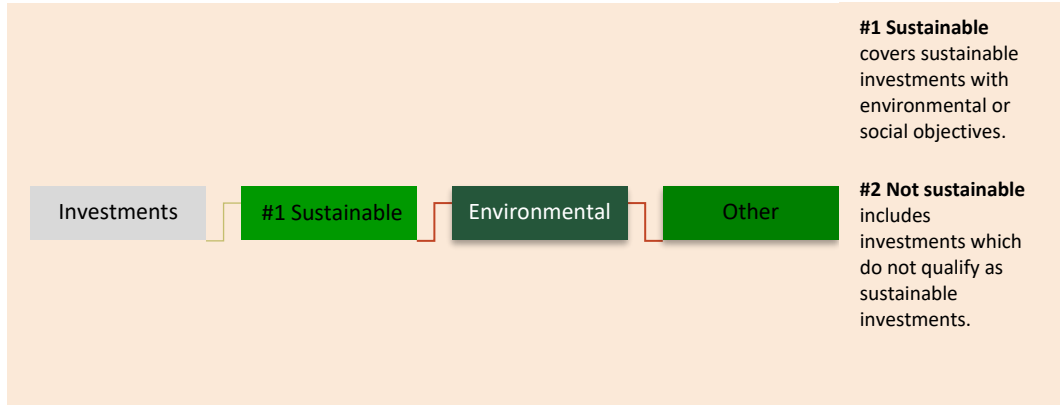
Our policy begins at the investment stage, where the investee company completes a detailed questionnaire that enables Shift4Good to evaluate its governance practices at the time of investment. Subsequently, the investee companies undergo annual independent assessments of their impact results, with these reviews also encompassing governance practices within the Fund's investee companies.

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



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

Asset allocation describes the share of investments in specific assets.



[include note only for financial products referred to in Article 5, first paragraph, of Regulation (EU) 2020/852]

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.

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

The Fund does not intend to use derivatives. It is also unlikely that the investee companies will use such instruments, given their early stage of development.



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

n.a - Shift4Good investments are aligned with the sustainable investment definition prevailing under SFDR. This definition is broader than the criteria set forth in the EU Taxonomy on sustainable activities. Further, while it may be assessed to a certain degree, the alignment to the EU Taxonomy is typically not reported by companies in scope of Shift4Good's investments.

Consequently, the fund cannot commit to a specific alignment level with the EU Taxonomy.

● **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy¹?**

- Yes:
- In fossil gas In nuclear energy
- No

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 not significantly harm any EU Taxonomy objectives - 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.

[include note only for financial products referred to in Article 5, first paragraph, of Regulation (EU) 2020/852

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

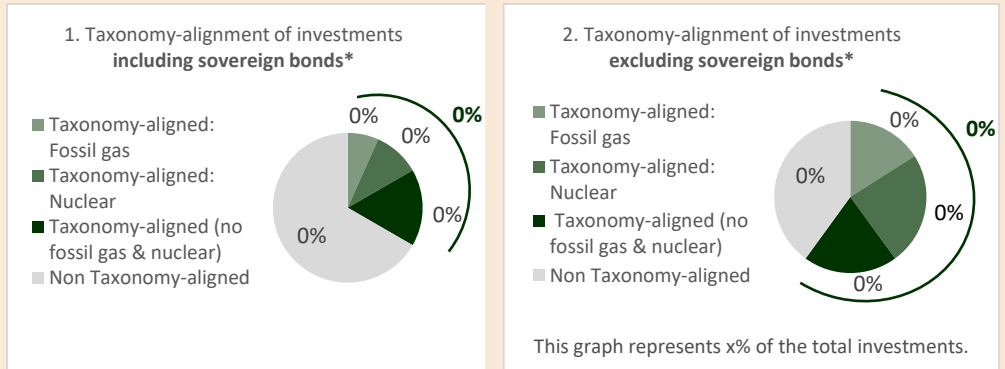
Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

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.

[include note for financial products referred to in Article 5, first paragraph, of Regulation (EU) 2020/852 that invest in environmental economic activities that are not environmentally sustainable economic activities]

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

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.

The 0% indicated in this graph means that investments are not assessed according to the EU taxonomy.

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

The Fund does not have specific sub-targets for transitional and enabling activities.

For the sake of clarity, transitional activities are activities for which low-carbon alternatives are not yet available and that have greenhouse gas emission levels that correspond to the best performance in the sector or industry. While enabling activities directly enable other activities to make a substantial contribution to one or more of the climate change objectives.

These two types of activities form part of the Fund's sustainable activities.



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

100% - n.a - cf. same answer as the previous question, the fund cannot commit to a specific level of alignment (or non-alignment) with the EU taxonomy.



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

The Fund is focused on investing in companies with a positive environmental impact, and therefore does not specifically report on social objectives.



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

0% - Indeed, 100% of Shift4Good's investments are aligned with the sustainable investment definition prevailing under SFDR.



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

The Fund does not benchmark against a specific index. Rather, each investee company is assessed on one or more impact KPIs, for which an impact business plan is agreed upon and validated by an independent impact committee.

- **How does the reference benchmark take into account sustainability factors in a way that is continuously aligned with the sustainable investment objective?**

n.a.

- **How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?**

n.a.

- **How does the designated index differ from a relevant broad market index?**

n.a.

- **Where can the methodology used for the calculation of the designated index be found?**

n.a.

[include note for financial products referred to in Article 9(1) of Regulation (EU) 2019/2088]
Reference benchmarks are indexes to measure whether the financial product attains the sustainable investment objective.



Where can I find more product specific information online?

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

www.shift4good.com

Shift4Good Fund I provides periodic disclosures upon request.