

SFDR WEBSITE DISCLOSURE - articles 3, 4 and 5

Introduction

Pursuant to EU Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector, Capricorn Industrial Biotech Fund will publish information on the website and in the annual reports on the integration of sustainability risks in the investment decision-making process and whether principal adverse impacts of investment decisions on sustainability factors have been considered.

We understand as "sustainability risks" an environmental, social or management situation or condition which, if it occurs, could cause an actual or potential material negative effect on the value of the investment. "Sustainability factors" are environmental and social matters, respect for human rights, anti-corruption, and anti-bribery matters. As "sustainable investments" are understood investments in companies that contribute to an environmental objective or a social objective provided that such investments do not significantly harm any of those objectives and that the investee companies follow good governance practices, in particular with respect to sound management structures, employee relations, remuneration of staff and tax compliance.

Capricorn Industrial Biotech Fund has sustainable investment as its objective (**article 9** of the EU Regulation 2019/2088): the Fund will contribute substantially to one or more of the environmental objectives set out in the Article 9 and will not significantly harm any of the environmental objectives. As per Article 9 of the EU regulation the environmental objectives of the fund may include climate change mitigation, climate change adaptation and the transition to a circular economy.

Capricorn Industrial Biotech Fund will enable investments to be made in the early-stage of industrial biotechnology innovations, to provide new products and processes while addressing the Sustainable Development Goals (SDGs). The Capricorn Industrial Biotech Fund will only invest in companies that clearly align their products to specific SDGs. Moreover, the Fund will report in accordance with the latest SFDR guidelines about how the sustainable objective is attained; if there is a reduction in carbon emissions, the Fund will include the objective of lowering carbon emissions in view of achieving the long-term global warming objectives of the Paris Agreement. During the portfolio construction and management, the Capricorn Industrial Biotech Fund investment team will closely follow-up the progress made and report in accordance with the chosen measurement methodology.

Sustainability Risks Integration (art 3 SFDR)

Sustainability risks are integrated into the investment decision-making and risk monitoring to the extent that they represent potential or actual material. The impacts following the occurrence of a sustainability risk may be numerous and various. In general, where a sustainability risk occurs in respect of an investment, there will be a negative impact on, or ultimately entire loss of its value.

Capricorn Industrial Biotech Fund will report on Sustainability in a separate ESG Chapter of the annual report to the shareholders, as well as monitor this at the level of the portfolio companies in dialogue with the management.

Reference is made to the ESG Policy of the management company Capricorn Partners for a more detailed description of the way sustainability factors and sustainability risks are considered and integrated into the due diligence procedure, the investment decision process, and the follow-up of the sustainable investments.

Principal Adverse Sustainability Impacts statement (art 4 SFDR)

Under SFDR it is required to disclose whether principal adverse impacts of investment decisions are considered on sustainability factors and if this is the case, to disclose a statement on the due diligence policies regarding those impacts.

Capricorn Industrial Biotech Fund will report on the principal adverse impacts of its investment decisions on sustainability factors as from 30 June 2023. The information of the first PAI statement will cover the period from the 1st of January until the 31st December 2022 and the reporting of the PAIs will be included in the Annual Report of FY 2022.

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Integration of ESG risks in the remuneration policy (art 5 SFDR)

The management company Capricorn Partners integrates sustainability risks in its remuneration policy by ensuring that a performance review is not evaluated only on financial indicators but also on several other principles such as effective risk management, care for each other in the organization, alignment with the investors on a long-term basis, following the code of conduct, no variable remuneration that promotes risk taking etc.

Reference is made to the last chapter of the ESG Policy and the Human Resources Policy of Capricorn Partner. The Capricorn Partners ESG policy can be accessed by the Capricorn website by the following link:

<https://capricorn.be/en/attachment/ea25c918-6bd5-4bc1-932e-680ab31dc248/esg-policy-v-2022-05.pdf>

Each member of staff is also bound by a Code of Conduct setting forth a conflicts of interest procedure, a voting rights policy for the portfolio companies and a market abuse policy. This Code of Conduct must be strictly followed by all members of staff.

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