



Brussels, 31.10.2022
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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 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: **Wire Thrive Fund II**

Legal entity identifier: **N/A**

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective? *[tick and fill in as relevant, the percentage figure represents the minimum commitment to sustainable investments]*

Yes **No**

<p><input type="checkbox"/> It will make a minimum of sustainable investments with an environmental objective: ___%</p> <ul style="list-style-type: none"> <input 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 <p><input type="checkbox"/> It will make a minimum of sustainable investments with a social objective: ___%</p>	<p><input checked="" 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 60% 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 checked="" type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input checked="" type="checkbox"/> with a social objective <p><input type="checkbox"/> It promotes E/S characteristics, but will not make any sustainable investments</p>
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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.



Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

What environmental and/or social characteristics are promoted by this financial product?

WTF II invests in Planetary Balance so that life can Thrive. We do this by investing in Human Healing and Ecosystems Healing. In doing so we focus on the following outcomes of our investment ABCD. We will give more detail to how these outcomes are integrated in WTF II below.

- **What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?**

Wire Group has developed an ambitious and advanced impact measurement framework. This framework is described in our 'Impact assessment Protocol'. We developed this Protocol in close collaboration with impact specialist Impact Institute. The goal of the Protocol is to show, in a professional and rigorous manner, the way in which our investments contribute to positive environmental and social outcomes. We do this by calculating the amount of 'societal value' has been created, a so-called 'Impact Multiple on Money' (IMM).

● **What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?**

WTF pursues an outcomes-based investment strategy. Its entire investment process is centred on pursuing these outcomes. An overview of the outcomes pursued is provided below. For further detailed information we refer to the SFDR Statement for WTF II.



● **How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?**

With regards to the 'do no significant harm' principle of the EU Taxonomy, we do, of course, strive to ensure that our investments do no significant harm to the objectives stated in the EU Taxonomy. We cover this as part of our process of managing sustainability risks. Please see 'Disclosure on managing sustainability risks' the SFDR Statement for WTF II.

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

Understanding the potential for adverse impacts and unintended negative consequences is at the core of our investment process. However as a fund-of-funds we have limited control over investment choices and company-level processes. Hence, as a manager with a compact team (12 people at the time of writing), we make use of the 'opt-out' possibility for small managers with fewer than 500 employees. We will not report separately on the 'Principle Adverse Impacts' of our investments other than the way in which we report on impact in accordance with our impact measurement framework.

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.



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

Taking into consideration the growth phase of the Portfolio Companies of WTF II, we apply the principle of proportionality in abiding with the OECD Guidelines for Multinational Enterprises and the UNGPs and we manage these to the best of our abilities. We believe that our rigorous investment process, in which sustainability risks are managed, and positive outcomes are pursued, is fully aligned with the OECD Guidelines and the UNGPs.



Does this

[Include statement for financial products referred to in Article 6, first paragraph, of Regulation (EU) 2020/852]

The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

financial product consider principal adverse impacts on sustainability factors?

Yes, _____ *[if the financial product considers principal adverse impacts on sustainability factors, include a clear and reasoned explanation of how it considers principal adverse impacts on sustainability factors. Indicate where, in the information to be disclosed pursuant to Article 11(2) of Regulation (EU) 2019/2088, the information on principal adverse impacts on sustainability factors is available]*

No

What investment strategy does this financial product follow?

As part of our investment strategy, we pursue investments that not only give a financial return but also an environmental and social return, thereby creating societal value. Please refer to the SFDR Statement of WTF II for further details.

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

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

- ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

Our point of departure for all investments are the positive outcomes we have described above and will outline below. Based on our collective knowledge and experience and research, we select 'themes' through which we believe we will optimally be able to pursue those positive outcomes. We then develop an in-depth 'Thematic Roadmap' to analyze the theme and how best to invest in that theme.

We plot the market both from a financial and an impact point of view. And we analyse the extent to which we can pursue positive outcomes through the chosen investment theme.

In shortlisting potential Portfolio Funds to invest in, we consider financial and impact considerations side by side. Once we have selected a Portfolio Fund we intend to invest in, we will enter a rigorous 'we-diligence' process. In this process, the pursuit of positive outcomes (positive impact) is deeply integrated into our screening process.

Please refer to the SFDR Statement of WTF II for further details.

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

As this is a private equity fund-of-funds, the investment strategy is for a new product, there is no prior investment strategy or portfolio. WTF II is a new investment product with no "investment history".

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

We ensure that Portfolio Fund managers have an ESG policy and procedure in place in order to assess and manage good governance at the Portfolio Company level. Furthermore, we actively engage with Portfolio Fund managers to manage sustainability risks at the fund manager level. The most material issues we have identified at the fund manager level are:

- Diversity and inclusion
- 'Key person' risk (the risk of a key person leaving and thereby weakening the fund manager's ability to execute its investment strategy)



[include note only for the financial products referred to in Article 6, 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 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.

- **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.

What is the asset allocation planned for this financial product?

100% of our investments should contribute positively to environmental and/or social characteristics.

- **How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**

We do not use derivatives in WTF II



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

At the time of writing we do not make any claims that our investments are in line with the EU Taxonomy. The principal reason for this is that we manage several 'fund-of-funds' and as such we do not have access to the granular data, such as the turnover and capital expenditures, of the Portfolio Companies in which we are indirectly invested. Without such data it is not possible for us to 'prove' alignment. Because the Companies that we indirectly invest in are privately owned, we can also not rely on public sources of data to analyze Taxonomy alignment.

Furthermore, a large share of our fund-of-funds are invested Portfolio Funds outside of the European Union, which in turn invest in Portfolio Companies outside of the European Union. These Funds and Companies are not covered by the EU Taxonomy and therefore have no obligation to report in line with this regulation.

We do not feel that we are in a position to 'force' Portfolio Funds to gather and

[Include only relevant boxes, remove irrelevant ones for the financial product]

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graph LR
    Investments --> A[100% Aligned with E/S characteristics]
    Investments --> B[0% Other]
    A --> C[60% Sustainable]
    A --> D[40% Other E/S characteristics]
    C --> E[0% Taxonomy-aligned]
    C --> F[30% Other environmental]
    D --> G[30% Social]
  
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#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

[include the note below where the financial product commits to making sustainable investments]

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

disclose the requisite data, as we already ask them to put in extra efforts into gathering the data required for our extensive impact measurement framework. We will, however, monitor the situation. If and when the EU-based Portfolio Funds that we invests in (and potentially non-EU Funds as well) start reporting the percentage of investments that are aligned with the EU Taxonomy, we will assess whether the fund manager has taken appropriate steps to adequately adhere to the EU

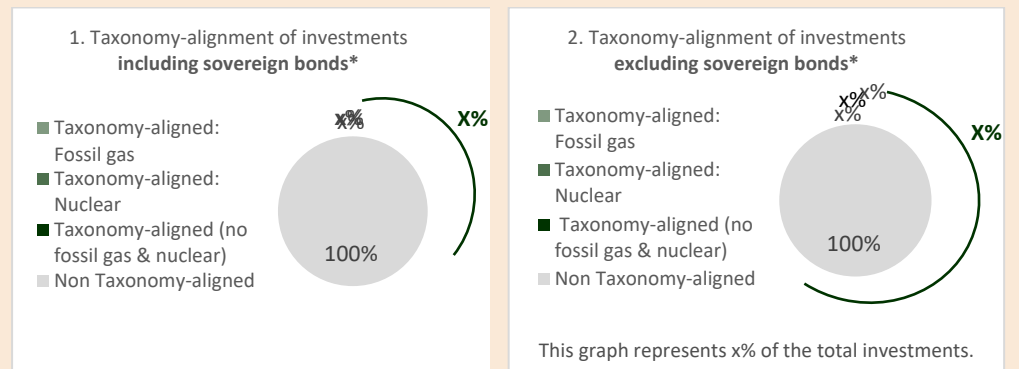
Taxonomy guidelines and, if we are so satisfied, may choose to include such a percentage in our own reporting.

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

- Yes: *[specify below, and details in the graphs of the box]*
- 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.

[only include in the graphs the figures for Taxonomy aligned fossil gas and/or nuclear energy as well as the corresponding legend and the explanatory text in the left hand margin if the financial product makes investments in fossil gas and/or nuclear energy]



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

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

N/A



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

30%. WTF II has an objective to invest in both human healing and ecosystems healing. We would expect that at least 30% of investments contribute to environmental objectives.



What is the minimum share of socially sustainable investments?

30%. WTF II has an objective to invest in both human healing and ecosystems healing. We would expect that at least 30% of investments contribute to social objectives.

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 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.

[include note for financial products referred to in Article 6, 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.



What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

N/A



Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

NO

- *How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?*

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 where an index has been designated as a reference benchmark for the purpose of attaining the environmental or social characteristics promoted by the financial product]

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.



Where can I find more product specific information online?

More product-specific information can be found on the website: www.wire-group.org

