

Periodic 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

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 lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Product name: Abac Solutions (SCA) SICAR (the "Fund")

Legal entity identifier: 549300GQD1JYTF51LG91

Environmental and/or social characteristics

Did this financial product have a sustainable investment objective?

Yes

No

It made **sustainable investments with an environmental objective: ___%**

- in economic activities that qualify as environmentally sustainable under the EU Taxonomy
- in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

It made **sustainable investments with a social objective: ___%**

It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of ___% of sustainable investments

- with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
- with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
- with a social objective

It promoted E/S characteristics, but **did not make any sustainable investments**



To what extent were the environmental and/or social characteristics promoted by this financial product met?

The Fund, Abac Solutions (SCA) SICAR promoted environmental or social characteristics, through the investment in entities that immediately before the initial investment of the Fund qualify as SMEs or Mid-Cap Company and that are within the geographical scope described in the Fund's investment policy, with a general sectoral approach as follows:

- a. The investment strategy, as set out in the Responsible Investment Policy, pursues the improvement in the ESG performance of its investee companies during the holding period. This improvement in the ESG performance of investee companies is related to transversal aspects classified into four overarching areas (Environment, Good Employment, Diversity and Governance) which apply to all investee companies, as well as material aspects specific to the industry of each investee company.
- b. The Manager ensured that acquired entities meet minimum standards by negative screening and subsequent exclusion of companies in accordance with the Fund Exclusions.

During the reference period 1 January 2022 to 31 December 2022 ("**Reference Period**"), the Fund only invested in entities that met such minimum standards and monitored the improvement in the ESG performance of all its investee companies on an ongoing basis.

Sustainability indicators measure

- **How did the sustainability indicators perform?**

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

We test KPIs in the four areas listed above. The following are highlights from the portfolio in these principal areas:

Environment:

The portfolio continued working to reduce its Scope 2 emissions and to stabilize the cost of energy by switching to renewable energy suppliers and installing solar panels. During the period, Plating Brap completed the installation of panels under a PPA agreement which is expected to contribute to c.17% of the company's daily energy consumption, while Iberfrasa will also begin the implementation of a PPA in 1Q23 which will deliver 20% of the company's consumption. Since entry, the Scope 1 & 2 emissions have reduced by 66% to a level of 3,795 Kg CO2e and the GHG intensity has declined by 68%. The portfolio sources 92% of energy consumption from certified renewable sources which is a significant increase compared to previous periods.

Good Employment:

On the good employment front, Agroponiente continued materializing improvements, achieving a 72% reduction in the number of registered accidents since the start of their "Good Employment Programme" in 2019. Finally, Avanza Food achieved diversity improvements by hiring 60 employees at risk of social exclusion through a partnership with the "Opción 3" Foundation. As a whole, the portfolio accident rate is down 2% to 6% and voluntary turnover has decreased 2% to 10% compared to previous periods.

Diversity:

There are 49% women in the workforce and 67% of companies have at least 20% of women in management which is up from 56%. 44% of companies have more than 20% female directors on the Board of Directors compared to 22% at entry.

Governance:

Regarding Governance, highlights in 2022 include that Motocard certified as a B Corp becoming the first portfolio company in the Fund to achieve this recognition. During the year, portfolio companies continued advancing the B Impact Assessment (B Corp) to measure the impact of their business model and operations and 33% of investees achieved a preliminary score above the certification threshold by December 2022. Additionally, PronoKal, sold to Société des Produits Nestlé, S.A. in February 2022, also applied for certification and is expected to certify in 2023. Finally, 90% of companies have performed the Abac compliance program and 100% have completed the B Impact Assessment (BCorp).

For further data on each of the portfolio company, please see the Annual Investor Report which includes a Sustainability profile on each company and historical performance. Please see chart below describing each of the KPIs tested at 31 December 2022 at each portfolio company.

Environmental

Utility reporting						
Electricity reporting	●	●	●	●	●	●
Water consumption reporting	●	●	●	●	●	In process
Gas consumption reporting	●	●	-	-	-	-
Policies and initiatives						
Environmental policy	●	●	●	●	●	●
Waste management policy	●	●	●	●	●	●
Initiatives to reduce packaging usage	●	●	●	●	●	●
Environmental governance						
Suppliers adhere to environmental best practices	●	●	●	●	●	●
No serious environmental incident in the past 12	●	●	●	●	●	●
Climate change						
Contracted renewable energy	●	●	●	●	●	●
Measuring Scope 1 & 2 emissions	●	●	●	●	●	●
Total Scope 1 & 2 carbon emissions (kg CO2) - FY 2021	186,446	430,364	88,715	615,238	1,329,369	359,410

Social

Social KPIs reporting						
Reporting in place	●	●	●	●	●	●
Number of employees (EoP)	82	423	364	1,842	407	273
Diversity						
% Female employees in the payroll	37%	48%	42%	56%	41%	42%
% Females in Management Team ≥ 20%	●	●	●	●	●	●
% Employees in the payroll <30 years-old	0%	53%	57%	22%	23%	15%
% Employees in the payroll >50 years-old	11%	6%	6%	23%	17%	31%
Social governance						
Workers' council	●	●	●	●	●	●
Suppliers adhere to social best practices	●	●	●	●	●	●
Corporate citizenship						
Corporate volunteering	●	●	●	●	●	●

Governance

Governance structures						
Board of Directors	●	●	●	●	●	●
Audit Committee	●	●	●	●	●	●
Nominations & Remuneration Committee	●	●	●	●	●	●
Compliance Committee and delegate	●	●	●	●	●	●
Code of Conduct	●	●	●	●	●	●
Code of Conduct signed by >80% employees	●	●	●	●	●	●
Anti-corruption policy	●	●	●	●	●	●
Whistle Blower Reporting System	●	●	●	●	●	●
Two signatory policy	●	●	●	●	●	●
Corporate Offenses Risk Prevention Programme	●	●	●	●	●	●
Strategy						
Reporting Sustainability to BoD	●	●	●	●	●	●
Sustainability standards						
UN Global Compact Signatory	●	●	●	●	●	●
Completed B Impact Assessment	●	●	●	●	●	●
Sustainability governance						
Sustainability Champion	●	●	●	●	●	●
Sustainability Committee	●	●	●	●	●	●

Note: "-" stands for not applicable, "n/a" stands for n

- ...and compared to previous periods?

N/A

- What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?

N/A

- How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?

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.

N/A

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

N/A

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

N/A

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 Union criteria.

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

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



How did this financial product consider principal adverse impacts on sustainability factors?

N/A



What were the top investments of this financial product?

The list includes the investments constituting the **greatest proportion of investments** of the financial product during the reference period which is: 1 January to 31 December 2022

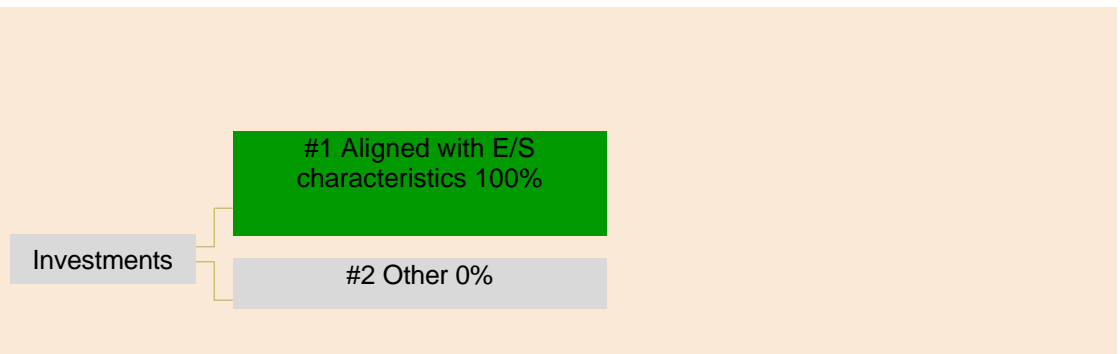
Large investments	Sector	% Assets	Country
Plating Brap	Industrials	8%	Spain
Avanza Food	Consumer Services	12%	Spain
Motocard	Consumer Online	34%	Spain
Agroponiente	Agribusiness	8%	Spain
Iberfrasa	Industrials	13%	Spain
Nuzoa	Veterinary Services	26%	Spain



What was the proportion of sustainability-related investments?

Asset allocation describes the share of investments in specific assets.

- **What was the asset allocation?**

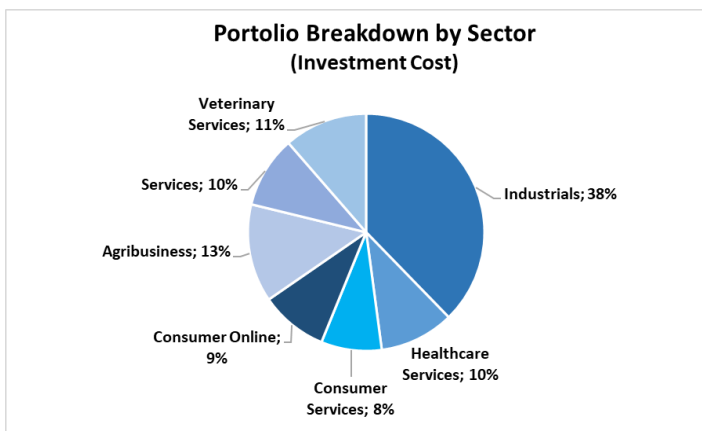


#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

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

The share of indirect investments was 0%.

- ***In which economic sectors were the investments made?***



Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflects the "greenness" of investee companies today.

- **capital expenditure** (CapEx) shows the green investments made by investee companies, relevant for a transition to a green economy.

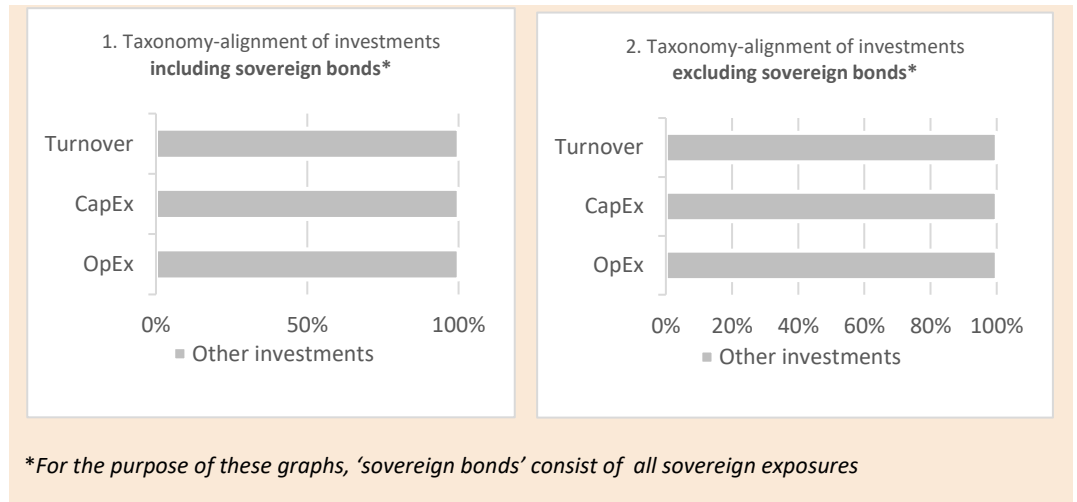
- **operational expenditure** (OpEx) reflects the green operational activities of investee companies.



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

The Fund does not commit to making any minimum percentage of sustainable investments and the investments underlying the Fund do not contribute to any environmental objective set out in Article 9 of EU Taxonomy. Therefore, there were no investments in economic activities that qualified as environmentally sustainable under Article 3 of EU Taxonomy (also designated as Taxonomy aligned economic activities). Accordingly, the Taxonomy-alignment of the Fund's investments measured by all available key performance indicators (turnover, capital expenditure and operating expenditure) was 0% and was not subject to third party assurance.

The graphs below show in green the percentage of investments that were 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.*



● **Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy?**

Yes:

In fossil gas

In nuclear energy

No

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.

● **What was the share of investments made in transitional and enabling activities?**

0%

● **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?**

N/A

 are sustainable investments with an environmental objective that **do not take into account** the criteria for environmentally sustainable economic activities under Regulation (EU) 2020/852.



What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?

N/A



What was the share of socially sustainable investments?

N/A



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

N/A



What actions have been taken to meet the environmental and/or social characteristics during the reference period?

During the Reference Period, the Fund ensured that the promoted environmental and social characteristics were actively monitored (see above "How did the sustainability indicators perform?")

As part of the investment strategy (described in Responsible Investment Policy), the Fund practiced active ownership by: (i) compilation of quarterly information from all investee companies on transversal and company-specific KPIs; (ii) holding quarterly meetings between the Manager, the Fund and each investee company to discuss the information provided and compare it with the Sustainability Plan and (iii) the active management of investee companies and the implementation of good governance practices and improvement in the ESG performance of the entities in which it participates, also promoting them at the board level, (iv) the definition and implementation, if deemed appropriate, of an action plan designed for the investee company, if its KPIs are not in line with the Sustainability Plan.



How did this financial product perform compared to the reference benchmark?

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

N/A

- ***How does the reference benchmark differ from a broad market index?***

N/A

- ***How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?***

N/A

- ***How did this financial product perform compared with the reference benchmark?***

N/A

- ***How did this financial product perform compared with the broad market index?***

N/A