

# JOIN II

# 2023

## SFDR Periodic Disclosure

# 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

Product Name: JOIN II

Legal Entity Identifier: 52990035XX7SKN96EO09

Reference Period: 01.01.-31.12.2022

**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.

| Environmental And/Or Social Characteristics   |   |
|---|---|
| Did This Financial Product Have A Sustainable Investment Objective?   |   |
| <input checked="" type="radio"/> <input type="radio"/> Yes  | <input type="radio"/> <input checked="" type="radio"/> No   |
| <input type="checkbox"/> It made sustainable investments with an environmental objective: 0%                              | <input type="checkbox"/> It promoted Environmental/Social (E/S) characteristics and while it did not have as its objective a sustainable investment, it had a proportion of 0% of sustainable investments |
| <input type="checkbox"/> In economic activities that qualify as environmentally sustainable under the EU Taxonomy.        | <input type="checkbox"/> With an environmental objective 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. | <input type="checkbox"/> With a social objective  |
| <input type="checkbox"/> It made sustainable investments with a social objective: 0%                                      | <input checked="" type="checkbox"/> 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?

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

The following environmental and/or social characteristics are promoted by JOIN II:

1. Climate mitigation
2. Compliance with recognised labour standards (no child labour, forced labour or discrimination)

### ● How did the sustainability indicators perform?

For the reporting period 01.01. – 31.12.2022 the following performance was reached:

#### **Performance of E/S characteristics:**

- Number of days lost to injuries, accidents, fatalities, or illness: Data could not be sourced.
- Carbon footprint: Data could not be sourced.
- 'Total ESG assessment score' has reached a result of 64.2 % with aggregation method average based on the data of 5 out of 6 companies.

### ● ...and compared to previous periods?

2022 is the first SFDR reporting year for JOIN II. No historical values or previous reports are available.



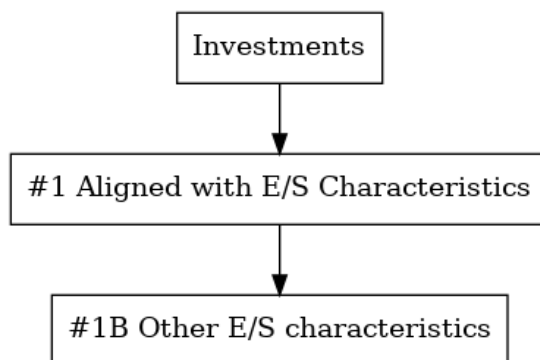
## What Were The Top Investments Of This Financial Product?

The list includes the investments constituting the **greatest proportion of investments** of the financial product during the reference period: 2022.

| Largest Investment | Sector  | % Assets | Country     |
|--------------------|---|----------|-------------|
| Digital Spine GmbH | Real Estate and Equipment Rental Services, Hospitality  | 22.9     | Germany     |
| Soundreply GmbH    | Technology, Information, and Internet   | 20.0     | Germany     |
| Picterra           | Internet Marketplace Platforms, Business Intelligence Platforms, IT System Data Services, Environmental Services, Space Research and Technology | 18.8     | Switzerland |
| Silico             | N/A   | 15.4     | UK          |
| 36ZERO Vision GmbH | Embedded Software Products, Business Intelligence Platforms   | 12.4     | Germany     |
| Frenetic           | Manufacturing Technology, Information and Media   | 10.4     | Spain       |



## What Was The Proportion Of Sustainability-Related Investments?



- **What Was The Asset Allocation?**

The graph above illustrates the fund's investments. Specifically, all of these investments are of type #1B, which means they align with environmental/social characteristics, but they do not meet the criteria to be considered sustainable investments.



- **In Which Economic Sectors Were The Investments Made?**

The investments have been made in the following sectors: Business Intelligence Platforms, Technology, Information and Media, Technology, Information and Internet, IT System Data Services, Embedded Software Products, Space Research and Technology

## **What Investments Were Included Under “Other”, What Was Their Purpose And Were There Any Minimum Environmental Or Social Safeguards?**

No investments were included under "other".



## **What Actions Have Been Taken To Meet The Environmental And/Or Social Characteristics During The Reference Period?**

**The Fund Promotes E/S Characteristics By ESG Integration Into The Investment Strategy.**

### **Pre-Due Diligence Phase**

Investment opportunities are assessed on ESG aspects (the “ESG Assessment”) in two main dimensions (the “ESG Dimensions”):

1. **The “What” dimension:** assessing the extent to which the products and services offered by the target company and its value chain positively contribute to the United Nations Sustainable Development Goals (“UN SDG’s”).
2. **The “How” dimension:** assessing the ESG impact coming from the way the target company operates and the extent to which JOIN CAPITAL can act as a catalyst/sparring partner in favour of a better management of externalities during the Ownership phase. During the Pre-due diligence phase, any ESG Assessment is included in the deal assessment summary documentation prepared by the Investment

Team (the “Deal Team”) and presented to the Investment Committee. The Investment Committee considers the ESG Assessment in the investment opportunity review process and factors it in its decision whether to issue a non-binding Term Sheet to the target company.

### **Due Diligence Phase**

During this next phase, the Deal Team performs a more in-depth due diligence on the target company, including in respect of the ESG criteria a refinement of its pre-due diligence ESG Assessment (with a focus on the “How” dimension).

A typical due diligence mainly consists of interviews with the target company’s management team, a vendor-related ESG review, desk-top document review (data room), onsite visits, reference calls, as the case may be.

Further, the Deal Team may decide to involve external advisers in the ESG due diligence. ESG and climate risks are considered while modelling the business plan of the target company and in the different scenarios leading to its valuation.

The Deal Team then aggregates the data collected in the ESG due diligence and condenses it into a final ESG Assessment (again looking at the two distinct ESG Dimensions). This final ESG Assessment is included in the overall due diligence review summary and presented to the Investment Committee for final decision.

### **Investment Decision**

The investment decision by the Investment Committee factors in all relevant ESG findings and considerations. Depending on whether material ESG risks are identified during the Due diligence phase, an action plan to address specific ESG issues or to commensurably mitigate ESG risks is included in a post-acquisition plan for the Ownership phase.

### **The Fund Promotes E/S Characteristics By The Application Of Exclusion Criteria, So Called Values-Based Screening.**

The exclusion criteria are taken into consideration during the pre-due diligence phase. Potential assets are screened and if they fall into the exclusion list they are not taken into further consideration.

## **The Environmental And/Or Social Characteristics Promoted By The Fund Are Its Investment Exclusions.**

The Fund shall not invest, guarantee or otherwise provide financial or other support, directly or indirectly, to companies, including Portfolio Companies:

- Which Join Capital is aware is involved in illegal activities;
- Which is engaged in property holding (other than in an ancillary, non-commercial capacity);
- Which is engaged in the manufacturing, distribution or sale of arms or ammunitions (other than for game hunting purposes);
- Which is engaged in the manufacturing, processing, distribution or sale of tobacco products or hard spirits (other than the distribution in an ancillary capacity through retailers such as supermarkets or restaurants);
- Which is engaged in human cloning or genetically modified organisms;
- Which is directly linked to gambling.