Impact Finance Fund

Société en commandite par actions qualifying as a
société d'investissement à capital variable - Fonds d'investissement spécialisé

Impact Report 2024
Including SFDR Report and SDG Report as at 31/12/2024

R.C.S. Luxembourg B 162.030

Table of contents

Organization and administration

Registered Office	5, allée Scheffer L-2520 Luxembourg Grand Duchy of Luxembourg
General Partner of the Fund	Impact Finance Investment S.à r.l. 5, allée Scheffer L-2520 Luxembourg Grand Duchy of Luxembourg
Board of Managers of the General Partner of the Fund	Cédric Lombard Chairman of the Board of Managers Impact Finance Management S.A. Benjamin Firmenich Vice Chairman of the Board of Managers Impact Finance Management S.A. Melchior de Muralt Manager - Independent Member of the Board of Managers Nicolas Muller Manager - Independent Member of the Board of Managers Roberto Navas Manager - Independent Member of the Board of Managers
Initiator and Investment Advisor	Impact Finance Management S.A. 6, Chemin de la Gravière CH-1227 Geneva, Switzerland
Administration Agent and Depositary	CACEIS Bank, Luxembourg Branch 5, allée Scheffer L-2520 Luxembourg, Grand Duchy of Luxembourg
Cabinet de révision agréé	Deloitte Audit Société à responsabilité limitée 20, boulevard de Kockelscheuer L-1821 Luxembourg, Grand Duchy of Luxembourg
Legal Counsel	Arendt & Medernach 41A, Avenue J-F Kennedy L-2082 Luxembourg, Grand Duchy of Luxembourg
Investor relations	Benjamin Firmenich Impact Finance Investment S.à r.l. 5, allée Scheffer L-2520 Luxembourg, Grand Duchy of Luxembourg

Introduction from the Executive Directors

By definition, impact investing operates at the edge of finance — its mandate is to deploy capital at the frontier where the risks and opportunities of doing good and doing well converge. In 2024, we maintained our commitment to delivering strong impact despite a socio-economic environment in Latin America still marked by the lingering effects of the pandemic. For many portfolio companies, our capital provided essential support, allowing them either to capture growth opportunities or to remain resilient in adverse conditions. Patience and resilience continue to be the two pillars underpinning sustainable social and environmental outcomes.

Impact reporting is equally central to our approach. While quantitative indicators can only partially reflect the depth of our work, they remain indispensable for ensuring accountability and comparability across time and strategies. One of the key challenges is capturing additionality — the true incremental value created by our investments — a dimension not easily reduced to numbers but essential for investors assessing long-term impact. We have chosen to highlight the inspiring stories of our investees in our quarterly communications, offering investors a deeper understanding of the true depth and significance of their impact.

To ensure clarity, we have maintained a consistent reporting structure with last year, enabling a transparent evaluation of performance and reinforcing investor confidence in both the rigor and continuity of our methodology.

It is structured into three key sections:

- **Investment Activity** – highlighting changes across verticals and sectors
- **"Avoid Harm" Reporting** – primarily based on data required by EU regulations
- **The Fund's Positive Impact** – demonstrated through its contributions to the Sustainable Development Goals (SDGs)

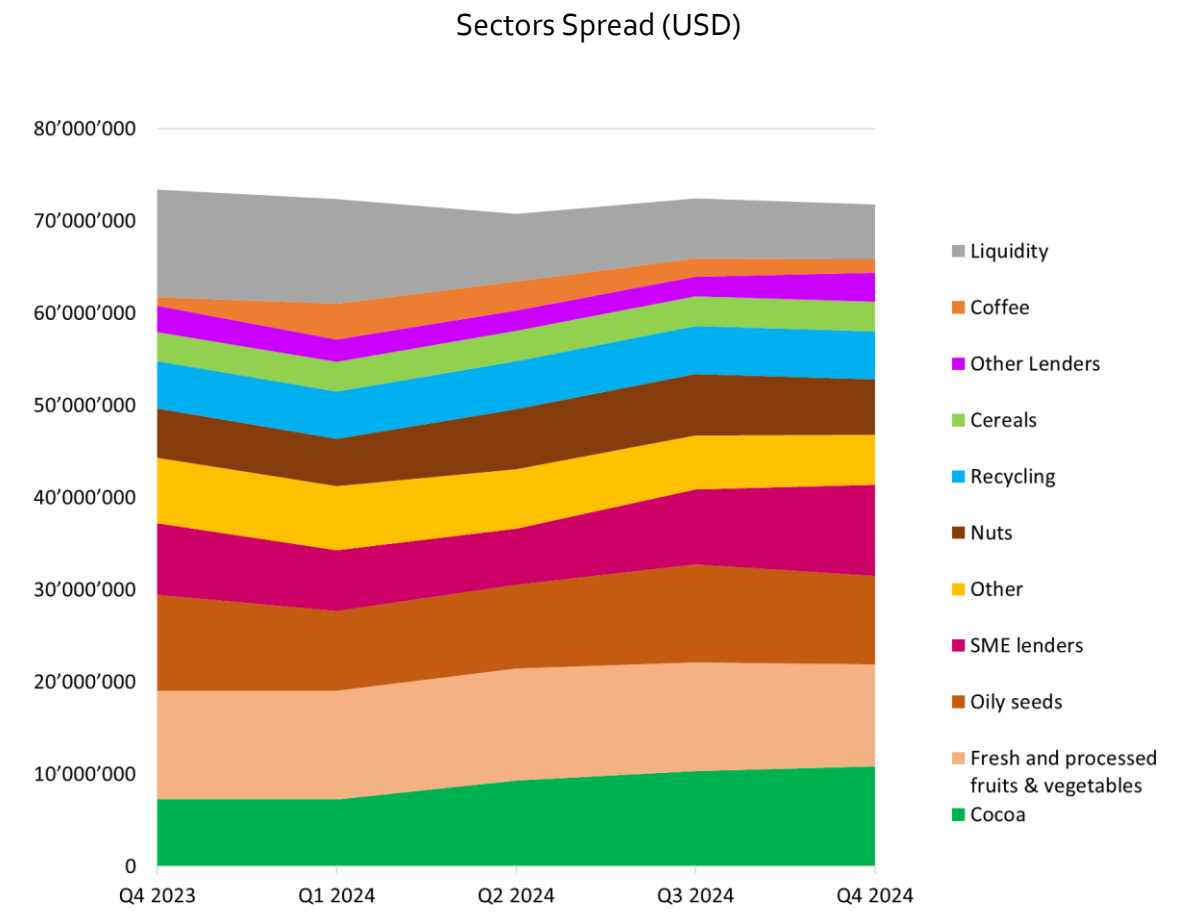
Whereas 2023 was a year of growth for the Fund, 2024 showed stability in the impact indicators for both "Avoid Harm" and Positive Impact. Slight shifts could be seen in investment activity, with increased support for cocoa producers and SME lenders. This was largely because these two sectors performed strongly during the year, and our support reflected their growth.

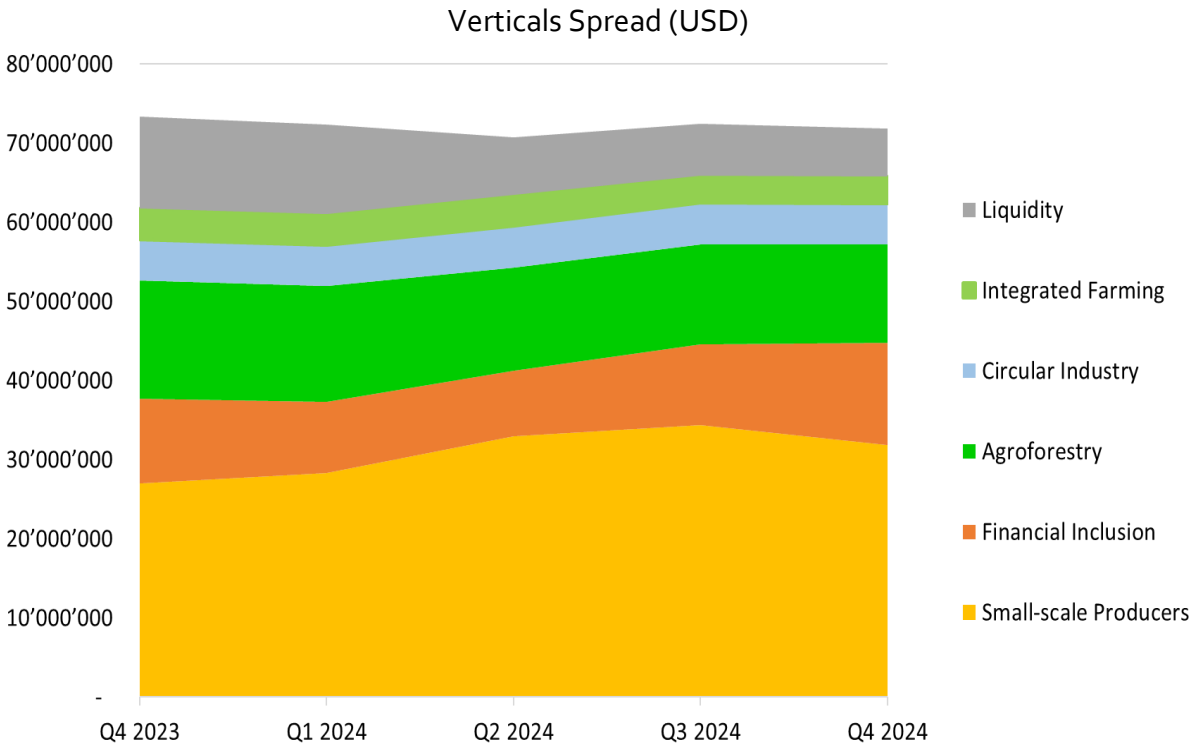
We hope you find this data valuable, as it continues to become more standardized and comparable year after year.

Cédric Lombard
Chairman of the Board of Managers
Impact Finance S.à r.l.

Benjamin Firmenich
Vice-Chairman of the Board of Managers
Impact Finance Investment S.à r.l.

Investment activity





Avoid harm -/ SFDR Reporting

In addition to the 52 Principal Adverse Impact (PAI) indicators defined in Annex 1 of the SFDR, we apply 17 supplementary indicators through our proprietary impact monitoring system, Kharmax, to establish a sustainability rating for each company. Both the PAI and the additional indicators are classified according to the categories of the Global Reporting Initiative (GRI). The Kharmax tool has been standardized to generate scores on a 0–3 scale, where 0 represents the lowest performance and 3 the highest.

Dimension	Category	# Indicators	Score 2024	Score 2023
Total		**72**	**2.23**	**2.24**
Environment		**29**	**2.38**	**2.37**
	GHG Emissions	8	2.51	2.64
	Energy performance	3	2.48	2.45
	Biodiversity	2	2.25	2.24
	Water usage	5	1.73	1.52
	Waste and materials	6	2.61	2.65
	Land Use	5	2.70	2.75
Labor Practices		**12**	**2.30**	**2.16**
	Diversity & Equality	3	1.97	1.78
	Health and safety	4	2.47	2.20
	Discrimination and complaints	5	2.46	2.51
Human Rights		**12**	**2.43**	**2.46**
	Respect of HR	8	2.04	1.78
	Corruption	4	2.81	2.20
Governance		**5**	**2.23**	**2.21**
	Transparency and accountability	2	2.55	2.54
	Diversity & representativity	3	1.91	1.89
Product Responsibility		**8**	**2.60**	**2.57**
	Product Tranparency	4	2.69	2.71
	Product Quality	4	2.52	2.43
Economics		**6**	**1.65**	**1.65**
	Sustainability	4	1.88	1.88
	Profit sharing	2	1.41	1.41

Contribute to solve problems Positive Impact – / SDG indicators

A regenerative business delivers measurable positive outcomes for both people and the planet. To structure these outcomes, we align them with five Sustainable Development Goals (SDGs). For each of the 32 indicators we monitor, we calculate the share of outcomes that can be directly attributed to the Fund's investment in each portfolio company. These results are then normalized to reflect the impact generated per USD 1 million invested in the Fund. This normalization provides a consistent benchmark, enabling comparability of impact performance across funds and reporting periods.

SDG # 8 - DECENT WORK AND ECONOMIC GROWTH	Cumulated amount reported by investees	Fund Attribution	USD 1M investment Attribution}	Notes	# Respondants
Indirect net jobs created	41'283	1'909	29	21	15
Net direct jobs created	- 4'147	- 479	- 7		24
Total employees of our investee's borrowers	69'323	1'068	16	22	4
Total employees of our investee's supplier	123'466	16'648	250	23	15
Direct employees	4'046	394	6	24	27
Total salary paid to direct employees on period	USD 44'200'791	USD 3'750'637	USD 56'410		27
Amount paid to suppliers on period	USD 127'114'910	USD 18'711'638	USD 281'423	25	15
Total amount disbursed to investees´s borrowers on period	USD 267'210'340	USD 4'741'062	USD 71'306		5

SDG # 10 - REDUCED INEQUALITIES	Cumulated amount reported by investees	Fund Attribution	USD 1M investment Attribution}	Notes	# Respondants
Woman employees of our investee's supliers	25'585	1'683	25	26	9
Direct woman employees	1'471	118	2		25
Woman employees of our investee's borrowers	33'698	471	7		4
Number of hours that take the credit line process	141	16	0		5
Employees Living in rural areas	2'001	164	2	27	19
Woman Employees Living in rural areas	9'382	93	1		15
Number of days in which supliers are paid	17	76	1	28	15
Number of small scale producers	21'527	2'510	38		16
Number of investee's borrowers	42'658	267	4		5
Number of small scale producers that received technical assistance	6'737	966	15		10
Premium in USD paid due to the increase in yield vs average local standard	USD 52'501'851	USD 5'622'761	USD 84'566	29	10
% Premium our investees paid to their suppliers	10.7%				8

SDG # 12 - RESPONISBLE CONSUMTION AND PRODUCTION	Cumulated amount reported by investees	Fund Attribution	USD 1M investment Attribution}	Notes	# Respondants
Tons of waste used to produce energy	265'259	70'131	1'055		3
KWh of energy produced out of recuperated waste	566'988'111	133'588'339	2'009'167	30	2

SDG # 13 - CLIMATE ACTION	Cumulated amount reported by investees	Fund Attribution	USD 1M investment Attribution}	Notes	# Respondants
Tons of CO2 stored	837'925	63'051	948	31	4
Tons of Co2 sequestrated in the protected portions of forest and in the plantation	48'696	8'009	120	32	4
Tons of Co2 sequestrated in the regenerative agriculture plantations	15'141	1'512	23	33	1
Tons of Co2 avoided	480'868	140'738	2'329	34	1

SDG # 15 - LIFE ON LAND	Cumulated amount reported by investees	Fund Attribution	USD 1M investment Attribution}	Notes	# Respondants
Planted Ha with productive trees under investee´s management	59'445	725'034	110	35	15
Ha of protected forest by the investee	2'119	266	4		5
Ha planted using regenerative agriculture techniques	7'072	1'486	22	36	7
Ha with organic certification or similar third party environmental certification planted with financed crops	22'344	2'491	37		10

SFDR complete report

Indicator	Note	Result
Cumulated company value	2	USD 809,397,557
Portfolio value	3	USD 64,679,859
Cumulated company income	4	USD 827,220,180

SFDR Number	Category	Dimension	Status	Indicator	Note	Result
1	Environment	GHG Emissions	Mandatory	Scope 1 GHG emissions	5	2,168 Tons of Co2
1	Environment	GHG Emissions	Mandatory	Scope 2 GHG emissions	5	172 Tons of Co2
1	Environment	GHG Emissions	Mandatory	Scope 3 GHG emissions	5	53,753 Tons of Co2
1	Environment	GHG Emissions	Mandatory	GHG Emissions Total	5	56,093 Tons of Co2
2	Environment	GHG Emissions	Mandatory	Carbon Footprint	6	939 Tons Co2 /€ Million
3	Environment	GHG Emissions	Mandatory	GHG Intensity	7	1,378 Tons Co2 /€ Million
4	Environment	GHG Emissions	Mandatory	Investment in companies in the fossil fuel industry		None
5	Environment	Energy performance	Mandatory	Share of non-renewable energy consumption and production	8	46%
6	Environment	Energy performance	Mandatory	Energy consumption intensity per high impact climate sector	9	1.2 GWh/€ Million
7	Environment	Biodiversity	Mandatory	Activities negatively affecting biodiversity-sensitive areas	10	81% of the portfolio [22 companies] have a low potential for direct or indirect negative impact on biodiversitysensitive areas, due to small scale and environmentally friendly agricultural activities;19% of the portfolio [5 companies] focus on improving biodiversity or have a no direct or indirect negative impact on biodiversity-sensitive areas
8	Environment	Water usage	Mandatory	Emissions to water		878 Tons of emissions to water /€ Million 2
9	Environment	Waste and materials	Mandatory	Hazardous waste	11	0
10	Labor Practices	Diversity & Equality	Mandatory	Violations of UN Global compact principles (Principles 3-6)	12	100% of the portfolio [27 companies] have experienced no violation of the principle 3 to 6 of the Global Compact but have not signed the Global Compact. Their size permits having a satisfactory internal control

10	Human Rights	Respect of HR	Mandatory	Violations of UN Global compact principles (Principles 1, 2 and 10)	13	100% of the portfolio [27 companies] have experienced no violation of the principle 1, 2 and 10 of the Global Compact but have not signed the Global Compact. Their size allows a satisfactory internal control
10	Environment	Waste and materials	Mandatory	Violations of UN Global compact principles (Principles 7-9)	14	100% of the portfolio [27 companies] have experienced no violation of the principle 7 to 9 of the Global Compact but have not signed the Global Compact. Their size permits to have a satisfactory internal control
11	Labor Practices	Diversity & Equality	Mandatory	Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles (Principles 3 and 6)		100% of the companies of the portfolio are conscious of their obligations regarding the principles 3 to 6 of the Global Compact.However, 78% of portfolio [21 companies] ensure adequate supervision and internal controls.
11	Human Rights	Respect of HR	Mandatory	Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles (Principles 1, 2 and 10)		100% of the companies of the portfolio are conscious of their obligations regarding the principles 1, 2 and 10 of the Global Compact. However, 81% of portfolio [22 companies] ensure adequate supervision and internal controls
11	Environment	Waste and materials	Mandatory	Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles (Principles 7 and 9)		100% of the companies of the portfolio are conscious of their obligations regarding the principles 7 to 9 of the Global Compact. However, 81% of portfolio [22 companies] ensure adequate supervision and internal controls
12	Labor Practices	Diversity & Equality	Mandatory	Unadjusted gender pay gap	15	Women employees of the companies are paid -5% Less on average than men
13	Governance	Diversity & representativity	Mandatory	Board gender diversity		On average 16% of the companies board members are women
14	Product Responsability	Product Quality	Mandatory	Exposure to controvertial weapons (manufacture or sales of weapons)		No companies of the portfolio manufacture of sell any weapons
1A	Environment	Waste and materials	Additional	Inorganic pollutants		0.7 Tons /€ Million
2A	Environment	Waste and materials	Additional	Air pollutants		0
3A	Environment	Waste and materials	Additional	Ozone depletion substances		0

4A	Environment	GHG Emissions	Additional	Investment in companies without carbon emission reduction initiatives		70% of the portfolio [19 companies] are reducing their emissions yet have no clear emission reduction targets; 22% of the portfolio [6 companies] manifest interest in reducing their emissions reductions but with no clear emissions reductions targets; 7% of the portfolio [2 companies] are reducing its emissions with clear reduction objectives and the remaining
5A	Environment	Energy performance	Additional	Breakdown of energy consumption by type of non-renewable sources of energy	16	Not applicable
6A	Environment	Water usage	Additional	Water usage	17	26,049 m3 /€ Million
6A	Environment	Water usage	Additional	Water recycled and reused		19% of the portfolio (5 companies) reused their water
7A	Environment	Water usage	Additional	Share of investments without water management policies		44 % of the portfolio [12 companies] monitors and records the usage of water with no specific reduction targets. 41% of the portfolio [11 companies] monitors and records the usage of water with specific reduction targets ; 11% [3 companies] do not monitor or record usage 4% [1 company] met its specific reduction target
8A	Environment	Water usage	Additional	Exposure to areas of high water stress	18	63% of the portfolio [17 companies] are not exposed to high water stressed areas, 15% of the portfolio [4 companies] are located in high water stressed areas and with no monitor water usage; 11% of the portfolio (3 companies) are exposed to high stressed areas with monitor usage but wihout metrics and 11% of portfolio (3 companies) are located in high stress water and monitor the water usage with metrics.
9A	Product Responsability	Product Quality	Additional	Investment in companies producing chemicals		0% of the companies of the portfolio are producing chemical products

10A	Environment	Land Use	Additional	Share of investments in companies that are actively contributing to soil degradation, desertification and soil sealing	0% of the companies of the portfolio or their suppliers have activities causing land degradation, desertification or soil sealing
11A	Environment	Land Use	Additional	Share of investment in companies without sustainable land/agriculture practices	67% of the companies of the portfolio are following sustainable agriculture practices and their suppliers are following these practices. The remaining 33% don't belong to the agro-industrial sector.
12A	Environment	Land Use	Additional	Share of companies without sustainable ocean/sea practices practicies	0% of the companies of the portfolio have direct or indirect risk since none of them are working with products related to oceans/seas
13A	Environment	Land Use	Additional	Non-recycled waste ratio	0
14A	Environment	Biodiversity	Additional	Share of investment whose operations affects threatened / endangered species	52% of the portfolio (14 companies) have a low potential direct or indirect negative impact on endangered species. 41% of the portfolio (11 companies) have no direct or indirect negative impact in endangered species. 7% (2 companies) have a high potential direct or indirect negative impact on endangered species.
14A2	Environment	Biodiversity	Additional	Share of investment without biodiversity protection policy	n/a
15A	Environment	Land Use	Additional	Share of investments in investee companies without a policy to address deforestation	56% of the portfolio (15 companies) have activities with potential deforestation risks, yet have effective controls to avoid deforestation; 44% of the portfolio (12 companies) have no direct or indirect deforestation risk related activities or their activity engages with reforestation and forest preservation and 0% of the portfolio companies have an explicit policy to address deforestation.

1AS	Labor Practices	Health and safety	Additional	Investments in companies without workplace accident prevention policy		60% of the portfolio (16 companies) have effective systems and controls in place to ensure a safe workplace environment. 33% of the portfolio (9 companies) have basic systems and workers face relatively low levels of pollution, changes in temperatures or reduced lighting conditions; 7% of the portfolio (2 companies) have eficient systems to ensure a safe workplace environment but without further monitoring controls.
2AS	Labor Practices	Health and safety	Additional	Rate of Accidents	19	3.61
3AS	Labor Practices	Health and safety	Additional	Numbers of days lost due to injuries, accidents, illness	20	0.27
4AS	Labor Practices	Discrimination and complaints	Additional	Lack of a supplier code of conduct		52% of the portfolio (14 companies) proceed with a systematic evaluation on human rights of key suppliers with informal reporting; 37% of the portfolio (10 companies) proceed with a random evaluation of key suppliers on human rights with minimal reporting; 11% of the portfolio (3 companies) has the evaluation on human rights of key suppliers by way of procedures and written agreements.
5AS	Labor Practices	Discrimination and complaints	Additional	Lack of grievance / complaints handling mechanism related to employee matters		59% of the portfolio (16 companies) have transparent handling mechanisms for employee grievances / complaints. 41% of the portfolio (11 companies) have informal handling mechanisms for employee grievances / complaints
6AS	Labor Practices	Discrimination and complaints	Additional	Lack of whistleblower protection policy		59% of the portfolio (16 companies) have a formal whistleblower policy. 41% of the portfolio (11 companies) have an informal whistleblower policy with a dedicated channel for complaints.
7AS	Labor Practices	Discrimination and complaints	Additional	Incidents of discrimination		0 discrimination incidents
7AS	Labor Practices	Discrimination and complaints	Additional	Incidents of discrimination		0 discrimination incidents
8AS	Economics	Profit Sharing	Additional	Excessive CEO pay ratio		The CEOs of portfolio companies have on average 8.49 times higher compensation than the

					median employee compensation
9AHR	Human Rights	Respect of HR	Additional	Lack of human rights policy	70% of the portfolio (19 companies), due to their sizes don´t justify the set up of a policy for human right, yet they have a strong compromise to create a nice working environment and respect the local law; 30% of the portfolio (8 companies) have a human rights policy including formal due diligence and remediation processes.
10AHR	Human Rights	Respect of HR	Additional	Lack of due diligence on human rights	78% of the portfolio (21 companies) due to their sizes don´t perform a due diligence on human rights, yet the CEO and HR manager conduct evaluation measures; 11% of the portfolio (3 companies) perform a due diligence on human rights with implemenation process; 11% of the portfolio (3 companies) perform a due diligence on human rights with no implemenation process.
11AHR	Human Rights	Respect of HR	Additional	Lack of processes and measures for preventing trafficking in human beings	89% of the portfolio (24 companies) have no process or measures for preventing trafficking in human beings, yet they respect local labour law and have the compromise to avoid working with suppliers that might be involved in human trafficking. 11% of the portfolio (3 companies) have a clear Human Right policy in place permiting to avoid human trafficking.
12AHR	Human Rights	Respect of HR	Additional	Operations and suppliers at significant risk of incidents of child labor	56% of the portfolio (15 companies) have working contracts and ID controls to avoid incidents of child labor. 44% of the portfolio (12 companies) perform and evaluation of suppliers regarding child labor and they are randomly controled.
13AHR	Human Rights	Respect of HR	Additional	Operations and suppliers at significant risk of incidents of forced or compulsory labor	74% of the portfolio (20 companies) have working contracts and ID controls to avoid incidents of forced and compulsory labor. 26% of the portfolio (7 companies) have no systematic evaluation, but perform random evaluations of suppliers to

					avoid forced or compulsory labour.
14AHR	Human Rights	Respect of HR	Additional	Number and nature of identified cases of severe human rights issues and incidents	0 incidents
15AHR	Human Rights	Corruption	Additional	Lack of anti-corruption and anti-bribery policies	44% of the portfolio (12 companies) have a comprehensive internal control system described in written procedures. 37% of the portfolio (10 companies) have a comprehensive internal control system describen in written procedures, verified by an indepedent party and controled at the Board level. 19% of the portfolio (5 companies) have informal internal control system with no written procedures.
16AHR	Human Rights	Corruption	Additional	Cases of insufficient actions taken to address breaches of standards of anti-corruption and anti-bribery	0 cases
17AHR	Human Rights	Corruption	Additional	Number of convictions for violation of anti-corruption and anti-bribery lwas	0 incidents
17AHR	Human Rights	Corruption	Additional	Amount of fines for violation of anti-corruption and anti-bribery laws	Not applicable

Reporting principles

The analysis of our impact will be based on the attribution of our Fund. To infer the Fund's impact, we calculate the percentage based on the average outstanding investment in the company during the year relative to the company's average total assets, as represented in the following formula:

$$\textbf{Fund attribution}: \sum_{n}^{i} \left(\frac{current\ value\ of\ investment_i}{investee\ company's\ asset\ value_i} \times investee\ company's\ amount\ reported_i \right)$$

By doing this, we can estimate the real impact of our investments. A similar metric is calculated to assess the impact generated by our Fund's investors; specifically how much impact one million dollars invested creates in our investees. This is explained in the following formula:

$$\textbf{USD 1M investment Attribution} = \frac{Fund\ attribution}{Asset\ under\ mangament\ in\ USD\ Millions}$$

With regards to SDGs, they are exactly the same as in 2023. For SDG 8 (Decent Work and Economic Growth), indicators such as net jobs created and total jobs reported—whether direct or indirect—are aligned with Target 8.3 on job creation. Likewise, amounts paid to employees and suppliers contribute to Target 8.5 on decent work, as they measure the economic value received by workers.

For SDG 10 (Reduced Inequalities), we developed a set of indicators that provide robust standards for assessing our contribution to the underlying targets. The number of women, small-scale producers, and rural employees corresponds to Target 10.3 on equal opportunity and reduced inequalities. Premiums obtained from pricing or productivity are linked to Target 10.1 on reducing income inequality. Target 10.a, on special treatment, is measured through supplier payment times and the hours required to access loans from our financial inclusion investees. Target 10.b, on development assistance and investment in least developed countries, is assessed through the provision of technical assistance.

For SDG 12 (Responsible Consumption and Production), waste recovered is linked to Target 12.5 on substantially reducing waste generation, while energy generated through waste management is aligned with Target 12.2 on the sustainable use of natural resources.

For SDG 13 (Climate Action), our metrics on carbon dioxide sequestration, avoidance, and storage reflect our contribution to Target 13.1 on strengthening resilience and adaptive capacity to climate hazards. By publishing these results, we also contribute to Target 13.3, which promotes awareness. Total emissions are disclosed in the SFDR framework, while the SDG tables specify how our investments build climate resilience.

For SDG 15 (Life on Land), hectares of protected forest are aligned with Targets 15.2 and 15.5, which focus on ending deforestation and conserving biodiversity. Other indicators relate to Target 15.b, which supports financing sustainable management practices. These include hectares under organic certification or regenerative agriculture. In addition, for gold companies, we verify that mercury is not used in production, thereby protecting soil health.

Beyond the SDGs, our proprietary Kharmax methodology provides a comprehensive framework for impact measurement. It covers 72 indicators grouped into six areas and 17 categories, fully incorporating SFDR requirements. These include Greenhouse Gas (GHG) emissions, water usage, energy, biodiversity and natural resources, waste management, labor conditions, social performance (job creation and equity), investment in clean technologies, risks and opportunities, and regulatory compliance. The Kharmax score thus serves as an important tool for assessing our impact while maintaining full alignment with the SFDR perspective.

Notes to SFDR and SDG reports

1 All the numbers are calculated on the base of the average outstanding loans in each sub-strategy during the year. Taking the total outstanding amount as of the end of each quarter divided by 4 . Throughout the year there were 30 reporting companies. Companies in the portfolio at risk are not reporting.

2 Portfolio value: Cumulated company value: Sum of assets of all the portfolio companies as of the end of December 2024.

3 Sum of the average outstanding loans.

4 Cumulated company income: Sum of the cumulated sales of all the portfolio companies as of the end of December 2024.

5 Some companies of the portfolio were able to provide data on Scope 1 and Scope 2 emissions; for non-reporting companies, data was inferred from peer companies that belonged to the same industry. In this report, we have refined our methodology by considering the different fuels used by our companies in their processes, such as diesel, gasoline, propane, petrol, coal, biomass, bioethanol, biodiesel, and natural gas. Based on the type of fuel reported by the companies, we applied the corresponding ratios. (source: https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2023) to estimate their emissions.)

For Scope 2 emissions we applied an annual proxy of 1,891 kWh per employee (excluding heating consumption considering the weather of the countries in which portfolio investees operate) for companies that did not have activity data and didn´t belong to any agro-industrial sector (sources: https://www.mdpi.com/2071-1050/13/21/11586 https://www.sciencedirect.com/science/article/pii/S187770581731696X)

To convert that into CO_2 emissions, we used the "carbon intensity of energy production" of each country (source: https://ourworldindata.org/co2-and-greenhouse-gas-emissions).

For Scope 3 emissions we used two different approaches depending on if company´s activity has the potential or not to sequestrate carbon emissions:

For sequestrating companies: For each product, the data was inferred from the literature regarding emissions coming from farming processes, transportation (fossil fuel consumption of land transportation from investee´s location to port of origin and then fossil fuel consumption of sea transportation to port of destination, and then to investee´s warehouse or facility); and retailer using different ratios for each type of product, storage type and final consumption.

For non-sequestrating companies: For each product, the data (life cycle ratios) on Scope 3 emissions was inferred from the literature. The specific amount of Scope 3 emissions was then calculated according to the volume of products sold.

In line with European standards, the formula used to calculate Scope 1, 2 and 3 emissions are the following:

$$\sum_{n}^{i}\left(\frac{current\ value\ of\ investment_i}{investee\ company's\ enterprise\ value_i}\times investee\ company's\ Scope(x)\ GHG\ emissions_i\right)$$

6 $$\frac{\sum_{n}^{i}\left(\frac{current\ value\ of\ investment_i}{investee\ company's\ enterprise\ value_i}\times investee\ company's\ Scope\ 1{,}2\ and\ 3\ GHG\ emissions_i\right)}{current\ value\ of\ all\ investments\ (€M)}$$

7 $$\sum_{n}^{i}\left(\frac{current\ value\ of\ investment_i}{current\ value\ of\ all\ investments\ (€M)}\times\frac{investee\ company's\ Scope\ 1{,}2\ and\ 3\ GHG\ emissions_i}{investee\ company's\ €M\ revenue_i}\right)$$

8 The portfolio companies were unable to provide this data. As a proxy, we used for each investee the country's "renewable share in final energy consumption (source: https://www.iea.org/data-and-statistics/data-product/electricity-information) . The result is the weighted average of all 30 portfolio companies.

9 For this period we reviewed several sources such as the statistical classification of economic activities NACE and https://www.spglobal.com/spdji/en/documents/additional-material/trucost-climate-impact-sectors-classification.pdf to determine the high impact climate sectors in which portfolio companies

have operations.

10 Activities negatively affecting biodiversity-sensitive areas: We use a scale from 0 to 3 that enable us to obtain more value to the binary SFDR question. Impact Finance visits all companies in order to physically see the operational activities and gain better understanding of their values and working environments. It allows for any questions related to the different criteria of SFDR to be discussed in person.

11 The only companies that could be considered as generating hazardous waste are our gold processors in Nicaragua and Perú. However, in Nicaragua its tailings are being processed by a third party following the highest standards of the industry and in the case of Peru those wastes are storaged in sludge ponds while the cyanide residues Those tailings are reported as inorganic pollutants under indicator 1A.

12 Violations of UN Global compact principles (Principles 3-6): The UN Global compact principles related to 'Labor' are: Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining; Principle 4: Businesses should advocate the elimination of all forms of forced or compulsory labor; Principle 5: Businesses should advocate for the effective abolition of child labor; Principle 6: Businesses should advocate the elimination of discrimination with respect to employment and occupation.

13 Violations of UN Global compact principles (Principles 1, 2 and 10): The UN Global compact principles related to 'Human Rights' are: Principle 1: Businesses should support and respect the protection of internationally declared human rights; Principle 2: Companies should ensure that they are not participants in human rights violations; Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

14 Violations of UN Global compact principles (Principles 7-9): The UN Global compact principles related to 'Environment' are: Principle 7: Businesses should support a precautionary approach to environmental challenges; Principle 8: Companies should undertake initiatives to encourage greater environmental responsibility; Principle 9: Businesses should promote the development and diffusion of environmentally friendly technologies.

15 Salaries are divided into two categories: employees with undergraduate studies; and employees without undergraduate studies. Despite the data collected, it is difficult to obtain a clear picture on gender-related salary distributions.

16 As mentioned in Note 8, to determine the use of non-renewable energy we use the data provided by the IEA. This breakdown could not be provided by portfolio companies. However, the main non-renewable energy source of portfolio companies is the diesel and gasoline.

17 We applied a daily proxy of 50 liters of water consumption per employee equivalent to 13 M3 on yearly basis. (source: https://www.south-staffs-water.co.uk/media/1509/waterusebusiness.pdf) for companies which consumption relies only in offices and for those ones that reported only their industrial usage and not their office´s consumption. For non reporting companies we applied water footprint ratios according to the type of product (source: https://www.waterfootprint.org/resources/Report64-WaterFootprintBenchmarks-CropProduction.pdf)

18 We reviewed the water risk atlas in order to determine water stress areas in which our portfolio companies have operations (source: https://www.wri.org/applications/aqueduct/water-risk-atlas/#/?advanced=false&basemap=hydro&indicator=w_awr_def_tot_cat&lat=30&lng=-80&mapMode=view&month=1&opacity=0.5&ponderation=DEF&predefined=false&projection=absolute&scenario=optimistic&scope=baseline&threshold&timeScale=annual&year=baseline&zoom=3)

19 The rate of accidents is calculated by multiplying the number of yearly accidents by 200,000, divided by the number of employee hours worked. https://www.osha.gov/laws-regs/standardinterpretations/2016-08-23

20 The lost time injury rate is calculated by multiplying the hours of lost time injuries by 200,000, divided by the number of employee hours worked. The value in days is obtained by dividing the result by 9.

21 This number includes both the indirect jobs from our investee's borrowers and investee's suppliers.

22 For those cases where the company did not report a number,the number of indirect employees was inferred from a country level company stratification coupled with a ratio analysis (debt ratio and asset turnover) (source: https://www.readyratios.com/sec/industry/) , assuming that the average loan is all the debt for an average client, we inferred its income in order to related with a potential number of workers based on mentioned stratification. (sources: https://www.cilea.info/public/File/12%20Seminario%20Bolivia/1%20-%20RUBIN%20060625%20completo.pdf - http://gbconsulting.com.mx/la-clasificacion-las-empresas-en-mexico/)

23 For companies not able to provide data regarding indirect employees, we assumed the number of indirect workers per hectare based on peer companies and also reports for each crop depending of the country.

24 This indicator coniders temporal or seasonal employees and permanents or fixed employees.

25 This information was provided by almost all investees, in certain cases, when it was not possoble to obtained it, we calculated based on financial estaments, considering the amount sold and inventories, with the cost of raw material.

26 This information tend to be tricky to obtain for some companies , therefore, for this year we opted to use a database from Worldbank which consider the percentage of woman emplyed in agricultre. (Source : https://data.worldbank.org/indicator/SL.AGR.EMPL.FE.ZS)

27 This information was provided by the investees, however, in those cases in which it was not report, based on the location and the criteria of each country to define weather a zone is rural or urban was applied.

28 This information was estimated by Payable days, or Days Payable Outstanding (DPO), is a financial metric that shows the average number of days a company takes to pay its suppliers after receiving goods or services. It's a measure of a company's efficiency in managing its payables and liquidity. 29

29 This premium measures how productivity could translate into more sources of income, the way Impact Finance calculates the premium is as follows:

$$Premium = [(Ha) * (Yield_C - Yield_I)] * [(Pr_C * Pur) + (Pr_{CI} * (1 - Pur)]$$

$Ha = Number\ of\ hectares\ of\ investee's\ suppliers$
$Yield_C$= yield of investee's suppliers
$Yield_I$= Standard yield of industry
$Pr_C = priced\ paid\ to\ suppliers\ by\ investee$
$Pr_I = standard\ priced\ paid\ to\ suppliers\ in\ industry$
$Pur = \%\ of\ purchased\ by\ investee\ to\ suppliers$

Note that based on the abovementioned formula,we are also considering the portion which is not purchased by the investee, but in many cases, our investees provide technical assistance, those inisights are applied to all the hectares owened by smallholders, not only the ones purchaed by our investees, therefore, by producing more than standard, that excedent could be used to sell to other companies, representing an extra soruce of income.

30 1 kg of sawdust generates 1.93 kWh (source: https://ijsea.com/archive/volume10/issue2/IJSEA10021002.pdf) and for oil palm wastes such as fibrer(5.23kwh per kg) and shells(4.88kwh per kg) i (source: https://publicaciones.fedepalma.org/index.php/palmas/article/view/13997)

31 Carbon stock: Carbon stock has been refined this year under three characteristics: 1) type of crop, 2) age, and 3) tree sequestration (above the ground & below the ground).

Estimation of Trees:

Above the ground: For this case, we used this model from the following journal to identify the carbon storage potential of trees per hectare. This study was conducted in the Victoria region of Australia, and we estimated it in another parallel study carried out in the same region, where tree density could vary. For this study, 500 trees per hectare were considered (https://www.agriculture.gov.au/sites/default/files/sitecollectiondocuments/rfa/regions/vic-west/regional-assessment/volume-1/vic-west-rfa-cra-report-vol-1.pdf). Additionally, this model provides the result in tons of carbon (source: https://esajournals.onlinelibrary.wiley.com/doi/10.1890/ES14-00051.1), so the obtained amount is multiplied by 44/12 to estimate the absorbed CO_2 . Finally, this value is divided by the 500 trees, allowing us to estimate the potential for carbon sequestration and CO_2 storage of a tree depending on its age.

$$AGB = 620\ x\ (1 - \exp\ (-0.00065x\ A))^{0.75}$$

- AGB: Tc per-Ha

- A= Age of trees.

Below the ground: For this case, we estimated a relationship between the carbon storage capacity in 'above the ground.' In this instance, based on studies, we have estimated this storage as two related variables. For this case, the same process is carried out to convert carbon into carbon dioxide (source: https://cdnsciencepub.com/doi/10.1139/cjfr-2013-0446)

$$BGB = 3.2549 * AGB^{0.4008}$$

- BGB: Tc per Ha.
- Carbon stock from trees =BGB+BGA

Palm trees for oil production: In this case, given that palm trees have a useful life of up to 30 years, since their height can affect the way the product is harvested, these trees need to be replaced with new ones. This requires a different type of modeling, more of a parabolic type. Under this approach, a journal managed to model the accumulated carbon in these plantations. The study was conducted on hectares with tree densities of 150 per hectare (source: https://onlinelibrary.wiley.com/doi/abs/10.1111/sjtg.12100)

$$Cs = -0.1039(A)^2 + 3.7750\,(A)$$

Cs: Carbon stock including (AGB & BGB)
A: age of plantation.

32 The carbon sequestration for trees is calculated as follows :

$$\text{Carbon sequestration}_t = \text{Carbon Stock}_t + \text{Carbon Stock}_{t-1}$$

We added the CO_2 sequestration calculated for 3 portfolio companies that contribute to this indicator due to their regenerative agriculture practices; for these cases we applied a ratio of 5.5 tons of CO_2 per planted ha (source: https://link.springer.com/article/10.1023/b:agfo.0000029005.92691.79)

34 We applied a ratio of 0,01053 Kg CO_2 /Kwh for this calculation based on the following source (https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2022), additionally, to calculate the specific CO_2emissions of producing saw dust. According to Chile´s energy matrix (source: https://obtienearchivo.bcn.cl/obtienearchivo?id=repositorio/10221/32492/1/BCN_Matriz_energetica_electrica_en_Chile.pdf) , the substitute energy source for saw dust is coal. The equivalent amount of coal for producing the same energy out of waste is calculated by applying a ratio of 0,51 kg de coal/kwh (source:https://www.eia.gov/tools/faqs/faq.php?id=667&t=6#:~:text=Coal%E2%80%931.12%20pounds%2FkWh,Petroleum%20liquids%E2%80%930.08%20gallons%2FkWh) ; then we calculated the amount of CO_2 emissions of that equivalent coal based on a ratio of 2,270 kg of CO_2 per tons of coal (source: https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2022) The net tons of CO_2 avoided is calculated based on the difference between coal and saw dust emissions

35 This indicator takes into account not only their own plantations but also the total plantations of the suppliers our companies work with, as smallholders are motivated to maintain specific plantations based on what companies are willing to pay for them.

36 Regenerative Agriculture: Refers to refers to the act of taking a land with poor life sources or degradation and with the help of organic materials, to regenerate / preserve an ecosystem. By these types of techniques various outcomes can be achieved: Provide climate control, have more nutrients from leaf litter, attract pollinators, have weed and erosion control, fix nitrogen in soil etc.

37 According to the literature, artisanal miners can release in average 2.6g of mercury per gram of gold produced (source: https://link.springer.com/article/10.1007/s40831-021-00394-8)