

Periodic disclosure for the financial products referred to in Article 9, paragraphs 1 to 4a, of Regulation (EU) 2019/2088 and Article 5, first paragraph, of Regulation (EU) 2020/852

Product name: Junction Growth Investors Fund CommV

Legal entity identifier: n.a.

Sustainable Investment Objective

Periodic reporting for the reference period 01/01/2023 – 31/12/2023

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.

Did this financial product have a Sustainable Investment Objective?	
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To what extent was the Sustainable Investment Objective of this financial product met?

As described in the Fund's SFDR Pre-contractual Document (as available via our [website](#)), the Fund aims to make a minimum of 50% sustainable investments which are aligned with our internal Sustainable Investment Objective.

Sustainable investments are determined based on 4 evaluation criteria:

Criterion	Description	Attainment during reference period 01/01/2023 – 31/12/2023
Activity	<ol style="list-style-type: none"> Climate change mitigation Climate change adaptation 	During the reference period, all portfolio companies contributed to climate change mitigation goals, more specifically energy transition and resource efficiency.
Exclusions	<ol style="list-style-type: none"> EIF Guidelines on Restricted Sectors EIF Paris Alignment Restrictions For restricted activities with high-intensive and/or high CO2-emitting industries: activities eligible under <ol style="list-style-type: none"> EU Taxonomy or EIF's Climate Action & Environmental Sustainability Objectives (CA&ES) 	<ol style="list-style-type: none"> During the reference period, no portfolio companies performed activities as described in EIF's Restricted Sectors During the reference period, no portfolio companies performed activities as described in EIF's Paris Alignment Restrictions <ol style="list-style-type: none"> During the reference period, all portfolio companies performed at least one activity that is included in the EU Taxonomy Technical Screening Criteria During the reference period, all portfolio companies performed at least one activity that is included in EIF's CA&ES <p><i>For the calculation of the attainment of the Fund's Sustainable Investment Objective, the share of revenues, capex or capround that is not eligible under the EU Taxonomy Technical Screening Criteria ("TSC") and/or EIF's CA&ES is deemed "not sustainable" under the Fund's Sustainable Investment Objective.</i></p>
Do no significant harm	Screening against Do No Significant Harm ("DNSH") principles within the EU Taxonomy	To the best of our knowledge, no red flags on DNSH principles have been identified at or reported by portfolio companies during the reference period.
Good governance	Screening against good governance practices, looking into sound management structures, employee relations, remuneration of staff and tax compliancy	To the best of our knowledge, no red flags on good governance practices have been identified at or reported by the portfolio companies during the reference period.

Today, the Fund does not formally align with the EU Taxonomy, due to the current lack of effective data, and a specific FSMA recommendation¹. Throughout the life of the Fund, when data from portfolio companies becomes more readily available, we aim to informally report on the EU Taxonomy alignment of our portfolio.

¹ See FSMA_2023_01 van 24/01/2023 - Q&A's over de inwerkingtreding van de Gedelegeerde Verordening (EU) 2022/1288 van de Commissie van 6 april 2022 tot aanvulling van de SFDR-verordening met technische reguleringsnormen inzake activabeheer (https://www.fsma.be/sites/default/files/media/files/2023-01/fsma_2023_01_nl.pdf or https://www.fsma.be/sites/default/files/media/files/2023-01/fsma_2023_01_fr.pdf).

Sustainability indicators measure how the sustainable objectives of this financial product are attained.

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

The Fund realised 68% attainment of its Sustainable Investment Objective during the reference period from 01/01/2023 until 31/12/2023. Please note that Junction’s reporting is based on a strict reading of the EU Taxonomy (version commission delegated regulation (EU) 2021/2139 of 4 June 2021), as the Fund labels revenues that are not eligible under the EU Taxonomy’s Technical Screening Criteria “not sustainable”, even if the company as a whole contributes to climate change mitigation and adaptation goals.

		Sustainable Investment Objective score - 2023
Portco	Investment date	Weighted score
Haulogy	15/12/2022	2%
Hysopt	10/11/2022	19%
Eternity	11/08/2023	10%
EET	28/06/2023	15%
Ampacimon	31/08/2023	22%
Total score		68%

Please note that Ampacimon’s actual eligibility under the EU Taxonomy’s Technical Screening Criteria could be higher than reported. Ampacimon’s hardware and software solutions enable transmission grid operators to increase grid capacity with 30% without costly infrastructure investments. The Fund’s present strict reading of the EU Taxonomy relates to the question whether “manufacturing of DLR sensors” is included in (or excluded from) the definition of “construction/installation” as formulated in EU Taxonomy article 4.9 “Transmission and distribution of electricity” under Technical Screening Criteria 2.(d) and (e). We presently concluded that “manufacturing” is excluded from “construction/installation”. We will continue to track the EU Taxonomy’s Technical Screening Criteria updates, and eventually adapt reported eligibility accordingly.

Furthermore, as described in the Fund’s SFDR Pre-contractual Document (as available via our [website](#)), the Fund intends to work closely with management teams of investee companies to define and select feasible pathways to the Green Deal GHG targets in 2030 and 2050, obviously within the limits of the governance framework between shareholders, board and management. All investments will have to demonstrate a long-term carbon reduction plan.

Based on these board-approved plans, the Fund sets individual targets on a bespoke basis. These KPI’s are related to ESG Management and Sustainability Impact and are monitored on an annual basis.

In 2023, KPI’s have been set for Haulogy and Hysopt. Other portfolio companies are developing carbon reduction plans and KPI’s throughout 2024.

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.

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

Compared to 31/12/2022, the Fund has increased its share of sustainable investments (according to its Sustainable Investment Objective) from 55% to 68%. This increase is mainly driven by 3 new investments in 2023 (Ampacimon, Eternity and EET).

● **How did the sustainable investments not cause significant harm to any Sustainable Investment Objective?**

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

As a responsible investor, the Fund considers principal adverse impacts (PAI’s) of its investment decisions on sustainability factors. The result of this analysis can be found as an annex to our

annual report and states that Scope 123 GHG emissions related to investments made by the Fund are 289t CO₂ in 2023.

Given the Fund's aim to "enable net-zero", we believe that economic activities from investee companies that negatively impact aspects of the environment or society, undermine our ability to meet the needs of our beneficiaries, both in terms of financial value, and in terms of sustainability risks caused by climate change. Our investment strategy aims to minimise principle adverse impacts throughout the investment process and correct signs of adverse impact in our portfolio, where feasible.

Through active ownership, and within the limits of the governance framework between shareholders, board and management, the Fund engages with investee companies to identify and measure principal adverse impacts on sustainability factors. We seek to engage with all our companies on a continual basis and set targets to demonstrate measurable improvement in the reduction of identifiable adverse impacts through carbon reduction plans.

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

As described above, the Fund assesses the mandatory governance matrix as part of the PAI's, which include OECD metrics, through the due diligence process prior to investment and through continuous monitoring of investee companies (active ownership). The result of this analysis can be found as an annex to our annual report and states that, to the best of our knowledge, none (0%) of our portfolio companies has been involved in violations of the UNGC principles or OECD Guidelines for Multinational enterprises.



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

As described above, the Fund reports on all mandatory indicators related to principal adverse impacts on sustainability factors as set out in Table 1 of Annex I of the Regulatory Technical Standards of SFDR.

In addition to the mandatory set of fourteen PAI indicators, the Fund also selected the following additional indicator related to principal adverse impacts on a climate or other environment related sustainability factor that qualifies as principal as set out in Table 2 of Annex I of the Regulatory Technical Standards: Investments in companies without carbon emission reduction initiatives.

Further to this, we also selected one additional PAI indicator related to social, employee, human rights, anti-corruption or anti-bribery sustainability factor that qualifies as principal as set out in Table 3 of Annex I: Lack of anti-corruption and anti-bribery policies.

The list includes the investments constituting the greatest proportion of investments of the financial product during the reference period which is: **1/01/2023 - 31/12/2023**



What were the top investments of this financial product?

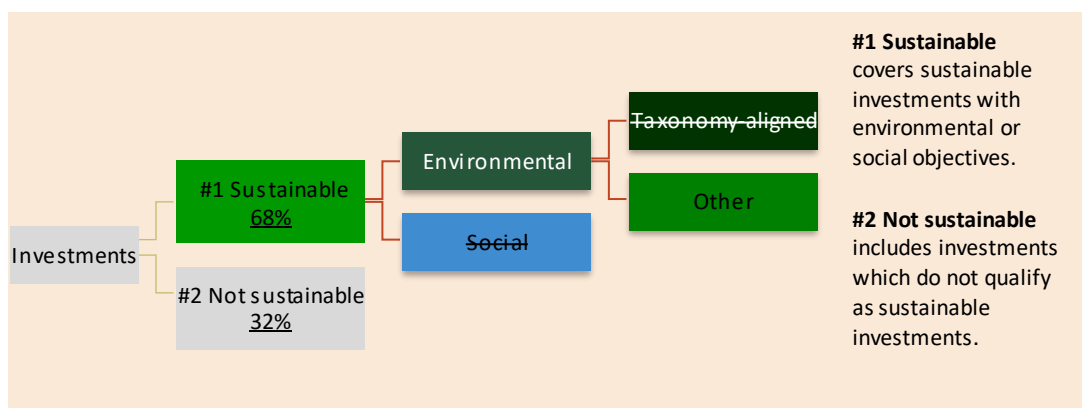
Largest investments	Sector	% Assets	Country
Ampacimon	Grid Enhancing Technologies	37%	Belgium
Hysopt	HVAC Optimization	19%	Belgium
Haulogy	Grid Enhancing Technologies & New Market Models	19%	Belgium
EET	Home Energy Management	15%	Austria

Asset allocation
describes the share
of investments in
specific assets.



What was the proportion of sustainability-related investments?

What was the asset allocation?



The Fund realised 68% attainment of its Sustainable Investment Objective during the reference period from 01/01/2023 until 31/12/2023. Please note that Junction's reporting is based on a strict reading of the EU Taxonomy (version commission delegated regulation (EU) 2021/2139 of 4 June 2021), therefore the Fund labels 32% of the revenues (which are not clearly eligible under the EU Taxonomy's Technical Screening Criteria) "not sustainable", even though all portfolio companies contribute to climate change mitigation and adaptation goals.

In which economic sectors were the investments made?

As described above, the Fund only invested in companies that are active in the energy transition and resource efficiency sectors. In 2023, the Fund portfolio consisted of companies active in (1) Grid Enhancing Technologies, (2) HVAC Optimization, (3) New Market Models, (4) Home Energy Management and (5) Smart Installers sub-sectors.

No investments were made in sectors that derive revenues from exploration, mining, extraction, production, processing, storage, refining or distribution, including transportation, storage and trade, of fossil fuels as defined in Article 2, point (62), of Regulation (EU) 2018/1999 of the European Parliament and of the Council.



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

The Fund aims to accelerate the emissions-reduction pathway by financing the technologies that reduce GHG emissions as well as the technologies that minimise the negative impacts of global warming. However, the Fund doesn't have as an objective to make EU Taxonomy aligned investments, given that (i) the methodology and data availability on reporting under the EU Taxonomy continues to develop, and (ii) the Belgian Financial

Services and Markets Authority (FSMA) currently prohibits any Belgian-based fund to state that investments qualify as sustainable under the EU Taxonomy¹.

● **Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy²?**

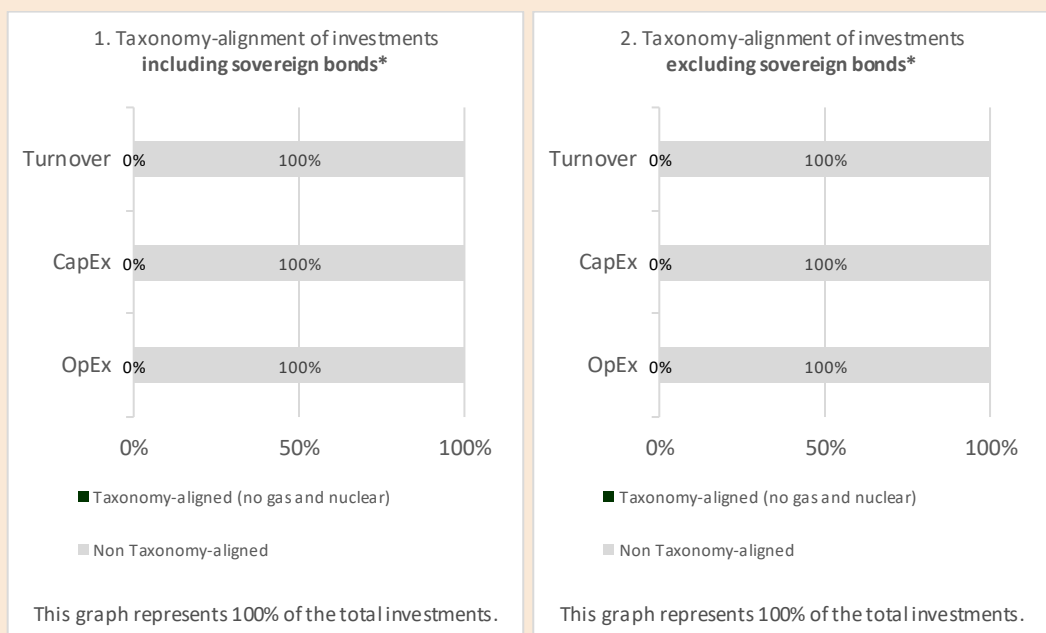
Enabling activities directly enable other activities to make a substantial contribution to an environmental objective

Transitional activities are economic activities for which low-carbon alternatives are not yet available and that have greenhouse gas emission levels corresponding to the best performance.

(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.

☐ Yes:
☐ In fossil gas ☐ In nuclear energy
☒ No

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.*



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

The Fund does not formally align with the EU Taxonomy, due to the current lack of effective data, and due to a specific FSMA recommendation applicable to all Belgian funds prohibiting reporting in which formal Taxonomy alignment is used¹.

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

As previously mentioned, the Fund does not formally align with the EU Taxonomy, due to the current lack of effective data, and a specific FSMA recommendation¹. Thus, no distinction between transitional and enabling activities is made.

² 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 no significant harm to 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.

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

The Fund does not formally align with the EU Taxonomy, no comparison of EU Taxonomy alignment versus previous reference periods can thus be made.



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

The Fund does not formally align with the EU Taxonomy, as a result, 100% of investments are not aligned with the EU Taxonomy.



What investments were included under “not sustainable”, what was their purpose and were there any minimum environmental or social safeguards?

The Fund realised 68% attainment of its Sustainable Investment Objective during the reference period from 01/01/2023 until 31/12/2023.

Junction’s reporting is based on a strict reading of the EU Taxonomy, as a result, revenues that are not clearly eligible under the EU Taxonomy’s Technical Screening Criteria or CA&ES are labelled “not sustainable”. In the reference period 01/01/2023 until 31/12/2023, 32% of the revenues are “not sustainable”, even though all portfolio companies contribute to climate change mitigation and adaptation goals.

More specifically, at 2 out of 5 portfolio companies, revenues are currently judged not to be 100% eligible under the EU Taxonomy, based on our strict reading of the EU Taxonomy, as outlined in the table below. The remaining 3 portfolio companies are judged 100% EU Taxonomy and CA&ES eligible.

Portco	Share portfolio	Sustainable Investment Objective 2023	
		Weighted score	Reasoning “non sustainable” revenues
Haulogy	19%	2%	<p>In line with our ESG policy, Junction invests in companies that either already have a strong score on ESG indicators, or have the potential to create a large ‘delta’. Haulogy can be categorized as a company that has the potential to create a large delta on ESG indicators during the investment period.</p> <p>Haulogy’s current core business (billing software for DSO’s) is not deemed Taxonomy eligible. However, Haulogy acquired Blacklight Analytics (intelligent software solutions for energy systems), representing 11% of revenues during the reporting period (vs. 9% LY). Revenues from Blacklight Analytics’ solutions are fully eligible under the EU Taxonomy Technical Screening Criteria and are expected to grow during the investment period.</p> <p>Junction monitors principal adverse impacts at Haulogy in order to identify if any minimum environmental or social safeguards should be implemented.</p>
Ampacimon	37%	22%	<p>For Ampacimon, actual eligibility under the EU Taxonomy’s Technical Screening Criteria could be higher than reported. The Fund’s present strict interpretation of the EU Taxonomy’s Technical Screening Criteria relates to the question whether “manufacturing of DLR sensors” is included in (or excluded from) the definition of “construction/installation” as formulated in EU Taxonomy article 4.9 “Transmission and</p>

			<p>distribution of electricity” under Technical Screening Criteria 2.(d) and (e). We presently concluded that “manufacturing” is excluded from “construction/installation”.</p> <p>Junction monitors principal adverse impacts at Ampacimon in order to identify if any minimum environmental or social safeguards should be implemented.</p>
Cash	0%	0%	<p>Although the Fund intends to invest all assets towards its investment strategy, it may from time-to-time hold cash or other ancillary liquid and cash-like instruments, for cash management and investment purposes. Per 31/12/2023, the fund held 8.801 EUR cash.</p> <p>Given the purpose of cash and cash-like instruments, the Fund does not monitor for environmental or social safeguards unless it becomes necessary.</p>



What actions have been taken to attain the Sustainable Investment Objective during the reference period?

As part of the Fund’s active management, we assist our investee companies to set, meet and, where possible, exceed portfolio company specific ESG objectives and set clear reporting expectations. Key actions are integrated in the Fund’s daily activities and include:

1. Continuous monitoring and implementation of the Fund’s bespoke Assessment and Scoring Methodology (from initial target identification until exit) with regards to the attainment of the Sustainable Investment Objective
2. Work side-by-side with management teams of investee companies, support them with methodologies, such that the management teams of investee companies define and select feasible pathways to the Green Deal GHG targets in 2030, translate them into short term action plans and set individual targets (ESG maturity & Sustainability impact KPI’s). The Fund provides support by offering: proposed approaches, lists of ESG consultants or tools, templates and (if necessary) operational support or advice
3. The Fund puts the development, approval, and execution of such plans and individual targets on the agenda of each investee company’s Board of Directors and takes an active approach to ensure there is no significant harm caused to any environmental or social Sustainable Investment Objective
4. The Fund presents portfolio company’s action plans, individual targets and progress to its Impact & ESG Committee