



2024

SUSTAINABILITY REPORT

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ABOUT THIS REPORT

Welcome to the 2024 Sustainability Report of Fasanara Capital Ltd (“Fasanara”), a comprehensive overview of our ongoing efforts to embed sustainability throughout Fasanara’s operations and investment strategies. This document reflects our commitment to have a positive sustainable impact where we can.

At Fasanara, we acknowledge the important role an asset manager has, to create meaningful value to our stakeholders and our surroundings. Our strategic focus centres on advancing our efforts on having positive environmental and social impact where we can. We recognise these sustainability themes have emerged as top priorities, reflecting their global significance and their direct impact on bolstering business resilience.

While we have made significant progress in both areas, we acknowledge that there is always room for further improvement. We invite you to delve into the progress we have achieved throughout 2024 and explore the areas where we are committed to enhancing our sustainability initiatives in the future. Your insights and engagement are crucial as we continue to navigate the evolving landscape of responsible investing and sustainable practices.



02. MESSAGE FROM THE CEO



Fasanara is committed to integrating environmental, social and governance (ESG) considerations into its investment and business decisions, aiming to create meaningful value for all stakeholders and support the long-term sustainability of our investments.

As we reflect on the past year, I am proud to share Fasanara Capital's continued efforts to promote sustainability and responsible investment. Our mission to support Small and Medium Enterprises (SMEs) through innovative fintech solutions remains at the forefront of our strategy, aligning closely with the United Nations' 2030 Sustainable Development Goals (SDGs), particularly in promoting financial inclusion, gender equality, and climate action.

In 2024, we intensified our efforts to bridge the substantial global funding gap, estimated at \$1 trillion, by directing capital towards essential segments of the real economy in sustainable ways, by financially supporting small-to-medium enterprises (SMEs).

Our commitment to responsible investing is outlined in Fasanara's publicly available Responsible Investment and ESG Policy, which delineates our philosophy on responsible investing and outlines our approach to integrating sustainability factors into both our investment processes and business operations.

Through the Fasanara Foundation: Second Chances, we pursued philanthropic initiatives aimed at providing long-term support to individuals and children from low-economic backgrounds and poor health conditions, with a focus on education, health, and biodiversity.

We recognise that our journey towards sustainability is ongoing. As we navigate an evolving landscape, we remain steadfast in our commitment to responsible investment, increasing our efforts to strengthen environmental and social commitments wherever possible.

FRANCESCO FILIA
Founder & CEO



03. KEY HIGHLIGHTS OF 2024

Over the past year, Fasanara has had the opportunity to host and take part in a number of insightful events, contributing to conversations around innovation and impact finance. We have also created dedicated teams for ESG and Impact to signal our commitment to integrating ESG into our business and our dedication to create a positive impact where possible.

CREATION OF A DEDICATED ESG TEAM

In 2024, Fasanara established a dedicated ESG team to strengthen the firm's commitment to ESG initiatives and further integrate these principles into our operations.

The team is led by Fasanara's Chief Operating Officer (COO), who also serves as the Head of Impact and ESG. She guides a team with a strong background in ESG practices where they focus in advancing our firm-wide ESG efforts.

CREATION OF A DEDICATED IMPACT TEAM

In 2024, Fasanara furthered its commitment to sustainable and responsible investing by setting up a dedicated Impact team to support its impact arm. The team plays an important role in aligning the firm's investment approach with its broader environmental, social, and governance (ESG) policies*.

Led by Fasanara's Chief Operating Officer (COO), who also serves as Head of Impact and ESG, the team focuses on capital raising for Fasanara's impact-related products. With this initiative, Fasanara continues to strengthen its presence in impact investing, demonstrating its commitment to developing solutions that support a more sustainable future.



ELISA BIANCHI
COO, Head of ESG



NADIAH ARIF
ESG Analyst



CRAIG DOYLE
Sales Analyst

*Please see our ESG policies in our Responsible Investment and ESG policy [here](#).



03. KEY HIGHLIGHTS OF 2024

Fasanara is proud to have Anita Bhatia on our Advisory Board to support the Impact and ESG team. In May 2023, Ms. Bhatia joined Fasanara’s Advisory Board, bringing a wealth of experience from her role as Assistant Secretary General and Deputy Executive Director at UN Women, the flagship entity in the United Nations system charged with advancing gender equality and women’s empowerment globally. In that role, she led external stakeholder relations with both public and private sector partners, fundraising, communications, strategy planning, as well as finance and HR.



ANITA BHATIA
Senior Board Advisory
Member



EMPOWERING WOMEN ENTREPRENEURS WEBINAR

In September 2024, we hosted a webinar focused on Empowering Women Entrepreneurs. We had incredible speakers, Charlotte Keenan (Goldman Sachs), Yakhara Ngally-Sembene (International Finance Corporation, IFC), and Sarah Ranchev-Hale (Imperial Enterprise Lab, Imperial College London).

The webinar was moderated by our ESG Analyst, Nadiah Arif. The panel spoke on the funding landscape for women entrepreneurs, including the opportunities and challenges that women entrepreneurs face compared to their male counterparts, ending with the future outlook on funding support to women.

This webinar underscores Fasanara’s efforts to empower women, both in the firm and externally.



04. FASANARA'S IMPACT

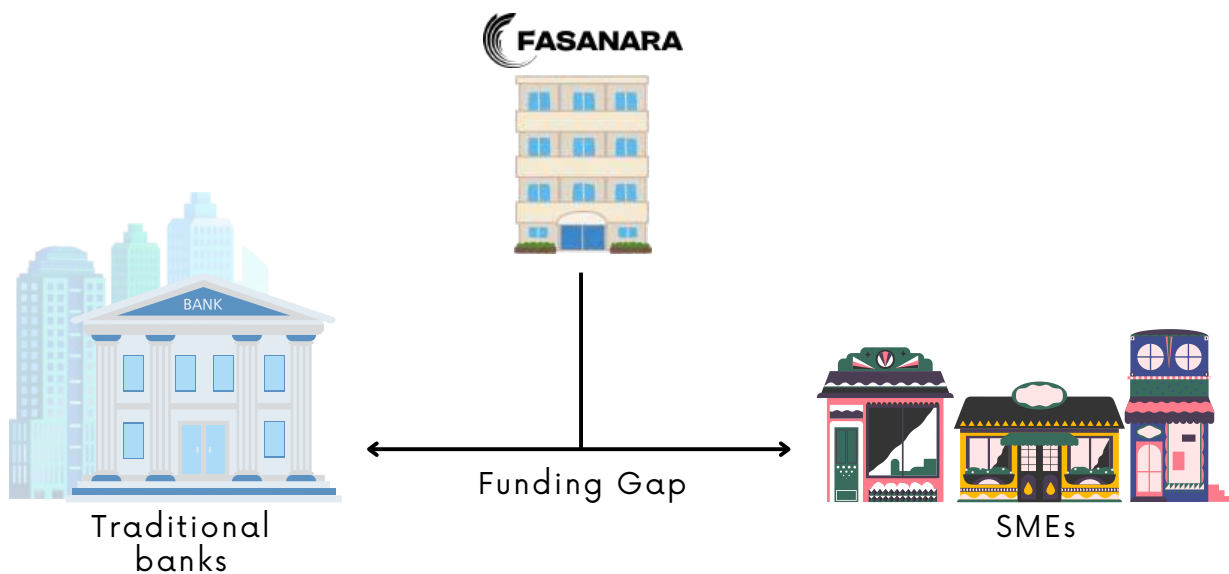
Fasanara's alternative credit strategy leverages financing tools such as supplier-led invoice financing, small-and-medium enterprise ("SME") loans, and revenue advances to help bolster the economic well-being of hundreds of thousands of SMEs annually. These businesses often face challenges in accessing traditional banking services.

SMEs, being crucial contributors to global gross domestic product, widespread employment, and economic stability. However, market inefficiencies and regulatory requirements have resulted in a substantial global SME funding gap estimated at \$1 trillion (as of 2019).

A key mission at Fasanara is to help close the funding gap by directing capital towards investment opportunity that conform to the sustainability criteria laid out in our Responsible Investment and ESG Policy.

This commitment aligns with the United Nations' 2030 Sustainable Development Goals (SDGs), particularly around financial inclusion, gender equality, and climate mitigation. Our approach to responsible investing is outlined in Fasanara's Responsible Investment and ESG Policy, which details how we integrate sustainability factors into both our investment processes and business operations.

The policy is publicly available [here](#).



04. FASANARA'S IMPACT

Fasanara operates across more than **60 countries**, reflecting its global reach and commitment to supporting SMEs in different regions. The firm's international presence enables it to partner with a wide network of businesses and investors, fostering inclusive access to capital and financing solutions. By working across different regions, Fasanara helps local SMEs and promote financial inclusion. This broad geographic footprint underscores Fasanara's aim to delivering innovative investment solutions that aim to create positive social and economic impact on a global scale.

\$4.5B

assets under management

Managing capital on behalf of institutional investors in Europe and North America

2011

year founded

13 year track record of delivering returns for our investors

110+

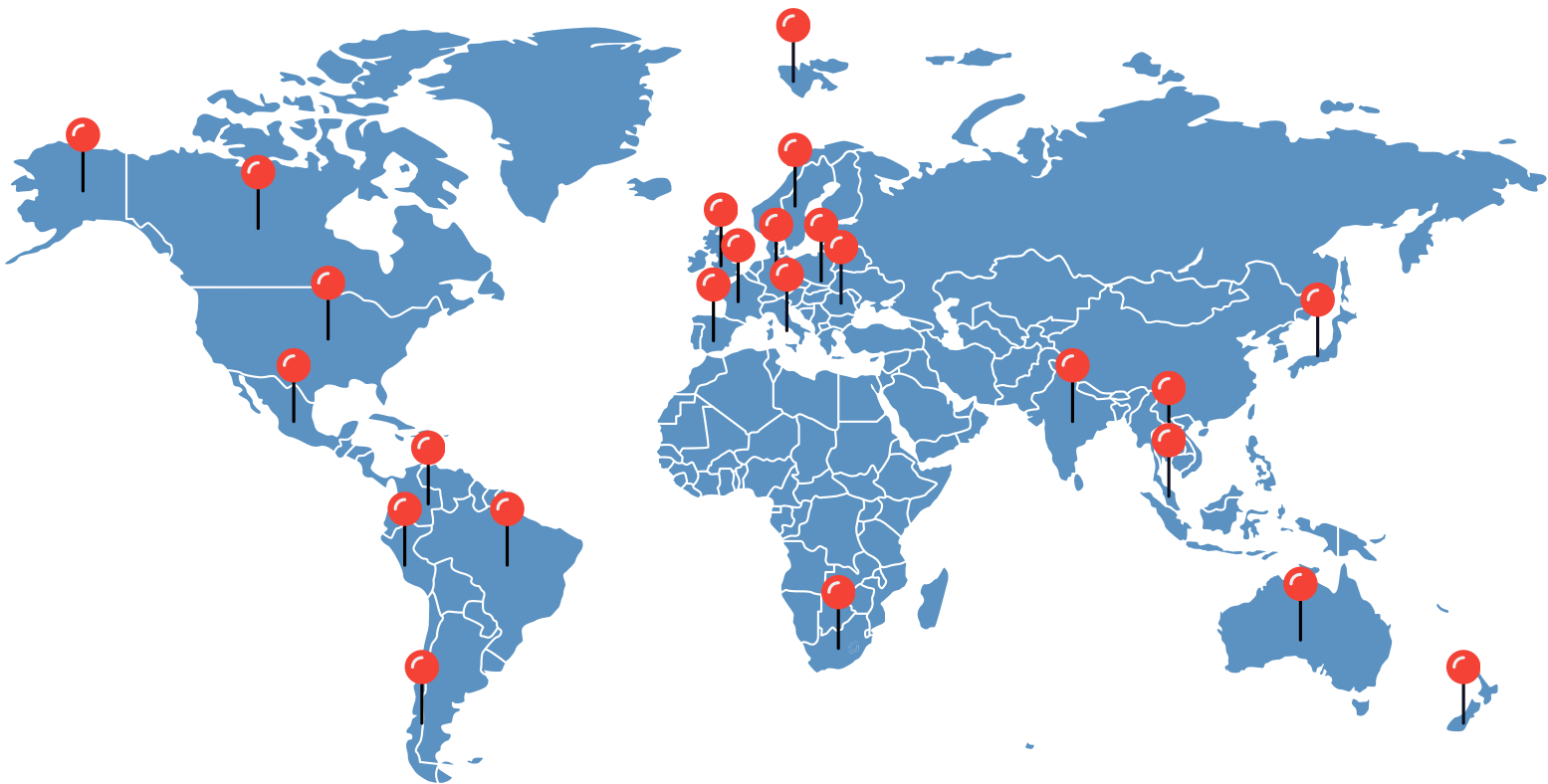
team members

A diverse and global community of independent thinkers and innovators

\$85B

cumulative traded volumes

Fasanara continues to consolidate its position as one of the leaders in Fintech Lending



As of Q3 2024



04. FASANARA'S IMPACT

Total number of SMEs Fasanara supported*

102,027

Number of jobs we helped to create**

52,628

*As of 2024

**Values were estimated by adapting the methodology described in EIB Working Paper 'Making a Difference'. Note that the EIB methodology was originally designed to measure the impacts of public sector financing interventions which differ structurally from private financing efforts undertaken by Fasanara: specifically, the estimated "treatment effect" in the private context may capture firm-specific selection biases unaccounted for in the EIB model. Public vs private selection mechanisms, financing structures, and data constraints can all materially affect causal estimates of job creation.



04. FASANARA'S IMPACT

Our 2024 Carbon Footprint

SCOPE	DEFINITION	DETAILS	tCO ₂ e
Scope 1	Direct emissions from source owned and controlled by Fasanara	<ul style="list-style-type: none"> Refrigerants from A/C units in Fasanara's London office 	4.13
Scope 2	Indirect emissions from the consumption of purchased electricity and heat	<ul style="list-style-type: none"> Purchased electricity for Fasanara's London office Purchased heating for Fasanara's London office 	5.55
Scope 3	All other indirect emissions linked to the company	<ul style="list-style-type: none"> Purchased goods Waste generated in operations Business travel Employee commuting Financed emissions 	6,856.68

Data as of 2023 and 2024

TOTAL 6,866.36

Comparing our emissions



OUR GOAL TO ACHIEVE A LOW CARBON ECONOMY

Fasanara recognises that its activities have an impact on the environment and its policy is to limit this impact as much as possible. Fasanara seeks to run a business that is environmentally responsible, energy efficient, carbon neutral and makes its best effort to achieve continuous improvements.

Fasanara recognises that its key environmental impacts are:

- emission of greenhouse gases;
- generation of waste; and
- use of energy, water and manufactured products.



05

OUR ESG APPROACH

Fasanara integrates Environmental, Social, and Governance (ESG) considerations into its investment analysis and decision-making processes, reflecting its aim to achieve responsible investing.

As part of this approach, the firm applies negative screening (exclusions) to filter out investments that conflict with its core values and ethical standards. This process involves excluding companies or sectors that are associated with activities such as controversial weapons, tobacco production, or human rights violations.

By embedding ESG factors into its investment framework, Fasanara aims to align its portfolios with sustainable principles, mitigate risks, and promote long-term value creation for both clients and society.

This disciplined approach helps ensure that the firm's investments contribute to a more responsible and sustainable global economy.

Please see more on our website [here](#).



06. ENVIRONMENTAL ACTIONS

Fasanara believes that by joining forces with other asset managers and asset owners across the globe and by combining their influence over the systemically most important players, mainly governments and big corporations, it can more effectively help drive the desired changes, foremost a low-carbon transition and combatting social and economic injustices.

Signatory of:



The **UN Principles for Responsible Investment (UN PRI)** is a framework to help investors incorporate Environmental, Social, and Governance (ESG) factors into their investment decisions. Established in 2006, it provides six principles that guide signatories in making responsible investment choices. These principles include integrating ESG issues into analysis, being active owners, encouraging disclosure on ESG matters, promoting responsible investment within the industry, collaborating for better implementation, and reporting on progress.

By signing the UN PRI, investors like Fasanara Capital commit to sustainable and ethical practices, aiming to create long-term value while addressing global challenges like climate change and social inequality. It also fosters collaboration and transparency among investors to improve ESG practices.



The **Task Force on Climate-Related Financial Disclosures (TCFD)** framework aligns with Fasanara's belief that climate change is a key issue affecting long-term financial performance. By adopting it, Fasanara incorporates climate-related risks and opportunities into investment and risk management strategies, enhancing transparency and resilience. This approach helps us proactively address the financial impact of climate change and supports our commitment to a sustainable, low-carbon economy.



06. ENVIRONMENTAL ACTIONS



Fasanara is proud to be among the 534 financial institutions managing US\$29 Trillion* in assets that have signed the 2024 Global Investor Statement to Governments on the Climate Crisis, part of **The Investor Agenda**. This statement urges governments worldwide to implement strong, effective policies that will accelerate the flow of private capital necessary for a climate-resilient, nature-positive, and just transition to net zero. By joining this collective effort, Fasanara reaffirms its commitment to supporting global climate goals and advocating for policies that enable the transition to a more sustainable future.

*See more information [here](#).



In April 2021, Fasanara became a signatory to **Climate Action 100+**, a global initiative led by investors to ensure the world's largest corporate greenhouse gas (GHG) emitters take meaningful action on climate change. Fasanara joins over 600 investors** in driving corporate accountability for climate-related risks.

In 2024, Fasanara continued its collaboration with fellow investors to engage with American Airlines Group on their climate strategy, working towards stronger sustainability practices and helping to shape the company's long-term climate goals.

**See more information [here](#).



06. ENVIRONMENTAL ACTIONS

CASE STUDY: SFDR ARTICLE 8 FUND PERIODIC DISCLOSURE

Classification of one of our funds as Article 8 SFDR (EU Reg. 2019/2088) i.e., a fund that “promotes among other characteristics environmental or social characteristics or a combination of those characteristics provided that the companies in which the investments are made follow good governance practices”.

The 5% asset allocation outlined in the pre-contractual disclosure was consistently adhered to by the fund throughout 2024. The fund actively promotes climate change mitigation and the transition to the circular economy by orienting the portfolio towards investee companies in sectors that are recognised by the EU Taxonomy Regulation.

Specifically, these sectors promote the environmental objective of climate change mitigation (as listed in EU Delegated Regulation 2021/2139) or the transition to a circular economy (as set out in the Annex to the Platform on Sustainable Finance's report) to the extent available. In addition, the fund enforces an exclusion policy, avoiding investments in companies engaged in oil drilling, fracking, petroleum and natural gas extraction, and landfills.

Fasanara evaluates ESG issues within its broader investment decision-making framework. This involves analysing individual line-items in the portfolio against several SDGs, including SDG 1, 2, 3, 4, 6, 7, 9, 11, 12, 13, 14, and 15, using the Sustainable Development Investments Taxonomy. Additionally, Fasanara monitors SDG 5 by applying a binomial test to assess the investee company's commitment to "Gender equality" in senior management.

ESG criteria are systematically integrated into Fasanara's due diligence processes, with findings documented in due diligence reports, and potential concerns flagged for the consideration of the Risk Committee. Investments in the portfolio undergo various degrees of ongoing ESG monitoring with the assistance of external ESG data providers such as RepRisk.

These providers regularly screen investee companies for controversial events related to ESG risks ensuring compliance with the principle of “Do No Significant Harm” and minimum safeguards. The sustainability indicators used to measure the attainment of each of the environmental or social characteristics promoted by this fund as of 31 December 2024 are as follows:

- To our best knowledge, 0 investments in the portfolio breached the applicable exclusion policy. 0 companies in the portfolio violated the ILO standards, UNGPs, UNGC or OECD Guidelines for Multinational Enterprises.
- 5.72% of the portfolio had exposure to economic activities promoting the transition to circular economy, based on number of investments.
- 3.76% of the portfolio had exposure to economic activities promoting climate change mitigation, based on number of investments.
- 7.77% of the portfolio promoted gender diversity in senior management according to a binomial test applied to gender distribution data, based on number of investments.





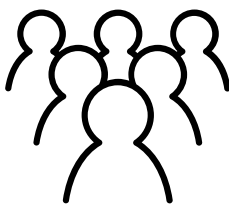
07

DIVERSITY & INCLUSION

We believe that companies with higher diversity levels prosper over the long term. As a result, we actively encourage greater diversity at all levels. At the portfolio level, we pay close attention to board gender diversity. On each fund exposure, senior management gender diversity is monitored using data obtained directly from investee companies.

With our originators, we look at policies, reporting, and transparency around gender equality, especially in leadership, and encourage progress in these areas. We're always open to discussions with our partners on D&I challenges and potential solutions.

Within our own team, we strive to create a workplace built on respect, trust, and equal opportunities for all. We believe that diverse perspectives enhance decision-making, foster innovation, and create a more engaging and supportive environment where everyone can thrive.



In 2024, Fasanara's employee male/female ratio is 67%-33%. In 2018, Fasanara had a 95% male, white Caucasian workforce. The senior managers at the time decided to put in place targets to increase diversity across the whole organisation.

In July 2022, Fasanara signed and adopted the **Women Empowerment Principles (WEPs)** joining a network of five thousand business leaders. The WEPs are a set of principles jointly established by UN Global Impact and UN Women that encourage businesses to advance the progress of gender equality and women's empowerment in the workplace, marketplace, and the whole community.

In support of

WOMEN'S EMPOWERMENT PRINCIPLES

Established by UN Women and the UN Global Compact Office



07. DIVERSITY AND INCLUSION



In February 2024, Fasanara became an accredited **Living Wage Employer** joining the movement of over 14,000 responsible employers across the UK who voluntarily commit to go further than the government minimum to make sure all their staff earn enough to live on.

At Fasanara we support diversity by:

- Hiring inclusively, selecting employees based on objective, job-related criteria and distinct skills.
- Fostering growth, providing a fair and supportive work environment where everyone can develop.
- Continuously improving, regularly reviewing and refining our HR practices and policies.
- Encouraging innovation, leveraging diverse perspectives as a source of creativity and inspiration.
- Breaking barriers, identifying and removing obstacles to diversity and inclusion.
- Promoting awareness, ensuring our diversity values are communicated and embraced across the company.



Fasanara aims to ensure proper labour and working conditions, to safeguard the health and safety of its employees and to promote the social development of the communities in which it operates.

Fasanara aims to create a harmonious working environment and to maintain the highest standards of integrity with everyone with whom it deals. Fasanara continues to encourage a culture that values meritocracy, openness, fairness and transparency. All the managers and employees are responsible for the promotion and advancement of this policy and any behaviour that transgresses this policy is not tolerated. These values apply to all Fasanara processes relating to employment, training, development, performance management and rewards.



07. DIVERSITY AND INCLUSION



FASANARA WOMEN'S EMPOWERMENT

ONE OF THE FIRST GLOBAL SME LENDING STRATEGIES FOR WOMEN

In the asset management industry, relatively little has been done to increase financing for women-owned small-medium enterprises (SMEs). Despite being a critical part of a healthy functioning society, women-led SMEs face substantial hurdles in access to the availability of funding.

To signal its goal to promote better diversity, Fasanara is introducing an initiative which aims to support and empower women-led SMEs. Fasanara can strategically invest in women-owned SMEs and SMEs with substantial female representation in their ownership or control structure.

Fasanara is well positioned to use its network of fintech lending platforms to achieve scale and impact. This initiative is dedicated to empowering women through finance by getting working capital into the hands of women-led SMEs.

"Empowering women-owned SMEs isn't just about gender equality; it's about strengthening the very backbone of our society. Together, we have the power to do it."

Fasanara demonstrates its commitment to the UN Sustainable Development Goals (SDGs) by signing the UN Women Empowerment Principles (WEP) and the UN Principles for Responsible Investment (UN PRI), while also promoting gender equality investments through Real Economy Impact.

Through the Women's Empowerment Initiative, Fasanara aims to support the achievement of UN SDG 5 (Target 5.5), which advocates for women's full and effective participation in leadership and decision-making across all sectors.

UN SDG 5.5 Alignment



08

GOVERNANCE & STEWARDSHIP

When it comes to corporate governance, we conform to best practices. In addition, we believe that we should always behave ethically and should monitor the ESG consequences of our own business operations, paying particular concern to our role in the wider community.

Among Fasanara's key governance objectives, our top priorities include:

- Fostering an inclusive and empowering workplace culture where diversity is celebrated, individual contributions are recognised, and all employees feel valued and respected.
- Improving gender balance across all levels of the organisation, with a focus on addressing disparities through targeted initiatives and corrective actions, particularly within executive management.
- Building trust and transparency with stakeholders by consistently delivering clear, accessible, and comprehensive information through regular, high-quality reporting that meets stakeholders' expectations and adds value to decision-making.

These objectives reflect Fasanara's goal to uphold the highest standards of corporate governance, creating a supportive work environment, and driving long-term, sustainable growth.

Engagement

Being an active investor, Fasanara considers engagement as a fundamental component of its investment process. Moreover, Fasanara sees engagement as a tool for long-term and active ownership.

As part of its approach, it takes an active interest in how its partner originators manage ESG issues and, on behalf of its clients, encourages and supports companies in the investment chain of the funds it manages to adhere to best practice standards for responsible business.

In certain cases, Fasanara will work with a partner originator to create bespoke ESG Key Performance Indicators ("KPIs") focused on climate change mitigation and gender equality and will link these to the cost of funding through mechanisms such as ESG ratchets.



09

FASANARA FOUNDATION: SECOND CHANCES*

At Fasanara we aim to support charities which contributes to the realisation of the United Nations' Sustainable Development Goals (UN SDGs). Our current charities are contributing to several UN SDGs, such as No Poverty, Zero Hunger, Good Health and Well-Being, Quality Education, and Climate Action. Our charities are supporting children and young people from underprivileged backgrounds by providing them with appropriate resources. The charities we support are also involved in preserving climate-vulnerable areas as well as developments in medical research and responses.

Our philanthropic philosophy underscores our social commitment, driving us to carefully select the effective charities. The ESG team conducts analyses on each proposed charity to make sure that our donations will be put to good use. This is done through meetings with charity representatives, ensuring trustworthiness and fidelity.

See more about Fasanara Foundation: Second Chances [here](#).



A photo from one of our charities, Stand By Me

*"Fasanara Foundation: Second Chances" is a brand name used to represent Fasanara's charitable initiatives. It is currently not a legally registered foundation, trust, or independent entity. All charitable activities under this name are solely funded by Fasanara's capital and managed internally. This initiative does not accept external donations and does not operate as a separate non-profit organisation.



09. FASANARA FOUNDATION



Eyes on The Future is a charity focused on the research and development of a cure for a rare retinal eye disease.

Fasanara's donation has contributed to a research project between the charity and the Centre for Hereditary Retinal Degenerations at the University of Pennsylvania. In 2024, the charity has signed another research project with University College London (UCL) and Moorfields Eye Hospital (MEH). The project consists in the screening of potential compounds that could be repurposed to slow down the progression of the sight loss. See more [here](#).

A.C.A.R.E.F is a charity which focuses on the research and development of a rare disease in relation to lack of muscle movement.



Fasanara's donation has contributed to the new hire of a PhD student, to accelerate the research projects and the continuous study of the pathology. Recently, the charity recruited 40 patients affected by SCA1 and SCA 2 from all over Italy which allowed their research team to study deeply and to understand more the functioning of the disease. See more [here](#).



Synchronicity Earth is focused on conserving areas that are at a high risk of climate change.

Fasanara's donation has contributed to the funds Synchronicity Earth has raised on behalf of their implementing and conservation partners in 34 countries. In 2024, the charity has several achievements, such as launching a report focusing on support for African conservation, introduction of Freshwater Fauna Assessment by a Programme they support, and additional onboarding of partners for their Asian Species Programme. See more [here](#).



09. FASANARA FOUNDATION

United Hatzalah is a charity focused on delivering medical responses to day-to-day emergencies in multiple regions across the world.



Fasanara's donation has contributed to the medical responses for vulnerable citizens. The charity has supported over 100,000 citizens from war-related injuries and trauma. Recently, the charity has been responding to the devastating Los Angeles fires by offering free 24/7 psych-trauma support to community members through a dedicated hotline. See more [here](#).



Stand by Me is a charity which is focused on supporting youth from vulnerable countries.



Fasanara's donation has contributed to building the High School Centre for children in Ethiopia, which is expected to open for high school students to use in March 2025. In 2024, the charity was able to keep 3,800 children safe, fed, provided healthcare, and accommodation across the world. For example, in Ethiopia, they are caring for over 1,000 children in two locations through their schools and home; in Kenya, they are caring over 330 children through their homes and school. See more [here](#).

Fasanara Charity Share Classes are designed to make a contribution out of the income generated through the funds. Fasanara as investment manager, will match such contribution. Fasanara offers Impact Share Class and Race-To-The-Top-Challenge Share Class.

Our model for giving back

- At the end of each year, investors in a charity share class donate a percentage of their returns to charities vetted by Fasanara.
- Fasanara commits to matching each investor's donation with the same percentage of its fees from the corresponding share class, thereby amplifying the impact of each contribution.
- Fasanara actively monitors and reports back to investors on how the donated funds are utilised by the charities.
- To further incentivise giving, we recognise the top 3 investors with the biggest contributions on our website annually.



LOOKING AHEAD

Fasanara Capital's 2025 ESG Plan reinforces the firm's dedication to integrating ESG principles into its business practices while contributing to a more sustainable and inclusive global economy.

1. ENVIRONMENTAL COMMITMENT

- Further measure the carbon footprint of the firm.
- Set interim targets on reducing carbon emissions.
- Increase internal efforts to educate and raise awareness for all employees on climate-related topics.

2. SOCIAL IMPACT

- Further promote Diversity, Equity, and Inclusion (DEI) through recruitment, training, and leadership development.
- Aim to increase gender composition of Fasanara employees.
- Further commit a total of £250k, to be distributed equally to our existing charities.
- Creation of DEI calendar to celebrate different ESG-related events.

3. GOVERNANCE & STRATEGY

- Conduct annual ESG materiality assessments to identify and prioritise key ESG issues.
- Enhance ESG governance by increasing stewardship and engagement efforts.
- Develop an ESG roadmap with short- and long-term goals aligned with the UN SDGs and Net Zero commitments.





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