



NICOYA  
SUSTAINABILITY  
REPORT  
2023



# We Are Nicoya

Nicoya is investing in a more sustainable food system, focusing on:

- Better-for-planet foods
- Better-for-you foods
- Novel technologies

Nicoya is an impact investor, investing in a more sustainable food system.

We are driven by our commitment to making a meaningful impact on people's lives, their health, and the planet. Nicoya is where emerging, revolutionary food concepts are crafted and developed before landing on consumers' plates. Together with passionate entrepreneurs, we are part of the force transforming global food systems.

At Nicoya, we turn ideas into reality. We draw upon our deep industry knowledge in FMCG, brand strategy, and finance to make informed consumer-driven investments in ambitious startups within the food industry.



We target scalable and commercially viable companies that are reimagining food production, meals and distribution. As active investors, we partner with startups early on in their journey and guide them through the complex industry landscape. We streamline startups' acceleration path by developing their product proposition and route-to-market strategy to deliver brand-driven growth.

At Nicoya, we are fueled by consumer behavior and data. Companies often forget that the consumer is the one in the driver's seat – not the other way around, a mistake that often results in product launches that fail to resonate with consumers. That is why consumer insights are always at the core of both our investment decisions and the acceleration journey of our portfolio companies.

We are Nicoya.  
Changing food for good.

**Page Content**

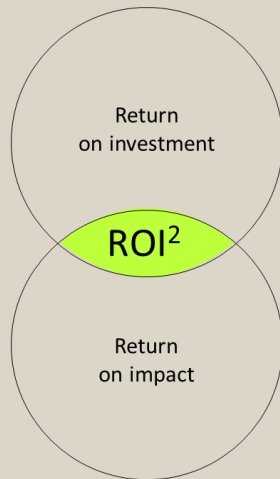
- 4. Sustainability at Nicoya
- 5. Why changing the food system
- 6. Our Approach
- 7. Nicoya's Investment Verticals
- 8. Findings from Sustainability Survey 2023
- 9. Climate: Reduce Environmental Footprint
- 10. Health: Reduce overweight, obesity and diabetes
- 11. Gender Balance
- 12. Governance: Review inline with SFDR
- 13-16. Portfolio Impact Stories
  - Vertical Harvest
  - Peas of Heaven
  - El Taco Truck
- 17. Portfolio contribution to the SDGs



# SUSTAINABILITY AT NICOYA

Being a business angel or venture capital investor is sometimes hard. You invest your money and then you must wait for your financial return. Then it can be comforting to know that meanwhile your money is working, they're also doing good. That's the beauty of being an impact investor.

We live in a world where terrifying news on the state of our planet and our communities is a constant. Amongst the root causes we find the food system. Nicoya was founded upon the wish of Changing Food for Good. It's our tagline and one we're very proud to base our efforts on. The food system is vast and to play to our strengths, where we can add the most value as investors, we've chosen to focus on consumer-centric innovations and technologies. We believe that consumers are the driving force behind the food system shift.



Driving impact without taxing on ROI

We evaluate every potential investment against a strict set of investment criteria, including sustainability. We look at ESG risks' eventual impact on potential investments as well as negative impact the investment may have on the planet. However, our main objective is to invest in companies that are inherently good and as such accelerate the food system transformation, reduce the impact of climate change, and promote healthy diets. We invest across three different investment verticals, each with its own set of impact drivers. Integrating sustainability into the companies' business and value creation models isn't only a lucrative thing to do as you enter a growing market or the right thing to do so you sleep well at night, it also makes the companies competitive and resilient over time.

For the second year we have conducted a sustainability review of our investments. We base this review on EU's Sustainable Finance Disclosure Regulation (SFDR). This regulation requires European investors with a sustainability focus to report on certain ESG factors. Nicoya doesn't fall under these regulations but some of our investors do which we report to, and it's a good framework to us as foundation complemented with some for us relevant impact metrics.

The review was conducted in a format of a self-assessment questionnaire. Although all companies in the portfolio received it, the ability to report on all parts of the review, such as carbon emissions and energy consumption, generally depends on the stage of maturity of the company or the expectations of stakeholders at large. It is our ambition to steadily increase the share of companies able to fully report on the review, starting with those making up a larger share of our portfolio. The data gathered from this review also lays the basis for our work as investors and objectives for the year ahead.

***“We invest in companies with intentional and positive impact at the core of their businesses backing category-defining companies accelerating the food system transformation”***  
- Christopher Slim, Nicoya CEO

We divide our findings and approach into four thematic themes: 1) Climate: Reduce Greenhouses Gas Emissions and Environmental Footprint, 2) Health: Reduce overweight, obesity and diabetes, 3) Gender Balance: Promoting teams where no gender is in dominant position, as balanced teams perform better and is an important step to contribute to a more diversified and inclusive world, and 4) Governance: Use sound structures and report in line with relevant frameworks.

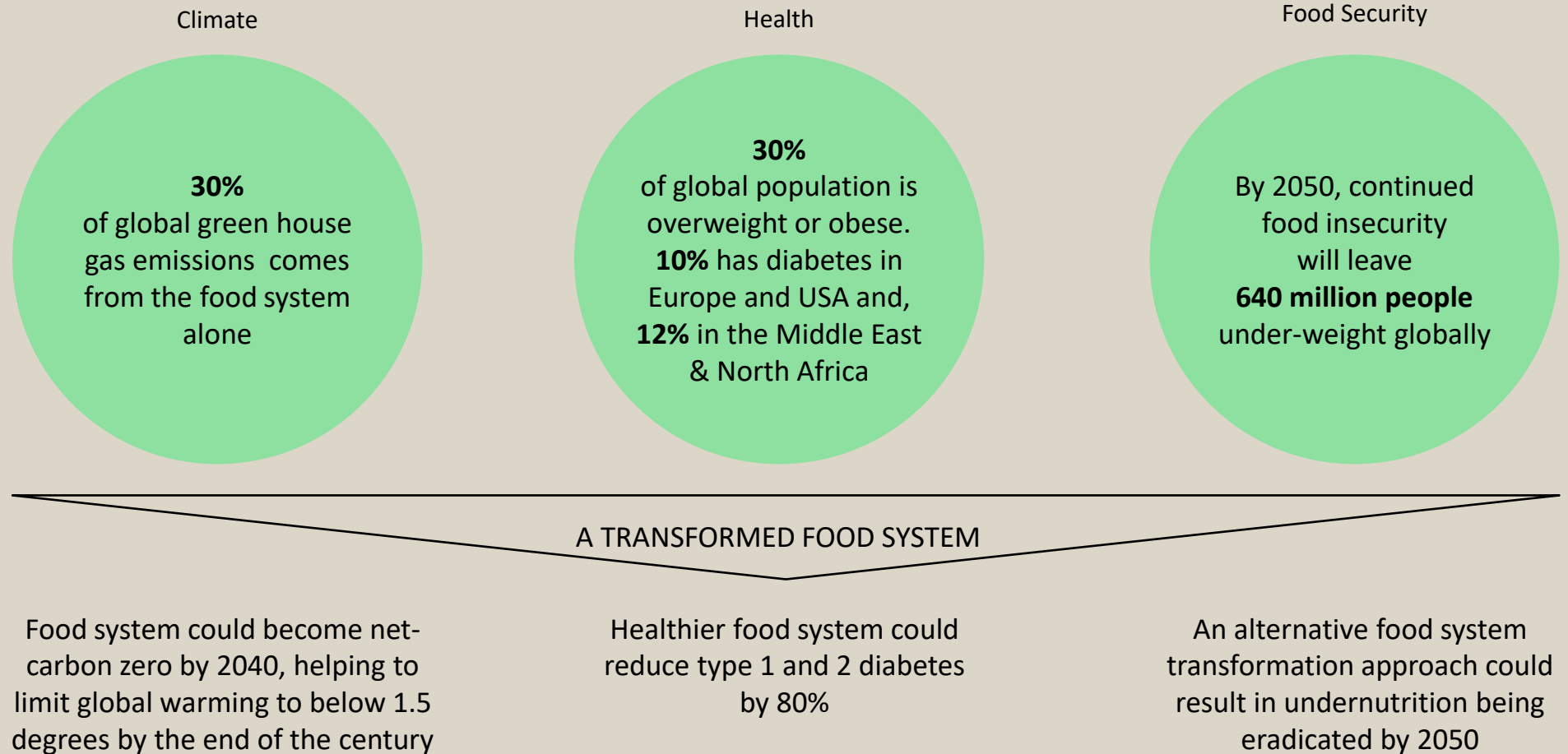
In this report, you'll find an introduction to Nicoya's investment approach, findings from the Sustainability Survey 2023 and rounding off with some impact deep-dives from our portfolio. There is so much more that we could share with you and if you are interested in learning more, please don't hesitate to reach out.

Lykke Westgren  
Investment Manager &  
Head of Sustainability



## Market Overview

# The Current Food is Broken – Opportunities for Innovation, Improvements & Investments



Source:

Food System Economics Comissions (FSEC)

Almutairi et al (2023). The Influence of Eating Habits on Type 2 Diabetes in Saudi Arabia: A Systematic Review. *Cureus*, 15(7), e42638.

El-Kebbi et al (2021). Epidemiology of type 2 diabetes in the Middle East and North Africa: Challenges and call for action. *World journal of diabetes*, 12(9), 1401–1425  
Center for Disease Control and Prevention, UN

Nicoya core philosophy

We act and live by a consumer-centric approach

We believe that **consumers** – not companies or products – are the driving force behind the food system transformation

**That's why we invest in companies that...**

... develop innovation backed by mega-trends

... create impact today or tomorrow

... accelerate behaviors of the many

# Nicoya Investment Verticals

Our portfolio spans across three verticals, each with its own set of impact drivers

Vertical	NEXT GEN PRODUCTION AND DELIVERY	FOODTECH LIFESTYLE BRANDS	PLATFORM FOR NEXT GEN FOODS
Investments			
	<p data-bbox="606 815 825 843">F O O D I Q</p> 		<p data-bbox="1798 796 2119 829">REVEL FOODS</p> 
Impact drivers	<p data-bbox="519 1058 912 1150">Alternative protein and production Next-generation supply chain Food security</p>	<p data-bbox="1080 1058 1531 1150">No refined sugar or artificial sweeteners Organic &amp; Clean label Healthy and nutritious food</p>	<p data-bbox="1684 1058 2237 1150">Greener and/or healthier brands and innovations Effective organizations sharing resources Data-driven marketing and innovation</p>



A close-up photograph of a lush green wheat field. The wheat stalks are vibrant green and have long, thin awns. A large, thin white circle is superimposed over the center of the image, framing the text.

FINDINGS  
SUSTAINABILITY  
REVIEW  
2023



**1. Climate:** Reduce Greenhouse Gas Emissions and Environmental footprint by investing in food that is better for the planet through its product offer and business practices

*Plant-based products have on average 1/10 of the environmental impact compared to animal meat equivalents*



1300g CO2e

per traditional meat-based burrito



160g CO2e

per 'no chicken burrito' by El Taco Truck

90g CO2e

per 'sweet potato burrito' by El Taco Truck

# 1. Climate: Reduce Greenhouse Gas Emissions and Environmental footprint by investing in food that is better for the planet through its product offer and business practices

**63%** of portfolio value are investments in **alternative protein** and production

**21%** Y/Y **growth in sales** in this share of the portfolio\*

**26%** of portfolio value are investments in **next-gen supply chain**

**6%** Y/Y **growth in sales** in this share of the portfolio

**3** investments have **measured their GHG emissions** across their entire value chain (scope 1,2, 3)

**50%** of investments use **100% renewable energy**





**2. Health:** Reduce overweight and diabetes by investing in better-for-you food helping people improve their health and well-being

**41%** of portfolio value are investments that **avoid refined sugar** in their products

**20%** Y/Y **growth in sales** in this share of the portfolio

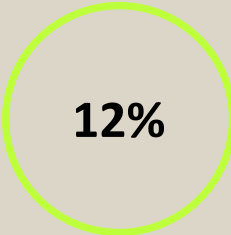
**45%** of portfolio value are investments in what's considered **clean-label**

**5%** Y/Y **growth in sales** in this share of the portfolio\*

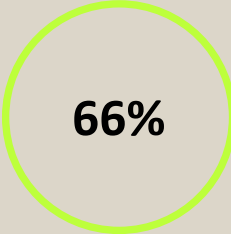
**0** **Ultra-processed food products** across entire portfolio



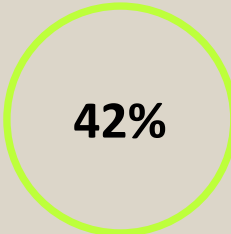
**3. Gender balance:** Promote diverse teams by tracking gender balance across management, company board, and founders as well as the gender pay gap. Gender balance is defined as 35-65% females.



Of investments have gender-balanced management



Of investments have gender-balanced boards



Of investments have female founders





## 4. Governance: Use sound structures and relevant frameworks - Nicoya base it's Sustainability Review on EU's SFRS framework



### SFDR vs CSRD vs ESRS - What's the difference?

**SFDR** - Sustainable Finance Disclosure Regulation – is EU's reporting regulation for sustainable investments, mandating financial market entities to disclose information relating to ESG activities.

**CSRD** - Corporate Sustainable Reporting Directive – is EU's new directive obliging companies to report on the social and environmental impacts of their activities. The first reporting will be in 2025 on 2024 data, applicable to large companies

**ESRS** – European Sustainability Reporting Standards – are the standards which companies subject to CSRD have to report according to.

### Sustainability indicators applied to investee companies

Sustainability area	Sustainability Indicator
Green House Gas Emissions	CO2e emissions, scope 1,2 and 3
	Carbon footprint
	GHG intensity
	Exposure to activities in the fossil fuel sector
	Share of non-renewable energy consumption and production
	Energy consumption intensity per high impact climate sector
Biodiversity	Activities at locations negatively affecting biodiversity-sensitive areas
Water	Emissions of nitrates, phosphates, and pesticides and substances defined in Article 2(30) of Directive 2000/60/EC
Waste	Hazardous waste and radioactive waste
Social and employee matters	Violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises
	Processes and policies in place to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises
	Unadjusted gender pay gap
	Board and team gender diversity and share of female founders
	Exposure to controversial weapons



**PORTFOLIO  
DEEP DIVES  
& SDGs**



## Impact deep dive: Peas of Heaven

- Driving impact by making it easy for people to switch to a plant-based diet

Peas of Heaven is developing and manufacturing **next generation of plant-based, everyday foods**, making it easy for more people to switch to plant-based habits.

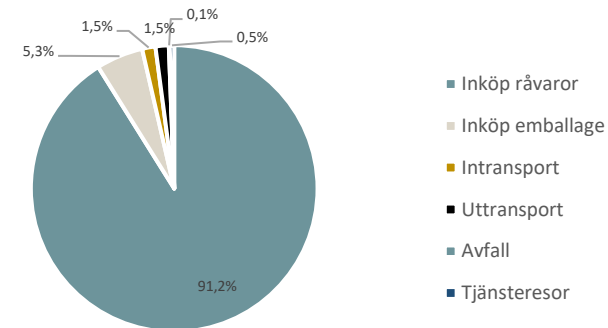
Plant-based products has on average around 1/10 of the environmental impact compared to animal meat equivalents. Further, from a health perspective Peas of Heaven products also have significantly lower saturated fat, which otherwise is a big contributor to decreasing health/and mortality among humans.

Peas of Heaven contribute to these **SDGs**:



### Achievements 2023

- Measured Greenhouse gas emissions according to the GHG protocol throughout their entire value-chain (scope 1, 2 and 3, 2022 data)
- Results showing that scope 3 makes up 89% of all emissions, which further is dominated by raw materials of 91%.
- Actual data allows to set real goals and focus efforts for highest returns.
- Continued work of increasing efficiency in production leading to less waste
- Continued consumer communication on the value of a plant-based diet



# Impact deep dive: Vertical Harvest Farms

## - Driving impact through Economic Inclusion, Climate Resilience and Nutrition Security



**Vertical Harvest** builds “Controlled Environment Agriculture” farms in urban centers with 3 primary impact areas:

**Equal economic Inclusion:** Our Grow Well model integrates disabled individuals into the workplace, unlocking human potential and creating community and stakeholders' engagement.

**Climate Resilience:** Utilize data, science, and technology for climate-resilient food production. Mitigate climate risks, conserve resources, increase yields, avoid harmful chemicals, shorten supply chains, and innovate for clean energy to reduce emissions in grow systems.

**Nutrition Security:** Ensure reliable access to fresh, healthy food. Focus on availability, accessibility, and affordability to provide pesticide-free produce year-round, prioritize urban locations, and partner for affordability initiatives like SNAP accreditation, food donations, and community programs

Vertical Harvest Farms contributes to these **SDGs**:



### Achievements 2023

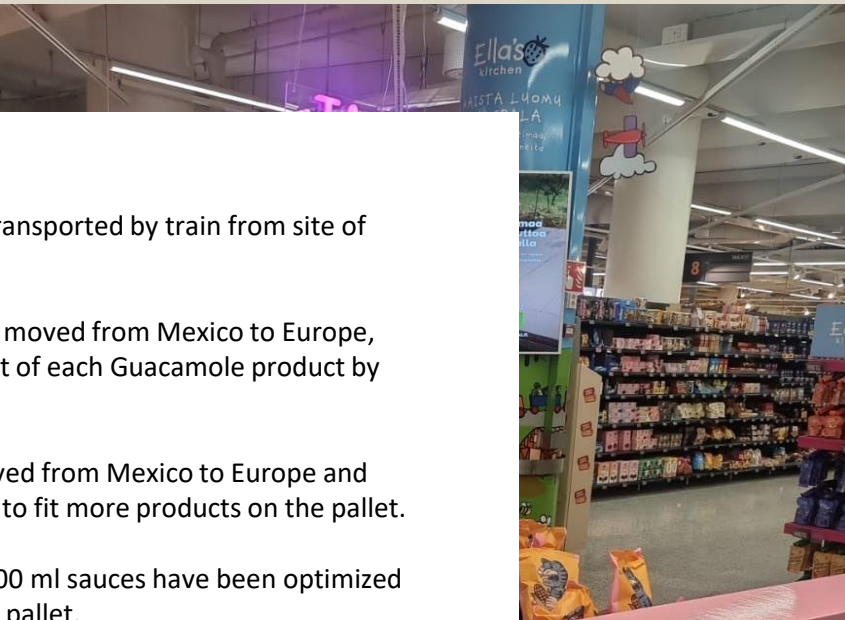
- Economic Inclusion: employees with a disability 29%, employees that feel work is meaningful 94% and Retention Rate 88%.
- Climate Resilience: Land Use Comparison (Acreage traditional farmland needed to grow equivalent amount) 8.13 acres
- Nutrition Security: Amount distributed to Low Income/Low Access community partners 13.6% of production, Amount of Production Locally Distributed 100%
- ESG indicators added into all employee job descriptions
- Impact Rating tool developed to assess farm sites in the pipeline for potential positive impact.
- Worked with trade partners to drive consensus on industry KPIs and benchmarks.





# Impact deep-dive: El Taco Truck

## - Driving impact through authentic Mexican Food, 100% vegan



**El Taco Truck** is the No1 premium challenger brand disrupting the Tex-Mex category with a 100% vegan product portfolio offering an authentic Mexican experience.

In general, plant-based products generate less GHG emissions and less land use than animal products (meat production). Comparing our vegan Sweet Potato burrito and a meat burrito, shows that our Sweet potato burrito only causes 7% as much greenhouse gas emissions, avoiding 1,210 CO2e per burrito.

We measure the climate impact (CO2e) of our products to be able to work towards impact reductions. We actively work on our packaging design and logistics solutions for more sustainable alternatives. We continuously evaluate our raw materials to reduce negative impacts and we aim to produce products as close as possible to the country where they will be consumed. The products we import should contribute positively to the local economy and not destroy nature and people's opportunities for a good life.

El Taco Truck contributes to these **SDGs**:



### Achievements 2023

- Chips products are partly transported by train from site of production.
- Guacamole production has moved from Mexico to Europe, reducing the climate impact of each Guacamole product by 50%.
- Tortilla production has moved from Mexico to Europe and made a pallet optimization to fit more products on the pallet.
- Transportation boxes for 200 ml sauces have been optimized to fit more products onto a pallet.
- Switched to 100% renewable energy at our office and use hybrid company cars only.
- Social Certificates in place for raw materials coming from risk origins





# Nicoya's portfolio's collective contribution to the UN Sustainable Development Goals (SDGs)



**2** ZERO HUNGER



**3** GOOD HEALTH AND WELL-BEING



**5** GENDER EQUALITY



**8** DECENT WORK AND ECONOMIC GROWTH



**9** INDUSTRY, INNOVATION AND INFRASTRUCTURE



**12** RESPONSIBLE CONSUMPTION AND PRODUCTION



**13** CLIMATE ACTION



**15** LIFE ON LAND







CHANGING  
FOOD  
FOR  
GOOD

**nicoya**