

Inven Capital Environmental, Social, and Governance “ESG” Policy

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Inven Capital's view on ESG

Our core values have always led the work we are doing. Those values include respecting both our planet and people in our investment process and our own operations.

We are a climate tech fund that intends to invest into start-ups with a potential to benefit our environment and reduce greenhouse gas emissions. At the same time, we believe in the importance of social and governance aspects of their operations which make their business models more resilient and ready to face upcoming challenges as well as reducing risk for the investors like us.

Therefore, we use a set of environmental, social and governance indicators (ESG framework), to integrate the planet and people values holistically into our investment sourcing, pre - investment due diligence, portfolio management as well as exit processes. As ESG is to a great extent a voluntary, non-regulatory framework, with many different definitions, we have implemented a strategy based on the aggregation of the current industry best practices and plan to review it on a regular basis.

Inven ESG Policy describes the process how we assess start-ups regarding their ESG readiness and sustainability risks during the investment process as well as our approach to assisting our portfolio companies with ESG implementation during portfolio management.

ESG in the investment process

Our ESG framework is integrated in our whole investment process starting with selection of potential investments (sourcing) and detailed analysis during the due diligence phase, followed by regular annual assessments and support of our portfolio companies with the goal to make them ready for an exit or corporate ESG reporting requirements.

1. Pre-investment screening & due diligence
 - Exclusion Policy
 - Anti-bribery, anti-corruption (ABAC) and anti-money laundering (AML) due diligence
 - Legal due diligence
 - ESG readiness evaluation
 - Methodology
 - Data collection process
 - Risk & performance evaluation
 - Term sheet sustainability clause
2. Transaction documentation sustainability clauses
3. Post-investment portfolio support
 - On-boarding workshop
 - Continuous support and regular progress evaluation
4. Exit readiness

1. Pre-investment screening & due diligence

During the pre-investment process we first verify that the start-up is not active in any of the excluded business activities as defined in the exclusion policy below. We strictly avoid companies that would engage in any of these excluded activities.

The due diligence process further includes anti-bribery and anti-corruption assessment performed by an independent external provider as well as an anti-money laundering check performed by the fund's compliance officer. In case we find any fraudulent conduct, the company had been involved in, we are not going to proceed with the investment.

Further, we engage with a third independent party to perform a legal due diligence of the potential investee. This due diligence normally includes appraisal of corporate laws, labour laws, contracts, litigations and data protection. We proceed with the investment only if the due diligence has not identified any illegal or compromising behaviour.

Simultaneously, we perform our internal ESG readiness evaluation described below to find out whether a start-up is acquainted with the ESG framework. The results of the ESG evaluation are integrated subsequently in our investment approach as a portfolio management tool. Unmanaged potential risks (red flags) uncovered by the ESG evaluation will not exclude potential investments but will point out areas that have to be worked on with increased focus.

The results of the due diligence and our ESG risk assessment are presented to our investment committee in a Deal qualifying memorandum and are considered during the investment decision making process.

Exclusion Policy

When we look for potential investment opportunities, we carefully analyse the business models and strictly avoid start-ups (and its subsidiaries) engaged in any of the excluded activities listed below.

"Excluded Activities" shall mean any of the following activities:

1. Projects which result in limiting people's individual rights and freedom, or violation of human rights, such as
 - Prisons and detention centers of any form (e.g., correctional institutions or police stations with detention facilities); and
 - Health sector projects with "secure units" such as closed psychiatric wards; and
 - Any activities which are known directly or indirectly to result in harmful or exploitative forms of forced labour¹⁰ or harmful child labour¹¹, as defined by the ILO (International Labour Organization) Fundamental Labour Conventions.
2. Projects unacceptable in climate and environmental terms

¹⁰ Forced labour means traditional practices of forced labour, such as vestiges of slavery or slave-like practices, and various forms of debt bondage, as well as new forms of forced labour that have emerged in recent decades, such as human trafficking, also called "modern-slavery" to shed light on working and living conditions contrary to human dignity

¹¹ Harmful child labour means the employment of children that is economically exploitive, or is likely to be hazardous to, or to interfere with, the child's education, or to be harmful to the child's health, or physical, mental, moral or social development. In addition any labour that is performed by a person which has not yet reached the age of 15 is considered to be harmful, unless the local legislation specifies compulsory school attendance or the minimum age for working to be higher; in such cases, the higher age will be applied for defining harmful child labour

- Any activity involving significant degradation, conversion or destruction¹² of critical habitats¹³;
- Conversion of natural forests into plantation. This includes irrigated forests¹⁴, logging, clear cutting or degradation of (and commercial concessions over) tropical natural forests or high conservation value forests¹⁵ in all regions, as well as the purchase of logging equipment for this purpose;
- Unsustainable fishing methods (such as drift net fishing in the marine environment using nets in excess of 2.5 km in length and blast fishing);
- Extraction of mineral deposits from the deep sea¹⁶; and
 - Extraction or mining of conflict minerals and metals¹⁷.

¹² Destruction means (1) the elimination or severe diminution of the integrity of an area caused by a major, long-term change in land or water use or (2) modification of a habitat in such a way that the area's ability to maintain its role is lost

¹³ Critical habitat is a subset of both natural and modified habitat that deserves particular attention. Critical habitat includes areas with high biodiversity value that meet the criteria of the International Union for Conservation of Nature ("IUCN") classification, including habitat required for the survival of critically endangered or endangered species as defined by the IUCN Red List of Threatened Species or as defined in any national legislation; areas having special significance for endemic or restricted-range species; sites that are critical for the survival of migratory species; areas supporting globally significant concentrations or numbers of individuals of congregatory species; areas with unique assemblages of species or which are associated with key evolutionary processes or provide key ecosystem services; and areas having biodiversity of significant social, economic or cultural importance to local communities. Primary Forest or forests of High Conservation Value shall be considered Critical Habitats. Critical Habitats include species under strict protection in accordance with Articles 12-16 of the Habitats Directive (Directive 92/43/EEC on the conservation of natural habitats and of wild fauna and flora, as amended)

¹⁴ Except for temporary watering in the first 3 years after planting, which is allowed for the seedlings to develop deep rooting systems to ensure high survival rates

¹⁵ High conservation value forests are defined by the Forest Stewardship Council as those that possess one or more of the following attributes: 1) forest areas containing globally, regionally or nationally significant concentrations of biodiversity values (e.g. endemism, endangered species, refugia); 2) forest areas containing globally, regionally or nationally significant large landscape level forests, contained within, or containing the management unit, where viable populations of most if not all naturally occurring species exist in natural patterns of distribution and abundance; 3) forest areas that are in or contain rare, threatened or endangered ecosystems; 4) forest areas that provide basic services of nature in critical situations (e.g. watershed protection, erosion control); 5) forest areas fundamental to meeting basic needs of local communities (e.g. subsistence, health); 6) forest areas critical to local communities' traditional cultural identity (areas of cultural, ecological, economic or religious significance identified in cooperation with such local communities).

¹⁶ Deep sea is defined as the areas of the ocean below 200m - The International Seabed Authority and Deep Seabed Mining. United Nations.

¹⁷ Minerals and metals covered by the Regulation (EU) 2017/821 laying down supply chain due diligence obligations for Union importers of tin, tantalum and tungsten, their ores, and gold originating from conflict-affected and high-risk areas, as amended.

⁹ PCBs: Polychlorinated biphenyls are a group of highly toxic chemicals.

¹⁰ Commission Regulation (EU) 2016/1005 of 22 June 2016 amending Annex XVII to Regulation (EC) No 1907/2006 of the European Parliament and of the Council concerning the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) as regards asbestos fibres (chrysotile).

¹¹ Ozone Depleting Substances (ODS) mean chemical compounds, which react with and delete stratospheric ozone, resulting in "holes in the ozone layer". The Montreal Protocol on Substances that Deplete the Ozone Layer lists ODs and their target reduction and phase-out date.

¹² Regulation (EU) 2017/852 of the European Parliament and of the Council of 17 May 2017 on mercury.

¹³ Based on Stockholm Convention on Persistent Organic Pollutants (POPs) as amended in 2009.

¹⁴ Based on Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal; Regulation (EC) No 1013/2006 of 14 June 2006 on shipments of waste; and Decision C(2001)107/Final of the OECD Council concerning the revision of Decision C(92)39/Final on the control of transboundary movements of wastes destined for recovery operations.

¹⁵ Unless in compliance with EU Directive 2001/18/EC and EU Directive 2009/41/EC, and related country legislation, as further amended.

3. Activities prohibited by applicable national law and EU laws
 - This includes any products or activities subject to international phase out or bans, including production of or trade in products containing PCBs⁹; production, placing on the market and use of asbestos fibres¹⁰; production, use of or trade in ozone depleting substances¹¹ and other substances which are subject to international phase-outs or bans, including pharmaceuticals, pesticides/herbicides, chemicals¹² , and other hazardous substances; trade in mercury, mercury compounds, and a large range of mercury-added products¹³; production or use of or trade in persistent organic pollutants¹⁴; production or trade in wildlife or wildlife products regulated under the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES); transboundary movements of waste prohibited under public international law¹⁵;
 - Cross-border trade in waste and waste products unless compliant with the Basel Convention and the underlying national and EU regulations but for the avoidance of doubt, use of waste as a fuel in district heating is not excluded;
 - Activities prohibited by host country legislation or international legal instruments ratified by the EU, relating to the protection of biodiversity resources, or cultural heritage; and
 - Any activities relating to the deliberate release of Genetically Modified Organism (GMO)¹⁶.
4. Ethically or morally controversial projects
 - Animal and human reproductive cloning;
 - Activities involving live animals for scientific and experimental purposes, including gene editing and the breeding of these animals¹⁷;
 - Sex trade and related infrastructure, services and media;
 - Projects with the purpose of producing, manufacturing, processing or distribution of tobacco;
 - Gambling and related equipment, casinos, and equivalent enterprises or hotels hosting such facilities¹⁷; and
 - Projects with political or religious purpose.
5. Ammunition and weapons, including explosives and sporting weapons, as well as equipment or infrastructure dedicated to military/police use, infrastructure or correctional facilities, prisons.
6. Any business relating to pornography or prostitution.
7. Production or trade in any product or activity deemed illegal under host country laws or regulations or international conventions and agreements.
8. Production and distribution of racist, anti-democratic and/or neo-Nazi media.

Anti-bribery, anti-corruption (ABAC) and anti-money laundering (AML) due diligence

During the pre-investment phase we also have a third party to perform anti-bribery and anti-corruption due diligence on the target companies to avoid start-ups who or whose founders and managers have been involved in any kind of criminal or compromising behaviour in the past.

We also check the ownership structure and the ultimate beneficial owner of the potential investee company. We do not invest into companies with opaque ownership structures.

¹⁶ Unless in compliance with (EU) Directive 2010/63/EU as amended by Regulation (EU) 2019/1010 of the European Parliament and of the Council on the protection of animals used for scientific purposes.

¹⁷ Projects whose main purpose is other than gambling are excluded if more than 10% of its annual revenues is generated by gambling.

Inven's independent compliance officer performs an anti-money laundering check according to the applicable AML law before we make an investment. We would not invest into companies involved in any AML related offences.

Legal due diligence

An independent provider performs a legal due diligence of the potential investee. This due diligence normally includes appraisal of corporate laws, labour laws, contracts, litigations and data protection.

The results of the due diligence are provided in a due diligence report and a summary is presented to our investment committee as part of the Deal qualifying memorandum. In case any illegal or compromising behaviour is detected we do not proceed with the investment.

ESG readiness evaluation

We aim to bring up ESG early in the due diligence process in order to get a sense of the founders' mindset and the general start-ups approach towards ESG management.

a. Methodology

Our methodology consists of 10 clusters portraying different topics the start-up should take into consideration. Each cluster consists of specific indicators representing risks and opportunities. Data related to these clusters are collected directly from the start-ups (See Data collection process section below) and evaluated using our proprietary tool as described in Risk & performance evaluation section below. The clusters are:

- General environment
 - We look at the holistic view of the start-up's environmental risk management, i.e. does the start-up have an environmental commitment, short or long term targets and objectives.
- Carbon footprint
 - We assess the start-up's approach to managing their carbon footprint, by measuring, setting targets and reducing their impact across all scopes.
- Material Management
 - We ask about the management of energy, water, and waste.
- Supply chain
 - We ask about work towards an ethical supply chain, managing the suppliers to ensure the start-up's values are kept throughout their entire value chain.
- Employees
 - We assess the existence of a strong team and culture, managing employees' needs, professional development and work environment to strive to a high talent level and retention of talent.
- Customers/ end users
 - We assess if the start-up maintains a strong relationship with all forms of customers and users of the product or service; creates a dialogue on their needs and

satisfaction from the start-up's work, with emphasis on installing a cybersecurity policy and structure to secure their information.

- Community
 - We analyse aspirations to work with local suppliers and contribute to the local community, by sharing or initiating projects relating to the internal start-up's skills, talent, or product.
- Diversity and inclusion
 - We ask if the start-up strives to integrate inclusion practices in all business aspects, with the goal of creating a diverse team, management, and the board.
- General governance
 - We check if the company upholds all laws and regulations and maintains a high compliance standard.
- Board of directors
 - We evaluate the incorporation of the best practices in the board structure and the overseeing of the start-up's journey.

b. Data collection process

Since the 2022 year-end we collect ESG indicators through a reporting platform provided by the company Worldfavor. Data are collected on annual basis through Worldfavor standard questionnaires that meet the current market practice, requirements of SFDR (Regulation EU 2019/2088 on sustainability-related disclosures in the financial services sector), RTS (Regulation EU 2022/1288 on regulatory technical standards and Regulation EU 2023/363 amending and correcting the regulatory technical standards) and other common reporting standards. The list of collected ESG indicators is in Appendix 1 of this document.

c. Risk & performance evaluation

Based on the collected data we perform a risk assessment which is performed by investment managers in cooperation with Inven's sustainability officer. The risk assessment is performed using Inven internal methodology using a specific weight system. The weight system combines results from the data collected through Worldfavor platform and information gathered during interviews with start-up representatives

The risk assessment composes of several key broad risk areas (size of the company, presence in developing countries, existence of an ESG policy) and 29 ESG KPIs with assigned weights. The weights define which focus areas and KPIs will be managed first as they have the highest priority.

The risk assessment starts with the key broad areas that can influence the weights of the examined 29 ESG KPIs. After assessing the broad risk areas, we perform a review of the selected 29 ESG KPIs and assign them scores based on our perception how well are these KPIs managed in the start-up. The result is an ESG evaluation conclusion that we work with in the subsequent portfolio management.

Unmanaged potential risks (red flags) uncovered by the ESG evaluation will not exclude potential investments but will point out areas that have to be worked on with increased focus.

ESG readiness evaluation tool is described more closely in Appendix 2 of this document.

Term sheet sustainability clause

We include a sustainability clause in our term sheets to ensure the companies understand the importance we place on ESG and are prepared to implement their own ESG goals if they are not in place yet.

Usually, we require the companies to perform the steps listed below within 12 months following the closing:

- adopt and thereafter maintain in effect a climate Policy, including measurement and reporting of scope 1 and scope 2 emissions¹⁸,
- evaluate and establish best practices of its business activities regarding environment, society and governance (ESG); and
- define and implement a plan on how to define, measure and report on the sustainability impact and performance of the company.

We require that this policy and measures shall be discussed with and reported to the board of directors. Inven in cooperation with the main shareholders offers a reasonable support to the management with the commitments mentioned above.

2. Transaction documentation ESG clauses

Our transaction documentation contains several ESG related clauses to ensure the company fulfils our requirements. These are adjusted individually based on the ESG readiness and typically include:

- reporting obligations – the company should report information regarding developments or initiatives at the company with respect to environmental, social (including health and safety, employees, human rights, consumer and community issues) and corporate governance matters on annual basis;
- diversity and inclusion matters - the company shall consider in good faith interviewing at least one (1) woman or a member of a population currently underrepresented within the company, as determined by the board of directors in its sole discretion, for each open executive level employment position and each vacant independent director seat on the board, if and when such a seat exists;
- Environment and social standards (“ECS Requirements”) - environmental, climate and social obligations to be undertaken by the company to ensure that there is compliance with Environmental and Social Law of EU or the country where the company is incorporated or carries out its business activities including the continuing ban on excluded activities (ECS requirements are listed Appendix 3);
- Sustainability clause - the company shall, within 12 months following the signing of the transaction documents, adopt and thereafter maintain in effect a climate policy, including measurement and reporting of Scope 1 and Scope 2 emissions, at the company and its subsidiaries; evaluate and establish best practices of its business activities in regards to environment, society and governance (ESG); and define and implement a plan on how to

¹⁸ ‘scope 1, 2 and 3 GHG emissions’ means the scope of greenhouse gas emissions referred to in points (1)(e)(i) to (iii) of Annex III to Regulation (EU) 2016/1011 of the European Parliament and of the Council; greenhouse gas (GHG) emissions’ means greenhouse gas emissions as defined in Article 3, point (1), of Regulation (EU) 2018/842 of the European Parliament and of the Council

define, measure and report on the sustainability impact and performance of the company and its subsidiaries. Such policy and measures shall be discussed with and reported to the board of directors, and the investors in the company shall reasonably support the management with the commitments, mentioned above.

3. Post-investment portfolio support

After we have become investors, we define the next steps for the portfolio management based on the conclusions on the state of the start-up ESG readiness. First, we prepare an onboarding process based on the individual needs of every investee. We define goals based on the ESG readiness evaluation and track them on annual basis

Onboarding process

We present red flags and potential opportunities to the start-up leadership team. Based on the pre-investment evaluation, we set goals for improvements and set out a plan of action and support requirements.

Where possible and relevant, we conduct an ESG/SDG workshop for the start-up's leadership team (and other relevant team members) in order to deep dive on the potential risks and opportunities as well as an initial roadmap for creating a management strategy.

We provide the start-up with Inven's Onboarding Toolkit for ESG management, a set of example policy documents, research, case studies and initiatives guides for managing different ESG focus areas.

We connect the start-ups to Inven's experts' network (e.g. consultants, other founders, specialists etc.) for support in establishing a management strategy for the risk and opportunities detected.

Continuous support and regular progress evaluation

We continuously engage with our start-ups on improving the identified priority areas and share with them any relevant information or tools that we gather from our expert network (e.g. VentureESG group, Worldfavor platform etc).

Our start-ups have a continuous access to the Worldfavor platform that they can use not only as a reporting tool, but also as a carbon footprint calculator and a source of information on the current market approach towards ESG.

We perform annual assessment to detect progress in the risk and opportunity areas through repeated data collection and interviews. Based on the annual assessment we define new risks and opportunity areas to focus on for the next year.

We aim to bring the ESG topic to the board of directors meetings and actively provide our portfolio companies with advice and support in ESG implementation. However, as we are minority shareholders in our portfolio companies our ability to enforce our recommendations can be limited.

4. Exit readiness

In the case of exiting (via sale, M&A or IPO) we will consider possible ESG factors, too. Our portfolio support described above is aimed at preparing our portfolio companies for exits regarding their ESG

readiness (right ESG policies, practices and reporting) so that they can fulfil requirements placed on them by future investors or regulations for larger companies.

ESG at Inven

ESG does not only apply to how we invest and help our portfolio companies flourish and grow but it is also an integral part how we internally manage our fund. We aim at applying the same ESG considerations and the same standards we measure our portfolio with to ourselves; being in a strong position when it comes to ESG ourselves not only makes our demands to portfolio companies more believable, it also strengthens our (economic and structural) position as a VC firm.

ESG responsibility

While every member of our (investment) team is concerned with and thinks along the lines of ESG when making decisions and supporting portfolio companies, we have assigned the overall responsibility for ESG to our Sustainability Officer and Investment Manager Kristýna Machová (kristyna.machova@invencapital.cz). Kristýna is steering and coordinating our ESG activities and is making sure that we stay on top of the most recent industry trends. She is being supported by our Financial Manager Hana Uhlíková (hana.uhlikova@invencapital.cz) who is responsible for the ESG/SFDR reporting and compliance work. Our approach to ESG is discussed regularly in our operational and strategic meetings and all investment team members are being educated on ESG topics.

Hiring and working environment

We are committed to hiring a diverse team (team members from different European countries, equal proportion of women and men) and providing an inclusive working environment (several members of our team work part-time and have flexible working hours so that they can manage their family responsibilities).

Good governance

All our decision making in both the board of directors and the investment committee is committed to good governance principles that are in detail defined in our set of internal guidelines, articles of association and sub-funds statutes.

We have also been climate neutral in our operations as a fund since 2018, offsetting our emissions via tree planting in the Czech Republic with a local NGO [Sázíme stromy \(sazimestromy.cz\)](http://sazimestromy.cz) and having multiple initiatives to reduce our carbon footprint where possible (green travel, recycled paper, filtered tap water etc.).

To always stay up-to-date on the recent market developments, we are partnering with leading global communities such as Invest Europe, [VentureESG](#), [GITA: The Global Impact Tech Alliance](#), [Worldfavor](#) and Leaders for Climate Action ([Kickstart your climate action journey – Leaders for Climate Action \(lfca.earth\)](#)).

Investors and SFDR reporting

Inven Capital is a fund of qualified investors and an alternative investment fund according to EU regulations. Inven Capital has established 4 sub-funds (Sub-fund A, Sub-fund B, Sub-fund C, Sub-fund D) as of May 2023. All sub-funds are classified as Article 8 financial products according to SFDR regulation. Even though, Sub-funds A and B are in their divestment phase and cannot make any new

investments, we collect ESG data from their portfolio companies and support them on their ESG journey. Sub-fund C and Sub-fund D are in their investment phase and will invest into new companies until the end of 2026.

We prepare the following SFDR disclosures: fund level web disclosures on sustainability risk policies, principal adverse impacts and remuneration policies, financial products (sub-funds) web disclosures, annual reporting included in the sub-funds annual reports, principal adverse impact statements. We do not prepare precontractual information disclosures as we do not raise new capital during the life of our sub-funds. In case we would raise new capital, we will prepare the precontractual information one month before doing so.

Appendix 1 – List of collected ESG data

ESG Data are collected through Worldfavor platform and include the following questions/ requests for information:

<u>Questions</u>	<u>Answer options</u>
<u>Biodiversity</u>	-
<u>Biodiversity management & impact</u>	-
<u>Upload your biodiversity policy or equivalent policy covering the protection of biodiversity-sensitive areas</u>	<u>File upload</u>
<u>Describe your company's impact on biodiversity and natural ecosystems across the value chain and how these impacts are managed</u>	<u>Comment</u>
<u>Upload your deforestation policy/commitment</u>	<u>File upload</u>
<u>Does the company negatively affect biodiversity-sensitive areas?</u>	<u>Yes, No</u>
<u>Climate Change</u>	-
<u>Climate change management</u>	-
<u>Which of the following climate change practices does your company have in place?</u>	<u>Options</u>
<u>Describe risks and opportunities identified related to climate change with the potential to have financial or strategic impact on your business</u>	<u>Comment</u>
<u>Describe your greenhouse gas (GHG) emissions reduction targets, or provide a link with more information</u>	<u>Comment</u>
<u>Does your company derive any revenues from exploration, mining, extraction, production, processing, storage, refining or distribution, including transportation, storage and trade, of fossil fuels?</u>	<u>Yes, No</u>
<u>Scope 1, 2 & 3 GHG emissions</u>	-
<u>Total Scope 1 GHG emissions</u>	<u>ton CO2 equivalents (tCO2e)</u>
<u>Total Scope 2 GHG emissions</u>	<u>ton CO2 equivalents (tCO2e)</u>
<u>Total Scope 3 GHG emissions</u>	<u>ton CO2 equivalents (tCO2e)</u>
<u>Which categories are included in your company's Scope 3 emissions?</u>	<u>Options</u>
<u>Is there a third-party verification or assurance process in place for GHG emissions data?</u>	<u>Yes, No</u>
<u>GHG emissions intensity</u>	-
<u>Scope 1 and 2 emissions intensity ratio</u>	<u>tCO2e/MEUR</u>
<u>Scope 3 emissions intensity ratio</u>	<u>tCO2e/MEUR</u>

<u>Energy</u>	-
<u>Energy management</u>	-
Which of the following energy management practices does your company have in place?	Options
Upload your ISO 50001 certificate	File upload
Describe your company's energy targets and the progress against these targets	Comment
<u>Energy performance</u>	-
Total energy consumption	megawatt hours (MWh)
Energy intensity ratio	MWh/MEUR
Percentage of non-renewable energy consumption and production	percentage (%)
<u>Environmental Practices</u>	-
<u>Environmental management practices</u>	-
Which of the following environmental management practices does your company have in place?	Options
Upload your company's environmental policy	File upload
Upload your company's environmental management certificate (ISO 14001/EMAS)	File upload
Are environmental performance measures/KPIs regularly compiled and presented to top management?	Yes, No
<u>Waste & Resource circularity</u>	-
<u>Waste management & impact</u>	-
Describe your company's actual and potential waste-related impacts along the value chain, and how these are managed	Comment
Upload your waste management policy	File upload
<u>Waste performance</u>	-
Total weight of waste generated	tons (t)
Total weight of waste recycled or re-used	tons (t)
Total weight of hazardous waste generated	tons (t)
<u>Resource circularity</u>	-
Provide details about any circularity measures taken by your company to increase recycling and re-use of input materials	Comment
<u>Water</u>	-
<u>Water management & impact</u>	-
Describe your company's water-related impacts across the value chain, and how these are managed	Comment

<u>Upload your water management policy</u>	<u>File upload</u>
<u>Describe the measures taken to reduce water consumption</u>	<u>Comment</u>
<u>Water use</u>	-
<u>Total water consumption</u>	<u>cubic meters (m3)</u>
<u>Percentage of water recycled and reused</u>	<u>percentage (%)</u>
<u>Water stress</u>	-
<u>Does your company operate in, or close to, areas of high water-stress?</u>	<u>Yes, No</u>
<u>Water pollution</u>	-
<u>Emissions to water</u>	<u>tons (t)</u>
<u>Employment Practices</u>	-
<u>Human resource management</u>	-
<u>Upload your HR policy, employee handbook or equivalent document describing your employment policies and practices</u>	<u>File upload</u>
<u>Does your company have a grievance/complaints handling mechanism related to employee matters?</u>	<u>Yes, No</u>
<u>Employee hires & turnover</u>	-
<u>Organic net new hires</u>	<u>Numbers</u>
<u>Total net new hires</u>	<u>Numbers</u>
<u>Employee turnover rate</u>	<u>percentage (%)</u>
<u>Employee engagement</u>	-
<u>Do you conduct an annual employee survey?</u>	<u>Yes, No</u>
<u>Employee benefits</u>	-
<u>Standard benefits offered to employees</u>	<u>Options</u>
<u>Training & development</u>	-
<u>Average hours of training per full-time employee</u>	<u>hours (h)</u>
<u>Describe what employee training programs your company has in place</u>	<u>Comment</u>
<u>Diversity & Non-discrimination</u>	-
<u>Diversity & non-discrimination impact</u>	-
<u>Describe your company's challenges and opportunities in relation to diversity and non-discrimination, and how these are being managed</u>	<u>Comment</u>
<u>Gender diversity</u>	-
<u>Number of employees that are female</u>	<u>Numbers</u>
<u>Percentage of employees that are female</u>	<u>percentage (%)</u>

<u>Percentage of managers that are female</u>	<u>percentage (%)</u>
<u>Percentage of board members that are female</u>	<u>percentage (%)</u>
<u>Pay equality</u>	-
<u>Unadjusted gender pay gap</u>	<u>percentage (%)</u>
<u>Non-discrimination</u>	-
<u>Total number of incidents of discrimination</u>	<u>Numbers</u>
<u>Describe the status of the incidents and actions taken</u>	<u>Comment</u>
<u>Health, Safety & Well-being</u>	-
<u>Health & safety management</u>	-
<u>Which of the following health and safety measures has your company implemented?</u>	<u>Options</u>
<u>Upload your health and safety policy</u>	<u>File upload</u>
<u>Upload your company's ISO 45001 certificate</u>	-
<u>Work-related injuries & ill health</u>	-
<u>Number of days lost to work-related injuries</u>	<u>Numbers</u>
<u>Number of work-related injuries</u>	<u>Numbers</u>
<u>Health & safety training</u>	-
<u>Describe the type and scope of health and safety training provided to workers</u>	<u>Comment</u>
<u>Human Rights & Labor Standards</u>	-
<u>Human rights policy</u>	-
<u>Upload your human rights policy</u>	<u>File upload</u>
<u>Which of the following areas does your human rights policy cover?</u>	<u>Options</u>
<u>Human rights due diligence</u>	-
<u>Does your company have a human rights due diligence in place?</u>	<u>Yes, No</u>
<u>Which of the following steps are included in your human rights due diligence process?</u>	<u>Options</u>
<u>Describe the measures taken by your company to prevent and mitigate actual and potential human rights impacts</u>	<u>Comment</u>
<u>Does your company have processes and compliance mechanisms in place to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises?</u>	<u>Yes, No</u>
<u>Has your company been involved in violations of the UN Global Compact principles or OECD Guidelines for Multinational Enterprises?</u>	<u>Yes, No</u>
<u>Freedom of association and collective bargaining</u>	-
<u>Percentage of active workforce covered under collective bargaining agreements</u>	<u>percentage (%)</u>
<u>Anti-corruption</u>	-
<u>Anti-corruption practices</u>	-
<u>Which of the following practices do you have in place to prevent corruption?</u>	<u>Options</u>

<u>Upload your anti-corruption policy</u>	<u>File upload</u>
<u>Which forms of corruption and bribery does your company's anti-corruption policy cover?</u>	<u>Options</u>
<u>Describe identified significant risks of corruption and how these are managed</u>	<u>Comment</u>
<i><u>Anti-corruption training</u></i>	-
<u>Percentage of employees that have received training on anti-corruption</u>	<u>percentage (%)</u>
<i><u>Incidents of corruption</u></i>	-
<u>Total number of incidents of corruption</u>	<u>Numbers</u>
<i><u>Business Ethics & Leadership</u></i>	-
<i><u>Code of Conduct</u></i>	-
<u>Upload your company's Code of Conduct or Code of Business Ethics</u>	<u>File upload</u>
<u>Are all new employees required to sign your Code of Conduct (or equivalent document)?</u>	<u>Yes, No</u>
<u>Upload your Supplier Code of Conduct or equivalent document</u>	<u>File upload</u>
<u>Are all new supplier required to sign your Supplier Code of Conduct (or equivalent document)?</u>	<u>Yes, No</u>
<i><u>Whistleblowing mechanisms</u></i>	-
<u>Does your company provide means and knowledge to all employees how to submit grievances and report unethical behavior (whistleblowing)?</u>	<u>Yes, No</u>
<u>Upload your whistleblowing policy</u>	<u>File upload</u>
<i><u>Board composition & ESG involvement</u></i>	-
<u>Does any of the board members have competencies relating to environmental, social or governance topics?</u>	<u>Yes, No</u>
<u>How often does the board review of environmental, social and governance topics and their impacts, risks, and opportunities?</u>	<u>Options</u>
<i><u>Remuneration</u></i>	-
<u>How is performance-related pay (bonuses) determined?</u>	<u>Options</u>
<i><u>Product & Service Quality</u></i>	-
<i><u>Quality management</u></i>	-
<u>Describe your company's challenges and opportunities in relation to the quality of your products or services, and how these are being managed</u>	<u>Comment</u>
<u>Upload your company's ISO 9001 certificate</u>	<u>File upload</u>
<i><u>Customer Privacy & Data Security</u></i>	-
<i><u>Data privacy & IT security management</u></i>	-
<u>Upload your information security policy</u>	<u>File upload</u>
<u>Upload your data privacy policy</u>	<u>File upload</u>

<u>Upload your ISO/IEC 27001 certificate</u>	<u>File upload</u>
<i>EU Taxonomy Reporting</i>	-
<u>Select activities</u>	-
<u>Select eligible and taxonomy aligned activities</u>	<u>Options</u>
<u>Select eligible but not taxonomy-aligned activities</u>	<u>Options</u>
<i>Eligible and Taxonomy-aligned activities</i>	-
<u>Report proportion of turnover from eligible and taxonomy-aligned activities</u>	<u>percentage (%)</u>
<u>Report proportion of CapEx from eligible and taxonomy-aligned activities</u>	<u>percentage (%)</u>
<u>Report proportion of Opex from eligible and taxonomy-aligned activities</u>	<u>percentage (%)</u>
<i>Eligible but not Taxonomy-aligned activities</i>	-
<u>Report proportion of turnover from eligible but not taxonomy-aligned activities</u>	<u>percentage (%)</u>
<u>Report proportion of CapEx from eligible but not taxonomy-aligned activities</u>	<u>percentage (%)</u>
<u>Report proportion of Opex from eligible but not taxonomy-aligned activities</u>	<u>percentage (%)</u>
<i>Non-eligible activities</i>	-
<u>Report proportion of turnover from non-eligible activities</u>	<u>percentage (%)</u>
<u>Report proportion of CapEx from non-eligible activities</u>	<u>percentage (%)</u>
<u>Report proportion OpEx from non-eligible activities</u>	<u>percentage (%)</u>
<i>Accompanying disclosures</i>	-
<u>Upload your accounting policy</u>	<u>File upload</u>
<u>Describe your assessment of compliance with EU Taxonomy</u>	<u>Comment</u>
<u>Provide additional contextual information about your KPIs</u>	<u>Comment</u>
<i>Sustainability Approach</i>	-
<i>Company information</i>	-
<u>Select the NACE activities that your company performs</u>	<u>NACE Activities (Level 4 Items)</u>
<u>Location of operations</u>	<u>Countries</u>
<u>Total number of operations</u>	<u>Numbers</u>
<u>Primary markets for your products or services</u>	<u>Countries</u>
<u>Annual turnover / Net sales</u>	<u>MEUR</u>
<u>Number of full-time employees</u>	<u>FTEs</u>
<i>Sustainability areas</i>	-

<u>Which environmental areas do your sustainability practices cover?</u>	<u>Options</u>
<u>Which social areas do your sustainability practices cover?</u>	<u>Options</u>
<u>Which governance areas do your sustainability practices cover?</u>	<u>Options</u>
<u>Which guidelines and principles do your company comply with?</u>	<u>Options</u>
<u>Which reporting regulations does your company follow?</u>	<u>Options</u>
<u>Which reporting initiatives does your company use?</u>	<u>Options</u>
<i>Sustainable Sourcing Approach</i>	-
<i>Supply chain information</i>	-
<u>Number of significant suppliers</u>	<u>Numbers</u>
<u>Location of significant suppliers' operations</u>	<u>Countries</u>
<i>Sustainable sourcing practices</i>	-
<u>How are your sustainable sourcing practices communicated to suppliers?</u>	<u>Options</u>
<u>How do you ensure that your suppliers act according to your sustainable sourcing practices?</u>	<u>Options</u>
<i>Supply chain sustainability areas</i>	-
<u>Which environmental areas do your sustainable sourcing practices cover?</u>	<u>Options</u>
<u>Which social areas do your sustainable sourcing practices cover?</u>	<u>Options</u>
<u>Which governance areas do your sustainable sourcing practices cover?</u>	<u>Options</u>

Appendix 2 – Inven ESG readiness evaluation tool

ESG screening questionnaire Biggest Unicorn




OVERALL RESULTS

ENVIRONMENTAL ASSESSMENT
 SOCIAL ASSESSMENT
 GOVERNANCE ASSESSMENT

SCORING

GENERAL INFORMATION	Answers	Investor Notes
Company name	Biggest Unicorn	
Date of call/interview		
Investment manager (Inven)		
Contact person (Company)		
Country (Website URL)		
Year Founded		
Stage		
Other (Investment from Sub-Fund C,D etc.)		
RISK ANALYSIS		
Number of Employees		
Product is manufactured/hardware?		
Does the company have employees / offices/ factories in developing countries?		
Supply chain and sales in developing countries?		
Do you have an ESG strategy?		

ESG QUESTIONNAIRE	KPIs	Basic weight	Adjusted weight	Risk Management	Urgency score	Investor Notes
General Environmental						
1 Environment Commitment	Y/N	3	3			
2 External environmental certification	Y/N	2	2			
Carbon Footprint						
3 Carbon Footprint Measurement	GHG emissions (TCO2)	4	4			
4 Net Zero targets	n/a	3	3			
5 Achieved carbon performance targets	n/a	2	2			
6 Reduction initiatives (Servers / Transportation)	n/a	5	5			
Material management						
7 Renewable source of energy consumed	renewable electricity/ heating	3	3			
8 Water consumption management & measurement	n/a	2	2			
9 Waste measurement & management	n/a	3	3			
Supply chain						
10 Environmental & Social procurement policy in supply chain	Y/N	4	4			
11 Supply chain engagement for responsible practices	n/a	4	4			
Employees						
12 Human rights internal policy	n/a	2	2			
13 Contractors	n/a	3	3			
14 Professional development initiatives (training availability)	n/a	4	4			
15 Employees satisfaction	Employees NPS	4	4			
16 Well being and health policy (incl. work-life balance and parental leave)	n/a	3	3			
Customers						
17 Customer Satisfaction data	Customer NPS	4	4			
18 Cyber security Initiatives	Y/N	4	4			
19 Data Privacy Policy & Management (e.g. GDPR)	Y/N	5	5			
20 Responsible product design	n/a	3	3			
Community						
21 Contribution to the community	n/a	2	2			
22 Procurement and cooperation with local suppliers	n/a	2	2			
Diversity & inclusion						
23 Diversity & inclusion policy	n/a	3	3			
24 Diversity & Inclusion performance (i.e. percentage, wage gap)	% females in management (C & C-1 level)	4	4			
Governance						
25 Board member diverse representation	# female board members	2	2			
Governance General						
26 Anti-corruption code of ethics	n/a	3	3			
27 Impact / SDG / purpose-driven strategy	n/a	4	4			
Board of directors						
28 Independent member on the Board	Y/N	2	2			
29 Proper management of the Board	n/a	5	5			

Risk assessment broad areas

First, we perform the assessment of the several broad areas, which assess the start-up operations based on industry best practices, global trends and Inven's values. These results can influence the weights of the ESG KPIs followingly:

- Number of Employees
 - A large number of employees results in a higher need to manage social best practices and needs and therefore the weight and emphasis put on social aspect of ESG increase. The relevant weights are increased in our risk analysis if a start-up has more than 100 employees.
- Does the company manufacture products/ hardware?
 - As the production of a product increases the likelihood of a higher carbon footprint, increased materials use and waste creation, the weight of the environmental KPIs will be higher for companies that manufacture hardware products.
- Does the company have employees/ offices/ factories in developing countries?
 - Operations in developing countries contribute to a higher risk of human rights violations and corruption. These two indexes could help identify countries that require a higher weight on those issues:
Human rights: <https://freedomhouse.org/countries/freedom-world/scores?sort=asc&order=Total%20Score%20and%20Status>
Corruption: <https://www.transparency.org/en/cpi/2020/index>
The relevant weights are increased in our risk analysis if a start-up has operations in developing countries.
- Supply chain and sales in developing countries?
 - There is an increased risk of human rights violations in operation of suppliers from developing countries. Thus, the need to manage the start-up's procurement process is increased. The relevant weights are increased in our risk analysis if the supplier has operations in developing countries.
- Does the start-up have an ESG strategy?
 - The risk analysis of each start-up is a complex process, many indicators can affect this analysis and the framework that is presented in this document is not custom made. As a result the best risk management will occur with an internal risk management process. All weights are decreased in our risk analysis if the start-up has an ESG policy in place.

Risk assessment ESG KPIs

After the broad areas are assessed, a specific risk assessment of 29 ESG KPIs is performed. The company's performance is evaluated according to the management of each of the ESG KPIs/indicators belonging to the 10 clusters listed above. These indicators are scored on a scale of 1-3 (1=Well Managed, 2=Some Management, 3=Not Managed). The determination of the management level of

each indicator will be done by the investment manager based on the general guidelines listed below and the acquired knowledge of Inven investment managers.

Indicator	1= well managed	2= Some management
General environment		
1. Environmental commitment	<ul style="list-style-type: none"> Environmental policy, short and long-term targets 	<ul style="list-style-type: none"> Environmental policy or targets
2. External Environmental certification	<ul style="list-style-type: none"> ISO 14001 / B corp or any specific industry certification 	<ul style="list-style-type: none"> Assessment or guidance from an external organization/ community
Carbon footprint		
3. Carbon Footprint Measurement	<ul style="list-style-type: none"> Measurement of scope 1-3 	<ul style="list-style-type: none"> Measurement of scope 1-2
4. Net Zero targets	<ul style="list-style-type: none"> Have targets to reduce to Net Zero 	<ul style="list-style-type: none"> Have targets to reduce but not to net zero
5. Achieved carbon performance targets	<ul style="list-style-type: none"> Achieved all targets without offset 	<ul style="list-style-type: none"> Achieved some of the targets/ Achieved targets with offset
6. Reduction initiatives	<ul style="list-style-type: none"> Implemented initiatives with the potential to reduce 5% or more of total carbon footprint (annually) 	<ul style="list-style-type: none"> Implemented initiatives with the potential to reduce 1%-5% of total carbon footprint (annually)
Material Management		
7. Renewable sources of energy consumption	<ul style="list-style-type: none"> Majority of energy sources are renewable 	<ul style="list-style-type: none"> Some of the energy sources are renewable
8. Water consumption management & measurement	<ul style="list-style-type: none"> Measuring water consumption Relative reduction in use to income 	<ul style="list-style-type: none"> Measuring water consumption
9. Waste measurement & management policy	<ul style="list-style-type: none"> Measuring waste production & recycling percentage Relative reduction in use to income 	<ul style="list-style-type: none"> Have waste reduction & recycling initiatives
Supply chain		

10. Environmental & social supply chain procurement policy	<ul style="list-style-type: none"> ● Environmental supply chain policy including course of action when there are violations of the policy (only possible to receive if the start-up is highly engaged with suppliers) 	<ul style="list-style-type: none"> ● Environmental & social supply chain policy
11. Supply chain engagement for responsible practices	<ul style="list-style-type: none"> ● Assessment of main environmental/ social risk in suppliers operation ● Engagement with suppliers (e.g. they sign the policy/ send data...) 	<ul style="list-style-type: none"> ● Assessment of main environmental/ social risk in suppliers operation
Employees		
12. Human rights internal policy	<ul style="list-style-type: none"> ● Human rights policy implementation (e.g. employee training, internal audit, manager ownership etc.) 	<ul style="list-style-type: none"> ● Human rights policy (can also be a part of code of conduct)
13. Contractors	<ul style="list-style-type: none"> ● Employees have the option to choose between contractors and company employees ● Contractors can secure income comparable to employees in the similar sector (workflow predictability allows for other sources of income if company not providing enough workload) 	<ul style="list-style-type: none"> ● Employees have the option to choose between contractors and company employees ● Contractors can secure income comparable to employees in the similar sector (workflow predictability allows for other sources of income if company not providing enough workload)
14. Professional Development initiatives	<ul style="list-style-type: none"> ● Majority of the employees received opportunities for professional knowledge or practice training (directly related to their position) ● Majority of employees had opportunities of professional development training (management and leadership for non-managers, ongoing professional learning) 	<ul style="list-style-type: none"> ● Majority of the employees received opportunities for professional knowledge or practice training (directly related to their position)
15. Employees satisfaction	<ul style="list-style-type: none"> ● Commitment to employees ● Created dialog with 	<ul style="list-style-type: none"> ● Commitment to employees ● Created dialog with

	<p>employees (surveys, feedback interviews...)</p> <ul style="list-style-type: none"> ● Incorporated changes following feedback from employees or decreased turnover rate 	<p>employees (surveys, feedback interviews...)</p>
16. Well being and health policy (incl. work-life balance and parental leave)	<ul style="list-style-type: none"> ● Parental leave policy ● Well-being and employee health initiatives 	<ul style="list-style-type: none"> ● Parental leave policy <p>or</p> <ul style="list-style-type: none"> ● Well-being and employee health initiatives
<u>Customers</u>		
17. Customer Satisfaction data	<ul style="list-style-type: none"> ● Commitment to customers ● Created dialog with customers (surveys, feedback interviews...) ● Incorporated changes following feedback from customers 	<ul style="list-style-type: none"> ● Commitment to customers ● Created dialog with customers (surveys, feedback interviews...)
18. Cyber security Initiatives	<ul style="list-style-type: none"> ● Initiative to prevent cyberattack (access management, employee training, phishing exercise...) ● Manager ownership with manpower (SICO) 	<ul style="list-style-type: none"> ● Initiative to prevent cyberattack (access management, employee training, phishing exercise...)
19. Data Privacy Policy & Management (eg. GDPR)	<ul style="list-style-type: none"> ● Data privacy policy <p>and</p> <ul style="list-style-type: none"> ● Internal/ external audit <p>or</p> <ul style="list-style-type: none"> ● Manager ownership with manpower 	<ul style="list-style-type: none"> ● Data privacy policy
20. Responsible product design	<ul style="list-style-type: none"> ● Analysis of product social/ environmental influence <p>and</p> <ul style="list-style-type: none"> ● Set a strategy to address harmful effects <p>Or</p> <ul style="list-style-type: none"> ● Collaborate with external organizations 	<ul style="list-style-type: none"> ● Analysis of product social/ environmental influence
<u>Community</u>		
21. Contribution to the community	<ul style="list-style-type: none"> ● Commitment to external stakeholders 	<ul style="list-style-type: none"> ● Commitment to external stakeholder (stakeholders

	<ul style="list-style-type: none"> ● Initiatives to promote the local community <u>relating to the start-up expertise</u> (tech education for youth, /students, digital/ tech training to elderly etc.) 	outside of the start-up)
22. Procurement and cooperation with local suppliers	<ul style="list-style-type: none"> ● Commitment to work with local suppliers and <ul style="list-style-type: none"> ● Set procurement targets for local suppliers or <ul style="list-style-type: none"> ● More than 20% of suppliers are local 	<ul style="list-style-type: none"> ● Commitment to work with local suppliers
<u>Diversity & inclusion</u>		
23. Diversity & inclusion policy and targets	<ul style="list-style-type: none"> ● Establish a D&I policy ● Set diversity & inclusion annual targets (e.g. increase women new-hire, percentage of women in management, increase minorities, LGBT or people with a disability) 	<ul style="list-style-type: none"> ● Establish a D&I policy
24. Diversity & Inclusion performance	<ul style="list-style-type: none"> ● Must have women in management initiatives (unconscious bias training, sourcing strategy, brand campaign...) and achieve high D&I performance 	<ul style="list-style-type: none"> ● D&I initiatives (e.g. unconscious bias training, sourcing strategy, brand campaign...) / achieve high D&I performance
25. Board member diverse representation	<ul style="list-style-type: none"> ● Have one woman in the board (not an observer) or <ul style="list-style-type: none"> ● Have a board member from an underrepresented group (minority, LGBT, disability etc.) or <ul style="list-style-type: none"> ● Have a board member representation of diverse background (age, sector expertise) 	<ul style="list-style-type: none"> ● Have one woman in the board as an observer
<u>Governance General</u>		

26. Anti-corruption code of ethics	<ul style="list-style-type: none"> ● Anti-corruption code of ethics and at least two of: ● Anonymous reporting system ● Implementation of the code with employees ● Ethical procurement due diligence ● Board member/ C-level management ownership 	<ul style="list-style-type: none"> ● Anti- corruption code of ethics (including anti -bribery section)
27. Impact / SDG / purpose-driven strategy	<ul style="list-style-type: none"> ● Establish an Impact/ SDG/ purpose-driven strategy ● Have a quantitative metrics measurement 	<ul style="list-style-type: none"> ● Establish an Impact/ SDG/ purpose-driven strategy
<u>Board of directors</u>		
28. Independent member on the board	<ul style="list-style-type: none"> ● Independent director on the board <p>and</p> <ul style="list-style-type: none"> ● Has accounting & finance expertise <p>or</p> <ul style="list-style-type: none"> ● Has industry expertise in the field. 	<ul style="list-style-type: none"> ● Independent director on the board
29. Proper management of the Board	<ul style="list-style-type: none"> ● Board annual frequency is 4 or more <p>and</p> <ul style="list-style-type: none"> ● Monthly performance report given on time <p>and</p> <ul style="list-style-type: none"> ● The Board created subcommittees or example for constructive support 	<ul style="list-style-type: none"> ● Board annual frequency is 4 or more <p>and</p> <ul style="list-style-type: none"> ● Monthly performance report given on time

Appendix 3 – ECS Requirements transaction documentation

Environment and social standards "ECS Requirements" means the environmental, climate and social obligations to be undertaken by a company to ensure that there is compliance with Environmental and Social Law;

"Environmental and Social Law" means:

- (a) EU Law, including principles and standards;
- (b) laws of a jurisdiction where the company is incorporated or where it carries out its business activities; and
- (c) applicable international treaties,

in each case of which a principal objective is the preservation, protection or improvement of the Environment and/or the protection or improvement of Social Matters;

"Environment" means the following:

- (a) fauna and flora living organisms including the ecological systems;
- (b) land, soil, water (including marine and coastal waters), air, climate and the landscape (natural or man-made structures, whether above or below ground);
- (c) cultural heritage (natural, tangible and intangible);
- (d) the built environment; and
- (e) human health and well- being;

"Social Matters" means all, or any of, the following:

- (a) labour and working conditions;
- (b) occupational health and safety;
- (c) rights and interests of vulnerable groups;
- (d) rights and interests of indigenous peoples;
- (e) gender equality
- (f) public health, safety and security;
- (g) avoidance of forced evictions and alleviation of hardship from involuntary resettlement; and
- (h) stakeholder engagement;
- (i) The company shall, and shall procure that its subsidiaries shall, comply with the national and EU Environmental and Social Law to which it is subject which is relevant and applicable to its operations or activities.
- (ii) The company undertakes, within 180 days as of the closing of the transaction documents, to (i) comply, and procure that its subsidiaries comply, with the ECS Requirements, (ii) comply, and procure that its subsidiaries comply, with the requirements of the GDPR, (iii) and procure that its subsidiaries, obtain all relevant authorisations to comply with applicable Environmental and Social laws. The company undertakes to, and procure that its subsidiaries shall, comply with relevant

environmental and social standards and to work towards continuous improvements in environmental, social and governance matters.

(iii) As promptly as possible and in any event no more than thirty (30) Business Days after becoming aware of any social, labour, gender-based violence, sexual exploitation and abuse, health and safety, security, reprisals or environmental incident, accident or circumstance with respect to any company operations or activities (including those of its subsidiaries) having, or which could reasonably be expected to have, an material adverse effect or an adverse impact on the implementation or operation of the company's (including its subsidiaries) operations in compliance with the ECS Requirements, the company shall notify Inven Capital (including by way of a written notice to the Board) of and shall in each case specify, to the extent that it has such information at its disposal, the nature of the incident, accident, or circumstance and the impact or effect arising or likely to arise therefrom, and the measures being taken, or plans to be taken to address them and prevent any future similar event; and keep Inven informed of the on-going implementation of those measures.

(h) Excluded activities

The company shall not, and shall make sure that its subsidiaries do not, conduct by itself any of the excluded activities listed above in Exclusion policy section of this document.

Appendix 4 - Change log

11.5.2023 – Updated ESG KPIs based on implementation of reporting with the Worldfavor platform

5.6.2023 - Investment process details added, i.e. Termsheet sustainability clause, transaction documentation clauses; added section Reporting to investors