

Planven Entrepreneur Ventures – ESG Policy

1. Mission statement

At CRDH Capital AG, investment advisor to the Planven Entrepreneur Ventures family of investment funds (the firm and investment funds collectively “Planven”), we pursue investments with a purpose. We apply a conscious focus on all three ESG (“Environmental, Social and Governance”) principles, which are included in our investment analysis and decision-making process through the implementation of our ESG policy. We aim to become signatories of the PRI, the Principles for Responsible Investments, promoted by the United Nations and we take the UN’s Sustainable Development Goals (“SDG”) as directional guidelines. As an active investor we aim to incorporate ESG into the investment agreements and together with the portfolio companies of our Planven funds, work on transparency, disclosure and progress of ESG topics.

2. Background and purpose

Planven’s purpose is to create value for investors, in portfolio companies and to society at large. By considering ESG as an integral part of our business model, Planven together with its portfolio companies, tries to identify and capture value creating opportunities, as well as mitigate relevant risks. Our ESG policy describes Planven’s commitment to sustainability in general and outlines our approach to address material ESG aspects throughout the entire investment process. The key lies in Planven’s thematic approach of investing in businesses with positive societal impact, advancing the progress of one or more of the United Nations (“UN”) Sustainable Development Goals (“SDG”). This policy outlines the standards how Planven intends to work with its portfolio companies in the context of ESG. Planven invests in software and innovation driven companies in Europe, Israel and the United States with a potential to become great, sustainable companies during the ownership period and beyond. This includes investments that live up to the due diligence requirements, or those that have been found to have both the potential and ability to do so in the future.

3. Principles & Sustainable Development Goals (SDG)

Planven continuously maintains and aligns its ESG policy and ownership approach with well-established international conventions, standards and guidelines and uses the UN’s SDG as mentoring guidance throughout the investment process, from deal sourcing to exit, considering Environmental, Social and Governance action points. While all 17 UN SDG goals are equally essential to promote sustainable prosperity globally, we believe our firm’s expertise and setup is particularly prone to contribute to the UN SDG as outlined below:

INVESTING WITH A PURPOSE



UN SDG 3# - Good Health & Well-Being

We believe that technology driven innovation in healthcare (e.g., by enhancing physicians and clinical workflow with AI supported software solutions) is a fundamental requirement to increase patient outcomes, decrease costs and therefore allow wide-spread adaptation of the highest standard of care across geographies and social classes.

UN SDG 5# - Gender Equality

Shortage of skilled personnel, entrepreneurs and leaders can only be alleviated by inclusive work environments that offer effective participation and equal opportunities at all levels of decision making. We believe portfolio companies that foster a culture of inclusion and gender equality benefit from attracting better talent and have higher diversity of thoughts and perspectives, which are fundamental drivers of innovation. While the gender gap is still highly prevalent especially in the tech industry (half of young women who go into tech drop out by the age of 35)¹, we embrace flexible working environments and remote working at our firm. We encourage portfolio companies to adapt similar models while ensuring gender equality at all leadership levels and do not tolerate any form of discrimination.

UN SDG 8# - Decent Work & Economics Growth + UN SDG 9# - Industry, Innovation & Infrastructure

As an investment firm with particular focus on technology driven start-ups, we believe leveraging innovative software solutions drive higher level of economic productivity, create jobs across our portfolio companies and encourages entrepreneurship. As new areas of jobs are being created that previously did not exist, we believe the technology sector can play a particularly important role to employ young talent and reduce the proportion of youth unemployment. Technology is a fundamental key driver to advance industrialisation, increase employment and gross domestic product. A substantial part of our funds

¹ https://www.accenture.com/_acnmedia/PDF-134/Accenture-A4-GWC-Report-Final1.pdf

invested in portfolio companies are used for Research & Development purposes. The intangible nature of software allows deployment across geographies with very limited incremental physical infrastructure costs and no production and transportation emissions.

UN SDG 11# - Sustainable Cities & Communities

Technology plays a vital role to provide access to safe, affordable, accessible, and sustainable transport, especially for those in vulnerable situations. It further allows to use less resources while ensuring an increase in quality of services provided, decreases road congestion and emissions, while making cities and communities more sustainable.

UN SDG 16# - Peace, Justice & Strong Institutions

We believe that both governmental institutions and corporates need to have effective means to be protected against external adversaries to maintain trust and integrity towards society, customers and employees. The digital transformation has created new and rapidly increasing vulnerabilities with regards to data privacy and security, as well as critical infrastructure in the context of cyberattacks. Adversaries in cyberattacks operate in similar fashion as criminal organisations (such as theft, extortion, ransom) or are supported by nation-state threat actors with intentions to destabilise institutions and interfere with democratic processes globally.

4. Scope

The ESG policy is being implemented for all Planven funds respective investment processes. As a minority investor in start-up companies, Planven typically does not have control or co-control, which can reduce our influence on the decision-making process in portfolio companies, and therefore implementation of ESG principles may be limited on a case by case basis. Nonetheless, there is an expectation that material ESG aspects are considered as part of the investment analysis and that, where applicable, an appropriate governance model is adapted to manage and monitor ESG aspects throughout the ownership period.

5. Goals

Planven applies the six Principles for Responsible Investments issued by the United Nations (UN PRI), leading to sustainable investment results, both from an ESG perspective and financially, through factors that reduce risks exposures. The six principles are:

1. Incorporate ESG into investment analysis and decision making
2. Promote acceptance and implementation of the principles within the industry
3. Be active owners and incorporate ESG issues into our ownership policies
4. Work together to enhance our effectiveness in implementing principles
5. Seek appropriate disclosure on ESG issues by entities in which we invest
6. Report on our activities and progress towards implementing the principles

6. Integration throughout the investment and value-creation process

Planven considers responsible investment and ownership principles and practices, including the consideration of material ESG aspects, as an integral part of each phase of the investment and value-creation process:



- A. **Sourcing** – Initial evaluation of investments disqualifies opportunities that are counter-productive to the ESG goals outlined in this policy (negative screening). We believe that companies with a positive ESG contribution to employees, customers, society, or the environment benefit from a sustainable long-term uplift. Companies that combine these factors with a sound business model and expected investment return outlook in line with our fiduciary duties towards our investors are selected for further due diligence. In the continued investment selection process, Planven's approach is not only to mitigate risks in a portfolio company, but also to identify opportunities to support value creation by enhanced management activities and advise the prospecting portfolio company accordingly.
- B. **Due diligence** – Among many commercial and technology factors, ESG aspects are part of our due diligence process to identify material risks and opportunities related to ESG. The investment team is currently implementing a best practice based ESG assessment framework. The memorandum prepared for our funds' investment committee includes a section on ESG and whether any positive or negative factors have been identified, which would need to be further addressed either pre or post investment together with the portfolio companies.
- C. **Execution** – In situations where Planven leads new financing rounds, Planven seeks to incorporate ESG clauses in the investment agreements, especially related to corporate governance, transparency and appropriate information rights, anti-bribery and corruption (ABC) clauses, and compliance with laws and regulations in the relevant jurisdictions. In situations where Planven has limited influence on the financing documentations (e.g., as a proportionally small minority co-investor or without any board representation), Planven still seeks the dialog with the company and respective lead investor to address these principals in the agreements.
- D. **Portfolio management** – The overall value creation plan for portfolio companies incorporates besides business development activities also ESG improvements identified during the due diligence. An essential part of Planven's value creation strategy is the governance model and management structure that is put in place for each portfolio company. Through these structures, portfolio companies' management of ESG aspects are influenced and supported throughout the relevant Planven fund's ownership period. Outcome and progress are monitored and reported annually to Planven's fund investors and its board of directors. Portfolio companies in which

Planven either holds an ownership stake larger than 5.0% or has a representation on the board of directors are expected to provide input on ESG topics (e.g., through a tailored survey), as Planven's governance position and influence allows. KPIs which Planven fund's portfolio companies are expected to commit to and report progress annually, cover environmental, social and governance aspects were applicable and are selected based on specific criteria including relevance, measurability, and the possibility of aggregation. Due to the diversity of underlying portfolio companies across different industries, KPIs may vary for different portfolio companies. The collection of sustainability related KPIs aims to give a holistic overview of portfolio companies and Planven funds' sustainability achievements and impact.

- E. **Exit** - We believe that companies with a solid ESG basis on top of underlying business performance provide for long term sustainable competitive advantage, attract more diverse and better talent, reduce associated risks and costs of non-ESG complainant behaviour, and are therefore in a better position to achieve a successful exit. Efforts on ESG during the portfolio management phase are geared towards optimising outcomes for portfolio companies, its employees, society and as a result for Planven fund investors.

7. Implementation, roles and responsibilities

Our ESG policy articulates measurable goals that we as a firm will work towards. We believe that there are three main pillars through which we can implement our policy:

- A. **Planven internal operations**

We exercise the greatest degree of control over our own behaviour, and we will hold ourselves to the strictest standards of measurement and transparency when delivering the ESG policy. We inform the board of directors of Planven at least annually on ESG related matters, including identified areas of improvements and progress (both on firm and Planven funds level).

- B. **Planven portfolio companies**

While we recognise our position as a minority shareholder, we endeavour to communicate and leverage our ESG policy as a guide for the companies in our portfolio. To further our ESG goals, we also seek to listen to, learn from, and share best practices with our portfolio companies and the broader investor community.

- C. **Planven investment decision making**

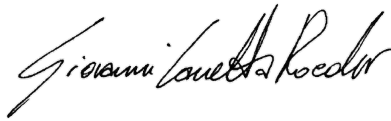
The ESG policy will be considered during our investment process and conducted by the Planven investment team. While we will not measure our own investment performance through these goals, we are convinced that the best entrepreneurs and young companies of today are similarly motivated to drive these sustainable future goals either in their operations or through the products and services they develop. We interpret alignment with our goals as positive signals for future value creation.

8. Reporting disclosure to the public

Planven aims to promote the acceptance and implementation of responsible investment and ownership principles within the venture capital and broader investor community. For this purpose, we integrate sustainability information and key ESG data in our financial communication to investors, openly publish our ESG policy and other relevant sustainability information on the www.planvenev.com website.

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Managing Partner



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