



ESG Policy

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Preamble

This ESG Policy is binding for Venionaire Capital AG, including all affiliated companies in Austria, Luxemburg, and the United Kingdom ("Venionaire"). The current Version 1.1 was confirmed by the management board on the September 15th, 2023, and will be reviewed by the supervisory board on an annual basis. Any changes or updates to this policy will be published in the investors relations corner of Venionaire Capital AG's website www.venionaire.com.

I. Purpose

Venionaire maintains that the thoughtful management of environmental, social, and governance (“ESG”), geopolitical and regulatory issues is an essential part of long-term business success in a rapidly changing world. Environmental factors encompass a company's impact on the natural world, social factors address its relationships with people and communities, and governance factors pertain to its internal structures and ethical principles. By considering these dimensions, we aim to foster sustainable practices that benefit both our business and the world we operate in.

Environmental, Social, and Governance (ESG) factors have become integral considerations in the funding and investment landscape. There is clear evidence that the financial performance of later-stage companies benefits from good ESG management. Despite the limited resources in early-stage companies, ESG issues need to be considered in developing the longer-term strategy. At Venionaire, we recognize the significance of ESG aspects in supporting value creation, risk mitigation and market access. The purpose of this policy is to articulate Venionaire's broad framework and approach to that commitment.

II. Scope

This ESG policy outlines our commitment to sustainability, driven by collaboration and continuous improvement. We view this policy as an evolving and comprehensive framework that guides our ESG endeavours, shaped by dynamic and collaborative processes.

We pledge to adhere to this ESG policy across our organization, encompassing all business activities we pursue.

Unlike the public markets, there is limited access to information, including ESG data on private companies other than getting it directly from the company. Based on a materiality-driven approach, we will actively encourage the development of roadmaps and milestones to design appropriate and suitable frameworks for the management of ESG issues.

Furthermore, Venionaire is open to engaging with partners and relevant stakeholders on its own initiatives, or those of the portfolio companies, as appropriate.

This policy is expected to be reviewed annually and is otherwise subject to change as deemed necessary.

III. Venionaire's ESG Values

At Venionaire, we aim to foster sustainable practices throughout our organization, funds, and portfolio companies. Our commitment to ESG values will serve as a cornerstone of our responsible investing and business practices.

A. Environmental

In the context of ESG "Environmental" refers to the evaluation of a company's impact on the natural world and its efforts to promote sustainable practices. This dimension encompasses a wide range of factors, including a company's use of natural resources, energy consumption, waste management, carbon emissions, biodiversity preservation, and other activities that influence the environment. By considering environmental factors, we aim to minimize negative impacts, promote responsible resource usage, and contribute positively to the well-being of the planet.

B. Social

The "Social" dimension encompasses an evaluation of a company's interactions with people, communities, and broader society. This dimension delves into how a company upholds human rights, fosters equality, promotes safe and inclusive working conditions, engages in ethical business practices, and contributes positively to societal well-being. By focusing on social factors, we aim to create a positive impact on stakeholders, employees, customers, and the communities they operate in. Evaluating a company's social practices involves assessing its commitment to diversity, inclusion, fair labour standards, customer satisfaction, and other elements that contribute to a just and equitable society. We understand businesses have responsibilities beyond financial performance and play a crucial role in shaping social progress.

C. Governance

"Governance" dimension refers to the structures and practices that guide the decision-making processes within a company. It encompasses the framework of rules, regulations, and accountability mechanisms that steer a company's behaviour and interactions with stakeholders. Effective governance ensures transparent operations, ethical conduct, and responsible management. This dimension evaluates the alignment of a company's practices with established principles of fairness, integrity, and accountability. Key components include anti-corruption measures, compliance with laws and regulations, shareholder rights, board composition, executive compensation, and risk management. By focusing on governance, we aim to create a culture of responsible leadership, mitigate risks, and uphold ethical standards, ultimately fostering long-term sustainability and value creation.

IV. Implementation of Values

Our ESG values are integrated into all business activities, empowering us to guide our clients and portfolio companies toward sustainable growth. This approach outlines our steadfast commitment to integrating ESG principles throughout every phase of our investment and operational processes. By embedding these values, we aim to drive positive impact and contribute to a more sustainable future.

Venionaire tailors its approach according to what we believe to be most suitable and practicable under the circumstances, considering factors as: the nature of the project, the existence and nature of governance rights, our level of influence, and other factors.

This policy has been developed to steer the course of action of Venionaire. For own portfolio companies as well as for portfolio companies of funds managed by Venionaire entities (as far as applicable in the respective fund and on an individual basis), it is meant to be understood as a clear expression of our expectations for dealing with ESG issues. The operational management of the portfolio companies is the responsibility of their management boards. We exert our influence through representatives on the advisory boards or supervisory boards of the portfolio companies. Through serving in monitoring functions, we endeavour to achieve improvements in the relevant ESG issues.

How Venionaire incorporates ESG in the analysis of companies

During the due diligence, or pre-investment phase, we integrate our ESG values to guide comprehensive due diligence processes, which include incorporating ESG values through comprehensive assessment of potential portfolio companies with the following actions:

- Questionnaires addressing ESG-related topics and exclusion criteria,
- evaluating industry- or asset-specific ESG risks,
- due diligence on material ESG issues,
- evaluating potential ESG-related value creation opportunities and issues and considering engagement opportunities,
- screening for investment exclusions as specified in fund agreements.
- Highlighting risks and value creation opportunities in Investment Committee discussions and memorandums, as well as
- documentation and tracking of relevant findings.

In the post-investment phase, or the ongoing monitoring of existing assets, our dedication to ESG values remains unwavering as we actively engage with portfolio companies to encourage ESG-conscious decision-making:

- Monitoring ESG considerations during onboarding and regularly
- Engaging with companies, where possible, on value creation and risk mitigation effort, where relevant

- Supporting actions for improvement
- Pro-active engagement and stewardship by driving board agendas, monitoring the development of roadmaps, milestones, and scorecards
- Recording findings in internal reporting systems, when applicable
- Tracking progress and potential risks

V. Internal ESG Management

Venionaire actively pursues sustainable business operations:

A. Environmental

Efforts to positively impact the natural world include:

- Carbon footprint reduction;
- Limiting eco-adverse forms of travel;
- Championing prudent resource utilisation (e.g., water, energy, natural resources);
- Constrained use of scarce environmental resources;
- Enhancing waste management and recycling practices.

B. Social

Commitment to fostering positive social change encompasses:

- Diversity and inclusion initiatives;
- Fostering positive working conditions;
- Stakeholder engagement;
- Promoting inclusivity and providing equal chances for AI;
- Enforcing a rigorous anti-discrimination stance;
- Placing emphasis on customer welfare, health, safety, and confidentiality;
- Employee training and employee awareness.

C. Governance

We are committed to operating with integrity and accountability through:

- stringent anti-corruption, anti-money laundering, anti-terror financing, and GDPR policies;
- pursuing a zero-tolerance policy when it comes to compliance issues;
- maintaining elevated business ethics;
- transparency and reporting.

VI. Roles and Responsibilities

Our team of experienced professionals collectively upholds this ESG policy in pursuing advisory mandates, investment decisions and monitoring procedures. The executive team provides regular updates to Venionaire's Board of Directors on ESG / sustainability matters, underscoring the commitment of leadership oversight on these issues. Furthermore, the Supervisory Board is regularly updated on relevant developments. External resources are engaged when necessary.

A designated ESG Officer, reporting to the Board of Directors, is responsible for the collection of ESG data within Venionaire, and the identification and coordination of internal ESG training needs. The implementation of the policy is the responsibility of Venionaire's Board of Directors.

This policy was last updated on Sept. 15th, 2023.