

INVENTURE, ESG & RESPONSIBLE INVESTMENT STRATEGY

Inventure aims always to select the best investment targets and pursue returns to its funds and funds' partners. Along with the financial indicators and investment opportunity evaluation, we assess the ESG (Environmental, Social, Governance) aspect of each case in an integrated process. Risk management and prevention of excessive risk taking is therefore a natural part of our investment process.

In all investments and work with the portfolio companies, we respect our following *Responsible Investment and ESG policies*. We take into consideration the potential environmental impacts of the companies and/or of their products & services, their social responsibility and their corporate governance.

Responsibility in investment activities is pragmatic and an integrated part of the whole investment and ownership process.

Responsible Investment and ESG policy

i) Case Selection Phase

In case selection of the venture capital portfolios, Inventure aims to select only companies with sustainable development, sound business practices, and environmentally positive overall impact factors. According to Inventure's current and future venture capital fund agreements, Inventure makes no investments in companies whose primary business is within arms trading or arm industry, gambling, tobacco industry or human cloning, or businesses with illegal or immoral dealings.

ii) Engagement and Value Creation phase

After the professional and sound case selection phase, Inventure works actively with the companies, in order to secure sound business practices and operations across the portfolio. Inventure's role in the engagement and value creation phase is especially important and influential as a result of Inventure's active participation in the management of portfolio investments through board memberships and chairman positions. In addition to board work, we work closely with the portfolio companies to help them develop in various aspects from business operations to HR. Inventure is the professional and active shareholder of its venture capital funds.

iii) EXIT phase

At EXIT phase, Inventure carefully evaluates the buyer profile, transaction model and fair treatment of various shareholders (employees, option holders, Business Finland etc.). Our ambition is to select EXITs, that continue to contribute to the venture ecosystem long term.

What we do when it comes to responsible investing & ESG principles?

- 1) We exclude investments in companies whose primary industry is
 - a. those excluded in fund agreements or,
 - b. otherwise controversial.
- 2) We evaluate investment decisions and compare the company with others in the same industry. When investment criteria justifies the investment, we prefer companies that
 - a. Perform their business well and responsibly
 - b. Have taken into consideration ESG aspects in their business, and work in favor of achieving high performance in this area.
- 3) Integration of ESG into all processes
 - a. ESG matters are taken into account in investment proposal, due diligence (DD) and decision-making.



- b. We look for investments that are able at minimum to mitigate negative impacts on the environment and have good and legitimate operations in legal aspects and governance.
 - c. We constantly ask portfolio companies to report of any ESG issues and aim to make regular analysis of the effects and consideration of ESG factors in their business. We conduct ESG surveys among the portfolio.
 - d. We pay attention to the implementation of laws and regulation and exclude target companies and acquisitions in case we cannot be convinced of the realization of these.
- 4) Ownership and influence
- a. Inventure is actively involved in the board of directors of the portfolio companies. Through board work, we guide their management towards well-handled corporate governance and social and financial responsibility.
 - b. We strive to improve the companies' board of directors by helping them choose educated and knowledgeable members.
- 5) Realization of social responsibility through investments:
- a. We already have many portfolio companies and continue to favor companies with operations in e.g. development of health & wellbeing, supporting circular economy, supporting a healthy planet, cyber security or a positive social impact.
 - b. One of the main themes and targets investments for Fund III is *Future mobility*. Through this domain we aim to invest in companies promoting the electrification of automotive industry through new technologies and innovations. This kind of solutions can enhance the health and sustainability of the environment, improve human safety, and hopefully reduce emissions related to the automotive industry.
 - c. Another main domain of Fund III is *Personalized Healthcare*, aiming to invest in companies that provide new healthcare solutions to the human kind. These kind of services and innovations can enhance the cost structure and economics of the industry, provide new solutions to healthcare and prevention of diseases, or even empower certain groups of people in their opportunities to take care of their own health and body.
- 6) Reporting
- a. Our ESG policy is available on our website
 - b. We report to our limited partners on our ESG strategy and development on a regular basis.

How does Inventure itself perform & operate with regard to the ESG aspects?

i) Environment

The business and industry of Inventure itself has no direct effect on the environment (no industrial production or usage of environmentally hazardous substances). As per considerations of the environment in investments, Inventure excludes and/or includes companies into fund portfolios as described above. We travel only when it is needed to develop our funds and our own performance, or to meet and communicate with important industry stakeholders.

ii) Social

Through investments into Nordic and Baltic seed and early-stage companies, Inventure supports the employment and economic growth of its impact area. Through funding, companies are provided with a chance to grow and expand their businesses, developing their high technology products and innovations further. Inventure also sustains a solid international network, and therefore an opportunity for the portfolio companies to internationalize more easily and reach next level funding.

Furthermore, Inventure is an active member in the startup community Maria 01, supporting the ecosystem, and helping it provide local startups a homebase and a flourishing network of different connections. We continuously support learning and education by giving guest lectures.

We constantly evaluate ourselves and our performance as a team. We support our employees in health and wellbeing with various methods and initiatives.



iii) Governance

Inventure's own processes are formulated according to current laws and regulation and good corporate governance principles. However, our most active work and impact in this area comes through the work with the portfolio companies: As an active board member and as a professional shareholder we can provide the managers of early-stage portfolio companies with the knowledge and tools to build similar, good corporate governance processes in their operations.

