

RESPONSIBLE INVESTMENT POLICY

Portugal Capital Ventures – Sociedade de Capital de Risco, S.A.
("Portugal Ventures")

This policy reflects the obligations arising from Regulation EU 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector ("SFDR") at fund management level.

January 9th, 2025

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The raison d'être of Portugal Ventures is to boost the global success of Portuguese startups.

Portugal Ventures has established itself as a leading venture capital partner in Portugal, seeking to develop unique strategies for the growth, competitiveness and internationalisation of the companies in which it invests.

Since 2012, Portugal Ventures has made robust and diverse investments in early-stage companies with high growth potential. Through the venture capital funds it manages, Portugal Ventures invests in startups offering innovative solutions in four major sectors: Digital & Technology, Manufacturing & Technology, Therapeutics & Health Technologies and Tourism, and at various stages of development, from pre-seed to Series A. Besides this capital investment, Portugal Ventures also carries out various value-added activities, including providing access to contact networks, specialised knowledge and training in startup management and development, and support in critical financing or transaction processes for portfolio companies.

By supporting companies in their early stages of development, Portugal Ventures helps foster job creation, innovation and sustainable economic growth in Portugal.

Portugal Ventures' track record of successful investments in innovative companies has seen the firm widely recognised as a forward-thinking and socially conscious investment partner.

With this policy and associated documents, Portugal Ventures aims to define its investment principles and commitments, and the processes to be adopted in future investments. The policy also details how it considers sustainability risks in the investment decision-making process and its approaches to principal adverse impacts in investment decision-making, as required under Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector ("SFDR").

1. PRINCIPLES OF RESPONSIBLE INVESTMENT

Throughout its history, Portugal Ventures has endeavoured to establish itself as a leading venture capital partner in Portugal to benefit its portfolio companies.

Its corporate culture is rooted in the fundamental values of commitment, transparency and excellence, which are the principles that shape Portugal Ventures' identity. Portugal Ventures thus believe that responsible investment is not just a practice the firm adheres to, but rather a fundamental expression of its organisational ethos.

At the heart of its mission is the determination to fill a market failure, making investments capable of generating significant returns for its stakeholders, while at the same time contributing to socially and environmentally positive outcomes.

Portugal Ventures believes that environmental, social and governance (ESG) considerations are essential to creating value and protecting it in the long term. Portugal Ventures is therefore committed to incorporating ESG principles into its investment decision-making process, which includes the following stages: sourcing (involving online submission, or direct funding, as applicable, and pre-selection), analysis and assessment of investment opportunities (which may include consideration of external expert opinions and the internal assessment of the investment opportunity *per se*), and the investment decision (culminating in the proposal and negotiation of the terms of the investment, a term sheet, and the negotiation and signing of investment agreements). Portugal Ventures is also committed to incorporating ESG factors in the post-investment period, through the corresponding monitoring.

In particular, Portugal Ventures considers governance to be the most important ESG component in portfolio management, as it is the foundation on which all sustainable businesses are built and social and environmental practices developed. Ultimately, Portugal Ventures' main goal is to add value and support entrepreneurs in creating value.





Portugal Ventures is committed to investing in companies that have a clear purpose and a vision of long-term growth. It endeavours to support these companies by providing financial

resources and guidance to help them succeed, focusing on talent, innovation and economic growth. By investing responsibly, prioritising ESG issues, Portugal Ventures hopes to create a more prosperous and sustainable future for all.

Portugal Ventures firmly believes in the importance of economic growth through the promotion of innovation and a commitment to diverse business models and approaches. Establishing partnerships with purposeful entrepreneurs who share Portugal Ventures' values and are committed to adding social, environmental and economic value is also a priority.

With this in mind, Portugal Ventures' Responsible Investment Policy regards talent and innovation as key elements in driving the growth and success of the companies in which it invests.

Portugal Ventures also recognises its **ability to influence and transform companies** and aims to bring its actions in line with the **Sustainable Development Goals (SDGs)**, focusing on the entrepreneurial ecosystem. Its goal is to prioritise having a positive impact by pursuing the following objectives:

	SDG	CONTRIBUTION
	Industry, innovation and infrastructure	Activities focus on supporting high-potential business ideas, built on innovation and offering solutions for industry and other sectors.
	Decent work and economic growth	Promoting the development and growth of companies can help them to have a greater positive economic impact on society.
	Responsible consumption and production	Having regard to the educational impact that Portugal Ventures hopes to have on its portfolio companies, it strives to promote a more responsible approach to the environment, society and governance.
	Peace, justice and strong institutions	Building effective, accountable and inclusive institutions at all levels promotes the development of institutions that are also concerned with issues such as corruption, crime, violence and discrimination.

As a venture capital firm specialising in early-stage investments, Portugal Ventures plays a central role in contributing to **SDG 9**. To this end, it identifies and supports innovative businesses that develop technologies and solutions that help drive progress in industry and other sectors. Through the investments it makes, Portugal Ventures aims at promoting research and the development of innovative products and services that help create a more sustainable and inclusive society, while fostering economic growth and job creation.

Portugal Ventures also recognises the importance of **SDG 8**. As an investor in early-stage companies, it works closely with entrepreneurs and startups to help them grow and develop their businesses. By providing access to funding, strategic guidance and networking opportunities, Portugal Ventures contributes to the creation of decent work and the promotion of economic growth. Portugal Ventures also recognises that responsible consumption and production practices are crucial to building a sustainable future. While investing in innovative products that contribute to these goals, Portugal Ventures also prioritises education and engagement to help drive behavioural change. By establishing partnerships with portfolio companies, entities that are part of the entrepreneurial ecosystem and other stakeholders, Portugal Ventures promotes sustainable peace and prosperity, with a view to creating a safer and more equitable society. Portugal Ventures also believes in fair governance and inclusive practices in its portfolio companies, strengthening its commitment to **SDG 16**. Ultimately, the goal is to encourage individuals and organisations to make informed decisions that benefit both people and the planet, contributing to a more sustainable and equitable future and thus also to **SDG 12**.

2. GUIDING PRINCIPLES AND COMMITMENTS

Portugal Ventures is committed to internationally recognised, fundamental and **uncompromising values and principles** in the pursuit of its investment activities. It strives to align the strategies and operations of Portugal Ventures portfolio companies with the Ten Principles of the UN Global Compact in the areas of human rights, labour, environment and anti-corruption, derived, among others, from the United Nations Convention against

Corruption, the Universal Declaration of Human Rights, and the ILO Declaration on Fundamental Principles and Rights at Work, as well as the Organisation for Economic Co-operation and Development (OECD).

These principles inspire the Portugal Ventures Responsible Investment Policy, Sustainability Policy, Code of Conduct, Gender Equality Plan, Gender Pay Report, its Anti-Money Laundering and Counter-Terrorist Financing Policy, procedures and restrictive measures, and its Corruption Risk and Related Offences Prevention Plan, as well as other internal plans and policies. As a sign of its strong commitment to responsible investment, Portugal Ventures has signed **the United Nations Principles for Responsible Investment** ("UN PRI" or "the Principles"). As a signatory of the UN PRI, Portugal Ventures pledges to:

1. Incorporate ESG issues into investment analysis and decision-making processes;
2. Be active owners and incorporate ESG issues into internal policies and procedures;
3. Promote appropriate disclosure of ESG issues by portfolio companies;
4. Promote the acceptance and implementation of the Principles in the investment sector;
5. Work together to enhance the effectiveness in implementing the Principles;
6. Report on activities and progress made towards implementing the Principles.

3. GOVERNANCE MODEL

Portugal Ventures believes that integrating ESG principles into its investment process and practices requires good **ESG governance**, as reflected in the following:

- i. annual ESG training for the investment team;

- ii. an ESG Committee, comprising a member of the Board of Directors, the Compliance and Risk Management Department, a Business Unit director, and a member of the Portfolio Development Department. This committee is responsible for implementing the Responsible Investment Policy, both at Portugal Ventures and at the companies in which it invests, and may be extended to other people as necessary, reporting to the Board of Directors;
- iii. an ESG Manager who coordinates the implementation of ESG-related activities internally, in collaboration with each of the business units that support the portfolio companies, and with the rest of the organisation;
- iv. Integration of sustainability-related risks into the company's Remuneration Policy, to the extent possible for a state-owned company¹;
- v. oversight of the implementation of the ESG policy by the Portugal Ventures' Board of Directors, approving any amendments needed.

Where necessary, Portugal Ventures will use external ESG consultants.

4. INTEGRATING ESG PRINCIPLES INTO THE INVESTMENT PROCESS

Portugal Ventures advocates responsible investment, integrating ESG factors throughout the investment process, which includes incorporating sustainability-related risks and opportunities, and subsequent monitoring.

¹ As a state-owned company, Portugal Ventures does not include sustainability-related risks in its Remuneration Policy, since (i) the remuneration levels of its governing bodies are defined by law; and (ii) its business plan and annual budget (which includes remuneration) are subject to limitations applicable to state-owned companies and approval by members of the Government. Should this framework and context change, Portugal Ventures will adjust its internal policies to integrate sustainability-related risks.

Selection process

In accordance with the Sustainability Policy published in March 2023, Portugal Ventures **excludes** from its investment universe several **activities** that it believes are **contrary to its responsible investment principles** and those of its investors, as they carry a significant reputational risk. Portugal Ventures refuses to invest in any company whose business activities offer or involve the promotion, production, distribution or marketing of products or services related to:

- activities classified as illegal under international laws or regulations or those of the host country;
- conventions and agreements, or those subject to phasing out or prohibition;
- corruption, money laundering and terrorist financing;
- forced labour and child labour;
- pornography and prostitution;
- radioactive materials (except for medicinal purposes);
- tobacco;
- violation of human rights; and
- weapons and ammunition.

Portugal Ventures regularly reviews the list of exclusions to cover controversial issues, following international best practices.

Moreover, and with this policy, Portugal Ventures also undertakes not to invest in companies that carry out activities or form part of sectors included in the list of exclusions provided for with the application of the 'do no significant harm' principle, as set out in Commission Notice 2021/C 58/01 'Technical guidance on the application of the "do no significant harm" principle', under the Recovery and Resilience Facility Regulation 2021/C 58/01 and Regulation (EU) 2021/523 of the European Parliament and of the Council of 24 March 2021 establishing the InvestEU Programme and amending Regulation (EU) 2015/1017.

Analysis and Assessment of Investment Opportunities, which should include ESG Due Diligence

In order for companies to fulfil Portugal Ventures' investment criteria, they cannot, among other factors, pursue activities in the excluded sectors and are subject to an internal assessment (and external assessment, where applicable), as well as ESG due diligence.

This ESG Due Diligence consists of an ESG Survey aimed at assessing a company's ESG practices and identifying risks that should be considered.

Investment proposal and final decision

After it has assessed an investment opportunity, including ESG issues, and Portugal Ventures decides to invest in the company, terms are negotiated and an investment agreement signed.

By investing in convertible instruments and holding a minority interest, Portugal Ventures' ability to shape and manage the companies in which it invests is inherently limited. The ability to influence portfolio companies will depend primarily on the voting rights attributed to the shares held, the contractual rights negotiated, and the representatives appointed to their governing bodies. Nevertheless, Portugal Ventures intends to exert significant influence on companies to ensure the integration of ESG factors into their value creation strategies, which it shall endeavour to do by providing guidance in this regard, introducing contractual obligations relating to management by the portfolio company of ESG risks that could affect the value of the investment, and the implementation of ESG value creation mechanisms in the different stages of the investment process.

Portugal Ventures will also seek to establish agreements with co-investors to achieve a unified stance on ESG issues, thereby gaining the necessary leverage to guide the portfolio company's management team to ensure that the relevant ESG risks identified are managed and minimised.

Furthermore, Portugal Ventures will make every effort vis-à-vis its portfolio companies to promote ESG practices from the outset, helping to ensure that they are aware of the importance of considering ESG issues when developing their business and growth plans.

Post-investment and follow-up

Portugal Ventures monitors the investments it makes, in particular by being in frequent contact with all its portfolio companies through their respective managers and by encouraging each portfolio company to also have an in-house ESG manager.

Responses to the ESG Survey in the Project Analysis and Assessment stage are taken into account in the relationships established between Portugal Ventures and its portfolio companies, to encourage the implementation and/or improvement of ESG practices by these companies, based on their responses to the survey.

For the purposes of routine or occasional monitoring, Portugal Ventures will conduct a new ESG assessment, using the ESG Survey, to determine progress made by the portfolio company and to assess whether the actions taken have enhanced the company's value, making it more sustainable.

Monitoring takes place as follows:

- a. routine monitoring is carried out annually, on a date defined by the Board of Directors;
- b. occasional monitoring is carried out as part of the preparation for divestment or a new financing round, in the latter case if the monitoring is appropriate and proportionate to the characteristics and/or timing of the financing round concerned.

5. TRANSPARENCY AND REPORTING

Each year, as a result of its public commitment to the UN PRI, Portugal Ventures will also disclose its performance (and corresponding investments) and ESG improvements through the annual UN PRI reporting process (the *Transparency Report*).

It will also share an annual sustainability report, including ESG progress, with stakeholders.

By making this Responsible Investment Policy publicly available, Portugal Ventures is sharing the details of its approach to sustainability risk integration.

That said, Portugal Ventures does not consider the principal adverse impacts of its investment decisions on sustainability factors within the meaning of Article 4 of the SFDR, as it cannot guarantee the availability of the information necessary to calculate such impacts, largely due to the nature and size of its portfolio companies. The reasons that led to the decision to not consider these impacts are explained in the "Separate Statement" available on Portugal Ventures' website, in the section dedicated to "Sustainability".

Finally, Portugal Ventures is committed to promoting responsible investment in the ecosystem and society in general, especially in Portugal. To this end, members of the Portugal Ventures team will participate in conferences and events focusing on ESG issues and challenges.

6. ENTRY INTO FORCE

This version of the Responsible Investment Policy comes into force on 10th of January 2025.