Entity Level Website Disclosures

ICP Ventures

incp.com

Sustainability related disclosures

This document is the entity level disclosure for ICP Ventures prepared in accordance with the requirements in the European Union's Sustainable Finance Disclosure Regulation (**SFDR**) ((EU) 2019/ 2088), Regulation 2020/852 (the "**EU Taxonomy**") and the regulatory technical standard ((EU) 2022/1288).

The SFDR regulation is developed by the EU with an aim of increasing transparency on sustainability practices in financial products. We support this regulatory development, and work to implement best practice approaches.
This document includes the disclosures in accordance with:

- Article 3: Transparency of sustainability risk policies
- Article 5: Transparency of remuneration policies in relation to integration of sustainability risks
- Article 4: Transparency of adverse sustainability impacts at entity level

Sustainability risk integration in the investment decision-making process

ICP Ventures aims to make sustainable investments in economic activities that contribute to climate change mitigation. ICP Ventures' mission is to invest in, and develop, venture companies with technologies or solutions contributing to accelerating the transition to Net Zero greenhouse gas emissions by 2050.

Sustainability risks and opportunities are integrated into the investment decision-making process at all stages of the investment life cycle, from pre-screening and due diligence to active ownership and exit strategy.

Sustainability risks refer to environmental, social, or governance events that, if they occur, could cause an actual or potential material negative impact on the value of the companies owned by the funds and assets under management of ICP Ventures ("**Portfolio Companies**"). Sustainability risks are considered, monitored, addressed and mitigated to the extent possible and appropriate to generate sustainable long-term returns.

As part of the due diligence of new investment opportunities, ICP Ventures will assess the climate impact and performance potential of the technology or solution offered by the investment opportunity. The climate impact assessment will quantify the potential greenhouse gas emission reduction of the investment at full scale, as well as the risks of achieving that impact, and the risk of doing any significant harm to other sustainability objectives. Sustainability risk due diligence results must be approved by the investment committee before it makes the final investment decision on behalf of funds or assets under management.

Integration of sustainability risks in remuneration

Sustainability is included in the remuneration model to ensure commitment and engagement from the employees in ICP Ventures to integrate sustainability risks in the investment decision process.

ICP Ventures has adopted a remuneration policy with the purpose of promoting sound and effective risk management and not encourage excessive risk-taking inconsistent with the risk profiles, rules or instruments of incorporation of the funds managed by ICP Ventures . Certain employees may receive variable remuneration, based on a combination of the assessment of the performance of the individual and of the business unit or fund concerned and of the overall results of ICP Ventures.

When assessing individual performance, financial as well as non-financial criteria shall be considered. The non-financial criteria include an assessment of the performance of the employee with respect to how the employee integrates sustainability risk into investment decisions, and the extent to which the employee promotes the principles set out in ICP Ventures' sustainability policy in the management of the portfolio, thereby reducing sustainability risk for ICP Ventures and contributing to ICP Ventures' sustainability objectives.

Statement of principle adverse impacts of investment decisions on sustainability factors

Summary section

ICP Ventures considers the principal adverse impacts of its investment decisions on sustainability factors. Principal adverse impacts are those impacts of investment decisions that result in negative effects on sustainability factors, including, but not limited to, environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters. ICP Ventures seeks to contribute to climate change mitigation by investing in emission reduction technologies, while ensuring that it does not cause signficant harm to other environmental or social objectives.

As part of the pre-investment sustainability assessment, ICP Ventures includes an assessment of the principal adverse impact indicators ("**PAIs**") as set out by SFDR. This statement will be updated by 30 June 2024 and annually thereafter to include the principal adverse impacts of ICP Ventures' investment decisions for relevant reference periods. ICP Ventures did not make any investment decisions in 2022, so the first reference period for ICP Ventures will be 2023 with reporting on the PAIs by 30 June 2024.

Description of the principal adverse impacts on sustainability factors

Principal adverse sustainability impacts may be environmental, such as greenhouse gas emissions, biodiversity loss, and pollution, as well as social and employee matters, such as lack of respect for human rights, exploitation of workers, suppliers and vulnerable communities, and governance related, such as corruption and bribery.

As part of the pre-investment sustainability assessment, ICP Ventures includes the PAIs as set out in Table 1 of Annex 1 of SFDR. In addition,

- Indicator 4 in Table 2 (PAI 2.4) "share of investments in companies without carbon emission reduction initiatives," and;
- Indicator 1 in Table 3 (PAI 3.1) "Investments in companies without workplace accident prevention policies" are also considered in the assessment.

The principal adverse impacts of ICP Ventures' investment decisions will be reported by 30 June 2024 with historical comparisons for subsequent reference periods.

Description of policies to identify and prioritise principal adverse impacts on sustainability factors

The policy to identify and prioritize principal adverse impacts on sustainability factors is included in ICP Ventures' sustainability policy (the "**Policy**"). This Policy was approved by the board of directors on 14 February 2023. The Policy is reviewed and approved on an annual by the board of directors of ICP Ventures, and ICP Ventures' management team is responsible for the implementation, review, and regular update of the Policy.

Identifying and assessing principal adverse impacts and mitigating actions, is part of the pre-investment sustainability assessment process. ICP Ventures monitors such adverse impacts through ICP Ventures active ownership of Portfolio Companies as further set out in the Policy.

Considering that ICP Ventures investment focus is on companies that contribute to climate change mitigation, PAI 2.4 "share of investments in companies without carbon emission reduction initiatives" is highly relevant. Additionally, with an investment focus on industrial hardware, the Portfolio Companies will be involved in activities such as research and development in labs as well as production and manufacturing, where safety measures should be taken seriously. It is therefore important for ICP Ventures to ensure a safe and responsible workplace environment, which is why PAI 3.1 "Investments in companies without workplace accident prevention policies" is highly relevant for ICP Ventures to monitor.

ICP Ventures will through its investment process and active ownership aim to maintain the figures reported for PAI 2.4 and PAI 3.1 as low as possible. When investing in early-stage companies, inherently, there will be data gaps, therefore it is also part of the ownership agenda to develop proper methods for data collection and reporting.

ICP Ventures engages regularly with the board and management of its Portfolio Companies to understand their suatainability practices and influence them toward best practices. Performance on PAIs is part of mandatory Portfolio Company reporting to ICP Ventures, which will report on the aggregated figures for funds and assets managed by ICP Ventures.

Engagement policies

Active ownership is a core part of ICP Ventures strategy to create value, accelerate growth, and build strong and resilient businesses together with the Portfolio Company and its partners.

At the time of investment, ICP Ventures will develop a value creation plan for each company. The value creation plan includes a sustainability plan, developed based on the items identified during the due diligence process to be mitigated, managed and monitored. The plan is developed by ICP Ventures in collaboration with the Portfolio Company and is reviewed and revised annually.

As part of the asset management activities, ICP Ventures monitors key performance indicators ("**KPIs**"), including sustainability indicators and PAIs, through regular reporting form Portfolio Companies. This information is included in the agenda with management and will be addressed where relevant. ICP Ventures engages with the companies and management teams through its board positions and frequent management meetings.

Where relevant, ICP Ventures shall respond to any incidents or unintended performance trends exhibited through the reporting on principal adverse impacts from Portfolio Companies. This may include the joint establishment of mitigation and/or management plans for relevant adverse impacts.
ICP Ventures does not invest in companies with shares traded on a regulated market, and has not adopted engagement policies as referred to in Directive 2007/36/EC.

References to international standards

The objective of the Paris Agreement is to limit the increase in the global average temperature to well below 2°C above pre-industrial levels and to limit the temperature increase to 1.5°C. ICP Ventures will contribute to make finance flows consistent with the objectives of the Paris Agreement by investing in early-stage companies developing emission reduction technologies and solutions.

ICP Ventures uses Industry Capital Partners' proprietary net-zero transition framework to identify climate-related opportunities. The framework is aligned with the trajectory and emissions outcomes of the International Energy Agency Net Zero Scenario.

Portfolio Companies are expected to follow good governance models and where relevant, adhere to the minimum social safeguards in alignment with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight Fundamental conventions identified in the Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work and the International Bill of Human Rights.
Emission calculation and accounting methodologies will be based on globally recognized guidance, such as the GHG Protocol or equivalent, to provide