

VNV Global Sustainability Policy

This policy was adopted by VNV Global's
Board of Directors on December 7, 2023.

VNV

Global



VNV Global's sustainability strategy is based on the UN 2030 Agenda and the Sustainable Development Goals, that covers the three aspects: **Economy, Society, and Environment**. Our ESG mission is to be "A responsible investor creating durable value by investing in innovative companies solving real-world problems while actively managing ESG risks". We see sustainability as an integral part of our business model and do therefore, continuously evaluate and assess the company's efforts relating to these material topics. The investment strategy recognizes that observance of sound environment, social and governance practice is essential if companies are to be successful. We believe that ESG integration across our portfolio creates value for shareholders while making our portfolio companies more resilient, future-proof, and fundamentally more attractive. This makes us able to identify and manage both risks and opportunities, leading to value creation for all of our stakeholders. Our effort to support the UN 2030 agenda and the Sustainable Development Goals is done both on a VNV Global level as well as through our investment portfolio.

VNV Global is committed to being a responsible member of the communities in which we operate. We believe that respect for human rights, labor rights and the environment is central to good corporate citizenship and that environmental, social, and governance factors should be taken into consideration in every aspect of our business. Our sustainability strategy is mainly based on the UN 2030 Agenda as well as international standards such as the OECD's guidelines for multinational Enterprises, ILO's core conventions and The International Bill of Human Rights. VNV Global aims to become a signatory of the UN Global Compact starting in 2024 based on the 2023 Annual Report.

VNV Global's Board of Directors in its entirety is ultimately responsible for the Company's sustainability strategy and this Sustainability Policy. VNV Global's CFO together with the rest of the Company's Management are responsible for the implementation of the Sustainability Policy adopted by the Board of Directors.

VNV Global's management monitors the implementation of this policy on an ongoing basis, and the Board reviews the Policy at least annually. VNV Global disclose the progress of its sustainability work on an annual basis through its annual Sustainability Report which is part of the Company's Annual Report and on an ad hoc basis through the Company's quarterly financial reports and its website.

Climate Targets

VNV Global's climate targets includes net zero Greenhouse Gas ("GHG") emissions from the Company's own operations within Scope 1, 2 and 3 from FY2020 and onwards and an effort to reduce the GHG emissions of the overall investment portfolio to a degree in line with the 1.5°C goal of the Paris Agreement by 2030.

Code of conduct and Sustainability framework

Our guiding document other than this policy for sustainability is our Code of Conduct. The Code of Conduct – which encompasses all VNV Global's representatives – has the purpose of ensuring the protection of human rights, promotion of fair employment conditions, safe working conditions, responsible management of environmental issues, and high ethical standards. For further information please see VNV Global Code of Conduct available on <https://vnv.global>.

Anti-corruption policy

VNV Global has zero tolerance towards all forms of corruption and financial irregularity, as stipulated in our Code of Conduct and Anti-corruption Policy. As some of VNV Global's investments are situated in growing markets with higher risk of corruption, we ensure the best efforts to procure the adoption of appropriate routines, as regards bribery and other corruption practices. Consequently, VNV Global always performs due diligence in relation to bribery and corruption prior to investing in a portfolio company, as well as on an on-going basis during the investment. For further information please see VNV Global Anti-corruption Policy available on <https://vnv.global>.

Our investment process

Our investment process recognizes that observance of the sound environment and social and governance practices is essential if companies are to be successful. ESG integration across our portfolio creates value for shareholders and makes our portfolio companies more attractive, resilient, and prosperous. While we aim to invest in businesses and entrepreneurs who recognize and embrace the need for more sustainable practices, we don't expect or demand the finished product but instead, ask for a voluntary commitment to meet or surpass our ESG targets during the lifetime of our portfolio. However, we do have tools and incentives to reward portfolio companies. VNV Global will work to ensure that the executive management teams of companies in which we hold an interest, identify and manage ESG risks in a way that promotes a sustained profitability and risk management in order to protect shareholder value and enhance long-term returns.

VNV Global therefore invests in companies that VNV Global believes will be able to contribute to VNV Global's overall goal of achieving good investment returns.

As a responsible investor we expect that portfolio companies operate in line with our values and in observance of existing laws and regulations, international humanitarian law and international conventions, as well as standards for sound environmental, social and governance performance.

A detailed ESG strategy is often essential for building a strong trademark and preserving a company's good reputation. This, in turn, is vital for safeguarding a company's long-term supply of capital.

We have an ongoing dialogue with our investments throughout the investment process and have implemented a five-step process for integrating sustainability considerations into our investment activities.

Pre-investment: Screening

We have added ESG/sustainability as our fourth main investment heuristic. Next to 1) Network effect model 2) operating in a large market (TAM) 3) a strong founder/ team. The investment team provides a score after interaction with the founding/management team on each of these four dimensions. The write-up and scoring are distributed to the entire investment team and stored in our deal flow system. By default, the screening is not being conducted in industries or activity areas specified in the Exclusion List.

Pre-investment: Due diligence/ Sustainability analysis

Our due diligence process involves, amongst others, areas like the diversity of the team, the positive impact of digital service on people and the planet, and an analysis of exposure to sustainability risks and how well these risks are identified and managed. In addition, VNV Global conducts due diligence related to corruption and other irregularities, including bribery, fraud, and money laundering, and considers risks related to privacy and personal data before investing in a company. Significant ESG risks are flagged and escalated to the general counsel. We also screen all prospective portfolio companies for potential conflict with the Exclusion List.

Pre-investment: Board Approval

We outline ESG risks and opportunities as part of the qualitative assessment in the investment memo regarding material investments. Relevant ESG topics are explored as part of the investment discussion and decision-making process. Significant ESG risks are flagged and escalated to General Counsel.

Post-investment: Active shareholder governance

We strive to ensure that the executive management of companies in which we hold an interest identifies and manages sustainability risks and opportunities. Where we hold a Board of Directors' position, we continuously follow up and monitor sustainability risks in business reviews with the management of portfolio companies. The management of VNV Global also strives to act proactively to ensure that portfolio companies adopt and implement appropriate policies and other routines for ensuring compliance with our expectations and values, as stipulated in our Code of Conduct. In addition, we request that our portfolio companies follow internationally recognized human rights and labor rights and standards for sound environmental, social, and governance. The portfolio company's Board of Directors is responsible for reporting on compliance issues annually.

Post-investment: Exit

We collate historical ESG data through the lifetime of the investment to produce a summary of ESG progress. We will use the annual survey data as the baseline for tracking progress. Although rare, in some cases, portfolio companies cease to exist. In those cases, as investors, we take responsibility to ensure the company is wound down in the best way possible.

VNV Global exclusion list

Even though our investment mandate is clear and almost by definition narrows down our investable universe of sectors to a selection of sub-industries within the tech and digital space, we feel it is essential to spell out the specific activities and businesses that VNV has committed not to invest in. The list relies upon the examples of several internationally recognized organizations, including IFC, as well as our assessment of critical controversies and has been approved by VNV Global's Board of Directors. VNV Global will not finance or invest in a company or entity involved in the following:

1. Forced labor, unlawful child labor, slavery, and human trafficking.
2. Activities or materials deemed illegal under the host country's laws or regulations or international conventions and agreements.
3. Activities that compromise endangered or protected wildlife or wildlife products.
4. Production or trade of significant volumes of hazardous chemicals or commercial scale usage of hazardous chemicals.
5. Extraction or production of fossil fuels.
6. Military contracting and manufacture, distribution, or sale of arms or ammunition for military non-defensive use.
7. Production of tobacco and alcoholic beverages.
8. Any activities involving pornography and prostitution.
9. Human body parts or organs trade.
10. Production or trade of radioactive materials or unbonded asbestos fibers, excluding the purchase of medical equipment or quality control (measurement) equipment where the presence of the substance is required and adequately shielded.
11. Drift net fishing in the marine environment using nets over 2.5 km. in length.
12. Commercial logging operations for use in primary tropical moist forests.
13. Production or trade in wood or other forestry products other than from sustainably managed forests.

Standards based on international conventions

VNV Global requests that its portfolio companies follow international conventions and agreements related to ESG matters ratified by its country of incorporation. VNV Global further requests that companies abide by the laws of the countries in which they operate. In particular, VNV Global considers the following international frameworks to be of specific importance:

- The OECD's guidelines for multinational corporations
- The UN Guiding Principles on Business and Human Rights
- The ILO's core conventions (relating to forced labour, child labour, working conditions, equal treatment and freedom of association)
- The International Bill of Human Rights
- The UN 2030 Agenda and the UN Sustainable Development Goals

Active corporate governance

VNV Global deploys a strategy of active ownership engagement to promote the adoption of corporate codes of conduct and other appropriate policies by companies in which it is an owner. The foregoing means a group-wide framework of rules and processes to handle ESG-related concerns and it should include a statement of adherence to basic international rules and regulations on human rights, workers' rights, corruption and environmental standards.

Alignment of portfolio to UN SDGs

The United Nations' Sustainable Development Goals (SDGs) were agreed by 193 UN member states in 2015, as an overarching policy framework through 2030. Each SDG includes measurable targets and indicators, with Governments of member states reporting on these to the UN. Since 2022, VNV Global has a framework for monitoring and measuring our contribution to the sustainability goals. First, we identify which specific SDGs VNV Global contributes the most to on the level of our portfolio companies. Then, we specify those targets to a narrower set of indicators and implement monitoring tools at the level of the portfolio companies. This mapping covers the vast majority of the NAV but does not include our early-stage investments in the Scout program. As these mature and become a more significant part of NAV, they will be added to the analysis.

We see UN SDGs mapping as a powerful tool that allows us to better understand how our total portfolio is aligned with certain goals in quantitative terms. It also enable our stakeholders and us to monitor how the portfolio focus related to SDGs is changing over time as companies are added to the portfolio, grow in value, when we exit some of them or when the company's business model changes.

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