Sustainability Risk Disclosure Statement

SFDR Article 3 | Graduate Ventures Fund Management B.V.

1. Introduction and Definition

Graduate Ventures Fund Management B.V. (the Manager) defines 'Sustainability Risks' in accordance with the EU's definition (Article 2(22) SFDR). A sustainability risk is an environmental, social or governance event or condition that, if it occurs, could cause an actual or potential material negative impact on the value of the investment.

Graduate Ventures has developed a comprehensive ESG and responsible-investment policy and has updated its other relevant internal policies to incorporate sustainability risks into its investment decision-making process. This disclosure sets out the processes and policies the Manager applies to integrate sustainability risks.

Sustainability risk types

The following non-exhaustive list outlines the categories of risk considered as sustainability risks by Graduate Ventures:

- Environmental and operational risks: impacts of environmental events (for example flooding) on portfolio companies' operations;
- Social risks: impacts of non-compliance with regulations on working conditions or anti-slavery considerations;
- Governance risks: insufficient managerial monitoring of the incorporation of sustainability risks;
- Regulatory risks: infringement of sustainable-finance reporting requirements, or the risk of further regulation such as a carbon tax;
- Reputational risks: the risk of reputational damage for lagging behind on the transition towards sustainability.

Further information on Graduate Ventures' responsibilities under the SFDR can be found in the Remuneration Policy Disclosure, the PAI Statement and the product-level disclosures.

2. Sustainability Risk Framework and Processes

Graduate Ventures integrates sustainability risks throughout the following stages of the investment process: pre-due diligence, due diligence, monitoring during ownership, and annual reporting. Together these pillars form a comprehensive sustainable investment strategy.

a) Pre-due diligence

The first step is to screen each potential investment against the Exclusion List, to ensure the Fund does not invest in the following industries or economic activities:

- Human rights denial or abuse;
- Forced or child labour in the supply chain;
- Weapons and ammunition of any kind, it being understood that this restriction does not apply to the extent such activities are part of or accessory to explicit European Union policies;
- Production of illegal products;
- Fossil fuel activities (for example production and extraction);
- Production of and trade in tobacco and distilled alcoholic beverages and related products, gambling, adult entertainment, and palm oil;
- Animal testing and genetic modification;

- The promotion of the termination of human life (for example through abortion and/or euthanasia) or in vitro fertilisation;
- Human cloning for research or therapeutic purposes;
- Companies directly involved in the extraction of tar sands, arctic oil and coal;
- Pharmaceutical companies with a substantial part of their revenues generated from prescription opioids.

b) Due diligence

Graduate Ventures conducts a comprehensive ESG assessment at the due diligence stage, covering the environmental, social and governance aspects of a company in depth. This ensures Graduate Ventures is informed about a prospective portfolio company's focus on sustainability and about the nature and severity of its sustainability risks and opportunities prior to investment.

The ESG results are a deciding factor for continuing with the investment. The company is asked to complete the ESG questionnaire and, depending on the answers, a call is scheduled to discuss it; if no red flags are identified, the investment process continues. The results also serve as a starting point for engagement on sustainability with portfolio companies. Where options for improvement post-investment are identified, these are incorporated in the post-closing undertakings in the shareholder agreement.

c) Monitoring during ownership

Once an investment has been made, Graduate Ventures uses the portfolio company's ESG due diligence results to continue monitoring its sustainability risks throughout the ownership phase. Graduate Ventures monitors the ESG data annually, at the same time as the other requested (financial) data, and engages with relevant portfolio companies annually to address and, where necessary, mitigate the risks identified. Graduate Ventures reports on the sustainability risks addressed during ownership in an internal annual impact report, allowing it to track the progress made by each company on the identified risks.

3. Review

Graduate Ventures' ESG Policy sets out this process in further detail. The review process occurs annually.

Last reviewed and approved on 30 September 2026 by Daan Keizer, Finance Director.