RESPONSIBLE INVESTMENT POLICY

Version 3.0

Dated March 2026

This Responsible Investment Policy (the Policy) is adopted by the board of directors (*het bestuur*, hereinafter: the Board) of Innovation Industries Capital Partners B.V. (Innovation Industries) on March 23 2026.

Introduction

Innovation Industries is an independent venture capital fund. Building on our technology and industry expertise, we provide capital, strategic guidance and a strong network to empower entrepreneurs to industrialize innovation and build impactful global category leaders.

Increasingly, environmental, social and governance (ESG or 'sustainability') factors are impacting the industries in which we are active. Properly managing these factors can substantially reduce risks, support strategic and sustainability objectives, and even uncover new and innovative business opportunities.

At Innovation Industries we believe that we have an obligation to society to invest responsibly, but also that doing so is beneficial for long term financial return for our investors. With this Policy we provide a broad framework for our responsible investment approach.

Scope

This Policy covers all investments that Innovation Industries considers or manages on behalf of its investors. It has been developed in line with its legal responsibility and relevant international standards, guidelines and principles for responsible investment, corporate sustainability and good governance, notably: The United Nations (UN) Global Compact, the UN Principles for Responsible Investment, the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights, the ICGN Global Governance Principles, and the Invest Europe Professional Standards Handbook.

A different scope applies to the section on impact investing, which covers investments made as of the year 2023.

Materiality

For the purpose of this Policy, we define "material" as: potentially having a substantial impact on a company's ability to create and preserve economic, social and environmental value. Materiality helps us define and prioritize the ESG factors[1] that are most important to our portfolio companies and their stakeholders, with consideration for the priorities of our investors. To ensure that our processes are continuously optimized to add value, Innovation Industries works in concert with its investors and portfolio companies to identify material ESG factors. This in turn enables us to uncover risks, impacts and opportunities and capture emerging best practices.

Roles and responsibilities

This Policy is adopted by the Board of Innovation Industries and may be amended from time to time. The ESG officer is responsible for implementation of the Policy and for its periodic review, to ensure its continued relevance. The investment team is responsible for ensuring that ESG factors are considered in all phases of the investment process, following the principles and the approach as set out in the Policy. As such, the Policy is shared with all employees.

We integrate ESG factors into the investment process by embedding their analysis in existing processes and considering them alongside other factors. In each investment case, the ESG officer supports the analysis of material risks and opportunities and the development of a roadmap post-investment where needed. The ESG officer monitors progress against set goals and prepares a yearly report for investors and other key stakeholders, while providing guidance, advice and support as needed.

Investment managers will report to the ESG officer or to the Board any information that has come to their attention concerning the (potential) occurrence of a material ESG[5] incident at a portfolio company or the fund manager.

All future changes and amendments to this Policy will be approved by the Board before being internally communicated and executed.

Our investment beliefs and objectives

We aim to make better investment decisions and support portfolio companies in creating additional value by considering ESG factors and related objectives throughout each stage of the investment cycle. We have defined the essential investment beliefs that at all times guide our actions and decision-making and the key objectives we

[1] including factors relevant to the realization of impact objectives, as referenced in the section on impact investing

pursue with our integrated approach to responsible investment. These beliefs and objectives guide us in its implementation and continuous improvement.

By acting on the following beliefs, we trust we can optimize long-term returns for our investors, in a manner that is both prudent and responsible:

1. The most valuable[2] companies of our time will be those that are purposefully contributing to a solution to fundamental societal challenges.
2. An investment portfolio with a focus on technology ventures should include different industries, to allow for the application of emerging technologies to multiple societal and technological challenges and to avoid the omission of innovative, high-value applications.
3. A long-term horizon is essential to create value from high-technology ventures.
4. ESG risks, impacts and opportunities should be identified and managed throughout the investment process, to preserve and create value.
5. Optimizing value creation requires active engagement with portfolio companies.

The key objectives of our approach to responsible investment are:

1. to select those investments with the highest potential for long-term value creation, both for our investors and society at large;
2. to mine the potential for positive societal change inherent in the ideas and technologies we help develop and commercialize;
3. to optimize economic value creation through our portfolio companies; and,
4. to be transparent towards stakeholders, amongst which investors, about our priorities and actions when it comes to managing sustainability risks, impacts and opportunities.

Our approach - ESG management

Our ESG management system governs the identification of material ESG factors, their consideration in each investment phase, the measurement, monitoring and reporting of progress across the portfolio, as well as active ownership practices. It covers material sustainability risks and opportunities as well as (foreseen) adverse impacts on sustainability factors, i.e. the ESG factors that are specifically relevant for early- and growth-stage companies.

The system is based on three primary features:

1. Exclusion

Innovation Industries excludes certain industries and activities from its investment portfolio because: *a)*, by definition, they do not comply with international agreements or treaties (i.e. chemical or biological weapons), *b)* they do not comply with our ethical standards, or *c)* they do not fit our responsible investment strategy. The content of this list is openly aligned with the exclusion criteria set by our main investors.

More generally, Innovation Industries does not invest in companies that are active in sectors or working in technology areas that we consider inherently unsustainable. This means that an investment opportunity where material ESG-related impacts and risks are considered unmanageable, or where leadership is considered uncapable or unwilling to address these, will be rejected.

2. ESG integration: due diligence & decision-making

A high-level assessment of sustainability risks and potential adverse impacts is conducted during the initial screening of an investment opportunity. If an investment procedure is started, we perform an in-depth assessment during the due diligence phase. Here, we examine various features of the company, including the markets it currently serves or targets, potential market opportunities, the geographic location of markets and operations, its governance structure and its stage of development.

[2] with sustainable value being a mix of economic, social and environmental value

ESG risk & materiality assessment

A sector-based checklist is used as a template for the identification and assessment of material ESG factors. We have developed different templates, tailored to the main sectors within our investment scope. Using the checklist, relevant issues are classified at an industry level as *high risk*, *medium risk* or *low risk*, taking into account the probability that risks will materialize as well as the severity of impact.

Subsequently, issues are classified based on their materiality to the investment opportunity. Materiality is determined by assessing, in light of a company's business model and strategic objectives, possible threats or opportunities associated with ESG factors and related developments, as well as the company's potential impact on these factors[3].

Assessment of ESG management capacity

On the basis of our 'ESG Technology Start-up Maturity Grid' (hereafter ESG Maturity Grid), we conduct a preliminary, high-level assessment of the extent to which the company has, or is in the process of developing, the capacity to manage ESG-related risks and capitalize on opportunities. This tool establishes a standard for ventures at different stages of development, from seed to maturity, across specific issue categories. At this point, the assessment focuses on establishing confidence that material ESG factors can be effectively managed post-investment.

Decision-making

Due diligence can lead to the exclusion of investments that are deemed unsustainable in the long term (see the section on exclusion). In most cases, the process does not lead to exclusion based on ESG-criteria, for two reasons:

- Pre-selection takes place during the origination phase, based on a high-level assessment.
- Foreseen impact is usually still largely unrealized at the time of investment, which provides us with an opportunity to build a sustainable and resilient company. This approach reinforces the additionality of our investments.

If the deal is continued, the outcome of due diligence provides input for engagement during the ownership phase.

3. Active ownership: monitoring & engagement

We systematically integrate ESG factors into investment monitoring and engagement with portfolio companies. In an early stage of engagement, we inform company management of the essence of this Policy and discuss with them (potential) material ESG factors, to gather input and raise awareness. Next, through a company-specific roadmap, we establish the topics that need to be addressed in the short-to-medium term and the actions required to improve the company's ESG management capacity.

Governance framework

We apply a standard but flexible governance framework for active ownership, which serves to protect and create value. It specifies roles and responsibilities and establishes the yearly engagement cycle. The framework is designed to mitigate sustainability risks and avoid or minimize adverse impact.

The ESG engagement process is led by the ESG officer, who meets at least annually with a key company contact to discuss relevant developments, provide guidance and gather information to monitor progress. The meeting is also attended by either the partner holding a supervisory board seat or the lead investment manager. If the ESG officer identifies a material ESG factor that is not adequately managed, this is discussed with the partner. Together, they decide on the appropriate course of action, which may be raising the issue at board level.

ESG maturity

The ESG Maturity Grid is core to our monitoring and engagement activities. In the first year of our investment period, we perform a detailed baseline assessment of the company's management capacity within different issue categories. On the basis thereof, we establish the company's maturity per issue category, which is evaluated in

[3] The content of the due diligence checklist is based on the Sustainability Accounting Standards Board (SASB) Industry Standards, the Global Reporting Initiative (GRI) Sustainability topics for sectors and the IFC Performance standards.

consideration of its development stage. Progress is monitored over time. Where helpful, we support this process through KPIs, with data being collected through an annual ESG questionnaire. This approach allows us to have an informed understanding of the ESG profile of the company, which supports our engagement activities and provides us with information to report to investors.

As long as Innovation Industries is an investor, we continue to work closely with the company to help it effectively manage ESG factors. This includes providing company management with access to our network and stimulating the sharing of best practices.

Issue coverage

Through our approach to ESG management we minimally address the issue categories as depicted in table 1.

Table 1. Issue categories and ESG factors

ISSUE CATEGORY	KEY BUSINESS FUNCTION(S)	ESG FACTORS
Product design & lifecycle	R&D (product): material input, use phase and end-of-life	GHG emissions; energy efficiency; hazardous materials; resource efficiency; (hazardous) waste management
Environment	R&D (process); production; distribution & logistics; office & facilities management	GHG emissions; energy efficiency; hazardous materials; resource efficiency; (hazardous) waste management
Human capital	Human capital management	Employee attraction & retention; performance management & employee development; mental health & wellbeing; (gender) diversity & inclusion
Occupational health & safety	R&D (process and product); production; sales, installation & after-sales services	Health & safety in the workplace; product safety
Responsible supply chain	Sourcing & supply chain management	Materials sourcing; supply chain management – covering material issues, including human rights
Data privacy & security	Human resource management; customer relationship management; information technology	Collection, retention & use of personal data; data management; cybersecurity
Business ethics	Distribution; human capital management; sourcing & supply chain management; business development; sales	Culture; business conduct (incl. bribery & corruption, conflict of interest and fraud); responsible use / technology ethics
Good governance	Governance & oversight: management & supervisory boards	Structure & processes; remuneration; ESG/sustainability; reporting & oversight

Reporting

Innovation Industries communicates periodically on issues deemed material to its investors and other relevant stakeholders. We provide a yearly Responsible Investment report. We will communicate on and disclose to the Advisory Boards of Innovation Industries' funds any material ESG incidents[4] at portfolio companies or the fund manager, including mitigating actions taken.

[4] An ESG incident is labelled "material" if it is considered as having or being susceptible of originating a direct substantial negative impact on our funds' ability to create or preserve economic, social and/or environmental value through the portfolio, as well as any substantial reputational risks to the fund manager, the funds and/or investors.

Our approach - impact investing

Innovation Industries' commitment to responsible investment is rooted in our overall investment strategy, which is principally shaped by a focus on disruptive technology that has the potential to transform industry and society. As per the implementation of this Policy, Innovation Industries applies positive screening criteria.

Through our funds, we empower deep tech pioneers and breakthrough technology companies that address the fundamental challenges of our time. Doing so, we aspire to make a positive contribution to the UN Sustainable Development Goals (SDGs), notably: 2 (Zero hunger); 3 (Good health & wellbeing); 7 (Affordable & clean energy); 9 (Industry, innovation & infrastructure); 12 (Responsible consumption & production); and, 13 (Climate action).

Our impact approach is centered around three investment principles, which are followed throughout our investment process (origination & screening, due diligence & decision-making and monitoring & engagement) in a way that aligns with, and leverages the different elements of our ESG management system[5]:

1. We assess a company's positive impact (potential)

During the origination phase, a potential deal is screened for its potential for positive social and/or environmental impact. If an investment procedure is started and the deal is considered a possible impact investment, we perform a detailed assessment of impact potential, on five dimensions of impact[6]. This comprehensive rating of impact potential is considered during investment decision-making.

If, based on this rating, an investment is classified as 'impact investment, during the ensuing ownership phase, we monitor performance on two levels:

Impact potential

We monitor how the company progresses towards the attainment of its impact objectives (i.e. realization of its stated impact potential) whilst it brings a product/ technology to the next level and, eventually, to the market. We do so on the basis of an annual review of the baseline assessment, through which we establish the extent to which the impact score as established pre-closing is maintained over time.

Impact maturity

We also monitor the degree to which and the manner in which the company develops (i.e. matures) in a way that supports the attainment of impact objectives, through an annual assessment of impact maturity.

Our Impact Maturity Grid is based on principles similar to those of our ESG Maturity Grid: it reflects the development we expect to see in how companies embed impact objectives across different development stages, from 'seed' to 'mature'. Monitoring a company's impact management capacity on the basis of a range of aspects, with consideration for its development stage, enables us to provide targeted guidance and induce action where and when it is most needed.

2. We consider potential adverse impacts on sustainability factors to avoid significant harm

Each of the features of our ESG management system (see the section 'Our approach – ESG management') covers both sustainability risks and (foreseen) adverse impacts on sustainability factors. Through it, we seek to avoid significant harm to any sustainable objective, in line with the Do No Significant Harm (DNSH) principle[7].

3. The company observes good governance practices

We have defined a set of basic expectations for companies' governance structures, which are captured through Innovation Industries' Good governance principles. A check on compliance with these principles is part of the due diligence process. Key governance issues are tackled through our ESG management system, and thus addressed throughout the different investment phases.

[5] as described in the section 'Our approach – ESG management'
[6] in line with the Impact Management Norms (see Impact Management Norms | Impact Frontiers)
[7] as specified under Article 2 (17) of the Sustainable Finance Disclosure Regulation (SFDR) / A separate DNSH check is part of the due diligence process for investments from Innovation Industries Fund III, as this fund has sustainable investment objective.