

## **INVENTURE ESG & RESPONSIBLE INVESTMENT POLICY**

At Inventure we believe that our best asset is our team. These are the people that work towards finding the best companies to invest in, and who work with the founders to reach best possible outcomes. We are there through the better and the worse times, and that is the key to be able to affect things as well.

Inventure aims to always select the best investment targets and pursue returns to its funds and funds' partners. Along with the financial indicators and investment opportunity evaluation, we assess the ESG (Environmental, Social, Governance) aspect of each case in an integrated process. Risk management and prevention of excessive risk taking is therefore a natural part of our investment process.

In all investments and work with the portfolio companies, we respect our ESG & Responsible Investment policy. We take into consideration the potential environmental impacts of the companies and/or of their products & services, their social responsibility, and their corporate governance.

ESG & responsibility in investment activities is pragmatic and an integrated part of the whole investment and ownership process.

Results of the assessment of likely impacts of sustainability risks on the returns of the investors' investment in the partnership are clarified to investors in the Regulatory Disclosures document, available for fund LPs.

### **Operations throughout the investment cycle**

#### **i) Case Selection Phase**

In case selection of new companies to our VC fund(s), Inventure aims to select only companies with sound business practices. According to Inventure's current and future venture capital fund agreements, Inventure makes no investments in companies whose primary business is within arms trading or arm industry, gambling, tobacco industry or human cloning, or businesses with illegal or immoral dealings. In addition to the exclusion criteria, we strive to support sustainable development and we evaluate each company's ESG effects in connection with evaluating investments. Our internal investment proposal and evaluation process ensures, that sustainability risks are taken into consideration before making an investment decision.

#### **ii) Engagement and Value Creation phase**

After a meticulous case selection phase, Inventure works actively with the companies in order to secure sound business practices and operations across the portfolio. Inventure's role in the engagement and value creation phase is especially important and influential as a result of Inventure's active participation in the management of portfolio investments through board memberships and chairman positions. In addition to the important board work, we work closely with the portfolio companies to help them develop in various aspects from specific business operations to HR. These tasks enable us to influence the portfolio companies' development, whether it's from choosing sustainable business models when expanding, to bringing diversity and inclusion to teams. Inventure

is the professional and active shareholder of its venture capital funds, making it possible for us to adhere responsibility throughout the investment cycle.

### iii) EXIT phase

At EXIT phase, Inventure evaluates the buyer profile, transaction model and fair treatment of various shareholders (employees, option holders, Business Finland etc.). Our ambition is to select EXITs, that continue to contribute to the venture ecosystem long term. A big part of our work is also supporting the founders in their journey towards bigger financing rounds and finally the EXIT phase.

### **BRINGING RESPONSIBILITY TO INVENTURE'S OPERATIONS:**

As is stated in Inventure's policy (see page 1), ESG & responsibility in investment activities is pragmatic and an integrated part of the whole investment and ownership process. Underneath you'll find examples of how our philosophy is concretely reflected in our operations.

- 1) We exclude investments in companies whose primary industry is
  - a. those excluded in fund agreements or,
  - b. otherwise clearly controversial.
- 2) We evaluate investment opportunities and compare the companies with others in the same industry. When investment criteria justify the investment, we prefer companies that
  - a. Convince us to have a team that is capable of performing their business well and responsibly,
  - b. Show interest in ESG and/or sustainability aspects in their business, and work in favor of achieving high performance in this area.
- 3) Integration of ESG & responsibility into processes
  - a. ESG matters are taken into account throughout the investment cycle.
  - b. We help our companies to have and develop legitimate operations in legal aspects and governance through board membership.
  - c. We constantly ask portfolio companies to report of any ESG issues and aim to make regular analysis of the effects and consideration of ESG factors in their business. We conduct ESG surveys among the portfolio yearly.
  - d. We pay attention to the implementation of laws and regulation and exclude target companies and acquisitions in case we cannot be convinced of the realization of these topics.
  - e. We publish a Code of Conduct on our website and provide a whistleblowing channel to report any violation or wrongdoing.
- 4) Ownership and influence
  - a. Inventure is actively involved in the board of directors of the portfolio companies. Through board work, we strive to guide their management towards well-handled corporate governance and social and financial responsibility.
  - b. We aim to improve the companies' board of directors by helping them choose educated and knowledgeable members.
- 5) Our investments:
  - a. One of the main investment domains currently for Inventure is *Sustainable resources*. We believe that we have the responsibility to facilitate the shift towards more responsible consumption of resources. As we face the reality of a planet with limited resources, we believe that technology can partially solve some of the main issues related to resource management.

- b. Another main investment domain is *Healthcare & wellbeing*. We believe that making health accessible implies major shifts in our healthcare systems that new technologies can support. We also believe that this means increasing focus on preventive health and personalized wellbeing, as it will reduce costs and increase efficiency of care. We think of wellbeing as being both a physical and mental state, and we tie it to happiness and fulfilment. Hence why we also want to invest in ideas around strengthening connection, building community, and providing leisure and fun.
  - c. We already have many portfolio companies and continue to look for companies with operations also in other important areas, such as circular economy, healthy planet, cyber security and/or positive social (such as educational) impact.
- 6) Reporting
- a. ESG & responsible investment policy available on our website
  - b. We report to our limited partners on our ESG strategy and development on a regular basis.
  - c. Results from our annual ESG surveys to portfolio companies are reported to portfolio and LPs alike. Public information on the results is published on our website.

## **How does Inventure itself perform & operate with regard to ESG aspects?**

### i) Environment

Inventure itself (venture capital industry) is not involved in industrial production or usage of environmentally hazardous substances. As per considerations of the environment in investments, Inventure excludes and/or includes companies into fund portfolios as described above. We travel only when it is needed to develop our funds and our own performance, or to meet and communicate with important industry stakeholders.

### ii) Social

Through investments into (especially) Nordic and Baltic seed and early-stage companies, Inventure supports the employment and economic growth of its impact area. Through funding, companies are provided with a chance to grow and expand their business, while developing their high technology products and innovations further. Inventure also sustains a solid international network, and therefore an opportunity for the portfolio companies to internationalize more easily and reach next level funding.

We continuously support learning and education by giving guest lectures at universities and schools, by organizing excursions for students and by supporting education through grants. Furthermore, Inventure is an active member in the startup community Maria 01, supporting the ecosystem, and helping it provide local startups a homebase and a flourishing network of different connections.

We constantly evaluate ourselves and our performance as a team. We support our employees in educating themselves, as well as in health and wellbeing with various methods and initiatives.

### iii) Governance

Inventure's own processes comply with applicable laws and regulation as well as the principles of good governance. However, our most impactful aspect in this respect comes with our opportunity to teach and develop our portfolio companies: As active board members and professional shareholders we can provide the founders of startups with the knowledge and tools to build good corporate governance processes in their businesses. With our work, we can support building good and safe working atmospheres throughout Inventure's reach.

---

In case you have any question on Inventure's ESG and responsible investment policy or operations, please don't hesitate to reach out to us. You can contact directly [kristiina\(at\)inventure.vc](mailto:kristiina(at)inventure.vc)