

InnoVen Capital Group ESG Policy

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1. Introduction

InnoVen Capital Group (“InnoVen”) is Asia’s leading venture lending firm with offices in India, Southeast Asia and China. Cognisant of the positive impact that we can create on businesses, communities, and the environment, InnoVen is committed to growing in a socially and environmentally responsible manner. The inclusion of material environmental, social, and governance (“ESG”) factors in InnoVen’s investment processes is core to delivering sustainable value over the long term.

This policy formalises our approach to responsible investment, and details how ESG information is considered through InnoVen’s investment and divestment processes across the value chain. Responsible investment refers to the integration of environmental, social and governance considerations into investment management processes and ownership practices in the belief that these factors can have an impact on financial performance. Our responsible investment approach involves incorporating negative screening and ESG integration into investment analyses.

In developing this policy, we have consulted relevant stakeholders and considered recommendations from various international standards and frameworks, including the United Nations Sustainable Development Goals (“UN SDGs”). This policy will be reviewed by the Management in consultation with the Group Management Committee, minimally on an annual basis, and may be amended, supplemented, modified, or updated with Board approval, as necessary.

2. Commitment

We adopt a long-term perspective to investing responsibly and uphold the needs of our principal stakeholders by:

- **Carrying out our fiduciary duties as asset managers**
InnoVen recognises that we have an obligation to act in the best interests of our investors, and we aim to ensure that we are alert and responsive to key risks and opportunities. We do so by incorporating material ESG, regulatory, geopolitical, and reputational considerations into our investment analyses and decision-making practices where relevant.
- **Upholding the highest ethical standards**
InnoVen advocates strong internal governance and a culture of ethical business conduct to support responsible investment. Our dedicated Group Management Committee will be the main driver and coordinator of ESG implementation across the firm, including training investment teams and providing recommendations to the Board on ESG issues.
- **Reporting disclosures transparently**
InnoVen recognises the importance of transparent disclosures on the integration of ESG commitments in our investments and will work towards aligning our reporting disclosures to international standards as elaborated in the section [4.5 Reporting](#) below.

InnoVen aims to align our ESG approach with the Singapore Stewardship Principles (“SSP”) and adopt United Nations Sustainable Development Goals (“UN SDGs”) as a framework to share our contribution to these goals.

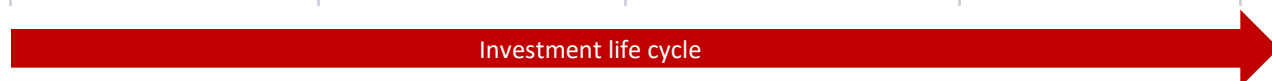
3. Scope

This policy is applicable to all investments initiated after the effective date. For existing investments, the policy applies only to investment and divestment processes deemed relevant by InnoVen.

By virtue of our business model as a venture debt provider, InnoVen may have limited ability to influence and control integration of ESG considerations in our portfolio companies. In such cases, InnoVen will make reasonable effort to incorporate the applicable elements of this policy.

4. Implementation Approach

Pre-investment	Investment decision	Monitoring and stakeholder engagement	Reporting
<ul style="list-style-type: none"> - Material ESG aspects for each target company will be determined based on an indicative list of ESG issues (adopted from SASB Standards) - Negative screening of a target business' operations will be conducted based on a set of exclusionary criteria to determine if there are any critical ESG or reputational concerns - Due diligence questionnaires will be used to understand the maturity of each target's ESG process, and mitigate or resolve any issues identified 	<ul style="list-style-type: none"> - ESG analysis from pre-investment procedures will be incorporated within the deal memo documentation - Based on analysis within deal memo, deals will be approved accordingly, with follow-up action (if any) for the target, such as developing action plans or conducting more comprehensive ESG assessments 	<ul style="list-style-type: none"> - Portfolio companies will be required to fill in an ESG monitoring questionnaire annually, which will cover ESG performance as well as any key incidents related to the material ESG factors identified - Portfolio companies will be engaged using a risk-based approach to support best practices and identify ESG opportunities 	<ul style="list-style-type: none"> - Progress of integrating ESG across its portfolio and investment process will be reported annually - InnoVen will develop a roadmap to guide its ESG integration journey and work towards further alignment with the TCFD recommendations



4.1 Defining ESG factors

Due to the diversity and complexity of sustainability aspects, it is not possible to have a definitive list of ESG issues. To facilitate our ESG risk identification processes, InnoVen leveraged the Sustainability Accounting Standards Board (“SASB”) Standards to identify an indicative list of material ESG aspects (see Appendix I) based on its focus on high growth, innovative ventures in the SEA, China and India markets. Material aspects for our investment analyses and decision-making process for each investee will then be developed based on this indicative list (see Section 4.3 Due Diligence for more information).

4.2 Negative screening

InnoVen conducts a review of a target business' operations to determine if there are any critical ESG or reputational concerns. Specifically, a list of exclusionary criteria is provided in its Group Ethics and Business Conduct policy (excerpt provided under Appendix II of this document).

4.3 Due diligence

InnoVen's due diligence processes aims to assess target companies' ESG risk through due diligence questionnaires. To facilitate purposeful data collection and analysis, questionnaires may focus on potential material risks that are tailored to the target's geography and sector. InnoVen may work with the target company using a risk-based approach¹ to understand the maturity of their ESG process, and mitigate or resolve any issues identified.

4.4 Monitoring and stakeholder engagement

On an annual basis, portfolio companies will be requested to fill out an ESG questionnaire. This questionnaire will cover ESG performance as well as any key incidents related to the material ESG factors identified for the company. In line with the Singapore Stewardship Principles ("SSP"), InnoVen will also engage with its portfolio companies using a risk-based approach to support best practices in ESG and help identify ESG opportunities.

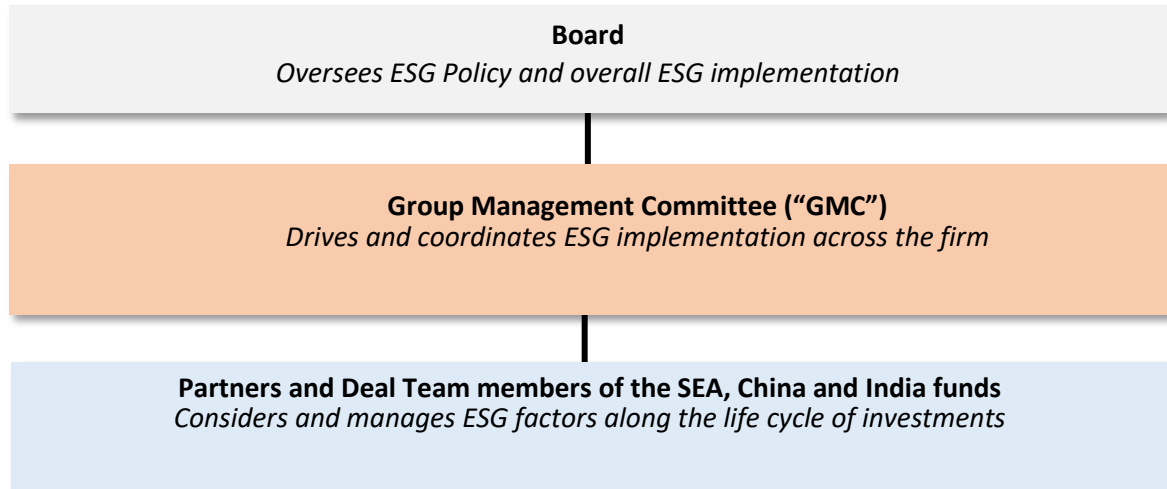
4.5 Reporting

InnoVen is in the process of integrating ESG across its portfolio and investment process, and will report on its progress on ESG integration to its investors and other stakeholders on an annual basis. InnoVen will also develop a roadmap to guide its ESG integration journey and work towards further alignment with the Financial Stability Board's Task-Force on Climate-related Financial Disclosures ("TCFD") disclosure recommendations where appropriate.

¹ This risk-based approach will apply to portfolio companies within the SASB sectors we have identified to have higher ESG risk: (i) Renewable Resources & Alternative Energy, (ii) Extractives & Minerals Processing, (iii) Infrastructure, (iv) Food & Beverage and (v) Transportation.

5. Governance

InnoVen has established ESG responsibilities that are carried out by various groups within the organisation, summarized in the diagram and with further detailed provided below.



At InnoVen, the Board is responsible for oversight of overall ESG implementation, including the approval of InnoVen’s ESG Policy.

InnoVen’s Group Management Committee (“GMC”) drives and coordinates ESG implementation across the firm. The GMC also provides recommendations to the Board on ESG issues, and engages stakeholders on ESG topics. Individual funds will include ESG considerations in potential investments in documents such as concept memorandums.

Finally, the GMC will provide expertise on ESG risk and compliance issues where applicable, and is also responsible for ensuring sufficient resources for ESG capacity building in InnoVen’s investment teams.

The Partners and Deal Team members of the Southeast Asia, China and India funds are responsible for the day-to-day execution of the ESG policy and investment procedures.

Appendix I – Indicative list of ESG issues

Aspect	Elaboration
Environment	<p>Issues relating to interactions with the physical environment. May include:</p> <ul style="list-style-type: none"> • GHG Emissions • Air Quality • Energy Management • Water and Wastewater Management • Waste and Hazardous Materials Management • Ecological Impacts • Materials Sourcing and Efficiency • Physical Impacts of Climate Change
Social	<p>Issues relating to a company’s practices that have a social impact on its stakeholders. May include:</p> <ul style="list-style-type: none"> • Human Rights and Community Relations • Customer Privacy • Data Security • Access and Affordability • Product Quality and Safety • Customer Welfare • Selling Practices and Product Labelling • Labour Practices • Employee Health and Safety • Employee Engagement, Diversity and Inclusion • Product Design and Lifecycle Management • Supply Chain Management
Governance	<p>Issues relating to corporate governance and ethics. May include:</p> <ul style="list-style-type: none"> • Business Model Resilience • Business Ethics • Competitive Behaviour • Management of the Legal and Regulatory Environment • Critical Incident Risk Management • Systemic Risk Management

Appendix II – List of businesses excluded from InnoVen’s portfolio

InnoVen does not invest in any businesses that derive a significant (>20%) amount of their revenue from:

- Alcohol, Tobacco and Firearms etc.
- Gambling (including gaming companies that derive significant revenue from online casino)
- Military Equipment
- Pornographic materials (>0%)
- UN, FATF and OFAC sanctioned Companies (>0%)
- Weapons of mass destruction (>0%)
- Illegal narcotics or drugs (>0%)
- Any companies that the Board of Directors or the Loans Committee feel uncomfortable dealing with