

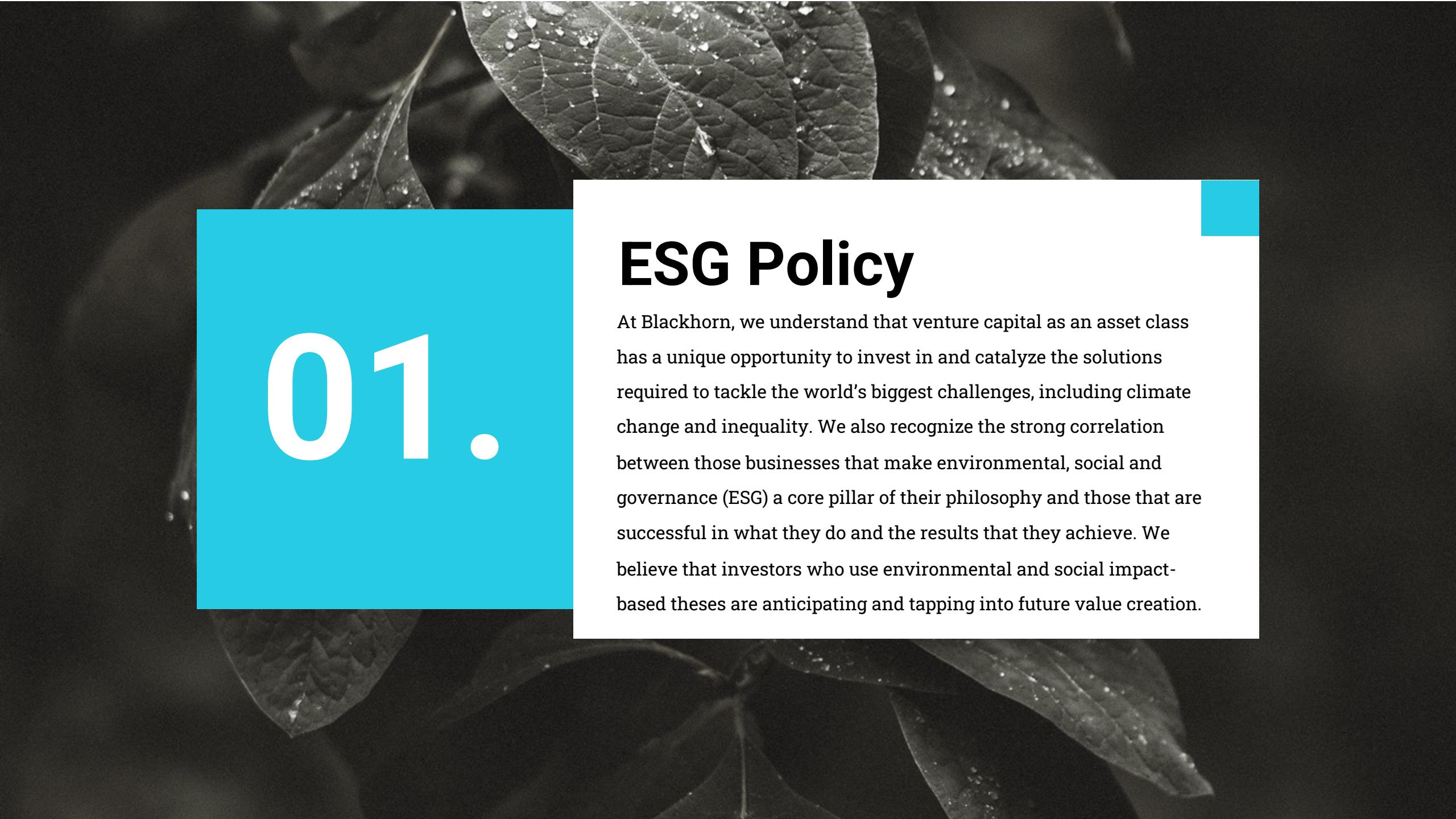


**Blackhorn
Ventures**

ESG Policy

October 2022





01.

ESG Policy

At Blackhorn, we understand that venture capital as an asset class has a unique opportunity to invest in and catalyze the solutions required to tackle the world's biggest challenges, including climate change and inequality. We also recognize the strong correlation between those businesses that make environmental, social and governance (ESG) a core pillar of their philosophy and those that are successful in what they do and the results that they achieve. We believe that investors who use environmental and social impact-based theses are anticipating and tapping into future value creation.

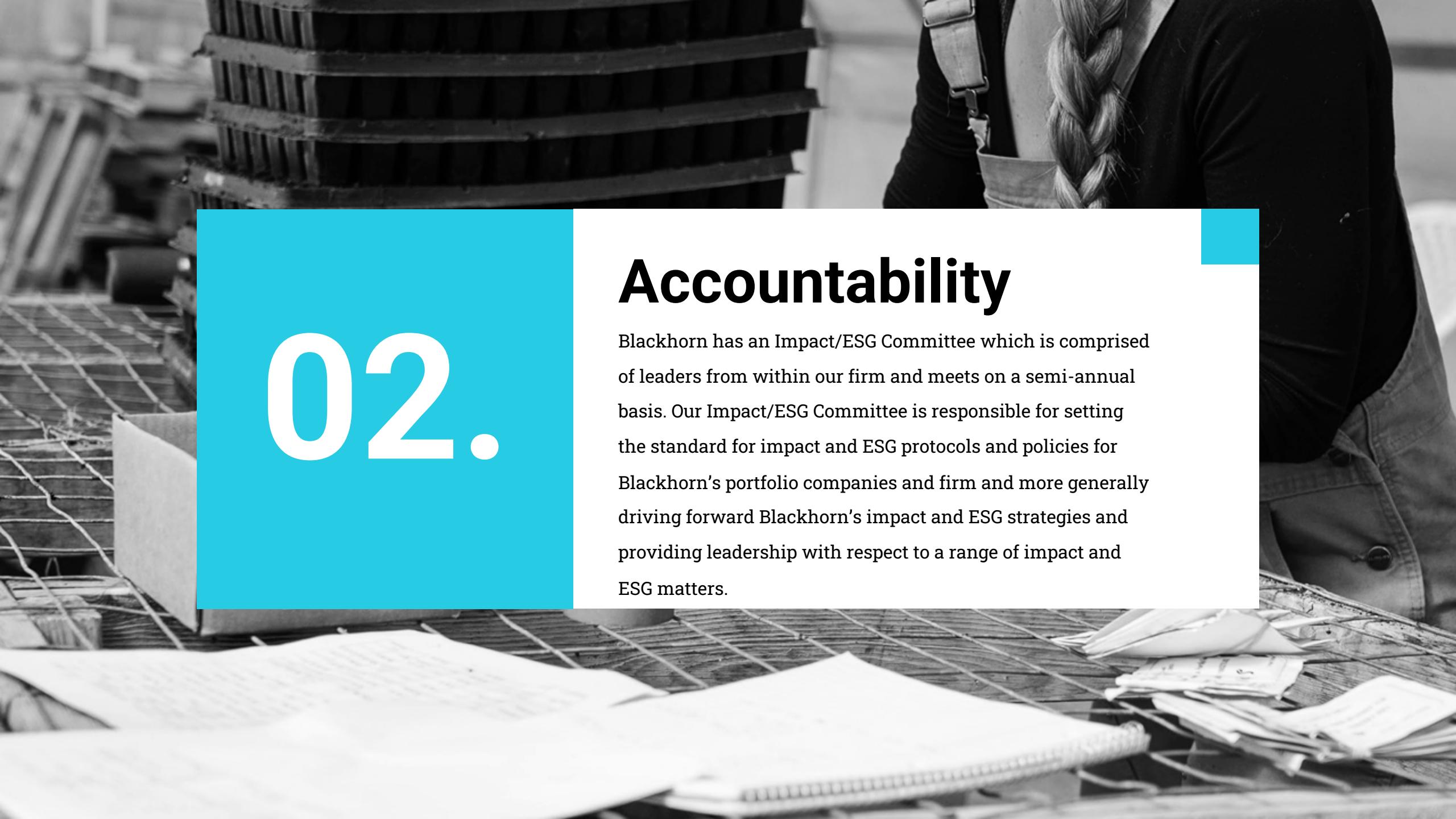


Blackhorn actively looks to invest in companies that seek to create value for investors by developing solutions that target positive ESG outcomes.

Through the life of each investment Blackhorn makes, we aim to tread carefully in adherence to applicable laws and regulations and to ensure that we are a fair and transparent partner to our investors and other stakeholders.

We understand our place in the world and our obligations to it. We are aware of the existential threat posed by climate change and the need to limit global warming to no more than 2° above pre-industrial levels. We all have a responsibility to care for our environment and to be a steward of our planet's health for future generations. Where possible, Blackhorn looks to make decisions that ensure stakeholder concerns are addressed across numerous key ESG elements but also have the intention of generating positive measurable environmental and social impact. A copy of our Thematic Impact Approach is available at: www.blackhornvc.com/impactapproach.

In developing this ESG policy we have considered a range of frameworks including the Institutional Limited Partners Association (ILPA) ESG Roadmap and the United Nations-supported Principles of Responsible Investment (PRI), to which we are a signatory.



02.

Accountability

Blackhorn has an Impact/ESG Committee which is comprised of leaders from within our firm and meets on a semi-annual basis. Our Impact/ESG Committee is responsible for setting the standard for impact and ESG protocols and policies for Blackhorn's portfolio companies and firm and more generally driving forward Blackhorn's impact and ESG strategies and providing leadership with respect to a range of impact and ESG matters.



03.

Integration

We understand that ESG integration is not only fundamental in order to identify and manage risks appropriately and to protect value but it can also be a mechanism through which Blackhorn can identify opportunities for value creation. To support the consistent application of this ESG policy, where consistent with our fiduciary responsibilities to our investors and other stakeholders, Blackhorn commits to the following:





3.1. Impact Investment Thesis & Risk Identification

- Proactively research and identify attractive investment themes within our target verticals that align with our priority UN Sustainable Development Goals and support thematically aligned theories of change based on our internal market insights research. Our target investment opportunities often have the potential to materially reduce industrial greenhouse gas emissions, increase resource efficiency, improve infrastructure resilience, accelerate access to affordable and clean energy, and/or increase access to decent work.
- Use the firm's deep industry expertise, target investment criteria and impact/ESG baseline expectations to identify relevant impact/ESG opportunities and risks for each new potential investment.

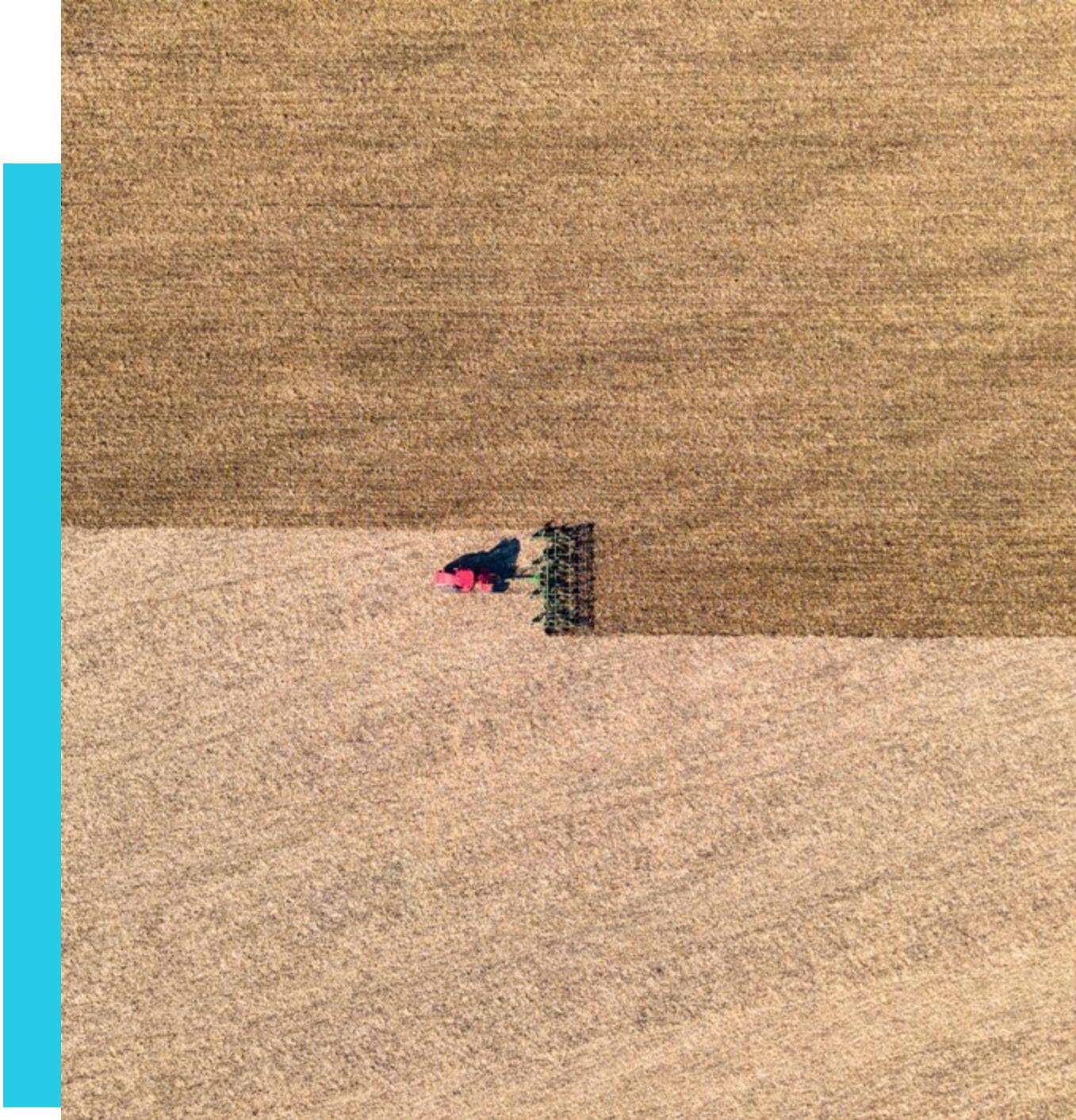
3.2. Due Diligence

- Apply our impact evaluation framework to each target company to understand the cause-and-effect relationship between the activity undertaken, the resulting outcomes, and the expected impact. Our impact evaluation framework addresses:
 - **What:** What outcome will occur as a direct result of the business? What environmental or social impact metrics are most relevant to track?
 - **Who:** Who will experience the outcome?
 - **How much:** How significant is the expected outcome (i.e. likely duration and degree of change experienced)?
 - **Contribution:** What is the expected contribution of Blackhorn in relation to the likely outcome to be experienced? What degree of the outcome may have occurred anyway?
 - **Risk:** What is the risk to both the people and the planet if the outcome is different than expected (e.g. efficiency, evidence, drop-off and alignment risk)?
 - **SDGs:** How does this product/service contribute towards achieving the SDGs? Which SDG sub-goals are most applicable and why?
- Engage early with management teams and advisors to understand the “impact and ESG culture” within the target company
- Undertake a thorough evaluation, and engage third-party experts, where necessary, to evaluate specific impact and ESG opportunities and risks for each potential investment



3.3. Investment Committee

- Complete an impact and ESG evaluation as part of the investment committee memo for potential investments
- Determine whether a prospective investment's impact potential is sufficiently material and aligned with our investment and impact strategy or if its lack of impact potential acts as a "dealbreaker"
- Review third-party impact/ESG assessments and reference checks, where appropriate
- Ensure there is a robust discussion at investment committee of the impact thesis alignment and potential





3.4. Post-Investment Support & Value-Add Monitoring

- Actively advise and support portfolio companies on internal implementation of their impact/ESG goals as well as best practices for impact monitoring and disclosure through board participation or pursuant to minority rights (e.g. observer/information rights)
- Conduct an annual portfolio review through Blackhorn's Annual Impact/ESG Survey with portfolio company follow-ups based on responses received
- Ensure regular training and compliance reviews are undertaken by portfolio companies.
- Provide guidance and support on articulating and implementing key governance policies, where appropriate

**In support of this ESG Policy,
Blackhorn commits to:**



- Work with its limited partners to develop a reporting framework that both meets the needs and is proportionate for Blackhorn's investment portfolio
- Encourage a discussion on impact and ESG, both with our limited partners and, where possible, with other venture capital firms in order to improve responsible investment standards within the venture capital industry

Blackhorn Ventures

October 2022

We regard implementation of our ESG policy as an ongoing project and commit to review this policy and our wider impact and ESG program's effectiveness and implementation periodically with Blackhorn's senior leadership team.

Visit our website to learn more about our Impact and DEI convictions and supporting policies. <https://blackhornvc.com/>