Regeneration.VC

Regeneration.VC Fund 2 Impact and Sustainability Policy

Background

This policy outlines the sustainable investment objectives and strategies of Regeneration.VC Fund 2, CommV (private privak) (the “Fund” or “Regeneration.VC”), managed by (the “General Partner”), as defined by the Sustainable Finance Disclosure Regulation (SFDR, Regulation 2019/2088) of the European Parliament and European Council of November 27, 2019. The Fund is classified as an Article 9 fund under SFDR, underscoring its commitment to making sustainable investments. The General Partner formally adopted this Impact & Sustainability Policy in February 2025.

About Regeneration.VC

Regeneration.VC is a venture capital firm investing in Consumer ClimateTech innovation. Our investment strategy targets early-stage companies demonstrating asymmetric return potential by insetting environmentally aligned solutions within consumer value chains.

Introduction

At Regeneration.VC, we are not just adapting to the future — we are shaping it.

I see an unprecedented opportunity to redefine how businesses operate, embedding circularity and regeneration at the core of consumer industries. The world is shifting, and so are the ways we measure impact. With the upcoming Circularity Protocol, we have the chance to set new standards for accountability, ensuring that sustainability is not just a goal but a fundamental principle of business success.

Our commitment to leading this transformation is unwavering. Through our partnership with the **Circle Economy Foundation**, we are advancing cutting-edge circular impact measurement frameworks. Our **Impact & Sustainability Policy** is more than a guideline — it is a blueprint helping us scale innovation, driving systemic change, and proving that financial returns and planetary stewardship can thrive together.

Narina Mnatsakanian
Partner & Chief Impact Officer

Vision

Regeneration.VC envisions a future where humanity is reharmonized with nature through the transformation of consumer industries. As a global early-stage venture firm, the Fund invests in disruptive Consumer ClimateTech innovations that embed circular and regenerative solutions into corporate value chains, driving both outsized economic returns and significant environmental impact.

Scope and Governance

The General Partner has implemented this Impact and Sustainability Policy (the "Policy"), which applies to the Fund throughout its fundraising, investment, and ownership cycle. This Policy ensures that impact and ESG considerations are prioritized and integrated at every stage — from sourcing and due diligence to investment decisions, portfolio management, and exit strategies.

Commitment to Excellence

The Policy is a living document set to undergo thorough review annually. As necessary, the Policy will be revised in response to emerging trends, shifts in the regulatory environment, or other relevant developments. This ensures that the Policy remains effective and aligned with current best practices. Training sessions will be held regularly to ensure that all staff are familiar with the Policy and its updates.

Investment Committee [1]

The Investment Committee ("IC") is a committee set up within the Fund which implements policies and practices related to the Fund's governance and provides oversight to the operating team tasked with implementing these agreed upon policies and practices, including the implementation of this Policy. Regeneration.VC holds a policy whereby at least one voting member of the IC is responsible for impact and environmental diligence.

The IC reserves the authority to approve additions to the Fund's investment policy, as well as discuss and create actions related to companies that are deemed in breach of impact conduct. If a portfolio company is deemed to be out of impact compliance, the IC may vote to withhold follow-on investments and take further measures to ensure that Regeneration.VC is in alignment with this Policy at all times.

Impact Oversight Committee [2]

The Investment Committee oversees policy implementation and impact compliance on the level of the Fund. The Impact Oversight Committee (IOC) is a separate committee within the Regeneration ecosystem that guides impact alignment for all funds within the ecosystem established after 2023, ensuring proper impact policy implementation.

[1] Investment Committee Policy & Procedures available upon request
[2] See Appendix 5 - Impact Oversight Committee

<u>Impact Policy</u>

This Policy is designed strategically in alignment with the **Operating Principles for Impact Management**, an end-to-end framework offering a clear roadmap for the implementation of Circular Regenerative Impact and Sustainability Protocol ('CRISP') across pre- and post-investment stages. The protocol has been drafted taking into account leading approaches and methodologies, including **Theory of Change ("ToC")**, the Global Impact Investing Network's ("GIIN") **Core Characteristics of Impact Investing**, and the Impact Management Project's ("IMP") **Five Dimensions of Impact**. Together, this approach offers structure to the Fund's commitment to sustainable investments.

This Policy incorporates a wide array of globally recognized standards for responsible business practices, including the United Nations Sustainable Development Goals, the UN Global Compact, the UN Principles for Responsible Investment, UN Guiding Principles for Business and Human Rights, OECD Guidelines for Multinational Corporations, and the Planetary Boundaries science. Consideration of each of these standards demonstrates the Fund's commitment to responsible and sustainable investment practices and recognition that long-term value creation is inextricably linked to environmental and social best practices.

The General Partner has developed its impact investment protocol in collaboration with its strategic partner, Circle Economy Foundation.[3] This collaboration evolved the Fund's impact measurement and management framework and metrics, further embedding indicators from Circular Transition Indicators, European Sustainability Reporting Standards, Greenhouse Gas Protocol, and GIIN IRIS+.

<u>Overview of Circular Regenerative Impact and Sustainability Protocol 'CRISP'</u> [4]

Theory of Change [5] - To anchor the purpose of its impact strategy, the Fund applies 'Theory of Change' logic for the Fund.

Summary: The Fund seeks to transform the unsustainable "take-make-waste" consumption model driving climate change and biodiversity loss by investing in Consumer ClimateTech solutions that enable circular and regenerative value chains. At scale, these innovations present capital-efficient solutions to significant global challenges to deliver outsized net environmental benefits in line with the Fund's impact objective to 'Reharmonize with Nature'.

This strategy aims to reduce greenhouse gas emissions, minimize resource extraction, reduce linear resources use, and accelerate the global shift to circular economies, delivering both environmental impact and competitive financial returns.

Defining "Impact"

To compose a comprehensive impact assessment for early-stage investment opportunities, this Policy defines "impact" using GIIN's 'Core Characteristics of Impact Investing' framework:

<u>Impact Definition</u>

---

[3] See <u>Appendix 2</u> - Impact Metrics Framework based on Circle Economy Foundation
[4] See Illustrative Pre-Investment Impact Assessment
[5] See <u>Appendix 1</u> - Theory of Change

To compose a comprehensive impact assessment for early-stage investment opportunities, this Policy defines “impact” using GIIN’s ‘Core Characteristics of Impact Investing’ framework:

I. Intentionality and materiality → To be considered a ‘sustainable investment,’ each investment must show clear alignment to Regeneration.VC’s theory of change and contribution to solving recognized global environmental challenges, as classified by the Planetary Boundaries or Sustainable Development Goals. Investments made should predominantly fall into the EU Categorization System for the Circular Economy.

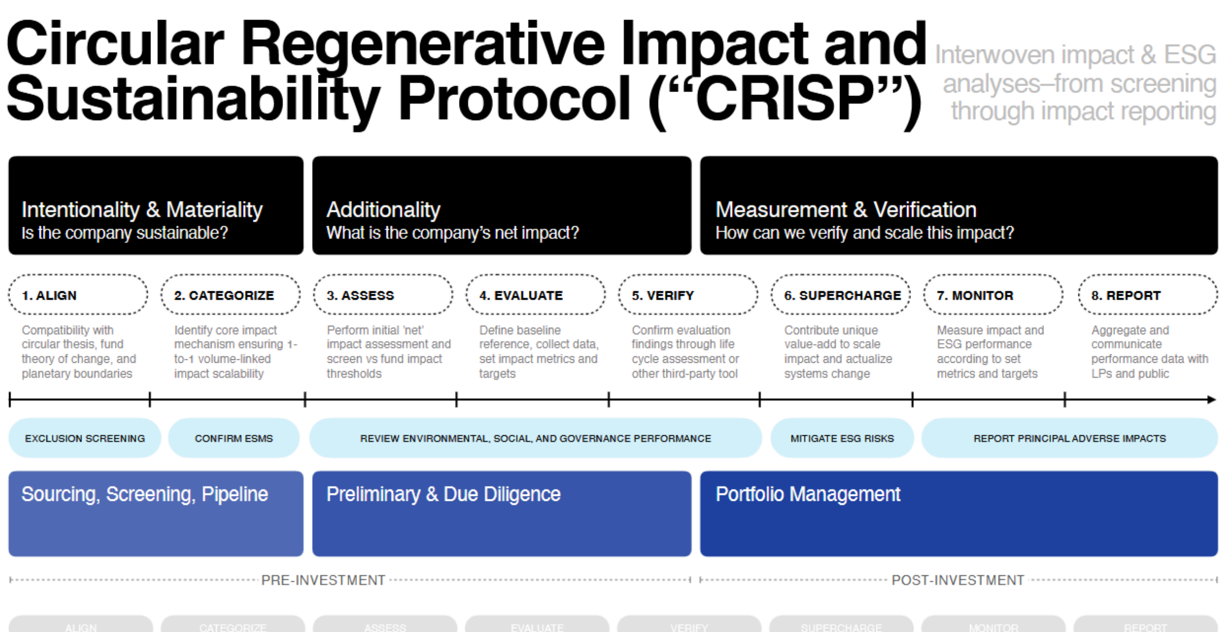
II. Additionality →

   A. Company: Each investment must offer a unique and additional net positive contribution to solving the material issue/challenge, with impact inherent to the core business model.
   B. Investor: Regeneration.VC’s involvement and post-investment value-add initiatives (“Supercharging”) should serve to help generate an outsized impact.

III. Measurability and Verification → Each investment must provide sufficient data to confirm net-positive impact potential and identify and mitigate ESG and impact risks. Where relevant, to verify impact claims, Regeneration.VC will condition its investment on the expedited completion of a Life Cycle Assessment. Impact, ESG, and PAI metrics are to be collected and evaluated annually.

Impact integration

Impact and ESG considerations are embedded throughout the whole investment process. Below is an overview of Fund CRISP Protocol and the steps taken during pre-investment and post-investment.



Pre-Investment:

- The Fund performs a check of each potential portfolio company's **alignment** with the Fund's theory of change and Planetary Boundaries or target SDGs;
- The Fund **categorizes** the company business model to the EU System of Categorization for Circular Economy and evaluates the impact that can be scaled as the company grows;
- The Fund **assesses** each potential portfolio company's contribution and net positive impact assessment using the IMP 5 dimensions of impact, ESG screening, and appropriate impact thresholds;
- The Fund defines and **evaluates** the baseline reference scenario and agrees to impact metrics and targets (where applicable) with the companies;
- As much as possible, the Fund aims to **verify** impact data via Life Cycle Assessments or other third-party tools. Where this data is not available pre-investment, it is requested to be performed post-investment.
- The investor contribution of the Fund and the 'supercharging' potential of the potential portfolio companies is evaluated;

See Appendix **Circular Regenerative Impact and Sustainability Protocol for more information.**

- A detailed findings report is drafted containing the results of the Impact and ESG due diligence per potential portfolio company as outlined in the CRISP Protocol and shall be included in each Investment Committee memorandum;
- Contractual requirements for the data collection of pre-identified impact indicators shall be implemented in term sheets, shareholder agreements, or any other relevant documentation related to the Fund's investments;
- If needed, an ex-ante contractual requirement for the portfolio companies to perform a Life Cycle Assessment shall be implemented in the investment documentation.
- As part of the Impact and ESG Due diligence process, Sustainability Questionnaires will be shared with potential portfolio companies. Relevant PAI indicators form part of this Sustainability Questionnaire. If any potential adverse impacts are identified, these are screened further as part of the due diligence, and mitigation efforts will be required. If considered necessary, commitments to realize these mitigation efforts may be formalized in a side letter alongside the investment documentation. If mitigations are not considered possible, resulting in a risk of adverse impact outweighing the positive impact potential, Regeneration.VC will not invest.

Post-Investment:

- Portfolio companies shall go through workshops to further define their theory of change and shall agree on impact KPIs and impact targets related to the portfolio company's theme classification;

- The Fund is working closely with portfolio companies to add value 'Supercharge'

- The Fund requires reporting by the portfolio companies on SFDR PAI indicators as part of the Annual Impact and Sustainability data collection and reporting process;

- The Fund requires adherence to environmental, social, and good governance standards as well as internationally recognized best practices by the portfolio companies;

- The Fund shall continue to verify impact through life cycle assessments of its portfolio companies;

- The Fund shall evaluate impact achieved per portfolio company and report on impact in an annual Impact Report.

ESG & Sustainability Policy

Sustainability risks

This Policy defines "Sustainability Risk" as an environmental, social, or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment.

Disclosure of sustainability risks

Regeneration.VC shall, in accordance with Regulation (EU) 2019/2088 (together with its delegated acts and as amended from time to time, the "SFDR") and Regulation (EU) 2020/852 together with its delegated acts and as amended from time to time, the "Taxonomy Regulation") provide certain information to potential investors to ensure that the investors can make a well-informed decision about their investment in the Fund. The information to be disclosed and the format for such disclosures are set out in the SFDR. These include inter alia how sustainability risks are integrated into Regeneration.VC's investment decision-making process (as set out in this policy); the results of the assessment of the likely impacts of sustainability risks on the returns of the Fund; and how sustainable investments are achieved.

The information set out above shall be presented on its website, as required by the SFDR.

When investing in early stage/developing companies, it is common that such companies may not have a strong ESG framework in place at the time of investment that addresses Sustainability Risks.

Since these are early-stage companies, their operations are limited, and exposure to potential climate risks, nature risks, labour law, and human rights breaches is limited. During its initial screening of any potential portfolio company, Regeneration.VC assesses the presence of minimum safeguards. These safeguards include three main categories: 1) environmental criteria, 2) social criteria, and 3) governance criteria, as outlined in further detail below. If early-stage companies do not yet have the necessary policies and commitments in place, Regeneration.VC will work with these companies to help them design the right policies and implement them.

Environmental

Regeneration.VC is dedicated to promoting environmental awareness and sound environmental practices among its portfolio companies to minimize the adverse effects of its investments and promote key circularity principles. This includes but is not limited to the promotion of the following Key Themes and Practices among portfolio companies.

Key Themes and Practices

1. **Compliance:** adherence to environmental laws, regulations, and global conventions, exceeding minimum standards where possible.

2. **Climate Action:** Reduction of Scope 1, 2, and 3 greenhouse gas emissions following the Greenhouse Gas Protocol, focusing on innovations to address Scope 3 to achieve the long-term

global warming objectives of the Paris Agreement.

3. **Waste and Pollution Reduction:** minimization of emissions, harmful waste, and reliance on virgin materials by prioritizing renewable and circular inputs.

4. **Resource Efficiency:** optimization of energy, water, and material use, reducing reliance on finite resources.

5. **Toxics Reduction:** minimization of harmful chemicals and transition to safer alternatives.

6. **Ecosystem Regeneration:** protection of biodiversity and ecosystems through sustainable practices and regenerative solutions.

Social

Regeneration.VC aims to promote sound labour and human rights practices in the portfolio companies. This includes but is not limited to alignment with the UN Guiding Principles for Business and Human Rights, ILO conventions, and OECD Guidelines for Multinational Corporations.

<u>Key Themes and Practices</u>

- **Human Rights:** Ensuring awareness and compliance with human rights standards such as the International Bill of Human Rights and the UN Guiding Principles for Business and Human Rights. This also includes supporting portfolio companies to implement procedures to align with the OECD Guidelines for Multinational Enterprises.

- **Labor Standards and compliance with labor laws:** Ensuring adherence to ILO principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labor Organization on Fundamental Principles and Rights at Work. Considering minimum wages and fair competitive employee remuneration, healthy and safe working conditions, working hours, and collective bargaining rights in line with local legislation.

- **Diversity and Inclusion:** Building diverse and inclusive teams and workplaces, with zero tolerance policies against discrimination, harassment, exploitation or bullying in all its forms, and equal opportunities for all, regardless of age, race/ethnicity, gender, religion, sexual orientation, disability or socio-economic background.

- **No Child Labor:** Prohibition of child labor.

- **Health and Safety:** Ensuring workforce well-being by adhering to international safety and occupational health standards.

Governance

Regeneration.VC promotes sound governance through commitment to ethical and transparent practices across its portfolio.

<u>Key Themes and Practices</u>

- **High Standards for Business Ethics and Anti-Corruption:** Zero tolerance for bribery, corruption, extortion, fraud, and other unethical practices. Compliance with the UN Global Compact and applicable anti-corruption laws.

- **Sound Management Structures and Accountability:** Portfolio companies should have clearly defined governance frameworks and accountability mechanisms, encouraging diversity and independence on boards and clear delineation of responsibilities.

- **Executive Accountability:** The CEO and management teams of portfolio companies are responsible for executing corporate strategies and managing daily operations in alignment with board-approved policies and long-term sustainability objectives. Performance evaluations for executives should incorporate ESG-related metrics, promoting accountability for sustainable outcomes.

- **Risk Management and policy development:** Each portfolio company should develop policies for remuneration, audit, and risk management that align with the interests of its shareholders and management. Portfolio companies should implement robust audit and risk control systems to ensure financial integrity, operational oversight, and resilience against emerging ESG risks, including climate-related risks. As much as possible, portfolio companies should establish whistleblower policies to protect individuals reporting unethical behaviour.

- **Employee Relations and Labor Practices:** Commitment to fair labour practices, diversity, equity, and inclusion (DEI), and compliance with International Labour Organization (ILO) standards. Ensuring safe, healthy, and inclusive work environments, with mechanisms for employee feedback and grievance redressal.

- **Data Security:** Upholding data privacy and cybersecurity best practices, aligned with GDPR and other global standards.

- **Regulatory Compliance:** Adherence to anti-trust and anti-competition laws and sustainability disclosure frameworks.

- **Tax Compliance**: Adherence to local and international tax regulations, ensuring transparent and ethical practices.

Detailed Circular Regenerative Impact and Sustainability Protocol

<u>Impact KPIs and Sustainable Investments</u>

Making sustainable investments is a core objective of the Fund. The Fund aims to achieve a net-positive impact on the environment.

Regeneration.VC invests in early-stage innovative companies (Seed and Series A) that deliver circular solutions and solve environmental challenges through scalable technologies, with a demonstrable contribution to Circular Economy as defined in the EU Classification System of Circular Economy:

1. **Design (*circular design*): increase resource efficiency through design innovation, process innovation, and reengineering and/ or material innovation and substitution.**

   E.g., investing in novel materials, ingredients, inputs, and advanced manufacturing techniques to design out excess resource usage and waste.

2. **Use (*optimal use*): Increasing resource efficiency through (i) product and asset lifecycle extension based on reuse, repair, repurposing, refurbishment, or remanufacturing strategies and/or (ii) product and asset use-optimizing leasing and sharing models.**

   E.g., changing how we consume across new technology-enabled platforms, re-commerce systems, marketplaces, science-enabled goods and services, and sharing economy solutions.

3. **Re-use (*value recovery*): Increasing resource efficiency through the recovery of wastes in preparation for reuse and recycling or other circular economy strategies.**

   E.g., closing the loop through material recovery systems, reverse logistics, next-gen recycling, traceability platforms, and waste-to-value solutions.

4. **Enabling technologies: i.e. (circular support) tools, applications, and services enabling other circular activities/projects and thus indirectly contributing to increasing resource efficiency.**

Fund intends to invest in potential portfolio companies that predominantly fall into any of the four (4) categories listed above[6].

Contribution to Planetary Boundaries or SDGs

Regeneration.VC strives to build toward global targets set by internationally recognized frameworks, agencies, and governments– such as the Planetary Boundaries, Sustainable Development Goal,

the Paris Accord, and the Convention on Biological Diversity. In addition to contributing to the EU Categorisation System of Circular Economy, all investments made by the Fund also need to positively contribute to at least one (1) of the following frameworks:

[6] In practice the fourth category circular support focusing on enabling technologies will be often integrated across the other three categories

1. Planetary Boundaries; or
2. Selected Sustainable Development Goals.

Planetary Boundary	**Related SDGs**
Climate Change	• SDG 7 • SDG 12 • SDG 13
Change in Biosphere Integrity (Biodiversity Loss)	• SDG 14 • SDG 15
Stratospheric Ozone Depletion	• SDG 12
Ocean Acidification	• SDG 14 • SDG 13
Biogeochemical Flows (Phosphorus and Nitrogen Cycles)	• SDG 6 • SDG 12 • SDG 14 • SDG 15
Land-System Change (Deforestation)	• SDG 12 • SDG 15
Freshwater Use	• SDG 6 • SDG 12 • SDG 15
Atmospheric Aerosol Loading	• SDG 3 • SDG 7 • SDG 11 • SDG 12 • SDG 13
Introduction of Novel Entities	• SDG 3 • SDG 9 • SDG 12

This table illustrates how the Fund's sustainable investments shall be aligned with planetary boundaries and related SDGs to ensure a comprehensive sustainability impact across environmental and socio-economic dimensions. This is an indicative alignment. Investments may also contribute indirectly to SDG 8 Decent Work and Economic Growth and SDG 17 Partnership for the Goals.

<u>EU Taxonomy</u>

The Fund's sustainable investment objective is inherently in line with the core objective of Taxonomy, which is to establish and develop an internal market that works for the sustainable development of Europe, based, among other things, on balanced economic growth and a high level of protection and the improvement of the quality of the environment (Article 3(3) of the Treaty on European Union). While there is no specific commitment to invest in a minimum percentage of EU Taxonomy-aligned environmental objectives, it is the aim of Regeneration.VC to maximize alignment of the Fund's investments with those objectives.

The portfolio company activities may qualify as environmentally sustainable under EU Taxonomy objectives, however, due to the complexity of the implementation of the technical criteria of Taxonomy (even more so for young companies), it is important to note that the Fund takes a prudent approach in not declaring that portfolio companies will align with the technical screening criteria, stated in the climate delegated act. All relevant SFDR reporting can be found on the Fund's website.

Principal Adverse Impacts[7]

It is important to note that since the Fund is screening early-stage investments in companies that help to drive climate-related impact associated with consumer industries, it is often the case that due to their size, the principal adverse impact of their activity on sustainability factors is often inexistent. Regeneration.VC aims to further enhance the process by assessing each investment against the Principal Adverse Impacts ("PAIs") as listed in Annex I of the SFDR RTS. The Fund will report annually on the PAI indicators to help build responsible ventures.

All 14 mandatory PAIs, as mentioned in Table I, will be considered.

Additionally, the Fund will consider:

- Indicator 4 from Table 2: Investments in companies without carbon emission reduction initiatives aimed at aligning with the Paris Agreement;

- Indicator 9 from Table 3: Lack of human rights policies; and

- Indicator 15 from Table 3: Lack of anti-corruption and anti-bribery policies.

Given the early stage of the Fund's investments, not all of these PAIs are relevant for each of the portfolio companies.

Implementation Impact KPI's and Principal Adverse Impact screening in the investment cycle

Pre-Investment

From sourcing to final investment decisions, the Fund performs a series of impact and ESG assessments to identify positive impact potential and address sustainability risks and negative impacts for each potential investment. Each company needs to align with the Fund's theory of change and focus theme

[7] See Appendix 3 - Principal Adverse Impacts list

and meet the minimum impact threshold.

Recognizing that some economic activity or corporate behavior is not aligned with its definition of impact, the Fund maintains negative screening exclusion criteria[8].

Since the Fund screens relatively young companies in the early stages of development, the adverse impact(s) of their activity on sustainability factors tends to be nonexistent or limited. The Fund intends to help build responsible ventures based on the principles of good governance, environment, and social best practices as they grow and scale.

To determine whether a potential portfolio company is suitable for an investment, the Fund will rely on the findings of the applied CRISP Protocol.

In the definitive transaction documentation, the Fund will define the reporting requirements and add the extra agreed actions to be taken into account following the CRISP Protocol.

During investment negotiations with a potential portfolio company, the Fund ensures that its ESG and impact requirements are embedded in the transaction documentation.

Post-Investment

Monitoring and Support

By implementing this Policy, the Fund mitigates ESG and business risks and generates long-term value, leading to improved financial returns. Therefore, the Fund actively encourages its portfolio companies to integrate impact and ESG considerations across product, operations, and commercial activities.

The ESG data and performance analysis of all portfolio companies of the Fund are evaluated on an annual basis through a detailed interview and data collection with the portfolio companies to reflect evolutions in their processes, products, or management structure. The Fund conducts such annual monitoring to quantify, qualify, and enhance the positive environmental and social impacts of investments and mitigate any negative impacts. This monitoring exercise involves collecting data from the portfolio company and performing a comprehensive assessment, covering human rights, employee rights, corruption and bribery, and relevant compliance issues.

Based on this evaluation, follow-up actions are discussed with the portfolio company. This gives the investment team a good insight into the practices, decisions, and events of the portfolio companies related to environmental, social, and governance topics across each company's operations and its entire value chain. It's an opportunity to monitor the impact and possible risks for growing companies.

Reporting on the Fund's investments will be done following Annex V to the SFDR RTS and in the annual impact report.

Inclusive of the management team and Impact Oversight Committee, the Fund leverages its extensive experience and knowledge network to support portfolio companies on various ESG and impact-related topics.

---

[8] See Appendix 4 – Exclusion Policy

The Impact and Sustainability policy will be implemented by the management team. A Chief Impact Officer will oversee the implementation and monitoring of this policy. The progress of the investments on Impact and ESG criteria, as well as any arising issues, can be escalated to the Impact Oversight Committee for further consideration.

Methodology

Qualitative impact and ESG-related monitoring are done regularly through interactions with portfolio companies. An Impact Indicator Framework has been developed in partnership with the Circle Economy Foundation. Based on the EU Categorization System of Circular Economy, specific metrics are defined for each of the four (4) categories listed above (i.e., design, use, reuse, and enabling technologies). A non-exhaustive list of indicative metrics that will be collected from the companies is outlined in the following paragraph. The Fund starts by collecting company-specific performance data relating to the portfolio company on the one hand and relating to the impacts in the value chain of the portfolio company on the other hand, should such an assessment be necessary in light of the pre-determined Impact KPIs of the relevant portfolio company. In addition to this data collection, a reference scenario for each product/solution needs to be defined to allow the measurement of the Impact and Headline indicators determined for the relevant portfolio company. For this measurement, two (2) comparisons are made: one comparison is made between the Impact and Headline indicators and the solution sold by the relevant portfolio company, and another is made between the Impact and Headline indicators and the most likely scenario that would have occurred without the solution. Therefore, the reference scenario should reflect the most likely alternative scenario if the solution would not be used.

Illustrative non exhaustive metrics that may be used to monitor company specific performance and set targets include, but are not limited to, (i) Greenhouse gases emission avoided (tonne CO_2-e), (ii) Linear resource waste avoided (tonnes), (iii) sustainably sourced biological material (%), (iv) recovery potential (%), and (v) waste diverted from disposal tonnes. Other/additional metrics may also be selected if more relevant for portfolio companies.

Impact and ESG data is collected annually directly from portfolio companies.

The management reports rely upon the information provided by these portfolio companies, which is frequently limited due to the early-stage nature thereof. Consequently, the provided impact data may not be representative of the relevant portfolio company's potential due to the lack of scale and maturity. Furthermore, given the early stage of the portfolio companies, not all indicators and datapoints may be available. In cases where data is not available, reasonable estimations are employed.

In case any observations or incidents occur in the portfolio companies related to the topics as defined in this Policy, these are followed up by the investment team and, where necessary, discussed with the Impact Oversight Committee. In addition, an annual formal screening takes place where both the risk and impact performance results are analyzed, and where necessary, any improvements are discussed.

Data sources and processing and limitations to methodologies and data

Data quality and reliability are largely anchored on the data gathered by the portfolio companies themselves and the analysis made by the Fund's investment team, which is largely based on a limited set of comparative data. Many of the companies that the Fund invests in provide "enabling technologies" that facilitate positive changes for their corporate clients and value chain. As a result, it can prove difficult to measure, quantify, and attribute this positive change with precision.

However, the Fund's investment horizon is at a very early stage, and the relevance of the data is relative. The companies in which the Fund invests are not yet at scale level, so the impact on the environmental, social, or governance characteristics is not always representative.

<u>Exit Considerations</u>

- The Fund prioritizes exits that ensure sustained impact.

- The Fund encourages exit agreement provisions that uphold impact and ESG prioritization post-acquisition.

Conflict of Interest Policy

The Fund maintains a conflict of interest policy designed to both prevent and manage conflicts. Any significant issues arising from due diligence and net impact assessments will be documented and presented to the Investment Committee for deliberation.

This conflict of interest policy shall be published on the Fund's website.

Remuneration Policy

As a sub-threshold manager of the Fund, the General Partner has no obligation to maintain a remuneration policy. In practice and accordance with general venture capital remuneration and award processes, a significant portion of an investment professional's compensation is structured in a manner that reflects investment performance. Thereby, unmitigated sustainability risks that negatively affect investment value will also have a detrimental impact on their compensation.

Illustrative Pre-Investment Impact Assessment

Impact Pillar	Circular Regenerative Impact and Sustainability Protocol Criteria
Intentionality & Materiality	
1. Alignment with fund objectives	● Is the company aligned with the fund-level theory of change? ● Does the company positively contribute to one of the Planetary Boundaries or one of the focus SDGs? ● Identify the business model and circular strategies of the portfolio company based on the definitions in the EU Categorization. The business model and strategies should be agreed upon by both Regeneration.VC and the company.
2. Company intentionality	● Is impact intentional and core to business? ● Is there a direct 1-1 link between company volume growth and impact growth? ● Does the company have an LCA assessment or internal measurements?

3. Impact threshold	● As part of the due diligence process, the fund has impact thresholds that it uses to evaluate the scale of the expected impact of portfolio companies.
4. LCA Assessment	● Does the company have an LCA assessment, or is the company able to defend its measurable impact proposition with the Fund's circular impact indicator methodology?
5. EU Taxonomy check	● Although the fund does not target any EU taxonomy investments, where applicable, check if the activity is part of the EU taxonomy and is eligible.
Additionality	
6. Company contribution	The Fund assesses the company's theory of change using IMP 5 dimensions to make sure **the solution is net positive** and is solving one global challenge without accelerating another. ● **What problem** is the company aiming to address, and how important is its target outcome to stakeholders? **How significant is the problem**? **How significant** is the intended company impact to the problem (i.e., is the company solution likely to contribute to solving a significant part of the problem in the future with its solution)? **Is it better / worse than the competition / alternative solutions? What is the likelihood of achieving the intended impact** (i.e., what is the relative size of the challenge addressed within the targeted geographical or specific supply chain / technological context)? Explain how it aligns with the Fund's target objectives and outcomes. ● **Systemic Impact:** Does the company/technology aim to change the system on a macro level if scaled? ● **Who: Identify which stakeholders are** and how 'important' this change is for the people or planet experiencing it. ● **Additionality:** Assess if the company's efforts have resulted in outcomes that were likely better than what would have occurred otherwise. ● **How much**: **What type and magnitude of change will the company generate? (e.g., scale/depth/durability/speed/innovation)** Set a baseline, thresholds, and quantify impact where possible. ● **Risk:** Are there any adverse impact risks from the business? Using impact risk, identify any barriers to achieving the intended impact.
7. Investor Contribution	● Before investing, assess the Fund's expected contribution, i.e., the additional capital, expertise, or influence that can help companies achieve impact beyond what would have occurred without its investment. This is called **'Supercharging'** the portfolio companies. ● Assess the Fund's unique role in scaling the impact, including whether the investment catalyzes systemic change or indirect impacts across supply chains.
Measurement & Verification	
8. Define Impact	● The Regeneration.VC Impact Metrics Framework, developed

indicators and collect data.	together with the Circle Economy Foundation, is used to select impact metrics for the company and negotiate reporting in key indicators. ● Select impact metrics from this framework corresponding to the company business strategy. ● Additional impact metrics may be selected if deemed more relevant for the company. ● Together with portfolio companies, a reference scenario is to be defined, and relevant data is to be collected. ● Based on agreed impact metrics, we agree to a viable target with the company. Set a "Minimal Viable Impact" bar to validate the Theory of Change while avoiding unattainable targets that discourage innovation. ● Companies need to report on the key 14 Principal Adverse Impact Indicators and 3 additional indicators. Given the early stage of the companies, not all data will be relevant or available. Estimates will be made on a best-effort basis in case the data is not available.
9. Evaluate company performance and report to stakeholders	● Calculate the performance of the company using the selected metrics. Then, with the metrics and data of the reference scenario as input, calculate the Fund's performance using the Impact and Headline Indicators by following the 'cascade-up' methodology. ● The Fund reports the outcomes to the relevant stakeholders. These outcomes can be used to inform future decision-making.
10. Verification	● Steps are taken to externally validate the company impact thesis and additionality of their product, check with key stakeholders and experts. ● To measure the positive and negative impacts of Regeneration.VC's investments portfolio companies should perform Life Cycle Assessment post investment.
ESG Assessment	
11. ESG Evaluation	● Assess if the company operates outside the exclusion list as outlined in Appendix 6 of This Policy. ● Evaluate if the company or industry causes negative externalities that need to be mitigated. ● Does the company operate responsibly today or with evidenced commitment to do s, with regards to ESG and sustainability? ● Assess all ESG risks from the analysis based on the Policy and the company's ability to mitigate them. ● Does the company meet SFDR's requirements of Do No Significant Harm with no harmful adverse impacts identified through the PAI indicators?

Appendix 1 - Theory of Change

Problem Statement:

Regeneration.VC's current global consumption system operates an unsustainable linear "take-make-waste" model, depleting natural resources at twice the rate Earth can replenish. Responsible for approximately 60% of global greenhouse gas emissions and nearly 90% of biodiversity loss, humankind's consumption has pushed multiple planetary boundaries beyond critical limits. Government policies and interventions have proven insufficient to achieve the scale and pace of change necessary to address climate change and meet the 1.5°C Paris Agreement target. Trillions of dollars in annual investments are required to align economic activities with the Paris Agreement and UN Sustainable Development Goals.

At the heart of this crisis lies a generational opportunity for private capital to fund crucial solutions to address the climate and biodiversity crises. Consumer industries, which play a central role in economic growth, must transform their value chains to align with the planet's ecological boundaries, ensuring both economic and environmental sustainability.

Regeneration.VC's Solution:

Regeneration.VC's "Consumer ClimateTech" investment strategy was designed to foster circular and regenerative solutions to revolutionize consumer industry value chains. At the convergence of ClimateTech innovation, consumer industries, and regulatory tailwinds, it sees a multitrillion-dollar market opportunity to reimagine product, service, and supply chain.

Across Consumer Industries, such as but not limited to apparel, electronics, consumer packaged goods including food & beverage. Regeneration collaborates with dominant global brands as co-investors and strategic partners, leveraging ambitious climate commitments and active supply chain investment strategies to accelerate commercial adoption for portfolio companies.

Regeneration.VC's strategy is anchored in three interconnected themes:

1. **Design:** Investing in novel sustainable materials, ingredients, inputs, and advanced manufacturing techniques to design away resource waste

2. **Use:** Changing how we consume products and materials across new technology-enabled platforms, re-commerce systems, marketplaces, science-enabled and services, and sharing economy solutions.

3. **Reuse:** Closing the loop through material recovery systems, reverse logistics, next-gen recycling, traceability platforms, and waste-to-value solutions that seek an end state where natural systems are regenerated

Companies with enabling technologies are considered across these three themes.

By fostering solutions across product design, use, and reuse, Regeneration.VC aims to scale impact, contributing to reducing the over 100 billion tons of materials extracted annually.

Inputs → Resources for an emerging impact fund manager

Team & Process:

- Team of seasoned early-stage investors, former operators, and multi-exited entrepreneurs.
- Proprietary investment processes and underwriting criteria built around key technologies underpinning the Design, Use, and Reuse themes as well as enabling technologies.

Knowledge & Tools:

- The intersection of expertise in consumer industries and ClimateTech and leadership in circularity.
- Alignment with global standards on Circularity and Impact Management and measurement.

Brand & Relationships:

- Strategic partnerships with brands, supply chain actors, and circular economy enablers.
- Vast network of advisors from science, business, and culture.

Activities → Venture Impact Investing

- Invest in early-stage ventures commercializing groundbreaking technologies across Consumer Industries.
- Perform rigorous impact and ESG due diligence that screens for a minimum impact potential from the underlying technology.
- Supercharge portfolio growth for bigger impact: equip portfolio companies with resources, expertise, and partnerships to scale effectively (e.g., equip US portfolio companies to tap into the growing market for circular products in Europe and help European companies to expand their reach to the USA.).
- Activate partnerships and cultivate symbiotic relationships with brands and their suppliers, leading organizations (WBCSD, Circle Economy Foundation) to implement circular economy principles.
- Track and communicate outcomes using validated metrics (e.g., GHG emissions avoided, linear waste resources reduction, and lifecycle assessments).

Outputs → Embedded circular Consumer ClimateTech

- Consumer ClimateTech solutions are embedded within the fragmented value chains of consumer industries.
- A portfolio of commercially viable circular innovations and technologies and services reducing

waste, emissions, and virgin resource extraction and transitioning global value chains to circularity.

Outcomes → Net Benefits to Environment

- Deployment of Consumer ClimateTech solutions and technologies by corporates at scale in the value chains deliver reduced GHG emissions and improved materials circularity measured by:
    - GHG emissions avoided (tons);
    - Linear resource use avoided (tones).

- Generation of top decile competitive financial returns and increase in investment capital for current and future portfolios. Inspire new founders, investors, and partners to accelerate the transition to circular economy. ‘Supercharge’ portfolio companies, scale, and commercialize breakthrough circular ventures.

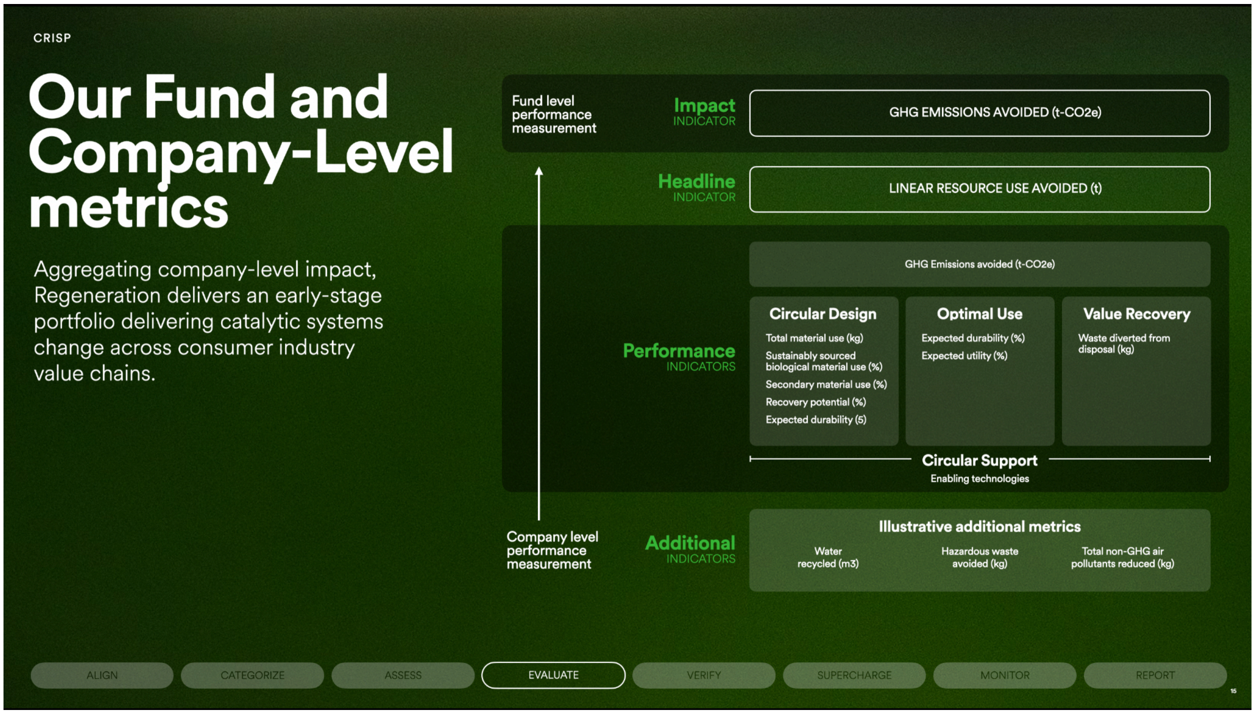
Impacts → ‘Reharmonize with Nature’

- Realign the planet with planetary boundaries at an unprecedented pace.

- Embedding Consumer ClimateTech solutions to retool consumer industry value chains from linear to circular systems.

- Safeguard Earth's systems to sustain life, ensure stability and resilience, and provide the foundations for health, prosperity, and equity.
- Acceleratee innovation flywheel, driving innovation, investment, and adoption at pace required to avoid ecosystems failure.

Appendix 2 - Impact Metrics Framework based on Circle Economy Foundation



This slide highlights the high-level summary of the Impact Metrics Structure. Detailed framework implementation is performed by the Fund.

Appendix 3 - Principal Adverse Impacts list

Climate and other environment-related indicators:	**Social and employee matters, respect for human rights, anti-corruption and anti-bribery matters:**
GHG emissions Scope 1, 2,3, and total GHG emissions	Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises
GHG intensity of investee companies	Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises
Share of investment in companies active in the fossil fuel sector	Unadjusted general pay gap
Share on non-renewable energy consumption and production	Board gender diversity
Energy consumption intensity per high-impact climate sector	Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons, and biological weapons)
Activities negatively affecting biodiversity-sensitive areas	Lack of a human rights policy (Table 3)
Emissions to water	Lack of anti-corruption and anti-bribery policies (Table 3)
Hazardous waste ratio	
Investments in companies without carbon emission reduction initiatives (Table 2)	

Appendix 4 - Exclusion Policy

Regeneration.VC will not pursue investment in innovations that facilitate greater extractive or unethical enterprises that stand to accelerate resource extraction, waste production, ecosystem pollution, and climate change more efficiently and effectively. The Regeneration. The VC team seeks to align with principles laid out in the United Nations Global Compact (UNGC), UN Guiding Principles on Business and Human Right, the Global Impact Investment Network (GIIN), and the Organization for Economic Co-operation and Development (OECD) Guidelines for multinational enterprises to assess the behavior of companies. The Fund also respects the International Finance Corporation (IFC) exclusion policies.

The Fund shall not directly or indirectly invest in, guarantee, or otherwise provide financial or other support to companies or other entities active in the following businesses:

1. Weapons and Munitions trade;
2. Direct Fossil Fuel Production, Refining, and Distribution;
3. Alcohol & Tobacco production and trade;
4. Gambling and Casinos;
5. Radioactive materials trade;
6. Asbestos-related activities;
7. Drift Net Fishing;
8. Exploitative forms of labor;
9. Logging in Primary Tropical Moist Forests;
10. Trading in internationally banned products;
11. Wildlife trade, especially those under CITES; and
12. Pharmaceuticals & Pesticides/Herbicides under international bans.

Appendix 5 - Impact Oversight Committee

In alignment with Regeneration's commitment to transparency, sustainability, and investing with an aim toward environmental and social impact alongside financial gains, Regeneration.VC is establishing an Impact Oversight Committee (IOC). This memo outlines the scope, functions, and structure of the proposed committee.

Purpose:

The primary objective of the IOC is to provide oversight on impact measurement, reporting, and verification throughout the Fund's investment value cycle. This will ensure that investments align with the Regeneration.VC Impact Policy and mission, while creating positive outcomes in the Fund's areas of focus.

Composition:

The IOC consists of a minimum of three members, including a Chair who is a voting member of the Investment Committee. Members must possess a strong understanding and track record of impact investment, sustainability metrics, and best practices for reporting and verification.

Appointment & Tenure:

Members of the Impact Oversight Committee are appointed and approved biannually or upon defined term completion by the Investment Committee. This periodic renewal ensures fresh perspective and adaptability as the impact investing landscape evolves.

Responsibilities:

- Oversight on Impact Measurement:
    - The committee ensures that appropriate tools, methodologies, and metrics are utilized to measure the impact of Fund investments. It evaluates the effectiveness of these methods and suggests refinements as needed on an annual basis and makes recommendations to the Investment Committee and operating team as needed.
- Reporting
    - The committee oversees the preparation and dissemination of impact reporting. It evaluates a standardized format for these reports to ensure consistency, clarity, and comprehensiveness in alignment with international norms and regulations.
- Verification:
    - The committee focuses on maintaining the integrity of the Fund's impact claims through third-party verification. This will validate the accuracy of impact measurement and reporting for portfolio companies and the Fund while keeping transparency among stakeholders.

Meetings and Protocols:

The IOC meets quarterly, with additional meetings by request of the committee Chair to review progress, address challenges, and plan future initiatives. Meeting minutes are documented and shared with the Investment Committee to ensure alignment and transparency with the general partners, operating team, and limited partners.

Any amendments to this document, including the addition of an IOC charter and named committee members, must be approved by a unanimous vote of the Investment Committee.