



ESG Policy for Sustainability

Doing the right things – because it matters!

3VC partners up with teams that have the determination to drive humanity forward. With big ideas come change and responsibility. We actively evaluate and measure the impact of our work and of the companies we partner with by applying ESG principles with regard to Environmental, Social, and Governance (ESG) matters. Together, we take action creating sustainable value, and taking care of our future. Because our future matters!

I. Scope

We will abide by this ESG Policy with respect to our internal regulations as well as with regard to our investment processes and the portfolio monitoring phase, taking an active ownership approach in all our investee companies.

Our investment guidelines restrict the eligible portfolio universe to start-ups that are active mainly in software technology across industries, e.g. AI, Dev-Tools, Deep-Tech, Security, Data/Analytics, Digital Health and App/Mobile. We intend to invest primarily in Series A investment rounds with a considerate ticket size, not excluding, however Seed, Series B and follow-up investments. The portfolio companies shall furthermore be domiciled, targeting or active in Europe, with a focus on Germany, Switzerland and Austria (DACH) as well as Central and Eastern Europe (CEE).

II. Roles and Responsibilities

As our ESG Policy is formally integrated into our internal regulations, investment and monitoring processes, every member of our team is responsible for its implementation, starting from our administrative staff when it concerns our CO2-footprint and reaching to the investment team when integrating the 3VC ESG Framework into the investment process.

The core ESG team consisting of at least two members with legal and investment background will review the ESG Policy at least once a year or upon new regulation developments.

III. Applied Principles

We commit to the 6 UNPRI Principles for Responsible Investment and have incorporated the suggested actions into our processes, though not

being an official Signatory. When designing our ESG Policy, we have also taken into account the Ten Principles of the UN Global Compact, the 17 UN Sustainable Development Goals as well as the eleven fundamental ILO Conventions within the meaning of the 1998 Declaration, as amended in 2022.

IV. Definition of ESG

Environmental

We protect our climate and strive to reduce our emissions to combat climate change. We strongly encourage our founders to act as well and work towards sustainable operations. We are eager to back founders that make a positive impact on our environment while building a solid and growing business.

Social

We specifically exclude any investment in companies that produce or deal in specific sectors such as weapons, tobacco, hard spirits, gambling, human cloning or genetically modified organisms. We create an inclusive and diverse community and welcoming environment. We do not tolerate discrimination, harassment, and other unaccepted behavior and retaliation. We foster and encourage diversity and female leadership within 3VC and our portfolio companies. Our code of conduct guides not only our internal interactions but also the interaction with third parties, such as company founders, advisors, other investors.

Governance

We set high standards in terms of business ethics, company leadership, governance structures, risk controls, alignment to the latest regulations and compliance terms and shareholders' rights – for ourselves and the partners we work with. We strive for transparent processes and responsibilities, reviewing our decision-making process on a regular basis. We value independence and build a safe place where everyone can share opposing and controversial opinions. We adhere to strict conflict of interest and anti-money laundering (AML) policies. Data protection and privacy is of a particularly high priority to us, being reflected in our privacy policy [\[insert link\]](#).

V. Our own ESG criteria (company level)

We regard ESG as a core responsibility in our aim to create sustainable value. At least twice a year, ESG topics and the evaluation of our goals are a separate item of the partner meeting's agenda..

Aiming for scope 1, 2, 3 neutrality, we focus on reduction, the remainder is offset. We offer free annual tickets for public transportation to all our staff members and raise awareness for responsible use of resources. Furthermore, we are part of LFCA and Climate Partner.

Being part of #MovingForward, Diversity, Equity and Inclusion are integral part of our hiring practices and our working environment. We foster and encourage diversity and female leadership. Our Code of Conduct guides our internal interactions and includes a freedom from harassment, discrimination and retaliation policy, outlining a clear complaint procedure within our company.

We support personal growth and advanced training and team members are encouraged to attend external workshops on various topics.

Our processes are clearly structured and we commit to detailed and short-term reporting to LP's. In addition, we have AML and conflict of interest policies in place.

VI. ESG integration within the investment process

Origination: We actively engage with the community to improve the diversity when sourcing new deals. We support various activities that foster diverse/female founder teams, such as Lead F or Sie. We have set up an inclusive and non-discriminatory, open and transparent application process for pitching new ideas to us, focusing on the 5 T's: Team, TAM, Technology, Traction and Terms. We do a quick scorecard evaluation as part of the scouting process focusing on business opportunities, sustainability, diversity and governance. If there are yellow to red flags, we initiate an early discussion addressing the issues.

Due Diligence/qualitative assessment of investments: When starting an investment process, we follow our Investment Guidelines that include ESG aspects. These Investment Guidelines define prohibited sectors and activities and we shall not invest, guarantee or otherwise provide financial or other support, directly or indirectly, to any company active in the following sectors: weapons, tobacco, hard spirits, gambling, human cloning or genetically modified organisms.

In addition, based on targets of the 17 UN sustainable development goals that are relevant for potential investee companies and with reference to the 10 Principles of the UN Global Compact we have compiled a list of indicators, the "3VC ESG framework" that will be checked during the due diligence process in order to ensure that the chosen indicators for adverse impacts on sustainability factors are duly taken into account (See Annex questionnaire).

The collected information will be duly documented and integrated into the Investment Memo, thus evaluating and discussing internally any identified issue with regard to ESG aspects, making sure that they will be duly taken into consideration with regard to the investment decision. An ESG clause shall be included in the Term Sheet.

Ownership and value creation: We partner with visionary founders and actively support them along the way – all the way, also with regard to ESG aspects. Our quality over quantity approach with regard to the number of portfolio companies we invest in, allows us to closely support and advise them in creating sustainable growth and welcoming work environments. With regard to gender equality, within tech-teams we envision to reach a number of female employees that mirror the percentage of available female engineering talent; for leadership positions we encourage striving for full gender equality. We encourage companies to adopt a climate policy and strive for CO2-neutrality. We have conversations with the management teams of our companies, discussing ESG-related issues, priorities, activities, and processes in place, by checking, inter alia, the respective ESG-KPIs resulting from the 3VC ESG framework which enables us to implement a clear, transparent and KPI driven reporting.

Exit planning: Our portfolio companies' monitoring and support includes the exiting phase, preparing them when taking the next step in order to make sure that the company will continue to provide for a good work environment and sustainable growth.

VII. Sector and fund specific ESG criteria/ Responsible Investment topics Excluded sectors

Due to our investment strategy, we will not invest in companies active in the fossil fuel sector.

With regard to ESG criteria, the fund will not invest directly or indirectly to any company active in the following prohibited sectors:

- a) property holding (other than in an ancillary, non-commercial capacity);
- b) manufacturing, distribution or sale of arms or ammunitions (other than for game hunting purposes);
- c) manufacturing, processing, distribution or sale of tobacco products or hard spirits (other than the distribution in an ancillary capacity through retailers such as supermarkets or restaurants);
- d) human cloning or genetically modified organisms; or
- e) directly linked to gambling.

VIII. Integration of clear KPIs for measuring and tracking ESG

See 3VC ESG framework.

Fund I is registered AIFM domiciled in Austria and EuVECA domiciled in Austria.

Fund II is managed by an external AIFM domiciled in Luxembourg.