ASTANOR

Where tech meets nature

RESPONSIBLE INVESTMENT POLICY

ASTANOR VENTURES

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Where tech meets nature

For the past 70 years, the agrifood industry has invested in quantity over quality, resulting in a food system that is outstripping the planet's resources and exacerbating global health crises. As an impact investor, we embrace our role to help re-invent this broken food system. We believe in the future of an agrifood system that provides affordable nutrients for 10 billion people, preserves and regenerates natural resources, actively contributes to decarbonization and protects land and ocean biodiversity.

At Astanor, we work with scientists, policy makers, activists and entrepreneurs to catalyze a fundamental shift in the way we grow, harvest, transform, make, distribute, consume, waste and eat food, thereby responding to a pressing urgency to **combat climate change, biodiversity loss** and to **improve the health of humanity** and **the planet**. We have no doubt that a systemic disruption is needed to reach the ambitious targets set forth by the Paris Agreement, the UN SDGs and the European Commission's Farm to Fork strategy.

The trend is moving in this direction, with consumers increasingly demanding more transparency and sustainable practices for the products they purchase. By definition, our investment thesis and our mission are leading us to invest in mission-driven companies: the more successful the business, the more impact there will be. We engage with our companies to improve their ESG performance and increase their positive impact.

There is no trade-off between return and impact.

We are convinced that financial returns are substantially correlated with a sustainable management of environmental, social and governance ("**ESG**") risks and opportunities.

Sustainability and impact are deeply rooted within Astanor, from our mission itself to our investment objectives and process. We aim to meet the highest standards in impact investing, which are in continuous evolution. As such, we are closely monitoring market and regulatory progresses and strive to participate actively in this debate to lead our investees by example and shape the future of the industry.

The purpose of this Responsible Investment Policy is to illustrate the guiding principles and frameworks which help us achieve our sustainable investment objectives and our impact KPIs. It encompasses our consideration of sustainability factors across our organization from our implication in implementing purposeful ESG and in scaling impact standards with our investees. This document forms our core ESG and impact management system and it helps us assess, adapt, and manage our ESG and impact performance as an investor and as a firm.

ASTANOR

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I. ASTANOR: A TRUSTED, SUSTAINABLE PARTNER

Astanor's ambition is to be a driving force in the evolution towards positive impact investing, thereby scaling a regenerative, connected agrifood system, built to enable health enduringly and to contribute to net zero. This ambition will be supported through our participation in delivering on the ambitious targets from the Paris Agreement[1], the Sustainable Development Goals[2] ("**SDG**") and the European Union Farm to Fork[3] and biodiversity strategies.

We thrive to find mission-driven entrepreneurs who have developed a product or service that will have a positive impact on the planet and its people: our approach to investing is always through the lens of both Impact and ESG, as both are necessary to achieve a sustainable and resilient agrifood system.

Advancing sustainability with systemic vision

Growing successful companies with lasting impact is Astanor's *raison d'être*: it is core to our investment philosophy and the driving factor behind each of our investment decisions. A company's impact is defined by the external impact its product or service will have on the planet and its people. At Astanor we continuously assess the impact of our investees, evaluating companies through our guiding principles from the moment of initial screening to exit. Along the way, we provide our investees tools to measure impact creation, guidance on how to increase their impact, and support in setting relevant KPIs to keep them on track.

ESG is about the internal health of a company, promoting good management practices and minimizing any potential harm caused by the company's operations. Companies are more likely to succeed if they have a strong and well-articulated ESG strategy. Such a strategy is essential in attracting and retaining talent: a company with a highly impactful product or service will not achieve its mission if it lacks a solid ESG framework of strong values, policies, and processes. Guiding our portfolio companies during their first steps in ESG is thus one of our essential contributions as impact investor.

All our investees consistently operate with a theory of change in mind: they have a comprehensive description of how and why a desired change is expected to happen with their business models.[4] For each new potential investment, we ensure a genuine alignment in intentionality with the founder(s) and their team.

RESPONDING TO CLIMATE CHANGE AND ITS DERIVED CHALLENGES

Today, many of the pillars upon which the current agrifood system is upheld are being challenged, exacerbating its internal fragility and susceptibility to disruption: prices of inputs such as energy and fertilizers are rapidly increasing, weather patterns upon which farmers have relied are becoming more extreme and unpredictable and fertile soil and freshwater resources are being depleted at rapidly increasing rates across the world.

The agrifood system has reached a tipping point, where evolutionary or iterative changes to the existing system and product offers will not suffice to combat climate change. Rather, systemic disruption and regeneration are required to restore health in our societies, our planet and our economies. Our investment thesis has been built bespoke to this view. Our investment strategy is leading us to invest in companies which significantly contribute to and enable the transition to a low-carbon, resilient and resource-efficient economy.

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[1] https://unfccc.int/sites/default/files/english_paris_agreement.pdf
[2] https://sdgs.un.org/fr/goals
[3] https://ec.europa.eu/food/farm2fork_en
[4] https://www.theoryofchange.org/what-is-theory-of-change/

DEFINING SUSTAINABLE INVESTMENT OBJECTIVES

Defining the right metrics is an essential first step to measuring impact. As our investment universe includes a wide range of companies from the entire agrifood value chain (as well as contributors and enablers), it is essential that we cover a comprehensive set of indicators to measure our environmental and social impact across out portfolio. To this end, we have established 6 impact KPIs, capturing a holistic understanding of the impact of our portfolio companies, tackling challenges across the whole agrifood industry: 3 Planet KPIs (GHG Emissions, Water Use, Biodiversity (land and sea)), 2 Social KPIs (Social, Health) and 1 Enabler KPI (Climate Intelligence). Each of these six impact KPIs is an essential pillar in the foundation of a sustainable food system.

3 Planet KPIs

The agrifood industry is one of the largest contributors to climate change and biodiversity loss. We have established three "planet" KPIs to efficiently assess how to address this challenge - **GHG Emissions**, **Water Use** and **Biodiversity**. While the market is often focused on carbon emissions, these three factors are deeply interconnected and instrumental to fully assess the agrifood industry's environmental impact and tackle climate change at the root.

GHG emissions
The agrifood system is one of the greatest contributors to climate change. It is responsible for around 18Gt of CO_2e per year, one third of total global GHG emissions.[i,ii] While one of the largest emitting industries, it is at the same time extremely vulnerable to climate change - rising temperatures pose a significant threat to crop yields while encouraging weed and pest proliferation.

Biodiversity
While food production is heavily dependent on biodiversity, the global food system is the primary driver of biodiversity loss. Agriculture alone has been identified as a threat to 86% of species at risk of extinction (24,000 species out of a total 28,000 listed): this is largely caused by land use change, overexploitation of wild species and overuse of agricultural inputs.[iii]

Water Use
Agricultural production is both entirely dependent on freshwater resources and the largest user of this limited resource. Agriculture accounts for 70% of water use worldwide and yet 60% of it is wasted due to inefficient use.[iv] Freshwater has historically been regarded as an easily accessible and affordable resource, but it can no longer be treated as such.

2 People KPIs

By focusing on quantity over quality products, the agrifood sector has perpetuated social inequalities and long-term health issues. To measure our positive impact in addressing these key issues, we developed two "people" KPIs – **Social** and **Health**.

Social
Structural inequalities in the food system have resulted in widespread social inequalities for producers and consumers. Farmers face low and unreliable incomes, difficult access to partnerships and market information and livelihoods vulnerable to climate uncertainty.[v] Consumers, on the other hand, are impacted by a lack of education coupled with product misinformation and limited access to healthy food options.

Health
The agrifood industry has created a double burden of malnutrition: 26% of the world's population experiences hunger or lacks access to sufficient and nutritious food, while 39% is

overweight or obese.[vi,vii] While the volume of food produced globally is sufficient to feed everyone on the planet, nutrition and distribution challenges continuously exacerbate global health crises.[viii]

1 Enabler KPI

Our third KPI-category addresses the enablers that are necessary to ensuring our collective advancement towards global climate goals. Today, we have one "enabler" KPI, **Climate Intelligence**, and may add more as our methodology evolves. Climate Intelligence supports actors in reducing their carbon emissions, increase their yield using less agricultural inputs, improve their water usage and improve farmers income and people's health

Climate Intelligence
The Climate Intelligence KPI is designed for technologies that enable the acceleration of the agrifood transition. They support other businesses, including agrifood companies, by providing intelligence to facilitate informed decisions and support impact creation for both the people and the planet. These enablers play a critical role in building resilience in the agrifood sector as it faces the growing challenges of climate change.

MEASURING OUR IMPACT

At Astanor, we condition our long-term incentive program also around the non-financial performance of our Fund. We ensure a complete alignment between our incentive structure and our long-term impact goals. We have built a **Fund Impact Multiple on Investment ("IMOI")** in order to assess our impact creation. At each portfolio company level, a **Portfolio Company IMOI** is defined. All **Portfolio Company IMOIs** are aggregated at the fund level by multiplying them by the amount invested by the fund into the portfolio companies, resulting to the **Fund IMOI**. Astanor aims to achieve a multiple greater than 1:

- If the Fund IMOI equals or exceeds the value of 0.8 – 100% of the carried Interest will be distributed to Astanor's team.[5]
- If the Fund IMOI equals or exceeds the value of 0.60 but is lower than 0.8 – 0% to 30% (calculated linearly) of the carried interest shall be distributed to a number of NGOs or charities selected by Astanor (*e.g.*, 15% of the carried interest will be distributed if the Fund IMOI was equal to 0.7).
- If the Fund IMOI is below 0.6 – 30% of the carried Interest will be distributed to NGOs or charities selected by Astanor.

For the avoidance of doubt, the base compensation of the Fund Manager and its board of managers does not include an ESG-linked or impact-linked component.

[5] Disclaimer: this methodology may not apply to all the investment funds affiliated with Astanor.

II. CODE OF CONDUCT

In order to achieve our commitment to responsible investing, we operate under the following values and principles, which define who we are and how we invest: Integrity, Diversity & Equity and Sustainability.

1st Principle: Integrity

Integrity is the fundamental building block of trust in business relationships. Trust is built upon repeated interactions between individuals that involve clarity, reliability, honesty and a high standard of both personal and professional behavior. Integrity implies that competitive advantage and commercial success are derived through the application of superior individual and collective skill and not through the use of inappropriate pressure or manipulative, coercive or deceptive devices or practices. Our sustainability values are integrated into our bylaws so that sustainability focus continues to be our main driver as we grow

2nd Principle: Diversity, Equity & Inclusion

At Astanor, we are committed to providing a work environment that is free of direct or indirect discrimination or harassment of any kind: all aspects of employment including the decision to hire, promote, discipline, or discharge, will be based on merit, competence, performance and business needs. Astanor does not discriminate on the basis of ethnicity, color, religion, sex, sexual orientation, gender identity or expression, national origin, age, disability, marital status, pregnancy and paternity status, citizenship, genetic information, or any other characteristic protected by statue.

Diversity, equity and inclusion ("**DEI**") are a central part of our values. In alignment with our mission as an impact investor, we have a passion for improving the world we live in. Our commitment to DEI is simple: we believe that maximizing the power of different perspectives and backgrounds is fundamental to establishing the long-term value of Astanor. With DEI, society benefits from a more even distribution of opportunities and the entrepreneurs we support bring different perspectives to the complex challenges we aim to tackle as an investment. To further materialize our engagement on this front, we have deployed a DEI policy across the firm, allowing us to communicate our increased awareness on various DEI considerations, from a more equal and inclusive treatment on our recruitment process to the broadening of our dealflow horizons. While this is only the beginning of our DEI journey, we commit to continually revisit and exchange on the best practices to become a key DEI stakeholder in the VC space.

3rd Principle: Sustainability

Environmental and social issues are at the core of Astanor's mission, embedded in our investments' DNA and reflected within our daily operations. At Astanor's level, we have for instance put in place a responsible mobility policy with bikes for the team and staff also has the opportunity to engage with local communities two days per year. For our portfolio companies, we propose a shelf of solutions to help them integrate these core issues at the root: guiding them to implement various initiatives internally. For example, we assist in the deployment of sound governance practices, included but not limited to establish their code of conduct, their internal policies or their purchase habits.

The Astanor Code of Conduct is distributed to all employees at the start of their employment date.

III. STEWARDSHIP WITH STAKEHOLDERS IN AN IMPACT-DRIVEN MISSION

At Astanor, we constantly interact with stakeholders to learn from and improve our approach towards sustainability. We have used the well-established Impact Management Project[6] ("**IMP**") to identify these stakeholders, our five pillars, which are helping us pursue our sustainability and impact objectives:

1. Our investors
2. Our staff
3. Our portfolio companies
4. The communities impacted by our companies
5. Our planet

A. With our investors

Embed sustainability and impact within the whole investment process

At Astanor, we aim to achieve unique leadership in both ESG and impact standards. In addition of being drawn to Astanor because of our vision, the unique market opportunity and our team, our investors have placed their capital and trust with us because of our ESG and impact approach. Conscious of the challenges we want to address, we seek an active engagement with our investors to continuously build a unique and dynamic partnership. In order to foster the right level of collaboration, we have set up:

- Open forums with our investors to address our investees' challenges on various topics, such as ESG performance enhancement, impact measurement, portfolio latest development etc.
- Constant dialogue concerning the ever-evolving regulatory environment to ensure full integration of the latest requirements in our investment activities.
- An advisory committee (the "**Advisory Committee**"), composed of our key investors, reviewing each portfolio company's set of impact KPIs proposed by Astanor, and ultimately overseeing the fund overall impact creation.
- Consultations through surveys to ensure the right level of satisfaction with both investors and investees.

B. Within our organization

Build a team driven by the same motive

(i) Incentive structure

As described previously in the policy, at Astanor, we condition our long-term incentive program also around the non-financial performance – impact creation - of our Funds. To this end, the full receipt of carried interest (long-term remuneration of Astanor based on the financial performance of its Funds) is tied with the achievement of impact objectives mentioned in this policy. The carried incentive program is made available to the majority of the Astanor staff (from junior members to partners).

(ii) Community work

Astanor is dedicating some time to charity work. Half a day per quarter and on a voluntary basis, Astanor employees have the opportunity to work with local charities seeking to improve access to healthy food and livelihoods of farmers.

(iii) Education

Conscious of the ever-evolving nature of ESG and impact, Astanor's Director of Impact and Sustainability presents the latest developments in this space as well as progress on the impact roadmap to the Astanor's Partners on a regular basis. An ongoing update is given to the entire team (but in a condensed format) during a weekly meeting. In addition, Astanor provides a formal annual ESG and impact training within its organization, promoting best-practices and proposing internal action to go the extra mile in terms of sustainability.

[6] https://impactmanagementproject.com/

C. With our portfolio companies

Lead and manage teams into scaling impact

Astanor aims to play a key role as an impact investor with its portfolio companies. Our thorough investment process provides us an in-depth understanding of the sustainability and impact (existing or potential) of the company at the time of investment, enabling us to define how exactly we will engage with the company to increase its ESG performance and scale up its impact.

Over the years, we have developed a full shelf of solutions to support our investees on both impact and ESG. At the time of investment, we assess each company's ESG baseline and co-define a constructive ESG and impact roadmap. We then share a broad range of ESG and impact tools such as templates for ESG policies, company carbon footprint measurement tools and support, Life-Cycle Assessment and support in obtaining B Corp certification to help achieve essential milestones for ESG and impact development.

The Astanor team coaches each portfolio company and connects them with service providers and advisors to develop best practices and in-house expertise. Our support is essential to enable companies to understand when to focus their efforts on specific topic depending on their stage of development and to employ best practices with all stakeholders such as suppliers, customers, co-investors and employees.

Life Cycle Analysis

We require all portfolio companies (beyond series seed) with an identified environmental impact to conduct a Life Cycle Analysis (LCA). An environmental LCA is a comprehensive assessment that includes an analysis of: extraction and processing of energy and raw materials, manufacturing, distribution, use, and recycling and disposal of the end product. This quantified data is invaluable for a company to understand the impact created by its products or services and to map out which areas might pose risks or provide opportunities for market developments or process improvement as the company scales. LCAs provide high-quality data that structures our impact measurement process and provides valuable insights for our investees

ESG

Astanor collects ESG data from portfolio companies at the time of investment and then on an annual basis. This data enables us to set the baseline, track ESG improvement and define next steps in each individual roadmap. Our ESG questionnaire, which has been tested, externally reviewed by ESG experts and refined for three years, is tailor-made to fit the business needs of growing start-ups. The high level of engagement from our portfolio companies demonstrates the value and suitability of this exercise.

After three years of data collection and collaboration with our portfolio companies, we have identified key ESG trends and set minimum requirements for our portfolio companies. We have built reliable benchmarks for ESG performance per funding series and defined ESG milestones to reach before each new round of funding.

Building a path for future B Corp

We strongly encourage each of our portfolio companies to become B Corp certified, as we believe this is essential to help them grow towards a more sustainable organization. We offer support to each portfolio companies wishing to go through the certification process: giving advice, recommending specialized consulting firms or even providing policies template to start building up a solid governance framework. We aim at being alongside them for every step of this journey.

Impact Community

Additionally, to foster collaboration with our portfolio companies, we have launched an Impact Community. The community's purpose is to create a dynamic among our investees to share best practices and support each other in their growth. We regularly organise meetings and webinars to educate portfolio companies on impact and ESG topics. Through this community, we are able to share benchmark performances and targets to reach as well as policy templates or innovative solutions for carbon accounting, reporting and other related topics.

D. Outside our organization

Horizontal engagement from the industry to the local communities

In constant interaction with the regulatory environment

At Astanor, we closely monitor and aim to be deeply involved in the continuous evolution of the sector and take an active role in the debates that shape the development of the industry in which we operate. We continuously scout the market to leverage the latest developments in sustainability and impact standards, accounting methods, regulation and reporting requirements, and tools for impact assessment which could be beneficial to our companies and our fund.

Following the publication of the European Union Farm to Fork Strategy, with which Astanor's investment philosophy is fully aligned, we participate in the discussion with the EU in Brussels to share our views on the agrifood sector and to evaluate the best ways to support our companies in alignment with this strategy. To achieve the common goal of developing international sustainability standards, Astanor has adopted most of the definitions laid down in European regulations to allow transparency and comparability of its financial products.

Signatory and active contributor to several sustainability initiatives

Astanor is a signatory of the UN PRI[7] ("**PRI**") as of November 2019. Astanor is also a member of Invest Europe and its Responsible Investment Roundtable. Since June 2021, Astanor (through its first fund, Good Harvest Ventures) is a signatory of the Impact Principles developed by the Operating Principles for Impact Management (OPIM) [8] ("**Impact Principles**"). In July 2021, as per the 9th Principle of the Impact Principles, Astanor went through an independent verification conducted by BlueMark, who assessed our alignment to the Impact Principles. The independent verification report and the disclosure statement are available on Astanor's website.

Strict with our suppliers

We aim to help our suppliers become more sustainable. To do so, we apply substantially the same ESG approach that we have established for our companies. All our suppliers are submitted to the same ESG review as our portfolio companies, in addition to through supplier code of conduct as our companies, as described below in the impact deep dive section.

Fostering industry change

By engaging at the industry level and applying our key principles in all facets of our business, Astanor's ambition is to be a driving force in the scaling of a regenerative, connected agriculture and food system, built to enable health enduringly. Astanor believes in the pressing importance of adopting a sustainable diet and improving the health of humanity, but we understand we can't do this alone. This is why we have joined or founded the following initiatives:

- **We are a member of the Finance for Biodiversity foundation and a signatory of its Pledge,** a group of financial institutions taking ambitious action on biodiversity and reverse nature loss.

- **We are a founding member of ESG_VC,** an initiative by VCs to respond to urgent challenges that impact early-stage businesses.

- **We are a founding member of the Global Agrifood Tech Alliance,** an alliance to build partnerships between impact-driven agrifood tech companies

[7] https://www.unpri.org
[8] https://www.impactprinciples.org

Donation program

We have committed to donate 1% of our funds' carried interest. As the carried interest won't kick before few years, we launched our donation program in 2022 out of our annual management fees as we wanted to start building our approach.

As an impact donor, we bring support and guidance, in addition to capital, to the NGOs and charities we work with. Through this collaboration, we will support these organizations in their impact measurement process and guide them to further scale their impact. Our donation program tackles challenges in the agrifood industry that our investments cannot solve and so focuses on the following UN SDGs: UN SDG 1 No Poverty, SDG 4 Quality Education and SDG 5 Gender Equality.

E. With our planet

Play an active role in combating climate change

The agrifood industry is today one of the largest contributors to climate change. Five years ago, Astanor was born with the mission to find, support and scale the most disruptive, impactful solutions to accelerate the transition towards a regenerative food and agricultural system. We are committed to combat climate change and its consequences. . In order to achieve this mission, we invest in companies that regenerate the soil, restore the health of our oceans and address the challenges of the entire food value chain. As such, we actively contribute to carbon neutrality, on the one hand through the implementation of our investment thesis and promotion of responsible activities, but also by assessing and accelerating the environmental impact of each of our investees and helping them reduce any environmental adverse impact that their activity may have.

We also support and promote the adoption of the recommendations of the Task Force on Climate-related Financial Disclosures ("**TCFD**") and incite our companies to take into consideration the consequences of climate change in their governance, strategy, risk management and metrics.

IV. INVESTMENT PROCESS

ESG and impact factors are systematically integrated in each step of the investment process, guided by our investment principles and impact KPIs. The paragraphs below outline how both impact and ESG are tackled throughout the process.

While this process is overseen by the Director of Impact and Sustainability, the impact team works alongside the investment team to ensure that the potential for profitability and impact are hand in hand.

A. Initial Screening

(i) Exclusion list

Astanor maintains a strict exclusion list of activities or related activities for our investee companies, inspired by the International Finance Corporation[9] ("**IFC**") 2007 Exclusion List[10] (and including other voluntary exclusions at the discretion of Astanor), forbidding involvement in particular business activities (see Annex I, *Activity Exclusion list*) or jurisdictions (see Annex II *Countries Exclusion list*).

(ii) Positively screening for opportunities

We are positively screening for companies (rather than negatively excluding them) that set positive examples of environmentally friendly products and socially responsible business practices. We are screening for mission-driven companies that have identified a problem in the agrifood value chain and found a solution to participate in solving the problem.

B. Due Diligence Process

(i) Assessing the fit with the guiding principles and impact KPIs

During each step of the due diligence process, we make sure potential investees fit the mission and guiding principles of Astanor and have the potential to deliver on one or more of our six impact KPIs.

The guiding principles were developed to ensure we truly select companies that will give rise to a future of food that is nourishing, regenerative, trusted and nutritious. This constant consideration of our principles allows us to make the right investments. Nevertheless, we don't expect an investment to be a "perfect fit" with regards to all guiding principles, but we have implemented that an investee shall fit a minimum of at least two of the below principles.

Guiding Principle 1: Regeneration. Health for people and the planet starts and is sustained by fertile soil and healthy oceans.

Guiding Principle 2: Agrifood Integrity. Traceability, transparency, fair labor and supply chain practices will restore trust, decrease risk and strengthen communities.

Guiding Principle 3: Nourishment and Deliciousness. Sustainably grown and minimally processed foods protect and promote health.

Guiding Principle 4: Protection. Greater care and efficient use of natural capital, alongside new methods to repurpose waste, are needed to repair the planet.

[9] https://www.ifc.org/
[10] http://www.ifc.org/exclusionlist

During the due diligence process, we also assess how we expect the particular investment to deliver on our impact KPIs. It is likely that we will not have a clear idea of the materiality of the impact at the time of the due diligence, *i.e.,* the extent to which the investment will contribute to the objective, due to the lack of sufficient and adequate data inherent to young companies. The full assessment on the six impact KPIs is completed post investment, during the **impact deep dive** (see below).

(ii) Integrating the concept of 'do not significantly harm' and 'principal adverse impact'

In addition to Astanor impact KPIs, we integrate other key measurement indicators to be align to the latest European Union set of regulations applying to the financial industry. In line with the EU Taxonomy[11], we assess whether the investee has the potential to be align to one of the six core objectives as set out below and "does not significantly harm" any of the other objectives:

- Climate change mitigation
- Climate change adaptation
- Sustainable use and protection of water and marine resources
- Transition to a circular economy
- Pollution prevention and control
- Protection of healthy biodiversity and ecosystems.

For each new investee, we also pre-emptively assess their respect towards minimum labour rights safeguards, including the International Bill of Human Rights and the International Labour Organisation Declaration on Fundamental Principles and Rights at Work. In this perspective, we have integrated the OECD Due Diligence Guidance for Responsible Business Conduct.

(iii) Initial Reputational screening

When beginning the in-depth due diligence process with potential investees, Astanor performs intensive background and reputational checks. This applies to all third parties directly or indirectly involved with the potential investees. These third parties may be:

(i) Founders and shareholders of the potential investee
(ii) Management team of the potential investee
(iii) Co-investors in the potential investee (when relevant)
(iv) Any other third-party involved in the acquisition process.

For each of these third parties, checks are systematically performed against publicly available data, sanctions lists, legal and regulatory authority actions and records. This screening allows Astanor to identify parties that are allegedly involved in breaches of international law, including norms on environmental protection, human rights, labor standard, money laundering, terrorism financing or corruption.

(iv) Assessments of ESG risks

Astanor assesses the potential ESG risks of each potential portfolio company prior to investment. As a venture capital firm, Astanor invests in early stage, developing companies and it is therefore common that potential investee companies may not have a strong ESG framework in place at the time of investment.

During its initial screening with any potential portfolio company, Astanor therefore assesses the presence of minimum safeguards used for a reasonable ESG framework. These safeguards include the criteria below (not an exhaustive list):

[11] Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, is a classification system, establishing a list of environmentally sustainable economic activities.

Global Assessment	Existence of an environmental and social management system.
Environment Criteria	Ensuring the potential portfolio company does not operate in highly polluting industries, harm the environment or operate in markets which are highly resources consuming.
Social Criteria	Ensuring the potential portfolio company does not involve dangerous substance handling which can harm the safety or the health of the employees.
Governance Criteria	Ensuring the potential portfolio company does not operate in high-risk countries in terms of money laundering, financing terrorism or corruption as well as ensuring proportionate good corporate governance.

C. Investment Agreement

During investment negotiations with a potential investee, we ensure that our ESG and impact requirements are embedded in contractual documents to ensure full alignment with our ESG ambition. Our terms mostly include (but not limited to) compliance with the Taxonomy environmental objectives, compliance of applicable laws (notably labour law), company carbon footprint analysis, full cooperation on our ESG data collection efforts and impact road map.

In addition to these standard clauses, we encourage our potential investees to pro-actively modify their articles of incorporation in view of meeting the B-Corp legal accountability requirements – opening the path to obtain the certification (as explain above).

D. Impact Deep Dive

Within six months post investment, the impact deep dive is conducted. The impact deep dive (the "**Impact Deep Dive** is an in-depth discussion and analysis with the founder (or any other decision-making contributor within the company, *e.g.*, the head of sustainability) of the portfolio company, during which all the outstanding impact questions are covered. The aim of the deep dive is to define the baseline both in terms of ESG and impact: it helps build a constructive ESG roadmap and determine the best suited impact KPIs for the company.

On the ESG side, Astanor has built a comprehensive ESG questionnaire, which integrates requirements and recommendations set out in highest-standard ESG programs. The due diligence is comprised of approximately 100 questions that assess environment criteria (initiatives implemented, contribution to fight against climate change and in favor of energy transition, etc.), social criteria (policies in place, integration of favorable working conditions and equal opportunities, profit sharing applications, etc.) and governance criteria.

In order to build our impact review process, we leverage key standards such as the Global Impact Investing Network ("**GIIN**") IRIS+[12] [13] and the Impact Management Project[14]. Additionally, we conduct impact evaluation based on the indicators under the UN SDGs and our Guiding Principles. The initial review allows us to build an impact assessment report (the "**Impact Assessment Report**") for each portfolio company which will ensure its goals and solutions fit with Astanor's guiding principles as well as key impact and potential negative externalities. From this analysis, we will define and include in the Impact Assessment Report one (1) to four (4) of our six (6) Sustainable Investment Objectives, our impact KPIs.

The Impact Assessment Report is reviewed with the portfolio companies before being finalized. During this final discussion, a common decision is made to establish the definitive impact KPIs, their weighting and their targets. The outcome of the Impact Deep Dive is then presented to and ultimately challenged by the Astanor Advisory Committee.

[12] https://iris.thegiin.org/
[13] https://iris.thegiin.org/metrics/
[14] https://impactmanagementproject.com

E. Investment monitoring

The dialogue on sustainability and impact is an ongoing process with our investees. The progress on the ESG and impact roadmap established during the Impact Deep Dive is regularly discussed with the investees and formally reviewed once a year. During the yearly formal review, improvements are assessed and both the Impact Assessment Report and the ESG questionnaire responses are updated. A new roadmap is also agreed with the investee for the year ahead. We will also look for collaboration and synergies across our portfolio to amplify the fund's impact and the change we aim to deliver to the agrifood sector.

Overall, we aim to play an active role in ESG and impact throughout the entire investment period. Our mission is to guide and inspire CEOs and their teams to maintain impact creation as a core priority as they navigate growth over the long-term.

F. Exit

With all the work done during and after the initial investment process to assess and improve the sustainability and impact of our companies, it is key to ensure that we also assess how impact will scale up with the potential exit scenario. The full assessment of impact creation will be conducted at time of exit with both the measurement of the realized impact during the investment period as well as the potential forward looking impact based on the exit scenario.

This element of the impact process will be further documented post the first exit concerning a portfolio company of Astanor's first fund.

V. IMPLEMENTATION OF THE RESPONSIBLE INVESTMENT POLICY

We are committed to working with people and organizations who understand the importance of ESG and impact in the investment chain: all Astanor associates (employees, partners and consultants) are engaged in designing, executing, monitoring, and reporting the ESG and Impact incorporation in the investment process (and other operational processes).

We have built a framework for accountability over this Responsible Investment Policy and established a Responsible Investment Oversight and Accountability Committee ("**RIOAC**") which oversees and takes responsibility for the creation, updating, and implementation of the Responsible Investment Policy. Roles and responsibilities of the RIOAC are set out in the table below.

Unit	Role
Director of Impact and Sustainability and Impact Associate	Responsible for the creation of the Responsible Investment Policy and act as key contact for all impact and ESG matters within Astanor. On an ongoing basis, the Impact Principal is responsible for: - Writing and implementing the Responsible Investment Policy. - Setting impact KPIs with the portfolio companies and investment team. - Implementing impact KPIs. - Monitoring and reporting on portfolio companies IMOI. - Monitoring the implementation of the investment operations and the investee governance in line with the Responsible Investment Policy and Impact KPIs.
Astanor's Partners	Build Astanor strategy and lead the impact thinking which is embedded in Astanor's DNA. Responsible for the approval of the Responsible Investment Policy, procedures and complementary related policies.
OVERSIGHT OF THE RESPONSIBLE INVESTMENT POLICY	
Deal Team	Each principal and associate ensure that sustainability is rooted in their investment due diligence, seeking support from the impact and/or regulatory and compliance teams when necessary.
Legal team	Ensures the integration of the ESG and impact components in investment agreement with our portfolio companies.

Regulatory and Compliance Team	The regulatory and compliance team monitors the compliance of the day-to-day operations with the responsible engagements of Astanor (contractual engagements, policies, applicable laws). It oversees the regulatory changes related to ESG and compliance with this Policy.
Board of our legal entities	Ensure to ask relevant questions prior to any collective decision and liaise with the Impact team where necessary. Takes responsibility to engage the company's constantly in line with this Responsible Investment Policy.
Fund Manager (AIFM)	Ensure ESG and sustainability risks are addressed for each new investment and ensure the application of the Responsible Investment Policy at the fund level.
Advisory Committee	Review and challenge the impact KPIs of all portfolio companies as well as the overall impact methodology.

The Responsible Investment Policy is assessed and updated on an annual basis (at least). The review process considers improvement recommendations from all parties involved in the implementation of this Responsible Investment Policy and the final version is formally approved by Astanor's Partners.

VI. REPORTING

The Director of Impact and Sustainability is responsible for communication on ESG and impact performance towards our advisory committee. Annually, the Astanor team presents the summary of Astanor's achievements on impact creation, KPI implementation and key milestones to the advisory committee.

This report aims to raise awareness about Astanor's practices with investees and gather constructive feedback to ensure full alignment with our stakeholders.

A. Regulatory Disclosures

In line with Sustainable Financial Disclosure Regulation[15] ("**SFDR**"), we have integrated in our due diligence process (initial and ongoing) the consideration of the principal adverse impacts, which can be consulted on our Principal Adverse Impact Statement ("**PAI**") in the Annex I of this Policy. The integration of PAI helps us bring transparency towards our investors on any adverse impact our investee activity can have on ESG elements, but also allow us to be more conscious about the broader ESG picture of our industry. Because SFDR also sets out sustainability disclosure requirements, Astanor will make publicly available the following communication:

- **Principal Adverse Sustainability impacts statement:** by June 30th of each year (beginning in 2023), Astanor will publish a 'Principal Adverse Sustainability impacts statement', to report on the principal adverse impact ("**PAI**") indicators. The Astanor **PAI initial statement** can be found on Annex I of this Policy.

- **Fund pre-contractual disclosure document:** for each of our funds (where applicable), we have amended (or implemented, for new entities) ESG and impact considerations into the pre-contractual disclosure document.

- **Website product disclosure:** For any fund of Astanor in scope of SFDR, Astanor has published a disclosure in line with SFDR, increasing transparency on the sustainable investment strategy of the respective fund and containing actions to ensure our core ESG and Impact engagements are clearly defined.

In line with the requirements set out in the regulation, these disclosures are publicly available on our website.

[15] Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures.

B. Impact report

On a yearly basis, Astanor publishes an impact creation report (the "**Impact Report**"), the first edition of which was released in October 2021. The Impact Report highlights our approach to impact and ESG, includes practical case studies, aiming to assess our annual performance on our Impact KPIs as well as to provide an action plan that aims to reduce or mitigate risks and constantly identify value creation opportunities.

The Impact report is available on Astanor's website.

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ANNEX I: ASTANOR'S PRINCIPAL ADVERSE IMPACT STATEMENT

As an impact investor, Astanor is focused on assessing and measuring the positive impact, as well as potential negative externalities, of its investees. To this end, Astanor considers the principal adverse impacts of its investment decisions on sustainability factors throughout all major steps of the investment and portfolio management process. Astanor will take the necessary preparations to gather, monitor and report the fourteen (14) mandatory principal adverse impacts on sustainability factors as set out in Table 1 of Annex I of the Regulatory Technical Standards of the SFDR (the "**RTS**"). Furthermore, Astanor will report on additional PAI indicators related to the Table 1, Table 2 or Table 3 of the RTS.

MANDATORY QUALIFIED PAI:

1. GHG emissions
2. Carbon footprint
3. GHG intensity of investee companies
4. Exposure to companies active in the fossil fuel sector
5. Share of non-renewable energy consumption and production
6. Energy consumption intensity per high impact climate sector
7. Activities negatively affecting biodiversity-sensitive areas
8. Emissions to water
9. Hazardous waste and radioactive waste ratio
10. Violations of UN Global Compact principles and Organization for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises
11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises
12. Unadjusted gender pay gap
13. Board gender diversity
14. Exposure to controversial weapons

OPTIONAL QUALIFIED PAI:

15. Lack of supplier code of conduct
16. Investment in companies producing chemicals

The integration of PAI indicators helps the Fund Manager to bring transparency to investors on any adverse impact its investee activity can have on ESG elements, but also allows to be more conscious about the broader ESG picture of the agrifood-tech industry.

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ANNEX II: ACTIVITY EXCLUSION LIST

Astanor maintains a strict exclusion list of activities or related activities, in line with the International Finance Corporation (IFC) Exclusion List (2007), forbidding to enter in a new business relationship (or where applicable, being a reason for the termination of the relationship) with persons being recognized to be involved in particular activities (see Annex II, *Activity Exclusion list*) or jurisdiction (see Annex III *Countries Exclusion list*). For the avoidance of doubt, Astanor will not invest in any company involved in the below activities:

Prohibited activities

1. Forms of gambling: operation of casinos or gambling establishments, production of devices or other equipment for casinos or betting offices or companies that generate turnover via online betting or derives more than 10% of its revenues from gambling and other gaming involving the placing of wagers.
2. Cryptocurrencies, that are intended to be used for online gambling or any other illegal online transactions, for example in dark nets.
3. Research, development or technical application relating to electronic data programs or solutions:
    a) which aim specifically at supporting any activities referred to internet gambling/ online casino; or pornography. (This also includes electronic clouds and servers that could potentially be used for the storage or distribution of pornographic material); and/or
    b) which are intended to enable to illegally
        i. enter into electronic data networks; or
        ii. download electronic data.
4. Deriving revenue from the production, distribution, rental, licensing and/or sale of or provision of services relating to pornography or adult entertainment of a sexual nature.
5. Production, manufacturing, distribution, packaging, marketing, sale or trade of tobacco, distilled alcoholic beverages (with the exception of specific investments approved on a case-by-case basis by the majority of an investment vehicle investors).
6. Prospection, exploration and mining of coal; land-based means of transport and related infrastructure essentially used for coal; heating stations and cogeneration facilities essentially fired with coal, as well as associated stub lines; owns and/or operates a coal-fired power plant or involved in the construction (including expansion and upgrading) of a coal-fired power plant; or is a company with a fossil fuel extraction, processing, refining, trading and/or production division where such division generates more than 10% of such company's revenue directly from such activities, or more than 10% of its turnover in coal activities, including, but not limited to, coal mining and / or energy production and / or coal electricity.
7. Any production, extraction, prospection or exploration of oil, fuel, fossil fuels and/or gas, or involvement in the development and production activities of oil sand projects, or otherwise which counteracts the transition to an economy based on renewable energy resources.
8. Involvement in greenfield and/or expansion of existing mining projects, covering mine planning and development, operation, on-site processing of extracted ore, mine closure and rehabilitation; or owning mining assets representing a significant share of its total assets and is involved in exploration, development, or operation of such mining assets.
9. Nuclear power plants (apart from measures that reduce environmental hazards of existing assets), in the nuclear fuel cycle, constructs or provides critical equipment of nuclear power plants or mines with uranium as an essential source of extraction.
10. Deriving more than 10% of its annual consolidated revenue directly from:
    a. the design and/or manufacture of weapons and ammunition which in the course of normal intended use would breach fundamental humanitarian principles (e.g. atomic, biological or chemical weapons, cluster bombs or anti-personnel landmines); and/or
    b. the development, production or storage of nuclear weapons.
11. Production or trade in:
    a. ammunition, weapons, military equipment, artillery or similar objects or critical components thereof (including nuclear weapons and radioactive ammunition, biological and chemical weapons of mass destruction, cluster bombs, antipersonnel mines, enriched uranium);
    b. radioactive material (other than the procurement of medical equipment, quality control equipment or other application for which the radioactive source is insignificant and/or adequately shielded);
    c. products containing polychlorinated biphenyls;
    d. asbestos; and/or

    e. (including storage or transportation) significant volumes of hazardous chemicals (including gasoline, kerosene, and other petroleum products), or commercial scale usage of hazardous chemicals.
12. Impinging on the lands owned, or claimed under adjudication, by Indigenous Peoples, without full documented consent of such peoples.
13. Commercial logging operations for use in primary tropical moist forest.
14. (i) direct involvement in the upstream or downstream palm oil value chain representing a significant part of the company's activities; or (ii) direct involvement in the upstream or downstream wood pulp value chain; or (iii), in relation with palm oil or wood pulp, actively contributing to deforestation (loss of biodiversity, aggravation of climate change, etc.) or being involved in non-sustainable economic development of their business.
15. Any products involving testing on animals for non-medical purpose other than in the agrifood-tech and biotech sectors provided that when pursuing any animal experimentation:
    a. that is not required in order to comply with a regulatory path:
        i. such animal experimentation is carried out in accordance with EU- (as enacted into national laws) and/or US-regulations, as applicable; and
        ii. no contract is awarded to a Contract Research Organization/Clinical Research Organization (CRO) outside of the EU; or
    b. that is required in order to comply with a regulatory path, in addition to sub-paragraphs 15.ai and 15.aii above (which shall equally apply in such circumstances), the industry standard "three R-principles" (replacement, reduction, refinement) is complied with, to the extent applicable.
16. Operating fur farm or trading/manufacturing fur products.
17. The research or development of electronic data programs or solutions which are expressly intended to enable the end-user of such programs or solutions to illegally enter into electronic data networks or illegally download electronic data.
18. Any kind of research, development or technical applications related to human germline gene editing under any circumstances in any jurisdiction or, except to the extent that appropriate legal, regulatory and ethical allowances/documents are in place (based on applicable local regulation, and prohibiting any research, development or technical applications in Israel, China, Japan, Russia, Ukraine or Mexico), somatic gene editing.
19. Production or trade in any product or activity subject to national or international phase-out or prohibition regulations or to an international ban, for example:
    a. certain pharmaceuticals, pesticides, herbicides and other toxic substances (under the Rotterdam Convention, Stockholm Convention and WHO "Pharmaceuticals: Restrictions in Use and Availability");
    b. ozone depleting substances (under the Montreal Protocol);
    c. protected plant or animal species, wildlife or products (under CITES / Washington Convention); and/or
    d. prohibited transboundary trade in waste (under the Basel Convention).
20. Destructive fishing methods or drift net fishing in the marine environment using nets in excess of 2.5 km or bottom trawling (including the production or trade of such nets).
21. Exploitation of disadvantaged social groups, *e.g.*, by using dishonest strategies or through the use of deceptive or exploitative subscription services.
22. Activities which could be associated with the destruction or significant impairment of areas particularly worthy of protection (without adequate compensation in accordance with international standards).
23. (i) use of child or forced labor; or (ii) not respecting the right of workers to organize in a trade union or ensure workers' interest and voice can be heard within the company; or (iii) engaging in land grabbing practices; or (iv) developing farming projects in protected areas.
24. Large dam and hydropower projects which do not use the recommendations of the World Commission on Dams (WCD) as orientation.
25. Any illegal economic activities for example any production, trade or other activity, which is illegal under the laws or regulations of the home jurisdiction for such production, trade or activity. Including, without limitation, Human cloning for reproduction purposes, money laundering, tax fraud, trade in narcotics (including the financing of companies in fairness suspected of obtaining their financial means from such activity), illegal trade or industrial activities (ivory, illegal arms trade, exotic animals), transactions with countries subject to an embargo imposed by the country in which the relevant company is located.
26. Activities which do not comply with the ten principles of the UN Global Compact in the areas of human rights, labour, environment, and anti-corruption or which violates UN conventions.
27. Activities or domiciles listed on sanction lists, *i.e.*, any economic, financial and trade restrictive measures and arms embargoes issued by United Nations and/or the European Union pursuant to

Chapter 2 of Title V of the Treaty on European Union as well as Article 215 of the Treaty on the Functioning of the European Union.

28. Any economic, financial and trade restrictive measures and arms embargoes issued by the United Nations Security Council pursuant to Article 41 of the UN Charter.
29. The research or development of technical applications, which aim at supporting any activity referred to above.

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ANNEX III: COUNTRY EXCLUSION LIST

Astanor will not invest directly or indirectly in a company incorporated in a country which (i) is mentioned European Union list or the Belgian List of noncooperative tax jurisdictions (ii) have not adopted CRS or FATCA, (iii) have undergone the peer review process of the OECD Global Forum or Transparency and Exchange of Information for Tax Purposes and have been allocated a rating of "non-compliant", (iv) is in breach of the UK Bribery Act of 2010, the U.S. Foreign Corrupt Practices Act. This list can be further described as part of the Astanor AML/CTF policy and is updated at each regulatory recommendation. For the avoidance of doubt, the country exclusion list in the AML/CTF policy should always prevail.

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The investments referred to in this publication may not be suitable for all recipients. Recipients are urged to base their investment decisions upon their own appropriate investigations that they deem necessary. Any loss or other consequence arising from the use of the material contained in this publication shall be the sole and exclusive responsibility of the recipient and Good Harvest Management S.à r.l. (or any of its affiliates) accept neither any liability for any such loss or consequence nor for any other information contained in this publication or any use which is made thereof.

In the event of any doubt about their investments (or foreseen investments), recipients should contact their own investment, legal or tax advisers to seek advice regarding the appropriateness of investing.

Astanor reserves the right to update this document without notice. No complete, accurate and/or up to date.

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