Responsible Investment Policy

SEAYA

Document version control

Version	Year	Approved by
1	2023	Seaya’s Board of Directors

Contents

1. Introduction

1.1. About Seaya

Seaya Capital Gestion SGEIC S.A. (hereafter referred to as "Seaya" or "the firm") is a leading European & Latin-American venture capital firm based in Madrid, Spain, investing in scalable companies that harness the transformative power of technology to accelerate change and bring the future forward.

The firm accelerates start-up growth by working closely with founders to enhance their strategic vision, putting at their disposal a global platform, a strong network of founders, investors, and corporates, as well as its experience in scaling leading companies.

Responsible investing has been central to Seaya since it started investing in 2013 and has gradually transformed its commitment to integrating best practices into an intrinsic characteristic of its investment process.

1.2. Purpose

In this context, the purpose of Seaya's Responsible Investment Policy ("the Policy") is to govern and determine the firm's approach to responsible investing and active ownership. It describes the firm's general principles and commitments to sustainability, and how environmental, social and governance ("ESG") matters and positive impact are integrated throughout the fund management activities.

This document will also serve to describe Seaya's policy on the integration of sustainability risks in their investment decision-making process, as required by the European Union Sustainable Finance Disclosure Regulation ("SFDR")[1].

1.3. Scope

Material sustainability aspects are considered consistently across the entire investment cycle of all investments, including the pre-investment, ownership, and exit stages. Thus, Seaya's Responsible Investment Policy is applicable to all the investments of funds that are fully managed and operated by the firm.

In investments where Seaya does not have control, influence on sustainability matters and application of this Policy is more limited, but Seaya will always seek to integrate, to the extent possible, relevant ESG issues in the investment analysis and ownership engagement.

1.4. Approval

Seaya's Board of Directors has approved this Policy and is responsible for reviewing and amending it regularly to ensure it is aligned with the firm's strategy and operations, as well as with the requirements and recommendations issued by regulatory bodies or any other competent authority.

[1] Article 3, Regulation (EU) 2019/2088 of the European Parliament and of the Council on sustainability-related disclosures in the financial services sector: https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:32019R2088&from=EN

2. Responsible investment framework

2.1. Principles and commitments

Seaya, in line with the market and international reference frameworks, differentiates ESG and impact as two separate but complementary sustainability strategies:

ESG

Seaya firmly believes environmental, social, and corporate governance issues can impact the performance of investment portfolios. Therefore, the firm implements an investment approach which accounts for: (i) material ESG risks and (ii) ESG growth and value creation (i.e., opportunities).

Through integrating ESG risks and opportunities into its investment management process, Seaya seeks to ensure that investees do not intentionally harm the environment and society while maintaining strong governance and that the companies constantly work towards promoting their performance across these metrics.

A proper ESG integration should minimize unexpected risks to the companies as well as society, acknowledging that the materiality of some specific ESG factors may vary according to the investment sector, country, and level of maturity of the investment.

Thus, Seaya commits, among other things, to:

- Integrate ESG matters systematically throughout the entire investment cycle
- Avoid investments in determined sectors with high reputational and ESG risk
- Engage with investees to influence and ensure improvement of ESG performance
- Share with Seaya's investors and other relevant stakeholders regular and transparent ESG information
- Promote responsible investment best practices within the industry

The firm is also a signatory of the UN Principles for Responsible Investment since 2017 and has committed to implementing the six principles established by the international body.[2]

Impact

Seaya also believes it can contribute to creating a more sustainable economy and society by making investments to generate positive, measurable impact alongside a financial return.

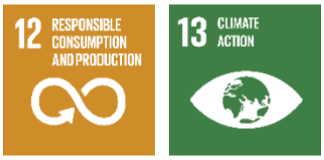
Therefore, in investment decisions for its impact funds, Seaya implements an approach that also accounts for the company's contribution to solving sustainability issues (i.e., positive impact). To this end, Seaya raises funds that demonstrate the following three impact pillars: intentionality, additionality, and measurement, by committing to:

- Investing in companies that intentionally generate positive impacts by addressing determined sustainable issues
- Focusing on markets and sustainability issues that require a greater allocation of resources and provide support to scale up solutions
- Integrating a measurable approach to the delivery and monitoring of impact

[2] More information about the six UN Principles for Responsible Investment in appendix 6.1

The areas of focus to which Seaya's impact funds aim to contribute to will most likely be aligned with the following UN Sustainable Development Goals ("UN SDGs"):

Prioritized SDGs



Other relevant SDGs

2.2. Fund categorization

The integration of ESG principles and commitments are consistent across all funds managed by Seaya. However, the inclusion of additional impact principles and commitments in certain investments has led the firm to distinguish its funds between venture funds and impact funds. This differentiation is also based on the classification under the European Union Sustainable Finance Disclosure Regulation ("SFDR").

Venture funds

Funds for which environmental, social and governance (ESG) criteria have been integrated in its investment process to better identify and manage risks and growth opportunities.

These funds are classified as SFDR article 8: "*Financial products that promote, among other characteristics, environmental or social characteristics, or a combination of those characteristics, provided that the companies in which the investments are made follow good governance practices*".

For example: Seaya Ventures III, FCR.

Impact funds

Funds for which investments are made with the intention to generate positive, measurable impact alongside a financial return.

These funds are classified as SFDR article 9: "*financial products that have sustainable investment as its objective*".

Every impact fund from Seaya will have defined areas of focus such as energy & decarbonization, circular economy, sustainable food value chain, etc.

For example: Seaya Sustainable Tech Fund I, FCR., which has reduction of GHG emissions and waste as its areas of focus.

3. Governance

The Board of Directors of Seaya is the ultimate owner and responsible for overseeing the implementation of this Policy. Nevertheless, as responsible investment has become an intrinsic characteristic of the firm's investment process, the integration of ESG (and impact in impact funds) considerations across the entire investment cycle is distributed among all members involved in a deal.

During the investment decision process, the investment team will work alongside the management teams of the targets to include ESG in the investment analysis (screening and due diligence) and provide the Investment Committee with relevant material information. With portfolio companies, Seaya's deal team and partner will support the investees' Board of Directors and responsibles for ESG to undertake improvement, monitoring, and reporting activities. Each portfolio company is responsible for defining and executing a sustainability strategy and relevant policies.

In the case of investments of impact funds, activities related to the evaluation and monitoring of impacts are supervised by an Impact Committee, whose members are experts from the fund management team and Limited Partners ("LPs") network with relevant experience in sustainability and the areas of focus in which the fund aims to make an impact (e.g., climate change, circular economy, etc.).

4. Integration in the investment process

4.1. ESG integration

Seaya has defined a procedure to systematically integrate ESG considerations throughout the investment cycle of all investments, including the pre-investment, ownership, and exit stages:

Pre-investment stage

Key actions:

- Screening based on activity exclusions
- Preliminary analysis of ESG risks and opportunities
- External ESG Due Diligence if necessary

Ownership stage

Key actions:

- Approval of ESG governance structure
- External ESG Review if necessary
- Definition and implementation of an ESG action plan
- Monitoring of ESG performance and KPIs

Exit stage

Key actions:

- Assessment of the ESG performance during the ownership in the Vendor Due Diligence

Pre-investment stage

Period before a deal is executed and the investment decision and negotiations with the target's management take place

Screening and preliminary analysis

During the deal sourcing process, the firm undertakes a series of high-level ESG assessments. In accordance with the commitment to avoid investments in determined sectors with high reputational and ESG risk, the firm excludes from their investment universe any company involved in any activity included in the exclusion list[3]. This list includes activities related to tobacco, weapons, and casinos, among others.

When conversations with the management teams of the targets are ongoing, Seaya performs an internal preliminary ESG assessment to identify potential material ESG risks[4] and opportunities to which they can be exposed. This analysis is based on a questionnaire and provides a numerical score, allowing Seaya to perform a comparison between various potential investments from an ESG point of view.

Due diligence and investment decision

When the deals are at a more advanced stage, and if the preliminary ESG assessment has resulted in the identification of various ESG risks, Seaya commits to carrying out a more in-depth analysis through an ESG Due Diligence performed by external advisors.

The main results of all the assessments performed (preliminary analysis and due diligence) are included in the investment memorandums to allow the Investment Committee to make informed investment decisions.

Ownership stage

Period in which the deal has been executed and Seaya is part owner of the company

Active engagement

Seaya is committed to engaging with investees to influence and ensure improvement of ESG performance, and therefore, the firm undertakes an active ownership approach. ESG activities within the portfolio companies are overseen by Seaya's deal teams, and they may participate directly in the execution or coordination of certain initiatives for which they can add value.

In case an ESG Due Diligence has not been performed before the investment decision process, the firm commits to carrying out an ESG Review as a situation analysis. Then, based on the results of the due diligence or review performed, and if it is not already in place, investees might define an internal governance structure responsible for ESG issues and implement a sustainability action plan to improve their performance, mitigate potential ESG risks, and comply with applicable sustainability regulation.

[3] Find in appendix 6.2. the detailed list of excluded activities.
[4] These include sustainability risks as defined in the SFDR (Regulation (EU) 2019/2088): "environmental, social or governance events or conditions that, if they occur, they could cause an actual or potential material negative impact on the value of the investment.".

Monitoring and reporting

Periodically, the investee companies report relevant ESG information and data to Seaya, including principal adverse impact indicators and other ESG and climate performance metrics included in international frameworks. This enables Seaya to monitor the performance of its portfolios and identify trends and areas of concerns. It also facilitates the compliance of the firm's annual reporting commitments such as annual fund reports, SFDR disclosure requirements and other LP's disclosure demands.

Exit stage

Period in which Seaya divests from the investee company, preparing and executing its exit as an investor

During the divestment process, a final ESG assessment determining the extent to which the ESG management and performance has improved under the Seaya's ownership is included in the vendor due diligence report and any other relevant divestment process documentation. The firm believes this increases the value of the companies and attracts more investors, and that it will hold the firm accountable for constantly improving its ESG procedures and policies.

Finally, Seaya will consider favorably selling to investors that have a responsible investment policy and demonstrate a commitment to ESG-driven value creation strategies, along with previous ESG track records. These investors are more likely to allow the continuity and further development of the investee's management of ESG issues.

4.2. Impact integration

As previously stated, the investment decisions for impact funds (i.e., SFDR article 9 funds) will account for the following impact pillars: intentionality, additionality, and measurement.

For this purpose, in the pre-investment stage, Seaya performs a series of impact assessments to identify if the target's business activity contributes to the areas of focus of the fund:

- During the preliminary analysis, the firm evaluates how the company intentionally contributes to addressing determined sustainability issues through an internally developed questionnaire that is adapted to different areas of focus of the fund
- At a later stage, every potential investment for an impact fund must carry out an in-depth impact analysis as part of the due diligence process. This analysis is evaluated by an Impact Committee, which will have to approve the suitability of the investment for an article 9 fund

Furthermore, Seaya commits to integrating a measurable approach to delivering and monitoring impact. Thus, in the ownership stage, the impacts generated by the investees are monitored by Seaya through previously determined impact indicators which are calculated with a coherent and agreed methodology.

Eventually, at the end of the investment, the firm describes in the vendor due diligence how the company has contributed to the areas of fucus of the impact fund throughout the ownership phase, demonstrating LPs how their investments have had a measurable impact, in addition to a financial return.

5. Transparency

The firm is committed to providing transparency to investors and other relevant stakeholders, as well as to promoting best practices within the industry. To this end, Seaya regularly shares information about its responsible investment practices and the performance of its portfolio companies.

Seaya's responsible approach to investing can be found in the firm's website. Additionally, reporting required to the UN Principles for Responsible Investment (i.e., Transparency Report) is available on the organization's platform.

Furthermore, Seaya elaborates an annual ESG and impact report targeted to Limited Partners, which provides information about the firm's evolution and the fund's portfolio regarding ESG performance, principal adverse indicators, and impact metrics in the case of impact funds. In addition to fund reporting, sustainability updates are provided, to the extent possible, in quarterly reports to investors and meetings.

Finally, Seaya will seek to ensure that it complies with the requirements from the EU SFDR, which includes various levels of disclosure, at entity and product levels, on the website, pre-contractual disclosures, and periodic reports.

6. Appendix

6.1. UN Principles for Responsible Investment

The Principles for Responsible Investment[5] were developed by an international group of institutional investors reflecting the increasing relevance of environmental, social, and corporate governance issues to investment practices. The process was convened by the United Nations Secretary-General.

The six Principles for Responsible Investment are:

1. Incorporate ESG issues into investment analysis and decision-making processes.
2. Be active owners and incorporate ESG issues into our ownership policies and practices.
3. Seek appropriate disclosure on ESG issues by the entities in which we invest.
4. Promote acceptance and implementation of the Principles within the investment industry.
5. Work together to enhance our effectiveness in implementing the Principles.
6. Report on our activities and progress towards implementing the Principles.

6.2. List of exclusion

Seaya excludes from their investment universe a set of activities that entail significant reputational and ESG risk:

- Illegal economic activities: production, commercialization, or any other activity that might be illegal under their home jurisdiction laws or regulations.
- Tobacco and distilled alcoholic beverages.
- Production and weapons and ammunition trading. This restriction will not apply when such activities are part or are ancillary to European Union policies.
- Casinos: financing of casinos and equivalent businesses.
- Restrictions in the information technology sector: research, development or technical implementation related to electronic data or solutions that aim on-line gambling as well as on-line casinos or pornography.
- Life sciences sector: whenever support or financing is provided to research, development or technical implementation related to human cloning with research or therapeutic purposes; or genetically modified organisms.

The firm reviews its exclusions list regularly to cover controversial issues identified through continuous dialogue with investors and other relevant stakeholders.

[5] UN PRI website: https://www.unpri.org/

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