

HUMAN RIGHTS STATEMENT

This is a voluntary statement made by IP Group plc (“**IP Group**”), describing its commitment to the protection of human rights and the steps taken to prevent any violations of human rights in its business and amongst some of its key stakeholders. The statement also applies to all subsidiaries of IP Group whether incorporated within or outside the UK.

IP Group has more than 20 years’ experience evolving great ideas into world-changing businesses, through backing scientific discoveries that shape the future. IP Group’s portfolio companies share a common goal – to have a positive impact on the world, whether that be through life sciences, cleantech or deeptech. IP Group is one of the most active investors in university and other research-based companies in the world and it does this by nurturing science and technology-based businesses to deliver a better future for people and planet alongside impact and returns.

IP Group’s corporate group has over 100 employees (together with several contractors and temporary workers) and operates primarily in the UK, with offices in Australia and Hong Kong. IP Group strongly recognises its moral responsibility to ensure human rights are upheld across its business, portfolio and supply chains.

What are human rights?

The Universal Declaration of Human Rights, made by the United Nations (“**UN**”) in 1948, sets out the fundamental human rights which are to be universally protected. It says that human rights are rights inherent to all human beings, regardless of race, sex, nationality, ethnicity, language, religion, or any other status. Human rights include the right to life and liberty, freedom from slavery and torture, freedom of opinion and expression, the right to work, and education, the right to water and many more. Everyone is entitled to these rights, without discrimination.

What is the legal framework for the protection of human rights?

In June 2011, the UN Human Rights Council endorsed the Guiding Principles on Business and Human Rights (“**UNGP**”). The UNGP provide a blueprint for companies to manage the risk of having an adverse impact on human rights.

In accordance with the UNGP, IP Group has based its commitment to human rights on various international principles and standards, including the:

- UN’s Universal Declaration of Human Rights;
- International Bill of Human Rights;
- International Labour Organisation’s Conventions;
- Organisation for Economic Co-operation and Development Guidelines;
- UN Global Compact Principles (which IP Group is a signatory to); and
- Women’s Empowerment Principles (which IP Group is a signatory to).

What does IP Group do to uphold the protection of human rights?

IP Group believes that human rights are universal and non-negotiable. To ensure IP Group’s commitment to the protection of human rights is upheld in accordance with the principles and standards listed above, IP Group focuses on:

- educating its employees and ensuring its hiring, review and promotion practices all take into account best practice on employee human rights and inclusion and diversity ensuring human rights are embedded into internal policies and procedures;
- embedding human rights into its risk assessment processes for all operations globally, particularly in relation to the prevention of modern slavery;
- implementing effective procedures and controls to prevent any potential human rights violations in its portfolio and assist portfolio companies in the protection of human rights; and
- avoiding investing in and working with businesses who are involved in slavery, human trafficking, forced labour, compulsory labour or harmful child labour.

How does this work in practice for IP Group’s stakeholder groups?

Employees

IP Group seeks to promote a working environment where employees are treated with respect, dignity and consideration and their fundamental human rights are protected. IP Group fosters an environment of non-discrimination, fair remuneration, fair working hours, freedom of association, diversity and inclusion, and safety and health (with an increasing emphasis on mental health), whilst ensuring employee adherence to business ethics code.

IP Group has voluntarily opted to pay employees the London Living Wage, and routinely considers whether it is appropriate to pay a “cost of living supplement” to employees whose salary is below a certain threshold to assist with inflationary pressures.

IP Group ensures employees are able to report any instances or practices that give them cause for concern (including in relation to matters concerning human rights) via the official “speaking up” procedures which are in place and which are reviewed annually, and appropriate mechanisms are in place for employees to raise grievances and for such grievances to be resolved.

Through its Inclusion and Diversity Project (IDP), IP Group has provided a detailed education programme to its employees, including company-wide unconscious bias training, and individual team educational sessions on a range of topics relevant to ensuring the protection of human rights through a more inclusive and diverse environment – such as microaggressions and micro positives, allyship, bias, privilege, diversity, inclusion and belonging. Other relevant annual mandatory training for all workers includes anti-bribery and corruption, anti-money laundering, anti-facilitation of tax avoidance, data protection, and cyber security training. These training programmes help maintain employees’ awareness of practices that may harm the protection of human rights.

IP Group is an active signatory to the Investing in Women Code (“**IWC**”) and has recently become a signatory to the Women’s Empowerment Principles (“**WEP**”), both of which place a particular focus on the protection of rights for women; with the WEP focusing on the rights of women in the workplace and the IWC focusing on advancement of female entrepreneurship in the UK. For the WEP, IP Group has already implemented various workstreams to ensure it is proactively addressing the seven empowerment principles.

Portfolio companies

IP Group monitors its portfolio companies, both through new investments and on any follow-on investments, to ensure they uphold the protection of fundamental human rights. IP Group has an Ethical Investment Framework which governs its approach to ensuring ESG and ethical investing is embedded throughout the organisation.

As further detailed in the Ethical Investment Framework, each investment committee considers at the outset whether there are any relevant ESG factors (including human rights) before any investment is made. The legal documents governing IP Group’s investments set out various restrictions on portfolio companies during the lifetime of the investments including on working with businesses who are involved in any activities using slavery, human trafficking, forced labour, compulsory labour or harmful child labour. Furthermore, IP Group restricts portfolio companies from operating in, or working with, businesses whose primary purpose is to operate in certain sectors, including tobacco, distilled alcoholic beverages, pornography, gambling facilities and some more detailed sector specific restrictions depending on the thematic area of investment.

IP Group’s ESG Committee and Ethics Committee oversees compliance with the Ethical Investment Framework and monitor the organisation’s ethical business practices. IP Group’s investor directors are the first port of call to ensure the day-to-day protection of human rights at a portfolio company level.

Suppliers

IP Group operates in generally low-risk industries and geographic locations for potential human rights violations. In particular regarding modern slavery; its supply chains consist primarily of financial, legal and tax advisors, consultants and IT service suppliers and partner universities. Notwithstanding that, IP Group has policies and procedures in place to eliminate any risks of slavery and human trafficking. IP Group also voluntarily reports its annual modern slavery statement and procedures, including detail on its annual risk assessment of its material suppliers’ modern slavery threat and the onboarding procedures for new suppliers. Further details of this assessment and the wider policies and procedures in place to prevent modern slavery and human rights abuses in IP Group’s supply chain can be found in <https://www.ipgroupplc.com/our-impact/governance-policies>.

IP Group expects its own suppliers to in turn treat their employees and their suppliers with respect and dignity, and to ensure that their human rights are protected.

Shareholders

As a company listed on the London Stock Exchange, IP Group’s shares are publicly traded and IP Group does not control the composition, jurisdiction, attitudes or related entities of its shareholders. However, given IP Group’s long history of impact focused investing, and its publicly stated mission to back businesses to deliver impact alongside returns for its shareholders, IP Group aims to have shareholders who are aligned with this mission of impact alongside returns.

Other stakeholders

In 2022, Phoenix Group invested in IP Group by way of long maturity private loan notes and IP Group has previously partnered with the EIF, one of the leading VC investors in Europe. Both Phoenix Group and the EIF have a strong focus

on impact and the protection of human rights. In Australia, IP Group is partnered with Hostplus, the Superannuation Fund, which has co-invested in several of IP Group's portfolio companies. Hostplus has a strong focus on responsible investment, and IP Group works alongside Hostplus to ensure the continued protection of human rights in co-invested portfolio companies.

IP Group aims to help protect human rights in the community through its work tackling socio-economic disparity through charitable initiatives including IntoUniversity and schemes such as 10,000 Black Interns (please see our Impact Report for more information). Both of these initiatives are aimed at the protection of the rights of minority groups within the community and the advancement of minority groups into the workplace.

Other relevant policies

IP Group's policies, procedures, statements and frameworks that are relevant to its approach to the protection of human rights are available on its website at <https://www.ipgroupplc.com/our-impact/governance-policies>.

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