

IP Group and Parkwalk Sustainability & ESG Policy

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1 Sustainability Statement

Sustainability is at the heart of IP Group plc (“**IP Group**”), its wholly owned subsidiary Parkwalk Advisors Ltd (“**Parkwalk**”) and its wider group of companies (the “**Group**”). The Group aims to address some of the world’s most pressing environmental, social and economic challenges through the businesses that it builds. This includes supporting businesses in areas that facilitate disease prevention, mitigate climate change, and drive a more resource-efficient, circular economy. The Group’s approach therefore considers Environmental, Social and Governance (“**ESG**”) factors, in how it operates, makes investment decisions and in the way it works collaboratively with portfolio companies to drive sustainability considerations forward.

The Group and its portfolio companies have the potential to act on the major global challenges identified in the UN’s 17 Sustainable Development Goals (the “**SDGs**”), which are aimed at achieving a better and more sustainable future.

- In relation to IP Group, there is potential for the Group and its portfolio to influence all 17 SDGs. However, there is a focus on the five SDGs most relevant to its current cleantech, deeptech and life sciences investments: SDG 3 (good health and wellbeing), SDG 7 (affordable and clean energy), SDG 9 (industry, innovation and infrastructure), SDG 11 (sustainable cities and communities) and SDG 13 (climate action).
- In relation to Parkwalk, as at the date of this policy, there is a portfolio concentration around SDG 3 (good health and well-being), SDG 7 (affordable and clean energy), SDG 9 (industry, innovation and infrastructure) and SDG 11 (sustainable cities and communities).

The Group’s support of early-stage businesses demonstrates its alignment with government initiatives in science and innovation and contributes to employment growth in the communities in which its portfolio companies operate. For further information on the Group’s ESG initiatives, credentials, and the impactful and innovative companies that it backs, please refer to our 2023 Impact Report which is available on the IP Group website:

<https://www.ipgroupplc.com/investors/results-reports-and-presentations>.

The Group operates an ESG Committee, which is chaired by Greg Smith (the CEO of IP Group who is also the accountable director for ESG matters at the Group’s board level) and which includes representation from Parkwalk and the wider Group (the “**ESG Committee**”). As a result of the Group’s continuing work on ESG, IP Group and Parkwalk have adopted this Sustainability & ESG Policy, which will be reviewed annually to ensure its continuing suitability and effectiveness.

2 The Group’s commitment to Sustainability & ESG

Integrating ESG into the Group’s investment and portfolio management activities is a core focus moving forwards and the Group recognises the importance of carrying out its business operations in a responsible and sustainable manner. The Group aims to achieve this through the commitments listed below, aligned with ESG factors, which IP Group and Parkwalk both individually abide by.

2.1 Environmental Factors

The Group is committed to ensuring that the environmental impacts of its business operations are positive and, as far as possible, any negative impact is mitigated. The Group is committed to:

- Ensuring that comprehensive environmental management initiatives are implemented in relation to its office(s). These include initiatives aiming at increased energy efficiency, waste prevention and sustainable water consumption.
- Encouraging employees to prioritise using public transport in their commuting and business travel, where practically possible.
- Using certified carbon off-setting to mitigate the entire carbon footprint of its business operations, including emissions from overseas flying and other business travel.
- Giving due consideration to environmental issues and energy performance in the design, refurbishment, location and use of its office building(s) (where such is within the Group’s control).
- Providing opportunities for staff to work from home and utilise video conferencing facilities where appropriate.
- Complying with all environmental legislation applicable to the Group.

2.2 Social Factors

The Group aims to conduct its business in an honest, ethical and socially responsible manner, to contribute to the communities in which it operates and to respect the needs of its employees and wider stakeholders. It is therefore committed to:

- Ensuring a high-quality working environment for employees and opportunities for further training and professional development in sustainability and ESG related topics.
- Encouraging diversity, inclusion and equal opportunities for all people in relation to recruitment, selection and career development.
- Creating diversity in its supply chain by working with SMEs as well as larger organisations.
- Working with local suppliers and therefore positively impacting the communities in which it operates. The Group is also a signatory of the Prompt Payment Code.
- Respecting human rights and not tolerating modern slavery in its business, portfolio companies or supply chain.
- Ensuring all employees are responsible for the promotion of and adherence to health and safety measures in the workplace as set out by the Group's Health and Safety policy which enables all of the Group's employees to work in the expectation they can do so safely and without risk to their health.

2.3 Governance Factors

The Group endeavours to conduct its business in accordance with established best practice, to be a responsible employer, and to adopt appropriate values and standards. The Group is committed to acting professionally, fairly and with integrity in all of its business dealings and relationships, with consideration for the needs of all stakeholders including its shareholder(s), University partners and other research institutions, co-investors, employees, regulators, portfolio companies and the wider community. The Group is committed to:

- Complying with all relevant legislation, regulations and codes of practice that apply to the Group including requirements related to environmental and social impacts.
- Implementing and enforcing effective policies and procedures to reflect its zero-tolerance approach to bribery and corruption.
- Measuring its performance and promoting continual improvement through setting annual objectives and targets and undertaking internal audits.
- Sharing good practice with portfolio companies and, in the case of Parkwalk, with the University funds managed by Parkwalk.
- Maintaining its ESG Committee, whose remit is to monitor this policy and approve initiatives aimed at enhancing sustainability.
- Reviewing this policy and positioning statement annually to ensure its continuing suitability and effectiveness according to the nature and scale of the Group's operations.

2.4 ESG considerations in the investment process

With specific regard to ESG in the investment process and responsible investing, and in line with its Ethical Investment Framework, the Group:

- Considers ESG factors in all investment decisions and when making strategic decisions at Board level.
- Provides a confirmation that ESG matters have been considered in all its investment committee minutes in relation to potential investments into new portfolio companies.
- Provides its investment teams with appropriate support, tools and ESG specific training with a view to offering support (where feasible and appropriate) to portfolio companies going forward. This support may be provided by external specialists initially.
- Develops a reporting framework and procedures to seek to enable ESG reporting at company and portfolio level. The Group will seek to use its influence as an investor to promote a commitment to strong corporate governance in its portfolio companies. Where the Group has a director on the board of a portfolio company, such director will seek to (1) ensure that portfolio companies have appropriate policies in place and support their implementation, and (2) review compliance on a periodic basis.
- Seeks to include ESG considerations and reporting/compliance requirements on portfolio companies through investment documentation.
- Reports progress and recommendations to the Group's board and stakeholders.

The Group's Ethical Investment Framework sets out details of the Group's approach in relation to ethical investment when making investment decisions – the framework includes an Exclusion List (of prohibited business sectors into which the Group will not invest).

3 Policy links

The Group has a number of existing policies, statements and manifestos in place that are linked to this Sustainability & ESG Policy. These policies include:

- Anti-corruption and bribery policy (G factor)
- Environmental policy (E factor)
- Equality, diversity and inclusion policy (S&G factors)
- Prompt payments policy (S&G factors)
- “Speaking Up” policy (G factor)
- Anti-facilitation of tax evasion policy (G factor)
- Data protection policy (G factor)
- Health & safety policy (S&G factors)
- Anti-slavery policy (S&G factors)
- Human rights statement (S&G factors)
- Modern slavery statement (S&G factors)
- Stakeholder engagement manifesto (S&G factors)

These policies, statements and manifestos can be viewed on the IPG website <https://www.ipgroupplc.com/our-impact/governance-policies>.

This Policy is reviewed by the ESG Committee on an annual basis.