



# ESGT

A Focus on Investing

February 2022

# Our Approach to Investing

## A thorough approach to investment decisions

As an ESG Investment Company we are regularly faced with investment decisions; spanning project prioritisation within existing portfolio companies, to assessing the fit and potential of new investments.

The sheer diversity of our thematic pillars – Sustainable Agriculture and AgTech, Life Science, and Clean Energy and Technology – adds complexity to our decisions as we operate within different industries.

To account for this context we leverage a number of different criteria and tools to assess, compare and ultimately allocate investments. As we strive to drive value for shareholders whilst creating impact, we lean upon our due diligence process to ensure a fair and sensible approach.

## Our toolbox



Clear & distinct investment criteria



Integration of ESG principles



Established due diligence



Voice of Subject-Matter Experts

# Investment Criteria

## We leverage a set of distinct and comprehensive criteria

For pipeline investments just as current investments, each criteria is taken account. The interplay of these criteria lead to key considerations, for example:

- What investment theme and subsequent impact do we seek to create?
- How does the technology coincide with market needs?
- What role does/could a specific company play in our portfolio?
- Are there available synergies with existing portfolio companies?
- What is the timeline and output of key Value Inflection Points
- What is the ratio of investment needed vs. company eNPV
- Do we consider patent/IP and in what capacity?



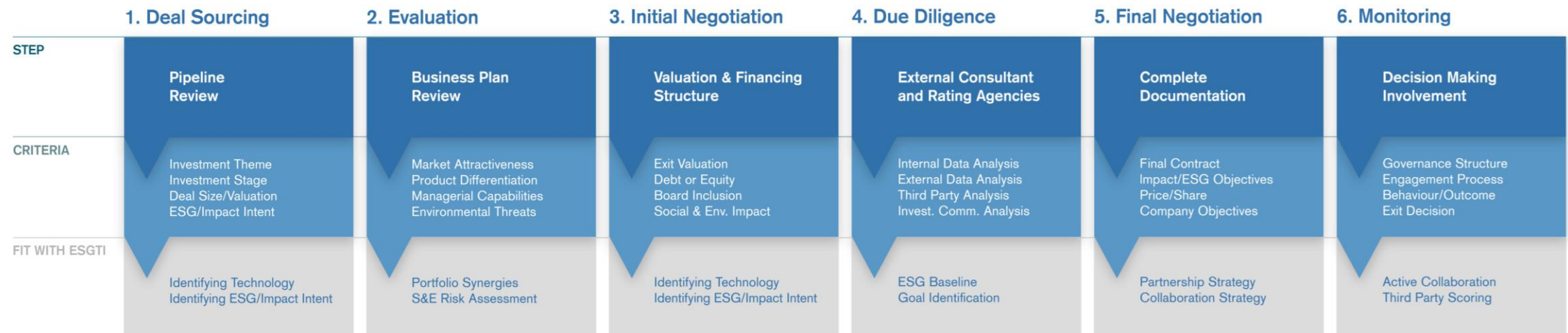


# ESG Integration

## Our ESG policy, principles and integration define how we invest and achieve financial returns

The principles to do no harm to people or nature and to invest in companies with products or services that positively contribute to society are pivotal to investment choices. As such we integrate these into our processes of selecting and monitoring investments, notably:

- Environmental metrics: Carbon emission reduction, renewable energy used, water management.
- Social metrics: Fair pay, safe working conditions, product quality & safety, community engagement
- Governance metrics: Company ESG policy and governance structures in place such as an independent and diverse board.



# Due Diligence

## Multi-steps and SMEs ensure correct due diligence to investment allocation

Every company or target technology we vet must pass through a three step and ten question due diligence process, underpinned by an analysis from our team of dedicated Subject-Matter Expert in the final step. If there is a “yes” at every stage, the final investment decision is made by our Board of Directors.



**Step one:** Is the target aligned with the principles of ESGTI?

- Is the target developing an innovative technology with an ESG impact?
- Does the technology address one of the global challenges that ESGTI is committed to tackling?
- Does the technology fall within one of the core investment pillars of ESGTI?



**Step two:** Is the target's technology innovative and equipped to succeed?

- Is the technology desirable today?
- Is the technology differentiated?
- Is the technology supported by evidence?
- Is the technology patent-protected?
- Do the qualifications / track record of the targets team support likelihood of success?



**Step three:** Is the target consistent with ESGTI's investment strategy?

- Is the target early-stage / will the proceeds be invested in R&D for the technology to reach a value inflection point
- Is an exit likely in the next 5 to 10 years?

# Subject-Matter Experts

## An on-hand team to bolster investment decisions

Our portfolio contains a breadth of sector, theme, company stage, risk profile and cash flow status. This equates to a carefully mitigated risk for investors and access to a number of high potential companies. But our goal is not to simply create diversity; on the contrary, we target a conscientious portfolio growth strategy in which we operate in sectors which we know well. This means bolstering investment decisions via:

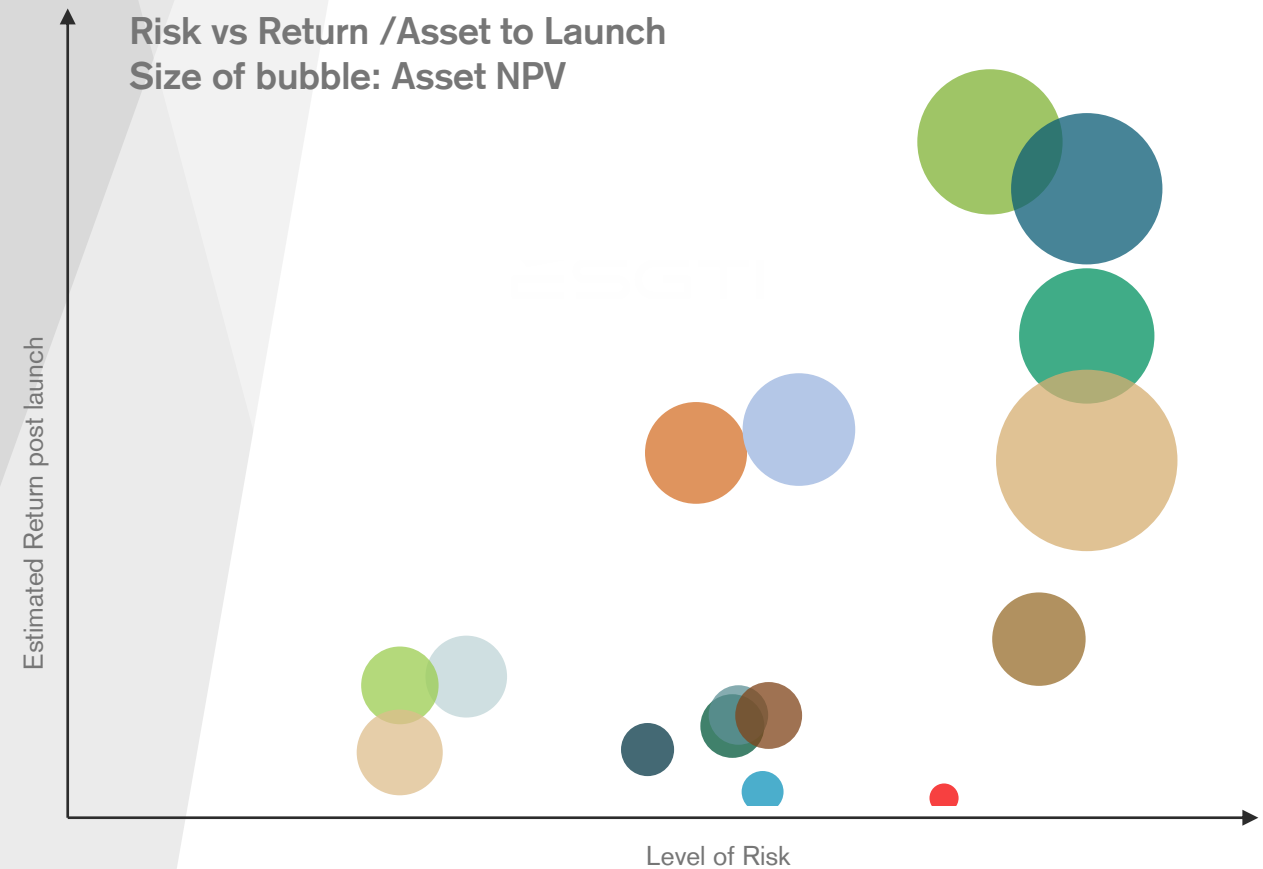
- SMEs in the **three pillars** of Agriculture, Life Science and Energy
- **ESG experts** who navigate the ESG and Impact Ecosystem, including standard setters, framework developers and data providers
- **Sector specialists** who can identify future synergies or collaborative opportunities
- **External valuers** who balance our internal knowledge with an impartial, up-to-date and sector-specific third-party perspective



# Investment Prioritisation Chart: an Example

## Assets are prioritized and evaluated both individually and collectively

Using comparable measures such as estimated returns on NPV after key inflection points, level of risk and success, market context and absolute values of the assets we explore and allocate investment on a trimestral frequency.





Further questions?  
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