TURNING INVESTMENTS INTO IMPACT

IMPACT REPORT 2023





PREFACE

It is with a blend of determination and remembrance that we reflect on SHIFT's impact in 2023 and all who contributed to this. At SHIFT Invest, we are driven by the desire to address major environmental challenges through the transformative power of entrepreneurship and capital. Over the past year, the burgeoning momentum of the environmental movement in the Netherlands and the groundswell of grassroots activism has underscored the urgency of our mission and emboldens us to further increase our efforts in pursuit of a sustainable future.

The outcome of our national election also served as a poignant reminder of the imperative nature of private-sector action for sustainability. In these times of uncertainty, we cannot afford to rely on political will; instead, we must double down on our efforts to effect meaningful change.

So that is what we did. As you will read in this report, we have maintained a strong investment pace. We backed 9 new innovative impact ventures and we further supported many of our existing portfolio companies. Our commitment to driving impact also expanded to neighboring countries, such as through investments abroad and participation in events such as the Impact Europe summit in Turin and the Global Impact Investing Network summit in Copenhagen. These platforms provided valuable opportunities to contribute to the European dialogue on impact investing, forge connections, share insights, and amplify our collective voice in the international (political) agenda.

As always, the support of our impact committee members has been instrumental in ensuring the good execution of our impact mission. The collective wisdom and diverse perspectives of these experts is essential for addressing the complex challenges of impact investing. Last year, we welcomed new members, bringing fresh ideas about biodiversity and ecosystem services. Amidst these new beginnings, we also bid farewell to valued members of our Committee. With heavy hearts we remember Geanne van Arkel, advocate for biomimicry, whose wisdom and passion enriched our discourse for many years. We also extend our best wishes to Koen Boone. His sharp assessments and contribution over the past decade will be sorely missed.

So now let's shine a spotlight on the entrepreneurs and companies we support. They are the driving force behind our collective impact, and we are proud and inspired by their efforts in pursuit of a better world.

We hope you enjoy these stories of progress, innovation, and that they serve as a testament of our commitment to catalyzing positive change.

On behalf of the team at SHIFT Invest,

Guus Verhees & Janneke Bik

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HIGHLIGHTS 2023



1. Average realisation of impact targets, weighted by % of total investment amount. Note: while the realisation of impact targets is expected to grow in the coming years, this can be volatile as it is affected by new investments including new impact targets, volatile performance and changing allocation; 2. E10 blend, WTW (<u>CE Delft</u>, 2023); 3. Based on abatement cost to meet 2*C target (<u>True Price</u>, 2021); 4. Average Dutch shower (<u>CBS</u>, 2021); 5. Based on restoration cost via desalination (True Price, 2021); 6. Avg energy use of household in NL (<u>CBS</u>, 2021); 7. Avg amount of household waste per household in NL (<u>CLO</u>, 2022); 8. Based on average waste processing costs per household in NL (<u>Rijkswaterstaat</u>, 2022).



HIGHLIGHTS 2023

from portfolio companies

C1 certified their technology and installed fasteners for the world's largest wind turbine.



Canopus successfully piloted their geothermal drilling technology at a test-site in Switzerland.



Heex, through extensive additional research, significantly enhanced their capabilities, positioning them to deliver solutions with far greater impact and transformative potential.



OTIV launched its first commercial project on autonomous trams and was awarded the Fast50 rising star by Deloitte.



Maxem's signature location went live, enabling the electrification of an entire fleet of trucks on a limited grid connection.



Vertoro commissioned their 1kt demo plant, an important milestone on the way to realizing impact at scale.





NEW INVESTMENTS 2023



Astrape develops photonics hardware that allows data centers to transmit data between servers using a fully optical network. This has the potential to drastically decrease the energy consumption of data center's networks by avoiding the conversion from optical to electrical signals.



C1 Connections develops new wind turbine connection technology: a high-capacity wedge for the next generation of wind turbines, with faster and safer installation than the market standard. C1 thereby enables the development of larger wind turbines and improves the Levelized Cost of Energy for wind power.

FononTech

FononTech's new impulse printing technology is suitable for small scale electronic components. This technology is significantly less polluting than conventional lithography, requires less infrastructure and enables the production of more material- and energy efficient electronics.



Heex's Smart Data platform optimizes data processing. Their unique approach extracts only the relevant 1% of data from large amounts of unstructured information, enabling customers to access the data they need and eliminating the rest. Efficient data management saves energy avoiding associated GHG emissions and water use.

MAXEM®

Maxem's EV charging and energy management platform helps businesses optimize their energy flows. In doing so, Maxem enables business customers to electrify their fleets, as well as shift consumption to more sustainable energy sources.



MuTech develops wind-turbine blade add-ons that reduce noise from turbulence. This allows for more continuous energy production at noise-constrained sites and helps enable to expansion of onshore wind energy.



Scope Biosciences has developed molecular diagnostic test kits for the in-field detection of pathogens based on CRISPR CAS 3. In detecting infections quickly and accurately, they enable the avoidance of crop losses, reduce the unnecessary destruction of crops due to false positives, and reduce the use of pesticides.



Solho has developed an innovative off-grid solar energy system for the heating and cooling of industrial processes. This enables customers to become grid independent in a sustainable way, enabling greenhouse (and other sectors) to decarbonize and provides access to energy in areas with poor infrastructure.



Volytica is a battery analytics pioneer that optimizes the use of batteries by monitoring and analyzing their health and safety. Volytica's insights contribute to faster electrification of the energy and mobility sectors and extend lifetime of batteries, avoiding GHG emissions and alleviating demand for critical natural resources.



WHO WE ARE

At SHIFT Invest it is our mission to fight climate change, the loss of biodiversity and the depletion of the natural resources of our planet.



CLIMATE CHANGE

The stability of life on earth is at risk: we have unequivocal scientific evidence that climate change is a threat to our wellbeing and planetary health. There is only have a brief and rapidly closing window of opportunity to limit the sources and enhance the sinks of greenhouse gas emissions and adapt to climatic changes, so immediate action is needed.



NATURAL RESOURCE DEPLETION

The way in which we use natural resources needs to change. Global consumption at its current rate is unsustainable. Our economies have managed to double the amount of capital we have produced since the 90s, but we used almost half of the earth's natural capital to do so. Without changing the way we use our resources, material extraction would increase by almost 60% from 2020 levels by 2060, which is impossible given the degree we already exceed the planet's biocapacity now¹¹. We need to move towards a more circular economy with lower resource demand.



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BIODIVERSITY LOSS

We are concerned with the current state of biodiversity health. Current biodiversity loss levels are estimated to constitute the greatest loss of life since the dinosaurs. This is worrisome not only because we should protect the species we share the planet with, but also because biodiversity is an important life-support system for our society that provides numerous services with significant economic value.



5.7_{vrs}

until our global carbon

budget has been

depleted⁹

▼ 15% worse than last year

7.2 %

global circularity

rate¹⁰

▼ 16% worse than last year

Living Planet Index score in 2018¹²

▼ 69% less than 1970



9. Refers to the amount of time it will take to reach the amount of CO₂ that can still be released into the atmosphere until the 1.5° C warming limit is reached (MCC, 2023); 10. Circularity rate describes to what extent the world uses secondary materials instead of virgin ones (Circle, 2023); 11. UNEP (2024); 12. The Living Planet index is a measure of the state of the world's biological diversity based on population trends of vertebrate species from terrestrial, freshwater and marine habitats. The reference year (LPI = 1) is 1970 (WWF, 2018). Unfortunately there is not yet a better (proxy) metric for global biodiversity that is updated YoY due to measurement challenges, although many are under development following the Global Biodiversity Framework.



WHAT WE DO

SHIFT Invest's venture capital funds exclusively invest in innovative enterprises with a significant positive environmental impact potential. We believe innovation and entrepreneurship are necessary to help restore the balance between nature and society. We invest multi-stage, ranging from proof-of-concept to growth. We typically invest from €250K up to € 5M per company as (co)-lead investor.

We invest in four themes, covering the highest burden sectors: **SMART FOOD &** SUSTAINABLE ENERGY GRFFN AGRICULTURE TRANSITION **INDUSTRIES** MOBILITY

THE PEOPLE THAT MAKE IT HAPPEN

Our team consists of **#21** professionals that are united in their drive for impact. **40%** of our team and investment committee identify as female.

OUR IMPACT COMMITTEE



Alain Cracau (chair) Founder at Goodberries



Remona van der Zon Sustainable strategy at KLM



Esther Wolfs Biodiversity consulting at Grant Thornton



Marc Jansen Investing at BOM



Björn Aarts ESG & Sustainability at Innovation adoption & Business engagement at Rabo Investments



Mieke Weegels behaviour change at WUR



Sandra Mulder WWF NL



HOW WE MAKE IMPACT

Mission & Vision

SHIFT Invest has a fund-level impact mission supported by impact strategies for each investment domain based on research by trusted institutions like the IPCC, IPBES, and UNEP to direct investment sourcing.

Policy & Practices

We are dedicated to the continuous improvement of our impact measurement and management strategy and SHIFT III is categorised as an Article 9 Fund under the SFDR. The fund has an impact policy and investee Code of Conduct that captures all processes surrounding sustainability objectives and ESG. (1)strategy (2)(5) Exit **Responsible Exits** To ensure our Impact Measurement investment and and Management incentives schemes are aligned with our impact mission, part of our team's success fee is dependent on the funds (3) environmental impact Investment performance. Management

Sourcing

We perform regular industry scans and deep dives on topics we're excited about and we believe have significant impact potential. In **2023**, we engaged with almost **1,000** start- and scale-ups and did **8** deep dives on topics like alternatives for short-haul aviation, soil health, and grid congestion.

Impact Potential

For companies that fit our investment criteria, we set up an impact case to assess their relevance to our sustainable investment objectives and environmental impact potential.

Impact Management

We actively support our portfolio companies in making sure impact remains a top priority. We help measure and communicate impact, formally integrate it in policy and decision making, and select follow-on investors that share the same commitment.

Monitoring and Reporting

We perform an annual in-depth impact and ESG monitoring process together with our portfolio companies and share impact results in our (nonpublic) Impact Report. The results are discussed with our Impact & Investment Committees to check-in on progress and flag potential opportunities for impact maximalisation.

Impact Case

To build a solid impact case and understanding, we assess a company's theory of change, identify measurable KPIs and targets, additionality and any potential impact or ESG risks and tradeoffs.

Impact Committee

Before committing to an investment, we discuss the impact case with our Impact Committee. This independent group of experts helps ensure our investments make a material contribution to the impact objectives of our fund.



INVESTMENT THEMES



Due to the synergies in mitigation across sectors, there are many companies that provide solutions to more than one investment theme and are thereby shown multiple times in this overview. However, their impact results are not double-counted.



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ⓒ ENERGY TRANSITION

Energy is the driver of our economies, and current trends indicate that we will require 80% more energy to sustain socio-economic development¹³. Today's energy system is not capable of meeting this challenge without disastrous consequences for the planet and our future on it, but reaching a net-zero system is challenging. At SHIFT Invest, we support innovative companies that push the needle on a net zero energy system throughout the energy transition value chain: generation, distribution and consumption.

• CHALLENGES ADDRESSED

Fossil fuels have historically been at the heart of economic development but are also the main driver of GHG emissions. We need a resilient, efficient net-zero energy system revolving mainly around wind and solar energy.



Oil, coal, and gas are the main resources for the world's energy supply but are all functionally finite resources. Additionally, we need to mitigate trade-offs of the net zero energy system like critical metal, land and water use.



The energy industry's actions affect nearly 20% of nearthreatened species¹⁴. Decisions on the design of new longlasting energy infrastructure will affect ecosystems for a long time. We believe it is to work towards a nature-positive energy transition.

+ SOLUTIONS PROVIDED



∃ KEY IMPACTS GENERATED BY PORTFOLIO COMPANIES





Energy saved



△ OBSERVED RISKS

Securing sustainable feedstocks: feedstocks like biomass still have an environmental impact.

Participation risk: efficiency

technologies can also be used by polluting industries to maintain their (cost) advantage over green ones. Spatial footprint: renewable energies like wind and solar have a relatively large spatial footprint, and thereby risk disrupting local ecosystems.

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€ ENERGY TRANSITION - CASE STUDY

CANOPUS

Canopus provides a disruptive low cost, directional drilling technology for the geothermal energy sector.

Common sources of low-carbon energy (e.g., wind and sun) are intermittent and usually not directly utilizable for heating. Geothermal, on the other hand, is a stable low-carbon energy source that is continuously available and can be directly applied for heating. By improving the economic case for geothermal, Canopus accelerates the adoption of this energy source.



FROM CHALLENGE TO SOLUTION

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Geothermal is a promising renewable energy source, but high investment costs hinder its uptake.



Canopus develops a cost-effective steerable drilling technology that increases potential output with curved and horizontal wells.

∃ IMPACT

Steerable drilling

Canopus' directional steel-shot drilling technology enables steerable and faster drilling than conventional. This enables the drilling of horizontal wells, which increase contact with the lower and hotter layers on the earth, improving heat output. As such, Canopus improves the cost effectiveness of this sustainable energy source.

Heat from geothermal sources has a lifecycle carbon footprint that is 90% lower than fossil (boiler)-based heating.



additional power potential of a deep geothermal system with Canopus laterals, compared to conventional doublet for a typical case in the Netherlands

Image shows the Canopus team at the Rijswijk Centre for Sustainable Geo-energy of TNO, where several successful tests of the technology have been conducted.



SMART FOOD & AGRICULTURE

Agriculture is a primary cause of crossing planetary boundaries for nitrogen, phosphorous, biosphere integrity, land-system change, and freshwater use¹⁵. There is increasing evidence that our land, soil, and water systems are already stretched to their productive limits whilst the demand for nutritious food is only increasing, as the world's population continues to grow¹⁶. Changing the way we use our land, water and soil is going to be fundamental to ensure we maintain access to nutritious food without undermining the climate, biodiversity and other planetary systems.

• CHALLENGES ADDRESSED

Our food system accounts for approx. 1/3rd of global GHG emissions, from various sources like the conversion forest carbon-sinks into carbonemitting pastures, nitrous oxide from fertilizer application, and methane from rice and livestock.



Agriculture relies heavy on resources like 70% of freshwater¹⁸. On top of this, 1/3rd of our produced calories are wasted, underscoring the need for regenerative practices and value chain improvements to respect the biocapacity of our planet.



Deforestation, pesticides, fertilisers and other chemicals harm the long-term health of our ecosystems. Foodproduction related drivers like these are estimated to cause between 50-70% of freshwater and terrestrial biodiversity loss¹⁹.

+ SOLUTIONS PROVIDED

Plant-based innovation



Precision agriculture



Waste prevention and valorisation





∃ KEY IMPACTS GENERATED BY PORTFOLIO COMPANIES





\triangle OBSERVED RISKS

Climate change: the effects of global warming will decrease the supply chain resilience of our food system, making it more difficult to source, store, and

transport goods.

Lagged results: it can be time consuming to transform traditional agriculture systems as they depend partly on natural cycles and timelines, meaning that benefits may not be immediately apparent.



NUTRILEADS

Nutrileads develops precision prebiotics with evidence based health benefits.

Resources like carrot pomace are currently under-utilised, being primarily used as animal feed. Nutrileads has valorised this into clinically-proven precision prebiotics that improve health. Functional nutrition aligns our dietary patterns with both human health and environmental considerations, improving the sustainability of our food system.



FROM CHALLENGE TO SOLUTION



CHALLENGE

Poor gut health can have several negative consequences on overall health and wellbeing. Poor functioning of the innate immune system is one of these. SOLUTION

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Nutrileads develops and clinically tests a proprietary carrot-derived fibre to support gut health and the innate immune function, among others to create a faster, smarter and stronger response.

∃ IMPACT

Carrot-pomace and immune health

By finding a high-value use for carrot pomace, Nutrileads contributes to the transition to a more circular economy. It can also serve as a plantbased clean label alternative to less sustainable precision prebiotics, reducing the footprint of these products.

Nutrileads' ingredients can decrease the incidence of respiratory tract infections, thereby indirectly lessening the burden on healthcare systems and improving public health resilience to climaterelated health risks.



award in Health Innovation category of the World Plant-Based Innovation Award 2023



BREEN INDUSTRIES

Impacts, notably emissions, have grown faster in industry than any other sector of the economy. The industrial sector is our largest energy user, is highly resource intensive and its pollution harms biodiversity. On top of this, industries produce novel materials that were previously not known to the earth system²⁰. We support innovative companies that facilitate the transition to industries that are powered by renewable energy, more efficient, less polluting, and more biobased.

• CHALLENGES ADDRESSED

The production of cement, steel and chemicals are some of the most carbon intensiveprocesses in industry, with the production of steel alone accounting for almost 8% of global GHG emissions.



Our global economy is depleting natural resources 1.7x faster than ecosystems can regenerate. Industrial sectors are still the most resource intensive domain of this economy and global demand for materials is expected to double by 2060²¹.



Impacts on ecosystems are widespread: from the physical impact of resource extraction, to the production of ecotoxic chemicals and industrial pollution. For example, harmful marine plastic pollution has increased 10x since 1980²².



∃ KEY IMPACTS GENERATED BY PORTFOLIO COMPANIES



CO₂e emissions avoided



Waste avoided

511,315 m³

Water saved

Energy saved

△ OBSERVED RISKS

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Competition with other uses: biobased feedstocks can compete with other high-value applications for biomass, like food. **Execution:** reforming manufacturing systems can be capital intensive as these assets have a long lifetime. **Rebound effect:** resource efficiency saves costs, which can mean savings are allocated to additional production and consumption, reducing the initial environmental benefit.



🛐 GREEN INDUSTRIES – CASE STUDY

OMRT

OMRT is a design platform that integrates all architectural, physics, finance and material parameters in real estate. It generates thousands of optimised design solutions, enabling users to quickly and easily design more material and energy efficient buildings.

The impact of the built environment is substantial and expected to grow due to housing shortage. Material and energy use are by far the largest climate impact drivers of buildings, accounting for almost 60% of their footprint. By enabling better decisionmaking on the design, OMRT enables the rapid development of a more sustainable built environment.



FROM CHALLENGE TO SOLUTION

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Waste and inefficiency from financially driven decision-making are deeply rooted issues in the construction sector, hindering the uptake of more sustainable building designs.



OMRT's parametric design software enables users to make better decisions that improve the material and energy efficiency of building designs.

∃ IMPACT

Parametric design

OMRT enables users to optimise building designs to maximise compactness (the ratio of gross to useable flood area). This means less non-utilizable m² are needed for a given use, avoiding embodied emissions. OMRT also enables the design of more energy efficient buildings through reducing the in-use energy demand of buildings and maximizing opportunities for sustainable energy sources for decades to come.



embodied emissions avoided by OMRT designs compared to EU standard in 2023



energy demand avoided by OMRT designs compared to:

- BENG-norm (new build) - average renovation in NL

in 2023



SUSTAINABLE MOBILITY

Global marco-economic developments create huge challenges for the mobility and logistics sector. Today's system needs urgent change to cope with the constraints of limited infrastructure and environmental limits. New solutions are needed to enable a modal shift towards more sustainable modes of transport, make more efficient use of transport assets and infrastructure, develop cleaner modes of transport and create more livable communities.

○ CHALLENGES ADDRESSED

GHG emissions are the most significant driver of the climate impact of transport. The sector accounts for 15% of global emissions, which even excludes the manufacturing-related impact of transport modes and infrastructure²³.



Transport infrastructure has a high material footprint and long lifetime. Additionally, electrification necessary to reduce GHG emissions could be hindered by the scarcity of some critical non-renewable materials²⁴.



Transport infrastructure causes habitat destruction and fragmentation²⁵. Vehicle emissions and noise, light and sound pollution also disrupt species and ecosystems. On top of this, vehicles, especially ships, serve as conduits for invasive species.

+ SOLUTIONS PROVIDED

Modal shift

OT\V





∃ KEY IMPACT GENERATED BY PORTFOLIO COMPANIES



\triangle OBSERVED RISKS

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Interdependencies: the success of the modal shift and other mitigation strategies depends on factors like reliability, traffic management systems and developments in the energy and construction sectors.

Legacy of current systems: impacts from existing transport infrastructure and assets can be significant due to their long lifetimes if they are not prematurely decommissioned.



sustainable mobility- case study

MAXEM

Maxem's charging and energy management platform allows businesses to optimise their EV charging operations and use of sustainable energy.

Transport is a major contributor to GHG emissions. When powered with lowcarbon electricity, EVs have a footprint that is up to 60% less than conventional gasoline cars. By enabling business sites to optimise energy use, Maxem helps resolve the bottleneck of inadequate charging infrastructure and facilitates the widespread adoption of EVs.



FROM CHALLENGE TO SOLUTION



CHALLENGE

With more renewable energy, the EU power grid is becoming heavily congested. This hinders further electrification; businesses cannot obtain grid connections large enough to fulfil their charging needs for broad EV adoption.



Maxem develops hard-and software to optimise energy management at business sites, enabling fleet electrification on a limited grid connection.

∃ IMPACT

Fleet electrification and sustainable energy consumption

Maxem enables avoided GHG emissions in both mobility and energy.

Maxem's solution allows peak loads to be reduced by optimizing charging operations against various factors like connection capacity, solar storage and production capacity, weather forecasts and transport planning. Reduced peak demand means more EV charge points can be installed without the need to obtain a larger grid connection.

Through the smart energy management platform, Maxem also shifts the timing of charging operations such that it contributes to the increased use of low-carbon electricity.







THEMATIC TECHNOLOGY TRANSFER FUND

At SHIFT Invest - alongside Seed to Series B financing - we provide pre-seed capital to promising start-ups through our dedicated proof-of-concept fund: The Thematic Technology Transfer Fund. We run this fund together with the technical universities of the Netherlands and the Dutch research organization TNO. The goal of this RVO-backed fund is to accelerate the transfer of new technologies arising from knowledge institutes to the market. In this way, we enable entrepreneurs to take disruptive ideas from Dutch knowledge institutes to the market and support them in building ventures with broad adoption and impact.



Improves the energy efficiency of data centers with photonics technology, allowing data to be transmitted between servers using a fully optical network.

FononTech

Enables small-scale electronic component manufacturing with impulse printing technology, minimizing pollution, reducing the required size of equipment, and improving efficiency.



Sets a new standard for sustainability and nutrition with carbon-negative microalgae-based food ingredients.



Develops a more energy efficient and environmentally friendly alternative for cooling that does not require polluting refrigerants.



Enables the expansion of onshore wind through blade add-ons that reduce noise.



Develops an innovative biobased lactic acid production process based on mixed culture fermentation, using waste biomass.

PEL:GEN

Employs tissue engineering techniques to build sheep skin in-vitro, in order to create lab-grown leather.



Revolutionises indoor agriculture with robotics and AI to help the transition to autonomous indoor farming.



THEMATIC TECHNOLOGY TRANSFER FUND - CONTINUED



Detects pathogens with molecular diagnostics, avoiding crop loss and minimizing pesticide use.



Enables industries to decarbonise heating and cooling with off-grid solar energy systems.



Specialises in the recycling of phosphates from various waste streams, with a low carbon footprint.



Develops sustainable fat ingredients that improve the texture, taste, and footprint of dairy alternatives.



Converts organic waste like sewage sludge into durable biofuel pellets with a unique dewatering and grinding technology.



PLANETARY BOUNDARIES

Sustainability is not limited to climate change, as illustrated by Johan Rockström's Planetary Boundaries Framework. This is based on the concept that humanity needs to operate within nine essential ecological boundaries. Crossing these boundaries will trigger abrupt environmental changes with potentially catastrophic consequences. Recent studies suggest we have already crossed the threshold in multiple key areas. It is imperative that we move towards an economy that stays within these boundaries for a balanced existence with nature for future generations.



Credit: Designed by Azote for Stockholm Resilience Centre, based on analysis in Persson et al., 2022 and Steffen et al., 2015.



The Planetary Boundaries are not yet widely adopted within the financial sector. We believe it is a powerful tool to use in the field of environmental sustainability and strive to integrate it further into our investment process by translating these boundaries into factors we can incorporate in our investment strategy. Our impact strategies per sector have been developed through the lens of this framework. The table below provides an indication of how our current portfolio contributes to the Planetary Boundaries.

O Small contribution									
	Biosphere integrity	Climate change	Novel Entities	Stratospheric Ozone Depletion	Stratospheric Aerosol Loading	Ocean Acidification	Biogeochemical flows	Freshwater use	Landsystem change
E-magy					0	<u> </u>			
Vertoro						<u> </u>			
Jungie						$-\Theta$			
Kriya			<u> </u>			_ <u>O</u> _			
whittle			0	0		_ <u>O</u> _			
Canopus					0	_ <u>O</u> _			
Magneto									
Zero Friction									
C1 Connections			0						0
MuTech									
Solho			<u> </u>			<u>O</u>			
Volytica			0						
SMART FOOD & AGRICULTURE		0							
Nutrileads						0		\sim	\sim
Ful Foods						0		0	0
OneThird		0						\sim	\sim
SAIA Agrobotics		0						0	<u>O</u>
Time Travelling Milkman									0
Scope Biosciences						0			\bigcirc
GREEN INDUSTRIES									
Basilisk									
BYBORRE									
CEVAP		0							
ChainCraft									0
Foamplant		0							
Nature's principles								0	
Susphos								0	
OMRT						0			0
Pelagen									
Torwash						0			
Astrape						0			
FononTech									0
OTIV					0	Q			
Heex						0			
Maxem					0	0			

Large contribution



RESPONSIBLE BUSINESS PRACTICES

Over the past 12 years we have specialized in measuring and managing the positive footprint companies have. Or: their impact and "why the world is better off them in it". Alongside this, we have increased our efforts to ensure that this positive impact is achieved in a responsible manner regarding other Environmental, Social and Governance topics. Although this is challenging for early-stage companies that are still in development, it also provides an opportunity to build stronger foundations for healthy and responsible businesses of the future. We see that ESG integration leads to financial outperformance, is increasingly part of the 'license to operate' in the EU, can save costs and add value, and is something that society, especially employees and consumers, care about. This is what we support our portfolio companies with throughout our involvement.

ESG ACTION PLAN

We have developed an ESG action plan that details the phases that are needed to work towards full systematic implementation and integration of ESG in our fund, at portfolio companies internally, and in their value chain. Note that this process is not always linear and the field of ESG is very much in development, so this plan is evolving over time.

PHASE 2 – BASELINE

Data availability

Conduct ESG-assessment cycle to determine baseline for data availability. Then improve the quality and availability of data, raise awareness and traction surrounding ESG. Work towards improved transparency and reporting.

PHASE 4 – INTEGRATED VALUE

Transformation

Create integrated value, in our portfolio, fund and beyond. ESG is standard practice throughout company activities and within value chain.



PHASE 1 – METHODOLOGY





PHASE 3 – IMRPOVEMENT

Integrate and improve

Work towards improving ESG performance in portfolio. Define responsibilities and integrate in culture, develop roadmaps / toolkits / best practices, and test the effectiveness of initiatives.



LOOKING FORWARD TO 2024

MORE IMPACT: SHIFT IV

The most important way that we create impact is by funding more impactful ventures. It is evident that the funding gap for climate and nature technologies is still substantial. As such, besides investing in several new impactful start and scale ups, we will work towards a successor impact fund, SHIFT IV, in the next two years. This will enable us to maintain our investment momentum and continue to bring impactful technologies to the market for many years to come.

RESPONSIBLE BUSINESS PRACTICES

In 2024 we are further working on our ESG strategy including full ESG assessment and reporting. We have onboarded a software tool to improve the quality of our data collection and management process and reduce the burden on portfolio-companies. We will review and iterate this new process and help our companies to improve data availability for quantitative indicators in preparation for the next reporting cycle. In parallel, we will continue to enhance our toolkit of best practices for ESG topics to support portfolio-companies with.

We also see that corporate incumbents are paying more attention to their ESG-footprint as a result of the EU's Corporate Sustainability Disclosure Regulation. This increased transparency and appetite in the market creates new opportunities for our portfolio of environmental solution-providers. In 2024 we will investigate how to leverage this opportunity to accelerate sectoral sustainability transitions.



Colofon



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SHIFT Invest is managed by New Balance Impact Investors (NBI). NBI manages early stage venture capital funds with a purpose. We work with a diverse and experienced team committed to accelerate innovation by supporting the creation of great companies.

