TEL AVIV-YAFO

ESG Report 2024

September 2024

NETA VENTURES

ESG at

Neta Ventures

In the 2023/2024 season, Neta Ventures strengthened its ESG posture.

- We have implemented several actions to enhance the diversity and inclusion in our team and network, which has been one of the core priorities over the past years.
- We have redefined our Responsible Investment Policy, which is now available on our website, to define our ESG strategy and how we integrate it with our investment strategy and portfolio management.
- We have joined ESG VC communities to share and have access to best practice guidelines and industry benchmarks.
- We have improved our UNPri Assessment Report
- As part of this process, we have also defined our key-drivers and have committed to promote several initiatives around diversity & inclusion, ethics & compliance, talent attraction &retention and risk mitigation within our portfolio and our team.
- Regarding our portfolio, we intend to conduct an annual ESG due diligence survey, foster the implementation of policies related to key drivers from day one of our investment, identify ESG risks and provide guidance via our board positions, and finally we have an established two-way ESG dialogue with founders supporting them on their journey.

This report aims to measure the impact of our portfolio's ESG footprint through clearly defined KPIs that screen and track progress across the portfolio year-on-year. This will help us adapt our ESG initiatives, identify areas for improvement and ensure that companies are making progress towards their ESG goals over time.

More information on our website.

Measuring the impact of the portfolio

Our annual survey measures the ESG

impact of Neta Ventures

2016 and Neta Ventures

2020 portfolio companies.

36

portfolio companies responded*

98%

response rate*

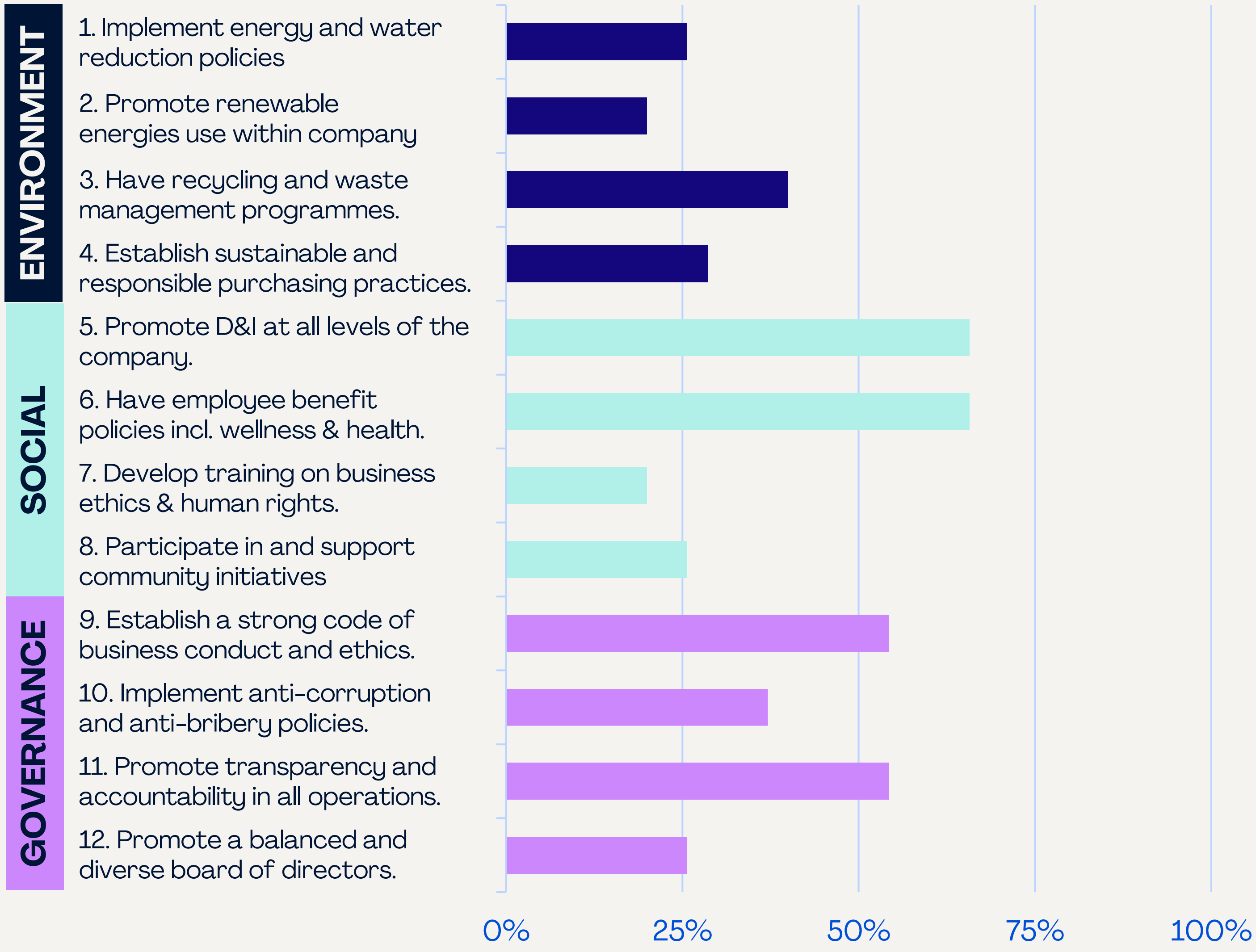
69% of our portfolio companies consider ESG factors when identifying risks and opportunities

60% have implemented a D&I policy

80% have a code of conduct & zero tolerance policy

* Out of Neta Ventures 2016 and Neta Ventures 2020 (excluding Neta Ventures Labs).

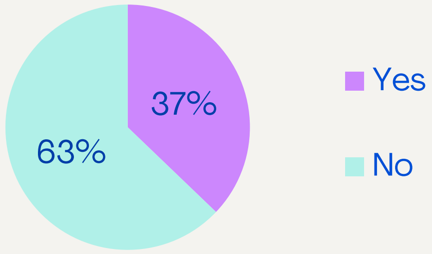
Main ESG initiatives implemented by our portfolio companies



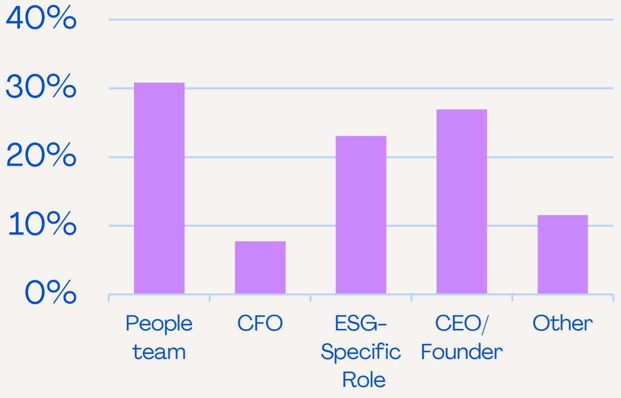
ESG leadership

Most of our companies are early-stage with small teams, therefore, it is expected that this role (a relatively new one in most organisations) is not yet present. In cases where there is a designated ESG Leader, it is not yet clear which functional area should oversee this role.

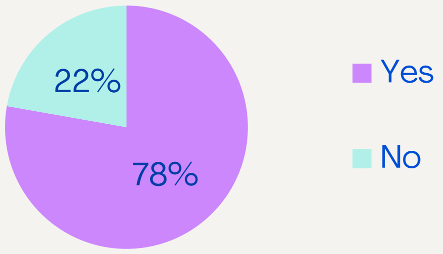
Does the company have designated executive positions with responsibility over ESG issues?



If someone is designated with the responsibility, who is it?



Do they report directly to the board of directors



Environmental measures

Several environmentally friendly initiatives which are considered by our portfolio companies:

- Virtual over in-person meetings (travel)
- Going paperless in the office (recycling)
- Having guidelines on climate control in the office (energy efficiency)

As SaaS companies, it is great to see that more than 50% value the use of green data centers.

51%
use sustainable hardware (green data centers)

51%
have or will soon have energy efficiency measures

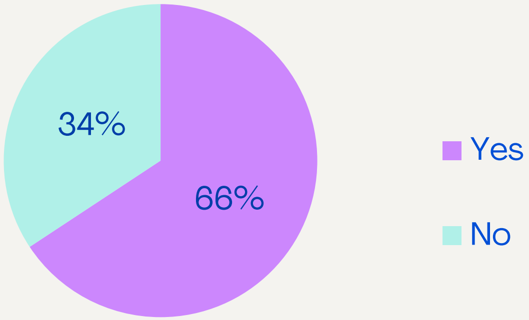
61%
implement sustainable travel policies

66%
carry out recycling activities

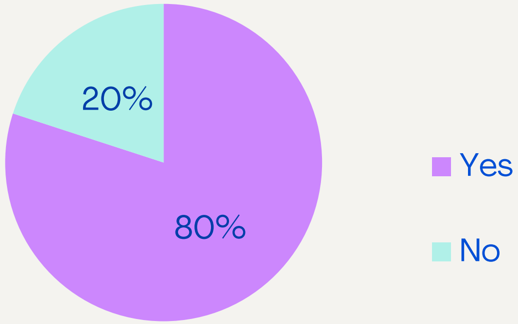
Environmental impact measurement

ESG is top of mind for our portfolio companies with the majority having a policy in place and accounting for ESG in their decision making. However, only 20% currently measure their carbon footprint. According to the ESG_VC Report*, 22% of SaaS start-ups measure their carbon footprint, a similar ratio as in our portfolio. At Neta Ventures, we value that as portfolio companies mature, they become more sophisticated in their measurement and expect this figure to rise over time.

Does the Company consider ESG factors when identifying risks and opportunities?



Does the Company have an environmental management policy?



*https://www.esgvc.co.uk/wp-content/uploads/2024/06/ESGVC_BVCA_InsighttoImpact.pdf

Neta Ventures· has a D&I policy

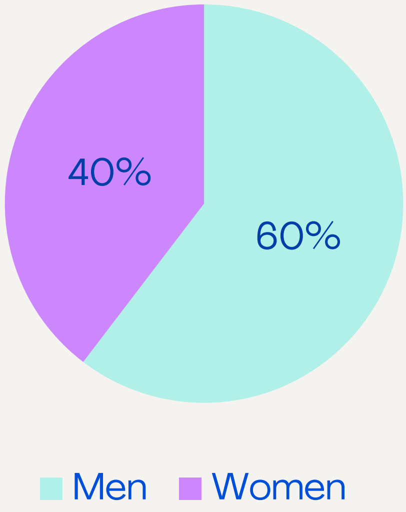
A core pillar of Neta Ventures· ESG strategy, we have been measuring and reporting on diversity (male/female) across our portfolios since 2020.

Within the ecosystem, diversity remains a challenge. Start-ups are investing substantial time and resources in nurturing a broad base of talent throughout their organisation, however progress on leadership diversity is lagging. Across the ecosystem*, more than 2 in 5 companies do not have any women on their board, while 1 in 5 have no women in their senior leadership team. Our portfolio is on par with representation on boards (40%) and slightly above for women in senior leadership positions (23%).

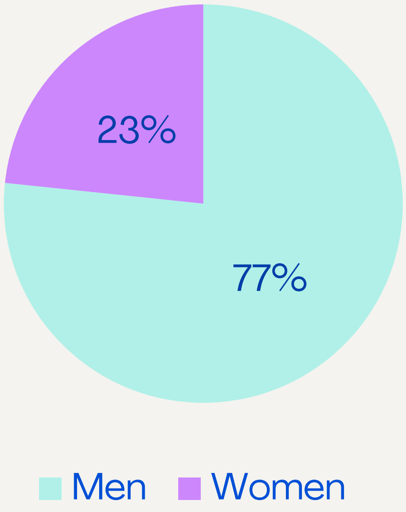
*2024 ESG_VC Report: https://www.esgvc.co.uk/wp-content/uploads/2024/06/ESGVC_BVCA_InsighttoImpact.pdf

Diversity across our portfolio

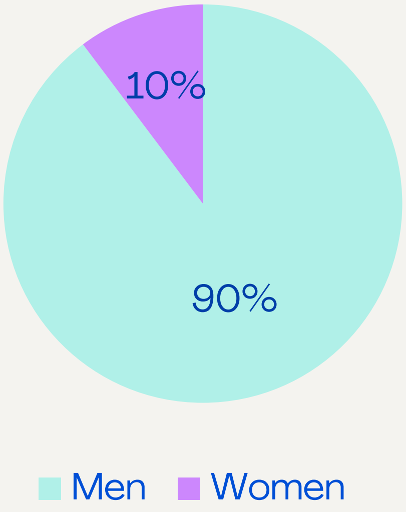
Diversity at Company-level*



Diversity at C-level*



Diversity at Board-level*

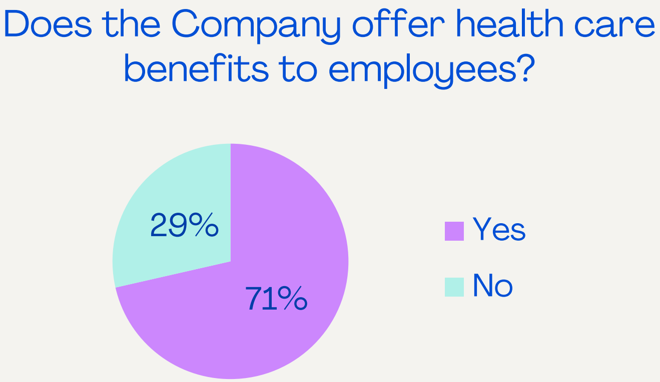


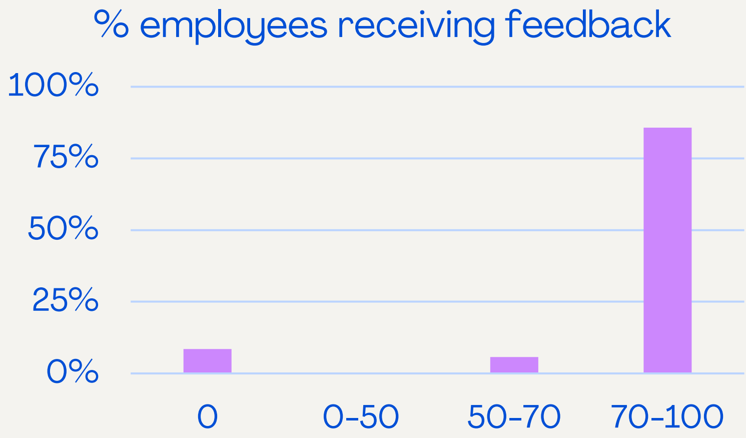
* Figures as of 31 December 2023

Employee benefits

A well-structured employee benefit scheme favours employees to stay longer at firms. Many of our portfolio companies offer a wide range of benefits to their employees. For example, more than 63% offer between 10 and 50 hours of annual formal training to employees or 71% offer health care benefits. Our portfolio also values feedback loops with employees, which enable a better working environment and encourage innovation.

Generally, ESOP schemes have a positive perception in the market however their adoption across privately held companies is low: 14k out of out 1.4M privately held companies with more than one employee*. At Neta Ventures, 82% of our portfolio companies have 10% or more employees enrolled in their ESOP scheme.



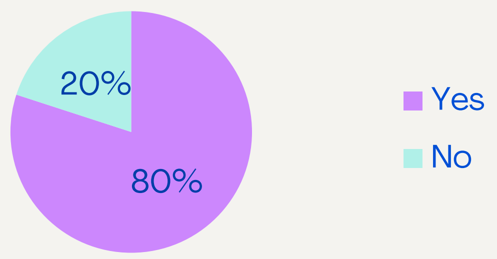


*https://www.smf.co.uk/wp-content/uploads/2020/02/Employee-Share-Ownership-February-2020.pdf

Governance

One of the first things we implement when investing into any company is the Board Meeting. As early-stage companies, it is important to have a periodical check-point with its investors and advisors to help tackle challenges, celebrate wins and support them in their growth.

Does the Company follow any procedures to avoid conflicts of interest?



Main procedures:

- Identification and resolution of conflicts of interest on the Board.
- Consultation with external experts.
- Regular reviews to ensure compliance and integrity.

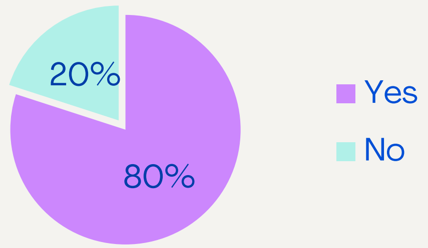
Zero tolerance and code of conduct

In 2023, we set out to encourage all of our portfolio companies in Neta Ventures 2016 and Neta Ventures 2020 to adopt a Zero Tolerance Policy and/or Code of Conduct.

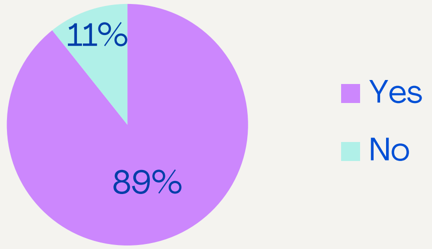
We are proud that now 80% of the portfolio have an active policy with the remaining working to have one in place by the end of 2024.

In addition, those that have incorporated it, monitor it regularly. Having a zero-tolerance policy and code of conduct help make companies a better place to work leading to less attrition, productivity and attract talent.

Does the Company have a code of conduct & zero tolerance policy?



Is this Code of Conduct monitored on a regular basis?



Risk Mitigation

CYBERSECURITY

Cyber plays a huge role in our portfolio's risk mitigation processes and policies. 92% of our portfolio has implemented or is in the process of implementing a cybersecurity policy. The majority (<90%) of the policies include controls to monitor risk in the data infrastructure and to promptly address/report incidents.

DATA PROTECTION

Another key pillar of risk mitigation is data protection. 89% of our portfolio has a data protection policy in place and 83% have a Data Protection Officer.

More than half of our portfolio has been GDPR certified, a certification that helps generate confidence amongst their customers of their handling of data.

92%
have a cyber security policy

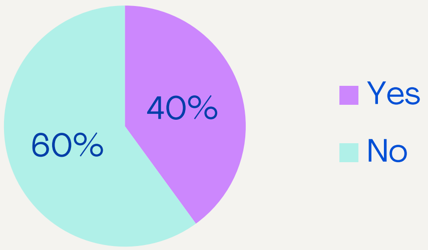
89%
have a data protection policy

97%
control risk in the data infrastructure

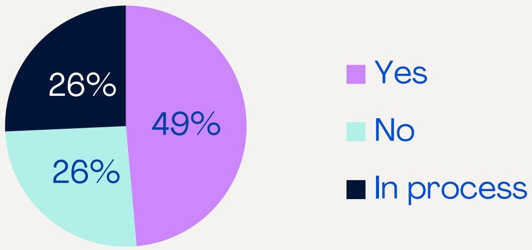
Governance in our portfolio

How accountable are the founders and leadership teams in our portfolio, how well is the company protected against any wrong-doing. While we hope that these channels and policies will not be enacted, it is important for portfolio companies to have a governance structure in place.

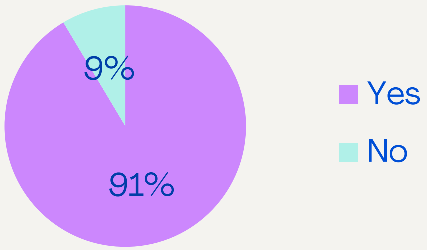
Does the Company send communications in relation to anti-corruption policies and procedures?



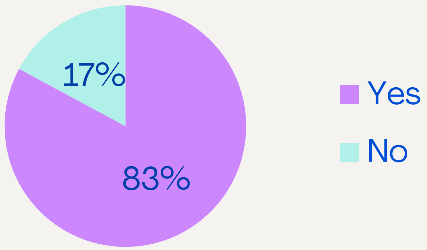
Does the Company have a whistleblowing channel?



Does the Company have a Directors & Officers insurance policy?



Do the founders of the Company have a life insurance policy?



Conclusion and commitment

Neta Ventures· portfolio has a solid understanding of ESG and the foundations they need to have as they build up their companies.

However, they are early-stage companies which are still, in many cases, in the process of establishing, implementing and formalizing a more comprehensive set of policies and guides within an ESG framework.

We will continue to monitor and measure the impact of our portfolio's ESG footprint through clearly defined KPIs that screen and track progress across the portfolio year-on-year.

With this data, we will identify areas for improvement and ensure that companies are making progress towards their ESG goals over time.

More information on our website.

In 2024/2025, Neta Ventures specifically commits to the following goals for those companies that have been in the Neta Ventures portfolio for more than 1 year:

- 50% have designated an executive to have responsibility over ESG issues.
- 90% have adopted a Zero Tolerance and Code of Conduct Policy
- 100% have adopted D&O and Founder Life Insurance policies

Thank you

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Neta Ventures is a pan-European venture capital firm

We are interested in great-potential, capital-efficient companies that strive to disrupt industries by using technology. We focus on B2B software.

Neta Ventures has led investments in 80+ companies. Learn more about our heroes at neta.vc/portfolio