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ICF CAPITAL SUSTAINABILITY REPORT 2024

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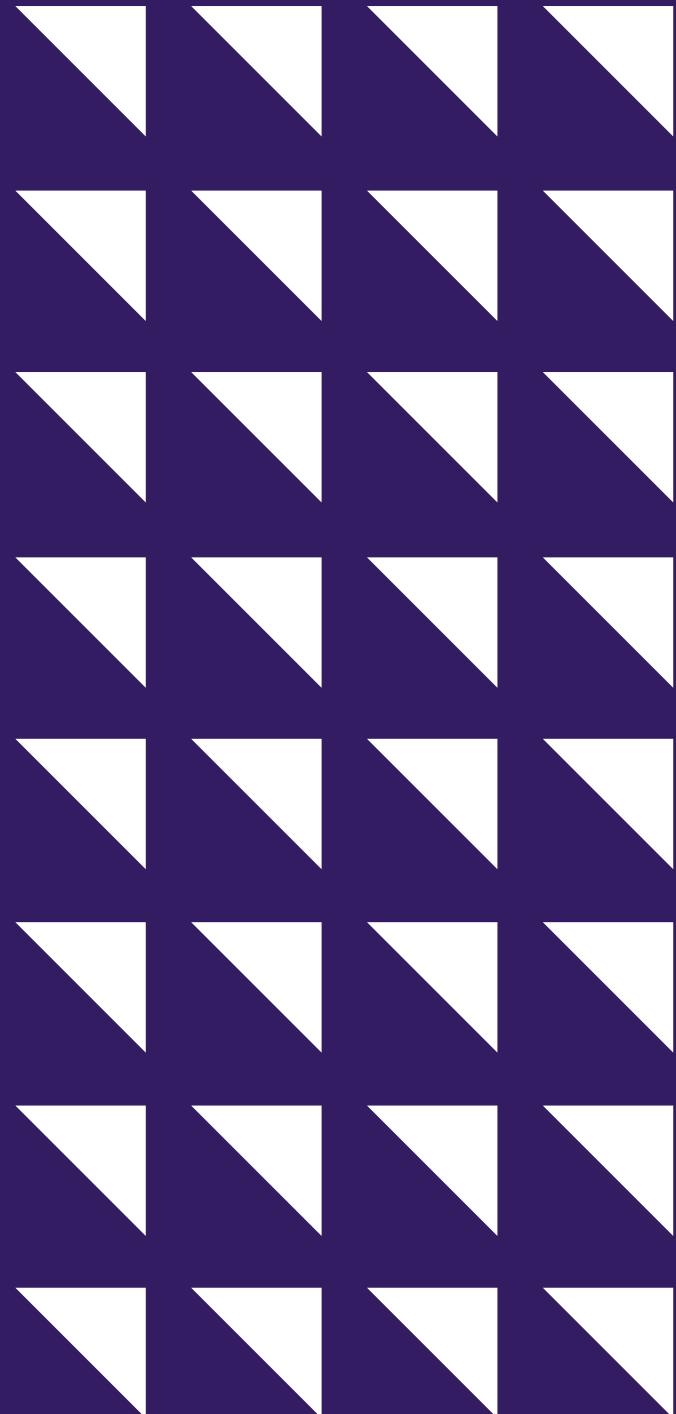
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01

LETTER FROM THE CHAIR OF ICF CAPITAL'S BOARD OF DIRECTORS



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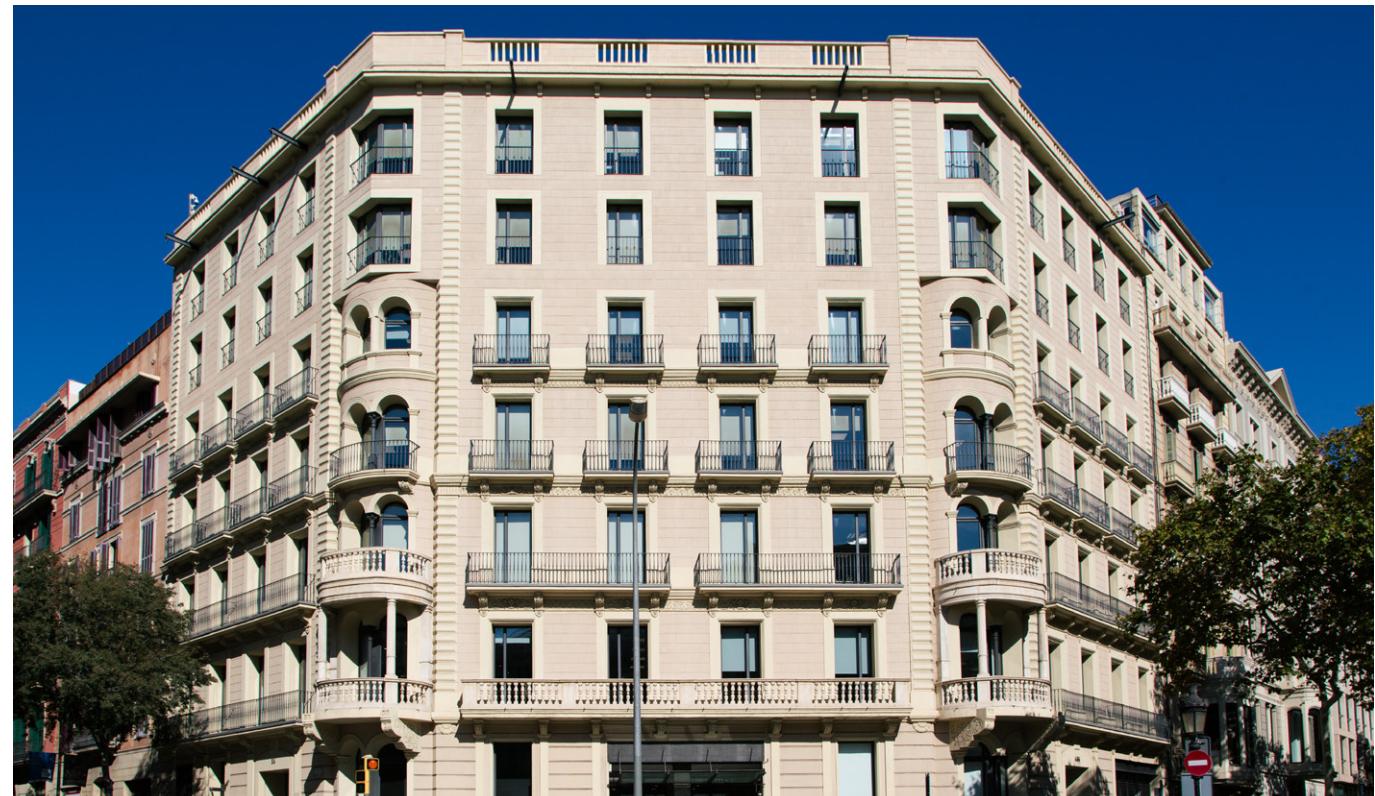
LETTER FROM THE CHAIR OF ICF CAPITAL'S BOARD OF DIRECTORS

Business in 2024 reflects the firm commitment of the ICF Group and its venture capital operator ICF Capital to ensuring that sustainability is more than just a public pledge and turning it into a transformational pillar of the public development bank's operations. The prime example of this was the launch of the new ICF Capital Venture Tech III fund in 2024.

In line with the ICF's public banking model, the ICF Venture Tech III fund is an Article 8 fund, i.e. it factors environmental, social and governance (ESG) criteria into its investment strategies and therefore targets enterprises which generate a positive social impact and are committed to protecting ecosystems both in their business and in their internal operations.

The ICF Venture Tech III fund is equipped with €40 million to support innovative, growth-stage tech firms in the digital, industrial and climate sectors, and ushers in a new era in the ICF's venture capital investment to back start-ups at more developed growth stages which are looking to take a bigger leap forward.

As part of its efforts to build a fairer and more sustainable future, ESG criteria are embedded in all public de-





velopment banking activities, in ethical and responsible management, in the battle against climate change and in driving economic growth which respects the region and its people.

The ICF Group's sustainability balance sheet for 2024 shows that we are on the right track as one out of every two euros allocated in loans and guarantees has gone to projects with environmental, social and governance (ESG) principles, and this figure has risen by 39% compared to the previous year at €121 million more.

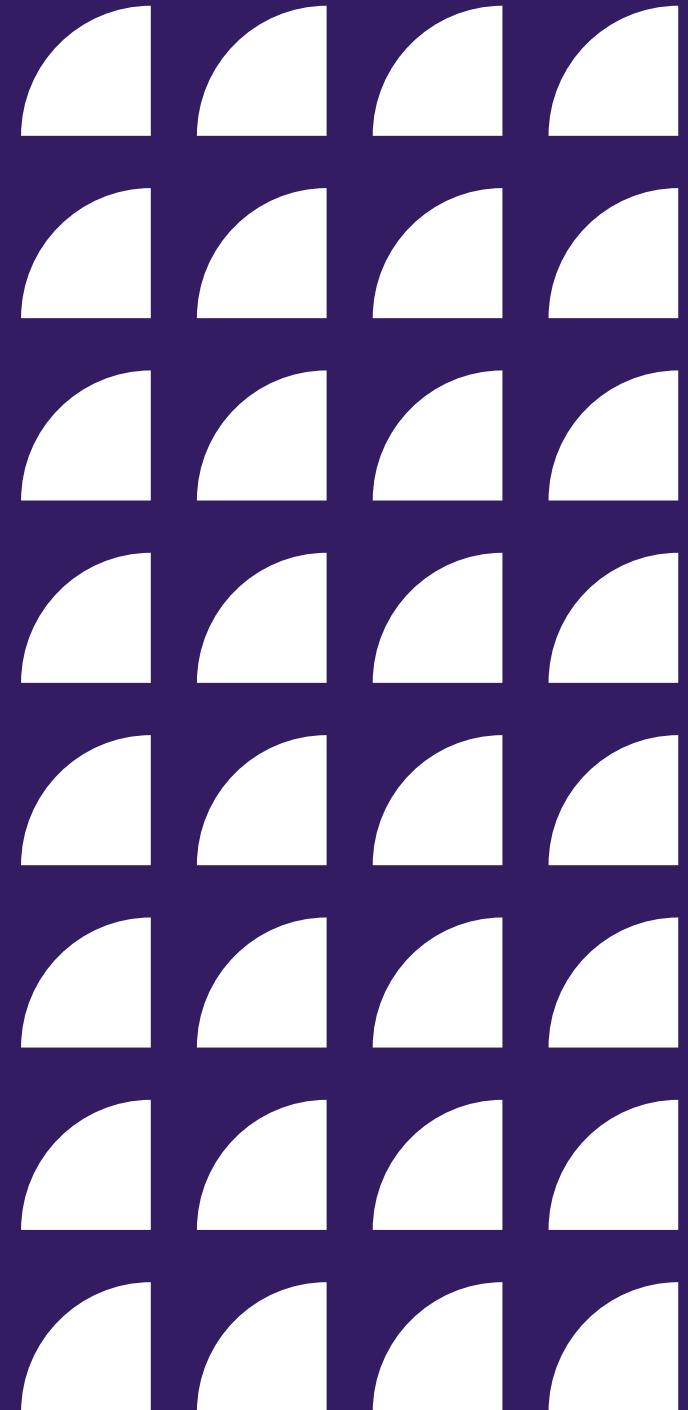
This report sets out the work done by the ICF's venture capital investment operator in 2024 across all ESG domains and is also intended to help other financial institutions and organisations to steer their impact towards a greener, decarbonised economy which delivers prosperity.



Vanessa Servera i Planas
CEO of the ICF

02

ICF CAPITAL, THE ICF'S VENTURE CAPITAL INVESTMENT MANAGER



As a public bank, the ICF Group caters to the financing and investment needs of the Catalan business community to help unlock growth, innovation and sustainability.

Its venture capital operations support the establishment, consolidation and growth of third-party fund managers along with companies and start-ups. In its direct business which is the focus of this report, the institution seeks to foster the growth of enterprises and drive innovative and transformational projects.

To this end, ICF Capital has five funds under management: ICF Capital Expansió II and ICF Capital Venture Tech III (in the investment period) and Capital Expansió, ICF Venture Tech II and Capital MAB (in the divestment stage).

- ▶ **ICF Capital Expansió II:** it invests in Catalan businesses by taking minority stakes up to a cap of a €5 million ticket per transaction.
- ▶ **ICF Venture Tech III:** a venture capital fund investing in tech or innovation businesses with high growth and appreciation potential through equity and debt instruments up to a cap of a €4 million ticket.

Likewise, in 2024 ICF Capital has continued to roll out its ESG policy drawn up in 2021, expanded on some previously identified aspects and implemented new initiatives:

- ▶ ESG training for new hires.
- ▶ Implementing ESG improvements in investees.
- ▶ Presentation of the second UN PRI “Transparency

Report” in which ICF Capital has improved in several areas similar to other comparable signatories.

- ▶ This year, the ICF as a Group joined the international partnership of financial institutions and insurers that are committed to calculating and reducing their carbon footprint using the proposed methodology.



2.1. ICF Capital in figures

Established:

2010

Venture capital funds and companies managed:

5

Number of portfolio companies:

22

Total commitments:

140^{M€}

Number of investees:

42

Portfolio companies under ESG monitoring by ICF Capital:

19

(86% of the current portfolio by number of companies), mainly through the equity investment position and seats on their boards of directors.



Members of:



Signatory partners:



The ICF Group has subscribed to the UN Global Compact on the Sustainable Development Goals (SDGs) since 2021.



Since 2023, we have been signatories of the Government of Catalonia's voluntary agreements for calculating carbon footprint.



In 2024, the ICF joined the international partnership of financial institutions and insurers that are committed to calculating and reducing their carbon footprint using the proposed methodology.



ICF Capital has signed up to the UN Principles for Responsible Investment.

2.1.1. Investments in 2024 at Capital Expansió II

ICF Capital Expansió II

Company	M€	Sector
PROJECTES MODULARS PREFABRICATS, SL	3	Industrial
PASTISART, SA	2	Industrial
CIRCULAR PARTNERS, SL	1,2	Industrial
EARTHWISE SOLUTIONS, SL	1	Industrial
SEMILLAS BATLLE, SA	0,5	Industrial

2.1.2. Investments in 2024 at ICF Venture Tech II

ICF ICF Venture Tech II

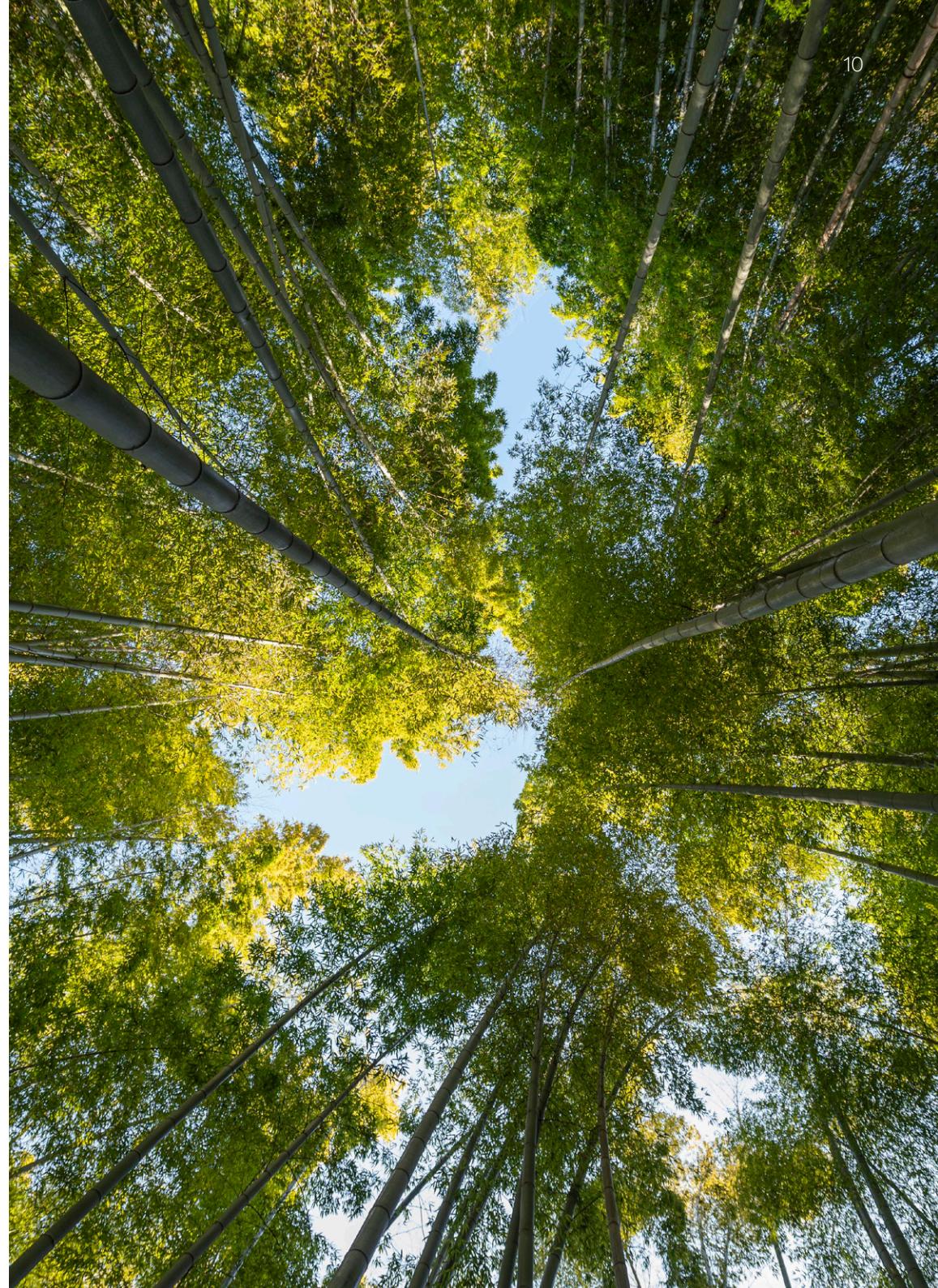
Company	M€	Sector
KINTAI DIGITAL, SL	0,5	Digital, technology and innovation
BLOOBIRDS, SL	0,3	Digital, technology and innovation

2.1.3. Investments in 2024 at ICF Venture Tech III

ICF Venture Tech III

Company	M€	Sector
PANGEALAND, SL	4	Digital, technology and innovation

Our business in 2024 further confirms ICF Capital's commitment to sustainability by embedding ESG criteria in our investment process.



2.2. Main ESG indicators

As a public financial institution, ICF Capital's commitment to ethical and responsible management is part of our ethos. The main indicators for 2024 related to the investee portfolio are summarised below.

2.2.1. Growth Division

ICF Capital Expansió II

/masdeu/

 BATLLE

pastisart
~ 1990 ~

Pret-à-porter
casas

 TECNIC

 Boix

circular partners

 EARTHWISE
ENVIRONMENTAL SOLUTIONS

Environment**100%**

use renewable energy

100%

have an ESG officer

63%

have an environmental management policy

63%control their CO₂ emissions**Social****1.130**

Employees (37% women, 91% have an open-ended contract)

100%

have a health and safety policy

100%

monitor customer satisfaction

88%

have a supplier contracting policy

88%

partner social initiatives

27,7

hours of annual training per employee

Governance**100%**

have a data protection policy

75%

have cybersecurity policies

88%

have women in management positions

75%

have an intellectual/industrial property protection policy

63%

have women on their board of directors

0

cases of harassment or discrimination

2.2.2. Venture Division

Capital MAB, ICF Venture Tech II and ICF Venture Tech III

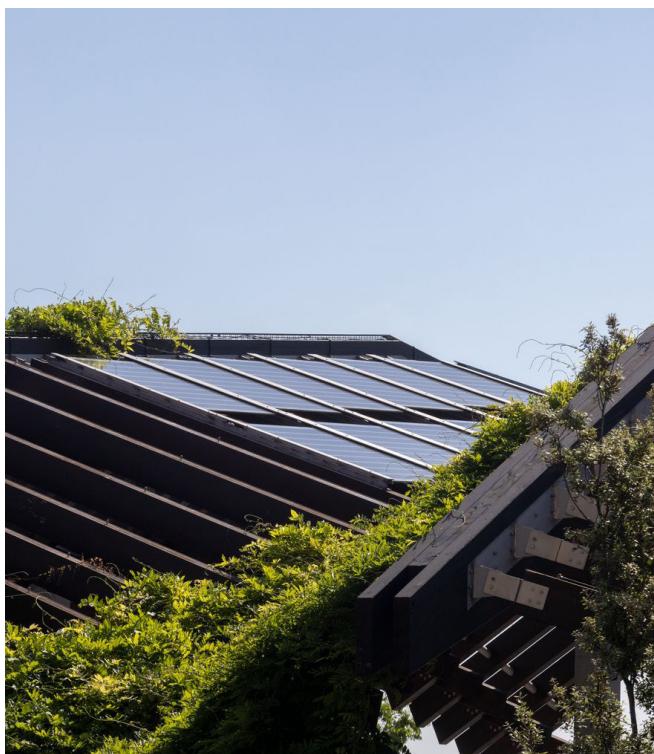


Environment**45%**

have an ESG officer

18%

have an environmental management policy

**Social****1.671**

Employees (47% women, 99% have an open-ended contract)

91%

have health and safety policies

90%

monitor customer satisfaction

82%

have a supplier contracting policy

82%

partner social initiatives

Governance**100%**

have a data protection policy

91%

have cybersecurity policies

55%

have women in management positions

80%

have an intellectual/industrial property protection policy

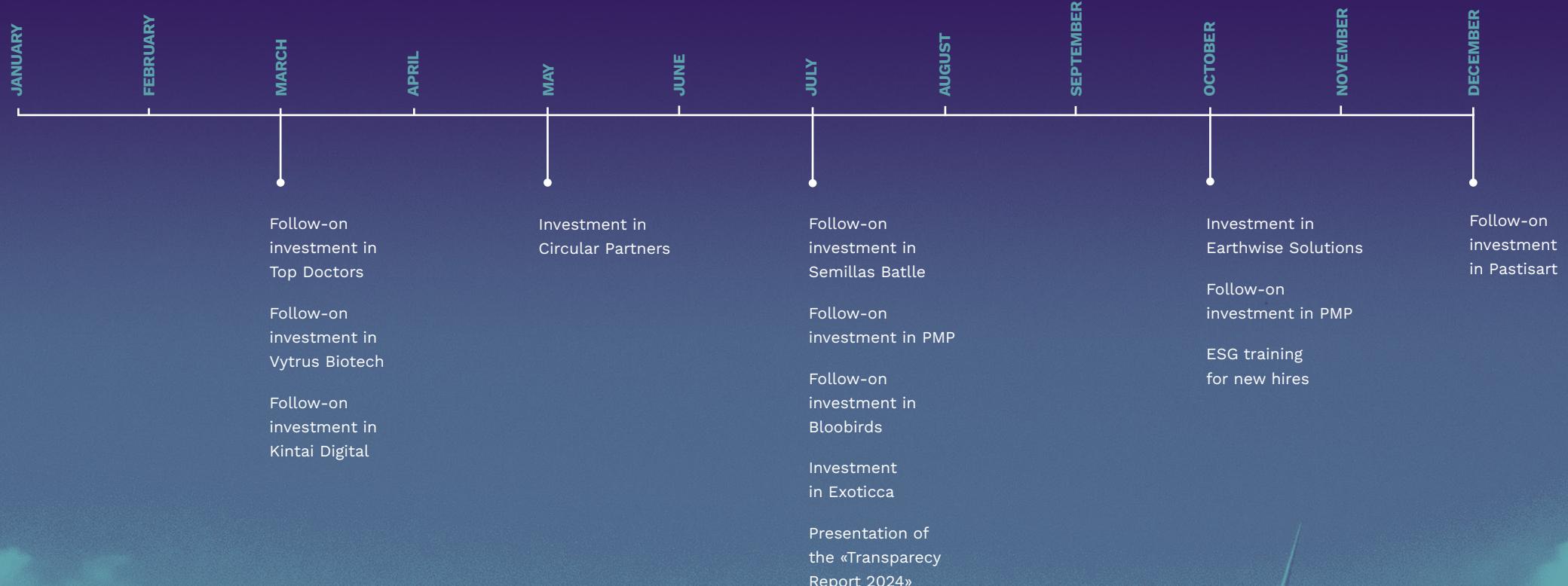
18%

have women on their board of directors

0

cases of breach of or discrimination in human rights

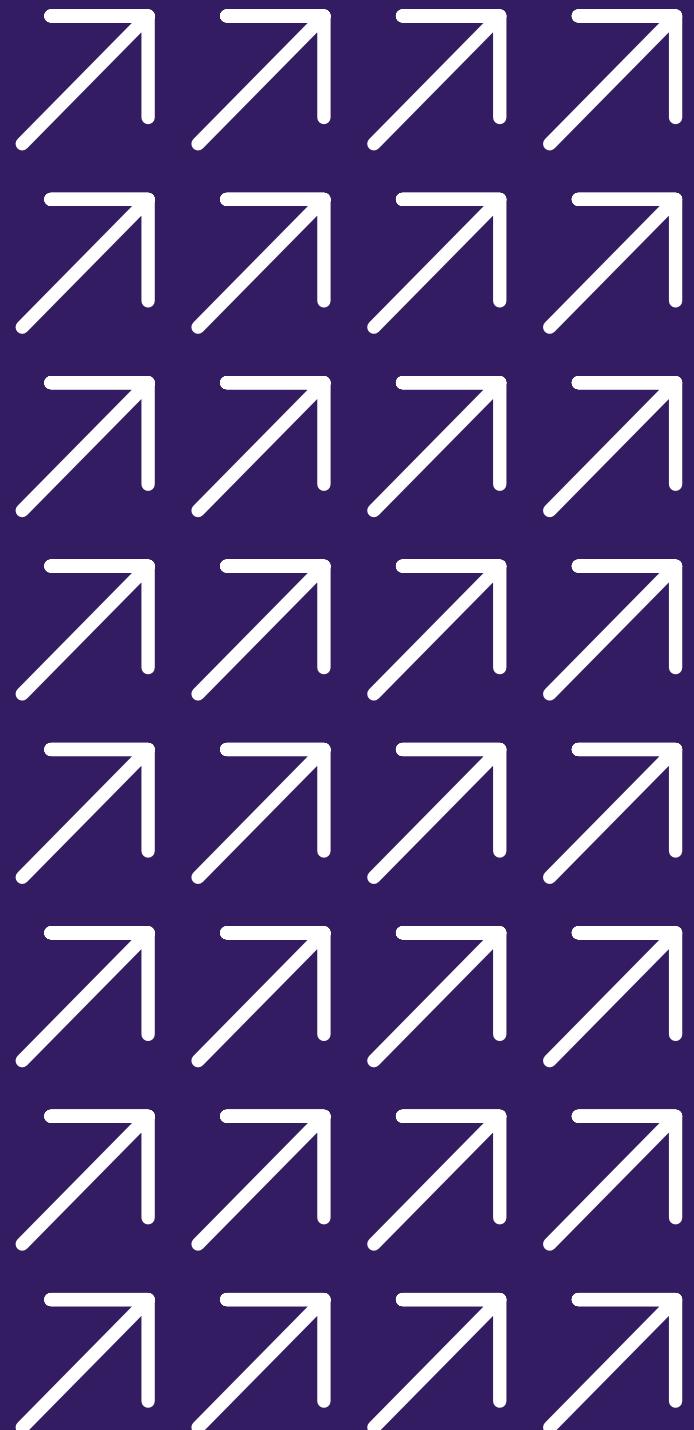
2.2.3. Timeline 2024



- ▶ **Setting up the new ICF Venture Tech III fund, the first sustainable fund managed by ICF Capital.**
- ▶ **Preparation and publication of the ESG 2023 report.**
- ▶ **ESG committee meetings.**
- ▶ **Attending sustainability-related conferences.**
- ▶ **Calculating the ICF's carbon footprint up to Scope 3 in conjunction with external experts who have shared their expertise and know-how to draw up the project.**

03

ESG COMMITMENTS



Since 2021, we have been a signatory to the United Nations Principles for Responsible Investment (UN PRI). This means we are committed to:

- ▶ Embedding ESG criteria in decision-making.
- ▶ Being an active investor and building ESG issues into shareholder policies and practices.
- ▶ Fostering disclosure of ESG policies by our investees.
- ▶ Driving buy-in and implementation of the UN PRIs in the investment community.
- ▶ Pooling resources to make the application of these criteria more effective.
- ▶ Publishing regular reports on activities and progress in applying the principles.
- ▶ Publicly reporting on our progress in responsible investment in annual UN PRI transparency and climate reports.

As the ICF Group's fund manager, ICF Capital strives to unlock investment which has a constructive impact, respects ESG principles and drives sustainable growth. As a public financial institution, this commitment to ethical and responsible management is part of our ethos and reflected across the board in all our operations, products, work systems and initiatives.



SDGs and Global Compact: SDG integration

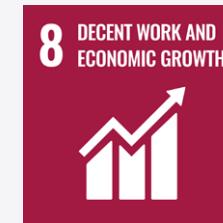
In 2021, the entity became a signatory partner of the United Nations Global Compact, an international initiative promoting the inclusion of ten universally accepted principles in business operations in line with the Sustainable Development Goals (SDGs).

Furthermore, ICF Capital, the ICF Group's venture capital operator, has signed up to the United Nations Principles for Responsible Investment (UN PRI) and bakes environmental, social and governance (ESG) factors into its screening and decision-making processes and the management of its investees.



ICF targets its endeavours on two strategic and five priority SDGs:

Strategic Goals



Priority Goals





3.1. Stages in our responsible investment process

3.1.1. Sourcing and screening potential investments

We exclude from our investment pool a range of activities which we believe are contrary to our responsible investment principles and pose a significant risk to our reputation:

- ▶ Illegal economic activities.
- ▶ Tobacco and distilled alcoholic beverages.
- ▶ Production of and trade in weapons and ammunition.
- ▶ Casinos.
- ▶ IT sector restrictions: research, development or technical applications related to electronic data programs or solutions specifically targeting Internet gambling and online casinos or pornography.
- ▶ Life science sector restrictions related to:
 - a) Human cloning for research or therapeutic purposes.
 - b) Genetically modified organisms.

We regularly review our list of exclusions to address contentious issues that may affect our stakeholders.

3.1.2. Investment screening

In cases where it has been decided that the transaction dovetails with the managed entity's investment policy and the investment pool allowed, more in-depth and detailed screening is undertaken including an in-house assessment of key ESG issues.

The in-house ESG assessment uses a questionnaire to pinpoint at a high level financially material sustainability risks and opportunities in the industry and for the company.

Financial materiality in sector terms is determined using the SASB® Standards. SASB has developed a complete set of 77 globally applicable industry-specific ESG standards which identify the minimal set of financially material sustainability topics and their associated metrics for the typical company in an industry.

The transaction proposal's recommendations include whether to conduct specific ESG due diligence based on the materiality of the identified sustainability risks.





3.1.3. Investment execution

Coverage of potential material sustainability risks identified or the adoption of ESG best practices in the company may be required as mandatory safeguards in the investment execution process.

The investment team also encourages the implementation of ESG measures in investees with the scope and extent deemed appropriate for the specific possibilities of each investee based on the proposal approved when making the investment decision.

To do this, they seek support from the boards of other co-investors who share the same values with ICF Capital as responsible investors.

Likewise and within their remit, fund manager employees may be directly engaged in investees' functional committees based on the level of involvement arranged in the investment agreement. This involvement may include regular meetings of financial committees, executive committees or sustainability committees.

3.1.4. Divestment process

Prior to any divestment action or additional funding round, the investment business officer has to perform an ESG assessment to ascertain to what extent ESG management has helped to create a more valuable and sustainable undertaking. They use the ESG assessment conducted in the initial screening stage as a baseline for logging processes accomplished and also keep a record of the progress achieved. The results of this screening are included in the considerations when seeking and defining a suitable exit for the investment.

3.2. Risk management



3.3. Management and governance

3.3.1. Equality Plan

The Equality Plan is designed to help secure genuine equality between women and men in the workplace by dismantling stereotypes, attitudes and obstacles which make it difficult for women to gain access to certain positions and jobs on an equal footing with men. It is a means of transforming and improving the organisation by mainstreaming the gender perspective and equal opportunities in our business ethics. Based on the Plan, a number of programmed initiatives are undertaken which are arranged in various areas of action. The organisation is assessed across ten areas and it is recommended that all actions should be conducted with these areas as a guideline.

- ▶ Equal opportunities policy.
- ▶ Societal impact and social responsibility policies.
- ▶ Communication, image and language.
- ▶ Representation of women and staff distribution.
- ▶ Development.
- ▶ Remuneration.
- ▶ Harassment, sexist attitudes and perception of discrimination.
- ▶ Working conditions.
- ▶ Work-life balance.
- ▶ Physical conditions of the working environment.





3.3.2. Ethics Channel

To foster compliance with the law and the rules set out in the Code of Conduct, the Group set up an Ethics Channel for reporting all kinds of alleged wrongdoing in the ICF Group, in particular any financial and accounting irregularities and potential breaches of the Code of Conduct and Code of Best Practices together with possible instances of workplace or sexual harassment, with the express purpose of stamping out this kind of conduct in the work environment.

The Ethics Channel is available to all ICF Group staff and allows them to report using a pre-established form any alleged wrongdoing or conduct contrary to general internal or external regulations and especially in relation to the Code of Conduct and Best Practices. All reports received through the Channel are treated in the strictest confidence.

3.3.3. Remuneration policy

The policy applies to the ICF Group and specifically to the group which includes members of the governing bodies, executive directors, general directors and officers, and key personnel, where this means officers and employees who incur risks in the performance of their duties and whose activities may have a significant impact on the Group's risk profile. It also includes staff who undertake key supervisory and oversight functions defined as such by the governing bodies. It lays down the basic principles which are to guide the remuneration strategy including:

- ▶ Consistency with the business strategy.
- ▶ Moderation and tied to achievement of results.
- ▶ Geared towards fostering the company's long-term profitability and sustainability.
- ▶ Balanced and efficient relationship between fixed and variable components.



3.3.4. Crime prevention and anti-fraud policy

The policy's purpose is to prevent the ICF Group from engaging in unlawful actions which contravene any legal or criminal regulations or are contrary to good business management practices. It is also a commitment to ongoing monitoring and penalising fraudulent actions and conduct while maintaining effective communication and awareness-raising mechanisms for all ICF Group staff in building an ethical and honest corporate culture. It is binding on all ICF Group staff.

The Group is committed to ethical and regulatory compliance, does not tolerate conduct or actions prohibited by law or contrary to social mores and in particular prohibits any corrupt, fraudulent, coercive, collusive or obstructive practices as described in this policy.

ICF Capital's responsible investment strategy is hardwired into its organisational structure and governance. Its implementation is supervised across all organisational levels including by the Board of Directors, the ESG Committee and the Screening Committee.



ICF Capital's Board of Directors

- ▶ Ultimately responsible for overseeing all ESG issues and taking the final decision.

ESG Committee

- ▶ Implements and supervises ESG practices.
- ▶ Proposes to the Board of Directors such amendments to the Responsible Investment Policy as it deems appropriate/necessary.
- ▶ Approves any updates to the ESG Advisory Questionnaire it considers apposite.
- ▶ Proposes to the Board of Directors the ESG training sessions it thinks expedient.
- ▶ Members:
 - Ms. Irene Bertran Aixut
 - Mr. Adrià Torrelles Burgués
 - Mr. Emili Gómez Jané
 - Mr. Màxim Mata Batlle
 - Mr. Oriol Vidal-Barranquer Castells
 - Mr. Jianmin Yu

Screening Committee

- ▶ Tasked with overseeing the ESG screening conducted by the investment team for potential new investments and monitoring ESG aspects of the portfolio.

ICF Capital ESG Officer:

Jianmin Yu

- ▶ Coordinates the implementation of ICF Capital's ESG practices.

ICF Group ESG Director:

Oriol Vidal-Barraquer Castells

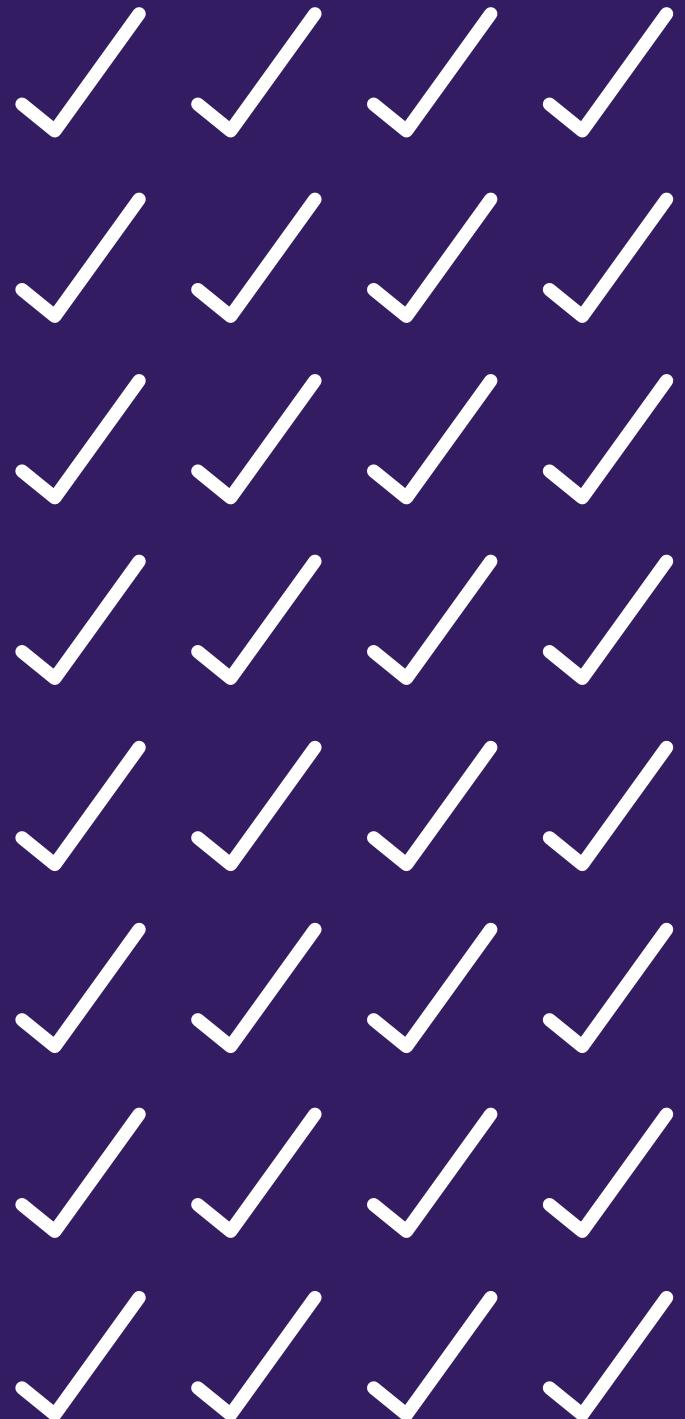
- ▶ Coordinates the implementation of the ICF Group's ESG practices.

ESG training:

- ▶ The team's training needs are assessed.
- ▶ In-house training on the subject is provided for all new hires.

04

CREATING VALUE



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ESG transaction screening is the first stage in the investment process. It enables us to come to conclusions and propose actions to investees which help mitigate the potential risks identified and also to make recommendations for medium-term improvements.

In the conclusion stage, the document signed by both parties includes a section tailored to the features of the transaction setting out the ESG measures which investees undertake to put in place. These measures include:

1. Contribution to sustainable development including health and wellbeing. The company has to sign up to the United Nations Global Compact and engage in social or environmental industry initiatives.

2. Taking the investor's expectations into consideration in all actions while making every effort to ensure that they are integrated into the organisation and put into practice in its professional relationships.

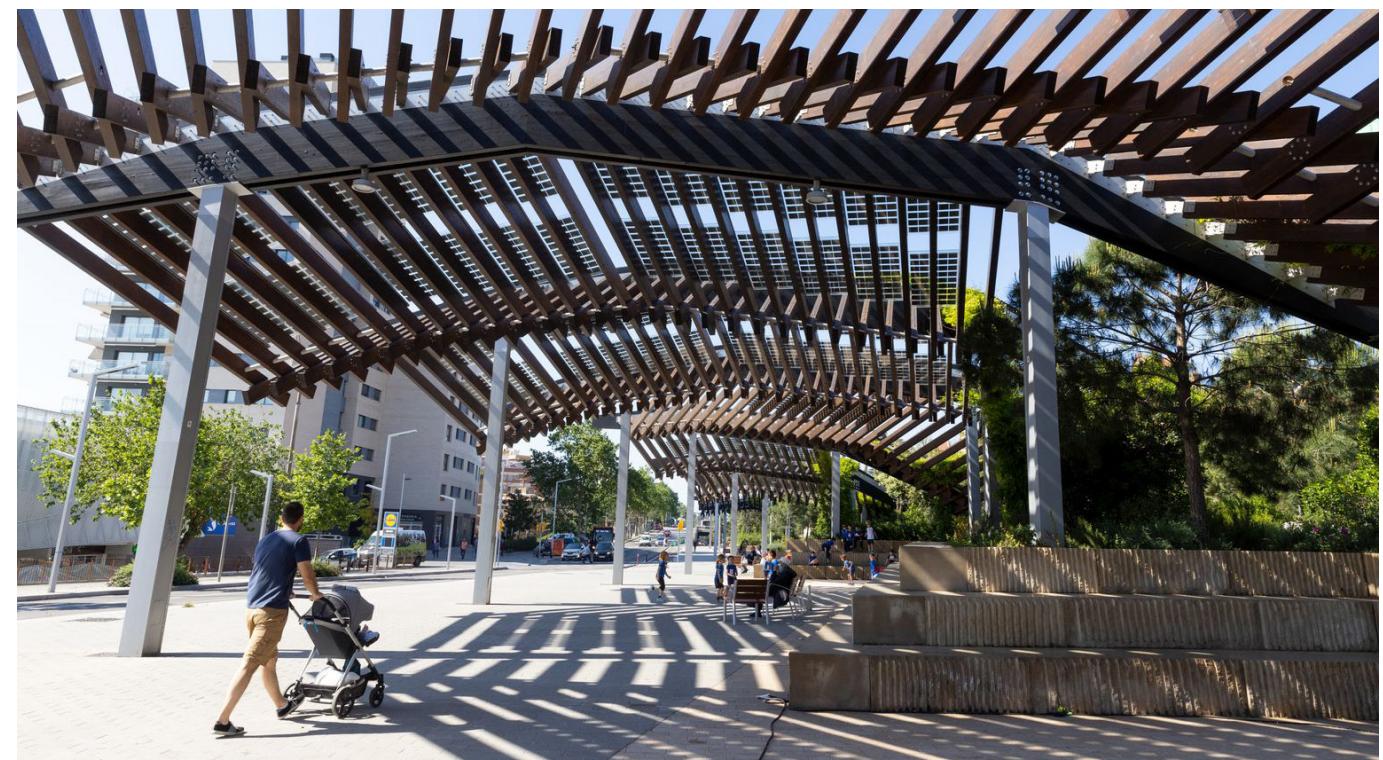
3. Inclusion of social and environmental aspects in the annual evaluations of the company and subsidiaries which may affect the operation and performance of their business.

4. Inclusion of ESG issues in two Board of Directors' meetings and appointment of an ESG officer in the company. The idea is to devise a 3 to 4-year value creation plan setting out strategic ESG objectives anchored in financial materiality. A number of KPIs are specified to assess their applicability and any sustainability risks.

5. Seamless reporting to ICF Capital of events entailing risk in areas such as public health, environmental pollution, social conflicts and business ethics.

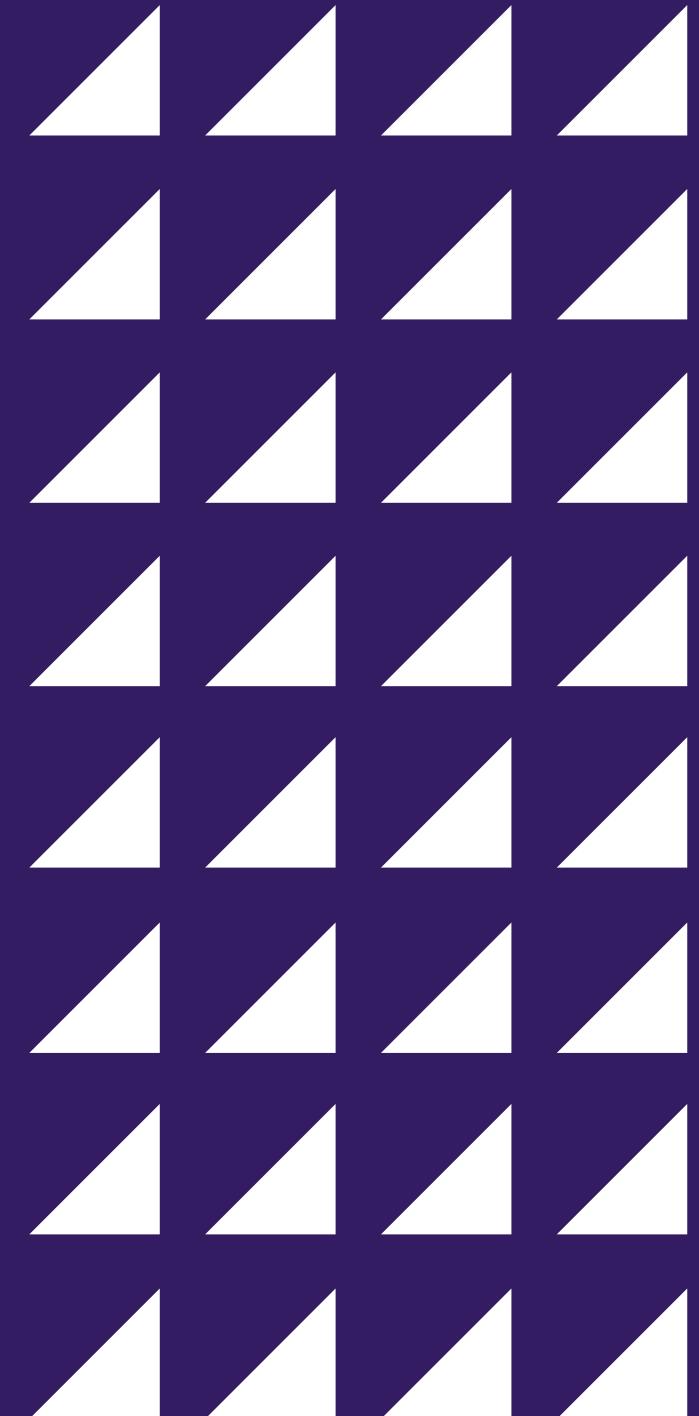
In the third stage, when the company is part of our portfolio, we specify ESG KPIs for monitoring through:

- ▶ Regular reporting.
- ▶ Presence on the Board of Directors.
- ▶ Ongoing discussions with investee managers.



05

THE ICF GROUP'S ENVIRONMENTAL, SOCIAL AND GOVERNANCE OBJECTIVES



In 2022, the ICF Group's strategic plan for the period 2022-2025 was approved. The environmental, social and governance objectives included in this roadmap are set out below.

5.1. Environmental objectives

- ▶ The ICF Group is committed to cutting CO2 emissions by up to 20%. By year-end 2022, the Group had calculated its carbon footprint, identified the main sources of direct CO2 emissions and drawn up a reduction plan to achieve these targets.
- ▶ In 2023, the ICF joined the Government of Catalonia's emissions reduction voluntary agreements programme.
- ▶ Part of the ICF's strategy is to invest in projects aimed at mitigating or adapting to the effects of climate change. The strategic plan's target is for at least 35% of new business to be sustainable.
- ▶ In venture capital investments, the target is for 30% of new commitments to be sustainable as defined in Regulation (EU) 2019/2088 on sustainability-related disclosures concerning venture capital funds and their managers which came into force in March 2021.

5.2. Social objectives

- ▶ In-house, the ICF seeks to enhance employee sustainability training (more than 200 hours) and also foster diversity and equality in the ICF team by promoting more women to senior positions and keeping the pay gap below 10%.
- ▶ In terms of the Sustainable Development Goals, the ICF targets the SDGs related to decent work and economic growth (8) and also to improving industry, innovation and infrastructure (9). It will also prioritise SDGs 3, 7, 11, 13 and 17.

- ▶ Specific strategic facilities to finance socially vulnerable sectors through social housing funding with €370 million to help set up 3,000 housing units. Also facilities to finance cultural, educational and social economy projects amounting to over €20 million in activities.

5.3. Governance objectives

- ▶ Mainstreaming sustainability in the ICF's business model in a top-down approach with an impact ranging from the strategic level to operations management.

The ICF is continuing to pursue sustainability improvement actions. These include upgrading the corporate building's energy rating from category C to category B following the audit conducted in 2022. As a result of this energy audit, the following actions are to be put in place to make it more energy efficient:

- ▶ The staircase light bulbs are to be changed. The current energy-saving lamps will be replaced by LED bulbs which will cut wattage per floor from 52 to 18 watts.
- ▶ The conventional light fixtures that are still in some common areas will gradually be replaced by energy-saving LED lights.
- ▶ In line with current regulations, individual climate temperature thermostats have been locked in common areas: minimum 27 degrees in summer and maximum 19 degrees in winter.

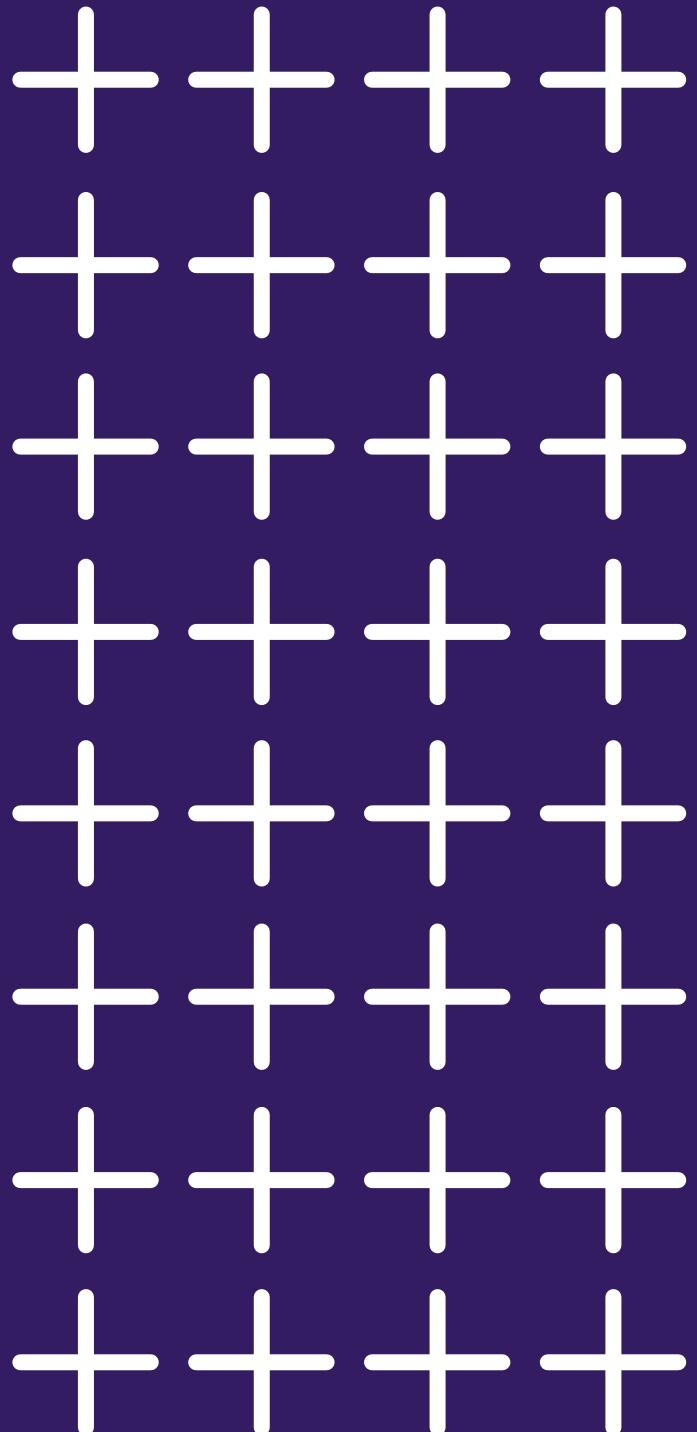
In late 2019, we kicked off our "zero plastic" initiative which involved replacing the water bottles in meeting rooms with jugs filled from the building's water foun-

tains. In 2022, this led to a 57% reduction in plastic packaging compared to 2021.

Most of the paper used in the ICF is recycled paper and in 2022 it accounted for 95.4% of the total paper purchased. Virgin pulp paper is only bought to meet very specific needs.

06

CONCLUSION AND NEXT STEPS



Conclusion and next steps

Throughout 2024, at ICF Capital we have further deepened our commitment to ethical, responsible and sustainable management fully aligned with the ICF Group's values and principles. Embedding environmental, social and governance (ESG) criteria in our investment processes and in our relationship with investees has been one of our strategic priorities, since sustainability is not only a regulatory requirement but also a core driver of long-term value creation.

Here, the launch of the new ICF Venture Tech III fund is a major milestone for the fund manager. We have also taken significant steps during the year to enhance our sustainability framework. We have further refined the identification of ESG risks and opportunities in our operations, fostered dialogue with our portfolio companies to make headway in designing and implementing sustainable action plans, and compiled indicators which enable us to monitor progress more closely and transparently. We have additionally stepped up our efforts to raise awareness among in-house teams and nurture a corporate culture geared towards responsible development.

In 2025, we intend to continue moving forward in this approach by ramping up our partnership with our investees to unlock more sustainable business practices, improving our management and impact measurement tools and bolstering our sustainability model through active coordination with the rest of the ICF Group's organisations. We are committed to continuing to be an active player in the sustainable transformation of the production network to help build a fairer, more resilient and environmentally friendly economy.





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