



MAOR ESG Chart

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Contents

Introduction	3
Disclaimer Regarding Maor II.....	4
Promotion of Responsible Investing within the Company and Across the Industry..	5
Sustainable Finance Disclosure Regulation (2019/2088)	9
ESG Governance at Maor	9



Introduction

Since its establishment in 2017, Maor has been investing responsibly – committing to exclude non-ethical, borderline or offensive businesses from its investment scope.

In 2023, Maor had decided to go one step further and align its formal legal commitments with its investment philosophy, by becoming an SFDR Article 8 Fund.

Maor strongly believes that investing in startups that positively impact social and environmental issues, as well as demonstrate solid governance, will drive value creation in the long term for its investors. As such, Maor targets startups that are not only financially attractive, but also demonstrate good environmental, social and governance practices.

In order to ensure effective ESG analyses, Maor incorporates ESG criteria into its investment process as well as consistently monitors its portfolio companies and their respective ESG practices. Following investment, Maor encourages the portfolio company to implement ethical governance and business practices, while monitoring the KPIs and targets that are mutually set with the company.

Promoting responsible investment across the industry is one of our roles. As such, Maor is a proud signatory of the UN PRI since launching its second fund in 2022 and supports local initiatives that foster diversity and inclusion in the local venture capital and tech industries.

To reflect these commitments, Maor has adopted this ESG Chart.



Disclaimer Regarding Maor II

The sections “Integration of ESG in the Investment Policy” and “Sustainable Finance Disclosure Regulation (2019/2088)” are applicable to MAOR SLP SICAV-RAIF (the Fund), acting in respect of its compartment MAOR SLP SICAV-RAIF - Fund II (the Compartment).

MAOR T&F Advisory Ltd. acts as the Investment Advisor in respect of the Fund and its Compartment and provides advisory services such as the sourcing of investment opportunities and the assistance in respect of the preparation and implementation of investment decisions. Any investment decision to be made will be submitted by the Investment Advisor to the Investment Committee of the AIFM.



Promotion of Responsible Investing within the Company and Across the Industry

1) Principles for Responsible Investment (PRI) Standards

Maor signed the [PRI](#) in 2022. These principles are designed to encourage the adoption of best ESG practices by financial professionals. By signing the PRI, Maor committed:

Principles for Responsible Investment	Maor's actions
Principle 1 - To incorporate Environmental, Social and Corporate Governance (ESG) issues into investment analysis and decision-making processes	Integration of ESG considerations in the DD process and within investment committee's memorandum. Scoring of our investments per Maor's ESG criteria. Annual review of the scorings. Dedicated training of new employees and annual training of existing employees around ESG topics.
Principle 2 - To be an active owner and to incorporate ESG issues into our ownership policies and practices	Sharing initial ESG analysis with companies. Mutually discuss annual action plans, metrics, and target-setting with management teams.
Principle 3 - To seek appropriate disclosure on ESG issues by the entities in which we invest	Annual follow up on indicators and targets defined alongside management.
Principle 4 - To promote acceptance and implementation of the Principles within the investment industry	Publicly share updates about our own activities around ESG and our portfolio companies' activities in this topic. Member of Industry Bodies: PRI, Power In Diversity, Tmura, Unistream (and potentially others in the future).
Principle 5 - To work with the PRI Secretariat and other signatories to enhance their effectiveness in implementing the Principles	Continuous improvement of our in-house methodology. Annual review of our practices in light of the developments in the industry. Peer Learning: UN PRI Signatory.
Principle 6 - To report on our activities and progress towards implementing the Principles.	Annual report at investment and portfolio levels. Annual PRI Survey.

2) Participation in Local Initiatives



Power In Diversity Israel

Maor proudly takes part and supports the Power in Diversity initiative, alongside 60 Israeli VC firms and 170 Israeli start-ups, coming together to foster diversity and inclusion in the venture capital and high-tech industries, and to develop near and long-term solutions to create a positive change in the Israeli ecosystem.



PID published its “**2022 Diversity in startups**” report, reflecting an analysis based on data collected from 650 active Israeli venture-backed companies with over 50 employees. Minute Media, one of Maor’s portfolio companies, was ranked the #1 most diversified company with >500 employees.

Support to NGOs: Maor proudly supports [Tmura](#) and [Unistream](#)



Tmura is the Israeli Public Service Venture Fund founded in 2002 with the aim to increase the involvement of the high-tech community in non-profit activity in Israel. Tmura’s mission is to support educational initiatives and youth opportunities in Israel, by sharing the wealth created by the country’s technology sector.



Unistream works to promote innovative, entrepreneurial, and technological thinking among underprivileged youth, with the aim of providing equal opportunities to all, reducing socioeconomic disparity, and transforming the periphery into the engine of growth driving the State of Israel.

The participation in local initiatives is reviewed by the Investment Advisor on an annual basis. Each year, according to the ongoing performance of the local initiatives and to their alignment with our ESG targets, Maor may choose to participate in additional local initiatives, increase its contribution to a certain existing initiative, or cease its involvement with such initiative.

Integration of ESG in the investment policy

1) Pre-Investment

Maor is a sector-agnostic VC fund investing in Israeli-related, revenue-generating technology startups. As the Investment Advisor, Maor selects investment opportunities in multiple tech verticals (AgriTech, CyberSecurity, SportsTech, FinTech, etc.), with some exclusions.

Exclusions

Maor has defined an Excluded Investments Sectors list, which consists of sectors that generate additional risks (ethical, legal, reputational, financial). As such, Maor does not invest in:

- Companies involved in production of and trade in weapons and ammunitions of any kind;
- Companies involved in production of and trade in tobacco and distilled alcoholic beverages and related products;
- Companies involved in internet gambling and online casinos, or pornography;
- Companies that generate a significant part (>20%) of their annual revenues from coal-based production as well as fossil fuel production;
- Companies whose business activity consists of illegal economic activity;
- Companies that have demonstrated a systematic denial of basic human rights; and
- Companies that participate in child labor and or forced labor.

2) Due Diligence

Our disciplined investment approach drives us to consider ESG criteria alongside financial criteria in the analysis of potential investments.

Any potential new investment (at an advanced stage of diligence) is subject to an *ESG Rating Assessment* of ESG factors as part of our due diligence process. ESG factors may include (but not limited to):

- **Environmental criteria:** the environmental impact generated by the company's products and offerings, corporate climate policies, energy use, waste, pollution, direct and indirect greenhouse gas emissions and impact on biodiversity. These criteria help to evaluate any environmental risks a company might face and how well-positioned the company will be in managing those risks, as well as the net environmental impact created by the company's operations.
- **Social criteria:** the company's relations with its stakeholders, (i.e., employees, customers, suppliers, and the communities in which it operates) as reflected from both qualitative & quantitative criteria, such as the financial security of employees, diversity & inclusion in

the workforce, health, wellness and safety of employees, engagement & satisfaction of employees and community involvement.

- **Governance criteria:** accuracy and transparency in accounting methods and reporting, integrity and diversity in leadership & board selection, the Company's data governance and cyber security posture.

ESG factors are assessed in partnership with the management team of the prospective portfolio company as stated in Investment Advisor's internal ESG framework, which is built on existing and recognized frameworks including, but not limited to, the [ESG VC framework](#) and [the B Impact Assessment](#).

To assess target companies against relevant ESG factors (as presented above), a questionnaire with detailed questions on each relevant factor is filled by the target company, and then analyzed internally by the Investment Advisor.

In doing so, the Investment Advisor better understands the company's current ESG practices, current disclosure and performance on selected KPIs, plans to set new ESG practices and/or reach KPIs' targets. The Investment Advisor, along with the management team, is thus able to identify key areas of improvement on selected KPIs and new policies for the Company to integrate (*see Portfolio Monitoring*).

The Investment Advisor includes this ESG analysis (both quantitative & qualitative) in its Investment Committee memo and meetings, as part of the overall analysis of the investment.

Following said, if the Investment Advisor considers that the ESG risks are material, it can recommend to the AIFM not to invest in such company or ask the management or lead investor to build an action plan to improve the ESG situation.

3) Portfolio Monitoring

As a VC fund, Maor believes that it has a responsibility to include ESG attributes in its portfolio companies' strategy and reporting.

Maor is committed to initiating and maintaining ESG approach with the management of its portfolio companies in order to create value and improve overall ESG performance.

From day one of investment to divesture, Maor aims to raise awareness and to define, in collaboration with the company's management, relevant, and measurable, social and environmental indicators which can be monitored over the long term.

As mentioned above, ESG risks and opportunities are examined in partnership with the management team of the prospective portfolio company prior to making an investment. Together with the Company, if necessary, Maor can create an appropriate action plan to address each issue.

Sustainable Finance Disclosure Regulation (2019/2088)

The Compartment is eligible to be an article 8 fund under SFDR¹, which is defined as “a financial product which promotes, among other characteristics, environmental or social characteristics, or a combination of those characteristics, provided that the companies in which the investments are made follow good governance practices.”

This classification has been officially included in the Fund’s corporate documents and required website disclosures can be found on Maor’s Investors’ portal.

ESG Governance at Maor

ESG Commitments

As Maor requires that portfolio companies maintain good ESG standards, Maor commits to maintaining the same standards in order to become better investors. To do so, Maor commits to:

- Continually improve Maor’s ESG assessment methodology.
- Promote diversity within Maor’s workforce.
- Determine a person leading ESG and responsible for ESG reporting.
- Implement annual employee training on ESG issues.

Integration of ESG in the remuneration policy

The annual objectives of Maor’s partners and execution team members may include an ESG dimension. These objectives may include, inter alia, the integration of Maor’s ESG policy in the investment process, portfolio monitoring process, and internal operations, and the promotion of ESG topics among the local investment ecosystems.

On an annual basis, Maor’s general partners may review to what extent these objectives have been met by each individual employee, and accordingly decide the impact on the level of variable compensation for this employee.

¹ The EU Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector as amended and restated from time to time. Link: <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32019R2088&from=EN>