

Molten Ventures Human Rights Policy

Human Rights Statement

We recognise that all human beings are born free and equal in dignity and rights and we are committed to being a responsible corporate citizen and supporting the protection and advancement of human rights. At Molten, we recognise our moral and business responsibility to ensure that human rights are upheld across our operations and our value chain. We aim to identify, address and prevent negative impacts as well as enhance our positive impact on the respect, protection and promotion of internationally recognised human rights.

1. Introduction

This Policy was adopted for and on behalf of the Molten Ventures group following approval by the board of directors of Molten Ventures plc on 27 September 2022 and details the international standards that guide our approach to human rights; explains the relevance of human rights to our business and our investments; and sets out the commitments we make to respect and promote human rights across our operations.

We acknowledge Amnesty International's 2021 report ¹ *'How leading venture capital firms ignore human rights when investing in technology'* and endorse its conclusions on the role that Venture Capital can and should play within the wider global business eco-system to implement robust human rights due diligence aligned with international standards. We understand that the protection of human rights cannot be siloed to a specific area of business or society, and requires us to be held accountable for the decisions we make and the impact these can have on human rights.

In recognition of the significance of human rights to Molten Ventures, the Board of Directors has been appointed responsibility for overseeing the development and introduction of this Policy and ensuring it is implemented and routinely monitored.

2. Our Policy

The United Nations ("UN") defines human rights as the rights inherent to all human beings, regardless of race, sex, nationality, ethnicity, language, religion or any other status. Examples of human rights include the right to life and liberty, the right to water, freedom from slavery and torture, the right to work and education and many more. We believe that everyone is entitled to these rights without discrimination and, in particular, that the rights of minority groups and women, need to be protected.

In accordance with the UN Guiding Principles for Business and Human Rights we have based our commitment to human rights on international principles and standards including the UN Universal Declaration of Human Rights, Organisation for Economic Co-operation and Development's ("OECD") Guidelines for Multinational Enterprises, International Labour Organisation's ("ILO") Core Labour Standards, UN Global Compact Principles on Human Rights and Labour Standards, Women's Empowerment Principles and Children's Rights and Business Principles.

¹ *Risky Business: How leading venture capital firms ignore human rights when investing in technology, 2021: This is an Amnesty International report which highlights the lack of sufficient human rights due diligence in this industry. Of 53 of the world's largest venture capital firms and start-up accelerators, 83% did not disclose any evidence of human rights due diligence policies*

To ensure that our commitment to protect and promote human rights is being upheld, Molten is committed to:

- Integrating human rights into our risk management processes
- Assessing the human rights impact and risks of our investments as part of our due diligence
- Providing human rights training for our employees no less than once every two years
- Encouraging employees and suppliers to report human rights concerns or violations
- Regularly reviewing and updating our approach to human rights
- Embedding our commitment to human rights into policies and procedures and seeking out best-in-class transparency and disclosure

3. Our Impact

3.1 Our Employees & Internal Operations

Our people are the most important aspect of our business. At Molten, we respect the human rights of all employees including permanent, temporary, part-time and contract workers and ensure that they are able to work in a safe and fair environment.

We select and promote our people based on talent and merit and regardless of factors such as age, gender identity, race, religion, national origin, colour, sex, sexual orientation or disability. All of our employees are treated with respect and dignity which is upheld through our policies and procedures including our Anti-Harassment & Bullying Policy, Diversity, Equality, Inclusion & Equal Opportunities Policy and our Groupwide Code of Conduct.

We do not tolerate any form of harassment, bullying or discrimination, nor any form of forced, compulsory or child labour.

Our Health and Safety Policy is designed to ensure that working and homeworking environments are safe and inclusive for all employees and there are procedures in place to address and mediate identified risks of accidents, injury or health impacts. Our flexible working arrangements are designed to facilitate a good work-life balance for employees and we also operate staff benefit schemes which include access to online GP services, online mental health services and discounted gym membership to promote strong mental and physical wellbeing.

We continually strive to ensure that the provision of wages and benefits is fair and equitable, and consistent with this, we provide all staff with a salary above the minimum living wage and the London Living Wage. All conditions of employment, including maximum working hours, are in accordance with local labour laws.

3.2 Training

Unconscious bias training is conducted annually for all staff to help educate our workforce and minimise the risk of discrimination, harassment or bias in the workplace.

All staff complete mandatory annual training on topics including human rights, anti-bribery and corruption, anti-money laundering, data protection and cyber security and anti-modern slavery. This training helps to educate staff and maintain awareness of their human rights and potential threats that may lead to exploitation of these rights.

3.3 Our Suppliers / Vendors

Molten's supply chain constitutes the most pertinent area of risk for human rights abuse in our extended business activities, although we still assess this risk to be low. We are committed to ensuring that our procurement process and that the operations of our supply chain are aligned to this Policy.

We expect our suppliers to treat their own employees and suppliers with respect and fairness, and to have suitable human rights policies and procedures in place that are compliant to local and international laws.

As a UK and European venture capital firm with a relatively small footprint (sub-100 employees and one main office over two floors in Central London with a small single leased serviced office unit in Dublin) which does not manufacture or deal in physical products, our supply chain is not extensive and by spend is weighted towards professional services and software/SaaS, neither of which are areas recognised by the World Benchmarking Alliance's Corporate Human Rights Benchmark ² ("CHRB") as being at high risk of human rights or modern slavery abuse.

Notwithstanding our overarching assessment of relative risk, we understand and embrace the need for continual vigilance. Notably, the CHRB identifies ICT manufacturing as a sector presenting a high risk of negative human rights impacts. Whilst this industry only represents a small part of our supply chain and has demonstrated year on year improvement against CHRB's indicators, we will aim to always use reputable suppliers for our IT infrastructure and beyond, typically established in the UK or countries that are widely considered to be at lower risk of human rights abuse by the CHRB under suitable contractual terms of agreement.

In the financial year ended 31 March 2021, we introduced a clause into the majority of new/renewed material supply agreements which obliges our providers to contractually commit to the prevention of modern slavery and human trafficking. In this context, materiality will depend upon the value of the contract (annually and/or across the anticipated lifetime of the contract), the nature of services to be provided and the relative risk associated with the particular supplier, for example due to their geographical location. We also request an associated audit right to allow for oversight of compliance with these provisions.

If any supplier within our supply chain breaches human rights laws, we expect this to be promptly reported and remedied. The action we take will depend upon the nature of the breach and the response to such breach. If we determine that any matter constitutes a serious or irreparable breach, we may, upon legal advice, suspend or terminate the impacted relationship.

We are committed to continued monitoring and engagement of our suppliers on human rights and to further embedding human rights considerations into our supplier engagement and procurement processes. In particular, we aim to introduce periodic screenings of suppliers whose function is deemed to be material in respect of Molten and to evaluate the performance of our suppliers in human rights both as part of onboarding and a monitoring processes.

3.4 Our Shareholders and investors

One of Molten's long-term overarching goals is to democratise venture capital to make venture-stage investments accessible to all.

By choosing to list our shares on the London Stock Exchange and Euronext Dublin in 2016, we created the opportunity for likeminded investors (institutional and individual) to participate in the ownership of Molten and benefit from our tech-focussed investment activities which would typically be held in private hands. As a publicly traded company, Molten does not control the composition, views or associations of its shareholder base, however our aim is to foster alignment with shareholders on our activities and our approach to human rights and broader environmental, social and governance ("ESG") activities.

We rely upon intermediary brokers and brokerage platforms to perform suitable Anti-Money Laundering ("AML") / Know Your Client ("KYC") identity checks on their clients. We also utilise our own brokers and PR agencies to identify and where possible mitigate the risk of association to shareholders whose human rights record may not be aligned with our own. This may involve the

² *Corporate Human Rights Benchmark, 2020: The CHRB produces benchmarks that rank global companies on their human rights performance based on UN Guiding Principles on Business and Human Rights indicators. The 2020 key findings report highlights ICT manufacturing companies have seen an increase of almost a third on their UNGP indicator scores since their 2019 assessment*

review by our brokers of our share registers and issuing notices under s.793 of the Companies Act 2006 to identify whether any shareholders are proscribed individuals under applicable sanctions.

In the event that any of our shareholders are discovered to be the subject of national or international sanctions by virtue of alleged or actual human rights abuse (or for any other reason), then we would, upon legal advice, report this to the Office of Financial Sanctions Implementation ("OFSI") and practical steps would be taken so far as is within Molten's power to ensure that any distributions were not made to those impacted shareholders for so long as they remain subject to sanctions.

3.5 Our Co-Investors and Strategic Partners

Molten's strategy as an early and growth stage investor typically involves making investments as part of a syndicate of institutional venture capitalists, strategic investors and angel investors. We are committed to verifying the identity of material co-investors and strategic partners and ensuring that they are not known to be associated with human rights abuse.

In accordance with our Anti-Money Laundering & Know Your Client Policy ("**AML & KYC Policy**"), we carry out identity checks as part of the pre-investment due diligence process to verify the identity of certain corporates and individuals; to ascertain if they have been involved or implicated in any known human rights abuse or any offence that could involve money laundering or the financing of terrorism; and where deemed appropriate on a risk-based approach, to identify the origins of underlying funds.

Where Molten is making direct investments, our AML & KYC Policy applies to any syndicated co-investors who are participating in the funding round alongside Molten or who hold in excess of 25% of the underlying beneficial interest in that company, as well as the portfolio company itself and its founders / directors. Where portfolio companies are located in a jurisdiction which has imposed a lower ownership identification threshold (e.g., 10%) then we will work with them to satisfy local AML/KYC requirements.

An initial client due diligence review and KYC checks are carried out to better understand client risks, and monies will only be wired upon satisfactory completion of these checks.

In the event that we become aware of a syndicated partner being involved in human rights abuse during the life of an investment, then where possible we will use our influence to support the most effective and appropriate solution to such discovery, which could take the form of direct interaction with the impacted co-investor, or in the most serious instances could involve working with the affected portfolio company to exercise rights to force the removal of such investor.

3.6 Our portfolio

Molten invests in high growth technology companies in the UK and Europe across 4 core sectors (consumer; digital health and wellness; AI, deeptech and hardware; cloud, enterprise and SaaS).

As an active investor, we typically hold a directorship or observer role on the boards of our portfolio companies and are committed to using our influence where possible to encourage best practice, including in the area of human rights.

Our approach to human rights in our investment strategy is set out in our [ESG Policy](#) which includes an exclusion list prohibiting investment in any sector, business or activity which has slavery, human trafficking, forced or compulsory labour, or unlawful/harmful child labour as their objective or direct impact. Our ESG Policy also sets out our approach to responsible investing, including our ESG target standards, pre-investment due diligence and assessment of portfolio alignment to the UN Sustainable Development Goals ("**SDGs**").

We have also been signatories to the UN Principles of Responsible Investment ("**PRI**") since 2019 and submitted our first annual report in 2021. The tools and methods we use to evaluate and monitor our investments are in line with the UN PRI.

At the point of making a new investment, during the due diligence phase, we distribute our ESG Framework, which consists of over 60 ESG-focused questions and covers a number of human rights topics including fair and equal pay, health and safety, diversity and inclusion and staff wellbeing. Completion of the Framework allows us to identify any risk areas which, if deemed significant, will be escalated to General Counsel for further consideration and scrutiny and may ultimately lead to an investment not being made.

We apply the Cato Institute's Human Freedom Index³³ ("HFI") to assess the different geographic locations in which our prospective or actual portfolio companies are located or predominantly operate in and have assessed that the focus of our investment strategy is geographically of low risk with regards to human rights exploitation.

The vast majority of personnel who perform services for or on behalf of our portfolio companies are skilled individuals whose role involves office or home-based work in a professional environment, typically for payment above the national living or minimum wage in the country of operation. Whilst there will also be some personnel who perform certain lower paid support functions, we do not assess there to be an inherent risk of human rights abuse by virtue of the typical roles/functions offered by our portfolio companies.

We work with our portfolio companies across all areas of their business and use our influence as board members where relevant to continually evaluate and monitor performance across all areas including human rights and broader ESG considerations. The Sustainability section of our Annual Report contains details of some of the work that we have undertaken during the foregoing 12-month period.

4. Governance

Outlined below are various policies, procedures, codes and statements that we have in place which are pertinent to Molten's approach to Human Rights:

- Groupwide Code of Conduct
- Modern Slavery and Human Trafficking Statement
- Health and Safety Policy
- Flexible Working Policy
- Anti-Harassment & Bullying Policy
- ESG Policy & Exclusion List
- Board Diversity & Inclusion Policy
- Diversity, Equality, Inclusion & Equal Opportunities Policy
- Diversity, Equality and Inclusion Recruitment Policy
- Anti-Money Laundering & Know Your Client Policy
- Anti-Bribery & Financial Crime Policy
- Employee Anti-Corruption & Bribery Policy
- Grievance Policy & Procedure
- Whistleblowing Policy
- Contracts of Employment/ Employee Handbook
- Privacy Policy

A full list and description of all of the policies and procedures in operation at Molten can be found here: <https://investors.moltenventures.com/investor-relations/plc/documents>

³³ The Human Freedom Index, 2021: The HFI is a global measurement of personal, civil and economic freedom covering 165 jurisdictions for 2019, the most recent year for which sufficient data are available. This accounts for 98.1% of global population and provides a human freedom rating from 0 (least freedom) to 10 (most freedom) based on geographic location