



2023

ESG Annual Report

GROVE
VENTURES

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Grove Ventures

Grove Ventures specializes in early-stage technology investments with a focus on cutting-edge technologies.

Our team of experienced investors has a proven track record of identifying and supporting the most promising startups that are shaping the future of technology.

We are dedicated to helping entrepreneurs turn their ambitious ideas into successful businesses that will drive the next wave of innovation.



\$514M

Under Management



31

Active Portfolio Companies

October
2017

Grove I

\$110M

January
2020

Grove II

\$123M

January
2022

Grove III

\$185M

August
2022

Opportunity

\$56M



Grove Ventures An Early-stage Pioneer

We are
investing in the
deep future.

We invest early in visionary founders who are trying to change the world, and are developing technologies for the betterment of humanity.

Our founders are leaders who see into the future, and our portfolio companies are reshaping entire industries.



Luminescent





General Partners

With decades of collective experience, our general partners are dedicated to providing the strategic guidance and operational support necessary to help our portfolio companies succeed.

Our combined experiences, global network, and domain expertise – particularly in the energy and climate sectors – provide us with an unparalleled-and-‘unfair’ advantage in energy and climate investments, allowing us to invest in the best technology-driven sustainability companies.



Dov Moran

MANAGING PARTNER

Williot, Neuroblade, CommonGround, TriEye, Ramon.Space, Tingo, QuantumSource, Stealth Startups

Founding Partner

Grove Ventures

Founder & CEO

M-Systems
(Inventor of the USB Flash Drive)

Chairman

Tower Semiconductor

Bsc Electrical Engineering & Doctor of Honor

Technion



Lior Handelsman

GENERAL PARTNER

Teramount, Datorios, Mirato, NoTraffic, Protai, Unifabrix, Luminescent, Vocai, Stealth Startups

Founder, VP Marketing & Product Strategy

SolarEdge

Served 11 years in Unit 81

IDF's top technology unit

Bsc Electrical Engineering & MBA

Technion



Renana Ashkenazi

GENERAL PARTNER

Nucleai, OneLayer, Deepchecks, Ramon.Space, Navina, Teramount, Opmed, Stealth Startup

Product Group Manager, Global Product Marketing Manager

Applied Materials

Served in Unit 8200

IDF's top intelligence unit

Bsc & Msc in Electrical Engineering

Tel Aviv University and Northwestern



Lotan Levkowitz

GENERAL PARTNER

ActiveFence, Lumigo, Navina, env0, Wing, Stealth Startups

Founding Partner

Grove Ventures

Director BizDev

Comigo

Served in the Israeli Airforce's elite

Technology intelligence

LLB in Law & BA in Business

Hebrew University



Our Investors

Grove Ventures' investors include a mix of global and domestic financial entities, strategic partners and global family offices. Our LPs in the USA, Europe, Asia, and EMEA are all greatly committed to sustainable investments.

- Our LPs take great pride in supporting Grove Ventures and its portfolio companies in their efforts to drive forward sustainable solutions that address some of the world's most pressing challenges.
- Together with our investors, we demonstrate a commitment to ethical business practices and social responsibility.
- With the support of such esteemed partners, Grove Ventures is well-positioned to continue driving positive change and shaping the future of sustainable technology.

Team

With decades of accumulated experience, our team is dedicated to providing the strategic guidance and operational support necessary to help our portfolio companies succeed.



- Our team is composed of highly skilled and experienced professionals, who proudly carry the fund's values and ESG commitment, both in their personal volunteering activities, as well as throughout Grove's investment activity.
- The Grove Ventures team is committed to offering invaluable strategic counsel and hands-on assistance, essential for steering our portfolio companies forward. By marrying our extensive industry knowledge with a proactive approach to operational support, we ensure that our investments not only thrive financially but also make significant strides towards advancing social responsibility goals.
- Together, we are best positioned to allocate capital towards the most promising ventures poised to make a meaningful impact on both markets and society.



Grove Ventures

Mission & Key Values

People First, Creating Value



People

- We strive to work with the best professionals in the world.
 - We view people as our biggest asset, both in the fund and in the companies in which we invest in.
-



Value

We create value in three major ways:

- By investing in companies that solve real and important problems in the world.
- By serving our portfolio companies and helping them to grow and prosper.
- By supporting our LPs and connecting them with the most cutting-edge technologies and companies in Israel.

Our Vision

We support companies that can become a **key driver for profound changes** in our society.

Our Mission



To maximize returns through our investments.



To attract and retain top talent in the fund, and in our portfolio companies.



To ensure compliance with best practices in ESG standards.



Grove Ventures

Mission & Key Values

In our journey to deploy our guiding principles, we have embraced international PRI standards

01



We will incorporate ESG issues into investment analysis and decision-making processes.

02



We will be active owners and incorporate ESG issues into our ownership policies and practices.

03



We will seek appropriate disclosure on ESG issues by the entities in which we invest.

04



We will promote acceptance and implementation of the Principles within the investment industry.

05



We will work together to enhance our effectiveness in implementing the Principles.

06



We will each report on our activities and progress towards implementing the Principles.



wiliot



NeuroBlade



TRIEYE



nucleaï



deepchecks.



ActiveFence



navina



env0



lumigo



Teramount



vocai



Protai



ONELAYER



RAMON.SPACE



MIRATO



Datorios



NOTRAFFIC



tingo



Unifabri



Quantum Source



COMMON·GROUND



Luminescent



wing



PARTICULA



Opmed.ai



STEALTH STARTUP (WEB3)



STEALTH STARTUP (HEALTH)



STEALTH STARTUP (SAAS)



STEALTH STARTUP (SAAS)



STEALTH STARTUP (SAAS)



STEALTH STARTUP (BIOTECH)





Grove Ventures

ESG Policy - Our Guidelines



General guidelines for responsible investment

Exclusion of companies involved in tobacco products and controversial weapons

No investment in companies that fail to observe conventions adopted by international organizations and ratified by the jurisdiction in which investment takes place

No investment in countries subject to financial sanctions from the EU and the UN



Climate & environment policy

No investment in coal production

Commitment to reduce carbon emissions and apply best standards for responsible consumption and production



Social Policy

Commitment to seek out investment opportunities in Gender Equality and Diversity

Commitment to ensure good health and well-being, to equal opportunity and to zero-tolerance approach to discrimination of any kind



Governance & remuneration

Commitment to strong ethics in governance and against corruption and unethical behavior

Commitment to ensure remuneration and compensation packages are aligned with long-term value creation within the company

Commitment to fostering appropriate risk culture

Commitment to seeking out startups which can change the world for the better, and to provide us all a better future.

For the complete Grove Ventures ESG Policy, please refer to our website: www.grovevc.com/esg



Grove Ventures

ESG Policy - Our Guidelines

ESG is knitted into Grove Ventures' investment process

Before deciding to invest

ESG due diligence is a core element of every investment committee in Grove Ventures:

- Before the decision is made, we analyze the investment opportunity according to predetermined ESG criteria
- If the opportunity contradicts our core values or if it doesn't pass our minimal threshold, we will choose not to invest

In the term sheet

- We incorporate an ESG clause in each term sheet we offer to our prospective portfolio companies
- The ESG clause is fundamental to our terms

In the portfolio

- We assist each of our portfolio companies to develop an official ESG policy
- We review our portfolio companies once a year and assist them in adhering to ESG standards

ESG integration

PRE DEAL

Vision Strategy Governance

01

- Adhering to ESG principles
- Integrating ESG factors into the investment process
- Promotion of ESG standards

ESG Due Diligence

02

- Checklist to screen ESG risks
- Exclusion list
- ESG due diligence

Deal Execution

03

- Discussions of the ESG findings presented in the investment memorandum

POST DEAL

Agreement

04

- Defining impact objectives
- ESG clause in the term sheet

ESG Monitoring

05

- Annual portfolio ESG review
- Supporting portfolio companies in implementing their own ESG policy

ESG Disclosure

06

- PRI signatory reporting
- Annual ESG report
- Encouraging investees to report on ESG issues

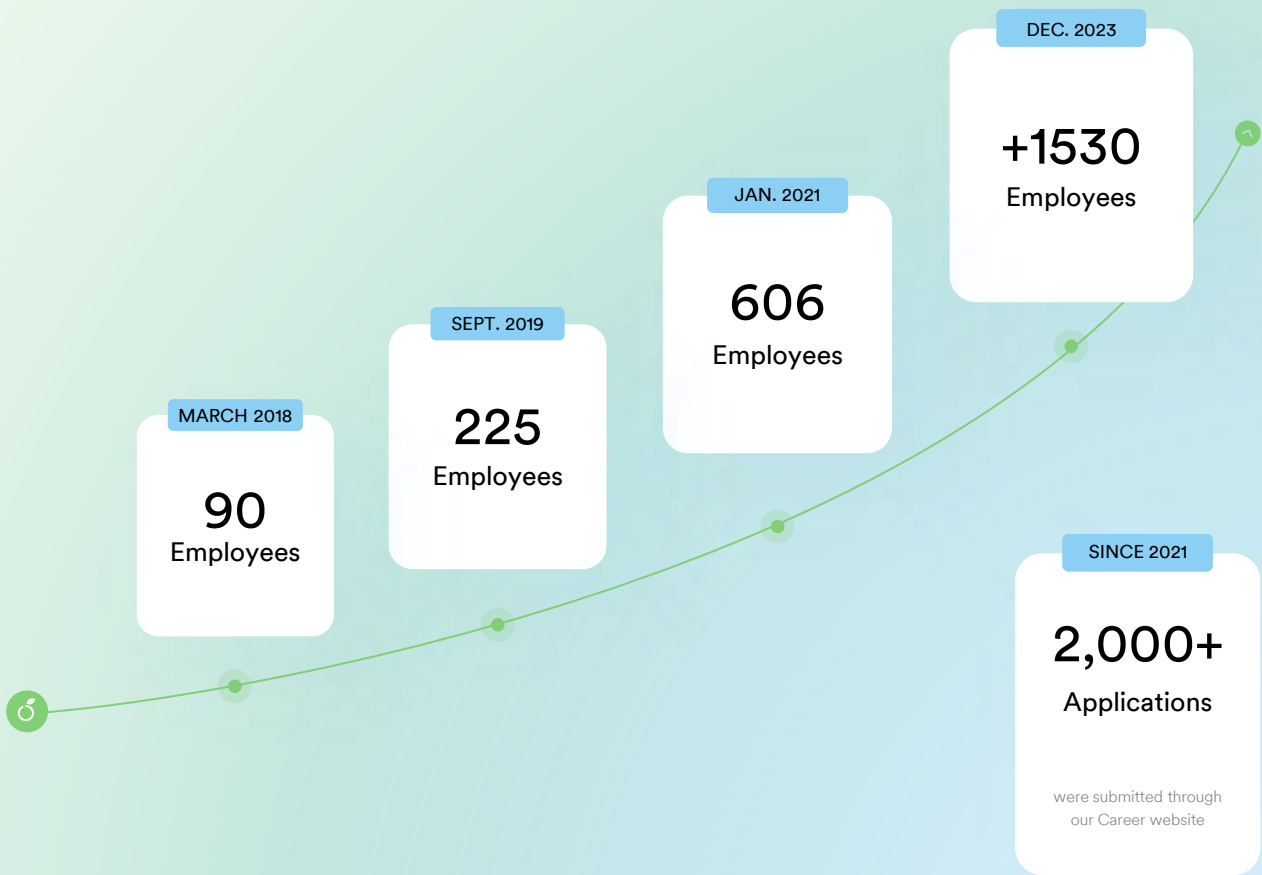


Grove Ventures in practice



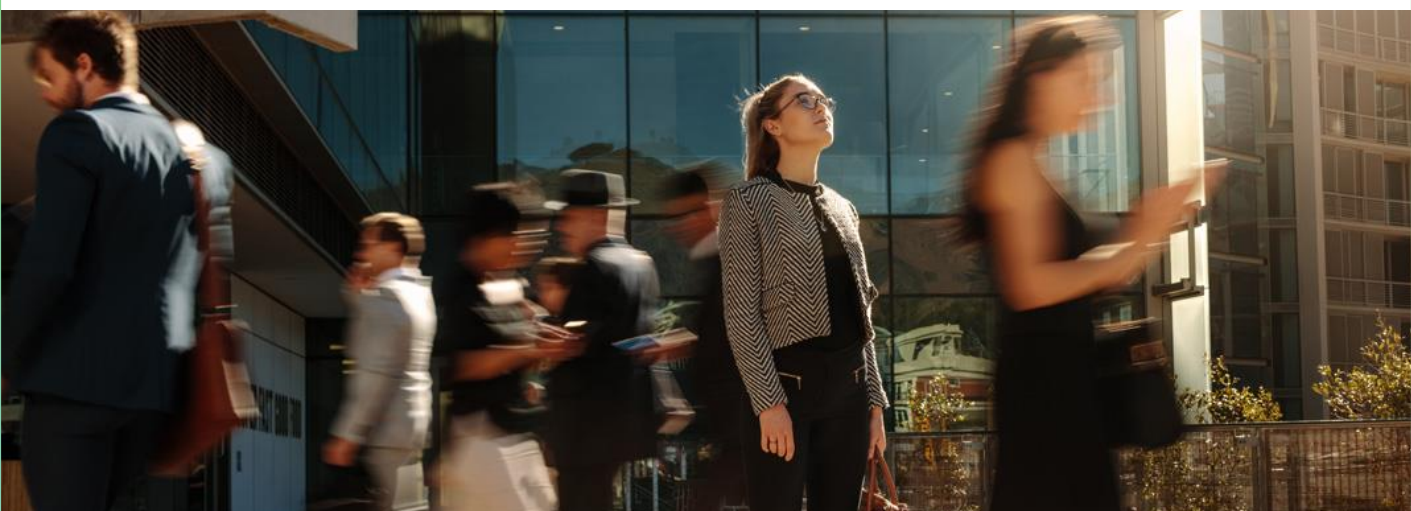
+1530 Direct Jobs Created

All with full commitment to promise superior quality of life





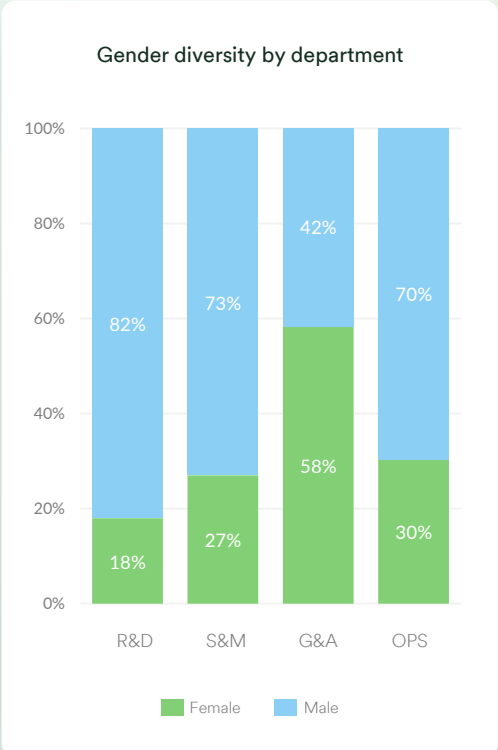
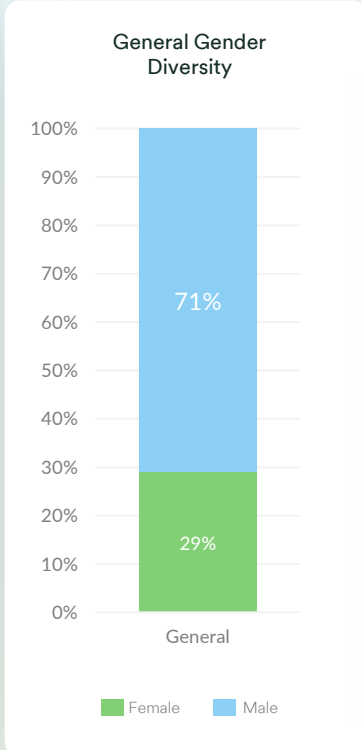
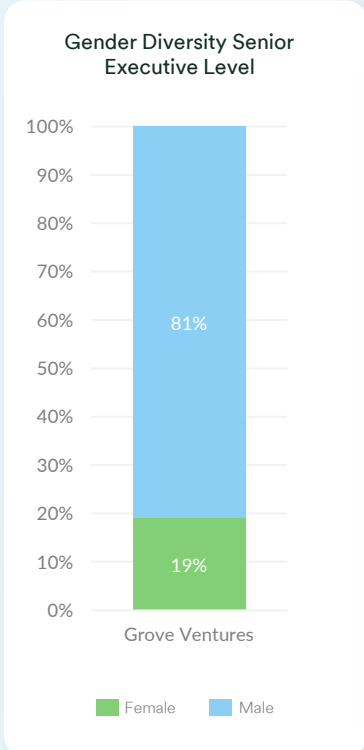
Grove Ventures in practice



Diversity

42% of Grove Ventures' senior management team is comprised of women

Portfolio : supporting diversity in our portfolio



Grove Ventures in practice



Society

We regularly donate to Israeli NGOs to support social causes

Some of the leading programs we donate to:



Atidim

Atidim is working to create a healthier, stronger, more tolerant society, through striving for excellence, equality and shared opportunities for talented young people from every background, throughout the country.



Matan – Investing in The Community

Matan Investing in the Community is a social organization developing partnerships which invest in the community by bridging between the business world and societal needs. In 2023, Matan was collecting donations for the victims of Swords of Iron War in Israel and for emergency humanitarian aid.



Grove Ventures in practice

Volunteering and community building initiatives driven by grove ventures

Grove Ventures is a leader within the Israeli community, and we regularly initiate and participate in a variety of volunteering activities, with the intention of spreading prosperity, knowledge, inclusion and diversity.



These are just some of the different activities we led and participated in during 2022

Building more sustainable, climate-focused startups

PLANETech Investors Alliance – General Partner Lior Handelsman led the investor alliance to push the local climate ecosystem forward.

8200 and 81 Units Climate Hackathon (Aclimathon) – General Partner Lior Handelsman joined as a judge in the prestigious event, and Senior Associate Tal Abuloff mentored the winning team.

Calcalist Climatech Event | Pearl Cohen Climatech Event | The Climatech Roadshow Gala – General Partner Lior Handelsman joined as a keynote speaker in these leading industry events to promote the local climate tech ecosystem.

Advancing social & public welfare

ImpACT365 – Managing Partner Dov Moran took part as a mentor in the 2023 innovation marketplace by the Peres Center for Peace and Innovation.

Place-IL – General Partner Lotan Levkowitz volunteered at this non-profit tech initiative to promote the hiring of underrepresented populations in leading Israeli startup companies.

8200 and 81 Units Health Hackathon – General Partners Lior Handelsman and Renana Ashkenazi joined the hackathon's judges panel.

October 7th relief efforts

Next October – Born from the tragedy of the October 2023 War, this organization's mission is to transform grief into progress by creating over 1,500 startups, each commemorating the brave souls we lost.

MATAN – Investing in the Community Israel – The fund donated to support at-risk youth from the war zone in the southern part of the country on the border with Gaza.

Supercharging local innovation

The Israel Conference | ReStart London – Managing Partner Dov Moran was a keynote speaker at both.

IATI – The fund joined this leading nonprofit association which aims to foster business certainty and stability for advancing Israel's tech industry.

Supporting female founders

Yazamiyot's Most Promising Entrepreneur Contest – Senior Associate Tal Abuloff joined the panel as a judge.

Power in Diversity Report and Event – the fund took part in this joint venture of over 75 Israeli VC firms and over 200 Israeli start-ups, coming together to promote diversity and inclusion in the Israeli tech ecosystem.

Nurturing tomorrow's leaders

Student Delegations – The fund hosted young entrepreneurs' delegations of students from leading universities such as HLS, HBS, INSEAD, TECHNION, TAU, HEBREW U, WEIZMAN, IDC, and others.

Science Abroad – Managing Partner Dov Moran and General Partners Lotan Levkowitz and Renana Ashkenazi joined the organization's mentorship program to train PhDs to the tech industry.

And much more...



Grove Ventures in practice





Corporate Governance

At Grove Ventures

Good corporate governance is fundamental to Grove Ventures' business model. In addition to implementing best-in-class corporate governance structures and mechanisms across our portfolio companies, Grove Ventures is compliant with international best practices.



Management

Grove Ventures' management team meets on a weekly and monthly basis to consider matters as required under law, and to review the operations and performance of the fund, including, but not limited to portfolio reviews; Remuneration Meeting - setting policy on Grove Ventures' overall human resources strategy and the remuneration of senior management; and an Audit Meeting - to assist with corporate governance and oversight responsibilities in relation to financial reporting, internal control and audit.



External audits

The external auditors assess the transparency, accuracy and reliability of both the firm's financials and those of its funds under management. External auditors appointed for 2023 were Ernst & Young for Grove I, Grove II, Grove Opportunity, SPV's and 2 out of 3 management firms (Mata Hightech and Mata Ventures) and PWC as the Auditors for the Grove III and 1 out of 3 management firms (Mata 3)

Auditors' Responsibility is to express an opinion on financial statements based on generally accepted auditing standards in Israel, including those prescribed by the Auditor's Regulations (Auditor's Mode of Performance), 1973. Those standards require that the audit will obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by the General Partner, as well as evaluating the overall presentation of the financial statements.



Compliance

Grove Ventures has a strong culture of compliance, based on international standards of governance and control. Grove Ventures ensures that all staff operate according to its compliance policies, which emphasize the importance of integrity, confidentiality and avoiding conflicts of interest, all in line with:

Cayman Regulations - On February 7, 2020, the Cayman Islands adopted the Private Funds Act, 2021 ("Act"). The Act sets out requirements for the registration of funds with the Cayman Islands Monetary Authority, bringing funds within the scope of a regulatory regime, effective from August 2020. Accordingly, Cayman funds are, among others, required to have its annual FS signed by a Cayman auditor.

FAR - the FAR collects year-end financial, identification and other general information on regulated funds. The data obtained from the FAR forms the basis for the information contained in the Annual Investments Statistical Digest. Operators of all funds regulated under the Private Funds Act are responsible for the completion and submission of the FAR to the Authority. Some of the information will likely come from the annual audited financial statements.

CRS & FATCA reporting - The Cayman Islands has entered into (i) a Model 1(b) (non-reciprocal) inter-governmental agreement with the United States (the "US IGA") to give effect to the US Foreign Account Tax Compliance Act ("FATCA") to improve international tax compliance, and (ii) a multilateral competent authority agreement (the "MCAA") to implement the OECD Standard for Automatic Exchange of Financial Account Information – Common Reporting Standard (the "CRS") (the US IGA and the MCAA are collectively referred to as the "IGAs"). That legislation has been passed to give effect, as a matter of Cayman Islands law, to the registration, due diligence, and reporting requirements of the IGAs (the legislation is referred to herein as the "FATCA Regulations" (which give effect to the US IGA) and the "CRS Regulations" (which give effect to the CRS and collectively are referred to as the "AEOI Regulations").

For the purposes of compliance with the FATCA regulations, the fund is required to:

- a. Obtain a Global Intermediary Identification Number ("GIIN") by registering with the US Internal Revenue Service ("IRS").
- b. Authorize a person to act as the "principal point of contact" (the "Principal Point of Contact") with the TIA for the purposes of US FATCA;
- c. Notify the TIA of its status as a Reporting Financial Institution, its GIIN and the details of its Principal Point of Contact;
- d. Make self-certifications where required in accordance with the US FATCA Regulations; and
- e. Identify accounts held directly or, in certain circumstances, indirectly by "Specified U.S. Persons", and report certain information on such Specified U.S. Persons to the TIA, which will exchange such information annually with the IRS.



For the purposes of compliance with the CRS regulations, the fund is required to

- a. Notify the TIA of (i) an individual who it has authorized to act as the Principal Point of Contact for the purposes of the CRS; (ii) its status as a Cayman Islands Reporting Financial Institution including its type(s) under paragraph A of section VIII of the CRS; and (iii) an individual ("PPOC Change Notifier") who it has authorized to give change notices in relation to the Principal Point of Contact;
 - b. Make self-certifications where required in accordance with the CRS Regulations;
 - c. Identify accounts held directly or, in certain circumstances, indirectly by certain "Reportable Persons", and report certain information on such Reportable Persons to the TIA, which will exchange such information annually with the relevant foreign fiscal authorities; and
 - d. Establish written policies and procedures to comply with sub-paragraphs (a) to (c) (together, the "Written Policies and Procedures").
- a. Form ADV – the Securities and Exchange Commission (SEC) requires all professional investment advisers to submit SEC Form ADV. This form specifies the investment style, assets under management (AUM), and key officers of an advisory firm. This form must be updated annually, and it must be made available as a matter of public record for companies that manage funds in excess of \$25 million.
 - b. AML – The Anti-Money Laundering Regulations, 2017 (the "Regulations") came into force on 2 October 2017 and repealed the prior money laundering regulations. The Regulations and PCL both permit the creation of guidance in order to assist in the implementation of procedural obligations. The Guidance Notes on the Prevention and Detection of Money Laundering and Terrorist Financing in the Cayman Islands (the "Guidance Notes") were first issued in 2001, by the Cayman Islands Monetary Authority ("CIMA") and local professional associations. The Guidance Notes were last updated in September 2015, and are currently under review to align them with the new Regulations.



What do the regulations require?

Essentially, Regulation 5 of the **Cayman Islands Anti-Money Laundering Regulation** provides that a financial services provider, carrying out relevant financial business in or from the Cayman Islands, cannot form a business relationship or carry out a oneoff transaction, with or for another person unless they:

(a) Maintain the following procedures as appropriate, having regard to money laundering and terrorist financing risks and the size of the business, including:

(i) The identification and verification ("**KYC and due diligence**") of the applicants for business of the Company, and where applicable and required, the beneficial owners, controlling persons, authorized persons and intermediaries acting on behalf of such applicants for business ("**Customers**");

(ii) The adoption of a risk-based approach to identify, assess and determine the level of money laundering and terrorist financing risks in relation to the Customers and the business relationship, including procedures for forming the business relationship prior to verification;

(iii) Record keeping in relation to the identification and verification of Customers of the Company and transactions effected, including business records and account files;

(iv) Internal controls and communication for the ongoing monitoring of business relationships with Customers of the Company, including sanctions and noncompliant jurisdiction checks, and an internal audit function to assess and test the Procedures; in order to comply with AML requirements Grove Ventures hired an external contractor – Tzur, which conduct all the required procedures



Conflict of Interests

For each fund managed by Grove Ventures, the GP appoints an advisory committee comprising a minimum of three members, all of whom will be representatives of the limited partners.

The primary role of the advisory committee for each fund, consisting entirely of LPs' representatives, is to provide counsel to the GP on potential conflicts of interest that the GP brings to their attention.

Despite this guidance, the GP maintains the ultimate legal authority for all decisions concerning the operation and management of each fund.

- Without Advisory Committee approval, the Partnership cannot invest in entities where the GP or Existing Funds have pre-existing direct ownership interests, with certain exceptions for existing Portfolio Companies or their Affiliates;
- The GP is restricted from investing in Portfolio Companies for their own accounts, except under specific circumstances;
- Without Advisory Committee approval, the Partnership cannot acquire or sell interests in entities to Existing or Successor Funds. The GP must make all investment opportunities available to the Grove III Funds within specific guidelines, except for certain exclusions or allocations determined by the GP, which must be communicated to the Advisory Committee if not allocated equally.



External Advisors And Contractors

Grove's Advisory Board will represent the interests of all the LPs in the fund. According to the Fund's terms, the advisory board will include at least three members involved in any situation where there is a potential for a conflict of interest in the fund activity.

GROVE VENTURES COMPLETE ESG POLICY

WWW.GROVEVC.COM/ESG





2023

ESG Annual Report



[Contact Us](#)

esg@grovevc.com

Contact us to learn more about Grove Ventures ESG and sustainable investing strategy