

The background of the page is a faded, light-colored image of a city skyline with several palm trees in the foreground. The text is centered over this background.

**RED RIVER WEST'S  
CORPORATE SOCIAL RESPONSIBILITY  
AND ESG APPROACH**

**DECEMBER 2021**

## DISCLAIMER

RRW is a French portfolio management company approved by the Autorité des Marchés Financiers (“AMF”) under number GP-21000013 pursuant to the directive 2011/61/UE (the “AIFMD”) (the “Management Company”).

This note and the information contained herein (together the “Presentation”) relate to an alternative investment fund (“AIF”) that is structured as a professional specialized fund (fonds professionnel spécialisé – “FPS”) under the form of a French limited partnership (société de libre partenariat – “SLP”) managed by the Management Company and referred herein below as “RRW II Growth”. This Presentation does not constitute and is not intended to constitute an offer of securities and accordingly should not be construed as such.

This Presentation provides a high-level summary only and does not define the terms and conditions relating to RRW II Growth which will be included in the definitive legal documentation and other materials and agreements for RRW II Growth. No legally binding terms are created herein or shall be created until definitive documentation is executed and delivered in accordance with any applicable law.

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## At GP Level: RRW SAS

### 1. General

RRW is a responsible investor. Our team had from the start a strong drive to invest and operate by undertaking a responsible corporate citizenship attitude. Our fund RRW II Growth SLP is now operating under Article 8 of SFDR regulation. It promotes environmental or social characteristics but does not have as its objective a sustainable investment.

RRW II Growth is a young French growth venture fund with a native US cross-border hands-on thesis. We invest at Growth stage in the best European startups to help them achieve US and Global successes in a sustainable way. Said differently, we're backing the New World. The New World is not only the way Europeans have been describing the US, but it's also the world of technology and innovation and finally, we believe it's also a world where sustainability is a key success factor.

RRW was founded in 2017 by two French Serial entrepreneurs who successfully took their company to the US and Groupe Artémis (Pinault Family). We want RRW to grow as a leading European VC for international growth and global, sustainable success. We are fully convinced that integrating environmental, social, and corporate governance ("ESG") in all aspects of our organization - investment strategy, operating support and reporting - is key to our performance as a leading cross-border Tech investor.

We believe that a number of solutions for the future of our societies will come from Tech entrepreneurs; both (i) Tech segments & models and (ii) our Europe to US cross-border investment differentiated strategy present large opportunities to serve ESG global concerns. The deployment of these solutions at a large scale and internationally will ensure a real impact.

For Tech to yield positive and sustainable outcomes for society, it is essential to ensure that ESG risks, opportunities and impacts are fully understood and shared with entrepreneurs and embedded in their development and scaling plans. It is core to our role as Lead venture investors.

Below 8 criteria relative to RRW's Corporate Social Responsibility and commitment to Ethical Tech.

Who we are The Red River West way	How we do things Sustainable Tech	Our commitment to Ethical Tech
<p><b>Exemplarity.</b> Adopt ethical and transparent governance standards and exemplary behavior in terms of how we manage RRW's direct environmental and social impact.</p> <p><b>Ambition.</b> Build a competent and passionate team, convening talents of different background and profiles around the ambitious RRW project.</p> <p><b>Common values.</b> Ensure the entrepreneurs who we partner with adhere to RRW's values and ethical principles.</p>	<p><b>Sustainable growth.</b> Support entrepreneurs in the improvement of their sustainability practices.</p> <p><b>Positive contribution.</b> Promote and support the scaling of our portfolio start-ups' positive and sustainable impacts.</p> <p><b>Network.</b> Encourage knowledge and experience sharing within RRW's wider network of entrepreneurs, subject-matter experts, and other inspiring business figures.</p>	<p><b>Ethics.</b> Promote a strong focus on the ethical nature of the Tech sector and of solutions proposed by RRW start-ups.</p> <p><b>Give back.</b> Support and spread the principles of an ethical Tech to foster the large-scale emergence of solutions for the future.</p>

#### a. Overview of our ESG policy

Since its inception, RRW has developed ESG initiatives at GP level and as an investor to integrate ESG considerations throughout its investment activities, e.g. by producing from day one an ESG report.

RRW has worked with PwC to take its ESG efforts to the next level by assisting in the definition and set up of an ESG Policy. Together we have designed a 3-year roadmap and formalized a frame to further integrate ESG and ethics within RRW's activity and investment strategy.

Key initiatives materialized over 2021 include:

- We assigned the responsibility of the Sustainability Lead to a Partner and created an ESG Committee
- We welcomed Dan Vogel as our ESG Operating Partner – see profile below. Dan is assisting RRW circa 1 day/month to bring forward our ESG roadmap
- We further formalized ESG into our investment process, e.g. with an ESG assessment in all our investment memoranda

- We explored and benchmarked numerous resources and methodologies; contributed to different peer working groups around ESG topics, eg with France Invest, France Digitale, ESG Venture, UNPRI ; we also took part to our sponsor Artemis' structured process of DPEF (*Declaration de Performance Extra Financière*) in 2021
- We decided to structure and focus our actions and network of resources around 3 key pillars being (i) Carbon Transition, (ii) People Well-being and (iii) Tech Ethics

Our mid-term goal is to strengthen our network of ESG advisors and experts ("Operating Platform") to bring strong ESG support to our portfolio companies on RRW II Growth. We plan to dedicate part of RRW II's carried interest for such profiles.

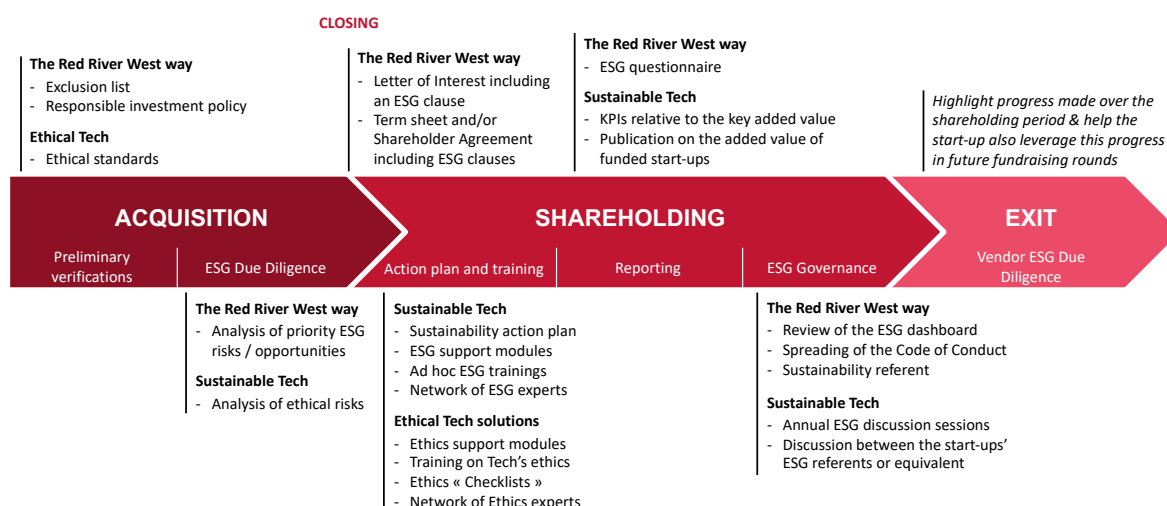
## b. About our ESG report

RRW's ESG Annual Report provides i) a summary of ESG initiatives taken by RRW as an investor and as a company and ii) a portfolio analysis based on ESG questionnaires results.

RRW is presenting ESG commitments and achievements to its LPs at least once a year at the Annual Meeting.

## c. RRW's objectives in terms of ESG integration and policy statement

As part of the ESG 3-year roadmap defined with the assistance of PwC, we will further integrate ESG concerns and initiatives throughout the entire investment process, from sourcing to exit. The scheme below summarizes the key steps of ESG integration which are discussed in further details in the following questions.



## d. Charts signed by the management company

RRW is a member/ signatory of the following associations/initiatives and commits to their standards in terms of responsible investment practices.



RRW is a member of France Invest, the French Private Equity Association and commits to its code of conducts.

RRW is also a signatory of its Gender Parity Chart and joined its commission Diversité.



RRW is a signatory of the SISTA initiative that promotes more diversity in the digital economy by encouraging more investments in businesses led by women. In 2021, part of the team has followed an Introduction to Diversity VC Standard (an assessment and certification process that sets a benchmark for best practice on Diversity and Inclusion).



RRW is a signatory of the United Nations Principles for Responsible Investment since its inception.

## 2. Team

### a. RRW team's organization regarding ESG

As of December 2021, our ESG Committee has been created and is chaired by Dan Vogel.



#### **Dan Vogel**

**ESG Operating Partner & President of the Mgt Company ESG Committee (circa 1+ day/ month)**

Based in Paris; 30+ years in tech

Co-Founded the Global Software Leader in ESG that he ran and scaled for 17 years

Now Investor, Advisor, Board Member in Scale-Ups, Incubators and Funds supporting ESG

Dan is our ESG Operating Partner at RRW.

Dan is the co-founder of Enablon, the first Global Software provider in Environment and Safety. Dan was CEO and chairman until its acquisition in 2016.

2000-2016: Co-Founder, CEO and Chairman of Enablon, First ESG Software proposition worldwide. Enablon, incorporated in France, is the First Global Software provider in ESG. Company sold in 2016 to Wolters Kluwer.

Dan is now an Investor, Board Member, Advisor and Coach for Startups enabling Global Sustainable Developments.

Internally, we have no dedicated ESG employees at this stage. The sustainability subjects are led by our partner Camille Lacourt Munier with contribution of each and every members of the team, per their expertise and specific interests, across all the Company's functions and geography.

Also, to be noted that we are currently working on strengthening our capacity to source deals with impact potential by integrating Impact criteria in our Proprietary Automated Sourcing Tool.

Besides, our LP and Sponsor Artémis has a rich track record in supporting global sustainable leaders (eg. Kering, Ponant). As an illustration, Kering ranks in the top 10 most sustainable companies in the world (Corporate Knights' 2021 Global 100 index).

### b. Remuneration policy and ESG criteria

We intend to integrate ESG criteria in determining the bonuses of the investment team's members further-on, as detailed and formalized on RRW Remuneration Policy procedure.

We plan to dedicate part of RRW II's carried interest to further add ESG expertise within RRW Operating Platform.

## At Fund Level: RRW II Growth

**Important notice: please note RRW II Growth has no investment realized as of 31 December 2021**

**RRW II Growth is registered under Article 8 of SFDR. It promotes environmental or social characteristics but does not have as its objective a sustainable investment. Please note below references to the Sustainable Development Goals are illustration only of our reflexions on how our core sectors and business models can serve ESG global goals; we have no commitment that RRW II Growth portfolio will fit those objectives.**

### **3. Integration of ESG at all steps of the investment cycle**

#### **a. Exclusion Policy**

RRW II Growth has an exclusion policy in place. The Team naturally refrains from investing in a number of sectors agreed upon with its LPs based on ESG structural concerns. More importantly, “Tech for Good” or “UN Sustainable Development Goals” criteria are a clear plus when weighting investment criteria. To illustrate our approach, please refer to below *Table: Why the Tech segments and business models we target present opportunities in serving ESG global concerns.*

#### **b. Due Diligence**

An ESG assessment is systematically made by the Team in the course of the due diligence. When needed, RRW will rely on the assistance of PwC and ESG experts of its ESG Committee and Operating Platform to analyze the ESG risks and opportunities of investment targets as well as their ethical risks. We also intend to systematically formalize the commitment regarding an ESG roadmap (to be agreed upon with the founders and management team) through an ESG clause in our TS and shareholders’ agreement.

#### **c. Holding period**

RRW wish to further foster the implementation of an ESG approach in portfolio companies. Our commitments in this regard include:

- Analyze ESG and ethic potential risks and opportunities
- Define/ refine a Sustainability action plan for the holding period
- Define/ refine tailor-made KPIs and the frame of a yearly reporting
- Agree on a dedicated yearly meeting to discuss and support ESG developments
- Facilitate access to ESG experts, to fully support our entrepreneurs on their key ESG challenges and opportunities

#### **d. Exit**

We plan to integrate ESG at this level by highlighting progresses made by the portfolio company during shareholding period and helping the company to leverage those progresses in future fundraisings too.

### **4. Stewardship during Holding period**

#### **a. Frequency of meetings fully dedicated to ESG with the portfolio companies**

RRW will promote a yearly meeting/ working session to focus on ESG. Besides, ad-hoc meetings may be organized throughout the year to discuss concrete initiatives and tools that are relevant to each of our portfolio company.

#### **b. ESG data collection with the portfolio companies**

RRW will submit an annual survey to its portfolio companies.

#### **c. Influence on portfolio companies regarding ESG during the holding period**

We plan to promote ESG within our portfolio companies and progressively improve our ESG management policy notably through:

- ESG related discussions with management ahead of any investment
- The inclusion of ESG clauses in the investment cycle’s documentation (LOI/ TS, Shareholders’ agreement)
- The definition of tailor-made KPIs and the design of a yearly reporting highlighting the most relevant KPIs and presenting progress versus roadmap
- The support of ESG experts
- A yearly ESG dedicated meeting/ working session

## 5. How ESG can create value in our portfolio companies

Our team is convinced that ESG can help portfolio companies create value, by avoiding risks, aligning interests (governance best practices) and also in a very direct way by targeting new social and environmental opportunities that solve ESG concerns.





On the **Governance aspects**, we believe it is absolutely core to our mission as a professional shareholder, and in particular with RRW positioning as a Lead investor. On that aspect, RRW will pay special attention to ensuring significant value creation sharing/ stock-options plans in its portfolio companies; additionally, we typically organize for each of our portfolio company its pairing with an Advisor (that may become an Independent Board Member) with the potential to profoundly impact the trajectory of the portfolio company. RRW is typically leading the search and onboarding of such advisor.

Additionally on the **Environmental & Social aspects**, we believe that the Tech segments and business models we target have the largest opportunities in serving ESG global concerns; therefore, there are many opportunities for our portfolio companies to explore ESG improvements that can drive value by answering some of the most pressing needs of our times and contributing to shape a more desirable future.

Please find below developments/ illustrations on Why & How the Tech segments and business models we target can present ESG development opportunities. Please note we use the Sustainable Development Goals as an illustration only of our reflexions, but have no commitment that RRW II Growth portfolio will fit those objectives.

### Core Segments

Our strategy is to invest in mature companies with high growth potential, in the most promising tech and digital segments, including Cloud & Big data, Future of Work, Martech, Media & Entertainment, E-commerce and Fintech. Our core segments present large opportunities for breakthroughs in energy efficiency, cost-saving, effective use of resources, and sustainability performance.

Core Segment	Sustainable Development Goals	Growth driver illustration	ESG Impact
Cloud & Big Data		Big data is the #1 tool for supply chain analysis and disruption in Emission Reduction Strategies (sourcing cost-modeling, inventory waste management, smart transportation).	On average supply chains account for 80% of large companies' carbon emissions and 90% of their impact on air, land, water, ecosystems, biodiversity, and geological resources.
Fintech	 	Amid soaring demand for ESG assets (\$45 tn in 2020), financial institutions and financial advisors are looking to Fintech solutions to boost their ESG offerings and serve their clients' needs. The Fintech market for serving disenfranchised communities is estimated at around \$190 bn.	58% of investors expect sustainable investing to become the standard approach to investing in 10 years. The Fintech revolution is playing a crucial role in fueling social change by accelerating social inclusion and providing capital and economic empowerment tools to 3 billion people who still lack access to traditional financial and banking solutions.
Future of Work		ESG is increasingly employed as a Workforce strategy. Companies that attract the best talents have ESG score 25 percent higher than the global average and produce lower emissions than global average employers.	While World Economic Forum projects that revolution technologies will require reskilling more than 1 billion people by 2030, The International Labor organization estimates that the occupational skill needs of the transition to energy sustainability will create nearly 78 million jobs for 71 million jobs destroyed.

Sources include:

(1) McKinsey 2016 "The big-supply-chain analytics landscape" & "Sustainability in supply chains"

(2) Fintechfutures.com April 2020 "Sizing up the financially underserved market"





<https://www.ubs.com/content/dam/ubs/microsites/ubs-investor-watch/IW-09-2018/return-on-value-global-report-final.pdf>

(3) ILO Report: Skills for a Greener future; WEF report: Why we need a global reskilling revolution; Sustainalytics: The future of human capital



### Core Business Models

The business models we aim to champion provide scale to solutions to global challenges while reconciling financial, social, and environmental returns.

Business solution	Sustainable Development Goals	Growth driver illustration	ESG Impact
SaaS		SaaS solutions provide businesses with the most cost-effective tools for greenhouse gas reduction from carbon risk analysis to carbon inventories and forecast pathways.	With 1400 large companies in the world seeking to automate carbon optimization, the estimated Total Available Market for carbon transformation SAAS platforms is estimated at \$2.1tn.
Marketplace		Commitments issued by large corporations spanning every industry have led to the boom of marketplaces for carbon offsets and carbon removal.	There are now 61 carbon pricing initiatives in place or scheduled for implementation around the world, according to the World Bank, covering around 22 percent of global emissions.
Direct-to-consumer ("DTC")		The wide majority of Eco-friendly consumer brands use DTC as their primary commercialization strategies. Meanwhile scores of mainstream brands are deploying DTC strategies to introduce earth-friendly products.	While Millennials account for the bulk of the direct-to-consumer demographic, 73% signal a preference for buying directly from brands due to increased transparency with respect to pricing, and social and environmental practices.
Subscriptions		Due to the nature of their solutions, refillable, circular, reusable models for consumer products and other sustainable goods (plastic waste replacements) are subscription-based businesses.	From packaging and containers to take-back applications in fashion, refillable, reusable and take-back models are fueling innovation in the circular economy, which itself could tackle up to 45% of 45% of greenhouse gas emissions.

Sources include:

(1) [Tech Crunch article](#): SaaS startup and carbon reporting

(2) [Ecosystem Marketplace](#): 2021 EM Carbon Survey

(3) [Article](#): Sustainability and DTC

(4) [Innovation report](#): Rise of reusable and refillable models; [Article](#): 10 circular economy business models; [Long-form](#): 7 Ways the circular economy will grow in 2020