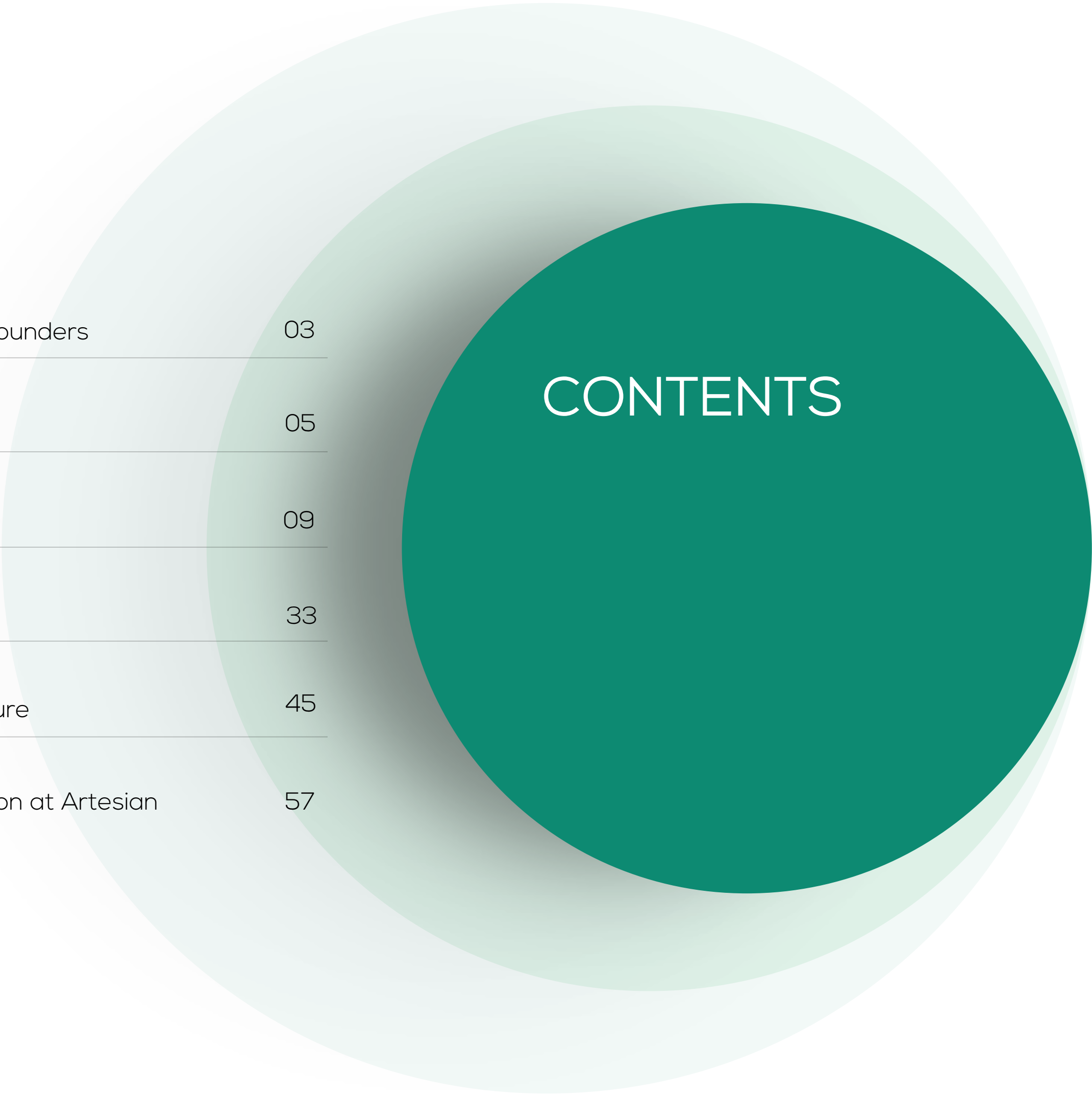


2020/21

IMPACT REPORT



artesian



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Message From Artesian's Founders

Artesian was founded on the belief that innovation in finance and technology can help solve the planet's major challenges. Over time, by collaborating with like-minded employees, investors, partners and communities, we can establish a virtuous cycle of positive outcomes for all stakeholders, help to drive sustainable change and make the world a better place.

At Artesian, the 5Ps that drive our actions are:

Purpose



By investing for purpose, we are accountable for both the financial and impact outcomes of our investment decisions. It is critical that both the financial and impact outcomes are measurable and that we report them transparently.

People



Artesian is only as good as its people, and our success depends on an ability to attract and retain a diverse team that aligns their unique talents to a shared vision. Externally, our approach is reflected in the selection of founders, teams and companies in which we invest. Diversity, social equality, governance and economic empowerment are our key areas of focus.

Planet



When the long-term health of the planet is prioritised, everyone benefits. Artesian believes that innovation and technology have a deflationary effect on the cost of infrastructure required to address critical global issues like climate change. Innovation and technology can also ensure a rapid and scalable delivery of solutions, given the existing time constraints, to mitigate climate crisis.

Product



Artesian's products are developed through building a deep understanding of market failures and the investors motivated to address them. As financial market experts, we design products that address the challenges and opportunities presented by these market failures, generating impact and optimising financial returns.

Profit



Profit is a downstream result of successfully addressing critical global challenges. While profit alone is a hollow outcome, when combined with renewability, equality and scalability, it ensures sustainability. Artesian believes that sustainable outcomes deliver profits that can be re-invested to ensure the continuation of virtuous cycles.

Our inaugural impact report is looking to provide a baseline from which to build. It is produced to provide our stakeholders with transparency and accountability for what and who we are investing in and how we are trying to move capital for purpose.



John McCartney
Founding Partner



Jeremy Colless
Founding Partner



Matthew Clunies-Ross
Founding Partner

impact
forward



07 Impact Forward

Stewardship in a Post-Pandemic World

The COVID-19 virus brought about unprecedented disruption across all business sectors causing an ongoing period of global uncertainty and displacement. This cast a harsh light on how many of our systems failed to support those who were made most vulnerable by this virus.

The asymmetrical impact of this crisis means the next few years will be very challenging for those most impacted, and we must ensure that we are investing in a sustainable and resilient recovery for all. The COVID-19 crisis accelerated global digitisation and is forcing businesses to reconsider what the future looks like as previous cycles are irrelevant to the new paradigm. The short and medium term is now set for a sustained period of disruption and innovative responses to recurring long term challenges such as climate change and social justice issues.

Harnessing imagination and innovation, the global economy is looking to create new meaning and define better ways of doing business. The scope for creativity is endless – from business models that are more collaborative to experiences that are more immersive, to technology we can utilise for change, and policies we can adapt for the benefit of all.

2021 has been about creating new maps to help us uncover what's yet to come, and planning a route to the world we want to live in. We're all exploring, which is creating a safe space for experimentation, prototyping, and learning.

Together, we need to think outside the box and be more collaborative when it comes to dealing with global challenges. It is from this spirit that we send this impact report out into the world – we aim to be transparent, not perfect. As business calibrates to the post-pandemic world, we will update our stakeholders on our internal metrics in our next annual impact report.

At Artesian, we hold our portfolio companies, issuers and supply chain partners to high standards. As such, we endeavor to use a similar yardstick when we measure our own progress. Last year was a turning point for us as a firm, as we started to rethink the way we work, communicate and think about industry disruption.

OUR COMMITMENT

Artesian aims to achieve net zero carbon emissions across our operations by 2030¹

We also committed to leaning deeper into our role as responsible investors, questioning investee companies at the earliest stages of a company's life cycle (VC) right through to investment grade corporations on their role in the environment, their influence on supply chains as well as their diversity, equity and inclusion commitments. Through our dialogue with management teams, we seek to impress on our investee companies that focus on sustainability and inclusivity is a business imperative. By weaving environmental, social and governance concerns into everyday conversations, we hope to seed change in mindsets – and budgets.

While we take great pride in the platform we're building at Artesian – becoming more inclusive, equitable, sustainable in how we recruit, contribute to the wider community, and build products – there is still a long way to go. We believe it's important to hold ourselves accountable, to be bold in our commitments, and to share our impact journey with a spirit of transparency.

Themes for our inaugural impact report

Creating a sustainable future



Advancing gender equity



Active engagement



Vicky Lay

Partner, Head of Impact Investing



Mei Lee

Partner, Head of Operations

¹ Supply chain disruptions of the pandemic have realigned general operating procedures which may not be the normal course of business once the pandemic has passed. We will update stakeholders on our internal environmental footprint once we are confident the business has re-calibrated to the new normal.

portfolio impact

11 Portfolio Impact

We connect capital to innovative solutions for improved outcomes for people and the planet.

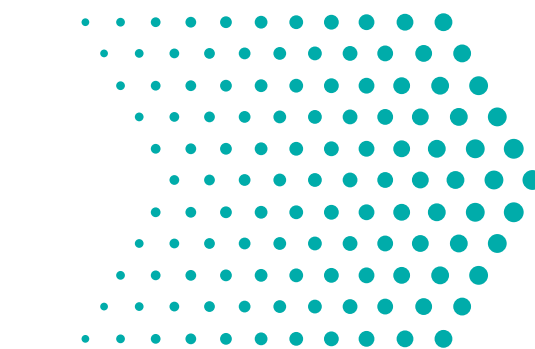
Artesian leverages our extensive global markets investment experience across the capital structure (from early-stage VC to public debt markets) to deliver impact at scale.

We build collaborative partnerships with complementary, like-minded organisations to deliver sustainable outcomes. We believe that innovation, with technology as a key facilitator, can have a sustainable deflationary effect on the cost of infrastructure required to address critical global social and environmental issues.

FIXED INCOME

In 2020, our investments in green, social & sustainable issues increased by 231%.

The graph below represents the combined green, sustainable and social bonds held within the Artesian Green & Sustainable Bond Fund and the Artesian Corporate Bond Fund, notionally weighted versus their targeted Sustainable Development Goals (SDGs), as at 31st December 2020.



Our contribution to the global sustainable development goals.

Our work directly contributes to filling the funding gap for 15 out of the 17 Global Sustainable Development Goals.



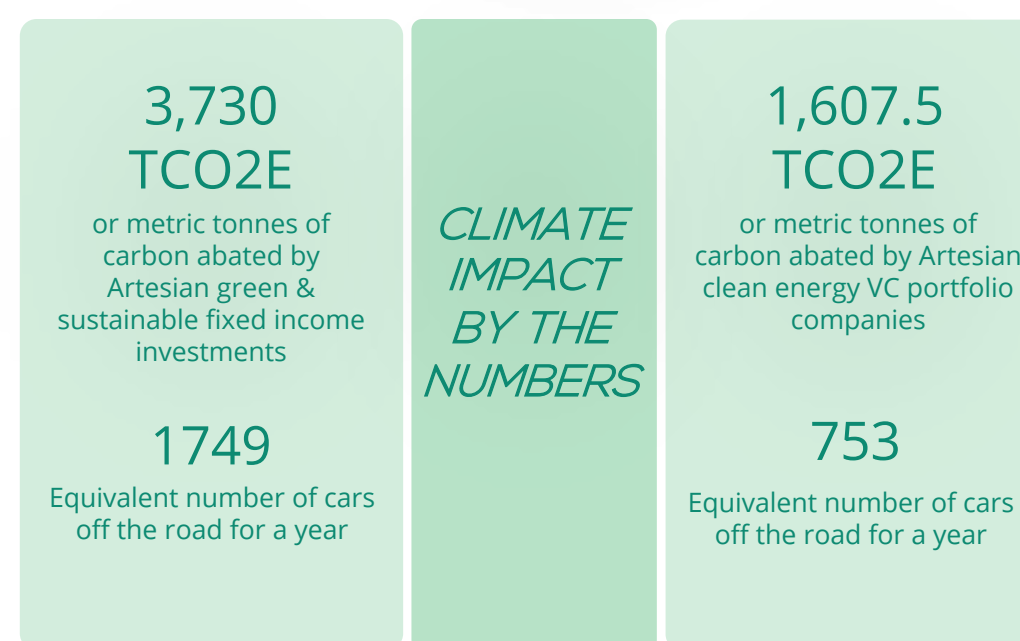
108 Female Founded Startups

funded across our VC funds since inception (companies with at least 1 female founder as at 31 Dec 2020)

VENTURE CAPITAL

In 2020, our investments in SDG-linked startups, scaleups and solutions grew by 91.90%.

The graph below represents the venture capital investments held across Artesian's thematic funds, notionally weighted versus their targeted Sustainable Development Goals (SDGs), as at 31st December 2020.



*all figures as at 31 Dec 2020



Fixed Income



"Our fixed income exposures are designed to fund those companies that are the best corporate citizens – ones that generate wealth and create positive benefits to society. By selecting a portfolio of bonds from those firms that are striving to invest in their people, reduce their impact on the environment and confront inequality – investors can pursue impact at scale."

– John McCartney, Founding Partner & Head of ESG

Artesian is a boutique credit specialist that understands impact can be achieved at scale without compromising on returns or liquidity. We see Environmental, Social and Governance (ESG) issues as an integral part of credit risk – and that investing in impact reduces income volatility and provides greater risk-adjusted returns.

Artesian believes that analysing ESG characteristics enhances traditional credit analysis by providing a fuller understanding of the risk profile of each issuer.

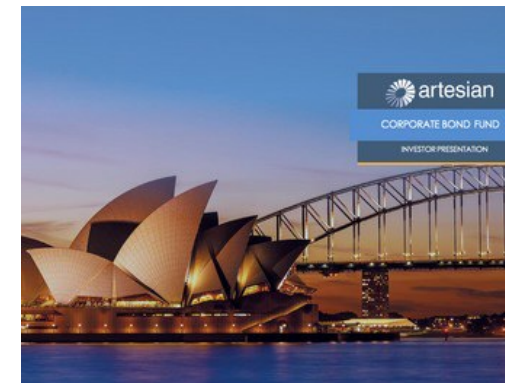
In spite of the logistical challenges caused by Covid-19, we saw increased investor interest in ESG strategies.

Launch of the Green & Sustainable Bond Fund

In Q3 2020, we successfully launched the Artesian Green & Sustainable Bond Fund which is Australia's first corporate focused, green and sustainable bond fund open to wholesale and retail investors.



Australian Corporate Bond Fund



The Artesian Corporate Bond Fund continues to enhance and incorporate ESG analysis into the investment decision making of securities held within the Fund. With a bias towards green, sustainable and social bonds, the Fund was encouraged by the AUD labelled bond issuance in Q3 and Q4 2020.

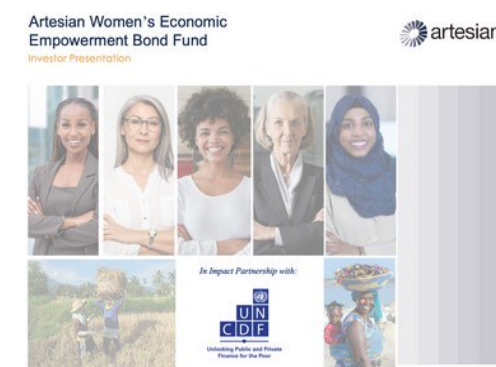
High Impact Green Debt Fund



In 2020, we also secured seed investor commitments for our USD High Impact Green Debt Fund (HIGDF), which is a world first in combining liquid, publicly traded green bonds with private market venture debt of clean tech companies. We anticipate the launch of the HIGDF in H2 2021.

The Fund's mission is to displace the maximum amount of carbon (current and future) while ensuring capital protection and the highest rate of return possible. The dark green bond allocation addresses the resilience of existing infrastructure; while the venture debt allocation addresses innovation that will circumvent obstacles to the roll out of the green economy.

Women's Economic Empowerment Bond Fund



In May 2020, Artesian launched an impact partnership with the United Nations Capital Development Fund (UNCDF) to create the Women's Economic Empowerment Bond Fund (WE Fund) that invests in liquid debt securities of best-in-class corporates with progressive gender policies and governance.

While the Fund addresses women's equality in public markets, one-third of the management fee will be donated to support Impact Partnerships in order to further the Fund's mission to bridge global economic gender gaps and tackle women's empowerment in private markets.

Artesian's ESG Investing Approach

Environmental, Social and Governance (ESG) investing incorporates a broad range of information regarding impact, risk and opportunities into investment analysis and investment stewardship processes.

For credit fixed income investing – especially in the investment grade space, where yields are low and spreads are tight – understanding ESG factors is a critical part of the process to maximise investment performance and avoid “fat tail risks” associated with large one-off losses. Through applying ESG frameworks in a determination of the materiality on a company's future performance and impact, Artesian is reducing the risk and improving risk-adjusted returns.

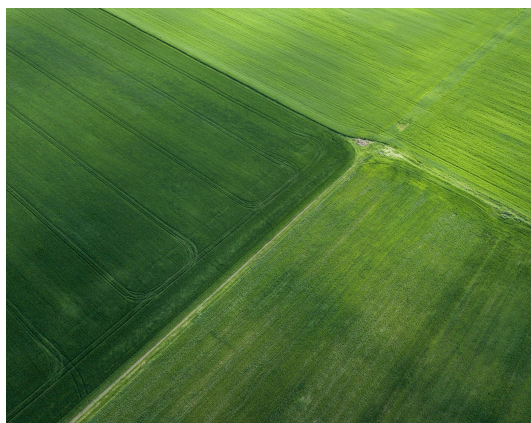
At Artesian, we strive to overcome the shortcomings of lack of universal ESG impact standards and frameworks through a well-defined and comprehensible impact assessment process. Not only do we combine independent publications with data scrutiny, we endeavor to engage issuers through dialogues when possible (and when in doubt) to ensure that we provide an unbiased impact assessment of our investments.”

– Dylan Er
Senior Investment Analyst



“From a credit perspective, innovation alone doesn't translate to long-term corporate success. It must be married to a strong set of ESG principles in order to extend or maintain a firm's competitive moat. Identifying companies that successfully embrace both is part of Artesian's investment risk discipline.”

– Kurt Tan
Managing Director, US Fixed Income



What is unique to Artesian?

Artesian sees the rise of responsible investing as a further catalyst for increased interaction between traditional public credit and emergent venture capital markets. As large corporations track and report on industry specific ESG issues, they are generating increasing amounts of information and data regarding key challenges and market failures.

This data can be utilised by startups to inform development of technologies to meet ESG goals and societal expectations. Corporations may work with nimble startups to adopt these new approaches to critical challenges or ignore progress and face existential risk from industry disruption.

Traditionally, investment grade credit risk has been asymmetrically skewed, with a high probability of receiving coupons and a small probability of capital loss. In contrast, venture capital is characterised by a power law distribution of outcomes,



with a handful of portfolio companies providing the majority of positive outcomes, and a large number of startups failing.

More recently, the sheer speed at which startups are able to scale and disrupt incumbent companies has introduced new dimensions of opportunity and risk that are ignored at investors' peril.

Artesian believes that the unique advantage of investing in both developed debt and early-stage venture capital markets is a multi-dimensional understanding of risks and opportunities. By calibrating insights from both markets, through an ESG lens, Artesian is creating new, forward-looking products for responsible investing.

“Artesian employs a “bar-belled” approach to investing through a combination of venture capital and fixed income. The firm's expertise in venture capital and fixed income along with its global footprint, provides Artesian with a differentiated perspective on global markets and the influence of one asset class on the assessment of risk in another.”

– Mark Bytheway
Director, ESG Research



Impact Case Study

Artesian's Australian Green & Sustainable Bond Fund

Artesian's Australian Green & Sustainable Bond Fund invests in a diversified portfolio of liquid, investment-grade fixed and floating rate green, sustainable and social corporate bonds. It is the first Australian "true to label" green and sustainable bond fund available to retail investors.

Examples of securities targeted for investment for the Artesian Australian Green & Sustainable Bond Fund include:

Issuer	
Bond Type	Green Bond
Issue Date	20-Oct-20
Issue Size	AUD 1,300,000
Eligible Categories	
Specific Projects	- Newcastle Light Rail; - Sydney Metro Northwest; and - Quakers Hill and St Marys Water Recycling Plants Process and Reliability Renewal

Issuer	
Bond Type	Green Bond
Issue Date	10-Nov-20
Issue Size	AUD 1,500,000
Eligible Categories	
Specific Projects	- Light rail at the Gold Coast; - Redcliffe Peninsula Line - New generation electric trains in South-East Queensland; - Electric tilt trains, city train network; - Cycleways; - Solar; and - Gold Coast Desalination Plant.

Issuer	
Bond Type	Green Bond
Issue Date	27-10-20
Issue Size	AUD 500,000
Eligible Categories	
Specific Projects	- Sustainable Water Management - Renewable Energy & Energy Efficiency - Green Buildings - Clean Transportation - Pollution Prevention and Control - Climate Change Adaptation

"The UN's Sustainable Development Goals offer a pathway to a better, more sustainable future for everyone. They are our blueprint to tackle planetary challenges, such as climate change, poverty, global health, inequality, justice and peace."

- Matthew Clunies-Ross, Founding Partner & Australian Green & Sustainable Bond Fund CIO



The graph below represents the combined green, sustainable and social bonds held within the Artesian Green & Sustainable Bond Fund and the Artesian Corporate Bond Fund, notionally weighted versus their targeted Sustainable Development Goals (SDGs), as at 31st December 2020.

Through these two funds, we currently support 13 of the 17 SDGs, with the goal of supporting all 17 as the funds grow.



Venture Capital



"A key differentiator of our investment strategy is the ability to deploy capital from early (seed to Series A) through to late-stage (Series B to exit). As one of the region's most active early-stage investors, our platform allows us broad access to those new, disruptive ideas that are taking on some of society's biggest challenges."

- Luke Fay, Partner & Head of Venture Capital

Artesian has focused on 4 key areas of venture capital investment that capitalise on the global megatrends of climate change, food security, aging demographics and ethical & inclusive frontier technologies, in Asia-Pacific, the fastest growing economic region:

- CleanTech
- Agriculture Tech & FoodTech
- MedTech & HealthTech
- Artificial Intelligence (AI) & Robotics

CleanTech - Climate Change

As at 31 Dec 2020, we have made investments in 63 ClimateTech and clean energy companies since inception, with 18 new portfolio companies added during 2020.



"Artesian's ClimateTech fund is filling a gap in funding at the early stages of clean technology development. This funding is crucial in ensuring Australia commercialises the technologies that enables our economy to move to net zero emissions. Without such investment we potentially lose our competitive advantage to other countries, or this technology is lost altogether."

- Ali Clunies-Ross, Portfolio Manager, CleanTech

Agriculture Tech & Food Innovation - Sustainable Food Security

As at 31 Dec 2020, we have made investments in 67 agriculture technology and food innovation companies since inception, with 16 new portfolio companies added during 2020.

"Agrifood technology investment represents a mechanism to transform our global food production system by delivering greater outputs with fewer inputs, helping to address key environmental and social challenges associated with feeding a growing global population."



- Robert Williams, AgTech Director

MedTech & HealthTech - Global Health

As at 31 Dec 2020, we have made investments in 84 in MedTech and HealthTech companies since inception, with 15 new portfolio companies added during 2020.



"Artesian has prioritised MedTech and HealthTech as a vertical of focus, as we believe these sectors will experience significant macro tailwinds over the coming years and presents the firm with the opportunities to achieve compelling returns both from a financial and impact perspective."

- Rohan Gray, Portfolio Manager, MedTech

AI & Robotics - Ethical & Inclusive Frontier Technologies

As at 31 Dec 2020, we have made investments in 33 artificial intelligence and robotics companies since inception, with 10 new portfolio companies added during 2020.

"Artificial intelligence is the revolutionary technology of our lifetimes and we are only at the very beginning of AI applications. AI is already a large growing industry at \$38bn per year in spending, forecast to be worth \$22tn to the world economy by 2030. The Boab AI Scaleup Program, set up by Artesian and LaunchVic, has invested in 5 scaleup AI companies since launching in 2020."



- Andrew Lai, Director, Boab AI

Shaping the Future of Venture Capital

Building the impact innovation ecosystem across the Asia-Pacific.

By Jeremy Colless

Artesian believes that the future of VC will:

- be driven by investors looking for strategic as well as financial returns, with more funding to disruptors who can generate positive outcomes for society that are also commercially attractive
- have an increased focus on technology that can have a sustainable deflationary effect on the cost of infrastructure required to address critical social and environmental issues
- require collaborative partnerships and increased connectivity between innovation ecosystem participants including government organisations, corporations and industry groups, universities & research institutes, accelerators, and incubators to achieve sustainable outcomes at scale
- identify market opportunities where Environmental, Social and Governance (ESG) analysis indicates a market failure and/or industry or incumbent vulnerabilities
- favour entrepreneurs who create more inclusive business models as a competitive edge against incumbents and use technology to bring down barriers to catalyse positive change
- see greater activation of corporate venturing strategies investing in ventures that generate positive externalities for stakeholders and society.

Artesian is building for the future of VC by:

- developing funds that deliver impact without sacrificing financial returns. Funds developed with these dual drivers include the Artesian Clean Energy Seed Fund & Female Leaders VC Fund
- investing in innovative, high-growth software and hardware startups working to develop technologies that help solve the world's critical environmental and social challenges
- building early-stage innovation ecosystems via collaborative partnerships with organisations including: GRDC (GrainInnovate Fund), South Australian Government (SAVC Fund), LaunchVIC (Boab AI), CEFC and ARENA (Clean Energy Seed Fund), Coca Cola Amatil (AmatilX Fund)
- developing funds that address market failure e.g., Female Leaders VC Fund (FLF VC), which tackles gender inequality by investing in female-founded startups across Asia-Pacific
- benchmarking and reporting on diversity in startup founders, management and boards e.g., Artesian Gender Diversity Criteria Assessment Score (GDCAS) is an ecosystem reporting tool
- developing Venture Capital as a Service (VCaaS) to assist corporates to outsource their early-stage VC investment activities and allow them to build broad ecosystem participation.



Jeremy Colless

Jeremy is a Founding Partner and CEO of Artesian. In 2009, Jeremy established Artesian's VC business which has grown into Australia's largest and most active seed-stage VC firm.

Responsible Venture Capital: ESG Practice in Early-Stage Tech Investing

By Luke Fay and Vicky Lay

The Venture Capital (VC) industry has trailed other asset classes in the adoption of Environmental, Social and Governance (ESG) practices, despite a growing body of evidence pointing to the materiality of ESG factors in assessing risk and opportunity at the early stage.

The Materiality of ESG Factors in the Tech Sector

One only need look at the significant loss in valuation for WeWork due to governance problems, or the reputational damage suffered by delivery and ride-sharing apps such as Uber and Lyft over the rights of workers in the gig economy, to see that ESG issues can be material to risk/return considerations.

Theranos, a late-stage venture that was forced to file for bankruptcy due to underlying technological integrity issues, is an example of the significant impact on financial returns to investors, highlighting the need to develop new mechanisms to uncover and mitigate ESG risks earlier. Deliveroo's poor stock market debut last year was also given the cold shoulder by some of the U.K.'s largest fund managers due to ESG concerns. Dual-class share structures that undermine shareholder rights and the poor working conditions of drivers were cited as reasons for avoiding its initial public offering.

The coronavirus pandemic has also put more companies under scrutiny for decisions and practices that impact employees, customers, and society. As a result, ESG factors have become established as a key layer of diligence in evaluating investments.

Consumers too are becoming increasingly discerning about company decisions and practices, especially millennials. This 'ESG Effect' on consumer preferences is real. A study by Morgan Stanley's Institute for Sustainable Investing found that millennials are twice as likely as the overall population to buy products from sustainable businesses.¹ In a 2017 study by Optimy, 60% of customers said they were willing to pay more for products from companies with reputable brands and good values. This is a significant consideration for any startup, given the \$30 trillion wealth shift from baby boomers to millennials expected over the next 30 years.

In addition, employees who are more satisfied are more engaged, which has a material impact on company performance and the broader culture of an organisation. In a 2019 Gallup study, workers in the top quartile for employee engagement outperformed those in the bottom quartile across a range of metrics, including customer ratings, productivity, and profitability. In the Optimy study, 71% of millennials said they would choose to work for a company that has demonstrated a strong commitment to its community.

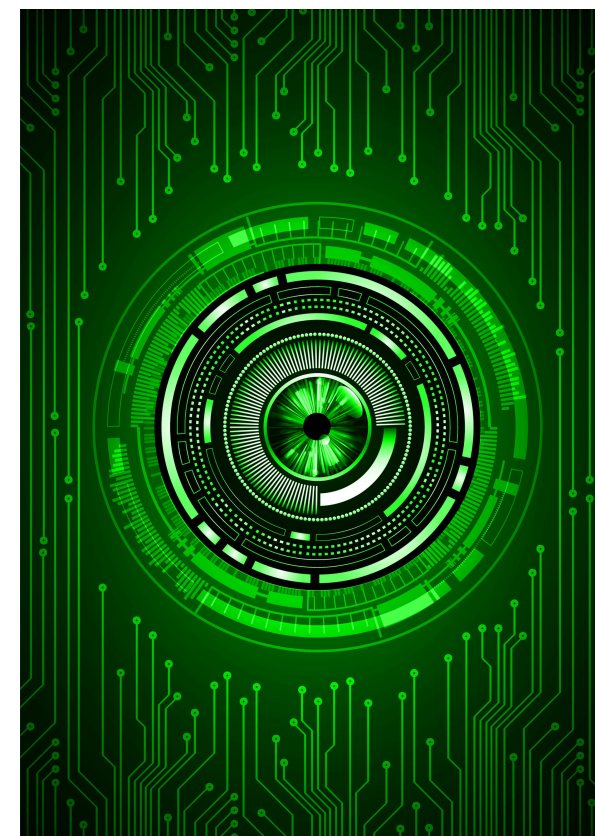
The Need for Responsible Investing at the Early Stage

Although venture capital is considered among the highest risk forms of investment, the industry does not yet have a widely accepted, systematic approach to ESG or societal risk management embedded in the investment process.

In its "Responsible Investing in Tech and Venture Capital" paper, the Harvard Kennedy School's Belfer Center for Science and International Affairs asserts that there is a new level of urgency for early-stage investors to evaluate and manage the impact of frontier (or new) technologies on society.²

Furthermore, early-stage investors must be aware of the possible public purpose challenges posed to society through supporting associated frontier technologies, such as brain-computer interfaces, AI, or gene editing – all with broad-ranging potential for disruption.

In 2018, hundreds of organisations signed "The Paris Call for Trust and Security in Cyberspace". In 2019, the biggest social media companies signed the "Christchurch Call" to help "eliminate terrorist and violent



Luke Fay

Luke is a Partner and Head of Venture Capital at Artesian. He runs the Australian Venture Capital Business with principal portfolio management responsibility for each of Artesian's VC funds.



Vicky Lay

Vicky is a Partner and Head of Impact Investing at Artesian. She is focused on directing capital, innovation & human endeavour towards positive social and environmental outcomes.

extremist content online." And in Nov 2020, dozens of companies signed the "Tech for Good" call, including Sundar Pichai from Alphabet (Google), Mark Zuckerberg from Facebook, Brad Smith from Microsoft, Evan Spiegel from Snap and Jack Dorsey, the CEO of Twitter and Square as well as Cisco, Doctolib, IBM, OpenClassrooms and Uber.

ESG Integration & Active Ownership in VC

At Artesian, we seek to adopt an active – not passive – approach to ESG and are committed as signatories of the UN Principles of Responsible Investment.

While we have high conviction that you can "achieve transformational impact without sacrifice compelling risk/return metrics", we realise the need for ongoing research, analysis and education when it comes to ESG in practice, particularly in private markets.

Despite the lack of ESG frameworks for VC investments and the additional complexity for early-stage companies, we see the guiding principles are the same in any asset class. Leveraging our experience in the public fixed income markets, we have implemented impact data collection and ESG engagement protocols with our investee companies and we look forward to reporting on our progress. Stay tuned as we share our journey.

¹ "Sustainability Signals: The Individual Investor Perspective," Morgan Stanley Institute for Sustainable Investing, 2017 (https://www.morganstanley.com/pub/content/dam/msdotcom/ideas/sustainable-signals/pdf/Sustainable_Signals_Whitepaper.pdf; accessed on 1 Dec 2020) ² "Responsible Investing in Tech and Venture Capital," Harvard Kennedy School Belfer Center for Science and International Affairs, 2020 (<https://www.belfercenter.org/sites/default/files/2020-09/ResponsibleInvesting.pdf>; accessed on 29 November 2020)

Impact Case Studies



Soil Carbon Co.

Using the world's smallest organisms to solve the world's biggest problem. Soil Carbon Co. is developing new microbial technologies to unlock the potential of soils to pull down atmospheric carbon.



TurtleTree Labs

A biotechnology company pioneering the technology to produce human milk for all humans through cells to do so. Their purpose: to nourish our people and protect our planet in the most sustainable way possible.



Strong Room

AI-driven controlled drugs management platform aimed at reducing adverse drug events. Powering a secure digital gateway to quickly and safely access specialised treatment plans for patients.



5B

5B is reinventing solar energy from the ground up. They are a team of renewable energy experts who care about making solar projects lower cost, faster and smarter.



Regrow

Unlocking the profit potential of resilient agriculture. Agriculture has the power to reverse climate change. Regrow combines the industry-leading expertise of FluroSat and Dagan to drive resilient agriculture adoption across the supply chain.



Clarity Pharmaceuticals

Clarity is a personalised medicine company focused on the treatment of serious diseases, with a focus on targeted therapies for the treatment of cancer in adults and children.

Portfolio Impact

Soil Carbon Co.

soilcarbon.co

1 Billion Tonnes

of CO2 potentially sequestered over the next 5 years

Business Challenge

Soil Carbon Co. is a group of farmers, scientists and entrepreneurs with a dedicated mission to improve soils and mitigate climate change.

They are tackling two prevailing sustainability challenges: 1) too much CO2 in our atmosphere, and 2) too little carbon in our soils.

Solution Delivered

Soil Carbon Co. is developing products to capture carbon from the atmosphere on a gigatonne scale and return it to the soil.

Impact Created

This solution improves soil health and allows farmers to trade a new commodity - carbon offsets.



Tegan Nock, Soil Carbon Co.'s Co-Founder & Chief Product Officer

Business Challenge

As more renewable energy sources are connected to the grid, there is a consistent downward pressure on electricity prices. Therefore, there is a need for a low-cost, rapidly deployable solar panels to compete in lower electricity price scenarios.

5B's MAVERICK can be deployed in remote areas and subpar terrain, where it is difficult and expensive to transport labour.

Solution Delivered

5B has created a modular pre-fabricated, plug and play solution to allow low cost, rapid deployment of solar farms. 5B's solution enables solar farms to be deployed 3x faster with twice the energy output from the same land compared to conventional projects.

Impact Created

Since inception, 5B has generated ~25,500MWh of solar energy, as at 31 Dec 2020. The company is growing and continues to deploy its product globally.



5B Founders,
Chris McGrath & Eden Tehan

Portfolio Impact

5B

5b.com.au

25,500
MWh

of solar energy generated

Portfolio Impact

Turtle Tree

Turtletree.co

2 Billion
Tonnes

Tackling the 2 Billion
tonnes of CO2 produced
every year from dairy
farming

Business Challenge

Bridging the gap between infant formula and the goodness of natural human milk.

Solution Delivered

Turtletree Lab produces real bovine and human milk from cultivating mammary cells of both cows and humans.

TurtleTree is recreating the full composition, functionality and taste of milk using the latest cutting edge innovation in biotech.

Impact Created

Provide access to greater quality dairy and its byproducts in a cruelty-free and sustainable manner. Reduced dairy farming to diminish CO2 in the world.



TurtleTree Founders,
Max Rye & Fengru Lin

Business Challenge

Neuroblastoma is the most common extracranial solid tumor of childhood. It commonly presents in children younger than 2 years of age, with 90% being younger than 5 years of age.

Solution Delivered

Clarity is a clinical stage radiopharmaceutical company developing next-generation theranostic (therapy and imaging) products, based on its platform SAR Technology. The SAR Technology is ideally suited for use with copper isotopes, enabling superior imaging and therapeutic characteristics of radiopharmaceutical products and addressing the current manufacturing and logistical limitations in the growth of the radiopharmaceutical sector in oncology.

Clarity's lead product SARTATETM, an oncology theranostic (diagnostic and therapy), is in clinical trials for neuroblastoma and neuroendocrine tumours. Clarity's next product, SAR-Bombesin (SAR-BBN), is a pan-cancer theranostic radiopharmaceutical with increased specificity and in-vivo stability. It is being developed for breast, prostate as well as a range of different cancers.

Impact Created

If Clarity's pipeline of cancer treatments clear regulatory approval, they stand the chance to save thousands of cancer patients' lives.



Clarity Pharma Founder
Matt Harris

Portfolio Impact

Clarity Pharma
claritypharmaceuticals.com

New cancer treatments

Clinical-stage radiopharmaceutical company developing new treatments for liver, breast and rare childhood cancers

Portfolio Impact

Strong Room
strongroom.ai

600+ AI solutions

deployed in Australian pharmacies to reduce incorrect dosages & medical non-adherence by patients

Business Challenge

Between 33% and 69% of hospital admissions are due to incorrect dosages and medical non-adherence by patients. This includes pharmaceutical drug events such as medication errors, inappropriate use, non-adherence to instructions, misadventure and interactions between different medicines. In Australia the issue impacts over 650,000 Australians a year costing the health system up to \$1.4bn.

Solution Delivered

Strong Room's medication management software for pharmacies uses artificial intelligence, including the world's most powerful AI facial recognition engine, to improve patient care by automatically verifying patients and providing correct dosages.

Impact Created

Strong Room is active in over 600 pharmacies around Australia, growing at over 100% per quarter. The company seeks to continue expanding both locally and internationally.



Strong Room's Founding Team

Regrow
regrow.ag

**150 MM
Acres**
of land analysed a year



Business Challenge

Regrow is a solutions provider for resilient agriculture that aims to solve the challenge that estimating soil organic carbon on the field is a time-consuming and expensive process.

Solution Delivered

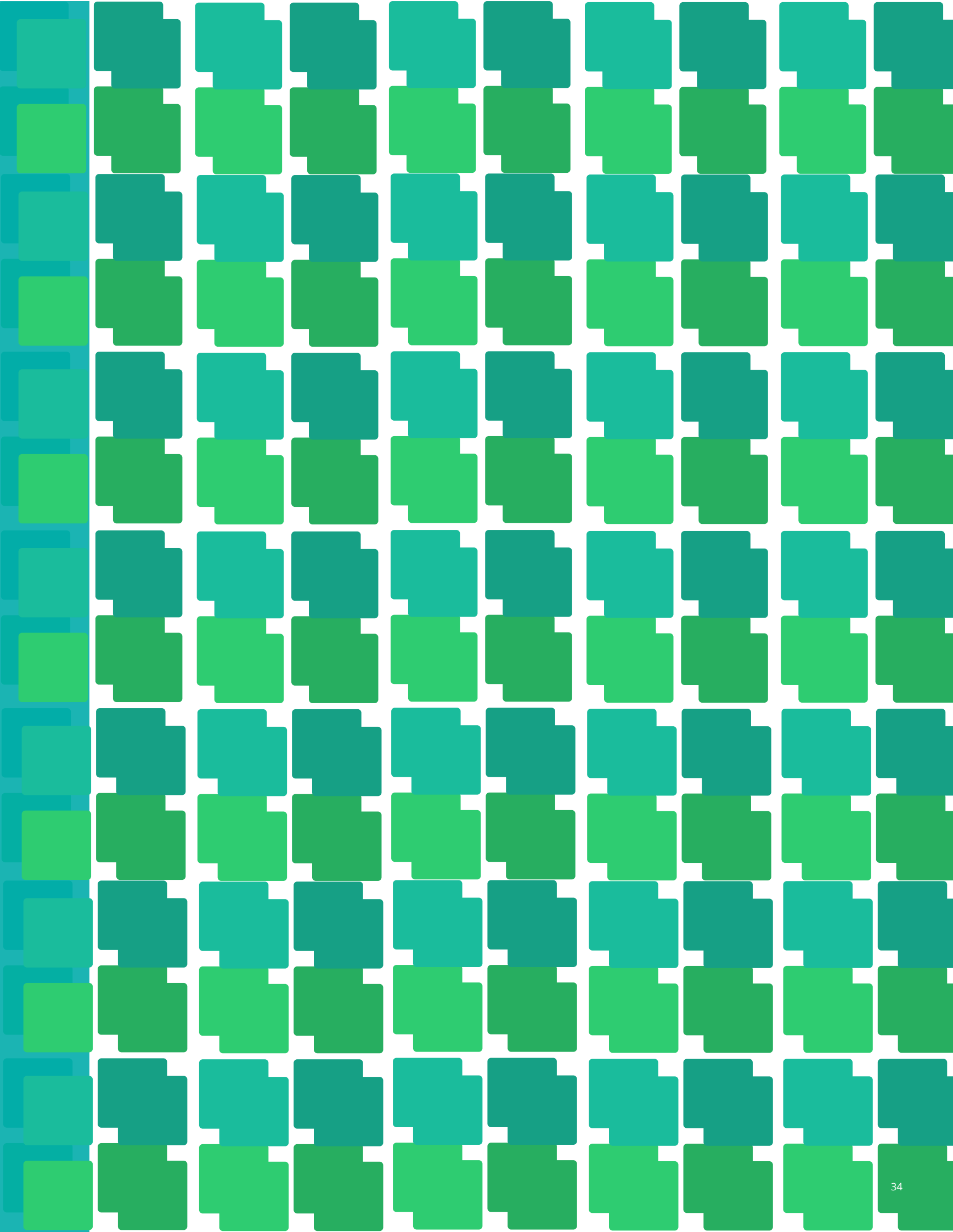
Regrow is developing products that allow participants to estimate soil organic carbon on a field without taking soil samples, delivering 90% accuracy and provide results that comply with carbon market requirements.

Its digital platform, FluroSense, is a cloud-based crop management and analytics platform that drives planting and growing decisions that boost sustainability and yield. Decades of records create crop and soil-specific reports that make it easier for farmers to put a regenerative approach into practice.

Impact Created

Regrow recognises that agriculture has the power to reverse climate change, and combines industry-leading expertise to drive resilient agriculture adoption across the supply chain.

advancing
gender
equity



35 Advancing Gender Equity

Closing the Global Gender Gap

None of us will live to see gender parity, economic or otherwise, nor likely will any of our children. In their 2021 Global Gender Gap Report, the World Economic Forum asserts it will take 267.6 years for women and girls to achieve equal economic participation and opportunity (a decade longer than last year). Leaders of women's economic empowerment interventions, who are often information-siloed and under-resourced, must up-skill to produce measurable outcomes, influence decision-makers, inspire action, and achieve scale and sustainability. Artesian launched a dedicated women's economic empowerment non-profit and impact innovation lab dedicated to SDG 5: Gender Equality for the purpose of increasing the efficacy of impact interventions for the beneficiaries they serve.



Artesian Partner speaking on the "All Things Being Equal" panel at the World Capital Markets Symposium, Kuala Lumpur

Backing Female Founders & Fund Managers

Venture capital funding overall has surged in recent years, but the numbers haven't leapt forward for female founders at the same pace. Venture capital as an industry is also historically male-dominated. Research shows that backing female founders does not only address gender equality – it also optimises returns on startup investments. Research also shows that including more women in VC is the smart thing to do financially. Not only does increasing gender diversity improve financial performance for VC firms; homogeneity in venture capital, including in investments made and among portfolio companies, also harms financial performance. Artesian believes that while talent is evenly distributed, opportunity is not. By investing in women, we can help to contribute to a better world, create better businesses and generate better investment returns.

Amplifying the Work of Women Impact Leaders

A recent study of 1 million inventors found that, at the current rate of increase in female inventors, it would take over a century to achieve parity with men. Some of the hardest-hit sectors by lockdowns and rapid digitization have gravely affected women's strives for parity and a lot of the work over the past decade has been undone due to the crisis. As we look to rebuild, gender-sensitive recovery strategies are now more critical than ever, and we must build more gender-equal economies. We believe that amplifying women's voices and supporting the work of women visionaries, we can build capacity and unlock the impact potential of under-utilised human capital and mobilise resources and collective agency for accelerated change.



Artesian Portfolio Manager presenting on the "VC & PE: Impact Hiding in Plain Sight" panel at a Responsible Investment Association Australia event, Sydney

Engaging with Corporations on Gender Equality

If women played an identical role in working life to that of men, global annual GDP could potentially increase by \$28 trillion (26%) by 2025. Several studies have estimated that at least 25% of women globally have experienced sexual harassment at work. No industry or occupation is immune. However, a better path can be created by increasing diversity at the leadership and ownership levels. Boards with diverse viewpoints can reduce overall risk and expand opportunities for the business. According to an analysis of thousands of 360-degree reviews, women outscored men on 17 of 19 capabilities that differentiate excellent leaders from average or poor ones. However, there is material inequality between the opportunity available for male and female business leaders across society. We seek to engage with corporations and put gender back on the agenda in capital allocation decisions.

UNCDF and Artesian Launch Impact Partnership to Support Investments in Gender Equality and Women's Economic Empowerment

NEW YORK – May 15, 2020 – The United Nations Capital Development Fund ("UNCDF") and Artesian today launched an impact partnership to support gender-lens investing, boost female leaders in the corporate workplace, and support women's economic empowerment in the world's 47 Least Developed Countries ('LDCs').

UNCDF is a UN agency with specialised expertise in making finance work for the poor in the world's LDCs. Artesian is a global alternative investment management firm specialising in debt, venture capital and impact investment strategies.

The Artesian Women's Economic Empowerment Bond Fund (WE Fund) will invest in public companies with women in management and board positions; fair compensation and work-life balance policies including parental leave and flexible work options; and commitment to gender equality. The fund will donate one-third of the management fee from the WE Fund to a nonprofit, SheSyndicate, and UNCDF to support women's economic empowerment around the world.

"We are proud to work with Artesian and SheSyndicate on an innovative impact partnership," said UNCDF Executive Secretary Judith Karl. "Pension funds and socially-conscious investors globally are seeking ways to use their investment dollars to support the UN Sustainable Development Goals."



The WE Fund offers an innovative mechanism to recognise and reward companies with accountable business practices and gender-positive management policies, while also making a donation to support UNCDF's work in LDCs."

Through a fixed income strategy using Equileap's screening and guidance, the WE Fund will seek to produce market rate returns tracking the Bloomberg Barclays Global Aggregate Corporate Index. "With the launch of our Women's Economic Empowerment Bond Fund, we are making it easier for gender lens investors and stakeholders to support global economic equality," said Artesian Managing Partner John McCartney. "UNCDF and SheSyndicate will be the key nonprofit partners supported by the WE Fund to implement transformational impact addressing this critical challenge."

The WE Fund management fee donation to UNCDF will support the agency's work in LDCs, including helping poor women access savings and credit; lending to small and mid-size businesses run by female entrepreneurs in frontier markets; and supporting local governments as they build climate-resilient infrastructure and manage their public finances in transparent and accountable ways for the benefit of women and men.

SheSyndicate will use its donation to fund education, mentoring and programs that benefit female entrepreneurs, investors, directors, and future leaders. A portion of the funding will also be used to set up a dedicated foundation to support non-governmental organisations that help the world's most vulnerable and marginalised women and girls, particularly those affected by COVID-19.

"This partnership shows the promise of new ways of doing business," said Esther Pan Sloane, Head of Partnerships, Policy and Communications at UNCDF. "It's getting more difficult for investors to differentiate between the many new vehicles aimed at supporting sustainability or achieving impact."

Artesian is demonstrating its commitment by putting money on the table to support women around the world. Their donation to UNCDF will help us support a new generation of female entrepreneurs in developing countries.

"The global economic gender gap has complex causes and is widening each year," said SheSyndicate Founder and Artesian Head of Impact Investing, Vicky Lay. "It will require concerted effort, ingenuity and resources to solve. Innovative public private partnerships like the WE Fund are necessary in order to unlock impact capital at scale and drive real change."



SheSyndicate's Vision

is a world where all women and girls everywhere can fulfill their human potential.

SheSyndicate's Mission

is to educate, mentor, and advocate for the next generation of female entrepreneurs, investors, directors, and senior leaders so that they may feel emboldened and empowered as equal participants in the economy, as decision makers in society, as stewards of capital, and most importantly, as catalysts for change.

Impact Activities

- Women social entrepreneurship acceleration
- New impact venture incubation & MVP development
- Peer power circles & masterminds
- Executive & leadership coaching
- Women in ITC - skills training & development
- Resources & mentorship for financial literacy & investing
- Funding female founders and their impact initiatives

Artesian Establish Dedicated Women's Empowerment Non-Profit, SheSyndicate.org

SheSyndicate is a charitable organisation dedicated to the economic empowerment of women and girls everywhere.

Through education, mentorship, outreach, and capital stewardship, we are striving towards closing the economic gender gap in our lifetime.

Our programs work towards empowering women with the tools, resources, and confidence they need to act as change agents within their own communities around the world.

In 2020, SheSyndicate received 501(c)(3) non-profit status.



Our Platform for Women Visionaries & their Impact Solutions

We are in the process of building out our "Impact Innovation Lab" to help women deepen and scale their solutions for women's economic empowerment. We are working to develop leaders, catalyse their ideas, and help them access capital; from corporate executives to social entrepreneurs.

We are developing our own unique platform solution where we provide impact initiatives full-service support including leadership development, ongoing research, solution mapping & development, and funding.

Our platform solution includes: research support to help deeply understand the problem; landscape mapping to recognise who is working in the issue areas and how; individual coaching to help develop or refine a solution (Human Potential Program); and help to access the resources needed to bring the project to life.



Leadership Development

Help women visionaries lean into their own confidence, develop personal agency, realize their potential through a supportive coaching relationship



Research

Deeply understand the problem areas, gaps, and opportunities



Solution Mapping

Understand who is working in the space and how. Facilitate connectivity, knowledge sharing, and partnership



Solution Development

Bring ideas to action with operational support, establishing best practice for learning and scaling



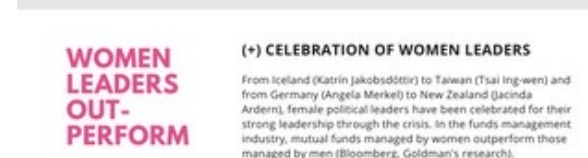
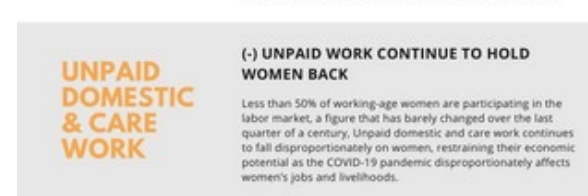
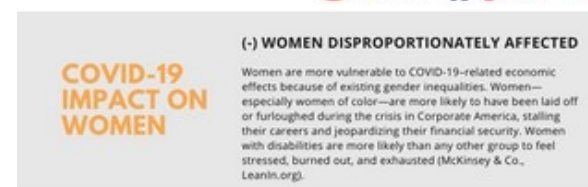
Funding

Provide initial funding from our foundation and develop pathways and capacity to sustainable planning and resources

Advocacy Activities & Impact Initiatives

Community, Events & Campaigns

As part of our advocacy work, we have begun facilitating conversations and launching campaigns to determine which roles across industry, finance, and technology, require greater gender diversity and how to get there.



Impact Initiatives Launched

In our first year, SheSyndicate on-boarded impact initiatives designed to support women beneficiaries with numerous intersecting identities including race, socio-economic status, and ability.

25% of SheSyndicate impact initiatives launched through our working group model have attracted corporate sponsorship and/or grant funding. Two examples include:

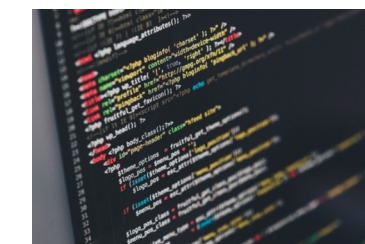
TechSavvy Program

TechSavvy is a mentorship-based computer literacy program originally developed for women who lost work due to COVID-19. To date, it has served over 40 beneficiaries, 4 of whom are newly employed, with 98% of beneficiaries reporting increased skills and confidence.

Participants and mentors meet weekly to learn, practice skills, discuss personal and professional goals, and build their confidence in common applications. The majority of the participants were Black and Latinx women over 40.

One of the emerging trends from participant feedback is the difficulty and ageism that women face when trying to find employment, especially when balancing motherhood or working in tech.

TechSavvy is also deepening its relationships with domestic violence shelters to provide women who have experienced gender-based violence an opportunity to build economic independence.



Capital Parity Project

The goal of the Capital Parity Project is to raise awareness and create change in the venture community for more equitable investing practices. This means whether a woman is fundraising for her next Fund or her next big idea to build a company, she should not face the challenges that are in the market today.

The lack of Female Fund Managers and funding for Female Founders shows an egregious gap in the market with incredible opportunities to support and better the system. The core mission for Parity Capital is to work both from the top down and bottom up to increase capital access.

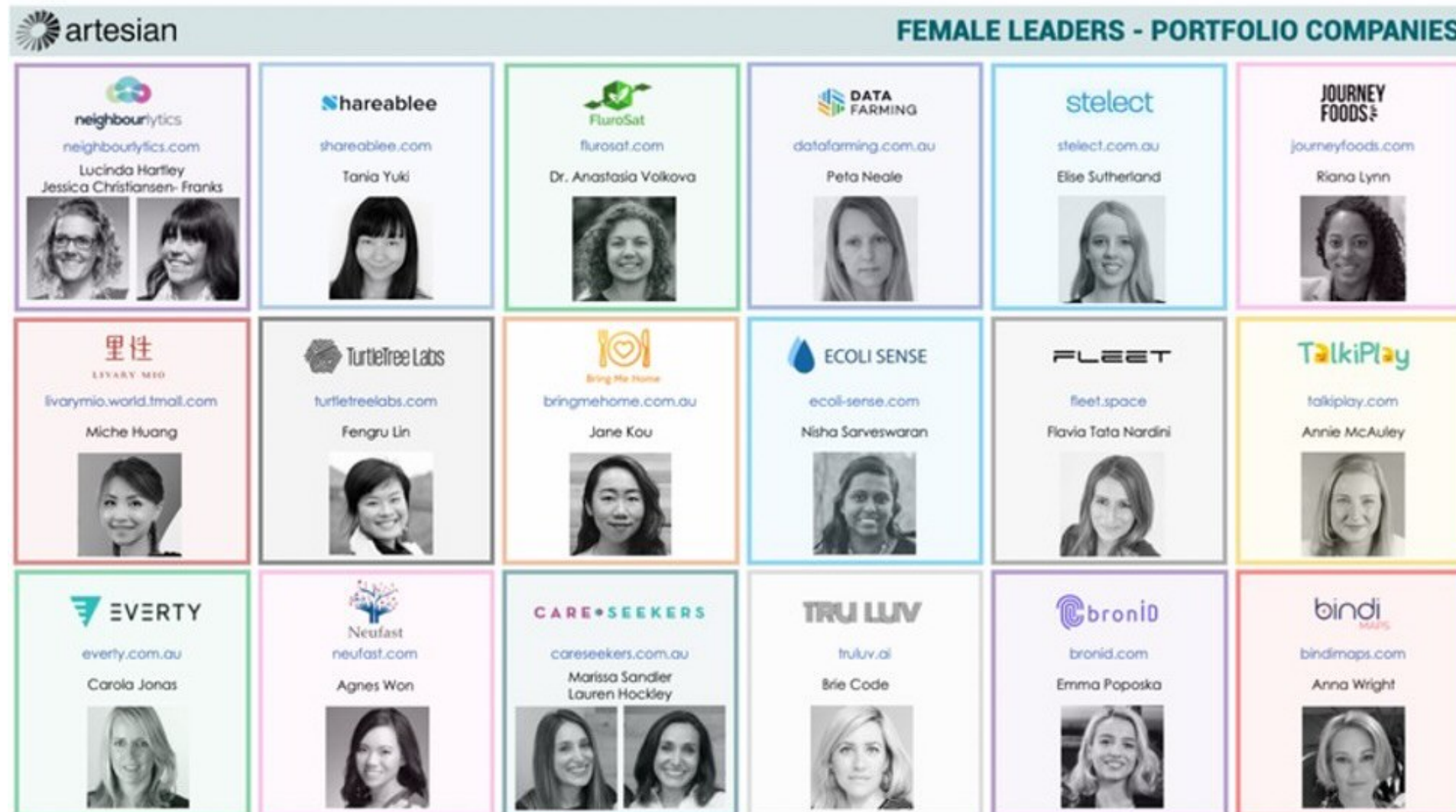


Funding Female Founders

Of Artesian's existing VC portfolio of 306 Australian startups, 108 (36%) have at least one female founder (as at 31 Dec 2020). In 2020, 27% of our venture capital investments were made to female founders.

108 Female Founded Startups

funded across our VC funds since inception (includes companies with at least 1 female founder, as at 31 Dec 2020)



18 of Artesian's female founded portfolio companies.

Launch of the Female Leaders Fund



In 2021, Artesian secured seed investor commitments for our Female Leaders Fund, a world-first fund for backing the Series A & B rounds of startups led by women founders across the Asia-Pacific. We anticipate the launch of the Female Leaders Fund in H2 2021.

The Fund offers investors a unique opportunity to gain broad exposure to a range of female-led high growth-potential early-stage investment opportunities.

creating a sustainable future

47 Creating a Sustainable Future

We would like to highlight four challenge areas that our team is thinking about. While some of these subjects garnered intense attention last year, we aim to work on these critical areas with an eye towards long-term solutions.



1

Fueling the Renewable Energy Transition

A clean energy revolution is underway as the carbon-based infrastructure that powered the modern era now is fueling the climate crisis that jeopardises our future. Governments and corporations are committing to carbon neutrality. As the interests of public and private sectors align, the opportunity to invest in the green economy is set for long-term secular growth. Green & Sustainable bonds have given institutions a new tool to tackle these problems at scale, and investors the ability to invest their capital with purpose. Innovation in clean energy solutions is driving down the cost of green infrastructure and uncovering profitable ways to transition us away from the old carbon economic framework.

2

Agriculture Revolution & Global Food Security

Over the last 50 years, the world has managed to avoid a Malthusian famine despite the drop in arable land and a doubling of the population base. Global climate change will only intensify the challenge of achieving global food security, particularly in the poorest and most vulnerable countries. Sustained investment will be needed to align food production with the ecosystem on which it is built, and responsibly scaling it to a level that can feed the entire population will require innovative thinking. We are encouraged by the growth of fixed income securities that are linked to the United Nations Sustainable Development Goals that give investors the ability to deploy capital at scale that address issues surrounding food security.

3

Tackling Global Health

Last year was devastating for global health. The rapid spread of Covid-19 laid bare the shortcomings of health systems and illustrated that global health is a communal issue that requires collaboration and investment. While the speed of vaccine development showed what human ingenuity can accomplish, access to testing and vaccines – especially in emerging economies – remain highly uneven on a global basis. Healthcare is a complex issue that span changing unhealthy behaviours at the individual level, the effective management and treatment of disease, to the financial cost to economies. We need to invest in resilience of the global health care system to make it equitable for all.

4

Business Purpose & Accountability

The growing acknowledgement that a one-dimensional focus on business profits and shareholder returns at the expense of other stakeholders is no longer sustainable. Astute management teams who make business decisions that create long-term value for their organisations do so by taking into consideration all relevant stakeholders. Value creation for shareholders and stakeholders is not a zero-sum game. Institutions who seek to shift away from unsustainable “business as usual” profitability must move towards building authenticity, transparency, and ultimately, taking action.

Artesian – Climate50 Leading Investors in Sustainable Energy

By Ali Clunies-Ross

For Artesian to be named by [Climate50](#) as one of the most impactful global climate investors is wonderful recognition for our innovative portfolio startups, supportive investors, and for Artesian's broader commitment to achieving both impact and financial returns. However, as anyone working to support Climate Tech knows, there is much more to do – we are just at the beginning of a transformational, innovation and technology led, global energy transition.

When I first started working on Artesian's [Clean Energy Seed Fund](#) four years ago, it was the only dedicated early-stage VC Fund in a nascent, relatively immature, Australian clean energy innovation ecosystem. There were small clusters of innovation emerging, evidenced through the launch of accelerator programs like EnergyLab and funds such as the Clean Energy Finance Corporation's Innovation Fund. Clean Energy focused startups, and committed investors, were however, few and far between. Even in much larger international markets,

ClimateTech was not a focus for traditional Venture Capital firms, many of whom were burnt by failures during the first wave of Climate Tech investment in the early 2000s.

It was only as recently as 2015 that Bill Gates launched Breakthrough Energy Ventures alongside a number of well-known private investors, reigniting the push towards ClimateTech as both an impact and financial investment opportunity. Just one year later, the Paris Agreement was signed in an attempt to keep the increase in global average temperature to well below 2°C above pre-industrial levels and to pursue efforts to limit the temperature increase to 1.5 °C above pre-industrial levels. The drive towards clean energy solutions from world leaders and the scientific community, was compounded by new commitments from governments, countries, cities, business, industries and both public and private investors.



Today, Google has vowed to run its operations on carbon-free energy by 2030, Apple to be carbon neutral by 2030 and Microsoft to be carbon negative by 2030. Joe Biden's Presidential win and the Democrat's control of the senate will put a particular light on climate issues over the next four years with the administration targeting net-zero emissions in the US by 2050. In Australia, we are now seeing announcements from incumbent mining and resources players like Andrew Forrest announcing a plan to build the country's first green-steel pilot plant. Climate Tech is rapidly moving into the mainstream and has matured enormously in the last five years, with awareness creating a global call to action.

According to PitchBook, there has been USD 286 billion invested in Climate Tech companies since 2011, with USD 7.2 billion invested in 2020 alone. During my time in this space, I have seen Australia's ClimateTech ecosystem space grow, with our country now recognised globally as a launchpad for startups to pilot their technology due to our natural resources, uninhibited land and export infrastructure. Overseas investors and corporates have started looking to Australia for opportunities in this space due to our emerging competitive advantage.

Artesian launched our first Clean Energy Seed fund in 2016, with thought/market leaders such as [CEFC](#), [Australian Ethical](#), [Future Super](#) and [Hostplus](#) making capital commitments. Over the past four years, the Clean Energy Seed Fund (and other Artesian funds) have made investments in over 60 companies that are reducing the cost of renewable energy, delivering clean energy solutions to consumers via new business models, converting waste to energy or finding new ways to sequester carbon.

Artesian portfolio startups (see illustration below) like rapid solar deployment company [5B](#), which received investment from US energy corporate AES, and wind turbine monitoring system [PING](#) are expanding globally, underlining the demand for Australian technology to solve climate related issues. [Evergen's](#) software is supporting the creation of virtual power plants, with an aim to kill coal-fired power stations in more than 10 countries. [Southern Green Gas](#) is piloting their technology at an APA gas hub in Queensland to create renewable methane (being an effective hydrogen carrier) and methanol.

In a short period of time, we have seen the cost of renewable energy reduce drastically, to allow for new innovations. Over the next five years, I expect to be talking about technologies we are yet to name – the pace of progress in this space is building hope.



Ali Clunies-Ross

Ali Clunies-Ross is a member of the VC investment team at Artesian. She is the Portfolio Manager for Artesian's Clean Tech investments from seed stage through to Series B.

Ali joined Artesian in 2017 and has a Bachelor of Commerce from The University of Sydney and a Master of Business Law from The University of New South Wales.

Working with Corporates, Governments, Universities & Institutional Investors

Artesian scales its responsible investment activities by building collaborative partnerships, with innovation ecosystem participants with particular domain expertise, including government organisations, corporations and industry groups, universities & research institutes, accelerators and incubators to achieve sustainable outcomes at scale.

Leveraging Artesian's extensive background in venture capital, the Venture Capital as a Service (VCaaS) unit provides VC services to a range of corporate, government, investment, and industry groups who are seeking strategic or financial returns through involvement in the startup innovation landscape. Undertaking activities such as scouting, due diligence, and investment management, the VCaaS team is at the forefront of corporate innovation.

Recent corporate trends have seen an increasing level of attention and investment towards corporate sustainability activities. Heavily aligned to the United Nations Sustainable Development Goals, the strategic impact of these activities range from corporate operations and profit improvement to accelerating climate and community friendly activities. Artesian's role in this is to help these large companies and groups be more aware of what the innovation community is creating and forge a pathway for investment and/or integration.



"Artesian's position as an impact investor allows us to truly understand and match innovative ideas and products with the sustainability strategies of our partners. We are fortunate to have worked with many partners on such strategic goals as taking action on the climate, sustained economic growth, and clean energy."

- Guy Newton, Director, Venture Capital as a Service (VCaaS)

EXHIBIT 1: Artesian engages in collaborative partnerships with a broad range of participants in the innovation ecosystem



EXHIBIT 2: Examples of Artesian's existing collaborative partners



Impact Spotlight

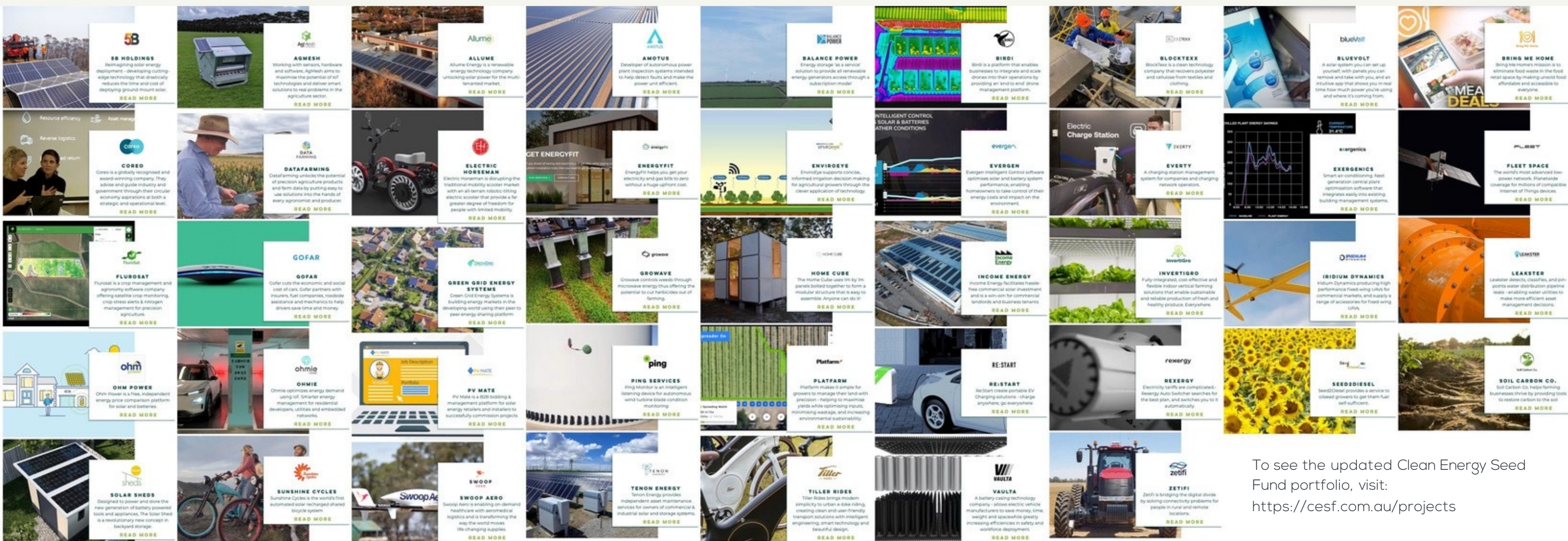
Investing in Australia's Clean Energy Revolution

ARTESIAN CLIENT PARTNER : CLEAN ENERGY FINANCE CORPORATION (CEFC)



The Clean Energy Finance Corporation (CEFC) plays a unique role in increasing investment in Australia's transition to lower emissions. With the backing of the Australian Government, they invest to lead the market, operating with commercial rigour to address some of Australia's toughest emissions challenges – in agriculture, energy generation and storage, infrastructure, property, transport, and waste.

The Clean Energy Seed Fund established by Artesian and the CEFC invests in scalable, high-growth potential startups, encouraging innovation and creating opportunities in the development of clean technology. In 2020, Artesian's Clean Energy Seed Fund made 43 investments in Australian startups developing software, hardware or new business models applicable to the clean energy market (see portfolio below).



To see the updated Clean Energy Seed Fund portfolio, visit:
<https://cesf.com.au/projects>



Recent speaking and community events

DATE	ORGANISER	TYPE	EVENT	DESCRIPTION	LINK
16/06/2021	Propel	Keynote	Propel Energy Tech Forum Clean Tech Investing - Lessons in Navigating Global Change (Keynote Presentation)	Artesian speaking at the Propel Forum online virtual forum with a keynote presentation: "Clean Tech Investing - Lessons in Navigating Global Change" online virtual forum	Link
03/06/2021	AGRI Tech Venture	Keynote	Agrifood Tech Investing - An Asia-Pacific Perspective	Keynote presented on key trends in Agrifood innovation and investing	Link
07/05/2021	Responsible Investment Association Australia (RIAA)	Panel	PE & VC: Impact hiding in plain sight	Artesian sharing at the Responsible Investment Association Australia 2021 conference about impact in Private Equity and Venture Capital	Link
21/04/2021	Victorian Cleantech Cluster	Panel	Victorian Cleantech Expo Financing Cleantech Innovation	Artesian sharing insights on a panel about what is an investor looking for with clean tech founders	Link
10/04/2021	United Nations	Panel	Unlocking Public and Private Finance for the Poor	Our New York office discussing our joint impact partnership with the UNCDF, synergies to deliver results at scale, and SDG#17: Partnership for the Goals	N/A
01/04/2021	University of Sydney	Podcast	The Genesis of Startups Have a Deep Understanding of the Problem You Are Solving	Artesian sharing insights on a podcast about what venture capital firms look for when assessing startups	Link
02/12/2020	Startup&Angels	Keynote	Startup Funding: 2020 retro and 2021 forecast	Keynote - 2020 investment landscape retrospective in Australia and worldwide	Link
19/11/2020	Launch Vic	Panel	The Increasing Role and Impact of AI	Panel on the increasing role artificial intelligence and machine learning has across the startup ecosystem in driving economic development and growth	Link
27/10/2020	Startup Victoria	Panel	Pitch Night: Artificial Intelligence	Artesian presenting at an AI pitch event in Melbourne, Australia	Link
26/10/2020	Cleantech Group	Report	Judging for 50toWatch report	Judging the Cleantech Group's 50toWatch, which lists the top CleanTech startups globally	Link
08/10/2020	Startup&Angels	Panel	Scale-up Investors panel	Startup&Angels first edition in Adelaide. An interactive event connecting startup founders, entrepreneurs, investors & business angels	Link
12/08/2020	HatchQuarter	Panel	HQ Boardroom Discussion with Artesian: The Future Innovation in Australia	"The Future of Innovation in Australia" - shedding light on the current and future tech industry, the economical impact of COVID-19, and how startups and investors will adapt	Link
15/06/2020	The Advertiser	Panel	Entrepreneurship & Startup Questions	Entrepreneurship + startup questions answered by expert panel	Link
07/05/2020	Impact Capital Forum	Panel	Tackling Financial Literacy in the 2020s	Artesian joins panel in New York to discuss how we can tackle the issue of financial illiteracy in the United States.	Link
07/05/2020	Startup&Angels	Panel	Emerging Technology Trends	Panel discussion on emerging tech trends in Europe and APAC	Link
16/04/2020	Startup&Angels	Panel	International Investor Panel: Strategies for Startups to survive and keep growing	This VC Panel is all about supporting startups in these difficult times. Artesian join panel of speakers presenting practical tips to survive & keep growing!	Link
15/01/2020	Sustainable Finance	Podcast	Ep 67 of the Sustainable Finance Podcast	Artesian Partner John McCartney talks about how we're attacking the \$800B Climate Infrastructure Deficit with green bonds & venture debt.	Link



diversity equity & inclusion at artesian

59 Diversity, Equity & Inclusion at Artesian

DE&I in Numbers

Sharing Our Commitments

- We seek to hold ourselves accountable**

With the growth that Artesian has experienced, we formalised our DE&I committee and in H2 2021, will be launching our employee surveys and engagement tools that are designed to support our staff to enable them to do their best work.

- We are exploring new ways to support our portfolio companies**

The heightened attention being paid to diversity and ESG by investors and the broader market means our role in supporting Artesian portfolio companies continues to expand. Our data platform will allow us to benchmark individual portfolio companies on how they are doing and work directly with each one to develop their diversity programme.

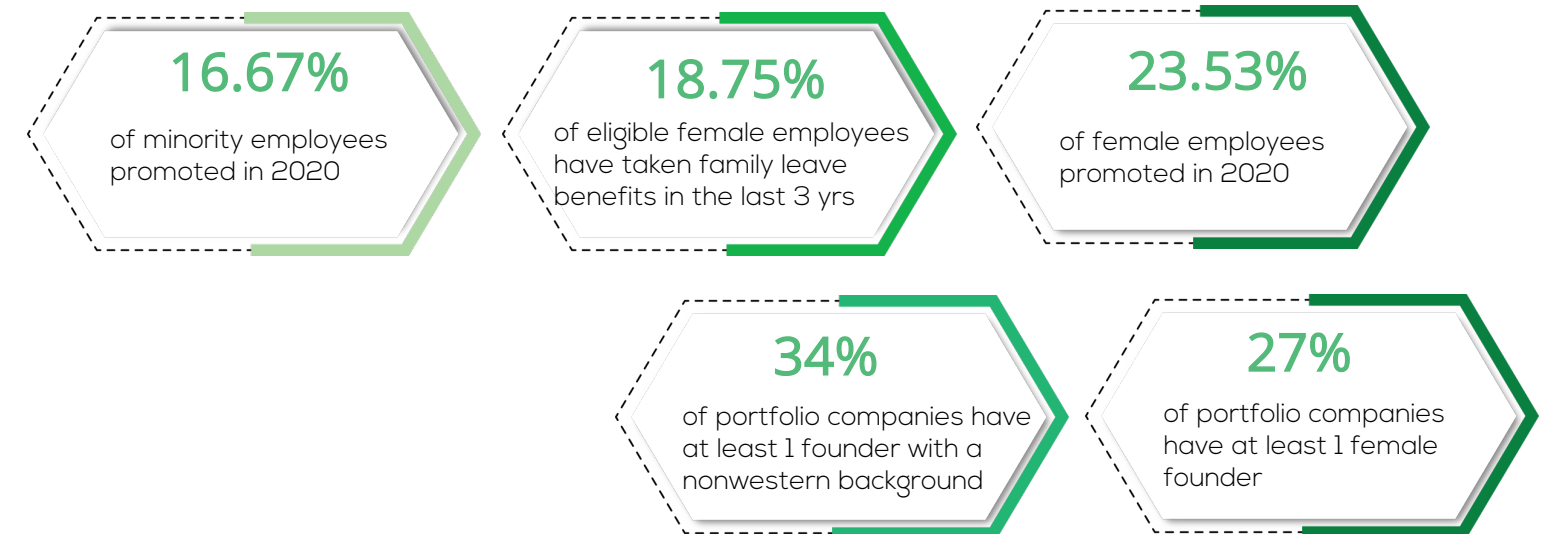
- We share knowledge and resources with our partners**

The success of our partner institutions is critical to scaling the impact we aim to achieve over the long-term. We are focused on supporting our partners through sharing lessons learned from our journey and best practices that surface from the greater Artesian ecosystem.



"We seek to adopt a transparent and collaborative approach when it comes to advancing Diversity, Equity, and Inclusion in workplaces across the Asia-Pacific and will continue to share our policy templates and best practices with our accelerator and incubator partners and portfolio companies."

- Tim Heasley, Partner & DE&I Committee Member



"Diversity in the workplace is of critical importance. Homogenous environments can lead to a performance plateau. I value an inclusive technology culture, reflective of a diverse technology workforce, that fosters engagement, collaboration, belonging and that delivers value."

Whilst HR typically leads DE&I initiatives, technology leaders play a crucial role as strategic partners by designing, developing, and executing technology solutions to address a complex challenge. In Artesian we have recently implemented a platform to facilitate DE&I focused employee engagement surveys but while DE&I technology tools can enable awareness and highlight things that are not working well, we still need to rely on humans to follow through with meaningful action."



- Connor Hughes, Chief Technology Officer & DE&I Committee Member

Supporting Global Talent & Diverse Perspectives

The Power of Mentorship

Valuable work comes from people who know how valuable they are, and when they commit to bringing their best work, it helps the organisation move forward, but leadership commitment and employee commitment go hand in hand. At Artesian we encourage all members of the team to grow and develop personally and professionally.

"Being a French national working in global banking markets, I have always valued differing perspectives at the decision-making table and having structures in place to support diverse talent. I am surprised that diversity, equity and inclusion has taken this long to become mainstream."

Personally, I was lucky enough to have excellent mentors throughout my own career and therefore understand the value of mentorship and how crucial it is early on in someone's professional journey."

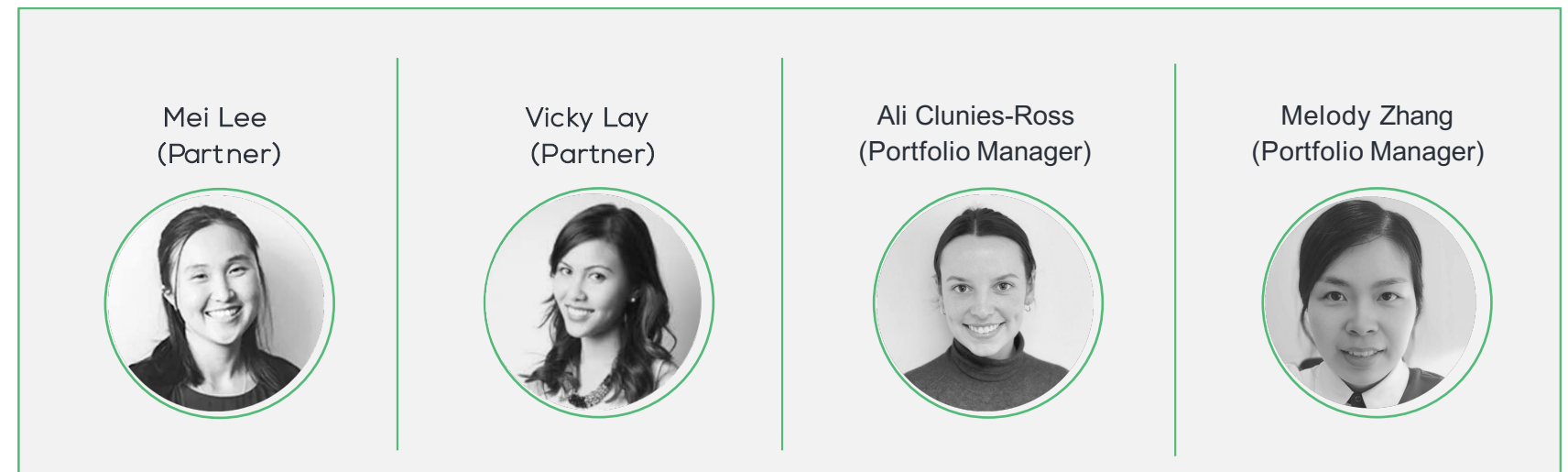
"My mentorship style is more informal and focuses on developing relationships, providing perspective and giving feedback that is direct and personalised for the individual."

- Gilles Planté, Partner & Head of VCaaS



TEAM SPOTLIGHT: WOMEN OF ARTESIAN

In 2020, Artesian promoted two women partners and two women portfolio managers.



Meet the Team

Alexandra Grigg is the Senior Portfolio Analyst for the South Australian Venture Capital Fund and has been active at the fund since it was first launched in 2018. In 2021 Alex was recognised as a Forbes 30 under 30 Asia list maker in the Finance and VC category.



"A snowball effect is created when there is a high level of diversity, equity and inclusion in the ecosystem. The culture is more supportive and accepting, which empowers people to speak up and share ideas. This means more perspectives are heard and more ideas are generated. Then more collaboration and innovation occurs. Ultimately, great ideas are more likely to emerge and be successful because they are inclusive and representative of the needs in the world outside of the ecosystem. This is why I'm committed to creating global opportunities and impact through investment that is underpinned by diversity, equity and inclusion."

- Alexandra Grigg, Senior Portfolio Analyst

Hannah Morrow is our in-house lawyer supporting the VC portfolio managers and analysts with transaction negotiation and documentation. She is passionate about leveling the playing field when it comes to access to legal advice, particularly for diverse founders.



"There is a lot of talk in the venture capital industry about the importance of getting funding in the hands of women and minority entrepreneurs, however I think that our inclusion efforts need to be wider than that. We need to democratise participation in the financial system at the very beginning by ensuring just and equitable access to fundamental services such as legal advice. I believe the impact potential of the VC back office in diversity, equity and inclusion efforts is largely overlooked and I'd like to change that."

- Hannah Morrow, Lawyer

Making Frontier Tech Inclusive: Creating Jobs & Capacity Building in Southeast Asia

THE IMPACT POTENTIAL OF TECHNOLOGY IN EMERGING MARKETS

By *Nayoko Wicaksono*

How do new technologies help to build up an economy, improve productivity, and create jobs?

During Covid-19, the adoption of digital technologies by the population and corporates increased tremendously. This resulted in a new paradigm where people are forced to learn to use new technologies to survive and corporates are forced to implement digitisation and automation much faster than before. With remote working as a norm, companies are forced to digitise their processes, improve their coordination using new communications technologies, and dig deeper into their data to seek insights. The digital adoption by the consumer made it possible to generate rich and meaningful data that enabled more advanced automation technologies to the market such as Machine Learning and AI.

Why is it important to educate/upskill/reskill diverse communities?

The increasing adoption of automation, artificial intelligence (AI), and other technologies suggest that the role of humans in the economy will shrink drastically, wiping out millions of jobs in the process. COVID-19 accelerated this effect in 2020 and will likely boost digitisation across the region, and perhaps establish it permanently in some industries and urban population. Although these technologies will eliminate many repetitive jobs, they also generate new jobs such as software developers, data analysts, cybersecurity specialists, and other digital specialists. Increased automation will create significant opportunities. Primarily, it will enable workers to undertake higher-value tasks.

This is why governments, companies, and individuals therefore all need to understand these shifts when they plan for the future as there may be a need to redeploy, upskill, or reskill people and perhaps even to redefine any given job itself. They need to take deliberate action to build a workforce that is ready for the future where workers continue to learn over time as demand for different skills evolves.

How can technology play a role in supporting employment?

Through recent advancements in connectivity across the region, combined with live streaming technologies and the proliferation of LMS technologies allowed more and more education institutions are able to reach out to remote locations across the region.

New education players are also offering more flexible courses, moving beyond degree programs that require several years to complete to instead focus on shorter courses that are more outcome-based where people obtain skills tailored to industry needs and to upgrade their skills on a regular basis where people can build their portfolio of projects instead of collecting certificates. We also see that accessibility to financing becomes easier. Driven by the Education Fintech boom, the education funding trend is shifting from large, one-time subsidies to smaller, incremental payments spread over a person's lifetime. This might mean, for example, shifting towards a "Lifelong Learning" model to support the trend towards a flexible workforce.

CREATING JOBS BY INVESTING IN HIGH-GROWTH TECHNOLOGY STARTUPS

At Artesian, we believe that investing in high-growth potential startups is the key to job creation, equalising access and community development in the developing world.

Artesian portfolio company, Kargo Technologies, aims to revolutionise Indonesia's freight logistics industry by leveraging technology to drive efficiency, transparency, and accountability. In 2020, Kargo posted 85,00 jobs to its marketplace.

Supporting Technical Upskilling Programs in Data Science & Machine Learning Across Southeast Asia

I am passionate about ...

Improving entrepreneurship talent and the technical talent quality in the region by equipping them with future-proof skills that are relevant to the market.

Artesian provides a platform for me to pursue my impact work by ...

Building the ecosystem where my school supplies graduates to startups in the ecosystem who need data capabilities through training and sourcing technical data talent from our graduates.

At Algoritma, we have helped 1,065 individuals to graduate from our 4-month Data Science Bootcamp and helped 167 of those seeking career changes to obtain a job within 3 months of their graduation. We also committed to provide IDR 8 billion over 5 years since 2020 to help financially challenged students with our scholarship program in which we took in over 35 students that had been impacted by Covid-19 to be able to graduate and find employment. We also see individuals who graduated to eventually create their own startups in the field of AI and Machine Learning.



Nayoko is a Venture Partner and analyst based in Jakarta responsible for Artesian's venture capital activities in Indonesia. Nayoko is also the co-founder and Managing Director of Algoritma, a data science education startup focused on building applicational data science skills using real world data and preparing students to be employable. Nayoko completed a Bachelor of Arts (Economics & Commerce) at the University of British Columbia.



Artesian & LaunchVIC's Boab AI - World First AI Accelerator with a DE&I Focus

Boab AI will be run by former founder of agriculture tech accelerator SproutX and Deakin University venture director Andrew Lai, and will offer companies a tailored six-month program that will supposedly be designed to meet the needs of each company.

"The Artesian crew have different thematics and they were quite interested in AI. It was great for me to re-enter the program and the VC space and this time at a bigger cheque size," he said.

"Rather than small inception-level cheque sizes, we're offering a minimum of \$300,000. The companies we go for are a higher valuation, generally \$5 million and over ... [so] we're investing into companies that have existing traction, mature products, have enterprise customers around the world and we're helping create programs suited to them."

Boab's first round of participants include Victorian companies Pi.Exchange, Plaetos and Strongroom AI, and Australian companies Daitum and Remi AI.

Boab directors include Dr Catriona Wallace, founder and CEO of Ethical AI Advisory, Roslyn Hames COO of Clear Dynamics as well as Tim Heasley and Matthew Clunies-Ross, both managing partners at Artesian.

Artesian has already become one of the country's biggest supporters of early-stage AI companies, with 40 in its portfolio already.

Artesian estimates there are more than 300 AI startups in Australia. The \$100 million fund, which is yet to be raised, will support up to 150 AI companies across the Asia-Pacific.

"We've invested heavily in verticals such as AgTech and clean energy. However, AI is interesting in that it has applications across all industries. If the Australian economy is to remain competitive, we need the local capability to create new AI-driven innovations that help to generate economic advantage," Artesian chief executive Jeremy Colless said.



LaunchVic CEO Kate Cornick said it was pivotal for startups to have the right mentorship and investment to be successful.

"We are backing Victoria to be a world-leading innovation ecosystem, and this funding will help us attract and develop the best talent, investment and artificial intelligence expertise," Victorian innovation, medical research and digital economy minister Jaala Pulford said.

Reference: Australian Financial Review 16 Feb 2021



Boab Executive Chairman, Dr Catriona Wallace speaking at the Boab AI launch, Melbourne

Forward Looking, Active Engagement

At Artesian, we are committed to active leadership, learning and improvement throughout the business. In 2020 we formed our ESG Thought Leadership committee and our Diversity, Equity and Inclusion committee, to ensure our ongoing commitment to these causes.

Our committees includes key members of Artesian's executive and board leadership and meet weekly and monthly in order to actively monitor ESG market news, policy changes and opportunities to engage as active owners. With ESG and DE&I factors becoming increasingly important to both businesses and investors, our committees are also committed to looking forward, identifying new ESG investment opportunities as well as potential improvements to Artesian's own internal practices and policies.

Recent speaking and community events

DATE	ORGANISER	TYPE	EVENT	DESCRIPTION	LINK
16/06/2021	UNCDF	Podcast	UNCDF Capital Musings Podcast #26 - Breaking Barriers	Discussing gender equality, the financial advantage of investing in women, and why much more than mentoring is needed to get more women and diverse leaders into top roles	Link
13/03/2021	Scale Investors	Keynote	Scale Investors Startup Governance Forum 2021	Scale is Australia's first and only Angel Investor network that invests in female founders. Their monthly governance forum provides an educational opportunity for their network of investors (and founders) to enhance the quality and understanding of startup governance.	N-A
17/02/2021	SheSyndicate	Panel	Challenging Culture Fit: Disrupting Business as usual	A panel discussion and Q&A about the ways employers are already changing, what they will need to do to follow through on their commitments and maintain momentum, and where technology fits in both as an industry and an enabler	Link
09/02/2021	Entre	Panel	Women's Entrepreneur Summit Women Angel Investor Panel	3rd Annual Women's Entrepreneur Summit – sharing insights as women VC's, Founders, Influencers, and Angel Investors	Link
25/11/2020	Investment News	Keynote	Women Advisers Summer 2020 How to Avoid Impact Washing in Portfolios	Artesian presenting at the Women Adviser Summit 2020 in New York about the importance of investing with a gender-lens as part of ESG integration and optimising for risk/return	Link
15/07/2020	Sustainable Finance	Podcast	EP 88: Putting Gender on the Agenda through Public & Private Market Partnerships	Episode 88 of the Sustainable Finance Podcast. Interview with Artesian about putting gender on the agenda through public & private market partnerships	Link
22/06/2020	Vinetta Project	Panel	Pitch & Panel	Judging and mentoring startups through the Vinetta Project, a capital platform that sources, supports and scales high growth female founders	Link
05/03/2020	Startup&Angels	Keynote	Women's Day Special	Celebrating women angel investors and startup founders	Link

