artesian

2023/24

Impact Annual Report

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01

Overview

Who we are, what we stand for and our outlook on the future of responsible investment.

— FOREWORD

Impact Forward

2023/24: A Year in Review

2024/25: The Year Ahead

Artesian's Strategy Amidst Emerging Global ESG Trends

Our Focus: Equitable Green Development and the Just Transition

— ABOUT ARTESIAN

Company Overview

Responsible Investing Evolution

Our Team

Diversity Breakdown

FOREWORD

Impact Forward

Vicky Lay
Partner, Head of Impact

John McCartney
Co-Founding Partner, Head of ESG

Mei Lee
Partner, Head of Operations

This year, Artesian celebrates 20 years of alternative and impact investing. Our FY2024 Impact Report marks another chapter in our long history of responsible investing, and we are excited to share our insights from the past year and our plans for the future.

2023/24: A Year in Review

Impact highlights from the 2023/24 reporting year

- The Artesian Green & Sustainable Bond Fund was awarded 'Best New Ethical or Impact Fund 2024;
- Launch of our Carbon Collective Short Duration Green Bond ETF on the Nasdaq;
- Artesian's BoabAI awarded $4m Australian Government grant to help SMEs adopt AI technologies;
- Advancements in DE&I including company-wide training, improved gender pay gap methodology, and resources for portfolio;
- Precise annual carbon footprint calculations and a refined offset analysis framework;
- Our investments in green, social & sustainable issues accounted for 65% of total fixed income public securities;
- Our investments in SDG-linked startups, scaleups and solutions accounted for 53% of total VC investments.

2024/25: Looking Ahead

Consistent with previous years, we will continue to strive towards our longer-term objectives of:

- Building upon our sustainable and impact investment focus, by continuing to develop products that align with our clients' values of integrating environmental, social, and governance (ESG) and impact into capital allocation decisions;
- Deepening our impact data collection, measurement, and management processes, with input from stakeholders;
- Contributing to responsible investor education around impact and the myriad ways of implementation, measurement and assessment;
- Encouraging greater ESG disclosure across our portfolios, particularly in the disaggregated startup sector;
- Mitigating any material operational risks within our business where possible and continue to improve and publicly report on our own internal impact metrics.

FOREWORD CONTINUED

Artesian's Strategy Amid Emerging Global ESG Trends

The 2023/24 financial year saw market validation of the strategic moves Artesian has made over the last few years. Venture Capital markets saw valuation and cash flow challenges as public market IPOs slowed. As the energy transition continues to grind on with the tailwind of government and regulatory support, CleanTech and AgTech companies have remained able to access the private capital markets to develop and scale their competitive solutions. In Fixed Income, our disciplined approach to risk, return and impact resulted in solid returns across the funds. With a higher-for-longer interest rate environment benefiting fixed income, these funds are now positioned to scale. Continued corporate decarbonisation should result in more sustainable bond issuance and strategic capital for climate focused venture companies.

Global Adoption of ISSB Recommendations Despite ESG Politicisation and Pushback

2023/24 saw the ESG label come under scrutiny in the US, with the topic becoming politicised. Publicly traded renewable energy stocks experienced significant volatility. Republican-led states are increasingly excluding major banks from municipal deals, citing perceived hostility towards the fossil fuel and firearms industries. Diversity, Equity, and Inclusion (DE&I) initiatives also faced substantial resistance, particularly in the corporate and higher education sectors, following the Hamas attack on Israel on October 7.

On the other side of the ledger, we saw the International Sustainability Standards Board (ISSB) hand down its climate disclosure recommendations to securities regulators. Whilst there has been dilution and pushback in the US, virtually every other major securities exchange will be adopting those regulations as recommended.

Aggressive Decarbonisation Efforts by Major Banks and Governments

As corporations have traced out their path to Net Zero, some are becoming more aggressive than others in their decarbonisation efforts, particularly in the banking sector. The French banks are at the forefront, with the EU's largest bank "effectively ceased underwriting bonds for oil and gas producers, representing one of the most dramatic crackdowns on fossil fuels among the world's major financial firms."

We are seeing a trend amongst some banks who are creating low carbon transition groups to help accelerate climate innovations by linking early-stage startups with investors, banking, and capital markets teams. Their goal is to decarbonise their balance sheet and replace income from fossil fuels. Carbon credits are also driving banks into venture-backed companies that can deliver on these new revenue streams.

In the US, the Inflation Reduction Act (IRA) is driving huge investment in the energy transition – with one of the largest banks committing $1 trillion to the energy transition – and also connecting startups to corporate and investment banking and capital markets.

Japan has taken a proactive approach to the decarbonisation efforts of its economy, issuing the first government-backed "Transition Bond" – a designation to help provide green capex to companies with challenging emissions profiles. Japanese financial institutions are acutely aware that their banking relationships will reach a critical "innovation inflection point" in the mid-2030s, when new technologies will be required to facilitate their Net Zero commitments.

Artesian has been planning for these critical "climate innovation inflection points" which are becoming more apparent as industries decarbonise. Through our corporate engagements in the bond markets, we are in dialogue with companies across the globe on their Net Zero commitments and their investment plans to reach those goals. Artesian continues to find opportunities to connect corporations with innovation ecosystems in order to speed up the innovation cycle and bring new low-carbon solutions to market faster. Speed of deployment is the key not only to avoid the worst effects of climate change, but also for corporations to mitigate the cost of carbon liabilities as the world moves towards 2050.

Things Are Going to Start Moving Faster: Increased Physical Risks, Regulatory Pressures, and Accelerated Asset Repricing

Legislators, regulators and banks are going to continue to drive the global economy towards climate-based solutions - and corporations need to think about their carbon liability exposures and how to manage them. Capital markets activity is picking up, with the IRA and its global equivalents serving as a catalyst for CleanTech investment, driving the cost of renewable electricity generation down versus extraction and ignition for energy solutions.

As the ISSB disclosure recommendations trickle into global securities regulations, we believe the pace of asset repricing based on carbon intensity is set to intensify. Physical risks are also set to increase this year in line with the National Oceanic and Atmospheric Administration (NOAA) predicting that the 2024 hurricane season will be 85% above normal with 17-25 named storms. As physical destruction leads to insurance and market losses, legislators and regulators will be inclined to increase regulations in response.

Physical risks are also looming large for central banks as they try to understand the economic topography of climate disasters. The ECB is the first central bank to issue fines on banks for failure to deliver on climate goals. Fining banks does not lose many votes - and additional revenues for central authorities will also enable governments to meet liabilities as climate damages increase.

BNP Bond Desks Stop Offering Regular Oil and Gas Deals

FOREWORD CONTINUED

Our Focus:
Equitable Green Development and the Just Transition

Vicky Lay
Partner, Head of Impact

John McCartney
Co-Founding Partner, Head of ESG

Mei Lee
Partner, Head of Operations

The market shocks and infrastructure changes that will accompany the energy transition have the potential to exacerbate inequalities that could create further economic and social harm.

Artesian recognises the issues surrounding the "just transition" and looks to ensure that our investee companies are aware of the issues around not only their own human resourcing issues, but that of their supply chains.

Gender equality is a major investment focus for the entire firm at Artesian. In Venture Capital, we have a dedicated strategy trying to solve some of these inequalities through our Female Leaders VC Fund. In Fixed Income, we are engaged with banks and their bond syndicate desks on the design and delivery of gender bonds (aka "orange bonds") as we seek to solve for gender based inequalities. The "just transition" is a large and complex topic and we recognise the significant amount of capital required to equalise this. In an attempt to address some of these issues, we are using our platform to connect investors with where the capital is required to make a difference.

At Artesian, we remain committed to driving demonstrable impact through rigorous sustainability analysis, strategic alignment and proactive adaptation to emerging trends. We believe that risk, return, and impact are inherently linked, and optimising for risk and impact will drive returns.

In private markets, our missions is to create innovation ecosystems that balance risk and impact to drive returns. Through our partnerships and insights as public market investors, we aim to catalyze both financial and strategic returns as these solutions scale into the global economy.

By navigating these complexities, we continue to advance our approach to responsible investing, working towards a sustainable and inclusive future.

ABOUT ARTESIAN

Company Overview

Founded In

2004

Alternatives Investment Manager

AUM[1]

$1.22 B

Debt $680M • VC $540M

Startup Investments

>645

Venture Capital, Public and Private Debt Investment Specialists

Signatory of:

PRI Principles for Responsible Investment

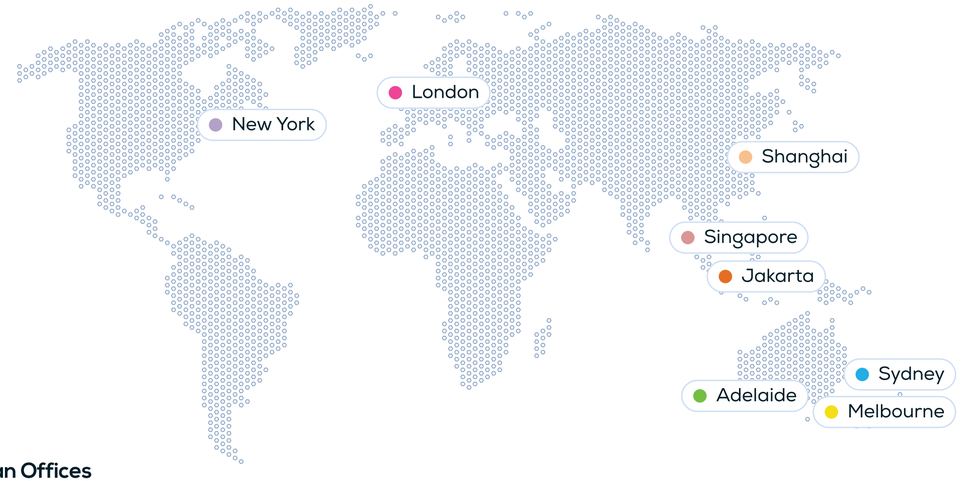
Certified B Corporation | Highest standards of social and environmental performance

1. The Australian dollar is Artesian's impact reporting currency.

Asia Pacific Focus with Global Perspective

Artesian is a global alternative asset manager focused on public and private debt, venture capital and impact investments:

- 41 employees in 8 cities;
- Specialist public & private debt manager with an ESG focus;
- Transformational impact investments with compelling risk/return metrics;
- Most active early-stage VC in Asia Pacific with >645 startup investments across Australia, NZ, SE Asia and China;
- VC as a Service (VCaaS) platform for government, corporations and industry groups;
- Advisory services and customised solutions to help build resilient innovation ecosystems.



Artesian Offices

ABOUT ARTESIAN

Responsible Investing Evolution

Market and Firm Impact Highlights Over the Years

The rapid growth of the green and sustainable bond market has coincided with the rise of mission-based startups in venture capital and the growth of assets under the UNPRI umbrella has gone from US $4tn in 2006 to US $121tn in 2023.

2004
- Artesian founded as a fixed income credit specialist

2006
- UN launches the Principles of Responsible Investing

2007
- EIB launches first green bond

2009
- Artesian starts investing in the Australian early-stage VC ecosystem
- Global Impact Investment Network (GIIN) formed

2011
- Launches Sydney Angel's Sidecar Fund #1 Australia's first early-stage co-investment seed fund
- Artesian starts investing Partners' capital in early-stage VC in China

2013
- Artesian begins trading green bonds
- IFC issues first US $1bn green bond
- Vasakronan (Sweden) issues first corporate green bond
- Massachusetts issues first municipal green bond
- Solar City (Tesla) issues first solar (green) ABS bond
- Artesian partners with BlueChilli Australian impact accelerator
- Launch of Australian Fund of Funds (AFOF) #1

2014

2015
- Global green bond market hits US $100bn outstanding
- UN sets the Sustainable Development Goals (UN SDGs)

2017
- Australian Corporate Bond Fund (Negative Screening / ESG overlay)
- Artesian HP Late-Stage VC fund #1
- Accelerate Fund launched
- Sprout X Fund launched
- Artesian (HP) China VC fund launched
- Sydney Angels Sidecar Fund #2
- Clean Energy Seed Fund
- Launch of Climate Action 100+ (climate engagement with investors)

2018
- Artesian becomes a UN PRI Signatory
- The MedTech Actuator
- Artesian HP China VC Fund #1

2019
- AFOF #2
- Grains Trust
- AmatilX
- Contiguous VC Fund
- Boab AI

2020
- Green bond market hits over US $1tn outstanding
- Galileo VC Fund
- SAVCF
- Australian Green & Sustainable Bond Fund

2021
- High Impact Green Bond Fund
- Female Leaders VC Fund

2022
- B-Corp Certification

2023
- Celebrating 20 years of alternative and impact investing
- Launch of our Carbon Collective Short Duration Green Bond ETF on the Nasdaq
- Artesian Impact Calculator
- Japanese Banking Giant MUFG Signs Alliance With Artesian

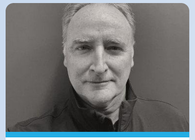
2024

ABOUT ARTESIAN

Our Team

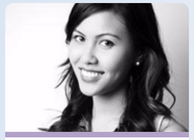
Sydney · Melbourne · Adelaide · Singapore · Jakarta · Shanghai · London · New York · Remote

VENTURE CAPITAL



Jeremy Colless
Co-Founding Partner

Luke Fay
Partner



Vicky Lay
Partner

Ali Clunies-Ross
Partner

Gilles Plante
Partner

Felix Zhang
Partner

Tim Heasley
Partner

Melody Zhang
Director

Robert Williams
Partner

Ananya Sinha
Analyst

Stuart Fox
Partner

Rohan Gray
Partner

Richard Case
Managing Director

Fiona Zheng
Analyst

Nayoko Wicaksono
Analyst

David Rohrsheim
Ventures Partner SAVCF

Kirsten Bernhardt
Investment Manager

Channing Chen
VC & Legal Analyst

Kaushalya Gunatilaka
Head Partnership Community

Andrew Lai
Managing Director - Boab AI

Will Smith
Analyst

Renae Yu
Analyst

Victoria Prowse
Senior Manager Agrifood

Stephanie Morris
Investment Manager

DEBT

Matthew Clunies-Ross
Co-Founding Partner

John McCartney
Co-Founding Partner

David Gallagher
Partner

Kurt Tan
Managing Director

Nikolaos Koukiasas
Portfolio Manager

Johny Tjheng
Director

Mark Bytheway
Director, ESG Research

Christine Chang
Director Fixed Income Operations

Rory MacIntyre
Director, Distribution

Vicky Lay
Head of Impact

Gibson Goh
Credit Analyst

Bushra Mumin
ESG & Credit Analyst

OPERATIONS & ADMINISTRATION

Mei Lee
Partner

Pankaj Khanna
Chief Financial Officer

Kate Robinson
Legal Partner

Mary Angelle Cansicio
Financial Accountant

Rosalita Fortunato
Accountant

Delon Siew
Fund Admin & Operations

Tom Davey
Associate Director Finance

ABOUT ARTESIAN

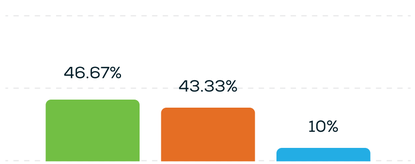
Diversity Breakdown

Results

Of Artesian team members who have self-identified globally, we see that:

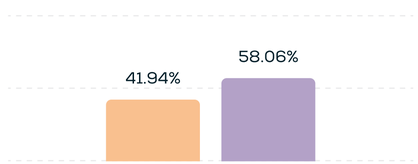
- 10.0% self-identified as LGBQ+ and/or Trans+.
- 3.33% self-identified as having a disability.
- 10.0% self-identified as being, or having been, members of the military.

Age



Ethnicity

Gender



Methodology

Artesian conducted a diversity survey to capture comprehensive employee demographics and inform Diversity, Equity & Inclusion (DEI) initiatives. The survey covered age, ethnicity (allowing multiple selections), gender, sexual orientation, disability, and veteran/military status. Great care was taken in designing an inclusive and accessible survey, ensuring all employees could participate comfortably. It was distributed electronically company-wide, with assurances of anonymity and confidentiality to encourage honest, candid responses. The collected data set (as at June 20, 2024) will serve as the baseline for Artesian's FY2025 DEI strategies, enabling targeted efforts to foster an equitable and inclusive workplace environment. Participation was entirely voluntary, empowering employees to decide whether to disclose personal demographic information.

Celebrating Diversity

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02

Impact Metrics and Highlights

We seek to provide our stakeholders with transparency, accountability for what and who we are investing in and how we are trying to move capital for purpose.

— PORTFOLIO IMPACT

SDG Alignment & Impact Metrics

— IMPACT BY ASSET CLASS

Fixed Income

1. Issuer Case Studies
2. Artesian Launches Green Bond Fund on the Nasdaq

Venture Capital

1. Mission and Sector Focus
2. Investing in Impact Infrastructure: Global Trends in Sustainable VC & the Artesian Approach to Supporting Startup Impact

— IMPACT PERSPECTIVES

The Financial Imperative of Investing in Decarbonisation

A Global Agrifood Intersection: Venture Capital, Innovation, and Industry Collaboration

SDG ALIGNMENT

Impact Metrics

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, likeminded 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.

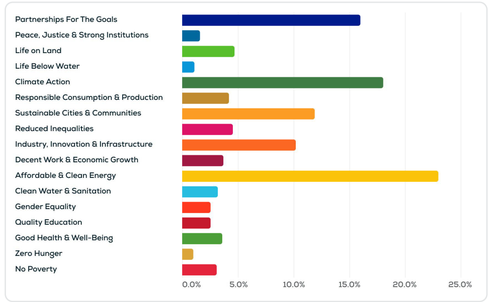
Our work directly contributes to filling the funding gap for all 17 Global Sustainable Development Goals.

FIXED INCOME

Gender Impact by the numbers	Climate Impact by the numbers
100% Female Board Representation Across all corporate issuers invested	**26,138.90t CO2e** Of metric tonnes of carbon abated by Artesian green & sustainable fixed income investments (equivalent to 12,253 cars off the road)

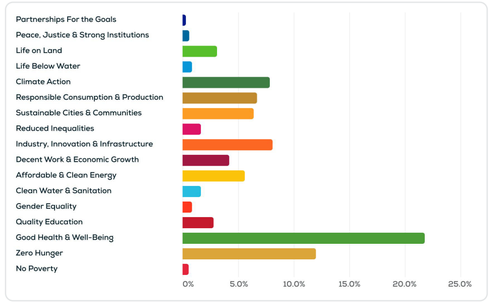
VENTURE CAPITAL

Gender Impact by the numbers	Climate Impact by the numbers
186 Female Founded Startups Funded across our VC funds since inception (companies with at least 1 female founder as at 31 Dec 2023)	**4,905.96t CO2e** Of metric tonnes of carbon abated by Artesian clean energy VC portfolio companies



In 2023, our investments in green, social & sustainable issues accounted for 64% of total fixed income securities in our open ended funds.

This graph represents the combined green, sustainable and social bonds held within the Artesian Green & Sustainable Bond Fund, the Artesian Corporate Bond Fund, and the Artesian High Impact Green Bond Fund, notionally weighted versus their targeted Sustainable Development Goals (SDGs), as at 31st December 2023.



In 2023, our investments in SDG-linked startups, scaleups and solutions accounted for 53% of total VC investments.

This graph represents the venture capital investments held across Artesian's funds, notionally weighted based on portfolio company responses of their targeted Sustainable Development Goals and Artesian research, as at 31st December 2023. For this year's methodology we have removed those companies that are no longer viable to scale and make an impact on their chosen UN SDGs.

SDG ALIGNMENT

Impact Metrics

Level of impact achieved across Artesian's venture capital and fixed income investments:

134,157

Trips made on clean & sustainable transportation.

16,937

People provided with access to water & sanitation.

100%

Female representation on board of fixed income fund holdings.

46,979,365

Litres of water saved.

798

People provided with access to education and materials.

3,001

Square metres of green energy efficient buildings financed.

186

Female founded startups funded across our VC funds since inception.

In 2023, our investments in companies led by at least one female founder accounted for 28% of total VC investments.

31,044.86

Metric tonnes of carbon abated by Artesian green & sustainable investments.

18,417,100

Hectares of agricultural land with crop efficacy/effectiveness enhanced through VC investments.**

* These figures above are provided on a best endeavours basis and are pro-rata estimates based on issuer's use of proceeds reporting and startup impact reports.

**One portfolio company accounted for this contribution, proportional to Artesian's ownership stake.

ISSUER CASE STUDIES

Fixed Income

The Artesian Green & Sustainable Bond Fund will invest in a diversified portfolio of liquid, predominately investment grade fixed and floating rate green, sustainable and social corporate bonds.

ISSUER

Bank Australia

Bond Type	Issue Date	Issue Size	Fixed/Floating	Maturity
Sustainable	15 Feb, 2023	$225M	Floating	22 Feb, 2027

The proceeds of the Bank Australia Limited

The proceeds are to be used in accordance with the Bank Australia Sustainability Bond Framework. Projects must qualify as an eligible asset, with a maximum lookback period of 24 months.

Bank Australia also excludes the use of proceeds towards any loans to:
- The fossil fuel industry.
- Intensive animal farming and the live export industry.
- The gambling industry.
- The arms industry.
- The tobacco industry.

Bank Australia will provide a semi-annual Use of Proceeds Report that includes Eligible Asset volume compared to bonds on issue, Eligible Asset type, and changes to the mix of Eligible Assets in the period.

Currency	AUD
Sector	Financial

SDG Alignment

RENEWABLE ENERGY
- Environmental Upgrade Agreements (EUAs)

SOCIOECONOMIC ADVANCEMENT
- Charity Loans
- Specialist Disability loans
- Indigenous Business loans

AFFORDABLE HOUSING
- Community housing loan
- Affordable housing loan

GREEN BUILDINGS
- Green mortgages
- Commercial green loan

ISSUER

Australian Postal Corporation

Bond Type	Issue Date	Issue Size	Fixed/Floating	Maturity
Sustainable	15 May, 2023	$100M	Fixed	22 May, 2029

Being a Sustainable Bond, in addition to green projects, the bond will also allocate to social endeavors, such as;

- Living below the poverty line
- Excluded and/or marginalised populations and/or communities
- People with disabilities
- Migrants and/or displaced persons
- Undereducated
- Underserved as a result of lack of access to essential goods and services
- Unemployed
- Women and/or sexual and gender minorities
- Ageing population and vulnerable youth
- Vulnerable groups, including as a result of natural disasters

Currency	AUD
Sector	Transportation & Logistics

SDG Alignment

ELIGIBLE GREEN PROJECTS MUST CONTRIBUTE TO ENVIRONMENTAL OBJECTIVES SUCH AS:
- Climate change mitigation
- Climate change adaption
- Natural resource conservation
- Biodiversity conservation
- Pollution prevention and control

Please refer to Clause B on page 55 for disclaimers related to this section.

ISSUER CASE STUDIES

Fixed Income

The Artesian Green & Sustainable Bond Fund will invest in a diversified portfolio of liquid, predominately investment grade fixed and floating rate green, sustainable and social corporate bonds.

ISSUER

La Trobe University

Bond Type	Issue Date	Issue Size	Fixed/Floating	Maturity
Green	31 Jul, 2023	$175M	Fixed	8 Aug, 2030

La Trobe University (LTU) is a public research university located in Melbourne, Australia. In July 2023, the university priced its inaugural AUD $175m Green Bond. In July 2023, LTU launched their Sustainable Financing Framework to ensure that their funding strategy is fully aligned with their sustainability objectives. Independent verification has been undertaken by DNY,

The net proceeds from the LTU Green Bond will be used to finance or refinance new or existing Eligible Green Project Categories as set in the LTU Sustainability Financing Framework. LTU has also declared that the eligible green assets are not double counted through allocation to other certified bonds, such as their Social Bonds.

Currency	AUD
Sector	Educational Services

SDG Alignment

ELIGIBLE GREEN PROJECTS MUST CONTRIBUTE TO ENVIRONMENTAL OBJECTIVES SUCH AS;

- Green Buildings
- Renewable energy
- Energy efficiency
- Clean transportation
- Pollution prevention and control
- Sustainable water and waste management
- Terrestrial and aquatic biodiversity conservation

ISSUER

Contact Energy Limited

Bond Type	Issue Date	Issue Size	Fixed/Floating	Maturity
Green	14 Nov, 2023	$400M	Fixed	21 Nov, 2030

Contact Energy Limited is a leading electricity provider in New Zealand focusing on reliable, affordable and environmentally sustainable electricity. In November 2023, the issuer launched its inaugural 400m green bond in the AUD market. In November 2022, Contact Energy launched their Sustainable Financing Framework to ensure that their funding strategy is fully aligned with their sustainability objectives.

The net proceeds from the Contact Energy Green Bond will be used to finance or refinance new or existing Eligible Green Assets as set in their Sustainability Financing Framework (Framework). Contact Energy has also declared on their term sheet that they will track the receipt of green debt proceeds via its internal information systems to ensure that all green debt Instruments and green assets under the Framework are appropriately identified.

Currency	AUD
Sector	Utilities

SDG Alignment

The eligibility criteria includes expenditures that are related to:

Renewable Energy - geothermal, hydropower, solar and wind.

Energy Efficiency - energy storage and energy efficiency processes, appliances, products and technology.

Clean Transportation - electric vehicles and hybrid vehicles that meet an emissions intensity threshold of 50g CO2 per passenger-km travelled.

Please refer to Clause B on page 55 for disclaimers related to this section.

www.onimpact.com.au

Artesian Launches Green Bond Fund on the Nasdaq

Artesian's green and sustainable bond strategy has expanded to the US with the launch of the Carbon Collective Short Duration Green Bond ETF on the Nasdaq.

Artesian's original **A$ Green and Sustainable Bond Fund** was launched in September 2020 with support from cornerstone investor Future Super. It has since raised capital from other reputable investors, including a $50 million investment from the **Australian Government-backed Clean Energy Finance Corporation** – the world's largest 'green bank'.

In the design of the latest ETF, the global alternative investment management firm has built on the innovation of its Australian product. This includes enhanced impact drivers, such as adding 400 tonnes of carbon abated per $1 million invested, or carbon yield, to the short-duration green-bond fund available to US investors.

Artesian Managing Partner and Co-Founder **John McCartney** said, "We believe that our Australian fund was one of the first short duration green bond funds globally.

"Observing its considerable success within the Australian dollar market, we have now introduced a similar fund, managed with comparable rigour, to the more expansive United States dollar market."

In partnership with Carbon Collective

The ETF was launched in partnership with climate investment advisory firm, **Carbon Collective**, with the goal of broadening access to a diverse and liquid portfolio of green and sustainable public fixed income assets, while targeting the preservation of capital.

"Green bonds are one of the only publicly available, liquid asset classes with a quantifiable impact down to the project level," **McCartney** said.

"When a corporation raises a green bond, the funds are kept segregated to only be used on green or sustainable projects. Each year, most green bond issuers publish a third-party audited sustainability report showing what projects the bond funds were used to fund."

This drives impact through steering capital towards sustainability improvements, and might include energy efficiency, the transition to renewable power, water management or climate change adaptation, all of which have the potential to contribute to the Net Zero by 2050 goal.

Taking impact transparency to the next level

In the process of developing the foundational green and sustainable bond fund, the team at **Artesian** were struck by a frustrating lack of comparable and decision-useful data about the bonds they were analysing.

Individual issuers would publish information on the outcomes of their particular projects, but this data was rarely in a consistent format, and to satisfy the team's approach they also had to assess the sustainability credentials of the issuer itself.

"Despite the extensive resources of major data providers like Bloomberg, S&P, and Moody's, granular impact data at the bond level remains elusive. To deliver the detailed impact reports our investors expect, we recognised the need to develop this capability in-house," said Artesian Head of Australian Fixed Income **David Gallagher.**

This led to the creation of the 'carbon calculator dashboard'.

Carbon calculator dashboard

Using a proprietary methodology, the team pulled together a broad set of disparate data and distilled the most valuable insights into a user-friendly dashboard. It allows investors to see the total carbon emissions avoided and a brief description of the projects funded by each bond in the portfolio.

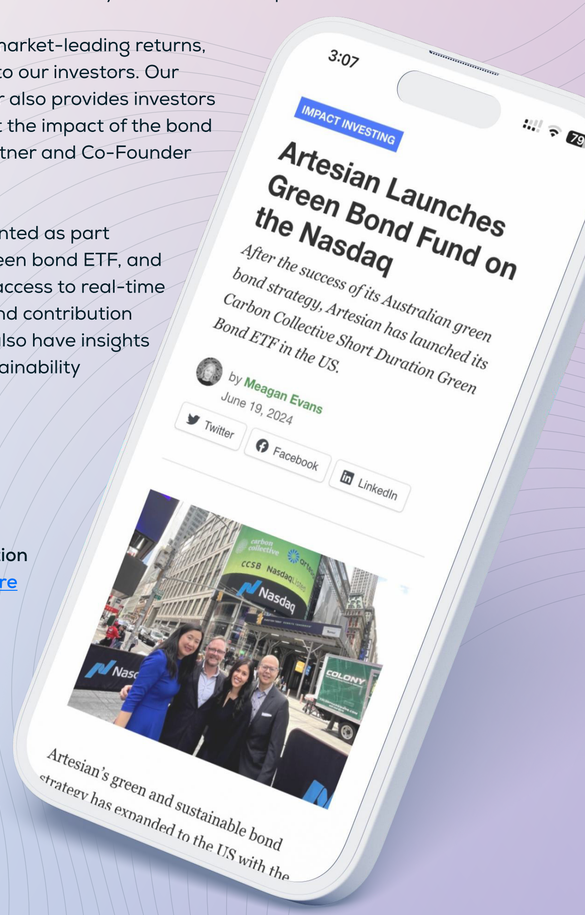
"Artesian's goal is to deliver market-leading returns, both financial and strategic, to our investors. Our proprietary carbon calculator also provides investors a level of transparency about the impact of the bond portfolio," said Managing Partner and Co-Founder **Matthew Clunies-Ross.**

The technology was implemented as part of the development of the green bond ETF, and now investors not only have access to real-time data on emissions avoided and contribution towards the SDGs, but they also have insights into the issuers' broader sustainability performance.

More on Artesian.

The Impact Dashboard

And more on the Short Duration Green Bond ETF (CCSB) is here



Source: OnImpact

MISSION & SECTOR FOCUS

Venture Capital

Jeremy Colless
Co-Founding Partner, Chief Executive Officer

Luke Fay
Partner, Head of Venture Capital

Mission

Artesian invests in remarkable startups, building transformational technology, unlocking solutions to the world's critical challenges.

We partner with sector specialists - government organisations, corporations, financial institutions, foundations and research institutes - to create collaborative, supportive, and sustainable innovation ecosystems, to optimise financial and strategic returns, and build a better future for all.

Climate & Sustainability

1

- Energy Transformation
- Production & Consumption
- Mobility & Manufacturing
- Agrifood Sustainability

Healthcare Transformation

3

- Digital Health
- Devices
- Bio Tech/Pharma
- Healthcare SaaS

Dual-Use Critical Tech

2

- Artificial intelligence / Machine Learning
- Robotics
- Quantum
- Space

Emerging Managers & Opportunities

4

- Female Leaders
- Education / STEM
- Fintech
- Agnostic

IMPACT PERSPECTIVES

Investing in Impact Infrastructure: Global Trends in Sustainable VC and the Artesian Approach to Measuring Startup Impact

Luke Fay
Partner, Head of Venture Capital

Vicky Lay
Partner, Head of Impact

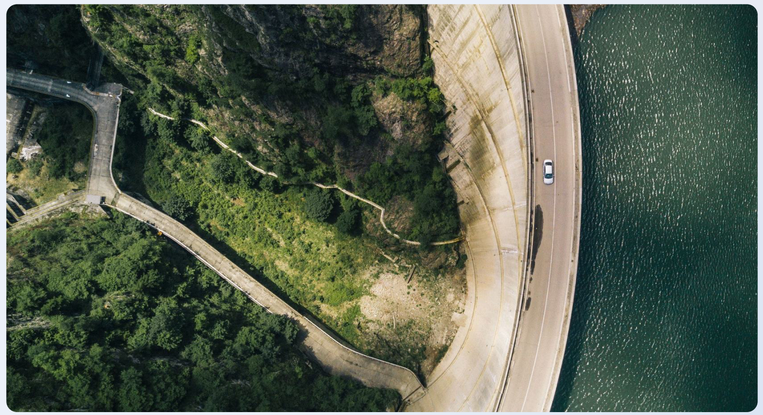
The drive towards integrating sustainability factors into financial decision-making has been a defining trend over the past decade. In large part, progress has been driven by the urgent need to address climate change and savvy investors have recognised investment opportunities focused on a number of emerging sectors.

Global Engagement with Sustainability

Approaches have differed across asset classes and geographies, ranging from ESG to impact investment models. Venture capital investors have encountered a unique set of challenges, flowing mainly from the nature of 'early-stage' investments - many portfolio companies don't yet have a product to market, which means the company's impact is limited, and they have little capacity to take on additional reporting requirements.

The core skill set of the VC investor is to forecast the financial potential of a startup, and so too have they been developing capacity to assess the sustainability potential of a company.

The foundational approach is to assess ESG risk factors. This has gathered momentum and led to the development and subsequent growth of organisations like ESG_VC,



which is developing frameworks to help investors measure and manage a range of non-financial risk factors in early-stage portfolios. Measuring ESG risks is a useful starting point, as it can also help startups to see their business from a fresh perspective. However, it fails to elevate the innovative and disruptive nature of startups, it often ignores their potential for game-changing positive impact.

Real potential lies in expanding the aperture of this newfound perspective, to identify companies that have capacity to deliver positive, real-world outcomes. VC investors are demonstrating the vital role they play in nurturing the growth of companies that can scale emissions reduction, empower women, and contribute to the SDGs.

Strategic Returns - The Artesian Approach to Impact in VC

Artesian applies an ESG risk assessment across all investment portfolios, as well as negative screens that preclude investments in fossil fuel mining, tobacco, and controversial weapons. This is across both fixed income and VC strategies.

The team recognise that analysing ESG risk factors is a core part of prudent asset management. It's an additional layer of information to supplement investment decision-making. However, in some situations, Artesian goes further, with a number of portfolios that focus on outcomes first. It's driven by a core model of focussing on delivering both competitive financial returns alongside a set of strategic returns, as defined by a particular mandate.

Whether it be partnering with the Australian Government's green bank, the CEFC, or supporting ASX listed corporations like GrainCorp, the Artesian approach to VC is all about driving innovation in particular industries, by identifying the best businesses.

Artesian's current model of impact management operates across the full investment cycle; from impact scoring pre-investment, supporting founders to measure avoided emissions and their SDG contributions, as well as identifying ways to increase gender diversity.

As norms have evolved in the world of sustainable and impact investing, the team has found a natural fit with its own systems and processes; and in 2024 they are going further.

Building the Future of Impact Infrastructure

Artesian is leaning-in to the lessons learned from a strong track-record of sustainability improvements that spans more than a decade, to improve its impact infrastructure. The firm wants to leverage the opportunities it sees on the horizon, so it can continue to be a leader in developing cutting-edge strategies.

A key part of this is to develop a rigorous impact measurement and management system, to help the investment team identify strategic returns as well as favourable financial opportunities.

It will involve reviewing innovative approaches to impact, to complement the firm's own systems. This will include exploring progress in calculating the 'emissions avoidance potential' of startups (aka scope 4), which has always been challenging, and it offers an opportunity to consider how the impact leaders in the portfolio can cross-pollinate, to influence other portfolios which were established without an intentional approach to positive social and environmental impact.

Identifying and reporting on both strategic and financial returns is the fabric of the new International Sustainability Standards Board (ISSB) recommendations to global securities regulators. These recommendations provide a direct link from environmental to financial risks - and companies looking to scale will need to be able to optimise for both. Corporates and Funds that have invested in cutting-edge decarbonisation technologies could find themselves at a competitive advantage as regulatory frameworks tighten and the need to reduce emissions becomes imperative.

Artesian is always focused on the long-term. In driving the evolution of core analysis and measurement systems, the management team seeks to lay the foundations for an investment strategy that considers impact at every stage. This long-term approach recognises the potentially disastrous impacts of uncontrolled climate change. And in contributing to solutions, they see huge potential to align positive impact outcomes with growing enterprise value.

Calculating Avoided Emissions - Scope 4 Case Studies

Identifying companies that have industry-leading decarbonisation potential has become just as important as analysing financial statements for earnings potential. Markets have evolved, and impact outcomes now have the potential to drive enterprise value.

Two companies within the Artesian portfolio are powerful examples of this; 5B and Sicona are both globally recognised climate-tech startups, and as they approach growth-stage, supported by Artesian, their internal teams have developed sophisticated impact measurement systems.

Set out below is a high-level break-down of how these companies measure the key metric of 'avoided emissions', also known as Scope 4 emissions.

SiCONA

SiconaBattery.com

Embedded emissions savings - materials produced

- For Sicona, this measures the CO2 avoided, for each kg of material produced.
- Baseline: Incumbent graphite production dominated by China in the Industry (91% lower CO2)

Operating emissions savings - energy stored

- For Sicona, this is the amount of CO2 reduction per kW/h of energy stored
- Baseline: Comparison to competitors in the silicon carbon space (54% lower than competitors)

Lifecycle assessment, of avoided amissions

- Sicona has also completed a Lifecycle assessment (LCA), according to ISO standards

5B

5b.co

Embedded emissions savings - materials & construction

- For 5B, this relates to the avoided embedded CO2 in the materials used to construct the 5B Maverick, as opposed to a comparable SAT array.
- Standard 5B Maverick 3.0 reduces the embodied amount of CO2 (kg/MWp) by: 49.9% compared to an equivalent SAT system

Operating emissions savings - power generation

- For 5B, this is the avoided generated CO2 in the operation of the 5B Maverick, vs coal, oil and gas generation.
- A standard 5B Maverick 3.0 reduces the generated amount of CO2 (kg/MWh) by:
  - 3,360% compared to an equivalent generation via coal
  - 2,841% compared to an equivalent generation via oil
  - 1,284% compared to an equivalent generation via natural gas

IMPACT PERSPECTIVES

The Financial Imperative of Investing in Decarbonisation

Jeremy Colless
Co-Founding Partner

John McCartney
Co-Founding Partner

Ali Clunies-Ross
Partner, Climate PM

As we navigate the complexities of the 21st century, the urgency to decarbonise our global economy has never been more pronounced. Last year's impact report highlighted how carbon pressures are driving bond issuers to invest in innovation. This year, we delve deeper into the pivotal role of governments and corporations in spearheading decarbonisation efforts, focusing on the integration of innovative technologies and strategic investments to mitigate the risks associated with achieving net-zero greenhouse gas (GHG) emissions by 2050.

The Reality of the Decarbonisation Challenge

While short- to medium-term greenhouse gas reduction targets can typically be met through capital expenditure bolstered by green bond financing, achieving long-term net zero emissions demands sustained investment in decarbonisation technologies.

The real challenge lies in the final 40% of a company's carbon footprint that has no solution using conventional mitigation strategies.[1]

This issue is further complicated by the tendency to focus primarily on Scopes 1 and 2 emissions. These cover company-owned and -controlled resources and indirect emissions from energy generation. However, the more complex task of managing Scope 3 emissions - those occurring throughout the value chain but outside direct company influence - reveals the true scale of the decarbonisation challenge.[2]

Tackling these indirect emissions requires comprehensive strategies, including supplier engagement, product redesign, and cross-sector collaboration, highlighting the need for innovative approaches to achieve meaningful progress towards net zero goals.[3]

The discourse surrounding decarbonisation often includes a degree of scepticism, primarily due to the extended timelines that surpass the tenures of current leadership. This situation poses a risk where commitments may be viewed as symbolic gestures rather than concrete plans for action.[4,5]

The Role of Investment in Innovation

While some sectors might achieve significant reductions through improvements in energy efficiency or transitions to renewable energy sources, these measures alone are insufficient to address the full scope of the decarbonisation challenge, particularly in hard-to-abate industries. Innovation plays a crucial role in bridging this gap and developing comprehensive solutions for a low-carbon future.

For instance, despite considerable advancements, renewable energy technologies like solar and wind still face challenges related to grid connectivity, intermittency and energy storage. These limitations underscore the need for breakthrough innovations in areas such as advanced battery technology to ensure a reliable and consistent power supply.[6]

To accelerate decarbonisation efforts, it is imperative to prioritise and support innovation across various sectors. This involves creating environments that foster research and development, promoting collaboration between public and private entities, and directing capital towards promising ventures that offer sustainable and scalable solutions.[7]

Why Investment Now is Crucial

Delaying action increases the necessity for more drastic and costly interventions as the 2050 deadline approaches. Currently, the world needs to decarbonise seven times faster than the current rate to limit global warming to 1.5°C above pre-industrial levels.[8]

The International Energy Agency (IEA) estimates that by the early 2030s, annual investment of $4.5 trillion will be needed to accelerate deployment across all clean energy technologies and infrastructure, up from $1.8 trillion in 2023.[9]

1. Nature: 'The meaning of net zero and how to get it right' https://www.nature.com/articles/s41558-021-01245-w
2. McKinsey & Company: 'The Scope 3 challenge: Solutions across the materials value chain' https://www.mckinsey.com/industries/metals-and-mining/our-insights/the-scope-three-challenge-solutions-across-the-materials-value-chain
3. International Capital Market Association (ICMA): 'Transition Finance in the Debt Capital Market' https://www.icmagroup.org/assets/Transition-Finance-in-the-Debt-Capital-Market-paper-ICMA-14022024.pdf
4. McKinsey & Company: 'Decarbonize and create value: How incumbents can tackle the steep challenge', Oct 2023 https://www.mckinsey.com/capabilities/sustainability/our-insights/decarbonize-and-create-value-how-incumbents-can-tackle-the-steep-challenge
5. Stanford Social Innovation Review (SSIR): 'The False Promise of Carbon Neutrality', Oct 2022 https://ssir.org/articles/entry/the_false_promise_of_corporate_carbon_neutrality
6. IMF: 'How Green Innovation Can Stimulate Economies and Curb Emissions', Nov 2023 https://www.imf.org/en/Blogs/Articles/2023/11/06/how-green-innovation-can-stimulate-economies-and-curb-emissions
7. Investing in Innovation to Decarbonize American Industry: 'Investing in Innovation to Decarbonize American Industry', Oct 2023 https://www.energy.gov/eere/iedo/articles/investing-innovation-decarbonize-american-industry
8. International Monetary Fund: https://www.imf.org/en/Blogs/Articles/2023/11/06/how-green-innovation-can-stimulate-economies-and-curb-emissions
9. International Energy Agency (IEA) https://www.iea.org/news/scaling-up-of-innovative-clean-energy-technologies-needed-to-achieve-net-zero-emissions-targets-globally

Furthermore, innovation in decarbonisation technologies can yield significant economic benefits. Research suggests that doubling green patent filings can boost gross domestic product by 1.7% after five years.[10] This has become a geo-political issue, as the governments develop and foster these innovation ecosystems through taxation, loans and a broad range of incentives. These investments not only spur innovation and create new markets but also lead to operational efficiencies and cost savings for companies. Early adopters of decarbonisation technologies can gain a competitive advantage, enhance their brand reputation, and position themselves favourably in an increasingly regulated environment.

By focusing on innovation, we can address the complex challenges of decarbonisation, particularly in hard-to-abate sectors, while simultaneously driving economic growth and creating opportunities for sustainable development. This approach not only helps meet environmental targets but also contributes to building a more resilient and sustainable economy that benefits all stakeholders.

The Economics of Innovation vs. Carbon Offsets

The economic implications for industries striving towards net zero are substantial. Companies face a potential future where, without significant innovation, the annual cost of purchasing carbon credits could escalate drastically, influenced by market fluctuations and increasing demand as more entities strive to compensate for their emissions. This scenario presents a formidable financial challenge, with projected costs rising significantly by 2050.

Comparing the escalating costs of carbon credits to investments in decarbonisation technologies highlights a crucial point: while carbon credits might offer a temporary reprieve, they do not tackle the root of the problem – the actual reduction of emissions.

Investing in innovative technologies, therefore, not only potentially offers a more sustainable solution but also aligns with financial prudence. Innovations such as green cement in construction or advancements in battery storage for renewable energies represent opportunities to fundamentally alter the emissions landscape.

10. IMF: ' How Green Innovation Can Stimulate Economies and Curb Emissions', Nov 2023 https://www.imf.org/en/Blogs/Articles/2023/11/06/how-green-innovation-can-stimulate-economies-and-curb-emissions

The Strategic Imperative

The risks associated with relying on carbon offsets include not only financial cost but also the potential for regulatory changes and societal pressures as the impacts of climate change become more pronounced. Companies that have invested in cutting-edge decarbonisation technologies will find themselves at a competitive advantage when regulatory frameworks tighten as the need to reduce emissions becomes acute.

Moreover, the ability to reduce emissions in-house without relying on external credits will likely be a critical factor in corporate resilience and sustainability, making such investments not only strategic but necessary for long-term financial viability.

While the path to decarbonisation is fraught with challenges, the potential rewards of innovation are immense. For corporations and governments alike, the investment in new technologies is not just about compliance or meeting emission targets but about leading the charge towards a sustainable, zero-emissions future. This approach not only mitigates the risk of future financial liabilities due to carbon credits but also positions these entities as leaders in the global effort to combat climate change.

Conclusion

In conclusion, as the biosphere continues to warm, the resulting costs (damages) will drive authorities to define emissions boundaries. Investors and Corporations will need to be aware of carbon budgets and the resulting liabilities that are forming on balance sheets. The key to success lies in investing in new technologies today, rather than deferring action, as it has the ability to deliver both on the top and bottom line of corporate financial statements. The call to action is clear: prioritise and invest into decarbonisation innovation to secure a sustainable and economically viable future.

IMPACT PERSPECTIVES

A Global Agrifood Intersection: Venture Capital, Innovation, and Industry Collaboration

The AgTech sector stands at a critical juncture where strategic collaboration between VCs, corporates, and industry partners is essential for driving innovation, fostering sector growth, and addressing the pressing global agricultural challenges of our time.

Victoria Prowse
Senior Manager Agrifood

Robert Williams
Partner Agrifood

AgTech's Dynamic Decade: Growth, Challenges, and the Road Ahead

Over the past decade, the AgTech sector has experienced unprecedented growth. In 2014, there were fewer than 400 AgTech deals, totalling nearly US$3 billion. By 2022, this number had soared to over 1,200 deals, with a total market value exceeding US$12 billion. Innovations in precision farming, data analytics, biotechnology, and AI have underscored the vast potential within the agrifood sector. With the global population expected to reach 9.7 billion by 2050, AgTech solutions stand as a critical avenue for mitigating and reducing negative environmental impacts amidst growing uncertainties, particularly around food security and geopolitical instability.

The increase in investment in agrifood innovation over the past decade has proven vital for reaching ambitious ESG targets set by corporates in Australia and globally. This includes enabling development of sustainable farming practices, reducing carbon footprints, and enhancing resource efficiency. However, the global economic headwinds witnessed over the past 18 months have impacted the pace of scaling new innovations. In 2023, there were just over 700 AgTech investments globally, a 35% decline from 2022. This reduction in deals and capital invested in the early-stage agrifood innovation ecosystem mirrors broader private market investment trends and reflects the macro-economic landscape impacting investor participation, particularly those driven by purely financial outcomes through private market investing.

However, the increasing role and relationships of corporates, industry, and strategic investors in the adoption and proliferation of early-stage innovation are more difficult to quantify by numbers. De-risking innovation through strategic partnerships will help withstand the challenges of the asset class and current macro-economy more broadly.

Partnerships for Progress: Harvesting Financial, Strategic, and Impact Returns in the Agrifood Sector

Corporates and industry partners that continue to invest in VC or are commencing investment see it as a means to achieve multiple returns aligned with their financial, strategic, and impact objectives.

GrainCorp

Leading Australian agribusiness GrainCorp has partnered with Artesian, an AgTech-specialist VC investor, to support their corporate venture capital (CVC) fund deployment. Committed to exploring innovative technologies that enhance and disrupt the agriculture sector, GrainCorp is actively supporting the industry's innovative AgTech ecosystem. Their focus extends across the supply chain, from analytics and smarter logistics to biotech and sustainability, extending across both animal and human nutrition. This broad focus propels GrainCorp into new opportunities and revenue streams.

Artesian's VC climate investment unifies agrifood and energy transition themes under one strategy. This approach has enabled closer collaboration between different partners across adjacent industries.

GRDC

Artesian works with organisations such as the Grains Research and Development Corporation (GRDC) to facilitate systematic investment programs that both energizes the startup ecosystem and fosters technological development that enables industry benefits.

An example of this collaboration is ZoomAgri, a global AgTech company that brings AI and machine learning to varietal recognition and quality testing in the Australian market. GrainCorp, along with GrainInnovate–a VC fund partnership between GRDC and Artesian–co-led ZoomAgri's Series A round to expand and diversify commodity coverage. "We're backing solutions that will add value to growers' businesses and drive consistency in quality testing outcomes," says Robert Spurway, CEO of GrainCorp. "We support the continued modernisation of the grains industry through AI."

With export grain being analysed up to 14 times before reaching the customer's dock, supply chain quality controls are crucial. GRDC's Head of Business Development, Fernando Felquer, emphasises the importance of AI and supply chain efficiencies as investment and innovation focal points for GRDC. "Developing new technologies that complement or even eventually replace current quality assessment methods to make transactions faster and more accurate is a vital investment area that will enhance efficiency across the entire supply chain," he says.

In summary, while the AgTech investment landscape has faced recent challenges, the strategic collaboration between VCs, corporates, and industry partners continues to drive innovation. This intersection is crucial for scaling and commercialising AgTech solutions, ensuring the sector's growth and its vital role in addressing global agricultural challenges.

Image: GRDC and Artesian participate in the 2024 World Agri-Tech Innovation Summit in San Francisco. From Left: Ron Osmond, Fernando Felquer, Will Smith, Robert Williams and Victoria Prowse.

artesian

03

Progress on Our Commitments

We are excited to share our impact initiatives, partnerships and activities around creating a sustainable future: emissions reductions, advancing gender equity, and taking a proactive approach to engagement.

— EMISSIONS REDUCTIONS

Commitment Overview
Artesian's Path to Net Zero
Selecting Carbon Offsets
Offset Project

— ADVANCING GENDER EQUITY

Commitment Overview
Gender Impact in Venture Capital
Gender Pay Gap Disclosure
Gender Impact in Fixed Income

— ENGAGEMENT, OUTREACH & MILESTONES

Diversity, Equity & Inclusion
History of Collaborations and Partnerships
Portfolio Engagement Early-Stage Startup Survey

COMMITMENT OVERVIEW

Progress on Our Commitments: Emissions Reductions

Hiltaba South Australian Conservation Alliance Site #2 Human Induced Regeneration Project in South Australian (Artesian's 2023/24 offset project). Image Source: GreenCollar

NET ZERO TASKFORCE

Matthew Clunies-Ross
Co-Founding Partner

John McCartney
Co-Founding Partner

Kurt Tan
Managing Director

Vicky Lay
Partner

Luke Fay
Partner

Mei Lee
Partner

Mark Bytheway
Director, ESG Research

In 2020/21, Artesian publicly announced its commitment to emissions reductions.

Since then, we have continued to leverage our position as an investor, financial services company, shareholder, debt provider and capital markets participant, to work towards this collective goal, and reach Net Zero by 2030 via our four-part plan:

1. Setting targets

Mapping how we will achieve a balance between emissions and offsets.

2. Investing in solutions

Capitalising investments in climate transition and driving climate risk management in existing investments.

3. Engaging with counterparties

Discussing carbon metrics and meaningful CO2 reduction strategies, with investee companies and financial markets counterparts.

4. Reporting on our progress

Accounting for our emissions and sharing our Net Zero journey with stakeholders.

EMISSIONS REDUCTIONS

Artesian's Path to Net Zero

Progress Timeline

2020/21 — **Net Zero Commitment: Artesian commits to achieving Net Zero Emissions by 2030.**

2021/22 — **Operational Net Zero Achieved (Scopes 1 & 2):**

- Attained operational net zero emissions for Scope 1 and Scope 2.
- Estimated carbon footprint: 200 metric tonnes (MT) CO_2e.
- Utilised conservative estimates for flight emissions and actual energy consumption data.
- Conducted due diligence and selected a reputable carbon offset partner, along with an accredited Australian Carbon Credit Unit (ACCU) project.

2022/23 — **Sustaining Operational Net Zero (Scopes 1 & 2):**

- Maintained the previous year's Scope 1 and 2 emissions calculation methodology.
- Initiated research on accounting for Scope 3 emissions.
- Artesian's Sustainability Steering Committee began bi-weekly monitoring of global legislation and best practices for Scope 3 emissions strategies.

2023/24 — **50% Emissions Reduction Commitment:**

- Pledged to reduce total emissions by 50% by 2027.
- Enhanced methodology to incorporate UN ICAO carbon calculator.
- Shifted from estimated to actual flight emissions data.
- Developed an offset analysis process and initiated the foundation for a comprehensive carbon emissions reduction strategy.

2024/25 — **Future Goals:**

- Develop a travel policy incorporating a carbon budget.
- Addressing Scope 3 Emissions:
  - Continued emphasis on Scope 3 emissions, which remain the most significant challenge.
  - Sustained strategy of utilising carbon offsets until a robust accounting methodology for Scope 3 emissions is established.
- Addressing Scope 4 Emissions:
  - Quantifying avoided emissions potential (Scope 4) of climate startup portfolio.

Analysis

2023/24 Carbon Footprint: 150MT

Air travel remains the greatest source of emissions for the company. Our carbon footprint decreased from 200MT to 150MT this year due to several key factors. Firstly, we transitioned from estimated data to actual measurements, providing a more precise and accurate assessment of our emissions. Additionally, we incorporated the UN ICAO carbon calculator, which revealed a lower emissions footprint for the same domestic flight paths. This reduction could be attributed to advancements in aviation technology, the use of sustainable fuels, or other efficiency improvements within the industry. Notably, the emissions footprint for international flights remained consistent with last year across all data sources we used, suggesting that the observed reduction is primarily driven by improvements in domestic travel efficiency.

Our Process

Artesian has taken the approach to begin to rank the emissions we can track and then look to purchase offsets once those emissions have been determined. Furthermore, given these are best endeavor estimates of our carbon footprint, we round emissions calculations up in order to ensure we are being conservative. We took the approach of estimating our carbon emissions by tracking what is most material - and for a financial services firm, that is our electricity consumption and business travel.

Artesian has attempted to triangulate our carbon emission estimation via 4 different sources:

1. TerraPass – online carbon emissions calculator (USA)
2. CarbonFootprint – online carbon emissions calculator (UK)
3. UN ICAO Carbon Emissions Calculator (ICEC) – online carbon emissions calculator (Global)
4. Artesian Internal – collated the energy consumption and made extrapolations of business travel based on Q1 2024 flight data.

Emissions From Operations

ACTIVITY	RELEVANT CATEGORY OF EMISSIONS
Emissions from transportation in vehicles owned or controlled by the reporting company.	Scope 1 (for vehicles that consume fuel) and Scope 2 (for vehicles that consume electricity)
Emissions from the business-related travel of employees in vehicles owned or operated by third parties.	Scope 3, category 6 (business travel)
Emissions from employee travel to and from work.	Scope 3, category 7 (employee commuting)
Emissions from leased vehicles operated by the reporting company not included in Scope 1 or Scope 2.	Scope 3, category 8 (upstream leased assets)

EMISSIONS REDUCTIONS

Selecting Carbon Offsets

Imperative of Choosing Carbon Credits that Generate Impact

The efficacy of carbon credits has come under scrutiny as companies have committed significant capital to offset their carbon footprint.

The Australian Carbon Credit Units (ACCU) undertook a substantive review in 2022/2023 after the former head of the government's Emissions Reduction Assurance Committee critiqued the impact of the credits schemes and variously their use.

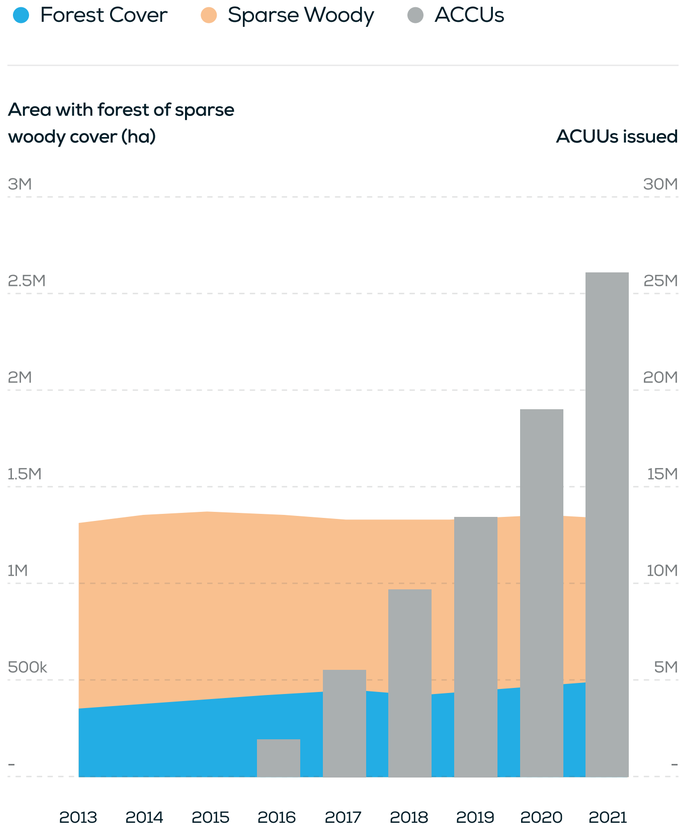
The controversy centered on the most popular project type in the Australian carbon offset scheme: human-induced regeneration (HIR).

These projects involve clearing land to allow even-aged native forest to regenerate – with a measurable increase in foliage as direct evidence of carbon being captured.

Projects with the greatest impact are located in an intensive agricultural area, where a substantial proportion of the native vegetation has previously been comprehensively cleared.

A recent study[3] reviewing over 100 projects located in New South Wales and Queensland shows forest cover has barely increased and tree cover has declined, despite the government granting 17.5m ACCUs to the projects.

Figure 3. Forest cover and sparse woody cover in areas included in CEAs versus ACCU issuances, 2013 to 2021



The concerns can be reduced to two points:

- These projects were in pastoral areas where farmers were paid not to graze livestock – not cleared land that was previously used for crops. Native flora remained the same even after the livestock was removed – thus no additional carbon was sequestered.
- Annual rainfall has a major impact on the ability for native flora to grow. Projects based in rainfall constrained areas cannot catalyse native flora regeneration.

In contrast, the Hiltaba HIR project was found to have tree cover that has increased, correlating with an increase in ACCU credits.
A driving factor for the effectiveness of this particular ACCU project can be distilled to the project being situated in agricultural areas where a substantial portion of the native vegetation has been previously cleared. In the case of Hiltaba, it is estimated to have 33.6% of the area cleared, with less than 20% of forest cover.

The Hiltaba project, led by Green Collar in partnership with the Gawler Ranges Aboriginal Corporation and the Nature Foundation, focuses on regenerating 23,000 hectares of native forest.

The Hiltaba project is located in South Australia, in an area that has experienced variable rainfall patterns over the last 30 years, typical of a semi-arid climate. While this region does not have consistent annual rainfall, the project leverages periods of adequate rainfall to support the growth of native flora. The project also provides additional assurance that biophysical threats to carbon stores such as grazing, drought and fire are not negatively impacting the regeneration and to track progress of regeneration of the native forest.

The project was registered in 2013 and has seen a 10% increase in permanent tree cover and therefore forest carbon stocks.

EMISSIONS REDUCTIONS

Offset Project

Hiltaba Human Induced Regeneration Project

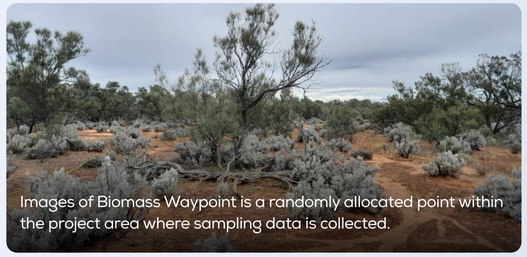
Registered ID	ERF139932
Date Registered	04 January 2020
Method Type	Vegetation
Method	Human-Induced Regeneration of a Permanent Even-Aged Native Forest - 1.1 Methodology Determination 2013. Read the methodology determination.
Description	This project establishes permanent native forests through assisted regeneration from in-situ seed sources (including rootstock and lignotubers) on land that was cleared of vegetation and where regrowth was suppressed for at least 10 years prior to the project having commenced.
Project Area	77,294ha
Permanence Period	100yrs
Location	North of Wudinna in South Australia in the Gawler bioregion.
SDGs	8 Decent Work and Economic Conditions, 13 Climate Action, 16 Life on Land
Offset Partner	greencollar

Nature Foundation's Kid's on Country program.

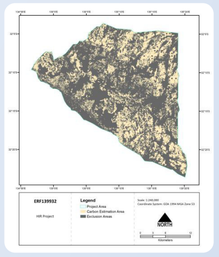
Impact Story

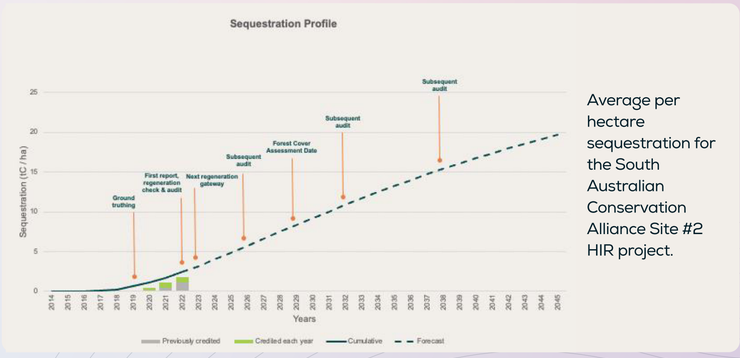
The Hiltaba project is a three way partnership between GreenCollar, Gawler Ranges Aboriginal Corporation and Nature Foundation and aims to regenerate 23,000ha of native forest in an area of high cultural and environmental significance. Income from the carbon project will help fund important biodiversity and conservation initiatives, while ensuring active management of the land and supporting Nature Foundation's Kids on Country program.

The objective of this project is to regenerate natural woodlands and shrublands. This is achieved by controlled grazing and feral animal management across the project area including fencing upgrades and water management. In addition to sequestering carbon, regeneration of native vegetation in the project area reverses land degradation caused by feral goats and livestock and stabilises soils reducing erosion.



Images of Biomass Waypoint is a randomly allocated point within the project area where sampling data is collected.





Average per hectare sequestration for the South Australian Conservation Alliance Site #2 HIR project.

Key Benefits

- Carbon sequestration to mitigate climate change.
- Regeneration of native forest with active management and protection for 100 years.
- Supporting the local ecosystem with improvements in native flora and fauna.
- Improved drought resilience.
- Investment in the local economy and creation of jobs.
- Fund important biodiversity and conservation initiatives.

COMMITMENT OVERVIEW

Progress on Our Commitments: Advancing Gender Equity

Despite some progress, the world continues to fall short on securing peace, confronting climate change, and boosting finance to support gender equity initiatives.[1] Only 17% of SDG targets are on track, with progress on over one-third having stalled or regressed.

There are, however, glimmers of hope, such as increased gender parity in education and more women breaking glass ceilings in politics and business. In FY2024, gender lens investing has also gained traction, with a growing recognition of the positive impact of gender diversity on corporate performance and sustainable development.[2] The integration of gender considerations into sustainable finance frameworks, such as green bonds and sustainability-linked bonds, has also emerged as a promising trend to drive gender equity through financial mechanisms.[1] In their Gender Strategy Update for 2024-2030, the World Bank highlighted economic participation, women's leadership, and financing as critical intervention areas.[3]

Artesian remains dedicated to improving the global economic gender gap by using our position and influence to invest with a gender lens, educate and collaborate with industry partners, publicly disclose our global gender pay gap, and actively support female founders. Artesian has committed to effecting change in four key areas:

- Backing women founders and fund managers.
- Engaging with the VC industry on integrating gender into investment decision making.
- Engaging with corporations on gender equality.
- Amplifying the work of women impact leaders.

Artesian's Female Leaders VC Fund team.
From left: Mei Lee, Ananya Sinha, Stephanie Morris, Kate Robinson, and Ali Clunies-Ross.

1. 'Secretary-General, Launching Sustainable Development Goals Report', United Nations, 2024. https://press.un.org/en/2024/sgsm22290.doc.htm
2. 'Empowering Women, Building Sustainable Assets', UN Women, 2024. https://www.unwomen.org/sites/default/files/2024-02/empowering-women-building-sustainable-assets.pdf
3. 'Gender Strategy Update: 2024-2030', World Bank, 2024. https://www.worldbank.org/en/topic/gender/brief/gender-strategy-update-2024-30-accelerating-equality-and-empowerment-for-all

ADVANCING GENDER EQUITY

Gender Impact in Venture Capital

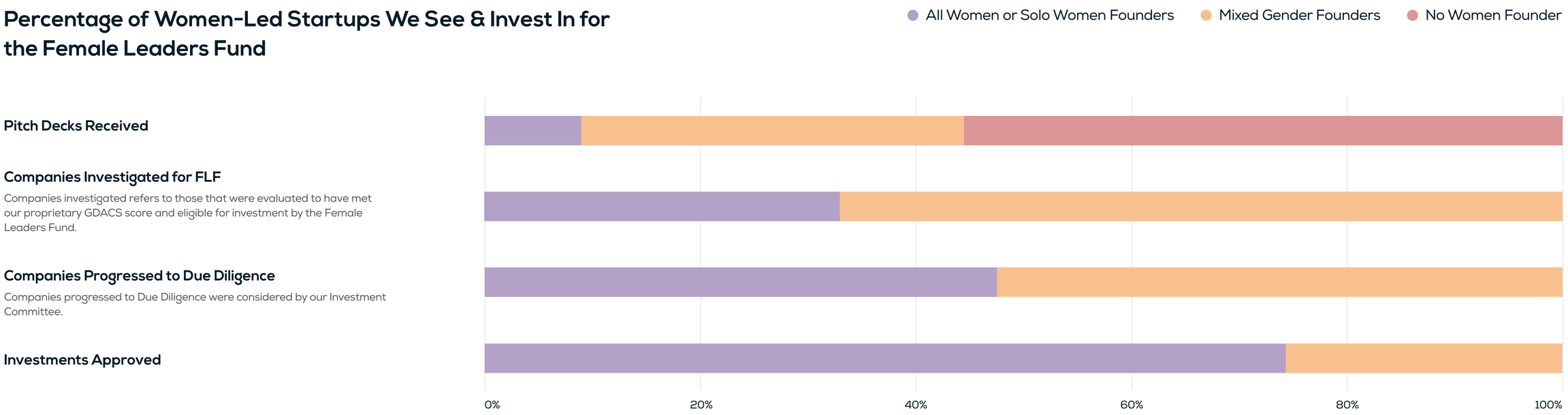
Ananya Sinha
Investment Analyst

Fiona Zheng
Investment Analyst

Ali Clunies-Ross
Partner, Portfolio Manager

All Gender Data is self-reported where possible.
Investments made refer to those approved and/or invested as per Dec 2023.

Percentage of Women-Led Startups We See & Invest In for the Female Leaders Fund



ADVANCING GENDER EQUITY

Gender Impact in Venture Capital

Ananya Sinha
Investment Analyst

Fiona Zheng
Investment Analyst

Ali Clunies-Ross
Partner, Portfolio Manager

Endemic gender inequality in the VC industry has resulted in asymmetrical capital distribution and a relative value pricing opportunity.

The Female Leaders VC Fund seeks to address this market failure and targets strong returns, by providing financial and strategic support to the unique perspectives, unexplored business opportunities, and under-invested talent of female founders in Australia, New Zealand, and the broader Asia Pacific region.

Female Leaders VC Fund: Our Evolving Processes

As we embark on a new year, we reflect on our evolving processes and the inspiring founders we've met. Our gender diversity assessment continues to plays a pivotal role in evaluating companies, emphasizing equity ownership and senior-level representation. Our mission is to create a flywheel effect that fosters diverse talent at all levels.

Addressing Market Inequality

Endemic gender inequality in the VC industry has led to asymmetrical capital distribution and missed opportunities. The Female Leaders VC Fund is designed to tackle these challenges, supporting female founders across Australia, New Zealand, and the Asia Pacific region.

Promotion vs. Prevention

Our goal at Artesian is to balance promotion and prevention inquiries, enhancing our evaluation of entrepreneurial ventures. This approach helps us understand the potential and cautious tendencies of companies better.

Addressing Market Inequality

Endemic gender inequality in the VC industry has led to asymmetrical capital distribution and missed opportunities. The Female Leaders VC Fund is designed to tackle these challenges, supporting female founders across Australia, New Zealand, and the Asia Pacific region.

Our Focus:

- Financial and strategic support.
- Uncovering unique perspectives.
- Promoting unexplored business opportunities.
- Investing in under-represented talent.

Looking Ahead

As we close this year and look forward to the next, our commitment to gender equity in venture capital remains unwavering. We are dedicated to fostering an inclusive environment that drives innovation and success.

ADVANCING GENDER EQUITY

Gender Impact in Venture Capital

Ananya Sinha
Investment Analyst

Fiona Zheng
Investment Analyst

Ali Clunies-Ross
Partner, Portfolio Manager

Images: Artesian investment team members, Ananya Sinha and Ali Clunies-Ross, participating as speakers at various gender lens investing conferences and events.

Female Leaders VC Fund: Community Engagement

We learn from the founders we meet, and this is a continuous process. Our process begins with evaluating companies using our proprietary gender diversity assessment score which considers founding equity ownership, and representation of women at board and executive levels as we're trying to increase women at senior levels because we believe this creates a flywheel effect for diverse talent. The FLF team aims to host an event once a quarter to foster connections within the industry.

Selection of events hosted/featured:

- Artesian x F2F networking night (Melbourne)
- Female Founders Festival Panel
- Artesian x Google x Stripe Women of the Future event (Sydney)
- Blackbird Sunrise: Ananya presented the Female Leaders Fund Thesis on a panel
- VC Catalyst Wade program: Ananya was featured as a judge to encourage underrepresented angel investors
- Gender Equality Fund Reporting: Mei attended, and the team are coordinating a report
- Fishburners x Airtree: Ali was a judge for a women founders' pitch night festival
- Spark Festival: Ananya was featured on a panel for a female founders' breakfast
- SuperReturn: Ali attended the conference to connect with members of the ecosystem across APAC
- Women in PE/VC: Ali attended the conference to connect with members of the ecosystem across APAC
- She Loves Tech: Ananya was a judge at a women founders' pitch night event
- Artesian x Harriet x Her Capital women founders event (Singapore)
- Scale have hosted two office hour sessions where Artesian representatives have participated. We are also featured on Scale EmpowerEd programs

ADVANCING GENDER EQUITY

Gender Pay Gap Disclosure

Global Gender Pay Gap Transparency

For this year's analysis, we enhanced our methodology by including a longitudinal assessment of our gender pay gap. As with previous years, data collection was stratified between our Australian offices, where more than 60% of our full-time workforce is located, and our offshore offices. Baseline comparison data, industry benchmarks, and a global perspective on gender disparities was also incorporated.

John McCartney
Co-Founding Partner

Matthew Clunies-Ross
Co-Founding Partner

Jeremy Colless
Co-Founding Partner

Vicky Lay
Partner, Head of Impact

Mei Lee
Partner, Head of Operations

Pankaj Khanna
Chief Financial Officer

Results

While we recognise that we still have work to do, we seek to disclose our gender pay gap publicly and transparently.

DOMESTIC / AUSTRALIAN BASE SALARY PAY EQUITY %

75%

Organisational Gap of 25%

Advancing Equality Calculator

Australian Government | Workplace Gender Equality Agency

OFFSHORE BASE SALARY PAY EQUITY %:

75%

Organisational Gap of 25%

Advancing Equality Calculator

Australian Government | Workplace Gender Equality Agency

As at 31 December 2023, we observed a 9% increase in our domestic gender pay gap compared to the previous reporting year (2022) and a 1% improvement from our baseline year (2020). With an organisational gap of 25%, we are outperforming our domestic counterparts in the financial and insurance services industry, with an average base salary gender pay gap of 27.9%. However, we still lag behind the Australian national average of 12%.[1]

Australia

YEAR	BASE SALARY PAY EQUITY	ORGANISATIONAL GAP	INDUSTRY AVERAGE[2]
2020	74%	26%	N/A
2021	82%	18%	30.9%
2022	84%	16%	27.4%
2023	75%	25%	27.9%

This is our second year reporting on our gender pay gap across offshore offices. We adjusted the salaries of our offshore staff to their Australian dollar (A$) equivalents, factored in a cost-of-living adjustment (COLA), and then entered the figures into the Australian government's Advancing Equality Calculator.

This yielded a base salary pay equity of 75%, indicating an offshore organisational gap of 25%. As at 31 December 2023, we observed a 5% improvement in our offshore gender pay gap compared to the previous reporting year (2022).

Offshore

YEAR	BASE SALARY PAY EQUITY	ORGANISATIONAL GAP	GLOBAL GENDER GAP[3]
2022	70%	30%	31.9%
2023	75%	25%	31.4%

Methodology for Offshore Offices

We use a blend of two crowdsourced cost of living calculators (Numbeo and Expatistan) to compare each employee's home city's cost of living against the average of Melbourne and Sydney to arrive at an Australian COLA. This adjustment is then applied to the salary (after converting it to A$ equivalent). Under this methodology for offshore offices, we ensure consistency and fairness in our salary adjustments.

The gender pay gap in finance exhibits notable global variation, often lacking comprehensive data across countries. The World Economic Forum's Global Gender Gap Report is widely recognised for its comprehensive methodology in assessing gender gaps across various dimensions, including economic participation and opportunity. The incorporation of this data serves to provide contextual insight rather than facilitate direct comparisons. For specific and up-to-date details on sector-specific gender pay disparities in individual countries, it is recommended to consult national statistical offices or conduct targeted research within each country's financial sector.

1. Workplace Gender Equality Agency (WGEA) analysis of Australian Bureau of Statistics data (2022-2023) https://www.wgea.gov.au/data-statistics/ABS-gender-pay-gap-data

2. WGEA Data Explorer. Filters include Division>Financial and Insurance Services (K); Subdivision: Finance; Employer Size: <250. See PDF attached for report download - Link

3. World Economic Forum's Global Gender Gap Reports 2022 & 2023

ADVANCING GENDER EQUITY

Gender Impact in Fixed Income

Bushra Mumin
ESG & Credit Analyst

Gibson Goh
Credit Analyst

Kurt Tan
Managing Director

Female Board Representation

100%

Of bonds held by Artesian have at least 1 female board member

As of December 31, 2023, every issuer in our fixed income funds, including the Artesian Green and Sustainable Bond Fund, the Artesian Corporate Bond Fund, and the Artesian High Impact Green Bond Fund, has at least one female board member (up from 94% last year).

Gender Pay Gap

63%

Of issuers have reported on gender pay gap

When working on this year's gender pay gap metric, 63% of the issuers in the portfolio had reported, compared with 38% last year and 30% the year before.

Similar to prior years, various states/territories and supra-national issuers have not reported this metric, despite their declared commitments to equality for all. Furthermore, universities and higher education institutions do not provide publicly accessible information on their gender gap analysis. We have once more flagged this as a priority for engagement for the next reporting period.

The positive development is that this year's metrics have shown a marked improvement, with increased female board representation and a higher percentage of issuers reporting on gender pay. This progress has been observed despite the number of issuers remaining relatively constant (67 vs 65).

Metric	31-Dec-2023	31-Dec-2022
Number of unique issuers across the portfolios:	67	65
Percent of issuers whose board have at least one female:	100%	94%
Percent of issuers that has reported on gender pay gap:	63%	38%
Percent of issuers with a strategy statement*:	64%	-
New issuers in 2023 vs 2022	27	-

*LaTrobe University didn't publish any gender pay information but had a 4-point policy statement to ensure it had fair pay, which garnered a "Y" for that category.

ORANGE BONDS MARKET COMMENTARY

Gender Impact in Fixed Income

Bushra Mumin
ESG & Credit Analyst

Gibson Goh
Credit Analyst

Johny Tjheng
Director

12-Month Review

The Orange Bond market has experienced significant growth and development over the last 12 months. The first Orange Bond, issued by Impact Investment Exchange (IIX) in February 2023, marked a milestone in the sustainable finance sector. Since then, the market has seen increased activity, with several issuances and a growing interest from investors.

The Orange Bond Principles (OBP), launched in October 2022, have provided a framework for issuers to align their transactions with gender-positive capital allocation, gender-lens capacity and diversity in leadership, and transparency in the investment process and reporting. This has helped to establish a clear set of guidelines for the market, enhancing credibility and attracting more investors.

Key Developments

1. Increased Issuance:

The Orange Bond market has seen a significant increase in issuance over the last 12 months, with several deals priced across various sectors, including clean energy, sustainable agriculture, water, sanitation, and affordable housing.

2. Diversification of Issuers

The market has witnessed a diversification of issuers, including corporates, financial institutions, and sovereigns, which has helped to broaden the investor base and increase liquidity.

3. Growing Investor Interest

Investor interest in Orange Bonds has been increasing, driven by the growing demand for sustainable and impact investments. This has led to oversubscription of several deals, indicating a strong appetite for these instruments.

4. Standardisation and Certification

Efforts to standardise and certify Orange Bonds have gained momentum, with the development of the Orange Bond Principles and the creation of an Orange Bond Advisory Council. This has helped to enhance the credibility and transparency of the market.

Outlook

Looking ahead, we expect the Orange Bond market to continue its growth trajectory, driven by increasing investor demand for sustainable and impact investments.

1. Scaling Up

We expect the market to scale up both from a demand and supply perspective, as investors gradually shift their perception of sustainability from an environmental focus to a gender focus. This increase in demand for orange bonds by investors then drives more corporates and financial institutions to issue more orange bonds with larger deal sizes.

2. Increased Standardisation:

Standardisation and certification efforts will continue to play a crucial role in enhancing the credibility and transparency of the market.

3. Diversification of Sectors

The market is likely to see a diversification of sectors, with more issuances in areas such as education, healthcare, housing and financial inclusion.

4. Growing Role of Technology

Technology will play an increasingly important role in the Orange Bond market, with the use of digital platforms and tools to enhance transparency, reporting, and impact measurement.

ORANGE BONDS MARKET COMMENTARY

Gender Impact in Fixed Income

Amrutha Venugopal
Credit & ESG Analyst

Gibson Goh
Credit Analyst

Johny Tjheng
Director

Recommendations:

Increased Awareness and Education
Increase awareness among investors about the benefits gender-lens investing and the positive impact Orange Bonds can have on communities.

Regulatory Support and Incentives
Governments and regulatory bodies can offer incentives and policies that encourage institutional investors to mobilise a portion of their portfolios to investments in Orange Bonds.

Increased Allocation
Consider increasing allocation to Orange Bonds, given their potential to generate both financial returns and positive social impact.

Building Market Infrastructure
Establish platforms and marketplaces that facilitate the issuance and trading of Orange Bonds. This would enhance liquidity and make it easier for investors to participate in the market.

Identify and Target Credible Issuers
Investors should prioritise gender bonds from credible issuers like the World Bank and UN Women alongside corporate and social bonds funding internal gender equality programs or community initiatives, that substantially and disproportionately benefit women, girls, or gender minorities including the LGBTQI+ community and other groups facing gender-based and intersectional discrimination.

Impact Measurement
Focus on impact measurement and reporting to ensure that Orange Bonds are delivering on their intended social and environmental objectives. Providing investors with clear and quantifiable data on the impacts can build confidence and attract more capital such as the number of women empowered, improvements in gender parity, or enhanced access to services for women, etc.

Active Engagement
Engage actively with issuers and market participants to understand their commitments to gender equality and the specific goals of the funded projects whilst promoting transparency, standardization, and certification. Collaborate with other investors, NGOs, and advocacy groups to support the growth and effectiveness of gender bonds.

Conclusion

The Orange Bond market has made significant progress over the last 12 months, driven by increasing investor demand for sustainable and impact investments.

We expect the market to continue its growth trajectory, driven by standardisation, diversification, and technology. For sustainable investors, Orange Bonds offer an attractive opportunity to generate both financial returns and positive social impact.

DIVERSITY, EQUITY & INCLUSION

Commentary from our DE&I Committee Chair

Looking forward, we are proud of our achievements, but we also recognise that DE&I is an ongoing journey. We plan to build on this progress by implementing our new initiatives, further strengthening our commitment to a just and inclusive future.

Kaushalya Gunatilaka
DE&I Committee Chair

Our Commitments

We are committed to building a foundation of DE&I through several key actions:

- **Defining Diversity Broadly:** We recognise diversity encompasses a multitude of factors, including race, ethnicity, gender, sexual orientation, age, ability, socioeconomic background, and more.
- **Fostering Equity:** We will strive to create a level playing field where everyone has access to the same opportunities for advancement and success.
- **Promoting Inclusion:** We will cultivate a welcoming environment where all voices are heard, valued, and respected.
- **Continuous Learning:** We are committed to ongoing education and improvement in DE&I practices. We recognise that unconscious bias exists. and we actively work to dismantle it.

Our Achievements

- **Company-wide DE&I training:** We launched a comprehensive DE&I training program focused on unconscious bias, cultural competency, and fostering a more inclusive workplace. This training equips employees with the knowledge and skills to create an equitable and welcoming environment for everyone.
- **Gender Pay Gap:** We are actively working towards closing the gender pay gap.
- **Resources for Portfolio Companies:** Created DE&I template resources to equip our portfolio companies for success in building diverse equitable and inclusive workplaces.
- **Data Analysis:** Collected and analysed diversity data to track progress and identity areas for improvement.

Embracing Continuous Improvement

While we celebrate our progress, we acknowledge there's always more to do. Our next focus areas will be:

- **Mentorship Programs:** Creating further opportunities for professional development and growth for all employees.
- **Continuing DE&I Training:** Ongoing education and training to address unconscious biases.
- **Employee Resource Group (ERG) empowerment:** Supporting employee-led initiatives that build a more inclusive community.

2023/24 Impact Timeline

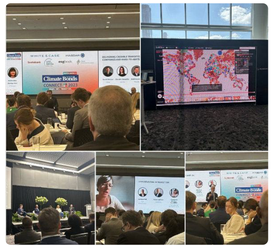
Analyst **Ananya Sinha** is featured in Forbes Magazine alongside other Australian female VC leaders, including Scale Investors co-founder Carol Schwartz and co-CEOs Chelsea Newell and Samar Mcheileh.

JUL 2023

Partner **John McCartney** is interviewed about how companies are addressing carbon liabilities and how to avoid portfolio greenwashing on "The Great Repricing" from Fintech.Tv.

AUG 2023

Managing Director **Kurt Tan** is a featured speaker on the Fixed Income Panel at the ICE Climate & Capital Conference.



Partner **John McCartney** participates in New York City Climate Week 2023.

SEP 2023

Partners **John McCartney** and **Vicky Lay** attend the Global Sustainability Forum hosted by Goldman Sachs in New York and publish their key insights in an article.

Partners **John McCartney** and **Vicky Lay**, and Managing Director **Kurt Tan**, attend the ESG in Fixed Income Americas conference hosted by Environmental Finance in New York and publish their key takeaways.

OCT 2023

Analyst **Ananya Sinha** shares insights and advice at the Investor Hour Girls' Club event.

Partner **Ali Clunies-Ross** hosts a panel showcasing Australian innovations and potential synergies with the Japanese market.

NOV 2023

Analyst **Ananya Sinha** serves as a judge at the 'Startup Women of the Year: The Ultimate Anti-Pitch' event, hosted by One Roof.

2023/24 Impact Timeline

Artesian celebrates 20 years of alternative & impact investing.

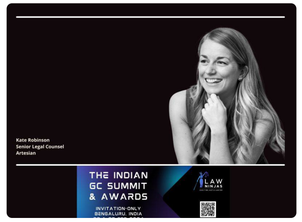
Partner **Robert Williams**, Senior Manager **Victoria Prowse** and VC Analyst **Will Smith** accompany GrainInnovate to participate in the World Agri-Tech Innovation Summit in San Francisco, USA.

Partner Ali Clunies-Ross discusses how startups are addressing climate change, food insecurity and health on the SolPods podcast.

JAN 2024 | **FEB 2024** | **MAR 2024**

Artesian is a Community Partner for a Mardi Gras Startup Ecosystem Drinks hosted by Galileo Ventures.

Analyst **Will Smith** is a guest speaker for the 2024 GRDC GroundUp accelerator program webinar.



Legal Partner **Kate Robinson** serves on the Judging Panel for the Law Ninjas Indian GC Summit & Awards in Bengaluru, India.

Artesian and the South Australian VC Fund serve as Partners for _SOUTHSTART 2024, an innovation, imagination and impact festival.

Artesian participates with 172,000+ other attendees at the LEAP conference in Riyadh, Saudi Arabia.

Investment Manager **Stephanie Morris** appears on a Healthtech Investment panel hosted by Adelaide Intermediary Program, MTPConnect.

2023/24 Impact Timeline

Artesian launches the Carbon Collective Short Duration Green Bond ETF (CCSB) on the Nasdaq.

In partnership with the Cremorne Digital Hub, Artesian subsidiary Boab AI is announced as a recipient of an AI Adopt Program grant from the Australian Government.

Partner **Tim Heasely** and Senior Manager **Victoria Prowse** attends the third annual South East Asia Agrifood Roundtable.

Investment Manager **Stephanie Morris** shares insights at the Preparing for Partnering - Pitching to your Audience event hosted by MTPConnect.

Artesian welcomes four new partners:
- **Robert Williams** (Agrifood/Decarbonization)
- **Ali Clunies-Ross** (Female Leaders & Energy Transition/Decarbonization)
- **Rohan Gray** (Healthcare Transformation)
- **Kate Robinson** (Legal)

Partner **John McCartney** and **Zach Stein**, Co-Founder of Carbon Collective, are interviewed on Fintech.Tv about the launch of the CCSB ETF.

MAY 2024

JUN 2024

Artesian and Press Play Ventures host the 'Pathways to Capital' event at the Melbourne office, to educate and inform people about the current funding landscape.

Partner **John McCartney** attends a CEO Roundtable with New York City Mayor Eric Adams, organised by the Australian Consulate-General, New York, Heather Ridout (AO).

Investment Manager **Stephanie Morris** appears on the 'Start-up investment guides on the global stage' panel at TenU's ASTP Conference.

Med Tech Partner **Rohan Gray** appears on the panel 'Ice melts, markets thaw: 2024 Medtech investment insights' at AusMedtechInvest 2024 in Adelaide.

Analyst **Ananya Sinha** appears on a panel at the Sydney Female Founder Festival presented by the Accelerator for Enterprising Women.

The Artesian Green & Sustainable Bond Fund is awarded 'Best New Ethical or Impact Fund 2024' by Mindful Money NZ.

Artesian, Scale Investors and Techstars co-host the "Embarking on Raising Capital" Office Hours event for women founders.

ENGAGEMENT, OUTREACH & MILESTONES

History of Collaborations & Partnerships

Beyond The Billion

In 2018, Beyond the Billion began a pledge campaign for The Billion Dollar Fund for Women, aiming to address the gender gap in venture investing. The goal was met in under 9 months and the campaign ended successfully in 2020. Since then, Beyond the Billion has launched a second campaign that will run till 2023, supporting women-led innovation by directing capital towards funds for female-founded companies.

Artesian pledged its commitment to Beyond the Billion in March 2022, becoming the first Australian VC firm to do so.

Scale Investors

Scale Investors is Australia's first and only network of angel investors committed to investing in and empowering exceptional women entrepreneurs

Artesian has partnered with Scale Investors on the Female Leaders VC Fund and a series of startup and female angel investor events.

UNCDF

The UN Capital Development Fund makes public and private finance work for the poor in the world's 46 least developed countries (LDCs).

Artesian launched an impact partnership with UNCDF 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).

GRDC

The Grains Research and Development Corporation (GRDC) is one of the world's leading grains research organisations, responsible for planning, doration Grocis one or une worla sledding investing in and overseeing RD&E to deliver improvements in production, sustainability and profitability across the Australian grains industry.

Artesian has partnered with Grains Research and Development Corporation (GRDC) to establish the $50m GrainInnovate fund to boost innovation in the grains industry.

CEFC

The Clean Energy Finance Corporation (CEFC) is an Australian Government -owned Green Bank that was established to facilitate increased flows of finance into the clean energy sector.

Artesian and the CFC established the Clean Energy Seed Fund which invests in scalable, high growth potential startups, encouraging innovation and creating opportunities in the development of clean technology. The CFC are also an investor in the Artesian Green & Sustainable Bond Fund.

SheSyndicate

SheSyndicate is a 501(c)3 non-profit organisation that aims to economically empower women and girls around the world through education, research opportunities, mentorship and capital stewardship.

Artesian is the proud founding sponsor and supporter of SheSyndicate.org.

Equileap

Equileap research and rank over 3,500 public companies around the world using a unique and comprehensive Gender Equality Scorecard™M across 19 criteria, including the gender balance of the workforce, senior management and board of directors, as well as the pay gap and policies relating to parental leave and sexual harassment.

Artesian and Equileap are impact partners on the Women's Economic Empowerment Bond Fund.

BOAB AI

Boab AI, is a scaleup investment program based in Melbourne, investing in Victorian and international AI companies ready to expand globally.

Artesian spearheaded the new artificial intelligence accelerator and venture capital fund in February 2021. Bob AI secured $1.5 million in funding from the Victorian state government via its start-up agency Launch Vic, as well as $8 million in private capital for its launch.

ENGAGEMENT, OUTREACH & MILESTONES

History of Collaborations & Partnerships

HostPlus

Hostplus is the industry superannuation fund with over 1.3 million members and $68b in funds under management (30 June 2021).

Artesian launched its first Clean Energy Seed fund in 2016, with thought/market leaders such as CEFC, Australian Ethical, Future Super and Hostplus as investors.

In 2021, Hostplus seeded Artesian's Female Leaders VC Fund with a $25m of cornerstone investment, alongside Legalsuper.

Brinc

Brinc is one of Asia's most active accelerators platforms with 15+ programs, a portfolio of 150+ startups and a global network of co-investors and corporate partners.

In 2019, Brinc and Artesian launched a Sydney-based accelerator to invest in and support clean energy and climate conscious startups in Australia.

Grain Corp

GrainCorp is a leading agribusiness and food-ingredients processor, proudly connecting with customers and rural communities to deliver value through innovation and expertise.

Artesian has partnered with GrainCorp on their $30m Agtech VC fund investing in startups that help build a sustainable future for Australia.

Future Super

Future Super is an Australian retail superannuation fund that offers superannuation services, focusing on zero fossil fuel investment and on holistically ethical investment with an emphasis on clean energy projects.

Future Super seeded the Artesian Green and Sustainable Bond Fund in September 2020, the fund invests in a diversified portfolio of green, sustainable and social bonds issued by companies and governments.

Carbon Collective

Carbon Collective Investing is a SEC Registered Investment Advisors specialising in climate friendly 401(k)/403(b) plans.

In 2024, Carbon Collective and Artesian announced launch of the first Short Duration Green Bond ETF on the Nasdaq, trading under the ticker name CCSB. The Fund's goal is to democratise access to a diverse and liquid portfolio of green and sustainable public fixed income, and to seek total returns consistent with the preservation of capital.

The Cremorne Digital Hub

The Cremorne Digital Hub (CDH) is dedicated to supercharging Victoria's digital ecosystem by fostering collaboration between industry, venture capital, education, government, and entrepreneurs.

In 2022, the Victorian Government awarded Artesian a $10 million contract to establish and operate the CDH to accelerate the state's tech sector and ecosystem.

Legalsuper

Founded in 1989, Legalsuper is the industry super fund dedicated to the legal community. With over 41,000 members, more than 10,000 employers and over $5bn funds under management.

In 2021, Legalsuper seeded Artesian's Female Leaders VC Fund with a $20m of cornerstone investment, alongside Hostplus

MUFG

MUFG (Mitsubishi UFJ Financial Group) is Japan's largest bank and one of the world's largest financial institutions.

In 2023, MUFG struck an alliance with Artesian, as it seeks to boost the presence of its corporate customers in the industry and align with Japan's goal to achieve a ten-fold increase in the number of start-ups over five years.

ENGAGEMENT, OUTREACH & MILESTONES

Portfolio Engagement: Early-Stage Startup Survey

Artesian's Startup Survey is distributed annually to 625 portfolio companies across globally to assess the level of ESG awareness, implementation, practice, and proficiency among Artesian's portfolio companies.

Participation in the survey was voluntary, and as of 31 December 2023, garnered a 34% respondent rate.

Environmental

46%	Encourage employees to engage in environmental stewardship initiatives
14%	Have a Net-Zero carbon operation goal
18%	Have a documented Environmental policy
51%	Track their energy use
17%	Purchased carbon offsets to offset flights
8%	Actively track and measure the source of energy being used [i.e., the share of renewable vs fossil fuel sources]

Social

90%	View themselves as an Equal Opportunity Employer
31%	Have females in C-Suite roles
27%	Have a public commitment for gender equality
35%	Have a documented parental leave policy
36%	Have a documented Social policy
25%	Have female board members
9%	Are a signatory to the UN WEP (United Nations Women's Empowerment Principles)

Governance

22%	Have a public commitment for corporate transparency
29%	Have a documented Governance policy
23%	Screen significant supplier for ESG risk
5%	Publicly share information on their ESG performance
17%	Have a written policy that includes commitment to respect human rights and prevent modern slavery in their operations
14%	have a written policy that includes commitment to respect human rights and prevent modern slavery in their supply chain

Startup Sentiment

89%
Of respondents have SDG alignment with one or more global goals

24%
View ESG as an opportunity

21%
Currently use ESG to identify risks

7.79/10
Artesian's Portfolio Net Promotor Score

04

— METHODOLOGY & APPROACH

Driving Impact Results

Strategic Framework: Measuring and Managing Impact

Artesian's Theory of Change

Informing Investment Outcomes

Responsible Investment Commitment

Artesian's Sustainable and Impact Investing Focus

Integrating ESG Considerations into Investments

Impact Processes

Measuring Impact: Methodology and Data Collection Managing Impact: Frameworks and Guidelines

— MORE ABOUT ARTESIAN

Certified B-Corp

UN PRI Signatory and Scorecard Improvement

Materiality

Oversight

Disclaimers

Appendices

More about Artesian and how we seek to deliver financial and strategic returns through the lens of ESG and impact.

DRIVING IMPACT RESULTS

Strategic Framework: Measuring & Managing Impact

Experiments

- Key Metrics
- Key Outcomes
- Iteration
- Stakeholder Feedback
  - Shareholders
  - Employees
  - Customers / LPs
  - Investees
  - Society
  - Community
  - Beneficiaries

International Standards & Frameworks

- Sustainable Development Goals & Indicators
- TCFD Standards
- The Paris Agreement
- IMP: 5 Dimensions of Impact
  - What
  - Who
  - How Much
  - Contribution
  - Risk

Data Collection & Systems

- Integrity
- Usability
- Scalability
- Relevance
- Alignment

DRIVING IMPACT RESULTS

Artesian's Theory of Change

INPUTS

Artesian Invests:

- Capital
- Domain Expertise
- Knowledge & Networks
- Platform & Infrastructure
- Technical Support

ACTIVITIES

...in SDG-linked securities & solutions:

- Venture Capital
- Public Debt
- Private Debt

OUTPUTS

... to achieve risk-adjusted returns for investors and demonstrable, measurable impacts for society:

- Climate/Clean energy
- Food Security
- Women's Economic Empowerment
- Health & Well-being
- Education

IMPACT

... in alignment with the 2030 Global Goals

OUTCOMES

...which contribute to:

- Innovation and Scalable technology solutions
- Climate change mitigation, adaption and resilience
- Inclusive development and economic growth
- Gender Equality

INFORMING INVESTMENT OUTCOMES

Responsible Investment Commitment

Signatory of: PRI Principles for Responsible Investment

For Artesian, responsible investing means incorporating into our investment process consideration of the actions and impacts on stakeholders from our investments.

A fundamental cornerstone of Artesian's strategy is to build a sustainable investment platform delivering long-term performance.

Artesian believes that a proactive approach to responsible investment issues and drivers provides advantages to our business, investment performance, customers and employees. The benefits include risk mitigation, greater long-term performance and a sustainable and responsible business.

Artesian has committed to adopting and implementing the UN's six Principles for Responsible Investment across its business and for each investment strategy.

The Principles are not a set of prescriptive rules and are to be applied as appropriate within each asset class and investment approach. They provide a robust and widely endorsed framework through which investors can incorporate ESG issues into their decision- making and ownership practices, and as such, they inform Artesian's investment processes.

Artesian commits to adopting and implementing the six Principles for Responsible Investment:

Principle 1

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

Principle 2

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

Principle 3

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

Principle 4

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

Principle 5

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

Principle 6

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

INFORMING INVESTMENT OUTCOMES

Artesian's Sustainable and Impact Investment Focus

Exclusions Screens (Fixed Income)*

- Fossil Fuels
- Tobacco
- Gaming
- Alcohol
- Pornography
- Munitions

Positive Screens (Fixed Income)

- ESG positive filter
- Impact measurement
- Preference for green, social, and sustainable securities

ESG considerations broaden analysis and consideration of how companies operate and the outcomes of this. It requires a deeper and broader analysis than balance sheet numbers and relative value analysis. This includes consideration of matters such as where a company sources its power, how it treats its employees and the diversity of its board. ESG issues are universal and apply to companies across the private and public markets.

Material ESG considerations may include both risks and opportunities, requiring integration into both the initial investment process and the ongoing management of the asset.

Impact investing goes beyond the manner in which the company conducts itself – it is tying a company's product, service or security to an impact thematic or outcome. As technology and data advances, the market gains the ability to track strategically important outcomes. Institutions will look to regulators to embed this into corporate reporting, which will allow investors to compare impact outcomes across industries. As such, we see impact driving capital flow as both strategic and financial investors gravitate to business models that are impact to profit.

*Artesian has determined various products and practices attract unacceptable social and environmental risks. Artesian adopts a zero-tolerance for issuers involved in the production of tobacco, alcohol, pornography, munitions, palm oil, gaming equipment and exploration and or production of fossil fuels.

INFORMING INVESTMENT OUTCOMES

Integrating ESG Considerations into our Investments

At Artesian, we believe that consideration of ESG issues is critical the success of a company, enhancing their ability to identify potential growth areas and manage risks.

We evaluate and incorporate risks and opportunities from potentially material ESG factors, including climate change and gender representation, into our investment processes and engagement approach.

These inherent ESG considerations can substantially affect our assessment of a company's value and risk profile, and thus, are vital in influencing decision making pre- and post-investment.

SCREENING	DUE DILIGENCE	OWNERSHIP & MONITORING	FOLLOW-ON INVESTMENTS
Venture Capital Where relevant and mandated, we identify excluded activities and ESG-related 'fatal flaws' during early investment reviews that cannot be resolved through engagement.	**Venture Capital** Assess potential material ESG risks and opportunities.	**Venture Capital** Encourage investee companies to consider ESG issues as their business grows.	**Venture Capital** Where relevant and mandated, we assess ESG risks / opportunities during follow-on rounds through to exit scenarios.
Fixed Income Mandate-driven screening based on sectors deemed as generating negative externalities for society and the environment. Positive bias towards green, sustainable, social and sustainability linked securities.	**Fixed Income** Consult materiality mapping to assess potential ESG risks and opportunities for the given sector. Engage with the company where possible and write up an ESG company profile. Appraise and weigh impact estimates / KPIs of any green, sustainable, social and sustainability linked securities.	**Fixed Income** Engage with investee companies and other investors to debate ESG issues and measurement. Consult with wider market, syndicate desks and industry groups to forward impact goals embedded in investment mandates.	

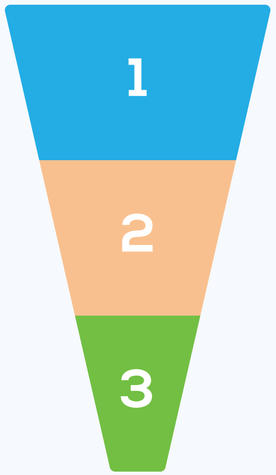
IMPACT PROCESSES

Measuring Impact: Methodology & Data Collection

Public Markets

Data collection on the impact of deployed capital relies on corporate disclosure. We draw on the quality of information provided in public markets to direct our efforts in private markets. To this end we focus on climate and gender – probing our investee companies to give us metrics that can be compared across the public and private markets spectrum.

Corporate disclosures allow management to communicate the firm's performance and value to outside investors, other stakeholders, and the public.
The demand for detailed information on corporate sustainability has grown as ESG risk and opportunities have proven to impact financial performance. In public markets this is of key interest given regulatory scrutiny around reporting false or misleading statements. Company reporting can be a puzzle with reports issued under a variety of ESG topics such as governance, social responsibility, climate change, strategic vision and more.



Artesian's approach to corporate disclosures looks at 3 levels:

- Issuer – annually reported data from public companies gives us guidance on all the activities a company is engaged in. Using industry templates, we can seek similar disclosures from private companies in our portfolios on a more regular (say quarterly) basis. Impact metrics and narrative may be opaque and require scrutiny.

- Sustainability Performance Targets – monitor KPIs that companies set around sustainability goals. This can come in the form of project factsheets or be combined into issuer or security level disclosures. Data provides clarity for engagement with the company.

- Security – gives a direct line of sight to what impact our investor's capital is making. We require annual use of proceeds reports from bond issuers, so we can analyse and report back to our investors on the impact their capital is making. Impact metrics and methodologies have normally also been scrutinised by consultants which adds another layer of oversight.

Our corporate bond exposures are the result of negative screening (where mandated) combined with a positive ESG overlay and a preference for green, sustainable and social securities. This preference for labelled bonds means we derive most of the impact data at the security level.

IMPACT PROCESSES

Measuring Impact: Methodology & Data Collection

Private Markets

In venture capital, we rely more on issuer level disclosures. Accessing impact data for early-stage companies are more challenging than for those with higher market capitalisation. The quality of the data provided improves as the company scales. We are constructing internal reporting architecture to facilitate the flow of this information in a more standardised and verifiable format and will update stakeholders on our journey as it progresses.

1

Scalability

With each startup investment requiring a high volume of screened opportunities, it is important to have an impact assessment approach that can handle a significant early-stage pipeline.

2

Data Integrity

Impact measurability is a challenge when reliable data can be difficult to obtain. Our process for assessing an investee company's impact starts with a wide lens at the early stages and gains more resolving power as the company's business matures and more salient impact data becomes available. For example, as companies settle on a successful product-market fit, the associated impact KPIs surface more easily.

3

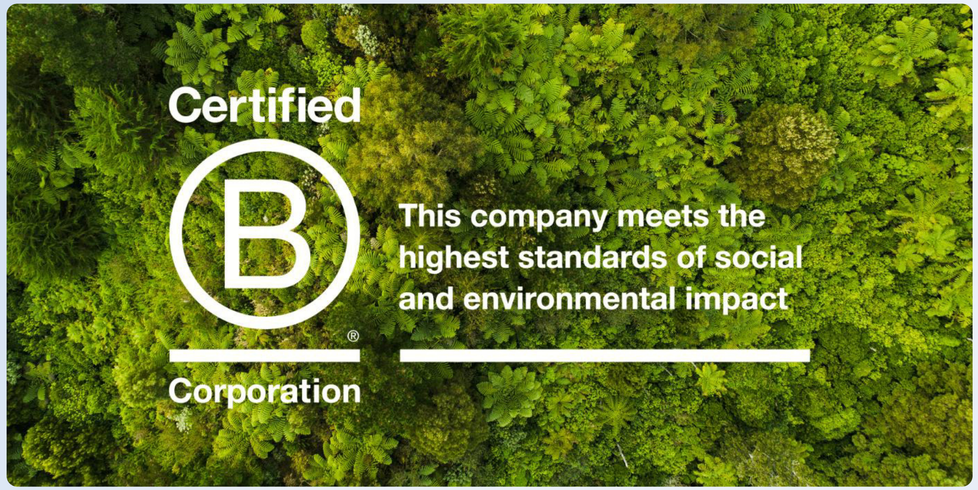
Usability

Assessing impact is inherently an imprecise science, especially for young companies. Sometimes we are required to depend on early-stage business models that may undergo changes both to the revenue model and to the associated impact. We therefore prefer to be generally correct versus. precisely wrong. We also aim to track impact progress alongside business and financial progress. By tracking the impact dimension of follow-on investments, we can use that information to gain confidence in our impact thesis.

MORE ABOUT ARTESIAN

Certified B-Corp

Artesian is proud to be a certified B Corporation, part of a global community of progressive companies that share a dedication to social and environmental sustainability.



Overall B Impact Score

Based on the B Impact assessment, Artesian Capital Management LP earned an overall score of 93.0. The median score for ordinary businesses who complete the assessment is currently 50.9.

- 93 Overall B Impact Score
- 80 Qualifies for B Corp Certification
- 50.9 Median Score for Ordinary Businesses

As a B Corp. Artesian has undergone a rigorous assessment process to verify that we meet the highest standards of social and environmental performance.

We are committed to being both transparent and accountable, using our resources and influence to create a positive impact.

Since formalising our responsible investment philosophy in 2019, Artesian has consistently integrated impact considerations across all aspects of our business, including our venture capital and fixed income strategies.

Our journey towards B Corp certification also began in 2019, prompting us to meticulously re-evaluate and refine our processes to improve our impact. In 2022. Artesian achieved B Corp certification with an exceptional B Impact Score of 93.0, surpassing both the median score of 50.9 for ordinary businesses, and the qualification score of 80.0 required for certification.

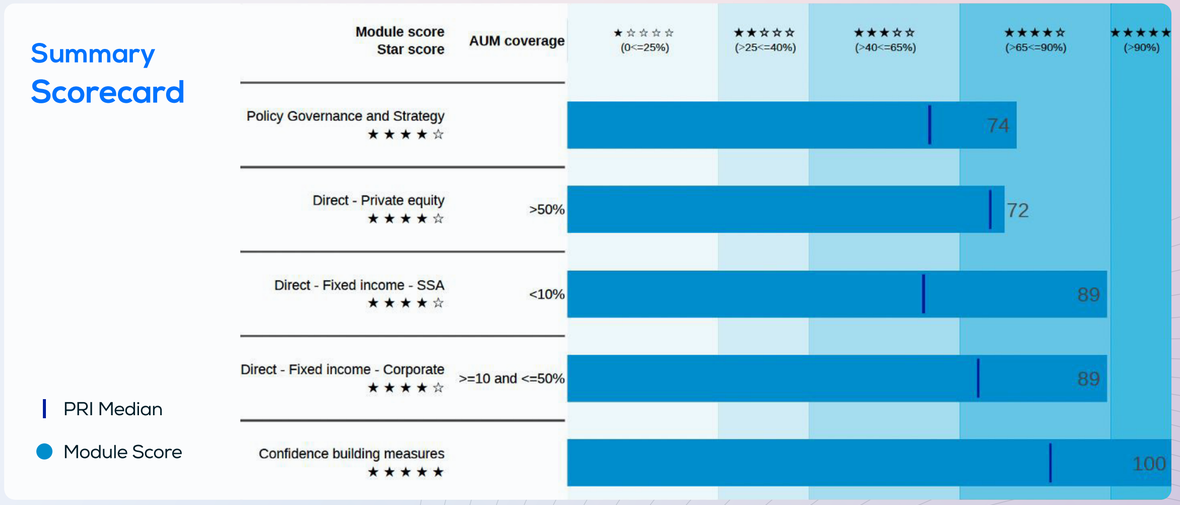
As a B Corp, our corporate operations are aligned with the principles we apply to our investments. We continue to prioritise the well-being of all our stakeholders, driving positive change through both our operations and our investments.

At Artesian, we take great pride in our achievements as a B Corp and as a business built on the foundations of responsible investing. We are excited to continue our impact journey, striving for a more sustainable economy and working to make a meaningful difference for both people and our planet.

MORE ABOUT ARTESIAN

UN PRI Signatory and Scorecard Improvement

Artesian achieved year-on-year improvement across all indicators in our UN PRI Assessment Scorecard.



About the Scorecard

Artesian has been a UN PRI Signatory since 26 February 2019.

UN PRI signatories are required to report publicly on their responsible investment activities each year. In turn, they receive a number of outputs, including an Assessment Report.

We are pleased to share our Summary Scorecard, an export of the scores for all the assessed indicators and modules Artesian responded to in the PRI Reporting Framework during the 2023 reporting period.

About UN PRI

UN PRI reporting is the largest global reporting project on responsible investment. It was developed with investors, for investors.

MORE ABOUT ARTESIAN

Materiality

SASB has identified the issues that are considered material in capacity to effect enterprise value. 4 out of 26 are identified for the asset management industry - looking inward at our exposures.

Selling Practices and Product Labeling

Our products contain robust disclosures that meet all regulatory requirements. We ensure clients understand our product offerings through multiple engagements with our deep bench of the senior investment professionals who manage those products. Indeed, part of our product suite is the result of direct collaboration with investors and institutions to design financial and strategic solutions to meet their needs. Artesian appreciates the importance of aligning long-term interests across all our major stakeholders to secure success.

Employee Engagement / Diversity and Inclusion

Financial markets (both public and private) has a historical narrative of being piloted by white men - a process we have been trying to turn away from at our firm for several years. In terms of gender and ethnic mix, 43% of our staff self-identify as non-white and 41.94% of the firm self-identify as female.

Product Design and Lifecycle Management

Artesian acknowledges the self-evident importance of incorporating ESG analysis as part of our investment process. As part of this process, management infrastructure is in place to share information across the firm and beyond, into the market and wider community, to advance understanding on the topic. Furthermore, we have dedicated investment products that focus on specific impact verticals that lean in on one or several ESG factors.

Business Ethics

While our business is global in nature, we choose to operate in only a handful of countries. These jurisdictions are chosen for the rule of law, respect for capital, and regulatory frameworks which are well established to ensure we can operate with the high standards that our clients expect. In addition, Artesian's high internal standards have been B-Corp certified, and we are signatories to the UNPRI.

SASB Materiality Mapping for Asset Managers

ENVIRONMENT	SOCIAL CAPITAL	HUMAN CAPITAL	BUSINESS MODEL & INNOVATION	LEADERSHIP & GOVERNANCE
Greenhouse Gases (GHGs)	Human Rights & Community Relations	Labor Practices	Product Design & Lifecycle Management	Business Ethics
Air Quality	Customer Privacy	Employee Health & Safety	Business Model Resilience	Competitive Behavior
Energy Management	Data Security	Employee Engagement, Diversity & Inclusion	Supply Chain Management	Management of the Legal & Regulatory Environment
Water & Wastewater Management	Access & Affordability		Materials Sourcing & Efficiency	Critical Incident Risk Management
Waste & Hazardous Materials Management	Product Quality & Safety		Physical Impacts of Climate Change	Systemic Risk Management
Ecological Impacts	Customer Welfare			
	Selling Practices & Product Labeling			

MORE ABOUT ARTESIAN

Materiality

Beyond the materiality relevant to Artesian as an asset manager - there are material impacts that our investments have on the environment and society. For Artesian, we are seeking to generate positive impact with the capital we deploy - thus environmental, social and governance issues are material opportunities for our portfolios.

Artesian looks to map our investment thesis to their relevant material topics and report to investors on our progress on an annual basis.

	Venture Capital				Fixed Income			
	MedTech	AgTech	CleanTech	AI & Agnostic	Corporate Bond Fund	Green & Sustainable Bond Fund	High Impact Green Bond Fund	Climate Collective Short Duration Bond ETF
Climate		✓	✓		✓	✓	✓	✓
Gender	✓	✓	✓	✓	✓	✓	✓	✓
Food Security	✓	✓						
Biodiversity		✓			✓	✓	✓	✓
Animal Welfare	✓	✓						
Human Rights (Modern Slavery)	✓	✓	✓	✓	✓	✓	✓	✓
DE&I	✓	✓	✓	✓	✓	✓	✓	✓
Resource Usage		✓	✓			✓	✓	✓

MORE ABOUT ARTESIAN

Oversight

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

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.

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.

Purpose

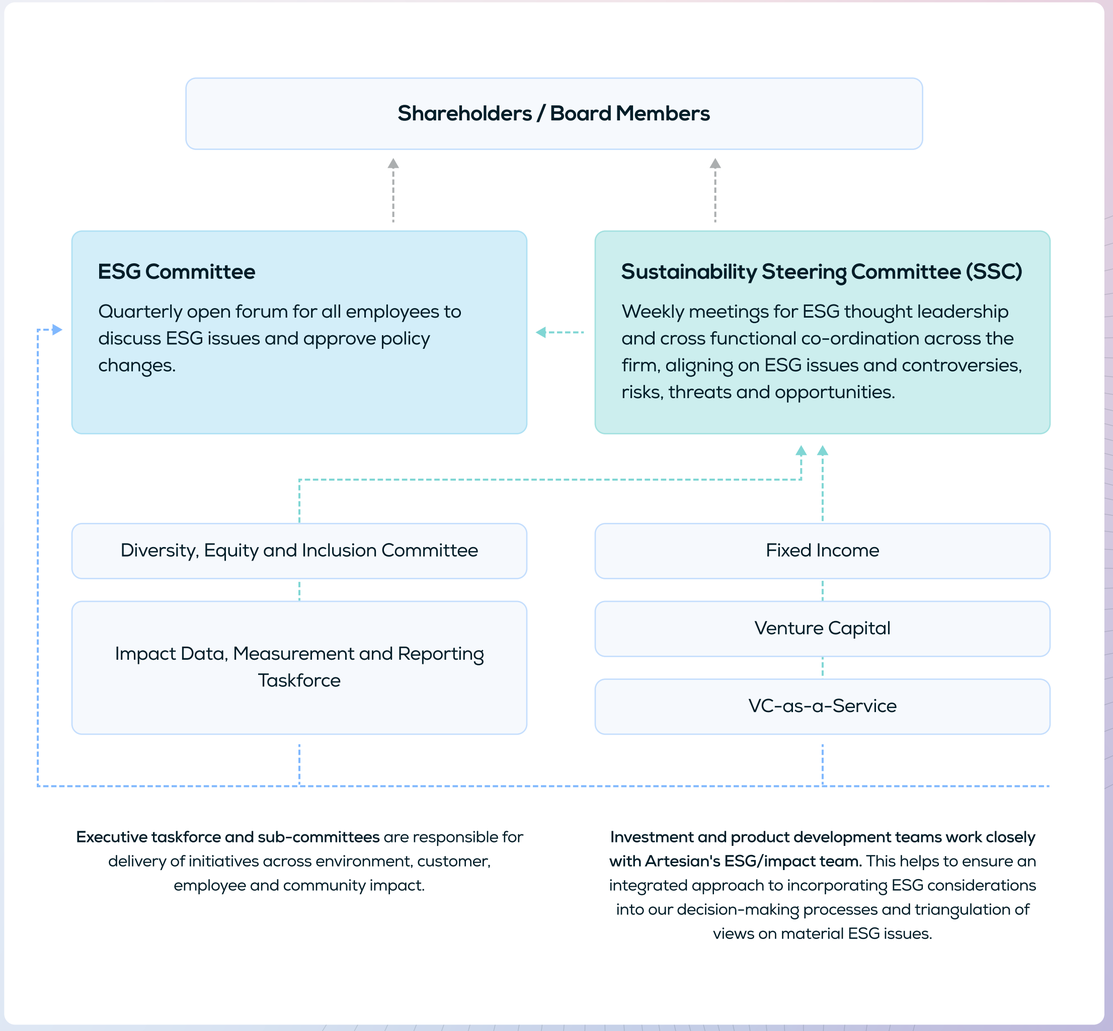
By investing with purpose, we are accountable for both the financial and impact outcomes of our investment decisions. It is critical that both the financial and impact outcomes are measurable and that we report them transparently.

People

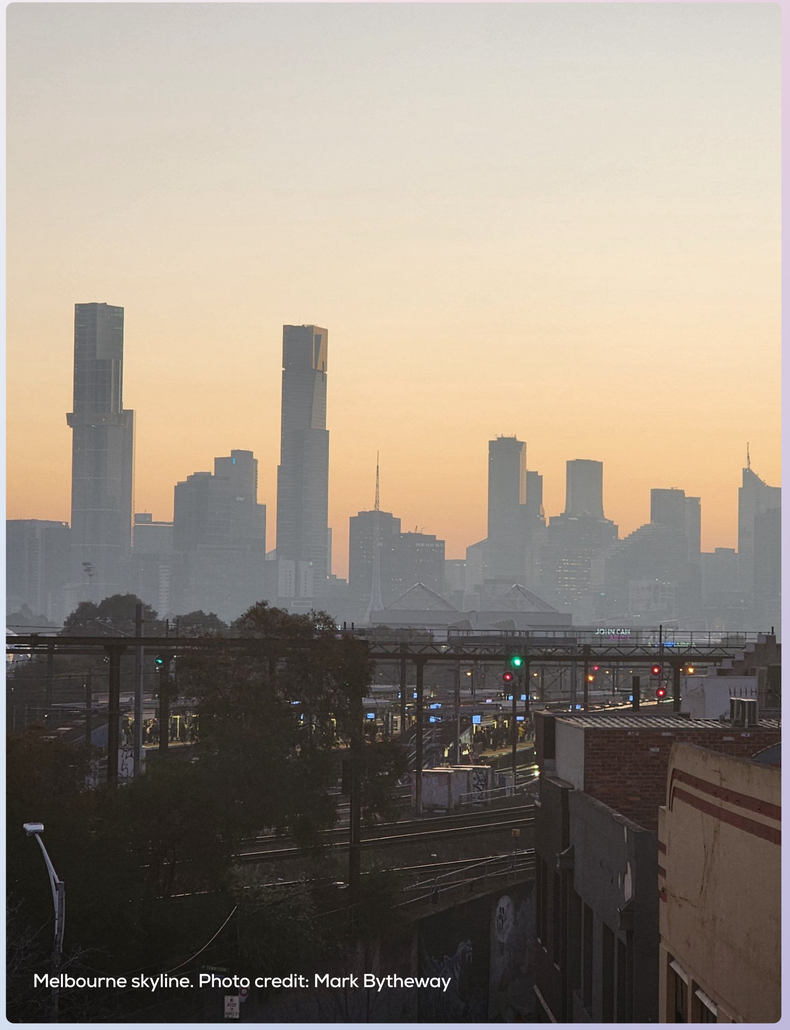
Artesian is only as good as its people, and our success depends on an ability to attract and retain a diverse team that aligns their unique talents to a shared vision. Externally, our approach is reflected in the selection of founders, teams and companies in which we invest. Diversity, social equality,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

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.



Artesian believes that a cross-asset class approach to impact investment, informed by a deep understanding of cutting-edge innovation and technology, creates superior and sustainable strategic and financial returns.


Melbourne skyline. Photo credit: Mark Bytheway

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