



Strategic Impact Report

2024/25

Artesian's Approach to Risk Management

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Overview

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

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FOREWORD

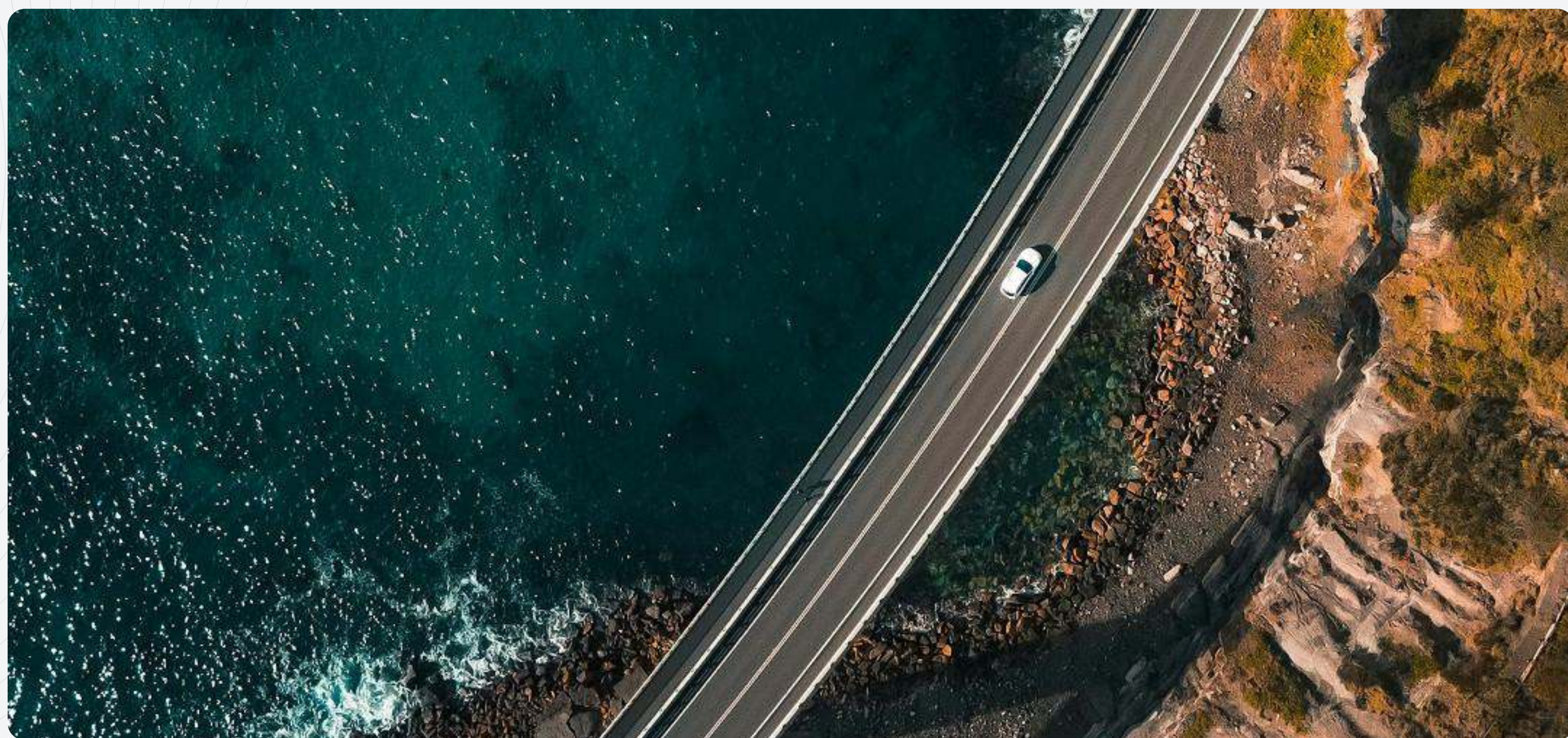
Antifragility as a Capital Markets Mandate

Managing Existential and Endemic Risks for Governments,
Corporates, Universities & Research Institutes



Jeremy Colless

Co-Founding Partner, Chief Executive Officer



At Artesian, we believe that in a world where policy, technology, and markets are deeply connected, risk management in capital markets must go beyond simply avoiding loss. It should aim to create antifragility, the ability not just to withstand shocks, but to adapt and grow stronger because of them. True sustainability demands more than resilience. It requires systems and businesses that can thrive amid uncertainty and change.

Our clients face this reality every day. They are increasingly seeking investments that deliver both financial returns and strategic outcomes. We believe these objectives are not in conflict. In fact, sustainable strategic impact is impossible without sustainable financial returns. Solutions to complex challenges must be commercially viable if they are to attract the scale of capital needed to make a real difference.

That's why, at Artesian, we start by asking our clients what matters most to them. No two clients face the same risks or pursue the same opportunities. Their priorities guide how we allocate capital, where we look for innovation, and how we design investment solutions. Our mission is to help clients not just navigate volatility but come through it stronger. Innovation is how we achieve this. Resilience and antifragility are the outcomes we aim for.

Our products are designed for this purpose. We manage venture capital funds, green and sustainable bond strategies, and bespoke investment vehicles that channel capital toward technologies, businesses, and projects capable of transforming disruption into opportunity. We offer investors diverse access, from early-stage startups to sustainable infrastructure, focused on critical areas like climate resilience, food security, sovereign capability, and the future of health and education. Through our Venture Capital as a Service (VCaaS) offering, we partner with governments, corporations, and research institutions to build tailored investment programs aligned with strategic, policy, or mission-driven goals. But we do more than deploy capital. We bring insights, networks, and deep expertise to help scale solutions that can withstand volatility and drive long-term impact.

This report, *Antifragility as a Capital Markets Mandate: Managing Existential and Endemic Risks*, shares how we view strategic impact risk, how our clients are responding to profound global shifts, and how we position capital to help them build systems that are robust, adaptive, and sustainable. We thank our clients for the trust they place in us as partners in navigating an increasingly complex world. ■

FOREWORD

Impact Forward

After more than 20 years of alternative and impact investing, our FY2025 Impact Report continues our long history of responsible investing. We are proud to share our insights from the past year and our plans for the future.



Vicky Lay

Partner, Head of Impact



Mei Lee

Partner, Head of Operations



John McCartney

Co-Founding Partner, Head of ESG



**Australian Sustainability Fund
Manager of the Year**

2024/25: A Year in Review

Impact highlights from the 2024/25 reporting year.

- ✓ Artesian was voted 'Australian Sustainability Fund Manager of the Year' at the KangaNews Awards.
- ✓ The Artesian Green & Sustainable Bond Fund was voted 'Best New Ethical Fund 2024' at the Mindful Money Awards.
- ✓ The Carbon Collective Short Duration Green Bond ETF launched on the Nasdaq, with Artesian appointed as Investment Manager.
- ✓ Australia's grower-owned research and development corporation, Hort Innovation, and Artesian collaborate to launch world-first \$60m VC fund set to drive breakthrough innovation in Australian horticulture.
- ✓ The Federal Department of Industry, Science and Resources appointed Artesian subsidiary Boab AI to lead the SME Centre of AI (SMEC AI) initiative.
- ✓ Boab AI is also selected by the Victorian Government's startup agency, LaunchVic, to deliver Generation AI — a free pre-accelerator program supporting early-stage AI startups and founders.
- ✓ Artesian joins the Western Australia Venture Capital Initiative (WAVC), to help encourage innovation, source capital for WA startups and drive economic growth in the Energy, Agrifood, Robotics/AI and Health sectors.

2025/26: Looking Ahead

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

- ➔ Building on 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.

Company Overview

Asia Pacific Focus with Global Perspective

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

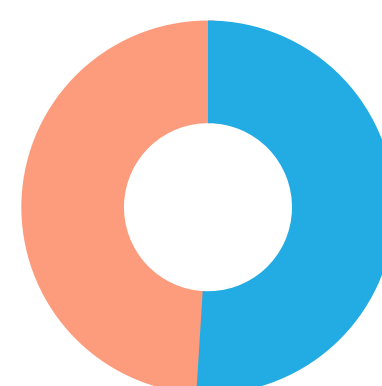
- 41 employees in 9 cities.
- Specialist public & private debt manager with an ESG focus.
- Transformational impact investments with compelling risk/return metrics.
- Most active early-stage VC in Asia Pacific with >645 startup investments across Australia, NZ, SE Asia and China.
- VC as a Service (VCaaS) platform for government, corporations and industry groups.
- Advisory services and customised solutions to help build resilient innovation ecosystems.

Founded In
2004

AUM¹
\$1.3B

Startup Investments
>645

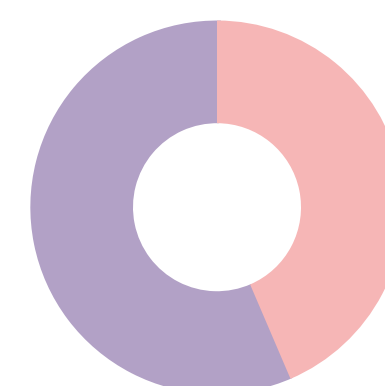
Total FUM by Asset Class



Fixed Income: \$640M

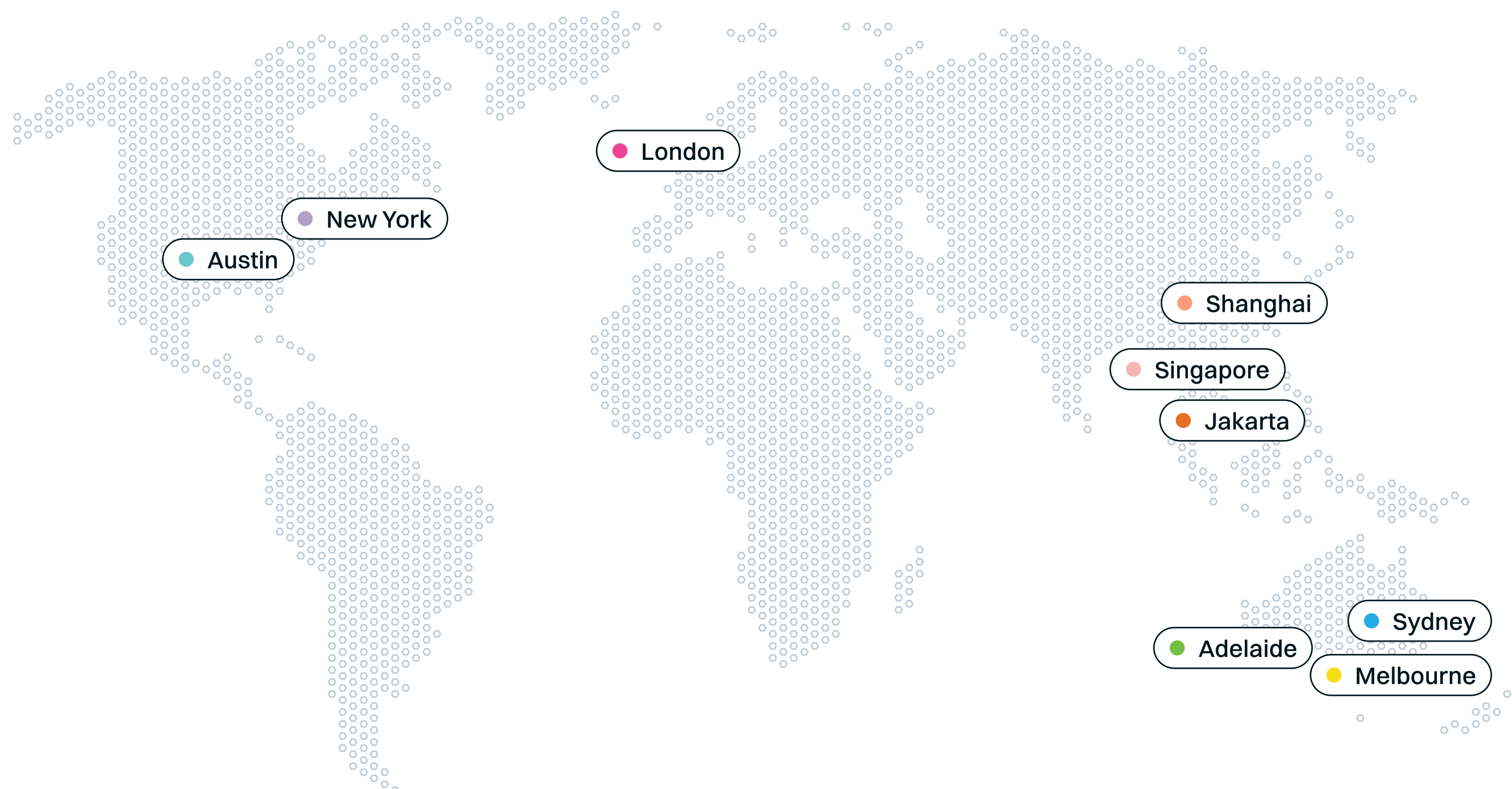
Venture Capital: \$625M

VC FUM by Stage



Series A - Seed: \$270M

Series B - Growth: \$355M



Signatory of:



Highest standards of social and environmental performance

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

ABOUT ARTESIAN

Our Team

- Sydney
- Melbourne
- Adelaide
- Singapore
- Jakarta
- Shanghai
- London
- New York
- Austin

Venture Capital



Jeremy Colless
Co-Founding Partner



Vicky Lay
Partner



Ali Clunies-Ross
Partner



Gilles Plante
Partner



Felix Zhang
Partner



Tim Heasley
Partner



Melody Zhang
Director



Robert Williams
Partner (Agrifood)



Ananya Sinha
Principal



Stuart Fox
Partner



Rohan Gray
Partner



Richard Case
Managing Director



Fiona Zheng
Analyst



Nayoko Wicaksono
Analyst



David Rohrsheim
Venture Partner SAVCF



Kirsten Bernhardt
Investment Manager



Channing Chen
VC & Legal Analyst



Kaushalya Gunatilaka
Head Partnership Community



Andrew Lai
Managing Director - Boab AI



Jordan Jeffery
Principal



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
Dir. 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 - Head of Operations



Matthew Proctor
Head of Finance



Alex Cutting
Senior Legal Counsel



Catherine Huang
Accountant



Shreen Oberoi
Fund Accountant & Operations



Amy Wafer
Investment Operations



Mary Angelle Cansicio
Financial Accountant

ABOUT ARTESIAN

Diversity Breakdown

We remains committed to cultivating a workplace culture that is diverse, inclusive, and equitable.

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.

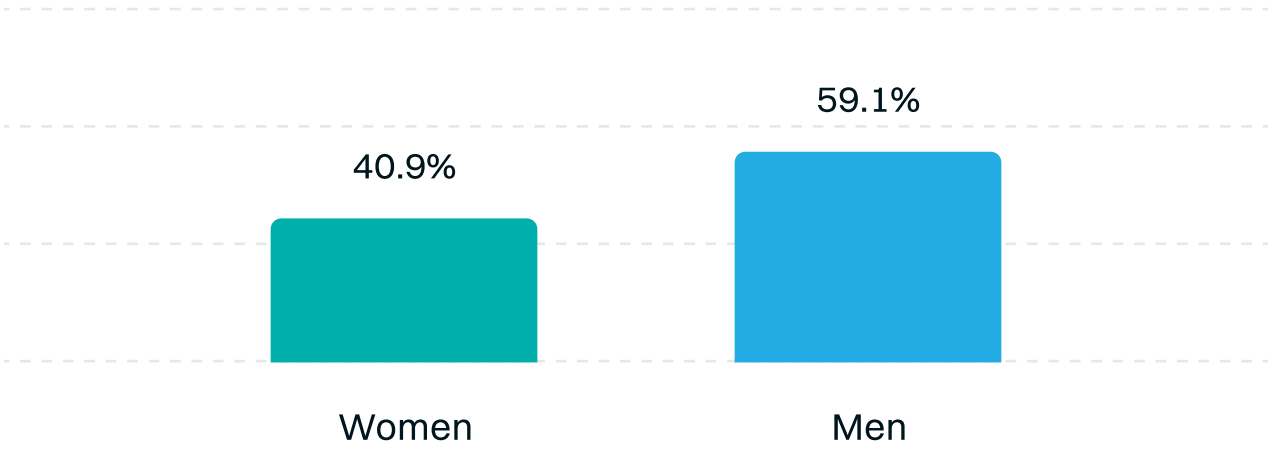
The collected data set of 22 responses (as at June, 2025) will serve as the baseline for Artesian's FY2025 DEI strategies, enabling targeted efforts to foster an equitable and inclusive workplace environment. Participation was entirely voluntary, empowering employees to decide whether to disclose personal demographic information.



Demographics

- 9.1% of respondents self-identified as part of the LGBTQ+ community.
- 9.1% of respondents self-identified as being, or having been, members of the military.

Gender



Ethnicity



Age

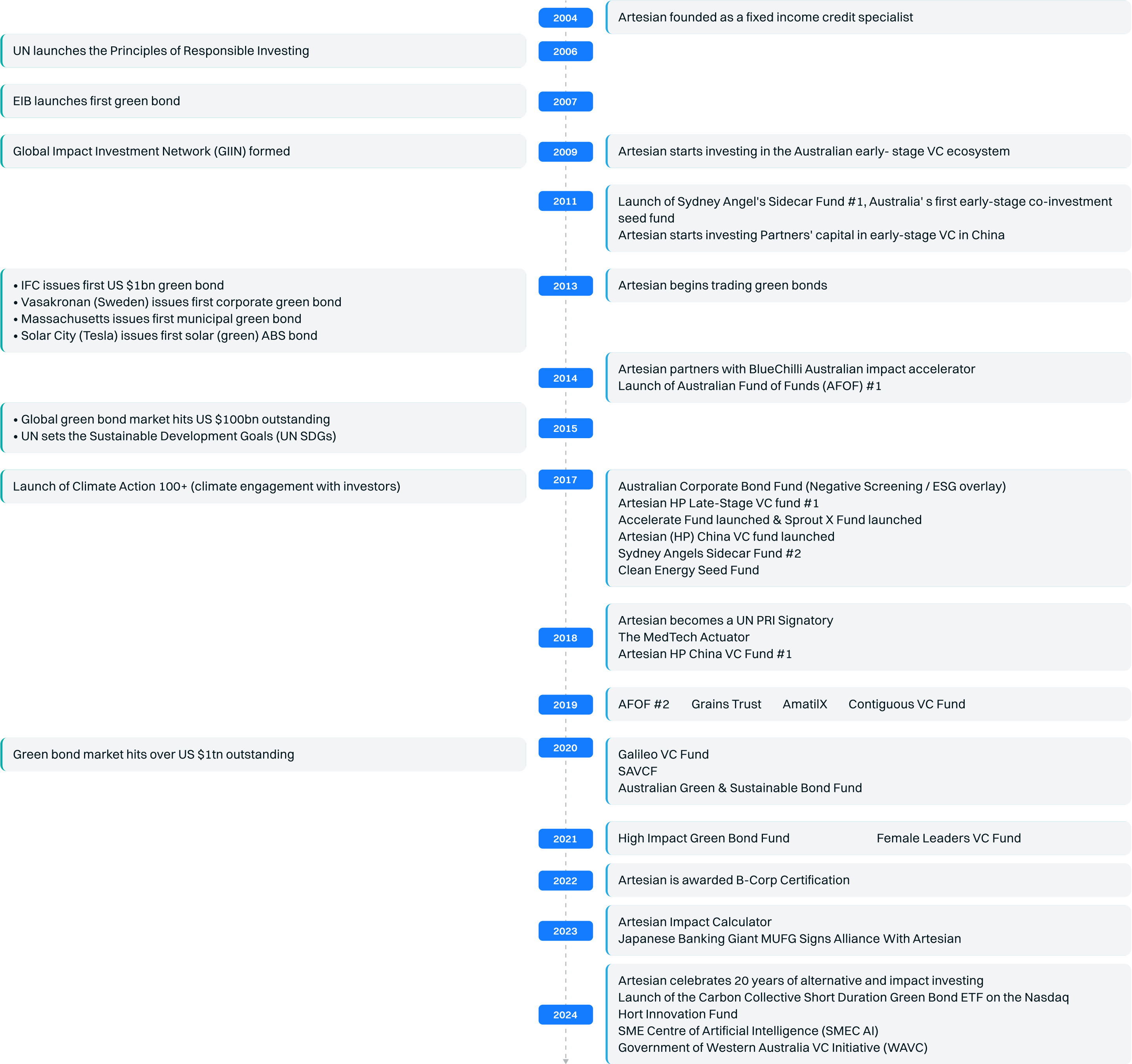


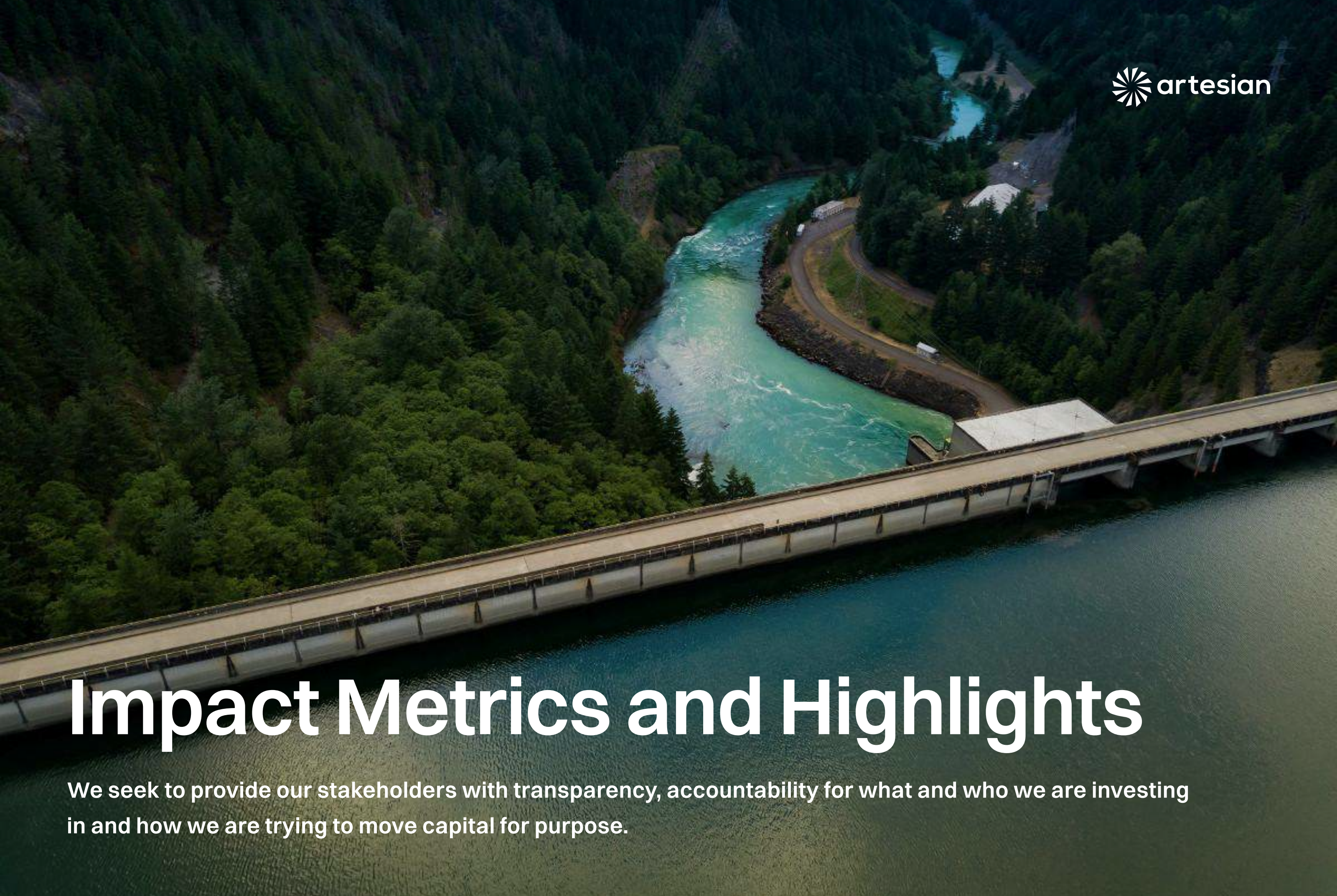
ABOUT ARTESIAN

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 SDG-aligned startups in venture capital and the growth of assets under the UNPRI umbrella has gone from US \$4tn in 2006 to over US \$128tn in 2024.





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.

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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.

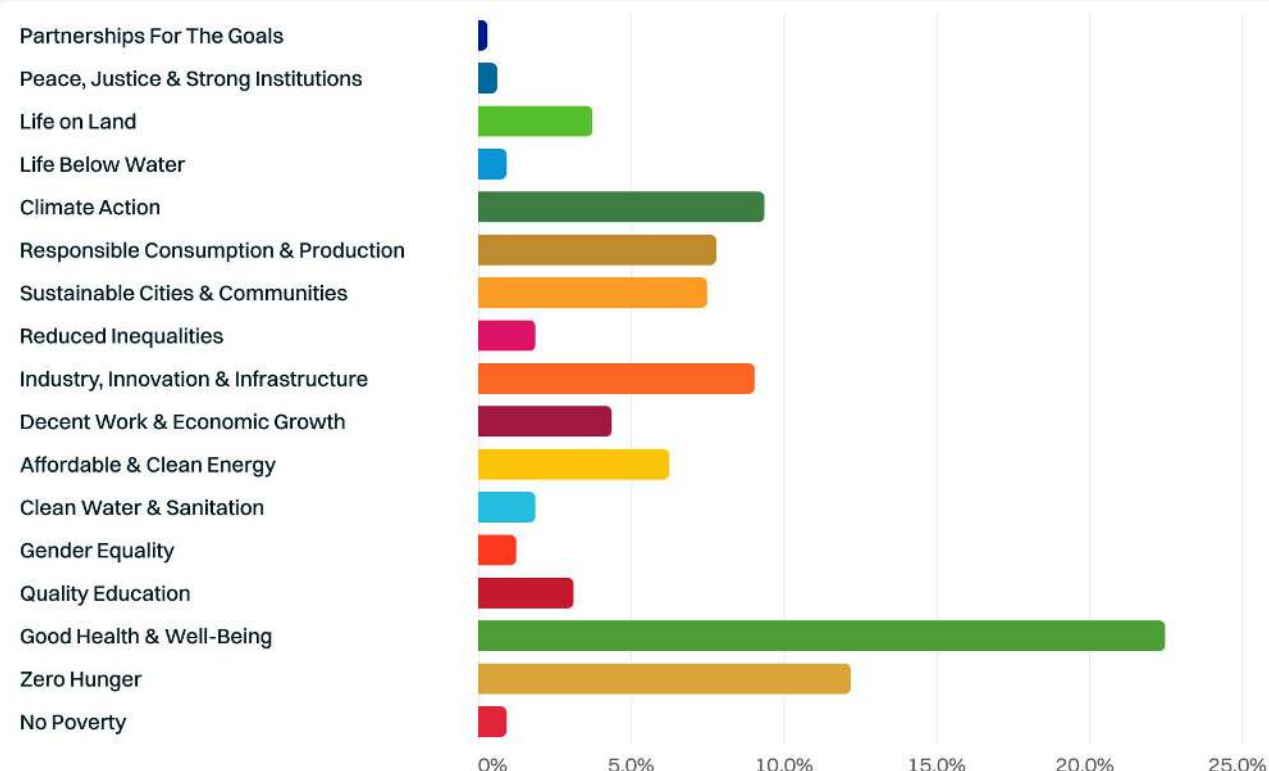
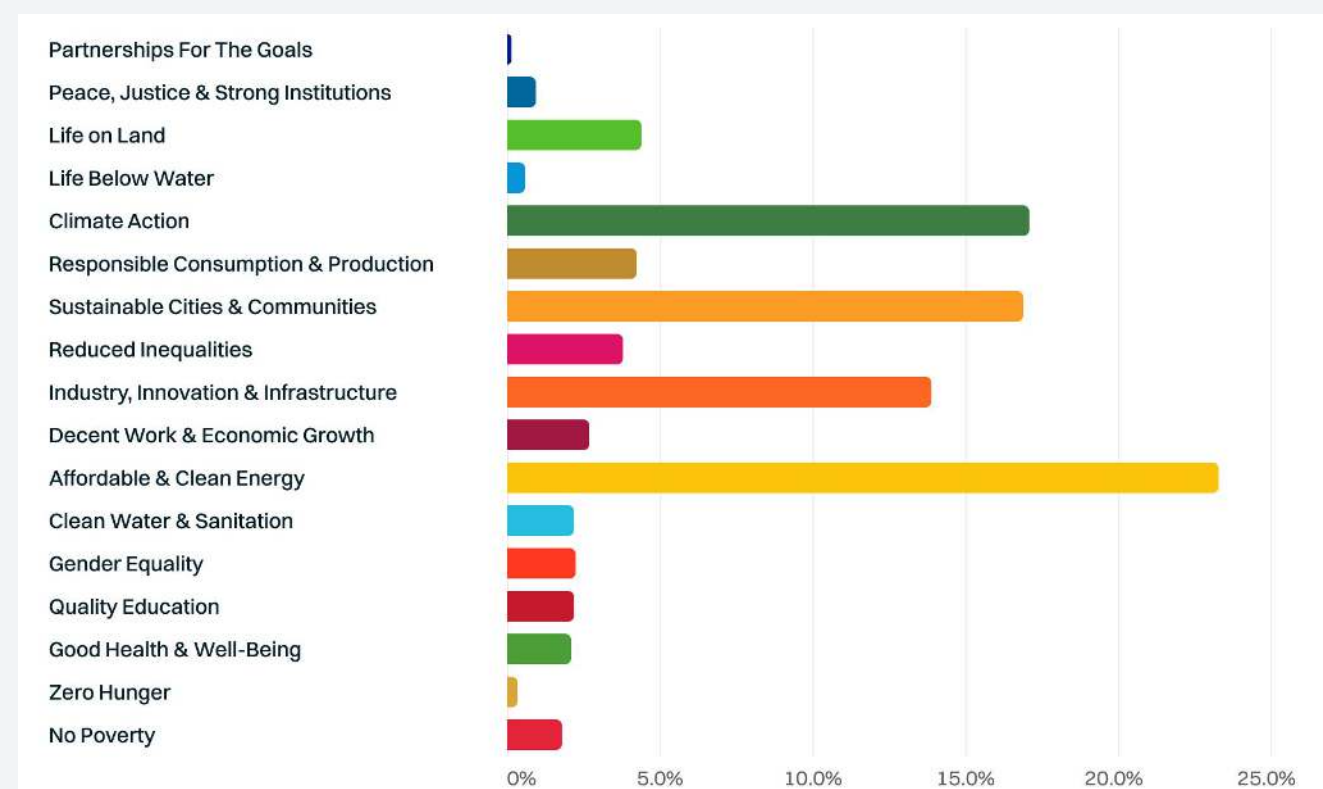
We build collaborative partnerships with complementary, likeminded organisations to deliver sustainable outcomes. We believe that innovation, with technology as a key facilitator, can have a sustainable deflationary effect on the cost of infrastructure required to address critical global social and environmental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



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

In 2024, our investments in green, social & sustainable issues accounted for 64% of total fixed income securities in our open-ended funds.

This graph represents the green, sustainable and social bonds held within the Artesian Green & Sustainable Bond Fund, notionally weighted versus the targeted Sustainable Development Goals (SDGs), as at 31st December 2024.



In 2024, our investments in SDG-linked startups, scaleups and solutions accounted for 87% 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 2024. 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

FIXED INCOME		VENTURE CAPITAL	
Gender Impact by the numbers	Climate Impact by the numbers	Gender Impact by the numbers	Climate Impact by the numbers
96% Female Board Representation Across all corporate issuers invested.	13,641.8t CO₂e Metric tonnes of carbon abated by the Artesian Green & Sustainable Bond Fund (equivalent to 6,395 cars off the road).	191 Female Founded Startups Funded across our VC funds since inception (companies with at least 1 female founder as at 31 Dec 2024).	9,504.46t CO₂e Metric tonnes of carbon abated by Artesian clean energy VC portfolio companies.

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

 154,782 Trips made on clean & sustainable transportation.	 16,937 People provided with access to water & sanitation.
 102,245,504 Litres of water saved.	 2,216 People provided with access to education and materials.
 96% Female representation on board of fixed income fund holdings.	 14,500 Square metres of green energy efficient buildings financed.
 23,146 Metric tonnes of carbon abated by Artesian green & sustainable investments.	 191 Female founded startups funded across our VC funds since inception. In 2024, companies with at least one female founder represented 29% of our venture capital 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.

Investing in Impact Infrastructure: Delivering Strategic Returns to Achieve Targeted Impact Outcomes



Kurt Tan
Managing Director



Vicky Lay
Partner, Head of Impact



Mei Lee
Partner - Head of Operations



Mark Bytheway
Director, ESG Research



John McCartney
Co-Founding Partner, Head of ESG



John Treadgold
Impact Consultant

Our focus this year has been on refining Artesian’s approach to impact management by clearly defining the unique strategic returns targeted by our impact venture funds. This is part of our ongoing commitment to building robust impact infrastructure that not only seeks competitive financial returns but also contributes to solving some of the planet’s most pressing problems.

In this article we outline the progress we’ve made in engaging both internal and external stakeholders on this journey as well as the impact outcomes that some of our funds are targeting. Additionally, we will explore how Artesian is aligning its approach with global norms by adopting the ABC impact categorisation framework, allowing us to group our funds based on their commitment to impact outcomes. ▶

Delivering Strategic Returns

We invest in fixed income and VC to deliver attractive financial returns, alongside positive impact strategic returns. Strategic returns are the social and environmental outcomes of our investments, and are accelerated by our unique management contribution

Activities

VCaaS

We work with industry groups to target sector- specific challenges, and deliver positive outcomes that are uniquely valuable to that sector

Strategic Partnerships

We deploy capital where we see opportunity, and we partner with sector experts to deliver innovative impact outcomes

ESG Risk Assessments

We apply ESG risk assessments across ALL Artesian portfolios, and we exclude a range of sectors that we deem to have potential for adverse outcomes

Impact Calculator

We promote transparency of our fixed income funds with a bespoke ‘impact measurement calculator’

Nurturing Startup Impact Innovation

We invest in the impact potential of early-stage startups. We support the evolution of their business and impact goals. And, when they mature to Series A and beyond, we are available help them measure their tangible impacts

Impact

Strategic Returns = Intentional Impact

- Reduced GHG emissions
- Climate adaptation
- Greater gender equality
- Economic growth in emerging countries
- Contributing to the SDGs

For all our impact assets we map their contribution to the UN SDGs. And we share progress through annual impact reporting



We pursue 'strategic returns' as a driver of potential 'financial returns'

≡

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Finally, we describe how we developed a Theory of Change to map the inputs and activities that contribute to the desired outcomes for each fund and across the broader organisation.

Impact Outcomes are Strategic Returns

Impact can mean different things to different investors, some of whom are seeking specific outcomes in addition to competitive financial returns. We refer to these as strategic returns, and they include positive social and environmental outcomes.

For our range of high impact venture funds we define a set of target outcomes which might include:

- Solutions to reducing industrial emissions, and supporting critical climate technologies
- Companies with gender diverse management, or those producing products targeting underserved groups
- Natural capital solutions that can accelerate scaling of regenerative agriculture

We also aim to develop strategic partnerships with sector experts to help identify priority needs, enabling us to design targeted funds and deploy capital that supports technology, innovation, and sector growth. Our Female Leaders VC Fund, Carbon Collective Short Duration Green Bond ETF and the Hort Innovation Venture Fund, are all examples of this approach to strategic partnerships.

Similarly, our Venture Capital as a Service (VCaaS) program further narrows the aperture, helping to develop funds that focus on one particular sector. These funds are informed by practitioner insights, offering startups a rich eco-system of management support, networking opportunities, distribution pathways and even offtake with aligned corporations.

Strategic returns have significant potential as drivers of value. At Artesian, we do not see a trade-off between financial returns and impact and instead actively seek opportunities that drive both. We focus on startups delivering outcomes that align with the priorities of specific investor groups.

Applying Global Norms For Impact

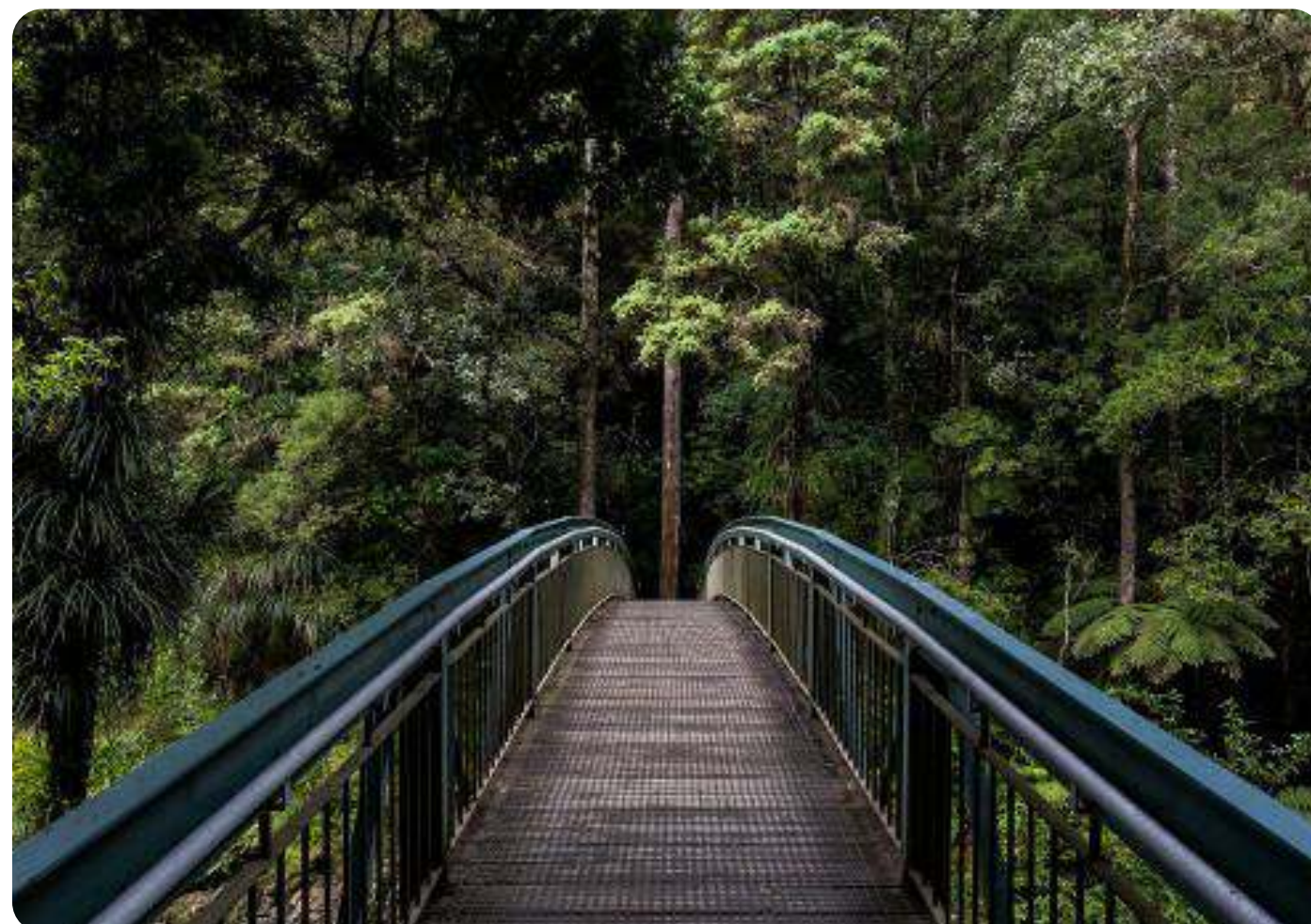
Artesian has a portfolio of venture funds that offer investors a wide range of exposures across geographies, investment timelines, growth stages, and also across impact factors.

As part of our ongoing efforts to refine impact management, we recognised the importance of aligning our definition of impact with global norms. Our aim is to better support internal decision-making while also helping external stakeholders to assess alignment with their own needs.

We have adopted the ABC of Impact model to segment our funds and to clearly identify the impact leaders. This model classifies our funds into three categories:

- A** - Avoid Harm
- B** - Benefit Stakeholders
- C** - Contribute to Solutions

At Artesian, funds in the C category have a clear mandate to contribute to impact outcomes. Our other funds fall into either the A or B categories, and we are confident that none would fall below Category A, which indicates a risk of causing harm. We uphold this standard through firm-level exclusions of fossil fuel mining, tobacco, and controversial weapons, and by conducting ESG risk analysis across all assets and funds in our portfolio.



A Consistent Methodology for Driving Positive Change

Our venture funds span a broad range of themes. While the outputs and outcomes differ across funds, we aim to maintain a consistent approach to planning, managing and delivering these outcomes.

To support this, we developed a Theory of Change for each of our impact funds, establishing a framework that connects the inputs and resources we commit, with the outputs and outcomes we share in our impact reports.

While the structure of the Theory of Change is consistent across all venture funds, the specific inputs will vary depending on the nature and strategic focus of each fund. At the outset, each impact fund defines its targeted outcomes as part of its mandate. Through thoughtful implementation and ongoing management, we aim to drive positive change and deliver measurable impact for each fund.

Conclusion

Financial returns are fungible, while impact returns take diverse forms, different types of investors value them in different ways. For this reason, we look at impact as a form of strategic returns.

Financial returns come first at Artesian, but through our process, we target companies and sectors to deliver strategic returns that align with specific investor goals. ■

FUND SPOTLIGHT

CC Short Duration Green Bond ETF



Carbon Collective Short Duration Green Bond ETF (USD)

Portfolio Management

John McCartney (Artesian)
James Regulinski (Carbon Collective)

Type

Fixed Income

ABC Impact Classification

C - Contribute to Solutions

Year Commenced

2024

Reporting Period

Calendar Year 2024

Key Asset Classes

Domestic and international fixed income securities, including floating and fixed rate corporate bonds.

Key Impact Metrics

CO2E Abatement per \$1M invested

Short Duration Green Bond ETF

<https://carboncollectivefunds.com/ccsb/>

Overview

The CCSB fund is an actively managed exchange traded fund (“ETF”) that primarily invests in a diversified portfolio of “green” or “sustainability” corporate bonds. The Fund’s portfolio will generally maintain an average duration of fewer than 5 years and will comprise bonds that collectively will have a weighted-average investment grade rating (BBB- or higher).

The Fund’s portfolio is managed by Artesian Capital Management (Delaware) LP (“Artesian”) and Carbon Collective Investing, LLC (“Carbon Collective”), both serving as sub-advisers.

Impact Category

CCSB is a ‘C’ fund because it contributes to positive environmental outcomes through targeted investments in green bonds and/or companies identified by Carbon Collective that are exclusively or predominantly focused on green, sustainable, or environmentally friendly products, services, or technologies.

These companies are typically involved in activities that contribute positively to environmental goals, such as reducing carbon emissions, promoting renewable energy, conserving natural resources, or developing eco-friendly technologies.

Impact Objectives

CCSB aims to fuel the transition to a low carbon economy through its investments in green bonds or companies that contribute positively to environmental goals.

Challenges:

- Navigating an environment in which companies have slowed issuing green bonds as a result of political dynamics and market structure.

Strategic Goals

- Expand the Fund’s portfolio to include new issuers and sectors.
- Further catalyze the growth of the green bond market by attracting additional institutional investment.



MISSION & SECTOR FOCUS

Fixed Income



Mission

Artesian is a boutique credit specialist that understands impact can be achieved at scale without compromising on returns or liquidity.

Fixed income investing requires identifying durable cash flows. Credit investing requires understanding a company's ability to accumulate capital to balance debt payments. Environmental, social and governance issues then determine how sustainable the cashflows will be in the future. In focusing our investment efforts towards green, sustainable and social bonds with a gender overlay, we are investing in a virtuous cycle of an equitable, sustainable and scalable future.

We see ESG issues as an integral part of credit risk – and that investing in impact reduces income volatility and provides greater risk-adjusted returns.



Matthew Clunies-Ross

Co-Founding Partner



John McCartney

Co-Founding Partner



David Gallagher

Partner

Green & Sustainable Bond Fund (AUD & NZD)

Invests in global green, sustainable and social bonds and cash. These bonds will be issued by Australian and international companies and governments. While the focus of the fund is to invest in corporate bonds, the fund is also permitted to invest in government bonds.

Short Duration Green Bond ETF

An actively managed green bond ETF co-managed with Carbon Collective. Invests in a diversified portfolio of green or sustainability corporate bonds and looks to provide market rate returns with daily liquidity and quantifiable carbon impact.

Australian Corporate Bond Fund

Invests in a diversified portfolio of liquid, predominately investment grade AUD corporate bonds with greater emphasis on floating rate bonds to reduce interest rate risk.

High Impact Green Debt Fund (USD)

Targets 'dark' green bonds & venture debt in projects that will have a disruptive deflationary effect on the cost of infrastructure necessary to limit global warming to 2°C above pre-industrial levels.

Driving Impact Data Transparency with the Artesian Impact Calculator



John Treadgold

Impact Consultant, Guest Author

The Artesian Fixed Income team knew their Green and Sustainable Bond Fund went above and beyond in terms of its impact due diligence; they could see the results from their proprietary data feeds, so the next step was to find a way to make the information available to its investors.



Example output from The Impact Calculator

The [Artesian Impact Calculator](#) was designed to offer market leading transparency, to offer real time impact data through an easy-to-use portal that could be configured to the size of a user's holdings.

The first iteration of the Impact Calculator was only accessible by direct investors. But recognising that a material portion of their clients were allocated through external platforms, the Artesian Fixed Income team went even further, and in 2025, they now offer a web-based portal. It enables any investor to enter the size of their investment and get a rich impact report that covers estimates of a core set of social and environmental metrics.

Looking Beyond Global Green Bond Standards

A lack of consistent standards across green, sustainable and social bonds, often makes it difficult for fixed income investors to discern the true impact potential of a bond fund. The Artesian Impact Calculator looks deeper, offering a visual representation of the depth of analysis that the Fixed Income team applies to potential investments. The team employs multiple layers of due diligence that takes certification by green and sustainable bond standards as just one input in the process of judging a bond for inclusion in the fund.

"We check to see whether bonds are certified as compliant with the ICMA principles," says Head of Australian Fixed Income, David Gallagher. "And we look quite favorably on a bond being certified by the Climate Bond Initiative (CBI), which is viewed by some as the gold standard in green bonds. But for us, it's not enough for an issuer to have been certified by a specific standard."

Beyond certification, bond issuers also vary dramatically in the impact data they make available. Most Use of Proceeds (UoP) reports lack sufficient information to satisfy the needs of the Impact Calculator. This is what led the Artesian team to go further, scouring publicly available resources to find information or engaging directly with organisations to access impact data.

"If one bond is demonstrating solid impact data, and if the financial metrics are the same as another bond, we will favor the bond that's actually got the better impact reporting, because that supports our fund thesis, and makes our research process a lot easier."



David Gallagher, Head of Australian Fixed Income

Establishing Core Impact Metrics

The Impact Calculator gives investors access to a rich dataset, a core selection of impact metrics arranged by SDG categories, but at this stage it is a proprietary model and there are limited options to compare performance against peers.

While the market has not yet aligned on a comparable set of metrics, the Artesian team hopes to set a precedent for other fixed income managers to follow. The goal is to elevate impact metrics as material factors to consider in investment decision-making. At this stage, it remains as a key differentiator of the depth of analysis behind the fund. ▶

"Carbon abatement and GHG emissions data is the most widely available from green bond issuers across the board, the green building sector is doing good work here. But at this stage, data from social bond issuers in areas like housing, transport, or education is much more fragmented; it is heavily dependent on what the issuer is willing to disclose."



Gibson Goh, Credit Analyst

ISSUER	ENGAGEMENT TYPE	OUTCOME
	Pillar 1: Promote the Issuance of Labelled Bonds	NBN is one of the largest corporate issuers of green bonds in the AUD market. We met with them 3 times in 2024 on the prospect and benefit of issuing a social bond. A bond with social metrics is now on the calendar for 2025.
	Pillar 2: Manage Existing ESG Risk	We had been engaged with Shinhan Bank since we invested in its inaugural AUD issue in 2020. After being disappointed with the level of impact reporting released, and anticipating no improvement based on conversations with the issuer, Artesian was not convinced that any labelled issuance would lead to real incremental impact. We did not participate in their latest Social Bond and exited all legacy positions.
	Pillar 3: Respond to Idiosyncratic ESG Events	We met with Woolworths and the Climate Bonds Initiative (which certified the bond) to understand the issue and gain comfort with the credibility of the bond's emissions reduction capacity and the labelling criteria involved with green bonds to finance low carbon buildings. Following these conversations, we were satisfied that the issuance was credible, and we maintained our exposure to Woolworths' labelled bonds.

A snapshot of engagement outcomes, for 2024

“This was a key issue to overcome in building the Impact Calculator. There's no homogenous reporting structure to help us analyse, for example, a healthcare bond, or a social housing bond, that produces a defined set of outcomes. The task for us has always been trying to find as many common metrics as we can, and making that data broadly available,” says Gallagher. “Our process involved going through our top issuers and assessing what metrics we were seeing regularly enough, where we had enough data points, that it would make sense to highlight it as a specific quantifiable category of impact.”

Progress is being made. There is now a mandatory climate reporting regime in Australia which will better define how to measure and report GHG data and risk-management approaches. And more recently, the Australian Sustainable Finance Taxonomy was launched as a categorisation system for green and transition activities, with specific guidance due to be released about how to structure bonds under the framework.

Influencing Positive Change through Engagement

The Artesian team are further compounding their impact through efforts to influence an issuer's operational and reporting practices to help them improve social and environmental outcomes.

This ‘engagement’ process might include requesting information or sharing ideas and feedback, leveraging relationships to try and steer an issuer's approach. It means that when presented with reporting that falls short of their standards, the team can offer advice or share examples of issuers in similar sectors who have overcome similar challenges. Ideally, an issuer would take the advice on board and they improve their future reporting, but this may not always be the case.

“We have a comprehensive engagement program that allows us to build important relationships with issuers. We then go to great lengths to share both the processes and the results of our meetings and communications with our clients,” says David Gallagher.

So far, these efforts have been rewarded, with leading fixed income publisher KangaNews awarding the Artesian team the prize for Australian Sustainability Fund Manager of the Year, 2024.

“We’ve stuck our neck out with our overarching thematic across impact and ESG, and so it was encouraging to get that recognition, especially given the award’s focus on our peer group here in the Australian bond market,” says David Gallagher. ■



Issuer Case Studies



South Australia Power Networks

Sector	Utility
Bond Type	Green
Issue Date	24 May, 2024
Issue Size (\$M)	245-250
Currency	AUD
Fixed / Floating	Fixed
Maturity	3 Jun, 2027 - 3 Dec, 2032

SDG Alignment



On 24th May 2024, South Australia Power Network (ETSA) launched a new dual-tranche AUD denominated green bond following an investor roadshow. ESTA was the first non-financial corporate issuer in 2024 and the deal was very well received by the market.

The reported use of proceeds will potentially include:

- Annual GHG emissions reduced/avoided in tonnes of CO₂e.
- Capacity of renewable energy plant(s) to be served by distribution systems (MW).
- Percentage of renewable energy capacity in South Australia.
- Number of customers with new Consumer Energy Resources.
- Annual energy savings in MWh/GWh (electricity and GJ/TJ, other energy savings).
- Number of clean vehicles deployed (e.g. electric).

Eligible Projects

- Distribution assets (Stobie poles, powerlines and underground cables, and streetlights).
- Consumer energy resources (including residential and commercial solar and wind generation, storage batteries, virtual power plants (VPP) and electric vehicles (EVs)).
- Distribution System Operator capabilities. Smart metering and network management.
- Energy storage solutions (such as batteries, VPPs, EVs, large, embedded generators and microgrids).



NBN CO LTD

Sector	Technology, media, and telecom (TMT)
Bond Type	Green
Issue Date	20 Aug, 2024
Issue Size (\$M)	750
Currency	AUD
Fixed / Floating	Fixed
Maturity	28 Aug, 2031

SDG Alignment



NBN released their first ever Sustainability Bond Framework to the market in February 2022. Since then, they have issued 3 green bonds in the AUD market and 4 green bonds in the EUR market. NBN are the largest Australian non-financial corporate issuer of labelled bonds in the market.

NBN also produce good quality annual impact reporting. In relation to this green bond issue, they are planning to disclose environmental impact metrics such as Energy intensity and Emissions intensity.

This will be published in their Sustainability Bond Report subject to the availability of information and confidentiality requirements.

Eligible Projects

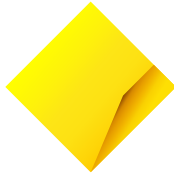
- **Energy efficiency.** Deployment of Australia's broadband network, using a more energy-efficient technology such as a fixed line fibre optic connection instead of legacy technology (i.e. copper), to lift the digital capability of Australia.
- **Renewable energy.** Purchasing renewable electricity to power the NBN network and infrastructure in line with their RE100 Commitment.

Issuer Case Studies

 Mirvac Group Finance <table><tr><td>Sector</td><td>Educational Services</td></tr><tr><td>Bond Type</td><td>Green</td></tr><tr><td>Issue Date</td><td>22 Aug, 2024</td></tr><tr><td>Issue Size (\$M)</td><td>400</td></tr><tr><td>Currency</td><td>AUD</td></tr><tr><td>Fixed / Floating</td><td>Fixed</td></tr><tr><td>Maturity</td><td>18 Mar, 2031</td></tr></table> SDG Alignment 	Sector	Educational Services	Bond Type	Green	Issue Date	22 Aug, 2024	Issue Size (\$M)	400	Currency	AUD	Fixed / Floating	Fixed	Maturity	18 Mar, 2031	Mirvac Group is an integrated and diversified Australian listed property group with a market capitalisation of A\$7.87b that focuses on 3 segments: Investment (65% of FY24 EBIT), Development (32% of FY24 EBIT) and Funds (3% of FY24 EBIT). This was Mirvac's first public markets green bond transaction and we were pleased to see they chose to issue in their domestic AUD market. Mirvac Group will provide an annual update and seek post-issuance assurance within 12 months from the issue date to ensure that the green bond issued remains in compliance with their Sustainable Finance Framework. Eligible Projects 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. • Climate change adaptation.
Sector	Educational Services														
Bond Type	Green														
Issue Date	22 Aug, 2024														
Issue Size (\$M)	400														
Currency	AUD														
Fixed / Floating	Fixed														
Maturity	18 Mar, 2031														
 South Australian Government Financing Authority <table><tr><td>Sector</td><td>Semi-Government</td></tr><tr><td>Bond Type</td><td>Sustainable</td></tr><tr><td>Issue Date</td><td>14 Mar, 2024</td></tr><tr><td>Issue Size (\$M)</td><td>2,000</td></tr><tr><td>Currency</td><td>AUD</td></tr><tr><td>Fixed / Floating</td><td>Fixed</td></tr><tr><td>Maturity</td><td>24 May, 2029</td></tr></table> SDG Alignment 	Sector	Semi-Government	Bond Type	Sustainable	Issue Date	14 Mar, 2024	Issue Size (\$M)	2,000	Currency	AUD	Fixed / Floating	Fixed	Maturity	24 May, 2029	As we highlighted in February, the South Australian Financing Authority (SAFA) had 10 of its existing bonds labelled as Sustainable. We were quite pleased they wasted no time in issuing their first new labelled bond under their sustainable bond framework in March. The bond was very well received by the market, a large order book of AUD +3.5b for a AUD 2b deal meant the bonds rallied bops into month end South Australia now joins Queensland, New South Wales, Victoria and Western Australia as Australian states who issue in labelled bond format. Eligible Projects The proceeds will be allocated to SAFA's expenditure towards projects that address one or more of the following five areas: • Socioeconomic advancement and empowerment & affordable housing. • Renewable energy. • Clean transportation, affordable basic infrastructure & pollution prevention and control.
Sector	Semi-Government														
Bond Type	Sustainable														
Issue Date	14 Mar, 2024														
Issue Size (\$M)	2,000														
Currency	AUD														
Fixed / Floating	Fixed														
Maturity	24 May, 2029														

Engagements

During 2024, Artesian's Australian Green & Sustainable Bond Fund engaged with the following entities:

 AEMO	 Air New Zealand	 Alinta Energy	 ANZ	 Auckland Airport
 Australian Gas Infrastructure Group	 Australian Government Australian Office of Financial Management	 Bank of Queensland	 Bendigo and Adelaide Bank	 BMW Finance Australia
 Brisbane Airport	 China Light and Power Company	 Climate Bonds Initiative	 Commonwealth Bank of Australia	 EDF
 Electrabet	 Korea Eximbank THE EXPORT-IMPORT BANK OF KOREA	 Flinders Port Holdings	 Goodman Australia Partnership	 THE WORLD BANK IBRD • IDA • IFC • MIGA
 Mercedes Benz Australia	 Mirvac	 MTR Corporation	 NBN	 NSW Ports
 PSP Investments	 Qantas	 QBE Insurance	 QIC Town Centre Fund	 Rabobank
 Shinhan Bank	 Snowy Hydro	 South Australia Financing Authority	 SA Power Networks	 Teachers Mutual Bank
 United Overseas Bank	 Vicinity Centres	 Vodafone	 Volkswagen Financial Services Australia	 Westpac
				 Woolworths

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.



Jeremy Colless
Co-Founding Partner, Chief Executive Officer



Rohan Gray
Partner, Co-Head of VC



Ali Clunies-Ross
Partner, Co-Head of VC

Climate & Sustainability

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

1

Dual-Use Critical Tech

Artificial intelligence / Machine Learning • Robotics • Quantum • Space

2

Healthcare Transformation

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

3

Emerging Managers & Opportunities

Female Leaders • Education / STEM • Fintech • Agnostic

4

Case Studies

enosi

Founded	2018
Founder	Steve Hoy
Industry/Sector	CleanTech
Website	enosi.energy

SDG Alignment



Enosi created Powertracer, a software platform that uses smart metering to track, match and settle energy production and consumption. With Powertracer, consumers are able to access cleaner and cheaper energy with direct pricing provided by renewable energy operators.

Enosi is helping to accelerate the transition to clean energy by allowing businesses to track and trade clean energy both transparently and sustainably.

Impact:

Enosi is improving access to clean energy (SDG 7), promoting responsible energy consumption and production (SDG 12), and helping to reduce greenhouse gas emissions (SDG 13).



-evrima-

Founded	2018
Founder	Charlotte Bradshaw
Industry/Sector	MedTech
Website	evrima.com

SDG Alignment



Evrima offers a suite of digital platforms designed to streamline clinical trial recruitment and management. By efficiently connecting trial participants with researchers and clinicians, Evrima aims to expedite clinical trials and assist with medical research.

Evrima's tools provide clinical trial teams with access to diverse, protocol-specific patient populations and assists with recruitment monitoring and reporting. Additionally, the technology also helps GPs and patients identify clinical trial options and allows participants to track trial progress.

Impact:

Evrima is supporting improved healthcare outcomes (SDG 3) by enabling efficient and equitable access to clinical trials, promoting inclusion in medical research (SDG 10), and contributing to innovation in clinical trial operations (SDG 9).



Case Studies

hullbot

Founded	2014
Founder	Tom Loefer & Karl Watfern
Industry/Sector	CleanTech
Website	hullbot.com

SDG Alignment



Hullbot specialises in autonomous hull-cleaning for marine vessels. Its underwater robotics platform enables frequent, non-disruptive hull cleaning to prevent biofouling, the build-up of organisms such as barnacles and algae. By reducing the drag produced by biofouling, Hullbot helps to lower fuel consumption and emissions.

Hullbot's system also performs automated inspections, accesses hard-to-reach areas, and adapts to different hull coatings, helping fleet operators improve efficiency and monitor vessel performance.

Impact:

Hullbot is promoting more sustainable marine vessel operations (SDG 12), helping to reduce greenhouse gas emissions (SDG 13), and preventing invasive species transfer to protect marine ecosystems (SDG 14).



FARMLAB

Founded	2016
Founder	Sam Duncan & Shahriar Jamshidi
Industry/Sector	AgTech
Website	getfarmlab.com

SDG Alignment



FarmLab provides farmers with a platform and tools for soil mapping, sampling and analysis. Its platform offers soil, plant, and water analysis, allowing farmers and advisors to assess carbon stocks, biodiversity, and production metrics.

FarmLab's geospatial tools enable farmers to map and zone their land while collecting data to support carbon project planning and compliance. Its network connects users with trained samplers and laboratories, helping to facilitate efficient data collection and analysis.

Impact:

FarmLab is providing tools for efficient resource management and sustainable agriculture (SDG 12), offering carbon measurement and offset opportunities (SDG 13) and enhancing ecosystem health by promoting biodiversity and soil health (SDG 15).



IMPACT PERSPECTIVES

Hort Innovation Venture Fund

Hort Innovation & Artesian collaborate to launch world-first VC fund set to drive breakthrough innovation in Australian horticulture

Artesian, and Australia's grower-owned research and development corporation, Hort Innovation, announced a first-of-its-kind **\$60M venture capital co-investment fund** to advance fruit, vegetable, nut, turf and nursery farming.

The Hort Innovation Venture Fund will target early-stage, high-growth local and international startup businesses that can that improve farm input and output processes through avenues such as automation and robotics, smart irrigation, breeding and biotechnology.

The fund will identify 20-30 new startup businesses over the coming five years for pre-seed to early series A equity funding.

Hort Innovation chief executive officer **Brett Fifield** said now more than ever, the need to diversify investment approaches and bring onboard new thinking to support the industry's sustainability objectives and meet local and global consumer demand is critical.

"The Australian horticulture industry is facing unprecedented challenges - high production costs, labour issues, extreme weather impacts to name a few," he said.

"Our produce is also in huge demand due to its reputation for quality, with horticulture being Australia's fastest growing agriculture sector, having experienced a 46% increase in value over the past five years including a 4% hike in exports."

The Hort Innovation Venture Fund aims to get innovation in the hands of growers as quickly as possible, arming them with the tools they need to be as sustainable as possible while leveraging the opportunities that exist for them."

Hort Innovation Venture Fund focus areas align with the UN's Sustainable Development goals. Examples include:

- **Increasing productivity:** Helping Australian growers to become more adaptable, resilient and financially sustainable. This may be in the use of AI to predict what to do and when to do it, new automation options, or the use of satellite technology to guide decision-making.
- **Sustainability:** Delivering new innovations Australian growers of fruit, vegetables, nuts, turf and nursery plants can employ. For example, enhancing monitoring capabilities to optimise water use, track and reduce carbon and expand chemical use alternatives.
- **Consumption:** Supporting healthy living by meeting changing consumer preferences, locally and overseas. For example, naturally breeding produce that is nutrient dense, with a long shelf life while being aesthetically pleasing.



Opportunities to upskill existing industry participants and expand local career opportunities in horticulture, particularly in the science and technology arenas, are also a priority.

Artesian CEO **Jeremy Colless** said the firm was excited about the partnership with Hort Innovation, emphasising its potential to drive impactful investments in cutting-edge technologies that will deliver sustainable, long-term benefits for Australian produce farmers and consumers alike.

"Delivering the world's first horticulture-specific venture capital fund with Hort Innovation is a significant milestone and an example of how Artesian works with leading industry, corporate, government and institutional investors to develop tailor made solutions that address innovation challenges," he said.

Mr Colless highlighted the collaboration as a unique opportunity to elevate productivity and innovation across the agriculture sector, fostering resilience and advancing Australia's position as a leader in sustainable horticulture.

Artesian currently manages **more than \$1.2 billion in assets** under management including through technology and venture capital investments across energy transformation, agrifood and natural capital, healthcare and emerging technology segments.

The Hort Innovation Venture Fund is the first new fund to be rolled out through Hort Innovation Frontiers. Launched in June, the dedicated co-investment program will invest **up to \$500M over the next 10 years** to seize big opportunities and develop solutions to horticulture's major challenges. ■

[More on Artesian](#) • [Frontiers website.](#)

Seeking Startup Solutions at the World Agri-Tech Summit



For more than 30 years, Australia's rural R&D corporations have partnered with traditional research providers to drive innovation that solves industry challenges. Now, they're also looking to the startup ecosystem for faster, bolder solutions that reach producers sooner.

And they're hoping to find them at the World Agri-Tech Innovation Summit in London next week.

"Investing in Australia is a huge North Star for us, but we've got an additional A\$500 million over the next decade to seize big opportunities and deliver the range of solutions growers want. And we can't rely just on Australian agtech companies to do that."

Delivered through proven procurement approaches, this ongoing stream beckons strategic collaborations, inviting stakeholders from all corners of the sector to join forces to advance industry innovation.

For Hort Innovation's Jesse Reader, World Agri-Tech is the perfect place to scout early-stage innovations that could benefit Australia's horticulture industry. The Head of Investment, Growth and Commercial will join a delegation of Australians heading to Europe's leading agtech networking event on 30 September – 1 October 2024.

"We have to start filling a funnel of companies that we think are investable – and who we want to foster a relationship with to understand the trajectory of their technology," explained Reader.

"World Agri-Tech provides a platform for us to reach European companies and tell them, 'we're open for business.'"

Driving collaboration between Europe and Australia and strengthening international relationships among innovators, corporates, government entities, and ecosystem players is also a key objective for Harriet Mellish, AgriFutures Australia General Manager for Global Innovation Networks.

"We're interested in creating a stronger global ecosystem where we can look to our international partners and how they are addressing challenges, and also offer solutions that have strengthened Australian industries too."

"The AgriFutures growAG platform partially does this through promoting agrifood and technology opportunities, expertise and research from Australia and across the globe. We want to connect stakeholders through the platform to drive the commercialisation of innovation that will go on to solve these shared problems," explained Mellish.

New approach to procuring innovation

Hort Innovation is one of Australia's rural research and development corporations – a unique model for agricultural innovation where Australia's federal government and primary producers co-invest to drive industry-relevant research.

Tailored to specific sectors (15 in total, from horticulture to dairy, grains, and wine) 'the RDCs' have helped drive Australian agricultural innovation since 1989. ▶

But there's a growing appetite for new co-investment approaches that are more ambitious, attract new investors, and deliver transformative innovation streams.

New approach to procuring innovation

To propel the horticulture industry forward fast, and at scale, Hort Innovation has introduced three co-leveraged investment pathways with A\$500 million of uncontracted potential:

- **Australian-grown Innovation** to nurture grassroots innovation – supporting growers and supply chain partners to pressure test their ideas or validate a business model.
- **Incubate and Accelerate** to launch Australian and international startups wanting to scale their solution within the horticulture domain.
- And the **Hort Innovation Venture Fund**, which will channel resources into Australian and international high-growth early-stage startups to propel innovative products and services into grower hands.

Fertile testing ground for European innovators

Australia is widely regarded as a test bed for international agtech solutions – with its diverse climate zones, varied production systems, and high adoption of technology.

But partnering with an RDC like Hort Innovation takes the value proposition up a level.

“I keep asking myself, ‘What are we doing that’s different to others?’” said Jesse Reader. “Because we’re not the first people to play in the area of accelerators and incubators [and funds]”.

“But we’ve got the biggest hort address book in Australia. We’ve got deep engagement with an enormous group of members across 37 industries. And we’ve got incredibly strong data and insights,” he added.

“And for early-stage businesses, those things are critical advantages in assessing your go-to-market proposition, which part of the market you’ll address, and who your cornerstone customers are.”

“There’s huge value in that.”

Industry: investor collaboration delivers revolutionary VC model

Hort Innovation joins a trade delegation being led by the Australian office of global alternative investment management firm, [Artesian](#). Now in its 20th year, the certified B Corp manages money for government organisations, pension and superannuation funds, insurance companies, family offices, corporations, and industry groups.

Among them is Australia’s Grains Research and Development Corporation – GRDC – and its GrainInnovate venture fund. Artesian Senior Manager Agrifood, Victoria Prowse, explained that the partnership yielded more than just fund management.

“Artesian is a sector-focused VC firm with a key specialization in agrifood. Our unique VCaaS (Venture Capital as a Service) platform enables

government organizations, industry groups, corporations, and research institutes to leverage the financial and strategic returns of high-growth startups. GrainInnovate, launched in partnership with GRDC six years ago, is one of our earliest VCaaS collaborations,” she said.

The idea was to establish a platform that enabled GRDC to participate in private equity markets to invest into emerging technologies – but as a single LP (Limited Partner). *“It was paramount that they had full control over their strategic mandates and investment fit,”* added Prowse.

Balancing the financial + strategic fit

GRDC takes an atypical VC approach – and Artesian accommodates that. *“GrainInnovate is not a two-three year fit [for quick financial return]”* explained Victoria. *“GRDC is looking a decade ahead and saying, ‘This is what we’re trying to achieve: firstly, support grain growers, and secondly, support the growth of the startups who can help them.’”*

For Artesian as fund managers, it’s not just financial delivery that matters.

“It’s very much about the strategic angle as well – finding investable opportunities that are very closely aligned to the needs of Australian grain growers,” explained Prowse.

VCaaS doesn’t replace GRDC’s traditional investment model, but complements it, giving it the ability to move quickly and nimbly, and capitalise on exciting technologies emerging outside of traditional pathways.

“We’re seeing interest come through now with other RDCs and corporates wanting to use VCaaS to play a more active role in this early-stage space to accelerate growth, scale technology, and support industry in the process.”

VC with genuine mutual benefit

From Artesian’s perspective, World Agri-Tech is about learning what’s investable in Europe and the UK; what are other investors looking at; and what are the emerging themes.

“But it’s also about startup pipeline engagement and being early to the conversation with companies that we wouldn’t get access to if we weren’t on the ground spending that time with them,” added Prowse.

International startups stand to benefit from partnering with Australia’s RDCs, too. *“Every Australian grain grower invests into GRDC, providing an enormous strategic network that’s incredibly powerful for a startup to leverage,”* explained Prowse.

“[As Jesse said,] being invested in by an RDC is incredibly beneficial from a strategic level, not just a financial one. That’s what’s really exciting.” ■

By Casey Dunn, a writer and corporate affairs consultant based in Orange, New South Wales. Originally published on [AgFunderNews](#) as a sponsored post in partnership with AgriFutures growAG.

Australian Ports Integrated Risk Analysis



Mark Bytheway

Director, ESG Research

Over the past 14 months, Artesian has engaged with Australia's four largest ports; Port of Melbourne, Flinders Ports, NSW Ports, and Port of Brisbane. This arises from our analysis of new bond issuance and commitment to additionality through the pursuit of appropriately labelled securities, for example green, sustainable and social bonds. For this sector, our focus has been on climate impact risks both to and from ports, and the implications these risks have for bond issuer pricing.

Summary

Global mean sea level (GMSL) has risen approximately 21–24 cm since 1880, with the rate of rise accelerating in recent decades. Current forecasts estimate a further rise of 29 cm to 1.1 meters by 2100, driven by melting glaciers, thermal expansion of seawater, and ice sheet loss. This trajectory poses significant long-term risks to coastal infrastructure, particularly ports, which are inherently exposed due to their coastal location.

Ports variously face a range of climate-related vulnerabilities, including:

- Sea level rise and storm surge leading to flooding of terminals and access roads;
- Increased frequency and severity of hurricanes and cyclones;
- Coastal erosion, undermining infrastructure integrity;
- Natural disasters impacting operations and logistics;
- Operational disruptions from extreme weather events.

At the same time, ports contribute to climate pressures, through notable greenhouse gas emissions from shipping activities, port machinery, and associated land transport systems.

Despite these physical and transitional risks, ports occupy a strategically vital economic position:

- Over 80% of global trade by volume is transported by sea;
- In Australia, 99% of international trade by volume moves through ports;
- Ports are critical logistics hubs and major employment centres;



- They often function with limited competition and high barriers to entry, both geographically and economically;
- In Australia, regulated revenue models further entrench their economic durability.

This creates a complex investment landscape: while ports are economically indispensable, they are also exposed to long-term climate risks. As such, they represent a paradigmatic case of climate-integrated investment analysis, balancing material physical and transition risks against robust cash flows, monopolistic advantages, and critical national infrastructure status. Understanding this duality has been a key focus of Artesian's investment research, guiding the assessment of infrastructure assets through both a climate risk lens and an economic resilience framework.

Impact to Ports

Climate risk can be divided into two key aspects: physical risk and transition risk. By their very nature, ports are situated in hazard-prone areas along coastlines and near rivers, making them particularly vulnerable to storms and flooding. As climate change advances, ports will increasingly face challenges from rising sea levels and more frequent, severe weather events. This is outlined diagrammatically in Figure 1.

According to research from Oxford University, “86% of all ports are exposed to more than three types of climatic and geophysical hazards. Extreme conditions at sea (e.g. storms) are expected to cause operational disruptions to around 40% of ports globally.”¹ Whilst the ▶

¹ Multi-hazard risk to global port infrastructure and resulting trade and logistics losses, Jasper Verschuur, Elco E. Koks, Sihon Li & Jim W. Hall, Oxford Programme for Sustainable Infrastructure Systems (OPSIS), Environmental Change Institute, University of Oxford, Oxford, Institute for Environmental Studies, Vrije Universiteit Amsterdam, School of Geography and the Environment, University of Oxford, Oxford.

² Climate Risk and Ports, A Practical Guide on Strengthening Resilience, 2021 Inter-American Investment Corporation (IDB Invest).

³ A.P. Moller-Maersk ('Maersk'), is one of the world's largest shipping and logistics companies with 67 port terminals.

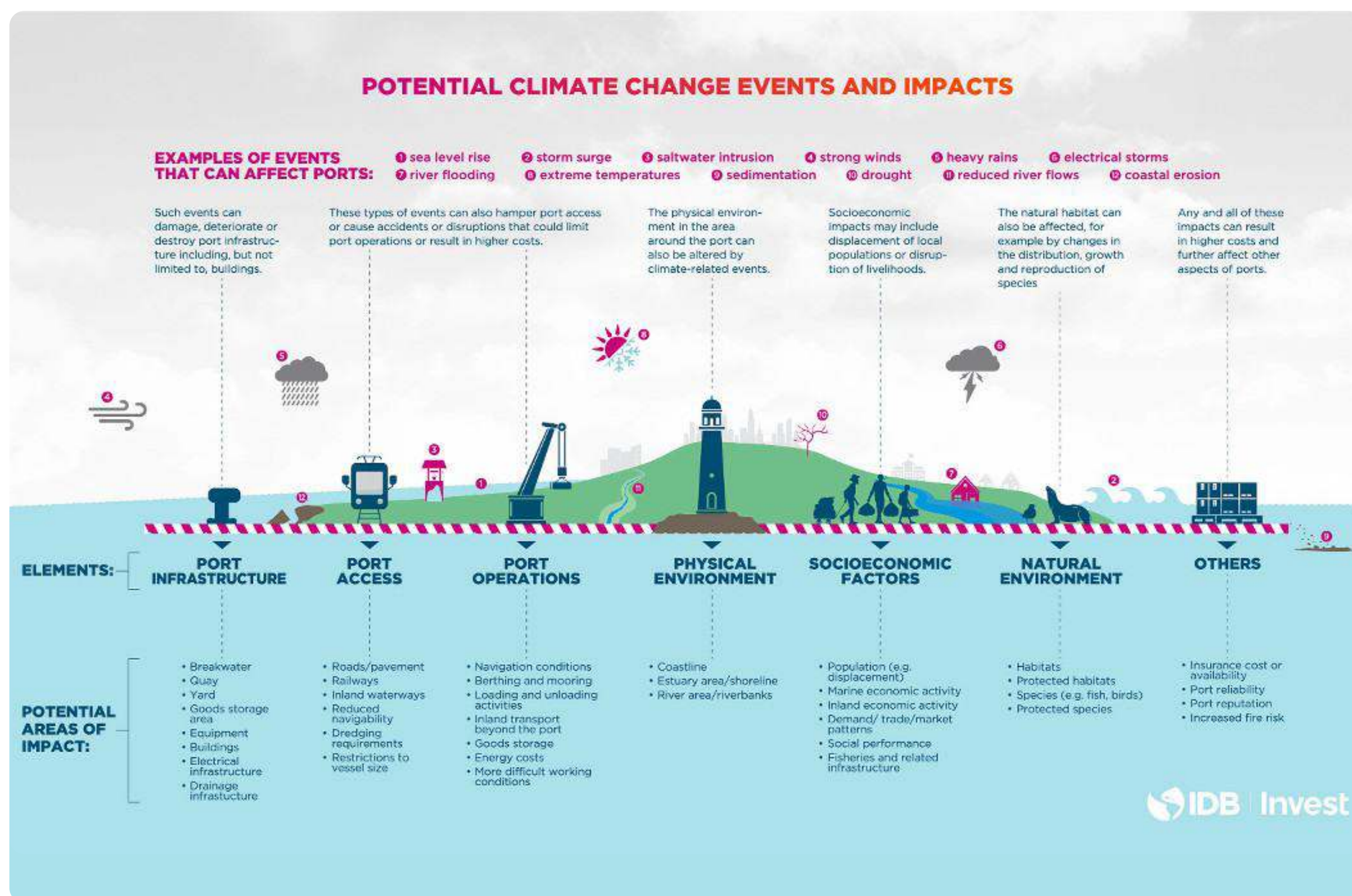


Figure 1 – Potential Climate Change Events and Impacts

Source: *Climate Risk and Ports, A Practical Guide on Strengthening Resilience*, 2021 Inter-American Investment Corporation (IDB Invest)

Inter-American Development Bank noted that, “Given the magnitude and urgency of climate-related threats, ports must scale up preparedness and make their physical, operational and environmental infrastructure more resilient.”² Following a recent enterprise risk management (ERM) exercise, Maersk³ identified climate change – both physical and transition risks – as the biggest threat to its business.

Our engagement with Australian ports has highlighted that they are aware of these risks. Notably, the Port of Brisbane has undertaken the most comprehensive analysis to date, using scenario analysis to identify both physical and transition risks that could affect its assets and operations in the short and long term.

Transition Risks

All four ports acknowledge the potential for climate-induced shifts in trade flows, with particular concern around revenue losses stemming from decarbonization initiatives and the transition away from carbon-

intensive commodities. This presents a significant risk for Australian ports exposed to high-emission sectors such as mining, transportation, and shipping and those reliant on a narrow range of fossil fuel-linked commodities.

According to our analysis, NSW Ports’ Port Kembla Coal Terminal is the second-largest coal export facility in New South Wales. It services the state’s southern and western coalfields and is a key coal export hub on Australia’s east coast

Economic & Financial Impact

As is the case globally, ports are crucial to the Australian economy. They handle the vast majority of domestic trade, serve as key hubs for industry and transport, and are significant providers of employment. Australian ports manage 99% of the country’s international trade by volume, contribute \$264 billion annually to Gross State Product, and support 694,000 jobs across all states. ▶

There is no significant competition between the five major urban ports in each state, primarily due to the geographic distances separating them and the limited overlap in their contestable cargo catchment areas. As a result, competition for major cargo trade is minimal. High barriers to entry exist due to the scarcity of viable alternative locations, the substantial capital investment required for port development, and supportive government policy. Consequently, revenue is largely 'protected' by their status as government-supported monopoly service providers.

Summary

Risk Impacts

The most material climate risks to ports are as follows:

- Long-term physical climate risk to port infrastructure from forecast sea level rise. This risk affects not just individual ports (though some are more exposed than others), but potentially, the entire port network, as disruptions at one location can impact operations at others.
- Short and long-term physical risk to port infrastructure and operations from an increase in the frequency and severity of extreme weather events.
- Short and long-term transition risk arising from shifts in trade flows due to decarbonisation and evolving economic and regulatory conditions.

Notwithstanding the risks outlined above, the current impacts from sea level rise and severe weather events remain limited, with no material financial consequences to date.



Figure 2 - Export Trade Through Australia's Ports by Goods Type

Source: [State of Trade 2024](#), Ports of Australia

Risk Management

Physical risks are generally well monitored and managed. However, there is some disparity and disconnect between port resilience strategies, actions and reporting in contrast to research highlighting the short and especially long-term climate risks and the forecast necessary consequent investment.

Investment Pricing

The market does not appear to fully price in climate risks to ports. We believe this disconnect is partly attributable to the following factors:

- Limited awareness of climate change impacts and rising sea levels, coupled with the perception that these are long-term risks, often extending beyond typical bond durations and investment horizons.
- A lack of detailed disclosure or discussion by ports themselves.
- The structural economic importance of ports and the strength of their cash flows, which may obscure underlying climate risks.

All four of the ports we have researched, represent strategic infrastructure. Their profitability and asset values are underpinned by strong monopoly market positions. Nonetheless, ports are economically critical assets that will need to be sustained, and likely expanded, to support global economic activity. Furthermore, the interconnectivity of the global port network is often overlooked. A disruption at one port can have cascading operational impacts on downstream or upstream ports within the supply chain.

Implications for Artesian

1. Artesian has invested, and will continue to invest, in Australian ports.
2. We believe the four major Australian ports face significant long-term physical and transition climate risks. These risks form the core focus of our ongoing engagement.
3. We consider the Port of Brisbane to be the most exposed to climate-related risks. Its location at the mouth of the Brisbane River makes it particularly vulnerable to extreme weather events. As such, Artesian regards its physical climate risk as higher than that of its domestic peers.
4. Our forward-looking engagement will focus on encouraging improved disclosure and understanding of:
 - The impacts of global mean sea level (GMSL) changes and severe weather events on these and other ports.
 - Port-specific resilience strategies and related capital expenditure.
 - Aggregate and port-level trade exposures, particularly to coal, and potential shifts such as increased EV-related trade.
5. We intend to expand our analysis to:
 - Additional ports to identify global best practices
 - Other maritime industries exposed to similar climate-related risks

As part of Artesian's commitment to creating and facilitating additionality in and through our investments, Artesian has recently submitted a proposal for the Catalytic Climate Finance Facility; The Southeast Asia Blue Innovation Facility (SEA Fund) to co- develop a \$500 million blended finance vehicle designed to drive maritime decarbonization, climate adaptation, and inclusive economic development across Southeast Asia. ■

Originally published as an [Artesian Research Paper](#) (June, 2025).

The Burgeoning Blue Economy



Gibson Goh
Credit Analyst

An overview of the blue economy, recent developments in the blue bond market, and key risks and opportunities for the sector.

Summary

Blue bonds are financing instruments where the proceeds are specifically allocated to projects that support the sustainable use and conservation of ocean and freshwater resources. They are similar in structure to green bonds but focus on marine and aquatic environments.

The blue bond market currently represents only a small portion of the overall labelled bond market. However, given its environmental benefits and the scale of the blue economy, Artesian believes this market is still in its early stages and expects issuance to increase over time. We anticipate greater participation from a range of issuers, including quasi-sovereigns, financial institutions and corporates

Blue Economy & Blue Bonds

According to the International Finance Corporation (IFC), blue bonds are defined as financing instruments “that raise funds for investments

such as water and wastewater management, reducing ocean plastic pollution, marine ecosystem restoration, sustainable shipping, eco-friendly tourism or offshore renewable energy.”¹ More importantly, referencing IFC’s guidelines for blue finance dated January 2022, to qualify as a blue project, the project should be consistent with the project categories of green bond principles and green loan principles and contribute either to Sustainable Development Goal 6 (Clean Water and Sanitation) or 14 (Life below Water).

While maintaining healthy oceans and marine ecosystems are important to preserve our marine diversity and ensure food security, we argue that substantial economic benefits also accrue, as the blue economy plays a vital role in our global economy. According to the OECD², the global ocean economy accounted for between 3% and 4% of global economic output, and between 3.5% and 4.7% of global employment, each year from 1995 to 2020.

Furthermore, the ocean economy doubled in size in real terms, increasing from USD 1.3 trillion in 1995 to USD 2.6 trillion in 2020, representing an average annual growth rate of 3%. If this growth rate continues, the global ocean economy would be approximately 400% larger in real terms by 2050 compared with 1995.

Given the importance of healthy oceans, marine ecosystems and the blue economy, Artesian believes we have an important role, specifically in the blue bond sector, to ensure that it grows in a sustainable manner that safeguards livelihoods and protects the environment.³ ▶

Figure 1 – Estimate Size of the Blue Economy⁴

Source: International Finance Corporation

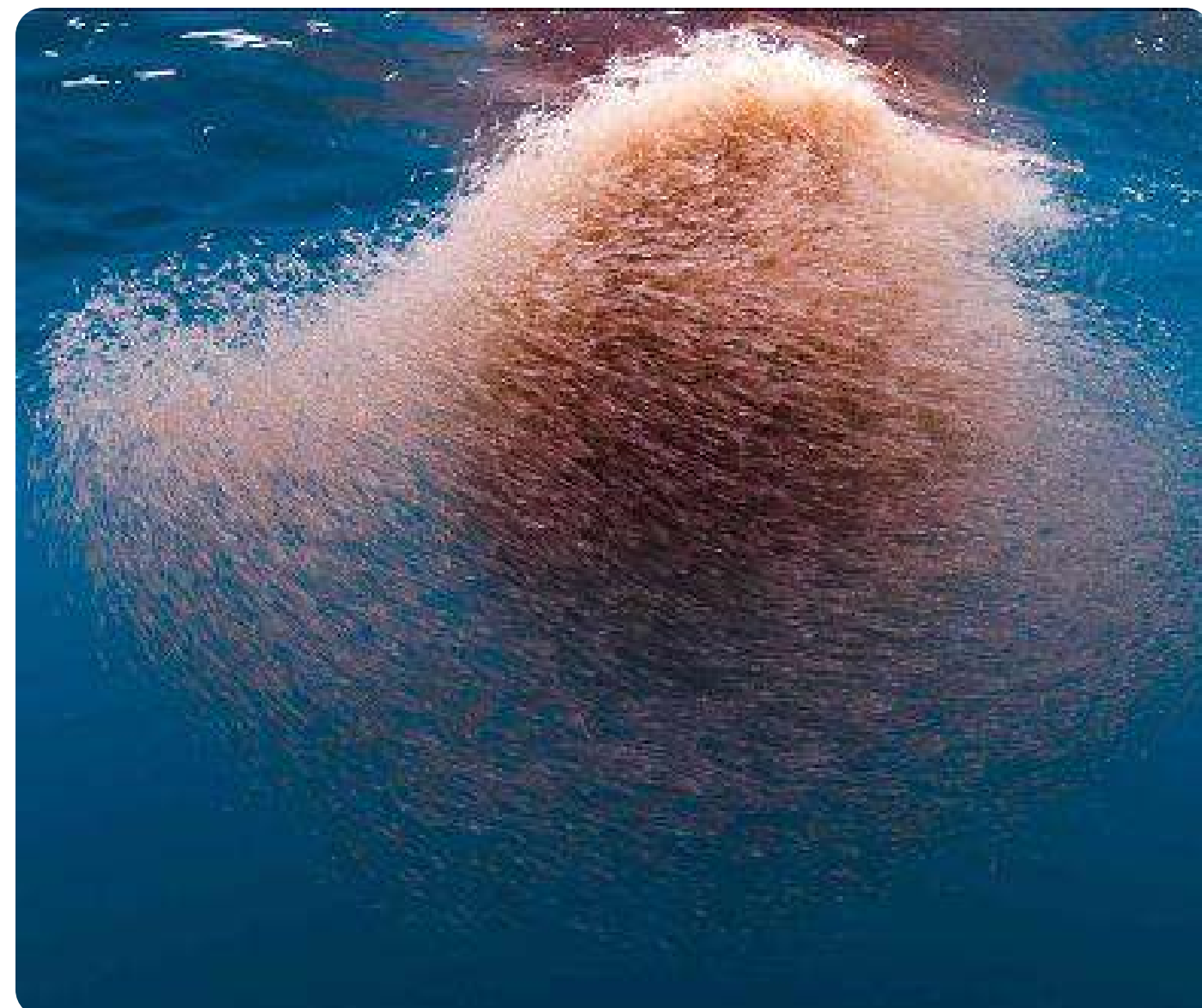


Why Blue Bonds? Why Now?

Maritime trade is a key driver of the Australian economy, with more than 99% of Australia's international trade carried by sea and Australian ports handling over 1.6 billion tones of cargo each year. This makes it essential to consider climate change threats such as rising sea levels, floods and storms, along with their potential impacts. Equally important are the mitigation measures and resilience-building initiatives required to ensure the long-term sustainability of the port sector. Moreover, proceeds from blue bond issuance can be used to advance initiatives in sustainable shipping, helping to reduce carbon emissions. This is particularly important at a time when rising global temperatures, driven by increased greenhouse gas emissions, pose significant environmental challenges.

Market Development

It is encouraging to see blue bond issuance beginning to gain traction in Asia. In April, quasi-sovereign Korea Ocean Business Corp (rated Aa2 by Moody's and AA- by Fitch) issued its inaugural blue bond. Given the limited supply of publicly traded blue bonds in the region, demand was exceptionally strong, with order books for the USD 300 million issue exceeding USD 3 billion (more than ten times oversubscribed). This high level of interest underscores strong investor appetite, and the blue bond has continued to outperform in the secondary market. Such performance should encourage more issuers to enter the blue bond market, further supporting its growth and visibility among investors.



With reference to Figure 2, the blue bond issuance currently accounts for only a small share of the overall labelled bond market, representing just 0.25% of total labelled bond issuance. Nevertheless, we view it as a nascent market with significant growth potential. We anticipate increased public blue bond issuance in the near term, building on the steady year-on-year growth recorded over the past three years.

Headwinds & Future of Blue Bonds

There are several challenges currently facing the public blue bond market. For instance, while some corporate issuers may hold eligible assets that could qualify for a blue bond, the related capital expenditure is often not large enough to justify issuing a publicly listed bond. In most cases, liquid bond transactions require a minimum size of around USD 100 million. We believe there are opportunities for certain sectors, such as ports and water utilities, to play a leading role in supporting blue bond issuance. These sectors are particularly exposed to climate change risks, including rising sea levels and flooding, which makes them well aligned with the objectives of blue bond financing. In the early stages of market development, we expect that government bodies, state agencies and quasi-sovereign issuers, such as Korea Ocean Business Corp, will be important in providing support. Pooling capital expenditure across multiple projects could help meet the minimum issuance size required for a publicly listed blue bond. Investors can also take a flexible approach by seeking exposure to blue economy assets through green or sustainable bonds when dedicated blue bond opportunities are not available. ■

Originally published as an [Artesian Research Paper](#) (August, 2025).

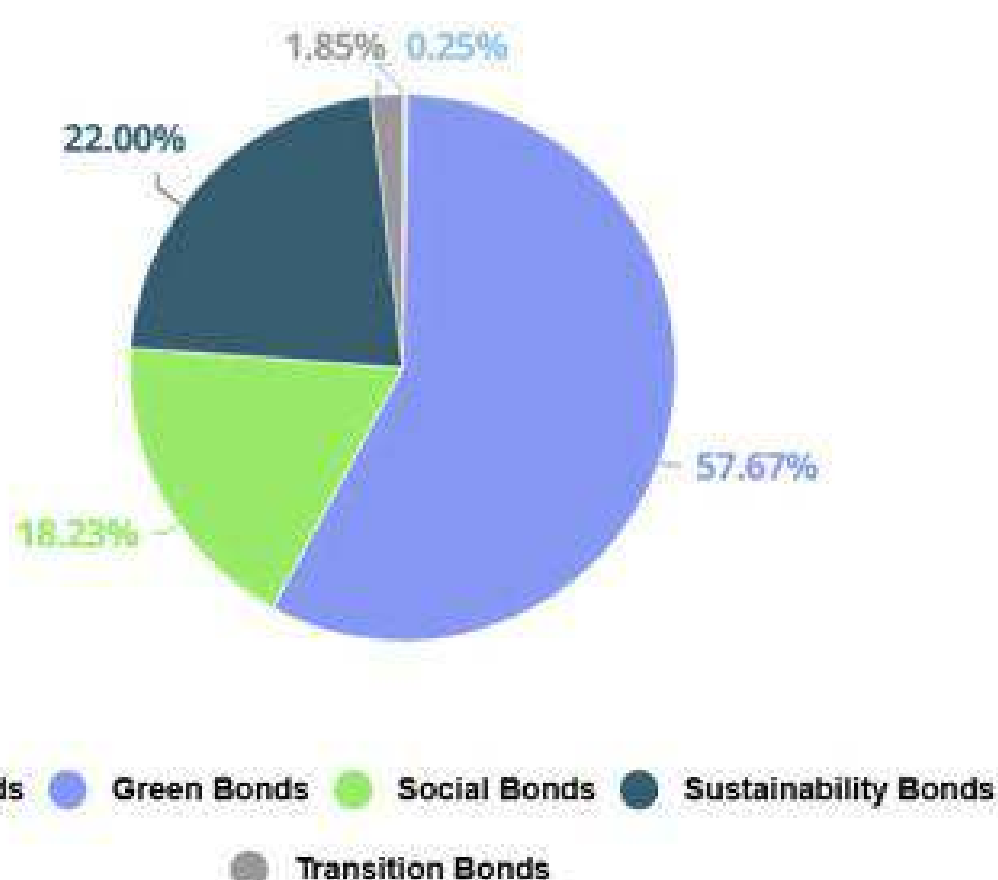


Figure 2 – Breakdown of Labelled Bond Issuance in 2024

Source: Intercontinental Exchange, Sustainable Bond Analysis 2024⁵

1. <https://www.ifc.org/en/what-we-do/sector-expertise/financial-institutions/climate-finance/blue-finance>

2. https://www.oecd.org/en/publications/2025/03/the-ocean-economy-to-2050_e3f6a132.html

3. <https://www.ifc.org/en/what-we-do/sector-expertise/financial-institutions/climate-finance/bluefinance#:~:text=Blue%20Bonds%20and%20Blue%20Loans,tourism%2C%20or%20offshore%20renewable%20energy>

4. <https://www.ifc.org/content/dam/ifc/doclink/2025/the-growing-blue-economy-2025.pdf>

5. <https://www.ice.com/insights/sustainable-bond-report-2024>

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.

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COMMITMENT OVERVIEW

Progress on Our Commitments: Emissions Reductions



Matthew Clunies-Ross
Co-Founding Partner



John McCartney
Co-Founding Partner, Head of ESG



Kurt Tan
Managing Director



Vicky Lay
Partner, Head of Impact



Mei Lee
Partner, Head of Operations



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 REDUCTION

Artesian's Path to Net Zero

Analysis

2024/25 Carbon Footprint: 155MT

Air travel remains the greatest source of emissions for the company. We maintained a similar carbon footprint when compared with the previous reporting year, with a 23% improvement on our baseline reporting year (2021/22).

YEAR	CARBON FOOTPRINT
2021/22	200MT
2022/23	200MT
2023/24	150MT
2024/25	155MT

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:

- [TerraPass](#) - online carbon emissions calculator (USA)
- [CarbonFootprint](#) - online carbon emissions calculator (UK)
- [UN ICAO Carbon Emissions Calculator \(ICEC\)](#) - online carbon emissions calculator
- 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) 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)

- 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) CO₂e.
 - 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:
 - 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.
- 2025 and Beyond**
Current & 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.

EMISSIONS REDUCTION

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.

AA 2024 study reviewing over 100 projects in New South Wales and Queensland found that forest cover has barely increased and tree cover has declined, despite the government granting millions of ACCUs to the projects (Macintosh et al., 2024).



The concerns can be reduced to two points:

1. 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.
2. 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.

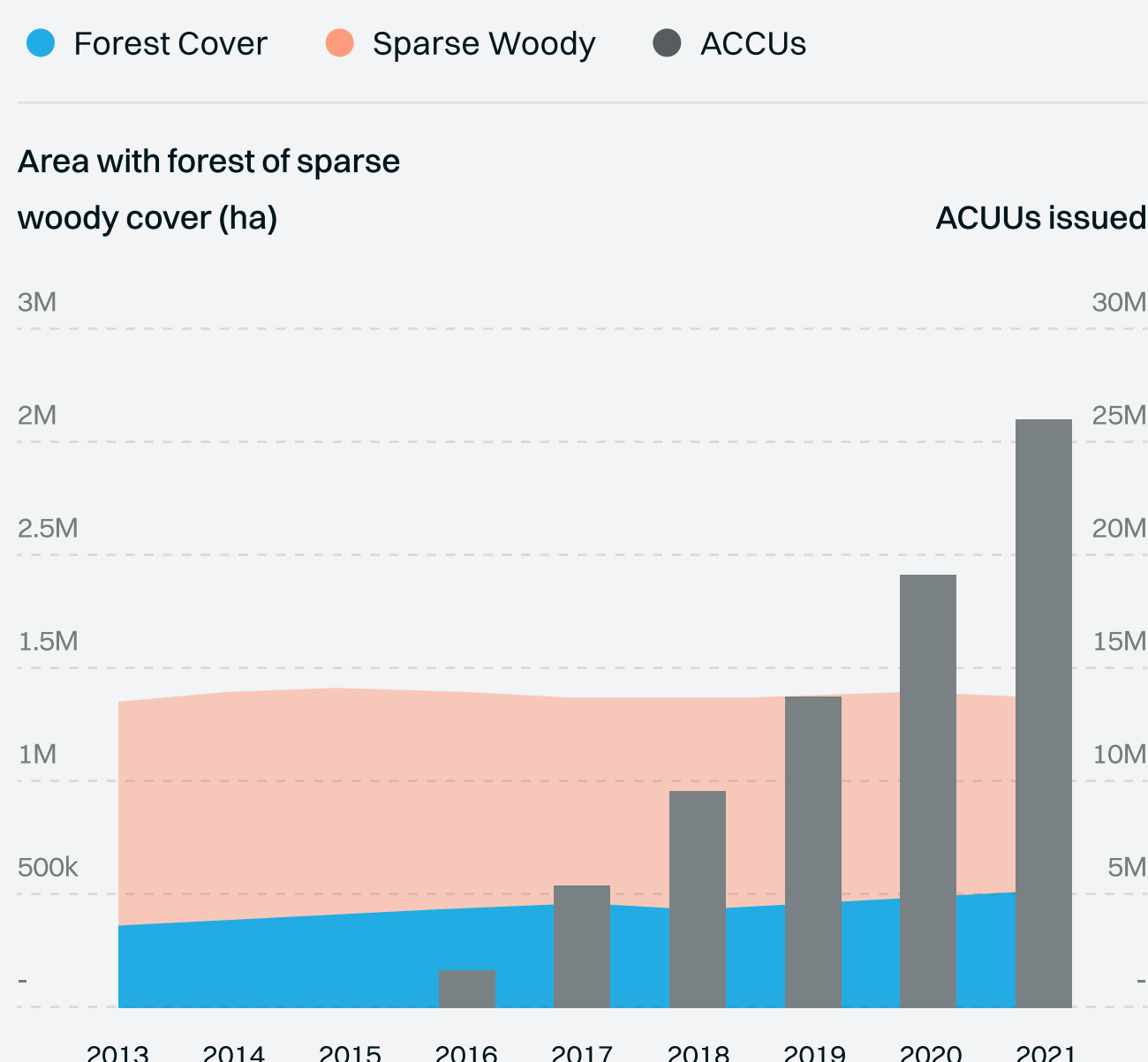
A driving factor for the effectiveness of this particular ACCU project can be distilled to the project being situated in agricultural areas where a substantial portion of the native vegetation has been previously cleared. In the case of Hiltaba, it is estimated to have 33.6% of the area cleared, with 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.

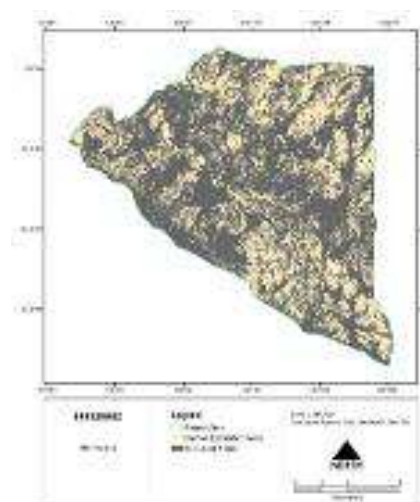
The project was registered in 2013 and has seen a 10% increase in permanent tree cover and therefore forest carbon stocks. ■

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



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

Nature Foundation's Kid's on Country program.



Advancing Gender Equity



Global progress on the UN Sustainable Development Goals (SDGs) continues to be both slow and inconsistent. According to The Sustainable Development Goals Report 2025, only 35% of SDG targets are showing measurable progress, with 50% still progressing too slowly and a concerning 18% moving in reverse¹.

The gender pay gap remains an issue, with women still earning an average of 20% less than men². There are, however, encouraging signs of progress towards the goal of gender equality. Globally, 27.2% of parliamentary seats are now held by women with 43% of legislators under the age of 30 being women, indicating that younger cohorts are trending towards parity and hopefully, better governance on gender issues.

The World Bank's Gender Strategy 2024–2030 continues to prioritise women's economic participation, leadership, and access to financing as critical intervention areas³. There is increasing recognition that gender diversity contributes to better corporate performance and

drives positive sustainable development outcomes. As a result, the integration of gender considerations into sustainable finance frameworks, such as green bonds and sustainability-linked bonds, continues to be a positive trend for advancing gender equity through financial mechanisms.

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.

1. [The Sustainable Development Goals Report 2025](#), United Nations

2. [Advancing gender equality in the world of work](#), UN Women

3. [Accelerate gender equality to end poverty on a livable planet](#), World Bank Group

Gender Impact in Venture Capital



Ali Clunies-Ross
Partner



Ananya Sinha
Principal



Fiona Zheng
Analyst

Women-Led Startups submitted for the Female Leaders Fund (FLF)

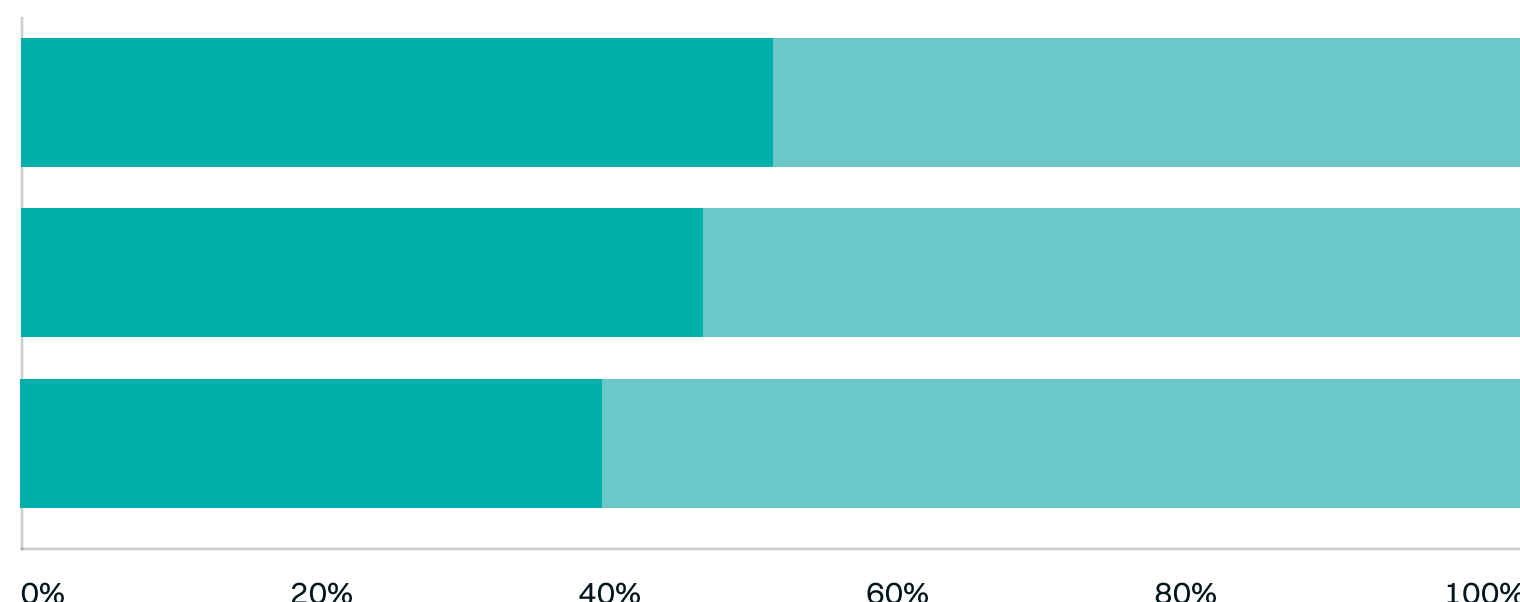
Investments approved and/or made as of
March 2025

Companies that met our proprietary GDACS score and were
eligible for investment by the Female Leaders Fund.

Companies considered by our Investment
Committee.

All Gender Data is self-reported where possible.

● All Women or Solo Women Founders ● Mixed Gender Founders



Elevating Women from Pipeline to Portfolio

When we launched the Female Leaders Fund in 2021, our mission was simple: address the systemic underrepresentation of women in venture capital by investing in high-potential female-led startups.

Three years in, we now have the data to show what we believed all along — that once access barriers are lowered, female founders don't just participate, they outperform.

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.

Our Focus:

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

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.

Looking Ahead

As we enter the next phase of our strategy, we remain committed to proving that diversity isn't a tradeoff — it's a pricing opportunity. We'll continue tracking funnel-level data, refining our thesis, and partnering with founders building category-defining businesses across sectors like climate, health, AI, and enterprise.

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, targeting strong returns by providing financial and strategic support for the unique perspectives, unexplored business opportunities, and under-invested talent of female founders in Australia, New Zealand, and the broader Asia Pacific region.

Gender Pay Gap Disclosure



John McCartney
Co-Founding Partner



Jeremy Colless
Co-Founding Partner



Mei Lee
Partner, Head of Operations



Matthew Clunies-Ross
Co-Founding Partner



Vicky Lay
Partner, Head of Impact



Matthew Proctor
Head of Finance

Global Gender Pay Gap Transparency

As with previous years, data collection was stratified between our Australian offices, where more than 65% 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.

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



OFFSHORE BASE SALARY PAY EQUITY %:

75%

Organisational Gap of 25%

Advancing Equality Calculator



As at 31 December 2024, we maintained the same domestic gender pay gap of 25% when compared with the previous reporting year (2023) and a 1% improvement compared with our baseline year (2020).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%
2024	75%	25%	22.8%

This is our third 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 2024, we maintained the same offshore gender pay gap compared with the previous reporting year (2023).

Offshore			
YEAR	BASE SALARY PAY EQUITY	ORGANISATIONAL GAP	GLOBAL GENDER GAP ³
2022	70%	30%	31.9%
2023	75%	25%	31.6%
2024	75%	25%	31.5%

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 (2023-2024) <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.

3. World Economic Forum's Global Gender Gap Reports [2022](#), [2023](#), and [2024](#)

Gender Impact in Fixed Income



Bushra Mumin
ESG & Credit Analyst



Gibson Goh
Credit Analyst



Kurt Tan
Managing Director

Methodology

This section details Gender Impact data for the 93 unique bond issuers in Artesian’s portfolio. Artesian no longer subscribes to third-party Gender Equality data providers. The data presented below is primarily sourced from Bloomberg, with additional insights drawn from publicly available reporting and Artesian research.



Historical Data

As outlined in our methodology, Artesian no longer subscribes to third-party gender equality data providers. Consequently, the metrics below are not directly comparable with those presented for 2024. We continue to provide historical data to maintain transparency and support year-on-year context.

Female Board Representation

96%
Of bond issuers have at least 1 female board member

As of December 31, 2024, 96% of issuers in our fixed income funds, had at least one female board member. This figure is based on issuers from the Artesian Green and Sustainable Bond Fund, the Artesian Corporate Bond Fund, and the Artesian High Impact Green Bond Fund.

Gender Pay Gap

55%
Of bond issuers produce gender pay gap reporting

As with previous years, various states/territories and supra-national issuers have not reported this metric despite declared equality commitments. Furthermore, a number of universities and higher education institutions do not provide publicly accessible information on their gender gap analysis.

Metrics

	2021	2022	2023	2024
Number of unique issuers	-	65	67	93
Issuers with at least 1 female board member	95	94%	100%	96%
Issuers with gender pay gap reporting	30%	38%	63%	55%

Orange Bonds and the Future of Gender-Lens Investing in Fixed Income Markets



Bushra Mumin
ESG & Credit Analyst



Johny Tjheng
Director



Gibson Goh
Credit Analyst



John McCartney
Co-Founding Partner

Bonds with Principles

Orange Bonds represent a new asset class at the intersection of gender equality, climate action, and inclusive economic development. Guided by the Orange Bond Principles, these instruments emphasize three elements: gender-positive use of proceeds, issuer-level gender leadership, and transparent impact reporting. Their emergence reflects a broader recognition that gender, sustainability, and financial performance are mutually reinforcing.

A notable example is the Women's Livelihood Bond 6 (WLB6), a US\$100 million issuance by the Impact Investment Exchange in 2023. The bond supports enterprises advancing women's livelihoods in Asia and Africa, particularly in climate-resilient agriculture and clean energy. Governments are also exploring this approach; in 2024, Bangladesh announced plans to mobilize up to US\$1 billion in Orange Bonds for the garments and agriculture sectors, although issuances have not yet been made.

The integration of gender considerations is also advancing in sustainability-linked bonds (SLBs). Brazil's B3 Exchange issued SLBs with a target of 35% women in leadership positions by 2026, attaching penalties for non-compliance. Similarly, EQT linked bond terms to increasing the proportion of female investment advisors. These multi-KPI structures indicate a growing trend of embedding measurable gender outcomes in debt instruments, with further opportunities in areas such as housing and education.

Representation, Opportunity & Inclusion

This progress is unfolding within a contested political and data environment. Diversity, equity, and inclusion (DEI) initiatives face heightened scrutiny in some regions, yet their underlying principles—representation, opportunity, and inclusion—are grounded in long-standing democratic values. Evidence also suggests that diversity correlates with improved business outcomes: firms in the top quartile of diversity metrics outperform peers in equity returns by 36%, and consumer sentiment has been shown to respond positively to companies maintaining strong DEI commitments.

The debate around ESG frameworks follows a similar pattern. While sometimes politicized, ESG analysis is essentially a form of risk



management, helping investors anticipate legal, operational, and reputational challenges. Gender data is particularly relevant to credit analysis yet remains uneven. Although global gender pay gap reporting has risen from 15% of companies in 2021 to 33% in 2024, disclosure in the U.S. remains voluntary, with 86% of firms withholding this information despite the country's central role in bond markets. Data providers such as Equileap primarily cover listed equities, leaving gaps for fixed income investors, particularly in sectors dominated by private issuers.

Inclusive Pathways to Growth

Nevertheless, momentum toward standardized reporting is increasing. Legislation in the EU and Australia has advanced gender disclosure requirements, and similar efforts are emerging in other markets. These shifts are likely to create more robust foundations for gender-lens investing in fixed income.

At Artesian, we believe gender equality, climate action, and financial inclusion are mutually reinforcing pillars of a just transition. Yet 90% of global climate finance still flows to mitigation in male-dominated sectors, while women-centered sectors like agriculture attract far less. Without deliberate integration of gender into climate finance, investors risk entrenching inequality in the green economy.

Embedding gender into transition finance not only addresses these risks but also supports more inclusive pathways to growth. In this sense, Orange Bonds and related instruments offer an important framework for aligning financial markets with the goals of equity, resilience, and sustainability. ■

Commentary from our DE&I Committee



Kaushalya Gunatilaka
Head Partnership Community



Johny Tjheng
Director



John McCartney
Co-Founding Partner, Head of ESG



Kurt Tan
Managing Director



Vicky Lay
Partner, Head of Impact

Our Commitments Building upon our established foundations, we remain steadfast in our commitment to Diversity, Equity, and Inclusion through the following key actions:	
Defining Diversity Broadly We continue to recognize that diversity encompasses a multitude of factors, including race, ethnicity, gender, sexual orientation, age, ability, socioeconomic background, and more.	Fostering Equity Our ongoing efforts are dedicated to creating a level playing field where everyone has equitable access to opportunities for advancement and success.
Continuous Learning Recognizing that DE&I is an ongoing journey, we remain committed to continuous education and improvement in our practices, actively working to dismantle unconscious bias.	Promoting Inclusion We will continue to cultivate a welcoming environment where all voices are heard, valued, and respected.

Embracing Continuous Improvement While we celebrate our progress, we acknowledge there is always more to do. Looking ahead, we will:	
Further Developing Clear Advancement Pathways Focus on further developing clear promotion pathways to ensure all employees have a transparent understanding of their future opportunities for growth and advancement within the organisation, reinforcing a culture of meritocracy and development.	Strengthening Our Family-Friendly Workplace We will continue to strengthen our commitment to supporting employees' families through our robust parental leave policies, flexible work arrangements, and by exploring additional resources to further ease the challenges of work-life balance, fostering an even stronger culture of care and understanding.
Sustaining and Enhancing Inclusive Education Sustaining and enhancing continuous DE&I training, ensuring our teams are equipped with the evolving knowledge and tools to proactively promote inclusivity, challenge biases, and build an even more equitable workplace.	Continuing to Amplify Employee-Driven Impact Actively support and resource non-profit initiatives championed by our employees and further empower employee-led DE&I initiatives, recognising their ongoing potential to drive meaningful change internally and externally.

Commentary from our DE&I Committee



Kaushalya Gunatilaka
Head Partnership Community



Johnny Tjheng
Director



John McCartney
Co-Founding Partner, Head of ESG



Kurt Tan
Managing Director



Vicky Lay
Partner, Head of Impact

Our Achievements	
Deepening Portfolio DE&I Expertise Building on the success of last year's company-wide DE&I training, we strategically expanded this crucial program to our portfolio companies, fostering a more inclusive ecosystem.	Driving Gender Pay Equity We are making demonstrable progress in closing the gender pay gap through a continuously evolving methodology. Each year, we refine and enhance our approach, ensuring greater accuracy and impact.
Community Engagement and Mentorship We proactively champion underrepresented founders by participating in community initiatives and offering dedicated office hours.	Empowering Portfolio Leadership We actively support our portfolio and female leaders through dedicated resources and funding initiatives.
Strategic DE&I Committee Focus Recognising the complexities of the current geopolitical landscape, our DE&I Committee remains steadfast in its commitment to advancing our DE&I agenda with thoughtful consideration.	Integrating Gender-Lens Investing We are actively innovating in product development, initiating the creation of gender-focused investment products and strategically exploring their integration into our existing offerings.
Strengthening Employee Engagement and Feedback We are committed to enhancing employee engagement and streamlining issue escalation processes to foster a more responsive and inclusive workplace.	Advanced Gender Impact Measurement: We are deepening our understanding of gender impact by moving beyond standard SDG metrics to analyse a wider range of gender-specific indicators, strengthening our overall measurement and management framework.



EVENTS AND ACTIVITIES

2024/25 Events Timeline

Aug, 2024



Partner David Gallagher speaks to Dugald Higgins of Zenith Investment Partners to discuss Artesian's Green & Sustainable Bond Fund after its upgrade to 'Recommended'.

Sep, 2024



Partner John McCartney appears on Nasdaq TradeTalks to discuss the energy transition with Jill Malandrino.



Artesian and AgriFutures growAG host an Agrifood stakeholder event at Enderby House in Greenwich, London.



Artesian staff complete a 12 day Agrifood Trade Mission, travelling across Europe to engage with corporate partners, investors and industry specialists.

Oct, 2024



Led by Artesian subsidiary Boab, the SME Centre of AI (SMEC AI) initiative is launched with funding from the Federal Department of Industry, Science, and Resources.



Partner Vicky Lay discusses how businesses can generate measurable impact at a panel for the Responsible Business Center's Good Business Conference.



Investment Manager Stephanie Morris discusses how startups can adapt their business models and strategies to better engage with VC funds at an MTPConnect MedTech event.



Principal Ananya Sinha shares insights and advice at an Investor Hour Girls' Club event hosted by Airwallex.

Nov, 2024



Partner David Gallagher discusses two-way coupon Sustainability Linked Bonds (SLBs) with Ahren Lester of Environmental Finance.



Partner Ali Clunies-Ross speaks at the 2024 Renewables Startup Showcase hosted by ARENA and Innovation Bay.



Artesian partners with Hort Innovation to launch a \$60m world-first venture capital fund to back emerging technology in the AgTech sector and support sustainability, affordability and resilience.



Partner Vicky Lay discusses raising CleanTech capital in the US on the Going Global VC panel presented by the NSW Government.



Principal Ananya Sinha attends an event for She Gives, a women's philanthropic initiative, hosted by Her Excellency the Honourable Sam Mostyn AC, Governor-General of Australia.



The Artesian Fixed Income team is awarded Australian Sustainability Fund Manager of the Year by KangaNews.

EVENTS AND ACTIVITIES

2024/25 Events Timeline

Dec, 2024



Artesian joins the state government's Western Australia Venture Capital Initiative (WAVC), to help encourage innovation, source capital for WA startups and drive economic growth in the Energy, Agrifood, Robotics/AI and Health sectors.



Partner Ali Clunies-Ross shares her insights on Venture Capital in 2024 at a Cremorne Connect event hosted at Cremorne Digital Hub.

Feb, 2025



Senior Manager Victoria Prowse speaks at the 'VC tailored for industry' session at AgriFutures' evokeAG 2025 in Brisbane, Australia and Artesian co-sponsors Startup Alley.



Applications close for Artesian and Boab supported free AI pre-accelerator program run by Generation AI.



Investment Manager Stephanie Morris appears on the panel 'Unleashed - SA's health investment champions share inside scoop,' hosted by MTPConnect.

Mar, 2025



Artesian teams up with the South Australian Venture Capital Fund to host a pop-up Growth Academy Lounge HQ at the startup festival _SouthStart.



Partners Robert Williams and Rohan Gray attend the World Agri-Tech Innovation Summit in San Francisco, USA.

Apr, 2025



Investment Manager Kirsten Bernhardt discusses AI & Research Commercialisation at the SMEC AI Roadshow in Perth, Australia.



Principal Ananya Sinha speaks about VC decision-making at the inaugural NEXT [FOUNDER DAY] event hosted at Cremorne Digital Hub.

May, 2025



Partners John McCartney, Vicky Lay and Rohan Gray attend a round table discussion and lunch to welcome the new Australian Trade and Investment Commission (Austrade) CEO, Dr Paul Grimes.



Investment Manager Kirsten Bernhardt judges for the Australian Institute for Machine Learning (AIML) Catalyst Spark prize.



Partner Vicky Lay speaks alongside Eiko Ooka, General Manager at the SMBC Group, during the ERA Tokyo Climate pitch event at Sakura DeepTech in Shibuya, Tokyo, Japan.

June, 2025



Investment Manager Kirsten Bernhardt shares her insights on 'Navigating the Funding Landscape' at the Beanstalk WA AgTech Meetup in Perth, Western Australia.



Partner Vicky Lay attends the Climate Innovation Forum at London Climate Action Week.

ENGAGEMENT, OUTREACH & MILESTONES

Collaborations & Partnerships

Beyond The Billion

In 2018, Beyond The Billion launched The Billion Dollar Fund for Women to close the gender gap in venture capital, and achieved its \$1bn goal in under nine months. Its second campaign continues to direct capital towards female-founded companies and will run till 2027.

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

BOAB AI

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

Founded in February 2021, Boab AI is an Artesian-backed accelerator and venture capital fund focused on artificial intelligence.

Boab AI secured \$1.5m in funding from the Victorian state government via LaunchVic, as well as \$8m in private capital for its launch.

Brinc

Brinc is a global venture accelerator and investor that has partnered with corporates, governments and investors to run over 50 programs and invest in more than 230 high-impact startups.

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

Carbon Collective

Carbon Collective Investing is a SEC-registered investment advisor specialising in climate-friendly 401(k) and 403(b) plans. In 2024, Carbon Collective and Artesian launched the first Short Duration Green Bond ETF on the Nasdaq, trading under the ticker CCSB.

The Fund aims to democratise access to a diversified, liquid portfolio of green and sustainable public fixed income securities while seeking total returns aligned with capital preservation.

CEFC

The Clean Energy Finance Corporation (CEFC) is an Australian Government-owned Green Bank established to accelerate investment in the clean energy sector.

Artesian and the CEFC established the Clean Energy Seed Fund to invest in scalable, high-growth startups, fostering innovation and supporting the development of clean technology. The CEFC is also an investor in the Artesian Green & Sustainable Bond Fund.

The Cremorne Digital Hub

The Cremorne Digital Hub (CDH) accelerates Victoria's digital ecosystem by fostering collaboration among industry, venture capital, education, government, and entrepreneurs.

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

Equileap

Equileap researches and ranks more than 3,500 publicly listed companies worldwide using its comprehensive Gender Equality Scorecard™, which assesses performance across 19 criteria, including gender balance at all levels of the organisation, pay equity, and policies on parental leave and sexual harassment.

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

Future Super

Future Super is an Australian retail superannuation fund focused on ethical investing, with zero exposure to fossil fuels and a commitment to clean energy projects.

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

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.

ENGAGEMENT, OUTREACH & MILESTONES

Collaborations & Partnerships



GRDC

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

Artesian has partnered with GRDC to establish the \$50m GrainInnovate fund to boost innovation in the grains industry.



Hort Innovation

Hort Innovation is a grower-owned, not-for-profit research and development corporation supporting Australia's horticulture industry.

In 2024, Hort Innovation and Artesian collaborated to launch the Hort Innovation Venture Fund, a world-first \$60m VC fund targeting early-stage, high-growth AgTech startups aiming to improve farm efficiency.



HostPlus

Hostplus is a prominent Australian industry superannuation fund with over 1.86 million members and \$114.8bn in funds under management (30 June 2024).

Artesian launched its first Clean Energy Seed fund in 2016 with Hostplus as an investor. In 2021, Hostplus seeded Artesian's Female Leaders VC Fund with a \$25m of cornerstone investment alongside Legalsuper.



Legalsuper

Founded in 1989, Legalsuper is an industry super fund dedicated to Australia's legal community with more than 41,000 members 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 leading financial institutions.

In 2023, MUFG formed a strategic alliance with Artesian to expand opportunities for its corporate customers and to support Japan's goal of a tenfold increase in startups over five years.



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.



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.



SMEC AI

The SME Centre of Artificial Intelligence (SMEC AI) helps businesses to adopt and integrate AI solutions.

In 2024, the Federal Department of Industry, Science and Resources appointed Artesian subsidiary Boab AI to lead the SMEC AI initiative, guiding Australian SMEs in implementing AI technologies.



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 LDCs.



WAVC

The Western Australia Venture Capital Initiative (WAVC) is a state government program intended to encourage innovation, source capital for WA startups and drive economic growth in the Energy, Agrifood, Robotics/AI and Health sectors.

In 2024, Artesian joined WAVC as a fund manager, helping to strategically deploy capital to accelerate the growth of local startups and scaleups.

Portfolio Engagement: Early-Stage Startup Survey

Artesian’s Startup Survey is distributed annually to 270 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, with a response rate of 60% recorded as at 31 December 2024.

Startup Sentiment

81%
Of respondents align with one or more SDGs

30%
View ESG as an opportunity

18%
Use ESG to identify risks

Environmental

67%
Encourage employees to engage in environmental stewardship initiatives

9%
Have a Net-Zero carbon operation goal

12%
Track their energy use

17%
Track and measure the source of used energy (i.e., share of renewable vs fossil fuel sources)

12%
Purchased carbon offsets to offset flights

21%
Have a documented Environmental policy

Social

97%
View themselves as an Equal Opportunity Employer

43%
Have a public commitment for gender equality

64%
Have a documented parental leave policy

7%
Are a signatory to the UN WEP (United Nations Women's Empowerment Principles)

27%
C-Suite roles occupied by females

18%
Female board membership

52%
Have a documented Social policy

Governance

41%
Have a public commitment for corporate transparency

29%
Screen significant suppliers for ESG risk

55%
Have a documented Governance policy

8%
Publicly share information on their ESG performance

46%
Have a written policy that includes a commitment to respect human rights and prevent modern slavery in their supply chain

Appendices

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

Methodology & Approach	Driving Impact Results	
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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

Artesian's Theory of Change



Responsible Investment Commitment

Signatory of:  Principles for Responsible Investment

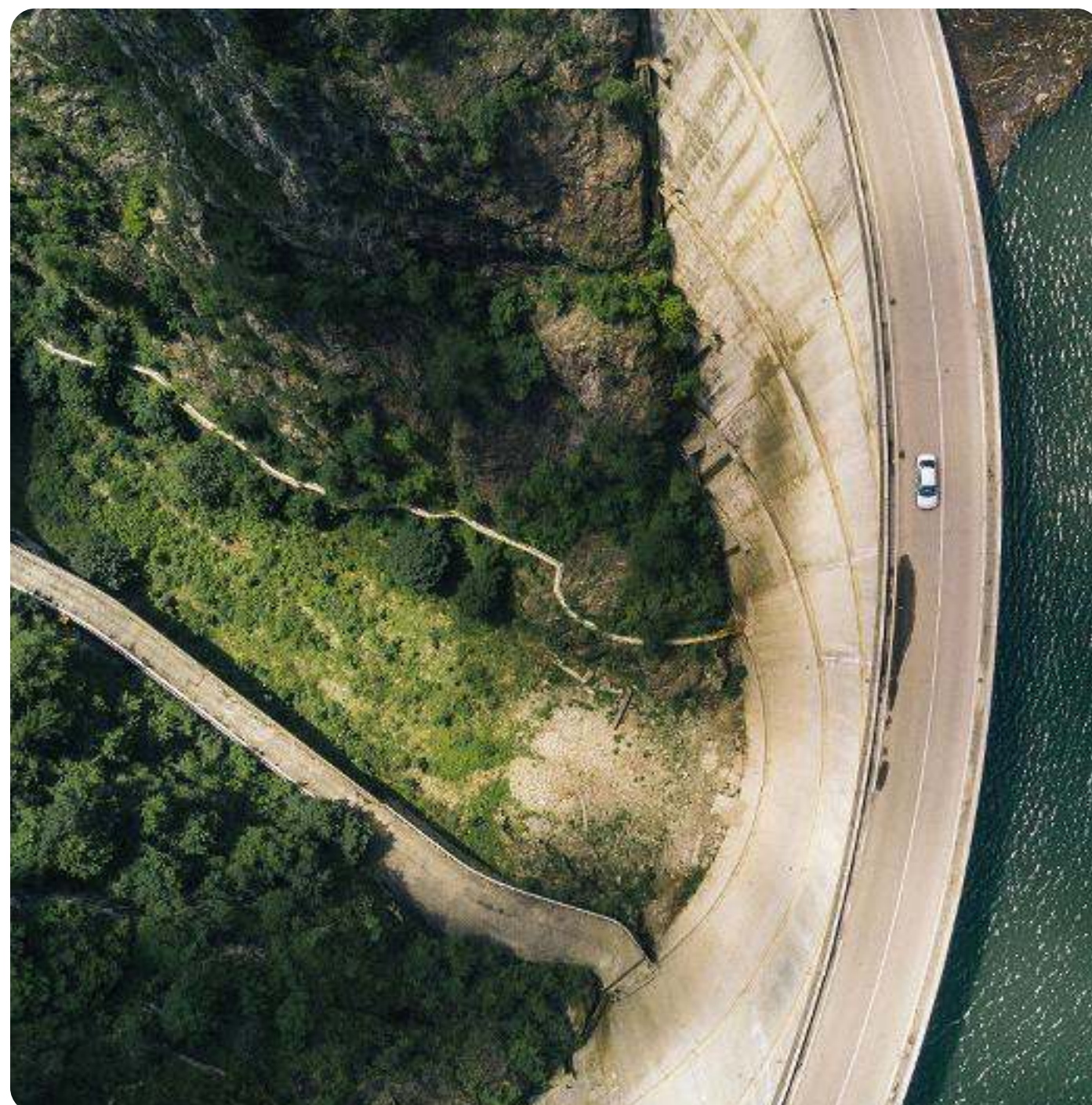
For Artesian, responsible investing means incorporating into our investment process consideration of the actions and impacts on stakeholders from our investments.

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's Sustainable & Impact Investment Focus						
Traditional Investments	Exclusion	ESG Integration	Thematic & Impact Aligned	Impact Investing		Philanthropy
				Return First	Impact First	
Pursuit of financial returns	Environmental, social, and governance as risks			Environmental, social, and governance (ESG) as opportunity		Targeting measurable impact solutions
Shareholder primacy investing. Limited or no consideration for environmental social or governance aspects in the investment approach. Focus on quarterly returns vs driving long term value.	Strict avoidance of controversial business areas or unethical behaviors. Negative screens on fossil fuels, tobacco, gaming, alcohol, pornography and munitions. Negative screens may evolve with Norm-based / Values-based exclusions, national exclusions (sanctions), and/or exclusions based on business conduct (UN Global Compact breaches)	ESG materiality mapping highlights both material ESG risks and opportunities. ESG & financial analysis are integrated and adapted to each asset class, aligning exposures to investment and impact objectives.	Identifying and participating in sustainable mega trends. Contribution to the SDG alignment of investor and enterprise mission to generate impact Address societal challenges that generate competitive financial returns.	Investing to reduce the negative effects of economic activity on society and the environment. Investments contribute to the impact via financing growth of new business models or financing current businesses that are looking to improve their ESG footprint.		Addresses societal and environmental problems that do not or cannot generate financial returns.

*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

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.

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.

Ownership & Monitoring

Venture Capital

Encourage investee companies to consider ESG issues as their business grows.

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.

Due Diligence

Venture Capital

Assess potential material ESG risks and opportunities.

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.

Follow-On Investments

Venture Capital

Where relevant and mandated, we assess ESG risks / opportunities during follow-on rounds through to exit scenarios.

IMPACT PROCESSES

Measuring Impact: Methodology & Data Collection

Corporate Disclosures

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

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.

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.

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.

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

● Issuer

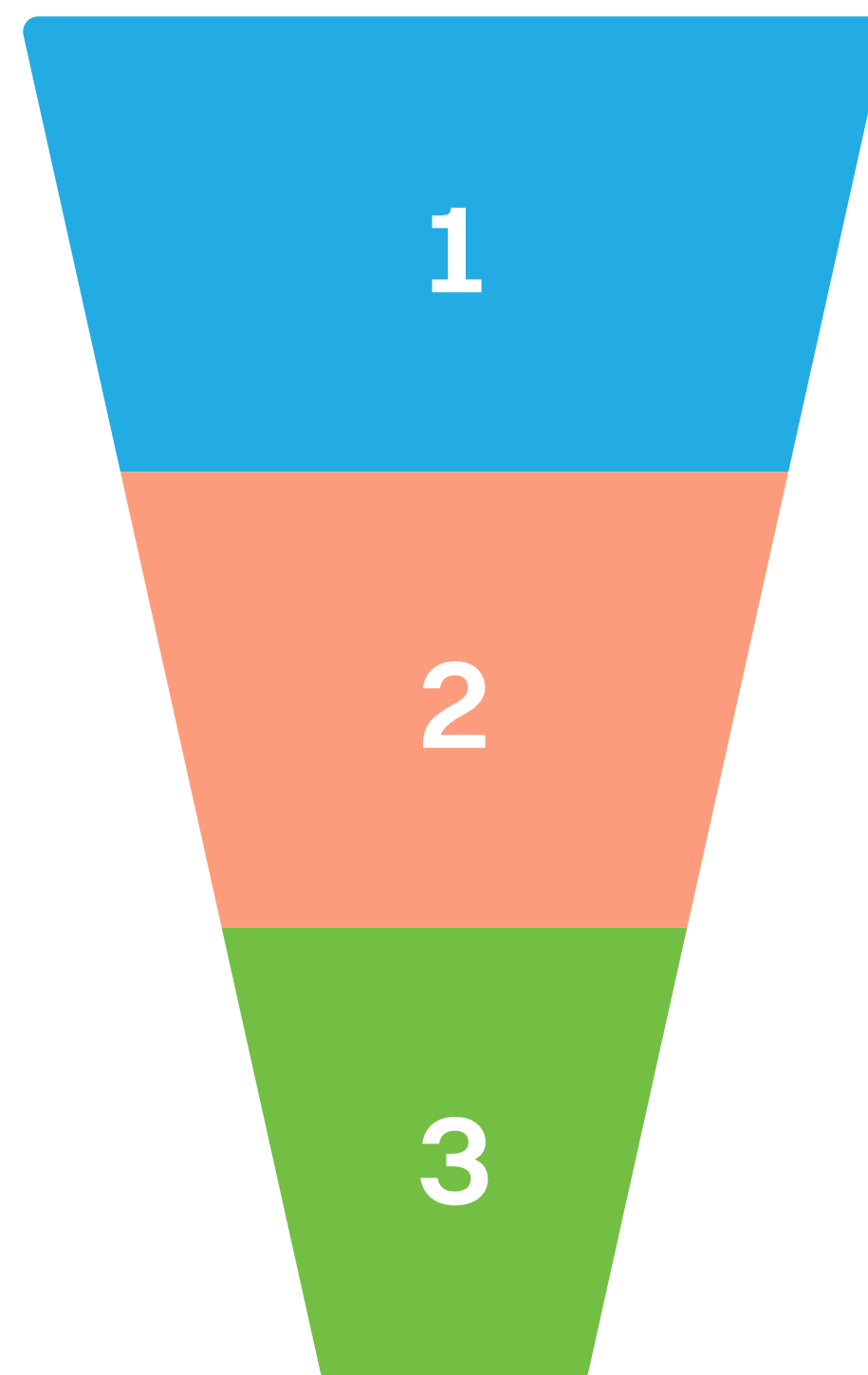
Annually reported data from public companies gives us guidance on all the activities a company is engaged in. Using industry templates, we can seek similar disclosures from private companies in our portfolios on a more regular (say quarterly) basis. Impact metrics and narrative may be opaque and require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

● Sustainability Performance Targets

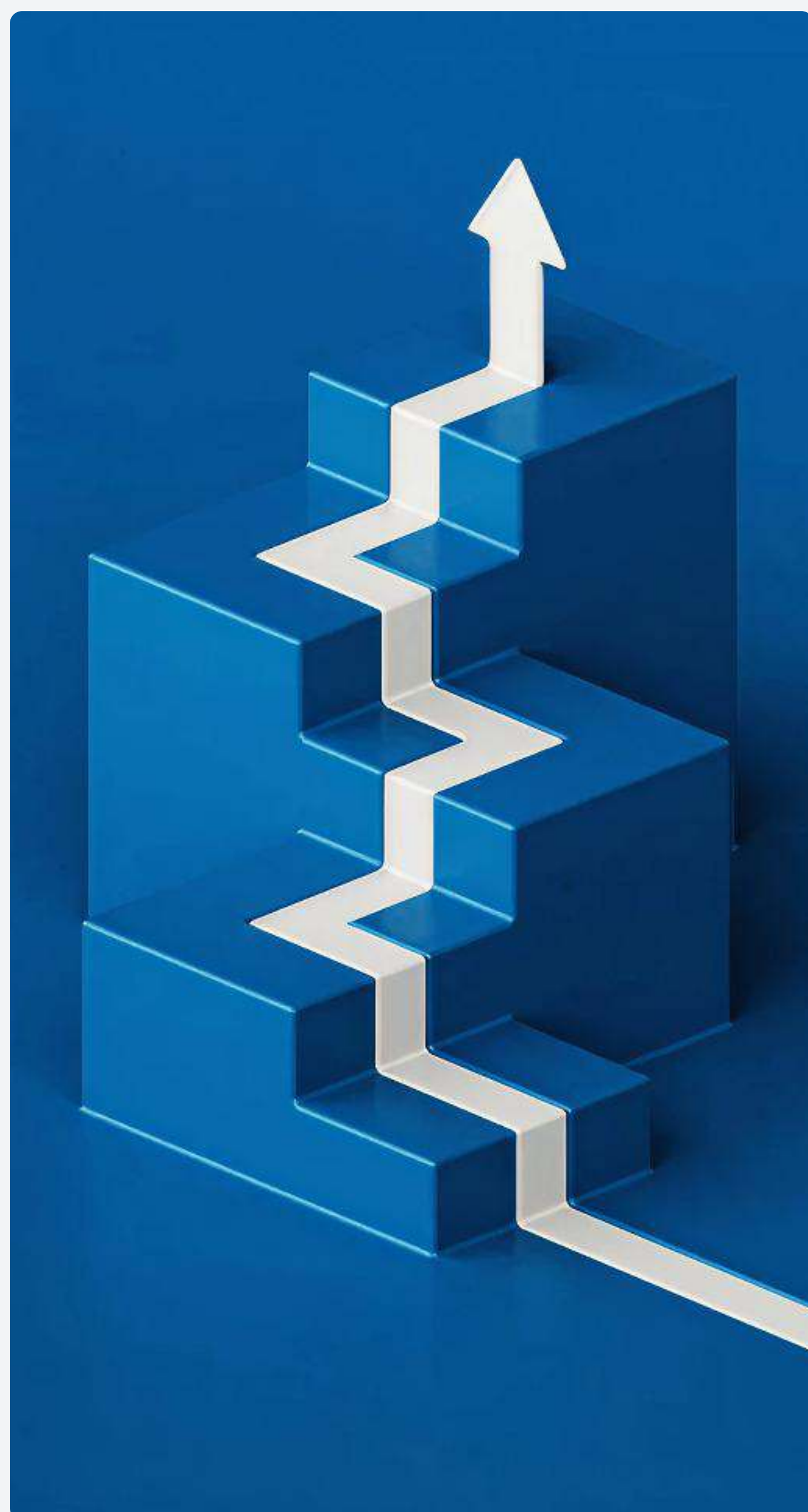
Monitor KPIs that companies set around sustainability goals. This can come in the form of project factsheets or be combined into issuer or security level disclosures. Data provides clarity for engagement with the company.

● 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.



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.



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.



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.



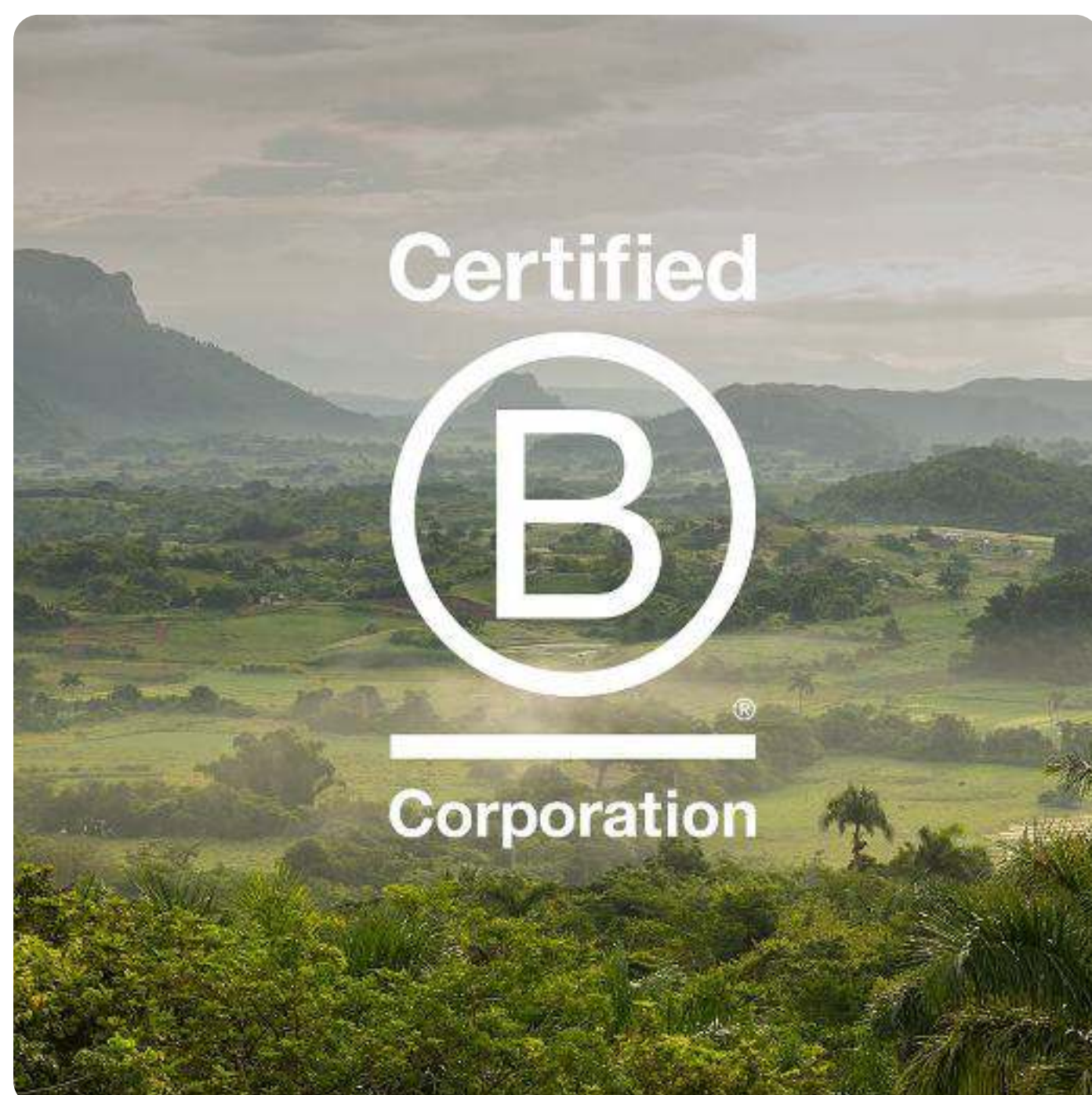
Usability

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.



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.

Businesses are required to recertify as a B Corp every three years, demonstrating that they still meet the 80-point threshold. Artesian is currently undergoing B Corp recertification and we look forward to providing an update in our 2026 report.

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.

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



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.

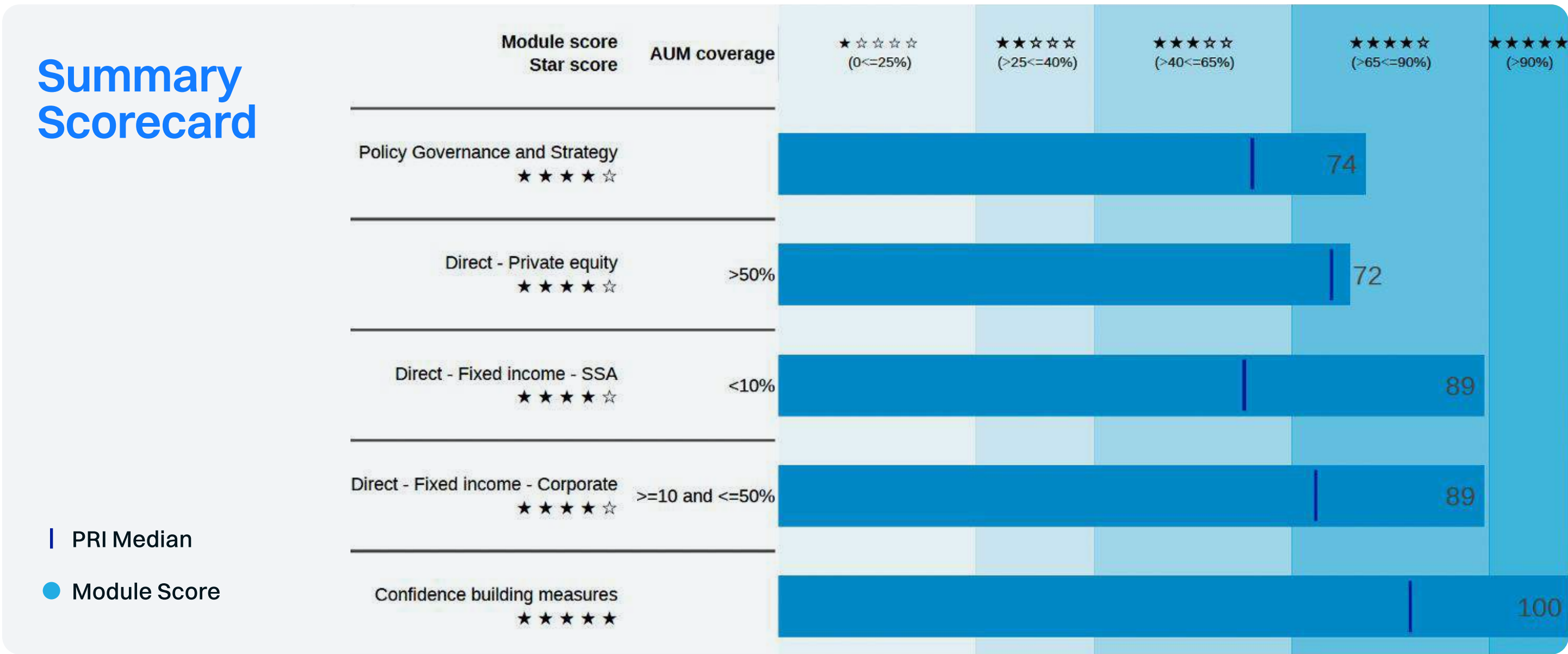
We are pleased to share our Summary Scorecard, an export of the scores for all the assessed indicators and modules Artesian responded to in the PRI Reporting Framework during the 2023 reporting period.

UN PRI Reporting occurs every two years and we look forward to presenting our upcoming report card in our 2026 report.



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.

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.

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.

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 align its investment thesis with key material topics, providing investors with annual updates on its progress.

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

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.

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.

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.

Planet

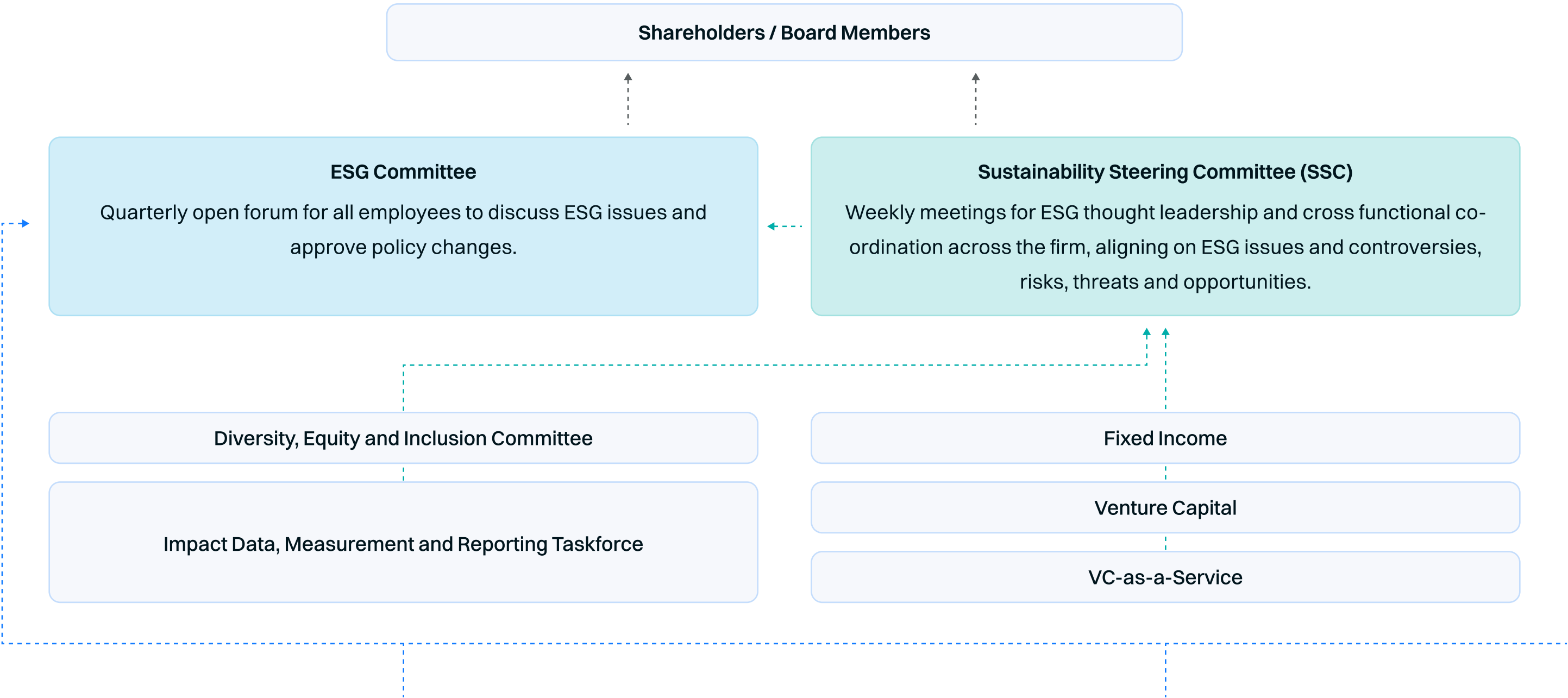


When the long-term health of the planet is prioritised, everyone benefits. Artesian believes that innovation and technology have a deflationary effect on the cost of infrastructure required to address critical global issues like climate change. Innovation and technology can also ensure a rapid and scalable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

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.



Executive taskforce and sub-committees are responsible for delivery of initiatives across environment, customer, employee and community impact.

Investment and product development teams work closely with Artesian's ESG/impact team. This helps to ensure an integrated approach to incorporating ESG considerations into our decision-making processes and triangulation of views on material ESG issues.



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.

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