



2023 ESG REPORT

We invest in great entrepreneurs.
We support outstanding companies.

AXA Venture Partners

a. Highlight

AVP is an asset management company that invests in start-ups and scale-ups, fast growing companies where technology plays a central role in the business model.

AVP is regulated by the Autorité des Marchés Financiers (AMF) (Agreement GP16-000006 March 1st,2016).



b. Our Vision

Since 2020, AVP is progressively incorporating ESG factors with respect to the assets it manages.

AVP believes that being a responsible asset-management company is crucial to its long-term success. We believe that ESG factors can influence not only the management of investment portfolios across sectors, companies and regions, but also a range of interests affecting clients and other stakeholders.

Our investment philosophy is based on the conviction that issues relating to sustainability factors are and will remain a major concern for the coming years. We believe that combining fundamental ‘non-financial factors’ with traditional financial criteria will help us build more stable portfolios that perform better in the long term. The non-financial approach has become a necessity in more than one way:

1. it is instrumental in removing companies or underlying assets from portfolios when they cause exposure to high levels of ESG risk, which would ultimately affect financial performance;

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2. it focuses on companies that have implemented best practices regarding the management of their environmental impacts, governance and social practices, and whose responsible practices leave them better prepared, in our view, to meet the major challenges of the future; and
3. it enables improved performance by means of active dialogue with companies on managing ESG concerns around investments and limiting our clients' exposure to reputational risk.

In this context, AVP has defined an Environmental, Social, and Corporate Governance policy that aims at being implemented across each of our activities, bearing in mind the fiduciary responsibilities we have towards our investors.

c. Our engagements

i. Toward our ecosystem :

As part of the implementation of our ESG policy we have signed and endorsed the following:

- United Nation Principles for Responsible Investments
- Charte d'Engagements des Investisseurs pour la Croissance



ii. Towards the companies we invest in :

Beyond AVP's investment process ESG risk review, AVP also aims to promote ESG improvements within its participations by focusing and reporting on specific indicators (when applicable):

- The existence of carbon footprint reduction measures in the company (Environment)
- The existence and reach of profit-sharing mechanisms in the company (Social)
- The proportion of women/men within companies' staff/management and Boards (Corporate Governance)

In our daily operations, these ESG improvements are implemented by including the reporting of these extra-financial KPIs in the quarterly reporting package asked to our portfolio companies. We are convinced that measuring environmental and social performance regularly helps spreading best practices in such young companies.

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iii. Towards our employees

AVP aims at promoting diversity within its team by refusing any form of discrimination against its employees or candidates based on their gender, age, origin or any other reason mentioned in the labor codes applicable in France, the UK, and the USA. Questions of Diversity and Inclusion are notably ranked as a top priority by our colleagues in the USA, in line with the high focus of this country on these matters.

AVP also attaches importance to offer to all its employees a fair compensation scheme, profitsharing mechanisms and health insurance cover.

AVP ESG Principles

a. General ESG Principles

Environment

AVP strives to take into account environmental issues, recognizing that economic activity has an impact on nature. Therefore, AVP pays particular attention to the following:

- If a participation ever faces a specific environmental risk, we would encourage the company to prevent any damage that could arise
- Whenever applicable, integrate sustainability constraints into the business development strategy, such as dependency on natural resources, energy consumption and production of waste

Social

AVP is convinced that the overall performance of businesses depends on a careful management of human capital. Therefore, AVP pays particular attention to the following:

- Promote constructive social dialogue within companies
- Support employee training efforts undertaken by companies
- Associate employees to value creation by promoting broadly distributed performance sharing schemes
- Support employees' flexibility and will to work from home. AVP furnishes every employee with the proper set up they need to work in home office.
- Promote cultural and gender diversity within AVP's teams and portfolio companies

Corporate Governance

AVP measures the importance of putting in place effective governance systems that contribute to the success and sustainability of companies. Therefore, AVP pays particular attention to the following:

- Ensure compliance with laws and regulations in the companies
- Promote ethics-driven behaviours
- Act to prevent corruption, bribery and money laundering through trainings to employees and a certified compliance officer in charge of monitoring risks.
- Act to improve the effectiveness of the various corporate governance bodies

AVP is looking forward to making it drop in the coming year as part of its engagement to reduce its climate impact and its will to commit to a more sustainable future. Initial actions have already been taken, such as replacing plastic bottles by water fountains.

AVP is working on its sustainability objectives for 2024 and on an action plan to reach them. The 2 main objectives are to decrease Scope 2 emissions, as well as emissions caused by business travels and recognize the extra financial performance of its portfolio companies. Furthermore, in every office, AVP encourages sustainability ambassadors to implement actions at local level, raise awareness and share good practices.

b. Investment guidelines

AVP invests into innovative start-ups with a significant technology component, with particular focus on digital health, enterprise SaaS, fintech and consumer platforms. The software nature of these verticals shields AVP from a series of critically exposed sectors (ie coal, tobacco, distilled alcoholic beverages, controversial weapons and ammunition, palm oil, food commodity derivatives, gambling and pornography) which AVP has defined as Investment exclusions. AVP commits not to invest into a company primarily exposed to one of those critically exposed sectors.

In order to comply with ESG principles, AVP undertakes to respect the following:

- Perform an ESG risk review as part of its investment process due diligence (Direct & FoF)
- Seek appropriate disclosure on ESG issues by the portfolio companies (depending on development/maturity of business) (Direct)
- Enhance effectiveness in implementing ESG principles (Direct & FoF)
- Report on activities and progress towards implementing ESG principles (Direct & FoF)

c. Our portfolio

AVP funds are mainly invested in :

- Digital Health
- Consumer platform
- Enterprise Software
- Fintech/Insurtech

Since its creation, AVP has invested in companies with positive social, environmental and/or governmental impact(s). In 2023, AVP continued its responsible investment strategy. As an example, AVP invested in:

- Medicare access: **Troy Medicare** is an AI-driven, pharmacy-powered Medicare Advantage company based in Charlotte, North Carolina with a mission to improve healthcare in each local community it serves.
Vida Health provides a virtual care platform for the treatment and management of chronic illness (e.g. diabetes), lifestyle issues (e.g. weight control) and mental health issues. Vida Health's technology platform leverages predictive analytics and machine learning to tailor patients' treatment programs and maximize efficiency among providers.
Florence operates a staffing platform focused on nurses and carers for the elderly in private care homes. They have built a scheduling system for staff and an online training platform for workers that help them with distribution and training of new workers. T
- Employee training : **Simundia** is a B2B coaching marketplace that brings professional coaching to every employee and not only top managers. Its commitment improves employee well-being in their company by helping them to better perform and achieve their goals.
- Environmental commitment : we promote and pay careful attention to the companies in our portfolio which have environmental commitments and trackers, such as **Virtuo**, **Geomiq** and **BeneBono**. **Virtuo** is a car rental company and has recently joined the Assessing Low Carbon initiative. They plan for 2025 that 50% of their car fleet will be electric cars and 100% of their customer car travel will be carbon offset. **Geomiq** is a manufacturing company with a true willing of going green. To succeed in their achievement, they for example use more environmentally friendly materials, re-use durable materials, such as steel in their manufacturing processes, focus on being energy-efficient and since April 22nd 2021, they have been planting one tree for every order placed on their platform. Furthermore, to fight food waste, **BeneBono** delivers

“ugly” fruits and vegetables, and extends its product offering towards anti-waste grocery in 2022.

- Social commitment: **My Traffic** is a French SaaS platform providing actionable insights on physical location data. As a start-up, they already have a mature concern for ESG subjects. Beside monitoring its carbon footprint and using a second-hand laptop fleet, they also put in place gender equality initiatives: As of 2021 the men-women equality index was 93 out of 100 and half of the members of the executive committee were women. They have also set-up a "Citizen Day initiative" where every employee may dedicate 4 working days per year to support an association.

Furthermore, since 2021 AVP implemented a new ERP that captures portfolio companies ESG performance. For each investment, a dedicated ESG section allows AVP to collect key indicators on extra financial performance such as:

- Percentage of women among Board members
- design of carbon footprint reduction program
- percentage of ESOP reserved for and attributed to employees

In 2023, AVP managed to gather ESG data on 66% of its portfolio companies.

in 2023, AVP has launched its first article 8 funds (SFDR) to further promote AVP ESG principles. Consequently, AVP will increase in 2024 the collection of ESG data from its portfolio companies. In particular for the Article 8 funds, each portfolio company must answer annually AVP's ESG questionnaire and AVP will monitor the ESG progress of its portfolio companies through a formalized reporting process (results annually published).

AVP also offers complimentary access to AXA Climate's ESG training for all the portfolio companies to raise their awareness of environmental issues.

d. Longer term outlook

With the help of its Advisory Council, AVP has worked in 2023 on setting two long-term ESG goals that should be guides in any decision. AVP retained the two following objectives:

1. Net Zero Carbon Emission in AVP and in AVP portfolio companies by 2050
2. Top performance in Diversity & Inclusion within our industry by 2030

While the entirety of the solutions has not been identified to reach those goals, we are convinced that these objectives will now be part of the way we will run the firm for the next decades.

CONCLUSION

After the implementation of ESG policies in 2020, AVP continued achievement of new milestones in 2023 with the implementation of several actions. In the future, AVP will continue deploying its ESG strategy and keep on improving its behavior as a responsible investor in the VC industry and more broadly as a firm.