



# 2050 - Responsible Investment Policy

March 2024

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# 1. The 2050 System

The 2050 System is based on the following observation:

It is urgent to shape a fertile future and finance the initiatives which will secure the five essential goals (the “Essentials”) of our time for everyone by 2050:

- (i) eat enough and healthfully,
- (ii) take care of body and mind,
- (iii) empower learning and creativity,
- (iv) live and produce sustainably and
- (v) put trust at the heart of the economy.

To this end, it is crucial to give life, confidence and human, technological, legal, cultural and financial resources - in a word the power to act - to those who work to realign their action with these Essentials; in particular, to support the emergence of companies aligning their business interests together with those of society and the planet, thanks to aligned business models, governance, management, risk and valorisation methods assessing every company's financial, environmental and social performance and its global risk profile (“Aligned Companies”).

It is therefore necessary to develop aligned ecosystems around each company financed, the 2050 System itself, and more generally around each Essential thanks to the funding and support of shared resources enabling the stakeholders in these ecosystems to collaborate, innovate, share their knowledge, develop material, human or immaterial open infrastructures, advocate for alignment practices or solutions contributing to the Essentials (the “Ecosystem Assets”). The activities of research, promotion, democratization of financing models, governance, and valuation of Aligned Companies and/or Ecosystem Assets themselves represent Ecosystem Assets, just like the perpetuation of their financing method within the 2050 System.

Based on this observation, the 2050 System wants to create the conditions for its fertile growth, its resilience and to nourish its own ecosystem. To date, this dynamic has materialized in the form of:

- **2050.do** (the “Management Company”) a French simplified stock company (*société par actions simplifiée*) regrouping together the team leading the 2050 System. In order to ensure the stability of its shareholding, its continuity, and the uninterrupted pursuit of its objectives, 2050.do is controlled by a French legal structure known as a perpetual purpose trust (*fonds de pérennité*) named **2050.stewards**. Besides, 2050.do supports the development of open and strategic resources (open research and knowledge, advocacy, common infrastructures) for its portfolio and ecosystem, including through the launch and financing of **2050.common**, a French association governed by the French law of 1901, whose founders are 2050.do and 2050.stewards and financed by a membership paid by 2050.do as an active member.
- **2050.ventures**, (the “Fund”) an evergreen fund in the form of a French Special Limited Partnership (*Société de Libre Partenariat*) designed to invest in the companies selected by 2050.do in application of its investment strategy and



supplemented, where appropriate, by dedicated co-investment vehicles managed by 2050.do.

- **2050.coinvest** and its compartments W2 and Serapis. 2050.coinvest was set up to enable 2050.do to offer the opportunity to co-invest along 2050.ventures whenever an Aligned Company's funding needs would exceed 2050.ventures allotted ticket. Hence the umbrella fund and each of its compartments were designed to invest in Aligned Companies with a social sustainable objective. However, for ease of fund management and to avoid doubling the work on integration of sustainability risk as well as the reporting work, 2050.coinvest and both its compartments classify as Article 6.
  - 2050.coinvest compartment W2 was set up to co-invest in Withings.
  - 2050.coinvest compartment Serapis was designed to co-invest in Fifteen.

## 2.2050 Investment Strategy

### 2.1. Objective

For 2050, investors shape the future through their choices and actions: investing in one company rather than another gives it the power to shape tomorrow's society; supporting an entrepreneur means carrying out his or her mission and spreading their values.

2050.ventures (The Fund) promotes a holistic approach to sustainability and pursues a triple objective of creating financial, environmental, and social value by investing into companies that are aligned by design.

The Fund's mission is to invest to **shape a fertile future** by 2050, by investing in enterprises (The Enterprises) which:

1. Contribute to the essential needs of individuals, society and the planet (the "**Essentials**"), and may combine both social and environmental objectives to:
  - eat enough and healthfully,
  - take care of body and mind,
  - empower learning and creativity,
  - live and produce sustainably, and
  - put trust at the heart of the economy.

When making an investment, the Fund will consider how its investments contribute to any of the environmental objectives listed in the EU Environmental taxonomy of

- climate change mitigation
- climate change adaptation
- the sustainable use and protection of water and marine resources
- transition to a circular economy
- pollution prevention and control
- the protections and restoration of biodiversity and ecosystems

2. are Aligned Companies, in a process of **alignment** which is visible in the progress of the Key Alignment Indicators described below on the Alignment line. These KAIs are helping 2050 to



assess the founders and team engagement, the alignment of the business model, the systemic impact potential, in particular on social equity and planet positive footprint, and the way the mission is locked in time through governance, eg the overall alignment state and potential of a company:



- participate to Ecosystem Assets by engaging in depth in an ambitious and fertile ecosystem, in particular by contributing to the strategic and open resources that make it up:
  - academic & field research on Essentials markets deep dives, regulation, consumers and geopolitics trends and alignment best practices
  - development of open technological (IP, open data, software and hardware), knowledge, natural or social infrastructures
  - advocacy, education and cultural change for aligned sustainability.

## 2.2. Focus

### 2.2.1 Type of Enterprises

The Fund will invest primarily in these Enterprises through venture capital transactions, financing rounds ranging from seed to capital growth (in particular, Seed Series, Series A, Series B, Series C, Series D, or equivalent financing instruments), preferably taking minority shareholdings and participating, where appropriate, in the form of additional investments, in subsequent financing rounds carried out by these same Enterprises.

The Fund may also invest in Enterprises which securities, are admitted to trading on a Market for Financial Instruments if the Fund was previously holding securities of these Enterprises before the listing.



The Fund is an evergreen fund which means that it shall continue investing (including in particular by recycling the net proceeds received from the sale of its shareholdings) from the Registration Date until the expiry of its duration.

### 2.2.2 Geographical Scope

The Fund intends to make initial investments mainly in SMEs established or whose main activity is carried out within the EEA.

## 3. Investment Process

### 3.1. Sourcing

#### 3.1.1 Deep Dive

The first method of sourcing investment targets is to meet founders of companies identified through the exploration process of sectors and/or Essentials prioritized by the Management Company (the “**Deep Dives**”) as bringing potential keystone solutions to essential challenges. These Deep Dives are carried out jointly by the Venture team and the Knowledge team.

#### 3.1.2 Ecosystem Recommendations

The second method of identifying investment targets is to study applications received through members of the 2050 ecosystem, in particular portfolio founders, LPs or co-investors, as well as other friendly European private equity, corporate or infrastructure funds, family offices or investment firms and corresponding to the Essentials and sectors prioritized by the Management Company at that time.

#### 3.1.3 Exclusion list

2050.do invests in companies shaping a fertile future. Hence, we maintain a strict exclusion list of activities or related activities for our investee companies, forbidding involvement in particular jurisdictions or business activities (see Annex II - Exclusion Policy).

#### 3.1.4 Presentation to the Mission Committee

The Mission Committee is composed of 2050 team members. Depending on the agenda, members from the 2050 ecosystem can be invited to participate in this committee.

The Venture Team presents the target company to the Mission Committee after having evaluated it through our prioritization criteria (Alignment analysis, financial, environmental & social performance potential, market, competition, key success & defensibility factors, portfolio management strategy and compliance criteria). The Mission Committee shares an opinion on the coherence of the operation to be carried out with the mission of financing a fertile future.

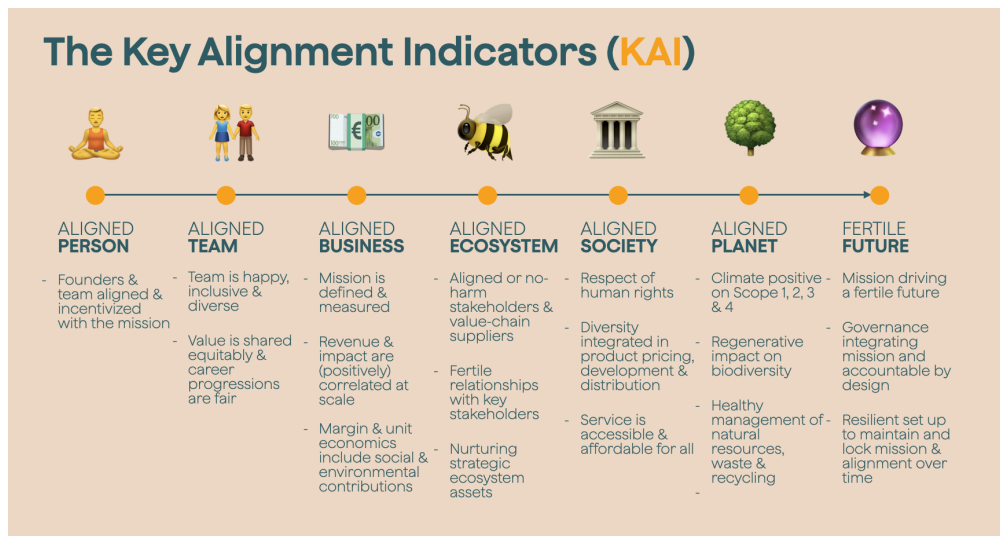


## 3.2. Due Diligence Process

### 3.2.1 Assessing whether the target company is a good candidate for the Alignment Path

Throughout the due diligence process we analyze how much the targeted companies are contributing to 2050's objective to shape a fertile future and assess their alignment potential. To do so, 2050.do develops, together with the venture builder **We are human**, founder of Kahoot!, its sustainability framework named **Alignment** based on seven sustainability indicators "2050 Key Alignment indicators (KAI)", and which will be shared as open source methods as it progresses.

**Alignment** is a strategic framework enabling founders, management and board alignment on long-term and holistic strategy, mission and goals, and on back-casted medium and short-term goals. It naturally results in a decision-making framework including KAIs which are used to ensure the company's alignment is maintained from an operational and compliance standpoint in time. Through discussions with the founders and management team of the company as well as internal analysis, we assess the targeted company on the seven Key Alignment indicators (KAI) described in the following graph:



Detailed KAIs integrate in-house alignment indicators, positive and adverse impact indicators, including Principal Adverse Impact (PAI) on sustainability factors set out in the Regulatory Technical Standard (RTS) of the SFDR, augmented by some ESG, PRI and sustainability risks indicators as well as selected SFDR or CSRD compliance requirements. These indicators are chosen from

- the most advanced impact frameworks, including the Earth System Impact and the Essential Environmental Impact Variables from the Stockholm Resilience Center, and the Doughnut Economics Action Lab open access tools,
- SFDR Article 9 as well as EU taxonomy related indicators, including PAI, DNSH and





- Minimum Social Safeguards,  
- PRI and other relevant ESG frameworks.

### 3.2.2 Integration of “Principal Adverse Impact”, “do not significantly harm”, good governance principles and human rights

#### Principal Adverse Impact (SFDR)

Key Alignment Indicators integrate multiple principal adverse impacts on sustainability factors listed in the Table 1, Table 2 or Table 3 of the RTS. Hence, when assessing the Alignment potential of a targeted company we take into consideration the principal adverse impact listed in the Sustainable Financial Disclosure Regulation (“SFDR”). **These KAIs are also part of the annual performance assessment of the fund and will therefore impact the team’s performance fee starting 2026**

#### Eligibility to the EU Taxonomy

During our Due Diligence process we assess whether the targeted company is eligible to the EU taxonomy.

In line with the EU Taxonomy, we assess whether the targeted company has the potential to be aligned to one of the six core objectives of the EU Taxonomy and “does not significantly harm” any of the other objectives:

- climate change mitigation
- climate change adaptation
- the sustainable use and protection of water and marine resources
- transition to a circular economy
- pollution prevention and control
- the protections and restoration of biodiversity and ecosystems

When the social taxonomy will be fully developed, we will integrate the social objectives in our EU taxonomy eligibility and potential Alignment assessment.

#### Good Governance Principles and Human rights

The evaluation of the good governance practices of the targeted company takes place during the due diligence prior to the Fund’s investment in the concerned company

With regards to **good governance**, the **Fertile Future** KAI considers:

- whether the Enterprise’s mission is driving a fertile future,
- whether the Enterprise’s governance integrates mission and has its governance bodies accountable to achieving it and monitoring KAIs by design, and
- whether the Enterprise has resilient set up to maintain and lock mission and alignment over time

The targeted companies are incorporated and operating in countries where regulations incorporate OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights.

Furthermore, assessment of targeted companies through the KAIs “Aligned Team”, “Aligned Ecosystem” and “Aligned Society” will ensure compliance with these guidelines.



Thanks to dedicated questions in its Aligned Sustainability Questionnaire, operated by Sweep, 2050's processes verify that portfolio companies comply with the minimum human rights guarantees imposed by :

- the European Taxonomy
- the UN Guiding Principles on Business and Human Rights
- the eight ILO conventions on the right to work
- the International Bill of Human Rights, are being formalized.

More generally, 2050.do is a signatory of the UN PRI and will comply with the UN Guiding Principles on Business and Human Rights.

### 3.2.3 Assessment of Sustainability Risks

Assessment of sustainability risks on environment, social and governance criteria is integrated into **Alignment**.

The **Alignment** articulates ESG and SRI best methodologies with ecosystem-based approaches to make alignment an asset of the sustainable growth strategy of each company.

Before investing, **Alignment** helps us identify and document ESG concerns, risks and opportunities through internal analysis and discussions with the management of the targeted company.

Potential sustainability and ESG risks are discussed with the companies and when needed a mitigation plan is built.

Also, our exclusion list (cf. Annex II) sets minimum safeguards on environmental, social and governance criterias ensuring we don't invest in companies operating in highly polluting industries or controversial industries neither in risky jurisdictions (embargo trades & High-Risk Third Country).

## 3.3. Investment Agreement

On top of usual investors' governance and financial rights, 2050.do ensures in its investment agreement that the grounds for the invested company's alignment path and regulatory compliance on SFDR and ESG topics are set.

In particular, 2050.do ensures in its contractual documentation that the invested company officially commits to lock its mission in time and monitors its achievement, for example by :

- Adding its mission within the governance by design (incorporation in the bylaws or articles of association, board accountability...)
- Engaging into co-building its alignment path together with 2050.do in the 18-24 months after the initial investment and establishing main Key Alignment Indicators to be collected and monitored regularly, and reported upon.
- Extending the board's accountability to achieving the company's mission and monitoring KAIs.





### 3.5. Investment monitoring

During the monitoring process, the Alignment framework empowers the management team and the management of the companies to co-build an alignment path, ensuring through its holistic approach that Enterprises invested by the Fund do no significant harm to the environmental or social sustainable objectives and contribute significantly to the Essentials. It also ensures that all decisions are taken in order to optimize the company's business, financial, environmental & social performances while nurturing its own ecosystem to build resilience in time.

This monitoring is empowered by the establishment of the KAIs which are helping monitor progress on all these fronts and improve strategic decision-making and operations' efficiency thanks to their analysis and feedback loop.

### 3.6. Exit

Through our aligned investment process we select companies with a high alignment potential. During the holding period, **Alignment** supports our portfolio companies in their mission to build long term value on multiple dimensions.

Our focus lies not only on financial returns but also on maximizing the positive environmental and social impact and contribution to sustainable objectives of our investments.

Our evergreen model allows us to have a more granular and customized exit strategy for all portfolio companies, adjusting to the full potential of each company while ensuring regular returns to our LPs. We therefore envisage more partial exits per portfolio company with a longer overall shareholding participation in the portfolio companies.

At the time of each exit, let it be partial or total, we will conduct a thorough assessment of (i) the contribution of the company to our five Essentials and of (ii) the progress accomplished on their alignment path and compound this with the percentage of the participation sold. This assessment will encompass both results achieved during the detention period and potential future results based on the exit scenario.

More information on this evaluation will be shared after the first exit of one of 2050.ventures portfolio companies.

## 4. Reportings

Annually, 2050.do team presents the summary of the 2050 System achievements on its objective to shape a fertile future and contribute to the 5 Essentials, as well as its overall Portfolio Alignment Index.

### 4.1 Regulatory Disclosures

In keeping with the requirements set out in the Sustainable Financial Disclosure Regulation, we make publicly available the following information :



- **Fund pre-contractual disclosure document:** for 2050.ventures, our Article 9 evergreen fund, we make available Sustainability and ESG considerations in the pre contractual disclosure document.
- **Website product disclosure:** 2050.ventures is an article 9(2) fund pursuant to SFDR regulations. This regulation mandates sustainability disclosure obligations for fund managers to their end-investors. 2050.do has published a disclosure in line with the regulation to increase transparency on the sustainable characteristics and methodologies of the fund.
- **Principal Adverse Impact on sustainability factors :**
  - a. **At entity level (2050.do)**

The Management Company does not take into account the principal adverse impacts of investment decisions on sustainability factors ("**PAI**"), as defined in and within the scope of Articles 4 and 7 of the SFDR Regulation.
  - b. **PAI at fund level (2050.ventures)**

The Fund takes into account the PAI on the investment decisions. The PAI are integrated into the Fund's investment process, in the Alignment framework and in the portfolio management process. Information on the investment decisions' PAI will be made available on an annual basis in the Fund's annual report.
- **Article 29 LEC report :** in Keeping with the requirements set out with Energy-Climate Law (LEC) by June the 30th of each year we will publish the report required by Article 29 of the French Energy-Climate Law (LEC)

## 4.2 Other reportings

We have been signatories to the PRI since February 2022 and will report on our responsible investment through the new PRI framework each year from 2023.

Each year we will share with our investors an Aligned Sustainability Report.



## Annex

### Annex I - Principal Adverse Impact on sustainability factors statement

**2050.do** : The Management Company does not take into account the principal adverse impacts of investment decisions on sustainability factors ("**PAI**"), as defined in and within the scope of Articles 4 and 7 of the SFDR Regulation.

**2050.ventures** : Principal Adverse Impacts on Sustainability Factors are taken into account by the Fund. After having invested, the enterprises report to the Management Company the adverse impact on sustainability factors. The reported data is compared to the previous year data.

Performance results are shared and discussed with the enterprise at board level and mission/impact committee level if needed be. When a poor performance is identified, an action plan is encouraged to improve the impact performance on the sustainability factor concerned.

2050 is collecting sustainability data on its portfolio companies using the Sweep platform. Through this data collection campaign the fund collects the fourteen mandatory Principal Adverse Impact indicators (table 1) and two additional indicators from table 2 and 3.

#### **Mandatory PAI**

- |   |   |
|---|---|
| 1. GHG emissions  | 9. Hazardous waste and radioactive waste ratio  |
| 2. Carbon footprint   | 10. Violations of UN Global Compact principles and Organization for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises  |
| 3. GHG intensity of investee companies                          | 11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises |
| 4. Exposure to companies active in the fossil fuel sector       | 12. Unadjusted gender pay gap   |
| 5. Share of non-renewable energy consumption and production     | 13. Board gender diversity  |
| 6. Energy consumption intensity per high impact climate sector  | 14. Exposure to controversial weapon  |
| 7. Activities negatively affecting biodiversity-sensitive areas |   |
| 8. Emissions to water   |   |

#### **Optional PAI**

15. Investments in companies without carbon emission reduction initiatives
16. Lack of a supplier code of conduct

Furthermore, the enterprises will report on additional PAI indicators related to Table 1, Table 2 or Table 3 of the RTS.



## Annex II - Exclusion Policy

The Fund shall not invest, guarantee or otherwise provide financial or other support, directly or indirectly, to companies or other entities:

- a) which are headquartered or having a significant portion of their activity in a country subject to trade embargoes imposed by France, the United Nations, the Office of Foreign Assets Control or the European Union;
- b) which are headquartered or having a significant portion of their business interest or revenues in a “High-Risk Third Country”, as described in Article 9 of Directive (EU) 2015/84;
- c) whose business activity consists of an illegal economic activity (i.e. any production, trade or other activity, which is illegal under the laws or regulations applicable to the Fund or the relevant company or entity, including without limitation, human cloning for reproduction purposes); or
- d) which substantially focus on:
  - (i) the production of and trade in tobacco and distilled alcoholic beverages and related products;
  - (ii) the financing of the production of and trade in weapons and ammunition of any kind, it being understood that this restriction does not apply to the extent such activities are part of or accessory to explicit European Union policies;
  - (iii) casinos and equivalent enterprises;
  - (iv) the research, development or technical applications relating to electronic data programs or solutions, which:
    - (x) aim specifically at:
      - supporting any activity referred to under items (i) to (iv) above;
      - internet gambling and online casinos; or
      - pornography,
    - or
    - (y) are intended to enable to illegally:
      - enter into electronic data networks; or
      - download electronic data.
  - (v) Fossil fuel-based energy production and related activities, as follows:
    - a) Coal mining, processing, transport and storage;
    - b) Oil exploration & production, refining, transport, distribution and storage;
    - c) Natural gas exploration & production, liquefaction, regasification, transport, distribution and storage;
    - d) Electric power generation exceeding the Emissions Performance Standard (i.e. 250 grams of CO<sub>2</sub>e per kWh of electricity), applicable to fossil fuel-fired power and cogeneration plants, geothermal and hydropower plants with large reservoirs.
  - (vi) Energy-intensive and/or high CO<sub>2</sub>-emitting industries and sectors:
    - a) Manufacture of other inorganic basic chemicals (NACE 20.13)
    - b) Manufacture of other organic basic chemicals (NACE 20.14)
    - c) Manufacture of fertilisers and nitrogen compounds (NACE 20.15)
    - d) Manufacture of plastics in primary forms (NACE 20.16)
    - e) Manufacture of cement (NACE 23.51)
    - f) Manufacture of basic iron and steel and of ferro-alloys (NACE 24.10)
    - g) Manufacture of tubes, pipes, hollow profiles and related fittings, of



- steel (NACE 24.20)
- h) Manufacture of other products of first processing of steel (NACE 24.30, incl. 24.31-24.34)
  - i) Aluminium production (NACE 24.42)
  - j) Manufacture of conventionally-fuelled aircraft and related machinery (sub-activity of NACE 30.30)
  - k) Air transport, airports and service activities incidental to air transportation (NACE 51.10, 51.21 and 52.23).

It being specified that the Fund may invest in companies operating in such industries and sectors listed in this paragraph (iv) when their operation processes allow their business to be energy-savvy and/or low-emitting CO<sub>2</sub>, and notably (but not exclusively) when such companies meet the technical screening criteria listed in the EU Taxonomy.

In addition, when providing support to the financing of the research, development or technical applications relating to (i) human cloning for research or therapeutic purposes or (ii) genetically modified organisms (GMOs), the Fund shall ensure the appropriate control of legal, regulatory and ethical issues linked to such human cloning for research or therapeutic purposes and/or GMOs.