



ANTLER INNOVATION PTE. LTD

ESG and Impact Policy

May 2022

Antler Innovation Pte. Ltd.

Address: 128 Prinsep St, #01-01, Singapore, 188655

Contact: Head of ESG and Impact and Chief Strategy Officer

E-mail: esgandimpact@antler.co

Vincere Technologies Ptd. Ltd is authorized and regulated by the Monetary Authority of Singapore,
Number CMS 100684-1

Table of contents

Scope of policy	2
The definition of ESG and impact at Antler	2
Antler statement on ESG and impact	4
ESG and impact at Antler group level	4
ESG and impact responsibility	5
Workplace culture and employment environment	5
Good governance	6
ESG and Impact report	6
Antler as a supporter	6
ESG and impact in the Antler investment process	6
Exclusions	6
Due diligence	7
Investment	7
Pre and post investment portfolio support	8
Education and support	8
Ongoing monitoring and portfolio management	9

Scope of policy

This policy sets out the approach we take at Antler Innovation Pte.Ltd. and all its subsidiaries (“Antler”) to apply responsible investment principles throughout the company and investment process in all locations. We expect these principles will continue to evolve and develop as we grow.

The definition of ESG and impact at Antler

ESG and impact are often used interchangeably. We believe it is important to make a clear distinction between the two terms as we approach them differently within our processes.

ESG focuses on both the risk and opportunity connected to the company's business operations, practices and policies that relate to environmental, social and governance factors. In simple terms this is all non-financial aspects that could influence the performance of any company and are summarized below.

- Environment: How a company acts as a steward of the natural environment including water, air, deforestation, biodiversity, pollution, waste management, and carbon emissions.
- Social: How a company manages stakeholders including employees, customers, suppliers, communities, and government relations. This would include workplace culture, employment practices as well as responsible product design.
- Governance: The policies and practices in place to address issues such as corporate purpose and management as well as data protection and privacy.

Our definition of an impact portfolio company is when the outcomes of the products and/or services of the company lead to a positive environmental or social benefit that is intentional, demonstrable and quantifiable. These outcomes are very often linked to the UN Sustainable Development Goals (SDGs) and their underlying targets.

We believe that ESG and impact are not mutually exclusive. For a company to be defined as an impact portfolio company, strong ESG practices would also need to be in place.

Antler statement on ESG and impact

Venture Capital (VC) firms are inherently impactful. VC firms invest in companies that create jobs, they can support economic growth and provide innovation to countries that need it most. VCs are also impactful because they can invest in companies who develop products

and solutions that can directly (or indirectly) improve people's lives and respond to some of society's most significant challenges or risks such as climate change and social inequality.

Our own portfolio companies are providing communities access to healthcare, financial services, and education. We have portfolio companies in both developing and developed markets that are supporting the energy transition to renewables, reducing waste through circular economy creation, and delivering innovation to areas such as clean water production. These portfolio companies are delivering significant impact to the world and Antler provides them a global platform to do this at scale.

VCs have the ability to channel capital to sustainable businesses. There are many great founders and companies that aren't necessarily aiming to explicitly address a world challenge (or defined as an impact company). They are however helping to improve people's daily lives and bring greater efficiency or innovation to business. VCs can support these founders to ensure the foundation of their company is strong and resilient for sustainable growth by considering ESG factors. This can be done through building understanding and awareness of the non-financial factors that could be seen as either a risk or an opportunity for a company's operational practices.

Antler's approach aligns well with our mission to democratize entrepreneurship. Our belief that successful founders can come from anywhere takes us to all corners of the world. Our founder base shows a diverse set of people who represent many different nationalities, backgrounds and life experiences. Our investments therefore also reflect diversification, not just by geography and by sector, but also the problems our founders are trying to solve with their products and solutions.

Antler takes its responsibility to enable and support founders seriously. We want to lead by example and therefore also incorporate both ESG and impact into our own operations, processes and policies. This is not a journey that has a finishing line. We will continue to improve and develop our approach ESG and impact, which we view as an exciting opportunity for Antler.

ESG and impact at Antler group level

Antler is committed to promote social and environmental characteristics and intends to help create technology enabled companies that will positively impact the world and observe Antler's [ESG principles](#). As part of this commitment Antler is a signatory of the [United Nations' Principles for Responsible Investment](#) (UN PRI), following their [six principles](#) for our investment decision making process, and a member of the [VentureESG](#) initiative and community. Working as an [active](#) participant across these groups, we aim to work towards a global ESG and impact ecosystem by sharing and encouraging our practices across the VC landscape.



We aim to apply the same ESG and impact considerations and standards we measure our portfolio companies with to ourselves. Not only does this strengthen our position as a VC firm with ESG at the heart of what we do, but it makes our requests and guidance for founders more relatable.

ESG and impact responsibility

Every team member is trained and supported to include ESG considerations when making investment decisions and supporting portfolio companies.

Antler's Head of ESG and Impact has the overall responsibility for our ESG and impact approach and strategy, with oversight from the Chief Strategy Officer. Our approach to ESG and impact is discussed regularly in our partner meetings.

Workplace culture and employment practices

We are committed to hiring a diverse team and providing an inclusive work culture.

- We have nine principles that define the way we work at Antler. All new employees are introduced to these principles and how our culture revolves around them. This includes our common mission and values. Our principles also reflect how we work together with founders to launch their businesses and create the right culture and working environment for their employees from day one. We always put founders first and take pride in this approach.
- We believe feedback is critical, not just from the founders but from our employees too. Bi-weekly pulse surveys are conducted to ensure continuous input on subjects such as sense of purpose, clarity of expectations, and communication.
- We have a Diversity and Inclusion (D&I) council to bring greater inclusion to both aspiring entrepreneurs and across our own employee base as well. We are a signatory of #MovingForward pledge and have an anti-harassment and anti-discrimination [policy](#) in place.

Good governance

The Antler board, partners, investment committees and management groups are committed to good governance principles. Antler has policies in place that include a Code of Ethics and Conflict of Interests (*available upon request*). Antler's board exercises oversight of Antler's ESG and impact policy. Any generated ESG-related risk would fall under Antler's formal Risk Reporting governance framework.

ESG and impact report

We intend to publish a public ESG [report](#) every year. This will include information on both our own internal ESG and impact metrics and assessments, as well as case studies and overview of our portfolio companies.

Antler as a supporter

Antler endorses the Paris Agreement and its goal to limit global warming. Antler will aim to expand its presence to both developing and developed regions, and invest in technology-enabled companies of which some will tackle climate-related issues. We have multiple portfolio companies who address UN Sustainable Development Goal 13 (Climate Action) and we aim to continue investing in companies that will address this goal going forward, among the other sixteen as well.

Antler has expressed its public support of the Task force on Climate-related Financial Disclosures (TCFD). We aim to engage in actions to build a more resilient financial system through climate-related disclosures.

Antler fully supports the UN Global Compact Ten Principles and considers these embedded within our own core values. These include areas of human rights, labor standards, the environment, and anti-corruption.

ESG and impact in the Antler investment process

Antler believes that identifying and assessing ESG risks and opportunities as part of the evaluation process will lead to better investment decisions. We also believe that founders who incorporate these factors will lead to stronger and more resilient portfolio companies too.

The table below outlines how ESG is integrated in our investment decision making process.

Exclusions

- Antler does not invest in weapons and ammunition, tobacco, illegal drugs, or companies contributing to human trafficking.*
- Antler does not invest in companies with a net-negative sustainability impact, nor a company that operates against our ESG principles for portfolio companies. This would also include any company that violates international conventions,

internationally recognised frameworks, and national regulations.

Due diligence

- ESG risks and opportunities are considered by our investment teams during portfolio company evaluations and are recorded in the Antler proprietary data platform.
- ESG risk and opportunity questionnaire is completed for follow-on and external investments and included in the investment memo. This includes questions on human rights, resource use, emissions, workforce, community involvement, product responsibility, management, stakeholder managements and policies.[^]
- Antler creates an overall ESG scorecard as well as an impact scorecard that follows the [impact management norms](#) as a guide.[^]

Investment

- Investment committee discussions include ESG and impact considerations, where appropriate.
- Portfolio companies sign a document that acknowledges their commitment to adhere to Antler ESG principles for portfolio companies.
- Legal documentation includes wording on Antler's expectations for ESG information from portfolio companies. This aims to express our intent to help monitor and improve the company's non-financial factors over time.
- If a portfolio company addresses the UN Sustainable Development Goals (SDGs) and their underlying targets, it will be categorized accordingly in the Antler system (if applicable).

**If there is a serious infraction of the Antler ESG values or ESG and Impact policy our first approach would be to discuss with the founder our position and whether this is something the company will address. The appropriate approach will be discussed and agreed with the Antler ESG and impact committee. Depending on the seriousness of the infraction, actions could include KPI setting to address our concern, no follow-on investment or, for the most serious infractions such as the use of forced labor or corruption and/or indications of significant activity covered by our exclusion policy a consideration of divestment.*

^ This is currently for the Antler global follow-on investment vehicle only. If a company receives a low score and the Investment Committee decides to follow-on then there must be plans outlined by the group on the reasoning and ideally with a plan outlined by the portfolio company on how they intend to rectify or mitigate risk.

Please note the above ESG integration is not an exhaustive list. We are continually looking to adapt and improve how we include ESG considerations in our investment decision making process.

Antler has many companies that directly aim to address one (or more) of the SDGs and their respective underlying targets. Some portfolio companies will have explicit intentionality to develop a product or solution to actively address and contribute to societal and environmental challenges. The outcomes of the portfolio company will be demonstrable and quantifiable. If a portfolio company meets these criteria, it would be defined as impact.

Pre and post investment portfolio support from Antler

We believe that support should be provided to founders pre and post investment. We take pride in helping our founders optimize their sustainable value while also managing and mitigating risk. We also recognise that as an early-stage investor, we have the ability to influence founders at the earliest opportunity and embed ESG and impact into the portfolio company's DNA.

Education and support

At Antler we strive to exert influence to increase the overall long-term value of our funds, as well as the value of common economic, social and environmental assets, in our intent to maximize the returns for our LPs. The way we exert influence is by means of engagement, raising awareness about and promoting ESG and impact characteristics. Our coaches engage with the founders from the time they join our programs to influence in terms of good business practices. Our coaches are prepared to identify ESG risks and opportunities to discuss these with founders. We also call on our network of 700+ advisers, which consists of a plethora of ESG and impact specialists and industry leaders, to support our founders.

To further support our founders, we have developed an Antler Sustainability Toolkit. The toolkit is essentially an education platform that has distilled down a wealth of ESG and impact information into a manageable and practical guide for our founders on how to incorporate these factors into business operations - asking the key questions, sharing tools and useful references to help with this journey.

Some examples of founder engagement are shown below:



- Industry sprints focused on sustainability during our founder programs
- Events such as founder fireside chats, training sessions and women of Antler discussions
- Access to the founder hub for sharing of experiences, talent and ideas

Ongoing monitoring and portfolio management

In certain investments, factors such as our ownership stake or influence may affect our ability to assess, set or monitor ESG-related and/or impact performance goals. Antler can only analyze the data of companies that respond to our voluntary surveys. For those unwilling to provide information, we will encourage them to see the value in ESG and impact considerations, and explain how Antler incorporates these factors into the due diligence and portfolio management processes.

Portfolio companies will be requested to fill out our Antler Sustainability Health Check, a questionnaire that is stage sensitive, on an annual basis. The difference of this approach, compared to other VC surveys, is that it is primarily designed to help founders. After completing the questionnaire, founders receive a results email that provides an indicator score. This details whether their intentions and awareness around ESG factors are on track or need more attention. This approach also allows Antler teams to monitor portfolio companies and step in if further attention is needed on non-financial factors that may influence the performance of the company.