

# Responsible Investment Policy



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1V Risk Management Committee

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## 1 Introduction

### 1.1 Purpose

The purpose of this Policy is to provide a broad framework for OneVentures' (1V) approach to integrating environmental, social, and governance (ESG) considerations into our investment process, decision making and day to day operations.

In developing our approach to responsible investment, we have taken guidance from the UN Principles for Responsible Investment to which we are a signatory and the UN Sustainable Development Goals.

A key tenant of our responsible investment policy is the avoidance of harm through our investment and operational activities.

Beyond the promise to "do no harm", 1V strives to create positive impact not only for its portfolio companies, employees and investors, but also to society and the economy.

Our commitment to investors beyond delivering returns is to create compelling, differentiated opportunities that have meaningful impact on society with the potential to improve lives.

The principal objective of the Policy is to describe 1V's responsible investment guidelines and to ensure that these guidelines are maintained and implemented, including identifying, managing and reporting ESG risks and opportunities as an integral part of the firm's investment process and regular operations.

### 1.2 Scope

This policy is applicable to 1V's operating business, current investee companies and all investments considered by the 1V Funds when presented for approval to each relevant funds' Investment Committee.

1V's commitment to ESG is summarised below:

- 1) 1V seeks become a leader in building a sustainable business in its operations from being carbon neutral to ensuring our suppliers operate in a sustainable, for example being cognisant of and not supporting as modern-day slavery;
- 2) All investments and financing shall be structured to meet the requirements of this Policy;
- 3) Funds shall consider environmental impact (including climate change considerations), health & safety issues and social impact/issues associated with target companies when assessing potential investments, as well as during the holding period following investment;
- 4) Funds shall seek to grow and improve the companies in which they invest for achievement of long-term sustainability and to benefit its stakeholders, including on environmental, social, and governance issues. Our investment teams will utilize the relevant governance tools within their portfolio companies with respect to environmental, health & safety, and social issues, with the goal of improving performance and mitigating any adverse impacts;

- 5) 1V will employ governance structures that enhance oversight in the key areas of audit, risk management, and potential conflicts of interest, and to implement policies that align the interests of owners and management;
- 6) 1V will remain committed to compliance with applicable international and local HR laws in the countries in which our funds invest, including supporting the payment of competitive wages and benefits to employees of portfolio companies; provide a safe and healthy workplace in compliance with national and local law and all other measures consistent with applicable law, and to respect the rights of employees;
- 7) 1V will respect the human rights of those affected by our Fund's investment activities and seek to confirm that our Funds do not invest in companies that utilize child or forced labour or maintain discriminatory policies;
- 8) 1V is committed to the principles of transparency, accountability and stakeholder engagement. In that light 1V shall provide regular and timely information to our Funds' limited partners on ESG issues, and foster transparency around our Funds' activities;
- 9) 1V will support and encourage portfolio investee companies to advance the same principles and practices upheld by our firm; and
- 10) 1V commits to ESG as an interactive and on-going process of assessment and evaluation and is therefore committed to updating its policies and procedures accordingly.

### 1.3 Delegations, responsibilities and accountability

1V's investment professionals have delegated responsibility for management of ESG matters as well as collaborations on ESG initiatives and integration into investment decisions. ESG considerations will be addressed throughout the life cycle of the Fund and investment, from fund and mandate establishment, during the due diligence, screening and investment selection process, and through ongoing monitoring of the portfolio.

Dimension of Investing	Elements of Sustainable Investing
<b>Fund Investment Mandates</b>	Should give consideration to ESG and impact factors and any prioritisation Where relevant targets may be set
<b>Investment Beliefs and Strategy</b>	Rationale for ESG integration aligning with our core values as a firm Material ESG factors
<b>Investment Operations Enablers</b>	
Tools and Processes	Negative Screening Positive Screening Proactive Engagement with portfolio companies
Resources and Organisation	<ul style="list-style-type: none"> <li>• Policy Owner – Chief Operating Officer on appointment and prior to that the Chair of the Risk Management Committee</li> </ul>

<p>Performance Management</p> <p>LP Reporting</p>	<ul style="list-style-type: none"> <li>• Fund Leads – build into fund investment mandates, oversee implementation within portfolios, deal evaluations and annual reviews</li> <li>• Deal Leads – raise ESG issues with portfolio companies for monitoring and proactive improvement</li> <li>• Deal team – screening against ESG and annual review reporting</li> <li>• Investment Committee - accepts or rejects deals on basis of ESG Principles; receives annual reviews</li> <li>• IR Manager – reporting to investors on compliance with ESG principles</li> </ul> <p>Staff performance reviews to include compliance with the ESG policy framework, positive management of conflicts of interest, alignment of deal teams and investors</p> <p>Accountability to LPs for ESG reporting Transparency on ESG matters</p>
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## 1.4 Review

This Policy will be reviewed annually, and more frequently if deemed appropriate. Any changes to the Policy will be provided to the Board of Directors of 1V for review and approval.

## 2 Our approach to responsible investment

We believe that effective management of material ESG factors are important in finding new opportunities, steering towards maximizing investment returns, and mitigating any associated risks over the long term.

We understand that for many of our Limited Partners the positive social impact of their portfolios is an important consideration in combination with investment performance.

ESG failures can highlight improper governance and impact not only investment value, but also have the potential to cause harm to society and the environment more broadly.

Companies that are unwilling or unable to take ESG issues into consideration may:

- put the company's reputation at risk;
- put 1V's reputation at risk;
- cause loss of market opportunities;
- diminish company value; and
- inadvertently affect other companies within 1V's portfolio

Assessing ESG risks in the investment process is therefore consistent with 1V's objectives as long-term investors, and our fiduciary duties and responsibilities to Limited Partners. We actively engage with our portfolio companies on a range of commercial, strategic and ESG related matters and encourage them to advance these same principles in a way that is consistent with their fiduciary duties.

## 2.1 Screening

1V's investment process is structured to align with the values of our investors including in the interest of their financial assets.

### Positive Screens

1V's philosophy is that our healthcare and technology-based investments must have a positive societal and economic impact. It is also centred in our belief that:

- 1) In certain instances, ESG factors can be material drivers in delivering long-term, risk-adjusted returns for our clients, and
- 2) Our clients may have more targeted values, priorities or investment objectives concerning ESG and impact issues.

As part of our ESG reporting process we will identify the alignment of our investments with the UN Sustainable Development Goals.

### Negative Screens

1V shall not invest in the following sectors:

- a) Gambling businesses,
- b) Alcohol manufacture or distribution (other than for a healthcare related purpose),
- c) Tobacco manufacture or distribution, or
- d) Controversial weapons and weapons banned by UN convention (for example Nuclear, Biological, Chemical, APMs, Cluster Munitions, Laser Blinding and Undetectable Fragments).

## 3 Stewardship

### 3.1 Objective

Stewardship activities include monitoring and engaging with investee companies on matters such as strategy, corporate governance, culture and remuneration. Engagement involves purposeful dialogue with companies on those matters, in addition to issues routinely considered by the board of directors.

### 3.2 Activities

#### Engagement

Engaging with investee companies is a vital part of maintaining investor oversight and ensuring that investor views are considered in the governance of companies and their assets. We believe that by exercising these ownership rights and maintaining our 'seat at the table' we can maximise value for our investors.



## Direct Engagement

Where relevant and appropriate, we will engage directly with companies, with the aim to:

- a) Better understand the way a company is managing ESG issues;
- b) Encourage companies to improve their performance in an area of material concern; and
- c) Encourage the disclosure by companies to material ESG issues and support the use of relevant analytical tools and standards.

## Collaborative Engagement

1V recognizes that positive engagement on ESG issues can take many forms. Therefore, the company aims to participate in collaborative engagement activities to further the discussion and disclosure of material ESG issues and develop practical tools for the reporting of ESG related activities.

## 4 Reporting

1V commits to regular reporting to stakeholders on ESG issues and to working closely with our portfolio companies to achieve this aim.

We will collaborate as an investor and shareholder across our portfolio companies to assist them in considering ESG principles in their own reporting frameworks to internal and external stakeholders.

## 5 Case Studies

1V has a proud heritage of investing in truly innovative healthcare and technology companies tackling global problems. Below are some examples of 1V's stewardship of our portfolio companies, ensuring ESG considerations are sufficiently managed, risks minimised, and opportunities acted upon.

### Vaxxas

**Portfolio Company:** Vaxxas is a next-generation vaccine delivery platform, that elicits a robust immune system activation through their proprietary High Density Micro-array patch (HD-MAP) technology. The HD-MAP aims to provide an optimised, differentiated needle-free vaccine delivery solution that safely and cost effectively amplifies vaccine efficacy, removes the need for cold storage and can provide self-administration

**Pre/Post Investment:** 1V originated the investment opportunity in Vaxxas through early identification of the ground-breaking R&D at the University of Queensland. Since the initial investment, OneVentures Managing Partner Dr Paul Kelly has played a critical role as Chair of the Board, guiding the company to raise capital from reputable organisations such as Bill & Melinda Gates Foundation and the World Health Organisation.



1V has been instrumental in defining Vaxxas' pipeline of proprietary vaccinations targeting globally critical infectious viruses and diseases.

**ESG Opportunity:** Our investment in Vaxxas highlights our focus on going beyond investing in companies that “do no harm”, but actively seeking to partner with and steer those businesses with products that have the potential to improve lives. Vaxxas' HD-MAP technology platform could help provide efficient, cost-effective, needle-free vaccine delivery, including to vulnerable communities and the developing world. This is particularly important for people living in geographies that have cost, cold supply chain and broader healthcare availability challenges.

Backing Vaxxas' mission to reduce the prevalence of preventable diseases through accessible, efficient vaccine delivery highlights 1V's commitment to creating positive social and environmental impact and to consider these impacts when making investment decisions. Throughout the investment period, 1V has also had the role of CFO of Vaxxas, providing significant oversight and ensuring strong governance and reporting practices are in place. A well-structured board of investors oversees the company.

### Employment Hero

**Portfolio Company:** Employment Hero is a HR, Payroll and Employee Benefits SaaS platform business, currently supporting ~5000 Australian SME businesses. The company's mission is to create a better world of work.

**Pre/Post Investment:** 1V was the first financial investor in Employment Hero, leading the Series A round. 1V has provided significant hands-on strategic and operational support, and guiding the company through multiple rounds of funding and corporate restructuring. OneVentures Managing Partner Dr Michelle Deaker has been Chair of the Board since the initial investment.

**ESG Opportunity:** Employment Hero's product suite provides business critical HR capabilities to the SME segment, which continues to be significantly underserved with software solutions. Employment Hero's products empower employers to strengthen their Social and Governance capacity to create a fair, informed and compliant working environment for employees. Businesses that fail to strengthen these areas face significant risk, with underpayment of wages and employee awards garnering negative media attention in recent times.