

OneRagtime Charter

1. Introduction to OneRagtime's Sustainability Charter

Context and Importance of Sustainability

In an era marked by a heightened focus on environmental, social, and governance (ESG) factors, the imperative for integrating sustainability into investment practices is undeniable. OneRagtime's Sustainability Charter emerges as a strategic response to these evolving market dynamics and the diversified nature of our investments across various sectors. This document outlines OneRagtime's comprehensive approach to embedding ESG considerations into our core investment processes, reinforcing our commitment to sustainable development in alignment with global standards and expectations.

Objectives of the Sustainability Charter

The primary objective of this charter is to transparently delineate our methodology for incorporating ESG criteria into the decision-making and management processes of our investment portfolio. This commitment ensures that all investments not only comply with but also advance the principles of sustainable and responsible investing. This framework is designed to evolve dynamically with the objectives and strategies of forthcoming investment funds, ensuring adaptability and relevance in a changing world.

Commitment of the Venture Capital Fund

OneRagtime is dedicated to actively promoting environmental and social criteria, alongside fostering sustainable investments. This commitment is operationalized through a series of actionable steps, including the integration of ESG criteria into our investment processes, risk management policies, and ongoing ESG strategy enhancements. The year 2022 marked a significant pivot towards these initiatives, with fund-raising efforts reflecting a stronger alignment with ESG values with our first two Article 8 Funds, OneRagtime Rhapsody II and OneRagtime Paragon.

Concrete Steps: General Approach to ESG Considerations

Concretely, OneRagtime's approach involves:

- **General ESG Strategy:** Establishing a framework that integrates ESG factors across all levels of operation, from due diligence to ongoing management.
- **ESG Criteria Integration in Investment Processes:** Developing and implementing policies that embed ESG considerations into the fabric of investment analysis and decision-making.
- **Risk Management Policies:** Identifying, assessing, and managing risks associated with ESG factors, thereby safeguarding investments, and enhancing their societal and environmental impact.
- **Future Steps in ESG Strategy:** Continuing to refine and advance our ESG strategy to stay ahead of market trends and regulatory requirements, ensuring that OneRagtime remains at the forefront of sustainable investing.

Through these initiatives, OneRagtime not only adheres to but leads in the adoption of sustainable practices, setting a standard for responsible investment that aligns with the long-term interests of our stakeholders and the broader community.

2. No Sustainable Investment Objective

Clarification on Investment Objective

This financial product promotes environmental and social characteristics but does not have sustainable investment as its primary objective.

Environmental or Social Characteristics of the Financial Product

The Fund promotes the following environmental and social characteristics across all portfolio companies:

1. Reduction of Potential Negative Impact on Sustainability: Measures are actively implemented to minimize any adverse sustainability impacts.
2. Participation in Employment (FTE Growth): The fund supports initiatives that encourage job creation and promote full-time equivalent (FTE) employment growth.
3. Diversity and Inclusion Indicators and Practices: Commitment to enhancing diversity and fostering inclusive practices within all invested entities.
4. Value Sharing and Employee Safety: Ensuring equitable value distribution among stakeholders and prioritizing the safety of employees.
5. Good Governance: Upholding robust corporate governance standards.

These characteristics align with the United Nations' Sustainable Development Goals (SDGs), emphasizing aspects such as social impact, workplace conditions, safety, governance, and overarching strategic direction.

Non-Consideration of Principal Adverse Impacts (PAIs)

OneRagtime, as a management entity with fewer than 500 employees, opts for a voluntary approach to considering Principal Adverse Impacts (PAIs). The firm is not obligated to account for negative sustainability impacts due to its size.

When choosing not to follow regulatory guidelines on PAIs, OneRagtime adheres to the "comply or explain" principle. While sustainability factors are considered in investment decisions, PAIs are currently not fully integrated due to limitations in available data. This makes it challenging to comprehensively measure the effects of such impacts currently.

For more detailed information, please see our non-PAI declaration document : [link](#)

Portfolio Composition

We are committed to allocating at least 30% of our Article 8 funds to direct impact investments. As of today (30/06/2024), we are already well above this threshold as 63% of our Rhapsody II portfolio is composed of impact start-ups (including Pickme, Golem.ai, Benefiz, Sonio, Captain Cause, Stokelp), demonstrating our active engagement with companies that significantly contribute to environmental and social improvements. This reflects our commitment to sustainability, focusing on the promotion of essential characteristics rather than having sustainable investment as the sole objective.

3. Investment Strategy

OneRagtime is dedicated to fostering sustainability and responsible investment through a rigorous investment strategy that integrates stringent ESG (Environmental, Social, and Governance) criteria. Our approach aims to ensure that each investment not only meets our financial objectives but also contributes positively to societal and environmental outcomes. This strategy is applied across our current funds, Rhapsody II and Paragon.

Pre-Investment ESG Screening Phase

Our pre-investment phase now features enhanced ESG screening processes, reflecting the latest industry standards and regulatory requirements. The updated criteria include:

Environmental Criteria:

- GHG Emissions: Assessing greenhouse gas emissions management and reduction strategies aligned with science-based targets.
- Energy Management: Reviewing energy efficiency, renewable energy usage, and circular economy practices.
- Water and Marine Resources: Evaluating sustainable water usage, conservation, and marine resource protection.
- Pollution Prevention and Control: Ensuring safe handling, storage, and disposal of hazardous substances.
- Waste Management: Examining waste reduction, recycling programs, and sustainable disposal methods.
- Biodiversity and Ecosystems: Considering impacts on biodiversity, ecosystems, soil, water, and air quality.

Social Criteria:

- Human Rights: Ensuring compliance with human rights standards and fair labor practices, including ethical AI use.
- Employee Health & Safety: Reviewing workplace health and safety measures with updated guidelines.
- Employee Engagement: Promoting initiatives for employee involvement and satisfaction.
- Diversity & Inclusion: Evaluating comprehensive diversity and inclusion policies and practices.
- Career Development: Ensuring opportunities for continuous learning and professional growth.

Governance Criteria:

- Business Ethics and Anti-Corruption: Ensuring adherence to ethical business practices and anti-corruption measures.
- Competitive Behaviour: Compliance with fair competition laws and practices.
- Data Protection: Reviewing robust data protection policies and ensuring privacy.
- Regulatory Compliance: Ensuring adherence to evolving global ESG regulations.
- Community Relations: Assessing engagement with local communities and contributions to local development.

Business Model Criteria:

- **Product Quality & Safety:** Ensuring products meet high safety and quality standards.
- **Lifecycle Management:** Assessing sustainability practices for product end-of-life and promoting circular economy.
- **Ethical Sales Practices:** Reviewing ethical sales practices and maintaining high customer satisfaction.
- **Sustainable Procurement:** Ensuring ethical and sustainable sourcing practices and assessing key suppliers' ESG performance.
- **Business Resilience:** Evaluating the sustainability and adaptability of the business model.

Integration of ESG KPIs in our analysis and Due Diligence Process

We continue to integrate ESG KPIs into our investment strategy as a core component of our decision-making process. This ensures that every investment aligns with our sustainability goals and ethical standards. By incorporating these KPIs, we promote responsible investment practices that support long-term value creation and contribute positively to society and the environment. Key performance indicators cover aspects such as environmental impact, social responsibility, diversity, and governance.

To collect and track these indicators, an ESG questionnaire (powered by the Apiday platform) is sent during the external due diligence phase of our investment process (between the signing of the Term Sheet and the final deal closing).

In the Shareholder Agreements that we sign with portfolio companies, we implement legally binding clauses that require portfolio companies to report annually on their ESG performance. This clause grants us access to essential CSR data and information on any ESG-related incidents and strategic decisions. This rigorous evaluation helps us identify and mitigate risks, ensuring our investments contribute positively to sustainability outcomes.

Monitoring and Evaluation of Companies

After investing, we continuously monitor and evaluate our portfolio companies against established ESG KPIs. Using the Apiday questionnaire, we systematically assess various ESG dimensions to ensure ongoing compliance and progress. Regular monitoring ensures transparency and accountability, fostering a culture of continuous improvement in ESG performance.

By adhering to these updated investment selection criteria, OneRagtime not only fosters sustainable growth but also drives positive change within the broader ecosystem. Our unwavering commitment to ESG principles underscores our belief that responsible investment is essential for building a resilient and prosperous future. This strategy positions us as leaders in sustainable investing, ensuring that we contribute to a more inclusive and sustainable economy.

4. Environmental Commitment

Carbon Emissions Reduction Targets

Our objectives are as follows:

With regards to scope 3 emissions, our reduction target is intrinsically linked to our ambition of expanding portfolio company involvement. We aim for the companies of our portfolio to have assessed their carbon footprint and implemented proactive reduction plans by the year 2025. To facilitate this

endeavour, we will actively support these companies by providing them with the relevant tool thanks to Apiday's dedicated and expert guidance.

Furthermore, we will make it standard practice for all new portfolio companies to engage in carbon footprint assessment and reduction activities from the onset of our investment.

Proportion of Investments (Global Check) – 30% Impact (Article 8 SFDR)

At OneRagtime, we are proud to highlight our Article 8 funds: OneRagtime Paragon and OneRagtime Rhapsody II. We ensure that at least 30% of our investments qualify as impact investments under Article 8 of the Sustainable Finance Disclosure Regulation (SFDR). These investments are dedicated to promoting environmental and social characteristics while adhering to robust governance practices.

We undertake a thorough and rigorous due diligence process to identify and invest in companies with a measurable positive impact on the environment. Our focus spans sectors such as clean technology, renewable energy, sustainable agriculture, and circular economy initiatives.

Our investment strategy emphasizes companies with well-defined ESG goals and proven impact, ensuring our portfolio reflects our steadfast commitment to sustainability and responsible investing.

France Invest Charter

We are proud signatories of the France Invest Charter, demonstrating our commitment to responsible and transparent investing. The charter provides a framework for integrating ESG considerations into our investment decisions and managing our portfolio in a sustainable manner. Compliance with the France Invest Charter involves regular reporting on our ESG activities, engaging with stakeholders, and participating in initiatives that promote sustainable finance and responsible investing practices in France. By adhering to the charter, we enhance our accountability and transparency, reinforcing our dedication to upholding high ESG standards across our investment activities.

Company Monitoring and Evaluation Process – ESG KPIs

We have established a comprehensive monitoring and evaluation process to track the ESG performance of our portfolio companies. This includes setting clear ESG Key Performance Indicators (KPIs) that align with our environmental goals.

Our ESG KPIs cover areas such as carbon emissions, energy consumption, waste management, water usage, and biodiversity impact. We regularly review these metrics and work with companies to ensure continuous improvement and adherence to best practices.

Our goal is to ensure that all portfolio companies not only meet regulatory requirements but also actively contribute to a more sustainable future. By facilitating knowledge sharing and providing expert guidance, we help our companies achieve significant progress in their sustainability efforts.

Our commitment to ESG principles is integral to our investment philosophy and business strategy. By setting ambitious environmental targets, investing in impactful companies, adhering to the France Invest Charter, and rigorously monitoring our portfolio's ESG performance, we aim to foster a sustainable future and deliver long-term value to our stakeholders.

5. Social Commitment

Promoting Diversity and Inclusion KPIs

At our venture capital firm, we are dedicated to raising awareness and changing mindsets about the importance of diversity and inclusion. We believe that a diverse and inclusive environment is crucial for fostering innovation, financial stability, and overall well-being. To achieve this, we ensure that all team members understand the significance of diversity and inclusion, respecting everyone regardless

of their background, gender, sexual orientation, or disability. Our goal is to create a work environment where every individual feels respected, valued, and accepted.

To further these aims, we have implemented inclusive processes and developed a Diversity, Equity, and Inclusion Policy with measurable objectives to promote equal opportunities. This policy has been reviewed and endorsed by all employees.

Employee Well-being and Development

In addition to promoting diversity and inclusion, we are committed to the well-being and development of our employees. We recognize that a supportive and growth-oriented work environment is essential for personal and professional fulfillment. Therefore, we offer a range of wellness programs to support the physical and mental health of our employees. This includes a Gymlib membership for all our team members, which promotes health and wellness by providing a diverse selection of fitness options accessible with a single membership.

Furthermore, we offer continuous learning opportunities such as training programs and mentoring by the OneRagtime team to help employees advance their careers. We have established clear career progression paths and encourage employees to set and achieve personal development goals.

In alignment with the SISTA Charter and France Invest Parité Charter, we are committed to promoting gender parity and enhancing societal representation within our workforce. Our recruitment strategies aim to increase the number of women in our workforce, valuing diverse skills and perspectives for future challenges and growth. We focus on creating an inclusive environment where women can thrive and significantly contribute to our success. Today, the OneRagtime team is 50% women.

By adhering to these commitments, we foster a diverse, inclusive, and equitable environment that benefits our employees, positively impacts the broader community, and drives our organization's success.

6. Commitment to Healthy Governance

Transparency and Accountability

We implement a comprehensive transparency policy, ensuring that all stakeholders have access to clear, accurate, and timely information about the fund's activities, investments, and financial performance. To support this, we establish an open communication channel for stakeholders to provide feedback and raise concerns, ensuring prompt and thorough responses.

Ethical Practices and Compliance

To maintain the highest standards of financial integrity and regulatory compliance, we partner with CP Conseil to conduct regular, independent audits of our accounts and operations. We also conduct regular training sessions for all employees and partners on ethical practices, compliance requirements, and anti-corruption measures.

Structuring Boards of Directors and Management

Our Board of Directors and management teams are assembled to reflect a balance of skills, experiences, and perspectives, promoting robust decision-making and effective governance. Esteemed figures such as Jean Marie Messier, Virginie Morgon, Patrick Sayer, and Philippe Bourguignon provide strategic guidance and oversight.

Governance KPIs

Finally, we partner with Apiday to develop and monitor key governance performance indicators (KPIs), providing a structured approach to measure and improve governance practices. We track and report on KPIs such as board diversity, frequency of board meetings, stakeholder engagement levels, and compliance audit results. These governance KPIs drive continuous improvement, setting annual targets and action plans to enhance governance standards and practices across the fund and its portfolio companies.

Our comprehensive approach ensures that ESG considerations are seamlessly woven into our decision-making processes, from pre-investment screenings to continuous portfolio management. Through our Article 8 funds, OneRagtime Rhapsody II and OneRagtime Paragon, we have demonstrated our commitment to impactful investments, with a significant portion of our portfolio dedicated to ventures that drive positive environmental and social outcomes. Our collaboration with industry standards, like the France Invest Charter, underscores our dedication to transparency, ethical practices, and robust governance.

We believe that by embedding ESG principles into our core operations, we are not just safeguarding our investments but also contributing to a more sustainable and equitable future. Our ongoing efforts to refine our ESG strategy, supported by rigorous monitoring and evaluation, ensure that OneRagtime remains at the forefront of responsible investing, delivering long-term value to our stakeholders.