

# Impact strategy



RING  
C A P I T A L

The world is facing unprecedented **environmental challenges** & **social inequalities**. In this context,

- > **we believe** in a **new growth model** that takes into account the human and planet boundaries
- > **we believe** that **the entrepreneurs are the best actors** to innovate to succeed in the transition
- > **we believe** that **impact is THE new paradigm**: it is both a responsibility and an opportunity
- > **we believe** that **investors have a key role to play**: let's be up to it!

Our mission is to actively direct capital towards **vital solutions** tackling major **social and environmental challenges**. We help entrepreneurs grow by fostering both **impact** and **business performance**.



Olivier Binet, Founder and  
CEO of Karos  
*Decarbonizing mobility  
through short-distance  
carpooling*



Anaïs Pretot, co-founder and  
co-CEO of LiveMentor  
*Helping people to start their  
business or change career path*



Charles Pfister, co-founder and  
co-CEO of YesPark  
*Empowering cities to develop  
electric mobility*

# Ring Capital, first impact investing ecosystem in Europe

The funds have dedicated investment teams capitalizing on common assets.



Altitude

Impact Growth Fund  
€165m - 2018

Growth Impact Companies



Mission

VC Impact Fund  
€66m - 2021

Early Stage Impact Start-ups



Generations

Seed TechForGood Fund  
€50m<sup>1</sup> - 2023

Seed Impact Start-ups



Africa

Early stage Fund  
€50m\* - 2024

Early stage Impact Start-ups  
in Francophone Africa



Foundation

Venture Philanthropy  
2020

High potential non profit  
organizations

<sup>1</sup> : Target

The **management company** supports and enhances the impact strategy of the fund



Certification  
obtained in Dec-22  
(114.5 points)



Dedicated governance  
body: the Impact  
Advisory Board



Formalized climate & social  
strategy for Ring and the  
portfolio companies

**TIKEHAU**  
CAPITAL

An **open ecosystem** with the ambition to drive more investors and companies towards impact

The Ring ecosystem gathers various **impact stakeholders** sharing the same ambition

#### Impact-driven Companies



#### Non-profit organizations



#### Investors / LPs



#### Experts



#### Preferred partners



#### Academics



# Our **360** impact strategy

## 5 pillars of our impact strategy



**Investment strategy**



**Investment process**



**Additionality: portfolio support**



**Governance & corporate strategy**



**Influence & ecosystem**

We invest in innovative  
solutions to tackle both  
challenges...

**ENVIRONMENTAL**

**SOCIAL**

...in the sectors that  
concentrate the major  
impact stakes

ENERGY TRANSITION

CIRCULAR ECONOMY

AGRICULTURE & FOOD

WASTE MANAGEMENT

INCLUSION

ACCESS TO EDUCATION


SUSTAINABLE EMPLOYMENT

HEALTH





# We put impact at the heart of our investment process...

- > The **SDGs** are our referent framework 
- > We select **impact-native companies** based on 4 impact criteria:

intentionality

measurement

additionality

potential

- > **We exclude** companies with potential negative externalities and risks at 3 levels: sectors, activities, practices.
- > **Dedicated impact due diligence** before investment: assessment of ESG criterias, impact strategy and carbon footprint.

# ...with dedicated impact performance measurement

- > **Extra-financial BP** defined with management based on 2 to 5 **impact performance KPIs**
- > Impact KPIs and Impact BP are validated by the **Impact Committee** comprised of the Advisory Committee's members (LPs), and challenged by our independent **Impact Advisory Board**
- > **External experts** and auditors for:
  - Definition of the impact KPIs
  - **Yearly audit of the impact KPIs** and BP

Impact BPs are used for team incentive:

**50% of the team carried interest depends on impact performance**

**Management team BSPCE are conditional upon achievement of the impact BP**



## Impact due diligence

### Impact Requirements

#### Phase 1 Conformity

- > Link company's mission to at least 1 sub-SDG target
- > Identify Impact KPIs
- > Validate intentionality of the management
- > Fostering sectors with high social and environmental challenges

#### Phase 2 Preliminary Analysis

- > In-depth impact analysis based on our proprietary impact scorecard

#### Phase 3 Deep dive

- > Impact interview of CEOs with our Operating partner Impact
- > Presentation of results of the impact scorecard in investment committee

Exec sum.

#### Phase 4 Structuration

- > Insert Impact clause within the Term Sheets
- > Establish 2 to 5 impact KPIs with CEO
- > Defines an impact Business Plan with the Management (max 6 months post closing)

Mentors  
Com.

#### Phase 5 Due Diligence

- > Insert Impact clauses in Shareholders' Agreements (e.g. liquidity, governance, etc.)
- > Launch ESGC\* Audit with a third party (including carbon footprint)
- > Establishment of a 100 days impact plan
- > Validation of 2 to 5 impact KPIs with the Impact Committee



# Focus on **impact measurement**, phase 3 and 4

The definition, approval and monitoring of impact KPIs is central in our strategy

## Definition of Impact KPIs and Impact BP

- > First definition of 2 to 5 impact performance KPIs ("Impact KPIs") with the Management
- > These KPIs need to be defined on a case-by-case basis, to be directly correlated to the company product or service and to be measurable
- > Alongside the Management, Ring then sets a trajectory and annual targets for each Impact KPI ("The Impact BP").

## Approval of Impact KPIs and Impact BP

- > This Impact BP is reviewed and approved by the Impact Committee comprised of the Advisory Committee's members who demonstrated the willingness to be part of it in order to ensure that the selected KPIs are relevant to the business, measurable and that the impact ambition is aligned with the ambition of the company
- > The Impact KPIs may change during the holding period. If so, they need to be approved again by the Impact Committee

## External experts and auditors

- > During the definition phase of Impact KPIs, we can request for an external expertise to identify and assess the measurability of impact KPIs. This expertise can come from the Impact Advisory Board (e.g Frederic Lavenir on education) and/or from external auditors (e.g pre-investment environmental audits)
- > In addition, we require a yearly external audit on impact KPIs measurement.





Founded in 2014, Karos is a French short-distance carpooling platform for commuting trips.

Since its inception, it has facilitated over 6 million trips, thanks to a network of over 100,000 unique drivers, reaching a monthly activity of 280,000 trips in March 2023.

Its application, powered by artificial intelligence, intuitively learns each user's daily travel habits and anticipates market dynamics.

Its service, aimed at local authorities (cities, regions) and companies, allows them to offer the solution to their citizens and employees through a monthly subscription and a subsidy for part of the trips made.

Short-distance carpooling is identified as one of the main sources of reducing GHG emissions in transport. It also has a positive social impact by enabling i) carpoolers to reduce their expenses in a context of high energy prices ii) opening up territories and their inhabitants in rural areas.

## ✓ Impact KPIs

- > **KPI#1:** CO2 equivalent emissions avoided (tonnes)
- > **KPI#2:** NOx equivalent emissions avoided (tonnes)
- > **KPI#3:** Increase in purchasing power for carpoolers (million euros)
- > **KPI#4:** Percentage of low-density areas covered (%)





# O'Clock



O'Clock offers remote training in web development, which has a strong potential for job insertion, reintegration, and career change.

Beyond its traditional courses, a free program called Momentum was launched in 2021, aimed at introducing digital careers to people who are distant from the sector.

Its proprietary virtual classroom technology, tailored to these fields (including a coding cockpit, remote access technology, and a bespoke distance learning interface), enables effective remote pedagogy. The company markets its courses primarily to jobseekers, students, or those undergoing career changes, without requiring strong educational prerequisites.

Since its creation, O'Clock has supported over 6,000 learners, achieving a positive outcome rate of 60%.

## ✓ KPIs impact

> **KPI#1:** Number of learners supported

> **KPI#2:** Post-training positive outcome rate

> **KPI#3:** Percentage of learners unemployed

> **KPI#4:** Percentage of learners living in areas identified as isolated from digital training opportunities



# Alignment of interests on impact performance

- > We align financial and extra-financial performance since **50% of the team's carried interest and part of the Management incentives are determined by the achievement of extra-financial objectives.**
- > Indeed, The Impact Carried Interest represents 50% of the total Carried Interest of the Team. It is calculated based on the value of the Fund's Impact Percentage at the liquidation of the Fund.
- > This mechanism ensures that the team is incentivized to support the company in achieving its Impact objectives throughout the holding period. **The Impact Carried Interest is cumulatively conditional upon the achievement of the financial hurdle and upon the achievement of the Impact objectives** as follows:

Fund's Impact Percentage (based on Impact KPIs BP)	<50%	50-75%	>75%
% of the Impact Carried Interest distributed to the Team	0%	linear	100%

- > The **Impact Carried Interest which is not distributed to the Team will be donated to Ring Foundation** and will be spent to fund environmental and/or social non-profits in order to maximize the impact.
- > **We also align Management incentives with the impact performance**
  - 20 % of ESOP (BSPCE) Plan shall be determined by the achievement of the objective based on the Impact KPI(s);
  - 20 % of the variable remuneration of the Management (Executive Committee) will be determined by the achievement of the objective based on the Impact KPI(s).



# A **commitment to impact** from the whole team

**A dedicated  
Chief Impact Officer**  
within the corporate  
team



**Servane Metzger**  
#Strategy  
#Ecosystem  
#Foundation  
#Training

**An experienced  
Operating Partner**  
supporting portfolio  
companies



**Marie-Gabrielle Sorin**  
#Portfoliosupport  
#Theory of change

**An investment  
team trained  
and seasoned  
on impact  
methodologies**



**Nicolas Celier**  
#Managing  
Partner  
#Investor



**Geoffroy Bragadir**  
#Managing  
Partner #Entrepreneur



**Marie-Capucine Lemétais**  
#Partner #CMO  
#Fintech



**Pierre-Alexis de Vauplane**  
#Partner #EdTech  
#Investor



**Alban de La Bretèche**  
#Partner #CTO  
#Cyber



**Thomas Marsal**  
#Principal #Data  
#DeepTech



**Laure Tallon**  
#Associate  
#PE



**Laurent Babut**  
#Partner  
#Impact  
#Tech



**Charlotte Lafont**  
#Principal  
#Impact



**Daphné Dupont-Gurs**  
#Principal  
#Entrepreneur  
#Tech



**Gaspard Martin**  
#Principal  
#Seed  
#EDHEC



**Sibylle Behaghel**  
#Associate  
#Seed  
#EDHEC



# The **impact journey** of a portfolio company

## 3 pillars of impact support

### Impact sparring partner

- > Ad-hoc support
- > Challenges the impact strategy
- > Leverages Ring expertise

### Impact mentoring

- > Multiple workshops once a clear need is identified
- > Supports the company on a **mandatory definition of its mission model** (all portfolio companies are required to define a mission model, based on the existing one for purpose-driven companies - or "*sociétés à mission*")
- > Supports the company on a "*Entreprise à Mission*" / Purpose-driven company, or BCorp, journey

### Impact strategy

- > Once the mission and mission model are defined
- > Consulting mission for the company regarding key impact issues



# An impact strategy backed by a **strong governance**

We embody our impact strategy through governance in our portfolio companies and at GP level

## Portfolio companies



### Mission Committee / Sustainability board meetings

- Meetings once to twice a year
- Composition: investors and Management
- Monitoring of impact KPIs and ESG progression



## GP level



### Impact Committee

- Composition : members of Ring's Advisory Committee (LPs) and investors
- Twice a year
- **Validation of all impact Business Plans**



### Impact Advisory Board (future Mission committee)

- Composition : **independent experts** and Ring Team
- Challenge impact KPIs and policy
- Monitoring compliance with the Mission
- 2 to 3 times a year



# Ring's **Impact Advisory Board**

A dedicated governance body for sustainability & impact which will become our “Mission Committee”

**In order to structure its Impact and ESG policies, Ring Capital has built a dedicated governance body**

**The Impact Advisory Board' mission is to :**

- > challenge, inform and strengthen Ring's impact & sustainability vision and strategy
- > participate in a collective reflection on the challenges and perspectives of impact investing in technology
- > provide complementary expertise and advice, especially on impact KPIs enshrined in Impact BPs
- > share best practices that could be implemented by Ring
- > propose actions or new projects
- > challenge methods, processes and strategic points

## **Composition**

> **4 Ring members**

- Nicolas Celier, co-founder and MP
- Geoffroy Bragadir, co-founder and MP
- Servane Metzger, Chief Impact Officer
- Marie-Gabrielle Sorin, Operating Partner Impact & ESG

> **4 independent members**

- **Frédéric Lavenir**, President @ADIE, former CEO @CNP
- **Cécile Cabanis**, Deputy CEO @Tikehau
- **Thierry Sibieude**, Founder of the Chair of Innovation and Social Entrepreneurship @ESSEC
- **Valérie Quiniou**, strategy @Skyborn Renewables, former executive Director @ADEME





# Ring is **certified B Corp** with a score of 114.5

Being better for the world

- > Ring Capital obtained in January 2023 the B-Corp certification with **one of the highest score in the private equity sector**, rewarding our team's commitment to financing solutions for major social and environmental challenges
- > Ring Capital entered the B Corp certification process, that implies **6 main topics** :
  - Governance
  - People
  - Communities
  - Environment
  - Clients
  - Impact Business models

Certified



Corporation<sup>®</sup>



# Theory of change of Ring Capital

## > Ring Capital conducted in 2023 its Theory of change for its 4 main stakeholders

- Investors
- Entrepreneurs & portfolio companies
- Ring Team
- Planet and people

> We conducted this exercise with Thierry Sibieude, Professor @ESSEC

> Our methodology : collective workshops and stakeholders interviews

Besoins	Objectifs	Ressources	Activités & Réalisations	Résultats	Impact
1/ Déployer leurs fonds. 2/ Réaliser une belle performance financière sur leurs fonds investis. 3/ Être alignés avec leur stratégie / leurs pré-requis en tant qu'investisseurs (critères extra-financiers de plus en plus exigeants). 4/ Apprendre et grandir sur les sujets de finance à impact.	1/ Proposer des véhicules d'investissements à impact. 2/ Prouver auprès des LPs que l'on peut concilier la performance financière et la performance au niveau de l'impact. 3/ Eduquer les LPs sur les sujets autour de l'impact : - Enjeux - Secteurs - Mesure / Preuves - Résultats	1/ Une équipe d'investisseur performante tant sur la question financière que sur l'impact. 2/ Investir sur les fonctions "corporate" : - Relations investisseurs - Ecosystème - Contenu (newsletter, etc.) 3/ Investir sur l'influence → The Arcane 4/ Allouer un budget pour la formation des équipes Ring sur des sujets liés à l'impact. 5/ Allouer un budget pour l'animation de la communauté LPs : events, formations sur l'impact, soirées, etc. 6/ S'entourer d'experts sur les sujets impact / stratégie / opérations, etc.	1/ Lancement des fonds impact. 2/ Déploiement de ces fonds dans des entreprises à impact. 3/ Réalisation d'une performance financière. 4/ Réflexions autour de la Théorie du Changement de Ring. 5/ Efforts de communication : - Reporting - Rapport d'impact - Contenu 6/ Formation de l'équipe et des LPs sur les sujets liés à l'impact.	1/ Les LPs montent en compétences sur les sujets liés à l'impact : - Orientation de cette allocation vers des fonds à impact de qualité. 2/ Capacité à atteindre "l'étape 2" de l'impact : - Carried interest - Fonds evergreen	1/ Augmentation de l'allocation des fonds vers des fonds à impact. 2/ Orientation de cette allocation vers des fonds à impact de qualité. 3/ Capacité à atteindre "l'étape 2" de l'impact : - Carried interest - Fonds evergreen

Besoins	Objectifs	Ressources	Activités	Réalisations	Résultats
A/ Être acteur de la mission de Ring, les valeurs de Ring. B/ Accroître le sentiment d'appartenance à la communauté	A1/ Connaître la mission de Ring, les valeurs de Ring, le métier d'investisseur A2/ Définir son plan d'action individuel annuel B1/ Augmenter les moments informels B2/ Partager l'information B3/ Créer plus de moments de communion structurés et préparés	- Culture Team - Florence Bonpalx	A1a/ Culture book complet et mise à jour A1b/ Pitch me Ring aux moments de convivialité A2a/ Moment dédié pendant l'entretien annuel B1-3/ Culture Team doit travailler dessus cette année B2/ Restructuration du ail hands		

Besoins	Objectifs	Ressources	Activités	Réalisations	Résultats	Impact
Vivre dans le donut	Prise en compte des limites planétaires par nos participations	- Humaines : MGS + Directeurs de part - Financières : enveloppe dédiée au moment de notre investissement - Pédagogiques : boîte à outils	- bilan carbone systématique dans les participations - fresque de la biodiversité - ...	- Politique d'achat - Prise en compte de l'artificialisation des sols pour les locaux -	- Les participations ne travaillent plus avec certains fournisseurs	- Reduction des GES



# Our mission

Ring Capital is on its way to become a **purpose-driven company** (“société à mission”)

- > Ring Capital has modified its company statutes to include a corporate purpose (“raison d’être”) and is currently finishing the process to become a purpose-driven company (“entreprise à mission”)

- > Our **corporate purpose**:

**We actively direct capital towards vital solutions tackling major social and environmental challenges.**

**We help entrepreneurs and enterprises grow by fostering both impact and business performance.**

- > Our **mission model** will rely on 3 statutory objectives (and 9 operational objectives), to which are linked quantitative and qualitative KPIs to be attained over a 3-year horizon :
  - Objective 1: **Direct capital towards vital solutions for a fair transition through performing impact investment strategies**
  - Objective 2: **Support entrepreneurs to maximise their impact and value creation, by mobilising the expertise of our ecosystem**
  - Objective 3: **Gather and engage a living and open ecosystem to contribute the transition of finance**
- > **Compliance** with the mission model, statutory objectives, and related actions **will be verified and audited** at least every 3 years by an independent third-party organization (OTI)
- > Our Impact Advisory Board will become our **Mission Committee** (“comité de mission”) and a referent will be appointed from among the employees of Ring Capital.



# Ring Foundation

Investment and **venture philanthropy** must go hand in the advent of the new impact paradigm.

Our Foundation receives **5%** of Ring Mission and Ring Altitude II's **annual management fees**.



## Venture philanthropy

- > In order to resolve the world's major social and environmental challenges, a **continuum of impact** actions is needed, some of which cannot be backed by an economic business model. We however believe that our investors' skills can be very useful to help **non-profit organisations** grow.
- > We target nonprofits addressing a key environmental or social issue with strong impact potential and scaling capacity.
- > We provide selected charities with tailor-made **financial and operational support over 3-year programs**, providing them with adequate resources for their critical development needs (fundraising, governance, impact measurement, data, etc.)

### Supported charities



**Solidarity towards homeless people**

< CodePhenix >

**Coding formation for detainees**



**Fight against digital exclusion**



**Fight against poverty**

**FRATRIES**

**Coliving with young people with disabilities**



**Tech solutions for social entrepreneurs**

### Our support





# Our commitments

Our sustainable commitment is embodied with the signatures of **key charters and initiatives** in our ecosystem.

These commitments enable Ring to learn from inspiring partners and communities and structure our sustainable engagement.

## UN Principles for Responsible Investment



As a signatory of the UN Principles for Responsible Investment (PRI), Ring Capital is committed to fully implementing the six founding principles in its conduct of business.

## Initiative Climat International



In 2020 we became signatory of the Initiative Climat International

## Investor Commitment to Growth Charter - France Invest



As early adopters of the “*Charte d’engagement des investisseurs pour la croissance*”, Ring commits to adopt and promote 16 good practices based on 4 pillars (economic, social, environmental and about governance).

## Charte Parité France Invest x Sista



We became early signatories of the *Charte Parité France Invest* drawn up with the Sista Collective. By signing the charter, its signatories affirm their determination to adopt an active approach to promote gender parity in management companies and in companies supported by French private equity.



# Our initiatives

We are **members, or leaders, of several initiatives** that allow us to promote impact investing and its best practices, and to work collectively towards transitioning the world of finance towards greater responsibility



## Tech Your Place

Mobilized in favor of inclusion, diversity and equal opportunity in tech, we joined the *Tech your place* movement to promote best practices and we are now members of the Board.



## Mouvement Impact France

Created in 2020 from the merge of Mouves and TECH FOR GOOD FRANCE (of which Nicolas Célier was a co-founder), MIF is movement of entrepreneurs and managers who put ecological and social impact at the heart of their business.



## FAIR

FAIR, which stands for 'Finance – Accompany – Impact - Reunite', unifies different stakeholders of social impact finance in France and is the French center of expertise in this field at an international level.



## Impact Europe (ex EVPA)

Impact Europe is a network of impact capital providers along the full continuum of capital (foundations, impact funds, banks and financial institutions, corporate impact actors, public funders).



## PALM - Women Leadership Program

Born from a partnership between two funds committed to diversity and inclusion initiatives - Ring Capital and Serena, the program provides operational support to female founders and C-level executives to strengthen their leadership.



## #UnitedforImpact

Launched in December 2023 The #UnitedforImpact initiative gathers 40+ impact investors from 16 EU countries, who co-signed a public op-ed to call on EU institutions to better define impact investing in SFDR. It is an informal community uniting efforts in advocacy and sharing good practices.







## We innovate in the way we develop & influence our **ecosystem**

- > **Impact Growth Day / CEO Day**
- > **BOTH newsletter**
- > **Beyond Impact Podcast**
- > **PALM - Women Leadership Program**
- > **Impact Leadership Compass**
- > **#UnitedforImpact initiative**



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