RAISE became a signatory of “The Operating Principles for Impact Management in 2020.”
CONFIRMATORY STATEMENT OF ALIGNMENT WITH THE OPERATING PRINCIPLES FOR IMPACT MANAGEMENT

RAISE Impact (the “Signatory”) hereby affirms its status as a Signatory to the Operating Principles for Impact Management (the “Impact Principles”). This Disclosure Statement applies to the fund “Raise Impact” (the “Covered Assets”). The total assets under management in alignment with the Impact Principles are € 200 millions (approximately USD 236 millions) as of 31st of May 2021.

Name of the Institution: Raise Impact

Co-Heads of the fund “Raise Impact”: Aglaé Touchard Le Drian and Serge Bedrossian

Date: 31st of May 2021

Signatures:

Serge Bedrossian

Aglæ Touchard Le Drian
THE RAISE MODEL
- GENEROSITY AND FINANCE HANDS IN HANDS-

Our values

The sharing of success
• Generosity is the core of our business model. Individual success and collective achievement are two sides of the same coin: one cannot thrive independently of the other.

A passion for entrepreneurship
• Which lights us up each day, is to meet entrepreneurs, to understand their challenges and their difficulties and, once we believe in their project, to support them, to fight alongside them and turn their dreams and goals into reality by putting a first-class partnership network at their disposal, and with them, build the keys to their success.

A real interest in people
• Our credo: grow together. We are a solid, long term, benevolent partnership.

Excellence
• Because we are partners in trust. Trust in the entrepreneurs who support us, and that our endowment fund rests on the performance of our management companies; we treat excellence as a duty.
THE RAISE MODEL

VENTURE

RAISE Seed
- €80m
- Startups
- Tickets from €500k to €1.5m
- ESG-focused Seed

RAISE Ventures
- €100m
- Innovating and scalable startups
- Tickets from €1m to €7m

GROWTH

RAISE Impact
- €250m
- Small-cap / Impact
- Tickets from €5m to €15m

RAISE Investissement
- €600m
- Small and mid-cap Growth capital
- Tickets from €20m to €50m

IMMOBILIER

RAISE REIM
- €600m
- Tertiary real estate in Paris
- 6 assets

€500m

50%

Endowment fund
- Post-seed startups
- Financing, target support, animation of the ecosystem

50%

WHERE FINANCE MEETS PHILANTHROPY

Our investment teams donate 50% of their carried interest to the RAISEHERPAS endowment fund

300 startups supported
RAISE IMPACT

- A LEADER IN THE IMPACT INVESTING MARKET IN FRANCE AND EUROPE -
RAISE Impact

*RAISE, active member of (Impact and Climate commissions)*

*RAISE, signatory of the* [PRI](https://www.pri.org) [Principles for Responsible Investment]

*RAISE Impact, member of the EVPA*

*RAISE Impact, signatory of the Operating Principles for Impact Management*

*French Impact banner*

*Raise Impact, a fund labelled Luxflag*

---

**Strategic partnerships**

![CITERO](https://via.placeholder.com/150)

![SOLARIIMPULSE](https://via.placeholder.com/150)

![FRANCE VELANCE](https://via.placeholder.com/150)

![COMMUNAUTE DES ENTREPRISES A MISSION](https://via.placeholder.com/150)

![TECH FOR GOOD FRANCE](https://via.placeholder.com/150)

![IMAGICCI GEMS](https://via.placeholder.com/150)

---

**Other actors**

- Co-investors
- Banks
- Debt funds
- M&A intermediaries
- Consultants
- Scientific experts
PRINCIPLE 1: DEFINE STRATEGIC IMPACT OBJECTIVE(S), CONSISTENT WITH THE INVESTMENT STRATEGY.

The Manager shall define strategic impact objectives for the portfolio or fund to achieve positive and measurable social or environmental effects, which are aligned with the Sustainable Development Goals (SDGs), or other widely accepted goals. The impact intent does not need to be shared by the investee. The Manager shall seek to ensure that the impact objectives and investment strategy are consistent; that there is a credible basis for achieving the impact objectives through the investment strategy; and that the scale and/or intensity of the intended portfolio impact is proportionate to the size of the investment portfolio.

RAISE IMPACT has defined 4 priority investment themes linked to 12 key SDGs: Energy transition, agricultural transition, circular economy, and social inclusion.

**Energy Transition**
- Example of indicators monitored
  - Energy produced in Gwh
  - Tons of CO2 avoided

**Agricultural Transition**
- Example of indicators monitored
  - Tons of pesticides avoided
  - Tons of sustainably produced food resources

**Circular Economy**
- Example of indicators monitored
  - Tons of waste avoided
  - Cost savings for the community

**Social Inclusion**
- Example of indicators monitored
  - Number of beneficiaries
  - Number of people trained
PRINCIPLE 1:
DEFINE STRATEGIC IMPACT OBJECTIVE(S), CONSISTENT WITH THE INVESTMENT STRATEGY.

The Impact thesis of RAISE IMPACT is to support not only Impact-native companies but also help more classical companies which are willing to undergo a transformation or a transition.

TRANSFORMING COMPANIES: A MAIN IMPACT OPPORTUNITY

Breakdown of 145,000 French small/medium/intermediate companies according to their CSR management system

- 54% have an "appropriate" CSR management system
- 30% have an "inadequate" CSR management system
- 16% are "mission-based" companies

OBSERVATION
Setting mission-driven companies aside, we can see that impact opportunities exist in supporting the 54% of French small/medium/intermediate companies that have an "appropriate" CSR management systems and plan to improve their environmental and social trajectories.

SOURCES
- ecoVadis
- "Entreprises à mission en France : les entreprises de demain ?" (KPMG report)

***List of business categories as at 27/02/2018
**Taken from the 3rd edition of the EcoVadis study on CSR in companies, conducted in April 2019. A total of 2,996 French companies were surveyed between 2016 and 2018 for the purposes of this study.
**PRINCIPLE 1:**

DEFINE STRATEGIC IMPACT OBJECTIVE(S), CONSISTENT WITH THE INVESTMENT STRATEGY.

The theory of change of RAISE IMPACT can be defined through 3 main steps

<table>
<thead>
<tr>
<th>RAISE IMPACT THEORY OF CHANGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Long term support to entrepreneurs, up to 7 years holding period, focused on additionality</td>
</tr>
<tr>
<td>Target systemic impact on 12 SDGs through 4 main themes</td>
</tr>
<tr>
<td>Support not only impact native companies but also companies willing to undergo a sustainable transformation</td>
</tr>
</tbody>
</table>

1. **Active shareholder’s support based on additionality**
   - Energy Transition

2. **Powerful and diverse ecosystem made available to entrepreneurs (Network of large corporates, DFIs, experts, etc)**
   - Agricultural Transition

3. **Ambitious Impact Measurement and Management Methodology**
   - Circular Economy

4. **Long holding period if needed**
   - Social Inclusion

**Impact native companies:**
- Still minor part of the economy
- Average room for improvement
- Potential volume of additionality

**Companies looking to sustainably transform themselves:**
- Major part of the economy
- Higher rooms for improvement
- Potential volume of additionality

**Both targeted**
PRINCIPLE 1:
DEFINE STRATEGIC IMPACT OBJECTIVE(S), CONSISTENT WITH THE INVESTMENT STRATEGY.

In addition, clear impact objectives are defined and examined ex-ante by the Impact Committee for each company as it will be detailed in the Impact Principles 2, 3 and 6. The Impact Committee is composed by 3 RAISE’s members and 3 external/advisory members to ensure a diverse and challenging vision.

- IMPACT COMMITTEE -

Clara Gaymard
Co-founder
RAISE

Eric Coisne
Senior Advisor
RAISE Impact

Aglaé Touchard-Le Drian
Partner
RAISE Impact

Martin Spitz
Adviser
Fondation de France

Arnaud Mourot
Director for Europe
Ashoka

Pierre Menet
Head of Impact Funds
Caisse des Dépôts

3 main impact analysis are prepared for each Impact Committee:

• The definition of the contribution to the SDGs

• A theory of change framework which helps emphasize the positive and potentially negative impact of a company

• A dedicated analysis of the additionality of RAISE and the targeted company
PRINCIPLE 2: MANAGE STRATEGIC IMPACT ON A PORTFOLIO BASIS.

The Manager shall have a process to manage impact achievement on a portfolio basis. The objective of the process is to establish and monitor impact performance for the whole portfolio, while recognizing that impact may vary across individual investments in the portfolio. As part of the process, the Manager shall consider aligning staff incentive systems with the achievement of impact, as well as with financial performance.

As stated in Principle 4 and Principle 5 in the next slides, ESG and Impact are deeply rooted in the investment decision-making process. The capacity to deliver impact guides investment choices. To assert this will, incentive schemes include both financial and impact goals for Raise Impact - and their investees when possible.

2.1 IMPACT BUSINESS PLAN*

In a process of co-construction with management, RAISE Impact selects relevant impact KPIs correlated with the company’s activity and then determines the methodologies for calculating these KPIs.

Finally, thanks to these KPIs RAISE Impact co-constructs an Impact Business Plan to follow the company’s trajectory over time.

EXAMPLES OF KPIs SET IN THE IMPACT BUSINESS PLAN

- **Environmental level**
  - Tons of waste avoided
  - Mhw of energy produced or saved
  - Tons of insecticides avoided

- **Social level**
  - Type and number of beneficiaries
  - SROI

*Only for direct investment

2.2 COMMITMENT OF THE MANAGEMENT*

In a bilateral logic *, RAISE Impact co-constructs rules of engagement with entrepreneurs based on impact criteria.

EXAMPLES OF RULES

Triggering of a management package thanks to the achievement of impact objectives giving room to an increase of a % of the capital for the benefit of the founders.

* Part of the carried interest of the RAISE Impact team is indexed to the achievement of impact objectives

2.3 ALIGNEMENT OF THE FUND MANAGER WITH THE IMPACT KPIs*

While the management package of the portfolio company is linked to impact KPI, this is also the case at the fund level.

A part of the carried interest of RAISE Impact is linked to the achievement of extra-financial KPI: we calculate at the company level an impact performance ratio (achieved results/target KPI) that we aggregate at the fund level (weighting it by the invested amount)

*Only for direct investment
**PRINCIPLE 2:**

**MANAGE STRATEGIC IMPACT ON A PORTFOLIO BASIS.**

RAISE IMPACT is committed to track consolidated impact at the fund level in 2 main ways: aggregated Impact KPIs and precise contributions to the SDGs.

### 2.4 TRACKING OF 7 CONSOLIDATED KPIs*

**Social Aspect**

<table>
<thead>
<tr>
<th></th>
<th>Number of permanent jobs</th>
<th>Outside the EU</th>
<th>In the EU</th>
<th>Net total creation of jobs</th>
<th>Net job creation outside the EU</th>
<th>Net job creation within the EU</th>
<th>Number of beneficiaries</th>
<th>Number of persons trained</th>
<th>Patients cured</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>1 759</td>
<td>1 257</td>
<td>502</td>
<td>253</td>
<td>197</td>
<td>56</td>
<td>2 334 907</td>
<td>4 179</td>
<td>222 000</td>
</tr>
</tbody>
</table>

**Environmental Aspect**

<table>
<thead>
<tr>
<th></th>
<th>Tons of waste and/or harmful products avoided</th>
<th>Of which insecticide</th>
<th>Clean energy generated in GwH</th>
<th>Tons of CO2 avoided</th>
<th>Tons of CO2 compensated</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>14 750 t</td>
<td>13 535 t</td>
<td>77 GwH</td>
<td>22 966 t</td>
<td>6 400 t</td>
</tr>
</tbody>
</table>

Impact points are computed based on RAISE Impact’s scoring methodology. For direct investments, they correspond to the impact ratio multiplied by the impact turnover in year N. For indirect investments, they correspond to the impact ratio multiplied by the amount committed by France 2i.

*For both direct and indirect investments

### 2.5 TRACKING OF INVESTMENTS CONTRIBUTION TO SDGs*

**Illustration example, the methodology is explained in the video slide 17**

<table>
<thead>
<tr>
<th></th>
<th>Company 1</th>
<th>Impact points*</th>
<th>1.2 Pts</th>
<th>1.2 Pts</th>
<th>0.3 Pt</th>
<th>1.5 Pts</th>
<th>1.5 Pts</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>Company 2</td>
<td>Impact points*</td>
<td>13.7 Pts</td>
<td>13.7 Pts</td>
<td>13.7 Pts</td>
<td>4.95 Pts</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Company 3</td>
<td>Impact points*</td>
<td>25 Pts</td>
<td>25 Pts</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Company 4</td>
<td>Impact points*</td>
<td>1 Pt</td>
<td>15 Pts</td>
<td>15 Pts</td>
<td>15 Pts</td>
<td></td>
</tr>
</tbody>
</table>

**Total Impact points**

*For both direct and indirect investments
**PRINCIPLE 3: ESTABLISH THE MANAGER’S CONTRIBUTION TO THE ACHIEVEMENT OF IMPACT.**

The Manager shall seek to establish and document a credible narrative on its contribution to the achievement of impact for each investment. Contributions can be made through one or more financial and/or non-financial channels. The narrative should be stated in clear terms and supported, as much as possible, by evidence.

The RAISE IMPACT potential additionality concerning each investee is assessed and challenged at the first steps of the investment process during the Impact Committee for which a special framework is prepared.

---

**Investment timeline of RAISE IMPACT**

**INVESTMENT**
- Prior analysis (impact and business)
- Impact Business Plan established with management
- Impact Committee

**DIVESTMENT**
- Biannual reporting (financial and impact)
- Monitoring and updating of the Impact BP
- Cumulative impact measurement
- Performance calculation
PRINCIPLE 3: 
ESTABLISH THE MANAGER’S CONTRIBUTION TO THE ACHIEVEMENT OF IMPACT.

Then, a roadmap of RAISE IMPACT additionality is set for each investment. Here is an illustration of RAISE IMPACT additionality concerning 2 investees:

<table>
<thead>
<tr>
<th>COMPANY A</th>
<th>COMPANY B</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>IMPACT</strong></td>
<td><strong>IMPACT</strong></td>
</tr>
<tr>
<td>• Structuring an action plan from the ESG audit</td>
<td>• Structuring an action plan, from the ESG audit</td>
</tr>
<tr>
<td>• Definition of an Impact Business Plan</td>
<td>• Definition of an Impact Business Plan</td>
</tr>
<tr>
<td>• Variable share of the CEO conditioned to impact KPIs resulting from the ESG audit and the impact BP</td>
<td>• Regular follow up of environmental and social progresses at the board level</td>
</tr>
<tr>
<td>• External life cycle analysis and carbon footprint audit</td>
<td>• Implementation of an ESG reporting made of 130 KPIs</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>BUSINESS DEVELOPMENT &amp; CONNECTIONS</strong></th>
<th><strong>BUSINESS DEVELOPMENT &amp; CONNECTIONS</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>• Connection with 2 large corporates (commercial partnerships), financial partnerships (pre-financing of renovation aid), digital and brand experts, 2 companies for build ups (energy storage batteries, and hardware installation network)</td>
<td>• Connection with 14 digital services companies for possible partnerships or build ups</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>ORGANIZATION</strong></th>
<th><strong>ORGANIZATION</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>• Support on the recruitment of key functions (CFO, CTO, sales manager)</td>
<td>• Support in the group’s digital strategy</td>
</tr>
<tr>
<td>• Support in the legal structuring of relations with subsidiaries</td>
<td>• Support in the group’s expansion strategy</td>
</tr>
<tr>
<td>• Support in the group’s digital strategy</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>FINANCIAL / STRUCTURATION</strong></th>
<th><strong>FINANCIAL / STRUCTURATION</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>• Innovative financial structuration with a mix of equity and quasi equity and extra financial incentives</td>
<td>• Setting up a financial reporting and a ‘board pack’ model</td>
</tr>
<tr>
<td>• Setting up a monthly reporting</td>
<td>• Introduction to other financial partners</td>
</tr>
<tr>
<td>• Review of business processes and follow-up</td>
<td></td>
</tr>
<tr>
<td>• Introduction to other financial partners</td>
<td></td>
</tr>
</tbody>
</table>
PRINCIPLE 3:

ESTABLISH THE MANAGER’S CONTRIBUTION TO THE ACHIEVEMENT OF IMPACT.

RAISE also organize and propose Webinars regarding ESG & Impact to its investees. For instance, in January 2021, a webinar welcoming all RAISE’s portfolio companies was organized regarding the best practices in terms of ESG Reporting.

- Here is a screenshot of the ESG webinar mentioned above held in January 2021.

- The members of RAISE ESG Committee were present alongside SIRSA consultants to help 25 investees improve their process in terms of ESG reporting and show them how ESG data could be used relevantly.

- Organisation of impact workshops for external impact events (Change Now, EVPA, Phenix Capital, Finance for Tomorrow, etc)
For each investment, the Manager shall assess, in advance and, where possible, quantify the concrete, positive impact potential deriving from the investment. The assessment should use a suitable results measurement framework that aims to answer these fundamental questions: (1) What is the intended impact? (2) Who experiences the intended impact? (3) How significant is the intended impact? The Manager shall also seek to assess the likelihood of achieving the investment’s expected impact. In assessing the likelihood, the Manager shall identify the significant risk factors that could result in the impact varying from ex-ante expectations. In assessing the impact potential, the Manager shall seek evidence to assess the relative size of the challenge addressed within the targeted geographical context. The Manager shall also consider opportunities to increase the impact of the investment. Where possible and relevant for the Manager’s strategic intent, the Manager may also consider indirect and systemic impacts. Indicators shall, to the extent possible, be aligned with industry standards and follow best practice.

RAISE IMPACT has developed an impact rating methodology based on the contribution of a company to the SDGs allowing to (1) qualify the level of Impact of a company regardless of its size, (2) to quantify its volume of Impact by weighting its level of Impact by its Impact turnover.

Here is a video explaining the scoring methodology of RAISE IMPACT:
PRINCIPLE 4:
ASSESS THE EXPECTED IMPACT OF EACH INVESTMENT, BASED ON A SYSTEMATIC APPROACH.

Calculation of the Total Impact Ratio (Ri)

Share of the revenue that contributes to the achievement of an indicator for SDG #i (in % of total turnover)

Weighting according to direct or indirect impact

To qualify the level of impact with a grade

0 < Ri < 5
5 < Ri < 10
10 < Ri < 15
15 < Ri

The Total Impact Ratio enables

To quantify the volume of impact with a score

0 < X Pts < 50
50 < X Pts < 150
150 < X Pts < 300
300 < X Pts

*Like the AAA in market finance, RAISE Impact has introduced the triple "I" classification for impact businesses.

Methodology built in partnership with Reporting21

The method distinguishes between direct and indirect impact in order to consider the level of contribution and depth of impact, 2 concepts that are found in the IMP method.
PRINCIPLE 4:
ASSESS THE EXPECTED IMPACT OF EACH INVESTMENT, BASED ON A SYSTEMATIC APPROACH.

The scoring methodology developed by RAISE IMPACT helps to grasp the impact performance of an investee over time and also compare it with other peers as shown below.

Distribution of Investees according to their level and volume of impact regarding the SDGs as for 31/12/2020
**PRINCIPLE 4:**

ASSESS THE EXPECTED IMPACT OF EACH INVESTMENT, BASED ON A SYSTEMATIC APPROACH.

The ESG performance of each portfolio company is tracked annually and compared to previous year in the annual report such as shown below.

- Here is an extract of the ESG reporting framework set in RAISE IMPACT annual ESG and Impact report for each portfolio company*.

- The comparison with previous year performance helps emphasize the transformation and progress unfolding in a company.

- The risk that the expected positive impacts or ESG performance of the company is not achieved is reviewed at least annually at the board level.

*For direct investment only

<table>
<thead>
<tr>
<th>GOUVERNANCE</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gouvernance opérationnelle (nb. de membres)</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td>Part de femmes (%)</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Code éthique formalisé</td>
<td>Non</td>
<td>Oui</td>
</tr>
<tr>
<td>Certifications*</td>
<td>Oui</td>
<td>Oui</td>
</tr>
<tr>
<td>Politique RSE (charte / engagement)</td>
<td>Non</td>
<td>Oui</td>
</tr>
<tr>
<td>Responsable RSE</td>
<td>Oui</td>
<td>Oui</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>SOCIAL</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Effectif physique au 31/12</td>
<td>150</td>
<td>166</td>
</tr>
<tr>
<td>Taux de fréquence des accidents du travail avec arrêt Moyenne sectorielle (TF AT)</td>
<td>3.9</td>
<td>3.5</td>
</tr>
<tr>
<td>Part d’effectifs en France (%)</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>Taux de gravité des accidents du travail avec arrêt Moyenne sectorielle (TG AT)</td>
<td>N/D</td>
<td>0.1</td>
</tr>
<tr>
<td>Part de CDI (%)</td>
<td>87</td>
<td>93</td>
</tr>
<tr>
<td>Accidents mortels</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Part de femmes (%)</td>
<td>39</td>
<td>40</td>
</tr>
<tr>
<td>Salariés formés (%)</td>
<td>N/D</td>
<td>50</td>
</tr>
<tr>
<td>Turnover (%)</td>
<td>26</td>
<td>18</td>
</tr>
<tr>
<td>Part de salariés actionnaires (%)</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>Création d’emplois</td>
<td>23</td>
<td>15</td>
</tr>
<tr>
<td>Partage de la valeur non obligatoire</td>
<td>Oui</td>
<td>Oui</td>
</tr>
<tr>
<td>Taux d’absentéisme (%)</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>Protection sociale non obligatoire</td>
<td>Non</td>
<td>Oui</td>
</tr>
<tr>
<td>Litiges sociaux</td>
<td>Oui</td>
<td>Oui</td>
</tr>
</tbody>
</table>
PRINCIPLE 5: ASSESS, ADDRESS, MONITOR, AND MANAGE POTENTIAL NEGATIVE IMPACTS OF EACH INVESTMENT.

For each investment the Manager shall seek, as part of a systematic and documented process, to identify and avoid, and if avoidance is not possible, mitigate and manage Environmental, Social and Governance (ESG) risks. Where appropriate, the Manager shall engage with the investee to seek its commitment to take action to address potential gaps in current investee systems, processes, and standards, using an approach aligned with good international industry practice. As part of portfolio management, the Manager shall monitor investees’ ESG risk and performance, and where appropriate, engage with the investee to address gaps and unexpected events.

The ESG risks and negative impact are assessed prior to the investment and then followed among a list of 130 ESG KPIs

5.1 ESG DUE DILIGENCE

RAISE IMPACT systematically conducts an ESG due diligence during the investment process. When necessary, this due diligence is completed by an audit carried out by an independent agency based on the methodology of the Sustainability Accounting Standards Board, an independent body founded in 2011 which defines ESG accounting standards. These standards specify the key issues and the risks to be assessed primarily for each sector.

5.2 ESG ANNUAL REPORTING WITH A DETAILED LIST OF 130 KPIs

In order to track the ESG performance of its portfolio, RAISE IMPACT has defined a detailed list of 130 KPIs which includes the disclosure of potential negative impacts such as working accidents, liabilities or industrial incidents. Also, this ESG tracking includes the different types of energy consumption and the evaluation of the carbon footprint of the company ranging from scope 1 to scope 3.

This reporting is completed thanks to the Saas platform Reporting21 which helps collect and analyse ESG data in a precise and secure way.

DISTRIBUTION OF THE ESG KPIS BY CATEGORY

- Governance: 5%
- Environmental footprint: 21%
- Social consequences: 36%
- Supply chain: 31%
- Adhesion to RAISE values: 7%

5.3 EXCLUSION LIST

The exclusion list is compliant with AML / CFT procedures and related to the signing of UNPRIs.
PRINCIPLE 6: MONITOR THE PROGRESS OF EACH INVESTMENT IN ACHIEVING IMPACT AGAINST EXPECTATIONS AND RESPOND APPROPRIATELY.

The Manager shall use the results framework (referenced in Principle 4) to monitor progress toward the achievement of positive impacts in comparison to the expected impact for each investment. Progress shall be monitored using a predefined process for sharing performance data with the investee. To the best extent possible, this shall outline how often data will be collected, the method for data collection, data sources, responsibilities for data collection, and how, and to whom, data will be reported. When monitoring indicates that the investment is no longer expected to achieve its intended impacts, the Manager shall seek to pursue appropriate action. The Manager shall also seek to use the results framework to capture investment outcomes.

6.1 DEFINITION OF AN ENVIRONMENTAL AND SOCIAL ACTION PLAN (ESAP)*

Thanks to the areas for improvement identified during the ESG audit, an ESAP can be built to define the actions necessary to be implemented and the objectives to be achieved in order to improve the environmental and social performance of a company. The ESAP is reviewed at least annually.

Extract of an ESAP

| Environmental Risk Management - residual waste: wastewater, residual solids |
|---|---|---|
| Action required | Timeframe | Deliverable* |
| Agreement on the acceptable residual water and solid waste parameters for Investors, in line with the IFC General EHS Guidelines | 12 months from contract: Agreement of the parameters for residual water & solids | Set of agreed parameters |
| Design and implementation of wastewater treatment or recovery facility | 24 months from investment: design and construction of the wastewater treatment facility alongside the factory | Design and building of the water treatment equipment |
| Protocol to dispose safely of the residuals waste streams identified in the EIA in line with IFC General EHS Guidelines, and the local legislation |  | Internal waste management policy document (or appropriate sections in the process manual) |

6.2 OBJECTIVES SET IN AN IMPACT BUSINESS PLAN*

The Impact Business Plan is the translation of a company’s activities in social and environmental KPIs that are measurable and verifiable in order to engage and follow the management on an impact trajectory over time. The progress of Impact Business Plans is reviewed at least on a semestrial basis.

Here is a non exhaustive example of a company acting in the green mobility sector:

<table>
<thead>
<tr>
<th>Impact KPIs</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of people trained</td>
<td>6.1K</td>
<td>17.5K</td>
<td>41.1K</td>
<td>77.9K</td>
</tr>
<tr>
<td>Number of vehicles equipped</td>
<td>6.1K</td>
<td>17.5K</td>
<td>41.1K</td>
<td>77.9K</td>
</tr>
<tr>
<td>Gas saved (in liters)</td>
<td>9376.6K</td>
<td>2.8M</td>
<td>6.6M</td>
<td>12.4M</td>
</tr>
<tr>
<td>Tons of CO2 avoided (in EqCo2)</td>
<td>2.3K</td>
<td>7.0K</td>
<td>16.4K</td>
<td>31.0K</td>
</tr>
<tr>
<td>Tons of CO2 offset</td>
<td>86.4K</td>
<td>140.9K</td>
<td>265.2K</td>
<td>513.1K</td>
</tr>
<tr>
<td>Number of km offset</td>
<td>921.1M</td>
<td>265.5M</td>
<td>624.6M</td>
<td>1184.8M</td>
</tr>
<tr>
<td>Number of trees financed</td>
<td>73.8K</td>
<td>125.0K</td>
<td>234.3K</td>
<td>432.5K</td>
</tr>
</tbody>
</table>

6.3 ONGOING MONITORING AT THE BOARD LEVEL

Whereas it is at the ESG Committee or at the board, RAISE IMPACT manages the results of the Impact Business Plan and the ESAP mentioned above and take corrective actions if needed.
PRINCIPLE 7: CONDUCT EXITS CONSIDERING THE EFFECT ON SUSTAINED IMPACT.

When conducting an exit, the Manager shall, in good faith and consistent with its fiduciary concerns, consider the effect which the timing, structure, and process of its exit will have on the sustainability of the impact.

RAISE IMPACT is a minority shareholder, yet the fund is engaged to push for buyers who are able to preserve the sustainability of the company’s impacts and ready to maintain good ESG practices. There are 3 steps to help ensure that.

7.1 CHALLENGE THE INTENTIONALITY OF THE MANAGEMENT*

At the beginning of the investment process, it is key to challenge the intentionality of the management and to test the long term vision of the entrepreneurs notably on their exit schemes. These questions appear to be useful to assess the intentionality soon in the process and check the potential alignment with RAISE IMPACT criteria.

7.2 EXIT CLAUSE IN SHAREHOLDER’S AGREEMENT*

To ensure exits are aligned with impact, Raise impact team will add – whenever possible – an exit clause to the LPA such as: “The shareholders shall conduct exits, considering the effect on sustained impact for the company”

7.3 ASSESSMENT OF POTENTIAL BUYERS*

The investment team will check the reputation and track-record of potential purchasers and interview them on their intentions in relation to responsible ESG practices. Also, the team will check if potential buyers consider the impact and ESG strategy of the company as a valuable asset which needs to be preserved. The buyer typology identified are:

- Impact funds in France or abroad
- Industrials, large corporations, SMEs
- Private equity funds, Family offices

*Only for direct investment
PRINCIPLE 8: REVIEW, DOCUMENT, AND IMPROVE DECISIONS AND PROCESSES BASED ON THE ACHIEVEMENT OF IMPACT AND LESSONS LEARNED.

The Manager shall review and document the impact performance of each investment, compare the expected and actual impact, and other positive and negative impacts, and use these findings to improve operational and strategic investment decisions, as well as management processes.

To ensure the robustness of its approach and learn constantly, RAISE IMPACT uses external controls carried out by third parties based on their specific expertise.

8.1 EXTERNAL CONTROL AND REVIEW

- **Systematic ESG Audit**
  - Example: **pwc**
    - International group specialized in audit and advisory missions
  - Example: **ekodev**
    - French audit and consulting firm specialized in sustainable development

- **When relevant, Lifecycle analysis & Impact KPIs Audit**
  - Example: **Quantis**
    - International group specialized in advisory missions in sustainable development, particularly lifecycle analyses
  - Example: **eveo**
    - Consulting firm specialized in assessing the environmental performance of products and services.

- **ESG Reporting & Data Analysis**
  - Example of independant players: **Sirsa**, **Reporting 21**
    - Sirsa / Reporting 21 is an ESG data collection and analysis solution using saas software and a dedicated consulting offer

- **ESG Audit/ Impact at the exit**
  - At the end of the investment period to emphasis the progress achieved
  - Example of independant players: **Pwc, Ekodev**

8.2 CONTINUOUS IMPROVEMENT

Based on these feedbacks, the investment team aims at constantly improving the process and its methodology.
PRINCIPLE 8:
REVIEW, DOCUMENT, AND IMPROVE DECISIONS AND PROCESSES BASED ON THE ACHIEVEMENT OF IMPACT AND LESONS LEARNED.

8.3 ANNUAL ASSESSMENT AND REVIEW OF ESG MATURITY

After each ESG reporting period, an external advisory of the company SIRSA, analyses and assesses the ESG maturity of each investee based on the ESG sectorial taxonomy of the SASB.

Alongside the ESAP seen in principle 6, this review offers an additional way to track the progress achieved over time and the remaining ESG stakes that need to be addressed.

8.4 PUBLICATION OF ANNUAL IMPACT AND ESG REPORT

Each year the investment team issues a detailed ESG and Impact report which includes a public version. This report is also completed every year by an impact case study based on one of the investees.
**PRINCIPLE 9:** PUBLICLY DISCLOSE ALIGNMENT WITH THE IMPACT PRINCIPLES AND PROVIDE REGULAR INDEPENDENT VERIFICATION OF THE ALIGNMENT.

The Manager shall publicly disclose, on an annual basis, the alignment of its impact management systems with the Principles and, at regular intervals, arrange for independent verification of this alignment. The conclusions of this verification report shall also be publicly disclosed. These disclosures are subject to fiduciary and regulatory concerns.

9.1 **NOVEMBER 2020:** AD HOC AUDIT MADE FOR « IMPACT GEMS » (PHENIX CAPITAL)

Engaged in a continuous improvement approach, RAISE IMPACT decided to be audited and assessed by GEMS Impact, an independent rating framework created by Phenix Capital to evaluate impact funds through 33 dimensions. RAISE Impact obtained one of the highest score delivered so far: **55/66**

9.2 **JANUARY 2021:** ARTICLE 9 SFRD CLASSIFICATION

RAISE IMPACT has upgraded its legal documentation and integrated a new SFRD Article 9 classification i.e sustainable investment fund with dedicated objectives set.

9.3 **FEBRUARY 2021:** AUDIT FOR THE LUX FLAG LABEL

In view of getting challenged and certified at a European level, RAISE IMPACT decided to apply to LuxFlag, a European Label which sets high standard regarding sustainable finance. The fund passed the audit successfully and obtained the LuxFlag Label in February 2021.

9.4 **APRIL 2021:** ALIGNEMENT WITH THE OPERATING PRINCIPLES FOR IMPACT MANAGEMENT

As a signatory to the Impact Principles, RAISE Impact launched, in May 2021, a dedicated audit conducted by the independent advisor Better Way to check its alignment with the 9 Impact Principles. RAISE Impact will conduct a verification report through an independent advisor every 3 years.