IMPACT PRINCIPLES DISCLOSURE
STATEMENT RELATED TO RAISE Impact

Operating Principles for Impact Management

RAISE Impact 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 RAISE Impact fund. The total assets referred to in this statement (the “Covered Assets”) represented € 257 millions (approximately USD 261 millions) as of 30 June 2023.

Name of the Institution: RAISE Impact

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

Date: 30 June 2023

Signatures:  

Serge Bedrossian  

Aglaé Touchard Le Drian

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Our purpose: Develop an innovative and generous ecosystem to support visionary entrepreneurs and to build with them a responsible and sustainable economy

**COMMITMENT 1:**
WE SHARE SUCCESS IN THE SERVICE OF ENTREPRENEURS

**COMMITMENT 2:**
WE MAKE PARITY AND DIVERSITY A SOURCE OF PERFORMANCE AND HARMONY

**COMMITMENT 3:**
WE ARE COMMITTED TO MEASURING THE ECONOMIC, ENVIRONMENTAL AND SOCIAL VALUE OF OUR ACTIONS AND TO SUPPORTING THE SUSTAINABLE TRANSFORMATION OF COMPANIES

**COMMITMENT 4:**
WE PUT INNOVATION AT THE HEART OF OUR DEMAND FOR EXCELLENCE
**THE RAISE MODEL**

**VENTURE**
- RAISE Seed for Good
- VC in Europe - Impact

**RAISE Ventures**
- VC in Europe - ESG

**GROWTH**
- RAISE Impact
- Small-Cap PE in Europe - Impact

**RAISE Investissement**
- Small-Cap PE in France - ESG

**REAL ESTATE**
- RAISE REIM
- Value-Add RE in France - ESG & Impact

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

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**OUR PURPOSE:**
"TO DEVELOP AN INNOVATIVE AND GENEROUS ECOSYSTEM TO SUPPORT VISIONARY ENTREPRENEURS AND BUILD A RESPONSIBLE AND SUSTAINABLE ECONOMY WITH THEM."

**RAISEHERPAS**
- +500 startups supported

Philanthropic Accelerator
- Post-seed startups
- Financing, target support, animation of the ecosystem

---

2020

2021
STRATEGIC PARTNERSHIPS
- RAISE Impact’s ECOSYSTEM -

RAISE Impact
- RAISE Impact, active member of
- RAISE Impact, signatory of the Impact Management Principles
- RAISE, signatory of the PRI Principles for Responsible Investment
- RAISE Impact, member of
- RAISE active members of Impact and Climate commissions
- RAISE Impact, active member and contributor to
- French Impact Banner

Strategic partnerships
- CITEO
- Lab
- WWF
- dirigeants responsables de l’ouest
- ASHORA
- SOLARIMPULSE
- Climate
- carbone4 académie
- TECH FOR GOOD FRANCE
- COMMUNAUTE DES ENTREPRISES A MISSION
- GEMS

Other actors
- Co-investors
- Banks
- Debt funds
- M&A intermediaries
- Consultants
- Scientific experts

And many others...
DEFINE STRATEGIC IMPACT OBJECTIVE(S), CONSISTENT WITH THE INVESTMENT STRATEGY.
**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.

### 1 Energy Transition

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

### 2 Agricultural Transition

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

### 3 Circular Economy

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

### 4 Social Inclusion

**Example of indicators monitored**
- Number of beneficiaries
- Number of people trained
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

* 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.

** List of business categories as at 27/02/2018

*** Taken from the KPMG report "Entreprises à mission en France : les entreprises de demain ?"
### PRINCIPLE 1:
DEFINITE STRATEGIC IMPACT OBJECTIVE(S), CONSISTENT WITH THE INVESTMENT STRATEGY.

### RAISE Impact’s THEORY OF CHANGE (as of 31/12/2022)

<table>
<thead>
<tr>
<th>Inputs</th>
<th>Actions</th>
<th>Outputs</th>
<th>Impacts</th>
</tr>
</thead>
<tbody>
<tr>
<td>€257m AuM</td>
<td>Invest in solutions addressing urgent and important global issues</td>
<td>7 operations</td>
<td>Contribute to the 17 UN SDGs</td>
</tr>
<tr>
<td>15 portfolio companies</td>
<td>Support companies in their growth as an active minority shareholder</td>
<td>1 exit</td>
<td>Reduce GHG emissions</td>
</tr>
<tr>
<td>10 investment and professionals</td>
<td>Measure and improve positive impacts while reducing negative externalities</td>
<td>€74m invested</td>
<td>Efficiently use planetary resources</td>
</tr>
</tbody>
</table>
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

Jean Saslawsky Strategic dev. Project leader Fondation de France
Arnaud Mourot Director for Europe Ashoka
Pierre Menet Head of Impact Funds Caisse des Dépôts

3 main impact analyses 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
MANAGE STRATEGIC IMPACT ON A PORTFOLIO BASIS.
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, ESG and Impact are deeply rooted into the investment decision-making process. The ability to deliver impact guides investment decisions. To assert this commitment, incentive schemes include both financial and impact goals for RAISE Impact and investees, when possible.

2.1 IMPACT BUSINESS PLAN*

For each of its investments, RAISE Impact defines an Impact Business Plan with the company’s management, allowing it to track the Impact trajectory of its portfolio investments.

Impact Business Plans are prepared as follows:
1. Indicators are suggested that are attributable to the company’s activities and correlated with its revenue;
2. Indicators are suggested that are measurable, verifiable and comparable (i.e., from impact frameworks like IRIS+);
3. Details of the methods used to calculate these indicators are set out;
4. The methods used to calculate the most strategic indicators are tested by an independent agency;
5. The Impact BP is attached to the BP and the management commits to achieving these goals.

EXAMPLES OF KPIs SET IN THE IMPACT BUSINESS PLAN:
- Environmental level
  - Tons of waste avoided
  - Kwh of energy produced or saved
  - Tons of insecticides avoided
- Social level
  - Type and number of beneficiaries
  - SROI

2.2 COMMITMENT OF THE MANAGEMENT*

For each investment that it makes, RAISE Impact secures a commitment from the management to implement the Impact Business Plan and endeavors to align the management’s compensation with non-financial criteria, if this is allowed by the fundraising terms.

EXAMPLES OF RULES:

The achievement of impact objectives will trigger a management package, giving room to an increase of a % of the capital for the benefit of the founders.

2.3 ALIGNMENT 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 CONSOLIDATED KPIs*

Illustration of consolidated impact at fund level for year 2022

<table>
<thead>
<tr>
<th>SOCIAL ASPECT</th>
<th>VALUE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of permanent jobs*</td>
<td>24,020</td>
</tr>
<tr>
<td>Outside the EU</td>
<td>78</td>
</tr>
<tr>
<td>In the EU</td>
<td>17,818</td>
</tr>
<tr>
<td>Number of beneficiaries**</td>
<td>4,954,995</td>
</tr>
<tr>
<td>Number of persons trained</td>
<td>171,987</td>
</tr>
<tr>
<td>Patients cured</td>
<td>471,693</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>ENVIRONMENTAL ASPECT</th>
<th>VALUE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tons of waste and/or harmful products avoided</td>
<td>19,218</td>
</tr>
<tr>
<td>Of which insecticide</td>
<td>15,875</td>
</tr>
<tr>
<td>Clean energy generated in MwH</td>
<td>1,598,315</td>
</tr>
<tr>
<td>Tons of CO2 avoided</td>
<td>726,087</td>
</tr>
</tbody>
</table>

Notes: (*) The permanent jobs of IPA 2, Eqwal and the Sustainable Ocean Fund are included in the total number of permanent jobs but not in the geographical breakdown. Details could not be provided at the time the report was published. (**) As Investisseurs & Partenaires was unable to consolidate data on the number of beneficiaries at the time the report was published, 2021 data was used.
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.

2.5 TRACKING INVESTMENTS’ CONTRIBUTION TO SDGs*

Illustration - the methodology is explained in Principle 4

1 Direct contribution to the SDG** – Direct portfolio as of 12/31/2022

<table>
<thead>
<tr>
<th>SDG</th>
<th>Contribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>10</td>
<td>22.0 M€</td>
</tr>
<tr>
<td>7</td>
<td>15.3 M€</td>
</tr>
<tr>
<td>4</td>
<td>12.0 M€</td>
</tr>
<tr>
<td>3</td>
<td>11.8 M€</td>
</tr>
<tr>
<td>9</td>
<td>10.4 M€</td>
</tr>
<tr>
<td>15</td>
<td>3.7 M€</td>
</tr>
<tr>
<td>12</td>
<td>1.6 M€</td>
</tr>
<tr>
<td>15</td>
<td>0.3 M€</td>
</tr>
<tr>
<td>2</td>
<td>0.2 M€</td>
</tr>
</tbody>
</table>

The highest SDG contributions of RAISE Impact’s participations:

- eqwal
- ouiCare
- HYSECO
- ILMATI
- VIVALTTO
- 13

2 Example of the global contribution to the SDG – as of 12/31/2022

- 67 countries have increased access to financial services in Africa
- 2,213,018 people with access to financial services
- 12,842 induced CH4 emissions in TCO2eq
- 1,345 tonnes of waste avoided
- 5,694 Kg of fine particles avoided
- 3,463 students accessing higher education without financial means testing
- 722,889 tons of CO2 avoided
- 67% of trained employees

Note: (*) For both direct and indirect investments (**) Based on 2022 data
2.6 TRACKING INVESTMENTS’ MONETARIZED IMPACTS

The socio-economic assessment is an academically and internationally recognized method designed to objectify the creation of economic, social and environmental value.

GENERAL PRINCIPLES

1. Costs and benefits with the project vs. costs and benefits without the project (counterfactual)
2. Expressing of costs and benefits in a common unit, € i.e., monetarization
3. Main indicators that may be calculated:
   • Socio-economic Net Present Value (NPV)
   • Socio-economic ROI

THE ADDED VALUE OF MONETARIZATION FOR RAISE IMPACT

• Adopt a universal and meaningful quantification of impacts
• Establish a useful reporting tool on impact
• Offer an objective quantification of the value created by portfolio companies for key verticals (sales, marketing, relations with institutions, etc.)

Simplified view of gross monetarization of France 2i’s global impacts in €

At 31/12/2022, for 15 direct and 4 indirect investments

<table>
<thead>
<tr>
<th>ENVIRONMENTAL INDICATORS</th>
<th>Perimeter</th>
<th>Monetarization</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clean electricity generated in MwH</td>
<td>Tucoenergie</td>
<td>€85.7m</td>
</tr>
<tr>
<td>Tons of CO2 avoided</td>
<td>15 investees</td>
<td>€85.2m</td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td>€170.9m GROSS</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>SOCIAL INDICATORS</th>
<th>Perimeter</th>
<th>Monetarization</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of permanent jobs</td>
<td>15 investees</td>
<td>€32.4m</td>
</tr>
<tr>
<td>Number student in apprenticeship</td>
<td>Talis</td>
<td>€464.2m</td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td>€496.6m GROSS</td>
</tr>
</tbody>
</table>
ESTABLISH THE MANAGER’S CONTRIBUTION TO THE ACHIEVEMENT OF IMPACT.
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.

RAISE Impact potential additionality for each investee is assessed and challenged during the first steps of the investment process as part of the Impact Committee.

Investment timeline of RAISE Impact

INVESTMENT

Initial analysis (impact and business)
Impact Business Plan established with management
Impact Committee
Investment Committee

DIVESTMENT

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

Then, a roadmap is set for each investment to drive additionality. 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>IMPACT</td>
<td></td>
</tr>
<tr>
<td>• Structure an action plan from the ESG audit</td>
<td>• Structure an action plan, based on the ESG audit</td>
</tr>
<tr>
<td>• Define an Impact Business Plan</td>
<td>• Define an Impact Business Plan</td>
</tr>
<tr>
<td>• Condition a share of the CEO’s variable to impact KPIs</td>
<td>• Monitor environmental and social progresses at the board level</td>
</tr>
<tr>
<td>• Support the company in performing a life cycle analysis</td>
<td>• Implement an ESG reporting</td>
</tr>
<tr>
<td>• Organize a carbon footprint audit</td>
<td></td>
</tr>
<tr>
<td>BUSINESS DEVELOPMENT &amp; CONNECTIONS</td>
<td></td>
</tr>
<tr>
<td>• Introduce to 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>• Introduce to 14 digital services companies for possible partnerships or build ups</td>
</tr>
<tr>
<td>ORGANIZATION</td>
<td></td>
</tr>
<tr>
<td>• Support in 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>
<tr>
<td>FINANCIAL / STRUCTURATION</td>
<td></td>
</tr>
<tr>
<td>• Propose an innovative financial structuration with a mix of equity and quasi equity and extra financial incentives</td>
<td>• Set up a financial reporting and a ‘board pack’ model</td>
</tr>
<tr>
<td>• Set up a monthly reporting</td>
<td>• Introduce to other financial partners</td>
</tr>
<tr>
<td>• Review of business processes and follow-up</td>
<td></td>
</tr>
<tr>
<td>• Introduce to other financial partners</td>
<td></td>
</tr>
</tbody>
</table>
PRINCIPLE 3: ESTABLISH THE MANAGER’S CONTRIBUTION TO THE ACHIEVEMENT OF IMPACT.

RAISE defined a sustainable transformation offer and methodology to assist its portfolio companies with their environmental and social transformations.

A METHODOLOGY AND A TOOLKIT

INSPIRATION
Drawing on expert advice and business cases to bring out the “intentionality” of directors

MEASURE AND INTROSPECTION
Challenging their business model and company purpose following an ESG analysis

TAKING ACTION
Moving into action by recommending tried and tested solutions and service providers

More than 100 solutions identified within our database

Illustration of business cases

Through ESG reporting

Assess and benchmark performance against recognized methodologies

Impact Assessment

Impact Score
PRINCIPLE 3: ESTABLISH THE MANAGER’S CONTRIBUTION TO THE ACHIEVEMENT OF IMPACT.

**GOVERNANCE**
- CSR policy
- Extra-financial compensation policy
- CSR governance
- Cybersecurity and GDPR
- Coach CSR manager
- Responsible purchasing policy

**ENVIRONMENT**
- Carbon footprint
- Decarbonation
- Environmental policy
- Life-cycle analysis

**SOCIAL**
- Diversity and inclusion policy
- Parity policy
- Training policy
- Employer brand

**MISSION AND PHILANTHROPY**
- Purpose definition
- Mission-based company
- Creation of philanthropic body
ASSESS THE EXPECTED IMPACT OF EACH INVESTMENT, BASED ON A SYSTEMATIC APPROACH.
PRINCIPLE 4: ASSESS THE EXPECTED IMPACT OF EACH INVESTMENT, BASED ON A SYSTEMATIC APPROACH.

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's impact scoring methodology can be summarized as follows:

**Calculation of the impact intensity (in %)**

To qualify the company's impact intensity regardless of its size/turnover

- Share of the turnover that directly contributes to achieving an SDG target (in % of total turnover)
- Share of the turnover that directly contributes to achieving an SDG target (in % of total turnover)

- To avoid double-counting impact contributions, the same share of turnover can only be accounted for once -

- Accounted for only when the direct contribution does not concern 100% of the turnover -

- Considered for significant issues that will become transformation priorities -

The SDGs are defined for each portfolio company by the investment team, with the aim to identify at least one direct contribution. The share of turnover contributing to the SDGs is reassessed annually.

**Calculation of the impact volume (in €)**

To quantify the company's impact volume based on its size/turnover

\[
\text{Impact ratio} \times \text{Turnover} = \text{Impact volume}
\]

- Malus for a potential negative contribution to achieving an SDG target
- Bonus for an indirect contribution to achieving an SDG target

-5 pts
+2 pts

Impact volume = Impact ratio \times Turnover
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. Investees develop different strategies for contributing to the SDGs.
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
ASSESS, ADDRESS, MONITOR, AND MANAGE POTENTIAL NEGATIVE IMPACTS OF EACH INVESTMENT.
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 impacts are assessed prior to investing by ensuring compliance with RAISE’s exclusion list and performing an ESG due diligence.

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 EXCLUSION LIST

RAISE adopted a responsible investment charter which reinforced the Group’s exclusion list. This list includes norm-based exclusions (i.e., related to violations of international conventions, regulatory requirements, etc.) and value-based exclusions (e.g., related to RAISE group’s own values, its ESG strategy, etc.).

Exclusions reflect the type of holding (direct or undirect) and materiality thresholds since the negative impacts of certain sectors is not absolute and could be reduced through business transformation.

Excluded sectors are:

- Norm-based exclusions: Tobacco, adult content, controversial weapons, illegal drugs, gambling and casinos, alcohol, toxic substances for the environment and human health, and GMOs.
- Value-based exclusions: Fossil fuels, pesticides, deforestation, palm oil, and animal testing.
PRINCIPLE 5: ASSESS, ADDRESS, MONITOR, AND MANAGE POTENTIAL NEGATIVE IMPACTS OF EACH INVESTMENT.

The ESG risks and negative impact are monitored annually through a list of 130 ESG KPIs covering potential negative environmental and social impacts.

5.3 ESG ANNUAL REPORTING WITH A DETAILED LIST OF 130 KPIs

Measurement is essential to progress in its ESG policy, RAISE pledges to measure its investments’ ESG performance and to support portfolio companies in their change trajectory.

To track its portfolio ESG performance, RAISE defined a set of 130 KPIs which includes the disclosure of potential negative impacts such as working accidents, liabilities or industrial incidents, energy consumption, company’s carbon footprint from scope 1 to scope 3, etc.

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

5.4 MONITORING PRINCIPAL ADVERSE IMPACTS

The European Union introduced, under the Sustainable Finance Disclosure Regulation (SFDR), a set of indicators to monitor investments’ Principal Adverse Impacts (PAI). Those indicators highlight the main negative impacts of investments on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

In 2021, RAISE Impact included PAI indicators to its ESG framework. All portfolio companies reported against those indicators (see consolidated data next slide).
### Adverse sustainability indicators

<table>
<thead>
<tr>
<th>Adverse sustainability indicator</th>
<th>Metric</th>
<th>Impact [year n]</th>
</tr>
</thead>
<tbody>
<tr>
<td>GHG emissions</td>
<td>Scope 1 GHG emissions</td>
<td>847.06 tCO2eq</td>
</tr>
<tr>
<td></td>
<td>Scope 2 GHG emissions</td>
<td>89.41 tCO2eq</td>
</tr>
<tr>
<td></td>
<td>Scope 3 GHG emissions</td>
<td>17,414.62 tCO2eq</td>
</tr>
<tr>
<td></td>
<td>Total GHG emissions</td>
<td>111.76 tCO2eq</td>
</tr>
<tr>
<td>Carbon footprint</td>
<td>Carbon footprint</td>
<td>240.71 tCO2eq</td>
</tr>
<tr>
<td>GHG intensity of investee companies</td>
<td>GHG intensity of investee companies</td>
<td>240.71 tCO2eq</td>
</tr>
<tr>
<td>Exposure to companies active in the fossil fuel sector</td>
<td>Share of investments in companies active in the fossil fuel sector</td>
<td>0%</td>
</tr>
<tr>
<td>Share of non-renewable energy consumption and production</td>
<td>Share of non-renewable energy consumption and non-renewable energy production of investee companies from nonrenewable energy sources compared to renewable energy sources, expressed as a percentage of total energy sources</td>
<td>35.04%</td>
</tr>
<tr>
<td>Energy consumption intensity per high impact climate sector</td>
<td>Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector</td>
<td>2.13 GWh/M€ revenue</td>
</tr>
<tr>
<td>Activities negatively affecting biodiversity-sensitive areas</td>
<td>Share of investments in investee companies with sites/operations located in or near to biodiversity-sensitive areas where activities of those investee companies negatively affect those areas</td>
<td>0%</td>
</tr>
<tr>
<td>Emissions to water</td>
<td>Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average</td>
<td>0 T/M€ revenue</td>
</tr>
</tbody>
</table>

### Adverse sustainability indicators

<table>
<thead>
<tr>
<th>Adverse sustainability indicator</th>
<th>Metric</th>
<th>Impact [year n]</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hazardous waste and radioactive waste ratio</td>
<td>Tonnes of hazardous waste and radioactive waste generated by investee companies per million EUR invested, expressed as a weighted average</td>
<td>0.13 T/M€ revenue</td>
</tr>
<tr>
<td>Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises</td>
<td>Share of investments in investee companies that have been involved in violations of the UNGCC principles or OECD Guidelines for Multinational Enterprises</td>
<td>0%</td>
</tr>
<tr>
<td>Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises</td>
<td>Share of investments in investee companies without policies to monitor compliance with the UNGCC principles or OECD Guidelines for Multinational Enterprises or grievance/complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises</td>
<td>80%</td>
</tr>
<tr>
<td>Unadjusted gender pay gap</td>
<td>Average unadjusted gender pay gap of investee companies</td>
<td>9.30%</td>
</tr>
<tr>
<td>Board gender diversity</td>
<td>Average ratio of female to male board members in investee companies, expressed as a percentage of all board members</td>
<td>24.4%</td>
</tr>
<tr>
<td>Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)</td>
<td>Share of investments in investee companies involved in the manufacture or selling of controversial weapons</td>
<td>0%</td>
</tr>
<tr>
<td>Investments in companies without carbon emission reduction initiatives</td>
<td>Share of investments in investee companies without carbon emission reduction initiatives aimed at aligning with the Paris Agreement</td>
<td>19.03</td>
</tr>
<tr>
<td>Rate of accidents</td>
<td>Rate of accidents in investee companies expressed as a weighted average</td>
<td>47%</td>
</tr>
</tbody>
</table>
MONITOR THE PROGRESS OF EACH INVESTMENT IN ACHIEVING IMPACT AGAINST EXPECTATIONS AND RESPOND APPROPRIATELY.
**6.1 DEFINITION OF AN ENVIRONMENTAL AND SOCIAL ACTION PLAN (ESAP)**

Thanks to the areas for improvement identified during the ESC audit, an action plan (ESAP) is built to define the objectives to improve the environmental and social performance of the company and the related actions. **The ESAP is reviewed at least annually.**

**Extract of a an ESAP**

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

**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, verifiable, and selected from leading impact frameworks (e.g., IRIS+) to foster comparability. **The progress against the Impact Business Plans is reviewed biannually to engage management and track the impact trajectory.**

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>937,6K</td>
<td>2,8M</td>
<td>6,6M</td>
<td>12,4M</td>
</tr>
<tr>
<td>Gas saved (in liters)</td>
<td>6,1K</td>
<td>17,5K</td>
<td>41,1K</td>
<td>77,9K</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>92,1M</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 monitors the implementation of the Impact Business Plan and the ESAP and take corrective actions if needed.
CONDUCT EXITS CONSIDERING THE EFFECT ON SUSTAINED IMPACT.
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 are useful to assess the intentionality early 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 shareholder agreements 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 discuss 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
Review, document, and improve decisions and processes based on the achievement of impact and lessons learned.
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

TRAINING

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: Quant4
International group specialized in advisory missions in sustainable development, particularly lifecycle analyses

Example: Citizen
Independent research and consulting firm specialized in impact measurement and socio-economic assessment

FOLLOWING

ESG Reporting & Data Analysis

Sirsal Reporting 21
sirsal.io

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 LESSONS LEARNED.

### 8.3 ANNUAL ASSESSMENT AND REVIEW OF ESG MATURITY

After each ESG reporting period, an external advisor from 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 progress over time and identify the remaining ESG stakes 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. In 2022, the case study showcased the gross monetarization of the portfolio’s global impacts in EUR.
PUBLICLY DISCLOSE ALIGNMENT WITH THE IMPACT PRINCIPLES AND PROVIDE REGULAR INDEPENDENT VERIFICATION OF THE ALIGNMENT.
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.

This disclosure statement re-affirms the alignment of RAISE Impact processes, procedures and systems with the Impact principles, and will be updated annually. An independent verification was performed in April 2021 and will be renewed in 2024.

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 scores delivered so far: 55/66

9.2 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. Since 2021, RAISE Impact is audited annually to renew the label.

9.3 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.

9.4 MARCH 2022: ARTICLE 9 SFDR PERIODIC REPORT
To ensure compliance with the highest standards and industry best practices, RAISE Impact mandated PwC to review and challenge its reporting against the periodic disclosure template for Article 9 products under SFDR.