
RAISE

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

Operating Principles for Impact Management

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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THE RAISE MODEL

- AT THE HEART OF OUR PURPOSE, FOUR FUNDAMENTAL COMMITMENTS -

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

€45m — RAISE Seed for Good
VC in Europe - Impact

€70m — RAISE Ventures
VC in Europe ESG

GROWTH

€260m — RAISE Impact
Small-Cap PE in Europe - Impact

€510m — RAISE Investissement
Small-Cap PE in France - ESG

REAL ESTATE

€900m — RAISE REIM
Value-Add RE in France – ESG & Impact

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

50% 50%

RAISESHERPAS
+500 startups supported

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

- ***OUR PURPOSE:***

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

2020 RAISE·LAB

2021 la Plume

STRATEGIC PARTNERSHIPS

- RAISE Impact's ECOSYSTEM -

RAISE Impact

RAISE Impact, active member of GIIN

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

RAISE, signatory of the PRI Principles for Responsible Investment

RAISE Impact, member of evpa

RAISE, active members of **Impact and Climate commissions** France Invest

RAISE Impact, active member and contributor to Finance for Tomorrow

French Impact Banner

Strategic partnerships

CITEO, B Lab, WWF, dirigeants responsables de l'ouest, Solar Impulse, Ashoka, AXA Climate, carbone4 académie, Tech for Good France, Communauté des entreprises à mission, entreprise adaptée, Impact GEMS

Other actors

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

Banque des Territoires, Région Hauts-de-France, ADEME, European Investment Bank

And many others…

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

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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

7 ÉNERGIE PROPRE ET D'UN COÛT ABORDABLE
11 VILLES ET COMMUNAUTÉS DURABLES
13 MESURES RELATIVES À LA LUTTE CONTRE LES CHANGEMENTS CLIMATIQUES

Example of indicators monitored

- Energy produced in Gwh
- Tons of CO_2 avoided

2 AGRICULTURAL TRANSITION

2 FAIM «ZÉRO»
3 BONNE SANTÉ ET BIEN-ÊTRE
15 VIE TERRESTRE

Example of indicators monitored

- Tons of pesticides avoided
- Tons of sustainably produced food resources

3 CIRCULAR ECONOMY

8 TRAVAIL DÉCENT ET CROISSANCE ÉCONOMIQUE
9 INDUSTRIE, INNOVATION ET INFRASTRUCTURE
12 CONSOMMATION ET PRODUCTION RESPONSABLES

Example of indicators monitored

- Tons of waste avoided
- Cost savings for the community

4 SOCIAL INCLUSION

4 ÉDUCATION DE QUALITÉ
5 ÉGALITÉ ENTRE LES SEXES
10 INÉGALITÉS RÉDUITES

Example of indicators monitored

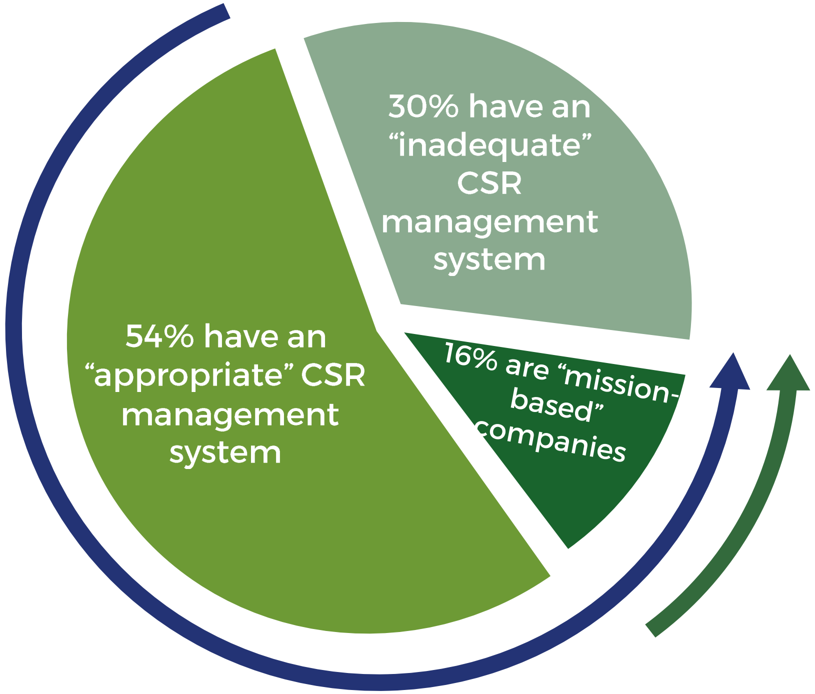
- Number of beneficiaries
- Number of people trained

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



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.

Insee

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

KPMG

**Taken from the KPMG report *"Entreprises à mission en France : les entreprises de demain ?"*

PRINCIPLE 1: DEFI NE STRATEGIC IMPACT OBJECTIVE(S), CONSISTENT WITH THE INVESTMENT STRATEGY.

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

Inputs

- €257m AuM
- 15 portfolio companies
- 10 investment and professionals
- 1 powerful and diverse ecosystem
- 41 Impact KPIs monitored biannually
- 150 ESG KPIs monitored annually

Actions	Invest in solutions addressing urgent and important global issues	Support companies in their growth as an active minority shareholder	Measure and improve positive impacts while reducing negative externalities	Promote impact investing
2022 Outputs	7 operations	38 build-ups	100% investees with an impact trajectory	Updated MMI methodology
	1 exit	8 strategic recruitments	66% of investees measured their carbon footprint	Active contribution to 7 impact investing workgroup
	€74m invested	100% of investees connected with the ecosystem	93% of investees were directly supported	Contributing to 6 academic training
Outcomes	Create new jobs	Avoid and reduce GHG emissions	Transform agricultural systems	Promote access to education for all
		Produce renewable energy	Avoid and reduce waste production	Empower disabled or elderly people
Impacts	Contribute to the 17 UN SDGs	Reduce GHG emissions	Efficiently use planetary resources	Greater inclusiveness in society

RAISE

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

External/ advisory members

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

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MANAGE STRATEGIC IMPACT ON A PORTFOLIO BASIS.

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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
  - ❑ Khw 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 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 KPIs: 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

SOCIAL ASPECT

1	Number of permanent jobs*	24,020
	Outside the EU	78
	In the EU	17,818
2	Number of beneficiaries**	4,954,995
	Number of persons trained	171,987
	Patients cured	471,693

Notes: (*) The permanent jobs of IPAE 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.

ENVIRONMENTAL ASPECT

1	Tons of waste and/or harmful products avoided	19,218
	Of which insecticide	15,875
2	Clean energy generated in MwH	1,598,315
3	Tons of CO2 avoided	726,087

*For both direct and indirect investments

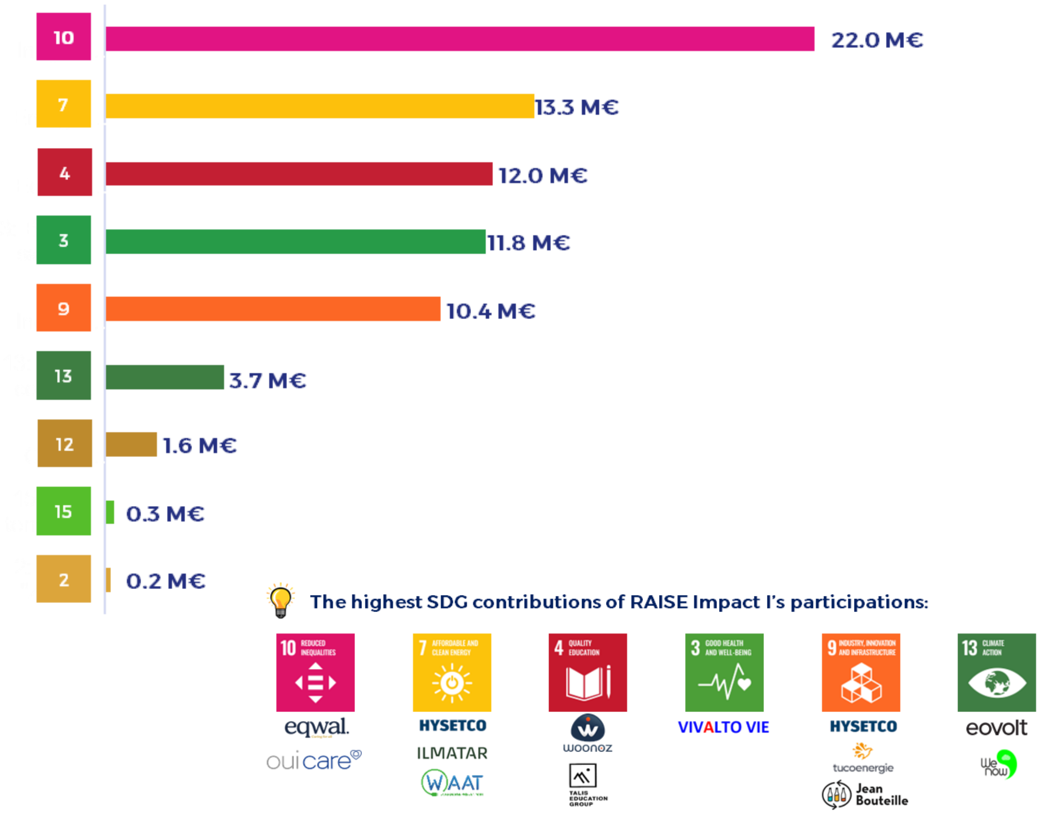
PRINCIPLE 2: MANAGE STRATEGIC IMPACT ON A PORTFOLIO BASIS.

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.

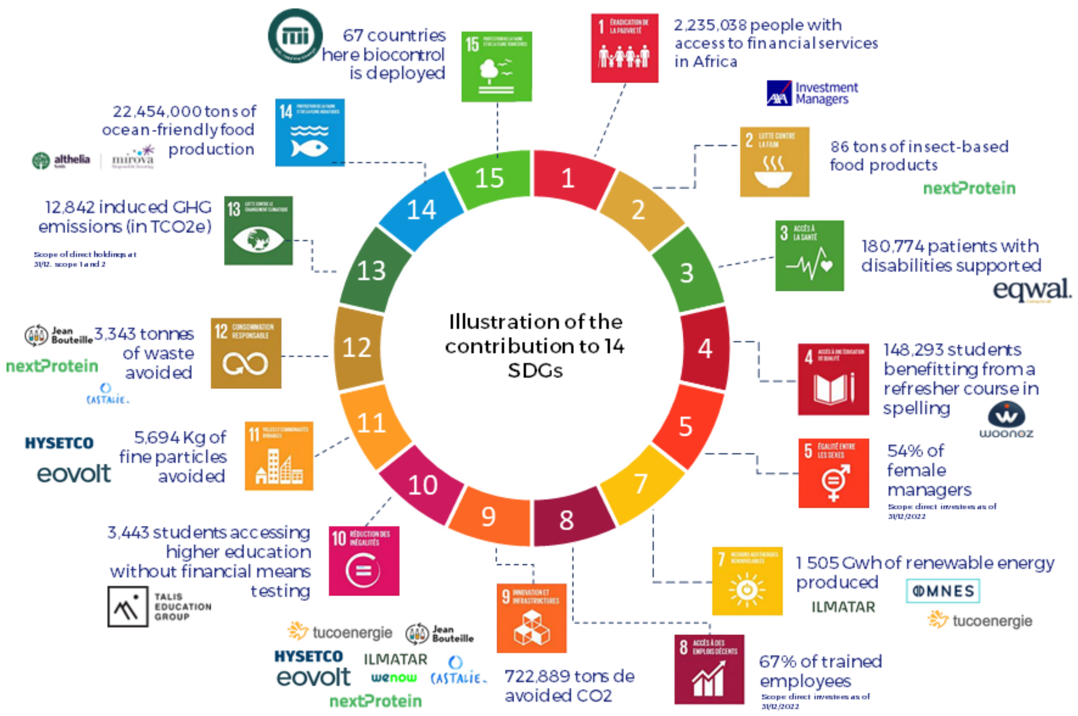
2.5 TRACKING INVESTMENTS' CONTRIBUTION TO SDGs*

Illustration - the methodology is explained in Principle 4

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



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



Note : (*)For both direct and indirect investments (**) Based on 2022 data

PRINCIPLE 2: MANAGE STRATEGIC IMPACT ON A PORTFOLIO BASIS.

In 2021, RAISE Impact added monetarization to its impact measurement methodologies to propose an objective quantification of companies' impacts. To ensure the reliability of this analysis, RAISE Impact worked with a specialized third-party organization.

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

15 KPIs initially monitored → **35 impacts** selected for monetarisation → **55 academic sources** used → **25 impacts** selected and monetarised

ENVIRONMENTAL INDICATORS	Perimeter	Monetarization
Clean electricity generated in MwH	Tucoenergie	€85.7m
Tons of CO_2 avoided	15 investees	€85.2m
TOTAL		€170.9m GROSS

SOCIAL INDICATORS	Perimeter	Monetarization
Number of permanent jobs	15 investees	€32.4m
Number student in apprenticeship	Talis	€464.2m
TOTAL		€496.6m GROSS

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

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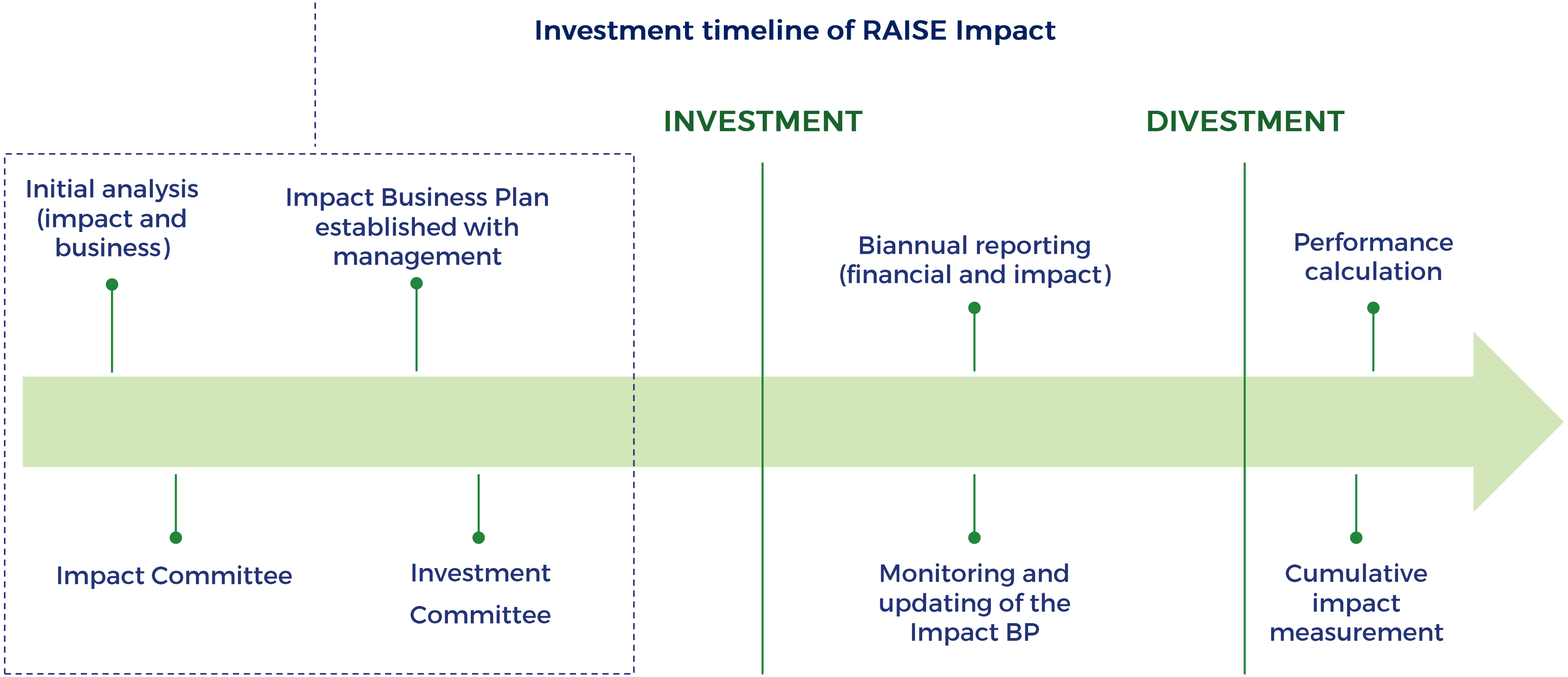
PRINCIPLE 3: ESTABLISH THE MANAGER'S CONTRIBUTION TO THE ACHIEVEMENT OF IMPACT.

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.



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:

	COMPANY A	COMPANY B
IMPACT	• Structure an action plan from the ESG audit • Define an Impact Business Plan • Condition a share of the CEO's variable to impact KPIs • Support the company in performing a life cycle analysis • Organize a carbon footprint audit	• Structure an action plan, based on the ESG audit • Define an Impact Business Plan • Monitor environmental and social progresses at the board level • Implement an ESG reporting
BUSINESS DEVELOPMENT & CONNECTIONS	• 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)	• Introduce to 14 digital services companies for possible partnerships or build ups
ORGANIZATION	• Support in the recruitment of key functions (CFO, CTO, sales manager) • Support in the legal structuring of relations with subsidiaries • Support in the group's digital strategy	• Support in the group's digital strategy • Support in the group's expansion strategy
FINANCIAL / STRUCTURATION	• Propose an innovative financial structuration with a mix of equity and quasi equity and extra financial incentives • Set up a monthly reporting • Review of business processes and follow-up • Introduce to other financial partners	• Set up a financial reporting and a 'board pack' model • Introduce to other financial partners

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

Kéa Partners for transformation Interface BUURTZORG

Illustration of business cases

MEASURE AND INTROSPECTION

Challenging their business model and company purpose following an ESG analysis

Through ESG reporting

Reporting21

Assess and benchmark performance against recognized methodologies

B Impact Assessment Impact Score

TAKING ACTION

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

More than 100 solutions identified within our database

PRINCIPLE 3: ESTABLISH THE MANAGER'S CONTRIBUTION TO THE ACHIEVEMENT OF IMPACT.

GOVERNANCE

CSR policy
MFI, tucoenergie, WAAT

Extra-financial compensation policy
Jean Bouteille, wenow, eovolt

CSR governance
eqwal, WAAT, CASTALIE, VIVALTO VIE

Cybersecurity and GDPR
TALIS EDUCATION GROUP, wenow, eqwal

Coach CSR manager
MFI, WAAT, TALIS EDUCATION GROUP, HYSETCO, eqwal

Responsible purchasing policy
eqwal, eovolt

ENVIRONMENT

Carbon footprint
CASTALIE, MFI, HYSETCO, VIVALTO VIE, WAAT, ouicare, TALIS EDUCATION GROUP, Jean Bouteille, tucoenergie

Decarbonation
ouicare, HYSETCO, MFI, VIVALTO VIE, eqwal

Environmental policy
MFI, wenow

Life-cycle analysis
CASTALIE, eqwal, Jean Bouteille

SOCIAL

Diversity and inclusion policy
eqwal

Parity policy
MFI

Training policy
CASTALIE

Employer brand
tucoenergie, MFI, eqwal

MISSION AND PHILANTHROPY

Purpose definition
eqwal, nextProtein

Mission-based company
ouicare, nextProtein, woonoz, VIVALTO VIE

Creation of philanthropic body
eqwal, TALIS EDUCATION GROUP

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

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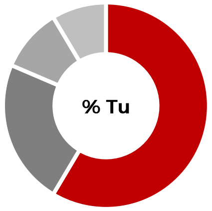
PRINCIPLE 4: ASSESS THE EXPECTED IMPACT OF EACH INVESTMENT, BASED ON A SYSTEMATIC APPROACH.

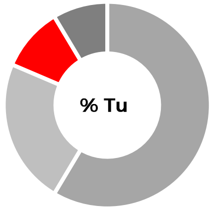
For each investment, the Manager shall assess, in advance and, where possible, quantify the concrete, positive impact potential deriving from the investment. The assessment should use a suitable results measurement framework that aims to answer these fundamental questions: (1) What is the intended impact? (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:

II 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)*] + [+2 pts Bonus for an **indirect contribution** to achieving an SDG target] + [-5 pts Malus for a potential **negative contribution** to achieving an SDG target] = **iR** **Impact ratio***

- 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.

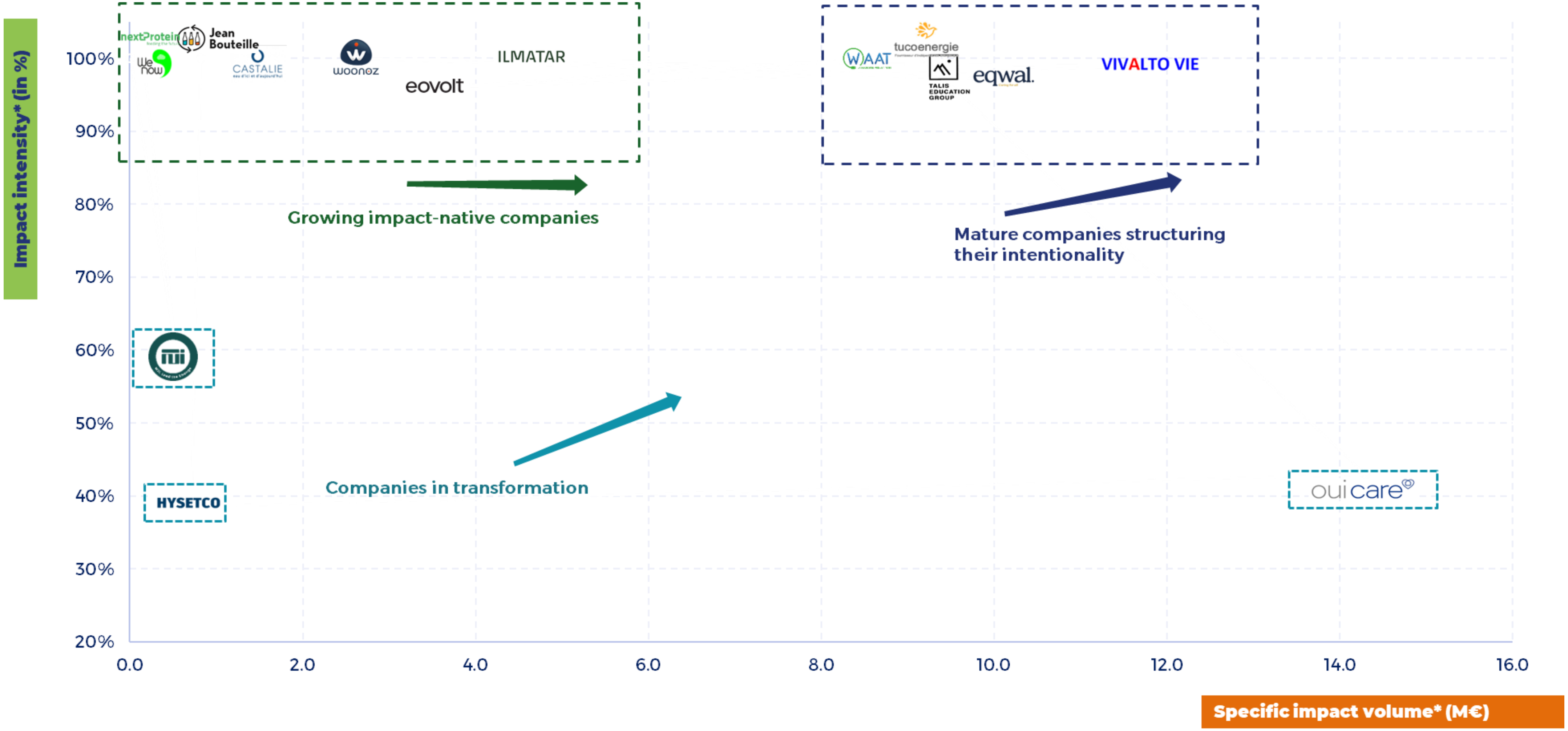
VI Calculation of the impact volume (in €)

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

iR **Impact ratio** X **Tu** **Turnover** = **XM€** **Impact volume**

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.

GOUVERNANCE

	2019	**2020**			2019	**2019**	
Gouvernance opérationnelle (nb. de membres) Part de femmes (%)	6 0	**6** **0**		**Gouvernance actionnariale** (nb. de membres) Part de femmes (%) Part d'indépendants (%)	8 13 13	**9** **11** **22**	↑
Code éthique formalisé	Non	**Oui**	↑	Politique RSE (charte / engagement)	Non	**Oui**	↑
Certifications*	Oui	**Oui**		Responsable RSE	Oui	**Oui**	
Politique de sécurité des systèmes d'informatique	Oui	**Oui**		Litiges déontologiques	Non	**Non**	
RSE abordée aux COMEX/CA/CS	Non	**Oui**	↑				

SOCIAL

	2019	**2020**			2019	**2020**	
Effectif physique au 31/12	150	**166**		Taux de fréquence des accidents du travail avec arrêt *Moyenne sectorielle (TF AT)*	3,9 3,5	**7,2** **3,5**	
Part d'effectifs en France (%)	100	**100**		Taux de gravité des accidents du travail avec arrêt *Moyenne sectorielle (TG AT)*	N/D 0,1	**0,05** **0,1**	
Part de CDI (%)	87	**93**	↑	Accidents mortels	0	**0**	
Part de femmes (%)	39	**40**	↑	Salariés formés (%)	N/D	**50**	
Turnover (%)	26	**18**	↑	Part de salariés actionnaires (%)	3	**4**	↑
Création d'emplois	23	**15**		Partage de la valeur non obligatoire	Oui	**Oui**	
Taux d'absentéisme (%)	3	**4**		Protection sociale non obligatoire	Non	**Oui**	↑
				Litiges sociaux	Oui	**Oui**	

*For direct investment only

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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

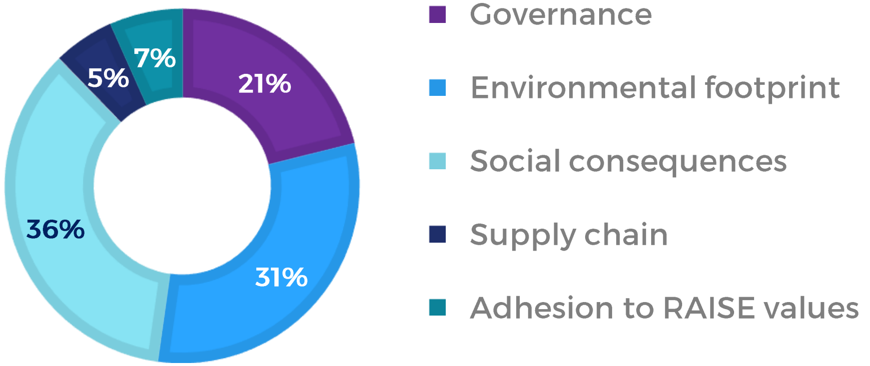
Measurement is essential to progress: in its ESG policy, RAISE pledges to measure its investments' ESG performance and to support portfolio companies in their change trajectory.

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.

Reporting21

DISTRIBUTION OF THE ESG KPIS BY CATEGORY



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).

PRINCIPLE 5: ASSESS, ADDRESS, MONITOR, AND MANAGE POTENTIAL NEGATIVE IMPACTS OF EACH INVESTMENT.

Consolidated performance related to the PAI (Principal Adverse Impact) indicators.

Adverse sustainability indicator	Metric	Impact [year n]
GHG emissions	Scope 1 GHG emissions	847.06 tCOE2eq
	Scope 2 GHG emissions	89.41 tCOE2eq
	Scope 3 GHG emissions	17,414.62 tCOE2eq
	Total GHG emissions	
Carbon footprint	Carbon footprint	111.76 tCOE2eq
GHG intensity of investee companies	GHG intensity of investee companies	240.71 tCOE2eq
Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector	0%
Share of nonrenewable energy consumption and production	Share of non-renewable energy consumption and nonrenewable energy production of investee companies from nonrenewable energy sources compared to renewable energy sources, expressed as a percentage of total energy sources	35.04%
Energy consumption intensity per high impact climate sector	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector	2.13 GWh/M€ revenue
Activities negatively affecting biodiversity-sensitive areas	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	0%
Emissions to water	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average	0 T/M€ revenue

Adverse sustainability indicator	Metric	Impact [year n]
Hazardous waste and radioactive waste ratio	Tonnes of hazardous waste and radioactive waste generated by investee companies per million EUR invested, expressed as a weighted average	0.13 T/M€ revenue
Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	0%
Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises	Share of investments in investee companies without policies to monitor compliance with the UNGC 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	80%
Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies	9.30%
Board gender diversity	Average ratio of female to male board members in investee companies, expressed as a percentage of all board members	24.4%
Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	Share of investments in investee companies involved in the manufacture or selling of controversial weapons	0%
Investments in companies without carbon emission reduction initiatives	Share of investments in investee companies without carbon emission reduction initiatives aimed at aligning with the Paris Agreement	19.03
Rate of accidents	Rate of accidents in investee companies expressed as a weighted average	47%

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MONITOR THE PROGRESS OF EACH INVESTMENT IN ACHIEVING IMPACT AGAINST EXPECTATIONS AND RESPOND APPROPRIATELY.

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 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

1.	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, 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:

Impact KPIs	2019	2020	2021	2022
Number of people trained	6,1K	17,5K	41,1K	77,9K
Number of vehicles equipped	6,1K	17,5K	41,1K	77,9K
Gas saved (in liters)	937,6K	2,8M	6,6M	12,4M
Tons of CO_2 avoided (in EqCo2)	2,3K	7,0K	16,4K	31,0K
Tons of CO_2 offset	86,4K	140,9K	265,2K	513,1K
Number of km offset	92,1M	265,5M	624,6M	1 184,8M
Number of trees financed	73,8K	125,0K	234,3K	432,5K

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.

*Only for direct investment

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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

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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 | FOLLOWING

Systematic ESG Audit

Example : pwc

International group specialized in audit and advisory missions

Example : ekodev

French audit aconsulting and 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: Cluzing

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

ESG Reporting & Data Analysis

Reporting21

sirsa.io

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.

*Only for direct investment

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

sirsa.io

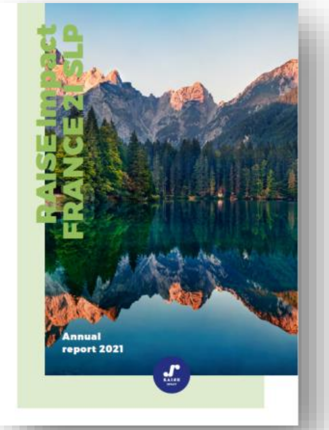
After each ESG reporting period, an external advisor from SIRSA analyses and assesses the ESG maturity of each investee based on the ESG sectorial taxonomy of the SASB.

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.

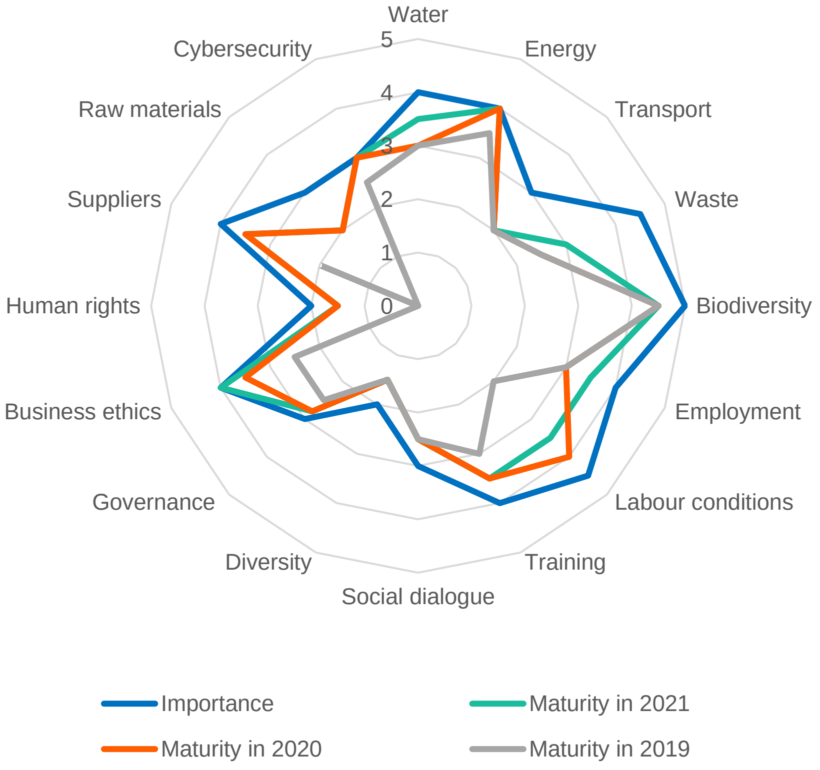
8.4 PUBLICATION OF AN ANNUAL IMPACT AND ESG REPORT

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.



Example of ESG maturity graphic followed annually



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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 score 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.

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