

RAISE Impact FRANCE 21 SLP

**Impact
report 2021**



contents

04	Foreword
08	Developing
14	Supporting
26	Making a commitment
38	Appendices

**Clara Gaymard and
Gonzague de Blignières**
Co-founders of RAISE



2021 was a significant turning point for our group, with its continued drive to embrace the future sustainably and work, together, to develop a more sustainable economy.

In keeping with our values and our core beliefs, RAISE employees have worked closely together to bring our purpose to life by including it in our articles of association and formally establishing our four key commitments. These are commitments to sharing success for the benefit of entrepreneurs, making equality and diversity a source of performance and harmony, measuring the economic, environmental and societal value created by our activities in order to support the sustainable transformation of companies, and making innovation central to our demand for excellence.

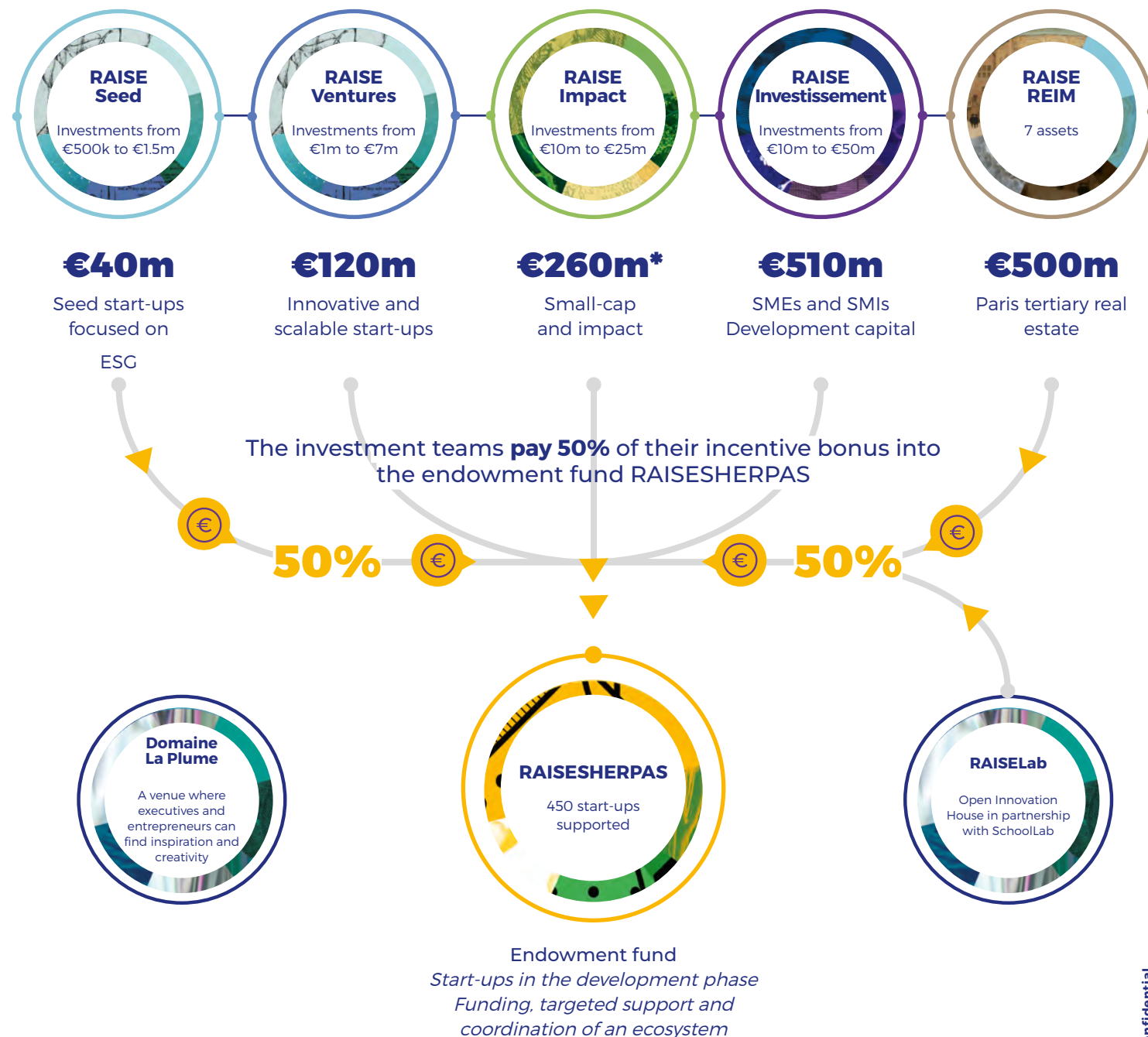
These commitments reflect the RAISE project's objectives and core focus. We firmly believe that companies offer a means of resolving the environmental, social and societal issues that every company must face. This is why we are proud that at the start of 2022 RAISE was given Purpose-driven Company status, so that we can continue to embody a new model of benevolent, inclusive and responsible capitalism.

The RAISE Group has had a very busy year, moreover. In this unique economic environment, we have built up our teams by pursuing an active recruitment policy, in order to more actively support our companies and growth. Our investment teams have stepped up their efforts and raised more funds, giving us the chance to amplify our role as a provider of long-term assistance to companies undergoing the necessary sustainable transformations.

We have continued to diversify our activities and our businesses, firstly by officially opening the RAISELab house in early 2021. This is the first French structure entirely dedicated to open innovation, i.e. innovation through collaboration with external partners, which combines project support with a location in the République district of Paris. This was followed by the launching of RAISE Seed for Good, a fund intended to support future European responsible tech leaders.

New challenges await us, and each is an opportunity for us to assert our values and ideals. We believe more strongly than ever that every company must make its own contribution to the common good, and we will continue to provide daily support to responsible entrepreneurs to help them collectively build the better world that we would all like to see become a reality.

The RAISE model



*At 31 January 2022

Investment strategy

The fund's strategy aims to maximise the impact of investments while ensuring the best possible economic performance. France 2i therefore selects companies and projects able to offer systemic, economically viable solutions to urgent and important issues and to contribute to the achievement of the UN's 17 Sustainable Development Goals.

€240m
raised in 31/12/2021

€108m
called

16
investments

9
employees

1
unique Impact Measurement and Management methodology

The Fund prioritises investments in growth SME-SMIs intending to generate a positive Impact, targeting both purpose-driven companies and companies in the process of environmental and/or social transformation.

The Fund may additionally invest in young, high-Impact, scalable companies. Investments in Impact funds that offer geographical and/or sector diversification or co-investment opportunities are also planned (accounting for 10% of the Fund's assets at most).

France 2i is an active minority investor (investing up to €25m). The fund mainly invests in France and Europe, with the energy and agricultural transition, the circular economy and social inclusion as its primary focus.

Impact measurement is central to France 2i's strategy. Each investment's contribution to the achievement of the UN's Sustainable Development Goals is measured and monitored. Impact indicators and targets are also defined for each investment made, to align the company's management with the improvement of its Impact trajectory.

development





The economic environment in 2021, with its public health and geopolitical uncertainties, more than ever highlights the relevance and urgency of RAISE Impact's aims. The companies supported by RAISE Impact, through France 2i, have a central role to play in providing our society with clean, local energy (Tucoenergie, Ilmatar and Hype), ridding agriculture of toxic products (M2i), enabling the elderly to stay in their own homes (Yes Care and Lagarrigue), and offering everyone personalised assistance to help them into long-term jobs (Woonoz and Talis), in these uncertain times. Given the need for solutions to the ecological and social issues confronting our fast-moving world,

France 2i's entire portfolio has been able to maintain its trajectory of profitable growth, combining profitability with the preservation of the environment and future generations, to support the transformation of our society.

The France 2i fund is now managed by nine dedicated members of staff, two of whom are tasked with helping portfolio companies to measure, manage and increase their impact.

Fund raising and investment

RAISE Impact continued with its fund-raising efforts and exceeded its target size of €200m to reach €240m at the end of 2021, thanks to the trust shown in it by first rate French and European investors. The team has also already invested nearly €100m in thirteen companies committed to furthering the ecological and social transition. Six of these were new companies that joined the fund in 2021: Tucoenergie, Ilmatar, YesCare, Lagarrigue, Talis and Woonoz.

The directors and management teams supported by RAISE Impact have decided to embark on an impact approach, together with us, making commitments regarding measurements and part of their compensation. They share our view that their impact trajectory is a source of value creation for both their companies and society.

Support and value creation

RAISE Impact is also very committed to actively assisting its portfolio companies. One build-up has been carried out and five are being explored. Five companies have been helped with their structuring, for example, to enable the acceleration of their growth through the recruitment of key employees (Head of IT, CFO and Head of Sales). One company has been assisted with the ramp-up of its digitalisation by an operational expert retained by RAISE. Many introductions have been made to major groups within the ecosystem and have resulted in the establishing of business partnerships that are win-win arrangements for the big groups and our SMEs. RAISE has also boosted the profile of these collaborations through its ecosystem to help develop them. For instance, Jean Bouteille was nominated as a finalist in the David and Goliath competition for its international partnership with L'Occitane.

In line with its impact case, the fund, through its portfolio companies, will have had a positive impact, in 2021, close to 2.6 million beneficiaries (of which 115,306 are specific to France 2i, according to its percentage interest) avoided nearly 90,468 tonnes of CO2 emissions (4,049 for France 2i) in addition to 24,412 tonnes of waste and harmful products (943 for France 2i). The fund will have contributed more specifically to Sustainable Development Goals (SDG) 9 (industry, innovation and infrastructure), 12 (responsible consumption and production), 8 (decent work and economic growth), 7 (affordable and clean energy) and 3 (good health and well-being).

Ongoing work on the monetarisation of impacts shows a savings made to amount invested leverage ratio of 2.3.

The fund, which falls under article 9 in accordance with the SFDR (Sustainable Finance Disclosure Regulation), is continuing to develop its methodology in order to take into account changes in the regulations, and especially the European taxonomy.

The team included initial taxonomy reporting, which will gradually evolve, in this annual report.

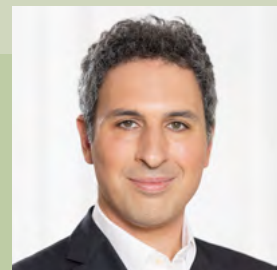
While 2021 was a particularly intense year, 2022 will also bring many challenges, with new investment projects in progress and ever closer support for the portfolio, to create value within and between our portfolio companies.

Due to the faith shown in it by its investors, RAISE Impact is now recognised as a small-mid cap impact investment pioneer and is striving to contribute, through its commitment, to the environmental and social transition, by gradually normalising the impact investment approach. This is the ambition that we will continue to pursue together with you and that drives us daily!

Aglaé Touchard-Le Drian and Serge Bedrossian,
Co-heads, RAISE Impact



Eric Coisne
Senior Advisor



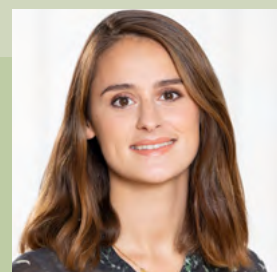
Serge Bedrossian
Co-head



Nicolas Bonillo
Investment Director



Alexandre Cordel
Associate



Juliette Pivin
Analyst

Our team

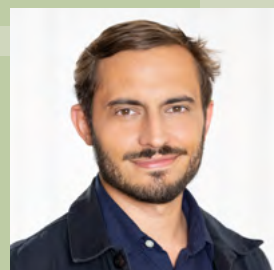
RAISE Impact currently has 9 staff members with complementary professional backgrounds, who are highly dedicated and driven by conviction.



Aglaé Touchard-Le Drian
Co-head



Maud Lehman
Investment Director



Benoit Escher
Impact Measurement and Management

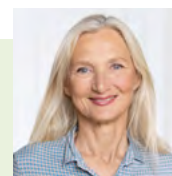


Margaux Bodin
Associate

A highly dedicated team

The Impact Committee

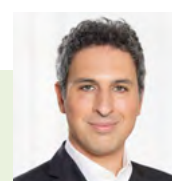
As the search for Impact is central to France 2i's strategy, the Impact Committee assesses each investment proposal's contribution to the achievement of the UN's Sustainable Development Goals and its main environmental and social impact indicators. Its opinions are advisory.



Clara Gaymard
Co-founder of RAISE



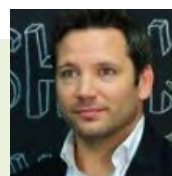
Aglaé Touchard-Le Drian
Co-head
RAISE Impact



Serge Bedrossian
Co-head



Eric Coisne
Senior Advisor
RAISE



Arnaud Mourot
Chief Executive Officer
Europe
Ashoka



Pierre Menet
Caisse des Dépôts – Banque
des territoires



Martin Spitz
Technical advisor
on international solidarity,
the social and solidarity-
based economy and the
environment Fondation de
France

The Investment Committee

The Investment (and divestment) Committee approves the business and market aspects of each investment, reinvestment or divestment and makes decisions accordingly.

Voting members



Gonzague de Blignières
Co-founder
of RAISE



Aglaé Touchard-Le Drian
Co-head
RAISE Impact



Eric Coisne
Senior Advisor
RAISE

Advisory members



Olivier Neumann
Chief Financial Officer
Fondation de France



Jean Moreau
Co-founder
Phenix

À partir de 2022



René Proglio
Partner
PJT

Our committees








Supporting

















Our portfolio investments

Direct investments

	Company	Date of investment	Business sector	ODD
	WeNow	June 2019	Energy-efficient driving/ Carbon offsets	    
	nextProtein	May 2020	Insect proteins	  
	M2i	August 2019	Green chemicals	   
	Castalie	May 2020	Micro-filtered water fountains	  
	Jean Bouteille	June 2020	Bulk distribution of liquid products	  
	Sirsa	December 2020	ESG and impact consulting and reporting	  
	Hype	December 2020	Hydrogen-powered transport	    
	TucoEnergy	February 2021	Energy renovation	  
	Yes Care	February 2021	Personal care	  
	Ilmatar	May 2021	Renewable energy (Finland)	 
	Talis	June 2021	Education (apprenticeships)	  

	Company	Date of investment	Business sector	ODD
	Woonoz	July 2021	Education (EdTech)	  
	Lagarrigue	July 2021	Healthcare (External orthopaedics)	 

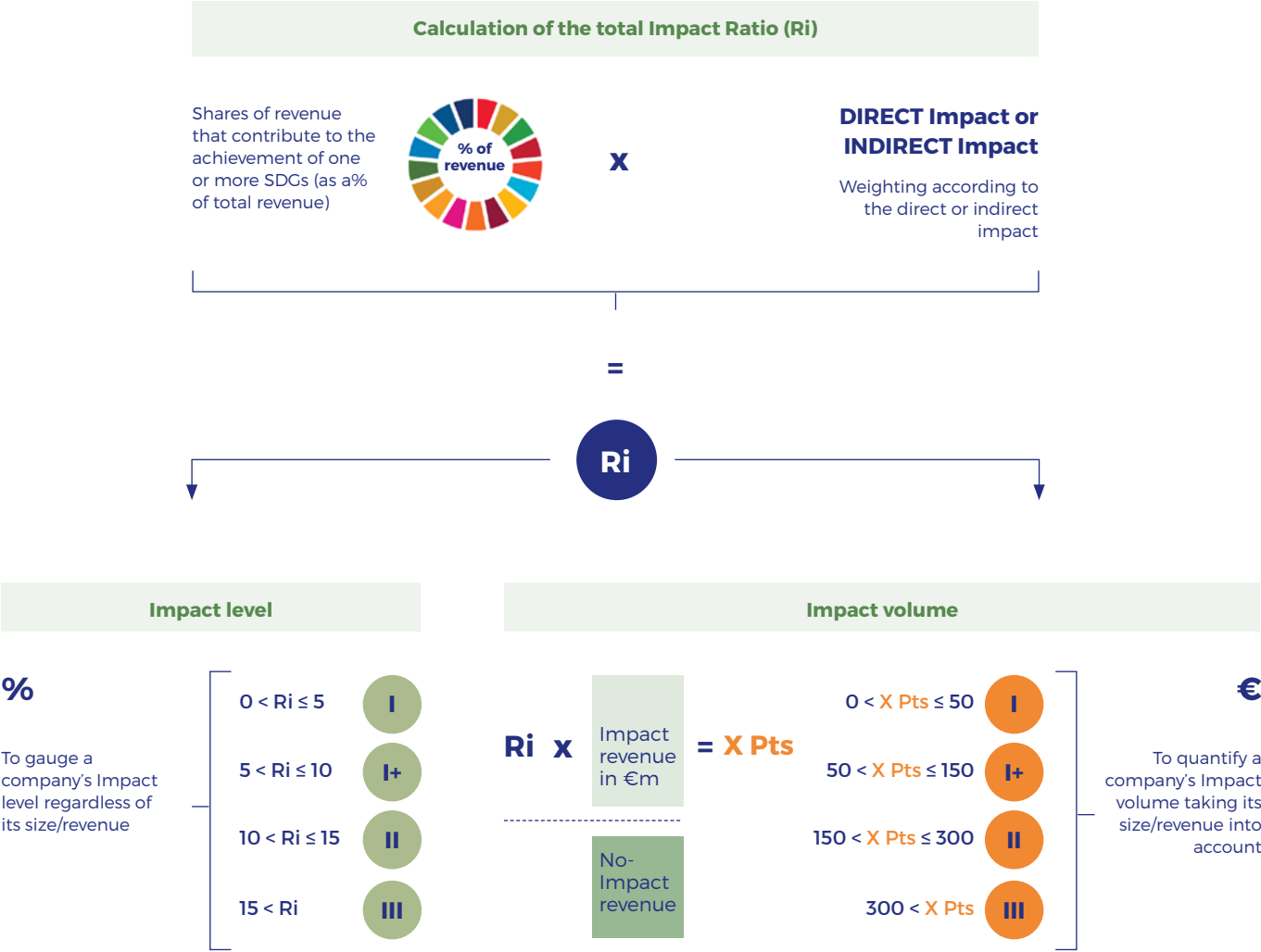
Indirect investments

Management company	Name of fund	Date of investment	Business sector	ODD
	IPAE 2	October 2019	SMEs in Africa	     
	CAP Energy 4 SPL	November 2019	Renewable energy	 
	Sustainable Ocean Fund	January 2020	Ocean preservation	  

Impact measurement and management methodology

Impact Measurement

RAISE Impact has developed a proprietary Impact measurement methodology that can be applied to companies from any sector and of any size. This methodology is able to gauge a company's Impact level regardless of its size and to quantify its Impact volume by weighting its Impact level by its Impact revenue. It is designed to assess each company according to its contribution to the environmental and social issues covered by the SDGs, making these indicators a compass for tracking all our portfolio investments.



Management methodology

The 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 and verifiable;
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.

The management's commitment to achieving Impact targets

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

Sustainable Transformation toolbox

RAISE's sustainable transformation toolbox is a database of partner solutions that assist companies with their transformation along five lines, namely working on their purpose, human and social resources, governance, value creation and measurement and the environment. RAISE Impact guides portfolio companies who request this in order to inspire them to bring about change, measure the point that they are starting from and identify the right partner for moving into action.

Consolidated impact at fund level

Specific impact indicators are determined that can be consolidated at fund level, which can be used to summarise the fund's performance according to three aspects:

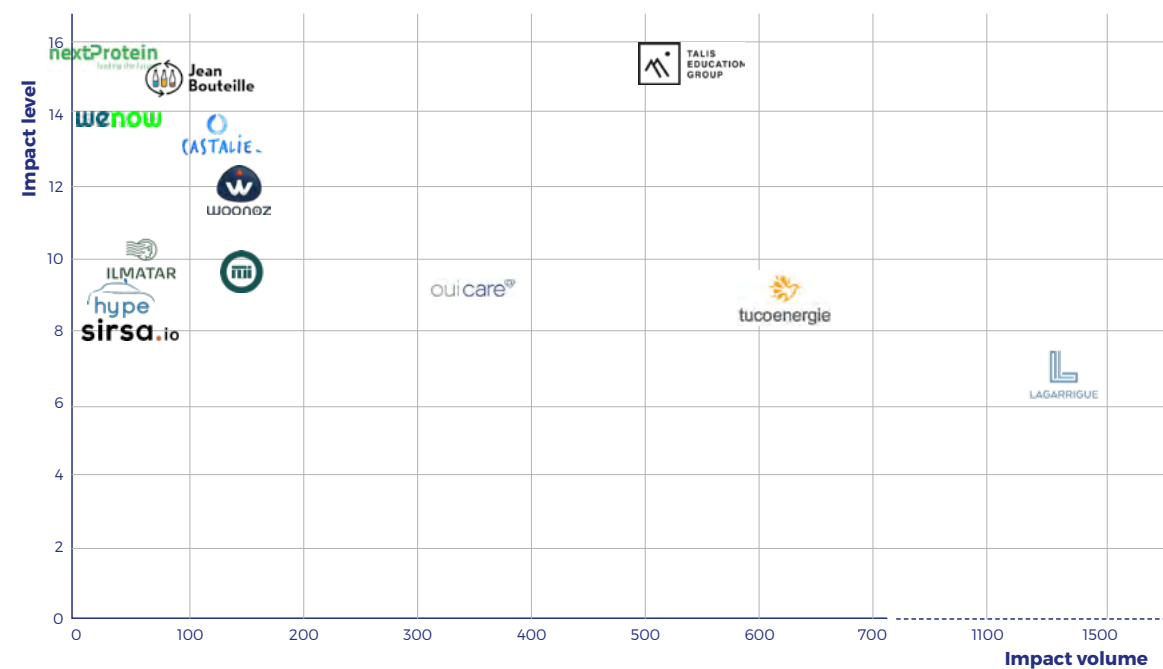
1. social aspect: total net jobs created; number of jobs maintained; number of beneficiaries;
2. environmental aspect: tonnes of waste and/or harmful products avoided; clean electricity generated (Gwh); tonnes of CO2 avoided; tonnes of CO2 offset;
3. societal aspect: costs avoid for local authorities.

Monitoring of divestments in terms of Impact

In line with the IFC's Impact Management Principles, which RAISE Impact is a signatory to, an analysis is performed of the consequences of divestments on the Impact and sustainable development of companies.

Comparative view of impact scores

Breakdown of portfolio companies according to their Impact level and volume at 31/12/2021

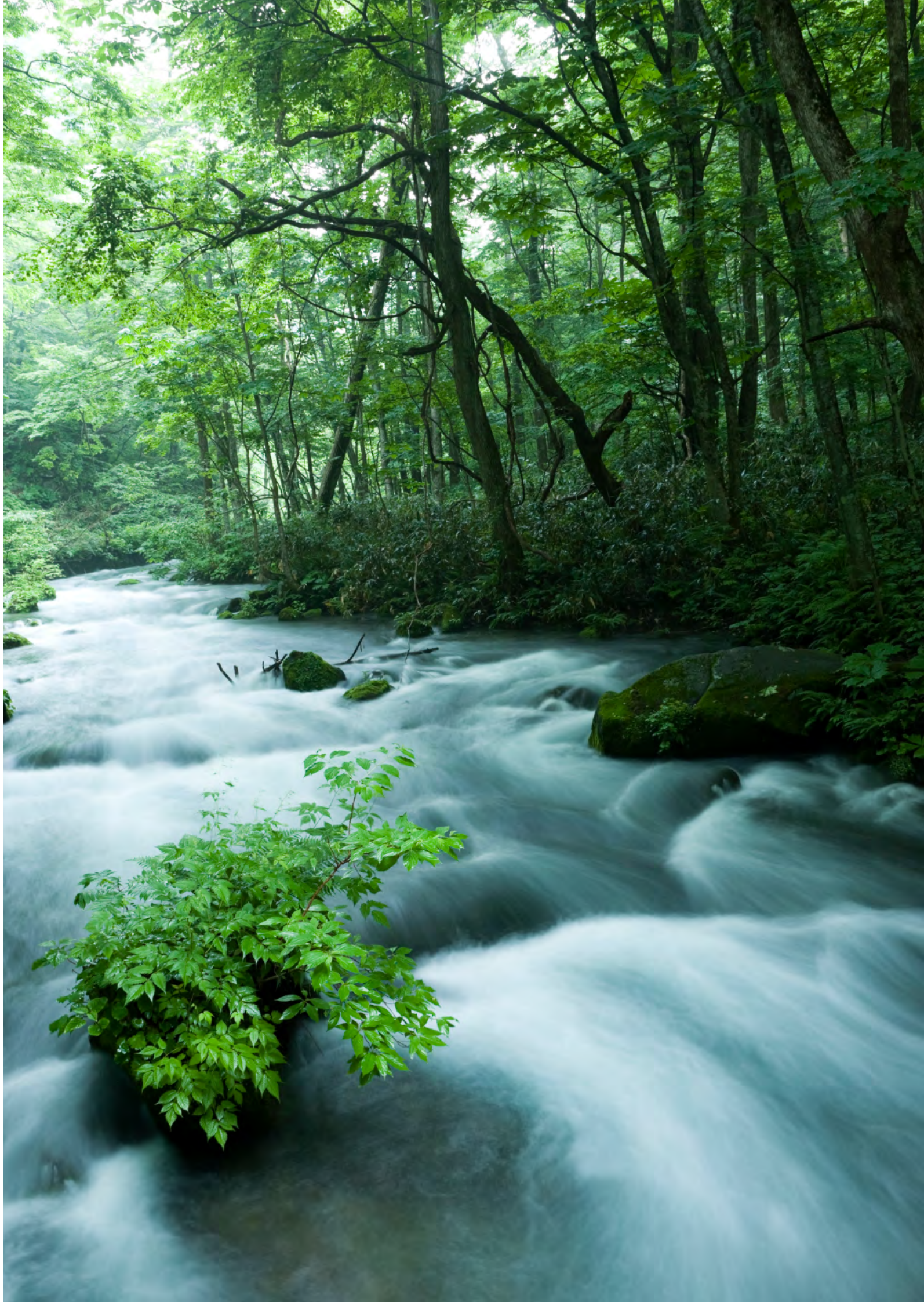


Note Lagarrigue on the right, which is the portfolio company with the highest impact volume with €152m of impact revenue generated in 2021. This is reinforced by the number of beneficiaries, as Lagarrigue fitted more than 180.000 patients with orthotics and prostheses over the same year, which is the widest reach for the portfolio at this stage.

Talis is the company with the highest impact level in the portfolio, thanks to its commitment to affordable vocational education without means-testing. All of the company's revenue directly contributes to 3 SDGs: Quality Education (SDG #4), Reduced Inequalities (SDG #10) and Decent Work and Economic Growth (SDG #8), which gives it an impact level score of 15.

Hype's impact level and volume have been revised down following the consolidation of two legal entities. This scope will no doubt change during 2022.


































Finally, note the portfolio companies with a high impact level at the top left: nextProtein, WeNow, Jean Bouteille and Castalie, which are in the development phase. Their impact volume should grow with their revenue, which will move them to the right-hand side of the chart.




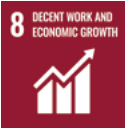


Consolidated Impact at Fund level

Contribution to the SDGs in 2021

BREAKDOWN OF THE CONTRIBUTION TO 14 SDGS AT 31/12/2021





	893,4 Pts	22,059 tonnes of insecticides avoided	
	816,3 Pts	Access for 2,821 students to apprenticeships without means-testing	
	520,1 Pts	500 disabled employees	
	518,2 Pts	90,124 tonnes of CO2 avoided	    
	382,0 Pts	5,505 managers trained in Africa	
	239,4 Pts	1,013kg of fine particles avoided	
	217,1 Pts	234 Gwh of clean electricity generated	 
	98,5 Pts	2,294 tonnes of waste avoided	  
	44,1 Pts	68 invasive species managed ecologically	
	43,3 Pts	~ 1% of arable land potentially covered by sustainable agricultural practices	
	15,0 Pts	1,541 decent jobs maintained in Africa	
	10.0 Pts	991 tonnes of ocean-friendly food production	
	7,5 Pts	57% women executives Direct investment scope at 31/12 out of 868 executives	
	3,4 Pts	14,281 tonnes of CO2 offset Thanks to WeNow, whose methodology is certified to "Gold" level under the UN climate programme	

Overall, the SDGs to which RAISE Impact's investments contribute the most are:

			
"Access to healthcare", with 893 points at the end of 2021. M2i Life Sciences' activities in fact prevented the use of 22,059 tonnes of insecticides over the year, which represents a 63% increase on 2020.	"Reduction of inequalities", with 816 points at the end of 2021. The investments in the Talis Business School and the IPAE 2 fund contribute to this SDG by training 8,326 people and students on apprenticeships, i.e. 5.5x more than in 2020.	"Access to decent work", with 520 points at the end of 2021, thanks to the investment in Oui Care, which employs 500 disabled employees	"Innovation and infrastructure", with 518 points at the end of 2021. Several RAISE Impact investments contribute to increasing the number of tonnes of CO2 avoided, and particularly Tuco Energie, a new investment made in 2021, which prevents 16,000 tonnes of CO2 emissions on its own.
			

Spotlight on the tonnes of CO2 avoided - Direct investments

In 2021, 27k tonnes of CO2 were avoided overall, equivalent to

	3,500 round-the-world trips by plane, i.e. 143m km
	The heating of 7,800 homes for a year, i.e. 2.8m days of heating2
	The meat-based meals of 4,000 families for a year, or 13.5m meals1
	The vegetarian meals of 14,000 families for a year, or 52m meals1

Monetarisation of Impacts

In 2021, RAISE Impact is adding monetarisation to its impact measurement methodologies. This additional component allows us to take our support for portfolio companies even further, by offering them an objective quantification of their impact by working with an independent third-party specialised in this type of analysis.

Socio-economic-environmental assessment



The socio-economic assessment is an academically and internationally recognised method designed to **objectify the creation of economic, social and environmental value**. It takes into account all the parties affected, and the financial flows and external effects, and is based on referring to the most likely scenario if the project had not been completed.

GENERAL PRINCIPLES:

- 01 Costs and benefits with the project (project option) vs. costs and benefits without the project (counterfactual) – taking into account of the project’s additionality
- 02 Expressing of costs and benefits in a common unit, i.e. monetarisation
- 03 Main indicators that may be calculated:
 - Socio-economic Net Present Value (NPV)
 - Socio-economic ROI

Application to France 2i: monetarisation of the aggregated impacts and net impacts of portfolio companies

RAISE Impact wished to add monetarisation to its impact measurement and management practices as this method has many benefits:

-  **For the fund:** it offers a universal and meaningful quantification of impacts, which is truly differentiating for the France 2i fund while being a useful reporting tool
-  **For portfolio companies:** monetarisation enables an objective quantification of the value resulting from their commitment to impact, while creating added value for key verticals (sales, marketing, relations with institutions, CSR policy, and so on)

AN ITERATIVE PROCESS LEADING TO TWO TYPES OF COMPLEMENTARY ANALYSES:



1 Socio-economic assessment assignments carried out for the French Ministry of Justice, the French Ministry of higher education, research and innovation, Suez, Vinci, the Bouygues Foundation, BNP Paribas, Caisse des Dépôts and the Green Bond Principles

01

Gross monetarisation of France 2i's global Impacts in €

At 31/12/2021, for 13 direct and 3 indirect investments, i.e. €75m committed



ENVIRONMENTAL INDICATORS	
Tonnes of CO2 avoided	€9.4m
Tonnes of insecticides avoided	€480.2m
Tonnes of waste avoided	€0.5m
TOTAL	€578.3m GROSS
SOCIAL INDICATORS	
Permanent jobs, disabled people employed	€16.7m
Net jobs created	€5.6m
People trained	€440.2m
Executives trained in CSR	€35.6m
People treated	€612.7m
TOTAL	€1,110.3m GROSS
France 2i's TOTAL GLOBAL IMPACTS	€2,200.5m GROSS

TOTAL Specific France 2i IMPACT = €169m gross, i.e. a 2.3x leverage ratio with €75m invested

02

Net monetarisation of portfolio companies' Impacts in €

Launching of analyses of net impact monetarisation in euros for several portfolio companies involved in the social inclusion field in order to **make them more persuasive in their dealings with stakeholders**:



Talis – socio-economic gains enabled by apprenticeships, to strengthen relations with authorities



OuiCare – socio-economic gains, particularly in connection with the combatting of illegal employment



Woonoz – costs saved by companies as a result of improved spelling standards

Launching of the first three analyses in H1 2022, then expanding to the portfolio companies who wish to take part. The aim is to build 3 “use cases” and positive testimonies from these first analyses in order to bring other portfolio companies on board.

making a commitment





**“An ESG policy
for the benefit
of a sustainable
transition, which
is central to our
purpose...”**

***“Developing an innovative
and generous ecosystem to
support visionary entrepreneurs
and build a responsible and
sustainable economy alongside
them.”***

As an engaged and responsible finance pioneer, the RAISE Group has reached a new milestone in becoming a “Purpose- driven company”

The RAISE Group marked a new stage in its strategy when it announced its new status as a Purpose-driven Company at the start of 2022.

A commitment to the common good is one of the RAISE Group's core values. From its creation in 2013, it has taken a unique position as a patient, long-term investor, whose profits are put to generous uses. Its model has been devised around a trailblazing mechanism whereby all of its management teams pay half of their profits back into RAISESHERPAS, a start-up endowment fund.

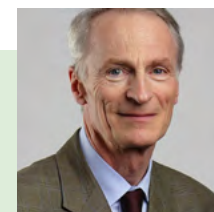
RAISE has been a company with a Mission since 2017, even before the French PACTE law was enacted, and decided to increase the prominence of this Mission by writing it into its articles of association in 2021. **The Group is now taking its commitment as a militant player even further by opting for purpose-driven company status. This decision is entirely consistent with its history, its model, its commitments and the major changes made to the Group in recent years. It also projects RAISE forwards by making its mission its strategic compass, namely its purpose of “developing an innovative and generous ecosystem to support visionary entrepreneurs and build a responsible and sustainable economy alongside them.”**

The RAISE Group therefore intends to advocate for the following four fundamental commitments:

- 01 **the sharing of success for the benefit of entrepreneurs;**
- 02 **the promotion of gender equality and diversity** as sources of performance and harmony;
- 03 **supporting the sustainable transformation of companies** by measuring the economic, social and societal value created through their actions and assisting with change as part of a continuous improvement process;
- 04 **innovation**, as the basis for our demand for excellence.

RAISE therefore has a Mission Committee, chaired by Jean-Dominique Senard, the Chairman of the Board of Directors of Renault, whose members consist of Delphine Ernotte Cunci, Chairwoman of France Télévisions, Salomé Berlioux, Founder of Chemins d'Avenir, Jean Guo, Co-Founder of Konexio, Nicolas Buttet, Lawyer and priest, Eric Coisne, a Senior Advisor to the RAISE Group and Chairman of RAISESHERPAS, and Stéphanie Pinot, the RAISE Group's Head of Strategy, Development and Communication, who is responsible for managing Engagement.

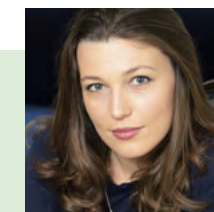
Notre Comité de Mission



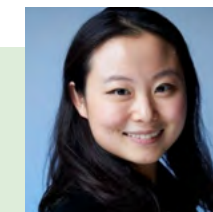
Jean-Dominique Senard
Chairman of the Board
of Renault



Delphine Ernotte Cunci
Chairwoman
of France Télévisions



Salomé Berlioux
Founder
of Chemins d'Avenir



Jean Guo
Co-Founder of
Konexio



Nicolas Buttet
Lawyer and priest



Eric Coisne
Senior Advisor to the
RAISE Group and
Chairman of
RAISESHERPAS



Stéphanie Pinot
RAISE Group Head of Strategy,
Development and
Communication

RAISE’s ESG vision and challenges

By adopting, from the outset, a pioneering model based on sharing success for the benefit of entrepreneurs, RAISE made a fundamental commitment to working towards an engaged and responsible approach to finance. It also undertook to contribute to the suitable development of the players behind our country’s growth.

These commitments were reinforced by the laying down of strong principles:

- A mission written into our articles of association and now our decision to become a purpose-driven company and make this the compass of the Group’s strategic road map;
- Generosity, with the donating by the investment teams of 50% of the capital gains made;
- Gender equality at every reporting level and governance by a two-person team;
- The coordination of a dynamic and virtuous ecosystem creating value for all;
- Transparent governance;
- The introduction of a proprietary Impact Measurement and Management (MMI) methodology, applicable to every sector and companies of all sizes;
- A compensation policy in line with the AMF’s (French supervisory authority) recommendations and that takes the Group’s results into account by referring to the Group’s sustainable development strategy, which is determined by its mission;
- A friendly work environment able to contribute to employees’ well-being.

ESG Policy

The ESG policy introduced by RAISE obeys three key principles:

- A unified ESG policy whose ambition applies to all investment activities;
- The taking into account of the risk of significant negative impacts on the value of an investment
- The taking into account of the risk of negative impacts on sustainability factors

An ESG policy that covers the entire life cycle of our investments;

- An ESG policy that highlights the sustainable transformation of companies, as each year, after the reporting data have been analysed, RAISE suggests prioritised areas for improvement to its portfolio companies, and follows up on them over time.

Since 2021, in accordance with the EU SFDR and Taxonomy regulations:

- RAISE has incorporated sustainability risks and PAIs (Principal Adverse Impacts) in investment decisions
- RAISE has classified its funds (articles 8 and 9)
- RAISE has communicated about the eligibility of its funds for the Taxonomy

ESG measurement and management methodology

Mapping of the data gathered

The ESG questionnaire is composed of quantitative and qualitative indicators and covers four main themes: governance, the environmental footprint, the social footprint and the supply chain.

Themes and sub-themes present in RAISE’s ESG reporting questionnaire

General information <ul style="list-style-type: none">• Organisation and scope of reporting• The company’s line of business• Clients• Revenue “RAISE” questions <ul style="list-style-type: none">• Sports and cultural activities• Purpose/Mission• Key values• Well-being in the workplace• Solidarity• Foundation Governance <ul style="list-style-type: none">• Operational governance• Shareholder governance• Business ethics• CSR governance• IT security	Environmental footprint <ul style="list-style-type: none">• Environmental management• Water• Energy• Transport• Waste• Carbon• Climate change• Environmental litigation and provisions• Social footprint• Workforce• Geographical breakdown• Types of contracts• Turnover• Absenteeism• Employee health and safety• Benefits and sharing of value• Training• Labour relations• Diversity	Supply Chain <ul style="list-style-type: none">• Organisation of procurement• Raw material risks in the value chain• Raw material risk management measures• Responsible procurement charter• CSR monitoring of suppliers PAIs (principal adverse impact indicators) <p>Quantifying of the impact of investments on environmental and social issues</p> <p>Examples:</p> <ul style="list-style-type: none">• Percentage of non-renewable energy consumed• Hazardous waste generated• Pay gap between men and women
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In addition to the ESG criteria, RAISE has defined a road map based on seven main areas for improvement that are specific to the Group’s values:

- Supporting the sustainable transformation of companies by offering solutions, tools and dedicated support
- Encouraging equality and especially the presence of women in key governance bodies (Boards of Directors, Strategic Committees, management positions, etc.)
- Encouraging the sharing of value with employees, particularly through share-ownership
- Encouraging carbon footprint measurement and management
- Making portfolio companies more aware of good governance practices, and especially of the importance of the presence of independent members
- Promoting employee training
- Appointing CSR officers or hiring a CSR manager

These areas for improvement are measured and monitored every year in connection with the ESG policy implemented by RAISE.

Summary of ESG issues and maturity

The data gathered have been used to establish the materiality of issues and the level of maturity for companies based on the following 16 aspects:

(For each aspect assessed, the materiality is rated on a scale of 1 to 5)

Materiality
Maturity



Materiality

0 = not material; 5 = highly material

The materiality of issues is rated according to the company's size, its business sector, the countries in which it operates, the data that it reports and, to a lesser extent, by comparison with the other portfolio companies.

Maturity

Rating in relation to the materiality of the issue and to the following:

- Is the company aware of the issue?
- Does the company have policies to deal with the issue?
- Does the company monitor the issue based on quantitative data?
- Are the results satisfactory (in absolute terms, in terms of intensity, compared with the benchmark, and in terms of progress over time)
- Has the company done everything in its power to deal with the issue and is there no possible scope for improvement?

The wider the gap between the materiality of an issue and the company's maturity with respect to the issue, the greater the ESG risk.

ESG management

The Social and Environmental Action Plan (SEAP)

The Social and Environmental Action Plan defines the actions that must be taken to improve a company's environmental and social trajectory. This action plan may be summarised, in an annual report, by an ESG maturity chart that states, for each ESG issue, its materiality according to the company's sector (thanks to the SASB reference framework*), and the level of the company's maturity with regard to this issue. An ESG risk is considered to exist if a material ESG issue is associated with a low level of maturity. In other words, if the issue is not considered, monitored or documented by the company. The aim of the Social and Environmental Action Plan is to ensure that the company makes progress while limiting the ESG risks to which it may be exposed.

*The Sustainability Accounting Standards Board (SASB) is a non-profit organisation that sets sector standards for companies for the accounting and disclosure of issues that have a material impact on the environment, social responsibility and governance.

The history of our responsible engagement

2013

The creation of RAISE on the foundation of a pioneering model of sharing value for the benefit of entrepreneurs. The RAISE Group operates based on a financing mechanism that combines profitability with generosity, as its investment teams donate 50% of their incentive bonuses to the internal endowment fund RAISESHERPAS, whose role is to support start-ups. RAISESHERPAS has now become the largest private entrepreneurship foundation in France, supporting 350 start-ups through mentorships and personalised programmes and financing 450 start-ups.

2014

RAISE became a signatory to the Principles for Responsible Investment (PRI) of the United Nations

2015

A first annual review of ESG initiatives was conducted within the portfolio companies of the portfolio management company RAISE Conseil.

2018

The Group launched the Mouvement pour une Economie Bienveillante (Movement for a Benevolent Economy), believing that from now on companies should take action and express their contribution to society. The MEB's aim is to rally and unite all those who think, act and do business differently in order to help make the world a better place.

2019

- **Launching of the RAISE Impact activity,** to finance purpose-driven companies or companies in the process of transformation, and defining of a non-financial performance measurement methodology.
- Conducting of a Carbon Footprint Assessment of the portfolio management company RAISE Conseil.
- Introduction of ESG reporting for all of the RAISE Group's portfolio companies, in order to analyse and consolidate data and monitor it over time. A personalised recommendation for the main areas of improvement is then suggested to support the sustainable transformation of our business portfolios.

2020

- **RAISE Impact launched its proprietary Impact Measurement and Management (MMI) methodology,** applicable to any sector or companies of any size, whose purpose is to demonstrate companies' positive impacts and set them on the path to improvement.
- **The RAISE Group consolidated its mission and wrote it into its articles of association,** following a thought process lasting a year and involving all of its employees, in partnership with the Laboratoire des Mines' (Paris Tech) Theory of the Firm Chair. "Developing an innovative and generous ecosystem to support visionary entrepreneurs and build a sustainable economy alongside them" is now the ambition that serves as a compass for all of our activities.
- We also reinforced the four key commitments that allow RAISE to advocate for an engaged and responsible approach to finance, and guide the rollout of its strategic road map:
 - The sharing of success;
 - The promotion of gender equality and diversity as sources of performance and harmony;
 - The assisting of companies with the measurement of the economic, environmental and social value of their activities, and their sustainable transformation;
- Innovation, as the basis for our demand for excellence.
- An additional milestone was reached in the ESG monitoring of our portfolio companies, when we added a carbon footprint assessment module (for scopes 1, 2 and 3) so as to establish an initial measurement framework to help our portfolio companies to define a strategy for reducing their emissions.
- The RAISE Group disclosed the portfolio management company's commitments to ensure its compliance with the transparency obligations defined by the SFDR (Sustainable Finance Disclosure Regulation).

2021

- **RAISE published its ESG policy on its website**, taking into account indicators able to identify negative impacts and integrating the SFDR and Taxonomy regulations.
- **RAISE achieved compliance with the new European regulation on sustainability-related disclosures in the financial services sector** (classification of SFDR funds), which guides investors in their decisions based on environmental considerations by putting funds into three separate categories (articles 6, 8 and 9 of the SFDR), each being associated with documented investment criteria integrating ESG considerations and a documented sustainability strategy.
- **RAISE included the principal adverse impacts (PAIs)** set out by the Taxonomy regulation in its ESG reporting
- **The Group created a corporate ESG team** consisting of:
 - **Sophie de Fontenay**, the RAISE Group's General Counsel, who has also become Head of Sustainability
 - **Benoît Escher**, appointed as the RAISE Group's Sustainability Manager responsible for ESG
- **Finally, RAISE defined a sustainable transformation offer and methodology** to assist its portfolio companies with their environmental and social transformations through three key steps:
 - Challenging their business model and company purpose following an ESG analysis
 - Drawing on expert advice and business cases to bring out the "intentionality" of directors
 - Moving into action by recommending tried and tested solutions and service providers



Reference frameworks, partnerships and labels

United Nations PRI

We signed the United Nations' Principles for Responsible Investment in 2014, confirming our commitment to integrating non-financial criteria in our management, our vision and the monitoring of our portfolio.

United Nations Sustainable Development Goals

We have formalised our ESG policy based on the United Nations SDGs.

France Invest

RAISE is a member of France Invest, and a signatory to its Charter of commitments of investors for growth and Gender Equality Charter.

SISTA charter

RAISE promotes gender equality and diversity as a valuable way of making companies more representative of society. RAISE has undertaken, particularly in order to support female entrepreneurs, and in keeping with its signing of the SISTA charter, to ensure that, by 2025, 25% of the start-ups financed through its activities were founded or co-founded by women, rising to 30% by 2030. This is currently the case for 23% of the companies financed through its investment activities and 29% of the start-ups supported through interest-free loans from RAISESHERPAS.

Impact France

RAISE is an active member of the Impact France movement, an association of entrepreneurs with a social and/or environmental impact that are getting involved in the transition under a new banner.

10% pour tout changer coalition

RAISE is a partner of the 10% pour tout changer (10% to change everything) coalition of companies committed to an environmental and social revolution.

Mouvement pour une Economie Bienveillante

The Movement for a Benevolent Economy (MEB), launched in 2018 by the RAISE Group, is intended to encourage companies of all sizes to organise themselves around a generous and effective economic model, and to bring together all of the players that are already working for the common good on a daily basis. With nearly 5,000 signatories, the MEB defends the belief that companies that share their value perform better and are longer lasting.

Change NOW

RAISE is a partner of emblematic events such as the ChangeNOW Summit and the Word Expo of Solutions for the Planet.

Relance label

All of the funds managed by the RAISE Group have been awarded the France Relance label by the French Ministry for the Economy and Finance, making them eligible for equity injections for companies, in connection with the stimulus plan introduced by the Government.

LuxFLAG label

RAISE Impact has been awarded the "LuxFLAG" label, given to funds that operate in the responsible investment sector.



Propriétés

PAI (Principal Adverse Impact) indicators

The PAI indicators introduced by the EU SFDR (Sustainable Financial Disclosure Regulation) show the main negative impacts of investments and products on ESG factors.

Definition: "The most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters."

	NAME	METRIC	UNIT	VALUE	SCOPE
1	Greenhouse gas emissions (Scope 1)	"Greenhouse gas (GHG) emissions" are understood to mean greenhouse gas emissions as defined in article 3, point 1) of Regulation (EU) 2018/842 of the European Parliament and of the Council. "GHG emissions" are calculated in accordance with the following formula: $\sum_i \left(\frac{\text{current value of investment}_i}{\text{investee company's enterprise value}_i} \times \text{investee company's Scope}(x) \text{ GHG emissions}_i \right)$	tCOE2eq	266.84	12/13
2	Greenhouse gas emissions (Scope 2)	"Greenhouse gas (GHG) emissions" are understood to mean greenhouse gas emissions as defined in article 3, point 1) of Regulation (EU) 2018/842 of the European Parliament and of the Council. "GHG emissions" are calculated in accordance with the following formula: $\sum_i \left(\frac{\text{current value of investment}_i}{\text{investee company's enterprise value}_i} \times \text{investee company's Scope}(x) \text{ GHG emissions}_i \right)$	tCOE2eq	56.21	12/13
3	Carbon footprint	The carbon footprint is calculated in accordance with the following formula: $\frac{\sum_i \left(\frac{\text{current value of investment}_i}{\text{investee company's enterprise value}_i} \times \text{investee company's Scope 1, 2 and 3 GHG emissions}_i \right)}{\text{current value of all investments (€M)}}$	tCOE2eq	5.21	12/13
4	GHG intensity of beneficiary companies	The GHG intensity of beneficiary companies is calculated in accordance with the following formula: $\sum_i \left(\frac{\text{current value of investment}_i}{\text{current value of all investments (€M)}} \times \frac{\text{investee company's Scope 1, 2 and 3 GHG emissions}_i}{\text{investee company's €M revenue}_i} \right)$	tCOE2eq	26.60	12/13
5	Exposure to companies active in	Percentage of investments in companies active in the fossil fuel sector	%	0	13/13
6	The fossil fuel sector	Proportion of the energy consumed and produced by beneficiary companies coming from non-renewable energy sources in relation to renewable energy sources, expressed as a percentage	%	98.6	13/13
7	Percentage of non-renewable energy consumed		%	0.0	13/13
8	Percentage of non-renewable energy produced	Energy in GWh consumed by beneficiary companies, per million euros of revenue, by high climate impact sector	GWh/€m of revenue	0.0	13/13
9	Energy intensity by high climate impact sector	Percentage of investments in beneficiary companies whose sites/operations are located in or close to zones that are sensitive from a biodiversity viewpoint, if the activities of these beneficiary companies have a negative impact on these zones	%	0	13/13

	NAME	METRIC	UNIT	VALUE	SCOPE
10	Emissions of pollutants into water (tonnes)	Tonnes of emissions into water generated by companies benefiting from investments per million euros invested, expressed as a weighted average	t/€m of revenue	16.8	13/13
11	Hazardous waste generated	Tonnes of emissions into water generated by companies benefiting from investments per million euros invested, expressed as a weighted average	t/€m of revenue	459.64	13/13
12	Breaches of the principles of the UN Global Compact and the Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	Percentage of investments in beneficiary companies that have been involved in breaches of the principles of the UN Global Compact or of the OECD Guidelines for Multinational Enterprises	%	0	13/13
13	Absence of compliance processes or mechanisms to monitor compliance with the principles of the UN Global Compact and the OECD Guidelines for Multinational Enterprises	Percentage of investments in beneficiary companies that do not have policies on the monitoring of compliance with the principles of the UN Global Compact or the OECD Guidelines for Multinational Enterprises, or mechanisms for the handling of grievances/complaints in the event of breaches of the principles of the UN Global Compact or the OECD Guidelines for Multinational Enterprises	%	92.86	13/13
15	Diversity on the Board	Average ratio of women to men on the Boards of Directors of companies benefiting from investments	%	25,74	13/13
16	Exposure to controversial weapons (anti-personnel mines, cluster bombs or chemical or biological weapons)	Percentage of investments in beneficiary companies involved in the production or sale of controversial weapons	%	0	13/13

The IFC’s environmental and social performance standards

The IFC’s Performance Standards, which were introduced in 2012, provide an internationally recognised framework for the identification and management of environmental and social risks; they have been adopted by numerous organisations as key components of their environmental and social risk management strategies. The IFC’s environmental, health and safety guidelines have been broken down into 8 performance standards (PS).



PS1: Risk management through the Environmental and Social Management System (ESMS)
The IFC defines an ESMS as a set of internal procedures and tools able to identify and manage a company’s ESG risks.



PS2: Labour and working conditions
PS2 covers all the regulations to be adopted in order to provide safe and healthy working conditions, avoid the use of forced labour, and identify risks in the labour supply chain.



PS3: Resource efficiency and pollution prevention
PS3 helps companies to incorporate practices and technologies that promote energy efficiency, use resources (such as energy and water) sustainably, and reduce greenhouse gas emissions.



PS4: Community health, safety and security
PS4 helps companies to adopt responsible practices to reduce health and safety risks through the forward-planning of resources and the preparation of adequate responses to such risks.



PS5: Land acquisition and involuntary resettlement
PS5 guides companies through the land acquisition process to avoid involuntary resettlements (following the acquisition of land when the occupants do not have the right to object) and limit the impact of voluntary resettlements.



PS6: Biodiversity conservation
PS6 describes the measures necessary to protect and preserve biodiversity, which are a fundamental part of a sustainable development approach.



PS7: Indigenous peoples
PS7 aims to ensure that the negative impacts of economic activities are limited and that they foster respect for the human rights, dignity and culture of indigenous peoples.



PS8: Cultural heritage
PS8 aims to provide companies with guidance on protecting cultural heritage against the adverse impacts of economic activity and supporting its preservation. It also promotes the equitable sharing of the benefits derived from the use of cultural heritage.

Definition of impact indicators

SOCIAL COMPONENT	
Number of permanent jobs	Number of permanent jobs maintained over the year.
Net job creation	Number of permanent staff hired minus the number of staff departures over the year.
Number of beneficiaries	Estimated total number of people who directly or indirectly benefit from positive effects related to SDG indicators thanks to the activities of the portfolio companies.
ENVIRONMENTAL COMPONENT	
Tonnes of waste or harmful products avoided	Estimated volume of waste or harmful products avoided in relation to a benchmark scenario defined for each portfolio company. These are defined by the ADEME or are tested by external agencies, as is the case for the “tonnes of insecticide avoided” indicator.
Tonnes of insecticide avoided	Estimated volume of conventional insecticides replaced by M2i’s biocontrol technologies. The benchmark scenario used to calculate this volume is based on the market shares of the conventional insecticides replaced by volume. Detailed information is available on request.
Clean electricity generated in GWh	Electricity generated by the portfolio whose source is potentially: <ul style="list-style-type: none">• Solar power• Wind power• Wave power
Tonnes of CO2 avoided	Estimated tonnes of CO2 equivalent avoided by the portfolio in relation to benchmark scenarios defined for each portfolio company.
Tonnes of CO2 offset	Tonnes of CO2 offset through offset schemes, particularly those certified by United Nations Climate Change.



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