

ESG Chart 2024

Summary

Analysis of the internal and external impact of startups

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Part 1 – Our purpose

Entrepreneurship is a powerful way to leverage technology in addressing societal challenges. Therefore, it's essential to act with inherent respect and responsibility.

In light of this, our purpose lies in the development of entrepreneurship to meet the future challenges of our society in an ambitious and responsible way.

Our Mission

As part of Founders Future's investment processes, we make it a point to consider environmental, social, and governance (ESG) criteria. This approach is illustrated by Founders Future's B-corp certification since 2021 and is formalized in the company's bylaws, which state that Founders Future aims to "generate a positive and significant social, societal, and environmental impact in the course of its activities. In line with this approach, the CEO of the company undertakes to take into consideration (i) the social, societal and environmental consequences of its decisions on all the company's stakeholders, and (ii) the consequences of its decisions on the environment".

In that way, our team strive to exert a positive impact on the start-ups' ESG performance, right from the early stages. All young companies can contribute positively to the development of a virtuous economic framework, in terms of environmental, social, and governance matters. This approach should be initiated as early as possible in the lifecycle of the company.

Our commitments

As an Management company

We integrate extra-financial indicators and objectives into our investment approach for all dedicated funds, by setting sincere and tangible objectives, and by raising team awareness on ESG and impact issues.

Towards the Entrepreneurs

Beyond providing capital, Founders Future actively supports start-ups in defining and implementing both their financial and non-financial strategies.

Drawing from its experience and knowledge, the team helps steer start-ups towards the most suitable approach regarding their development stage and business model.

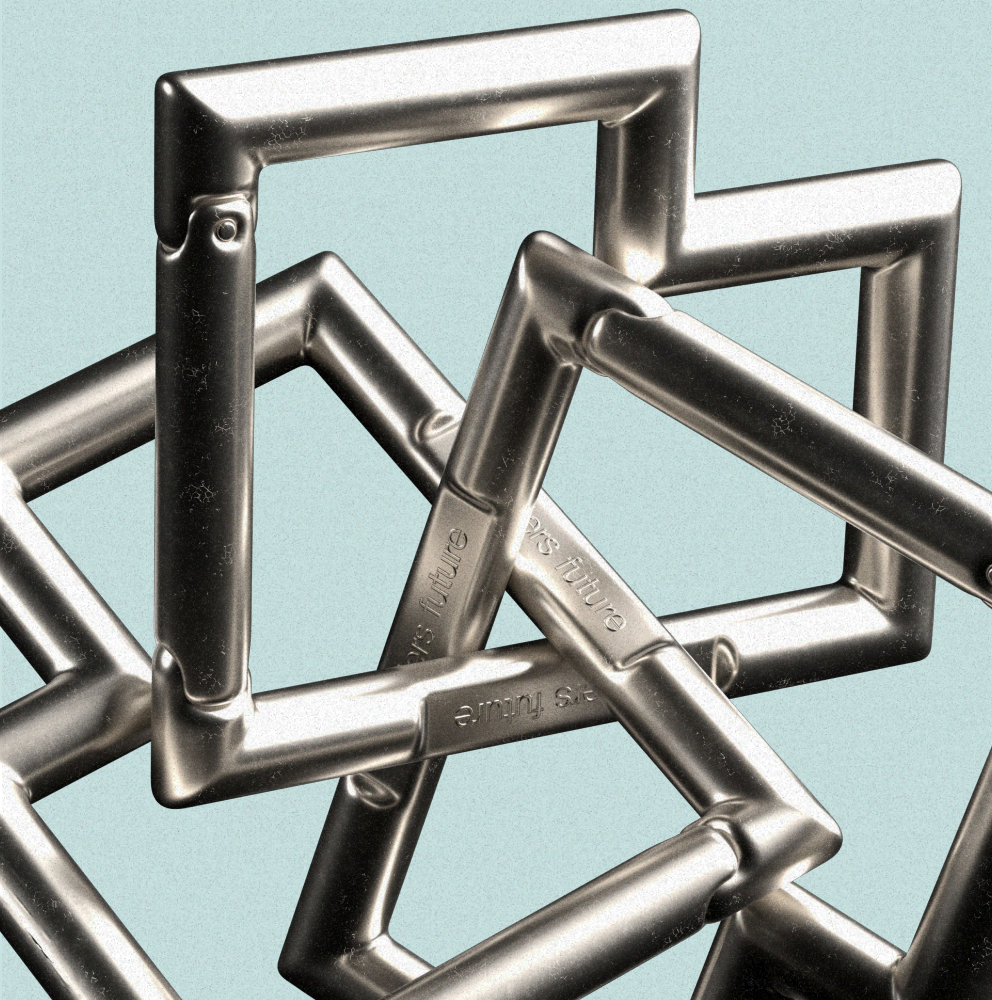
In line with the mission described above, methods and tools for supporting all the portfolio companies of the funds advised by Founders Future has been established and continually improved.

Towards the Ecosystem

Founders Future strive to foster an investment approach balancing financial performance with positive impacts on communities, the environment, and governance.

Deeply committed to gender equality issues and promoting best investment practices, Founders Future is actively engaged in Sista network, France Invest, participates in France Invest's sustainability and impact commissions and is signatory of the Charter on value sharing, the gender equality charter, and the investors for growth commitment charter.





Part 2 – Extra-Financial analysis of investment opportunities

For the purpose of direct funding towards sustainable models, a method for analyzing non-financial criteria has been implemented.

This method is fully integrated into Founders Future's processes and consists in assessing both internal and external impacts of investment opportunities and portfolio companies of the funds advised by Founders Future.

Preliminary Screening

Carried out by the Investment Team with the support of the ESG Team

1. Exclusion criteria analysis

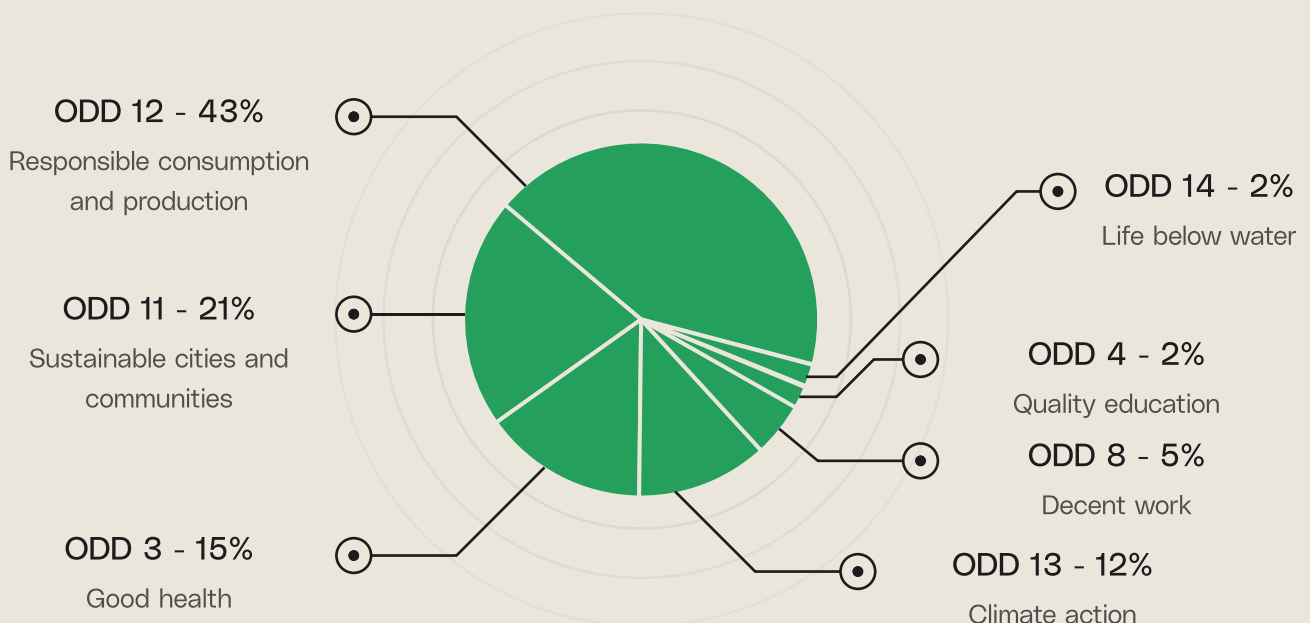
Prior to any financial and extra-financial due diligences process, a screening based on two main pillars is applied:

- On the one hand, exclusions based on the sector to which the activity belongs (such as activities related to fossil fuels, gambling, armaments, tobacco...), and
- On the other hand, exclusions due to the non-compliance of the activity with national and/or international standards, either due to its intrinsic nature (such as cloning, illicit access to electronic data...), or due to the behavior of the entity conducting the activity (such as violation of the principles of the United Nations Global Compact, exploitation of child labor...).

2. Assessment of the positive external impact of investment opportunities

The investment process includes a preliminary analysis to assess whether, and to what extent, investment opportunities align with one of the 17 United Nations Sustainable Development Goals (SDGs). These goals form the framework of the 2030 Agenda for Sustainable Development, adopted by all UN member states in 2015.

To date, 50% of the portfolio companies of the funds advised by Founders Future contribute to the SDGs, according to the following distribution:



As long as the strategy of the funds classified as "article 8" under the SFDR Regulation is based on the promotion of ESG criteria, it is specified that the lack of pursuit of one of the aforementioned objectives does not hinder the due diligences process.

Due Diligences process

Carried out by the ESG Team

3. Double maternity: in-depth study of sustainability risk and PAI

Our detailed approach regarding the integration of sustainability risks and the consideration of the principal adverse impacts of our investments on sustainability factors, both at the investment stage and during the monitoring of the portfolio company, are described in our Statement pursuant to the SFDR Regulation.

4. Analysis of investment opportunities' ESG indicators

This analysis is based on an audit in two phases: firstly, the completion of a detailed questionnaire in accordance with France Invest's guidelines, and secondly, one or more discussions with the founders, including, where appropriate, a review of the company's internal documentation.

Through the conduct of these due diligences carried out as part of the pre-investment process of dedicated funds, Founders Future's team seeks to understand the way ESG issues are handled within the investment opportunity at the date of the audit, as well as the founders' sensitivity, in order to establish appropriate guidelines for improvement.

The effectiveness and transparency of Founders Future's approach require ESG indicators to be established, assessed, and updated in line with the sector of activity and maturity of the companies being recommended.

The ESG indicators refer to the following three pillars:

- The Social Pillar: corresponds to the direct or indirect positive impact of an organization's activity on its stakeholders, primarily employees, but also suppliers and customers. This pillar is assessed by Founders Future based on tangible indicators such as the prevention of work-related accidents, the integration of disabled employees, training, the quality of social dialogue within the company, staff turnover rates, parity in terms of headcount or remuneration, absenteeism rates, or the existence of an anti-discrimination policy.
- The Environmental Pillar: corresponds to the direct or indirect positive impact of an organization's activity on the environment. This pillar is assessed by Founders Future based on tangible indicators such as the measurement of greenhouse gas emissions and electricity consumption, with a view to introducing policies to reduce emissions or consumption, recycling waste, establishing an environmental policy, or obtaining environmental certifications.
- The Governance Pillar: corresponds to all internal structuring initiatives contributing to the effective management and administration of an organization. This pillar is assessed by Founders Future based on tangible indicators such as transparency of executive remuneration, respect of the rights of minority shareholders, value sharing, introduction of an anti-corruption policy and a responsible sourcing charter.

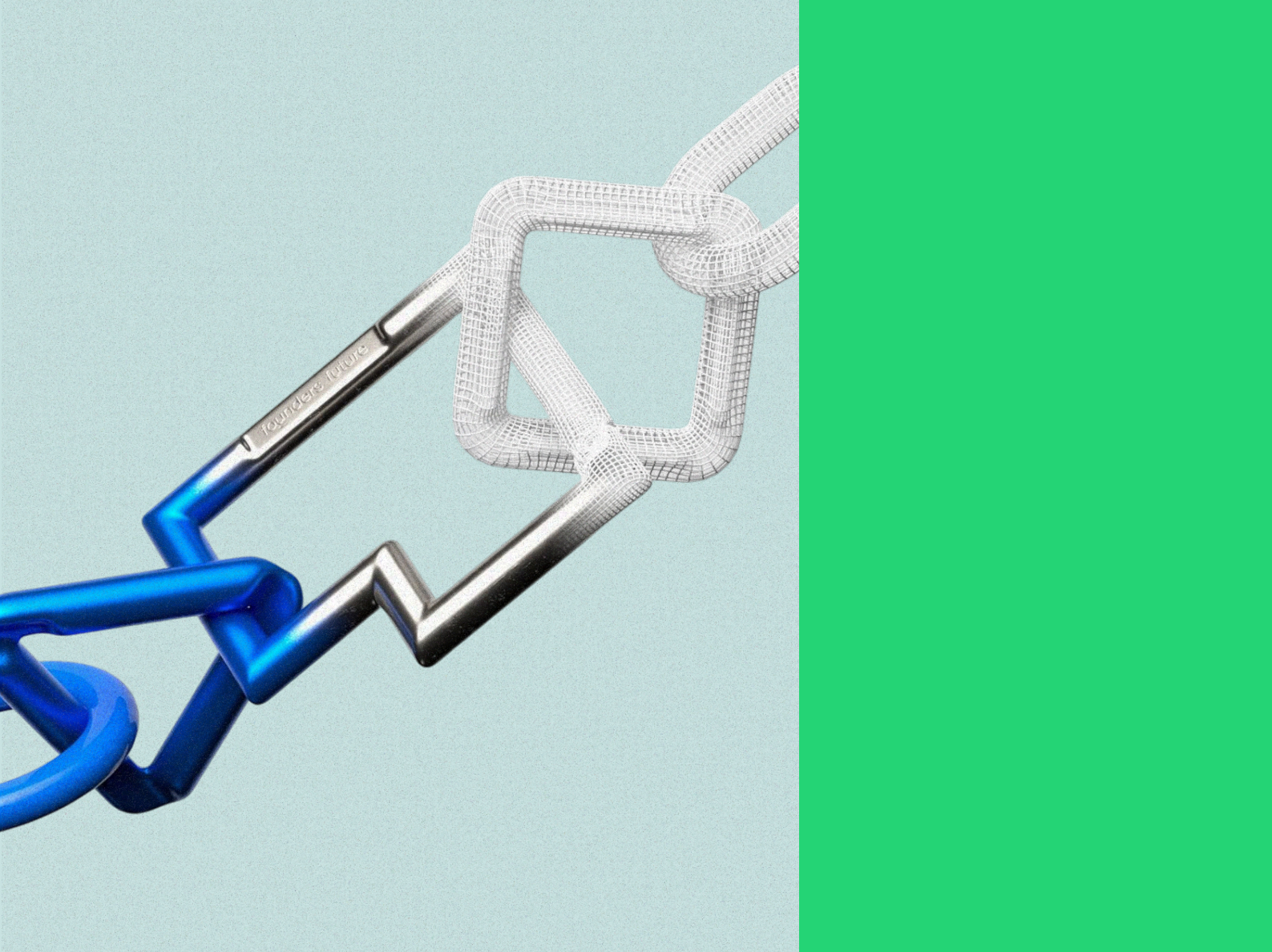
Upon completion of the questionnaire, interviews with the founders, and review of the documents provided by the target, an audit report is drawn up by the ESG team, presented to the investment committee, and subjected to a collective decision.

The stipulations related to the commitments made by the company are stated in the legal documentation.

Lastly, an ESG Score has been drawn up for all investments and reinvestments carried out by the dedicated funds at the Series A stage and beyond. This score includes, on the one hand, the main indicators monitored by Founders Future as part of the portfolio management, and on the other hand, the additional indicators determined by the ESG team based on the company's maturity, sector, and market position.

This scoring must result in a favorable outcome for the fund's participation involved in a financing round to be validated. Among the major indicators considered are the following:

Environment	Social	Gouvernance
<ul style="list-style-type: none">Carbon footprint assessmentGreenhouse gas emissions reduction or compensation policyImpact on biodiversity analysisClimate & environmental charterInternal environmental initiativesCertifications / Label	<ul style="list-style-type: none">Gender parity among the teamGender pay gapNumber of job createdTurnover rateTeam trainingPay grid formalizationAnti-discrimination policyCharity budget allocated	<ul style="list-style-type: none">Gender parity among the foundersIndependent board memberESOPESG matters covered in the board discussionsManagement's incentive adjusted based on achieving ESG objectivesSustainable supplier charterESG lead team member appointmentInformation systems security policy



Part 3 – Portfolio Management

Committed to our early-stage investment strategy, we assist entrepreneurs in creating the framework of their company. This commits us from the very beginning of the startups' financial and extra-financial strategies structuring and implementation.

Portfolio Management

On the extra-financial side, our operational contribution lies in advising on the structuring and implementation of ESG performance targets as well as the the impact trajectory of the companies.

Our team is available daily to support entrepreneurs by providing the necessary assistance in a proportionate and suitable way according to their needs, whether operational (strategy definition and adjustment, talents research, connecting with service providers, clients, or potential suppliers), financial (support in fundraising and financing operations), or extra-financial (raising awareness among the founding team, implement the right initiatives at the most relevant time, and advising on certification processes).

Upon integration of a start-up into the Funds' portfolio, the first initiatives are identified in collaboration with the company and its founders – based on the conclusions from the ESG due diligences and the startup's commitments stated in the legal documentation. These actions are then scheduled in a timeline defining short, medium, and long-term milestones.

Following this, a periodic supervision occurs (weekly and/or monthly, depending on the initiatives undertaken by the start-up and their developmental stage). The ESG score of the investments is also reviewed semi-annually using our internal scoring method.

Our ESG team and investment team work together to monitor the ESG indicators of the advised funds' portfolio companies. Some data can be challenging to quantify with early-stage start-ups. That's why we refer our entrepreneurs towards leading players to ensure the tracking of their ESG indicators and generate tangible data, aiming to provide them with a relevant benchmark.



We created a partnership with Sami, whose carbon assessment mechanism aligns well with the business model of young companies. It is based on a comparable method to address the lack of certain data due to the early-stage nature of start-ups.

Entreprise



Certifiée

Our team is trained to assist start-ups in obtaining B-Corp certification and remains dedicated to helping founders choose the most suitable certifications and labels.

BCorp Ongoing

neat Bon Vivant BONSOIRS.
Beev® Bohr Energie OLALA!
getinside motto ROOF
aum

BCorp Certified

La fourche waterdrop® 9000 cuyée privée
epyCure LABORATOIRE Jho, METAFORE

Société À Mission

Underdog L'ELECTROMENAGER SIMPLIFIE ET RECONDITIONNE yespark

Ecovadis

waterdrop®

Entreprise solidaire d'utilité sociale

colette



The companies track their ESG KPIs through the Zei platform; this platform is highly valuable for young companies as it provides a comprehensive view of key indicators tailored to their development stage.