daphni

ESG Doctrine

Version dated November 30, 2025

Our commitment

daphni's commitment to ESG has been deeply rooted in its values since its inception. Its purpose and status as a mission-driven company, along its B Corp Certification, guide and guarantee its dedication towards a more sustainable world. This commitment is not just a marketing slogan, but a core principle that drives every aspect of our business as a VC.

This daily dynamic, championed by the daphni team and its entire ecosystem (start-ups in our portfolio, investors, etc.), strengthens our legitimacy and our ability to build a clear and ambitious vision for our teams and partners.

As a mission-driven company, daphni's mission is: **Driven by our responsibility to future generations, daphni's "raison d'être" is to invest in technologies and innovations that deliver positive impact from an environmental and social perspective to build a more sustainable world supporting the 2015 Paris Agreement objectives."**

To achieve this mission, daphni pursues social and environmental objectives:

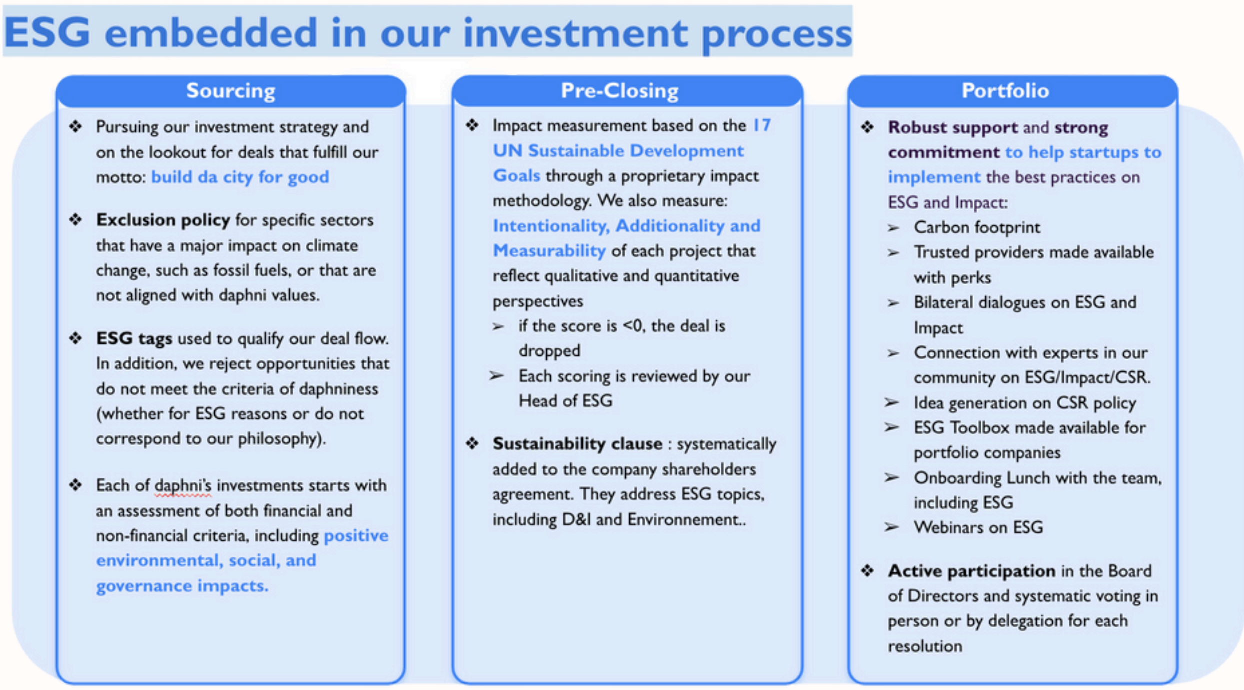
> **Objective 1 : "Empower and accompany our portfolio companies in transitioning to a more responsible world."**
>
> **Objective 2 : "Actively apply the environmental and social standards that underpin our raison d'être."**
>
> **Objective 3 : "Communicate and share our ethical, social and environmental values with our stakeholders and communities."**

These three objectives are achieved through the implementation of tangible actions within our communities and towards our stakeholders, while strengthening our responsible investment practices. Our aim is to generate a positive and significant impact on society, communities and the environment in the exercise of our activities. daphni has developed ESG commitments and related operational frameworks that are consistent with these objectives and the company's strategy.

Our Mission Committee is the governance body that oversees the proper implementation of these objectives. It is tasked with reporting on progress and areas for improvement relating to the company's social and environmental objectives. The independent experts of this Committee provide a critical perspective on our commitment and act as a safeguard to ensure that our strategic direction remains aligned with our mission.

ESG embedded in our investment process

daphni's investment policy takes into account **environmental, social, and governance (ESG)** criteria throughout the entire lifecycle of our investment process. from dealflow origination to portfolio monitoring, covering all our investment opportunities. This holistic approach underlines our commitment to responsible and sustainable investment practices.



1. Initial Assessment of Opportunities

When our investment team identifies a potential project, we initiate an intuitive evaluation we call the **"ESG gut feeling"**. This informal process allows our investors to form a first impression of the project based on the initial information available, primarily the pitch deck and the first conversation with the founding team. At this stage, we categorize the externalities of the proposed product or service into three levels: positive, neutral, and negative. This paves the way for internal discussions on ESG and helps the investment team identify key points to address with the founders.

2. ESG Analysis Pre-Investment Committee

After thorough analysis, if a project is deemed promising, it advances in our investment process to the Investment Committee (IC). Before this meeting, we conduct an **Impact/ESG analysis of each project**, which is included in the investment memo. We have developed an internal scoring system, completed by our investment teams, and then challenged by our Head of ESG. This ensures IC members have all the necessary information to take an informed decision.

Our ESG/Impact scoring system, partially inspired by the IMP framework, evaluates how the investment opportunity contributes to the Sustainable Development Goals (SDGs). The methodology and tool are openly accessible on our website.

3. Sustainability Clause

To solidify our commitment to sustainability, we incorporate a comprehensive sustainability clause (in appendix) into our shareholder agreements. This clause addresses a broad range of ESG topics, including environmental impact, climate, diversity, and inclusion, while assigning responsibility for policy and strategy to the board level. This clause promotes sustainability discussions throughout the portfolio company's lifecycle. We recognize that many startups may not have established ESG practices yet, but as long as the founders share our vision, we commit to supporting them in integrating these practices post-investment.

4. ESG Onboarding

During the onboarding process for each portfolio company, a dedicated session on ESG and impact is held to explain what we offer and what we expect from our portfolio companies. The goal is to build a long-term relationship with the founders and encourage systematic inclusion of ESG in the company's strategy.

We have developed our **ESG Toolbox**, open source, to support companies at the beginning of their sustainability journey

5. Portfolio Monitoring

We remain actively involved in monitoring our portfolio companies, helping them implement market-leading ESG practices and position themselves as leaders in their sectors.

Several times a year, we engage with all our portfolio companies to share best practices, provide resources, and encourage them to evaluate their carbon footprint.

Our portfolio monitoring activities include:

- Annual ESG data collection campaign: all portfolio companies are invited to report on their key ESG performance indicators (KPIs). The results are shared with our investors (LPs) and help companies track progress, identify areas for improvement, and turn ESG performance into a competitive advantage.
- Information and support sessions: organized regularly to strengthen ESG engagement and provide hands-on guidance.
- Thematic ESG content and events: shared throughout the year to help companies integrate sustainability into their strategy.
- ESG engagement scoring system: used to assess the maturity and progress of each portfolio company, supported by a dedicated **self-assessment tool.**
- Continuous interaction and support: through news updates, recommendations, awareness initiatives, help desk resources, and connections with trusted partners, ensuring our companies stay one step ahead of market expectations.

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Sustainable investment framework (SFDR)

daphni is committed to investing in sustainable companies that contribute to environmental and social progress. Our sustainable investment framework is designed to ensure that our investments meet the highest standards of sustainability and that we are aligned with the Article 2.17 of the European Regulation (EU) 2019/2088 known as the Sustainable Finance Disclosure Regulation, hereafter "SFDR Regulation".

Our methodology and indicators demonstrate how each investment contributes to a social or environmental sustainable investment objective. To be considered a sustainable investment, an investment must meet the following criteria:

1. Contribution to a sustainable objective: The investment must contribute to an environmental and/or social objective.

Our contribution methodology is built on several pillars (and/or):

A. Environmental objective under EU Taxonomy

The investment must contribute to at least one of the six environmental objectives of the EU Taxonomy Regulation (EU 2020/852):

- (a) climate change mitigation;
- (b) climate change adaptation;
- (c) the sustainable use and protection of water and marine resources;
- (d) the transition to a circular economy;
- (e) pollution prevention and control;
- (f) the protection and restoration of biodiversity and ecosystems.

We assess and monitor taxonomy alignment and eligibility through our internal processes if relevant. In addition, to ensure that the investment is sustainable, our investment team conducts an analysis to assess that it does not significantly compromise other objectives and that it meets the minimum safeguards as defined by the EU taxonomy.

B. Environmental or social objective through SDGs contribution:

We also take into account other environmental positive impacts that are not considered to be aligned with the Taxonomy, by assessing each investment opportunity using our proprietary impact scoring based on the 17 UN SDGs.

To be considered sustainable under our impact assessment, an investment must have a total score greater than 3.5.

C. Contribution to a sustainable objective through the founder's profile:

This assessment has been specifically designed for the Time4 fund.
Time4 is a closed-end impact fund designed to break barriers in access to financing for entrepreneurs from diverse backgrounds and to back business models that generate measurable positive impact. Beyond financial performance, our mission is to foster inclusivity, sustainability, and long-term value creation.

For further details, please refer to the constitutive documents and the SFDR pre-contractual documents.

2. Do No Significant Harm (DNSH) principle: The investment must not cause significant harm to another environmental or social objective.

To demonstrate that sustainable investments that meet one of the pillars above comply with the DNSH principle, we conduct an analysis through a mix of three indicators:

- Qualitative and quantitative assessment of the relevant Principal Adverse Impacts (PAIs): When deemed needed, we assess the materiality of PAIs for the underlying investment and conduct a mix of qualitative and quantitative assessments to identify any potential harmful externalities. As we operate very early stage, most of the PAIs are irrelevant.

- Quantitative assessment using our proprietary impact tool: We use proprietary tools to evaluate negative impacts on the SDGs. Any investment that has a score below 0 is considered to have failed the DNSH principle.

- Qualitative impact assessment : we also assess the intentionality, the additionality and the measurability of each project, as well as the main risks involved.

The investment must also comply with minimum safeguards, such as the OECD Guidelines for Multinational Enterprises.

3. Respect good governance principles: The investment must be made in a company with good governance practices.

We have implemented several internal processes to assess whether our investment opportunities comply with the principles of good governance:

- Exclusion policy: We have an exclusion policy to provide some protection against certain risks prior to each investment.

- Due diligence at the time of investment: We conduct in-depth legal, and HR analyses during due diligence

- Quarterly monitoring where companies report on their latest ESG noteworthy events.

daphni sustainable investment framework may evolve depending on the assessment of the management company and the evolution of regulation. Additionally, while using a third-party provider, daphni can rely on their methodology to assess whether an investment falls within its sustainable investment framework.

Both the investment team and our ESG team are responsible for implementing and monitoring this policy. All investment opportunities will be screened against the criteria above.

Exclusion

In order to protect ourselves against specific sustainability risks and to invest in line with our values and beliefs, daphni has implemented an Exclusion policy that applies to all our new investments, regardless of the investment vehicle. Based on OECD guidelines, our exclusion policy is part of our global sustainable investment strategy.

Engagement & Voting

We are convinced that our role is to support entrepreneurs in their sustainability efforts by disseminating the best ESG practices to create value and protect against certain sustainability risks. This commitment is materialized in our Engagement & Voting Strategy, which is articulated around three pillars in line with our mission objectives and covers 100% of our portfolio companies:

1. **Raising awareness among our portfolio companies about sustainability**
2. **Empowering companies to build ESG strategies**
3. **Communicating and sharing ESG knowledge with a broader audience**

Our investment team is fully committed to this strategy, supported by our ESG team and its expertise. We aspire to be a center of excellence in sustainability, delivering indispensable support to our portfolio companies.

daphni strives to be a driving force, generating a positive impact on environmental, social and governance issues for a more sustainable future.

As a responsible investor, daphni supports its portfolio companies in their development and maintains an ongoing dialogue with entrepreneurs on the various issues and problems they encounter as part of their acceleration. This dialogue also covers sustainability issues: we are convinced that our role is to support entrepreneurs in their approach to sustainability and by disseminating ESG best practice to create value and guard against certain risks.

Our scoring methodology

At daphni, our proprietary impact scoring empowers us to rigorously evaluate and quantify the impact of products and services within the investment opportunities we scrutinize. Our methodology is openly available on our website, providing full transparency to the ecosystem.

This scoring system combines quantitative and qualitative indicators to evaluate the sustainability of a project and align it with our responsible investment framework. We are convinced that a mix of both indicators is necessary to capture the impacts and sustainability risks in VC, especially those operating in early stage.

daphni's impact scoring system is a comprehensive assessment of a startup's potential to create positive social and environmental impact. It is based on three interrelated pillars: impact, scale, and depth.

Impact Scoring = Impact (Da Grade) x Scale (Da Scale) x Depth (Da depth)

daphni has implemented an extra-financial methodology, based on a proprietary tool that incorporates the 17 United Nations Sustainable Development Goals (SDGs).

To these, the daphni methodology adds the measurement of impact of each potential investment based on the criteria they influence. This influence can be destructive (-2), risky (-1), neutral (0), positive (+1), or committed (+2).

Then, we weight this influence from x0.5 to x1.75 based on the number of stakeholders it can impact (the scale effect) and the impact it has on a stakeholder (the depth).

To perform a quantitative assessment of impact and offer a comprehensive rationale for the evaluated company, we seek qualitative input. These criteria are justified by the principles of Impact Investing.

On top of these criteria, we also assess qualitatively: **Outcome, Additionality, Measurability**, and main risk to watch out for each material SDG, that reflect the qualitative and quantitative perspectives of the project.

Applying best CSR practices at daphni

A Mission-driven company, certified B-corp

daphni's commitment to Corporate Social Responsibility (CSR) is deeply embedded in its values and mission as a purpose-driven organization. Since its creation, daphni has continuously aimed to uphold the highest standards of responsibility and ethics. Our approach to CSR goes well beyond compliance, we actively strive to set the benchmark for best practices in the market. This commitment was recognized through our B Corp recertification in July 2025, with an outstanding score of 160.8, following our initial certification in September 2022 with a score of 105.8.

Both our mission and B Corp certification serve as a guide and guarantee of our commitment to these principles, and to ensure their realization, Daphni has established internal charters and policies that promote a culture of inclusion, diversity and environmental stewardship among our employees:

- CSR Internal Global Policy
- Daphni's employee experience policy
- Purchase & suppliers policies
- Code of Ethics and Professional Conduct

We are steadfast in our commitment to staying abreast of emerging standards and best practices in the market, continuously striving to lead by example in the pursuit of a more sustainable and equitable future. To enhance its commitment to various stakeholders, daphni has joined several initiatives and signed charters on the integration of ESG topics in investment, such as PRI, Reframe Ventures, initiative Climat International (iCI), France Invest, and IncludedVC. These initiatives and approaches enable daphni to establish ESG objectives and pledge to uphold the highest levels of transparency.

Giving back through Rainbow

In 2024, we launched Rainbow, our endowment fund that represents our deep commitment to solidarity, inclusion, and actively supporting causes close to our hearts.

Rainbow is committed to providing financial and operational support to associations fighting for Inclusion & Diversity. We believe in their ability to make significant changes in our societies, and we are honored to contribute to their mission.

It is more than just a philanthropic initiative. It embodies our core values of equality, diversity, and community support. We are mobilizing the whole team whether by offering their skills, actively participating in workshops, solidarity days, or making a donation to the Rainbow Endowment Fund… Every gesture counts and contributes to creating a more inclusive and compassionate world for all.

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Appendix:

Sustainability Clause:

After closing, the Company and the Founders commit, on a best-effort basis, to:

- **ESG Strategy**: Evaluate and implement best practices in its business activities with respect to environmental, social and governance (ESG) issues. This includes internal practices and the external impact of the Company's business model, services, and products.

- **Climate**: Adopt an environmental policy within the first 12 months of operations, starting with measuring the Company's carbon footprint (at least Scopes 1 & 2, and estimating Scope 3). Set clear actions to reduce it, with offsetting of unavoidable emissions encouraged.

- **Diversity & Inclusion**: Implement and promote a comprehensive Diversity, Equity, and Inclusion (DEI) policy within the first 24 months following Closing. This policy ensures equal opportunities for all individuals and emphasizes creating a balanced and diverse workforce

- **Board oversight**: Report and update the Board on ESG efforts and progress on the above points at least annually.

daphni, its team and its ESG experts, will support the Company on each social and environmental topic and commit to dedicate time and effort toward this goal.