



ESG POLICY

September 2023

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I. OUR ESG AMBITION AT ISAI

Promote a more sustainable and inclusive ecosystem

1) Our positioning and values

ISAI Gestion (« ISAI ») is the leading French investment fund management company founded by and for Tech/Digital entrepreneurs. With its strong track record since 2009, its expertise and its unique positioning as an entrepreneur-first fund (with more than 300+ entrepreneur LPs), ISAI invests in ambitious projects that are led by visionary entrepreneurs. With a genuine sparring partner DNA, ISAI actively supports its portfolio companies and brings a very hands-on, strategic support to entrepreneurs and managers to develop, and scale their business.

With €630 million raised since inception, ISAI, a management company regulated by the French *Autorité des Marchés Financier* (« AMF »), focuses on financing and supporting Tech and Digital companies with high growth potential, from start-ups to small and mid-sized companies. Its investment strategy is based on **four families of Funds**:

1 Early Stage

Our Venture Capital family of Funds invests early on in the development curve of Tech companies, quite often just after a business angel round. It leads or co-leads the first institutional round of funding.

2 Delegated Corporate Venture

Our Corporate Venture Funds, in partnership with Capgemini and Bouygues, co-invest in international strategic Tech start-ups in their respective sectors (Software, Proptech).

3 Growth Lending

ISAI Growth Lending provides bespoke, non-dilutive growth financing to *mid-to-late* stage Tech and Tech-enabled companies.

4 Growth & LBO

Our ISAI Expansion family of Funds focuses on profitable Digital, Tech and Tech-enabled companies with a strong growth potential.

630 M€

R A I S E D
S I N C E
I N C E P T I O N

300+

T E C H
E N T R E P R E N E U R S
- L P S

100+

S T A R T - U P S
A N D S C A L E -
U P S

Strong entrepreneurial values

ISAI has relied on strong entrepreneur-friendly values since its creation. Our ESG approach is naturally inspired by these values.



Entrepreneurship: ISAI teams are encouraged to take initiatives to actively support portfolio companies in their sustainable growth with a very agile, responsive, and flexible mindset;



Honesty: our teams always act with integrity and transparency towards our portfolio companies, investors, and, more generally, all their business partners;



Caring: ISAI aims to be a non-intrusive and respectful employer, investor and ecosystem player.

Given our DNA, we are committed to being an exemplary management company and recognise our responsibility to help our portfolio companies create sustainable value. Beyond the management company and our portfolio companies, we also aim to engage and influence the entire French Tech ecosystem on this path of positive and responsible growth.

2) Our ESG commitments

Our ESG Code of Conduct ambitions a genuine and relevant impact on society and our ecosystem, by implementing concrete actions within our portfolio companies, within ISAI, and more generally within the Tech ecosystem, while avoiding all forms of over-communication and greenwashing.

Our ESG policy is based on the following key principles:

Have a positive impact on society: we recognise and take responsibility for the ESG challenges, opportunities and risks associated with the use of technology and the role that Tech and Digital companies can play.

Act on three levels:

- **ISAI:** Doing our part as a company by implementing an ESG roadmap at the corporate level is a must to set an example, share knowledge and expertise, and attract and retain talents;
- **Portfolio companies:** supporting their development in a responsible and sustainable way, while preventing and managing ESG-related risks;
- **Tech ecosystem:** our goal is to have a positive impact beyond our portfolio companies by engaging and aligning the tech ecosystem on a more inclusive and responsible path.

Avoid all forms of over-communication, green or social washing, but just say what we do and do what we say.

Remain humble and reasonable by initiating achievable actions at our scale, well adapted to each company profile (from early to late stage), without pretending to change the world.

Comply with the European Sustainable Financial Disclosure Regulation ("SFDR") and align our ESG policy to integrate sustainability risks into our investment decision-making process and consider the Principal Adverse Impacts ("PAI") of investment decisions on sustainability factors.

**Have a positive impact
on society,
through concrete actions.**

3) Historically anchored in Governance

Given our entrepreneurial DNA, governance issues have always been at the core of ISAI's approach to aligning employees, non-founder managers, founders and investors around a medium-term value creation plan.

ISAI has pioneered the integration of one or more independent Board Members into the Board of its portfolio companies.

We also actively support the implementation of value-sharing mechanisms and incentives that benefit employees beyond the founders.

4) For a more inclusive ecosystem

Diversity and Inclusion is one of the biggest challenges facing Tech companies today. While Tech industry is growing rapidly, Tech companies are not only struggling to recruit talent, but are also suffering from a lack of diversity in terms of gender, age, social background, education level or disability.

At ISAI, we believe it is not only the right thing to do, but also a smart business decision, as diverse teams better reflect and meet the needs of diverse customers.

It is our responsibility to work on reducing the diversity gap within the Tech & Digital sector. We focus on two dimensions: (1) facilitating access to employment for underrepresented talent and increasing their representation in Tech & Digital companies; and (2) rewarding employees for the value they create through value-sharing mechanisms.

Access to Employment

ISAI has defined a two-step approach to promote access to employment and equal opportunities within our portfolio companies, namely:

- (i) Since Q2 2023, the inclusion of an "Equal Opportunities Policy" in our shareholder agreements (including the appointment of a head of diversity and inclusion; the implementation of inclusive recruitment practices; the establishment of a training programme for all employees on these issues; and a dashboard to track KPIs, etc.); and,
- (ii) The access to tools and solutions to implement and track actions and progress, in particular through the active partnership we initiated in 2022 with Tech Your Place.

At the ISAI level, the Mentorship program we launched in 2022 is now in place and we continue to successfully mentor 2 Rocket School students per year as they make the professional transition to a job in the Tech industry.

Value Sharing

Social responsibility has always been part of our DNA. Since our inception, we have always encouraged our portfolio companies to implement value sharing mechanisms for employees that are tailored to the company's profile and maturity (BSPCE, free shares, incentive packages, etc.).

Today, we are very proud to say that 100% of our portfolio companies have a value sharing mechanism in place.

This philosophy is also implemented at ISAI level, since all employees are granted carried interest in all funds launched; and benefit from a profit-sharing mechanism.

To reinforce our commitment to this important issue, we signed the France Invest Value Sharing Charter in 2023, which formalises our commitment to actively promote it in our portfolio companies by sharing tools, explanations and training, and to systematically implement a mechanism for all profitable companies.

Within our Ecosystem



ISAI is a leading member of Tech Your Place, together with Serena and Ring Capital. Launched by the Mozaik RH Foundation and Diversidays, Tech Your Place provides a unique exchange platform that brings together tech and digital

companies and funds that want to make concrete improvements in their contribution to diversity and inclusion for themselves and within their ecosystem.

In addition to engaging our portfolio companies on access to employment / diversity and formally requiring the definition and implementation of a diversity and inclusion policy in our shareholder agreements, we have access to best practice guidance, tools, resources and training for our internal teams and our portfolio companies.

ISAI has committed to pre-purchase Tech Your Place subscriptions for its portfolio companies that are willing to join the movement.

Caroline Gibert, Head of ESG, has also joined the Tech Your Place Board to help structure the organisation and improve the quality of its support.



In 2019, ISAI participated in the definition of the SISTA Gender Parity Charter for venture capital funds and companies, to which it became a signatory.

In 2020, ISAI also signed the Gender Parity Charter to promote gender equality in private equity and portfolio companies.



By signing these charters, ISAI has formalised its commitment to a fairer society.

We are continuously improving the gender diversity profile of our teams by implementing more inclusive recruitment practices and making every effort to hire as many women as men with similar qualifications.

5) Climate approach

Tech & digital companies need to take their climate responsibility seriously. According to the UN Environment Programme, the sector will account for ~4% of global carbon emissions in 2021 - comparable to the global airline industry. Furthermore, the tech industry's CO2e emissions are expected to increase significantly in the coming years if nothing is done.

At the same time, the Tech & Digital sector's most important contribution in the race to global neutrality may be its ability to reduce emissions in other sectors. When used, Tech & Digital products and services can help avoid emissions that would otherwise have occurred. Car sharing and remote meetings are well-known examples.

At ISAI, we have defined our Climate Journey to address these two challenges and provide our companies with the support, tools and methodologies to quantify their climate impact in order to:

- **Reduce their own carbon footprint (Green for Tech).** Our partnership with Sweep is our 1st global initiative to provide our portfolio companies with an annual carbon footprint and integrate it into their roadmap; and,
- **Helping others to reduce their emissions ("Green by Tech").** Our participation in the Net Zero Initiative for IT working group focuses on developing concrete accounting tools to measure avoided emissions from digital solutions.

Climate Action - Our commitments using the Net Zero Initiative Matrix

Pillar A Reduce ISAI's carbon footprint	Pillar B Help our portfolio companies reduce their emissions	Pillar C Remove and store carbon sinks
<p>Conduct an annual Carbon footprint at ISAI level</p> <p>Improve measurement of controllable emissions: IT, mobility, consumables and non-consumables</p> <p>Launch environmental-friendly actions for Green IT, Green Mobility, and Waste management</p>	<p>Implement a Green IT policy (part of our ESG clause)</p> <p>Measure the Carbon footprint of our portfolio: Annual carbon footprint assessment offered to each portfolio company (Ccope 1, 2 and 3 upstream). Estimate of total portfolio carbon footprint using their measurement (where available), otherwise using proxies.</p> <p>Net Zero Initiative for IT (NZI4IT): ISAI is part of the NZI4IT working group, which aims to account for emissions avoided by Tech & Digital products and services</p>	<p>Offset 100% of ISAI's annual carbon residual emissions through our contribution to certified projects selected by the team.</p>

Within our Ecosystem



The Net Zero Initiative ("NZI") is the first-ever global framework dedicated to corporate contributions to the global net zero carbon emissions goal.

Led by Carbone 4 since 2018, NZI provides an alternative to carbon neutrality claims, by focusing on providing companies with the tools to contribute fairly to the global net zero target across three key pillars of the climate transition: decarbonisation, avoided emissions and carbon removals.

In 2023, the NZI launched a high-level working group of companies, academics, institutions and experts relevant to IT and climate change mitigation. The aim is to investigate the general question of the role of IT in the global net zero effort, and more specifically the question of avoided emissions, carbon removals and related claims.

The outcome of each workstream will be published in the form of guidelines and tools that will help all stakeholders understand the role of IT in achieving the global net zero goal and prevent greenwashing.

ISAI is an active member of the working group to provide industry expertise to help make the right methodological choices and define the right baselines, to provide real-world examples of solutions / challenges, and to comment on the draft during several rounds of consultation.

II. ESG WITHIN ISAI

1) Caring and Sharing

___ Well-being at work

ISAI is committed to creating a positive working environment by taking steps to promote inclusion, equality and diversity, such as:

Flexible working policies: ISAI's employees are autonomous in their organization and working hours, and all have a flexible equipment (laptops, remote tools, connections etc.) that allows them to work in different locations (travel, home office, others). Remote working gives them the flexibility to manage their own time, and work around their life commitments (sick relatives, children's holidays, ...).

Healthcare coverage: ISAI covers 100% of health care for employees' families, including emergency back-up childcare, domestic help, and psychological support.

Family Leave Policy: ISAI implements a family leave policy that goes beyond the government-mandated minimum paid leave for both maternity and paternity leave.

Childcare Services: ISAI provides daycar solutions for employees' babies.

teale. Holistic mental health platform

Since 2022, ISAI has been working with *teale* to maintain a healthy organization, provide coaching for each employee and help prevent, identify and treat mental health issues.

- 👉 A mental health index: each employee tracks their current state of mind.
- 👉 The "Netflix of self-care": each employee receives a personalized, evolving programme of videos and exercises to work on their strengths and weaknesses.
- 👉 Live therapy sessions: each employee can book one or more sessions with a *teale* therapist or coach.

___ Value sharing with all employees

ISAI addresses value sharing and fair remuneration among the company's employees mainly through:

A profit-sharing mechanism based on the annual financial results of ISAI Gestion, in accordance with the profit-sharing agreement in force within the company. The annual amount is mathematically linked to the company's financial results; and distributed to employees in proportion to their base salary. Additional indexation to ESG criteria is also under discussion.

Access to Carried Interest on all funds managed by ISAI Gestion from the date of joining the company. For each fund, the individual allocation depends on the contribution to the management of the fund and the seniority of the employee.

2) Climate actions

___ Collect, monitor and report ISAI's carbon footprint annually

ISAI is using the Sweep platform to help us improve the measurement of our carbon footprint, with the aim of using more physical data points, allowing us to better assess our carbon emissions.

Physical data consists of looking at an activity metric rather than its cost (monetary data), which provides a better estimate of its carbon impact: for example, the number of kilometres travelled by air (physical data) versus the price of the trip (monetary data).

___ Take action to reduce our carbon footprint as much as possible

Overview of our key practices to reduce our controllable carbon emissions

Recycling and waste reduction: ISAI has implemented a waste reduction and recycling system that did not exist in the building. This system includes recycling bins in each office; a shared battery bin; systematic recycling of coffee capsules (reduced by the purchase of a coffee machine without capsules); catering only with suppliers that use ecological materials; a responsible use of printing (limited to what is strictly necessary); and limited use of plastic bottles through the use of single bottles and water dispensers.

Green IT: since 2020, ISAI has implemented new sustainable measures to reduce the carbon footprint of its IT equipment. An audit process will be systematically applied to repair damaged hardware material and extend its life. Equipment that can no longer be used by ISAI is sent to our IT service provider to be repaired and donated to charity.

In addition, ISAI is gradually replacing all its equipment with more sustainable machines.

Green Mobility: ISAI encourages its employees to reduce travel by equipping all meeting rooms with a video conferencing system; replacing many travel trips with webinars (weekly team meetings, Strategic Committee, Advisory Committee, etc.); and implementing a Green Mobility Policy to encourage employees to use green transportation (subway, bicycles, electric vehicles etc.).

___ Offsetting residual carbon emissions

ISAI follows the ADEME recommendations to offset its residual carbon emissions and commits to selecting certified projects (by the 'Label Bas Carbone' or by the United Nations Framework Convention on Climate Change) that have other positive social and environmental impacts.

3) Governance & Resources

___ ESG Committee

At ISAI, ESG is overseen by a six-member interdisciplinary ESG Committee. It brings together members from each of ISAI’s investment teams as well as from the operations’ team to ensure a consistent ESG integration across the firm. Since November 2022, this committee has been chaired by our new Head of ESG, Caroline Gibert.

The purpose of the committee is to challenge, implement and monitor ISAI’s ESG strategy across its internal operations and investment activities.

ISAI’s ESG Committee

<div style="border: 1px solid blue; padding: 5px; margin-bottom: 10px;"> <p style="font-size: small; margin: 0;">Head of Sustainability</p> <p>Caroline Gibert Partner Head of Investor Relations and ESG</p> <p style="font-size: x-small;">Leads ISAI’s global sustainability approach at both ISAI and investment levels, proposes relevant improvements, and monitors implementation at ISAI, investment and portfolio company levels.</p> <p style="font-size: x-small;">Board member: Tech Your Place Working Group: Net Zero Initiative for IT 2023 RocketSchool Mentor</p> </div> <div style="border: 1px solid blue; padding: 5px; margin-bottom: 10px;"> <p>Jean-Patrice Anciaux General Partner ISAI Venture</p> <p style="font-size: x-small;">Coordinates and monitors a consistent implementation of ISAI’s sustainability framework in early-stage portfolio companies. 2022 RocketSchool Mentor</p> </div> <div style="border: 1px solid blue; padding: 5px;"> <p>Nelly Barbault Partner Head of Operations & Corporate Secretary</p> <p style="font-size: x-small;">Coordinates, supports and monitors a consistent implementation of ISAI’s sustainability framework at ISAI level.</p> </div>	<div style="border: 1px solid blue; padding: 5px; margin-bottom: 10px;"> <p>Christophe Poupinel General Partner ISAI Expansion</p> <p style="font-size: x-small;">ISAI’s Equal Opportunity lead sponsor; co-founder of Share-it, a non-profit Tech for Good project that develops digital solutions for impact-driven charities.</p> </div> <div style="border: 1px solid blue; padding: 5px; margin-bottom: 10px;"> <p>Nicolas Martineau General Partner ISAI Expansion</p> <p style="font-size: x-small;">Coordinates and monitors a consistent implementation of ISAI’s sustainability framework in ISAI’s Expansion funds. 2022 RocketSchool Mentor</p> </div> <div style="border: 1px solid blue; padding: 5px;"> <p>Aude Lapillonne Investment Director ISAI Expansion</p> <p style="font-size: x-small;">Green IT champion; contributes to the development of ISAI’s Green IT approach and ensures its consistent implementation in ISAI’s Expansion funds.</p> </div>
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Within our Ecosystem



ISAI is a member of the UNPRI (UN Principles for Responsible Investment). While we have always been committed to applying leading ESG principles in our practices, by joining UNPRI, ISAI is fully committed to making ESG a part of its core mission. By joining the UNPRI, ISAI commits to applying the Group’s guidelines throughout its investment, portfolio management, and divestment processes, as well as in the management of its own business. Becoming a PRI signatory demonstrates ISAI’s commitment to sustainable and responsible investment.

___ Training and enhancing our ESG knowledge

Regular and appropriate ESG training is provided to ISAI professionals through workshops / webinars organized by:

- Tech Your Place, on diversity, inclusion and access to employment
- Planet Tech Care on Green IT

Both initiatives have a monthly training programme, most of which being open to all employees.

III. ESG WITHIN OUR PORTFOLIO

1) ESG integration across the investment process

At ISAI, we believe it is our responsibility to assess our portfolio companies' (i) exposure to material sustainability risks; (ii) key adverse impacts; and (iii) their ESG maturity in order to help them make progress.

Given our different strategies, from early-stage venture capital to small-cap buyouts, our portfolio has different exposures to sustainability risks and therefore different levels of ESG maturity. Understanding each company's ESG framework is key to finding the best way to support them on their ESG journey.

We start our assessment at the very beginning of the investment process, right through to the exit of our portfolio companies to monitor their progress, launch relevant initiatives and make a tangible impact.

ESG in the investment process



2) Sustainability risks and consideration of Principal Adverse Impacts (PAIs)

Definition of Sustainability risks and Principal Adverse Impacts (PAI)

- **Sustainability risk** is an environmental, social or governance (ESG) event or condition that, if it occurs, could have an actual or a potential material adverse effect on the value of the investment. It is therefore a financial risk.
- **Principal adverse impact** refers to a negative impact of investment decisions on environmental, social and governance factors (ESG factors). This is a non-financial risk.

Prioritization of Principal Adverse Impacts on Sustainability factors

Sustainability risks and Principal Adverse Impacts are considered at each stage of the investment process, with a focus on the most material risks and adverse impacts given our strategy, i.e.:

- Equal opportunities, with a focus on gender diversity;
- Climate impact, with a focus on carbon emissions and exposure to high climate impact sectors; and,
- Adherence to with the principles of the UN Global Compact.

Given ISAI's focus on Tech and Digital services companies, we assess their potential impact on biodiversity through their value chain and in particular their underlying customers / activities.

4) Negative screening

At the pre-investment stage, we rigorously screen out activities with a high potential for material ESG risks and/or adverse environmental, health or social impacts.

The aim of such exclusions is to minimise our portfolios' exposure to the most material ESG risks.

In addition to specific prohibited activities, ISAI also excludes any activities that do not comply with the ten principles of the UN Global Compact, and conducts specific, more in-depth due diligence on activities in countries with a high risk of corruption and money laundering or a lack of respect for human rights.

ISAI's targeted exclusion policy prohibits investment in companies operating in sectors that pose significant environmental risks, such as unconventional oil and gas, coal and coal-fired power generation, palm oil, chemical pesticides, etc.

The aim is to limit its investments in activities that by their nature have a high negative impact on the climate.

ISAI's divestment policy aims to be ambitious, with 'zero tolerance' for all investments in activities listed in this policy. Therefore, all non-compliant investment opportunities will be rejected at the first stage of the investment process.

In the case of controversial, very indirect exposure to excluded activities, further due diligence is conducted to assess the eligibility of such a potential investment; this is formalised in the investment memo and discussed at the Investment Committee prior to any investment decision.

The ISAI Exclusion Policy applies to all ISAI funds and is available on the ISAI website.

5) Due Diligence

Pre-investment analysis

ISAI uses a proprietary pre-investment analysis grid during the due diligence phase to assess the materiality of sustainability-related risks for all investment opportunities. As part of this screening, ISAI assesses any red flag risks that would disqualify the investment, as well as any material risks and opportunities to be further assessed during our detailed due diligence.

Pre-investment ESG analysis is systematic for all investments, except for seed investments.

Detailed ESG due diligence

If the opportunity is further investigated, ISAI teams will then work with external consultants to conduct detailed sustainability due diligence, including sustainability risks and material adverse impacts related to the company's operations. The due diligence also aims to assess the maturity of a target company's sustainability processes, identify any potential opportunities that a company may have by increasing its focus on ESG, and key actions to be taken if the investment is made.

ISAI focuses on the following key strategic ESG risks and opportunities:

1. Governance: Opportunity to establish ethical governance with transparency in the decision-making process, hierarchy in decision-making bodies, independent board members and gender parity.
2. Diversity and inclusion: shared values within the company, inclusive social and HR practices for employees.
3. Value Sharing: ethical financial strategy and ability to share value with employees.
4. Environment: level of management awareness to build or initiate a transition in terms of eco-consumption and contribute to the global effort to reduce carbon emissions.

If a company does not meet these criteria, or if management is unwilling to make progress, ISAI may decline the opportunity.

Detailed ESG due diligence is carried out systematically for ISAI Expansion funds and, where relevant, for ISAI Venture and ISAI Growth Lending funds.

6) Investment

The ESG engagement of our founders and managers is formalised in our shareholder agreements, as defined in our standard ESG clause.

This ESG clause is systematically negotiated for all lead/co-lead investments and otherwise on a best efforts basis.

ESG contractual provision

The Company and the Operating Founders commit to:

ESG Governance

- (i) Appoint a Head of ESG within 4 months of closing;
- (ii) Implement and monitor an annual ESG Action Plan at a Board meeting;
- (iii) Submit the completed annual ESG questionnaire to ISAI.

Environment

- (iv) Implement, with the help of ISAI, a Hardware Sustainable Management Policy within a 12 months of closing;
- (v) Provide ISAI with an Annual Carbon Footprint Assessment Report.

Equal Opportunity

- (vi) Appoint a Head of Diversity and Inclusion;
- (vii) Establish a training programme for all senior managers and employees of the company on inclusive and non-discriminatory practices, particularly during recruitment processes;
- (viii) Implement inclusive recruitment practices and increase the use of recruitment tools that help minority, marginalised or discriminated against people to access employment; and,
- (ix) Implement a dashboard of KPIs to report annually to its Board on both qualitative and quantitative aspects.

The case for ISAI Growth Lending

In September 2022, we launched our 1st Growth Lending Fund to provide tailored growth financing to Tech and Tech-enabled companies enabling them to continue their development while limiting shareholder dilution.

ISAI Growth Lending I is our 1st fund to be categorized as Article 8 under to the European SFDR regulation.

ISAI Growth Lending - Ratchet mechanism based on quantitative criteria

ISAI Growth Lending I systematically offers to implement a margin ratchet mechanism on its financing based on selected social and/or environmental criteria which are defined with the management of portfolio companies. In most cases, ISAI will seek to combine at least 1 social and 1 environmental target in line with each company's maturity and current action plan to help it progress in its development.

These sustainability indicators will be measured on an annual basis and will allow portfolio companies that meet the targets to reduce their financing costs.

7) Monitoring

ISAI's monitoring of ESG performance within portfolio companies includes:

- Regular discussions with portfolio companies to help them define and implement their ESG roadmap;
- Strategic discussion of the ESG roadmap, KPIs and progress at board level at least annually; and,
- A quantitative ESG dashboard to ensure that contractual commitments are properly implemented and to identify best practices, areas for improvement and risks and opportunities that may arise during the holding period. This dashboard also includes key adverse indicators in line with the SFDR regulation.

Environmental tools

To help our portfolio companies assess their carbon footprint, ISAI offers them the opportunity to conduct an annual Scope 1, 2 and 3 upstream carbon footprint assessment through our partnership with Sweep.

The methodology is flexible and can be tailored to the maturity and resources of each portfolio company. It allows them to provide either monetary or physical data. Any missing data will be estimated by Sweep using a granular proxy based on the company's sector, geography and size.

These assessments provide a starting point for implementing action plans to reduce their footprint.

The results are auditable, compliant with the GHG Protocol and can be used by portfolio companies for their own use, web publication, suppliers and tenders.

Equal opportunities tools

To help our portfolio companies implement their equal opportunity policies and commitments, ISAI offers to pre-purchase their membership of Tech Your Place, which provides access to best practice guidance, tools, resources and training on diversity and inclusion practices.

ESG Dashboard

ISAI has defined a dashboard to annually monitor +100 ESG performance indicators for each portfolio company, including material adverse impacts in line with the SFDR regulation.

Examples of ESG key performance indicators tracked annually for each portfolio company

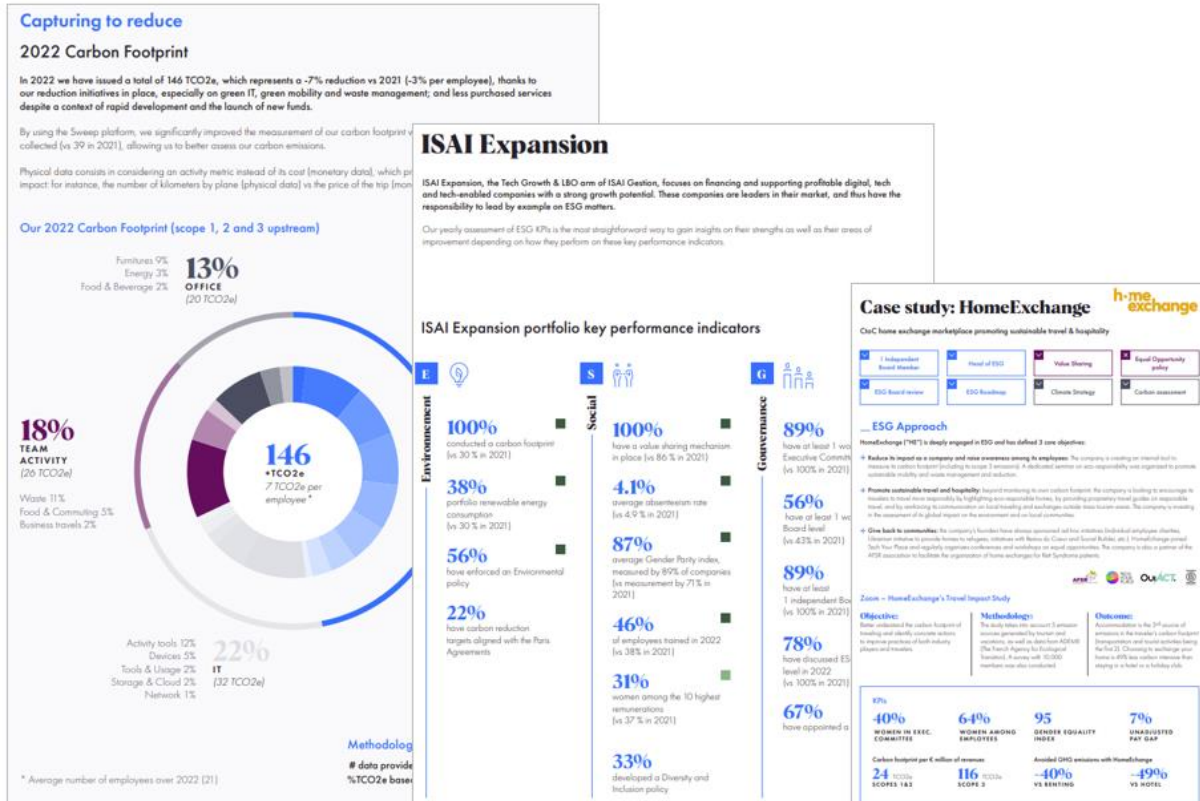
Governance Indicators	
ESG resources	Head of ESG
	Formalized ESG roadmap
	ESG discussed at Board level
Ethics	Violations of the UNGC principles
	Policies to monitor compliance with the UNGC principles
	IT Security policy
	Data protection policy
Governance	% of independent Board members

Social Indicators		Environmental Indicators	
Equal Opportunity	Equal Opportunity / Diversity policy in place	Climate impact	Carbon emissions scope 1
	Incidents of discrimination		Carbon emissions scope 2
Gender Parity	% of women in Executive committee		Carbon emissions scope 3
	% of women at Board level		Formalized Environmental policy
	Unadjusted Gender Pay Gap		% of revenues exposed to high impact climate sectors
Value Sharing	% of women among the 10 highest-paid profiles		Energy consumption per € million of revenues, per high impact climate sector
	Value sharing scheme in place (all schemes combined)	Biodiversity	Activities located near to biodiversitysensitive areas
% of employees benefiting from value sharing schemes (all schemes combined)	Tonnes of hazardous and radioactive waste generated per € million of revenues		

8) Reporting

Progress and risks are reported to our LPs:

- On a quarterly basis, as part of our fund reports, which include commentary on the latest ESG developments and initiatives for each company, as appropriate;
- On an annual basis, as part of ISAI's annual ESG report, to communicate the consolidated data of the funds under management and the practices in place at portfolio companies; and,
- For Article 8 funds, a specific annual report will be produced to meet the funds' regulatory obligations, specifically reporting on progress, targets and other ESG initiatives within each portfolio company.



9) Materiality risk management and escalation process

ISAI considers materiality ESG incidents to be:

- A breach of ISAI's ESG process. Typically, where an ESG due diligence is not completed prior to investment or is not included in our investment memo.
- An ESG contractual commitment that is not implemented within a portfolio company; or
- An ESG-related incident that may impact a company's business in the short, medium or long term.

Risk control process

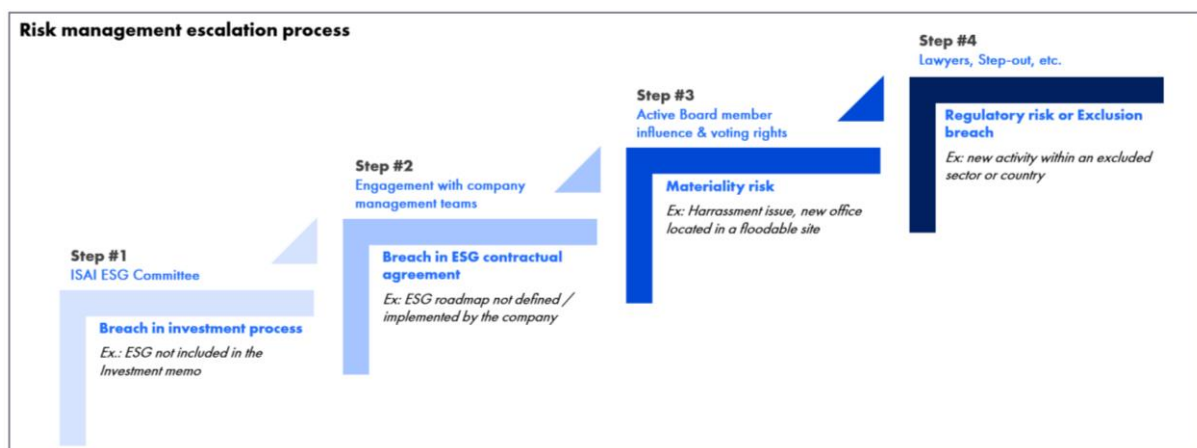
Any ESG issues identified during these reviews are managed through a four-step escalation process and recorded in ISAI's sustainability monitoring files:

- At the first level, by the investment teams as part of the ESG screening and due diligence process; then during the monitoring of portfolio companies.
- At the second level, over time and at least quarterly, by the operations teams as part of the monitoring of the investment process (completeness of documentation, including analysis of ESG risks and opportunities) and the monitoring of ESG KPIs reported by each company.
- At the third level, twice a year by the ESG Committee to review key ESG KPIs, the management of risks identified and reported in previous reviews and the progress of ESG action plans for each investment..

Risk management process

Any ESG issues flagged during these controls are managed through a four-step escalation process and registered in ISAI's sustainability monitoring files.

- Step 1: Referral to the ESG Committee and discussion of corrective action with the investment team.
Step 1 typically resolves risks related to a lack of ESG integration within the internal investment process.
- Step 2: engagement with company management to discuss corrective actions.
Step 2 typically resolves risks related to poor implementation of ESG commitments at ISAI level (ESG not discussed at board level during the year, ESG plan not executed, etc.) or the emergence of material ESG risks.
- Step 3: Referral to the company's governance bodies (up to and including the board of directors) and exercise of voting rights.
Substantial risks or risks of negative impact on the ecosystem identified at a proven stage are usually resolved at step 3 (case of harassment not resolved at step 2, project to open a site in an area exposed to climatic risks).
- Step 4: depending on the nature of the risks that have reached Step 4, various actions may be activated, such as recourse to lawyers or the decision by ISAI to reduce or sell its stake.



Exit

ISAI commits to systematically include a section in the exit memorandum explaining the company's ESG performance and progress if ISAI is on the board of the portfolio company, and otherwise as appropriate.

IV. APPENDIX

1) SFDR General Statement

In accordance with the EU's Sustainable Finance Disclosure Regulation (SFDR) Regulation, ISAI publishes the following information on its website: www.isai.vc/esg

Article	Document	Reference
Art. 3: Integration of sustainability risks into the investment decision-making process	2023 ESG Policy	Section III. 1)
Art. 4: Consideration of Principal Adverse Impacts ("PAIs") on sustainability factors	2023 ESG Policy	Section III. 1)
α- Description of Policies to identify and prioritise Principal Adverse impacts on sustainability factors	2023 ESG Policy	Section III. 1)
β- Description of Principal Adverse Impacts and any actions taken / planned in this context	2023 ESG Policy	Section III. 1) <i>Materiality risk management and escalation process</i>
c- Engagement Policy	Exercising Voting rights policy	
d- Reference to International standards	2023 ESG Policy	Section I. 2) <i>Inclusive Tech Climate Approach</i>
Art. 5: Remuneration policies in relation to the integration of sustainability risks	2023 ESG Policy Remuneration Policy	Section II. 3) <i>Governance & Resources</i> Section II. 1) <i>Value Sharing with all employees</i>

As of 31.07.2023, ISAI Gestion manages 7 funds, including:

- 6 classified under Article 6 (93% of ISAI's total assets under management): ISAI Développement (2010), ISAI Venture II (2015), ISAI Venture III (2020), ISAI Expansion I (2012), ISAI Expansion II (2018), ISAI Cap Venture (2020); and,
- 1 classified under Article 8 (7% of ISAI's total assets under management): ISAI Growth Lending I (2022). As of 31.12.2022, ISAI Growth Lending I has not yet made any investments.

2) Available Policies

Document	Website publication	Current version
ESG Policy	✓	September 2023
Remuneration Policy	✓	October 2022
Exercising Voting Rights Policy	✓	October 2022
Exclusion Policy	✓	October 2022
Travel Policy	-	December 2022