

ESG Global Policy

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ESG CORPORATE POLICY

I. Foreword

At Elaia, we support our portfolio companies in addressing tomorrow's challenges by embedding ESG (Environmental, Social, and Governance) principles into their core strategies, confident that this integration drives their long-term success.

We believe the future is innovation-driven, sustainable, and socially inclusive. ESG isn't just a set of criteria — it's a strategic asset that amplifies startup value and ensures long-term success.

At Elaia, sustainability is more than a checkbox; it's a powerful catalyst for resilience, innovation, and enduring value. In a world of rapid change, integrating ESG into our investment approach is essential — but not enough. True sustainability means focusing on what truly matters.

This policy outlines Elaia's commitment to ESG across all fronts — from our team and portfolio companies to our LPs and regulators — reflecting our core values and actions that drive meaningful impact.

II. Governance

As a key aspect of Elaia's operations, sustainability is managed through (i) a dedicated ESG team led by the Head of Sustainability and (ii) an interdisciplinary ESG Committee.

This interdisciplinary ESG Committee is composed of representatives from the investment and transverse teams to enable consistent ESG integration across the company. The objective of the ESG team is, with the support of the Committee, to monitor and implement sustainability practices and policies within both the management company and portfolio companies.

The ESG team with the support of the Committee is responsible for overseeing the development and implementation Elaia's sustainability strategy.

The ESG team's broader responsibilities include:

- Approving annual updates or amendments to Elaia's ESG Policy ensuring it evolves with market and stakeholder expectations.
- Overseeing sustainability integration within investment strategies that embed ESG and impact goals at their core.
- Elevating ESG analysis and decision-making across all investment activities.
- Championing ESG awareness and education for our teams and portfolio companies.
- Managing ESG data collection, refining monitoring indicators, and ensuring practical implementation across our portfolio.
- Curating and sharing cutting-edge ESG research, insights, and trends.
- Partnering with LPs and industry peers to advance the adoption of sustainable investment practices.

- Ensuring transparent, accurate reporting to key frameworks such as UN PRI.
- Listening to LPs and anticipating their evolving ESG-related needs and objectives.

The ESG Committee is responsible for:

- Proposing new integration of ESG objectives within the broader investment process; and
- Assisting and overseeing the ESG team.

III. Corporate sustainability policy

A. *Our values*

Our investment policy incorporates analyses designed to evaluate whether, and to what extent, our prospective portfolio companies contribute to the 17 United Nations Sustainable Development Goals (SDGs). These goals lie at the heart of the 2030 Agenda for Sustainable Development, adopted by all UN Member States in 2015, which provides a shared blueprint for prosperity for people and the planet, now and into the future. They represent an urgent call for action by all countries, recognising that ending deprivations must go hand in hand with strategies that improve health and education, reduce inequality, foster economic growth, address climate change, and protect our planet.

More broadly, our investment policy and governance at the management company level aims at equally promoting the Environmental, Social and Governance pillars.

Environmental pillar

This covers how a company reduces its carbon footprint through measures like carbon assessments, cutting greenhouse gas emissions, managing waste and resources, and boosting water and energy efficiency. In 2024, we strengthened our climate commitment by joining the Initiative for Climate (iCI).

Social pillar

This pillar of the ESG principles focuses on a company's responsibility to its employees and society, including working conditions, labour rights, and diversity.

Governance pillar

This pillar defines the rules and principles that set stakeholder rights, responsibilities, and expectations. It acts as a safeguard against bribery, corruption, excessive executive pay, shareholder rights, and internal controls.

We believe that fair governance provides long-term benefits for LPs, employees, and society as a whole. One way of ensuring this is to focus on increasing transparency and openness between the company and its stakeholders on issues such as board composition and shareholder rights.

B. *Diversity and inclusion*

At Elaia, we see diversity as a catalyst for value creation and a cornerstone of a sustainable economy. That's why we're committed to: Fostering a gender-inclusive culture and workplace that's safe, rewarding, and empowering every day.

- Leading by example—having met our gender balance goals well before signing the Gender Equality Charter by France Invest / Sista, which sets clear targets for 2030.
- Enforcing a strict 'No Tolerance' policy against any form of harassment or discrimination.
- Embedding best practices in gender inclusiveness and diversity across HR, recruitment, and communications.
- Driving real change by aligning with respected industry initiatives and making our investments more inclusive by actively championing diversity across our portfolio.

C. Climate action

Elaia is committed to reducing its environmental impact by managing its buildings and resources responsibly and by monitoring and controlling its CO2 emissions. This includes, but is not limited to, the following actions:

Carbon assessment: Elaia seeks to assess its activities' exhaustive carbon footprint yearly having started to do so back in 2020. This assessment (including Scopes 1, 2 and 3) allows us to identify the most carbon-intensive assets, specifically the assets that have the highest exposure to material carbon risk (e.g., high carbon prices, regulatory changes, etc.). The carbon assessment is a key part of Elaia's climate strategy, including its plan to monitor and reduce its emissions.

Smart use of paper: Elaia pursues a responsible paper policy in the office, with the objective of reducing the use of paper and encouraging its employees to make more sustainable decisions daily.

Waste wise: Elaia has implemented a responsible waste management policy for several years and promotes selective sorting through the use of recycling bins.

Removing single-use and plastic utensils: At Elaia, reduction of plastics and single-usage utensils drives many office management expenses. Water fountains equipped with microfiltration systems are installed in our offices. In addition, all disposable coffee and water cups were replaced with eco-friendly cups and bottles; likewise, reusable bowls can be used by employees for their lunch purchases.

Low-Impact Travel: The Elaia travel policy prioritises reducing CO2 emissions by limiting travel to necessary occasions (where video conferencing is unfeasible or insufficient), requiring senior approval for international travel, requiring rail for journeys under four hours, etc.

D. Public engagements

UN PRI

In 2020, Elaia signed the United Nations Principles for Responsible Investment (“UN PRI” or the “Principles”) to further formalise and to reinforce its sustainability commitment. As a signatory, Elaia is committed to the following six principles:

- **Principle 1:** We incorporate sustainability criteria into investment analysis and decision-making processes;
- **Principle 2:** We are active owners and incorporate sustainability criteria into our ownership policies and practices;
- **Principle 3:** We seek appropriate disclosure on sustainability highlights and issues by the entities in which we invest;
- **Principle 4:** We promote acceptance and implementation of the Principles within the investment industry;
- **Principle 5:** We work together to enhance our effectiveness in implementing the Principles, and;
- **Principle 6:** We report on our activities and progress towards implementing the Principles.

Gender Equality Charter

In 2020, Elaia committed to France Invest’s initiative “Gender Equality Charter” with the following stated objectives to:

- **Increase the percentage of women responsible for Investment Committee decisions** to 25% by 2030 and to 30% by 2035 and to acquire the necessary tools to achieve this objective;
- **Set a target for women to make up 40% of the investment teams** by 2030 and to **involve the management** in delivering on these commitments;
- **Ensure that published job offers are gender neutral and free of gender stereotypes** in accordance with the regulations in force; and
- **Ensure fair, non-discriminatory recruitment** and assessment practices by:
 - Evaluating multiple female candidates alongside male candidates to reduce bias;
 - Using gender-neutral interview questions for all applicants;
 - Ensuring balanced representation of Elaia team members during assessment and selection;
 - Expanding candidate pools for unlisted investment roles to attract diverse skills;
 - Tracking progress with clear indicators, reported annually; and
 - Implementing targeted initiatives to retain female talent.

By adhering to these targets, Elaia affirms its determination to take an active approach to improve gender equality and inclusiveness.

Other initiatives

Elaia is a signatory and active in a number of other initiatives, such as SISTA, the Climate Act, and involved in many initiatives such as BalancePasTonPC, La French Tech Tremplin, Startup banlieue, etc.

IV. ESG Regulations Compliance

A. *European Union regulations*

1. Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector (“SFDR”)

a) Regulation objectives and main obligations

SFDR is a disclosure regulation that is designed to make it easier for investors to distinguish and to compare the many sustainable investing strategies that are now available. SFDR aims at clarifying sustainability information in the financial services sector and at helping investors by providing more transparency on financial products’ environmental and/or social characteristics. This information is now being presented in a more standardised manner.

The SFDR requires specific firm-level disclosures from asset managers and investment advisers regarding how they address two key considerations: Sustainability Risks and Principal Adverse Impacts. In addition, the regulation aims at helping investors choose between products by classifying funds into three distinct categories, according to the degree to which sustainability is a consideration. Binding investment criteria with specific disclosures are also required for each category. These categories align to Articles 6, 8 and 9 within the SFDR and are summarised below:

“Article 8” strategies promote social and/or environmental characteristics, and may invest in sustainable investments, but do not have sustainable investing as a core objective.

“Article 9” strategies have a sustainable investment objective.

“Article 6” concern all of the other strategies and financial products that are neither Article 8 nor Article 9.

The disclosures, which went into effect on March 10th, 2021, apply to several financial products, including Elaia’s funds.

To achieve the SFDR’s goal of improving sustainable finance by increasing transparency and creating standards, asset managers must disclose the way they consider two key factors: Sustainability Risks and Principal Adverse Impacts. Asset managers are required to disclose their policies at both the company and product level.

SFDR outlines specific definitions for Sustainability Risks and Principal Adverse Impacts:

- Sustainability Risks refer to environmental, social or governance events, or conditions, such as climate change, which could cause a material negative impact on the value of an investment; and
- Principal Adverse Impacts (PAI) are any negative effect that investment decisions or advice could have on sustainability factors. Examples could include investing in a company with business operations that significantly contribute to carbon dioxide emissions, or that has poor water, waste or land management practices.

Asset managers need to provide specific information on Sustainability Risks and Principal Adverse Impacts at both entity and product levels:

	Entity level	Product level
Sustainability risks	Policy on the integration of sustainability risks.	Assessment of the likely impacts of sustainability risks on the return of the product.
Principal adverse impacts	Consideration of Principal Adverse Impacts of investment decisions on sustainability factors (Comply or explain).	Disclosure of how each financial product considers the adverse impacts on sustainability factors.

b) Elaia's organisation for compliance to SFDR

At Elaia, the compliance to the various aspects of SFDR is driven and monitored as follows:

- At the launch of a new fund, the managing partners and the ESG team review investment goals, ESG integration, and marketing materials to classify the fund as Article 6, 8 or 9.
- Our compliance and legal teams ensure all website content and fund documents meet SFDR requirements.
- The ESG team selects optional PAI indicators for annual SFDR reporting, with data gathered efficiently by finance through online surveys, streamlined for accuracy and timely submission.

2. Sustainable finance taxonomy - Regulation (EU) 2020/852

EU Taxonomy Regulation (EU TR) became effective on January 1st, 2022. Since then, elements of the EU TR, which introduces a standard environmental criterion within the EU, are integrated into the disclosure obligations set out by the SFDR. The EU TR specific elements to be disclosed under SFDR are whether, and to what extent (in%), sustainable investments, if any, are aligned with the EU TR.

B. French regulations

1. Article 29 of law #2019-1147 of November 8th, 2019, "Loi énergie et climat"

The Article 29 of the law "Energie et climat" aims at transposing and going beyond SFDR and entails several obligations for asset managers.

The main obligations of the regulation consist in defining strategies of alignment of the portfolios with Paris Agreement's objective of limiting the temperature rise to 2°C, and with biodiversity-linked long-term goals. As a consequence, specific monitoring and reporting are to be set-up in order to analyse the management company's performance with regards to these strategies.

2. AMF Regulation DOC 2020-03: “informations à fournir par les placements collectifs intégrant des approches extra-financières”

a) Regulation objectives and main obligations

The Autorité des Marchés Financiers (AMF) has published mandatory guidelines (“position-recommandation”) aiming at reinforcing the transparency on extra-financial information for fund management companies.

According to the DOC 2020-03, funds fall into 3 categories, depending on the importance of extra-financial information in the fund’s investment approach:

- For funds whose approach is that of a significant commitment to extra-financial characteristics (as measured by the attainment of specific standards set forth by the regulation), their communication on the matter can be central;
- For funds whose approach is that of a non-significant commitment to extra-financial characteristics (as measured by the attainment of (lesser) specific standards set forth by the regulation), their communication on the matter must be lesser than above;
- For funds that do not meet any of the standards above, the communication must be limited to the fund’s by-laws, and only in a proportionate manner.

b) Compliance assurance process

At Elaia, when a fund is launched, the process of determination of the category to which it belongs is merged with the process described above to determine the SFDR category (Article 6, 8 or 9). The standards to be met are then decided (when applicable: ratings, indicators, etc.) and integrated in the fund’s legal documentation (by-laws and DIC).

ESG EXCLUSION POLICY

I. Foreword

The objective of this policy is to present Elaia's Exclusion policy, as Referred to in the ESG Investment Policy and the Investment Procedure.

II. Business activity exclusions

A. Tobacco and alcohol

Elaia considers investment in tobacco and distilled alcoholic beverages companies to be unsustainable. We exclude companies that are significantly involved in the production of and trade in tobacco or distilled alcoholic beverages and related products. We also exclude those which have significant ownership in such companies, as well as those which are significantly involved in the wholesale distribution of those products or in the supply of components, such as filters.

B. Thermal coal miners

Elaia acknowledges that reducing thermal coal emissions, as recommended by scientists, is one of the most effective ways of transitioning to a cleaner energy system and being consistent with the Paris Agreement. Elaia pledges that no investment shall be made by Elaia's funds in coal mining-related companies, except if the relation to coal mining is that of coal-usage reduction.

C. Coal-based power Generation

Elaia recognises the importance of encouraging companies to reduce their dependence on coal power generation in order to align their activities with the Paris Agreement. Hence, Elaia will not invest in coal-based power generation companies.

D. Adult Entertainment and Pornography

Elaia considers investment in adult entertainment and pornography companies to be unaligned with Elaia's values, unsustainable and not to contribute positively to the long-term sustainable development of society. We believe that there is a significant risk that the adult entertainment industry may indirectly fail to comply with human rights principles from labour practices to societal impact.

We exclude companies who receive over 2% of their revenues from the production or distribution of adult entertainment and pornography, those which have a significant ownership in such companies or those which are significantly involved in the wholesale distribution of adult entertainment and pornographic content.

E. Weapons, casinos and equivalent companies

Elaia excludes companies that focus on the financing, the production of and trade in weapons and ammunition of any kind, it being understood that this restriction does not apply to the extent such activities are part of or accessory to explicit European Union policies. Elaia excludes companies that focus on casinos and equivalent enterprises.

F. Excluded sectors indirect support

Elaia excludes companies that perform any of the following research activities as referred to in Article 19 of the Regulation EU (no) 1291/2013 of the European Parliament and the Council:

- Aiming at human cloning for reproductive purposes;
- Intended to modify the genetic heritage of human beings which could make such changes heritable (excluding research relating to cancer treatment of the gonads);
- Intended to create human embryos solely for the purpose of research or the purpose of stem cell procurement, including by means of somatic cell nuclear transfer.

Moreover, Elaia excludes companies that focus on the research, development or technical applications relating to electronic data programs or solutions, which:

- aim specifically at supporting any activity referred to under items A to E above;
- are intended to enable to:
 - illegally enter into electronic data networks; or
 - illegally download electronic data.

In addition, when providing support to the financing of the research, development or technical applications relating to human cloning for research or therapeutic purposes, or genetically modified organisms (GMOs), we shall ensure the appropriate control of legal, regulatory and ethical issues linked to such human cloning for research or therapeutic purposes and/or GMOs.

G. Human rights OGCD

Elaia excludes companies that have significantly and repeatedly infringe the Universal Declaration of Human rights (Universal Declaration of Human Rights (UDHR)). In the event of severe, proven and repeated violation of any of the United Nations Global Compact, companies will be excluded of the investment scope.

III. Geographical exclusions

Elaia excludes investments in companies that are established in and maintain significant business relationship with entities incorporated in non-cooperative jurisdictions, as classified by lead organisations for not having made sufficient progress towards satisfactory implementation of EU and/or internationally agreed standards in connection with AML-CFT and/or tax good governance standards. Elaia Partners refers to various official lists (notably GAFI, French and European lists).

IV. Implementation

For company exclusions, all investment instruments (e.g. equity, corporate bonds, etc.) are in scope.

Elaia's in-house ESG team, supported by external data, tools and research providers, undertakes a series of ESG-themed assessments which identify companies within our investment universe or invested companies that could qualify for potential exclusion.

For discretionary mandates or specific investments solutions, Elaia will initially suggest LPs apply the current Elaia exclusion framework; but Elaia may finally apply further (no lesser) restrictions if requested by the LP.

Once an invested company is placed on Elaia's exclusion list (for example, following an acquisition or the development of new business lines), we will divest any holdings from our Funds within a defined and precise timeframe. Elaia's Compliance team monitors adherence. Any identified breach to the defined timeframe would be dully escalated to the Internal Control Committee

V. Governance and Monitoring of the Policy

Elaia's ESG team oversees the implementation and ongoing updates of the firm's exclusion policy. The ESG team proposes additions, removals and exceptions for approval by Elaia Partners' board.

ESG INVESTMENT POLICY

I. Foreword

This policy reflects Elaia's commitment to ESG values across our investments, portfolio companies, and LPs, aligned with our Corporate ESG Policy.

By investing early in tomorrow's leaders and raising our portfolio companies' awareness of the importance of responsible investing, we develop a multiplier effect in their industries. Our investment process thus integrates ESG criteria at each step of the investment cycle.

Elaia Partners' funds are private equity funds invested exclusively in Tech-intensive startups that operate B2B models at early stages, from Pre-Seed to Series B, with a global ambition. Elaia Partners has designed its internal ESG policy and due diligences in accordance with this class of assets.

II. Investment process & due diligences

In order to facilitate an informed decision on behalf of the investment committee and lay the groundwork for future interactions with the investee company, for all new investments since 2021 (deployed progressively across all funds), Elaia's investment team analyses ESG criteria and delivers specific due diligences:

- Compliance of the proposed investment with Elaia's Exclusion Policy;
- External pre-investment ESG audit, which delivers an extra-financial global scoring;
- Based on this report and in close relationship with the investee's management, definition of key ESG indicators and objectives to be monitored;
- Letter of intent raising awareness among the entrepreneurs;
- ESG criteria integrated into decision-making:
 - All investment notes present which of the UN's 17 SDGs are positively impacted by the contemplated investment, and those that are negatively impacted when applicable;
 - The investment committee is invited to score its appreciation of the ESG impact of the proposed investment.

To help the investment team deliver relevant analyses on ESG criteria, specific ongoing trainings and team awareness exercises are carried out throughout the year.

III. Investment journey

Once the company has been invested in, a carbon footprint analysis is strongly recommended, especially for later stage investments. Alongside the ESG due diligence results, this carbon footprint allows to fine-tune ESG indicators to monitor and to define action plans.

Company-specific ESG indicators, resulting from the analysis made at the investment stage, are therefore monitored on a bi-annual basis and published in a report sent to the fund's investors alongside the financial quarterly report.

For example, for companies struggling with gender equality among their workforce, the proportion of women in the workforce and at the board of directors is monitored. The action plans are followed by each lead investor at least on a bi-annual basis.

On an annual basis, a more extensive, and non-company specific, ESG survey is sent to all of Elaia's portfolio companies. This survey is the base for the Elaia Annual Sustainability Report, as well as for the report for large institutional investors with specific ESG frameworks requirements.

The Elaia investment team shall endeavour to integrate ESG factors into the pursuit of both short term and long-term value creation. To achieve so the investment team monitors ESG portfolio company efforts and assist them to the best extend possible to include such criteria in their long-term vision.

On an ad-hoc basis, it is possible to set up incentives for senior managers of portfolio companies to monitor and achieve ESG objectives.

IV. Exit

With investors increasingly inquiring about what the target company is doing with regards to responsible investment, how they treat employees and vendors, their dedication to sustainability initiatives, and other activities that fall under the ESG umbrella, it is important to have answers to these questions.

Measurable ESG-related KPIs provide tangible data points by which acquirers can monitor and track ESG efforts. Identifying and tracking baseline efforts and analytics prior to acquisition ensures improvements; challenges, and opportunities can be identified and addressed; and the valuation might take these analytics into consideration.

Therefore, as of the writing of this policy, Elaia's teams are working on establishing a pre-exit ESG reporting template including an assessment of how ESG has created value throughout Elaia's holding period.

V. Conflict of interest related to responsible investment and engagement with policy makers.

As an asset management company, Elaia Partners is required to take all reasonable measures to detect, identify, treat, and resolve conflicts of interest situations in order to act exclusively in the interest of its funds (and delegations) and its unit holders.

To prevent conflicts of interest, the company relies in particular on:

- A policy and procedure for preventing and managing conflicts of interest as well as a mapping of the different potential conflict of interest cases;
- A "Register of Conflicts of Interest" that lists potential or proven conflict of interest cases since the creation of the company;
- Elaia's internal regulations and Code of Ethics, which are signed by each employee upon arrival;
- The Code of Ethics of Portfolio Management Companies involved in private equity, common to France Invest and the AFG.

Any conflict of interest relating to responsible investment will be managed in accordance with the conflict of interest policy.

In the course of its activity, Elaia Partners may participate to working groups and/or initiatives organised by the French government. This involvement does not affect the fact that Elaia's actions are made in the best interests of its investors, and that any conflict of interest relating to Elaia's participation to any working group and/or initiative backed by the French government and/or a regulated body will be managed accordingly to the conflict of interest policy.

SUSTAINABILITY RISKS MANAGEMENT POLICY

I. Foreword

The objective of this policy is to describe the methods, procedures, governance organisation and tools used to identify and to manage sustainability risks at Elaia Partners.

II. Presentation of sustainability risks

A. *Definition*

A sustainability risk is an event or situation related to environmental, social, or governance issues, that, if it arises, could have an important negative impact, real or potential, on the value of the investment.

B. *Description of the identified sustainability risks*

As stems from their broad definition, sustainability risks are numerous and highly dependent on the considered company's activity.

As seen below, each investment opportunity leads to an analysis by the investment team, backed by an independent due diligence by an industry expert, aiming, among others, at defining the main sustainability risks facing the prospective portfolio company.

When performing its analysis, Elaia Partners applies the European commission's approach towards double materiality impact, meaning that non-financial information can have a financial impact and, conversely, that finance can have consequences for the environment and/or society.

This approach has been communicated to Elaia's external service providers who takes care of this assessment during the due diligence phase done before an investment.

C. *Main tools for sustainability risk assessment and management*

To better apprehend the sustainability risks, Elaia Partners has developed several tools and processes implemented all along the investment journey, from the deal sourcing to the company exit.

Those tools encompass notably:

- A dedicated ESG investment procedure as described above;
- An Exclusion Policy at the Management Company level as described both above and in the funds By-laws;
- A proprietary mapping to assess the sustainability risks;
- Direct discussion with the portfolio company;
- A dedicated ESG team, supported by an ESG Committee intervening both at the Management Company level and at portfolio level;
- A shareholder engagement policy.

III. Sustainability risk analysis mapping

During the due diligence and execution phases, a sustainability risk analysis is performed for each portfolio company. In order to do so, Elaia Partners has designed a proprietary mapping to assess the relevant sustainability risks regarding potential portfolio companies' activities and sectors.

This mapping determines the sustainability risks based on a combination of different factors: (1) the impact of the risk, (2) the likelihood of occurrence and (3) the process established at portfolio company level to mitigate those risks.

This analysis encompasses the three pillars of ESG:

Environmental sustainability risks:

While examining the impact of environmental risks, Elaia Partners takes into account two types of risks, the physical risks, which are the risks coming from direct environmental disruptions (floods, earthquakes, air pollution...) and the transition risks, that can be categorised as the risks coming from a change of regulation, the exposure of companies to the risks of obsolescence linked to a lack of technological innovation, the substitution of existing products and services by others with lower emissions, and the risks linked to the energy prices evolutions.

Physical risks may have impacts on the following aspects of a company, but are not limited to:

- Impact on its premises and facilities
- Impact on the supply chain and raw materials procurement
- Financial cost due (insurance costs, investment costs, operating costs)
- Productivity capacity diminution, impact on workforce management

Transition risks may have the following impacts on a company's activity, but are not limited to:

- Competitiveness loss due to technological delay
- Increased costs due to a less efficient technology
- Additional expenses to pay for fines and to cope with delays in the transition to a more efficient / regulatory obligated ecological level of technology
- Client loss and loss of market shares due to a poor image

Social sustainability risks:

Elaia Partners has also identified social sustainability risks that can be either endogenous risks, meaning risks towards the non-respect of human rights condition or practices leading to a lack of training, a loss of employees motivation, and deterioration of well-being at work, or exogenous risks, which relates to poor inclusion and involvement and/or low diversity in teams, leading to less competitiveness accrued from the lack of various opinions and experiences.

These social sustainability risks can impact the company in the following ways, but are not limited to:

- Increased turnover and costs of staff
- Reputation risk
- Loss of competitiveness
- Sanction risks due to poor workers condition or monitoring of suppliers

Governance sustainability risks:

Finally, Elaia Partners has identified sustainability risks regarding governance. These risks have been classified in two categories, the governance risks within the company (lack of business ethics, concentrated power, poor independence in the governance body) and the product governance (issues with safety and quality of the product or data security loss and/or breach).

These governance sustainability risks can jeopardise the company the following ways:

- Direct financial impact coming from a lawsuit
- Lack of implication, poor decisions making process
- Reputational risk

Based on the review and the combination of these criteria, Elaia Partners has a global picture of the sustainability risks that can be used while discussing a roadmap with the portfolio company to address the risks identified and to mitigate them.

With regards to the double materiality approach, Elaia Partners relies on the analysis performed by its external audit provider to assess the impact of its portfolio companies on the environment. During the due diligence phase and on a periodic basis after the investment is realised, the investment team also performs an analysis to assess this impact and better apprehend the sustainability risks at stake.

IV. Periodic review of sustainability risks

A. Organisation of periodic reviews of sustainability risks by the management team

At portfolio level, Elaia Partners is vigilant that the management follows the roadmap established together. While following the different milestones set, upon reinvesting, Elaia Partners verifies that the milestones have been achieved or that the company has correctly taken actions to meet them. This review is also the opportunity to reassess the roadmaps and to adjust the objectives if needed.

B. Controversy monitoring

Given the size of the portfolio companies, Elaia Partners does not rely on an external service provider but relies on the proximity with its underlying companies to assess any controversy and to foresee any sustainability risk that might happen.

The investment team is responsible for following the sustainability update on both the company and the ecosystem. Any controversy noted will be treated by the investment team in charge of the portfolio with the support of the ESG Committee. If any material sustainability event is noted, it will be reported to the limited partners of the fund.

V. Periodic review of the sustainability risks mapping

On an annual basis, and in the event of any material sustainability risk, Elaia Partners re-evaluates its sustainability risks mapping. These risks are assessed by the ESG Committee. While performing the review, the ESG committee considers both the evolution of the

environment and any significant changes in the ecosystems that would require an adjustment in the risk mapping and sustainability risks assessments. In case of a significative update, changes are communicated to the investment team.

VI. Governance of sustainability risks management

A. Presentation of sustainability risks governance at management company and portfolio level

Elaia Partners considers sustainability risks and opportunities as part of its own roadmap. These topics are discussed to the extent possible during board meetings at least once a year. As part of its transparency engagement towards its investors, Elaia Partners reports on sustainability risks in the ESG reporting and the funds' annual SFDR reporting.

B. Investment Committee

While reviewing an opportunity, the members of the investment committee have to give their opinion on ESG criteria as part of their overall scoring of the investment opportunity. Their opinion is based on their own analysis of the activity of the company and on the information provided by the investment team in the investment memorandum, provided to the member before the committee.

In case of a divergence of opinion, the discussion is oriented to deal with the discrepancies noted in the analysis and the final decision considers these opinions.

C. ESG risks monitoring and control

As part of its risks approach, sustainability risks are included in the overall risks management of the company. These risks are followed and materialised in the dedicated mapping designed by the ESG Committee. They are also monitored at each portfolio company level by the dedicated member of the investment team.

As part of its risks monitoring policy, Elaia Partners has put in place a dedicated procedure regarding reporting accidents and malfunctions.

VII. Shareholder Engagement Policy

In accordance with I of Article L. 533-22. of the French Monetary and Financial Code, and the European Commission's Delegated Regulation (EU) No. 231-2013 of December 19, 2012, the Management Company has drawn up a "Shareholder Engagement Policy" in accordance with the procedures specified in Article R533-16. The purpose of this policy is to specify:

- The monitoring of strategy, financial and non-financial performance, risks, capital structure social and environmental impact and corporate governance
- Dialogue with investee companies;
- Exercising voting rights and other rights attached to shares;
- Cooperation with other shareholders;
- Communication with relevant stakeholders; and

- The prevention and management of actual or potential conflicts of interest in relation to their commitment.

Please refer to the shareholder engagement policy on Elaia's website for further information.

PRINCIPAL ADVERSE IMPACTS POLICY

I. Elaia Partners' Principal Adverse Impacts Policy Statements

The Principal Adverse Impacts in terms of sustainability ("PAI") are the most significant negative impacts stemming from investment decisions on sustainability factors, whether they are related to the environment, social and staff, human rights, and fight against corruption.

Elaia Partners, a financial intermediary regulated by the *Autorité des Marchés Financiers* and registered under the number GP-03003, herewith declares taking the PAI into account in the process and investment decisions of its latest funds.

Elaia publishes a Statement to this effect, in compliance with Annex 1 of the regulatory technical standards related to Regulation (EU) 2019/2088, for each fiscal year, starting on 2024, with reference period of fiscal year 2023.

II. PAI reporting

Elaia has decided to monitor and report on several PAI. PAI reporting is performed on an annual basis and is included in the LEC 29 report of Elaia.

The Statement presents a historical comparison of the Principal Adverse Impact indicator, for each reporting period, with the previous reporting periods, provided that data had been recorded.

The annual PAI report is available on the website of the company.

CLIMATE AND BIODIVERSITY ENGAGEMENT POLICY

I. Strategy for alignment with the Paris Agreements

The Paris Agreement is a legally binding international treaty on climate change, adopted by 196 Parties at the UN Climate Change Conference (COP21) in Paris in 2015 and effective since 2016. Its goal: keep global warming well below 2°C—and strive for 1.5°C—above pre-industrial levels.

While our full Paris alignment strategy is underway, we're already taking action. We partnered with Sami, a third-party expert, to measure our carbon footprint using the rigorous Bilan Carbone® methodology. Developed in France and backed by ADEME, Bilan Carbone® captures all emissions linked to our business—from upstream procurement and production to downstream distribution and product use.

Emissions are calculated by combining activity data with standardised emission factors and classified into three scopes:

- **Scope 1:** Direct emissions (e.g., company vehicles, heating)
- **Scope 2:** Indirect emissions from electricity and heat production
- **Scope 3:** All other indirect emissions across our value chain—travel, purchasing, waste, and more—typically the largest share.

This detailed breakdown guides us in understanding and reducing our environmental impact effectively.

Management Company engagement

Since 2020, we have been tracking the carbon footprint (Scope 1, 2 and 3) of our management company using the ADEME-backed Bilan Carbone method. Results and a clear emissions reduction roadmap are shared with the entire team.

To deepen awareness, we run the 2Tonnes Workshop—empowering our people to help achieve the 2050 goal of 2 tonnes of CO2 per capita annually.

A dedicated taskforce works with office management to embed sustainability into everyday operations, focusing on:

Transport:

- **Ride Green, Get Rewarded:** We support smarter commuting. Elaia contributes to employee transport costs for eco-friendly journeys—by bike or public transport—between home and office.
- **Trains over Planes:** When traveling to meet founders and partners, we prioritise rail. In 2023, 57% of our business trips were made by train—cutting carbon without compromising connection.

Eco-Conscious Office management:

- Refurbished equipment: over 40% of our electric equipment is refurbished and then responsibly recycled.
- Coffee: All meeting rooms feature biodegradable, compostable coffee capsules. Our bean-to-cup machines brew responsibly sourced coffee, supporting the planet and small producers.
- Fruit: No packaged snacks—just a weekly delivery of 100% organic, seasonal, and local fruit in our Paris kitchen.
- Heating: We cap heating at 19°C and air conditioning at 26°C—aligned with seasonal norms and turned off outside office hours.
- Water: Our in-office water fountain keeps the team refreshed, without a single plastic bottle.

A. Driving climate action across our portfolio

At portfolio level, we launched a series of targeted initiatives to help our portfolio companies reduce their carbon footprint and embed sustainability at the core of their operations.

Carbon Cutter

In partnership with Magelan.eco, we hosted hands-on CarbonCutter workshops to accelerate our startups' low-carbon transition. Each 3-hour session equips teams to:

- Understand sector-specific climate challenges
- Estimate their carbon footprint
- Identify high-impact reduction levers
- Build a first actionable roadmap
- Engage teams meaningfully in the transition

Carbon Assessment Playbook

We developed a step-by-step guide to help startups run a carbon assessment—complete with negotiated rates from vetted providers.

Beyond Carbon

- Workshops on inclusive hiring with top recruitment experts
- An annual Sustainability Dinner to spark peer-to-peer learning
- Ongoing expert partnerships to help startups tackle environmental, social, and governance (ESG) challenges with confidence

Our ambition is to empower every company we back to become not just a leader in tech, but a leader in responsibility—through expert support, collective knowledge, and long-term ESG commitment.

B. Our Objectives

Based on the above analysis and workshop with our underlying companies, Elaia Partners has decided to set the following objectives :

Short-term Quantitative objective (horizon 2025) – Laying the Groundwork

- Train our internal team on the Accords de Paris and climate change fundamentals
- Contribute to Venture Capital and Private equity working group and initiatives to contribute to shaping industry-wide standards
- Formalise and strengthen our climate commitment through the Initiative for Climate (iCI)

Mid-term Quantitative objective (horizon 2030) – Taking Decisive Action

Continue to reduce the carbon intensity in our operations Scope 1 & 2

- o Prioritisation of low-carbon commuting and business travel for both daily commuting and business travel
- o Make sustainable procurement the standard – from event planning (low-carbon suppliers and vegetarian menus) to office operations
- o Embed circular economy principles in technology procurement, including prioritising refurbished sourcing and recycling all used equipment.

Tackle Scope 3 emissions through our portfolio:

- o Mandate annual carbon assessments for all new investments
- o Provide resources and hands-on support to help startups decarbonise
- o Co-finance workshops to accelerate climate action among portfolio companies

Integrate Climate into Investment Strategy

- o Embed climate risk & opportunity analysis at the board and strategy level
- o Run scenario analysis to test fund resilience under different climate futures

Long-term Quantitative objective (Beyond 2030) - Full Transparency & Alignment

- Publicly disclose climate alignment levels for all funds
- Align all managed funds with the Paris Agreement
- Ensure 100% of portfolio companies follow a decarbonisation pathway aligned with less than 2°C trajectory

II. Biodiversity alignment strategy

Biodiversity conservation is a major global challenge in which all players have a role to play. Our approach to biodiversity is based on our analysis of the Venture Capital ecosystem and best practices set by leading industry groups like France Invest. Our investments primarily focus on small companies with a very limited physical footprint, particularly those without dedicated workspaces, resulting in a minimal biodiversity impact. However, we recognise biodiversity as a key aspect of responsible investment practices.

A. Closely following industry best practices

At Elaia, we are committed to both learning from and contributing to best practices across the investment industry. Biodiversity is a key area of focus within this commitment. As active members of leading industry groups, we apply relevant insights directly to how we manage our portfolio.

We participate in initiatives such as France Invest, which has dedicated working groups focused on biodiversity for both funds and portfolio company. While most participants are Private Equity firms are often exposed to higher biodiversity risks due to larger operational footprints, we see it as essential to anticipate future challenges as our own portfolio companies scale.

Looking ahead, we are committed to:

1. Closely following the work of the France Invest biodiversity working group to remain informed on emerging best practices relevant to Private Equity and Venture Capital.
2. Developing a scalable framework to assess biodiversity impact, accounting for company size and operational footprint, while raising awareness among entrepreneurs about integrating biodiversity considerations as they grow.
3. Requesting our third-party due ESG diligence provider to include biodiversity impact assessments as part of the broader double materiality analysis
4. Applying biodiversity risk assessments to portfolio companies once they reach a certain size or operational threshold, aligning with industry standards and guidance from France Invest and other expert bodies.

B. Expanding our internal capabilities and processes

We are also focused on enhancing our internal approach to biodiversity. Our ambition is to integrate biodiversity, alongside other core sustainability priorities, into everything we do at Elaia. We view this not as a separate initiative, but as a natural extension of how we invest, operate, and grow.

In practice, we are committed to strengthening the role of biodiversity considerations within our operations:

1. Team training & awareness: We have an ongoing process to provide internal training on a range of sustainability topics. These sessions will continue, incorporating insights gained from our involvement in industry associations and other funds in this space. Our goal is to equip every team member with a clear understanding of how biodiversity considerations relate to their role, and what steps they can take to reduce impact.
2. Stronger ESG integration in investment decisions: ESG is already embedded in our due diligence and investment approval processes. As we continue to refine our approach, we will ensure biodiversity remains a key focus within investment due diligence.

C. Establish the required groundwork to respect biodiversity throughout future growth pathways

We are committed to working with our portfolio companies to ensure that biodiversity stays on the radar as they grow. While early-stage startups may have a limited footprint today, we know that growth brings impact. That's why we're focused on preparing them early—so they can scale responsibly and meet tomorrow's sustainability challenges head-on.

Our approach starts with raising awareness and fostering discussions on biodiversity so that, as these issues become more relevant to their business, our portfolio companies are well-equipped to measure and manage biodiversity impact risks effectively. By learning from best practice and building this foundation, we support our portfolio companies in establishing the necessary frameworks to formally integrate biodiversity into their operations.

In practice, we have committed to the following actions to ensure biodiversity considerations are embed in business growth. We have developed a series of policy templates covering a range of sustainability criteria, including biodiversity. Our proprietary Climate and Environment Policy includes a biodiversity commitment that we expect our portfolio companies to uphold, ensuring awareness of the potential impact of their operations.

As companies grow, guided by their internal policies, any expansion with a material impact on biodiversity will be assessed through this lens, using industry-standard frameworks such as the Global Biodiversity Score.

D. Our Roadmap

Elaia's approach to biodiversity is grounded on industry alignment, internal capability building, and forward-looking portfolio support. By laying the right foundations today, we're preparing our portfolio companies to manage biodiversity impacts as they grow.

Short-term objectives (horizon 2025)

- Provide every portfolio company with a comprehensive Climate & Environment Charter template, including a clear biodiversity commitment.
- Develop a scalable biodiversity assessment framework, tailored to company size and operational footprint, while fostering early-stage awareness among founders.

Medium-term objectives (before 2030)

- Define and establish a biodiversity threshold, committing to a follow-up biodiversity double materiality assessment once a portfolio company reaches a certain size.
- Actively contribute to biodiversity-focused industry working groups, helping shape best practices across both the Private Equity and Venture Capital sectors.

Long-term objective (Beyond 2030)

- Collaborate with larger-scale portfolio companies to implement a biodiversity impact reduction strategy, minimising operational impacts through a concrete and tailored action plan