Jolt Capital

Environmental
Social
Governance

SUMMARY

FOREWORD BY JEAN SCHMITT, MANAGING PARTNER

At Jolt Capital, we are a highly experienced team of entrepreneurs and investors leveraging our global network to support champion technology companies. Our strong belief in excellence, boldness, innovation, fairness, and pragmatism are deep-rooted in our activities as a growth-enabling investor.

Passionate for disruptive technology, we are committed to supporting our portfolio companies in creating and delivering true value to the society. This is clearly demonstrated through **our positive screening approach: our pre-investment process generates a deal flow of tech companies whose products and services address broader challenges, making industrial processes more efficient and people's life safer.** Our quest for value-added, innovative technologies is inherent to Jolt Capital's DNA and what we have been doing for almost a decade.

This ESG Policy is the foundational document for our approach and outlines how as an investment company, we are integrating ESG considerations (1) in the way we invest in and transform companies, (2) in the way we operate internally and (3) in the way we interact with other stakeholders in society, in our sector and beyond.

We have been a United Nations' Principles for Responsible Investment (UN PRI) signatory since November 2020 and thereby publicly commit to promoting the six key principles and actively drive ESG standards within our industry. We are excited to see what the future holds, as we work together with our portfolio companies to unroll Jolt Capital's ESG approach.

OUR DNA

Jolt Capital enables growth stage **technology-rich** companies with **strong fundamentals** to execute their growth strategies in sectors which offer strong exit potential across **Hardware-Driven solutions and Software-Driven Solutions.**

Our passion for science and technology drives us to focus on **highly innovative** companies with strong execution capabilities and a real potential for global growth. We value **intellectual property** and encourage each of our portfolio companies to pursue **deep value creation**: for example, we expect **every million** euro invested in Research & Development to result in at least **one patent** application. By doing so, **we invest in and support companies which contribute to improving societal wellbeing and creating high value jobs where they are.**

By providing our portfolio companies with growth capital, expertise, and industry connections, we help them reach a critical size and a global reach; we help them launch new products, address new markets and make acquisitions. **We help them achieve profitable growth and create sustainable technological value**. When exiting companies, we wish to see them thrive as stand-alone, valuable, and sustainable companies.

OUR VALUES

We encourage and support our team as well as the companies we invest in and their employees, to nurture and act according to our values.

Our success was made possible thanks to these values and the corporate culture we continuously uphold:

- Strive for **Excellence**: we want to write success stories and we believe it requires bringing out the best in our team and portfolio companies, valuing merit and recognising hard work;

- Be **Bold:** we are convinced that building tomorrow's world requires a touch of *nerve* to question our habits, and that is why we promote audacity;

- Pursue **Innovation**: passion for deep technological innovation is one of the core elements that unites us all, which is why we continuously seek to remain at the forefront of innovations and scientific breakthroughs to intelligently spot opportunities and make decisions;

- **Fairness:** both in the way we work together as a team as well as in the way we want to work with our portfolio companies, we strive to share responsibilities and build trust-based relationships;

- Think and act with **pragmatism:** our efficiency, end-result-oriented mindset supports us in the fulfilment of our fiduciary duty and our achievements.

We believe that these values serve as the foundation of our approach to responsible investment.

OUR APPROACH AS AN INVESTOR: JOLT CAPITAL'S RESPONSIBLE INVESTMENT PROCEDURE

OUR APPROACH

Jolt Capital firmly believes that accounting for Environmental, Social and Governance (ESG) stakes in investment decisions is vital in ensuring sustainable performance of its portfolio companies. As a responsible investor and shareholder, we are committed to bringing out the full potential for value creation of each of our portfolio companies, by integrating ESG along the entire investment lifecycle, and by supporting our portfolio companies in promoting economic success, societal progress, environmental stewardship and sound governance. Our responsible investment approach, which is described hereafter, is an integral part of our fiduciary responsibility as an investor and aims at promoting ESG standards in our industry and others in which we choose to invest in.

Our Responsible Investment Policy relies on the three following strategic pillars:

1. **Added value:** Jolt Capital targets companies generating efficiency gains and improvement of business processes through technology, not through the exploitation of natural or human resources.
2. **Exemplary governance:** we ensure that none of our operations carry a risk of corruption and that all can operate with complete integrity.

3. **Risk management:** Jolt Capital actively refuses to invest in ESG-sensitive sectors and products (see our Jolt Capital's exclusion list in Appendix 2).

Our detailed approach along the investment cycle is further detailed in the following section "ESG along the investment cycle".

Our approach as a responsible investor is materialised by our commitment to the United Nations' Principles for Responsible Investment, the largest global reporting instrument on responsible investment. Jolt Capital became a UNPRI signatory in November 2020.

From 2021 onwards, Jolt Capital will engage in annual PRI-related reporting to provide our stakeholder visibility on our responsible investment practices.

In 2020, Jolt Capital was awarded the **French "Relance" label** for its Jolt IV fund. This label aims at directing the savings of French households towards investment vehicles sustainably investing in French small and medium enterprises (SMEs). Appendix 4 of this Policy lays out key elements put in place to ensure alignment with the ESG requirements of this label, including the use of an ESG scoring system for portfolio companies.

Our positive screening approach

Jolt Capital is committed to investing in companies generating efficiency gains and improvement of business processes through technology, not through the exploitation of natural or human resources. To ensure the effective delivery of this value creation for society, Jolt Capital has decided to develop a positive screening approach which will enable the proactive selection of companies with an impactful technology (which means a technology able to improve directly or indirectly climate change, resource use, ethical data use, human skills and wellbeing).

ESG INTEGRATION THROUGHOUT OUR INVESTMENT CYCLE

Jolt Capital's commitment to responsible investment is conveyed through its investment strategy. During all key stages of the investment process, from pre-investment to exit, ESG considerations are integrated into decision-making and ownership processes.

INVESTMENT SCREENING

Jolt Capital addresses ESG as early as its screening for investment opportunities process. Indeed, we commit to investing in companies which create societal value by improving and/or disrupting business processes with technology, not with the exploitation of natural or human resources.

Moreover, as a responsible investor, Jolt Capital actively refuses to invest in ESG-sensitive sectors and products, as established in its exclusion list which is reviewed and updated annually: gaming, weapons, tobacco, drugs, pornography, unethical genetic development, products/activities deemed illegal under regulations or international conventions and agreements, or subject to international phaseouts or bans, as well as environmentally controversial sectors.[1]

When an investment opportunity is deemed interesting by Jolt Capital's research team or by a partner, the Investment Committee assesses whether key criteria are met regarding many aspects, including ESG considerations or conflict of interest risks.

PRE-INVESTMENT PHASE

Prior to investment, Jolt Capital systematically conducts a thorough ESG due diligence. Our investment strategy and approach indeed usually grant us ample time to fully engage with management on highly material issues, ensure that we fully understand risks and opportunities, and agree on an ESG Roadmap prior to committing to the investment.

Our general due diligence process includes the following steps:

- Interviews with existing board members and with most of the management team members, covering several topics, including highly material ESG issues;
- Reference customer calls;
- Financial and legal audits in order to verify that a proper level of transparency and control are not only documented through the processes of the company, but are common practice among its stakeholders, and that there exists no evidences of non-compliance with ESG principles emerging from internal and external audit reviews, as applicable;
- An ESG due diligence, which covers companies' compliance with major ESG regulations as well as maturity and performance on key ESG issues for their sector, and results in an ESG roadmap with specific targets and KPIs. This ESG roadmap is then explicitly referenced in the Shareholders Agreement.

[1] Please refer to Appendix 2 for the detail of Jolt Capital's exclusion list.

While we are committed to a materiality-based approach and therefore focus on issues of high relevance for each company, given its business model and geographic footprint, we systematically assess the following:

- **Climate & GHG emissions**: Exposure to physical and transition-related climate risks and opportunities. Our scope of analysis indeed covers both the company's direct environmental impacts, as well as indirect impacts linked to its value chain.
- **Governance**: We systematically require that an active Board of Directors – including independent members selected for their industry expertise – be in place. The section "Ethics & Governance" provides further details on our governance approach.
- **Circularity**: For hardware companies, we also interrogate product lifecycle impact, from raw materials to waste and disposal.
- **Data use**: For software companies, when relevant, we also closely assess issues around data use, including security, privacy, and ethical considerations.

OWNERSHIP PHASE

We request our portfolio companies:

- to use all commercially reasonable efforts to conduct their activities in accordance with the Environmental, Social and Governance principles and best practices (including developing sustainable products and services, respecting human rights, encouraging diversity, managing with transparency, …);
- to provide us, upon request and at least once per year, a report on the environmental, social and governance performance of the company and its subsidiaries. We ask our portfolio companies to report key ESG indicators annually (cf. Appendix 3, which presents Jolt Capital's ESG performance tracking and reporting system);[2]
- to promptly notify us of any event likely to create a material breach of the most commonly accepted ESG criteria and/or the social and environmental laws and regulations in the company's countries of activity (such notification including an overview of the nature of the relevant event; the material impacts or potential material impacts arising from the relevant event; and any measures taken or planned to be taken to address the identified material impacts arising from, or prevent recurrence of, the relevant event).

Concerning the environmental impact of our portfolio companies, we progressively raise the consciousness of their management on this specific matter and ask them to develop the relevant KPIs they should be reporting to us; in any case, we ask companies to inform us without delay of any incident having a material environmental impact. Particular attention is paid to climate-related issues: companies are required to provide all indicators necessary to

[2] Given the nature and size of the companies Jolt Capital invests in, we have developed an adapted, relevant, and rigorous ESG metrics reporting and monitoring system (cf. Appendix 3 of this document). Most of our system's metrics are aligned with the European Sustainable Finance Disclosure Regulation's reporting framework for principle adverse impacts (PAIs). Metrics that are not monitored are not relevant to our portfolio companies or cannot be monitored at this stage. Our reporting framework, like our ESG Policy, is reviewed for continuous improvement annually.

the assessment of our portfolio carbon footprint and the analysis of climate-related risks and opportunities.

On social matters, we ensure throughout our investment that our portfolio companies do respect human rights laws; and that they do not rely on forced labour or child labour, including through their subcontractors. We ask the management of our portfolio companies to report at every board meeting on HR issues (competence development, compensation policies...). In cases of redundancy or restructuring plans, we require the board to review and approve decisions after a detailed analysis of their social impact. Whenever possible, we try to bring into boards independent directors with strong competence in HR.

On governance aspects:

– We always participate in the governance bodies, for the duration of our investment, in order to closely monitor and influence the operations and practices of our portfolio companies which also reinforces sound governance and increased visibility on the social and environmental dimension of the companies' activities;

– We also ask our portfolio companies to refer to ethics or deontological code (e.g. Middlenext for French companies);

– Our investment contracts and the resulting shareholders' agreements strengthen the board of directors' decision-making and control power.[3] We also require the appointment of independent directors to the Board of Directors;

– Finally, our investments are also conditioned by the creation or extension of a stock option plan for the benefit of executives and key talents for the company to better share the value created.

EXIT PHASE

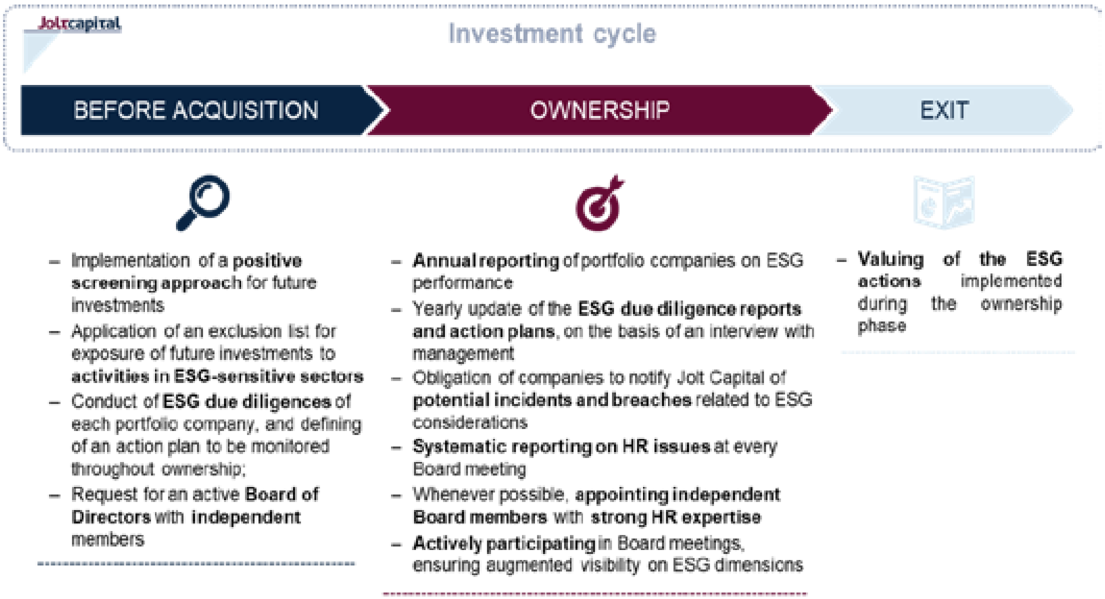
Upon disinvestment of a portfolio company, Jolt Capital intends to:

– highlight the Company's ESG maturity and potential future upsides, either through an ESG-specific memo and/or and ESG Vendor Due Diligence, as appropriate;

– ensure management continuity at the time of the exit to help the company to preserve its mission and the entrepreneurial spirit of the management teams.

[3] Whether in terms of appointing or dismissing executives, their compensation, setting their objectives, approving budgets, disposing of, or acquiring assets, etc.

SYNTHESIS – JOLT CAPITAL'S ESG INTEGRATION APPROACH AT A GLANCE



ESG GOVERNANCE

The implementation of our Responsible Investment Procedure relies on the following ESG governance structure:

- **ESG issues are systematically reviewed at Jolt Capital's management level**, including through the annual review of our portfolio's ESG positioning, following our annual ESG reporting campaign;
- The **Sustainability Leadership position** has been assigned to the Compliance Officer, who is acting as the sponsor of the ESG policy and the Responsible Investment Strategy, and handles climate-related subjects;
- ESG risks and opportunities are formally reviewed and discussed prior to each investment, during a formal Investment Committee session;
- Jolt Capital may call on the **expertise of external consultants** to perform ESG due diligences, analyse the ESG positioning of the portfolio and ensure the implementation and follow up of ESG action plans at various portfolio companies;
- **Risk management** is under the responsibility of the managing partner of Jolt Capital and integrates ESG-related risks.

To further incentivize and empower teams to implement this ESG Policy, Jolt Capital is in the process of defining an approach to integrate ESG criteria to its annual performance reviews and adapt its variable compensation policy accordingly.

OUR APPROACH AS A COMPANY: KEY ESG ISSUES FOR JOLT CAPITAL

ETHICS & GOVERNANCE

Jolt Capital management and employees commit to upholding the highest standards of ethical and moral conduct and to lead by example for our portfolio companies.

CODE OF CONDUCT

The reputation and development of Jolt Capital is founded on both its operational excellence in generating performance and its rigorous commitment to respecting **the ethical principles governing its activities**. Those principles are formalised through Jolt Capital's Code of Ethics, which clearly defines the fundamental rules of conduct which all partners and employees must adhere to. It specifically addresses:

- management of operations;
- gifts and benefits offered or received by employees;
- personal transactions;
- external activities and functions.

The rules of the Code of Ethics[4] directly support Jolt Capital's commitment to the primacy of its clients' best interests and to the nurturing of trust-based, long-term partnerships.

Jolt Capital's Code of Conduct also applies to all persons working on behalf of Jolt Capital from the moment they are contracted, as well as any kind of permanent staff employed for more than ten consecutive days (advisors, intermediaries, interns, and secondees).

CONTINUOUS TRAINING

Jolt Capital is committed to strengthening and deepening the know-how and skills of its team of professionals, through different initiatives:

- Constant sector analyses and roadmap reviews with the most innovative industrials;
- Visits and brainstorming with researchers and academics (e.g. The Swiss Federal Institute of Technology in Lausanne, *École Polytechnique Fédérale de Lausanne*);
- Reading and online trainings to maintain collaborators' strong scientific background;
- Deepening of collaborators' research topics, synthesis of technological and market trends, via their activity of teachers and lecturers which is encouraged by Jolt Capital;
- Events organised by Jolt Capital (e.g. roundtables, webinars) to share best practices;
- Participation in professional groups.

Moreover, Jolt Capital plans to launch the **"Next Gen Partners" programme** in 2021, aimed at gradually integrating a new generation of investors who will contribute to the expansion of Jolt Capital's skills, talents, and diversity.

[4] Rules of conduct cover the Primacy of the interest of the client, Conflict of interest, Respect of the integrity of the market, Independence of management activities and separation of duties, Relations with parties and employees, Confidentiality and professional secrecy, Anti-bribery and anti-corruption, Personal transactions, Anti-money laundering, anti-terrorist financing and international sanctions.

ESG UPSKILLING

To reinforce its approach and to promote responsible investment, Jolt Capital is committed to training its team to responsible investment and key ESG matters within the technological sector. As such, training sessions are provided when necessary to employees to raise their awareness on the importance of those matters, and to inform them of Jolt Capital's ESG Policy.

Jolt Capital's teams are also trained on ethics and governance, through key trainings on topics such as compliance and anti-money laundering.

DIVERSITY

Jolt Capital promotes diversity of talents and aims at providing equal opportunities to all, irrespective of ethnicity, gender, disability, and background.

Jolt Capital signed the **Parity Charter of France Invest** in 2020 and monitors the alignment of its practices with the 30 commitments of the charter. Among the commitments set out, the charter engages Jolt Capital to achieve the following quantitative objectives:

- within Jolt Capital's own investment teams:
    - 25% of women in senior positions by 2030 and 30% by 2035.
    - 40% of women across all employment positions by 2030.
- within Jolt Capital's portfolio companies:
    - 30% of women on Management Committees by 2030.

OUR APPROACH AS A TECH SECTOR ACTOR: INITIATIVES FOR SOCIETY

INDUSTRY STEWARDSHIP & ECOSYSTEM INFLUENCE

OUR NETWORK

At Jolt Capital we capitalise on our network to surround ourselves with a competent and influential ecosystem on ESG issues in the Tech sector. We exchange and share best practices on ESG topics within the sector, to increase opportunities for innovation and learning for both our teams and our portfolio companies. This ambition is reflected through concrete actions such as:

– Being a member of the "**Digital New Deal**" Foundation[5] and supporting a responsible development for the tech industry;

– Organising **Webinars on "Tech & Sustainability"** or Sustainable Tech talks led by experts from our network;

– Participating in **external initiatives and events** that address ESG issues in the tech sector or within the private equity community;

– Publicly committing to best practices in responsible investment by signing the **UN Principles for Responsible Investment (PRI)** and communicating our ESG commitments.

JOLT.NINJA

Jolt.Ninja is an emblematic illustration of Jolt Capital's collaboration with the Tech ecosystem.

Jolt Capital has developed a unique proprietary Artificial Intelligence, Jolt.Ninja, for automated sourcing, accelerated due diligence and automated detection of investment or acquisition targets. Jolt.Ninja monitors a vast array of publicly available information to build a comprehensive and smart knowledge about hundreds of thousands of technology companies across the World.

As part of this project, Jolt Capital has signed a partnership and technical co-development contract with the **Singaporean sovereign fund Temasek**. Jolt Capital is also collaborating with **EPFL** (Ecole Polytechnique Fédérale de Lausanne) to develop the deep learning and natural language processing functions of Jolt.Ninja.

Jolt Capital plans on integrating ESG criteria within Jolt.Ninja in the future, which could contribute to targeting companies with a positive impact on selected ESG considerations and strengthen its Responsible Investment approach.

[5] Think-tank dedicated to building French and European digital sovereignty, aiming to enlighten society on the challenges of the digital world, and develop concrete plans of action for companies and public decision-makers to face such challenges.

SKILLS SPONSORSHIP

Jolt Capital actively contributes to industry stewardship, by promoting private equity, entrepreneurship, innovation, and deep technology through skills sponsorship. Several of its partners provide courses in leading engineering and business schools in France, which helps in raising awareness on these aspects, and passing on its passion for innovation and technology to future generations. Such skills sponsorship has the twofold impact of promoting and strengthening the industries in which Jolt Capital operates and creating a network of future entrepreneurs Jolt Capital will possibly collaborate with in the future.

Examples of schools in which Jolt Capital employees step up as teachers or lecturers:

CULTURAL PATRONAGE

Our commitment to social value is also reflected in our cultural patronage actions. Jolt Capital is committed to regularly supporting organisations that contribute to enhancing French cultural outreach.

In 2019, Jolt Capital donated an organ to the “Chapelle Harmonique” of Versailles and contributed to the refurbishment of the “Chapelle Royale” in Versailles.

More broadly, Jolt Capital aims at extending its fields of action by regularly donating to organisations and projects that impact society positively and need financial support to flourish.

APPENDICES

APPENDIX 1: THE UNITED NATIONS' PRINCIPLES FOR RESPONSIBLE INVESTMENT

The six Principles for Responsible Investment are a voluntary set of investment principles that offer a menu of possible actions for incorporating environmental, social and governance (ESG) issues into investment practice. The Principles were developed by investors, under the leadership of the United Nations (UN). They have attracted a global signatory base representing most of the world's professionally managed investments.

By becoming a UN PRI signatory from 2021, Jolt Capital commits to the following:

"As institutional investors, we have a duty to act in the best long-term interests of our beneficiaries. In this fiduciary role, we believe that environmental, social, and corporate governance (ESG) issues can affect the performance of investment portfolios (to varying degrees across companies, sectors, regions, asset classes and through time).

We also recognise that applying these Principles may better align investors with broader objectives of society. Therefore, where consistent with our fiduciary responsibilities, we commit to the following:

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

The Principles for Responsible Investment were developed by an international group of institutional investors reflecting the increasing relevance of environmental, social, and corporate governance issues to investment practices. The process was convened by the United Nations Secretary-General.

In signing the Principles, we as investors publicly commit to adopt and implement them, where consistent with our fiduciary responsibilities. We also commit to evaluate the effectiveness and improve the content of the Principles over time. We believe this will improve our ability to meet commitments to beneficiaries as well as better align our investment activities with the broader interests of society.

We encourage other investors to adopt the Principles."[6]

[6] **Source**: UN PRI website, https://www.unpri.org/pri/what-are-the-principles-for-responsible-investment

APPENDIX 2: JOLT CAPITAL'S EXCLUSION LIST

As a responsible investor, Jolt Capital actively refuses to invest in the following ESG-sensitive sectors and products:

- Production or trade in weapons and munitions;
- Production or trade in tobacco;
- Production or trade in illicit drugs;
- Products / activities deemed illegal under regulations or international conventions and agreements, or subject to international phaseouts or bans;
- Gaming, gambling, casinos, and equivalent enterprises;
- Pornography and prostitution;
- Non-ethical genetic development.

Jolt Capital also excludes investments in environmentally controversial sectors:

- The production, marketing or use of, or trade in, products or activities illegal under applicable laws, or banned through global conventions and agreements, and notably:
  - prohibited transboundary trade in waste (under the Basel Convention[7]);
  - hazardous industrial chemicals, pesticides, and wastes (banned under the Basel Convention, the Rotterdam Convention[8] and the Stockholm Convention[9]);
  - substances contributing to ozone depletion (banned under the Montreal Protocol[10]);
  - protected wildlife or wildlife products (under the CITES / Washington Convention[11]);
- Radioactive materials - excepting some medical equipment, quality control equipment or other application for which the radioactive source is insignificant and/or adequately shielded.
- Unbounded asbestos fibres;
- Coal, oil and gas extraction and exploration activities.

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[7] The Basel Convention bans hazardous wastes which are explosive, flammable, poisonous, infectious, corrosive, toxic or ecotoxic (listed in Annexes I to III, VIII and IX of the Convention).

[8] The Rotterdam Convention on the Prior Informed Consent Procedure for Certain Hazardous Chemicals and Pesticides in International Trade subjects 30 hazardous pesticides to the Prior Informed Consent procedure.

[9] The Stockholm Convention on Persistent Organic Pollutants intends to eliminate many different persistent organic pollutants (e.g. aldrin, chlordane, etc.), which are chemicals highly toxic and persistent in the environment.

[10] The Montreal Protocol on Substances that Deplete the Ozone Layer (the Montreal Protocol) is an international agreement made in 1987, designed to stop the production and import of ozone depleting substances (e.g. Hydrofluorocarbons, Bromochloromethane, etc.) and reduce their concentration in the atmosphere.

[11] CITES (the Convention on International Trade in Endangered Species of Wild Fauna and Flora) is an international agreement between governments, which aim is to ensure that international trade in specimens of wild animals and plants does not threaten their survival.

APPENDIX 3: JOLT CAPITAL'S ESG PERFORMANCE TRACKING AND REPORTING SYSTEM

	CSR Management
1	Percentage of portfolio companies that discuss sustainability issues at the Supervisory board at least once a year
2	Percentage of portfolio companies that have a formalised CSR action plan and/or objectives
	Environment
3	Percentage of portfolio companies having implemented specific measures to improve their environmental impact (e.g. improving waste management, water management, energy efficiency, etc.)
4	- Total carbon emissions from Scope 1 (in tons of CO_2 eq.) - Scope 1 carbon intensity (in tons of CO_2 eq. per m€ of revenue)
5	- Total carbon emissions from Scope 2 (in tons of CO2 eq.) - Scope 2 carbon intensity (in tons of CO_2 eq. per m€ of revenue)
6	- Total carbon emissions from Scope 3 (in tons of CO_2 eq.) - Scope 3 carbon intensity (in tons of CO_2 eq. per m€ of revenue)
7	Average Power Usage Effectiveness of data centers [*Software sector*]
	Social
8	Total annual Job creation
9	Average turnover rate
10	Average training hours per employee (in hours/employee)
11	Average percentage of women among total headcount (%)
12	Average percentage of women among senior management positions (%)
13	Average occupational accident frequency rate
14	Average occupational accident severity rate
15	Percentage of portfolio companies having implemented value-sharing schemes
	Governance
16	Average percentage of women within the Board
17	- Average percentage of independent members within the Board - Percentage of portfolio companies having at least one independent member within the Board
18	Average percentage of women within the Executive Committee
	Supply chain
19	Average percentage of products by revenue that contain critical materials [*Hardware sector*]
20	Percentage of portfolio companies that have adopted an eco-design approach for their products [*Hardware sector*]

APPENDIX 4: "RELANCE" LABEL REQUIREMENTS

On October 19th, 2020, under the patronage of the Minister of the Economy, the market agreement for the creation of the "Relance" label was signed. Within the framework of the post-Covid-19 crisis recovery, the label aims at directing the French population's savings towards collective investment schemes actively contributing to the financing of French companies by reinforcing their equity and quasi-equity capital.

Jolt Capital has proudly committed to obtaining the "Relance" label for its Jolt IV growth fund.

Labelled funds must comply with three sets of requirements relating to the degree of consideration for environmental, social and governance (ESG) criteria: (a) obligations relating to the investment strategy and the shareholder engagement policy; (b) cross-cutting obligations to perform ESG due diligences and monitor ESG targets, in the form of a rating or indicator; and (c) obligations relative to the labelled management company.

The Label also requires (d) obligations to report information quarterly on the respect of the Label's criteria.

- **Label requirements relating to the shareholder engagement policy and investment strategy**

Labelled funds must consider the following ESG criteria in their shareholder engagement policy and investment strategy:

E -- Environmental criteria	○ Measures which encourage the energy transition, the reduction of greenhouse gas emissions
S -- Social criteria	○ Schemes which establish value sharing with employees (e.g. profit-sharing schemes, incentive schemes, employee share ownership plans, share allotment plans, savings plans, etc.) ○ Social measures, in terms of job preservation, training and inclusion
G -- Governance criteria	○ Best governance practices (establishment of compensation and audit committees, presence of independent and employee representatives at Board level, establishment of shareholder agreements, etc.) ○ Gender equality (presence of women in management positions, actions aimed at promoting gender equality within the company, etc.).

In particular, funds must pay particular attention to these topics, especially in their dialogue with portfolio companies, during general meetings and votes of the Board of Directors, as well as in their establishment of their portfolio, all the while adapting the degree of consideration of companies' specificities and activity sectors.

Jolt Capital has integrated all criteria into its investment strategy, laid out in this document, and in particular:

- Those criteria are reviewed during the pre-investment phase, upon conducting ESG due diligences;

- During the holding period, those criteria form part of the ESG indicators which are monitored each year and reported by the portfolio companies;
- Those criteria are also reviewed as part of the oversight of key ESG performance indicators which are reviewed by Jolt Capital's Board of Directors, each year.

- **Cross-cutting label requirements related to ESG due diligences and monitor ESG targets**

To be eligible for the label, Funds must comply with the characteristics required by the French *Autorité des Marchés Financiers* (AMF)'s ESG doctrine which allows for "reduced communication" on the consideration of extra-financial criteria. This implies defining measurable objectives of consideration of ESG criteria.

Jolt Capital has decided to develop an ESG rating which will enable the assessment of its portfolio companies on the ESG criteria required by the "Relance" label. The rating, out of 6, is composed as follows:

Criteria	Points	Description of ESG assessment criteria
E -- Environmental criteria	1 point	The Company has implemented active measures over the assessed year which encourage the energy transition, in particular the reduction of greenhouse gas emissions
	1 point	The Company has established a formalised Environmental policy and/or structured approach to environmental management
S -- Social criteria	1 point	The Company has one or more value sharing schemes in place concerning at least 20% of employees (e.g. profit-sharing schemes, incentive schemes, employee share ownership plans, share allotment plans, savings plans, etc.)
	1 point	At least 30% of employees have received training over the assessed year
G -- Governance criteria	1 point	The Company has appointed independent members[12] to its Board of Directors and/or Supervisory Board
	1 point	Women make up for at least 30% of senior management positions[13]
Total	**6 points**	

- **Label requirements relative to the labelled management company**

Management companies of labelled Funds are required to:

- Appoint an ESG correspondent;

[12] Independent members: Executives from outside of the company, thus not affiliated with the top executives of the firm and have minimal or no business dealings with the company to avoid any conflict of interest. An independent board member is expected to provide vigilant oversight over firm executives to mitigate managerial opportunism and promote shareholder value.
[13] Senior management positions: Top two levels of management, being the Board of Directors (n), and all positions in the management layer underneath the Board of Directors (n-1).

- Communicate a multi-year CSR roadmap by mid-2021. This roadmap aims to present the management company's approach or strategy in ESG matters over a given time horizon (e.g. management company's sustainable finance strategy, CSR policy, etc.). as a company), through qualitative or quantitative objectives and the identification of the actions to achieve these objectives.

Jolt Capital has formally appointed an ESG correspondent in 2020: the Compliance Officer. In addition, Jolt Capital's ESG Roadmap sets out the ESG actions scheduled to be implemented in the short, medium, and long terms.

- **Requirements for quarterly reporting to the Label's control authority**

The labelled Funds must report back to the French Treasury Department, *Direction Générale du Trésor*, the Controlling Body for the application of the label, on a quarterly basis, within six weeks of the end of each calendar quarter.

The reporting must be accessible on the labelled Fund's website, and must contain twofold information:

- **Information relating to compliance with the label:**
  - Full name of the Fund and identification (e.g. ISIN code);
  - Type of legal vehicle (UCITS, FCPR, etc.)
  - Amount of gross and net assets undermanagement;
  - Proportion of assets invested in French VSEs, SMEs and/or ETIs, by equity and quasi-equity investments;
  - ESG criteria:
    - justification of compliance with the ESG criteria set out in the "Relance" Label Charter;
    - detail on how the ESG criteria are integrated within the shareholder engagement policy and investment strategy;
    - methodology for the calculation of the ESG rating selected;
    - comparison of the ESG rating with the reference rating of the investment universe (if relevant and existent).

- **Information relating to the contribution to the dynamism of the French economy and territories**:
  - Number of French companies financed with equity capital, including VSEs and SMEs;
  - Provision of new investments within French companies:
    - Number of capital increases or stock market listings to which the labelled Fund has participated in 2020, 2021 or 2022;
    - Percentage of assets corresponding to securities issued by a French company having carried out an increase in capital in 2020, 2021 or 2022;
  - Territorial dimensions:
    - Number of people employed in France in companies whose registered office is in France (rounded up to the nearest whole hundred number);
    - Number of people employed by region in the unlisted companies financed by the labelled Fund, or by department when the information is available;
    - Volume of investments made by the UCI in unlisted companies by region.