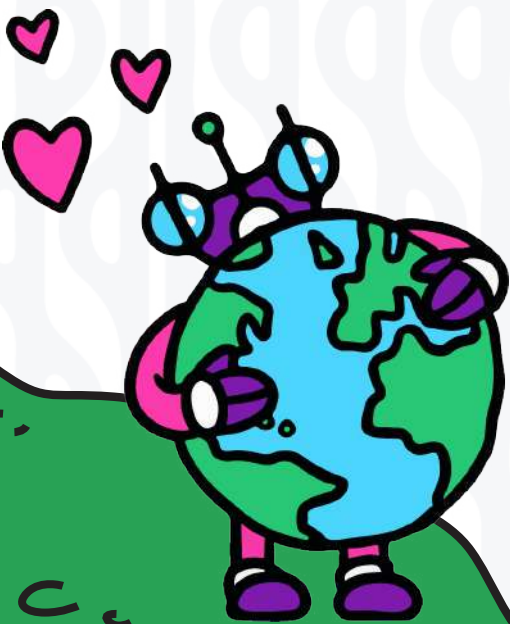




daphni

esg



2022 ESG annual report

Publication date: april 2023



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Introduction

This is the second edition of our **annual ESG report**, which demonstrates our ongoing commitments on a daily basis.

The year 2022 has been a new opportunity to demonstrate the relevance of the rich and varied actions carried out by daphni. Our main pride is to have obtained the **B Corp certification** with a score of 105,8, well above the required threshold. This result is not so much the result of our efforts over several years as the implementation of consistent and effective practices to ensure that we have a long-term commitment to ESG.

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

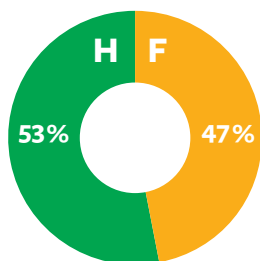
During this year, we also undertook several structuring actions, beyond the continuation of the actions described in our 2021 report. We have set up a **Mission Committee** whose role is to report on progress and areas for improvement in relation to the company's social and environmental objectives. We have also put in place several tools to assist our portfolio companies to support them in their CSR commitments and ensure that all our portfolios converge towards practices that are in line with our own commitments.

As you can see from this report, *daphni* is more than ever a driving force in supporting and accompanying opportunities that contribute to a better world.

daphni



Parity of the team



36 years

average age of employees

130 K€

Difference between minimum and maximum salary

5

associations supported

42%

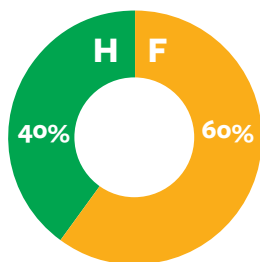
projects with an ESG dimension*/ total projects received

Carbon footprint

**Scope 1+2+3 :
135 eqCO₂**

daphni portfolio

Parity of the team



31 years

average age of employees

3 080

Total number of employees in the portfolio

14 ODD**

positively impacted by the portfolio

Carbon footprint

**Scope 3 :
2 077 eqCO₂**

*Sectors included: social/impact, health, education, welfare, agriculture/food

**SDGs: Sustainable Development Goals

1- Our reason for being

Why are we a Mission driven company ?

“Like all citizens, we are aware of the stakes and the responsibilities we have towards future generations. It is not just a question of limiting the damage that undermines our environment on a daily basis. More ambitiously, we want to contribute to rethinking our model of society and economic development to pass on a heritage and values, to ensure the sustainability of what we have the continuity of what is most beautiful and most generous in humanity.” - Marc Simoncini.



The Chinese government’s claim that it will take care of the stomachs before the lungs is a common reflex of many political regimes in times of crisis. The population must be fed, and climate and pollution issues are no longer a priority. Short-term issues are put forward again at the expense of dealing with the medium/long-term consequences. This has obvious repercussions throughout the economy. We need to do much more to tackle climate change. There were some positive signals in 2021. The voluntary carbon credit market is a very good example. After a significant increase in 2021, the number of voluntary carbon credits sold fell drastically in 2022, when we would need to finance more and more projects that capture carbon sustainably.

It is in these times of recession that the mission company status makes the most sense. This status acts as a safeguard and allows us to keep a priority and an obligation on longer-term but equally important issues.

Reminder of our reason for being and our objectives

As a Mission driven company, *daphni*’s purpose as set out in its articles of association is as follows: Conscious of our responsibility for future generations, the company’s reason for being is to place at the heart of its commitments and investments the contribution to a better and sustainable world, accelerated by technology.

In order to achieve its mission, the company pursues the following social and environmental objectives in the course of its business.

1. Empowering and accompanying the companies we support to actively participate in the transition to a more responsible world.

2. To apply the environmental and social standards that underpin our reason for being.

3. Communicate and share with our shareholders, communities, the ethical, social and environmental values that drive us.

As part of this approach, the company undertakes to take into consideration I) the social, societal, and environmental consequences of its decisions on all the company’s shareholders, and II) the consequences of its decisions on the environment.

The ESG commitments of the daphni management company are consistent with the strategy deployed and are fully in line with its values.



2022 review

The year 2022 marked the launch of the daphni mission follow-up with the holding of the first two Mission Monitoring Committees leading to the publication of the first mission report. Several monitoring indicators were selected by the Committee to track the completion of the various objectives inherent in our reason for being.

1. Provide the means and support for the companies to actively participate in the transition to a more responsible world.



20% | of *daphni's* active portfolio companies have implemented carbon footprint measurement. These include *AnotherBrain, Back Market, Comet, Fifteen (formerly Zoov), Memo Bank, Swile, Trusk, Leocare, Masteos, Pasqal and Shine*.

83% | of shareholder agreements signed over the last two years include a sustainability clause (14 out of 17 companies).

12 | portfolio companies are signatories to the Climate Act.

1 | Shine, a *daphni* portfolio company, is B Corp certified.

2 | *daphni* companies, Hemea and Back Market, have added a reason for being to their status and are now mission companies.

2. We apply the environmental and social standards that underpin our reason for being.

The standard that has impacted us the most is directly related to our core business. We have applied the methodology for measuring the impact of our portfolio carefully.

The 9 investments made in 2022 have an average score of +6.7 (and the weighted average by investment ticket size is 7.5 in 2022).

As part of our drive for continuous improvement, we have also moved our active investment vehicle, **Yellow** to **SFDR Article 8**. This improved our methodology by adding monitoring of Principal Adverse Impact and additional extra-financial reporting on the portfolio.

The management company's 2020 and 2021 carbon footprints have been completed and an action plan is under review to try further reduce scopes 1 and 2 and limit scope 3 which, due to the nature of our business, is likely to increase. We should also take into account the avoided carbon in order to have a refined action plan on **the real impact of our portfolio**. In addition, we have also continued to support various associations with social and environmental objectives. Finally, we continued our commitment to various initiatives and in particular joined the network of **B Corp** certified companies in September 2022.

3. Number of tools/initiatives implemented:

[ESG toolbox de France Digitale](#), Trusted Providers, and dedicated webinars.

4. Communicate and share to our shareholders and communities the ethical, social, and environmental values that drive us.

In 2022, *daphni* relayed the commitments of its associative partners on **LinkedIn**.

For example, 35 impact publications were posted, such as:

- Included VC's new promotion, a "Time for Climate Action" campaign;
- publication for Earth Day;
- support for the #TechYourPlace movement.

These publications reached between **2,000 and 15,000 impressions**.

In addition, the community that follows *daphni* on LinkedIn has doubled in one year and represented **16,000 people by the end of 2022**.

In addition, **19 impact newsletters** (such as "Let's talk about health", "Geev x Conformax", "TEDx Clotilde" or "Solidaire en Peloton x *daphni*") were sent to subscribers.

On average, the newsletters are read by more than 1,000 people.

These different achievements as well as the 2023 objectives have been validated by the members of our Mission Committee. During the year 2022, we were able to highlight the importance of being surrounded by people who are experts in the various subjects, and we thank them again for the time they can devote to us.



Bertrand **BADRÉ**

Managing Director and CFO of the World Bank from 2013 to 2016, Bertrand launched his management company Blue Like an Orange to exclusively finance sustainable projects. He is the author of the books: "Do we seriously want to change the world?" and "Can finance save the world? Regaining power over money to serve the common good".



Isabelle **COMBAREL**

Deputy CEO of SWEN Capital and a director of France Invest, Isabelle is one of the first leaders to have promoted the subject of responsible finance in France. Isabelle is the representative of *daphni* investors on the Mission Committee.



Brune **POIRSON**

Secretary of State to the Minister for Ecological and Solidarity of the French Republic from 2017 to 2020, Brune initiated and promoted the "Anti-waste law for a circular economy" before joining the Accor group as Chief Sustainability Officer in April 2021.



Thibaud **HUG DE LARAUZE**

Co-founder and CEO of Back Market, which he launched in 2014, Thibaud represents the entrepreneurs that *daphni* supports. Back Market is proof that growth and impact can go hand in hand.



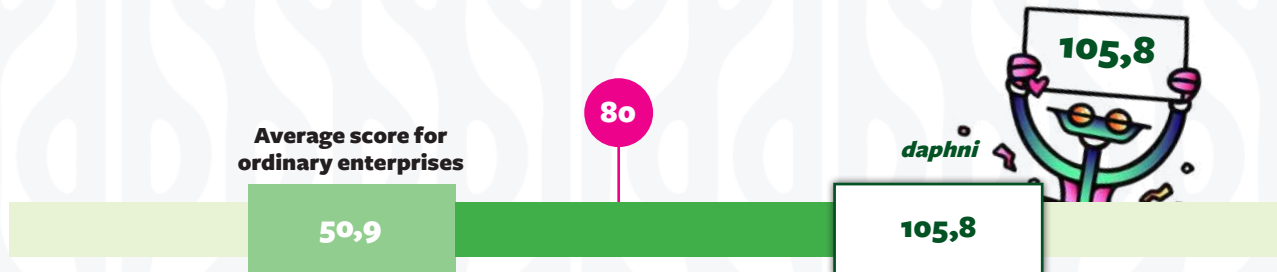
Marc **SIMONCINI**

French multi-entrepreneur turned investor, Marc joined *daphni* in 2019 as a partner and remains a committed entrepreneur. Marc is *daphni's* representative on this committee.



B Corp certification

Eighteen months after initiating the B corp, *daphni* was finally certified with a score of 105.8.



Certified



Corporation

The B Corp community is very active in Europe and particularly in France. The objective is to benefit from this new network of companies that are all dedicated to improving the status quo of consumer standards. This network allows *daphni* to share best practices on many topics. We also want to actively participate in this community to define the standards of tomorrow.

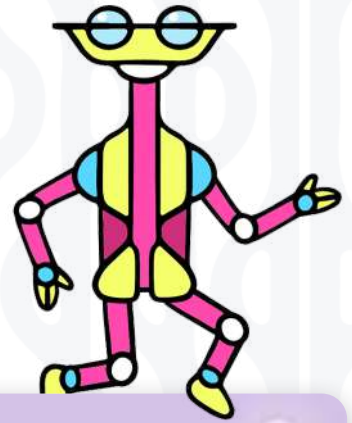
The so-called “B Corp” certification (known as “B Corporation” certification or “B Lab” label) is a certification granted to commercial (for-profit) companies that meet social and environmental, governance and public transparency requirements. The name is an abbreviation of “Benefit Corporation”, which refers to a company to have a beneficial impact on the world, while being profitable. This certification is awarded by B Lab, a non-profit organisation based in the United States, Europe, South America, Canada, Australia, and New Zealand. As of 31 December 2021, the movement had 4,276 certified companies worldwide, from 153 sectors and 77 countries.




Companies wishing to comply with B Corp must meet societal requirements, environmental, governance and public transparency requirements. Their results are publicly displayed, indicating their performance on specific issues. The certification covers an entire company, all its departments and all its business areas. Certification is limited to for-profit entities. The aim is to engage the private sector in the path of sustainability and to act in the public interest.




The questions are divided into 6 sub-categories covering all shareholders of the management company.

1. Governance of the management company
2. The well-being of employees.
3. The company’s actions in the various communities to which it is linked.
4. The company’s consideration for the environment.
5. The management company’s relationship with its shareholdings.
6. Sensitive information, Potential exclusion criteria.

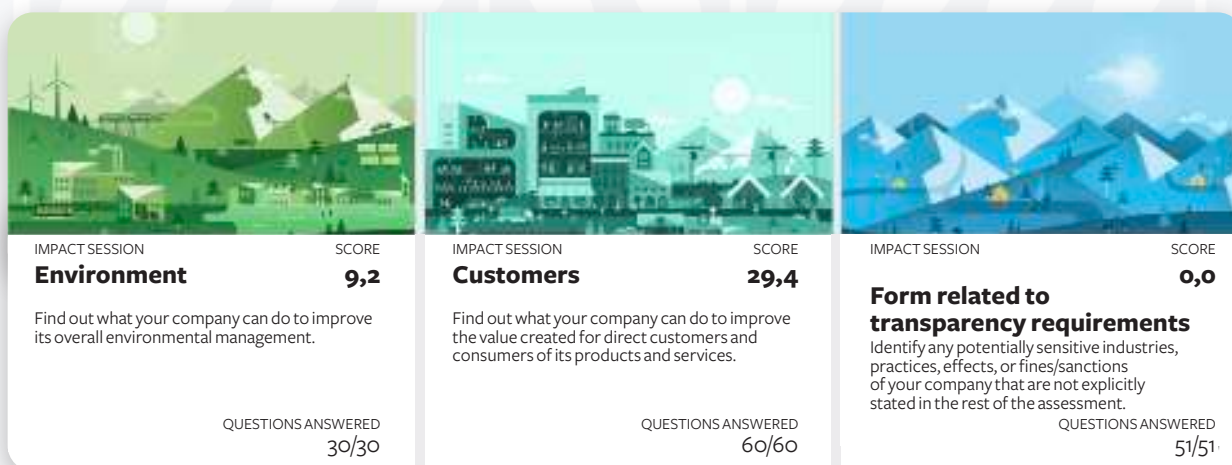
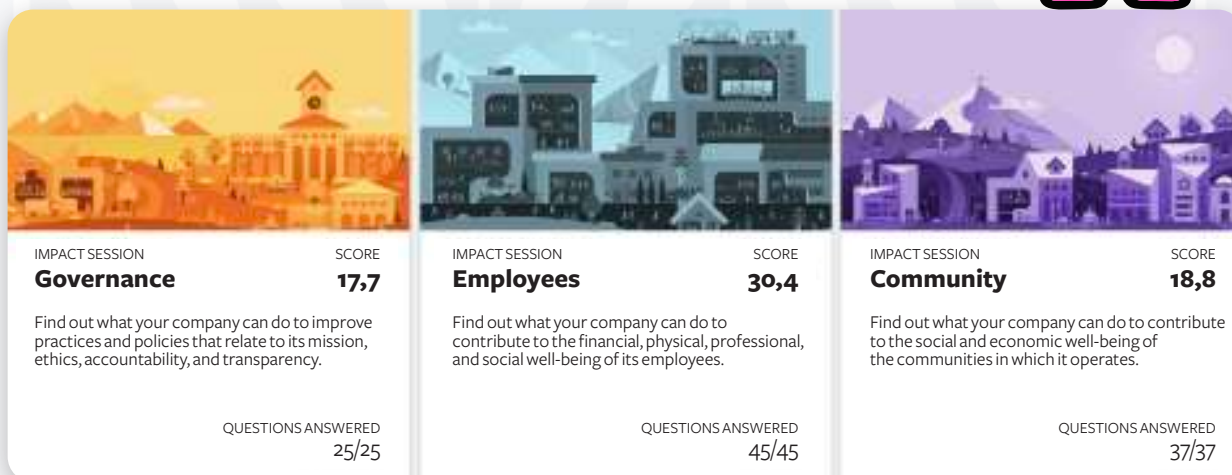
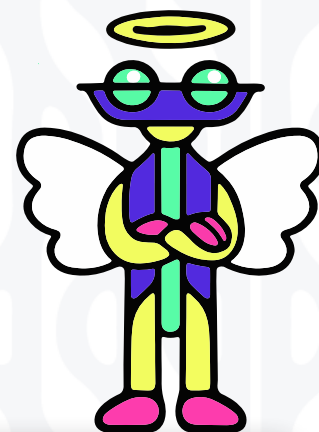
2021 process



 <p>IMPACT SESSION Governance</p> <p>SCORE 17,2</p> <p>Find out what your company can do to improve practices and policies that relate to its mission, ethics, accountability, and transparency.</p> <p>QUESTIONS ANSWERED 25/25</p>	 <p>IMPACT SESSION Employees</p> <p>SCORE 36,4</p> <p>Find out what your company can do to contribute to the financial, physical, professional, and social well-being of its employees.</p> <p>QUESTIONS ANSWERED 45/45</p>	 <p>IMPACT SESSION Community</p> <p>SCORE 22,6</p> <p>Find out what your company can do to contribute to the social and economic well-being of the communities in which it operates.</p> <p>QUESTIONS ANSWERED 51/51</p>
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 <p>IMPACT SESSION Environment</p> <p>SCORE 11,0</p> <p>Find out what your company can do to improve its overall environmental management.</p> <p>QUESTIONS ANSWERED 30/30</p>	 <p>IMPACT SESSION Employees</p> <p>SCORE 35,4</p> <p>Find out what your company can do to improve the value created for direct customers and consumers of its products and services.</p> <p>QUESTIONS ANSWERED 60/60</p>	 <p>IMPACT SESSION Form related to transparency requirements</p> <p>SCORE 0,0</p> <p>Identify any potentially sensitive industries, practices, effects, or fines/sanctions of your company that are not explicitly stated in the rest of the assessment.</p> <p>QUESTIONS ANSWERED 51/51</p>
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2022 labelled score



The number of questions varies depending on the pre-registered answers, industry, and model of each company. *daphni* had to answer a total of 262 questions to complete its assessment.

2- Extra-financial evaluation of our portfolio

Reminder of the methodology developed by *daphni*

Our methodology for measuring extra-financial impact is based on a tool integrating the 17 UN Sustainable Development Goals (SDGs).

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



Then **we weight this influence from x0.25 to x2** according to the number of people it can impact (**the scale effect**) and the impact it has on a shareholder (**the depth**). Each of these scores should be justified by both qualitative and quantitative evidence.

.....

Qualitative perspective

Explain the intentionality of the nature of the activity and the additionality of the solution.

.....

.....

Quantitative perspective

Define the measurability of the impact scale.
This last criterion of measurability will make it possible to monitor the evolution of the impact of the company on each of the Sustainable Development Goals.

.....

An average can thus be calculated to obtain
an average score of the company's overall impact



² List of SDGs in Annex n°XX

Portfolio rating

SDG	Impact	Scale	Depth	Score	Intentionality	Additionality	Measurability
	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>			
	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>			
	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>			
	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>			
	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>			
	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>			
	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>			
	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>			
	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>			
	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>			
	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>			
	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>			
	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>			
	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>			
	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>			
	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>			
	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>			

“Tech for Good” percentage

Total



Monitoring of shareholdings: reporting and raising awareness of ESG best practices

daphni is committed to monitoring the extra-financial performance of its portfolio companies. In this respect, the management company includes a section dedicated to impact in its quarterly reporting, allowing it to monitor the ESG data of its shareholdings.

In parallel, since 2022, we have been recommending [France Digitale's ESG toolbox](#) to our portfolio companies to help them define and monitor their ESG strategy. This toolbox offers a guide in three main steps: (I) the formalisation of environmental, social and governance policies; (II) the deployment of these different strategies and shareholder engagement; (III) measuring and reporting on these actions.

The toolbox is an excellent co-pilot that lists the various existing solutions and service providers, provides additional resources and information related to the regulations in force, allowing a better understanding of the various ESG issues.

Publication of the sustainability risk report for the Yellow fund

In 2022, in accordance with the so-called “Article 8” classification of the Yellow fund under the European Sustainable Finance Disclosure Regulation (SFDR), the company published its sustainability risk report.

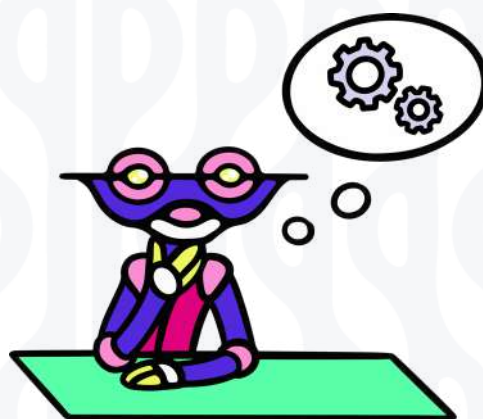
Defining sustainability risk

Sustainability risk is defined as “an environmental, social or governance event or condition that, if it occurs, could have a significant negative impact on the value of an investment” in Article 2(22) of the SFDR Regulation.

Governance risks result from poor management practices or weaknesses in the organisational structure, such as excessive concentration of power in one person, corruption, or poor sustainability practices in the supply chain.

Social risks are defined as resulting from the organisation's activities and may have an impact on its shareholders (employees, customers, and subcontractors), such as human rights violations, forced labour and child labour, poor working or safety conditions, discrimination and infringement of local communities' rights.

Environmental risks are defined as resulting from the organisation's activities that have an impact on the environment, such as carbon emissions, climate change natural disasters, biodiversity loss and water pollution.



Integrating sustainability risks into the due diligence process

As part of the due diligence process, daphni systematically conducts a process to identify potential sustainability risks of the company. This work is based in particular on our impact measurement tool presented above, which allows an impact score to be assigned, but also a risk score when the influence of the activity on an SDG is considered risky or destructive.

daphni excludes investments in companies that are considered risky or destructive according to our rating model. In addition, the company has defined a list of sectors that are considered to be at risk daphni cannot invest in.

Monitoring the sustainability risks of portfolio companies

Sustainability risks are assessed on an ongoing basis after the investment and throughout the holding of the company's shares. As a minority shareholder, the dedicated daphni team is not operational in the portfolio companies but is committed to supporting the entrepreneurs in their thinking about their ESG policy. As part of ESG reporting entrepreneurs are invited to inform and detail potential controversies encountered in their business. In the event of a controversy, daphni is committed to providing maximum support to shareholders in the resolution process.

Sustainability risk indicators monitored

Principal Adverse Impacts (PAI)

Adverse sustainability indicator	Actions taken, and actions planned and targets set for the next reference period		Description
CLIMATE AND OTHER ENVIRONMENT RELATED INDICATORS			
Greenhouse gas emissions	GHG	Push portfolio to calculate annually their carbon footprint. Incorporate the ask in shareholders agreements. Invest exclusively in digital company	Total GHG emissions
	Carbon footprint	Push portfolio to calculate annually their carbon footprint. Incorporate the ask in shareholders agreements. Invest exclusively in digital company	Carbon footprint
	GHG intensity of investee companies	Push portfolio to calculate annually their carbon footprint. Incorporate the ask in shareholders agreements. Invest exclusively in digital company	GHG intensity of investee companies
	Exposure to companies active in the fossil fuel sector	Invest exclusively in digital company	Share of investments in companies active in the fossil fuel sector
	Share of non-renewable energy consumption and production	Invest exclusively in digital company No factories nor industrial production in the portfolio Support electrification of fleets when applicable	Share of non-renewable energy consumption and non-renewable energy production of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage of total energy sources
	Energy consumption intensity per high impact climate sector	Annual carbon footprint calculation Comparison with industry average from ADEME	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector
Biodiversity	Activities negatively affecting biodiversity-sensitive areas	Invest exclusively in digital company	Share of investments in investee companies with sites/operations located in or near to biodiversity-sensitive areas where activities of those investee companies negatively affect those areas
Water	Emissions to water	Invest exclusively in digital company	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average
Waste	Hazardous waste and radioactive waste ratio	Invest exclusively in digital company	Tonnes of hazardous waste and radioactive waste generated by investee companies per million EUR invested, expressed as a weighted average
INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS			
Social & employee matters	Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	Investee companies are very early with no legal antecedent. Verification through internal SDG ratings	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises
	Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises	To be put in place when investment is done	Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance/complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises
	Unadjusted gender pay gap	Highest companies salaries voted at board level	Average unadjusted gender pay gap of investee companies
	Board gender diversity	Monitoring of board constitution	Average ratio of female to male board members in investee companies, expressed as a percentage of all board members
	Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	Invest exclusively in digital company Part of exclusion list	Share of investments in investee companies involved in the manufacture or selling of controversial weapons

Principal Adverse Impacts (PAI)

Indicators applicable to investments in investee companies

CLIMATE AND OTHER ENVIRONMENT RELATED INDICATORS

Emissions	Emissions of inorganic pollutants	Invest exclusively in digital company	Tonnes of inorganic pollutants equivalent per million EUR invested, expressed as a weighted average
	Emissions of air pollutants	Invest exclusively in digital company	Tonnes of air pollutants equivalent per million EUR invested, expressed as a weighted average
	Emissions of ozone-depleting substances	Invest exclusively in digital company	Tonnes of ozone-depleting substances equivalent per million EUR invested, expressed as a weighted average
	Investments in companies without carbon emission reduction initiatives	“Annual carbon footprint calculation engagement in shareholders’ agreement Comparison with industry average from ADEME”	Share of investments in investee companies without carbon emission reduction initiatives aimed at aligning with the Paris Agreement
Energy performance	Breakdown of energy consumption by type of non-renewable sources of energy	Invest exclusively in digital company	Share of energy from non-renewable sources used by investee companies broken down by each non-renewable energy source
Water, waste and material emissions	Water usage and recycling	Invest exclusively in digital company	1. Average amount of water consumed by the investee companies (in cubic meters) per million EUR of revenue of investee companies 2. Weighted average percentage of water recycled and reused by investee companies
	Investments in companies without water management policies	Invest exclusively in digital company	Share of investments in investee companies without water management policies
	Exposure to areas of high water stress	Invest exclusively in digital company based in Europe	Share of investments in investee companies with sites located in areas of high water stress without a water management policy
	Investments in companies producing chemicals	Invest exclusively in digital company	Share of investments in investee companies the activities of which fall under Division 20.2 of Annex I to Regulation (EC) No 1893/2006
	Land degradation, desertification, soil sealing	Invest exclusively in digital company	Share of investments in investee companies the activities of which cause land degradation, desertification or soil sealing
	Investments in companies without sustainable land/agriculture practices	Invest exclusively in digital company	Share of investments in investee companies without sustainable land/agriculture practices or policies
	Investments in companies without sustainable oceans/seas practices	Invest exclusively in digital company	Share of investments in investee companies without sustainable oceans/seas practices or policies
	Non-recycled waste ratio	Invest exclusively in digital company	Tonnes of non-recycled waste generated by investee companies per million EUR invested, expressed as a weighted average
	Natural species and protected areas	Invest exclusively in digital company	1.Share of investments in investee companies whose operations affect threatened species 2.Share of investments in investee companies without a biodiversity protection policy covering operational sites owned, leased, managed in, or adjacent to, a protected area or an area of high biodiversity value outside protected areas
	Deforestation	Invest exclusively in digital company	Share of investments in companies without a policy to address deforestation
Green securities	Share of securities not issued under Union legislation on environmentally sustainable bonds	Invest exclusively in digital company mainly based in Europe Union	Share of securities in investments not issued under Union legislation on environmentally sustainable bonds

Portfolio data

Our rating system generates an overall score and a rating for each company in the Purple, Yellow and Dastore funds.

Overall ratings of our portfolio companies*.

The lowest overall score		The highest overall score		The average overall score	
2021	2022	2021	2022	2021	2022
0,5	0	21,5	21,5	5,8	6,2

*The evolution of the ratings between 2021 and 2022 takes into account new investments made in the Yellow and Dastore funds and the exclusion of 7 exits in 2022.

³See the full list in the sustainability risk report published on the *daphni* website.

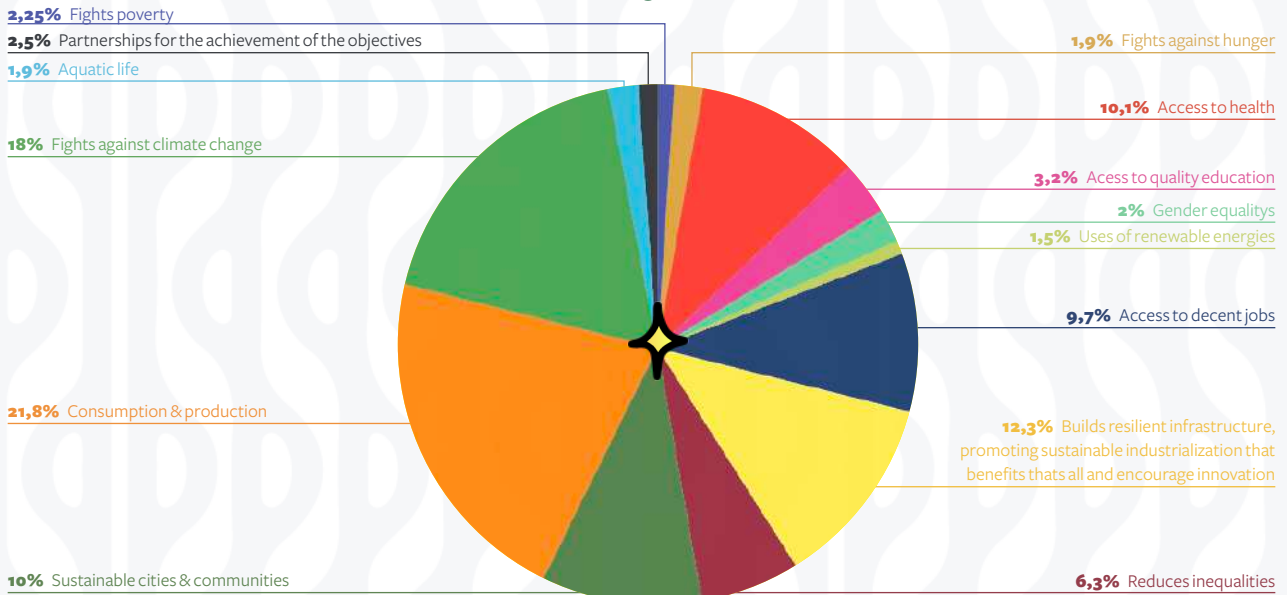
Breakdown of our portfolio companies by category

The weighted average by investment ticket size is 7,5 in 2022.

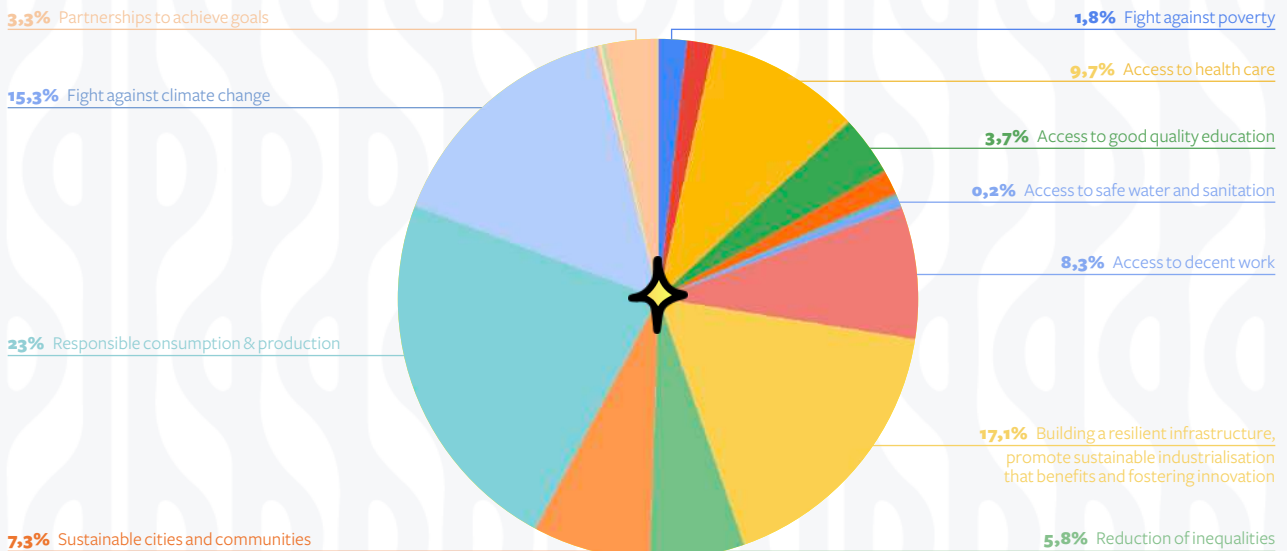
Category	2021 Portfolio	2022 Portfolio	Evolution	Overall score
Changing the world	3 startups	5 startups	+67%	$X > 14$
Significant impact	11 startups	9 startups	-18%	$6 < X < 14$
Positive impact	10 startups	10 startups	0%	$3 < X < 6$
Positive change in usage	11 startups	11 startups	0%	$1 < X < 3$
Low impact	2 startups	4 startups	+100%	$0 < X < 1$
Negative impact	0 startups	0 startups	0%	$X < 0$

Breakdown of SDGs covered by our companies

2021



2022



3- Our historical portfolio broken down by ESG theme

Tech for good from inception to *build.da.city.for.good*

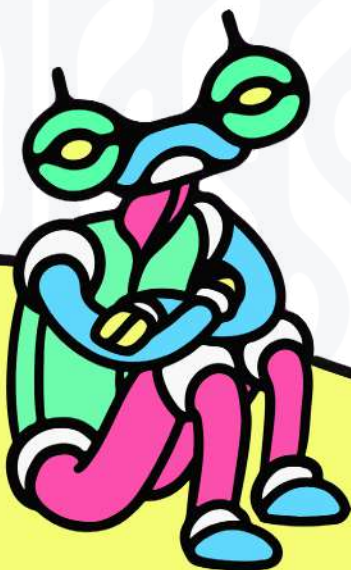
Shift to sustainable economic model	
Refurbishing	BackMarket Refurbishing of electronic devices
Secondhand	FAUME : Geev Secondhand enabler for fashion brands : Secondhand app
Upcycling	hub... Upcycling of organic wastes
Sharing economy	OUICAR : BlaBlaCar C2C car rental : Car sharing
Sustainable products	Typology. PARIS : AGUA BLANCA : beendhi Organic bodycare : Organic homecare : Food brand
Local distribution	AGRICOOOL : LA FICHELLE On-site organic production : Direct food production to consumers
Impact marketing	Captain Cause Financing of dedications through impact marketing

Deep tech disruption & tech enablers to accelerate mutations

PASQAL : **another brain**
Quantum computing : Bio-inspired AI

context
Vision AI

Shift to sustainable societal paradigm	
Education	=ornikar : Animaj Online driving school : Animation content for children
Future of work	Swile : comet+ : witco Benefits & payment : Freelancing platform : Services for workers
Home & energy renovation	Masteos : hèmea Turn-key real estate investment & works : Real estate remodeling
New mobility	=rangell : TPUSH Electric bikes : Last-mile delivery
Social inclusion	(goshaba) Talent management through AI-based cognitive debiasing
Digital health	WANDERCRAFT : nabla Drug discovery in oncology : Exoskeleton for people with reduced mobility : Digital care



Monitoring the carbon footprint of portfolio companies

We believe that everyone should measure their carbon footprint in order to reduce it. Moreover, the vast majority of daphni's emissions are directly related to the portfolios. In order to make this measurement as accurate as possible, we strongly encourage each of our shareholders to carry out a carbon assessment.

In this context, each of the companies supported by daphni has received several emails that explain daphni's conviction, provide guidance on their carbon footprint and indicate how they can do more.

Example of an e-mail sent to our participations



4- Case studies of *daphni* portfolios

The funds managed by *daphni* have invested **in over 100 startups** in France, Europe, and the United States.

Several of these funded companies have received awards for their ESG / Tech For Good, including **Back Market** (leading marketplace for the sale of refurbished products), **Geev** (a platform for donating objects), **Wandercraft** (exoskeletons for people with reduced mobility), etc.

***daphni* has always supported projects that aim to have a positive impact from a societal, environmental, and economic point of view, while at the same time having the ambition to be deployed on a very large scale.**



#Mobility

#Sustainable

#Data

Self-service and long-term rental bicycles

Fifteen enables any city to offer **high performance self-service bicycles during a long-term rental**. It is the first all-in-one solution for cities of all sizes to offer widespread access to **active means of transport**.

8,5

Super impact !



“Fifteen is launching a mobility revolution. With its augmented bicycle networks, it accompanies cities and their suburbs in their transition to cycling for all uses, from self-service to long-term rental. With its solutions, Fifteen generates the equivalent of one euro of positive externality per kilometre by reducing CO2 emissions and public health expenditure. Daphni is accompanying this revolution by supporting entrepreneurs in their ambition to have a real and measurable impact.”

Amira Haberah

Fifteen and its four main SDG criteria

+2

Sustainable cities and communities

Promoting the use of electric vehicles for a less noisy and less polluted city.

+2

Responsible consumption and production

Promoting the use of electric vehicles for a less noisy and less polluted city.

+1

Building resilient infrastructure, promoting sustainable industrialisation that benefits all and encouraging innovation

Promoting the use of electric vehicles for a less noisy and less polluted city.

+2

Fighting climate change

Reduce CO2 emissions from the use of polluting vehicles.

In addition to the SDGs, the **daphni methodology** adds the measurement of the impact of each potential investment according to the criteria on which they influence. This influence can be destructive (-2), risky (-1), neutral (0), positive (+1) or committed (+2). Then we weight this influence from x0.25 to x1.5 according to the number of people it can impact (scale effect) and the impact it has on a shareholder (depth).



#Health

#Data

#Healthcare

The e-health platform

Lifen helps all the players in the **healthcare ecosystem** to provide better care by caring together, by enabling them to mobilise the most relevant **health data and innovations** for care.

6

Super impact !



“Lifen’s mission is to liberate health data for the benefit of the patient. We started by digitising the care pathway (we are present in more than 800 hospitals and clinics in France). Today, we are supporting the deployment of e-health throughout the country through a data platform and participate in the development of clinical research in France.”

Franck Le Ouay

Lifen and its two main SDG criteria

+2

Access to health care

Better care by caring together.

+1

Building resilient infrastructure, promoting sustainable industrialisation that benefits all and encouraging innovation

Better care by caring together.

In addition to the SDGs, the **daphni methodology** adds the measurement of the impact of each potential investment according to the criteria on which they influence. This influence can be destructive (-2), risky (-1), neutral (0), positive (+1) or committed (+2). Then we weight this influence from x0.25 to x1.5 according to the number of people it can impact (scale effect) and the impact it has on a shareholder (depth).

FAUME

#Secondhand

#Circular

#Marketplace

The solution for the second-hand market

Faume anticipates and executes every detail, from remarketing to user experience and data analysis. Through its **white label platform**, Faume engages brands in building a **circular economy**. Isabel Marant, Sandro, Hugo Boss... many brands already trust Faume.

14

Changing the world!



“Our goal at Faume: to universalise the use of second hand through experience by turning customers away from fast fashion to consume brands that are more virtuous for the planet. Daphni contributes to this goal in particular through fruitful connections!”
Aymeric Déchin

Faume and its three main SDG criteria

+2

Responsible consumption and production

Stimulate the second-hand market and thus limit the production of new clothes.

+2

Building resilient infrastructure, promoting sustainable industrialisation that benefits all and encouraging innovation

Creating the digital infrastructure to stimulate the second-hand market in the clothing industry.

+1

Fighting climate change

Increase the life cycle of clothing, avoiding overproduction and reducing carbon emissions.

In addition to the SDGs, the **daphni methodology** adds the measurement of the impact of each potential investment according to the criteria on which they influence. This influence can be destructive (-2), risky (-1), neutral (0), positive (+1) or committed (+2). Then we weight this influence from x0.25 to x1.5 according to the number of people it can impact (scale effect) and the impact it has on a shareholder (depth).

Underdog

#Reconditioned

#Householdelectricalappliances

#Circular

Reconditioned household electrical appliances in France

Underdog offers the widest range of **reconditioned household electrical appliances** market, as 25 million household electrical appliances are thrown away every year in France. Their two missions are ambitious missions: to enable the French **to consume better and to reindustrialise our territories**.

11,75

Super impact !



“When we created Underdog, we had two missions: to prove that it is possible to recondition household electrical appliances in France and to encourage the French to consume in a more responsible way. Daphni dared to follow us in this crazy adventure and together we are going to take up this huge challenge!”
Claire Bretton

Underdog and its four main SDG criteria

+2

Responsible production

Reducing the ecological cost of household electrical appliances.

+2

Access to decent jobs

Make stable and improve the working conditions of high strain jobs

+2

Building resilient infrastructure, promoting sustainable industrialisation that benefits all and encouraging innovation

Reducing the ecological cost of household electrical appliances.

+2

Fighting climate change

Reducing the ecological cost of household electrical appliances.

+1

Fight against poverty

Reducing the price of household electrical appliances.

In addition to the SDGs, the **daphni methodology** adds the measurement of the impact of each potential investment according to the criteria on which they influence. This influence can be destructive (-2), risky (-1), neutral (0), positive (+1) or committed (+2). Then we weight this influence from x0.25 to x1.5 according to the number of people it can impact (scale effect) and the impact it has on a shareholder (depth).

AGUA BLANCA

#Responsible

#Ethics

#Marketplace

A selection of healthy and modern basics for the maintenance of our home, and the cleaning of our linen and body.

Agua Blanca is a brand that wants to challenge the norm - of products and therefore the **quality of our daily lives** - by giving us the desire and the tools to do things differently, thanks to a rigorous selection of **hygiene and cleaning products**. Agua Blanca is there to change the lines, alongside other brands, to help in the **quest of a healthy, responsible, and extra (ordinary) daily life**.

13
Super impact !



“With Agua Blanca, we select the most desirable alternative brands and then distribute them in a modern and thoughtful way. The aim is to contribute to changing the culture of this hygiene and cleaning products industry, by combining without compromise, ecological mission, and user experience. We are delighted to have daphni on board to help us in this mission of changing uses.”
Sébastien Fabre

Agua Blanca and its three main SDG criteria

+2

Fighting climate change

Making cleaning and hygiene products more environmentally friendly.

+2

Responsible consumption and production

Encouraging the consumption of responsible cleaning and hygiene products.

+1

Access to health care

Making cleaning and hygiene products more respectful of our health.

In addition to the SDGs, the **daphni methodology** adds the measurement of the impact of each potential investment according to the criteria on which they influence. This influence can be destructive (-2), risky (-1), neutral (0), positive (+1) or committed (+2). Then we weight this influence from x0.25 to x1.5 according to the number of people it can impact (scale effect) and the impact it has on a shareholder (depth).



CAPTAIN CAUSE

#Impact

#Marketing

#Donations

The platform that allows you to offer pre-financed donations to your customers and employees.

Captain Cause is a platform that allows you to offer **pre-financed donations** to customers and employees of a company. **Protection of biodiversity, ecological transition, inclusion...** they will support the association of their choice, without paying a cent. Captain Cause is a **company with a mission** that creates a bridge between companies and associations. With its commitment and loyalty platform, it enables to create **financing operations for projects of general interest.**

19,5

Changing the world!



*“With Captain Cause, we are on a mission to create a new source of financing for tomorrow’s responsible projects. By allowing brands to contribute to causes while involving their customers, we are unlocking a new generosity. We share this vision with our partner and investor daphni: building truly useful solutions is a necessity in 2023.”
Georges Basdevant*

Captain Cause and its four main SDG criteria

+1

Access to decent jobs

To have a varied catalogue of associations to offer to their customers.

+1

Responsible consumption and production

To have a varied catalogue of associations to offer to their customers.

+2

Building resilient infrastructure, promoting sustainable industrialisation that benefits all and encouraging innovation

Redirecting marketing flows towards a green and social economy.

+1

Reducing inequalities

To have a varied catalogue of associations to offer to their customers.

In addition to the SDGs, the **daphni methodology** adds the measurement of the impact of each potential investment according to the criteria on which they influence. This influence can be destructive (-2), risky (-1), neutral (0), positive (+1) or committed (+2). Then we weight this influence from x0.25 to x1.5 according to the number of people it can impact (scale effect) and the impact it has on a shareholder (depth).

5- Relaying our messages to as many people as possible

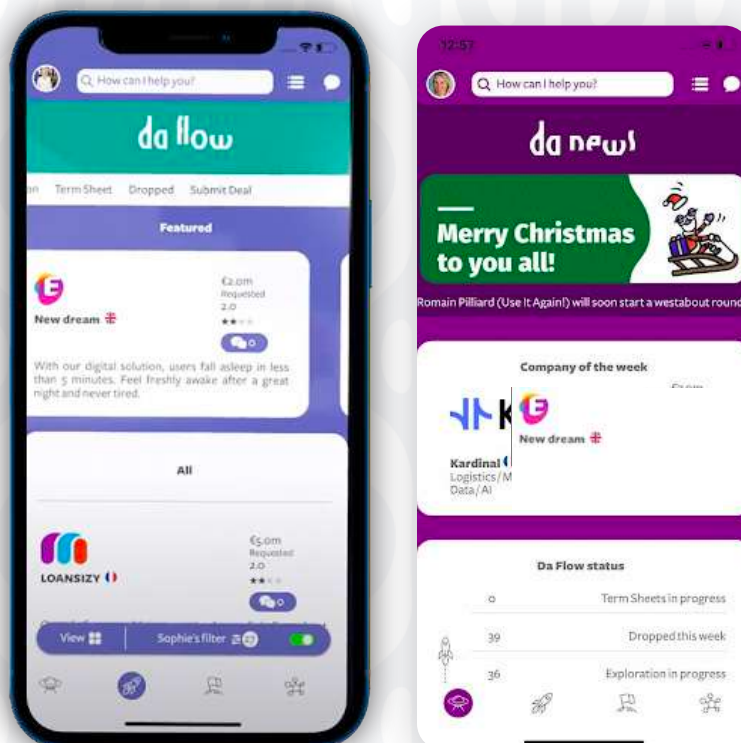
“Build da City. for. Good.” is our motto that guides us not only in our investment decisions but also in our approach to **educating people about ESG issues and our social commitments.**

Several communication channels allow us to convey our messages.

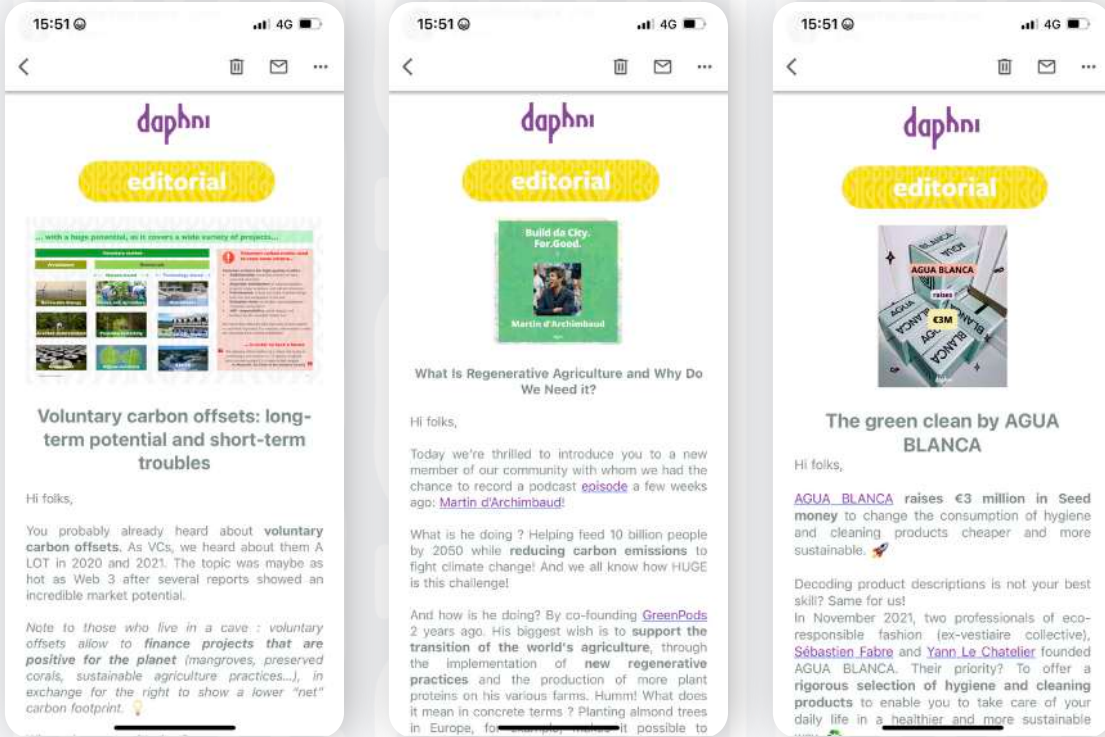
1. Portfolio companies that help create a better world for future generations.
2. Daphni’s unique model: its platform, its community and all the tools that allow us to digitise our business, make exchanges in our ecosystem more fluid and to actively participate in innovation.
3. Our social commitments to help make the tech and investment scenes better by promoting the inclusion of minorities in our ecosystem. To this end, we support and work alongside the following initiatives presented below: **SISTA, Wake Up Café, Chams, Included VC and Défi Voile Solidaires en Peloton.**

We communicate in a variety of ways to generate a **constant flow of content and events to our community** and the ecosystem in general:

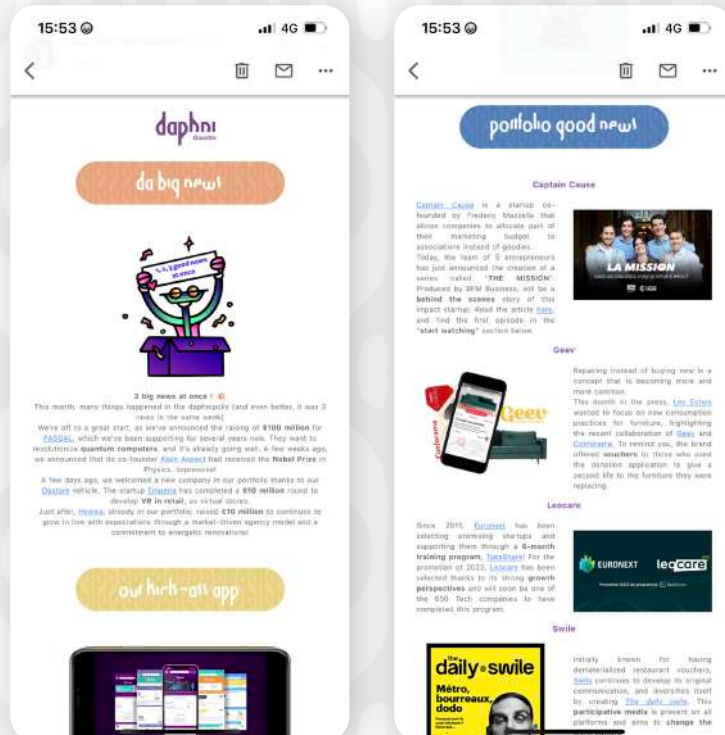
- our **application** to disseminate privileged information to our community;



- a **weekly newsletter** for the tech ecosystem, with 19 issues devoted to impact topics in 2022;



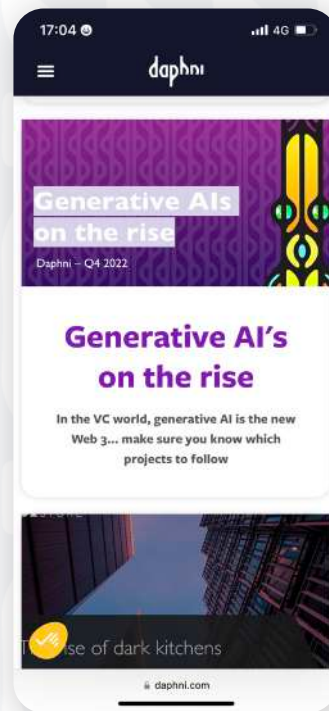
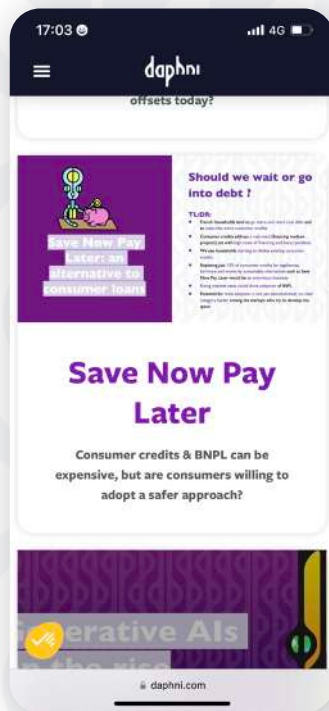
- a **monthly gazette** for our community, highlighting the people who make up our community, as well as the companies of our portfolios;

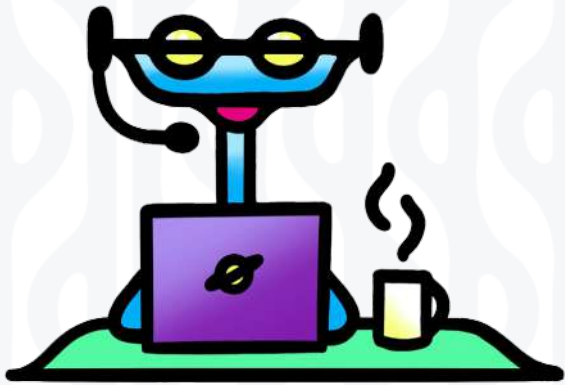


- a **podcast** about our community that shares our motto: “Build da City. for. Good.” accompanied by a video format;



- publishing **insights** into the sectors we focus on;





- **press relations** to ensure that the media pick up on media coverage of news related to our investments (entries, exits, sector focus, trends, etc.);

- organizing **online events (webinars, portfolio reviews) and offline tailor-made events (VC Bridge, Tech Bikers, evenings on selected themes)**, in particular with the 300 members of our community, to create links and share our experiences, our expertise, our values and our commitments;

- **social networking (+16,300 subscribers on LinkedIn, +5,000 on Twitter);**
- **actions to support various initiatives and NGOs** (e.g.: Inclusive Hour event with SISTA, immersion days with Défi voile solidaires en peloton, etc.).



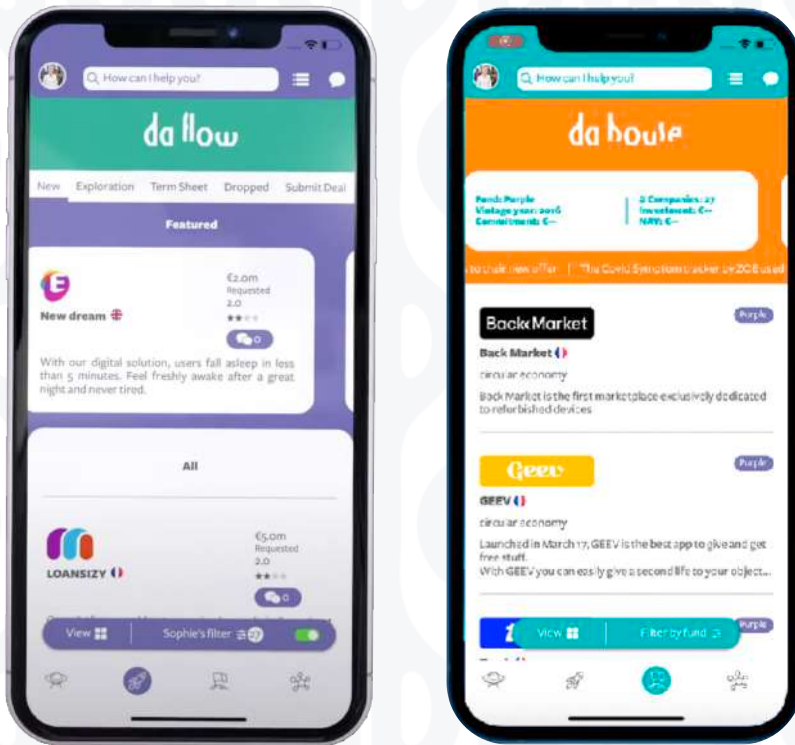
This communication strategy is in line with our DNA: **valuing people and ideas, thinking differently, building a better world.**

6- Transparency and support via our digital and community platform

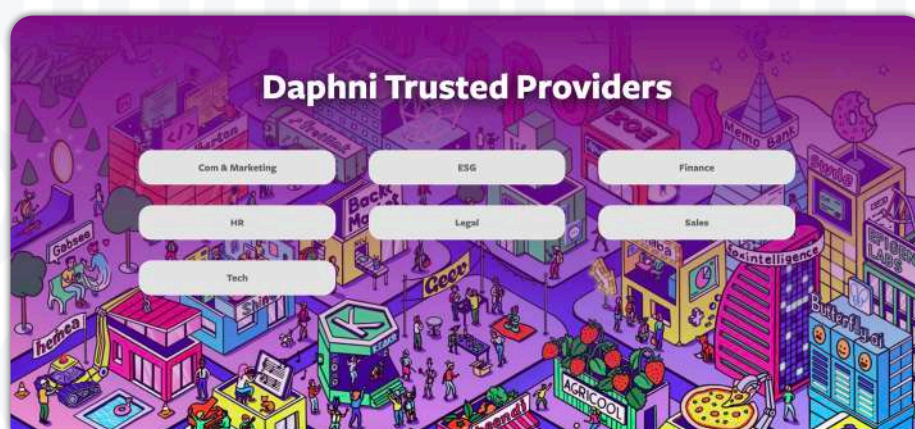
The *daphni* model is built around a proprietary **digital platform** and a **community**. This community is made up of more than 300 people spread around the world, mainly in innovation hubs such as Paris, London, Berlin, Stockholm, San Francisco, Shanghai, and New York. It brings together institutional investors, entrepreneurs, company managers and experts from all industries. Since its inception, *daphni* has developed a proprietary digital platform (mobile and web application) that allows all members of its community to be involved in all stages of the investment value chain (identification and qualification of opportunities, support for portfolio companies, direct access to each member of the community).

Through this platform, *daphni* investors have access to the **deal flow**, with strict rights management to preserve the confidentiality of information, and which allows them to feed on the projects to better understand their own digital strategy.

The platform also allows each investor in the fund to access information on the companies in the portfolio, in addition to the traditional reporting information. In this way, *daphni* is increasing the opportunities for interaction between its investors and the entrepreneurs in the portfolio to create more value and opportunities, beyond just the amounts invested.



At *daphni*, we value our community and the synergies that can be created between its members. Since the beginning of our exciting journey, we have worked with many different providers, some of whom stand out from the crowd and whom we are happy to recommend. That's why *daphni* wanted to create a tool for the employees of the companies in our portfolios. This tool, called **Trusted Providers**, which is accessible from our website, has been designed for them, to help them in their daily work by facilitating the search for recommended service providers in all fields. It gives them access to the best service providers: those we trust, those we recommend or those who have been recommended to us. All sectors are represented: Com & Marketing, Sales, Legal, HR, Finance, Tech, and ESG. From Sami to Greenly, via Vendredi, many companies are listed, some with perks available.



7- Support to different initiatives and NGOs

During 2022, we have been active with several associations.

This involved not only **financial support**, but also the **allocation of resources and time from the management company to put ourselves at their service.**

Included VC

Inclusion

Education

State of the art: Entrepreneurs come from different socio-professional categories, and from different ethnic, national, cultural backgrounds, etc.

Mission: Included VC aims to provide solutions by bringing together profiles that are far removed from the world of private equity.

Problem: while the entrepreneurial profession is open to all, the private equity profession is not yet sufficiently open.

Solution: Included VC is working with a cohort of candidates from around the world to participate in a 12-month (5-7 hours per month) distance learning programme in private equity.

Support from daphni: In early 2019, daphni became an official Included VC partner alongside Notion Capital, Mangrove Notion Capital, Mangrove, Enern, Point Nine, K Fund, Seedcamp and Santander. **daphni offers its expertise in master classes, workshops, and coaching sessions.**



12 months
of training

5 to 7h
per month

WKF

Inclusion

Education

Mission: to support former prisoners.

Problem: about 80,000 prisoners are released from prison each year. 80% are not accompanied on release, 62% reoffend within 5 years and 32% return to prison within a year of being released.

Consequences: the high rate of detention is a real social disaster. The problems of crime and insecurity are not solved. In addition, the costs of detention are very high (€50,000/year/person) and are often considered inefficient.

Solution: Wake Up Café offers rehabilitation courses, individual support, and the provision of a community to counteract recidivism and isolation.

Results: Thanks to Wake Up Café, the rate of recidivism has dropped to 10% for the people supported. Only 12.6% of people have returned to prison since 2014 at WKF and 60% of recidivism within 5 years in France. More than 1,430 wakers accompanied since 2014: 517 new ones this year!

Support from *daphni*: participation in the purchase of the boat *Thalassa*, parked on the Seine, which has been rehabilitated into a restaurant and reception area, managed by former prisoners.



1430 people
accompanied since 2014

8 sites
Paris, Nantes, Valence...

CHAMS

LEARN . CODE . LIVE!

Inclusion

Education

Mission: to foster the emergence of talent and entrepreneurs in refugee camps through innovative technology education.

Problem: Refugees are deprived of technology education.

Solution: CHAMS provides code schools and entrepreneurship training in refugee camps. Through a franchise model, CHAMS is based on the methodology of École 42.

Ambition: to train more than 10,000 students by 2025 (2,000 in Jordan, 1,500 in Kenya, 6,500 in other countries).

Soutien de *daphni* : participation in the financing of the NGO and commitment to finding assignments for refugees within the start-ups of its ecosystem.



150 trained students
50% refugees, 40% women

DÉFI VOILE

Solitaires
En Peloton

Inclusion

Health

Mission: to fight against multiple sclerosis.

Enjeux: putting a sports project at the service of a cause: “Overcoming multiple sclerosis together”.

Solution: take part in international races to promote ARSEP, a foundation that supports research into multiple sclerosis.

Soutien de daphni: daphni sponsored the Ocean Fifty Solidaires en peloton and skipper Thibaut Vauchel-Camus, who broke the record for the single-handed crossing of the Channel in 6 hours and 8 minutes, finished 3rd in the Route du Rhum 2018 and 2nd in the Transat Jacques Vabre (in Multi50) 2019.



53 patients
sailed on the Ocean Fifty in 2022

33 000€ in donations
were collected for the ARSEP Foundation

SISTA

Women

Entrepreneurship

Objectif: to reduce the funding gap between female and male entrepreneurs.

Mission: to have a diverse group of leaders in the digital economy.

Actions: encourage women's ambition, women entrepreneurship, financing of women entrepreneurs, and feminising the teams and deal flow of investment funds.

Soutien de *daphni*: *daphni* supports the **SISTA collective**, which reduces the funding gap between women and men entrepreneurs by becoming an Investor Ally. *daphni* is a signatory of the SISTA Charter which aims to commit funds to financing 25% of women by 2025.



25%

of funded entrepreneurs
will be women by 2025.

And much more...



The NGO ARCH funds electronic devices to enable students to access online educational resources. *daphni* supports ARCH financially.



Leaders For Climate Action (LFCA) - Leaders For Climate Action is a community of entrepreneurs united for climate action. *daphni* is ambassador in France for LFCA.



#EC2022 is a non-political collective whose aim is to put the circular and solidarity economy at the centre of the concerns of candidates from all sides in the 2022 presidential election. *daphni* is a member of #EC2022.

#PARENTAL ACT

Parental Act offers the second parent paid leave. *daphni* has been a signatory to the Parental Act since 2020, before the law comes into force in July 2021.



France Invest - By signing the France Invest Charter of commitments for growth, *daphni* has committed to take into account in the selection and support of its investments, environmental and good governance issues set out in 16 points in the Charter.



UN-PRI - *daphni* is a signatory to UN-PRI, the UN-backed investor network for the principles of responsible investment.



TechYourPlace - *daphni* is a member of the TechYourPlace movement which aims to enable startups to implement more diverse recruitment and to help them evolve towards more inclusive managerial practices.

And working groups such as B Corp Finance, France Invest Commission Sustainability, Finance for tomorrow, France Digitale, Venture ESG, and Impact Europe...

8- ESG overview at *daphni*

Strategy

Générique		
Criteria	Answers	Further details (strategy, objectives)
Membership of UN- PRI	YES	<i>daphni</i> is a signatory of the UN-PRI Charter since 12 January 2022
Expression of a reason for being in its statutes (in accordance with the Pacte law)	YES	Article 4 of the <i>daphni</i> SAS statutes defines the “reason for being” of <i>daphni</i> and the “mission” it has set itself.
Transformation to the status of a company with a mission (in accordance with the Pacte law)	YES	Article 4 of the <i>daphni</i> SAS statutes defines the “reason for being” of <i>daphni</i> and the “mission” it has set itself.
Obtaining CSR certifications audited by a third party	In progress	

Responsibility for investments			
Criteria	Sub-criteria	Answers	Further details
Existence, visibility and ambition of a strategy including the following elements in the presentations of the management company.	Intentionality of the strategy of the management company.	For ESG performance purposes	Monitoring and education on ESG issues of shareholders. Exemplarity of the management company “Sustainability clause” in shareholder agreements to commit the portfolio’s holdings to an ESG progress. Support for shareholders to ensure that they adopt best practices.
	Consideration by the management company in the selection of the investments of the CSR of the holdings.	Commitment of means	Integration of extra-financial criteria in the selection of investments. ESG/ Impact clause in legal documentation. Carbon footprint measurement. Monitoring of OKR (Objective Key Result) to the Board of Directors.

Existence, visibility, and ambition of a strategy including the following elements in the presentations of the management company

Consideration by the management company in the selection of investments of the impact of the holdings (see definition of impact by France Invest and the FIR, see footnotes).	Commitment of means	The positive environmental, social and governance impacts of each investment are assessed as part of due diligence. ESG/Impact clause in legal documentation. Carbon footprint measurement. Follow-up of OKR (Objective Key Result) to the Board of Directors.
Taking into account CSR of the holdings by the management company in the choice of exits.	No commitment	<i>daphni</i> is vigilant about the terms and conditions of its holdings, but it is often difficult for it to have a decisive role, as the funds under management only hold minority positions and the exits take place over several financing rounds after the funds.
Consideration by the management company in the choice of exits of the impact of holdings (see definition of impact by France Invest and the FIR, see footnotes).	No commitment	<i>daphni</i> is vigilant about the terms and conditions of its holdings, but it is often difficult for it to have a decisive role, as the funds under management only hold minority positions and the exits take place over several financing rounds after the funds..
Consideration by the management company in the selection of investments, independence, diversity, impact and/or CSR expertise of the directors of the holdings.	No commitment	The extra-financial criteria analysed during due diligence include elements such as the diversity of backgrounds and experiences among the founders and employees of the companies, the mechanisms put in place to share and create value, diversity among board members, geographical and cultural diversity...
Consideration by the management company in the selection of investments, independence, diversity, impact and/or CSR expertise of the management teams of the holdings.	Commitment to results	Exchange upstream of investments on the consideration of ESG issues and impact.

Existence, visibility, and ambition of a strategy including the following elements in the presentations of the management company	Consideration by the management company in the selection of investments of the existence of mechanisms for sharing value among the employees of the shareholdings (BSPCE, FCPE, etc.)	Commitment to results	Most of <i>daphni's</i> investments are accompanied by the issue of a pool of incentive instruments (BSPCE/BSA/AGA) by the target companies.
	Expression of a principle of exclusion according to the typology of the LPs (beyond legal requirements)	Commitment to results	Follow-up of AMF recommendations
		Commitment to results	ESG policy defined and made available to every employee and accessible on the <i>daphni</i> website. https://www.daphni.com/esg/

Shareholdings

Responsibility for investments

Criteria	Sub-criteria	Answers	Further details
Intentionality of the fund strategy of the management company	% of the funds, for financial performance purposes only (“Article 6” products according to the European Disclosure Regulation)	65%	Bringing <i>daphni</i> Yellow FPCI into compliance with SFDR 8.
	% of the funds, for integration purposes of environmental or social features (“Article 8” products according to the European Disclosure Regulation)	35%	
	% of the funds, for sustainable investment purposes (“Article 9” products according to the European Disclosure Regulation)	0%	<i>daphni</i> has chosen to comply with Article 8 of the SFDR Regulation and not with Article 9

Follow-up of the portfolio

Criteria	Sub-criteria	Answers	Further details
General monitoring of the impacts of shareholdings	Existence of a mechanism for monitoring the responsibility and impact of shareholdings	Commitment of means	Legal clause and monitoring of the board of Directors. Quarterly feedback of ESG data from all fund shareholders.
	% of shareholdings of which the management company has voting rights in the board of directors	87,5%	
	% of shareholdings that have obtained ESUS approval	N/A	
	% of shareholdings that have incorporated a reason for being in its statutes	4%	
	% of shareholdings being mission companies	4%	Many are working on it.
	% of shareholdings with philanthropic action structured	N/A	
	% of shareholdings with a reduction or compensation mechanism aimed at carbon neutrality	N/A	
	% of shareholdings with a value-sharing mechanism involving more than 50% of employees	N/A	
	% of shareholdings that have implemented and formalised a diversity strategy	99%	
Follow-up on the diversity of governance bodies (board of directors) of shareholdings	% of women in the governance body	19%	
	% of shareholdings of which independent members	69%	
Follow-up on the diversity of executive management bodies of shareholdings	% of women in the governance body	26%	

Management of the holdings

Criteria	Sub-criteria	Answers	Further details
Charter of behaviour of the fund(s) in the management of their holdings	Clear emphasis on a behavioural charter in public presentations of the fund(s)	Commitment of means	
	Implementation of internal responsibility for compliance with the charter	No	
	Charter content leading to votes in favour of diversity of the boards of directors	No commitment	
	Charter content leading to votes in favour of balanced remuneration of teams	No commitment	
	Charter content leading to votes in favour of social and environmental and environmental resolutions	Commitment of means	
	Charter content leading to votes in favour of adding resolutions to the agenda with social and environmental resolutions	Commitment to results	
Mécanisme de suivi des alertes RSE des participations		YES	

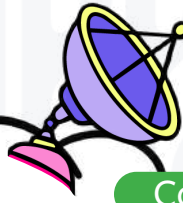
Value sharing

Societal externalities

Criteria	Sub-criteria	Answers	Further details
Percentage of management fees and/or carried interest (or equivalent) distributed in philanthropy		2%+	

9- Appendice





Collective

Boldness

Trust

Preservation

Transparency

Our values



Boldness: Innovation stems from boldness. Stepping out of your comfort zone, thinking about things differently, and being willing to push boundaries, are the first steps towards achieving great things. We invest in bold entrepreneurs, and we are willing to share the risk with them. Through our unique approach to investing, we also aim to encourage and cultivate this capacity for boldness among our team.



Collective: Success is never achieved by one person alone. We know that entrepreneurs achieve great things with the support of the people who embark on the adventure with them. daphni is also a collective; together we make smarter decisions and it's together that we face the storms and persevere on our journey.



Trust: Investment and trust go hand in hand. Trust feeds the bilateral relationship between entrepreneurs and their investors, and can foster success. Trust is also one of daphni's core corporate value, to ensure every one of us blooms and takes initiative in a safe environment.



Transparency: In investment like in other industries, digital technology has shattered compartmentalization. We know we must support this movement towards transparency and not be afraid to share. We apply this requirement to our entire ecosystem (community, LPs, entrepreneurs, collaborators, etc.), by using a proprietary platform that facilitates sharing and exchanges, while respecting confidentiality rules.



Preservation: It is our individual and collective responsibility to actively participate in the preservation of our planet and to contribute to its wellbeing, especially by financing projects that are in line with this goal. We support innovations that harmoniously protect and develop our environment and the people who live in it.

2- Our investment methodology

L'ESG and impact are **at the heart of *daphni's* investment strategy**, especially when it comes to the Yellow Fund. Impact goals are **integrated** into all stages of the **investment process**, from entry to exit. *daphni* is committed to **supporting portfolio companies** during their growth phase so that ESG criteria are promoted and monitored throughout the life of each holding.

Deal Flow

daphni's ESG approach is consistent with its investment policy. We believe that including **nonfinancial investment criteria** is essential to creating long-term value for our investors, the entrepreneurs we support, and our partners.



Social/Impact



Education



Medical/Care



Community/
Social/Network



Human
ressources



Well-being



Culture Art/
Entertainment

Certain industries are strictly excluded from our investment strategy, as per our funds' regulation. Our deal flow is consistent with a **responsible sector approach** and includes the collaborative **economy, mobility, resource conservation, health, and quality of life.**

daphni complies with regulations regarding the fight against money laundering and the financing of terrorism. As such, no investment will be made in a non-cooperative country or territory.

Below is daphni's deal flow as displayed on the daphni digital platform, and the industries the projects fall under.



Due diligence et investissement

Each of daphni's investments starts with an assessment of both financial and non-financial criteria, including **positive environmental, social, and governance impacts.**

Our extra-financial criteria revolve around:



Social aspects:

ensuring the diversity of profiles and experiences among founders and employees, sharing value creation.



Governance aspects:

diverse board members, independent directors.



Diverse geographic and cultural

origins within the companies we support.

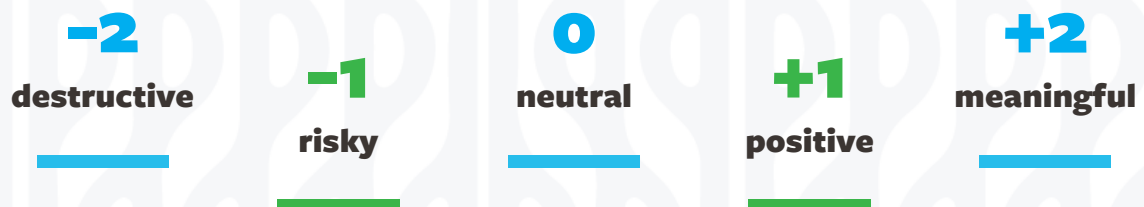
The *daphni* methodology



In terms of methodology, we use an impact measurement tool based on the **17 UN Sustainable Development Goals (SDGs)**.



In addition to these, the *daphni* methodology also **measures the impact** of each of the potential investments according to the criteria they fit into. This influence can be destructive (-2), risky (-1), neutral (0), positive (+1) or meaningful (+2).



Then, **we weight this influence from x0.25 to x2** depending on the project's **scalability** and the impact it has on a stakeholder (**the depth effect**).

daphni is already perceived by entrepreneurs as a fund that supports positive impact companies, and this image is reflected in the large number of applications we receive.

In total, the daphni investment team has met 1,581 entrepreneurial teams, and has invested in 38 projects.

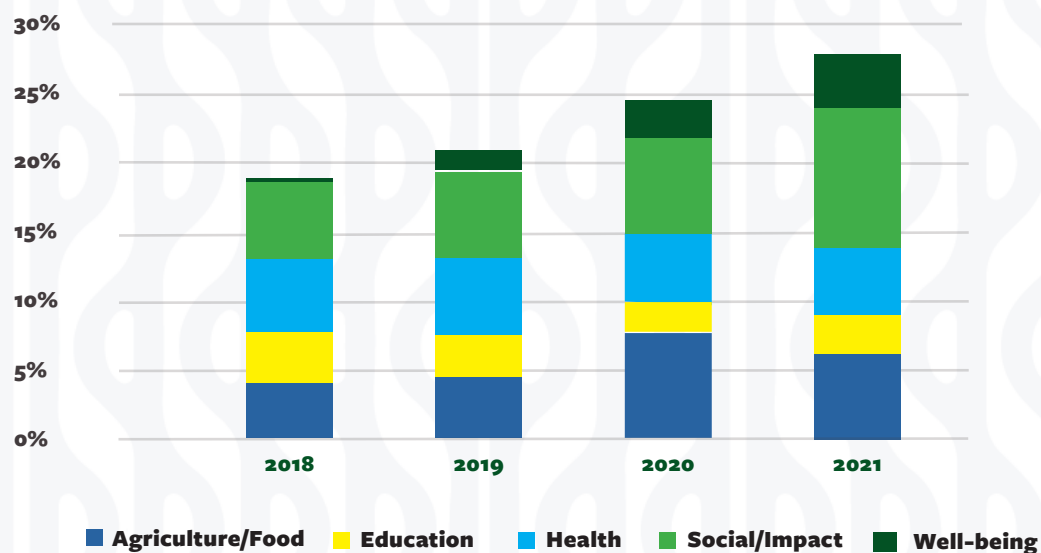
+18K Projects received

+1,5K Teams met

40% of our deal flow goes towards positive impact projects

As outlined in the graph below, about 60% of our current deal flow is connected to one or more ESG impact areas.

Share of ESG tags attributed to *daphni* dealflow projects



Reporting and awareness raising of ESG best practices among our holdings

We encourage target companies we finance to **adopt best practices** in a minority investment context.

- **A guide to ESG best practices** is currently being drafted, and will be shared with all our recipients.
- We hold **webinars** with our portfolio managers on a regular basis to share best practices.

We have set up a **quarterly reporting model** for investors that **integrates impact issues:**

Environmental , social and governance

Environmental

Here investors integrate their impact issues. Lorem ipsum dolor sit amet, consectetur adipiscing elit. Nulla tincidunt lacus non enim auctor pellentesque. Cras vel ante sapien. Praesent a suscipit urna. Phasellus facilisis ligula lorem, ut rutrum augue sodales nec. Praesent vitae risus ut eros porttitor vestibulum. Ut quis purus a velit volutpat fringilla. Maecenas convallis vel augue nec congue. Maecenas luctus augue nec justo suscipit, eu suscipit nulla vehicula. Donec pulvinar, erat a aliquet laoreet, turpis felis imperdiet nibh, id vestibulum nisl arcu a est. Ut lacus nunc, tristique ut pellentesque ac, auctor ut nisl. Etiam mauris nunc, egestas et velit a, consequat congue risus.

Social

35

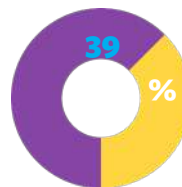
Ratio Job creation

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30 yo

Average Age

Parity



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Governance

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Traditional quarterly management reporting template including ESG data



Annual ESG and impact reporting aspects:

- Mission and goal monitoring
- SCG based methodology reminder
- Impact summary of the entire portfolio based on the abovementioned methodology
- Line-by-line review of each impact criterion’s measurability
- Achievements and targets set by the companies’ boards of directors
- Monitoring of the company’s extra-financial commitments

When it comes to quarterly reporting, daphni is approaching the process in a way that fits with the company’s size and the maturity of its portfolio companies.

Every quarter, we ask our portfolio for **detailed** ESG information. We send out an online form featuring open-ended questions, so we do not burden start-ups with additional reporting duties, as it can become cumbersome for them. Depending on the responses we get, we can initiate a dialogue in order to have a better understanding of their actions. These interactions are a great lever to support the portfolio companies on their own ESG journeys.

Here is the list of questions we ask:

How would the company rate its **compliance with environmental standards or goals?** (GHG emissions, energy consumption, water pollution, waste, etc.)

How would the company rate its **compliance with social standards or goals?** (employment, turnover, work accidents, well-being at work, absenteeism, gender parity, diversity, HR, training, impact on civil society, etc.)

Job creation ratio (= total number of employees on 31/12/n divided by total number of employees at the time of the first investment)

How would the company rate its **compliance with governance standards or goals ?** (value sharing, profit-sharing, organization of the governance body, responsibility, skills, transparency, business ethics, corruption, money laundering, data security, working conditions of subcontractors)

Diversity (= at least one woman in a management position at the time of the first investment)

Gender parity

Average age



Example of an online ESG form sent to the portfolio:



ENVIRONMENTAL

How does the company position itself from the point of view of environmental criteria or goals, and how (greenhouse gas emissions, energy consumption, water pollution, waste...)?

Environmental criteria for current quarter

SOCIAL

What is the team count ?

Previous Quarter

How does the company position itself from the point of view of social considerations (employment, turnover, accidents at work, well-being at work, absenteeism, mixité, diversity, HR, training, impact on the civil society...)?

Social criteria for current quarter

What is the company ratio of job creation (= total number of employees as of end of the quarter divided by total number of employees at time of first investment) ?

Is there diversity in the company (= at least one female CEO, executive director, founder) ?

Describe the diversity in your company

What is the average age of the workforce ?

What is the percentage of female workers in the workforce ?





What is the average age of the workforce ?

30 years

What is the percentage of female workers in the workforce ?

50 %

GOVERNANCE

How does the company position itself from the point of view of governance topics (sharing of added value, profit-sharing, organisation of the corporate governing functions, responsibility, transparency, business ethic, corruption, money-laundering, data protection, working conditions of the subcontractors, ...)?

Governance criteria for current quarter.

Furthermore, we note that during refinancing or liquidity operations for a start-up's shareholders (IPO, sale), the buyer or new investors are increasingly more likely to include ESG criteria in their due diligence.

This is also why we act upstream, as soon as we acquire a stake in a company and when we start our journey with it, so that its ESG policy is proactively addressed in the context of its business development.



Our day-to-day commitment to ESG

Presentation of ESG goals at the management company level (topics/initiatives/goals and relevant SDGs):

I) Diversity

- 18 employees 9 of which are women
- Diversity of ages, experiences, profiles
- The daphnopolis (the community built and run by *daphni*) amplifies *daphni*'s geographic and
- cultural diversity

II) Training

- ESG training conducted by B-Way in 2021
- First aid training conducted in 2021
- Individual training (for 2 employees)

III) ESG actions

- Dedicated ESG team within *daphni*
- Bringing the internal procedures of the Purple and Yellow funds and the management company
- in line with ESG and B Corp commitments
- Integration of ESG criteria in due diligence and legal investment documentation
- Integration of ESG criteria in portfolio company reporting activities
- Publication of an annual report

IV) Carbon offset

We have a dedicated team working on defining a carbon offsetting policy that fits with *daphni*'s activity and overall carbon offsetting policy with portfolio companies.



V) *daphni* supplier charter

Éthics

daphni ensures that its suppliers conduct their business in an honest and law-abiding manner, and while respecting legal provisions relating to fair competition and the prohibition of corruption. More specifically, they shall not use the negotiation and execution of contracts as an opportunity to act or behave in a way that is comparable to passive or active corruption, complicity in influence, peddling, or nepotism.

Compliance with working conditions

daphni expects the supplier:

- to respect the freedom of association, protect the right to unionize and defend the rights of workers as defined by the International Labor Organization (ILO)
- to commit not to use illegal labor as defined by the laws of the countries in which it operates
- to contribute to the elimination of child labor and the protection of minors as defined by ILO conventions
- to comply with local laws regarding the employment of people with disabilities. Employees may not be subjected to physical punishment, harassment, or physical, sexual, psychological, or verbal abuse of any kind
- to agree not to use illegal workers, especially individuals below the legal working age.

daphni works with an ESAT (structure that employs people with disabilities) for certain office supply orders to promote the employment of people with disabilities.

Protection de l'environnement

daphni expects its suppliers:

- to commit to reducing their negative environmental impact and to implement measures that contribute to the protection of the environment, both for their products and for their organization, especially as it relates to the protection of nature, the preservation of biodiversity and ecosystems, the depletion of natural resources and the management of waste and toxic products
- to commit to limiting its impact on the local population
- to reduce its energy consumption, its discharges into water, air and soil and the waste resulting from the various aspects of its activity, especially packaging
- to make the respect for the environment, health and safety an integral part of the purchase of products and services, the design, production and marketing of its own products and services. The objective is to reduce the company's impact while maintaining and/or improving the overall quality of the offering
- to comply with locally applicable laws and standards, as well as with the laws applicable in the country or countries for which the product is intended.



VI) Eco-consciousness in the office

daphni aims to reduce its environmental impact through daily actions involving all its employees. This policy is included in the welcome guide for new employees and is accessible to all on our server.

- We also have a kitchen on our premises to limit waste, especially plastic cutlery.
- Most of our furniture is second-hand
- We have a water fountain to reduce our plastic waste
- We have recycling bins and inform our employees on recycling behaviors
- We purchase reconditioned electronic and telephone equipment whenever possible
- We use a specialized service to recycle our ink toners
- We have reduced the amount of mail we send on a daily basis
- *daphni* is committed to reducing the amount of paper it uses each year for printing (we order 4 boxes per year, i.e. 25 reams of 500 sheets)
- We have posters on eco-conscious behavior in the office
- We use green household products

VII) Procurement policy

We choose our suppliers according to their approach to limiting their environmental impact and improving their social impact.

- Snacking: Greenweez (belongs to Carrefour), works to reduce its greenhouse gas emissions, develop organic farming and environmentally focused agriculture, to improve its packaging, and to recruit a diverse team
- Toner recycling: Conibi (consortium of major market brands)
- Coffee: Kawa (social and environmental implications)
- Fruits: Local merchants
- Plants : Bergamot (commitment to sustainability)
- Household: Thiebat (sustainable cleaning products)
- Computer equipment: Back Market, second hand
- Goodies: embroidered organic cotton vests. We use a Paris based company to ensure a smaller carbon footprint. The list of all suppliers, especially those committed to CSR, is available from our Office Manager. When choosing suppliers, we always look at a company's environmental, social, and ethical commitments.

VIII) Transportation

All company employees live in or near Paris and most of them use public transportation to get to the office. Remote working, emphasized by the COVID crisis, serves to limit commuting and to further reduce our employees' carbon footprint.

IX) Energy consumption

daphni uses a green energy provider for its offices, in order to ensure that the electricity it uses is sustainable. We look at our detailed bills to understand our energy consumption and monitor our efforts to reduce it. Our offices use mainly natural light and LED light bulbs as a supplement. Heating comes from a programmable reversible air conditioning system. Employees are made aware of its use so that they only use it when it is very hot. They are also aware of the fact that it is preferable, if possible, to open the windows. The windows are double-glazed.

X) Green IT

Examples of best practices

- 4G/LTE uses 23 times more energy than Wi-Fi (and therefore emits more greenhouse gases). Wi-Fi is encouraged in the office and elsewhere.
- Regular cleanup of emails, especially those with attachments, is recommended, to avoid unnecessary storage in data centers.
- Promote the use of company instant messaging systems to chat with a colleague (instead of email).
- Store only what is needed in the cloud: turn off your devices instead of leaving them in sleep mode.
- Print only what is useful. Default printer settings: black and white, draft, double-sided, 2 pages per side...
- Obsolete computers and telephones are recycled with a specialized reseller (Back Market)

XI) Events

- Some events are video conferences to avoid travel.
- Face-to-face events are held in a central location in Paris to limit travel for participants and to make access by public transport easy.
- We choose service providers that have ethical and environmental commitments.
- Access badges are recyclable, and cords are reused from one event to another.
- We plan to organize webinars to raise awareness of environmental protection, featuring inspiring people to encourage our community to become even more sustainable.

XII) Maintaining a transparent relationship between *daphni* and its partners

daphni has established a comments and requests procedure to let every partner express their thoughts. Each request should be sent to *daphni* SAS, 87 rue Réaumur, 75002 Paris, France. The management company has 10 business days to confirm receipt. The company must respond within two months unless it is an exceptional request. The applicant may also request a mediator, including that of the Autorité des Marchés Financiers (French financial regulatory body). The person to contact at the AMF is Mrs. Marielle Cohen- Branche, AMF mediator, 17 place de la Bourse 75082 Paris Cedex 02. The details of the mediation process are available on their website.



thank you



CONTACT :

Paul Bazin

paul@daphni.com

contact@daphni.com

