

**ESG**

**POLICY**

**&**

**ASSETS**



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# 01. Introduction

As one of the most experienced European venture capital firms, 360 Capital is well aware of its responsibilities. We believe that when we invest in a specific company, when we support its products or services, we are defending a vision of the world we want to live in and contributing to shape and orientate the economy.

For these reasons, 360 Capital wants to become a role model in the industry. As the key feature of our ESG policy, we set ourselves and our portfolio companies a list of precise qualitative and quantitative objectives to achieve in the three to five years ahead. They cover topics ranging from industry-specific environmental initiatives to energy consumption, parity and human resources management. These objectives are challenging, and will require us to evolve our work process, and encourage the entrepreneurs we support to do so as well. We are committed to do so, and we strongly believe they are the founding principles of a credible engagement that will resonate with ambitious and responsible entrepreneurs' ethos.

360 Capital's mission is value creation. In order to generate sustainable value, we see the environmental, social and governance topics both as commitment and performance criteria. In that sense, our ESG policy is guiding our investment policy and the way we interact with targets and portfolio companies at all the stages of our investment cycle.

At pre-investment phase, we have adopted an ESG checklist allowing us to identify the main ESG concerns of a company's business as well as the specific risks a company may face or create for its internal and external stakeholders. If some elements require further investigation, we have also created an ESG due diligence format with potential direct impacts on deal terms.

At investment stage, we have implemented a legally binding ESG clause allowing access to key CSR-related data, creating an immediate right to information regarding any ESG-related incident or strategic decision involving a potential ESG risk.

Finally, as shareholders, we are raising awareness of ESG issues among all our portfolio companies thanks to dedicated training materials and ESG reviews during board meetings. Our goal is to strongly encourage them considering extra-financial criteria as part of their overall performance. In addition, we have created an extensive ESG questionnaire allowing us to monitor specific KPIs at portfolio level.

The 360 Capital team

# OUR INITIATIVES AT A GLANCE

01

## PRE-INVESTMENT PHASE

- . A check-list allowing to identify ESG stakes and risks of any given company
- . An ESG due diligence format with direct impacts on deals conditions

02

## INVESTMENT STAGE

A legally binding clause allowing access to key CSR data, creating a right to information regarding ESG- related incidents and strategic decisions involving a potential ESG risk

03

## AS SHAREHOLDERS

- . A set of quantitative and qualitative ESG objectives to achieve in 3 to 5 years
- . Training material sent to portfolio companies in order to raise awareness of ESG stakes
- . A mandatory discussion of ESG topics during board meetings
- . An extensive ESG questionnaire sent annually to portfolio companies
- . A monitoring of key ESG KPIs at portfolio level

04

## AT MANAGEMENT COMPANY LEVEL

- . A dedicated ESG project team has been constituted internally
- . An annual ESG report allowing our LPs to get access to transparent and comprehensive information

# 02. ESG check-list

Our ESG pre-investment check-list format allows 360 Capital to conduct a critical thinking analysis of a company's business and management process. It helps us identifying the major risks a company is exposed to and the ones it may expose internal and external stakeholders to. The different criteria typologies are also covering a company's upstream and downstream environments. This process is not optional and may have concrete consequences; it will either confirm our intention to invest in a target company, drive to a negotiation of the investment conditions (especially on enterprise value) or break a deal.

		At company level		At rank 1 suppliers level	
		Risk exposure	Managed risk	Risk exposure	Managed risk
<b>Environmental topics</b>	GHG emissions	High	Yes	High	Yes
	Energy management	Intermediate	No	Intermediate	No
	Water management	Low		Low	
	Chemicals & hazardous materials management				
	Waste management				
	Other ecological impacts (air, water, soil, forests, biodiversity)				
<b>Social topics</b>	Human rights management				
	Employee health & safety				
	Employee engagement				
	Employee diversity & inclusion				
	Career management & training				
<b>Governance topics</b>	Business ethics				
	Competitive behavior				
	Sensitive data management				
	Management of the legal & regulatory environment				
	Relationship with local authorities and communities				
<b>Business model</b>	Product quality & safety				
	Product end-of-life				
	Selling practices				
	Customer satisfaction				
	Procurement management				
	Suppliers environmental & social practices				
	Business model resilience				

# 03. ESG due diligence format

Our optional ESG due diligence format deepens the ESG check-list thanks to the following additional steps:

- . Identifying the social, environmental and governance stakes and risks of a given industry
- . Benchmarking the ESG initiatives undertaken by competitors
- . Creating an ESG road map for the company including clear recommendations for improvement

## 04. ESG clause

Our ESG clause is split in two parts.

The first one, legally non-binding, focuses on increasing awareness of ESG considerations among management of portfolio companies.

“The portfolio company commits to adopt management practices allowing to foster at the same time its economical interests and its environmental, social and governance responsibility by considering topics such as:

- . the use of natural resources
- . the environmental impacts of its operations
- . the respect of human rights
- . its employees health and safety
- . its labor relations
- . business ethics
- . its relationship with suppliers and customers - its relationship with external stakeholders”

The second one, legally binding, such as:



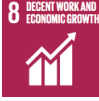



- . “The portfolio company commits to answer the different topics of the annual ESG questionnaire.
- . The portfolio company will grant 360 Capital total access to any information essential to the completion of its annual ESG reporting.
- . The portfolio company commits to inform 360 Capital in advance of any strategic decision which might involve a critical environmental, social or governance risk.
- . The portfolio company commits to immediately inform 360 Capital of any accident having environmental, social or governance consequences.”

*Final wording of the clause will be validated at each closing.*



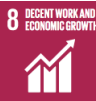




# 05. ESG objectives

## 360 Capital objectives >

Setting ourselves and our portfolio companies a list of precise qualitative and quantitative ESG objectives to achieve appeared to us a necessary initiative. It is allowing us to become accountable for our engagements. These objectives illustrate 360 Capital and its portfolio companies' main ESG stakes as well as the different areas where we actively want to promote sustainable change. From next year on, we will disclose in our annual ESG report the different progresses made by us and our portfolio companies. Our choice of the United Nations' Sustainable Development Goals (SDGs) as an ESG framework was motivated by the fact that we also plan to analyze in a near future the impact of our invested capital at portfolio level against the SDGs' recommendations.

Topic	Initiatives	Objectives	Measurement indicators	SDGs
Parity	Promotion of parity between women and men at 360 Capital	Before the end of 2023, at least 33% of the investment team members will be women	Distribution of women and men within the investment team and the management team	
		Before the end of 2025, at least 15% of the management team members will be women		
Training	Creation of a professional training plan at 360 Capital	Before the end of 2022, any employee at 360 Capital will benefit from at least one training every 24 months	Percentage of employees who benefited from a training during the previous year	
ESG engagements	Setting up of an internal ESG project team	Setting up of the ESG project team in 2020	Objective achieved or not achieved	 
	Undertaking an analysis identifying 360 Capital portfolio companies' main ESG stakes and risks	Completion of the analysis before the end of 2020		
	Creation of an ESG check-list to be processes before any investment	Creation and integration of the ESG check-list into 360 Capital processes before the end of 2020		
	Addition of an ESG clause to 360 Capital shareholders' agreements	Writing and integration of the ESG clause into 360 Capital shareholders' agreements before the end of 2020		
	Selection of the portfolio companies' ESG objectives	Selection of the objectives before the end of 2020 and presentation to the portfolio companies during the first quarter of 2021		
	Writing of a first annual ESG report	Writing of 360 Capital first ESG report in 2021		
	Sharing of best ESG practices between 360 Capital portfolio companies	Setting up of a bi-annual ESG meeting dedicated to relevant portfolio companies' representatives as of 2021		
Daily sustainable initiatives	Selection and implementation of daily sustainable initiatives	Selection of the daily sustainable initiatives during the first 2020 semester and implementation during the second 2020 semester	Objective achieved or not achieved	 
	Selection and implementation of daily sustainable initiatives	Implementation of the offsetting initiative during the first 2021 quarter		

## Portfolio companies' objectives >

Topic	Initiatives	Objectives	Measurement indicators	SDGs
Parity	Promotion of parity between women and men within portfolio companies	Between 3 to 5 years after 360 Capital investment, the management team of any portfolio company will have to count at least 25% of women	Distribution of women and men within portfolio companies' management teams	
Governance	Promotion of independent members amongst portfolio companies' boards	Before the end of 2023, 50% of the portfolio companies will have to count at least one independent member at its board	Percentage of portfolio companies counting an independent member at their board	
Human resources	Promotion of value sharing measures with portfolio companies' employees	Before the end of 2021, each of the portfolio companies will have to implement measures intended to share financial value with its employees (BSPCE, profit sharing, shares, etc.)	Percentage of portfolio companies equipped with value sharing measures	
Energy consumption	Raising awareness of energy consumption reduction amongst portfolio companies	Before the end of 2020, each of the portfolio companies will have to take note of a 360 Capital document offering concrete solutions to reduce energy consumption	Percentage of portfolio companies alerted to the energy consumption reduction question	
		Before the end of 2021, each of the portfolio companies will have to monitor its annual electricity consumption	Percentage of portfolio companies monitoring their electricity consumption	
Industry-specific ESG initiatives	For tech companies: raising awareness of digital products & services eco-conception	Before the end of 2020, each of the tech portfolio companies will have to take note of a 360 Capital document offering concrete solution to eco-conceive digital products & services	Percentage of portfolio companies alerted to the question	
	For companies developing physical products: raising awareness of environmental and social stakes related to their supply chains	Before the end of 2021, each of the portfolio companies developing physical products will benefit from a 2 hour training with a CSR consultant	Percentage of trained portfolio companies	
	For logistics companies: raising awareness of reducing CO2 emissions	Before the end of 2020, each of the logistics portfolio companies will have to take note of a 360 Capital document offering concrete solutions to reduce CO2 emissions	Percentage of portfolio companies alerted to the question	

# 06. ESG questionnaire to portfolio companies

The content of our questionnaire is directly related to the different information asked by international limited partners.

## HUMAN RESOURCES AND SOCIAL CLIMATE

- How many jobs have been created this year in your company?
- What has been the employee turnover this year in your company?
- Is your company offering any measures intended to share financial value with its employees (BSPCE, profit sharing, shares, etc.)?
- How many workplace accidents affecting your employees have been reported this year?



What are their types and seriousness?

- How many sick days have been registered this year in your company?
- Did your company face any type of social litigation this year such as discrimination and harassment litigation, mutually agreed termination of contract, dismissal, Prud'hommes procedure, strike, manager severance, etc.? If yes, how many and which types?

## **PARITY**

- To date, what is the split between women and men amongst your employees?
- To date, what is the split between women and men amongst your management team?
- To date, what is the split between women and men amongst your board members?

## **GOVERNANCE**

- To date, what is the percentage of independent members amongst the board members of your company?
- Has CSR been discussed during one of your board meetings this year?
- How many CSR-related accidents affecting your company have been reported this year? What are their types and seriousness?

## **CSR POLICY AND SUSTAINABLE INITIATIVES**

- Did your company develop a CSR policy? If yes, can you please describe it?
- Is your company taking into account any CSR framework such as the United Nations Sustainable Development Goals, the 2° scenario, etc.? If yes, how?
- Is your company equipped with responsible corporate initiatives such as a code of conduct, a sustainable procurement policy, a supplier code, an anti-bribery and corruption policy, etc.? If yes, can you please list and describe them?
- Is your company equipped with environmentally sustainable initiatives such as a product eco-conception policy, recycling procedures, a monitoring procedure of water and electricity consumption, the use of a sustainably generated electricity, a greenhouse gas emissions reduction policy, etc.? If yes, can you please list and describe them?
- Is your company equipped with a sensible data management policy? If yes, can you please describe it?
- Did your company order a carbon footprint assessment of its business this year? If yes, can you please share the results?
- Has your company assessed its vulnerability to climate change? Has it taken into account risks such as global warming, extreme climate events, sea level rise, raw material issues (scarcity, procurement hardship, etc.), regulatory changes, implications on the company's reputation, etc.?
- Has your company been granted a quality standard such as ISO 14001, OHSAS 18001, ISO 9001? If yes, which ones?