



NEWFUND MANAGEMENT SRI POLICY

PRÉAMBULE

Newfund Management ("Newfund") is an independent private equity management company, approved by the AMF in 2008 under number GP08 000018. Since that date, it has been involved in financing growth through mainly minority investments in unlisted SMEs, mainly generating less than €3 million in turnover at the time Newfund's entry into the capital.

Newfund manages the capital entrusted by its clients, subscribers and the management team itself in the interest of the subscribers, with a view to profitability, but also considering the interests of the companies of which it is a shareholder.

The nature of its investments in young and innovative companies does not expose it particularly to ESG risk, notably environmental risks. However, its presence in the capital of these companies (despite its minority position) enables Newfund to envisage long-term partnerships with the target companies, to directly influence their governance and to encourage them to take social and environmental criteria into account in the conduct of their business.

To demonstrate its public commitment as a responsible investor, Newfund, a member of France Invest (Association des Investisseurs pour la Croissance) already supports the steps initiated by the profession to promote sustainable development. As such, it has signed the Investors' Charter of Commitments for Growth.

In order not to stop there and to integrate ESG criteria into its investment policy, Newfund has drafted this Charter in order to create a reference framework for all Newfund stakeholders (Investors, Participations, Partners, Employees,...).

CONSIDERATION OF EXTRA-FINANCIAL ISSUES

Newfund is convinced that taking into account extra-financial issues throughout the investment cycle and supporting portfolio companies contributes to the creation of value for all stakeholders (shareholders, management and employees of portfolio companies, clients, suppliers,...) by allowing in particular:

- better risk management (e.g. reputation risk, social conflicts, etc.);
- optimised cost management (e.g. reduction of energy consumption and/or raw materials used, increase in productivity, reduction in staff turnover, etc.);
- the development of products or services that meet specific environmental or social needs (e.g. requests from customers, differentiation from competitors, etc.).

Newfund has decided to commit to developing its investment process around these issues.

THE APPROACH ADOPTED BY NEWFUND

Newfund has adopted a mixed approach to considering ESG criteria, allowing it to adapt as well as possible to the different levels of development of the participations at each stage of the investment.

By the very nature of its investments (targeting VSEs and SMEs, mainly in the digital world and therefore with relatively few industrial issues), Newfund has limited exposure to ESG risks.

Study of the file

Newfund integrates the analysis of ESG issues relevant and specific to each company into the study of the file and prior to any investment decision. In addition to the "classic" pre-acquisition audits, non-financial due diligence is systematically carried out, with the support of a specialised external consultant if necessary (and if the company's activity and size justify it). In cases where a significant "ESG" risk is identified (pollution, supply chains, reputation, social risk, etc.), the case is not pursued, unless a solution can be identified to resolve and/or improve the situation during the period of detention. In any event, the file submitted to the investment committee includes the identification of the non-financial criteria that must be considered and that must be followed throughout the relationship with the target company.

Exclusions

Newfund is prohibited from investing in certain sectors of activity, such as the manufacture of and trade in weapons and ammunition and gambling (casino, online games,...), or any sexual or pornographic activity. More specifically, and in accordance with the Ottawa and Oslo Conventions signed by France, Newfund ensures, prior to any investment, that the company does not produce or market anti-personnel mines, cluster bombs or related components and equipment.

In order to prevent financial, legal and reputational risks associated with investments in jurisdictions recognised as weakly regulated, non-transparent or non-cooperative in tax fraud, money laundering and terrorist financing, Newfund will not carry out investment transactions in the countries and territories on the list of "Non-Cooperative States and Territories" (NCST) as well as in high-risk and non-cooperative jurisdictions identified by the Financial Action Task Force.

Shareholder commitment

As an active investor, Newfund is committed to taking ESG issues into account in its shareholder practices by:

- integrating into the business plan the material ESG risks identified during pre-acquisition due diligence (e. g. clean-up costs, compliance with standards, training);
- formalizing, if necessary in a post-closing plan, the areas of progress identified in environmental, social and/or governance matters;
- ensuring the implementation of an active sustainable approach through regular dialogue with management;
- setting up extra-financial reporting in addition to financial reporting.

In exercising its voting rights, Newfund will consider compliance with the ESG criteria it has chosen to follow for each of the companies in which it has invested.

If it considers it necessary, Newfund may propose resolutions aimed at improving the consideration of ESG criteria within the company or at improving the quality of any information published on the subject.

Thematic investment

Newfund may invest in companies engaged in sustainable development activities, or more generally aimed at preserving the environment or promoting human development (e.g. renewable energies, recycling, enhancement of human relations, improvement of the quality of life, etc.).

Disposals

The significant progress made by the portfolio companies on ESG aspects can be valued as part of the exit process. Attention is paid to the quality of the potential buyer, his objectives and the means at his disposal to pursue the company's development.

NEWFUND COMMITMENTS

Environment

Newfund encourages its investments to identify and limit their environmental impacts, in particular through better use of natural and energy resources and better waste management. Depending on their activity, portfolio companies may, for example, carry out a greenhouse gas emissions assessment, invest in more energy-efficient tools or develop products or services with greater sustainability and/or less impact on the environment.

Social

Newfund is convinced that responsible human resources management is a key factor in the success of companies. It pays attention to employees' working conditions, particularly in terms of health and safety. Newfund encourages the establishment of constructive social dialogue and the promotion of good practice in the development of employees' skills, respect for equal opportunities and diversity within portfolio companies.

Governance

Newfund believes that an appropriate governance structure is essential for business development. Good corporate governance includes the implementation of good ethical and deontological practices, as well as attention to relations with the various stakeholders of a company.

TRANSPARENCY IN TAKING ESG CRITERIA INTO ACCOUNT

In accordance with Article L. 533-22-1 of the French Monetary and Financial Code, Newfund will specify, in the annual report of funds considering ESG criteria in their investment, according to the presentation referred to in Decree No. 2012-132 and in accordance with Article D. 533-16-1 of the French Monetary and Financial Code:

- its general approach on the consideration of ESG Criteria in the Investment Policy;
- a description of the analysis methodology used for the ESG Criteria considered;
- a description of how the results of the analysis on the ESG Criteria are integrated into the Investment and Divestment process.

FUNDS MANAGED BY NEWFUND AND TAKING INTO ACCOUNT ESG CRITERIA

This ESG policy, written in January 2016, will apply to all funds managed on that date and created after that date.