

## Minimum standards and exclusions

Revaia was created to finance companies that contribute to the transformation of our economy towards more sustainable models and business practices. As a result, our work is focused on identifying the players that innovate in terms of business practices through sustainable behaviours and by identifying solutions that create positive impacts.

Revaia does not exclude an industry on principle. All our positions are the result of analyses of the industry and company's environmental and social impacts.

For certain sectors, this analysis may lead to the exclusion of all players in the sector.

### Minimum standards

Revaia's active investment process starts with an initial assessment of target companies' financial and non-financial criteria.

From the first contact with the management teams, ESG questions are discussed to make sure the vision and operations are aligned with our responsible investment requirements.

This step is embodied by a survey that encompasses the three pillars of the ESG framework. Depending on the materiality of the sustainability issues of the company, the talking points are elaborated in greater or lesser depth with a focus on the following range of topics:

- How does the company contribute through its business model or business practices to the **environmental transition**? We assess the level of awareness of the company, the measures to reduce carbon footprint, the alignment of emission reduction roadmap with Paris Agreement requirements, etc.
- How does the company contribute through its business model or business practices to the **societal transition**? We consider the importance given to diversity and inclusion, the practices regarding wealth sharing and employee wellbeing, the community outreach programs, etc.
- Does the company have **good governance** practices? We assess the diversity at Board of Director and Executive Committee level (in terms of gender and expertise), the robustness of data privacy, the sustainability governance, etc.

Only companies reaching the minimum required score will enter the dealflow process.

## Exclusions List and Concern List

Our analyses of the environmental and social impacts led to defining an **Exclusions List** of some industries. Revaia believes that integrating material ESG data into its investment process enables a more complete approach to understanding the environment and social impact that a company can have on society. To be more specific, our due diligence process focuses on three strategic topics:

- a business or any other entity (i) whose activity constitutes an illegal economic activity (such as the production, trade, or any other activity which is illegal pursuant to laws and regulations applicable to the Fund, the relevant company or entity, including, but not limited to, human cloning for reproductive purposes),
- a business engages in the production or distribution of tobacco, distilled alcoholic beverages and associated products,
- a business engages in casinos, gambling, online betting, or similar enterprises,
- a business engages in the sale or production of arms/weapons and ammunition of any kind,
- a business engages in producing and retailing adult entertainment,
- business located in a non-cooperative State or territory referred to in the list of article 238-0 A of the French Tax Code,
- mining companies deriving thirty (30) % or more of their revenues from mining thermal coal, and electric utilities deriving thirty (30) % or more of their generated electricity from thermal coal, unless the considered investments concern an activity related to the energy transition,
- a business involved in the production of or trade in or financing of any product or activity deemed illegal under applicable local or national laws or regulations or banned by global conventions or agreements including but not limited to the Convention on Cluster Munitions, the Mine Ban Treaty, the Convention on the Prohibition of the Development, Production, Stockpiling and Use of Chemical Weapons and on their Destruction and the Biological and Toxin Weapons Convention.

In addition, following our analyses of some industries, we have also decided to establish a **Concerns List**, which serves as a guide for our investment team to have a critical eye on industries that do not feature in our exclusion list, but that may involve negative impacts if they are not mitigated in the business model of the target company. These are sectors that are traditionally included in most tech funds' portfolios but that get a higher scrutiny from our part, in most cases leading to exclusion.

Examples of Concerns List industries:

- Carbon-intensive crypto and artificial intelligence
- AdTech
- 15-minute groceries
- Fast fashion
- Gaming