

serena

LOI ENERGIE CLIMAT ARTICLE 29

Report 2021 & 2022

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| Introduction

Regulatory context

Article 29 of the Energy and Climate Law repealed Article 173 of the Energy Transition Law for Green Growth. It amended Articles L.533-22-1 and D 533-16-1 of the Monetary Code and finance (“COMOFI”). The objective is to encourage financial players and in particular management companies to integrate information on the risks associated with climate change and biodiversity in the sustainability risk policy and communicate on the consideration of ESG criteria in the investment strategy and on the means implemented to contribute to the energy and ecological transition. The information referred to in Article 29 of the Energy and Climate Law relates to all funds managed by Serena.

Implementation of the Decree at Serena

Since inception, Serena works with the unique goal of supporting the success of innovative and ambitious entrepreneurs to service a better world.

Our sustainability policy is an integral part of our investment strategy. Our responsible approach has been maturing over the past few years and we have taken the opportunity created by the recent developments in our activity to formalize our vision and communicate on our approach.

At Serena, we strive to continuously improve our sustainability approach, revising our commitments, or taking new ones, strengthening our processes, and implementing new actions while ensuring compliance with regulations.

This report is part of the European Union action plan on sustainable finance launched by the European Commission in March 2018 with the aim of financing the transition to a low-carbon economy as well as within the framework of article 29 of the Energy-Climate Law.

The report discloses the required information about Serena’s policy on the consideration of ESG criteria in its investment activity. It showcases Serena commitment to redirect capital flows towards a more sustainable economy, how Serena integrates sustainability into risk management and how Serena fosters transparency on its exposure to climate change risks, its contribution to finance the energy and climate change transition and halt biodiversity loss as well as on the means implemented to support its sustainability strategy.

The report covers the reference period from January to December 2022 and complies with the provisions of Article D. 533-16-1-III, 1°, 2°, 3°, 4°, 6°, 7° and 8° of Article 29 of the Energy-Climate Law.

Serena general approach on sustainability

Serena vision

Serena was founded in 2008 upon a resolute eagerness to empower serial entrepreneurs that have significant potential to generate a positive impact on society and its environment.

To be a strategic partner who endeavors to achieve excellence, we promote innovation and performance in a sustainable manner. People and the environment are in our industry the most important resources. It is of great importance for us that the individuals making viable projects, are afforded decent working conditions, and are treated with dignity and respect, while minimizing the environmental impact of the industry and promoting business integrity.

Through our sustainability strategy, we aim at making real our values into a clear framework to ensure its implementation and integration within our team and our portfolio. We carry the conviction that sustainability is the new frontier. Investing while integrating embedding high levels of sustainability criteria is the best way to achieve our goal. Serena will always support companies that demonstrate sound and responsible business practices and empower their employees.

ESG in motion into our fund's investment strategy

The ESG policy implemented by Serena addresses three principles:

- A unified ESG policy applied to all investment activities: Serena funds, Data Ventures, V13 Invest, Impact (Racine²).
- An ESG policy framework covering the entire lifecycle of our investments. ESG diagnoses are undertaken by to assess the level of maturity of a company. Throughout the investment's lifetime, we monitor trends with respect to this ESG maturity.
- An ESG management tool that focuses on companies' sustainable transformation. Serena suggests areas of improvement to its portfolio companies and then monitors progress accordingly.

ESG in motion into our investment process

Serena sustainable investment policy provides a framework in which ESG criteria are considered throughout every step of the investment cycle, from the pre-investment phase, through portfolio monitoring, to divestment.

Origination and pre-investment

- Tobacco
- Pornography
- Coal production
- Production of or trade in firearms or ammunition
- Gambling and casinos
- Alcohol marketing and distribution

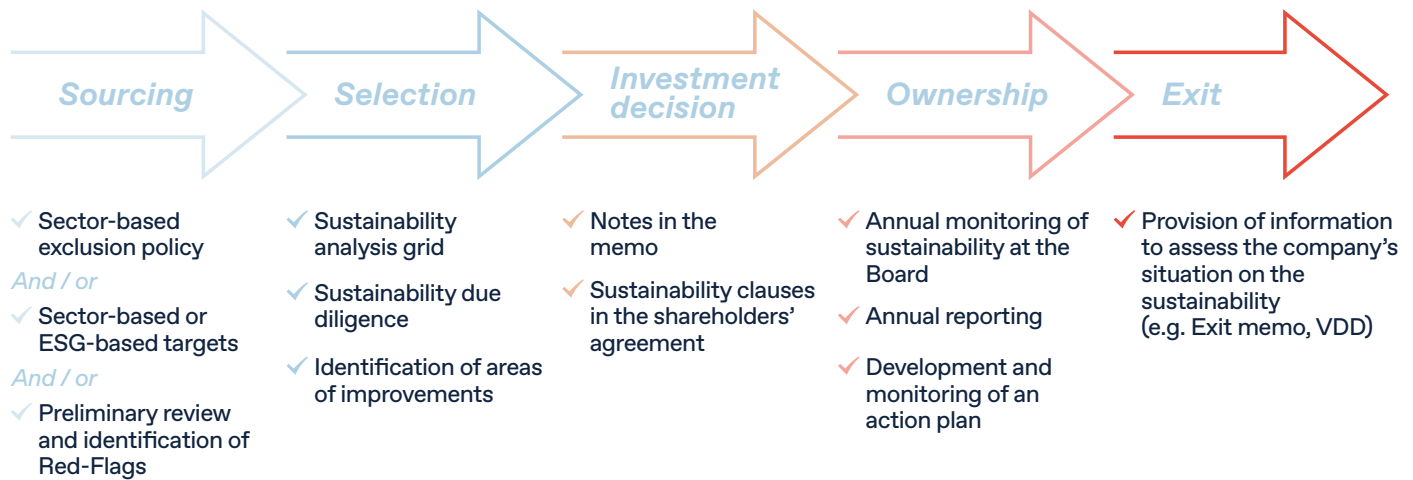
At ownership

The ownership period is a transformational process at Serena, where the teams at Serena keep mapping ESG risks and opportunities in the portfolio while implementing adequate actions in response. From a new portfolio company onboarding process, to the annual ESG reporting campaign, all the way to the creation of an ESG action plan, each of our portfolio companies develops its capacity to identify and tackle its ESG material topics. All teams at Serena are committed to help portfolio companies improve their sustainability maturity.

At exit

We value the transformation of our portfolio beyond the environmental, social and governance dimension of ESG, on which we intervene with appropriate governance. The objective of our approach is to create shareholder value while embracing the environmental and social challenges. This translates into ESG actions that can result in not only financial savings and better productivity but ultimately in a structural change in our portfolio companies, that contributes to their success. Serena will seek to carry out an ESG vendor due diligence when it is appropriate.

Investment process



ESG reporting and communications

Serena ensures full transparency with its ecosystem including investors, entrepreneurs, regulatory bodies, portfolio companies and the communities in which they operate as well as its own teams.

To that end, Serena provides a set of regular communications through the following means:

- Serena responsible investment policy, regularly updated and available on its website
- From 2022, Serena annual Sustainability Report to provide an overview of the sustainable journey and the outcomes of our portfolio companies' ESG performance
- Ad-hoc requests and questionnaires on ESG stemming from investors
- Presentations at Serena investor events
- The Serena Squad, an active community of 400+ founders and C-suite members from our start-up ecosystem. Through our community, entrepreneurs can share best practices and leverage on each other's skills and knowledge. Our peer-to-peer platform and events give entrepreneurs access to peer support, expert workshops and training, actionable templates, and other exclusive content. Within this community, we have created a specific ESG Squad, to raise awareness and engage on sustainability topics.
- ESG-dedicated section in Serena contractual documents, including shareholder agreements

Serena Financial Products classification under Regulation EU 2019/2088 (SFDR)

All the funds, including the funds that are classified Article 6 under Regulation EU 2019/2088 (SFDR), are covered by Serena general approach to ESG: monitoring of extra-financial ESG criteria, and by strict exclusion policies as defined in each fund's by-laws.

Investment strategy	Financial Product	Classification under Regulation EU 2019/2088 (SFDR)	Asset Under Management (AUM) (in €m)	Percentage of total AUM
Venture Capital	Data Venture II	Article 8	93	13%
Impact investing	Racine ²	Article 9	87	12%
Venture Capital	V13 Investment	Article 6	30	3%
Venture Capital	Serena III	Article 6	216	33%
Venture Capital	Data Ventures I	Article 6	70	10%
Venture Capital	Serena II	Article 6	133	19%
Venture Capital	Serena I	Article 6	94	13%
Total			723	100%

Industry codes & initiatives



The UNPRI

Sustainability issues are taken into consideration by Serena who allocate meaningful resources and ensure that the management company meets the highest standards and thus contributes towards advancing finance industry practices by actively participating in local organizations.

Serena became a signatory of the UNPRI in 2019. Since then, Serena is using the PRI as a reference to continuously improve its sustainability journey.

Besides, the six principles reflect how sustainability is embedded at all levels: ESG and investment teams, investors, communities, society as a whole.

Principle 1:

- ▶ We will incorporate ESG criteria into investment analysis and decision-making processes.

Principle 2:

- ▶ We will be active owners and incorporate ESG criteria into our ownership policies and practices.

Principle 3:

- ▶ We will seek appropriate disclosure on ESG criteria by the entities in which we invest.

Principle 4:

- ▶ We will promote acceptance and implementation of the Principles within the investment industry.

Principle 5:

- ▶ We will work together to enhance our effectiveness in implementing the Principles.

Principle 6:

- ▶ We will report on our activities and progress towards implementing the Principles.



The iCi

To combat global warming, Serena signed the iCi “the Initiative Climat International in 2022. The iCi platform, endorsed by the UPRI, is the first collective commitment of French private equity, in favor of the responsible and transparent management of companies' greenhouse gas emissions of which they are shareholders. The signatories of the iCi have thus decided to mobilize in order to contribute to the objective of the COP21 to limit global warming to 1.5 degrees.

Serena observes the iCi's principles in its activity:

- We recognize that climate change will have adverse effects on the global economy, which presents both risks and opportunities for investments.
- We will join forces to contribute to the objective of The Paris Agreement to limit global warming to well-below two degrees Celsius, and in pursuit of 1.5.
- We will actively engage with portfolio companies to reduce their greenhouse gas emissions, contributing to an overall improvement in sustainability performance.



France Invest

In 2020, France Invest launched the gender parity Charter to promote parity among players in the French private equity and in the companies they finance. This charter is made up of 30 commitments and sets specifically quantified objectives that need to be implemented within the portfolio companies owned by private equity firms. Thus, among the main objectives, the ambition is to reach 25% of women at senior positions in the investment teams and 30% of women in the Management Committees of the participations by 2030.

The gender equality issue has always been a topic of great importance for Serena. The management company is proudly a company where gender pay gap has been tackled for years.

SISTA

Sista

The role of Sista is to nurture a generation of diverse leaders by showcasing funding inequalities between male and female entrepreneurs.

Serena has been a place where the gender equality and diversity inclusion topics have been embraced since inception. Serena is deeply convinced that increasing the number of women in an organization or company is virtuous. It guarantees a better representativeness of society, an expansion of the human pool, an energy linked to the diversity of ideas and behaviors necessary to meet the challenges of tomorrow. Reinforced parity in companies generates both a performance increased and accelerated growth.

Serena's ecosystem associations & initiatives

make sense

Make sense is an organization founded in 2010 that creates tools and programs for collective mobilization that enable everyone (citizens, entrepreneurs and organizations) to take action and build a more inclusive and sustainable society.



Mouvement Impact France is an association which represents the actors of the social and solidarity economy in France. It was founded in 2020, from the merger of the Movement of Social Entrepreneurs and the Tech for Good France network. The organization represents companies that base their model on 4 pillars: sharing of power, sharing of value, social impact and ecological impact. Each of these pillars is accompanied by indicators and criteria to assess them.



Venture ESG is a community-based non-profit initiative from VCs for VCs to push the industry on good ESG. Together with our community of 250+ VC funds and LPs from across the globe, we are working to make ESG a standard part of due diligence, portfolio management and internal fund management.



Serena recently joined CSR Connect, a movement created by Greenly, the carbon footprint calculator start-up. CSR Connect is a tech community committed to CSR topics by organizing working groups and events on climate-related topics.

| Serena internal resources

Sustainability dedicated team

Sustainability is everyone's concern. All teams at Serena are involved in the roll out of Serena's sustainable investment strategy. The Partners, the investment teams, the investor relations, finance and communications departments are sensitized and trained on sustainability risks.

In 2021, Serena formally appointed a Partner as Sustainability Officer, Sylvie Nhansana, joined by Xavier Lorphelin, founding Partner of Serena, and three members of Serena who are taking specific responsibilities.



Sylvie Nhansana
CFO & Partner
Sustainability
Officer



Xavier Lorphelin
Managing Partner
Investment
Policy Lead



Sybille Ranchon
Venture Associate
Climate Lead



Emilie Benayad
HR Operating Director
DE&I Lead



Heba Hitti
*Community &
Communication*
Sustainability
Content Lead

The sustainability team is responsible for supervising the integration of the sustainable investment policy across all of Serena's funds, raising awareness of the team on sustainability and ESG risks and engaging with portfolio companies. Its role also consists in improving Serena's sustainable journey by proposing new projects that will contribute to achieve the best standards in terms of sustainability in the venture capital industry. Parallel to the sustainability team, the Head of Investor Relations is also active in the daily communication of any sustainability-related projects.



Strengthening Serena capacities on sustainability

The sustainability team ensures that all employees at Serena develop and strengthen ESG-related knowledge and skills.

The sustainability team also conduct internal presentations to the whole team at Serena during regular all hands meetings. Because every employee is involved in the implementation of the ESG agenda at different levels, all employees are requested to attend ESG training sessions. The objectives of these sessions are to help them to understand the ESG challenges.

The basis of Serena's ESG strategy relies on a principle of proactive coordination between all teams. While the role of the Sustainability team is to provide sound ESG practices, methodologies, tools and information, the role of the investment and operational teams is to coordinate and handle any ESG-related need or issue. Indeed, the investment and operational teams need to ensure that the portfolio companies have embedded the ESG road map evidenced during the due diligence phase.

ESG external support

Serena works with external ESG experts who are appointed to provide Serena with guidance and expertise on different topics. It can be for providing an ESG due diligence prior to an investment, or the assessment of the carbon footprint of Serena's portfolio companies, or for ESG training sessions for Serena employees.

Serena dedicates each year a specific budget each year to support the Sustainability in order to benefit from the best ESG experts on the market.

Over the last 18 months, the Sustainability team launched the following projects:

- Review of the ESG annual questionnaire including core and sector-oriented indicators all relevant for Serena's portfolio companies
- Launch of the 1st impact fund Racine²
- Appointment of a dedicated sustainability team headed by Sylvie Nhansana
- Launch of the first Sustainability report
- Review and update of the responsible investment policy

ESG Governance

Serena has adapted its organization and governance to gradually integrate ESG criteria in its investment strategy.

The sustainability team is responsible for coordinating the implementation of initiatives and to define and deploy the sustainability strategy at Serena and its products level. The diversity of knowledge and experience of its members in terms of ESG makes it possible to ensure increased supervision of Serena ESG approach.

The sustainability team, headed by two Partners, reports directly to the Partners Committee, composed of all the Partners at Serena, which is the ultimate governing body of Serena.

Partners, Directors and Analysts regularly attend training and/or conferences on various topics related to ESG, among which:

- Training on extra-financial analysis
- Climate fresk
- Regulatory updates
- Diversity & Inclusion

Serena's remuneration policy

Serena remuneration policy takes into account the group's strategy, objectives and risk policy, in order to align the long-term interests of all stakeholders (investors, customers, employees and the community as a whole) and includes measures to avoid conflicts of interest.

Serena observes a sound remuneration policy which sets out fair and equal principals for all employees, prevents excessive risk taking and includes quality, performance and extra-financial criteria.

Except for Partners, Serena compensation is a combination of fixed remuneration (salary and benefits) and variable remuneration (including bonus).

Serena believes that employees should receive a compensation that takes into account their performance as well as their collective involvement regarding Serena sustainable strategy. As such, Serena employees are subject to an annual performance review, where ESG risk management is considered as part of each relevant individual's performance. Promoting ESG risks and opportunities assessment, monitoring and overseeing portfolio companies and discouraging excessive risk-taking, including sustainability risks, are reflected on the calculation of the variable remuneration.

Any decision related to remuneration, training, professional promotion, organization and working conditions is based strictly on a set of professional criteria, excluding any discriminatory considerations (such as, inter alia, family situation, sex, gender, sexual or religious orientation, ethnic or social origins, disability, age), and in respect with gender equality.

Integration of ESG quality criteria in the internal regulations of the entity's Board

Serena sustainability approach is integrated in the by-laws of the funds managed by Serena.

Strategy of engagement with investee companies

Serena engagement strategy

The shareholder agreement policy described by article R 533-16 §I of the Monetary and Financial Code (in application of article L 533-22 of the Monetary and Financial Code) comprises 6 elements and shall include the way Serena deals with the following items:

- Monitoring of strategy, financial and non-financial performance (ESG), risks, capital structure, social and environmental impact and corporate governance
- Dialogue with the Portfolio Companies
- Exercise of voting rights and other rights attached to shares
- Cooperation with other shareholders
- Communication with relevant stakeholders
- The prevention and management of existing or potential conflicts of interest in relation to their commitment

Monitoring of portfolio companies

Upon investment, Serena puts the emphasis on the importance of being a part of the board of each portfolio company. Through this participation, the Management Company can notably measure the performance of portfolio company's management team and board.

The Management Company assigns the monitoring of each investment to one or more members of its investment team.

The member or members thus designated and duly authorized to represent the Management Company, and therefore the Fund which has a financial interest in the capital of the Company concerned, attend(s) the general meetings and the meetings relating to the specific instruments held within the Company if applicable.

Depending on the control exercised (majority or minority shareholder) in the Companies, the Management Company participates or not in the meetings of the governing bodies for the vast majority as a member of the supervisory committee, and if required to specific committees (strategy, remuneration, etc.) and more exceptionally, to the board of directors of the Companies.

In the context of its investments, Serena enters into shareholder agreements in nearly all cases which ensures the Management Company that each Company transmits relevant information on its strategy, its financial, operational or its commitments in terms of ESG impact as well as its prospects for development so that the Management Company can exercise its role as a shareholder in a professional manner. It is formalized through a reporting to the Management Company, acting as representative of the alternative investment funds it manages and which invest in the Companies.

The strategy, the financial and non-financial performance, the risks, the capital structure and the ESG impact of each Company are thus closely monitored by the Management Company.

Dialogue with portfolio companies

Dialogue with the Companies is ensured through general meetings with other shareholders, the presence of representatives of the Management Company on the various governance bodies of the Companies, but also directly with the management teams of the Companies during meetings, telephone discussions or videoconferences presenting the activity of the Company concerned.

Dialogue is maintained throughout the life of the investment, not only through general meetings but also with a strong relationship that investment teams and operating teams at Serena have developed with the portfolio management's teams to better understand their needs, to bring them support and promote their growth.

The Management Company is a signatory to the United Nations Principles for Responsible Investment (UNPRI) and the International Climate Initiative. The Companies are thus made aware of ESG risks and the Management Company strives to promote among the Companies the best ESG practices in the sector.

Voting policy

The Management Company carries out its own assessments and analyses in respect of its voting rights within the Companies and does not solicit any voting adviser for this purpose. Voting rights are exercised at general meetings via the member of the investment team in charge of monitoring the investment concerned.

The vote is exercised in the exclusive interest of the shareholders of the Portfolio Company and Serena investors, with the aim of increasing the long-term value of their investments.

In this context, the assessment of the vote to be cast is carried out in relations with the initial investment thesis, the agreements implemented (shareholders' agreement, etc.), the business plan of the Portfolio Company as well as the development of its activity. In case of resolutions that relate directly or indirectly to ESG matters, the Management Company representative shall express its vote in accordance with the principles to which the Management Company commits (in particular ESG principles).

The resolutions presented at Company level are systematically voted on by the Management Company. These resolutions may relate to:

- Decisions leading to a modification of the articles of association of the Company concerned
- Approval of the accounts and allocation of the result
- Appointment and dismissal of corporate bodies
- So-called regulated agreements
- Programs for issuing and buying back equity securities
- Appointment of statutory auditors

Communication with other shareholders

The Management Company encourages exchanges with the other shareholders of the Companies to better promote debate and meets the best solutions to ensure the development of these Companies.

This cooperation can take place through discussions at general meetings, in the various committees set up by the Company (if applicable when these shareholders are represented there). These exchanges are established in respect to the framework of the shareholder pact.

The Management Company may have to engage dialogue with various stakeholders in the course of its activity.

The Management Company is also a very active player in the private equity sector and participates in market discussions, notably those that are led by France Invest.

Prevention and management of conflict of interests

The Management Company has established a conflict-of-interest management policy to ensure the prevention, identification, and handling of conflicts of interest. This policy is available at the registered office of the Management Company and may be communicated to any unitholder who so requests.

Serena respects the principles of professional ethics applicable to its business industry, in particular the identification, prevention as far as possible and the best treatment of any conflict-of-interest situation.

Voting rights are exercised in full independence, in accordance with the principles defined by Serena on managing any conflicts of interest.

Any situation of potential or proven conflict of interest which could arise during the investment or the exercise of voting rights must be declared to the Compliance Committee in charge of analysing the situation and taking the appropriate measures to resolve the conflict, in consultation with the management of the Management Company.

Website

These documents are available on Serena website:

- Serena Sustainability Report
- Serena Responsible investment policy
- Serena voting policy
- This report (in compliance with Loi Energie-Climat, article 29)

Outcomes of the strategy of engagement

Serena did not exercise its voting right on any environmental, social and governance issue in 2021/2022. The outcomes of the engagement strategy are available upon request.

Sector exclusion

Since inception, Serena has been focused on investing in start-ups that have developed product, software or service offerings in technology. These Companies may be at different stages of development: incubation, start-up, first rounds of financing. Although Serena investment strategy is far from certain sectors subject to a great deal of controversy, we wanted to formally define an exclusion policy. The identification of investment opportunities begins with a negative screening by excluding companies from our investment universe.

Serena has excluded the following sectors from its universe:

- Tobacco
- Pornography
- Coal production
- Production of or trade in firearms or ammunition
- Gambling and casinos
- Alcohol marketing and distribution

In addition, judgement will be applied to any potential investment that is not listed in the exclusion list. Serena poses the same hurdles to any other industries, geographical areas such as sanctioned countries that present behaviour unaligned with Serena values.

Serena will keep under watch new situations or any regulatory evolution. If new activities were to fall under the spectrum of controversy, we will update our position accordingly. Should Serena amends its exclusion policy, it would be recorded in its policies and legal documents.

Serena alignment with the Paris agreement

Targets & objectives

Climate change is one of the most pressing challenges of our time, and the tech industry's innovation could be a powerful tool to stem it. We are all witnessing:

- The broader belief in climate change: the understanding that climate change will have profound consequences for the planet and the people on it is much more widespread today.
- Stronger capital environment: VC funds are widening their investment scope in assets capable of innovative business model that will tackle the environmental challenge.

At Serena, we believe that our industry, venture capital, has a vital role in finding, funding, and scaling companies that create breakthrough solutions to achieve the same goal, keeping global warming below 2°C.

Our engagement to materialize our contribution to the climate transition:

- Measure and activate: every year, we will encourage our portfolio companies to assess their carbon footprint impacts and set achievable targets for CO2 reduction. For now, only our new portfolio companies were invited to assess their carbon footprint but from 2023, all of them will be advised to make at least an annual assessment.
- Select and assess: strengthening our selection criteria by highlighting in the pre-investment phase the principal adverse impacts for all of our funds.
- Monitor and oversight: during the ownership phase, our team will be committed to following a climate road map designed for each of our portfolio companies.
- Learn and share: we have been trained to become Climate Fresk facilitators and conduct workshops in our ecosystem to spread greater knowledge about man-made climate change.
- Support climate-related initiatives: for instance, we have sponsored the Twomorrow project to fight global warming (see after).
- Monitoring the environmental performance of investee companies through an annual ESG questionnaire that include climate change and biodiversity linked specific indicators.

This exercise enables Serena to collect and analyze the performance of each start-up. It also highlights the companies for which climate change would be material and a need for a specific road map.

Assessment of the exposure of our start-ups to physical and transition risks

We intend to take a step further in our commitment to the climate change issue by following the recommendations of the Task Force on Climate-related Financial Disclosure (“TCFD”). The aim is to conduct a portfolio-wide physical and transition risks assessment and to provide our team with an even better understanding of the climate change outcomes.

Assessment of the carbon footprint of our start-ups

In line with the iCi, Serena started to measure the carbon footprint of its portfolio on scope 1, 2 & 3 with the help of external experts. The protocol used provides a framework for businesses, governments, and other entities to measure and report their greenhouse gas emissions in ways that support their missions and goals.

Aside our commitment towards the iCi, Serena is committed to support its portfolio to raise awareness and take tangible actions to cope with the environmental challenge. The “climate rating” of each portfolio company shall be accompanied by a specific action plan. Depending on the materiality weighting on the portfolio company, such plan will be adjusted.

Management Company carbon footprint assessment

While corporate carbon footprint is a key step in our journey towards the net zero transition, we have been adopting responsible practices at Serena for a while now. For instance, we have always been paying great attention to waste management, recycling, and responsible purchases (Castalie tap water, organic and fair trade coffee,...).

In addition to these initiatives, this year, and for the second consecutive year, we conducted a scope 1, 2 & 3 carbon footprint assessment.

Our 2021 emissions amounted to 5 281.89 T CO₂ equivalent and that 92% of this amount falls under scope 3, i.e. indirect emissions mainly generated by our portfolio companies activities.

The assessment tool that we used is a simplified tool using monetary ratios and estimates to calculate our scope 3, which doesn't provide enough granularity and information to help us define a specific action plan to reduce our carbon emission. For that reason, we have selected a new carbon footprint assessment provider with a different measurement methodology, which will help us assess our next corporate carbon footprint for 2022.

Increased level of information and actions

During the ownership phase, we intend to support our investee companies in making progress on the material climate risks and opportunities and on their climate action plan.

We annually track a set of climate-related indicators through our ESG annual questionnaire that includes the following KPIs: energy consumption, water consumption, exposition to the fossil sector, carbon footprint scope 1, 2 & 3 for a group of start-ups, carbon intensity, waste management, raw material and biodiversity exposure. If material climate risks is identified for a start-up, it will be closely monitored throughout the ownership phase.

| Management of index funds

This provision is not applicable to Serena activity.

| Formal exclusion from coal and hydrocarbons

Coal and hydrocarbons assets are excluded from our investment universe.

Strengthening our climate strategy is one of our priorities. Information on actions and ESG performance are shared in our annual Sustainability Report that encompasses the Firm's ESG projects as well as outlines of our improvements and results of our ESG strategy.

| Serena alignment with biodiversity objectives

Measurement of Serena's compliance with the objectives contained in the Convention on Biological Diversity adopted in June 5, 1992

The Convention on Biological Diversity sets three global objectives to achieve sustainable development:

- The preservation of biological diversity
- The sustainable use of its elements
- The fair and equitable sharing of the benefits arising from the exploitation of genetic resources

Biodiversity refers to all living species, as well as the ecosystems in which they live, and encompasses the interactions of species with each other and their environments.

While the metrics are easier to calculate the consequences of global warming, those required to assess the impact of our activity on natural ecosystems is way more complex to implement. Indeed, the difficulty is to capture the most material impacts of our start-ups by sector and to their value chain on ecosystems.

The level of complexity compared to the climate footprint (temperature) is therefore higher for the analysis and the measurement of impacts (number of species, genetic diversity, relationship between species within ecosystems, etc.). In addition, the data history as well as methodologies and / or technical baseline are recent and of weak quality, rendering the exercise less relevant.

According to the GIEC, climate change and the preservation of biodiversity needs to be tackled at the same level. For this issue, the principle of double materiality is essential as we can assess:

- The contribution and impact of the activity of our start-ups, in which the investment has been made, on biodiversity.
- The way in which biodiversity issues can impact the activity of our start-ups, and if this is linked to the scope (sector or geographical area).

To the extent of the understanding of its investment universe, Serena intends to play a key role in the fight against the erosion of biodiversity and the maintenance of natural capital. If relevant to our investment strategy, we will invest in assets favoring the protection of biodiversity by managing funds contributing to solutions for positive impacts on biodiversity or by integrating biodiversity criteria into the process of selecting our investments.

These approaches will require the mobilization of analysis tools that are still under development, capable of integrating specific information on natural capital, making it possible to better identify and monitor the biodiversity impacts of investment portfolios.

At this stage, we have not identified any asset that would be exposed directly to biodiversity. Having said that, the biodiversity topic is embedded in the environmental dimension and is covered by a few indicators in our annual ESG assessment.



| ESG risk management

Risk assessment & management

A sustainability risk is an environmental, social or governance event or condition that, if it occurs, would cause a negative material impact on the value of an investment. If such risks were to materialize, the value of Serena's portfolio would be negatively impacted.

Sustainability risks appear to dominate in terms of materiality in the following dimensions:

- **Environment:** climate change and biodiversity related risks including CO2 emissions, carbon intensity, wastes, resource depletion, use of energy.
- **Social:** health and safety including accident prevention, management of the social climate of a company, value creation program for employees, human capital initiatives, diversity and inclusion, social risks linked in the supply chain.
- **Governance:** governance bodies, integration of sustainability into the business' strategy, governance policies including respect for human rights, anti-corruption and bribery international agreements, management of the supply chain.

Sustainability risks are considered in the fundamental analysis of investment opportunities. Serena performs screening and ESG due diligence before a fund invests in a targeted company, both in order to exclude controversial investments and to identify key ESG risks and opportunities to enrich the Investment Committee's understanding prior to the final investment decision. The sustainability journey starts with the pre-investment analysis which poses the key areas on which the companies should put the emphasis.

We built our Term Sheet in a way that prompts a discussion on sustainability with entrepreneurs and requests full transparency on ESG indicators. A summary of the ESG due diligence is included in our investment memorandums. Post-term sheet, when it is appropriate, we conduct a cybersecurity audit and a carbon footprint assessment alongside the financial and legal audits performed before the investment decision.

From a new portfolio company onboarding process, to the annual ESG reporting campaign, all the way to the creation of an ESG action plan, each of our portfolio companies develops its capacity to identify and tackle its ESG material topics.

Once the ESG road map has been customized for each new investment, Serena prioritizes the next steps to reduce material ESG risks and maximize ESG opportunities.

Equivalence Tables

Information required	Section of the report	Sub-section of the report
Article I – Titre III – 1 - General information relating to the Entity sustainability approach and strategy		
Article I – Titre III – 1a – Sustainability approach to integrate environmental, social and governance qualitative and quantitative criteria in SERENA investment strategy	SERENA GENERAL APPROACH ON SUSTAINABILITY	SERENA responsible commitments ESG in practice
Article I – Titre III – 1b – Content, frequency and means used by the Entity to inform subscribers, affiliates, contributors, beneficiaries or clients about the criteria relating to the, environmental, social and governance quality objectives taken into account in the investment	SERENA GENERAL APPROACH ON SUSTAINABILITY	ESG reporting and communications
Article I – Titre III – 1c – List of financial products mentioned pursuant to Article 8 and Article 9 of Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019, and the overall share, in percentage, assets under management taking into account environmental, social and quality of governance criteria in the total amount of assets managed by the Entity	SERENA GENERAL APPROACH ON SUSTAINABILITY	SERENA financial products pursuant to Article 8
Article I – Titre III – 1e – Adherence of the Entity, or of certain financial products, to a charter, code, initiative or obtaining a label on the consideration of environmental, social and governance quality criteria, as well as a brief description of these, consistent with d) of 2 of article 4 of the regulation mentioned above	SERENA GENERAL APPROACH ON SUSTAINABILITY	Industry codes & initiatives
Article I – Titre III – 2 - Information relating to internal resources deployed by the Entity		
Article I – Titre III – 2a – Description of the financial, human and technical resources dedicated to taking into account environmental, social and governance criteria in the investment strategy as a ratio of the total outstanding receivables managed or held by the entity	SERENA INTERNAL RESOURCES	ESG dedicated team ESG external support
Article I – Titre III – 2b – Actions carried out with a view to strengthen the Entity's internal capacities. The description includes all or part of the information relating to training, the communication strategy, the development of financial products and services associated with these actions	SERENA INTERNAL RESOURCES	Strengthening SERENA capacities on sustainability
Article I – Titre III – 3 - Information relating to the process for taking into account environmental, social and governance criteria at the level of the governance of the Entity		
Article I – Titre III – 3a – Knowledge, skills, experience and level of supervision of governance bodies, in particular the administrative bodies, supervision and management, in terms of decision-making relating to the integration of environmental, social and governance criteria into the investment policy and strategy of the entity and the entities that the latter controls, where applicable.	ESG GOVERNANCE	Strengthening SERENA capacities on sustainability
Article I – Titre III – 3b – Inclusion, in accordance with article 5 of Regulation (EU) 2019/2088 of the European Parliament and of the Board of November 27, 2019, in the remuneration policy on how this policy is adapted to the integration of risks in terms of sustainability, including details on the criteria for adopting the policy remuneration to performance indicators	ESG GOVERNANCE	SERENA remuneration policy
Article I – Titre III – 3c – Integration of environmental, social and governance criteria in the internal rules of the Entity's board of directors or supervisory board	ESG GOVERNANCE	Integration of ESG quality criteria in the internal regulations of the entity's Board
Article I – Titre III – 4 - Information on the strategy of engagement and its implementation with issuers or management companies		
Article I – Titre III – 4a – Perimeter of the management companies concerned by the Entity engagement strategy	STRATEGY OF ENGAGEMENT WITH INVESTEE COMPANIES	SERENA engagement strategy
Article I – Titre III – 4b – Presentation of the Entity's engagement strategy	STRATEGY OF ENGAGEMENT WITH INVESTEE COMPANIES	SERENA engagement strategy
Article I – Titre III – 4c – Outcomes of the engagement strategy and in particular the number of portfolio companies with which the Entity initiated a dialogue, the issues discussed, and the action implemented to monitor the engagement strategy	STRATEGY OF ENGAGEMENT WITH INVESTEE COMPANIES	SERENA engagement strategy

Article I – Titre III – 4d – Outcomes of the engagement strategy regarding the voting right exercise on environmental, social and governance issues	STRATEGY OF ENGAGEMENT WITH INVESTEE COMPANIES	SERENA engagement strategy
Article I – Titre III – 4e – Decisions taken regarding the Entity investment strategy and in particular in terms of sector exclusion	STRATEGY OF ENGAGEMENT WITH INVESTEE COMPANIES	Sector exclusion
Article I – Titre III – 6- Information on the strategy for alignment with the international objectives for limiting global warming of the Entity		
Article I – Titre III – 6a – Information on targets and objectives for limiting global warming	SERENA'S ALIGNMENT WITH THE PARIS AGREEMENT	Targets & objectives
Article I – Titre III – 6b – When the Entity uses an internal methodology, description of the elements to assess the alignment of the investment strategy with the Paris Agreement or the national low-carbon strategy	SERENA'S ALIGNMENT WITH THE PARIS AGREEMENT	Methodology & results
Article I – Titre III – 6c – Information on the quantification of results using at least one indicator	SERENA'S ALIGNMENT WITH THE PARIS AGREEMENT	Methodology & results
Article I – Titre III – 6e – The role and use of the assessment in the investment strategy, and in particular the complementarity between the assessment methodology used and the other indicators on the environmental, social and quality of governance criteria used more largely in the investment strategy	SERENA'S ALIGNMENT WITH THE PARIS AGREEMENT	Methodology & results
Article I – Titre III – 6f – The changes made to the investment strategy in connection with the strategy of alignment with the Paris Agreement, and in particular the policies put in place with a view to a gradual exit from coal and hydrocarbons non-conventional loans, specifying the exit schedule adopted as well as the share of total AUM managed or held by the Entity covered by these policies	SERENA'S ALIGNMENT WITH THE PARIS AGREEMENT	Methodology & results
Article I – Titre III – 6g – Any actions and performance to follow up on the results and changes made	SERENA'S GENERAL APPROACH ON SUSTAINABILITY	ESG in practice
Article I – Titre III – 6h – The frequency of the assessment, the provisional dates of update of the relevant evolution factors retained	SERENA'S GENERAL APPROACH ON SUSTAINABILITY	ESG in practice
Article I – Titre III – 7- Information on the strategy for alignment with long-term objectives related to biodiversity		
Article I – Titre III – 7a – Measure of the Entity compliance with the targets set out in the Convention on Biological Diversity adopted on 5 June, 1992	SERENA ALIGNMENT WITH BIODIVERSITY OBJECTIVES	Measurement of SERENA's compliance with the objectives contained in the Convention on Biological Diversity adopted in June 5, 1992
Article I – Titre III – 7b – An analysis of the contribution to the reduction of the main pressures and impacts on biodiversity defined by the Intergovernmental Scientific and Policy Platform on Biodiversity and Ecosystem Services	SERENA ALIGNMENT WITH BIODIVERSITY OBJECTIVES	Measurement of SERENA's compliance with the objectives contained in the Convention on Biological Diversity adopted in June 5, 1992
Article I – Titre III – 7c – Mention of the support for a biodiversity footprint indicator and, where applicable, the way in which this indicator makes it possible to measure compliance with international objectives related to biodiversity	SERENA ALIGNMENT WITH BIODIVERSITY OBJECTIVES	Measurement of SERENA's compliance with the objectives contained in the Convention on Biological Diversity adopted in June 5, 1992
Article I – Titre III – 8- Information on the procedures for taking environmental, social and quality of governance criteria into account in risk management		
Article I – Titre III – 8a – Description of the process for identifying, assessing, prioritizing, managing environmental, social and governance criteria	SERENA GENERAL APPROACH ON SUSTAINABILITY ESG GOVERNANCE ESG RISK MANAGEMENT	ESG in practice Strengthening SERENA capacities on sustainability Risk assessment & management

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LOI ENERGIE-CLIMAT - ARTICLE 29

