



NEWALPHA ASSET MANAGEMENT

CSR Charter

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Introduction

NewAlpha Asset Management selects, finances and supports innovative entrepreneurial projects on behalf of its clients, mainly in investment fund management, but also in related sectors such as services to investment management companies and information technology applied to finance. **As a long-term partner**, NewAlpha AM offers investors access to the most innovative companies in the financial industry. NewAlpha is aware of its social responsibility and develops its investment strategy by integrating Environmental, Social and Governance (ESG) criteria.

As the European leader in incubating entrepreneurial management companies, NewAlpha AM manages and advises more than €2.5 billion as of December 31, 2021.

As a **responsible and committed player**, NewAlpha AM's commitments emphasize the importance of long-term growth, sharing value creation and pursuing the necessary transitions associated with climate change and the social challenges it entails.

Through its various multi-management and private equity business lines, NewAlpha AM offers its clients a privileged access to innovation via entrepreneurial projects with strong development potential.

Our business:

- Sourcing: global sourcing and identification of innovative sources of alpha
- Analyzing: the financial and extra-financial analysis carried out in each of our business lines according to the investment management mandate and the different asset classes.
- Structuring and Investing: portfolio construction and management for the duration of the investment.
- Support: a policy of dialogue and exchange set up with our partners.

Our Corporate Social Responsibility (CSR) approach is applied in each of these steps to design our sustainable strategy. We are convinced that the integration of ESG criteria contributes in a sustainable way to the creation of value for our investor clients.

History: a responsible and innovative long-term approach

2009

Creation of NewAlpha Asset Management

Creation of NewAlpha Asset Management, an investment management company specialized in incubating and accelerating entrepreneurial companies.

2014

Introduction of ESG in the investment process

Since 2014, NewAlpha has integrated an ESG approach into its due diligence process for candidate companies.

2016

Partnership with *La Financière Responsable*

Emergence and NewAlpha Asset Management, its delegated manager, are investing €25 million in *La Financière Responsable* fund, which specialises in SRI equities in the Eurozone.

2019

Partnerships with Ethifinance and Ecocert

NewAlpha has called on key partners such as Ecocert, Fondact and Ethifinance to ensure and support the execution of its ESG policy. These partners also provide part of NewAlpha's annual extra-financial ESG reporting.

2020

Launch of *Emergence Europe*

NewAlpha AM has won the tender launched by Emergence for the management of its 4th accelerator fund, which combines an ESG approach on three main axes: screening, integration and commitment, as well as the promotion of ESG best practices among entrepreneurial management companies. Climate change and gender are the two priorities chosen in collaboration with Emergence

2012

Investment manager for the *SICAV Emergence*

Since 2021, NewAlpha is the investment manager of the SICAV Emergence, the first fund dedicated to the acceleration of French entrepreneurial management companies.

2015

Launch of the first fund dedicated to Fintech startups

Launch of the first fund exclusively dedicated to young innovative companies in the fintech and insurtech sector, with priority given to French start-ups.

2017

Signature of the PRI

NewAlpha has been a signatory to the UN Principles for Responsible Investment (PRI) since 2017.

Co-founder of Swave

NewAlpha has become a founding member of Swave, the first incubator dedicated entirely to Fintech. NewAlpha brings its analysis and selection expertise in the FinTech sector, as well as a financing capacity through its Venture Capital fund NewAlpha FinTech.

2021

SESAMm raises €7.5 million from NewAlpha.

SESAMm is a leader in big data and artificial intelligence for asset managers. The company specializes in the creation of innovative analytics. The company's development plan includes extending these portfolio monitoring methods to private equity and responsible investment players.

I. Our CSR objectives

Employee well-being

1. ■

Internally, CSR is a concrete approach to involving employees at the heart of NewAlpha AM's governance. Being responsible also means applying to oneself what one asks of others and therefore developing an internal environmental and social policy based on responsible governance.

Support from our partners

2. ■

Thanks to our dedicated support structure, NewAlpha Capital Partners, we are developing a relationship with our affiliates that goes well beyond basic and traditional financial monitoring and participation in governance bodies. Our objective of integrating ESG criteria therefore applies throughout the investment process. As a committed player, NewAlpha promotes ESG best practices to its partners in order to include them in the common objective of responsible investment.

Responsible investment

3. ■

NewAlpha is convinced that ESG criteria are sustainable levers of value creation that contribute to the transformation of small and medium-sized companies into ETIs (Entreprises de Taille Intermédiaire). As part of our progress in terms of social responsibility, our objective is to make our investments profitable and sustainable and thus accelerate the transition of the business towards sustainable finance

II. Sustainable Development Goals

The United Nations Sustainable Development Goals are the globally agreed framework for sustainability. The 17 goals aim to address the greatest environmental, social and economic challenges by 2030. At the heart of the transition considerations, the private sector has a key role to play. As an investment fund, NewAlpha AM is committed to participating in these objectives by being a major player in two main areas: **the development of industry, innovation and the infrastructure of tomorrow and the fight against climate change.**



Innovation is at the heart of New Alpha's business.

Leveraging its experience in detecting high-potential entrepreneurial projects, NewAlpha launched in 2015 a Private Equity investment activity in sectors driven by technology: Venture Capital (mainly FinTech) and Growth Equity (TMT, health and industrial niches).



The fight against climate change is central to NewAlpha's investment decision-making. Environmental criteria are analysed, scored, and developed to reflect sustainable and more environmentally friendly investment. Priority exclusionary choices in favour of the climate are at the heart of investment decisions.

As an affiliated member of the **Group La Française**, and through its internal and external CSR policy, NewAlpha AM also participates in the implementation of other sustainable development objectives. **Quality education** is supported by the employee training policy and in particular the *BlueBuds* programme, which brings together work-study students and interns from NewAlpha AM and from Group La Française. NewAlpha Asset Management is also committed to promoting **gender equality** within its teams. Thanks to profit-sharing and participation agreements, as well as agreements on working conditions at the office and at home, NewAlpha offers **a decent and pleasant working environment.**



III. Commitments of Group La Française: a committed and sustainable player

NewAlpha AM is part of the Group La Française social responsibility policy. NewAlpha AM and its employees thus benefit from the actions implemented by its principal shareholder on environmental, social, and governance issues.



Group La Française's CSR ambitions are based on many pillars grouped around governance and resources adapted to the challenges of integrating ESG factors:

- A **Head of Sustainable Investing**, member of the Group's Executive Committee responsible for implementing sustainable investment throughout the Group La Française, Laurent Jacquier-Laforge.
- A **Sustainability Executive Committee** defining the CSR and sustainable investment strategy (overseeing all aspects of sustainability issues).
- A **proprietary research centre** in charge of data quality & ESG-climate methodologies.

A responsible employer

- **A clear commitment to non-discriminatory policies:** a recruitment charter is used internally and with our partners, training of the « recruitment » team in relation to good practices and non-discrimination and disability referent within the company.
- **Concerned about the Quality of Life at Work:** with an innovative work structure with adaptable and flexible teleworking methods and an awareness and prevention policy in relation to psychosocial risks.
- **Transparent and constructive labour relations:** an actively supported company agreement policy and a permanent dialogue with the SCE (Social & Economic committee).
- **A continuous development of employee skills:** with a target of at least 70% of employees receiving training.

- **All employees are treated equally and fairly with an engaging compensation policy.**

Aiming to build lasting relationships with our customers

- **Customer satisfaction and customer protection:** In-depth knowledge of our customers and an offer of products that are appropriate to the expectations of all investors. The Group also put in place a transparent communication regarding CSR policy and products regardless of their classification.
- **A continuity of service:** business continuity plans and a rigorous code of conduct regarding money laundering and terrorist financing as fraud and corruption.
- **A rigorous security:** protection and safeguarding of personal and professional data.

The fight against climate change

- **A target of systematically embedding the fight against climate change** in all stages of the investment process across all asset classes.
- **A target of a 12.5% cut in greenhouse gas emissions by 2025** (considering both securities and portfolios).
- **Contribution of the La Française Sustainable Investment Research centre** to climate change (with data quality and definition of methods).

These objectives in the fight against climate change are based on **exclusion policies** (controversial weapons, coal, and tobacco), a commitment to improve **the environmental performance** of buildings and to increase **the use of renewable energy**. In this sense, Group La Française offers an investments carbon range: it seeks investments with positive impacts and draws up a Climate and Responsible Strategy report (linked to Article 173).

The Group prioritises its actions by selecting themes related to its existing or future strategies. In this way, **climate change** is the main theme of commitment in terms of responsible investment. But the transition to a new model of a low-carbon society can only be achieved if it is inclusive and if its social aspects are considered. Therefore, it is essential that the S of ESG factors be more developed. The second commitment priority is thus **human capital** and the necessary transparency of related indicators. These priorities were defined in 2019 when the first Group La Française commitment policy was published and were confirmed for 2020 by the 'Commitment Committee', which includes equity and credit management, ESG research and sustainable investment.

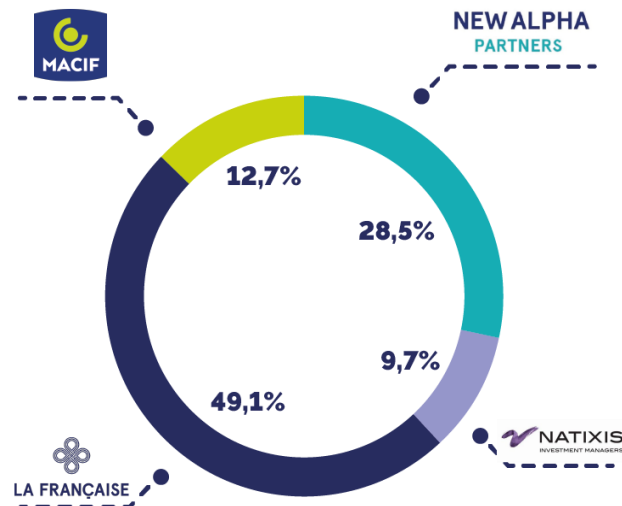
The La Française Group is committed to a number of professional initiatives (**PRI - Principles for Responsible Investment, CDP - Carbon Disclosure Project, WDI - Workforce Disclosure Initiative**). La Française is also a member of **UNEP FI** and a founding member of the Sustainable Real Estate Observatory. In addition, La Française Group has been involved in the **Climate Action 100+** collective since its creation in December 2017 and participates in the **SBTi (Science Based Target initiative)** and more specifically in the development of the methodology for the asset management sector. This methodology aims to enable financial institutions to set greenhouse gas reduction targets in line with the ambitions of the Paris Agreement.



IV. NewAlpha AM's internal social responsibility

1. Shareholding and profit-sharing

NewAlpha Asset Management is backed by three major players in **asset management, insurance, and banking**: Groupe La Française, its reference shareholder, itself owned by Crédit Mutuel Nord Europe, MACIF and Natixis Investment Managers International. This structuring allows us to combine institutional solidity and entrepreneurial spirit to strengthen the NewAlpha AM brand.



NewAlpha's employees have their interests aligned with each other and with those of the company through a holding company, NewAlpha Partners, which holds 28.5% of the capital of NewAlpha AM. An FAS¹ plan has been set up for new employees. As regards the NewAlpha FinTech (venture capital) and NewAlpha Verto (growth equity) funds, the investment team is interested in the results via a carried interest from which NewAlpha Asset Management also benefits.

¹ FAS: Free allocation of shares. The FAS is a remuneration mechanism allowing a company to grant its own shares to its employees free of charge.

2. Our ESG pillars for a responsible governance

Based on these convictions, NewAlpha AM is committed to applying environmental, social and governance (ESG) best practices in its internal operations.

E The internal ESG policy aims to reduce the direct carbon footprint of the business. This is achieved by digitizing work tools, encouraging employees to use clean transportation and raising awareness of environmental issues in their jobs. We are committed to developing **environmental awareness** among our employees through conferences, events and challenges. The offices of NewAlpha AM teams are integrated into the Newtown Square eco-working space, whose objective is to reduce the ecological footprint of offices. Initiatives have been put in place for the daily consumption of employees, such as selective waste management and the choice of bulk and short-run products.

S NewAlpha AM is composed of 27 employees with an average professional experience of 22 years. NewAlpha also makes a point of hiring young talent to diversify its skills. Our internal policy promotes diversity (in terms of gender, origin, profile and disability) and the entrepreneurial spirit within the organization. Women currently represent 35% of the total workforce. Five nationalities are also represented in our team as well as young people and interns in order to include a diversity of profiles and experiences within the team. With the support of the La Française Group, NewAlpha supports gender equality in four main areas: recruitment, to ensure equal treatment of candidates; compensation, to guarantee the principles of equality throughout the career; professional promotion, to give women and men the same opportunities for career development; and the exercise of family responsibility, to reduce the constraints associated with parenthood.

3. Partnership between associations and volunteers

Since 2020, NewAlpha AM has been involved with the Espérance Banlieues association. This sponsorship and mentoring have enabled employees to devote time to the development of alternative education in precarious suburbs. In 2021, NewAlpha AM has strengthened its commitment to this association by making a financial donation to sponsor a class of third graders starting in September 2021. This donation is also accompanied by a commitment by employees to the students through quality exchange and academic support. The objective of this partnership is to provide long-term support for this class, to follow the progress of the students through to the 3rd grade.

V. External social responsibility

1. NewAlpha AM: Signatory of the PRI since 2017

NewAlpha AM has been a signatory to the United Nations' Principles for responsible Investment (PRI) since 2017. This commitment underlines the importance we attach to long-term growth, sharing of value creation in a framework defined by best-in-class governance and transparency.

NewAlpha makes the following six commitments:



1. Integrate ESG issues into its investment analysis and decision-making processes.
2. Be an active shareholder and integrate ESG issues into its shareholding policies and procedures.
3. Request, to the extent possible, transparency on ESG issues from the entities in which it invests.
4. Encourage the adoption and implementation of the principles in the investment industry.
5. Cooperate to improve the effectiveness of its implementation of the principles.
6. Report on its activities and progress in implementing the principles.

2. A dedicated partner support structure

NewAlpha AM is developing a relationship with its affiliates that goes far beyond basic and traditional financial monitoring and participation in governance bodies. We have set up a dedicated support structure: **NewAlpha Capital Partners**. This support structure benefits from the support of all NewAlpha employees who work together throughout the support process to help implement ESG recommendations externally.

NewAlpha AM team is convinced that **the integration of extra-financial criteria into the investment process is a sustainable driver for value creation**. As a long-term partner of entrepreneurial management companies, NewAlpha AM assumes its responsibility in promoting and disseminating best ESG practices throughout the investment process: from the management company's **analysis** to the **monitoring** of extra-financial reporting, and then to the **support** over the years of investment. To this end, the analysis of environmental, social and governance criteria is an element in the assessment of projects and is included in the reports presented by the team to the decision-making Investment Committee.

Throughout the investment process, NewAlpha AM is engaged in **dialogue policy** with the incubated companies. The aim is to provide companies with the means to improve their extra-financial performance to develop value creation on environmental, social and governance criteria and to include partners in our objective of transitioning towards responsible and sustainable investment. The dialogue is also adapted to the profile of the incubated companies, depending on their size, their year of experience, their current performance, and their long-term objectives.

NewAlpha Fintech's teams are committed to raising awareness among the managers of companies in which the fund is a minority shareholder in order to promote ESG best practices. As a majority shareholder, NewAlpha Verto also defends an ambitious ESG policy within companies by setting annual progress targets.

The elements of our commitment to responsible investment are detailed in our *responsible investment charter*.

VI. NewAlpha's progress in Responsible Investing

At the heart of the challenges facing our businesses, responsible investment is based on the observation that ESG factors influence the financial performance and risks of assets, and that this influence is growing. Committed to a process of progress, NewAlpha AM has significantly strengthened its practices. The main advances in this area over the last two years are:

Creation of an ESG steering committee

At the beginning of 2021, NewAlpha AM created an ESG steering committee, in charge of setting up and monitoring the progress of responsible approaches internally and externally in the investment process. Headed by NewAlpha's ESG manager, this committee is made up of the main stakeholders in our organization: the Chairman, the Chief Executive Officer, the managers of each business line and the dedicated ESG analyst. The committee meets four times a year to take stock of the progress made and to set new ESG objectives.

Improved ESG analysis

NewAlpha AM has refined its ESG analysis by creating an internal rating system. This ESG analysis is carried out at two levels, on the management company and the investment strategy. It is based on new ESG due diligence questionnaires, which include a specific section on climate and diversity.

New integrations of ESG analysis

NewAlpha AM has decided to gradually integrate ESG analysis into all asset classes. Progress has been made on the hedge fund side, as well as on the selection of private debt funds.

Launch of the Emergence Europe fund

NewAlpha AM launched the Emergence Europe fund in February 2021, which combines three ESG approaches: screening, integration and engagement. NewAlpha is an active participant

in the Emergence ESG Commission working group, which brings together the institutional investors of this fund. This fund aims to focus on two main ESG criteria: gender parity and the fight against climate change.

VII. Our future ambitions

Conscious of its role and responsibility as a responsible investor, NewAlpha AM plans to increase its ambitions in terms of ESG criteria each year.

Development of the ESG steering committee

The ESG steering committee created in 2021 aims to strengthen our responsible approach both internally and in our investment activities. The development of this committee is therefore one of our main objectives in terms of governance in order to strengthen our ESG approach and regularly monitor the progress made.

Exclusion policy

In line with the thinking of Group La Française, we are currently considering ways to strengthen our exclusion policy and extend its application to all NewAlpha AM business lines. This review focuses in particular on the exclusion of companies that violate the principles of the United Nations Global Compact and the gradual extension of the exclusion of coal to other types of fossil fuels, based on the type of extraction used and the energy efficiency expressed in gCO₂/kWh, possibly differentiated between industrialized and emerging countries and evolving over time.

Improved ESG and climate reporting

In order to provide our institutional clients with the greatest transparency on their investments, we are continuously working on improving the extra-financial indicators included in our reporting. Having relevant ESG data and being able to aggregate it efficiently across all asset

classes is a major challenge, particularly for indirect management activities. This work relies on internal research and data from external sources.

Associative commitment

As a player specializing in the incubation of entrepreneurial management companies and private equity investments in sectors with a strong technological component, NewAlpha AM wishes to establish a partnership with an association that uses technological and digital tools to serve the common good and/or the environment in the second half of 2021. Initial contacts have already been established in order to select the association that will be supported in this Tech For Good approach.



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