

<p>SISTAFUND Responsible Investment Policy Last updated - July 2025</p>

1) Our Mission: Funding Female Entrepreneurs & Gender Balance teams to shape an Inclusive Economy

Investing in Tech to shape Tomorrow's Economy

We are convinced that, far from being neutral, finance has a role to play in supporting the transition of our economy to more sustainable and inclusive models.

While this statement is true for the whole economy, it is especially true when it comes to financing innovation and tech companies. By financing the tech ecosystem, investors are at the same time betting on tomorrow's economy, and shaping it. This power comes with a responsibility: that of setting the scene for a more sober, carbon efficient, and inclusive economy.

Inclusive Leadership for an Inclusive Society

SISTAFUND was born in 2022, as an emanation of the NGO SISTA - a collective of women entrepreneurs and investors promoting greater diversity in the digital economy, launched by Tatiana Jama and Céline Lazothès in 2018. One of their major contributions to the ecosystem has been to produce annual data reports on the state of the gender funding gap¹, in collaboration with BCG. Those reports quickly became the reference on the parity situation in the French tech industry.

The conclusion is clear. Female founders in the tech ecosystem are underrepresented and underfunded. As of 2022, 22% of new start-ups were founded or co-founded by women in Europe. Yet, they only accounted for 7% of the total fundraisings carried out and only 2% of the total funds raised. On average, the amount raised by women-only teams is ~4x lower than men-only teams.² This situation, which reflects a strong investment bias on the investors' side, creates several severe issues:

- The unequal access to capital between men and women discourages women from creating companies and limits the ambition of the companies they create. Women lack other women role models, lack networks and implicit codes needed to create and raise capital.³
- As most technology companies are led by an all-male founding team, their inclusivity patterns and women-friendliness are likely to be limited. Adopting more inclusive recruitment policies is one way to combat this (i.e. by paying attention to the details of the recruitment offer, ensuring that the funnel is sufficiently wide and diverse, making sure that men and women are represented at every stage of the recruitment process,...)⁴
- A male-led industry will shape a gender-biased economy. Indeed, it has already been proven that most IA are gender-biased because they have been created by men.

At SISTAFUND, we believe that inclusive leadership prepares an inclusive society. We believe that, as for many other topics, the spillover effects⁵ of women's empowerment in entrepreneurship can be significant and have far-reaching positive impacts including contributing to economic growth by expanding the pool of entrepreneurs, creating jobs, reducing the financial gender gap and hence fostering a more dynamic business environment.

This is why we have created a mission-led impact venture investment vehicle aiming at funding the next generation of diverse tech entrepreneurs: women.

¹ See glossary

² [Latest study BCG x SISTA Barometer, 2023](#)

³ [Diversity VC and British Business Bank, 2020](#)

⁴ More information can be found in the Charting Guide we co-created with the Conseil National du Numérique and SISTA back in 2019

⁵ See glossary

We aim to reveal founders who overcome adversity, shake up conventions and summon the future to challenge the present. We invest early, from pre-seed to Series A, mainly in France and Europe, with a few investments in the U.S.

To do so, SISTAFUND exclusively invests in companies where at least 30% of the founders' shares are owned by women⁶. This initiative aims to promote gender equality and catalyze systemic change by facilitating access to funding for diverse teams.

Having a gender-balanced investing approach is linked to improved financial performance. SISTA Fund is basing its investment strategy on research done in other markets.⁷

There are several ways to include a gender-balanced approach to an investment strategy. Some funds have decided to include gender as a criteria to observe. Those funds don't have a threshold but they will appreciate that number when making a decision. Few funds, including SISTAFUND, have a quantified gender-balanced criteria. SISTAFUND's experience and external studies have shown that a company with at least 30% women funders is more likely to deliver on its projected returns.

Category of funds' mandates based on gender-balanced investing approach:

Category	Definition	Example
Quantified Gender Mandate	Positive screen with quantified thresholds on gender-related metrics as part of investment criteria.	Ensure 30% of the cap table is owned by woman (SISTFUND)
Gender Mandate	Positive screen on gender-related metrics as part of investment criteria. This does not mean that all investments meet the criteria, but that one or more specific gender metrics drive their gender analysis of all investments.	Prioritize ventures with at least one woman in their founding team
Gender Consideration	Gender as one factor of analysis	Observe the gender of founding team
No Gender Mandate	Funds that do not use a gender lens	N/A

2) ESG at SISTAFUND

SISTAFUND: an Impact Investing Vehicle

SISTAFUND is an impact investing fund, according to the definition of the [Global Impact Investing Network](#) (GIIN): *"Impact investments are investments made with the intention to generate positive, measurable social and environmental impact alongside a financial return"*.

Indeed, SISTAFUND follows the main characteristics of impact investing:

- Intentionality: the fund aims to address and combat the gender bias observed in the venture tech industry against female founders
- Additionality: as it has been proven that female founders are structurally underfunded, we consider the capital invested by SISTAFUND in those companies to be an additional resource
- Investment with return expectations: far from being concessional capital, SISTAFUND targets returns that are in line with its asset class

⁶ See glossary for more information

⁷ <http://10years.firstround.com/>;
<https://assets.kpmg/content/dam/kpmg/uk/pdf/2019/05/uk-fintech-focus-2019.PDF> (p36);
<https://hbr.org/2018/07/the-other-diversity-dividend>

- Impact measurement: SISTAFUND reports on the number of female founders and gender-balanced teams they support.

SISTAFUND has been classified as an Article 8 fund according to the Sustainable Finance Disclosure Regulation (SFDR) of the European commission.

ESG Capabilities and Governance

ESG is central to the SISTAFUND team and strategy.

SISTAFUND has been created in 2022. The team managing the fund is composed of 7 people as of October 31, 2023. Given its size and stage of development, SISTAFUND has not created an ESG-dedicated team for the moment.

SISTAFUND has developed its own strategy and policy, placing a strong emphasis on the fund's social goals, as an investment vehicle in its own right. Oversight of this strategy is ensured at the highest level of the team by its founder, Tatiana Jama.

The implementation of the strategy is ensured by several teams:

- The investment team, responsible for selecting companies to invest in and managing investments during the full cycle
- The Head of Legal & Compliance (RCCI, *Responsable Conformité et Contrôle interne* in French)

To support its ESG strategy and ensures compliance with the requirements applying to Article 8 funds according to the EU SFDR, the SISTAFUND team benefits from the expertise of several advisors:

- The law firm Jones Day.
- The sustainable finance advisory firm Alameda.

Exemplarity at SISTAFUND

As detailed below, SISTAFUND exclusively invests in companies where at least 30% of the founders' shares are owned by women⁸. This initiative aims to promote gender equality and catalyze systemic change by facilitating access to funding for diverse teams.

It is important to note that we apply the same rules to our team, monitoring and setting targets on the diversity and inclusion indicators listed below:

- Gender parity within the team: Target of 50% equality.
- Gender parity on the investment committee with voting powers (decision makers): Target of 50% equality

3) Exclusion Policy

Minimum Standards and Ethical Conduct

SISTAFUND considers it a fiduciary duty to exclude companies that do not comply with internationally recognized conventions and/or frameworks, national regulations, and the highest ethical standards.

As a result, the funds does not invest in:

- Economic activities that are illegal under the laws and regulations applicable to the Company or the Fund, including activities related to human cloning for reproductive purposes
- Activities relating to
 - a. Tobacco production and trade;
 - b. Production or trade in distilled alcoholic beverages and products related to these activities;

⁸ See glossary for more information

- c. Prostitution;
- d. Testing on animals;
- e. The production or trade in arms or ammunition of any kind, with the exceptions of cases where such activities are part of or are ancillary to an explicit element of the European Commission's policy in this field;
- f. Casinos or equivalent businesses;
- g. Research, development or technical applications related to data processing programs or electronic solutions, for the following purposes:
 - Contributing to any of the activities mentioned in paragraphs (a) to (d) above,
 - Online gambling or online casinos,
 - Pornography;
- h. Activities that facilitate;
 - Illegal access to electronic database networks,
 - Illegal download of electronic data;
- Companies that do not comply with the minimum requirements outlined in the eight principles and rights set out in the eight fundamental conventions mentioned in the international Labour Organization's Declaration on Fundamental Principles and Rights at Work and the International Bill of Human Rights.

Sector Exclusions

While SISTAFUND primarily focuses on being a social impact fund, the team acknowledges the significance of establishing environmental standards as well. We aim to contribute to the transition of the economy toward a more sustainable and inclusive model. This involves promoting low-carbon and environmentally responsible (*sober*) solutions, while excluding activities that are not aligned with the global objective of achieving carbon neutrality (Net Zero by 2050).

Thermal Coal Policy

Phasing out thermal coal from our energy mix is essential in the fight against climate change. SISTAFUND does not invest in companies exposed to thermal coal mining extraction, thermal coal power generation, or those involved in developing thermal coal projects.

Unconventional Fossil Fuel

SISTAFUND does not invest in companies engaged in exploration, production, transportation, or trade of unconventional fossil fuels.

Conventional Fossil Fuels - New Projects

Conventional fossil fuels are still necessary for the economy and are not excluded as such from SISTAFUND's investment universe. In particular, we believe that innovation can help mitigate the impact of fossil fuel use.

However, in alignment with the most recent Net Zero by 2050 Roadmap developed by the International Energy Agency (IEA), we recognize that new fossil fuel projects are not necessary and are even counterproductive to the global Net Zero objective. Therefore, SISTAFUND will not invest in companies exposed to fossil fuel projects which permits were issued after 2023.

4) ESG Investing Approach – Supporting Solutions Providers

ESG Investing General Approach

SISTAFUND's ESG approach is integrated into every stage of the investment cycle:

Pre-investment:

- SISTAFUND considers it a fiduciary duty to exclude companies that do not comply with internationally recognized conventions, frameworks, national regulations, and the highest ethical standards. As result, the fund follows an exclusion list based on ethical and environmental criterias provided beforehand;

- SISTAFUND conducts an extra-financial analysis for every deal, and tries to understand not only how ESG factors can have a material impact on the company, but also what impact the company can have on ESG factors.
- SISTAFUND incorporates contractual ESG clauses into shareholders' agreement or equivalent contractual documents when the fund acts as a lead. When acting as a follower investor, the fund strongly recommends the inclusion of such clauses.

Post-investment - Portfolio support:

- SISTAFUND intends to track and manage ESG indicators by sending an annual ESG Survey to its portfolio companies
- Organizing at least one annual board meeting with an ESG discussion agenda. The company's board member is responsible for this task.
- Collaboratively create an ESG action plan with the participation's leadership. This plan includes quantifiable improvement objectives related to a selection of key issues for the participation;
- Sharing ESG best practices with CEOs, which includes invitations to events we organize, such as office hours, as well as content sharing;
- More to be found in the stewardship section.

SISTAFUND's Specific ESG Approach

Investing in gender-balanced teams

SISTAFUND's distinctive gender equality approach constitutes its most distinctive feature.

Indeed, SISTAFUND has adopted a strategic approach by investing exclusively in teams in which at least 30% of the founders' shares are held by women⁹. This initiative aims to promote gender equality and catalyze systemic change by facilitating access to funding for diverse teams.

A sectoral approach

SISTAFUND primarily targets four thematic areas selected for their potential of positive impact on the economy:

- **Sustainability:** Defined by the 1987 United Nations Brundtland Commission, we define sustainability as *"meeting the needs of the present without compromising the ability of the future generations to meet their own needs"*¹⁰. We place particular emphasis on this aspect as we seek to invest in startups within the "Tech for Good" sector that align with our values. SISTAFUND prioritizes five key impact areas in response to current social and environmental urgencies: climate, agriculture, circular economy, inclusion and education.
- **Digital Health** (a part of Health Tech¹¹): as defined by the World Health Organization, Digital Health is *"the field of knowledge and practice associated with the development and use of digital technologies to improve health. Digital health expands the concept of eHealth to include digital consumers, with a wider range of smart devices and connected equipment."*¹² At SISTAFUND, several topics we focus on include mental health, FemTech, health data security, but every other digital health area can be explored.
- **Deep Tech** (other word: Frontier Tech): According to the Cambridge Dictionary, *"Deep tech refers to companies whose business model is based on high tech innovation or significant scientific advances"*¹³. SISTAFUND includes several areas within that category such as Cybersecurity, Sovereignty & Defense, and SpaceTech.
- **Fintech/Insurtech:** As defined in the Cambridge Dictionary, Fintech stands for Financial technology which is *"the business of using technology to offer financial services in new ways"*. Similarly, Insurtech is the use of technology to provide insurance services in innovative ways.

⁹ See glossary for more information

¹⁰ <https://www.un.org/en/academic-impact/sustainability>

¹¹ See glossary

¹² https://www.who.int/europe/health-topics/digital-health#tab=tab_1

¹³ <https://dictionary.cambridge.org/dictionary/english/deep-tech>

Among other things, SISTAFUND focuses on areas where fintech intersects with sustainability and/or healthcare, fintech for under-represented minorities, and more.

A Commitment to the Sustainable Development Goals

As responsible investors, we acknowledge the significance of contributing to the attainment of the Sustainable Investment Goals (SDGs) as an integral part of our fiduciary duty. While SISTAFUND's mission distinctly aligns with SDG 5 ("Goal 5: Achieve gender equality and empower all women and girls"), we also incorporate the consideration of the other SDGs into our ESG analysis and stewardship efforts.

5) Stewardship Policy

Stewardship Approach

Stewardship is an integral part of SISTAFUND Responsible Investment Policy. We actively engage with our portfolio companies with the following objectives:

- Increase their awareness of ESG issues and how these issues relate to their activities (both the impact of ESG issues on them, and the impact they have on ESG topics);
- Contribute to better integrating sustainability issues in their activities and business models;
- Enhance their disclosure practices and establish specific target settings.

After closing, SISTAFUND engages with companies on the following actions:

- Conduct an ESG assessment to further explore identified areas of risk and opportunity, as identified during the pre-investment phase;
- Collaboratively create an ESG action plan with the participation's leadership. This plan includes quantifiable improvement objectives related to a selection of key issues for the participation;
- Considering the inclusion of ESG KPIs in the objectives and remuneration for senior executives, such as health & safety performance/climate change performance. To date, it has not been mandatory, but it represents our commitment to best effort practices;
- Sharing ESG best practices with CEOs: this includes invitations to events we organize (JII, office hours,...) as well as content sharing.

During the investment phase, we monitor the implementation of the ESG action plan at least once a year.

Gender Stewardship

SISTAFUND is in the process of finalizing a diversity & inclusion policy that will apply to all portfolio companies and will be included in its Term Sheet/Shareholder agreement when the fund serves as the lead investor (making it binding). This policy will also be strongly recommended when the fund serves as a follower investor in a round (best effort). In concrete terms, this clause will require portfolio companies and their management to undertake the following steps within a period of 6-12 months following the fund's investment:

1. Appoint a person responsible for DEI (Diversity, Equity, and Inclusion) purposes
2. Implement a training program on inclusive and non-discriminatory practices for all executive and employee staff of the company
3. Implement inclusive recruitment practices
4. Establish annual Key Performance Indicators (KPIs) for quantitative and qualitative monitoring and reporting to investors.

This clause will be effective at the end of 2023.

6) Transparency and Reporting

SISTAFUND intends to conduct an annual reporting for each participation using a questionnaire covering approximately 30 environmental, social, territorial, and societal criteria, as well as good governance. This questionnaire is available upon request.

In addition, we distinguish two types of limited partners meetings where ESG factors are a topic on the agenda:

1. The advisory committee in the case of an investment: Before making any investment, we conduct an advisory meeting with our corporate LPs to discuss the investment opportunity. During these meetings, we present our analysis of the company in terms of ESG and its impact on gender diversity.
2. Annual general meeting: During our annual general meetings, we formalize discussions around ESG matters, especially focusing on gender

7) An Active Player in the ESG and Women Empowerment Space

A Unique Partnership with SISTA, the NGO promoting Women Empowerment

In accordance with the Fund's mission, a Gender Equality Contribution has been established to finance and support initiatives and projects promoting gender equality within the ecosystem and beyond. This contribution is governed by Article 21.6 of the Fund's bylaws.

The contribution will only be granted to associations, foundations, endowment funds, and private or public institutions, based in France or abroad, that have been selected by the Management Company. The contribution is only disbursed once carried interest is distributed.

An Active Player in the ESG Ecosystem

SISTAFUND is a signatory of the SISTA Charter, committed to promoting equal access to financing for projects led by women in the digital economy. SISTAFUND is also in process to become a signatory of the UN PRI Principles,

Additionally, SISTAFUND engages directly in the following activities to promote ESG related issues:

- Co-organization of One project per year with the NGO SISTA. In 2023, it was the Un(bias) Project at SISTA SUMMIT. In 2024, it will be a Walk for Equality.
- "Included VC" and "baby vc" are two societies/NGO which provide individuals from diverse backgrounds with easier access to venture capital careers, and 100,000 entrepreneurs, which raises awareness about entrepreneurship from an early age.
- Tatiana Jama, Partner at SISTAFUND, is also a member of the High Council for Gender Equality (HCE) and has been a board member of the National Digital Council (CNNum) for more than five years, contributing to discussions on digital issues and our responsibilities.
- SISTAFUND is now committing to various pledges including: All Raise, Black VC, LatinX VC, HBCU VC, Gaingels, Him for Her

SISTAFUND's glossary

- **30%:** For more clarity, it means that we need to see female founders with an operational role owning at least 30% of the founders' shares. The significance of the 30% figure lies in its transformative impact, shifting from tokenism to achieving a critical mass in fostering a gender-balanced approach. Having 1% of a cap table controlled by a woman is unlikely to promote fair and equitable decision-making during board meetings, nor would it align with our pursuit of improved representation.
- **Deep Tech** (other word: Frontier Tech): According to the Cambridge Dictionary, "*Deep tech refers to companies whose business model is based on high tech innovation or significant scientific advances*"¹⁴. SISTAFUND includes several areas within that category such as AI, Data, Cybersecurity, Sovereignty & Defense, and more.
- **Digital health:** As defined by the World Health Organization, Digital Health is "*the field of knowledge and practice associated with the development and use of digital technologies to improve health. Digital health expands the concept of eHealth to include digital consumers, with a wider range of smart devices and connected equipment.*" At SISTAFUND, several topics we focus on include mental health, FemTech, health data security, but every other digital health area can be explored.
- **Fintech/Insurtech:** As defined in the Cambridge Dictionary, Fintech stands for Financial technology which is "*the business of using technology to offer financial services in new ways*". Similarly, Insurtech is the use of technology to provide insurance services in innovative ways. Among other things, SISTAFUND focuses on areas where fintech intersects with sustainability and/or healthcare, fintech for under-represented minorities, and more.
- **Gender funding gap:** Corresponds to the disparity in the amount of investment and funding received by startups led by women compared to their male counterparts
- **Gender lens investing:** The Global Impact Investing Network (GIIN) defines gender-lens investing as "investment strategies applied to an allocation or to the entirety of an investment portfolio, which seek to examine gender dynamics to better inform investment decisions and/or intentionally and measurably address gender disparities." As the name "gender-lens investing" makes clear, gender is a lens—a way of seeing that helps an investor highlight opportunity, illuminate risk, and understand strategy in a more nuanced way.
- **Health tech:** As defined by the WHO, it is "the application of organized knowledge and skills in the form of medicines, medical devices, vaccines, procedures and systems developed to solve a health problem and improve quality of life.
- **Sustainability:** Defined by the 1987 United Nations Brundtland Commission, we define sustainability as "*meeting the needs of the present without compromising the ability of the future generations to meet their own needs*". We place particular emphasis on this aspect as we seek to invest in startups within the "Tech for Good" sector that align with our values. SISTAFUND prioritizes five key impact areas in response to current social and environmental urgencies: climate, agriculture, circular economy, inclusion and education.

¹⁴ <https://dictionary.cambridge.org/dictionary/english/deep-tech>

- **Spillover effect:** In economics, a spillover effect refers to the impact that events in one economy can have on other economies.

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