

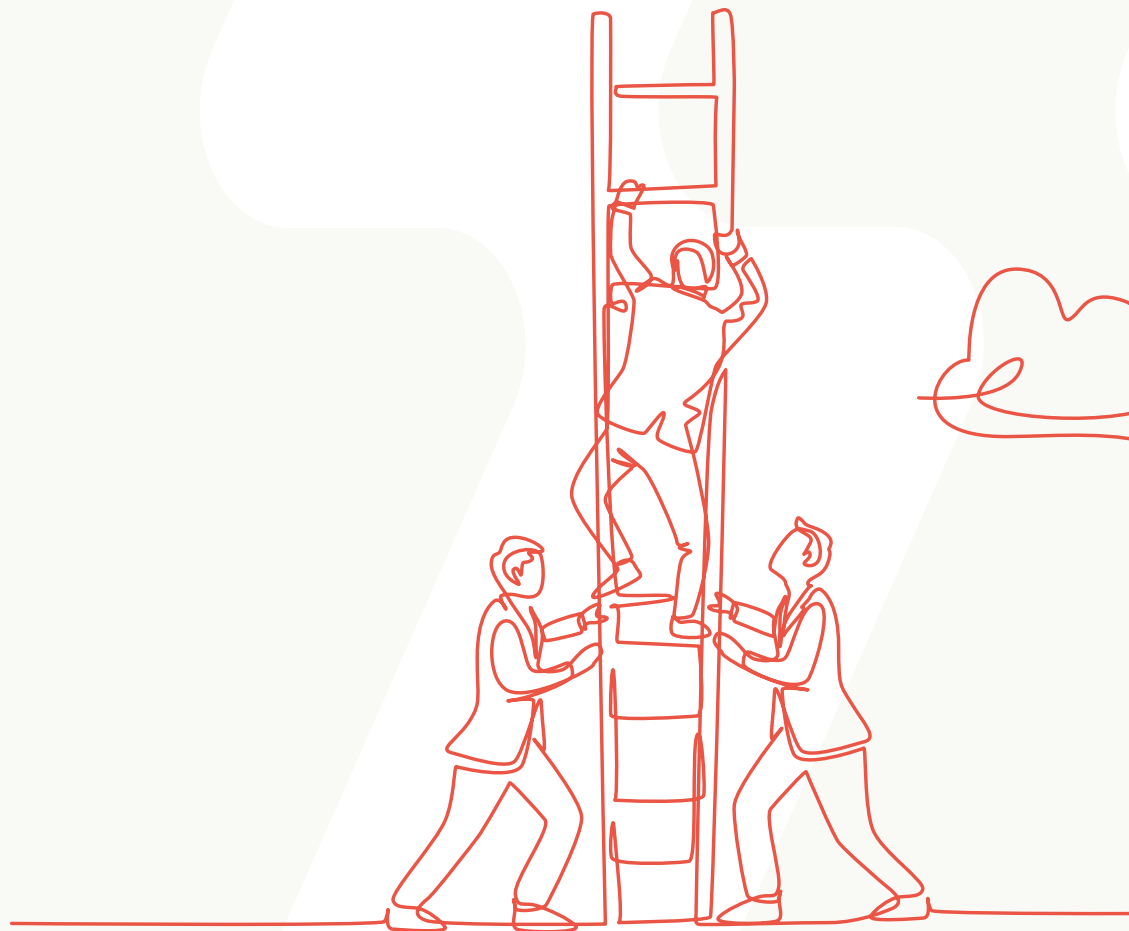
ESG REPORT

2022





Creating EXTRA- FINANCIAL VALUE



What's new IN ESG?

Definition of a new regulatory framework

With the implementation of a new regulatory framework favourable to sustainable growth, the European Commission aims to provide businesses and financial services with an operating framework and to limit greenwashing. It aims to rapidly enact laws and establish regulatory limitations in order to induce market reaction and then refine those laws and limitations in collaboration with stakeholders as part of an ongoing cooperative process. SFDR regulations, for example, have been supplemented with additional texts that modify the original articles.

This ongoing legislation obliges financial services and their stakeholders to structure themselves whilst remaining agile. They have to be transparent on the elements provided under the law and able to react quickly if the regulations are modified. For example, the notion of sustainable investment, as defined by financial services companies, is the object of ongoing discussions between the European regulator and stakeholders, starting with the national regulatory authorities.



SFDR, Taxonomy, Article 29 of the French Energy Climate Law: what's new?

The SFDR, which has been applicable since March 2021, continues following a three-stage application timetable (10 March 2021, 1st January 2023 and 1st January 2024) with a broader scope at each stage. In 2023, asset management companies must publish qualitative elements (under Articles 8 and 9 fund scope) and quantitative elements (for all funds and asset management companies taking into account the key adverse effects), based on data for 2022.

As for Article 29 Of the French Loi Energie Climat (Article 29 LEC), in 2023, sections became effective under which financial services companies must communicate on their websites and on the Ademe's "Climate Transparency Hub" platform. These new elements are relative, in particular, to the portion of assets aligned on Taxonomy, the portion of assets exposed to companies active in the fossil fuels sector, and a description of the ESG risks identified along with action plans to reduce or contain them.

Finally, at the start of 2023, the European Union submitted for consultation prior to final approval the Taxonomy's last four goals:

- the protection and conservation of aquatic and marine resources,
- the transition to a circular economy,
- the prevention and reduction of pollution,
- the protection and restoration of biodiversity and ecosystems.

As of 30 June 2023, eligibility and alignment on the Taxonomy of assets under management must be published within the framework of periodic SFDR reports for stakeholders having classified their funds under Article 8 or Article 9.

Within the framework of Article 29 of the LEC, this reporting requirement is applied to French asset management companies whose assets under management are in excess of €500 M.

An established goal: zero carbon

This regulatory context also integrates carbon-related matters, which are still paramount. SFDR regulations, for example, have brought in new questions relative to fund decarbonisation strategy in the new version of the periodic reporting model.

Today, companies from all sectors must calculate their carbon footprint in order to meet the expectations of their different stakeholders. Going forward, the question is more one of identifying areas for decarbonisation they can commit to and its implementation within their activities.

Companies are taking action by joining initiatives such as the Net Zéro Initiative, which has emerged as a reference in reducing companies' environmental impact. Whilst carbon neutrality was previously linked to compensation projects – which have clearly shown their limitations in the fight against global warming – the Net Zero Initiative emphasises the contribution of businesses to the collective endeavour to reduce greenhouse gas for a carbon-neutral European economy by 2050.

Businesses have also turned massively to organisations that certify decarbonisation programmes. This is the case of SBTi, which is a reference on the market but is now overwhelmed. This situation means that you now need to count on an average of 2 years to have a decarbonisation programme validated. To rectify this, new players, who were historically experts on questions related to carbon but are not certification bodies, have established alternative methodologies in collaboration with the Paris Climate Accords so that businesses can work according to trustworthy frames of reference to validate their decarbonisation programmes and communicate on their commitments.





ESG at SIPAREX

Groupe Siparex is reinforcing its position as a responsible investor committed to ecological transition and, in particular, decarbonisation, in line with the expectations of its subscribers, portfolio companies, and staff members.

REINFORCED ESG GOVERNANCE

Persuaded of its leading role as an accelerator of transformations within the economy and mindful of meeting its stakeholders' expectations, Groupe Siparex continually reinforces the means dedicated to its ESG strategy. Led by its CEO Bertrand Rambaud, in 2022, the Group's Executive Committee entrusted Céline Joubert, Chief Operating Officer and Cyril Fromager, Managing Partner of the Entrepreneurs activity with the definition of a new ESG & CSR 2030 roadmap to be drawn up in coordination with all of the Group's activities.

At the same time, Siparex has set up an ESG Committee comprising 6 permanent members, presided by Céline Joubert, in charge of structuring the operational component of its ESG strategy.



CÉLINE JOUBERT
Member of the Group Executive Committee, Chief Operating Officer



CYRIL FROMAGER
Member of the Group Executive Committee, Managing Partner of the Entrepreneurs Activity



NICOLAS PIAU
Member of the Group Executive Committee, Managing Partner of the TiLT Activity



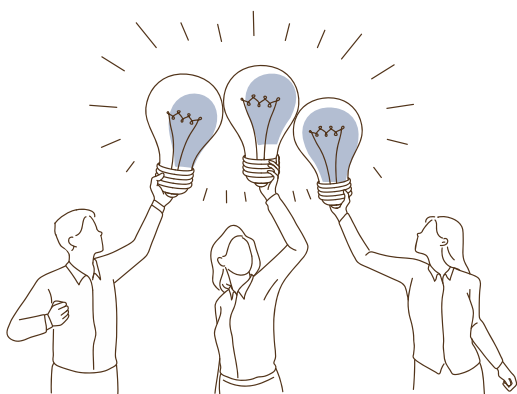
PRISCILLE CLÉMENT
Director of Communications and Brands



NADJA BRESOUS
MEHIGAN
Partner XAnge, advisor for impact investing



SIMON RUCHAUD
Director ESG



This ESG Committee aims primarily to propose to the Executive Committee a detailed and prioritised ESG & CSR roadmap. It also aims to consolidate and disseminate all ESG & CSR best practises throughout the organisation. To do this, it raises awareness within all of the Group's poles of expertise and initiatives around federating themes, starting with a climate change awareness campaign (*Fresque du Climat* and carbon footprint training).



HÉLOÏSE SERVETTAZ
ESG Project Officer

To successfully implement this new roadmap, the Group also reinforced its ESG Team with the recruitment in early 2023 of Héroïse Servettaz as ESG Project Officer.

AN ESG & CSR ROADMAP FOR 2030

Groupe Siparex aims to be recognised for the soundness and efficiency of its role as a responsible investor and its commitment to the creation of sustainable value.



To plan its action, it has set itself **3** transformation priorities:



DECARBONISATION



GENDER
PARITY



SHARING
VALUES BETWEEN
EMPLOYEES

1

Decarbonisation

As regards the environment, the fight against climate change through the reduction in greenhouse gas emissions by portfolio companies and Groupe Siparex entities is a priority for Siparex from a business and individual viewpoint. We share the observation that a lack of strategic vision and concrete actions to work towards decarbonisation would create medium-term operational and financial risks for prospects of value creation by our investments. This is the very reason for our involvement in the *Initiative Climat International*.

In this respect, the Group has set precise goals for its portfolio companies for 2025/2030 in respect of carbon footprint evaluation and monitoring, commitments to the reduction of carbon intensity, and contribution to carbon neutrality.

Carbon footprint evaluation

2025: 75% of portfolio companies

2030: 100% of portfolio companies

Commitment to the reduction of carbon intensity of activities

2025: 25% of portfolio companies

2030: 75% of portfolio companies

Commitments aligned on a Zero-carbon schedule

2025: 5% of portfolio companies

2030: 25% of portfolio companies

At the same time, Siparex aims to carry out an estimation of the carbon footprint of each of the Group's entities, which is to be finalised by 2024.

There is a plan to recruit a Chief Climate Officer during the course of 2023, whose main mission will be to support portfolio companies in defining and implementing their decarbonisation plans in line with the Group's goals.



2 Gender parity

Groupe Siparex is convinced of the beneficial impact of gender parity and diversity in business and is working within France Invest to increase the number of women in its investment teams as well as within its portfolio companies' governance and management bodies. The appointment of Sophie Nordmann in early 2023 to the head of France Invest's the Talents and Diversity Commission will reinforce that commitment.

The Group's goals for 2030 are in line with those set out **in France Invest's Parity Charter.**



3 Value sharing

Sharing value creation with employees has always been a part of Groupe Siparex's DNA and its culture as a responsible investor. More broadly, in line with our commitment within France Invest, we are convinced that ecological transition issues also depend on favourable social conditions and that employee access to better sharing of value creation is a decisive lever for individual commitment within society and favours adaptation to current environmental and societal transitions. For our portfolio companies, it is a major asset in attracting, developing, and retaining talent. For the employees who benefit from this value sharing, it often represents significant additional income and recognition of their contribution to their company's success.

France Invest's Charter for the Commitment to Value Sharing.

Groupe Siparex aims for 75% of its portfolio companies to have employee value sharing mechanisms (bonuses, incentive plans, voluntary profit-sharing, employee shareholding, value creation sharing, etc. or equivalent in foreign companies) by 2030. This target is reinforced by a target to cover at least 75% of the employees in the country where the company has its main activity.

ESG TARGETS AT THE HEART OF FINANCIAL PERFORMANCE

The Siparex MidCap 4 Fund, an Article 8 SFDR fund strengthened by a 20% commitment to sustainable investment, aims to prioritise the fight against global warming in line with the Accords de Paris by implementing, in each of the portfolio companies, a decarbonisation plan that contributes to reaching a 2°C goal.

In particular, the Fund aims to tie 10% of carried interest to the attainment of ESG & Climate goals, starting with:

1. the systematic performance of ESG due diligence for new investments made by the Fund, giving rise to an ESG action plan and yearly ESG report;
2. the inclusion of qualitative and quantitative ESG & Climate goals in profit-sharing agreements with key joint shareholder management level staff;
3. the systematic performance of a carbon footprint assessment and formalisation of a decarbonisation plan aligned, at least, on a 2°C scenario;
4. the achievement of quantitative decarbonisation plan goals;
5. the development of employment and value sharing mechanisms for employees.

The degree of achievement of these criteria will be evaluated by an independent third party and weighted by the amounts invested.

Finally, the quote-part of carried interest that is not paid to carried interest holders if such ESG & Climate goals are not met will be used, at the end of the Fund's lifecycle, to finance the causes related to the Fund's impact goals according to recommendations provided by an Impact Committee.



ESG GOALS CENTRAL TO THE FINANCIAL PERFORMANCE OF INVESTMENTS

We consider that the alignment of all stakeholders' interests is a key factor in the success of the business projects we invest in and aim, as often as possible, to include ESG goals in profit-sharing agreements for key joint shareholders in order to tie financial value creation to extra-financial value creation. This practice, which comes from the world of impact investing, allows us to deal practically, upstream with the ESG & Climate transformation plan's methods and key points. This constitutes an efficient means of evaluating shareholding management intentions and their maturity in respect of their businesses' major CSR transformation issues.



XAnge

Siparex Group

A DEFINITION OF SUSTAINABLE INVESTMENT INSPIRED BY EUROPEAN GREEN TAXONOMY AND SOCIAL TAXONOMY PROJECTS

With the entry into effect of the SFDR regulations, the Group established a definition of sustainable investment broadly based on the spirit of European taxonomy, i.e. a direct or indirect contribution to the major European issues of ecological and social transition:

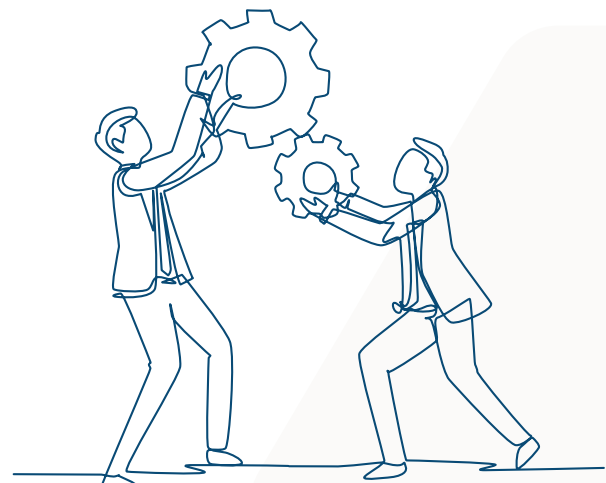
1. the fight against human-induced climate change:
 - › goods and services with less carbon impact than the current alternatives on the market (eg: electric vehicles vs. combustion engine vehicles);
 - › goods and services that allow for the decarbonisation of the upstream/client value chain (eg: building renovation).
2. the adaptation to clients' climate changes.
3. the prevention and reduction of pollution.
4. the transition towards a circular economy.
5. the protection and restoration of biodiversity and ecosystems.
6. the preservation and/or improvement of human health.
7. territorial development and social inclusion, in particular in deprived socio-economic zones.
8. direct or indirect contribution to other social transition issues.

CLIMATE FELLOWSHIP, A PROGRAMME TO FOSTER CLIMATE TECH ENTREPRENEURS

Initiated by XAnge, "Climate Fellowship" is a one-year-long support programme that aims to foster a new generation of Climate Tech entrepreneurs

Participants benefit from equity financing of €100 000 to create and build a startup in that sector. The programme allows each entrepreneur to be coached by XAnge's investors, to access content, events, and the best climate and VC experts in Europe. At the end of the programme, the entrepreneurs goal is to raise seed funding. The accelerator Techstars and investment fund Energy Impact Partners are partners in this programme and bring their complementary expertise and international network.

Since the programme's launch in October 2022, 4 projects have been selected from among 150 applications received, in the fields of aviation carbon impact measurement, carbon offset, improvement of green hydrogen production, and the recycling of small tools.



ENVIRONMENT

To successfully limit global warming to a 2-degree increase by 2100, businesses much actively start to reduce their carbon dioxide emissions. Many are still working on this by analysing their carbon footprint and defining their decarbonisation schedule.


Others that have come about because of this environmental emergency are developing innovative solutions in order to accelerate their ecological transition, by relying on energy efficiency, eco-design and the circular economy. We are convinced that it is the combination of these two movements – the transformation of traditional businesses and the innovative dynamics of start-ups – that will allow the Accord de Paris' environmental goals to be reached.

Out of 199 companies questioned (with a response rate varying from 50 to 100%):

61%

have commitments or an **ENVIRONMENTAL POLICY** (formalised or not)

Portfolio Carbon footprint (scopes 1, 2 and 3):

51 415 400
TCO₂EQ 

Methodology note

The portfolio carbon footprint was calculated over perimeter of 199 companies, of which:

- > 43 had carried out a carbon footprint analysis,
- > 59 gave us their energy consumption for scopes 1 and 2, and scope 3 was calculated by proxy,
- > 97 have not carried out a carbon footprint analysis or communicated energy consumption. Their scopes 1, 2, and 3 emissions were calculated by proxy, based on their turnover.

58

companies have carried out a carbon footprint analysis over the past 4 years, that is 24 more than in 2021 (+71%).

3

companies have evaluated their dependence on biodiversity.

85%

have implemented actions to reduce **greenhouse gas emissions**



25%

have defined a schedule for the reduction of greenhouse gas emissions (Quantitative or Qualitative)

CO₂ REDUCTION

ORCAN ENERGY

 **Munich, Germany**

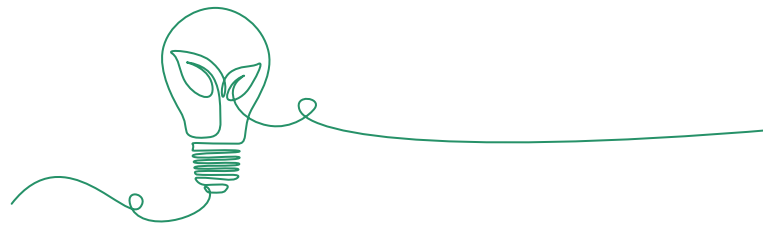
 **50 employees**

TURNOVER 2022: €23 M

Orcan Energy, a German company specializing in industrial energy efficiency, designs systems for converting waste heat into clean electricity. Harnessing the huge energy potential from waste heat, the company's solutions saves CO₂ emissions as well as money right now. Orcan Energy targets three main markets worldwide: industrial processes (including oil & gas and cement), marine and power generation (including gas and geothermal energy).

Orcan stands out for its net positive environmental impact: thanks to its technology, it saves up to 110 times more CO₂ than it emits over the entire life cycle of its products. Depending on the carbon intensity of the electricity displaced, the carbon payback of its products can be between one and three months. In other words, Orcan's installed products begin having a net positive impact on CO₂ emissions after just one month of operation, taking into account their carbon footprint from the manufacture.

In addition to its efforts to maximize its positive impact, Orcan has also taken steps to minimize the environmental footprint of its products, for example by offering end-of-life packages aimed at refurbishment or proper recycling of the products. Other best practices testify to the central place occupied by ESG in the company's DNA: compliance with the most demanding standards in the sector, starting with ISO 9001 certification criteria as well the Pressure Equipment Directive (2014/68/EU); an employee travel policy that encourages the use of trains rather than planes, and makes an electric bicycle available to every employee who wants one; and an employee participation program indexed to the achievement of ESG objectives (including reduction of CO₂ emissions, promotion of parity, recyclability of products at the end of the cycle).



SUSTAINABLE INNOVATION

DRACULA TECHNOLOGIES

 **Valence, Auvergne-Rhône-Alpes**

 **30 employees**

Dracula Technologies develops *energy harvesting* solutions based on ambient light to fuel connected objects with various uses (smart home, smart cards, asset tracking). Its technology relies on inkjet printing techniques by replacing traditional graphics inks with organic conducting inks. These have the power to convert light, even when very dim (as of 5 lux), into energy that can be used by a large range of connected objects (IoT).


This technology provides a sustainable alternative to lithium batteries whose production requires large amounts of rare earth and water and are highly pollutant at the end of their lifecycle: around 15 billion batteries are disposed of every year. Moreover, where batteries require annual replacement and regular maintenance, Dracula Technologies' solution reduces maintenance costs by around 80%. Its environmental impact is limited thanks to a comprehensive eco-design approach with the use of organic inks and non-hazardous solvents (water or alcohol-based) that are 100 recyclable. Lighter and more compact than a battery, the printed support also allows for savings in material and tooling in IoT design, further reducing their carbon and environmental impact.

As Dracula Technologies wishes to align its day-to-day practice with the environmental quality of its products, it is currently formalising its responsible policy by writing up its statutory motivations and goals. Its future standing as an *entreprise à mission* will allow it, amongst other things, to strengthen its employer brand and recruit the necessary profiles to take advantage of its major development opportunities in a market that is rich in potential.

CARBON ASSESSMENT

GREENLY

 Paris, Île-de-France

 150 employees



Founded in 2020, Greenly aims to democratise carbon footprint assessment by making it simpler and more accessible for SMEs and ISEs in the industrial sector. It is currently accompanying 1250 French companies (50%), American companies (25%) and British companies (25%) in measuring their scope 1, 2 and 3 carbon emissions using monetary and physical data from their activity converted into a CO₂ equivalent. Originally broad-based, Greenly has now specialised in three business lines: technology, industry, and finance. The company effectively works with around fifty investment funds (including Siparex) and assists their portfolio companies in reducing their carbon footprint.

Together with its carbon footprint solution, Greenly provides advisory services on lifecycle analysis, decarbonisation schedules and scenarios, and staff training on climate issues, etc. Thanks to its reliable method for data collection throughout the value chain, Greenly can also help large groups to identify which of their procurement lines are most carbon-intensive and help their suppliers to progress, or where necessary help them choose more eco-friendly suppliers.

As the success of the SBTi frame of reference has rapidly led to it being saturated, Greenly has developed its own decarbonisation schedule certification, the Net-Zero Contributor Certification. It is a one-year certificate that validates the efforts made to reach CO₂ emission reduction targets aligned on a Net-Zéro schedule and how they were attained through an audit carried out by one of Greenly's Climate experts.

SOCIAL

Quiet quitting, work methods revolutionised by the pandemic, new employee aspirations, etc. In a dramatically changing labour market, in which traditional relationships between employers and employees have been transformed, company attractiveness and talent retention have become critical issues.

Employer brand has become a key focus and must be fuelled with concrete initiatives on the meaning of work, participation in company goals and their societal and environmental impact, value sharing, organisational innovation, and work-life balance.

Out of 199 companies questioned (with a response rate varying from 68 to 84%):

Headcount:

69 346
(at 31/12/22)



37%

have studied employee commitment



SOCIAL IMPACT

COLETTE

 Paris, Île-de-France

 15 employees

Colette was founded as a response to the observation that solitude kills more people than tobacco. Since 2020, the start-up has offered an intergenerational home-sharing service. Its digital platform connects students (aged 18 to 30) to seniors (aged 65 on average) who have a room to rent in their homes. Colette deals with moderation in respect of the accommodation and student profiles, as well as all legal aspects, and mediation.

There are many social benefits to this model. It works to fight isolation among seniors and young people, which is a major public health issue exacerbated by the pandemic. It provides the host with an interesting income supplement (the average rent for a room is €400, tax-exempt) and gives the young person a housing alternative that is more affordable than a traditional rental, which also goes towards favouring the student's success in his studies. Finally, 100 000 rooms are available in seniors' homes in Paris, according to the INSEE. So, Colette also contributes to the fight against urban spread by making use of unoccupied rooms and under occupied homes in the heart of the capital.

Thanks to its position as a facilitator and trustworthy third party, Colette is now creating new services including a free community club for seniors that offers 300 outings per month and discussion groups where people can chat about their interests and issues in daily life. This community allows for an increase in the number of hosts on the home-sharing activity.

Colette has also established social best practices within the company. The company offers a sixth week of paid vacation, two weeks of remote working per year on top of the weekly remote working allowance of one day, two yearly company seminars, and a monthly "mind-opener session" that allows the team to meet an inspirational person. Furthermore, the start-up is entirely transparent on salaries and communicates its financial performance monthly. A value-sharing plan also offers employees the possibility of participating in the company's capital.



24%

women in
**OPERATIONAL
GOVERNANCE**



88%

**PERMANENT
contracts**

36


of companies have a non-obligatory **shareholding value-sharing** mechanism, i.e. **26%** of respondents.

89% have implemented
A TRAINING POLICY

EMPLOYER BRAND

ALTEREO

 **Aix-en-Provence,
Provence-Alpes-Côte d'Azur**

 **200 employees**

TURNOVER 2022: €18 M

From its 12 sites in France, Altereo provides engineering services and digital solutions to territories for the optimisation and sustainable development of their drinking water and sanitation systems.

As a result of the reconfiguration of the company's capital around the current management team in 2022, Altereo was able to clarify its CSR strategy by defining its purpose and values and strengthening its employer brand with a particular aim to actively promote a culture of trust with and among employees. This structuring cultural ambition comprised, in particular, a number of highly symbolic practical measures such as the formalisation of the right to make mistakes, the separation of the holiday bonus that had previously been included in the base monthly salary, and the overhaul of internal communication.

To assert its employer brand and make it a competitive advantage, Altereo adapted its model by implementing the 4½-day working week: the number of weekly working hours remains practically the same with only a 1-hour difference (38 hours total) but is now spread over the week from Monday morning to Friday morning. A sixth week of paid vacation has also been offered to compensate for the lack of compensatory hours off.

Mindful of promoting meaningful work, and independent of the inherent impact of its business lines that contribute directly to the adaptation to global warming and the preservation of natural resources, Altereo also engages in the promotion of humanitarian, social, and environmental causes dear to its employees. It provides them with communication means, a dedicated budget, and a supervisory committee in order to organise actions such as a collection of plastic waste, projection of a film on ALS, eye-witness accounts, etc.

This new organisation of working time and the improvement of the social climate have rapidly borne fruit: the number of departures was divided by 4 in 2022 compared to 2021 and today, 90% of employees consider their level of satisfaction and motivation to be 4 or 5 out of 5.

HEALTH AND SAFETY

GROUPE ALDES

 **Vénissieux, Auvergne-Rhône-Alpes**

 **2 100 employees**

TURNOVER 2022: €386 M

Aldes, the European leader in technical solutions for ventilation and thermal comfort, is a French family-run group with international outreach. Its products allow indoor fresh air renewal and the improvement of air quality in buildings. They even reduce the need to heat buildings or even cool them, favouring their sustainability. The use of Aldes' solutions, therefore, has a positive impact on the environment and energy consumption, and contributes to the decarbonisation goal set by the European authorities, in particular in France via the Prime Rénove plan.

Societal responsibility has been an integral part of the Group's DNA since its foundation in 1925 and was formalised in 2022 with the implementation of a comprehensive, interdisciplinary and international strategy, jointly drawn up by the employees with the assistance of a specialised firm. The social dimension includes, in particular, a Health and Safety Policy ("Aldes en Santé"), which brings together risk prevention and operational management actions along with communication on this theme.

Since 2022, and following the impact of the health crisis, this policy has come to include a programme called "Aldes for me" dedicated to the well being and mental health of the group's employees. It provides access to a psychological guidance unit, with a toll-free telephone number that allows them to talk with a psychologist. "Aldes for me" also offers those who feel the need the possibility of benefitting from 6 hours of psychotherapy financed by the Group.

Furthermore, on the environmental aspects, Aldes has set itself ambitious goals to reduce greenhouse gas emissions, in line with the Accord de Paris: - an absolute value of 42% over scopes 1 and 2 by 2030, and - 51% over scope 3 in intensity by 2030. These goals lead the Group to reconsider its entire operational model, from product design to the management of its industrial sites and its headquarters in Venissieux.



**FONDATION
SIPAREX**
sous égide de la
Fondation Entreprendre

FONDATION SIPAREX

Siparex, a responsible investor, wished to concretise its commitment to social issues by creating a foundation. Since 2020, the Fondation Siparex has been backing associations that allow vulnerable people or those facing difficulties of any sort to access tools to help them attain or maintain their place in the working world and more generally in society.

This year, the Fondation Siparex is backing ten associations whose projects are directly linked to access to entrepreneurship with a strong social dimension: through training, school or professional reintegration, personalised support, help in business creation or buyout.

Above and beyond the financial backing provided, over 30 Siparex employees regularly participate, giving their time to help these associations through mentoring, participating in workshops, organising encounters, etc.

- **Clubhouse** works for the social and professional integration of people suffering from mental disorders.
- **60 000 rebonds** helps entrepreneurs during post-liquidation to bounce back with a new professional, creative, or employment project.
- **La cravate solidaire** aims to fight against discrimination linked to job hunters' appearance during job interviews and professional meetings.
- **Ma chance à moi aussi** also assists children from priority neighbourhoods with literacy, numeracy, soft skills, and civic education when their families cannot provide the necessary support.
- **Fondation EM Lyon** supports equal chances, social open-mindedness, and diversity at Emlyon business school.



- **Association le 101 founded by the École 42** is a school that offers free unconditional career-centred training in IT development as of the age of 18 with no other diploma or qualification required.
- **Genèses** offers young people between the ages of 18 and 35 unique assistance and a robust environment in which they can learn more about themselves and get a fresh start in life.
- **Force Femmes** helps unemployed women over the age of 45 to become independent through the definition of a professional project so that they can be in charge of their own destinies.
- **Femmes des Territoires** fosters female entrepreneurship and works together with public or private stakeholders concerned with the topic.
- **La Pépinière de Valpré** helps entrepreneurs over the age of 40 in order to allow former employees to regain their self-confidence, find their place in society, and enjoy their professional lives.

GOVERNANCE

Governance is the cornerstone of any company. It pilots its CSR project and accelerates its implementation in all domains.

The definition of a *raison d'être* and statutory goals remains an excellent way of rethinking a company's mission in a more contributive and participative dimension, in response to the increased demands of employees and society as a whole. The status of *entreprise à mission* (company with a mission), like certain sustainability certifications, commits to a virtuous transformation that spreads to all levels of an organisation and thus positively impacts its ecosystem.



Out of 199 companies questioned (with a response rate between 65 and 83%):



45%

have at least 1 SELF-EMPLOYED PERSON in shareholding governance

54%

have at least one woman in shareholding governance

76%

have a certification or quality label (a minima)



90%

guarantee the security of their INFORMATION SYSTEMS

74%

have a CODE OF ETHICS, a charter, or formalised CSR commitments



62%

have a CSR MANAGER

ESG STRATEGY

DESTIA

 Olivet, Centre-Val de Loire

 6 000 employees

TURNOVER 2022: €130 M

Founded by Xavier Mura in 2006, Groupe Destia has gradually become one of the French leaders in home care for elderly and dependent people. With an inherent social impact, it became an *entreprise à mission* and aimed to make its structuring approach a unifying project. All of the employees participated in the definition of the company's *raison d'être* and statutory goals and almost 90% of those who replied to the internal survey validated the propositions of the CSR working group in charge of the transformation project.


As Destia places people at the heart of its activity, the company's *raison d'être* is to provide qualitative and personalised assistance to any person who seeks to remain independent by choosing to continue living at home, as well as to his or her family members, whilst remaining mindful of employee well-being. To meet this objective, in 2021, Destia launched a yearly social barometer aiming to establish actions in response to the answers received. This initiative, which separately addresses employees in the field from those at the head office, gave rise in particular, in 2022, to the creation of an apprentice-training centre for around forty employees who could aim to obtain a diploma in homecare. The goal was to complete the course offering in order to train 300 people a year (employees or newcomers to the profession).

2022 was also the year of the creation of the Fonds Destia pour l'Entraide foundation, in partnership with Responsage, to help and assist employees with their daily administrative and social issues, starting with housing.

VALUE SHARING

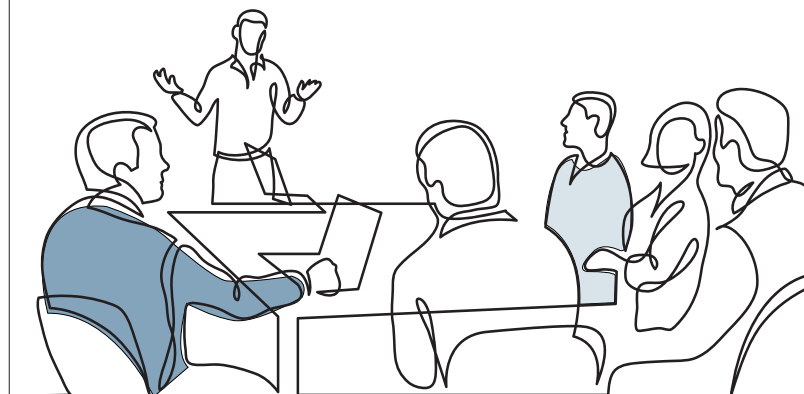
EVANEOS

 Paris, Île-de-France

 165 employees

Founded in 2009, Evaneos is a marketplace that promotes more responsible tourism. It puts travellers in touch with 600 local agencies across the five continents, which are selected according to their expertise, quality, and sustainability. The company ensures these qualities with regular audits and reinforced monitoring thanks to its proprietary impact measurement tool: the Better Trip Index. Certified B-Corp, Evaneos gives high priority to sustainable development labels: it assists and finances its partner agencies in their certification process via Better Trip Funds, financed by company turnover.

At Evaneos, value sharing is defined with a holistic vision that integrates all stakeholders. The local agencies and their contractors collect 87% of the amount paid for the trip; they also benefit from the sharing of expertise and training within the Evaneos network. As regards its employees, the company has set up warrants for subscription business creator shares for all of its employees. Employees also receive incentives to use their company's travel services with, amongst others a kitty of 50 euros per month, the possibility of teleworking from their destination in order to optimise their travel experience, and paid leave instead of paid overtime if they take a train rather than a plane for a long journey. These best practices contribute to the development of a coherent and motivating work environment.






ESG STRATEGY

GPG GRANIT

 **Saint-Jacques-de-la-Lande, Bretagne**

 **60 employees**

TURNOVER 2022: €29 M

GPG Granit is one of the French leaders in the design and B2B distribution of personalised gravestones. Traditionally mindful of its social footprint, which starts with assistance to grieving families, in 2019, the company aimed to improve its CSR strategy, in particular, with the recruitment of Alina Grasland as Head of Human Resources, who was promoted to Director of Human Resources and CSR in 2022 during the takeover by Alexis Jubert, the new Chairman and CEO, who wishes to foster a federative and committed company strategy.

The company's CSR action plan, on which profit sharing is partially conditioned, targets three key areas for value creation: supply chain risk control, employer brand reinforcement, and carbon footprint reduction.

GPG Granit is highly dependent on the localisation of granite quarries, which are mainly present in India. French quarries do not offer the range of choice expected by the French market or the necessary transformation capacities. In this respect, the company has prioritised the reinforcement of its best practices in terms of its fight against child labour. In particular, it has since draw up a responsible procurement charter for its key suppliers, and has formalised a supplier audit programme with an independent body specialising in the granite sector (IGEP).

As regards employer brand, GPG Granit has structured a 3-factor approach: labelling by ChooseMyCompany, formalised KPI monitoring, and retention of key management staff. In 2023 the company received the labels HappyIndexAtWork, AgileAtWork, and WelImpactIndex, a source that provides a wealth of recommendations on strengthening improvement programmes.

Furthermore, GPG Granit has completed its carbon footprint analysis and is commencing the operational definition of its schedule to reduce the carbon intensity of its activities.



This table shows the consolidated value of the Principal Adverse Impacts at the end of 2022, as defined by the Sustainable Finance Disclosure Regulation (SFDR), at Groupe Siparex level.

PAI Indicators - Principal adverse impacts on sustainability factors (1/2)

N°	Indicator of adverse impact on sustainability	Metric	Unit	Value	Perimeter
1.1.	Scope 1 Carbon Emissions	Scope 1 Carbon Emissions	tCO ₂ eq	37 561	173
1.2.	Scope 2 Carbon Emissions	Scope 2 Carbon Emissions	tCO ₂ eq	11 715	182
1.3.	Scope 3 Carbon Emissions	Scope 3 Carbon Emissions	tCO ₂ eq	2 114 814	181
1.4.	Total Carbon Emissions	Scope 1, 2 & 3 Carbon Emissions attributed to Groupe Siparex	tCO ₂ eq	2 164 090	181
2	Carbon Footprint	Carbon Footprint per M€ invested	tCO ₂ eq / M€ invested	2 113	183
3	Carbon intensity of beneficiary companies	Fund Carbon intensity of per M€ of portfolio company turnover	tCO ₂ eq / M€ of turnover	1 734	198
4	Exposition to companies present in the fossil fuel energies sector	Percentage of investments in companies active fossils combustibles sector	%	0%	196
5	Share of non-renewable energy consumed and produced	Percentage of consumption and production of non-renewable energy in beneficiary companies coming from new renewable energy sources compared to renewable energy sources	%	Percentage of non-renewable energy consumed 1%; Percentage of non-renewable energy produced 0%	69
6	High impact energy intensity per climate sector	Energy consumption in GWh per million euros of turnover of beneficiary companies, per high impact climate sector	GWh / M€ of turnover	SECTION C: 0.28 GWh / M€ SECTION F: 0 GWh / M€ SECTION G: 0.03 GWh / M€ SECTION H: 0.09 GWh / M€ SECTION L: 0 GWh / M€	43
7	Activities negatively impacting biodiversity hotspots	Percentage of investments in beneficiary companies whose sites/operations are located in or near biodiversity hotspots, when these beneficiary companies' activities have a negative impact on these zones	%	0%	112
8	Emissions of pollutants in water	Tonnes of emissions in water generated by companies benefitting from investments per million euros invested, expressed as a weighted average	Tonnes / M€ invested	0,01	86

PAI Indicators - Principal adverse impacts on sustainability factors (2/2)

N°	Indicator of adverse impact on sustainability	Metric	Unit	Value	Perimeter
9	Dangerous waste generated	Tonnes of dangerous waste generated by the companies benefitting from investments per million euros invested, expressed in weighted average	Tonnes / M€ invested	6.4	80
10	Violations of the principles of the UN Global Compact or the OECD guidelines for multinational enterprises	Percentage of investments in beneficiary companies involved in principles of the UN Global Compact or the OECD guidelines for multinational enterprise	%	0%	166
11	Absence of compliance processes and mechanisms to monitor respect of the principles of the UN Global Compact and the OECD guidelines for multinational enterprises	Percentage of investments in companies which have no compliance policy for the respect of the principles of the UN Global Compact or the OECD guidelines for multinational enterprise or mechanisms to treat complaints or disputes that allow such violations to be rectified	%	38.8%	127
12	Non-adjusted wage gap	Average non-corrected wage gap between men and women within companies benefitting from investments	%	11.70%	160
13	Diversity on BoD	Average ratio of men/women within boards of directors of companies benefitting from investments Expressed in weighted average	%	86.98%	165
14	Exposition to controversial weapons (antipersonnel mines, cluster munitions, chemical weapons and biological weapons)	Percentage of investments in companies involved in the production or sale of controversial weapons	%	0.00%	216
optional PAI 1	Ratio of non-recycled waste	Tonnes of non-recycled waste generated by companies benefitting from investments per million euros invested, expressed in weighted average	Tonnes / M€ invested	0.11	104
optional PAI 2	Accident frequency rate	Accident rates in companies benefitting from investments per million euros invested, expressed in weighted average	Rate / M€ invested	0.00	140

COMPLIANCE WITH ARTICLE 29 OF THE LOI ÉNERGIE CLIMAT

General approach to the inclusion of environmental, social, and governance quality criteria

Presentation of Groupe Siparex's Responsible approach to investment

An independent French specialist in capital investment, Groupe Siparex had an aggregate total of €3.3 Bn of assets under management at 31 December 2022, covering all market segments from venture capital to European Midcap and private debt. From start-ups to ISEs, Siparex's platform finances and backs entrepreneurial projects with strong potential for value creation.

At the service of its clients and intrinsically devoted to contributing to the excellent development of its portfolio companies, Groupe Siparex is fully aware of the issues raised by ecological transition. A professional and responsible shareholder committed to sustainable value creation for its investors as well as all of its stakeholders, it is also persuaded of its role as a major accelerator of transformations within the economy and as a promoter just and inclusive transition models.

Faithful to the vision of its founders and major investors for whom wealth generation comes, first and foremost, from the sustainable growth of the companies financed, Siparex aims to measure the performance of its investments using financial criteria but also their contribution to the major environmental, societal, and governance ("ESG") issues. It was with this in mind, that Siparex signed the United Nations Principles for Responsible Investment (UNPRI) in 2013 and that the Group works to actively promote best industry practices. Siparex is also a signatory of the initiative Climat International and three of France Invest's charters (Charter of Investor Commitments for Growth, Charter for Gender Parity, and Charter for Commitment to Value Sharing).

This responsible approach to investment based on the integration of environmental, social, and governance (ESG) factors throughout the investment cycle and fund lifecycle from conception to liquidation is based on the following dispositions:

› Product design

- Development of Article 9 SFDR funds and impact investing fundss.
- Inclusion of clear ESG goals in our Article 8 SFDR Funds' investment strategies.
- Making payment of a significant portion of carried interest conditional to the attainment of predefined qualitative and quantitative ESG goals.

› Investment strategy

- Reinforcement of sectorial exclusions, including special cases of Articles 8 and 9 SFDR Funds created after 1st January 2022, the direct financing of the extraction of fossil fuels (coal and oil) and the production of electricity using fossil fuels (coal and oil).
- On top of the Group ESG Policy, for our Article 8 SFDR Funds, the definition of impact priorities that are coherent with internal and external means of operational and strategic support that can be brought into play to transform target companies.

› Analysis of investment opportunities

- Integration of ESG into risk analysis for investment opportunities.
- Strengthened analysis of transition risks linked to climate change, starting with regulatory and reputational risks.

› Structuring of investment operations

- Integration of ESG goals into profit-sharing agreements with shareholding key management members.
- Implementation of financing tied to the attainment of ESG targets (known as "impact loans" or "sustainability-linked loans")

› Promotion of a progressive approach

- Performance of a holistic ESG maturity diagnostic on portfolio companies before investment or on the conclusion of the operation.
- Definition of an ESG actions plan that focuses on the company's main concrete goals with an aim to systematically progressively reduce the activity's carbon intensity.
- Availability of Groupe Siparex's strategic and operational means for the implementation of an ESG action plan.
- Yearly monitoring of the ESG action plan within the framework of governance bodies.

› Divestment

- Valorisation of the progressive approach ends the potential to create extra-financial value in the divestment memorandum.
- Performance of seller ESG reviews on a case-by-case basis.

› Product liquidation

- For the funds concerned whose payment of carried interest is partially tied to the attainment of ESG goals: amounts kept in fund reserves in the case where 100% of ESG goals aren't attained and rechanneled towards a selection of initiatives, associations, organisations of general interest, or equivalent structures to offset the portion of ESG goals not reached (i.e. financing of initiatives that fight against climate change).

Groupe Siparex aims to be recognised for the solidity and efficiency of this responsible investor approach tied to sustainable value creation, and has therefore set itself 3 positive transformation priorities to guide its actions:

- › decarbonisation,
- › gender equality,
- › value sharing with employees.

For each of these 3 priorities, Siparex has set itself goals to be reached by 2030 in line with its external commitments, in particular those towards initiative Climat International and France Invest.

Means of communication with investors

According to industry best practices in this respect, we aim to communicate regularly with fund subscribers on portfolio companies' financial and extra-financial performances. In the particular case of monitoring ESG criteria and goals that are taken into account, we communicate with fund subscribers and make available to them via their secure individual intranet access:

- › a yearly ESG fund report;
- › a review of the main ESG issues, company-by-company, in the funds' bi-annual reports.

Furthermore, we take advantage of the yearly fund subscriber meeting and the bi-annual fund advisory meetings to provide a review of the portfolio companies' main ESG issues and best practices.

Additionally, we communicate our full ESG approach and news on our website via the Group's annual ESG & CSR report.

Adherence to ESG charters and initiatives

Among Groupe Siparex's commitments are:

- *Adherence to the United Nations Principles for Responsible Investment (PRI)*

The PRI are a set of principles that guide investors in integrating environmental, social, and governance (ESG) criteria into their investment decisions.

- *Adherence to the initiative Climat International (iCI)*

The iCI is an initiative that aims to better understand and fight against climate change. It commits to mobilising stakeholders in the capital investment sector to take concrete measures in favour of a transition towards a more sustainable and lower carbon-intensive economy.

- *Signature of France Invest's Charter of Investor Commitments for Growth*

This Charter aims to promote best practices in terms of shareholder responsibility on societal, social, environmental, and good governance aspects.

- *Signature of France Invest's Charter for Gender Parity*

This Charter aims to promote gender parity among stakeholders in French capital investment firms and in the companies they support. It comprises 30 commitments and sets quantified goals for asset management companies and their portfolio companies. They aim for women to occupy 25% of the senior positions in investment teams and 30% of the seats on steering committees by 2030.

- *Signature of the Charter for Commitment to Value Sharing*

This charter aims to promote best practices in respect of value sharing with employees. These signatories commit, in particular, to acting as a driving force with portfolio companies in order to increase, short-term, the rate of coverage of their employees by at least one annual value creation sharing mechanism and to promote, long-term, shareholder value creation sharing through employee stock ownership plans and sharing of added value in all situations where these two mechanisms are pertinent.

Internal measures taken by the company

Description of the financial, human, and technical resources dedicated to the inclusion of ESG criteria

Human resources

Reinforcement of human resources for ESG matters

In order to ensure that Groupe Siparex employs the means required to meet its goals, ESG resources have been reinforced over the past two years to consolidate ESG governance and the dedicated ESG team.

Led by its CEO Bertrand Rambaud, in 2022, the Group Executive Committee entrusted to Céline Joubert, Chief Operating Officer and Cyril Fromager, Managing Partner of the Entrepreneurs activity, the definition of a new ESG & CSR 2030 roadmap to be worked on jointly with all of the Group's business lines.

At the same time, Siparex set up an ESG Committee comprising 6 permanent members, presided by Céline Joubert, in charge of structuring the operational aspects of the ESG strategy:

- › Céline Joubert, Member of the Group Executive Committee, Chief Operating Officer
- › Cyril Fromager, Member of the Group Executive Committee, Managing Partner of the Entrepreneurs activity
- › Nicolas Piau, Member of the Group Executive Committee, Managing Partner of the TiLT activity
- › Priscille Clément, Member of the Group Executive Committee, Director of Communication and Branding
- › Nadja Bresous Mehigan, Partner XAnge, advisor for impact investing
- › Simon Ruchaud, Director ESG

This ESG Committee aims primarily to propose to the Executive Committee a detailed and prioritised ESG & CSR roadmap. It also aims to consolidate and disseminate all ESG & CSR best practices throughout the organisation. To do this, it raises awareness within all of the Group's expertise poles and initiatives around federating themes, starting with a climate change awareness campaign (*Fresque du climat* and carbon footprint training).

In order to successfully implement this new roadmap, the Group also reinforced its ESG Team with the recruitment in early 2023 of Héloïse Servettaz as ESG Project Officer, working alongside Simon Ruchaud.

On top of the ESG Team, Groupe Siparex also relies on its Operating Team to implement and accelerate its portfolio companies' ESG action plans.

The portion of ESG-dedicated full-time equivalent contracts (FTE) relative to the outstanding amounts under management by Groupe Siparex represents 0.00000057% (2 FTE for €3.5 bn of outstanding amounts under management at 30 June 2023).

Overall description of ESG-related human resources

ESG resources' main missions are to structure the operational aspects of ESG strategy, roll them out throughout the Group whilst bearing in mind the specificities of each activity, and ensure the application and respect of Group ESG commitments by all stakeholders.

These are the key resources for transformation support within the Group and are structured as follows:

ESG Governance:

Groupe Siparex's ESG governance relies on two main bodies: the Group Executive Committee and the Group ESG Committee. The Group Executive Committee has entrusted two of its members, Céline Joubert and Cyril Fromager, with the definition of the Group's ESG strategy and its supervision. The Group ESG Committee, comprising six permanent members, including four members of the Group Executive Committee, presided by Céline Joubert, is in charge of operational aspects of ESG strategy.

ESG team:

The ESG team's main mission is to implement ESG strategy and accompany the investment and support teams in the continued improvement of their processes. It aims to i) work together with the investment teams to define the ESG policy for the new investment vehicles and establish best ESG practices throughout the Group; ii) develop ESG analysis tools and training

methods and make them available to the investment teams; iii) ensure that all processes and methods are compliant with regulations such as Article 29 of the Energy Climate Law or the Regulation relative to the disclosure of sustainability-related information (SFDR); and iv) to ensure compliance with obligations in respect of reporting to Fund subscribers.

The ESG team is placed under the operational responsibility of Céline Joubert and is made up of Simon Ruchaud, Director ESG, Héloïse Servettaz, ESG Project Officer.

Operational or Operating Team:

The Operating Team brings together Groupe Siparex's means of operational and strategic support: 7 professionals with specific fields of expertise and extensive knowledge of project management available to help portfolio companies accelerate their digital transformation, develop their employer brand, reinforce their key personnel, and implement their ESG action plans.

The Operating Team is led by Céline Joubert and made up, in particular, of Nicolas Réquillart-Jeanson, Chief Digital Officer, and Pauline Paquet, Startup Success Manager.

There is a plan to recruit a Chief Climate Officer in 2023, whose main mission will be to support portfolio companies in defining and implementing their decarbonisation plans.

Technical Resources dedicated to ESG awareness

Concomitantly with the diffusion of best industry practices, in 2017, the Group invested in the centralised rollout of a web tool to collect ESG data from its portfolio companies (Reporting21). This tool is made fully available to them and, tomorrow, could help them provide concrete responses to obligations under the CSRD (Corporate Sustainability Reporting Directive).

Once it developed this tool, which is the backbone of Siparex's expertise in ESG reporting, the Group set up a quality partnership with its editor (Reporting21), also a specialist in ESG & CSR advice, which allows it to adapt in real-time to regulatory and operational evolutions in sustainable finance.

Groupe Siparex has also established robust partnerships with ESG & CSR advice experts, starting with Indefi and PwC.

Use of external providers and data suppliers

As mentioned above, Groupe Siparex relies on recognised external providers to implement its ESG policy.

We regularly use around fifty external service providers to analyse investment opportunities' ESG strengths and weaknesses and to implement their ESG action plans.

At this stage, Siparex does not use ESG data suppliers but occasionally reaches out to external experts to obtain benchmarks in order to position portfolio companies.

Financial resources devoted to ESG

In 2022, a total cumulative envelope of around €1 M was devoted to ESG.

Actions undertaken to reinforce the company's internal capacities

Training of management and staff

- › Overhaul of the Group's external and internal ESG training programmes.
- › Delivery of an internal ESG training programme, quarterly at least, mainly with the intervention of external experts (carbon footprint, energy sobriety, climate change issues, etc.).
- › Roll out of the *Fresque du Climat* during the course of 2022 to over 80% of employees and 100% of the members of the Group Executive Committee and Group ESG Committee, together with 2 yearly workshops for new employees.
- › Assistance to the investment teams from the ESG team in carrying out ESG analyses of target companies and defining ESG action plans.

Communication strategy

- › Systematic inclusion of an ESG sequence in the programme of the Group's internal seminars.
- › Publication of the Group's annual ESG & CSR report on Siparex's website.
- › Regular internal communication on the activities of the Fondation Siparex and the Operating Team's activities.

Design of new products

- › Development Article 9 SFDR funds and thematic Impact Investing funds.
- › Inclusion of clear ESG targets in the Article 8 SFDR funds investment strategies.
- › Payment of a significant part of carried interest to be linked to the attainment of predefined qualitative and quantitative ESG targets.
- › Reinforcement of sectorial exclusions in new funds.
- › On top of the Group's ESG policy, for our Article 8 SFDR funds, sustainable investment commitments and definition of impact priorities in line with the internal and external means of operational and strategic support that can be implemented to transform target companies.

Communication of best practices throughout Groupe Siparex

- › Experience sharing between investment teams, starting with the management teams of Article 8 SFDR funds and the management teams of the Article 9 SFDR funds.
- › Reinforcement of Group expertise in terms of risk management, starting with transition risks relative to climate change.

Change Management

- › Reinforcement of new funds ESG policies to be drawn up with investment teams.
- › Development of ESG analysis and training tools and methods and their availability to investment teams.

Inclusion of environmental, social, and governance quality criteria within fund governance

Governance bodies' knowledge, skills, and experience

Groupe Siparex's Executive Committee relies on the Group ESG Committee to implement the 2030 ESG & CSR strategy. The Group ESG Committee regularly updates the Executive Committee as to progress on the 2030 roadmap, at least once a year.

In June 2023, Bertrand Rambaud, CEO of Groupe Siparex, was elected President of the Board of Directors of France Invest. He is fully aware of the industry's main ESG challenges as well as current regulations.

4 of the 10 members of the Executive Committee sit on the Group ESG Committee, which monitors the Group's ESG issues and obligations. The ESG Committee's works are completed by a quarterly report on the regulatory monitoring carried out by the Internal Compliance Team.

The ESG Committee relies on the ESG Team, the Operating Team, and, more broadly, all of the Group's employees to meet the ESG 2030 objectives. Their adaptation throughout the Group's activities is the responsibility of the Activity Directorates.

The ESG team, in line with its role in supporting change, participates in reviewing ESG compliance of operations (1st level review). This supervisory exercise is strengthened by a 2nd level review carried out by the Group's Internal Compliance Team.

The ESG Team carries out regular monitoring of portfolio company ESG action plans and performance and communicates its findings, at least once a year, to the concerned fund subscribers.

Integration of ESG criteria into the company's compensation policy

Part of the ESG Team and Céline Joubert's variable income is tied to the respect of the current year's ESG roadmap determined during the previous year, demonstrated in particular by the following indicators:

- A.** Compliance with the Group's regulatory obligations
- B.** Delivery of Fund ESG Reports
- C.** Compliance with the internal training programme
- D.** Achievement of goals set by the Group ESG Committee

Almost 60% of the funds available for investment to date ("Dry Powder") within the Group explicitly target the attainment of ESG goals and almost one-third of employees are directly concerned by these achievements as holders of units that give the right to "carried interest": payment of a large portion of carried interest is tied to the attainment of ESG goals defined in the regulations of each fund.

Furthermore, the Group is working on reinforcing its compensation policy in that respect in order to roll it out to the largest possible number of Group employees and is aiming to publish an amended version of that policy on its website by the end of 2023.

Integration of ESG criteria into the internal regulations of the company's Supervisory Board

To date, internal regulations of the Supervisory Board of Groupe Siparex's holding (SIGEFI Private Equity) don't integrate ESG criteria but rather yearly monitoring of the ESG roadmap.

Engagement Strategy

Scope of companies concerned by the engagement strategy

The Group's shareholder engagement strategy covers 100% of Groupe Siparex's activities.

Presentation of the voting policy

Groupe Siparex participates actively in the governance of the companies it invests in, as can be seen from its shareholder engagement policy (freely accessible on its website).

Groupe Siparex's management companies exercise voting rights attached to the shares owned by the funds they manage, in line with the following principles:

- › The approval of accounts and income appropriation,
- › The modification of the articles of association,
- › The appointment and revocation of corporate officers and other bodies,
- › "Regulated" agreements,
- › Issuance and purchasing of securities,
- › Designation of statutory auditors,
- › Any other specific resolution.

Siparex's representatives participate physically in the portfolio companies' annual general meetings and vote in accordance with the Group's shareholder engagement policy.

Subscribers are informed as to the application of the shareholder engagement policy by means of the annual report of each fund under management.

Voting policy statement

Groupe Siparex's voting policy statement is currently being structured.

Assessment of the commitment strategy

As an actor in capital investment, Groupe Siparex commits actively to ESG topics alongside its portfolio companies. This commitment is a sign of the Group's desire to contribute actively to their positive transformation and the sustainable creation of value for all stakeholders.

100% of portfolio companies are concerned by discussions on ESG themes.

Decisions made in terms of investment strategy

Article 8 and 9 SFDR institutional funds in their investment period that are managed by Siparex systematically exclude:

- › production, buying and selling, or services related to human cloning for reproductive means or relative to genetically modified organisms;
- › the production of tobacco;
- › the manufacture of anti-personnel mines and/or cluster munitions as well as the production of key elements for the assembly and operation of such weapons;
- › the operation of casinos, gambling operations, and similar enterprises;
- › any activity related to pornography;
- › research, development, or technical applications relative to programmes or solutions that have any bearing on electronic data, which (x) specifically aim to support any activity described here above, or (y) aim to allow illegal access to electronic data networks or the downloading of electronic data;
- › any illegal economic activity (i.e. any production, sale or purchase or other that is illegal under the laws or regulations applicable to Funds or the Company concerned, including any activity relative to human cloning for reproductive purposes);
- › activities that are harmful to the environment, including the extraction of fossil fuels and production of electricity using fossil fuels.

European taxonomy and fossil fuels

European taxonomy

At the end of 2022, we believe that 39% of the funds managed by Groupe Siparex were eligible for European taxonomy goals.

Activities linked to fossil fuels

At the end of 2022, we believe that 0.7% of the residual outstanding amounts are indirectly exposed to exploration, extraction, trade, transport and stocking of fossil fuels and that 0% of the residual outstanding amounts are directly exposed to exploration, extraction, trade, transport, and stocking of fossil fuels.

Strategy to align with the international goals set out in Articles 2 and 4 of the *Accord de Paris* relative to the reduction of greenhouse gas emissions

On 30 June 2023, Groupe Siparex has not yet established a strategy to align with the international goals set out in Articles 2 and 4 of the *Accord de Paris* relative to the reduction of greenhouse gas emissions. Groupe Siparex aims for 25% of its portfolio companies to have committed to a carbon-zero schedule by 2030.

Strategy to align with long-term goals relative to biodiversity

On 30 June 2023, Groupe Siparex has not yet established a strategy to align with the international goals relative to biodiversity.

Process to ensure inclusion of environmental, social, and governance quality criteria in risk management

The analysis and monitoring of environmental, social, and governance quality criteria as well as their inclusion in investment decisions and management are a mainstay of our risk management mechanism.

Analysis of investment opportunities

Whichever of Groupe Siparex's activities is concerned, ESG criteria analysis is an integral part of risk and opportunity studies. We regularly reinforce our ESG analysis tools and methods, in particular with respect to the climate, by making available to investment teams a proprietary climate risk materiality evaluation tool. This tool, inspired by initiative Climat International recommendations, evaluates both the climate risk profile of the investment opportunity and its maturity in respect of physical and transition risk management linked to climate change.

In-depth ESG and climate diagnostics of investment opportunities are reinforced throughout the process by consultations with expert third parties, the performance of complementary strategic analyses, and the presentation of investment opportunities to a Committee of experts, an advisory body comprising a dozen members chosen for their reputation and sectorial, strategic, and company management experience. This Committee carries out a critical review of the key industrial, financial, and extra-financial elements of the opportunity being studied, and the pertinence and ambition of its development project. The Committee's input broadens the map of the main risks and challenges.

Investment decisions and structuring

In every case that impacts our investment decision, we rapidly carry out an ESG review upstream of the investment operation. In cases where there is no impact, we ensure that this ESG review is carried out during the early stages of the investment's lifecycle in order to rapidly formalise the ESG action plan, a structuring part of our ESG risk management policy.

For a large and increasing portion of our new investments since 2020, we have included ESG goals in the key shareholding management staff's value-sharing agreements in order to ensure an alignment of interests on the proper management of ESG risks.

Investment monitoring

The ESG action plan is monitored at least once a year within the shareholding governance body. This monitoring gives rise, in particular, to the production of a yearly Fund ESG report for fund subscribers and an individual annual report, which serves as a basis for discussions within the shareholding governance body.

Whilst promoting the best practices in terms of ESG, Groupe Siparex has invested in the constitution of a team dedicated to the operational support (Operating Team) of its portfolio companies. Groupe Siparex's Operating Team, along with the ESG Team, is mobilised in order to reduce Siparex's portfolio companies' ESG risks.

List of financial products mentioned in accordance with Articles 8 and 9 of the Disclosure Regulation (SFDR)

The SFDR Regulation, also known as European Regulation (UE) 2019/2088 relative to the publication of sustainability information in the financial sector, imposes financial transparency rules on financial companies, and requires the inclusion of sustainability risks and negative impacts on sustainability in investment processes.

This regulation is a symbolic landmark in the European Commission actions to support financing of sustainable growth. It aims to actively encourage sustainable investments in durables order to create a financial environment that is conducive to the transition towards a greener economy.

At 31 December 2022, Groupe Siparex's financial vehicles that fall under the SFDR regulation are classified as follows:

- 52 funds classified under Article 6 of the SFDR for a total of €1 230 M of assets under management (37% of assets under management)
- 14 funds classified under Article 8 of the SFDR for a total of €1 800 M€ of assets under management (54% of assets under management)
- 3 funds classified under Article 9 of the SFDR for a total of €280 M of assets under management (8% of assets under management)

63% of amounts managed by Groupe Siparex at 31 December 2022 take into account environmental, social, and governance quality criteria.

SIPAREX

/ Group

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