



# ESG ANNUAL REPORT 2021

June 2022

argos.  
wityu

Independent private equity fund

Creating value through sustainable performance

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## General approach & strategy on ESG

At Argos Wityu, we aim to support sustainable growth and value creation going beyond a purely financial approach, using a specific exclusion and ESG policy for this.

### Exclusion policy

Argos Wityu applies exclusionary rules to ensure that fund capital will not be invested in the following businesses or activities:

- Production or trade in any product or activity deemed illegal under applicable local and national laws or regulations
- Businesses for which the main source of income and/or main activity is derived from:
  - Manufacturing or dealing with arms
  - Manufacture of tobacco products
  - Human cloning
  - Gambling
  - Pornography
  - Coal burning or extraction

### Integration of sustainability issues at every stage of the investment process

Argos Wityu is committed to integrating ESG throughout its investment decision-making process, while adapting its approach to each investment to ensure an appropriate and effective strategy.

With the support of the ESG task force, the investment team is responsible for the implementation of this policy during the different phases of the investment process:

#### **1. Pre-acquisition: assessment of ESG risks and opportunities**

During the pre-acquisition phase, Argos Wityu analyses both financial and ESG drivers through the following steps:

- a. All investments must comply with Argos Wityu's ESG standards. These include the respect of an exclusion list and of Argos Wityu's Responsible Investment Code.
- b. An ESG due diligence questionnaire is then conducted by Argos Wityu's investment teams. This questionnaire enables Argos Wityu's teams to identify the main ESG-related growth drivers and risks. The questionnaire is based on the documents available, the results of our due diligence measures as well as discussions with target investments' management. A short synopsis of the main risks and opportunities identified is then included in the notes for the Investment Committee.

Once a target investment is deemed appropriate by the Investment Committee, measures are taken to ensure a thorough ESG knowledge of the target investment and work on an ESG action plan:

- a. Before the closing, an external ESG review is carried out by external advisors to better measure identified areas of ESG risks and opportunities uncovered during the internal ESG due diligence phase. The focus of this review is threefold:

- Identify a small number (typically 1-3) of ESG drivers that could create value or avoid risks of value destruction (reduction in energy consumption, reduction of employee turnover, reputational issues, etc.)
  - Put in place an Action Plan to leverage those drivers over a multi-annual period (use of technology using less energy, long term bonuses, etc.)
  - Identify ESG Key Performance Indicators to follow this Action Plan (energy consumption in watts per day, employee turnover rate)
1. Argos Wityu ensures that ESG commitments with target investments are formalized in writing through the following elements:
    - The inclusion of relevant ESG representations and warranties in the Sales and Purchase Agreements (SPAs) signed with target investments
    - The insertion of the following elements in the Shareholders' Agreement concerning target investments:
      - the recognition of the ESG Principles, stating that value-creation can be obtained from non-financial aspects
      - the need for target investments to comply with Argos Wityu's Responsible Investment Code
      - the necessity of sending a quarterly reporting to Argos Wityu on ESG aspects (Human Resources and ESG KPIs, advancement of the action plan, etc.).

Argos Wityu is committed to integrating ESG throughout its investment decision-making process, while adapting its approach to each investment to ensure an appropriate and effective strategy. With the support of the ESG task force, the investment team is responsible for the implementation of this policy during the different phases of the investment process.

## 2. Investment period: engagement, monitoring, and support

Following the acquisition, one key ESG action is chosen based on materiality, in accordance with the management of the target investment. The goal is to monitor and support the target company to bring the necessary changes to attain a more sustainable future.

During the holding period, each target investment must send a quarterly reporting to Argos Wityu on the following matters:

- Reporting on quantitative Human Resources KPIs common to all portfolio companies. These include aspects like headcount, turnover, training intensity, injuries, and absenteeism
- Reporting on ESG KPIs that embody the following elements:
  - **Environmental:** carbon footprint, environmental approach, initiatives taken to decrease energy consumption, waste management, etc.
  - **Social:** inclusion of women in the company and at the Executive Committee, etc.
  - **Governance:** presence of a code of conduct, existence of an anti-corruption policy, depth of the compliance function, etc.
- Reporting on progress on the firm's ESG Action plan

Upon reception of the reporting, Argos Wityu's investment teams ensure that an ongoing engagement with the target investment's firms is made by:

- Ensuring that HR and ESG KPIs action plan are properly monitored and recorded
- Challenging management progress on HR KPIs and ESG KPIs
- Questioning whether new actions/KPIs should be added

Finally, the key ESG action specific to each target investment is to be discussed at the target company's board level at least once per year.

### 3. Exit: capturing the potential ESG value-added

ESG Due Diligences at Exit are only put in place in the following cases:

- When the topic is of specific interest given the industry (for example when the company is in a sector known for its pollution risks such as extractive or metal transformation industry, or other social risks such as labour in the apparel industry) and/or given the company's positioning in the value chain, or
- When the illustration of how ESG action created value or limited risks on value creation is reasonably material

In this case, an ESG Vendor Due Diligence is carried out by an external advisor. The goal is to:

- Describe the company's behaviour in ESG area
- Identify how implementation of the ESG Action Plan created value
- Use HR and ESG KPIs collected in quarterly reporting during the investment period
- Demonstrate that the ESG Action Plan did have an impact on the evolution of KPIs (reduction of waste, energy consumption, employee turnover, ...)

## Engagement strategy with portfolio companies

### Integration & management of ESG and climate issues within Argos Wityu's engagement strategy

By nature, Argos Wityu puts dialogue with portfolio companies at the heart of its general investment approach. As such, our investment teams regularly integrate ESG aspects into their engagement with the portfolio companies as part of the monitoring portfolio companies' discussions. ESG has become a standard topic on the agenda. Because of the different maturity level on the topic, awareness creation is key before discussions start on.

Argos Wityu requests portfolio companies to complete ESG questionnaires that allow the monitoring of extra-financial performance. The answers are used to:

- Evaluate the responsible investment practices of the companies surveyed via ESG reporting
- Monitor the ESG performance of the companies surveyed through the implementation of key performance indicators

The consistency of the approach at portfolio companies' level and fund's level is key. Hence, Argos Wityu's responsible investment strategy follows a control and monitoring process of ESG and impact risks throughout the life of the vehicles it manages or advises. This includes the monitoring of ESG criteria. The investment teams capitalize on the ESG and climate expertise that they acquire internally and on the mobilization of high-level specialists on the impact issues addressed.

As part of the deployment of their investment strategies, the Funds managed or advised by Argos Wityu can take minority stakes alongside other shareholders. This involves coordination and cooperation with co-investors and/or existing shareholders in long-term support, including in terms of engagement. Hence, as a representative of the Funds managed or advised, Argos Wityu makes sure to participate to:

- The strategic decisions of the companies financed (adoption of the strategy and the annual budget, development of the company, issues of securities, sale/transfer of securities by the shareholders, sale of assets by the governing bodies, merger/split, modification of the articles of association, composition of governing bodies, executive compensation, etc.);
- The exercise of voting rights at general meetings;
- The use of veto and preferential rights attached to securities held, particularly in the event of a capital increase or new shareholders;
- Periodic information to be communicated by the financed companies: for the sake of transparency and in order to have a follow-up of the financed companies, Argos Wityu wishes to obtain periodic reports and financial and extra-financial information;
- ESG clauses: this may include clauses relating to the implementation of a CSR policy, the participation and profit-sharing of managers/employees, the implementation of measures promoting parity, ecological and energy transition, the establishment of a committee dedicated to ESG within the companies financed;
- Clauses relating to the non-competition and non-poaching of founders and the protection of intellectual property by the companies financed;
- Clauses relating to the integrity and ethics of the managers of the companies financed.

### Integration of ESG and climate issues in Argos Wityu's voting policies

Argos Wityu's voting policy is part of the engagement strategy policy<sup>1</sup>. The monitoring of the voting rights of the various interests held by the funds managed or advised by Argos Wityu is done by a specific team, i.e., the Fund services team. For example, this team has formalized a follow-up file for General Meetings to have a clear overview of actions to be carried out for each one.

As a responsible investor and in line with its vision in terms of engagement, Argos Wityu has therefore voted 100% of the General Assembly in its perimeter over 2021.

### Integration of ESG risks in risk management

As a first step toward our ambition to integrate ESG risks in risk management, Argos Wityu included ESG risks in its general risk mapping.

To guarantee an optimal protection of the fund and its investors and to guarantee a complete cover of the risks which should affect the management and the administration of the managed portfolios, Argos Wityu has the appropriate resources to manage the risks.

During the investment phase, the risks are monitored through the investment files which include the due diligences (legal, insurance, technical, tax, financial, ESG, etc.) performed by Argos Wityu or its service providers. The Investment Committee validates all funds' investments.

ESG Due Diligence is used by Argos to identify, evaluate, prioritize, and manage the risks related to the consideration of ESG criteria. Below are some examples of the parts covered by an ESG Due Diligence:

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<sup>1</sup> Available upon request.

- Identification of main applicable ESG and ethical regulations
- Identification of priority ESG themes for the portfolio company (environment, governance, business ethics...), each theme is divided into several specific sub-questions that will allow to arbitrate if the company represents an opportunity or a risk
- Development of a mapping of key ESG issues for the portfolio company
- Summary of the series of questions (governance, values, and corporate culture; ethical business conduct; GHG emissions and climate transition...) and issuance of conclusions

## ESG transparency towards stakeholders

Argos Wityu is aware of the demand from investors to be regularly informed on ESG aspects including sustainability risks and is committed to honour this request.

### Quarterly ESG reporting to investors

Our investors are regularly informed of our investments' ESG performance through a quarterly ESG reporting. As part of Argos Wityu's Responsible Investment Principles, we communicate to our investors on our responsible investment initiatives. We described our main ESG initiatives for 2021 as below:

- **Climate action plan:** Argos has recognized decarbonisation as a key action for each portfolio company. Each company is required to measure the current level of its carbon footprint, and define targets to further reduce this level over the next couple of years
- **Argos Green Paddles:** in addition to existing Argos paddles, "Green paddles" have started to be developed, capitalisation on Argos' 30 years of ESG experience. This toolbox will gather a full set of possible ESG actions and will be at the disposal of both the investment teams and portfolio companies as a tool to further improve their ESG performance
- **UNPRI:** Argos joined UNPRI in Q1 2021, demonstrating the Fund's strong willingness to further improve its ESG performance
- **Portfolio companies:** as per 2020 annual report, 100% of portfolio companies have a formal ESG action plan in place and 95% of companies are engaged in environmental initiatives. 72% of companies implemented a code of conduct and 61% anti-corruption policies, while management has a 20% female representation

Indeed, our Responsible Investment Principles are defined by a Code that sets out the principles, objectives and policies deployed to integrate ESG issues into our business and into the businesses of our portfolio companies. Our Responsible Investment Code requires our companies to:

**01** Comply with **all applicable laws**

**02** Endeavour to reduce adverse impacts and enhance positive effects of the business on the **environment, employees, and all stakeholders**

**03** Remain pragmatic and use ESG actions as drivers **for value creation**

**04** Commit to **continuous improvements** with respect to environment, social matters, and governance

**05** Strive to apply relevant **international best practice standards, with appropriate targets and timetables for achieving them**

**06** **Communicate** with their partners and with Argos Wityu about their socially responsible initiatives and performance



Argos Wityu also asks its target investments to provide a certain number of adverse impacts indicators on a quarterly basis:

- **Environmental:** carbon footprint, environmental approach, initiatives taken to decrease energy consumption, waste management, etc.
- **Social:** inclusion of women in the company and at the Executive Committee, etc.
- **Governance:** presence of a code of conduct, existence of an anti-corruption policy, depth of the compliance function, etc.

#### Communication on website

- **ESG initiatives:** ESG is perceived as a source of innovation and new opportunities as corporate social responsibility enables companies to improve their growth prospects, better manage risk, reduce resource consumption, and improve operational efficiency. For example, Argos Wityu communicates on its carbon footprint initiative which consists of calculating its office carbon footprint with the support of the GoodPlanet Foundation, a non-governmental organisation supporting ecology and sustainable development
- **Portfolio companies ESG initiatives:** Argos Wityu encourages its portfolio companies to consider ESG factors. Key figures are published on the website regarding environmental management, social and employee welfare and governance (percentage of Argos Wityu's portfolio companies are engaged in environmental initiatives, number of portfolio companies with an ESG action plan, percentage of companies that have an ethics charter/anti-corruption charter, percentage of women executive positions held by women...)
- **ESG documentation:** principal adverse impact statement, extract from the remuneration policy, sustainability risk policy

#### ESG commitments

Chart/Initiative	Theme	Date
 <b>PRI</b>   Principles for Responsible Investment	ESG	2021
 <b>United Nations</b> Global Compact	ESG	2022



 <p>Code de Déontologie Code d'investissement responsable 2013</p>	ESG	1991
	ESG	1991
	Climate	2022
	Climate	2022

### UNPRI

Argos Wityu is proud to have joined **UNPRI** (UN Principles for Responsible Investment) in February 2021. While we have always been committed to applying leading ESG principles in our practices, by joining UNPRI, Argos Wityu has committed to making ESG a part of its core mission.

By joining UNPRI, Argos Wityu is committed to applying the group's guidelines throughout the investment, portfolio management and divestment processes as well as in the management of its own company. Becoming a PRI signatory highlights Argos Wityu's efforts in sustainable and responsible investment.

### UN Global Compact

As we are committed to further integrate sustainability, we have signed up to the UN Global Compact. Besides publishing our annual report, we will be able to access best practice guidance, tools, resources, and trainings to share both internally and with our portfolio companies.

## France Invest

Argos Wityu is an historic member of AFIC/France Invest. Under the Presidency of Louis Godron (2012-2014), the professional federation adhered to the PRI; it also notably designed a Code of Conduct related to responsible investment, which has been published in 2013 and adopted by ¾ of the industry. To further pursue historical involvement of Argos Wityu professionals at France Invest level, our partner Simon Guichard has joined the steering committee of France Invest Sustainable Commission as of xx. He is representing Argos Wityu as the GP leading one of the Climate Working Groups of this Commission, which is deploying initiatives around Decarbonization of Portfolio.

## Invest Europe

Argos also is an historic member of EVCA/InvestEurope. Having joined the Responsible Investment Roundtable's Affiliate Network, Argos Wityu shows its commitment to support ESG in the European private equity industry. Fabian Söffge is a member of the working group on ESG Reporting Standards, which tries to harmonise reporting standards and focus on those KPIs being relevant to both, Limited Partners and General Partners.

## ICI

As an **ICI** (*Initiative Climat International*) signatory, Argos Wityu is committed to reducing the greenhouse gas emissions of the companies it supports and to ensuring sustainable performance. The ICI forms a unique sharing platform that brings together and mobilises all private equity players wishing to make a concrete contribution to the fight against climate change.

## Science Based Targets

Science-based targets are greenhouse gas emission reduction targets that are informed by independent climate science and are in line to meet the goals of the Paris Agreement – limiting global warming to well-below 2°C above pre-industrial levels and pursuing efforts to limit warming to 1.5°C. Argos Wityu has committed in April 2022 to set SBTs and has submitted the defined targets to the SBTi for approval in June 2022.

## ESG governance & organisation

To properly implement its ESG strategy, Argos Wityu has adapted its governance and organisation as explained below.

### Internal organization

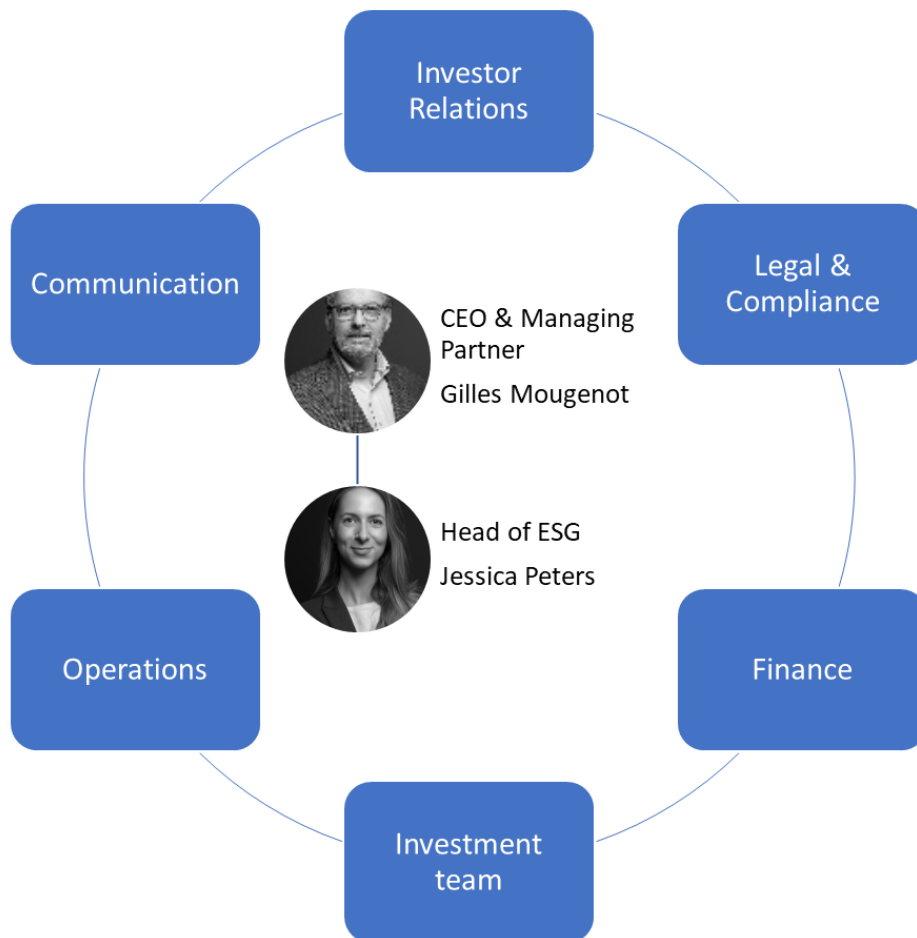
Argos Wityu nominated a dedicated Head of ESG, based in the Brussels office. Her role is to integrate ESG into both Argos Wityu and the portfolio companies, enabling investment teams to take futureproof decisions and provide management of portfolio companies with ongoing support and guidance.

Our Head of ESG joined Argos Wityu after gaining previous experience in several commercial roles for 7 years before focusing on sustainability over the past 7 years.

ESG related issues have always been a part of Argos Wityu's business model for many years with an ESG reporting dedicated to investors since 2013. With the strengthening of regulations related to

sustainable finance, Argos Wityu established a ESG Task Force in order to assess the impact of these regulations on the company and adjust the internal processes (a remuneration policy consistent with effective risk management and that does not encourage excessive risk-taking including sustainability risk, develop a sustainability risks policy explaining how Argos integrates sustainability risks in its investment decision-making and investment advice processes...).

At Argos Wityu we believe that ESG must be considered throughout all departments within the organisation, therefore we have a dynamic approach to the ESG task. Meaning, we integrate as much as possible each department as support to the projects. The taskforce is led by the head of ESG who both defines and streamlines the projects and reports to top management.



The task force mainly works on:

- Collecting ESG KPIs for our portfolio of companies with the help of the investment teams
- Maintaining a portfolio-wide view of HR and ESG KPIs
- Exchanging best practices and examples of actions
- Raising awareness and train staff

## Financial, human, and technical resources dedicated to ESG

### *Percentage share of corresponding full-time equivalents*

Our Head of ESG devotes 100% of her time to ESG matters at both Argos Wityu and portfolio companies' level. As mentioned above, we have a dynamic approach to the ESG task which implies that ESG is considered by all departments. In 2021, we estimate that the time allocated by our different teams to ESG is around 8% of their workload, corresponding to 3,4 FTE. Thus, in total 4,4 FTE is devoted to ESG related topics.

### *Percentage share and amount in euros of budgets devoted to ESG*

In 2021, we estimate that the budget allocated by Argos Wityu to ESG related matters (tools, external advisory, etc.) direct and indirect costs corresponds approximately to 8% of the total budget. This budget could be subject to fluctuation as it depends on the level of ESG maturity of the assets under management and on the number of deals per year.

## Internal capacity building

An annual training about ESG topics is scheduled for all employees at Argos Wityu. The last one occurred in April 2021 and covered the following topics:

- ESG policy: integration of ESG at every level of the investment process
- Overview of 2020 KPIs: employees absenteeism rate, initiatives to decrease energy consumption, carbon footprint monitoring, female executive representation...
- New developments: UNPRI, diversity and inclusion policy, Disclosure and Argos Friday initiative (free days off dedicated to a social activity of the employee's choice or at the office/Group level)
- Next steps: key dates related to sustainable finance regulation, key actions to be implemented...

Internal trainings covering ESG aspects are also integrated in the mandatory training package dedicated to newcomers.

## Remuneration Policy

Argos Wityu applies a remuneration policy that is consistent with effective risk management and does not encourage excessive risk-taking, may they result from financial or sustainability risks. This policy aims at ensuring the alignment between the behaviour of its employees and the long-term objectives of Argos Wityu. It also wishes to dissuade any risk-taking that is deemed excessive or unacceptable by the company.

The content of Argos Wityu's remuneration policy is in line with the requirements of the AIFM Directive (Directive EU 2011/61/UE) as well as article 5 of the Disclosure Regulation (Regulation EU 2019/2088) on the transparency of remuneration policies regarding the integration of sustainability risks.

Given the size of the Company's workforce and for the sake of simplification, Argos has decided to extend the principles of this remuneration policy to all employees of the Alternative Investment Fund Manager (AIFM).

Our remuneration policy takes all risks into account, may they be financial or sustainability risks, and aims at ensuring consistency between employee behaviour and the long-term objectives of the company. The implementation of this remuneration policy considers the size and internal organization of the AIFM, as well as the nature, diversity, and complexity of its activity.

For its beneficiaries, the provision of carried interest allows them to invest in the long run alongside their investors, ensures an optimal alignment of interests between investors, employees, their partners, and society and promotes a sound and effective risk management system.

The compliance officer integrates the issue of remuneration into the potential risks of conflicts of interest. This procedure is put in place to minimize the risks in this area. A control of its application is integrated into the compliance officer's internal control program.

### Integration of ESG criteria in governance bodies and beyond

At this stage, ESG criteria are not integrated in the internal rules of Argos Wityu's board of directors. We have the will to ensure that our board of directors (further) adopts ESG criteria into its internal rules in the following year. However, Argos Wityu has committed to the Science Based Targets (SBTs) and to integrating diversity, both acting as key components for decision making. And further integrating diversity as mentioned in the diversity policy which is continuously being promoted throughout the group.

### Diversity policy

Argos Wityu is continually focusing on increasing the diversity of its team and strengthening its culture of inclusion. [Refer explicitly to signed Diversity Charter.]

As of today, Argos gathers 16 different nationalities represented among the 53 members of its Team, based in 6 offices across Europe.

It is our goal to continue to build a brilliant and diverse talent pool and to further promote an accepting and inclusive culture. We are convinced that this will support our growth, by attracting and retaining top talent, and will better serve our diverse set of investors and portfolio companies.

Moreover, we strongly believe that a diverse and inclusive workforce, which values individuality, leads to better decision-making and better understands the dynamics that shape our business and our community. Within the scope of this initiative, the topic of gender and diversity plays a very important role. Argos is committed to prevent discrimination and to promote equal opportunities through equal treatment between men and women in recruitment, career path, and work-life balance.

All Partners and Managers in our Team assume responsibility for implementing this Policy, and for promptly addressing cases of non-compliance with this policy of which they become aware.

We have a collective target by 2030 to have women representing at least 30% of the executive positions (partners and C-level positions) and 30% of the investment team positions.

### Our Impact

Measuring impact is key to implement and monitor our strategy. In this field, challenges ahead are still important to source the data, to ensure their reliability and to be able to consolidate them. Argos



Wityu therefore pays attention to the measure of its impact both at its portfolio's and its operations' levels.

The following section presents the approach and relevant indicators by themes.

### Climate change & biodiversity at portfolio's level

Argos Wityu considers the impact of its investments on climate change and biodiversity in its ESG investment-decision process, through:

- The monitoring of the environmental indicators of targets analysed
- The implementation of an engagement policy with target investments to improve their impact

More specifically, it will assess the environmental impact of its operations and those of its portfolio companies as follows:

- Identify potential risks and appropriate mitigating measures through an environmental impact assessment where portfolio company operations could involve loss of biodiversity or habitat, emission of significant quantities of greenhouse gases, severe degradation of water or air quality, substantial solid waste, or other significant negative environmental impacts
- Consider the potential for positive environmental impacts from portfolio company activities

Hence, Argos Wityu has initiated a process consisting in assessing the carbon footprint of the different portfolio companies. A key step is to define a harmonized internal methodology that will help defining a strategy aligned with the Paris Agreement.

In the same way, there is an internal consensus to integrate biodiversity in future funds. Argos needs to better understand the biodiversity-related impact it may have to define a biodiversity strategy that would be aligned with the international objectives. In this field again, the challenge that we face is to determine which metrics to cover and the information gathering methodology.

### Climate change & biodiversity Argos' operational level

As a company, Argos Wityu takes a particular interest in climate-related issues. The carbon footprint for all offices was calculated for 2019, 2020 and 2021 with Climate Partner (electricity, heating, cooling, office paper, electronic devices...). The consolidated 2020 carbon footprint of all Argos Wityu offices decreased by 39% compared to 2019 (to 396 tonnes) and this is mainly due to reduced air travel considering the context of the Covid-19 crisis.

Argos Wityu intends to offset its carbon footprint by financing projects initiated by the GoodPlanet Foundation. This foundation supports solidarity projects that are recognised for the work they do in raising awareness and fighting climate change and biodiversity loss.

Argos Wityu contributed €8,700 to Natuurpunt, which will use these funds to create 4,350m<sup>2</sup> of new forests in the Brussels area. In addition, each office has committed to "Friday initiatives", in which the team donates time to a worthy cause of their choice.

## Annex I –List of financial products

All Argos Wityu's funds are classified as an Article 6 in accordance with the Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 (Disclosure).

## Annex II – Measures for improvement

Theme	Measures currently in place	Planned improvement actions
Sustainable investments and investments in fossils	As this information is not required for the 2021 reporting, this section will be completed for the following year	<ul style="list-style-type: none"> <li>• Indicate the amount in € and the percentage of the SGP's assets invested during the period in investments aligned with the European Taxonomy and specify the scope of the financial products concerned</li> <li>• Indicate the proportion of estimated and actual data of the total outstanding amounts managed by the entity</li> <li>• Define the methodologies and databases on which the analysis is based for the share of AuM for activities aligned with the Taxonomy</li> <li>• Specify the amount in € and the percentage of invested in companies active in the fossil fuel sector in the fossil fuel sector as defined by the European Taxonomy and specify the scope of the financial products concerned</li> <li>• Present the proportion of estimated and actual data on the total AuM by the entity and, if applicable, on the total AuM of the financial product concerned</li> <li>• Define the methodologies and databases on which the analysis is based for the share of AuM in companies active in the fossil fuel sector</li> </ul>
Integration of ESG risks in risk management	The requirements related to the integration of ESG risks in risk management are not required for the 2021 reporting and will be completed for the following year (except for the requirement 8° a) of the decree n° 2021-663 of May 27, 2021)	<ul style="list-style-type: none"> <li>• Our sustainability risk management policy will consider physical risks, transition risks, and controversial risks, including risks related to climate change and biodiversity</li> <li>• Indicate how the sustainability risk management policy assesses, prioritizes, and manages these risks</li> <li>• Specify how sustainability risks are integrated into the risk management of investments, including the teams responsible for sustainability risk management and the governance in place</li> <li>• Indicate a description of how the process meets the recommendations of the European supervisory authorities</li> <li>• Provide a description of the sustainability risks considered by our policy (characteristics, segmentation, selection criteria of the risks considered...)</li> </ul>

		<ul style="list-style-type: none"> <li>• Present information on the time horizon associated with the main risks identified</li> <li>• Specify the scope of the financial products concerned</li> <li>• Define implemented actions through the sustainability risk management policy to reduce identified and assessed risks</li> <li>• Indicate a quantitative estimate of the financial impact of the main ESG risks identified and the proportion of assets exposed, as well as the time horizon associated with these impacts, including the impact on the valuation of the portfolio</li> </ul>
Measures for improvement	As this information is not required for the 2021 reporting, this section will be completed for the following year	<p>Define a continuous improvement including:</p> <ul style="list-style-type: none"> <li>• An identification of the opportunities for improvement of the current strategy and the corresponding concrete actions to improve the current situation</li> <li>• Information on strategic and operational changes introduced or to be introduced because of the implementation of corrective actions</li> <li>• For each of the above two items, targets with timelines for implementation</li> </ul>

### Annex III – Cross referencing table with Article 29 of the French Energy-Climate Law

Required information under decree N°. 2021-663 of May 27, 2021.		ESG Annual Report 2022	Page
<b>General approach of the entity</b>	Presentation of the entity's general approach to taking ESG criteria into account, particularly in its investment policy and strategy	General approach & strategy / Our ESG Policy: Integration of sustainability issues at every stage of the investment process	4-6
	Content, frequency and means used by the entity to inform members, contributors, on the criteria related to ESG objectives considered in the investment policy and strategy	General approach & strategy / ESG transparency	7-8
	List of financial products mentioned under Article 8 and Article 9 of Regulation (EU) 2019/2088	Annex I –List of financial products	15
	The entity's adherence to a charter, a code, an initiative or obtaining a label on the consideration of ESG criteria, as well as a summary description of these	General approach & strategy / ESG commitments	8-10
<b>Internal means to contribute to the transition</b>	Description of the financial, human, and technical resources dedicated to taking ESG criteria into account in the investment strategy in relation to the total assets managed or held by the entity	ESG governance & organisation / Financial, human, and technical resources dedicated to ESG	11

	Actions taken to strengthen the entity's internal capacities	ESG governance & organisation / Internal capacity building	11
<b>ESG governance within the financial entity</b>	Knowledge, skills, and experience of governance bodies	ESG governance & organisation / Internal organization around ESG	10-11
	Inclusion in remuneration policy of information on how this policy is tailored to incorporate sustainability risks	ESG governance & organisation / Remuneration Policy	11-12
	Integration of ESG criteria in the internal rules of the entity's board of directors or supervisory board	ESG governance & organisation / Integration of ESG criteria in governance bodies and beyond	12
<b>Engagement strategy with issuers or managers</b>	Scope of companies concerned by the engagement strategy	Engagement strategy with portfolio companies	6
	Presentation of the voting policy		
	Assessment of the engagement strategy implemented, which may include the proportion of companies with which the entity has initiated a dialogue, the themes covered, and the actions taken to follow up this strategy		
	Report on the voting policy, on the tabling and voting of resolutions on ESG issues at general meetings		
	Investment strategy decisions, including sectoral disengagement		
<b>Sustainable investments and investment in fossils</b>	Share of AuM related to sustainable activities.	Not included in this report	-
	Share of exposure to undertakings active in the fossil fuel sector	Not included in this report	-
<b>Strategy for alignment with the Paris Agreement</b>	Quantitative target by 2030, reviewed every five years until 2050	Our impact / Climate change & biodiversity	13
	Where the entity uses an internal methodology, elements on it to assess the alignment of the investment strategy with the Paris Agreement		
	Quantification of results using at least one indicator		
	Role and use of evaluation in investment strategy		
	Changes in investment strategy related to the Paris Agreement alignment strategy		
	Possible follow-up actions on results and changes		
<b>Biodiversity alignment strategy</b>	The frequency of the evaluation, the projected update dates and the relevant development factors selected	Our impact / Climate change & biodiversity	13
	A measure of compliance with the objectives of the Convention on Biological Diversity adopted on June 5, 1992		

	An analysis of the contribution to the reduction of the main pressures and impacts on biodiversity		
	Mention of support for a biodiversity footprint indicator		
<b>Integration of ESG risks in risk management</b>	Processes for identifying, assessing, prioritizing, and managing risks related to the consideration of ESG criteria, and the way risks are integrated into the entity's conventional risk management framework	General approach & strategy / Integration of ESG risks in risk management	10
	Description of the main ESG risks considered and analysed	Not included in this report	-
	Indication of the frequency of the review of the risk management framework	Not included in this report	-
	Action plan to reduce the entity's exposure to the main environmental, social and governance risks considered	Not included in this report	-
	Quantitative estimate of the financial impact of the main ESG risks identified and the proportion of assets exposed, as well as the time horizon associated with these impacts, at the entity and asset level	Not included in this report	-
	Indication of the evolution of methodological choices and results	Not included in this report	-
<b>Measures for improvement</b>	If the entity does not disclose some of the required information, it shall, where appropriate, disclose a continuous improvement plan	Annex II – Measures for improvement	15-16