

ACTIVA

Partnering with entrepreneurs to drive sustainable growth

2023 Report on the Article 29 of the Climate Energy Act

- Updated June 2024 -

Agenda

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- E. Focus on our 3 differentiated pillars
- F. Setting the tone as a management company

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Classification of Funds under SFDR

Activa Capital Fund II (“ACF II”) and Activa Capital Fund III (“ACF III”) are to be reclassified as Article 8 under the EU Sustainable Finance Disclosure Regulation which applies "where a financial product promotes, among other characteristics, environmental or social characteristics or a combination of those characteristics, provided that the companies in which the investments are made follow good governance practices". ACF II and ACF III were previously categorized as Article 6 which covers funds that are not promoted as having ESG factors or objectives but that integrates sustainability risks into their investment decisions.

Activa Capital Fund IV (“ACF IV”) is classified as Article 8 under the EU SFDR.

All future funds will be classified Article 8 or 9 under the EU SFDR.



Part 1 | Our philosophy

Our firm

The French small-cap primary growth buyout specialist

We are an **independent private equity** company, **wholly-owned by its management team** characterized by a strong **entrepreneurial spirit**.

Our mission is to partner with **ambitious mid-sized French companies backed by inspiring entrepreneurs**.

We are the **partners of choice to support great businesses** throughout their **value creation journey** by **unlocking their full potential**.

Thanks to a **proven track-record** delivered by a **cohesive and stable team of 10 professionals**, we have earned the **support and trust of first-class institutional investors**

Activa Capital is authorized and regulated by the French Financial Services Authority (AMF).

Focus on **primary opportunities**



Profitable and fast-growing companies



Core **verticals-based** approach



Majority / controlling minority stake



€400m assets under management



Sustainable value creation



Meet our investment team

11 investment professionals guided by rigorous integrity & ethical standards

KEY TAKEAWAYS

- Act in the best interest of our investors and our investees
- Avoid conflicts of interests
- Protect non-public data and information
- Confirm annually knowledge and promotion of our code of ethics and anti-bribery regulations
- Use appropriately our board seats
- Invest our own money alongside investors



Alexandre Masson
Managing Partner



Christophe Parier
Managing Partner



David Quatrepoint
Partner



Frédéric Singer
Partner



Elliot Thiéblin
Investment Manager



Camille Emin
Investment Manager



Julie Perouzel
Associate



Valentine Loyer
Associate



Alix Minne
Senior Analyst



Thomas Lebre
Analyst



Gaspard de la Tour du Pin
Analyst

Our purpose and values

“Partnering to Transform”

Our purpose: “Partnering to Transform”

We work hard to create
strong, larger, durable businesses

- 1 Seeking the most **ambitious** and **engaged** entrepreneurs
- 2 Building a **proactive partnership** underpinned by **transparency** and **mutual trust**
- 3 **Enhancing** the most **transformative** and **scalable growth-oriented** levers
- 4 **Empowering sustainable** initiatives and **drive positive change**

Our values drive everything we do

Passionate

As entrepreneurs ourselves, with ambition to improve and achieve distinction

Trustable

We are a respectful, honest and transparent partner, accountable of our actions in everything we do

Performance-oriented

We are professional investors with the highest standards and a culture of meritocracy

Team spirit

We are collaborative, agile, and believe in teams acting humbly but with confidence

Giving ESG the means it deserves

Organizational structure and role of our practice

“ We want our commitments to be successful and evidenced in our everyday actions.

That is why we have decided to embed directly our ESG team within our investment team, overseen by an ESG committee headed by an independent professional. This organization fosters a swift decision-making process which is mandatory for an efficient ESG strategy

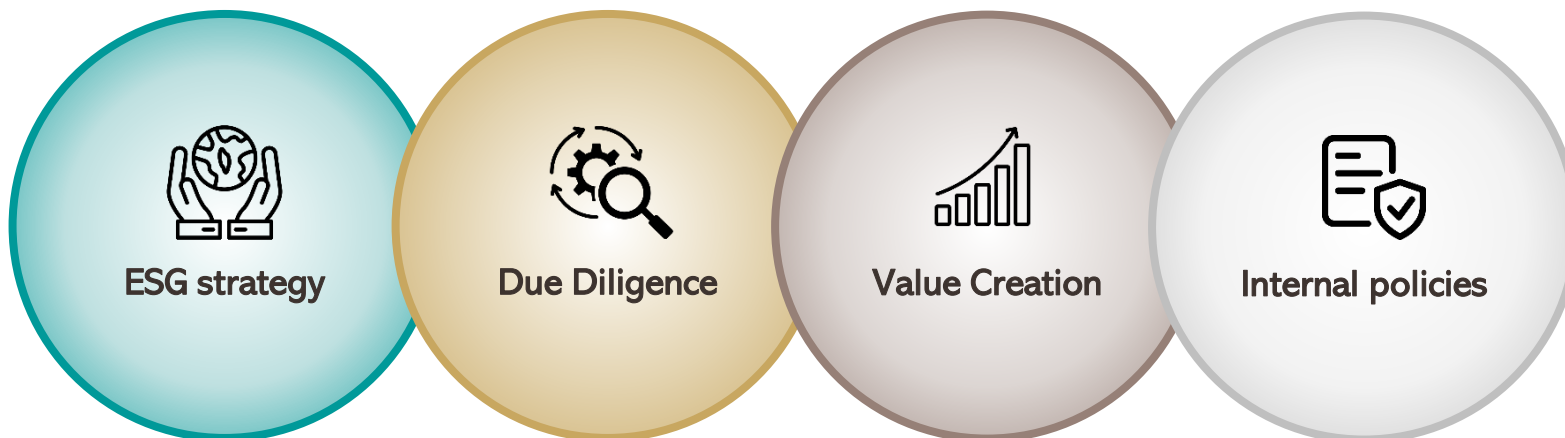


David Quatrepoint
Partner, head of ESG



Stéphanie Goujon
Head of ESG Committee

The role and responsibilities overseen by the ESG committee impacts all core functions of the investment team:



Our responsible investment policy

A 4-pillar approach at the core of what we do

“ Starting from our **2010 commitment** to the 6 United Nations principles for responsible investments, we have **enriched each year our already deep pledge** to **foster sustainable initiatives** within our **industry** and our **portfolio companies**.

Christophe Parier
Managing Partner

- 1** Ensure the strict application of our commitments to the 6 united nations principles for responsible investments
 - i. Incorporate ESG issues into investment analysis and decision-making processes;
 - ii. Be an active shareholder and incorporate ESG issues into ownership policies and procedures;
 - iii. Seek appropriate disclosure on ESG issues by the companies in which we invest;
 - iv. Promote the adoption and implementation of the Principles in the investment sector;
 - v. Work together to enhance our effectiveness in implementing the Principles;
 - vi. Report on our activities and progress towards implementing the Principles.
- 2** Respect the environment and reduce our impact
- 3** Promote diverse, responsible and rewarding policies and practices within Activa and in our portfolio companies
- 4** Have a concrete positive impact on society

Governance & remuneration

Investment team at the heart of our commitments

ESG embedded within the investment team

2022 marks a turning point for Activa in its ESG commitments: we decided to embark directly our ESG team within our investment team.

This reflects our belief that an ESG policy should be integrated directly into our investment team and our business model to be effective. In order to do so, Activa nominated David Quatrepoint (Partner from the investment team) as head of ESG, responsible of carrying out our ESG commitments and integrate them directly into our internal investment processes.

Remuneration policy

The remuneration policy is reviewed and checked by the remuneration committee and is based on an annual appraisal process considering a variety of factors notably qualitative, nonfinancial performance and ESG criteria.

Furthermore, a significant portion of the investment team is differed and linked to long-term fund performance

Robust and active governance

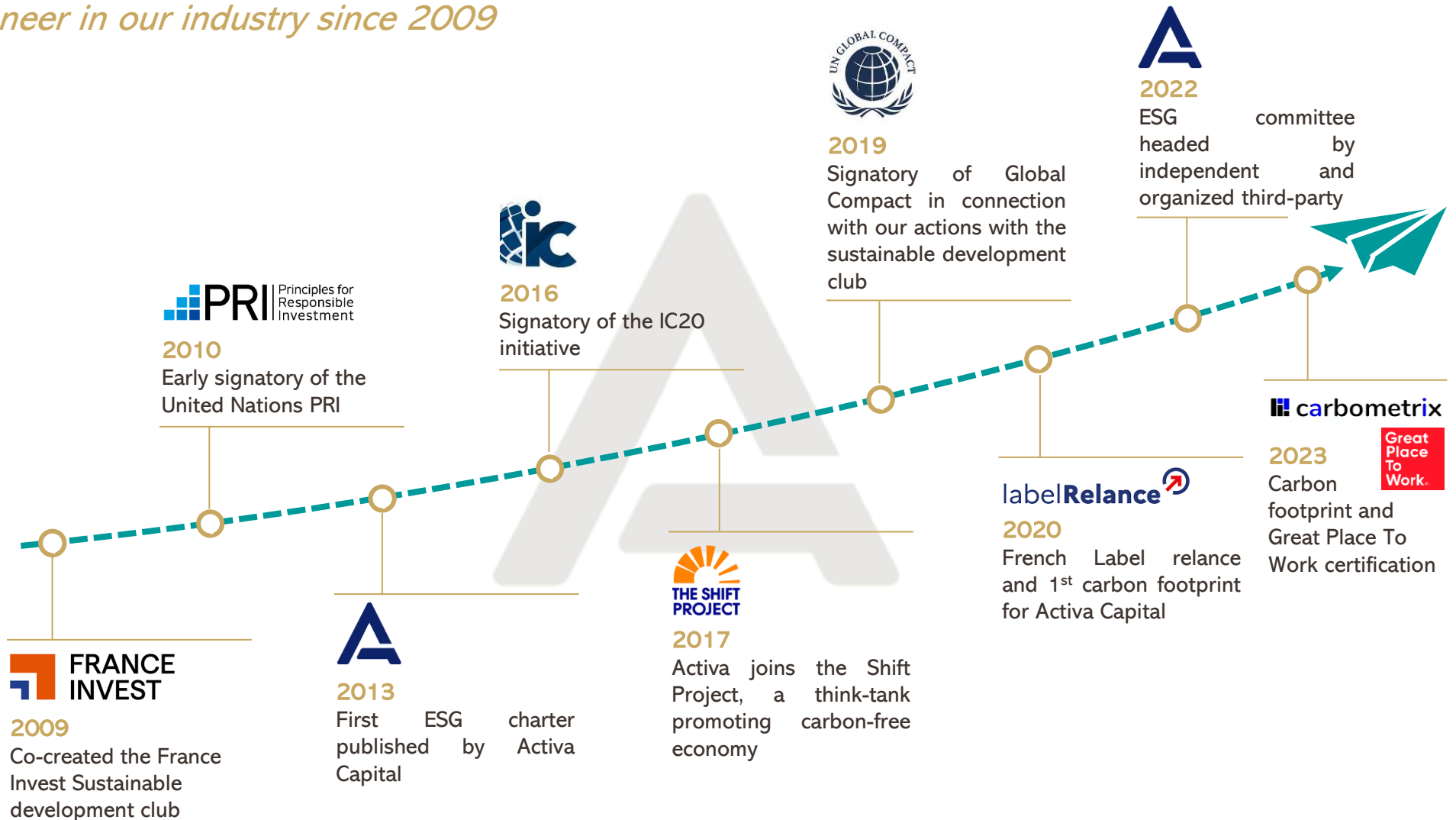




Part 2 | Our approach

Our commitment to sustainable investment

Pioneer in our industry since 2009



Our commitments as a responsible investor

A recognized ESG practice by our peers



**Awards
in the PRI campaign**



Strategy & Governance



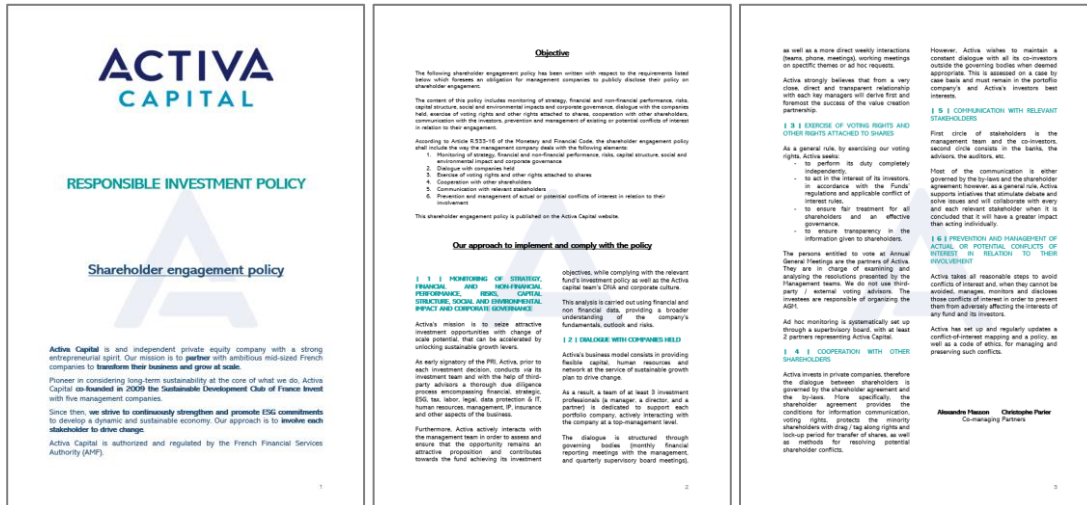
Private Equity



Our shareholder engagement policy

Ensuring a sustainable and efficient ownership phase

“Activa’s shareholder engagement policy is at the core of our role as sustainable investor. As steward of our investor’s assets, we strive to build and maintain constructive and long-term relationship with all our stakeholders.



Stewardship policy

1 Monitoring of strategy, financial and non-financial performance, risks, capital structure, social and environmental impact and corporate governance

A thorough investment process

2 Dialogue with companies held

Constant & direct dialogue : the key for success

3 Exercise of voting rights and other rights attached to shares

Ensuring an efficient & protective governance

4 Cooperation with other shareholders

5 Communication with relevant stakeholders

General rule to stimulate debate and drive change

6 Prevention and management of potential conflicts of interest in relation to their involvement

Providing transparent information to our ecosystem

“ Activa has always promoted a culture of full transparency, as we believe that a truly embedded ESG culture starts with sharing our commitments with all our stakeholders

1

To our investors...



Through our quarterly reporting (financials, market, business, fair value and ESG sections on Activa and each portfolio companies) and a public ESG annual report

2

To our employees...



Through regular internal communications by our ESG committee providing training and updates on ESG commitments and practices at Activa and within our industry

3

To our portfolio companies...



As soon as the due diligence prior to investment (sharing of our buyer's due diligence) and during monthly / quarterly meetings to track progress

4

To our network, industry and public ...



With a publicly downloadable ESG annual report and other reports on our various commitments on our website

Focus on our 3 differentiated pillars

Going beyond compliance and standards of our industry

- As the French primary growth buyout specialist in tech / services / healthcare verticals, **we invest in companies with human capital at the heart of their business model.**
- People's businesses can represent a risk when not dealt with properly – **we see an opportunity through ESG initiatives to foster value creation directly into the business model.**
- We have built a voluntary and pioneer approach to systematically:
 - i. we commit to carefully **monitor and reduce the yearly carbon footprint per FTE,**
 - ii. put in place a **broad employee's value creation sharing plan** based on Activa's proceeds at exit, and
 - iii. work with the company towards a **more sustainable employer brand strategy** using GTPW index as a starting point.

1

Carbon footprint



100% yearly monitoring in t / FTE

Objective ACF IV

2

Value creation sharing plan



100% portfolio companies

Objective ACF IV

3

Employer brand strategy



100% portfolio companies

Objective ACF IV

Setting the tone as a management company

1

Environment



Carbometrix
Carbon footprint

2

Impact on society



Agence du Don en nature
Funding charities

3

Internal training



8 sessions
Each year on ESG topics

4

Corporate culture



100% portfolio companies
ESG value creation plan

5

Internal policies



100% team members
Trained and committed

6

Remuneration scheme



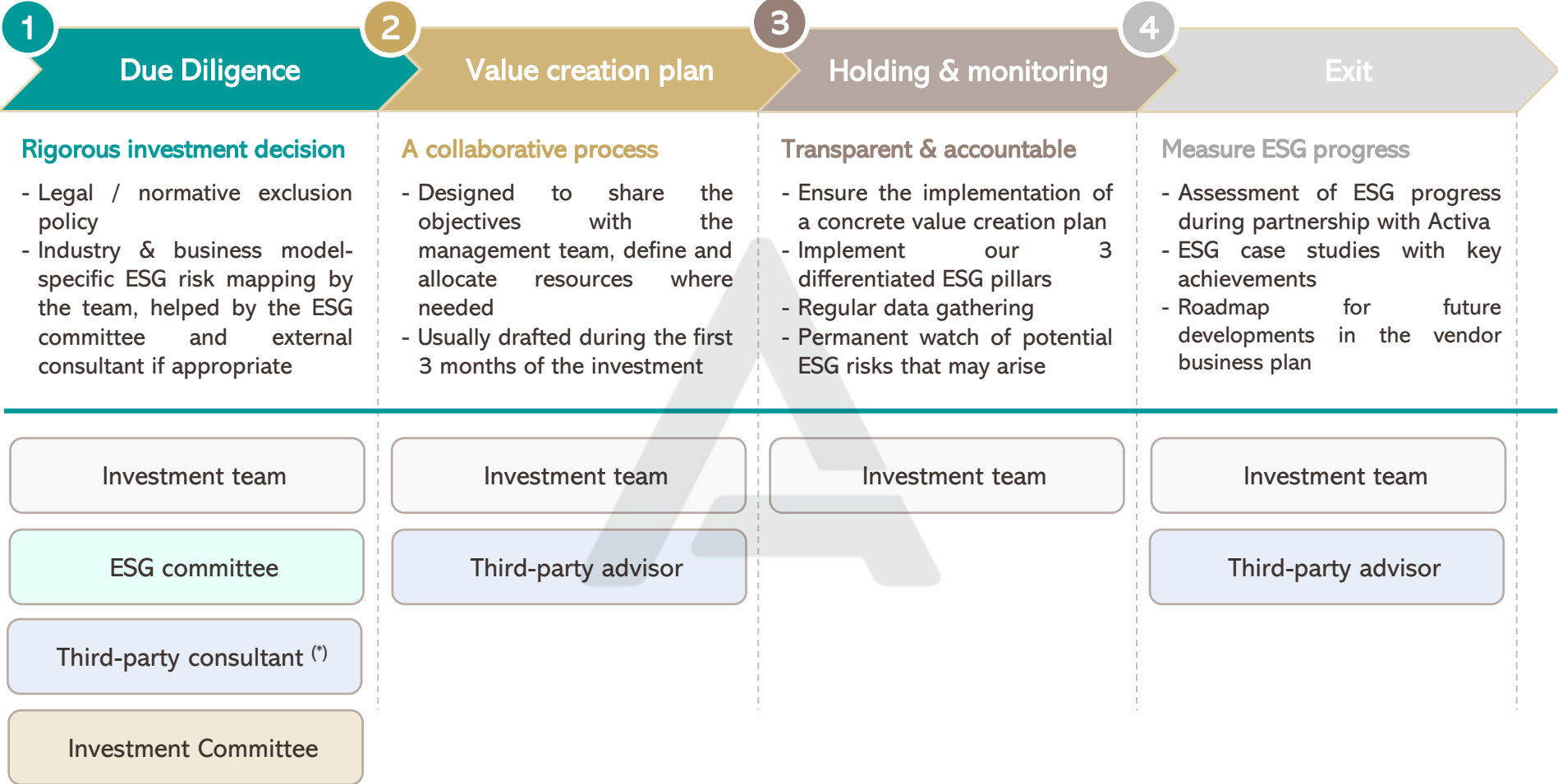
10% team bonus
Based on ESG criteria



Part 3 | Sustainable investments

ESG throughout the investment cycle

Implication of the investment team at every step: our embedded strategy



(*) if needed for a specific ESG expertise (e.g., cybersecurity)

Due diligence phase



NORMATIVE EXCLUSION

As part of its in-depth consideration of ESG in its investment process, Activa applies in the **pre-investment stage** a **strict exclusion policy**, consistent with its DNA, its commitments and its ethics. The investment team is ultimately responsible for implementing this policy.







Activa will not invest in companies which would not respect international standards such as the **UN Global Compact principles**, the **OECD guidelines** or the **conventions & recommendations** of the **International Labor Organization (ILO)**.

Furthermore, we **do not wish to invest** in sectors or activities which may have or cause **unacceptable high greenhouse gas footprint** and/or which may **generate additional risks** to consider (reputation, ethic, RGPD, cybersecurity, legal, etc). This **list is not exhaustive** and is qualified by the legal documentation governing Activa Capital's Fund and internal ESG policy.

SPECIFIC INDUSTRY / BUSINESS MODEL RISK MAPPING

This workstream focuses on specific issues relating directly to the target's business model, end-market and value chain.

Main topics covered are:

-  **Law & regulation** (anti-bribery, anti-corruption, sanctions...)
-  **Environmental matters**;
-  **People-related matters** (H&S, diversity, inclusion, well-being...)
-  **Value chain** (illegal activities, responsible supply & sourcing...)
-  **Governance** (business ethics, corporate culture, leadership...)
-  **Data** (cybersecurity, French RGPD, IP rights...)

Exclusion policy

Normative / legal	Weapons / bombs / Ammunition	Human cloning
Fossil fuels (extraction / prod.)	Pornography	Distilled alcohols / Tobacco
Speculation in raw materials	Betting / Gambling	Prostitution
Coal-related activities	Genetically modified organism	

Due diligence phase

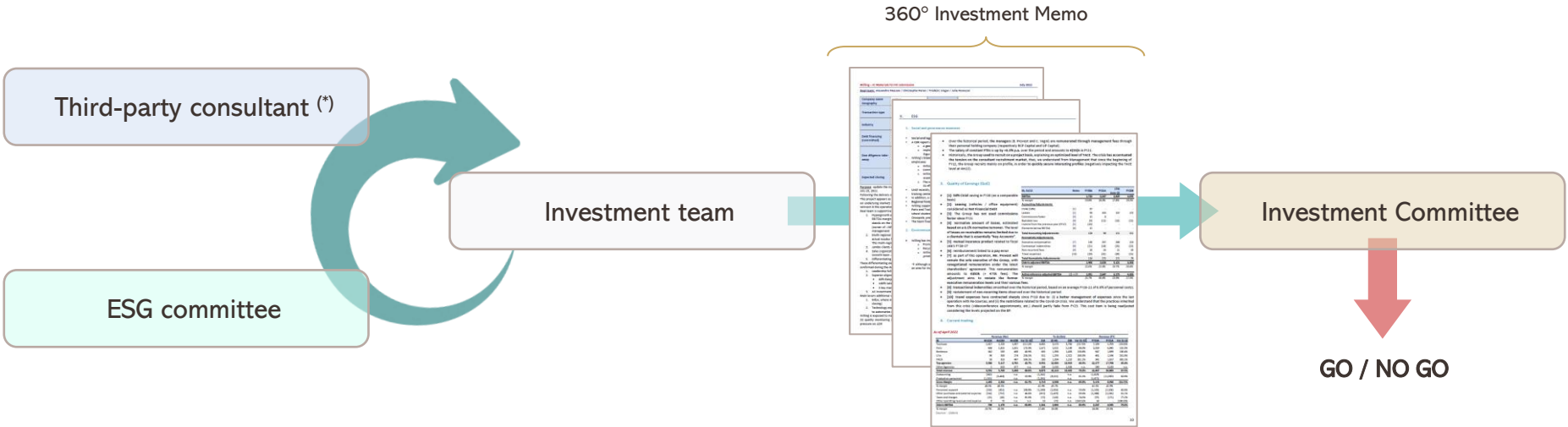


CONCLUSION ON DUE DILIGENCE

This ESG due diligence is included within the investment memorandum presented to and discussed with the Investment Committee prior every investment approval.

This memorandum aims to give the committee with a 360° view that can influence the final investment decision by summarizing:

- A comprehensive list of all material ESG risks & opportunities, based on interviews, the deal team analysis, and a specialized third-party if needed on specific topics (e.g. cybersecurity);
- A first draft of the ESG value creation plan which will be formalized post closing with the management team and a third-party advisor.



Value creation plan



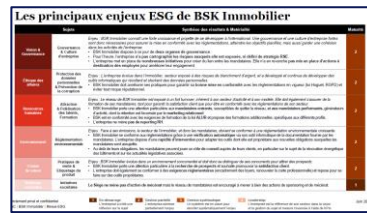
100-DAY PLAN

Activa's **stewardship** leads to a **very active role in considering ESG value creation plan** post acquisition. The framework initiated pre acquisition is set up by the investment team together with the management team and a third-party advisor, and incentives are defined.

The ESG value creation plan aims at:

- **Assessing and limiting risks** (physical, geographical, regulatory, market);
- **Identifying and guiding** the management on **sustainable opportunities**;
- **Defining KPIs** to be monitored during supervisory board

Depending on the business model, the 100-day plan is usually supervised by the CEO, the CFO and the CHRO. Follow-up is ensured by the supervisory board (quarterly meetings).



3 DIFFERENTIATED PILLARS

On top of the ESG value creation plan, specific to each company, **Activa seeks to stay ahead of the game by implementing three additional pillars** on every portfolio companies of Activa Capital Fund IV



Carbon footprint annual calculation (scope 1, 2 and 3) and measures to improve it;



Set up of a **financial investor value creation sharing plan with employees**, under the terms of the French law "PACTE";



Specific **workshop on employer brand**, which is key in the 3 core verticals addressed by Activa Capital (Services, Tech, Healthcare & wellness).



Holding & monitoring phase



SETTING THE RIGHT GOVERNANCE & INCENTIVES

As an embedded part of value creation, Activa seeks to **build the most efficient governance** to assess and **monitor the progress of the ESG value creation plan** implementation.

An **engagement to improve ESG standards** of each portfolio company is **committed specifically in the shareholder agreement** and is part of the **management incentives' annual objectives**.

At the management company level, **ESG is also a key criteria** of a portion of the **team bonus attribution** and is **based on qualitative assessment of:**

- Follow-up & ESG data gathering from portfolio companies
- Value creation plan progress
- Adequation of behavior with management company's DNA and ESG culture
- Overall willingness to foster an ESG corporate culture within Activa and the portfolio company

DATA GATHERING

The investment team oversees data gathering across Activa's portfolio companies, on a yearly basis.

This provides the sufficient data set to:

- Answer specific needs of investors
- Realize the annual ESG report

However, as Activa operates on the French smid market, the company it invests in may not have sufficient resource or may lack size / scale to provide a consistent set of data in due time, especially at the beginning of Activa's holding period.

Activa encourages its portfolio companies to improve their data points and collection methodology during its holding period.

On top of quantitative data, Activa provides a qualitative analysis of the ESG value creation plan status in its quarterly report to investors.

Exit phase



VDD AT EXIT

As a general rule, **exit processes are discussed and launched in agreement with the management**, the other shareholders and in **accordance with the company's best interest** (timing, market conditions, etc).

A **vendor due diligence ("VDD") is systematically prepared** when competitive auctions are organized, as **Activa strongly believes that the ESG corporate culture** it has fostered during its ownership phase is a **key valuation point for acquirers**, especially for secondary LBOs.

The VDD typically presents the **ESG enhancement journey from investment to divestment**, and further initiatives that remain to be set up or improve to create value.

4

CASE STUDY

Alliance Etiquettes

An industrial business which grew from €8m to €70m revenues with Activa between 2015 and 2020.

During its growth journey, Activa spent time & resources to make the company more professional and considerate of its impact on ESG criteria.

As of 2020, the VDD reports highlighted 100% annual monitoring of SCR objectives and 100% coverage of production sites with eco-responsible label and certification

Given its profile and sector, Alliance Etiquettes faces specific **strategic and priority ESG issues**

GENERAL THEMES	VMM& Governance	Business Ethics	Human Resources	Environment	Value Chain	Societal Relations	
LEVEL OF ANALYSIS	Specific	General	Specific	Specific	Specific	General	
IMPACTS AND RISKS	ESG performance Governance Business model Management system Risk management Compliance	Customer & Supplier Competition Business with public authorities Personal data protection Behavioural risks	Workforce health & safety Diversity, inclusion & equality Fair labour practices Training & development Employee engagement Labour relations	Climate change & environmental impact GHG emissions & climate transition Circular economy & waste management Environmental pollution Biodiversity & land use Water & marine resources	Product safety & quality Quality of services & products Intellectual property Cybersecurity Data protection Access & affordability Resilience & continuity ESG reporting	Supply chain management & risk Supplier management Human rights Labour practices and social impact Supplier diversity Supplier sustainability Supplier engagement Supplier risk management Supplier selection	Social issues in general Local communities and social impact Philanthropy Stakeholder engagement Reputation ESG reporting
	Colour code: Strategic & priority issues Other important issues Other issues	Note: Green = low risk, Yellow = medium risk, Orange = high risk, Red = critical risk.					
	Only provide and disclose * Activa Etiquettes ESG Score Card History	Date:					
	November 2024	Version: 2.0					

Alliance Etiquettes is an **innovation-driven** label manufacturer, which integrates sustainability within the core of its **product offer...**

A sustainability approach supported by the highest level of ESG certification

- Activa Etiquettes has implemented a structured sustainability approach, driven by annual objectives, which address all fundamental aspects of its impact and which are monitored at the highest level of the organization, by the Supervisory Board, and also tracked and reported at Executive Committee level.
- Activa has been awarded an aligning Group HR practices and creating a common culture, in a context of external growth.

100% Annual monitoring of CSR objectives of Supervisory Board and Executive Committee levels

Driving impact reduction and performance

- Activa Etiquettes has implemented a performance-driven approach to reduce its overall environmental impacts of production processes and techniques by using for energy and water-efficient digital printing processes.
- The approach is materialised by the obtaining of the sector-recognized ISO 14001 certification for 100% of production sites.
- Efforts to reduce impacts translate through significant efficiency gains and cost reduction.

4,000,000 m² of paper saved through improved processes

€ 1.86 M in CO2 savings

Delivering sustainable products to clients

- Activa Etiquettes systematically offers sustainable labels among its product range to its clients.
- Each year, in each annual collection of new labels, at least one is a systematically eco-responsible (e.g. labels made from 100% recycled paper, films which take the appearance of plastic without its properties, and labels made from bio-sourced materials).

At least 1 eco-credits sold in each annual product range



Appendix

Exclusion policy

Reinforced ESG practice

Exclusion policy

Normative / legal exclusion

Fossil fuels (extraction / prod.)

Speculation in raw materials

Coal-related activities

Weapons / bombs / Ammunition

Pornography

Betting / Gambling

Genetically modified organism

Human cloning

Distilled alcohols / Tobacco

Prostitution

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Furthermore, we **do not wish to invest** in sectors or activities which may have or cause **unacceptable high greenhouse gas footprint** and/or which may **generate additional risks** to consider (reputation, ethic, RGPD, cybersecurity, legal, etc).

This list is not exhaustive and is qualified by the legal documentation governing Activa Capital's Fund and internal ESG policy. Our most recent fund and future funds will include these criteria in their by-laws.

<https://www.unglobalcompact.org/what-is-gc/mission/principles>

<http://mneguidelines.oecd.org/guidelines/>

<https://www.ilo.org/global/standards/introduction-to-international-labour-standards/conventions-and-recommendations/lang--en/index.htm>



Correspondence table w/ Article 29 of the Energy-Climate law

Correspondence table w/ Article 29 of the Energy-Climate law

1/ Information relating to the entity's general approach

1-a. Summary presentation of the entity's general approach to considering environmental, social and quality of governance criteria, and in particular in the investment policy and strategy	Page 7, 8, 9, 11, 12, 15
1-b. Content, frequency and means used by the entity to inform subscribers, affiliates, contributors, beneficiaries or customers of the criteria relating to the environmental, social and quality of governance objectives taken into account in the policy and strategy investment	Page 14
1-c. List of financial products mentioned pursuant to Article 8 and Article 9 of SFDR, and the overall share, in percentage, assets under management taking into account environmental, social and quality of governance criteria in the total amount of assets managed by the entity	Page 2
1-d. Consideration of environmental, social and governance criteria in the decision-making process for the allocation of new management mandates by the entities mentioned in Articles L. 310-1-1-3 and L. 385-7-2 of the French Insurance Code	Not applicable
1-e. Adherence of the entity, or of certain financial products, to a charter, code, initiative or obtaining a label on the consideration of environmental, social and governance quality criteria, as well as a brief description of these, consistent with d) of 2 of article 4 of the regulation mentioned above	Page 11,12

2/ Information relating to the internal resources deployed by the entity

2-a. Description of the financial, human, and technical resources dedicated to taking into account environmental, social and governance criteria in the investment strategy as a ratio of the total outstanding receivables managed or held by the entity.	Page 7, 9
2-b. Actions taken to strengthen the entity's internal capacities. The description includes all or part of the information relating to training, the communication strategy, the development of financial products and services associated with these actions.	Page 14, 16

3/ Information relating to the process for taking into account environmental, social and governance criteria at the level of the governance of the entity

3-a. Knowledge, skills, and experience of the governance bodies, in particular the administrative bodies, supervision and management, in terms of decision-making relating to the integration of ESG criteria into the investment policy and strategy of the entity and the entities that the latter controls, where applicable.	Page 9, 12, 13
3-b. Integration of environmental, social and governance criteria in the internal rules of the entity's board of directors or supervisory board	Page 9

Correspondence table w/ Article 29 of the Energy-Climate law

4/ Information on the strategy of engagement with issuers or vis-à-vis management companies and on its implementation

This section refers to the Article D. 533-16-1, III, 4° of the French Monetary and Financial Code as modified by the Decree no. 2021-663 of 27 May 2021.

Page 9, 13, 14

5/ Information relating to European taxonomy and fossil fuels

Not applicable for Activa Capital's Funds while assets under management remain below €500m

Not applicable for Activa Capital

6/ Information on the strategy for alignment with the international objectives for limiting global warming

Not applicable for Activa Capital's Funds while assets under management remain below €500m

Page 11, 12, 15, 16

7/ Information on the strategy for alignment with long-term objectives related to biodiversity

Not applicable for Activa Capital's Funds while assets under management remain below €500m

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8/ Information on the procedures for taking environmental, social and quality of governance criteria into account in risk management

Page 18 to 23