



ARTICLE 29 REPORT 2023

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Introduction

Published in the Official Journal on May 27th 2021, the implementing decree for Article 29 of the Energy-Climate Law (known as Loi Energie et Climat "LEC") requires portfolio management companies to make available to their and the public a document setting out their policy on the inclusion of environmental, social and quality environmental, social and governance ("ESG") criteria into their investment strategy, as well as the steps taken to contribute the energy and ecological transition, as well as a strategy for implementing this policy.

Under Article D 533-16-1 of the French Monetary and Financial Code, this "Article 29 "report has been updated to cover the 2023 reference year.

1) General approach of Argos Wityu and strategy on ESG (Environmental, Social, and Governance)

a) ESG criteria in the investment process

Argos Wityu supports sustainable growth and value creation beyond a purely financial approach, using a specific investment strategy and ESG policy. Our responsible investment strategy enables our company to improve its outlook for growth and manage sustainability risks more effectively.

Over the past year, Argos has dedicated its efforts to enhancing the workplace experience by prioritizing the well-being and satisfaction of our team members. From fostering a culture of inclusivity and diversity to providing opportunities for professional growth and development, we are committed to creating a work environment where every individual can thrive and contribute to our shared success.

The heart of this sustainability strategy is recognizing that diversity and environmental stewardship are ethical imperatives and essential components of long-term business success. Argos has embraced a holistic approach, integrating sustainability into every face of our operations. By championing diversity and actively working to reduce our greenhouse gas (GHG) emissions, Argos is striving to build a resilient and forward-thinking organization. In parallel, Argos has intensified its efforts to mitigate our environmental impact.

As a majority investor, Argos actively collaborates with portfolio companies' management teams and key stakeholders and develops tailored strategies to ensure their long-term success. Argos aims to empower portfolio companies to own ESG initiatives upon exit fully. This proactive approach is followed in our Mid-Market strategy and our newly launched Argos Climate Action fund. – an Article 9 SFDR (Sustainable Financial Disclosure Regulation) buyout fund with the environmental objective of reducing the intensity of the portfolio companies' greenhouse gas emissions by at least 7.5% annually.

The following Sustainable Development Goals (SDGs) play a vital role in contributing to Argos ESG strategy:

Environment



SDG 7 (Affordable and Clean Energy) Argos Wityu is dedicated to measuring and minimizing its environmental impact. Since 2019, the company has been measuring its carbon footprint and implementing reduction measures. In addition to committing to its Science-Based targets, Argos Wityu aims to increase its share of renewable energy and to go beyond greenhouse gas emission reduction by offsetting 100% of remaining emissions.



SDG 13 (Climate Action) is crucial as it emphasizes climate resilience, reducing greenhouse gas emissions, and supporting efforts to mitigate climate change risks.

Social



SDG 5 (Gender Equality): Argos Wityu continually focuses on enhancing team diversity and fostering an inclusive culture. The company has developed a Diversity and Inclusion policy to promote and monitor diversity and inclusion.



SDG 8 (Decent Work and Economic Growth) Appointing a Chief Growth and Performance Officer in 2023 reflects the company's commitment to nurturing talent and providing growth opportunities. Implementing the "Argos Academy" further solidifies this commitment, offering a comprehensive learning journey for employees throughout their careers at Argos Wityu.



SDG 16 (Peace, Justice, and Strong Institutions) complements by promoting good governance practices, integrity, and transparency within the firm and portfolio companies, thus enhancing responsible investment and stakeholder trust

Exclusion policy

Argos Wityu undertakes not to invest in specific sectors having negative impacts, namely:

- Production or trade in any product or activity deemed illegal under applicable local and national laws or regulations;
- Businesses activities which substantially focus on:
 - The production of and trade in tobacco and distilled alcoholic beverages and related products;
 - The financing of the production of and trade in weapons and ammunition of any kind, it is understood that this restriction does not apply to the extent such activities are part of or necessary to explicit European policies;
 - Casinos and equivalent enterprises;
 - The research, development or technical application relating to electronic data programs or solutions, which:
 - aims specifically at supporting the previously mentioned activities;
 - are intended to enable illegal entry into electronic data networks or download electronic data

The Fund Argos Climate Action, classified as article 9 SFDR Fund, has a more detailed exclusion policy which adds sectors in the exclusion perimeter.

Integration of sustainability into the 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-due diligence

During the first phase of due diligence, Argos Wityu identified high-level risks. Argos Wityu does so by ensuring that:

- Carry out a high-level screening through compliance checks so that the investment teams do not consider activities banned or restricted by Argos Wityu or the fund's limited partner-specific policies;
- Identify potential red flags by conducting a preliminary Climate Risk Assessment (CRA) using the framework provided by the Task Force on Climate-Related Financial Disclosures (TCFD). This would prevent the investment team from going further in the investment process. This assessment enables the Argos Wityu team to identify climate-related growth drivers and risks. The evaluation is based on the documents available, the results of due diligence measures, and discussions with portfolio companies management. A short synopsis of the principal risks and opportunities identified is then included in the notes for the Investment Committee.

Additional steps for the Climate Action Fund: Identify the decarbonization potential and critical levers for each industry to conduct a preliminary ACA eligibility check, thanks to an Argos internal tool developed with partners specialized in industrial decarbonization.

2. Due diligence

To deepen the analysis of ESG risks and opportunities, external advisors who provide their expertise systematically conduct an ESG review. The review is focused on material topics defined by the advisors, which will identify and assess significant ESG risks for the organization and how these issues may affect the business. Due diligence's main objectives are:

- To identify and assess ESG drivers and opportunities that could create value or avoid risks of value destruction (reduction in energy consumption, reduction of employee turnover, reputational issues, biodiversity, etc.);
- To define actions based on the risks and opportunities which feed the ESG Action Plan, conducted during the investment period (see below), to leverage the ESG drivers over a multi-annual period (e.g., use of technology using less energy, long-term bonuses, etc.).

Additional steps for the Climate Action Fund: Conduct a detailed assessment of the implementation steps of decarbonization levers to reach a >7.5% reduction in carbon intensity per annum (with specialized advisors).

3. Investment period

During the first 100 days of the holding period, Argos Wityu requests portfolio companies to:

- Perform a GHG (greenhouse gas) footprint assessment and benchmark annually;
- Conduct an annual EcoVadis assessment, a sustainability management system assessment tool, to evaluate the maturity of the portfolio company's sustainability management system and identify areas to act on in priority to improve them;
- Collect qualitative and quantitative insights and highlights, and gather the complete set of KPIs through the EcoVadis platform annually;
- Engage with the portfolio company upon reception of the gathered KPIs and actively:
 - Ensure that the ESG Action Plan is adequately followed and recorded;
 - Challenge management progress on ESG KPIs. Among the ESG KPIs, Argos gives particular importance, however not limited, to:
 - Environmental: carbon footprint, environmental approach, initiatives to decrease energy consumption, waste management, and biodiversity;
 - Social: inclusion of women in the company and on the Executive Committee;
 - Governance: the presence of a code of conduct, an anticorruption policy, and depth of the compliance function.
 - Should new actions / KPIs be added, and are dedicated workshops needed?

Finally, the key ESG actions specific to each portfolio company are discussed in the portfolio.

Additional steps for the Climate Action Fund: Translate the decarbonization roadmap into a detailed plan with operational initiatives. Review regularly and update the decarbonization plan when needed. Conduct a yearly carbon footprint and an external GHG audit on each portfolio company.

4. Exit

When the value creation related to the applied ESG approach becomes material, an external advisor may prepare a vendor ESG due diligence report. The goal of such a report is to minimally:

- Describe the company's behaviour in the ESG area;
- Identify how the implementation of the ESG Action Plan has created value;
- Show the evolution of ESG KPIs collected in quarterly reporting during the investment period;
- Demonstrate the impact of the ESG Action Plan on the evolution of the set KPIs (e.g., reduction of waste, energy consumption, employee turnover).

Additional steps for the Climate Action Fund: Consider additionally performing a relative performance study vs. market peers based on selected climate-related criteria.

b) Content, frequency and means used to inform customers.

Today, stakeholders, including investors, demand more transparency, accountability, and measurable ESG performance from companies. They understand that ESG factors have the potential to impact financial performance, operational resilience, and, ultimately, the sustainability of businesses. As a result, companies that successfully integrate ESG considerations into their strategies are better positioned to navigate emerging risks and seize new opportunities.

Argos Wityu is aware of investors' demand to be regularly informed on ESG aspects, including sustainability risks, and is committed to honouring this request.

Quarterly ESG reporting to investors

The investors are regularly informed of the investments' ESG performance through quarterly ESG reporting.

The Argos Wityu Quarterly Investor Report is produced following the best practices and format laid out by ILPA (Institutional Limited Partner Association) to provide all the information necessary to help investors understand both the fund's performance and individual portfolio company valuations and performance at the date in question and since fund inception. A summary of ESG initiatives at Argos' and Portfolio Companies' levels is provided, in addition to the quarter's highlights, fund performance, analysis of Net Asset Value, and financial aspects.

Additionally, with the launch of the Argos Climate Action fund (article 9 SFDR), an annual period report is sent to the investors in line with SFDR requirements.

An update on the portfolio companies is also presented, including financial performance, ESG improvements, and commitments.

Portfolio companies: As per the 2023 annual report, 85% of portfolio companies have a formal ESG action plan, and 90% of companies monitor their carbon footprint. 81% of companies implemented a code of conduct and 95% anticorruption policies, while top management has a 25% female representation.

Communication on the Argos Wityu 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 Good Planet Foundation, a non-governmental organization supporting ecology and sustainable development.

Portfolio companies' ESG initiatives on their Argos Wityu website: Argos Wityu encourages its portfolio companies to consider ESG factors. Key figures are published on the Argos Wityu website regarding environmental management, social and employee Argos Wityu 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 code/anticorruption charter, percentage of women executive positions held by women...)

ESG documentation: As required by the Sustainable Finance Disclosure Regulation (SFDR), it is possible to consult ESG documents available in the sustainability section of the Argos Wityu website. The sustainability section increases transparency on our progress and commitments towards internal and external stakeholders.

c) Argos Wityu Financial Product

In line with Argos Wityu's Responsible Investment Policy, 100% of funds managed integrate ESG criteria. In December 2023, Argos Wityu's assets under management amounted to 1.814 billion euros, including Argos Climate Action Fund (article 9 SFDR), which amounted to 164 million euros. In total, 9,04% of assets under management are classified as Article 9 SFDR. The remaining assets are classified as Article 6 SFDR.

d) Argos Wityu ESG commitments

Chart/initiative	Date	Commitment
	<p><u>2023</u></p>	<p>Argos Climate Action Fund has been awarded the LuxFLAG ESG Applicant Fund Status label.</p> <p>LuxFLAG is an independent and international non-profit association that supports sustainable finance. This label reassures investors that the ACA fund incorporates ESG criteria throughout the investment process.</p>
	<p><u>2022</u></p>	<p>Argos Wityu is committed to further integrating sustainability, so Wityu has signed up for the UN Global Compact. Besides publishing the annual report, Argos Wityu can access best practice guidance, tools, resources, and training to share internally and with portfolio companies.</p>
	<p><u>2022</u></p>	<p>As an ICI (Initiative Climate 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 mobilizes all private equity players wishing to make a concrete contribution to the fight against climate change.</p>
	<p><u>2022</u></p>	<p>Science-based targets are greenhouse gas emission reduction targets informed by independent climate science and are in line to meet the goals of the Paris Agreement – limiting global warming well below two °C above pre-industrial levels and pursuing efforts to limit warming to 1.5°C. Argos Wityu has validated targets since August 2022.</p>
	<p><u>2021</u></p>	<p>Argos Wityu joined UNPRI (UN Principles for Responsible Investment) in February 2021. While Argos Wityu has always been committed to applying leading ESG principles, by joining UNPRI, Argos Wityu has committed to making ESG a part of its core mission.</p> <p>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</p>

		company. Becoming a PRI (Principles for Responsible Investment) signatory highlights Argos Wityu's sustainable and responsible investment efforts.
	<u>1991</u>	Argos Wityu is a historical member of Invest Europe. Having joined the Responsible Investment Roundtable's Affiliate Network, Argos Wityu is committed to supporting ESG in the European private equity industry. Fabian Söffge is a member of the working group on ESG Reporting Standards, which tries to harmonize reporting standards and focus on those KPIs being relevant to both Limited Partners and General Partners.
	<u>1991</u>	Argos Wityu is a historical member of 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 was published in 2013 and adopted by ¾ of the industry. To further pursue the historical involvement of Argos Wityu professionals at the France Invest level, the partner Simon Guichard joined 2022 the steering committee of the France Invest Sustainable Commission. He represents Argos Wityu as the GP leading the working group Portfolio Decarbonisation, which helps GPs develop and implement methods to support their portfolio companies in their decarbonization roadmap.

2) Internal means to contribute to the transition

a) Description of the financial, human, and technical resources dedicated to taking ESG criteria into account in the investment strategy concerning the total assets managed or held by Argos Wityu

Percentage share of corresponding full-time equivalents

Argos Wityu's head of ESG, Jessica Peters, devotes 100% of her time to ESG matters at Argos Wityu and portfolio companies' level.

Jessica Peters joined Argos Wityu in May 2022. She previously led the sustainability consulting team at Greenfish (part of Accenture) from 2018 to 2022. Before that, she held several positions as a CSR/Sustainability Manager and sustainability rating officer at EcoVadis.

Argos Wityu has added an ESG intern position to support the Head of ESG. As mentioned above, Argos Wityu has a dynamic approach to the ESG task, which implies that all departments consider ESG. In 2023, Argos Wityu estimates that the time allocated by different teams to ESG is around 8% of their workload, corresponding to 5,2 FTE. Thus, in total, 7,2 FTE is devoted to ESG-related topics.

Percentage share and amount in euros of budgets devoted to ESG

In 2023, Argos Wityu estimated that the budget allocated by Argos Wityu to ESG-related matters (tools, external advisory, etc.) direct and indirect costs correspond approximately to 5 % 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 the number of deals per year.

EcoVadis & Sustainability KPIs

Since 2022, Argos has used EcoVadis to evaluate the sustainability management systems of portfolio companies across four key pillars: Environment, Labor and Human Rights, Ethics, and Sustainable Procurement. This approach helps portfolio companies to understand their strengths and weaknesses, establish corrective action plans to improve their sustainability performance and refine their sustainability strategy and target setting.

Thanks to the EcoVadis assessment, companies can understand their strengths and weaknesses and set corrective action plans to implement their sustainability performances in the future. A score is provided at the end of the assessment, which is completed annually. In December 2023, 22 Portfolio Companies out of 23 were assessed successfully. Almost 75% reached a score between 45 and 64. This rating means they have a structured and proactive sustainability approach, policies and tangible actions on major issues, and basic reporting on actions or performance indicators (PI). In addition to that, 17% of Portfolio Companies scored higher than 65, positioning in the "advanced" category.

In addition to the EcoVadis assessment, during the year 2023, Portfolio Companies have been requested to report on specific dedicated KPIs provided by Argos Wityu. The set of KPIs comprised more than 50 indicators extracted by PAI (Principal Adverse Impacts), EDCl, Invest Europe and other

sources. They gave Argos a complete overview of Portfolio Companies' commitments towards reducing their carbon footprint, energy consumption, and general environmental impact. Moreover, Argos Wityu measured their social performance (gender representation and human rights) and governance KPIs, analyzing policies in place and initiatives promoted to implement cybersecurity.

Carbon footprint calculation

Argos Wityu has calculated its carbon footprint for the year 2023. The methodology used is the GHG protocol, available in the ESG report 2023. The data is available in Argos Wityu's ESG report 2023 under the sustainability section. The company intends to reduce its carbon footprint in the following years and to support and guide portfolio companies to be aligned, mainly by directing them to implement Science Based Targets (SBTs). With this approach, Argos Wityu ensures a Net Zero strategy.

In 2023, Argos Wityu emitted 249 tCO₂eq (portfolio companies excluded). Despite opening a new office in Amsterdam and 12 net new hires, Argos achieved a reduction of 19 tCO₂eq compared to 2022. This reduction was primarily driven by a decrease in total Scope 1 and Scope 2 emissions, from 86 tCO₂eq to 48 tCO₂eq, marking a 44% reduction. However, Scope 3 emissions have increased by 9% due to the purchase of new electronic devices and increased business travel by plane. It must be noted that business travel emissions per employee have dropped by 12% compared to 2022 due to an increase in number of employees. The company closely monitors its annual emissions from business travel and actively seeks alternatives and new approaches to reduce current usage.

b) Actions taken to strengthen the entity's internal capacities

ESG annual training

All the employees in Argos Wityu follow an annual training on ESG topics which focuses, amongst other issues, on the integration of ESG at every level of the investment process following ESG policy by discussing relevant KPIs to track, sharing developments in the sustainability realm, such as regulations and/or frameworks, upcoming initiatives, and critical actions to be implemented. Internal training covering ESG aspects is also integrated into the mandatory training package dedicated to newcomers.

Argos climate academy

In addition to the annual training provided to the whole firm, all the employees have access to the Argos Climate Academy: an external dedicated platform provided by AXA Climate specifically shaped to Argos' needs, helpful to keep up to date with the latest regulations in place and to improve personal knowledge on various sustainability topics such as climate change, adaptation and mitigation measures, energy efficiency, circular economy and a lot more.

Green paddles

Over the past few years, Argos Wityu has built a methodology which helps its portfolio companies grow: the Paddles. To facilitate the fulfilment of its ESG ambition, Argos Wityu decided to replicate this methodology and create a tool suited for ESG considerations. This led to the "Green Paddles", aiming

to improve and share knowledge regarding ESG and continuously enrich with new team content and inputs. A dedicated working session was organized during the global seminar in March 2024. All teams were asked to enrich Green Paddles with additional content based on the concrete cases encountered at portfolio companies. Finally, the Green Paddles - especially the content regarding best practices & lessons learnt from investors' experiences regarding ESG - are crucial to giving concrete examples of the in-practice deployment of ESG actions, thus making the tool valuable and concrete for managers of portfolio companies.

Lunch & learn

To raise awareness within the firm on sustainability efforts, actions and the latest news, the Head of ESG created the Lunch & Learn session. A dedicated meeting will be held to discuss material sustainability topics relating to the firm and the portfolio companies as well as general environment-related information. With the help of "external guests/experts", Argos Wityu monthly delves into topics such as climate risk prevention and assessments.

3) ESG governance within the financial entity

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

a) Knowledge, skills, and experience of governance bodies

Argos Wityu nominated a dedicated Head of ESG. Her role is to integrate ESG into both Argos Wityu and the portfolio companies, enabling investment teams to make future-proof decisions and provide management of portfolio companies with ongoing support and guidance.

At Argos Wityu, Argos Wityu believes that ESG must be considered throughout all departments within the organization. Therefore, Argos Wityu has a dynamic approach to ESG tasks. This means Argos Wityu integrates each department as much as possible to support the projects. The task force is led by the head of ESG, who both defines and streamlines the projects and reports to top management.

The Head of ESG provides leadership across various sustainability, ESG, and social value issues, driving the Company's ESG strategy and promoting social and environmental responsibility. Their ambition is to integrate ESG values into the DNA of the business.

Argos Wityu has developed a comprehensive and systematic approach to ensure that ESG is embedded in its operations. The implementation of the Responsible Investment Policy is supported by a robust governance structure that systematically incorporates sustainability topics at every stage of the investment process. This includes the involvement of key stakeholders such as the Board of Directors, the Investment Committee, the Investment teams, the ESG Committee and the Head of ESG. The ESG responsibilities across Argos Wityu are allocated as follows.



b) Remuneration Policy

Argos Wityu applies a remuneration policy consistent with effective risk management and does not encourage excessive risk-taking, which may result from financial or sustainability risks. This policy aims to ensure the alignment between its employees' behaviour and the long-term objectives of Argos Wityu. It also wishes to dissuade any risk-taking 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 SFDR 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 Argos Wityu Group employees.

The remuneration policy considers all financial or sustainability risks and ensures consistency between employee behaviour and the company's long-term objectives. Implementing this remuneration policy considers the size and internal organization of the AIFM, as well as its activity's nature, diversity, and complexity.

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

The compliance manager 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. Control of its application is integrated into the compliance manager's internal control program.

c) Integration of ESG criteria in governance bodies and beyond

Argos Wityu has committed to the Science Targets (SBTs) and to integrating diversity, which are key components for decision-making. Further integrating diversity, as mentioned in the diversity policy, is continuously promoted throughout the group.

d) Diversity policy

Argos Wityu continually focuses on increasing its team's diversity and strengthening its culture of inclusion.

As of December 2023, Argos gathers 16 different nationalities and several ethnic groups represented among the 71 members of its team, based in 7 offices across Europe. Women represent 44% of employees and 27% hold managerial positions (Investment team partners/ Executive board members). Women account for 26% of Argos Wityu's investment team.

Argos Wityu strongly believes that a diverse and inclusive workforce leads to better decision-making and understanding of the dynamics that shape the business. This policy presents a significant value: Argos Wityu believe in diversity, and discrimination has no place within Argos.

Argos aim to continue building a brilliant and diverse talent pool and promote an accepting and inclusive culture. Argos Wityu is convinced that this will support growth by attracting and retaining top talent and better serve diverse investors and portfolio companies.

Moreover, Argos Wityu strongly believes that a diverse and inclusive workforce, which values individuality, leads to better decision-making and understanding of the dynamics that shape business and community. Within the scope of this initiative, the topic of gender and diversity plays a vital role. Argos is committed to preventing discrimination and promoting equal opportunities through equal treatment between men and women in recruitment, career paths, and work-life balance.

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

4) Engagement strategy with portfolio companies

a) Presentation of Argos Wityu's voting policies

Argos Wityu's voting policy is part of the engagement strategy policy. The Investment team monitors the voting rights of the various interests held by the funds managed or advised by Argos Wityu.

The voting and engagement policy applies to all companies in the portfolio. More information is available on Argos Wityu's shareholding and voting policy on the Argos website.

Extra-financial performances are principally assessed through an analysis of the responses to ESG questionnaires. Argos Wityu issues ESG questionnaires to the companies in the Fund portfolios, and the reactions to these make it possible to:

- Evaluation of the responsible investment practices of these companies through ESG reporting;

- Verify the ESG performances of these companies through the application of key performance indicators

b) 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, 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 levels on the subject, awareness creation is key before discussions start.

Argos Wityu requests portfolio companies to complete ESG questionnaires to allow extra financial performance monitoring. 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 by implementing key performance indicators.

The consistency of the approach at the portfolio companies and fund levels 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 they acquire internally and on mobilizing high-level specialists on the impact issues addressed.

As part of deploying their investment strategies, the Funds managed by Argos Wityu can take minority stakes alongside other shareholders. This involves coordination and cooperation with co-investors and existing shareholders in long-term support, including 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 to have a follow-up of the funded 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 (Corporate Social Responsibility) 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 funded.

5) Sustainable investments and investments in the fossil fuel sector

In December 2023, the total amount of assets managed by Argos Wityu and aligned with the technical review criteria defined within the delegated acts relating to Articles 10 to 15 of Regulation (EU) 2020/852 (Taxonomy regulation) is 0%.

The total amount of assets managed by Argos Wityu invested in the fossil fuel sector is 0%. For more information, please see the statement on the principal adverse impacts of investment decisions on sustainability factors available on Argos Wityu's website's sustainability section.

6) Strategy for alignment with the Paris Agreement

As part of ESG engagement, Argos Wityu understands the necessity of assessing climate risks and implementing initiatives devoted to mitigating the company's impact on the climate. Argos commits to tackling climate change at the management and portfolio companies' levels by measuring and reducing emissions and encouraging portfolio companies to do the same.

Hence, Argos Wityu is supporting its portfolio companies in having their carbon footprint assessed. In 2023, 95% of them monitored their GHG emissions. An essential step is defining a harmonized internal methodology to help determine a strategy aligned with the Paris Agreement.

This year, 95% of the Portfolio Companies set an action plan for the coming years, and over 70% have developed a sustainability strategy.

As of April 2022, Argos Wityu has committed to set science-based targets, being part of the first 20 Private Equity companies that globally joined the Science Based Targets initiative (SBTi). The SBTi defines and promotes best practices in emissions reductions and net-zero targets in line with climate science and is assumed to become a reference in the PE (Private Equity) world. These SBTs substantiate Argos Wityu's strong commitment as a firm to fight climate change and support its portfolio companies on their trajectory to become carbon neutral and limit global warming to 1.5° Celsius.

Looking ahead to 2030 from a 2019 base year, Argos Wityu is committing to the following:

At Argos Wityu level:

- Reduce its own absolute scope 1 and 2 GHG emissions by 46%;
- Reduce total scope 3 GHG emissions, from categories 1 to 14, by 58% per sale;
- Reduce total scope 1, 2 and 3, categories 1 to 14, GHG emissions by 7.5% annually per sale, a voluntary addition to the official SBTs.

In practice, this has meant initiating or pursuing the following, inter alia: purchase of purely green electricity, switching to an entirely electric vehicle fleet and trains when travelling and having a more prolonged usage of electronic devices. These activities together represent more than 90% of total Argos emissions.

At portfolio companies level: Have 50% of its eligible private equity investments by invested capital setting SBTi validated targets by 2028, and 100% by 2040 from 2021 base year;

As of December 2023, 17% of portfolio companies have validated SBTs.

7) Biodiversity alignment strategy

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

- The monitoring of the environmental indicators of targets analyzed;
- The implementation of an engagement policy with target investments to improve their impact;
- The risk assessment of biodiversity during due diligence;
- The annual biodiversity check of assets where high risks were determined at base year.

More specifically, the company assesses 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 adverse environmental impacts;
- Consider the potential for positive environmental impacts from portfolio company activities.

Among the principal adverse indicators considered in Argos Wityu's investment strategy, one directly involves biodiversity: Activities negatively affecting biodiversity-sensitive areas. All the portfolio companies of Argos Wityu need to identify if they have sites or realize operations located in or near biodiversity-sensitive areas and assess if these operations negatively affect those areas.

The biodiversity risk assessments are conducted using a third-party tool. Argos will include outputs from the WWF Risk Filter Suite in the future. This tool's industry dependency and impact ratings have been derived from ENCORE's direct natural capital risk evaluation and the SBTN Sectoral Materiality Tool for Step 1a, respectively.

Argos Wityu realizes that due to the industrial nature of some companies' operations, the relevance of implementing environmental management is even more critical. Integrating biodiversity risks into future investments is essential for Argos Wityu to increase responsible investing. Therefore, risks are highlighted during the ESG due diligence and integrated into the annual tracking of dedicated KPIs.

8) Integration of ESG risks in Risk management

a) Risk identification

As a first step, Argos Wityu conducts thorough due diligence to identify and assess ESG risks associated with potential investments, considering factors such as climate change, resource depletion, labour practices, and governance structures. To guarantee optimal protection of the fund and its investors and complete coverage of the risks that should affect the management and administration of the managed portfolios, Argos Wityu has the appropriate resources to manage the risks.

b) A description of the main ESG risks considered in the investment process, the frequency of their assessment, the date used and Argos Wityu's action plan to reduce its exposition to those risks

Argos Wityu incorporates ESG considerations into the investment decision-making process, weighing these factors' risks and opportunities. This includes evaluating the alignment of potential investments with sustainable development goals and industry best practices. During the investment phase, the risks are monitored through the investment files, which include the due diligence (legal, insurance, technical, tax, financial, ESG, etc.) performed by Argos Wityu or its service providers. The Investment Committee validates all funds' investments.

The company uses ESG Due Diligence to identify, evaluate, prioritize, and manage the risks related to considering ESG criteria. Below are some examples of the parts covered by an ESG Due Diligence:

- 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 for arbitration if the company represents an opportunity or a risk;
- Development of a mapping of key ESG issues for the portfolio company;
- Identification of high-level climate physical and transitional risk;
- Identification of biodiversity risks using the ENCORE database (natural capital risk);
- Summary of the series of questions (governance, values, and corporate culture; ethical business conduct; GHG emissions and climate transition...) and issuance of conclusions.

During the due diligence phase, the investment team is responsible for analyzing the company's potential ESG risks with the support of the Head of ESG. The ESG due diligence results are presented to the Investment Committee and the ESG committee, including the compliance officer and the head of investment relations.

Argos Wityu actively engages with portfolio companies, encouraging them to adopt sustainable business practices and mitigate identified ESG risks. Argos Wityu ensures ongoing accountability and transparency regarding ESG performance through regular monitoring and reporting. By integrating ESG risks into investments, Argos Wityu seeks to generate financial returns and promote sustainable and

responsible investment practices, contributing to long-term value creation and positive societal impact.

Argos Wityu's investment strategy is focused on companies that have their headquarters located in, or which conduct a substantial proportion of their business (in terms of either sales or profits) in, Europe, in particular France, Italy, Switzerland, Germany, Austria, Belgium, the Netherlands, and Luxembourg. The localization of investments directly impacts the geographical end economic sectors affected by ESG risks.

In 2022, Argos Wityu decided to comply with Article 4 of SFDR and started integrating the principal adverse impacts on sustainability risk in its investment process. These indicators are critical KPIs to monitor ESG risks and evaluate which actions must be performed to reduce the company's exposure to those risks. As the regulation requires, these KPIs are reviewed and published each year. Additionally, an action plan to reduce the entity's exposure to these indicators is published in the principal adverse impacts statement available on Argos Wityu's website sustainability section.

9) Argos ESG improvement plan

Theme	Improvement areas	Planned improvement actions and schedule	Planned schedule
Engagement strategy with portfolio companies	At Annual General Meetings, report on voting policy and resolutions concerning environmental, social and governance issues.	Argos Wityu has voted 100% of the General Assembly in its perimeter over 2023. The company will work on an improved formulation process on the reporting of the company's shareholder and voting policy, in particular when the vote has a direct impact on the portfolio company's ESG progress	2025
Engagement strategy with portfolio companies	Investment strategy decisions, including sector disinvestment	There is not a specific sector disinvestment strategy. Argos Wityu applies an exclusion policy. In addition, the total amount of assets managed by Argos Wityu invested in the fossil fuel sector is 0%. The ESG Committee will study how to formalize, if necessary, a specific sectorial disinvestment approach.	2026
Biodiversity	Integration of biodiversity risk metrics	<p>As of 2024, Argos Wityu will update investment policies and guidelines to include explicit biodiversity risk considerations. This ensures that biodiversity becomes an integral part of the firm's investment decision-making process and reinforces a commitment to sustainability. The ESG team is planning to integrate the below additional steps into the investment process:</p> <p>Due diligence: Conduct thorough due diligence to assess the potential biodiversity risks associated with the target company before investing. This assessment should consider the impact of the investment on ecosystems, species, and habitats, including possible regulatory and reputational risks.</p> <p>Environmental and social impact assessment: Incorporate comprehensive environmental and social impact assessments into the investment process. These assessments evaluate potential biodiversity risks, such as habitat destruction, pollution, and unsustainable resource extraction. Engage independent experts and leverage recognized standards and frameworks, such as the Equator Principles or International Finance Corporation (IFC) Performance Standards.</p> <p>Integration of biodiversity metrics: Develop and implement biodiversity metrics and targets within the investment decision-making process. This will incorporate indicators such as the number of endangered species affected, the extent of habitat loss, or the implementation of biodiversity conservation measures. These metrics can help track progress, identify risks, and guide decision-making.</p> <p>Engagement with investee companies: Actively engage with portfolio companies to encourage sustainable practices that consider biodiversity risks. This may involve setting biodiversity-related targets, promoting responsible land and</p>	2026

		<p>resource management, supporting conservation initiatives, and encouraging sustainable business practices.</p> <p>As for reporting and transparency, reporting and disclosure practices will need to be enhanced to include biodiversity-related information in the annual reports. This allows investors and stakeholders to assess the firm's performance in managing biodiversity risks and aligns with the growing demand for transparent and responsible investing.</p> <p>To continuously monitor and improve, Argos Wityu needs to regularly monitor the performance of investments regarding biodiversity risks and reassess the effectiveness of risk mitigation strategies. This iterative process allows for ongoing improvement and adjustment of investment practices to better address biodiversity concerns.</p>	
Alignment with the Paris Agreement	<p>A quantitative target for 2030, reviewed every five years until 2050. This target must be revised five years before its expiry date.</p>	<p>At the end of 2023, 95% of portfolio companies are monitoring their carbon footprint, and 17% of portfolio companies have validated SBTs. Argos Wityu's objective is to have 50% of its eligible private equity investments by invested capital setting SBTi validated targets by 2028.</p>	2028
Integration of ESG in risk management	<p>A segmentation of the ESG risks according to the following typologies:</p> <ul style="list-style-type: none"> - physical risks, - transition risks, - litigation or liability risks 	<p>Argos Wityu uses several KPIs to monitor portfolio companies' main ESG risk and ESG progression. The sustainability risk management policy and the assessment process will categorize these risks into the following categories: physical risks, transition risks, biodiversity, and controversial risks. Risk indicators are provided by our due diligence advisor and third-party tool.</p>	2026
Integration of ESG in risk management	<p>A quantitative assessment of the financial impact of the leading environmental, social and governance risks identified.</p>	<p>At this stage, Argos Wityu cannot indicate a quantitative estimate of the financial impact of the main ESG risks identified, including the effect on the valuation of the portfolio.</p> <p>The quarterly reports distributed to investors include an ESG section reporting a qualitative assessment of ESG impacts on portfolio companies. Argos Wityu is studying with the data provider Ecovadis some possibilities for performing a quantitative assessment from a financial perspective.</p>	2026