LATOUR CAPITAL MANAGEMENT

Appendix – Statement on principal adverse impacts (PAI) of investment decisions on sustainability factors (2025)

Latour Capital Management SAS

Latour Capital Management SAS (hereinafter "Latour Capital") considers principal adverse impacts of its investment decisions on sustainability factors. The present statement is the consolidated statement on principal adverse impacts on sustainability factors of Latour Capital Management SAS and of its funds Latour Capital II, Latour Capital III, Latour Capital IV and Latour Small I. This statement on principal adverse impacts on sustainability factors covers the reference period from 1 January to 31 December 2025.

Description of the principal adverse impacts on sustainability factors considered by Latour Capital

Description of policies to identify and prioritize principal adverse impacts on sustainability factors

Prior to investment and during the holding phase, Latour Capital considers, examines, and monitors the main negative impacts and sustainability risks of its investments, as described in its **ESG policy**. The ESG policy states the annual commitment of Latour Capital to send a dedicated ESG Questionnaire to all its portfolio companies, in order to collect data on the sustainability profile of the investees. The survey covers a broad scope of sustainability topics, including the 14 mandatory indicators on Principal Adverse Impacts (as per the SFDR regulation) as well as one additional environmental indicator and one additional social indicator.

References to international standards

Latour Capital participates in collective initiatives to increase its effectiveness as a shareholder and responsible investor. Latour Capital is also committed to being transparent about its practices and to participate in market actions to promote responsible investment. In particular, as a signatory of the United Nations Principles for Responsible Investment (PRI) since 2012, Latour Capital advocates for better consideration of ESG issues within the financial industry. Latour Capital is also a signatory of the France Invest Charter of commitments for growth, which promotes the implementation of good practices in economic, social, environmental and governance matters, and of the France Invest Parity Charter. Latour also recently joined the Sustainability Commission of France Invest, a forum of exchange with peers on sustainability in the private equity ecosystem, particularly its Decarbonization Working Group.

Indicators applicable to investments in investee companies

Adverse sustainability indicator		**Metric**	***Impact [2024]***	**Impact [2025]**	**Explanation**	**Actions taken, and actions planned, and targets set for the next reference period**[1]
Greenhouse gas emissions	**1. GHG emissions**	Scope 1 GHG emissions ($tCO_{2,eq}$)	*216 693 $tCO_{2,eq}$*	185 717 $tCO_{2,eq}$	100% coverage.	Latour Capital is committed to considering climate change issues throughout the investment process and progressively measuring the carbon footprint of the portfolio companies. Since 2021, Latour Capital has been carrying out a systematic carbon assessment on its portfolio. In the coming years, Latour Capital will continue to define with its portfolio companies action plans to reduce GHG emissions, in line with the progressive decarbonization trajectory as defined by the international objectives of the Paris Agreement.
		Scope 2 GHG emissions ($tCO_{2,eq}$)	*17 912 $tCO_{2,eq}$*	32 921 $tCO_{2,eq}$		
		Scope 3 GHG emissions ($tCO_{2,eq}$)	*852 173 $tCO_{2,eq}$*	5 937 806 $tCO_{2,eq}$		
		Total GHG emissions (tCO2eq)	*1 086 778 $tCO_{2,eq}$*	6 156 444 $tCO_{2,eq}$		
	2. Carbon footprint	Carbon footprint	*258.9 $tCO_{2,eq}$ /€M invested*	1 113.8 $tCO_{2,eq}$ /€M invested	100% coverage.	

[1] These actions are applicable to all Latour funds (II, III, IV and Latour Small I).

	3. GHG intensity of investee companies	GHG intensity of investee companies	*499.6 $tCO_{2,eq}$ /€M of revenue*	1 183.5 $tCO_{2,eq}$ /€M of revenue		Since 2021, Latour Capital has been carrying out a systematic carbon assessment on its portfolio. Latour Capital favors the setting of decarbonization targets based on the recommendations and tools developed by the internationally recognized Science Based Target initiative (SBTi). Latour Capital focuses on setting near-term science- based targets (~2030) that specify the GHG emission reduction pathway required at the company level to limit global warming to +1.5°C compared to the beginning of the pre- industrial era.
	4. Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector	*0%*	0%	100% coverage.	Latour Capital has a strict sectoral exclusion policy, which ensures that no portfolio company is active in the fossil fuel sector.
	5. Share of non-renewable energy consumption and production	Share of non-renewable energy consumption and non-renewable energy production of investee companies from	*Share of non-renewable energy consumption: 82%* *Share of non-renewable energy production: 23%*	Share of non-renewable energy consumption: 71% Share of non-renewable energy production: 11%	100% coverage for energy consumption. 43% coverage for energy production: Praemia, Santiane, Funecap, OmniPac, Gutor,	Latour Capital's commitment to setting decarbonization goals for its portfolio companies also comes through the development of Green Electricity purchasing. As a result, share of nonrenewable energy consumption is expected to decrease in the next few years.

		non-renewable energy sources compared to renewable energy sources, expressed as a percentage of total energy sources			EDG, Systra and Rollakin excluded.	
	6. Energy consumption per intensity per high impact climate sector	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector – C: manufacturing	*0.77 GWh/€M of revenue*	0.42 GWh/€M of revenue	100% coverage. Only a limited perimeter of portfolio's companies is active in high impact climate sectors[2].	Latour Capital's commitment to setting decarbonization goals for its portfolio companies also comes through the implementation of energy efficiency action plans, in particular for investees operating in the most emissive sectors.
		Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector –	*0.01 GWh/€M of revenue*	0.01 GWh/€M of revenue	100% coverage. Only a limited perimeter of portfolio's companies is active in high impact climate sectors[3].	Latour Capital's commitment to setting decarbonization goals for its portfolio companies also comes through the implementation of energy efficiency action plans, in particular for investees operating in the most emissive sectors.

[2] Kandelium (C20.5.9 - Manufacture of other chemical products), OmniPac (C17.1.2 - Manufacture of paper and paperboard), Gutor (C2829 - Manufacture of other general-purpose machinery), SULO (C22.2.2 - Manufacture of plastic packing goods), Praecisio (C25.62 Machining), Lynxeo (C27.32 - Manufacture of other electronic and electric wires and cables).
[3] Groupe RG (G46.6.9 - Wholesale of other machinery and equipment), Rollakin (G46.6.9 - Wholesale of other machinery and equipment).

		G: Wholesale and retail trade				
Biodiversity	**7. Activities negatively affecting biodiversity-sensitive areas**	Share of investments in investee companies with sites/operations located in or near to biodiversity-sensitive areas where activities of those investee companies negatively affect those areas	*0%*	0%	100% coverage. No investment of Latour Capital's portfolio negatively affects biodiversity or sensitive areas.	Latour Capital systematically performs an ESG due diligence for each investment of the managed funds. As with other environmental indicators, biodiversity is one of the themes addressed in the due diligence process when the issue is material. In the next few years, Latour will continue to strengthen its biodiversity risk assessment approach.
Water	**8. Emissions to water**	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average	*0.00 t*	0.00 t	100% coverage.	In the context of biodiversity due diligence, Latour Capital monitors the contribution of the preservation of terrestrial, freshwater and marine ecosystems in the "key biodiversity areas".

Waste	**9. Hazardous waste and radioactive waste ratio**	Tonnes of hazardous waste and radioactive waste generated by investee companies per million EUR invested, expressed as a weighted average	*0.19 t per €M invested*	0.18 t per €M invested	93% coverage. Funecap excluded[4].	Latour Capital collects waste management indicators from its portfolio companies on a yearly basis. Our priority is to reach 100% coverage for this indicator.
Social and employee matters	**10. Violations of UN Global Compact Principles and OECD Guidelines for Multinational Enterprises**	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	*0%*	0%	100% coverage.	Latour Capital is collecting and tracking this KPI in both pre-investment and holding period. The target is 0%.
	11. Lack of processes and compliance mechanisms to monitor	Share of investments in investee companies without policies	*69.5%*	63.2%	100% coverage.	Latour Capital is collecting and tracking this KPI in both pre-investment and holding period. The target is 0%.

[4] Data not available for Funecap, they are excluded from the perimeter. Funecap just set up a collection network for infectious healthcare-related waste, the data will be available in 2027

	compliance with UN Global Compact principles and OECD Guidelines for MNE	to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance/ complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises				
	12. Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies	*12.8%*	12.7%	100% coverage.	Deeply concerned about gender equality, Latour Capital monitors the pay gap of its investees through the annual ESG questionnaire.
	13. Board gender diversity	Average ratio of female to male board members in investee companies, expressed as a percentage of	*14%*	11%	100% coverage.	Latour Capital has signed the France Invest Parity Charter, thus publicly committing itself to measuring parity in its teams and portfolio and promoting parity. The ambition of this Charter is to reach 40% women in the investment

		all board members				teams and 30% women in the management committees of the holdings by 2030.
	14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	Share of investments in investee companies involved in the manufacture or selling of controversial weapons	*0%*	0%	100% coverage. No investment in Latour Capital's portfolio is involved in the manufacture or selling of controversial weapons.	Latour Capital has a strict sectoral exclusion policy, which ensures that no portfolio company is active in the arms industry (production or distribution of anti-personnel mines or cluster bombs).
Waste	**15. Non-recycled waste ratio**	Non-recycled waste ratio	*27.4 t/€M invested*	10.2 t/€M invested	100% coverage.	Latour Capital collects waste management indicators from its portfolio companies on a yearly basis. Our previous goal was to reach 100% coverage for this indicator, we will now aim to maintain this coverage level in the coming years.
Social and employee matters	**16. Rate of accidents**	Rate of recordable work-related injuries	*0.021*	0.021	100% coverage.	When the issue is material (industrial activities for instance), Latour Capital tracks this KPI on a monthly basis. Specific accident rate reduction targets were created for several portfolio companies.

Description of the principal adverse impacts on sustainability factors considered by Latour Capital II, Latour Capital III, Latour Capital IV and Latour Small I

Indicators applicable to investments in investee companies

Adverse sustainability indicator		Metric	Latour Capital II – Impact [year 2025]	Latour Capital III – Impact [year 2025]	Latour Capital IV – Impact [year 2025]	Latour Small I – Impact [year 2025]
Greenhouse gas emissions	**1. GHG emissions**	Scope 1 GHG emissions ($tCO_{2,eq}$)	1 826 $tCO_{2,eq}$	163 808 $tCO_{2,eq}$	20 065 $tCO_{2,eq}$	19 $tCO_{2,eq}$
		Scope 2 GHG emissions ($tCO_{2,eq}$)	98 $tCO_{2,eq}$	8 741 $tCO_{2,eq}$	24 077 $tCO_{2,eq}$	5 $tCO_{2,eq}$
		Scope 3 GHG emissions ($tCO_{2,eq}$)	63 118 $tCO_{2,eq}$	791 296 $tCO_{2,eq}$	5 081 749 $tCO_{2,eq}$	1 643 $tCO_{2,eq}$
		Total GHG emissions ($tCO_{2,eq}$)	65 042 $tCO_{2,eq}$	963 845 $tCO_{2,eq}$	5 125 890 $tCO_{2,eq}$	1 667 $tCO_{2,eq}$
	2. Carbon footprint	Carbon footprint	424.9 $tCO_{2,eq}$ /€M	310.8 $tCO_{2,eq}$ /€M	2 308.1 $tCO_{2,eq}$ /€M	31.9 $tCO_{2,eq}$ /€M
	3. GHG intensity of investee companies	GHG intensity of investee companies	440.6 $tCO_{2,eq}$ /€M	697.5 $tCO_{2,eq}$ /€M	1 939.2 $tCO_{2,eq}$ /€M	96.6 $tCO_{2,eq}$ /€M
	4. Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector	0%	0%	0%	0%
	5. Share of non-renewable energy consumption and production	Share of non-renewable energy consumption and non-renewable energy production	Share of non-renewable energy consumption: 15.6%	Share of non-renewable energy consumption: 68%	Share of non-renewable energy consumption: 78.2%	Share of non-renewable energy consumption: 100%

		of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage of total energy sources	Share of non-renewable energy production: 0%	Share of non-renewable energy production: 22%[5]	Share of non-renewable energy production: 0%[6]	Share of non-renewable energy production: not applicable[7]
	6. Energy consumption per intensity per high impact climate sector	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector C: Manufacturing	0.12 GWh/€M of revenue	0.86 GWh/€M of revenue[8]	0.13 GWh/€M of revenue[9]	Not applicable
		Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector G: Wholesale trade and retail	Not applicable	0.01 GWh/€M of revenue[10]	Not applicable	0.01 GWh/€M[11]

[5] Only Kandelium, Hygie31 and RG Group produce energy, other Latour III portfolio companies are excluded from the perimeter
[6] Only Praecisio, Sulo and Lynxeo produce energy, other Latour IV portfolio companies are excluded from the perimeter
[7] Rollakin does not produce any energy, as such there is no energy production for the Latour Small I fund
[8] Only Kandelium, OmniPac and Gutor are included: Kandelium (C20.5.9 - Manufacture of other chemical products n.e.c), OmniPac (C17.1.2 - Manufacture of paper and paperboard) and Gutor (C2829B – Manufacture of other general-purpose machinery)
[9] Only Sulo, Praecisio and Lynxeo are included: SULO (C22.2.2 - Manufacture of plastic packing goods), Praecisio (C25.62 Machining), Lynxeo (C27.32 - Manufacture of other electronic and electric wires and cables)
[10] Only Groupe RG is included: Groupe RG (G46.6.9 - Wholesale of other machinery and equipment)
[11] Only Rollakin is included: Rollakin (G46.6.9 – Wholesale of other machinery and equipment)

Biodiversity	**7. Activities negatively affecting biodiversity-sensitive areas**	Share of investments in investee companies with sites/operations located in or near to biodiversity-sensitive areas where activities of those investee companies negatively affect those areas	0%	0%	0%	0%
Water	**8. Emissions to water**	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average	0.00 t	0.00 t	0.00 t	0.00t
Waste	**9. Hazardous waste and radioactive waste ratio**	Tonnes of hazardous waste and radioactive waste generated by investee companies per million EUR invested, expressed	0.25 t per €M invested	0.17 t[12] per €M invested	0.18 t[11] per €M invested	0.00 t per €M invested

[12] Data not available for Funecap, they are excluded from the perimeter. Funecap just set up a collection network for infectious healthcare-related waste, the data will be available in 2027

		as a weighted average				
Social and employee matters	**10. Violations of UN Global Compact Principles and OECD Guidelines for Multinational Enterprises**	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	0%	0%	0%	0%
	11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for MNE	Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance/ complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	0%	90.9%	28.0%	100%

	12. Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies	13.8%	15.3%	9.1%	8.2%
	13. Board gender diversity	Average ratio of female to male board members in investee companies, expressed as a percentage of all board members	0%	12.7%	9.0%	20.0%
	14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	Share of investments in investee companies involved in the manufacture or selling of controversial weapons	0%	0%	0%	0%
Waste	**15. Non-recycled waste ratio**	Non-recycled waste ratio	2.8 t/€M invested	15.8 t/€M invested	3.1 t/€M invested	0.11 t/€M invested
Social and employee matters	**16. Rate of accidents**	Rate of recordable work-related injuries	0.014	0.025	0.015	0.05