

astorg.

Public  
Sustainability  
Report 2020

# Contents

<b>About this report</b>	<b>02</b>
<b>About Astorg: key features</b>	<b>03</b>
<b>Messages from the Leadership team</b>	<b>04</b>
<b>Sustainability at Astorg</b>	<b>06</b>
Sector initiatives	06
ESG in the investment process	08
Sustainability lessons from COVID-19	13
<b>Sustainability analysis of our portfolio</b>	<b>15</b>
SDG analysis	15
Climate risk analysis	49
<b>Conclusion: the road ahead</b>	<b>54</b>
<b>Appendix 1 SDG Assessment methodology</b>	<b>55</b>
<b>Appendix 2 Company profiles</b>	<b>57</b>
<b>Appendix 3 Article 173 correspondence table</b>	<b>79</b>

## About this report

**This is Astorg's public 2020 Sustainability Report.** Since last year, Astorg has continued to promote and engage with environmental, social and governance (ESG) factors throughout its investment cycle, and has taken further steps to better understand its contribution to the wider priorities of global society using frameworks such as the United Nations' Sustainable Development Goals (SDGs). The aim of this report is to present to LPs with Astorg's new impact measurement framework and communicate the positive and negative outcomes of their investments and their alignment with the SDGs. Within the report, we include case studies for each of the portfolio companies, highlighting the various actions and initiatives that have been instrumental in achieving the SDGs and providing details on the main goals addressed. Notably, Astorg has major involvement in the healthcare sector, contributing to the global effort to accelerate the accomplishment of SDG 3 (Good health and well-being).

Another development included in this report is the disclosure of the results from our first carbon footprint assessment for Astorg as a firm and the portfolio companies.

The results show the most and the least carbon intensive investments, and the areas of potential emission cuts that Astorg is planning to work on together with its portfolio companies in the coming months and years.

The report takes into account all performance and management data available to July 2020. The portfolio analysis covers the largest scope possible. The timeframe and the scope for each type of analysis is specified in the corresponding chapter.

Finally, given the current global situation, we include a section highlighting how the current COVID-19 pandemic has been handled by Astorg's portfolio companies. This report also serves as communication in line with the French Energy Transition Law (Article 173-VI). A correspondence table can be found in the Appendix.

We welcome stakeholder feedback on any aspect of this report. Please contact Astorg's ESG Director Viviana Occhionorelli at [vocchionorelli@astorg.com](mailto:vocchionorelli@astorg.com)

Astorg would like to acknowledge the strategy consulting company INDEFI who helped to develop the SDG and climate assessment frameworks and to draft this report.

# Key Features

Astorg is an independent private equity group with over €9 billion of assets under management.

**14**  
PORTFOLIO  
COMPANIES

FOUNDED IN  
**'98**

ACTIVE FUNDS  
**3**  
Astorg V, Astorg VI & Astorg VII

OVER  
**€9** bn  
AuM

OFFICES  
**6**  
Frankfurt, Milan, London, Luxembourg and Paris, New York

**100+**  
EMPLOYEES

## Messages from the Leadership team



Thierry Timsit, CEO and Managing Partner

I would like to welcome you to our Sustainability Report. I hope that the readers will find this report informative and will be happy to hear your feedback.

It has been a year since Astorg published its first ESG Report. Since then, the world has changed unexpectedly and drastically and there is not a single domain that has not been impacted by the COVID-19 pandemic. Affected directly, companies – as well as investors – can no longer ignore what is called the extra-financial aspects of doing business. Supplier relationship management, health and well-being of employees, flexibility at work, community relations are all among issues that rose up the corporate agenda. In addition, sustainability has been at the heart of the economic response to the crisis by governments that have included environmental, social and governance (ESG) conditions into loans and aids for several sectors.

At Astorg, we had been making substantial ESG efforts before the pandemic struck and it has not stopped us from moving forward, notably getting off the sidelines of

the global Sustainable Development Goals (SDGs) action. As a responsible investor, Astorg clearly sees the link between the SDGs and its activities and it has taken first steps to better understand and measure it along the companies' entire value chains. You are invited to explore the findings of the initial assessment further in this report, but I am particularly proud to affirm that through its investments in the healthcare businesses Astorg strongly contributes to the achievement of good health and well-being world-wide.

Conscious of the possible negative externalities of our investments, especially when it concerns the environment, we have adopted a Climate Policy in 2020. Astorg is strongly committed to measuring, reporting and reducing the carbon footprint of its portfolio companies and its own organization, and we will be communicating on this topic regularly.

# Jeff Orenstein

Partner and Head  
of Client Relations



This year has further highlighted the need for the private sector to mobilize and create sustainable and innovative business solutions that address widespread global issues.

There has been a remarkable rise in institutional investors' attention to sustainability issues driven mainly by the ever-increasing regulatory pressure within sustainable finance, especially in Europe, and the pressure exerted by fund beneficiaries and other stakeholders, caused by greater public attention to the global sustainability agenda. At Astorg, we continue to actively promote our philosophy that responsible investing should look beyond the risks of environmental, social and governance (ESG) factors within each company, to the opportunities that ESG presents for investors and the potential financial benefits that a holistically integrated approach can provide.

As a leading European private equity firm managing over €9bn, Astorg does not take its position, and associated responsibility, lightly as our firm systematically engages with material ESG factors through every step of our investment process. The COVID-19 pandemic has not disrupted our dedication to ESG integration, in fact it has strengthened our resolve. During this time, we have remained in frequent contact with our stakeholders including limited partners, portfolio companies and employees, and listened carefully to their feedback to provide effective support when required. The current crisis may result in a temporary shift of focus away from the

sustainability issues towards meeting purely financial performance objectives, similar to during the Global Financial Crisis of 2008. Nevertheless, numerous market analyses, as well as our own experience, shows that investors' sensitivity to social and environmental issues has not lessened – in fact, quite the opposite. Regardless, we are fully committed on the path towards a cleaner and sustainable investing horizon.

Our stakeholder engagement has resulted in a sustainability approach in line with, or ahead of, the increasingly demanding market requirements. This year, for instance, Astorg formalized our Climate Policy and developed a methodology to measure the SDGs impact of our investments. While our firm does not pretend to be an impact investor, we do look to support companies that bring leadership and solutions to the contemporary global challenges that we are facing. With this in mind, a number of our companies are playing a genuine role in the fight against COVID-19. Healthcare companies like LGC, Nemera and ERT have continued to work throughout the pandemic, providing key medical services and products across the world. LGC is on the frontline, developing and supplying COVID-19 testing kits for key workers and the wider population across the UK and Europe. We are proud to stand with and support our companies.

# Sustainability at Astorg

## SECTOR INITIATIVES

Astorg is a proud member of the following ESG initiatives:



**UNPRI** Astorg achieved an A+ for both the strategy and private equity modules in 2019 and 2020.



iCi Signatory since 2018



Astorg is part of Invest Europe's ESG and Climate commissions.

### France Invest

Member of:

- ESG
- Climate commission
- Club Invest avec elles





# Diversity

In 2019, Astorg joined the Level20 initiative which aims to increase the number of women working in private equity through mentoring, research, HR modules and events.

To better coordinate action, Astorg has created a Diversity Taskforce which aims at organizing initiatives within the firm to improve diversity and to follow up on its commitment to Level20. In 2019, Astorg revised its maternity policy to make it more inclusive, flexible for women and reflective of our respect of family life.

## Diversity in Astorg's portfolio companies

Diversity is a key theme in Astorg's ESG program and is addressed by several initiatives at the portfolio level including:

- Quarterly data collection covering information about gender diversity at senior level within companies and in the main decision-making bodies
- Presentations of best practices around diversity in the portfolio during ESG events
- Assessment of companies' management systems on diversity (e.g. presence of a diversity policy) through the EcoVadis assessment and rating system.

*Further details on diversity performance of portfolio companies are provided in the section **SDG analysis (SDG 5 (Gender equality) & SDG 10 (Reduced inequalities))**.*

# ESG in the investment process

Astorg's ESG Policy encompasses several steps which are integrated in the different phases of the investment cycle. The table below (Figure 1) provides a summary of the key ESG and climate-related initiatives that take place during the investment process, covering all Astorg portfolio companies.

## ESG is fully integrated into Astorg's investment cycle

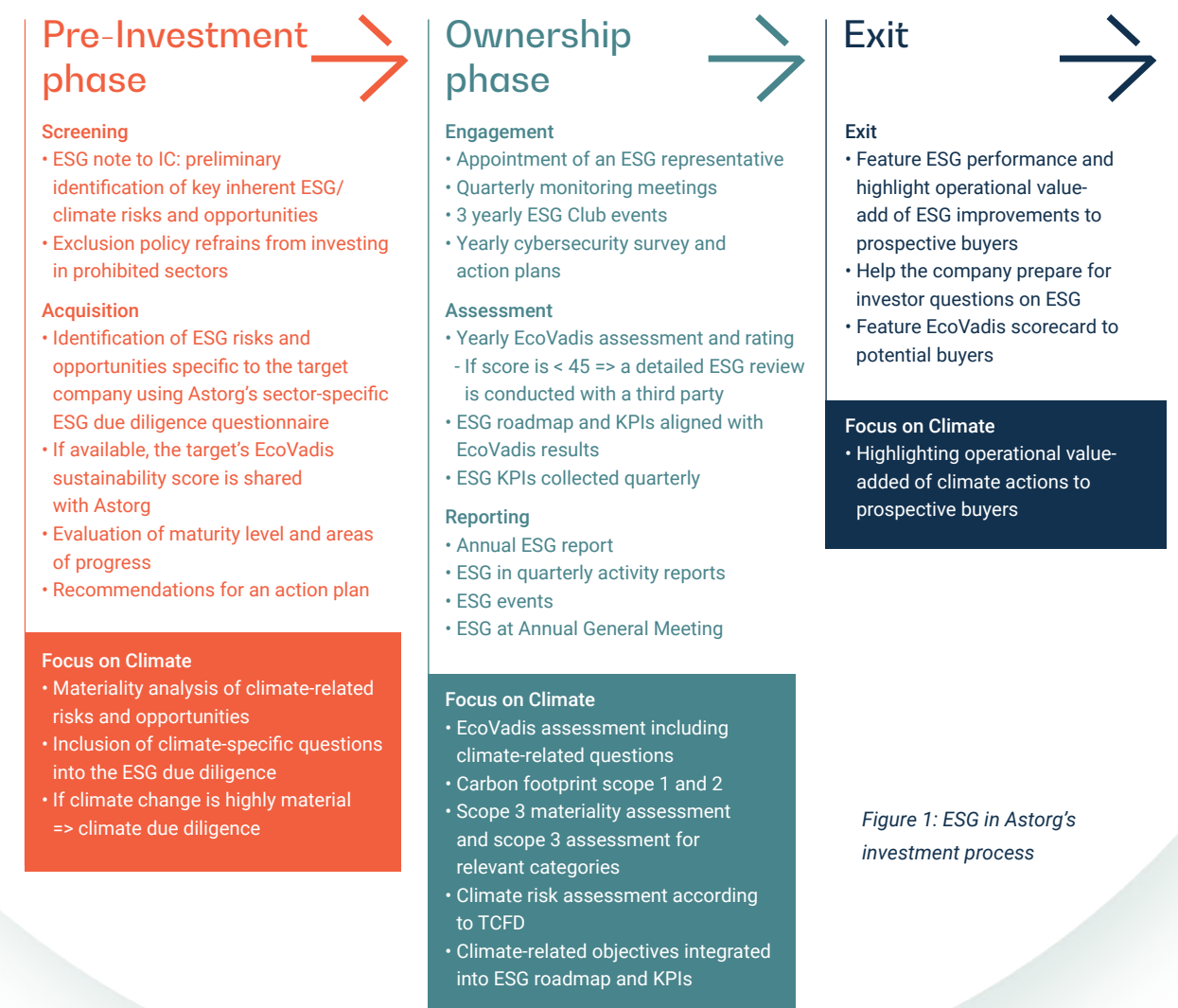


Figure 1: ESG in Astorg's investment process

## ESG Assessment

As of 2020, Astorg is asking all its companies to participate in the EcoVadis assessment to measure and report their ESG performance on a yearly basis.

EcoVadis is an internationally recognized provider of sustainability ratings, intelligence, and improvement tools for businesses. This tool is customized according to a company's size, sector and location and covers the main ESG topics in the areas of ethics, human rights and labour, environment and supply chain sustainability. As a result of the assessment, every company receives an ESG rating and a scorecard showing the best practices and actions for improvement for each topic, ranked with high, medium and low priority.

Astorg encourages companies to take the EcoVadis assessment immediately after deal closing to ensure that any concerns are proactively addressed as soon as possible. If the result indicates a low score (<45), a more detailed ESG review of the company is carried out with the help of a specialized consultancy firm.

The use of the EcoVadis tool is proven to be a more efficient alternative to extensive data collection which is commonly carried out in GPs' portfolios to monitor ESG performance. In contrast to this data collection, EcoVadis enables Astorg to:

- Benchmark portfolio companies against their peers, both best-in-class companies and within the portfolio by using a third party-certified rating methodology;
- Easily link companies' ESG performances to individual performance of the investment professionals and the companies' management;
- Provide its portfolio companies with a scorecard which is easy to share and communicate with their customers and investors.

# ecovadis

## EcoVadis ESG performance assessment

In early 2020, for the first time, 10 Astorg companies had their sustainability management systems (policies, actions and results) assessed using the EcoVadis tool (for further details on the tool and its use within Astorg see "ESG Assessment"). Using a common online platform, companies fill in a customized ESG questionnaire, upload supporting documents and then receive sustainability ratings as a result of an expert analysis. A score out of 100 is attributed to the overall performance as well as performance on each of four assessed themes. Scorecards issued by EcoVadis highlight the company's strengths, the areas for improvement and provide relevant corrective action plans.

- Portfolio companies performed generally well in this first assessment, with a score up to 62/100 considered as moderate by EcoVadis
- Four companies received the EcoVadis Silver Medal meaning that their overall scores are among top 25% of scorecards published in 2020
- Three companies received the Bronze Medal (top 50%).



Figure 2: Astorg's portfolio companies' sustainability recognition by EcoVadis



On average, Astorg's portfolio companies achieved moderate scores on all themes, apart from Sustainable Procurement where the most room of improvement seems to remain.

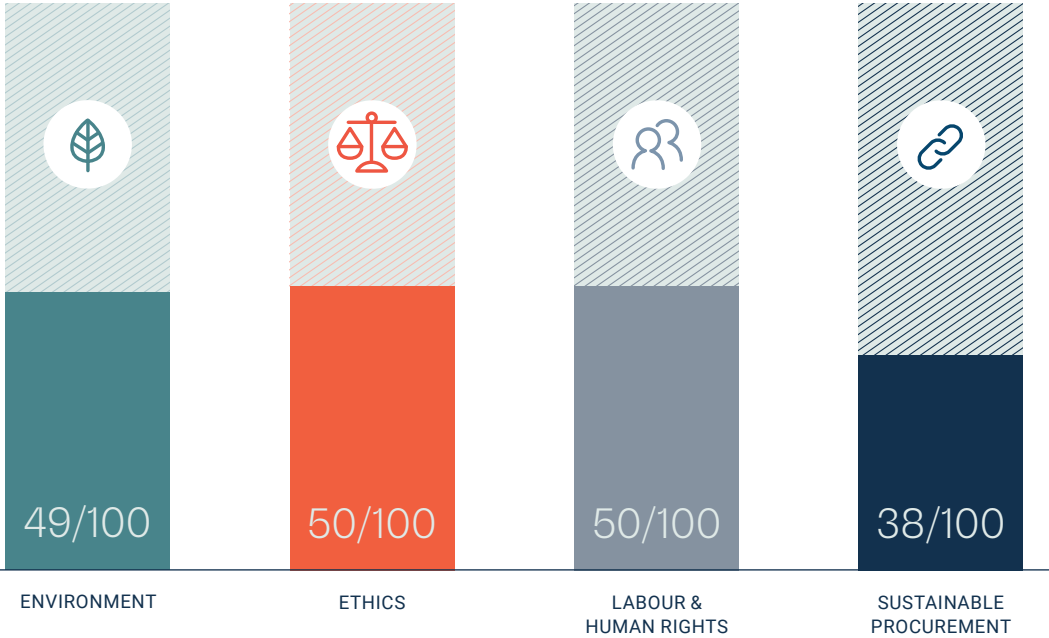


Figure 3: Simple average portfolio performance on the four EcoVadis themes







## Sustainability lessons from COVID-19

The outbreak of COVID-19 has served as evidence to emphasize the importance of ESG within our globalised economy. According to the UNPRI, the pandemic will have a short-term impact on governance as people will now be at the heart of investor response. In the long-term, the crisis will affect the environmental facet of ESG as it has been shown that it can no longer be neglected. Even if these long-term effects of the pandemic are hard to determine, the first signs are showing that many economic recovery measures will take sustainability factors into account in a broader sense.

At Astorg, we decided to closely monitor our companies' responses to the COVID-19 outbreak to understand the effect of the pandemic on the company operations and their employees. We created a survey that was distributed every two weeks with questions focused on social protection, stakeholder engagement, supply chain sustainability and the possible long-term impact of the crisis on the company. As the lockdowns ended, we then adapted our questionnaire to monitor back-to-work policies and compliance with local regulations as they varied depending on the geographical location. This regular feedback provided useful insights for us to understand the difficulties that our companies faced and how they were responding to such a unique situation.

During lockdown, the company Anaqua launched a "COVID-19 challenge" encouraging employees from every location to nominate charities for donation by Anaqua. All the 400+ employees participated in this challenge and each office then selected a charity as a recipient.

Our results showed that some of our companies were touched more than others depending on their industry and location. Nevertheless, we are proud to say that they all handled the pandemic in a responsible way with Astorg's support. Stakeholder engagement during the pandemic was particularly well managed - meetings with unions, workers, and the communities in which our companies operate were organized to discuss the development and implementation of action plans in response

to the crisis. Regarding procurement practices, active support of suppliers was maintained throughout the whole portfolio to ensure continued operations and strong human capital management during the crisis. Finally, when asked about the long-term impact such a crisis would have on their approach to material ESG issues, all companies indicated that they were going to direct capital to construct more robust and resilient long-term sustainable businesses.

## Products & Services contribution to fighting COVID-19

**LGC** is involved in many aspects of the global response to the pandemic, from providing the chemistry required for the COVID-19 testing kits, to supplying quality control materials to clinical laboratories, pharmaceutical manufacturers and IVD (in vitro diagnostics) companies to support the broader research effort. In April 2020, LGC launched a new proficiency testing program for COVID-19, providing to clinical laboratories worldwide a vital tool to add to their external quality assurance measures and ensure confidence in their results.

**Nemera** provided essential medical supply certificates to enable some suppliers to continue running during the COVID-19 lockdowns. This was particularly useful for suppliers based in countries with strict lockdown regulations such as Italy. Most importantly, Nemera was the exclusive

producer of testing tubes and caps used for COVID-19 diagnosis. These products were produced by Nemera before the outbreak of the virus but became critical as the pandemic spread and demand increased.

**ERT** has also been actively involved in the response to the global pandemic. The company was mobilized on introducing innovations and leveraging its capabilities to best help clinical trials keep running whilst sites such as hospitals remained closed to clinical trial activity. ERT has also reached out to pharma companies to support trials of COVID-19 drugs and vaccines.



# Sustainability analysis of our portfolio

## SDG Framework

In 2015, the United Nations adopted the 2030 Agenda for Sustainable Development comprising of 17 Sustainable Development Goals for real-world outcomes in areas such as water, health, poverty, gender equality and biodiversity. The SDGs provide a framework globally accepted by governments, civil society, and the corporate world, including investors and companies. The latter are no longer just required to properly manage the ESG risks of their investments but are also

expected to redirect capital to more impactful companies and projects, as well as being able to measure and report on their impacts throughout their value chain. According to the UN estimations, meeting the SDGs by 2030 will require between \$5 and 7 trillion of private sector investment per year. In 2017, the UNPRI formally committed to “enable real-world impact aligned with the SDGs”, and to contribute to “a prosperous world for all”.



As a responsible investor and a UNPRI signatory, Astorg clearly sees the link between the SDGs and its own investment activities. At Astorg, responsible investing is recognized as a mix of managing the ESG risks and opportunities of an investment, and the positive and negative impacts that portfolio companies have on society both through their operations and their products and services released to the market.

In the last year’s ESG report, Astorg presented a snapshot of portfolio companies’ ESG performance and a selection of KPIs for the first time. Since then, Astorg has taken further steps towards a better understanding of its contribution to the broader priorities of global society captured by the SDGs. The aim of this report is to communicate to the LPs, the positive and negative outcomes of their investments and their alignment with the SDGs, illustrating the impacts with clear examples and performance indicators.

## SDG Assessment Methodology

Astorg has developed a robust scoring system that allows the evaluation of material positive (contributions) and negative (obstructions) outcomes of portfolio companies’ activities in relation to the most relevant SDGs. Distinctive aspects of the companies’ management systems were evaluated from the point of view of contributions and obstructions in the context of each SDG and the associated targets. It must be noted that the level of a company’s contribution cannot be compared or added to its level of obstruction either wholly or on a particular SDG to estimate the net outcome. The evaluation methodology is applied to the entire value chain.

- **Products & Services:** Identification of investments which, based on their products and services, contribute to the achievement of the SDGs.

This analysis captures Astorg’s portfolio impacts and provides a first foundation stone in conducting a thorough reflection on the portfolio companies’ outcomes on society. Astorg envisions further reflection on how to better measure the portfolio’s footprint and identify actions to enhance or mitigate the recognized impacts.

*A detailed description of the methodology created is provided in Appendix 1.*

- **Supply Chain & Operations:** Appreciation of the companies’ initiatives aimed at mitigating their negative outcomes or amplifying their positive impact when managing their supply chains and own operations;



## Scope of Analysis

Since the previous report in 2019, Astorg has completed new investments thus enlarging its portfolio. The SDG assessment presented in this report includes all investments done before July 2020:

- The assessment of the **Supply Chain & Operations** impacts included **12 portfolio companies**. It was conducted on the 10 companies that have completed the EcoVadis questionnaire in 2019 or 2020 as well as two companies – **ERT** and **Audiotonix** – that were assessed against the same criteria based on comprehensive sustainability information provided to Astorg.
- **Products & Services** impact on the SDGs have been assessed for all **14 companies**.

Thus, the only elements missing from the SDG assessment of the portfolio are Supply Chain & Operations of Acturis and Surfaces Group. Acturis is expected to participate in the EcoVadis assessment in the coming months and will be included in the scope of upcoming reports.



## Astorg Portfolio

### Acturis

**Investment year:** 2019

**Sector:** Software

**Fund:** Astorg VI

Award-winning provider of insurance software, offering a multi-tenant SaaS platform providing administration, distribution and underwriting capabilities to insurers and insurance brokers across Europe.

*SDG Analysis covered only Products & Services*

### Aries Alliance

**Investment year:** 2018

**Sector:** Aerospace

**Fund:** Astorg VI

Global leader in advanced metal forming and milling technologies for the aeronautics industry.

### Audiotonix

**Investment year:** 2017

**Sector:** TMT

**Fund:** Astorg VI

Global market leader in the design, engineering and manufacture of professional audio mixing consoles.

### Autoform

**Investment year:** 2016

**Sector:** Software

**Fund:** Astorg VI

Global leading software solutions for Sheet Metal Forming.

### Anaqua

**Investment year:** 2019

**Sector:** Software

**Fund:** Astorg VII

A global leading provider of integrated, end-to-end innovation and intellectual property management software (IPMS) solutions.







**Echosens**

**Investment year:** 2018  
**Sector:** Healthcare  
**Fund:** Astorg VI  
 Echosens is a world leading non-invasive liver diagnostic company.

**ERT**

**Investment year:** 2020  
**Sector:** Healthcare  
**Fund:** Astorg VII  
 ERT is a leading clinical trial technology company providing clinical endpoint data collection, predictive analytics, and real-world evidence solutions used to assess safety and efficacy during drug development.

**Flowbird**

**Investment year:** 2016  
**Sector:** B2B Services  
**Fund:** Astorg VI  
 Flowbird is the global market leader in parking management solutions.

**HRA Pharma**

**Investment year:** 2016  
**Sector:** Healthcare  
**Fund:** Astorg VI  
 A specialty pharma focused on women's health and endocrinology with leading positions in Europe.

**IGM**

**Investment year:** 2018  
**Sector:** Speciality chemicals  
**Fund:** Astorg VI  
 World leading supplier of specialty UV curable material solutions for the inks & coatings industry.



**IQ-EQ**

**Investment year:** 2016  
**Sector:** B2B Services  
**Fund:** Astorg V  
 IQ-EQ is a leading investor services group providing a comprehensive range of compliance, administration, asset and advisory services to investment funds, global companies, family offices and private clients globally.

**LGC**

**Investment year:** 2020  
**Sector:** Healthcare  
**Fund:** Astorg VII  
 LGC is a global leader in the Life Sciences Tools sector.

**Nemera**

**Investment year:** 2019  
**Sector:** Healthcare  
**Fund:** Astorg VI  
 Nemera is a world leader in the design, development, and manufacture of drug delivery devices for the pharmaceutical, biotech, and generics industries.

**Surfaces Group**

**Investment year:** 2017  
**Sector:** Manufacturing  
**Fund:** Astorg VI  
 World leading supplier of abrasive tools and consumables for high-end materials.  
*SDG Analysis covered only Products & Services*

# Portfolio performance assessment

The SDG assessment methodology results in a mapping of Astorg's portfolio companies and their contributions and obstructions to the SDGs (as shown in Figure 4):

- The companies appearing on the top of the map have both demonstrated good performance on various operational ESG management topics, and contributed to one or several SDGs with their products and services;
- The companies appearing on the right of the map are estimated to face high risks of hindering the SDGs' achievement throughout their value chain and have some room for improvement in terms of mitigating those negative impacts;
- Thus, the best performing companies – with the highest contribution and the lowest obstruction – appear in the top left corner of the graph.

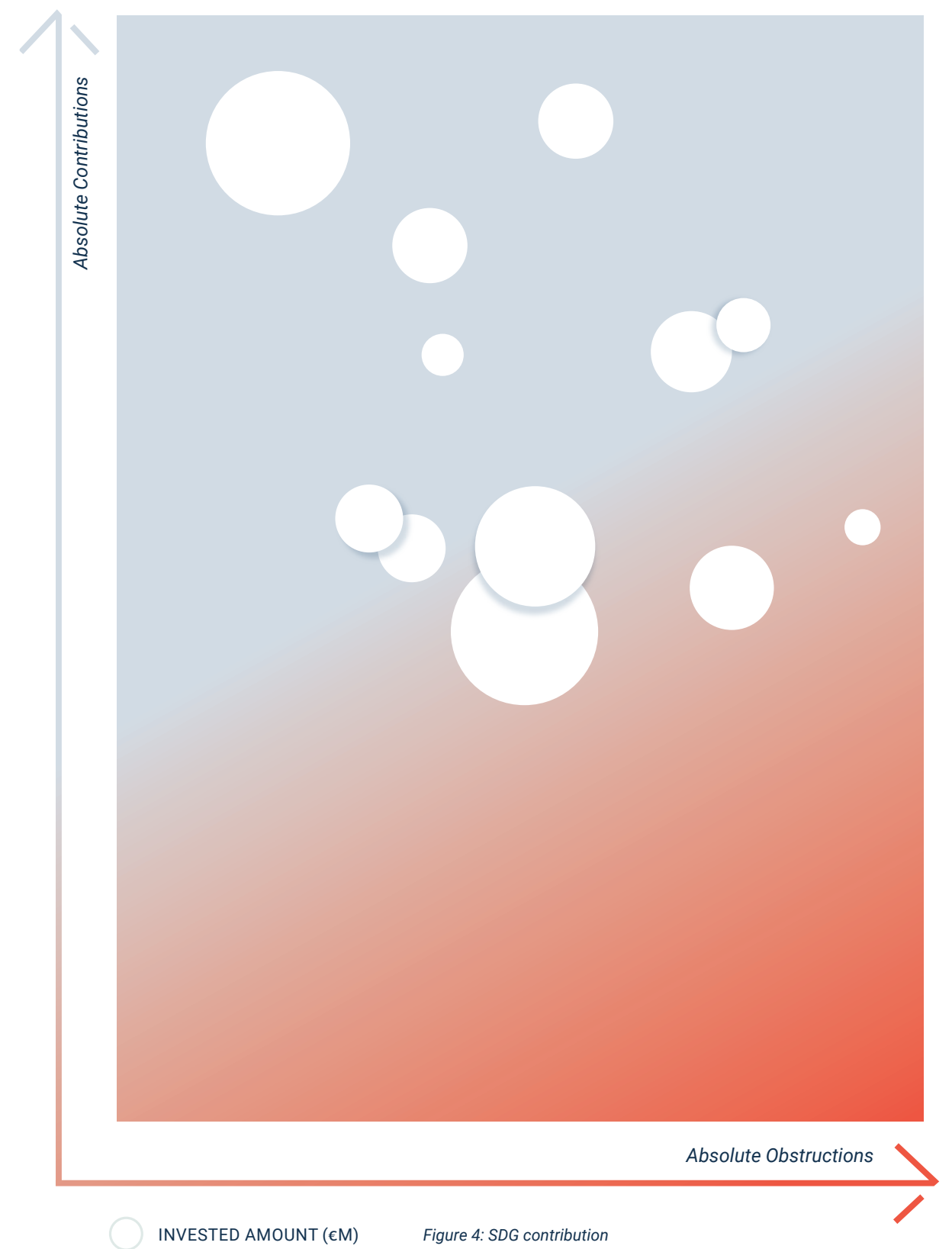


Figure 4: SDG contribution and obstructions of Astorg's portfolio companies







As such, the majority of Astorg's investments are considered to have a strong level of contribution to the SDGs.

Astorg's exposure remains limited as it is the smallest investment in the portfolio and several initiatives have been implemented within the company that should limit the obstruction in the next few years.

As this is the first attempt to identify Astorg's positive and negative outcomes in relation to the SDGs, there are some limits to this exercise. When comparing the companies on the map, one should keep in mind that it does not take into account the size nor the geography of the companies' physical assets, workforce or markets. Including these factors is among the methodological improvements that Astorg will be looking for in the future.

## Portfolio Contributions

The SDG analysis allowed the identification of the SDGs that are the most material for Astorg's portfolio whilst considering the amount invested in each company.

As explained above, the first version of the assessment methodology does not yet provide an exact quantification of an impact on each SDG. Rather, it provides a qualitative assessment of the positive and negative outcomes related to the companies' activities across their value chain on a particular SDG in relation to all other SDGs. The portfolio's main positive contribution to the SDGs results from the good management of human resources.

No matter the business sector, Astorg puts particular emphasis on the human capital development of its portfolio companies. Therefore, it is considered one of the main positive outcomes of the companies' activities be it through career management initiatives (SDG 4; Quality education), better working conditions and the respect of labour rights (SDG 8; Decent work and economic growth) or leadership opportunities for women (SDG 5; Gender equality).



Figure 5: Portfolio's main SDG contributions across their value chain (adjusted by invested amounts)

As for the contributions of the products and services of Astorg's portfolio (Figure 6), through its significant investment in the healthcare sector – five out of 14 portfolio companies are part of the healthcare value chain – Astorg prominently contributes to the achievement of the SDG 3 (Good health and well-being) with a global impact. Other significant contributions include the SDG 9 (Industry, innovation and infrastructure) through the companies' participation in

innovation and industrialization, and the SDG 13 (Climate Action) through the product and services' features that allow their clients to reduce their GHG emissions. Some portfolio companies contribute to several SDGs at a time as they work within several sectors.

### Some portfolio companies contribute to several SDGs at a time as they work within several sectors.

Products & Services

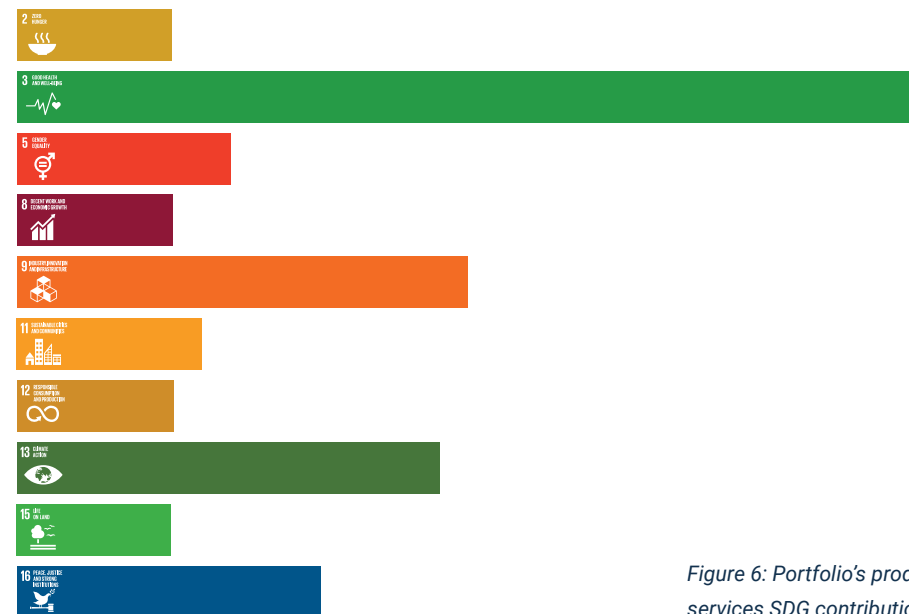


Figure 6: Portfolio's products & services SDG contribution level

## Portfolio Obstructions

It is an important part of the analysis to also recognize that the companies' activities as well as products and services can have a negative impact on specific SDGs (as shown in Figures 7 and 8). SDG 12 (Responsible consumption and production) and SDG 13 (Climate action) appear as the most impacted by Astorg's portfolio as all companies produce a carbon and material footprints through their operations. These footprints can be mitigated to various degrees depending on the implemented management systems and reduction initiatives. Moreover, all companies producing material goods are responsible for the harm that these goods might cause at the end of their lifecycle, including potential biodiversity damage (SDG 15; Life on land). Also, service companies can be considered to have negative impacts if they work with clients significantly contributing to environmental pollution and climate change. Overall, the analysis (Figure 7) concludes that the main obstructions created by the portfolio, and where the most mitigation efforts are required, are linked to the environment.

SDG 8 (Decent work and economic growth) ranks among the top three obstructions, as companies are likely to have negative impacts on contractors' and workers' health and safety during their operations. When evaluating this outcome, we have considered relevant policies and preventive measures aimed at mitigating those risks.

Finally, SDG 16 (Peace, justice and strong institutions) is considered negatively impacted as some companies still have to make progress regarding the implementation of comprehensive measures to prevent business ethics issues. It should be noted that none of Astorg's portfolio companies have faced any material allegation of bribery, corruption or information security breach. As for products and services, four companies could be exposed to cybersecurity risks linked to the utilization of their products, in particular for healthcare companies manipulating sensitive patients' health data.

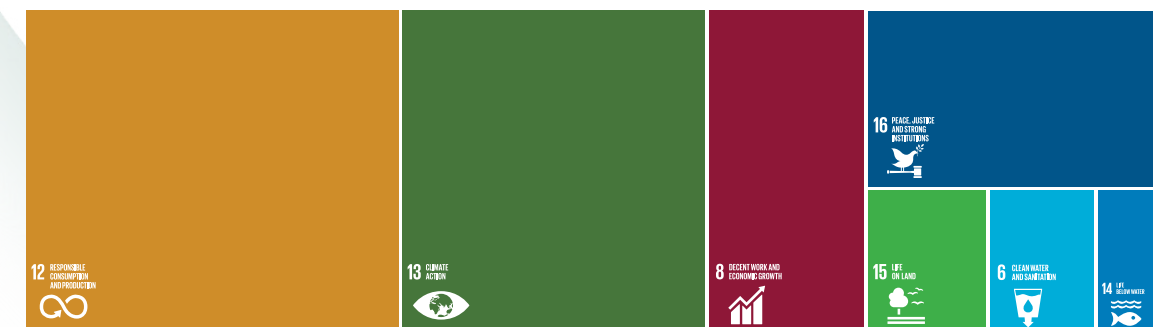


Figure 7: Portfolio's main SDG obstructions across their value chain (adjusted by instead amounts)





Products & Services



Figure 8: Portfolio's products & services SDG obstruction level

More details, including examples and case studies on the SDGs identified by Astorg as the most impacted, are provided in the following pages of this report.



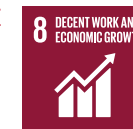
# Zoom on the main impacted SDGs

## SDG 4

(Quality Education) & SDG 8 (Decent work and economic growth) – Decent work and lifelong learning opportunities for all.



**4 QUALITY EDUCATION**  
ENSURE INCLUSIVE AND EQUITABLE QUALITY EDUCATION AND PROMOTE LIFELONG LEARNING OPPORTUNITIES FOR ALL



**8 DECENT WORK AND ECONOMIC GROWTH**  
PROMOTE SUSTAINED, INCLUSIVE AND SUSTAINABLE ECONOMIC GROWTH, FULL AND PRODUCTIVE EMPLOYMENT AND DECENT WORK FOR ALL

Sustained and inclusive economic growth can drive progress, create decent jobs for all and improve living standards. A continued effort towards decent work opportunities, enhanced working conditions and reduced health and safety risks are the main HR topics that drive portfolio companies towards the achievement of the SDG 8.

A large majority of portfolio companies present mature practices regarding health and safety risks mitigation, with formal policies and dedicated trainings. By way of illustration, three companies reported no work accident in 2019. Nine companies

conduct employee satisfaction surveys that enable management to further sharpen company's initiatives towards employees' quality of life at work.

In addition, job satisfaction is closely related to the capacity of the business to provide training opportunities and develop employees' skills and talents. Embracing the career management processes can help businesses become more attractive for future employees. Almost all portfolio companies reported to have a Career Management policy.



8 DECENT WORK AND ECONOMIC GROWTH



Products & Services contribution to the SDG 8

IQ-EQ provides a comprehensive range of compliance, administration, asset, and advisory services to investment funds, global firms, family offices & private clients thus contributing to economic growth and productivity.

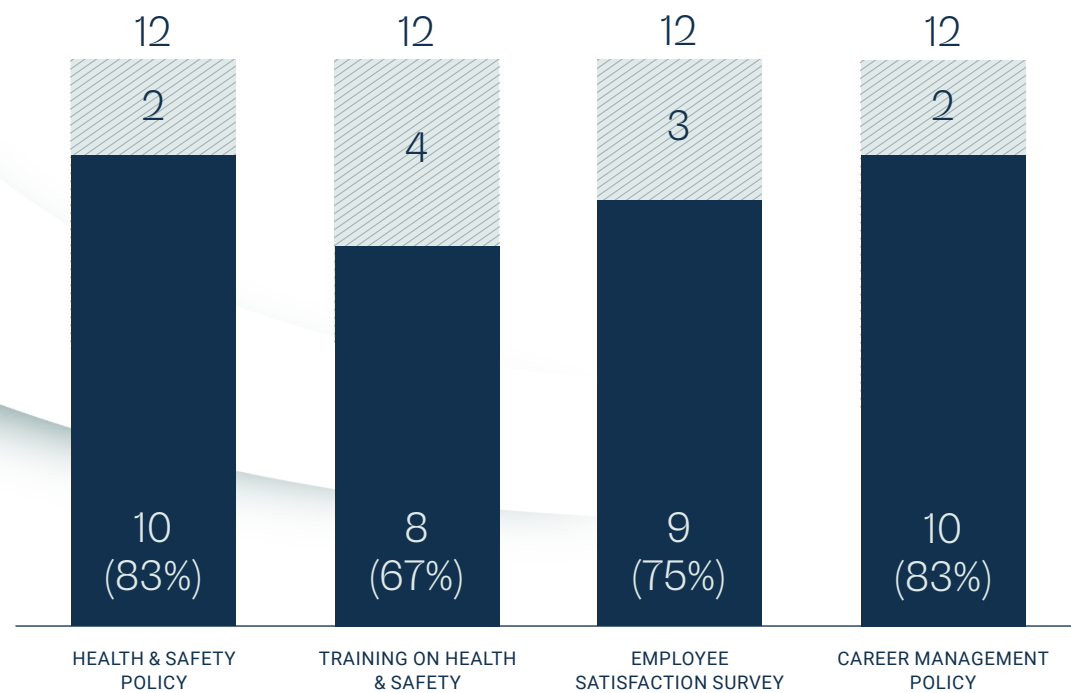


Figure 9: The graph is showing the number of portfolio companies with Human Resource management practices (% of portfolio companies). Blue indicating the number of companies that have management practices in place, grey shows the number that do not yet have the relevant initiatives in place.



CASE STUDY

# Flowbird's HR management practices

Flowbird, the world's leading provider of parking and mass transit payment and ticketing systems, embarked in 2018 on a major transformation of its business model, focusing its development on digital services and mobile applications. **In this transitional context and realizing that the main value of the Group is its people, the top management initiated a complete renewal and reinforcement of its HR management tools and oversight processes.**

Two workstreams can be highlighted:

## Internal corporate communications

The Communication department was first established in France back in 2016, notably to manage the **social links with employees** and the dialogue with local unions. Among various changes triggered by the recent transformation of the Group was the creation of new kinds of white-collar job positions (e.g. architects, data scientists) that required an adaptation of the communication approach. The Company has opted for a reinforcement of its internal communication to ensure the adherence of all employees towards the new project.

- Local communication: A weekly country-specific one-page newsletter is distributed at every location, aimed at strengthening the feeling of belonging.

- Managers information: The Company has installed monthly meetings – gathering all middle-managers from across the Group and the leadership team – dedicated to sharing the latest company results (financial results, HR KPIs, etc.). Managers have received a training on reporting this key information to their subordinates and collecting their feedback. These meetings foster managerial communication and information flows both top-down and bottom-up. As bottom-up feedbacks are not yet prevailing in Flowbird's culture, the top management carries out a monthly survey to collect information directly from employees. These surveys are bound to disappear once smooth communication will be deep-rooted in the Company.





- Flowbird Inside: A communication tool has been created to display group-level information to employees of all entities. The platform is based on a Google webpage allowing to translate articles into any language and monitor the number of views. Flowbird Inside has proven to be very popular among the Company's employees worldwide.

“Communication was one of the key transformation tools to keep people all together while undergoing a change from a French equipment producer to an international digital player”

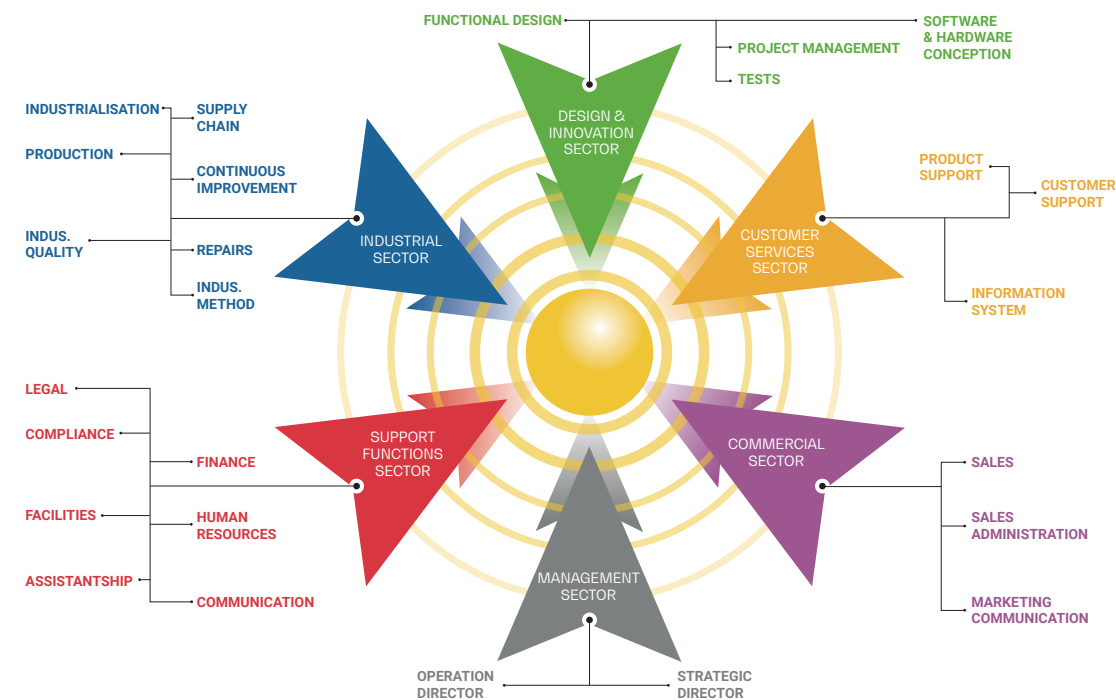
Jean-Pierre Todeschini, HR Director

### Job mapping

Flowbird's HR team has involved its employees into conducting a complete mapping of all Company's job positions and competences worldwide, enabling both global comparability and local specificities. Every job description specifies:

- Skills & competencies expected
- Potential career development pathways
- Locations of the job across the Group's entities

This tool facilitates career management. Indeed, the job mapping enables comparison of all employees across Flowbird's locations and individual performance is assessed on a common framework. In addition, the Group can identify key talents, training needs and define transition plans when required leading to easier internal mobility. At last, the management identified that providing comprehensive job descriptions facilitates the recruitment process and provides development perspectives to candidates.



# SDG 5

(Gender equality) & SDG 10 (Reduced inequalities) – Gender equality and economic inclusion.



ACHIEVE GENDER EQUALITY AND EMPOWER ALL WOMEN AND GIRLS



REDUCE INEQUALITY WITHIN AND AMONG COUNTRIES

The private sector is called upon to play a leading role in tackling inequalities by internal monitoring and commitments towards narrowing disparities of opportunities and income among employees. The overall performance of portfolio companies regarding anti-discrimination, diversity and gender equality is satisfactory. The integration of people with disabilities was addressed by half of portfolio companies in 2019.

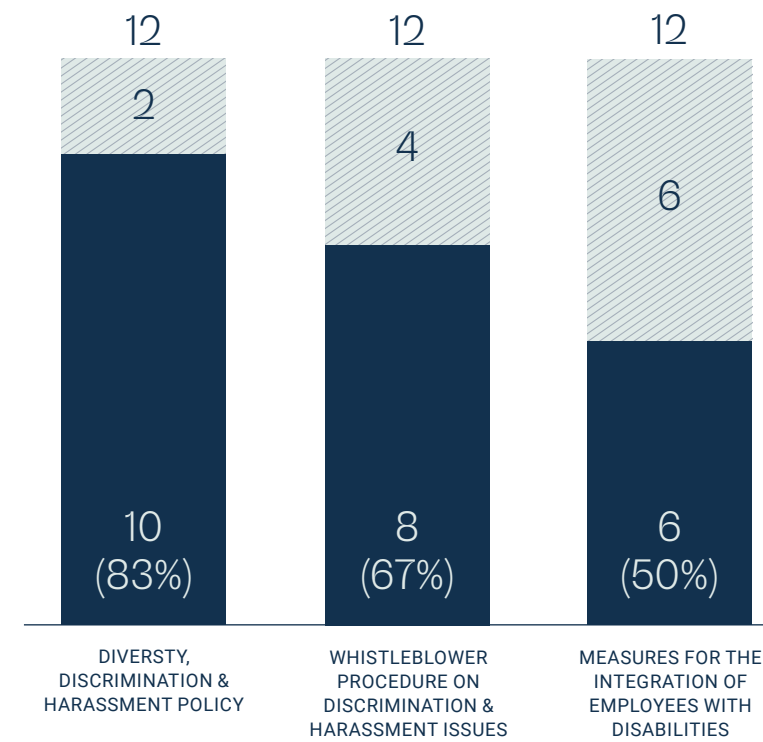


Figure 10: Portfolio companies' employee diversity management. Blue indicating the number of companies that have diversity management practices in place, grey shows the number of companies that are yet to put in place the relevant initiatives. [Number of portfolio companies (% of portfolio companies)]



Gender equality at work, notably representation of women in leadership positions, is a challenge that businesses must address actively within their organisations. As shown in the graph below (Figure 11). In 2019, Echosens obtained

a score of 87/100 at the French Gender Equality Index which is well above 75/100 – the minimum score expected by the French authority from all companies of 50 employees and above by 2022.

**5**  
GENDER  
EQUALITY



**Products & Services contribution to the SDG 5**

**HRA Pharma** is a specialty pharma focused on women's health, in particularly intimate health and contraception. Thereby, the company directly contributes to SDG 5 (Gender equality), and more specifically to target 5.6 "Ensure universal access to sexual and reproductive health and reproductive rights".

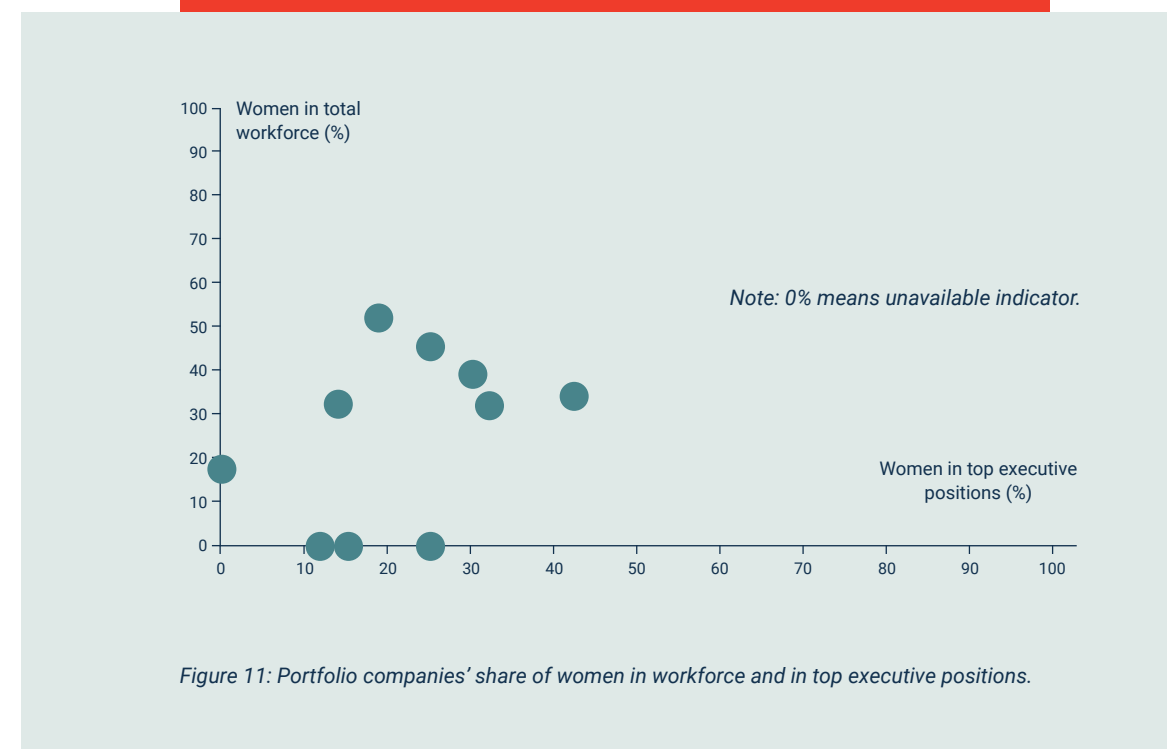


Figure 11: Portfolio companies' share of women in workforce and in top executive positions.

# Nemera

## CASE STUDY

# Nemera's diversity initiatives

Back in 2017 when gender diversity was identified as an issue, only 15% of Nemera's leadership hires were women. Since then, the topic has been a subject of focus of the management team tackled at the global level.

The Company has defined ambitious 2022 Global Gender Balance aspirations including the following targets:

- 50% of women in talent program
- Equal female and male talent retainment rates
- Equal female and male employee engagement scores
- Company-wide (covering every single site and every single role) gender pay review with an external firm every two years
- 50% of women in leadership roles hires
- 35% women in leadership roles



In order to be able to closely monitor its progress, Nemera has been implementing a company-wide HR information system which is currently in progress.

Flexibility to fit work into employees' lives is considered very important by Nemera's management and has been implemented where possible. In the context of COVID-19 lockdowns, a special working group, composed of individuals from different functions, has been tasked with analysing employee feedback on homeworking to propose long-term recommendations and arrangements for every location.

“Nemera’s key success factor in achieving our aspirations lays in making sure our senior leaders and managers are champions of gender diversity. Relevant data gathering and reporting is also a critical element that goes well beyond diversity by allowing for holistic visibility over our human resources.” **Elizabeth de Longeaux**, Head of Nemera’s Human Resources



# SDG 12

(Responsible consumption and production) – Sustainable production patterns.



ENSURE SUSTAINABLE CONSUMPTION AND PRODUCTION PATTERNS

The achievement of sustainable production and consumptions is one of the most challenging tasks of the next 10 years.

Indeed, the worldwide consumption and production – the driving force of the global economy – rests on the use of the natural resources in a way that continues to have destructive impacts on the planet. Each company should consider the externalities of its activities, either on their local

communities, or those of their suppliers and clients.

In 2019, half of Astorg’s portfolio companies had a Responsible Procurement Policy in place – the number of companies this year remains the same as Astorg intends to pursue its efforts on the matter, the ESG roadmaps of nine companies contain supply-chain related goals.

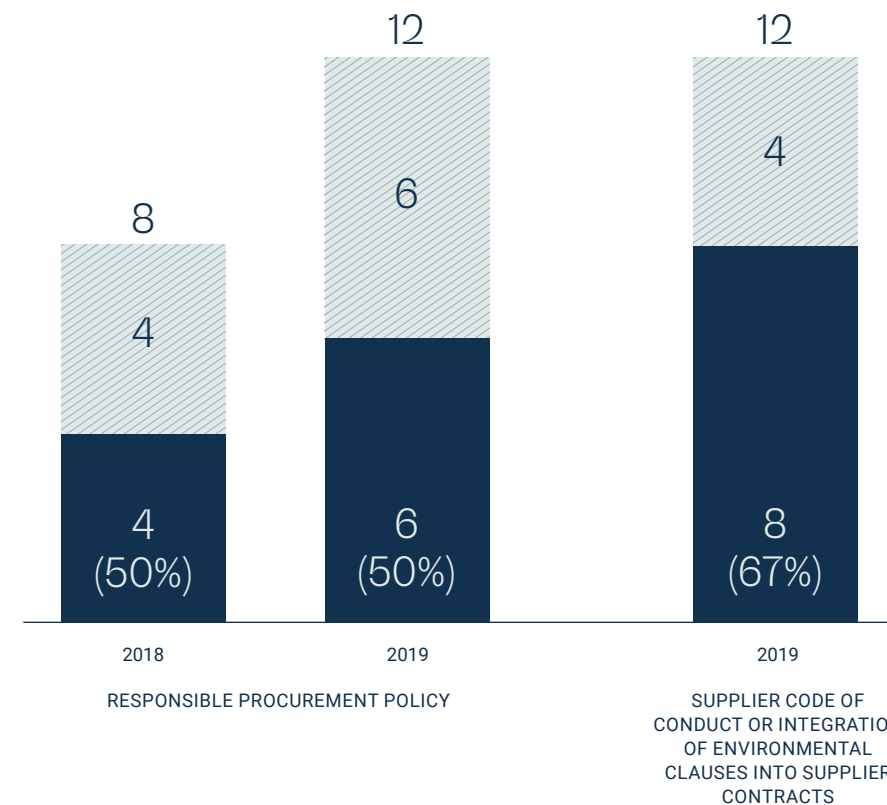


Figure 12: Portfolio companies' responsible supply chain management. Blue indicating the number of companies that have supply chain management practices in place, grey shows the number of companies that are yet to put in place the relevant initiatives. [Number of portfolio companies (% of portfolio companies)]



Regarding environmental management, significant progress has been made as 67% of portfolio companies have an environmental policy as of today, compared to only 25% in 2018.

**12** RESPONSIBLE CONSUMPTION AND PRODUCTION

**Products & Services contribution to the SDG 12**

**Autoform** designs innovative software destined for the automotive sector that allows its customers to reduce the quantity of raw materials necessary for the vehicles manufacturing.

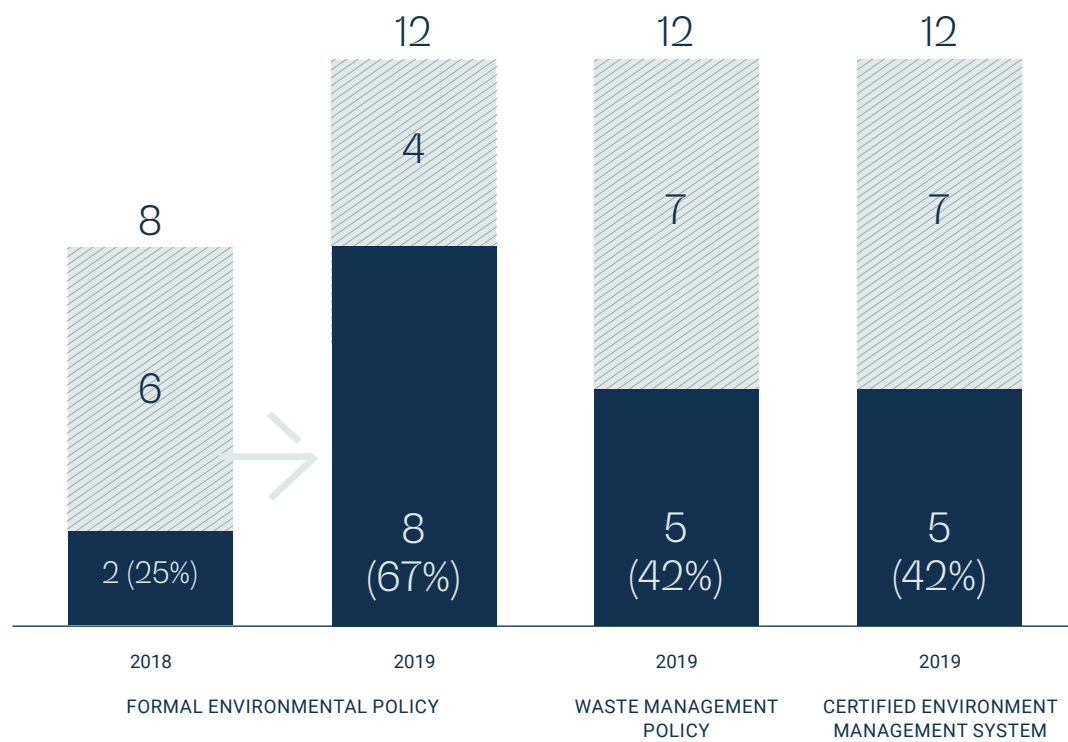


Figure 13: Portfolio companies' environmental management. Blue indicating the number of companies that have environmental management practices in place, grey shows the number of companies that are yet to put in place the relevant initiatives. [Number of portfolio companies (% of portfolio companies)]



CASE STUDY

# Surfaces' reduction of cobalt use

Surfaces is the leading supplier of abrasive tools and consumables that intervene in the manufacturing process of high-end materials. These materials included specific powders manufactured by Surfaces which were partially made of cobalt. Cobalt is known to have damaging effects on the environment and was identified by our ESG team as a major area of improvement for the company to target. As a result, together with Surfaces' ESG manager, an action plan was decided on aiming at drastically reducing the use of cobalt in such powders.





# SDG 16

(Peace, justice and strong institutions) – Rule of law and effective and accountable institutions



PROMOTE PEACEFUL AND INCLUSIVE SOCIETIES FOR SUSTAINABLE DEVELOPMENT, PROVIDE ACCESS TO JUSTICE FOR ALL AND BUILD EFFECTIVE, ACCOUNTABLE AND INCLUSIVE INSTITUTIONS AT ALL LEVELS

SDG 16 (Peace, Justice and Strong institutions) encompasses several business-related issues – such as good governance practices to fight against corruption and information security – that all Astorg’s portfolio companies address to a certain extent.

Astorg strives to support portfolio companies on ethical issues by raising awareness and promoting the formalization of internal policies. In 2019, all portfolio companies had a policy covering ethical issues, this represented

an improvement since the previous year. Companies’ Code of Ethics contents vary from purely ethical issues to broader sustainability stakes. In their policies, all companies address anti-corruption and bribery issues.

In the context of the ongoing digitalization of our economies, all businesses undergo a crucial duty to ensure clients’ data safety and compliances with national regulations. All but one of the assessed portfolio companies have implemented a policy on information security.

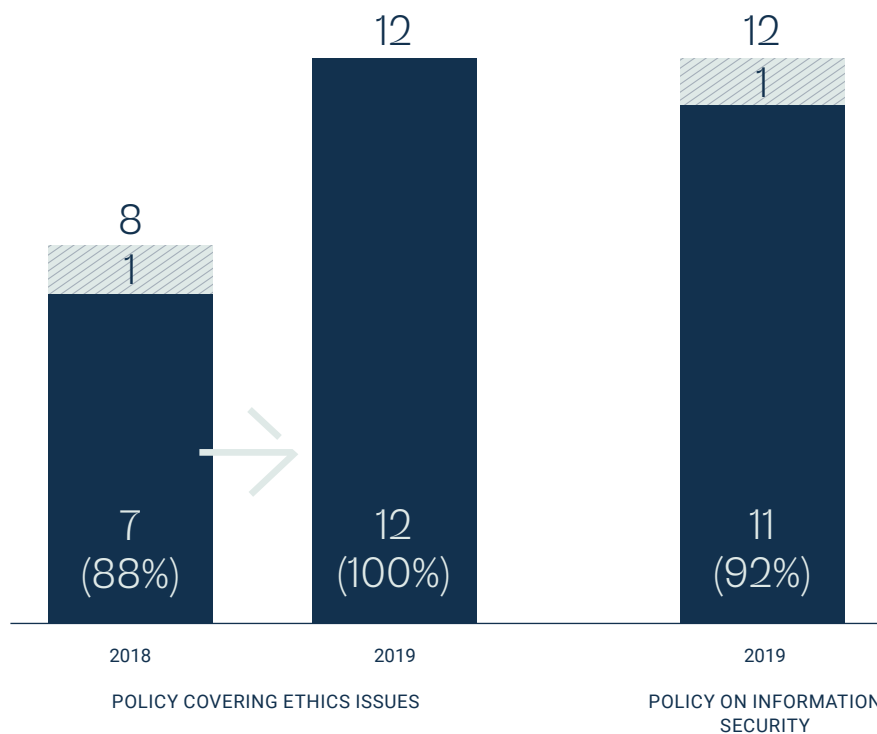


Figure 14: Portfolio companies’ management of ethical issues. Blue indicating the number of companies that have policies addressing Ethics issues in place, grey shows the number of companies that are yet to put in place the relevant initiatives. [Number of portfolio companies (% of portfolio companies)]





**16** PEACE, JUSTICE AND STRONG INSTITUTIONS

## Products & Services contribution to the SDG 16

**Anaqua** delivers complete Intellectual Property software and services solutions to law firms thus promoting the rule of law. The company’s software and services help corporations and law firms gain in optimization and reduce data management risks.

**IQ-EQ** teams intervene as compliance advisory to their clients, thereby promoting the rule of law and contributing to the achievement of SDG16. IQ-EQ Compliance Services help clients with fund’s regulatory and compliance requirements.



# SDG 3

## Good health and well-being



ENSURE HEALTHY LIVES AND PROMOTE WELL-BEING FOR ALL AT ALL AGES

The importance of the United Nations' SDG 3 "Ensure healthy lives and promote well-being for all at all ages" has been highlighted by the current global health crisis. Common efforts are needed to eradicate a wide range of diseases and provide more efficient access to healthcare.

Astorg invests largely into the healthcare sector with five current portfolio companies

included as part of the global healthcare value chain, as presented in the graph below (Figure 15). These companies distribute their products and services worldwide (Figure 16).

The portfolio companies' contribution to the achievement of the SDG 3 largely outweighs other contributions based on their products and services.



**HRA Pharma**

The objective at the creation of **HRA Pharma** was to provide therapeutic solutions to medical needs that had not been addressed previously by large pharmaceutical groups. The company has a rich and innovative development pipeline in its core therapeutic areas.

**ERT**

As a leading clinical trial technology company, **ERT** enables safer and more efficient drug development processes. The company's services support the target 3.b addressing the research and development of vaccines and medicines. To date, the company has managed 15,000 trials worldwide and 5,200 patients enrolled.

**Nemera**

**Nemera**' activities consist in the design, development and manufacturing of drug delivery devices for the pharmaceutical, biotechnology and generics industries. The company notably produces smart packaging increasing patient compliance and providing digitised feedback to healthcare professionals.

**echosens**

**Echosens**' product and services support physicians in their assessment and management of chronic liver diseases which concern more than 700 million people around the world. Echosens' products are devoted to foster medical innovation.

**LGC** Through its portfolio of life science tools and solutions **LGC** helps pharma, biotech CROs/CDMOs, medical device and consumer healthcare companies provide assurance and high-quality data to support their discovery, development and manufacture activities.



Figure 16: Global operations of the healthcare portfolio companies. Countries shown in blue indicate where the portfolio companies have a presence through products and services distribution.

**3 GOOD HEALTH AND WELL-BEING**

**Products & Services contribution to the SDG 3**

In addition, **Autoform** contributes to the goal indirectly as it helps companies in the automotive industry to meet specific road safety requirements. The company's activity thus contributes to the target 3.6 specifically targeting the reduction of deaths and injuries resulting from road traffic accidents.

Figure 15: Astorg's portfolio companies in the healthcare value chain



# SDG 13

(Climate action)



TAKE URGENT ACTION TO COMBAT CLIMATE CHANGE AND ITS IMPACTS

It is widely agreed now that climate change is directly affecting businesses, society and ecosystems. The United Nations' SDG 13 requires urgent action to address the climate emergency primarily through GHG emission reductions. According to the Task Force on Climate-related Financial Disclosures (TCFD) guidelines, companies are expected to address climate change through four management dimensions: governance, strategy, risk management and metrics and targets.

In 2020, Astorg has introduced a Climate Policy which is based on the guidelines of the Task Force on Climate-Related Financial Disclosures (TCFD) and applies to all its investments.

According to its new climate policy, Astorg's ambitions to tackle climate change are:

- To measure and reduce its own emissions by becoming a carbon neutral company,

- To measure the emissions of its portfolio and to encourage its portfolio companies to reduce their emissions and to work towards carbon neutrality in line with industry trends and regulations and with the aim to improve operational efficiency.

As it can be seen on the chart below (Figure 17), half of the portfolio companies have implemented a policy covering energy consumption and GHG emissions issues. In 2019, Astorg carried out a carbon footprint assessment for nine portfolio companies. Following this assessment, companies were encouraged to act towards reducing their emissions. 75% of the panel declared having measures in place aimed at reducing GHG emissions. As of 2020, companies' carbon assessment will include scope 3 analysis.

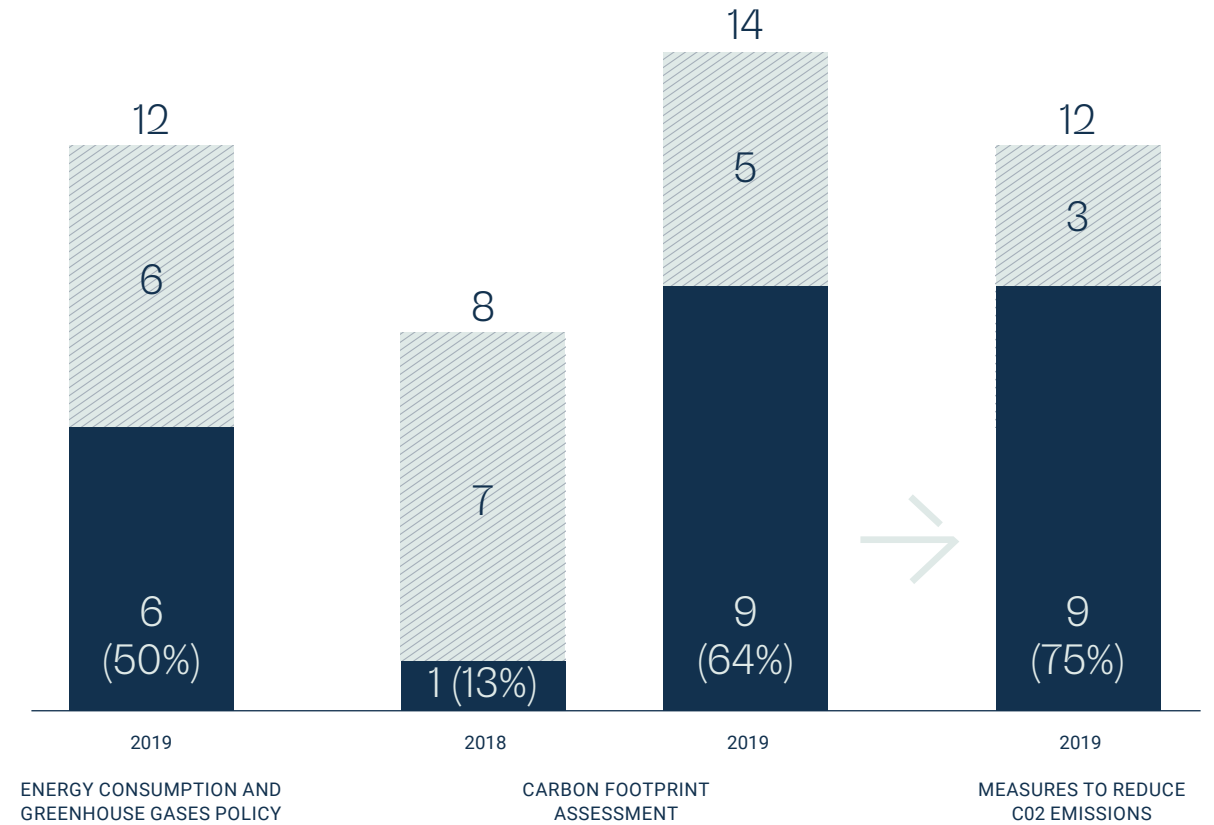


Figure 17: Portfolio companies' management of carbon footprint. Blue indicating the number of companies that have carbon footprint management practices in place, grey shows the number of companies that are yet to put in place the relevant initiatives. [Number of portfolio companies (% of portfolio companies)]

**13** CLIMATE ACTION

## Products & Services contribution to the SDG 13

Four of the current portfolio companies offer products or services contributing to the transition towards a low-carbon economy:  
**Aries Alliance, Autoform, Flowbird and IGM Resins.**



# Portfolio carbon footprint analysis

Climate change is taken seriously at Astorg, and stakeholders are working collectively to limit the impact on climate change by assessing scope 1 and 2 of CO2 emissions.

In 2019, Astorg commissioned an external consultant to conduct a carbon footprint and GHG emissions assessment of its portfolio companies as well as its own organization. This first carbon footprint assessment not only gives a global indication of the scale to which Astorg's portfolio companies contribute to climate change, but also highlights the areas for improvement to significantly reduce that impact.

The total carbon footprint of the nine portfolio companies assessed accounted for 79,190.8 tCO2e in 2018. Two companies are together responsible for 90% of the absolute total emissions. The two companies are energy-intensive and emitted respectively 38,140 and 33,388 tCO2e in 2018.

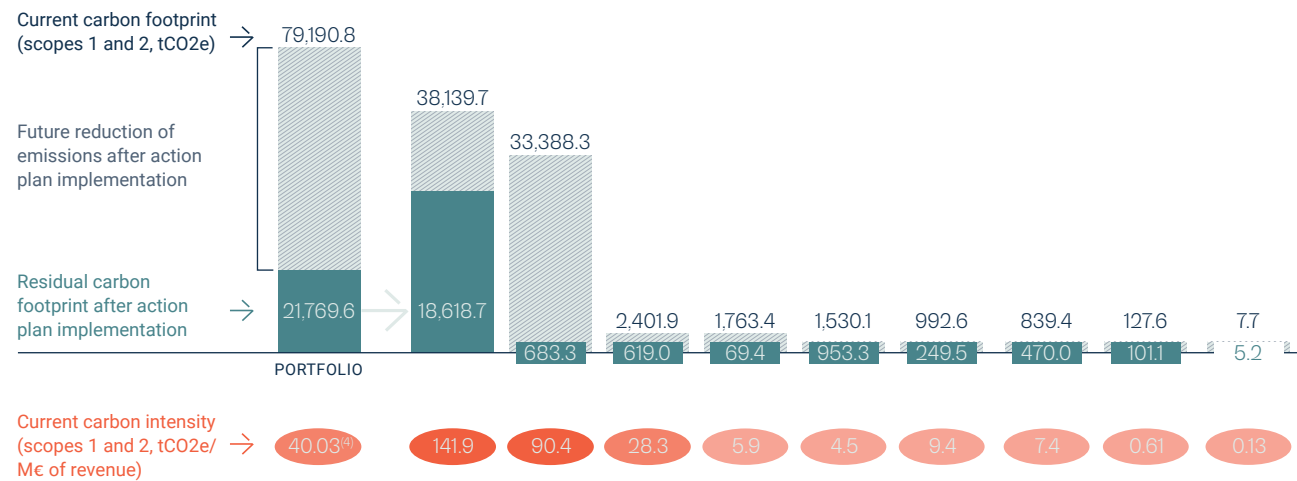
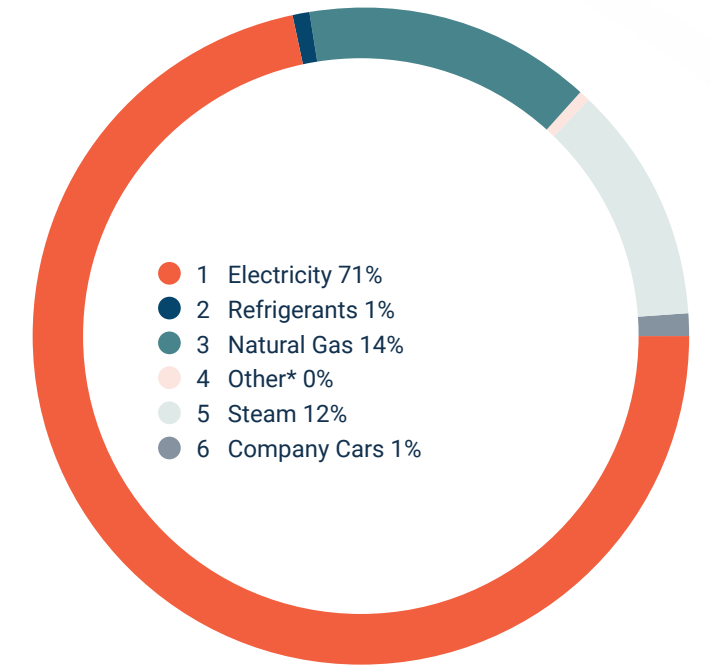


Figure 18: Portfolio companies' absolute carbon footprint and intensity (2018)

Electricity represents the main source of GHG emissions of the portfolio companies assessed (Figure 19). In 2018, 10% of total electricity consumed was renewable. Thanks to green electricity contracts 7,883.9 tCO2e were avoided in 2018.

Figure 19: Breakdown of companies' GHG emissions per source



Notes: \* Heavy fuel, diesel use, district heating and LPG.

As a result of the carbon footprint assessment, Astorg has identified several short-term solutions in terms of climate impact reduction for each company. These solutions correspond to a **73% impact reduction** (57,421.2 tCO2 reduction) with the main initiative relating to the use of green electricity:

- **Nemera** reduced its absolute emissions by 98% through a complete shift towards green electricity and drastically decrease its carbon intensity.
- By implementing the recommended solutions, Astorg's portfolio weighted average carbon intensity would decrease from the current 40 tCO2e/€M of revenue to 12.8 tCO2e/€M of revenue.



CASE STUDY

# Nemera's climate action initiatives

Nemera manufactures drug delivery devices, such as insulin pens, inhalers, and spray pumps, mostly made of plastic.

In doing so, Nemera uses injection moulding machines and cleanrooms that consume a lot of electricity. Driven by the results of the carbon footprint analysis conducted by Astorg in 2019 that revealed that Nemera was one of the most energy- and emission-intensive companies in the portfolio, the Company's management launched a number of environmental initiatives.

- **Transformation of the energy mix** Before 2020 Nemera had a significant part of coal- and natural gas-fired electricity in its energy consumption mix, especially at its USA- and Germany-based sites where the share was 50-60%. The Company has set up a plan aimed at progressively transforming its electricity profile while fully assuming the additional financial costs:
  - **USA:** Starting from January 2020 Nemera switched to 100% emission free (nuclear) energy.
  - **Germany:** Nemera will switch to a renewable energy contract starting from January 2021.
  - **France:** increasing the share of renewables from 12% in 2019 to 50% in 2021 and 100% in 2022.
- **Energy saving initiatives** Conscious of the fact that one of the most powerful leverages of GHG-emissions reduction is cutting on energy consumption, Nemera has identified and implemented several actions in this regard:
  - Switching from hydraulic injection moulding presses to more energy-efficient electrical or hybrid presses;
  - Replacing traditional lighting by LED solutions;
  - Using advanced materials and technologies when building a new site;
  - Reusing the heat generated by the production processes to heat premises.



As a result of this plan, Nemera should be able to cut its direct GHG-emissions threefold between 2018 and 2020 and will be running on 100% emission-free energy starting from January 2022. Nemera's ultimate goal is coming as close as possible to carbon neutrality.

- **Indirect emissions assessment** Following the implementation of measures to reduce emissions linked to purchased energy (Scope 2), it was natural for Nemera to start working towards reduction of indirect emissions that occur in the value chain, such as commuting or travel (Scope 3). The assessment process has been launched with Astorg's carbon services provider with the aim of having the results in late 2020. The conclusions will allow Nemera's leadership team to identify further improvement areas in terms of emissions reduction.
  - **Nemera** did not wait for the assessment results to apply a new car policy that restricts the availability of cars as well as prescribes the usage of hybrid or eco-efficient gasoline cars instead of diesel-fuelled cars.

“Nemera had not looked at this major issue in the past. The carbon impact assessment conducted with Astorg's support in 2019 was an eye opener. We had all employees onboarded, but the procurement team was particularly helpful in changing energy contracts and negotiating new ones.”

**Nicolas Rosaz**, Head of Nemera's Procurement

# Climate risk analysis



Since last year, we have updated the climate analysis of our portfolio identifying the risks to our investments represented by climate change. We have notably included the latest investments in the scope of analysis as well as integrated more details on the companies' facilities' types and locations. Finally, the analysis has been refined with the portfolio companies' carbon footprint assessment results.

## Climate risk assessment methodology

As a signatory of IC20, Astorg is committed to the fight against climate change. The company has recently conducted the carbon footprint assessment of its portfolio companies' and is working with the companies to reduce their emissions through relevant actions.

It is also important to consider the risks that each company faces due to climate change. According to the Task Force on Climate-related Financial Disclosures (TCFD), two types of climate risks can be distinguished:

- 1 **Physical risks**, such as rising sea levels or extreme weather events like cyclones that can affect the company's ability to do business;
- 2 **Transition risks**, which are related to the transition to a lower-carbon global economy, be it through climate regulations, technology changes, etc. Transition risks can be divided into four categories as illustrated below (Figure 20).

Transition risks	Physical risks	<p><b>Changes in precipitation patterns, rising mean temperatures, rising sea levels, extreme variability in weather patterns and increased severity of extreme weather events (cyclones and floods) that can:</b></p> <ul style="list-style-type: none"> <li>• Affect means of production of the company or of its suppliers</li> <li>• Increase production costs and insurance premiums</li> <li>• Reduce revenues from lower sales or outputs</li> </ul>
	Policy and legal risks	<p><b>Increased pricing of GHG emissions</b>, extension of the scope of systems like the EU Emission Trading Scheme or <b>enhanced emissions-reporting obligations</b> that can lead to increasing operating costs (higher compliance costs, increased insurance premiums).</p> <p><b>Exposure to litigations</b> that can increase costs and/or reduced demand for products and services resulting from fines and trials.</p>
	Technology risks	<p><b>Substitution of existing products and services with lower emissions options and costs to transition to lower emissions technology that can:</b></p> <ul style="list-style-type: none"> <li>• Lead to the early retirement of existing assets and costs to adopt/ deploy new practices and processes</li> <li>• Reduce demand for products and services</li> </ul>
	Market risks	<p><b>Changing customer behaviour</b> that can lead to a decreasing demand</p> <p>Increased cost or scarcity of raw materials (including energy prices) that can lead to important increases in production costs or even supply chain interruptions</p>
	Reputation risks	<p><b>Stigmatisation of a sector or increased stakeholder concern</b> that can:</p> <ul style="list-style-type: none"> <li>• Lead to a decreasing demand for goods and services</li> <li>• Reduce revenues from decreased production capacity because of delayed planning approvals or supply chain interruptions</li> </ul>

Figure 20: Definition of physical and transition risks



# Portfolio overview

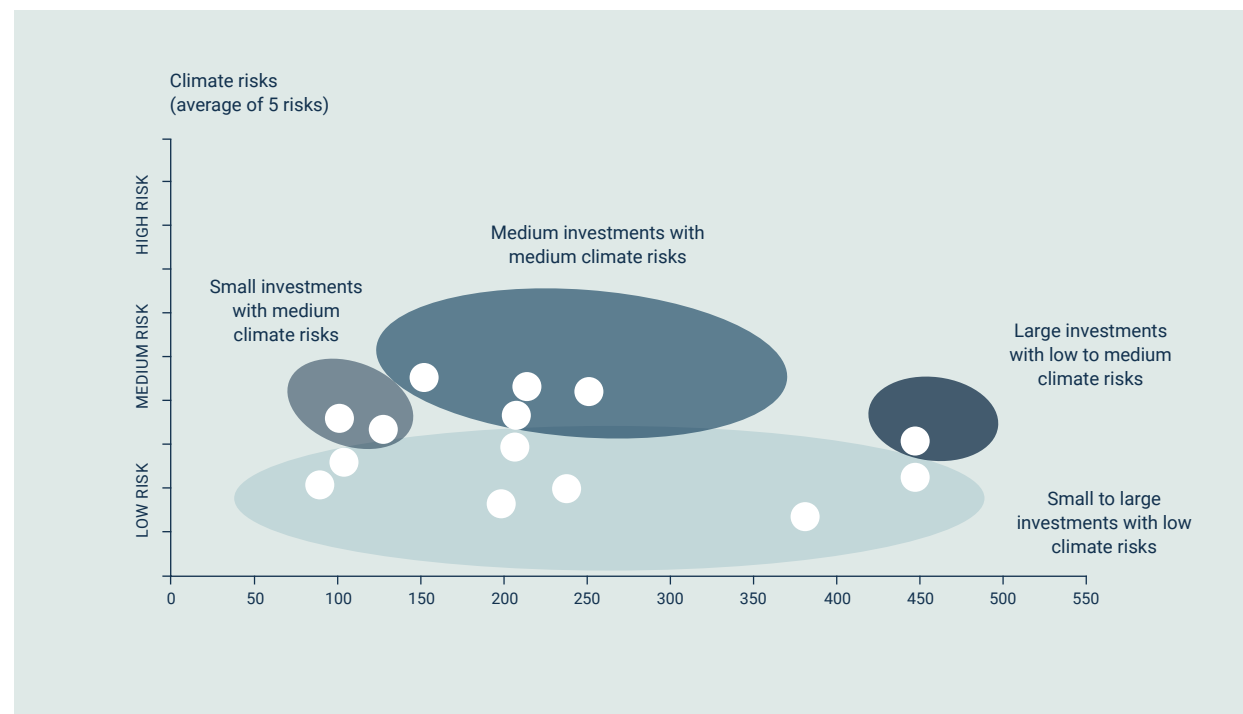


Figure 21: Overview of portfolio's exposure to climate related risks

As seen in the graph above (Figure 21), Astorg's portfolio companies face low to medium climate-related risks.

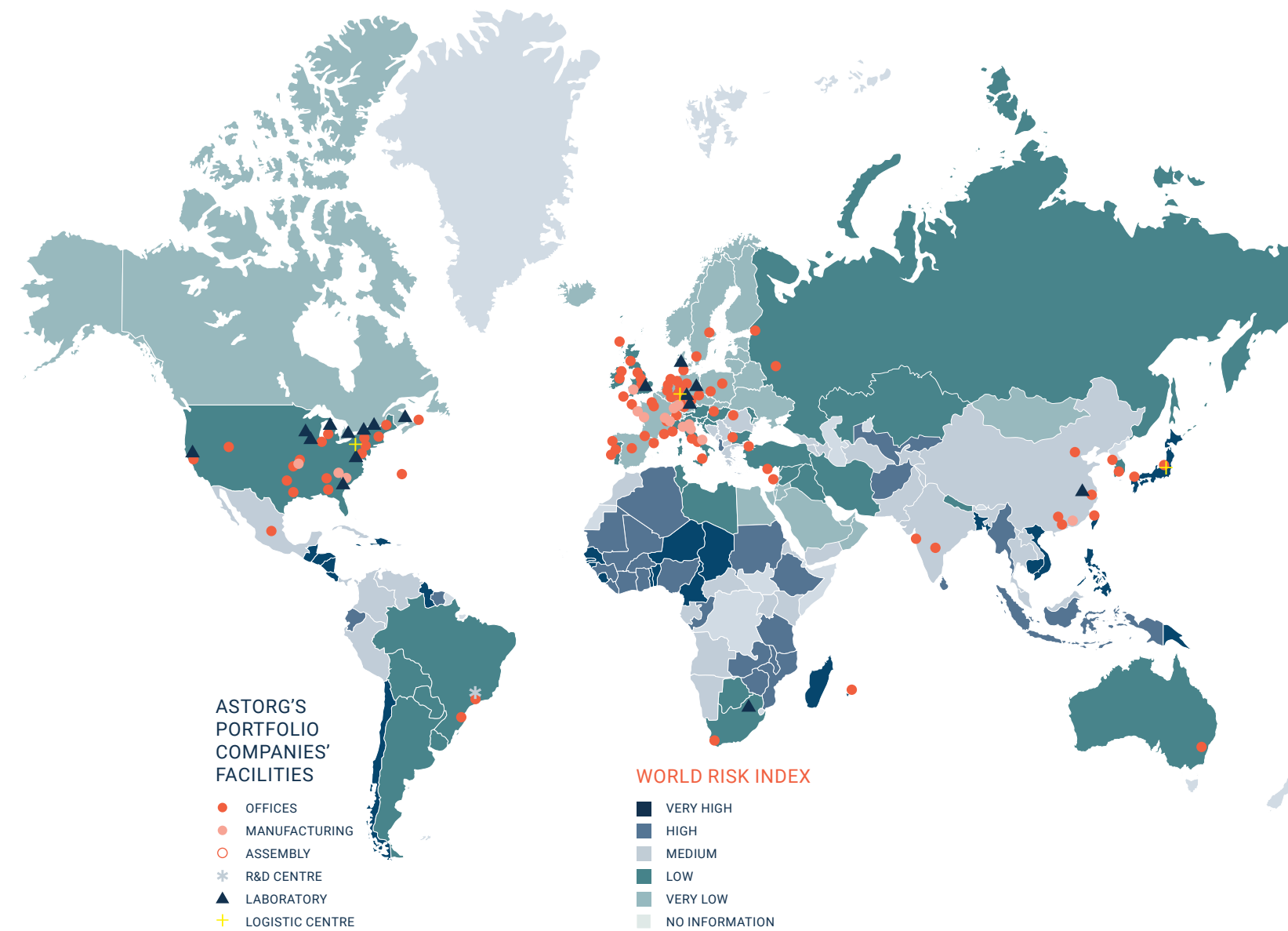


Figure 22: Portfolio's exposure to climate physical risks

Out of 219 sites operated by Astorg's portfolio companies in 2019, 8 offices and 1 logistic center are in countries exposed to high or very high physical risks according to the WRI (Japan, Philippines and Mauritius).

In addition, 2 manufacturing sites and 2 laboratories are in China, a country facing medium risks according to the WRI. One logistic center is in Japan, facing high risks.



# Assessment of climate transition risks

Each of the four transition risks identified by the TCFD was assessed (Figure 23). For each type of risk, Astorg analyses the probability for the risk to occur and the impact it could have on the business.

This year's analysis of policy, legal and market risks was reinforced by the carbon

footprint assessment, enabling to assess accurately company's exposure to the risk. For example, a carbon-intensive company would be heavily affected by potential carbon regulations on its activities, resulting in a high impact level.

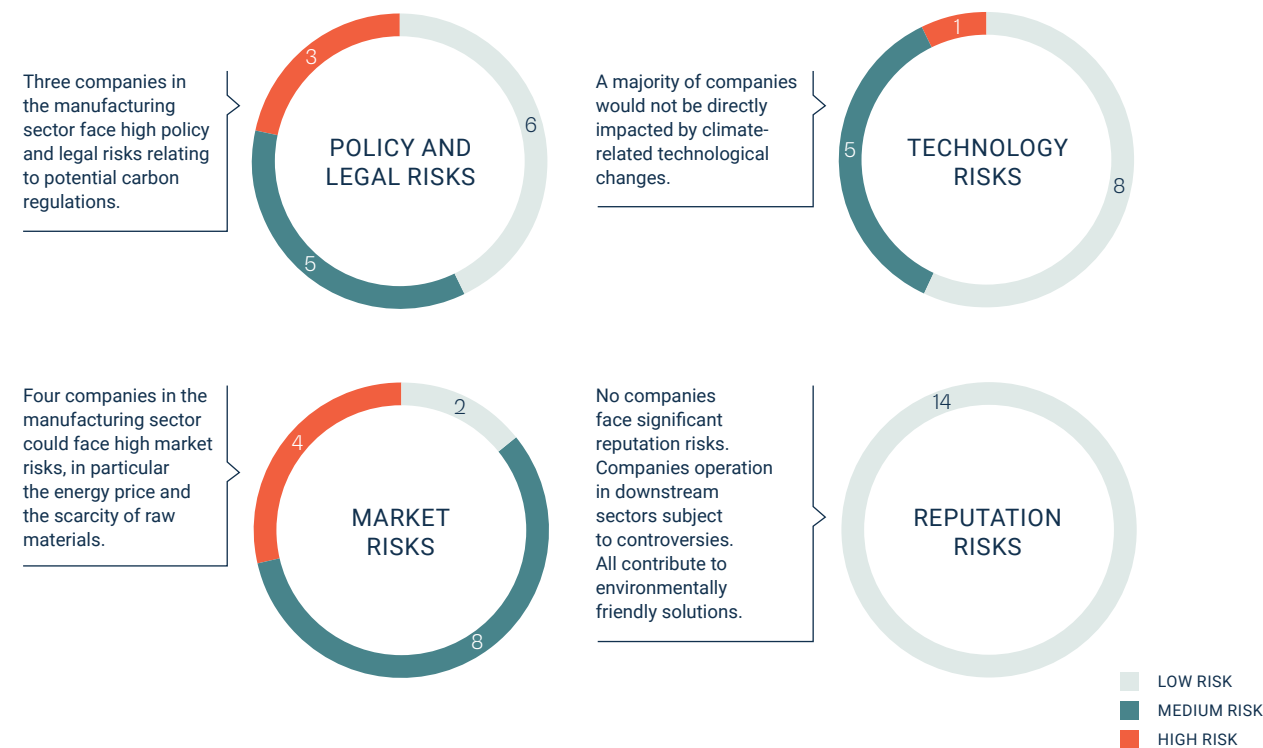


Figure 23: Portfolio's exposure to climate transition risks. Sources: Astorg, INDEFI analyses.

Overall, manufacturing companies face the highest transition risks compared to other sectors where Astorg is present through its investments.

12 companies out of 14 assessed are considered to face high or medium market-related climate risks which can be explained either by sector's sensitivity towards market risks (e.g. pharmaceutical sector that is dependent on sensitive raw materials) and

the companies' supply chain exposure due to sourcing of climate-sensitive raw materials (e.g. plastics, electronic components, rare-earth materials).

All the portfolio companies face low reputation risks since the majority of them are B2B players thus not well known by the public even when operating within activities scrutinized for their climate impact.

## CONCLUSION: THE ROAD AHEAD

# Viviana Occhionorelli

ESG DIRECTOR



“Thank you for your continuous support to our ESG program!”

It has been more than 6 months since the COVID-19 pandemic started, resulting in more than 10 million cases worldwide and bringing a catastrophic impact on economies. Instead of reducing the investors' focus on Sustainability, this crisis has acted as a wake-up call accelerating the need for a more sustainable approach to investing. In fact, the pandemic has shown investors and policy makers that companies with strong sustainability strategies have shown greater resilience during the crisis and are better prepared to face systemic risks (such as pandemics and climate change).

Following this trend, Astorg has increased its efforts and initiatives on Sustainability in 2020 with the firm belief that sustainable business brings higher returns and is key if we want to face future sustainability challenges.

As part of its commitment to responsible investment, Astorg has set a number of ambitions for 2021 including:

- Linking the EcoVadis rating of portfolio companies to the compensation of the companies' management and of the investment team;
- Becoming a carbon neutral company by switching to green electricity and reducing business travel;
- Continuing to assess climate risk and carbon emissions of its portfolio with the aim to encourage its companies to reach carbon neutrality in the long term.

As this report illustrates, Astorg recognizes the need for aligning its activities with the UN Sustainable Development Goals. For this reason, we will work throughout 2021 to integrate the UN SDG vision into our investment process and into the work we do with our companies.

APPENDIX 1:

# SDG Assessment Methodology

## Supply Chain & Operations

Appreciation of the companies' initiatives aimed at mitigating their negative outcomes or amplifying their positive impact when managing their supply chains and operations.

This assessment is done on a common basis for all companies with a number of sector-specific impact considerations and is mostly based on selected metrics and data provided by the companies via EcoVadis ESG questionnaires. All documents uploaded by companies on the EcoVadis platform to supplement the answers have also been carefully reviewed (environmental assessments of industrial facilities, CSR Policies, Codes of Conduct, Procurement Policies, internal reporting, etc.). In addition, the analysis is integrated with the carbon assessment of the companies and the Gender Equality Index disclosed by French companies. All available information has been mapped to specific SDGs. The nine SDGs that have been identified as relevant to the companies' supply chain and operations management as well as corresponding sustainability themes can be seen in Figure 24. Each topic treated in the questionnaire has been linked to a specific SDG, either on a positive scale or on a reversed negative

scale assessing the extent to which the company has been mitigating its negative outcomes.

**Example:** A company implementing relevant actions to enhance employees' skills through training & development plans will generate a positive contribution to the SDG 4 (target 4.4 "substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship").

**Example:** If not properly managing its operations, a manufacturing company can potentially delay the achievement of the SDG 12 (notably, target 12.2 "achieve the sustainable management and efficient use of natural resources"). Negative impacts could result from its sourcing of specific raw materials and components. If the company has established relevant management systems (e.g. policies, certificates, reporting) aiming at mitigating its impacts (e.g. waste generation and raw material use), its level of obstruction will be considered as reduced.

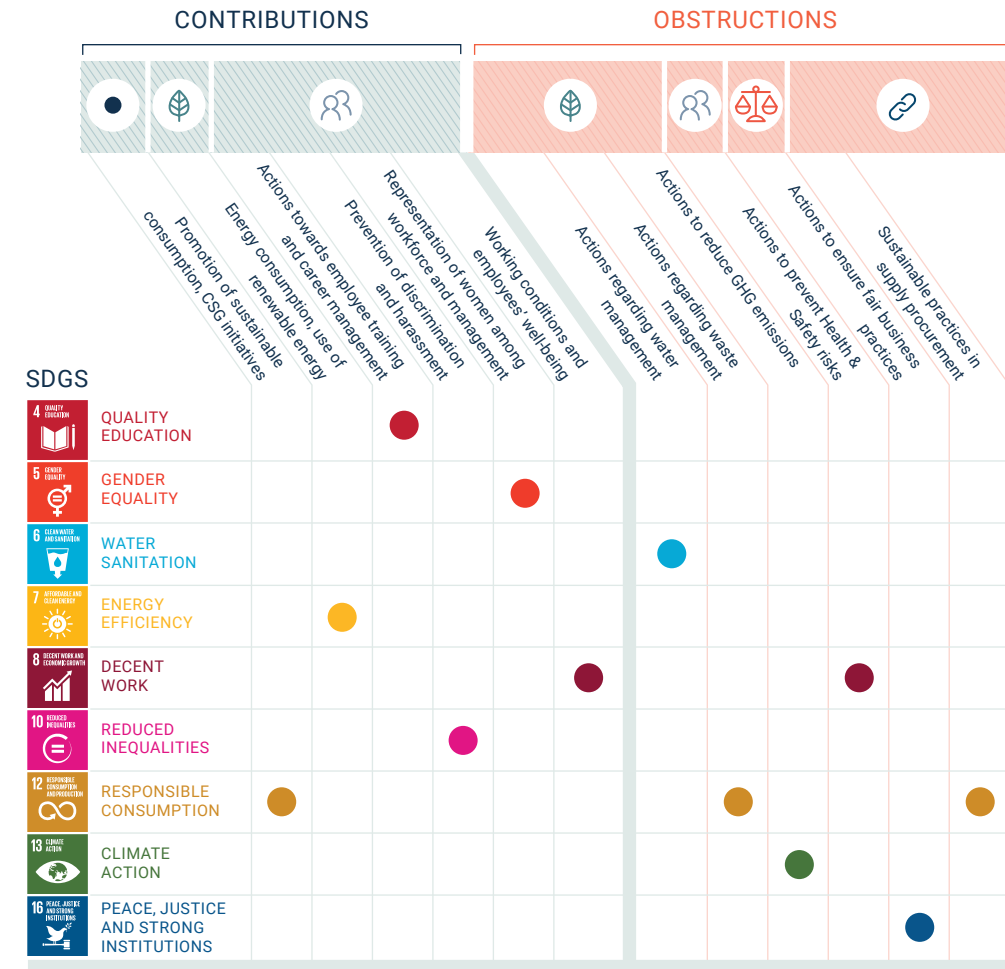


Figure 24: Supply Chain and Operations SDG correspondence matrix. Legend: ● General, ● Environment, ● Labour and Human Rights, ● Ethics, ● Sustainable Procurement

## Products & Services

Identification of investments which, based on their products and services, contribute to the achievement of the SDGs

This analysis is based on public information about the companies' products and services and is closely linked to their clients' sectors of activities. The relevant SDG targets are identified on a case-by-case basis according to the products and services offered by the companies. The assessment of the impact is based on two factors. Firstly, on the product & services' usage and disposal which can contribute to, or obstruct, an SDG achievement either directly or indirectly. Secondly, the analysis recognizes the companies that contribute to one SDG through their entire line of products and services and those that contribute through only part of the products and services range.

**Example:** If a companies products are dedicated to women's health, the Company is

considered to be directly and fully contributing both to SDG 3 (Good health and well-being; Target 3.4 "reduce ... premature mortality from non-communicable diseases") and SDG 5 (Gender equality; Target 5.6 "ensure universal access to sexual and reproductive health and reproductive rights"). At the same time, some pharmaceutical products – notably hormones – are known for having a potential environmental risk and in this way obstruct the achievement of SDG 12 (Responsible consumption and production; Target 12.4 "achieve the environmentally sound management of chemicals and all wastes throughout their life cycle ... and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment") and SDG 14 (Life below water; Target 14.1 "prevent and significantly reduce marine pollution of all kinds"). Nevertheless, hormonal contraception is only one of the Company's product lines, so its impact is not considered to be major.

APPENDIX 2:

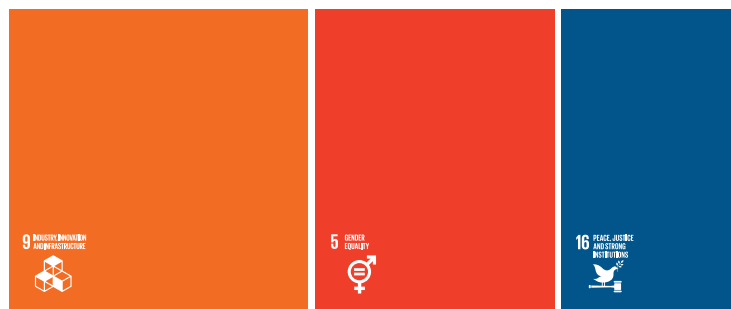
# Company profiles



<b>Investment year</b>	2019	<b>Sector</b>	Software
<b>Fund</b>	Astorg VII	<b>Headquarters</b>	UK
<b>Status</b>	In portfolio	<b>Headcount</b>	426

**Description:** Anaqua is a global leading provider of integrated, end-to-end innovation and intellectual property management software (IPMS) solutions.

**SDG analysis**  
SDG CONTRIBUTIONS



<b>Investment year</b>	2018	<b>Sector</b>	Aerospace
<b>Fund</b>	Astorg VI	<b>Headquarters</b>	France
<b>Status</b>	In portfolio	<b>Headcount</b>	332

**Description:** A

**SDG analysis**  
SDG CONTRIBUTIONS



## Audiotonix

<b>Investment year</b>	2017	<b>Sector</b>	TMT
<b>Fund</b>	Astorg VI	<b>Headquarters</b>	UK
<b>Status</b>	In portfolio	<b>Headcount</b>	553

**Description:** Audiotonix is the global market leader in the design, engineering and manufacture of professional audio mixing consoles.

**SDG analysis**  
SDG CONTRIBUTIONS







<b>Investment year</b>	2016	<b>Sector</b>	Software
<b>Fund</b>	Astorg VI	<b>Headquarters</b>	Switzerland
<b>Status</b>	In portfolio	<b>Headcount</b>	400

**Description:** AutoForm is the global leading supplier of software solutions for rapid and reliable validation of design, engineering and manufacturing processes in the die-making and sheet metal forming industries.

SDG analysis

SDG CONTRIBUTIONS



<b>Investment year</b>	2020	<b>Sector</b>	Healthcare
<b>Fund</b>	Astorg VII	<b>Headquarters</b>	USA
<b>Status</b>	In portfolio	<b>Headcount</b>	2,700

**Description:** E

SDG analysis

SDG CONTRIBUTIONS



<b>Investment year</b>	2018	<b>Sector</b>	Healthcare
<b>Fund</b>	Astorg VI	<b>Headquarters</b>	France
<b>Status</b>	In portfolio	<b>Headcount</b>	247

**Description:** Echosens is a specialised diagnostic company providing non-invasive medical devices and services to support physicians in their diagnostic monitoring of chronic liver diseases.

SDG analysis

SDG CONTRIBUTIONS





<b>Investment year</b>	2016	<b>Sector</b>	B2B services
<b>Fund</b>	Astorg VI	<b>Headquarters</b>	France
<b>Status</b>	In portfolio	<b>Headcount</b>	1,300

**Description:** Flowbird is the global market leader in parking management solutions and a major player in public transport ticketing equipment.

### SDG analysis

SDG CONTRIBUTIONS

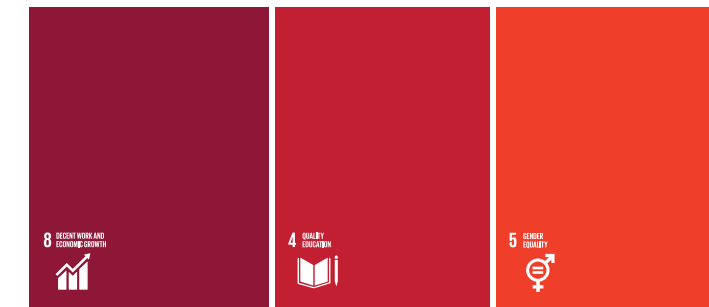


<b>Investment year</b>	2018	<b>Sector</b>	Speciality chemicals
<b>Fund</b>	Astorg VI	<b>Headquarters</b>	Netherlands
<b>Status</b>	In portfolio	<b>Headcount</b>	743

**Description:** IGM Resins is a global leading company focused on the development, manufacturing and supply of specialty ultraviolet ("UV") curable material solutions for the inks and coatings industry.

### SDG analysis

SDG CONTRIBUTIONS



<b>Investment year</b>	2016	<b>Sector</b>	Healthcare
<b>Fund</b>	Astorg VI	<b>Headquarters</b>	France
<b>Status</b>	In portfolio	<b>Headcount</b>	232

**Description:** HRA is an innovative OTC pharma company with leading positions in Europe and in the US.

### SDG analysis

SDG CONTRIBUTIONS



<b>Investment year</b>	2016	<b>Sector</b>	B2B services
<b>Fund</b>	Astorg V	<b>Headquarters</b>	Luxembourg
<b>Status</b>	In portfolio	<b>Headcount</b>	2,709

**Description:** IQ-EQ is a leading investor services group providing a comprehensive range of services to investment funds, global companies, family offices and private clients globally.

### SDG analysis

SDG CONTRIBUTIONS



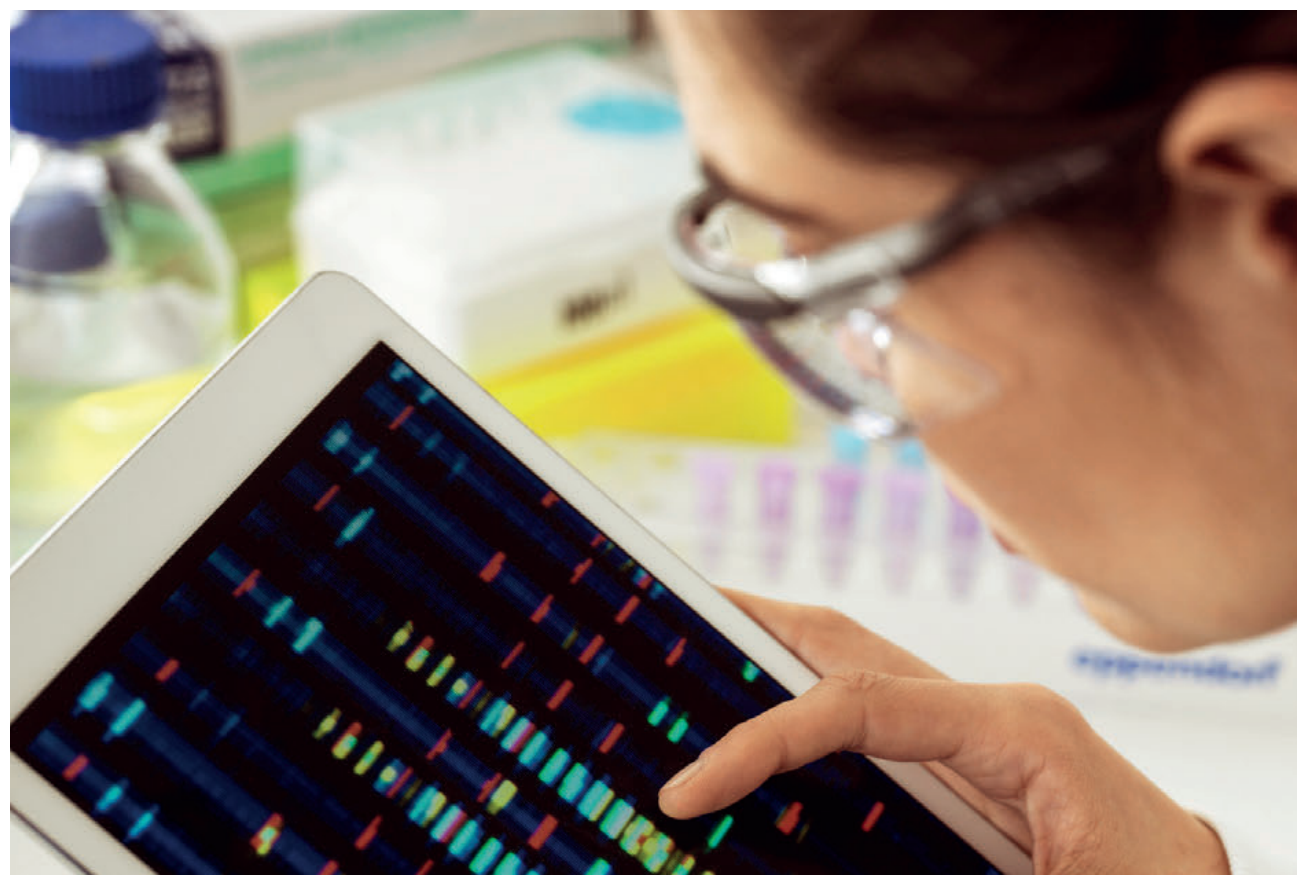


<b>Investment year</b>	2020	<b>Sector</b>	Healthcare
<b>Fund</b>	Astorg VII	<b>Headquarters</b>	UK
<b>Status</b>	In portfolio	<b>Headcount</b>	3,400

**Description:** LGC's products form an essential part of its customers' quality assurance procedures and enable organisations to develop and commercialise new scientific products and advance research.

### SDG analysis

SDG CONTRIBUTIONS

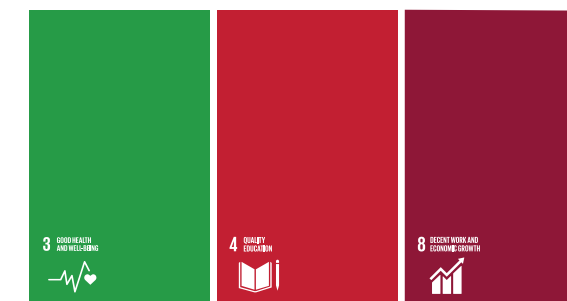


<b>Investment year</b>	2019	<b>Sector</b>	Healthcare
<b>Fund</b>	Astorg VI	<b>Headquarters</b>	France
<b>Status</b>	In portfolio	<b>Headcount</b>	2,250

**Description:** Nemera is a world leader in the design, development, and manufacture of drug delivery devices for the pharmaceutical, biotech, and generics industries.

### SDG analysis

SDG CONTRIBUTIONS





# Appendix 3

## Article 173 correspondence table

Information required by Article 173 of France's Energy Transition Law			Correspondence with Astorg's ESG Report 2019
1	Information related to the entity		
1.1	General approach	Presentation of the entity or asset management company's overall approach for considering ESG aspects in the investment policy and when appropriate in risk management	See section SUSTAINABILITY AT ASTORG
1.2	Content, frequency and tools	Content, frequency and means used by entity or asset management company to inform investors of ESG criteria taken into account in investment policy and, where necessary, the risks involved	See sections SUSTAINABILITY AT ASTORG & SUSTAINABILITY ANALYSIS OF OUR PORTFOLIO
1.3	Assets under management	For asset management companies: list of CIUs concerned and share in % of investments in total investments managed by the asset management company	See section ABOUT ASTORG: KEY FEATURES
1.4	Adhesion to an initiative	Adhesion to any ESG charter, code, label or initiative	See section SUSTAINABILITY AT ASTORG / Sector initiatives
1.5	ESG risk identification process	General description of risk management procedures used to identify ESG risks, exposure of activities to these risks and overall description of these risks	See sections SUSTAINABILITY AT ASTORG / ESG in the investment process & SUSTAINABILITY ANALYSIS OF OUR PORTFOLIO / SDG Assessment methodology & Climate risks analysis
2	Availability and accessibility of information		
2.1	Website Presentation on the website of the entity and annual update of information related to ESG criteria considered in investment policy and, where necessary, the risks involved as mention in II-2 of D. 533-16-1	Presentation on the website of the entity and annual update of the entity information mentioned in II-1 of D. 533-16-1  Responsible investment approach available on Astorg's website	Responsible investment approach available on Astorg's website  Sustainability Report 2020
2.2	Annual report	Presentation in the annual report of the entity and annual update of information related to ESG criteria considered in investment policy and, where necessary, the risks involved as mention in II-2 of D. 533-16-1	-
3	Information related to ESG consideration		
3.1	Distinction of information	Indication of the procedures of distinction by activity, asset class, investment portfolio, issuer, sector or any other relevant breakdown and the reasons for these distinctions	See section SUSTAINABILITY AT ASTORG / ESG in the investment process
3.2	Nature of ESG criteria taken into consideration:	Description of the nature of ESG criteria taken into consideration	-
3.2.1	Selection of ESG criteria	ESG criteria: description of main criteria taken into consideration and reasons for this choice of criteria	See sections ASTORG'S ESG POLICY / ESG integration in the investment process & ESG AND CLIMATE ANALYSIS OF THE PORTFOLIO / Analysis of ESG performance
3.2.2	Climate risk consideration	Risks associated with climate change (physical risk and transition risk)	See section SUSTAINABILITY ANALYSIS OF OUR PORTFOLIO / Climate risk analysis
3.2.3	Long term environmental objectives	Appraisal of contribution to respect of international goal to limit global warming and reach energy and ecological transition goals	See sections SUSTAINABILITY ANALYSIS OF OUR PORTFOLIO / SDG 13 Climate Action & Climate risk analysis
3.3	Information used in the analysis of the portfolio	For ESG criteria and environmental criteria, provide detail as to the nature of information used, which may be financial or extra-financial, internal analysis, external analysis or scoring	See sections SUSTAINABILITY AT ASTORG / ESG in the investment process & SUSTAINABILITY ANALYSIS OF OUR PORTFOLIO / SDG analysis & Climate risk analysis

Information required by Article 173 of France's Energy Transition Law			Correspondence with Astorg's ESG Report 2019
3.4	Methodology and results for analysis		-
3.4.1	Description of methodology	ESG Criteria: Description of analysis method, hypothesis used and scope	See sections SUSTAINABILITY ANALYSIS OF OUR PORTFOLIO / SDG Assessment Methodology & Scope of Analysis
3.4.2	Description of environmental methodology	Environmental criteria: description of analysis methods which may include the following: Consequence of climate change and extreme weather events Compatibility with international goal to limit global warming and reach energy and ecological transition goals Carbon footprint measurement for portfolio companies Investments in assets which contribute to energy and ecological transition	See section SUSTAINABILITY ANALYSIS OF OUR PORTFOLIO / Climate risk analysis
3.5	Integration of analysis findings in investment policy		-
3.5.1	Information on the achievement of long-term environmental objectives	Description of the information related to the contribution towards meeting the international objective of limiting global warming and achieving the energy and ecological transition goals: methods, objectives, actions, progress compared to objectives, etc.	See section SUSTAINABILITY ANALYSIS OF OUR PORTFOLIO / SDG analysis / SDG 13 Climate action
3.5.2	Changes implemented	Description of changes implemented following to the analysis	See Key achievements in section APPENDIX: COMPANY PROFILES
3.5.3	Engagement strategy with emitters	Description of the introduction of an engagement strategy with emitters and portfolio management companies	See sections SUSTAINABILITY AT ASTORG / ESG in the investment process & APPENDIX: COMPANY PROFILES
3.5.4	Engagement strategy with management companies	Description of the introduction of an engagement strategy with management companies	Not applicable

# astorg.

Astorg Asset Management  
Bâtiment Forte F2  
2 rue Albert Borschette  
L-1246 Luxembourg

[info@astorg.com](mailto:info@astorg.com)  
T: +352 26 09 21 1

[astorg.com](http://astorg.com)