



astorg.

Sustainability Report

2022

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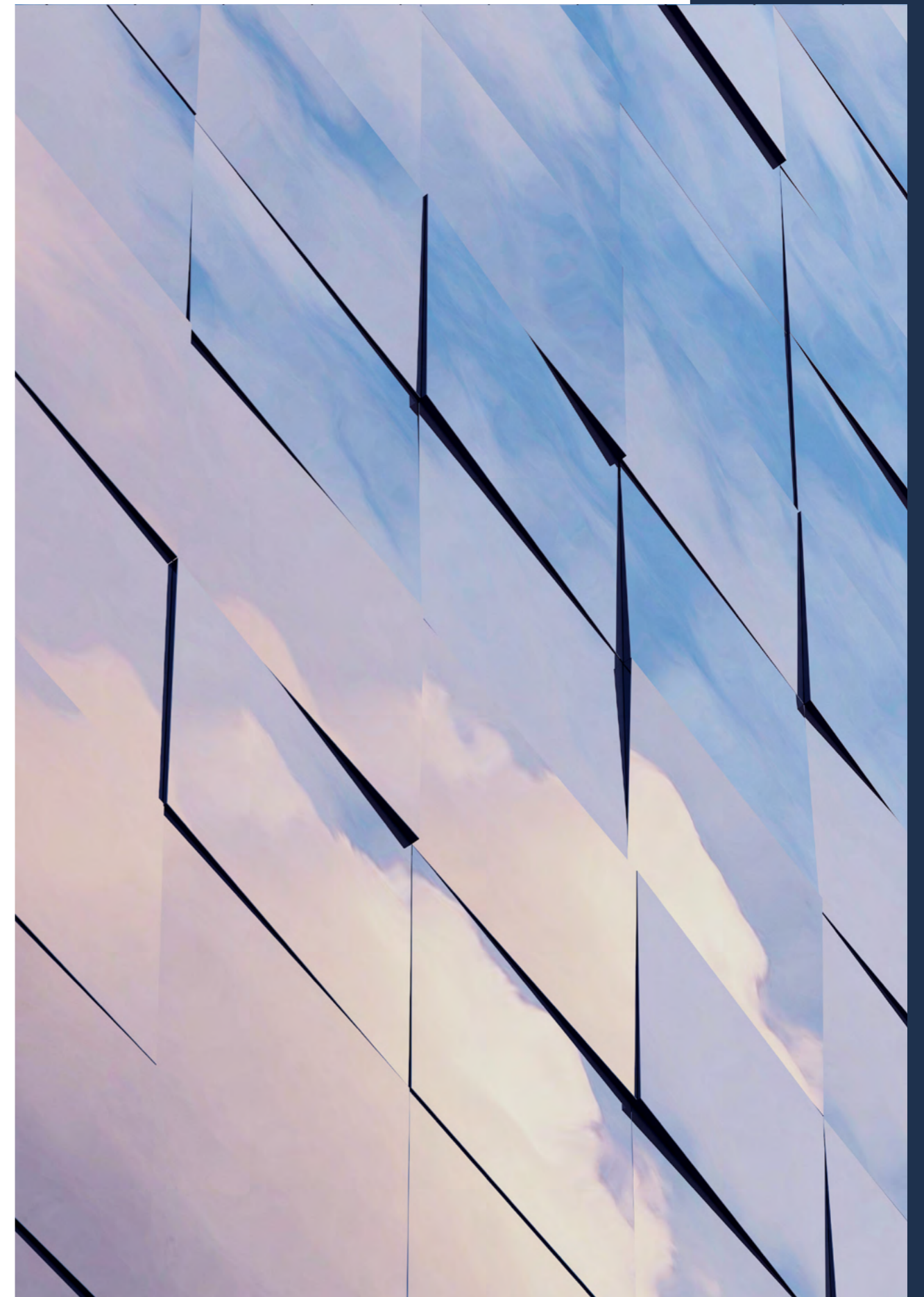
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**Thierry
Timsit**

CEO & Managing
Partner at Astorg

Let's accelerate, together!

Given the enormous challenges we can no longer afford to be idle. A new era, one of ever more daring measures, is upon us. Governments, companies, and the public, everyone must be ready to play their part. As a major force in private equity, Astorg has the opportunity and the responsibility to take action in three ways: helping our portfolio companies transform themselves (thereby capitalising the new drivers of value creation), introducing new ways of working within our company, and embodying a force for change across the private equity sector.

Our commitments have taken shape over several years and are inspired by a very clear decision on our part: to place ESG at the heart of our investment process. This has involved a great deal of in-depth work and a number of significant advances, including improvements to our internal organization, such as strengthening our ESG team and creating an ESG Committee. Congruently, we have continued training programs to enhance the ESG skills of our investment teams and portfolio companies.

However, the road ahead remains long and it is crucial that our sustainability journey remains dynamic. As we move forward, our level of ambition increases, and new challenges present themselves along the way. Inevitably, going farther in today's world also means going faster.

For our company, this process of acceleration is starting with the launch of a new Sustainability Strategy. Among its objectives is to establish Astorg's four strategic pillars (Climate, Diversity, Cybersecurity and Impact) as the foundations of our relationships with our portfolio companies. This new phase will

also involve the setting of ever more ambitious objectives with significant commitments, particularly in the area of diversity and climate. I am proud that Astorg is one of the first private equity companies globally to have investment targets validated by the Science Based Targets initiative.

This movement can only succeed if there is a broader source of momentum and even stronger commitments within our ecosystem.

This pioneering work, to break new ground, can only be carried out in one way – by engaging with our stakeholders at every stage of the process. LPs, co-investors, portfolio companies, Astorg employees: their contributions will be decisive. The daily fruitful discussions are providing the basis of an ever more responsible approach to investment. Naturally, our approach to sustainability has also been reflected in the way we designed this report. Developed through ongoing conversations and exchanges with our partners (LPs, co-investors, portfolio companies, etc.), it is based on one key idea: engagement, leading to action.

Today, these initiatives are bearing fruit in many ways. From the appreciation of our LPs to the significant breakthroughs made by portfolio companies, along with a series of notable advances (setting new Science Based Targets, Diversity targets, and increased transparency), this report highlights the progress that we have made to date.

I hope that you will find this report both instructive and enjoyable to read, and that it may inspire you to build a better world with us.

ABOUT ASTORG: KEY FIGURES

€18bn

ASSETS UNDER MANAGEMENT

24

YEARS OF INVESTING
(SINCE 1998)

140+

EMPLOYEES
ACROSS 6 OFFICES



PORTFOLIO
COMPANIES



INVESTMENTS
MADE IN 2022



PEOPLE
EMPLOYED BY
OUR PORTFOLIO
COMPANIES



NEW HIRES
IN 2021

ESG integration

3

FULL-TIME ESG AND IMPACT
PROFESSIONALS

100%

OF INVESTMENT TEAM
RECEIVED ESG TRAINING

8

INTERNAL TRAINING SESSIONS
IN 2021 AND 2022

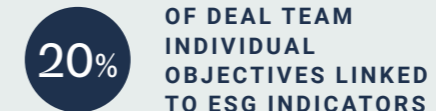
Rated ESG Leader

BY APEX ESG RATINGS
(Ranked in top 3% of 350+ GPs)



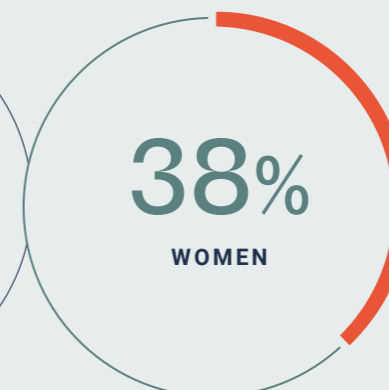
ECOVADIS SCORE 64

Governance



ESG-LINKED FINANCING

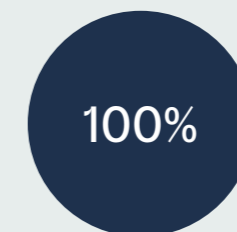
Diversity



Climate

SBTi target validation

IN NOVEMBER 2021



OF RENEWABLE
ENERGY IN ASTORG
LONDON OFFICE



RENEWABLE ENERGY
IN ALL ASTORG
OFFICES

ESG: a comprehensive and multi-faceted engagement

Given the scale of the environmental, social, and governance challenges we now face, Astorg has made a far-reaching, ambitious and multi-dimensional commitment to ESG investing. Deployed in 2021, this comprehensive approach is the only way to deliver on our core belief as a company: sustainable business brings higher returns and is key to meeting future sustainability challenges successfully.

Commitment to four core themes

In light of the challenges facing today's world and the sectors in which we are involved, Astorg has developed a roadmap based on four priority areas that are essential to the conduct of our operations:

Climate



- Reduce our direct emissions by **50%** by 2030, with a baseline year of 2020.
- Ensure that **30%** of our private equity investments, by invested capital, will have set Science Based Targets by 2025, ramping up to **100%** by 2030.

Diversity, Equity & Inclusion



- Reach **40%** of women and/or underrepresented minorities on the boards of all investments as of 2022.

Impact



- Invest up to **10%** of the total commitments of Astorg VIII into companies that improve health and well-being outcomes for people living with disabilities and chronic conditions.

Information security



- Reach the highest information security sector standards for **100%** of our portfolio companies within three years of acquisition.

Continuous engagement with our stakeholders: from screening to exit

We do not operate alone: Astorg's success is closely linked to continuous engagement with all our stakeholders. From the pre-investment phase through to the exit process, we spur discussion and action around sustainability topics at every level.



Engaging daily with our stakeholders: a decisive key to transforming our portfolio companies

Astorg is moving forward on ESG:

- LPs: early discussions, regular webinars on ESG topics, annual interviews about investors' expectations, etc.
- Co-investors: establishment of a near-symbiotic relationship – particularly in terms of a specific ESG focus – from the very start of the process, with a view to deploying an ambitious action plan.

Positioning Astorg as a leader: fully engaged with our ecosystem

By taking an active part in numerous initiatives, Astorg help create a global movement and be a driving force in a sector that itself will be an agent of change.



A WORD FROM OUR LPS



“ Throughout its own sustainability journey and challenges, ATP has found Astorg to be a benchmark for the rest of the industry, and a very progressive firm on ESG topics. Concrete and informative reporting, strong data collection and analysis, as well as swift implementation of diverse initiatives – we are thoroughly impressed by the ESG activities at Astorg.”

Susanne Røge Lund,
ESG Senior Director, ATP



“ At Pictet Alternative Advisors, ESG is one of the pillars of our Vision for 2025 – in particular climate action. We are also part of the ESG Data Convergence Initiative. As Limited Partners with Astorg, we are impressed by their transparency, in-depth commitments, and tangible results. In our universe, Astorg is a leader, inspiring action and positive developments. In fact, our only wish would be that the firm would take a more public role or become more involved at the industry level.”

Thibaud Roulin,
Head of North America Private Equity,
Pictet Alternative Advisors



“ Sustainability and Impact are essential investment considerations at Schroders Capital. Schroders Capital is positioned as a leader in Sustainability and Impact investing and has built a stable foundation over the past years. We, for example, are supporters of a number of global sustainability initiatives, such as the UN Principles for Responsible Investment and the ESG Data Convergence Initiative. Additionally, Schroders was one of the founding members of the Net Zero Asset Managers initiative. As regulation accelerates, we are keen to stay at the forefront of sustainable investment practices. Our strong relationships with our General Partners are critical to this ambition. As such, we are keen to continue working with Astorg on new and innovative sustainability projects.”

Amara Goeree,
Sustainability Director Private Equity, Schroders Capital

1



Sustainability strategy at Astorg



Four pillars for a more sustainable future

As a key driver of value creation, sustainability is wholly integrated into Astorg's way of doing business. We are committed to actions targeting environmental, social, and governance issues in our investment operations, while improving efficiency, reducing costs, increasing human capital welfare, and preserving the company's ability to do business in the future.

We are fully aware of a growing and ever more pressing demand for faster and more efficient action from stakeholders, regulators, and the general public. We have therefore been ramping up our engagement since the last edition of this sustainability report, in 2021.

An ambitious roadmap for 2025

As announced last year, a new sustainability strategy was implemented in 2022, defining concrete targets on four pillars and underpinning all sustainability policies already in place. This reevaluated strategy replaces our ESG policy (dating back to 2018), while completing our former Climate policy (from 2020).



“ Sustainability comes naturally to Astorg. After years of action in this field, our commitments to ESG topics go well beyond what is expected of us by our investors, partners, and by regulators. Led by resolute management, supported by motivated and engaged teams, we are determined to pave the way in terms of responsible investing and good governance – because, quite simply, it makes good business sense.”

Viviana Occhionorelli,
ESG Managing Director, Astorg



We will continue implementing in-depth, practical action along the four core themes we deem essential in our day-to-day operations.



Climate

In alignment with the United Nations Sustainable Development Goals (SDG) number 13, we are fully committed to the fight against climate change. Science Based Targets are key to our strategy, both internally and for our portfolio companies.

OUR CLIMATE GOALS:

- Reduce our direct emissions by **50%** by 2030, with a baseline year of 2020.
- Ensure that **30%** of our private equity investments, by invested capital, will have set Science Based Targets by 2025, ramping up to **100%** by 2030.



Diversity, Equity & Inclusion

We are determined to promote diversity, equity, and inclusion within Astorg and our portfolio companies. We value and respect all the differences that make each person unique. We believe that an environment where individuals are empowered to express their ideas, feel they can contribute, and pursue a fulfilling career is a powerful enabler of performance and innovation.

OUR DIVERSITY, EQUITY & INCLUSION GOALS:

- Reach **40%** of women and/or underrepresented minorities on the boards of all investments as of 2022.



Impact

Beyond positive financial returns, we want our operations to generate measurable positive impact, particularly in healthcare, one of the sectors in which we have the greatest expertise.

OUR IMPACT GOALS:

- Invest up to **10%** of the total commitments of Astorg VIII into companies that improve health and well-being outcomes for people living with disabilities and chronic conditions.



Information Security

Cybersecurity and information security represent two of the most significant challenges facing private equity companies today. At Astorg, we are committed to ensure the highest standards of information security and data protection for all our portfolio companies.

OUR INFORMATION SECURITY GOALS:

- Reach the highest information security sector standards for **100%** of our portfolio companies within three years of acquisition.

SFDR-RELATED DISCLOSURE: Q&A

Does Astorg fall under the scope of the SFDR?

The European Union's Sustainable Finance Disclosure Regulation ("SFDR") came into force in March 2021. By standardizing sustainability disclosures, it is designed to prevent greenwashing, increase transparency, and assist institutional asset owners to understand, compare, and monitor investment funds based on sustainability. Astorg is subject to SFDR as a private provider of capital solutions for small and mid-sized companies both at asset manager level but also a product level.

What has been done by Astorg to comply with SFDR?

To ensure that its disclosures and commitments are aligned with the SFDR, Astorg provides greater transparency to stakeholders and regulators: SFDR provisions are now integrated into Astorg's overall sustainability strategy, fund documentation and website disclosures ensuring the durability and transparency of our actions. Astorg will also include SFDR-related information in its periodic reporting efforts.

To which articles do Astorg's funds belong to?

SFDR foresees three main transparency regimes under three different articles (Article 6, Article 8 and Article 9 SFDR). Astorg has decided to categorize its Continuation fund, Mid-Cap fund, Astorg VII and Astorg VIII fund under SFDR. The funds are therefore promoting environmental and social objectives – with a proportion of socially sustainable investments as defined in Article 2 SFDR for Astorg VIII. Astorg VII will also be categorized as Article 8 in the coming months.

How are Principal Adverse Impacts (PAIs) integrated into Astorg's sustainability processes?

Astorg considers the Principal Adverse Impacts (PAIs) of its investment decisions on the environment, as well as social and employee matters, respect for human rights, anti-corruption, and anti-bribery matters. These PAIs are first assessed during due diligence, and the sustainability performance of portfolio companies is monitored on a yearly basis. Astorg has chosen to disclose the PAIs of its portfolio companies in this report for the calendar year 2021. (See Appendix for more details on PAIs)

How is information related to SFDR disclosed?

Pursuant to Article 3 SFDR recommendations, Astorg discloses on its website the manner in which sustainability risks are integrated into the investment decision-making process. Such website disclosures also integrate information on the consideration of PAIs and on the alignment of Astorg's remuneration policies with the integration of sustainability risks.

The pre-contractual disclosure (level II) for Astorg VIII according to Article 8 of Regulation (EU) 2019/2088 is available on Astorg's website. Disclosure for our Mid-Cap fund can be found in the Appendix, and further SFDR disclosures are published [on our website](#).

2



Engagement in sector



Engagement with our investors: a clear and ongoing process

Limited Partners' (LPs) ESG requirements are crucial to the evolution and execution of Astorg's ESG strategy. Through constant engagement, we make sure that we are aligned.

1. **Early discussions with LPs**, aimed at setting up expectations, structuring the fund's ESG ambitions, and defining the topics to be focused on.
2. **Quarterly ESG reporting**, which enables us to monitor progress, transparency, and accountability.
3. **Regular webinars on ESG topics**, such as sustainability loans, ESG programs, etc. These sessions are widely appreciated by LPs, both as a means of following actions taken by the fund and portfolio companies, and as an opportunity for sharing ESG ideas and developments. ESG topics are also discussed during the **Annual General Meeting (AGM)** and **LP Advisory Committee (LPAC) meetings**.
4. **Annual interviews with our LPs** take place to monitor expectations and maintain an open dialogue. This year's interview takeaways are included within this **sustainability report**. Publicly available and shared directly with the LPs, this report allows them to follow up on our ESG commitments, actions, and performance.



Data collection and disclosure have become another pillar of our work. Following the suggestion of some of our LPs, we joined the ESG Data Convergence Initiative, where we contribute to streamlining the collection and reporting of ESG data in conjunction with more than 200 LPs and GPs (General Partners) globally.

Moreover, we have been proactive in our data gathering process, by voluntarily, from this year onward, providing all Principal Adverse Impact (PAI) indicators required under the European Union's Sustainable Finance Disclosure Regulation (SFDR).

Overall, the feedback we receive from our LPs is unanimous: Astorg is considered a leader in sustainability among other GPs, and our efforts and engagement with LPs are highly appreciated.

A CONVERSATION WITH OUR LPs

Trends, challenges and opportunities within the PE ecosystem

As part of our engagement, and to cultivate an open and mutually enriching relationship, we conduct annual interviews with our LPs. These conversations have been particularly fruitful this year, and by sharing some of them in this report, we hope to provide in-depth insights about ESG trends, challenges and opportunities that are currently top-of-mind within the private equity ecosystem.

Among the participants in this year's interviews were:



Susanne Røge Lund
ESG Senior Director

ATP

Danish pension and processing company



Thibaud Roulin
Head of North America
Private Equity

PICTET ALTERNATIVE ADVISORS

Alternative investments division of The Pictet Group, a Swiss multinational private bank and financial services company



Serena Bergamini
Investment Manager
Private Equity

SCHRODERS CAPITAL

Private markets investment division of Schrodgers Group, global investment manager



Amara Goeree
Sustainability Director
Private Equity

SCHRODERS CAPITAL

Private markets investment division of Schrodgers Group, global investment manager

A CONVERSATION WITH OUR LPs



What are your current ESG priorities?

Susanne Røge Lund (ATP): We have set a specific list of targets for ATP's partners, to be achieved by 2025. It includes, among other things, carbon footprint transparency, and diversity and inclusion (DE&I) – this last topic being raised by every fund we work with.

Thibaud Roulin (Pictet): At Pictet Alternative Advisors, we have made ESG one of the pillars of our 2025 vision, as a means to unlock a competitive advantage. We are aiming at integrating ESG in all our investment decisions and are also starting to invest in sustainable themes for specific solutions, with a stronger focus on the environment, and more specifically on climate action.

Amara Goeree (Schroders Capital): At the moment, Schroders Capital is focusing on increasing our data universe and working on the implementation of climate commitments and wider impact strategy (using the UN Sustainable Development Goals and SBTi as guiding themes and principles). We are also exploring the Just Transition topic: principles which recognize the social dimension of the transition to a resilient and low-carbon economy, and that we seek to mirror in our engagement with companies, hoping that our partners will follow suit. Finally, at group-level Schroders has joined the Net Zero Asset Managers initiative and is committed to setting a science-based target (SBT) to be net-zero by 2050.

What are the key recent developments of your ESG policy, particularly in private equity?

Susanne Røge Lund (ATP): We have been monitoring split ESG trends between Europe and the USA: in Europe, funds are more focused on overall ESG

strategy (processes as well as data), whereas US funds are not as mature when it comes to ESG, except for diversity and inclusion, where they are ahead of the curve. We are tackling both in our own operations, as funds and investors can be very demanding with their partners in these matters, both internally and with portfolio companies.

Thibaud Roulin (Pictet): We are continuing our work around thematic investing, where there is strong demand. Recently, we have hired a dedicated team focused on the environment theme that will be looking at business models that tackle the climate challenge.

Serena Bergamini (Schroders Capital): In the past 2 years, we have focused on increasing the speed of integration and assessment of our investments, in order to refine our approach to sustainability and impact investing. We have developed a robust governance to back up our ESG policy, through a dedicated Sustainability and Impact Committee for private equity. We are also working on connecting throughout the firm, to keep all asset classes progressing.

What are the main ESG-related challenges that you encounter when working with your GPs on the reporting process, and how do you engage with your partners around those topics?

Susanne Røge Lund (ATP): For the third year in a row, we are conducting a data gathering process with our GPs, aiming at understanding where to focus ESG efforts. At the same time, we are focusing on impact: not with a specific target fund, but with a will to create positive impact throughout all our current investments.

Thibaud Roulin (Pictet): In our view, the main

challenge currently is data collection. As a member of the steering committee of the ESG Data Convergence Initiative, Pictet is very active in this regard, with comprehensive procedures for data collecting, specific KPIs, and regular discussions with our partners and stakeholders to share ideas and best practices. We are convinced that the Data Convergence Initiative could bring positive outcomes: at over 150, the number of participating institutions is higher than expected and growing, making it a sustainable project rather than a one-off exercise.

Serena Bergamini (Schroders Capital): Data collection is a major topic for Schroders, just like the rest of the PE industry. We are striving for total transparency for our clients, and we are working on the coverage of the data collected.

How did the recent regulations influence your ESG practices?

Thibaud Roulin (Pictet): As a firm with strong European footprint, SFDR regulation is impacting us by accelerating the speed at which we create solutions that promote environmental and social (E & S) characteristics and provide transparency to our client base.

Amara Goeree (Schroders Capital): We are using EU SFDR and regulation compliance as an internal accelerator to improve on our responsible investing practices beyond market standards. It has certainly been a conversation starter on sustainable and impact investing with all of our stakeholders.

What would you expect to find in an annual ESG report?

Susanne Røge Lund (ATP): Case studies – and Astorg is particularly good in that field – are always useful, as they demonstrate how closely the firm is working with

its portfolio companies. An overview of the impact of a strong ESG performance on an investment, right until the exit phase, would also be appreciated.

Thibaud Roulin (Pictet): The more case studies, the better! They are tangible and concrete and give a proper idea of companies' practices and progress. We would also like to see important KPIs for companies, for example around GHG emissions or female employees. Finally, any information around the Data Convergence Initiative is useful. Overall, we found Astorg's ESG report to be a good representative of its kind: comprehensive and informative.

Amara Goeree (Schroders Capital): We would definitely look for adoption of the EU SFDR Principal Adverse Impact (PAI) indicators and the Data Convergence Initiative indicators. In addition, a summary presentation for all portfolio companies and their development, with material diversity and environmental KPIs, would be useful for the purposes of assessment and comparison. As we continue to launch impact investment strategies, impact measurement capabilities also gain importance.

Engagement with co-investors: key success factors

The near-symbiotic relations between co-investors and private equity funds necessitate an extra degree of openness and transparency, particularly in matters of non-financial disclosure.

When working with co-investors, several factors are essential in creating an engaged and efficient relationship that fosters sustainability and responsible investing:

- Above all, **alignment** with our co-investors is crucial: who takes the lead (majority), what the action plan will be, how information will be shared, etc. All these elements must be clearly defined for subsequent efficient action.
- It is important to remember, the purpose of **all joint work with co-investors is dedicated to portfolio companies**; to support and foster their ever-improving sustainability performance.
- From the onset of the relationship, the **specific ESG focus** should be agreed upon. Specific **contact persons** should be identified to maintain clear and open communication across all parties.
- Two investors agreeing on a specific issue have a more powerful voice than one; this is why investors must have **leverage**, and the authority **to influence and support portfolio companies** in their sustainability efforts.
- Finally, in collaboration with all stakeholders, an **actionable, ambitious plan** should be implemented, including regular documentation to ensure progress is tracked and recognized.



NOTE:

At Astorg, we strive to maintain the same ESG standards as a majority or a minority stakeholder. In the first case, we take the lead and seek common points with our partners; in the second, we rely on our partners, yet convey the same level of demands as if we were majority investors.

CASE STUDY

How Astorg and Montagu helped Nemera define an impactful ESG strategy

A world-leading provider of drug delivery device solutions, Nemera was keen to improve its sustainability performance. Through early discussions and collaboration, Astorg and co-investor Montagu helped the company identify its most important areas of action (reducing its carbon footprint and plastic consumption) and construct a relevant action plan.

With a focus on climate, and more specifically on Science Based Targets, these steps were followed by defining a clear ESG strategy, an EcoVadis assessment, and the implementation of the action plan.

From data collection to risk mitigation, Astorg and Montagu supported Nemera through the entire process and achieved measurable success. Nemera recently submitted its SBTi commitment and has set new, challenging goals in the fields of DE&I, cybersecurity, and broader governance while continuing its climate efforts.



“Nemera has demonstrated that a business can successfully integrate ESG topics into their operational strategy. We often find that once the value-add of ESG integration has been clearly communicated and evidenced by relevant KPIs, companies are quick to see that sustainability can be a driver for value creation and in some instances even exceed the standards expected by their investors and stakeholders.”

Kim Woehl,
ESG Principal, Montagu



Sector initiatives: new commitments with the ESG Data Convergence Initiative and the Net Zero Asset Managers Initiative

At Astorg, we strive to be an example and inspiration for the private equity sector as a whole. As a part of that ambition, we have, since 2018, participated in several ESG programs across our industry, such as the Initiative Climat International, Principles for Responsible Investments, Invest Europe. Since the beginning of 2022, we have stepped up our commitments by enlisting in two pivotal sector initiatives:



The ESG Data Convergence Initiative

In February, Astorg joined more than 100 leading GPs and LPs in the Data Convergence Initiative. Supported by the Institutional Limited Partners Association (ILPA), this collaboration aims at standardizing ESG metrics, thus increasing the quality, availability, and comparability of data in private markets.

Now comprising more than 1,400 underlying portfolio companies and representing over \$8.7 trillion in assets under management (AUM), the ESG Data Convergence Initiative focuses on six categories: greenhouse gas emissions, renewable energy, board diversity, work-related injuries, net new hires, and employee engagement.

By gathering and centralizing data, the Initiative will create a critical mass of meaningful, performance-based, comparable ESG data from private companies, thus enabling GPs and their portfolio companies to benchmark their current positions and assess their evolution.

We are pleased to participate in an initiative that will result in greater transparency and quality around ESG data which will foster progress towards sustainability.



The Net Zero Asset Managers Initiative (NZAM)

In 2022, we joined the Net Zero Asset Managers Initiative, an international group of 273 asset managers (with US\$ 61,3 trillion in AUM) in pursuit of **two vital goals**:

- **Reaching net zero greenhouse gas emissions by 2050** – part of the Paris Agreement’s objectives of limiting global warming to 1,5°C and reaching net zero emissions within this time frame.
- **Supporting investing aligned with achieving net zero emissions by 2050 or sooner.**

IN ADDITION TO THESE TWO NEW ENGAGEMENTS, WE ARE CONTINUING OUR SUPPORT TO THE FOLLOWING INITIATIVES:



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



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



Science Based Targets Active member of the Expert Advisory Group which develops SBTi guidance for the PE sector.



France Invest Member of: ESG, Climate, Biodiversity, Club Invest avec elles.



iCI member since 2018. Highlight: Astorg is an active member of the Net Zero and SBTi working groups which reviewed and tested the SBTi guidance for private equity. We are currently drafting a net zero guide for C-level executives, “The Case for Net Zero in Private Equity”, to be published in 2022.



European Leverage Finance Association Active contributor since 2020.



Sustainable Development Goals Since 2020, Astorg’s annual ESG report includes an SDG analysis of current portfolio companies.



Level20 Sponsor of Level20 to strengthen diversity, equity, and inclusion (DE&I) practice in the private equity industry.

3

Engagement with portfolio companies



From due diligence to the exit process, ESG engagement with our portfolio companies

From due diligence to the exit process, Astorg emphasizes an open and supportive relationship with portfolio companies while maintaining strict requirements around ESG criteria, ensuring our investments meet our high standards and ambitions for sustainability.

Robust screening at the beginning of the relationship

When we consider adding a company to our portfolio, a strong screening process kicks in to ensure the potential investment does not involve any critical ESG or reputational concerns:

- **Early discussion about ESG risks and opportunities from concept clearance stage.**
- **ESG materiality assessment to identify main risks and opportunities and any red flags.**
- **ESG due diligence conducted systematically before binding offer to guide investment decisions.**
- **After deal signing, Astorg continues the ESG assessment for all aspects where there is a need for additional information.** This phase also facilitates the transition between the due diligence phase and the phase in which the company will prepare its action plan on sustainability. It can include:
 - Additional site visits (for manufacturing companies)
 - Taxonomy eligibility assessments
 - ESG data collection and data gap analysis to ensure Astorg's compliance with EU regulations on sustainable finance
 - Carbon data gap analysis
 - Proposal for an action plan on sustainability
 - Sustainability-linked loans

Steady support during the ownership period

Once the company is integrated into Astorg's portfolio, we provide ongoing support around sustainability topics and challenges. Our goal is to ensure all of our portfolio companies are given the means to reach high ESG standards. To that aim, we encourage our portfolio companies to deploy the following as defined in our ESG playbook:

Governance:

- Appoint a Sustainability Representative within the leadership team,
- Ensure Sustainability is in the board's agenda (minimum twice per year).

ESG action plan:

- Implement a Sustainability Strategy and Action Plan approved and monitored by the board,
- Define ESG KPIs to be monitored at board level,
- Receive validation from the Science Based Targets Initiative for climate targets.

Astorg ESG program:

- Take the Ecovadis assessment and rating on a yearly basis,
- Participate in the yearly Carbon Assessment and Climate Risk Assessment organized by Astorg,
- Provide ESG indicators to Astorg on a yearly basis,
- Participate in Astorg's Sustainability Events for portfolio companies (ESG club events).

In order to make sure all companies have access to up-to-date information in this fast-changing ESG environment, we organize a number of events: webinars, training sessions, and coaching on various topics (see list below for 2021/2022). A perfect opportunity for networking and sharing ideas, these events are a key component of our engagement with portfolio companies. We have also set up a website for our portfolio companies to share useful resources, templates, and best practices across the portfolio on ESG.

DATE	TOPIC
DECEMBER 2021	• ESG regulations & frameworks
JUNE 2021	• EU Green Deal and CSRD disclosures
NOVEMBER 2021	• Building a sustainability strategy
FEBRUARY 2022	• EcoVadis metrics presentation
APRIL 2022	• ESG regulations • Science-Based Targets
JUNE 2022	• The evolution of Sustainability Disclosures

For the exit phase, a focus on value-added

There is a growing awareness around the potential for growth in companies with solid ESG policies and risk mitigation strategies. We support all our portfolio companies during the exit process; we help them highlight the added value resulting from sustainability actions implemented before and during the ownership period.

A NOTE ON LITIGATION:

Astorg confirms that no major incidents and litigations have been reported from portfolio companies within the past year.



“ Fulfilling ESG compliance can be a ‘tick-the-box’ exercise for some, but at Astorg, ESG is embedded in the investment process and supported by top management for sound business reasons: we are well aware that sustainability could be an interesting opportunity for Astorg, as the firm is actively looking for businesses that contribute to positive impact. There is also the fact that we consider it our responsibility to contribute to the progress of responsible and sustainable investing globally – and as a private equity firm, we can have a significant influence on companies to push ahead on these topics.”

Edouard Pilot, Managing Partner, Astorg Mid-Cap

“ The strong ESG convictions of Astorg, and the fact that we have known them for a long time as our first private equity customer, have been key differentiating factors which ultimately led to the decision to partner with Astorg for our next stage of growth.”

Frédéric Trinel, CEO and co-founder, EcoVadis



Sustainability-linked loans: a new instrument for incentivizing sustainability

Designed to incentivize the borrower's achievement of predetermined sustainability performance objectives, sustainability-linked loans (SLLs) are now a fast-growing responsible investment instrument globally.

Astorg has embraced this new solution as a way to improve our portfolio companies' ESG performance and worked with banks and private debt funds such as MV Credit to integrate sustainability-linked financing within the deal process. As of May 2022, three companies in Astorg's portfolio have benefitted from an SLL. Challenging KPIs are tailor-made for each company, and most of them have shown good performance.

A particularly successful example is Corialis: their ambitious SLL structure has motivated the company to significantly improve its impact and sustainability practices. Corialis is even going one step further and will dedicate any savings on the sustainability-linked loans to advance ESG projects.

SUSTAINABILITY-LINKED LOANS: MV CREDIT'S PROCESS AND INPUT

Interview with:



**Emilie Huyghues
Despointes**
ESG Officer, MV Credit



Helene Barikmo
Investment Associate,
MV Credit

What is MV Credit's perspective on ESG?

In our opinion, the private debt sector has an increasing responsibility to facilitate discussion around ESG topics: asking the right questions, integrating them into the due diligence process, facilitating more engagement among borrowers and asset managers. Sustainability-linked loans (SLLs) are an integral part of this approach and enable asset managers or debt providers to invest in a more responsible manner.

At MV Credit, we are also acting internally, with a dedicated ESG officer, training sessions for our deal team, annual independent monitoring and reporting, etc. This strong procedure, which covers pre- and post-investment stages, has received positive feedback from our investors.

What is MV Credit's sustainability-linked loan process?

Though they are not systematic, we are seeing an increase in the structuration of sustainability-linked loans (SLLs) on the market. We have in fact partnered with Astorg on several SLLs, such as a loan for Corialis.

As a private debt provider, we can primarily invest in two different ways either or through syndications or often as sole arranger or co-arranger. In both cases, our role is to ensure that the financing structure and ESG indicators defined within the deal are a good fit with the company's objectives, size, and underlying business activity. For instance, for a service company, governance may be a more prevalent focus area, whereas a manufacturer would naturally be more conscious of environmental topics.

When investing through a syndication, our role is more centered around validation and feedback rather than initial structuring. The structuration is a collective effort between the sponsor, the management of the underlying company, and the bank arranging the syndication. They will define the KPIs and set the targets. On our side, we assess and review them to make sure they fit our internal ambitions as well as the transaction in hand.

When we are the sole arranger or co-arranger, we have a rather pro-active role in directly designing the SLL

features. We see this as a collaborative discussion with the sponsor on where we want to bring the company.

Have you identified any challenges around sustainability-linked loans?

SLLs are a relatively new financing instrument, so pricing can be difficult to calibrate. Stakeholders are still trying to find a fair balance between incentivizing the issuer and remunerating investors' risk. Depending on the indicators, KPIs, geographical situation, and other metrics, consistency can be lacking.

Could you give us an example of a successful sustainability-linked loan?

Corialis is one of many examples we have with Astorg. In this instance, we had as lenders been directly involved in the asset for more than eight years before Astorg invested in the company, with a robust relationship. Astorg's involvement helped bring the relationship and ESG ambitions to a new level: the SLL transaction was made with syndicated financing, based on a set of four dedicated KPIs, which included an EcoVadis rating (comprising some 40 indicators). Such a rating is an ambitious, comprehensive, and positive step. All in all, Corialis boasts a strong management team and solid governance, so there is no issue either at the country or group level. And throughout this whole process, we have found Astorg to be a responsive and helpful partner, well-informed in terms of ESG, and striving to set ever-more-challenging KPIs and objectives for themselves and their companies.

KEY FIGURES OF ENGAGEMENT WITH PORTFOLIO COMPANIES

Engagement

With companies around sustainability topics



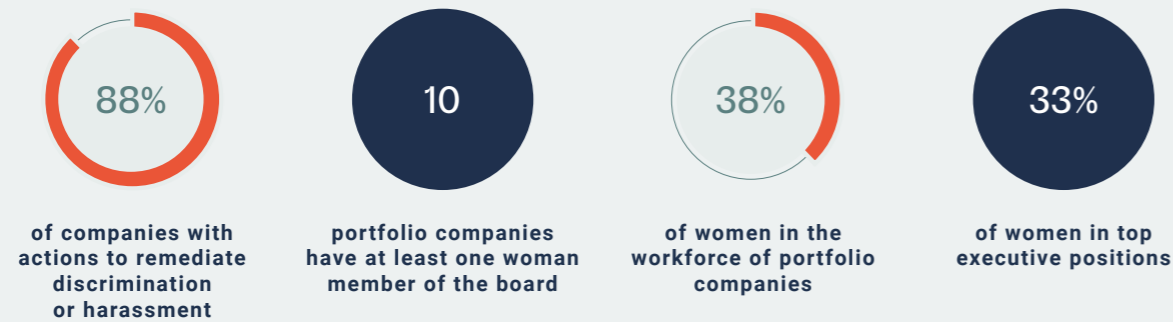
Performance

EcoVadis assessment



Latest medal distribution (2021-2022):
Gold: 1 ; Silver: 5 ; Bronze: 4 ; No medal: 7

Diversity



Climate



United Nations Global Compact (UNGC): 8 UNGC signatories



Social



Governance



¹ Except companies with minority investments: Acturis and Audiotonix, and companies acquired in 2022.

² Out of 8 companies assessed since the first EcoVadis assessment after the acquisition and the last EcoVadis assessment.

Progress on the sustainability pillars

Diversity, Equity, and Inclusion: keys to better financial performance and employee engagement

Diversity, Equity, and Inclusion (DE&I) are among the UN’s 17 SDGs and are a part of Astorg’s’ top priorities. We are committed to fostering a diverse, equitable and inclusive working environment in which there is no room for discrimination.

We engage with our portfolio companies to move in the same direction, as organizations with greater diversity (in terms of gender, but also of underrepresented minorities) and an inclusive culture tend to show better financial performance. To do so, we agree on commitments and an action plan.



“ Dialogue and mutual role modelling between Astorg and its portfolio companies keeps us all on our toes and moving forward.”

Sonia D’Emilio,
Partner, Human Capital,
Member of Astorg’s DE&I Committee

Commitments

- **40% of women** and/or underrepresented minorities on the boards of all investments as of 2022.
- Company specific DE&I targets when the topic is material, with quarterly board follow-up and KPI monitoring.

Action plan developed following several assessments

- During due diligence, **we assess and integrate DE&I performance** to identify the maturity of each portfolio company.
- The **EcoVadis assessments to provide DE&I recommendations** and industry benchmarks.
- We facilitate dedicated discussions on DE&I subjects during our portfolio ESG events.



CASE STUDY

Clario

The richest evidence is diverse

Clario is a seasoned clinical trial technology company that builds software and provides tools to collect data from clinical trials. Its stated purpose is “to transform lives by unlocking better evidence”. Founded in 1972 in the United States, the company now boasts 30 offices throughout the world, and over 3,400 employees: impressed by their dynamics and potential for growth, Astorg formalized its collaboration with Clario in 2020.

Diversity was formally introduced into the company that same year, prompted by the Covid pandemic’s disproportionate impact on underrepresented groups and minorities, as well as media attention to the inequitable treatment of minority groups in general.

We recognized these were difficult issues to address even with strong support from Astorg. However, based on these findings, we created a tailored strategy with short- and long-term measurable goals. Among these goals were achieving global gender balance in leadership and adequate representation of people of colour in the US segment of the organization, as outlined in the table.

GOAL	KPI	2021 BASELINE	2024 TARGET
Gender balance in leadership	% Women at Director level and above	36%	≥ 50%
Access for People of Color (POC)	% POC in the US organization	29%	≥40%
Certification and accreditation	EcoVadis score	41	≥67

To help meet these targets, Clario is viewing diversity as part of the business, with KPIs that are measured and reported regularly.

Significant gaps and challenges

In 2021, Clario appointed Dr. Otis Johnson, Chief Diversity, Inclusion, and Sustainability Officer, and Ashni Niemeyer, Director of Inclusion and Diversity, into full-time roles. Among the first things they undertook was an in-depth analysis into the state of Diversity, Equity & Inclusion (DEI), which revealed significant gaps in the management of issues related to DEI within the organization. These were the top findings:

- Overall there was good gender balance at company level but poor representation of women in leadership roles at the Director level and above.
- Recent leadership hires were predominantly male, widening the gender gap.
- People of color in the US organization were underrepresented compared to data from the US Bureau of Labour Statistics and industry benchmarks.
- People of color tended to hold lower-level roles in the organization.



CASE STUDY

Tangible action taken

One way of demonstrating an organization's commitment to diversity, inclusion, and belonging is through sponsoring and supporting Employee Resource Groups (ERGs). Clario has five thriving ERGs each with a clearly articulated purpose. All five of them have been delivering tangible results for their membership and for Clario as a whole. Here are some highlights from the ERGs:

- **Women's Leadership Network (WLN)**, to recruit and promote women into all levels of leadership, especially Director level and above.
- **LGBTQ+**, to ensure employees feel comfortable bringing their authentic selves to work and that our systems, benefits, and policies support them.
- **People of Color Network (POC)**, to level the playing field through recruitment, development, and advancement of people of color.
- **Patient & Caregiver Network**, an ERG intended to represent the perspective and concerns of clinical trial participants and feed their insights into our products and services.
- **M.I.N.D (Mental Inclusivity and Neurodiversity) Network**, an ERG recognizing that companies which embrace neurodiversity have seen a 30% increase

in productivity and intends to accommodate people with various forms of neurodiversity, for example, through Microsoft software accessibility training for the organization.

Clario has benefitted in many ways from Astorg's support, such as in setting targets and measuring progress on its multi-year diversity roadmap.

Extending their ambitions with Astorg's help

It was with Astorg's input that Clario quickly realized that sustainability is not only about internal operations, but also about products and services, addressing the market, and interacting with clients.

The company's tagline – "the richest evidence is diverse" – underscores the message that diversity ensures clinical trial participants are representative of the patients using the products. Excluding racial and ethnic minorities and other diverse groups from clinical research may lead to serious problems: people of varying ages, genders, and races may react differently to certain medicines.

As a result, Clario's ambitions for its diversity strategy now extends beyond the company level. The company is recognised as an industry leader in the journey towards race and ethnic diversity in clinical trials.



“ We are fortunate to work in the clinical trials industry. It is not difficult to find meaning in our work because we are in the business of improving quality of life, and in many cases, save lives through the medicines we help our clients develop. While preparing our materiality matrix, Astorg pointed out this unique opportunity we have to improve clinical trial diversity and health equity. As a result, ease of trial access for all made it to the top of our priorities. It has now become the centerpiece for positioning our activities and one of the best values Astorg brought to our sustainability strategy.”

Otis Johnson, PhD, MPA Chief Diversity, Inclusion and Sustainability Officer



“ Astorg gave us very personal attention and expertise at a critical juncture when we were preparing to share our ESG strategy with the board, for the first time. Without their help, we might not have been as successful in presenting our strategy and getting buy-in. Operationalizing diversity, equity and inclusion, environmental sustainability – this was new for us, and we had absolute support from Astorg.”

Ashni Niemeyer, Director of Diversity & Inclusion



CASE STUDY

Third Bridge

A focus on women in the workplace

Founded in 2007, Third Bridge is a global market research provider with more than 1,200 employees delivering market intelligence to investors from around the world.

From grassroots to mission statement

Until Q4 2020, the company's ESG initiatives had been operating on a purely grassroots basis. Their sustainability journey began in earnest in early 2021, following Astorg's investment, and they completed their first EcoVadis assessment in August 2021, leading to a defined mission focus with a professional framework around their ESG efforts.

Third Bridge can now point to remarkable achievements in its diversity strategy:

- **Increasing the total US and UK ethnically and racially diverse hires from 19 in 2020 to 67 by end of 2021.**
- **Signing the "Change the Race Ratio" Pledge – a UK based campaign committed to increasing the ethnic diversity of the leadership team and board.**

Focusing on Women at Third Bridge

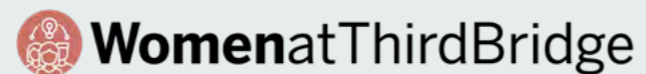
One of the company's biggest DE&I initiatives in the last year focused on women. In 2021, the majority of Third Bridge's employees were women: 54%, in which 52% were new hires – impressive figures that we considered a true asset for the company.

In addition, women had the highest attrition rate, providing both a challenge and an opportunity for Third Bridge to continue to grow its pipeline of female talent for the future. Action and interventions were set up, and Third Bridge launched its Women's Employee Resource Group – Women at Third Bridge – in Q1 of this year, with a focus on:

- **Improving the attrition rate of female employees and the opportunity for engagement.**
- **Establishing an employee-driven community, with a strong digital presence.**
- **Introducing the company's first-ever mentoring programme.**

Women at Third Bridge attracted 60 mentors (>40% male) and close to 100 mentees to participate in the first cohort of its mentoring programme, with executive leadership involvement too. The programme has helped female talent gain exposure to areas and leaders outside of their teams, further strengthen their networks across the business, and enabled leaders to hear more about the experiences of being a woman in the professional world.

With Astorg's support, Third Bridge is continuing its work on responsible development by further defining its sustainability strategy and progressing on its ESG efforts.



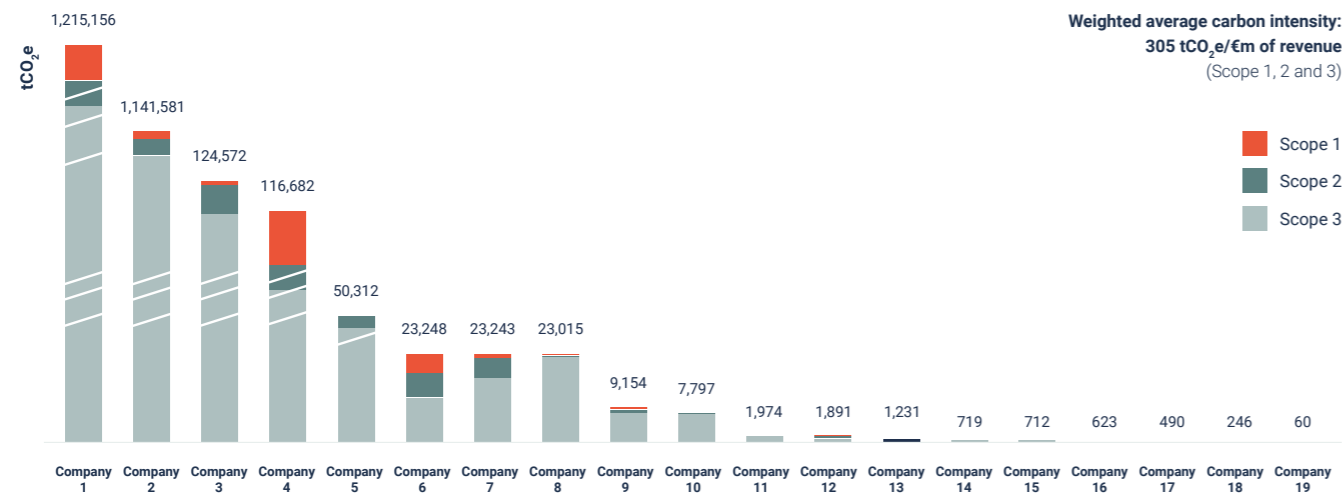
Climate: a key area for our portfolio companies

Carbon footprint reduction: significant improvements since 2019

As part of our ESG program, Astorg has devoted particular attention to the reduction of Greenhouse Gas (GHG) emissions within its portfolio companies. Since 2019, we have sponsored carbon footprint assessments of all portfolio companies, using a specialized third-party provider. This enables us to provide extensive support: training, support in data collection, and discussions to raise awareness of and create engagement with the SBTi approach. This upstream assistance ensures all new portfolio companies are on the right track when the campaign begins.

Significant improvements have been made since 2019 in data accuracy and in the scope of the assessment. In 2021, information on scope 1, 2 and 3 emissions is available for 19 portfolio companies.

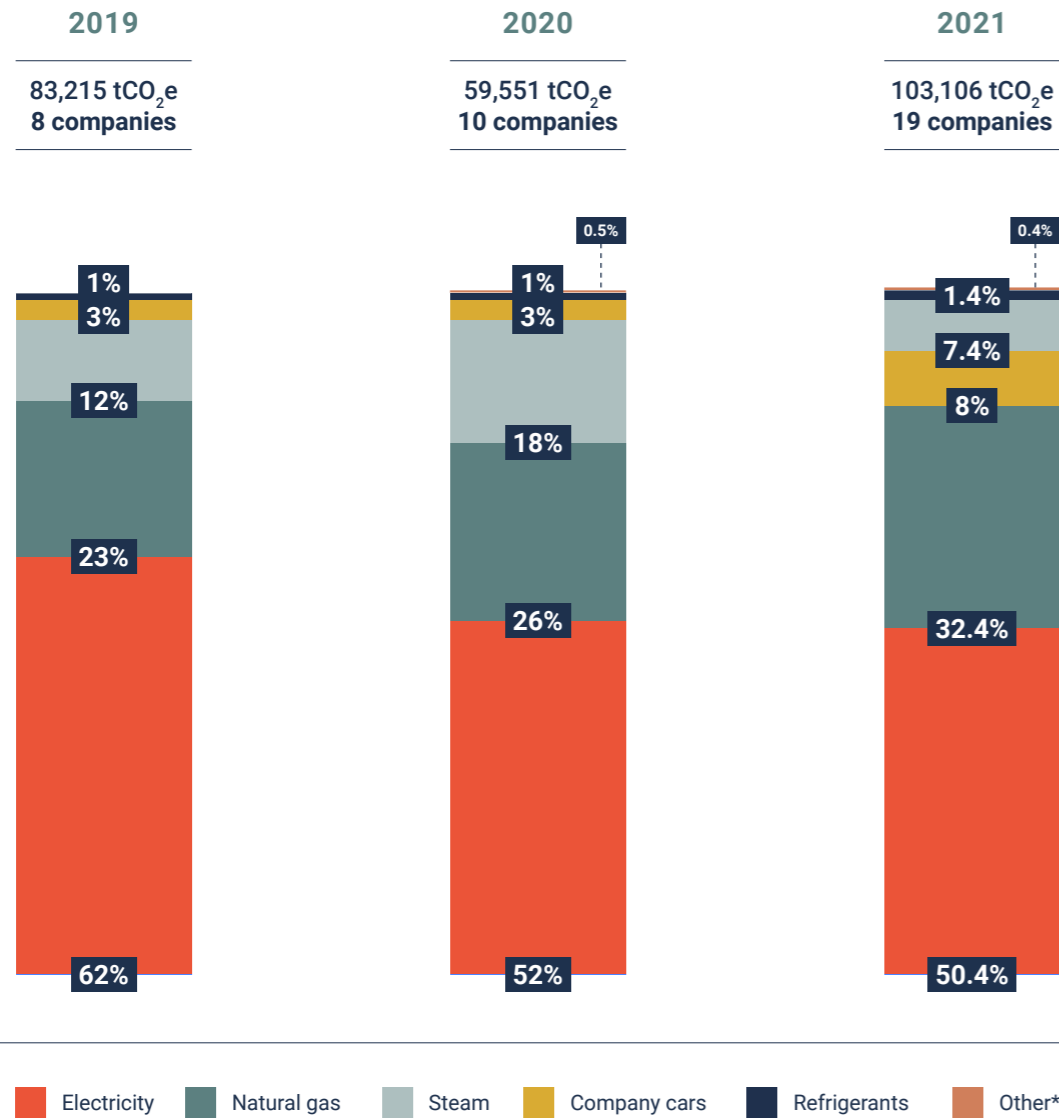
PORTFOLIO COMPANIES' GHG EMISSIONS (tCO₂e, FY2021)



- 100% of portfolio companies measure carbon footprint scope 1, 2 and 3.
- 10 companies with SBTi commitment in 2022 (including newly invested EcoVadis).



BREAKDOWN OF PORTFOLIO SCOPE 1 AND 2 GHG EMISSIONS PER SOURCE



*Other emissions including district heating, diesel use, domestic fuel, heavy fuel, biomethane, and processed emissions.

Source: CO2Logic

Over the past three years progress was made to include all companies in the scope (e.g., 19 companies in 2021 assessment vs. 8 companies in 2019).

The share of energy sourced from renewable sources increased by nine points from 12% in 2019 to 21% in 2021.

Our next priority is to collaborate with companies on their emission reduction plans.

We are aware that to limit global warming to 1.5°C, huge efforts are urgently needed in this decade.

Our recent Science-Based Targets initiative (SBTi) commits us to set up actions aimed at reducing our companies' carbon impact, and to notably support these companies in obtaining their own SBTi validation.

Our commitment to supporting portfolio companies with concrete and ambitious actions for decarbonization has, as of July 20, 2022, led to eight companies' submitting their letter of commitment to SBTi.



CASE STUDY

Nemera

Nemera, a French company, designs and manufactures drug delivery device solutions for the pharmaceutical, biotechnology, and genetics industries that maximize treatment efficacy. The company has been in Astorg's portfolio since 2019. With six manufacturing plants in Europe and America and a global workforce exceeding 2,600, the company sells more than 1.5 billion devices annually across 54 countries. In 2021, Nemera had global sales of €429m.

With the support of Astorg, Nemera has defined its ESG strategy and action plan. In 2021 the company committed to net zero carbon emissions by 2050 as part of its long-term strategy to fight climate change. Carbon footprint reduction, including the deployment of a 10-year carbon strategy – to be approved by the SBTi in 2022 – is a key focus of Nemera's sustainability strategy.

Targeting Scope 3 emissions

The company's key carbon reduction levers lie in Scope 3 emissions, some 80% of which come from purchased goods and services. Thus, Nemera's main areas for carbon reduction focus on decreasing waste and energy use and creating a low-carbon supply of

resins (resin transformation represents 70% of the emissions coming from the purchased goods and services).

In the past year, Nemera has created an eco-design roadmap for the Nemera Development Center and established an action plan aimed at minimizing its Scope 3 emissions, centered along the following action:

- **Actively engaging its suppliers for sustainable procurement.** Nemera launched a pilot project in 2021 engaging suppliers in an effort to escalate the reduction of those emissions, notably with resin producers. The pilot resulted in one of the producers proposing an eco-resin as a low-carbon resin.
- **Certifying its plants under the International Sustainability & Carbon Certification PLUS*** (ISCC PLUS) to further reduce the carbon footprint by encouraging the recycling of raw materials in the value chain.

Forward-looking commitments

Going forward, Nemera aims to source 100% emission-free or renewable energy on all sites by 2023-2024. In the immediate term, the company has also put in place a specific ESG reporting system to measure its progress towards its long-term sustainability goals.

In 2021, Nemera achieved an EcoVadis rating of 58. Nemera's ambition is to be rated in the top 5% of all EcoVadis' scores by the end of 2023.



* ISCC PLUS is a global recognized standard for recycled and bio-based materials. ISCC PLUS certification provides traceability along the supply chain and verifies that companies meet environmental and social standards.



Climate risks and opportunities – Potential climate-related financial disclosure

We analyze annually climate-related risks and opportunities material to our portfolio. **A third party provider conducts the assessment. The assessment is based on insights gathered through dedicated workshops and training sessions with the portfolio.** Potential risk mitigation measures are also discussed in the process.

The current disclosure on climate change relies on the recommendations developed by the Financial Stability Board's Task Force on Climate Related Financial Disclosures (TCFD). Our companies assess and track the main climate risks identified by TCFD: physical risks and transition risks (See Appendix 3 for further details on TCFD pillars).

Physical risk assessment

Physical risks can be linked to extreme weather events (e.g., cyclones, floods) or longer-term shifts in climate patterns (e.g., sea level rise) that can affect the company's ability to do business.

Scenarios

Three scenarios based on IPCC RCP assess physical risks: High Climate Change scenario (RCP 8.5), Moderate Climate Change scenario (RCP 4.5) and Low Climate change scenario (RCP 2.6) over the 2030 and 2050 time periods.

Score

The methodology developed in 2021 considers the sensitivity-adjusted composed physical risk score, which measures the potential impacts of climate change on a company's business model and operations and reflects the degree of exposure and sensitivity to each risk indicator.

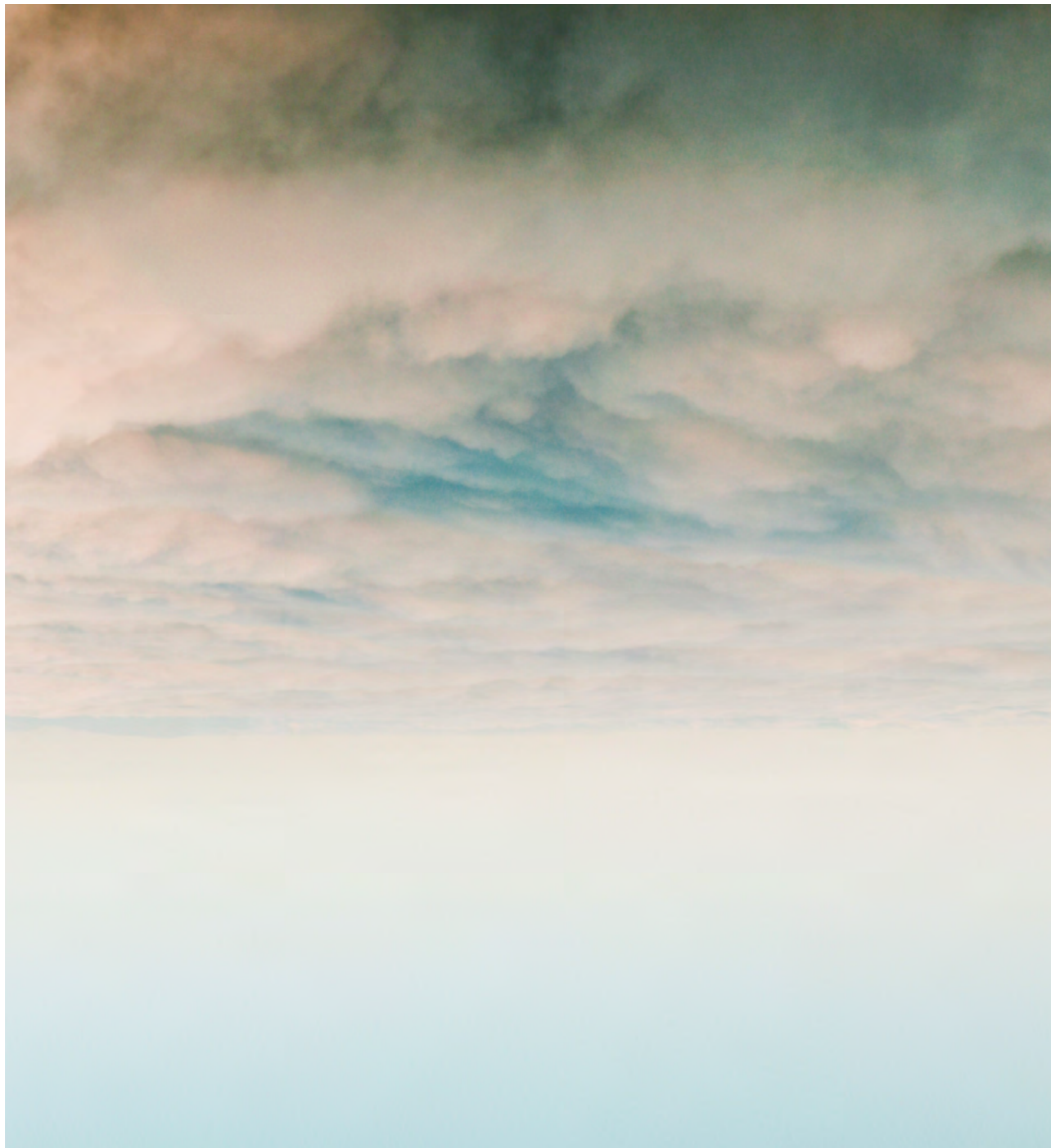
Key findings for Astorg companies

Physical risk exposure scores for Astorg portfolio companies fall within the moderate risk range under the High Climate Change scenario of 2050 (worst case scenario).



• Transition risk assessment

Transition risks encompass the transition to a lower-carbon global economy, be it through climate regulations, technology evolutions, or other changes. Two approaches were employed for the current assessment: quantified carbon pricing risk and qualitative rating of transition risks and opportunities.



Carbon pricing risk

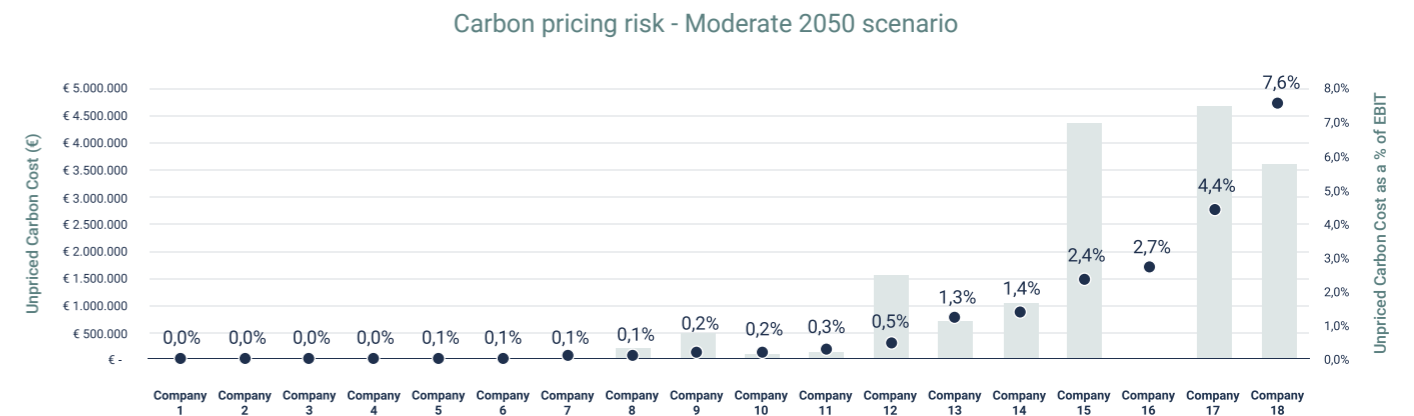
The assessment of transition risk also focuses on carbon pricing, as rising carbon prices can impact company financials both directly and indirectly:

- Direct carbon pricing impacts: increased regulatory costs related to Scope 1 emissions.
- Indirect carbon pricing impacts: increased purchasing costs for electricity or other raw materials associated with suppliers' passing on higher costs of regulation to customers (Scope 2 and 3 emissions).

Three scenarios were assessed: low, moderate and high carbon pricing scenario by 2050.

Transition risks associated with direct carbon pricing for our portfolio companies are low, with the exception of IGM Resins, Solina and Corialis. However, indirect impacts associated with pass-through carbon pricing cost increases from the supply chain may still present a risk for our portfolio companies.

TRANSITION RISK OF CARBON PRICING SCENARIOS BY 2050



Qualitative transition risk assessment

Two scenarios were used: High Carbon Price scenario (Below 2 °C aligned) or known as IEA Sustainable Development Scenario (SDS), and Low Carbon Price scenario (Based on current policy commitments, ~2.7 °C) or known as Business as Usual (BAU).

The overall transition risk (policy and legal, technology, market and reputation) is medium with the highest risks observed in the manufacturing and chemicals sectors, chiefly linked to energy-intensive activities.

Tackling the information security challenge

Cybersecurity : an opportunity to maximize our operational performance

• Six companies with ISO 27001 Information Security Management certification



CORSEARCH

ecovadis
Business Sustainability Ratings

IQEQ
Know how. Reduce risk.



OPUS2

• Five companies with CyberEssentials certification to strengthen the cyber security system



CLARIO.



OPUS2

• 100% of portfolio companies with cyber insurance



“Cybersecurity is not just about making our portfolio companies secure. It makes our assets resilient, efficient and more valuable.”

Marc Rocanière,
Chief Information & Digital Officer, Astorg

A cyber security assessment for 17 portfolio companies was performed in 2021 with an external consultant, in accordance with the NIST framework and self-assessment tool. The objective was to determine the overall cyber security status of portfolio companies and define action plans. It covered companies' ability to identify, react to, and recover from cyber-attacks, as well as their level of cyber protection. We initiated ad-hoc activities and several measures to accelerate the progress.

2021 OVERALL EVALUATION



Our Cyber Security Framework is designed to monitor and prevent, as much as possible, incidents and risks linked to information security.

- **Information security due diligence** is mandatory for all Astorg deals
- **A contact person is appointed** for information security at each company
- **A yearly information security assessment** is implemented for all portfolio companies
- All companies must define a relevant **action plan**
- The action plan is monitored at **board level**

CASE STUDY

Corsearch

Best-in-class for data protection and privacy

Founded in 1949, Corsearch, based in New York, is a leading player in brand protection and management, providing a suite of end-to-end solutions to improve brand performance and reduce risks throughout a brand's lifecycle for more than 5,000 clients across globally. The company is passionate about the protection of customers and consumers through offering a range of services and softwares including trademark research, online brand protection, and anti-piracy measures to protect customers and consumers.

Corsearch's combination of performance, standards, and corporate values was well-suited to the Astorg portfolio profile. Thus, when the company sought a new partner with whom to develop the next generation of Corsearch suites, Astorg came forward, completing its acquisition of Corsearch from Audax Private Equity in April 2021.

Globally integrated data protection

The company is compliant with best-in-class systems for data protection and privacy by performing relevant mitigations, including data mapping, global consent, cookie compliance, data subject access rights, and IT risk management.

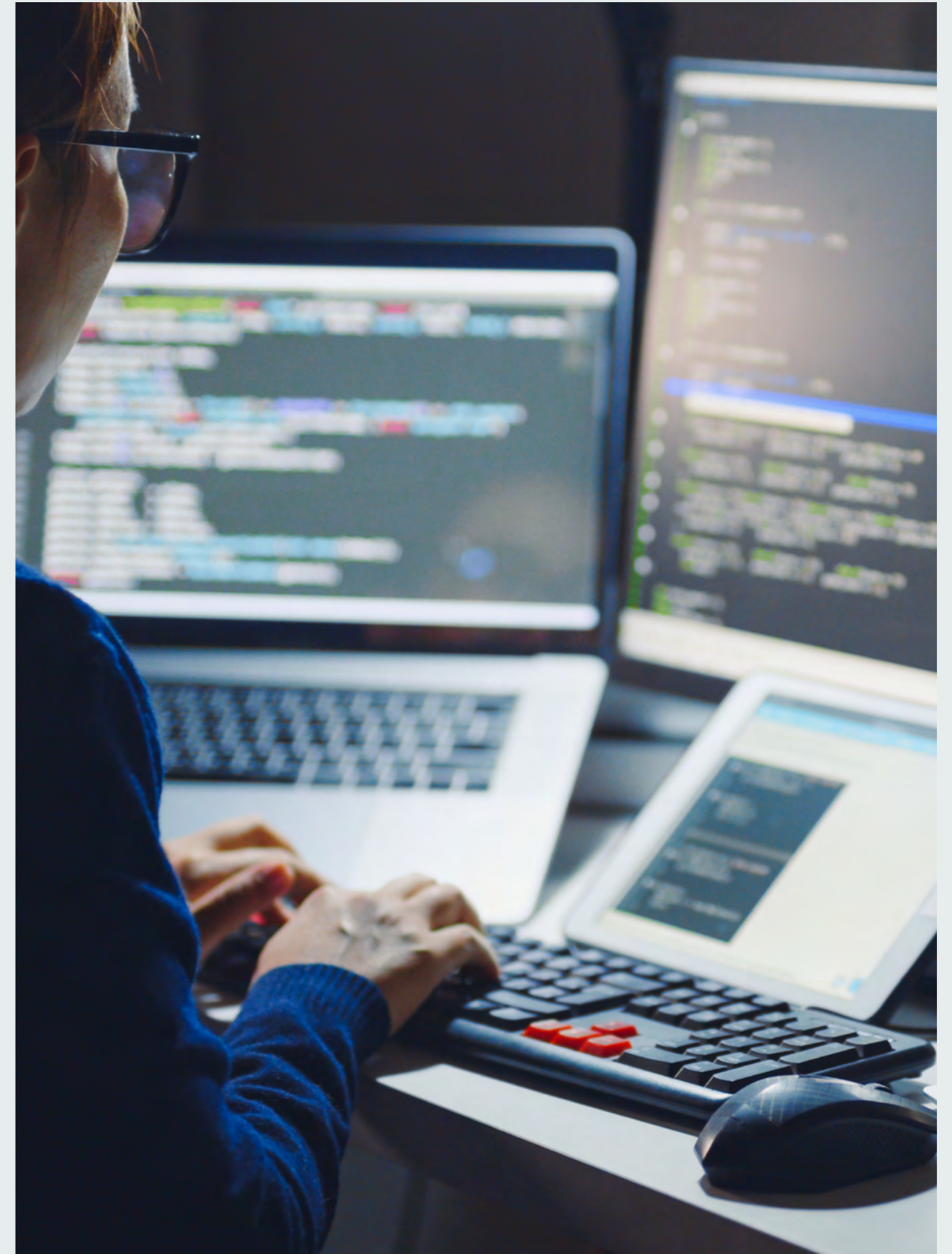
For example, Corsearch has a globally integrated data protection program in line with regulatory agencies such as the General Data Protection Regulation (GDPR) and California Consumer Privacy Act (CCPA) and deploys Data Subject Access Rights (DSAR) integration throughout its platforms (providing the ability to opt-out of marketing emails) in compliance with the ePrivacy Directive and related regulations.

In addition, Corsearch ensures good governance within the procurement process by performing vendor risk management and acts in compliance with global laws and regulations, using state-of-the-art technology platforms (e.g., OneTrust and KnowB4) to track and report its governance standards and compliance.

Inclusivity and sustainability

DEI is an imperative at Corsearch as it is a truly global company operating in 18 countries with a highly diverse workforce. As such it has a real passion for, and commitment to, inclusivity, which is reflected in the industry's high regard and its ability to attract and retain employees through its DEI initiatives. Corsearch has Discussion Groups (Women's, LGBTQ+ and the We Know Us (DEI) Discussion Group), all of which are highly valued open forums to share, collaborate and celebrate the diverse employee population. In addition, Corsearch has a Global Charity Program to promote collegial pride in the company and the values it represents, supporting the causes important to colleagues within their communities and enabling giving back on a global level.

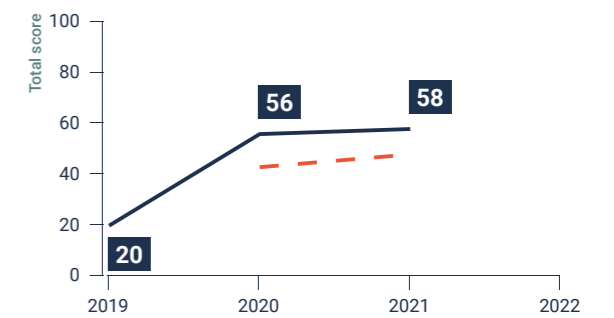
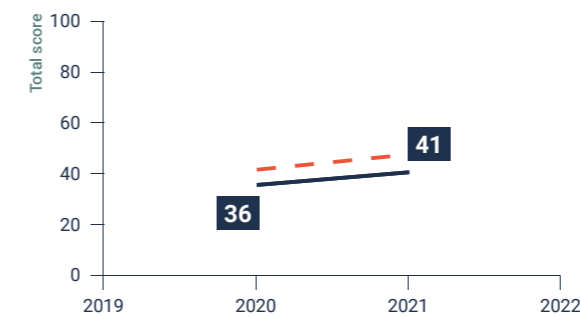
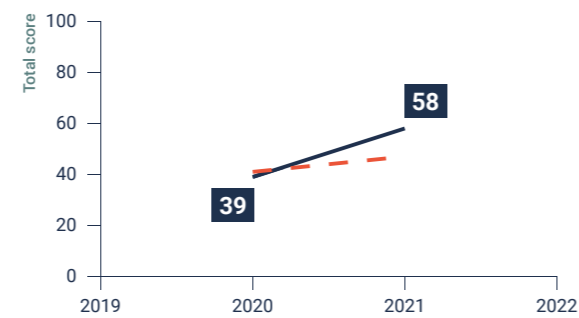
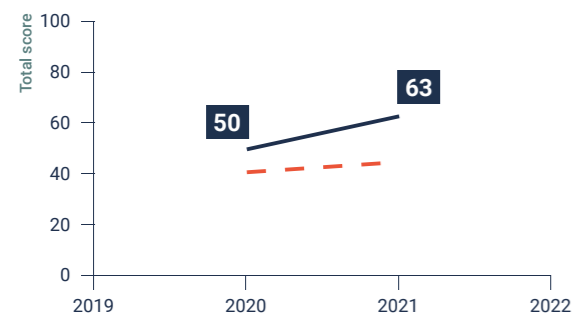
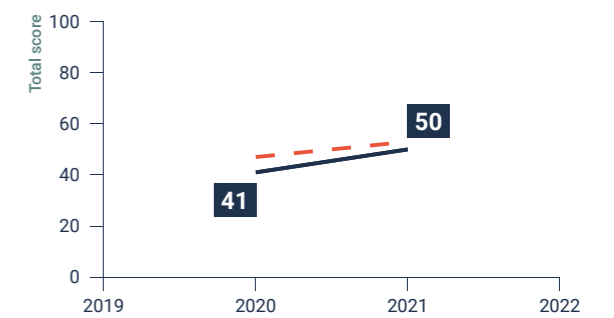
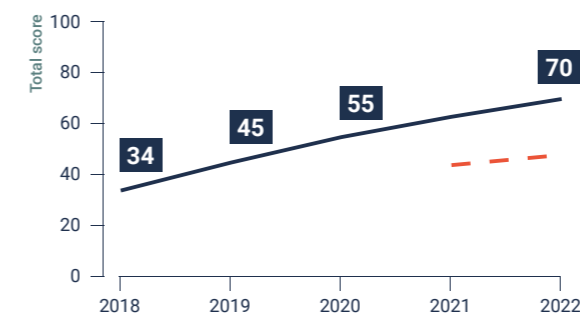
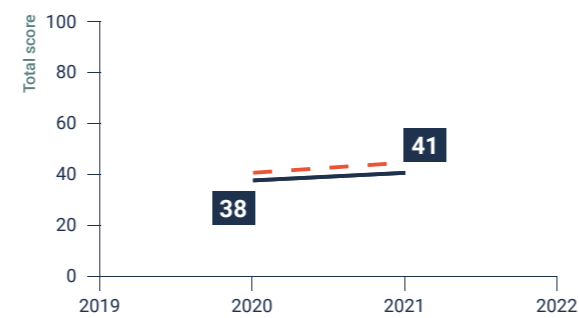
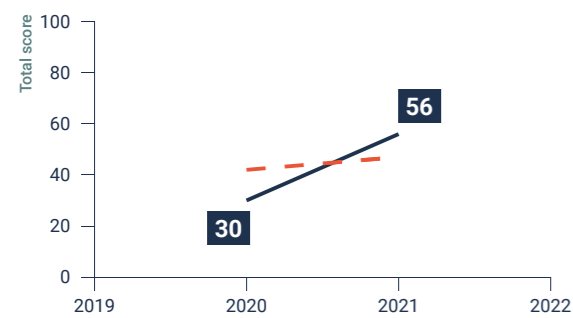
We have encouraged Corsearch to work with EcoVadis and CO2logic to set a baseline for SBTs, emissions, and waste management training. Using a new ESG module through OneTrust, the company now tracks emissions and energy usage, and reports results annually to its board.



EcoVadis, a partner for efficient ESG assessment

As part of Astorg’s commitment to supporting the advancement of portfolio companies in sustainability topics, we conduct an annual Ecovadis assessment for all our portfolio companies. The trend has been positive for all our companies under assessment for more than one year. The average increase in EcoVadis score for our portfolio companies since acquisition is +18.6 points.

PROGRESS OF ECOVADIS SCORING OF PORTFOLIO COMPANIES SINCE ACQUISITION, WITH AN AVERAGE IMPROVEMENT OF 18.6 POINTS






Astorg invested in EcoVadis in June 2022, in conjunction with BeyondNetZero, the climate investing vehicle of General Atlantic.

Astorg team implemented the same ESG integration processes for EcoVadis as for its other portfolio companies, setting up relevant safeguards to ensure the smooth running of our collaboration.



2021 COMPANIES FIRST ECOVADIS ASSESSMENT

	COMPANY 1	COMPANY 2	COMPANY 3	COMPANY 4	COMPANY 5	COMPANY 6	COMPANY 7	COMPANY 8	COMPANY 9
YEAR OF ACQUISITION	2021	2021	2021	2021	2020	2021	2021	2021	2021
YEAR OF ASSESSMENT	2021	2021	2022	2022	2021	2021	2022	2021	2022
OVERALL SCORE	36	28	48	54	33	56	40	40	48
MEDAL	None	None			None		None	None	
BENCHMARK SCORE	48.8	45.2	46.6	47,6	48.5	48.3	50.4	48	48.3

“Astorg was EcoVadis’s first private equity client, their services of assessing and measuring our portfolio companies’ ESG performance and raising sustainability-linked financing have been vital. This partnership has had a transformative impact across our portfolio, contributing to making Astorg one of the leaders in ESG and sustainability in the private equity world. Going forward, we see very meaningful opportunities to support EcoVadis in its ambition to become the standard for private equity and finance.”

Benoît Ficheur, Partner at Astorg

CASE STUDY

IGM Resins' journey in obtaining its sustainability gold medal

IGM Resins is the leading global provider of energy curing (ultraviolet curing) raw material solutions to a wide variety of industries such as graphic arts, industrial coatings, adhesives, and 3D printing. Now 1000-employees strong, IGM Resins was integrated into Astorg's portfolio in 2018.

Committed to improving its sustainability performance aligned with IGM's Go Grow Green strategy and following Astorg's advice, the company underwent an EcoVadis assessment the following year. The company

set the baseline at 45 points and received a bronze medal in 2019.

Continuous support and guidance given over a year of Astorg's ownership led IGM Resins to improve their performance by ten points to 55 in 2020, successfully surpassing their industry average in manufacturing. The group was awarded the silver medal.

Gold medal and new ambitions

IGM Resins' score rocketed to 70 in 2022 – higher or equal to 96% of all companies rated by EcoVadis. This exceptional achievement includes an increase of +30 points in environmental categories alone, putting them over their 2030 goals and winning the company a gold medal.

IGM Resins has been advancing on the implementation of its action plan. It is also currently defining relevant policies across the group to minimize its environmental impacts.



CASE STUDY

Corialis

Innovating in product circularity

In 2021, Astorg invested in Corialis, a leading Belgian designer and manufacturer of modern aluminium systems, employing 3,000 people throughout Europe and South-Africa. Its differentiated business model focuses on all three dimensions of houses: in-wall, outdoor, and indoor. As the company's products include windows and doors, Corialis contributes to improving energy efficiency in the residential sector.

Over the past few years, Corialis has spearheaded several initiatives – such as reducing carbon emissions and investing in new technologies – to improve its sustainability performance and its products and processes.

An active approach to sustainability

The company is supporting organizations such as the **European Aluminium Association** and the **French business climate pledge**. Corialis has also been an active member of the **United Nations Global Compact (UNGC)** since 2021.

At the operational level, Corialis has been certified with **ISO 14001 for environment** in all five of the main production facilities, **ISO 45001 for occupational health and safety** at four of the main production facilities, and with **ISO 50001 for energy management** at three main production facilities. The group aims to extend the certifications to its smaller sites this year.

The group has also undergone its EcoVadis assessment. Their 2021 score – **63/100, silver ranking, top 4% of its industry** – completes this operational excellence. Additionally, **sustainability-linked financing** tied to EcoVadis' scoring, pushes Corialis to go even further on its sustainability journey.



“We're among the top 4% of all companies in our industry category according to EcoVadis. Our main target is to further reduce the environmental impact of our products but also of our processes. So, we invest a lot in new technologies. We want to be as energy efficient as possible.”

Lien Van den Broeck, Group Controller, Corialis



Products ideally suited to the circular economy

The company has implemented a dedicated improvement plan, focused on the following:

• Circular economy

Aluminium windows and doors are fully and endlessly recyclable, with a long lifespan of 40-50 years. The company's ambition is to go beyond and become a pioneer within its sector. Corialis has been performing **life cycle analysis** and **cradle-to-cradle assessments** to validate the products' durability and recyclability. The group acquired the Cradle-to-Cradle certification for certain windows and doors series.

• Climate commitment

With Astorg's support, Corialis is conducting its **Scope 3 emissions assessment** in conjunction with CO2logic and plans to set specific science-based reduction targets within the next two years.

Several initiatives to reduce carbon emissions are already in place, including reducing **energy consumption**, sourcing **renewable electricity** (67% of the electricity used by the company in 2021) and installing **solar panels** at its facilities.

• Responsible procurement

In 2021, Corialis implemented a **sustainable procurement program**, including training and risk analysis.

• Reporting and data

Lastly, a **quarterly sustainability reporting** is now in place at Corialis, with harmonized data.

Biodiversity: protecting the living material of our planet

Biodiversity refers to the living, woven material of our planet. For several decades, the scientific community has warned that biodiversity is under grave threat. “Nature is declining globally at a rate unprecedented in human history – and the rate of species extinction is accelerating, causing severe impact to human populations worldwide,” the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES) reports¹.

As a responsible investment manager, Astorg firmly believes that – as with climate change – biodiversity’s negative impacts must be addressed and mitigated.

For this purpose, Astorg conducted an initial assessment of its portfolio companies in 2022 to understand the impacts and dependencies on biodiversity, according to the dual materiality principle.

Methodology used

Astorg performed the preliminary assessment on a sectorial level using ENCORE (Exploring Natural Capital Opportunities, Risks and Exposure), which examines the dual materiality of biodiversity risks and impacts. Astorg portfolio companies are categorized into 12 different sub-sectors in accordance with the Global Industry Classification Standards (GICS) system, linked to 14 dependencies and 8 impact drivers.

Dependencies analysis - Key findings

Ecosystem services are the various contributions of nature to our economies and populations. Understanding our companies’ dependencies on ecosystem services enables us to estimate business exposure to biodiversity degradation (e.g., disruption of an ecosystem service).

On average, Astorg’s portfolio companies show low dependency on biodiversity: **80% have very low**

dependency on biodiversity, while 20% are considered to have low dependency.

Overall, Astorg’s portfolio has low dependency on four material ecosystem services: ground water, surface water, water flow maintenance, and flood and storm protection. Four of Astorg’s companies are potentially dependent on more than five ecosystem services.

Impacts analysis - Key findings

The ENCORE database also captures the potential impacts of companies on biodiversity according to their sectors and production processes.

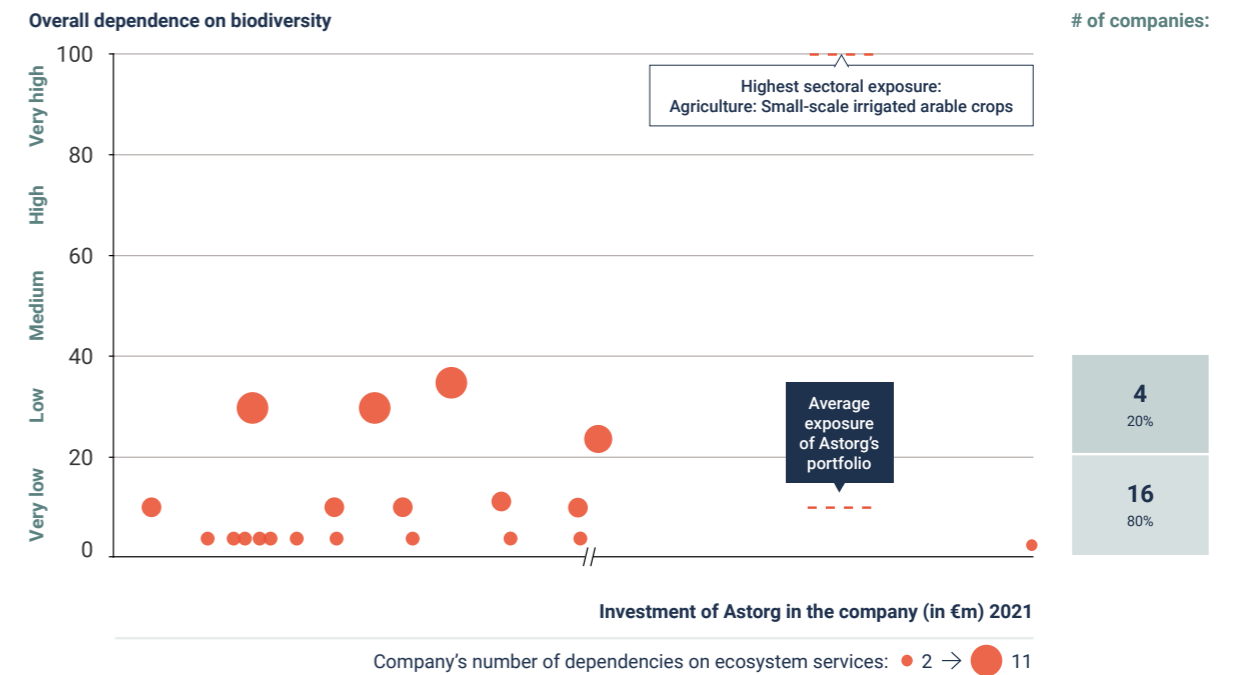
More than half (65%) of Astorg’s portfolio companies are considered to have, potentially, a medium impact on biodiversity, and none are considered to have a very high impact on biodiversity.

Astorg’s portfolio impacts are predominantly in water use, water pollutants, solid waste, and soil pollutants.

Three portfolio companies are considered to potentially have more than five impact drivers on biodiversity.

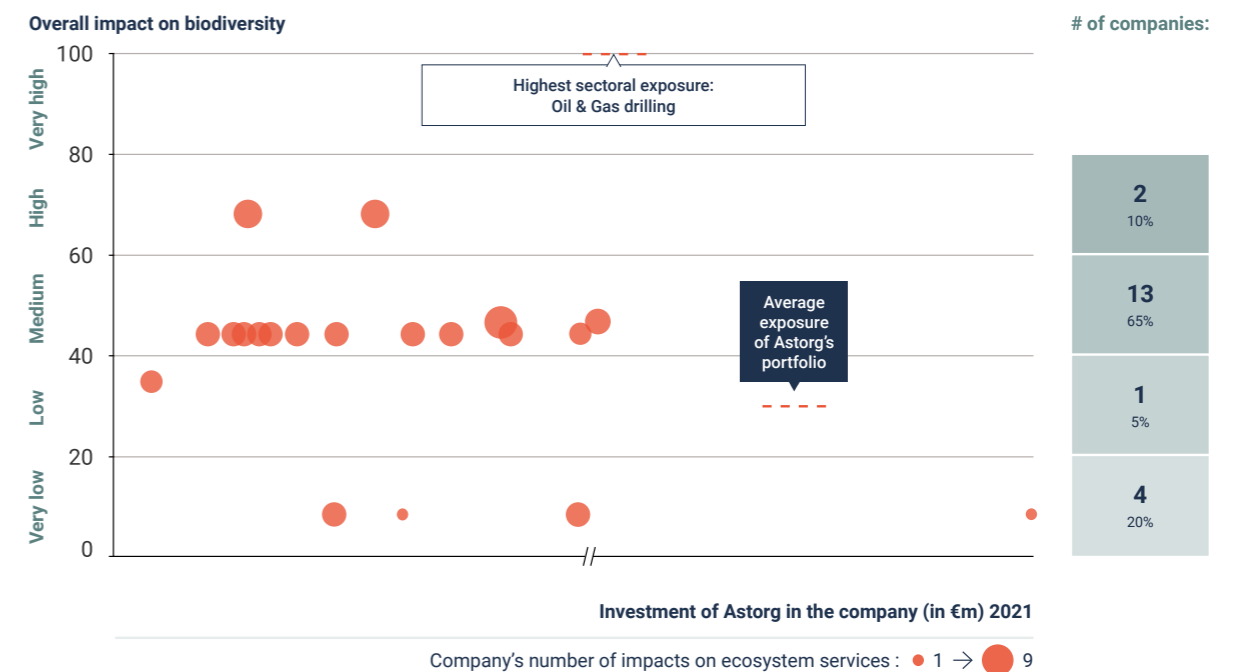
Sub-sectors with the highest materiality impact are manufacturing activities such as commodity specials, specialty chemicals, biotechnology manufacturing, and building products.

OVERALL DEPENDENCY OF ASTORG’S PORTFOLIO ON BIODIVERSITY SERVICES



Source: ENCORE, Indefi analyses

OVERALL EXPOSURE OF ASTORG’S PORTFOLIO TO BIODIVERSITY IMPACTS



Source: ENCORE, Indefi analyses

¹ Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Service

None of our investee companies have sites or operations located in or near biodiversity-sensitive areas that might be negatively affected by the activities of those companies.

Sustainable development goals: a blueprint for the future

Defined by the United Nations in 2015, Sustainable Development Goals (SDGs) provide a blueprint for a better future for humanity and our planet. At Astorg, we are aware that private equity firms have a role to play in advancing these 17 key objectives by influencing and supporting our portfolio companies in acting on those SDGs related to their activities.

We are therefore pleased to report that **92% of our companies' products and services are contributing to at least one of the Sustainable Development Goals, in various ways¹.**

In line with the two previous years' assessments, the following graph shows that a vast majority of investments present a high contribution to the SDGs.

Since 2020, Astorg has been developing an internal methodology to analyse its investments' impacts on the SDGs. Both positive and negative contributions are considered throughout the companies' value chain (supply chain, operations, products and services).

¹ As per Astorg's internal SDG exposure methodology



Areas of positive impact

In their sphere of operations, our companies are proactively working on SDGs 5,8, and 10. Most of them have supporting policies in place regarding ethics, employees' working conditions, career management, and diversity.

In their output of products and services, Astorg's portfolio has a dominant footprint on SDG 3 (health and well-being), as many companies operate in the field of healthcare, from clinical trials to bio search technologies.

Areas of mitigation

However, in terms of SDG 12 (responsible production and consumption) and 13 (climate change), mitigation is needed for Astorg's portfolio companies, in both operations and products & services. Software companies are dependent on data centers that contribute to climate change (SDG 13). Manufacturing companies should actively consider how to minimize the negative impact their products have on the environment (SDG12) throughout the product's lifetime.

In addition to the above SDGs, SDG 16 (peace, justice, and strong institutions) is identified as SDG mitigation in the realm of data handling and privacy: businesses are striving to increase transparency for stakeholders and ensure confidential information is adequately protected.

CONTRIBUTIONS



- 11: Sustainable cities and communities
- 6: Clean water and sanitation

OBSTRUCTIONS



4



Internal engagement at Astorg



ESG engagement as a lever for value creation

At Astorg, we consider responsible investing and sustainability to be essential goals in themselves, and also the basis for growth and value creation in business. From risk mitigation to increased investment perspectives, ESG opens new possibilities for private equity firms.

We promote the integration of ESG topics within the investment process with the full collaboration of our partners and deal team members. With the continuous support of the ESG team, several initiatives have been implemented:

Training

To build up our investment team's sustainability expertise, several training sessions have been organized (see list below).

DATE	TOPIC
MAY 2021	ESG process
JULY 2021	Climate change (2 sessions)
JULY 2021	UN Sustainable Development Goals
JULY 2021	Sustainability-linked Loans
JULY 2021	EcoVadis
JULY 2021	ESG in the pre-investment process
OCTOBER 2021	Impact investing
SEPTEMBER AND DECEMBER 2021	ESG program
FEBRUARY 2022	Science Based Targets
2021-2022	ESG onboarding training for new joiners

Remuneration

To ensure full commitment and tangible results from our teams, Astorg has chosen to link remuneration to its ESG strategy: 20% of the deal team individual objectives are linked to ESG indicators.

Sustainability-linked loans (SLLs)

Our new capital call line at the fund level will be linked to three ambitious KPIs:

- Improvement of our portfolio EcoVadis rating
- Science-based targets defined and implemented in our portfolio companies
- Diversity in the investment team

“ Our strong ESG approach enables Astorg to become better at finding good opportunities on the market. It also makes for more sustainable businesses, with higher valuations, positive perception, and robust resilience in a challenging environment.”

Lorenzo Zamboni,
Partner, Member of of Astorg's ESG committee



“ The deal teams thoroughly understand the importance of ESG all along the investment cycle and process and are engaged at all levels. Our new ESG policies and commitments are ambitious but realistic, and we are working steadily towards reaching these targets.”

Nathalie Medawar,
ESG Officer, Astorg

New action in place for strengthened governance

Sound, strong governance is a central element in Astorg's sustainability strategy and a cornerstone of the recent growth of our investment team and corporate functions.

Investment and executive committees

- To date, **two executive committees have been formed**: the Group executive committee, and the Investment line executive committee, comprising partners from Flagship and Mid cap teams.
- **Two investment committees** are in place – one each for Flagship and Mid cap activities. They are supplemented by **a dedicated Mid cap partner roster**, with two managing partners and four partners, representing a combined 80 years of private equity experience.

“ Because we believe in sustainability, in responsible investment, and in taking action, we have made very strong commitments and set ourselves ambitious goals. With the full support of our leadership, we have set up what we consider the best infrastructure and governance framework to deliver on our engagements.”

Viviana Occhionorelli,
ESG Managing Director, Astorg



ESG GOVERNANCE

In order to better lead our sustainability strategy and strengthen our position as a leader in ESG topics within our sector and market, we have recently formed a **new ESG committee** (see below for full list of members). It is led by Viviana Occhionorelli, ESG Managing Director, and holds bi-monthly meetings to assess progress and discuss new measures; the first session was held in March 2022.



Christopher Cozzone
Managing Director



Lionel de Posson
Managing Partner,
Mid-Cap



Edouard Pillot
Managing Partner,
Mid-Cap



Thierry Timsit
CEO & Managing
Partner



Guillaume de Malliard
COO & Partner



Stéphane Epin
Partner



James Davis
Partner



Jonas Samlin
Managing Director

ESG TEAM



Lorenzo Zamboni
Partner



Judith Charpentier
Partner



Viviana Occhionorelli
ESG Managing Director



Nathalie Medawar
ESG Officer



Cristina Spiller
Impact Officer

NEW DE&I TASK FORCE AND STEERING COMMITTEE

To further Astorg’s own diversity, equity, and inclusion (DE&I) goals, we have set up a DE&I task force led by Sonia D’Emilio, Partner, Human Capital, as well as a DE&I steering committee including two Partners from the Investment team, Judith Charpentier and Edouard Pillot. The task force is composed of a variety of levels, functions, and backgrounds in order to ensure the voice of the firm is well represented.

The objective of the task force is to propose a DE&I roadmap and to prioritise, plan, and follow-up with each initiative. The task force meets every six weeks and will engage with the Steering Committee every two to three months to validate decisions and ensure internal communication and buy-in. Proposals validated by the steering committee are then discussed with the executive committee and, if approved, deployed at company level.



Ben Deanfield
Director



Hind El Gaidi
Head of Marketing & Financial Information / Valuation



Emily Hyslop
Investment Manager



Anjali Itzkowitz
Investment Manager, Mid-Cap



Maddie Conway Yudkin
Investment Manager



Frederick Young
Director



Paul Arhanchiague
Director



Tequila Bone
Managing Director, Investor Relations



Sonia D’Emilio
Partner, Human Capital



Viviana Occhionorelli
ESG Managing Director

Diversity, equity and inclusion: differences are valued and respected

Astorg's identity is rooted in fairness and humility. A diverse, inclusive workforce stems naturally from these values, which constitute a robust foundation for our Diversity, Equity and Inclusion (DE&I) strategy. With this undertaking, beyond supporting our portfolio companies and our ecosystem, we want to improve our own practices and culture in the following ways:

- We have put in place governance through the DE&I task force and committee
- Our ambition is to reach **30% of women in our investment team by 2030**.
- We carried out a DE&I survey in March 2022 with the help of Diversio. It showed that Astorg had an overall score of 6, against a private equity benchmark of 6,2, and was "best in class" in terms of workplace safety and inclusive culture.
- The analysis of the DE&I survey has resulted in our 5 key priority actions:
 - **Recruitment & hiring:** process, pipeline, onboarding
 - **Workplace flexibility:** work from home, paternity and parental leave, holidays
 - **Inclusive culture:** unconscious bias training, firmwide communication, social events
 - **Communication & governance:** external and internal communication, reporting, process
 - **Portfolio:** implementation, tracking KPIs.



“At Astorg, we believe diversity is a key part of our business. Whether concerning gender equality or underrepresented minorities, an inclusive company boasting a diverse workforce is better attuned to customers' expectations, has a richer source of ideas, and is able to make better decisions. And ultimately, working with people that are all different and unique is simply more fun!”

Edouard Pillot,
Managing Partner, Astorg Mid-Cap,
Member of Astorg's DE&I steering committee



RESULTS SO FAR

Women in the investment team



Women in leadership (partners)



At investment team level, close to 30% of our recruitments in 2021 were women. Talent market conditions are heated at the moment, and such results have only been possible because of the commitment of the search firms we have been working with, and the resilience of those involved in the interview process.



“Our leadership team has set the right ambitions, pushing for ever greater diversity. We strive to act as a role model for the rest of the industry. We have set the bar very high, but we are progressing well, with a clear plan of action and committed task force members.”

Judith Charpentier,
Partner, Member of Astorg's DE&I steering committee



“We are striving to lead the change for diversity and inclusion within the PE industry, and to become a firm where every employee feels valued and unique. With a diverse and inclusive team, investment decisions are more bias-free – which can foster better financial outcomes and as a firm we can better partner with our portfolio companies.”

Sonia D'Emilio,
Partner, Human Capital, Member of Astorg's DE&I task force

Science-based targets: climate commitment made tangible

Astorg has pledged to take several actions to improve our own performance and inspire our portfolio companies and the private equity sector as a whole:

Measuring our emissions

Emissions were measured in 2021 for the Paris, Luxembourg, London, Milan, and New York (added in the scope in 2021) offices. In total, the GHG emissions from Astorg Group account for 837 tCO₂e (excluding category 15 portfolio companies' emissions detailed above).

Reducing our emissions and setting emission reduction targets

Astorg committed in November 2021 to the Science-Based Target initiative (SBTi), with the following objectives:

- Reducing our direct emissions by 50% by 2030 (baseline year: 2020);
- Ensuring that 30% of our PE investments (measured by invested capital) will have set their own science-based targets by 2025, increasing to 100% by 2030.

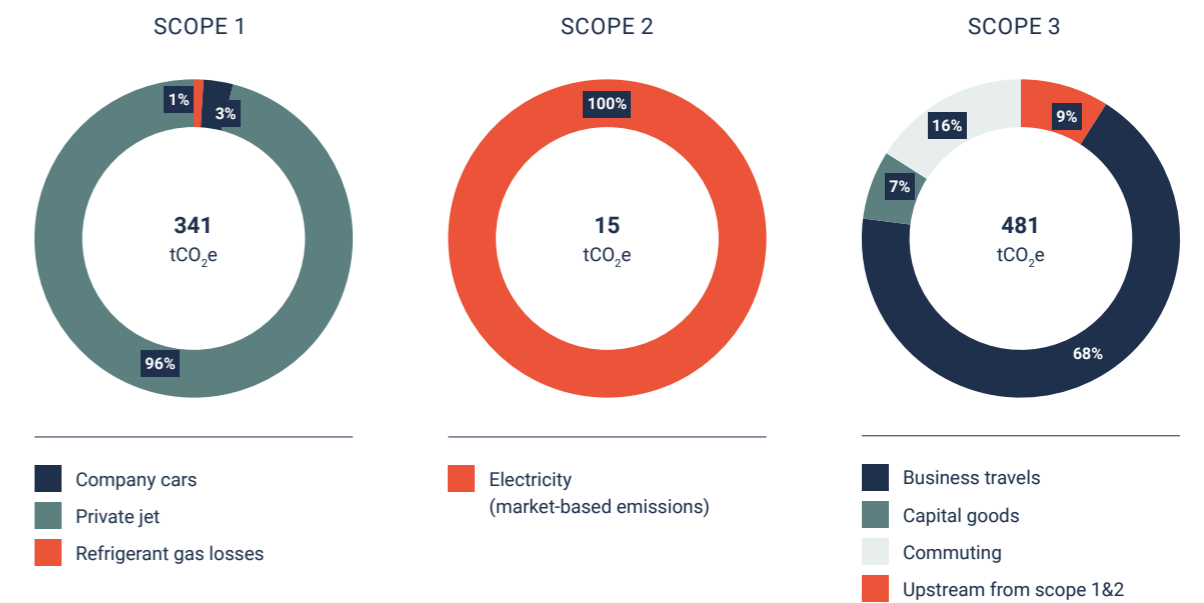
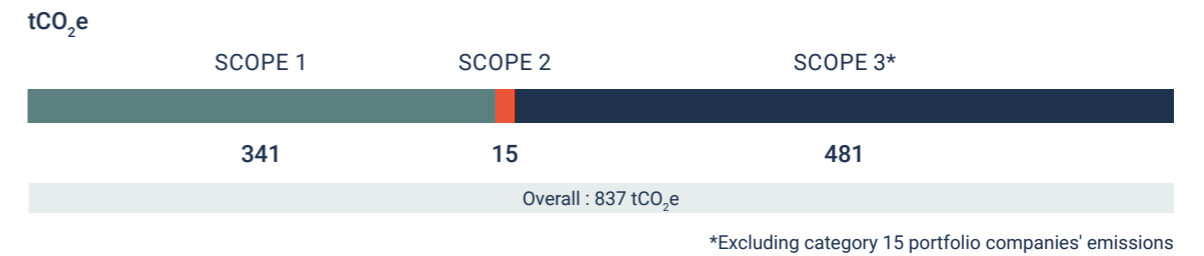
Our SBT commitment places us among leading GPs undertaking significant action on climate change. We trust it is testimony to our dedication to tackling carbon reduction and sets an example for portfolio companies who seek to engage in their own action plan for a low-carbon future.

Offsetting our emissions

By supporting a VERRA-certified¹ agroforestry project in the western Kenya region, Astorg is helping to protect the regional ecosystem from the impacts of climate change while improving the livelihoods of farmers. This reforestation project introduces Sustainable Agriculture and Land Management (SALM) practices to the local farmers. Through this initiative, Astorg has offset 837 tCO₂e, corresponding to its 2021 scope 1, 2 and 3 emissions (excluding category 15).

¹ The Verified Carbon Standard, or Verra is a standard for certifying carbon emission reductions. Verra develops and manages standards that help countries, the private sector, and civil society achieve ambitious sustainable development and climate action goals.

ASTORG GROUP CARBON FOOTPRINT IN 2021



Astorg Philanthropy Investments: positive societal impact focusing on healthcare

Launched in 2022, Astorg Philanthropy Investments (API) is Astorg's venture philanthropy arm. API has one goal: to support the transition to a healthier and more inclusive society.

API will achieve this by providing catalytic support to organisations, both non-profits and social enterprises, which improve health and accessibility outcomes for people living with disabilities, obesity and chronic conditions.

With this brand-new venture, we are seeking to support early-stage organisations in the healthcare sector – a sector chosen because of its alignment with our focus on people as an essential impact topic, as well as a natural overlap with our track record and deep network in the healthcare sector.

API is supported by Astorg's international team. It aims to provide flexible capital, governance and advisory support to high-impact organizations improving health and accessibility outcomes for people living with disabilities, obesity, and chronic conditions.





Gratitude, revitalized engagement and an **active optimism** for the coming years

From extreme climate events to a shifting geopolitical scene, new challenges are appearing even as we are writing the present report. Nonetheless, more than ever, we remain determined to act, with clear-headed optimism about our ability to drive change for the better.

We also believe it is our responsibility to bring a positive outlook to the table, as a catalyst for action and impetus. Through close collaboration and fruitful discussions with our teams, stakeholders, and portfolio companies, Astorg is able to report several major achievements:

- Defining a **new Sustainability Roadmap for 2025**, with quantified targets for each of our core pillars, Climate, Diversity & Inclusion, Impact and Information Security.
- Setting up a number of ambitious **science-based targets**, both for ourselves and for our portfolio companies, heralding a new step on our sustainability journey - one which calls for greater accountability.
- Being keenly aware that human capital is key, we have given **new scope to our diversity and inclusion policy**, pushing for equality, respect, and fairness within Astorg while assisting our portfolio companies in their own DE&I undertakings.

- Forming a dedicated **ESG Committee**, thus giving ourselves the means for ongoing substantial action and progress.
- Joining the **Data Convergence Initiative** and committing to ongoing and in-depth efforts for the standardization and streamlining of ESG data throughout our whole ecosystem in order to improve transparency and openness.
- Benefitting from the stringent scoring of **EcoVadis**, our portfolio companies have improved their ESG scores, and we have helped them enhance their own action plans and ranking.

All these initiatives have triggered tangible progress in companies operating in a wide range of sectors. We hope that our actions can be a source of insight and learning for others in the private equity ecosystem in the same way that, throughout our efforts, we have been constantly inspired, supported, and encouraged by all our partners.

With humility, resolution, and gratitude for the inspiration of others, we are determined to pursue and reinforce our actions in the coming years.

Article 29 Correspondence table

ARTICLE 29 - LEC DISCLOSURES	LOCATION OF DISCLOSURE
1° Entity's overall approach	• Four pillars for a more engaged and sustainable future
2° Internal means to contribute to the transition	• ESG engagement as a lever for value creation
3° ESG governance in the entity	• New action in place for strengthened governance
4° Strategy for engagement with investee companies	• Engagement in portfolio companies
5° 'Sustainable' investments and investments in fossil fuels	• Climate: a key area for our portfolio companies • Appendix 4: SFDR Principal Adverse Sustainability Impacts Statement
6° Alignment strategy with Paris Agreement and low carbon strategy	• Climate: a key area for our portfolio companies
7° Alignment strategy with long-term biodiversity objectives	• Biodiversity: Protecting the living material of our planet
8° Approach to taking ESG criteria into account in risk management	• From due diligence to the exit process, ESG engagement with our portfolio companies is ongoing
9° Publication of a continuous improvement plan in case the entity does not publish some of the information mentioned in 1° to 8°	• Taxonomy alignment: ongoing work at Astorg

TCFD Correspondence table

Astorg strives to continuously improve climate-related processes and reporting and align to TCFD requirements. This reporting is conducted on a best-efforts basis, and we aim to develop it in the coming years.

THEMES	RECOMMENDED TCFD DISCLOSURES	LOCATION OF DISCLOSURE
GOVERNANCE	a) Board's oversight of climate related risks and opportunities	• New action in place for strengthened governance • Astorg climate policy
	b) Management's role in assessing and managing climate-related risks and opportunities	
STRATEGY	a) Climate-related risks and opportunities that the organization has identified over the short, medium, and long term.	• Four pillars for a more sustainable future • Science-based targets: climate commitment made tangible • Climate: a key area for our portfolio companies • Appendix 1 • Astorg Climate Policy
	b) Impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	
	c) Resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a scenario of 2 °C or less.	
RISK MANAGEMENT	a) Process to assess climate-related risks	• From due diligence to the exit process, ESG engagement with our portfolio companies is ongoing • Science-based targets: climate commitment made tangible • Climate: a key area for our portfolio companies • Appendix 1 • Astorg Climate Policy
	b) Process to manage climate-related risks	
	c) Integration of risk process into overall risk management	
METRICS AND TARGETS	a) Metrics used to assess climate-related risks and opportunities	• Science-based targets: climate commitment made tangible • Key figures of engagement with portfolio companies • Climate: a key area for our portfolio companies • Appendix 1 • Appendix 4 • Astorg Climate Policy
	b) Scope 1 and Scope 2 emissions	
	c) Describe targets used	

SFDR Principal Adverse Sustainability Impacts Statement

Astorg considers principal adverse impacts of its investment decisions on sustainability factors. The present statement is the consolidated statement on principal adverse sustainability impacts statement of Astorg Asset Management S.à.r.l. This statement on principal adverse impacts on sustainability factors covers the reference period from 1 January to 31 December 2021. The aggregate values cover the 19 companies which were in portfolio on 31 December 2021: Acturis, Anaqua, Audiotonix, Clario, Corialis, Corsearch, Cytel, Demetra, Echosens, Fenergo, IGM Resins, IQ-EQ, LGC, Nemera, Normec, Opus2, Solina, Third Bridge, Xceptor.

PAIs, as defined by EU SFDR, are negative, material or likely to be material effects on sustainability factors that are caused, compounded by or directly linked to investment decisions and advice performed by a legal entity.

The environmental and social impacts of the activities of all Astorg investee companies are assessed on an ongoing basis through our ESG integration evaluation process. Astorg monitors and evaluates a range of PAI indicators, but as the reporting of many of these metrics by investee companies are currently voluntary, the availability of data on some indicators is limited. As such the integration of PAI indicators is conducted on a best-efforts basis, reflecting the availability of such information. This first voluntary reporting is limited to mandatory PAI indicators. However, as data availability improves, it is expected that PAI indicators will allow for better insight in the adverse impacts caused by investee companies. Furthermore, Astorg may add additional PAI indicators to its monitoring process as the data quality improves.

Additional processes to consider PAI indicators in the investment decision may take place at the specific strategy or product level, where the outcome may be incorporated differently. For instance, in some cases, leading to investment exclusions or conditional inclusions predicated on certain conditions being met.

Description of the principal adverse impacts on sustainability factors

TOPIC	#	ADVERSE SUSTAINABILITY INDICATOR	METRIC	UNIT	2021 VALUE
CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS					
GREENHOUSE GAS EMISSIONS	1.1	Greenhouse gas emissions	SCOPE 1	tCO ₂ e	16,715
	1.2	Greenhouse gas emissions	SCOPE 2	tCO ₂ e	14,767
	1.3	Greenhouse gas emissions	SCOPE 3* (VOLUNTARY INDICATOR)	tCO ₂ e	608,981
	1.4	Greenhouse gas emissions	Total GHG emissions	tCO ₂ e	640,463
	2	Carbon footprint	Carbon footprint	tCO ₂ e/ m€ invested	116
	3	GHG intensity	GHG intensity of investee companies	tCO ₂ e/ m€ revenue	305
	4	Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector	%	0
	5	Share of non-renewable energy consumption and production	Share of non-renewable energy consumption and non-renewable energy production of investee companies	%	79
	6	Energy consumption intensity per high impact climate sector	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector	GWh / m€ revenue	0.06
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
WATER	8	Emissions to water	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average	Tonnes/ €m invested	0
WASTE	9	Hazardous waste and radioactive waste ratio	Tonnes of hazardous waste generated by investee companies per million EUR invested, expressed as a weighted average	Tonnes/ €m invested	0.83

TOPIC	#	ADVERSE SUSTAINABILITY INDICATOR	METRIC	UNIT	2021 VALUE
SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS					
SOCIAL AND GOVERNANCE	10	Investments in companies involved in violations of UN Global Compact principles and Organization for Economic Cooperation and Development (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
	11	Investments in companies without policies to monitor compliance with UNGC principles or OECD Guidelines for Multinational Enterprises	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	%	39
	12	Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies (weighted average)	%	12.5
	13	Board gender diversity	Average ratio of female to male Board members in investee companies, expressed as a percentage of all Board members (weighted average)	%	6.4
	14	Investments in companies involved in the manufacture or selling of controversial weapons	Share of investments in investee companies involved in the manufacture or selling of controversial weapons	%	0

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EDITORIAL & DESIGN: THE EDITORIALIST