January 2022

Sustainability Policy

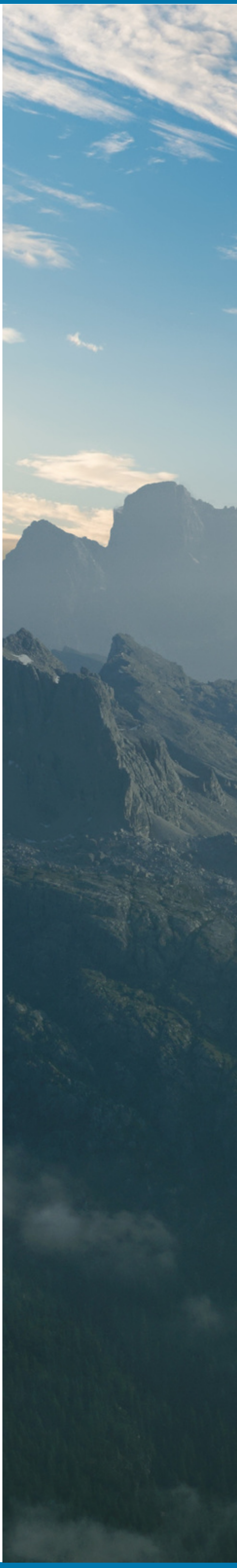
SWEN Capital Partners

SWEN Capital Partners
22, rue Vernier
75017 Paris - France

+33 (0)1 40 68 17 17
www.swen-cp.fr
contact@swen-cp.fr

Table of contents

Introduction



SWEN Capital Partners (SWEN CP), an investment management company specialising in unlisted responsible investment, believes that the integration of Environmental, Social and Governance (ESG) issues contributes to the creation of more value, better risk management and better long-term prospects.

Companies that are the most advanced on these issues today will be among the leaders in their sector tomorrow, outperforming over the long term.

Generally speaking, the inclusion of ESG criteria by SWEN over the last 10 years in the evaluation of both partner management companies and holdings financed directly or indirectly by the financial products managed by SWEN CP serves a number of purposes:

- Putting societal and environmental issues at the heart of SWEN CP's strategy in line with its "raison-d'être";
- Looking critically at financial performance and improving the risk/return trade-off when making investment decisions;
- Anticipating and preventing extra-financial risks and their financial impact in order to preserve value;
- Identifying SWEN CP's exposure to current and future ESG issues in order to seize opportunities and create long-term value;
- Offering solutions to SWEN CP's clients, reporting for them and addressing their expectations and commitments with transparency and thoroughness.

Introduction

This policy is intended to be accessible on SWEN CP's website (www.swen-cp.fr) in order to meet the regulatory transparency obligations for:

- policies on the integration of Sustainability risks in investment decision-making processes (Art. 3 of SFDR Regulation);
- due diligence policies put in place by SWEN CP with respect to principle adverse impacts of investment decisions on sustainability factors (Art. 4 of SFDR Regulation);
- the integration of sustainability risks into the remuneration policy (Art. 5 of SFDR Regulation). This will evolve in line with the regulatory framework and the further development of the ambitions and tools implemented by SWEN CP;
- the consideration, at financial product level, of the criteria established by the European Taxonomy for determining whether an economic activity qualifies as environmentally sustainable;
- the risks associated with climate change and biodiversity, the consideration of ESG criteria in investment strategies and the contribution to meeting the objectives of the Paris Agreement and the energy and ecological transition, as well as SWEN CP's engagement policy (Art. 29 of the French Energy-Climate Law).

SWEN CP uses many tools into its investment processes to assess sustainability risks. Nevertheless, data availability and coverage of the unlisted market is still very variable today and some indicators are not calculated by companies and/or at the level of infrastructure assets. SWEN CP is committed to continuous improvement in the collection of reliable, high quality extra-financial data and the consideration of extra-financial factors.

I. Defining sustainability risks

Sustainability risk means, in accordance with SFDR Regulation, an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment.

1. Governance risks

Governance risks are defined as the risks of loss of value of the portfolio or shareholding due to poor managerial or organisational practices that may lead to instability in the company. Examples include a lack of separation of powers between decision-making bodies, poor managerial style, failure to follow business ethics, centralisation of responsibilities on one key person, etc.

Governance issues are key in the analysis and identification of sustainability risks. Good management of governance issues can protect against direct risks and also limit exposure to other sustainability risks indirectly. An organisation and procedures that are capable of identifying, monitoring and acting on the main governance risks reduce exposure to these risks.

The analysis of governance risks carried out by SWEN CP makes it possible to examine companies' mechanisms for preventing risks linked to the respect of human rights and ethics, as well as their dynamics for integrating social and environmental risks into their organisation (CSR strategy, objectives, taking into account and anticipating regulations, etc.). Governance risks are thus particularly significant for SWEN CP.

2. Social risks

Social risks are defined as the risks of loss of value of the portfolio or of the shareholding in connection to social issues such as employee remuneration, working conditions, workplace safety, recruitment policies, diversity, etc. Operational or reputational risks could involve employees deciding to abandon their jobs or go on strike.

SWEN CP also pays great attention to these issues as fundamental pillars for the sustainable development of an organisation. Accounting for employee satisfaction, setting up fair and equitable remuneration systems, providing suitable work tools and training employees are all levers on which an organisation can capitalise or, should it fail to do so, find itself at risk.

Any responsible investment approach must also take into account the conventions of the International Labour Organisation. Trade union freedoms and the abolition of forced labour, child labour and all forms of discrimination are key principles connected to human rights. These issues are systematically taken into consideration by SWEN CP and further developed when this is deemed necessary.

3. Environmental risks

Environmental risks are defined as the risks of loss of value of the portfolio or the shareholding linked to environmental issues such as the consequences of climate change, pollution, decline in biodiversity, etc. With regard to climate and biodiversity in particular, risks can be of two types:

- Physical risks concern the occurrence of acute events such as natural disasters or chronic events such as droughts or floods, lack of food, the emergence of new diseases, etc. Their consequences are largely operational, as they can disrupt the supply or production chain and have an impact on the company's value;

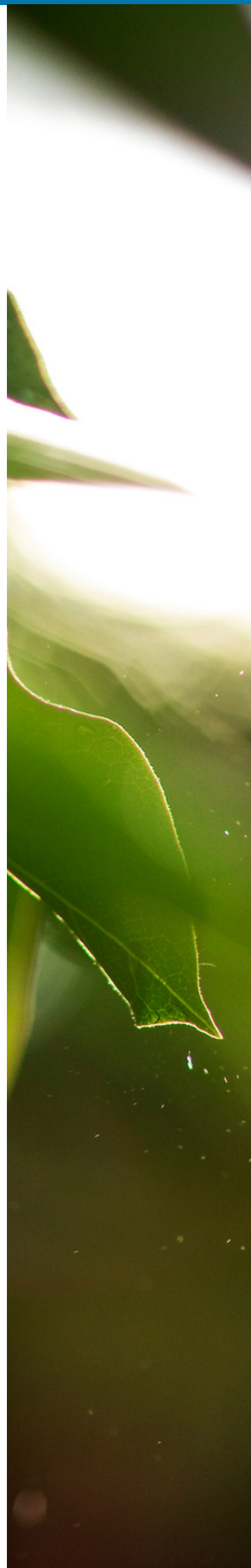
- Transition risks arise from the establishment of a low-carbon trajectory for the economy and the uncertainty of the regulatory or technological consequences on the market. The order of actors considered innovative or lagging behind can be disrupted, for example, by the emergence of new environmental regulations or new technologies. These may require compliance costs and impact the company's value in the event of controversies. Actors' ability to anticipate these risks will have a direct impact on their ability to safeguard their reputation and protect themselves from legal disputes.

I. Defining sustainability risks

SWEN CP is a long-term investor with an investment horizon of up to ten years. All of its investments may therefore be impacted by environmental risks over the medium or long term, such as physical or transition risks related to climate change during the holding period. To reduce this risk, management companies' climate strategy and the climate risks of the holdings are systematically analysed during the due diligence process.

II. Policy for integrating sustainability risks in investment processes

1. ESG risk governance



ESG risks are integrated into the overall risk analysis by the ESG team in the Development & ESG Department in close cooperation with the investment team responsible for the investment case. The ESG team is independent of the investment teams and is responsible for properly identifying and analysing these risks, with the support of the investment teams and of the management of the company or asset in question. This is a team effort integrated throughout the investment process, from the analysis of the offer in the deal flow phase until it goes to the investment committee for validation, then as part of the post-investment monitoring.

Climate risks are part of in-depth due diligence where relevant and the use of specific service providers can also be established for subjects requiring external expertise (e.g., study of the physical risks of an infrastructure asset).
The ESG team is a member of the investment committees and has a voting right on the investment decision.

The risk management teams (risk management and compliance) ensure that a sustainability risk analysis is systematically carried out prior to any investment and that the results of this analysis are not likely to lead to non-compliance with the contractual commitments set out in the pre-contractual and contractual documentation for the managed portfolio(s) involved in the transaction. The risk management teams are members of the investment committees and have a veto power.

The Development & ESG Department is responsible for the definition and implementation of SWEN Capital Partners' ESG strategy. Supervised by the head of the department, who is also deputy CEO, and by the CEO, the evolution and implementation of this strategy is validated by Executive Management and the Board of Directors.

II. Policy for integrating sustainability risks in investment processes

The responsible actor approach is at the heart of SWEN CP’s strategy. The company was one of the first in the unlisted market to create a dedicated and independent ESG team. Today, this team is composed of 8 experienced employees with complementary expertise. It represents approximately 10% of SWEN CP's workforce. It enables SWEN Capital Partners to apply a coherent and structured ESG framework at all stages of investment, monitoring and reporting. These subjects are also communicated internally and all investment, risk, compliance and executive management teams are regularly trained in ESG issues.

SWEN CP’s ESG team is responsible for the effective implementation of the ESG approach in the investment and monitoring process, the calculation of metrics (carbon footprint, NEC scoring, internal ESG scoring, analysis of SDG contributions, eligibility to the European Taxonomy, etc.), the operation of the internal ESG database and the promotion of ESG to stakeholders.

2. Tools for ESG risk consideration

2.1 Integration of ESG criteria into the investment process since 2012

Prior to the due diligence phase

All investment opportunities are subject to an analysis of compliance with SWEN CP's sector exclusion policies. The compliance analysis is based on standard-based and conviction-based exclusions—exclusions of activities defined in exclusion policies presented on its website https://www.swen-cp.fr/esg. For its multi-strategy activities, SWEN Capital Partners systematically frames these exclusions in the side letters signed with the managers of the funds in which it invests. SWEN CP can also take into account its clients' specific exclusions when these are the subject of contractual arrangements. They are then added to SWEN CP's exclusions.

Reputation investigations are also carried out beforehand in order to identify any past incidents, disputes or extra-financial controversies as early as possible that may require further scrutiny or lead to the investment being called into question.

SWEN CP also demonstrated reinforced vigilance concerning high-risk sectors with regard to the Sustainable Development Goals. A qualitative analysis (alignment with management's convictions) and/or quantitative analysis (NEC or other indicators) also helps to prevent transition risks and impacts on the company and the environment.

Lastly, SWEN CP's investment analysis includes four ESG Markers which represent key ESG issues that are an extension of SWEN CP's raison-d'être: respect for the environment, fair sharing of value creation, diversity, and connection to essential goods and services in territories.

During the due diligence phase

During the due diligence phase, SWEN CP's teams systematically carry out an **ESG analysis of the investment** regardless of the type of transaction (primary, secondary or direct). This is incorporated into the investment memorandum and discussed at the various investment committees.

This analysis is based on the study of the management company's or direct investment target's responses to SWEN CP's **ESG and/or impact questionnaires** which are sent out in the pre-investment phase and then annually in the monitoring phase.

For primary transactions, this analysis may thus give rise to several exchanges with the management company studied in order to gain a better understanding of the reality of the processes. SWEN CP's requirements in terms of ESG integration and regular reporting are specified in the side letters signed with the fund managers. A summary of the ESG analysis is presented in the investment memorandum and includes, in particular, the following points:

- A review of the ESG sensitivity of the fund under review to ensure that the management company is committed to SWEN's constraints such as sector exclusions, annual ESG reporting, incident procedures etc.
- The ESG issues and areas for improvement of the management company in relation to the ESG Markers, identified through questionnaires and supplemented, if necessary, by an ESG materiality matrix.

During the due diligence phase

In the case of secondary transactions, the management company is most frequently already in the portfolio and the degree of integration of ESG criteria is already known. At the level of the underlyings, an initial check on compliance with ESG constraints is carried out for the companies in the portfolio on the basis of public or available information. Depending on the number of underlying companies, an in-depth ESG analysis may be carried out on all lines or only on those belonging to the most exposed sectors.

It should be noted that for both primary and secondary transactions, SWEN CP has decided to apply, for its multi-strategy investment activity of its most recent investment vehicles, a portfolio construction approach aiming at promoting funds managed by the most advanced management companies in terms of integration of sustainability factors. Minimum allocation thresholds are introduced to direct investments towards funds managed by the most sustainable managers. Conversely, management companies with the lowest ESG performance are no longer eligible for investment or investments are restricted.

For its direct investment activities, the ESG analysis focuses on the most significant ESG issues and takes into account the sector and size of the companies or infrastructure assets being financed. For impact funds, the ESG analysis is complemented by an impact assessment in line with the fund’s objectives and SWEN CP’s impact doctrine available on its website https://www.swen-cp.fr/esg.

During the due diligence phase

The ESG criteria used by SWEN CP in its analyses are based on the major international conventions, the founding texts of sustainable development, particularly the Global Compact, and authoritative market initiatives both internationally (PRI, Invest Europe, OECD, TCFD) and nationally (France Invest, FIR, Finance For Tomorrow, Afep-Medef, etc.). SWEN CP also uses materiality risk matrices proposed by SASB or other companies in the same industry. When relevant, the investment opportunity is evaluated on its performance against SWEN Capital Partners' own ESG Markers. An ESG Marker profile is then drawn up with a view to defining a commitment plan targeting the identified margins for progress.

During the investment monitoring phase

In the monitoring phase, the management companies with which SWEN Capital Partners invests in funds, as well as its underlying holdings, are surveyed in the first quarter of each calendar year using a dedicated ESG questionnaire and/or impact questionnaire. ESG analysis is carried out on the basis of responses to ‘management company’ and ‘holdings’ questionnaires completed online via an ESG data collection and management tool. The data obtained allows the implementation of numerous ESG performance indicators, presented in an aggregated manner within annual ESG reports. The same applies to specific impact indicators, which are monitored on an annual basis and presented in the ESG & Impact reports of the funds concerned.

These indicators are monitored over time for each actor considered (management companies, funds, underlyings) and provide an operational assessment of management companies’ responsible investment practices and CSR best practices within companies, as well as their evolution related to the areas of improvement identified in relation to the ESG Markers. It gives rise to a regular dialogue, the key elements of which are described in SWEN CP's shareholder engagement policy available on https://www.swen-cp.fr.

At the same time, SWEN CP keeps a daily watch on ESG incidents affecting its direct investments as well as the main underlyings of its funds and mandates through a proprietary system.

SWEN CP applies the same integration of sustainability risks in its investment advice, both in the due diligence phase and in the monitoring of investments.

2. Tools for ESG risk consideration

2.2 Indicators and metrics used

Governance indicators

SWEN CP invests almost exclusively within the European Union or in geographical areas with regulations that ensure compliance with the main conventions of the International Labour Organisation. The approach therefore essentially consists of identifying possible disputes and controversies on these issues of labour law and business ethics (examples: setting up mechanisms for the prevention of risks related to human rights and ethics, as well as on the dynamics of integrating social and environmental risks into organisations, formalisation of a code of conduct). However, SWEN CP reinforces its vigilance on these subjects whenever one of its investments is made outside these geographical areas or presents an exposure via its supply or production chain to these areas which do not ensure compliance with the main ILO conventions and which are sensitive in terms of corruption for example. Thus, as part of the materiality analysis of ESG risks for each investment opportunity, SWEN CP may need to deepen the analysis if an investment, its suppliers or customers are exposed to:

- a sensitive geographical area in terms of corruption or human rights or a sensitive sector (using indices proposed by authoritative organisations in their respective fields)[1];
- or to a sector that is regularly subject to bad practices and reputational risks.

[1] . Resources that can be used for analysis: Global Risk Profile, Transparency International, Human Freedom Index (Cato Institute), ND-GAIN Country Index.

Social indicators

Within the framework of its analyses in the due diligence and monitoring phases, SWEN CP follows specific indicators for social themes. For example, workplace safety is monitored by means of the frequency, severity and evolution of accidents. Furthermore, SWEN CP has made diversity one of its four ESG Markers and thus pays special attention to the complementarity of profiles, gender diversity and highly vulnerable people. Despite recent progress, gender balance remains an important issue, as there are still too few women in managing positions within companies. They are also under-represented in management companies and investment teams.

Measuring the contribution to the energy and ecological transition objectives: calculation of green share

Aware of the climate impact of its investment activity, revealed by the estimated carbon footprints of its funds and mandates among other aspects, SWEN CP has decided to act in support of the energy and ecological transition. Through the adoption of its climate strategy in 2017, a portion of the allocation of new funds open to institutional investors is defined and systematically channelled towards activities that directly or indirectly participate in the fight against climate change or in environmental protection and/or contribute positively to energy and ecological transition.

Prior to each investment, SWEN CP analyses its alignment with a low-carbon world by identifying activities contributing to green growth as defined by the Greenfin label (formerly the TEEC label – Energy and Ecological Transition for the Climate). SWEN CP publishes this ‘green share’ in its annual ESG reports and aims to evolve its definition to align it with the EU Taxonomy. It corresponds to an aggregate of SWEN CP’s investments in companies whose activities mainly contribute directly or indirectly to the fight against climate change or to the protection of the environment, and/or contribute positively to the energy and ecological transition.

Measuring carbon footprint

As a signatory to the International Climate Initiative since 2016, SWEN CP is committed to regularly measuring the carbon footprint of its funds and direct investments in order to assess the alignment of underlyings with energy transition objectives.

In 2021, for the fifth time, SWEN CP had estimates drawn up of the carbon footprints (scopes 1, 2 and 3) of its open-ended funds in the institutional range [2] (and also at the discretion of its clients for dedicated funds and management mandates). Among the indicators calculated, SWEN CP decided for its private equity funds to use the weighted carbon intensity recommended by the TCFD, expressed in tCO_2eq / €M revenue. This estimation work was carried out taking into account the sector of activity (GICS 4), the number of employees and the revenue of each holding in the portfolio. For infrastructure funds, SWEN CP decided to use the carbon intensity induced, expressed in tCO_2eq / €M invested.

Measuring environmental impact: calculation of NEC (Net Environmental Contribution)

NEC is a tool for measuring the environmental impact of economic activities. Robust and easy to use, it is entirely in line with the ‘metrics and targets’ pillar of the TCFD recommendations. It significantly improves the quality and transparency of PRI reporting, reporting under Article 173 of the French Energy Transition Law, and is consistent with the European Union’s Sustainable Finance Action Plan. SWEN CP became a partner of the NEC initiative in 2019 and a co-shareholder and expert member of the NEC Initiative “société à mission” in 2022. SWEN CP uses the NEC as a tool to measure the environmental impact of its direct investments at first, and as a tool for dialogue with all its stakeholders.

[2] . For funds with an inception date after July 2011.

NEC is based on a scientific methodological approach and opposable sources, and is applicable to all asset classes.
It makes it possible to measure the degree of alignment of economic activities with the energy and ecological transition and the objectives defined in the Paris Agreement on a scale of -100% to +100%. This measure goes beyond the carbon footprint as it captures environmental risks in a more global manner by integrating 5 pillars: climate, water resources, natural resource and waste management, air quality and biodiversity.

Assessment of physical and transition risks related to climate change

Climate risks are systematically addressed upstream of the investment phase and in the monitoring phase.

For indirect investments, the analysis carried out seeks to determine the policies, mechanisms and commitments adopted by management companies in order to assess the exposure of their holdings to physical and transition risks. For example, SWEN CP assesses the formalisation of an environmental policy, the performance of environmental due diligence, the signing of the International Climate Initiative, the support of the underlying companies in the face of physical or transition risks, the publication of information on the impact of their investments (e.g., carbon footprint) or the implementation of environmental indicators for holdings.
A specific climate strategy rating is assigned to each management company evaluated.

II. Policy for integrating sustainability risks in investment processes

For direct investments, climate risks are first considered in the materiality analysis of ESG issues. The analysis of transition risks is based on a review of the current and future regulations to which the assets in question are subject, an analysis of technological innovations (R&D, patents, etc.), and the strategic positioning of management's roadmap in relation to behavioural evolutions in its market, customers, competitors and other stakeholders. The analysis of physical risks is based on the geographical location of the production plants, suppliers and members of the supply chain or infrastructure in question. The indicators identified in the ESG monitoring questionnaires also help to assess the company's exposure to these risks and its contribution to a low-carbon world.

If the level of materiality is considered high, a further investigation of the exposure to physical or transition risks is carried out using available studies on this type of activities, the SWEN CP's proprietary ESG database or external providers that can be mobilised. An estimate of the capex (capital expenditure) to be provided for to protect against or cover the risks can be made and integrated into the business plan where appropriate, particularly for infrastructure investments.

III. Statement on due diligence policies for addressing principle adverse impacts on sustainability factors (PAI)

Although SWEN CP has no more than 500 employees on average over the financial year (threshold for compulsory application of Article 4 of SFDR Regulation), it aims to systematically take into account and measure the main negative impacts of its investment decisions on sustainability factors.

This measurement requires the definition and integration of new indicators in data collection and calculation of these by the management companies or holdings.

SWEN CP will assess its principal adverse impacts from fiscal year 2022 and will publish dedicated reporting in accordance with regulatory deadlines, within the limits of existing data.

IV. Shareholder engagement policy

In accordance with the Shareholder Rights Directive II [3], SWEN CP has defined and formalised a shareholder engagement policy covering all of its assets and all of the engagement tools at its disposal.

SWEN CP also translates its commitment through a voting policy at the AGMs of companies in which it has a direct interest, maintaining a continuous dialogue with portfolio corporations and management companies, monitoring the extra-financial performance of invested assets, defining ESG clauses (side letter, shareholders' agreement) and/or participating in strategic decisions by taking part in fund or company committees.

More information is available in the policy: https://www.swen-cp.fr

[3] . Directive (EU) 2017/828 of the European Parliament and of the Council of 17 May 2017 amending Directive 2007/36/EC as regards the encouragement of long-term shareholder engagement.

V. Integration of sustainability risks in remuneration policy

SWEN CP has a formalised remuneration policy which is communicated to all employees concerned in accordance with the requirements of the AIFM Directive [4]. Its scope of application extends from Executive Management and others Directors and heads of the various internal departments to the business managers and financial and ESG analysts (considered as 'risk takers'). It is validated annually by the Board of Directors after obtaining the opinion of the Strategic Committee made up of shareholder representatives.

The remuneration policy defines:

- the 7 principles on which the remuneration rules are based;
- their rules for application;
- the criteria for awarding the variable component;
- the governance set up around this subject.

In particular, the policy lays down rules for taking risks, including sustainability risks, into account in the allocation of remuneration [5]:

1. The fixed component of the remuneration represents the majority proportion of the total remuneration paid, uncorrelated to the performance of the AIFs under management. It is substantial enough not to encourage excessive risk-taking by employees. Each employee is remunerated in accordance with the obligations related to the definition of his or her position, the level of skill and knowledge required, the level of responsibility and the experience acquired. Furthermore, the level of fixed remuneration is in line with market practices in the asset management industry in France.

[4] . Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers
[5] . SWEN Capital Partners is currently developing a cohesive, gradual approach to integrating sustainability risks into the remuneration policy.

2. The rules are designed to ensure that the level of total variable remuneration awarded is in line with the wealth created by SWEN Capital Partners over the long term. Thus the variable component of remuneration is not only linked to the financial performance and does not encourage risk taking that is incompatible with the financial and sustainability risk profiles (e.g., governance risks such as business ethics, as well as physical and transition risks related to climate change, etc.) of the managed portfolios.

In addition, and in accordance with its impact doctrine, SWEN CP has decided to link investor compensation mechanisms to the demonstration of a commitment to impact for all its impact strategies. Thus, the outperformance commission, called “carried interest”, is wholly or partly conditioned by the achievement of impact performance objectives.

SWEN CP has set up a **Remuneration Committee** in charge of monitoring the application of the remuneration policy and periodically reviewing its general principles. This monitoring is carried out by the Strategy Committee—composed of the Chairman and Vice-Chairman of the Board of Directors—at least annually.

Information on the remuneration paid by SWEN CP to its employees can be found in the company’s annual management report and in the annual management reports of the managed AIFs.

The compliance and internal control function is responsible for analysing the impact of internal policy in terms of compliance, both regarding structuring remuneration methods and the effective application of the chosen policy. This analysis is part of the procedures and the annual internal control plan and is the subject of a specific section in the control report issued by the Compliance and Internal Control Department and notably transmitted to the Board of Directors. The Compliance and Internal Control Department may be questioned by the Strategy Committee on the compliance of changes to be made to the remuneration policy.

VI. Communication

1. Pre-contractual information

SWEN CP's approach and commitments to responsible investment are presented on its website as well as through public reporting (e.g., PRI reporting).

In addition, the pre-contractual documentation of all funds and management mandates, as well as investment consulting services, includes information on how sustainability risks are integrated into investment decisions or investment advice and on the results of the assessment of the likely impact of sustainability risks on the performance of the portfolio in accordance with Article 6 of SFDR Regulation.

Furthermore, SWEN CP complies with the European Taxonomy Regulation. The EU Taxonomy identifies economic activities qualified as environmentally sustainable according to their contribution to the following six major environmental objectives:

- Climate change mitigation;
- Climate change adaptation;
- Sustainable use and protection of water and marine resources;
- Transition to a circular economy;
- Pollution prevention and control; and
- Protection and restoration of biodiversity and ecosystems.

VI. Communication

An economic activity shall qualify as environmentally sustainable (or EU Taxonomy-aligned) where that economic activity (i) contributes substantially to one or more of the above environmental objectives, (ii) does not significantly harm any of the above environmental objectives, (iii) is carried out in compliance with the minimum safeguards laid down by the EU Taxonomy and (iv) complies with technical screening criteria that have been established by the European Commission.

Currently, technical screening criteria have been developed for certain economic activities that can substantially contribute to two of these goals: 1) climate change mitigation and 2) climate change adaptation. The criteria to assess the other four environmental objectives will be finalised later.

Regarding managed portfolios that do not promote environmental or social characteristics and that do not have sustainable investment as their objective, SWEN CP wishes to inform its clients that the investments underlying these financial products do not take into account the EU criteria for environmentally sustainable economic activities.

Regarding managed portfolios that promote environmental or social characteristics, or a combination of those characteristics, in accordance with “Article 8” of SFDR Regulation SWEN CP wishes to inform its clients on:

a) How those characteristics are met;

b) The fact that the “do no significant harm” (DNSH) principle applies only to those investments underlying the financial products that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of these financial products do not take into account the EU criteria for environmentally sustainable economic activities.

VI. Communication

Regarding managed portfolios that have sustainable investment as their objective, in accordance with “Article 9” of SFDR Regulation SWEN CP wishes to inform its clients on:

a) How that objective is to be attained;

b) Where the financial product has a reduction in carbon emissions as its objective, the objective of low carbon emission exposure in view of achieving the long-term global warming objectives of the Paris Agreement;

c) Where no EU Climate Transition Benchmark or EU Paris-aligned Benchmark in accordance with Regulation (EU) 2016/1011 of the European Parliament and of the Council is available, how the continued effort of attaining the objective of reducing carbon emissions is ensured in view of achieving the long-term global warming objectives of the Paris Agreement;

d) The fact that those financial products are not currently taking any commitment to align their investments with the EU Taxonomy. However, as part of its ESG due diligences, SWEN CP is gradually integrating the assessment of its’ investment activities’ alignment with the EU Taxonomy, if the activities are covered by the EU Taxonomy, and on the basis of the turnover of the relevant investment targets. To do so, SWEN CP first evaluates whether the economic activity of each investment opportunity is eligible to the EU Taxonomy, i.e., described in the delegated acts of the EU Taxonomy. If so, SWEN CP will then evaluate whether the investment opportunity’s economic activities are environmentally sustainable, i.e., whether they (i) contribute substantially to one or more of the environmental objectives listed in the EU Taxonomy, (ii) do not significantly harm any of these environmental objectives, (iii) are carried out in compliance with the minimum safeguards laid down by the EU Taxonomy and (iv) comply with technical screening criteria that have been established by the European Commission.

VI. Communication

The EU Taxonomy alignment of investment opportunities will first be measured by turnover. The information needed for the assessment will either be (i) obtained directly from target opportunities, (ii) by default, estimated in whole or in part by SWEN CP, provided that it shall be in a position to justify the assumptions used or (iii) obtained from third party providers. This assessment of the alignment will be reviewed annually during the holding period of the investment.

However, due to the nature of the funds and mandates managed by SWEN CP, this information is not published on its website but is made available to all its eligible clients and prospects.

2. Reporting

The results of the implementation of SWEN CP's responsible investment policy are communicated to all its stakeholders in several ways:

1. **ESG reporting**. SWEN CP carries out annual ESG reporting for the majority of its funds under management or under mandate. These reports are communicated to SWEN CP investors. An ESG and impact report is produced for funds with an impact strategy and is communicated annually to its investors. In addition, the reports for all products covered by Articles 8 and 9 of SFDR:

    - provide the information required by Article 11 of SFDR Regulation;
    - will include a report on principal adverse impacts of investment decisions on sustainability factors within the regulatory deadlines.

2. **ESG controversy reporting**. SWEN CP monitors ESG incidents that affect its direct investments as well as the main underlyings of its funds and mandates. Quarterly ESG controversy reports are drawn up and sent to the investors of the funds and mandates that are managed or advised by SWEN CP who benefit from this monitoring system.

3. **PRI reporting**. SWEN CP's annual response to the PRI questionnaire can be accessed by following this link: https://www.unpri.org/signatories/swen-capitalpartners/1827.article. All answers to the questionnaire have been voluntarily made public.

4. **Article 173 reporting**. Each year, in accordance with French regulations, SWEN CP publishes on its website the report drawn up in application of the provisions of Article 173 of the French Energy Transition Law (LTEE).

5. **Financial and commercial meetings**. Regular meetings with unitholder representatives and management companies enable SWEN CP's investment teams to present the Group's position and strategy on responsible investment. It is also an ideal opportunity to identify the current and future expectations of our stakeholders.

6. **Specific reports for institutional investors**. Each year, institutional investors request that SWEN CP provide them with custom reports on the responsible investment approach implemented on their unlisted allocation. These custom reports take different formats depending on the institutional investors' specifications: video statement on a notable asset, contribution to the institutional investor's Article 173 reporting, assessment of the carbon impact of a specific perimeter (green share, brown share, carbon footprint scopes 1, 2 and 3, etc.), specific annual ESG questionnaires, etc.

VII. Commitment to collaborative initiatives

SWEN CP is very active in French and international professional associations to promote the integration of ESG issues within the profession (in private equity as well as in infrastructure). This involvement is reflected in SWEN CP's participation in the governance of several market organisations specialising in responsible investment and in various working groups. This constant vigilance on ESG issues is also characterised by numerous presentations at conferences, interviews and publications. The different organisations in which SWEN CP is involved are presented in its annual response to the PRI questionnaire.

SWEN CP is committed, through the various initiatives to which it adheres, to encourage and support the management companies with which it collaborates as well as its direct and indirect investments to take ESG and climate issues into account.

Glossary

Capitalized terms used in this policy have the meaning given to them in the glossary below. References to any law or regulation shall be construed, unless expressly stated otherwise, as references to such law or regulation as amended, modified or updated from time to time.

DNSH (“do no significant harm”) means the principle to avoid significant harm to any of the environmental objectives set out in the Taxonomy Regulation

Energy-Climate Law means French Law No. 2019-1147 of 8 November 2019 on energy and climate

ESG means the environmental, social and governance criteria mentioned in Article L. 533-22-1 of the Monetary and Financial Code

ESG Markers mean the extension of SWEN CP’s raison-d’être in four key ESG issues: respect for the environment, fair sharing of value creation, diversity, and connection to essential goods and services in territories.

NEC Environmental Contribution (NEC) means a tool for measuring the environmental impact of economic activities: www.nec-initiative.org

Principle Adverse Impacts (PAI) mean the principle impacts of investment decisions that could cause a significant or potentially significant adverse effects on sustainability factors (environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters)

SASB means the Sustainability Accounting Standards Board.

Scopes 1, 2 and 3 mean the perimeters within which an organization’s greenhouse gas emissions are calculated (scope 1: direct emissions; scope 2: indirect emissions related to energy consumption; scope 3: other indirect emissions).

Glossary

SFDR (“Sustainable Finance Disclosure Regulation”) means Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector: https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32019R2088&from=EN

Sustainable Development Goals (SGD) mean the 17 goals established by UN member states responding to global challenges, including those related to poverty, inequality, climate, environmental degradation, prosperity, peace and justice, and setting targets to be achieved by 2030

Sustainability risks mean an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment

Taxonomy Regulation means Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment: https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32020R0852

SWEN Capital Partners

S.A with capital of 16,143,920 euros
RCS Paris 803 812 593 - APE 6630 Z

Management company accorded by
AMF n° GP-14000047 - FR