



Sustainable Finance Policy

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Manifesto

“ Our ambition: to contribute to the emergence of a *genuinely* sustainable finance through sincere commitments, concrete actions and the mobilisation of our teams and our ecosystem. ”

Faced with the urgency to act to transform the economy and championing the belief that asset management companies have a major role to play in this transition, we are reinforcing our longstanding commitment and taking concrete steps to contribute to the emergence of a *genuinely* sustainable finance.

Our choices and actions are guided by a core principle: to invest responsibly based on objective criteria and rigorous analyses, based on over 10 years' experience in ESG integration. With this recognised expertise, we have decided to deepen our commitment.

Although framed by a set of regulations, it is clear that the practices of players in the field of Sustainable Finance are far from being aligned. While any actor can claim to be a sustainable finance player, we want to give new strength to this expression through requirements that go beyond the regulations and concrete actions that materialise our ambition. Aware that our progress will be gradual, we commit ourselves to continue along this path with humility but also with conviction.

The more than 90 employees who make up our teams to date uphold the same belief: although money is a lever for change, money alone cannot do everything. This is why we have decided to commit ourselves not only through the investments we make, but also by mobilising our teams and our ecosystem with the goal of guiding our clients, our portfolio companies and our partner management companies along a common virtuous path.

As the result of a collaborative process, this document presents SWEN Capital Partners' Sustainable Finance policy for the period of 2023-2025. The policy is integrated into the heart of our business plan, supported by the Executive Committee and implemented by all employees.



PILLAR

01.

Evolving
governance
to fully support
the ambition

Dedicated strategic and operational management

In order to guide our ambition to contribute to truly sustainable finance and to involve our shareholders, management and all our employees in this process, we are developing our governance.

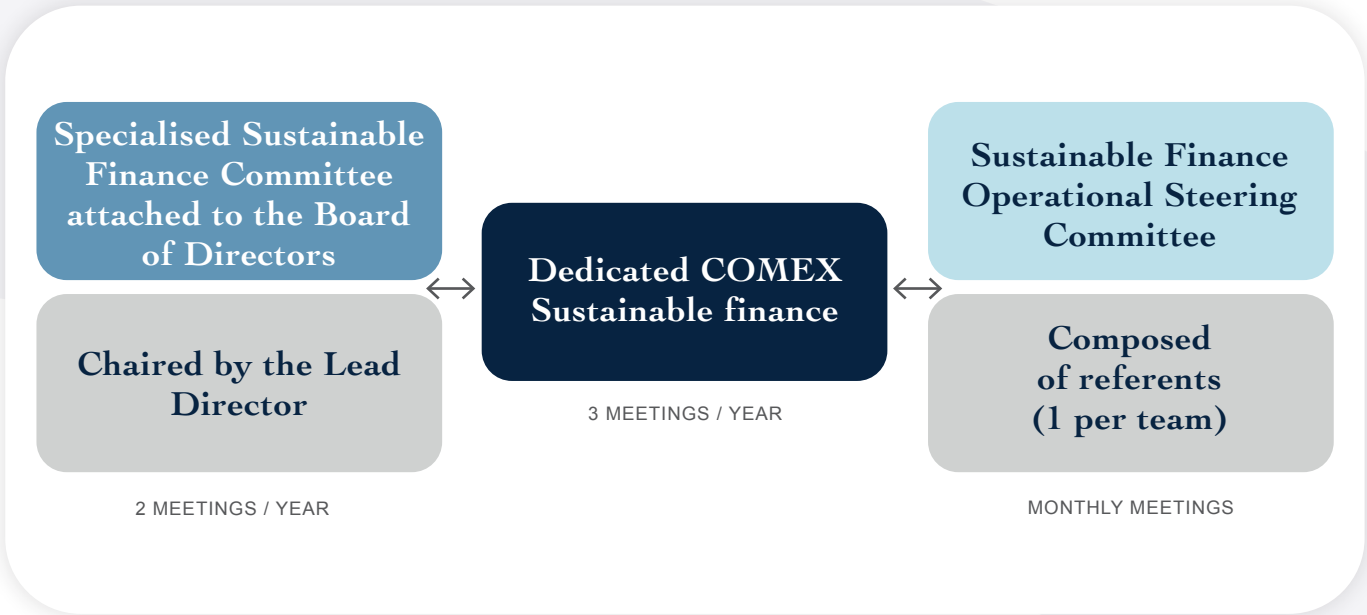
On March 29th, 2023, SWEN CP’s Board of Directors approved the **creation of a specialised Sustainable Finance Committee** and the appointment of a **Sustainable Finance Director** from amongst its members, who will also be Chairman of said Committee. In this capacity, the committee’s role is not only to issue an informed opinion on the definition of the Sustainable Finance policy’s action plan, which will be proposed by the Steering Committee and validated by the Executive Committee, but also on the proper implementation. The committee also makes recommendations to the Executive Committee regarding additional actions to be implemented or best practices to be taken into consideration. Finally, the committee informs the Board of Directors on the definition and application of the Sustainable Finance Policy.

Executive Committees dedicated to Sustainable Finance issues will also be held three times a year to validate the action plan and the associated budget proposed by the Steering Committee, to take stock at mid-term, and to approve the results and the outlook for the following year.

In addition, **we are creating a Sustainable Finance Steering Committee (SFSC)** responsible for proposing, coordinating and monitoring all the action plans resulting from this strategy. It meets monthly, and for the first time on 22 March 2023, with the Development & Sustainable Finance Department, the dedicated PMO, the two ESG managers and the Sustainable Finance referents.

Since the Sustainable Finance policy is a strategic project that is intended to involve all departments, **referents have been appointed within each business team, representing each investment strategy as well as the so-called “support” functions (Client Solutions, Sales, Compliance, Data, Marketing, Middle Office, Reporting, Risk Management and Information Systems).** Their role is to contribute to the implementation of the action plan, to pass on information to and from their respective teams, but also to resolve bottlenecks, share areas for improvement or even to relay ideas for innovation or for deepening commitments.

Finally, the training of key members for the success of this Sustainable Finance Policy will be reinforced. Thus, the members of the Board of Directors, the Executive Committee and the Operational Steering Committee (including the Sustainable Finance referents) will be regularly trained on these issues through expert presentations and workshops.



b.

ESG's position reaffirmed at the heart of decision-making

Since 2012, we have had a **dedicated ESG team, independent of the investment teams and that reports directly to the Deputy Managing Director in charge of Sustainable Finance**. The decision to bring this expertise in-house and to provide the team with the means to have freedom of analysis and leverage was a strategic decision and has always been a strong differentiating factor for SWEN in the non-listed sector.

Independence does not mean isolation, however, as the ESG team is fully integrated throughout the investment process, working very closely with the investment teams. At SWEN, all our teams work together towards a common goal: to integrate sustainability issues into the heart of all our decisions. The investment teams carry this objective from the very beginning of their analysis and rely on the expertise of the ESG team to decipher and better

understand the various, often complex, issues. The ESG team participates fully in all due diligences and committees, presents its analyses at pre-committee meetings and regularly trains the investment teams on ESG issues. In addition, the team systematically participates in the definition of new investment strategies.

The 'voice' of the ESG teams is thus already heard and followed throughout the investment process. However, in order to strengthen this model, beyond the teams currently in place, and to provide a guarantee to our stakeholders that ESG will always be a prerequisite for any investment decision, we have chosen to **materialise this commitment through the attribution of an ESG veto lever**. This will be held by the Sustainable Finance Director.

c.

Recruitment, remuneration and training policies aligned with objectives

In order to ensure that all HR processes are aligned and consistent with the ambition of the Sustainable Finance commitments, a project to revise recruitment, remuneration and training policies will be launched in 2023.

We will strive to develop innovative measures to promote and encourage the commitment of our employees, but also to set an example for our ecosystem and encourage other actors to follow the same path.

d.

Pathway to becoming a "Société à Mission" (mission-based enterprise)

In 2019, the French *loi Pacte* introduced the status of a "Société à Mission" or a "mission-based enterprise" allowing a company to include in its articles of association the social and environmental commitments it has set for itself as a "mission" to pursue through its business activities. In November 2022, our Board of Directors approved our intention to adopt this status. Since that date, a committee made up of "ambassadors" from each team and been working in concert with the Executive Committee, has

been responsible for defining, "the Mission", which will then be written, after validation by the Board of Directors, into our legal statutes, by the end of 2023. The Mission will become our compass, and its purpose will be to provide an anchor for all reflection and to guide operational and strategic decisions at all levels of the company. As such, it will have strong links with the Sustainable Finance Policy and certain projects may be shared.



PILLAR

02.

Financial products
in the service
of nature and
better living for all

Funds that are already committed

Innovation and integration of ESG issues accross all of our investment strategies

All our investment strategies benefit from our in-house ESG expertise. This is naturally true for our impact strategies, but it is also true for our multi-strategy expertise in private equity and infrastructure, our venture capital investment strategy and our mezzanine debt investment strategy, which benefit from over 10 years of know-how in ESG integration. All of these strategies share a common trait of making innovation and commitment a mark of distinction.

Our latest mezzanine debt investment strategy, SWEN Mezz Flex, which is classified as article 8 under SFDR, incorporates the innovative NEC metric into its investment rules. Dedicated to supporting the growth of French and European SMEs, this strategy is committed to investing in businesses with an NEC score strictly above a certain threshold and undertakes, where applicable, to ensure that each company financed benefits from a support programme. Furthermore, within the framework of the established contractual clauses, a financed company may see its financing rate adjusted downwards (or upwards) according to the achievement of the objectives fixed before the investment between SWEN CP and the management of the companies.

Classified as Article 8 according to SFDR in their last year, the multi-strategy ranges in private equity and infrastructure, Territoires Innovants, Europa and Infra Multi Select, regularly reinforce their innovative ESG approach in the non-listed sector. This approach consists of directing investments made in primary and secondary transactions towards funds with the best practices in terms of ESG integration and whose management companies are structured internally to meet their ambitions. A discriminating approach to portfolio construction rules has been created, based on a robust proprietary rating methodology and the historical expertise of our ESG teams (see below). Thanks to this rigorous and transparent approach, we can not only offer our clients exposure to the most ambitious sustainability strategies, but also go beyond the binary (but necessary) framework of the SFDR rating system. This is made possible by our analysis, for each fund under review, of the environmental and social characteristics promoted, the stated objectives, the processes deployed and the means implemented to meet the stated ambitions.

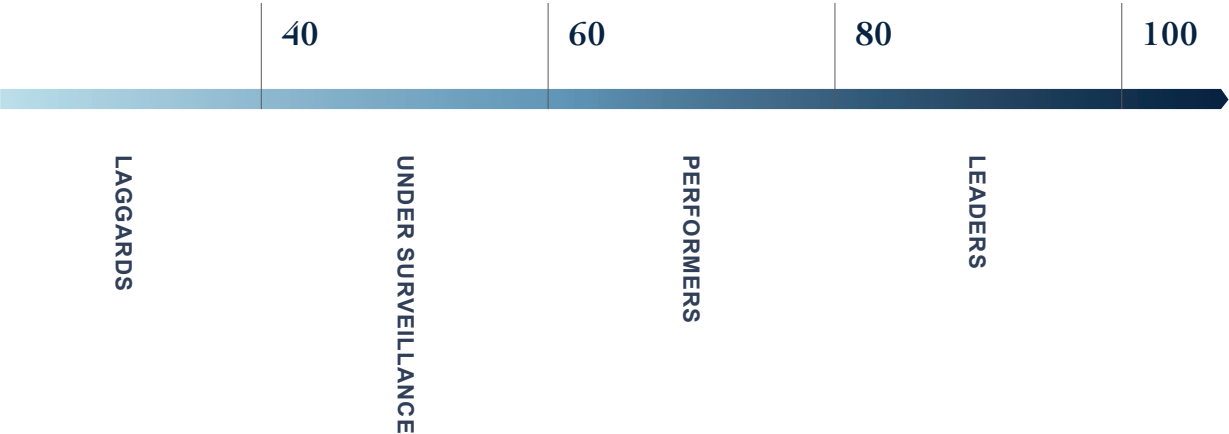
Lastly, these multi-strategy ranges are also a source of innovation by setting, as of 2017, in their allocation rules, a specific earmarking of the amounts invested towards activities contributing to the energy and

ecological transition, enabling them to encourage and support the development of the market on the finer integration of climate issues in their investment choices.

(1) Se reporter à l'encadré page 21

Partner management companies that share our beliefs

When we invest in funds we do so because our values are aligned. To ensure this, we have adopted an approach to portfolio construction that promotes funds managed by the most advanced fund managers in terms of sustainability integration. We have developed a proprietary method to score them on a scale of 0 to 100 to classify them into 4 ESG maturity categories: “laggards”, “under surveillance”, “performers” and “leaders”. We then set minimum allocation thresholds to direct investments towards the “leading” funds. Conversely, investments in management companies with the weakest ESG performance, “laggards” and “under surveillance”, are highly restricted or even prohibited, depending on our investment strategies.



Impact funds

In addition to our historical ESG approach, since 2019 we have developed an “impact” investment strategy. To this end, we have defined our “impact doctrine”, which was updated in May 2022², with a view to a “systemic vision”. We also link our impact approach to the various reference frameworks adopted in Europe (in particular the Disclosure Regulation known as the “SFDR” or the EU Taxonomy of Sustainable Economic Activities), and internationally with the United Nations Sustainable Development Goals (“SDGs”) as well as the Paris Climate Agreement and the Convention on Biological Diversity.

We define impact investing as a strategy that aims to accelerate the fair and sustainable transformation of the real economy, by providing evidence of its beneficial effects. We take into account three fundamental characteristics (recommended by the FIR³, France Invest and the Institute for Sustainable Finance and recognised by market reference frameworks): intentionality, additionality, enabling the invested company to increase the impact generated by its activities, and impact measurement.

(2) Available on our website, under Sustainable Finance

(3) Responsible Investment Forum https://www.frenchsif.org/isr_esg/

SWEN Impact Fund for Transition (SWIFT)

Launched in 2019, the SWEN Impact Fund for Transition (SWIFT) range was the first impact strategy dedicated to renewable gas infrastructure in France. The objective of the fund was to create a strategy dedicated to the decarbonisation of the gas sector and the financing of its transition, based on an impact measurement methodology, co-developed by the ESG team, the investment team and industrial and scientific experts, the results of which are regularly reported to clients. The investments made mainly concern anaerobic digestion units and “green” hydrogen infrastructures, i.e. produced by electrolysis from renewable energy sources. This strategy is supported by an impact committee whose members are representatives of the fund’s investors. Its role is to validate the choice of impact KPIs and the associated impact objectives.

SWEN Blue Ocean

Our second investment strategy, SWEN Blue Ocean, was launched in July 2021. The fund aims to fund innovative start-ups that contribute to regenerating the health of the oceans by providing solutions to three main threats: overfishing, pollution and climate change. Like SWIFT, the SWEN Blue Ocean investment strategy is classified under Article 9 of the SFDR and aims to contribute to a systemic environmental impact measured through a scientific and transparent methodology⁴. SWEN Blue Ocean was launched in partnership with Ifremer, the leading French oceanographic institute. This strategy is also based on a twofold impact governance with, firstly, an Impact Committee, a structure that ensures the alignment between the impact thesis and the investment choices. Its members, who are independent and experts in ocean conservation, ensure the scientific relevance of investments, even before they are presented to the Investment Committee. Secondly, like the SWIFT strategy, the fund has an Impact Governance Committee, whose members are representatives of the fund’s investors and who validate the choice of impact KPIs and the associated objectives and then monitor the achievement of the objectives over the life of the investment. At Climate Week in New York in September 2023, the Blue Ocean strategy was recognised by Uplink, the innovation platform of the World Economic Forum, as a “Top Innovative Fund for our Future”.

We are also committed to continuing our research and development efforts in order to regularly propose new impact investment strategies that can help finance solutions to combat climate change, biodiversity loss and other major societal challenges. These strategies will be systematically structured in the form of impact funds in line with our impact doctrine, classified under Article 9 of the SFDR, and may be based on one or more partnerships that provide expertise, particularly in science and technology.

(4) The specifics regarding the application of the SWEN Capital Partners Impact Doctrine to the construction and development of SWIFT strategies such as SWEN Blue Ocean are spelled out in the Impact Methodology of each strategy.

b. A transition to 100% committed products classified as Art. 8 or 9 according to SFDR

SWEN CP is aware that the classification introduced by the SFDR is by no means a label in itself. However, it does impose transparency rules on sustainability and on “sustainable investments” in products, combined with an obligation to specify the approach used by the management company to qualify an investment as “sustainable”. As of January 1st, 2023, we have therefore adopted a definition of sustainable investment⁵ which reflects our commitment, through a robust process and ambitious and rigorous criteria, reflecting our 10 years of ESG expertise.

On the basis of this framework of analyses and decisions, we are now committed to creating only funds classified as art 8 or art 9 within the meaning of the SFDR for all new product launches within our range of institutional funds. Thus, 100% of this range of funds marketed from 2023 onwards will consist of art 8 and art 9 funds. This figure will be published annually on our website.

We are also committed to proposing to our clients with an existing management mandate to change their investment selection and monitoring strategy in line with Article 8 SFDR. More specifically, we will propose to them to make new investments that promote environmental and social criteria.

Aware that these strategic choices belong to our clients, but in order to commit ourselves to a proactive approach, we are aiming for a minimum of 50% of our mandates to be classified as Article 8 according to SFDR by the end of 2024 (in number and/or amount), i.e. historical management mandates and all new management mandates entered into from 2023.

We may therefore refuse any new management mandate whose investment strategy does not promote environmental and social criteria, i.e. whose SFDR classification is not Article 8.

(5) The definition can be found on our website under the heading “Sustainable Finance”.

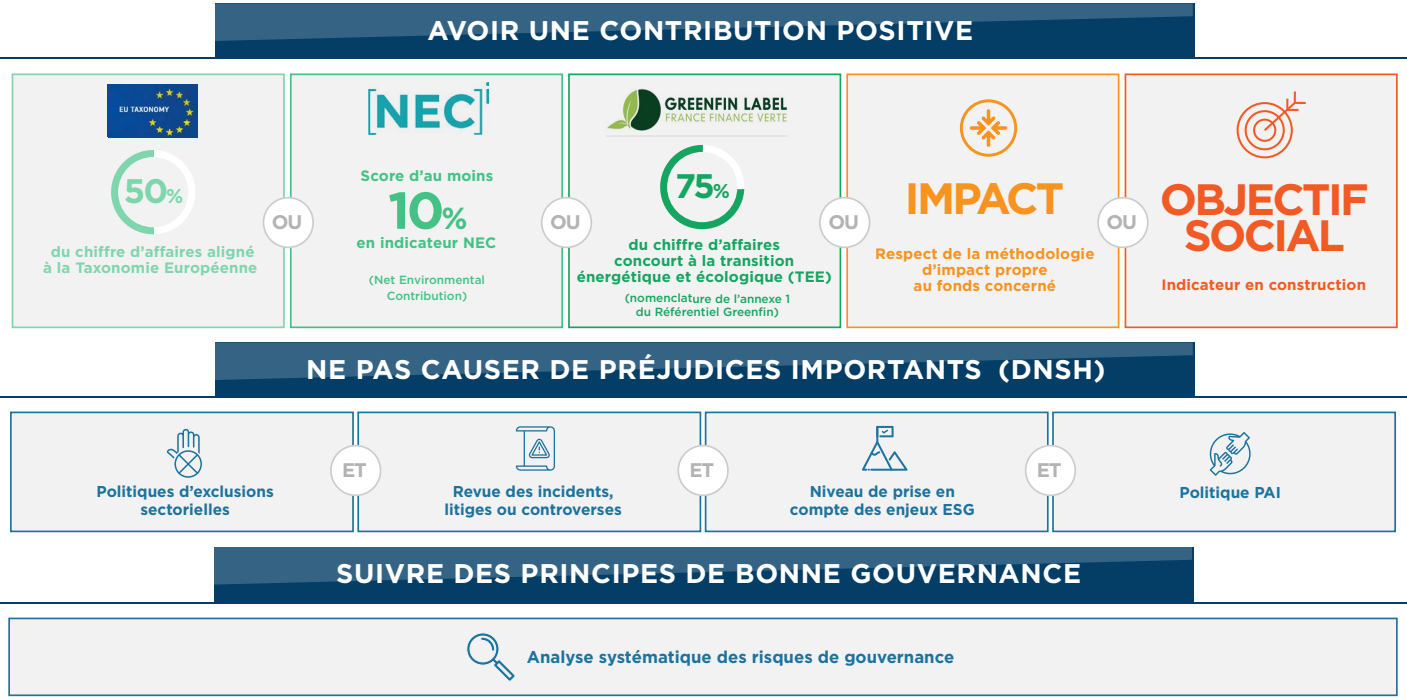
c. Investments screened by a detailed ESG analysis

1. A rigorous approach to all investments

The ESG analysis carried out by our teams is based on a robust and demanding process and is part of our identity and based on 10 years of experience.

Our methodology reflects the iterative and incremental processes that have been in place for several years and the continuous improvements made by our teams to meet and anticipate our clients’ needs. It has also been built by anticipating, relying on and responding to the various regulations. This expertise in taking

into account the sustainability risks and the main negative impacts on the sustainability factors of each investment has been decisive in the design of our approach to qualify an investment as “sustainable”, in accordance with the definition established by the SFDR. As a **result, since January 2023, all potential investments, whether direct or indirect, and whatever sustainability requirements are associated with them, are examined through the prism of our “definition of a sustainable investment”.**



Focus **[NEC]ⁱ**

The first multi-issue environmental indicator, based on a scientific approach to life cycle analysis, the NEC is universal: it can be applied to any type of company, any type of project, any asset class, and on a global scale. Convinced that it is by developing reliable and comparable indicators that we will be able to collectively change our ways of doing and investing for the benefit of sustainable finance, we became shareholders of the NEC Initiative in January 2022 alongside Sycomore Factory, OFI Invest and Eurinvest.

The NEC indicator provides a simple answer to a complex question: measuring the degree of alignment with the ecological transition of a product, a service, a project, an infrastructure, an economic model, and therefore of a company and a financial product (issuers, funds, indices). The measurement, based on a “Climate - Biodiversity - Resources” triptych approach, integrates 9 impact categories⁷ and 200 points with a real requirement:

- of -100% for the most destructive activities of natural capital, in obstruction to the ecological transition;
- to +100% for activities with a strong positive net environmental impact, which are solutions for accelerating the ecological transition;
- through 0%, where the middle of the scale corresponds to the current world average for each function or use analysed.

Our ESG teams have made a major contribution to the development of the NEC measure and, more specifically, to an approach specific to methanisation, through weekly exchanges throughout the tool's ramp-up phase. Our entire ESG team was also trained for more than 20 hours in order to master the calculation method in detail.

(7) Greenhouse gas emissions, energy resource use, soil pollution, land use change, water pollution, water consumption, air pollution, soil pollution, non-energy resource use

The approach we have adopted is divided into three pillars. The first consists of characterising the level of contribution of the activities to one or more of the environmental objectives. To do this, we use several internal and external tools, associated with a minimum level of contribution. In addition, in the case of an investment in an impact vehicle, it must meet the criteria of our impact doctrine⁶, which is broken down into specific indicators.

The second pillar consists of assessing the extent to which an investment is likely to be detrimental to an environmental or social objective (DNSH). The significance of the harm is assessed qualitatively or through specific metrics at each key stage of the analysis. This study takes place before the investment is made, but also during the follow-up phase. In particular, the “detection of past incidents, disputes or controversies” gives rise to a quarterly report sent to clients for all funds in

the institutional range and management mandates, an innovative practice in the non-listed sector. This reporting is also associated with a crisis management process based on three levels of seriousness (slight, significant, serious).

Finally, the third pillar consists of a thorough review of the good governance practices of each investment opportunity, particularly with regard to sound management structures, employee relations, remuneration of competent staff and compliance with tax obligations. We therefore consider governance risks to be particularly material and systematically factor their management into our due diligence analyses and resulting investment decisions.

The details of the main steps and means used during this analysis are specified in the document entitled “Sustainable Investment” and available on our website, under the heading Sustainable Finance.

(6) Available on our website

2. Collaboration with an ecosystem of experts

To ensure the relevance of our approaches, we rely on science-based indicators and market recommendations. More specifically, we collaborate with an entire ecosystem and establish partnerships in order to objectify and make the measures and tools we use comparable and opposable.

Impact assessment methodologies




As part of our impact strategies, we systematically work with scientific and industry advisors to identify relevant impact indicators and co-construct “impact calculation methodologies”. This allows us to measure impact performance throughout the holding period of an investment. Then, when the underlying company is sold, during the divestment committee, the final results are compared to the impact objectives previously validated by the impact governance committee.

SWIFT calculator

For our SWIFT investment strategies, we collaborated with Blunomy, a consultancy specialising in energy transition issues, and Quantis, a consultancy specialising in Life Cycle Assessment and the definition of sustainability metrics, in order to determine relevant and robust impact indicators in view of the complexity and specificity of the sectors addressed.

INDICATEURS PAR TYPE D’ACTIF
AGRÉGÉS AU NIVEAU DU FONDS

Taux de couverture : 61,3% des projets en opération en 2021 (calcul basé sur les montants investis au 31/12/2021).

	8 UNITÉS DE MÉTHANISATION		6 UNITÉS DE COGÉNÉRATION		7 STATIONS D’AVITAILLEMENT EN GAZ
Biométhane injecté (MWh)		Quantité d’électricité injectée (MWhe)		Ventes de BioGNV (Kg)	
326.307		17.851		619.398	
Engrais azotés substitués (t)		Quantité de chaleur valorisée (MWth)		Emissions évitées (kg PM2.5eq)	
5.177		17.832		247	
Déchets traités (t) ³		Engrais azotés substitués (t)		Réduction de l’émission de polluants atmosphériques (%)	
296.119		1.683		66%	
		Déchets traités (t) ³			
		108.295			

Source : données collectées auprès des sociétés et traitées par SWEN CP.

(1) En prenant en compte les données publiques calculées par Waga et représentant 24 000 tCO2eq évitées nettes en 2021, le taux de couverture du KPI tCO2eq évitées nettes passe donc à 80,1% des projets en opération en 2021 (calcul basé sur les montants investis au 31/12/2021)
(2) Les émissions évitées sont liées au gaz naturel substitué, aux engrais substitués et à la valorisation des intrants
(3) Hors CIVE et cultures dédiées

INDICATEURS COMMUNS À TOUS LES TYPES D’ACTIFS INVESTIS
AGRÉGÉS AU NIVEAU DU FONDS

Taux de couverture : 61,3% des projets en opération en 2021 (calcul basé sur les montants investis au 31/12/2021).

	2021 : 135.196 ¹ 2020 : 6.810		2021 : 61% 2020 : 18%		2021 : 39 2020 : 7
EMISSIONS ÉVITÉES NETTES (TCO2EQ) ²		RÉDUCTION DES ÉMISSIONS DE GES (%) ²		NOMBRE D’EMPLOIS DIRECTS CRÉÉS (ETP)	

Source : données collectées auprès des sociétés et traitées par SWEN CP.

(8) Source: SWIFT 1 2021 Impact Report, non-public

Thematic collaborations

In addition, we work with experts or working groups in order to better understand specific issues and to provide ourselves with reading grids or practical tools. For example, to address issues related to “human rights”, we work with our professional association France Invest to address “sustainability in the value chain”. Furthermore, to go further and address the specific and complex issues related to the risk of forced labour in the supply chain of solar photovoltaic panels and batteries, **we have joined, as a founding member, the “Green Transition Free From Forced Labor” initiative led by Ksapa, a company with a social objective, to create, an open access toolkit together with the actors of the sector.** This toolkit will be made available to investors and portfolio companies to enable them to better understand and take into account these issues in their activities.

We also share our experiences and encourage collaboration within the blue ecosystem, including **having contributed in 2021 to the creation of the 1000 ocean startups initiative⁹**, now hosted by the World Economic Forum. In June 2022, 1000 Ocean Startups launched the Ocean Impact Navigator, a new open-source impact measurement framework to harmonise and strengthen impact measurement on ocean-related innovations. As a result, innovators are increasingly creating new technologies and business models for the health of the oceans. However, in order to measure their contribution, they need an impact measurement tool that everyone can use. This increases transparency, alignment, accountability and visibility of ocean impact. As an objective measure it also helps to attract more investment in this area.



Professional associations

Finally, convinced that a harmonisation of market standards is necessary to transform our sector, we are actively involved in several initiatives, in France and internationally, in order to contribute to the development of common methods and tools for sustainable finance. We are a member of the Steering Committee of the France Invest Sustainability Commission and one of the first members of its Impact Commission. For example, we participated in the joint FIR and France Invest working groups on impact in 2020 and in the working group on biodiversity since 2021. We are also heavily involved with the Institute for Sustainable Finance and as such

were a signatory of its “Impact Investor Charter” for our first impact fund. On Nature issues, we have been an active participant in the International Climate Initiative since January 2016 and we are committed to taking into account, measuring, managing and reporting on the carbon issues of our investments. We are also a member of the Finance for Biodiversity Foundation since 2022 (see Pillar 3, c).

To find out more about these initiatives and our contribution, visit our website under Sustainable Finance.

(9) <https://www.1000oceanstartups.org/>

d.

Value sharing

For all of our strategies, the possibility of subscribing to so-called “carried interest” shares¹⁰ of funds managed by SWEN CP is offered to all employees and not just to the investment teams. This is a way for us to involve every employee and to recognise that everyone participates in the collective success, regardless of their function.

In addition, for our latest impact funds (and classified as Art. 9 according to SFDR), the team’s carried interest is conditional on the achievement of specific impact objectives validated by a dedicated impact governance committee composed of investor representatives. In addition, 20% of this share will be systematically donated to organisations working for a just transition.

More generally, the subject of “value sharing” will be addressed by the Sustainable Finance Steering Committee, mandated by our Executive Committee, in order to propose a doctrine and appropriate mechanisms for sharing the creation of value with the employees of our financed companies, but also with civil society.

(10) Le “ carried interest ” correspond à un pourcentage des plus-values d’un fonds de capital-investissement prélevé sur le bénéfice des apporteurs de capitaux et revenant aux équipes de la société de gestion.



PILLAR

03.

An ambitious climate
and biodiversity
policy

In 2017, our ESG approach was built-up by the adoption of a Climate Strategy, the ambition of which was to integrate the challenges of the energy transition into our investment strategies and our entire organisation, in accordance, in particular, with the recommendations of the TCFD (Task Force on Climate-Related Financial Disclosures). However, in view of the new findings and recommendations of the IPCC¹¹, and in particular its 6th assessment report published on March 20th, 2023¹², we have decided to make new commitments in order to strengthen our contribution.

a.

A low carbon alignment strategy

We are strengthening our contribution to global decarbonisation by committing to a trajectory of alignment with the Paris Agreement targets as close as possible to +1.5°C by 2050. The tools for deploying the reduction strategy will initially focus on the most carbon-intensive portfolios, particularly with regard to directly held assets or companies. We will communicate by the summer on the following elements, which are currently being finalised on a technical level:

- The indicators and analytical frameworks adopted for decarbonisation trajectories by 2050 ;

- Quantified intermediate decarbonisation targets for 2030 on a first perimeter ;
- The progressive extension of this scope of coverage in terms of assets ;
- The resources mobilised to strengthen the support of the management of companies invested directly and of the asset managers selected within the framework of our multi-strategies.

We will also announce the public initiatives we will join to further anchor our commitment to all our stakeholders.

b.

Strengthened sectoral policies

For each investment opportunity, we conduct a sector policy compliance analysis, which we undertake to update regularly, particularly when an issue becomes material in a given sector of activity or when the demands of the market or our stakeholders become more stringent.

As a result, on April 4th, 2023, we have updated and consolidated our sector policy for coal activities by raising our requirements and have published a new sector policy for oil and gas.

We are committed to not investing in assets whose revenues are derived from the exploration and production of fossil oil and gas, both conventional and unconventional. We also **commit to full divestment by 2030, for both coal and fossil oil and gas.** In the specific case of underlying companies or infrastructure assets held indirectly through third party funds, the full divestment horizon for oil and gas is 2035 (2030 for coal).

The strength of these policies also lies in the setting of stringent exclusion thresholds and a broad view of the fossil fuel sector, including the entire value chain from extraction to distribution. For the first time, we are including specific constraints on service providers to these industries, a rigorous practice for non-listed asset management companies.

In addition, in line with our commitments to exit these sectors, we have specified the conditions for our support of players committed to a programme to reduce their oil and gas-related revenue. We are requiring that their transition plan be binding, verifiable and time bound.

These policies are published as of April 4th, 2023 on our website under the heading 'sustainable finance'.

(11) Intergovernmental Panel on Climate Change

(12) Available at this address: https://report.ipcc.ch/ar6syr/pdf/IPCC_AR6_SYR_SPM.pdf

C.

An acceleration in the consideration of biodiversity issues

Biodiversity refers to all living beings and the ecosystems in which they live, but also to the interactions of species with each other and with their environment.

Biodiversity thus comprises three interdependent levels:

- the diversity of living environments at all scales;
- the diversity of species (including humans) that live in these environments;
- the genetic diversity of individuals within each species.

The collapse of biodiversity is clear: 1 million species are threatened with extinction, 75% of the Earth's surface is significantly altered and 85% of wetlands have disappeared⁽¹³⁾. Faced with this, the global framework for biodiversity adopted at COP15

at the end of 2022 sets a course for the last 8 years of the period 2020-2030, in order to halt the loss of biodiversity and restore it by setting quantified, measurable targets with a monitoring framework.

As an asset management company, we are aware that we have levers to contribute to the restoration and preservation of biodiversity.

In order to set targets and make progress, we first sought to “understand”, i.e. diagnose, the impact of our portfolios on biodiversity.

We have therefore carried out a **diagnostic of the impacts and dependencies (based on the ENCORE matrix) of our investments in ecosystem services**.

IMPACTS

Ecosystem degradation is caused by human activities.

The IPBES⁽¹⁴⁾ distinguishes five direct factors, called pressures, that humans exert on biodiversity. They include changes in land and sea use, direct exploitation, climate change, pollution and invasive species.

DEPENDENCIES

Biodiversity supports and contributes to the successful implementation of human activities.

Nature is essential for human existence and a good quality of life. It provides, through ecosystem services, food and feed for humans and animals, but also energy, medicines and various materials fundamental to people's physical well-being. It regulates and sustains life on Earth by purifying water, regulating climate and also soil erosion. Biodiversity also has a spiritual role in our societies and is the foundation of our cultures.

We have also measured the **biodiversity footprint of our investment portfolio** using two methodologies: the CDC Biodiversity Global Biodiversity Score (GBS) and the Corporate Biodiversity Footprint (CBF) of IcebergDataLab.

The results of these two analyses will be published as part of a climate and biodiversity policy in June 2023.

Finally, we have created a **biodiversity score for our funds**, systematically integrated into the decision-making process, for all our investments in (primary) funds since December 2022. For all our direct investments, an analysis of physical and transitional biodiversity risks has been conducted since December 2022.

We are also active members of working groups and initiatives aimed at developing the financial sector's means of action to take into account the issues related to ecosystem degradation. For example, at COP15, we joined the signatories of the “Finance for Biodiversity Pledge”, a collective commitment by financial institutions to protect and restore biodiversity through their activities and investments. And in order to actively contribute to the collective work, we have become a member of the **Finance for Biodiversity** Foundation and, in this framework, we have been participating in the following working groups since January 2023: “Advocacy”; “Impact Assessment”; “Target Setting”; and “Business Engagement”.

(13) <https://www.ecologie.gouv.fr/cop15-biodiversite-aboutit-accord>

(14) The Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services



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04.

Support for our
entire ecosystem
to bring them
on board

Aware that we can play a real role to play with our stakeholders by raising their awareness, training them and guiding them in defining trajectories and progress plans, we have decided to broaden our support approach. Thus, throughout 2023, our Sustainable Finance Steering Committee will review our systems and test approaches with the aim of building a reinforced support strategy for the benefit of our clients, our investments, our partner management companies and our entire ecosystem at large.

Pending this new action plan, our teams will continue to support our stakeholders according to our current practices.

a.

Investors: guiding them in their commitments

Faced with issues as complex as climate change and biodiversity, our investor clients need to be able to make informed investment decisions.

In particular, we distribute the ESG or impact report of each investment vehicle subscribed to on an annual basis, enabling them to decipher the practices of their investments according to the specificities of their portfolios.

We also support our clients in meeting regulatory requirements and anticipating their specific needs in relation to the deployment of their Sustainable Finance ambitions. We regularly contribute to our institutional clients' regulatory and non-regulatory reporting by

providing quantitative and qualitative analyses of their investments. For example, by calculating the carbon footprints of their investments, their exposure in activities contributing to the energy and ecological transition, and tomorrow by providing the percentage of sustainable investment or investment in activities aligned with the European Taxonomy. We are also working to make available to our clients the results of our research into the biodiversity impacts of our investments.

In addition, we are planning to create a support system for engagement practices around the themes on which our clients would like to strengthen their positioning.

b.

Funded companies: supporting them in strengthening their sustainability practices

In order to help our investees consolidate their sustainability practices, we share with them the main conclusions of our analyses carried out during the due diligence process. We take advantage of this in-depth analysis to give them our opinion on their practices, highlight their ESG weaknesses and suggest areas for improvement.

In addition to this initial assessment, which is based on discussions and the documentation made available to our analysts, we make ourselves available to support our holdings in the deployment of their CSR strategy according to a framework agreed upon during the appraisal phase with the potential co-financiers and the companies' management. This support, which

depends on the company's level of maturity on the subject, is characterised by the establishment of co-constructed roadmaps and targeted objectives established according to the various material ESG issues identified, but also according to our strategic objectives (in terms of decarbonisation for example). We also provide companies with our various tools and metrics, such as the NEC or any other relevant indicator, in order to help our portfolio companies achieve their ambitions.

C.

Management companies: lead them to progress

For more than ten years, we have been collecting ESG data on the practices of the management companies in our ecosystem through an annual data collection campaign. This is done on the basis of questionnaires co-constructed by a working group of the professional association France Invest and sent to the management companies in our ecosystem. Our methodology is also updated annually to reflect market developments.

This historical data allows us to assess the evolution of the management companies in our ecosystem but

also to provide these players with a vision of their ESG practices compared to their peers. Thus, we are able to provide the asset management companies who we collaborate with a vision of their current positioning but also of the progression of their ESG performance over the last 10 years.

As part of our support approach, we will also be available to help them identify their areas for improvement, with a particular focus on management companies considered to be “laggards” and “under surveillance” (see 2.a).

d.

Ecosystem: ESG BPH event to enhance, partnerships to keep moving forward

Since we strongly believe that only a collective commitment will enable us to change Finance to make it genuinely sustainable, we want to involve our entire ecosystem in our approach.

To this end, in 2014 we created an ESG Best Practices Honours conference to share, promote and highlight ESG and CSR best practices among the companies and infrastructure assets we finance. We also recognise through awards the approaches and innovations of responsible investors among the more than 200 management companies that we follow in the non-listed sector and in our investment universe. For this purpose, we bring together a jury of external, independent members involved in the ESG ecosystem each year. Our objective is both to highlight leading or innovative players in our sector and to bring together the main ESG players to discuss environmental, social and societal issues and to make progress together. It is thus a place for emulation and sharing of good practices. On 22 June 2023, the 10ème edition of the ESG Best Practices Honours, by SWEN, will take place!

In addition, we helped launch and fund 1000 Ocean startups, a coalition to accelerate ocean impact innovation. It brings together the global ecosystem of incubators, accelerators, competitions, matchmaking platforms and venture capitalists that support ocean impact startups. Its goal is to scale at least 1000 transformative startups by the end of the Decade of the Oceans to restore ocean health and achieve MDG 14. To achieve this, 1000os is creating synergies between participants and communicating the successes already achieved to drive investment in the ocean impact innovation ecosystem. The Co-Director of our SWEN Blue Ocean strategy is Co-Chair of the 1000 Ocean Startups Steering Committee and the rest of the team participates in the Impact Working Group Steering Committee.

As part of our other impact fund dedicated to the decarbonisation of the gas sector, SWIFT, we are a member of the executive committee and board of directors of the European Biogas Association, the steering committee of the Association Technique Energie Environnement (ATEE), the Association Française du Gaz and France Gaz Renouvelables, Cosortio Italiano Biogas, the World Energy Council initiative and the European Clean Hydrogen Alliance.



This Sustainable Finance policy is just one more step in our commitment. By setting up dedicated governance and anchoring initial actions, the policy enables us to strengthen our approach to continue on our virtuous path. This document thus outlines the path for the period of 2023-2025, which we will need to complete and broaden our approach as we move forward. We are mobilising our collective energy and our capacity for action to bring about the genuinely sustainable finance that we are calling for!



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