

ESG Policy

INTRODUCTION

Astorg (i.e. Astorg Group, Astorg Asset Management, its subsidiaries and the Astorg funds) strongly believes responsible investment can lower risk and increase financial returns for the Funds and for portfolio companies while also benefiting society as a whole. This is why Environmental, Social and Governance (ESG) matters are key to Astorg's activities and fully integrated into its policies and processes. Astorg is a proud signatory of the UN-backed Principles for Responsible Investment and has made these principles an integral part of its investment process and mission.

PURPOSE

The purpose of this policy is to define Astorg's approach to integrate environmental, social and governance (ESG) risks and value creation opportunities into its investment process, from due diligence, to the monitoring of portfolio investments and exit.

SCOPE

This policy applies to all private equity investments made by Astorg funds in accordance with local laws and regulations. Exception is made in the case Astorg is a minority shareholder and other cases when Astorg has limited ability to influence or control the integration of ESG considerations in the investment or it has no ability to assess or monitor ESG performance goals.

Overall, Astorg will make reasonable efforts to encourage its portfolio companies to apply ESG considerations whenever appropriate and relevant to their business.

ROLES AND RESPONSIBILITIES

Astorg's private equity investment professionals are primarily responsible for ensuring that ESG matters are integrated into investment decisions. This is done with the support and the expertise of the ESG Director.

The ESG Director is responsible for providing ESG-related expertise, for facilitating the implementation of the ESG policy into each portfolio company and for ensuring its update and relevance.

Astorg has set up an ESG Club which consists of the ESG Committee and of members of the executive committees of each portfolio company. The ESG Club meets several times per year in order to discuss the progress of the companies on ESG matters and to share best practices.

ESG FOCUS AREAS

The aim of Astorg's ESG policy is to formalize its commitments to take into consideration environmental, social and governance issues in its investment operations while improving efficiency, reducing costs, increasing workforce stability, and preserving the companies' ability to do business in the future. Astorg's specific commitments towards ESG are:

ENVIRONMENT

Contributing to the reduction of the global environmental footprint by introducing initiatives that support:

- Efficient use of natural resources
- Reduction of energy usage
- Effective waste management and minimal land contamination
- Circular economy
- Reduction of pollution and appropriate handling of hazardous waste
- Compliance with local environmental regulations

SOCIAL

- Eliminating child labour or other forms of forced or compulsory labour
- Ensuring compliance with human rights conventions (e.g. ILO)
- Implementing a fair recruitment policy, promote diversity of people and culture as well as gender equality
- Encouraging employee development and individual career plan through tailored training and coaching programs, organizing systematic and transparent assessment of employees' performance and regular information sharing
- Improving safety and well-being at work
- Offering healthcare, retirement and disability insurance
- Taking measures to prevent work-related health and safety risks
- Offering flexible work schedules (part-time work, telecommuting etc.)

GOVERNANCE

- Building-up a long-term trust with management teams based on transparency, independence and business ethics.
- Providing management with strong support and guidance on the strategic development throughout the ownership period to improve the financial and non-financial performance
- Ensuring compliance with all relevant anti-corruption laws and regulations
- Prohibiting corruption in all its forms, including extortion and bribery
- Supporting positive engagement with key stakeholders.

- Ensuring data protection and security

ASTORG'S APPROACH

Astorg promotes responsible investment principles in its investment process, in its portfolio companies and in its own corporate culture.

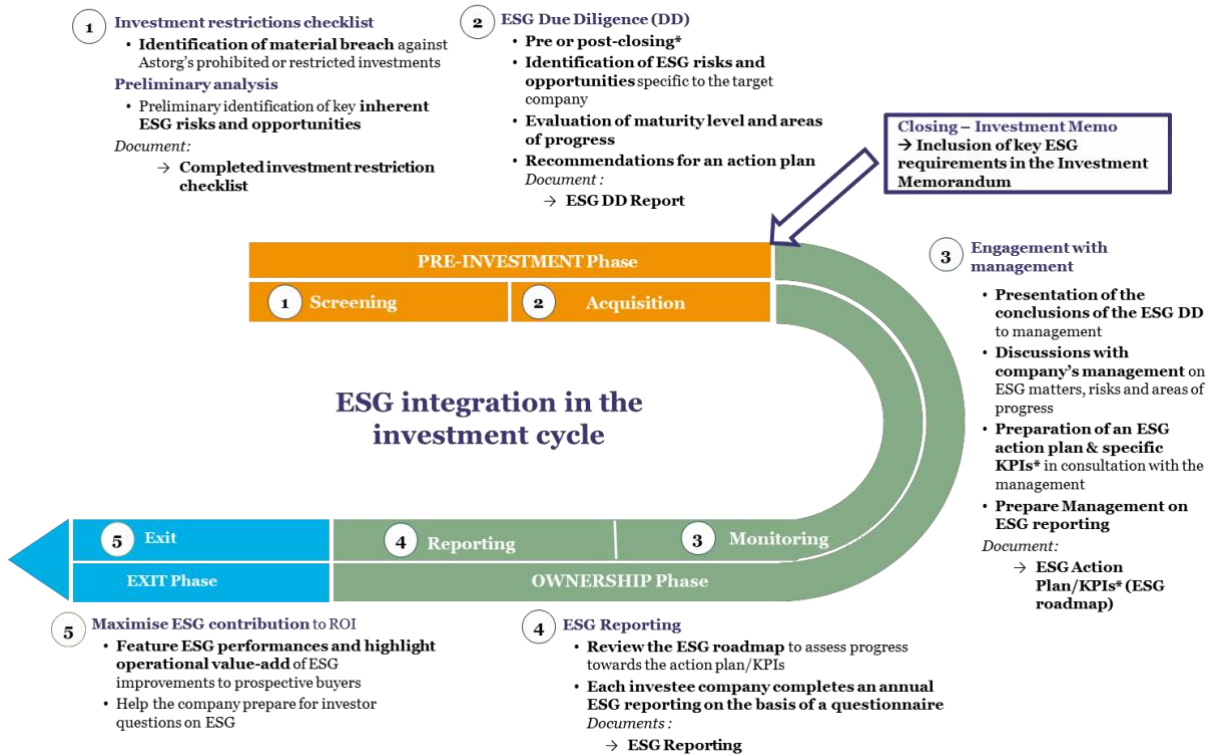


Figure 1: ESG integration in the investment cycle. Source: PWC

ASSET SELECTION AND ORIGINATION

Astorg conducts ESG screening and analysis of the targeted investments and their teams. This is done by using Astorg's investment restriction checklist which allows the investment team to get a better view on the different restrictions imposed by the Limited Partnership Agreements.

PRE-INVESTMENT PHASE

Once the opportunity of a new investment is validated, the investment team carries out an analysis of the targeted company. During this process Astorg undertakes an ESG due diligence in order to assess potential ESG-related risks and to identify possible opportunities. This is done by engaging external and internal subject matter experts. During the due diligence process, Astorg, together with the portfolio companies management, identifies ESG aspects which are material¹ and relevant to its portfolio companies.

¹ In accordance with the Global Reporting Initiative, an aspect is material when:

- It reflects the organization's significant economic, environmental, and social impact or,
- Substantially influences the assessments and decisions of stakeholders.

ESG DUE DILIGENCE

The ESG due diligence focuses on:

- Assessment of sector-specific ESG risks and opportunities of the targeted company
- In-depth survey of the company's level of maturity and progress on ESG matters through analysis of existing policies, plans, management systems, initiatives and objectives
- Ensuring that the company has adequate and competent staffing, management plans and resources to effectively manage and implement environmental and social mitigations measures
- Identification of the ESG themes that should be addressed at first and areas of improvement
- Recommendations to serve as a basis for an ESG action plan and KPIs.

The recommendations and priority measures set out in the due diligence are discussed with management and an ESG action plan is set up with clear deliverables and time frames. The ESG action plan takes the form of an ESG roadmap which lists the ESG achievements of the company at the time of the due diligence and sets the ESG ambition in a three-years plan with specific KPIs.

Before the closing of the investment, the findings of the due diligence report are reviewed by Astorg and incorporated in the final investment documentation.

For those ESG matters where the portfolio company needs improvement, Astorg develops a 100-day plan post-close which addresses goals and steps to monitor progress.

OWNERSHIP PHASE

Astorg monitors ESG progress within its portfolio by engaging with the companies' management and supporting ESG initiatives, placing realistic expectations on the companies and stimulating active management of ESG.

Astorg requests portfolio companies to systematically provide a progress report on the ESG action plan and provides support and guidance on the strategic development of the plan.

Astorg engages its portfolio companies on ESG matters by conducting ESG reviews and site visits in order to identify opportunities for improvement and ensure value creation.

Astorg has established a monitoring system to annually collect and report the relevant ESG KPIs for each portfolio company.

The progress of each portfolio company towards the ESG action plan is monitored at least once a year in a board meeting, where ESG topics are discussed and presented.

Additionally, Astorg requests portfolio companies to appoint a member from their executive committee to become part of the Astorg ESG Club.

It is also expected that the portfolio companies' management teams and Board members also actively monitor the ESG performance of their companies as the ultimate responsibility for ensuring that ESG policies are implemented resides with each portfolio company's board of directors.

EXIT

When exiting an investment, Astorg seeks to show evidence of the contribution of the company's progress on ESG to its performance and highlights the operational added-value it has been created.

The KPIs set up in the ESG action plan allow Astorg to compare the progress of the performance of the company before and after the holding period and to illustrate long-term value created on top of financial value.

In addition, Astorg works closely with the company's management to prepare the company to answer to ESG-related questions from prospective buyers.

TRANSPARENCY AND STAKEHOLDERS ENGAGEMENT

Transparency is key for Astorg and this is why Astorg provides periodic updates to all its stakeholders about the development of its responsible investment programme.

Astorg also reports annually its progress on ESG matters and the outcomes of the ESG action plans and initiatives within the portfolio companies through its Annual Sustainability Report and during its annual AGM meeting.

EXCLUSION POLICY

Astorg believes that certain business practices are incompatible with sustainable investment strategies and detrimental to society. Therefore, Astorg refrains from investing in sectors such as tobacco, prostitution, pornography, the production or trade of illicit drugs, the production or trade of weapons or munitions.

THE INVESTEE COMPANY UNDERTAKING

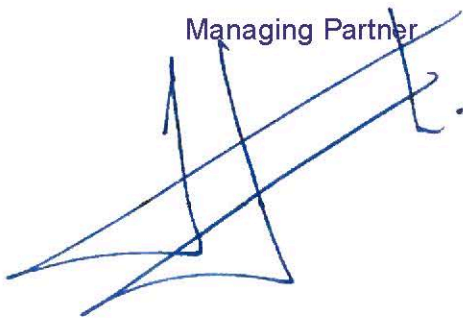
Astorg will request every portfolio company to undertake that the business of such company will be carried out in a manner that:

- encourages the efficient use of natural resources and promotes the protection of the environment
- engages to determine its greenhouse gas footprint (in the case of a high carbon intensity sector) and makes this data available on an annual basis to Astorg
- provides safe and healthy working conditions for its employees and contractors
- treats all employees fairly in terms of recruitment, progression, remuneration and conditions of work, irrespective of gender, race, colour, language, disability, political opinion, age, religion, or national/social origin
- allows consultative work-place structures and associations which provide employees with an opportunity to present their views to management

- upholds high standards of business integrity and honesty, complies with local laws and international good practice and does not directly or indirectly offer, pay, solicit or accept bribes in any form
- takes account of the impact of its operations on the local community and seeks to ensure that potentially harmful occupational health and safety, environmental and social effects are properly assessed, addressed and monitored
- provides for i) the reporting as soon as practicably possible to Astorg of any incident involving the Company [or any member of the Group] that results in any loss of life or any material effect on the environment; and ii) the reporting of the Company's sustainability performance in an annual report by the Company to its Board
- implements a social and environmental management system which enables effective identification, management and monitoring of any risks and provides a framework for action
- Implements minimum standards for cybersecurity along with appropriate information protection practices and GDPR compliance.

Joël Lacourte

Managing Partner



François de Mitry

Managing Partner



Thierry Timsit

CEO & Managing Partner

