



Article 29 Report Ardian France

June 30, 2022

ARDIAN

Entity General Approach

› Ardian's responsible commitments

At the heart of Ardian's culture lies a commitment to responsibly create enduring value. Our role as a long-term shareholder and investor is to foster growth that is both sustainable and shared across all stakeholders.

In order to meet this ambition, Ardian has been developing an extensive Sustainability Program. Since 2008, Ardian's objective has been to maximize its contribution to society at large and to support the sustainable growth of Ardian by actively incorporating ESG in investments and in the firm operations.

This purpose is rooted in our Sustainability vision:

- Our ambition is to radiate the impact of Ardian across our communities of stakeholders in a meaningful way by empowering individuals in order to collectively create shared sustainable values.
- We aim to act as a driver of positive change for society and the environment. We believe that our business, as an investor, and our responsibility, as a global leader, is to ensure that our companies are agents in this change.
- Our duty is to leverage the scale of Ardian's organization and of our broader community to make a significant positive contribution to social and environmental challenges, in addition to deliver financial performance.

As a major investor in the real economy, we can speed up the change to build resilient companies and drive positive transformation. Over the past decade, Ardian has incorporated Sustainability as a central tenet of its investments with the goal of shaping high-performing and resilient business models that also provide measurable outcomes and impacts on society and the planet. We also nurture the idea of a more inclusive and accurate system, drawing on discussions with LPs, portfolio companies, underlying funds, our employees and shareholders, and our communities.

Ardian has defined four key priorities driving its Sustainability Program:

- Climate action
- Diversity & Equal opportunities
- Profit sharing
- Governance & ethics

We are committed to improving our practices and measuring our performance and contribution both in our funds and in our operations as a company.

› Responsible investment in practice at Ardian

Ardian is committed to integrating Sustainability into all of its investments activities, while tailoring its approach according to each investment strategy to ensure an appropriate and effective practice. With the full support of the Sustainability team, each investment team is ultimately responsible for implementing this policy during the different phases of the investment process.

Additionally, Ardian refuses to invest in sectors it considers unethical or having significant negative impacts:

- Tobacco: Ardian refuses to make any investment in tobacco industry
- Pornography: Ardian refuses to make any investment in pornography
- Controversial weapons: Ardian refuses to make any investments in companies manufacturing and/or distributing controversial weapons. Ardian defines controversial weapons as weapons having a disproportionate impact on civilian population such as chemical weapons, biological weapons, nuclear weapons, anti-personnel landmines and cluster bombs
- Coal: Ardian commits to phase-out any direct thermal coal investments by 2030 within EU / OECD countries and by 2040 in the rest of the World
- Gambling: Ardian refuses to make any direct investments in companies whose main activity consists of operating casinos, gambling/betting venues or websites

Pre-due diligence phase: Preliminary screening ensures that the investment team avoids investing in sectors which are explicitly listed as being banned by Ardian or the funds' side letters.

Due diligence: The investment team systematically carries out an ESG analysis while taking into account the fund's (or mandate's) strategy as well as the details of each opportunity, with the support of the Sustainability team and ESG consultants when appropriate.

- For direct investments in Private Equity and Infrastructure (majority shareholder or significant minority): Due diligence is based on dialogue with the management team and onsite visits of the company, in order to identify and assess key ESG issues and understand how they are taken into account by the management team. Depending on the sector and initial discussions with management, the investment team may decide to hire an external consultant to carry out ESG audits.
- For direct investments in Real Estate: The investment team preliminarily analyses ESG issues as part of the due diligence process before investing in a property. Based on the results of this analysis, the investment team identifies primary areas for potential improvements.
- When Ardian is a minority shareholder, or for direct investments in Private Debt: The investment team carries out the ESG analysis in two phases. Firstly, the investment team evaluates the lead sponsor according to ESG criteria. Secondly, the investment team assesses the business itself based on: 1) the buyers and vendors' due diligence packages, 2) dialogue with the management of the company and / or the lead sponsor, depending on the configuration of the transaction.
- For the Funds of Funds activity: The investment team evaluates the overall commitment to responsible investment of the GPs and the level to which they integrate ESG factors into their investment process. This analysis results in a rating which represents 10% of the overall score which will be considered during the decision-making phase. When not in a position to undertake an in-depth analysis of the investment (for secondary transactions), the investment team seeks to identify public commitments made by the GPs in terms of responsible investment to get an indication of their position on the subject. As a general rule, Ardian favors GPs which have long-lasting relationship with the Funds of Funds team and whose practices are advanced, particularly in terms of integration of extra-financial aspects.

Investment decision: A summary of the ESG analysis is then included in every investment memorandum submitted to the Investment Committee, which is ultimately responsible for the investment recommendation. Depending on whether material ESG risks are identified in the due diligence phase, a corrective action plan can be included in a post-acquisition plan.

Ownership phase: Ardian's Sustainability team coordinates the monitoring of portfolio companies and funds ESG practices in collaboration with the investment team. For Ardian, it is key to the successful integration of extra-financial factors in the investment process and also instrumental in supporting the progress of companies CSR performance.

- For direct investments in Private Equity and Infrastructure (majority shareholder or significant minority): Throughout the holding period, the investment team maintains a constant dialogue with the portfolio company's management teams and actively monitors the evolution of their ESG practices. They do this both directly and with the support of external consultants, who regularly carry out ESG reviews. The results of these ESG reviews serve as a basis for the establishment of recommendations and goals with concrete action plans to help portfolio companies to improve their ESG performance. Furthermore, the investment team often has a seat on the Supervisory Board of portfolio companies, which are powerful means of promoting the integration of extra-financial issues and to disseminate best practices. Moreover, to structure the collection and analysis of extra-financial indicators during the holding period, Ardian has developed an ESG Framework, based on industry recommendations and active dialogue with investors.
- For direct investments in Real Estate: A post acquisition analysis of the property's current ESG performance, based on data collected by the Property Manager and the Facility Manager, is

systematically formalized by the investment team using Ardian Real Estate's ESG performance assessment tool. The investment team, in association with the Property Managers and the Facility Manager, then defines the value creation strategy and specifies the ESG criteria for which an improvement is targeted for the property. This strategic plan is implemented in collaboration with the Property Manager, the Facility Manager, tenants and Ardian's Real Estate team. The property's ESG performance is assessed on a regular basis by the investment team using the ESG performance assessment tool to track progress.

- When Ardian is a minority shareholder, or for direct investments in Private Debt: ESG monitoring takes place via ESG KPIs collection, Supervisory Boards when Ardian has a seat, or via interactions with the lead sponsor and/or portfolio companies when possible. An ESG Framework with indicators was established in order to help Ardian's investment teams with the monitoring process during the holding period.
- For the Funds of Funds activity: Along with active dialogue with GPs, an ESG monitoring survey was developed in 2010 in order to raise awareness of ESG and evaluate progress over time. This survey has been regularly sent to Ardian's GPs in order to assess both primary and secondary commitments. Collected data allows the investment team to follow up on progress for each individual fund, and the ESG performance data is then stored in Ardian's database. This information also allows Ardian to establish an ESG benchmark for GPs and is taken into account for future potential investments. The ultimate goal is to encourage GPs to incentivize ESG integration by portfolio companies. Systematic and individual feedback is provided to participating GPs.

Exit phase (applicable for direct investments):

- At exit, Ardian always favors the company's long-term interests. As a general rule, exit processes are planned and implemented in agreement with management of the companies. The potential impact of the transaction on ESG issues is assessed in the evaluation of offers made by buyers, in addition to financial considerations.
- Ardian believes that ESG integration in portfolio companies should be results-driven - and results are only truly recognized at exit; in order to enhance extra-financial progress made by portfolio companies, the investment team will seek to conduct an ESG Vendors Due Diligence (VDD) as often as possible.
- For direct investments in Real Estate: The investment team measures through the ESG performance assessment tool the value creation achieved on the property since acquisition.
- In accordance with Ardian's internal charter at exit, under certain conditions, Ardian strives to redistribute a portion of capital gains to employees and tries to extend portfolio companies' profit-sharing mechanisms when possible. Ardian strongly believes that such aligned interests are a key lever for long-term value creation.

› ESG reporting to investors

Ardian believes that transparency is the foundation of long-term partnerships with stakeholders and is committed to complying with the highest standards of reporting. Ardian makes every effort to meet investors' expectations, facilitate their access to information, and provide them with clear and transparent information based on regular and value-added reporting. Half-year activity reports sent to LPs systematically include a section on ESG integration at both the corporate and fund levels. Individual ESG factsheets of portfolio companies and assets are also included in the report, highlighting the ESG performance, roadmap for improvement and best practices at a granular level. In addition, Ardian reports annually to the PRI, providing information on the integration of ESG into its investment process. Ardian's PRI Transparency report and Assessment report are publicly available on Ardian's website and on the UN PRI's website.

The following channels are used by Ardian to communicate ESG-related information to LPs:

- Semi-annual and annual fund management reports
- Its website, which contains a section on sustainability
- Annual Sustainability Report and ESG studies on specific investment activities on a case-by-case basis, available on Ardian website
- Annual Activity Report which includes concrete Sustainability initiatives, publicly available on Ardian website
- Annual General Meetings (AGM)
- Annual UNPRI Transparency and Assessment reports publicly available on Ardian website
- One-on-one calls on request

› ESG criteria integration in investment process and SFDR Article 8 and Article 9 funds

In line with Ardian's Responsible Investment Policy, 100% of funds managed by Ardian France integrate ESG criteria with a tailored approach depending on the fund investment strategy and specificities. Please find below the list of products classified as Article 8 and 9 under SFDR as of June 2022¹.

Article 8 funds

- ARDIAN Buyout Fund VII²
- ARDIAN Real Estate European Fund II S.C.S., SICAV-RAIF
- ARDIAN Americas Infrastructure Fund V S.C.S., SICAV-RAIF
- ARDIAN Infrastructure TSH Fund
- ARDIAN Private Debt V S.C.S., SICAV-RAIF
- ARDIAN Real Estate Debt Fund³

Article 9 funds

- ARDIAN Clean Energy Evergreen Fund S.C.A., SICAV-RAIF

› Collaborative industry initiatives

At Ardian, we believe that it is key to engage with our peers and wider financial industry to drive positive transformation and address current and future economic, social and environmental challenges. In line with this objective, Ardian is actively involved in several industry working groups, organizations and collaborative platforms to contribute to the development of strategic initiatives, market methodologies, tools and regulations.

Ardian was an early signatory of the PRI (in 2009) and is an active member of the PRI community and regularly participates in the UN PRI's initiatives to develop and promote key guidance for ESG integration within the Private Equity sector.

In 2020⁴, Ardian scored consistently above peer average and obtained best-in-class scores for all modules:

- Strategy and Governance: A+
- Direct Private Equity investments: A+
- Infrastructure: A+
- Fund of Funds: A+
- Property (Real Estate): A+

¹ This list covers Ardian Master Funds managed by Ardian France. All Feeder Funds and sub funds follow the same SFDR classification as their master Fund.

² ARDIAN Buyout Fund VII A S.L.P. & ARDIAN Buyout Fund VII B S.L.P.

³ ARDIAN Real Estate Debt Fund Compartment 1 & ARDIAN Real Estate Debt Fund Compartment 2

⁴ Most recent ratings provided by the UN PRI

Ardian's PRI Transparency Report 2020 is available [here](#).

Ardian's PRI Assessment Report 2020 is available [here](#).

Climate-related initiatives

- **Initiative Climat International**: In 2015, Ardian launched the Initiative Climat International (iC International) with four other French GPs. Through this voluntary pledge, Ardian commits to:
 - Recognizing that climate effects on the economy represent risks and opportunities
 - Integrating climate issues during the investment process; and
 - Reducing the greenhouse gas emissions of majority-owned portfolio companies when the subject is material.The iC International is supported by the UNPRI since 2018 and now counts 160+ signatories worldwide.
- **OPPEF**: In November 2020, with four other global private investment firms, Ardian founded the One Planet Private Equity Funds (OPPEF) initiative to support the members of the One Planet Sovereign Wealth Funds (OPSWF). The OPSWF Framework focuses on integrating climate change risks and investing in the smooth transition to a low-carbon economy.
- **TCFD**: In December 2020, Ardian became a supporter of the Task Force on Climate-related Financial Disclosures (TCFD). By publicly declaring support for the TCFD and its recommendations, Ardian demonstrates its commitment to build a more resilient financial system through climate-related disclosures.
- **AMF Climate and Sustainable Finance Commission**: Since its creation in 2019, Candice Brenet is a member of the Climate and Sustainable Finance Commission of the AMF (French Financial Markets Authority). The Commission provides a forum for dialogue and works with the aim of contributing to the effective mobilization of the financial sector in the face of climate risk and contributing to making sustainable finance a practice with a significant impact on the process of allocating capital to a sustainable economy.

Diversity-related initiatives

- **ILN**: Since September 2019, Ardian is a signatory of the Investor Leadership Network (ILN), a collaborative platform for leading investors interested in addressing sustainability and long-term growth. Ardian has been particularly involved in the ILN diversity stream with the objective to increase gender diversity in investment and management roles in the financial industry.
- **ILPA**: In December 2020, Ardian became a founding signatory of the ILPA's Diversity in Action initiative making a commitment to take new concrete steps to advance diversity, equity and inclusion, both within their organization and the industry more broadly.
- **Level 20**: Since March 2021, Ardian is also a supporter of Level 20, a not for profit organization dedicated to improving gender diversity in the European private equity industry.
- **France Invest Gender Diversity Charter**: In 2020, Ardian signed France Invest's Gender Diversity Charter. The initiative promotes gender parity within French private equity firms and the companies they support.

In 2022, Ardian became a member of the ESG Data Convergence project supported by the ILPA, a coalition of 100+ LPs/GPs working towards the objective of:

- Aligning the industry around a set of common ESG KPIs
- Facilitating reporting to LPs
- Improving transparency for the global non-listed industry

The work of the ESG Data Convergence project will also allow to provide a benchmark on the private equity industry's ESG performance.

These active memberships are a testament to Ardian's wider commitment to responsible investment. We continue to develop ever-increasing standards of reporting not only to our clients but also to the broader business community. Ardian believes that transparency is the foundation of long-term partnerships and is committed to complying with the highest standards of reporting, whether through fund management reports, or through PRI annual transparency reports, which provide information at the Ardian level, fund level and portfolio company level, when applicable.

Internal means

› Dedicated Sustainability Team

Ardian has a Sustainability team composed of eight full-time employees. The team is responsible for developing and implementing the strategy across all of Ardian's activities throughout the offices. The Sustainability team aims to provide guidance to investment teams, support the ESG integration process at each stage of the investment cycle and answer all potential questions clients may have on this subject.

Please find below the biographies of its members.

Candice Brenet, Head of Sustainability

Candice is in charge of developing and implementing the firm's ESG strategy since 2009 both at the firm level and at the investment level, for the whole range of activities of Ardian. Candice Brenet joined Ardian in 2008 as Head of Product Marketing and Client Servicing in the Investor Relations Department. Previously, she worked for 9 years at Société Générale as Director of Marketing and Communications of the Hedge Funds branch, after having been in charge of Valuation and Middle Office for Structured Products and Funds of Funds. Candice Brenet is a graduate of Sciences-Po Lille (major in Finance) and of Nijmegen Business School. Since 2017, Candice Brenet chairs France Invest's ESG Commission and is a member of the PRI Private Equity Advisory Committee. Since 2019, Candice represents Ardian at Investor Leadership Network.

Pierre Klemas, Sustainability Managing Director

Pierre joined Ardian in 2019. Since 2004, his career has evolved from acoustics engineering of architectural and infrastructure assets to leading the corporate sustainability teams at Technip and EDF Renouvelables. Pierre holds a Master's of Science in Applied Physics of University Pierre et Marie Curie (Paris 6) and an Executive MBA of ESCP Business School.

Taea Calcut, Sustainability Director

Taea joined Ardian in 2022. Prior to joining Ardian, she worked at Anchorage Capital Group as the firm's ESG Officer. Prior to Anchorage, Taea worked at the sustainability consultancy Environmental Resources Management (ERM). She started her career working for several non-governmental organizations focused on international development issues. Taea holds a Master of Science in Foreign Service from Georgetown University and a Bachelor of Arts in Anthropology from the University of California, Los Angeles (UCLA).

April Tissier, Sustainability Senior Manager

April joined Ardian in 2015. Prior to joining Ardian, she worked at the Global Reporting Initiative and Publicis Groupe on sustainability reporting issues. April has a Masters in Corporate Finance from La Sorbonne and a Masters in Sustainable Development from Utrecht University (the Netherlands).

Tamara Krzisch, Sustainability Manager

Tamara joined Ardian in 2017. Previously, she worked in the Corporate Social Responsibility (CSR) department of CNP Assurances. Tamara holds a Bachelor's degree from ESSEC and a Master's degree in CSR Management from IAE Paris Est.

Laura Andremont, Sustainability Senior Associate

Laura joined Ardian in 2018. Previously, she conducted an internship in a consulting firm focused on social impact measurements. Laura graduated from EM Lyon Business School and from La Sorbonne University with a Magistère in Finance.

Lucile Degrave, Sustainability Associate

Lucile joined Ardian in 2022. Previously, she has worked in the non-profit sector and then at PwC as a Sustainable Performance & Strategy Consultant. She also conducted an internship in Ardian's Sustainability Team in 2019. Lucile graduated from Sciences Po Paris (Bachelor degree with Economics major and Master's degree in International Development).

David Chelma, IT Specialist

David works for Ardian since 2015, initially in charge of the Master Data Management solution, part of the Ardian data platform. He joined the Sustainability team early 2022. Previously, he was partner in a consulting firm in the Business, Technology and Data practice. He advised several financial and non-financial companies on Data challenges. David holds a Master's degree in computer science from Paris-Saclay University and a Masters in Mathematics and Decision Making from Paris Dauphine PSL University.

› Collaboration with external experts

In addition to its Sustainability Team, Ardian regularly works with external consultants for specific ESG due diligences and portfolio ESG reviews as part of Ardian's Sustainability engagement program.

› Data management and dedicated tools

Ardian has developed a proprietary ESG deal kit to support the investment team in ESG integration throughout the investment lifecycle. It describes the deal ESG requirements at each step of the investment process and includes appropriate tools and resources. For example, Ardian has included material ESG sectors per business sector based on the SASB materiality map to help investment teams identify the material ESG factors for a new investment opportunity. The ESG Deal Kit also includes: a proprietary climate materiality tool to support the identification of main potential climate risks during due diligence as well as guidance and resources on Sustainable Development goals to support investment teams in identifying the contribution (positive or negative) of the company to social and environmental challenges.

The Sustainability team provided extensive training to investment teams for which the tool has been developed (Buyout, Expansion, Private Debt, Co-Investment teams). In 2022, the use of the ESG Deal Kit will be expanded to other investment teams. To collect, analyze and manage ESG data from its portfolio, Ardian has develop a dedicated ESG Data management platform.

› Enhancing Ardian teams' Sustainability skills

At Ardian, developing team's awareness and knowledge on Sustainability is key to drive Ardian's Sustainability ambition and progress. Throughout the year, Ardian Sustainability team develops tailored content and training sessions

For all Ardian teams

Training is regularly provided to Ardian employees on an ongoing basis to help them understand the relevance and importance of ESG factors in Ardian activities.

All new employees at Ardian have an introduction to Ardian Sustainability values, approach and program during their integration seminar. The Sustainability Team has also designed an e-learning program on sustainability for all Ardian teams.

The Sustainability Team regularly communicates updates to all Ardian's teams regarding the on-going sustainability trends and activities within Ardian (e.g. policies, conferences, awards, etc.) through our intranet and publication of internal newsletters.

On specific topics, Ardian develops tailored training for certain teams. For example, for the Fund Finance, Investor Relations and Communication teams, Ardian provided a training on SFDR regulations and reporting requirements.

For Ardian investment teams

Since 2017, investment teams' new analysts also receive a specific training on ESG during Ardian University, a 2-day training program. In particular, this program aims at training and empowering

investment teams with regards to ESG issues by explaining ESG responsibilities of deal teams and providing guidance tools on ESG integration in the whole investment process. In addition, tailored training sessions are provided on a case-by case basis depending on teams' specific needs and the Sustainability team is constantly liaising with the investment teams. Dedicated Sustainability sessions are also organized for investment teams during the presentation of the annual portfolio Sustainability reviews results.

For Ardian top management

The Sustainability team regularly organizes ESG sessions for its Executive Committee on specific topics such as investment restrictions, climate, ESG regulations, and progress on Ardian's Sustainability team projects. Ardian also presents the evolutions of its Sustainability Program to Ardian's Supervisory Board on a case-by-case basis.

Governance

› Ardian's Sustainability Committee

The Sustainability Committee is composed of eleven top management representatives from investment activities and support functions, including three members of Ardian's Executive Committee. The Sustainability Committee meets on a quarterly basis to review progresses achieved. It makes sure the Sustainability strategy is aligned with Ardian's global strategy.

The Sustainability Committee is composed of the following members:

- Philippe Poletti (Chair), Member of the Executive Committee, Head of Buyout
- Jérémie Delecourt, Member of the Executive Committee, Chief Operating Officer
- Jan Philipp Schmitz, Member of the Executive Committee, Head of Ardian Customized Solutions, Head of Ardian Germany & Asia
- Yann Bak, Managing Director Buyout
- Edouard Boscher, Chief Operating Officer Investor Relations
- Candice Brenet, Head of Sustainability
- Bertrand Chevalier, Senior Managing Director, Fund of Funds
- Michael Ferragamo, Head of Global Compliance & Risk
- Stéphanie Grace, Head of Brand and Communication
- Raphaëlle Mulhmann-Eytan, Director Asset Management, Infrastructure
- Marie-Victoire Roze, Senior Managing Director, Fund of Funds

In addition to that, Candice Brenet, the Head of Sustainability also sits at Ardian Operational Executive Committee.

› Ardian's Remuneration Policy

The main principles of Ardian's remuneration policy are the following:

- Reinforce the strategy, objectives, values and long-term interests of Ardian Group
ARDIAN Group aims to provide its clients with long-term performance on their investments. The Appointments and Remuneration Committee and the CPCD (Compensation, Personal and Career Development committee) ensure that the remuneration practices do not conflict with this strategy.
- Ensure a connection between results, remuneration and performance evaluation
ARDIAN Group uses a performance-related compensation approach to reward employees who contribute the most to the company's development, by considering their performance, experience and skills. Individual performance is reviewed through the performance evaluation process, which assesses how employees achieve the quantitative and qualitative objectives related to their function, and takes into account individual behaviors.

- Successfully prevent excessive risk taking
ARDIAN Group institutes a reasonable and appropriate remuneration environment and ensures that employees are not encouraged to take risks that could be deemed excessive or inappropriate. To this extent, ARDIAN Group considers the whole spectrum of risks (financial risks, sustainability risks, etc).
- Commit to Gender diversity
Within its Inclusion & Diversity policy, the Group commits to non-discrimination for talents appointments and compensation evolution. The Group conducts yearly comparative analysis and alerts managers on the importance to pay attention on non-justified salary gaps between female and male employees. Ardian includes a diversity objective in employees' annual appraisals. Ardian is currently updating its annual appraisals to widen the scope of extra-financial criteria which will be systematically taken into account. Beyond considerations on Diversity & Inclusion, there will be objectives tied to other priorities of Ardian's Sustainability Program, such as climate action and profit sharing.

Ardian does not have internal regulations within its Board of Directors or Supervisory Board. As a result, the integration of environmental, social and governance criteria is not applicable.

Integration of ESG quality criteria in the internal regulations of the entity's Board.

Ardian has not currently formalized ESG criteria in the Board's internal regulation.

Engagement strategy with portfolio companies

For direct investments in Private Equity and Infrastructure (majority shareholder or significant minority): Throughout the holding period, the investment team maintains a constant dialogue with the portfolio company's management teams and actively monitors the evolution of their ESG practices. They do this both directly and with the support of external consultants, who regularly carry out ESG reviews. The results of these ESG reviews serve as a basis for the establishment of recommendations and goals with concrete action plans to help portfolio companies to improve their ESG performance. Furthermore, the investment team often has a seat on the Supervisory Board of portfolio companies, which are powerful means of promoting the integration of ESG criteria and to disseminate best practices.

For Real Estate investments: Indeed, after the acquisition, the investment team and Ardian Sustainability team, in association with the property managers and the facility managers define the value creation strategy and specify the ESG criteria for which an improvement is targeted for the property. Beyond bringing the Real Estate Properties towards their decarbonization trajectories, and using proprietary and external frameworks as well as certifications such as BREEAM, LEED or Wired Score, the investment team ensures that strategic renovation plans are addressing the potential impact of assets on other environmental topics such as biodiversity, water, circular economy, or pollution. This strategic plan is implemented in collaboration with the property manager, the facility manager, tenants, and Ardian's Real Estate and Sustainability teams. The property's ESG performance is assessed on a yearly basis by the investment team using *Ardian Real Sustain* tool to track progress. Ardian Real Sustain is made of real estate KPIs and aims to monitor the ESG performance in accordance with industry standards

For minority investments and Private Debt: Ardian has developed a tailored approach taking into account the specificities of these investment strategies notably the limited levers for improvement on ESG criteria

and/or access to information. In addition to ESG indicators collection, Ardian maintains a continuous dialogue with sponsors which are ultimately responsible for supporting portfolio companies improving on their material ESG issues. When Ardian has a Board seat, it is used to further promote ESG integration in the portfolio.

For the Funds of Funds activity: Along with active dialogue with GPs, an ESG monitoring questionnaire was developed in order to raise awareness of ESG and evaluate progress over time. This questionnaire has been sent to Ardian's GPs on annual basis since 2011, in order to assess both primary and secondary commitments. Collected data allows the investment team to follow up on progress for each individual fund, and the ESG performance data is then stored in Ardian's database. This information also allows Ardian to establish an ESG benchmark for GPs and is taken into account for future potential investments. The ultimate goal is to encourage GPs to incentivize ESG integration by portfolio companies. Systematic feedback is provided to participating GPs in the form of an individual ESG scorecard and one-on-one call at GP's request.

In parallel, Ardian has launched in 2021 the Ardian Circle initiative. This is a community of executives and decision-makers from Ardian's portfolio companies which aims at facilitating interactions between peers, enabling networking and capitalizing on collective intelligence in order to design concrete solutions that support sustainability and digital transitions for portfolio companies while further stimulating long term value creation. Through Ardian Circle, we meet regularly with portfolio representatives to discuss practical solutions to issues most businesses face independently from their size or industry.

Vote's policy and results: Ardian does not currently integrate ESG criteria in its voting policy. The voting policy is available at the following [link](#).

Paris Agreement

› Ardian's climate strategy :

At Ardian, climate action has been defined as a key priority of the Sustainability Program. Ardian has been committed to climate action since 2015 when it co-founded Initiative Climat international, and assessed its first carbon footprint. Over the years, we have undertaken a number of initiatives at both the entity and portfolio levels and joined leading initiatives to address climate risks and opportunities management in the industry. In 2021, Ardian committed to phase-out any direct thermal coal investments by 2030 within EU / OECD countries and by 2040 in the rest of the World.

At the investment level

Ardian seeks to integrate climate-related risks and opportunities throughout investment strategies, with a tailored approach taking into account access to information, levers for improvement and role in the transaction.

At the portfolio level, climate action efforts are an integral part of Ardian's Responsible Investment Policy and embedded in the Sustainability Engagement Program. When carbon is identified as material, climate-related topics are integrated in the due diligence phase and monitored during the holding period via Ardian's annual sustainability reviews. During the due diligence phase, for direct investments, Ardian systematically analyze the climate materiality of the target company using a proprietary tool developed by the Sustainability team (based on industry standards including the guidance of the Initiative Climat International and the SASB climate materiality map). The outcome of the analysis is systematically included in the ESG section of the investment memo.

Throughout the holding period, Ardian regularly collects climate-related KPIs such as companies' carbon footprint and supports companies' efforts to reduce GHG emissions, mitigate their exposure to climate risks, and align with the Paris Agreement on a case-by-case basis. When material, climate

topics are included in portfolio companies ESG roadmap, which are developed hand in hand with the company's management team. Progress on the action plan is assessed on an annual basis.

For its Fund of Funds activity (primaries and secondaries), Ardian monitors GPs' climate practices at both the investment process and management company levels on an annual basis and provides feedback and recommendations to improve when material.

Information regarding our climate action efforts is consolidated and communicated to Investors on an annual basis through our fund management reports.

At the management company level

Ardian has measured its carbon footprint since 2015 on scopes 1, 2 and 3 for all its offices. Since then, Ardian has launched green initiatives to reduce carbon emissions and raise employees' awareness. This includes green energy contracts, a low carbon mobility plan, green challenges for employees, improvement on waste reduction and recycling.

Between 2015 and 2019, the carbon emissions per employee at Ardian have been reduced by 32%. Following the onset of the pandemic, our carbon emissions fell significantly to reach 2,020 TeqCO₂ (versus 7,300 TeqCO₂ in 2019). While emissions have since increased as activity resumes, we have launched a project using science-based methodology to model the carbon reduction trajectory that Ardian will endeavor to follow to meet the Paris Agreement. This work has given us a detailed understanding of the steps that we will need to take each year to play our part in limiting the global temperature increase to 1.5°C above pre-industrial levels.

Ardian is currently leveraging and deepening existing initiatives as part of an overarching Climate Action strategy to reflect the firm's ambition at both the entity and portfolio levels in an effort to align its activities with the Paris Agreement target.

A carbon reduction plan in line with Paris Agreement using science-based methodologies is expected to be defined including quantitative reduction objectives with specific time horizons. This strategy has the objective to maximize Ardian's leadership and contribution to the transition of the real economy into a low carbon and socially inclusive society while complying with the most robust international regulations and be based on the most relevant industry standards.

Biodiversity

At Ardian, we are aware that biodiversity is key for Ardian investments and the wider financial industry. Along with other financial and ESG risks, biodiversity is considered when conducting the materiality analysis. These risks are fully integrated in our decision-making process and are closely monitored throughout the holding period of investments for which they are considered material.

Quantitative and qualitative indicators form an integral part both of:

- The due diligence phase before the acquisition of an investment; and
- The ownership phase through annual reporting.

Among others, Ardian addresses biodiversity issues in its portfolio when material through the analysis of the following elements on a case-by-case basis:

- Follow-up of specific KPIs on a case-by-case basis and depending on the investment activity, such as: activities location in biodiversity-sensitive area, number of vulnerable species threatened, habitat removed or restored, net habitat gain
- Existence of specific policies or strategy;
- Commitments in place;
- Set targets for net loss/improvement of biodiversity; and

When material, biodiversity-related topics are included in portfolio companies ESG roadmap and progress is reviewed on an annual basis.

For its investment in Fund of Funds, Ardian monitors the biodiversity practices of portfolio GPs which are ultimately responsible for supporting underlying portfolio companies' progress on this topic. Ardian is willing to further work to expand the biodiversity materiality analysis throughout its investments to improve related risks identification and mitigation. This intends to contribute to the global effort in reduction of main pressures on biodiversity established by the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES). In addition, to reinforce Ardian teams' knowledge on biodiversity-related issues, Ardian has organized in-depth training sessions for its Sustainability team and developed specific content on biodiversity for direct investment teams.

ESG risks

› Risks assessment and management

At Ardian, ESG risks are systematically integrated in the investment process with a tailored approach depending on the investment strategy.

During the pre-investment phase, the investment team analyzes whether the company or fund is exposed to a sector listed in Ardian's investment restrictions list or in the fund documentation such as side letters. In case of exposure, the due diligence is discontinued.

For each investment, we follow a disciplined investment approach to make sure that risks and opportunities are analyzed. The investment teams are accountable for performing systematic ESG Due diligence in order to properly understand the company, property or fund, its market, environment and identify any potential risk that could arise during the ownership period. The due diligence analysis includes (but can vary depending on the investment strategy and access to information), the following topics:

- Past and future financial analysis
- Business plan analysis and modelling
- Technical review
- Market analysis
- Legal analysis
- Tax and structuring review, financing, insurance
- Sustainability including potential ESG risks
- Cybersecurity and data privacy

For direct investments and investments in Private Debt, the Sustainability team has developed a list of ESG-sensitive sectors that require in-depth analysis hand in hand with the Sustainability team. The list of sectors includes, but is not limited to: pesticides, palm oil, plastic, genetics, alcohol, and defense. In addition, a climate materiality analysis is performed in order to identify potential physical and transition risks.

During the due diligence phase, the investment team is responsible for analyzing the company's potential ESG risks with the support of the Sustainability team and other stakeholders (Legal team, external consultants) when applicable. For investments in Private Debt and Co-Investment, the investment teams perform a dual analysis of both the company and the lead sponsor.

For investments in Fund of Funds (primaries and secondaries), the investment teams conduct an ESG analysis of the GP practices using Ardian's proprietary database developed through data collected from GPs since 2011, or public commitments (ex: UN PRI) when data is not available internally. Should the due diligence reveal an issue in terms of any business risk, sustainability risks, a counterparty risk, a reputation risk, a financial risk, or a specific legal risk, or if Ardian does not succeed to agree on proper governance, or in the absence of trustful management team, Ardian may decide to abort the process. Such potential issues are key checks made in early phase of the process.

Results of the ESG due diligence are systematically included in the investment memo presented to the Investment Committee.

During the holding period, ongoing dialogue with portfolio companies and GPs and annual ESG monitoring of portfolio allows Ardian to identify and mitigate potential ESG risks.

For further information, please refer to the section dedicated to ESG integration in the investment process (p.1-3) and to Ardian's Responsible Investment Policy.

SECTION OF THIS REPORT	SUB-SECTION OF THIS REPORT	DECREE IMPLEMENTING ARTICLE 29
Entity General Approach	Ardian's responsible commitments	1° Information on the entity's general approach
	Responsible investment in practice at Ardian	1° Information on the entity's general approach
	ESG reporting to investors	1° Information on the entity's general approach
	ESG criteria integration in investment process and SFDR Article 8 and Article 9 funds	1° Information on the entity's general approach
	Collaborative industry initiatives	1° Information on the entity's general approach
Internal means	Dedicated Sustainability Team	2° Information on the in-house resources rolled out by the entity
	Collaboration with external experts	2° Information on the in-house resources rolled out by the entity
	Data management and dedicated tools	2° Information on the in-house resources rolled out by the entity
	Enhancing Ardian teams' Sustainability skills	2° Information on the in-house resources rolled out by the entity
Governance	Ardian's Sustainability Committee	3° Information on the approach to take account of environmental, social and governance quality criteria at the entity-governance level
	Ardian's Remuneration Policy	3° Information on the approach to take account of environmental, social and governance quality criteria at the entity-governance level
Integration of ESG quality criteria in the internal regulations of the entity's Board.		4° Information on the engagement strategy vis-à-vis issuers or management companies and its implementation
Engagement strategy with portfolio companies		4° Information on the engagement strategy vis-à-vis issuers or management companies and its implementation
Paris Agreement	Ardian's climate strategy	6° Information on the strategy for alignment with the international climate change limitation objectives of the above-mentioned Paris Agreement
Biodiversity		7° Information on the strategy for alignment with long-term biodiversity goals
ESG Risks	Risks assessment and management	8° Information on approaches to taking environmental, social and governance quality criteria into account when managing risks