

Ardian's Responsible Investment Policy

ARDIAN'S SUSTAINABILITY APPROACH

Ardian provides investment management and advisory services to affiliated private market funds. Ardian, on behalf of its Investment Funds and the Funds' investors, has adopted this Responsible Investment Policy to outline its approach to integrating consideration of sustainability matters into its Funds' investment activities.

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

Sustainability is integrated within Ardian's investment activities and operations. Ardian was an early signatory of the UN-supported Principles for Responsible Investment (PRI) in 2009. These Principles act as a guide for investors to integrate environmental, social and governance factors into their investment practices.

As a major investor in the real economy, we believe we can accelerate the building of resilient companies and drive positive transformation. Sustainability is part of our investment approach, both as a way to manage risk and as a lever for value creation. We carry out our fiduciary duty by building a resilient portfolio that creates value for our clients.

Since 2008, Ardian has been developing a Sustainability Program to shape high-performing business models that can also provide environmental and social measurable outcomes.

Where aligned with the fund investment thesis, Ardian aims to drive sustainable value creation and resilience in portfolios, while maintaining its focus on identifying attractive investment opportunities related to environmental and social transformations as well as innovations for the future.

KEY PRIORITIES AND OBJECTIVES

Ardian has defined the following key priorities for its Sustainability Program

- › **Climate Transition**
- › **Fairer Society**
- › **Measurable Impact and Value Creation**

The relevance of any particular sustainability priority to a Fund or its investments will be determined on a case-by-case basis taking into account the applicable investment strategy, investors' expectations and our ability to mitigate risk or create value.

As a responsible investor, we focus on:

- › Supporting effective Sustainability integration within the investment lifecycle to better manage risk, identify Sustainability value creation opportunity for portfolio **companies and assets** and strengthen their resilience;
- › Meeting our **investors' expectations** on sustainability;
- › Working with our **internal and external stakeholders** in the implementation of our Sustainability strategy throughout the different Ardian activities and build knowledge and skills among Ardian teams with respect to sustainability; and
- › Collaborating with our **peers and wider industry** through coalitions and industry initiatives to support Sustainability best practices within our ecosystem and leverage our experience on the topic.

SUSTAINABILITY ORGANIZATION WITHIN ARDIAN

Driven by conviction within the firm and involvement of top management, the Sustainability organization within Ardian relies on a tailored model and dedicated expert resources to meet our business philosophy.

DEDICATED EXPERT TEAM

The **Sustainability team** is composed of specialists responsible for developing and implementing Ardian's Sustainability strategy in its investment portfolio and firm operations, working in collaboration with other Ardian teams. Capitalizing on their experience in sustainability and responsible investment, the team brings a range of complementary technical skills and expertise to support portfolio transformation, provide added value to Ardian clients, and share knowledge with our community of stakeholders.

STRONG GOVERNANCE

The Ardian **Sustainability Steering Group** is composed of management representatives from investment activities and central functions, among members of Ardian's Executive Committee. The Group provides oversight to Ardian's Sustainability strategy and supports alignment with Ardian's global strategy.

SUSTAINABILITY INTEGRATION IN THE INVESTMENT PROCESS

To promote effective integration of Sustainability in the investment process, the Sustainability team collaborates with investment teams, portfolio companies, and General Partners (GPs) throughout the investment lifecycle. Implementation of Ardian's Sustainability Program in an individual investment activity is led by a designated member within the Sustainability team.

This Responsible Investment Policy is intended to reflect Ardian's general framework for managing sustainability matters through the lifecycle of an investment. Ardian's ability to influence and exercise control over its Fund's investments will vary depending on the investment structure and terms. In cases where Ardian determines it has limited ability to conduct diligence or to influence and control the consideration of sustainability matters in connection with an investment, it will only apply those elements of this Responsible Investment Policy that it determines to be practicable. Examples of such cases may include

- › Where vehicles are used primarily for structuring purposes, such as co-investment or syndication vehicles;
- › When dealing with older vintage Funds which currently rely on Sustainability team support on an as-needed basis, pending process formalization, or which are in wind-down where there is limited value in applying the framework;
- › Where the Fund is a minority shareholder, has limited governance rights or where other circumstances affect the Ardian's ability to assess, set or monitor Sustainability-related performance goals; and
- › When dedicated vehicles are tailored for particular investors including where an underlying investor maintains significant influence over relevant investment decisions.

Specific commitments are set out in the relevant fund or mandate documentation.

PRE-DUE DILIGENCE

The Investment team conducts screening which seeks to avoid investment opportunities in sectors banned by Ardian's investment restriction list. Banned sectors include:

- › **Tobacco:** Ardian refuses to make any investment in the 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;
- › **Thermal 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; and
- › **Gambling:** Ardian refuses to make any direct investments in companies whose main activity consists of operating Casinos, gambling/betting venues or websites. In the event that it would make sense for certain strategies, additional restrictions may be added at individual fund levels as part of their contractual documentation.

DUE DILIGENCE

The Investment team carries out Sustainability analysis which seeks to take into account the fund or mandate strategy as well as the details of opportunities, with the support of the Sustainability team and consultants when appropriate.

- › **For direct controlling investments in Private Equity and Real Assets:** The Investment team performs Sustainability analysis of a prospective investment to identify potential Sustainability issues (both risks and opportunities) relating to the opportunity and levers for improvement that could be deployed during the holding period. This analysis is based on the tools and analytical frameworks developed by the Sustainability team.
- › **For direct non-controlling investments in Private Equity and Real Assets:** The Investment team undertakes a dual sustainability risks and opportunities assessment on the lead sponsor and the target company, asset or property. For Co-Investment and Private Credit opportunities, sponsor analysis can leverage Ardian's proprietary GP Sustainability scorecards, when available. Analysis is also generally supported by vendor and potentially buyer due diligence packages, typically including commercial, financial and legal diligence reports, and may include dialogue with the lead sponsor or company management team to probe further if Sustainability issues are identified.
- › **For Secondaries & Primaries investments:**
 - For both primary and secondary transactions, the Investment team assesses the prospective transaction taking into account relevant Sustainability criteria. Such criteria include Ardian's proprietary Sustainability score of the GP(s) from Ardian's latest Sustainability campaign, where available. Where a GP Sustainability score is unavailable, the team typically considers other public commitments taken by the GP, such as signing the PRI.
 - Additionally, in primary transactions, Ardian can seek to negotiate clauses in side letters when deemed necessary. These clauses generally request that the underlying fund manager acknowledges Ardian's commitment to the PRI and Ardian's Responsible Investment Policy, including applicable investment restrictions, and use commercially reasonable efforts to respond to Ardian's annual Sustainability monitoring questionnaire.

INVESTMENT DECISION

A summary of the Investment team's Sustainability analysis is included in the investment memorandum submitted to the Investment Committee of the Fund. In addition, the head of the Sustainability team is a permanent guest of the Investment Committee and can ensure that the elements relating to this Policy are duly considered

To reinforce governance and prevent risks regarding heightened compliance requirements, such as investments in funds disclosing in line with Article 9, EU Sustainable Finance Disclosure Regulation (SFDR) or designated as "sustainable investments" in line with SFDR, for prospective sustainable investments, the Sustainability team shares key take aways on the Sustainability due diligence ahead of the Investment Committee to ensure compliance with the criteria set forth in the respective funds' SFDR disclosures.

HOLDING PERIOD

Ardian's Sustainability team coordinates the monitoring of portfolio companies, assets, properties and GPs' Sustainability performance, and engagements where appropriate, in coordination with the Investment team.

- › **For direct controlling investments in Private Equity and Real Assets:**
 - The Sustainability team conducts an annual review of portfolio companies and assets' Sustainability performance in coordination with the Investment team. (Certain companies and assets may be removed from scope on a case-by-case basis due to business needs identified by the Investment team.) The review supports Ardian's Sustainability data collection efforts and dialogue with portfolio companies and assets. It can include among its outcomes action plans intended to support companies and assets in improving their performance on identified priority areas. The action plans are regularly updated to support alignment with portfolio companies and assets' global strategy. Ardian investment teams are also in regular contact with portfolio companies and assets' management which can assist in continued monitoring and engagement on Sustainability performance.
 - For direct investments in Real Estate, a post-acquisition analysis of the property's current Sustainability performance is formalized. The Investment team, in association with the Sustainability team and relevant third parties (e.g., property managers, facility manager) defines the Sustainability value creation strategy and specifies the Sustainability KPIs for the property. The property's Sustainability performance is assessed on an annual basis to track progress.
- › **For direct non-controlling investments in Private Equity and Real Assets:** The Sustainability team monitors companies' sustainability initiatives through Supervisory Boards when Ardian is a member, active dialogue with the lead sponsors or companies' management when appropriate, and annual collection of Sustainability performance indicators from the lead sponsor or portfolio company on a case-by-case basis.
- › **For Secondaries & Primaries:** A Sustainability monitoring questionnaire is sent on an annual basis to Ardian's GPs for both primary and secondary transactions. The questionnaire aims to assess GP practices at both the investment process and management company levels. Based on their responses, GPs receive a scorecard that assigns a score per Ardian's proprietary scoring methodology and presents a benchmarked against other GPs who answered the questionnaire. Select GPs are also offered a feedback session to discuss the results and opportunities for improvement. Additionally, Ardian may secure a seat on the boards of funds in which it invests, which can offer another opportunity for monitoring.

EXIT (applicable to direct controlling investments)

Ardian believes that Sustainability integration in portfolio companies should be result driven. In that objective, Ardian may seek to conduct a Sustainability Vendor Due Diligence (VDD) when appropriate.

For direct controlling companies and assets, under certain conditions, Ardian will aim to redistribute a portion of capital gains to the employees of the portfolio companies and assets, consistent with its priority and commitments on value sharing.

INDUSTRY ENGAGEMENT

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

More information on Ardian's involvement in sustainability-related industry initiatives can be found on the [Sustainability](#) page of Ardian's website.

REGULATORY DISCLOSURES AND CLIENT REPORTING

Ardian makes a number of publications publicly available on its website, including relating to sustainability and regulatory matters. Fund-level sustainability information is also available via Ardian's investor portal.

RESPONSIBLE INVESTMENT POLICY UPDATES

- July 2021: Investment restrictions on coal and gambling added in the "Responsible Investment in practice" section
- December 2023: Revisions to all sections to reflect the evolution of Ardian's Sustainability approach
- May 2025: Updates to "Due diligence," "Sustainability organization within Ardian," and "Regulatory disclosures and client reporting" sections to reflect current structures and practices
- June 2026: language homogenization, update of the Investment Process (regarding Committee attendance and Impact Committee), product expansion, market best practices