

SAGARD
Responsible Investment Report
2024





Capital. Culture. Network.

Responsible Investment Report

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“ Our successes are more meaningful when we support organizations that embody our sustainability priorities and values. ”

At Sagard, our vision is to build one of the most respected and impactful alternative investment management firms globally. We continue to believe we can create attractive investment returns and contribute to a more prosperous world. Our commitment to our responsibility objectives is unwavering, as our 2024 achievements demonstrate. As per our 2024 objectives, we have continued to progress while remaining true to our core values of entrepreneurship, innovation, collaboration, rigor, and authenticity.

One of our advantages is our ability to continue growing a differentiated network. In 2024, we activated that network in several ways. We continued our Sagard Perspectives series, with close to 800 attendees joining us over the year, covering themes such as geopolitics and artificial intelligence, fostering insightful discussions among our network. We continued our engagement with the Afrodescendant Leadership Alliance (formerly Black Wealth Club) and the Indigenous Leadership Circle. Both of these groups are highly valued by the participants and give Sagard an authentic, two-way bridge toward and from these communities.

Our approach to ESG¹ is highly engaged and practical. We strive to play a tangible part in shaping a better world. When it comes to “E”, we believe that the energy transition space represents a tremendous opportunity, as billions will need to be invested. The year 2024 marked a significant milestone for our ClimateTech Fund, launched in 2023. We achieved a successful final close in September, exceeding our initial C\$60M target to reach the C\$80M fund cap. This achievement was made possible through the strong support of numerous institutional investors. As of December, the fund launched three companies, ReliOn, Lyteflo and Jetscale, and invested in two external companies - Skyward and veritree - across a range of development stages from Pre-Seed to Series A.

We are currently finalizing the purchase of carbon credits intended to offset our 2024 carbon emissions. These credits are sourced from the Shaan Seet Improved Forest Management project and the Great Bear Forest carbon project. The Shaan Seet project currently protects 8,900 acres of old growth forest on Prince of Wales

Island, Alaska, in a highly contentious logging area owned by the Alaskan Natives Corporation, an indigenous organization. The Great Bear Forest project spans 5 million hectares, covering Haida Gwaii and the North and Central-Mid Coast in British Columbia. This initiative supports Indigenous-led land-use planning and conservation within Coastal First Nations territories.

On the “S”, we participate meaningfully in driving innovation and prosperity in our communities, while promoting belonging, and caring for the health of our teams and planet. Among our initiatives to foster inclusion, reduce inequality and advance entrepreneurship, we have found a creative way to support organizations that align with our priorities. For the past 3 years, we made charitable donations to several non-profit organizations instead of offering gifts. Organizations include Robin Hood Foundation, Indspire, Lise Watier Foundation, United Way Canada / Centraide and Black Opportunity Fund.

Concerning the “G”, good governance, responsible decision-making, transparency, and accountability have always been hallmarks of the Sagard approach. Over the years, we have built a strong responsible investment governance to ensure our values and strategy are well embedded. We created different governance bodies such as the Responsible Investment Committee of the Board² which oversees our sustainability strategy³ and our Sustainability Committee⁴ which is accountable for its implementation. To ensure responsible investment matters are considered at key steps of our investment journey, we appointed a point-person for each investment strategy.

I am especially proud of our talented and dedicated team, which is working tirelessly toward our vision. We have achieved great things together, and our successes are more meaningful when we support organizations that embody our sustainability priorities and values, and foster entrepreneurial innovation.

Paul Desmarais III
Chairman and CEO

Sagard at a Glance

Sagard⁵ delivers flexible capital, an entrepreneurial culture and a global network of investors, commercial partners, advisors, and value-creation experts. Sagard is a global alternative asset management firm with more than US\$27B under management, 150+ portfolio companies and 400+ professionals. We invest in venture capital, private equity, private credit, and real estate. Sagard also engages in private wealth management through Sagard Wealth. We have offices in Canada, the United States, Europe, and the United Arab Emirates.

→ Metrics



A middle market,
alternative asset management firm



Entrepreneurial | Authentic | Rigorous | Collaborative | Innovative

2024 Highlights & Accomplishments

→ 2024 Highlights



Inclusion
& Belonging



Cybersecurity & AI



Climate change

Alignment of Sagard diversity, equity, and inclusion (“DEI”) reporting on the ILPA framework throughout the platform⁶

145
cyber-related engagements
completed with portfolio
companies¹⁰

Measurement of carbon
footprint completed for all Sagard
offices

Sagard North America¹¹
continues to be closely involved
with the *Indigenous Leadership Circle*

242
members in our
Cybersecurity Centre of Excellence
Slack channel

Integration of **material climate**
considerations in investment
process, where applicable

Sagard North America continues
to be closely involved with the
Afrodescendant Leadership Alliance

<8%
click rate in annual
phishing exercises covering
Sagard North America,
Portage, and Diagram

Climate scenario analysis¹² or fund
carbon footprint assessment¹³
completed for a portion of our assets
under management

→ Our 2024 Accomplishments

Inclusion & Belonging

- Hired a new Talent Development and Mergers and Acquisitions Manager who also leads inclusion & belonging matters
- Streamlined DEI data collection with a single self-identification questionnaire across Sagard North America, Diagram, and Sagard Wealth
- Alignment of Sagard DEI reporting on the ILPA framework throughout the platform

Cybersecurity & AI

- Hired a Head of AI and created a new center of excellence dedicated to AI
- Strengthened defenses through key security initiatives
- Adoption of new short and long term cybersecurity targets


Climate change & Biodiversity

- Increased coverage on our fund greenhouse gas (GHG) assessment
- Advancements in Sagard Real Estate’s carbon initiative journey
- Adoption of short and long term climate and biodiversity targets

Our Responsible Investment people and Network

To help us successfully deliver on our responsible investment agenda, we leverage a strong network of internal and external advisors who have deep knowledge of responsible investing. These advisors help guide our strategy and processes.

→ Board members



Elizabeth Lowery


Nationally recognized Global Chief Sustainability Officer, consultant, attorney, and expert on responsible investment issues



Heather Davis

Subject matter expert in the alternative investments field, including responsible investment and impact investing

→ Advisor



Alicia Dubois

Advisor on engagement and inclusion of Indigenous communities, and Co-founder of the Indigenous Leadership Circle

→ The Sustainability team

Based in the Montreal and Paris offices, the sustainability team operates as one global team serving Sagard, our investment teams and our portfolio companies.



Mari Brossard

Sustainability Principal (Montreal)

Responsible for the global sustainability strategy across Sagard



Nathan Raynouard

Sustainability Director (Paris)

Responsible for the sustainability strategy of European funds



Anissa Zidani-Hamdani

Sustainability Analyst (Montreal)

Supports the sustainability strategy across North America


→ Other internal resources



Annie Martineau

Vice President, Talent & Culture (Montreal)

Responsible for Sagard's inclusion & belonging strategy



Parinaz Sobhani

Managing Director, Head of AI (Toronto)

Expert in artificial intelligence across Sagard



Veenam Leung

Manager, Talent Development and M&A (Montreal)

Supports the inclusion & belonging initiatives across North America



Chris Robinson

Chief Information Security Officer (Ottawa)

Expert in cybersecurity and information security across Sagard

→ Consultants



Anova Energy

Carbon accounting and advisory on renewable/green energy credits acquisition



The Hewlin Group

Training, development, and change management consultancy with a specialty in diversity and inclusion



Verisk Maplecroft

Global intelligence company providing insight into responsible investment issues and resilience



Price Waterhouse Coopers

Consulting firm providing ESG due diligence services



Ginger

Strategy consultancy advising companies with climate and environmental issues



Ethifinance

Independent European group of financial and non-financial advisory, research and rating services



RE Tech Advisors

Responsible investment and sustainability advisors with expertise in GRESB reporting



1.

Our Three Focus Areas

1.

Our Three Focus Areas

We have identified three responsible investment topics as core priorities for our organization, our investment strategies, and our portfolio companies. Sagard expects each strategy to integrate these core priorities in line with their evolving responsible investment approaches over time.



Inclusion & Belonging



Cybersecurity & AI



Climate change

1.1. Inclusion & Belonging



Our Sagard values, which include authenticity, guide us in driving a better, more inclusive business in all senses.

→ 1.1.1. Sagard

As a responsible investor, we recognize that an inclusive ecosystem is fundamental to long-term value creation and positive societal impact. We continue to advance inclusive economic opportunities through our participation in the France Invest Gender Equality Charter¹⁴ and our support of the Afrodescendant Leadership Alliance, the Indigenous Leadership Circle, United Way Canada and Centraide du Grand Montréal.

Reflecting the global perspectives of our Limited Partners, we are dedicated to fostering a workplace built upon a varied talent pool where people can bring their authentic selves - people matter more than anything at Sagard. We continuously refine our internal processes and policies to ensure equitable opportunities for all team members to advance their knowledge and careers within the investment area, fostering a culture of continuous growth and inclusivity. From a recruitment perspective, we actively seek and value candidates with different backgrounds and perspectives, recognizing that this enriches our learning culture and brings a wider range of insights to our investment decisions.

We are committed to creating meaningful connection opportunities for all new hires, regardless of location, to foster a strong sense of belonging from the outset. We believe that heightening the connections is crucial for all team members to thrive. Therefore, Sagard actively supports internal employee groups that foster enhanced collaboration and networking opportunities such as employee resource groups, social committees, wellness committees, and informal mentorship opportunities, allocating resources to foster an inclusive environment where every employee feels valued and empowered.

In terms of compensation and benefits, we are committed to equitable practices that attract and retain a broad workforce. We continuously review our offerings through third-party surveys to ensure our compensation levels are competitive and our benefits package remains inclusive and responsive to the varied needs of our team members. Our ongoing partnership with Maven, a



leading provider of reproductive health services, reflects our commitment to providing inclusive and comprehensive health and wellbeing programs, as evidenced by the high participation levels and positive feedback.

→ 1.1.2. Strategies & Portfolio Companies

Our strategies assess where they have influence and can create positive change related to inclusion and belonging. Where appropriate, they engage with portfolio companies to communicate our expectations for similar commitment on executive teams, boards, and throughout the entire organization.

Where relevant, Sagard's strategies seek to contribute to select UN Sustainable Development Goals ("SDGs"), particularly SDG 3, SDG 5, and SDG 10, where these themes are material to the investment opportunity or sector.



1.2. Cybersecurity & AI¹⁵



Sagard's business is built on the trust of our stakeholders. Our cybersecurity program is our commitment to protecting all the information that is shared with us. We emphasize the importance of the quality of our processes and procedures.

→ 1.2.1. Sagard

During the year Sagard made significant strides in bolstering the organization's defenses through several key initiatives. First, we enhanced user convenience and control by adding Single Sign-On capabilities to support Market Research and CRM platforms. To further strengthen access controls, a hardware token second factor was implemented for administrative accounts within Google, effectively mitigating the risk of credential phishing. Recognizing the importance of secure access to sensitive systems, Zero Trust Network Access requirements were implemented for hiring and recruiting platforms, as well as the administrative network infrastructure. Proactive measures were also taken within Google Workspace, with application access reviews conducted to reduce the overall threat surface and improve the organization's security posture. Finally, we streamlined the deployment and maintenance of corporate applications by implementing automation, ensuring standardized and secured endpoints across the organization.

1.

Our Three Focus Areas

→ 2024 Metrics

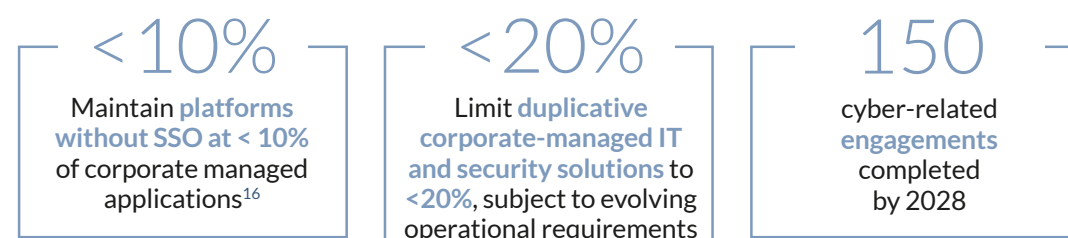


Sagard has been purposely very selective in terms of who to invite to the private channel in order to keep the quality of discussion high. From an impact perspective, Sagard is happy to have reached the right people despite missing the target for channel growth (250 members by the end of 2024).

→ 2025 Goals



→ Long Term Metrics



Some duplication of solutions is required to address niche elements of strategies.



→ 1.2.2. Strategies & Portfolio Companies

We recognize the importance of cybersecurity in the sectors in which we invest. Where we act as the lead investor in the fintech sector, we strive to incorporate a thorough cybersecurity and AI risk assessment into our due diligence. This includes evaluating data privacy measures, governance and oversight of AI systems, vulnerability management, and incident response capabilities. This evaluation helps create roadmaps to achieve the required levels of cybersecurity maturity. The investment team collaborates with leading external consultants for due diligence as needed. For other investment opportunities, we encourage our strategies to include a cybersecurity and AI assessment as part of the investment process when the potential impact of digital security or AI use is deemed material.

We have a dedicated *Cybersecurity Centre of Excellence* within our Value Creation Team that specializes in evaluating cybersecurity risk, providing our portfolio companies with support to improve their cybersecurity, and sharing best practices. Our *Centre of Excellence* has developed two cybersecurity maturity programs to help evaluate and set the roadmaps for select early and growth-stage companies within our portfolios. Our Cybersecurity Centre of Excellence is open to all portfolio companies to join. Through this network, we endeavor to update our employees, ventures, and companies with timely information, alerts, and advice related to cybersecurity.

We are Building a New Expertise: Artificial Intelligence

Sagard's vision is to become one of Canada's top AI enabled asset managers, investing in successful AI-powered financial companies. To accelerate our AI efforts, we have built Sagard's AI Center of Excellence ("CoE"), which will focus on **4 key goals**:

- **Accelerate portfolio adoption of AI** by providing our portfolio companies thought leadership, strategic and operation support. This includes offering workshops and hackathons, such as product strategy and roadmap workshops, proof of concept hackathons, data strategy workshops, talent assessment and gap identification, governance frameworks and many others.
- **Become a top sector-focused AI investor** by developing our investment thesis about AI in our focus investment sectors, developing a network to source the best AI companies in our focus sectors, and building AI due diligence capabilities for assessing our deals.
- **Provide AI thought partnerships to our investors** by building a community of AI leaders in our ecosystem aiming to share the latest AI insights, and ensuring our investors stay equipped with the most relevant and actionable AI knowledge. For example, we shared with our investors as part of a "Sagard Perspective" a special edition on "Unpacking the DeepSeek Effect", which was very well received by our LP community.
- **Build AI systems for Sagard to enhance its internal productivity** and insight generation. For example, we are working with Sagard Credit to build custom AI bots for market research.

1.3. Climate Change



Sagard acknowledges that climate change has far-reaching and unprecedented consequences for the global economy.

→ 1.3.1. Sagard

In 2024, we continued our steadfast commitment to climate action, marking a milestone by successfully integrating new Sagard acquisitions into our carbon emissions assessment. This expanded scope, coupled with the deepening knowledge gained from our ongoing analysis, provided valuable insights into our current carbon footprint. Consequently, Sagard has adopted new short-term targets and, for the first time, defined long-term objectives, demonstrating our proactive approach to mitigating our environmental impact.

→ Short Term Targets

- GHG assessment
 - Complete the GHG assessment of European and Diagram* funds
 - Assess quality of GHG data of other funds
 - Suggest a timeline to calculate the GHG footprint of other funds
- Resume climate scenario analysis
- Reflect on a biodiversity protection strategy

→ Long Term Targets

- Assess the GHG emissions of all our funds
- Incorporate a climate scenario analysis in all our investment processes
- Adopt a biodiversity strategy for all our funds
- Launch new investment products geared toward climate solutions and biodiversity protection

As part of our ongoing commitments, we aim to calculate our carbon footprint annually across all our offices. In 2024, we estimated our firm-wide footprint at 5,562.54 tCO₂e, based on Scope 1, 2, and selected Scope 3 emissions using the GHG Protocol. Our full report is publicly available [here](#). Furthermore, we have made a conscious decision to offset our emissions by supporting meaningful projects that demonstrate a strong commitment to real impact.

* GHG assessment applies to funds launched by Sagard Europe and Diagram funds subsequent to the adoption of the Responsible Investment Policy.

Carbon offset projects



Shaan Seet Improved Forest Management Project

The Shaan Seet Improved Forest Management carbon offset project, located on Prince of Wales Island in southeastern Alaska, safeguards over 8,900 acres of old-growth hemlock-spruce forest, a critical ecosystem providing substantial climate benefits through carbon sequestration.

This protected area represents a portion of a larger 23,040-acre landholding acquired by Shaan Seet, Inc. under the Alaska Native Claims Settlements Act (ANCSA). This 40-year initiative ensures the long-term preservation of this forestland, meeting USDA Forest Inventory and Analysis (FIA) standards with at least 10% forest cover.

Without carbon offset financing, this area, situated within a contentious logging region owned by the Alaskan Natives Corporation, would be vulnerable to timber harvesting, despite its historical use for

subsistence by Alaska Natives and later commercial logging in the 20th century. Beyond carbon sequestration, the project also plays a crucial role in protecting vital fish species, including sockeye, coho, chum, pink salmon, and steelhead trout.

First listed and verified in 2019, the project signifies a significant shift towards improved forest management practices by the Alaska Natives Corporation, ensuring sustainable, natural forest growth and preventing considerable commercial timber harvesting.

This project contributes to the following SDGs:



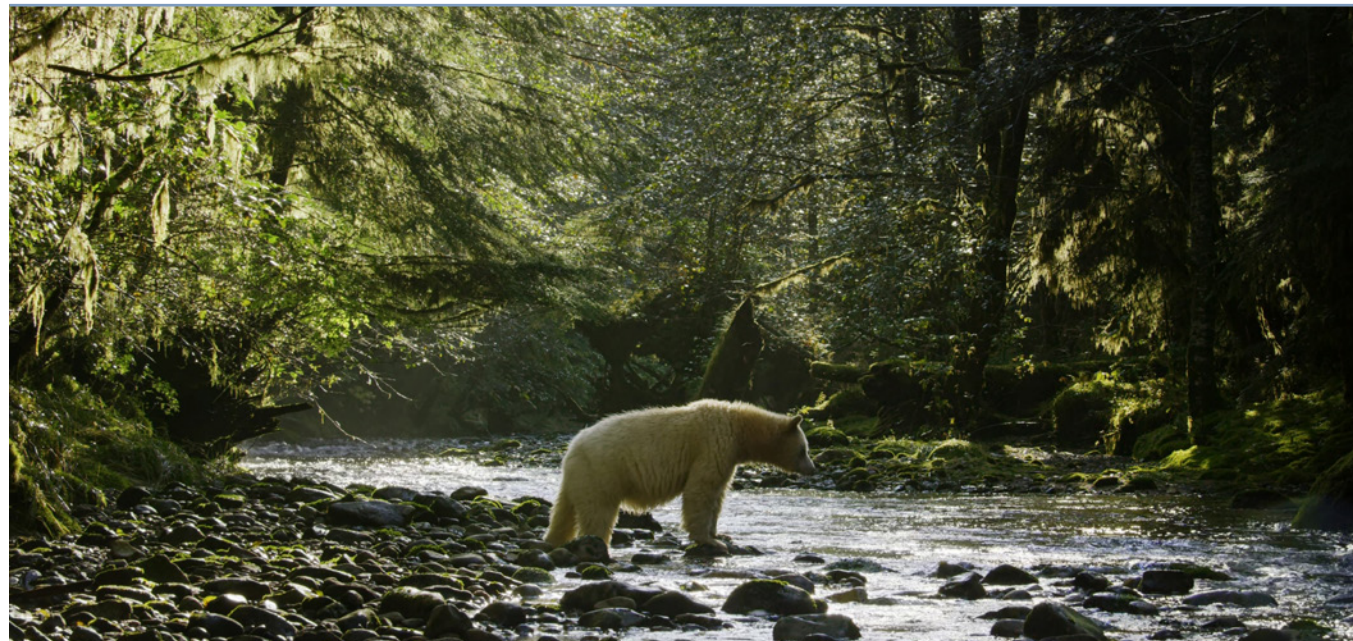
1.

Our Three Focus Areas

Carbon offset projects



The Great Bear Forest Carbon Project



The Great Bear Forest Project is a large-scale conservation and forest carbon initiative spanning 5 million hectares across British Columbia's Haida Gwaii and the North and Central-Mid Coast.

This undertaking involves amendments to land-use legislation and regulation, transitioning forests previously designated for commercial logging into protected areas to enhance carbon sequestration. This crucial effort is situated within the Great Bear Rainforest, the world's largest intact coastal temperate rainforest, which is home to diverse wildlife, including the rare Spirit Bear (Kermode Bear), grizzly bears, cougars, wolves, and vital salmon runs. An important

aspect of the project is the gradual transfer of forest stewardship responsibilities to the Coastal First Nations, intended to support community-led conservation and sustainable economic development. This shift is anticipated to contribute to local employment and revenue-generation opportunities, though outcomes will depend on implementation and regional conditions.

This project contributes to the following SDGs:



→ 1.3.2. Strategies & Portfolio Companies

Sagard is currently building its climate scenario expertise and capacity, and deploying it within its investment processes on a case by case basis. In 2022, climate scenario analyses were conducted by the Sagard Private Equity Canada, Portage Ventures, Sagard Credit, and Sagard Real Estate teams on their existing portfolios. Portfolio coverage ranged from 15% to 100% depending on the availability of climate-relevant data and the materiality of climate risk to the strategy. These analyses were exploratory in nature and intended to enhance internal understanding of physical and/or transition climate risks.¹⁷

As another step in our climate journey, we have conducted fund-level carbon assessments for certain strategies. Sagard Europe has been estimating its funds' emissions since 2022, collaborating with a firm specialized in environmental engineering. In North America, we conducted our first fund-level carbon assessment for our DVLP III fund. We estimated scope 1, scope 2, and scope 3 emissions for companies that have reached the seed stage. With more comprehensive data in hand, we have a better understanding of the emissions of a part of our portfolio and can better engage in a discussion with our portfolio companies.

Furthermore, Sagard recognizes the broad and multi-faceted nature of climate change and carbon issues. As a real estate investment advisor and operator through Sagard Real Estate, we are actively seeking to reduce the GHG emissions of Sagard Real Estate's portfolio to meet state and regional building performance standards requirements when necessary.

A Proactive Approach to Emissions Reduction

Sagard Real Estate's emissions reduction plans demonstrate a proactive approach to meeting state and regional building performance standards ("BPS"). These standards are policies that require building owners to meet specific performance targets by actively improving their building's energy efficiency over time, often with interim targets that drive energy savings and emissions reductions.

Where BPS exists, Sagard conducts ASHRAE (American Society of Heating, Refrigerating and Air-Conditioning Engineers) audits. These audits are comprehensive evaluations of a building energy set, which identify opportunities for energy conservation and efficiency improvements.

Once the audits are completed, our property and asset management teams immediately implement the recommended energy conservation measures. This proactive approach ensures that our buildings not only comply with the existing standards but also contribute to the overall reduction of greenhouse gas emissions and energy consumption. Where energy conservation measures do generate enough of a reduction in energy, we often purchase renewable energy credits.

This strategy has been successfully implemented at Broadway Station and Financial House in Denver, CO. By conducting ASHRAE audits and implementing the recommended measures at these locations, our company has taken tangible steps towards improving energy efficiency and reducing carbon emissions.



2.

Sagard's Initiatives

2.

Sagard's Initiatives

“Sagard wants to participate meaningfully in driving innovation and prosperity in our communities, while promoting inclusion.

”

2.1. Sagard's Ambition

Sagard wants to participate meaningfully in driving innovation and prosperity in our communities, while promoting inclusion, and caring for the health of our teams and planet. These goals relate to our sense of responsibility within our industry and our wider communities.

We work with several organizations and community groups that share our values and comprise our broader ecosystem and network. We support initiatives that align with our sustainability objectives, with a specific focus on three key areas: inclusion & belonging, cybersecurity & AI, and climate.



2.

Sagard's Initiatives

2.2. Leadership in Inclusion and Belonging Initiatives

Sagard seeks to contribute to the advancement of inclusion & belonging in our society by founding or being actively involved in initiatives such as:

- France Invest Gender Equality Charter
- Afrodescendant Leadership Alliance
- Black North Initiative
- Indigenous Leadership Circle
- United Way Canada / Centraide du Grand Montréal

Giving Back to our Community

We recognize the importance of giving back to our community, and we aim to support our employees to participate in this effort. We actively encourage volunteer activities, fostering a culture where both the company and its individuals contribute to positive change. This commitment not only strengthens our community ties but also directly reflects our core value of collaboration, demonstrating our belief in collective action for a greater impact.

In 2024, we championed fundraising initiatives for causes close to our hearts. Notably, we supported United Way / Centraide, an organization dedicated to fighting poverty and social exclusion. Thanks to the generosity of numerous employees, we surpassed the previous year's donation total, which was already a testament to remarkable giving, and raised C\$98,372. Furthermore, in November, Sagard employees once again rallied behind the Movember movement, a movement that aims to raise awareness and funds for men's health, particularly prostate and testicular cancer, as well as mental health issues. Several employees grew mustaches to show their support, and all were encouraged to contribute donations to this worthy cause.

Sagard and its employees actively engaged in various volunteer initiatives throughout the year. This widespread participation across numerous offices demonstrates a collective desire to make a positive impact. For instance, the Montreal office volunteered at Multicaf in December, supporting their mission to provide food aid and social connection in the Côte-des-Neiges district. Similarly, the New York office donated IT equipment to a high school and provided soup kitchen support through the Coalition for the Homeless, one of the oldest US advocacy and direct service organizations helping homeless individuals and families. Our Paris team donated IT equipment to Salésienne de Paris, a sports association. Furthermore, in 2024, our Denver office actively participated in local environmental efforts by planting 100 trees with the City of Denver Parks and Recreation in just three hours.





3.

**Sagard's
Strategies**

3.

Sagard’s Strategies¹⁸

Unless otherwise specified, “Metrics” is % of portfolio companies meeting the KPI

Portage

Portage Ventures

Portage Ventures (“PV”) is a global fintech venture capital investment strategy. PV aims to invest in, and partner with, the world’s most innovative financial technology companies from early stage to growth and beyond.

Portage Capital Solutions

Portage Capital Solutions (“PCS”) is an equity investment strategy that delivers flexible capital solutions and resources to help later-stage fintech and financial services businesses reach their potential.

Responsible Investment Approach


Responsible investment considerations are integrated in the sourcing, due diligence, and monitoring phase. Where appropriate, we evaluate environmental considerations, cybersecurity, inclusion & belonging, and the reputations of founders.

As active shareholders of our portfolio companies, we seek opportunities for engagement that can be used for addressing material sustainability issues within our portfolio companies in a manner consistent with the best interests of our investors.

We are committed to supporting innovation and economic growth and providing sustainability implementation guidance for portfolio companies to the best of our ability, starting with cybersecurity and inclusion & belonging.

Case study

Portage Ventures



Please refer to the section “Spotlight on nesto” on page 30.



Diagram

Diagram is a venture builder and investor specialized in launching and scaling ventures in fintech and climatetech. We pair de-risked ideas with exceptional founders and early-stage capital to launch and scale companies from the ground up.

Responsible Investment Approach

We recognize the importance of having a responsible investment approach that prioritizes certain key areas across our investment strategies. Since 2023, we have implemented Sagard’s Responsible Investment policy as part of our latest funds, DVLP III and Diagram ClimateTech LP (“DCT”), identifying three priorities: (1) inclusion & belonging, (2) cybersecurity and (3) climate change.

Case study

Lyteflo

Lyteflo
Accelerating EV Adoption at the Dealership Level

In 2024, we launched Lyteflo, the second investment from the Diagram ClimateTech Fund. Based in Montréal, Lyteflo is an electric vehicle (EV) sales platform that integrates directly into auto dealership websites. It enables dealers to move EV inventory more efficiently and to accurately appraise EV batteries—becoming a one-stop shop to help dealers win the electric future.

Across Canada and the U.S., EV subsidies and incentives can vary significantly by region, creating confusion for both consumers and sellers. Lyteflo addresses this challenge by surfacing key vehicle data—such as fuel and maintenance savings, available incentives, and charging capacity—directly on the dealership’s site. This transparency empowers sales teams and buyers alike, ultimately helping to put more EVs on the road.

Impact: Light-duty vehicles account for approximately **15% of U.S. greenhouse gas emissions** (“EPA”), yet dealerships often face challenges in selling EVs at scale. If Lyteflo were to help **1,000 dealerships** increase EV sales by **10% annually through 2030**, modeled projections suggest this could result in cumulative emissions reductions of approximately **~3.5M tonnes of CO2**. While illustrative, this scenario highlights the potential for platforms like Lyteflo to support transportation decarbonization.

Metrics¹⁹

50%

of portfolio companies have a **cybersecurity policy** in place at Seed stage

100%

of portfolio companies followed a **cyber training** before raising a Series A round²⁰

100%

of portfolio companies that have reached Seed stage have either **already estimated their GHG emissions**, or are in the process of doing so

Spotlight on nesto

Case study

nesto is Canada's premier end-to-end digital mortgage provider. nesto is a company built by Diagram and backed by Diagram. In 2024, nesto received support from Diagram and Portage on subjects related to cybersecurity and AI.

Cybersecurity

In the rapidly evolving digital landscape, robust and resilient cybersecurity is paramount for financial technology companies like nesto, which handles sensitive client data and facilitates critical mortgage transactions. Portage understands that building strong partnerships based on mutual trust is essential for delivering strategic guidance and targeted services to improve overall cybersecurity posture. Leveraging our deep expertise in fintech and cybersecurity, we partnered with nesto to strengthen their incident response and business continuity capabilities through targeted tabletop exercises ("TTXs").²¹ This case study illustrates how our strategic guidance and collaborative approach, rooted in mutual trust, empowered nesto to significantly strengthen their cybersecurity posture.

nesto committed to security by recognizing the importance of proactive cybersecurity measures to safeguard client trust and ensure business continuity. They sought to refine their incident response plans and test their preparedness for potential cyber threats.



Portage Ventures

Portage's tailored approach:

Year 1 - Foundation Building and Gap Identification (2023)

- Portage facilitated nesto's inaugural cybersecurity-focused TTX, simulating a realistic cyber incident scenario
- The exercise tested existing response documentation and procedures and helped surface key gaps in incident response and business continuity planning
- The exercise effectively identified key gaps in their incident response and business continuity plans
- Portage worked closely with nesto's cybersecurity team to analyze findings, prioritize areas for improvement, and develop actionable next steps
- The gaps identified during the 2023 TTX were thoroughly documented, and action items were created to resolve them

Year 2 - Iteration and Maturity (2024)

- Portage conducted a follow-up TTX that assessed progress against the 2023 findings
- nesto's team had implemented several improvements, including updated processes, documentation, and decision trees
- The 2024 exercise allowed nesto to further fine-tune their procedures, identify new areas for improvement, and reinforce their commitment to continuous security enhancement
- Again, Portage provided expert guidance and facilitated collaborative discussions to ensure effective knowledge transfer and actionable outcomes
- The 2024 TTX built upon the foundation of 2023 and allowed the nesto team to further mature their processes

What were the results?

- **Enhanced Incident Response Capabilities:** nesto's team demonstrated a significant improvement in their ability to respond effectively to simulated cyber incidents
- **Improved Business Continuity Planning:** The TTXs strengthened nesto's business continuity plans, ensuring minimal disruption in the event of a real-world cyberattack
- **Enhanced Crisis and Incident Management Realism and Preparedness:** The realistic cybersecurity tabletop exercises emphasized that effective crisis management, while requiring meticulous planning, necessitates navigating complex and evolving situations, fostering a culture of continuous improvement through practice and aligning executive expectations with the inherent "messiness" of real-world incidents
- **Increased Cybersecurity Maturity:** nesto's overall cybersecurity posture was significantly enhanced through the iterative process of gap identification, remediation, and refinement
- **Strengthened Client Trust:** By proactively addressing cybersecurity risks, nesto reinforced its commitment to safeguarding client data and maintaining trust
- **Proactive Security Culture:** nesto's team demonstrated a proactive security culture, and a desire to continue to improve their security posture

This strategic partnership between Portage and nesto exemplifies the value of proactive cybersecurity measures, continuous improvement, and the power of mutual trust. By leveraging targeted tabletop exercises and expert guidance, Portage empowered nesto to strengthen its incident response and business continuity capabilities, reinforcing their commitment to data protection. The success of this collaboration, rooted in nesto's open and transparent engagement, demonstrates the value of a trust-based relationship and Portage's dedication to supporting its portfolio companies in building robust and resilient businesses. Knowing their feedback would be used constructively and remain confidential, nesto was able to fully participate in the process. This collaborative spirit, characterized by open communication and a shared commitment to security, was pivotal in driving the positive outcomes achieved and building a more resilient business.

Diagram

What about Artificial Intelligence?

Our Sagard AI CoE team, managed by Diagram, has worked with nesto to build its AI strategy. Starting from nesto's vision - from AI-enabled to AI-native - our AI CoE team organized an AI strategy workshop to help them brainstorm top AI use cases, prioritize them, and build an implementation roadmap. This was followed by a Technical assessment / Proof of concept hackathon to help them with best practices and a living repository of AI tools (open-source and commercial). The team will stay close to nesto and continue helping them build their AI use cases through various workshops, hackathons, and advisory work.

The cybersecurity and AI support provided to nesto by the Sagard teams demonstrates our ability to work across our different strategies and combine our expertise, echoing one of our fundamental values: collaboration.

Sagard Private Equity Canada

Sagard Private Equity Canada ("SPEC") invests in Canadian-headquartered mid-market companies operating in business services, financial services, and manufacturing.

Responsible Investment Approach

SPEC is an active investor with a hands-on approach to its portfolio companies, especially in terms of governance, value creation, and capital structure. To support our responsible investment ambitions, SPEC commits to tracking and seeking improvement in the following areas for its portfolio companies: (i) inclusion & belonging; (ii) job and wealth creation; (iii) climate and environment; (iv) health and safety; and (v) strong institutions.



Coherence

Implement tactical actions that support coherence toward sustainability

This may have a limited impact, but the impact on employees and external resources' values and on people's perceptions is important

- Being a leader in regards to respect of the regulations in place
- Transparency / data reporting
- Recycling / composting
- Purchasing / supply chain best practices



Circular Economy

Reduce and eliminate the amount of landfilled postproduction and end-of-life waste (promoting a circular economy)

Define and implement different initiatives that could help Norbec reach a zero polyurethane (PUR)/ polyisocyanurate (PIR) "landfilled" waste

- Either with an internal or external strategy
- Waste valorization
- Circular economy at different levels
- PUR/PIR, Polystyrene, Wood



Eco-Design

Introduce eco-design best practices across various corporate projects

In new product designs and redesigns, includes eco-design gates to ensure Norbec is having a positive impact on reducing carbon emissions and reducing waste management

- Re-use of waste in designs
- Introduction of responsible raw materials
- Eco-design on packaging in future projects
- Job site surplus management

Sagard Private Equity Canada

Private Equity

Case study



The SPEC portfolio company **Groupe Norbec Inc.** ("Norbec") is a North American leader in manufacturing both prefabricated walk-in coolers and freezers and doors as well as architectural insulated metal panels for building envelopes. Norbec has been increasingly focused on improving its sustainability efforts. In 2022, Norbec conducted a sustainability positioning evaluation under guidelines published by the Bureau de Normalisation du Quebec. Based on the findings of this evaluation, Norbec developed its sustainability roadmap that is centered around the strategic areas of **coherence, circular economy, and eco-design** practices which are outlined below.

Private Equity

Performance Equity Management

Performance Equity Management ("PEM") is a global Private Markets asset manager. PEM currently manages \$8.8B in AUM, with employees based in Greenwich, Connecticut. PEM manages large, customized separate account mandates as well as co-investment, buyout, and venture solutions for its clients.

Responsible Investment Approach

PEM aims to monitor and engage portfolio fund managers, when appropriate, on factoring in certain sustainability considerations within their investment processes. When appropriate, PEM incorporates material responsible investment factors into the final investment committee memorandum. PEM attempts to engage its fund managers on the topic of responsible investment both during fundraising and between fundraises. PEM questions their responsible approach and sustainability activities.

For co-investments, PEM has created a separate sustainability due diligence questionnaire. This co-invest DDQ is, however, not sent directly to the company. Rather it is sent to the GP that is offering PEM the co-investment opportunity. By sending this DDQ PEM strives to understand the sponsor's approach in taking responsible investment considerations into account for investments made by the sponsor, and by requesting specific company information PEM hopes to encourage the GP to make and to document sustainability assessments and to track certain company metrics. PEM monitors the sustainability progress of its co-investments and seeks to incorporate it when appropriate for conducting diligence on the opportunity and fund manager.

Spotlight on Portfolio Company

One of PEM's co-investments created an educational solutions platform for special education children diagnosed with autism spectrum disorder, developmental disabilities, intellectual disabilities, and emotional and behavioral disorders. The company's solutions deliver digitally adaptive, differentiated, standards-based coursework, leveraging applied behavior analysis to teach children academic and life skills. The company's mission is to measurably improve the academic, behavioral, and adaptive functioning of students with disabilities. It believes all children with disabilities should acquire and maintain the academic, social, emotional, and adaptive skills necessary to succeed.

3.

Sagard’s Strategies

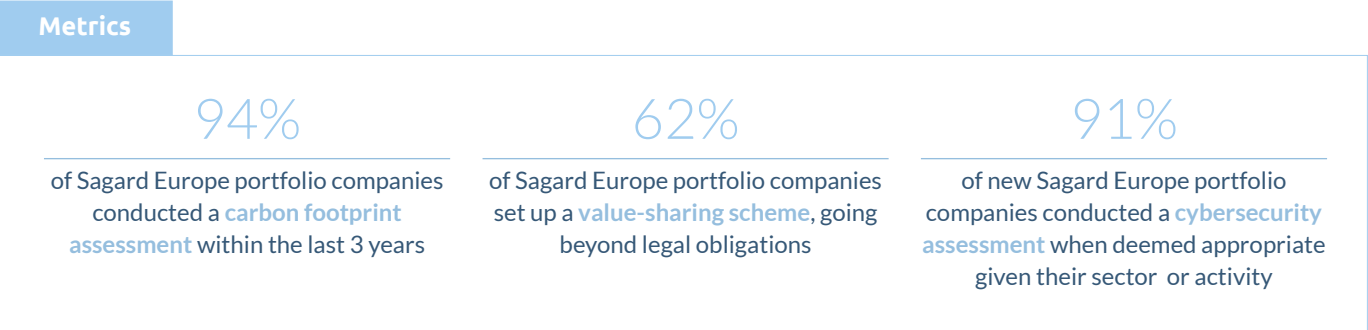
Sagard Europe is a Private Equity Investor with two stand-alone strategies: Midcap and NewGen.

Sagard MidCap

Sagard MidCap invests in six sectors: business services, food and consumer, healthcare, financial services, industrial, and technology/software. Sagard MidCap partners with ambitious management teams to support the development of their businesses in France and abroad, with the assistance of the Sagard ecosystem and network. It supports all types of equity investment projects, with solutions ranging from minority or majority stakes and from Leverage Buyout(“LBOs”) to business development financing.

→ Consideration of Environmental, Social and Governance Factors at Sagard Europe

Please refer to the [Sagard Europe Responsible Investment Policy](#) to learn more about how ESG is considered in each of the funds managed by Sagard Europe.



Sagard NewGen

Sagard NewGen supports entrepreneurs in the technology and healthcare industries to accelerate their growth projects in Europe and beyond. NewGen believes that this unique focus enables the team to address the growth challenges of those sectors and to create a bespoke ecosystem for entrepreneurs who want to accelerate their development. Sagard NewGen makes majority and minority investments to finance expansion strategies in Europe-based companies.

Case study

At the heart of the activity of **Nutrisens**, a company in the Sagard MidCap portfolio specializing in medical nutrition, lies an essential mission: to improve the health and well-being of the most vulnerable individuals. To realize this societal commitment, the company took a decisive step in early 2024 by adopting the status of a Purpose-Driven Company (Entreprise à Mission), with the active support and expertise of Sagard.

The definition of its purpose, “**Improving the lives of vulnerable people with the most suitable nutritional solutions,**” was a key step in this transformation. This purpose rests on **three fundamental pillars**:

- Improving the **health** of individuals, particularly the most vulnerable;
- Reducing the company’s impact on the **environment, biodiversity, and climate**; and
- Co-constructing a **societal project** by involving its entire ecosystem and its employees.

In this dynamic, Nutrisens has structured its commitment around an ambitious action plan comprising nine objectives with measurable indicators, ensuring rigorous monitoring and evaluation of the effectiveness of the initiatives implemented.

The adoption of the Purpose-Driven Company status is also accompanied by strengthened governance and increased transparency. A mission committee, composed of nine internal and external members, has been established. Meeting three times a year, it is responsible for monitoring the company’s commitments, ensuring their implementation, and defining strategies to align Nutrisens’ actions with its mission.

By embarking on this path, Nutrisens affirms its desire to reconcile economic performance and positive societal impact, embedding its development in a long-term perspective. The company thus aims to play a catalytic role for change in the medical nutrition sector, inspiring other players to follow the Purpose-Driven Company model.



HORIZON Trading Solutions

Horizon Trading Solutions, a fintech player and a company in the Sagard NewGen portfolio, launched an initiative in favor of sustainable finance with the creation of the Horizon & Beyond Foundation in 2022. Aware of the **impacts of climate change and the growing importance of these issues for the financial sector**, the foundation has structured its commitment around **three pillars**:

- Raising awareness among the financial industry and the general public about **climate challenges and existing solutions**
- **Educating** Horizon Trading Solutions’ natural ecosystem (clients, suppliers, partners, universities, regulators, employees, and families) on sustainable finance by providing them with concrete tools for action
- **Supporting the ecological transition** by developing specific initiatives for the fintech sector

In this dynamic, the foundation has organized more than 45 workshops, such as Climate Frescoes and 2Tonnes sessions, involving various actors in its ecosystem.

In 2024, Horizon & Beyond reached a new milestone by developing a MOOC (Massive Open Online Course) on sustainable finance, designed in partnership with the Louis Bachelier Institute, the Institute for Sustainable Finance, and other key stakeholders in the sector. Accessible free of charge and without prerequisites, this program aims to democratize knowledge in sustainable finance among a wide audience: industry professionals, students, regulators, and economic partners. Structured around a scientific approach and content adapted to current challenges, the MOOC offers several levels of expertise and includes LabEx certification. It addresses essential themes, ranging from the financing mechanisms of the transition to debates on the Green Deal in the context of recent European elections. Thanks to a panel of expert speakers from various backgrounds, it offers a comprehensive view of the sustainable finance ecosystem.

The pedagogical and collaborative approach of this initiative makes it an interesting reference for the sector.

MOOC : <https://www.institutlouisbachelier.org/mooc/mooc-finance-durable/>

3.

Sagard's Strategies

Sagard Credit

Sagard Credit works with public and private middle-market companies to provide proprietary and bespoke debt financing solutions and enable access to Sagard's global network of expertise. Sagard Credit focuses on providing flexible, direct, and proprietary debt financing to Canadian and US middle-market companies.

Responsible Investment Approach

Sagard Credit is committed to enhancing its responsible investment practices by actively monitoring portfolio companies' health and safety records through incident reporting and compliance certifications. Additionally, Sagard Credit promotes equitable management structures by encouraging borrowers to implement broadly distributed incentive plans. To further solidify its dedication to sustainability principles, Sagard Credit monitors the percentage of Sagard Credit II portfolio companies assessed as lower ESG risk, by identifying the material sustainability factors based on the Sustainability Accounting Standards Board ("SASB Standard"). This monitoring supports the strategy's focus on identifying sustainability-related risks and opportunities.

Sagard Credit

Private Credit

Case study

Sagard Credit conducted a comprehensive assessment of customer welfare for a healthcare delivery company specializing in residential care for individuals with intellectual and developmental disabilities. Recognizing the vulnerable nature of this patient population, the due diligence process prioritized human rights, including safe and effective healthcare, and the ability to live independently with dignity. To ensure quality of care, Sagard Credit evaluated the company's control mechanisms, confirming the adequacy of practices designed to protect clients. Additionally, we assessed the health and safety risks to the company's workforce, engaging in multiple discussions with the Chief Executive Officer and Chief Compliance Officer and conducting on-site visits to residences.

The assessment focused on mitigating potential risks to both clients and employees. While no current incidents were identified, Sagard Credit scrutinized the company's health and safety management protocols, employee training, and internal safety audits. We also reviewed state scorecards, confirming compliance across all operational states. Direct consultations with clients and caregivers during residence visits, as well as multiple discussions with company leadership, provided further insights into the company's commitment to ensuring client and employee well-being.

To gain a complete understanding of the company's historical safety record, Sagard Credit reviewed all insurance claims from 2017 to the present. This included analyzing insurance loss runs and conducting follow-up calls with management to thoroughly understand each incident. This review allowed Sagard Credit to evaluate the company's track record and assess the effectiveness of its risk management practices.

Case study

SSL's portfolio companies are showing increased attention to sustainability, with **WildBrain** providing a good example. WildBrain has demonstrated a strong commitment to diversity, equity, and inclusion, evidenced by their recognition in The Globe and Mail's Women Lead Here program. This annual benchmark highlights Canadian organizations that excel in gender diversity at the executive level. This national recognition underscores the importance of WildBrain's initiatives to analyze gender representation across various role levels and eliminate barriers to inclusion, reinforcing the link between long-term sustainability and effective DEI efforts.

WildBrain's approach to sustainability includes both social and environmental dimensions. The company has taken steps such as relocating to a certified green building and encouraging eco-conscious practices within its operations. Furthermore, they reinforce this commitment by actively integrating environmental themes into their content. As a leader in kids and family entertainment, WildBrain recognizes its responsibility to educate and inspire audiences about environmental stewardship. They have formalized this commitment by joining Canadian Broadcasters for Sustainability, a group of 22 Canadian broadcasters committed to working together to increase environmentally sustainable change, and becoming members of Producing for the Planet, a coalition of Canadian media producers focused on climate action. As a member of this initiative, WildBrain commits to featuring green narratives in their content, tracking and reducing their emissions, understanding and minimizing consumption and waste, and sharing knowledge and collaborating with other content producers on sustainable practices.

WildBrain is actively cultivating a culture of belonging, supported by robust reporting of DEI data, demonstrating an approach to sustainability that encompasses both social and environmental responsibility. This approach is well illustrated with the "Take Care with Peanuts" initiative, promoting the following messages: Care for yourself. Care for each other. Care for the Earth.



Sagard Senior Lending

Private Credit

Sagard Senior Lending

Sagard Senior Lending ("SSL") provides tailored, debt-financing solutions, as well as access to Sagard's global network of expertise, to public and private middle-market companies across Canada, the US, and Australia.

Responsible Investment Approach

Where SSL is leading the transaction, and when appropriate to the investment context, we may offer a pricing discount of 12.5 basis points to the drawn spread to borrowers with a minimum of two board members coming from underrepresented groups at closing or at any time during our holding period. As applicable, we aim to monitor the portfolio company's health and safety performance through incident reporting and regular compliance certificates, as well as broadly distribute management incentive plans.

3.

Sagard’s
Strategies

Case study

In 2023, there were more than 34M people in the U.S. living with a chronic lung disease. Due to increases in air pollution and environmental allergens, as well as other effects of climate change, the rates of respiratory diseases are rising annually. In the U.S., the standard of care for many of these lung diseases involves self-administration of a pharmacological intervention via a pressurized metered-dose inhaler (“pMDI”).

Despite the efficacy of these lung disease therapies, pMDI devices are associated with a substantial carbon footprint, significantly contributing to greenhouse gas emissions and global climate change²². In 2020, pMDIs made up 75% of all inhalers used in the U.S., with the equivalent emissions impact of driving half a million cars for a year.²³ In fact, the carbon footprint from one pMDI (200 doses) is estimated as equivalent to a 290-km automobile ride. The outsized carbon footprint of these inhalers is a result of hydrofluoroalkanes (HFAs), the active propellant that administers the medication in the inhaler. HFAs were an improvement from the original propellant in metered-dose inhalers, chlorofluorocarbons (CFCs), which damage the ozone layer. HFAs have no impact on the ozone layer but still have 1,000 times the global warming potential of carbon dioxide. Hydrofluorocarbon propellants in pMDIs are responsible for roughly 0.03% of yearly global greenhouse gas emissions.

There is, however, a clinically effective and more environmentally friendly alternative: a dry-powder inhaler (“DPI”). DPIs are breath-controlled and do not contain a propellant and therefore, result in 95% fewer carbon emissions compared to pMDIs. As a result, there have been considerable efforts to reduce carbon emissions by public health care systems in some European countries (e.g. Sweden and England) to start prescribing DPIs in place of pMDIs.

In December 2023, Sagard Healthcare purchased a 1% royalty in Tyvaso DPI net sales from MannKind Corporation for up to \$200M. Tyvaso DPI is a drug-device combination therapy comprised of a small, portable, reusable, breath-powered, dry powder inhaler for the delivery of Treprostinil (prostacyclin). United Therapeutics Corporation licensed Tyvaso DPI from MannKind in 2018 and began marketing it in June 2022 for the treatment of pulmonary arterial hypertension (“PAH”) and pulmonary hypertension associated with interstitial lung disease (“PH-ILD”), following US FDA approval. As of Q4-2024, Tyvaso was the most prescribed prostacyclin in the U.S.

By providing MannKind Corporation with up to \$20M, Sagard is actively contributing to the investment in research and development of new, lower-emissions inhaler technologies and promoting the shift to lower-carbon inhalers, such as DPIs, which will contribute to the reduction of carbon emissions in the U.S. health care sector.

Sagard Healthcare

Sagard Healthcare is a biopharmaceutical royalties investment strategy. Sagard Healthcare invests in royalties and credit backed by approved and commercialized biopharmaceutical products, diagnostics, and medical devices. We aim to accelerate the returns on innovation for owners of intellectual property, while offering investors an attractive healthcare exposure largely uncorrelated to other asset classes.

Responsible Investment Approach

Through our responsible investment strategy, we commit to incorporating sustainable considerations into investment decisions and strive to ensure that our portfolio companies align with high standards of drug and clinical trial safety, fair pricing and access to medicine, and ethical business conduct and marketing practices.



Metrics²⁴

45%

of **therapies** acquired by Sagard Healthcare focused on **rare/orphan diseases**

55%

of **therapies** acquired by Sagard Healthcare address diseases, cancers, conditions, and pathogens in scope of the **2023 Access to Medicine Index**

100%

of **transactions** executed by Sagard Healthcare were with either **non-profits, foundations, universities, research institutes** or micro- and small-cap biotechnology firms²⁵

Sagard Real Estate

Sagard Real Estate²⁶ is a real estate investment advisor and operator providing investment management services including acquisitions, asset management, development, and property management for its investors.

Responsible Investment Approach

Sagard Real Estate believes that the consideration and management of relevant sustainability factors contribute to the fulfillment of fiduciary duties as an investor-focused, US real estate investment, development, and management company. Our emphasis on sustainability helps to manage investment risks, reduce operating costs, drive innovation, enhance value, and address market, investment partner, tenant, and employee expectations.

Sagard Real Estate

Real Estate

Sustainability Through the Development Process

The development of the 9-building industrial park in Thornton, CO, 936,000 SF is a project aimed at enhancing the area's industrial capabilities while adhering to high environmental standards. All the buildings in this park were constructed to meet LEED (Leadership in Energy and Environmental Design) standards, which are a globally recognized symbol of sustainability achievement and leadership. LEED certification ensures that the buildings are designed and built using strategies aimed at improving performance across all the metrics that matter most: energy savings, water efficiency, CO2 emissions reduction, improved indoor environmental quality, and stewardship of resources. Out of the nine buildings, three have achieved LEED Silver certification. This certification level indicates that these buildings have met rigorous criteria for sustainability and efficiency, going beyond the basic LEED standards. LEED Silver buildings are recognized for their enhanced performance in areas such as energy use, lighting, water, and material use, as well as incorporating a variety of other sustainable strategies.



Case studies



A Commitment to Green Building Certifications

35% of properties in our largest fund have achieved IREM's Certified Sustainable Property ("CSP") designation. Our largest fund is a testament to our commitment to environmental responsibility. This designation is recognition for properties that demonstrate excellence in sustainability practices. The CSP certification focuses on various aspects such as energy efficiency, water conservation, health, recycling, and procurement.

The fund that holds these properties is submitted annually to GRESB, an organization that assesses the sustainability performance of real estate portfolios worldwide. Since 2020, our fund's GRESB score has improved, rising from a score of 39 to 74. This improvement reflects the ongoing efforts and enhancements in our sustainability practices, showcasing our dedication to achieving higher standards in environmental, social, and governance performance.

Additionally, with the Energy Star Portfolio Manager, we have benchmarked 75% of the properties in our largest fund. Energy Star Portfolio Manager is an interactive resource management tool that enables us to benchmark the energy use of any type of building in a secure online environment. Benchmarking turns the information on your utility bill into knowledge we can act on, helping us identify underperforming buildings, set investment priorities, verify savings, and earn recognition. Through our data review and quality insurance process, we identified several large irrigation leaks that were able to be repaired in order to avoid continued water loss.

Metrics

75%

of properties in SRE's largest fund benchmarked in ENERGY STAR® Portfolio Manager®²⁷

37%

of SRE's largest fund's square footage earned green building certifications and/or energy ratings

57%

of SRE's largest fund's energy data by square footage benchmarked

13%

of the properties that are required to do so have been the subject of a decarbonization action plan

Sagard Wealth

Private Wealth

Sagard Wealth

Sagard Wealth is a private wealth platform offering independent, bespoke, client-centric investment solutions in an outsourced CIO model. Sagard Wealth focuses on customized wealth management strategies for ultra-high-net-worth families and foundations by investing in externally managed investments. Sagard Wealth largely invests in actively managed investments focused on security selection in both public and private markets.

Responsible Investment Approach

As investors, the Sagard Wealth investment team assesses the responsible investment process of external managers as part of the key risks and opportunities considered during the due diligence process, and balances these against the totality of metrics the team uses to assess investment opportunities.

When reviewing external managers, Sagard Wealth strives to incorporate an assessment of the governance and expertise on responsible investing, which covers, among other points, the responsible investment integration process, assessment of materiality, engagement, and proxy voting activities of the managers.

Case study

In 2022, Sagard Wealth began managing the assets of a foundation that intends to transition to a 100% impact-focused portfolio over five years. Sagard Wealth believes that it will be instrumental in supporting the client to meet that goal, all while meeting financial, risk, exposure, and diversification goals, among others.

Through 2024, Sagard Wealth worked alongside the foundation to continue the transition towards an impact focused portfolio. The Sagard Wealth team partnered with external parties to develop impact focused reporting for the foundation. The development of a consolidated report including impact attribution, impact measurements and metrics, based upon the UN SDGs, allows the portfolio to be aggregated on key measures. Examples of aggregated reporting include affordable homes financed, installed renewable capacity and tons of waste converted.

About this Report

Responsible corporate behaviors and investment practices are integrated into Sagard's operations. This annual report provides an overview of these activities across all jurisdictions.

→ Scope of this Report

This *Responsible Investment Report* covers Sagard's activities during the 2024 calendar year, unless otherwise noted. The report includes information regarding Sagard's corporate behaviors and activities, our investment management practices, and information about selected investees²⁸.

Inclusion & belonging: When possible, the statistics and information presented apply to Sagard globally. Due to local regulation and other factors, we cannot collect all DEI data for Sagard Europe besides gender diversity.



→ Reporting Standards

Sagard's objective is to align with leading market practices. We take the following standards and frameworks into consideration when developing our responsible investment strategy and related disclosures:

- **PRI** (Principles for Responsible Investment)
- **TCFD** (Task Force on Climate-Related Financial Disclosures)
- **SASB Standards** (Sustainability Accounting Standards Board, now under the oversight of the ISSB)
- **UN SDGs** (Sustainable Development Goals)²⁹
- **GRESB** (Global Real Estate Sustainability Benchmark)

Please refer to “Endnotes” and “Acknowledgement and Disclaimer” for important information regarding this report.
Published June, 2025

→ Supplemental Documents

Sagard	Sagard Europe
Sagard's Responsible Investment Policy	Sagard Europe - Responsible Investment Policy
Sagard's Green House Gas Emissions Assessment	Sagard Europe - Sustainability Report (29LEC)
	Sagard Europe - Information required by the EU Finance Sustainable Disclosure (SFDR)

“ This report presents the key pillars of our approach to responsible investing around inclusion & belonging, cybersecurity, and climate. It also underlines how we prioritize those matters within our firm and investment process, and with our portfolio companies.

We recognize that responsible investing is a journey and acknowledge that work still needs to be done on many of those fronts. We are looking forward to reporting our progress on an annual basis.

”

Endnotes

1. “ESG” means environmental, social and governance.
2. “Board” means board of directors of Sagard Holdings Management Inc.
3. “Sustainability Committee” means the sustainability committee of Sagard.
4. References in this report to “strategies” or “investment strategies”, as the context requires, refers to Sagard’s investment strategies including but not limited to: Portage, Diagram, Sagard Private Equity Canada, Sagard Europe, Performance Equity Management, Sagard Credit, Sagard Healthcare, Sagard Real Estate, and Sagard Wealth. “Sagard Europe” means Sagard SAS and its subsidiaries.
5. Unless otherwise specified, references herein to “Sagard”, “we” and “our” mean Sagard Holdings Management Inc., together with its subsidiaries (Diagram, Sagard Real Estate, Sagard Wealth, Sagard Europe and Performance Equity Management), and when the context requires, includes the investment funds and vehicles managed or sponsored by subsidiaries of Sagard Holdings Management Inc. and does not include portfolio companies or investees.
6. Assets Under Management (“AUM”) as of December 31, 2024 is the sum of:
 1. net asset value of private equity, venture capital, private credit and healthcare funds, including uncalled capital commitments of those funds and unused leverage,
 2. gross asset value of the underlying real estate of Sagard Real Estate funds and separate accounts, fair value of assets held in co-investment vehicles managed by Sagard Holdings Manager LP and uncalled capital commitments of those co-investment vehicles,
 3. AUM of certain other managers owned or controlled, directly or indirectly, by Sagard Holdings Inc.,
 4. fair value of all other assets owned, directly or indirectly, by Sagard Holdings Inc. that are not otherwise included in the clauses above.Only a subset of this AUM is subject to ESG integration in accordance with Sagard’s Responsible Investment Policy. ESG integration may vary across strategies and asset classes. Certain assets included above are not covered under this Responsible Investment Report. AUM figures are point-in-time estimates.
7. Includes employees employed by Sagard Holdings Inc. and Sagard SAS (Sagard Europe), as well as affiliates of Sagard Holdings Management Inc., Grayhawk Investment Strategies Inc. (Sagard Wealth), Performance Equity Management, LLC (Performance Equity Management), and EverWest Real Estate Investors, LLC. (Sagard Real Estate), as of December 31, 2024.
8. Includes the portfolio companies of all private equity (including European private equity), private credit, healthcare royalties and venture capital funds managed by certain affiliates of Sagard Holdings Management Inc., excluding fund investments (Performance Equity Management), as of December 31, 2024.
9. The alignment of Sagard Europe is done to the extent permitted by local regulation.
10. “Engagements” in this sentence means a cybersecurity interaction with a party other than Sagard North America. This can include, but is not limited to, guided processes such as cyber tabletop exercise (TTX), support through incident response, support through cybersecurity leader hiring or vendor sourcing, providing advice and guidance on specific topics, providing tailored cybersecurity briefings to family offices, running ecosystem discussions on topical elements such as password managers or AI, acting as a sounding board for cyber-focused discussions.
11. “Sagard North America” means Sagard, excluding Sagard Europe.
12. Sagard is currently building its climate scenario expertise and capacity and deploying it within its investment processes on a strategy-specific, materiality-driven basis. In 2022, a climate scenario analysis was completed by the Sagard Private Equity Canada, Portage Ventures, Sagard Credit, and Sagard Real Estate teams on their existing portfolios. The portfolio coverage with respect to each strategy ranged from 15 - 100% at the time of the analysis.
13. Carbon footprint assessments were conducted for Sagard Europe and Diagram Ventures III LP (“DVLP III”) only.
14. Sagard SAS is a signatory to the France Invest Gender Equality charter. The scope of these commitments is limited to Sagard SAS only.
15. For the purposes of this Cybersecurity and AI section, Sagard means Sagard North America, Portage and Diagram.
16. Performance may vary depending on third-party platform capabilities and integration limitations.
17. Different climate scenarios were considered for the purposes of these climate scenario analyses: the UN PRI Inevitable Policy Response (IPR) 1.5°C scenario and the Network on Greening the Financial System (NGFS) Current Policies scenario (3% or higher) or IPCC RCP 8.5 (for the Sagard Real Estate portfolio).
18. In this section, ‘we’ and ‘our’ refer specifically to the strategy being discussed. Unless stated otherwise, all information under each heading applies only to that individual strategy.
19. The metrics provided in this Diagram section only pertain to the DVLP III and DVCT funds.

20. To date, only one company has reached Series A across the DVLP III and DVCT funds. Portfolio companies who were onboarded after our last cybersecurity training took place were not included in this data.
21. The exercises were internal simulations and not formal audits. Outcomes reflect observed process improvements and team preparedness under test conditions, and are not guarantees of incident readiness or prevention.
22. The information is sourced from the following publication: Fidler L, Green S, Wintemute K, “Pressurized metered-dose inhalers and their impact on climate change”, CMAJ, March 28, 2022, 194 (12) E460, available [here](#).
23. The information is sourced from the following publication: Huffman, P., Hough, E. (2023, May 16). “A Hidden Contributor to Climate Change – Asthma Inhalers”, The Commonwealth Fund, available [here](#).
24. These metrics are as of December 2024.
25. Research institutes, micro and small-cap biotechnology firms are defined according to their market cap. The threshold is set at US\$2B.
26. The receipt of any awards by Sagard Real Estate, Sagard, or the assets described herein is no assurance that Sagard Real Estate or Sagard’s investment objectives have been achieved or successful. Further, such awards are not, and should not be deemed to be, a recommendation or evaluation of Sagard Real Estate or Sagard’s investment management business.
27. Share of USPF properties benchmarked at least partially for energy in Portfolio Manager®.
28. “Investee” means a portfolio company, including any other investment made by a vehicle managed by Sagard, including but not limited to, publicly traded securities, real estate properties, certain healthcare royalty investments, certain private credit investments and externally managed funds. “Investee” is used for illustrative purposes for convenience of presentation and it should not be assumed that Sagard’s policies and practices with respect to investees are applied consistently with respect to any or all investees.
29. The SDGs are aspirational in nature. Determining whether and how certain initiatives contribute to specific SDGs involves subjective judgment and depends on a range of factors. Reasonable parties may disagree on whether a particular investment or project aligns with a given SDG. Accordingly, investors should not place undue reliance on the Firm’s application of the SDGs, as this is subject to change, from time to time, at the Firm’s sole discretion. In addition, statistics and metrics related to ESG matters are often estimates and may rely on internal assumptions, third-party data, or emerging standards that are still under development.

Acknowledgement and Disclaimer

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Montreal

1172 Sherbrooke Ouest
Montréal, QC H3A 1H6
Canada
+1 (514) 286-6248

Toronto

161 Bay Street, Suite 5000
Toronto, ON M5J 2S1
Canada
+1 (416) 607-2250

New York

280 Park Avenue, 29th Floor East
New York, NY 10017
United States
+1 (212) 380-5605

Paris

49/51, Avenue George V
75008 Paris
France
+33 (0)1 53 83 30 00

Denver

1099 18th Street, Suite 2900
Denver, Colorado 80202
United States
+1 (303) 986-2222

Naples

4850 Tamiami Trail North, Suite 301
Naples, FL 34103
United States

Abu Dhabi

Al Sila Tower, ADGM Square, Unit No. 1, Floor 12
Al Maryah Island
United Arab Emirates
+971 2 411 6239