

SAGARD SAS **Sustainability Report**

Energy-Climate Law • Article 29

30 June 2025



((
Sagard is focused on creating long-term value. We believe innovation should be inclusive, and growth should be responsible. In the long run, our goal is to be partners of choice for entrepreneurs and investors because we strive to have fully integrated sustainable development in our investment practices.
))

Paul Desmarais III

Capital.
Culture.
Network.

Sustainability Report

Energy-Climate Law • Article 29

Table of contents

Sagard at a glance	4
1. Information on the entity's general approach to environmental, social and governance criteria	6
2. Information relating to the internal resources deployed by the entity	17
3. Information relating to the process for taking into account environmental, social and governance criteria at the level of the governance of the entity	21
4. Information on the strategy of engagement with issuers or vis-à-vis management companies and on its implementation	25
5. Information relating to European taxonomy and fossil fuels	27
6. Information on the strategy for alignment with the international objectives of Articles 2 and 4 of the Paris Agreement	30
7. Information on the strategy for alignment with long-term objectives related to biodiversity	34
8. Information on the procedures for taking environmental, social and quality of governance criteria into account in risk management	38
9. Sagard Europe's action plan	43
10. List of financial products referred to in articles 8 and 9 of the Disclosure Regulations (SFDR)	46
Appendices	48

Sagard at a Glance

Sagard¹ was created in 2002 at the initiative of Power Corporation of Canada, a major investor in Europe and North America.

It finds its roots with entrepreneurial families but has grown with the support of renowned institutional investors, including Canada's pension plans, family offices, financial institutions and other corporates in a shared commitment to supporting talented entrepreneurs.

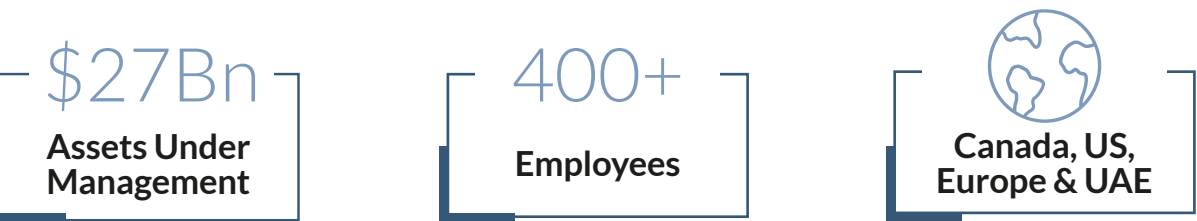
Today, Sagard has developed into a global alternative asset manager active in venture capital, private equity, private credit, real estate.

We believe in smart, responsible growth. We aspire to create jobs and fuel innovation with teams, investors and entrepreneurs of diverse perspectives, backgrounds and identities. We can achieve this while caring for our people's health, communities' development, and environment. We also work to protect the value our companies and partners create.

We believe that being active owners and integrating sustainability frameworks into our investment processes can help us accelerate the development of our portfolio companies, create long-term value and build business resiliency.

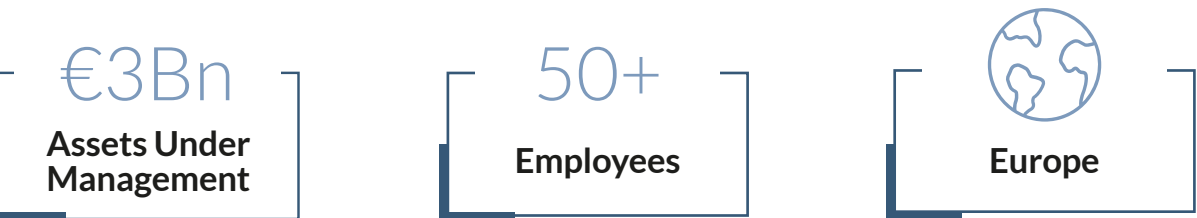
The company's expansion continues with the support of renowned institutional investors. Sagard continues to focus on long-term value creation, with the conviction that innovation must be inclusive, and growth must be responsible.

This conviction is reflected in Sagard's efforts to integrate sustainability issues into its investment practices.



→ Focus on Sagard Europe

*This report concerns only the European subsidiary of Sagard, **Sagard SAS²**, a French private equity investor targeting companies in France and across Europe, and does not cover the activities of other entities within the Sagard Group.*



1. "Sagard Holdings Management Inc." is referred to as "Sagard" in the rest of this report.
2. "Sagard SAS" is in this report referred to as "Sagard Europe". Sagard SAS (hereinafter referred to as "Sagard SAS" / the "Management Company") is a management company registered with the Autorité des Marchés Financiers under number GP 01046 since October 31, 2001.

→ As at 31 December 2024, Sagard Europe has

51 employees of which 44% of women
and 2 strategies of investment

→ Sagard Europe's strategies and main Funds

Sagard MidCap

Sagard MidCap invests in European middle-market companies across sectors such as business services, healthcare, food & consumer goods, technology and industrial.



Sagard NewGen

Sagard NewGen supports entrepreneurs in the technology and healthcare industries to accelerate their growth projects in Europe and beyond.

SAGARD NewGen

€372.6m
Assets Under Management

The scope of this report covers all of the funds managed by Sagard Europe except 2 funds⁵ which together represent €2.98bn of assets under management (net asset).

3. The amounts presented here correspond to the NAV (Net Asset Value) plus uncalled capital commitments.
4. Please refer to the end notes for more information.
5. As the Sagard 1 and Sagard 2 funds are in the process of liquidation and do not invest in any portfolio company, they have not been included in this report. These two funds represent €24.7m of AUM).

1.

Information on the entity's general approach to environmental, social and governance criteria

1.1. Approach to ESG Integration

→ Sagard Europe's Sustainable Development Goals

To reinforce its commitment to social responsibility and sustainable development, Sagard Europe has defined and formalized a Responsible Investment policy in 2017 which has been regularly updated since then. This strategy is based on concrete objectives to be achieved by both the management company and the companies in its portfolio.

Sagard Europe's responsible investment strategy is grounded in the Sagard's Responsible Investment Policy, which sets out four core objectives aligned with five priority United Nations Sustainable Development Goals. The Sustainable Development Goals serve as a common foundation across all investment strategies, which may emphasize different aspects depending on their focus. Sagard Europe further develops and complements this framework through a dedicated policy tailored to the expectations of its investors and the specific requirements of the French and European regulatory landscape.

SUSTAINABLE DEVELOPMENT GOALS

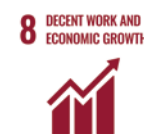
1 Compliance with the evolving regulations & international commitments on sustainability



2 Adopt best practices approach on climate change



3 Share the value created with employees



4 Create long-term value through sustainability

1.

Information on the entity's general approach to environmental, social and governance criteria

→ Sagard Europe's ESG Criteria in the Context of the European Union's Sustainable Finance Regulation (SFDR)

Furthermore, two funds, Sagard 4 and Sagard NewGen promote social and environmental characteristics, as referred to in Article 8 of Sustainable Finance Disclosure Regulation.

In addition to the exclusion of certain investment sectors with negative social and/or environmental consequences, respect for human rights and the guarantee of a healthy working environment are taken into account. Therefore Sagard 4 and Sagard NewGen monitor indicators related to these promoted characteristics to ensure their portfolio companies compliance.

Sagard Europe ensures that each portfolio company is committed to the strict respect of human rights, and that it formalizes and communicates to its employees a code of conduct that meets Sagard Europe's requirements. Sagard Europe also monitors any cases of harassment or accidents in order to analyze each situation and hold the company accountable.

The consideration of these environmental and social aspects emphasizes Sagard Europe's commitment to sustainable matters and their full integration at the core of the management company activities.

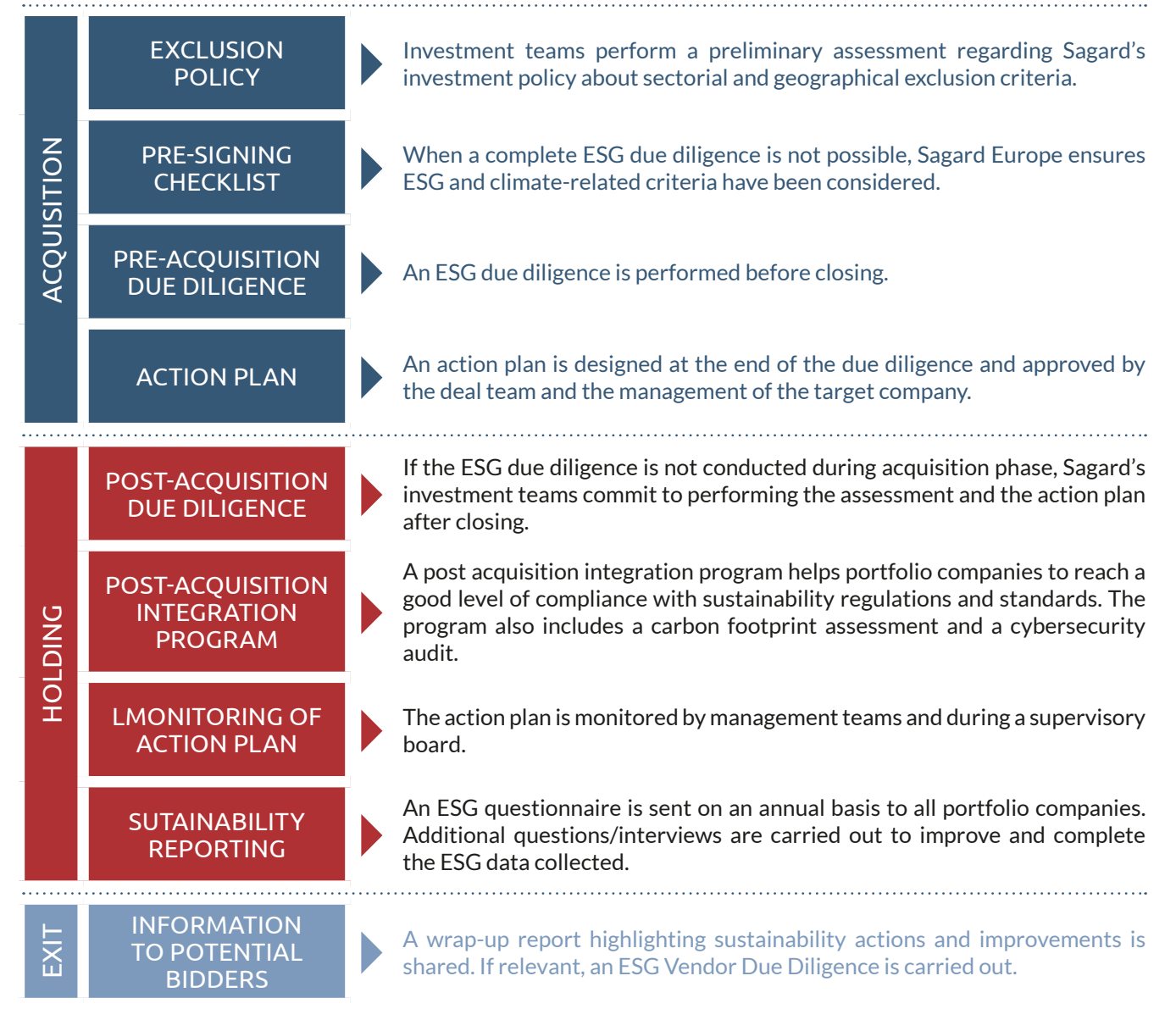
To provide detailed insights into **Sagard Europe's responsible investment practices** and offer a comprehensive understanding of how sustainability considerations are integrated into its investment activities, Sagard Europe makes further information available on a [dedicated page](#) on Sagard's website. Here you will find the following documents:

- [Sagard SAS' Responsible Investment Policy](#)
- [Sagard SAS' Exclusion Policy](#)
- [Sagard SAS' Shareholder Engagement and Voting Policy](#)
- [Information required by EU regulations on Sustainable Finance - European Regulation \(EU\) 2019/2088](#)
- [Sagard Responsible Investment Policy](#)
- [Sagard Responsible Investment Report](#)

→ Sagard Europe' ESG Framework

The Sagard Europe' Responsible Investment Policy provides a framework in which ESG criteria are considered throughout the investment cycle, from acquisition, through ongoing portfolio management, to divestment.

The defined framework applies to all investments made by Sagard Europe from 2021 onwards.



1.

Information on the entity's general approach to environmental, social and governance criteria

→ Sagard Europe's Exclusion Policy

In addition to the ESG framework for integrating sustainable practices throughout the investment cycle, Sagard Europe has adopted a policy of excluding or limiting several sectors from the investment scope of its funds. These exclusions are defined in accordance with Sagard Europe's values and investor concerns.

The exclusion criteria are as follows:

- **Normative exclusions linked to international conventions:** sectors with negative impacts under mandatory national and international standards (Ottawa, CIAC, Oslo, etc.).
- **Engagement:** sectors that conflict with the commitments made by Sagard Europe in its Responsible Investment Policy.
- **Ad hoc:** certain sectors may be excluded on a case-by-case basis at the request of specific investors, typically formalized through side letters. Sagard ensures that the capital managed on behalf of each investor complies with their individual exclusion requirements.

Sagard Europe has defined its exclusions as total (regardless of the share of such activity within the company's turnover) or partial (according to a maximum share of turnover of the listed activity) as presented in Appendix A. These exclusions enable Sagard Europe to prevent certain sustainable risks.

→ Sagard Europe's Responsible Commitments

Sagard Europe considers sustainability issues as part of its operations. Its commitment can be articulated around three pillars:

1

Human Resources and Gender Parity

Human resources management is a key component of Sagard Europe's strategy. Attracting and retaining top-quality talent is a major priority. To this end, Sagard Europe safeguards the well-being of its teams by providing a healthy and pleasant working environment and an appropriate remuneration policy. Sagard Europe endeavors to involve all employees in the funds' decision-making process, with a focus on transparency, engagement, and training. Particular attention is paid to building gender-diverse teams with complementary professional backgrounds.

Giving equal access to fulfilling careers and opportunities is of foremost importance to Sagard Europe. The management company believes that diversity enhances collective performance and acts accordingly. As a result, its performance on gender equality is higher than its peers. According to the latest France Invest study on parity in private equity⁶, the proportion of women on investment committees stood at 25%, compared with 30% at Sagard Europe. Sagard Europe aims to drive positive change through concrete gender parity objectives⁷.

6. Study on parity in private equity, July 2024. Available here: https://www.franceinvest.eu/wp-content/uploads/2024/07/Etude-sur-la-parite-dans-le-capital-investissement_2024_VDEF.pdf
7. Please refer to Section 3 of the report.

2

Climate Change

Climate challenges are fully part of Sagard Europe's sustainability strategy and are factored into each investment. To meet these challenges, Sagard Europe's climate strategy is embedded into the investment cycle:

ACQUISITION >

Sagard Europe takes climate considerations into account in its ESG due diligence. A preliminary assessment of climate considerations is carried out during the investment phase using the method developed by the Initiative Climat International (iCI).

HOLDING >

Sagard Europe requests the carbon footprint of its newly invested portfolio companies. To mitigate and limit its impact on global warming, Sagard Europe is also committed to calculating its carbon footprint, both at the management company and portfolio levels. Sagard Europe commits to assess portfolio companies' carbon footprint on scopes 1, 2 and 3. Depending on the result of the assessment, specific actions can be included in the sustainability action plan of the company.

EXIT >

Sagard Europe assesses the progress made.

Sagard Europe regularly presents its climate strategy to investors.

Focus on Sagard Europe Carbon Footprint

The Paris Agreement states that to limit global warming to well below 2°C, carbon neutrality must be achieved by 2050. "Carbon neutrality" or "net zero" means that any CO2 released into the atmosphere from human activity shall be balanced by an equivalent amount being removed.

Sagard Europe has since made ongoing efforts to complete the assessment of its carbon footprint by evaluating its financed emissions. This second phase of the assessment provides a comprehensive view of Sagard Europe and its investments' carbon footprint.

Sagard Europe follows the GHG Protocol, which is the international GHG emissions accounting standard. It follows the standard distinction between Scope 1, 2 and 3 GHG emissions.

1.

Information on the entity's general approach to environmental, social and governance criteria

Focus on Sagard Europe Carbon Footprint (cont.)

However, Sagard Europe wishes to detail its Scope 3 by distinguishing between indirect emissions linked to the management company and its employees, and emissions associated with its investments:

→ Sagard Europe's total carbon footprint* in 2024

SCOPE 1 22 557 tCO₂e

Direct GHG emissions
related to on-site energy
consumption (gas, petrol)

SCOPE 2 14 182 tCO₂e

Indirect GHG emissions
from off-site energy consumption
(gas, petrol)

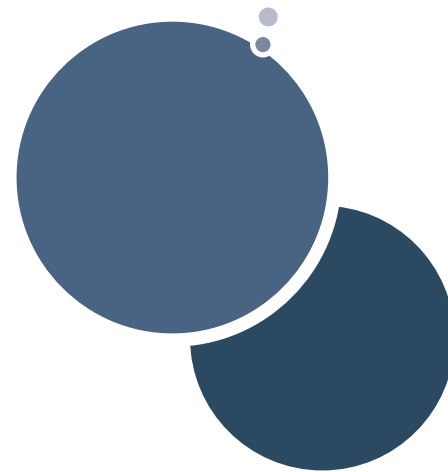
SCOPE 3 531 135 tCO₂e

Indirect GHG emissions
related to value chain, including
suppliers, transportation, product use

SCOPE 3.15 392 796 tCO₂e

Indirect GHG emissions
related to the activities of
companies financed by Sagard

TOTAL
960 670 tCO₂e

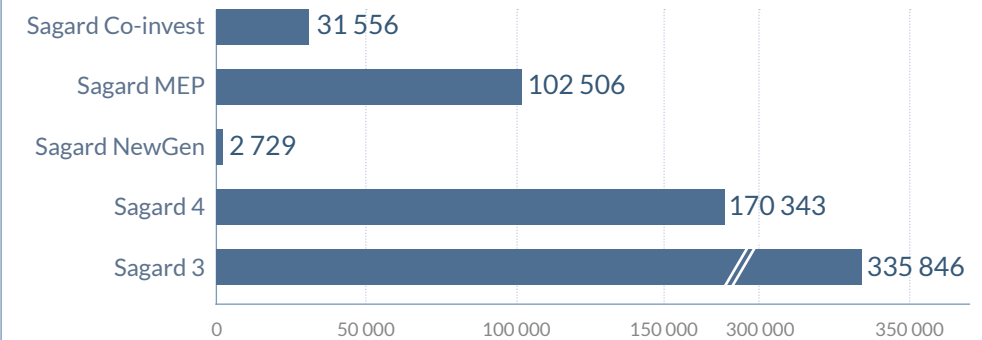


* The carbon data presented in this report are calculated in accordance with the PCAF (Partnership for Carbon Accounting Financials) standards. Accordingly, companies over which Sagard has controlling interest are consolidated directly in scopes 1, 2, and 3, while other investments are accounted for within scope 3, category 15.

Financed emissions are to be considered according to Sagard Europe's different funds. These emissions are allocated based on Sagard Europe's shareholding in the companies of its various portfolios.

Sagard Europe has been measuring its carbon emissions at Management Company level with an external service provider since 2019. The carbon footprint of Sagard Europe amounts to 841.2 tCO₂e in 2024 (vs 622.3 tCO₂e in 2023), representing 16.5 tCO₂e per employee. These figures reflect the footprint of the management company only and do not include the emissions of portfolio companies over which Sagard Europe has a controlling interest.

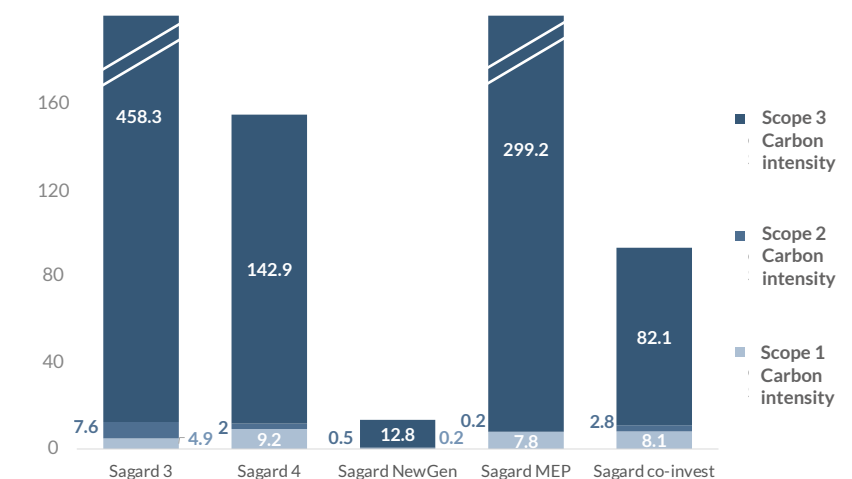
GHG Emissions Attributable to Sagard Funds**



** The carbon data presented here reflects the financed emissions of each portfolio company, calculated on a proportional ownership basis, regardless of Sagard's level of control.

While absolute emissions provide a useful indication of the negative impact of activities, a more detailed understanding can be gained by examining emissions intensity.

Carbon Footprint Intensity in tCO₂eq / M€ Invested by Scope



Companies invested in the MidCap strategy are more carbon-intensive, due to their sector exposure to industrial companies. The NewGen strategy, on the other hand, is limited to the healthcare and technology sectors.

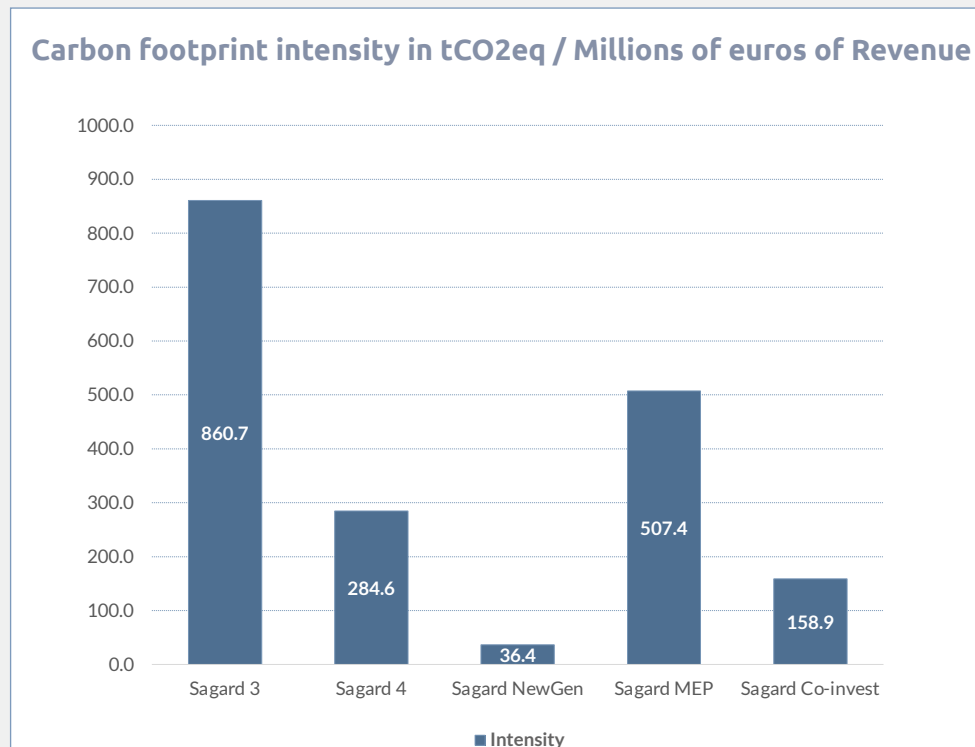
The management company's carbon footprint was assessed using the GHG Protocol. All carbon footprints submitted by portfolio companies were also assessed according to the GHG Protocol, while the footprints of companies that have not yet finalized or begun their assessment were estimated by Sagard Europe on the basis of various physical criteria (sector, geographic location, number of FTEs, sales, office space, etc.).

Further information on the methodology used to calculate and estimate carbon emissions is available in section 6 of this report.

1.

Information on the entity's general approach to environmental, social and governance criteria

Focus on Sagard Europe Carbon Footprint (cont.)



Corporate Governance and Transparency

3

Sagard Europe's conflict of interest management policy and the ethical principles applied by its employees ensure that business is conducted with honesty and integrity.

Ethics guidelines are issued to all Sagard Europe employees. Throughout their careers, employees commit to complying with the professional ethics guidelines in force within the company and to avoiding any situation that may present a conflict of interest.

An Investors' Committee manages any potential conflict of interest and, where necessary, is consulted in accordance with the relevant rules and on the specific matters set out in the Funds' By-Laws.

1.2. Communication

Sagard Europe communicates on its sustainable investment strategy and objectives with all stakeholders through multiple channels:

- **Sagard Europe's Responsible Policy:** is publicly available [here](#), on Sagard's website. Herewith all stakeholders, including investors, have access to this information.
- **Regulatory disclosures:** The publication of ESG information is reinforced by the regulatory disclosures to which Sagard Europe is subject, such as this report, which is available on intralinks.
- **Ad-hoc requests:** Sagard Europe is committed to answering any other ESG related enquiries from its investors. ESG and climate related questions may be asked via email to: esg@sagard.eu.
- **Presentations to investors at Sagard Europe events:** investor days and annual general meeting. Sagard Europe is committed to maintaining a close and transparent relationship with its investors, through annual communications, in-person meeting, and informal discussions.

The parent company of Sagard Europe (Sagard) also publishes a [Responsible Investment Report](#), which encompasses all of the Group's strategies and outlines the responsible investment practices implemented across the Sagard Group.

1.3. Funds Classification According to the SFDR

€1,361.3m
of AUM
as at 31 Dec. 2024

Sagard Europe manages two funds classified as Article 8 to the Sustainable Finance Disclosure Regulation (SFDR).

Indeed, **Sagard 4** and **Sagard NewGen** promote environmental and social characteristics in their investments. These two Funds represent 46.8% of Sagard Europe's assets under management, i.e. €1,361.3m of AUM.

1.4. Contribution to ESG Initiatives

Sagard Europe consolidates and structures its commitments through membership of leading ESG initiatives. The operational implementation of the processes required to meet these initiatives is detailed in Sagard Europe's Responsible Investment Policy.

➔ PRI Signatory since 2020⁸



The PRI (Principles for Responsible Investment) is a United Nations-supported international network of investors and is the world's foremost promoter of responsible investment, with more than 5 000 signatories.

The PRI's mission is to promote the integration and understanding of the implications of environmental, social, and governance factors on investment performance. The objective is to assist signatories in integrating these factors into their investment decisions.

8. Since 2021, Sagard has joined the initiative and become the sole signatory covering all of the group's strategies, including Sagard Europe.

1.

Information on the entity's general approach to environmental, social and governance criteria

Sagard Europe is committed to upholding and incorporating the following six PRI principles as a signatory to the initiative:

1. We incorporate ESG issues into investment analysis and decision-making processes.
2. We are active owners and incorporate ESG issues into our ownership policies and practices.
3. We seek appropriate disclosure on ESG issues by the entities in which we invest.
4. We promote acceptance and implementation of the Principles within the investment industry.
5. We work together to enhance our effectiveness in implementing the Principles.
6. We report individually on our activities and progress in applying the Principles.

→ iCI (Initiative Climat International) Signatory



Sagard Europe joined the Initiative Climat International (iCI) in 2017⁹ to participate as an active member of the private equity profession in addressing the issue of climate change, one of the major international challenges of the decades to come. iCI is the first private equity initiative that supports efforts to manage and reduce greenhouse gas emissions by companies. iCI signatories decided to work together to support the campaign to achieve the COP21 target of limiting global warming to well below 2°C and in pursuit of 1.5°C. This translates into a commitment by signatories to respect the following principles:

- Make a public commitment by signing the climate initiative.
- Include climate issues in the investment process.
- Implement a progressive measurement of companies' carbon footprints.
- Collaborate with company management to define an action plan for reducing emissions and adapting to climate change.

The actions undertaken by Sagard Europe to comply with its commitment under the ICI are detailed in the following sections of this report.

→ France Invest Charter for Diversity Signatory



In 2019, Sagard Europe signed the France Invest Charter for Diversity. As part of its commitment to promote gender diversity, the management company is required to monitor social indicators related to professional equality, such as the proportion of women on the investment committee. In addition, some indicators are linked to gender equality within portfolio companies.

For further information about the Gender Equality Charter, see section 3.

→ France Invest Charter for Value Sharing



In 2022, Sagard Europe signed the France Invest Value Sharing Charter. This commitment aims to promote fair and transparent value-sharing mechanisms within its portfolio companies, particularly in the context of significant financial events such as disposals or major fundraising. The Charter encourages the implementation of tools like profit-sharing, employee shareholding, and specific financial schemes to involve employees in value creation.

9. Since 2023, Sagard has joined the initiative and become the sole signatory covering all of the group's strategies, including Sagard Europe

2.

Information relating to the internal resources deployed by the entity

2.

Information relating to the internal resources deployed by the entity

7.8%
of FTE
involved in ESG

€26.75k
ESG Budget
in 2024

2.1. Resources Dedicated to ESG

→ A Dedicated Sustainability Team

Sagard has a group-level Sustainability team, which includes a dedicated team for Europe. Since 2021, Sagard Europe has had an Sustainability Director in charge of coordinating and supporting the work of Sagard Europe's investment team on sustainability matters, such as ESG support (advice, reviews, performance monitoring, etc.) for portfolio companies. The Sustainability Director is also in charge of the drafting of Sustainability reports which are based on the information collected by means of the ESG reporting campaign. The Sustainability Director is assisted by a Sustainability Analyst.

→ Investment Teams as Stakeholders and ESG Representatives

The members of the investment team play a pivotal role in relaying and implementing the Responsible Investment Policy, by organizing reporting campaigns and providing day-to-day support to portfolio companies. To ensure the effective implementation of ESG processes and the Responsible Investment Policy within the funds managed by Sagard Europe, two members of the investments teams within the investment teams have been appointed as ESG representatives in each Sagard Europe investment strategy (MidCap and NewGen).

→ A Collective Commitment by all Members of the Sagard Europe's Team

In addition to the Sustainability team and the Investment team, the Chief Operating Officer, the Legal team and the Head of Compliance and Internal Control contribute directly to the proper application of ESG within Sagard Europe.

In total, 7.8% of Sagard Europe's FTEs (full-time equivalents) are involved in integrating ESG criteria.

→ Support and Collaboration with the Group

The Group's Sustainability Principal oversees the definition and implementation of the Group's responsible investment strategy, ensuring consistent ESG practices and alignment with Sagard's sustainability vision across all entities. Members of the sustainability team dedicated to Europe work in close collaboration with their colleagues across the Group to drive this strategy forward. In addition, Sagard's Cybersecurity and *People & Culture* teams contribute to ESG support for the portfolio companies of Sagard Europe funds.

→ Financial Commitment

In 2024, Sagard Europe's budget on ESG reached €26.75k. The budget includes ESG projects for Sagard Europe and some of the portfolio companies. It does not include fees directly paid by portfolio companies or funds under management, nor the pay-roll dedicated to the Sustainability Team.

→ A Strong Network of Advisors

Sagard Europe also leverages a strong network of internal and external advisors who have deep knowledge of responsible investing. These advisors helped guide Sagard Europe's strategy and processes.



Anova Energy

The company assists Sagard in assessing our carbon footprint at management company level.



Price Waterhouse Coopers

The consulting firm provides ESG trainings.



Ethifinance

The consulting firm provides ESG due diligence services.



Tennaxia

The company provides Sagard Europe and its portfolio companies with SaaS software for collecting ESG data. Beyond its involvement in the data collection campaign, Tennaxia supported the validation and reliability of ESG data after the campaign.



Ginger

The company supports Sagard Europe on climate (footprint estimation and consolidation).



Cority

The consulting firm provided methodological guidance and benchmarking support to align Sagard Europe's Responsible Investment Policy with evolving regulatory expectations and market best practices.

2.

Information relating to the internal resources deployed by the entity

2.2. Strengthening of Internal Capabilities

Sagard Europe recognizes the importance of training and awareness-raising for its teams as a key component in ensuring the effective implementation of its Responsible Investment Policy.

The Sustainability team has implemented a series of initiatives to enhance awareness among investment teams on a regular and progressive basis:

- **Presentation of the Responsible Investment Policy when required:** for newcomers or when the policy is updated.
- **Providing resources**, such as training materials or briefing notes on specific topics.
- **Thematic training workshops:** in 2024, training days were organized on regulations, with a particular focus on CSRD. These training sessions also included the top management of portfolio companies.

In addition to the training given to the investment teams or to a wider audience, the Sustainability Team is also committed to following regular trainings (webinars, readings, regulatory watch, France-Invest training, etc.) which are inherent to the ESG function and its continuously evolving field.



3.

Information relating to the process for taking into account environmental, social and governance criteria at the level of the governance of the entity

3.

Information relating to the process for taking into account environmental, social and governance criteria at the level of the governance of the entity

3.1. Knowledge, Skills and Experience of Governance Bodies

Sagard Europe believes that it has a well-defined oversight structure that helps to align Sagard Europe's responsible investment approach with good industry practices and regulatory requirements.

Sagard Europe's governance structure consists of three main types of committees and the support of a fourth committee at the Sagard level.

The Management Committee

Management Committee's members have a certain seniority in finance, but above all at Sagard Europe. They have an accurate vision of the challenges and opportunities facing the management company and are thus qualified to manage the firm most effectively. In addition, they have witnessed Sagard Europe's growing involvement in responsible finance and have, de facto, integrated these issues into their knowledge and skills even before policy and process were formalized.

The Investment Committees (Sagard MidCap et Sagard NewGen Investment Committees)

Sagard Europe Investment Committees are made up of finance and private equity professionals. Working closely with the portfolio companies, they have both an operational and a strategic view of the challenges they face. Their many years of experience in the financial sector enable them to address sustainability related issues by adapting to the maturity, resources, and materiality of each of their deals.

In addition, two of the partners sitting on each Investment Committee are permanent members of the ESG Steering Committee, and therefore have a direct vision of the management company's responsible matters.

The ESG Steering Committee

The permanent members of the Steering Committee have significant seniority in private equity. As a result, they have witnessed successive developments in the ESG field and have been able to gradually build up their skills and knowledge on this specific matter and fully integrate these issues into their professional practices.

The ESG Steering Committee is responsible for validating changes to ESG procedures, monitoring ESG progress and ensuring that Sagard's commitments are respected.

The Sustainability Committee

At the Group level, a governance body is dedicated to sustainability issues: the Sustainable Development Committee. This committee approves Sagard's responsible investment initiatives, monitors their implementation, approves the budget, and oversees the PRI Reporting assessment. Sagard Europe is a member of this committee.

3.2. Alignment of the Compensation Policy

Sagard Europe's remuneration policy is based on an annual and multi-year qualitative and quantitative assessment of each employee's skills and performance criteria. This policy is based on fairness and the alignment of employees' interests with those of investors, while considering the need to prevent excessive risk-taking.

The management company has set up a profit-sharing agreement that considers the ESG criteria to be met by Sagard Europe. These criteria are defined within the framework of Sagard Europe's Responsible Investment Policy and specified in the profit-sharing agreement. 20% of the amount paid to employees depends on the achievement of three ESG criteria:

- Carrying out a scope 1, 2 and 3 carbon assessment for the management company, with offsetting of carbon emissions.
- The definition of an ESG action plan within 12 months of closing by companies newly acquired (only for investments made from 2021 onwards).
- Follow-up and annual update of ESG action plans with the governance bodies of portfolio companies.

3.3. ESG Integration in the Supervisory Structures

Sustainable issues relating to the management company are discussed at *ESG Steering Committee* meetings. ESG is also discussed at *Investment Committee* meetings.

The ESG Steering Committee is chaired by Sagard Europe's Chief Operating Officer, representing the management company, all the partners in the Sagard MidCap and Sagard NewGen strategies, and Sagard Europe's Director of Sustainability. In this way, all stakeholders are involved in ESG decision-making. The composition of these committees reflects a diversity of profiles, with members drawn from both the business and investment teams.

Board of Directors

To ensure that ESG issues are taken into account at the highest level of governance, two independent members with expertise in responsible investment and impact investing have joined Sagard's Board of Directors. In addition, a Responsible Investment Committee was established to support the Board in monitoring Sagard's ongoing commitment to responsible investment and to assist in the execution of its mandate.

3.

Information relating to the process for taking into account environmental, social and governance criteria at the level of the governance of the entity

3.4. Objective of Balanced Representation (Loi Rixain)

Diversity and inclusion are core values of Sagard Europe. Giving all women equal access to fulfilling careers and opportunities is of foremost importance to Sagard Europe.

The management company is convinced that diversity enhances collective performance and acts accordingly. As a result, its performance on gender equality is higher than its peers. As of 31 December 2024, at Sagard Europe:

- The proportion of women in the workforce was 43% in 2024, compared with 44% at the end of 2023, a drop of 2%,
- The proportion of women in senior positions was 33% in 2024, compared with 36% in 2023, a decrease of 8% linked to the appointment of a man as a new Partner.

All these figures are above the industry average¹⁰.

Sagard Europe is a signatory of France Invest's Parity Charter since December 2019. Sagard Europe is fully committed to meeting the objectives of the Parity Charter at its level by:

- Increasing the percentage of women holding decision-making responsibilities on investment committees (25% by 2030, 30% by 2035). **Sagard Europe had already reached both threshold by the end of 2024 and is committed to continuing its efforts to maintain this threshold in the coming years.**
- Setting a target of 40% women on investment teams by 2030. By December 2024, 29% of investment team members were women, compared with 33% at the end of 2023, a drop of 12%.
- Setting follow-up indicators and reporting them annually to France Invest in order to measure and monitor progress.

The thresholds defined in this Parity Charter are the objectives adopted by Sagard Europe in the context of the Rixain law. To meet the objectives of France Invest's Parity Charter, Sagard Europe aims to increase the percentage of women holding positions of responsibility within its investment teams.

43%

of employees are women

33%

of senior positions are filled by women

¹⁰. Please refer to the France Invest study "La parité dans le capital-investissement", July 2024. Available here: https://www.franceinvest.eu/barometre-parite/#flipbook-df_62533/1/

4.

Information on the strategy of engagement with issuers or vis-à-vis management companies and on its implementation

4.

Information on the strategy of engagement with issuers or vis-à-vis management companies and on its implementation

Engagement Strategy and Results

Sagard Europe maintains an ongoing dialogue with each of its portfolio companies and their management. To this end, the objective is to be present on the supervisory bodies to monitor business developments and major strategic decisions. In addition, the team in charge of monitoring the portfolio company regularly meets with the portfolio company's management (Chairman, Chief Executive Officer, Chief Development Officer, Chief Financial Officer, etc.) to discuss commercial and financial performance, the implementation of business.

Sagard Europe also considers the exercise of voting rights to be an integral part of managing the investments of the Funds under management and fully fulfills its role as shareholder. Except if justified, Sagard Europe exercises these rights systematically and in the best interests of the investors.

The exercise of voting rights attached to unlisted securities is not divisible from the investment strategy of the Funds. Sagard Europe reports on these matters in the annual report of each of the Funds under management.

Sagard Europe has implemented a procedure to detect and manage conflicts of interests related to its activity. It ensures that no voting decision can place the management company in a conflict of interests situation. During 2024, Sagard Europe did not identify any potential conflicts of interest in connection with the exercise of voting rights.

During 2024, Sagard Europe voted in accordance with the principles set out in its voting policy. Sagard Europe reports on these matters in the annual report of each of the Funds under management. Further information about Sagard Europe's engagement strategy and voting policy can be found in Sagard Europe's Voting and Engagement Policy and in its Voting and Engagement 2024 Report.¹¹

11. Sagard Europe's Voting and Engagement Policy and Voting and Engagement report 2024 are available here: <https://www.sagard.com/responsibility-community-involvement/>

5.

Information relating to European taxonomy and fossil fuels

5.

Information relating to European taxonomy and fossil fuels

5.1. Alignment with the European Taxonomy

As all portfolio companies are non-listed on any stock-exchange, the updated CSRD implementation calendar directly applies. Large non-listed companies are now required to report under CSRD only from fiscal year 2027 (i.e., first reports published in 2028). As such, the absence of taxonomy alignment data for certain companies (e.g., Prosol, CEVA, I-Tracing) may be due to this regulatory deferral, rather than a lack of action or alignment.

The European Taxonomy regulation aims to establish a classification of economic activities to determine those that can be considered “environmentally sustainable” or “green”. The objective is to redirect investments towards activities that are favorable to the energy and ecological transition, particularly those that contribute to the fight against global warming.

Sagard Europe has updated its assessment of the taxonomy eligibility and alignment of its portfolio companies for 2024. Sagard Europe conducted an initial assessment of the eligibility of its portfolio companies’ activities based on the six objectives defined by the European taxonomy.

Sagard Europe used NACE¹² classification from participations to determine potential eligibility. This analysis has been done on all portfolio companies; 3 companies have been identified:

→ Potential Contribution to the European Taxonomy



Ginger has a potential substantial contribution to the climate adaptation and climate mitigation objectives of the EU Taxonomy through those activities:

- Professional services related to energy performance of buildings.
- Engineering activities and related technical consultancy dedicated to adaptation to climate change.

Climater has a potential substantial contribution to the climate adaptation and climate mitigation objectives of the EU Taxonomy through those activities:

- Installation, maintenance and repair of energy efficient equipment.



Unit 8 has a potential substantial contribution to the climate adaptation and climate mitigation objectives of the EU Taxonomy through those activities:

- Professional services related to energy performance of buildings.

12. Statistical classification of economic activities in the European Community

However, as most of Sagard Europe’s portfolio companies are not yet subject to the Corporate Sustainability Reporting Directive (CSRD), the data shared by the companies and collected by Sagard Europe is not yet sufficient to qualify the activities of the portfolio companies as aligned with activities contributing to the environmental objectives of the EU Taxonomy.

As in 2024, only one portfolio company (Ginger) voluntarily reported information about its alignment (0.1% of its turnover). The share of aligned activities being less than 0.01%, it can be considered negligible. Thus, in order to avoid misleading investors, Sagard Europe has reported an alignment to the EU taxonomy of 0%.

Sagard Europe pays particular attention to the collection of Taxonomy data and the verification of supporting documents.

Sagard Europe has begun to raise awareness among its portfolio companies to ensure that rigorous assessment and calculation procedures are applied to achieve a level of alignment with the taxonomy. Sagard Europe also plans to provide dedicated Taxonomy trainings and tools in the near future.

5.2. Investment in Fossil Fuels

Sagard Europe has not invested in companies active in the fossil fuel sector¹³ in 2024.

Please refer to section 6 for further details.

Sagard Europe has no companies exposed to the fossil fuel sector in its portfolios as of 31 December 2024.

13. “Companies active in the fossil fuels sector» means companies that derive revenue from the exploration, mining, extraction, production, processing, storage, refining or distribution, including transport, storage and trading, of fossil fuels as defined in Article 2(62) of Regulation (EU) 2018/1999 of the European Parliament and of the Council.

6.

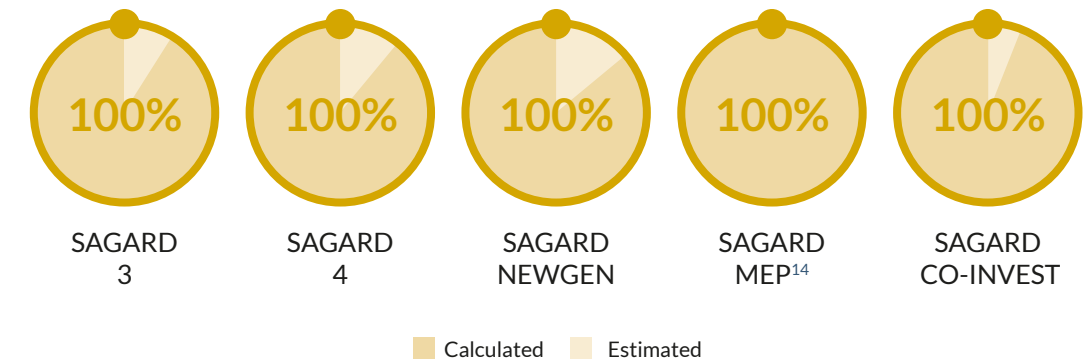
Information on the strategy for alignment with the international objectives of Articles 2 and 4 of the Paris Agreement

6.1. Funds Carbon Footprint Estimate

Sagard Europe continues its climate journey, moving step by step to align with relevant global frameworks. Sagard Europe supports the Paris Agreement and climate action to reduce emissions and build resilience to climate change.

Sagard Europe has collected comprehensive climate data and initiated a collective reflection process to enhance its commitments and support for its portfolio companies. Sagard Europe has renewed its collaboration with a firm specializing in environmental engineering to estimate the carbon footprint of portfolio companies in the Sagard 3, Sagard 4, Sagard MEP and Sagard NewGen funds that have not yet calculated their carbon footprint. Consolidating climate data requires a cautious approach, and Sagard made sure to follow the PCAF methodology to guarantee a recognized and reliable framework. Calculating the carbon footprint of Sagard Europe's funds and understanding the emissions is a first step towards adopting a reduction target. With more comprehensive data in hand, Sagard Europe now has a better understanding of the emissions of its portfolio and can begin the necessary work to reflect on quantitative targets. Future objectives are communicated in the continuous improvement plan at the end of the report.

Coverage rate by fund
with calculated and estimated cover in AUM equivalent



6.2. Methodology

When available, Sagard Europe used the carbon footprint data as calculated and reported by its portfolio companies, as well as from its investment in the Kartesia funds¹⁵. For portfolio companies that had not yet calculated their carbon footprint (4 out of 27 companies, representing 6.8% of total AUM) or had only partially calculated it (e.g. excluding Scope 3 emissions – 3 out of 27 companies, representing 16% of total AUM), Sagard Europe has estimated their carbon footprint. As a result, 100% of portfolio companies are covered by a carbon footprint assessment. Reported and estimated data are as of December 31, 2024. Estimated data covers:

Scope 1: Direct emissions, produced by fixed and mobile sources necessary for the activities of the company. These emissions include, for example, the consumption of fossil fuels (gas, fuel oil, coal) and emissions related to business travel.

¹⁴. One of the portfolio company representing 36% of AUM had its scope 3 estimated.

¹⁵. Kartesia has provided emission estimates for Kartesia III and Kartesia IV, based on its own methodology and estimates.

6.

Information on the strategy for alignment with the international objectives of Articles 2 and 4 of the Paris Agreement

Scope 2: Indirect emissions from the consumption of electricity and the heating and cooling network. These emissions include, for example, emissions related to the electricity consumption of the sites.

Scope 3: All indirect emissions not included in scope 2. These emissions include, for example, emissions related to the purchase of raw materials, emissions related to upstream (raw materials) and downstream (finished products) freight, emissions related to waste treatment, emissions related to fixed assets, emissions related to commuting.

6.3. Climate Considerations in the Investment Process

Climate issues are integrated into Sagard Europe's Responsible Investment Policy and are addressed for each investment. Sagard Europe encourages the consideration of both the impact of its activities and those of its portfolio companies on climate change as well as the physical and transition risks faced by its portfolio companies. Objective 2 of Sagard Europe's Responsible Investment Policy, "adopting best practices approach on climate change", is in line with this approach.

Since 2021, Sagard Europe is committed to ensuring that all newly acquired portfolio companies have conducted a carbon footprint assessment. This engagement applies to Sagard 4 and Sagard NewGen. To that end, Sagard Europe provides the portfolio companies with a list of selected preferred external consultants.

Carbon footprint estimates supplement carbon footprint assessments and allow Sagard Europe to gain a better and faster understanding of the carbon emission of its portfolios.

This process is aligned with the principles of the International Climate initiative (ICI), of which Sagard is a signatory.



6.4. Exclusion of Non cConventional Oil/Gas and Coal

Companies directly involved in the mining and energy sectors are absent from the funds managed by Sagard Europe. Sagard Europe considers it preferable not to invest in companies with direct involvement to thermal coal and unconventional oil and gas.

Sagard Europe currently excludes from its investments:

- Any company which derives a majority of its revenues from coal extraction, coal power generation and/or electricity via coal powered plant and/or coal mining activities.
- Authorized thresholds will be progressively lowered until all coal and unconventional oil and gas are phased out.

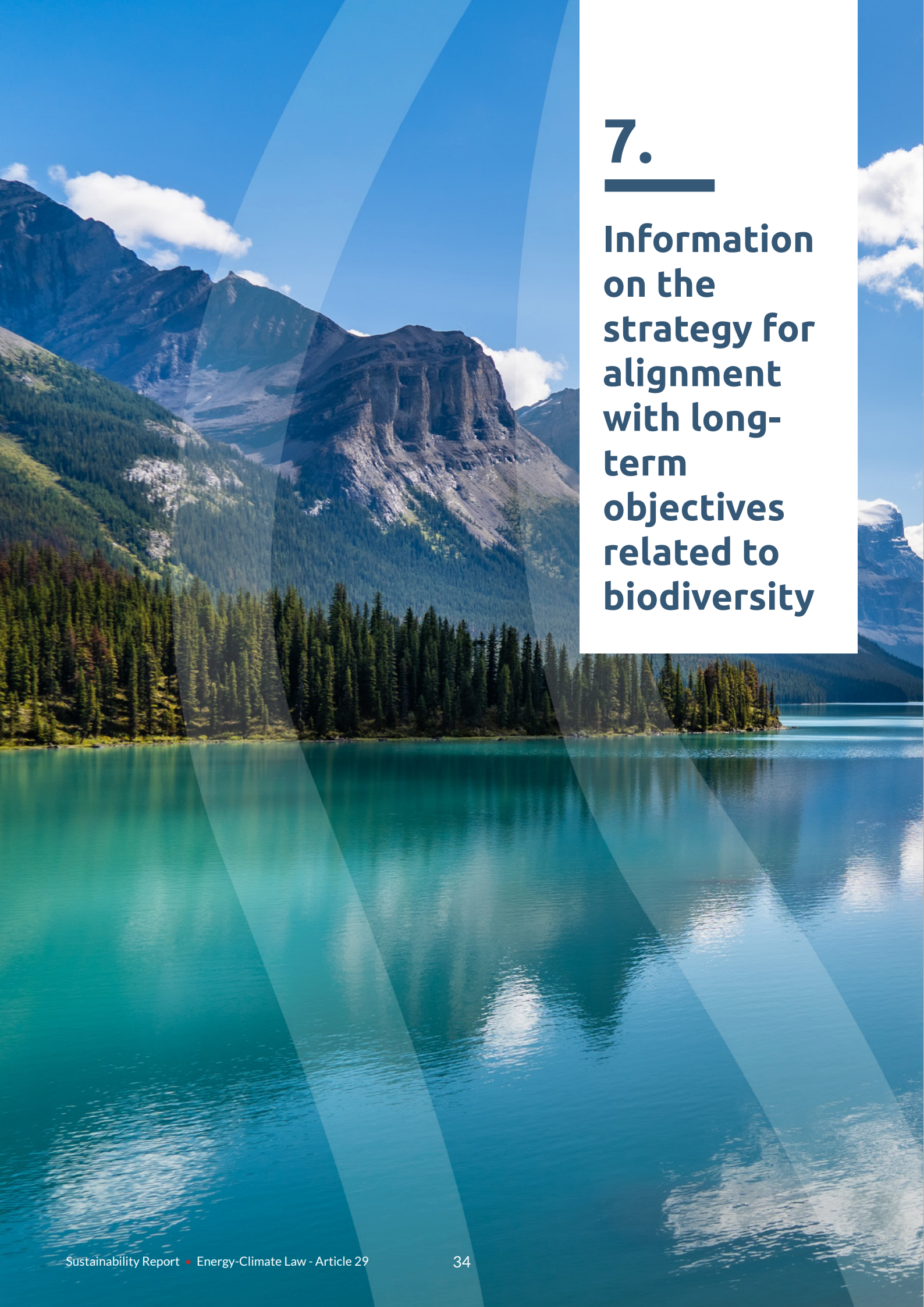
6.5. Upcoming Developments

As planed in the previous report, Sagard Europe has updated the carbon footprint estimate of the above-mentioned funds.

Sagard Europe will continue its climate efforts in several areas:

- Improving the reliability of data calculated and reported by portfolio companies.
- Support and tools/resources made available to portfolio companies.
- Climate commitments at portfolio company level. Sagard Europe has started updating its responsible investment policy with the objective of enhancing its commitments, particularly those relating to climate change in 2024. This update will be completed in 2025 and will be outlined in the next report.

Sagard Europe will finalize in 2025 the update of its Exclusion Policy to ensure the full exclusion of coal and unconventional oil & gas.



7.

Information on the strategy for alignment with long-term objectives related to biodiversity

7.1. Alignment with the Goals Listed in the Convention on Biological Diversity

As a first milestone in the consideration of the challenges represented by the protection of biodiversity and recognizing its ecological, genetic, social, economic, educational, cultural recreational and aesthetic value, the Convention on Biological Diversity adopted on June 5, 1992 defines 3 global objectives:

- The conservation of biodiversity.
- The sustainable use of its components.
- The fair and equitable sharing of benefits arising from the utilization of genetic resources.

In 2022, Sagard Europe completed an initial assessment of the impacts and dependencies of its portfolios in order to better understand and raise awareness of the objectives of the Convention on Biological Diversity and aims to engage with portfolio companies or conduct further research, as appropriate. Since then, this assessment has been updated annually and supplemented with new portfolio companies.

7.2. First Steps toward More Exhaustive Biodiversity Assessments

Sagard Europe completed an initial assessment of the biological vulnerability of its funds. This allows the identification and the prioritization of further analysis on the pressures and impacts on the biodiversity of Sagard Europe's portfolio companies, including an analysis of the contribution to the reduction of the primary pressures and impacts on biodiversity as defined by the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services.

7.

Information on the strategy for alignment with long-term objectives related to biodiversity

7.3. Biodiversity Footprint Indicator

In 2022, Sagard Europe collaborated with a firm specialized in environmental engineering to assess the exposure to biodiversity issues in the Sagard 3, Sagard 4, Sagard MEP and Sagard NewGen funds. This assessment has been updated every year since then.

Sagard Europe used the database associated with the Exploring Natural Capital Opportunities, Risks and Exposure (ENCORE) tool developed by Natural Capital Finance Alliance (NCFA) in association with UNEP-WCMC¹⁶. The analysis is based on the sector of activity of each portfolio company, as reported by them. This information has been cross-referenced with the ENCORE database to determine for each fund:

- The potential impacts of each company on biodiversity (qualitative assessment), such as the exploitation of freshwater, marine or terrestrial ecosystems, non-GHG air pollution, soil pollution, solid waste generation and water pollution.
- The dependence on ecosystem services of each company (qualitative assessment), such as the buffering and attenuation of mass flows, climate regulation, disease control, storm and flood protection, mass stabilization and erosion control, pollination, soil and water quality (non-exhaustive list).

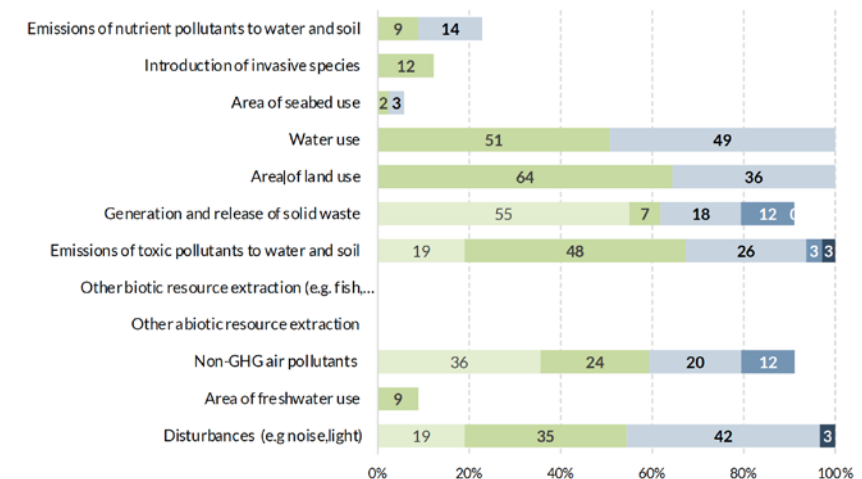
These results were then aggregated to determine the degree of potential exposure to biodiversity issues for each fund.

The method used is based on sectoral vulnerabilities. It aims to provide a first macroscopic analysis which will be used to prioritize further biodiversity analysis. It focuses on the goods or services produced and does not consider the entire value chain of the portfolio companies. It does not consider the location of the sites of the portfolio companies.

The indicator established is qualitative and does not yet allow to measure alignment with international biodiversity targets. However, this first assessment will make it possible to prioritize further actions considering the most vulnerable companies and the ones having the greatest impact.

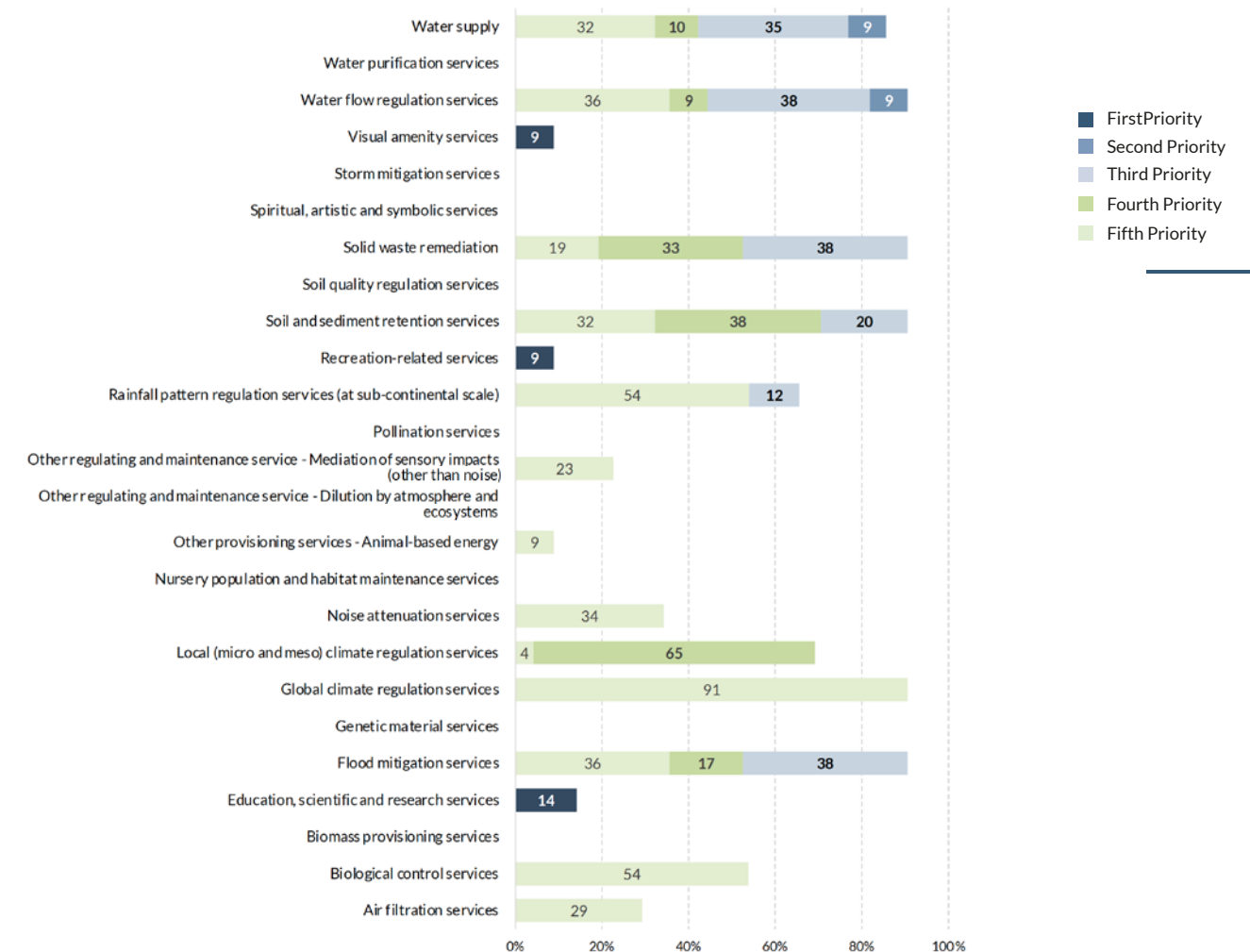
16. Natural Capital Finance Alliance (Global Canopy, UNEP FI, and UNEP-WCMC) (2003).

➔ Potential Impact on Biodiversity for Sagard Europe



These graphs represent the % of the portfolio with a potential impact or a potential dependency on the various biodiversity related items, with the % of the portfolio represented on the x-axis and the biodiversity related items on the y-axis.

➔ Dependence on Ecosystem Services for Sagard Europe



Sagard Europe considers that, at this stage, the data does not allow the management company to define a strategy for meeting the objectives of the Convention on Biological Diversity.

8.

Information on the procedures for taking environmental, social and quality of governance criteria into account in risk management

8.1. ESG Risk Management Processes

ESG risks are managed throughout the investment cycle, from the due diligence phase for which material and sector specific risks are assessed in priority, as well as during the ownership phase with the help of our annual ESG reporting campaign. This campaign provides detailed qualitative and quantitative data regarding risks and performance, all monitored and linked to an individual ESG action plan, per portfolio company.

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

Sagard Europe systematically performs ESG Due diligence to properly understand the company, pits 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:

- Business plan analysis and modeling
- Materiality assessment
- Sustainability related risks and associated maturity assessment
- 3 sub-topics are the subject of a specific focus:
 - Climate risks and opportunities
 - Diversity, equality and inclusion
 - Cybersercurity and data confidentiality

The results are presented to both the portfolio company and the investment team. This approach ensures that the investment teams, who are responsible for managing ESG risks on the 'front line', are aware of the sustainability risks facing a portfolio company, particularly those that could have a material impact on its performance.

The Due Diligence process leads to the establishment of an ESG action plan, the implementation and annual monitoring of which are key commitments of Sagard Europe's Responsible Investment Policy.

During ownership, our reporting is used to track the evolution of key ESG indicators – both general and tailored made for each of our companies – and to identify trends and areas of improvement. Since the ESG 2023 reporting campaign, a data reliability campaign has been in place to ensure the completeness and quality of the data collected. This reliability phase enables us to delve deeper into the risks identified in the data reported, as well as to ensure that the companies responding do not omit any information (e.g., ESG incident).

Our ESG integration system includes the ESG counsel provided by our team of Sustainability professionals to our portfolio companies and the various ESG policies we implement. These are shared with deal teams and discussed during our companies' boards when ESG is addressed.

8.

Information on the procedures for taking environmental, social and quality of governance criteria into account in risk management

8.2. ESG Risks Taken into Account

In the **due diligence**, Sagard Europe focuses on identifying:

- **Environment:** environmental impacts of activities/products, GHG emissions, environmental initiatives.
- **Social:** human resources strategy, working conditions, gender equality & diversity, health & safety.
- **Governance:** composition of governance bodies, business ethics, integration of CSR/ESG issues.
- **Compliance and maturity about CSR/ESG matters** (CSRD, Penicaud index, Rixain Law, Taxonomy, Sapin 2).

Sagard Europe monitors ESG risks through an **annual questionnaire**.

- **Transitional risks:** CO2 emissions, exposition to coal/oil and gas, assessment of the exposition to physical risks of climate change, etc.
- **Liability risks:** any major problem or a controversy in environmental matters, etc.
- **Governance indicators:** composition of governance bodies, % of female employees, % of employees having access to the internal alert mechanism, cyberattacks, etc.
- **Social indicators:** harassments, accidents, turnover, etc.

The relative importance of the indicators and necessity to monitor it is defined by the investment teams based on the risks identified and the action plans drawn up.

Specific indicators are nonetheless considered as key to measure the achievement of environmental and social characteristics in the case of articles 8 SFDR funds:

- Rate of portfolio companies having signed a **commitment to respect regulations related to Human Rights** such as the European Convention for the Protection of Human Rights and Fundamental Freedoms of 4 November 1950 or the prescriptions and recommendations of the International Labour Organisation, in particular with regard to child labor and forced labor.
- Rate of Portfolio Companies with no reported **fatal workplace accident**.
- Rate of Portfolio Companies with no reported **harassment complaints**.
- Rate of Portfolio Companies having elaborated and implemented a **Code of Conduct** promoting, amongst other principles, an ethical and fair work **environment as well as the respect of labor rights**.
- Rate of Portfolio Companies respecting the investment **exclusion policy**.

8.3. Action Plan Aimed at Reducing Exposure to Key ESG Risks

Sagard Europe integrates an iterative ESG action plan process into its investment approach. An initial action plan draft is developed during ESG Due Diligence, based on identified ESG priorities. This plan is then discussed with the target company's management to challenge, remove, add, or adapt proposed actions. The final plan includes objectives and key initiatives, with at least three targets, one related to the impact of the company's products/services. The action plan's implementation and progress are reviewed annually with the company's board, ensuring alignment, accountability, and continuous improvement.

For portfolio companies in which Sagard holds a minority stake, this monitoring is carried out on a best-efforts basis.

8.4. Review Frequency of the Processes

Sagard Europe reviews its processes on an annual basis. No changes have been made in 2024. Sagard Europe prefers qualitative indicators as it allows more flexibility to tailor action plans to portfolio companies. Sagard Europe uses carbon emissions as a quantitative indicator and might add more in the future. Progress resulting from this initiative will be outlined in future reports.

8.5. Quantitative Estimate of the Financial Impact of the Main ESG Risks Identified

To date, Sagard Europe is not yet in a position to provide a robust quantitative assessment of the financial impact of sustainability-related risks. Such an assessment requires the use of advanced methodologies and models that rely on a large number of assumptions. These assumptions are currently subject to high uncertainty and may lead to significant model risk if applied prematurely.

However, Sagard Europe fully acknowledges the strategic importance of quantifying ESG and climate-related risks in financial terms and is strongly committed to advancing this field. The firm is actively engaged in ongoing market and academic discussions on the subject and has made it a priority to contribute to the development of practical, decision-useful tools for private equity investors.

8.

Information on the procedures for taking environmental, social and quality of governance criteria into account in risk management

As part of this ambition, Sagard Europe actively participates in the France Invest working group on ESG and Value Creation, where it contributes to shaping industry best practices and exploring methodological innovations. In parallel, Sagard Europe has initiated exploratory work with several external service providers to co-develop a tailored approach to risk quantification adapted to mid-market companies and private equity strategies.

Sagard Europe's objective is to build, test, and deploy a proprietary framework that will progressively integrate material sustainability risks into investment decision-making and portfolio valuation, in a rigorous and forward-looking manner. Sagard Europe's action plan at the end of the report provides updates on the methodology's development and the expected timeline for implementation.



9.

Sagard Europe's action plan



9.

Sagard Europe's action plan

In order to strengthen its compliance with Article 29 of the French Energy and Climate Law (LEC), Sagard Europe has developed the following roadmap.

9.1. Strategy for Alignment with the Paris Agreement

Sagard Europe will publish an updated version of its responsible investment policy in 2025. This revised policy will enhance Sagard Europe's climate commitment by supporting portfolio companies with over 500 employees in defining decarbonization plans and climate trajectories. For companies below this threshold, support will be provided on a best-effort basis, depending on their maturity on the subject. In the coming years, Sagard Europe will also define a minimum target for the share of its portfolio companies having a defined climate trajectory (SBTi or equivalent).

Additionally, a climate alignment analysis using the SBTi Portfolio Coverage methodology will be conducted on some portfolios by the end of 2027. Sagard Europe will clarify the scope of this analysis, which may exclude certain companies held in SFDR Article 6 funds or of very small size.

In parallel, Sagard Europe will publish a revised exclusion policy in 2025 that integrates the fossil fuel exclusion list defined by the Paris Agreement Benchmark. Although Sagard Europe has no current exposure to coal or unconventional hydrocarbons, this policy update will formalize its full exit from these energy sources.

9.2. Strategy for Alignment with Long-Term Biodiversity Objectives

Sagard Europe actively monitors the progress of industry working groups and collective initiatives related to biodiversity, with the goal of strengthening internal expertise and improving portfolio-level analysis and support. At this stage, the lack of reliable and consistent data prevents the definition of a fully aligned strategy with the objectives of the Convention on Biological Diversity. Nevertheless, since 2024, Sagard Europe has undertaken active efforts to build a biodiversity alignment strategy by 2030, including the development of analyses and action plans within its portfolio companies.

By 2028, Sagard Europe aims to:

- Expand its exclusion policy to cover high-impact biodiversity activities (e.g., deforestation, sensitive areas). Given that there is no definition of HIBA, the first step will be to define high-impact biodiversity activities within Sagard.
- Engage at least 50% of its industrial portfolio companies in measuring their biodiversity footprint and defining relevant biodiversity KPIs. Recognizing that we are in the early stages of biodiversity footprint measurement, the first step will be to agree on methodology (subject to evolution) within Sagard.

From a methodological perspective, Sagard Europe is evaluating a transition from the ENCORE tool to new approaches such as the SBTn framework. By 2026, key biodiversity indicators will be implemented, such as the percentage of companies using critical natural resources (water, biomass, soil) or relying on ecosystem-dependent supply chains. Additional targeted support will be provided to companies most exposed to biodiversity risks, with the objective of establishing tailored and effective roadmaps by 2028.

9.3. Integration of Environmental, Social and Governance Criteria into Risk Management

As of 2025, Sagard Europe will implement several key measures to enhance the integration of ESG risks into portfolio management:

- Transition to a new ESG data collection platform (KShuttle), ensuring robust standards in data reliability and auditability.
- A data reliability campaign will be conducted by the KShuttle advisory team (data analysis and portfolio company interviews).
- ESG controversies and incidents will be monitored and analyzed using a new third-party provider (Ethifinance), both during the pre-investment and holding phases.
- A tool for monitoring ESG action plans will be made available to portfolio companies via KShuttle.

In parallel, Sagard Europe is developing a set of thematic support programs. A climate program will be launched in 2025, while programs on cybersecurity and value-sharing are expected in 2026. A biodiversity support program is also under consideration, although uncertainty around methodologies suitable for SMEs and midcaps prevents the establishment of a precise delivery schedule at this stage.

Finally, Sagard Europe is designing a methodology to quantify ESG risks and actions, aiming to translate sustainability challenges into financial and strategic terms. Given the exploratory nature of this work, the methodology will be progressively refined, and its deployment will be further detailed in future reports.

10.

List of financial products referred to in articles 8 and 9 of the Disclosure Regulations (SFDR)

Two funds under management promote environmental and social characteristics under the Article 8 of the Sustainable Financial Disclosure Regulation (SFDR):

- Sagard 4
- Sagard NewGen.

These two Funds represent 46.8 % of Sagard Europe's assets under management, i.e. €1361.1m of AUM.

Appendices

Annex A - Exclusions

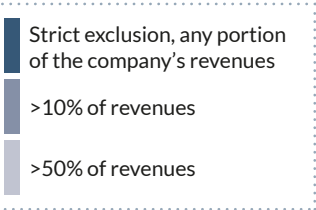
Strict exclusion, any portion of the company's revenues

>10% of revenues

>50% of revenues

Sector	Activity	Scope of exclusion
Armament	Production / trade of controversial weapons	The Funds will not invest in a Portfolio Company which at the time of the relevant Investments derives any portion of its revenues from the production or trade of “controversial weapons” having an disproportionate and indiscriminate impact on civilians, including anti-personnel mines, nuclear weapons, cluster weapons, biological and chemical weapons, depleted uranium and white phosphorus munitions.
	Military weapons	The Funds will not invest in a Portfolio Company which derives a majority of its revenues from the production or trade of fully assembled military weapons or military munitions.
Fossil energy	Oil fuels	The Funds will not invest in a Portfolio Company which derives more than 10% of its revenues from exploration, extraction, distribution or refining of oil fuels.
	Gaseous fuels	The Funds will not invest in a Portfolio Company which derives a majority of its revenues from exploration, extraction, manufacturing or distribution of gaseous fuels.
	Carbon intensive electricity generation	The Funds will not invest in a Portfolio Company which derives a majority of its revenues from electricity generation with a GHG intensity of more than 100 g CO2 e/kWh.
	Coal	The Funds will not invest in a Portfolio Company which at the time of the relevant Investments derives any portion of its revenues from exploration, mining, extraction, distribution or refining of hard coal and lignite.
	Unconventional fossil fuel	The Funds will not invest in a Portfolio Company which at the time of the relevant Investments derives any portion of its revenues from extraction, production, sale, storage, transport of unconventional fossil fuel.

Annex A - Exclusions (cont.)



Sector	Activity	Scope of exclusion
Restricted or prohibited activities	Gambling	The Funds will not invest in a Portfolio Company which at the time of the relevant Investments derives any portion of its revenues from any type of gambling activity involving money .
	Speculation in commodities	The Funds will not invest in a Portfolio Company which derives a majority of its revenues from the speculation in commodities .
	Tobacco cultivation and production	The Funds will not invest in a Portfolio Company which at the time of the relevant Investments derives any portion of its revenues from the cultivation and/or production of tobacco .
	Prostitution	The Funds will not invest in a Portfolio Company which at the time of the relevant Investments derives any portion of its revenues from prostitution .
	Pornography	The Funds will not invest in a Portfolio Company which at the time of the relevant Investments derives any portion of its revenues from pornography .
	Drugs	The Funds will not invest in a Portfolio Company which at the time of the relevant Investments derives any portion of its revenues from the production or trade of illicit drugs (where the production or trade of such drugs is illegal in the jurisdiction in which such drugs are produced and/or traded by the relevant Portfolio Company).

Companies **providing services, products, or equipment to these sectors** are not subject to these exclusions. Similarly, companies that are client to these sectors (e.g., a hotel group selling tobacco) with marginal involvement in these sectors (e.g., a hotel group selling tobacco) or used with a positive use (e.g., using tobacco plants to produce Ebola treatments) may be considered by Sagard during the pre-investment phase.

Annex B - Endnotes & Disclaimer

This report has been written in compliance with the article 29 of the French Energy Climate Law (the decree implementing this article 29 of the energy-climate law (LEC) of 8 November 2019 was published on 27 May 2021). This report is a regulatory requirement for information purpose only. Reported and estimated data used in this report are as of December 31, 2024.

The report covers the following funds:

- SAGARD 3

➤ SAGARD NATURAL INVEST

➤ SAGARD 4B

➤ SAGARD 4A

➤ SAGARD SANTE ANIMALE

➤ SAGARD NEW GEN

➤ SAGARD NUTRITION SANTE

➤ SAGARD TESTING
- SAGARD MINORITY EXTENDED PARTICIPATIONS FUND 1 S.L.P (SAGARD MEP Fund 1)

➤ SAGARD BUSINESS INTELLIGENCE

➤ SAGARD 4A PARTENAIRES CI

➤ SAGARD ELECTRONICS FPCI

➤ SAGARD NEWGEN PHARMA FPCI

➤ SAGARD PERFORMANCE ENERGÉTIQUE

➤ SAGARD NEWGEN SUPPLYCHAIN

Sagard 4B, at Sagard Europe’s discretion, takes into account, tax and/or regulatory restriction applicable to these funds.

The funds Sagard 4A and Sagard 4B share the same investment strategy, and each investor must invest in both Sagard 4A and Sagard 4B with an identical commitment.

In order to more accurately reflect the achievement of the environmental and social characteristics promoted by the funds Sagard 4A and Sagard 4B (hereinafter together referred to as “Sagard 4” or the “Fund”), a single report containing a consolidated version of the indicators is presented here.

As the Sagard 1 and Sagard 2A & Sagard 2B funds are in the process of liquidation and do not invest in any portfolio company, they have not been included in this report. These two funds represent €24.6m of AUM.

Investors should note that, relative to the expectations of the French Autorité des Marchés Financiers, the Sagard’s Responsible Investment Report prepared by Sagard Holdings Management Inc. at the group level under foreign law, presents disproportionate communication on the consideration of non-financial criteria in investment policy of the funds under management and is not intended for non-professional investors as the funds managed by Sagard Europe are not open to non-professional investors.

➔ Disclaimer

This report should not be considered as marketing material or investment advice for Sagard Europe products, which are not open to non-professional clients.

The information used to compile this report has been obtained from a wide range of sources that Sagard Europe believes to be accurate. However, Sagard Europe accepts no responsibility for any omissions, errors or inaccuracies. Sagard Europe accepts no liability for direct or indirect losses caused by the use of information provided in this document.

The information presented in this document is simplified. For further information, please refer to the legal documentation of the funds concerned.

SAGARD SAS

49-51 Avenue George V - 75008 Paris - France

Tel.: +33 (0)1 53 83 30 00 - Fax: +33 (0)1 53 83 30 30

E-mail: esg@sagard.eu

www.sagard.eu

