ESG Rating Methodology Disclosure

Sagard Private Equity Solutions

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PURPOSE AND SCOPE

Sagard Private Equity Solutions ("SPES") uses internal sustainability and ESG assessment tools to support investment due diligence, manager selection, portfolio monitoring, reporting, and engagement.

SPES is a global mid-market private equity platform that brings together Sagard's capabilities across primaries, secondaries, and co-investments. The platform is controlled by Sagard and was formed in 2025 following strategic transactions with Performance Equity Management[1], BEX Capital, and Unigestion. This disclosure primarily describes the ESG scoring framework historically developed and applied by the former Unigestion Private Equity team, now part of SPES. Responsible investment practices may vary across SPES strategies, depending on the investment model, asset type, level of influence, and stage of the investment lifecycle.

SPES reviews this disclosure and the underlying ESG scoring framework on an annual basis and may update either at any time to reflect changes in methodology, data availability, regulation, market practice, investment strategy, or responsible investment priorities. This disclosure is version-controlled and carries the date on which it was last updated. Where a change to the methodology is material, including changes to the criteria applied, the weighting structure, the scoring categories, or the data sources used, an updated version of this disclosure will be published on the SPES section of Sagard.com and the publication date will be revised accordingly. Non-material or administrative changes, such as corrections of typographical errors or formatting updates, may be made without separate notification.

METHODOLOGY OVERVIEW

The ESG scoring methodology builds on 52 criteria for companies and 74 for funds, around half of those qualitative (e.g. ESG Policy, environmental initiatives, impact on biodiversity, employee satisfaction survey, and supply chain, data & IT security) and half quantitative indicators (e.g. GHG emissions scope 1 to 3, gender pay gap, CEO pay ratio), across the spectrum of four ESG categories:

(i) ESG Process & Organisation,
(ii) Environmental,
(iii) Social and
(iv) Governance.

Key criteria considered in our ESG scoring methodology for investments in companies

Categories	Criteria	Corresponding ESRS Standard(s)
ESG Process & Organization	ESG policy, ESG resources	Cross-cutting; applies across all topical standards

[1] The former Performance Equity Management entity, now part of SPES, is a federal contractor and must adhere to applicable federal regulations and mandates, including restrictions related to DEI practices

Categories	Criteria	Corresponding ESRS Standard(s)
	ESG training	ESRS 2 GOV-1
	ESG initiatives implemented	ESRS 2 MDR-A (actions and resources), supplemented by topical action disclosures (E1-3, E2-2, E3-2, E4-3, E5)
	Significant ESG litigations	No general cross-cutting litigation datapoint in ESRS; litigation is addressed topic-by-topic within the relevant topical standard
Environmental	Environmental initiatives	ESRS E1-3 (climate actions), E2-2 (pollution), E3-2 (water/marine), E4-3 (biodiversity), E5 (resource use/circular economy) depending on subject matter
	GHG emissions (Scope 1-3), GHG intensity and carbon footprint	ESRS E1-6 (gross Scope 1, 2 and 3 GHG emissions, total GHG emissions, and GHG intensity per net revenue)
	Adoption of GHG emissions reduction initiatives (e.g. SBTI)	ESRS E1-4 (GHG emission reduction targets, including whether science-based)
	CO2 footprint offsets	ESRS E1-7 (GHG removals and carbon credits, including mitigation projects financed through carbon credits)
	Emissions of pollutants – e.g. air, inorganic, ozone depletion substances	ESRS E2-4 (pollutants emitted to air, water and soil, excluding GHGs which remain under E1)
	% of energy consumed and/or produced from renewable sources	ESRS E1-5 (energy consumption and mix, including renewable energy share within total energy mix)
	Impact on biodiversity sensitive areas	ESRS E4 (Biodiversity and ecosystems), including site/location disclosures for activities negatively affecting biodiversity-sensitive areas
	Emissions to water	ESRS E2-4 (pollutants emitted to water); related water management context also falls under ESRS E3-4 (water and marine resources- withdrawals, discharges and consumption)
	Waste – hazardous waste, % of recycled waste	ESRS E5 (Resource use and circular economy), which includes waste as an explicit sub-topic; hazardous waste is specifically referenced under ESRS E5-5
Social	Employees' growth	ESRS S1 (Own workforce)- working conditions sub-topic
	Social initiatives (e.g. diversity, charity, well-being)	ESRS S1 equal treatment and opportunities for all (diversity) and other working conditions disclosures
	Employee survey	ESRS S1-13 (training and skills development) and ESRS S1 working conditions sub-topics more broadly. Employee satisfaction surveys are not a named standalone datapoint but fall within S1 working conditions disclosures
	Gender pay gap	ESRS S1-16 (Remuneration metrics (pay gap and total remuneration))
	% of female employees	ESRS S1 (equal treatment and opportunities for all / gender equality disclosures)
	Remuneration committee	ESRS 2 GOV-3 (sustainability-related incentive schemes for administrative, management and supervisory bodies)
	Health & safety incidents	ESRS S1 - health and safety sub-topic; ESRS S1-14 (number of fatalities, number and rate of work-related accidents, and days lost to injuries, accidents, fatalities and illness)
	Social litigations	ESRS S1-17 and analogous "issues and incidents" disclosures under S2, S3 and S depending on which stakeholder group is affected
	Turnover rate	ESRS S1 (Own workforce)- working conditions sub-topic
	Absenteeism rate	ESRS S1 (Own workforce)- working conditions / health and safety sub-topics. Not a named standalone datapoint but falls within S1 working conditions disclosures
Governance	Corporate code of conduct and/or code of ethics	ESRS G1 (Business conduct) - corporate culture sub-topic
	Anti-money laundering, anti-bribery, anti-corruption	ESRS G1 - corruption and bribery sub-topic (prevention, detection, training, incidents, G1-4)

Categories	Criteria	Corresponding ESRS Standard(s)
	Whistleblower and human rights policies	ESRS G1 - protection of whistle-blowers sub-topic; human rights policy disclosures map to ESRS S1-1, S2-1, S3-1 or S4-1 depending on the affected stakeholder group
	% female executive management	ESRS 2 GOV-1 - governing body composition and diversity, including gender breakdown
	% female board members	ESRS 2 GOV-1 - governing body composition and diversity, including gender breakdown
	% Independent board members	ESRS 2 GOV-1 - governing body composition and diversity, including % independent members
	Excessive CEO pay ratio	ESRS S1-16 (Remuneration metrics (pay gap and total remuneration))
	Independent audit committee	ESRS 2 GOV-5 - risk management and internal controls over sustainability reporting
	Succession plan	Not an explicitly named datapoint under ESRS
	EU Taxonomy alignment	Reported pursuant to Article 8 of Regulation (EU) 2020/852 (EU Taxonomy Regulation)
	Internal process to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational enterprises	ESRS S1, S2, S3 and S4 - "non-respect of UNGPs/OECD Guidelines" type datapoints across the social standards depending on affected stakeholders
	Supply chain risk management	ESRS 2 IRO-1 (process to identify and assess impacts, risks and opportunities, including via business relationships/value chain); where risks relate to workers in the value chain, also ESRS S2 (Workers in the value chain)
	Protection of data & IT security	Not an explicitly named datapoint under ESRS

Key criteria considered in our ESG scoring methodology for investments in funds

Categories	Criteria – Fund Manager Focused	Corresponding ESRS Standard(s)	Criteria – Fund Focused	Corresponding ESRS Standard(s)
ESG Process & Organization	ESG policy and bodies	ESRS 2 GOV-1 - role, composition, responsibilities, and sustainability expertise/skills of administrative, management and supervisory bodies	SFDR classification and compliance	Not an explicitly named datapoint under ESRS
	ESG resources	ESRS 2 MDR-A - resources allocated to sustainability actions, including CapEx/OpEx where significant and links to financial statements		
	ESG training	ESRS 2 GOV-1 - how governance bodies ensure sustainability-related expertise and skills are available, including via training and access to external experts		
	ESG integration and reporting	ESRS 2 GOV-5 - risk management and internal controls over sustainability reporting, including risk assessment, key risks and mitigants, and periodic reporting to governance bodies		
	ESG in remuneration	ESRS 2 GOV-3 -integration of sustainability-related performance in incentive schemes, including targets/metrics used and the proportion of variable remuneration linked to sustainability performance		
Environmental	Environmental initiatives	ESRS 2 MDR-A - actions taken/planned across each material sustainability topic, with time horizons, scope, and progress; supplemented by topical action disclosures (E1-3, E2-2, E3-2, E4-3, E5) depending on subject matter	GHG emissions (Scope 1 to 3), GHG intensity and carbon footprint	ESRS E1-6 (gross Scope 1, 2 and 3 GHG emissions (tCO2e) and total GHG emissions); ESRS E1 (GHG emissions intensity per net revenue)
	Climate and biodiversity objectives	ESRS E1-1 - climate transition plan for mitigation, including alignment with the Paris Agreement and climate neutrality by 2050, embedding in business strategy and financial planning; ESRS E4 - biodiversity and ecosystems	CO2 footprint offsets	ESRS E1-7 - GHG removals and storage (own operations and value chain) and the amount of emission reductions/removals from mitigation projects outside the value chain financed through carbon credits, including credits cancelled in the reporting period
	Climate risk assessment	ESRS E1 (linked to IRO-1) - processes to identify and assess climate-related impacts, risks and opportunities, including physical risks (hazards and exposure) and transition	Emissions of pollutants – e.g. air, inorganic, ozone depletion substances	ESRS E2-4 - pollutants emitted to air, water and soil (as per E-PRTR Annex II, excluding GHGs which are covered under

Categories	Criteria – Fund Manager Focused	Corresponding ESRS Standard(s)	Criteria – Fund Focused	Corresponding ESRS Standard(s)
		risks and opportunities, and how scenario analysis is used over short, medium and long-term horizons		ESRS E1) and microplastics generated/used;
	Environmental litigations for non-compliance, financial and reputational risks	ESRS E2-6 - anticipated financial effects from material pollution-related risks and opportunities, including material incidents with negative impacts; ESRS E2 Application Requirements note that transition risks may include policy and legal risks such as sanctions and litigation, and reputational risks arising from pollution	% of energy consumed and/or produced from renewable sources	ESRS E1-5 - total energy consumption and mix, including total energy from fossil, nuclear and renewable sources with renewable disaggregation; separate disclosure of renewable and non-renewable energy production where applicable
			Impact on biodiversity sensitive areas	ESRS E4 (linked to SBM-3) - material sites and activities negatively affecting biodiversity-sensitive areas, including breakdowns by type of impact/dependency and identification of the areas impacted
			Emissions to water	ESRS E2-4 - pollutants emitted to water (as per E-PRTR Annex II); water-related management context also falls under ESRS E3-4 - water withdrawals, discharges and consumption
			Waste – hazardous waste, % of recycled waste	ESRS E5 - Resource use and circular economy, including resource inflows, resource outflows and waste as explicit sub-topics; ESRS E5-5 includes datapoints for non-recycled waste and hazardous and radioactive waste
			Commitments to net zero / Paris alignment goals	ESRS E1-1 - climate transition plan, including alignment with limiting warming to 1.5°C and achieving climate neutrality by 2050, and governance approval and progress monitoring; ESRS E1-4 - GHG emission reduction targets (Scopes 1–3) and whether targets are science-based and compatible with 1.5°C
			Board oversight of climate issues	ESRS 2 GOV-1 - oversight responsibilities, including how targets are monitored and progress reviewed by governance bodies; ESRS 2 GOV-2 - how governance bodies are informed about sustainability matters and which material impacts/risks/opportunities they addressed during the reporting period
Social	DEI policy	ESRS S1 (Own workforce) - Equal treatment and opportunities for all, including gender equality/equal pay, training and skills development, measures against violence and harassment, and diversity	Gender pay gap	ESRS S1-16 (Remuneration metrics (pay gap and total remuneration))
	Well-being initiatives	ESRS S1 (Own workforce) - Working conditions sub-topic, including adequate wages, work-life balance, social dialogue, freedom of association, and health and safety	Board gender diversity	ESRS 2 GOV-1 - percentage by gender of board members, calculated as an average ratio of female to male members
	Gender pay gap	ESRS S1-16 (Remuneration metrics (pay gap and total remuneration))	Excessive CEO pay ratio	ESRS S1-16 (Remuneration metrics (pay gap and total remuneration))
	% of female employees	ESRS S1 (Own workforce) - Equal treatment and opportunities for all / gender equality disclosures	Human rights and whistleblower policies	ESRS 2 Appendix B - human rights policy commitments appear in S1-1; whistleblower protection is mapped to ESRS G1-1; ESRS G1 (Business conduct) - protection of whistle-blowers is an explicit sub-topic
	Social incidents	ESRS S1-17 and analogous incidents disclosures under S2, S3 and S4 depending on which stakeholder group is affected	Absenteeism rate	ESRS S1 (Own workforce)- working conditions / health and safety sub-topics. Not a named standalone datapoint but falls within S1 working conditions disclosures
	Active ownership	Not an explicitly named datapoint under ESRS	Employee survey	ESRS S1-13 (training and skills development) and ESRS S1 working conditions sub-topics more broadly. Employee satisfaction surveys are not a named standalone datapoint but fall within S1 working conditions disclosures
	Turnover rate	ESRS S1 (Own workforce) - Working conditions sub-topic	Employees' growth	ESRS S1 (Own workforce)- working conditions sub-topic
	Health & safety incidents	ESRS S1 (Own workforce) - health and safety sub-topic; ESRS S1-14 (number of fatalities, number and rate of work-related accidents,	Turnover rate	ESRS S1 (Own workforce) - working conditions sub-topic

Categories	Criteria – Fund Manager Focused	Corresponding ESRS Standard(s)	Criteria – Fund Focused	Corresponding ESRS Standard(s)
		and days lost to injuries, accidents, fatalities and illness)		
	Absenteeism rate	ESRS S1 (Own workforce)- working conditions / health and safety sub-topics. Not a named standalone datapoint but falls within S1 working conditions disclosures	Health & safety incidents	ESRS S1 - health and safety sub-topic; ESRS S1-14 (number of fatalities, number and rate of work-related accidents, and days lost to injuries, accidents, fatalities and illness)
	Labour standards & social issues	ESRS S1 (Own workforce) - Other work-related rights sub-topic; also ESRS S2 (Workers in the value chain) where relevant to supply chain labour standards		
Governance	Fair treatment of investors	Not an explicitly named datapoint under ESRS	Violation of UN Global Compact principles and OECD Guidelines for Multinational enterprises	ESRS 2 Appendix B - datapoints on non-respect of UNGPs on Business and Human Rights and OECD Guidelines appear across S1, S2, S3 and S4-related disclosure requirements depending on the affected stakeholder group
	Litigations	No general cross-cutting litigation datapoint in ESRS; litigation is addressed topic-by-topic within the relevant topical standard	Lack of processes and compliance with UN Global Compact principles and OECD Guidelines for Multinational enterprises	ESRS 2 Appendix B - "lack of processes" maps to the process-related disclosure requirements across S1-S4
	Corporate code of conduct and/or code of ethics	ESRS G1 (Business conduct) - corporate culture sub-topic		
	Anti-money laundering, anti-bribery, anti-corruption	ESRS G1 (Business conduct) - Corruption and bribery sub-topic, including prevention/detection, training on anti-corruption, and incidents	**At portfolio level:**	
			Independent board members	ESRS 2 GOV-1 - percentage of independent board members
	% women in senior positions	ESRS 2 GOV-1 - percentage by gender of governance body members ; ESRS S1 equal treatment disclosures for senior management below governance body level	Ethics policies	ESRS G1 (Business conduct) - corporate culture sub-topic
	Succession plan	Not an explicitly named datapoint under ESRS	Committees' implementation	Not an explicitly named datapoint under ESRS
			EU Taxonomy alignment	Reported pursuant to Article 8 of Regulation (EU) 2020/852 (EU Taxonomy Regulation)
			Background checks	Not an explicitly named datapoint under ESRS
			Data & IT policy	Not an explicitly named datapoint under ESRS

The framework assesses individual E, S, and G factors and produces an aggregate ESG score per investee. ESG scores are expressed as an absolute percentage score out of 100%, reflecting the level of ESG maturity assessed against SPES's internal framework, and they are not designed to constitute a relative market ranking or external ESG rating. The framework does not apply fixed percentage weightings to the E, S, and G pillars. Instead, the relative weight of each pillar in the aggregate score is determined by the number of criteria assessed under that pillar. For fund investments, the final score for each pillar and the aggregate is calculated as one-third (⅓) fund-level score and two-thirds (⅔) fund manager-level score, reflecting the greater weight attributed to fund manager scores while the private equity industry improves its disclosure of quantitative ESG criteria for funds. The ESG process & organisation score of a fund is equal to 100% of the fund manager's score for that category, as this category is not assessed at fund level.

Investments are categorised as follows: under 25% - "Lagger", from 25% and 50% - "Beginner", from 50% and 75% - "Follower" and above 75% - "Leader".. For more details, please refer to our Responsible Investing Policy available here – Responsibility – Sagard.com

The methodology is primarily backward-looking, based on the most recent financial year data available at the time of assessment or annual review. Where current-year data is not available for a given investee, the assessment may be based on data estimated or extrapolated from prior reporting periods. The methodology may also include forward-looking elements, such as ESG action plans, climate or transition initiatives, and mitigation measures. The time horizon for forward-looking assessments is generally the expected holding period of the relevant investment, reflecting SPES's objective of driving improvements in ESG scores over the course of its ownership.

Low ESG scores do not automatically result in exclusion. SPES considers the nature and materiality of the issues identified, the ability to engage, and the potential for improvement. Based on the scoring, ESG engagement priorities are identified and monitored over time, aiming to drive progress and consequently the increase of ESG scores. If the ESG scores of an investee materially decrease, or if material ESG issues are identified, SPES would engage with the investee to understand and mitigate the related risks. Should the engagement fail, the case is escalated as per the Responsible Investing Policy available here – Responsibility – Sagard.com.

SPES does not apply an industry or sector classification system in its ESG scoring methodology. The same set of criteria is applied consistently across all investments, regardless of sector or industry. This approach is designed to ensure comparability of ESG assessments across the portfolio.

DATA SOURCES, TECHNOLOGY AND UPDATES

The ESG scoring framework relies primarily on non-public data and self-reported data and information provided by fund managers and portfolio companies.

SPES does not use sustainability statements prepared under the Corporate Sustainability Reporting Directive (**CSRD**) as inputs into the ESG scoring framework, reflecting the current stage of implementation of CSRD reporting requirements across SPES's investment universe. Where an investment is held via a third-party fund that is itself subject to Regulation (EU) 2019/2088 (**SFDR**), SPES may use SFDR disclosures published by that fund as inputs into its ESG scoring assessment of the relevant fund manager or fund investment. Such disclosures are treated as one input among others and are subject to the same review and verification process applied to other data sources.

Where data is unavailable or cannot be obtained from the relevant fund manager or portfolio company, SPES applies the following approach, in order of preference: (i) request supplementary information or supporting evidence directly from the source; or (ii) record limitations in the assessment and reduce the score of the indicator accordingly. SPES does not systematically apply third-party modelled estimates or sector proxies to fill data gaps in the general scoring framework. Where proxies or estimates are used in the context of specific products (for example for climate-related data in the SFDR Article 9 Climate Impact Fund), this is described in the relevant product disclosures.

Artificial intelligence is not currently used as a determinative tool in assigning ESG scores. Technology tools support data collection, organization, analysis, and reporting, but ESG assessments remain subject to human review and judgment. Accordingly, the risks and limitations associated with determinative AI use are not currently applicable to our ESG scoring framework.

ESG assessments are performed during due diligence and updated annually. Ad hoc updates may also be performed to reflect material new data received after the relevant assessment cut-off date.

The ESG scoring methodology is not based on scientific evidence in its entirety. It is a proprietary assessment framework drawing on regulatory requirements, established industry standards, and international agreements. However, certain environmental criteria incorporate scientifically grounded reference points:

- Greenhouse gas emissions criteria (Scope 1, 2 and 3) are measured in accordance with the principles of the GHG Protocol, which provides the internationally recognised scientific standard for corporate greenhouse gas accounting.
- The framework assesses the adoption of GHG emissions reduction initiatives aligned with the Science Based Targets initiative (SBTi), which is grounded in climate science and takes into account the targets and objectives of the Paris Agreement.
- The EU Taxonomy alignment criterion reflects the science-based technical screening criteria established under Regulation (EU) 2020/852.

For social, governance, and process-related criteria, the framework draws on regulatory and international normative frameworks rather than scientific evidence. The governance criteria include an assessment of whether investees maintain internal processes to monitor compliance with the UN Global Compact principles and the OECD Guidelines for Multinational Enterprises. The social criteria draw on concepts reflected in internationally recognised labour and human rights standards, including the ILO core conventions, although the methodology does not apply a systematic criterion-by-criterion mapping to those conventions. Results should accordingly be understood as an internal assessment of ESG maturity rather than a scientifically validated measure of environmental or social outcomes.

DOUBLE MATERIALITY

The ESG scoring framework considers factors related to financial materiality and impact materiality, as described below. The framework does not apply separate quantitative weightings to these two dimensions. Rather, both dimensions are integrated within the same set of criteria and the same aggregate scoring scale, reflecting SPES's view that financial and impact considerations are complementary and mutually reinforcing.

- Financial materiality, including sustainability risks that may affect the value, resilience, or performance of an investment. Criteria that are primarily risk-oriented include, for example: significant ESG or social litigations; health and safety incidents; anti-money laundering, anti-bribery and anti-corruption policies; supply chain risk management; data and IT security; whistleblower and human rights policies; board independence and audit committee composition; and succession planning. These criteria are assessed on the basis that the presence or absence of robust practices in these areas may directly affect investment risk and long-term returns.
- Impact materiality, including actual or potential impacts of the investment on the environment and society. Criteria that are primarily impact-oriented include, for example: GHG emissions (Scope 1–3), GHG intensity and carbon footprint; adoption of science-based emissions reduction targets; CO2 offset measures; emissions of pollutants; impacts on biodiversity-sensitive areas; emissions to water; waste generation and recycling rates; gender pay gap; diversity and social initiatives; and employee satisfaction. These criteria are assessed on the basis that the activities of portfolio companies and fund managers generate real-world effects on the environment and stakeholders, independent of whether those effects translate into financial risk within the investment horizon.

Several criteria are relevant to both dimensions simultaneously, for example, GHG emissions data is both an indicator of a company's environmental impact and a proxy for its exposure to transition and physical climate risks. Where a criterion serves both purposes, it is not attributed exclusively to either dimension.

SPES considers that, across the framework as a whole, the criteria are broadly balanced between the two materiality dimensions.

LIMITATIONS

The ESG scoring framework is subject to limitations. These include the availability, quality, consistency, and comparability of private markets ESG data; reliance on self-reported information; different levels of ESG maturity among fund managers and portfolio companies; and evolving regulation, market practice, and reporting standards.

See the section on data sources, technology and updates on our approach in relation to incomplete or unavailable data.

ESG scores should for these limitations be understood as an internal assessment of ESG maturity based on available information, not as a guarantee of ESG performance, impact, or risk mitigation.

CONFLICTS OF INTEREST

SPES is not aware of any conflicts of interest but should they arise they will be mitigated through documented processes, internal review, relevant investment committee consideration, and oversight by appropriate governance, risk, or compliance functions.

BUSINESS MODEL AND FEES

SPES does not charge separate fees to rated fund managers or portfolio companies for the ESG assessments described in this disclosure. The assessments form part of SPES's investment, monitoring, reporting, and engagement processes. The cost of conducting, maintaining, and reporting on ESG assessments is borne by SPES as part of its investment management activities and is covered by the fund fees and other remuneration charged to investors in the ordinary course of those activities.