

Quilvest Capital Partners sustainability commitments

Founding principles

At Quilvest Capital Partners, we are convinced that as leading financial institution we have a responsibility towards society to manage the environmental and social impacts of our investment activities. The focus on sustainability has always been core for our Company given Quilvest family shareholding structure and DNA. Our role as long-term investor should be to create growth and value in a durable manner: we believe that taking into account Environmental, Social and Governance ("ESG") criteria contribute to long-term absolute returns and to wealth preservation.

Following this twofold belief, Quilvest Capital Partners ("QCP") became signatory in 2016 of the United-Nations backed *Principles for Responsible Investment* ("PRI") and joined the 3000+ organizations worldwide, managing US\$ 100+ trillion worth of assets, which are committed to incorporate ESG criteria into investment practices¹ and to report annually on progress.

This policy goes beyond legal and compliance conformity; it sets both our commitment to sustainability and our approach to responsible investment with the main objective being the support of our people in performing their work and decision-making. It applies to QCP professionals and non-permanent staff working on behalf of QCP, in all countries where we do business.

Our commitments

Following QCP founding principles, we have set forth five commitments regarding sustainability. Meeting these commitments will determine the success of our approach to sustainability:

- #1 We will systematically assess ESG impacts, risks and/or opportunities before taking any new investment to better inform Investment Committee ("IC") decision making
- #2 For direct investments, we will initiate pilots with investees to design agreed-upon action plans to deliver ESG performance
- #3 We will raise awareness within our organization by training our investment professionals to be aware of our ESG principles in order to embed sustainability in our culture and to deliver our ESG ambitions
- #4 We will monitor and report on the ESG performance of our Lead and Real Estate portfolio on a selected set of metrics
- #5 We will reduce our direct environmental impact by limiting the CO² impact from QCP business trips and by reducing all disposable or single-use items within QCP premises [KPI*: travel carbon emissions/FTE]]

¹ https://www.unpri.org/pri/an-introduction-to-responsible-investment/what-are-the-principles-for-responsible-investment



Responsible investment in practice

Roles & Responsibilities

The Sustainability policy has been endorsed by the QCP Board and Executive Committee with Alexis Meffre – the Executive Chairman – as the ESG Sponsor.

Each BU head is the sponsor of the Responsible Investment Policy, their responsibility is to ensure its effective implementation providing the necessary support to their team so that QCP will be successful at meeting its commitments.

QCP investment professionals are primarily responsible for ensuring that investment decisions properly integrate ESG criteria. They are in charge of running the ESG analysis. Where additional subject matter expertise is needed, the teams will utilize external resources as relevant and necessary.

The Chief of Staff to the Executive Chairman together with the Chief Compliance Officer will be responsible for overseeing sustainability at the platform level including communication, reporting, investment team support, etc.

Our approach

QCP will seek to integrate the consideration and thoughtful management of ESG issues throughout the investment cycle.

Screening

For any direct investment opportunity, preliminary screening ensures that the targeted investment do not directly derive revenues from, or is critical to the value chain, of industries that are blacklisted. Those industries are the following: tobacco, gambling, pornography and lethal weapons.

Pre-investment Due-Diligence ("DD")

For all investment opportunities, in each business unit, QCP will carry out an ESG analysis.

This analysis is based on our proprietary tool, *QCP ESG framework*, which helps us to identify which are the most material² ESG topics to detail and address.

- Lead: Due Diligence is based on a set of specific questions for 22 different industries. In order to assess how most important ESG issues are taken into account, the investment team may engage with the management of the company. Depending on the complexity of the topics and the quality of information, the investment team may decide to hire an external consultant.
- Real Estate: Due Diligence is based on a set of questions that are applied systematically for all types of property categories (commercial,

Screenshot of QCP proprietary ESG framework

QUILVEST - ESG ANALYSIS		
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² For the purposes of this policy, "material" ESG issues are defined as those issues that QCP in its sole discretion determines to have a direct substantial impact on an organization's ability to create, preserve, or erode economic value, as well as environmental and social value for itself and its stakeholders



residential and industrial). Based on the results of this analysis and the investment thesis, the investment team may identify primary areas for potential improvements.

- Funds & Co: The investment team assesses the overall commitment to responsible investment of the General Partner ("GP") and the level to which they integrate ESG factors into their investment process. This assessment is based on two sets of questions: one for GPs operating in developed markets and one for GP in developing markets³.
- Co-investments and private debt: for co-investments or for direct investment in private debt, the investment team assesses the business using an analysis similar to the one conducted in the Lead BU. The ESG analysis will take into account the non-control nature of co-investments and private debt. If the investment team believes appropriate, it may also carried out the ESG analysis by assessing the lead sponsor according to ESG criteria.

Investment decision

A summary of the ESG analysis is then included in the memo which is discussed during the Investment Committee ("IC") so that 1) the most material ESG issues are discussed during IC and 2) IC decision-making takes into account ESG issues when appropriate.

Ownership phase

Depending on whether risks are identified in the DD phase or whether a company's management team is willing to support the ESG agenda, an action plan and related metrics targets can be agreed-upon between QCP and company management for the holding period.

For Lead and Real Estate BU, investees will report annually on a set of asset specific and common ESG metrics.

Alexis Meffre

Executive Chairman

³ For the purposes of this policy, "developing" markets are defined as Asia, Latin America and Africa and "developed" markets are defined as Europe and North America