Entrepreneurs en capital

ARTICLE 29 REPORT - LOI ENERGIE CLIMAT (LEC)

AS OF 31 DECEMBER 2024

Signatory of:

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A. DEMARCHE GENERALE DE L'ENTITE SUR LA PRISE EN COMPTE DES CRITERES ENVIRONNEMENTAUX, SOCIAUX ET DE QUALITE DE GOUVERNANCE

Article 29 de la loi 2019-1147 relative à l'énergie et au climat - Code Monétaire et Financier, Article D. 533-16-1, III, 1°, a), b) et e)

1. ESG approach (Environmental, Social, and corporate Governance approach)

1.1. Description of the approach

Naxicap Partners commits to consider material[1] ESG issues in the course of its due diligence process and in the monitoring of its portfolio investments seeking to maximize the economic and social returns on investments.

The signature of the PRI (Principles for Responsible Investment), in January 2016, marks Naxicap Partners' commitment to monitor and encourage responsible actions of the companies in which it invests. In order to contribute to the COP21 objective of limiting global warming to two degrees Celsius, Naxicap Partners signed the IC20 (Initiative Climat 2020, subsequently renamed the International Climate Initiative) in October 2016. As a signatory to International Climate Initiative, Naxicap aims to reduce the greenhouse gas emissions of its most carbon intensive Portfolio Companies and secure sustainable investment performance by recognizing and incorporating the materiality of climate risk.

As presented in its ESG Charter, Naxicap Partners' commitments for a responsible investment are as following:

i. We undertake to make investments compliant with our values
ii. We undertake to examine ESG criteria before investing in a company
iii. We undertake to support and monitor our portfolio's ESG initiatives from investment to exit
iv. We undertake to report our ESG actions transparently to our LPs
v. We undertake to offer our associates the best possible work environment
vi. We undertake to be law compliant, internally well controlled and to limit our risks
vii. We undertake to promote responsible behaviour within our profession
viii. We undertake to support initiatives related to economic progress, our expertise or our values

Naxicap Partners will seek to update the ESG commitments regularly, as appropriate.

[1] For this report, Naxicap Partners defines "material" ESG issues as those issues determined to substantially affect, or have the potential to substantially affect, the financial condition or operating performance of an organization, as well as their ability, or the potential ability, to create environmental and social value for itself and its stakeholders.

1.2.Scope of the ESG policy

Since 2016, this policy has applied to Portfolio Companies in which the total invested amounts by investment vehicles under management of Naxicap Partners is superior to or equals €5m. Additionally, for companies not covered in the scope as described above, and in instances where Naxicap Partners considers it appropriate, reasonable efforts are made to encourage its Portfolio Companies to consider relevant ESG-related factors.

<u>SHARE OF EQUITY VALUE UNDER ESG SCOPE IN 2024:</u>

95%

(77 companies)

With the integration of the management companies *Alliance Entreprendre* and *Bee-up Capital* in April and June 2022, Naxicap Partners inherited a portfolio of investments (referred in this report as "SMALLCAP Portfolio Companies") where the ESG process as defined hereabove was only partially applicable (different ESG analysis processes applied prior investment). However, the rest remains applicable (monitoring and reporting commitments). Also, since 2022, processes for investment in SMALLCAP Portfolio Companies have been aligned with MIDCAP ESG processes.

The investments under ESG scope abiding our ESG policy (referred to as "Total ESG Scope") is understood as the companies which invested amounts are above the €5m threshold.

Furthermore, to comply with SFDR calculation methodologies, the ratios of portfolio coverage are not calculated as percentage of invested amounts but as the percentage of valuation of the fund's investments in <u>shares</u> of Portfolio Companies (excluding convertible bonds, bonds et shareholder loans). This valuation is called "Equity Value" in this report.

Scopes	Scope description	# of Portfolio Companies as under the scope defined *(as of 31/12/2024)*	Equity Value under the ESG scope *(in % of total Equity Value as of 31/12/2024)*
Full ESG Questionnaire	MIDCAP and SMALLCAP Portfolio Companies in which Naxicap holds a majority stake[2]	**51**	**83%**
Rated companies	Portfolio Companies which provided sufficient answers to the Full Questionnaire	*49*	*100%*
Light ESG Questionnaire	• Companies where Naxicap is a minority shareholder • Portfolio Companies with very limited size and/or limited ESG resources	**26** *(including 24 minority investments)*	**17%**
TOTAL ESG SCOPE	**Full & Light ESG Questionnaires**	**77**	**100%**

[2] Naxicap is considered as Majority shareholder in cases where Naxicap holds the majority of a portfolio company's capital or where Naxicap is the lead investor of a pool of investors holding the majority of a portfolio company's capital.

Scopes	Scope description	# of Portfolio Companies as under the scope defined *(as of 31/12/2024)*	Equity Value under the ESG scope *(in % of total Equity Value as of 31/12/2024)*
Carbon Analysis	• Portfolio Companies which have performed their own carbon footprint or have provided sufficient data to estimate it	**62**	**97%**
Companies eligible to pre-investment ESG and Climate analysis	• Companies first invested by Naxicap Partners after 2016 *(excluding historical portfolio under management of management companies[3] acquired in 2022)*	**54**	**97%**
Companies eligible to pre-investment ESG Audits and ESG clause	• Majority investments in companies first invested by Naxicap Partners after 2016	**45**	**83%**

1.3. Summary of ESG integration approach

Naxicap Partners (hereafter "Naxicap") is deeply convinced by the positive impact of the sustainable growth of its Portfolio Companies. It considers that a long-term and responsible approach to investment is a key driver of the companies' expansion and is generator of value.

1.3.1. Pre-investment analysis

1.3.1.1. *Exclude certain industries and activities from its investment Portfolio*

Naxicap's first commitment is to invest in activities that are coherent with its values and to encourage, beyond the regulatory framework, ethical behaviour. Naxicap Partners has decided not to invest in:

- Illegal economic activities: any production, trade or other activity not permitted by law or regulation
- Production of or trade in tobacco
- Production of or trade in coal and other fossil fuels
- The manufacture of or trade in controversial weapons and ammunition
- Pornographic activities and prostitution
- Casinos, betting enterprises and the like

In addition, most of the buy-laws of the funds under Naxicap management include additional limits, related, for example, to companies or other entities whose principal business consists of oil and gas exploration, nuclear power, prisons, military or weapons of any kind, human cloning for research or therapeutic purposes, genetically modified organisms ("GMOs"), etc.

[3] Historical portfolio is intended as portfolios invested by either Alliance Entreprendre or Bee-Up Capital before April 2022, date of the merger and alignment of all investment processes.

2024 performance
0% **of Portfolio Companies with REVENUES FROM ACTIVITIES LISTED IN THE EXCLUSION POLICY**

1.3.1.2. *Take ESG issues into consideration during the Investment Committees*

All investment notes include an ESG and climate analysis. The analyses highlight the main ESG risks, opportunities and recommendations and are considered when making an investment decision.

Major ESG Risks that could harm the profitability of Naxicap's portfolio or Naxicap Partners' image are listed in a Redflag analysis framework. Every deal is analysed through this risk grid by the ESG Team. The Head of Risk, Compliance and Internal Control attends each investment committee meeting, and presents the results of the ESG Risk analysis.

2024 performance	TOTAL ESG Scope
88% **OF RISK ANALYSIS** integrated in the Investment Note (**7 RISK ANALYSIS** integrated in the Investment Note, out of the **8** new eligible investments[4]) **92%** OF ELIGIBLE EQUITY VALUE (in 2024)	**88%** **OF RISK ANALYSIS** integrated in the Investment Note **(14 RISK ANALYSIS** integrated in the Investment Note, out of **16** eligible Portfolio Companies**)** **96%** OF THE PORTFOLIO'S ELIGIBLE EQUITY VALUE (as of December 2024)

Each investment opportunity is then subject to an in-depth study which is formalized in an Investment Note. This includes **ESG** and **climate analysis** prior to investment. This preliminary analysis highlights key ESG and climate risks, opportunities, and recommendations, and is factored into investment decisions.

2024 performance	TOTAL ESG Scope
75% **OF CLIMATE & ESG SLIDES** integrated in the Investment Note (**6 CLIMATE & ESG SLIDES** integrated in the Investment Note, out of the **8** new eligible investments[5]) **92%** OF ELIGIBLE EQUITY VALUE (in 2024)	**80%** **OF CLIMATE & ESG SLIDES** integrated in the Investment Note **(43 CLIMATE & ESG SLIDES** integrated in the Investment Note, out of **54** eligible Portfolio Companies**)** **83%** OF THE PORTFOLIO'S ELIGIBLE EQUITY VALUE (as of December 2024)

Besides major ESG risks, the analysis of sustainability risks presented to the Investment Committee aims to define challenges and to establish the ESG action plan to be implemented in the company in which funds under Naxicap's management would become shareholders. Investment decisions, based on the study of the strategic, financial, social, and organizational aspects of the target company, consider the impact of the sustainability risk, likely to have a negative impact and therefore require

[4] Including four new transactions in 2024 in companies already invested by Naxicap.
[5] Including two new transactions in 2024 in companies already invested by Naxicap. For one of these companies, ESG and Climate slides were drafted in 2016 for the first investments made by Naxicap Partners' management.

significant investments. The Head of risk, compliance and internal control attends each investment committee meeting.

The results of this ESG Risks analysis serve as basis for the next step of the investment process, the ESG Due Diligence.

1.3.1.3. *Undertake ESG due diligence*

ESG due diligence are mandatory pre-investment for companies in which Naxicap invests. The due diligence, carried out by external auditors, deliver a more thorough understanding of the main ESG challenges, including sustainability risks, and areas of improvement aiming to define an action plan for the coming years.

2024 performance	TOTAL ESG Scope
100% OF ESG DUE DILIGENCE carried out **(6 ESG DUE DILIGENCE** carried out, out of the **6** new investments of eligible Portfolio Companies) **100%** OF ELIGIBLE EQUITY VALUE (in 2024)	**89% OF ESG DUE DILIGENCE** carried out **(40 ESG DUE DILIGENCE** carried out, out of **45** eligible Portfolio Companies**)** **78%** OF THE PORTFOLIO'S ELIGIBLE EQUITY VALUE (as of December 2024)

1.3.1.4. *Integrate an ESG clause in the Shareholders Agreement*

An ESG clause is systematically included in the Shareholders Agreement. When signing the Shareholders Agreement, companies commit to implement an ESG action plan, to inform Naxicap regularly on their actions and to annually report on ESG data. ESG clause are mandatory for Companies first invested by Naxicap Partners after 2016 as a majority shareholder.

2024 performance	TOTAL ESG Scope
100% OF ESG CLAUSE in the shareholders agreement (**6** out of **6** Portfolio Companies) **100%** OF ELIGIBLE EQUITY VALUE (in 2024)	**93% OF ESG CLAUSE** in the shareholder agreement (**42** out of **45** Portfolio Companies) **86%** OF THE PORTFOLIO'S ELIGIBLE EQUITY VALUE (as of December 2024)

1.3.2. ESG Monitoring during investment

1.3.2.1. *Reporting ESG information*

An ESG data reporting campaign is carried out each year, and all companies within our Total ESG scope are required to report their data through an online ESG questionnaire.

The ESG questionnaire is available in two formats:

- ***Questionnaire Full* – 51 companies under our Total ESG Scope:** MIDCAP and SMALLCAP Portfolio Companies where Naxicap is a majority shareholder.
- ***Questionnaire Light* – 26 companies under our Total ESG Scope:** Companies where Naxicap is a minority shareholder or with limited ESG resources.

The purpose of this ESG questionnaire is to enable us to collect the ESG data used in our communication to investors (see more details in section *1.4. Content, frequency and means of information to investors*), as well as to monitor and steer the ESG performance of our Portfolio Companies, and to initiate a dialogue on ESG issues involving company management and investment teams.

PORTFOLIO analysis:
87% OF PORTFOLIO COMPANIES ANSWERING THE **ESG REPORTING QUESTIONNAIRE**[6] (**67** out of **77** eligible Portfolio Companies) **98%** OF THE PORTFOLIO'S TOTAL ELIGIBLE EQUITY VALUE (as of December 2024)

[6] Share of Portfolio Companies under ESG scope that answered more than 50% of the ESG questionnaire

1.3.2.2. *Defining and updating ESG roadmaps*

Naxicap Partners encourages close and direct collaboration with the management of the Portfolio Companies to identify material ESG issues given their sector of activity and to support the development of their ESG roadmap.

Our optimal goal is to engage dialogue on ESG roadmap with newly invested companies within 6 months after the investment. Adopting an ESG roadmap is encouraged for all companies under the Total ESG Scope. However, for companies where Naxicap is a majority shareholder, board validation of the roadmap is considered mandatory.

However, with the integration of the Alliance Entreprendre and Bee-Up Capital portfolios in 2022, the Portfolio Companies historically under management of these two management companies have not been included in this process of defining ESG roadmaps. Only the historical portfolio of Naxicap Partners has been considered, as well as SMALLCAPs investments post-merger (2022).

PORTFOLIO analysis:

75% OF PORTFOLIO COMPANIES WITH FORMALIZED **ESG ROADMAP**

VALIDATED BY SUPERVISORY BOARD

(**33** out of **44** eligible Portfolio Companies)

94% OF THE PORTFOLIO'S TOTAL ELIGIBLE EQUITY VALUE (as of December 2024)

The ESG roadmap sets out objectives on material environmental, social and governance issues to be acted upon during the holding period.

With regards to climate issues, actions taken for reduced GHG emissions may include:

- carbon footprint assessment
- operational carbon reduction measures
- implementation of relevant and quantified KPIs
- identification of potential opportunities of the low carbon economy transition

The ESG roadmaps are approved at least once a year by the Supervisory Board, as defined in the Shareholders Agreements. The companies must present their progress, and the actions implemented, especially on how they act on factors regarded as being of high importance during the ESG evaluation.

1.3.3. Share information on ESG performance at exit: undertaking ESG Vendor Due Diligence

ESG vendor due diligence is conducted for all investments where a financial vendor due diligence has been undertaken. For 2024, there is 1 Naxicap exit concerned by the ESG VDD process. The ESG vendor due diligence highlights the key ESG issues identified and managed throughout the period of ownership in order to limit risks and to create value.

PORTFOLIO analysis:

100% OF ESG VDD conducted

(**3** out of **3** eligible Portfolio Companies)

1.4. Content, frequency and means of information to investors

1.4.1. Reporting on funds and portfolio ESG performance

Data collected via the Greenscope tool as well as the ESG roadmaps allow Naxicap Partners to:

- Respond to the Funds' investor inquiries;
- Produce detailed ESG reports and reviews throughout the investment cycle;
- Produce the information required by the SFDR regulation.

Naxicap Partners produces every year an Annual ESG report, consolidating Portfolio Companies' ESG performance, highlighting achievements and presenting what Naxicap wishes to achieve in the future. This report is published on our website and accessible to all.

Additionally, when specified within Funds' regulation, ESG reports are produced on an annual basis at Fund level.

1.4.2. Green Taxonomy reporting (Article 8 of Regulation (EU) 2020-852)

The investments by Funds under Naxicap management do not take into account the European Union's criteria for environmentally sustainable economic activities. Therefore, there is no obligation to report on Portfolio Companies' eligibility nor alignment with the first two objectives of the EU Green Taxonomy (Climate change Adaptation and Mitigation).

1.4.3. SFDR reporting

Transparency of Principal Adverse Impacts

Naxicap Partners, LEI 969500ZHY187JNP24369, considers principal adverse impacts of its investment decisions on sustainability factors. The present statement is the consolidated statement on principal adverse impacts on sustainability factors of **Naxicap Portfolio Companies under ESG Scope**.

This statement on principal adverse impacts on sustainability factors covers the reference period from 1, January to 31 December 2024.

The material principal adverse impacts on sustainability factors are identified at the time of the prior investment screening and factored into the ESG action plans to be implemented to reduce the negative impacts of the Portfolio Companies.

The Management Company has the necessary tools and resources to meet the requirements of the SFDR Regulation regarding the assessment of negative impacts, in particular through the data collected from the Portfolio Companies.

The Management Company has engaged work with the Portfolio Companies to put in place processes, information systems and the means to provide reliable, complete and consistent data to meet the reporting requirements of the SFDR Regulation.

- During ESG Due Diligence, the Management Company requires auditors to collect relevant and available Principal Adverse Impacts data and report it in a standardised table.

- During holding period, the Management Company provides Portfolio Companies with a reporting platform to collect and consolidate PAI indicators.

- Performance on said indicators is presented in the table here below.

Disclaimer:
For carbon emissions, when 2024 data was not available, we used latest available data (31.12.2023).

Adverse sustainability indicator		Metric	Unit	Impact 2024	Impact 2023	Explanation	Actions taken, and actions planned, and targets set for the next reference period
Greenhouse gas emissions	1.GHG emissions	*Scope 1 GHG emissions*[7]	*tCO2e*	31,583 Scope: 95% of Equity Value	25,804 Scope: 88% of Equity Value	Scope 1 emissions are mainly driven by sectors with high fleet mobility, such as logistics, technical services, and on-site operations, due to direct fuel consumption. Additional contributors include manufacturing industries, particularly in food processing, construction, and medical devices. As well as the healthcare sector, where direct emissions are largely linked to the energy needs of infrastructure. Variation between 2023-2024 results from the expansion of certain Portfolio Companies, a broader reporting scope, and improved data coverage and quality.	Carbon data was collected for 62 Portfolio Companies, including 29 that have conducted their own independent carbon footprint. These companies represent 47% of Naxicap Equity Value under ESG scope and 90% of the Portfolio Global GHG emissions. 21 Portfolio Companies have defined GHG reduction targets and/or initiatives. Two have committed to the SBTi—one has submitted its target and is awaiting validation, while the other has signed a commitment letter and plans to submit its target in the coming years. 26 companies have targets under development.
		Scope 2 GHG emissions	*tCO2e*	6,071 Scope: 90% of Equity Value	7,340 Scope: 87% of Equity Value	Scope 2 emissions are driven by companies that operate extensive physical infrastructure, with energy consumption from purchased electricity, heating, and cooling representing the main sources. Variation between 2023 and 2024 reflects the broader shift towards renewable energy sources in electricity generation.	Naxicap aims to support companies that don't have their own carbon footprint to adopt an even more precise understanding of their main scopes of emissions and to define GHG reduction strategies.
		Scope 3 GHG emissions	*tCO2e*	11,692,728 Scope: 97% of Equity Value	6,529,356 Scope: 91% of Equity Value	Scope 3 emissions essentially stem from only one Portfolio Company within the freight industry (representing >85% of portfolio scope 3 emissions). Other Portfolio Companies with highest Scope 3 mainly operate in the manufacturing industry (chemicals construction, automotive).	The one Portfolio company that represents the main part of our Scope 3 and total Portfolio Green House Gas emissions has conducted its own independent carbon footprint in 2023 (based on 2022 data) and will update the calculation in 2025 to measure improvements on scopes 1 and 2. Scope 3 emissions however

[7] GHG emissions are weighted by the % of ownership (funds' ownership in each company)

Adverse sustainability indicator	Metric	Unit	Impact 2024	Impact 2023	Explanation	Actions taken, and actions planned, and targets set for the next reference period
					The important increase between 2023 and 2024 is due to a wider reporting scope and improved reporting accuracy. Additionally, the growth of companies within the portfolio contributes to the increase as well.	reflect emissions related to freight services selected by clients. The Portfolio Company has developed options to help clients decarbonise their freight related emission, with tools such as:
	Total emissions	*tCO2e*	11,730,383 Scope: 97% of Equity Value	6,562,501 Scope: 91% of Equity Value	GHG emissions essentially stem from only one Portfolio Company within the freight industry (representing >80% of portfolio total emissions). On a very lower scale, other emissive Portfolio Companies operate in the manufacturing industry (chemicals, construction, parts for the automotive industry). The important increase between 2023 and 2024 is due to a wider reporting scope and improved reporting accuracy. Additionally, the growth of companies within the portfolio contributes to the increase as well.	- CO2 efficiency Score (available on the ebooking platform) which shows how carbon-efficient a shipment is compared to all other bookable options available, based on routes and aircraft information. - Neste x CargoAi partnership that enables the cargo sector to reduce fossil fuels with the direct purchase of Neste MY SAF™. SAF partnership: Some airlines are committed to adopting Sustainable Aviation Fuel as part of their sustainability program. They offer their cargo customers (forwarders) the possibility to be part of that initiative by contributing to the purchase of SAF to offset the additional fuel related to the carriage of their cargo.
2. Carbon footprint	Carbon footprint in tonnes of CO2 equivalent per million euros invested	*tCO2e/€m invested*[8]	1,999 Scope: 97% of Equity Value	1,428 Scope: 91% of Equity Value		Naxicap aims to support Portfolio Companies in defining GHG reduction strategy. This will hence help reduce Naxicap carbon intensity/€m invested, but there is no target defined.
3. GHG intensity of investee companies	GHG intensity of investee companies	*tCO2e intensity/€ m revenue*[8]	3,428 Scope: 96% of Equity Value	2,262 Scope: 91% of Equity Value		
4. Exposure to companies active in the	Share of investments in companies active in the fossil fuel sector	*%*	0.004% Scope:	0.4% Scope:	As of December 31st, 2024, only two companies of the portfolio are active in fossil fuel activities (0.004% of the Equity Value). The first one manufactures and sells valves for	Both companies aim to diversify their revenue streams by securing contracts in other sectors, such as nuclear energy, water storage, and biofuels. The share of revenue derived from

Adverse sustainability indicator	Metric	Unit	Impact 2024	Impact 2023	Explanation	Actions taken, and actions planned, and targets set for the next reference period
fossil fuel sector			100% of Equity Value	100% of Equity Value	international companies in oil and gas, the second one manufactures and designs tanks and storage facilities, piping and industrial boilermaking.	the oil and gas sector is expected to remain low in the groups' total turnover and is being closely monitored.
5. Share of non-renewable energy consumption and production	*Share of energy consumption by investee companies from non-renewable energy sources compared with that from renewable energy sources, expressed as a percentage of total energy sources (%)*	*%*	75% Scope: 95% of Equity Value	77% Scope: 79% of Equity Value	According to 2024 reported data, 8 Portfolio Companies sourced between 90% and 100% of their energy from renewables, 12 used between 22% and 80%, 20 relied on 1% to 20% renewable energy, and 25 companies used only non-renewable energy.	Naxicap aims to keep increasing the quality of reported data by verifying them with Portfolio Companies and promoting renewable energy sources. However, the increase in energy prices has weighted on every company's balance sheets, and electricity contracts are prooving difficult to renegotiate.
	Share of energy production of investee companies from non-renewable energy sources compared to that from renewable energy sources, expressed as a percentage of total energy sources (%)	*%*	0% Scope: 100% of Equity Value	0% Scope: 100% of Equity Value	12 Portfolio Companies reported producing energy from renewable sources (mainly solar energy) and can quantify it, although the share remains marginal.	
6. Energy consumption intensity per high impact climate sector	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector	*GWh/€m invested*[8]	0.02468 Scope: 100% of Equity Value	0.03145 Scope: 100% of Equity Value	38 Portfolio Companies operate in sectors classified as high climate impact (manufacturing, wholesale and retail, transportation and warehousing, real estate).	Naxicap Partners aims to support Portfolio Companies operating in high climate-impact sectors by helping them reduce and optimize their energy consumption and transition to more sustainable and renewable energy sources. Improving the quality of energy consumption reporting is also a key focus.

Adverse sustainability indicator	Metric	Unit	Impact 2024	Impact 2023	Explanation	Actions taken, and actions planned, and targets set for the next reference period
	A- Agriculture, forestry and fisheries	*GWh/€m invested*[8]	*0* *Scope:* *100% of Equity Value*	*0* *Scope:* *100% of Equity Value*	*No companies with Agriculture, forestry and fisheries activities.*	*n.a.*
	B- Industries extractives	*GWh/€m invested*[8]	*0* *Scope:* *100% of Equity Value*	*0* *Scope:* *100% of Equity Value*	*No companies with Industries extractives activities.*	*n.a.*
	C- Manufacturing industry	*GWh/€m invested*[8]	*0.0797* *Scope:* *100% of Equity Value*	*0.0852* *Scope:* *100% of Equity Value*	23 Portfolio Companies have manufacturing activities. These companies operate in a wide range of sectors, including healthcare and chemicals, furnitures manufacturing and industrial equipment manufacturing.	*n.a.*
	D- Production and distribution of electricity, gas, steam and air conditioning	*GWh/€m invested*[8]	*0* *Scope:* *100% of Equity Value*	*0* *Scope:* *100% of Equity Value*	*No companies with Production and distribution of electricity, gas, steam and air conditioning activities.*	*n.a.*
	E- Water production and distribution; sewerage, waste management and pollution control	*GWh/€m invested*[8]	*0* *Scope:* *100% of Equity Value*	*0* *Scope:* *100% of Equity Value*	*No companies with Water production and distribution; sewerage, waste management and pollution control activities.*	*n.a.*
	F- Construction	*GWh/€m invested*[8]	*0.0119* *Scope:* *100% of Equity Value*	*0.0131* *Scope:* *100%% of Equity Value*	Only one Portfolio Company operates within the construction sector. The company specialises in buildings insulation.	*n.a.*

Adverse sustainability indicator		Metric	Unit	Impact 2024	Impact 2023	Explanation	Actions taken, and actions planned, and targets set for the next reference period
		G- Wholesale and retail trade; repair of motor vehicles and motorbikes	*GWh/€m invested*[8]	0.0101 *Scope:* *100%% of Equity Value*	0.0134 *Scope:* *100% of Equity Value*	10 Portfolio Companies have wholesale and retail activities.	*n.a*
		H- Transport and storage	*GWh/€m invested*	0.0010	0.0010	Only one Portfolio Company, having freight activities, operate in the Transport and storage sector.	*n.a*
		L- Real estate activities	*GWh/€m invested*[8]	0.0062 *Scope:* *100% of Equity Value*	0.0 *Scope:* *100% of Equity Value*	3 Portfolio Companies have Real estate activities.	*n.a.*
Biodiversity	7. Activities negatively affecting biodiversity-sensitive areas	Share of investments in investee companies with sites/operations located in or near to biodiversity-sensitive areas where activities of those investee companies negatively affect those areas	%	6% Scope: 98% of Equity Value	4% Scope: 95% of Equity Value	Only two Portfolio Companies have several sites that could impact biodiversity.	One Portfolio Company has already initiated biodiversity protection efforts, including mapping risks and impacts on biodiversity, employee training and adaptation initiatives such as revitalization of biodiversity ecosystems. The company is currently assessing its negative impacts to determine whether its sites are affecting these areas. The company also supports programs in collaboration with the ONF (National Forests Office). The other one has initiated efforts to raise employee awareness on biodiversity-related issues and is supporting associations dedicated to preserving biodiversity. The company is working on initiatives to prioritize sustainable supply chains and is exploring regenerative agriculture alternatives to reduce its impact.

Adverse sustainability indicator		Metric	Unit	Impact 2024	Impact 2023	Explanation	Actions taken, and actions planned, and targets set for the next reference period
Water	8. Emissions to water	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average	*t/€m invested*[8]	0.0 Scope: 94% of Equity Value	0.0 Scope: 92% of Equity Value	2 Portfolio Companies reported emissions to water and the quantity has been measured. One manufactures pharmaceutical ingredients and products and has generated 8.3 tons of emissions to water in 2024. The second company manufactures automotive and industrial paint booths and has generated 0.009 tons of emissions to water in 2024. 2 others Portfolio Companies reported emissions to water, although not quantified, these emissions are minimal.	No expected action beyond global efforts to monitor water.
Waste	9. Hazardous waste and radioactive waste ratio	Tonnes of hazardous waste and radioactive waste generated by investee companies per million EUR invested, expressed as a weighted average	*t/€m invested*[8]	0.3 Scope: 70% of Equity Value	0.6 Scope: 81% of Equity Value	The Portfolio Company that generated the most hazardous waste in 2024 operates in the sector of paint and resin chemicals, with 2,214 tons of hazardous waste emitted. The second one operates in the healthcare and chemicals sector where the production and use of certain chemicals can result in hazardous waste (566 tons). This waste can originate from the manufacturing process itself, the disposal of expired products or the contamination from chemical treatments they use. Other Portfolio Companies have also generated hazardous waste due to manufacturing processes or WEE management.	No expected action beyond global efforts to reduce waste production.

[8] In Equity Value

Adverse sustainability indicator		Metric	Unit	Impact 2024	Impact 2023	Explanation	Actions taken, and actions planned, and targets set for the next reference period
		INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS					
Social and employee matters	10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	%	0% Scope: 96% of Equity Value	0% Scope: 88% of Equity Value	n.a	n.a
	11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises	Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance/ complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	%	83% Scope: 98% of Equity Value	85% Scope: 94% of Equity Value	12 Portfolio Companies have implemented a policy or mechanism for dealing with grievances/complaints related to the UN Global Compact principles or the OECD Guidelines. Other companies are small to mid-to-large-sized companies. They are not multinational companies. Additionally, 50 out of the 67 companies that answered have a Code of Conduct, and 40 of the 67 respondents have a whistleblowing mechanism.	Support Portfolio Companies in adopting a Code of Conduct and whistleblowing mechanisms, ensuring they are properly implemented, communicated, and respected by both internal and external stakeholders.

Adverse sustainability indicator	Metric	Unit	Impact 2024	Impact 2023	Explanation	Actions taken, and actions planned, and targets set for the next reference period
12. Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies	%	18% Scope: 94% of Equity Value	19% Scope: 90% of Equity Value	10 Portfolio Companies present high levels of unadjusted gender pay gaps, exceeding 25%. The companies are operating in the industrial, logistics, and financial sectors. Those sectors are structurally more imbalanced in terms of gender representation across job categories, which contributes to the unadjusted pay gap. In average, Portfolio Companies have low levels of unadjusted pay gaps and are close to national average[9]. In contrary, 9 Portfolio Companies present negative gender pay gap. The variation between 2023 and 2024 is due to better reporting coverage, with companies with very low unadjusted pay gap.	We will further analyse this ratio to have a clearer understanding of pay gaps on similar job positions, and support companies in their approach to improve gender equity.
13. Board gender diversity	Average ratio of female to male board members in investee companies, expressed as a percentage of all board members	%	17% Scope: 84% of Equity Value	18% Scope: 79% of Equity Value	16 Portfolio Companies have more than 30% female Board members, with 5 of these companies having more than 50% female board members. 11 Portfolio Companies do not have female members at Board level.	Gender equality is part of our commitments. We plan on continuously promoting this topic to Portfolio Companies in 2025 and onwards.
14. Exposure to controversial weapons (anti-personnel mines, cluster munitions,	Share of investments in investee companies involved in the manufacture or selling of controversial weapons	%	0% Scope: 100% of Equity Value	0% Scope: 100% of Equity Value	n.a	n.a

[9] 22.2% in 2023 according to https://www.insee.fr/fr/statistiques/8381248

Adverse sustainability indicator		Metric	Unit	Impact 2024	Impact 2023	Explanation	Actions taken, and actions planned, and targets set for the next reference period
	chemical weapons and biological weapons)						
		OTHER INDICATORS FOR PRINCIPAL ADVERSE IMPACTS ON SUSTAINABILITY FACTORS					
Emissions	4. Investments in companies without carbon emission reduction initiatives	Share of investment in companies that have not taken initiatives to reduce their carbon emissions in order to comply with the Paris Agreement (%)	*%*	71% Scope: 98% of Equity Value	82% Scope: 94% of Equity Value	21 Portfolio Companies have defined GHG reduction targets and/or initiatives. Two have committed to the SBTi—one has submitted its target and is awaiting validation, while the other has signed a commitment letter and plans to submit its target in the coming years. 26 Portfolio Companies have targets under development. 30 Portfolio Companies in Naxicap Portfolio don't have any target under development, but all have taken measures to reduce their carbon emissions.	We plan to keep supporting companies with settled targets in implementing their actions plans. We also plan to engage with the other Portfolio Companies on the definition of reduction objectives in 2025 and 2026.
Social and employee matters	3. Number of days lost to injuries, accidents, fatalities or illness	Number of working days lost due to injury, accident, death or illness in the companies concerned, weighted average	*# days*	1,736 Scope: 94% of Equity Value	1,280 Scope: 91% of Equity Value	One Portfolio Company accounts for 75% of this ratio. The Company's high share is due to its large workforce, including many non-permanent staff. Its presence in the care industry, known to be physically demanding and short-staffed also highly contributes to this major share. The variation between 2023 and 2024 is driven by an increase of this indicator from the company, primarily linked to longer durations of work interruption, although the number of incidents has decreased.	All Portfolio Companies have already defined policies and a close monitoring of health and safety KPIs (severity rate, number of absences, etc.). Companies accounting for most of the days lost due to injuries have implemented various actions and initiatives to improve work quality and employee safety (e.g. ergonomic desk office, security trainings and measures, wellness programs, etc.). No further actions needed.

Adverse sustainability indicator	Metric	Unit	Impact 2024	Impact 2023	Explanation	Actions taken, and actions planned, and targets set for the next reference period
5. Lack of grievance/complaints handling mechanism related to employee matters	Share of investment in companies with no mechanism for handling disputes or complaints concerning staff issues expressed as a %.	%	12% Scope: 98% of Equity Value	34% Scope: 94% of Equity Value	Out of the 67 companies that provided a response, 20 do not have a whistleblowing mechanism in place. Among them 7 are working on implementing one. 3 Portfolio Companies acknowledge the necessity of implementing one given their workforce of over 50 employees. The variation between 2023 and 2024 is due to 11 Portfolio Companies which have implemented a whistleblowing system since last year.	We aim to monitor and support the remaining companies lacking a whistleblowing system to ensure its implementation, especially 3 Portfolio Companies who register more than 50 employees within their company.

1.4.4. Parity objective at Naxicap level (Rixain Law)

The law aimed at accelerating economic and professional equality, known as the "Loi Rixain" enacted on December 24, 2021, aims to promote gender balance, particularly within portfolio management firms. The regulation specifically mandates that these firms set a goal for balanced representation of women and men among teams, governing bodies, and decision-makers in investment. Results are to be disclosed annually, as outlined in the document referenced in Article L. 533-22-1, and the objective is to be updated yearly.

As of December 31st, 2024, Naxicap's investment team (analysts and financial managers) consists of **32% women**, and the Investment Committee, comprising external experts providing advisory opinions, includes **22% women**.

In compliance with this regulation and in line with Naxicap's intentions regarding parity and equality, the company aims to uphold practices ensuring equal treatment of women and men in recruitment. Whenever possible, Naxicap seeks to align with the goal set by France Invest, aiming to achieve a 40% representation of women in investment teams by 2030.

1.5. Adherence to ESG charters and initiatives

1.5.1. Signatory of the PRI since January 2016

Supported by the United Nations at inception, the Principles for Responsible Investment (PRI) is the world's leading proponent of responsible investment, joined by 5,345 investment managers, asset owners and service providers worldwide, representing US$128 trillion AUM (PRI, Q4 2023).

It works to understand the implications of environmental, social and governance factors on investment performance. It supports its investor signatories in incorporating these factors into their investment and ownership decisions.

As a signatory of the PRI, Naxicap Partners undertakes to respect and incorporate the six PRI principles:

PRI Principles for Responsible Investment

Principle 1: We will incorporate ESG issues into investment analysis and decision-making processes.

Principle 2: We will be active owners and incorporate ESG issues into our ownership policies and practices.

Principle 3: We will seek appropriate disclosure on ESG issues by the entities in which we invest.

Principle 4: We will promote acceptance and implementation of the Principles within the investment industry.

Principle 5: We will work together to enhance our effectiveness in implementing the Principles.

Principle 6: We will each report on our activities and progress towards implementing the Principles.

For our latest available PRI Assessment (2024 on 2023 year), we scored as follows:

- Module "Policy, Governance & Strategy": **81/100**
- Module "Direct - Private Equity": **87/100**
- Module "Confidence building measures": **85/100**

1.5.2. Signatory of "Initiative Climat International" (ICi) since October 2016

In October 2016, in order to contribute to the COP21 objective of limiting global warming to two degrees Celsius, Naxicap signed the IC20 (2020 Climate Initiative, subsequently renamed the International Climate Initiative in 2019). As a signatory to International Climate Initiative, Naxicap aims to reduce the greenhouse gas emissions of its most carbon intensive Portfolio Companies and to disclose their direct and indirect carbon emissions. All signatories commit to:

- Engage publicly through the signature of the Climate Initiative
- Include climate issues in the investment process
- Carry out a gradual measurement of the carbon footprint of carbon-material companies
- Define with the management of the companies an emissions reduction action plan and adaptation to climate change measures for these companies.

The Initiative is thus a long-term commitment for Naxicap aiming to reduce the GHG (greenhouse gases) emissions of its investments and to ensure the sustainability of their performance.

2. Internal resources allocated to sustainable transition

2.1. Implementation and oversight responsibilities

2.1.1. A dedicated ESG team

The ESG team is responsible for updating and facilitating the implementation of the company's ESG policy, responding to inquiries from Naxicap's investors and supporting the Portfolio Companies in the development of their ESG roadmaps.

Angèle Faugier, Board member and Managing Director at Naxicap Partners, supported the development of Naxicap Partners' ESG approach and constituted a dedicated ESG team in 2015. The team is today composed of five other members:

- one ESG Director with +10-year-experience in ESG integration, in charge of the definition, implementation and coordination of Naxicap's ESG strategy;
- two ESG associates fully dedicated to ESG, with minimum two year-experience in ESG consulting and CSR;
- one ESG analyst with senior experience in ESG data collection;
- one Investor Relations Director with 15 years of experience within investment management (part-time);

In addition, two interns were recruited for 6 months internships (January-July 2024).

<u>SHARE OF FTEs DEDICATED TO ESG IN 2024:</u>

4 % OF TOTAL FTEs

(4.2 FTEs out of 106[10])

2.1.2. Investment Managers

Naxicap Partners' investment managers are responsible for ensuring that the consideration of ESG issues is integrated into the investment process and throughout the investment cycle by monitoring the ESG roadmap of the Portfolio Company.

2.1.3. Middle Office

The Middle Office is responsible for controlling the accuracy of the implementation of the measures described in this policy throughout the investment cycle.

[10] Permanent staff only, does not include temporary workers such as interns.

2.1.4. Internal Risk and Compliance (RCCI)

The Internal Risk and Compliance Team intervene during investment due diligence process and Portfolio monitoring to follow-up ESG risks, notably regarding controversies management (risks), to conduct annual internal reviews of our ESG processes and to keep us updated with latest regulatory changes (compliance).

2.1.5. External ESG resources

The ESG due diligence is carried out by leading third party ESG due diligence providers. Naxicap will typically engage these providers as part of its due diligence process for investments but may also engage them on other ESG initiatives.

Naxicap has implemented an ESG reporting tool with the purpose of collecting annual ESG data from its Portfolio Companies (Greenscope). This software is developed by a specialist in extra-financial reporting with a focus on ESG.

BUDGET ALLOCATED TO ESG IN 2024:
1.2% OF TOTAL EXTERNAL EXPENSES[11]

BUDGET ALLOCATED TO ESG RESEARCH IN 2024:
€0

NUMBER OF EXTERNAL ESG CONSULTANTS AND DATA PROVIDERS IN 2024:
11

[11] Excluding wages and taxes.

2.2.Actions implemented to reinforce internal capacities

Over 2021-2024, Naxicap Partners has implemented several measures to reinforce its internal capacities, especially to raise employees and Portfolio Companies' awareness regarding sustainability risks and opportunities:

DATE	DESCRIPTION
January 2024	**Team Impact** - Sharing and communicating publicly on our thematic CSR best practices factsheets: Human Resources, Building Management, Supply Chain and Sourcing Management, Resource Management and Circularity, Responsible Digital Practices, and Green Mobility.
February 2024	**CSRD Training -** Training of Investment Teams on CSRD regulation and its implications for Portfolio Companies.
March – April 2024	**Taxonomy Training -** Training of Investment Teams on European Green Taxonomy with a focus on eligible Portfolio Companies. Taxonomy training related to **5 thematics**: Construction and Real Estate, Services for circular economy, Biodiversity challenges in tourism industry, Pollution challenges for pharmaceutical and chemicals manufacturers, climate change mitigation for automotive component manufacturers.
April – Decembre 2024	The Naxicap ESG team has joined two France Invest sustainability working groups to exchange best practices and knowledge with sectoral peers and contribute to the development of useful deliverables on climate change and biodiversity.
June – September 2024	**Climate committees** - Thematic committees for Naxicap's Investment Teams on climate related challenges within their portfolios. Committees covered the following topics: Portfolio Companies' maturity on measuring their carbon footprint and defining GHG emission reduction targets, portfolio exposure to climate physical and transition risks, and existing initiatives to mitigate these risks within portfolio or within the benchmark.
June 2024	Launch of the second class of Naxicap Climate School (Program developed by Axa Climate), an e-learning program dedicated to Portfolio Companies to learn and develop new skills on climate and ESG topics related to their business sector.
July 2024	Publication of our 9th ESG Annual Report (FY 2023) and diffusion internally to employees.
September – December 2024	Launch of a new organisation for our internal Team Impact and identification of the main thematics to be covered by the Working Groups of the Team.
October 2024	Contractualization with SesaMm tool for ESG controversy monitoring.

3. ESG integration at Entity's governance level

3.1. Knowledge, competencies, and experience of governing bodies on ESG

Naxicap's ESG approach was launched in 2015 by Angèle Faugier, member of the Executive Committee ("Directoire"), Investment Director, Partner and Head of Naxicap Offices in Lyon.

Since 2015, she has been leading the definition of Naxicap's ESG strategy, ESG integration in investment processes and supervising the ESG Committee supported by all the members of the ESG team, and especially Isabelle Guerin, Investor Relations Director (25-years-experience in Private Equity) and Joanna Tirbakh, ESG Director (12-years-experience in ESG integration for equity and private equity asset managers).

Angèle Faugier advocates for ESG at Executive Board level. Every year, a report is prepared by the ESG team to be presented to the Executive Board. This report highlights key achievements, KPIs of ESG investment process monitoring, ESG reporting of Portfolio performances and sets out the different priorities for the coming years. The Executive Committee then discusses the results, defines relevant actions to be undertaken and rules over the roadmap suggested by the ESG team.

3.2. ESG Committee

NAXICAP Partners has set up the ESG committee to monitor the ESG risks of its Portfolio Companies and analyse major environmental topics (and in particular climate risk and energy transition risk), social, governance and stakeholder topics of each company within the ESG perimeter. This committee is under the responsibility of a member of the Management Board

The ESG Committee gather members of the ESG team with members of the investment team.

At December 31st, 2024, we have conducted ESG Committees for **39** Portfolio Companies, representing Naxicap Partners most recent and/or important investments within the Portfolio.

For each company reviewed, the ESG Committee's mission is to:

- verify compliance with Naxicap's pre-investment ESG process by the Front Office teams, based on information provided by the Middle Office;
- draw up an inventory of ESG risks and opportunities in relation to the company's business and sector and the risk mitigation mechanisms in place. This initial analysis is based on ESG audits carried out at the time of investment, as well as on the investment memorandums and information available on company websites;
- identify Portfolio Companies where extra-financial issues are not sufficiently addressed by the company and for which risk mitigation in place;
- make recommendations on the adequacy of the multi-year action plan drawn up within 3 months of the company's entry into the portfolio, in the light of the ESG audits carried out

at the time of investment, as well as Naxicap investment memoranda and research carried out by the team;

- ideally every year (at least every two years), a progress report on the multi-year ESG action plan.

% OF EQUITY VALUE COVERED BY AN ESG COMMITTEE IN 2024:

81%

*(*Covering **39** Portfolio Companies)

An ESG Monitoring Committee meeting takes place as follows:

1. The ESG team presents its review of the companies on the agenda. This analysis takes the form of five-pages PowerPoint presentation, identical for each review. Short-term objectives are outlined. Climate and energy transition risks are systematically reviewed.
2. Members of the investment team provide new insights on the analysis and bring any relevant additional information to have a full understanding of the company's context, performance, and projections. Priorities are discussed to define a consensus on the recommendations.
3. Committee minutes are drawn up at the end of each committee meeting, including individual company fact sheets and recommendations (alerts are included in this document where applicable), and shared internally with the investment teams concerned.

3.3.ESG within Remuneration policy

Naxicap Partners has updated its procedural framework to clarify the consideration of sustainability risks in its remuneration policy. Naxicap has structured team members' remuneration so that fixed salary represents a significant proportion of total compensation and does not encourage employees to take excessive risks. The structure also provides for deferred payment of any bonus awards over certain thresholds. The deferred element is conditional on continued employment at Naxicap and is indexed to the Firm's EBITDA. The variable remuneration granted is subject to conditions of presence, financial performance, absence of non-standard behaviour (respect of compliance rules, absence of a major sustainability risk i.e., occurrence of an environmental, social or governance event) which may have an impact on the level of risk of Naxicap Partners and/or the products managed.

3.4.ESG at Supervisory Board

Natixis Investment Managers, which is the parent company of Naxicap Partners, has undertaken a review of its rules of governance and the integration of environmental, social and governance quality criteria into the internal regulations of its Board of Directors. It is also planned to deploy these objectives within the supervisory bodies of Natixis Investment Managers' subsidiaries (including Naxicap Partners), adapted to the characteristics of each entity and on a case-by-case basis.

D. STRATEGIE D'ENGAGEMENT AUPRES DES EMETTEURS OU VIS-A-VIS DES SOCIETES DE GESTION AINSI QUE SUR SA MISE EN ŒUVRE

Article 29 de la loi 2019-1147 relative à l'énergie et au climat - Code Monétaire et Financier, Article D. 533-16-1, III, 4°

4. Results of Naxicap's engagement strategy

4.1. Active engagement

Over 2024, the ESG Team has engaged active dialogue on specific topics aside ESG reporting with several Portfolio Companies.

NUMBER OF COMPANIES AND SHARE OF EQUITY VALUE:

37 COMPANIES

Representing 67% of Equity Value under our ESG Scope

ESG topics covered with Portfolio Companies:

Portfolio Companies	ESG Topics covered
ALTARES	- CSRD compliance
ANYWR	- CSRD compliance
ASTORIA	- CSRD compliance - Axa Climate School training
DIGISAP	- CSR roadmap - CSRD compliance - Organisation of a Gender Parity and Diversity training
ECF	- CSR Report review
EMERA	- Quarterly CSR Committee
ENTREPRENEUR INVEST	- ESG Roadmap - Deployment of new ESG Reporting process for Portfolio Companies - Axa Climate School training
EQWAL *(LAGARRIGUE)*	- Quarterly Impact Committee - Business ethics risks mapping - Axa Climate School training
EUREKA EDUCATION	- CSRD compliance - Purpose driven Company audit ("Entreprise à mission")
EUROGERM	- CSR roadmap - CSRD compliance
EVERAXIS	- CSR roadmap and objectives - CSRD compliance

Portfolio Companies	ESG Topics covered
	- Carbon footprint - Axa Climate School training
FHI	- CSRD compliance - ESG Roadmap
GROUPE 3R	- CSR roadmap
GROUPE ESTEMI *(UNIFEA)*	- CSRD compliance - CSR roadmap
GROUPE GUEMAS	- ESG audit - Sustainability Linked Loan - ESG Roadmap - CSRD compliance - Carbon footprint
GUNTERMAN & DRUNCK	- CSR roadmap - CSRD compliance
IAD	- ESG reporting - Axa Climate School training
INCEPT *(ONEDIRECT)*	- ESG annual reporting - Axa Climate School training
IPELEC	- CSRD compliance - Carbon footprint assessment
ITAL EXPRESS	- ESG Roadmap - ESG criteria within variable remuneration - CSRD compliance
MORIA SURGICAL	- ESG audit
O2FEEL	- Axa Climate School training - Suppliers-related controversies
QESTIT	- Axa Climate School training
QUALI GROUP	- ESG Due Diligence - Presentation of Naxicap ESG Welcome Pack and Tool Box - ESG Roadmap
QUARTUS	- CSRD compliance - Axa Climate School training
QUITO	- EcoVadis and ESG reporting - CSRD compliance and accompaniment by service provider
SILAMIR	- CSR roadmap - Carbon footprint assessment
SOFTWAY MEDICAL	- Carbon footprint assessment
SOLUTYS	- ESG Charter - Presentation of Naxicap ESG Welcome Pack and Tool Box

Portfolio Companies	ESG Topics covered
SRI	- Axa Climate School training
STELLIANT	- CSRD compliance - Participation at the *Convention des Entreprises pour le Climat* (Association of companies committed to the climate) - Climate physical risks analysis - Carbon analysis and GHG reduction targets
STROMER	- Axa Climate School training
SYNCHRONE	- Sustainability Linked Loan - CSRD compliance - EcoVadis
TEUFEL	- CSR roadmap - CSRD compliance - Axa Climate School training
THOHR	- ESG annual reporting
VABEL	- CSR roadmap - CSRD compliance - Sustainability Linked Loans - Axa Climate School training
WEEZEVENT	- ESG roadmap (*draft*)

4.2. Results of roadmap validation

Naxicap encourages collaboration with the company management to identify material ESG issues and to support the development of its ESG roadmap. The roadmap is approved at least once a year during a Supervisory Board, as defined in the Shareholders Agreement.

As a result, at December 31st, 2024, ESG roadmaps had been validated at supervisory board level for **33** of the **44** companies for which the process had been implemented in 2024, taking into account that companies from Alliance Entreprendre and Bee-up portfolios have not been included in the roadmap validation scope[12] .

4.3. Monitor the progress of Portfolio Companies

Naxicap requires its Portfolio Companies[13] to provide annually a set of c. 150 indicators related to their ESG actions and engagements with stakeholders (clients, suppliers, etc.). The selection of these indicators comes from recommendations and studies carried out by industry experts such as the PRI, the Sustainability Commission of France Invest, external consultants as well as peers from the Private Equity sector. It includes Principle Adverse Impacts KPIs from the SFDR.

[12] The shareholder agreements of these Portfolio Companies do not integrate an obligation to define an ESG roadmap every year as the process was not systematically implemented at the time of investment.

[13] Majority held companies where Naxicap has more than 50% of shares, or where Naxicap is the lead investor in a pool of investors that hold together more than 50% of a company's shares. For Minority held companies, the ESG questionnaire counts 53 indicators and focuses on Principle Adverse Impacts.

To collect this data, Naxicap has implemented an online reporting tool - **Greenscope** - available to every Portfolio Company.

The set of indicators include questions to assess the companies' exposure and adaptation strategies to physical and transition climate-related risks having a potential material impact on their operations, as well as specific indicators to each Portfolio Company to estimate the carbon emissions of the Portfolio's scope 1, 2 and 3 and thus identify the main sources of emissions.

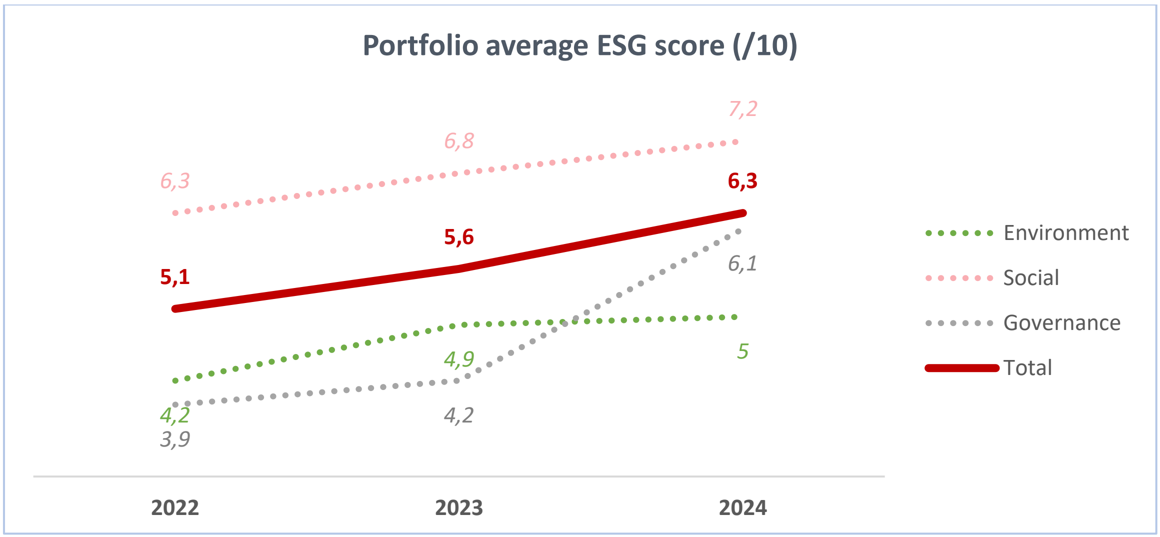
Naxicap has developed its own detailed in-house ESG scoring methodology, based on the companies' answers to the annual questionnaire. The ESG scoring enables an accurate and detailed monitoring of Portfolio Companies' maturity on environmental, social and governance topics, including their interaction and impact on stakeholders.

Average ESG scores out of 10 (/10) – Constant scope on 2024 basis:

In 2024, changes were conducted on the ESG questionnaire and scoring methodology to review the questions and better integrate regulatory requirements (SFDR, Taxonomy). Therefore, the scores presented here below differ from previous reports. They were calculated using the new methodology for all three years (2022, 2023 and 2024), enabling comparison.

		2022	2023	2024
ESG SCORE *Simple average*	PORTFOLIO	**5.1**	**5.6**	**6.3**
PORTFOLIO *Rating scope - out of 51 Portfolio Companies*	Rated companies as a % of number of Portfolio Companies	*86%*	*89%*	*96%*[14]
	Rated companies as % of equity value	*94%*	*99%*	*100%*

The ESG score is composed of three sub-categories: environmental, social and governance. Since 2020, the portfolio has seen a steady improvement in its environmental and governance performance, leading to higher social and governance scores, improving the overall ESG score. The portfolio's social score has remained strong and stable since 2021, reflecting a high level of performance.



[14] 49 companies reported sufficient elements out of the 51 companies answering the *Full ESG Questionnaire.*

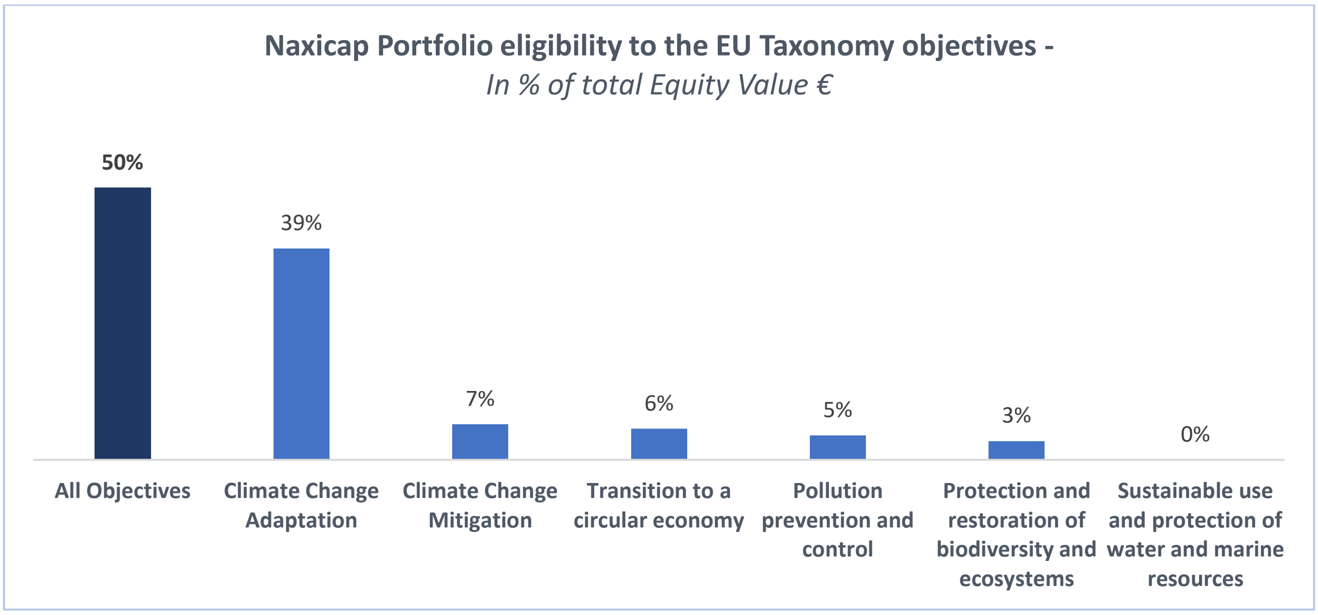
5. Correlation with European Green Taxonomy and focus on fossil energies

5.1. Eligibility

As stipulated in the regulation (UE) 2020/852 defined by the European Parliament, in reference to Articles 10 to 15 as published on June 18th 2020, Naxicap publishes the following information:

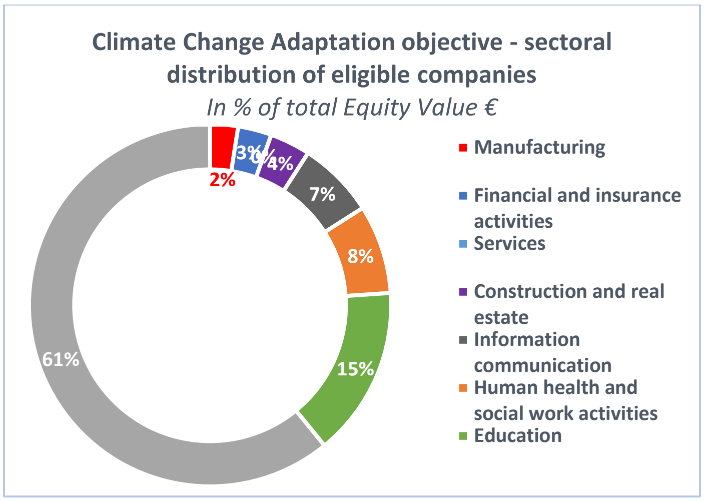
As of December 31st, 2024, **50%** *(in Equity Value)* of Naxicap Portfolio Companies have activities entering the list of activities defined by the European Parliament as Eligible to at least one of the six objectives defined by the EU Taxonomy.

Naxicap Portfolio eligibility to the Taxonomy objectives is presented below:

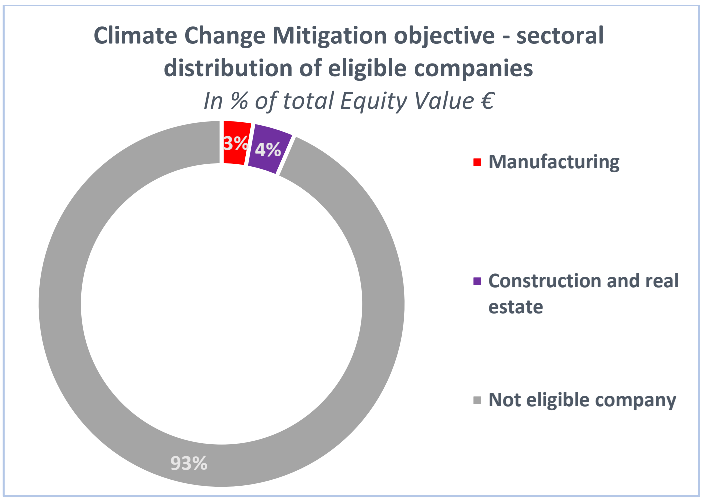


Eligible activities are split as follows:

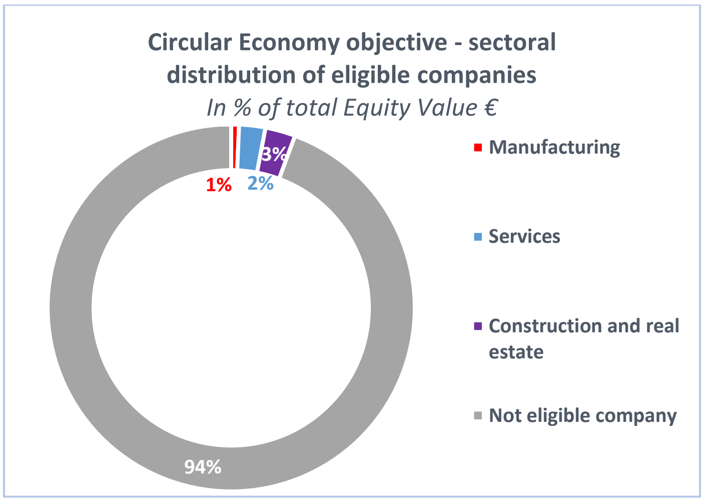
Climate Change Adaptation



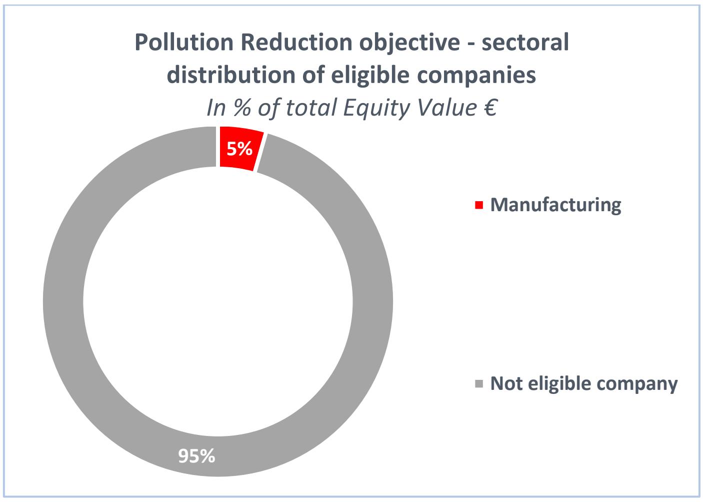
Climate Change Mitigation



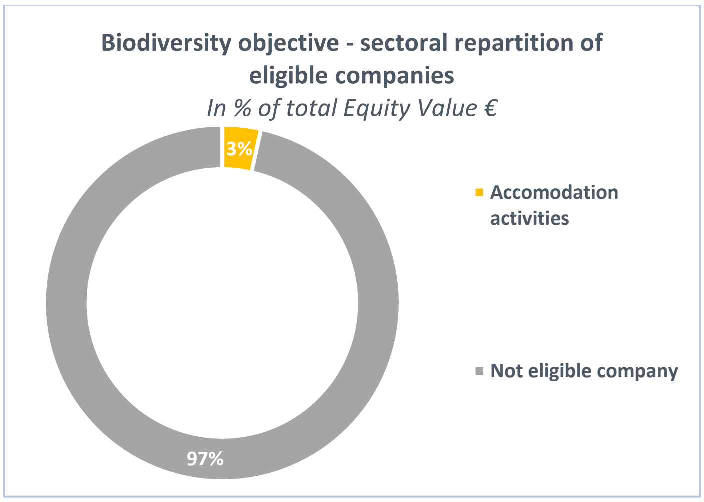
Transition to a circular economy



Pollution Prevention and control



Protection and restoration of biodiversity and ecosystems



5.2. Alignment

As of the date of this report, we are not required to report the degree of alignment of our Portfolio Companies as themselves are not required to report these data. In France, only listed companies and companies that enter the scope of the Corporate Sustainability Reporting Disclosure (CSRD) / pending Omnibus regulation are required to report the alignment of their activities, in terms of revenues, OpEx and CapEx. None of our Portfolio Companies are submitted to these regulations yet[15]. At the earliest, data related to alignment should be disclosed as of 2028 (on 2027 data), once Portfolio Companies eligible to the CSRD/Omnibus will have disclose their own Taxonomy data in their CSR Report.

We have not engaged in the calculation of alignment estimations (based on available information), as the current level of information from our Portfolio Companies was not sufficient to cover the numerous and very specific substantial contribution criteria required by the Taxonomy framework. Yet, we aim to raise eligible companies' awareness about possible eligibility for Taxonomy as it represents a great financial lever to raise debt or capital.

In 2025 and onwards, we will engage in priority with Portfolio Companies that are eligible to the CSRD / Omnibus on their reporting obligations, including Taxonomy reporting capacities. Depending on ongoing negotiations and validations between the European Commission, Council and Parliament at the date of this report, they should have to report these elements in 2028, based on FY2027 reporting.

5.3. Share of assets invested in fossil fuels

As of December 31st, 2024, **0.2%** of Naxicap Equity Value is invested in fossil fuel activities.

[15] AMF – Dossier thématique « La réglementation Taxinomie – Article 8 relative aux obligations de reporting des sociétés »

F. STRATEGIE D'ALIGNEMENT AVEC LES OBJECTIFS INTERNATIONAUX DES ARTICLES 2 ET 4 DE L'ACCORD DE PARIS RELATIFS A L'ATTENUATION DES EMISSIONS DE GAZ A EFFET DE SERRE ET, LE CAS ECHEANT, POUR LES PRODUITS FINANCIERS DONT LES INVESTISSEMENTS SOUS-JACENTS SONT ENTIEREMENT REALISES SUR LE TERRITOIRE FRANÇAIS, STRATEGIE NATIONALE BAS-CARBONE MENTIONNEE A L'ARTICLE L. 222-1 B DU CODE DE L'ENVIRONNEMENT

Article 29 de la loi 2019-1147 relative à l'énergie et au climat - Code Monétaire et Financier, Article D. 533-16-1, III, 6°

6. Strategy regarding Paris Agreement alignment and low carbon strategy

6.1. Overall approach

6.1.1. Our commitments

The Paris Agreement sets out a global framework to avoid dangerous climate change by limiting global warming to well below 2°C and pursuing efforts to limit it to 1.5°C. It also aims to strengthen countries' ability to deal with the impacts of climate change and support them in their efforts[16].

At Naxicap Partners, we have embraced the double materiality principle adapted to climate change issues, taking very seriously the potential impacts climate change can have on Portfolio Companies' value, but also their potential contribution to climate change aggravation (in terms of greenhouse gases emissions), as well as the mitigation and/or adaption activities they may develop.

That's why we have adopted a two-folded approach to tackle climate change into our investment strategy approach focusing **1) on mitigating and reducing portfolio GHG emissions** *(see section 6.2. Portfolio Carbon analysis)* and **2) on identifying climate risks for our companies to adapt their activities** *(see section 6.3. Portfolio Climate risks analysis)*.

6.1.2. Our objectives

The objectives of our approach to assess carbon emission estimates and climate risks at portfolio level are three-fold:

1. **Identify Key Issues**
   a. Identify primary greenhouse gas (GHG) emission sources.
   b. Identify major climate risks and assess their potential impacts on activities in terms of revenues and investments.
2. **Raise Awareness among Portfolio Companies' Managers**
   a. Increase awareness regarding carbon emissions and their effects on the climate and the environment.
   b. Highlight the exposure of their activities, business models, and assets to climate risks.

16 https://ec.europa.eu/clima/eu-action/international-action-climate-change/climate-negotiations/paris-agreement_fr

3. **Engage Portfolio Companies**
    a. Collaborate on reduction pathways for carbon emissions.
    b. Develop adaptation strategies to address climate risks.

Regarding carbon emissions, the first two objectives were successfully met through carbon estimates and the creation of the two-pager fact sheet. The third objective, which is more ambitious, began to take shape in 2023. For example, some Portfolio Companies have conducted their own comprehensive carbon footprint assessments using internationally recognized protocols such as the Greenhouse Gas (GHG) Protocol or Bilan Carbone® ADEME, and most advanced ones have started engaging in reduction programs.

Regarding climate risks, progress has been achieved for the first objective. This includes a comprehensive analysis of physical risks at both company and portfolio levels (see section 6.3) and the identification of transition risks using our **Altitude** tool at the company level. Our immediate priority is to strengthen these analyses further and communicate the findings to each Portfolio Company, fostering awareness and engaging the most vulnerable entities in adaptation strategies.

To date, there is no quantified objective at entity level regarding the reduction of carbon emissions, aligned to the Paris Agreement. A progressive definition of such objectives is under consideration by Naxicap Partners Executive Management team.

6.2. Portfolio Carbon analysis

6.2.1. Our latest achievements

The challenge of a low carbon investment strategy appears as a new factor to be integrated into our investment approach.

Our first actions were initiated in 2020, by measuring the carbon footprint of our Portfolio Companies to better grasp the extent of emissions we are responsible for. Since then, we conduct annual carbon emission assessment on all three emission scopes for companies answering our full questionnaire and have engaged with the companies in our ESG perimeter (i.e. companies where we have invested more than €5m).

In 2023, we undertook a Group brainstorming on several Sustainability factors, including Climate change, and have included the investment teams into redefining Naxicap' Sustainable Investment strategy. This led to the definition of new commitments for companies in which Funds under Naxicap's management will invest from 2024 onwards, as stipulated in their respective shareholder agreements.

Among other requirements, the new ESG clause adopted in 2023 requires to conduct a carbon footprint within 12 months after investment, and the definition of a carbon emission reduction plan within 24 months after investment. There is no formal requirement to align the emission trajectory with the Paris Agreement, however this level of ambition will be the starting point of every reduction plan.

Additionally, we have initiated discussions with several Portfolio Companies, to encourage them in reducing their emissions:

CHENE VERT has conducted a Carbon footprint assessment, and deployed initiatives to reduce its emissions by integrating eco-deign within its core practices. The Group targets to reduce its emissions by 10% by 2028.

E.CF has measured its carbon footprint and has initiated projects to reduce its impacts on climate change (energy management, waste management, selection of more sustainable raw materials etc.). The company aims to define 2030 and 2050 trajectories to contribute to the Paris Agreement objectives.

MORIA has evaluated its carbon footprint and, with the help of an external service provider, developed a concrete action plan to reduce GHG emissions across scopes 1, 2, and 3. The plan prioritizes initiatives in six main emission domains: employees, buildings and facilities, packaging, product and goods freight, raw materials, and transversal actions. The GHG emissions reduction action plan has been integrated within the company business plan.

SIBLU has committed to a 30% reduction in its carbon footprint by 2030 (scope 1 & 2) and is exploring various strategies (transportation policy for customers, eco-designed mobile-homes, renewable energy production, etc.).

STELLIANT has committed to the SBTi and should submit a decarbonation strategy with GHG emissions reduction targets in the coming years. Several initiatives have already been taken to reduce GHG emissions from the main source according the GHG emissions estimation conducted with Greenscope and Naxicap.

TEUFEL has strived to enhance its product carbon footprint (eco-design, packaging, travel optimization) and financed an offsetting program covering scopes 1 and 2 emissions.

6.2.2. Methodology used

GHG emissions from Portfolio Companies are collected according to two main rules:

- If the company has conducted its own carbon footprint assessment on scopes 1, 2, and 3, we directly collect the data from the company.
- If the company has not performed a carbon footprint assessment, we conduct an estimated assessment annually. This estimation is carried out by a carbon consulting firm, which is also responsible for our ESG reporting data collection campaign, Greenscope.

Greenscope uses a simplified approach aiming at identifying the most significant sources of greenhouse gas emissions to reflect a global overview and provide actionable results. We estimate to be able to capture 80% of scope 3 emissions using this methodology, which is based on the ADEME emission factors.

The analysis is conducted in three steps:

1) First, we organise a meeting between the consultants and the company to understand the business model and identify which data that would be required to estimate the carbon emissions on all three scopes. The consultants and company managers agree on a relevant perimeter where data are available, and relevant for the analysis. Scope

three emissions being the hardest to calculate, we aim for relevance before exhaustivity.

2) Then, the company is given a few weeks to provide the data, which is analysed by consultants. Portfolio Companies are asked to populate a set of 20 to 30 indicators, depending on their business model and emissions. Adjustments are conducted when necessary to correct and validate all units.
3) Finally, the consultants add up the emission factors to calculate the carbon footprint.

Methodology disclaimer

Calculation methodology

We have aligned our GHG reporting with SFDR reporting standards:

- Total 2023 and 2024 GHG emissions of each Portfolio Company are divided by the Equity Value of each company to obtain a carbon intensity ratio per entity (tCO_2/€m of Equity Value);
- Intensity ratios are then weighted by the % of ownership (Funds' ownership in each company);
- Finally, the average GHG intensity is the sum of the weighted intensity again weighted by the Equity Value.
- For carbon emissions, when 2023 and/or 2024 data was not available, we used latest available data (31.12.2022 and/or 31.12.2023).

Data source

Data presented in this ESG report are based on the companies' statement and are not part of an audited process. Changes and corrections can occur from one year to another. Past performance is not indicative of future performance.

6.2.3. Scope and results

In 2024, sufficient data was collected for **62** Portfolio Companies **representing 97% of Naxicap ESG Scope Equity Value.** Amongst these companies, 29 have performed their own carbon footprint.

Portfolio Companies' individual results are synthesised in a dedicated two-pager carbon factsheet, distributed to Portfolio Companies.

Consolidated results related to **Naxicap ESG Scope** are summarised in the following page.

<u>**2024 results for Naxicap ESG Scope Portfolio Companies**</u>

As one of Naxicap Portfolio Company, **QUITO**, emits **88%** of total financed emissions (due to its activity of freight management), Naxicap ESG Scope GHG intensity is very different whether we include or not **QUITO** among the scope. The different results (with and without **QUITO**) are summarised here after:

The average carbon intensity of Naxicap ESG scope Portfolio Companies is **1,999 tCO_2e** emitted per million of euros of Equity Value (weighted by% of ownership) with QUITO, and **252 tCO_2e** without Quito. Comparison with 2023 is provided below:

Average GHG intensity - in tCO2e/€m of Equity Value - *Weighted by % of ownership*

	With Quito		*Without Quito*	
	2024	**2023**	**2024**	**2023**
Average GHG intensity	**1,999**	**1,428**	**252**	**174**
Scope 1	**0.3%**	**0.4%**	**2.4%**	**3.4%**
Scope 2	**0.1%**	**0.1%**	**0.4%**	**1.1%**
Scope 3	**99.7%**	**99.4%**	**97.2%**	**95.4%**

The increase in average GHG intensity between 2023 and 2024 is driven by several factors. First, the growth of Portfolio Companies—particularly **QUITO**, the most emissions-intensive company within Naxicap ESG Scope—led to higher absolute GHG emissions, resulting in a significant rise in financed emissions.

Portfolio GHG emissions are primarily driven by Scope 3, largely due to QUITO's air transport-related upstream and downstream logistics. Other Portfolio Companies in manufacturing, retail, and distribution also contribute significantly through emissions from purchased goods and the use-phase impact of sold products (e.g., electronics, household items, automotive parts, industrial products).

Scope 3 GHG emissions, by type of emissions - in tCO2e - *Weighted by % of ownership*

	With Quito		*Without Quito*	
	2024	**2023**	**2024**	**2023**
Freight transport	**90.8%**	**92.8%**	**5.1%**	**3.8%**
Purchase of products and services	**3.2%**	**4.6%**	**33.0%**	**62.2%**
Immobilisation	**2.6%**	**0.2%**	**26.8%**	**2.2%**
Travel	**1.9%**	**0.9%**	**19.4%**	**11.9%**
Other indirect emissions	**1.5%**	**1.2%**	**15.0%**	**15.5%**
Energie Upstream	**0.1%**	**0.3%**	**0.8%**	**4.5%**

2024 average GHG intensity, by sector - tCO2e/€m of Equity Value

Weighted by % ownership and Equity Value

	Sectoral average	Scope 1	Scope 2	Scope 3
BtoB Services	6,407.5	5.0	0.7	6,401.7
BtoB Services without QUITO	167.3	6.3	0.5	160.5
Manufacturing	878.3	7.7	2.3	868.3
Agri-food	657.3	12.5	1.2	643.6
IT services	604.6	0.8	0.2	603.7
Retail and specialised distribution	250.3	2.4	1.1	246.8
Healthcare and chemicals	121.3	9.1	1.7	110.5
Real Estate Services	88.1	5.0	1.2	82.0

6.3.Portfolio Climate risks analysis

6.3.1. Our latest achievements

Building on our 2023 efforts to systematize climate risk analysis during the investment process and holding period —using Axa Climate's Altitude Tool to address physical risks—we made further progress in 2024 by deepening our understanding of transition risks. We evaluated each company's exposure based on its activities and business model and conducted workshops with investment teams to refine risk identification.

This process continuously improves our climate risk approach, enabling us to:

i. Better identify and mitigate climate risks at the company level, from pre-investment through ownership.
ii. Analyse and consolidate risk exposure at both the Portfolio Company and fund levels.

Details on portfolio exposure to climate risks follow.

6.3.2. Methodology used

For each Portfolio Company, we calculate a company ***Climate Physical Risk Score*** and a ***Climate Transition Risk Score*** ranging from **1** to **9** and categorized into five levels, from **Low** to **Very High**. This score is based on Portfolio Companies' level of exposure to climate physical and transition risks as described after.

	LOW	MEDIUM - LOW	MEDIUM	HIGH	VERY HIGH
Climate Physical Risk Score	[1;2[	[2;4[	[4;6[	[6;8[	[8;9]

Methodology - Exposure to Climate Physical Risks

The exposure of our Portfolio Companies to **physical climate risks** is performed through the Altitude tool, considering site-specific characteristics such as location and asset types (e.g., plants, offices, R&D

labs). The methodology follows the IPCC (Intergovernmental Panel on Climate Change) three pillars of climate physical risks definition: hazard, vulnerability, and exposure.

17 climate physical risks, comprising **6** chronic risks and **11** acute risks are evaluated. Exposure to physical climate risks is then assessed under two scenarios:

- **SSP2-4.5 (Middle of the Road):** Realistic scenario projecting a 2.7°C temperature increase by century-end.
- **SSP5-8.5 (High-reference):** Pessimistic scenario with a projected 4.4°C temperature increase by century-end.

Methodology - Exposure to Climate Transition Risks

Transitioning to a lower-carbon economy may involve significant policy, legal, technological, and market changes to address climate mitigation and adaptation. These changes can pose varying levels of financial and reputational risks to organizations, depending on their nature, speed, and focus.

Portfolio Companies' exposure to climate transition risks is first analysed using the Altitude tool, based on sectoral analyses. This assessment is then refined by the Naxicap ESG Team and during workshops with investment teams, leveraging their specific knowledge of the Portfolio Company's main challenges, activities, business, and market.

According to the TCFD (Task Force on Climate-related Financial Disclosures) methodology, four main transition risks are analysed, as described below:

Transition Risks	TCFD Risk Definition
Policy and Legal	*Policy actions on climate change aim to either mitigate its effects or promote adaptation. The risks and financial impacts of these changes depend on their nature and timing.* *Additionally, litigation risk is rising as climate-related lawsuits increase. As climate-related damages grow, so does the risk of litigation.*
Technology	*Technological advancements supporting a lower-carbon, energy-efficient economy can significantly impact organizations. Emerging technologies like renewable energy, battery storage, energy efficiency, and carbon capture will affect competitiveness, production costs, and product demand. This "creative destruction" will create winners and losers. The timing of these technological developments is a key uncertainty in assessing technology risk.*
Market	*While the ways in which markets could be affected by climate change are varied and complex, one of the major ways is through shifts in supply and demand for certain commodities, products, and services as climate-related risks and opportunities are increasingly considered.*
Reputation	*Climate change has been identified as a potential source of reputational risk tied to changing customer or community perceptions of an organization's contribution to or detraction from the transition to a lower-carbon economy.*

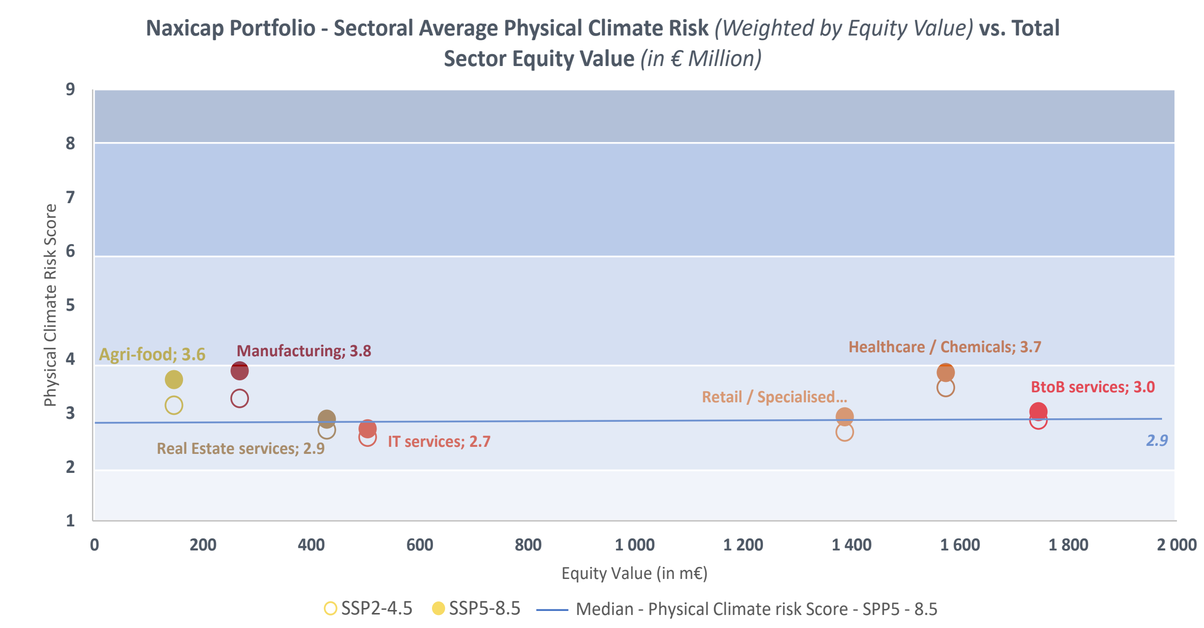
6.3.3. Scope and results

Naxicap Portfolio exposure to climate risks focuses on all **77** Portfolio Companies within the ESG Scope (investment >€5 million at 2024/12/31) and their direct activities, excluding the supply chain. Future analyses will aim to extend this assessment to strategically important supply chains and conduct case-by-case evaluations for companies operating in sectors highly exposed to physical climate risks.

Results – Exposure Climate Physical Risks

Data presented below has been computed for the scenario SSP5-8.5 - 2050.

Abiding this scenario, Naxicap Portfolio Companies show an overall **medium-low level of exposure** to physical climate risks, with none identified as highly exposed and the median level at **2.9/9.**



The **Manufacturing, Healthcare / Chemicals** and **Agri-food** sectors are the three most exposed to physical climate risk, with the **Healthcare / Chemicals** sector also being the second most invested sector within Naxicap portfolio. The five primary risks identified are: water stress, flood, landslide, changing air temperature and extreme heat. These risks are heightened by the locations of some Portfolio Companies' strategic sites, spread across various global regions, including areas more vulnerable to physical climate risks.

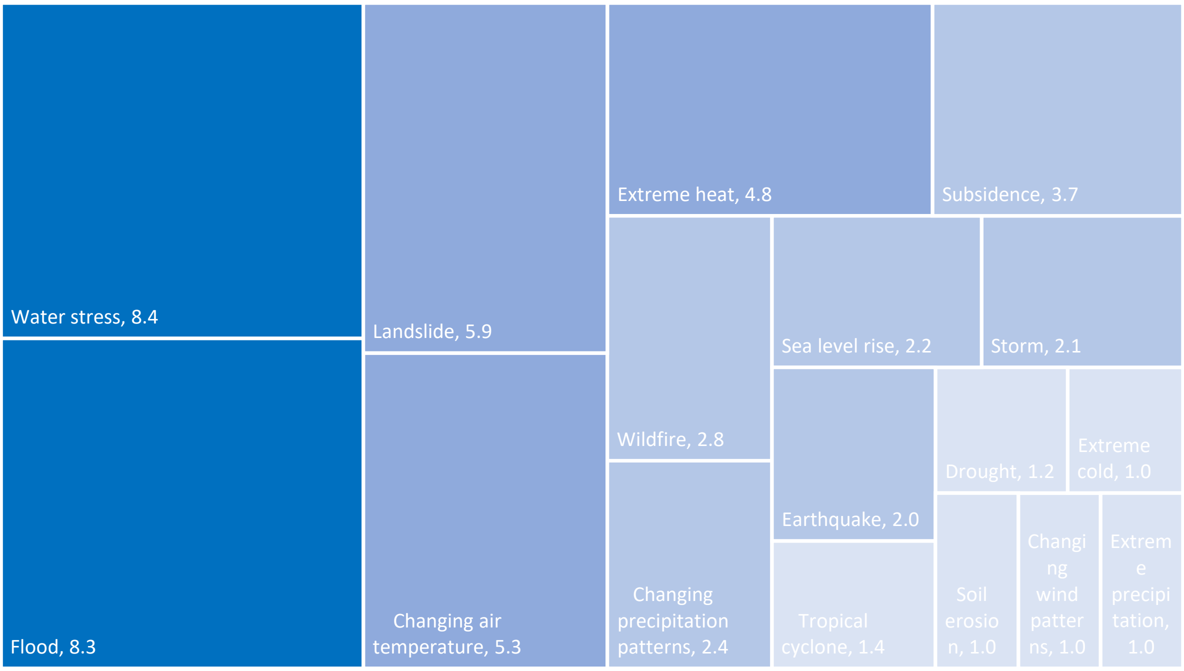
The **Manufacturing** sector, representing **4%** of Naxicap Equity Value, is particularly exposed to physical hazards which could threaten operational continuity and asset integrity. Many Portfolio Companies also operate manufacturing plants in locations facing water scarcity and extreme heat, further straining local resources. Additionally, some of these plants are located in areas with highly carbon-intensive energy sources which participates to the increase of the production processes emissions.

The **Healthcare / Chemicals** sector is the second most exposed and holds the second highest Equity Value within Naxicap's overall portfolio (**26%**). This exposure comes from risks to infrastructures that hold core business activities, with facilities potentially not designed to withstand extreme weather events like heatwaves or floods. These events can cause severe damage, disrupt medicine supply, delay care delivery and lead to long recovery periods, leaving clients in vulnerable situations. This is especially relevant as some companies operate large real estate portfolio, increasing their level of exposure to physical climate risks.

Finally, the **Agri-food** sector, while being the less invested one with **2%**, represents the third highest level of exposure. Concerned Portfolio Companies face high physical climate risks on their sites, among which changing air temperature, changing precipitation patterns and water stress**.** Strategical assets such as R&D buildings and food manufacturing plants with refrigeration facilities are exposed. These assets hold a significant role in supporting production operations and maintaining product quality. Disruptions could have both operational and financial impacts. Addressing these risks is essential to ensure production continuity, protect the supply chain and maintain the company's reputation.

To mitigate these risks, several companies reported adopting adaptation measures for physical climate risks. These range from adapting their buildings to withstand extreme weather events, to implementing teleworking policies in case of an event and securing alternative sources of raw materials to maintain continuity during climate-related disruptions. Additionally, some companies have also assessed the exposure of their sites to physical risks related to climate change.

Naxicap Portfolio climate physical risks significance level (/9)
Weighted by Equity Value



Key:

	LOW	MEDIUM - LOW	MEDIUM	HIGH	VERY HIGH
Level of significance of climate physical risks for the portfolio	[1;2[	[2;4[	[4;6[	[6;8[	[8;9]

Portfolio Companies have also taken steps to mitigate water stress risk, with most of them tracking and monitoring their water consumption to mitigate any risks related to water scarcity or spillage. While the most mature ones have implemented technical devices to reduce water consumption and systems for reusing used water, others initiated this work by raising employee awareness about water usage.

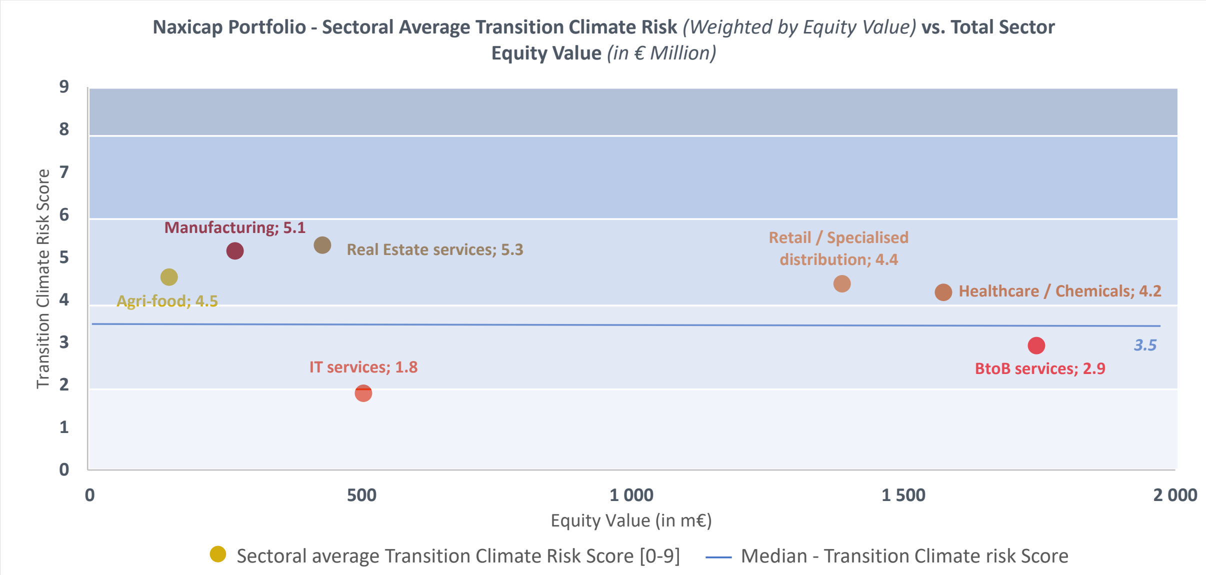
In 2024, **no company** has deployed measures to address flood risks, possibly due to varying levels of awareness regarding their potential impact on operations, business continuity, and the value chain. By assessing each site's level of exposure to flood and identifying appropriate adaptation measures, companies can develop and implement tailored action plans to enhance resilience and ensure business continuity in the event of such occurrences.

Results - Exposure to Climate Transition Risks

Naxicap's Portfolio Companies show an overall **medium-low level of exposure** to transition climate risks, with no company identified as highly exposed.

- The highest Climate Transition Risk Score reached is **5.3/9 (Real Estate services),** indicating a medium level of exposure to climate transition risk.

- The median stands at **3.5/9** and the lowest score is **1.8/9 (IT services),** indicating a low level of exposure to transition risk.



Real Estate services, Manufacturing and **Agri-food** are the three sectors most exposed to transition risks but only represent **14%** of Naxicap's total Equity Value. The **Retail / Specialised distribution** and **Healthcare / Chemicals** sectors are among the three highest invested sector and present a medium level of transition climate risks.

The **Real Estate services** sector highest exposures stem from **Regulatory and Technological transition factors** in the real estate industry. These factors are directly related to increasingly stringent environmental regulations and the growing need to adapt buildings to climate change through the integration of advanced technologies. As clients increasingly prioritize sustainability and climate resilience, Market dynamics driven by shifting customer preferences also have a direct impact on the sector.

The **Healthcare / Chemicals** sector, the second highest invested sector in terms of Equity Value (**26%**), presents a medium level of exposure (**4.2/9**). It primarily faces technological risks related to the growing demand for more sustainable products, using fewer harmful and polluting chemicals. Manufacturing processes in this sector are often energy-intensive and require temperature-controlled environments, leading to high energy consumption and significant GHG emissions (e.g. refrigerants gases). Regulatory risks are also increasing, particularly in Europe where most of these companies operate, as stricter environmental and chemical safety standards are being implemented. Finally, some Portfolio Companies operate elderly care facilities and face additional transition risks due to their large real estate portfolios, making them more vulnerable to rising energy costs and the need to upgrade buildings to meet evolving energy efficiency standards.

To mitigate these risks, several Portfolio Companies have begun addressing these topics and implementing initiatives. Some companies have assessed their exposure to transitional risks to integrate these considerations when taking decisions. **41** have integrated a share of renewable energy into their energy mix. These initiatives can help mitigate the impact of rising energy prices and other market fluctuations by reducing reliance on external sources and those dependent on carbon.

6.4.Main steps of our Climate Strategy

Steps	Key Actions	Status
1	Encourage Portfolio Companies to conduct their own complete Carbon Footprint, using international protocols	✓
2	Dialogue with Portfolio Companies on their results and find appropriate alignment targets, matching their growth strategy	✓
3	Define reduction objectives to align most emissive Portfolio Companies on a well-below 2°C or 1.5°C scenario	2025
4	Continuously enhance physical risks analysis (Altitude Tool updates)	✓
5	Pursue analyses of Portfolio Companies' exposure to transition-related analysis (mapping, TCFD reporting)	✓
6	Define action plans with companies most exposed to physical and/or transition-related risks to mitigate portfolio exposure to climate risks	2025/2026

G. STRATEGIE D'ALIGNEMENT AVEC LES OBJECTIFS DE LONG TERME LIES A LA BIODIVERSITE. L'ENTITE FOURNIT UNE STRATEGIE D'ALIGNEMENT AVEC LES OBJECTIFS DE LONG TERME LIES A LA BIODIVERSITE, EN PRECISANT LE PERIMETRE DE LA CHAINE DE VALEUR RETENU, QUI COMPREND DES OBJECTIFS FIXES A HORIZON 2030, PUIS TOUS LES CINQ ANS

Article 29 de la loi 2019-1147 relative à l'énergie et au climat - Code Monétaire et Financier, Article D. 533-16-1, III, 7°

7. Biodiversity alignment strategy

7.1.Overall approach

7.1.1. Our biodiversity strategy

At Naxicap Partners, we are aware our modern economy and activities are dependent on ecosystem-based services that have been provided without counterparts. In light of the prevailing biodiversity challenges, we strive to deepen our understanding of how biodiversity loss affects our Portfolio Companies and fortify biodiversity protection across our Portfolio.

With this objective in mind, **we commit to assess biodiversity-related challenges within our Portfolio under the Total ESG Scope** (companies with investments exceeding €5m), by conducting analyses through our Altitude Tool developed by Axa Climate and developing tailored action plans within 12 months of investment for companies encountering substantial biodiversity risks.

To this end, we aim to develop an approach that aligns with the TNFD (Taskforce on Nature-related Financial Disclosure) recommendations and embraces the concept of double materiality: considering negative impacts on biodiversity caused by our Portfolio Companies, while reducing their dependence on ecosystem-based services.

7.1.1. Our latest achievements

Since 2023, we have fostered our commitment to analysing key biodiversity challenges and engaging Portfolio Companies on biodiversity issues using Axa Climate's Altitude tool. This advanced methodology enables a detailed assessment of biodiversity dependencies and impacts, considering both sector-specific and site-specific factors. The analysis has enabled us to deepen our understanding of our portfolio's biodiversity risks, including MSA.ppb estimations (see section Results – Focus on biodiversity footprint (MSA.ppb) fur further definition), and has identified general risk mitigation solutions at both company and site levels.

This approach enhances our ability to address risks on a case-by-case basis for Portfolio Companies while also offering a consolidated view of our portfolio's exposure to biodiversity challenges. A comprehensive assessment of the **Naxicap** portfolio at December 31st, 2024, will be detailed in the following section of this report.

7.1.2. Our objectives

According to the double materiality approach, our objective through this analysis is to identify Portfolio Companies that are **i) most vulnerable to biodiversity risks or dependence**, and **ii) companies with sites and activities that could negatively impact biodiversity**, potentially leading to biodiversity losses.

By identifying and quantifying these risks, we aim to prioritize companies with the highest biodiversity-related risks within our full ESG portfolio. Subsequently, we intend to accompany them in identifying mitigation actions that could be adopted.

7.2. Biodiversity risks – portfolio analyses

7.2.1. Methodology used

At portfolio level, a Biodiversity Risk Score is calculated by aggregating the company's level of dependency to ecosystem services and its impacts on biodiversity. This score ranges from 1 to 9 and is classified from Low to Very High as detailed in the table below.

	LOW	MEDIUM - LOW	MEDIUM	HIGH	VERY HIGH
Biodiversity Risk Score	[1;2[	[2;4[	[4;6[	[6;8[	[8;9]

This score enables us to consolidate biodiversity risks by assessing Portfolio Companies' dependencies on 21 ecosystem services and their potential impacts related to three nature-related risks: MSA.ppb (detailed further), proximity to threatened species, and proximity to areas of interest for nature.

Methodology disclaimer

Dependence analyses

Please note that although our assessment of biodiversity dependence has gained in precision through the Altitude tool, utilizing a more detailed sectoral and site classification, it remains primarily reliant on sector analysis.

Furthermore, it's crucial to note that the methodology employed does not consider the initiatives undertaken by Portfolio Companies to reduce their dependencies on biodiversity. This aspect, involving company-specific mitigation efforts, is currently not integrated into the assessment.

Impact analyses

The limitations of the methodology used to assess potential negative impacts on the ecosystem are the following:

- The potential impact of activities on biodiversity is not considered in locally: water scarcity, proximity to protected areas, threatened, or protected species, soil fertility.
- Invasive alien species are not considered (established as the 5th cause of biodiversity loss by IPBES).
- Regarding companies' proximity with threatened species and/or areas of interest regarding biodiversity, only direct activities are considered, excluding the supply chain.

Additionally, MSA.ppb is based on sectoral estimates, which may lack in precision to capture the exact activities of Portfolio Companies. It is also important to note that the Altitude Tool has not defined sectoral estimates for MSA.ppb in the IT and software services sector. As a result, no MSA.ppb score could be computed for Portfolio Companies in this sector, including **ALTARES**, **DIGISAP, QESTIT, SILAMIR, SOFTWAY MEDICAL, SOLUTYS, SYNCHRONE** and **TVH CONSULTING.**

7.2.2. Scope and results

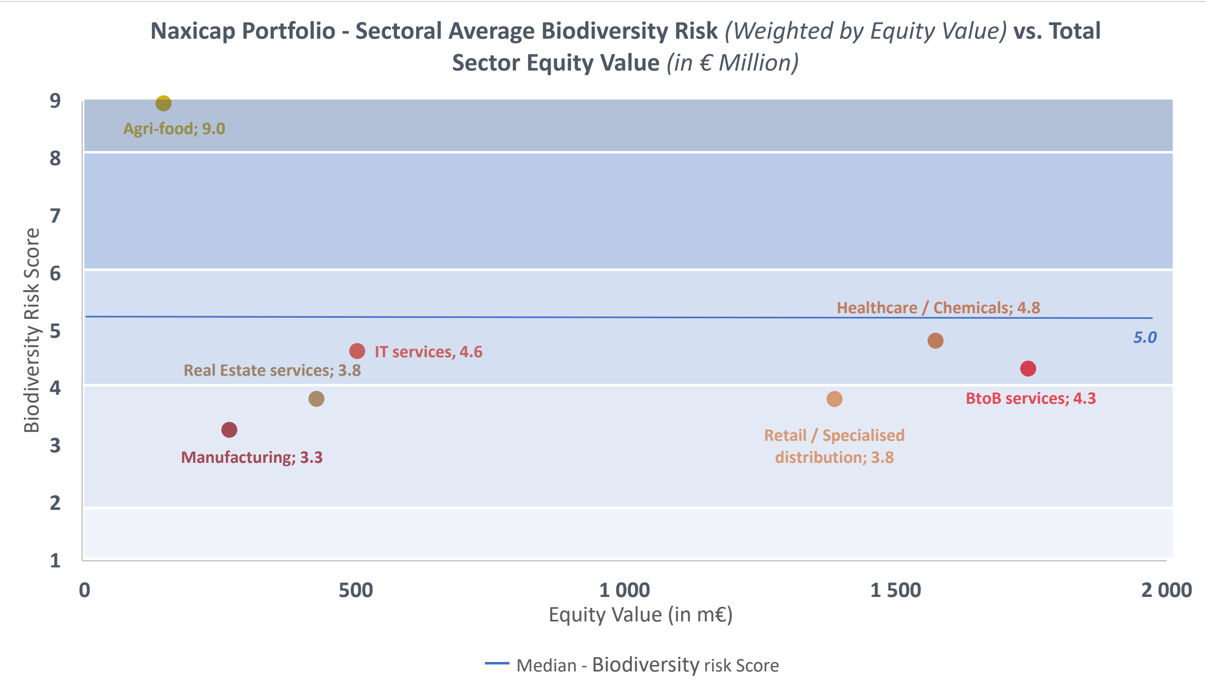
The biodiversity analysis of **Naxicap Portfolio Companies** focuses on all **77** Portfolio Companies under ESG Scope (investment >€5 million as of 2024/12/31). Impacts and possible dependencies related to their upstream and downstream value chain is captured in Altitudes assessment. Future analyses aim to extend dependency assessment to strategically important supply chains and conduct case-by-case evaluations for companies operating in sectors highly exposed to biodiversity risks.

Consolidated results are presented here after.

The Biodiversity Risk Score for each sector in the **Naxicap portfolio** indicates that one faces high biodiversity-related risks, the **Agri-food** sector.

At December 31st, 2024, the maximum Risk Score for the Portfolio is **9.0/9 (Agri-food)**, the median stands at **5.0/9**, corresponding to a medium level of dependence and the minimum score for the Fund is **3.3/9 (Manufacturing)**, signifying a medium risk of dependence.

Naxicap Portfolio details of Biodiversity Risk Score by sector is available below.



The two sectors with the highest biodiversity risk scores are **Agri-food** and **Healthcare / Chemicals**, the first one presenting a high level of biodiversity score and the second a medium level.

The **Agri-food** sector (**9.0/9**), which represents around **2%** of the portfolio's Equity Value, relies heavily on ecosystem services, including water resources (such as water quality, groundwater, and surface water) and biological resources (agri-food raw materials, cattle). The score is also impacted by the location and the type of assets of the companies which are located near biodiversity-sensitive areas and habitats of threatened species (R&D buildings, Agricultural real estate, Food & beverages plants with refrigeration). To mitigate the risks, companies in the sector have developed and implemented biodiversity strategies and initiatives, including the identification of its environmental impact and dependencies with a consulting firm, exploring regenerative agriculture practices, raising employees' awareness on biodiversity issues, and actively sponsoring associations dedicated to biodiversity preservation. Naxicap teams will continue to engage closely with them to ensure ongoing progress and alignment with biodiversity goals.

The **Healthcare/Chemicals** sector comes next (**4.8/9.0**) and represents **26%** of Naxicap portfolio's Equity Value. Its score is mainly impacted by companies' dependence on ecosystem services related to water and natural and biological resources used to manufacture products. The sector is also facing stricter regulations, which could require investments to mitigate and decrease their impacts on biodiversity. Reputational risks must also be considered as potential incidents such as hazardous spills and leakages can impact surrounding biodiversity and damage the company's public image, leading to regulatory scrutiny and reduced market demand.

Results – Level of dependence to ecosystem services

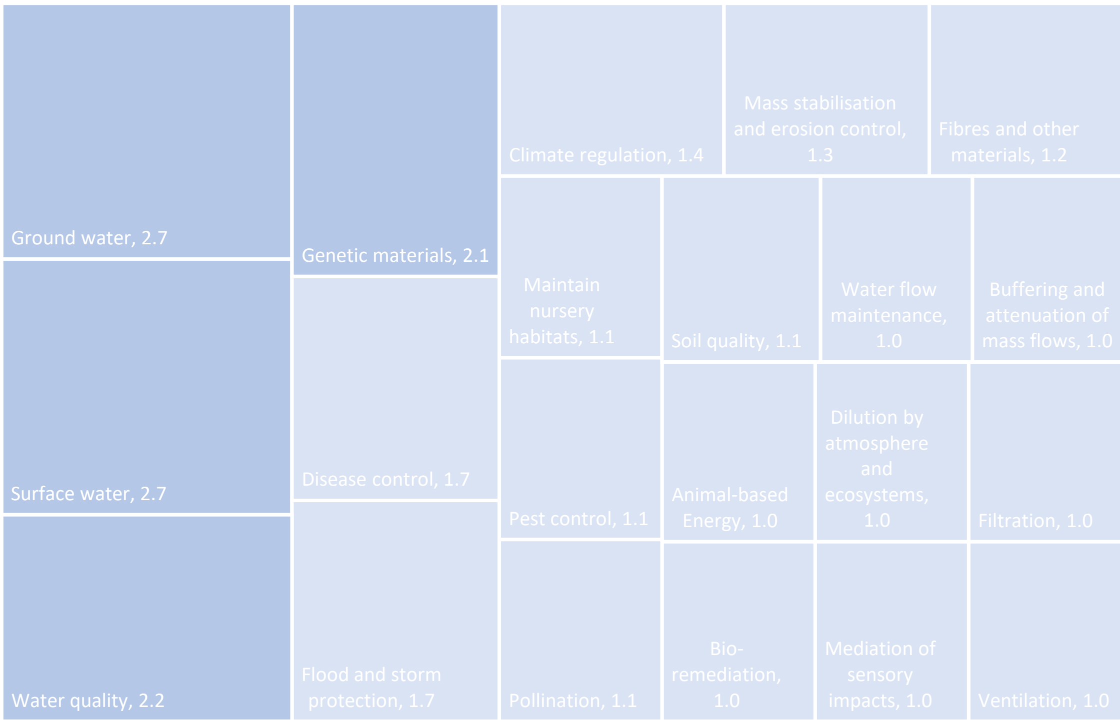
Ecosystem service dependency is a crucial aspect in assessing the exposure of companies and human activities to potential biodiversity risks. The analysis covers i) 5 provisioning services and ii) 16 regulation and maintenance services.

As shown in the graph below, all **Naxicap** portfolio sectors have low to medium-low biodiversity dependencies, with minimal reliance on ecosystem services at portfolio level. The four highest dependencies identified are: ground water, surface water, water quality and genetic materials. These dependencies are mainly driven by the **Agri-food** and **Healthcare / Chemicals sectors**.

Given their reliance on agricultural products as primary resources and raw materials, Naxicap Portfolio Companies in this sector are fully aware of the dependence and challenges related to biodiversity and ecosystems. They have engaged actively in identifying and implementing biodiversity strategies and initiatives to address these challenges.

Other Naxicap sectors demonstrate a low level of dependence on biodiversity and ecosystems.

Naxicap Portfolio biodiversity dependence significance level (/9)
Weighted by Equity Value



Key:

	LOW	MEDIUM - LOW	MEDIUM	HIGH	VERY HIGH
Level of dependence to ecosystem services	[1;2[	[2;4[	[4;6[	[6;8[	[8;9]

Results – Focus on biodiversity footprint (MSA.ppb)

Methodology insights – Calculation of the MSA.ppb

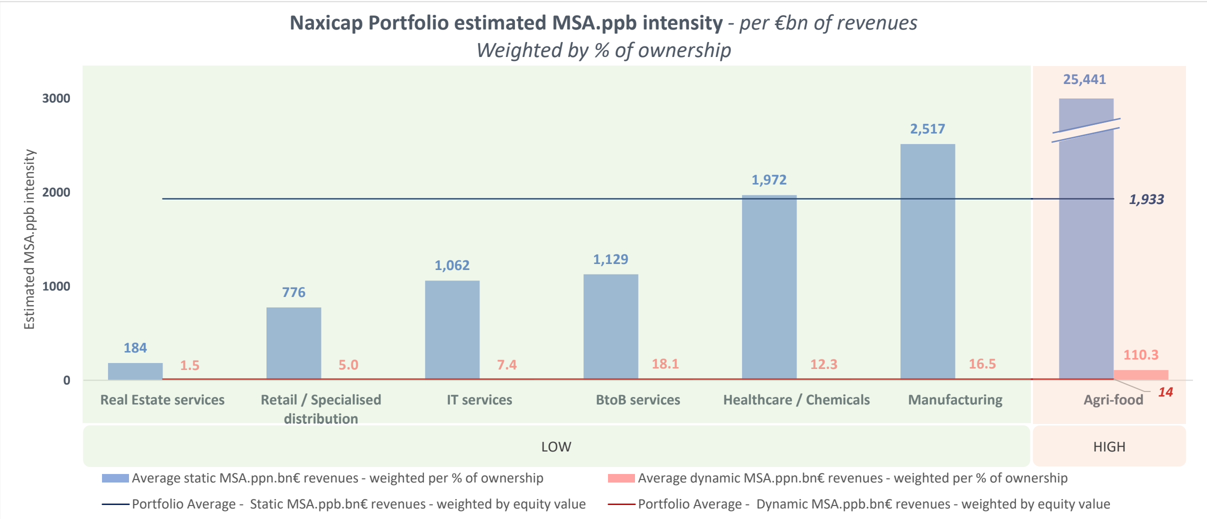
The **Biodiversity Footprint**, estimated using **MSA.ppb**, helps determine whether Portfolio Companies operate in sectors that significantly contribute to biodiversity loss. It uses **MSA.km²**, an IPBES-recognized metric that measures ecosystem integrity, where **1 MSA.km² represents the destruction of 1 km² of an intact ecosystem**. The assessment conducted by Altitude includes both **static impacts** (past cumulative impacts) and **dynamic impacts** (impacts occurring during the evaluation year) and consider two main pressures companies can have on biodiversity and ecosystem: contribution to climate change and land use.

For comparability, **MSA.km² is converted to MSA.ppb** to account for differences between terrestrial and aquatic ecosystems and is expressed as intensity (**MSA.ppb per €bn of Portfolio Companies' revenues**).

Additionally, MSA.ppb is based on sectoral estimates, which may lack in precision to capture the exact activities of Portfolio Companies.

Portfolio Companies' MSA.ppb have been estimated based on companies' sector and their global revenues. The **69** companies concerned in **Naxicap portfolio**[17] are considered to have a low biodiversity footprint, except the Agri-food sector which is considered to have a high biodiversity footprint.

The results of this estimation are presented below.



Key:

Level of sectoral negative impacts related to the absolute MSA.ppb	LOW	MEDIUM	HIGH

Agri-food is the sector with the highest MSA.ppb intensity while also being the only sector with a high level of negative impacts. This is primarily due to one company whose assets are located near biodiversity-sensitive areas and habitats of threatened species. The companies of this sector also

[17] Altitude Tool has not defined sectoral estimates for MSA.ppb in the IT and software services sector.

heavily rely on ecosystem services, including water resources (such as water quality, groundwater, and surface water) and genetic materials (agri-food raw materials). To mitigate this, **Agri-food** Portfolio Companies are developing and implementing biodiversity strategies. These include assessing environmental impacts with expert support, exploring regenerative agriculture, raising employee awareness and sponsoring biodiversity preservation organizations. Ongoing collaboration with stakeholders ensures continuous progress toward biodiversity goals.

Other sectors are considered by the Altitude Tool to have low impacts on biodiversity related to their MSA.ppb.

7.3.Main steps of our Biodiversity strategy

Steps	Key Actions	Status
1	Update our biodiversity dependencies and impact mapping based on available methodology updates and portfolio modifications	✓
2	Improve Portfolio Companies' assessment of MSA.ppb	2025/2026
3	Raise collective awareness on biodiversity responsible management	Continuous
4	Assess companies' supply chain biodiversity risks exposure	2025
5	Further engage with Portfolio Companies with highest biodiversity materiality (Agri-food sector), measure their biodiversity footprint and define biodiversity protection roadmaps at portfolio level	2025

H. DEMARCHE DE PRISE EN COMPTE DES CRITERES ENVIRONNEMENTAUX, SOCIAUX ET DE QUALITE DE GOUVERNANCE DANS LA GESTION DES RISQUES, NOTAMMENT LES RISQUES PHYSIQUES, DE TRANSITION ET DE RESPONSABILITE LIES AU CHANGEMENT CLIMATIQUE ET A LA BIODIVERSITE

Article 29 de la loi 2019-1147 relative à l'énergie et au climat - Code Monétaire et Financier, Article D. 533-16-1, III, 8° et 8° bis

8. ESG Risks management

8.1. Objectives of Naxicap's ESG Risk Process

Naxicap is aware of the material impacts of ESG risks on company performance and the potential financial reputational impacts of inadequate management of these risks.

Furthermore, regulations are becoming stricter on these subjects, both at French and European level. The SFDR (Sustainable Finance Disclosure Regulation) and the Energy and Climate Law Article 29 provide for the publication of information relating to ESG risks.

In addition, institutional investors and shareholders have increased their demands for adequate ESG risk management.

Naxicap Partners' dedicated ESG Risk management procedure was defined in December 2021. It details the following elements.

As part of its overall risk management, Naxicap wished to set up a procedure dedicated to monitoring ESG risks, given the management company's commitments in this area. This procedure is part of the general framework of Naxicap Partners' risk policy. The internal ESG risk monitoring system is characterised by:

- The nomination of a permanent team to monitor extra-financial issues and risks.
- The development, updating and sharing of normative documents (procedures and mapping) to measure the extra-financial risks to which Portfolio Companies are exposed or likely to be exposed to.
    - The monitoring of climate and energy transition risks is the subject of dedicated standard documents (see section 6. Strategy regarding Paris Agreement alignment and low carbon strategy for further details).
    - The monitoring of biodiversity related risks is the subject of dedicated analyses and reporting (see section 7. Biodiversity alignment strategy for further details).
- The implementation of information systems on the extra-financial risks of the Portfolio and control that always:
    - the extra-financial risks borne by the companies are well identified and measured,
    - ESG risk mapping (including risk indicators and other information collected directly from the Portfolio Companies) ensures a sufficient level of vigilance, particularly regarding regulatory requirements,
    - in the event of the identification of risks that could have a negative and material impact on the performance of the shareholder funds or on the management company, appropriate corrective measures are taken.

The purpose of the procedure is to describe the process put in place to assess each Portfolio Company's exposure to extra-financial risks, but also to identify the impact of risks specific to the private equity business (reputational risks, financial risks, etc.).

This procedure specifies:

- the tools used,
- the allocation of risk management responsibilities within the management company,
- the content and frequency of reporting to the management bodies.

8.2. ESG Risk Process

8.2.1. A dedicated team

The ESG team coordinates and facilitates the integration of the ESG approach in Portfolio Companies. It ensures the implementation and ongoing updating of the ESG policy and responds to investor requests.

The team is made up of 4 people, including an experienced Director who reports to a member of the Executive Committee. The team also benefits from the support of the Risk, Compliance, and Internal Control Department.

8.2.2. General missions of the ESG team

The ESG team's role is to deploy the ESG strategy at management company level (assisting with pre-investment analysis, managing audits, processes and monitoring indicators, supporting investment teams), as well as at Portfolio Company level (monitoring individual indicators, awareness-raising, support in setting up ESG roadmaps).

The ESG team also implements the extra-financial risk management procedure post-investment. The Middle Office is responsible for overseeing certain operational controls and managing specific extra-financial risks as part of the investment procedure.

With regard to ESG risk monitoring, the team is responsible for:

- Analysing and synthesizing audit reports, indicators and comments collected periodically from Portfolio Companies, so as to present to the investment team during ESG Committees conclusions and recommendations for each Portfolio Company. These conclusions and recommendations include a risk component, in particular climate risk and energy transition risk.
- Sending reports to the investment teams, and indirectly to Portfolio Company's management, including comments on the risks incurred by each Portfolio Company and recommendations to be translated into action plans.
- Producing an annually updated ESG risk mapping.
- Identifying and reporting any anomalies to the Executive Board and the Risk Department.

8.3. ESG risk mapping

8.3.1. Objectives and methodology

An ESG risk map has been drawn up and is updated annually with the support of the Risk Department. The aim of the mapping is to lay out all the underlying sustainability risk factors that could have a shortmedium or long-term impact on the value and performance of the companies in the portfolio. This mapping contributes to shape our approach to defining new risk management procedures and ESG processes at Naxicap Portfolio level, especially when identifying shortcomings in risk management and prevention.

In more details, for each identified ESG risk, we conduct a comprehensive assessment of our portfolio's exposure to these risks, encompassing financial impacts, as well as reputational and controversy-related repercussions. This evaluation leads us to define a gross risk level. Subsequently, we assess our risk control framework, encompassing internal processes and procedures established at Naxicap level to manage and mitigate these risks. By combining the gross risk with the deployed risk control framework, we can ascertain the level of net ESG risk and identify areas where we need to bolster our approach to risk management and mitigation.

8.3.2. Main ESG risks description

ESG risks identified an assessed to perform the ESG risk mapping are described below:

Category	Risk	Description	Potential impact
Governance	Balance of power	Governance aims to ensure the sustainability of the company by enabling strategic directions, taken in the interest of all stakeholders. A balanced governance enables healthy discussion and debate of pros and cons before pursuing a strategic lead. The risk of poor governance may stem from a lack of interest in the company's continuity, conflicts among leaders, or the failure of leaders' virtue, potentially resulting in company devaluation.	Inadequately strategic and financial decision-making, damaged reputation, increased probability for error, theft, fraud, misappropriation of assets.
Governance	ESG governance	A lack of ESG management by companies prevents investors from identifying and assessing their exposure to certain types of risks, potentially threatening the sustainability of the business. Furthermore, effective management serves as evidence of the actual commitments to CSR made by companies and helps avoid the risk of greenwashing.	The lack of an ESG governance structure will delay the integration of ESG considerations at Management Board level, the implementation of ESG risk management at operational level and the diffusion of the necessity to act (climate transition, sustainable business models).
Governance	Business ethics	Business ethics reflects company's internal values. Unethical behaviour, such as regulatory non-compliance, stakeholder trust risks, conflicts of interest, and illegal activities for personal or corporate gain, can jeopardize company activities.	Financial and legal penalties, lawsuits, damaged reputation, name and shame, voided contracts, financial forfeiture, material loss, loss of business opportunities, increased audit costs, loss of license to operate.
Environment	Climate	Climate risk within the portfolio can manifest as supply or activity interruptions due to physical climate events (physical risks), or as decreased revenue from activities due to insufficient anticipation of ecological transition, encompassing regulatory, technological, market, or reputational aspects (transition risks).	Reduced demand, increased raw material costs, asset repricing, changed revenue mix, higher operating costs (compliance, insurance), greenhouse gas emission pricing, legal and financial penalties, increased R&D spending on new technology, direct impact on production, increased capital costs, asset write-offs and early retirement.

Category	Risk	Description	Potential impact
Environment	Resource management	Strategic raw materials should be part of carefully planned procurement management to avoid shortages and prepare for more local, circular economy-oriented, sustainable business and sourcing models. Several raw materials18 have already faced shortages and are identified as key by Europe in our strategic autonomy19.	Rising prices, shortages, additional costs due to waste management
Environment	Impact on biodiversity	Biodiversity risk for Portfolio Companies is mainly reflected in the risk of pollution by industrial companies (direct or indirect if waste management is poor). It can also manifest through artificialisation activities (construction, building), or tourism near protected areas.	Fines (environmental litigation), reputational risk. If a company degrades its immediate environment, it may also threaten its own business continuity.
Social	Employees health and safety	Poor employee health and safety often manifest by: - An increase in the number of accidents at work - Higher absenteeism - Disorganisation of plannings An increased attrition rate.	Drop in productivity, financial and legal penalties, damaged reputation.
Social	Working conditions and mental health	Poor working conditions and/or a lack of initiatives to promote employee well-being often led to stress, sickness, increased absenteeism or even burnouts.	Drop in productivity, drop in revenues, and in employees' commitment, damaged employer brand.
Social	Training and competence development	Employees competencies should be maintained through training and regular technical updates, knowledge management and management empowering to keep the workforce motivated and operational. Internal training also favours knowledge sharing and implementation of best practices to gain in efficiency.	Loss of business activity, drop in productivity, a drop in the quality of service, weakened strategic and competitive positioning, reduced employee engagement, reduced revenues due to client loss.
Social	Inequalities of treatment and discrimination	Unequal treatment constitutes unfair treatment independently of how it affects those it concerns, and independently, also, to some extent, of how it affects these people's overall opportunities. Discrimination means treating someone 'less favourably' than someone else, because of age; disability; gender reassignment; marriage and civil partnership; pregnancy and maternity; race; religion or belief; sex; sexual orientation	Financial and legal penalties, damaged reputation.

[18] Electronics and ICT, batteries and vehicles, packaging, plastics, textiles, construction and buildings, food, water and nutrients
[19] Circular Economy Action Plan for a Cleaner and More Competitive Europe

Category	Risk	Description	Potential impact
External Stakeholders	Supply chain management	- Reputational risk: Risk of non-compliance with human rights and/or environmental standards within the value chain. Commercial risk in the event of a breakdown in the supply chain, particularly where relationships are not sufficiently robust.	Disruption in supply of goods and raw materials and associated operational impacts, loss of brand value, customer and consumer confidence, damaged reputation.
External Stakeholders	Client satisfaction and relationship	Customer and/or consumer dissatisfaction with the quality and reliability of the products or services offered, with serious consequences.	Complaints, boycotts, loss of loyalty, additional costs associated with reimbursement, damage to brand image
External Stakeholders	Relation with civil society	- Lack of communication and transparency with non-contractual stakeholders (local residents, authorities), leading to misunderstanding or conflict. Reputational and commercial issues linked to a possible breakdown in relations with civil society, including aspects such as attracting talent, obtaining operating permits, etc.	Increasing government restrictions and legislations on business activities, disruption in supply of goods and raw materials and associated operational impacts, damaged reputation.

8.4.Risk Control System

The Risk, Compliance and Internal Control Department ensures that risk policy and risk mapping are in place, updating them regularly and ensuring that they are properly applied.

As part of the implementation of second-level compliance and internal control work, it ensures:

- compliance with ESG risk monitoring procedures,
- reporting to the Management Board of the Investment,
- monitoring ESG risk indicators and compliance with the anomaly response system.

8.5.Description of the anomaly response system

The ESG team maintains an anomaly tracking file, which is integrated into the risk monitoring system managed by the Risk Department. Anomaly identification is carried out through comprehensive monitoring of the press and other sources, using a dedicated tool to identify and analyse existing controversies.

Any situation defined as "abnormal" by the ESG Committee is the subject of alerts to the investment team, so that appropriate corrective measures can be implemented by the companies concerned.

If the anomaly is rectified without delay (within one month), the investment teams inform the ESG team by return e-mail.

If not, the ESG team sends a new alert to the Management Board, copying the investment team. in order to obtain corrective action.

If the identified risk could have a material and negative impact on the performance of shareholder funds, or on the management company (reputational risk, etc.), then the executive Board and the Risk, Compliance and Internal Control Department are consulted for their opinion/decision.

A summary of these anomalies is presented annually to the Naxicap executive Board, who is responsible for forwarding it to the Supervisory Board.

8.6.Main steps of our ESG risks strategy

Steps	Key Actions	Status
1	Continuously update our risk mapping based on available methodology updates and portfolio modifications	✓
2	Conduct specific risks analyses based on TCFD and TNFD methodologies (physical and transition risks) for high impact companies, based on their activities, size and location (climate and biodiversity)	2024/2025
3	Define and test methodologies to assess financial potential impacts for a limited number of ESG risks	2024/2025

I. LISTE DES PRODUITS FINANCIERS MENTIONNES EN VERTU DE L'ARTICLE 8 ET 9 DU REGLEMENT DISCLOSURE (SFDR)

Article 29 de la loi 2019-1147 relative à l'énergie et au climat - Code Monétaire et Financier, Article D. 533-16-1, III, 1°, c)

9. SFDR Classification

As of December 31st, 2024, 13 Naxicap Funds out of 57 enter the application field of SFDR Article 8 (21.7%, in number of active Funds).

All other Naxicap Funds enter the application field of SFDR Article 6 (78.3%, in number of active Funds).