



EDMOND
DE ROTHSCHILD

SUSTAINABLE DEVELOPMENT REPORT PRIVATE EQUITY

2022/23

EDMOND DE ROTHSCHILD, BOLD BUILDERS OF THE FUTURE.



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MESSAGE FROM ARIANE DE ROTHSCHILD

The geopolitical and economic situation at the end of 2022 is of unprecedented complexity. War in Europe, loss of energy sovereignty, inflation, rising interest rates, the urgent need to act against global warming: all these factors contribute to a scenario that forecasters call a «perfect storm». It is in these situations that our responsibility is greatest.

Giving in to pessimism or despondency is not an option. On the contrary, as everything seems to darken and slow down, we need to redouble our determination. We need to put in place long-term investment solutions with a strong commitment, in order to do our part and contribute, in our own way, to solving today's problems.

This determination to act has always guided our family through the generations. For many years, I have devoted most of my energy to this. The Edmond de Rothschild Group has been guided by this commitment to impact.

I've long been convinced that an investment should be judged not only by its financial performance, but also by what it brings to society.

To this end, we give priority to concrete initiatives that produce tangible, measurable effects on the real economy. For over fifteen years, our investments and financial products have been aimed at meeting what we identify as the major environmental, social and demographic challenges.

We invest in the return of industrial land to housing, in education and training, in green and social infrastructure, in agri-food systems that do not deplete resources, in real estate renovation, in renewable energies, in human capital.

Concern for impact is at the heart of a strategy that unifies our approach and aligns our interests with those of our customers and stakeholders. To this end, several of our areas of expertise have introduced performance indicators linked to the achievement of measurable objectives in terms of impact. It's all about responsibility and transparency.

Despite market uncertainties and economic scenarios that may be influenced by a vision of rapid performance, our responsibility requires us to stay the course and not sacrifice the long term for speculation. In 2023, therefore, our priority will be to further accelerate investments to combat global warming, at a time when the quest for immediate profits could relegate them to second place. We are also ready to evolve our parameters and methods, as well as our outlook and expectations, in order to place ourselves at the forefront of thinking on how to adapt finance to the world as it is. Without abandoning our convictions, we are more than ever ready to listen to our customers, our partners and our employees, in order to be present and to live up to our position as a responsible financier.

I would like to thank our private and institutional customers who, by entrusting us with the management of their assets, make a positive contribution to these challenges and invest in the creation of long-term value. The solidity of what we have built and our experience of adverse circumstances give me full confidence in our ability to face the future together.



Ariane de Rothschild
President of Edmond de Rothschild

MESSAGE FROM JOHNNY EL HACHEM



Johnny el Hachem
CEO of Edmond de Rothschild
Private Equity

We are extremely proud to present our Sustainability Report 2022, an illustration of our commitment to a responsible future.

This document highlights our achievements, our sustainable initiatives and our determination to pursue our mission responsibly, in the service of the environment and society.

In this ever-changing world, our commitment to sustainability, which began more than 18 years ago, remains the cornerstone of our strategy. Today, we are convinced more than ever that environmental and social issues are not just challenges, but opportunities for meaningful action.

In 2022, we have strengthened our commitment to supporting the energy transition through new investments in environmental infrastructure. This approach promotes renewable energies and the circular economy, and contributes to the ecological transition of our industry.

We are continuing to implement solutions to the scarcity of natural resources, from preserving arable land to acting on agri-food value chains.

Our approach goes beyond simply considering the environment. We recognise our social responsibility towards our employees and our communities. For example, our strategies support the sustainable development of our local SMEs while promoting

distribution of value creation among employees. Internationally, we continue to invest in growth strategies in Africa, providing strong support for local businesses and contributing to the region's economic and social growth.

In 2023, we reaffirm our commitment to our investors and to new generations. Our actions maintain their momentum, with the aim of reorienting finance to serve industry, mobilising private and public resources to finance transition as well as developing sustainable innovation. The time has come for sustainable finance to be the norm, not just a niche option!

Thank you for your interest and continued support for our commitment.

An aerial photograph showing a dense forest of green trees on the left, transitioning into a body of water on the right. The water is filled with numerous lily pads, creating a textured, green surface. The sky is a deep blue, and the overall scene is serene and natural.

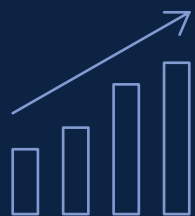
1.

EDMOND DE ROTHSCHILD
PRIVATE EQUITY

A PIONEERING APPROACH TO MEET THE CHALLENGES OF TOMORROW

Supported by strong investment convictions, our 15 strategies are designed to meet current and future societal challenges:

- › An intentional responsible investment approach aimed at putting finance back at the service of industry;
- › Innovative and differentiating long-term strategies for the future;
- › Private Equity expertise based on 250 years of entrepreneurial history;
- › A unique division of industrial expertise focused on sustainable value creation in portfolio companies.



€3,6 BN
TOTAL AUM



+200
PROFESSIONALS



15
INVESTMENT
STRATEGIES



13
INVESTMENT
TEAMS

Data as of 31/12/2022

EDMOND DE ROTHSCHILD PRIVATE EQUITY

The Edmond de Rothschild group's Private Equity activities are grouped together in a single business line: Edmond de Rothschild Private Equity. These activities are supported by two asset management companies: Edmond de Rothschild Private Equity (France), a French asset manager supervised by the Autorité des Marchés Financiers, and Edmond de Rothschild Private Equity Luxembourg S.A., an asset manager supervised by the Commission de Surveillance du Secteur Financier.

Our business sectors



FINANCE



INDUSTRY



REAL ESTATE



AGRO-INDUSTRY



INFRASTRUCTURE



CUSTOMER RETAIL



TECH

15 STRATEGIES DESIGNED TO MEET ENVIRONMENTAL AND SOCIAL CHALLENGES





2.

OUR APPROACH
TO SUSTAINABILITY

OUR JOURNEY



2005

Creation of an Environmental Finance Unit



2008

Launch of an investment strategy dedicated to social and transport infrastructure



2009

Launch of an investment strategy dedicated to the rehabilitation



2011

Signature of the UN Global Compact



2018

Launch of an investment strategy dedicated to environmental infrastructure in Europe with the Greenfin label



2016

Edmond de Rothschild Private Equity becomes a UNPRI signatory



2012

Launch of an agroforestry strategy



2012

Launch of an investment strategy dedicated to growth in Africa



2019

Launch of an investment strategy dedicated to business transfers



2020

Signature of France Invest's commitment and parity charters



2022

Participation in the steering committee of the France Invest Sustainability Commission



2023

Continuation of the climate change strategy

FUNDAMENTALS OF OUR APPROACH

Our commitments

RESPONSIBLE INVESTMENT POLICY

presenting our sustainable development approach.

SUSTAINABILITY CHARTER

presenting our commitment to responsible investment in close collaboration with the investment teams.

SHAREHOLDER ENGAGEMENT POLICY

describing how we work with our portfolio companies (reported to asset management firm Edmond de Rothschild Private Equity France).

Our governance

Our 15 partner strategies are represented by a dedicated ESG manager or an ESG sponsor who monitors projects in conjunction with other functions.

A Sustainability Committee coordinates sustainable development projects with all our partners to ensure the alignment of practices and improve synergies between stakeholders. The committee addresses the various projects initiated by the Group, as well as changes in the regulatory framework, with the investment teams.



Our processes

ANALYSIS OF INVESTMENT OPPORTUNITIES

For each investment opportunity, the risk manager verifies compliance with the restriction defined in the Edmond de Rothschild Private Equity's exclusion list. This sector and normative exclusion list is part of an evolving regulatory framework that meets both new requirements in terms of compliance with ESG criteria and the need to support companies as they transition to more virtuous business models.

A pre-investment grid used by all our private equity activities has been put in place to harmonise and holistically assess sustainability risk across the three E, S and G components, including the assessment of climate-related risks (transition risk and physical risk).



DATA STRUCTURING AND MANAGEMENT

Our ESG data collection tool (Reporting 21) implemented for all of our funds enables the consolidation, monitoring and reporting of performance indicators.

An ESG strategy is identified and implemented for each fund, including:

- **Intentionality:** which E, S and G aspects do we wish to act upon? What resources are we employing to achieve our objectives and measure our actions?
- **Measurability,** with the implementation of carried interest indexed to impact indicators for our impact investing strategies.
- **SFDR classification** and implementation of the processes necessary for this classification.

OUR PUBLIC COMMITMENTS & CERTIFICATIONS

Our public commitments



2016

Edmond de Rothschild Private Equity S.A. has been a signatory of the UNPRI since 2016 and obtained a maximum rating of 5 stars in 2021 on the Investment Stewardship & Policy module (latest available score).



United Nations
Global Compact

2011

The Edmond de Rothschild group has been a signatory of the United Nations Global Compact since 21 June 2011.

The Global Compact calls on companies to align their strategies and operations with ten universal principles spanning human rights, labour, the environment and the fight against corruption, while also taking measures to advance societal objectives and implement the Sustainable Development Goals.



Edmond de Rothschild Private Equity (France), a member of France Invest since its inception, has been a signatory of the Parity and Engagement Charter since 2020 and actively participates in several working groups.

In 2022, Edmond de Rothschild Private Equity became a member of the Steering Committee of the Sustainability Commission, playing an active role as coordinator of the commission's Sustainable Finance working group.

France Invest is a professional organisation comprising nearly 400 French asset management companies and nearly 180 consulting firms. The members of France Invest allow institutional and retail investors alike to support companies working to develop or finance infrastructures that improve the lives of French people.

Certifications obtained for our investment strategies



Our fund investing in SME Transmission obtained "Relance" certification in 2020.

The label recognises funds that are committed to rapidly mobilising new resources to support the equity and quasi-equity of French companies (SMEs and ISEs).



Our environmental infrastructure funds have received "Greenfin" certification.

Created and supported by the French Ministry responsible for the Ecological Transition and Regional Cohesion, Greenfin provides a guarantee to investors (banks, insurance companies and savers) that the financial products receiving certification effectively contribute to the financing of the energy and ecological transition. As a leading expert in the assessment of sustainable finance practices in Europe, Novethic is an official Greenfin certification auditor.

INTEGRATION OF SUSTAINABLE DEVELOPMENT GOALS



In 2015, the United Nations launched the 2030 Agenda for Sustainable Development. The framework for the Sustainable Development Goals (SDGs) comprises 17 goals, 169 targets and 230 related indicators. It aims to harmonise international efforts to address the world's greatest societal challenges, such as ending poverty, improving health and education, reducing inequalities and preserving oceans and forests.

We are working to address 17 societal challenges and incorporate them in our reports. **6** strategies actively participate in the listed objectives. Together, these strategies cover **13** of the 17 SDGs.

Business growth capital

Africa & North Africa



Agri-Foodtech

Europe, US, Israel



Social & Transport Infrastructures

Europe



Sustainable urban development

Europe



Infrastructures dedicated to the energy transition

Africa & North Africa



Agro-Industry

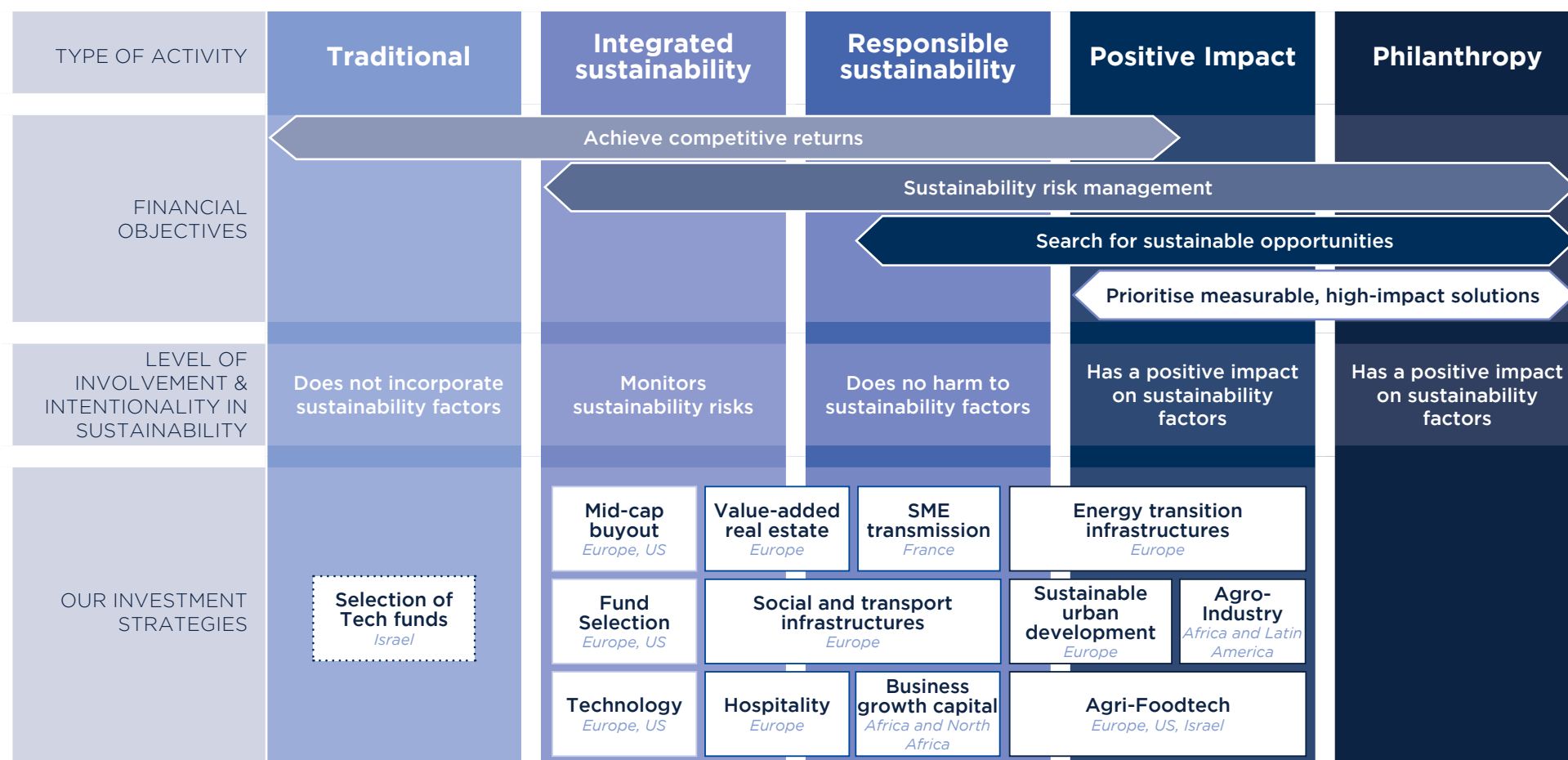
Africa & Latin America



INTEGRATION OF SUSTAINABILITY IN OUR STRATEGIES

We propose several approaches to sustainable development, depending on the type of strategy implemented. These approaches are classified into three levels of involvement: sustainability integration, responsible sustainability and impact investing.

In the long term, our aim is to steer all our funds towards a responsible sustainability strategy at the very least.



A SUSTAINABILITY APPROACH ROOTED IN OUR INVESTMENT CONVICTIONS

Our strategies are deliberate and designed to provide solutions to global challenges exacerbated by climate change: energy needs, resource scarcity and demographic changes.



OUR INVESTMENT CONVICTIONS

MEETING ENERGY NEEDS

The energy crisis exacerbated by the war in Ukraine has highlighted the vulnerability of energy supplies and the need to adopt more local, resilient and environmentally friendly energy sources. In addition, climate constraints require us to rethink our production methods in order to reduce our carbon footprint. In Europe, the majority of available energy still comes from fossil fuels. The European Union's goal to transition to more sustainable energy is real, with a target of reducing CO₂ emissions by 55% by 2030.

In order to meet growing energy needs while preserving the planet, and in line with European ambitions, we finance and develop projects aiming to accelerate the energy transition. These local and affordable energy alternatives - such as biomass cogeneration - focus on the circular economy.



**Environmental
infrastructures**



**Infrastructures/
Soft mobility**



**Urban
regeneration**



**Growth
in Africa**



OUR INVESTMENT CONVICTIONS

MEETING RESOURCE SCARCITY CHALLENGES

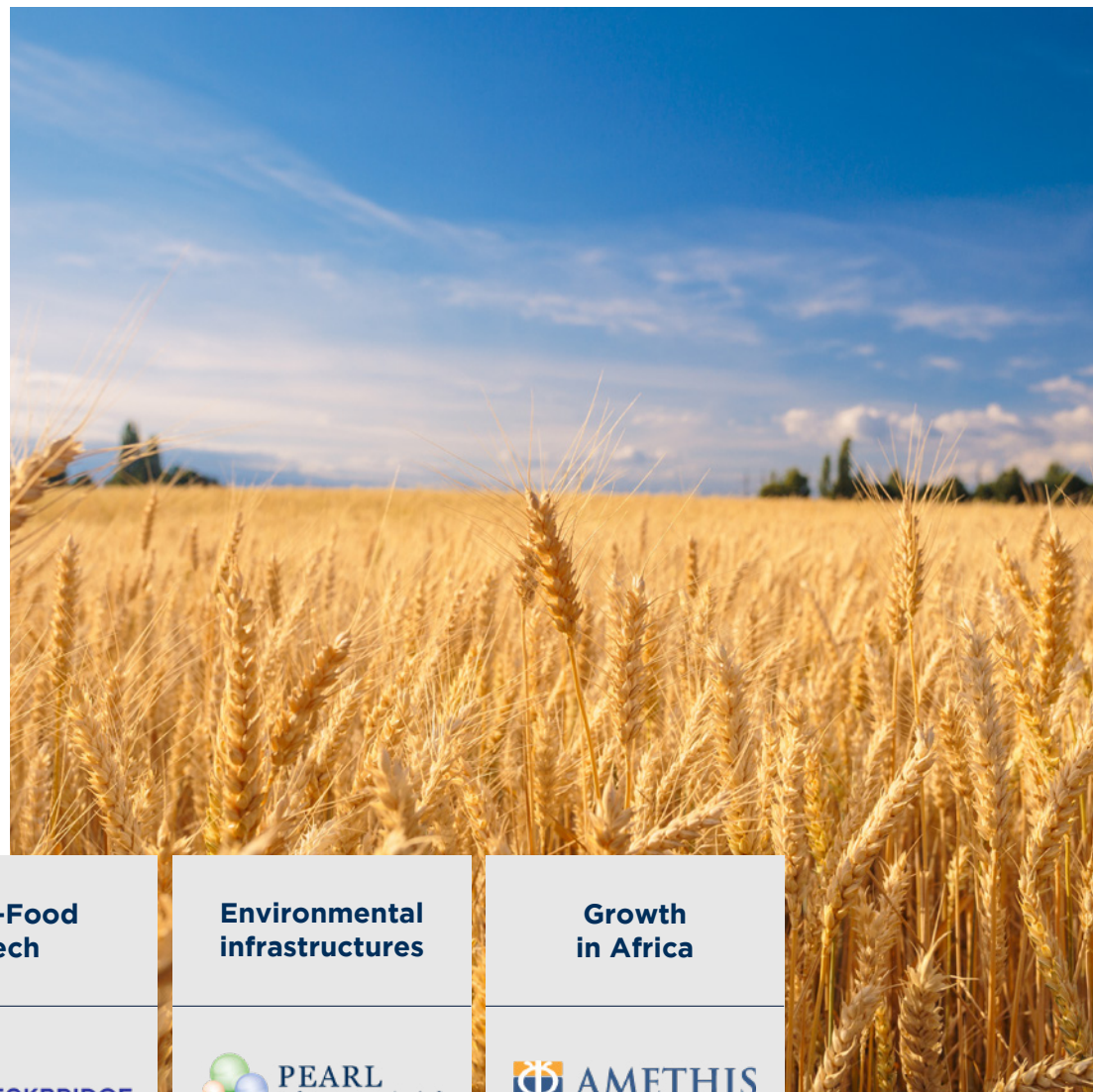
The scarcity of resources is an inescapable reality that shapes our lives and our well-being. Exacerbated by climate change and rapid population growth, it is a critical issue for our present and future alike.

The challenge is multi-faceted, with significant economic, environmental and social impacts. Over-consumption or mismanagement of natural resources leads to the deterioration of ecosystems and loss of biodiversity. Nearly 40% of the world's farmland is affected by soil deterioration due to non-sustainable exploitation.¹

From a social perspective, the scarcity of resources accentuates inequality. Disadvantaged communities are often the most affected by the shortage of water and energy, with the risk of conflict and massive displacement of these populations.

To address this challenge, we are developing adaptation or mitigation strategies focused on sustainable and carefully planned management of natural resources, emphasising circular economy, protection of arable land and agri-food technologies.

1. United Nations Press Release - 27 April 2022 - Institute for Economics and Peace



**Urban
regeneration**



**Sustainable
agriculture**



**Agri-Food
Tech**



**Environmental
infrastructures**



**Growth
in Africa**



OUR INVESTMENT CONVICTIONS

ADDRESSING THE CHALLENGES OF DEMOGRAPHIC CHANGES

The world is facing significant but mixed demographic changes, including ageing of the population, rapid urbanisation and migration. At the same time, Africa is experiencing major demographic growth, and its population appears to be a potential economic asset.

This multiple reality also poses economic, environmental and social challenges such as pressure on natural resources, urban sprawl, labour shortages and training improvement.

By anticipating challenges and seizing opportunities, we can create more inclusive, sustainable and resilient societies. This includes investments in infrastructure, local businesses and human capital in order to foster a sustainable and prosperous future for all.

To meet these challenges and seize demographic opportunities, we support the development of infrastructure and the transformation of European and African SMEs. We provide solutions tailored to local realities, aimed at sustaining economic and social fabrics.



Tech

► **Kennet**

**Infrastructures/
Soft mobility**




**SME
transmission**

Trajan

**Growth
in Africa**

 **AMETHIS**

A woman with glasses and a patterned jacket stands in the center of a busy city street, looking upwards. She is holding a brown leather bag. The background is filled with blurred figures of other pedestrians, suggesting a fast-paced urban environment. The scene is captured in warm, golden-hour light, with a large glass building reflecting the sky and surrounding structures.

3.

2022 OVERVIEW
AND NEXT STEPS

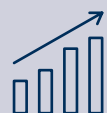
HIGHLIGHTS OF 2022



Training

100% of our employees received training, provided by specialist consultants, entirely dedicated to climate issues.

Training on sustainability topics is extended to 100% of our investment teams.



2022 figures

39%

of Edmond de Rothschild Private Equity employees are women

11/13

teams have a quantified and measurable gender equality target set by senior management or a goal of achieving greater diversity without a quantitative target

11/13

teams have formalised an ESG policy (public or private)

9/13

teams specifically assess climate change risks (physical or transition risks) and/or opportunities

10/13

systematically design ESG improvement plans with portfolio companies or in most cases

OVERSIGHT OF OUR 2023 PROJECTS AND OBJECTIVES

Since 2021, Edmond de Rothschild Private Equity has developed a medium-term (3-year) project roadmap with the support of a consultant. Of these projects, the goal of ramping up climate-driven efforts was reflected in team training on climate change issues and the aim of joining the Net Zero Asset Manager initiative to align our portfolios with the 1.5°C trajectory in the long term.

1 2 3 4

2022

Get involved in the Sustainable Finance working group of the France Invest Sustainability Commission	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Launch Art. 9 funds with positive-impact objectives	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Raise awareness and train our teams on climate issues	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Finalise compliance with SFDR	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Formalise a public climate policy	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Expand oversight of ESG data via Reporting 21 to all our funds	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

2023 - 2024

Deploy a climate and biodiversity risk analysis tool for use by investment teams	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Support the transition of all our funds towards the integration of sustainability issues and/or positive-impact strategies	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Define a common framework of indicators to our various investment strategies	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Pursue the Climate Strategy by joining the NZAM initiative	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Set targets for aligning our portfolios with the Paris Agreement	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



4.

ILLUSTRATIONS
OF OUR ACTIONS

MEETING THE CHALLENGES OF THE ENERGY TRANSITION

PROMOTING ALTERNATIVE AND LOCAL ENERGY SOURCES

The mention of certain investments should not be construed as a recommendation to buy or sell the securities by the companies in question.

Driver of change

Europe is accelerating its transition to a low-carbon economy. In 2021, the European Union raised the carbon emissions reduction targets in its climate plan. More recently, the EU Council and Parliament reached an agreement to increase the percentage of renewable energy in final energy consumption to 42.5% by 2030, marking considerable progress in light of the 20% target set

for 2020. The war in Ukraine, coupled with high volatility in gas and electricity prices, have exacerbated the strategic need to produce energy independently and locally in Europe. It is therefore critical to significantly strengthen Europe's renewable energy production capacity.



Key figures for the project in 2022

380 GWh

Renewable energy annually produced (thermal and electrical)

146,000 MWh_e

Renewable electrical energy annually produced

240,000 MW_{th}

Renewable thermal energy annually produced

90,000 t eq. CO₂

Emissions avoided per year, equivalent to roughly 30,000 petrol cars

47,600 homes

Supplied with electricity

Our solution: promoting local green energy sources

Our European environmental infrastructure strategy, PEARL, offers solutions focused on the energy transition and the circular economy.

Biomass cogeneration plants for example, play a crucial role in providing continuous electrical and thermal energy (unlike intermittent sources of energy production, such as solar or wind power), locally and affordably. By meeting the demand of industrial customers, these plants contribute significantly to the decarbonisation of industry, paving the way for a transition to more sustainable and environmentally friendly energy sources.

The investment in BioEnergie Wismar, (a biomass cogeneration plant in northern Germany) is part of our decarbonisation goal. With more than half of the country's energy production relying on coal and oil, Germany is still highly carbon-intensive.

The power plant is capable of generating 18 MW of electricity and 30 MW of renewable thermal heat all while recycling wood residues supplied by local manufacturers.

Additionally, it will provide heating to industrial clients, including a wood pellet manufacturer and a nearby sawmill.





1. What were your top priorities and key initiatives in terms of ESG/Impact Investing in 2022?

We strengthened our commitment to the sustainability and traceability of biomass by having our procurement process in Germany certified (in accordance with the RED 2 Directive) and by rolling out biomass traceability software at all power plants.

We also modelled the carbon footprint of our assets, covering scopes 1/2/3. This enabled us to improve CO₂ avoidance measurement of our power plants, demonstrating our active role in climate change mitigation.

What was your greatest success in 2022?

We have implemented an ESG strategy in accordance with Article 9 under SFDR. Despite the complexity of developments and directives issued by European authorities, we are proud to

EXPERT OPINION

INTERVIEW WITH MARGOT LEPRÉVOTS | HEAD OF ESG AT PEARL INFRASTRUCTURE

have built this strategy, which has been approved and selected by the European Investment Fund.

2. How does the fund adapt to the political, economic and social uncertainties associated with climate change?

On the economic/political front, Pearl provides a concrete solution to the challenges of climate change, renewable energies taking centre stage and supported by the various governments. The high volatility of gas and electricity prices triggered by the war in Ukraine highlighted the strategic importance of producing energy independently and locally in Europe.

On the other hand, Europe has been very active in terms of regulation in recent years, bringing constant changes that have led us to anticipate stricter standards.

As a result, our fund has installed traceability software at all its power plants, providing accurate data on biomass deliveries (truck by truck view). We are thus able to ensure that our supplies are sustainable and local. From a social standpoint, our investments are exclusively located in Europe and we comply with the highest standards in terms of human rights and social, health and safety standards.

3. How do you measure the overall ESG performance of your strategy?

In 2022, avoided emissions from our biomass cogeneration plants totalled

276,000 metric tons of CO₂ equivalent, effectively cancelling out the annual carbon footprints of more than 31,000 French people (equivalent to a city the size of Agen).

We also measure the amount of renewable energy produced, direct and indirect jobs generated, and any workplace accidents taking place on construction sites. All these figures are disclosed in our annual ESG report.

Thanks to our position as majority shareholders in all assets, we can work directly with operational teams to implement ESG improvements.

4. What are the major challenges and opportunities of implementing an ESG/Impact Investing policy?

Implementing an ESG strategy is the least an investment fund like ours can do in this day and age, particularly in response to the growing awareness of investors and to changes in regulations aimed at increasing transparency. Furthermore, this strategy ensures that our assets will generate a positive impact over the long term.

Since an infrastructure such as a biomass cogeneration plant is commissioned for 40 years, there is a real financial risk if you fail to take ESG aspects into account, such as climate risks for example. When it comes to PEARL, procurement and sustainability analysis is also strategic and is paramount to the investment process. This analysis contributes to sustainable profitability from both a financial and environmental standpoint, enabling optimised and carefully planned

management of forests as well as waste recovery.

5. What are your focus areas in the short and medium-term?

Information and communication – it is vitally important to improve communication on the production of energy using biomass. This is one of the solutions implemented to achieve Sustainable development goals, and this technology can be found in multiple 1.5 and 2°C scenarios. It is thus important to bear in mind that bioenergy is the leading source of renewable energy in Europe. To avoid any deviations or over-use of natural resources, European standards are very strict and aim to ensure the sustainable implementation of bioeconomics, a crucial step in addressing the challenges ahead. By working with industrial partners in the agri-food and wood industries on its investments, PEARL contributes to the responsible and disciplined management of these resources.

MEETING RESOURCE SCARCITY CHALLENGES

REGENERATION OF BROWNFIELDS TO COMBAT URBAN SPRAWL



Driver of change

Europe has more than 3 million polluted sites, a result of past industrial activities. These sites remain unusable and represent major health and environmental risks. In parallel, due to rising demographic pressure and new urban planning needs, cities are looking for spaces they can use at the expense of natural farmland and forests.

Urban expansion not only leads to soil artificialisation, but also places residents farther away from jobs and services, thus generating high dependence on individual mobility. This mobility in turn requires the construction of transport infrastructure, reducing surrounding natural areas and increasing greenhouse gas emissions.

Our solution: contributing to net zero artificialisation

The rehabilitation and redevelopment of brownfields represents an ingenious response to the dual challenge posed by urban sprawl and the shortage of vacant land for construction.

Ginkgo has worked to meet these challenges since 2010, with a strategy of brownfield decontamination and redevelopment by rebuilding “the city on the city”.

Ginkgo acquires, depollutes and redevelops polluted and/or abandoned industrial sites lying at the heart of the most dynamic urban centres in Europe. Our strategy aims to preserve natural spaces while promoting balanced, sustainable urban development.

This approach allows us to rejuvenate brownfields and transform them into multi-use spaces. We create housing, offices and commercial premises, while reintegrating nature into the very heart of the city. We promote city-dwellers' quality of life, the emergence of a new economic and social dynamics, and revitalise the neighbourhoods in question.

By focusing on rehabilitation rather than urban expansion, we actively contribute to preserving green spaces and natural ecosystems. In 13 years, we have rehabilitated – or are in the process of rehabilitating – more than 100 hectares, through 25 curated European redevelopment aiming to reintroduce nature in cities.

Business Case

LYON – GERLAND: MEETING THE CHALLENGES OF THE CITY OF TOMORROW

In May 2012, our Ginkgo strategy acquired the old “Fagor-Brandt plants”, particularly contaminated by hydrocarbons, mercury and volatile organic compounds, to redevelop this 4.4-hectare site into an eco-neighbourhood including:

- 42,200 m² of housing, o/w 40% social housing and a 640 m² nursery;
- 20,200 m² of offices and 8,500 m² of logistics/commercial space.

The project takes a targeted and complementary approach to address the 3 key action pillars defined by Ginkgo’s impact investing strategy: protecting health and improving quality of life, strengthening biodiversity and saving resources, and combating climate change.

1 PROTECTING HEALTH AND QUALITY OF LIFE

Management of environmental liabilities represents:

- More than €4 million invested in pollution management;
- €3 million invested in on-site demolition and asbestos removal.

Stakeholder management includes:

- Constructive dialogue with urban planning authorities, elected representatives and local residents:
 - › Public investigation conducted for nearly two months, and a positive opinion issued by the investigating commissioner citing the excellent quality of the project and validating the site development permit
- 42,200 m² of residential development, o/w 40% affordable social housing;
- €10 million invested in infrastructure and public service development (roads, green spaces, schools, etc.).



2 PRESERVING BIODIVERSITY AND RESOURCES

Reduction of soil artificialisation:

- The renovation of 4.4 ha, development of around 649 housing units and 29,800 m² of tertiary space;
- This is equivalent to the protection of 32.5 ha of natural spaces.

Integration of positive biodiversity in a site that was 100% artificialised at the time of acquisition; the residential district will include:

- 35% green spaces directly integrated in the land;
- 200 trees.

The business and services district will accommodate approximately 9,000 m² of green spaces and an urban farm:

As a result, the site's biotope coefficient by surface area will increase from 0 to 0.38, with nearly 1.2 ha of planted space.

Saving natural resources:

- 100% of non-hazardous demolition waste recycled;
- +73% of all non-hazardous demolition waste and excavated/treated soil recycled on or off-site.

3 ADDRESSING CLIMATE CHANGE

Energy efficiency:

"Very Good" BREEAM certified buildings.

Residential programmes comply with RE2020 regulations and City of Lyon guidelines on sustainable construction, notably with respect to the following standards:

- NF Habitat HQE - «Excellent» level;
- E3C1 and BEPOS Effinergie 2017 certification;
- Use of biosourced materials, including local wood.

Climate resilience:

Mitigation of climate risk through the creation of 1.2 ha of green spaces.

The mention of certain investments should not be construed as a recommendation to buy or sell the securities by the companies in question.

Source: Ginkgo, data at 31/12/2022



Business Case

BUILDING FOR A RESILIENT FUTURE FLORENCE: A PROJECT AIMED AT ACHIEVING EXEMPLARY CLIMATE RESILIENCE AND BIODIVERSITY

The integration of climate risks is an essential part of Ginkgo's investment process. The analysis of risks and their potential impact on their future uses are addressed very early during the due diligence phase and then implemented into the design of redevelopment projects.

The goal of this approach is to develop real estate projects that are resilient to climate change and meet the requirements of the European Green Taxonomy.

In 2022, Ginkgo acquired a former railway site covering 8 hectares in the centre of Florence, Italy. The project aims to depollute the site and redevelop it into a mixed 55,600 m² real estate project consisting of housing (including social housing), commercial spaces, cultural areas and a hotel.

The analysis of climate risks revealed a high risk of flooding, coupled with the risk of longer and intensifying heat waves.

With the support of the European Investment Bank and Egis Conseil, the team proposed solutions to reduce these risks while promoting biodiversity:

- Integrated, sustainable rainwater management thanks to desealing, the installation of retention basins and the creation of a floodplain to the west of the site;
- Creation of a «green corridor» between the site and Parco delle Casine. Special attention will be paid to the selection of endemic species adapted to wetlands;
- Greening of buildings and spaces, in order to increase rainwater retention capacity and limit the effects of urban overheating.

The mention of certain investments should not be construed as a recommendation to buy or sell the securities by the companies in question.

Key figures for the project in 2022

€9.5 M

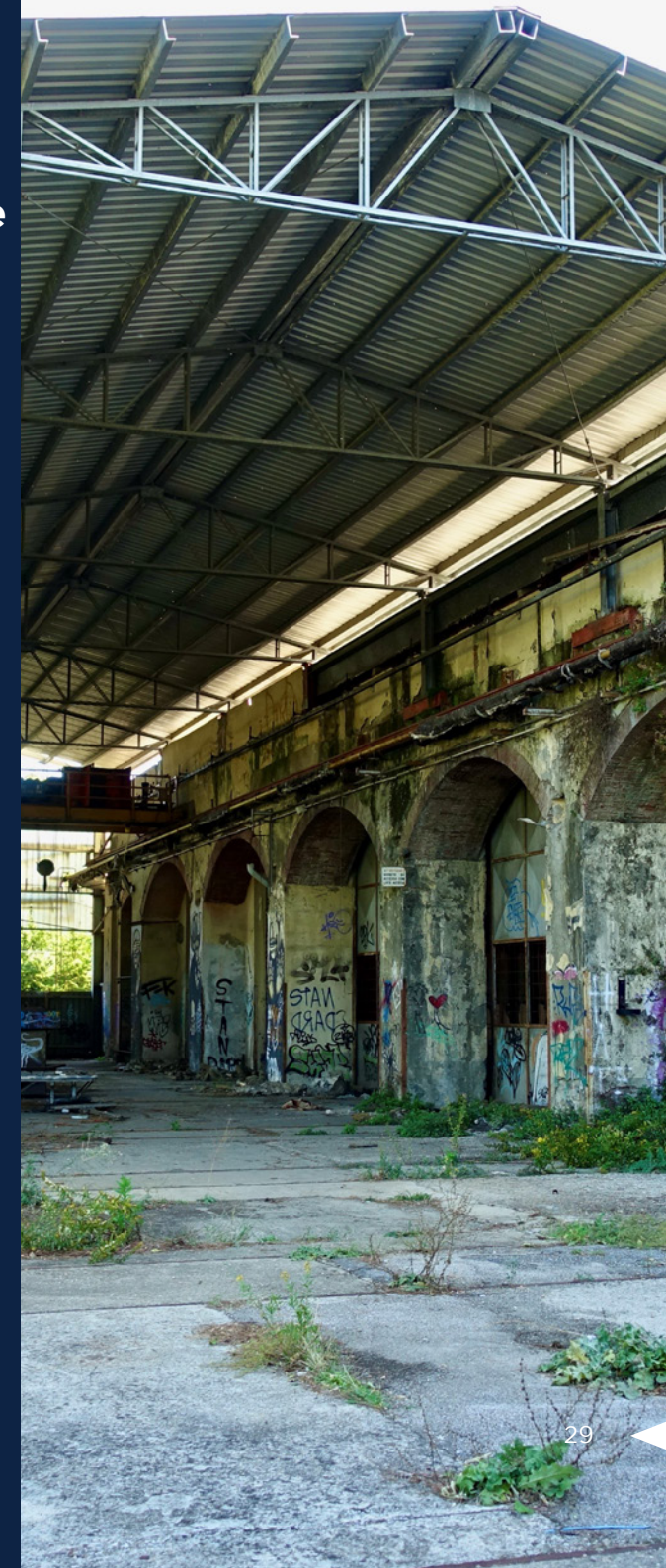
Environmental liability management budget

55,600 m²

Size of proposed redevelopment (o/w 31,000 m² of housing)

8 Ha

Surface area of site





EXPERT OPINION

INTERVIEW WITH LAURA NOLIER | *HEAD OF ESG AND IMPACT INVESTING AT GINKGO*

1. What were your top priorities and key initiatives in terms of ESG/ Impact Investing in 2022?

We focused on:

1. Defining ESG/Impact Investing action plans for all projects in the portfolio to ensure a consistent and responsible approach to our investments;
2. Integrating impact investing targets into all contracts with operational partners, ensuring that our collaboration is aligned with our values and commitments;
3. Establishing regulatory reporting for our Article 9 funds under SFDR.

What has been your greatest success?

Our greatest success has been allocating the capital of our latest fund to 11 brownfield rehabilitation projects across France, Spain, Portugal, Italy and the Netherlands. In addition, the fund was selected by the European Investment Bank to qualify for the NCFE (Natural Capital Financing Facility) initiative. Through this initiative, five of our sites will receive specialised technical assistance, aimed at increasing the climate resilience and biodiversity of reconversion projects.

2. How do you help project development companies and operational partners implement their positive-impact strategy?

We systematically present our impact objectives to our partners from the very start of our collaboration. Together, we define the critical path to achieving these objectives. We also identify and propose solutions to increase the positive impact of our projects (modular construction, urban micro-forests, re-use of excavated land, etc.) and we work with dedicated engineering and design firms to facilitate their implementation.

3. How do you measure the overall ESG performance of your strategy?

Collaborating with our investors, we have defined 7 impact indicators to structure the Ginkgo III fund and its associated objectives. In addition, we have indicators related to our principal adverse impacts (PAI) reported under SFDR. Additional objectives and measures can be added, based on the requirements set by the stakeholders with whom we define our urban regeneration projects (municipalities, elected officials, associations, local residents, etc.).

4. What are the major challenges and opportunities of implementing an ESG/Impact Investing policy?

One of our major challenges lies in finding solutions to reconcile impact investing and financial returns. For example, the additional costs associated with low-carbon construction and energy efficiency can be reduced by addressing them early in the project design phase.

We can promote this approach with future buyers of the buildings constructed and with banks when obtaining funding. In terms of opportunities, we are driven by the regulatory environment and the demands of our stakeholders, which are increasingly ambitious in terms of social and environmental performance.

5. What are your focus areas in the short and medium term?

We want to ensure the availability and reliability of impact investing data, to use it effectively to drive the performance of our strategies. We are also planning our next fund, which will target even more ambitious climate objectives, in line with the criteria of the European Green Taxonomy. We also want to strengthen our expertise and our capacity for consulting with the stakeholders involved in our reconversion projects.

SUPPORTING INNOVATION FOR A MORE SUSTAINABLE FOOD SYSTEM



Key figures (objectives)²

40%

Water savings by 2023

65%

Water savings by 2025

Driver of change

The agriculture sector is currently at a major crossroads, where the imperative to feed a growing population must coexist with the need to preserve the planet.

At the current rate of demographic growth, the global population is expected to reach 10 billion by 2050, thus intensifying the complex challenge of meeting food requirements while also addressing environmental and nutritional challenges. More than a quarter of the world's greenhouse gas emissions are attributed to this sector¹, which also faces multiple environmental issues: excessive use of water, intensive animal husbandry, and deterioration of arable land. Against this backdrop, it is becoming essential to find sustainable solutions for food production. It is thus necessary to rethink our agricultural methods and adopt environmentally friendly practices.

Our solution: promoting the development of sustainable, innovative solutions

In line with our ambition to accelerate the food transition, our Agri-Food Tech strategy, Peakbridge, has invested in Standing Ovation, a company that develops substitutes for cheeses and dairy products with lactose-free, non-animal ingredients by producing milk proteins through precision fermentation.

Thanks to a simple but innovative process, the company produces caseins, without using any animal products. Cheese ingredients can be found in sources other than animal milk, with the exception of caseins, which are proteins that give cheese its unique taste, texture and aroma. Contrary to current alternatives, which fail to match traditional cheeses in terms of taste, nutritional value and texture, Standing Ovation has succeeded in developing an industrial process for producing caseins using precision fermentation.

Using the caseins resulting from precision fermentation and skilfully combining other plant or mineral-based ingredients, the company has paved the way for lactose-free, non-animal cheese products boasting high quality taste and texture, offering a sustainable alternative to traditional cheeses while reducing our carbon footprint.

The mention of certain investments should not be construed as a recommendation to buy or sell the securities by the companies in question.

1. Source: GIEC, 2023, 6th Assessment Report

2. Source: Peakbridge

SUPPORTING SMALL PRODUCERS IN THEIR TRANSITION TO SUSTAINABLE PINEAPPLE PRODUCTION

The mention of certain investments should not be construed as a recommendation to buy or sell the securities by the companies in question.

3. Procat project review – September 2022

Driver of change

The pineapple industry in Togo is booming, producing 40,000 metric tonnes of the fruit³ in 2022 (a 33% increase compared to 2019), o/w 65% organic. The country enjoys a favourable climate and soil conditions conducive to growing the plant. Supported by the Togolese government and the European Union, and with the goal of improving the competitiveness of local pineapple processing companies, this sector currently employs more than 6,000 producers.

Despite its promising potential, the pineapple industry faces certain challenges. These include the effects of climate change (e.g. longer dry seasons), financing for small producers, lack of experience with sustainable agricultural techniques, logistical problems, and increased competition from neighbouring countries. From an environmental standpoint, the adoption of intensive agricultural practices – particularly monocropping on large plots of land with the use of improved fertilizers, pesticides and seeds – has negative impacts on sustainability and the environment.



Key figures for the project in 2022⁴

56
permanent
employees

Including 10 women
(vs. 48 in 2021)

Purchase from

388
producers

(o/w 271 in Togo)

x5
production

Since 2019

4,000
metric tons

Of juice manufactured

6,800
metric tons

Pineapples processed

4. Source: Moringa, data at 31/12/2022

Our solution: promoting a responsible and ethical pineapple industry in Togo

Our Moringa agroforestry strategy has invested in Jus Délice, a company co-founded in 2017 by the heads of multiple organisations with complementary skills and networks. Jus Délice operates a juice processing plant, managed by local employees and specifically dedicated to the supply of certified organic juices for major European brands.

The company sources its supplies from small-scale farmers, who are certified organic and Fair-Trade, offering them an opportunity to sell their pineapples. In order to be integrated into the sector, they must comply with strict environmental criteria, such as maintaining a minimum of one hectare of brownfield in their plots, banning slash-and-burn practices, setting up 3-year crop rotation with the introduction of leguminous crop cultivation and the total absence of chemical inputs. Jus Délice is fully committed to supporting them in the understanding and development of their sustainable agricultural practices, use of organic inputs and optimising their harvesting programme.

The company takes a resolutely sustainable and circular approach through the development of a compost centre that recycles pineapple waste from the processing plant. The resulting compost is sold at discounted prices to Jus Délice suppliers.

In a bid to meet growing demand from the local and international market, the company is currently operating at full capacity. Its versatility allows it to process other fruits such as mangoes and papayas, thus diversifying its product range and establishing the company as a dynamic and innovative player in the fruit juice market.



MEETING THE CHALLENGES OF DEMOGRAPHIC CHANGES

PROMOTING GENDER EQUALITY AND FEMALE EMPOWERMENT IN AFRICA AND THE MIDDLE EAST

The mention of certain investments should not be construed as a recommendation to buy or sell the securities by the companies in question.

Driver of change

In Jordan, women's access to employment has improved significantly as a result of the government's efforts to promote gender equality in the labour market. Various initiatives have been put in place, including legal reforms, vocational training programmes and enhancing female entrepreneurship. Inequality persists despite this

progress, creating a major gap between employment opportunities for men and women.

The rate of women's participation in the labour market in Jordan is approximately 14.5%, with a higher unemployment rate in comparison to men (24% vs. 11%)⁵.

5. In 2020, latest data available from the World Bank Group and the Jordanian Department of Statistics.



Key figures for the project in 2022

51%

Of the company's 177 employees are women

Network of 5,000 translators

more than 50%

Comprised of women

90%

Of employees under the age of 35

Female Founder and Chair/CEO,

Nour Al-Hassan

Our solution: investing in high-growth SMEs that value gender equality

Amethis, our strategy dedicated to investing business growth capital in Africa and the Middle East, has invested in Tarjama, perfectly illustrating our commitment to gender equality. Firmly believing that gender issues are crucial for equitable and sustainable development in our countries of operation, Amethis has made improving the position of women in the professional world a key pillar of its strategy.

Founded in 2008 in Jordan, Tarjama is a pioneer in the field of language technologies and services in the MENA region, offering a full range of translation services to a wide network of companies operating in sectors such as consulting, technology and the public sector, among others. With more than 600 clients under long-term contracts, Tarjama offers its services in 55 languages, including 20 Arab dialects.

Tarjama was founded by Nour Al-Hassan, a Jordanian entrepreneur with a passion for including and empowering women. Since founding Tarjama in 2008, she has served as Chair and Chief Executive Officer, instilling her ambitions in the company by providing qualified employment opportunities for Jordanian women. 15 years later, the results are remarkable: women make up 51% of the workforce and an increasing number of women hold executive positions.

Tarjama has built one of the largest networks of independent translators, mainly women. This success has narrowed the labour gap between men and women, fostered more social inclusion and contributed to the financial autonomy of women.





1. What were your top priorities and key initiatives in terms of ESG/Impact Investing in 2022?

Our company was founded in 2012 with the aim of combining financial value with environmental and social value. We have thus always integrated ESG and positive impact into our investment process. However, we are aware that these issues are constantly evolving and continuous progress is essential.

For our pan-African and North African strategies, we are focused on a number of social issues, such as social protection for workers through health insurance in our portfolio companies, or improving women's participation in the economy. Regarding the latter, our recent funds have been obtained "2x Challenge" certification, in recognition of their positive contribution to improving women's

EXPERT OPINION

INTERVIEW WITH RAPHAËL REYNAUDI | HEAD OF ESG/IMPACT INVESTING AT AMETHIS

participation in the economy. Our European teams are actively involved in "Level 20", an initiative aimed at increasing the participation of women in private equity.

Building on these priorities, we intend to have a positive impact on the lives of the 33,000 employees supported by the companies in our portfolio, 30% of whom are women. We also invest in certain sectors with a high social impact, such as healthcare.

In Europe, we are focused on social and governance issues. On the social front, Amethis promotes employee value-sharing mechanisms - Amethis is a signatory of the France Invest value sharing charter - and continuous training for all employees, including environmental training. In terms of governance, Amethis strives to appoint independent board members boasting industry expertise to the companies in its portfolio.

In these two regions, we are working on the issue of greenhouse gas emissions. Financial institutions (including private equity firms) have an important responsibility to fund the transition to a low-carbon economy. They can mitigate some of the effects of climate change by decarbonising their portfolios and investing in climate mitigation and adaptation measures. Fund providers and investors are expected to play a catalytic role by encouraging good practices among their stakeholders. This is what we are trying to do.

2. How do you help the companies in your portfolio develop their ESG strategy?

By establishing an ESG action plan that these companies need to implement, we are launching a challenge for them: to make a leap forward on ESG issues in just a few years. This requires considerable work on subjects that are often unfamiliar to them.

To that end, we focused this past year on finding ways to facilitate the implementation of our ESG action plans. This commitment has notably resulted in the recruitment of ESG experts, allowing us to spend more time supporting each company. We also mobilise funds and consultants to facilitate the deployment of ESG initiatives, giving companies access to specialised expertise. Lastly, we set up oversight of ESG issues by each company's board of directors, in order to involve all levels of the organisation in the implementation of this joint project.

3. What was your greatest success in 2022?

One characteristic of many African countries is the poor health insurance coverage and limited access to care, although the situation is improving rapidly. To make our own contribution, we want the companies in our portfolio to provide adequate health insurance coverage to their employees and their families. In 2022, we helped a company in Côte d'Ivoire set up a health insurance company for its employees. The company now pays the entire

insurance premium, which covers up to 800 people, including the employees' families, giving them access to excellent health coverage including expensive medical specialties. This measure has a major impact on the lives of the 800 beneficiaries by significantly reducing the cost of access to care, which previously represented about 25% of a monthly salary for standard healthcare, and has been reduced to about 5% thanks to the health insurance.

4. What are your focus areas in the short and medium term?

We are actively working to implement our ESG and impact investing approach in our two most recent funds, with the opportunity to work with around 20 companies on two continents. 20 companies means 20 ESG action plans, and a multitude of opportunities to have an impact on environmental and social issues.

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SUSTAINABILITY IN ACTION

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