

2023 Statement on Principal Adverse Impacts

21 Invest France

July 2024



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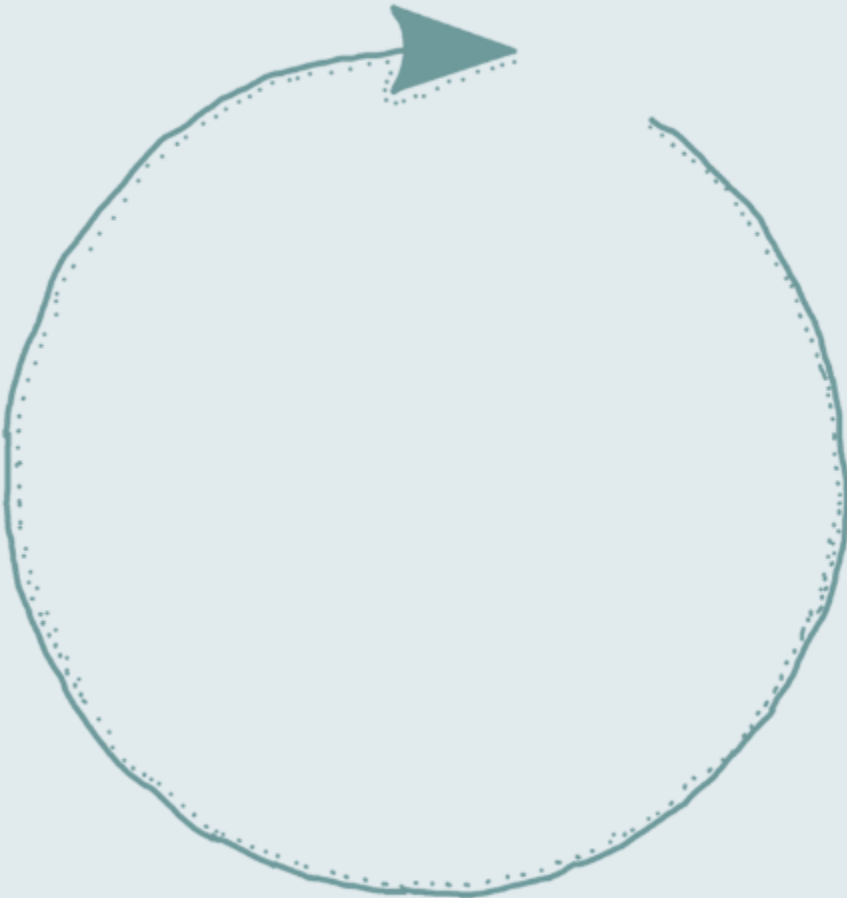
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Important Notice

This report is private and confidential and has been prepared for information purposes only for the benefit of the Fund's investors. Neither the whole nor any of the information in this report may be disclosed to, or used by, any other person or used for any other purpose without the prior written consent of 21 Centrale Partners (in accordance with the Fund's By-Laws).

Summary

Summary



Summary

Summary

21 Invest France considers the principal adverse impacts (PAI) of its investment decisions on sustainability factors. The present statement is the consolidated statement on principal adverse impacts on sustainability factors of 21 Invest France. The statements on principal adverse impacts on sustainability factors of the 2 main investment funds of 21 Invest France are available in appendix.

This statement on principal adverse impacts on sustainability factors covers the reference period from January 1st to December 31st 2023.

21 Invest France considers and measures the Principal Adverse Impacts of investment decisions on sustainability factors as defined by Article 4 of the Regulation (EU) 2019/2088 of the European Parliament.

Principal adverse impacts are the most significant adverse impacts of investment decisions on sustainability factors in relation to climate change and other environmental-related impacts (resources depletion, environmental degradation, biodiversity loss), and adverse impacts in the field of social and employee matters, respect for Human Rights, anti-corruption and anti-bribery matters.

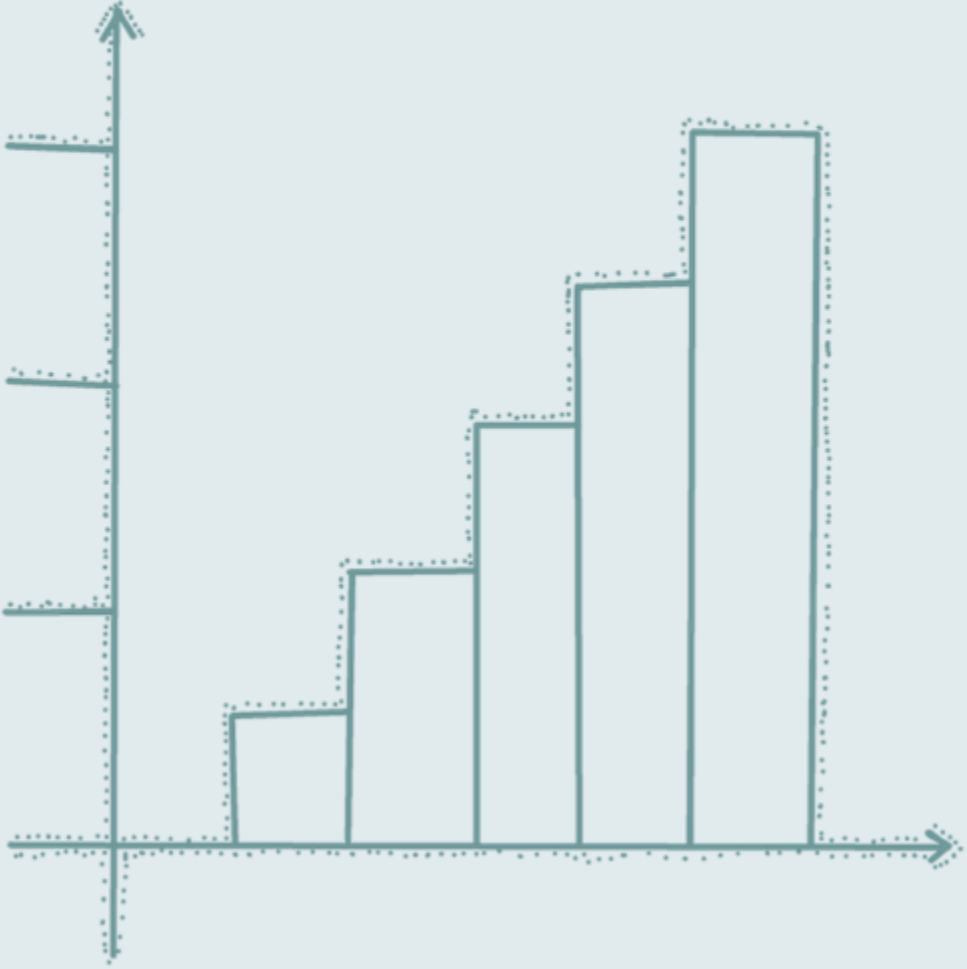
21 Invest France considers the principal adverse impacts at the entity level by measuring and tracking the aggregate adverse impact on the sustainability factors of all its financial products' investments, including co-investment funds.

21 Invest considers all mandatory principal adverse impact indicators and selected optional indicators of Annex 1 of the Delegated Regulation (EU) 2022/1288.

| | |
|----------------------------------|----------------------------------|
| Date of first publication | July 1st, 2024 |
| Date of latest update | September 3 rd , 2024 |

Statement on Principal Adverse Impacts

Statement on Principal Adverse Impacts of investment decisions on sustainability factors – 21 Invest France



Statement on Principal Adverse Impacts of investment decisions on sustainability factors – 21 Invest France

Data as of 31/12/2023, including co-investment funds managed by 21 Invest France

| Principal Adverse Indicator | Metric | Unit | 2022 | 2023 | Perimeter ¹ <i>Current value of investment</i> | | Explanation | Actions taken, and actions planned and targets set for the next period |
|--|--|---|-------|--------|--|------|---|---|
| | | | | | 2022 | 2023 | | |
| Climate and other environment-related indicators | | | | | | | | |
| 1. GHG emissions | Scope 1 GHG emissions | tCO ₂ e. | 1 354 | 1 581 | 88% | 100% | Perimeter increased for scope 1, 2 and 3 as planned in 2022. GHG emissions scope 1, 2 and 3 respectively increased by 17%, 37%, and 471%. Total GHG emissions increased by 285%. The significant increase in scope 3 is the result of the integration of a major industrial company within the reporting perimeter of scope 3. | The industrial company that significantly impacts all GHG emissions indicators is in exit process as of Q2 2024. Target: continue to increase the perimeter for GHG emissions scope 3. |
| | Scope 2 GHG emissions | tCO ₂ e. | 505 | 692 | 88% | 100% | | |
| | Scope 3 GHG emissions | tCO ₂ e. | 2 629 | 15 005 | 51% | 71% | | |
| | Total GHG emissions | tCO ₂ e. | 4 489 | 17 278 | 51% | 71% | | |
| 2. Carbon footprint | Carbon footprint | tCO ₂ e./€m of current value of investment | 25.2 | 47.5 | 51% | 71% | Carbon footprint and GHG intensity increased respectively by 88% and 42% mainly due to the integration of a major industrial company within the reporting perimeter of scope 3. | Target: continue to increase the perimeter for GHG emissions scope 3. |
| 3. GHG intensity | GHG intensity of investee companies | tCO ₂ e./€m of sales | 47.1 | 67.0 | 51% | 71% | | |
| 4. Exposure to companies active in the fossil fuel sector | Share of investments in investee companies active in the fossil fuel sector | % of investments | 0% | 0% | 100% | 100% | 21 Invest exclusion policy prevents investments in the fossil fuel sector. | Target: maintain 0%. |
| 5. Share of non-renewable energy consumption and production | Share of non-renewable energy consumption | % of total energy consumption | 93% | 96% | 88% | 100% | The slight increase of non renewable energy consumption is the result of the perimeter increase. Electricity currently represents 53% of the total energy consumption and more than 75% of this electricity is low carbon since sourced in France. | For companies and subsidiaries outside of France, encourage portfolio companies to purchase electricity from renewable sources. |
| | Share of non-renewable energy production | % of total energy production | NA | NA | 68% | 100% | Few portfolio companies consume a significant amount of energy and/or own facilities or large premises. | When relevant and economically sound, encourage portfolio companies to install renewable energy production capacity. |
| 6. Energy consumption intensity per high impact climate sector | Section C - Manufacturing - Energy intensity | GWh/€m of sales | 0.22 | 0.26 | 88% | 100% | 2 portfolio companies that represent 22% of current investments are manufacturing companies in the healthcare sector. Energy consumption increased due to sales growth in one portfolio company. | Encourage portfolio companies to implement energy saving measures and, when relevant and economically sound, invest in renewable energy production capacity. |
| 7. Activities negatively affecting biodiversity-sensitive areas | Share of investments in investee companies with sites located in or near biodiversity sensitive areas where activities of those investee companies negatively affect those areas | % of investments | 9.2 | 7.2% | 100% | 100% | As in 2022, one portfolio company has a production site located near a biodiversity sensitive area. In 2023, the concerned portfolio company reported having policies and initiatives in place to limit adverse impacts on the biodiversity sensitive area. | Encourage the portfolio company to assess its impact on the nearby biodiversity sensitive area and if significant negative impacts are identified, implement corrective measures and procedures. Target: 0%. |
| 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 | 0 | 0 | 100% | 94% | No portfolio company reported emissions to water. | Target: maintain 0%. |
| 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 | 0 | 0 | 100% | 94% | No portfolio company reported hazardous waste. | Target: maintain 0%. |

¹ % of current value of investments, including co-investment vehicles managed by 21 Invest France

Statement on Principal Adverse Impacts of investment decisions on sustainability factors – 21 Invest France

Data as of 31/12/2023, including co-investment funds managed by 21 Invest France

| Principal Adverse Indicator | Metric | Unit | 2022 | 2023 | Perimeter ¹ <i>Current value of investment</i> | | Explanation | Actions taken, and actions planned and targets set for the next period |
|--|---|------------------|--------------|--------------|--|------|---|--|
| | | | | | 2022 | 2023 | | |
| Indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters | | | | | | | | |
| 10. Violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises | Share of investments in investee companies that have been involved in violations of the UNGC principles or the OECD Guidelines for Multinational Enterprises | % of investments | 0% | 0% | 100% | 100% | No portfolio company reported being involved in violations of the UNGC principles or the OECD Guidelines for Multinational Enterprises. | Target: maintain 0%. |
| 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 or grievance/complaints handling mechanisms to address violations of the aforementioned principles and guidelines | % of investments | 100% | 68% | 100% | 100% | In 2023, one portfolio company, that represents 32% of the current value of investments, implemented processes to ensure and monitor compliance with the UNGC principles and the OECD Guidelines for Multinational Enterprises. In several other portfolio companies, there are policies in place; however, they do not specifically monitor compliance with the UNGC principles or the OECD guidelines. | When relevant, encourage portfolio companies to implement policies to monitor compliance with the UNGC principles and/or OECD guidelines for Multinational Enterprises. |
| 12. Unadjusted gender pay gap | Average unadjusted gender pay gap of investee companies | % | 22.1% | 29.5% | 91% | 93% | A significant number of external growth operations in several portfolio companies participated in the deterioration of the unadjusted gender pay gap. | Identify levers to close the gap in salary between women and men in entities and portfolio companies where the difference is significant. Target: below 25%. |
| 13. Board gender diversity | Average ratio of female to male board members in investee companies expressed as a percentage of all board members | % | 11.5% | 10.2% | 100% | 100% | Several portfolio companies have 0 female Board members. | Encourage portfolio companies to appoint women as members of their Supervisory Board. Target: 15% or above. |
| 14. Exposure to controversial weapons | Share of investments in investee companies involved in the manufacture or selling of controversial weapons | % of investments | 0% | 0% | 100% | 100% | 21 Invest exclusion prevents investments in the arms sector. | Target: maintain 0%. |
| Additional climate and other environment-related indicators | | | | | | | | |
| 4. Investments in companies without carbon emissions reduction initiatives | Share of investments in investee companies without carbon emission reduction initiatives aimed at aligning with the Paris Agreement | % of investments | 100% | 68% | 100% | 100% | In 2023, one portfolio company, that represents 32% of current investments, committed to define GHG emissions targets aligned with the Paris Agreement and to have these targets validated by the SBTi. Assessment of GHG emissions have been conducted and GHG emissions reductions initiatives are being implemented in several portfolio companies. | Encourage portfolio companies to conduct a detailed carbon footprint and define GHG emissions reduction targets aligned with the Paris Agreement. Target: 50% or below. |
| Additional indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters | | | | | | | | |
| 3. Number of days lost to injuries, accidents, fatalities or illness | Number of workdays lost to injuries, accidents, fatalities or illness of investee companies expressed as a weighted average | Workdays | 8 771 | 8 903 | 100% | 100% | This number represents 0,98% of the total number of days worked by the employees of the 10 portfolio companies who reported this information. It is a significant improvement versus 2022, when the number of workdays lost to injuries, accidents, fatalities or illness represented 1,25% of all days worked. | Encourage portfolio companies to lower the number of workdays lost to injuries, accidents, fatalities or illness. Target: less than 1% of days worked lost to injuries, accidents, fatalities or illness. |

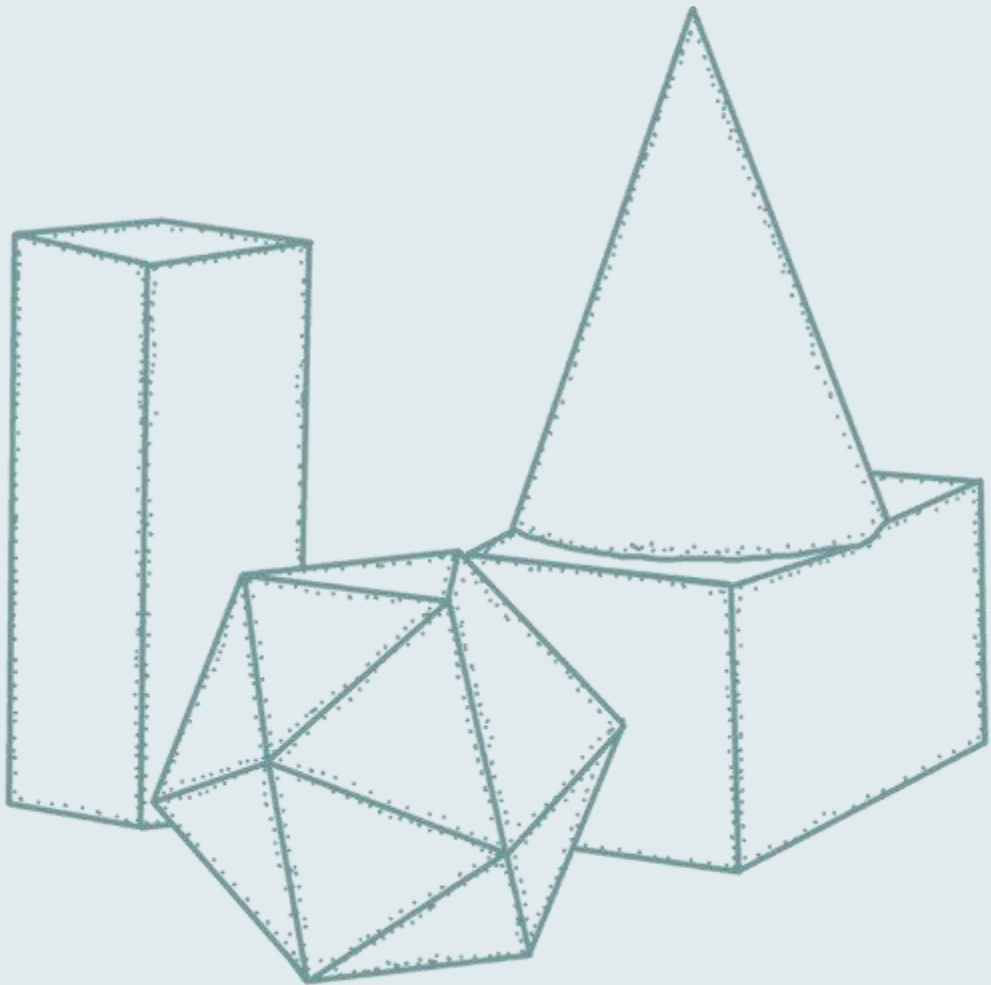
¹ % of current value of investments, including co-investment vehicles managed by 21 Invest France

Policies and references

Description of policies

Engagement policy

Reference to international standards



Description of policies

Description of policies to identify and prioritise Principal Adverse Impacts on sustainability factors

Before acquisition, principal adverse impacts on sustainability factors are analyzed and assigned a materiality level (low, medium, or high) and the related policies and initiatives in place to mitigate principal adverse impacts on sustainability factors are reviewed. For each adverse impact on sustainability factors identified as highly material, failure from the investment opportunity to have a proper policy, mechanism or monitoring process in place triggers a dedicated due diligence on the matter and delays the investment decision until sufficient assurance is met or the investment opportunity is dismissed. In the situation where a high materiality principal adverse impact is identified and cannot be mitigated, the investment would be turned down.

During the holding period, 21 Invest France monitors a large amount of indicators on sustainability factors including all mandatory and relevant optional Principal Adverse Impact Indicators. PAI indicators are communicated with portfolio companies on an annual basis and corrective measures are studied and, when possible/relevant, implemented in order to limit negative impacts on sustainability factors and/or limit residual risks to a minimum.

The materiality analysis conducted before investment is reviewed and updated using a double materiality assessment to identify high materiality sustainability factors and further contain negative impacts generated by portfolio companies on sustainability factors.

Engagement policy

Engagement Policy

During the holding period, sustainability factors are monitored based on information provided by the portfolio companies and specific key performance indicators (KPIs) are periodically examined.

In parallel, an annual qualitative and quantitative reporting assesses the performance and continuous improvement of the investee companies on a broad spectrum of sustainability factors covering social, environmental and governance matters.

Based on the material sustainability factors identified during the screening and due diligence phases, the investment team works closely with portfolio companies to improve on high materiality matters and, if relevant, assists them in initiating advanced actions such as:

- Defining GHG emissions reduction plans aligned with a 1.5°C scenario;
- Identifying and quantifying impacts on society and the environment;
- Developing new products and services that have a positive impact on society, the environment and/or climate change, monitoring them through an extra-financial business plan and promoting them through the development of shared value initiatives;
- Communicating on fundamental and material sustainability factors.

The level of achievement of the sustainability roadmap, including climate change and gender parity matters, are submitted for discussion to the Supervisory Board of each investee company at least once a year. Additionally, the investment team periodically reviews the level of achievement of the sustainability roadmap of all portfolio companies.

For further information, 21 Invest France describes its engagement policy with portfolio companies within its Sustainability Policy 2023.

Reference to international standards

Reference to international standards

21 Invest France constantly interacts with the ecosystem and integrates international standards throughout its engagement policy to provide portfolio companies with the most up-to-date and relevant frameworks.



21 Invest, one of the first signatories of the **Principles for Responsible Investment (PRI)** in 2009, participates in the PRI reporting and has publicly shared its results since 2014. In 2021, 21 Invest received a 4* rating in the Private Equity section and a 4* in the Strategy and Governance section (top ratings).



Shared Value Initiative: since 2016, 21 Invest is the only fund in Europe that has signed this commitment, which aims to create a global community of companies considering societal problems as necessary



France Invest: 21 Invest is a signatory of the France Invest Gender Parity Charter and has long been an active member of the Sustainability Commission, participating to working groups



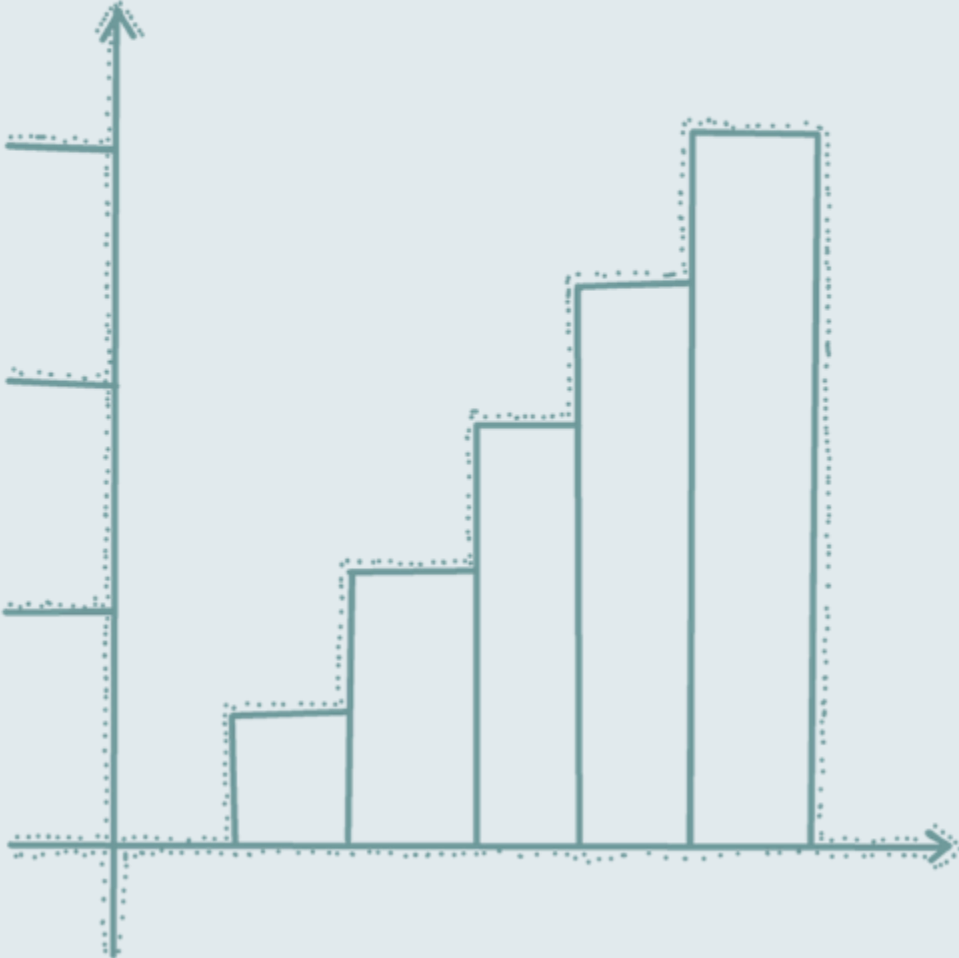
ICI (Initiative Climat International): 21 Invest is a signatory of the ICI which was created during the COP21 in Paris and whose objective is to limit global warming



Sustainable Development Goals: 21 Invest has integrated the sustainable development goals framework within its sustainability policy and is actively providing portfolio companies with insights on how to integrate and leverage the 17 objectives and their respective targets within their own sustainability strategy and policy.

Appendix

PAI Statement – 21 Central Partners V
PAI Statement – 21 Invest France VI



PAI Statement – 21 Central Partners V

Data as of 31/12/2023, excluding co-investment funds

| Principal Adverse Indicator | Metric | Unit | 2022 | 2023 | Perimeter ¹ Current value of investment | |
|--|---|---|--------------|--------------|---|------|
| | | | | | 2022 | 2023 |
| Climate and other environment-related indicators | | | | | | |
| 1. GHG emissions | Scope 1 GHG emissions | tCO ₂ e. | 511 | 542 | 82% | 100% |
| | Scope 2 GHG emissions | tCO ₂ e. | 73 | 74 | 82% | 100% |
| | Scope 3 GHG emissions | tCO ₂ e. | 1 997 | 3 181 | 51% | 72% |
| | Total GHG emissions | tCO ₂ e. | 2 582 | 3 797 | 51% | 72% |
| 2. Carbon footprint | Carbon footprint | tCO ₂ e./€m of current value of investment | 20.7 | 16.0 | 51% | 72% |
| 3. GHG intensity | GHG intensity of investee companies | tCO ₂ e./€m of sales | 52.6 | 41.1 | 51% | 72% |
| 4. Exposure to companies active in the fossil fuel sector | Share of investments in investee companies active in the fossil fuel sector | % of investments | 0% | 0% | 100% | 100% |
| 5. Share of non-renewable energy consumption and production | Share of non-renewable energy consumption | % of total energy consumption | 88% | 94% | 82% | 100% |
| | Share of non-renewable energy production | % of total energy production | NA | NA | 63% | 100% |
| 6. Energy consumption intensity per high impact climate sector | Section C - Manufacturing - Energy intensity | GWh/€m of sales | 0.18 | 0.16 | 82% | 100% |
| 7. Activities negatively affecting biodiversity-sensitive areas | Share of investments in investee companies with sites located in or near biodiversity sensitive areas where activities of those investee companies negatively affect those areas | % of investments | 0% | 0% | 100% | 100% |
| 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 | 0 | 0 | 100% | 100% |
| 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 | 0 | 0 | 100% | 100% |
| Indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters | | | | | | |
| 10. Violations of UN Global Compact Principles and OECD Guidelines for Multinational Enterprises | Share of investments in investee companies that have been involved in violations of the UNGC principles or the OECD Guidelines for Multinational Enterprises | % of investments | 0% | 0% | 100% | 100% |
| 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 or grievance/complaints handling mechanisms to address violations of the aforementioned principles and guidelines | % of investments | 100% | 66% | 100% | 100% |
| 12. Unadjusted gender pay gap | Average unadjusted gender pay gap of investee companies | % | 21.2% | 27.9% | 100% | 100% |
| 13. Board gender diversity | Average ratio of female to male board members in investee companies expressed as a percentage of all board members | % | 12.9% | 12.2% | 100% | 100% |
| 14. Exposure to controversial weapons | Share of investments in investee companies involved in the manufacture or selling of controversial weapons | % of investments | 0% | 0% | 100% | 100% |
| Additional climate and other environment-related indicators | | | | | | |
| 4. Investments in companies without carbon emissions reduction initiatives | Share of investments in investee companies without carbon emission reduction initiatives aimed at aligning with the Paris Agreement | % of investments | 100% | 68% | 100% | 100% |
| Additional indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters | | | | | | |
| 3. Number of days lost to injuries, accidents, fatalities or illness | Number of workdays lost to injuries, accidents, fatalities or illness of investee companies expressed as a weighted average | Workdays | 3 583 | 3 647 | 100% | 100% |

¹ % of current value of investments, excluding co-investment vehicles managed by 21 Invest France

PAI Statement – 21 Invest France VI

Data as of 31/12/2023, excluding co-investment funds

| Principal Adverse Indicator | Metric | Unit | 2022 | 2023 | Perimeter ¹ Current value of investment | |
|--|---|---|--------------|--------------|---|------|
| | | | | | 2022 | 2023 |
| Climate and other environment-related indicators | | | | | | |
| 1. GHG emissions | Scope 1 GHG emissions | tCO ₂ e. | 6.1 | 7.2 | 51% | 100% |
| | Scope 2 GHG emissions | tCO ₂ e. | 0.3 | 2.5 | 51% | 100% |
| | Scope 3 GHG emissions | tCO ₂ e. | 75.1 | 91.0 | 51% | 51% |
| | Total GHG emissions | tCO ₂ e. | 81.5 | 100.7 | 51% | 51% |
| 2. Carbon footprint | Carbon footprint | tCO ₂ e./€m of current value of investment | 3.8 | 3.9 | 51% | 51% |
| 3. GHG intensity | GHG intensity of investee companies | tCO ₂ e./€m of sales | 13.0 | 15.3 | 51% | 51% |
| 4. Exposure to companies active in the fossil fuel sector | Share of investments in investee companies active in the fossil fuel sector | % of investments | 0% | 0% | 51% | 100% |
| 5. Share of non-renewable energy consumption and production | Share of non-renewable energy consumption | % of total energy consumption | 100% | 100% | 51% | 100% |
| | Share of non-renewable energy production | % of total energy production | NA | NA | 51% | 100% |
| 6. Energy consumption intensity per high impact climate sector | No high impact climate sector in the fund | GWh/€m of sales | NA | NA | 51% | 100% |
| 7. Activities negatively affecting biodiversity-sensitive areas | Share of investments in investee companies with sites located in or near biodiversity sensitive areas where activities of those investee companies negatively affect those areas | % of investments | 0% | 0% | 51% | 100% |
| 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 | 0 | 0 | 51% | 100% |
| 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 | 0 | 0 | 51% | 100% |
| Indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters | | | | | | |
| 10. Violations of UN Global Compact Principles and OECD Guidelines for Multinational Enterprises | Share of investments in investee companies that have been involved in violations of the UNGC principles or the OECD Guidelines for Multinational Enterprises | % of investments | 0% | 0% | 51% | 100% |
| 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 or grievance/complaints handling mechanisms to address violations of the aforementioned principles and guidelines | % of investments | 100% | 100% | 51% | 100% |
| 12. Unadjusted gender pay gap | Average unadjusted gender pay gap of investee companies | % | 20.0% | 30.8% | 51% | 100% |
| 13. Board gender diversity | Average ratio of female to male board members in investee companies expressed as a percentage of all board members | % | 14.3% | 6.4% | 51% | 100% |
| 14. Exposure to controversial weapons | Share of investments in investee companies involved in the manufacture or selling of controversial weapons | % of investments | 0% | 0% | 51% | 100% |
| Additional climate and other environment-related indicators | | | | | | |
| 4. Investments in companies without carbon emissions reduction initiatives | Share of investments in investee companies without carbon emission reduction initiatives aimed at aligning with the Paris Agreement | % of investments | 100% | 68% | 51% | 100% |
| Additional indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters | | | | | | |
| 3. Number of days lost to injuries, accidents, fatalities or illness | Number of workdays lost to injuries, accidents, fatalities or illness of investee companies expressed as a weighted average | Workdays | 82 | 134 | 51% | 100% |

¹ % of current value of investments, including co-investment vehicles managed by 21 Invest France

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