

Ardian's Responsible Investment Policy

ARDIAN'S SUSTAINABILITY APPROACH

At the heart of Ardian's culture lies a commitment to create enduring value. Our role as a long-term shareholder and investor is to foster growth that is both sustainable and shared across our stakeholders.

Sustainability is integrated within Ardian's investment activities and operations. Ardian was an early signatory of the UN-supported Principles for Responsible Investment (PRI) in 2009. These Principles urge investors to integrate environmental, social, and governance (ESG) issues into their decision-making to better manage risk, generate sustainable and long-term returns, and benefit society as a whole.

As a major investor in the real economy, we believe we can accelerate the building of resilient companies and drive positive transformation. Sustainability is part of our investment approach, both as a way to manage risk and as a lever for value creation. We carry out our fiduciary duty by building a resilient portfolio that creates value for our clients.

Since 2008, Ardian has been developing a Sustainability Program to shape high-performing business models that also provide measurable outcomes on society and the planet.

Ardian drives sustainable transformation and resilience in portfolios while maintaining its focus on financing the social and environmental transition as well as innovations for the future. Ardian's approach is formalized in this Responsible Investment Policy.

KEY PRIORITIES AND OBJECTIVES

Ardian has defined the following key priorities for its Sustainability Program at the investment portfolio level:

- > **Climate Transition**
- > **Measurable Impact and Value Creation**
- > **Fairer Society**

As an active responsible investor, our role is to:

- > Support the effective ESG integration within the investment lifecycle to enhance the sustainable transformation of **portfolio companies and assets** and strengthen their resilience;
- > Meet our **investors' expectations** for sustainability;
- > Work with our **internal and external stakeholders** in the implementation of our Sustainability strategy throughout the different Ardian activities and **build knowledge and skills** among Ardian teams with respect to sustainability; and
- > Collaborate with our **peers and wider industry** through coalitions and industry initiatives to drive ESG best practices within our ecosystem and leverage our experience on the topic.

SUSTAINABILITY ORGANIZATION WITHIN ARDIAN

Driven by conviction within the firm and involvement of top management, the Sustainability organization within Ardian relies on a tailored model and dedicated expert resources to meet our business philosophy.

DEDICATED EXPERT TEAM

The **Sustainability team** is composed of ESG specialists responsible for developing and implementing Ardian's Sustainability strategy in its investment portfolio and firm operations, working in collaboration with other Ardian teams. Capitalizing on their experience in sustainability and responsible investment, the team brings a range of complementary technical skills and expertise to support portfolio transformation, provide added value to Ardian clients, and share knowledge with our community of stakeholders.

STRONG GOVERNANCE

The Ardian **Sustainability Steering Group** is composed of management representatives from investment activities and central functions, including members of Ardian's Executive Committee. The Group provides oversight to Ardian's Sustainability strategy and supports alignment with Ardian's global strategy.

In addition, in an effort to reinforce governance and prevent risks regarding ESG regulations, Ardian has established an **Impact Committee** which is involved in the review of prospective sustainable investments in the meaning of the EU Sustainable Finance Disclosure Regulation (SFDR). The Impact Committee is independent of investment teams and from the Investment Committee.

ESG INTEGRATION IN THE INVESTMENT PROCESS

To promote effective integration of ESG in the investment process, the Sustainability team collaborates with investment teams, portfolio companies, and General Partners (GPs) throughout the investment lifecycle. Implementation of Ardian's Sustainability Program in an individual investment activity is led by a designated member within the Sustainability team.

The sections below present the general framework guiding Ardian's integration of ESG within different investment activities across investment lifecycles. However, in certain cases this framework is not applied, including:

- > Vehicles used primarily for structuring purposes, such as co-investment or syndication vehicles; and
- > Older vintage funds which currently rely on Sustainability team support on an as-needed basis, pending process formalization, or which are in wind-down where there is limited value in applying the framework.

Specific commitments are set out in the relevant fund or mandate documentation.

PRE-DUE DILIGENCE PHASE

The Investment team conducts screening which seeks to avoid investment opportunities in sectors banned by Ardian's investment restriction list. Banned sectors include:

- > **Tobacco:** Ardian refuses to make any investment in the tobacco industry;
- > **Pornography:** Ardian refuses to make any investment in pornography;
- > **Controversial weapons:** Ardian refuses to make any investments in companies manufacturing and/or distributing controversial weapons. Ardian defines controversial weapons as weapons having a disproportionate impact on civilian population such as chemical weapons, biological weapons, nuclear weapons, anti-personnel landmines and cluster bombs;
- > **Thermal Coal:** Ardian commits to phase out any direct thermal coal investments by 2030 within EU / OECD countries and by 2040 in the rest of the world; and
- > **Gambling:** Ardian refuses to make any direct investments in companies whose main activity consists of operating casinos, gambling/betting venues or websites.

DUE DILIGENCE

The Investment team carries out ESG analysis which seeks to take into account the fund or mandate strategy as well as the details of opportunities, with the support of the Sustainability team and consultants when appropriate.

- > **For direct controlling investments in Private Equity and Real Assets:** The Investment team performs ESG analysis of a prospective investment to identify potential ESG issues (both risks and opportunities) relating to the opportunity and levers for improvement that could be deployed during the holding period. This analysis is based on the tools and analytical frameworks developed by the Sustainability team.
- > **For direct non-controlling investments in Private Equity and Real Assets:** The Investment team undertakes a dual sustainability risks and opportunities assessment on the lead sponsor and the target company, asset or property. For Co-Investment and Private Credit opportunities, sponsor analysis can leverage Ardian's proprietary GP ESG scorecards, when available. Analysis is also generally supported by vendor and potentially buyer due diligence packages, typically including commercial, financial and legal diligence reports, and may include dialogue with the lead sponsor or company management team to probe further if ESG issues are identified.
- > **For Secondaries & Primaries investments:**
 - For both primary and secondary transactions, the Investment team assesses the prospective transaction taking into account ESG criteria. Such criteria include Ardian's proprietary ESG score of the GP(s) from Ardian's latest

Sustainability campaign, where available. Where a GP ESG score is unavailable, the team considers other public commitments taken by the GP, such as signing the PRI.

- Additionally, in primary transactions, Ardian can seek to negotiate clauses in side letters when deemed necessary. These clauses generally request that the underlying fund manager acknowledges Ardian's commitment to the PRI and Ardian's Responsible Investment Policy, including applicable investment restrictions, and use commercially reasonable efforts to respond to Ardian's annual ESG monitoring questionnaire.

INVESTMENT DECISION

A summary of the Investment team's ESG analysis is included in the investment memorandum submitted to the Investment Committee of the Fund.

For investments in EU Sustainable Finance Disclosure Regulation (SFDR) Article 9 funds, and any investment seeking designation as a sustainable investment in a SFDR Article 8 fund, a dedicated Impact Committee will review the outcomes of the due diligence analysis for prospective sustainable investments and provide an opinion on compliance and proposed recommendations in advance of the Investment Committee.

HOLDING PERIOD

Ardian's Sustainability team coordinates the monitoring of portfolio companies, assets, properties and GPs' ESG performance, and engagements where appropriate, in coordination with the Investment team.

- > **For direct controlling investments in Private Equity and Real Assets:**
 - The Sustainability team conducts an annual review of portfolio companies and assets' ESG performance in coordination with the Investment team. (Certain companies and assets may be removed from scope on a case-by-case basis due to business needs identified by the Investment team.) The review supports Ardian's ESG data collection efforts and dialogue with portfolio companies and assets. It can include among its outcomes action plans intended to support companies and assets in improving their performance on identified priority areas. The action plans are regularly updated to support alignment with portfolio companies and assets' global strategy. Ardian investment teams are also in regular contact with portfolio companies and assets' management which can assist in continued monitoring and engagement on ESG performance.
 - For direct investments in Real Estate, a post-acquisition analysis of the property's current ESG performance is formalized. The Investment team, in association with the Sustainability team and relevant third parties (e.g., property managers, facility manager) defines the ESG value creation strategy and specifies the ESG KPIs for the property. The property's ESG performance is assessed on an annual basis to track progress.
- > **For direct non-controlling investments in Private Equity and Real Assets:** The Sustainability team monitors companies' sustainability initiatives through Supervisory Boards when Ardian is a member, active dialogue with the lead sponsors or companies' management when appropriate, and annual collection of ESG performance indicators from the lead sponsor or portfolio company on a case-by-case basis.
- > **For Secondaries & Primaries:** An ESG monitoring questionnaire is sent on an annual basis to Ardian's GPs for both primary and secondary transactions. The questionnaire aims to assess GP practices at both the investment process and management company levels. Based on their responses, GPs receive a scorecard that assigns a score per Ardian's proprietary scoring methodology and presents a benchmarked against other GPs who answered the questionnaire. Select GPs are also offered a feedback session to discuss the results and opportunities for improvement. Additionally, Ardian may secure a seat on the boards of funds in which it invests, which can offer another opportunity for monitoring.

EXIT PHASE (applicable to direct controlling investments)

Ardian believes that sustainability integration in portfolio companies should be result driven. In that objective, Ardian may seek to conduct an ESG Vendor Due Diligence (VDD) when appropriate.

For direct controlling companies and assets, under certain conditions, Ardian will aim to redistribute a portion of capital gains to the employees of the portfolio companies and assets, consistent with its priority and commitments on value sharing.

INDUSTRY ENGAGEMENT

At Ardian, we believe that it is key to engage with our peers and the wider financial industry to drive positive transformation and address current and future economic, social, and environmental challenges. In this objective, Ardian is involved in working groups,

organizations, and collaborative platforms to contribute to the development of strategic initiatives, market methodologies, tools, and regulations.

More information on Ardian's involvement in sustainability-related industry initiatives can be found on the [Sustainability](#) page of Ardian's website.

REGULATORY DISCLOSURES AND CLIENT REPORTING

Ardian makes a number of sustainability-related publications publicly available on its website, including on its [Sustainability Regulatory Information](#) page, its [Publications](#) page, and its [Sustainability](#) page. Fund-level sustainability information is also available via Ardian's investor portal.

RESPONSIBLE INVESTMENT POLICY UPDATES

- July 2021: Investment restrictions on coal and gambling added in the "Responsible Investment in practice" section
- December 2023: Revisions to all sections to reflect the evolution of Ardian's Sustainability approach
- May 2025: Updates to "Due diligence," "Sustainability organization within Ardian," and "Regulatory disclosures and client reporting" sections to reflect current structures and practices