



astorg.

Sustainability Report  
**2023**

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# Foreword

We are committed to championing sustainability in the financial services industry.

Astorg's announcement of its sustainability roadmap back in 2021, including targets and actions to be achieved by 2025, has set Astorg's sustainability ambitions on four pillars: climate and biodiversity; diversity, equity and inclusion; impact; and information security.

Today, Astorg is recognised for the high level of engagement established within its portfolio companies and its unique platform for collaboration, which has yielded strong initiatives and reliable data on sustainability. The credit goes to Viviana Occhionorelli, who has built our Environmental, Social and Governance (ESG) programme and created a sense of accountability for ESG improvement throughout the firm. I am pleased to report that Viviana has been made a Partner of the firm in 2023.

This fifth edition of the Astorg Sustainability Report presents the company's achievements at Astorg and in its portfolio companies. Astorg's progress this year relied on a campaign of engagement, which included scaling up its ESG capabilities with training sessions for its investment teams and portfolio companies.

## HERE ARE A FEW OF THE MANY ACHIEVEMENTS OF 2022:

- Reinforcing ESG data collection, Astorg now collects +200 indicators per company with the support of a third-party data provider;
- Integrating ScienceBased Target (SBT) requirements by deploying SBTs throughout the investment process. Consequently, the number of portfolio companies that have committed and validated their SBTs is increasing;
- Classifying all Astorg funds as Article 8 funds under the EU Sustainable Finance Disclosure Regulation;
- Linking the credit facility of Astorg VIII to three ESG KPIs aligned with the company's portfolio requirements;
- Increasing the EcoVadis rating achieved by Astorg portfolio companies;
- Implementing the company's first half-day ESG Bootcamp with 100% of the investment team in attendance;
- Launching Astorg Philanthropy Investments, Astorg's venture philanthropy arm.

**Astorg will continue to devote time and energy to developing the company's capabilities, both internally and externally, and will build on the progress made thus far on its four sustainability pillars, as follows.**

**1 – CLIMATE** – Astorg will look for opportunities to accelerate and expand its efforts within the company's climate and biodiversity ambitions. This year Astorg has laid the foundation to better understand its nature-related impact, risks, dependencies, and opportunities to remain cognisant of market developments and to play a leadership role in the financial sector.

**2 – DIVERSITY, EQUITY & INCLUSION** – Astorg's internal taskforce has made significant progress in several workstreams, such as recruitment, workplace flexibility, and inclusive culture.

The company has planned training sessions on unconscious bias commencing with the leadership team, followed by a roll-out to the rest of the organisation. Astorg's ambition is to have at least 30% female professionals working in its investment team by 2030. Recruitment efforts focus not only on current hirings, but also on building a potential long-term talent pipeline.

To assess and improve the status of DE&I in its portfolio companies, Astorg will create a steering committee composed of DE&I experts within the portfolio and will build a toolkit for all portfolio companies to use for advancing DE&I.

**3 – IMPACT** – In 2023, Astorg plans to introduce an impact methodology, available to portfolio companies and investment teams and to continue to develop Astorg Philanthropy Investments.

**4 – INFORMATION SECURITY** – Following Astorg's 2022 survey, we will establish action plans with company management teams and chief information officers to ensure portfolio companies have strong information security management systems in 2023.

To conclude, we are all proud at Astorg of the ESG progress made and the engagement our firm has created within its portfolio. More than ever, we remain convinced that our sustainability policies future-proof our portfolio companies for what lies ahead and create significant value for all stakeholders.



**Thierry Timsit**

CEO & Managing Partner



Astorg is a European private equity firm with more than €20 billion in assets under management and offices in London, Paris, New York, Frankfurt, Milan and Luxembourg. Astorg works with entrepreneurs and management teams to acquire market-leading, global companies mainly headquartered in Europe. Astorg has valuable industry expertise in healthcare, software and technology, business services and technology-based industrial companies.

# €20bn

assets under management

# 6

new investments in 2022

# 25

years of investing experience  
(since 1998)

# 5

full-time ESG and Impact  
professionals in 2023  
(+3 Full-time equivalents (FTEs)  
vs. 2021)

# 25

portfolio companies

# 140+

employees across 6 offices  
in global financial cities

## ESG RECOGNITIONS

### UN PRI Rating<sup>1</sup>

Investment & Stewardship  
Policy module: **4** stars  
Private Equity module: **5** stars

### EcoVadis<sup>2</sup>

score: **64** for  
Astorg company  
(vs. 46 in 2021)



## GOVERNANCE

# 40%

of board members are  
independent

# 15%

of deal teams' individual  
objectives are linked  
to ESG indicators

# 100%

of investment team has  
received ESG training

An ESG-linked  
credit facility  
is in place  
for Astorg VIII

## DIVERSITY

# 42%

of employees are women  
(41% in 2021)

**25%** women  
in investment team (21% in 2021)

**11%** women partners  
(11% in 2021)

**40%** women hires in  
investment team (30% in 2021)

# 24

nationalities  
(constant since 2021)

## CLIMATE

Validated  
Science Based Target

Joined The Net Zero  
Asset Managers  
initiative

Carbon footprint assessed  
for four years at corporate  
and portfolio levels

1. United Nations Principles for Responsible Investment (UN PRI)

2. As an investor in EcoVadis, Astorg hereby confirms its independence and impartiality with respect to EcoVadis sustainability assessments. Astorg has been using the EcoVadis assessment since 2019 across its portfolio, prior to becoming an investor. During 2022, Astorg became a minority investor (c.11%) in EcoVadis, and thus has neither the influence nor the power to influence the execution of any ESG sustainability assessments performed by EcoVadis.

## ENGAGEMENT

have a dedicated ESG point of contact at Astorg

took part in the ESG data collection campaign

conducted a carbon footprint assessment and a climate risk assessment

100%  
OF COMPANIES

hold ESG quarterly meetings

conducted an EcoVadis assessment within one year after acquisition<sup>1</sup>

conducted a cyber security assessment

100%

of portfolio companies have a dedicated ESG officer or similar role within the company

9

ESG training sessions for portfolio companies organised by Astorg in 2022

**A note on violations:**  
Astorg confirms that no major incidents or litigations have been reported by portfolio companies within the past year

## PERFORMANCE

### ECOVADIS ASSESSMENT

57 points

average score across the portfolio (+6 points vs 2021)

+15.5 points

average increase in EcoVadis score since acquisition<sup>2</sup>

100%

have an action plan to improve their EcoVadis score

80%

of EcoVadis-scored companies received a medal for their ESG accomplishments<sup>3</sup>

### GOVERNANCE

100%

of companies have a code of ethics/ conduct, including anti-corruption and anti-bribery policies

6

companies have a sustainability-linked loan

**Since 2022**  
ESG requirements are included in shareholder agreements

### CYBERSECURITY

3.0 points

average score (out of 5 points) in cybersecurity assessment<sup>4</sup> (vs 2.8 in 2021)

### SOCIAL

40,000+

employees of Astorg portfolio companies

64%

of companies conducted employee satisfaction surveys

### DIVERSITY

10%

board gender diversity

27%

women in top executive positions

16%

(average) unadjusted gender pay gap<sup>5</sup>

### CLIMATE

776 k tCO<sub>2</sub>e

Total Greenhouse Gas (GHG) emissions in 2022 in % of stake<sup>6</sup>

36.8 tCO<sub>2</sub>e/m€

carbon footprint per million euros invested (scope 1, 2 and 3)

17

companies have committed to set Science Based Targets. Five of them have SBT validated targets<sup>7</sup>

1. Except companies with minority investments: Acturis and Audiotonix.

2. Out of 15 companies assessed several times during ownership period.

3. An EcoVadis medal is an acknowledgement of achievement relative to other assessed companies across the EcoVadis database. EcoVadis Medal levels are based on percentile achievement which is calculated as a benchmark based on published annual score thresholds.

4. Declarative cybersecurity risk survey on 24 portfolio companies, based on the National Institute of Standards and Technology Cybersecurity Framework (NIST CSF).

5. Covering 55% of the portfolio. The difference between average gross hourly earnings of male employees and of female employees as a percentage of average gross hourly earnings of male employees.

6. For more information, see the "Statement on principal adverse impacts of investment decisions on sustainability factors" available on the Astorg website: <https://www.astorg.com>

7. As of July 2023.



PART.

# 2

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## Astorg's Sustainability Approach

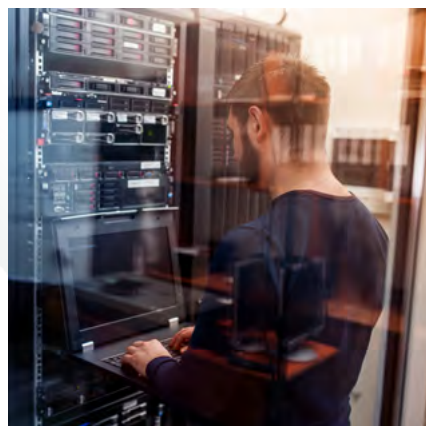
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# Sustainability Roadmap for 2025

Sustainability is at the core of Astorg's business approach and a key value driver. The company actively addresses environmental, social and governance issues in its investments and portfolio companies.

In 2022, Astorg announced its sustainability strategy for 2022–2025, focusing on four key pillars: Climate; Diversity, Equity & Inclusion (DE&I); Impact; Information Security. These pillars shape how Astorg operates and how the company engages with its portfolio companies.



## CLIMATE

In alignment with the Paris Agreement, Astorg commits to contribute to efforts aimed at limiting the global average temperature increase to well below 2°C above pre-industrial levels, with the clear ambition to limit warming to 1.5°C. In 2021, Astorg joined the Science Based Targets Initiative (SBTi) to ensure company targets were aligned with the latest climate science to reach this goal. In addition, Astorg aims to increase its portfolio companies' engagement and to help them define their own SBTis.

### OUR CLIMATE GOALS

- Reduce **absolute scope 1 and 2 GHG emissions by 50% by 2030 from a 2020 base year.**
- Commit that **30%** of private equity investments by invested capital will have set Science Based Targets by 2025, and **100%** by 2030, from a 2021 base year.



## IMPACT

Astorg is convinced that responsible investing creates shared value for the economy, society and the environment. That is why Astorg chooses to invest in companies in impactful industries, such as that of healthcare. Furthermore, it is Astorg's responsibility to help companies address their sustainability risks and reap opportunities that generate measurable positive impacts.

### IMPACT GOAL

- Invest up to **10%** of the total commitments of Astorg VIII in companies that improve health and well-being for people with disabilities and chronic conditions.



## DIVERSITY, EQUITY & INCLUSION

Fairness is a core tenet of Astorg's identity. Astorg strives to cultivate an environment built upon listening and open-mindedness that brings different perspectives into its distinctive culture. Astorg is committed to fostering a diverse, equitable, and inclusive working environment, in which there is no room for discrimination.

### DIVERSITY AND INCLUSION GOAL

- **40%** of women or underrepresented minorities on new boards of companies from 2022 onwards.



## INFORMATION SECURITY

Information security is one of the most significant challenges private equity companies face today. This includes mitigating cybersecurity risks, promoting cyber awareness and responsibly securing personal or sensitive data.

### INFORMATION SECURITY GOAL

- Reach the highest information security sector standards for **100%** of Astorg's portfolio companies within three years of acquisition.



SFDR FUND CLASSIFICATION AND ENVIRONMENTAL AND SOCIAL CHARACTERISTICS PROMOTED BY THE FUND

Astorg VI	ARTICLE 8	Astorg requires all its companies to achieve the "Advanced" level (score 65-84) according to the EcoVadis CSR performance range during the ownership period.
Astorg VII	ARTICLE 8	Astorg requires all its companies to achieve the "Advanced" level (score 65-84) according to the EcoVadis CSR performance range during the ownership period.
Astorg VIII	ARTICLE 8	<p>Astorg will require all its companies to:</p> <ul style="list-style-type: none"><li>■ achieve the "Advanced" level (score 65-84) according to the EcoVadis CSR performance range during the ownership period;</li><li>■ set Science Based Targets according to Astorg's Science Based Targets.</li></ul> <p>The Fund will invest up to 10% of total commitments into investments with a positive and measurable social impact in accordance with a specific set of defined criteria.</p>
Astorg Midcap	ARTICLE 8	Astorg requires all its companies to achieve the "Advanced" level (score 65-84) according to the EcoVadis CSR performance range during the ownership period.
Astorg IQ-EQ continuation fund	ARTICLE 8	Astorg requires the company to achieve the "Advanced" level (score 65-84) according to the EcoVadis CSR performance range during the ownership period.

Sustainable Finance Disclosure Regulation (SFDR)

For more information regarding SFDR disclosures, including how Astorg's Article 8 funds promote environmental and social characteristics, consult our website: <https://www.astorg.com/responsibility>





# Sector Initiatives

Astorg aims to be an active voice within the private equity sector, actively engaging in various industry ESG initiatives.



## RESPONSIBLE INVESTING

1998		As a private equity firm with a presence in France, Astorg supports the industry association <b>France Invest</b> by participating in several working groups: ESG, Climate, Biodiversity, Commission <i>Talents &amp; Diversité</i> , and Value Creation.
2011		Astorg is a signatory of the UN <b>Principles for Responsible Investment</b> and was awarded an A+ rating for both the strategy and private equity modules in 2019 and 2020. Commencing with reporting year 2021, the PRI changed its scoring methodology. Astorg scored 77/100 on the Investment and Stewardship Policy module and 90/100 on the private equity module.
2018		Astorg is an active member of <b>Invest Europe</b> , the world's largest association of capital providers, and is part of Invest Europe's ESG and Climate commissions.
2020		Astorg is an active contributor to the <b>European Leveraged Finance Association (ELFA)</b> , which strives to create a more transparent, efficient and resilient European leveraged finance market.


## CLIMATE

2018		Astorg actively supports the <b>Initiative Climat International (ICI)</b> in fostering the development of private equity actions on climate change. As part of the Net Zero and SBTi working groups, Astorg reviewed and tested the SBTi guidance for private equity.
2021		Astorg is an active member of the <b>Science Based Targets initiative (SBTi)</b> which defines and promotes best practices in Science Based Target settings. The company is part of the Expert Advisory Group, which develops SBTi guidance for the private equity sector.
2022		Astorg recently joined the <b>Net Zero Asset Managers initiative</b> in pursuit of two vital goals: (1) reaching net zero greenhouse gas emissions by 2050 and (2) supporting investments aligned with achieving net zero emissions by 2050 or sooner.

## DIVERSITY

2019		Astorg sponsors <b>Level20</b> , an organisation dedicated to improving gender diversity in the European private equity industry.
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## DATA TRANSPARENCY

2022		Astorg joined the <b>ESG Data Convergence Initiative</b> and collaborates with Limited Partners (LPs) and General Partners (GPs) on standardizing ESG metrics to support increased data quality, availability and comparability in private markets.
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# ESG Governance

Strong governance forms the foundation of Astorg’s sustainability strategy.

## ESG-RELATED GOVERNANCE AND OVERSIGHT

- **Astorg’s ESG Policy** guides the company’s ESG approach and sets out the approach/method in which ESG is integrated into the investment cycle.
- **Astorg’s Board of Managers** is responsible for the review and approval of ESG policy, strategy, and action plans.
- **Astorg’s Investment Committee** is responsible for the assessment of ESG factors during the investment decision-making process, including evaluating certain adverse impacts on sustainability factors.
- **Astorg’s Investment Team**, supported by the ESG team, is primarily responsible for applying the ESG Policy within its respective portfolio companies, including companies’ management. A proportion of the investment professionals’ remuneration is linked to sustainability Key Performance Indicators (KPIs).
- **Astorg’s ESG Committee** structures and advances responsible business practices and strengthens the company’s position as an ESG leader in the private equity market. The committee is led by Viviana Occhionorelli, Partner in ESG, and comprises 13 members including Partners in charge of all sectors of investment. Meetings are held every two months to assess progress and discuss new initiatives. The ESG Committee met five times in 2022 and discussed several topics including:
  - Board diversity targets
  - ESG KPIs for the Astorg VIII sustainability-linked credit facility, which Astorg has set up with a margin adjustment based on the following KPIs:
    - Percentage of portfolio companies that have improved their EcoVadis scores
    - Percentage of women in the Investment Team
    - Percentage of portfolio companies that have submitted Science Based Targets (SBTs)
  - ESG performance in the portfolio, including the carbon performance of portfolio and SBTi alignment
- **The ESG Team** consists of one partner, two officers, one associate and one assistant with extensive sustainability knowledge.

### ASTORG ESG TEAM



**Viviana Occhionorelli**  
Partner, ESG



**Nathalie Medawar**  
ESG Officer



**Cristina Spiller**  
Impact Officer



**Sophie Noat**  
ESG Associate



**Michel Sudol**  
ESG Assistant

## DE&I TASK FORCE AND STEERING COMMITTEE

In 2022, Astorg set up the DE&I task force and steering committee to propose a DE&I roadmap, including follow-up on progress made. Sonia D’Emilio, Partner, Human Capital, leads the DE&I task force composed of 10 dedicated members representing the investment team and corporate functions within Astorg. The DE&I steering committee consists of two Partners from the Investment Team: Judith Charpentier and Edouard Pillot.

The DE&I task force meets every six weeks and engages with the DE&I steering committee every two to three months to validate decisions and ensure internal communication. Buy-in DE&I initiatives must be approved by the steering and the executive committees before being deployed at the company level. For more information on progress made, refer to section “2.5 Astorg’s DE&I commitments and initiatives”.

## ESG TRAINING INVESTMENT TEAMS

Astorg recognises the importance of continuous learning and developing expertise within the investment team to stay ahead of the rapidly evolving landscape of sustainable finance. In 2022 and early 2023, the company conducted 10 sustainability training sessions for its deal teams, covering various aspects of Astorg’s investment process and specific strategies related to climate and business.

In February and March 2023, Astorg’s investment team gathered in London for an ESG bootcamp focused on integrating ESG considerations into the investment cycle. The bootcamp, organised in collaboration with Bain & Company, featured discussions, workshops and case studies.

## ASTORG’S ESG BOOTCAMP 2023



### TRAINING DEAL TEAM

DATE	TOPIC
FEBRUARY 2022	• EcoVadis Methodology
FEBRUARY 2022	• Portfolio Performance on SBTi and Climate Action
APRIL 2022	• ESG Regulations
APRIL 2022	• Climate Action and Science Based Targets
JUNE 2022	• The Evolution of Sustainable Disclosures
NOVEMBER 2022	• Astorg’s ESG Strategy and Requirements for the Portfolio
NOVEMBER 2022	• Astorg’s Climate Strategy and Initiatives
DECEMBER 2022	• Astorg’s ESG Due Diligence Process
FEBRUARY 2023	• ESG Bootcamp – B2B Business Services and Software
MARCH 2023	• ESG Bootcamp – Healthcare and Industrials



# Climate Commitments and Initiatives

Climate change presents substantial risks to the global economy and financial markets. Rising temperatures and extreme weather events result in disruptions and significant financial losses. To safeguard the Astorg portfolio’s long-term stability, Astorg supports its companies in prioritising climate change mitigation and adaptation.

Astorg’s ESG Committee monitors the company’s climate commitments, both internally and across the portfolio. In 2021, Astorg adopted GHG emission reduction targets, approved and validated by the Science Based Targets Initiative (SBTi) as follows:

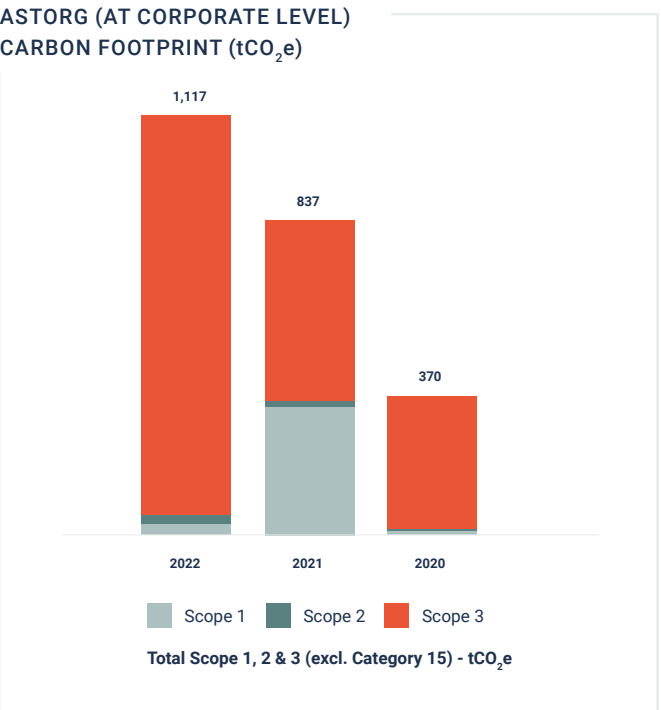
- **Reduce absolute scope 1 and 2 GHG emissions by 50% by 2030 from a 2020 base year;**
- **Commit that 30% of private equity investments per invested capital will have set Science Based Targets by 2025 and 100% by 2030 from a 2021 base year.**

Within its ESG integration process, Astorg identifies, assesses and manages climate-related risks and opportunities at every stage of the investment cycle. (Sectors such as oil exploration and coal extraction are excluded from the pre-investment phase assessments). Climate risks and opportunities are identified during due diligence and discussed with the target’s management. During ownership, Astorg requires its companies to measure carbon emissions and achieve SBTi validation. The climate-related risk across the portfolio is evaluated annually. Astorg’s Climate Policy aligns with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). The TCFD report can be found in Appendix 2.

## ASTORG GLOBAL GHG EMISSIONS

In 2022, Scope 1 and 2 GHG emissions increased compared to the 2020 base year. Compared to 2021, Astorg’s global GHG emissions in 2022 increased by 33%, primarily due to the increase in employee transportation-related emissions, as the Astorg team was finally able to reconnect in person with investors, partners and portfolio companies following the post-Covid reopening of borders. Astorg is closely monitoring its yearly emissions related to business travel and is working on alternatives to reduce its current usage.

Actions are under discussion internally to further decarbonise energy consumption for heating and lighting consumption within Astorg’s office premises. The offices in London, Frankfurt and Luxemburg used 100% green electricity in 2022, representing 68% of total electricity consumed. 52% of energy in all Astorg offices stems from renewable sources.



Details on Astorg’s GHG emissions reporting principles can be found in Appendix 2. Category 15 in Scope 3 refers to investments. It includes emissions associated with investments made by the reporting company, such as investments in other companies, joint ventures and equity interests.





# DE&I Commitments and Initiatives

Diversity, Equity & Inclusion (DE&I) supports diversity as a means of bringing together individuals with various perspectives, backgrounds and experiences. Astorg believes that a diverse workforce and an inclusive culture provide a richer source of ideas and enhance the company's innovation, problem-solving and decision-making capabilities, while being more attuned to its customers and portfolio companies. DE&I initiatives support this journey.

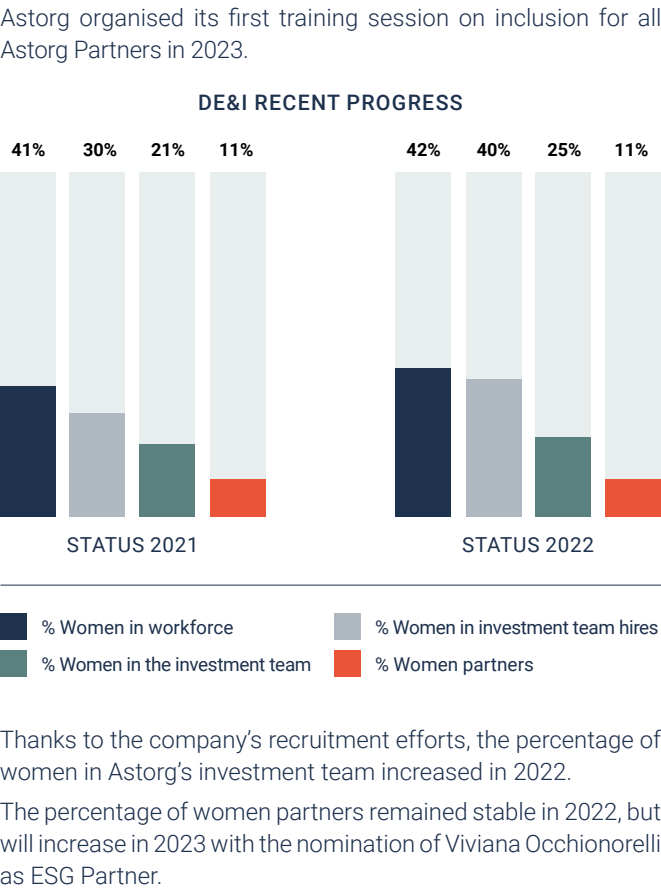
With the support of the DE&I taskforce, Astorg has formalised its commitment to reach a level of 30% of women in the investment team. This metric is one the three used as a margin adjustment for the Astorg VIII sustainabil-ity-linked credit facility.

Beyond its full-time recruitments in the investment team, Astorg has focused on building a strong pipeline of female interns whom the company supports, follows and may hire in the future.

**INCLUSION TRAINING ROLL-OUT**

Training is one of the many steps Astorg takes to create a safe and inclusive work environment.

The company engaged the Equality Group D&I specialists within the private equity (PE) and venture capital (VC). With their support, Astorg designed and rolled out specific D&I workshops to help everyone – individually and collectively – to better understand how biases impact behaviour and what must be changed to achieve a higher level of inclusivity.



# Cooperation with Limited Partners (LPs) and Co-investors



Astorg collaborates closely with Limited Partners (LPs) and Co-investors in meetings, detailed reporting, interviews and webinars. For example, Astorg responded to 56 LPs ESG questionnaires in 2022. Their feedback helps Astorg to continue to improve its practices.

Astorg strives to maintain the same level of ESG standards whether it is a majority or a minority shareholder. In both cases, Astorg actively collaborates with its co-investors, seeking common ground and maintaining high expectations.

- ESG WEBINARS ORGANISED FOR LPs IN 2022:**
- **May 2022** – Astorg's ESG process and achievements
  - **July 2022** – Astorg's ESG series: Sustainability-linked Loans
  - **October 2022** – Astorg's new ESG roadmap
  - **December 2022** – Astorg's Sustainability Report 2022



# Astorg Philanthropy Investments

2022 saw the launch of Astorg Philanthropy Investments (API), Astorg’s venture philanthropy arm. API has one goal: to support the transition to a healthier and more inclusive society.

Astorg Philanthropy Investments (API) provides philanthropic catalytic support to organisations, both non-profits and social enterprises, that improve health and accessibility outcomes for people living with disabilities and chronic conditions. API pursues its goal by:

- **Providing** flexible capital through grants, equity and loans (ca. €30,000–€300,000 per organisation)
- **Focusing** on products/solutions which provide an intentional and measurable social impact
- **Offering access** to Astorg’s global network within the health-care sector
- **Adding value** via strategy support and governance oversight

API operates under the auspices of the King Baudouin Foundation, which provides a wide range of competencies and offers access to its philanthropy network. API is supported by Astorg’s international team and is funded by Astorg through a contribution stemming from a combination of management fees and carried interests. It fosters long-term capital preservation across the API portfolio. All proceeds remain within API, to be reinvested in other opportunities.

As of June 2023, Astorg has supported five organisations, based in France, Italy and the USA, focused on assisting people living with disabilities and chronic conditions. The Astorg team provides pro bono as well as financial support for the projects. More information can be found on the next page.

## ASTORG PHILANTHROPY INVESTMENTS (API) APPROACH

**Impact** – Organisation provides products/ services to improve health and accessibility outcomes for those living with disabilities, obesity and chronic conditions

**Businesses** – B2B and B2B2C

**Sectors** - disability, mental health, vision loss, hearing impairment, obesity & chronic disease, critical care

**Geographies** – Europe and the UK, North America and Israel

**Maturity** – Seed, Series A, Series B

**Structure** – Equity, debt, grants and hybrid funding

**Financial objective** – Aims for long-term preservation of capital across the API’s portfolio; all proceeds remain within API

**Cheque size** – Between €30,000 and €300,000 in one or several instalments

## ORGANISATIONS CURRENTLY SUPPORTED

Café Joyeux Foundation US  
Grant



**Location:** New York, USA

**API team:** Christopher Cozzone and Brian Thorpe

**Description:** Café Joyeux is a café and coffee company, employing individuals with intellectual and developmental disabilities (IDD) operating primarily in France. API has funded Café Joyeux to launch the opening of the first Café Joyeux US location in New York City.

**Support provided:** Strategy implementation

Christopher Cozzone joined the Café Joyeux US Board as an Observer. Under the guidance of Brian Thorpe, he will provide strategic support to the company – for example, for the opening of the first Café Joyeux US location in NYC. API will also support the company in developing an impact management and measurement system to monitor and improve the social and economic inclusion of people living with IDD.

Respiro Libero Onlus Foundation  
Grant



**Location:** Turin, Italy

**API team:** Lorenzo Zamboni, Cristina Spiller

**Description:** Respiro Libero Onlus Foundation is a non-profit organisation founded in 2019, which supports the technological modernisation of the Paediatric Pulmonology Department of Regina Margherita Hospital in Turin, Italy. The project is focused on increasing the number of out-patient and specialist examinations provided, and the number of patients treated in their homes.

**Support provided:** Financial

Necker Hospital – Children’s Obesity  
Grant



**Location:** Paris, France

**API team:** Emmanuelle Berdugo

**Description:** Necker–Enfants Malades Hospital is a leading paediatric hospital based in Paris. The team in charge of childhood obesity is developing a remote tracking system to enhance the standard of care and monitoring of children suffering from obesity.

**Support provided:** Financial

Epoca  
Equity



**Location:** France

**API team:** Clémence Kopff, Cristina Spiller

**Description:** Epoca’s mission is to improve the lives of elderly patients suffering from multiple chronic conditions by decreasing the length and recurrence of their hospital stays and allowing them to stay in the comfort of their own homes for as long as possible. To meet this challenge, Epoca employs IoT devices to capture patients’ vital signs and transmit the information to a proprietary data analysis platform monitored by a team of in-house healthcare professionals 24/7.

**Support provided:** Administrative and strategic

API will support the company in their European expansion efforts and will provide ad-hoc support on strategic projects.

Afuté  
Grant



**Location:** Paris, France

**API team:** Alexandre Tisserand, Cristina Spiller

**Description:** Afuté is a not-for-profit organisation founded in 2020, which teaches professional cooking skills to young people aged 14 to 18 living with learning disabilities.

**Support provided:** Strategic support and development

Alexandre Tisserand will join the strategy committee of Afuté and will provide strategic support to the company. API will also support the company in developing its impact management and measurement system to track and improve social and economic inclusion for people living with IDD.



PART.

3

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# Sustainability

in Astorg's Portfolio

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# Engagement Strategy

Responsible investing and sustainability are not only fundamental goals; they are also drivers of growth and value creation. Astorg actively incorporates sustainability into its internal processes and collaborates with stakeholders to enhance sustainability initiatives.



Astorg maintains high sustainability standards and actively collaborates with its portfolio companies throughout the investment lifecycle, from consideration to exit.

In the pre-investment phase, Astorg conducts thorough screenings to identify any critical ESG or reputational issues. Sustainability support is provided throughout the ownership period, including quarterly ESG meetings between each company and its dedicated Astorg ESG contact. During the exit

phase, Astorg helps portfolio companies assess the value generated through their sustainability efforts (Table 1).

Table 2 below summarises Astorg's actions throughout the investment cycle, including additions made to the investment process in 2022 and 2023.

Astorg has set very stringent requirements, applicable to all its portfolio companies, as part of its engagement with those companies.

TABLE 1 – ASTORG ESG ENGAGEMENT THROUGHOUT THE INVESTMENT CYCLE

PRE-INVESTMENT	OWNERSHIP	EXIT
<ul style="list-style-type: none"><li>• Exclusion Policy</li><li>• ESG Materiality Assessment</li><li>• <b>NEW!</b> ESG in expert calls and ESG section in commercial due diligence (DD)</li><li>• Mandatory ESG due diligence (DD) before binding offer</li><li>• Inclusion of key ESG requirements in the Investment Memorandum</li><li>• <b>NEW!</b> Third Party ESG due diligence including Minimum Social Safeguards and Principal Adverse Impacts (PAI) Indicators</li><li>• <b>NEW!</b> SBTi (Science Based Targets initiative) gap analysis</li><li>• <b>NEW!</b> Sustainability-linked Loan</li><li>• <b>NEW!</b> SBTi and board diversity requirements in shareholder agreements</li></ul>	<ul style="list-style-type: none"><li>• Appointment of an ESG representative and Board sponsor</li><li>• Define ESG/Sustainability action plan and KPIs</li><li>• Annual ESG assessments<ul style="list-style-type: none"><li>– EcoVadis Rating</li><li>– ESG data collection and rating</li><li>– <b>NEW!</b> PAI and ESG Data Conversion Initiative (EDCI) data collection</li><li>– Carbon assessment (scope 1, 2 and 3)</li><li>– Cybersecurity assessment</li></ul></li><li>• Reporting (in accordance with SFDR and EU Taxonomy, ESG Data Convergence Initiative)<ul style="list-style-type: none"><li>– Annual ESG report for investors</li><li>– <b>NEW!</b> Biodiversity risk report</li><li>– Climate risk report</li><li>– <b>NEW!</b> Audited SFDR disclosures in periodic reports</li><li>– ESG included in AGM and Limited Partner Advisory Committee (LPAC) events</li></ul></li></ul>	<ul style="list-style-type: none"><li>• Feature ESG performance during exit process</li><li>• ESG vendor due diligence in accordance with SFDR and EU Taxonomy</li><li>• Highlight operational value-added of ESG improvements and Climate actions to buyers</li><li>• Prepare the company for ESG-related questions</li></ul>

TABLE 2 – ESG REQUIREMENTS FOR ASTORG PORTFOLIO COMPANIES

TOPIC	REQUIREMENTS	DETAILS
ESG Performance	<ul style="list-style-type: none"><li>• Yearly <b>EcoVadis</b> rating, <b>cybersecurity</b> assessment and <b>ESG data</b> reporting</li><li>• Target to achieve <b>Advanced Sustainability Performance</b> on overall EcoVadis ranking by exit</li></ul>	Linked to deal team performance and AVIII fund credit line
Climate	<ul style="list-style-type: none"><li>• Yearly <b>Carbon Assessment</b> scope 1, 2 and 3 – based on Activity Data</li><li>• <b>Science Based Targets</b> validation 24 months from deal closing</li></ul>	Linked to deal team performance and AVIII fund credit line
Diversity	<ul style="list-style-type: none"><li>• Reach <b>40% of women and/or underrepresented minorities</b> on the boards of all investments as of 2022</li></ul>	
ESG Governance	<ul style="list-style-type: none"><li>• <b>Board Sponsor, ESG representative and internal ESG committee</b> to drive action plan</li><li>• <b>ESG Action Plan with KPIs</b>, deadlines and roles/responsibilities based on <b>materiality</b></li></ul>	
ESG Financing	<ul style="list-style-type: none"><li>• <b>Sustainability-linked Loans</b> based on predetermined sustainability performance objectives offered to all new investments as of 2022</li></ul>	



TRAINING FOR PORTFOLIO COMPANIES

Astorg organises “ESG Club” events as part of its ESG program and its engagement with portfolio companies. These events promote knowledge-sharing and best practices, as well as providing training on various ESG topics. In 2022, Astorg organised two in-person ESG Club events in London at which portfolio companies shared ideas and learned from external speakers on ESG trends, regulations, climate, SBTi and diversity and inclusion.

At the end of these events, Astorg conducted a poll asking about the progress made and challenges encountered by the portfolio companies on their ESG journey. The results showed that Astorg’s portfolio companies view sustainability not just as a trend, but a way to remain competitive in today’s challenging environment. Astorg plans to host additional ESG Club events, both in-person and virtually, to continue supporting its portfolio companies in their ESG initiatives.

TRAINING FOR PORTFOLIO COMPANIES

DATE	TOPIC
FEBRUARY 2022	• ESG Data Collection Campaign
FEBRUARY 2022	• ESG Club – ESG Program Astorg
FEBRUARY 2022	• Science Based Targets
APRIL 2022	• ESG Club Event (London)
APRIL 2022	• Science Based Targets
JUNE 2022	• The Evolution of Sustainability Disclosures
JULY 2022	• ESG Regulations Impacting Astorg’s Portfolio Companies
OCTOBER 2022	• ESG Club Event (London)
NOVEMBER 2022	• Astorg 2023 ESG Reporting





# Governance

Astorg requires all its portfolio companies to take the yearly EcoVadis assessment to ensure they have the necessary management systems and initiatives in place to integrate sustainability principles in their processes.

EcoVadis conducts evidence-based assessments focusing on 21 sustainability criteria based on international sustainability standards<sup>1</sup>. The assessment covers four themes: Environment, Labour and Human Rights, Ethics, and Sustainable Procurement.

Companies self-assess using the EcoVadis questionnaire and provide evidence of their actions and results. Based on this information, EcoVadis evaluates the company's performance and documentation, tailoring the assessment to the company's size, industry, and location. Each company receives an overall score, as well as theme scores from 0 to 100, reflecting the quality of the company's sustainability management system at the time of the assessment (see table on the next page).



1. Ten Principles of the UN Global Compact, the International Labour Organization (ILO) conventions, the Global Reporting Initiative (GRI) standards, the ISO 26000 standard, the CERES Roadmap 2030, and the UN Guiding Principles on Business and Human Rights, also known as the Ruggie Framework.  
2. An EcoVadis medal is an acknowledgement of achievement relative to other assessed companies across the EcoVadis database. EcoVadis Medal levels are based on percentile achievement, which is calculated as a benchmark based on published annual score thresholds.  
3. Except companies with minority investments: Acturis and Audiotonix.  
4. Out of nine companies assessed several times during ownership period.

Astorg requires its portfolio companies to achieve the “Advanced” level with a minimum score of 65 during the ownership period, indicating a structured and proactive sustainability approach with policies, actions and transparent reporting in place.

In 2022, Astorg assessed six new portfolio companies for the first time and re-assessed 11 companies. Most exceeded industry benchmarks, with five already surpassing the target overall score of 65. All but four of Astorg's portfolio companies were awarded EcoVadis medals<sup>2</sup>, placing them in the top 50% of all assessed companies.

- **100%**<sup>3</sup> of companies assessed by EcoVadis within one year after acquisition
- **+15.5 points** average increase in EcoVadis score since acquisition<sup>4</sup>
- **80%** of companies received an EcoVadis medal in recognition of their sustainability performance: 3 gold, 8 silver and 5 bronze medals.

## PORTFOLIO ECOVADIS SCORES 2020–2022\*

FUND	COMPANY NAME	2020	2021	2022	TREND	BENCHMARK	MEDAL
ASTORG VI	Company 1	55		70	↗	47	
	Company 2	56	58	59	↗	45	
	Company 3	39	58	61	↗	44	
ASTORG VII	Company 4	38	41	66	↗	47	
	Company 5	36	41	63	↗	47	
	Company 6			40		48	
	Company 7	30	56	57	↗	45	
	Company 8	50	63	71	↗	44	
	Company 9		33	63	↗	46	
	Company 10			48		44	
	Company 11			48		45	
	Company 12		60	54	↘	45	
	Company 13		28	44	↗	47	
	Company 14		36	54	↗	45	
	Company 15		40	57	↗	46	
	Company 16			46		47	
	Company 17	41	50	52	↗	50	
	Company 18	66	66	67	↗	44	
Midcap	Company 19		56	59	↗	45	
	Company 20			39		47	

This table excludes companies with minority investments and recently acquired companies that have not completed their assessments yet.

## DECLARATION OF INDEPENDENCE AND IMPARTIALITY

As an investor in EcoVadis, Astorg hereby confirms its independence and impartiality with respect to EcoVadis sustainability assessments. Astorg has been using the EcoVadis assessment since 2019 across its portfolio, prior to becoming an investor. During 2022, Astorg became a minority investor (c.11%) in EcoVadis, and thus has neither the influence nor the power to influence the execution of any ESG sustainability assessments performed by EcoVadis.

In order to employ EcoVadis in its portfolio monitoring without conflict of interest, Astorg has put in place the following controls:

- **Monitoring** of spending on EcoVadis;
- **Limiting** the promotion of the EcoVadis platform;
- **Reviewing and evaluating** the EcoVadis conflict of interest policies and initiatives on an ongoing basis.



ESG DATA COLLECTION

Reliable and performance-based ESG data are essential for creating transformation and maintaining sustainable practices. Enhanced data transparency and conformity enable the identification of ESG risks and opportunities, facilitating the allocation of capital to suitable activities.

As an active participant in the Data Convergence Initiative since 2022, Astorg is committed to standardising and streamlining ESG data across the private equity industry. Since 2020, the company has assessed its portfolio companies using the stringent scoring criteria of EcoVadis. This makes it possible to benchmark portfolio companies against their peers with the

same sector, size and location; it also facilitates the creation of tailored action plans and significant ESG performance improvements.

In 2022, Astorg strengthened its commitment by partnering with a third-party provider, specialised in ESG ratings and advisory services for private markets. This collaboration will collect, centralise and compare data, aligning companies with international standards and regulatory requirements, such as SFDR, the EU Taxonomy and UN Global Compact principles. In 2022, portfolio companies were required to provide 201 different ESG data points.

Astorg regularly reviews the progress of portfolio companies on ESG KPIs during Board meetings to foster knowledge sharing and support performance improvement.

Case Study – EcoVadis guides companies toward a sustainable world

Founded in 2007 in Paris, EcoVadis has grown to become the world’s largest and most trusted provider of business sustainability ratings, intelligence and collaborative performance improvement tools. The company has created a global network of more than 100,000+ rated companies across over 175 countries and 200+ industries. At its core, EcoVadis is dedicated to responsible procurement and helps its customers assess and improve their sustainability throughout their supply chain. In July 2022, EcoVadis became a Purpose-driven company under French Pact law by formalising its purpose and integrating four social and environmental objectives into the company bylaws. **The EcoVadis purpose is to “guide all companies toward a sustainable world”. Its Purpose Committee will oversee the company’s progress towards its four core purpose objectives.**

ECOVADIS’ FOUR OBJECTIVES TO EMBED PURPOSE INTO BUSINESS DECISIONS

1	2	3	4
Deliver independent, trusted and actionable sustainability ratings and insights through methodology excellence.	Enable the highest number of companies to continuously improve their business practices and contribute to creating a regenerative and equitable economy.	Cultivate an inclusive learning environment for our people, providing meaningful work and empowering future generations of sustainability practitioners.	Foster collective action within our ecosystems to accelerate the transition to a sustainable world.

NETWORK IMPACT: DRIVING IMPACT AT SCALE

On average, 70% of a company’s negative social and environmental impacts occur in its supply chain. Therefore, supply chains represent the largest lever for companies to mitigate risk and scale positive impact. To support companies in these efforts, EcoVadis offers a range of supply chain sustainability solutions to assess and benchmark the performance of their suppliers and suggest ways to collaborate to drive continuous improvement:

- 1 – **Request organisations** to use EcoVadis solutions to embed sustainability into their procurement approach and assist trading partners in improving their procedures and operations.
- 2 – **Leverage rated companies’** insights and platform tools to improve their sustainability practices.

- 3 – **Measure the positive environmental and social impact** generated by this process and feed it back into the loop to scale and accelerate efforts within the supply chain.
- Moreover, EcoVadis has established sector initiatives (SI) to encourage the sharing of best practices and for the companies to work together to tackle sector-specific challenges in their interconnected supply chains.
- As of 2022, there are six sector initiatives covering a broad range of sectors, including chemical manufacturing and health. The success of these initiatives is evident: companies involved in an SI, outperformed the network average by 5.3 points in 2022.

KEY ACHIEVEMENTS AND THE WAY FORWARD

To date, EcoVadis has already driven measurable network impact, as illustrated by the key figures below. EcoVadis is currently in the process of defining key performance indicators linked to the four objectives to further measure impacts on the planet and society.



**Benoît Fichour**  
Partner at Astorg

“EcoVadis’ expert intelligence and evidence-based ratings allows us to monitor and improve our companies’ sustainability performance. This has had a transformative impact across our portfolio, contributing to making Astorg one of the private equity leaders in sustainability.”



**Valérie Touchon**  
Chief Impact Officer at EcoVadis

“Industry-level collaboration is one of the best levers available to companies looking to build more sustainable value chains and scale their positive impact.”



# Climate

Over the past four years, Astorg has supported its portfolio companies in conducting their carbon footprint assessment (scope 1, 2 and 3), creating emission reduction action plans and conducting sector-specific climate resilience assessments. This support enables companies to make informed strategic decisions and to take concrete actions to decarbonise their activities.



## CARBON FOOTPRINT ASSESSMENT

Astorg uses a specialised third-party provider to conduct carbon footprint assessments of all its portfolio companies. Significant improvements have been made in data accuracy, quality and assessment scope since the process began in 2019. Information from the 2022 assessments on scope 1, 2 and 3 emissions are available for all 25 portfolio companies.

The portfolio carbon footprint and the respective contributions at the fund level are as follows:

CARBON FOOTPRINT AT FUND LEVEL (tCO<sub>2</sub>e)

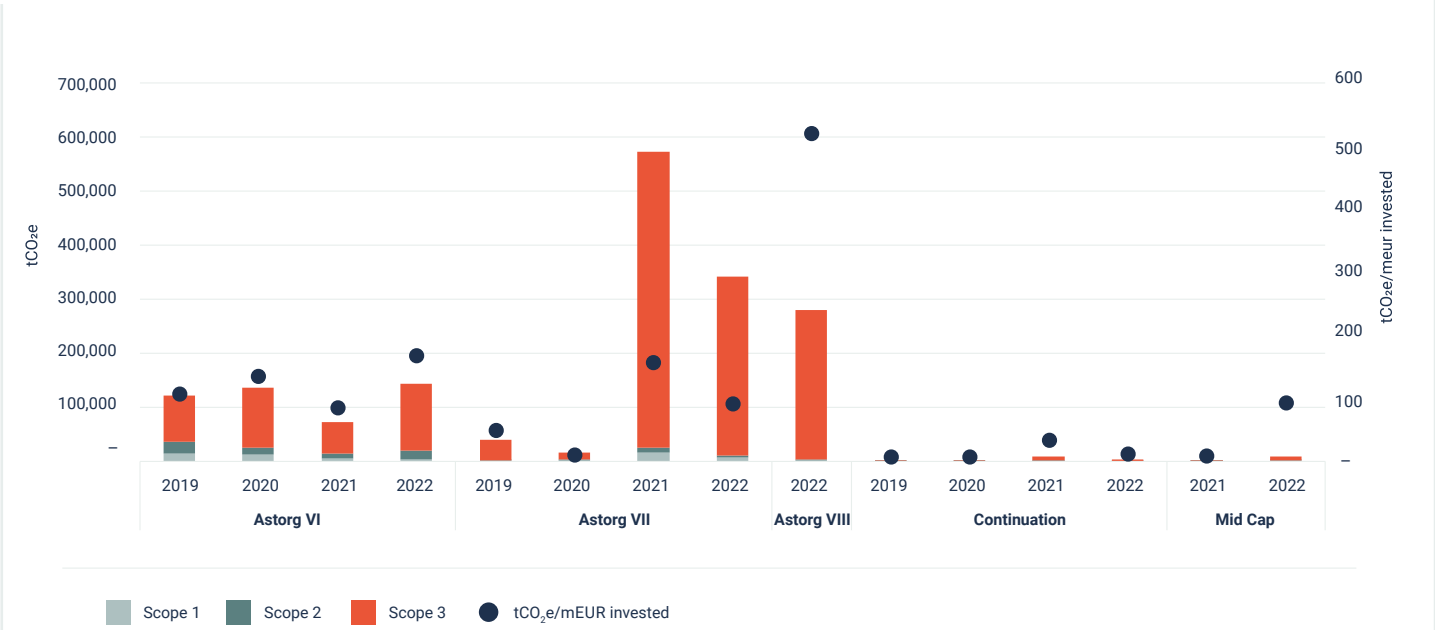
Financial year 2022 - Total GHG emissions in % of ownership by Astorg	SCOPE 1	SCOPE 2	SCOPE 3
Astorg VI	3.2	17.9	122.3
Astorg VII	7.3	3.8	330.2
Astorg VIII	2.8	1.2	275.7
Continuation	5	139	3.1
Midcap	1.5	583	6.4
Total GHG emissions, in % of stake	14.9	23.7	737.8



Current results of the portfolio’s carbon footprint cover 100% of invested capital through 31 December 2022. It is measured, consolidated (in % of ownership in each portfolio company) and reported in accordance with the GHG Protocol. This assessment relies on a hybrid methodology, with a combination of supplier-specific activity data and secondary data. Input data come directly from the portfolio companies. The completeness of the data received is under scrutiny. Astorg engages with companies to improve the data collection processes and ensure the accuracy and completeness of the data.

The following graph shows the greenhouse gas emissions from 2019 to 2022 adjusted for the percentage stake in each company and million Euros invested.

YOY GHG EMISSIONS (SCOPE 1, 2 & 3) IN % OF STAKE AND RELATED tCO<sub>2</sub>e/mEUR INVESTED





SCIENCE BASED TARGETS

As of July 2023, 17 companies have committed to the Science Based Targets initiative. Of those, four companies have received validation of their targets, and one company is in the validation process. In terms of portfolio coverage, 22% of Astorg's private equity investments by invested capital

have set Science Based Targets, an indication that Astorg is on track to reach its objective of achieving SBTi validated targets for 30% of its private equity investments (measured by invested capital) by 2025; 100% by 2030. Astorg will continue to assist other companies to follow suit.

SBTi COMMITMENTS ACROSS THE ASTORG PORTFOLIO <sup>1</sup>  
(in % of companies' number)

Not started	Committed	Submitted	Validated
8 (32 %)	11 (44%)	1 (4%)	5 (20%)
<div><div>ANAQUA®</div><div>DEMETRA</div><div>ARMOR IIMAK</div><div>AVANIA</div><div>LGC</div><div>Third Bridge</div><div>IQEQ</div><div>Fastmarkets</div></div>	<div><div>IGM</div><div>CLARIO.</div><div>Normec Group</div><div>Cytel</div><div>CORSEARCH®</div><div>CORIALIS</div><div>fenergo</div><div>SOLINA</div><div>OPEN HEALTH</div><div>Corden Pharma</div><div>IPCOM</div></div>	<div><div>acturis</div></div>	<div><div>echosens</div><div>Nemera</div><div>ecovadis</div><div>OPUS2</div><div>XCEPTOR</div></div>
Portfolio coverage of private equity investments by invested capital at the year of acquisition (excl. co-investments)			22%
Coverage calculation is aligned with SBT criteria, including during the 24-month grace period for new investments.			

In 2023, Astorg will continue supporting its portfolio companies in their Science Based Target (SBT) journey with individual engagement and webinar training sessions to improve data gathering in order to refine the analysis of each company's carbon footprint ahead of the next assessment.

CLIMATE RISK ASSESSMENT

Astorg conducts a comprehensive analysis of climate-related risks and opportunities within its portfolio companies using a third-party provider to conduct workshops, data collection and training sessions. Appendix 2 provides more details on the climate risk assessment conducted.

Risk assessment considerations include transition risks, such as climate regulations, reputational damage and technological advancements. The objective of the assessment is to raise awareness and collaborate with deal teams and portfolio companies to implement measures for reducing future carbon costs.

Indirect impacts from increased carbon pricing in the supply chain remain a potential risk for portfolio companies, as carbon pricing projection can impact a company's financial performance. The assessment reveals that, under a high-risk scenario, most portfolio companies can expect low additional carbon costs, with only a few expecting high future carbon prices.

Physical risks associated with extreme weather events (e.g., cyclones, floods) and long-term climate shifts (e.g., rising temperatures and sea levels) are also evaluated. The assessment indicates that, under a high-risk scenario, portfolio companies demonstrate low-to-medium exposure to physical risks within their direct operations. Astorg is actively engaging with its companies to expand the assessment to ensure the entire value chain is assessed for risk.

1. Excluding Audiotonix, a minority investment.





# Diversity, Equity & Inclusion

Through its engagement with its companies, Astorg aims to:

- Set company specific DE&I targets on material topics, with quarterly Board follow-ups and KPI monitoring;
- Attain 40% of women/underrepresented minorities at the Board level of all future investments from 2022 onwards.

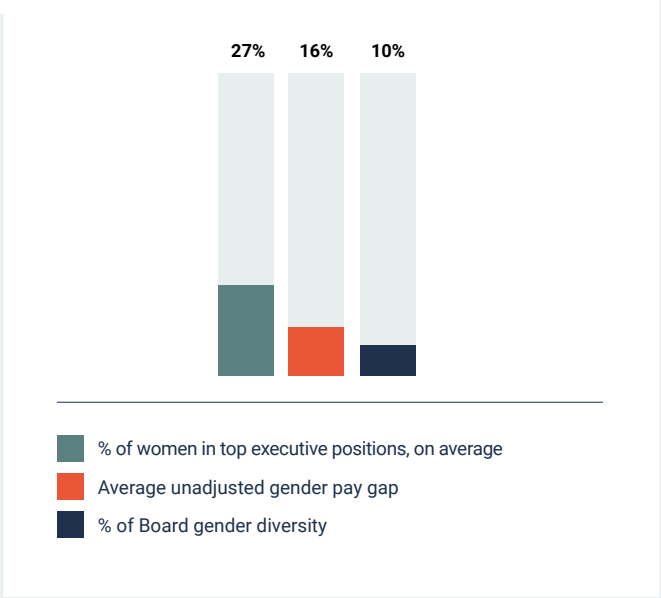
DE&I are integrated throughout Astorg's investment cycle. Before investing and during due diligence, the company uses standard DE&I recommendations and industry benchmarks to assess DE&I performance and gauge the maturity of each portfolio company. To foster ongoing engagement with its private

equity investments, Astorg facilitates dedicated discussions on DE&I topics during its ESG events. To meet its ambition on board diversity, Astorg has established a new internal process:

- New indicators, tracked across the portfolio on board diversity;
- Increased engagement of the investment team in the search process with follow-ups throughout the ownership period to ensure the objectives are on track;
- Monitoring progress of the Board diversity ambition by the ESG Committee.

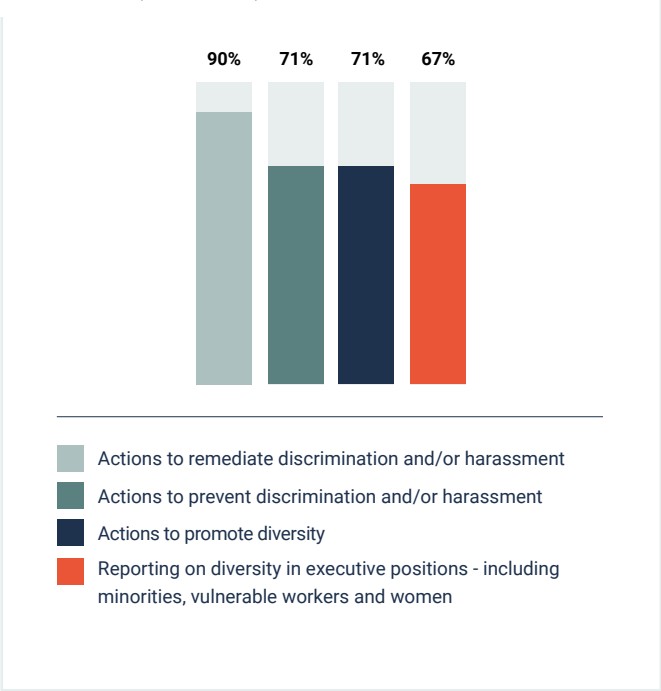


## PORTFOLIO COMPANIES



As a result of the EcoVadis assessment, the great majority of Astorg's portfolio companies has policies and actions in place to promote diversity and to prevent discrimination and harassment.

## OTHER KPIS (ECOVADIS)



Looking forward to 2023, Astorg is focusing on the following DE&I workstreams for its portfolio:

- **Building** a pool of diverse independent Board members;
- **Integrating** Board diversity ambitions throughout the investment process;
- **Carrying out** an assessment of portfolio companies' maturity on D&I;
- **Creating** a toolkit to support portfolio companies in their D&I journey;
- **Organising** workshops and discussions on D&I within the portfolio ESG and HR community.

## Case Study – Clario

Clario is a clinical trial technology company that builds software and provides tools to collect data from clinical trials. Its purpose is “to transform lives by unlocking better evidence.” Founded in 1972 in the United States, the company now boasts 30 offices in nine countries, with more than 3,400 employees. Impressed by their dynamics and potential for growth, Astorg formalised its collaboration with Clario in 2020.

Clario acknowledges the importance of Diversity & Inclusion in conducting clinical trials and is committed to making a change. In 2021, Clario monitored key diversity KPIs and set ambitious targets for 2023 and 2024. The chart on the left illustrates key achievements in 2022. For more information on Clario's governance framework and sector initiatives, please consult our 2022 sustainability report.

### CLARIO'S DIVERSITY, EQUITY & INCLUSION UPDATE

- Integration with job posting platform initiated
- Good progress on accurate measuring
- Job recertificationaling underway

- Implemented talent sourcing platform to achieve diverse slating & hiring goals
- Team adoption needs improvement
- Email integration in progress

- Global pay gap audit completed
  - \* Binary gender globally
  - \* Race & ethnicity within US
- Remediation plan being developed

- Targeting 100 points on Corporate Equality Index (CEI) by 2024 – most inclusive LGBTQ+ employer
- HR and Procurement policy changes, e.g. medical and travel benefits

Beyond its company-wide ambitions, Clario is determined to promote diversity at the sector level and is actively contributing to the drafting of a sector guide.



# Information Security

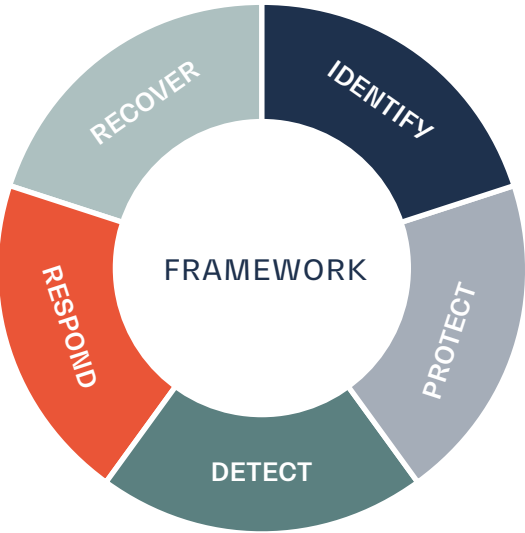
Information security was identified as a top risk by global leaders at the World Economic Forum. As businesses heavily rely on technology, the ability to manage and mitigate cyber threats and hackers is crucial.

A cyberattack can impact a company, its employees, customers and reputation. Economic and societal change have spurred transformations, such as remote and hybrid work, accelerated cloud adoption, digitalisation, big data, artificial intelligence and IT/OT convergence. These changes have introduced new cyber risks targeting businesses.

To ensure maximum security and preparedness, Astorg is committed to ensuring all its portfolio companies reach the highest information security sector standards within three years of acquisition.

## THE ASTORG CYBER SURVEY FOR PORTFOLIO COMPANIES

Since 2021, Astorg has conducted an annual declarative cybersecurity survey. In 2022, the survey covered 24 portfolio companies. The Astorg Cyber Survey relies on the globally acknowledged **National Institute of Standards and Technology Cybersecurity Framework (NIST CSF)**, which embeds five major cyber functions.



- **The Identify Function** assists in developing an organisational understanding of managing cybersecurity risk to systems, people, assets, data and capabilities.
- **The Protect Function** supports the ability to develop and implement appropriate safeguards to ensure delivery of critical services.
- **The Detect Function** defines the appropriate activities to identify the occurrence of a cybersecurity event in a timely manner.
- **The Respond Function** includes appropriate activities to minimize the impact of a detected cybersecurity incident
- **The Recover Function** identifies appropriate activities to maintain plans for resilience and to restore services impaired during cybersecurity incidents.

The NIST CSF uses a scale between 1 and 5, indicating specific “control levels”: not in place, ad hoc, defined, measured, optimised. The description of each control level can be found in Appendix 3. Every portfolio company was rated on its current level of cyber maturity and received an overall target rating, based on best-in-class requirements, for its specific sector of activity.

## OVERALL RESULTS OF THE 2022 ASTORG CYBER SURVEY

The results of the self-assessed Cyber Survey show that the overall cyber maturity of Astorg’s portfolio companies has improved, with a 0.2 point increase (out of 5) since 2021.



## NEXT STEPS FOR ASTORG

During 2023, Astorg will support its companies’ progress in increasing cyber security maturity by following the Cyber Survey recommendations.

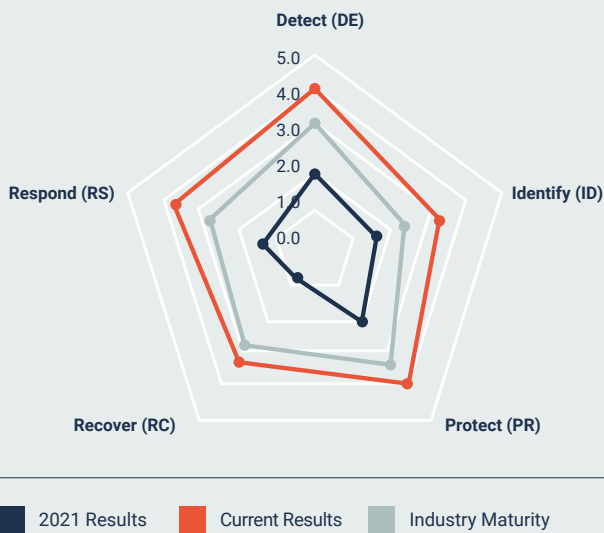
- Main actions for 2023 include:
- **Discuss** survey results with each portfolio company and agree on action plans;
  - **Launch** a cyber security community within the portfolio to leverage best practices and initiatives already in place across the portfolio;
  - **Assist** companies in case of cyber attacks;
  - **Introduce** a new survey in 2023 to assess progress;
  - **Continue** to perform cyber security due diligence as part of the pre-investment phase.

## Case Study – Echosens

Echosens is a specialised diagnostic company providing non-invasive medical devices and services to support physicians in their diagnostic and monitoring of chronic liver diseases.

The organisation participated in Astorg’s self-assessment survey on cybersecurity maturity in **2021 and 2022 and was rated using the NIST CSF methodology explained above**. Overall, Echosens’ cybersecurity maturity has improved from **1.5 to 3.7**, placing it **0.7 points** above the industry maturity level. This significant improvement of two points is the result of the actions and investments in cybersecurity made by the company over the past two years.

### ECHONSENS NIST SURVEY RESULTS



Based on the results of the survey, the company has implemented best-in-class mechanisms, from preventing cyber-attacks to increasing resilience in case of intrusions and mitigating their impact.

**Protection of initial accesses to the information system:** The company has improved systems such as users’ workstations, multi-factor authentication (MFA), web applications, and VPN access to prevent attackers from gaining entry. Additionally, employees are made aware of the importance of cybersecurity, and strict device policies are enforced.

**Resiliency in case of intrusion:** The company has established a security operations centre and deployed security information and event management to detect intrusions of critical business systems early to ensure business continuity. In case of intrusion, Echosens has prepared disaster recovery plans to address major attacks or crises. Furthermore, the company has built a network of external expertise to assist during such events.

**Containment of intrusions:** To prevent the spread of intrusions across the network, the company employs various techniques, including network partitioning, privileged identity management, enforcement of least privileges for both users and administrators, and automatic system isolation with suspicious behaviour analysis.

The Group’s CEO stresses that cybersecurity resilience is an ongoing process that requires continual investment in processes, tools and training for employees. This is necessary to effectively counter evolving threats in the healthcare environment, which is particularly exposed to such risks.



# Biodiversity

Biodiversity is crucial to sustaining the Earth's ecosystems and provides numerous benefits to human society. Nevertheless, human activities, such as land use, pollution, climate change and resource overexploitation are causing significant declines in global biodiversity.

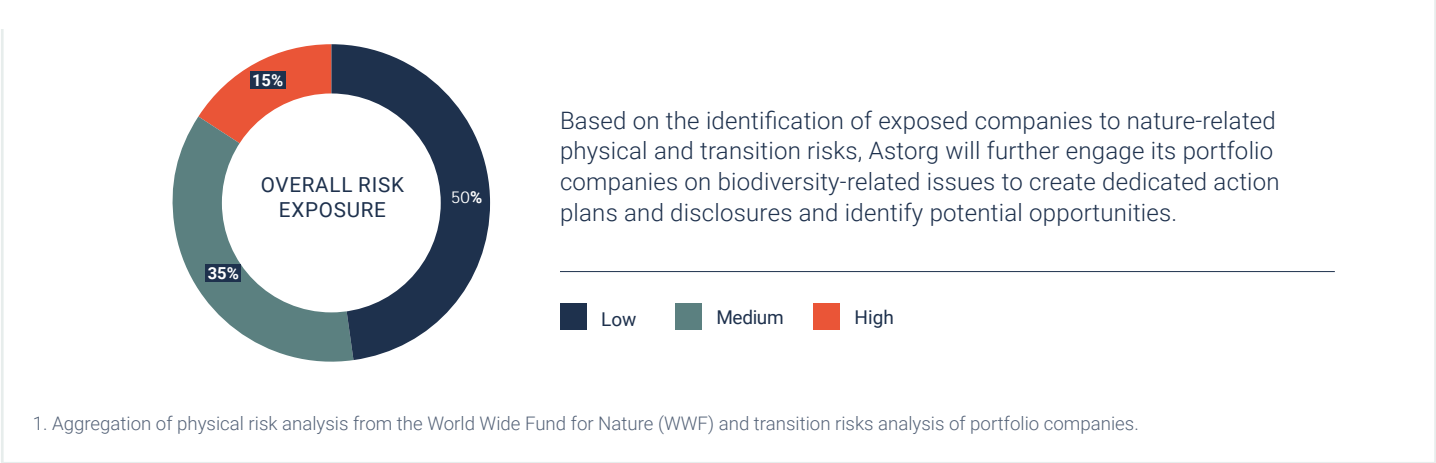
As a responsible investment manager, Astorg recognises the importance of addressing and mitigating the negative impacts on biodiversity. In 2021, the company began assessing its portfolio's dependencies and impacts on ecosystems. In 2022, Astorg took proactive measures by conducting a comprehensive biodiversity assessment using the Taskforce on Nature-related Financial Disclosures (TNFD) framework. This framework offers guidance on identifying, measuring and reporting nature-related risks and opportunities, as well as

strategies for mitigating negative impacts and enhancing positive contributions to nature. Using the LEAP approach (Locate, Evaluate, Assess, Prepare) of the TNFD, the analysis covered physical and transition risks for all Astorg's portfolio companies and identified key biodiversity-related risks that the companies should address. The assessment results considerably increased risk awareness among Astorg's teams and partners. See Appendix 4 for more details on our 2022 biodiversity assessment.

TNFD LEAP APPROACH



OVERALL EXPOSURE OF ASTORG'S PORTFOLIOTO TO BIODIVERSITY RISKS<sup>1</sup>



## Case Study – Armor Group: Taking tangible action in favour of biodiversity

Astorg has been a majority investor in ARMOR-IIMAK since 2022. Headquartered in Nantes, France, ARMOR-IIMAK is the global leader in thermal transfer ribbons, inked films used as consumables for the thermal transfer printing industry. ARMOR-IIMAK serves over 3,000 customers in 100+ countries and employs approximately 1,700 employees across 18 facilities globally, including three coating sites and 15 slitting sites.

Interview with Pierre Lavoix,  
CSR Project Manager at Armor Group

**What can you tell us about Armor Group's sustainability and biodiversity strategy?**  
**Pierre:** At Armor Group, we believe that it is our responsibility to minimise our impact on nature and protect the environment. We have been actively pursuing an ambitious sustainability and biodiversity strategy for many years. This was a significant factor in Astorg's decision to invest in our company.

**How did Armor Group pioneer biodiversity conservation in the area?**  
**Pierre:** We conducted our first biodiversity assessment in 2008 at our main production site in France, located in the Bois Fleuri Business Park, near a nature reserve lake – the Lac de Grand Lieu – an area of high biodiversity value. We soon realised that our initiatives could have a greater impact when carried out on a larger scale, so we brought together companies, governmental authorities, such as the EU, and NGOs to create a joint sustainability strategy with other companies from the Bois Fleuri Business Park. The fundamental pillar of the sustainability strategy was the environmental integration project (GITE), which aimed to preserve local biodiversity as

a part of the territory's ecological continuity and to make the Business Park a place of environmental education.

**What actions did you take and what did you achieve?**  
**Pierre:** The project involved four studies to create a comprehensive biodiversity assessment of the different environments and species of flora and fauna in the business park, stormwater management, ecological continuity and bee monitoring. The Armor Group contributed substantial funds (€30,000) to one bee study, which involved analysing pollen samples brought back from the beehives to detect the presence and quantity of heavy metals and pesticide pollution, as well as the diversity of pollens in the bees' range. The overall diagnosis took four years and allowed us to create an action plan that was deployed over a period of three years: planting vegetation, removing invasive species, repairing wetlands and safeguarding zones to avoid construction in these areas. We created a sector guide with seven concrete actions to preserve and develop local biodiversity as a resource to spread operational ideas and to help other organisations to support biodiversity. More information can be found at: <https://iepad.org/l-iepad/>

**What advice would you give other companies interested in starting their own biodiversity initiatives?**  
**Pierre:** I would advise reaching out to stakeholders and working together to create a shared vision and strategy for biodiversity conservation. I would also recommend conducting a thorough biodiversity assessment to identify the most critical areas and species to focus on.

**How do you plan to continue these initiatives in the future?**  
**Pierre:** We are considering measuring the biodiversity impact of our product lifecycle, and we remain committed to working closely with local stakeholders and NGOs to develop new projects and initiatives that contribute to the sustainable development of our business and the local communities we operate in.

COLLECTIVE SUSTAINABILITY STRATEGY





PART.

# 4

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## Appendices

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APPENDIX 1

Statement on Principal Adverse Impacts of Investment Decisions on Sustainability Factors

Astorg takes into consideration the principal adverse impacts (PAI) of its investment decisions on sustainability factors. The present statement is the consolidated statement on the principal adverse impacts on sustainability factors for Astorg, covering the reference period from 1 January to 31 December 2022.

The aggregate values cover the 25 companies that were in the portfolio on 31 December 2022: Acturis, Audiotonix, Echosens, IGM Resins, Nemera, Clario, Corialis, Anaqua, Cytel, Corsearch, EcoVadis, Demetra, Fenargo, LGC Group, Solina, Third Bridge, Xceptor, Normec, CordenPharma, IPCOM, OpenHealth, IQ-EQ, ARMOR-IIMAK, Avania, and Opus 2. References to the portfolio on the next page refer to these companies only. For clarity's sake, Astorg did not collect data on PAIs in respect to any other investments during the reference period.

The environmental and social impacts from activities of all Astorg investee companies are assessed on an ongoing basis through Astorg's environmental, social and governance (ESG) integration evaluation process. Astorg monitors and evaluates a range of PAIs, but as the reporting of many of these metrics by investee companies are currently voluntary, the availability of data on some indicators is limited. As such, the integration of PAIs is conducted on a best-efforts basis, reflecting the availability of such information. As data availability improves, it is expected that information on PAIs will allow for better insight into the adverse impacts associated with investee companies. Furthermore, Astorg may add additional PAIs to its monitoring process as the data quality improves. Additional processes to consider PAIs in the investment decision may take place at the specific strategy or product level, where the outcome may be incorporated differently. In some cases, this could lead, for example, to investment exclusions or conditional inclusions predicated on certain conditions being met.

Topic	#	Adverse sustainability indicator	Metric	Unit	Impact 2022	Impact 2021	Explanation (data coverage in % share of investments <sup>1</sup> )	Actions taken, actions planned and targets set for the next reference period <sup>2</sup>
PRINCIPAL ADVERSE IMPACTS OF INVESTMENT DECISIONS ON SUSTAINABILITY FACTORS								
Climate and other environment-related indicators								
GREENHOUSE GAS EMISSIONS	1.	Greenhouse gas emissions	Scope 1 GHG Emissions	tCO <sub>2</sub> e	3,742.85	N/A	100% <sup>3</sup>	Astorg has engaged with certain of its portfolio companies to support them in setting Science Based Targets and having such targets validated by the Science Based Targets initiative (SBTi), where relevant. This is in line with Astorg's Sustainability Roadmap for 2025 to ensure that 30% of its private equity investments, by invested capital, will have set Science Based Targets by 2025, ramping up to 100% by 2030.
			Scope 2 GHG Emissions	tCO <sub>2</sub> e	5,934.14	N/A	100% <sup>4</sup>	
			Scope 3 GHG Emissions	tCO <sub>2</sub> e	184,466.49	N/A	97% <sup>5</sup>	
			Total GHG emissions	tCO <sub>2</sub> e	194,122.87	N/A	97% <sup>6</sup>	
	2	Carbon footprint	Carbon footprint	tCO <sub>2</sub> e/m€ invested	36.79	N/A	97%	All energy and climate-related PAIs are measured through a specific carbon assessment of all portfolio companies, which covers scope 1, 2 and 3 greenhouse gas emissions; it is repeated on a yearly basis. Astorg will continue to take steps over the next reference period to implement its Sustainability Roadmap for 2025, in order to attain the aforementioned target.
	3	GHG intensity of investee companies	GHG intensity of investee companies	tCO <sub>2</sub> e/m€ revenue	328.29	N/A	97%	
	4	Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector	%	0	N/A	100%	
	5	Share of non-renewable energy consumption and production	a) Share of non-renewable energy consumption of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage of total energy sources	%	80	N/A	100%	
			b) Share of non-renewable energy production of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage of total energy sources	%	0	N/A	100% <sup>7</sup>	
	6	Energy consumption intensity per high impact climate sector	Energy consumption of investee companies, for the Manufacturing sector	GWh/m€ revenue	0.06	N/A	100%	
			Energy consumption of investee companies, for the Wholesale and Retail Trade sector	GWh/m€ revenue	0.001	N/A	100%	
BIODIVERSITY	7	Activities negatively affecting biodiversity-sensitive areas	Share of investments in investee companies with sites/operations located in or near to biodiversity-sensitive areas where activities of those investee companies negatively affect those areas	%	0	N/A	100%	Astorg will continue to monitor the share of investments in investee companies with sites/operations located in or near to biodiversity-sensitive areas where activities of those investee companies negatively affect those areas through annual data collection from portfolio companies.
WATER	8	Emissions to water	Tonnes of emissions to water generated by investee companies, expressed as a weighted average	Tonnes/€m invested	0.01	N/A	81% <sup>8</sup>	Astorg is working to baseline these metrics across its portfolio and in respect of specific portfolio companies. Astorg will develop actions to address or reduce adverse impacts, where it determines it is appropriate to do so.
WASTE	9	Hazardous waste and radioactive waste ratio	Tonnes of hazardous waste and radioactive waste generated by investee companies, expressed as a weighted average	Tonnes/€m invested	0.10	N/A	87% <sup>9</sup>	

1. Note that "Explanation (data coverage in % share of investments)" refers to the share of the investment portfolio that is represented by the corresponding PAI data, expressed as a percentage of the value of all investments in the portfolio. Unless otherwise indicated, the information in this column does not include any estimates and was collected from the portfolio companies represented in the relevant data coverage percentage. Percentages may be rounded.

2. To increase accessibility of the information provided in this column, further information on actions taken, actions planned and targets set for the next reference period that are applicable across all PAIs are set out below these tables.

3. This figure covers 100% of the portfolio: approximately 99.8% reflects data that was collected from portfolio companies, and the remaining 0.2% is based on estimates.

4. This figure covers 100% of the portfolio: approximately 99.9% reflects data that was collected from portfolio companies, and the remaining 0.1% is based on estimates.

5. This figure covers 97% of the portfolio: approximately 86.3% reflects data that was collected from portfolio companies, and the remaining 13.7% is based on estimates.

6. This figure covers 97% of the portfolio: approximately 87.3% reflects data that was collected from portfolio companies, and the remaining 12.7% is based on estimates.

7. A third-party consultant provided data that covered 35% of the portfolio, and 65% of the portfolio was covered by estimates.

8. This figure covers 81% of the portfolio: 32% reflects data that was collected from portfolio companies, and the remaining 49% is based on estimates.

9. This figure covers 87% of the portfolio: 41% reflects data that was collected from portfolio companies, and the remaining 46% is based on estimates.



Topic	#	Adverse sustainability indicator	Metric	Unit	Impact 2022	Impact 2021	Explanation (data coverage in % share of investments <sup>1</sup> )	Actions taken, actions planned and targets set for the next reference period <sup>2</sup>
Indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters								
SOCIAL AND EMPLOYEE MATTERS	10.	Violations of UN Global Compact principles and Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises	Share of investments with violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises	%	0	N/A	100%	Astorg will continue to monitor the share of investments with violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises through annual data collection from portfolio companies.
	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 UNGC principles or OECD Guidelines for Multinational Enterprises or grievance/ complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	%	0	N/A	100%	Astorg will continue to monitor the share of investments without processes and compliance mechanisms in place to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises through annual data collection from portfolio companies.
	12	Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies	%	16	N/A	55%	Astorg has engaged a specialist D&I consultant to understand the D&I maturity of Astorg's portfolio and develop a D&I toolkit which will be available to its portfolio companies. Engagement on gender pay gap will continue during the next reference period with a view to improving this figure.
	13	Board gender diversity	Average ratio of female to male board members in investee companies, expressed as a percentage of all board members	%	10	N/A	100%	Astorg has begun engaging with certain of its portfolio companies to work towards its target of aiming to secure 40% of women and/or underrepresented minorities on the boards of all investments made since 2022, in line with its Sustainability Roadmap for 2025. Engagement on board gender diversity will continue during the next reference period with a view to improving this ratio.
	14	Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	Share of investments in investee companies involved in the manufacture or selling of controversial weapons	%	0	N/A	100%	Astorg will continue to monitor the share of investments active in the manufacture or selling of controversial weapons through annual data collection from portfolio companies. Astorg's ESG Policy (as defined below) specifically excludes investments in companies that are involved in the production or trade of weapons.

1. Note that "Explanation (data coverage in % share of investments)" refers to the share of the investment portfolio that is represented by the corresponding PAI data, expressed as a percentage of the value of all investments in the portfolio. Unless otherwise indicated, the information in this column does not include any estimates and was collected from the portfolio companies represented in the relevant data coverage percentage. Percentages may be rounded.

2. To increase accessibility of the information provided in this column, further information on actions taken, and actions planned and targets set for the next reference period that are applicable across all PAIs are set out below these tables.

Topic	#	Adverse sustainability impact	Metric	Unit	Impact 2022	Impact 2021	Explanation (data coverage in % share of investments <sup>1</sup> )	Actions taken, actions planned and targets set for the next reference period <sup>2</sup>
ADDITIONAL CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS								
EMISSIONS	4.	Investments in companies without carbon emission reduction initiatives	Share of investments in investee companies without carbon emission reduction initiatives aimed at aligning with the Paris Agreement	%	40 <sup>3</sup>	N/A	100%	Astorg has engaged with certain of its portfolio companies to support them in setting Science Based Targets and having such targets validated by the SBTi, where relevant. This is in line with Astorg's Sustainability Roadmap for 2025 to ensure that 30% of its private equity investments, by invested capital, will have set Science Based Targets by 2025, ramping up to 100% by 2030. Astorg will continue to take steps over the next reference period to implement its Sustainability Roadmap for 2025 in order to attain the aforementioned target.
ADDITIONAL INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS								
ANTI-CORRUPTION AND ANTI-BRIBERY	15.	Lack of anti-corruption and anti-bribery policies	Share of investments in entities without policies on anti-corruption and anti-bribery consistent with the United Nations Convention against Corruption	%	0	N/A	100%	Astorg will continue to monitor the share of investments in entities without policies on anti-corruption and anti-bribery consistent with the United Nations Convention against Corruption through annual data collection from portfolio companies.

ACTIONS TAKEN DURING THE REFERENCE PERIOD

- Actions to avoid or reduce PAI are taken in accordance with Astorg's ESG Strategy and programme, which includes:
- Having a sustainability representative for every portfolio company who drives internal action on ESG factors, where appropriate.
  - Having sustainability action plans reviewed yearly in all portfolio companies. These action plans address the adverse impacts that are considered the most material to the portfolio company and the actions planned to reduce them.
  - PAI are monitored on a yearly basis through a yearly data collection exercise, which involves all portfolio companies.
  - Whenever data from portfolio companies are not available, Astorg may involve third-party consultancies specialised in certain topics (e.g. environmental impacts) in order to assess the occurrence and severity of adverse impacts.

1. Note that "Explanation (data coverage in % share of investments)" refers to the share of the investment portfolio that is represented by the corresponding PAI data, expressed as a percentage of the value of all investments in the portfolio. Unless otherwise indicated, the information in this column does not include any estimates and was collected from the portfolio companies represented in the relevant data coverage percentage. Percentages may be rounded.

2. To increase accessibility of the information provided in this column, further information on actions taken, and actions planned and targets set for the next reference period that are applicable across all PAIs are set out below these tables.

3. Certain investments were made at the end of the reference period before carbon emission reduction initiatives could be implemented.



APPENDIX 2

# Astorg’s 2022 TCFD Report

This Appendix provides supplementary information and in-depth analysis regarding Astorg’s alignment with the Task Force on Climate-related Financial Disclosures (TCFD). As climate change increasingly becomes a critical concern for businesses, investors and stakeholders worldwide, the TCFD framework has emerged as a leading global standard for assessing and reporting climate-related risks and opportunities.

GOVERNANCE

Astorg’s climate-related governance structures are formalised, and responsibilities are defined in terms of oversight, coordination and implementation.

Responsible Investment Oversight

Astorg’s **senior leadership** provides ultimate oversight of our responsible investment efforts. Accountability for this work extends throughout the organisation and builds on strong collaboration between the various teams.

The **CEO** is responsible for integrating climate-related issues into the investment process and for managing the organisation. The **Executive Committee** is responsible for the approval and review of Astorg’s climate policy, strategy and action plans, notably by reviewing SBTi progress.

Implementation Responsibility

Astorg’s **ESG team** provides climate-related inputs into investment decisions and subsequent investment management, coordinates climate risks and opportunities analyses, calculates carbon footprints, conducts internal training and oversees monitoring and reporting.

Astorg’s **Investment Committee** is responsible for controlling climate-related impacts throughout the investment cycle, starting from an initial risk assessment and the implementation of risk mitigation strategies to the monitoring of progress.

Astorg’s **ESG Committee** is responsible for monitoring progress on climate targets within Astorg and at the portfolio level.

Collaboration and Partnerships

Astorg works with an extensive network of partners to carry out climate-related tasks. For example, an external provider supports the company’s climate risks and opportunities analyses and carbon footprint assessments. Understanding the challenges around climate change is key to driving decisions.

Within the private equity industry, Astorg is a trusted partner in several climate-related initiatives. The company has demonstrated its commitment to limiting global warming with active contributions to initiatives, such as Climate International since 2018, the Science Based Targets Initiative since 2021, and the Net Zero Asset Managers Initiatives since 2022.

Astorg’s ESG Partner also advocates for collective action on climate change within the private equity industry by participating in cross-industry initiatives, and speaking at international conferences.

STRATEGY

Macro-level risks and opportunities through sectors and scenario analysis

As Astorg’s main footprint relates to its investment portfolio, we engage, educate and collaborate with our portfolio companies on their climate-related activities. A key objective is to help portfolio companies obtain their SBTi validation, decarbonise their businesses and anticipate future challenges related to climate change. For more information regarding status and progress, refer to the section “Metrics and Targets”.

Astorg thoroughly analyses material climate-related risks and opportunities in its portfolio. A third-party provider conducts the assessment, which is based on insights gathered through dedicated workshops with companies per sector, data collection and training sessions with Astorg’s portfolio companies. Potential risk mitigation measures are also discussed in the process.

Several resources from the Intergovernmental Panel on Climate Change (IPCC), the International Energy Agency (IEA) and the Network of Central Banks and Supervisors for Greening the Financial System (NGFS) were used to identify and evaluate the risks and opportunities in two different scenarios and for two time horizons: short term (e.g., 2025) and medium term (e.g., 2030), while long term (e.g., 2050) has not yet been evaluated and will be completed in 2023. The analysis was complemented with national scenarios, policies, strategies and long-term projections.

Transition risk assessment

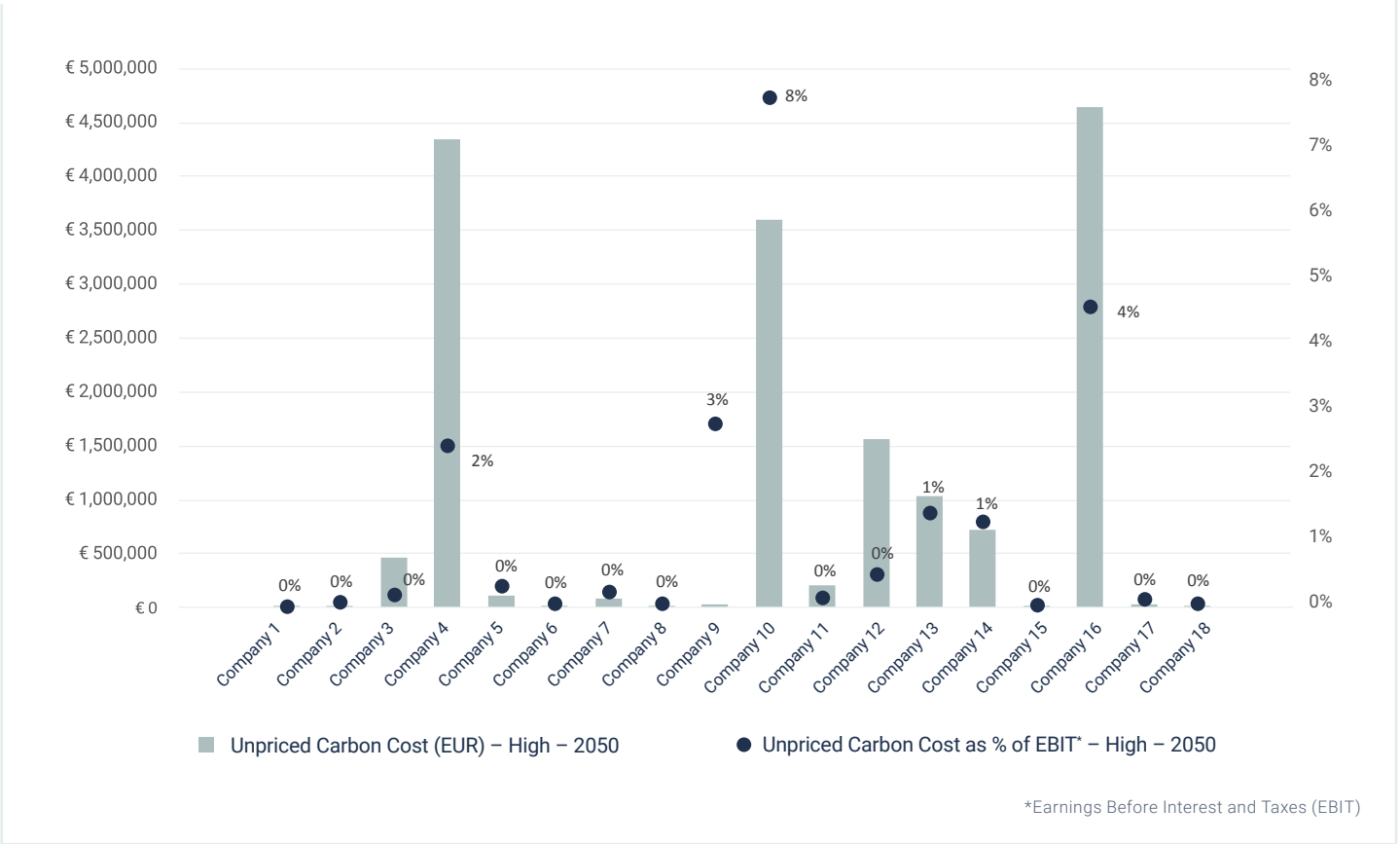
The shift towards a low-carbon global economy introduces risks for companies, including climate regulations, reputational damage, technology advancements and other transformative changes.

Among these transition risks, carbon pricing clearly demonstrates the additional costs companies will need to pay for their polluting business activities. Rising carbon costs can impact a company’s financials, both directly through putting a cost on companies’ own emissions, or indirectly, through elevated costs for electricity or other raw materials.

Three pricing scenarios were assessed for 2050: low, moderate and high carbon pricing. Under the high-risk scenario, most portfolio companies have low expected additional carbon costs to be considered on a yearly basis. Only a few of them face high carbon prices in their future costs.

Indirect impacts from increased carbon pricing in the supply chain remain a potential additional cost for Astorg’s portfolio companies. The objective is to raise awareness among the deal team and the portfolio companies and to work together on measures to reduce expected future carbon costs.

UNPRICED CARBON COST – HIGH TRANSITION 2050 SCENARIO





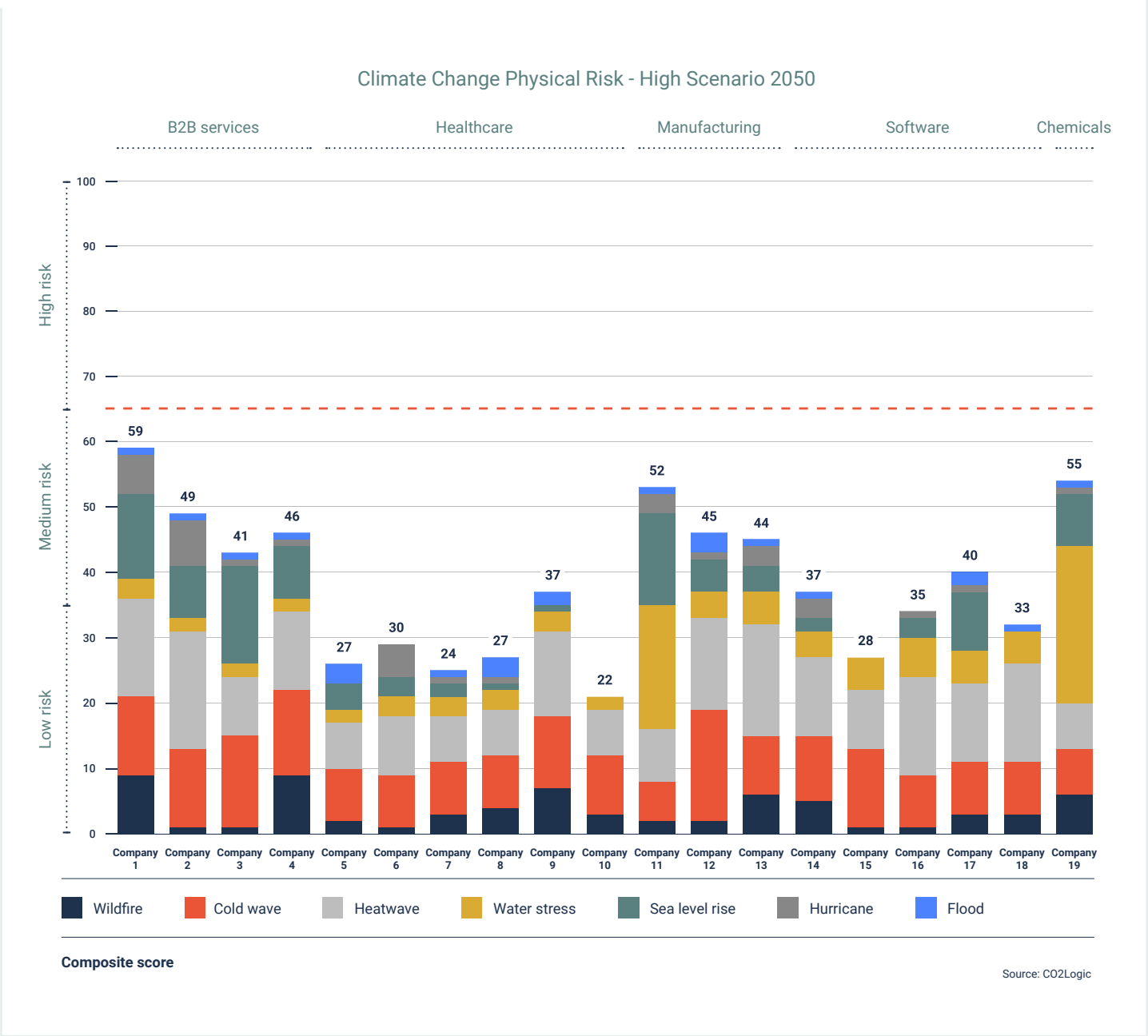
Physical risk assessment

Physical risks can be linked to extreme weather events (e.g., cyclones, floods) or long-term climate pattern shifts (e.g., temperature and sea level rise) that can affect the company’s ability to do business.

Astorg evaluates climate risks under three scenarios based on IPCC Representative Concentration Pathways (RCPs), ranging from lower (RCP 2.6) to medium (RCP 4.5) to higher (RCP 8.5) CO<sub>2</sub> concentrations. Under the high-risk scenario, all portfolio companies have low-to-medium exposure to physical risks when considering their direct operations. Astorg is currently engaging with all companies to include the whole value chain in its assessment. More details regarding the physical risk assessment can be found below.

Exposure of companies’ infrastructure to climate change are assessed using sensitivity-adjusted exposure to physical risk scores ranging from 0 to 100. A higher score indicates a greater probability of exposure to acute and/or chronic physical risks. Here, eight physical risks are considered, including wildfires, cold waves, heatwaves, water stress, sea level rise, floods and hurricanes, which are then computed into a composite risk score. Overall, all assessed companies have low-to-medium exposure to physical risks under the worst-case scenario of 2050. Eight companies have scores of 35 or below, indicating low risk exposure of their operations.

EXPOSURE TO PHYSICAL RISKS PER SECTOR UNDER IPCC (RPC 8.5)



Climate-related risks and opportunities as a private equity fund

- **Climate-related physical and transition risks**  
Any disruption related to physical risks or constraint related to transition risks at the invested company level could potentially affect the revenues, the costs, and, therefore, the valuation of the company and related investments for Astorg.  
  
At the corporate level, Astorg is not exposed to physical risks since the company has few offices, given employees have the opportunity to work remotely. On the other hand, considering the request for more transparency on asset managers’ practices and engagement with investees, Astorg is exposed to transition risks due to requirements from regulations (SFDR) and Limited Partners.
- **Reputational risks**  
Astorg has committed to the Science Based Target initiatives (SBTi), a means for assisting invested companies to progress on their climate strategy, set targets themselves and achieve 100% of invested capital in companies with a validated target. Astorg’s reputation could be affected if it fails to reach its objectives or takes action to mitigate potential negative impacts of invested companies. External and internal stakeholders may demand accountability.
- **Market risks**  
During the pre-acquisition phase, Astorg carries out an ESG due diligence process, including specific assessments on the climate performance of future potential companies. If Astorg fails to identify climate-related opportunities and risks from future investments, the company could lose a value creation opportunity pertaining to related investments or see its investment income affected.
- **Sustainable growth**  
Companies which are managed responsibly and include ESG factors in their overall strategy are expected to create sustainable value within the private market, as ESG management is more and more considered as a key driver of success. For example, energy efficiency or a GHG emission reduction leads to cost savings and avoids additional costs due to carbon pricing schemes. These are, therefore, key components of value creation.

Working with portfolio companies on climate-related issues

With this first physical and transition risk assessment, our objective was to raise awareness among the investment team and at the top level of portfolio companies. Now that key physical and transition risks have been identified per sector, the Astorg team is working with an external supplier to evaluate the related potential financial effects and identify the right actions for climate change mitigation and adaptation. These measures will be discussed with portfolio companies directly to evaluate the feasibility.

RISK MANAGEMENT

Climate risk management is a continuous process taking place along the entire investment cycle. The depth of analysis and level of engagement depend on the portfolio companies’ exposure.

Please refer to **Climate - Integrating climate considerations into Astorg’s investment processes** for details on our ESG integration process.

METRICS AND TARGETS

In November 2021, Astorg validated its SBTi target and since then has actively supported its portfolio companies in obtaining their own SBTi validation. To achieve set targets, the company is working to reduce greenhouse gas (GHG) emissions from its own activities, as well as those of its investments.

At corporate level – Astorg’s carbon footprint and SBTi target

In 2022, Astorg Group’s total GHG emissions accounted for 1,117 tCO<sub>2</sub>e. Global GHG emissions increased by 33% compared to 2021, primarily due to the increase in employee transportation-related emissions. In relative terms, the invested carbon footprint increased by 158% compared to 2021. With the post-Covid reopening of borders, Astorg needed to reconnect with investors, partners, and portfolio companies on site. Astorg is monitoring closely the yearly emissions related to business travel and is working on alternatives to reduce its current usage.

In 2022, scope 1 & 2 GHG emissions increased compared to the base year 2020. Actions have been discussed internally to further decarbonise the energy consumption for buildings’ heating and lighting. The offices in London, Frankfurt and Luxemburg consumed 100% green electricity in 2022, which represents 68% of total electricity consumed. Fifty-two percent of total energy in all Astorg offices is renewable.

Astorg commits to the absolute 50% reduction of scope 1 and 2 GHG emissions by 2030 from a 2020 base year. For scope 3 targets, Astorg commits that 30% of its private equity investments by invested capital will have set Science Based Targets by 2025, and 100% will have done so by 2030 from a 2021 base year. Astorg’s portfolio targets cover 100% of total investment and lending activities as of 2021.



ASTORG (AT CORPORATE LEVEL) CARBON FOOTPRINT 2022 (TCO<sub>2</sub>E)

	2020	2021	2022	TARGET 2030
Scope 1	10.4	341.2	28.3	5.2
Fugitive emissions	1.3	2.6	19.6	
Mobile combustion	9.2	338.6	8.7	
Scope 2	5.6	14.6	24.5	2.78
Fugitive emissions	5.6	14.6	16.6	
Mobile combustion	0	0	7.8	
Scope 3	354	481	1,064	Only a target on investments
Business travel	259.5	328.6	991.0	
Commuting	27.5	77.2	56.0	
Purchased goods and services	1.17	0.5	1.0	
Upstream emissions from scope 1&2	6.15	42.4	7.7	
Capital goods	59.9	32.4	8.5	
Total Scope 1, 2 & 3 (excl. Category 15) - tCO <sub>2</sub> e	370	837	1,117	

Details on Astorg’s reporting principles can be found below.

Astorg's Reporting principles

Astorg measures its GHG emissions following the GHG Protocol Standard. Input data is based on invoices, reports and suppliers’ feedback. The company estimates all data for scopes 1 and 2 that are unavailable, such as all types of greenhouse gas emissions, converted into metric tons of CO<sub>2</sub> equivalent (tCO<sub>2</sub>e) considering the Global Warming Potentials (GWPs) from the IPCC Fifth Assessment Report (AR5) using 100-year values. Emission factors come from the up-to-date databases of Ademe, DEFRA, eGRID and IEA.

Astorg evaluates its direct and indirect GHG emissions based on an operational control approach. All categories of scope 1 and 2 are included, while Astorg focuses on the most material categories of scope 3.

At portfolio level - Portfolio companies’ carbon footprint and SBTi commitment

Astorg keeps on supporting portfolio companies in developing their climate strategy. Since 2019, the company has sponsored carbon footprint assessments of all its portfolio companies using a specialized third-party provider. Throughout the years, significant improvements have been made in data accuracy, quality and assessment scope. In 2022, information on scope 1, 2 and 3 emissions was available for 24 companies (100% of the portfolio), which is an improvement from last year's 19 companies.

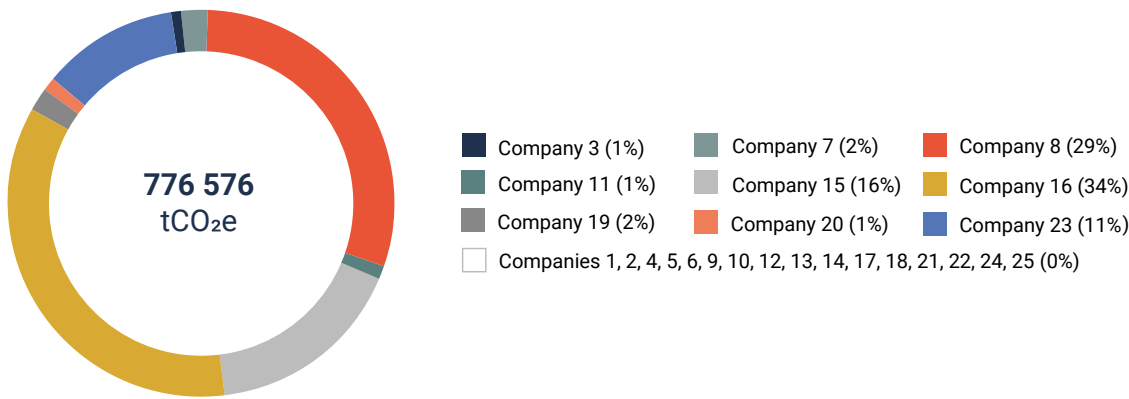
Of Astorg's portfolio companies, 87% (by number of companies) source part of their energy from renewable sources . This means 21% (in 2021) of total energy (in MWh) and 50% (36%) of total electricity (in MWh) consumed by portfolio companies is sourced from renewable energy.

The four service and manufacturing firms in Astorg’s portfolio account for some 87% of portfolio emissions. Despite the significant footprint of these companies, Astorg sees its role in helping these companies decarbonise their businesses, especially those companies with an initially high carbon intensity. See on the next page for more details on companies’ renewable energy consumption and aggregated CO<sub>2</sub> emissions at the fund level.

RENEWABLE ENERGY CONSUMPTION AT PORTFOLIO AND FUND LEVEL<sup>1</sup>

YEAR	FUND	Non-renewable (MWh)	Renewable (MWh)	% renewable energy per fund
2021	Astorg VI	138,325	55,509	29%
	Astorg VII	277,844	54,329	16%
	Mid Cap	34	119	78%
	Continuation	4,048	1,453	26%
		420,252	111,411	21%
2022	Astorg VI	131,711	117,655	47%
	Astorg VII	289,162	79,247	22%
	Astorg VIII	386,588	17,304	4%
	Mid Cap	97,206	22,854	19%
	Continuation	3,637	381	9%
		908,306	237,443	21%

PORTFOLIO CARBON FOOTPRINT FOR YEAR 2022



1. Renewable sources might include nuclear energy. The data collection process will be adapted next year to differentiate between nuclear and renewable sources.



SBTi target setting for portfolio companies

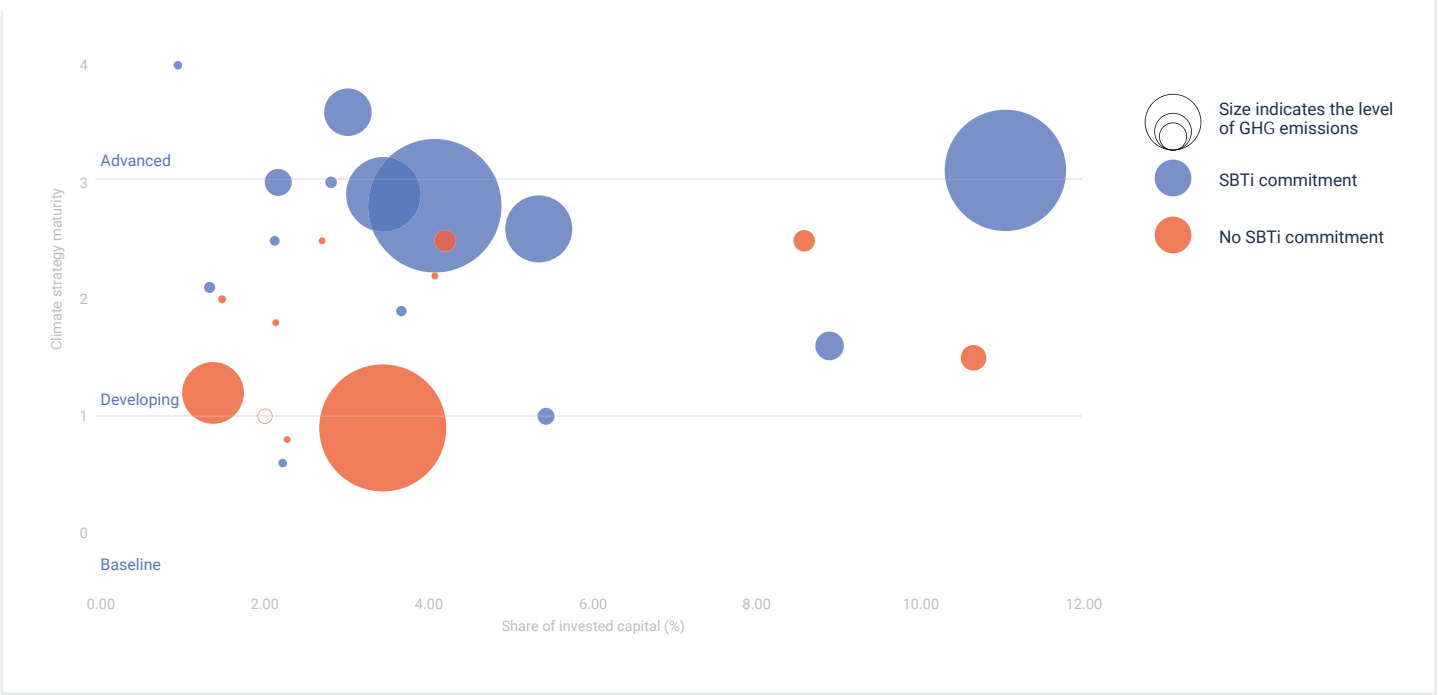
Since 2019, Astorg has been working with its portfolio companies on their carbon footprint assessment, first regarding their scope 1 and 2 emissions, and then on their full scope since 2020. In 2021, Astorg started engaging with portfolio companies on developing their emission reduction plan in preparation for their SBTi commitment. In 2022, 11 companies committed to the Science Based Targets initiative, and they are expected to develop their carbon reduction strategy and submit their targets by 2024. This is on track with Astorg’s objective to reach 30% of private equity investments (measured by invested capital) with SBTi validated targets by 2025; 100% by 2030.

Beyond the SBTi commitment, which demonstrates companies’ ambitions, it is important to look at companies’ level of maturity in developing their climate strategies to achieve set targets.

Astorg defines three levels of maturity: baseline, developing and advanced. In the baseline level, companies meet regulatory requirements, but are still in the process of computing their full carbon footprint. In the developing level, companies have calculated their carbon footprint and started to develop climate policies and a carbon reduction plan. Finally, at the advanced level, companies have policies in place and are monitoring progress toward climate goals at the Board level.

Most of the companies that are already SBTi-committed are in the developing to advanced-maturity level regarding climate-related processes and strategies. Once SBTi-committed, the companies improve their governance process and strategy and must submit their targets within two years, before having them validated by the SBTi.

OVERVIEW OF COMPANIES’ MATURITY RELATIVE TO THE SHARE OF INVESTED CAPITAL AND THEIR CARBON FOOTPRINT SIZE



APPENDIX 3

Description of Cyber Risk Control Levels in the NIST CSF Framework

Control level	Description
[0-1] NOT IN PLACE	There are no organised processes in place. Security processes are reactive and not repeatable, measurable or scalable.
[2] - AD HOC	Some processes become repeatable. A formal programme has been initiated to some degree, although discipline is lacking. Some processes have been started to be established, defined and documented.
[3] DEFINED	Processes have become formal, standardised and defined. This helps create consistency across the organisation.
[3-4] MEASURED	The organisation measures, refines and adapts their security processes to make them more effective and efficient based on the information they receive from their programme.
[4-5] OPTIMISED	Processes are automated, documented and constantly analysed for optimisation. At this stage, cybersecurity is part of the overall culture. The organisation is constantly monitoring and evolving their processes to make them better.



APPENDIX 4

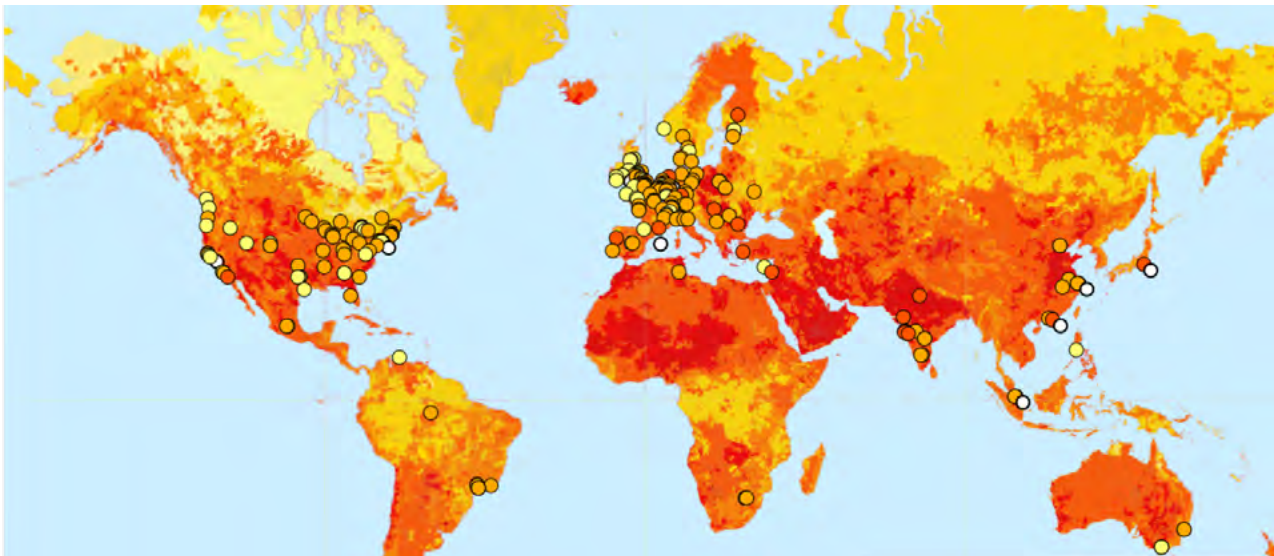
# Details on the 2022 Biodiversity Assessment

LOCATE — PHYSICAL RISKS

Nature-related physical risks are a direct result of an organisation's dependence on nature. Physical risks arise when natural systems are compromised by the impact of climatic events (e.g., extreme weather, such as drought), geologic events (e.g., seismic events such as earthquakes), such as changes in ecosystem equilibria (e.g., soil quality or marine ecology), which affect the ecosystem that service organisations depend upon.

Astorg's portfolio companies' site locations were evaluated using the World Wide Fund for Nature (WWF) Biodiversity Risk Filter, which provides location-specific and industry-specific assessments of biodiversity physical risks, using spatial data on biodiversity and freshwater on a global scale. The outcome of this analysis is an overview of the Astorg portfolio's exposure to biodiversity sensitive areas.

EXPOSURE OF ASTORG'S PORTFOLIO TO BIODIVERSITY SENSITIVE AREAS (WWF)



Astorg portfolio locations — 284 sites



Thirty out of the 284 sites of Astorg's portfolio companies are in biodiversity-sensitive areas, per the WWF Risk Tool. Further analyses will be conducted to understand the sites' sensitivity and impacts to ensure appropriate measures are implemented when needed.

EVALUATE

In 2022, Astorg initially assessed its portfolio companies' dependencies and impacts on biodiversity with the ENCORE (Exploring Natural Capital Opportunities, Risks and Exposure) database. ENCORE is a tool to help users better understand and visualise the impact of environmental change on the economy.

On average, Astorg's portfolio companies show low dependency on biodiversity: 80% have very low dependency on biodiversity, while 20% are considered to have low dependency. More than half (65%) of Astorg's portfolio companies is deemed to have a medium impact on biodiversity, potentially; none is considered to have a very high impact on biodiversity. Further details of key results were shared in Astorg's 2021 sustainability report.

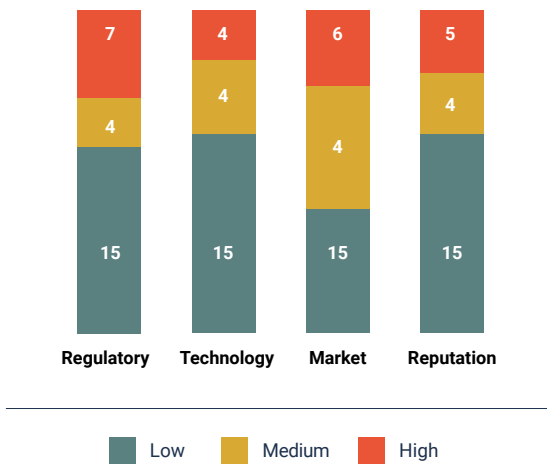


ASSESS RISKS

Astorg assessed biodiversity-related risks for the first time in 2023 based on Taskforce on Nature-related Financial Disclosures (TNFD) recommendations with the help of external partner Indefi and its proprietary methodology. Astorg plans to track the main risks identified and then engage with relevant portfolio companies.

The purpose of this risk assessment was to gauge the exposure of Astorg's portfolio to nature-related transition risks — that is, risks that result from a misalignment between an organisation's strategy and management and the changing regulatory, policy or societal landscape in which it operates. These risks include policy and legal risks, market risks, technology risks and reputational risks.

EXPOSURE OF ASTORG'S PORTFOLIO TO BIODIVERSITY-RELATED TRANSITION RISKS



Astorg's portfolio companies' site locations were evaluated using the WWF Biodiversity Risk Filter, which provides location-specific and industry-specific assessments of biodiversity physical risks using spatial data on biodiversity and freshwater on a global scale. The outcome of this analysis is an overview of the Astorg portfolio's exposure to biodiversity sensitive areas.



APPENDIX 5

# Article 29

## Correspondence Table

ARTICLE 29 – LEC DISCLOSURES	LOCATION OF DISCLOSURE
1° Entity's overall approach	Introduction
2° Internal means to contribute to the transition	ESG governance
3° ESG governance in the entity	ESG governance
4° Strategy for engagement with investee companies	ESG governance
5° 'Sustainable' investments and investments in fossil fuels	Appendices
6° Alignment strategy with Paris Agreement and low carbon strategy	Climate
7° Alignment strategy with long-term biodiversity objectives	Biodiversity
8° Approach to taking ESG criteria into account in risk management	TCFD report
9° Publication of a continuous improvement plan in case the entity does not publish some of the information mentioned in 1° to 8°	The way forward



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