HIVEST | CAPITAL PARTNERS

2024 REPORT
ARTICLE 29
"LOI ENERGIE CLIMAT"

STRUCTURE OF SUSTAINABILITY INFORMATION IN THE ANNUAL REPORT IN ACCORDANCE WITH THE PROVISIONS OF V OF ARTICLE D.533-16-1 OF THE MONETARY AND FINANCIAL CODE FOR ORGANIZATIONS WITH TOTAL ASSETS UNDER MANAGEMENT OR OUTSTANDINGS OF MORE THAN 500 MILLION EUROS

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Regulatory context

Article 29 of the "Loi Energie Climat" , adopted in November 2019, introduced a regulatory framework designed to strengthen the extra-financial transparency of financial players and promote sustainable investment.

In this context, management companies are required to publish information on how they integrate environmental, social and governance (ESG) criteria into their investment strategy, as well as on the means implemented to contribute to the energy and ecological transition.

In accordance with Decree no. 2021-663 of May 27, 2021, known as "Decree Article 29 LEC", issued in application of this law, this report is available on the Hivest Capital Partners ("Hivest Capital") website and has been sent to the French Agency for Ecological Transition (ADEME).

In accordance with AMF instructions DOC-2008-03 and DOC-2014-01, this transmission to ADEME is also equivalent to communication to the Autorité des Marchés Financiers (AMF).

SECTION 1 - INFORMATION ON HIVEST CAPITAL'S GENERAL APPROACH

1.1 Presentation of Hivest Capital Partners and its ESG approach

Hivest Capital Partners ("Hivest Capital") is an AMF-accredited asset management company, involved in the transfer of family businesses, the disposal of non-strategic activities by corporates, and capital increases to support development projects. Hivest Capital targets companies with good market fundamentals, recognized expertise and strong potential for development or improvement.

Hivest Capital Partners supports companies undergoing transformation, providing them with the resources they need to realize their full potential and achieve sustainable growth. Conscious of environmental, social and governance (ESG) issues, Hivest Capital rigorously integrates these principles at the heart of its investment strategy, its corporate culture and its support for portfolio companies.

As of 12/31/2024, with thirteen companies in its portfolio, Hivest Capital had total assets under management of almost €900 million.

Hivest Capital's ESG approach is structured around three pillars: Environmental, Social and Governance:

- **Governance pillar**
  Hivest Capital ensures that sound and transparent governance practices are in place, both within its own organization and in the companies it supports. The

Supervisory Board plays an active role in monitoring ESG issues, helping to ensure an appropriate level of commitment and a focus consistent with best market practice.

- **Environmental pillar**
  Hivest Capital pays particular attention to the preservation of natural resources, responsible energy management and responsible purchasing within the companies it supports.
- **Social Pillar**
  The social dimension is central to Hivest Capital's ESG strategy. It is based on respect for human rights and the continuous improvement of working conditions. Hivest Capital actively supports employee well-being, professional development and constructive social dialogue.

ESG criteria are taken into account at every stage of the investment cycle, from the pre-investment phase, to post-acquisition monitoring, and disposal on a case-by-case basis.

Pre-investment phase

Sector exclusions

Although sector agnostic, Hivest Capital applies a strict sector exclusion policy, and in particular refrains from investing in companies operating in the tobacco, pornography, arms, gambling and human cloning industries, as well as in companies whose impact on the environment is deemed unacceptable.

Pre-acquisition analysis

The analysis of investment opportunities is systematically accompanied by an ESG analysis in order to:

1) identify the company's sensitivity to sustainability risk and potential mitigating factors;

2) analyze the company's potential for progress, and Hivest Capital's ability to create value in environmental and social terms.

In addition, before any decision is taken, ESG due diligence is carried out with the help of a specialist consultancy firm, and a summary of the ESG analysis is presented to the Investment Committee. If Hivest Capital identifies ESG risks that are deemed excessive, Hivest Capital may, at any time, decide not to pursue an investment opportunity.

In the investment phase

Most of our portfolio companies include ESG clauses in their shareholder agreements. As of 12/31/2024, eight of the thirteen portfolio companies had such clauses in their shareholders' agreements. From 2023 onwards, the systematic inclusion of ESG clauses in shareholders' agreements will be standard practice for all new investments.

In the holding phase

As an active and committed investor, Hivest Capital supports each company in its portfolio in defining and implementing its ESG strategy.

From the very first months following the acquisition, a roadmap is defined in collaboration with the management team, systematically including an ESG component. This roadmap aims to establish a clear medium- and long-term trajectory. In particular, it includes calculating the company's carbon footprint, carrying out an EcoVadis assessment, and, where applicable, specific objectives and action plans aimed at mitigating ESG risks that may have been identified in the pre-investment phase, or improving the company's ESG performance.

In addition, all investments are subject to a structured annual extra-financial reporting exercise, carried out via a dedicated platform (*Reporting 21)*. This solution enables ESG data to be centralized, historized and analyzed, facilitating rigorous and transparent management. Around one hundred indicators are collected annually, including fourteen on the main negative impacts (PAI)[1] , with the aim of comprehensively assessing their extra-financial performance.

Each year, the collected data is subject to an in-depth review by an external service provider, who combines quantitative analysis with qualitative exchanges with the management teams of portfolio companies, in order to guarantee the robustness and reliability of the information provided.

This process enables Hivest Capital to closely monitor sustainability risks and the potential impact of its investments on environmental, social and governance factors. The findings of these analyses are consolidated in an annual report for each fund, which is made available to investors in the interests of transparency and accountability.

In addition, each company's progress on ESG issues is monitored at specific meetings or by the supervisory board. These meetings are an ideal opportunity for Hivest Capital to assess the specific support needs of each investment.

This is where any new ESG risks are identified, the roadmaps to be implemented defined or updated, and the appropriate support methods discussed. These exchanges also provide an opportunity to discuss the appointment of ESG referents within the companies, as well as the definition and monitoring of relevant non-financial performance indicators, aligned with the strategic priorities of each entity.

Exit phase

During the exit process, ESG considerations are included, where appropriate, in the documentation provided to potential buyers at the time of sale.

1.2 Information for subscribers and stakeholders on ESG criteria taken into account in the investment strategy

[1] Indicators monitored as part of the SFDR regulation:[1] Regulation (EU) 2019/2088 of the European Parliament and of the Council of November 27, 2019 on the publication of sustainability information in the financial services sector, OJ L 317, 9.12.2019, p. 1

Hivest Capital's ESG charter, setting out its investment criteria and approach, is publicly available on its website[2] and can be accessed at any time.

At the same time, Hivest Capital publishes annual ESG reports for all its funds. The data is obtained via the annual portfolio company reporting campaign, which enables Hivest Capital to collect data on a selection of ESG indicators and track their evolution.

Subscribers to the Article 8 funds managed by Hivest Capital also benefit from the information presented in the pre-contractual documentation and in the periodic reporting in accordance with Appendix 4 of the SFDR(Sustainable Finance Disclosure Regulation).

1.3. List of funds classified as Article 8 under EU regulation 2019/2088

In 2022, Hivest Capital launched its second fund: Hivest II, a fund classified article 8 according to the SFDR, promoting environmental and social characteristics.

In 2024, Hivest Capital reinforced its responsible approach with the launch of the Agora Continuation Fund, also classified article 8 under the SFDR;

As a result, as of December 31, 2024, products categorized as article 8 under the SFDR and promoting specific environmental and social features accounted for around 55% of assets under management. The Hivest I fund and co-investment funds represent around 45% of assets under management.

Financial products	SFDR qualification	*Outstanding at 12/31/2023*	*Outstanding at 12/31/2024*
Hivest I	Article 6	28%	15%
Hivest II	Article 8	55%	41%
Agora Continuation Fund	Article 8	-	14%
Co-investment Fund	Article 6	17%	30%
Total		100%	100%

1.4. Adherence to charters and labels

Since 2017, Hivest Capital has been a member of the France Invest association for growth and a signatory of the France Invest (formerly AFIC) Charter for Capital Investors, which promotes the integration of ESG in private equity.

Hivest Capital is thus deepening its ESG commitment and continues to place ESG at the heart of its investment process and convictions. It is in this context that, in early 2023,

[2] https://hivestcapital.com/en/esg-2/

Hivest Capital became a signatory to the United Nations' Principles for Responsible Investment (PRI).

SECTION 2 - INTERNAL RESOURCES TO CONTRIBUTE TO THE TRANSITION

2.1 Resources allocated to taking ESG criteria into account

Internal resources

The investment team ensures that the commitments defined by Hivest Capital in its responsible investment policy are implemented. Hivest Capital's policy and actions are coordinated by two members of the Hivest Capital team who have been designated as ESG referents: the Chief Financial Officer and a member of the investment team, in collaboration with the management team, with whom the ESG referents have regular contact.

External service providers

Since 2021, Hivest Capital has also relied on the expertise of a consulting firm specializing in ESG.

The aim of this partnership is to reinforce the rigor and quality of ESG analysis through the annual collection of extra-financial data and the evaluation of the ESG performance of portfolio companies in which Hivest Capital holds a seat on a governance body.

Regular meetings are organized between internal ESG referents and consultants to ensure active monitoring of ongoing ESG issues, such as reporting campaigns, compliance with the European Taxonomy, and regulatory developments in the field of sustainability.

Data management and dedicated tools

ESG data is collected directly from portfolio companies and the relevant management teams, via the *Reporting 21* platform. The ESG consultancy firm mentioned above is commissioned to carry out an initial quality control of the data collected. Subsequently, it engages in a one-to-one dialogue with the ESG referents of each holding in order to carry out a second verification and gather additional qualitative elements enabling the best possible assessment of the ESG maturity of the companies.

2.2 ESG-related internal capacity-building

As part of its efforts to develop internal sustainability skills, Hivest Capital organizes training sessions aimed at reinforcing the systematic integration of ESG criteria into its investment analysis and decision-making processes. These training sessions also aim to promote the adoption of ESG best practices within the companies we support.

By 2024, all Hivest Capital employees had attended at least one training course dedicated to ESG issues. In addition, the ESG referents of our portfolio companies benefited from a specific two-hour session devoted to the regulatory requirements of the CSRD and its operational deployment.

SECTION 3 - ESG GOVERNANCE WITHIN THE ENTITY

3.1 Governance bodies' knowledge, skills and experience in making decisions on integrating ESG criteria into investment policy and strategy

At Hivest Capital, ESG governance is actively steered by the Investment Committee, the Managing Partners, the two ESG referents and the investment teams, who ensure that sustainability criteria are systematically integrated into investment decisions.

Investment Committee

The Investment Committee is the final decision-making body for investments and divestments. It comprises two permanent members: the Managing Partners. Other senior members of the Hivest Capital teams are invited to attend in an advisory capacity. The Investment Committee bases its decisions on a range of factors, of which ESG criteria are an integral part (company compliance with Hivest Capital charters and policies, exposure to ESG risks, company maturity in this area, etc.).

Governance within the holdings

Through its presence in the governance of portfolio companies, Hivest Capital plays an active role in the promotion and progressive integration of sustainability issues. The aim is to encourage the implementation and formalization of an ESG approach, adapted to the operating context of each supported company.

More specifically, Hivest Capital includes **ESG clauses in shareholder agreements**. These contractual commitments may include, for example

- drafting and monitoring an ESG roadmap;
- ESG performance assessment via the **Ecovadis** platform;
- implementation of a **carbon footprint** covering **scopes 1, 2 and 3**;
- annual reporting of predefined ESG indicators specific to the portfolio company's activities.

As of 12/31/2024, **eight of our thirteen holdings** had formalized such commitments in their shareholder pacts. These measures are important milestones for initiating a formal ESG approach and facilitating dialogue between shareholders and management teams on sustainability priorities.

Sustainability criteria can also be incorporated into financing contracts (following the example of ESG ratchet). At the end of 2024, six of our thirteen holdings are covered by such mechanisms (or, at the very least, the financing contracts provide for their potential future integration).

Over and above the contractual provisions, an ESG contact person is appointed in each of the holdings, reporting to the company's management. The ESG referents appointed in each investment regularly exchange information with Hivest Capital and its ESG consulting partner. These exchanges help to raise management teams' awareness of regulatory expectations and industry best practices. They also help to assess the ESG maturity of each company and identify areas for improvement.

3.2. Taking ESG criteria into account in Hivest Capital's remuneration and performance

Hivest Capital's remuneration policy is based on a structure combining a fixed and a variable component. The latter is awarded on a discretionary basismainly according to financial performance, but also taking into account qualitative factors or the achievement of non-financial objectives. These include adherence to the principles of Hivest Capital's investment philosophy and monitoring the implementation of the ESG policy and directly related actions.

In accordance with Article 5 of Regulation (EU) 2019/2088, known as the SFDR, the statement on the consideration of sustainability risks in remuneration policies is publicly available on the company's website[3] .

3.3 Integrating environmental, social and governance criteria into the internal rules of the entity's board of directors or supervisory board

The implementation of the management company's ESG commitments and their proper application in the investment process are supervised by the company's senior management, namely the Chairman and Chief Executive Officer.

[3] https://hivestcapital.com/wp-content/uploads/2023/09/Disclosure-on-the-consideration-of-principal-adverse-impacts-on-sustainability-factors.pdf

SECTION 4 - ENGAGEMENT STRATEGY WITH ISSUERS/MANAGERS

4.1. Engagement strategy

Hivest Capital's engagement strategy applies without restriction to all portfolio companies.

The commitment strategy is implemented through a structured annual non-financial reporting process. This dialogue is initiated via the *Reporting 21* platform.

The data collected on the reporting platform is subject to an in-depth annual review, conducted by the external ESG consultancy firm, combining data analysis and qualitative interviews with the management of each portfolio company. This process encourages regular exchanges with the management teams of portfolio companies, focusing on the environmental, social and governance issues identified. These exchanges are part of a continuous improvement approach to extra-financial performance, and help to define the most appropriate action levers for each company.

In addition, the investment teams, who are in contact with the companies in the portfolio throughout the year, regularly discuss ESG issues, particularly when monitoring the strategic plan drawn up jointly with the management teams.

4.2. Voting policy

Since joining the United Nations' Principles for Responsible Investment (PRI) in 2023, Hivest Capital has been committed to integrating environmental, social and governance (ESG) issues throughout the investment cycle, from the investment phase through to the exit phase. In line with PRI principle n° 2, Hivest Capital adopts an active and responsible investor approach, actively participating in the governance of portfolio companies, integrating environmental, social and governance issues and exercising voting rights at general meetings.

For Hivest Capital, exercising voting rights at shareholders' meetings is an essential management lever, both financially and extra-financially, on portfolio companies. Hivest Capital is committed to systematically attending shareholders' meetings and exercising its voting rights in the exclusive interest of its fund investors.

Hivest Capital also sits on the supervisory boards of portfolio companies, actively contributing to the definition and monitoring of their strategies. The exercise of voting rights is a central tool in this process. Each resolution submitted to the Supervisory Board, particularly those relating to ESG issues, is carefully analyzed in light of the specific characteristics of the company concerned and the risks specific to its sector. This assessment ensures that the decisions supported are consistent with a rationale of sustainable value creation that respects all stakeholders.

4.3. List of sector exclusions

When making investments, Hivest Capital applies a strict sectoral exclusion policy, and in particular refrains from investing in companies:

- Operating in the tobacco, arms, pornography, gambling, cloning, GMO or illegal downloading industries;
- Whose practices are contrary to human or children's rights;
- Whose environmental footprint is considered excessive (and who make no obvious efforts to limit it).

SECTION 5 - EUROPEAN GREEN TAXONOMY AND FOSSIL FUELS

5.1 Proportion of outstandings relating to activities in compliance with the European Green Taxonomy technical review criteria

Since 2022, when the European Green Taxonomy came into force, Hivest Capital has been committed to calculating the share of taxonomy eligibility of its Article 8-classified funds with environmental characteristics as required by the SFDR (Sustainable Finance Disclosure Regulation). [4]

As of 12/31/2024, these two Article 8 funds represented around 55% of assets under management, and involved 8 of the 13 portfolio companies .

The proportion of turnover and CapEx eligible for each of the six objectives of the European Taxonomy is detailed in the table below for the Hivest II and Agora Continuation Funds.

The proportion of the assets under management of the two Article 8 funds aligned with the European Taxonomy has not been assessed for 2024.

	Hivest II fund eligibility under the European Taxonomy						
	Objective 1 Climate change mitigation	**Objective 2** Climate change adaptation	**Objective 3** Sustainable use and protection of water & marine resources	**Objective 4** Transition to a circular economy	**Goal 5** Pollution prevention and control	**Goal 6** Protection and restoration of biodiversity and ecosystems	**Total**
Turnover	**4%**	0%	0%	27%	0%	0%	**31%**
CapEx	**43,8%**	**41,4%**	0%	18%	0%	0%	**52,7%**

[4] Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on the publication of sustainability information in the financial services sector, OJ L 317, 9.12.2019, p. 1

	Agora Continuation Fund eligibility for the European Taxonomy						
	Objective 1 Climate change mitigation	Objective 2Climate change adaptation	Objective 3 Sustainable use and protection of water & marine resources	Objective 4 Transition to a circular economy	Goal 5 Pollution prevention and control	Goal 6 Protection and restoration of biodiversity and ecosystems	Total
Turnover	0%	0%	0%	0%	0%	0%	0%
CapEx	**59,4%**	**59,4%**	0%	**42,2%**	0%	0%	**59,4%**

Methodological limitations: the European Green Taxonomy eligibility shares given here are based on estimates made by Hivest Capital with the help of Cority, and do not replace a detailed assessment carried out by the companies in the portfolio. In addition, the taxonomy levels reported should be treated with caution, particularly in view of the complexity of the Taxonomy, which can lead to interpretations of the legal texts, and of future updates of the reporting framework.

5.2. Share of investments in companies active in the fossil fuel sector

As of December 31, 2024, no portfolio company was active in the fossil fuel sector.

This data is monitored as part of annual ESG reporting, and in particular via the collection of data from SFDR's PAI 1.4 concerning the share of outstandings in companies active in the fossil fuel sector, equal to 0% for the year 2024.

SECTION 6 - STRATEGY TO ALIGN WITH PARIS AGREEMENT OBJECTIVES

Although Hivest Capital has not yet formalized a strategy for aligning itself with the long-term objectives of Articles 2 and 4 of the Paris Agreement concerning the mitigation of greenhouse gas emissions, climate issues are a priority for Hivest Capital, and this is reflected in various actions taken at portfolio and management company level.

At investment level

Hivest Capital takes climate change risks into account right from the **pre-investment** phase, systematically carrying out ESG due diligence including an analysis of climate-related risks and opportunities, and of actions taken to mitigate the company's potential negative impact on the climate.

During the holding phase, Hivest Capital pays particular attention to climate issues, ensuring that the carbon footprints of all its portfolio companies are measured annually. In particular, Hivest Capital assists companies that do not have an annual carbon footprint to calculate their carbon footprint, with the help of Cority, an external firm specializing in sustainability. Thus, for several years now, Hivest Capital has been able to publish the carbon emissions of all its portfolio companies on scopes 1, 2 and 3 in its annual ESG report, and to track their evolution year after year.

In addition to greenhouse gas emissions, Hivest Capital tracks numerous other indicators linked to climate change as part of its annual ESG reporting. These include

- total energy consumption ;
- the proportion of renewable energy produced and used;
- measures to reduce air pollution;
- assessment of vulnerability to climate change;
- initiatives to limit the carbon footprint of products and services;
- exposure to fossil fuel-related sectors.

Tracking these indicators enables to assess the portfolio's main negative impacts, and to meet the requirements of the SFDR, notably with regard to the publication of PAI 1.1 to 1.7.

In addition, all the data collected is analyzed by the consulting firm Cority, which conducts an annual exchange with the management teams of each portfolio company. The aim of this process is not only to ensure the reliability of the data, but also to raise companies' awareness of the issues involved. In addition, it enables to assess the level of risk in relation to the company's size, its sector of activity, the potential frequency of occurrence, the scope of the risk in terms of headcount or revenues, the potential impact of the risk on the company's value, and the level of maturity with regard to ESG issues, in particular climate issues, in relation to the policies and initiatives put in place by the company to mitigate the identified risk.

At management company level

In addition to actions taken at portfolio level, Hivest Capital also raises awareness of climate issues among its in-house teams and takes steps to limit its carbon footprint, notably by reducing the frequency and distance of travel whenever possible.
To date, Hivest Capital has not carried out a carbon assessment of its management company.

SECTION 7 - STRATEGY TO ALIGN WITH LONG-TERM BIODIVERSITY OBJECTIVES

7.1 Measuring compliance with the objectives of the Convention on Biological Diversity adopted on June 5, 1992

The Convention on Biological Diversity (CBD), adopted on June 5, 1992, provides an international framework to preserve biodiversity in all its dimensions. It is based on three fundamental objectives:

- Conservation of biological diversity;

- Sustainable use of its components;
- The fair and equitable sharing of the benefits arising out of the utilization of genetic resources.

Hivest Capital fully recognizes the importance of biodiversity issues. While no formal strategy to align with the Convention or the objectives of the Kunming-Montreal Accord (adopted at COP15 in December 2022) has yet been put in place, these issues are already being progressively taken into account in the environmental approach, notably during the investment cycle.

7.2. Analysis of contribution to reducing the main pressures and impacts on biodiversity as defined by the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services

The main negative impacts on biodiversity are monitored annually as part of the ESG reporting of our holdings. In particular, the following points are taken into account:

- The location of business sites near or within biodiversity-sensitive areas, and the potential associated impacts;
- The production of hazardous waste;
- Discharge of pollutants into water.

7.3. Use of a biodiversity footprint indicator

To date, Hivest Capital has not identified a single quantitative biodiversity footprint indicator suitable for each of the portfolio companies it manages. Nevertheless, all portfolio companies report annually on biodiversity indicators, and some portfolio companies track indirect indicators of pressure on biodiversity, such as:

- Water consumption and control of discharges into water and soil;
- Waste production and recovery;
- Use of recycled or certified materials (FSC, organic farming, etc.).
- Renewable energy consumption.

SECTION 8 - STEPS TAKEN TO TAKE ENVIRONMENTAL, SOCIAL AND GOVERNANCE CRITERIA INTO ACCOUNT IN RISK MANAGEMENT

8.1. Processes for identifying, assessing, prioritizing and managing ESG-related risks

Hivest Capital takes the main ESG risks into account throughout the investment cycle, from the due diligence phase through to post-acquisition monitoring.

During the initial analysis, a review of ESG issues relevant to the target company or its sector of activity is carried out.

Hivest Capital then systematically commissions an external firm to conduct an ESG due diligence. If this reveals significant risks, such as regulatory non-compliance, structural shortcomings or major controversies, more in-depth studies may be carried out. The conclusions drawn from all these analyses, and in particular the main ESG issues, are then taken into account in the investment decision.

Post-acquisition, portfolio companies are monitored annually through ESG reporting, and, where appropriate, a strategic action plan, which potentially enables new risks to be identified, changes in existing practices to be monitored, potential negative impacts to be measured, and opportunities for improvement to be highlighted.

8.2. Description of the main ESG risks

A sustainability risk is an environmental, social or governance event or situation that could have a significant negative impact on the value of an investment.

Environmental risks

Environmental risks correspond to the threats posed by environmental factors to the value or sustainability of the companies financed. They mainly concern the consequences of climate change, degradation of natural resources, pollution or loss of biodiversity.

There are two main categories of risk:

- Physical risks, which result from the material impacts of climate change. They may arise from extreme climatic events (floods, droughts, storms) or gradual changes (rising temperatures, increasing scarcity of certain natural resources). These phenomena can disrupt the business of portfolio companies, damage their assets or increase their operating costs.
- Transition risks, linked to economic, regulatory and societal changes accompanying the transition to a low-carbon economy. For portfolio companies, these risks can result in asset devaluation, loss of competitiveness or additional costs to comply with new requirements (regulations, sustainable technologies, stakeholder expectations).

At Hivest Capital, these risks are monitored through:

- Assessment of greenhouse gas emissions (on the three scopes where data is available);
- Whether or not an analysis has been carried out of the exposure of business sites to climate change;
- Whether or not environmental action plans have been formalized (emission reduction targets, waste management, water or energy consumption).

- Carrying out a double materiality analysis (for certain companies, in particular those subject to CSRD), highlighting the most material sustainability issues for the company, particularly in terms of the environment.

Social risks

Social risks relate to potential impacts on human rights, employee well-being, internal social practices and relations with local communities. They include issues of **health and safety**, **diversity**, working conditions and responsible supply chains. Social risks can have both reputational and operational consequences, affecting the productivity and attractiveness of portfolio companies.

At Hivest Capital, these risks are monitored through:

- Analysis of workplace accidents and frequency/severity rates;
- The presence or absence of structured social dialogue and value-sharing mechanisms;
- Internal policies on diversity and non-discrimination;
- Supplier mapping and consideration of social risks in the supply chain.

Governance risks

Governance risks correspond to the risk of loss of value of a portfolio or holding, resulting from faulty managerial or organizational practices, likely to generate instability or compromise a company's performance. Such risks may arise from inadequate strategic management, lack of transparency in decision-making, or internal control failures.

They may also arise from inadequate management of environmental and social issues, or non-compliance with corporate governance standards, for example through the absence of an appropriate code of conduct, anti-corruption or anti-money laundering mechanisms, or an internal whistleblowing system. These shortcomings can affect the resources, reputation and operational capacity of the portfolio companies concerned.

Hivest Capital assesses these risks based on:

- The composition of supervisory boards (presence of independents, parity) ;
- The existence of codes of ethics, CSR charters and anti-corruption and anti-money-laundering procedures;
- Implementation of internal whistleblowing systems;
- The level of involvement of corporate governance bodies in ESG management.

These indicators are collected annually as part of the reporting campaign, then consolidated in Hivest Capital's ESG reports.

8.3. Action plan to reduce the entity's exposure to the main ESG risks taken into account

To reduce its exposure to sustainability risks, Hivest Capital relies on ESG integration in the investment cycle (see section 1), as well as on various operational levers such as:

- Sectoral exclusions prohibiting investment in sectors particularly exposed to ESG risks;
- Ongoing research of ESG controversies on investment opportunities and on the portfolio;
- The systematic identification and assessment of ESG risks prior to investment, carried out by the investment teams;
- Integration of this assessment into the Investment Committee's decision-making process;
- The inclusion of ESG clauses in shareholder agreements;
- Annual collection of ESG information to update the ESG risk assessment of each investment;
- Dialogue with shareholdings, including awareness-raising and discussion of the main sustainability risks, and identification of appropriate action levers.

8.4 Frequency of review of risk management framework

The ESG questionnaire is reviewed annually in accordance with France Invest recommendations.

8.5. Quantitative estimate of the financial impact of the main ESG risks

At this stage, Hivest Capital has not implemented a quantified estimate of the change in asset valuation resulting from ESG risks.

SECTION 9 - LIST OF FINANCIAL PRODUCTS REFERRED TO IN ARTICLES 8 AND 9 OF THE SFDR

See section 1, subsection 1.3.