

POLICY

Omnes Environmental, Social and Governance (ESG) Commitments

Update : June 2024



Omnes has been working with entrepreneurs and infrastructure project owners for more than 20 years, implementing strategies for sustainable value creation. We are convinced that integrating extra-financial criteria into the partnerships we develop with entrepreneurs is essential to create long-term value. We therefore pay particular attention to preserving the environment, promoting human capital and establishing transparent and responsible governance structures.

Our ambition is to play a proactive role in improving the ESG standards of our portfolio companies and to take our ESG approach further.

UNPRI¹ membership

By signing up to the United Nations Principles for Responsible Investment (UNPRI) in 2009, Omnes has formalised its commitment to integrate environmental, social and governance issues into its investment processes, shareholder practices and at the level of the Management Company. Omnes is also committed to promoting the values of the UNPRI to its partners and we have undertaken:

- to incorporate ESG issues into our investment analysis and decision-making processes;
- to take ESG aspects into account in our shareholder policy and practices;
- to require companies in which Omnes is a reference shareholder to publish ESG-related information;
- to promote the acceptance and implementation of these Principles by the management teams of portfolio companies;
- to work collectively to enhance our effectiveness in implementing these Principles;
- to report on our activities and progress towards implementing these Principles.

Our commitments have been drawn up with the UNPRI and Omnes values in mind:

- excellence;
- entrepreneurship;
- integrity, mutual respect and trust;
- long-term commitment;
- creativity.

Adherence to the France Invest, IC 2020 and Gender Equality charters

Omnes has decided to adhere to three charters:

- France Invest's ESG Commitment Charter²: each signatory undertakes to comply with a list of 16 economic, social and human, environmental and good governance commitments.
- France Invest's Charter for Gender Equality³: each signatory declares its conviction that increasing the number of women in an organisation is virtuous. Gender equality guarantees a better representativeness of society, a broadening of the human pool, and emulation stemming from the diversity of ideas and behaviours necessary to meet the challenges of tomorrow. Increased gender equality in companies also leads to improved performance and accelerated growth. Each signatory undertakes to comply with a list of 30 commitments.
- In 2016, Omnes joined the International Climate Initiative (iCi), the first collective commitment of French private equity professionals that promotes the development of companies that respect people and their environment. Each signatory undertakes to respect three commitments:
 - Recognising that climate change will have effects on the economy that represent risks and opportunities for companies

¹ <https://www.unpri.org/>

² https://www.franceinvest.eu/wp-content/uploads/2015/12/Charte-Engagements-des-Investisseurs-pour-la-Croissance_-France-Invest-AGE-2018.pdf

³ <https://www.franceinvest.eu/wp-content/uploads/2022/07/CHARTRE-VFinale-ENG-1-1.pdf>

- Taking action to contribute, at their level, to the COP21 objective of limiting global warming to two degrees
- Reducing the greenhouse gas emissions of their portfolio companies and ensuring sustainable performance

Commitment to environmental preservation

Omnes considers that responsible environmental behaviour is a priority. The Management Company seeks to limit its environmental impact, implement measures to reduce its energy and water consumption, recycle waste, control its consumption of paper and other office supplies, control office heating and lighting, and encourage its employees to use public transport.

Omnes' commitment to environmental protection was notably reflected in the launch in 2006 of the first French private equity fund entirely dedicated to renewable energy. Today, Omnes' investment scope has been extended to the energy transition, with renewable energy infrastructures (notably wind and photovoltaic) on the one hand, but also green real estate with the creation of a team dedicated to the financing of sustainable cities.

In carrying out its investment activity, Omnes supports portfolio companies in their ESG progress, in particular sustainability. As such, we are vigilant about how our portfolio companies operate and encourage behaviour that ensures sustainability. We encourage the use of energy consumption monitoring systems and promote actions to reduce water consumption, waste and other environmental impacts. In the case of infrastructure projects, special attention is also paid to the protection of local ecosystems.

Commitment to human capital

At Omnes, we believe that our people are our greatest asset. We pay particular attention to their professional development by giving them access to responsibilities and offering them adapted training programmes. We want to give everyone the opportunity to develop, both professionally and as an individual. We aim to build team spirit and drive for excellence in order to involve every employee in the implementation of our common objectives and to provide services of the highest market standards to our investors. We are also convinced that the well-being of our employees depends on a good work-life balance.

In order to express our values beyond our investment activity, we have launched a philanthropic programme aimed at supporting youth charities active in the fields of education, integration and health. This initiative is carried out through a foundation managed by Omnes employees.

In terms of investments, we strive to impart our values to portfolio companies. We encourage the development of human resources policies, internal promotion and career management programmes that respect equality between individuals. We also encourage the creation of management teams that promote exchange and collegial decision-making for greater proximity between management and employees. We support actions in favour of social dialogue and focus on safety and working conditions.

Commitment to transparent and responsible governance

Omnes has set up a governance structure comprising a Supervisory Board that guides the company's strategy and an Executive Committee that oversees its operational development.

Omnes' management acts and communicates transparently with its employees. We have adopted an ethical, responsible approach to governance, with transparent remuneration and bonus policies in line with market standards, rigorous risk control systems, and a clear commitment to anti-money laundering and anti-corruption controls.

In our investments, we attach great importance to developing trusting relationships with our portfolio companies. This facilitates the implementation of constructive solutions and common strategies with existing management teams, thereby strengthening our existing partnerships. This approach has resulted in a solid track record of performance and the creation of long-term partnerships with the managers of portfolio companies, which endure after they have exited our funds. We also pay attention to the way in which our portfolio companies act and encourage all behavior aimed at respecting their

counterparties and ensuring that the latter meet their obligations.

ESG Strategic Committee

Omnes has set up a Strategic Committee dedicated to ESG.

The committee, made up of recognised and experienced professionals, is responsible for assisting Omnes in defining and implementing its ESG commitments and building ESG criteria into the overall development strategy of portfolio companies.

Committee members may also intercede directly with portfolio companies to identify company-specific ESG risks and jointly define short, medium and long-term areas of development.

ESG Operational Committee

An operational committee dedicated to the ESG theme has also been set up. Composed solely of Omnes employees, it allows us to define and improve the inclusion of ESG risks in investment strategies.

This committee is also responsible for adopting positive measures within the Management Company itself (waste management, carbon impact, wage policies, and so on). It interacts with the ESG Strategic Committee.

The ESG analyses implemented by Omnes

The management of risks related to the inclusion of ESG criteria is carried out either by fund or by fund family.

Omnes has set up an ESG rating system for its portfolio companies to rank them according to their characteristics and risk level and to identify possible areas for improvement.

Ratings are established at the time of investment and then updated annually on the basis of a dedicated questionnaire.

- **ESG analyses: principles**

The funds managed by Omnes take into account all or part of the ESG criteria listed in the table below when selecting investments. Due diligence is carried out for each investment, enabling us to understand the risks incurred by each portfolio company.

For companies that present an ESG risk, Omnes raises the company's awareness of the importance of implementing appropriate internal policies and of the benefits to be expected in the short, medium and long term from such a policy. Omnes also undertakes to draw up an action plan with several of its portfolio companies, geared at better consideration of ESG factors.

- **ESG analyses: specific cases of venture capital funds**

Venture capital funds are dedicated to investments in innovative and young companies under development. The ESG monitoring system put in place for them must therefore be adapted to their size, their business sector and the ESG risks they may present.

Venture capital funds do not integrate compliance with ESG criteria in their investment decisions, but we are raising awareness among all these companies of the importance of implementing internal policies that improve the consideration of ESG criteria.

- **ESG analyses of co-investment funds**

Co-investment funds typically invest on a minority basis alongside other investors. As such, the ESG monitoring system put in place and the rating system must also be adapted to their minority status and to the characteristics of this activity.

Co-investment funds do not make compliance with ESG criteria a determining factor in investment decisions, but we make all the companies we support aware of the importance of implementing internal policies that improve the consideration of ESG criteria, and we make every effort to define areas for improvement with these companies.

When co-investment funds hold a majority stake, Omnes applies its rating system and annual monitoring of the improvements implemented.

- **The rating system developed by Omnes**

Our ambition is to design a specific list of indicators that go beyond the usual ESG reporting templates and are aligned with Omnes' core values.

Omnes has therefore defined a series of indicators for all environmental, social and corporate governance aspects, including the specific risks of damage to biodiversity and impact on climate change. These indicators include: the existence of an environmental policy, a policy to reduce greenhouse gas emissions, environmental certifications, the implementation of action plans (fight against climate change, reduction of water consumption and waste, protection of biodiversity and eco-systems, etc.).

On the basis of the risk indicators identified, Omnes assigns a score to each portfolio company. These scores are then reviewed annually on the basis of information provided by the portfolio companies in response to an annual ESG questionnaire. This questionnaire is entrusted to a service provider specialising in these themes.

Example of risk indicators monitored:

Categories	Indicators
Governance	Governing bodies Independence of supervisory board members
	Governing bodies Diversity of supervisory board members (nationality, business sector, gender)
	Audit committee (or stringent internal audit processes)
	Transparency of executive compensation
	CSR strategy and risk management Definition of key CSR objectives, identification of ESG risks
	Reports to the Board of Directors Quality and frequency of reporting to support decision-making
	Cybersecurity Protection of personal data in accordance with the GDPR and cybersecurity policy to prevent hacker attacks
Human Resources	Non-executive employee access to the company's capital (or to significant non-mandatory profit-sharing schemes)
	Equal opportunities
	Company's commitment to equal opportunities and initiatives taken
	Diversity
Environment	Environmental policy
	Definition of an environmental policy and management procedures, monitoring of key environmental performance indicators
	Energy and emissions
External players	Procurement process and responsibility towards suppliers
	Integrating CSR issues into the value chain: sustainable procurement, subcontractor selection process, subcontractor audits
	Responsibility towards clients
	Products and services Impact of products and services (e.g. contribution to Sustainable Development Goals).

Risk management implemented by Omnes

- **Integration of extra-financial risk management in investment strategies**

The Risk Department is an integral part of Omnes' ESG governance. The risk manager is a member of the ESG Operational Committee and attends ESG Strategy Committee meetings. The risk manager is actively involved in defining and strengthening the Management Company's ESG policy.

ESG criteria are integrated into the Management Company's risk management system, financial risks at the level of each fund managed and operational risk at the Management Company level.

- **Nature of risks monitored by Omnes**

Sustainability risk refers to an environmental, social or governance event that could, if it occurs, have a significant negative impact on the value of the investment, and therefore covers all ESG aspects.

Climate risk is a risk linked to the increased vulnerability of companies to changes in climate indices (temperature, rainfall, wind, snow, etc.) but also to the impact of economic players' activity on climate change.

There is a broad consensus that almost 50% of the observed temperature increase in recent decades is due to increased emissions from human activity. Omnes' approach has therefore been strengthened with the introduction of a "climate strategy" that allows for a systematic analysis of the risks and opportunities arising from climate change for portfolio companies.

The risk of damage to **biodiversity** is defined as the negative impact of human activity on living things. The main drivers of biodiversity loss are now well identified: in France, land artificialisation, fragmentation of natural environments, intensive agricultural practices and the drying up of wetlands are major causes. Biodiversity provides essential and valuable ecological, economic and social services, known as "ecosystem services". Its degradation threatens people's livelihoods and the economic performance of states and economic players.

- **Risk monitoring procedures adopted by Omnes**

The Management Company's risk manager is responsible for monitoring the risks incurred by portfolio companies (risk of litigation, market loss, lack of access to alternative sources of financing, tax risk, etc.) and the risks incurred by the Management Company as a financial partner (reputation, investor withdrawal, litigation, etc.).

To this end, the annual rating system for portfolio companies is designed to enable the Management Company to assess the risks incurred by each company and to monitor these risks. The scores assigned each year make it possible to map the risks incurred for each fund and to monitor changes in risks over time.

Omnes can thus help its portfolio companies (i) to follow a path towards sustainable growth and (ii) to reduce greenhouse gas emissions (direct and indirect emissions).

The risk manager submits a report on risk management, including ESG risks, to the Management Company's directors every year.

Information to subscribers

Omnes publishes an annual ESG report. In addition, side letters incorporating specific requests on ESG issues are signed with subscribers who request them.

APPENDIX 1: Funds simultaneously taking ESG criteria into account as at 31 March 2024

List of UCIs managed that simultaneously take ESG criteria into account	Percentage of the assets of these UCIs in the total amount of assets managed by the portfolio management company
Infrastructure Fund_ Sustainable Cities	45%
Infrastructure Fund_ Renewable energy	
Venture Capital Fund	
Social Business Fund	
Co-investment Fund	