**Our ESG commitment**

The ESG approach is an integral component of FCDE’s investment strategy: ESG is a major component of sustainable value creation

Our ESG approach is fed by a number of very strong convictions which form part of our culture:

* Due to its public-private DNA, FCDE essentially seeks equity stories that are both creating value and are meaningful and useful,
* FCDE aims at achieving sustainable value creation in its portfolio companies by accelerating their transformation and ensuring its durability,
* FCDE works on both components of value creation: the financial component (increase in EBITDA, decrease in net debt) and the extra-financial component (ESG), which is of growing importance.

Our approach is collective and long term.

Our approach is collaborative and geared to co-construction with the managers of our portfolio companies.

Our approach is targeted and concentrates, in agreement with the managers of our portfolio companies, on the ESG stakes relevant to the company’s business (3 or 4 in parallel).

Our approach is pragmatic: measurable objectives are set for each stake.

Our approach is structured and subject to decision making and monitoring processes.

Our approach is evolutive: we strengthen our understanding and expertise with each investment.

Our approach is committed: we announce our ESG commitment clearly and take part in promoting ESG values, notably by signing the Charter of Commitments of Investors for Growth (France Invest, formerly AFIC) and the Partner Investors’ Charter of France Investissement.

**Our ESG policy**

The mechanisms for taking account of ESG criteria in the Company’s investment and risk management policy were put in place in 2015.

Our ESG approach is based on three key stages: pre-investment due diligence; presentation to the Investment Committee of the ESG risks, opportunities and stakes associated with the proposed investment; and post-investment monitoring of objectives, actions plans and progress.

These procedures are coordinated by an in-house team composed of Rejean Guern (Partner), Charlotte Lepetit (Corporate Secretary) and Jules Bosser (Investment Manager). The Company has established an ESG Committee composed of two Partners — Rejean Guern and Charlotte Lepetit— which meets annually to monitor, share and coordinate progress on ESG issues with the portfolio companies.

The following documents are available to all subscribers upon request:

* an ESG Report prepared annually by the Company in collaboration with an appointed Advisor illustrating our ESG approach;
* the quantitative ESG data collected annually from the portfolio companies;
* the presentations made to in-house committee meetings

The simultaneous taking into account of ESG criteria in the investment policy applies to the FCDE II fund, which represents 90% of the total assets managed by the Company at 30th September 2019.