

Our ESG commitment

The ESG approach is an essential component of FCDE's investment strategy: **ESG is a major component of sustainable value creation**

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

- FCDE essentially seeks equity stories that both create **value and have an impact**,
- FCDE aims at achieving sustainable value creation in its portfolio companies **by accelerating their transformation and ensuring their durability**,
- FCDE works on both components of value creation: **the financial component** (increase in EBITDA, strategic value reflected by the increase in valuation metric, decrease in net debt) and **the extra-financial component** (ESG), which is of growing importance.

Our approach is **collective across the entire team** and **long term**.

Our approach is **collaborative** and based on a **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 dedicated decision making and monitoring processes.

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

Our approach is **committed**: we clearly state our ESG commitment and contribute to the promotion of ESG values, notably by signing the Charter of Commitments of Investors for Growth, the Charter to Promote Gender Equality in Private Equity and in companies (France Invest) and the Partner Investors' Charter of France Investissement.

Our ESG policy

The process of including ESG criteria into the Company's investment and risk management policies was engaged in 2015.

Our ESG approach is based on three key steps: 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, action plans and progress.

These procedures are coordinated by an internal team composed of Réjean Guern (Partner), Charlotte Lepetit (Partner and Corporate Secretary) and Jules Bosser (Investment Manager). The Company has established an ESG Committee composed of two Partners — Charlotte Lepetit and Réjean Guern — with the participation of an appointed advisor SIRSA – Yannick Grandjean - which meets annually to monitor, share and coordinate progress on ESG issues within 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 internal committee meetings

The inclusion of ESG criteria in the investment policy applies to the FCDE II fund, which represents 87% of the total assets managed by the Company at 31 December 2020.