RESPONSIBLE INVESTMENT POLICY

INDIGO CAPITAL

INDIGO

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This investment policy, updated in March 2021, is applicable to all investment activities of Indigo Capital. It notably meets the obligation of Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (« Disclosure Regulation ») and Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to promote sustainable investment ("Taxonomy Regulation ").

I. INTRODUCTION TO INDIGO CAPITAL'S ESG POLICY

Indigo Capital is an independent management company, recognized in the French and European private equity market. It supports entrepreneurs and managers in their capital reorganization and expansion projects while aiming at generating steady returns for investors who placed their trust in Indigo Capital's investment team.

As a responsible investment company, Indigo Capital believes that (i) it is necessary to promote win-win solutions for all stakeholders and (ii) that financial performance goes hand in hand with the integration and promotion of ESG best practices.

A. COMMITMENTS & INITIATIVES

Indigo Capital has been a signatory to the United Nation Principles for Responsible Investment (UNPRI) since 2013. These principles are included in Indigo Capital's ESG policy, to which all team members adhere.

In 2019, Indigo Capital joined the Climate 2020 Initiative, launched by French leading private equity players and supported by France Invest, committing to contribute to limiting global warming to 2° Celsius by 2050.

Indigo Capital defined 4 pillars on which its ESG approach is based:

- Systematic exclusion of certain sectors
- Integration of sustainability risks in the investment process
- Active support to portfolio companies in their ESG process
- Transparency and communication with investors

Indigo Capital's annual ESG Report also presents ESG issues and risks faced by portfolio companies. It highlights the best practices implemented, as well as the recommendations and areas for improvement identified by the ESG team.

Quantitative and qualitative extra-financial data is collected annually on the entire portfolio and on all new investments by Sirsa, a CSR consultant, which supports Indigo Capital in its ESG policy.

Based on an aggregated analysis of the data reported, this report provides a consolidated view of the portfolio from an ESG standpoint as well as its environmental and social footprint.

B. GOVERNANCE

Indigo Capital's governance

Indigo Capital's governance is organised around a Supervisory Committee, on which the main partners of the management company sit.

Indigo Capital's Investment Committee is composed of five managers *("Gérants")*, all members of the investment team. They are responsible for all investment decisions.

In addition, Indigo Capital's investment team members are regularly trained on sustainability issues.

Finally, Indigo Capital's remuneration policy takes into account sustainability risks and issues.

ESG committee

Founded in 2013, Indigo Capital's ESG Committee is currently composed of four members, including two members from the investment team and two members from the finance department.

This committee is responsible for coordinating the various ESG initiatives carried out, both within the management company and at the level of the portfolio companies. It meets several times a year, including:

- In December, to define the strategy and outline the ESG annual report, with the consulting firm Sirsa
- In June, to analyse the results and consider areas for improvement in the portfolio companies

In order to raise employee awareness on ESG issues, information campaigns are regularly conducted by Indigo Capital through the distribution of materials and participation in ESG presentations offered by various organisations, including France Invest.

II. RESPONSIBLE INVESTMENT POLICY (1/2)

A. CONSIDERATION OF DURABILITY RISKS IN THE INVESTMENT POLICY

Before investment

Portfolio companies must operate in sectors that are consistent with the values promoted by Indigo Capital.

Thus, the following sectors are systematically excluded by the Funds’ By-Laws:

- production and trade of tobacco, distilled alcoholic beverages and related products
- production and trade of firearms and ammunition of all kinds,
- casinos, gambling and similar activities,
- scientific research for the purpose of human cloning,
- pornography.

as well as any sector or activity with a clear sustainability risk that could impact the valuation of our investment (e.g., activity contributing to global warming, business with either a reputational or a governance risk).

Before each investment decision, Indigo Capital conducts its own ESG audit based on 60 criteria, allowing for an analysis of durability’s risks and of principal adverse impacts (PAI). If appropriate, a full audit is conducted by an external provider on governance, social or environmental issues. For example, a specific audit can be conducted on climate issues, biodiversity, industrial risks and, more broadly, all forms of pollution in the air, soil and water.

If some issues were not covered by the pre-investment audits, an analysis of these issues is performed post-acquisition.

While in portfolio

The challenges and maturity of ESG criteria vary greatly from company to company.

Although Indigo Capital funds are mainly invested in bonds, it is the lead financial investor in most transactions. Thus, it has a direct relationship with the management team.

Indigo Capital is committed to supporting portfolio companies in a responsible manner throughout the duration of the investment.

In addition, Indigo Capital supports the implementation of employee profit-sharing and/or equity participation mechanisms, beyond legal requirements.

As a professional investor, Indigo Capital has the responsibility to encourage companies to adopt good governance standards, usually defined in the shareholders' agreement negotiated by Indigo Capital at the time of its investment.

In order to assist portfolio companies in identifying ESG risks and opportunities, as well as to carry out specific monitoring, Indigo Capital, with the support of the CSR consultancy Sirsa, produces an annual ESG Report (its construction is detailed on *page 5*), comprising a focus on the principal adverse impacts (PAI).

At exit

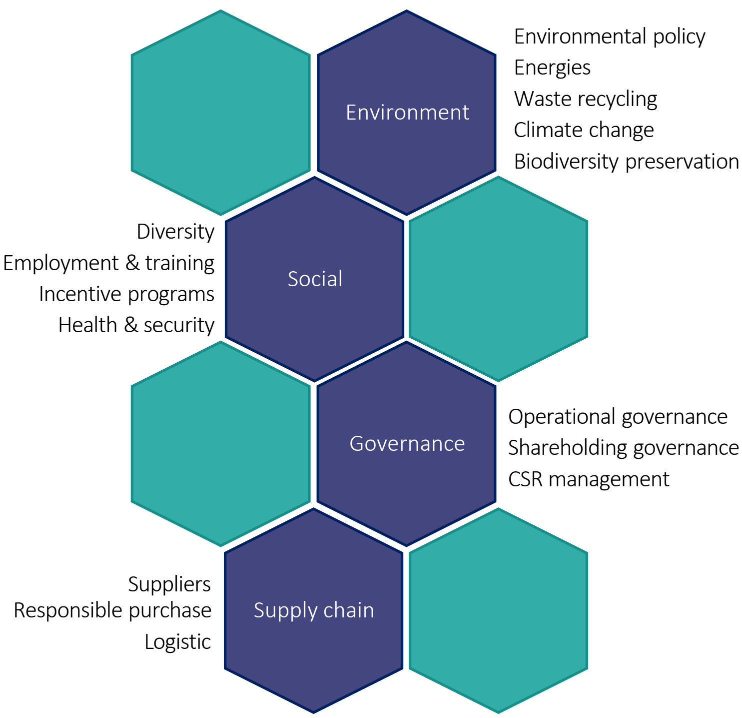
As Indigo Capital’s Funds are invested primarily in bonds, it cannot require an ESG audit to be prepared as part of an exit process.

At exit, Indigo Capital provides management with the ESG information used to monitor the improvement of portfolio companies.

II. RESPONSIBLE INVESTMENT POLICY (2/2)

B. ESG TOPICS COVERED BY THE DURABILITY RISKS' ANALYSIS

Four main ESG topics are analyzed through various indicators, covering together all ESG issues.



C. METHODOLOGY AND RESULTS

- ESG questionnaire

Each year, Indigo Capital works with CSR consultancy Sirsa to produce an ESG Report, including a detailed analysis of each portfolio companies on the four above-mentioned ESG topics: environment, social, governance and supply chain.

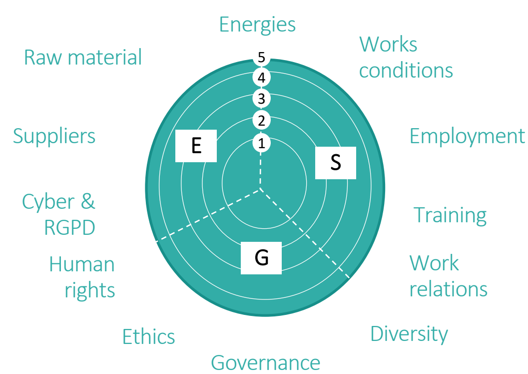
- Synthesis and results from the analysis

The analysis is based on 97 qualitative and quantitative indicators, including the principal adverse impacts (PAI), collected annually from each portfolio company.

Based on these indicators, Sirsa rates the importance and level of maturity of 12 ESG areas for each portfolio company.

The stake and maturity of each of these areas is rated out of 5. The greater the difference between the stake level and the maturity level, the greater the ESG risk.

This data is then consolidated at the portfolio level to allow for a global analysis.



D. INTEGRATION OF THE RESULTS INTO THE INVESTMENT POLICY

A 2-pager summary for each portfolio company identifies the main risks, areas of concern and areas for improvement.

The investment team then presents these results to the management of portfolio companies, either during a supervisory board or at a dedicated meeting.

III. CONCORDANCE TABLE

Regulations	Concordance
Article 173	
General approach to take ESG criteria into account in the investment policy	II.A
Content, frequency and means used to inform subscribers	I.A
Adherence to ESG policies, codes, initiatives or labels	I.A
General description of ESG risks, activities exposed to them and internal procedures for identifying ESG risks	II.A
ESG criteria, reason for the choice of the main criteria relating to the respect of social, environmental and governance quality objectives that the entities retain	II.C
Information used for the analysis implemented on these criteria	II.C
ESG analysis	II.C
Integration of the results of this analysis into the investment policy	II.D
SFDR Regulation	
Policies on how sustainability risks are integrated into investment processes	II.A
Due diligence policy on negative impacts (PAI) of investment decisions on sustainability factors	II.A & II.B
Integration of sustainability risks in remuneration policies	I.B
Taxonomy Regulation	
% of sustainable investments	To be defined (no consideration of taxonomy criteria)