

# Article 29 of the French Energy and Climate Law (2022)

*Structure of sustainability information in the annual report in accordance with the provisions of Article D.533-16-1 V of the Monetary and Financial Code for organizations with total assets or outstandings of less than 500 million euros.*

## Regulatory context

Article 29 of the French Energy and Climate Act 2019-1147 of November 8, 2019 ("Article 29") amends the provisions of Article L. 533-22-1 of the Monetary and Financial Code ("CMF") relating to non-financial reporting.

Published on May 27, 2021, the decree implementing Article 29, which amends Article D. 533-16-1 of the CMF, details the information to be published in this report, concerning:

- The inclusion of environmental, social and governance criteria ("ESG criteria") in the investment policy;
- The means put in place to contribute to the energy and ecological transition.

This report concerns the financial year ending December 31, 2022.

Ekkio Capital is a portfolio management company with assets under management of less than €500 million at December 31, 2022.

This report is therefore limited to the information mentioned in §1 (from point to point e) of III of Article 1 of the implementing decree, which relates to the company's general approach to environmental, social and governance criteria.

At December 31, 2022, Ekkio Capital manages only FPCIs. While these do not have sustainable investment as their objective within the meaning of Regulation (EU) 2019/2088, they nevertheless take ESG criteria into account.

## A. Ekkio Capital's general approach to environmental, social and governance criteria

### A.1 Summary of the approach

Ekkio Capital is committed to setting an example for its portfolio companies. For several years now, Ekkio Capital has been applying the Principles for Responsible Investment. The management company also tries to ensure that portfolio companies implement ESG policies of their own.

Through its signature of the PRI, the France Invest charter and the FSI France Investissement charter, Ekkio has set realistic targets for SMEs, while remaining ambitious.

As a management company, Ekkio limits its environmental impact by encouraging the adoption of eco-responsible behavior and by raising awareness of climate issues among its employees and partners. For example, we recycle our waste, use videoconferencing to limit travel (we recently installed 3 devices in our meeting rooms), have adopted a policy

of responsible selection of our suppliers (energy, coffee, fruit, etc.) and are attentive to energy savings in our offices. Thanks to our partnership with Les Joyeux Recycleurs, we recycled 230kg of waste in 2022 (+26%)! This represents 2 trees saved, 43 fleeces, 8 ink cartridges and 279 cans manufactured, and 85kg of CO<sup>2</sup> saved. We have also recently installed water fountains to eliminate the use of plastic bottles.

1. Before investing :

The selection process excludes many sectors that violate human rights, generate environmental damage and operate in controversial industries. For each acquisition, ESG due diligence is carried out with the help of an external professional to identify and implement improvement plans. For greater efficiency, these ESG due diligences are obviously adapted to the target's business and characteristics.

2. During the investment holding and disposal phases:

Each year, the management company conducts a quantitative and qualitative survey of ESG criteria in force in the current financial environment. In collaboration with Sirsa, a panel of 185 questions on environmental criteria (energy and water consumption, waste production, etc.), social criteria (well-being in the workplace, accidents, staff turnover, pay gap) and governance criteria (gender parity in governing bodies, etc.) is used to gain a better understanding of companies' ESG challenges and progress, and to define an annual roadmap with concrete commitments to improvement.

The annual reporting campaign is carried out conscientiously, and an annual ESG committee meeting is held with each investment concerned, attended by an Ekkio representative, one or more partners in charge of ESG, and the Sirsa team. The study carried out on each investment is also carried out within Ekkio (as a management company), providing investors with accurate, up-to-date data on Ekkio and the investments in its portfolio.

**A.2 Content, frequency and means of informing subscribers, members, contributors, beneficiaries or clients about the ESG criteria taken into account in the investment policy and strategy.**

While all Ekkio Capital members are obviously invested in the ESG approach, a dedicated team has been set up to manage and support the companies in the portfolio. It is made up of 2 partners, an investment manager and an analyst.

Ekkio Capital promotes transparency on a daily basis, and its ESG policy is accessible to all on its website. Ekkio communicates its ESG information to investors via a specific ESG report. At the annual investors' meeting, the ESG assessment of each company is presented, highlighting the main progress and actions taken, as well as the roadmap for the next 12 months.

At this stage, Ekkio Capital does not take into account the ESG performance of its holdings in the valuation of the portfolio, but evaluates their level thanks to the ESG Reporting conducted by Sirsa. Since this was introduced in 2013, regular data analysis has enabled us to draw up clear, ambitious guidelines for each investment in terms of :

- governance
- environmental footprint
- social footprint
- supply chain

Every year, the ESG maturity of the portfolio improves, and continues to do so this year (with a few exceptions).

In 2022, for the first time, we carried out a carbon assessment (scope 1-2-3) for the management company and certain portfolio companies.

**A.3 Adhesion of the entity, or of certain financial products, to a charter, code, initiative or label on the consideration of ESG criteria, as well as a brief description of these criteria**

Ekkio Capital has been committed to the Principles of Responsible Investment for many years, and this year received a "76" rating from UNPRI for the Direct - Private Equity module, and a "59" for the Investment & Stewardship Policy module.

Ekkio has also been a signatory of the France Invest Initiative charter since 2019 and has implemented a partnership with the Great Place to Work® label for its portfolio, which focuses on the QWL (quality of working life) criterion.

In 2023, Ekkio joined L'Initiative Climat International (iCI) and became a signatory to France Invest's Value Sharing Commitment Charter.

**B. List of financial products mentioned under articles 8 and 9 of the Regulation on the publication of sustainability information in the financial services sector (SFDR)**

Not applicable at this stage (funds article 6)