RESPONSIBLE INVESTMENT POLICY

parquest

Table of Contents

I. Our approach to responsible investment P.3

1.1 Parquest's DNA P.3

1.2 Our responsible investment policy P.3

1.3 Our public commitments and reference frameworks P.3

1.4 Definition of sustainable investment P.4

2. Our approach to sustainability issues P.5

2.1 Environmental issues P.5

2.2 Social issues P.5

2.3 Governance, ethics and business conduct issues P.6

2.4 Sustainability risk management P.6

2.5 Consideration of principal adverse impacts (PAIs) P.8

3. Integrating sustainability into the investment cycle P.9

3.1 Prior to investment P.9

3.2 During the holding period P.10

3.3 At exit P.10

4. Stewardship and shareholder engagement policy P.10

4.1 Engagement with portfolio companies P.10

4.2 Engagement with the ecosystem P.11

4.3 Engagement with investors (LPs) P.11

5. ESG governance and remuneration P.11

5.1 ESG governance bodies P.11

5.2 Training P.11

5.3 Remuneration and alignment of interests P.11

6. Monitoring, review and publication of the policy P.12

1. Our approach to responsible investment

1.1 Parquest's DNA

For nearly 25 years, Parquest has been a leading player in mid-cap Private Equity in France, whose DNA and values, respect, humility, pragmatism, transparency, integrity and rigor, guide its commitment as a responsible investor.

Our signature *"Values make value"* reflects the importance we place on the values that have driven Parquest since its creation, as well as on ESG issues more broadly.

Our conviction is simple: **extra-financial performance is not separable from financial performance; it reinforces it, secures it and gives it meaning.** Faced with social and environmental challenges, inequality, climate change, biodiversity loss, and technological transformation, we believe that responsible investment is more meaningful than ever, a factor of resilience for business models and a creator of sustainable value.

1.2 Our responsible investment policy

Parquest's responsible investment policy is built around **three cross-cutting priority issues**:

- **Value sharing**: enabling all employees to share in the value created.
- **Inclusion and skills development**: recruiting talent from all backgrounds, preventing discrimination and developing skills.
- **Combating global warming**: actively contributing to companies' low-carbon transition.

This strategy is deployed at **three levels of action**:

(i) within the management company,

(ii) within portfolio companies, notably through the **Parquest Sustainability Program**[1],

(iii) within the private equity industry and society at large, through our commitment to industry initiatives[2].

1.3 Our public commitments and reference frameworks

In addition to complying with the applicable European regulatory framework (SFDR, French Energy-Climate Law Article 29) and international reference frameworks (SDGs, Global Compact), Parquest has also made numerous public ESG commitments with organizations and associations.

These commitments aim to advance the responsible investment approach within the industry and, individually, to encourage the adoption of ever more responsible practices.

[1] see Section 3, Integrating sustainability into the investment cycle

[2] see Section 1.3, Our public commitments and reference frameworks

Parquest is committed to annually reviewing the operational implementation of these commitments and its extra-financial performance against the objectives set.

● **UN Principles for Responsible Investment (UN PRI)**

By signing the Principles for Responsible Investment (PRI) in 2015, Parquest commits to establishing and developing ESG policies at both the management company level and across its portfolio companies. Parquest takes part in the annual PRI assessment and communicates the results transparently in its annual report.

● **Initiative Climat International (iCI)**

In 2021, Parquest joined the Climate Initiative: a collective commitment bringing together private equity players who commit to limiting the impact of climate change.

By becoming a signatory, Parquest commits to taking into account, both at the level of the management company and its portfolio companies, the Paris Agreement's objective of limiting global warming to below 2°C.

● **France Invest Charters**

Private Equity Investors Charter. Signed in 2008 by Parquest, and renewed in 2014 through the Investors' Commitment Charter.

Charter for Gender Equality (2020). Since 2020, Parquest has been a signatory of this Charter, which aims to promote gender diversity within the management company and its portfolio companies. As part of this commitment, Parquest aims to reach 40% women within its investment teams by 2030 and to promote gender balance within the management teams of its portfolio companies.

1.4 Definition of sustainable investment

For the management company Parquest, sustainable investment aims to place environmental, social and governance criteria at the heart of investment decisions by assessing a positive contribution to the **Sustainable Development Goals (SDGs)**, while targeting solid financial performance.

For each Article 8 SFDR fund with a minimum percentage of sustainable investment, Parquest commits to defining an ex ante number of SDGs the fund will address, assessing the positive contribution using precise and appropriate indicators, ensuring compliance with the **Do No Significant Harm (DNSH)** principle, notably via the PAIs, and ensuring compliance with good governance principles.

For the Parquest III fund, three SDGs have been selected: **SDG 3** (health), **SDG 12** (responsible consumption and production) and **SDG 13** (climate), **with a target of at least 20% of capital invested**.

2. Our approach to sustainability issues

2.1 Environmental issues

2.1.a Climate

Climate is a central pillar of our strategy. A signatory of the iCI since 2021, Parquest is committed to contributing to the Paris Agreement's goal of limiting warming to below 2°C. This commitment is structured around three key steps:

1. **Measurement**: each portfolio company is supported in producing a carbon footprint assessment covering Scopes 1, 2 and, where feasible, 3. The management company carries out a full carbon footprint assessment every three years and annually updates the tracking of its Scopes 1 and 2.
2. **Reduction**: we encourage our portfolio companies to define and implement ambitious reduction pathways, with the goal of aligning with the Paris Agreement and, where relevant, obtaining **SBTi certification**.
3. **Structured monitoring via the PMDR**: since 2024, Parquest has used the **Private Markets Decarbonization Roadmap** framework to position each portfolio company on a maturity scale (from “not engaged” to “SBTi certification”) and set progression milestones that take into account climate materiality and company size.

Climate risks (physical and transition) are identified as early as the pre-investment phase and incorporated into our materiality analyses.

2.1.b Nature and biodiversity

Biodiversity loss represents a growing risk that Parquest incorporates into its analysis. We conduct **biodiversity impact and dependency analyses** of our portfolio companies using the **ENCORE** tool and a double materiality approach.

For companies in sectors presenting a risk, an in-depth qualification and, where appropriate, a tailored action plan are put in place with management.

2.2 Social issues

2.2.a Value sharing

Value sharing is a longstanding commitment of Parquest and a pillar of our approach. We systematically encourage our portfolio companies to extend value-sharing mechanisms to their employees (value-sharing bonuses, profit-sharing, incentive schemes, employee share ownership, capital gains sharing), particularly in majority ownership situations.

2.2.b Inclusion and skills development

Parquest is a signatory of the **France Invest Gender Parity Charter**. We are committed to promoting gender balance within the executive committees of our portfolio companies (target of 30% by 2030). We ensure the prevention of discrimination in all its forms (gender, disability, origin, age).

Skills development is a major focus: 100% of the Parquest team receives ESG training at least once a year, and we encourage every portfolio company to have a training plan in place.

2.2.c Human rights

Parquest respects and enforces respect for human rights across all of its investment activities, drawing on the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights.

This commitment translates into a risk assessment starting at due diligence, an ESG clause in shareholder agreements, annual monitoring via the ESG questionnaire, and a whistleblowing mechanism at the management company level. In the event of a confirmed violation, a remediation plan is defined with management and monitored by the Supervisory Board.

2.3 Governance, ethics and business conduct issues

We expect every portfolio company to implement sound, transparent and ethical governance. In particular, we encourage the following practices, wherever possible and especially when we hold a majority stake:

- **Composition and functioning of governance bodies**: at least one independent member on the Supervisory Board, gender balance, and an ESG item on the agenda at least once a year.
- **Anti-corruption and business ethics**: an anti-corruption policy, prevention of conflicts of interest, and staff training.
- **Whistleblowing mechanism** compliant with the Sapin II law.
- **Cybersecurity and data protection**: cybersecurity is an increasingly material issue, systematically assessed during due diligence and monitored throughout the holding period.
- **Responsible taxation**: Parquest and its portfolio companies refrain from any abusive tax optimization scheme and respect the spirit of the tax rules of the jurisdictions concerned.
- **Responsible use of artificial intelligence**: raising portfolio companies' awareness of AI governance issues (bias, transparency, data protection).

Parquest also applies its high standards to its management company. As a regulated entity, it is subject to the AMF's (French Financial Markets Authority) requirements regarding internal control and compliance. Within this framework, Parquest implements an annual internal control and compliance program, the execution of which is delegated by the President and RCCI (Compliance and Internal Control Officer) to an external service provider responsible for continuously auditing Parquest's compliance with applicable regulatory obligations.

2.4 Sustainability risk management

In accordance with Articles 3 and 4 of the SFDR Regulation, Parquest integrates sustainability risks throughout all of its investment processes.

Definition

A **sustainability risk** is, within the meaning of Article 2(24) of the SFDR Regulation, *an environmental, social or governance event or condition that, if it occurred, could cause an actual or a potential material negative impact on the value of the investment.*

Sustainability risks are identified and monitored in portfolio companies and in deals under review, from the pre-investment phase, throughout the holding period and up to exit. Each company undergoes a precise analysis to identify material risks, which are monitored by the investment team and the ESG Operating Partner in order to remedy them or limit their consequences for the portfolio company, its short/medium-term financial value and its reputation.

Risk mapping

Parquest distinguishes several types of ESG risk at the level of companies or deals under review:

Environmental risks:

- **Physical climate risks**: acute events (storms, floods) or chronic events (rising temperatures, water stress) affecting the physical integrity of assets, business continuity or the supply chain.
- **Transition climate risks**: regulatory, technological, market or reputational changes linked to the shift to a low-carbon economy, which may impact business models, operating costs and valuation.
- **Nature and biodiversity risks**: dependencies of business activities on ecosystem services (water, soil, raw materials) and impacts on ecosystems, assessed using the ENCORE tool and a double materiality approach.

Social risks:

- **Human rights and labor practices**: violations of fundamental rights, poor working conditions, non-compliance with ILO conventions.
- **Health and safety**: employee safety, product safety, impacts on communities.
- **Diversity and inclusion**: lack of diversity within the workforce and governance, discrimination.

Governance risks: failures of governance bodies, lack of transparency, inadequate internal control systems, corruption, inadequate management of conflicts of interest.

Cross-cutting risks:

- **Operational / business risks**: linked to the company's business model and operational practices, analyzed according to its sector, geography and ESG maturity.

- **Controversy risks**: an event linked to litigation or allegations of negative (E, S or G) behavior appearing in the public sphere. If not managed, it can lead to financial (performance) and/or reputational risk.
- **Reputational risks**: impact on reputation in the event of greenwashing, or an unidentified and/or unmanaged ESG risk.
- **Cybersecurity risks**: an issue that has become material for almost all businesses, and is systematically analyzed.

Management approach

During the **pre-investment phase**, each identified risk is assessed for its significance: if the risk is deemed **major** and likely to call the investment into question (failure to meet a Parquest commitment, controversy, major risk affecting the company's value), the project is **abandoned**. Otherwise, the risk is discussed with the management team and an **action plan is put in place from the time of the initial investment**, backed by the ESG clause in the shareholder agreement.

During the holding period, the emergence of a new risk (litigation, controversy, incident) is addressed through an action plan discussed with the company's management and monitored by the Supervisory Board according to its level of significance.

Controversy monitoring is carried out on an ongoing basis by the ESG Operating Partner, based on input from the investment teams and annual reporting.

2.5 Consideration of principal adverse impacts (PAIs)

Parquest is committed to the progressive collection of the **14 mandatory PAIs** and **two additional selected PAIs**: (i) the share of companies that have not taken initiatives to reduce their carbon emissions, and (ii) the accident rate for industrial sectors.

We systematically ask our portfolio companies to provide us with these indicators. They are taken into account at the level of the **Parquest III fund (Article 8 SFDR)**, which has a sustainable investment objective, notably in the application of the **DNSH principle**. The PAI table is published annually in the Sustainability Report.

When data is very incomplete, or ESG performance is weak or deteriorating significantly, these elements are brought to the attention of the Partners' Committee in order to define a **remediation plan** to be implemented during the holding period.

Given the size and maturity of our portfolio companies (SMEs, mostly primary deals), PAI coverage remains a work in progress. We are committed to improving the coverage rate and data quality every year.

3. Integrating sustainability into the investment cycle

Responsible investment is integrated at every stage of our business, structured since 2025 around the **Parquest Sustainability Program**, which comprises five phases:

(i) Identification of issues and maturity,

(ii) Awareness-raising and management alignment,

(iii) Roadmap,

(iv) Support for transformation,

(v) Valuing performance.

3.1 Prior to investment

Compliance with the exclusion policy

Parquest will not invest in the following sectors and activities:

- Production and trade of weapons and ammunition, particularly controversial weapons;
- Tobacco;
- Distilled alcoholic beverages and related products;
- Extraction of fossil fuels and production of energy from fossil fuels, including any project generating more than 5% of its revenue from thermal coal;
- Gambling;
- Pornography;
- Companies whose business model enables illegal intrusion into electronic data networks or illegal downloading of electronic data;
- Companies subject to international sanctions (UN, EU) or to proven, unremediated violations of Global Compact principles.

Strict compliance with the exclusion policy is reviewed by the Investment Committee and constitutes a *sine qua non* condition for any investment.

ESG due diligence

Every opportunity undergoes an ESG analysis conducted by the ESG Operating Partner in partnership with the investment team, based on a **proprietary analysis grid** covering environmental issues (including climate and biodiversity), social issues (including human rights and cybersecurity), societal and governance issues. The analysis includes:

- a **materiality / externalities matrix**;
- identification of material risks (business, controversy, reputational, physical and transition climate, biodiversity, human rights, cyber);
- assessment of the company's ESG maturity and that of its leadership;
- identification of opportunities linked to the business model.

Where necessary, an **external ESG due diligence** supplements this analysis.

Integration into the investment decision

ESG conclusions are integrated and discussed at every stage of the investment process and, ultimately, in the memo submitted to the Investment Committee. **In the event of a major risk, failure to meet one of our commitments, or a controversy deemed too significant, the investment project is abandoned.**

Integrating ESG into shareholder agreements

Parquest systematically encourages the inclusion of an **ESG clause in the shareholder agreement**, aimed at formalizing the implementation of a documented ESG strategy, objectives, and a decarbonization pathway.

Sustainability-linked loans (SLLs)

Parquest systematically considers financing mechanisms indexed to material ESG criteria and monitors their achievement annually.

3.2 During the holding period

Each portfolio company receives support tailored to its maturity and priorities. The objective is to establish an **ESG strategy integrated into the overall corporate strategy**, with a roadmap and measurable KPIs. ESG is formally reviewed **at least once a year by the Supervisory Board**, and 100% of portfolio companies that have completed a full year now have ESG on their Supervisory Board's agenda.

Each year, portfolio companies complete an **annual ESG questionnaire** based on the France Invest industry-wide questionnaire, supplemented with EDCI (ESG Data Convergence Initiative) and PAI indicators. Results are analyzed, benchmarked and discussed with management. Consolidated ESG performance is published annually in the **Sustainability Report**.

3.3 At exit

Parquest measures and highlights ESG progress made during the holding period. A **vendor ESG due diligence** is carried out where relevant, in order to demonstrate to acquirers the value created through the sustainability journey.

4. Stewardship and Shareholder engagement policy

4.1 Engagement with portfolio companies

Parquest maintains active shareholder engagement with all of its portfolio companies: representation on governance bodies, regular dialogue with management, a jointly developed ESG roadmap, Supervisory Board meetings at least quarterly, and action plans.

4.2 Engagement with the ecosystem

Parquest helps advance industry standards through its participation in **France Invest working groups** (Sustainability, Climate Risk, and Value Sharing commissions) and in the **collective initiatives** of which Parquest is a signatory.

4.3 Engagement with investors (LPs)

Transparency towards our investors is a founding principle of our approach, reflected through: an annual **Sustainability Report** available on our website (including the PAI table and the LEC Article 29 report), an **annual periodic SFDR report** for our Article 8 funds, responses to LPs' ESG questionnaires (including EDCI), **ESG side letters** when requested, and a systematic ESG discussion point at investor general meetings.

5. ESG governance and remuneration

5.1 ESG governance bodies

Parquest's ESG governance rests on three complementary bodies and a dedicated ESG Operating Partner:

- **President**: strategic oversight, defines Parquest's overall strategy and delegates to the ESG Committee the definition and monitoring of ESG strategy
- **ESG Committee**: 7 members representing senior management, ESG, investment, investor relations and financial control. It meets **at least quarterly**, and on an ad hoc basis when necessary, and oversees the deployment of this policy
- **Investment Committee**: composed of managing directors. Systematic ESG analysis is integrated into every investment memo, with the possibility of abandoning an investment in the event of a major ESG risk
- **ESG Operating Partner**: drives the integration of ESG into the investment process, supports portfolio companies, and manages interactions with the ecosystem.

5.2 Training

100% of the Parquest team is **trained annually on ESG issues** (value-sharing mechanisms, philanthropy, climate risks, biodiversity, human rights, etc.).

5.3 Remuneration and alignment of interests

In accordance with Article 5 of the Sustainable Finance Disclosure Regulation, Parquest has implemented a remuneration policy that incorporates sustainability factors:

- Approximately **15% of variable bonuses** for Parquest teams are indexed to **ESG KPIs** (compliance with the responsible investment process, monitoring of ESG action plans within portfolio companies, progress on portfolio-level indicators). The portion not paid out feeds the Philanthropic Fund budget

- **ESG indicators are integrated into the carried interest of the Parquest III fund**: 3 performance objectives per portfolio company, one of which is linked to decarbonization, aggregated at exit to determine the ESG portion of carried interest
- The entire investment team co-invests in the funds managed by Parquest, aligning its interests with those of our LPs over the long term.

6. Monitoring, review and publication of the policy

This policy is **reviewed annually** by the ESG Committee and approved by the President. It is updated whenever regulatory developments, new commitments, or lessons learned from our practices warrant it.

It is **published on Parquest's website** (www.parquest.fr) and shared with our investors.

Version: 2026, approved by the ESG Committee on 15/06/2026.

parquest

19, avenue de l'Opéra · 75001 Paris · +33 1 70 08 60 90 · contact@parquest.fr