



Engagement Charter

July 2022

Our values

LBO France, an investment platform managing company, meets the requirements of investors seeking attractive financial returns by means of investments in French and European companies, real estate assets and debt instruments.

For more than 30 years, LBO France's action has been guided by its structuring values:

- **Alignment of stakeholders' interests:** The trust of our stakeholders is paramount to LBO France. We are constantly striving to align interests by combining financial performance, attentiveness and partnership, and our teams' commitment. We create a respectful working environment, oriented towards partnership and aiming at excellence.
- **Support for the development of our portfolio companies:** We want to be a positive and determined partner for our portfolio companies' projects. We want to contribute to their growth and to their success, ensure their durability, and work hand-in-hand with them in order to achieve their transformation.
- **Firm territorial roots:** We acknowledge the entrepreneurial strength of the territories in which we operate and we believe in their potential for value creation. Our teams in France, Italy, and Africa have expert knowledge of their markets and gather the required competencies to contribute to our portfolio companies' success.
- **A culture of independence and entrepreneurship:** As an independent management company, LBO France chooses its investments consistently with its strategy and values. We act as entrepreneurs with an open, agile, team-oriented mind.

Our vision of ESG

By taking into account environmental, social, and governance issues across all our investments, we affirm our commitment as a responsible investor, in full coherence with our values. We are convinced that ESG issues are essential to value creation and that they are a part of our fiduciary duty. Indeed, as investors, we are in a capacity to act in order to foster ESG progress in our investments.

LBO France signed the United Nations Principles for Responsible Investment (UNPRI) in 2011, the France Invest Charter in 2015, the energy efficiency charter for public and private commercial buildings under the *Plan Bâtiment Durable* (Sustainable Buildings plan) in October 2016, the recent France Invest Charter for Gender Equality early 2020 and joined the Equator Principles in 2020.

LBO France has issued the first version of its Engagement Charter in October 2011 and has regularly updated it since. In order to uphold the principles of this Engagement charter, we have described in our Climate and ESG policy our operational deployment and transparency commitments.

Commitments towards our investors

The priority for LBO France is to meet its investors' expectations. We fully accept the idea that value creation should be financial but also extra financial. We therefore undertake to:

- Ensure that our investors' and our staff's interests are aligned, more particularly by requiring our teams to commit their own resources in the funds they manage;
- Communicate using the best practices, in both financial and extra-financial terms. We undertake to describe our ESG activity systematically in our reporting, as well as during the meetings between investors and representatives of the portfolio companies. Our team devoted solely to investor relations is intended to answer their questions on all subjects, whether financial or non-financial;
- Comply with the investment criteria laid down by our investors in terms of ESG. Under this ethical approach to our funds, we have defined an exclusion policy (detailed in our Climate and ESG policy).

Commitments towards our investments and our projects

Our raison d'être is to invest in high potential companies and real assets. Our goal is to support our investments as they develop in both financial and non-financial aspects. For this purpose, we undertake to:

- Carry out pre-investment analysis of the ESG aspects of each investment opportunity;
- Define an action plan and supervise ongoing improvements in our portfolio companies' and projects' extra-financial performances;
- Deploy best governance practices within our investments in companies. To this effect, we focus particularly on the implementation of well-run governance bodies, on the development of management teams, and on the roll-out of robust business ethics frameworks;
- For our real assets, work towards energy and climate transition, using actionable levers such as works, energy consumption, certification, etc.;
- Ensure the strict application of environmental and social standards by our portfolio companies and assist them in deploying environmental and social best practices consistent with their strategy in order to mitigate risks and foster growth. We notably focus on climate action;
- Build up a long-term relationship of trust with our portfolio company managers who are key drivers of value creation. In this respect we are particularly proud to see them investing in our funds.

Commitments towards our teams

The way we develop talented teams is the source of our success. Proud of our values, we undertake to:

- Recruit staff from diverse professional backgrounds and develop their skills throughout their working life in our company;
- Enable our staff to invest along with our investors in the funds we manage;
- Make our staff aware of ESG issues and encourage them to become involved, both as investors and as part of our management company, notably by developing eco-gestures.

Implementation of this Charter

LBO France undertakes to apply this Charter at every level of the company:

- The Board of LBO France has set up an ESG Committee that steers our ESG strategy, in close relationship with the Head of ESG who reports to the Committee;
- Investment teams are responsible for deploying the Charter through the formal integration of ESG and climate issues in investment activities;
- LBO France's Head of ESG oversees the deployment of actions as decided by the ESG Committee and is in charge of sharing best practices and methodologies internally and with our portfolio companies;
- This Charter is signed by the Board, by all team members, and by new joiners to LBO France.