



argos.
wityu

ESG
REPORT
2023

JULY 2024

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Foreword

WORD FROM OUR FOUNDER & MANAGING PARTNERS



Louis Godron
MANAGING PARTNER

“

Over the last 5 years, evidence of climate change became so widespread that most decent people are no longer sceptical about it happening for real.

Unfortunately, constantly improving climate science has revealed further risks, e.g. on the now famous “tipping points”, where irreversible upheavals may happen, and happen soon.

One example which struck me is this Utrecht University work published in Feb 24 (see visual), showing the risk of collapse in just 25 years of the major cross-Atlantic current (AMOC).

As our Scandinavian and Scottish readers probably know already, if this happens, the winter temperatures in their countries will drop by 10 to 20°C (I confirm there is no typo here), challenging their very habitability. What our other readers might not know is that such massive temperature gradients would wreak havoc in the climate of the rest of Europe, while the rest of the world would heat up even more; all this is in case this collapse happens, but do we really want to take that bet?

The very good news is that evidence is building as well that climate change can be mitigated - without going back to the Stone Age. More and more countries are experiencing a real decoupling between growth and CO2 emissions; low carbon power production is on the surge - including in Texas and in China. And the dense fabric of the companies that make our economies is starting to move in their (long) decarbonization journey.

We all see the big risks. There are realistic way to dodge them. It's still time to act.



Gilles Mougnot
FOUNDER & MANAGING PARTNER

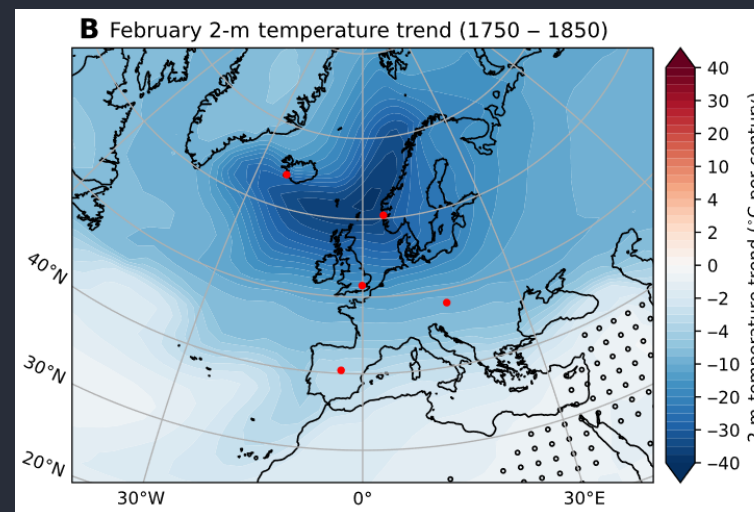
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Global warming is a legitimate cause for concern. It affects every region of the world. In Europe, we are experiencing extreme weather phenomena such as droughts and increasingly intense rainfall.

As in La Fontaine's fable The Animals Sick of the Plague, “not all died, but all were stricken”.

The good news is that we have all the technical means at our disposal to achieve the objectives of the Paris Agreement.

We need to put Antonio Gramsci's words into practice: “We must combine the pessimism of intelligence with the optimism of will.



van Westen et al., Sci. Adv. 10. eadk1189 (2024)

€91m

Invested in 2023

23

Active
portfolio
companies

2

Investment
strategies

€1.8bn

Assets under Management

69

Employees

30+

Years of
investing
experience

7

Offices across
Continental
Europe

Word from our Head of ESG

There is an undeniable shift towards sustainable and responsible investing. Investors and consumers alike are increasingly prioritising companies that demonstrate strong ESG commitments. By integrating ESG principles, we not only enhance the attractiveness of our portfolio companies but also align with the growing demand for transparency and ethical practices. This market-driven shift underscores the importance of ESG as a key determinant of a company's competitive edge and valuation.

Politically, the landscape is evolving with stringent regulations and policies aimed at promoting sustainability and social responsibility. Governments and regulatory bodies worldwide are implementing frameworks that mandate greater ESG disclosures and compliance. By proactively incorporating ESG considerations, we ensure that our portfolio companies not only are compliant, but also ahead of the curve.

All this to say that we have been advancing the ESG journey of our portfolio companies. In 2023, we organised tailored sustainability workshops with four portfolio companies. These workshops aimed to translate past and present sustainability initiatives into actionable goals and targets while identifying future opportunities to enhance sustainability efforts. We recognise that our portfolio companies are dedicating significant time, effort, and resources to embedding sustainability into their operations. We are here to support them in translating these efforts into a clear, measurable, and impactful strategy.

On firm level, we have dedicated material efforts to enhancing the workplace experience by prioritising the well-being and satisfaction of our team members, as well as further integrating our rigorous travel policy. From fostering a culture of inclusivity and diversity to providing opportunities for professional growth and development, we are committed to creating a work environment where every individual can thrive and contribute to our shared success.

We have had the privilege to have been recognised as a climate change leader, an accolade that underscores our progress in reducing GHG emissions and advancing sustainability. This recognition is a testament to the hard work and dedication of our team, who have implemented a dedicated impact fund to support companies in their transition to becoming sustainable leaders (see page 9).

However, we acknowledge that there is still much work to be done. Topics such as climate change and inclusion are complex, global issues that require joined action. As we move forward, we remain committed to setting ambitious goals, transparently reporting our progress, and continuously supporting our portfolio companies on finding opportunities to improve.

I invite you to explore the initiatives and achievements detailed in this report and to join us in our mission to build companies ready for the future.



Jessica Peters
HEAD OF ESG



Argos Wityu at a Glance

ESG Recognitions



Won Sustainability Award
'Banking & Finance'
by LC Publishing Group



Recognised as one of 40
Climate Change Champions
by Real Deals

UN PRI Rating

Policy module - ★★★★★

PE module - ★★★★★

Confidence building measures module - ★★★★★

99%

renewable
energy
consumption



Travel policy
in place
to **reduce**
business travel



SCIENCE
BASED
TARGETS

on track with
SBTi targets

48%

GHG emissions
vs. 2019



Environmental

Social



16

Nationalities

13

New hires

3

Promotions

26%

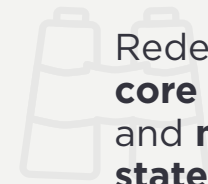
Women in the investment team in 2023

Employee happiness survey 2023



100%

of investment team has received ESG training



Redefined our core values and mission statement



Governance


Argos Wityu: Investing in Sustainable Growth

One firm, Two strategies

Long before ESG became part of the private equity landscape, we recognised that corporate social responsibility enabled companies to improve their growth prospects and better manage risks, reduce resource consumption and improve operational efficiency. As a majority investor, we actively collaborate with the management teams and key stakeholders of portfolio companies and develop tailored strategies to ensure their long-term success. We aim to

empower portfolio companies to take full ownership of ESG initiatives upon exit. This proactive approach is followed in our Mid-Market strategy, as well as in our newly launched Argos Climate Action fund. – an “Article 9” SFDR buyout fund with the environmental objective of reducing the intensity of the portfolio companies’ greenhouse gas emissions by at least 7.5% annually.

SFDR* fund classification and linked ESG integration / Targets

Fund	Launch year	SFDR classification	Requirements
EuroKnights VI	2011	N/A	Define requirements of AW PCs based on inv. Process overview: <ul style="list-style-type: none"> ● EcoVadis ● DMA by early 2025 ● At least a light version of ESG Report 2025
EuroKnights VII	2017	N/A	
Mid-market VIII	2021	N/A	
Argos Climate Action I	2023	Article 9	 <ul style="list-style-type: none"> ● Reduce with 7.5% intensity per year ● SBTs ● Link SDGs to sustainability strategy

*Sustainable finance disclosure regulation (SFDR)
 For more information on our SFDR disclosures and Article 9 fund's strategy consult our website: <https://argos.wityu.fund/sustainability/>

Argos Climate Action Fund

Creating sustainable leaders of the future

The Argos Climate Action fund made its inaugural investment in Bracchi on December 15, 2023. Bracchi, a leading transport and logistics firm based in Italy, specialises in tailored services within niche segments.

The investment strategy aims to expand the geographical coverage, expand into other niche sectors, and grow the customer base. The ultimate objective is to position Bracchi as a pioneer in sustainable practices by executing a clear decarbonisation strategy aimed at halving CO₂e intensity across scopes 1, 2, and 3 within a five-year timeframe.

Deep-dive decarbonisation plan

	Target	Contribution to plans	Feasibility
Switch to HVO	Scope 1	26%	Easy
Installation of photovoltaic system and renewable energy purchases	Scope 2	6%	Medium
Green procurement (includes switch to HVO by external fleet)	Scope 3	68%	Medium

Sustainability goals and targets

The emission reduction target aims for a decrease of at least 50% in CO₂e intensity over the holding period.

In absolute terms, the reduction target for Scope 1 and Scope 2 GHG emissions is set at -74%, while Scope 3 GHG emissions are targeted to be reduced by over 32%.



Umberto Ferretti
CHIEF EXECUTIVE
OFFICER

“

The transaction that has just been concluded finds the entire management team fully satisfied. We are now able to seize further opportunities and develop our business through new strategic levers in full coherence with the change that the sector is experiencing.”



Sandra Lagumina
SENIOR PARTNER

“

Our objective is for Bracchi to become a European sustainable leader in the transport and logistic market. We are ready to provide all our support as shareholders by sharing our expertise and gained experience in the field of sustainability.”

Our Journey Towards Responsible Investing

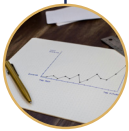
1991



Argos Wityu becomes a member of Invest Europe



Under the presidency of Louis Godron, France Invest adhered to the PRI and designed a Responsible Investing Code of Conduct



2012

Argos establishes its first ESG reporting framework for data collection from portfolio companies

2015



Argos formalises its Responsible Investment Code



Argos develops a formalised ESG toolkit for investment teams



Argos integrates quantitative and qualitative ESG updates into quarterly reports for LPs



2016

Argos publishes its first annual ESG report

2021



Argos Wityu becomes a member of the UN PRI



Argos Wityu becomes a signatory of ICI



Fabian Söffge (Partner) and Jessica Peters (Head of ESG) join the ESG Reporting Standard Working Group



Simon Guichard (Partner) leads the 'decarbonisation of portfolio companies' working group



Jessica Peters (Head of ESG) leads a dedicated workstream focused on SBTs



Argos Wityu joins the Steering Committee of the Sustainability Commission of France Invest



Argos Wityu becomes a signatory of the UNGC



Argos Wityu becomes part of the first 15 PE companies with approved SBTs



Argos Wityu won the Real Deals ESG Award for Deal of the Year

2022

2023



Argos Wityu scores 14/15 on UNPRI 2023 Assessment Report



Argos Wityu recognised as a Future 40 Climate Change Champion by Real Deals



Argos Wityu becomes a member of "Mouvement Impact France"



Argos Wityu becomes a member of Level20



Argos Wityu launched its podcast "Décarbonons-nous"



Launch of the first edition of the Argos-BCG Mid-market Climate Transition Barometer

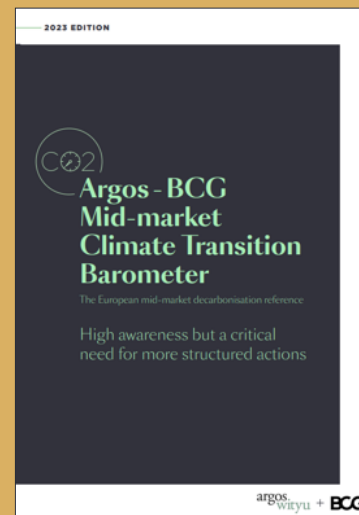
At Argos Wityu, we understand that knowledge sharing is instrumental in driving sustainable change within our industry and beyond. Through various platforms we actively drive dialogue and collaboration.



In September, we launched the podcast "Décarbonons-nous" highlighting success stories of companies ecological transition. Hosted by senior partners Sandra Lagumina and Jack Azoulay, the podcast tackles key question on decarbonising activities, overcoming obstacles and engaging all stakeholders.



In 2023, we have participated in 16 panel discussions covering a wide array of topics ranging, from ESG as a value creation lever to the path towards achieving Net-Zero.



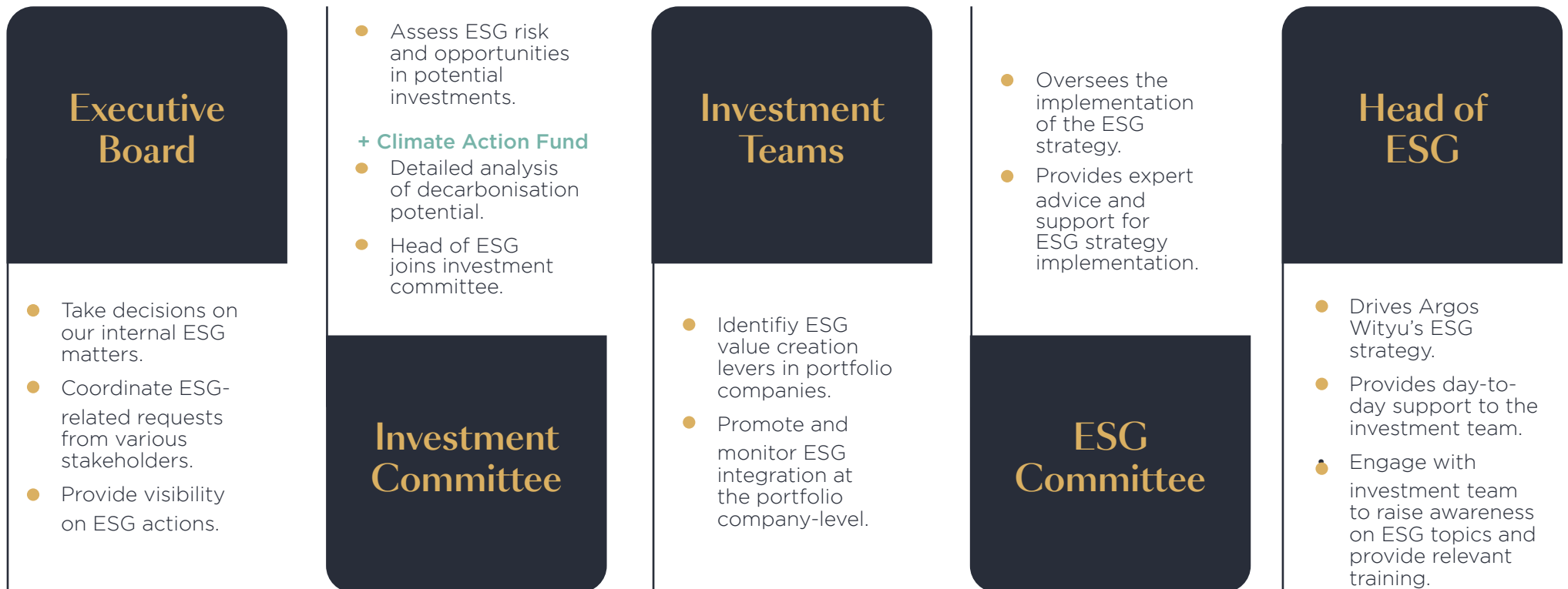
We joined forces with Boston Consulting Group (BCG) to release the first edition of the barometer on European SMEs' commitment to decarbonisation. This is a groundbreaking study based on interviews with 700 SME managers in six European countries that revealed that, currently, only 11% of SMEs have started deploying a structured decarbonisation plan.

Our ESG Governance

Argos Wityu has developed a comprehensive and systematic approach to ensure that ESG is embedded in all facets of its operations

Our Responsible Investment Policy is supported by a robust governance structure that systematically incorporates sustainability topics at every stage of the investment process. This includes the involvement from key stakeholders

such as the Board of Directors, the Investment Committee, the Investment teams, the ESG Committee and the Head of ESG. The ESG responsibilities across Argos Wityu are allocated as follows:



Internal Awareness Creation

As part of our commitment to ESG, Argos recognises the importance of fostering internal awareness and understanding of key ESG issues. By engaging our employees in meaningful conversations and organising various ESG-focused events, we aim to cultivate a culture that prioritises sustainability, social responsibility, and ethical business practices. Moving forward, we remain

committed to further enhancing internal awareness of ESG issues and driving continuous improvement across our organisation through regular engagement initiatives such as our quarterly ESG Committees, ESG Lunch and Learns and ESG events.

2023

2024



Our Responsible Investment Approach

A systematic and quantitative driven integration of ESG at every stage of the investment process

Our Responsible Investment Policy

As a UN PRI signatory and thanks our increasing level of expertise, creativity and commitment, Argos Wityu believes it can achieve a virtuous growth. To ensure preparedness and continuous development, we are integrating ESG into the investment process of the Funds. This integration starts at

the screening phase and continues to the exit phase, during which we are increasing our capabilities to capture the ESG and sustainability value creation levers, typically reflected in our vendor due diligence documentation.



The first phase focuses on identifying main risks, opportunities, and material ESG challenges.

- Identify the material topics using existing assessments and/or the use of the SASB standards as a starting point. Material topics will be further identified during the due diligence phase by an external advisor.
- Conduct desktop research on existing relevant ESG-linked documentation (website, databases, etc.).

Additional steps for the Climate Action Fund

Conduct an identification of the decarbonisation potential and key levers for each industry to conduct a preliminary ACA eligibility check, thanks to an Argos-proprietary tool developed with the support of partners specialised in industrial decarbonisation.



To deepen the analysis of ESG risks and opportunities, an ESG review is systematically carried out by external advisors, which provide their expertise. The review is focused on material topics defined by the advisors, which will:

- Identify and assess ESG risks which are significant for the organisation and how these issues may affect the business.
- Identify and assess ESG drivers and opportunities that could create value or avoid risks of value destruction (reduction in energy consumption, reduction of employee turnover, reputational issues, biodiversity, etc.).
- Define actions based on the risks and opportunities which feed the ESG Action Plan, conducted during the investment period (e.g., use of technology using less energy, long-term bonuses, etc.).

Additional steps for the Climate Action Fund

Conduct a detailed assessment of decarbonisation levers implementation steps to reach a >7.5% reduction in carbon intensity per annum (with specialised advisors).

In line with our ESG strategy, the investment team assesses the quality of ESG indicators and sustainability practices during all phases of the investment process. Argos Wityu applies exclusionary rules to ensure that fund capital will not be invested in the following businesses or activities:

- Production or trade in any product or activity deemed illegal under applicable local and national laws or regulations

- Businesses for which the main source of income and/or main activity is derived from: Manufacturing or dealing with arms, manufacture of tobacco products, human cloning, gambling, pornography, and coal burning or extraction.



During the first 100 days of the holding period, Argos requests portfolio companies to:

- Perform a GHG footprint assessment and benchmark annually.
- Conduct an annual EcoVadis assessment, a sustainability management system assessment tool, to evaluate the maturity of the portfolio company's sustainability management system and identify areas to act on in priority in order to improve them.

On an annual basis, Argos requests portfolio companies to:

- Collect qualitative, quantitative insights and highlights, and gather the complete set of KPIs through the EcoVadis platform.
- Engage with the portfolio company upon reception of the gathered KPIs and actively:
 - Ensure that the ESG action plan is properly followed-up and recorded;
 - Challenge management on reporting progress of ESG KPIs;
 - Question whether new actions / KPIs should be added and/or dedicated workshops are needed.
- Finally, the key ESG actions, specific to each portfolio company, are discussed at the portfolio company's board at least once a year.

Additional steps for the Climate Action Fund

Translate the decarbonisation roadmap into a detailed plan with operational initiatives.

Review regularly and update the decarbonisation plan when needed.

Conduct a yearly carbon footprint and an external GHG audit on each portfolio company.



When the value creation related to the applied ESG approach becomes material, an external advisor may prepare a vendor ESG Due-diligence report. The goal of such a report is to, minimally:

- Describe the company's behaviour in the ESG area.
- Identify how the implementation of the ESG action plan has created value.
- Show the evolution of ESG KPIs collected in quarterly reporting during the investment period.
- Demonstrate the impact of the ESG action plan on the evolution of the set KPIs (e.g. reduction of waste, energy consumption, employee turnover,...).

Additional steps for the Climate Action Fund

Consider additionally performing a relative performance study vs. market peers based on selected climate-related criteria

A photograph of two men in business suits sitting at a table in a modern office. They are looking at a laptop. The background shows large windows with a view of a city skyline. The text 'ESG at Argos Wityu' is overlaid on the image in a gold color.

ESG at
Argos Wityu

Our ESG Strategy: Progress Internal Goals and Targets

At Argos Wityu, ESG considerations have been an integral part of our business approach for many years. We strive to reduce negative impacts on the planet and people by incorporating sustainable business practices into our company and our portfolio companies.

In 2022, Argos Wityu refined its ESG strategy by developing goals, targets and KPIs. This strategy shapes how Argos Wityu operates and engages with its portfolio companies, and aims to align the investment decisions with responsible practices and societal impact.

Environment



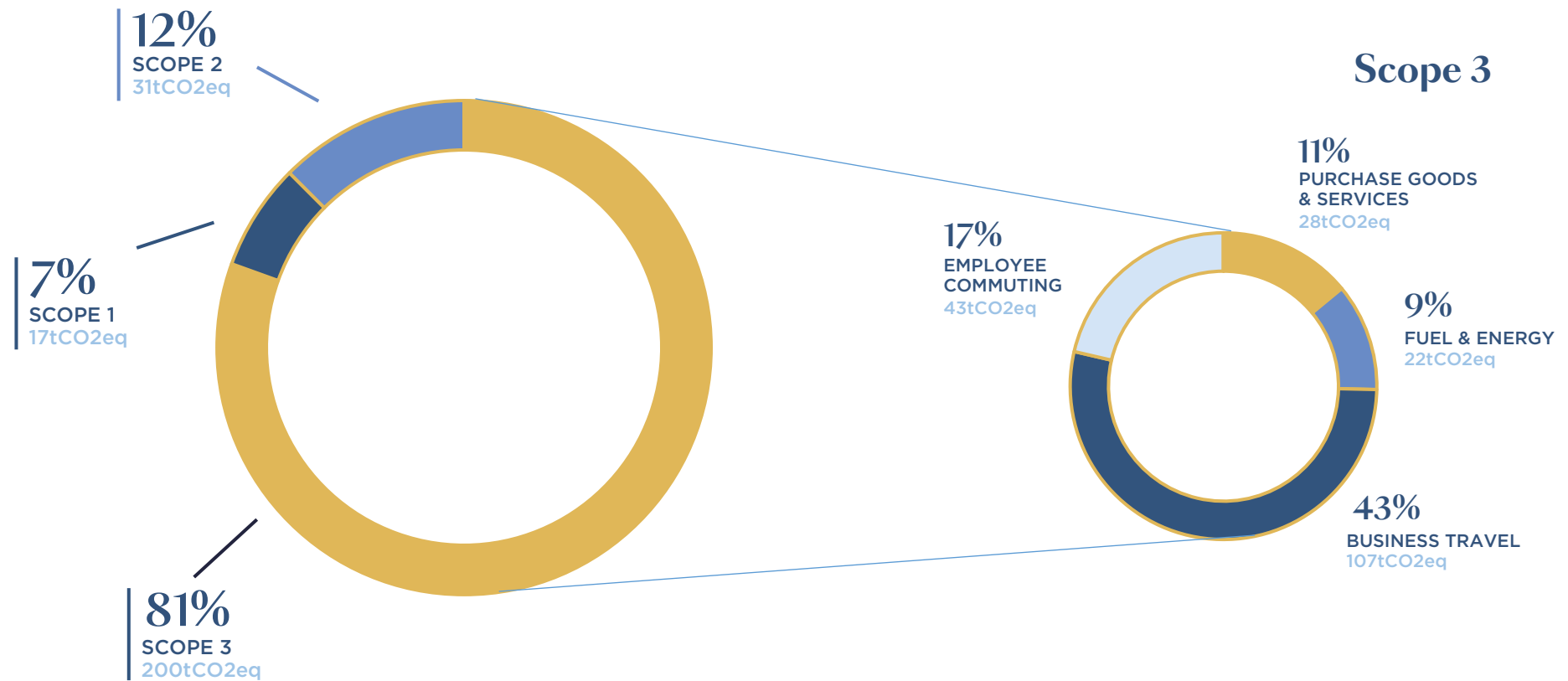
Argos Wityu is dedicated to measuring and minimising its environmental impact. Since 2019, the company has been measuring its carbon footprint and implementing reduction measures. In addition to committing to its Science-Based targets, Argos Wityu aims to increase its share of renewable energy and to go beyond greenhouse gas emission reduction by offsetting 100% of remaining emissions.

Goal	Target	Progress	Commentary
Reduce greenhouse gas emissions	Reduce absolute scope 1 and 2 GHG emissions by 46% by 2030	↘ 46%	Share of renewable electricity increased from 11% in 2022, to 99% in 2023. Vehicle fleet usage has reduced significantly in 2023.
	Reduce total scope 3 GHG emissions by 58% per sales by 2030	↘ 56%	
Go beyond greenhouse gas emission reduction	Offset 100% of remaining emissions with high-quality compensation credits	In progress	Planned and budgeted, some delays. Discussions with several carbon offsetting providers are currently ongoing.
	Create an overview of best-in-class carbon sink projects and invest by 2024.	In progress	
Increase the share of renewable energy	Engage with property-owners to increase the share of green energy on an annual basis	Completed	Four additional offices transitioned to 100% green electricity in 2023.

Our Carbon Footprint

In 2023, Argos Wityu emitted a total of 249 tCO₂eq*. Despite opening a new office in Amsterdam and 12 net new hires, we achieved a reduction of 19 tCO₂eq compared to 2022. This reduction was primarily driven by a decrease in our total Scope 1 and Scope 2 emissions, from 86 tCO₂eq to 48 tCO₂eq, marking a reduction of 44%. However, our absolute Scope 3 emissions have increased by 9% due to the purchase of new electronic devices and increased business

travel by plane. We are closely monitoring our annual emissions from business travel and actively seeking alternatives and new approaches to reduce our current usage. It must be noted that our relative business travel emissions per employee has dropped by 12% compared to 2022.

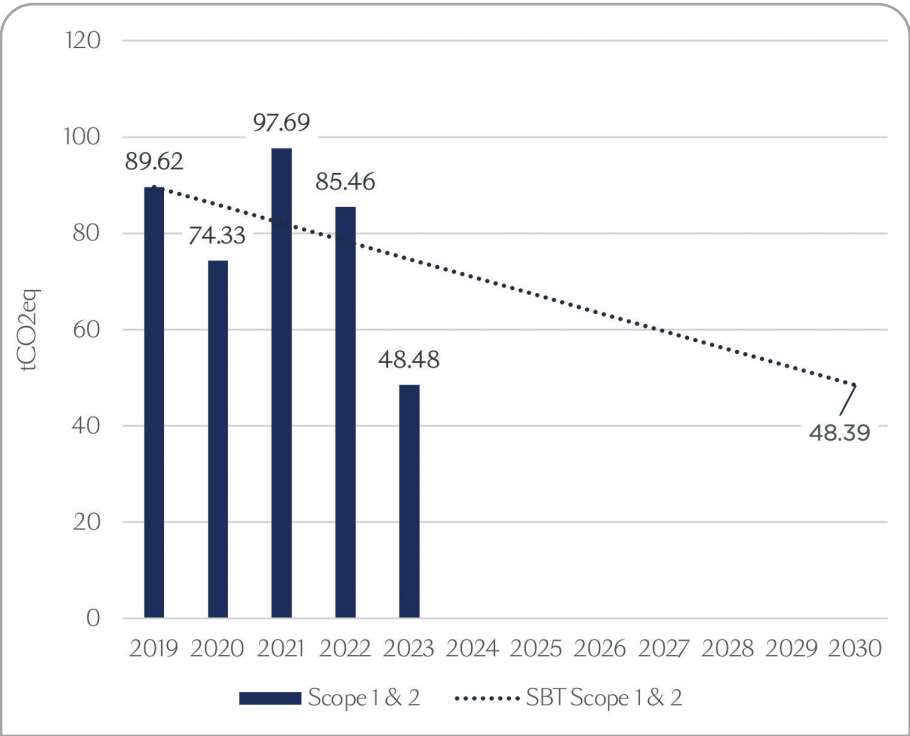


*This overview excludes the GHG emissions of portfolio companies (Scope 3, category 15).

Argos Wityu is proud to be among the first 15 private equity firms to have their targets approved by the Science Based Targets initiative (SBTI). Looking ahead to 2030, from a 2019 base year, Argos Wityu is committed to:

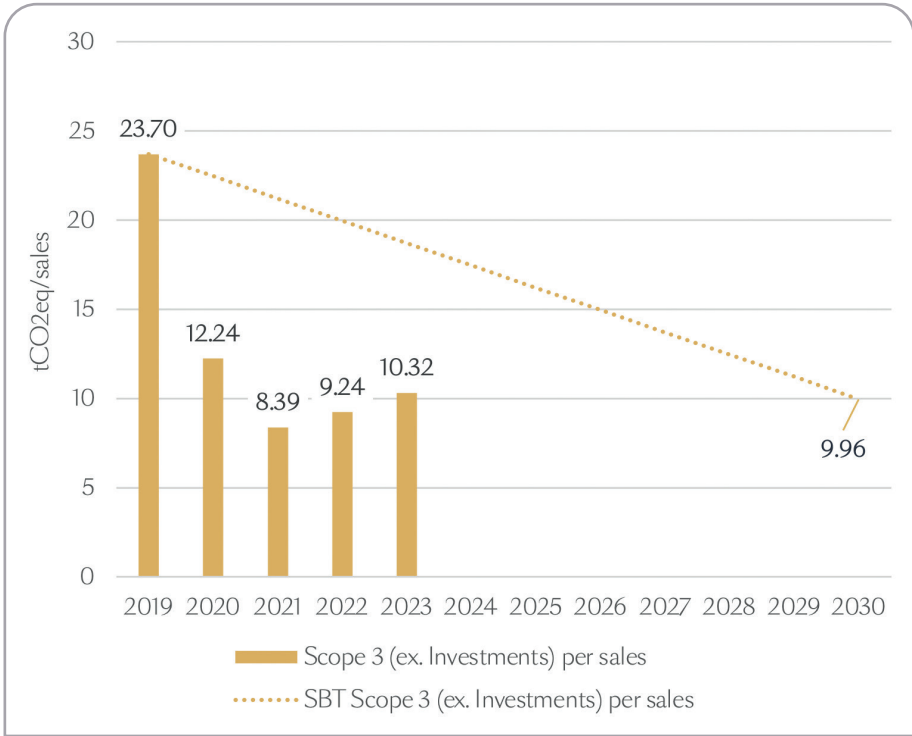
Reduce its own absolute Scope 1 and 2 GHG emissions by 46%.

With four additional offices transitioning to 100% green electricity in 2023, Argos Wityu has successfully reduced its Scope 1 and 2 emissions by 41% compared to the 2019 baseline. This progress puts us on track to achieve our Science Based Target.



Reduce its total Scope 3 GHG emissions, from categories 1 to 14, by 58% per sales.

Since 2019, Argos Wityu has seen a 56% decrease in Scope 3 GHG emissions per sales. While we are currently on track to meet our Science Based Target, we must be mindful of the increase observed since 2021.



Our ESG Strategy: Progress Internal Goals and Targets

Social



Argos Wityu is continually focusing to enhance the team diversity and foster an inclusive culture. To effectively promote and monitor diversity and inclusion, the company has developed a Diversity and Inclusion policy and established an internal Diversity and Inclusion Committee. Furthermore, the appointment of a Chief Growth and Performance Officer in 2023

reflects the company's commitment to nurture talent and provide growth opportunities. The implementation of the "Argos Academy" further solidifies this commitment, offering a comprehensive learning journey for employees throughout their careers at Argos Wityu.

Goal	Target	Progress	Commentary
Promote diversity within the firm	Have at least 30% executive positions fulfilled by women by 2030	25%	In 2023, 62% of the new hires in the investment team were women.
	Have at least 30% of the investment team positions fulfilled by women by 2030	26%	
	Ensure gender-equal pay by following an evaluation scheme	In progress	Gender-equal pay is a key principle in our compensation approach.
Promote diversity within the portfolio companies	Have at least 40% women in the board of our portfolio companies by 2030	17%	
Build resilient and thriving teams	Conducting an annual happiness survey	Completed	87% of employees have completed our employee happiness survey, where we received a score of 4.53 out of 5 for the likelihood of our employees to recommend Argos Wityu as a great place to work.
	Integrating employees' needs through new or updated health & well-being initiatives	Completed	In 2023, we introduced a renewed set of values, purpose and missions, alongside the launch of the Argos for a brighter future foundation.
	Granting enhanced family leave	Completed	
Ensure knowledge sharing and management	Training 100% of employees on risks and opportunities linked to climate change by 2024	Completed	Employees have been trained on ESG issues through various initiatives such as ESG Lunch & Learn sessions, the Argos Climate Academy and ESG workshops.
	Reviewing the Argos Climate Academy on an annual basis	Completed	
	Improving Green Paddles by increasing the quality of the tool on an annual basis in line with law and regulation, trends and best practices	Completed	

Our People

Inclusion and diversity, happiness survey, family friendly policy

Argos Wityu is steadfastly committed to fostering an inclusive culture where diversity thrives. We believe that by embracing everyone's unique strengths and perspectives, we unlock limitless potential and achieve greatness together.

In that respect, the topic of gender and diversity plays an important role. Argos is dedicated to prevent discrimination and promote equal opportunities by ensuring equal treatment of men and women in recruitment, career path, and work-life balance.

DEI in Numbers



26%
women in investment team in 2023
(+15pp vs. 2022)



27%
women in Senior positions in 2023
(+4pp vs. 2022)



4.5/5 ★★★★★
Employee happiness survey 2023

DEI Initiatives



In 2023, we amplified our commitment to diversity at Argos by organising:

- Two internal events dedicated to women
- Targeted DEI training sessions to raise awareness
- Alongside these initiatives, we have been strongly focused on ensuring equal treatment in recruitment to attract and retain female talent.
- Furthermore, we have launched a dedicated DEI Committee at the beginning of 2023. This Committee will define needs and track progress.
- In March 2023, we launched **our family-friendly policy** to enhance the well-being and work-life balance of all our employees. We strongly believe that this policy will support our employees to balance their personal and professional life more easily.

Family-Friendly Policy



Additionally, we launched our family-friendly policy. Below are a couple of initiatives included in this policy, applicable to all our locations:



Extended mandatory maternity (20 weeks) and paternity (4 weeks) leaves

Facilitating re-onboarding



Anticipation, support, and extended flexibility for specific family situations



Childcare relevant local solutions

Our People

Learning & Development

Our Learning and Development program features a complete journey that covers onboarding, technical skills, soft skills, and team collaboration, as detailed on the following pages. Additionally, we hold an annual team seminar, offering a valuable

opportunity for the entire team to come together, share updates on key company and personal projects, and strengthen our team spirit across different offices. This annual gathering has become a cornerstone of our company culture.

ALL ARGONAUTS

All our colleagues receive a 2-day onboarding training, which takes place at one of our offices. Depending on the team, each Argonaut will continue with our investment team or our tailored corporate team journey.



Onboarding

The Onboarding event enables new joiners across all functions and seniority levels to familiarise themselves with the organisation's values and business processes. It also provides them an opportunity to engage with co-joiners and some of the more experienced Argonauts on a more meaningful level.

CORPORATE TEAM JOURNEY



Tailored trainings

We provide customised training sessions ranging from workshops and events to dedicated online courses, designed specifically to meet the unique requirements of our support functions such as ESG, Growth and Performance, Compliance, IT, and others.

“

Our people are our key assets. The time and effort we decide to spend on Learning & Development is not considered a cost, but an investment in our people. An investment that is instrumental for their wellbeing and for the future of our organisation.”






Maarten Meijssen

PARTNER

INVESTMENT TEAM L&D JOURNEY



	 Technical Expedition	 Investment Expedition	 Argos Academy
FOCUS	<p>The Technical Expedition allows junior staff to increase their knowledge of technical investment skills</p>	<p>The Investment Expedition aims to improve investment skills</p>	<p>The Argos Academy focuses on enhancing technical investment skills and soft skills (e.g. negotiation, management). These skills and insights are a prerequisite to be part of an IC.</p>
TARGET AUDIENCE	Analysts and Associates		Investment Managers and Directors
TAILORED TO NEEDS	<p>Improve:</p> <ul style="list-style-type: none"> • Financial investment skills • Legal knowledge • Strategic views 	<p>Improve:</p> <ul style="list-style-type: none"> • Knowledge about Argos and portfolio • Investment skills • Cross-border team spirit 	Prepare for partnership

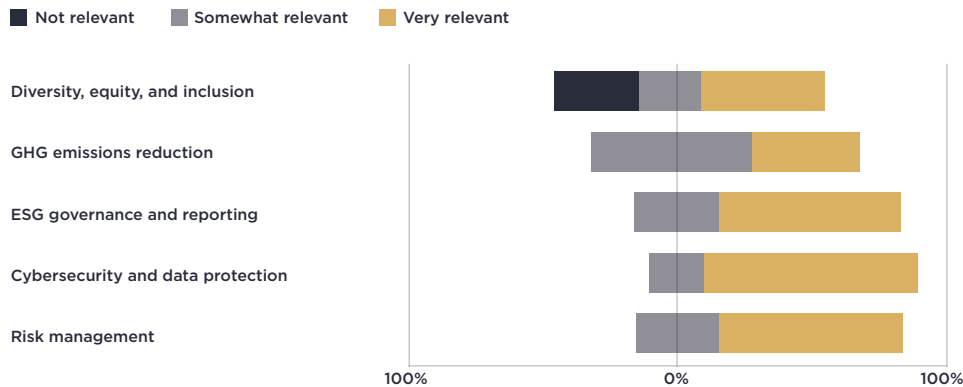
Investor Relations

Feedback from our investors

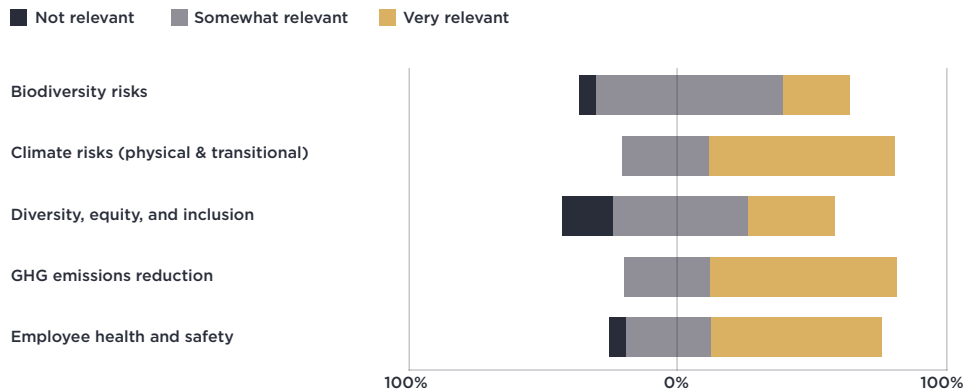
After having surveyed our investors for the first time last year, we have sent out a survey again early 2024 with an almost tripled response rate.

The feedback allows us to understand on which topics we should focus, both at firm level and portfolio company level.

Top 3 topics our investors believe we should focus on in 2024



Top 3 topics our investors believe our portfolio companies should focus on in 2024



What our investors say about us

“

Argos Wityu stands out for its exemplary commitment to environmental sustainability, notably demonstrated through strategic investments in clean energy and resource efficiency.”

“

The attention to ESG related topics also at firm level.”

“

Argos Wityu is classified as “ESG Leader” according to our enhanced ESG scoring methodology, meaning that the GP is strong in all aspects of ESG.”

Our ESG Strategy: Progress Internal Goals and Targets



Governance

Argos Wityu recognises the growing significance of transparency and good governance within its sustainability practices. Specifically, in 2023, we focused on strengthening cyber security measures to establish resilient IT practices for both our company and the companies in our portfolio.

With a robust governance structure overseeing ESG implementation and a dedicated ESG team, we ensure that our commitment to responsible investment remains steadfast and impactful.

Goal	Target	Progress	Commentary
Increase transparency by	Disclosing ESG progress through an annual ESG report	Completed	In addition to publishing our 2022 ESG report in 2023, we proudly attained a remarkable score on our first UNPRI Assessment Report.
	Updating Argos Wityu website annually	Completed	
Ensure fair business practices and good governance by	Updating and communicating annually policies and procedures according to law and regulation, industry developments, and best practices	Completed	Our ESG policies are publicly available: > Responsible Investment Policy > Climate Policy > DEI Policy
	Creation of a supplier code of conduct which reflects the Responsible Investment Policy by the end of 2024	in progress	
Increase cyber security by	Conducting an annual penetration test performed by an external third party	Completed	On top of yearly cyber training for the whole team, our employees receive individual pieces of training and phishing tests several times a month using an AI tool that is adapting the level of the phishing simulation to the past results of each user
	Training our employees every year on cyber security and run, amongst others, phishing tests	Completed	
	Having CyberVadis assess IT practices, methodologies and the level of resilience of the infrastructure of 100% of our portfolio companies	On track	

Cybersecurity & IT

As cybersecurity is a priority and permanent challenge in our day-to-day work, in addition to supporting IT-related matters, our Chief Information Officer (CIO) ensures solid internal cybersecurity. Cybersecurity has found its place in a dedicated ESG pillar. Our CIO's role is key in enabling Argos Wityu to leverage technology as a strategic asset for its sustainable growth and success.

Our Approach

Argos created a dedicated IT Code of Conduct, which serves as a guide for behaviour in information technology (IT), supports building trust and confidence among clients and stakeholders, and assures information will be handled securely and professionally.

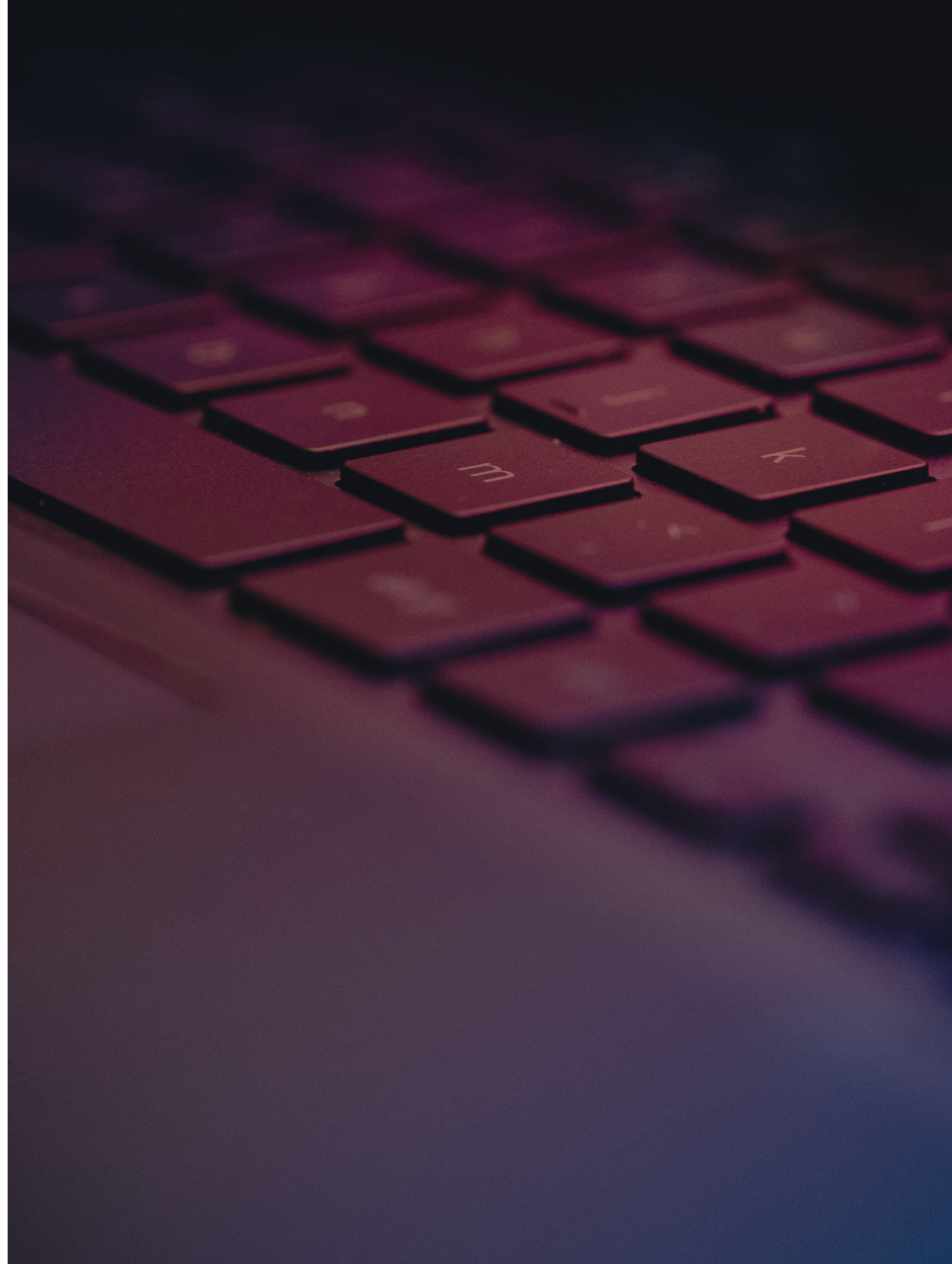
Moreover, the code of conduct establishes a common set of standards and best IT practices within the team. It ensures that Argos' employees are aware of the accepted norms, principles, and guidelines, promoting consistency in their work.

Cybersecurity

According to the Global Cybersecurity Outlook 2023 report published by the World Economic Forum, geopolitical instability exacerbates the risk of catastrophic cyberattacks. The report says over 93% of cybersecurity experts and 86% of business leaders believe "a far-reaching, catastrophic cyber event is likely in the next two years".

Operators of Essential Services¹ are the preferred targets of hackers, whether their aim is financial or political. Our cybersecurity procedures, therefore, take account of the increased risk, and various measures have been put in place to reduce it.

(1) As defined by most European countries, this list includes the public sector, water distribution, energy producers and distributors, health services, food supply and financial services, amongst others.



“

As cyber risks increase and new technologies such as artificial intelligence become more mature, IT practices need to keep up with the changes. As a private equity fund, our IT role is to be interested in new trends and practices while also keeping our systems and data secure and following new standards and regulations, such as NIS2 and DORA. We also have a responsibility to help all our portfolio companies with these different developments.”



Frédéric de Frésart

CHIEF INFORMATION
OFFICER

CyberVadis

CyberVadis is an advanced, scalable solution for managing the entire third-party cybersecurity risk assessment process.

It offers a cyber security assessment platform that provides ratings and improvement plans to help organisations assess their maturity in cybersecurity and the risks the company has in its network of clients, suppliers, employees, and all other relevant stakeholders.

The CyberVadis platform is based on a methodology that includes all major international compliance standards and combines the speed of automation with the accuracy and effectiveness of a team of experts. This includes engaging with suppliers and portfolio companies directly with assessments, validating results with an in-house team of security analysts, and issuing companies a standardised cyber security rating. Moreover, a detailed improvement plan will increase their score and ability to collaborate with stakeholders to implement improved practices.

Argos Wityu started assessing its portfolio companies using CyberVadis to support them in promoting transparency, enabling informed decision-making, and improving cybersecurity practices within their ecosystem.

The first assessment's results have already helped several portfolio companies define priorities to improve their cybersecurity postures, while others have received confirmation of their already high level of cyber awareness. Our CIO will continue to work closely with those companies that need a little help to join the best in class and reduce the risk of attack within our portfolio.

cybervadis

Argos for a Brighter Future

Our Foundation was established in September 2023 with a firm belief in our company's ability to contribute to a brighter future. We support the rise of more sustainable and inclusive economic models, and promote initiatives that align with improving social and environmental contexts.

A dedicated focus on two themes with a European focus

1. SOCIAL

Examples: Leverage Argos' entrepreneurial DNA to help micro-entrepreneurs, support local associations taking care of children in under-privileged areas.

2. ENVIRONMENT

Example: Tree planting with children to contribute to reforestation and educate the younger generation on environmental stewardship

Target 2024

Establish a core team to launch the Foundation's objectives. Identify projects we will support, with local associations representing Argos countries.

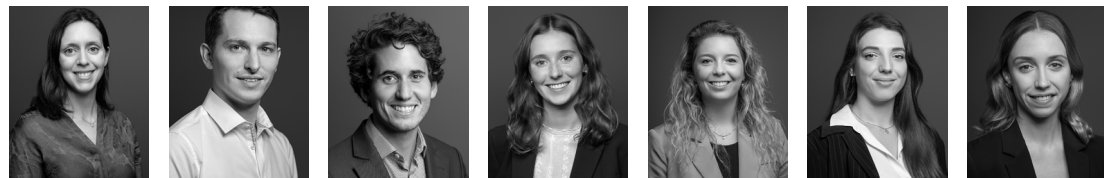
Involvement from our colleagues

STEERING COMMITTEE

- Providing a guidance to the Project Committee.
- Voting and validating actions to ensure they align with the Foundation's purpose.
- Consists of 1 external member and 3 Argonauts

PROJECT COMMITTEE

- Suggesting great ideas of projects that the Foundation could support.
- Selecting the projects, in line with the Foundation purpose.
- Launching and monitoring the projects.
- Consists of 15 colleagues from different offices





Frank Hermann
MANAGING PARTNER

“

Cultivating a brighter future lies at the heart of our mission. Our Foundation's commitment to social initiatives and environmental stewardship echoes Argos' project and values. Through our Foundation, our team is united by a common aspiration to make a positive change.”





ESG at our Portfolio Companies

Our Engagement Strategy

ESG integration and management

Argos Wityu is committed to fostering close collaboration on ESG topics with portfolio companies throughout the entire investment cycle, from acquisition to exit. We firmly believe that continuous dialogue and engagement are integral to a successful ESG integration process.

To facilitate this close collaboration, we engage in continuous dialogues by scheduling regular meetings, setting up individual workshops, organising ESG Clubs, and more. Given the varying maturity level of ESG and sustainability integration across our portfolio, we create hands-on and company specific engagement strategies for each portfolio companies.

All portfolio companies are...

Sustainability Management System	<ul style="list-style-type: none">● asked to conduct an annual EcoVadis re-assessment● asked to report annually on a predefined set of ESG KPIs● empowered to set targets to increase their EcoVadis score year-on-year
Information Security System	<ul style="list-style-type: none">● asked to conduct an annual CyberVadis re-assessment
Climate Change	<ul style="list-style-type: none">● asked to conduct an annual carbon footprint assessment – scope 1, 2 and 3 GHG emissions● empowered to set, validated, Science-Based Targets
Diversity, Equity and Inclusion	<ul style="list-style-type: none">● asked to actively support DEI initiatives aimed at increasing the representation of women on their boards
ESG Governance	<ul style="list-style-type: none">● asked to develop a sustainability strategy that outlines clear goals and targets for the coming years● asked to publish their first sustainability report in 2025● empowered to assign an internal sustainability/ESG lead

ESG Club

Each quarter, our ESG team meets with the portfolio company's sustainability ambassadors to share best practices, understand common challenges, and increase their sustainability knowledge by providing tools and guidance. In 2023, we delved into several key topics, including Reporting Frameworks, CSRD, Sustainability Strategy Development, and EcoVadis.

Argos Climate Academy

All portfolio companies have access to the Argos Climate Academy. This online platform aims to improve the personal knowledge on various sustainability topics such as climate change, adaptation and mitigation, circular economy, biodiversity, and many more.

Our Engagement Strategy

Assessing sustainability performance through EcoVadis

Since 2022, we have used EcoVadis to evaluate the sustainability management systems of our portfolio companies across four key pillars: Environment, Labor and Human Rights, Ethics, and Sustainable Procurement. This approach helps us and the portfolio companies to understand their strengths and weaknesses, establish corrective action plans to improve their sustainability performance, and refine their sustainability strategy and target setting.

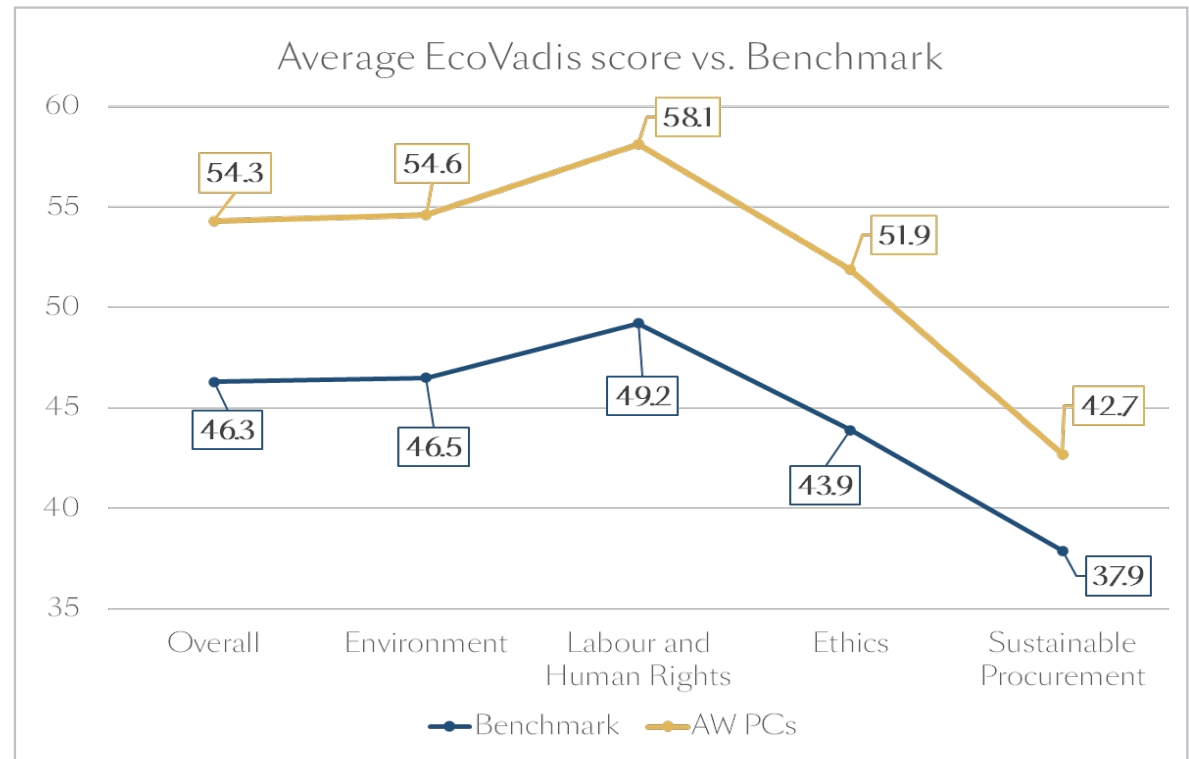
Currently, 22 out of a total of 23 portfolio companies have undergone an EcoVadis (re)assessment. The distribution of scores across the different pillars is visualised below, showcasing our portfolio companies' consistent outperformance compared to the EcoVadis benchmark across all four pillars. Furthermore, 55% of our portfolio companies have been awarded with a medal.

36%
received a
Bronze medal



14%
received a
Silver medal

5%
received a
Platinum medal



Climate and Biodiversity Risk Assessments

A high-level assessment of climate and biodiversity risks

At Argos Wityu, we understand the importance of addressing and mitigating the adverse impacts on biodiversity and climate change.

Hence, we have incorporated a high-level climate and biodiversity risk assessments into our investment process. By raising stakeholder awareness and fostering knowledge sharing, we aim to empower our portfolio to develop robust contingency plans to mitigate the material climate and biodiversity risks effectively. Moreover, during the pre-acquisition phase, potential investments can be screened to identify any material risks or opportunities from the start.

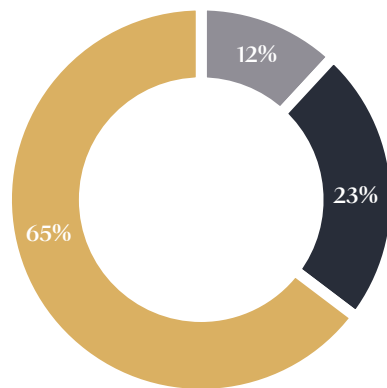
In 2024, we aim to expand the assessment and include the value chains of our portfolio companies into this risk evaluation. The climate and biodiversity risk assessments are conducted using a third-party tool. This tool covers

over 150 business sectors and 50 types of real assets worldwide and relies on official and reliable sources from AXA, and external providers such as ADEME, the IPCC (CMIP6), Exiobase, NGFS, NASA and Fathom.

The climate risk assessment is aligned with the Task Force on Climate-Related Financial Disclosures (TCFD) requirements. Additionally, the tool enables us to meet the DNSH for climate adaptation under the proposed EU Sustainable Finance Taxonomy regulation.

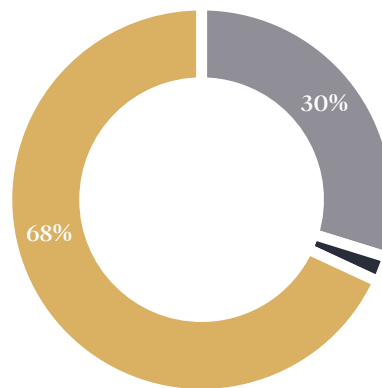
Below is the representation of the exposure of Argos Wityu's portfolio to both climate physical risks (e.g. extreme heat, storm, flood, earthquakes, ..) and climate transition risks (carbon pricing, shift in customer preferences,..), as well as biodiversity risks (threatened species, dependency on ecosystem services, ..).

Climate Physical Risks



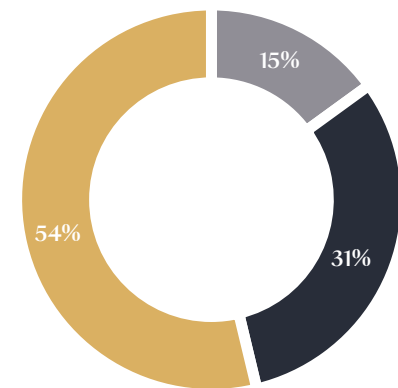
■ High ■ Medium ■ Low

Climate Transition Risks



■ High ■ Medium ■ Low

Biodiversity Risks



■ High ■ Medium ■ Low

Argos Wityu's Portfolio at a Glance

Environmental

88% ↑14%
vs. 2022

of companies
conducted carbon
footprint assessment

944 ↓29%
vs. 2022

tCO₂e/m€
carbon footprint
per million euros
invested

17% ↑12%
vs. 2022

of portfolio
companies have
validated SBTs

75% ↑12%
vs. 2022

of portfolio
companies
have defined a
sustainable strategy

Social

Company FTE
growth
2022 vs. 2023



96% ↑11%
vs. 2022

of companies
reporting DEI
data

10% ↓2%
vs. 2022

average unadjusted
pay gap

24% ↑5%
vs. 2022

gender diversity
workforce

4% ↓4%
vs. 2022

average
accident rate

25% ↑1%
vs. 2022

gender diversity
top management

Governance

56.2 ↑2.2%
vs. 2022

average
EcoVadis score

95% ↑6%
vs. 2022

of portfolio
companies have
an anti-corruption
and bribery policy

90%

of portfolio
companies have
a whistleblower
procedure

90% ↑7%
vs. 2022

of portfolio
companies have
implemented
cybersecurity
initiatives



Our Case Studies



ESG in our Portfolio

*Number of employees at entry versus end of 2023

**Number of employees end of 2023



Industry | France | 300/365* empl. | Entry in 2022 | Turnover 76m

Following Agon Electronics's acquisition in late February 2022, the focus of 2023 shifted towards initiating a comprehensive CSR approach across the entire Group. This initiative aimed to consolidate various social and societal endeavours, as indicated by EcoVadis, alongside environmental initiatives. However, a cohesive vision, strategy, and roadmap were still lacking.

With guidance from an external consultant, Agon Electronics developed a CSR roadmap and integrated CSR as a fourth strategic axis into its strategy map. Concurrently, the company expanded its carbon footprint assessment beyond manufacturing to include product usage and end-of-life phases. Despite challenges in formalising assumptions related to product use and end-of-life phases, this exercise enabled Agon to refine product design by simulating greenhouse gas emission outcomes based on decisions by the R&D team.



The execution of our CSR roadmap requires setting up a multi-disciplinary project team to monitor the progress of the CSR actions. The role of this project team extends beyond the development of the CSR roadmap; they will be responsible for steering the actions outlined for the next three years and monitoring the designated performance KPIs."

Luc Ventre
Director of QHSE



IT services | France | 500/1,000* empl. | Entry in 2020 | Turnover 109m



In 2023, Coexya conducted an in-depth analysis of its carbon footprint to pinpoint key areas for reducing their GHG emissions. They determined that subcontractors are the primary contributors to Coexya's emissions. As a result, they are currently developing a tool to quantify the carbon impact of individual subcontractors. This tool will facilitate accurate emissions reporting and provide recommendations for improvement.

Additionally, Coexya is formalising a policy and charter for responsible purchasing, aiming to identify best practices and procedures that can be integrated into the charter.

Lastly, Coexya has published their annual CSR report in which they highlight their commitment towards SDG 3 (Good Health and Well-being), SDG 8 (Decent Work and Economic Growth), SDG 9 (Industry, Innovation, and Infrastructure), and SDG 12 (Responsible Consumption and Production).

ESG in our Portfolio



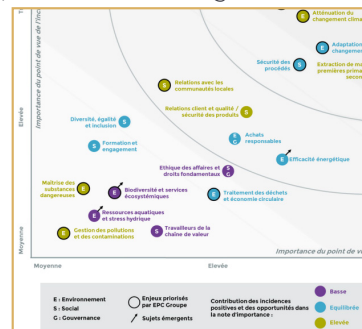
Industry | France | 2,245/2,770* empl. | Entry in 2020 | Turnover 548m



The group made a detailed carbon footprint in 2022, which acts as the basis for future carbon accounting, encompassing the whole group. The project required 4 FTE over the duration of 6 months to complete. This exercise provided a groupwide approach, and it thus recognised as an important milestone.

In preparation of the CSRD, EPC Groupe conducted an initial double materiality assessment in 2022. In 2023, following the adopted version of the CSRD, EPC Groupe refined its methodology and expanded the double materiality assessment.

Recognising the complexity of the ESRS framework and the need to develop skills in-house, EPC Groupe has gradually incorporated the ESRSs and the results of its double materiality assessment in their 2023 Extra-Financial Performance Declaration.



Industrial | Italy | 474/437* empl. | Entry in 2020 | Turnover 110m

In 2023, Fabbri Group made significant investments to reduce their carbon footprint. Beyond upgrading heating and cooling setups across their plants in Vignola, they installed a new photovoltaic system. This system now covers 33% of the machines factory's energy consumption, resulting in an annual reduction of 100 tCO₂ emissions. Moreover, Fabbri Group recently renewed the climate control system for the Vignola film plant, leading to a further annual reduction of 150 tCO₂ emissions.

Looking ahead, Fabbri Group is steadfast in its commitment to sustainability. The company continues to expand production and increase sales of their compostable stretch films. These pioneering solutions address the core issue with traditional films, as they can be composted alongside the foods they protect. Additionally, Fabbri Group is investing in new plants for producing a next-generation PE-based film: a fully recyclable material gaining popularity in many markets as a more environmentally friendly alternative to PVC.



As an internationally operating industrial reality, Fabbri Group is fully committed to developing the sustainability of its solutions and their production. We firmly believe that the packaging industry plays a key role in safeguarding the environment, protecting the health of the end consumer, as well as preventing food waste. That's why our motto, value, and ideal, has always been - and still is - "preserve without waste."

Stefano Pellegatta
Fabbri Group CEO





Services | Italy | 281/430* empl. | Entry in 2020 | Turnover 75m

In 2023, Fulgard implemented a series of initiatives aimed at enhancing their ESG performance. These measures reflect Fulgard’s commitment to sustainability, employee well-being, and robust governance practices.

E

- Replace building lamps with low-consumption ones and raise staff awareness to reduce energy use.
- Calculate the carbon footprint per GHG protocol.
- Transition 90% of the company fleet to EURO6 vehicles.
- Incentivise drivers to use Eni’s HVO fuel for compatible vehicles.
- Equip company vehicles with absorption/anti-spill kits for environmental emergencies.

S

- Offer Agile Work options, allowing employees to choose 1 or 2 remote workdays per week.
- Renew employee life insurance policies.
- Provide ESG and waste management information to employees.

G

- Obtainment of ISO14001 environmental certification for Fulgard.
- SPA - Vicenza Head Quarter with extension to the Bologna branch.
- Implementation of a first ESG KPI reporting version.



Industrial eng. | Benelux | 253/442* empl. | Entry in 2015 | Turnover 116m

Throughout 2023, Gantrex has been prioritising the implementation of continuous safety enhancements across its facilities.

1 SAFETY COMMITTEE

Gantrex has recently established a Group Safety Committee including experts in Service activities and members of the Group Executive Committee. The objective is enhancing safety best practices throughout the Group by sharing knowledge, investigating incidents, and developing group safety procedures and tools for record-keeping. The Group Safety Committee is held on monthly basis.

2 H&S POLICY

Gantrex has revised its health and safety policy. Safety is the top priority of Gantrex, and clear targets have been established. New procedures were introduced including: a STOP procedure, an incident record and investigation procedure, a common methodology for risk assessment and templates for ensuring proper safety record-keeping.

3 RISK CATALOGUE

Gantrex has catalogued all potential risks associated with on-site activities. This catalogue has been further developed to include comprehensive control measures, assigned responsibilities, and specified timelines.

4 SAFETY TRAINING

Safety training programs will be enhanced for Gantrex’s staff, including First Aid and additional dedicated certifications such as working at height or hazard recognition.

5 SAFETY INTERNAL AUDITS

In 2024, Gantrex will conduct a thorough safety audit for each site and appoint safety responsible in all areas. The ambition has been expressed to have all entities having production and installation activities being certified ISO45001.

ESG in our Portfolio



Manufacturing | France | 499/502* empl. | Entry in 2018 | Turnover 45m



In 2023, Henri Selmer Paris made significant strides in social and environmental responsibility. The company has officially joined the Science Based Targets initiative (SBTi) and the United Nations Global Compact, confirming its determination to align operations with global carbon reduction and sustainable development goals.

To progress towards becoming a more environmentally respectful company, Henri Selmer Paris is implementing various action plans. These initiatives aim not only to reduce the ecological footprint but also to engage all staff in this effort.

Henri Selmer Paris's vision for 2024 includes having its suppliers adhere to the same vision of sustainability. The company firmly believes that collaborating with partners is essential to achieving these environmental and social goals.

The company also announced that its gender equality index reached a score of 85, reflecting its ongoing commitment to promoting gender equality within the organisation.

Henri Selmer Paris remains determined to continue on this path and to make tangible progress for the benefit of its employees, customers, and the planet.



Industrial serv. | Benelux | 401/449* empl. | Entry in 2022 | Turnover 81m



In 2023, IJssel has conducted an initial double materiality assessment. The company is currently planning to refine the methodology according to the adopted version of the CSRD.

A designated team, with a range of expertise on IJssel's services and knowledge of the sector, is actively working on building a sustainability proposition and improving its current service offering with a stronger sustainability focus as part of their Sustainability Strategy (see below).

Menselijk kapitaal <i>Duurzame inzetbaarheid van onze medewerkers</i>	Klantwaarde <i>Bijdrage aan duurzame industrie</i>	CO2 Footprint <i>Eigen duurzaam gedrag</i>
Gezondheid <i>Ziekteverzuim</i>	Impact op klantresultaat <i>Uptime %, standtijd & OEE</i>	Vervoer <i>Gereden fossiele kilometers</i>
Diversiteit <i>Verhouding m/v en leeftijdsopbouw</i>	Partnership <i>Duur klantrelatie & NPS</i>	Gebouw <i>Energieverbruik</i>
Verbondenheid <i>MTO score</i>	Duurzame fabrieken <i>Afval- en energiereductie</i>	Afval <i>Kilo's afval</i>
Ontwikkeling <i>Gevolgde opleidinguren</i>	Inspireren <i># Medewerkers geïnspireerd</i>	

Consulting | France | 400/550* empl. | Entry in 2021 | Turnover 100m



Julhiet Sterwen, operating as a mission-driven company since April 2022, has published its first mission report, audited and verified by a third party.

In 2023, Julhiet Sterwen achieved an impressive overall score of 4.43 out of 5 for its employee experience, as rated by the HappyIndex AtWork. This outstanding score positioned them as the top-ranked company among all French companies with 500 to 1,000 employees.

Furthermore, in their commitment to promoting social inclusion, Julhiet Sterwen appointed a Director of Social Relations and implemented a comprehensive anti-harassment and anti-discrimination policy. To ensure a comprehensive understanding of all social issues, new mandatory courses on racism, invisible disabilities, and the prevention of sexism and sexual violence were introduced in 2023.

Transport | Benelux | 1,060/1,679* empl. | Entry in 2015 | Turnover 485m

Lineas is committed to adopting a zero-emissions business model. By enabling the modal shift from road to rail, Lineas contributes to the decarbonisation of its customers' supply chains. To achieve this goal, Lineas has set ambitious science-based targets for reducing GHG emissions in its own operations and has developed a carbon reduction plan of which the following two initiatives will be explored in greater detail:

- Eco-driving: In 2023, Lineas reintroduced the “eco-driving and idle time reduction” initiative. This initiative was launched and driven by two highly motivated colleagues who took it upon themselves to implement eco-driving practices and encourage their peers to do the same. It has since been acknowledged as a best practice and integrated into standard operations. Currently, eco-driving has been adopted primarily in Belgium, with approximately 50% of all drivers trained. However, efforts to expand this project to the other countries are ongoing.
- Testing of alternative fuels: In early 2023, Lineas initiated testing of HVO and FAME with the goal of substantially mitigating the impact of Diesel engines by 2030. While tests with FAME are still ongoing, the company plans to implement the use of HVO in its operations starting in mid-2024.

ESG in our Portfolio

LOQU



Retail | DACH | 599/627* empl. | Entry in 2018 | Turnover 56m



In 2023, LoQu made significant progress in integrating ESG (Environmental, Social, Governance) into its business strategy by expanding the OKR (Objectives and Key Results) framework to systematically include ESG criteria.

A key example is the optimisation of the vertically integrated frames/glass supply chain, focusing on sustainability in the product range. For the first time, LoQu conducted and documented structured supplier meetings, emphasising the ESG initiatives of suppliers. A notable project was the preparation to convert our smykker collection to bio-acetate by 2025.

Additionally, under the strategic goal “Enhance Employer Attractiveness,” we implemented structured employee dialogues. This included introducing systematic employee-supervisor discussions and thoroughly analysing our salary structure. Key metrics such as the gender pay gap and equal pay are crucial for ensuring fair and transparent compensation.



The combination of OKR and ESG enabled us to achieve valuable progress in 2023. This approach allows us to address ESG topics at the highest strategic level, promoting both value creation and our social and ecological responsibility.”

Nicholas Nehrbaß

Manager Business Development & PMO



MAISON BERGER PARIS



Consumer staples | France | 155/502* empl. | Entry in 2017 | Turnover 110m



As a proud member of the eco-organisation CITEO, Maison Berger has launched an eco-design initiative for household packaging and electrical products. These plans aims to diminish the reliance on non-renewable resources, boost the utilization of recycled materials, and enhance the recyclability of these products at treatment facilities. In 2023, Maison Berger successfully removed PVC plastic film from its unscented cylindrical packaging and swapped PET spacers with cardboard alternatives for its catalytic lamp boxes, resulting in an estimated reduction of 3.2 tonnes of PET per year.

Furthermore, Maison Berger has defined a «Reduce, Reuse and Recycle» roadmap for 2023 to 2026, covering Scopes 1, 2 and 3 (purchasing). Several working groups have been established to address various themes, including reducing production waste, recycling waste and scrap metal, transitioning to electric company cars, digital sobriety, and more. For instance, the digital sobriety team already proposed an action plan to significantly decrease duplicate files and reduce email storage by approximately 25%.



latteria e caseificio



Food | Italy | 52/66* empl. | Entry in 2019 | Turnover 67m



In 2023, Moro faced a critical challenge: the presence of asbestos sheets on the roofs of two warehouses posed a significant risk of environmental and human contamination. Recognising the urgency, they removed these hazardous materials, covering an area of 1,200 square meters. As a result, Moro installed new panels, prioritising safety and sustainability. Furthermore, Moro conducted an energy audit to identify areas for improvement with the aim to reduce the consumption of electricity and methane gas. Concurrently, a new purification plant with double the treatment capacity of the existing facility has been built. This investment will enable Moro to ensure compliance with environmental wastewater parameters, ensuring maximum safety, even as production volumes increase.



The past and present year have been interesting in starting to approach ESG issues. We are truly at the beginning of a new path, and we are beginning to understand various aspects that must and will have to be addressed in an increasingly structured way. I think that ESG issues will be increasingly important in business development strategies and therefore I believe that Caseificio Moro will have to define a clear strategy in this area for the next few years with defined objectives and commit to achieving them."

Gianni Pedron

Chief Operating Officer



NORLINE AG

Industry | DACH | 200** empl. | Entry in 2023 | Turnover CHF 70m



Norline AG offers a broad range of services to building technology installers, ensuring a smooth transition from fossil fuel heating systems to modern sustainable solutions such as heat pumps. The company is thus at the heart of the energy transition and plays a role as key enabler. Recently, the company launched photovoltaics business and is now able to holistically support its clients with sustainable transformation services.

Last year, the company has renewed both their ISO 9001 and 14001 certification: proof that the environmental management processes are set in place, acting as a solid base for other sustainability related initiatives.

To further strengthen their place in the supply chain, the company is in the process of an EcoVadis assessment and detailed carbon footprint exercise. Once these are obtained, the company will define a detailed sustainability strategy.

ESG in our Portfolio



IT | Italy | 134/175* empl. | Entry in 2022 | Turnover 42m

In 2023, SB ITALIA implemented various ESG (Environmental, Social, and Governance) initiatives, overcoming significant challenges. The first initiative was the SA 8000 certification, which demands strict adherence to social responsibility standards. Despite difficulties in compliance and staff training, the lessons learned enhanced human resource management and ethical compliance.

The second initiative focused on PdR125 certification, emphasising environmental and social sustainability. The primary challenges involved data collection and environmental data management, but the process ultimately strengthened sustainability practices and corporate transparency.

The third initiative included Ecovadis and Carbometrix evaluations to measure ESG performance and carbon emissions. The complexity of these evaluations and the need for accurate data were significant hurdles. Nonetheless, this process increased environmental awareness and improved emissions management strategies.

For 2024, the company has set specific ESG goals tied to key initiatives. These goals include continuous IT infrastructure updates, enhancement of digital preservation processes, and optimisation of HR processes to reduce paper usage. Additionally, optimising the company fleet aims to minimise environmental impact. These projects are designed to boost sustainability, efficiency, and environmental responsibility, aligning with best ESG practices.



Transport | Benelux | 1,601/1,656* empl. | Entry in 2021 | Turnover 277m



As part of Schenk Tanktransport's Fuel Focus campaign, the company introduced a new tool in 2023 aimed at enhancing fuel savings and efficiency. This tool encourages drivers to assess their driving style and provides coaching to optimise fuel usage. Through gamification, it motivates the drivers to adopt more fuel-efficient practices, thereby reducing emissions.



I maintain my natural driving behavior and see the following week that my scores for efficiency and safety are heading in the right direction."

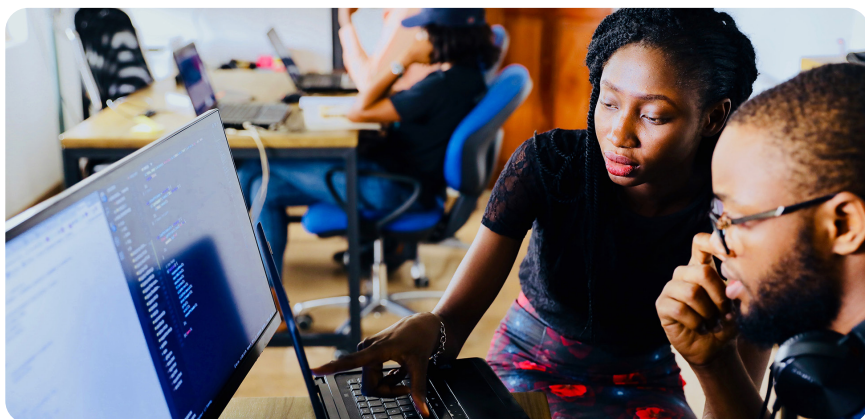
Anthony van Wijk
Safest and most efficient driver according to NEXT Driver



Talentia

FINANCE & HR SOLUTIONS

Tech | France | 401/437* empl. | Entry in 2016 | Turnover 62m



Talentia is committed to an ESG approach, implementing concrete and ambitious actions. In 2024, Talentia will introduce new CSR initiatives and renew existing ones:

- Talentia France's professional equality index has improved to 87%, demonstrating the company's dedication to gender equality.
- The introduction of a Disability Officer in France will ensure an inclusive work environment.
- A new sustainable mobility package has been launched that covers part of the commuting costs using sustainable transport options.
- In 2024, Talentia will launch a "Quality of Life at Work" project to enhance employee well-being and productivity through various initiatives.

TKH FRANCE



Electrical equipment | France | 179** empl. | Entry in 2023 | Turnover 130m



At this stage, ESG is one of TKH France's top priorities. Recently, the firm has made significant strides, such as preparing for ISO 14001 certification and collaborating with CARBONE 4 to diagnose and implement a decarbonisation strategy, including Scope 1, 2, and 3 measurements.

TKH France will also appointed an ESG Director in 2024 and plans to accelerate the production of Product Environmental Profiles (PEP) in Q3 2024, while swiftly complying with CSRD obligations. Additionally, the company is committed to enhancing its corporate ESG performance, aiming to significantly improve its ECOVADIS rating by 2025.

TKH France's vision for ESG is straightforward: it is integral to the company's core development strategy, with full involvement from top management on a daily basis. Recognising the numerous benefits of ESG, TKH France firmly believes it should be a top priority for any CEO.

ESG in our Portfolio



Leisure | DACH | 43/36* empl. | Entry in 2018 | Turnover 12m

In 2023, Wibit published their very first ESG report. Furthermore, Wibit's management launched several initiatives aimed at reducing the company's emissions. These included installing a photovoltaic system on the headquarters' roof, transitioning to LED lighting throughout the headquarters, and converting the entire company fleet to electric vehicles.

In addition, the Wibit Green Team was established. This team brings together 15 employees for regular discussions and brainstorm sessions to implement various initiatives aimed at promoting social inclusion and contributing to a more sustainable environment. Several projects have already been successfully implemented, including:

- Appointing two Equal-Opportunity Officers.
- Organising regular trash clean-up sessions.
- Installing gender-neutral bathroom signs.
- Advocating for food sharing initiatives.
- Promoting the use of e-bikes through leasing options and the installation of charging stations.

Several additional projects are planned for 2024, driven by the innovative and sustainable mindset of Wibit's employees.



At Wibit, sustainability isn't just a goal; it's always been part of our company culture. As leaders in the inflatable waterpark industry, we've prioritised safety and excellence from the start. Over the past year, our commitment to Environmental, Social, and Governance (ESG) principles has only strengthened and become more formalised and transparent. We've made significant strides in more sustainable production, integrated sustainability into our daily operations, and addressed even more social aspects. Moving forward, our aim is clear: to continue leading by example, setting new standards for sustainability in our industry, one splash at a time."

Romann Rademacher

CEO/Founder



Manufacturing | France | 340/435* empl. | Entry in 2018 | Turnover 86m



ZODIAC MILPRO decided to become voluntarily compliant to Sapin II, a French law that prevents and detect corruption and influence peddling. After a risk mapping, the Group implemented different processes and controls such as:

- a due diligence process to qualify all the third parties that are working with the Group (business and service providers, distributors);
- a training conducted with all the teams to the updated Code of Conduct with new case studies and reflexions on which behaviour to adopt regarding influence peddling, gifts, invitations, ...
- the implementation of a whistleblowing service to enable anyone in the Group to report facts contrary to the Code of Conduct's guidelines while protecting their identity.

This approach enabled the Group to strengthen its vigilance and to provide more efficient ways of working with the different stakeholders.





What's next?

A glimpse into 2024



01

ESG Recognition

In 2024, Argos Wityu aims to be recognised as a best-in-class leader and an influential voice in the field of responsible investing.

We will continue to enhance our ESG initiatives, collaborate with stakeholders, and lead by example to shape a better future. Through these efforts, we aspire to not only meet but exceed industry standards. Additionally, we aim to solidify our position as a top-tier ESG opinion leader by publishing editorials, the Argos x BCG Climate Barometer, and white papers to inspire and educate both our industry and the public.

02

Impact Valuation

In 2024, Argos Wityu is focused on advancing our capabilities and taking the first steps to integrate impact valuation into our investment process.

This initiative goes beyond incorporating ESG principles, as we aim to measure the direct and indirect effects of our investments on society and the environment. By embracing impact valuation, we aim to make more informed and responsible investment decisions, ensuring our contributions align with sustainable development and foster long-term value creation.

03

Climate & Biodiversity risk assessment

In 2024, Argos Wityu is advancing its due diligence by integrating a first high-level climate & biodiversity risk assessment.

Conducting portfolio-level screening helps to identify risk hotspots across companies' operational locations.

Our tools aim to help better prioritise where and on what to focus contextual responses as well as inform the climate and biodiversity strategy.

04

Driving DEI Excellence

In 2024, Argos Wityu is dedicated to translating our commitment to diversity into action. We are prioritising the promotion of diversity within our portfolio companies' boards and top management, fostering environments where diverse backgrounds and viewpoints are not just valued but celebrated.

Simultaneously, we are enhancing diversity and inclusion within our own organization. We aim to reinforce awareness among Argonauts in 2024 by providing additional training on biases, inclusive leadership, and equity in the workplace.

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