

The background of the entire page is an aerial photograph of a dense forest. The trees are in various stages of autumn, with colors ranging from deep green to bright yellow and some hints of red. The forest is situated on a hillside, and its reflection is clearly visible in a calm body of water in the foreground, creating a symmetrical effect.

# argos. wityu

ESG  
REPORT  
2022

---

JUNE 2023



## Key Figures 2022

*SALES  
REVENUE*

€20M

21  
Portfolio  
Companies



10,055  
Total FTE in  
portfolio companies

64  
Employees

1

Climate  
dedicated Fund

6  
Offices across  
Continental Europe

4  
Active Funds

€1,5B  
AUM



Decarbonisation  
pathway approved by

SBTi



# Table of Contents

Key Figures	2	Our Carbon Footprint	20
Executive Summary	5	Science Based Targets (SBTs)	21
Our Investment Strategies	6	Our people	22
One firm, two strategies	6	Inclusion & diversity	22
Our Environmental Impact Fund: Argos Climate Action	7	Learning & development	23
Word of our Head of ESG	8	Our Governance	24
Our ESG Governance	9	Working together	24
Transversal role Head of ESG & ESG Committee	9	IT	26
ESG Strategy: Goals & Targets	10	Engagement Strategy with our Portfolio Companies	28
Investing for tomorrow	10	ESG Integration & Management	28
Our Commitments	12	Integration of ESG Risks in Risk Management	28
Our Policies	14	Assessing sustainability performance through EcoVadis	29
Our Responsible Investment Approach	16	ESG in Our Portfolio	30
ESG integration at every stage of the investment process	16	Environmental Impact	30
Transparency	18	Social	34
Our investors	18	Governance	36
Our quarterly investor report	19	What's next? A glimpse into 2023	37
Website & social media	19		

# Executive Summary

## WORD FROM OUR FOUNDER & MANAGING PARTNERS



Gilles Mougenot  
FOUNDER & MANAGING  
PARTNER

“

*The market is increasing its attention to the integration of sustainability as more and more private equity firms are delving into ESG. This reflects in the increased transparency in reports, websites, and general communication. However, a higher level of ambition is needed to reach not only the Paris Agreement but also to play our part in the Sustainable Development Goals (SDGs).*

*Over the past year, we have implemented a lot of new initiatives, which all contribute to further integrating ESG into our investment process and day-to-day activities, with the aim of making it business as usual.*

*As a result, our team has improved knowledge and expertise on the rather broad topic of ESG. Although our focus is on reducing GHG emissions with our dedicated climate fund, we are also aware of the social pillar of sustainability and are further integrating initiatives linked to this aspect into our firm and portfolio companies.*

*We decided to focus on diversity this year. We launched dedicated training and awareness programs and a reinforced commitment to building a diverse and inclusive workforce, leading to a more dynamic and innovative environment. By doing so, we are strengthening portfolio companies, resulting in sustaining growth and profitability, but also ensuring a future-fit company. “*



Louis Godron  
MANAGING PARTNER

”

*“How many trains a day are there from Paris to Frankfurt ?”  
“Oh, but we still can’t charge electric cars in the parking lot under the office”  
“What sort of insurance should we take for our fleet of electric bikes?”  
“The landlord did not reply to our third letter asking to cut the office heating from 21C to 19C”.*

*It is always interesting to put commitments in practice.*

*For four years now, we have been measuring and reducing our carbon footprint at Argos Wityu (and compensating the remaining emissions). But when we committed to our formal Net-Zero trajectory last year, and accordingly agreed to reshape our travel policy and pressure our landlords to take the needed steps, we had quite a number of very practical points to handle.*

*More and more people understand that serious climate troubles are coming, and agree they have to act to reduce them. But concrete on-the-ground actions often stay on the To-Do list.*

*True, the mystery of “How-To-Do” contributes to leaving the matter on the To-Do list.*

*This is what needs to happen at a global level: We have decided at Argos to bring the “How-To-Do”, and make the changes concretely happen for us and for the portfolio companies.*

*Good for the planet.  
Good to further reduce the risk in the portfolio.  
And good for returns.”*



# Our Investment Strategies

## One firm, Two strategies

Argos Wityu is an independent European private equity group that supports the development of mid-sized businesses and backs their management teams. With €1.5bn assets under management, over 30 years of experience and more than 90 businesses supported, Argos Wityu operates with 6 offices. The group seeks to acquire majority stakes and invests between €10m and €100m in each investment of its two strategies:

The Mid-Market fund supports companies implement ownership transitions to accelerate growth.

The Climate Action fund aims at shaping European sustainable leaders by driving their “Grey to Green” transition.



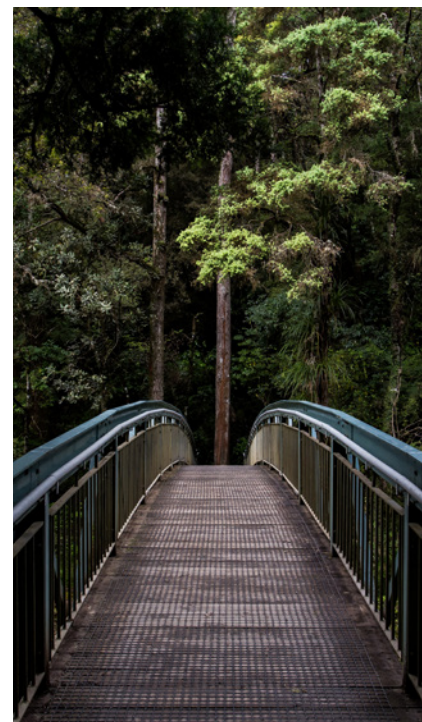
### Mid-Market

Argos Mid-Market is focused on acquiring profitable lower mid-market companies whose fundamental merits are obscured by atypical transactional situations, and where such complexity can be addressed and solved through the implementation of Argos’ consistent and methodical approach.

This approach rests on two core pillars:

Buying complexity & selling simplicity through well-developed execution;

Value creation actions to solve complexity and deliver performance.



### Argos Climate Action

Small and mid-sized companies account for about half of Europe’s GDP, but more than 60% of all European companies’ carbon emissions. Their environmental transformation is therefore vital to reach carbon-neutrality but can also create a lot of value to all stakeholders by making these companies more resilient and fit for the future.

Argos Climate Action is a fund designed to foster the transformation of European companies into sustainable leaders of their industry. This strategy was launched in November 2022 as a platform extension, leveraging Argos’s 30-year experience of transforming European SMEs to operate a deep and swift “Grey to Green” transition, granting portfolio companies a lasting competitive advantage.

## Our Environmental Impact Fund: Argos Climate Action

This decarbonisation fund is qualified as “Article 9” under EU Sustainable Finance Disclosure Regulation (SFDR), the most demanding level of sustainability. The fund has a clear target of reducing the intensity of the portfolio companies’ greenhouse gas emissions by at least 7.5% each year. It aligns the team’s long-term capital incentive by tying 1/4 of its carried interest to the achievement of this objective.

The Climate Action team consists of six full-time partners, two of which bringing strong expertise in the environmental transition. The team is supported by our Head of ESG, who oversees the broader implementation of sustainability in line with the SFDR and CSRD as well as ensuring a clear focus on material topics. The fund targets small and mid-sized Western European companies, which represent a huge pool of carbon emissions to abate.

To underline its strong commitments, Argos Wityu is a signatory of the UNPRI (United Nations Principles of Responsible Investment) and has set ambitious science-based targets aiming at reducing its carbon emissions. It is one of the first 15 Private Equity firms worldwide to have its targets approved by the Science Based Targets initiative (SBTi), a non-governmental organisation helping companies set emission reduction targets on all scopes, in line with climate science and the Paris Agreement goals.



**Article 9  
SFDR buyout  
fund**



**> 7.5%  
Annual CO2eq  
intensity  
Reduction**



**¼ of  
Carried interest  
at stake**



**One of the first  
15 GPs  
committed to  
SBIs**



**Focus on  
European  
SMEs**



**Strong team  
with 6 dedicated  
Partners**



**Jack Azoulay**  
SENIOR PARTNER

“

*Reaching a carbon-neutral European economy will require massive investments not only in green techs and renewable energy sources, but also to transform the way existing companies produce their goods and services. We want to bring our portfolio companies the funding and expertise they need to make these changes and become sustainable leaders in their industry.”*



# Word of our Head of ESG

As I reflect over the past year, I am proud to share the tremendous strides we have made in integrating sustainable practices and values into our operations. The journey has been transformative, and our firm has recognized the urgent need for comprehensive ESG integration and aligned ourselves with global sustainability goals.

As ESG is a transversal topic, working together is essential. Therefore, we have set up an ESG committee, which includes members from different teams and countries. After only 2 meetings, I am already convinced this is key to acting as a group, understanding the challenges of an investment team versus a corporate function, and not losing sight of country-specific insights.

Having our investment teams on board and having them understand ESG and sustainability challenges and opportunities is an important necessity. After a year of increased awareness creation and deep dive sessions, it is great to see how investment teams are starting to see the added value of ESG-driven actions and integrating these. To use an often-used concept, it is truly becoming 'business-as-usual'. It is at this point that any ESG officer feels proud: having colleagues self-steering on integrating ESG, understanding the journey and need for structure, and being able to challenge one another every now and again.

As ESG integration requires a holistic view that encompasses environmental stewardship, social impact, and governance excellence, and to navigate this shifting landscape, we have refined our ESG strategy and defined focus areas. Also, we are investing in tools and partnerships and are actively engaging with our portfolio companies through our dedicated Climate Academy, the launch of an ESG Club and dedicated pragmatic workshops.

The journey towards investing in tomorrow is an ongoing one. It requires us to challenge one another, embrace challenges, and continually learn and improve. I am excited to see how we, as an industry, are capable of shaping future-fit businesses.

I would like to express my gratitude to the entire team for their unwavering support, dedication, and passion throughout this transformative year. Together, we have made significant progress and set a solid foundation for our future ESG endeavours.



Jessica Peters  
HEAD OF ESG



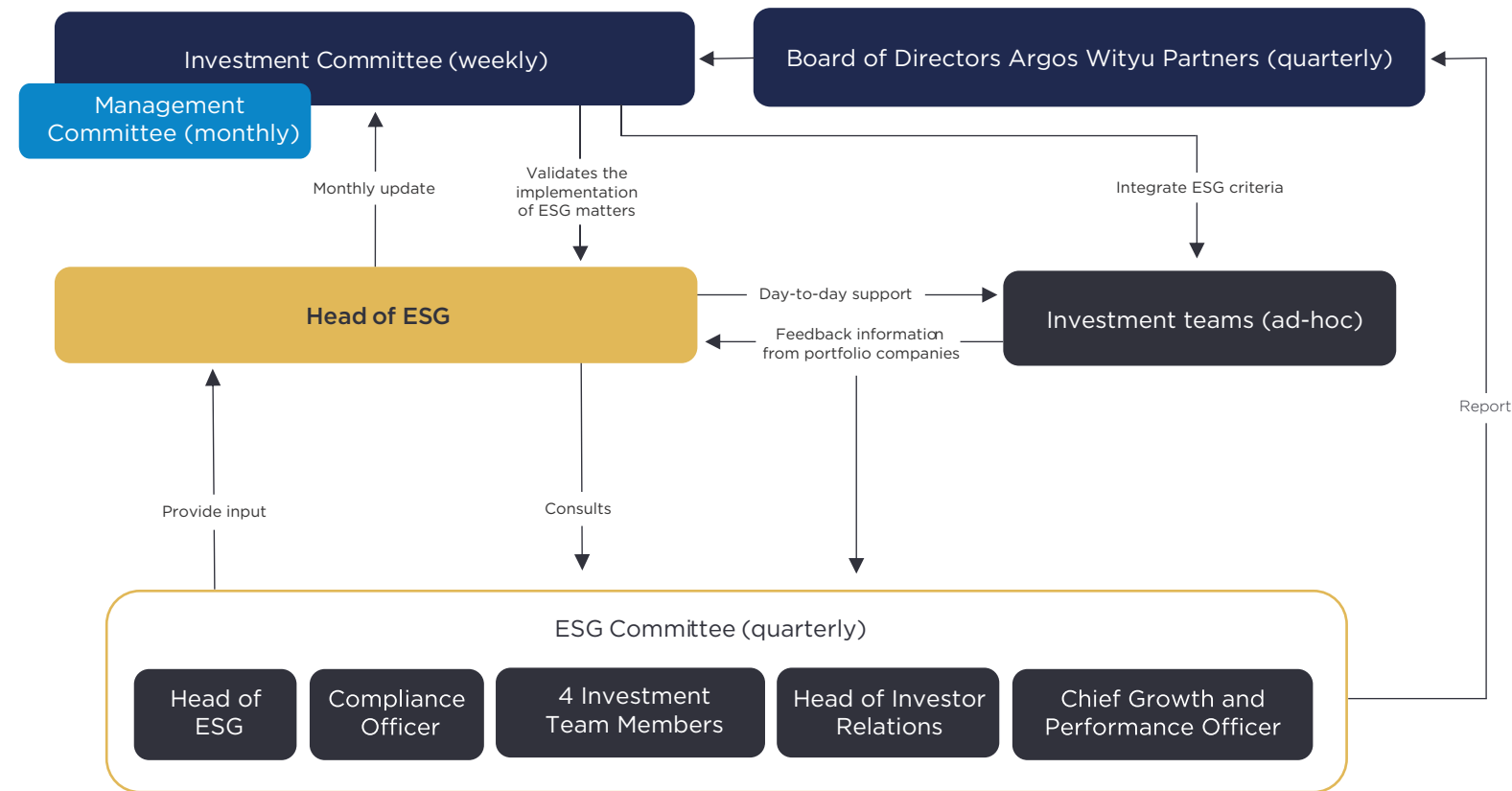
# Our ESG Governance

## Transversal role Head of ESG & ESG Committee

Our Head of ESG is responsible for providing leadership across a wide range of sustainability, social value issues, driving the company's ESG strategy, and promoting social & environmental responsibility. It is our vision to have ESG fully integrated into each process, rather than a seperate process.

In 2022, we launched our ESG Committee with the aim of establishing a unified view of ESG, increase understanding of all three ESG aspects, environmental, social and governance, integrating policies, procedures, and actions in line with our policies.

The ESG Committee provides input to the Head of ESG by overseeing the implementation of the ESG strategy, providing expert advice and support for ESG strategy implementation. The investment teams support the collection of KPIs on a quarterly and annual basis during ownership. The Head of ESG monthly updates the Investment Committee, from which she receives validation to implement ESG matters.





# ESG Strategy: Goals & Targets

## Investing for Tomorrow

In 2022, Argos Wityu refined its ESG strategy by developing goals, targets and KPIs with the aim of incorporating sustainability practices into the firm and portfolio companies.

Our ESG strategy will support in effectively managing risks, meeting investor demand, complying with regulatory requirements, enhancing value creation, driving positive change within portfolio companies, and ensuring long-term sustainability by aligning investment decisions with responsible practices and societal impact. As our people play a fundamental role within the firm, we actively pursue our employees' well-being by implementing and updating initiatives which add to mental and physical health.

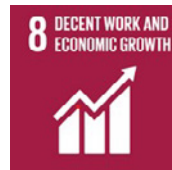
The Sustainable Development Goals (SDGs) play a vital role in contributing to our ESG strategy. We focus on the below five SDGs, more specifically on specific underlying targets as described by the SDG Compass, which promotes to define relevant business KPIs and guidance for measuring and reporting our contribution to the SDGs (sdgcompass.org)



**SDG 5**  
(Gender Equality) supports by promoting diversity and inclusion within the firm and our portfolio companies, ensuring equal opportunities and empowering women.



**SDG 7**  
(Affordable and Clean Energy) aligns by encouraging investments in renewable energy sources, reducing carbon emissions, and promoting sustainable energy practices.



**SDG 8**  
(Decent Work and Economic Growth) emphasizes the need for continuous learning & development, creating job opportunities, and fostering inclusive economic growth.



**SDG 13**  
(Climate Action) is crucial as it emphasizes climate resilience, reducing greenhouse gas emissions, and supporting efforts to mitigate climate change risks.



**SDG 16**  
(Peace, Justice, and Strong Institutions) complements by promoting good governance practices, integrity, and transparency within the firm and portfolio companies, thus enhancing responsible investment and stakeholder trust.

We identified nine high-level goals that best characterise our commitment towards a more sustainable way pursuing business practices. Then, for each goal, we developed targets to support our strategy. Our targets will be reviewed and updated on an annual basis to reflect internal and external challenges.



### Reduce emissions by:

- Reducing absolute scope 1 and 2 GHG emissions by 46% by 2030 (2019 baseline)
- Reducing total scope 3 GHG emissions by 58% per sales by 2030 (2019 baseline)

### Go beyond emission reduction by:

- Offsetting 100% of remaining emissions with high-quality compensation credits on an annual basis
- Creating an overview of best-in-class carbon sink projects and invest by 2024

### Increase the share of renewable energy by:

- Engaging with property-owners to increase the share of green energy on an annual basis

### Promote diversity within the firm by:

- Having at least 30% executive positions fulfilled by women by 2030
- Having at least 30% of the investment team positions fulfilled by women by 2030
- Ensuring gender-equal pay by following an evaluation scheme

### Build resilient and thriving teams by:

- Conducting an annual happiness survey
- Integrating employees' needs through new or updated health & well-being initiatives
- Granting enhanced family leave

### Ensure knowledge sharing & management by:

- Training 100% of employees on risks and opportunities linked to climate change by 2024
- Reviewing the Argos Climate Academy on an annual basis
- Improving Green Paddles by increasing the quality of the tool on an annual basis in line with law & regulation, trends and best practices.

### Increase transparency by:

- Disclosing ESG progress through an annual ESG Report
- Updating Argos Wityu website annually

### Ensure fair business practices and good governance by:

- Updating and communicating annually policies and procedures according to law & regulation, industry developments, and best practices.
- Creating a supplier code of conduct which reflects the Responsible Investment Policy by the end of 2023

### Increase cyber security by:

- Conducting an annual penetration test performed by an external third party
- Training our employees every year on cyber security, and run, amongst others, phishing tests
- Having CyberVadis assess IT practices, methodologies and the level of resilience of the infrastructure





# Our Commitments



## UNPRI

Argos Wityu is proud to be a member of UNPRI (UN Principles for Responsible Investment). While we have always been committed to applying leading ESG principles in our practices, by joining UNPRI, Argos Wityu has fully committed to making ESG a part of its core mission. By joining the UNPRI, Argos Wityu is committed to applying the group's guidelines throughout the investment, portfolio management, and divestment processes, as well as in the management of our own company. Becoming a PRI signatory highlights Argos Wityu's efforts in sustainable and responsible investment.

### Our Progress:

To increase our commitment, we have updated our responsible investment practices by developing comprehensive policies, implementing a robust reporting framework in combination with active engagement with the portfolio companies through workshops and an ESG Club.



## UN Global Compact

As we are committed to further integrating sustainability, we have signed up for the UN Global Compact. Besides publishing our annual report, we will be able to access best practice guidance, tools, resources, and training to share both internally and with our portfolio companies.

### Our Progress:

This will be the first year Argos Wityu is reporting in line with the UN Global Compact. We are integrating the principles into our decision-making processes, engagement with portfolio companies as to promote responsible practices. To ensure our contribution to the Sustainable Development Goals (SDGs), we have integrated the relevant SDGs into our updated ESG strategy (page 10 and 11).

By reporting in line with the UN Global Compact, we showcase our dedication to ethical and sustainable investment practices, fostering transparency, accountability, and positive societal impact.



## Invest Europe

Argos is a historical member since 1991 of EVCA/ InvestEurope. Having joined the Responsible Investment Roundtable's Affiliate Network, Argos Wityu shows its commitment to supporting ESG in the European private equity industry.

### Our Progress:

Three of our team members are actively involved. Louis Godron, Managing Partner, is part of the Board of Directors. Fabian Söffge, Partner, and Jessica Peters, Head of ESG, take part in the ESG Reporting Standards Working Group.

The aim of ESG Reporting Standards Working Group is to consolidate reporting frameworks and share best practices. A reporting template is finalised, and improvements are being gathered within the working group to ensure optimal use and alignment with investor requirements.



## France Invest

Argos Wityu is a historic member of AFIC/France Invest. Under the Presidency of Louis Godron (2012-2014), the professional federation adhered to the PRI; it also notably designed a Code of Conduct related to responsible investment, which was published in 2013 and adopted by the industry.

### Our Progress:

Argos Wityu strengthened its position at France Invest in 2022 by joining the Steering Committee of the Sustainability Commission.

In addition, Simon Guichard, Partner, is leading the working group 'decarbonisation of portfolio companies', which gathers more than 50 GPs representatives. The aim is to help the PE ecosystem to develop tools and methods to help decarbonising the portfolio companies supported by French GPs.



## ICI

As an ICI (Initiative Climat International) signatory, Argos Wityu is committed to reducing the greenhouse gas emissions of the companies it supports and to ensuring sustainable performance. The ICI forms a unique sharing platform that brings together and mobilises all private equity players wishing to make a concrete contribution to the fight against climate change.

### Our Progress:

As Argos Wityu has climate change high on the agenda, and considering our Climate Action Fund, we are actively involved and take part in the Net Zero Working Group.

Jessica Peters, Head of ESG, is leading a dedicated workstream which focuses on Science Based Targets case studies. Understanding challenges and best practices within the industry is key and supports implementations and reaching targets in time.



## Science-based Targets

Science-based targets are greenhouse gas emission reduction targets that are informed by independent climate science and are in line to meet the goals of the Paris Agreement – limiting global warming to well below 2°C above pre-industrial levels and pursuing efforts to limit warming to 1.5°C. Argos Wityu has committed in April 2022 to set SBTs and has submitted the defined targets to the SBTi for approval in June 2022.

### Our Progress:

Argos Wityu decreased “in person” meetings to reduce emissions from our business travel. In order to further reduce our carbon footprint, a dedicated Travel Policy has been developed which outlines best behaviour when travelling, such as switching from air to rail transportation when possible.

In addition, Argos is promoting a longer usage of IT equipment by replacing the battery instead of directly changing the device. Moreover, we are currently engaging with landlords to switch to renewable energy in all our offices.



# Our Policies

Argos' commitment towards sustainability is driven by its policies. Our ESG policies promote sustainable and responsible business practices, support to manage risks, attract investments, improve financial performance, enhance reputation, ensure regulatory compliance, and align with stakeholders' expectations. By integrating ESG considerations into our strategy and operations, we contribute to a more sustainable and inclusive future while securing long-term success.



Our Responsible Investment and Climate policy can be downloaded from our website: [argos.wityu.fund/sustainability/](https://argos.wityu.fund/sustainability/)



## Responsible Investment Policy

The purpose of our Responsible Investment Policy is to present the approach Argos Wityu takes to measure and integrate ESG in its investment process and compliance with the Sustainable Finance Disclosure Regulation (SFDR). Alongside each investment step, we outline the additional steps we take for our Climate Action Fund.



## Climate Policy

Our Climate Policy shows how Argos Wityu considers and assesses climate risks in its investment cycle, with a specific focus on how the Argos Climate Action fund, dedicated to decarbonisation, takes into account such risks.



## Inclusion and Diversity Policy

As of December 2022, Argos gathers 16 different nationalities among the 64 members of its team, based in 6 offices across Europe. We strongly believe that a diverse and inclusive workforce leads to better decision-making and a better understanding of dynamics that shape our business. This policy presents one of our biggest values: we believe in the need for diversity, and discrimination has no place within Argos.



## Travel Policy

Our travel policy sets out the general rules which apply to all Argos team members when travelling with the goal of reducing our carbon footprint in line with our Science Based Targets (SBTs). For example, this policy includes for all Argos team members to opt for the train rather than the plane when a train trip lasts less than 4 hours.

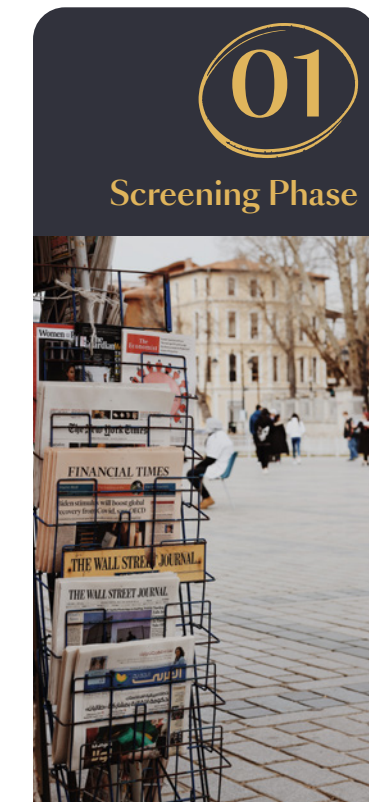


# Our Responsible Investment Approach

## ESG integration 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.

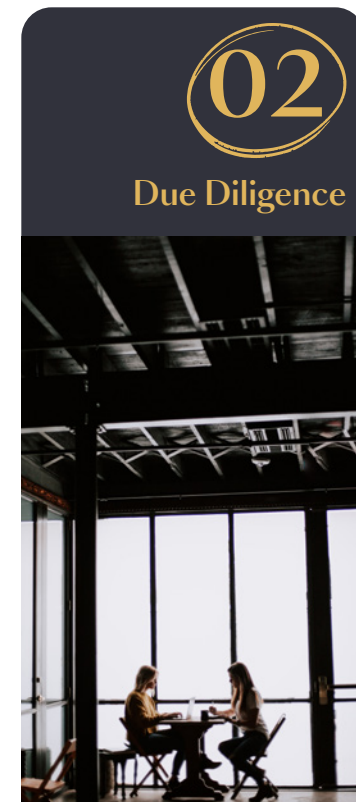


The first phase focuses on identifying main risks, opportunities, and material ESG challenges.

- 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.*



### 02 Due Diligence

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).*



### 03 Investment Period

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:

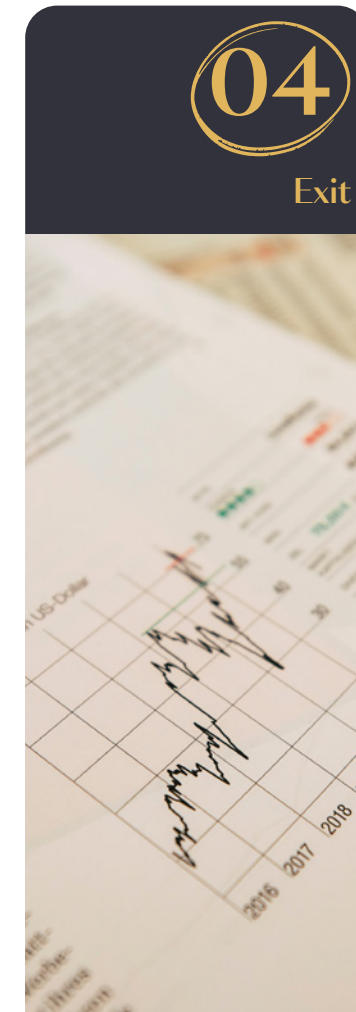
- Collect qualitative, quantitative insights and highlights, and gather the complete set of KPIs through the EcoVadis platform.
- Engage with the portfolio company upon reception of the gathered KPIs and actively:
  - Ensure that the ESG action plan is properly followed-up and recorded;
  - Challenge 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.*



### 04 Exit

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*

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.



# Transparency

## Our Investors

Today, many stakeholders, including investors, demand more transparency, accountability, and measurable ESG performance from companies. They understand that ESG factors have the potential to impact financial performance, operational resilience, and, ultimately, the sustainability of businesses. As a result, companies that successfully integrate ESG considerations into their strategies are better positioned to navigate emerging risks and seize new opportunities.

Our investors are regularly informed of our investments' ESG performance through quarterly ESG reporting. In addition, as part of Argos Wityu's Responsible Investment Principles, we communicate our responsible investment initiatives to our investors.

## Investor Relations Team

The year 2022 has shown growth in the IR team by recruiting a client-facing teammember in the Paris office, with an immediate visibility effect in the market for Argos Wityu and resulting in enhanced communication with Investors and prospects. The team will continue growing in the following months.

ESG is increasingly at the heart of interactions with Investors; conversations are not only around sustainability as a general concept but as a value creation driver bringing financial returns. To ensure constructive discussions and possible solutions for our Investors, ESG awareness and training are vital to illustrate our focus and detailed understanding of this important topic.

Sustainability plays in numerous fields, and not only carbon emissions are at the forefront of European regulation. As our Investors are worldwide, such sustainability topics are numerous, and the IR team is at the forefront to ensure all questions and concerns are addressed.

## What our investors say:

*"Very high commitment"*

*"7,5% annual decrease of scope 3 emission reduction in Argos Climate action Fund"*

*"Being ahead of the curve"*

*"ESG seems to be largely engaged at company level, the ESG tools you developed seem to be above standards. Well done"*

*"The presence of an ESG dedicated paragraph in the fund report for every portfolio company."*

*"We observe that ESG has become a more integrated approach firm wide to Argos, we consider this as a very important step forward."*



Anna Karin Portunato  
INVESTOR RELATIONS

“

*ESG is increasingly at the heart of interactions with investors; conversations are not only around sustainability as a general concept but as a value creation driver bringing financial returns*

*In Europe, ESG regulation has been impacting the financial sector strongly, and our duty towards our investors is to listen to and understand their needs in this context."*

## Our Quarterly Investor Report

The Argos Wityu quarterly investor report is produced based on best practices and inspired by the ILPA (Institutional Limited Partner Association) recommendations to provide the information necessary to help our investors understand both the fund's performance and individual portfolio company valuations and performance.

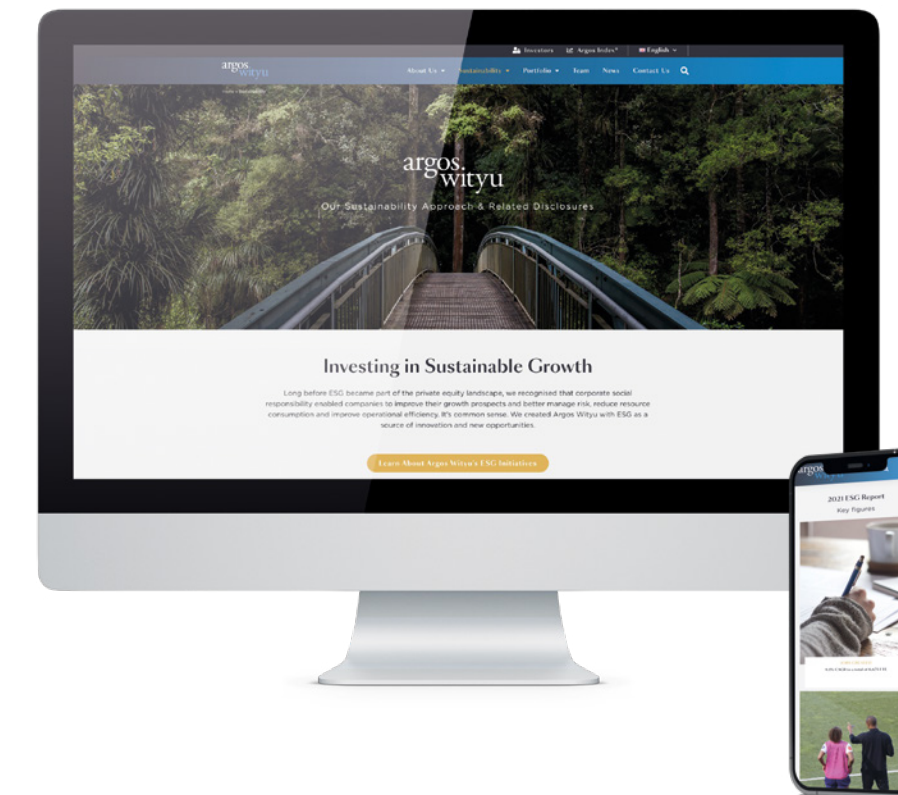
A summary of ESG initiatives at the firm and portfolio companies' level is provided, in addition to the quarter's highlights, fund performance, analysis of net asset value, and financial aspects.

An update of the portfolio companies is also presented, including financial performance, ESG improvements, and commitments.

## Website & Social Media

Our ESG initiatives are shared on social media and published on Argos' Website on the "Sustainability" page to increase transparency and communicate our progress & commitments towards internal and external stakeholders.

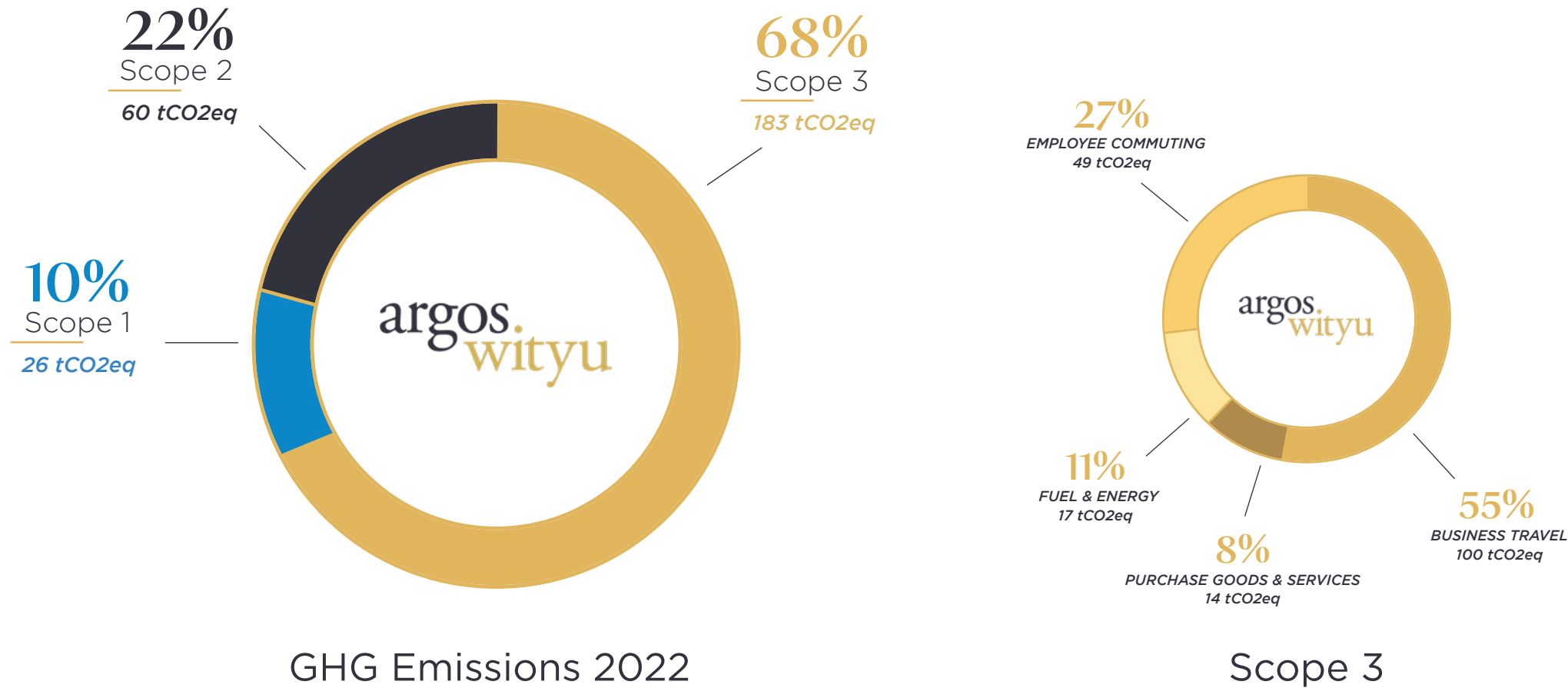
[www.argos.wityu.fund](http://www.argos.wityu.fund)





# Our Carbon Footprint

In 2022 we have emitted a total of 268 tCO<sub>2</sub>eq. We saw a reduction in Scope 1- related emissions due to a decreased use of vehicles in our fleet. Also, a reduction is seen in Scope 3, mainly in business travel, due to an increased number of online meetings and travel by train.



## Science Based Targets (SBTs)

As of April 2022, Argos Wityu has committed to setting science-based targets, being part of the first 20 private equity companies that globally joined the Science Based Targets initiative (SBTi). The SBTi defines and promotes best practices in emissions reductions and net-zero targets in line with climate science and is assumed to become a reference in the PE-world.

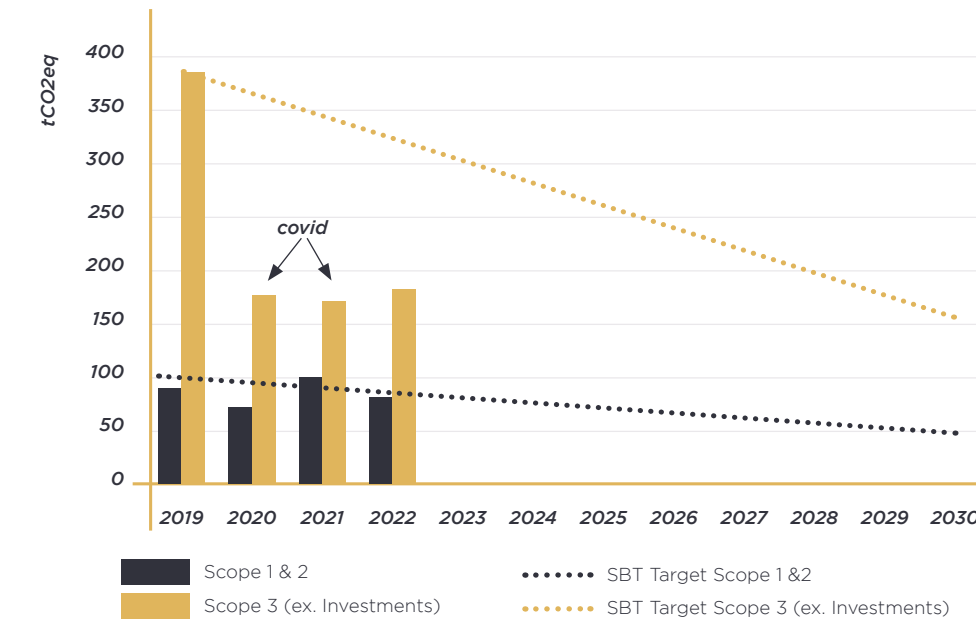
Engaging with our portfolio companies to create awareness, understand the hotspots within the company, define action plans, and track progress is of the utmost importance.

Looking ahead to 2030 from a 2019 base year, Argos Wityu is committing to:

- Reduce its own absolute scope 1 and 2 GHG emissions by 46%;
- Reduce total scope 3 GHG emissions, from categories 1 to 14, by 58% per sales;
- Reduce total scope 1, 2 and 3, categories 1 to 14, GHG emissions by 7.5% annually per sales, a voluntary addition to the official SBTs.

Within our portfolio companies (Scope 3, category 15 emissions):

- Have 50% of the firm's eligible private equity investments by invested capital setting SBTi validated targets by 2028, and 100% by 2040.



**Fabian Söffge**  
PARTNER

“

Since October 2022, Argos Wityu has approved Science Based Targets and is among the first 15 Private Equity groups to have done so worldwide. We are convinced that fighting climate change requires the contribution of any stakeholder in the financial industry, and decarbonisation is actually supporting a better risk/reward structure for our investors.”



# Our People

During 2022, Argos dedicated a training budget per FTE of €1080 which shows an important commitment in allocating resources on personal growth and employees' skills strengthening. Our Turnover Rate reached 20%, and we hired 14 new employees.

In addition to that, Argos wants to ensure an equal gender representation within the firm; the overall proportion of women in the firm stands at 37%, in the corporate team at 82%. We are focussing our effort to increase the share of women in the investment team, which at 11% is standing substantially below our mid-term target of 30%.

## Inclusion & Diversity

As of today, there are 16 nationalities represented among the 64 members of its Team, based in 6 offices across Europe.

Gender and diversity plays a very important role. We have set a target to have at least 30% of the executive positions (partners and C-level positions) and 30% of the investment team positions represented by women by 2030.

To achieve this goal, several initiatives are put in place: Training and coaching for women in PE: women in the investment team now have the opportunity to join a dedicated training program, organized by France Invest. This program focuses on parity and performance, is spread over 2 months, and contains modules on leadership and assertiveness. Going forward, similar programs will be offered.

A dedicated Inclusion & Diversity taskforce, composed of a Managing Partner, Senior Partner, Head of ESG and Head of Growth and Performance is being launched, in order to build initiatives towards diversity and gender equality. As part of this effort, a workshop 'Women in PE' was organized with women in the investment team, to share their specific concerns and needs. Initiatives to promote equal opportunities through equal treatment between men and women in recruitment, career path, and work-life balance are also launched by this taskforce.



Sandra Lagumina

SENIOR PARTNER



Olivier de la Gueronniere

GENERAL COUNSEL  
AND CORPORATE  
SECRETARY

“

*Gender diversity is not a 'nice to have'. It's a main priority of Argos Wityu as a firm. We strongly believe diversity brings value. At all the stages of our organization, all together, in the offices and the partnership, we discussed and implemented concrete actions to improve. I am confident that we will see the results soon!”*

“

*In my view, D&I are two intertwined concepts: one necessarily goes with the other. The “diversity” concept is extremely broad as it captions many differences: gender and gender identity, nationality and ethnicity, religion and cultural background, and education. External factors such as local culture and academic orientation, as well as unconscious biases, already tend to create an imbalance in the diversity of talents who are attracted to the PE world. Our work as a Firm and as individuals is to counter that situation.*

*The “inclusion” concept gets easier as diversity grows inside a firm. It's all about respect, open mindedness and ensuring everyone has the same right to share views, being considered and treated. Maintaining this respectful atmosphere requires open communication channels and confidence in the management's values. Beyond the proven benefits of an established D&I philosophy, it is a matter of company culture. Paperwork doesn't change behaviours. Seeing how important D&I is in our common Group DNA is one of the reasons why I'm so proud of being part of the Argos fleet.”*

## Learning & Development

### Internal Capacity Building

All the employees in Argos follow an annual training on ESG topics which focuses, amongst other topics, on integration of ESG at every level of the investment process following our ESG policy by discussing relevant KPIs to track, sharing developments in the sustainability realm, such as regulations and/or frameworks, upcoming initiatives, and key actions to be implemented. Internal training covering ESG aspects is also integrated into the mandatory training package dedicated to newcomers.

### Green Paddles

Over the past few years, Argos Wityu has built a proprietary methodology which helps its portfolio companies grow: the Paddles. To facilitate the fulfilment of its ESG ambition, Argos Wityu decided to replicate this methodology and create a tool suited for ESG considerations. This led to the creation of the “Green Paddles”, aiming to improve and share knowledge regarding ESG and is continuously being enriched with new team content and inputs.

A dedicated working session was organized during our global seminar in March 2023. All teams were asked to enrich Green Paddles with additional content based on the concrete cases encountered at our portfolio companies.

Finally, the Green Paddles - especially the content regarding best practices & lessons learnt from our investors' experiences regarding ESG - are key to giving concrete examples of the in-practice deployment of ESG actions, thus making the tool valuable and concrete for managers of portfolio companies.

### Argos Climate Academy

In addition to the annual training provided to the whole firm, all employees have access to the Argos Climate Academy: a platform specifically shaped to Argos' needs to improve personal knowledge on various sustainability topics such as climate change, adaptation and mitigation measures, energy efficiency, circular economy, and much more. Also, it provides a dedicated section on law & regulation to keep up to date with the latest updates regarding the SFDR, CSRD, EU Taxonomy, CSDDD, ESRS, and other related (upcoming) directives.

### Lunch & learn

With the aim of raising awareness within the firm on sustainability efforts, actions and latest news, our Head of ESG created the Lunch & Learn session. A dedicated meeting to discuss material sustainability topic, both specifically referred to the the firm and the Portfolio Companies. With the support of external guests/experts we delve into a broad range of sustainability topics.

€ 1,080

Average Training  
Budget per FTE

21%

Turnover Rate

14

Net new Hires

36%

Women within the  
Firm

82%

Women within the  
Corporate Team

9%

Women within the  
Investment Team



# Our Governance

## Working together

Our ESG team leads and oversees the firm's ESG strategy and initiatives and is responsible for integrating ESG considerations into the firm's investment process, managing ESG-related risks and opportunities, and driving sustainable value creation. This team is an internal resource, collaborating closely with other teams and departments. By working together, these teams aim to integrate sustainability and responsible practices into the firm's investment decision-making and create long-term value for investors and other stakeholders.

## Fund Services

The Fund Services Team (FST) reports to Fund Investors on a quarterly basis, both on financial performance and ESG. The FST works with the ESG Team to present the initiatives and achievements of portfolio companies as well as Argos Wityu in a clear and concise manner in a dedicated section of the quarterly report. This section integrates the relevant UN Sustainable Development Goals linked to each action as to understand the impact. Under the supervision of the CFO, the FST also supports the ESG Team with reliable fund-level financial and performance data to perform analyses.

## Investor Relations

The Investor Relations (IR) Team constantly feeds the ESG team by acting as an intermediary between the firm and the investors. ESG is also part of investors' due diligence, showing the growing importance of, and focus on environmental, social and governance topics.

In addition, the IR team is responsible for organising events such as the Annual General Meeting, which is crucial for transparent communication with our investors.

## Investment Team

In addition to the ESG team, our deal teams are a crucial connection between the portfolio companies and ESG. Thanks to their proactive and committed engagement, they also support companies in understanding the value of qualitative ESG practices. They support the guidance of companies in disclosing and sharing important ESG-related information. The investment team is also crucial for creating dedicated ESG action plans to constantly improve portfolio companies' performance.

## Communication & Digital

The communications team supports the ESG team by sharing the latest ESG news and updates by creating unique content and visuals to share commitments and improvements and raise awareness within the Argos' team and with all the other external stakeholders. The communications team manage Argos' social media, where it promotes our successes and news. Also, they contribute to the promotion of ESG-related events, the creation of the annual ESG report, and internal policies.

## Legal & Compliance

Responsible for the creation and updating of processes and informed on the latest regulations, this team is fundamental to keep up with the market and the newest trends. The ESG team works closely with the compliance manager to ensure reporting according to the latest regulations and pushing for transparency at all times.

## Human Resources

Our dedicated Chief of Growth and Performance Officer is responsible for the firm's social well-being and is involved in ESG projects such as 'Women in PE', the Argos Climate Academy, and various seminars. With the support of the ESG team, our Green Paddles and Inclusion & Diversity Policy are constantly being updated. We believe that employees' well-being is reflected through performance. Therefore we offer training and are committed to many initiatives to improve employee satisfaction within Argos.



**Perrine Radiguet**

CHIEF GROWTH  
AND PERFORMANCE  
OFFICER

“

*At Argos, we believe people are our most precious assets. We have a long standing ambition to build a great place to work. Today, our priorities are first to promote diversity within our teams, as we're convinced it makes our workplace richer and stronger. And as we're a learning organization, we are putting a strong emphasis on learning and development programs, building a compelling Learning and Development journey for all our employees.”*



## IT

As cyber security is becoming a key priority in our day-to-day work, and in addition to supporting IT-related matters, our CIO ensures solid internal cyber security. Cyber security 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 to build 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.

### Cyber security

In an environment in which data and activities are increasingly dematerialised, financial market players are faced with a continuous increase in cyber threats.

At the 2022 World Economic Forum, cybercrime was recognised as a major risk, along with natural disasters and the effects of climate change. The sensitivity of the financial sector has therefore increased awareness of cyber security.

Our cyber security procedure ensures that cyber risks are taken into account and security is monitored within the firm. This procedure applies to all employees of Argos Wityu.



Frédéric de Frésart

CHIEF INFORMATION  
OFFICER

“

*In recent years, the way we work has completely changed, and so has the IT perimeter that must be protected. Whereas most employees used to access company data from their offices, and IT departments were, therefore, keen to defend this easy-to-control environment, today, employees work from anywhere. Accordingly, IT departments' practices have had to evolve to deal with these new threats.*

*As a private equity fund, it is our duty to ensure that our data and systems are protected against cyber threats. We are also thriving to support portfolio companies in improving their IT practices. Hence, we have set up a project to analyse the IT maturity of our portfolio companies and improve resilience.”*

### Cybervadis

CyberVadis is an advanced scalable solution for managing the full 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 on cyber security 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 standardized cyber security rating. Moreover, a detailed improvement plan to increase their score and ability to collaborate with stakeholders on implementing improved practices.

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

cybervadis



# Engagement Strategy with Our Portfolio Companies

## ESG Integration & Management

Our portfolio has different maturity levels of ESG and sustainability integration. For those companies just starting or in need of a strong foundation, raising awareness and understanding of frameworks is key before starting their journey.

Our investment teams integrate ESG aspects into their engagement with portfolio companies to monitor portfolio companies and lead discussions. Considering that ESG and sustainability have become a standard topic on the agenda,

Argos Wityu requests portfolio companies to complete an annual sustainability assessment, provided by EcoVadis, which allows to understand the maturity level of each company's management system and monitors extra-financial performance.

	COEXYA Connect skills, create more	EPC GROUPE	FABBRIGROUP
AGON ELECTRONICS	HENRI SELMER PARIS	IJSSEL technologie	julhiet & sterwen CONSULTING FOR GOOD
G GANTREX ON TRACK, WITH YOU	LOQU [OPTICAL GROUP GMBH]	MAISON BERGER PARIS	moro latteria e caseificio
LINEAS	Revima	Sasa Demarle groupe	SB Italia
NORLINE AG	SICURA	TalenTia FINANCE & HR SOLUTIONS	VALCO GROUP
SCHENK TANKTRANSPORT	wibit	ZODIAC MILPRO	

The output supports us to:

- Evaluate the sustainability management & practices of the company
- Gain insights into strengths as well as improvement areas
- Benchmark & increase comparability
- Communicate the outcome both internally and externally
- Monitor performance through key performance indicators

A successful approach to sensitizing companies to improve their sustainability practices is part of our ESG strategy. Therefore, Argos Wityu 's Responsible Investment Strategy promotes regular and qualitative controls.

Hence, as an investment manager, Argos Wityu ensures active participation in strategic decisions, exercising voting rights in general meetings, and using the veto and preferential rights owned.

## Integration of ESG Risks in Risk Management

ESG risks are managed by implementing a comprehensive approach. Firstly, we conduct thorough due diligence to identify and assess ESG risks associated with potential investments, considering factors such as climate change, resource depletion, labour practices, and governance structures.

Secondly, we incorporate ESG considerations into the investment decision-making process, weighing the risks and opportunities presented by these factors. This includes evaluating the alignment of potential investments with sustainable development goals and industry best practices.

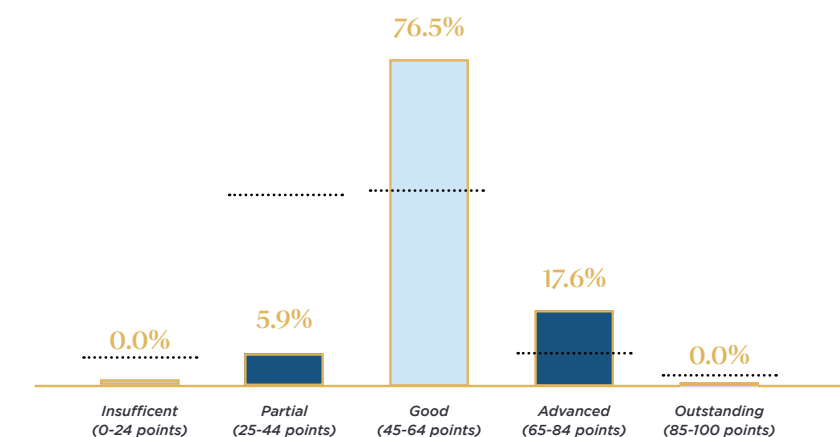
Thirdly, the fund actively engages with portfolio companies, encouraging them to adopt sustainable business practices and mitigate identified ESG risks. Through regular monitoring and reporting, we ensure ongoing accountability and transparency regarding ESG performance. By integrating ESG risks into investments, we not only seek to generate financial returns but also promote sustainable and responsible investment practices, contributing to long-term value creation and positive societal impact.

## Assessing Sustainability Performance through EcoVadis

As of 2022, all companies are asked to start reporting their sustainability performance and KPIs through EcoVadis. Thanks to the EcoVadis Assessment, companies have the chance to understand their strengths and weaknesses and to set up corrective action plans to further improve their sustainability performance. If applicable, a medal is assigned: based on the percentile rank of the company's EcoVadis score and a minimum theme score. It is important to note the scoring scale includes five sustainability performance levels:

- Outstanding (score 85-100);
- Advanced (score 65-84);
- Good (score 45-64);
- Partial (score 25-44);
- Insufficient (score 0-24).

**ecovadis**  
Business Sustainability Ratings



..... Benchmark of all companies rated by EcoVadis

## The ESG Club

To support sustainability performance within the portfolio companies, our ESG Team meets quarterly with the sustainability ambassadors of each company to discuss and share best practices and to understand common challenges. We aim to support our companies in their journey towards further integrating sustainability into their business by providing concrete support through guidelines, workshops and external tools. The objective is to reach a level of independence in which the companies can set their sustainability action plans, targets and report by themselves.

## What our portfolio companies say:

**SELMER** - "The ESG Club gives us the chance to share all the challenges encountered in the implementation of sustainability reporting, discussing next steps and sharing best practices."

**LOQU** - "It is a useful tool to identify opportunities for improvement and to discuss ESG initiatives."

**WIBIT** - "The ESG Club is a great asset to see on how other portfolio companies have done so far and what kind of steps we need to take in order to achieve our ESG goals."

**GANTREX** - "These sessions are important to raise awareness on ESG regulations and practices, and they allow the companies to learn from the others and to share interesting point of views."



# ESG in Our Portfolio

## Environmental Impact

At Argos Wityu, we consider the impact of our investments on climate change and biodiversity in the ESG investment-decision process through:

- The monitoring of environmental indicators.
- The implementation of an engagement policy with target investments to improve their impact.

More specifically, we assess the environmental impact of our operations and those of our portfolio companies as follows:

- Identify potential risks and appropriate mitigating measures through an environmental impact assessment where portfolio company operations could involve loss of biodiversity or habitat, emission of significant quantities of greenhouse gases, severe water or air quality degradation, substantial solid waste, or other significant adverse environmental impacts.
- Consider the potential for positive environmental impacts from the portfolio company activities.

Hence, Argos Wityu is supporting its portfolio companies to have their carbon footprint assessed. In 2022, 88% of portfolio companies conducted a carbon footprint assessment, and we are confident we reach 100% in 2023.

In 2022, 82% of the portfolio companies set an action plan for the coming years, and 47% developed a qualitative sustainability strategy.

There is also an internal consensus to integrate biodiversity into future investment decisions and monitoring. Therefore we start with incorporating elements of the TCFD and TNFD guidelines as of the end of 2023. Although some portfolio companies are already mobilized on biodiversity, Argos needs to better understand the biodiversity-related impact it may have to define a biodiversity strategy aligned with the international objectives.

We realise that due to the industrial nature of the operations of some of our companies, the relevance of implementing environmental management is even more important. In such cases, we encourage integrating the ISO14001 framework or equivalent.



## Portfolio emissions

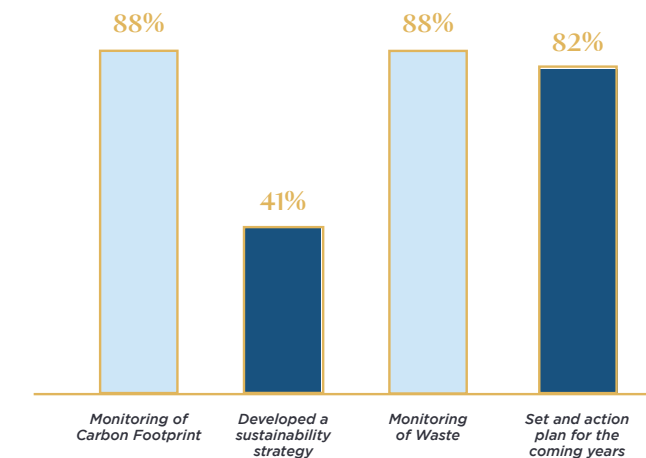
# 941,770

tCO2eq GHG Emissions\*

## Portfolio renewable energy consumption

# 22%

Average share of renewable energy consumption\*



Environmental performance overview  
(as % of total PF companies)

\*total of 17 out of 21 portfolio companies

## Insights from our Companies

### LINEAS

“The biggest strength of the company is its unique selling point, being the greenest transport mode in the logistics sector and it is the awareness that with each train that we drive for our customer, the society at large benefits through a much lower external cost.”

Indeed, rail freight emits 6 times less CO2 and fine particles, it is 8 times more energy efficient compared than road freight services. Moreover, rail freight transport contributes directly to easing congestion on roads.”

One of the biggest steps that has been taken this year is the deployment of a new supplier code of conduct that is also a unique opportunity to build and enforce a dialogue and positive relationship with our suppliers regarding ESG management and practices.

Moreover, we showed our strong commitment also proposing a 55% supplier engagement SBT goal that is an important sustainability driver for us.”

Christine Vanoppen  
REPUTATION, ENVIRONMENT & GOVERNANCE MANAGER  
AT LINEAS





### Materials and Waste

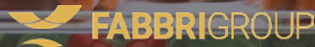
Out of all environmental initiatives, monitoring waste management is most strongly managed as 88% (vs. 82% in 2019) of companies have introduced a waste management policy and have pledged to continuously evaluate the environmental impact of their operations.

### Renewable Energy

With the increase of attention towards the environment, also the focus on renewable energy has grown. Currently, the average share of renewable energy consumption is 22%. Five companies are also showing a share higher than 70%, with two of these solely using renewable energy. Almost 88% of our portfolio companies stated the intention to decrease energy consumption in the coming years, and a strong shift towards renewables.



## Insights from our Companies



“Our biggest challenge and opportunity is related to the development of always more sustainable packagings and also to improve sustainable production processes aiming at a better performance. This is the market’s main request to leading companies within the packaging sector and is key for a greener future and better environmental impact. Our strength on the other side is our attention on the environmental sphere: we have strong values and we are taking concrete actions in terms of energy efficiency. We are building a photovoltaic plant for our internal energy that will break down the energy demand of 40% in one of our production plant.”

Fausto Puviani

CHIEF FINANCIAL OFFICER  
AT FABBRI



### Carbon Footprint

In 2022, 88% of our portfolio companies assessed their carbon footprint according to the GHG Protocol. Companies who monitor their carbon footprint, measure their scope 1 and 2, and most include scope 3. The remaining companies are defining a plan to also assess their scope 3 as of next year as data gathering asks for more time and a detailed methodology.

There is a strong commitment to increase the quality of the carbon footprint assessments in the future and to align with the Paris Agreement through Science Based Targets. The first companies have submitted SBTs and are waiting for validation. This is an important step to reach next level of commitment, transparency, comparability and quality in reporting.

Currently, our portfolio counts for a total\* of 941,770 tCO2eq GHG emissions.

\*total of 17 out of 21 portfolio companies



## Insights from our Companies



“Sustainability within the company is every day more dominant, therefore integrating and ensuring sustainable practices and a good governance within the supply chain is key, especially in the far east.

Pollution and carbon e emissions are crucial topics for us as well as great challenges we need to take into account in the supply chains.

Transport is key for our sector, therefore, to reduce emissions, we increased the use of container freight instead of air freight that has a bigger environmental impact.”

Romann Rademacher

CHIEF EXECUTIVE OFFICER & FOUNDER  
AT WIBIT SPORTS





Social

Portfolio companies play a key role in promoting sustainable development by creating jobs and ensuring decent working conditions that favour equal opportunities.

As a private equity fund focused on growth, Argos Wityu supports its portfolio companies in their job creation efforts, on promoting social well-being and in improving DEI measures within the company to ensure best practices.

In 2022, 783 new jobs have been created within the Portfolio Companies and we count more than 10,055 employees working there.

Injury Rate

Employee health is a key criterion at our portfolio companies. As a result, portfolio companies have implemented various safety measures, decreasing the injury rate since 2018. As a general note, companies in an industrial environment encounter a higher injury rate than other industries. In 2022, the average Injuries frequency rate is 9%.

Turnover Rate

Retention of employees is very important for the portfolio success, as it reduces training expenses and recruitment costs and efforts. After an increase until 2019, the consolidated employee turnover rate is decreasing again towards 16%.

Gender equality

Ensuring equal gender representation within companies remains a material topic. In 2022, the average share of women boards is 18%, and 23% in top management teams. Argos continues to act to increase the presence of women in top positions. In addition, many new DEI policies, measures and initiatives have been implemented to grant equal opportunities both to men and women from different backgrounds.

Insights from our Companies



“Sustainability is part of our DNA. It is perfectly natural for everyone at Julhiet Sterwen. It is so natural that initiatives flourish everywhere. Our very organizational model is employee centric and relies on confidence, common sense and simplicity. It’s key to give space for employees to bloom. We daily consider as priority the employees’ well-being , the home office policy and collaboration within colleagues and teams to support each other.”

Judith Lengrand  
DIRECTOR OF COMMUNICATION & MARKETING  
AT JULHIET STERWEN

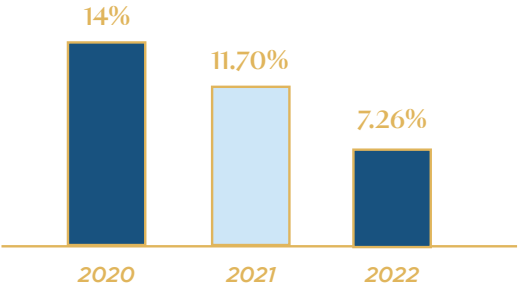


10,055

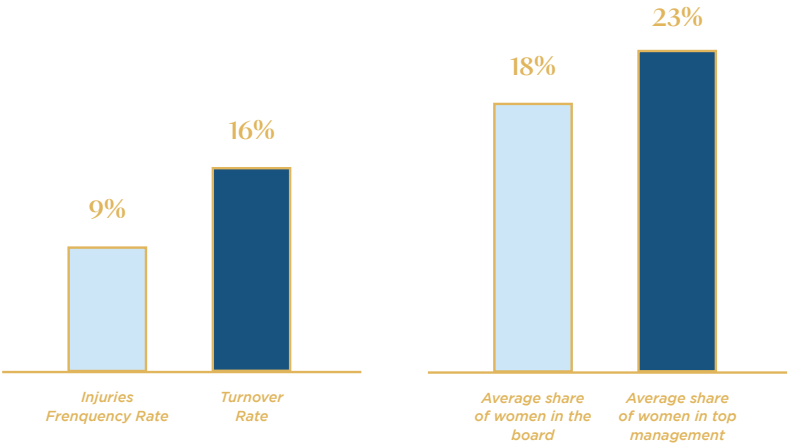
Total full time  
equivalent workers (FTEs)

783

Net jobs created



Absenteeism over the last 3 years  
(as average of PF companies)



Social performance overview  
(as % of total PF companies)

Insights from our Companies



“Our main goal is ensuring the security of people working on site by upgrading and standardizing H&S procedures that will be applicable wherever Gantrex operates.

The company is appointing a project manager to enhance H&S at group level, moreover, a global Health and Safety (H&S) library will be created where to collect all the procedures for Health and Safety, working instructions, certification, and any useful documentation for H&S contractual requirements. On top of the global H&S framework, Gantrex is also investigating if external certification (ISO EN 45001) would be opportune to reduce risk hazards.”

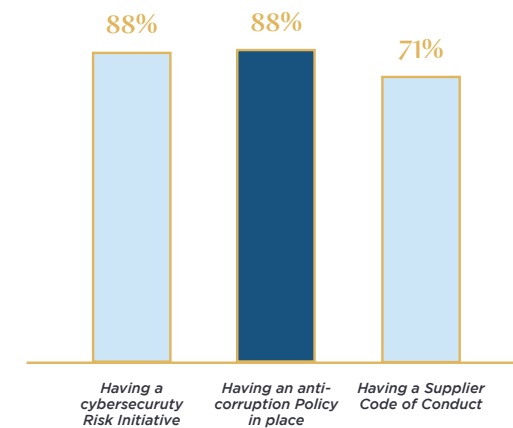
Angelique Lecomte  
GROUP TOTAL QUALITY MANAGER  
AT GANTREX





## Governance

The impact and importance of solid governance measures should not be underestimated. In the last few years, we have set in motion the implementation of strict governance policies in our portfolio companies. Currently, 71% of portfolio companies have a code of conduct. Further, 88% of the companies have both an anti-corruption policy and a cyber security risk initiative in place, and since last year, Argos Wityu portfolio companies have significantly improved their governance practices, a trend that will continue in the coming years.



Governance performance overview  
(as % of total PF companies)

## Insights from our Companies

MAISON  
**BERGER**  
PARIS

“To respond to the economic, social and environmental challenges that the EmosiaGroup and its stakeholders are facing, our management has decided to enrol the Group in a responsible approach aimed at sustainably satisfying its customers in the home fragrance market.

A CSR committee comprising 12 employees from various sites has been created. Its mission is to move forward on major issues and raise awareness among all employees who have a role in this CSR commitment. To meet the objectives of sustainable development, we based ourselves on the 7 central questions of the ISO 26000 standard related to sustainable development, the health of individuals and the well-being of society.

The group's CSR program is based on 3 pillars that address sustainability throughout the value chain: our products and customers, people, and planet. For each of the pillars, the strategic issues with high priority for the coming 3 years have been defined considering those of the stakeholders. Projects are led by the CSR committee, which meets monthly to monitor the progress of actions concerning priorities. The challenge is to involve and get all employees on board for a more effective CSR approach. This is why they are regularly asked to participate in specific working groups and surveys regarding CSR.

Recently, after having trained several employees in eco-design, we created 3R workshops (reduce, recycle, reuse) led by members of the CSR committee. The outcome is the development of a 3R 2023-2026 Roadmap, validated by management. Employees need concrete information; it is important to involve them in the group's approach and to communicate the progress of the projects carried out by the group (e.g., carbon footprint, EcoVadis, and our CSR policy).”

**Corinne Gomez**

HEAD OF RESEARCH & DEVELOPMENT  
QUALITY AT MAISON BERGER  
EMOSIA GROUP



## What's next? A glimpse into 2023

01

### UNPRI Reporting

In 2023, we will publish our UNPRI report according to the wider scope defined over the last two years.

We see this as an essential step that enforces our commitment towards the world's leading proponent of responsible investment.

It will also demonstrate our alignment with global standards for responsible investment practices, enhances transparency and disclosure, and promotes consistency and comparability in reporting.

02

### EcoVadis Improvement

At the end of 2023, all our portfolio companies will report on their sustainable performance through the EcoVadis assessment.

Overall, leveraging EcoVadis can help companies improve reporting practices. These benefits contribute to more accurate, transparent, and credible sustainability reporting, fostering responsible and sustainable business practices.

03

### Climate Risk Assessments

By incorporating Climate Risk assessments into investment decision-making processes, we will be able to assess the potential risks and opportunities posed by climate change and related factors on investments.

This type of assessment is an essential tool to understand and manage the financial risks and opportunities related to climate change.

04

### Focus on DEI

We recognize the transformative power of diversity and its positive impact on our organization and portfolio companies.

We have implemented comprehensive initiatives to foster diversity and inclusion, including setting measurable goals for diverse representation at all levels of the firm.



argos.  
wityu

ESG  
REPORT  
2022

JUNE 2023