

# Adagia Partners ESG Policy

## 1. Introduction

The purpose of this policy is to define Adagia Partners' approach and commitments regarding Environmental, Social, and Governance (ESG) matters. This ESG Policy applies to Adagia Partners (i.e. Adagia Partners SAS, its subsidiaries, and the Adagia Partners funds) as well as to its portfolio companies, with the exception of minority investments, where we encourage the implementation of ESG targets and regular monitoring.

At Adagia Partners, we believe that long-term value creation is inseparable from sustainable business practices. ESG is at the heart of how we invest, support our portfolio companies, and operate as a firm. Integrating ESG considerations enhances resilience, mitigates risks, and fosters innovation, driving superior and sustainable returns for our investors.

We recognize our responsibility to promote positive environmental and social impact and uphold the highest standards of governance. Our ESG approach is rooted in three key drivers:

- **Value creation and risk management** – embedding ESG to enhance sustainable growth and performance
- **Alignment with investors** – ensuring our practices reflect the expectations and principles of our LPs
- **Anticipation of regulation** – staying ahead of evolving global ESG frameworks and compliance requirements

Adagia Partners is a signatory of the UN Principles for Responsible Investment (UN PRI) and actively supports key industry initiatives promoting responsible investment practices. In particular, the Firm adheres to the France Invest Climate Initiative, the France Invest Gender Equality Charter, and the France Invest Value Sharing Charter, which promotes fair distribution of value creation with employees of portfolio companies.

The Firm also aligns its ESG practices with European sustainable finance regulation and manages funds classified under Article 8 of the Sustainable Finance Disclosure Regulation (SFDR).

ESG oversight is ensured through dedicated governance bodies. In particular, the ESG Committee, meeting twice a year, monitors the ESG roadmap at both the management

company and portfolio levels. In addition, the Compliance & Risk Committee oversees ESG and climate-related risks as part of the firm's broader risk management framework.

ESG is formally discussed within the Advisory Board, Executive Committee, Investment Committee, and Portfolio Committee. Each portfolio company designates a CSR or ESG Manager responsible for implementation at company level.

## **2. ESG Pillars**

Adagia Partners fully integrates ESG risks and opportunities across the investment lifecycle. Our ESG strategy is structured around three pillars — Environmental Respect, Social Responsibility, and Ethical Governance — where we believe we can generate measurable, long-term impact.

### **1. Environmental Respect**

Adagia Partners supports initiatives that reduce environmental impact and foster resource efficiency. We encourage our portfolio companies to measure and reduce greenhouse gas emissions, implement responsible procurement, and promote circular economy practices. Our methodology includes:

- Assessment of carbon footprint by emission source
- Performance monitoring and benchmarking against peers
- Implementation of reduction measures and best practice sharing
- Disclosure of annual emissions data where possible

All Adagia professionals complete annual ESG training, including modules on climate awareness and responsible resource management.

### **2. Social Responsibility**

Adagia Partners is committed to promoting inclusive, fair, and safe workplaces both internally and within portfolio companies. We support equal opportunity, diversity in all its forms, and employee well-being. Our objectives include:

- Prohibition of child and forced labour
- Safe and healthy working conditions
- Equal treatment regardless of gender, age, origin, or beliefs
- Enhanced employability through training and skills development
- Promotion of diversity and inclusion at all levels

We are signatories of the France Invest Gender Equality Charter, which sets concrete targets for gender balance within investment teams and portfolio company leadership. The Adagia Foundation further reinforces our commitment to social progress by supporting education, equal opportunity, and community initiatives.

### **3. Ethical Governance**

Strong governance is essential to sustainable value creation. Adagia Partners promotes ethical, transparent, and responsible business conduct. Our governance principles include:

- Implementation of Audit and Remuneration Committees
- Prohibition of corruption and unethical business practices
- Alignment of interests through employee share ownership programs (ESOPs)
- Promotion of ESG awareness and training across all employees
- Integration of ESG and UN Sustainable Development Goals (SDGs) into company culture
- Transparent and responsible decision-making at all levels.

### **3. ESG in the Investment Process**

ESG integration is embedded throughout the investment process, from origination to exit.

#### **1. Origination**

Adagia Partners applies a binding exclusion policy and excludes investments in companies whose principal source of revenues derives from activities that are inconsistent with our values of integrity and responsibility.

In particular, Adagia Partners will not invest in companies whose principal source of revenues comes from the following sectors or activities:

- the production, manufacturing or trading of offensive weapons, cluster bombs or munitions, it being specified that this exclusion does not apply to computer technology, communications equipment, software, medical supplies, vaccines or similar item
- the production of distilled alcohol
- the production or trading of pornographic content
- the production, manufacturing or trading of tobacco
- the production, manufacturing or sale of narcotics where such activity is prohibited by the laws of the portfolio company's jurisdiction of incorporation
- the operation of casinos and equivalent enterprises, excluding internet gambling and online casinos
- coal power generation and/or electricity produced through coal-fired power plants
- human cloning activities, other than for therapeutic purposes

Beyond these sector-based exclusions, Adagia Partners systematically rejects any investment opportunity that conflicts with its ethical principles or values of integrity and

responsibility. This includes, in particular, any opportunity directly or indirectly linked to child labour, forced labour, corruption, violations of applicable sanctions or embargoes, or any activity that would be inconsistent with Adagia Partners' responsible investment standards.

## **2. Due Diligence**

During pre-investment analysis, ESG due diligence is performed by internal and external experts. It assesses environmental and social risks, governance standards, and alignment with relevant SDGs. The analysis identifies key ESG risks and opportunities, leading to an action plan with clear objectives and milestones.

## **3. Investment Decision**

ESG findings are integrated into investment memoranda and considered in final decision-making. Each investment includes an ESG roadmap agreed with management, setting out concrete improvement actions

## **4. Ownership and Monitoring**

After acquisition, Adagia Partners conducts an ESG audit and defines KPIs tailored to each portfolio company. ESG progress is reviewed quarterly in Board meetings and biannually by the ESG & Regulation Committee. Each year, portfolio companies complete a comprehensive ESG questionnaire covering environmental, social and governance indicators. The firm monitors a standardized set of ESG KPIs across the portfolio and conducts annual data collection to assess progress, benchmark performance and identify improvement areas.

## **5. Exit**

At exit, an ESG Vendor Due Diligence highlights each company's progress, compliance, and ESG achievements — providing tangible proof of sustainable value creation.

## **4. Commitment**

Adagia Partners expects all portfolio companies to operate responsibly and align with our ESG principles. Each company is encouraged to:

- Use natural resources efficiently and reduce emissions
- Ensure safe, fair, and inclusive workplaces
- Promote diversity, equal opportunity, and social dialogue
- Maintain transparent and ethical business practices

- Implement employee share ownership programs (ESOPs)
- Dedicate resources to achieve ESG objectives and report regularly on progress.

At the management company level, Adagia Partners acts according to its own ESG commitments:

**1. Environment**

- Reduction of paper and energy consumption through digitalization and responsible office practices
- Responsible procurement favouring recycled and sustainable materials.

**2. Social**

- Promotion of diversity and equal opportunity within our teams
- Annual training on ESG integration, anti-corruption, and sustainable finance
- Support for education and equal opportunity through the Adagia Foundation

**3. Governance**

- Inclusive sharing of carried interest among employees
- Independent advisory board oversight
- Adoption of a Code of Conduct promoting transparency, ethics, and responsibility

Through these commitments, Adagia Partners strives to create long-term, sustainable value for its investors, portfolio companies, and society as a whole.