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ESG
Policy

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ESG POLICY

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INTRODUCTION

Our roots

Sienna Investment Managers or "Sienna" has a present: its core business is to manage, through its regulated management subsidiaries, capital coming from institutional investors (directly or on behalf of their networks), family offices or companies.

In addition to funds managed on the financial markets, Sienna has developed rapidly in the field of unlisted assets with essentially bilateral transactions allowing it to develop a direct dialogue with companies: real estate, private debt, private assets, venture capital, etc.

As an investor in search of the best financial solutions, Sienna is guided by the values of innovation and the search for meaning at the service of investors.

Sienna also has a history, and its roots lie primarily in those of its shareholder Groupe Bruxelles Lambert ("GBL"), an entrepreneurial group controlled by industrial families and listed on Euronext. GBL's commitments are particularly strong in the fight against climate change, the promotion of diversity, transparency, and access to sustainable finance solutions. In January 2022, GBL became the first investment holding company to have climate targets aligned with a 1.5°C trajectory validated by the Science Based Targets initiative ("SBTi"). GBL's commitments and their implementation are recognized by the Principles for Responsible Investment ("PRI"), S&P Global Rating, and Sustainalytics. These commitments are intended to be rapidly taken up by Sienna.

Sienna is also a long-term partner of large institutional investors, who make up the majority of its investors and whose environmental, social and governance ("ESG") requirements have been growing for over 10 years. The French group Malakoff is thus a co-shareholder of Sienna Gestion, whose convictions focus in particular on strong societal commitments such as gender equality and disability.

Our beliefs

Sienna considers that responsible finance has a key role to play in supporting the different players of the economy in the historic transitions that we are facing: *Digital transition*, with the related fractures, *Demographic transition* and its health and training needs, *Societal transition*, notably around gender and inclusion, and of course *Ecological transition*, centered today on the climate and tomorrow in a broader way on biodiversity.

Given the considerable levels of investment required to reorient production, consumption and living conditions in the coming decades, sustainable finance is already contributing to directing financial flows towards activities that will shape the future while maintaining optimal profitability for investors and shareholders.

Sustainable finance does not oppose sustainability and profitability. In addition to strictly financial data, it also takes into account real risks throughout the investment cycle (selection, monitoring, portfolio optimization, divestment), analyzed under the axis of double materiality: the risks that the environment in the broadest sense poses to the investment, but also those induced by the negative externalities generated by the companies financed by the funds we manage.

A group vision

Sienna is an asset management group that brings together complementary skills in Europe, particularly in the different areas of alternative investment management, and operates in specific structures that offer the specialization and responsiveness that our investor clients are looking for. These structures (alternative fund managers or "AIFM") are subject to financial regulations and must comply with the obligations of ESG transparency and the integration of sustainability risks, which has been mandatory since March 2021.

The purpose of this Environmental, Social, Governance and Responsible Investment Policy ("ESG Policy") is to explain the strategy, policy and governance in place to integrate ESG considerations into Sienna's business. It outlines the company's commitments and guidance for implementing the three ESG pillars. With this ESG Policy, Sienna provides a clear framework for all group companies to refer to in their various ESG policies, integration approaches, objectives and ambitions.

The ESG Policy complements Sienna's Corporate Governance Charter (the "Charter"), Sienna's Code of Conduct (the "Code"), Sienna's Diversity & Inclusion Policy (the "D&I Policy") and Sienna's Exclusion Policy (the "Exclusion Policy").

The ESG Policy was communicated to Sienna's Board of Directors in December 2022. This ESG Policy will be reviewed on a tri-annual basis.

External engagement

ESG is a dynamic that we need to support and develop both domestically and globally. Sienna therefore takes a selective approach to its engagement with external coalitions, charters and commitments in order to be able to demonstrate a real impact in terms of its contribution.

In this spirit, Sienna adheres to the Principles for Responsible Investment ("PRI"), the United Nations Global Compact and France Invest. Sienna encourages the active participation of employees of the various Sienna entities in the working groups of the associations and in the discussions within the following bodies: Finance for Tomorrow, the International Climate Initiative, France Invest or the French Management Association, for example.

- List of commitments and charters signed by Sienna available on www.sienna-im.com.

ESG POLICY RESPONSIBILITIES

ESG governance led by the Board of Directors

Sienna is decisively committed to its ESG strategy with the support of its shareholder and senior management. Sienna relies on a best-in-class governance system for the development, implementation and monitoring of its ESG strategy:

- The CEO is personally responsible for the strategy, its objectives, achievements and funding;
- The CEO has a dedicated ESG correspondent appointed to the Sienna IM Board of Directors;

- The CEO is supported by the Head of ESG, a member of the executive team, who reports directly to the CEO and is responsible for implementing Sienna IM's ESG strategy and driving the approach of the specialized subsidiaries by providing functional guidance to each ESG manager and approving the programs and communications put in place;
- The CEO leads the ESG Strategy Committee, which brings together the corporate officers of the various product lines as well as members of the Executive Board and the Chief Risk and Compliance Officer ("CRCO");
- The Head of ESG leads the ESG Correspondent Network, which is made up of ESG managers within each of the Group's structures. He ensures that these managers report directly to a corporate officer, and that an ESG correspondent is appointed to the Board of Directors of each operating subsidiary;
- The Head of ESG ensures that the group's practices are in line with the support of Sienna IM's CRCO.

The Group's ESG organization chart is available at www.sienna-im.com.

Key performance indicators

Sienna's management approach involves measuring and monitoring its ESG actions through key performance indicators ("KPIs"). ESG KPIs are derived from the group's key achievement areas (or "ESG Commitments").

From 2023 onwards, the ESG KPIs are structured over a 3-year period and approved by the Sienna Board of Directors. New ESG KPIs related to the implementation of the ESG Policy have been approved by the Board of Directors of December 2022. They will be reviewed annually in the future or in case of changes in the ESG Policy.

SIENNA, A RESPONSIBLE COMPANY

Governance

Sienna has adopted the Charter that brings together all of the company's corporate governance rules and particularly the principles governing the conduct of Sienna IM's Board of Directors as well as this body's operating rules. This document also includes the Dealing Code, which defines the rules applicable to transactions carried out by employees of Sienna and its entities. The Charter is the reference document for any governance-related processes and policies.

- Corporate Governance Charter available at www.sienna-im.com
- Code of Conduct available at www.sienna-im.com

Diversity in the Board of Directors and Management

Sienna is committed to the proper application of corporate governance provisions. Sienna strives to apply diversity to the composition of its governance bodies, notwithstanding the presence of a controlling shareholder. Diversity is therefore a criterion in the selection of new Directors and management. Sienna does not tolerate discrimination of any kind in accordance with its D&I Policy.

- D&I Policy available at www.sienna-im.com.

Ethics and integrity

Sienna is committed to conducting its business ethically and in accordance with applicable laws. This includes a prohibition on the use of illegal practices, including bribery, corruption and market abuse to gain or retain a commercial advantage. Sienna's core values and business principles are specified in the Code, which further indicates to whom all employees can refer should any question or insecurity arise. The Code indicates limits and elements to be considered for the full compliance to local regulations as well as anti-corruption practices.

An adapted HR policy

Sienna has decided to orient its human resources strategy toward ESG. This involves publishing its D&I Policy. It also involves indexing salary provisions such as profit sharing to clear ESG objectives, including but not limited to parity. Additional incentive schemes linked to long-term asset performance or performance fees are also concerned.

As an employer, Sienna believes that value creation is derived, among other things, from its ability to attract and retain talented people of diverse genders, backgrounds and skills who embrace Sienna's ethical values. This talent is a key asset to Sienna as an investment firm.

Sienna is committed to the following principles:

- To create a positive and long-term working relationship with its employees;
- To provide a diverse and inclusive work environment in which individuals are treated with mutual respect, dignity and fairness;
- Ensure equal opportunities for recruitment, appointment and promotion on the basis of appropriate qualifications, requirements and performance;
- To provide a safe and healthy working environment, free from all forms of discrimination.

The D&I Policy elaborates on these principles and indicates to whom Sienna employees can refer.

A lifelong learning policy for all

Beyond personal involvement, training is the basis for the success of any ESG approach in a new, complex and changing economic and regulatory context.

Each year, Sienna trains all of the group's employees and the members of the group's Boards of Directors on key ESG issues. Sienna also finances ESG training courses for certain internal experts.

Computer security and cybersecurity

Due to the current trend towards digitalization, including but not limited to cloud computing, it is essential for Sienna to ensure that access to the network, computer systems and data is guaranteed at all times and that Sienna is well prepared to prevent computer system failures and/or major computer or cybersecurity incidents.

Sienna establishes procedures for all employees to manage potential IT and cybersecurity threats:

- A clear escalation process that employees can follow in the event that an employee notices something suspicious;
- Continuity and contingency plans and incident response procedures are in place and tested regularly;
- Potential information and/or cybersecurity breaches and incidents are reported to the relevant governance and supervisory bodies and regulatory authorities.

A commitment to the environment

As an investment company and due to the nature of its business, Sienna has a direct non-material environmental impact. Despite this non-material environmental footprint, Sienna is committed to:

- Integrating environmental values into its activities and limiting any negative impacts within its own scope; and
- Acting as a professional investor by integrating all ESG aspects, including the environmental impacts of its portfolio companies, into its investment processes, as described in the following sections.

Sienna is committed to complying with applicable environmental laws and regulations and to managing and assessing, where appropriate, any foreseeable environmental impacts associated with its activities. In addition, Sienna promotes the implementation of best practices in energy efficiency, green mobility and waste management within the group with the objective of reducing its energy consumption and the consumption of natural resources.

Despite its direct non-material environmental impact, Sienna aims to minimize its carbon footprint in order to contribute to the global effort and act as an example to its portfolio companies. Finally, all of Sienna's employees are aware of the company's environmental impact and respect the commitments made in this area.

Through its commitment to an environmental strategy, the group raises awareness among its employees by encouraging ecological gestures such as the use of water fountains and the reduction and/or recycling of paper in the office, the selection of low-carbon means of transport or the use of alternative energy sources.

A sponsorship policy integrated with the ESG approach

The sustainable investor approach is not the only way for financial companies to contribute to transitions. The sharing of financial results also makes it possible to assist actors in need of special support or causes that are difficult to finance. Sienna, along with its shareholder GBL, is setting up an endowment fund in connection with the fair and sustainable transition. This initiative will be funded

from 2023 onwards, in particular with part of Sienna's recurrent income and shares linked to the performance of the assets.

SIENNA, A RESPONSIBLE INVESTOR

Exclusion policy

As part of its ESG integration policy, Sienna implements an ESG exclusion policy ("the Exclusion Policy"). Sienna acts in accordance with domestic and international laws, bans, treaties and applicable embargoes to define its investment universe. In addition to these legal requirements, Sienna also takes into account sector and normative exclusions such as human rights, tobacco, pornography and coal exposure. The Exclusion Policy describes the conditions for the application of these exclusions.

- Exclusion Policy available at www.sienna-im.com.

Controversy management and due diligence process

As part of its ESG integration policy, Sienna aims to implement robust processes for identifying ESG controversies and potential ESG risks at the pre-investment stage. The nature of the ESG due diligence work is specific to each of the investment processes deployed by Sienna's different management teams and is specified in their own ESG integration frameworks.

The findings of these ESG due diligence processes are specifically documented in the investment or financing recommendations provided to the Investment Committee responsible for the investment decision.

Taking the ESG dimension into account throughout the decision-making process

In addition to the elements mentioned above, Sienna implements a policy of integrating ESG parameters during the financing and holding phases of assets. In particular, the assets under consideration are subject to an annual review of ESG risks, including physical climate and transition risks. The specificities inherent to each investment process and each asset class are described in the ESG policies specific to the different asset classes and investment solutions proposed.

In the event of serious controversies impacting an asset owned or financed by Sienna, the Sienna ESG Strategy Committee may be called upon to define a group position.

Commitment and exercise of voting rights

As part of its ESG integration policy, Sienna requires the implementation of engagement programs and plans by invested or financed assets based on the conclusions of preliminary risk analyses and annual ESG risk reviews. Due to the specificities inherent to each asset class, the purpose and conditions of these engagement plans remain specific to each investment process and are described in the specific documentation for each entity and product.

Exercising voting rights is an integral part of the ESG commitment of the various fund managers, and Sienna exercises the voting rights attached to its investments on behalf of its clients. The specific voting policy for each product and dedicated reporting are available on the websites of each regulated entity.

Divestment

As part of its ESG integration policy, Sienna requires its entities to make explicit the conditions for ESG-induced divestments. Due to the specificity of each asset class, these elements are described in the responsible investment policies of each entity and product.

Organized access to data

Access to information is the key to setting targets and ensuring the success of ESG integration throughout the investment cycle.

Furthermore, without taking steps to systematically collect data from the field, compliance with European transparency and reporting regulations (EU Regulation on sustainability-related disclosures in the financial services sector, "SFDR," or EU Regulation on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088, Taxonomy) cannot be ensured.

Sienna conducts a large part of its private market transactions bilaterally and cannot systematically rely on external ESG data providers.

Sienna is therefore investing in strengthening its processes and information systems to collect data transferred from specialized providers or transmitted directly by borrowers throughout the investment cycle.

COMMITMENTS

Climate action

Given the challenges and threats posed by climate change, Sienna publicly endorses the Paris Agreement under the United Nations Framework Convention on Climate Change. Sienna is implementing the recommendations of the *Task Force on Climate-related Financial Disclosures* ("TCFD") as well as developing climate risk mitigation and adaptation strategies for Sienna, its investments, and its clients' exposure to these risks. Sienna intends to contribute to the progressive alignment of financial markets with climate targets and will formalize its commitment to recognized initiatives on ambitious climate targets such as SBTi or the *Net Zero Asset Managers Initiative* ("NZAMI").

Action for biodiversity

The climate issue has been one of the structuring themes of ESG over the decade 2010-2020. The methodological developments, reporting frameworks and approaches to structuring commitments developed on the climate theme provide fertile ground for significant advances on complementary themes such as biodiversity. Sienna believes that biodiversity will become one of the key differentiating factors of a quality sustainable offer in the future. Sienna therefore intends to offer particularly innovative and differentiating investment solutions on this theme, based, particularly, on concrete and quantifiable indicators that measure the impact and efforts made to protect biodiversity. To this end, Sienna will benefit from the expertise of Iceberg Data Lab, a company specialized in biodiversity data in which the group acquired a stake in July 2021.

Action for parity

The theme of parity has historically shaped the ESG commitment of some of the entities that make up Sienna today, such as Sienna Gestion. Sienna recognizes the progress made by these entities in this area and confirms its overall commitment and the commitment to parity of all its products. In this context, Sienna will join market initiatives contributing to the promotion of parity and will ensure the commitment and transparency of all its products and management processes on the theme of parity with the specificities imposed by the nature of the assets considered.

Action for people with disabilities

The promotion of the inclusion of people with disabilities has also been a strong focus of social commitment for some of Sienna's entities. Wishing to continue the efforts made in this area, Sienna recognizes the progress made by these entities in this field and confirms its commitment and the commitment of all its product lines to this theme.

Impact at the heart of our management style, in line with the SFDR Art. 8 and Art. 9 classifications

Our DNA is firmly focused on action towards the real economy and impact. It calls on us to focus on investments with meaningful impact rather than just rewarding established best practice.

In this spirit, Sienna will contribute to directly transforming the economy with innovative sustainable finance products such as green bonds, ESG-linked bond financing or the implementation of incentive plans with a strong ESG component within the companies in which Sienna invests.

Sienna, in conjunction with its investor clients, will continue to develop and offer recognized sustainable investment solutions with an impact dimension, in line with the regulatory requirements for SFDR Art. 8 and SFDR Art. 9 classification.

- List of SFDR Art. 8 and Art. 9 funds available on www.sienna-im.com.

TRANSPARENCY

The search for labels

The labelling process is important because it harmonizes and simplifies the evaluation of investors when analyzing Sienna's products. Sienna will continue its action in this field for its funds managed with the SRI, Finansol, Greenfin or Luxflag labels, for example.

Sienna is also developing its own ESG analysis methodologies. In this context, Sienna takes into account the labels of borrowers, B-Corp or Ecovadis for example, or promotes sectoral labels such as "High Environmental Quality" in the real estate sector.

Finally, Sienna will soon be subjecting its own activities to a group ESG rating, as GBL has done with S&P Global.

Our transparency obligations

Sienna and its regulated entities comply with the relevant local and European regulatory requirements for non-financial disclosure, in particular the SFDR and the Corporate Sustainability Reporting Directive ("CSRD").

Sienna also expects the companies it invests in to disclose material and financially relevant ESG information to enable investors to better understand, assess and evaluate potential risks and opportunities including the potential impact of ESG factors on company performance. Sienna supports the alignment of its non-financial reporting practices for its investments with the recommendations issued by the Sustainability Accounting Standards Board ("SASB") and the recommendations issued by TCFD. Sienna also encourages its investments to anticipate the implementation of the CSRD regulation.

In addition to the non-financial disclosures in the regulatory frameworks discussed above, Sienna will also report on its responsible investment achievements as part of its annual PRI reporting. We encourage our stakeholders to consult these communications for information about our practices and achievements.

- Sienna's website can be accessed at www.sienna-im.com.

CONCLUSION

In the current context, with the unprecedented acuteness of the environmental and social problems we are facing, our ESG policy will necessarily have to evolve. In order to anticipate, justify and follow these evolutions, and beyond the regulatory obligations with which it complies, Sienna will report regularly and concretely on its achievements, the level of compliance of its commitments, and the evolution of its organisation and ESG positioning. Indeed, these commitments only make sense today and tomorrow if they are shared in a simple and transparent way with our partners and employees who make up Sienna.

Sienna Investment Managers, ESG Policy, version 1.0, December 2022.