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Sienna IM
Climate roadmap

2024
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1 Introduction

Climate change is a growing threat to the planet, as indicated by the latest IPCC report, which highlights that human activities are responsible for an increase in global temperatures of around 1.1°C compared with pre-industrial levels. The report highlights that, without a rapid and significant reduction in greenhouse gas emissions, we risk exceeding the 1.5°C threshold by 2030, with disastrous consequences such as the intensification of extreme weather phenomena, rising sea levels and irreversible impacts on ecosystems.

In this context, the financial sector plays a crucial role in the transition to a sustainable economy. By directing capital flows towards projects and companies that promote environmental sustainability, financial institutions can not only reduce their own carbon footprint but also catalyze positive change on a large scale. By integrating climate considerations into our investment decisions, we can help achieve the goals of the Paris Agreement and support the resilience of ecosystems and communities to the effects of climate change.

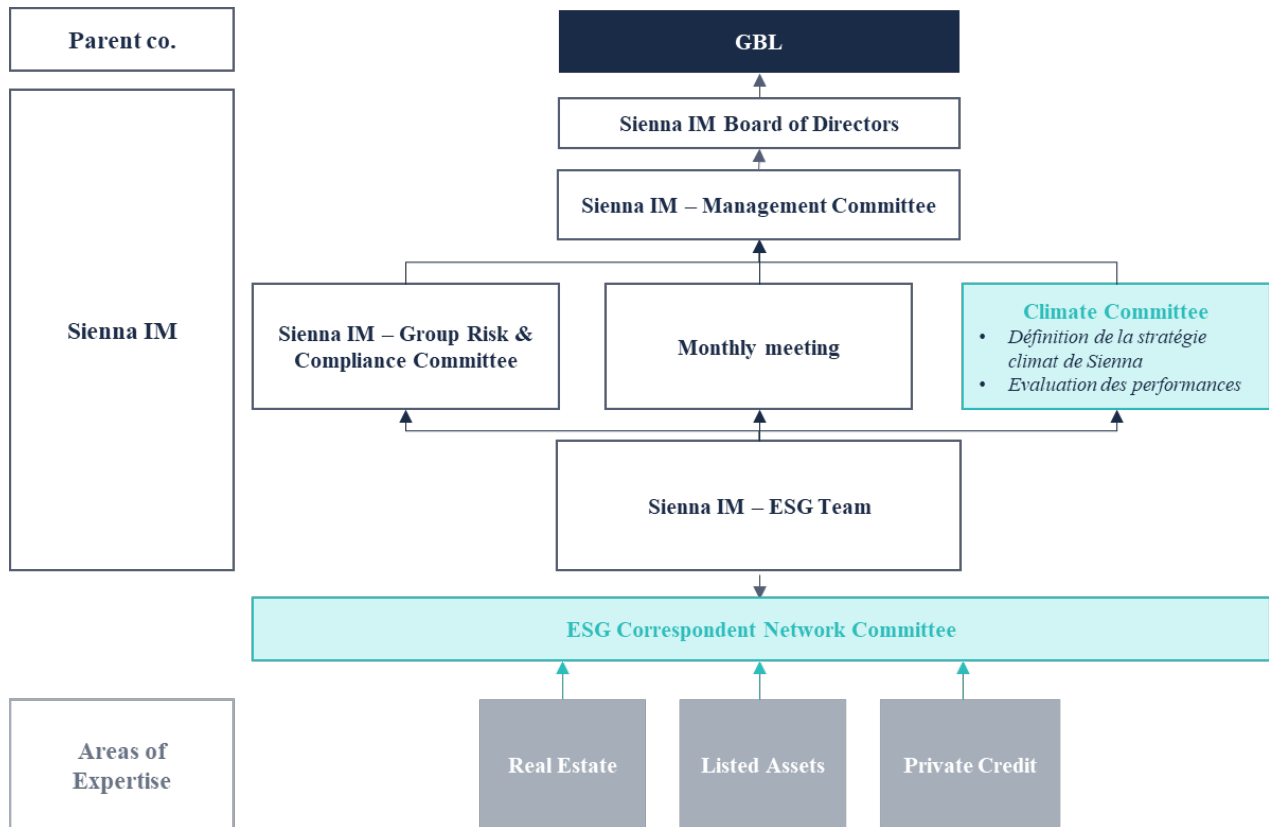
Our commitment to climate action is rooted in our core values and investment processes, reflecting our belief in a sustainable and more environmentally friendly future.

Indeed, Sienna IM's DNA is to act while protecting the future. As such, we are fully committed to the development of our various communities, both at the level of our company and of all our stakeholders: the companies we finance, our clients, the territories in which we invest and our teams. To this end, we have developed an ambitious CSR strategy that applies to both Sienna and the companies we finance. We systematically focus on the challenges of climate change, biodiversity and diversity, equity, and inclusion (DE&I) and we work to implement concrete solutions, developing personalized and innovative solutions for our clients to give meaning to their investments.

This climate roadmap aims to define our commitment and actions in response to the immediate challenges posed by climate change, but also to pave the way for a longer-term transition to **carbon neutrality by 2050**, to which Sienna IM is committed.

2 Governance

Governance is a key element of our climate strategy, ensuring that environmental issues are integrated into all Sienna IM's areas of expertise. This section describes the structures and responsibilities in place to ensure effective and proactive management of climate risks and opportunities.



Sienna IM is firmly committed to its ESG strategy with the support of its shareholders and senior management. Sienna IM relies on a first-class governance system for the development, implementation, and monitoring of its ESG and Climate strategy:

- The Chief Executive Officer is personally responsible for the strategy, its objectives, achievements and financing;
- The Chief Executive Officer has a dedicated ESG correspondent appointed to the Sienna IM Board of Directors;
- The Chief Executive Officer is supported by the Head of Sustainability, a member of the senior management team, who reports directly to the Managing Director and is responsible for implementing Sienna IM's ESG strategy and steering the approach of the specialist subsidiaries by providing functional guidance to each ESG manager and approving the programs and communications put in place;

To ensure effective strategic and operational monitoring of our climate strategy, we have set up dedicated committees to oversee the integration of climate issues into our decision-making processes and to ensure that our sustainability commitments are implemented.

- Management Committee

Management Committee, made up of members of senior management, plays a central role in supervising the integration of climate issues into our corporate strategy. Its responsibilities are to ensure that climate issues are considered in the formulation of the company's overall long-term strategy, and that this strategy is aligned with our Science Based Targets initiative (SBTi).

This committee also ensures that adequate resources (financial, human, and technological) are allocated to support climate initiatives. This includes approving specific budgets for projects aimed at reducing our carbon footprint and promoting sustainable investment.

- Group Risk and Compliance Committee

The Group's Risk and Compliance Committee is chaired by the Managing Director of Sienna IM and meets quarterly. In addition to the risk monitoring and management roles assigned to it, this committee also aims to:

- Validate the various ESG policies implemented within Sienna IM.
- Contributing to steering the implementation of the CSRD and to the assessment and analysis of dual materiality.
- Evaluating and monitoring ESG risk mapping.

- Establishment of a climate committee

This committee, set up in January 2025, meets every six months and is made up of members of Sienna IM's management, the ESG Director, the Finance Director responsible for the listed expertise and the climate referent, has the following role:

- Defining and regularly updating Sienna IM's climate strategy.
- Performance assessment: This committee meets twice a year to assess the company's climate performance. It analyses data on GHG emissions from our own operations and investments, and on the sustainability initiatives we have put in place.
- Proposing corrective actions: Based on its assessments, the Committee proposes corrective actions to improve our climate performance, which may include recommendations for adjusting our climate strategy.

3 Impacts, risks, and opportunities related to climate issues

As part of our commitment to proactively managing climate issues, since 2024 we have carried out a dual materiality analysis to identify the impacts, risks, and opportunities (IROs) associated with our business. This analysis has revealed several categories of climate risk that could affect our investment activities.

Firstly, we have identified transitional climate risks, which are linked to regulatory changes, market developments and societal expectations regarding sustainability. These risks could impact the value of our investments in unsustainable sectors and companies that do not have a robust transition plan.

Secondly, we also considered physical climate risks, which include extreme weather events and long-term changes in climate that could affect our portfolio assets.

The analysis also highlighted significant opportunities that can contribute to our long-term resilience and underpin our commitment to a sustainable future. Indeed, by aligning our

operations and investments with sustainability objectives, we strengthen our reputation and attract environmentally conscious customers.

Furthermore, as part of our approach to taking climate risk into account, we integrate these issues indirectly through the inclusion of ESG criteria in our investment decision-making processes for our listed assets. Climate risks are considered in the ESG rating assigned to each investment, giving us a better understanding of their impact on our portfolio. In addition, for our private debt assets, we systematically question our holdings to identify the specific risks linked to the climate issues they face.

In this context, we are committed to starting a formal resilience analysis in 2025, in order to enhance our understanding of climate issues and refine our investment strategy accordingly. This resilience analysis will cover both our physical risks, such as extreme weather events and their impacts on our assets, as well as our transition risks, which include regulatory developments, market changes, and societal expectations regarding sustainability. By conducting this thorough assessment, we will be able to develop concrete actions to anticipate future challenges and capitalize on emerging opportunities.

4 Climate path

4.1 General framework

Sienna IM has developed a decarbonisation strategy focusing on two main areas: GHG emissions linked to its own operations and those associated with its investments.

In this context, our climate change roadmap applies across the board to all our areas of expertise, based on a common foundation defined through the Sienna IM [Group's ESG policy](#) and the associated [exclusion policy](#). These policies aim to integrate environmental considerations into our activities, to limit any negative impact within our perimeter, and to act as a responsible investor by taking account of environmental, social and governance (ESG) criteria in our investment processes.

At the same time, our exclusions policy provides for a gradual phase-out of fossil fuels, reinforcing our commitment to fighting climate change and aligning ourselves with the objectives of the Paris Agreement.

To reinforce its approach, in January 2024 Sienna IM officially signed up to the Science Based Targets initiative (SBTi), a not-for-profit partnership between the United Nations Global Compact, the World Resources Institute, WWF and the Carbon Disclosure Project (CDP), set up to encourage companies to take rapid action to help the climate by setting targets for reducing GHG emissions.

This commitment marks a significant step towards aligning our operations and investments with a global warming scenario of no more than 1.5°C above pre-industrial levels, in line with the objectives of the Accords de Paris. By setting science-based targets to be validated by SBTi in 2025, we are committed to reducing our carbon footprint while embedding sustainable practices throughout our organization.

In this context, we have formalised ambitious funded emissions reduction targets aligned with the objectives of the Accords de Paris (via our SBTi commitment), which apply to 40% of our assets under management. Over time, we plan to increase the proportion of our assets under management based on this robust, recognised and ambitious framework.

However, the common general framework of our climate roadmap is intended to apply to all our activities. We are therefore committed to respecting a global warming scenario limited to +1.5°C, which implies significant and rapid reductions in greenhouse gas emissions. This alignment with the objectives of the Accords de Paris enables us to make an active contribution to the transition to a sustainable and resilient economy, while promoting responsible investment practices.

4.2 Our operations

Scopes 1, 2 et 3 cat. 1-14

4.2.1 Measuring our carbon footprint

Since the 2022 financial year, Sienna IM has carried out an annual carbon audit to quantify its carbon footprint and assess its environmental impact. To do this, we apply the Greenhouse Gas (GHG) Protocol, an internationally recognised standard that allows us to measure our greenhouse gas emissions in a rigorous, science-based, and transparent way. This assessment is carried out in collaboration with an independent third-party company specialising in carbon emissions analysis, to guarantee the objectivity and reliability of the results. Thanks to this carbon assessment, we are able to produce a complete and detailed inventory of our emissions, giving us a better understanding of our environmental impact. This approach helps us to define concrete actions to reduce our emissions, based on the decarbonisation levers identified.

In addition, this approach allows us to track the effectiveness of our emissions reduction actions over time, enabling us to adjust our strategies and commit to ever more ambitious sustainability goals. By integrating these practices into our operations, we are committed to promoting a culture of environmental responsibility within our organization.

4.2.2 Main objectives

Several GHG emission reduction targets have been set to manage material climate impacts, risks, and opportunities, while ensuring alignment with the objectives of the Accords de Paris.

Reduction of our absolute emissions on Scopes 1 & 2

Sienna IM is committed to reducing absolute GHG emissions from scopes 1 and 2 by 54.6% by 2033 compared with the base year of 2023. This target has been set using an absolute contraction approach compatible with a +1.5°C scenario.

This objective was formalised as part of our official submission to SBTi.

Reduction of our emissions on Scope 3, categories 1 to 14

Sienna IM has developed tools, described in the following paragraph, to reduce absolute Scope 3 GHG emissions, categories 1 to 14.

4.2.3 Implementation of actions to reduce our emissions

As part of our commitment to reducing our carbon footprint, we have identified and implemented several concrete actions from the end of 2023. These actions aim to minimise our environmental impact while encouraging a transition towards more sustainable practices.

Scope 1: Direct emissions

- Switching from a fleet of internal combustion to electric/hybrid company vehicles

To reduce our direct emissions from business travel, we have begun to replace our fleet of company cars with electric and hybrid models.

Scope 2: Indirect energy – related emissions

- Switch from standard to renewable electricity contracts for all our offices.

We have taken the strategic decision to switch to 100% renewable electricity contracts for all our offices. This initiative allows us to significantly reduce our carbon footprint linked to energy consumption, while supporting the development of renewable energies on the market.

Scope 3: Other indirect emissions linked to our value chain

- Implementation of a responsible purchasing charter and policy

We have drawn up a responsible purchasing charter to guide our purchasing decisions, giving preference to suppliers and products with a low environmental impact. This policy includes criteria such as assessing suppliers' carbon footprints and their commitment to sustainable practices.

- Implementation of a travel policy

Sienna IM has put in place a travel policy designed to encourage business travel by train whenever possible, particularly for short distances that can be covered by train in less than three hours.

- Encouraging the use of sustainable modes of transport

Sienna IM aims to promote the use of alternative means of transport for the individual car and/or two-wheeler for their home-to-work journeys. By offering financial compensation for these environmental-friendly mobility choices, we are developing a culture of eco-responsibility within the company and enabling our employees to actively contribute to our common goal of reducing our environmental impact.

In addition to the actions we have put in place, we have a series of essential tools and documents to ensure that our climate ambitions are applied as effectively as possible within the company.

Among these resources, numerous training sessions and workshops are organised for all stakeholders. The aim of these initiatives is to raise awareness and educate employees about the issues involved in an SBTi commitment and a climate trajectory aligned with the objectives of the Accords de Paris. Having trained 100% of its employees in ESG issues by 2023, Sienna IM has ensured that each employee, depending on his or her level of involvement, fully understands these issues, which is crucial to guaranteeing optimal management of the climate trajectory and promoting a culture of sustainability within the company.

4.3 Our financed emissions

Scope 3 cat. 15

4.3.1 Common base and scope of application

Sienna IM has put in place a common base defined by an ESG policy as well as an exclusions policy, applicable to all our expertise **at least to open-ended funds**. The exclusions policy sets limits on our exposure to coal and unconventional oil and gas, which have been identified as major contributors to climate change.

Thus, Sienna excludes direct investments in companies developing new thermal coal capacity and has established thresholds linked to the share of turnover in coal-related activities. In addition, we are committed to progressively reducing our exposure to the entire coal value chain, with a target of eliminating all financial services and investments by 2030 for EU and OECD countries, and by 2040 for other countries.

In the case of non-conventional oil and gas, investments in organizations that derive more than 20% of their revenues from the exploration or production of these resources are excluded as a minimum, with the aim of reducing this threshold to 5% by 2030.

These commitments make it possible to define a minimum common framework, which complements the specific measures applied in each area of expertise, as detailed in this document. This integrated approach guarantees consistency and rigour in our investments, while strengthening our role in the transition to a sustainable and responsible economy.

It is also important to mention that Sienna IM is committed to calculating the alignment of its operations and investments with the European taxonomy. This approach concerns all the Group's areas of expertise and enables us to effectively manage our contribution to the transition to a sustainable economy and the fight against climate change. The main aim of this alignment is to ensure that our activities support projects and investments that respect the environmental criteria established by the European Union, thereby promoting sustainable economic growth. The results of these assessments are publicly available in the reports Article 29 Loi Energie Climat¹ of our entities regulated in France², ensuring transparency for our stakeholders. These results will also be available in the CSRD report, aggregated at Sienna IM Group level.

4.3.2 Listed assets

4.3.2.1 Main objectives

The following formal targets presented to SBTi for validation do not include our dedicated funds, to ensure a targeted, realistic, and effective approach in our strategy to reduce greenhouse gas emissions.

- Sienna IM commits to aligning 42% of its outstanding listed assets of the temperature score of its Scope 1 + 2 portfolio in terms of value invested in the

¹ Sienna Gestion : <https://www.sienna-gestion.com/sites/default/files/2024-07/Rapport%20Article%2029%20de%20la%20loi%20relative%20%C3%A0%20l%27%C3%A9nergie%20et%20au%20climat%20-%20Exercice%202023.pdf>

Sienna AM France: https://www.sienna-im.com/wp-content/uploads/2024/06/sienna-im-private-credit_rapport-art--29-lec_2023.pdf

² Sienna Gestion and Sienna AM France

portfolio of listed equities, corporate bonds, and money market bonds, from 2.33°C in 2023 to 2.03°C by 2029.

- Sienna Investment Managers is also committed to aligning 42% of the temperature score of its Scope 1 + 2 + 3 portfolio in terms of value invested in the portfolio of listed equities, corporate bonds, and money market bonds, from 2.52°C in 2023 to 2.16°C by 2029.

Although we have established two formal targets in connection with our SBTi commitment covering 42% of our assets under management at 31/12/2023 in listed assets, it is essential to emphasise that the management (measurement and monitoring) of the temperature of our portfolios extends to all of our assets under management. This global approach enables us to proactively assess and monitor the climate impact of all our investments, ensuring consistency between our strategic objectives and our commitment to the transition to a low-carbon economy.

4.3.2.2 *Actions implemented and tools available*

A series of tools and resources aimed at effectively integrating climate issues into decision-making processes are available to employees, including:

- **Indicators for analysing the transition of issuers** in the investment universe, enabling us to assess their ability to move towards sustainable business models. These indicators are essential for identifying the risks and opportunities associated with the energy transition.
- **« Temperature Rating » data** provided by Bloomberg, whose [methodology has been approved by Science Based Targets initiative \(SBTi\) and developed in collaboration with CDP and WWF](#). This data is used to assess the alignment of portfolios with the climate objectives defined by the Accords de Paris and SBTi targets, by quantifying the potential impact of investments on global warming. The rating is expressed in degrees Celsius, representing the estimated temperature at which the greenhouse gas emissions associated with the company's or portfolio's activities could contribute to global warming.
- **ESG data** mainly provided by Morningstar Sustainalytics, which includes information on carbon emissions and intensities via Principal Adverse Impact (PAI) indicators, as well as ESG ratings, which indirectly include an assessment of the physical risks faced by issuers.
- **Quarterly dashboards** to monitor the temperature of portfolios on a regular and accurate basis. These dashboards provide an overview of the progress of sustainability investments and make it easier to identify any necessary adjustments.

4.3.3 Private debt

4.3.3.1 *Main objectives*

Sienna IM has set targets for 2033 (SBTi near-term targets) for each carbon-intensive sector based on 2023 data in line with the SBTi commitment.

- **Cement:** Sienna IM commits to reducing cement GHG emissions in its private debt portfolio by 27.5% per tCO₂e/t by 2033, using 2023 as the base year.
- **Land transport:** Sienna Investment Managers is committed to reducing greenhouse gas emissions from land transport within its private debt portfolio by 39.06% per gCO₂e/t.km by 2033 compared to the baseline year of 2023.
- **Aviation:** Sienna IM is committed to reducing greenhouse gas emissions from aviation within its private debt portfolio by 35% per gCO₂e/RTK by 2033 compared to the baseline year of 2023.
- **Buildings:** Sienna IM is committed to reducing greenhouse gas emissions from buildings in its private debt portfolio by 69.1% per kgCO₂e/m² by 2033 compared to the baseline year of 2023.
- **Energy:** Sienna IM is committed to continuing to finance only renewable electricity projects until 2033.

These targets have been set using the scientifically-based [« Sectoral Decarbonization Approach » SDA](#). This method, developed by SBTi and based on scientific data, enables companies to set greenhouse gas reduction targets tailored to their industry.

4.3.3.2 *Actions implemented and tools available*

As part of Sienna IM's commitment to the SBTi initiative, the ESG team within the Private Debt expertise has developed internal guides to support employees in understanding the new challenges related to this commitment:

- A **personalized guide** for each investment strategy included in the SBTi commitment (real estate financing, energy transition financing, and corporate financing). This guide defines the relevant scope, the methodology to be followed for both new borrowers and those already in the portfolio, as well as useful links (SDA tools and guidelines for different sectors).
- A **guide for each carbon-intensive sector** summarizing key issues, best practices for decarbonization, data to be collected by management teams, useful links, etc.
- A **decision tree** outlining the steps to be followed for new borrowers whose industry falls within the scope of SBTi.
- **Annual measurement of the total carbon footprint (scopes 1, 2, and 3) of financed companies.** This measurement is carried out either through the annual collection of emissions data from the financed company or, where applicable, through estimates calculated by the data provider Carbometrix.

5 Other climate initiatives and actions

Sienna also promotes a responsible and long-term mindset throughout the financial industry. This is why Sienna also focuses on external commitments. Some of these are specific to climate issues, which are of paramount importance to Sienna IM.

These commitments are detailed below:

- Participation in numerous international initiatives:
 - [Carbon Disclosure Project \(CDP\)](#) : CDP Climate Change, CDP Water Security and CDP Forest. Sienna IM adheres to CDP since april 2023.
 - TCFD : Sienna IM supports the recommendations of the [Task Force on Climate-related Financial Disclosures](#) (TCFD) et and encourages all companies in its portfolio to align their disclosures with TCFD recommendations.
 - ICI : The private debt expertise has been a member of [l'Initiative Climat International](#) (ICI) since 2021. L'ICI was originally created by French private equity firms that decided to join forces and contribute to the goal of the Accords de Paris to limit global warming to well below 2°C.
- Participation in collaborative engagement
 - [FIR – investors Coalition "Say on Climate"](#), signed in February 2023 by the listed assets expertise, which calls on companies to present ambitious climate plans and targets, thereby enabling investors to vote.
 - Climate Action 100+ – A listed assets expertise joined in March 2024. Investors who join this initiative are responsible for direct engagements with target companies, either individually and/or collaboratively, with the aim of ensuring that the largest GHG emitting companies in the world take the necessary actions to combat climate change. In this capacity, Sienna's listed assets expertise is a participating investor for engagement with Air Liquide
 - Avoided Emissions Initiative. Sienna IM is one of the founding partners of this initiative aimed at standardizing the calculation of avoided emissions. The 10 partners supporting the initiative are working with specialized consultants to develop a global database of greenhouse gas avoidance factors for low-carbon or green solutions.
- Greenfin label
 - 3 funds from the Private Debt expertise and one fund from the Listed Assets expertise have received the French Greenfin label, representing €702 million at the end of December 2023. The French Greenfin label focuses on environmental transition.

6 Development of investment strategy and climate-related financial products

Within Sienna IM, the consideration of climate issues is integrated across all our expertise areas. We recognize that climate change represents a major challenge that requires a collective and coordinated response. Therefore, each expertise is engaged in developing investment strategies and financial products that meet the specific needs of our clients while contributing to the transition towards a sustainable economy. This approach allows us to offer a diverse range of funds tailored to climate challenges.

Thus, in addition to a team dedicated to energy transition financing since 2015 and the five associated funds that enable the financing of numerous solar, wind, biomethane, battery, and

energy efficiency projects, the Private Debt expertise has strengthened its activity through the acquisition of Ver Capital, which also offers a fund (Art. 9) financing the energy transition.

Additionally, Sienna IM's Private Debt expertise launched a biodiversity fund in 2024 that addresses climate issues across all biodiversity themes.

As for the listed assets expertise, it also offers three funds that directly address climate themes, such as:

- Green Bond Fund participating in the financing of energy and ecological transition projects.
- Climate Transition Fund participating in the financing of the energy transition and the fight against climate change in the Euro zone.
- Low Carbon Fund aimed at investing in an economy that supports the reduction of carbon intensity through companies in the Euro zone.

These initiatives demonstrate our commitment to playing an active role in the fight against climate change, while providing our clients with responsible and innovative investment solutions that support the transition to a sustainable future.

7 Evolution and adjustment of our climate roadmap

To ensure the effectiveness of our climate roadmap, it is imperative to establish a mechanism for periodic review and adjustment. This process, formalized within the dedicated governance bodies mentioned in this document, allows us not only to measure our progress but also to respond, among other things, to changes in the climate context, regulations, and stakeholder expectations.

An evaluation of our climate roadmap is conducted annually. This review is primarily carried out by members of Sienna IM's management, the ESG Director, and the climate referent. The purpose of this evaluation is to review the results achieved against the established goals, identify successes, as well as the challenges encountered.

During this evaluation, we conduct a thorough analysis of the gaps between our initial objectives and the results achieved in order to identify the reasons and adjust our approach accordingly.

We are committed to adjusting our strategy and implementing corrective actions or new initiatives based on the results of our periodic evaluation. This evaluation allows us to identify the necessary levers to make our approach more effective and better aligned with our objectives. By doing so, we will not only ensure that we meet our SBTi targets but also respond effectively to climate challenges in a comprehensive manner.