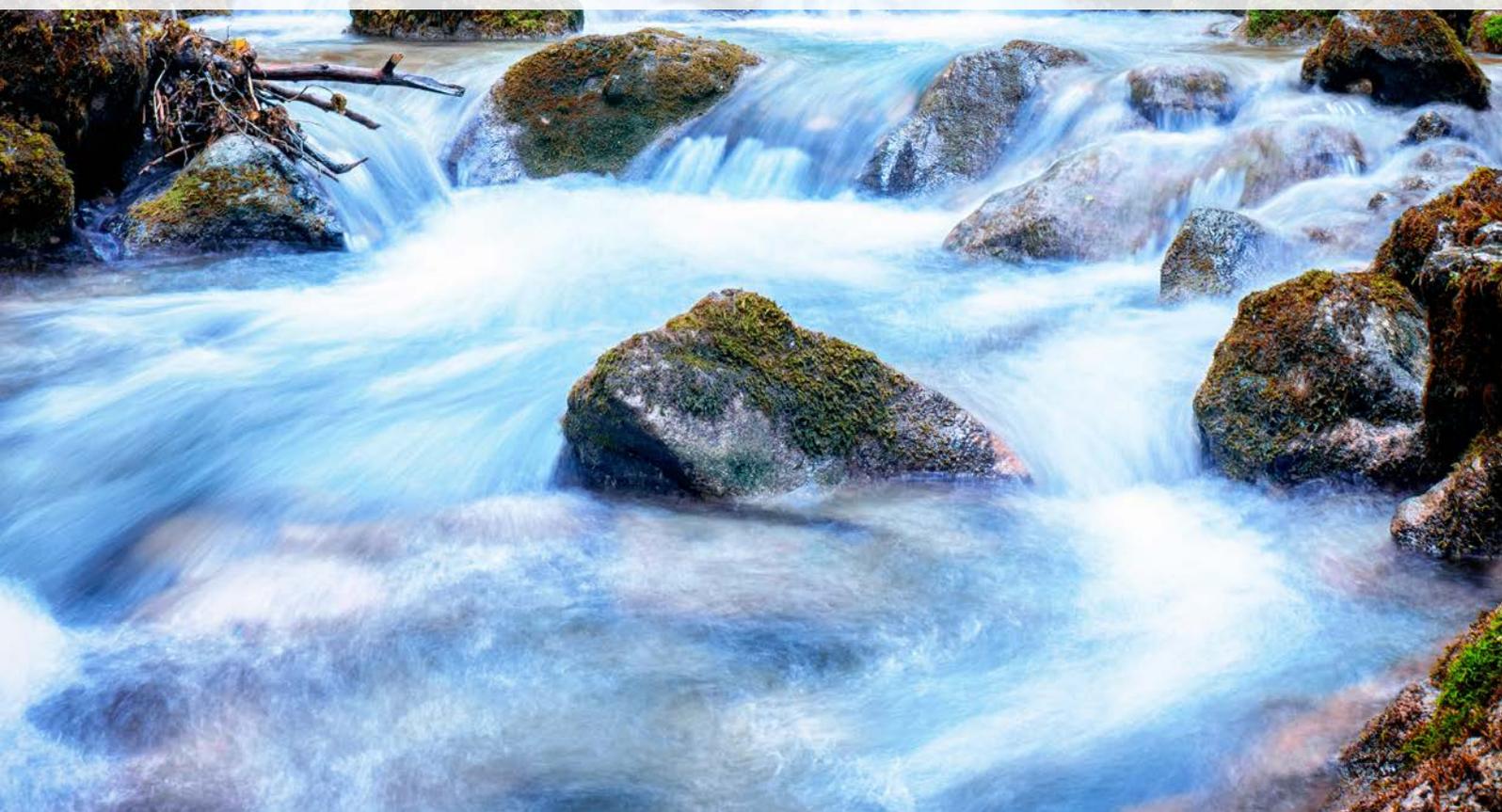




RESPONSIBLE INVESTMENT REPORT 2021

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DISCLAIMER

This document has been prepared with the support of SIRSA, a sustainability consulting firm, based on the information provided by Qualium Investissement and its portfolio companies. The information presented at portfolio companies level covers the period from 1 January to 31 December 2020 and was collected in 2021.

1 CHAIRMAN'S FOREWORD



Since 1998, Qualium Investissement has been providing active support to companies and entrepreneurs to ensure the sustainability and acceleration of their growth. As a responsible investor (we signed the PRI and France Invest charters 12 years ago), we deeply care about environmental, social and governance (ESG) issues and take them into account at every stage of our investment policy.

We inherited this strategic vision from our previous partner, Caisse des Dépôts, investor in our funds and company shareholder, which has always considered the integration of these issues to be fundamental.

The year 2020-2021 marked a turning point for Qualium's ESG approach. Faced with the ever increasing global urgency of climate change, we strengthened our ESG commitments and urged our portfolio companies to go even further with their sustainable transformation. We strongly believe this will not only impact, their positive repercussions in society but also on their overall performance.

This collective endeavour is closely linked to Qualium Investissement's core values: ethics and transparency. They drive us to act with respect for all our stakeholders and to achieve sustainable growth. Our responsibility now is to make constant progress in our approach so as to meet current and future challenges!

Jean Eichenlaub
Qualium Investissement Chairman



2 QUALIUM INVESTISSEMENT AT A GLANCE

Qualium Investissement is a third-party asset manager, authorised by the AMF (French Securities Regulator), and one of the historical players in private equity in France.

The company manages the capital entrusted by its investors by predominantly investing in the share capital of French non-listed companies. Since its inception in

1998, Qualium Investissement has actively worked to fund the growth and development of SMEs and ISEs in France, while championing French entrepreneurship.

Qualium Investissement manages this capital in the interests of its investors, with the aim of generating a profit, but also taking into account interests of its portfolio companies. It

provides adapted, innovative and sustainable financial solutions for companies through growth capital or buyout funding.

Qualium in Figures

BUSINESS

€1bn UNDER MANAGEMENT

3
ACTIVE FUNDS

69
ACQUIRED COMPANIES
SINCE INCEPTION

13
PORTFOLIO COMPANIES

€2.8bn
RAISED SINCE INCEPTION

TEAM

19
TEAM MEMBERS

42%
OF WHICH ARE WOMEN

20
ESG DUE DILIGENCES
CARRIED OUT SINCE 2010

2 QUALIUM INVESTISSEMENT AT A GLANCE

A Diversified Portfolio

 <p>Manufacture of scientific and technical instrumentation</p> <p>January 2021</p>	 <p>Translation and interpretation services</p> <p>October 2019</p>	 <p>Financial and insurance activities</p> <p>October 2019</p>	 <p>Education</p> <p>September 2019</p>
 <p>Real estate agency</p> <p>December 2018 (partial exit in June 2021¹)</p>	 <p>Corporate real estate advisory</p> <p>October 2018</p>	 <p>Financial and insurance activities</p> <p>July 2018</p>	 <p>Advertising and Marketing</p> <p>February 2018 (exited in July 2021)</p>
 <p>Heating solutions for industrial applications</p> <p>October 2016</p>	 <p>Manufacture of artificial or synthetic fiber</p> <p>July 2012</p>	 <p>Veterinary biotechnology</p> <p>December 2014 (exited in April 2021²)</p>	 <p>Retail of manufactured goods</p> <p>July 2014 (exited in July 2021)</p>
 <p>Manufacturer of wood heating system</p> <p>July 2013</p>	 <p>IT services and digital transformation</p> <p>November 2021³</p>		

¹ Date of the first investment

² Qualiium took a minority position in the 2021 transaction realised by Montagu

³ All data presented in this document exclude Constellation, which was invested in 2021 by Qualiium Fund III

3 COMMITMENT TO SUSTAINABLE INVESTING

Key Milestones



Developed by France Invest for private equity players, the France Invest Charter encourages the spread of ESG practices through selected areas of focus and action.



The UN PRI is the world-class champion organization of responsible investment. The Principles were developed by investors, for investors. In implementing them, signatories act towards a more sustainable global financial system.



The iCi is the working group of France Invest's ESG Commission. It brings together private equity players who are willing to take ownership of climate issues.

3 COMMITMENT TO SUSTAINABLE INVESTING

Our Distinctive Approach to Sustainable Investment

Qualium Investissement firmly believes that integrating sustainability factors⁴ within the investment cycle – with the support of portfolio companies – creates value for all stakeholders (shareholders, management and employees of portfolio companies, clients, suppliers).

More specifically, it leads to:

- **Better risk management** (supply chain management, reputational risk, labour conflicts)
- **Optimised cost management** (reduced consumption of energy and/or raw materials, increased productivity, less staff turnover)
- **Better match** between the product/service offered and specific environmental or social needs

As a long-term investor, Qualium is ideally positioned to promote the implementation of sustainable practices within its portfolio companies. It also controls any adverse impact of investment decisions by fully integrating social, societal and environmental externalities at each step of the investment process.

PRE-ACQUISITION PHASE

- Due diligence
 - When considering an investment, Qualium Investissement systematically carries out an ESG due diligence to study the ESG context of the company. This step is also key to identify potential sustainability risks and principal adverse impacts.
- Identifying priority ESG actions
 - Qualium Investissement systematically identifies priority ESG actions to be implemented by its portfolio company following deal completion, so that it can get started quickly and efficiently
 - These action plans are monitored and reviewed by investment team members and company management teams

HOLDING PERIOD

- ESG monitoring
 - ESG KPIs are collected annually to monitor environmental, social and governance issues. They make it easier to identify and measure any adverse impact of investments on sustainability factors
 - Each year, ESG reporting covers the topics relating to the key sustainability factors identified within Qualium's portfolio of investments

- This data goes through a yearly analysis by an external consulting firm, which challenges their reliability as well as the relevance of actions implemented by company management teams
- Making portfolio companies progress on ESG issues
 - During this analysis, key sustainability factors and risks faced by the companies are identified as well as improvement opportunities. These results are presented to and discussed with company management teams, in a transparent and constructive way
 - Based on actions identified in the pre-acquisition stage, Qualium Investissement works closely with portfolio company management teams to build effective ESG action plans
 - Qualium keeps track of progress made by companies through regular ESG monitoring during board meetings



EXIT PHASE

- ESG information disclosure
- Qualium includes ESG information in the exit memorandum whenever relevant, in order to create the greatest possible value for all stakeholders when selling the equity investment ESG vendor due diligence
 - ESG-specific vendor due diligence is not systematically carried out but may be used to highlight significant progress on sustainable practices and overall ESG maturity levels
 - In 2021, an ESG vendor due diligence was carried out on IMV Technologies

ESG data transparency

- ESG data is consolidated at fund level each year and shared with institutional investors, in keeping with our values of transparency and mutual trust.

⁴ Environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters. Disclosure Regulation, Art 2, 2019.

⁵ This data is obtained by calculating the ratio between maturity exerted by the company and ESG risks level (both evaluated on a 1-5 scale)

⁵ 12 companies over the period (2020) including investment with minority position

4 2020-2021 ESG HIGHLIGHTS

Optimising the ESG Reporting Campaign

Since 2013, Qualium Investissement has been monitoring its portfolio's sustainable performance through annual KPIs on environmental, social and governance issues. In 2020, we decided to go a step further and broaden the range of our analysis. With the help of ESG consulting firm Sirsa, the ESG reporting framework was reviewed and optimised to cover all sustainability issues raised by Qualium's portfolio: governance (operational, shareholder, CSR), business ethics, cybersecurity, energy, water, digital, climate change, transportation, wastes, biodiversity, employment, working conditions, training, labour relations, diversity, remuneration, raw materials and supply chain.

To smooth out the ESG data collecting process, we also provided our portfolio companies with an online reporting tool (Reporting 21). Thanks to Sirsa's data analysis and its interaction with portfolio company management teams, Qualium is better equipped to monitor their sustainability performance, identify and share best practice, as well as spot areas for improvement.



Going Further on Carbon Footprint Assessment

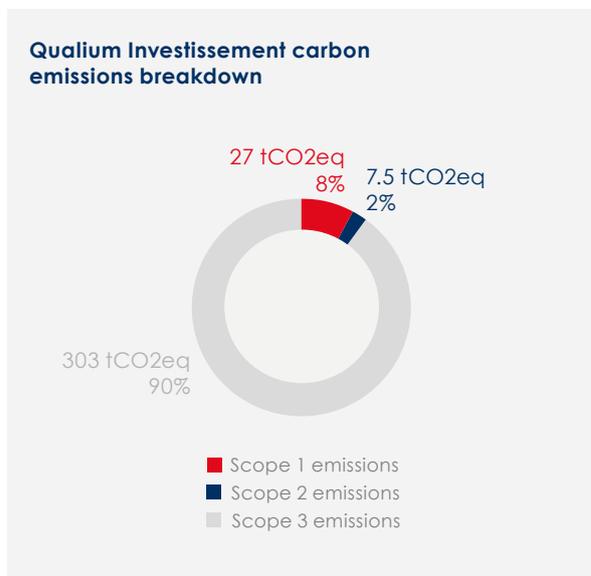
In a bid to set an example for portfolio companies, Qualium Investissement calculates and regularly updates its Scope 1, 2 and 3 carbon emissions, i.e. the emissions generated along its entire value chain.

In 2021, the management company's carbon footprint was distributed across the different scopes as follows:

42% of the management company's carbon emissions can be attributed to intellectual services purchases, over which Qualium has little influence. However, Qualium Investissement implements various measures to reduce them, limiting its energy consumptions or improving waste management, among others.

To encourage its staff to limit plastic waste generation, Qualium Investissement has installed filtering machines connected to the running water system. The company also monitors paper printouts and constantly raises employee awareness of these issues. The company Les Joyeux Recycleurs is in charge of recycling waste (paper, cans, coffee pods, batteries and light bulbs).

Qualium is committed to restrict employee travel whenever possible, and to promote the use of Greencab (hybrid or electric cars).



4 2020-2021 ESG HIGHLIGHTS

As far as its portfolio is concerned, Qualium Investissement had already calculated its carbon footprint on scope 1 and 2 in 2020. In 2021, this calculation was updated and extended to scope 3 (including all indirect activity and products-related indirect emissions), thanks to a proxy based on the business sector and geographical areas. This allowed Qualium to have a comprehensive vision of its portfolio's carbon footprint and to identify its most emissive companies. Mitigative actions were discussed and implemented with company management teams.

In 2021, Qualium's portfolio carbon footprint was distributed as follows:

As Qualium Fund's companies are operating in industrial business sectors, carbon emissions are higher than for Qualium Fund II.

The main issuer of carbon emission is the group Invicta, which has been in Qualium's portfolio since 2013. Founded in 1924, Invicta is a leading European producer of wood-fired heating systems for the home with an historical foundry in the French Ardennes. In April 2014, Invicta acquired the Italian manufacturer of pellet-burning stoves, Caminetti Montegrappa, thus becoming a European leader in wood-burning heating systems.



4 2020-2021 ESG HIGHLIGHTS

Highlighting Our Portfolio's Contribution to Sustainable Development Goals

In 2020-2021, Qualium encouraged its portfolio companies to identify their positive contribution to the Sustainable Development Goals⁶ (SDG) through their business models and sustainability practices.

This showed that Qualium's portfolio has a positive impact on a large number of SDGs, from reducing inequalities, fighting hunger, building a better industry and economy and supporting healthcare, education and climate action.

CONTRIBUTION AT BUSINESS MODEL LEVEL



CONTRIBUTION AT CSR PRACTICES LEVEL



Reviewing Our Responsible Investment Policy and Launching an Article 8 Fund

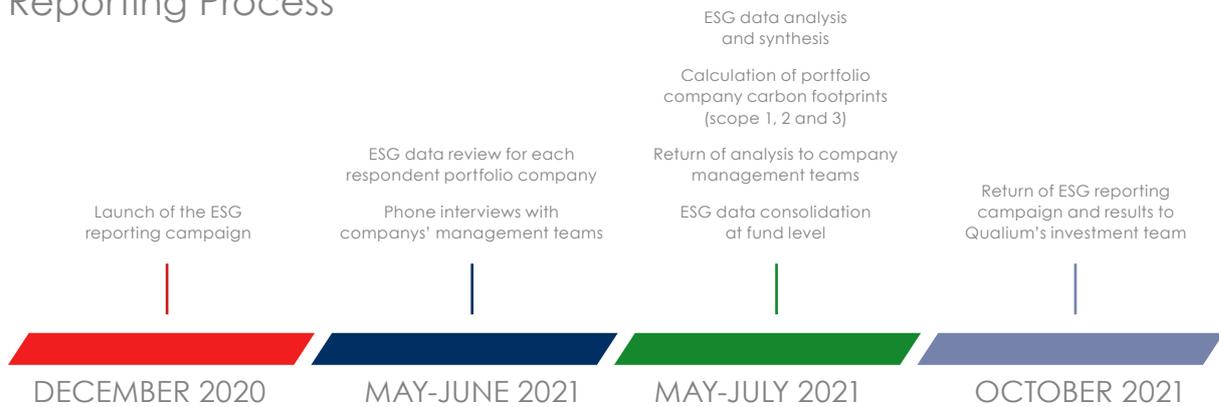
In 2021, Qualium Investissement revised its responsible investment charter in order to address the European Regulation 2019/2088 (also known as SFDR Regulation) requirements on sustainability reporting in the financial services sector. On this occasion, Qualium Investissement adjusted its investment processes and reinforced ESG integration in the pre-investment phase. This charter is accessible on our website: <https://qualium-investissement.com/fr>.

Furthermore, in accordance with SFDR we launched Qualium Fund III, our first fund to be classified under Article 8 of the regulation – i.e., a fund that “promotes, among other characteristics, environmental or social characteristics, or a combination of those characteristics”. More specifically, Qualium has committed to ensure all investments carried out by the fund progress on environmental, social and governance issues. This progress is measured using company-specific sustainability KPIs, identified in the pre-acquisition phase, in addition to those already monitored in the ESG reporting exercise.

⁶ The SDGs are 17 global goals that UN member states committed in 2015 to achieve by 2030. These goals are part of the UN's Sustainable Development Agenda, “an action plan for humanity, planet and prosperity [that] also aims to strengthen peace everywhere in the world in larger freedom, [and to] eradicate poverty in all its forms”.

5 PORTFOLIO ESG PERFORMANCE OVERVIEW

Reporting Process



2020 Portfolio ESG Performance

OVERALL ESG PERFORMANCE

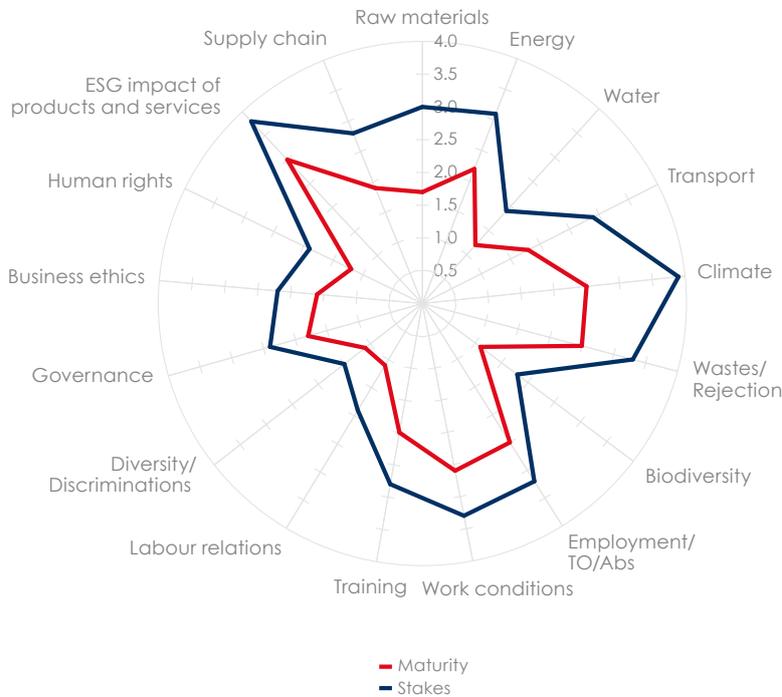
The overall ESG performance of our portfolio is evaluated each year and consolidated at fund level. Between 2020 and 2021, all our portfolio companies improved their ESG maturity levels through different leverages: a better formalization of existing practices and processes, implementation of new policies or practices on sustainability topics, a higher quality in the sustainability data reported.

In the following graph, ESG footprint can be interpreted as follows: on each sustainability factor (presented as axis of the graph) the bigger the space between the stake level line (orange) and the maturity level line (blue) is, the more the company faces important sustainability risks.



5 PORTFOLIO ESG PERFORMANCE OVERVIEW

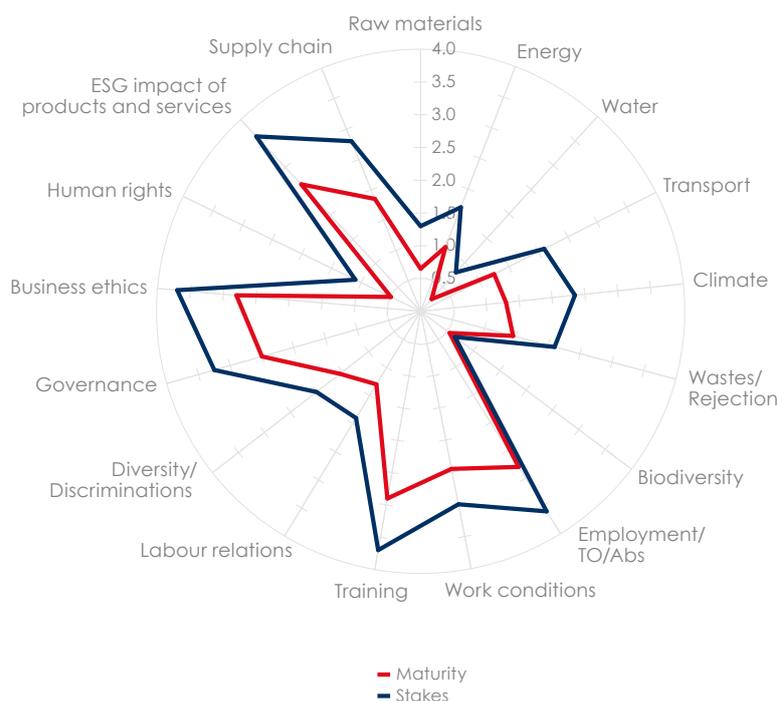
QUALIUM FUND ESG FOOTPRINT



As many of Qualiium Fund's portfolio companies have industrial activities, main sustainability factors are mostly linked to environmental and social issues, and more specifically:

- Climate (impact of companies on climate change and vice versa)
- Transport
- Energy
- Waste and rejections
- Employment, staff turnover and absenteeism (company's attractivity and retention, activity seasonality)
- Work conditions (health and safety, well-being at work)
- Training

QUALIUM FUND II ESG FOOTPRINT



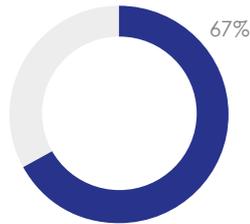
- As Qualiium Fund II portfolio companies are mostly services companies, social stakes are the highest, and more specifically:
- Employment, staff turnover and absenteeism (company's attractivity and retention, activity seasonality)
- Training
- Work conditions (health and safety, well-being at work)

5 PORTFOLIO ESG PERFORMANCE OVERVIEW

GOVERNANCE

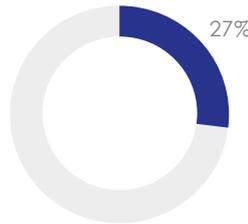
Governance bodies composition

Share of companies counting at least one independent members in the shareholder governance body (%)



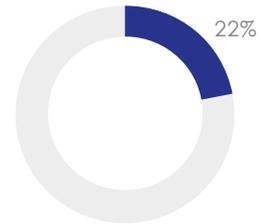
Perimeter: 12/13

Share of women in the shareholder governance body (%)



Perimeter: 12/13

Share of women in the operational governance body (%)



Perimeter: 13/13

CSR governance formalization (Perimeter: 13/13)

Share of companies having formalized a code of ethics (%)



Share of companies having formalized CSR commitments (%)



In 2021, several companies improved on CSR governance topics. Four portfolio companies formalized CSR commitments and four appointed a CSR officer.

Governance practices highlight



Emlyon business school is a State-recognized French business school. The school welcomes 8,900 students of 121 nationalities and over 6,000 participants in continuing education programs. Emlyon business school offers a complete range of excellent business and management training courses on its seven campuses around the world (Lyon, St-Etienne, Casablanca, Shanghai, Paris, Bhubaneswar, Mumbai). It relies on a network of 190 international academic partners and leads a community of 35,700 graduates in more than 130 countries.

Between 2019 and 2021, Emlyon has significantly enhanced its CSR governance.

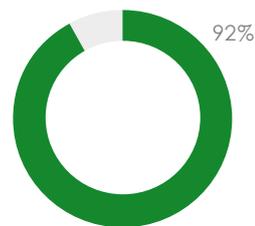
First, the company formalized a CSR strategy and published its first extra-financial performance statement. A CSR department made up of 12 members was appointed and oversees the implementation and monitoring of the company's CSR strategy. This approach is also transcribed in CSR-focused training programmes, with a strong focus on ecological development.

The company has entered a process to obtain the DD&RS label, which allows French higher education and research institutions to be recognized nationally and internationally for their sustainability and social responsibility initiatives. Emlyon has also become an entreprise à mission (mission-driven company), which recognises the pursuit of social and/or environmental objectives as a core element of its business.

5 PORTFOLIO ESG PERFORMANCE OVERVIEW

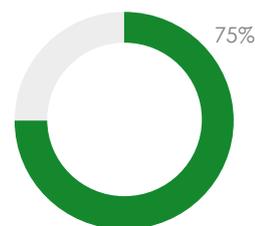
ENVIRONMENT

Share of companies monitoring their energy consumptions (%)



Perimeter : 13/13

Share of companies implementing greenhouse gas emission reduction measures



Perimeter: 12/13

Environmental practices highlight



IMV Technologies is the world leader in the design, manufacturing and marketing of equipment and consumables used in artificial insemination for animal reproduction among 14 species. It has seven international subsidiaries (the US, China, India, Italy, the Netherlands, the UK and Brazil) and a vast distribution network spanning more than 120 countries.

IMV Technologies implements several actions aiming at mitigating externalities related to its activity, especially regarding waste production and management.

First, the company conducts research on how to integrate eco-design in the production process and in its final products. Biodegradable gloves and tubes have been conceived to reduce plastic waste.

Furthermore, the company has developed a range of products with biodegradable packaging. In 2020 it defined indicators to monitor the evolution and impacts of this measure.

That same year, the sampling process was reviewed and reorganized to minimize rejection and waste produced during this phase.

What is more, the company takes part in actions to protect animal welfare, especially during insemination. A range of products was created to prevent animal pain during this process.



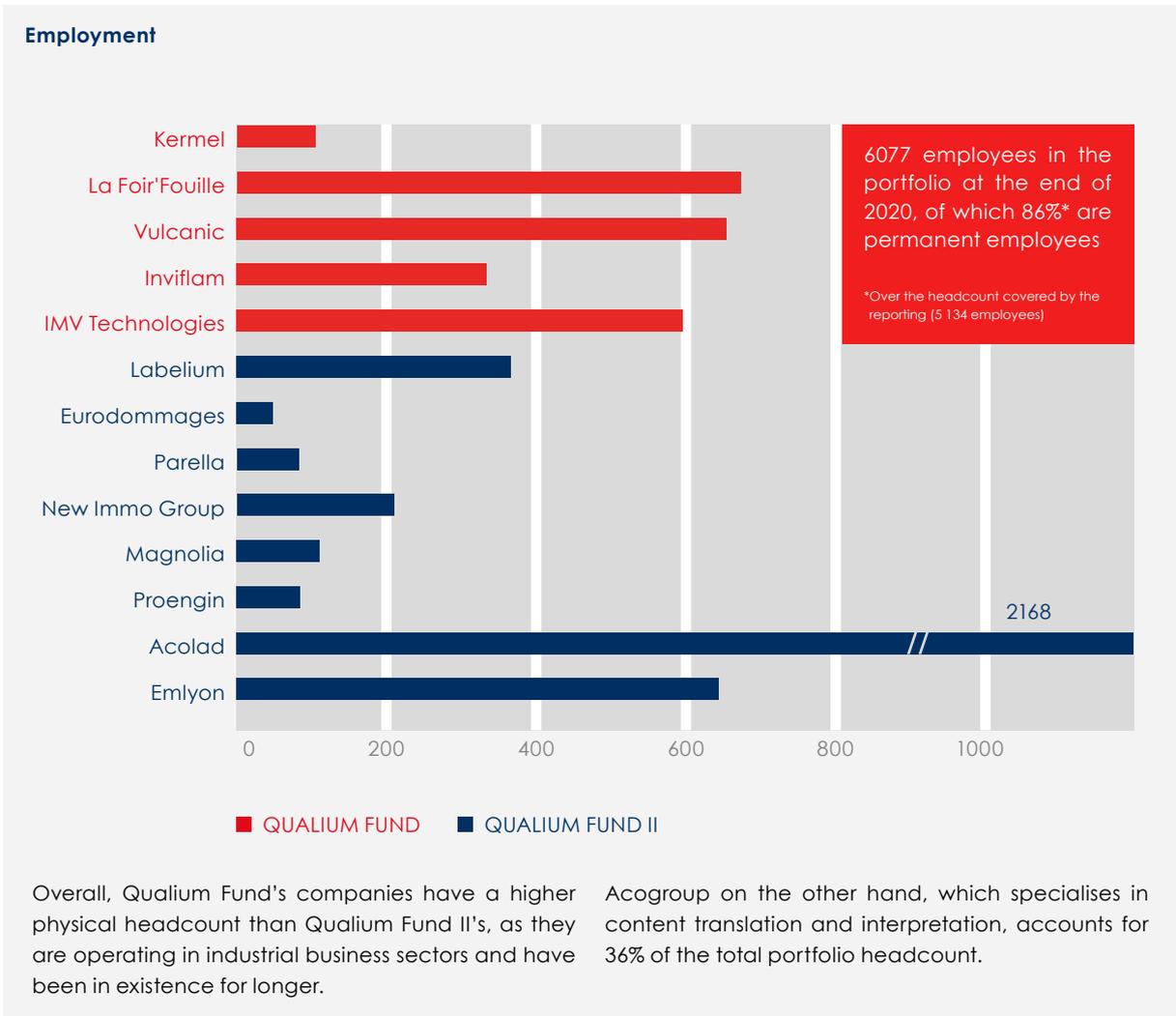
Vulcanic is specialized in electrical heating systems for industrial applications. This company designs, manufactures and markets temperature sensors, electrical heating and cooling systems and temperature control units embedded in a variety of applications, for which these elements are considered critical for reasons of safety, precision and reliability, as well as industrial and economic efficiency.

This technology can be perceived as a leverage to encourage ecological transition as it drives Vulcanic's prospects and clients from a high-carbon towards a low-carbon energy supply.



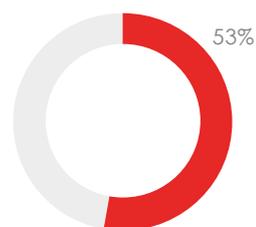
5 PORTFOLIO ESG PERFORMANCE OVERVIEW

SOCIAL



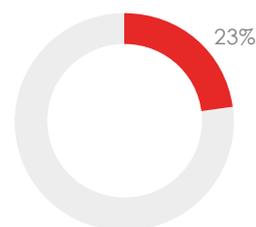
Diversity

Share of women in the total workforce (%)*



Perimeter: 12/13

Share of companies having formalised commitments toward diversity (%)



Perimeter: 13/13

*Over the headcount covered by the reporting (5 134 employees)

5 PORTFOLIO ESG PERFORMANCE OVERVIEW

Training and profit-sharing mechanisms



Social practices highlight



Kermel is the world's only producer of polyamide-imide (PAI) fibres, which are classified in the meta-aramid family. These fibres are resistant to flame, heat (up to 1,000° C) and some types of chemical aggression. They also have dielectric (offering protection against electric arcs) and anti-static properties. These features make the fibres suitable for textile applications for protective clothing (95% of sales) as well as for industrial applications under the Kermel Tech name.

As an industrial company employing around 110 people in France, Kermel puts health and safety at the heart of its consideration. The company's health and safety management system is certified with the OHSAS 18 001 standards and in 2021 the company entered a process to obtain the ISO 45 001 certification (which replaced the OHSAS 18 001 in 2021).

Furthermore, in 2020 Kermel appointed a task force to identify how health and safety could be strengthened and to develop its work safety culture.

Accidentology figures reflect the benefits of this preventive approach: in 2019 and 2020, there were no work accidents.



Since its establishment in 2009, Parella's mission has been to support companies in their real estate strategy and the layout of their workspaces by providing them with expert advice.

Operating as a consulting firm, the company faces important risks regarding its attractiveness and employee turnover. To effectively address them, Parella decided to open its capital to all employees in 2021. At year end, 33% of employees detained 7.2% of the capital.





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