

Latour Capital, Responsible investor

***Environmental, Social and Governance
Policy***

LATOUR CAPITAL

A word from ours partners

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Aware of the major social and environmental challenges ahead of us, we have the ambition, at Latour Capital, to embrace a principle of responsible investors. Since our inception in 2011, we are committed to supporting long-term activities and creating long-term value driven by profitable and sustainable economic models. We support our portfolio companies in all the challenges they face, which includes, first and foremost, considering the interests of their stakeholders and having a positive impact on society.

PRI signatory since 2012, we are convinced that economic profitability and social responsibility go hand in hand. To this end, we make sure to integrate Environmental, Social and Governance (ESG) criteria into our selection policy and to support the SMEs we partner with in the way they address ESG considerations.

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Our commitments towards our investors

We are committed to treating our investors with fairness, honoring our commitments and being transparent with them. We are committed to providing our investors with clear and fair information about our investment practices and to taking ESG issues into consideration throughout our investment process. We are committed to reporting on the ESG performances of our portfolio companies and to informing our investors in the event of an incident.

We refrain from investing in sectors that have a negative impact on Society:

- Military weapons and equipment (production or distribution of anti-personnel mines or cluster munitions);
- Tobacco production or distribution;
- Pornography;
- Gambling.

Our commitments towards our portfolio companies

We place our entrepreneurial spirit at the service of managers, and we are committed to supporting them in their development project.

We encourage them in improving the environmental, social and governance aspects related to their activity.

Our involvement is reflected during the investment process, where we systematically conduct an ESG due diligence. During the investment period an ESG action plan is established; this action plan is proposed by the Management of the portfolio company and validated by the Supervisory Board. Updates on the action plan are made at least once a year.

During the investment period, we track the company's progress on ESG. In doing so, we provide future buyers, during the selling process, with a holistic view of long-term value created on top of financial value.

We are convinced that a fair sharing of the value creation among the SMEs we partner with is essential as it stimulates everyone's involvement in the project and adds trust to our relationships. To this end, we try and extend the management package beyond the sole top management of our portfolio companies.

Our commitments towards our employees

Our employees are a key element of our project. As a result, we are committed to providing them with a fulfilling and enriching professional environment and training them throughout their careers.

We make sure that we have an open working environment, that promotes exchange and communication between the entire team. This is achieved in practice by regular meetings during which we cover all the companies in the portfolio, so that everyone has an adequate and consistent level of information.

We have implemented a fair compensation policy, based on alignment between the interests of employees and the interests of investors. This policy is illustrated by having the entire team at Latour Capital benefiting from Carried Interest.

Our commitments towards society

Building on our desire to have a positive impact on our entire ecosystem, we are committed to promoting responsible investment practices across our industry.

PRI signatory since 2012, we advocate for better consideration of ESG criteria within the financial industry.

We are committed to being transparent about our practices and participating in local initiatives in favor of responsible investment. We are thus a signatory to France Invest's "Charte d'engagements des investisseurs pour la croissance", which promotes the implementation of best practices on economic, social, environmental and governance issues.

Our activity has limited direct impact on the environment. However, we are taking care to reduce our footprint on the planet. As such, we have implemented a waste sorting system in our office and are seeking to limit the carbon footprint related to our trips.

Wishing to have a broad impact on society, we have defined key areas in terms of sponsorship. As an example, we are a regular sponsor of "Little Princes", an association recognized for public utility, supporting for 30 years children and teenagers with serious illnesses and helping them fulfilling one of their dream.

Our commitments as responsible investor



By signing the PRI, we commit to implementing the following principles:

1. We will integrate ESG issues in our investment analysis and decision-making processes.
 2. We will be active shareholders and will take ESG issues into account in our policies and practices as shareholders.
 3. We will ask our portfolio companies to publish appropriate information regarding ESG-related issues.
 4. We will promote acceptance and application of the Principles towards asset management stakeholders.
 5. We will work together to improve our efficiency in applying the Principles.
 6. We will report individually on our activities and our progress in applying the Principles.
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ESG throughout the investment cycle

We take into account ESG issues throughout the investment cycle, from entry to exit.

Before the investment

In accordance with our investment policy, in the upstream phase, we ensure that the target is not affected by our sector exclusion criteria.

We also make sure that the target has no activity in countries under international financial sanctions¹ or in non-co-operating states or territories².

At acquisition

We systematically conduct an ESG due diligence, at the latest during the year following the closing of the transaction.

This due diligence helps identify the target's most tangible ESG issues at stake and possible shortcomings that should be improved as a matter of priority once the investment realized.

During the holding period

Once the investment has been made and based on the due diligence, together with the portfolio company's Management, we establish a plan of actions. This plan details the objectives, the KPIs to follow as well as the major areas for improvement.

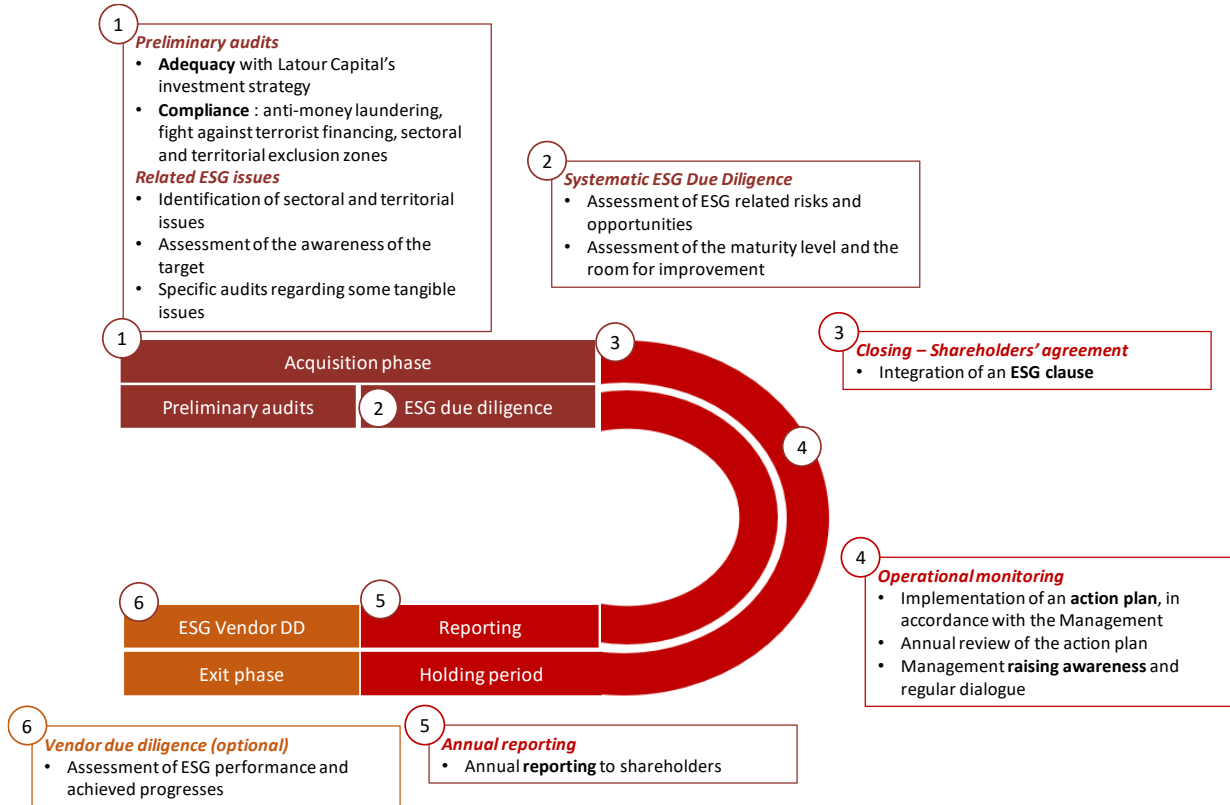
During the exit phase

When selling our portfolio companies, we seek to measure achieved ESG-related progresses. This assessment should be conducted by benchmarking with the action plan set up before the acquisition and during the holding phase.

¹ Treasury's list

² FATF's list (Financial Action Task Force)

Support cycle



Responsibilities

Our ESG approach is sponsored at the highest level of the management company, by one of the partners, Didier Gaudoux.

From an operational point of view, Caroline Ballaloud (Senior Associate) and Tatiana Gagey (Analyst) are ESG process owners, responsible for managing and overseeing the ESG objectives and the proper implementation of the policy.

Our General Secretary as well as Financial and Administrative Director, Véronique Cayrol, is responsible for ensuring the smooth communication between Latour Capital and its LPs on ESG issues.

The investment team is in charge of steering ESG performance within each portfolio company and ensures that the subject is well discussed at least once a year by the Supervisory Board.



Philippe Léoni
Founding partner



Cédric Bannel
Founding Partner



Didier Gaudoux
Partner, ESG sponsor



Maxime Gutton
Partner