

## 2023 Responsible Investment Highlights

### Sagard at a glance<sup>1</sup>

Sagard<sup>2</sup> is a global alternative asset management firm that delivers flexible **capital**, an entrepreneurial **culture** and a global **network** of investors, commercial partners, advisors, and value-creation experts. We invest in venture capital, private equity, private credit and real estate, and have offices in Canada, the United States, Europe, and the United Arab Emirate.

**US\$25B**  
Assets under management<sup>3</sup>

**300+**  
Professionals<sup>4</sup>

**150+**  
Portfolio companies<sup>5</sup>

### Our responsible investment (RI) approach

Sagard's RI approach focuses on three key areas: diversity, equity and inclusion (DEI), cybersecurity and climate change.



#### Diversity, Equity & Inclusion

45%

of employees identify as females

32%

of our team identifies as a member of an ethnically diverse group<sup>8</sup>



Sagard North America continues to be closely involved with the *Indigenous Leadership Circle* and the *Afrodescendant Leadership Alliance*



#### Cybersecurity

136

cyber-related engagements completed with Sagard North America<sup>6</sup> portfolio companies and our ecosystem partner

218

members in our *Cybersecurity Centre of Excellence* Slack channel

100%

completion rate for our **cybersecurity awareness** training across Sagard North America<sup>9</sup>



#### Climate change



Measurement of carbon footprint completed for all Sagard offices



Integration of **climate considerations** in investment process, where appropriate



**Climate scenario analysis<sup>10</sup>** or **fund carbon footprint assessment<sup>11</sup>** completed for a portion of our assets under management

# Updates

The three key areas apply to all of our strategies, with the flexibility to focus on certain aspects. When applicable, strategies have set responsible investment objectives.

Unless stated otherwise,  
% means the % of portfolio companies meeting the target.

## Venture Capital

### Portage Ventures



Objective  
Minimum 25% of the portfolio founders coming from underrepresented groups<sup>12</sup> for Portage Ventures III (PV III) by the end of the investment period of the fund.

#### Progress

16%<sup>13</sup>

### Portage Capital Solutions



Objective  
Minimum of 25% of Portage Capital Solution's portfolio company's C-Suite coming from underrepresented groups by the end of the fund's investment period.

#### Progress

0%<sup>14</sup>

### Diagram<sup>15</sup>



Objectives  
Strive for >20% of founders and of the first 10 employees of each portfolio company to identify as underrepresented groups.

Progress  
*No company in the DVLP III and DCT portfolios has reached 10 employees.*

Aim for 100% of portfolio companies to have a DEI Policy in place at the seed stage.

*100% of portfolio companies that have reached seed stage in DVLP III and DCT (currently 2).*



Aim for 100% of portfolio companies to have a Cybersecurity Policy in place at the seed stage.

*100% of portfolio companies that have reached seed stage in DVLP III and DCT (currently 2).*


Aim for 100% of portfolio companies to have followed a cyber training before they raise a Series A round.

*No companies in the DVLP III and DCT portfolio have reached Series A.*

*100% of portfolio companies that have reached seed stage in DVLP III and DCT (currently 2) attended a training session.*

## ■ Diagram (suite)


### Reporting Coverage

	Estimate total GHG emissions from fund portfolio companies between Scope 1 & 2, per year.	<p><i>Diagram will estimate carbon footprint for all companies post-seed stage in DVLP III and DCT.</i></p> <p><i>100% of portfolio companies that have reached seed stage in DVLP III and DCT (currently 2).<sup>18</sup></i></p>
	Estimate total Scope 3 GHG emissions from fund portfolio companies, per year. <sup>16</sup>	
	Estimate total GHG emissions avoided due to fund portfolio companies' operations per year. <sup>17</sup>	

## Private Equity

### ■ Sagard Private Equity Canada




#### Objectives Progress

	Minimum of two board members per portfolio company coming from underrepresented groups at closing or at any time during the holding period.	46%
	Minimum of 15% of the portfolio companies' senior management coming from underrepresented groups at closing or at any time during the holding period.	21%

### ■ Sagard Europe<sup>19</sup>

(aggregated data for Sagard MidCap and NewGen)

#### Objectives Progress

	Conduct a carbon footprint assessment within 12 months of the acquisition for each new portfolio company.	53%
	Encourage the creation or improvement of at least one employee profit-sharing scheme going beyond legal requirements.	77%
	Ensure 100% of the employees of the company are covered by social security before exit.	64%
	Prompt portfolio companies with more than 500 employees to reach at least 30% of female members within their executive bodies by 2030.	25%
	Conduct a cybersecurity assessment within 12 months of acquisition for each new portfolio company.	87%

# Updates (cont.)



## Private Credit

### Sagard Credit

Objective Progress



Minimum of two board members coming from underrepresented groups at closing or at any time during the holding period for each non-sponsor borrower in Sagard Credit II.

67%

### Sagard Senior Lending

Objectives Progress



Minimum 20% of the portfolio allocated to borrowers that have a diverse C-suite, defined as a minimum of one member coming from underrepresented groups at closing or at any time during the holding period.

43%<sup>20</sup>

Minimum of two board members coming from underrepresented groups at closing or at any time during the holding period for each portfolio company.

29%<sup>21</sup>

### Sagard Healthcare

Highlights

45% of therapies acquired focused on rare/orphan diseases.

55% of therapies acquired address diseases, cancers, conditions, and pathogens in scope of the 2023 Access to Medicine Index.

100% of transactions executed were with either non-profits, foundations, universities, research institutes or micro- and small-cap biotechnology firms<sup>22</sup>.

>4M prescriptions have been written for the therapies in the current portfolio since Sagard Healthcare investment<sup>23</sup>.

## Real Estate

### Sagard Real Estate



#### Objectives Progress

	<p>Minimum 75% of properties of SRE's largest fund's portfolio benchmarked in ENERGY STAR® Portfolio Manager® by 2024.</p>	79%
	<p>Minimum 30% of SRE'S largest fund's square footage earning green building certifications and/or energy ratings by the end of 2023.            &gt; <i>Updated Objective: 35% certified floor area by the end of 2026.</i></p>	30%
	<p>Benchmark at least 50% of SRE's largest fund's energy data by square footage by the end of 2026.</p>	45%
	<p>Complete decarbonization action plans for 100% of SRE properties that are required to do so in response to building performance standards across the US.</p>	11%

## Ecosystem partner

### Grayhawk<sup>24</sup>

#### Objectives Progress

	<p>Contribute to gender equality within Grayhawk's employee team.</p>	<p><i>Half of Grayhawk's senior executive team roles are filled by women with several women in key managerial roles.</i></p>
	<p>Explicitly encourage all family members, and in particular women of all generations, to be directly involved in a family's wealth strategy throughout all stages of the client relationship.</p>	<p><i>Grayhawk has a female-led culture committee that focuses on DEI education and recognition. Grayhawk dedicates resources to ensure gender and intergenerational inclusion in client wealth strategies.</i></p>
	<p>Maintain a secure and private cyber environment for its business, covering every aspect from employees to clients. This is aligned with Sagard's cybersecurity approach and priorities: information security, privacy, and compliance.</p>	<p><i>Leverages Sagard's resources, including the CISO, to:</i></p> <ul style="list-style-type: none"> <li>↳ <i>Provide mandatory cybersecurity training to employees,</i></li> <li>↳ <i>Train families on cybersecurity and data privacy risks, and</i></li> <li>↳ <i>Help families design their own plans and provide advice in case of incidents.</i></li> </ul> <p><i>Partners with a cybersecurity solution to offer cybersecurity training and solutions to clients to ensure that systems are designed with suitable defenses against cyberthreat.</i></p> <p><i>Partners with a secure document vault system to integrate our firm record-keeping with our clients' personal record-keeping.</i></p>

# End notes & Disclaimer

1. Data of the document is as of December 31, 2023 unless otherwise stated.
2. Unless otherwise specified, references herein to “Sagard”, “the firm”, “we” and “our” means Sagard Holdings Management Inc. together with its subsidiaries (Sagard Real Estate, Sagard Europe and Diagram) and when the context requires, includes the investment funds and vehicles managed or sponsored by subsidiaries of Sagard Holdings Management Inc., and Grayhawk and does not include portfolio companies.
3. Assets Under Management (“AUM”) as of March 31, 2024 is the sum of:
  1. net asset value of private equity, venture capital, private credit and healthcare funds, including uncalled capital commitments of those funds and unused leverage,
  2. gross asset value of the underlying real estate of Sagard Real Estate funds and separate accounts, fair value of assets held in co-investment vehicles managed by Sagard Holdings Manager LP and uncalled capital commitments of those co-investment vehicles,
  3. AUM of certain other managers owned or controlled, directly or indirectly, by Sagard Holdings Inc.,
  4. fair value of all other assets owned, directly or indirectly, by Sagard Holdings Inc. that are not otherwise included in the clauses above. Some such assets are not covered under this responsible investment policy.
4. Includes employees employed by certain subsidiaries of: Sagard Holdings Management Inc., Sagard SAS (Sagard Europe), Grayhawk Holdings Inc. (Grayhawk) and EverWest Real Estate Investors, LLC (Sagard Real Estate), as of December 31, 2023.
5. Includes the portfolio companies of all private equity (including European private equity), private credit, healthcare royalties and venture capital (not including Diagram) funds managed by certain affiliates of Sagard Holdings Management Inc. as of December 31, 2023.
6. “Sagard North America” means Sagard excluding Sagard Europe.
7. “Engagements” in this sentence means a cybersecurity interaction with a party other than Sagard North America. This can include, but is not limited to, guided processes like cyber tabletop exercise (TTX), support through incident response, support through cybersecurity leader hiring or vendor sourcing, providing advice and guidance on specific topics, providing tailored cybersecurity briefings to family offices, running ecosystem discussions on topical elements such as password managers or AI, acting as a sounding board for cyber-focused discussions.
8. Excluding Sagard Europe. Ethnicity refers to a group or community that includes individuals with shared cultural characteristics such as language, ancestry, traditions, and beliefs.
9. Excluding Diagram and Sagard Real Estate.
10. Sagard is currently building its climate scenario expertise and capacity and deploying them within its investment processes on a case-by-case basis. As of December 31, 2022, a climate scenario analysis was completed by the Sagard Private Equity Canada, Portage Ventures, Sagard Credit and Sagard Real Estate teams on their existing portfolios. The portfolio coverage of this analysis with respect to each strategy ranged from 15 – 100% at the time of the analysis.
11. Sagard Europe only.
12. “Underrepresented groups” is defined as gender diversity, racial/ethnic diversity, indigenous people, LGBT2Q+, veterans and/or people living with disabilities.
13. Percentage calculated by taking average of % of women and % of non-white individuals of participating PV III core portfolio companies in the workforce. Percentage of non-heterosexuals excluded due to lack of responses. This figure is expected to fluctuate as PV III deploys its capital over time. Approximately 39.6% of the fund’s assets under management are currently deployed.
14. This figure is expected to fluctuate as PCS deploys its capital over time.
15. In 2023, Diagram implemented a Responsible Investment policy as part of its latest funds, Diagram Ventures III LP and Diagram ClimateTech LP. In 2024, Diagram will roll out the tracking and reporting of these priorities across all earlier Diagram funds and their portfolio companies.
16. For our DCT funds only.
17. Id.
18. Metrics are available in the Q2 quarterly LP report as of 2024.
19. These objectives apply to Sagard Europe investments made from 2021 onwards.
20. Given that SSL hasn’t yet closed its fund as of Dec 31, 2023, % shown is the % of total capital deployed by SSL, affiliates and managed funds across the four portfolio companies as of this date.
21. Id.
22. Research institutes and micro- and small-cap biotechnology firms are defined according to their market cap. The threshold is set at US\$2B.
23. Our methodology evolved in 2023 for including institutional and retail prescriptions. The metric includes Rubraca, Jemperli, Bylvay, Tibsovo, Ztalmy, Sotalol IV, and Klisyri.
24. The objectives and results in this section relate to the Grayhawk business and not to any portfolio companies managed by Grayhawk.

## Disclaimer

The environmental, social and governance (“ESG”) information contained herein is solely for informational purposes and is intended solely to provide an indication of certain ESG initiatives and standards that Sagard applies when seeking to evaluate and/or improve the ESG characteristics of an investment as part of the larger goal of maximizing financial returns on investments. It should not be assumed that any ESG initiatives, standards, data, objectives, targets, or metrics described herein will achieve or apply to each asset in which Sagard invests or that they have applied to each of Sagard’s prior investments. ESG is only one of many considerations that Sagard takes into account when making investment decisions, and other considerations should be expected in certain circumstances to outweigh ESG considerations. Accordingly, certain investments may exhibit characteristics that are inconsistent with the initiatives, standards, data, objective, or metrics described herein.