

SAGARD SAS

Exclusion Policy

April 2025



Sagard SAS¹ Exclusion Policy

In addition to an ESG framework that promotes sustainable practices throughout the investment cycle, Sagard has implemented an exclusion policy. Our teams apply this policy rigorously before each investment, ensuring that companies meet compliance requirements before joining the portfolio.

The exclusion policy is based on two criteria: **normative exclusion** and **sectoral exclusion**. It guarantees that investments adhere to international standards, environmental and social commitments, and address investor concerns.

These exclusions, defined by the ESG Steering Committee, are applied **either fully or partially** – that is, depending on the share of the company's revenue derived from the excluded activities.

Companies are excluded from investment consideration if they:

- ↘ **Severely and repeatedly violate international conventions and frameworks** (see I. Normative Exclusions)
- ↘ **Are involved in sectors specifically excluded by Sagard** due to their illegal nature or adverse environmental and/or social impacts² (see II. Sectoral Exclusions)

These exclusions enable Sagard to mitigate various sustainability-related risks.

The exclusion list below comes from fund regulations with open investment periods at the time of this publication and thus applies only to current and future investments within these funds.

Normative exclusions

Sagard excludes from its investments any company involved in activities that result in severe and repeated violations of the following international norms:

- ↘ **International conventions and protocols**, such as the Ottawa Convention, CIAC, Oslo Convention, CITES, ILO conventions, etc.
- ↘ **Recognized international frameworks**, including the United Nations Guiding Principles on Business and Human Rights (UNGP) and OECD Guidelines for Multinational Enterprises

Process in case of violation post-investment: If a company is involved in a severe and repeated violation of these norms during the holding period, Sagard initiates a dialogue and engagement process with relevant stakeholders. This process, coordinated by our ESG and investment teams, aims to restore the company's compliance with the standards and principles of our exclusion policy.

Sectoral exclusions

Sagard excludes, partially or totally, certain sectors from its investments due to either their illegality or their negative environmental and/or social impacts.

1. "Sagard SAS" is referred to as "Sagard Europe" or "Sagard" throughout this document. Sagard SAS is a management company registered with the AMF ("Autorité des Marchés Financiers") under number GP 01046 since October 31, 2001.
2. Sagard ensures compliance with the highest standards by applying the exclusion list of the Paris-Aligned Benchmark.

List of exclusions

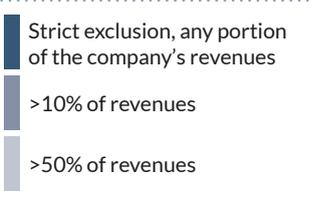

 Strict exclusion, any portion of the company's revenues

 >10% of revenues

 >50% of revenues

Sector	Activity	Scope of exclusion
Armament	Production / trade of controversial weapons	The Funds will not invest in a Portfolio Company which at the time of the relevant Investments derives any portion of its revenues from the production or trade of “controversial weapons” having an disproportionate and indiscriminate impact on civilians, including anti-personnel mines, nuclear weapons, cluster weapons, biological and chemical weapons, depleted uranium and white phosphorus munitions.
	Military weapons	The Funds will not invest in a Portfolio Company which derives a majority of its revenues from the production or trade of fully assembled military weapons or military munitions.
Fossil energy	Oil fuels	The Funds will not invest in a Portfolio Company which derives more than 10% of its revenues from exploration, extraction, distribution or refining of oil fuels.
	Gaseous fuels	The Funds will not invest in a Portfolio Company which derives a majority of its revenues from exploration, extraction, manufacturing or distribution of gaseous fuels.
	Carbon intensive electricity generation	The Funds will not invest in a Portfolio Company which derives a majority of its revenues from electricity generation with a GHG intensity of more than 100 g CO₂ e/kWh.
	Coal	The Funds will not invest in a Portfolio Company which at the time of the relevant Investments derives any portion of its revenues from exploration, mining, extraction, distribution or refining of hard coal and lignite.
	Unconventional fossil fuel	The Funds will not invest in a Portfolio Company which at the time of the relevant Investments derives any portion of its revenues from extraction, production, sale, storage, transport of unconventional fossil fuel.

List of exclusions


 Strict exclusion, any portion of the company's revenues
 >10% of revenues
 >50% of revenues

Sector	Activity	Scope of exclusion
Restricted or prohibited activities	Gambling	The Funds will not invest in a Portfolio Company which at the time of the relevant Investments derives any portion of its revenues from any type of gambling activity involving money .
	Speculation in commodities	The Funds will not invest in a Portfolio Company which derives a majority of its revenues from the speculation in commodities .
	Tobacco cultivation and production	The Funds will not invest in a Portfolio Company which at the time of the relevant Investments derives any portion of its revenues from the cultivation and/or production of tobacco .
	Prostitution	The Funds will not invest in a Portfolio Company which at the time of the relevant Investments derives any portion of its revenues from prostitution .
	Pornography	The Funds will not invest in a Portfolio Company which at the time of the relevant Investments derives any portion of its revenues from pornography .
	Drugs	The Funds will not invest in a Portfolio Company which at the time of the relevant Investments derives any portion of its revenues from the production or trade of illicit drugs (where the production or trade of such drugs is illegal in the jurisdiction in which such drugs are produced and/or traded by the relevant Portfolio Company).

Companies **providing services, products, or equipment to these sectors** are not subject to these exclusions. Similarly, companies that are client to these sectors (e.g., a hotel group selling tobacco) with marginal involvement in these sectors (e.g., a hotel group selling tobacco) or used with a positive use (e.g., using tobacco plants to produce Ebola treatments) may be considered by Sagard during the pre-investment phase.



SAGARD SAS

49-51 Avenue George V - 75008 Paris - France

Tel.: +33 (0)1 53 83 30 00 - Fax: +33 (0)1 53 83 30 30

E-mail: esg@sagard.eu

www.sagard.eu