

2017 ESG REPORT



idinvest
PARTNERS



TABLE OF CONTENTS

EDITORIAL	4
ESG POLICY	6
HISTORICAL PERSPECTIVES OF RESPONSIBLE INVESTMENT STRATEGY	7
RESPONSIBLE PRIVATE EQUITY POLICY AND OVERALL ESG STRATEGY	8
2016 RPE POLICY OVERVIEW	10
CONTRIBUTION TO THE SUSTAINABLE DEVELOPMENT GOALS (SDGS)	11
OUR PUBLIC COMMITMENTS	13
A TEAM DEDICATED TO ESG CONSIDERATIONS	14
INITIATIVES 2016-2017	15
OVERVIEW OF ESG MONITORING IN 2016	16
VENTURE & GROWTH CAPITAL	17
PRIVATE DEBT	23
PRIVATE FUNDS GROUP	30
SOCIAL AND ENVIRONMENTAL RESPONSIBILITY	40
HEALTHY GOVERNANCE STRUCTURE	41
HUMAN RESOURCE MANAGEMENT	42
THE CHALLENGE OF PROFESSIONAL DEVELOPMENT AND EQUAL OPPORTUNITY	43
FOCUS IS PLACED ON SOCIAL COHESION AND EMPLOYEE PROTECTION	45
AN APPROACH COMMITTED TO PROTECTING THE ENVIRONMENT	47
IDINVEST PARTNERS' CORPORATE ENGAGEMENT POLICY	49
ARTICLE 173 CONCORDANCE TABLE	50
INTERVIEW	53



1

EDITORIAL

DEAR CLIENTS, PARTNERS AND STAFF

2016 was an excellent year for the private equity asset class both in terms of raising funds (€14.7bn from the AFIC, up 51% compared to 2015) and investments (€12.4bn invested in 1,900 companies). Iinvest Partners contributed to a good portion of this growth, with €1.3bn raised and €1.2bn invested. The momentum was mainly driven by macro-economic factors, but also by a clear commitment shown by investors, whether institutional or private, to funnel savings into long-term financing of French and European SMEs.

As a result of this growth, investors are becoming increasingly demanding of private equity management firms. These expectations are growing in terms of environmental, social and governance (ESG) criteria and issues related to climate change, in application of the new regulatory framework .

Iinvest Partners was able to anticipate these new expectations by strengthening its ESG policy and processes in 2016.

This revamped ESG policy was deployed successfully in 2016 and the beginning of 2017, resulting in: 3 ESG audits, an analysis of senior debt funds with regard to climate-related risks, creation of a team of ESG reporters, increase in amount of ESG data collected (177 respondents this year), and more. This data revealed that our portfolio companies employ more than 417,00 full-time equivalent positions and created more than 15,300 jobs in a single year.

This doesn't mean Iinvest will now sit back on our laurels. The company continually aims to be one step ahead of future ESG trends. This 2017 ESG Report analysis to what extent Partners' portfolio companies contribute towards the achievement of the UN sustainable development goals. It is a new frame of reference designed as a guide for financial investors and Iinvest is delighted to make it available to all.



Christophe Bavière
CEO &
Managing Partner



Matthieu Baret
Partner

**1.3 Bn €
Raised**

**3 ESG
AUDITS**

**15,300
JOBS CREATED
IN 1 YEAR**

2

ESG POLICY

HISTORICAL PERSPECTIVES OF RESPONSIBLE INVESTMENT STRATEGY

Over the past several years, Idivest Partners has been committed to continually improving its responsible investment policy. 2016 was a landmark year: the Company updated its **Responsible Private Equity (RPE)** policy and introduced relevant tools and practices.

To meet regulatory requirements (Article 173 of the French law on energy transition) Idivest Partners conducted the first **ESG Climate analysis for its third senior debt fund, Idivest Dette Senior 3, with a total investment of over €500 million.**

2009

ESG policy under the AGF-Allianz Group (2002-2010)

2011

Signing of PRI and publication of Annual Report

2012

Definition of "responsible private equity" (RPE) policy

2013

1st Annual ESG Report

2016

New RPE policy
New questionnaires
PRI committee
Carbon offsetting

2017

ESG Climate Analysis for IDS 3 Fund



2016/2017 DEVELOPMENTS

In 2016, Idivest Partners was awarded the «**ESG Best Practice Honours**» by Swen Capital in the **Debt-Mezzanine** category.

IN 2017, Idivest Partners obtained the award in the **Venture Capital** category.

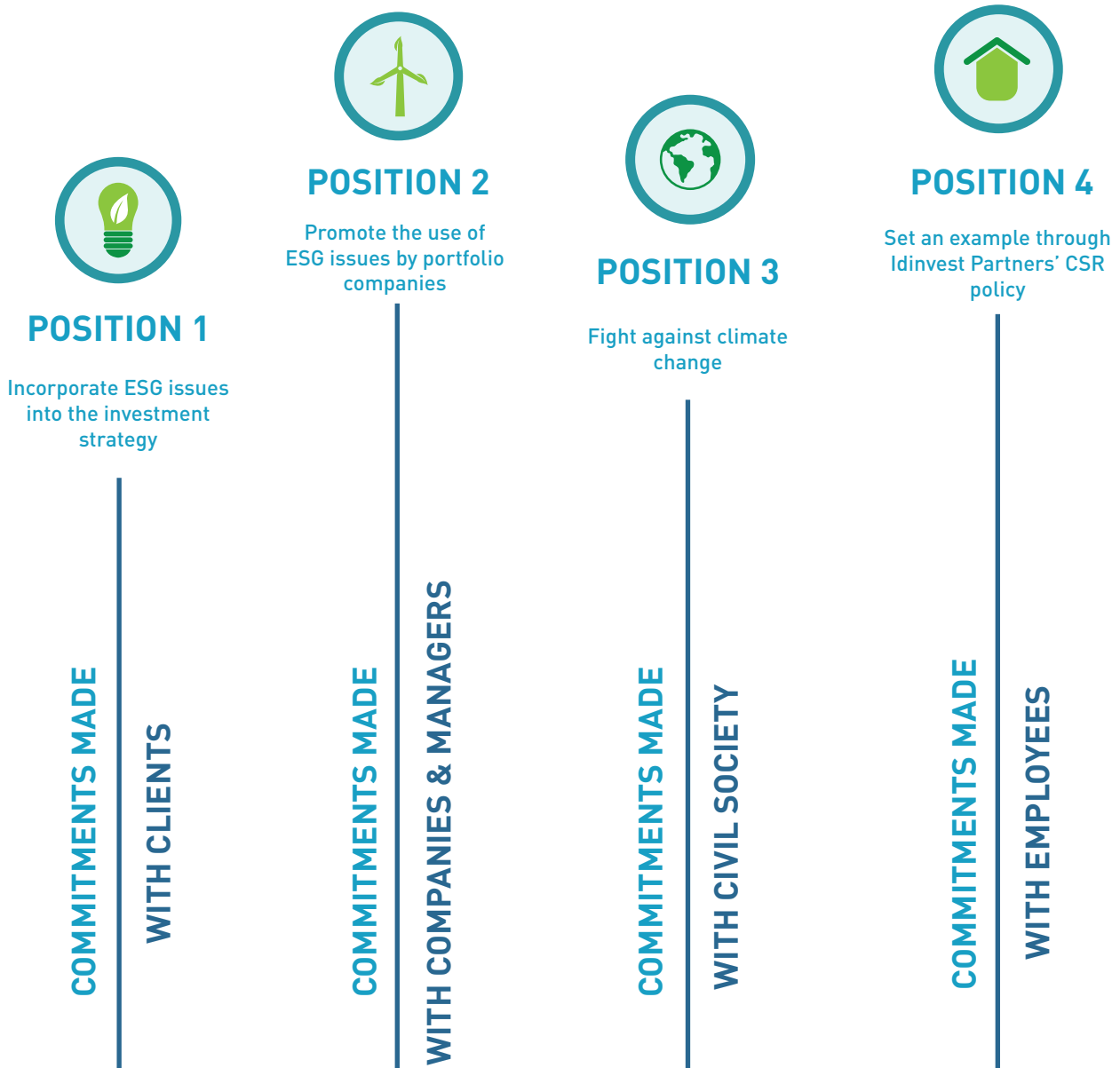


With the help of strategic consultant INDEFI, Idivest Partners carried out a first analysis of exposure to **ESG Climate risks for its IDS3 portfolio**, its only portfolio to reach over €500 million.

Three ESG audits were carried out between 2016 and 2017 for portfolio companies (Next Pool Group, O2, Demeco and Weishardt).

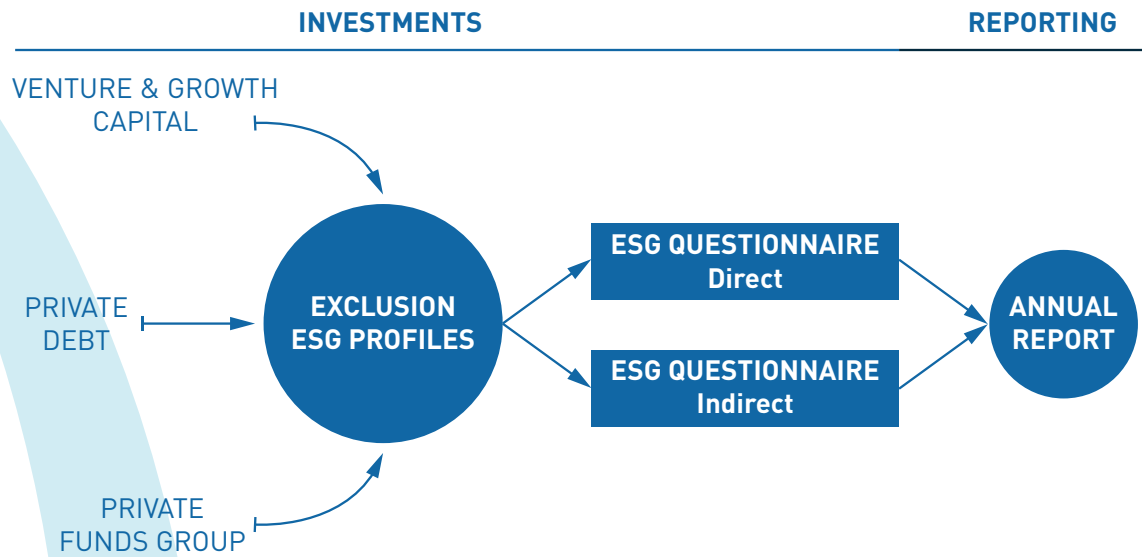
4 COMMITMENTS LINES OF BUSINESS

The **Responsible Private Equity** policy encompasses **4 commitments** while taking into account the various stakeholders affected by Iinvest Partners' line of business: employees, investors, managers, portfolio companies and civil society.



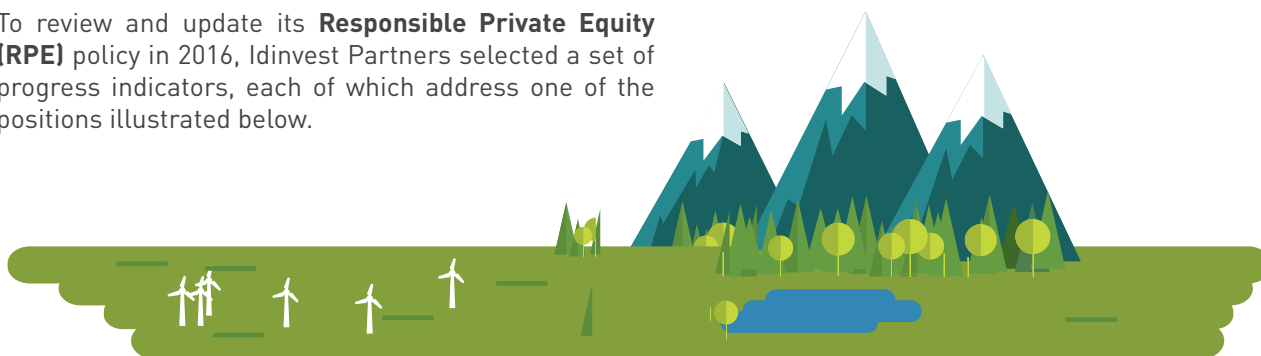
As such, Idivest Partners is committed to integrating ESG considerations throughout the investment lifecycle. To do so, it applies a rigorous investment selection process based on financial and extra-financial criteria, helps its portfolio companies implement their own ESG processes and publishes the results of these policies annually.

Idivest Partners also adopted commitments to transparency and has published an annual ESG report since 2013 made available on its website. In addition, Idivest Partners is a signatory of the UN-PRI, and as such is committed to publishing an annual report on its responsible investment and transparency practices.



2016 RPE POLICY OVERVIEW

To review and update its **Responsible Private Equity (RPE)** policy in 2016, Idivest Partners selected a set of progress indicators, each of which address one of the positions illustrated below.



		INDICATOR	2016 - 2017 PROGRESS
Position 1	Incorporate ESG issues into the investment strategy	Annual ESG questionnaires participation rate	Venture & Growth Capital : 82% Private debt : 52% Private funds Group : 100% Total : 73%
		Publication of an annual ESG report	✓
Position 2	Promote the use of ESG issues by investors	Number of ESG audits carried out in 2016	3
Position 3	Fight against climate change and continue efforts to favor energy transition	Number of portfolio companies invested in green technologies.	20
		Number of analyses of exposure to ESG and climate risks	1 climate analysis for IDS3 Fund
Position 4	Set an example through Idivest Partners' CSR policy	Number of ESG correspondents at Idivest Partners	4 people
		Tons of CO2 offset through the GoodPlanet Foundation	Between 100 to 150 tons of CO2
		Number of charities supported by Idivest Partners	4

CONTRIBUTION TO THE SUSTAINABLE DEVELOPMENT GOALS (SDGS)

In 2015, the member states of the United Nations committed to implement a number of initiatives to meet global social development, environmental and economic challenges. These commitments were adopted as a set of **17 Sustainable Development Goals (SDGs)**, the roadmap to a sustainable planet and society. They are a continuation of the Millennium Development Goals set at the end of the 20th Century.



Conscience of the role the financial sector can play in implementing these SDGs, Iinvest Partners contributes to these both directly, through its corporate social responsibility measures and in the definition of its investment strategy, and indirectly, by supporting companies that have a positive impact on the environment and society at large.



DIRECT CONTRIBUTION: CSR STRATEGY

Thanks to its CSR strategy (see Chapter 4 of this document on Corporate Social Responsibility), Iinvest Partners directly contributes to the implementation of Sustainability Development Goals. It does so in particular with regard to the fight against climate change (SDG 13) through its environmental conservation approach and investment strategy.

In addition, the company indirectly contributes to reducing inequalities (SDG 10) through its corporate engagement policy.

INDIRECT CONTRIBUTION: PORTFOLIO COMPANIES



Good health and well-being

Ensure healthy lives and promote well-being for all at all ages

Examples of portfolio companies

Elsan, Homeperf, Intech medical, IPS specials, Orphazyme ApS, OxThera



Quality education

Ensure inclusive and quality education for all and promote lifelong learning

Examples of portfolio companies

Inseec Group



Affordable and clean energy

Ensure access to affordable, reliable, sustainable and modern energy for all

Example of portfolio companies

Nasceo Environnement, Nenuphar, Off Grid Labs, Sunrun



Industry, innovation and infrastructure

Build resilient infrastructure, promote sustainable industrialization and foster innovation

Example of portfolio companies

Seatower, Sermeta, Enlighted



Sustainable cities and communities

Make cities inclusive, safe, resilient and sustainable

Example of portfolio companies

Actility, Organica Technologies, Techniwood International



Responsible consumption and production

Ensure sustainable consumption and production patterns

Exemples d'entreprises en portefeuille

Remade in France, Recupyl, Paprec

Idinvest Partners finances companies that have a positive impact on the transition towards a sustainable society and economy. In the very definition of its investment strategy, notably through the Electranova Capital I and II funds, with €80 million in supporting Cleantech companies, Idinvest demonstrates its commitment to fighting against climate change.

In 2017, working strategy consultancy firm INDEFI, Idinvest Partners carried out its first preliminary mapping of its contribution to the SDGs and identified **six main themes** in which its portfolio companies had a positive impact.

In particular, as part of its Cleantech venture capital fund, 20 portfolio companies directly contributed to goals related to energy, innovation and the development of sustainable cities and communities.

OUR PUBLIC COMMITMENTS

Idinvest Partners became a signatory of the UN-PRI in 2011, and is committed to publishing an annual report on its responsible investment practices. The scope of this report covers all its activities.

End-2014, Idivest Partners was chosen to join the Private Equity Advisory Committee, which has around twelve members from all horizons. As part of this Committee, Idivest Partners produces quarterly reports and participates in improving PRI members' theoretical knowledge and help them gain ground.



The Principles for Responsible Investment is a United Nations' initiative launched in 2006 by Kofi Annan. It encourages its signatories in the finance sector (asset owners, investment managers and service providers) to respect its six core principles.

FOCUS ON PRI ANNUAL REPORT SCORING

For its 2015 practices and policies, Idivest received an excellent score for the strategy and governance module (A+) and for modules related to direct PE management (A) and indirect PE management (A).

Based on these scores and its overall performance, Idivest Partners is better positioned than its peers.

Module	2014 Score	2015 Score	2015 Median
Strategy and Governance	A	A+	B
Indirect Management: Private Equity	A	A	B
Direct Management: Private Equity	A	A	B

Idinvest Partners is very actively involved with the AFIC (Association Française des Investisseurs pour la Croissance): Benoist Grossmann is currently Vice Chairman of the association, Idivest Partners is a founding member of the Cleantech club created in 2009 and has been a stakeholder of the ESG Commission since 2015. Like all members of the AFIC, Idivest Partners has been a

signatory of the AFIC Charter since 2008, and as such acknowledges the economic, social and environmental impact of its investments and undertakes to attain the objectives for each of these issues. The association also sends its members an annual ESG questionnaire, which Idivest Partners undertakes to fill out in detail.



ASSOCIATION FRANÇAISE
DES INVESTISSEURS
POUR LA CROISSANCE

A TEAM DEDICATED TO ESG CONSIDERATIONS

**CHRISTOPHE
BAVIÈRE**
CEO & Managing
Partner



**MATTHIEU
BARET**
Partner



**STEPHANIE
COURTADON**
Head of Marketing



**SYLVIANNE
GUYONNET**
Chief Operating &
Control Officer



Created in 2011, **the ESG Committee's** mission is to monitor our commitments and set medium term objectives. It is made up of four active members representing Idivest Partners' various divisions.

The ESG Committee meets to discuss core strategic points needed to **define the RPE policy in the medium term, monitor ESG issues and handle internal and external communication.**

The committee members have both seniority and operational skills, qualities that guarantee the credibility of the RPE policy. Matthieu Baret is also responsible for ESG matters within our company.

In addition to defining the RPE policy, the ESG Committee has several other missions, notably to:

- Ensure commitments made with our stakeholders are respected;
- Ensure the traceability of our ESG and CSR actions;
- Define strict exclusion and increased monitoring guidelines with regard to extra-financial risks.

The ESG Committee has an ESG reference person within each sector of the company to implement the RPE policy.

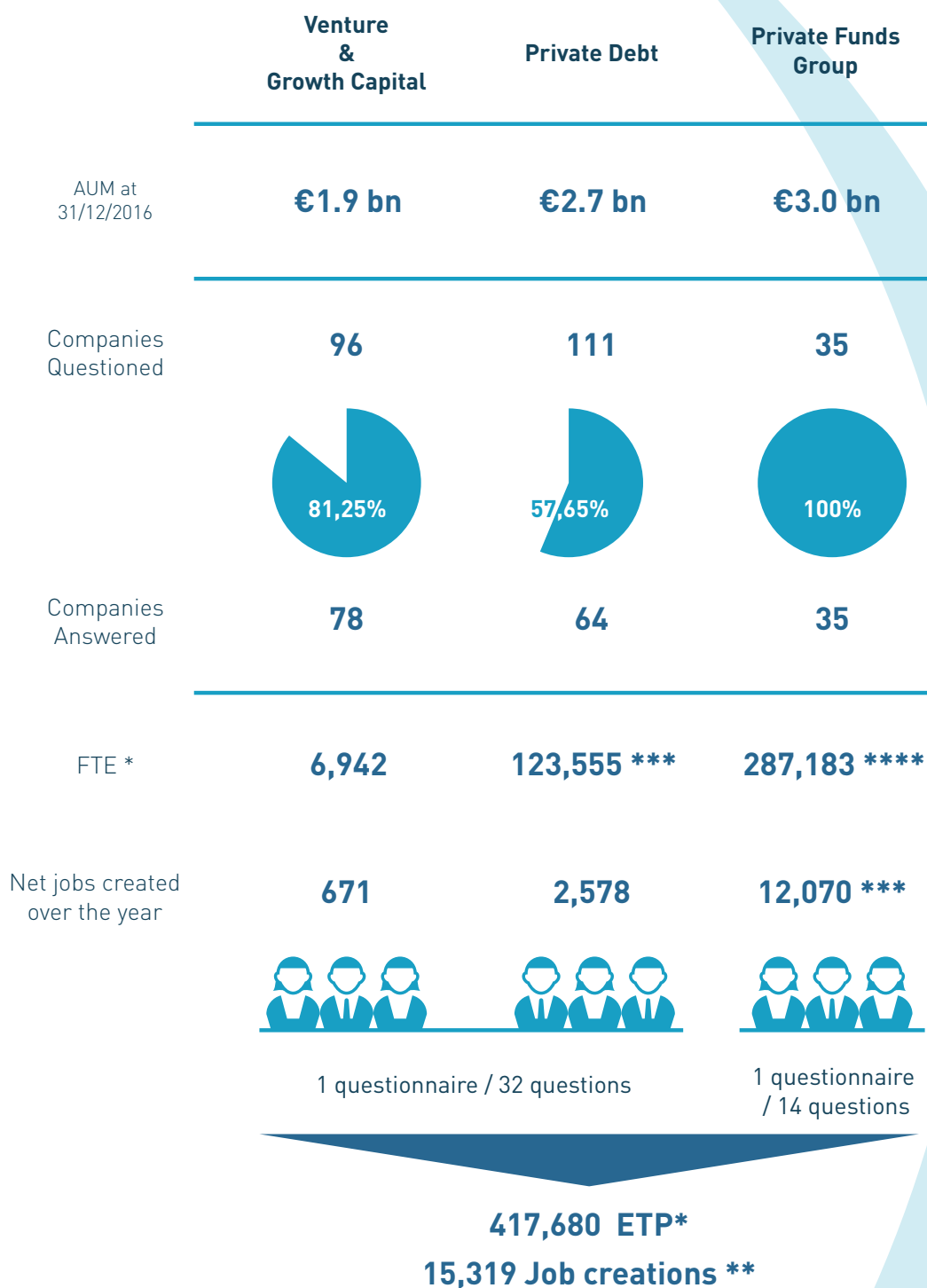




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**INITIATIVES
2016-2017**

OVERVIEW OF ESG MONITORING IN 2016



* FTE : Full-Time Equivalent

** This indicator only covers companies that responded.

*** Note one company only counts for 50,614 employees.

****Through 344 companies in investment funds backed by Idinvest Partners.

VENTURE & GROWTH CAPITAL

At end-2016, Iinvest Partners' Venture & Capital Growth activity totaled €1.9 billion in assets under management and over 150 portfolio companies.

The funds are largely invested in three main areas of business: digital, health and technologies. The companies in the portfolio are essentially of two main types: high-potential start-ups or small or high-growth medium enterprises (SMEs) whose products and services have been tried and tested and enjoy a solid client base. Through its investments, Iinvest Partners aims to help innovative companies grow and expand their business while respecting the challenges of future, whether in France or internationally.

In addition to its financial support, by providing strategic guidance and expanding its network Iinvest Partners is able to help these companies improve their structure and governance while keeping to best industry practices. This translates essential in the creation of management bodies, regular board meetings and the appointment of independent members on the Board of Directors or Supervisory Board.

€1.9^{bn}
assets
under management

DIGITAL

The latest growth capital funds raised by Iinvest Partners represent an investment capacity of more than €400m in the digital sector.

HEALTH

Iinvest Partners is a major actor in the financing of growth companies in the health sector with more than €156m invested in 50 European companies.

SMART CITIES

In 2012, in partnership with EDF and with the support of Allianz and Bpifrance, Iinvest Partners launched Electranova Capital, a growth capital fund that supports entrepreneurs in the new energy and environmental technology sectors.

Over 150 start-ups funded in 10 years, 2 listed on NASDAQ since 2013

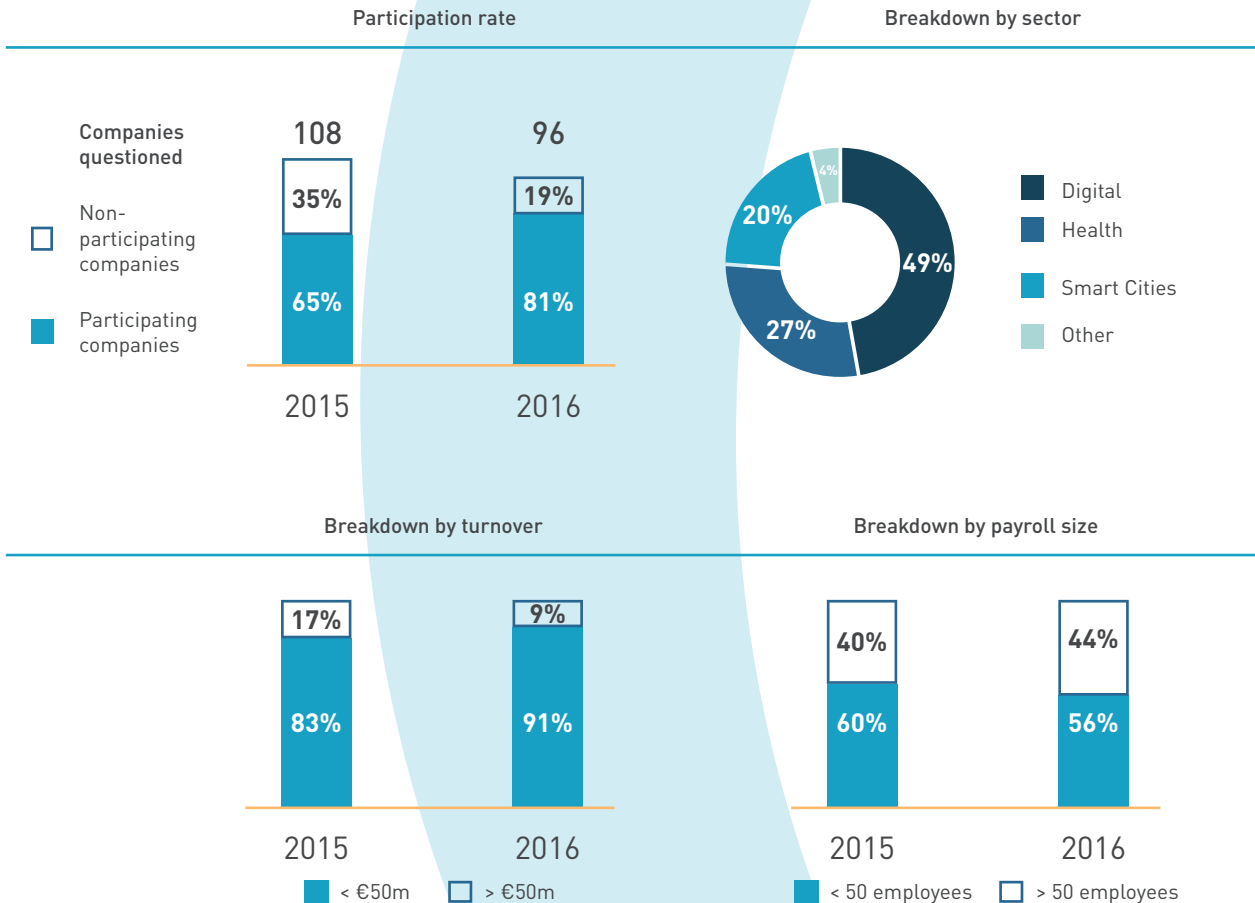
Nearly 15 IPOs over the past 10 years

Member of Cleantech Group's European Advisory Board and the French AFIC Cleantech Club



ESG QUESTIONNAIRES ANALYSIS RESULTS

ESG monitoring of the Venture & Growth Capital portfolio is conducted annually. In 2016, more than 81% (78 out of 96) of the companies in the portfolio answered the annual ESG questionnaire. This rate is a significant improvement on 2015 (+16 points). Repeat respondents from last year totaled 35%. This is due to the natural turnaround of the portfolio (acquisitions, exits) or because certain companies did not reply in 2015 but did in 2016 and vice-versa.



Nearly the majority of respondents work in the digital sector, over a quarter in health and 20% in Cleantech (15% «smart cities» and 5% in Cleantech infrastructure). Finally, the remaining 4% represents companies working in various innovative sectors. Respondent profiles in 2016 are relatively similar in terms of turnover but show a disparity in terms of payroll size. Start-ups' singularity is reflected in

the pool of respondents: 91% of portfolio companies with less than €50 million in turnover and 65% of these with less than €10 million in turnover. Nearly 44% of portfolio companies have over 50 employees, with 56% less than 50 employees. These are similar proportions to 2015, as 60% of respondents had less than 50 employees.

GOVERNANCE

Idinvest Partners mainly invests in young, high-growth companies and accompanies them in defining their governance practices and consolidating their governing and supervisory bodies while respecting industry best practices.

PRESENCE OF INDEPENDENT MEMBERS IN GOVERNING BODIES

The presence of external members is to guarantee the independence of the Board of Directors and Supervisory Board with regard to the company's management, and represents an additional guarantee for minority shareholders and employees.

In the 2016 Growth Capital portfolio, 53% of companies have less than one independent member within their governing bodies. This is a good practice sought out by innovative companies that have large round tables and cover highly technical subjects, and therefore appreciate external expertise.

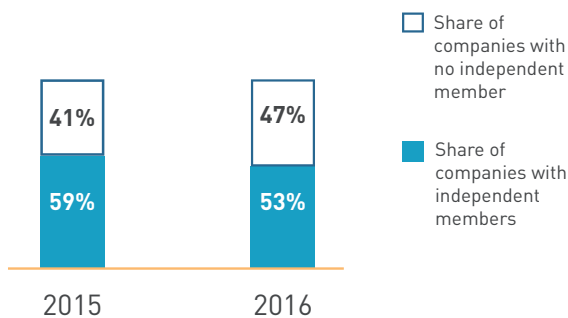
SPECIALIZED BOARD COMMITTEES

Creating specialized committees (audit, remuneration, appointment, ethics) gives Board members insight when dealing with specific topics. The presence of independent/external members in these bodies is a way of ensuring that they are effective.

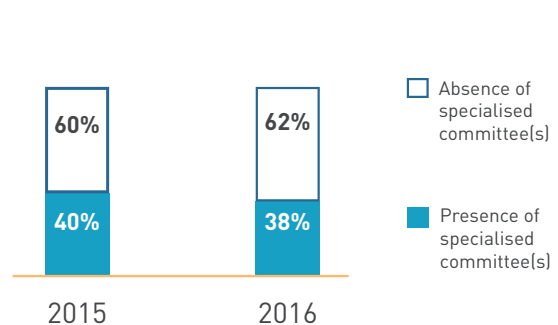
Only 38% of respondents have set up one or several specialized committees. This may be partly due to the size of the portfolio companies 74% of companies that had no specialized committee have less than 100 employees.

In most cases, the committees in place were remuneration committees.

% OF INDEPENDENT MEMBERS IN GOVERNING BODIES



% OF PRESENCE OF SPECIALISED COMMITTEES

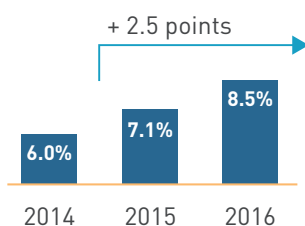


PRESENCE OF WOMEN IN GOVERNING BODIES

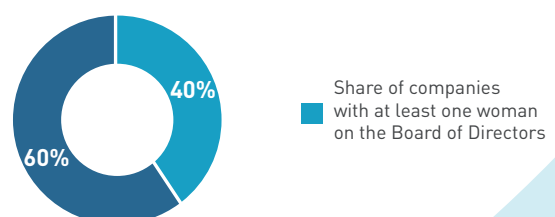
To promote gender equity and diversity in the workplace, several French and European laws favor the diversity of boards and governing bodies.

Given the small size of the portfolio companies, the first step is to determine whether there is at least one woman on the board. This is the case for only 40% of companies. Note that although the portion of women is low it has been increasing in the past few years.

% OF WOMEN IN GOVERNING BODIES (AVERAGE)



% OF COMPANIES WITH AT LEAST ONE WOMAN ON THE BOARD OF DIRECTORS



SOCIAL

Human capital is seen as a core value for the companies invested by Idivest Partners. It is vital that these high-growth companies know how to attract and engage key talents to anchor their business over the long term.

NUMBER OF EMPLOYEES END 2016

6,942 FTE*

JOB CREATIONS END 2016

671 FTE*

* FTE : Full-Time Equivalent

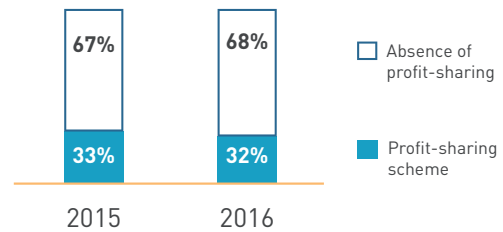
ALIGNMENT WITH EMPLOYEES' INTEREST

Allowing a majority of employees to share in the company's profit is a way to motivate them and bind their interests with those of the company. This mechanism, which can be the result of a legal obligation or a voluntary decision, can take on several forms depending on the circumstances.

A third of respondents have set up a profit-sharing scheme that extends beyond regulatory obligations. Given that 56% of the portfolio companies have less than 50 employees, this is a standard practice.

In addition to these measures, most companies issue stock options.

% OF COMPANIES THAT OFFER AN INCENTIVE MEASURE BEYOND THE LEGAL OBLIGATION

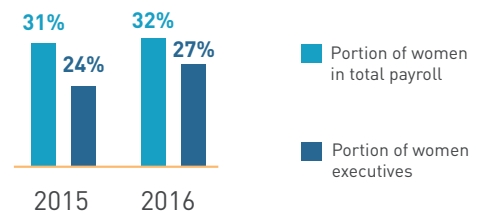


DIVERSITY

Though driven by ethical considerations, promoting diversity within a company is also a source of profitability.

The portion of women in the total payroll rose slightly from 2015 to 2016. The total figure remained low, as is common in technical sectors. However this is close to the portion of women in management, which constitutes good practice.

% OF WOMEN IN THE PORTFOLIO COMPANIES

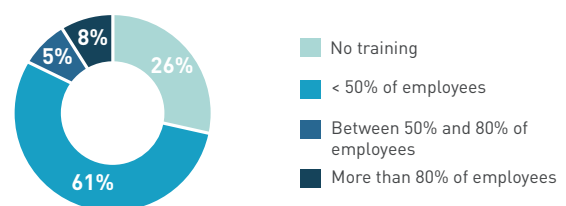


EMPLOYEE TRAINING

Training employees is a key way of guaranteeing cutting-edge knowledge and renewing skills.

Most respondents provided training for their employees. However, for 61% training was received by less than half their employees.

% OF EMPLOYEES WHO RECEIVED TRAINING



ENVIRONMENT

Idinvest Partners has an investment activity dedicated to supporting companies that focus on the good of the planet, whether by producing renewable energies or preserving natural resources (water, raw materials). Here is a sample of these companies and how they work towards protecting the environment.

NENUPHAR



NENUPHAR
OFFSHORE WIND TURBINES

Founded in 2006, Nenuphar started with a major innovation in offshore wind turbines: floating vertical axis wind turbines.

The vertical axis naturally catches the wind from any direction. Its contrarotative design allows to considerably reduce electricity costs by more than 30% compared with standard horizontal axis technology.

OFF GRID ELECTRIC

OFF·GRID  ELECTRIC

American start-up specialized in off grid solar power, Off Grid Electric develops the production of competitively priced solar energy in Africa. The company founded in 2012 is already active in Tanzania and Kenya (under the Zola brand) where it has equipped over 100,000 homes and companies with solar panels. It aims to equip one million homes in Tanzania by 2019.

Off Grid's offers a solar lighting system that replaces kerosene lamps widely used across Africa, providing a solution that doesn't have negative affects on health, reduces carbon gas emissions, reduces power bills and creates local employment.

ORGANICA

 **ORGANICA**

Organica's water treatment systems use natural organic (plants) or industrial (patented bio-fibers) structures made up of botanical gardens set up in glasshouses to absorb any smells and disruption in urban centers.

Organica develops tailored systems with the aim to reduce the physical footprint of the installation and reduce operating costs. On average their solutions are 30% more energy efficient than conventional technologies.

TECHNIWOOD

techniwood
L'innovation nous construit

Techniwood is a pioneer manufacturer of wood panels with insulation and innovative timber structures that have high levels of energy performance. This young French start-up specializes in the construction and rehabilitation of sustainable buildings.

Techniwood's solutions range from designing innovative, high energy performance panels to building or renovating sustainable structures, whether tertiary buildings, housing or public buildings.

CASE STUDY: ACTILITY

As part of its strategy to support Cleantech companies through its Electranova Capital fund, Idinvest invested in Actility, a supply of networks and solutions for the Internet of Things (IoT).



Founded in 2010, Actility is managed by Olivier Hersent and Mike Mulica.

This startup had over 150 employees in 2016 and enjoyed an annual average growth rate of 124% of turnover between 2012 and 2015.

Actility received the 2016 «startup of the year» award from E&Y during the Entrepreneur of the Year awards.

Olivier Hersent

Co-founder
Chairman and
CTO



Mike Mulica

Chairman and
CEO



LORAWAN TECHNOLOGY

Actility is a leader in LoRaWan (Long Range Wide-area network) technology, used to establish a wireless connection between an object and a receiver at very long distances (up to 15km). This company deploys a broad spectrum of solutions that can be applied to the energy, telecommunications, construction, agriculture and transport sectors as well as smart cities logistics and management.



POWER ADJUSTMENT ACTIVITY

One of Actility's flagship solutions is its power adjustment and energy efficiency programs for industrial sites. Actility provides real-time, wireless solutions to monitor and manage power consumption on industrial sites adapted to the needs of each company along with power network management services.

This power adjustment solution can help:

- Reduce power consumption and costs
- Reduce companies' environmental impact, particularly by reduce CO2 emissions.
- Guarantee supply for peak hours without requiring additional output measures.

PRIVATE DEBT

With €2.7 billion under management at 31 December 2016 and over 150 portfolio companies, Idivest Partner's Private Debt business line has developed a full range of products for investors through its dedicated funds: (i) Mezzanine/Unitranche, (ii) Senior Debt funds and (iii) Corporate Debt.

The investment process set up by the Private Debt team takes into consideration a rigorous selection of opportunities, including the principles of Idivest Partner's responsible private equity policy at each stage of the process.

Not being a shareholder in the company in which it invest, the Private Debt team can draw on its close relations with the directors of the portfolio companies to encourage them to collaborate more effectively on these themes. For unitranche and mezzanine investments, these close relations are strengthened by the presence of an Idivest team member on nearly every one of these companies' supervisory boards as a non-voting member (*censeur*).

€2.7 bn
assets
under management

MEZZANINE & UNITRANCHE

As an all-rounder, Idivest Partners invests in all types of solutions (LBOs, refinancings, growth financings), with or without sponsor equity.

SENIOR DEBT

Idivest Partners enhanced its acquisition finance offering with a dedicated Senior Debt fund.

CORPORATE DEBT

Idivest Partners manages the NOVI fund, investing in debt and capital in French SMEs.

ESG diagnosis: O2 Group, Demeco and Weishardt

A strategic consultancy firm established a report to analyze the extra-financial performance of O2 Group, leader of swimming pool equipment in France, using a grid of 14 criteria that cover environmental, social and governance aspects relevant to the swimming pool sector.

In a collaborative process, a roadmap was drawn up with O2 Group to identify the main areas of improvement with regard to ESG issues as well as an action plan to implement these.

Another approach was used to analyze the CRS performance of Demeco, a leader in the relocation for households and businesses, through a consultancy firm: Demeco's ESG report focused on assess the level of the company's maturity regarding seven ESG aspects and the level of risk associated with each priority aspect identified.

In 2016, Idivest Partners invested in the Weishardt Group, the 4th largest gelatin manufacturer globally. As part of its investment process, Idivest Partners carried out ESG due diligence to better understand the risks and opportunities related to this industrial company's activities. This audit resulting in the addition of a suspension clause in the event of insufficient results, which was lifted at the end of the process.

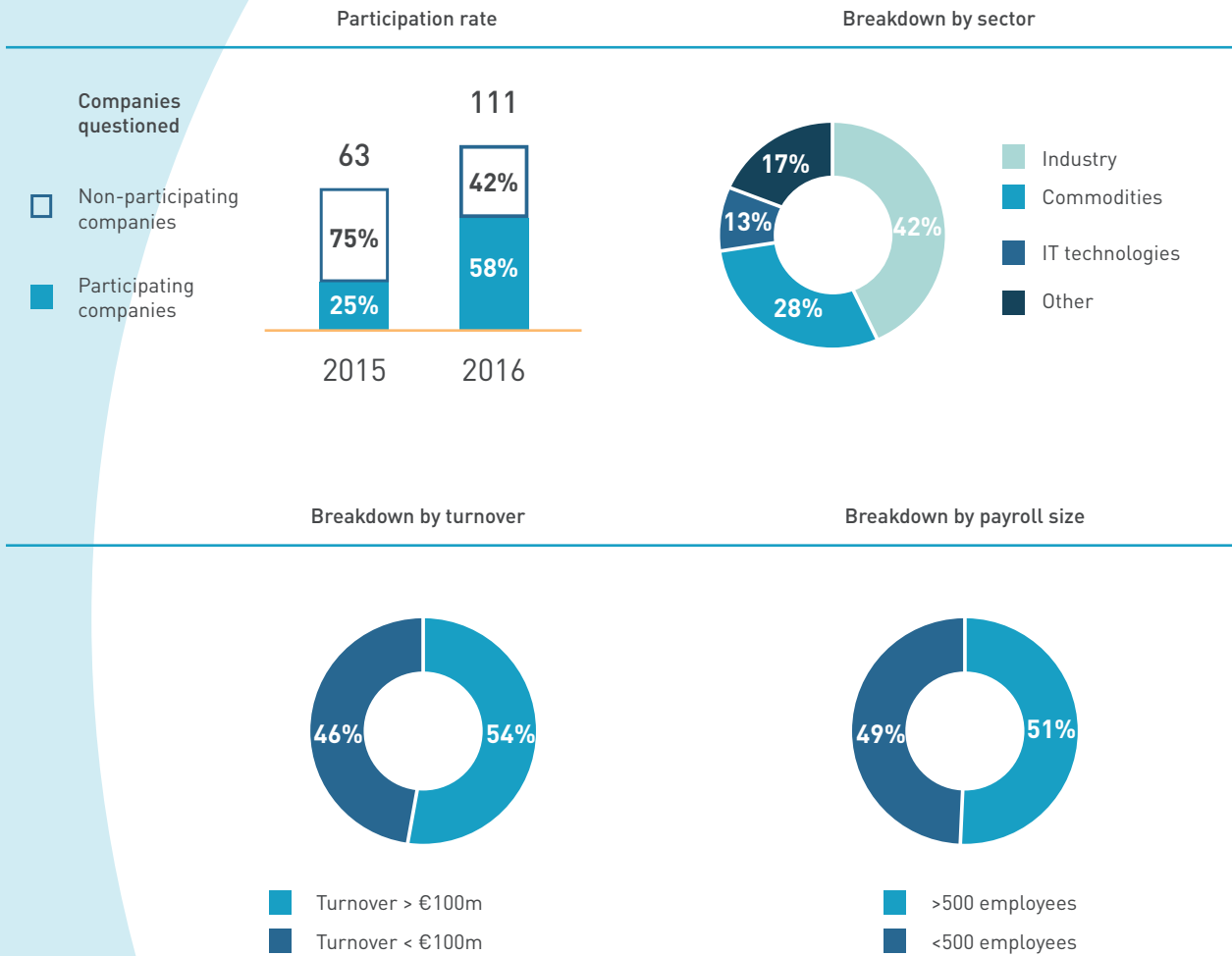
IDS 3 Climate Analysis

In accordance with the application decree for Article 173 of the French law on energy transition, Idivest Partners carried out a ESG Climate analysis for its third senior debt fund, Idivest Dette Senior III, totaling over €500 million. This analysis was based on two main approaches: the assessment of businesses in terms of ESG risk and an analysis of portfolio companies' exposure to climate-related risk (physical and transition).



ESG QUESTIONNAIRES ANALYSIS RESULTS

Portfolio companies in the Private Debt business line are monitored according to ESG indicators collected annually from the companies. In 2016, 58% completed the ESG questionnaires, namely 64 companies out of 111 questioned. This corresponds to 42% of senior debt companies questioned and 82% of Mezzanine/Unitranche companies questioned. This participation rate, up 33% from 2015, improves the quality of the results immensely and reflects greater involvement from the team and the importance they place on ESG matters.



Respondents were relatively diverse:

- Half the companies (54%) have a turnover of more than €100 million.
- On average they had 2,167 employees at year-end 2016. Breakdown by payroll shows a great diversity where half of respondents have more than 500 employees and half have less than 500 employees.
- Most respondents are from the industry (42%) and consumer (28%) sectors. 13% of these companies operated in the IT sector. The remaining category is very diverse as it includes companies from health, finance, equipment and others.

Constant scope 2015-2016: Only 17% of respondents in 2016 also responded in 2015, namely 11 portfolio companies. It is therefore difficult to make a two-year comparison. However, this data is included in the analysis below where pertinent.

GOVERNANCE

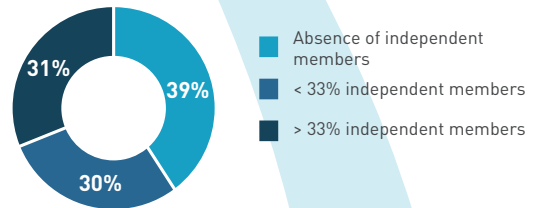
Idinvest Partners Private Debt team regularly meets with the governing bodies of its portfolio companies, and where possible joins their supervisory boards as a non-voting member (censeur). These close ties explain the portfolio companies' high participation rate.

PRESENCE OF INDEPENDENT MEMBERS IN GOVERNING BODIES

The presence of external members is to guarantee the independence of the Board of Directors and Supervisory Board with regard to the company's management, and represents an additional guarantee for minority shareholders and employees.

In Private Debt portfolios, 61% of companies have at least one independent member within its governing bodies, a higher portion than in the Growth Capital line of business (likely due to the greater maturity of these companies).

% OF INDEPENDENT MEMBERS IN GOVERNING BODIES



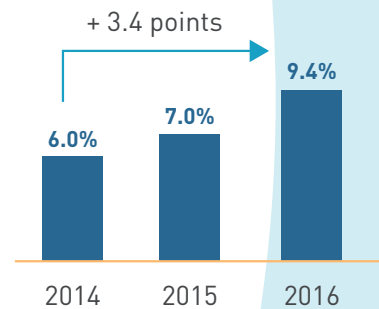
PRESENCE OF WOMEN IN GOVERNING BODIES

Diversity in its governing bodies is a sign of a company's commitment to diversity and professional equity in the workplace. It is also proven that diversity in governing bodies is a sign a company is performing well.

Several European and French laws and regulations promote this diversity.

Private Debt portfolio companies have seen an increase in the portion of women in their governing bodies over the past few years. However, the level remains well below regulatory requirements, given here as reference because they are also applicable to listed European companies or companies with over 500 employees for three consecutive years².

% OF WOMEN IN GOVERNING BODIES (AVERAGE)

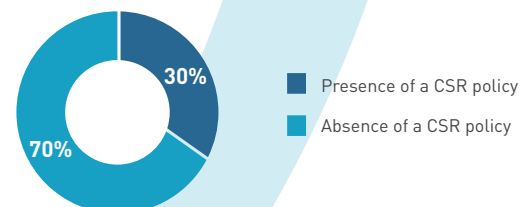


PRESENCE OF WOMEN IN GOVERNING BODIES

CSR policies structure a company's extra-financial actions by setting goals to be reached and action plans to be developed. This policy strengthens the company's strategy, to which is closely linked, by focusing on areas pinpointed as priorities for the company.

Only 30% of respondents have defined a CSR strategy.

% OF PORTFOLIO COMPANIES WITH A CSR POLICY



²The French Zimmerman Code Law and European Union 2014/95/EU directive set require that, by 2020, at least 40% of all non-executive directors must be of the under-represented sex in listed European companies or companies that employ more than 500 employees for three consecutive years and have a net turnover or total balance sheet of at least €50 million.

SOCIAL

Human capital is seen key part of portfolio companies' strategy. Given the companies' wide diversity in terms of size and sector, the maturity of their social policies may vary greatly from one to another.

NUMBER OF EMPLOYEES END 2016

123,555 FTE

JOB CREATIONS

2,578 FTE

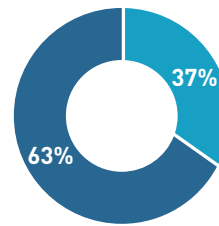
ALIGNMENT WITH EMPLOYEES' INTEREST

Allowing a majority of employees to share in the company's profit is a way to motivate them and bind their interests with those of the company. This mechanism, which can be the result of a legal obligation or a voluntary decision, can take on several forms depending on the circumstances.

More than a third of respondents have set up a profit-sharing mechanism that extends beyond regulatory obligations.

This portion is slightly higher than last year (31%), largely due to repeat respondents where the new participating companies were slightly more inclined to put into place these mechanisms.

% OF COMPANIES THAT OFFER AN INCENTIVE MEASURE BEYOND THE LEGAL OBLIGATION



Incentive measure beyond the legal obligation

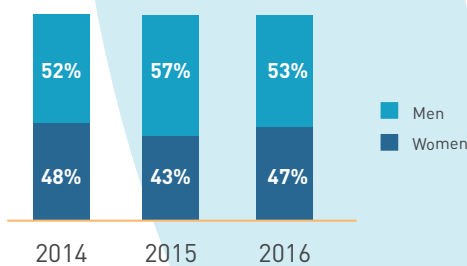
Absence of incentive measures beyond the legal obligation

DIVERSITY

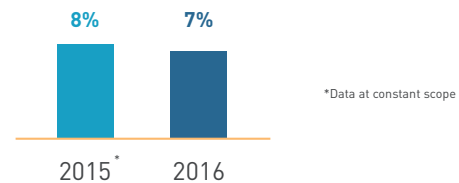
Though driven by ethical considerations, promoting diversity within a company is also a source of profitability.

There is a near parity within respondents, even though the percentage of women varies from sector to sector. For example, the industry and automobile sectors have very few women, whereas it is the opposite case in the service sector. Moreover, at constant scope, the difference between the % of women in non-managerial positions and the % of women in management remained stable.

AVERAGE SHARE OF WOMEN AND MEN IN THE PORTFOLIO COMPANIES



DIFFERENCE BETWEEN THE % OF WOMEN IN NON-MANAGERIAL POSITIONS AND THE % OF WOMEN IN MANAGEMENT



*Data at constant scope

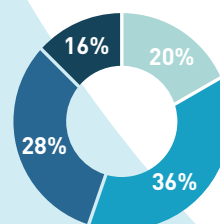
EMPLOYEE TRAINING

Training employees is a key way of guaranteeing a good level of knowledge and renewing skills.

Most respondents provided training for their employees. For 44% training was received by more than half their employees.

Some companies, such as Destia Group and Appart'city saw a very positive improvement, increasing the number of employees who received training in 2015, from 34% and 70% respectively to 100% in 2016.

% OF EMPLOYEES WHO RECEIVED TRAINING



No data

<50% of employees

Between 50% and 80% of employees

ENVIRONMENT

The French energy transition law has highlighted the progressive obligation for management companies with over €500m under management to measure the environmental performance of their portfolio companies. As a result, Iinvest Partners set up environmental indicators to measure environmental developments taken by its portfolio companies.

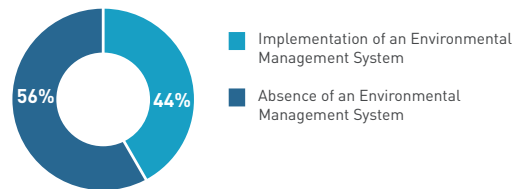


DEFINITION OF AN ENVIRONMENTAL MANAGEMENT SYSTEM

An environmental management system can give structure to the way various initiatives relate to each other and define roles and responsibilities within the company.

44% of respondents have an environmental management policy.

% OF COMPANIES WITH AN ENVIRONMENTAL MANAGEMENT SYSTEM



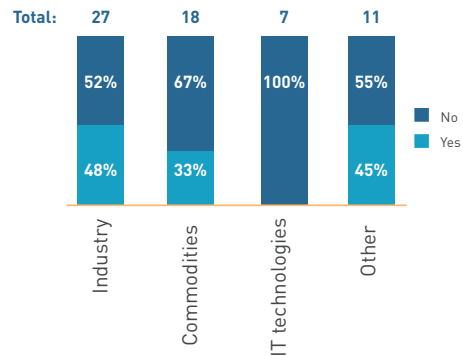
ENVIRONMENTAL CERTIFICATIONS

Environmental policies or management systems can be certified (ISO 14 000, EMAS, etc.).

54% of companies that had received a form of environmental certification are from the industrial sector.

At constant scope compared to 2015, three companies responded that they had received a form of environmental certification in 2016.

OF COMPANIES WITH ENVIRONMENTAL CERTIFICATION BY SECTOR



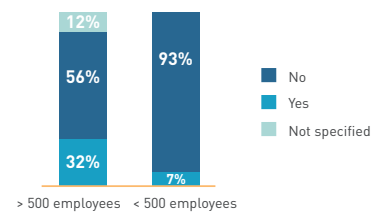
FIGHT AGAINST CLIMATE CHANGE

Achieving a carbon footprint allows companies to measure their environmental impact and identify their main sources of emissions.

It is also an obligation for French companies with more than 500 employees.

Only 13% of respondents have measured their carbon footprint. 85% of these companies have more than 500 employees.

BREAKDOWN OF COMPANIES WHO MEASURED THEIR CARBON FOOTPRINT



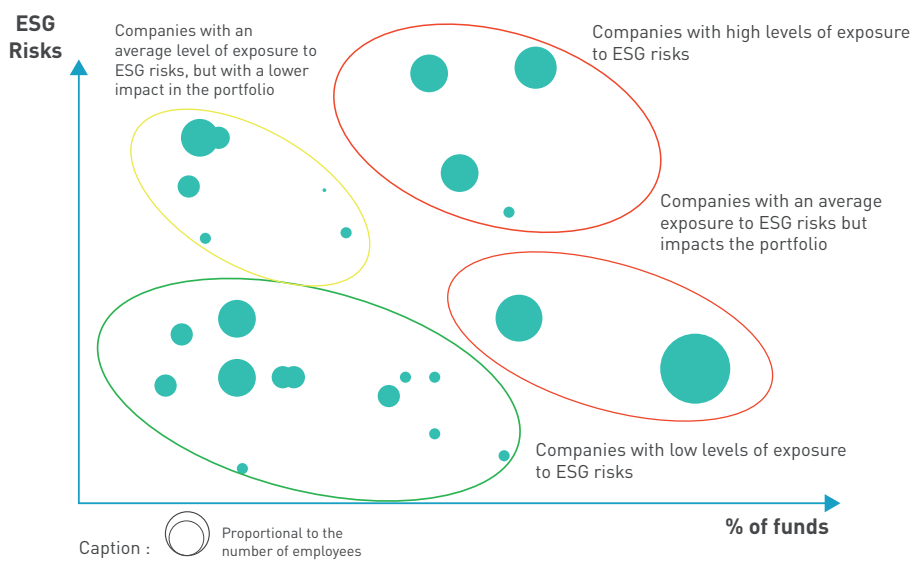
IDINVEST DETTE SENIOR 3 ESG CLIMATE ANALYSIS

To meet the regulatory requirements outlined in article 173 of the French law on energy transition and in keeping with its environmental commitments, Idinvest Partners carried out a first ESG Climate analysis on its Idinvest Senior Dette 3 Fund, totaling over €500 million. Idinvest call on the services of external consultant INDEFI to carry out this measure.

Climate analysis is divided into two areas:

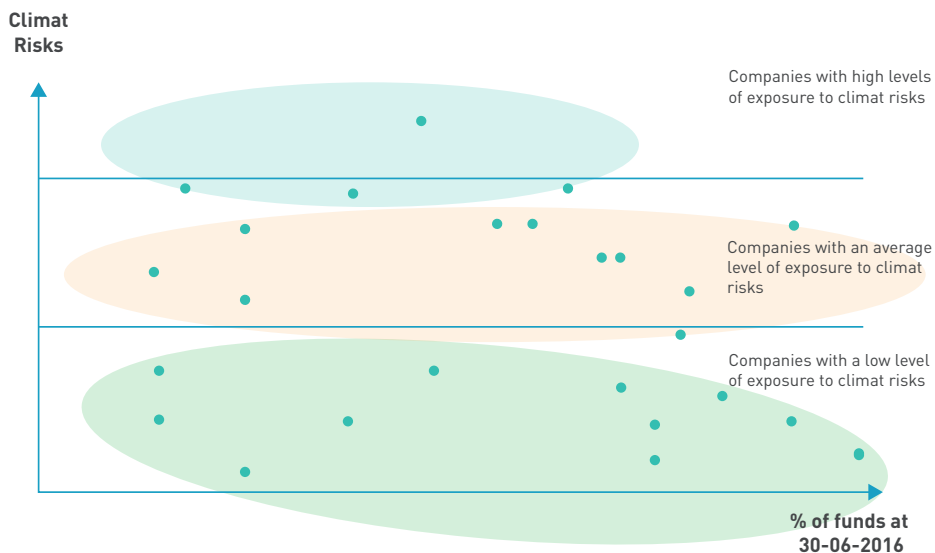
Analysis of ESG risks

This involves used criteria such as the size and sector of the business to determine the ESG risk profile of 25 companies.



Analysis of exposure to climate-related risks

The analysis focused on investments' exposure to physical and transition risk.



CASE STUDY: NEXT POOL - O2 GROUP



Turnover: € 54 m in 2016

Grouping of 4 swimming pool equipment providers

~230 employees across 9 branches

Present on the European swimming pool and solar protection market

Its main clients are distributors and swimming pool providers in France, Spain, Germany, Italy, Portugal, the Netherlands and England

As part of its Private Debt activity, Idinvest Partners has helped NextPool - O2 Group expanding internationally since the end of 2014.

In 2017, with the support of INDEFI, O2 Group's environmental, social, societal and governance measures were assessed. This resulted in a roadmap established in collaboration with their management, which identifies good practices and main areas of improvement.

2 LINES OF BUSINESS

- Swimming pool equipment
- Solar protection

FOCUS ON GOOD PRACTICES

Given the specific nature of the swimming pool sector, the Group's companies are subject to considerable seasonal variations. For example, each year between January and June companies need to hire additional staff.

As a result, the O2 Group has developed good practices for recruiting seasonal workers to have this category of employees integrated over the long-term.

Where possible, the Group uses "employers' groupings", a unit that helps both companies engage employees who are only required for a season or part-time, and employees find long-term access to employment. For example, AS POOL's head of operations chairs the "Cenotis" employers grouping in Sarthe, France.

CÉNOTIS

PRIVATE FUNDS GROUP

Since 1997, Idivest Partners has been selecting Europe's best private equity opportunities on behalf of our institutional investors through its Private Funds team. With over €3 billion under management as at December 31, 2016 and nearly 20 years of experience investing in private equity funds, secondary transactions and co-investments, Idivest Partners is one of the biggest players in the European market.



€**3.0**bn
assets
under management

PRIMARY FUNDS

Investing in newly formed private equity funds across different strategies (buyouts, growth, venture, turnaround).

230 funds
primary

SECONDARY TRANSACTIONS

Acquiring existing buyouts.

80 secondary
transactions

CO-INVESTMENTS

Making investment in mature companies alongside a private equity fund.

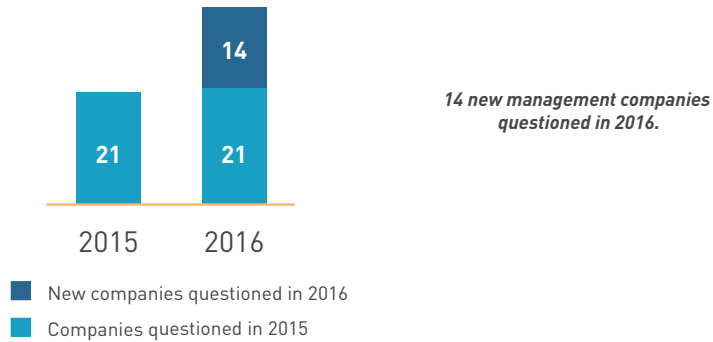
70 co
investments

ESG QUESTIONNAIRE PARTICIPANTS

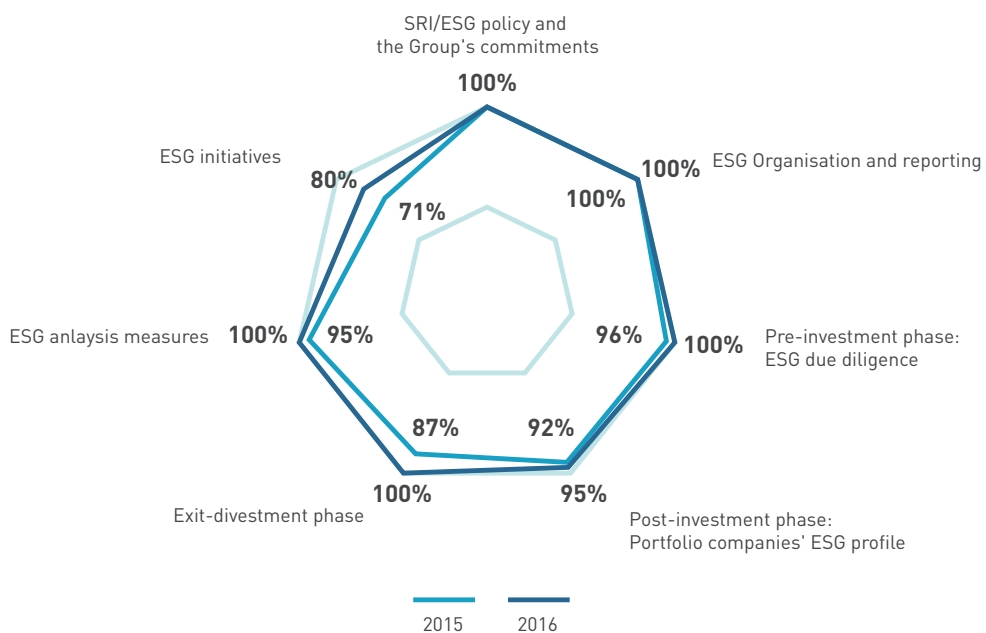
Idinvest Partners asked 35 management companies to answer its annual ESG survey. The ESG questionnaire sheet is made up of 14 questions covering the management company's general approach to SRI/ESG (policy, organization, reporting) and their ESG approach during pre-investment, post-investment and exit. The participation rate was 100%. However, not all companies answered every ESG question. The answer rate per question varied between 80% for questions related to concrete examples of ESG initiatives and 100% for questions related to SRI/ESG organization, reporting and policy, and ESG exit phase and analysis.

ESG questionnaire 100% participation rate from management companies

LARGER ANALYSIS SCOPE



IMPROVED PARTICIPATION RATE PER TYPE OF QUESTION BETWEEN 2015 AND 2016



MANAGEMENT COMPANIES' ESG COMMITMENT AND ORGANIZATION

As a whole, management companies show their commitment to ESG/SRI considerations by establishing a formal ESG policy and appointing an ESG-dedicated team and a significant proportion are signatories of the United Nation's principles for responsible investment (PRI). The integration of 14 new management companies did not substantially change the analysis of practices noted last year.

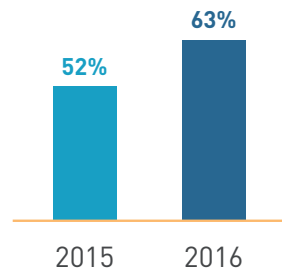
PRI SIGNATORIES

The principles for responsible investment (PRI) aim to help institutional investors integrate environmental, social and governance considerations into their investment decision-making process and, therefore, improve their management of risk and opportunities over the long-term.

The share of PRI signatories rose from 52% to 63% between 2015 and 2016 with the integration of 14 new companies into the analysis scope. 79% are PRI signatories.

More than half of the management companies that are not PRI signatories however have integrated PRI into their investment strategy.

% OF PRI SIGNATORIES

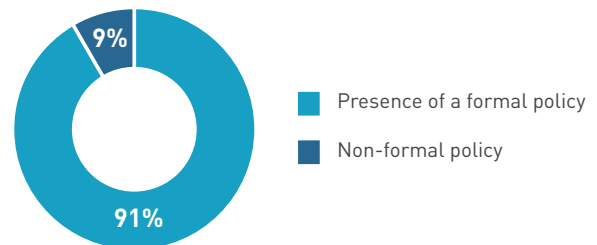


ESTABLISHMENT OF A FORMAL ESG POLICY

ESG policies often take the form of an ESG charter that sets out the commitments taken by management company internally and with regard to its portfolio companies.

Nearly all management companies have a formal ESG policy. This indicator remained stable compared to 2015.

% MANAGEMENT COMPANIES WITH A FORMAL ESG POLICY

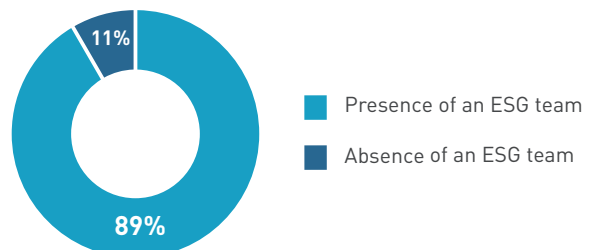


ESG TEAM

The ESG team ensures adherence to the ESG/SRI policy to and oversees how the management company implements its ESG strategy.

Nearly 90% of respondents have appointed an internal ESG team. This team often includes a partner or the CFO. This high portion remained steady between 2015 to 2016 with the integration of the new management companies.

% OF MANAGEMENT COMPANIES WITH A DESIGNATED ESG TEAM



MANAGEMENT COMPANIES' ESG PROCESS

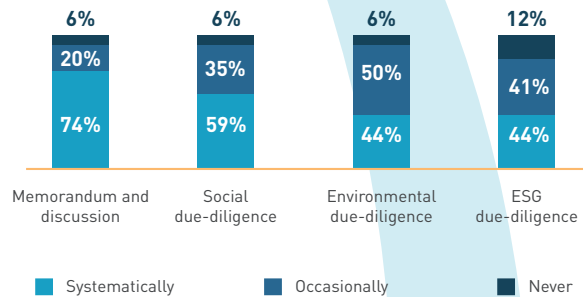
By analyzing ESG criteria during the pre-investment phase, management companies are able to identify ESG risks and establish an exclusion list if necessary. Therefore, the first step in this phase is to conduct a preliminary assessment or comprehensive or targeted due diligence to integrate ESG factors into the investment decision-making.

PRE-INVESTMENT: ESG ASSESSMENT RESOURCES AND TOOLS

ESG criteria are systematically included in the investment memorandum and analyzed by the investment committee in most management companies.

More than half the management companies engage in social or ESG due diligence during the pre-investment phase.

ESG analysis method during the pre-investment phase



PRE-INVESTMENT

Initiative Finance

Initiative & Finance developed a tool to identify the level of targets during the pre-investment phase and define the type of ESG analysis required. ESG due diligence may be carried out if necessary.

.astorg

PRI signatory, Astorg systematically implements ESG due diligence during the pre-investment phase. Investments with considerable ESG weight and poor performance are declined if not progress margin was able to be established.

ESG topics are systematically discussed at the Investment Committee.

ARDIAN

An active PRI signatory since 2009, Ardian seeks to integrate ESG considerations at each stage of the investment process. ESG analysis findings are included in each investment memorandum.

Social, environmental and ESG due diligence are systematically carried out. External consultants are appointed where appropriate to conduct more detailed audits.

Ardian's commitment to the Carbon Initiative (IC20) in 2016 will involve assessing portfolio companies' carbon footprint.

naxicap PARTNERS

Since early 2016, Naxicap has engaged in social, environmental and ESG due diligence systematically includes ESG analysis in its investment memorandums.

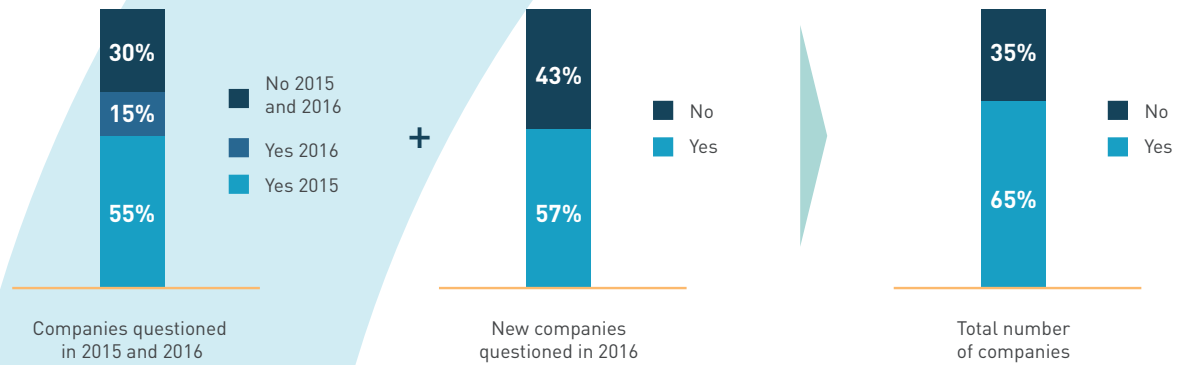
GraphiteCapital

Before making an investment, Graphite Capital systematically analyzes the target's main ESG risks. This analysis is done through a list of questions presented internally as a mind map. The tool generates a report indicating the target's level of risk for the Investment Committee. This ESG analysis is done before deciding whether to invest.

POST-INVESTMENT AND ESG REPORTING

Over half the management companies asked their portfolio companies to provide an ESG report and indicators. For most of the funds invested by Iinvest Partners, ESG considerations are addressed at least once a year by the portfolio company's senior management. All management companies provide ESG data when asked by their investors.

Management companies that requested an ESG report and ESG indicators from their portfolio companies

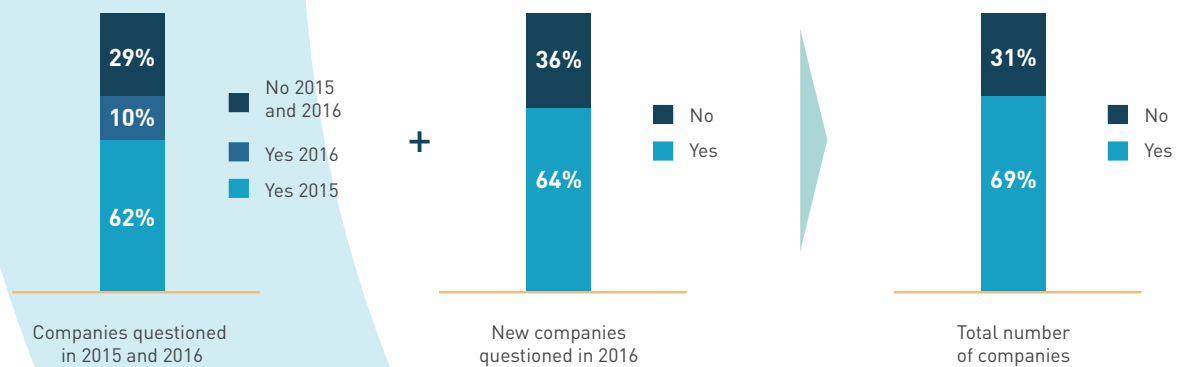


At constant scope, the number of management companies receiving an ESG report from their portfolio companies increased 15% in 2016.

Nearly half the new management companies questioned in 2016 ask their portfolio companies to provide an ESG report.

Most of the 35 management companies request an ESG report from their portfolio companies.

ESG improvement plan established with portfolio companies



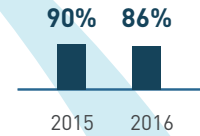
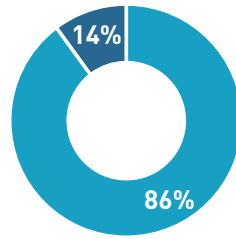
At constant scope, the number of management companies the established an ESG improvement plan with their portfolio companies increased 10% in a year.

Most new management companies questioned in 2016 established an ESG improvement plan with their portfolio companies.

Most of the 35 management companies discuss the notion of an ESG improvement plan with their portfolio companies.

Discussion of ESG topics at least once a year with Management
(For example, during the Supervisory Board)

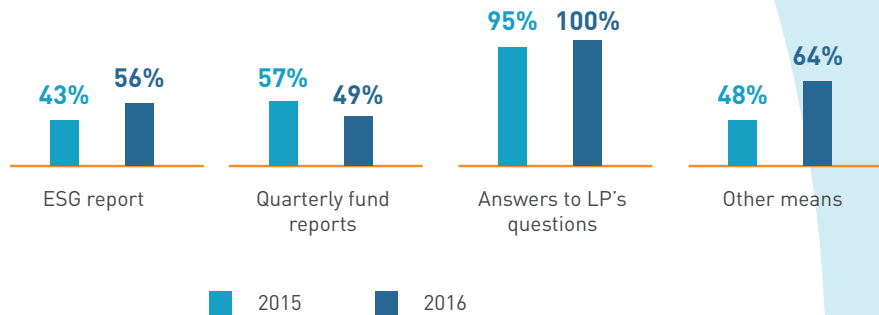
Most of the management companies discuss ESG topics at least once a year with their investments' management.



■ ESG discussion
 ■ No ESG discussion

Type of ESG report sent to investors

Most management companies are proactive in providing ESG data to their investors, all do so when asked.



The number of management companies that publish an ESG report reached 56% 2016, up 13% from 2015.

IN PRACTICE

ARDIAN

IK Investment Partners

Ardian has an ESG team with three members assigned to implement its ESG policy. This team has the support of the entire company, and works closely with the investment teams.

Ardian also set up an ESG committee made up of 9 members, 4 of whom are also in the Executive Committee, and which meets every three months.

Ardian carries out an annual ESG report on its portfolio companies. The report findings are sent to investors.

As signatory of the United Nations Global Compact, IK produces a publicly available annual "Progress Report".

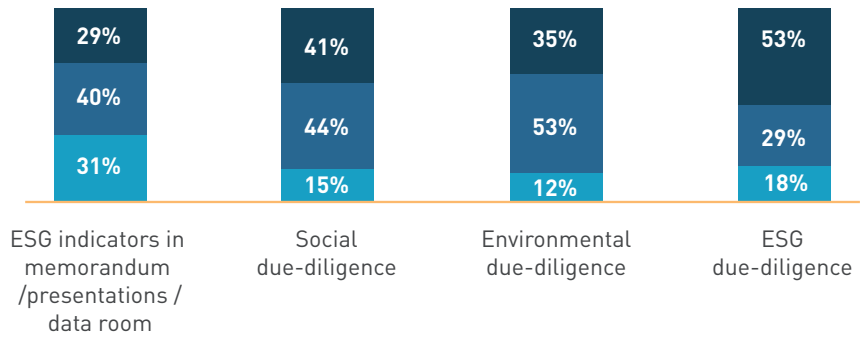
An ESG section is included in each active fund's annual assessment. This section contains information about IK's ESG commitment and ESG case studies.

IK participated in the "ESG Disclosure Framework for Private Equity" published in March 2013. This shows how IK seeks to provide LPs with the information required to assess its ESG commitment.

IK updated its ESG performance at the Investment Advisory Committee and at the Annual General Meeting.

EXIT: MEANS OF INFORMING POTENTIAL BUYERS ABOUT ESG PERFORMANCE

One third of management companies systematically provide potential buyers with ESG data.



IN PRACTICE

■ Systematically ■ Occasionally ■ Never



Eurazeo systematically informs buyers on the company's ESG performance in its investment memorandum and through social, environmental and ESG due diligence.



Naxicap Partners took the initiative to perform ESG vendor due diligence for all transactions that involve vendor financial due diligence.



During the exit phase, PAI systematically performs social, environmental and governance due diligence and includes ESG topics in the info memo.

STATISTICS OF COMPANIES IN THE PORTFOLIOS

105
(31%)

Portfolio companies with a profit-sharing scheme that extends beyond legal obligations

Portfolio companies with at least one independent member in the governance bodies

192
(56%)

287,183

Employees present in the portfolio companies

12,070

Job creations en 2016

ECOLOGICAL AND ENERGY TRANSITION



72

Portfolio companies that have measured their carbon footprint in the past three years

46

Portfolio companies with a line of business or service that contributes to energy and ecological transition

IN PRACTICE

	<p>19 portfolio companies have measured their carbon footprint in the past three years.</p>
	<p>15 portfolio companies have analyzed their exposure to climate-related risks or their carbon footprint. 5 portfolio companies have a line of business that contributes to energy and ecological transition.</p>

EXAMPLE OF COMPANIES THAT CONTRIBUTE TO THE ECOLOGICAL AND ENERGY TRANSITION

	<p>Parkeon: unattended solar-powered terminals.</p>
	<p>Groupe Seco: recycling of turbo-compressors sold to repair workshops (50% reuse rate).</p>
	<p>Skamol:</p> <ul style="list-style-type: none"> Channels surplus heat to an island in Limfjord to heat around 240 households (avoided CO2 emissions equivalent to 1,500 t CO2eq). Provides thermal insulation services that contribute to the reduction of energy consumption. <p>Aura Light: LEDs that reduce energy consumption by up to 80%.</p>
	<p>Beck et Pollitzer: optimization of industrial machinery installation procedures by increasing energy efficiency and reducing waste. PTPG: manufactures high-quality windows for residential and commercial buildings that help reduce energy consumption. Trenchard: dry-cleaning of aircraft by reducing consumption of water and chemical products.</p>
	<p>Ladurner Ambiente Spa: an Italian leader in recycling.</p>

CASE STUDY: IK INVESTMENT PARTNERS



Founded in 1989.

Over € 9 bn raised since inception.

Strong geographic footprint in Scandinavia, DACH region, France and Benelux.

Two investment strategies: mid-market and small-cap.

12 partners and 45 investment professionals.



ESG COMMITMENT AND GOVERNANCE

- Signatory of the United Nations Global Compact since 2014.
- Responsible Investment (RI) policy and Code of Ethics available online.
- Annual "Communication on progress" report published on ESG actions.
- Steering committee made up of five partners provides support, guidance and supervision of IK's ESG processes.

«By incorporating environmental, social and governance (ESG) issues into our investment process and shareholder practices, we are creating value for all our stakeholders.»

ESG DURING THE INVESTMENT PROCESS

- Responsible investment is integral to IK's business philosophy and is incorporated at all stages of the investment process.
- IK has a strict exclusion policy.
- An assessment of ESG risks is included in all investment memorandums and reviewed by the investment committee.



Mads Ryum Larsen

Partner & ESG
Manager



Mikaela Hedborg

Director of
Communications
& ESG

ESG DURING THE HOLDING PERIOD

- An external consultant performs an ESG analysis of each new portfolio company during the first 100 days following the acquisition.
- IK set up an Audit & ESG Committee to annually monitor each portfolio company's ESG performance and report its findings to the Board of Directors.
- The ESG information and data, such as indicators, are stored in a module within IK's CRM department.

CASE STUDY: CERELIA



Acquisition by the IK VII fund in 2015.

Cerelia is a French company with 11 production plants worldwide, 1,430 employees and over €400m turnover in 2017.

Cerelia is a chilled and frozen dough specialist that has a wide range of products: pie dough, pizza dough, pastry dough, cookie dough, crepes, pancakes, brick pastry sheets and filo pastry.

MAIN ESG ACTION:

INCREASE SUSTAINABLE SUPPLY OF PALM OIL

- Cerelia's products are made from wheat, butter and vegetable oil.
- If poorly managed, palm oil crops can lead to massive deforestation and create irreparable damage to the environment and local communities.
- Cerelia has committed to using 100% sustainable palm oil that meets the highest available standards by 2018.
- Since May 2013, Cerelia has been a founding member of the French alliance for sustainable palm oil. With the support of the NGO TFT, Cerelia is working on its current procurements together with its suppliers, so that the origins of the palm oil it uses become fully transparent.



- IKARE Ltd is a British registered charity that applies venture philanthropic principles to the causes it supports. IKARE aims to overlay private equity investment techniques, and other business expertise and practices, into these causes seen as 'investees'.
- IKARE's main programs include: SOS (Stamp Out Sleeping sickness), "Cows against malaria", Shifo / MyChild Card and EUNISCA / Kampala Slums WASH.

4

SOCIAL AND ENVIRONMENTAL RESPONSIBILITY

HEALTHY GOVERNANCE STRUCTURE

Idinvest Partners is a French *Société Anonyme* (limited liability company) with an Executive Board and Supervisory Board: this governance structure separates the executive functions from the supervisory functions given to the Supervisory Board, half of which is made up of independent members.

COMPLIANCE, INTERNAL CONTROL AND INVESTMENT ETHICS

The compliance, internal control and risk management system guarantees that Idinvest Partners' operational, commercial and financial processes run properly. It also helps retain material and immaterial assets such as Idinvest Partners' expertise, image or reputation.

The system in place includes a permanent control, a periodical control and missions to advise and assist employees: these three levels of control aim to ensure there is a good command of all of the company's activities.

The internal Compliance-Risks-Control system is carried out internally drawing on advice and reviews from specialized consultants.

A VOLUNTARY CSR APPROACH

In keeping with its Responsible Private Equity policy implemented within its portfolio companies and aware of the need to set an example, Idinvest Partners has undertaken its own CSR approach focused on three key issues:

- Human resource management
- Management of environmental impacts
- Sponsoring and support of non-profit projects.

A RIGOROUS READING OF PROFESSIONAL ETHICS

The company has a Code of Ethics and procedures in place to fight against money laundering and fraud that are an integral part of each employee's employment contract.

PROACTIVE CSR REPORTING

Although Idinvest Partners is not directly subject to the disclosure obligations stipulated by Article 225 of the Grenelle II Law, since 2013 it has drawn up an internal report of its non-financial performance.



HUMAN RESOURCE MANAGEMENT

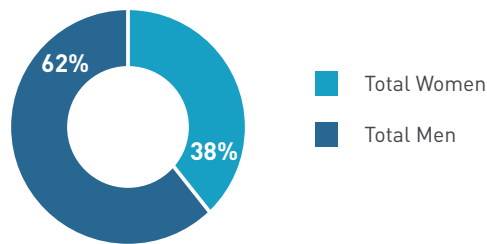
Human Resources led by a Director of Human Resources and is supervised by members of the Executive Board and the Chief Operating & Control Officer.

Human resources management is a core part of the CSR policy. As its employees are its most valuable resource, Idinvest Partners pays particular attention to attracting and retaining key talents to maintain its level of excellence.

To address this matter, the remuneration and incentive policy draws on 4 core principles:

- Equality
- Recognition
- Coherence between individual objectives and company objectives
- Transparency

Breakdown of men/women as at 31/12/2016



Indicator	2014	2015	2016
Payroll (year-end)	45	60	79
% of permanent staff	91%	95%	94%
Turnover rate	14.1%	5.7%	13.8%
Absenteeism rate	1.47%	0.14%	0.14%

As at 31 December 2016, Idinvest Partners employs 79 paid employees, the majority of whom are based at the company's head offices so as to facilitate communication between the departments and encourage social dialogue.

The company payroll has increased steadily over the past five years, which is a direct correlation with the development and diversification of the business lines and growth targets. 94% of employees are hired under a permanent contract and staff turnover is well below the sector average. Finally, Idinvest Partners pays particular attention to gender parity and the cultural diversity of its teams. Women represent 38% of the payroll, a figure that is progressively increasing, and a growing portion of new profiles has received an education outside of France.

THE CHALLENGE OF PROFESSIONAL DEVELOPMENT AND EQUAL OPPORTUNITY

TRAINING AND DEVELOPMENT OF SKILLS

Idinvest Partners offers its employees the opportunity to receive training to maintain and develop their knowledge of the private equity sector or improve their skills in a foreign language. Between 2013 and 2016, training expenditure increased by nearly 161% and by 46% in terms of contribution per employee.

It is the company's policy to always accept employee requests for training when this contributes positively to enriching their professional skills.

Idinvest Partners offers its employees the opportunity to receive training to maintain and develop their knowledge of the private equity sector or improve their skills in a foreign language. In addition, any employee may attend conferences or seminars organized by professional bodies (AFIC, AFG) where these are in line with their work.

Employees are also encouraged to sit the CFA Institute's financial analyst exam for which Idinvest Partners covers the cost of the full preparatory course and provides two days paid leave.

Indicator	2014	2015	2016
Training expenditure (in €k)	102	127	222
Contribution per employee (in €k/FTE)	2.3	2.5	3.07
% of employees who received training	34	30	55

DIVERSITY AND EQUAL OPPORTUNITY

Aware of the progress that remains to be done in this area, Idinvest Partners has taken measures to favor diversity and equal opportunity. Attuned to the issue of integrating workers with disabilities into the economic fabric, it sources its stationary from an entreprise adaptée (French disability-friendly company) Le Chêne, which employs a majority of disabled workers.

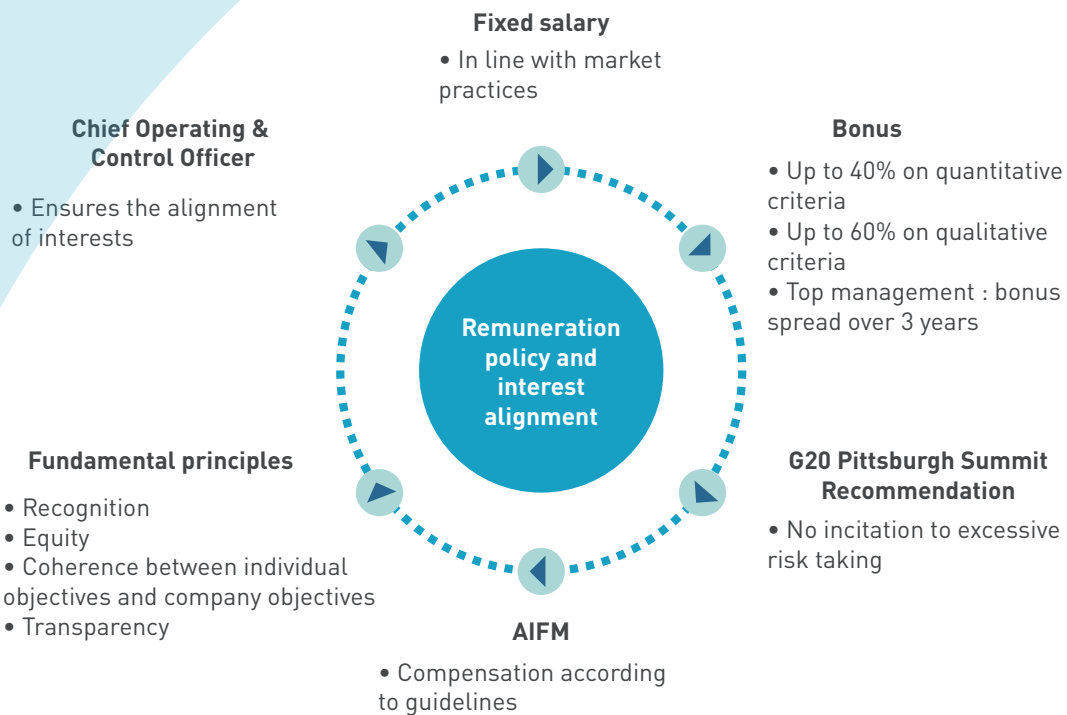
In addition, the company's contribution to AGEFIPH, an association that favors the insertion of disabled workers, totaled €454.96 in 2016. The first permanent contract for a disabled employee was made in 2014.

REMUNERATION POLICY

Idinvest Partners adopted a remuneration policy that complies with AIFM Directive guidelines as well as recommendations and joint provisions established by professional market associations (AFIC, AFG, ASPIM). This remuneration policy applies to all of Idinvest Partners' employees, management included.

Idinvest Partners' remuneration policy aims to ensure there is coherence between the behavior of its employees and their long-term objectives. In particular, this is to discourage an employee from excessive risk taking, on a personal level or when managing a particular fund, by aligning investors' interests with those of their managers.

Remuneration structure:



In application of guidelines recommended by the profession, the full envelop for the variable part for all employees is based on overall performance of the funds managed and management company’s results for the period in question. The global nature of this envelope ensures there is coherence between the behavior of the professionals employed by Idivest Partners and the management company’s long-term objectives.

Idivest Partners employees’ remuneration includes a fixed salary and a variable part. These two parts are completely separate from one another. The fixed salary is sufficient to remunerate the employee for their duties, level of skills required, responsibility held and experience.

The variable part is calculated using two assessment criteria, quantitative indicators represent 40% of the total average remuneration package, while qualitative indicators represent 60%.

Finally, management team members are also remunerated by the performance of the fund they manage as carried interest.

Further benefits for Idivest Partners staff

As well as its remuneration policy, Idivest Partners has had a profit-sharing scheme in place since the company was first created. The profit-sharing agreement was renewed in 2015. The calculation terms for this scheme use the company’s own quantitative criteria. Contribution into a company savings plan (PEE) or collective pension savings plan (PERCO) entitles the payer to a matching contribution from Idivest Partners that nears the maximum legally authorized.



FOCUS IS PLACED ON SOCIAL COHESION AND EMPLOYEE PROTECTION

HEALTH, SAFETY AND WELL-BEING AT THE WORKPLACE

Idinvest Partners pays particular attention to the well-being of its employees in their workplace or when on business trips. As a result, several measures have been taken:

Appointment of a hygiene and safety officer

Idinvest Partners appointed a hygiene and safety officer, with whom it is easy to engage in open dialogue. It makes it possible to implement all the necessary means to both meet all applicable legal obligations and improve the quality of the working conditions.

Idinvest Partners also has drawn up a single risk assessment document to identify, prevent and manage potential risks related to its business. The risk prevention plan is updated every year with new action to improve the employees' working conditions.

Focus placed on prevention...

The nature of a management company's business limits the risk of accidents at the workplace both in terms of gravity and frequency. However, there is a risk of illness inherent to any professional activity, such as overwork, stress-related illnesses and musculoskeletal disorders. Idinvest Partners endeavors to prevent these illnesses by equipping workstations with recent ergonomic office furniture and providing its employees with means and resources suited to their needs.

In addition, employees are encouraged to plan trips in accordance with the company's current travel policy. Officially identified high-risk areas must be avoided and it is forbidden to fly with airlines included on the European Commission's black list. Idinvest Partners also took out a "business travel" insurance plan that covers employees when on travel for business.

...well-being ...

In 2017, Idinvest Partners increased its office space by a third to meet the needs of its growing business and larger staff numbers. A rest area and eating area were created.

Correspondingly, Idinvest Partners provides its employees with free hot and cold beverages and, three times a week, a basket of fruit is delivered from Vergers de Gally, a company that contributes part of its revenue to the French cancer research foundation. Collaborators are also invited to make donations.

At end 2016, the HR department launched an online wellscan survey of employees to assess their stress levels, performance and quality of worklife (QWL). The purpose of survey is to measure QWL, diagnose potential sources of stress and their impacts and better understand actions that can be put into place (particularly to prevent psycho-social risks). The survey findings indicated a very positive QWL index.

With this in mind, several courses of action will be implemented in 2017 to capitalize on Idinvest Partners' strengths: cycle of 6 seminars on QWL covering areas such as health, nutrition, sleep patterns, intellectual faculties and anti-stress; organization of meetings to present each line of business to all employees to foster cohesion.

... and team building

A team-building seminar is held over three days every year to share common values, strengthen team spirit and rally all employees behind the company's strategy.

Occasional workshops are also held. These are open to all and offer an opportunity to review how corporate rules are perceived individually and collectively.

AN APPROACH COMMITTED TO PROTECTING THE ENVIRONMENT

LEVERS AND ACTION FOR IMPROVEMENT ON LIMITING ENVIRONMENTAL IMPACTS

Although the nature of its business limits its direct impact on the environment, Idivest Partners places particular import on environmental issues, for both itself and for the companies it is invested in.

As a result, it carried out an internal diagnosis of its main direct impacts and in 2013 launched its first initiatives in three areas to:

- Reduce its carbon footprint
- Adopt behaviors and processes that favor the use of sustainable resources
- Reduce waste-related pollution

BUILDING AWARENESS AMONG STAFF

From early on Idivest Partners has made its staff aware of everyday gestures and behavior that can reduce their negative impact on the environment by publishing a brochure with guidelines on how they can limit power consumption, reduce printing volumes, recycle paper, batteries, light bulbs and consumable office equipment.

This initiative is part of an educational approach to promote good practices and a responsible code of conduct both at the workplace and everywhere.

CARBON OFFSETTING

Moreover, as Idivest Partners is aware that the expansion of its business will inevitably lead to greater power consumption and higher pollution emissions, it decided as early as 2015, to offset its CO2 emissions from air travel by financing the Good Planet Foundation committed to reforestation programs.

In 2016, Idivest Partners donated to reforestation projects, the equivalent to offsetting between 100 and 150 tons of CO2.



REDUCE THE COMPANY'S CARBON FOOTPRINT

Levers	Action and axes for improvement for the 2014-2017 period
Reduce emissions due to staff travel	Strict application of a judicious staff travel policy: this favors rail travel and limiting travel by air by using teleconferencing whenever possible. The widespread use of teleconferencing that Idivest Partners encourages its stakeholders to take on board is part of this approach.
Reduce carbon emissions by limiting power consumption	<ul style="list-style-type: none"> • Gradual replacement of traditional light bulbs by LED lighting (emergency exit lighting blocks, spotlighting in toilets and open spaces). • Automatic lights out in offices (ceiling lights) between 11p.m. and 6a.m. on working days and from 11p.m. Fridays to 6a.m. Mondays. • Installation of movement detectors in corridors and open areas. • Heating and air-conditioning: installation of a temperature regulator in each office. 60% of premises are equipped with LED lighting. To monitor power consumption, an individual EDF electricity meter was installed to replace the building's joint meter. This move allows Idivest Partners to monitor its electricity consumption over time and find ways to reduce it.



USE OF SUSTAINABLE RESOURCES

Levers	Action and axes for improvement for the 2014-2017 period
Control and reduce paper consumption	<p>Measure the use of paper consumption since 2012</p> <p>Because the nature of its business requires large amounts of paper, Idivest Partners takes measures to reduce the volume: automatic double-sided printing; widespread use of electronic versions.</p>
Encourage recycling	<ul style="list-style-type: none"> • Reduce pollution and waste. • Collection and recycling of: <ul style="list-style-type: none"> • paper, cardboard and plastic with PAPREC => installation of individual and collective litter collection bins. • Ink cartridges and printers with Xerox. • Setting up of procedures to sort and recycle computer equipment and electronics (light bulbs, batteries) and, since 2014, Nespresso coffee capsules. • Before the end of 2017, water fountains will be installed throughout the Company to reduce the consumption of bottled mineral water.

IDINVEST PARTNERS' CORPORATE ENGAGEMENT POLICY

Idinvest Partners shows corporate engagement through sponsoring artistic creation. To do so, the Company supports several associations via the Epic Foundation. This New York-based non-profit start-up is aimed at today's generation of philanthropists and corporate donors. Epic's goal is to connect givers with NGOs and social enterprises committed to redressing the inequities (in healthcare, education, welfare and economic empowerment) that affect children and young adults around the world.

Idinvest Partners supports two associations via Epic:

	<p>Simplon.co offers free training in web and mobile app design for people looking to step into the workplace. Those receiving this training may go on to secure a number of roles, such as web and app developer, integrator, digital expert and e-retailer. Simplon.co offers trainees the choice between free courses to enhance their qualifications and tuition charging programs that grant a certificate at the end.</p>
	<p>Sport dans la ville is the leading French association on promoting social and workforce inclusion. All of its programs are created to encourage the social and professional inclusion of 4,000 young people participating at 26 athletic centers nationwide. The objective of Sport dans la Ville is to enable young people all over the country to build self-confidence and values needed to succeed.</p>

MUSÉE
D'ART
MODERNE
DE LA VILLE DE PARIS

Moreover, Idinvest Partners has supported the arts for several years. The company has been a sponsor of the Paris Museum of Modern Art for several years and in 2016 held an event with 2 exhibitions open to the public: Bernard Buffet Rétrospective and Carl André.



5

CONCORDANCE TABLE ARTICLE 173

Information to be presented		Included in this report	Report section
1	Presentation of the entity or AM company's overall approach	✓	Section 2 See Responsible Private Equity (RPE) Policy
2	Content, frequency and means used by entity or AM company to inform investors of ESG criteria taken into account in investment policy and, where necessary, the risks involved	✓	Section 2
3	For AM companies: list of CIUs concerned and share in % of investments in total investments managed by the asset management company	-	
4	Adhesion to any ESG charter, code, label or initiative	✓	Section 2
5	General description of risk management procedures used to identify ESG risks, exposure of activities to these risks and overall description of these risks	✓	Sections 2 & 3
6	Nature of ESG criteria taken into consideration and reasons for this choice of criteria		
6.1	ESG criteria: description of main criteria taken into consideration and reasons for this choice of criteria	✓	Section 2 See RPE Policy
6.2	Environmental criteria: <ul style="list-style-type: none"> Risks associated with climate change (physical risk and transition risk) Appraisal of contribution to respect of international goal to limit global warming and reach energy and ecological transition goals 	✓	Sections 2 and 3 See RPE Policy and ESG Climate Analysis for IDS 3
7	Information used in analysis of criteria: For ESG criteria and environmental criteria provide detail as to the nature of information used, which may be financial or extra-financial, internal analysis, external analysis or scoring	✓	Section 3 ESG Climate Analysis for IDS 3

Information to be presented		Included in this report	Report section
8	Methodology and results for analysis		
8.1	ESG Criteria: Description of analysis method	✓	Section 3 - ESG Climate Analysis for IDS 3
8.2	Environmental criteria: <ul style="list-style-type: none"> • Compatibility with international goal to limit global warming and reach energy and ecological transition goals • Method and scope chosen • Analysis findings - exposure to climate-related risks 	✓	Section 3 - ESG Climate Analysis for IDS 3
9	Integration of analysis findings in investment policy	✓	
9.1	ESG criteria: description of changes implemented following analysis and introduction of a commitment strategy with emitters and portfolio management companies		Section 3 – See Policy and ESG Climate Analysis for IDS 3
9.2	Environmental criteria: Contribute to attachment of international goal to limit global warming and reach energy and ecological transition goals		Section 3 – See Policy and ESG Climate Analysis for IDS 3



6

INTERVIEW

3 QUESTIONS TO ANNE-MARIE JOURDAN

Chief Legal Officer and Head of Communications at FRR and member of the International Corporate Governance Network (ICGN) Board of Directors



Anne-Marie Jourdan
Chief Legal Officer
and Head of Communications



FRR's mission is to invest and optimize returns on the monies entrusted to it by the public authorities on behalf of the community with the aim of financing the pension system.

Assets as of 31/12/2016 : € 36 bn

Non-listed share of assets as of 31/12/2016 : 3,4%

" Responsible investment strategies have a very favorable playing field in non-listed companies. We take particular lengths to ensure it is applied by representative management companies. "

What does FRR's responsible investment policy entail?

As early as 2005, FRR was one of the first institutional investors to publish a policy on the exercise of voting rights at general meetings by its portfolio companies, as well as how to suitably address environmental, social and governance criteria. Its responsible investor strategy was formalized in 2008 and is updated every three years. In 2014, FRR signed the Montreal Pledge and as part of the Portfolio Decarbonisation Coalition committed to decarbonizing its portfolio assets under passive management totaling €5 billion. FRR is also a signatory to a number of international initiatives, particularly those involved in the fight against climate change and respecting human rights in supply chains in the textile and mining sectors. FRR chose to exclude 20 companies from its portfolio because of their involvement in the manufacture of antipersonnel landmines and cluster bombs. Finally, for example, the most recent measure was to add exclusions on tobacco and coal, with very restrictive thresholds.

How does this policy apply to non-listed asset classes?

The responsible investment policy applies to all asset classes and in all mandates. No exception is made for non-listed asset classes, which are particularly suited to ESG measures as they are very close to the companies that they finance. This means they are able to have a positive

influence on their behavior and help them progress in this area. We also know that governance criteria can have a huge impact on non-listed companies' performance. These need to be assessed by the management company from the get-go, before investing.

What do you expect from your management companies that invest in non-listed assets?

As part of FRR's call for tenders, an analysis of the management company's ESG policy is integral to the selection process. Many written questions are sent to the managers and this policy is audited through due diligence and FRR visits to the company. We do not want ESG policies to be just a marketing tool; it should be more than a simple ex-post reporting promise. During the life of the mandates, we ask our management companies to provide an annual report that includes their ESG policy and invite them to measure the carbon footprint of their investments. We leave the format open to give free reign to their creativity but may review this position in the coming years in order to harmonize the reports we receive. FRR's role is to push the market forward in this area by encouraging management companies to improve their ESG-climate action, in application of the principles of stewardship and article 173 of the French law on energy transition.



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