2025 Report
Article 29 of the French Energy and Climate Act (LEC)

Regulatory background

Article 29 of Law No. 2019-1147 of 8 November 2019 on energy and climate, known as the Energy and Climate Act ("Article 29"), amends the provisions of Article L. 533-22-1 of the French Monetary and Financial Code ("CMF") relating to non-financial reporting.

Published on 27 May 2021, the implementing decree for Article 29, which amends Article D. 533-16-1 of the CMF, sets out the information to be disclosed in this report concerning:
- The integration of environmental, social and governance criteria ("ESG criteria") into the investment policy;
- The resources and measures put in place to contribute to the energy and ecological transition.

This report covers the financial year ended 31 December 2025.

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SECTION 1 - EKKIO CAPITAL'S OVERALL APPROACH

1.1 Overview of Ekkio Capital and its ESG approach

Ekkio Capital is an independent management company that has been investing for over 20 years in growing European SMEs with revenues of EUR 10 million to EUR 100 million, across four sectors: Tourism & Leisure, Healthcare & Beauty, Security & Control, and Environmental Responsibility.

Ekkio Capital supports business transformation projects, including international expansion, industrial investment, acquisitions and organisational strengthening. Its strategy is based on long-term support and the application of its industrial and operational expertise to grow portfolio companies, create value and establish them as leading players in their sectors.

As at 31 December 2025, the management company manages eight FPCI funds and one SLP. Ekkio Capital's assets under management amount to EUR 521 million.

Recognising the importance of environmental, social and governance (ESG) issues, Ekkio Capital incorporates these considerations into its investment strategy and corporate culture.

As a responsible investor, Ekkio Capital pursues three main objectives:

- **Support portfolio companies** in identifying their sustainability issues and defining ambitious short- and long-term roadmaps;
- **Lead by example as a management company** by incorporating ESG principles into its own operations;
- **Engage and raise awareness across its ecosystem**, including investors, partners and portfolio companies.

Ekkio Capital seeks to contribute to the United Nations Sustainable Development Goals (SDGs), with a particular focus on Goal 3 (Good Health and Well-being), Goal 5 (Gender Equality), Goal 8 (Decent Work and Economic Growth), Goal 12 (Responsible Consumption and Production) and Goal 13 (Climate Action).

ESG considerations are integrated throughout the investment cycle, from the pre-investment phase to post-acquisition monitoring, and into exit processes on a case-by-case basis.

Pre-investment phase

The screening process excludes sectors that infringe human rights, have significant environmental impacts or involve controversial industries, including:

- Alcohol
- Coal

- Deforestation
- Fishing
- Fossil fuel production
- Fur
- Gambling
- GMOs
- Palm oil
- Tobacco
- Weapons

Investments are also made exclusively in companies based in Europe, thereby limiting the risks of corruption and human rights violations.

A pre-investment ESG assessment framework is also used, covering five ESG themes: Governance; Supply Chain; Employment and Labour; Environment; and Societal Impact. This framework assesses sustainability risks and principal adverse impacts (PAIs), providing an initial assessment of the target company's ESG risks and performance. It is standardised to ensure consistency and comparability across sectors.

For each transaction, ESG due diligence is then conducted with the support of an external service provider, Reporting 21, to identify the main ESG risks and assess the target company's level of ESG maturity. This work includes reviewing existing good practices and identifying areas for improvement, which subsequently inform the company's ESG action plan. Sustainability risks and principal adverse impacts are then incorporated into the investment memorandum. They are discussed by the Investment Committee on the basis of the preliminary assessment framework and due diligence findings, and constitute a distinct criterion in the investment decision.

Sustainability commitments are also formalised in the transaction documentation. Under each shareholders' agreement, portfolio companies undertake to:

- Assess their carbon footprint
- Participate in the annual ESG reporting process
- Contribute to the development of their sustainability action plan
- Implement practical corporate social responsibility initiatives

Holding period

Within 12 months of investment, priority ESG actions are defined for each portfolio company, taking into account its business model and key ESG issues and risks.

Each year, the management company conducts a quantitative and qualitative assessment of its portfolio companies' ESG performance. In collaboration with Reporting 21, a questionnaire covering approximately 200 indicators is sent to each company, encompassing:

- Environmental indicators (energy consumption, water consumption, waste generation, etc.)
- Social indicators (employee well-being, accidents, staff turnover, pay gaps, etc.)
- Governance indicators (gender balance in governing bodies, organisational structure, etc.)
- Value chain indicators (suppliers, raw materials)

These data are analysed to assess the companies' ESG issues and annual performance. Following data collection, an annual ESG Steering Committee meeting is held for each portfolio company, bringing together its management team, the Ekkio Capital representative responsible for monitoring the investment, an Ekkio Capital representative responsible for ESG matters, and the Reporting 21 team. The committee reviews ESG performance and progress against the ESG action plan. Priority ESG actions are then updated to incorporate new commitments and areas for improvement.

Several specific impact themes are monitored through the annual reporting process:

- **Climate impact:**
  A carbon footprint assessment is carried out during the first year of investment (Scopes 1, 2 and 3, as applicable).
- **Employee well-being:**
  Impact is assessed by monitoring health and safety indicators (absenteeism rates and accident frequency and severity rates) and conducting an employee sentiment survey.
- **Responsible consumption and production:**
  The assessment focuses on companies' responsible products and services and the continuous improvement of their production processes.
- **Gender equality:**
  Monitoring is based on specific indicators collected annually (the proportion of women in governing bodies, the gender pay gap, the Gender Equality Index, diversity and inclusion policies, etc.). Enhanced monitoring is undertaken where a risk is identified.

Exit phase

At exit, ESG performance information is included in the sale materials, particularly the exit memorandum, to inform prospective buyers.

1.2 Information for investors and stakeholders on the ESG criteria incorporated into the investment strategy

Ekkio Capital is committed to maintaining a high level of transparency towards its investors and stakeholders. Its ESG policy is publicly available on its website[1]. Ekkio Capital also provides investors with detailed ESG information on all portfolio companies through fund-specific ESG reports. At the annual investors' meeting, each company's ESG assessment is presented, highlighting the main improvements and actions undertaken.

Investors in the Article 8 funds managed by Ekkio Capital also receive the information set out in the pre-contractual documentation and periodic reporting, in accordance with Annex IV of the Sustainable Finance Disclosure Regulation (SFDR).

1.3 List of funds classified under Article 8 of Regulation (EU) 2019/2088

In 2023, Ekkio Capital launched Ekkio V, its first fund classified under Article 8 of the SFDR, promoting environmental and social characteristics.

At the end of 2025, Ekkio Capital strengthened its responsible investment approach by reclassifying Ekkio IV, previously an Article 6 fund, under Article 8 of the SFDR.

As at 31 December 2025, products classified under Article 8 of the SFDR and promoting specific environmental and social characteristics therefore account for approximately 50% of assets under management.

Financial products	SFDR classification	Share of AUM at 31 December 2025
Ekkio III	Article 6	11%
Ekkio IV	Article 8	44%
Ekkio V	Article 8	6%
Other funds	Article 6	39%
Total		100%

1.4 Commitment to charters and labels

Ekkio Capital has been committed to the UN-supported Principles for Responsible Investment (UN PRI) since 2013.

Ekkio has also been a signatory to the France Invest Initiative Charter since 2019.

[1] ESG policy

In 2023, Ekkio also joined Initiative Climat International (iCI) and became a signatory to France Invest's Value Sharing Charter and Gender Parity Charter.

SECTION 2 - INTERNAL RESOURCES TO SUPPORT THE TRANSITION

2.1 Resources allocated to the integration of ESG criteria

Internal resources

While all Ekkio Capital team members are involved in its ESG approach, a dedicated team has been established to coordinate the approach and support portfolio companies. It comprises two Partners and one Associate.

To strengthen portfolio companies' ESG commitment, an ESG Steering Committee has been established and meets annually with each portfolio company. It comprises members of Ekkio's ESG team, the investment professionals responsible for the portfolio company, and the company's senior management.

External service providers

Since 2018, Ekkio Capital has worked with Reporting 21, a specialist ESG consultancy, to enhance the quality and reliability of its non-financial data. This partnership supports the annual collection of non-financial data and the assessment of ESG performance across portfolio companies, on whose governing bodies Ekkio Capital is represented. Annual discussions are held between the internal ESG leads and Reporting 21 to ensure ongoing monitoring of ESG matters, including reporting campaigns and developments in sustainability regulation.

Data management and dedicated tools

ESG data are collected directly from portfolio companies and the relevant investment teams through the Reporting 21 platform. Reporting 21 performs an initial quality check on the data, followed by individual discussions with each portfolio company's ESG leads. These discussions provide a second level of verification, gather additional qualitative information and enable a more informed assessment of the companies' ESG maturity.

2.2 Strengthening internal ESG capabilities

As part of the development of its internal sustainability expertise, Ekkio Capital organises training sessions to strengthen the systematic integration of ESG criteria into investment analysis and decision-making. These sessions also aim to promote the adoption of good ESG practices within portfolio companies. No specific training was delivered during the 2025 financial year. However, Ekkio Capital plans to expand this programme from 2026 to further develop its teams' sustainability expertise.

SECTION 3 - ESG GOVERNANCE WITHIN THE FIRM

3.1 Knowledge, skills and experience of the governing bodies in decisions on integrating ESG criteria into the investment policy and strategy

Ekkio Capital's ESG governance is based on a structured organisation and active oversight involving its decision-making bodies, dedicated ESG team and all investment teams. This organisation is designed to ensure that sustainability considerations are systematically incorporated into investment analysis, decision-making and monitoring.

Role of the Investment Committee

The Investment Committee is the central decision-making body for investments and divestments. It comprises Ekkio Capital's fund managers, with other team members joining as required.

The Investment Committee bases its decisions on a comprehensive assessment of opportunities, including ESG considerations. The factors considered include:

- Alignment with Ekkio Capital's responsible investment policy;
- Exposure to the main ESG risks;
- The target company's level of sustainability maturity;
- Its capacity to implement improvement measures.

ESG criteria are therefore fully integrated into decision-making and contribute to the overall assessment of investment opportunities.

Governance and support for portfolio companies

As a majority shareholder, Ekkio Capital plays an active role in its portfolio companies' governing bodies, enabling it to promote and support the practical integration of ESG considerations.

Ekkio Capital's approach is to progressively structure each company's ESG framework, taking account of its sector and organisational characteristics. ESG commitments are systematically included in shareholders' agreements (see Section 1.1). These contractual provisions provide a foundation for formalising portfolio companies' ESG approaches and establishing regular dialogue between shareholders and management teams on sustainability priorities.

Coordination and operational monitoring

Beyond these contractual arrangements, Ekkio Capital structures ESG governance at portfolio company level through the appointment of ESG leads within each company. These dedicated contacts liaise with Ekkio Capital's teams and the external specialist consultancy, and actively participate in discussions on ESG reporting campaigns and the monitoring of priority ESG actions. This approach raises management teams' awareness of sustainability issues, enables the assessment of portfolio companies' ESG maturity and identifies improvements suited to each company's circumstances.

3.2 Integration of ESG criteria into Ekkio Capital's remuneration and performance assessment

The remuneration of all management team members comprises fixed and variable components. The allocation of variable remuneration is determined by several criteria, including ESG criteria.

3.3 Integration of environmental, social and governance criteria into the internal rules of the Board of Directors or Supervisory Board

The President and the Partners oversee the implementation of the management company's ESG commitments and their proper application within investment processes.

SECTION 4 - ENGAGEMENT STRATEGY WITH ISSUERS AND MANAGERS

4.1 Engagement strategy

Ekkio Capital's engagement strategy applies to all portfolio companies and is based on active, structured support. In practice, it involves:

- Including ESG commitments in shareholders' agreements (carbon footprint assessments, reporting and action plans);
- Defining priority ESG actions within 12 months of investment;
- Annual monitoring through ESG Steering Committees;
- Ongoing operational support.

4.2 Voting policy

Ekkio Capital is committed to exercising its voting rights in all portfolio companies. It discloses detailed information on the votes cast in its annual voting and shareholder engagement report[2], published on its website.

4.3 List of sector exclusions

Ekkio Capital applies a strict exclusion policy and does not invest in companies operating in the following sectors:

- Alcohol
- Coal
- Deforestation
- Fishing
- Fossil fuel production

[2] Report on the shareholder engagement policy

- Fur
- Gambling
- GMOs
- Palm oil
- Tobacco
- Weapons

SECTION 5 - EU TAXONOMY AND FOSSIL FUELS

5.1 Proportion of assets under management in activities meeting the EU Taxonomy's technical screening criteria

To date, Ekkio Capital has not established a process to calculate comprehensively and reliably:

- The proportion of its portfolio companies' activities that are eligible under the EU Taxonomy;
- The proportion aligned with the technical criteria set out in the regulation.

Consequently, the proportion of assets under management invested in activities considered sustainable under the EU Taxonomy is not available for the 2025 financial year. However, the firm is considering calculating the Taxonomy eligibility of investments held in its Article 8 funds from next year.

5.2 Proportion of assets under management in companies active in the fossil fuel sector

In line with its exclusion policy, none of Ekkio Capital's portfolio companies is involved in fossil fuel production. More broadly, no portfolio company is active in the fossil fuel sector as at 31 December 2025. This exposure is monitored through the annual ESG reporting process, notably through SFDR PAI indicator 1.4 on exposure to companies active in this sector, which stands at 0% for the 2025 financial year.

SECTION 6 - STRATEGY FOR ALIGNMENT WITH THE PARIS AGREEMENT OBJECTIVES

Although Ekkio Capital has not yet formalised a strategy for alignment with the long-term objectives of Articles 2 and 4 of the Paris Agreement concerning the mitigation of greenhouse gas emissions, climate considerations form part of its ESG strategy at both investment and management company level. In this context, the management company joined Initiative Climat International (iCI) in 2023, reflecting its commitment to contribute to a pathway that limits the rise in global temperature to below 2°C.

At investment level

Ekkio Capital incorporates climate considerations from the pre-investment phase through the analysis of climate-related risks and opportunities as part of ESG due diligence.

During the holding period, Ekkio Capital seeks to measure and manage its portfolio companies' carbon footprints. For each portfolio company that has not yet completed this exercise, a carbon footprint assessment covering all three scopes (1, 2 and 3) is carried out within the first year following investment. For companies held by Ekkio Capital IV and Ekkio Capital V, the carbon footprint across Scopes 1, 2 and 3 is calculated at least every three years. Each portfolio company also provides the information required to calculate Scope 1 and Scope 2 emissions annually; this calculation is performed by an external service provider as part of annual ESG reporting. A decarbonisation plan will also be introduced for the largest emitters in the Ekkio Capital IV and Ekkio Capital V portfolios, with the aim of progressing towards the Paris Agreement's environmental objectives by 2030.

At management company level

Alongside its work with portfolio companies, Ekkio Capital monitors and seeks to reduce its own carbon footprint. The management company assesses its carbon footprint across all three scopes at least every three years and implements practical measures to limit emissions, notably by favouring rail over air travel wherever possible.

SECTION 7 - STRATEGY FOR ALIGNMENT WITH LONG-TERM BIODIVERSITY OBJECTIVES

7.1 Measuring compliance with the objectives of the Convention on Biological Diversity adopted on 5 June 1992

The Convention on Biological Diversity (CBD), adopted in 1992, is a major international framework for protecting biodiversity and ensuring its sustainable management. It is based on three key principles:

- The conservation of biological diversity;
- The sustainable use of its components;
- The equitable sharing of benefits arising from the use of genetic resources.

Ekkio Capital recognises the growing importance of biodiversity issues in the ecological transition. At this stage, the management company has not formalised a specific strategy for alignment with the CBD or the objectives of the Kunming-Montreal agreement (COP15, December 2022). Nevertheless, these issues are incorporated into its environmental approach, including across the different stages of the investment cycle.

7.2 Analysis of the contribution to reducing the main pressures and impacts on biodiversity identified by the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services

The potential impacts of portfolio companies on biodiversity are monitored through annual ESG reporting. The analysis focuses in particular on:

- The location of operational sites in sensitive areas or near areas of high ecological value, and the associated risks;
- The generation and management of hazardous waste;
- The discharge of pollutants into aquatic environments.

This monitoring identifies the main sources of pressure on biodiversity and informs portfolio companies' ESG action plans.

7.3 Use of a biodiversity footprint indicator

To date, Ekkio Capital does not have a single, standardised indicator applicable across all portfolio companies to measure their aggregate biodiversity footprint.

Nevertheless, a range of proxy indicators is monitored at portfolio company level through annual ESG reporting. These indicators help assess pressures on ecosystems, including water consumption and the management of discharges into water and soil; waste generation and recovery; the use of recycled or certified raw materials, such as FSC-certified or organically produced materials; and the share of renewable energy used.

These indicators contribute to a progressively more comprehensive assessment of portfolio companies' environmental performance on biodiversity issues.

SECTION 8 - INTEGRATION OF ENVIRONMENTAL, SOCIAL AND GOVERNANCE CRITERIA INTO RISK MANAGEMENT

8.1 Process for identifying, assessing, prioritising and managing ESG risks

Ekkio Capital's ESG risk management framework forms part of an integrated approach covering the entire investment cycle. It is based on three key stages: the identification, assessment and monitoring of sustainability risks.

During the pre-investment phase, the investment teams conduct a preliminary review to identify ESG issues. This review assesses the risks and opportunities specific to the target company, taking into account its sector, market positioning and level of sustainability maturity.

These issues are then assessed in greater depth through ESG due diligence, conducted with the support of a specialist external service provider. This work identifies the main sustainability risks in detail, including regulatory risks, structural weaknesses and potential controversies. Where significant risks are identified, further analysis may be undertaken. The findings are incorporated into the investment documentation and presented to the Investment Committee, where they form a key part of the decision-making process.

Following acquisition, portfolio companies are subject to regular, structured ESG monitoring. This relies in particular on annual reporting to collect quantitative and qualitative data on their ESG performance. These data are analysed to track changes in risks, identify emerging areas of concern and measure any adverse impacts.

This framework is complemented by annual ESG committee meetings bringing together Ekkio Capital's teams, portfolio company management and the external consultancy. These discussions assess progress, update ESG action plans and identify opportunities for continuous improvement.

8.2 Description of the main ESG risks

A sustainability risk is an environmental, social or governance event or condition that could have an actual or potential material adverse impact on the value of an investment.

Environmental risks

Environmental risks encompass environmental factors that may affect the performance or long-term viability of portfolio companies. They include the effects of climate change, the degradation of natural resources, various forms of pollution and biodiversity loss.

Two main categories of risk are distinguished:

- Physical risks arise from the direct impacts of climate change. They may relate to extreme events, such as floods, storms and droughts, or gradual changes, such as rising temperatures and increasing resource scarcity. These events and changes may cause operational disruption, damage to assets or higher operating costs.
- Transition risks are associated with regulatory, economic and societal changes arising from the shift to a low-carbon economy. For companies, these changes may result in compliance costs, a loss of competitiveness or the impairment of certain assets.

Ekkio Capital monitors these risks through a structured approach that includes:

- Measuring greenhouse gas emissions (Scopes 1, 2 and 3 where data are available);
- Assessing the exposure of business activities to climate-related issues;
- Incorporating environmental measures, such as emissions reduction, resource management and waste control, into ESG action plans.

Social risks

Social risks concern the potential impacts of companies' social practices, particularly respect for human rights, working conditions and stakeholder relations.

They include health and safety, employee well-being, diversity and inclusion, and responsible supply chain management. Inadequate management of these issues may have operational consequences, such as staff turnover and lower productivity, as well as create reputational risks.

Ekkio Capital monitors these risks through several indicators, including:

- The analysis of workplace accidents and accident frequency and severity rates;
- The assessment of social dialogue and value-sharing arrangements;
- The existence of policies on diversity, equality and non-discrimination;
- The consideration of social issues within the supply chain.

Governance risks

Governance risks arise from inadequate management or organisational practices that may affect the stability and performance of portfolio companies.

They may stem from a lack of transparency in decision-making, inadequate oversight or insufficient internal controls. They also include risks arising from poor management of ESG issues or non-compliance with governance standards relating to ethics, compliance and anti-corruption.

These weaknesses may have significant impacts on the reputation, financial performance and operational capacity of the companies concerned.

Ekkio Capital's assessment of these risks includes:

- The analysis of the composition and functioning of governing bodies, including their independence and diversity;
- The presence of structured ethics, compliance and anti-corruption arrangements;
- The existence of internal whistleblowing mechanisms;
- The extent to which ESG considerations are integrated into decision-making.

All these indicators are collected annually as part of portfolio companies' ESG reporting, enabling Ekkio Capital to monitor sustainability risks regularly and assess how they evolve over time.

8.3 Action plan to reduce the firm's exposure to the main ESG risks identified

To limit its exposure to sustainability risks, Ekkio Capital systematically incorporates ESG criteria throughout the investment cycle (see Section 1), supported by a range of key operational measures:

- Implementing a sector exclusion policy to avoid activities with high ESG risks;

- Conducting ongoing ESG controversy reviews of both investment opportunities and portfolio companies;
- Systematically identifying and assessing ESG issues and risks before each investment through the work of the investment teams;
- Incorporating these findings into decision-making, particularly at Investment Committee meetings;
- Including ESG commitments in the contractual documentation, particularly shareholders' agreements;
- Implementing annual ESG reporting to monitor changes in risks and update the assessment of each portfolio company;
- Maintaining regular dialogue with portfolio companies to raise awareness of sustainability issues and define tailored action plans.

8.4 Frequency of review of the risk management framework

The ESG questionnaire is reviewed annually in line with France Invest's recommendations.

8.5 Quantitative estimate of the financial impact of the main ESG risks

To date, Ekkio Capital has not produced a quantitative estimate of changes in asset valuations resulting from ESG risks.

SECTION 9 - LIST OF FINANCIAL PRODUCTS UNDER ARTICLES 8 AND 9 OF THE SFDR

See Section 1, subsection 1.3.