Statement of Marguerite Investment Management S.A. on principal adverse impacts considerations in investment decisions

Name of the financial market participant: Marguerite Investment Management S.A.

Summary: Marguerite Investment Management S.A. considers principal adverse impacts of its investment decisions on sustainability factors. The present statement is the consolidated statement on principal adverse impacts on sustainability factors of Marguerite Investment Management S.A. This statement on principal adverse impacts on sustainability factors covers the reference period from 1 January 2023 to 31 December 2023.

Description of the principal adverse impacts on sustainability factors: Below are presented the results of the PAI indicators assessment considered as representative of the portfolio's impact in 2023. Two additional indicators have been selected to monitor the impact of infrastructure on threatened species to complete PAI 7 (Natural species and protected areas) and the health and safety performance (Rate of accidents). No other indicator has been considered at portfolio level, but Marguerite considers investment specific indicators.

Actions and targets set for the subsequent period: In 2023, Marguerite set-up a monitoring platform to collect raw data, assess and aggregate its principal adverse impacts. Beforehand, we assessed impacts at investment level. As detailed in Marguerite's annual sustainability report, for the period 2024-2026, we decided to set ambitious portfolio level targets associated to climate impact mitigation, HR, health & safety, minimum governance standards and environmental risk management.

Adverse sustainability indicator		Metric		Impact [year n]	Impact [year n-1]	Explanation	Actions taken, and actions planned and targets set for the next reference period
Climate and other environment-related indicators							
Greenhouse gas emissions	1. GHG emissions	Scope 1 GHG emissions (tonCO2e/y)		**40,433**	90,904	GHG emissions are mostly related to scope 3. These emissions are associated to the vehicles using the transport infrastructure (i.e. highway or airport) and to the use of natural gas by consumers for gas network assets. As Belgrade EfW had limited revenues in 2023, there is a distortion in the result of the PAI 3 for 2023	Marguerite committed to reaching Net Zero in 2050, and will strengthen its climate engagement strategy fostering carbon reduction emission initiatives within our portfolio companies
		Scope 2 GHG emissions (tonCO2e/y)		**18,256**	16,000		
		Scope 3 GHG emissions (tonCO2e/y)		**219,728**	730,332		
		Total GHG emissions (tonCO2e/y)		**278,418**	837,236		
	2. Carbon footprint	Carbon footprint (tonCO2e/mEUR of investment value.y)		**221**	624		
	3. GHG intensity of investee companies	GHG intensity of investee companies (tonCO2e/mEUR of revenues.y)		**2,877**	3,262		
	4. Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector		**7%**	9%	Exposure linked to natural gas networks from previous investment strategies	Natural gas assets not part of Marguerite III's investment strategy
		Share of investments in companies active in the coal sector		**0%**	0%	No exposure to coal – the activity has historically been excluded	-
	5. Share of non-renewable energy consumption and production	Share of non-renewable energy consumption of investee companies from non-renewable energy sources expressed as a percentage of total energy sources		**64%**	(a)	-	Marguerite will foster renewable energy supply within its portfolio companies as part of its climate strategy
		Share of non-renewable energy production of investee companies from non-renewable energy sources expressed as a percentage of total energy sources		**7%**	(a)	Exposure associated to energy efficient gas boilers installed and operated by CSE which replace old emissive assets	Progressive switch to heat pumps for CSE
	6. Energy consumption intensity per high impact climate sector	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector[1]	A	**N/A**	N/A	-	-
			B	**N/A**	N/A	-	-
			C	**N/A**	N/A	-	-
			D	**0.27**	(a)	-	-
			E	**0.06**	(a)	Belgrade EfW still under construction in 2023 (i.e. limited revenues)	-
			F	**5E-5**	(a)	-	-
			G	**N/A**	N/A	-	-
			H	**0.07**	(a)	-	-
			L	**N/A**	N/A	-	-
Biodiversity	7. Activities negatively affecting biodiversity-sensitive areas	Share of investments in investee companies with sites/operations located in or near to biodiversity-sensitive areas where activities of those investee companies negatively affect those areas		**0%**	(a)	No uncontrolled impact on biodiversity sensitive areas in 2023	Limitation and continuous monitoring of construction in biodiversity-sensitive areas (i.e. solar PV, biomass to energy)
Water	8. Emissions to water	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average		**0**	(a)	No major emission to water except water consumed at the offices of the portfolio companies	-
Waste	9. Hazardous waste and radioactive waste ratio	Tonnes of hazardous waste and radioactive waste generated by investee companies per million EUR invested, expressed as a weighted average		**0.004**	(a)	No hazardous waste and radioactive waste generated	-

[1] High impact climate sectors: A: Agriculture, Forestry and Fishing; B: Mining and quarrying; C: Manufacturing; D: Electricity, gas, steam and air conditioning supply; E: Water supply, sewage and waste management and remediation activities; F: Construction; G: Wholesale and retail trade; H: Transportation and storage; L: Real estate activities.

Adverse sustainability indicator		Metric	Impact [year n]	Impact [year n-1]	Explanation	Actions taken, and actions planned and targets set for the next reference period
Indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters						
Social and employee matters	10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	**0%**	(a)	No violation of the UN Global Compact principles or the OECD guidelines in 2023	Several objectives for minimum governance standard development as stated in Marguerite's annual public sustainability report (including for Rebi)
	11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises	Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance/complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	**1.8%**	(a)	Considering the size of Nexun and SotySolar, they are considered has having enough processes and compliance mechanisms to monitor compliance with the relevant standards. Only project Cuenca – which just entered into operation in January 2024 is considered as having limited ESG processes.	
	12. Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies	**21%**	(a)	Some companies have high gender pay gap.	Targeted remuneration studies per role for outliners and definition of relevant measures
	13. Board gender diversity	Average ratio of female to male board members in investee companies, expressed as a percentage of all board members	**14.6%**	(a)	Low diversity ratio	Marguerite will actively promote diversity within its portfolio companies (via Diversity and Inclusion Policy development)
	14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	Share of investments in investee companies involved in the manufacture or selling of controversial weapons	**0%**	0%	-	-
Additional environmental indicator	Natural species and protected areas	Share of investments in investee companies whose operations affect threatened species	**0%**	(a)	See PAI 7	See PAI 7
		Share of investments in investee companies without a biodiversity protection policy covering operational sites owned, leased, managed in, or adjacent to, a protected area or an area of high biodiversity value outside protected areas	**N/A**	(a)	No investment in companies exposed to biodiversity sensitive areas without biodiversity policy or project impact mitigation strategy	-
Additional social indicator	Rate of accident	Rate of accidents in investee companies expressed as a weighted average (# accidents per FTE)	**0.95%**	(a)	Rate of accident remain below industry averages according to Eurostat	Goal to remain ≤1% at Marguerite and establishment of Health & Safety policies when missing
Description of policies to identify and prioritise principal adverse impacts on sustainability factors: Marguerite's Sustainability Policy and Procedures (approved on the 20/04/2023 by Marguerite's board of directors) implemented by Marguerite's ESG team integrate the methodology of principal adverse impact assessment as part of the due diligence process and monitoring. The methodology relies on a PAI materiality assessment followed by estimations of the PAI indicators and comparison with selected thresholds (incl. sectorial and asectorial conditions).						
Engagement policies: Marguerite's Sustainability Policy and Procedures (approved on the 20/04/2023 by Marguerite's board of directors) implemented by Marguerite's ESG team integrate the methodology for principal adverse impact monitoring and ESG engagement. Engagement is personalized to every portfolio company but monitored at portfolio level in line with the portfolio targets.						
References to international standards: Marguerite uses several internationally recognized standards in its sustainability strategy and processes: - Sustainable Development Goals of the United Nations to map the positive impact of our infrastructure - SASB materiality standard for sector-specific risk identification - OECD guidelines and UN Global Compact principles as part of the assessment and monitoring of the PAI indicators - Paris agreement alignment (of MIII and at GP level since May 2024) relying on recognized Net zero standards such as the EU taxonomy, the EIB Climate Bank Roadmap and relevant sectorial scenarios aligned with 1.5°C carbon budgets - GP-level standards such as the UN Principles for Responsible Investment (UN PRI) and the Global Real Estate Sustainability Benchmark (GRESB)						
Historical comparison: Marguerite has historical data only for specific data point but will systematically disclose historical values starting in 2025.						

(a) In 2024, Marguerite started systematically reporting PAI indicators at portfolio level, in 2023 the data collection was only on part of the indicators and/or part of the portfolio.

The data presented in this statement from Marguerite Investment Management S.A. are based on raw data collected from portfolio companies, except for GHG emissions which were estimated by Carbone 4. The data were aggregated by Marguerite considering eligibility (e.g. relevance for the sector) and data availability (i.e. data not reported by the portfolio company) for each indicator. The average data availability for all indicators is c. 97% in 2023.