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 2024 to 31 December 2024.

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 2024. 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). Other indicators are presented in our annual public sustainability report.

Actions and targets set for the subsequent period: Since 2023, Marguerite has used 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. In the 2024 annual sustainability report, we observed positive evolution on all ESG aspects across the portfolio.

Adverse sustainability indicator		**Metric**		**Impact 2024**	**Impact 2023**	**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)		**60,616**	40,433	GHG emissions are mostly related to scope 3 (i.e. vehicles using transport infrastructure and use of natural gas by consumers for the gas network asset). The increase from 2023 is mostly related to changes in methodology from Carbone 4 for data centres, construction of low carbon infrastructure (i.e. electric locomotives, district heating network, solar plants) and the acquisition of Swan	Marguerite committed to reaching Net Zero in 2050. We are engaging our portfolio companies to continue refining their GHG footprints and define decarbonisation strategies
		Scope 2 GHG emissions (tonCO2e/y)		**18,380**	18,256		
		Scope 3 GHG emissions (tonCO2e/y)		**329,557**	219,728		
		Total GHG emissions (tonCO2e/y)		**408,553**	278,418		
	2. Carbon footprint	Carbon footprint (tonCO2e/mEUR of investment value.y)		**290**	221		
	3. GHG intensity of investee companies	GHG intensity of investee companies (tonCO2e/mEUR of revenues.y)		**1721**	2,877		
	4. Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector		**5%**	7%	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		**63%**	64%	Marguerite only considers renewable energy supply using guarantees of origin or self-consumption	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		**7.8%**	7%	Exposure associated to energy efficient gas boilers installed and operated by CSE which replace old emissive assets	Progressive switch to low carbon energy equipment – but strong dependency to regulations
	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	**0.31**	0.27	-	-
			E	**0.01**	0.06	Belgrade EfW entered into operations.	-
			F	**7E-5**	5E-5	-	-
			G	**N/A**	N/A	-	-
			H	**0.09**	0.07	-	-
			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%**	0%	No uncontrolled impact on biodiversity sensitive areas in 2024	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**	0	No major emission to water except water consumed at the offices	-
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		**0.053**	0.004	Very limited hazardous 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 2024	Impact 2023	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%**	0%	No violation of the UN Global Compact principles or the OECD guidelines in 2024	Marguerite will engage its new portfolio companies to define minimum ESG processes
	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	**0%**	1.8%	Development of minimum ESG processes in 2024 for Nexun, and Rebi Cuenca	
	12. Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies	**16.4**	21%	Some companies have high gender pay gap – the value started to decrease in 2024	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	**12.2%**	14.6%	-	Marguerite actively promotes 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%**	0%	-	-
		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**	N/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)	**0.72%**	0.95%	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 non-sectorial 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 expects progressive improvement of the ESG performance of the portfolio companies – but changes will be slow considering Marguerite is a long-term investor and impact indicators may grow as the companies grow. Indeed, Marguerite invests in growing infrastructure-based companies participating to low carbon energy development, digital services or low carbon transport which have (slightly) growing absolute impact but deliver very high positive benefits and good performances when expressed in intensity.

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 eligibility for all indicators is 96.6% in 2024 and the coverage ratio is 93.9% for most indicators (it excludes our investment in Rebi's heating networks under development and in OnTrain considering OnTrain was created in December 2024).