



# ESG Report

2024 EDITION



*Flexstone Partners, or Flexstone, is the name that collectively identifies Paris-based Flexstone Partners SAS and its underlying companies, including New York-based affiliate Flexstone Partners, LLC, Geneva-based affiliate Flexstone Partners Sàrl and Singapore-based affiliate Flexstone Partners Pte. Ltd. Flexstone Partners SAS is a simplified stock corporation under French law with a share capital of 2,727,600 euros and its head office at 5/7, rue de Monttessuy, 75007 Paris, France. Flexstone Partners SAS is registered in the Paris Trade and Companies Registry (Registre de Commerce et des Sociétés) under number 494 738 750 and has been approved as a portfolio management company by the French Financial Market Authority (Autorité des Marchés Financiers, hereinafter "AMF") under number GP-07000028 since the 25th of July 2007.*

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# 1 | Sustainability at Flexstone and Our 2024 Highlights

# 1.1 – Our Sustainability Principles

In 2024, we reviewed and redefined our core sustainability principles to reflect our developing approach to ESG across our corporate and investment activities. We believe that it is our duty as a corporate citizen to act as a responsible investor, and to integrate environmental, social, and governance considerations across our global corporate and investment activities. Our approach to ESG is defined around our six core sustainability principles:

## PRINCIPLE 1 – Aligning with industry best practices and continuously improving our policies and practices

Flexstone’s ESG team and Sustainability Committee review our ESG policies and processes on an annual basis. Most recently, we reviewed and updated our proprietary ESG assessment framework (in alignment with the ILPA ESG assessment), responsible investment process, and exclusion policy.

## PRINCIPLE 2 – Having a holistic, global approach to sustainability

Flexstone’s responsible investment process is applied systematically to all prospective investments to manage material ESG risks and opportunities, notably through (i) negative screening (sector- and norms-based, exclusion of entities involved in high risk ESF controversies); (ii) ESG scoring; (iii) ESG due diligence completed by the ESG and deal team, with a focus on our fund managers’ ESG conviction, governance & resources, and responsible investment process; (iv) Negotiation of side letters with ESG-related provisions, on a best effort basis; (v) Annual monitoring of 50+ ESG KPIs at GP and portfolio company level; and, (vi) management and monitoring of ESG controversies.





### PRINCIPLE 3 – Transparency:

As a signatory of the France Invest Gender Parity Charter, we are committed to achieving time-bound, quantitative objectives, including having women represent 40% of the investment team by 2030. In addition, we joined the ILPA Diversity in Action initiative in 2022 and implemented annual DEI training through the Paradigm Reach platform.

### PRINCIPLE 4 – Promotion of diversity, equity, and inclusion within Flexstone and the private equity industry

As a signatory of the France Invest Gender Parity Charter, we are committed to achieving time-bound, quantitative objectives, including having women represent 40% of the investment team by 2030. In addition, we joined the ILPA Diversity in Action initiative in 2022 and implemented annual DEI training through the Paradigm Reach platform.

### PRINCIPLE 5 – Strong governance around sustainability

We have continued to develop our internal ESG expertise to effectively manage ESG risks at corporate and investment level, including the recruitment of Samira Boussem as the Head of Sustainability in January 2024, and the implementation of a formal Sustainability Committee in 2022, consisting of our ESG professionals, CEO, global COO & CFO, and representatives from each operational team and office.

### PRINCIPLE 6 – Participation and contribution in international sustainability initiatives

Flexstone seeks to be an active participant in the responsible investing ecosystem, and contributes to working groups within the iCI on climate regulation and training. In addition, Flexstone seeks to support our GPs with their sustainability journeys and to share on best practices with peers.



## 1.2 – Letter from our CEO Eric Deram

I am proud to present the second edition of our ESG report, highlighting another year of progress in embedding sustainability as an integral part of our investment process and operations. At Flexstone, we believe that integrating environmental, social, and governance (ESG) considerations in our investment process is not only our responsibility as a global firm, but also fundamental to managing risk and delivering strong financial returns for our stakeholders.

Continuous improvement, transparency, and commitment to responsible business practices have been the central themes guiding our sustainability strategy. As we continue to build long-term value for our stakeholders, we remain focused on encouraging positive change in the industries we invest in, building partnerships with our stakeholders and General Partners (GPs), and identifying opportunities to contribute to solutions to the global challenges we face today.

As a Limited Partner, or a minority investor, our strategy is focused on engaging with our General Partners (GPs) to ensure that ESG considerations are integrated into their risk management and stewardship strategies. As we continue to develop our sustainability strategy, we see this as a great opportunity to continue partnering with our GPs and help drive the allocation of capital towards businesses that have a positive impact on our planet and society.

This report is a testament to the strides we have made this year, and to the hard work and dedication of Flexstone's team. We will continue to develop our sustainability capabilities, work with our GPs, and to engage with industry associations to promote responsible business practices within the wider private markets industry.

Thank you for your trust and partnership on this journey. We hope that with each step we can shape a more resilient, inclusive, and sustainable future.

Sincerely,



**Eric Deram**  
 CEO



# 1.3 – Reflecting on 2024 and What’s to Come with Our Head of Sustainability, Samira Boussem

As I join Flexstone Partners in January 2024, I am excited to contribute to the continued growth and strengthening of our sustainability efforts. At Flexstone, sustainability is not just a responsibility for a select few—it is a collective commitment that involves all of us. Our goal is to integrate sustainability across every aspect of our operations, from the investment process to our corporate culture.

In 2024, our sustainability priorities were centered on the "A" and "B" sides of our ABC model\* for responsible investing: Act to avoid harm and Benefit stakeholders. My primary focus has been to formalize and strengthen our responsible investment process. This has involved working closely with teams across the organization to ensure that sustainability is embedded in all stages of decision-making and that all of our employees are equipped to consider ESG risks and opportunities as a part of their day-to-day operations.

We have also made significant advancements in our ESG data management systems to ensure that we are able to transparently monitor, assess, and report on the ESG performance of our portfolios to our stakeholders. We focused on implementing a system for assessing our corporate and financed GHG emissions and developing an ESG data management platform that allows us to screen and aggregate ESG data. Our objective is to leverage these tools to integrate ESG data at GP and portfolio company level as a part of our risk management process and strategic decision making.

At the same time, serving our clients and addressing their evolving sustainability needs remains central to our mission. We are dedicated

to providing investment solutions that align with our clients' ESG priorities, ensuring that their investments reflect their values while effectively managing extra-financial risks and driving long-term value creation. We will continue working together with our clients to define and achieve their sustainability goals.

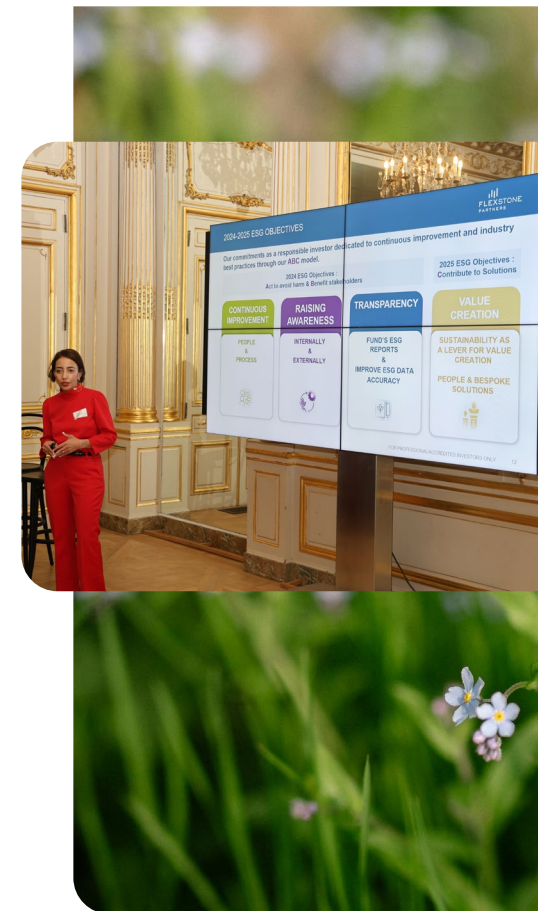
Looking ahead to 2025, our focus will shift toward the C side of our model—Contribution to Solutions. As a Limited Partner, Flexstone has a unique position in the private market ecosystem. While we don't have direct influence over the day-to-day operations of our portfolio companies, we can play a crucial role in promoting responsible investment practices, supporting our GPs, and contributing to collaborative industry engagements. Through working with our stakeholders and GPs, I truly believe that Flexstone can play a pivotal role in addressing global sustainability challenges and contributing to long-term solutions. We all have a role to play in transforming our economy to protect our planet and future generations.

I am proud to be part of a team that is so dedicated to our sustainability journey, and I look forward to continuing our work to serve our clients and drive positive change both at Flexstone, and in the financial sector. Together, we can make a lasting difference.

Sincerely,



**Samira Boussem, CFA**  
Managing Director, Head of Sustainability





# 1.3 – Who We Are

## Overview of Flexstone Partners

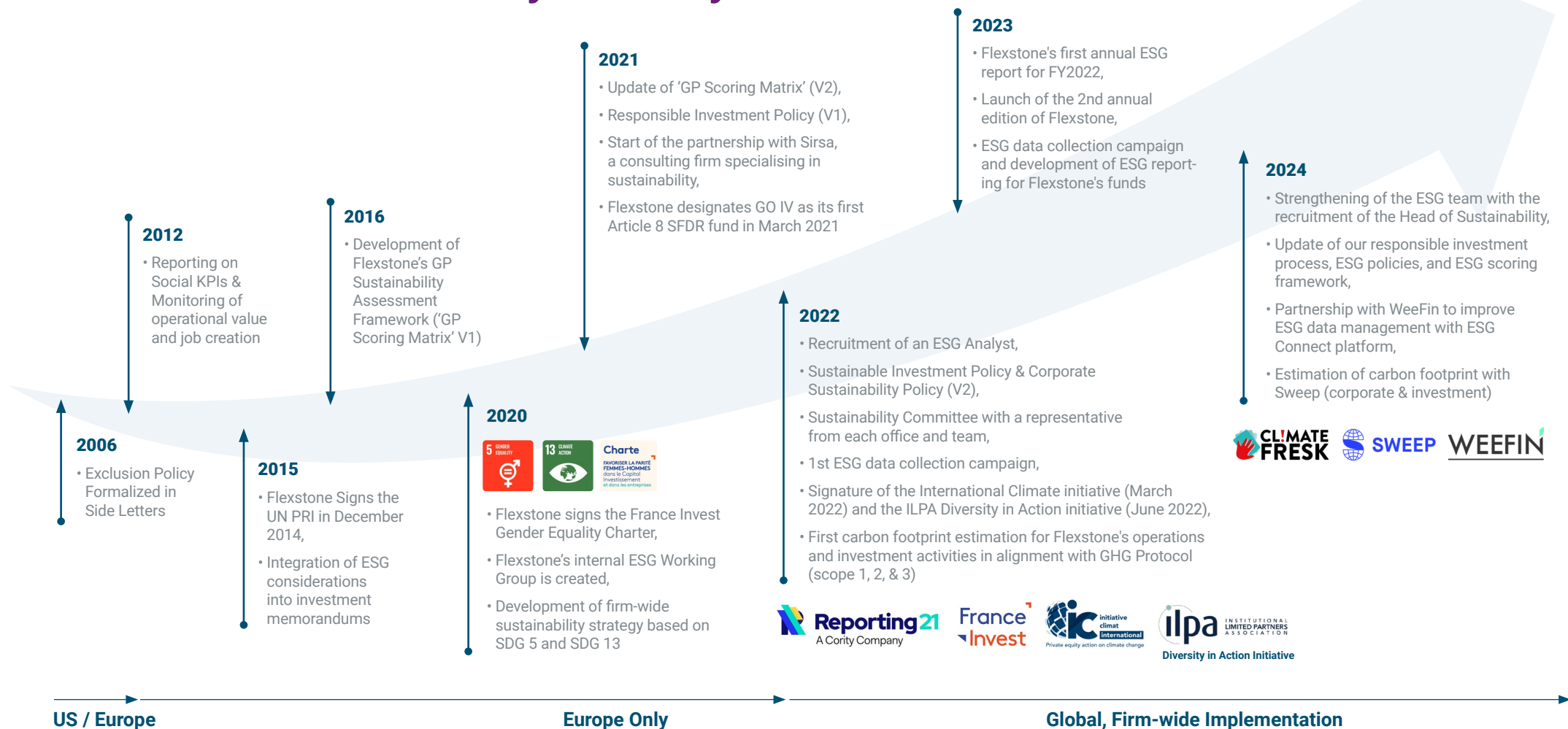
Affiliate of Natixis Investment Managers ("NIM"), Flexstone is a global asset management firm offering investment solutions across private markets. Flexstone invests in primary funds, direct co-investments, and secondary transactions through dedicated funds and separately managed accounts for our clients.

<div>OVERVIEW</div> <div>\$10.6 bn</div> <div>AuMA<sup>1</sup></div> <div>28+ yrs</div> <div>Sr. Professionals Investment Experience<sup>2</sup></div> <div>55 (44%)</div> <div>Professionals (women)</div> <div>26</div> <div>Nationalities</div>	<div>EXPERIENCE</div> <div>300+</div> <div>GPs in Portfolio</div> <div>510+</div> <div>Funds In Portfolio</div> <div>195+</div> <div>Co-Investments<sup>3</sup></div> <div>85+</div> <div>Secondary Investments</div>
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Source: Flexstone as of 15/10/2024 unless otherwise noted.  
 Notes: 1. Assets under management and advisory as of 15/10/2024, including commitments for closed-end private placement funds, and sum of Net Asset Value and unfunded commitments shown in USD. Assets under management ("AUMA"), as reported, may include notional assets, assets serviced, gross assets and other types of non-regulatory AUM. 2. Average relevant experience for Managing Partners. 3. Includes all co-investments made by Flexstone Partners. 4. Firm-wide Sustainable Development Goals (SDGs).

# 1.4 – Our Sustainability Journey



Source: Flexstone Partners, 2024.

## Flexstone in the Responsible Investing Ecosystem

Partnership with our **General Partners**, **Industry Associations**, **Natixis Investment Managers**, **Clients**, to exchange on industry best practices and regulatory developments



As a member of the broader **Natixis Investment Managers** (Natixis IM) group, Flexstone actively participates in various sustainability-focused initiatives and groups, contributing to the shared goals of fostering responsible investment practices. Notably, Flexstone is involved in the **Climate Private Markets Workshop**, where it collaborates with other Natixis IM private assets affiliates to build Natixis IM climate transition plan by positioning affiliates on the different decarbonation levers

Additionally, Flexstone plays an active role in the **Council Committee on Business**, where it helps shape **Natixis IM** sustainability agenda, ensuring that we as a group can offer a well-diversified range of solutions to our clients, carefully tailored to meet their unique sustainability goals and constraints. This ensures that Flexstone can provide investment opportunities that align with clients' specific ESG priorities, creating long-term value while addressing diverse sustainability challenges

Furthermore, Flexstone contributes to the **Regulations Working Group** in collaboration with Natixis IM's **Public Affairs Department**, engaging in efforts to influence and align with evolving sustainability-related regulations. This collaboration ensures that Flexstone stays at the forefront of regulatory changes, positioning itself as a proactive participant in promoting transparent, sustainable practices across the financial sector. These collective initiatives reflect Flexstone's ongoing commitment to driving positive change and promoting sustainable, long-term value creation within the investment community.



# 1.5 – 2024 Sustainability Highlights

This year marks a transformative period for our approach to sustainability and responsible investing, driven by the vision and leadership of our Head of Sustainability, Samira Boussem, who joined us in January 2024. Below are our key sustainability highlights for 2024:

## 1. Growing Our Sustainability Team and Building Expertise

Samira Boussem joined us as our Head of Sustainability in January 2024 to lead Flexstone’s sustainability strategy.

Firm wide training to develop internal expertise on responsible investing strategies, sustainable finance regulations, and industry frameworks such as TCFD and SASB.

All Flexstone teams completed the Climate Fresk as a part of our global offsite in November. Both members of our ESG team are trained to facilitate the Climate Fresk.



## 2. Continuing to Develop Our Responsible Investing Approach in Alignment With Industry Best Practices

Update of Flexstone’s responsible investment and exclusion policy (definition of specific materiality thresholds).

Implementation of a formal controversy management policy and process.

Development of Flexstone’s proprietary ESG scoring methodology, in alignment with ILPA’s ESG assessment framework.



## 3. ESG Performance Monitoring and Transparency

Partnership with Weefin and Sweep to improve Flexstone’s ESG data management capabilities (ESG KPI aggregation at portfolio level, estimation of portfolio GHG emissions, production of dedicated fund level reporting\*)

Launch of Flexstone’s 3rd annual ESG data collection campaign on Reporting 21, including 50+ KPIs at GP and portfolio company level.

Publication of our second annual ESG report for 2024.



## 4. Collaborating With Our Stakeholders

Launch of Flexstone’s monthly Sustainability Newsletter.

Continued contribution to working groups and investor engagements (supporting investor statements, contribution to iCI working groups, responding to public consultations).





## 2 | Corporate Sustainability Initiatives & Governance

## 2.1 – Our Sustainability Committee

### Head of Sustainability



**Samira Boussem, CFA**  
Managing Director  
Based in Paris

### Dedicated Sustainability Analyst



**Annabel Väänänen**  
Associate, Sustainability  
Based in Paris

### Sustainability Champions



**Eric Deram**  
CEO, Managing Partner  
Based in Geneva



**Hans DeWitte**  
Global COO & CFO,  
Managing Partner  
Based in New York



**Natalie Hall, CPA**  
Director, Corporate  
Based in New York



**Nicolas Le Fur**  
Associate, IRBD  
Based in Geneva



**Joyce Levy**  
Vice President, Legal  
Based in Paris



**Candice Marmin**  
Vice President,  
Investments  
Based in Paris



**Ivy Omar**  
Executive Director,  
Operations and Finance  
Based in Singapore



**Pierre-Emmanuel Boivin**  
Chief Compliance Officer,  
Chief Risk Officer  
Based in Paris

New York

Paris

Geneva

Singapore

Flexstone's Sustainability Committee was established in January 2022 and held its first meeting in June 2022. The Committee is led by Flexstone's **Head of Sustainability and Managing Director, Samira Boussem**, and **Annabel Väänänen**, Flexstone's dedicated Sustainability Associate.

The Committee includes representatives from each office (Paris, Geneva, New York, Singapore) and team (Investments, Operations, Compliance, IRBD, Legal), including two Managing Partners.

The Committee's objective is to ensure that our responsible investment policies and processes are consistently implemented across our global offices, and to provide feedback and ideas to Flexstone's Sustainability team as we continue to develop our strategy. The Committee meets on a quarterly basis.



# Sustainability Committee Responsibilities

The Committee's main responsibilities include:

- i.** Approving annual updates or amendments to Flexstone's Sustainable Investment Policy and Corporate Sustainability Policy, proposed by Flexstone's dedicated Sustainability Analyst and reviewing the policy on an annual basis;
- ii.** Approving updates to Flexstone's ESG assessment framework and risk management procedure;
- iii.** Reviewing Flexstone's annual sustainability objectives on a semi-annual basis and monitoring the Firm's progress towards the set targets;
- iv.** Supporting the integration of ESG considerations into investment analysis and decision-making processes across the firm;
- v.** Sharing resources and the latest industry research on sustainability-related topics, including regulatory updates, data providers, insights on ESG investing in private markets, international sustainability disclosure standards, and guidelines for ESG risk management;
- vi.** Supporting efforts to address the emerging and evolving regional regulatory landscape<sup>1</sup>;
- vii.** Leading sustainability initiatives at Flexstone's offices, including the organization of Flexstone's annual ESG-related day and implementing actions to reduce the environmental impact of Flexstone's physical workspaces; and,
- viii.** Communicating with Flexstone's clients, General Partners, and other stakeholders on Flexstone's ESG initiatives and investment process and their sustainability-related objectives and needs.



Notes: <sup>1</sup> For example, EU Regulation on sustainability related disclosures in the financial services sector (SFDR)

## Flexstone Sustainability Committee

### Reflecting on the Evolution of Sustainability Across Private Markets

One of the key challenges we still face in the private sector is the lack of data, especially for SMEs which often have limited resources and expertise. More and more GPs are reporting the positive impacts of sustainability on portfolio company valuation, exit, and long-term business resilience. However, we are missing quantitative data on the direct financial benefits of investing in sustainability during the holding period, which is what many investors are looking for.

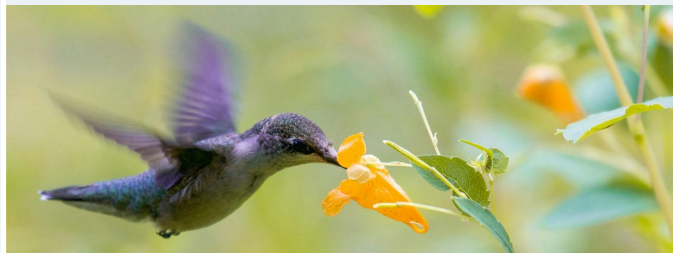


I hope that with regulatory frameworks such as the CSRD and increased demand for greener businesses, especially with the devastating impacts of recent climate disasters, we will see a rapid shift in seeing sustainability as a necessity, instead of a 'nice to have' for companies.

- Annabel Väänänen

"The European market has shown significant growth in ESG and impact investing in recent years, with ESG now recognized as a value creation driver rather than just a risk management tool. This shift has been supported by robust regulatory frameworks and LP's net-zero commitments, influencing investment strategies towards decarbonization. New players and franchise extensions have emerged on this theme, while biodiversity is also gaining prominence, signalling its importance in future investment priorities despite its measurement challenges."

- Candice Marmin



"Over the past two decades, ESG investing has been central for institutional investors, but interest in decarbonization and net-zero transitions has grown recently. Initially focused on liquid assets, institutions now emphasize tailored private asset solutions to achieve these goals. Despite regional and investor-type disparities, ESG-driven investing is gaining momentum, with private assets positioned as key enablers of this evolution."

- Nicolas Le Fur



# Flexstone Sustainability Committee

## Reflecting on the Evolution of Sustainability Across Private Markets

*"Businesses in the APAC region are embracing ESG practices and pioneering innovative solutions to address the climate issues. APAC jurisdictions meanwhile have also been increasingly sophisticated in using taxonomies to direct financial flows into sustainable activities. Notable innovations include Singapore's traffic light approach in classifying activities based on their contribution to the taxonomy's environmental objectives."*
  
*- Ivy Omar*



*"At Flexstone Partners, serving on the Sustainability Committee as part of the corporate team allows me to help weave ESG principles into the very fabric of our operations. ESG is embedded in how we conduct business, care for one another, and protect our environment. This ethos drives not just our investment strategies but also the way we engage with colleagues, partners, and communities."*



*As a global firm, we also strive to ensure that these practices are consistently applied across our offices in Asia, Europe, and the US. I am reminded daily that we all share the responsibility to make a meaningful contribution. Together, we are shaping a corporate culture that values purpose alongside performance, ensuring our efforts resonate far beyond the financial realm."*
  
*- Natalie Hall*





# 2.2 – Our Engagements

## UN PRI

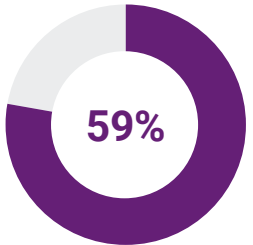
Flexstone Partners has been a Signatory of the United Nations’ Principles for Responsible Investment (PRI) since January 2014, and is committed to adhering to the **Six Principles for Responsible Investment**:



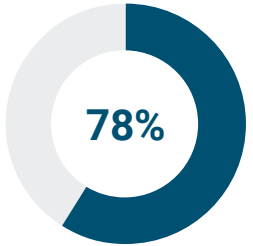
<p><b>PRINCIPLE 1</b></p> <p>We incorporate sustainability criteria into investment analysis and decision-making processes;</p>	<p><b>PRINCIPLE 4</b></p> <p>We promote acceptance and implementation of the Principles within the investment industry;</p>
<p><b>PRINCIPLE 2</b></p> <p>We are active owners and incorporate sustainability criteria into our ownership policies and practices;</p>	<p><b>PRINCIPLE 5</b></p> <p>We work together to enhance our effectiveness in implementing the Principles; and</p>
<p><b>PRINCIPLE 3</b></p> <p>We seek appropriate disclosure on sustainability highlights and issues by the entities in which we invest;</p>	<p><b>PRINCIPLE 6</b></p> <p>We report on our activities and progress towards implementing the Principles.</p>

## 2024 UN PRI Assessment Score

### Policy Governance and Strategy



### Indirect – Private Equity



### Confidence Building Measures





## Collaborative Investor Engagements

One of our objectives as a responsible investor is to promote best practices in the wider private equity industry and to collaborate with other investors and fund managers. As a part of our engagement strategy, we have continued to support multiple collaborative investor statements.

Table 1

<div> <div> Statement from the Private Financial Sector to the Member States Negotiating the International Legally Binding Instrument (ILBI) to End Plastic Pollution <div>LINK</div> <div> <div>12</div> <div>RESPONSIBLE CONSUMPTION AND PRODUCTION</div> <div>  </div> </div> </div> <div> <p>This statement was drafted by UNEP FI, PRI, Finance for Biodiversity Foundation, Business Coalition for a Global Plastics Treaty, Dutch Association of Investors for Sustainable Development (VBDO) and CDP.</p> <p>It is endorsed by 160 financial institutions representing over c. (US) \$15.5 trillion in combined assets.</p> <p>The statement demonstrates the support of the financial sector for an ambitious international legally binding instrument to end plastic pollution and to set out what a robust agreement would include from the perspective of the financial sector.</p> </div> <div>  </div> </div>	<div> <div> 2024 Global Investor Statement to Governments on the Climate Crisis <div>LINK</div> <div> <div>13</div> <div>CLIMATE ACTION</div> <div>  </div> </div> </div> <div> <p>The 2024 Global Investor Statement to Governments on the Climate Crisis is the most comprehensive investor call for climate action, demanding a whole-of-government approach with policy implementation at all levels of government. The statement is signed by 650 financial institutions, representing more than US\$33 trillion in AUM.</p> <p>The statement asks of governments to: (i) Enact economy-wide public policies (e.g., incentive programs, procurement standards, carbon pricing); (ii) Implement sectoral transition strategies, especially in high-emitting sectors by scaling up the deployment of low-carbon energy systems, removing fossil fuel subsidies, and establishing targets to phase out unabated fossil fuel use; (iii) Address nature, water and biodiversity-related challenges by establishing National Biodiversity Strategies and Action Plans, scaling up finance for nature-based solutions and water solutions, and strengthening nature-related disclosures; (iv) Mandate public climate-related disclosures across the financial system and institute climate risk disclosure in financial reporting; and, (v) Mobilize further private investment into climate mitigation, resilience, and adaption activities in EMDEs.</p> </div> </div>
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## Initiative Climat International

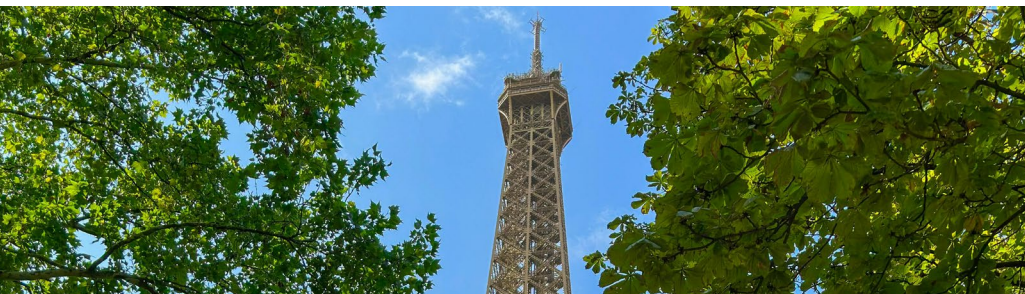
Flexstone became a member of the Initiative Climat International (iCI) in February 2022. As a member of the iCI. As a member of the iCI, Flexstone commits to the following actions:



- **Engaging with GPs on climate change to further the commitments and goals of iC international;**
- **Supporting and promoting the iC International among private equity firm peers.**

Flexstone participates in two working groups within the iCI. The first one is the Climate Training & Awareness working group which is led by Annabel Väänänen. The working group is dedicated to creating training materials for iCI's members to raise awareness of climate risks and opportunities and enable members to train their investment teams & management on portfolio decarbonization and climate risk management strategies.

The second working group that Flexstone participates in is iCI's regulatory working group. Ivy Omar, who represents Flexstone within the iCI APAC chapter, participates in the working group to provide regulatory updates and respond to policy consultations.



## France Invest

France Invest developed the Gender Equality Charter 12 to promote gender parity among French private equity players and the companies they invest in March 2020. The Charter includes 30 commitments and sets forth quantified objectives in management companies and their holdings.



**These objectives include reaching 40% of women in investment teams and 25% of women responsible for making investment decisions by 2030.**

Flexstone signed the Charter in 2020 to reinforce our commitment to improving our approach to gender equality and to creating a safe, inclusive, and rewarding working environment for all.

**Table 2 - Status Against Quantitative Objectives as of December 2023**

#	Commitment	Flexstone status as of 31.12.2022
1	Increase the % of women having responsibility for investment committee decisions to 25% by 2030 and 30% by 2035, and acquire the necessary tools to achieve this objective.	0% <sup>1</sup>
2	Set a target for women to make up 40% of the investment teams by 2030.	29%

As a part of our commitment to promote diversity and inclusion in private markets, we have also integrated DEI KPIs as a part of our annual data collection campaign. We have now collected data on workforce & management diversity, pay equity, employee engagement, and worker health & safety for three years.

Notes: <sup>1</sup> Flexstone's Investment Committee has one female member, but she is not a voting member.

## 2.3 – Employee Engagement & Non-profit Initiatives

### Geneva & Paris

We continued to support local bee-hives with Adopte Une Ruche in Paris and Association Printemps d'Abeilles.

Our offices in Paris and Geneva adopted two beehives in 2022 and we have continued to support the initiative since then. Through the partnership, we hope to raise awareness of the importance of wild pollinators to our eco-systems and to support the protection of local pollinator populations.

Our European teams volunteered to support the local Food Bank drive in Paris & Geneva.

 **Banques Alimentaires**



Paris ★ ★ Geneva



## 2.3 – Employee Engagement & Non-profit Initiatives

### New York & Singapore

#### Nature & Sustainability Tours in Singapore: Carbon & Climate Tour

Our team in Singapore participated in the Carbon and Climate Tour at the Gardens by the Bay to learn about carbon sources, sinks, and how it moves through the environment to better understand climate change.

#### Meal Preparation in New York with God's Love We Deliver<sup>1</sup>

In New York, our employees volunteered with the God's Love We Deliver charity to prepare medically tailored meals for people who are too sick to shop or cook for themselves. All of their services are provided free to clients, and include ongoing nutrition assessment, education, and counseling.

New York ★



★ Singapore

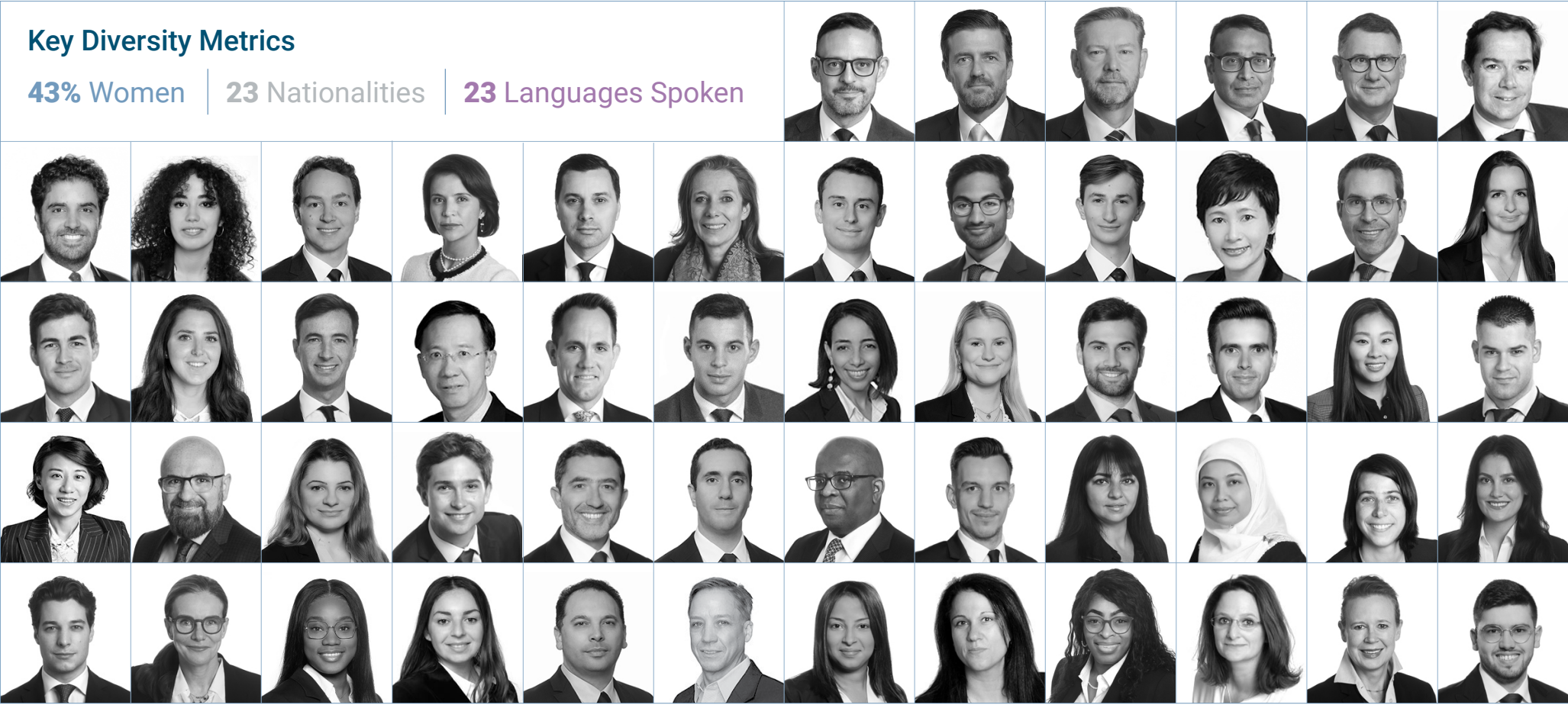


Notes:

<sup>1</sup> God's Love We Deliver is a non-sectarian organization serving people in need and their children and caregivers.



# 2.4 – Diversity at Flexstone



Source: Flexstone team as of 31/12/2024.

## Diversity at Flexstone

At Flexstone, we believe that a diverse and inclusive workforce is crucial to long-term value creation and sustainable development. Therefore, we are committed to continuously improving our internal DEI practices and policies according to industry best practices, as well as contributing to industry initiatives promoting DEI in the wider private equity industry.

**We have chosen to demonstrate our commitment through the following actions:**

**Ensuring that our global culture, workplaces, and HR policy are inclusive, and provide a safe and rewarding working environment to all employees;**

**Ensuring that all of our employees, including Flexstone's Sustainability Committee, review Flexstone's DEI strategy** and Code of Conduct on Harassment, Discrimination, and Workplace Violence annually;

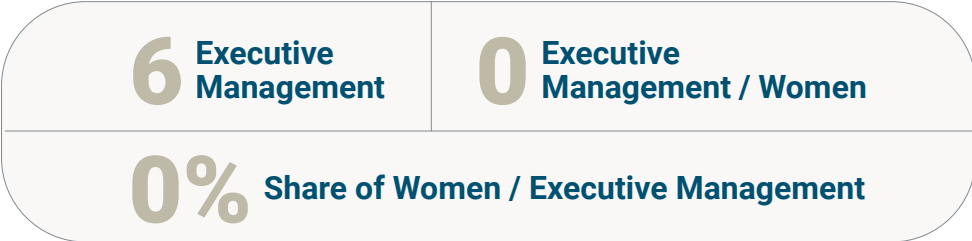
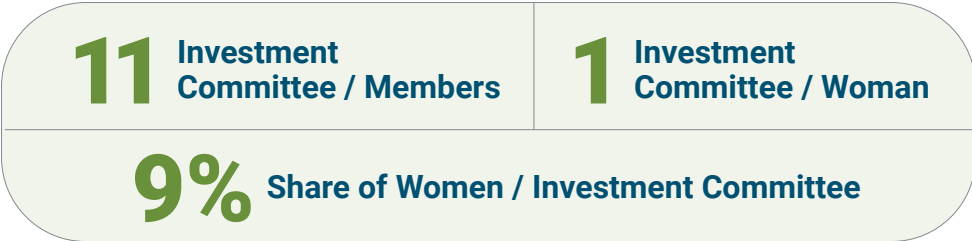
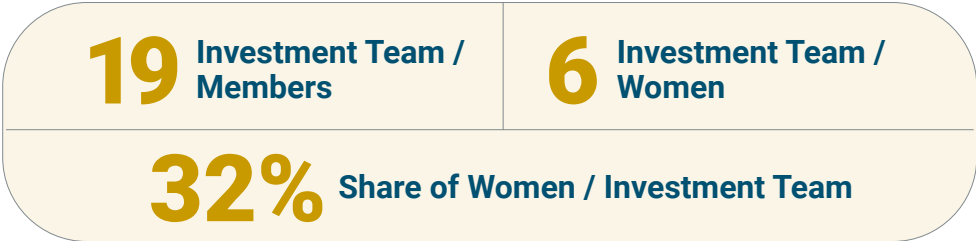
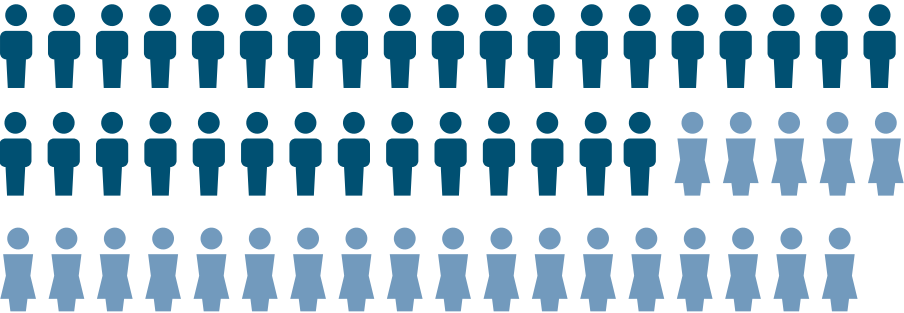
**Providing all of our employees annual training on DEI issues and tools for creating a more inclusive work environment**, including a foundational unconscious bias training that is mandatory for all new employees;

**Contributing to public engagement efforts and industry associations that promote diversity and inclusion in private markets**, notably the ILPA Diversity in Action initiative and the France Invest Gender Equality Charter;

**Tracking and reporting on our progress towards the stated targets and commitments in Flexstone's annual ESG Report;** and,

**Monitoring DEI KPIs and initiatives at GP and portfolio company level through Flexstone's annual Reporting 21 ESG data collection campaign** to encourage transparency and gain a better understanding of DEI performance across Flexstone's investee companies.

# Diversity of Workforce, Investment Team & Executive Management<sup>1</sup>



Notes:  
<sup>1</sup> For more information, please refer to Appendix A on p.55  
<sup>2</sup> Excluding executive management (Managing Partners)  
<sup>3</sup> Supervisory board members are part of our parent company, Natixis Investment Managers

## 2.5 – Climate Action

Over the last decade, climate risks have become increasingly material and the global economy's need to transition away from fossil fuels to a nature-positive, sustainable economy has become as urgent as ever. At Flexstone, we recognize the importance of assessing our exposure to climate risks to deliver sustainable long-term returns to our clients, as well as the opportunities we have to invest in the green transition and climate solutions.

In 2023, we partnered with Sweep, an SaaS platform dedicated to GHG accounting, monitoring, and reporting, to implement an annual process for assessing Flexstone's corporate GHG emissions in alignment with the GHG Protocol guidelines.

Our objective in 2024 was to improve the quality of our carbon footprint data after completing Flexstone's first carbon footprint assessment with a third party consultant in 2022. We worked with Sweep to develop our GHG emissions inventory and set up processes to automate the collection of our activity data as much as possible. In 2025, we will focus on identifying the most impactful levers for reducing our corporate carbon emissions so that we can develop a strategy for reducing our climate impact.

We also worked with Sweep to use the platform for estimating the financed GHG emissions (scope 3, category 15) associated with our investments. As a Limited Partner and minority investor in SMEs, Flexstone does not directly engage with portfolio companies and has limited access to the data required to complete an accurate carbon footprint assessment. As a first step, we started by using Sweep to estimate the financed emissions for a few of our portfolios with the PCAF methodology. We will continue to identify how we can improve the quality of the emissions data we have on our underlying portfolio companies as this represents the most significant source of Flexstone's GHG emissions outside of our day-to-day operations.



**SWEEP**

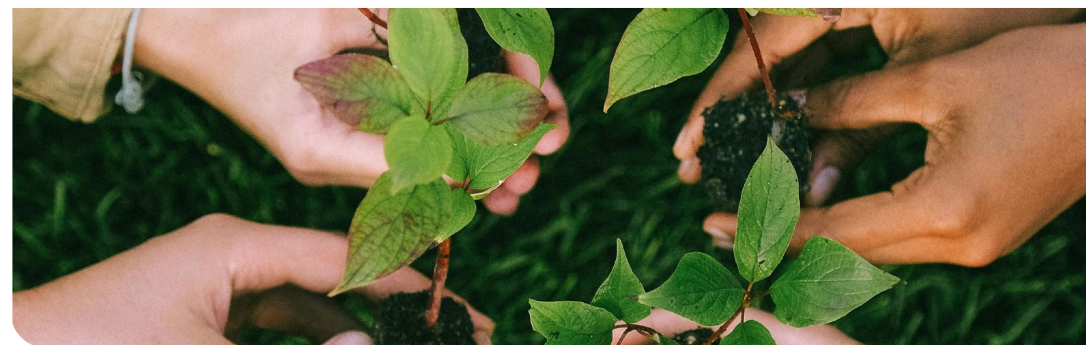


### Contribution to Climate Protection Projects

As a part of our climate commitment, we have invested in verified carbon credits / climate protection projects to assume responsibility for Flexstone's corporate scope 1, scope 2, and scope 3 GHG emissions (excluding investments).

We chose to finance climate protection projects with myclimate for our 2023 carbon footprint to compensate for 489.73 tCO<sub>2</sub>e. Myclimate is an international not-for-profit organization dedicated to climate protection based in Switzerland. The organization finances verified climate protection projects (Gold Standard, Verra VCS, Plan Vivo) and supports positive development outcomes both locally and globally to ensure financial additionality and positive community impact.

Although we recognize that reducing our GHG emissions in the near future is the most impactful way to mitigate our impact on the climate, we will continue to invest in carbon credits to assume responsibility for the emissions that we have not yet reduced.





# Corporate Carbon Footprint

## GHG Statement Report for 2023

Organizational Perimeter	Flexstone Partners Global (New York, Paris, Geneva, and Singapore Office)
Temporal Perimeter	2023 Financial Year
Framework	GHG Protocol
Emission Factor Types	57% Physical, 43% Monetary

### Methodology<sup>1</sup>

In 2024, Flexstone implemented Sweep, an SAAS platform dedicated to GHG accounting and reporting, to assess the Firm’s corporate carbon footprint. The objective is to automate the process as much as possible by integrating data sources directly and collecting data through surveys (e.g., employee commute data.)

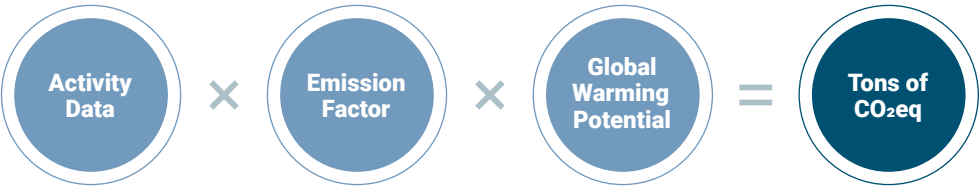
The emissions factors used for the carbon footprint assessment are based on multiple sources to account for regional differences in factors such as the energy mix and transport when relevant. A majority of the emissions factors were from ADEME’s Base Carbone® data set and US EPA EF HUB.<sup>2</sup>

For each identified emission source, Flexstone collected the required activity data at each office according to the GHG protocol standards. The activity data is then multiplied by the appropriate emission factor and the Global Warming Potential (GWP).

Notes:  
<sup>1</sup> The final results are reported in tons of CO2 equivalent.  
<sup>2</sup> For more information on the methodological assumptions, limitations, and emissions factors, please see appendix 2.

### Next steps

- ▶ Identify the most significant emissions sources and the most impactful levers for reducing Flexstone’s operational carbon footprint
- ▶ Implement measurable, time-bound short-term and medium-term actions for reducing Flexstone’s climate impact, notably for purchased goods & services (supplier engagement) and business travel
- ▶ Continue to improve the quality of the underlying activity data and conduct an audit on Flexstone’s carbon footprint from FY2023 to be used as a baseline for future action.
- ▶ Develop Flexstone’s process for collecting and monitoring GHG emissions data for underlying portfolio companies.



# 2023 Flexstone Corporate Carbon Footprint

## GHG Protocol Statement

**489.73 tCO2e**

Total emissions<sup>1</sup>

**0 tCO2e**

Scope 1<sup>2</sup>

**54.45 tCO2e**

Scope 2

**435.29 tCO2e**

Scope 3<sup>1</sup>

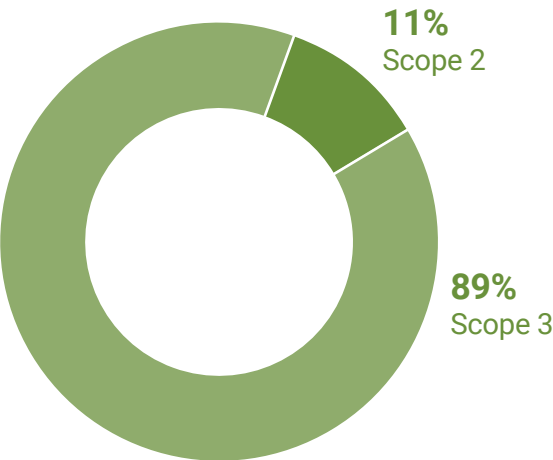
**9 tCO2e**

Per employee

Outside of Flexstone's investment activities, for our day-to-day corporate operations, the highest sources of GHG emissions is from business travel and purchased goods and services, which is expected given the nature of our business.

Note that the increase in emissions from business travel due can be explained by increased accuracy and availability of activity data. This year, all travel from the financial year 2023 was accounted for, as well as hotel stays by number of nights in each country (optional under the GHG Protocol).

## GHG Emissions – Scope 2 & Scope 3 (% share)



### Notes:

<sup>1</sup> Excluding financed GHG emissions (scope 3, category 15)

<sup>2</sup> In 2022, Flexstone's GHG emissions from steam, heating, cooling, and compressed air were categorized under scope 1 emissions; however, for FY2023, we decided that it would be more relevant to account for emissions from Flexstone's electricity and other indirect energy use under scope 2 as Flexstone has no operational control of the office spaces.

# 2023 Flexstone Corporate Carbon Footprint

## Scope 2

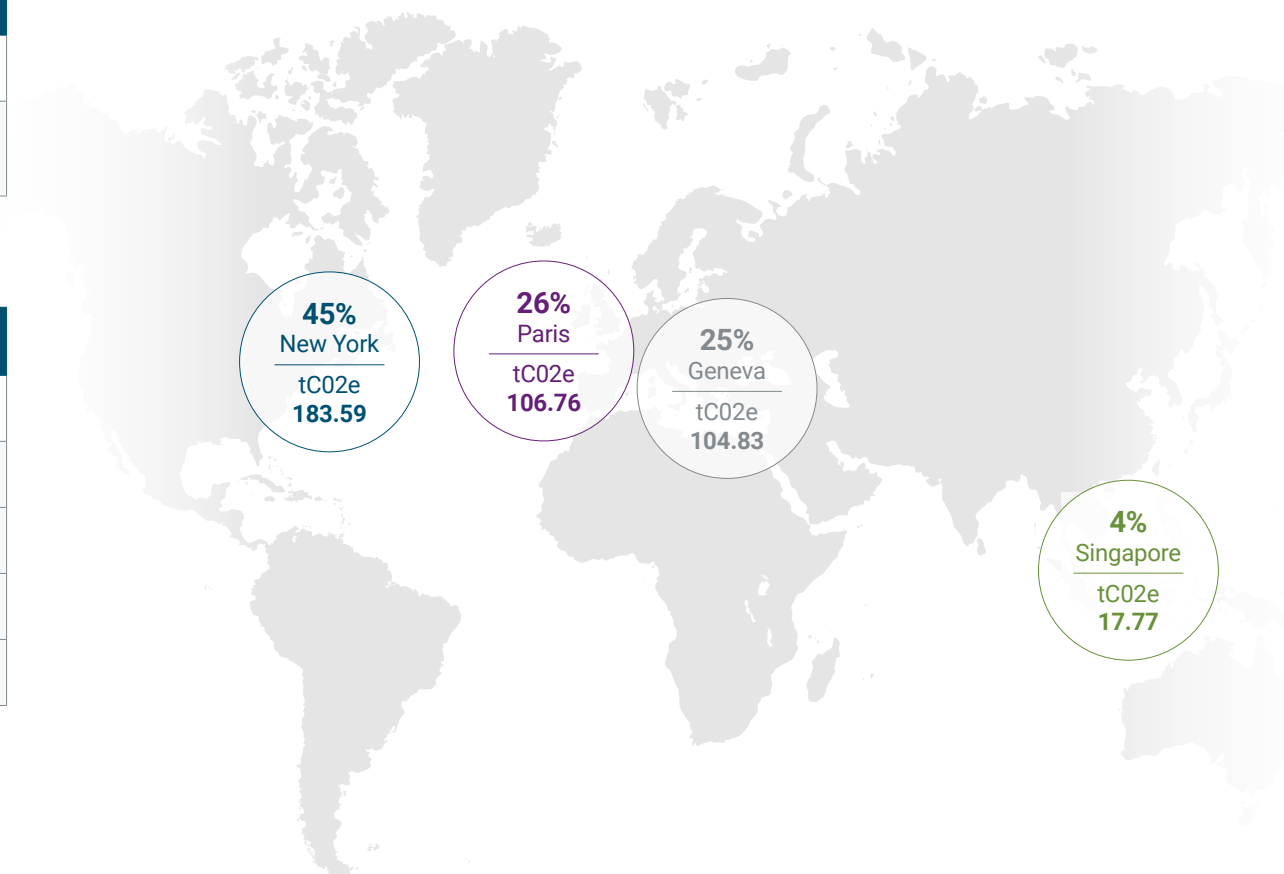
Emission Source	tCO2e
2.1 Indirect GHG emissions from imported electricity	46.86
2.2 Indirect GHG emissions from imported energy other than electricity (steam, heating, cooling, and compressed air)	7.58

## Scope 3

Emission Source	tCO2e
3.1 Purchased goods and services	152.62
3.2 Capital goods	36.28
3.5 Waste generated from operations <sup>1</sup>	7
3.6 Business travel	211.88
3.7 Employee commuting	27.49

Notes: <sup>1</sup> Waste generated from operations was estimated using the value from FY2021 (no significant change to Flexstone's office spaces during this time).

## GHG Emissions – by Office (% share)



# 2023 Flexstone Corporate Carbon Footprint

## GHG Emissions – Scope 3 by Category (% share)



Emission Category	2021	2023	% Change
Direct GHG emissions from combustion sources	0.1	0.0	-10%
Indirect GHG emissions from imported energy (electricity, heating, etc.)	21.0	54.4	33%
Purchased goods & services	223.0	152.6	-70%
Business travel	54.0	211.9	158%
Employee commuting & remote work	18.0	27.5	9%
Other	46.9	33.3	-14%
Total	363.0	479.7	117%

Notes: <sup>1</sup>Waste generated from operations was estimated using the value from FY2021, no significant change to Flexstone's office spaces during this time).





# 3 | Flexstone as a Responsible Investor

## 3.1 – Our Responsible Investment Principles

As a part of reviewing and updating our Responsible Investment policies and process in the beginning of 2024, we re-defined our guiding principles for our responsible investment strategy and ambitions.

Signatory of:



### Principle 1

Deliver superior risk-adjusted returns by integrating ESG considerations throughout our investment process, managing material ESG risks, and identifying opportunities for value creation.



### Principle 3

Partnering with our GPs, clients, industry associations, and service providers to share best practices, exchange ideas, and develop our expertise.



### Principle 5

Taking a consistent, global approach to responsible investment across all our strategies while remaining mindful of the differences in ESG risks, opportunities, and adoption across different geographies.



### Principle 2

Provide clients with ESG investing expertise and investment solutions that align with their bespoke financial and extra-financial objectives.



### Principle 4

Continuously improving our approach to sustainability and responsible investment by setting annual objectives lead by Flexstone's Sustainability team and overseen by our Sustainability Committee.



### Principle 6

Transparency with shareholders; we will continue to report on our ESG performance and progress through our annual ESG report, AGMs, and dedicated portfolio ESG reporting.

## 3.2 – Integrating ESG at Every Step of Our Investment Process

Each investment professional at Flexstone is responsible for identifying and managing the exposure of prospective and current investments to material ESG risks and ensuring that they are aligned with Flexstone’s ESG policy. Our deal teams are supported by Flexstone’s ESG professionals on a day-to-day basis who are responsible for leading the ESG due diligence and monitoring for all our investments.

In the beginning of 2024, we updated our Responsible Investment policy and process to formalize the integration of ESG considerations at each step of the investment process (introductory IC and final IC), clarify our exclusion policy by defining revenue thresholds, and updating our proprietary ESG scoring framework.

### PRE-INVESTMENT

1. **Negative Screening** – screening of all prospective investments for excluded sectors & business activities and controversies (i.e., litigation, safety incidents, environmental concerns). For select strategies, we have also defined a minimum ESG score.
2. **Quantitative ESG Score** – calculated using our proprietary ESG scoring framework (based on ILPA ESG assessment framework). The scoring provides an initial assessment of the GP’s ESG maturity based on the fund managers ESG policies, resources & expertise, approach to ESG due diligence and monitoring, and risk management.
3. **Qualitative ESG Analysis** – in-depth ESG due diligence completed by the ESG team once the opportunity has been validated for further due diligence in the introductory IC. This includes organizing a dedicated ESG call with the GP, reviewing the fund manager’s ESG policies, reporting, and regulatory disclosures, and case studies, and evaluating whether the most material risks have been identified and addressed based on sector and geography.

### INVESTMENT CLOSING

4. **Side Letters** – negotiated during the investment closing on a best effort basis. Our standard side letter includes dedicated ESG clauses with our exclusion policy and fundamental expectations related to ESG integration, disclosures, and controversy management.



### POST-INVESTMENT

5. **Monitoring & Reporting of ESG KPIs** – annual ESG data collection campaign with 50+ ESG KPIs at fund manager and portfolio company level to monitor and evaluate the ESG performance of our portfolios. See 3.3 for details on our 2024 data collection campaign.
6. **Controversy Management** – ongoing monitoring of ESG controversies in alignment with Flexstone’s controversy monitoring policy and framework. Characterized by an ongoing monitoring of our investments (i.e., World Check, media & search engines, GP reporting), a Controversy Management committee, and our escalation process for addressing incidents occurring during the holding period.

## Our Clients' Expectations at the Heart of Our Commitment

**Our commitment as a responsible investor is to serve our clients, define bespoke strategies to reflect their ESG criteria and values, and support them with their sustainability journey.**

### EXAMPLES OF OUR CLIENTS' EXPECTATIONS

#### BPCE Vie

For several years, BPCE Assurances has placed sustainability at the core of its asset management strategy, incorporating environmental, social, and governance (ESG) criteria into its investment decisions.



For each asset class, we target companies that demonstrate strong financial performance and are committed to implementing responsible practices, thereby contributing to the goals pursued as members of the Net Zero Asset Owner Alliance (NZAOA) and signatories of the Finance for Biodiversity Pledge.

To this end, we pay close attention to the practices of asset managers and seek partners such as Flexstone, who share our vision of sustainability challenges and can demonstrate solid expertise in integrating ESG criteria into their investment processes.

The specific characteristics associated with Private Equity (diversity of sectors and companies, heterogeneity of impact measures, etc.) make the challenge of ESG integration particularly demanding for this asset class. At this stage, our primary expectations are focused on two key aspects:

1. The integration of ESG considerations in portfolio construction, and
2. Transparency and reporting on key indicators (e.g., carbon footprint).

Subsequently, we will strengthen our ESG objectives, particularly regarding decarbonization trajectories for relevant categories of companies. Finally, it is worth noting that many companies financed through Private Equity can also be solution providers (technological or otherwise), facilitating the transition on climate-related or biodiversity-related issues, for example.



#### FLEXSTONE'S COMMITMENTS

#### Centre Patronal

The investment committee responsible for managing the wealth of pension institutions overseen by the Centre Patronal applies sustainability criteria in its strategy in a pragmatic manner, integrating four key areas: exclusion remains an exception, with a preference for a "best in class" approach; shareholder engagement through voting at general meetings; reporting via the preparation of a report ([Centre Patronal Sustainability Report](#)); and independent and neutral diagnostics.



As an institutional investor, the committee expects GPs to implement an ESG policy aligned with international standards, to conduct rigorous due diligence when acquiring assets, to produce standardized reports on ESG indicators (SFDR), and to demonstrate a proactive approach capable of balancing financial performance with positive impacts through clear and regular communication, which is essential for maintaining trust and meeting the growing expectations in this area.



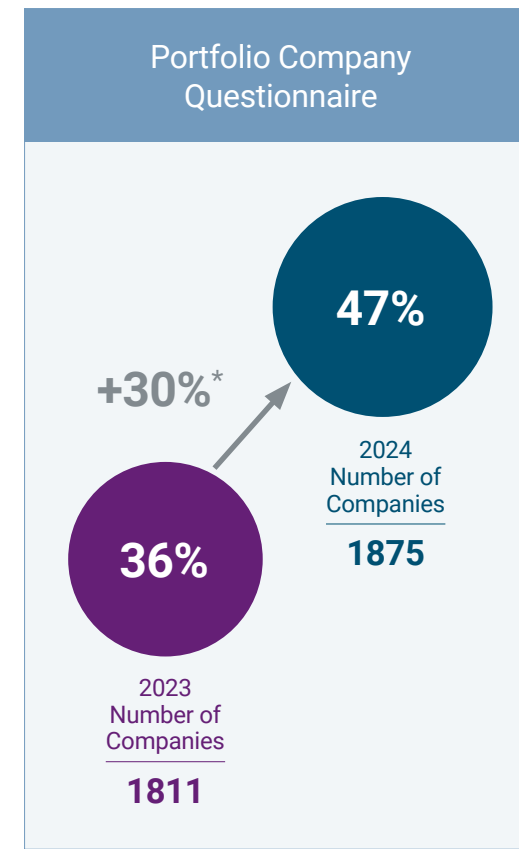
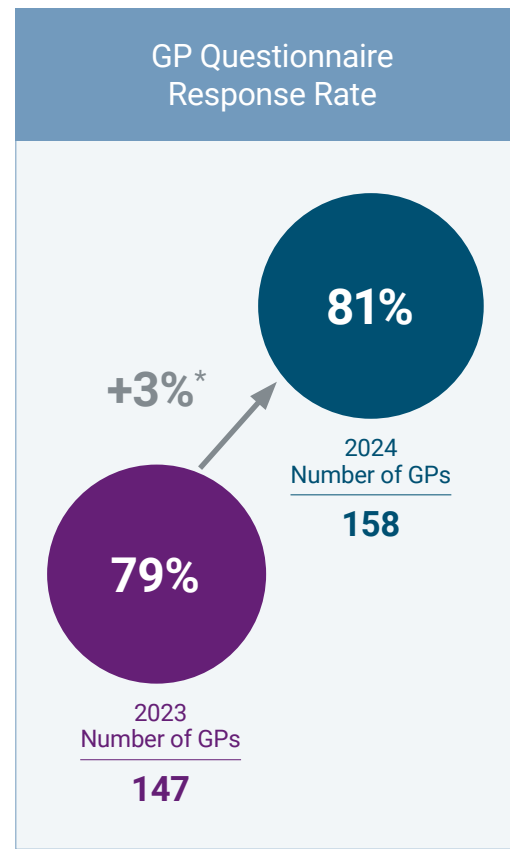
## 3.3 – Portfolio Review

### 2024 ESG Data Collection Campaign Overview

Flexstone launched its third annual data collection campaign on Reporting 21, an SaaS platform dedicated to collecting, monitoring, and reporting ESG KPIs in private markets, in October 2024.

- Since our first Reporting 21 campaign in 2022, we have continued to improve our ESG data collection process by aligning the questionnaire with the France Invest GP and portfolio company standard ESG questionnaire templates, upgrading the reporting tool, and integrating EDCI and PAI reporting templates.
- The ESG data collection campaign is a key component of our responsible investment strategy, enabling us to disclose key ESG indicators at the fund level to our clients while also identifying key areas for improvement and tracking the progress made by GPs and portfolio companies toward defined ESG objectives.
- It is important to note that the Reporting 21 campaign is conducted on a best-effort basis. As a Limited Partner and a minority investor, Flexstone relies on its GPs to collect, monitor, and report on the ESG performance and progress of their funds and underlying portfolio companies.

This year, we have dedicated significant time to improving our ESG data collection processes, which has resulted in significantly higher ESG response rates at both the GP and portfolio company levels. We will continue to work with Reporting 21 and our GPs to make the reporting process as efficient and standardized as possible.



Notes: \*The percentage change in the response rate is calculated as the relative change, not the absolute change in responses.

Disclaimer – third-party data collected by Flexstone on an annual basis is collected on a best-effort basis and self-reported by GPs. No third-party verification has been completed for the data reported to Flexstone.

## 3.3 – Portfolio Review – GP ESG Approach

### ESG / Responsible Investment Governance and Resources

- 1. Do you have in place a written policy on the integration of ESG criteria in the investment process?**

**99%**

(120 GPs)  
Yes (private & public)

**99%**

(108 GPs)  
Yes (private & public)

Number of respondents 2024 = 121  
Number of respondents 2023 = 112

- 2. Who is responsible for implementing your ESG / responsible investment process?**

**41%**

(50 GPs)  
Dedicated ESG team (at least one full time analyst)

**44%**

48 GPs)  
Dedicated ESG team (at least one full time analyst)

**38%**

(46 GPs)  
ESG person with shared responsibility

**35%**

(39 GPs)  
ESG person with shared responsibility

**50%**

(60 GPs)  
ESG committee

**45%**

(50 GPs)  
ESG committee

Number of respondents 2024 = 121  
Number of respondents 2023 = 110

- 3. Does the management company index executive remuneration based on the achievement of ESG/Sustainability objectives?**

**33%**

(37 GPs)  
Yes

**28%**

(28 GPs)  
Yes

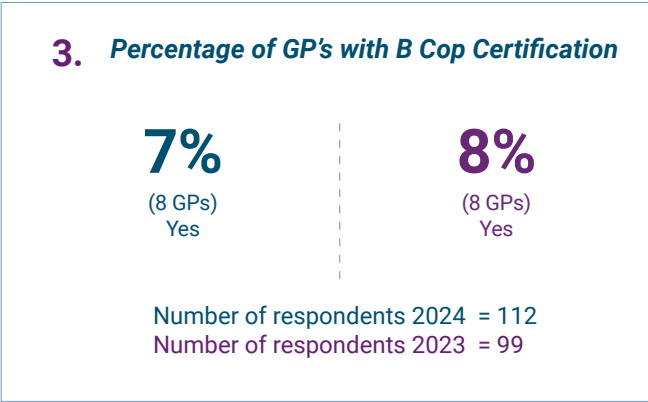
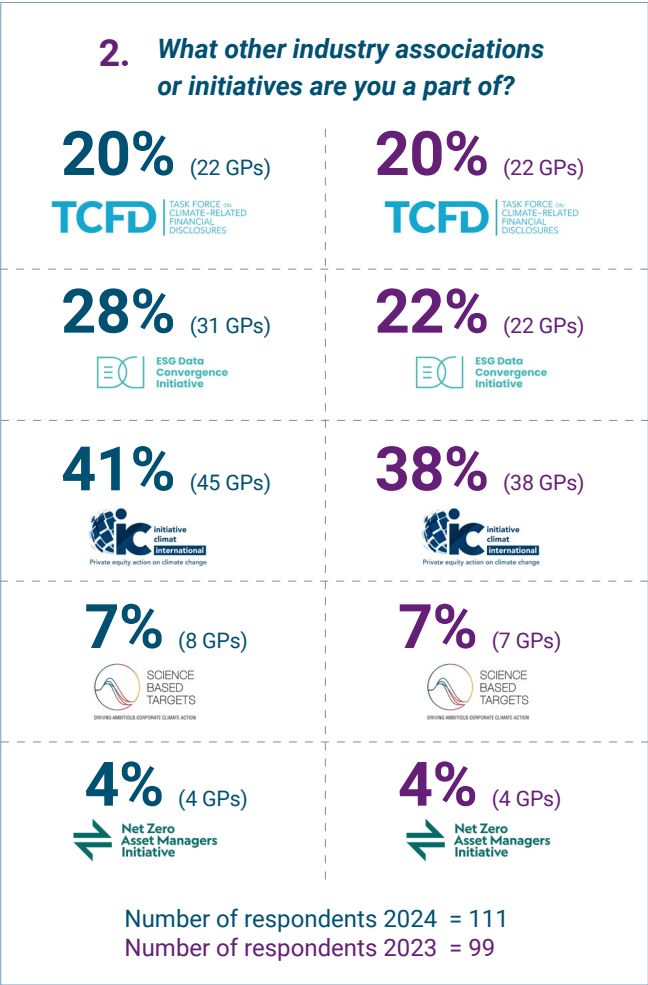
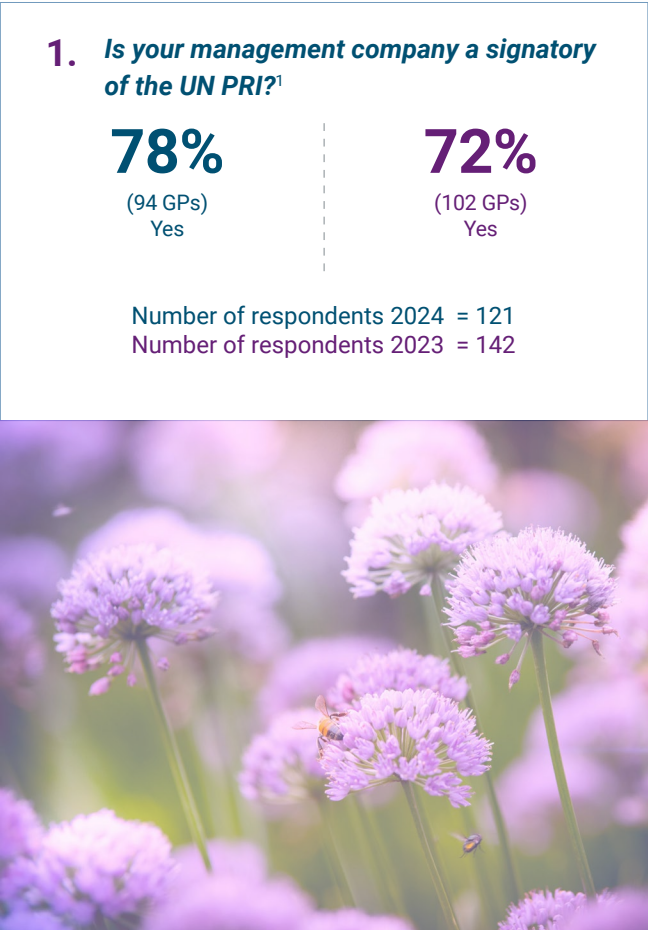
Number of respondents 2024 = 113  
Number of respondents 2023 = 100



Notes: Most of our GPs have a dedicated ESG policy that describes the integration of ESG criteria in their investment strategy. 30% of the GPs responding to the campaign do not publicly disclose their ESG policies (mostly US and small boutiques). In Europe, a majority of GPs have a dedicated team with at least one or more full-time ESG analysts, while in the US it is more common for GPs to have a dedicated person with shared responsibilities (only 1 % report having no one responsible for ESG matters). In terms of remuneration-based incentives, only a few GPs have implemented executive remuneration packages with objectives tied to clearly defined, quantitative ESG objectives. For most GPs in Europe, this is becoming more standard, but objectives are often more qualitative.

# 3.3 – Portfolio Review – GP ESG Approach

## GP Engagement in the Responsible Investing Ecosystem



Notes:  
<sup>1</sup> Source: UN PRI Signatory Directory  
 Disclaimer – third-party data collected by Flexstone on an annual basis is collected on a best-effort basis and self-reported by GPs. No third-party verification has been completed for the data reported to Flexstone.

## 3.3 – Portfolio Review – GP ESG Approach

### ESG in the Responsible Investment Process

#### PRE-INVESTMENT DUE DILIGENCE

1. *Before investing, do you conduct ESG due diligence to assess key ESG risks and opportunities?*

**97%**

(116 GPs)  
Yes, systematically or in the majority of cases

**93%**

(104 GPs)  
Yes, systematically or in the majority of cases

Number of respondents 2024 = 119  
Number of respondents 2023 = 112

#### MONITORING & ENGAGEMENT DURING OWNERSHIP

2. *Do you implement ESG action plans with portfolio companies during the ownership stage?*

**73%**

(83 GPs)  
Yes, systematically or in the majority of cases

**73%**

(79 GPs)  
Yes, systematically or in the majority of cases

Number of respondents 2024 = 114  
Number of respondents 2023 = 108

*Do you have in place a process for regularly collecting and analysing ESG KPIs?*

**90%**

(106 GPs)  
Yes, systematically or in the majority of cases

**90%**

(96 GPs)  
Yes, systematically or in the majority of cases

Number of respondents 2024 = 118  
Number of respondents 2023 = 107

#### REPORTING TO INVESTORS

3. *How do you report on the ESG performance and progress of portfolio companies to investors?*

**52%**

(58 GPs)  
Dedicated public report

**45%**

(46 GPs)  
Dedicated public report

**50%**

(56 GPs)  
Dedicated private report

**51%**

(53 GPs)  
Dedicated private report

**52%**

(58 GPs)  
During AGM

**49%**

(50 GPs)  
During AGM

Number of respondents 2024 = 112  
Number of respondents 2023 = 103

Notes: Disclaimer – third-party data collected by Flexstone on an annual basis is collected on a best-effort basis and self-reported by GPs. No third-party verification has been completed for the data reported to Flexstone.



## 3.3 – Portfolio Review – GP ESG Approach

### Climate Change and Biodiversity

- 1. Do you assess the risks and/or opportunities associated to climate change during the pre-investment stage?<sup>1</sup>**

**66%**

(77 GPs)

Yes, systematically or in the majority of cases

**68%**

(104 GPs)

Yes, systematically or in the majority of cases

Number of respondents 2024 = 116  
Number of respondents 2023 = 112



Self-reported – level of maturity for each strategy depends on GP Transition and physical risk are often not assessed / developed  
One GP does not answer to the scope question

- 2. Do you regularly assess the carbon footprint of its portfolio companies?**

**78%**

(90 GPs)  
Yes

**75%**

(79 GPs)  
Yes

Number of respondents 2024 = 115  
Number of respondents 2023 = 106

**...if yes, which scopes?**

**24%**

(21 GPs)  
Only Scope 1 & 2

**24%**

(20 GPs)  
Scope 1 & 2

**76%**

(68 GPs)  
Scope 1 & 2 & 3

**76%**

(56 GPs)  
Scope 1 & 2 & 3

Number of respondents 2024 = 89  
Number of respondents 2023 = 76

- 3. Does your management company assess and monitor prospective investments' contribution to the ecological and/or energy transition?**

**56%**

(54 GPs)  
Carbon footprint

**48%**

(46 GPs)  
Carbon footprint

**23%**

(22 GPs)  
Biodiversity footprint

**19%**

(16 GPs)  
Biodiversity footprint

**26%**

(25 GPs)  
Alignment with Paris Agreement objectives

**24%**

(20 GPs)  
Alignment with Paris Agreement objectives

**19%**

(18 GPs)  
Alignment with EU Taxonomy

**19%**

(16 GPs)  
Alignment with EU Taxonomy

Number of respondents 2024 = 97  
Number of respondents 2023 = 85

Notes: <sup>1</sup> Since the data is self-reported by GPs, the definition of climate risks and opportunities is defined by each manager. Although a majority of GPs report assessing climate risks / opportunities, very few at this stage have developed a robust framework to assess physical and transition risks in alignment with the TCFD.

## 3.3 – Portfolio Review – GP ESG Approach

### GP Climate & Biodiversity Commitments

#### 1. Do you have climate objectives for your investments?

**19%**

(22 GPs)  
Yes, in alignment with  
the Paris Agreement

**15%**

(18 GPs)  
Yes, internal methodology

**30%**

(35 GPs)  
No, but we plan to develop one

**36%**

(42 GPs)  
No

**18%**

(19 GPs)  
Yes, in alignment with  
the Paris Agreement

**19%**

(20 GPs)  
Yes, internal methodology

**34%**

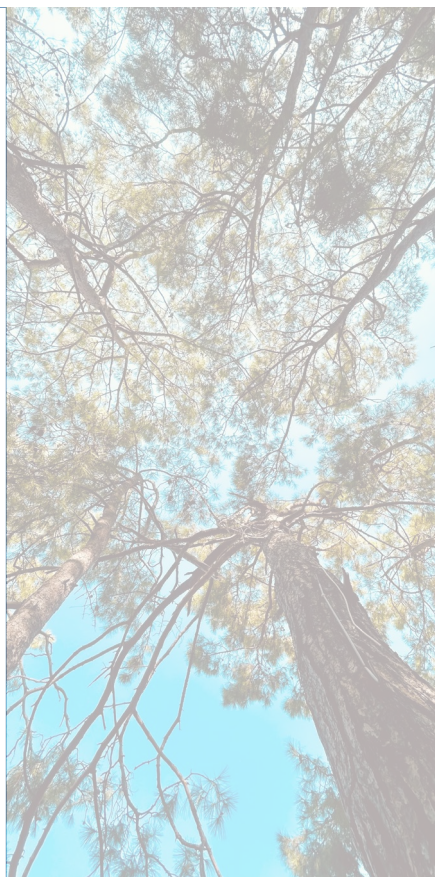
(37 GPs)  
No, but we plan to develop one

**30%**

(32 GPs)  
No

Number of respondents 2024 = 117

Number of respondents 2023 = 108



#### 2. Has the management company formalized biodiversity preservation commitments and objectives?

**5%**

(6 GPs)  
Yes, public

**5%**

(6 GPs)  
Yes, private

**26%**

(31 GPs)  
No, but intends to

**64%**

(75 GPs)  
No

**7%**

(8 GPs)  
Yes, public

**3%**

(3 GPs)  
Yes, private

**35%**

(37 GPs)  
No, but intends to

**55%**

(59 GPs)  
No

Number of respondents 2024 = 118

Number of respondents 2023 = 107

Notes: Disclaimer – third-party data collected by Flexstone on an annual basis is collected on a best-effort basis and self-reported by GPs. No third-party verification has been completed for the data reported to Flexstone.

## 3.3 – Portfolio Review – GP Diversity

### GP DEI Approaches & Gender Diversity Ratios

#### 1. Which of the following diversity, equity, and inclusion (DEI) initiatives have been implemented by the management company?

**20%**

(24 GPs)  
Iipa Diversity in Action

**29%**

(34 GPs)  
Level 20

**28%**

(33 GPs)  
France Invest Gender Equality Charter

**46%**

(54 GPs)  
Dedicated DEI policy / charter

**2%**

(2 GPs)  
No DEI related initiatives

**22%**

(23 GPs)  
Iipa Diversity in Action

**29%**

(30 GPs)  
Level 20

**32%**

(33 GPs)  
France Invest Gender Equality Charter

**39%**

(41 GPs)  
Dedicated DEI policy / charter

**4%**

(4 GPs)  
No DEI related initiatives

Number of respondents 2024 = 118  
Number of respondents 2023 = 104

#### 2. Gender Diversity Ratios

**11.7%**

(14 GPs)  
GPs with at least 50%  
of women employees

**10%**

(11 GPs)  
GPs with at least 50%  
of women employees

Number of respondents 2024 = 120  
Number of respondents 2023 = 110

**12%**

(14 GPs)  
GPs with at least 40% of women  
in the investment teams

**7%**

(8 GPs)  
GPs with at least 40% of women  
in the investment teams

Number of respondents 2024 = 116  
Number of respondents 2023 = 107

**18%**

(19 GPs)  
GPs with at least 30% of women  
in the investment committee

**15%**

(15 GPs)  
GPs with at least 30% of women  
in the investment committee

Number of respondents 2024 = 105  
Number of respondents 2023 = 99

## 3.3 – Portfolio Review – Companies – ESG KPIS

### Corporate Social Responsibility (CSR)

#### 1. Indicate which CSR initiatives the company has implemented.

**45%**

(232 Companies)  
A formalized CSR policy\*

**22%**

(92 Companies)  
A full-time dedicated CSR officer

**32%**

(164 Companies)  
A designated CSR officer (part-time)

**10%**

(49 Companies)  
Executive management compensation conditioned

**51%**

(211 Companies)  
A formalized CSR policy\*

**18%**

(92 Companies)  
A full-time dedicated CSR officer

**29%**

(119 Companies)  
A designated CSR officer (part-time)

**10%**

(39 Companies)  
Executive management compensation conditioned

Number of respondents 2024 = 511  
Number of respondents 2023 = 410

#### 2. Who reviews, at least annually, the company's CSR performance?

**79%**

(371 Companies)  
Board level

**32%**

(150 Companies)  
Executive Committee level

**15%**

(69 Companies)  
No One

**71%**

(280 Companies)  
Board level

**29%**

(114 Companies)  
Executive Committee level

**27%**

(105 Companies)  
No One

Number of respondents 2024 = 472  
Number of respondents 2023 = 396



#### 3. Has the company implemented an employee engagement survey or social climate barometer in the last three years?

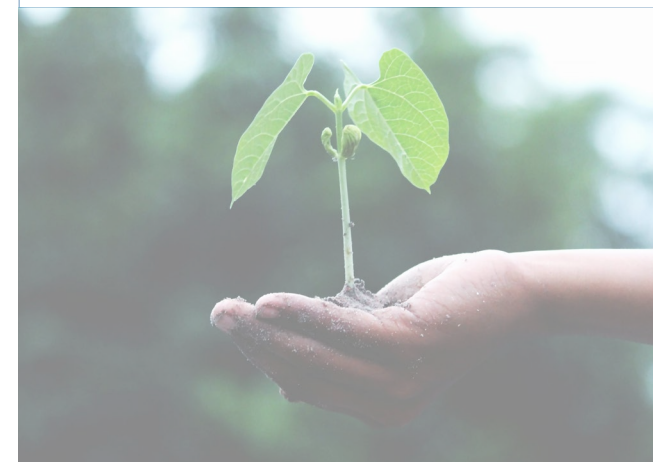
**64%**

(396 Companies)  
Yes

**53%**

(223 Companies)  
Yes

Number of respondents 2024 = 616  
Number of respondents 2023 = 420



\* with commitments and action plan



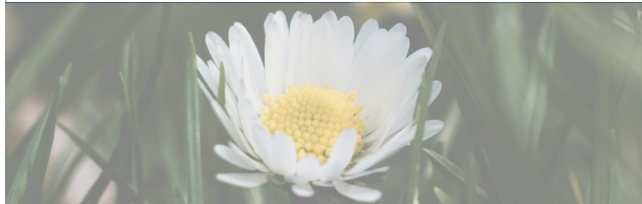
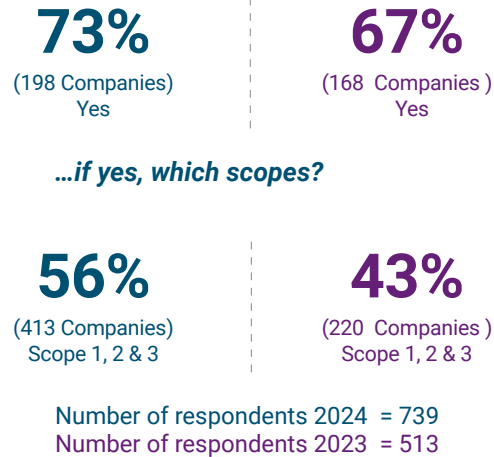
## 3.3 – Portfolio Review – Companies

### Environmental KPIs – Climate KPIs

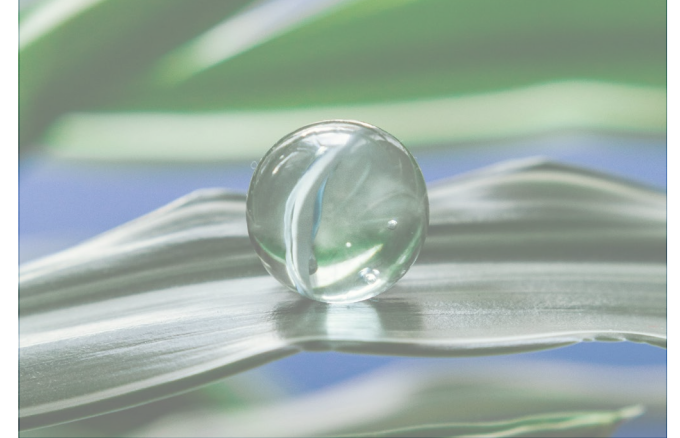
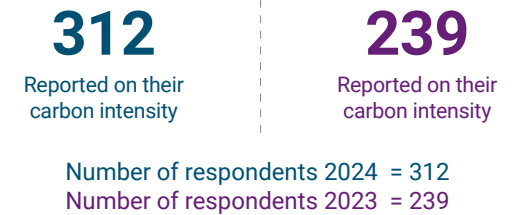
#### 1. Has the company assessed its vulnerability to climate change risks?



#### 2. Has the company carried out a carbon footprint assessment?



#### 3. Carbon intensity – number of companies reporting their carbon intensity (PAI 4)



## 3.3 – Portfolio Review – Companies

### Environmental KPIs – Biodiversity & EU Green Taxonomy

**1. Are any of the company's sites/ operations located in or near a biodiversity-sensitive area?\***

<b>91%</b>	<b>92%</b>
(591 Companies)	(389 Companies)
No	No

Number of respondents 2024 = 648  
 Number of respondents 2023 = 421

**If yes, for these biodiversity-sensitive areas, has an assessment been conducted to identify key mitigation measures to be implemented for biodiversity preservation?**

<b>65%</b>	<b>40%</b>
(43 Companies)	(8 Companies)
No	No

Number of respondents 2024 = 66  
 Number of respondents 2023 = 20

**2. Has the company assessed its impact on biodiversity & biodiversity dependency**

<b>20%</b>	<b>22%</b>
(106 Companies)	(84 Companies)
Yes, impact on biodiversity	Yes, impact on biodiversity

Number of respondents 2024 = 504  
 Number of respondents 2023 = 349

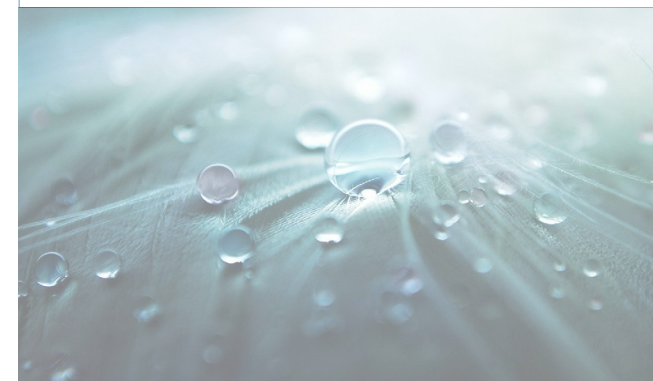
<b>21%</b>	<b>20%</b>
(107 Companies)	(70 Companies)
Yes, biodiversity dependency	Yes, biodiversity dependency

Number of respondents 2024 = 526  
 Number of respondents 2023 = 378

**3. Has the company evaluated its eligibility for EU's Green Taxonomy?**

<b>14%</b>	<b>19%</b>
(63 Companies)	(68 Companies)
Yes	Yes

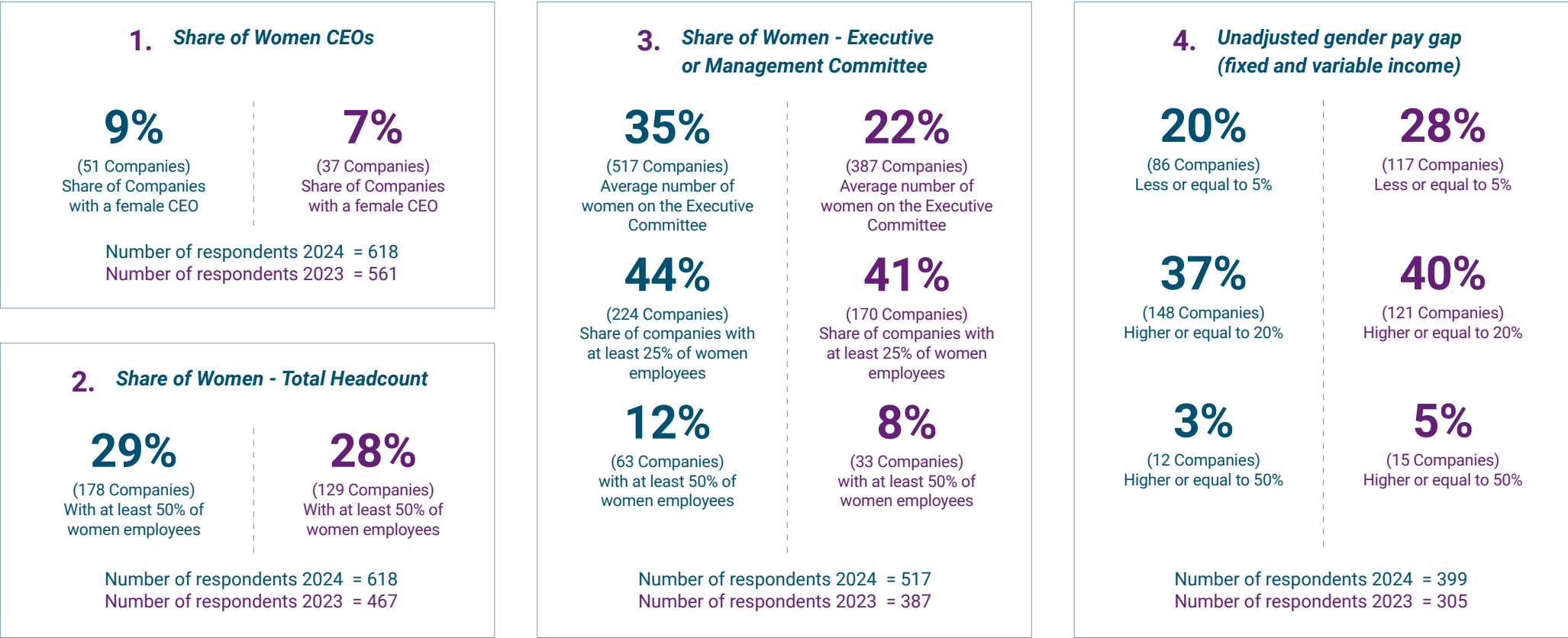
Number of respondents 2024 = 458  
 Number of respondents 2023 = 349



\* 'Biodiversity-sensitive areas' means Natura 2000 network of protected areas, UNESCO World Heritage sites and Key Biodiversity Areas ('KBAs'), as well as other protected areas. Key Biodiversity Areas (KBAs) are 'sites contributing significantly to the global persistence of biodiversity', in terrestrial, freshwater and marine ecosystems. The Global Standard for the Identification of Key Biodiversity Areas (IUCN 2016) sets out globally agreed criteria for the identification of KBAs worldwide. Please use the link below for additional information : <https://portals.iucn.org/library/sites/library/files/documents/2016-048.pdf>

# 3.3 – Portfolio Review – Companies

## Gender Diversity Ratios



## 3.3 — Portfolio Review – SFDR Principal Adverse Impact Indicators

### Response Rate Analysis

Reporting on the Principal Adverse Impact (PAI) indicators defined by the EU Commission remains limited; however, the number of portfolio companies reporting data, notably for standard indicators such as Board Gender Diversity, UN Global Compact Violations & Processes, and GHG emissions has increased since 2023. In alignment with the trends observed for data reported at GP level, data on emissions to water, energy use, and hazardous waste remains limited (lowest response rates for environmental indicators). For social indicators, transparency on unadjusted pay gap remains low, although most companies report on the share of women in their workforce.

<b>PAI 1</b> GHG Emissions Scope 1  <b>471</b> companies   <b>328</b> companies	<b>PAI 1</b> GHG Emissions Scope 2  <b>471</b> companies   <b>323</b> companies	<b>PAI 1</b> GHG Emissions Scope 3  <b>472</b> companies   <b>234</b> companies	<b>PAI 2</b> Carbon Footprint  <b>348</b> companies   <b>215</b> companies	<b>PAI 3</b> Carbon Intensity  <b>312</b> companies   <b>239</b> companies	<b>PAI 4</b> Exposure to companies active in the fossil fuel sector  <b>699</b> companies   <b>547</b> companies
<b>PAI 5</b> Share of non-renewable energy consumption & production  <b>194</b> companies   <b>117</b> companies	<b>PAI 6</b> Energy consumption intensity per high impact climate sector  <b>214</b> companies   <b>176</b> companies	<b>PAI 7</b> Activities negatively affecting biodiversity-sensitive areas  <b>648</b> companies   <b>421</b> companies	<b>PAI 8</b> Emissions to water  <b>45</b> companies   <b>40</b> companies	<b>PAI 9</b> Hazardous waste and radioactive waste ratio  <b>157</b> companies   <b>137</b> companies	<b>PAI 10</b> Violations of UN Global Compact principles & (OECD) Guidelines for Multinational Enterprises  <b>562</b> companies   <b>412</b> companies
<b>PAI 11</b> Lack of processes and compliance mechanisms to monitor compliance*  <b>575</b> companies   <b>411</b> companies	<b>PAI 12</b> Unadjusted gender pay gap  <b>399</b> companies   <b>305</b> companies	<b>PAI 13</b> Board gender diversity  <b>681</b> companies   <b>546</b> companies	<b>PAI 14</b> Exposure to controversial weapons**  <b>765</b> companies   <b>589</b> companies		

\* With UN Global Compact principles and OECD Guidelines for Multinational Enterprises

\*\*Anti-personnel mines, cluster munitions, chemical weapons and biological weapons. PAI 6 – includes companies reporting no revenues or energy in a high climate impact sector



## 3.4 – Interviews With Our GPs

### Altor Equity Partners

#### 1 *How will the global transition to a more sustainable economy shape the future of private markets?*

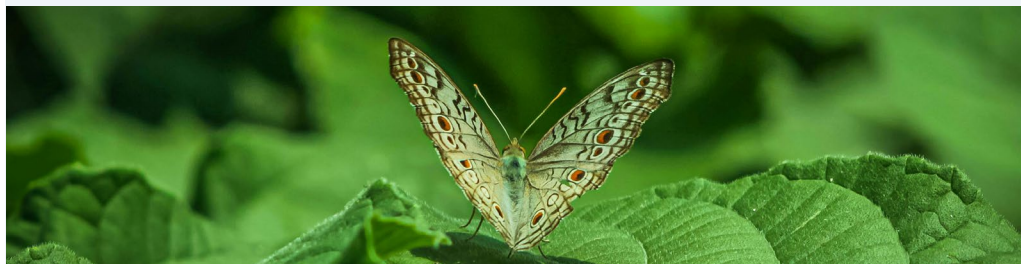
We see the global shift towards sustainability as a once-in-a-generation investment opportunity, with no trade-off between impact and returns. Private markets will play a crucial role in scaling existing technologies to industrial levels, driving the decarbonization of various sectors and creating new market opportunities.

#### 2 *What are your sustainability priorities and ambitions? How do you see your sustainability strategy evolving over the coming years?*

Altor prioritizes responsible investing within the green transition, aiming to significantly contribute to the decarbonization of Europe. Our strategy further involves active ownerships with a focus on achieving sustainability leadership in our portfolio companies within their respective sectors.

#### 3 *What are the key challenges and barriers you face to implementing your sustainability strategy? How can we address these challenges in the broader private equity industry?*

There is lack of convergence in the impact investing space as frameworks are not as mature and standardized. As an example, given the lack of standardized measurements on avoided emissions, Altor has developed its own methodology, and welcomes collaboration across the industry to work towards convergence in methodologies applied.



**ALTOR**

**Stéphanie Hubold**  
Head of Sustainability



#### 4 *How can we raise awareness of the business case for integrating sustainability considerations in portfolio company operations and our own investment activities? Can you provide us an example of value creation through sustainability for Altor IV & V (secondary)?*

Raising awareness involves demonstrating the financial benefits of sustainability through case studies and performance metrics. An example of value creation from our portfolio is Trioworld, which has invested in increasing the circularity of its products and integrating sustainability into its operations, resulting in a lower carbon footprint and enhanced market position. At Altor, we work to show case such success stories across the portfolio through our annual sustainability report and networking events.



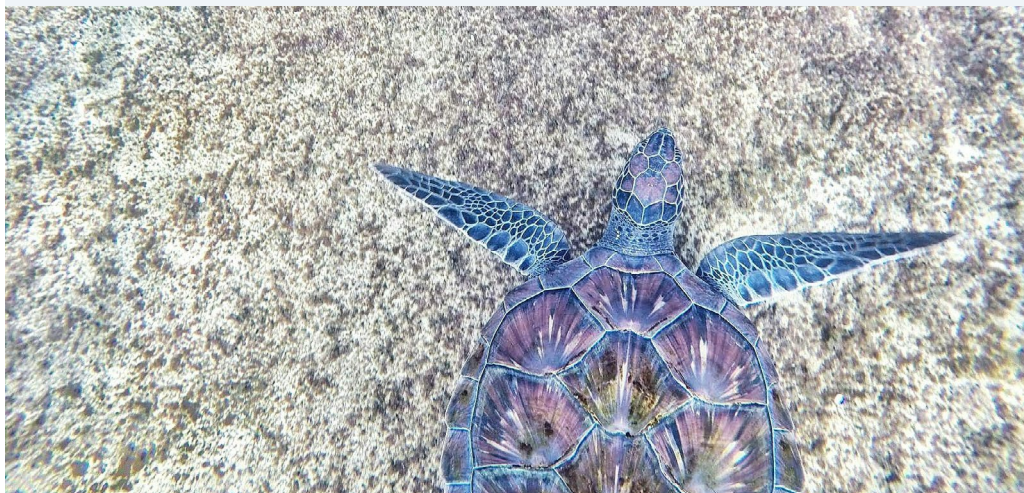
## Use Case GP — Miura Partners

### 1 **How will the global transition to a more sustainable economy shape the future of private markets?**

The transition will steer private market investments toward sectors that drive the green economy and promote greater social inclusion and equity. Additionally, increasing regulation will push private markets toward greater transparency and continuous improvement in sustainability practices.

### 2 **What are your sustainability priorities and ambitions? How do you see your sustainability strategy evolving over the coming years?**

Our priorities focus on the urgent need for actions to adapt to and mitigate climate change, while ensuring compliance with evolving regulations. Over the coming years, our strategy will evolve through a deeper understanding of sustainability challenges, more sophisticated tools for managing them, and adapting to stricter regulatory frameworks.



**Esther Sarsa**  
Sustainability Partner

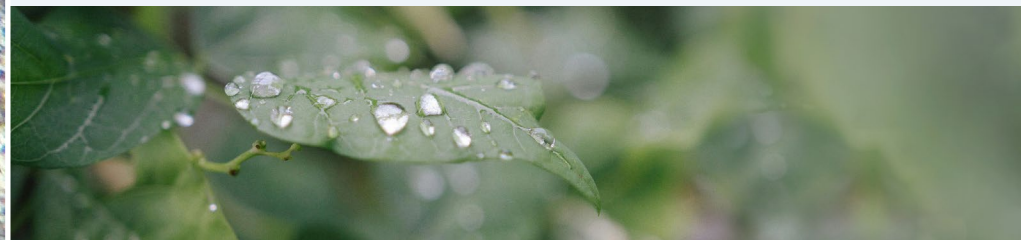


### 3 **What are the key challenges and barriers you face to implementing your sustainability strategy? How can we address these challenges in the broader private equity industry?**

The main challenge is that many sustainability strategy outcomes are long-term and may not materialize within the typical holding period. Addressing this requires a broader industry commitment to embedding long-term value creation into investment frameworks.

### 4 **How can we raise awareness of the business case for integrating sustainability considerations in portfolio company operations and our own investment activities? Can you provide us an example of value creation through sustainability for Proclinc?**

We raise awareness through our Sustainability Report and the Proclinc Group's own report. For example, Proclinc has worked to reduce its carbon footprint and is now carbon-neutral in Spain across scopes 1, 2, and 3 together with other initiatives aimed at reducing their environmental negative impact.



## Use Case GP – Motion Equity Partners

### 1 *How will the global transition to a more sustainable economy shape the future of private markets?*

A transition to a more sustainable economy is crucial: it addresses pressing environmental challenges, climate change and resource depletion. This shift not only helps protect the planet but also promotes long-term economic stability by fostering innovation and ensuring sustainable growth, while also increasing the demand for transparency and accountability in business operations. However, across different regions in the world, there are major discrepancies in the degree of awareness and in the willingness of accelerating towards a more sustainable economy. These different points of view and regulations will shape the future of private markets.

### 2 *What are your sustainability priorities and ambitions? How do you see your sustainability strategy evolving over the coming years?*

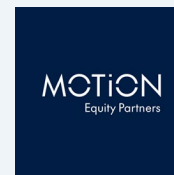
Motion has always considered ESG as a strong tool of risk management and value creation so, we have built up a proactive and objectives-driven ESG approach. Our priority is to capitalise on established clear and relevant metrics to measure and quantify our ESG progress.

For the next years, our ambition is to extend decarbonization trajectory to more portfolio companies, after having successfully launched a first SBTi (Science Based Targets Initiative) in 2024. We are also keen to accelerate on biodiversity topic by implementing a first assessment.

### 3 *What are the key challenges and barriers you face to implementing your sustainability strategy? How can we address these challenges in the broader private equity industry?*

In the mid-market and particularly in primary deals, understanding the virtuous link between ESG and financial performance is uneven. Then implementing processes takes time and requires resources.

As majority shareholders, we have a key role to play in education and training, to help management teams embrace ESG issues.

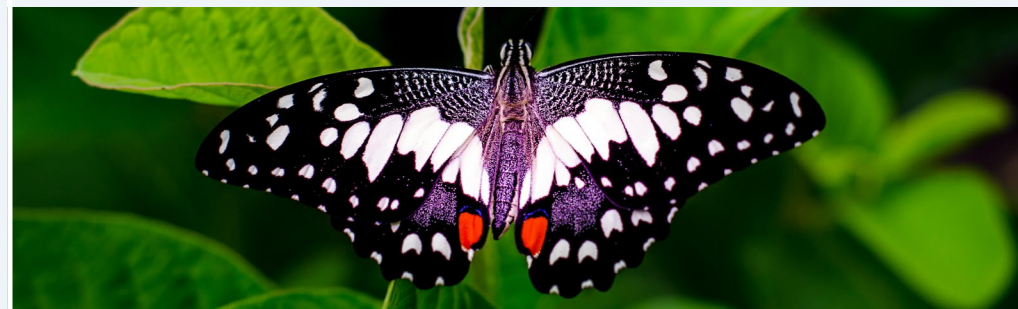


**Mylène Bonot**  
Investor Relations & ESG



### 4 *How can we raise awareness of the business case for integrating sustainability considerations in portfolio company operations and our own investment activities? Can you provide us an example of value creation through sustainability for Motion Side Car?*

Raising awareness comes with training. We are very committed to educating and supporting our portfolio companies to implement best market practices. We regularly hold workshops with senior management of portfolio companies and experts to highlight successful experiences, regulation changes and any relevant topics to help every company to improve its own approach. For instance, in our portfolio company Banook in which we invested in 2023, we carried out a ESG due diligence at entry, of which the results are now used as an internal report. Today, this report enables Banook to respond in a standardized way to the growing demands of Tier-1 Pharmaceutical Lab client on the company's ESG performance. This is becoming a prerequisite to be eligible to respond to Request-for-Proposals.





## Use Case GP — Quadria Capital

### 1 **How will the global transition to a more sustainable economy shape the future of private markets?**

Despite an otherwise slow market, limited partners are increasingly allocating capital to growth and venture stage, specifically for impact, energy transition and sustainable solutions.

Some of the key impacts will include increased demand for sustainable investments, rise of innovative asset classes /impact funds along with regulatory and policy impacts. New and stricter ESG regulations and reporting requirements are prompting private market participants to integrate ESG considerations into their investment strategies, ranging from ESG risk mitigation to aligning financial returns with long-term value creation and positive environmental and social outcomes.

### 2 **What are your sustainability priorities and ambitions? How do you see your sustainability strategy evolving over the coming years?**

At Quadria, we are committed to deepening our impact by expanding sustainable investments in healthcare and aligning our portfolio with global sustainability goals, with an additional emphasis on climate-health, diversity, equity and inclusion. Our efforts will focus on integrating ESG and impact considerations more deeply into the Fund's investment decisions while fostering strategic partnerships within the healthcare ecosystem to drive systemic change and maximize impact.

By engaging the healthcare ecosystem, we aim to mitigate risks, create stakeholder value, and drive sustainable solutions across Asia, fostering systemic change and maximizing positive impact throughout the investment lifecycle.

### 3 **What are the key challenges and barriers you face to implementing your sustainability strategy (especially in Asia)? How can we address these challenges in the broader private equity industry?**

The regulatory landscape for sustainability remains fragmented globally, with inconsistent enforcement and alignment across countries and regions making it challenging to standardize management approach to ESG across portfolio companies. In Asia, this challenge is compounded by a lack of governmental incentives to fully unlock ESG value in healthcare sector. Additionally, many portfolio com-



**Shivani Sahai**  
Head of ESG and Impact



panies in Asia face limitations in expertise, resources, and infrastructure, to effectively implement sustainability initiatives, and necessitate significant support, training, capacity-building and technical assistant from private equity (PE) firms.

To address these challenges, Quadria and the broader PE industry can work towards creating a more enabling environment for sustainable investment in Asia by harmonizing ESG standards, leveraging technology and data solutions to improve transparency and reporting, partnering with industry associations and regulators to promote responsible investment, expanding access to sustainable finance instruments for portfolio companies, and building capacity through training programs and peer learning networks.

### 4 **How can we raise awareness of the business case for integrating sustainability considerations in portfolio company operations and our own investment activities? Can you provide us an example of value creation through sustainability for Quadria III?**

Raising awareness of the business case for integrating sustainability considerations involves demonstrating the tangible and long-term values derived from ESG and fostering stakeholder alignment. At Quadria, we focus on showcasing success case studies or lesson learnt from current and exited portfolio companies (or global / regional peers) where such ESG strategies and value creation levers have delivered measurable outcomes, ensuring transparent ESG disclosure to communicate performance, and organizing training sessions to build capacity.

For example, in the eye care chain invested in 2023, Quadria is revitalizing the organizational structure, strengthening governance, and supporting both organic and inorganic expansion. Beyond its primary social functions, the company is enhancing its ESG commitments with Quadria's assistance, including the development of a new Environmental and Social Management System (ESMS). This system enables the company to identify and manage ESG risks effectively, benefitting both the company and its stakeholders.



# 4 | Next Steps





## 4.1 – Our Commitment as a Responsible Investor Is to Continuously Improve Our Sustainability Approach



### Capabilities

Continue to develop our responsible investing expertise and product offerings to contribute to the global sustainable transition by focusing on ESG as a lever for value creation.



### Climate Strategy

Formalise our climate objectives over the next year & identify the key areas for improvement in the short- and long-term (including carbon credits to compensate the GHG emissions we can't yet reduce).



### Engagement Policy

Formalize an engagement policy to partner with industry associations and our GPs to address material sustainability risks and to support our fund managers with their sustainability journeys.



### DEI Strategy

Implement a strategy to achieve our DEI objectives and commitments by 2030, as defined by the France Invest Gender Parity Charter & continue to report on our progress and DEI initiatives in our annual ESG report, and to promote DEI in the PE industry.

## Contacts



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<sup>1</sup> Flexstone is the name that collectively identifies Flexstone and its underlying companies.

<sup>2</sup> Under certain conditions related to marketing and prospecting regulatory requirements specific to each entity.

<sup>3</sup> Source: Flexstone Partners at 31/12/2021. Assets under management and advisory made up of commitments for closed-end private placement funds, and sum of Net Asset Value and unfunded commitments otherwise.

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# 5 | Appendixes



## Appendix A : Diversity Ratios at Flexstone

**Table 3 - Diversity at Flexstone, Summary by Department**

Summary by Department	Male	Female	Total	Male (% of total headcount)	Female (% of total headcount)
Operations	8	5	13	62%	38%
Legal	0	3	3	0%	100%
Investor relations & business development	3	2	5	60%	40%
Executive management	6	0	6	100%	0%
Investments	13	6	19	68%	32%
Sustainability	0	1	1	0%	100%
Compliance	2	0	2	100%	0%
Corporate	1	6	7	14%	86%
Total investment team	17	6	23	74%	26%
<b>Total</b>	<b>33</b>	<b>23</b>	<b>56</b>	<b>59%</b>	<b>41%</b>

**Table 4 - New Hires Over the Last 12 Months as of 31/12/2023**

Summary by Department	Male	Female	Total	Male (% of total headcount)	Female (% of total headcount)
Operations	3	1	4	75%	25%
Legal	0	0	0	N/A	N/A
Investor relations & business development	0	1	1	0%	100%
Executive management	0	0	0	N/A	N/A
Investments	1	1	2	50%	50%
Sustainability	0	0	0	N/A	N/A
Compliance	1	0	1	100%	0%
Corporate	1	0	1	100%	0%
<b>Total</b>	<b>6</b>	<b>3</b>	<b>9</b>	<b>67%</b>	<b>33%</b>



## Appendix B – Carbon Footprint Methodology

### Notes on Emissions Factors, Assumptions, and Limitations

<b>Emissions Factor Sources</b>	<ul style="list-style-type: none"> <li>• Base Carbone V23.2 from ADEME- purchased goods &amp; services, capital goods</li> <li>• ADEME Base IMPACTS   3.00 – country-specific electricity mix emissions factors for scope 2 GHG emissions</li> <li>• US EPA EF HUB   2024 – employee commute for New York office</li> <li>• DESNZ – hotel stays, country-specific emissions factors based on nights stayed at each location</li> <li>• Business travel by train in Europe – emissions factors reported by SNFC and Eurostar applied to activity data.</li> </ul>
<b>Limitations &amp; Estimations</b>	<ul style="list-style-type: none"> <li>• Waste – no accurate data available on the waste produced by each office or the waste management practices of the office buildings. Since the office locations remain the same, the estimate for 2023 was based on the previous value calculated by a consultant in 2022 (waste from operations does not represent a significant source emissions)</li> <li>• Water consumption – no data on water consumption for any of the offices, so this was excluded from scope 2 emissions.</li> <li>• Indirect GHG emissions linked to consumption of steam, heat, or refrigeration – no data available from the office buildings, except for Geneva.</li> <li>• Purchased goods &amp; services emissions factors based on averages for each category from ADEME – no region-specific averages or emission factors were available, so the carbon footprint does not account for country-specific differences in the carbon footprint of specific goods and services (i.e., food &amp; beverages).</li> <li>• Employee commute &amp; lunches – include work-from home days in estimation of GHG emissions from average employee meals subsidized by Flexstone.</li> </ul>

## Appendix B – Carbon Footprint Methodology

### Notes on Emissions Factors, Assumptions, and Limitations (continued)

<b>Business Travel</b>	<ul style="list-style-type: none"> <li>• Emission factors with contrails (not required by GHG Protocol) to maintain comparability with the carbon footprint assessment completed in 2022.</li> <li>• Improved data accuracy for FY2023 carbon footprint - in 2021, Flexstone’s business travel emissions were based on a representative quarter as a result of the impact of covid-19 on business-as-usual travel. For FY2023, the GHG emissions assessment was based on the actual travel data for the entire financial year.</li> <li>• Except for Ubers, taxis, and public transport, all business travel activity data was physical in passenger.km.</li> <li>• Increased scope of business travel footprint with the inclusion hotel stays – for Geneva, Paris, and Singapore this data was based on the number of nights per country (DESNZ). For Geneva, this data was not available, so the emissions from hotel stays was estimated using financial data on spending on hotels in FY2023. No distinction between business and economy class long-haul flights was made due to lack of emissions factor availability.</li> <li>• Ubers &amp; taxis – general passenger car emission factor applied, no distinction between type of car or region due to lack of granular data.</li> </ul>
<b>Capital Goods – IT &amp; Furniture</b>	<ul style="list-style-type: none"> <li>• Estimated using general IT maintenance services emissions factors from ADEME; no data available from IT services provider.</li> <li>• Furniture expenditure in Geneva excluded (minimal, not a significant part of purchased goods &amp; services expenditure)</li> </ul>
<b>Office-Specific Assumptions &amp; Limitations</b>	<ul style="list-style-type: none"> <li>• For Flexstone’s global investor day in Paris and Switzerland, no detailed activity data was available on the purchased goods &amp; services (i.e., share of vegetarian vs. meat-based meals). The GHG emissions were estimated using an average for catering and accommodation services.</li> </ul>

## Appendix B – Carbon Footprint Methodology

### Notes On Emissions Factors, Assumptions, and Limitations

<b>Emissions Factor Sources</b>	<ul style="list-style-type: none"> <li>• Base Carbone V23.2 from ADEME- purchased goods &amp; services, capital goods</li> <li>• ADEME Base IMPACTS   3.00 – country-specific electricity mix emissions factors for scope 2 GHG emissions</li> <li>• US EPA EF HUB   2024 – employee commute for New York office</li> <li>• DESNZ – hotel stays, country-specific emissions factors based on nights stayed at each location</li> <li>• Business travel by train in Europe – emissions factors reported by SNFC and Eurostar applied to activity data.</li> </ul>
<b>Limitations &amp; Estimations</b>	<ul style="list-style-type: none"> <li>• Waste – no accurate data available on the waste produced by each office or the waste management practices of the office buildings. Since the office locations remain the same, the estimate for 2023 was based on the previous value calculated by a consultant in 2022 (waste from operations does not represent a significant source emissions)</li> <li>• Water consumption – no data on water consumption for any of the offices, so this was excluded from scope 2 emissions.</li> <li>• Indirect GHG emissions linked to consumption of steam, heat, or refrigeration – no data available from the office buildings, except for Geneva.</li> <li>• Purchased goods &amp; services emissions factors based on averages for each category from ADEME – no region-specific averages or emission factors were available, so the carbon footprint does not account for country-specific differences in the carbon footprint of specific goods and services (i.e., food &amp; beverages).</li> <li>• Employee commute &amp; lunches – include work-from home days in estimation of GHG emissions from average employee meals subsidized by Flexstone.</li> </ul>
<b>Business Travel</b>	<ul style="list-style-type: none"> <li>• Emission factors with contrails (not required by GHG Protocol) to maintain comparability with the carbon footprint assessment completed in 2022.</li> <li>• Improved data accuracy for FY2023 carbon footprint - in 2021, Flexstone's business travel emissions were based on a representative quarter as a result of the impact of covid-19 on business-as-usual travel. For FY2023, the GHG emissions assessment was based on the actual travel data for the entire financial year.</li> <li>• Except for Ubers, taxis, and public transport, all business travel activity data was physical in passenger.km.</li> <li>• Increased scope of business travel footprint with the inclusion hotel stays – for Geneva, Paris, and Singapore this data was based on the number of nights per country (DESNZ). For Geneva, this data was not available, so the emissions from hotel stays was estimated using financial data on spending on hotels in FY2023. No distinction between business and economy class long-haul flights was made due to lack of emissions factor availability.</li> <li>• Ubers &amp; taxis – general passenger car emission factor applied, no distinction between type of car or region due to lack of granular data.</li> </ul>
<b>Capital Goods – IT &amp; Furniture</b>	<ul style="list-style-type: none"> <li>• Estimated using general IT maintenance services emissions factors from ADEME; no data available from IT services provider.</li> <li>• Furniture expenditure in Geneva excluded (minimal, not a significant part of purchased goods &amp; services expenditure)</li> </ul>
<b>Office-Specific Assumptions &amp; Limitations</b>	<ul style="list-style-type: none"> <li>• Singapore – business travel emissions exclude trips due to lack of available activity data.</li> <li>• For Flexstone's global investor day in Paris and Switzerland, no detailed activity data was available on the purchased goods &amp; services (i.e., share of vegetarian vs. meat-based meals). The GHG emissions were estimated using an average for catering and accommodation services.</li> </ul>