



Article 29 Report of the French Energy-Climate Law of LGT Private Debt (France) S.A.S. Reference year: 2024



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(France) S.A.S. is a French simplified joint-stock company, having its registered office at 43 avenue de Friedland, 75008 Paris, France, registered with the Registry of Commerce and Companies of Paris, under the number 851 922 427. LGT Private Debt (France) S.A.S. is an asset management company authorized and regulated by the Autorité des marchés financiers (AMF authorization number: GP-19000034).

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Introduction

The French law of 8 November 2019 on energy and climate (the "Energy-Climate Law") introduced a regulatory framework that is designed to support the transition to a more sustainable economy and society. In particular, Article 29 of the Energy-Climate Law reinforces the requirements of Article 173 of the Law on Energy Transition for Green Growth of 15 August 2015, especially regarding the management of risks related to climate change and the inclusion of environmental, social and governance (ESG) criteria in investment policy.

The Energy-Climate Law complements the requirements of the European framework laid down by Regulation (EU) 2019/2088 of 27 November 2019, which is known as the Sustainable Finance Disclosure Regulation (SFDR). As a result, French asset management companies are required to publish a report on the risks associated with climate change as well as biodiversity risks in addition to disclosing information on sustainability risks and principal adverse impacts.

This report was prepared by and for **LGT Private Debt (France) S.A.S.** ("the Firm"), an alternative investment fund manager authorized and regulated in France by the Autorité des marchés financiers (AMF) (AMF authorization number: GP-19000034). Most of the information presented in this report relates to LGT Private Debt (France) S.A.S. Where relevant, it also includes information relating to **LGT Private Debt** or to the group entity **LGT Capital Partners**.

This report sets out the Firm's approach to sustainability and its actions, commitments and ambitions in terms of integrating sustainability aspects and ESG criteria into its operations. Further, the report outlines the contribution that the Firm makes to the transition to a sustainable economy and global efforts to combat climate change and the preservation of biodiversity.



Foreword by the Head of LGT Private Debt

LGT Private Debt is a specialized asset manager within LGT Capital Partners, which has been a signatory to the United Nations Principles for Responsible Investment (UN PRI) since 2008. LGT Private Debt focuses exclusively on direct private debt strategies and operates from three offices in Paris, London and Frankfurt. Since 2005, LGT Private Debt has invested more than EUR 5.6 billion in over 125 arranged middle market debt transactions across Europe, mainly to sponsor-backed companies.

At LGT Private Debt, we see a strong alignment between positive, sustainable investing and risk-adjusted returns. We believe that we have a responsibility to invest in a way that effectively supports the transition to a more sustainable economy and society and a commitment to help our clients achieve their financial objectives while investing responsibly.

We recognize the importance of integrating ESG factors into our investment, risk and decision-making processes. We believe that this helps to align the achievement of positive long-term financial performance for our investors with measures to support the better functioning of the companies we invest in, enhancing conduct across a wide range of markets and industries and generating positive impact beyond financial markets. This includes alignment with critical global initiatives such as the Paris Agreement on limiting global warming. Our Investment team has been completing company-level climate resilience analysis both pre-deal and during the lifetime of our investments since 2019. As part of these efforts, our fund's portfolio companies are required to report their greenhouse gas (GHG) and carbon emissions, with some companies additionally being subject to carbon reduction incentives where applicable.

Our ESG strategy includes using a comprehensive ESG Scorecard as an integral part of the investment process, covering critical topics such as alignment with the Sustainable Development Goals (SDGs), climate resilience analysis and biodiversity assessment for every asset both pre-investment and at least annually during the investment period. This enables our Investment team to select assets with a positive ESG profile, with the asset selection and monitoring process using a combination of proprietary tools and commonly applied industry frameworks.

During our investment period, we perform annual ESG surveys for all our portfolio companies, gathering responses on all key ESG metrics in line with industry standards and regulatory considerations. This includes the collection and preparation of aggregated ESG and carbon footprint key performance indicators (KPIs) on an annual basis. As part of this practice, we share the results of the ESG campaign with each portfolio company for benchmarking purposes, and we also share the results with our investors and other stakeholders to facilitate discussions and comparisons.

Based on our approach, as outlined in this report, we believe that we are well positioned to influence portfolio company governance and decision-making, including through economic incentives for our portfolio companies to improve their ESG and sustainability profiles. We believe our partnership with management and shareholders can help to increase financial and non-financial value for all stakeholders in a clearly measurable way.



Section A – The Firm's general approach to the consideration of ESG criteria

1 Summary of the Firm's general approach to the consideration of ESG criteria, especially in its investment policy and strategy

At LGT Private Debt, we believe that investors – and the asset managers investing on their behalf – have a responsibility to invest in a way that effectively supports the transition to a sustainable economy and society. Our commitment to helping our investors achieve their financial objectives is founded on the conviction that financial objectives can be achieved by investing responsibly.

We integrate assessments based on key ESG criteria into our investment and risk processes based on our belief that this approach is aligned with goal of generating long-term positive financial performance for our investors. We also recognize and value the fact that ESG integration can help to improve the sustainability credentials of the companies we invest in and support their transition across a wide range of markets and industries, while aiming to support the generation of positive social impacts. Our philosophy is based on the fundamental belief that it is possible to achieve good economic performance while meeting sustainability goals, as we generally expect portfolios that adhere to high ESG standards to have the potential to outperform over the long term.

ESG Assessment Scorecard

ESG assessments are carried out for every potential and existing investment. These assessments form an integral part of our investment due diligence process, the results of which are presented to our Investment Committee. These assessments are also part of our portfolio ESG monitoring. ESG assessments enable the Investment team to select assets with a positive ESG profile having developed a process for asset selection and monitoring that includes seven different ESG and sustainability factors, which we assess using a combination of proprietary tools and commonly used industry frameworks. Each of the seven factors is assigned a score on a scale of 0 to 5 (where 5 is the best score), with the final score comprising a weighted average of all seven factors.

In the pre-investment stage, the assessment guides decision-making, enabling the Investment team to identify companies whose activities have relatively low adverse sustainability impacts and whose exposure to

sustainability risks is relatively limited, as well as those that fall short. Post-investment, each investee company is reassessed annually to enable us to engage productively with companies on ESG while also enhancing our reporting, which is designed in line with SFDR requirements. When performing ESG assessments on companies, our Investment team considers the following aspects:

1. ESG controversy check – We consider any ESG controversies identified by the risk monitoring solution RepRisk AG. We also take into account any identified ESG sensitivities, which are typically related to the business model of the company or the market in which it operates. RepRisk assigns the company a numerical ESG rating score and we use this as the basis of our own assessment (0-6 for each deal). Any overrides from the Investment team, including mitigating factors or additional considerations, are then taken into account.
2. Private equity sponsor rating – Typically, we support companies that are majority owned by a private equity firm ("the sponsor"). We assess the sponsor's overall approach to ESG, leveraging existing due diligence material where available. This includes any ESG assessments of the sponsor that may have been prepared as part of our private markets ESG efforts. Insights gained from this review are documented in an assessment template that we use to rate the sponsor on various aspects of ESG practices. This results in an overall ESG rating for them as a "manager". If there is no ESG rating produced internally on the sponsor, we carry out a qualitative assessment of its ESG practices based on publicly available information and our own due diligence, and we also request that the manager completes an ESG questionnaire.
3. SDG impact assessment – Using the company's industry sector as a proxy, we use our proprietary ESG assessment tool, the ESG Cockpit, to determine whether the company is likely to have any positive or negative impacts on the SDGs. The Investment team also engages with management, the private equity sponsor and the deal diligence provider to evaluate the deal more broadly against the SDGs. Scoring for this factor is based on the frequency and depth of alignment (or potential misalignment) with one or more SDGs.
4. Principal adverse impacts (PAIs) – We assess investee companies against the PAI indicators to ensure that our investments comply with certain minimum environmental and social safeguards based on the information available to us pre-

investment. PAIs are intended to show investors the potential adverse effects on sustainability that are caused or increased by investment decisions, either directly or indirectly. The Investment team looks at the mandatory PAIs for each investee company and assign a score reflecting the most likely level of alignment based on the information available at the time of the deal and monitored throughout the investment period.

5. Climate resilience – We systematically consider risks related to climate change while assessing the materiality of these risks for any given business. We have developed our own Climate Resilience Framework in alignment with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). The framework enables us to analyze a company's climate resilience to physical risks (related to climate change itself) and transition risks (related to the transition to a lower carbon economy). On the back of our analysis, we rate the materiality of such climate risks. This allows for informed asset selection based on climate change considerations and for the subsequent monitoring of the portfolio's composition according to the risks identified. Further, we assess the carbon footprint of the investment opportunity using company data when available or public market sub-industry averages as a proxy for the company's footprint.
6. Materiality assessment – We carry out a review of the various ESG issues that are defined as material for a given industry by the Sustainability Accounting Standards Board (SASB). If applicable, the Investment team works with the sponsor and management to consider whether any of these ESG issues should be monitored in the company reporting and management information to allow for better comparisons with sector best practice in respect of material mapping for that sector.
7. Biodiversity – Our focus on enhancing risk identification includes evaluating dependencies on ecosystems and potential impacts on biodiversity (including threatened species). The assessment of biodiversity impacts incorporates the widely used industry metric of Mean Species Abundance by square kilometer (MSA/km²), which is defined as the mean abundance of an original species relative to its abundance in an undisturbed ecosystem. This is a recognized metric that can be used to evaluate ecosystem integrity by measuring species abundance at a local level. In addition, it allows for comparisons of companies of different sizes. The lower the MSA/km² score, the smaller the adverse impact of the company and its operations on biodiversity. The biodiversity assessment uses Altitude by AXA Climate, a third-party climate risk platform developed by the insurer AXA. The assessment produces a biodiversity materiality scorecard, supported by data outputs from AXA Climate and relevant commentaries by the Investment team.

The culmination of this assessment is a quantitative output of the investment's overall ESG profile. An overall score is also produced for the portfolio and monitored annually when our portfolio companies complete their annual ESG surveys. While the scoring process entails an element of subjective analysis, it also allows the team to track portfolio trends on specific factors and in aggregate. The Investment team also consults with the LGT Private Markets ESG Committee on any deals that require further input and feedback and the ESG team who can challenge, support or validate the Investment team's assessments.

Impact Framework

In addition to the ESG assessments for our impact strategy, we invest in companies that address global challenges linked to three impact investment themes: climate action, healthcare and inclusive growth (including investments in education and financial inclusion). Every new investment opportunity is vetted comprehensively to determine whether it fits with our impact strategy by applying a proprietary impact framework that is based on best practices.

We also partner with the Helsinki-based technology company Upright. This partnership enables us to leverage an innovative, data-driven quantification model that measures both the positive and negative impacts created by the underlying portfolio companies. The results are summarized into comparable "net impact profiles." The model is based on machine learning, open-source science and information on the products and services provided by the underlying companies. Using Natural Language Processing (NLP) techniques, the model can assess the content of scientific articles and summarize their findings about how various company products and services impact the environment, human health and society along their entire value chain.

Our Impact Framework is inspired by the recommendations of the Impact Management Project and is applied by the Investment team using information provided by the company alongside outputs from Upright and the ESG assessments mentioned earlier. The Impact Framework assigns each company a score for four different factors: (1) Alignment, (2) Reach, (3) Inclusiveness and (4) Risk. The overall scoring is the same as for our ESG assessments and ranges from 0 to 5 (where 5 is the best score). The investee companies included in our impact fund have both an ESG score and an Impact score ranging from 0 to 5. While there is no minimum threshold, we clearly expect all companies to score highly at the time of investment, with mitigating actions in place if they score lower in individual assessments. The impact score is also monitored and reviewed annually using the same process as for the ESG assessment.

2 Content, frequency and means used by the Firm to inform investors about the criteria relating to ESG objectives taken into account in the investment policy and strategy

We believe that transparency forms the foundation of successful long-term partnerships with investors. We are committed to complying with the highest standards of reporting.

The following channels are used by the Firm to communicate ESG-related information to investors:

- Quarterly investor reports (issued by each individual fund)
- Quarterly investor update calls with investors
- Specific LGT Private Debt "Annual ESG Survey Findings Report", available to external stakeholders on the LGT Capital Partners' website
- LGT Capital Partners' website, which contains a dedicated section on sustainability and includes regulatory SFDR disclosures of LGT Private Debt
- The Annual Sustainability Report of LGT Capital Partners, as well as ESG studies on specific investment activities, which are available on LGT Capital Partners' website
- The Annual non-Financial Report of LGT Capital Partners, which includes information on concrete sustainability initiatives and is publicly available on the LGT Capital Partners' website
- Annual General Meetings with investors
- Annual UN PRI Transparency and Assessment Reports that are publicly available on the LGT Capital Partners' website
- One-on-one calls with investors on request

3 Adherence of the Firm, or of certain financial products, to a charter, code, initiative or label that incorporates ESG criteria

LGT Capital Partners, the group to which LGT Private Debt belongs, has joined various organizations and industry bodies that support the sustainable development of the financial industry, primarily the UN PRI and the Net Zero Asset Managers initiative (NZAM). LGT Capital Partners adheres to business conduct rules and international standards, including the United Nations Global Compact (UNGC), the United Nations Universal Declaration of Human Rights (UDHR) and the OECD Principles of Corporate Governance. We have also adopted the Sustainable Development Goals (SDGs). In line with those goals, we believe that investments in companies with high ESG standards can add long-term value for our investors, while also generating positive impacts for the environment and society.

While LGT Capital Partners places a strong focus on holistic ESG assessment, we also take concrete actions where relevant. This includes the definition of a benchmark Exclusion List that is aligned with the Paris Agreement and other international standards listed above; this list excludes companies associated with controversial weapons (anti-personnel mines, biological and chemical weapons, cluster weapons, or nuclear weapons) as well as businesses involved in the extraction, processing or sale of thermal coal. The exclusion relating to thermal coal aims to support efforts to combat climate change and reflects our commitment to shift our investments towards supporting an energy supply that is consistent with the target of achieving net zero emissions by 2050 or sooner. These measures are also aligned with the Financial Action Task Force, OECD Guidelines for Multinational Enterprises and UN Security Council Sanctions.

In addition to these Group-level commitments, LGT Private Debt has obtained ESG labels from LuxFLAG for our latest funds.

SECTION B – Internal resources deployed by the Firm

1 Description of the financial, human and technical resources dedicated to integrating ESG criteria into the investment strategy

Integrated ESG assessments and procedures are central to our responsible investment strategy and to the creation of value for all stakeholders.

Team members across LGT Private Debt have additional responsibilities covering specific aspects of the impact and ESG investing strategies and reporting obligations. These responsibilities span multi-disciplinary teams, including the Investment team, the Portfolio Monitoring team and the Finance & Operations team.

Team member	Primary role	Impact/ESG responsibilities
Jonathan Smith	Head of the Private Debt Investment team based in London; responsible for origination in the UK, Nordic and Benelux regions. Head of ESG and Impact for Private Debt and a member of the LGT Capital Partners' Group Private Markets ESG Committee.	Coordinating key stakeholders, including the Private Debt management team, impact and ESG subject matter experts from across LGT Capital Partners, and external specialist consultants to develop, define and implement the Private Debt investment strategy.
Alix Jariel	Associate Director in the Private Debt Investment team based in Paris. ESG Ambassador within LGT Capital Partners representing LGT Private Debt.	Contributes to upholding impact management, including development of the Impact Framework for Private Debt funds, and definition of new assessment approaches, including for biodiversity. Supports the Investment team during the assessment and review of new impact opportunities. Representative of LGT Private Debt on the Impact Commission of France Invest.
Felix Keirat	Associate in the Private Debt Investment team based in Frankfurt. ESG Ambassador within LGT Capital Partners representing LGT Private Debt.	Contributes to developing and maintaining the ESG Scorecard used on all LGT Private Debt investments.
Muhammed Sisman	Associate Director within the Portfolio Monitoring team, performing: (1) independent asset valuation analysis; (2) core middle office functions (e.g. deal funnel and pipeline analysis, portfolio management analysis; and (3) portfolio monitoring, including review of underlying company KPIs and financial performance, covenants, review of watchlist / underperforming assets. ESG Ambassador within LGT Capital Partners representing LGT Private Debt.	Leads content, construction, coordination and execution of the annual ESG survey, including the analysis, interpretation and publication of the findings. Surveys form the basis of the annual ESG re-assessments at company level. Oversees quantitative analysis on taxonomy and PAI-related metrics for ongoing and periodic reporting obligations, including the preparation of the SFDR Annex 2 schedules (to accompany the statutory audited financial statements), compilation of the European ESG Template (EET) and drafting of the annual PAI report.
Isabel Weiner	Associate Director in Private Markets Impact & ESG team with dedicated focus on Private Debt. Part of ESG oversight team for Private Markets.	Within Private Debt, ensures continuous management, measurement and monitoring of impact, specifically for dedicated impact funds. Develops expertise on impact themes of climate, healthcare, and inclusive growth, with attention to Private Debt impact strategy in these areas. Supports Investment team in navigating impact integration into the deal process.
Faisal Sethi	Head of Fund Controlling, responsible for overall administration and investor reporting obligations across the Private Debt funds.	Takes the lead in liaising with external auditors and coordinating internal subject matter experts to produce and submit the periodic reporting SFDR Annex 2 that accompanies the statutory audited Financial Statements.

A continuous program of internal and external ESG training forms the cornerstone of our investment approach, with the team investing in the delivery of external training supported by internally delivered content to all members of the LGT Private Debt team. In the last 12 months, this has included external training providers delivering bespoke content on: (i) climate change and climate-related analysis at company level, (ii) biodiversity and (iii) best practice for sustainability-linked loans in relation to ESG and impact KPIs at portfolio company level. This has been supplemented by internal training on (i) biodiversity, (ii) impact investing and (iii) impact action plans at portfolio company level. Training has also been delivered in person to our

investment teams by La Fresque du Climat and La Fresque de la Biodiversité over the last two years. Core technical and commercial knowledge related to impact and ESG investing also exists at the LGT Capital Partners level. The Private Debt team works closely with the central team that has ESG oversight across all asset classes. This includes benefitting from market intelligence and analytical best practices, as well as shared resources, learning and approaches from other asset classes within LGT Capital Partners. The Private Debt team designed and implemented the Impact and ESG Framework to address specific private debt asset class reporting obligations in close collaboration with the team referenced below:

Team member	Primary role	Impact/ESG responsibilities
Tycho Sneyers	Managing Partner at LGT Capital Partners and Chair of the ESG Committee. He has initiated and led the firm's ESG efforts since 2002, including measures to embed ESG principles in its investment processes for its various asset classes. He is currently serving his third term on the Board of Directors of the UN PRI.	Provides oversight and guidance to the Private Debt team, including supporting new initiatives that are presented by the Private Debt team at least once a month as part of its participation in the LGT Capital Partners ESG Committee.
Keimpe Keuning	Co-Head of ESG and Impact in Private Markets. Leads the development of LGT Capital Partners' Impact Framework. Role includes acting as Chair of the Private Markets ESG Committee. Responsible for implementing the ESG and Impact Strategy across Private Markets.	Materially supports the adaptation of all ESG and impact initiatives in Private Debt funds and plays an active role in reviewing the impact assessment of opportunities proposed by the Private Debt Investment team.
Stefan Lügstenmann	Responsible for impact assessment, management and reporting in Private Equity. Covers ESG and impact analytics across Private Markets and specifically assesses direct investments.	Materially supports the adaptation of the Impact Framework for Private Debt funds. Acts as a sparring partner for the Private Debt Investment team during the assessment of new impact opportunities.

Our internally developed tools include an ESG seven-factor scorecard and impact scorecard (for use on impact eligible deals). The scorecard evaluates portfolio companies using a number of standalone assessments on specific ESG considerations. These include: (i) a climate resilience and CO2 assessment tool, (ii) a public controversy check via RepRisk, and discussions with the LGT Capital Partners ESG Committee (if applicable), and (iii) rating the private equity sponsor with reference to an independent score generated by the Private Markets ESG team. It also benchmarks portfolio companies against: (iv) alignment with the SDGs, (v)

company due diligence in relation to ESG matters and with reference to SASB, (vi) compliance with the PAIs, and (vii) an assessment of the biodiversity profile of companies using a third-party assessment tool. The assessment of each investment is performed on a pre-commitment basis and at least once annually following the investee company's completion of the ESG questionnaire, as discussed earlier. The responses are used to ensure ESG monitoring is data driven, with the survey content being regularly reviewed and amended based on the most recent review of ESG approaches and outcomes.

We use a number of third-party providers, with their expertise and services supporting our ESG approach, assessments and reporting. These are listed below:

Provider	Service
RepRisk	ESG-related reputational risk over a five-year historic period (database screening and alerts)
Upright Platform	Net Impact Score for assets (if required), including alignment to SDGs and PAI compliance (only used for impact fund assets)
Altitude by AXA Climate	Platform used to generate predicted climate and biodiversity footprint / profile based on location- and activity-based inputs
Bluemark	Introduced on a deal-by-deal basis for engagement where there is an ESG margin ratchet. Fund verification provider for the annual reporting on our impact fund

Quantitative information related to the financial, human and technical resources dedicated to taking ESG criteria into account in the investment strategy:

Number of FTEs involved (out of total FTEs)	4.3 (49)
Share of FTEs involved out of total FTEs (%)	8.8%
Share of dedicated budget (in % of the firm's total budget)	9.8%
Dedicated amount (in EUR m)	1.56m EUR
Amount invested in research (in EUR) *	87,582 EUR
Number of external service providers and data suppliers used *	4

* This refers to our ESG service providers and ESG data suppliers

2 Actions taken to strengthen the Firm's internal capacities

The sharing and accumulation of specialist ESG and impact investing knowledge is a priority for the LGT Private Debt team. We employ a number of approaches to ensure the delivery of the relevant training sessions to the management team as well as the Investment team and the Operations team, including:

- Mandatory Firm-wide ESG training for all employees (including the UN PRI Academy Certificate);
- Targeted workshops with the Private Debt Investment team on how to evaluate investment opportunities with clearly defined impact and ESG criteria;
- Formalized Investment Committee process incorporating mandatory screening and due diligence criteria;
- Targeted operations workshops on the impact of ESG ratchets on commercial terms of loan agreements, and the consequences for fund NAV/performance and investor reporting outputs;
- Targeted fund controller workshops to develop knowledge of mandatory SFDR requirements at year-end reporting dates;
- Inclusion of the Private Debt business unit at the point of inception for all relevant flagship projects implemented across LGT Capital Partners regarding the development and enhancement of ESG and impact-related processes. This includes the objectives of improving ESG data quality, and of designing and implementing scalable and automated solutions to generate periodic deliverables. These measures are ultimately designed to comply with regulatory requirements, internal management guidelines and external investor-led obligations.

We engage with business units through a variety of structured communication measures to promote ESG and impact investing-related topics:

- Mobilization of partner and principal initiatives to promote strategic objectives and best practices within the business units, including Private Debt;
- Specific and frequent interaction between the Private Debt team and the central LGT Capital Partners' subject matter experts and technical ESG forums, which promote knowledge-sharing and best practice in the continuously changing ESG regulatory environment. This includes, but is not limited to, approaches being coordinated in relation to climate and biodiversity with pan-Capital Partners working groups.

Using this knowledge base and its analytical capabilities, the Private Debt team also contributes to the preparation of the annual LGT Capital Partners ESG Report, specifically the latest Private Debt insights, including sharing portfolio-level KPIs based on survey responses from our portfolio companies.

Alongside the incorporation of impact and ESG criteria into the formal investment process, recent developments include the formation of the Crown Impact Private Debt (CIPD) fund. CIPD has a specific investment thesis covering three impact themes: Climate Action, Inclusive Growth and Healthcare (supporting 11 SDGs).

SECTION C – Approach to considering ESG criteria at the level of the Firm's governance

1 Knowledge, skills and experience of the governance bodies in taking decisions relating to the integration of ESG criteria

The Firm's governing body / LGT Private Debt executive management team

The members of the Firm's governing body – in collaboration with the other partners of LGT Private Debt – determine the overall strategy, including the ESG strategy, of the LGT Private Debt business and define the investment policy, especially in respect of the integration of ESG criteria, of each of the funds managed by the Firm.



Etienne Haubold

Head of the LGT Private Debt business and member of the Firm's governing body (Président)

Prior to joining the firm in 2006, Etienne Haubold spent two years at Société Générale in its Leveraged Finance team, where he was in charge of sourcing, arranging and monitoring mid-market senior and mezzanine debts. He began his career at The Boston Consulting Group on assignments for corporate and private equity firms. He sits on the Board of several mid-cap corporate portfolio companies. He has been particularly involved in ESG and impact investing initiatives for LGT Private Debt, is a member of the LGT Private Debt ESG working group and drives ESG integration in the Private Debt business and the development of our impact offering.



Kevin Abrial

LGT Private Debt Partner and member of the Firm's governing body (Directeur Général)

Kevin Abrial joined the firm's Paris office soon after its inception in 2006. He started his career in the M&A team of Arthur Andersen and then spent four years in the Corporate Finance department of BNP Paribas, where he was involved in various M&A transactions in Europe and Latin America. Kevin Abrial leads LGT Private Debt's investment activities across Europe. In the area of ESG, he ensures that ESG policies and frameworks are fully integrated into our investment processes.



Matthew Gordon Clark

LGT Private Debt Partner

Matthew Gordon Clark joined the firm in 2005 from Mezzanine Management Limited, where he was a Director focusing on UK and European investments. Deal responsibilities included the origination and structuring of new investments and the management and exit of portfolio companies. Prior to joining Mezzanine Management Limited in 2000, he worked for the acquisition finance team at NM Rothschild & Sons. He previously completed a six-year commission in the British Army. He sits on the Boards of several portfolio companies. He oversees LGT Private Debt's Investors Relations function and has been pivotal in ensuring we follow ESG best practice.

The Firm's supervisory body / LGT Capital Partners senior executives

Three senior executives at LGT Capital Partners have a seat on the Firm's Supervisory Board and oversee the decisions taken by partners at LGT Private Debt on overall strategic matters, including the ESG strategy of the LGT Private Debt business.



Roberto Paganoni

Chief Executive Officer of LGT Capital Partners and member of the Firm's Supervisory Board

Roberto Paganoni is the Chief Executive Officer and co-founder of LGT Capital Partners. He joined LGT Group in 1997 to form the Alternative Investments Group, which is now LGT Capital Partners Ltd. Prior to joining LGT Group, he spent eight years at McKinsey & Company, where he managed international projects in the areas of industrial goods, airlines, telecommunications and financial services. Long before ESG-related regulations were introduced, he was already a strong advocate of the integration of ESG factors into the investment decision process and subsequently drove their implementation across LGT Capital Partners.



Werner von Baum

Chief Risk Officer of LGT Private Debt and member of the Firm's Supervisory Board

Werner von Baum is a Managing Partner and Chief Risk Officer of LGT Capital Partners. He is a member of the Executive Committee and chairs the Risk and Compliance Committee. Before joining LGT Capital Partners in 2005, he was Managing Director at HypoVereinsbank (HVB) in Munich, where he built up and led the Corporate Origination and High Yield Capital Markets business. Prior to joining HVB, he worked for Bankers Trust in London, where he held various positions in the marketing, structuring and trading of fixed income, FX and equity derivatives. He took the overall lead in designing and implementing LGT Capital Partners' ESG policies and framework. In his role as CRO, he is responsible for ensuring that LGT Capital Partners follows a consistent approach to ensure that ESG-related risks are adequately measured, assessed and mitigated.



John Kossow

Chief Financial Officer of LGT Capital Partners and member of the Firm's Supervisory Board

John Kossow is a Partner and Chief Financial Officer of LGT Capital Partners. He is a member of the Executive Committee. Prior to joining LGT Capital Partners in 2010, he spent over five years at KPMG Zurich's Audit Financial Services department, where he managed financial and regulatory audits as well as special projects in the Swiss banking industry. In his role as CFO of LGT Capital Partners Group, he coordinates all efforts to ensure that ESG-related aspects are adequately reflected in the financial reports issued by LGT Capital Partners and all of its entities.

2 Integration of sustainability risks into the Firm's investment decision-making processes and alignment of remuneration practices

The Firm's investment decision-makers (i.e. members of the Firm's Investment Committee) are primarily responsible for ensuring that for any given investment opportunity, all relevant material sustainability risks are adequately identified and assessed and are effectively managed.

Through the carried-interest mechanism in place for all the funds managed by the Firm, the Firm encourages investment decision-makers to incorporate all material risks – including material sustainability risks – to which a given portfolio company is exposed i) at the time of the investment decision, and ii) throughout the period in which the portfolio company is held in our funds.

Carried-interest is a mechanism whereby the Firm's investment decision-makers make a personal investment in the funds managed by the Firm, thus constituting a personal financial risk for the Firm's investment decision-makers. Carried-interest is calculated and distributed to the Firm's investment decision-makers (if carried interest is to be distributed) at the end of the life of the fund. Return on investment for carried-interest mechanically depends on the rate of return of investors in the funds. If the rate of return of the investors is below a certain threshold (defined at the inception of the fund in the legal documentation as the "hurdle rate"), the personal investment of the Firm's investment decision-makers is lost.

If the Firm's investment decision-makers fail to adequately identify, assess and effectively manage all the relevant material risks – including sustainability risks – of an investment opportunity or portfolio company, and in the event that such risks materialize, the financial performance of the fund, together with the return on investment for the carried-interest, will be negatively impacted.

We believe that the carried-interest mechanism is consistent with the integration of sustainability risks

into our investment decision-making process and ultimately aligns the interests of the investment decision-makers with the interests of the investors in a way that is consistent with the investment horizon of the funds we manage.

In addition, the Firm's investment decision-makers are entitled to receive a variable remuneration component on an annual basis provided the objectives defined at the beginning of each year are met. These objectives include ESG objectives, particularly the objective to maintain and constantly improve operational processes within the Firm in order to identify, assess and manage sustainability risks during the investment selection process and the holding period. For the Firm's investment decision-makers, the variable remuneration component is determined by the Firm's Executive Directors and/or the Group Senior Executives, together with the Group Remuneration Committee.

The members of the Investment team who perform investment research and financial analysis play a key role in supporting the members of the Firm's Investment Committee, especially in terms of identifying, assessing and managing the sustainability risks of each investment opportunity / portfolio company. The members of the Investment team (those having generally more than two years of experience) are also subject to the carried-interest mechanism and are therefore also incentivized to identify, assess and effectively manage all the material risks – including the material sustainability risks – of an investment opportunity / portfolio company.

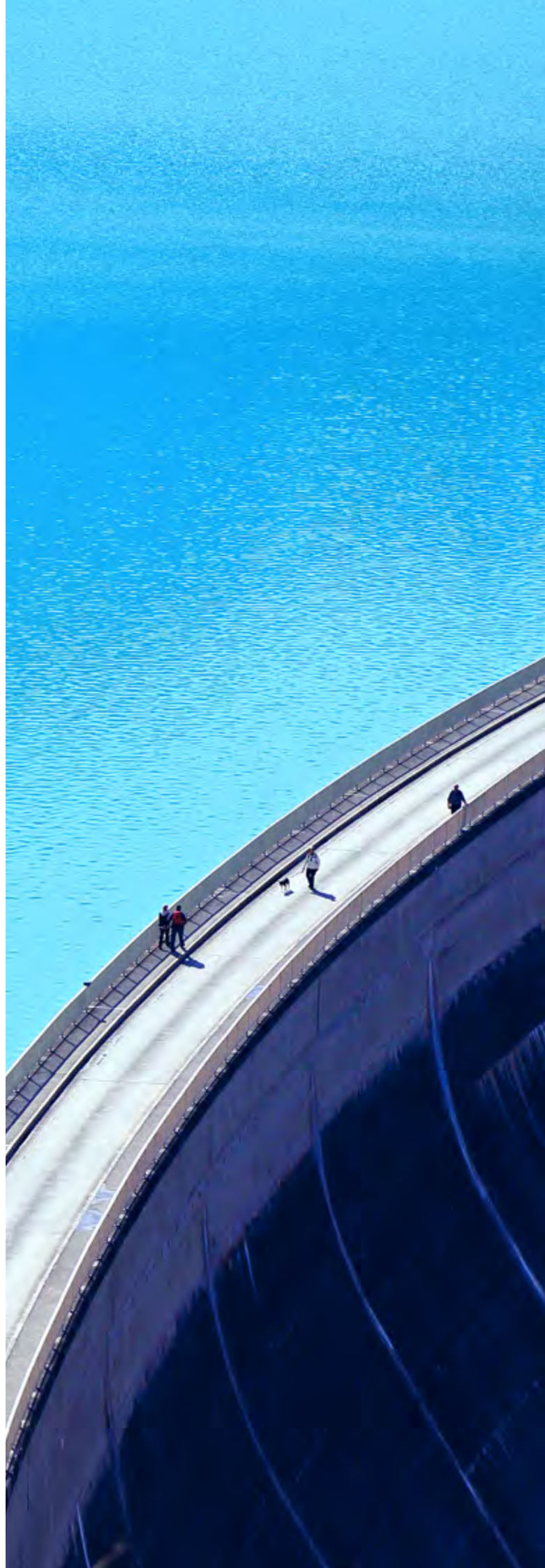
Further, through annual variable remuneration, the members of the Investment team are incentivized in a manner that rewards the accuracy and comprehensiveness of their sustainability risks analyses. For members of the Investment team, the variable component of remuneration is determined by the Firm's Executive Directors together with the Group Remuneration Committee.

The information presented above for the purpose of our Article 29 reporting obligations is discussed in more detail in the Firm's Remuneration Policy.

3 Integration of ESG criteria into the internal regulations of the Firm's Board of Directors or Supervisory Board

The Firm is a French simplified joint stock company managed by the Firm's Executive Management under the supervision of the Firm's Supervisory Board. The members of the Supervisory Board represent LGT Capital Partners, the group to which the Firm belongs. The Firm's Articles of Association of our Firm include ESG criteria and state, in particular, that: i) our Executive Management takes into account environmental and social considerations when conducting the activities of the Firm, and ii) the Supervisory Board, as part of its oversight role, ensures that ESG criteria associated with the Firm's activities are considered by our Executive Management.

ESG discussions are embedded at the highest level of governance as ESG considerations are incorporated into the discussions of the Supervisory Board. The agenda of meetings of the Supervisory Board (and of other LGT Private Debt entities) include a dedicated agenda item on ESG. For example, at the latest Supervisory Board meeting in April 2025, an update was given to the Supervisory Board members on: i) the strategy for alignment with the objectives of the Biological Diversity Convention (COP 15 targets), ii) the integration of ESG risks into our risk management framework, and iii) sustainability-linked loans (SLLs) to our portfolio companies. In addition, beyond the formal meetings of the Supervisory Board, which take place three times a year, the Head of LGT Private Debt provides a monthly business update to the senior management of LGT Capital Partners regarding LGT Private Debt, including details of initiatives in the areas of ESG and Impact.



SECTION D – Strategy for engagement with portfolio companies

1 Scope of companies covered by the engagement strategy

At LGT Private Debt, we are committed to acting in the best interests of our investors. At the same time, we strongly believe that we have a responsibility to invest in a way that effectively supports the transition to a more sustainable economy and society. This is why we have developed an engagement strategy, the principles of which are set out in a dedicated "Engagement on ESG" policy, which applies to all our portfolio companies (scope as of 31 December 2024: 37 portfolio companies; 100% of coverage).

2) Presentation of the engagement policy¹

Our "Engagement on ESG" policy reflects the nature of our investment activities and the nature of the relationships we have with the companies that we invest in. Our position as "sole lender" or "primary lender" enables us to develop strong partnerships with our portfolio companies and their shareholders. As a firm that is committed to responsible investment, we firmly believe that we have a role to play in encouraging portfolio companies to take greater account of ESG issues and to place a stronger emphasis on ESG practices. This section provides information on how we engage with our portfolio companies on ESG matters. It also provides an insight into how we contribute to the development of responsible investment standards and best practices in the financial environment in which we operate.

Our engagement with portfolio companies on ESG

According to the UN PRI, investment firms generally have two principal means at their disposal to exercise influence over the companies they have invested in: dialogue and voting.² As a private debt investment firm, our strategy of engagement on ESG relies strongly on dialogue and, more specifically, on the high-quality interactions we are able to initiate with the senior management of our portfolio companies (as well as their shareholders) on many different ESG aspects. We believe that interacting comprehensively on ESG aspects with companies throughout the lifetime of the investment serves the long-term interests of our investors and, at the same time, helps to make our portfolio companies more resilient and sustainable. Over time, we have developed and implemented a set of measures that enable us to: i) identify in an extensive manner the various ESG issues that portfolio companies may face, and ii) ultimately have a meaningful and constructive dialogue with portfolio companies on ESG. An overview of the main features of our engagement with portfolio companies is provided on the next page.

Voting

Voting is an essential tool allowing investors in listed equity to express their views to a company and to give input on key decisions. As a private debt investment firm, voting is not a tool available to us when seeking to influence our portfolio companies. However, we have other meaningful ways of engaging on ESG with our portfolio companies (and their respective shareholders), as explained in this section of the report.

¹ The focus of this sub-section is on the engagement policy rather than the voting policy, given that voting is not an instrument available to us for engaging with our portfolio companies in our area of investment.

² UN PRI – "An introduction to responsible investment: stewardship" (February 2021), page 2.

Key engagement measures with portfolio companies on ESG

Investment due diligence phase

- Initiate dialogue with senior management to gain insight into ESG practices and identify potential ESG issues
- Interact with senior management on the potential ESG risks we have identified as part of our ESG risk assessment
- Exchange with senior management on the PAIs – including carbon footprint and biodiversity footprint – of the activities of portfolio companies

Negotiation phase

- Discuss and negotiate annual ESG reporting obligations (including carbon emissions reporting obligation) as part of the terms of the loan agreements
- Discuss and agree on the implementation of sustainability-linked loans (SLLs) with tailored and measurable ESG-linked KPIs

Portfolio monitoring phase

- Maintain an ongoing dialogue to ensure that material ESG issues are adequately and effectively addressed
- Assist and actively participate in the Board and ensure that ESG is embedded at the highest level of governance and that major ESG issues are discussed and addressed
- Interact with senior management on existing / emerging ESG risks identified as part of our ongoing monitoring of ESG risks
- Initiate discussions with senior management if any material ESG concern related to the PAIs – including carbon footprint and biodiversity footprint – is identified (based primarily on the annual ESG questionnaire completed by portfolio companies)
- Exchange with senior management to ensure that the SLL ESG KPIs remain meaningful and that portfolio companies are on track to achieve their SLL ESG KPIs

Our engagement with the financial industry on ESG

Within LGT Private Debt, our engagement on ESG extends beyond our core investment expertise and beyond the relationships we have built with portfolio companies. As an asset management firm, we strongly believe that we have a role to play in fostering the development of meaningful responsible investment standards and best practices that could eventually benefit the investment management industry and the wider investor community. An overview of our engagement with the financial industry on ESG is provided in this section.

- Dialogue with policy-makers and standard-setters: as an investment firm that is strongly committed to responsible investment, we consider it important to actively participate in ESG conferences, roundtables and other meetings organized by policy-makers and standard-setters. In view of the continuous changes to ESG-related regulatory obligations and ESG best practices, such events enable us to i) keep abreast of the latest developments relating to ESG, and ii) gain further insights into how these developments can be embedded in operations in a meaningful way. In addition, we are an active member of the French private markets professional association France Invest whose main mission is to represent the French private markets industry in national and European legislative and regulatory bodies. At France Invest, we are a member of the Sustainability Commission¹ as well as a member of the Impact Commission² with regard to ESG and Impact Investment. Further, through LGT Capital Partners we are a member of the UN PRI, which regularly publishes best practice guidelines. We are sometimes asked to collaborate on the development of those guidelines.

France Invest

France Invest is a professional organisation bringing together nearly 400 French management companies in the private equity, infrastructure and private debt investment sector. France Invest actively promotes their work in supporting unlisted companies and their central role in the economy.

- Contribution to research: we are committed to supporting research and to helping shape ESG best practices for the private debt sector. This includes collaborating with other private debt firms – as part of a UN PRI working group – on the writing of a guide aimed at promoting a better understanding of the rationale for responsible investment in the context of private debt investments. This guide – entitled “Spotlight on Responsible Investment in Private Debt”³ – was published in 2019. Similarly, we worked with France Invest and other private debt firms on a guide to promote good practices related to sustainability-linked financing. This “Best Practice Guide for Private Debt – Sustainability-Linked Financing” was published in 2022.⁴
- Dialogue with peers: another important element of our engagement on ESG consists of interacting with peers on an informal basis. These exchanges enable us to share ESG experiences, approaches, challenges and best practices. We are convinced that this kind of open collaboration supports collective efforts to enhance ESG practices within the industry.
- Dialogue with ESG service providers: we interact with our ESG service providers on an ongoing basis. By offering constructive feedback, we help our ESG service providers to improve their products or services in response to our evolving needs. For example, we often meet with AXA Climate (the provider of the Altitude platform) and we are regularly invited to attend the Altitude Client Club to exchange views and ideas on the latest innovations in the Altitude platform and future developments. We also regularly meet with prospective ESG service providers as we consider it essential to keep track of ESG products and solutions available in the market.
- Engaging in public discourse and disclosures that support our engagement goals: as a firm committed to transparency and accountability, our strategy of engagement and various aspects of our wider ESG strategy – including our strategies for alignment with the objectives of the Paris Agreement and with the objectives of the Biological Diversity Convention – are disclosed in this report.

¹ The Sustainability Commission of France Invest is a cross-disciplinary commission supporting the industry by anticipating and sharing major ESG-related regulatory developments and by acting as an intermediary between industry players and the leading public bodies on ESG issues.

² The Impact Commission of France Invest brings together the asset management companies that share the common goal of supporting entrepreneurial projects that generate a positive impact on the environment and society. The Impact Commission holds regular meetings with its members to discuss the issues faced by players in the Impact Investment sector and supports its members by notably developing best practices.

³ <https://www.unpri.org/private-debt/spotlight-on-responsible-investment-in-private-debt/4048.article>

⁴ <https://www.franceinvest.eu/wp-content/uploads/2023/01/France-Invest-Best-Practice-Guide-Manifest-Eng-221213.pdf>

3) Report on the engagement strategy implemented

As part of our engagement strategy, we continue to focus on identifying and assessing: i) the main negative impacts associated with the activities of our portfolio companies, and ii) the key ESG risks to which our portfolio companies are exposed. We have also continued to implement SLLs based on tailored ESG KPIs while more generally continuing to promote ESG best practices among the top management of our portfolio companies.

4) Report on the engagement policy¹

In 2024, we have taken a significant number of actions and measures related to our engagement with our portfolio companies on ESG. An overview of these measures and actions is provided below:

ESG campaign*
100% response rate

**New SLL ESG
KPIs in 2024 (total
in place)**
4 (11)

**Quantitative ESG
risks assessments**
23 **

**Number of carbon
footprints**
27

**Number of
biodiversity
footprints*****
23

**Decarbonization
plans received**
4

* Based on invested capital

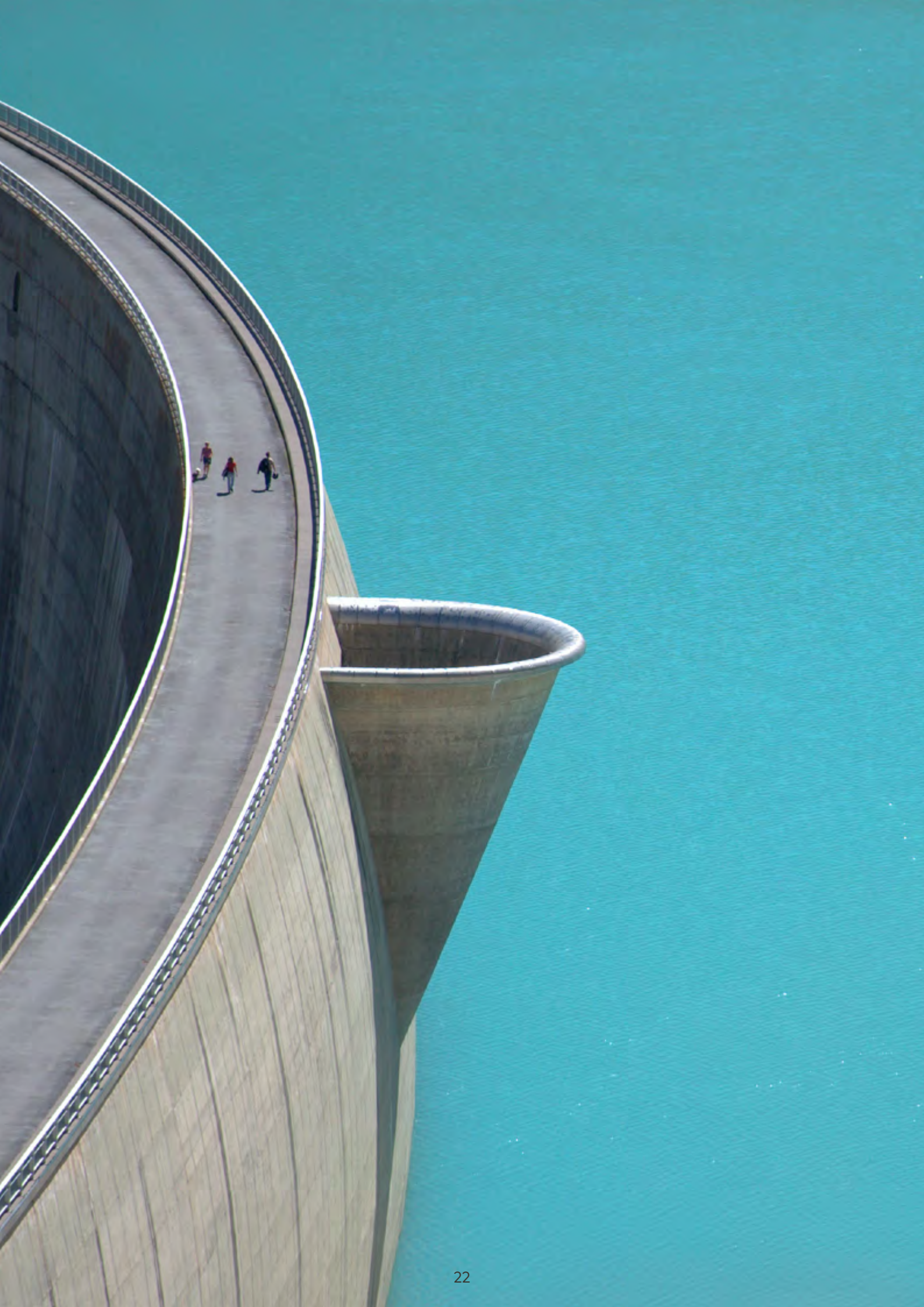
** 100% of the portfolio since 2022

*** All our portfolio companies of our Art. 8 and Art. 9 funds (proxy-based approach)

5) Decisions taken in terms of investment strategy, particularly in terms of sectoral disengagement

From an ESG perspective, we have made no changes to our investment criteria or to our Exclusion List. In terms of sectoral disengagement, we systematically apply our Exclusion List, which is aligned with the exclusions set out in Article 12(1) of the EU Regulation 2020/1818 of 17 July 2020. In addition, all our existing portfolio companies operate in sectors that are compliant with our Exclusion List.

¹ The focus of this sub-section is on the engagement policy rather than the voting policy, given that voting is not an instrument available to us for engaging with our portfolio companies in our area of investment.



SECTION E – European taxonomy and fossil fuels

1 Investments in economic activities contributing to environmental objectives

As of 31 December 2024, LGT Private Debt has no portfolio companies for which an analysis was made to assess how much their economic activities contribute to environmental objectives. LGT Private Debt focuses on a diverse range of investment opportunities and does not specifically target investments that have environmental objectives eligible or aligned with the EU taxonomy. While we do not prioritize these investments, we are committed to responsible investing. We consider potential negative impacts through the monitoring of PAIs, ensure adherence to minimum safeguards, exclude high-emitting industries from our investment universe and progressively incentivize our portfolio companies to decarbonize.

2 Exposure to companies active in the fossil fuel sector

LGT Private Debt excludes from its investment universe companies that are active in the fossil fuel sector, as defined by Annex I to Commission Delegated Regulation (EU) 2022/1288. Our exposure to companies that are involved in exploration, development, production, transportation, refining or sales activities related to non-renewable carbon-based energy sources, such as solid fuels, natural gas and oil, represents 0% of our total assets under management.

Quantitative data related to exposure to companies active in the fossil fuel sector:

Share of assets under management invested in companies active in the fossil fuel sector (in %)	0
Share of assets under management invested in companies active in the coal sector (in %) (optional)	0
Share of assets under management invested in companies active in the conventional oil and gas sector (in %) (optional)	0
Share of assets under management invested in companies active in the unconventional oil and gas sector (in %) (optional)	0

SECTION F – Strategy for alignment with international objectives for limiting global warming

The **Paris Agreement** is a legally binding international treaty on climate change. It was adopted by 196 countries at the UN Climate Change Conference (COP 21) in Paris, France, on 12 December 2016. The Paris Agreement represents a milestone accord in the multilateral climate change process. In fact, this is the first time that a binding agreement has brought all nations together to **combat climate change** and accelerate the actions needed **for a sustainable low-carbon future**. The Paris Agreement's central objective is to strengthen the global response to the threat of climate change by **holding the increase in global average temperature at below 2°C** above pre-industrial levels and pursuing efforts **to limit the temperature increase to 1.5°C** above pre-industrial levels. The global average temperature has already **increased by between 1.3°C and 1.4°C** compared to the late 1880s.¹ To keep global warming to no more than 1.5°C – as called for in the Paris Agreement – **global GHG emissions need to be reduced by 45% by 2030 compared to 2010 levels and to reach net zero by 2050.**²

Our Firm is committed to achieving the goal of net zero GHG emissions by 2050, in line with global efforts to limit warming to 1.5°C. Within the LGT Private Debt business, we have defined a **strategy** that we believe to be consistent and appropriate to meet this objective. Our strategy is built on two main pillars, each with specific associated steps:

- **Pillar I:** Define quantitative targets that we can easily monitor to assess the extent to which we are aligned with the objectives of the Paris Agreement. The steps associated with Pillar I are:
 1. Determine our carbon footprint baseline (expressed in absolute value and carbon intensity) in respect of the reference year we have chosen, which is 2022.
 2. Establish a quantitative target for 2030 (expressed in intensity value (tCO₂e / mEUR invested)).
 3. Define annual carbon budgets (expressed in intensity value (tCO₂e / mEUR invested)).

- **Pillar II:** Determine a set of measures and actions consistent with the 2030 target we have established and monitor the effectiveness of such measures and actions. The steps associated with Pillar II are:
 4. Define and implement measures and actions related to the investment due diligence process and portfolio companies' monitoring process that we believe are consistent for meeting the annual carbon budgets we have defined.
 5. Assess on an annual basis the extent to which we meet our annual carbon budget by comparing that budget with the actual GHG emissions of our portfolio.
 6. If necessary, i) determine and implement corrective actions, and/or ii) strengthen the measures and actions in place related to the investment due diligence process and portfolio companies' monitoring process.

1 Carbon footprint baseline (reference year: 2022)

An initial assessment was carried out for 2022. This assessment consisted of determining the carbon footprint baseline (expressed in carbon intensity) of our portfolio based on the GHG emissions of the portfolio companies held in the funds we manage.

Year	Carbon footprint	
	Scope 1,2	Scope 1,2,3
Baseline 2022	7.4	147.3
Measurement unit	tCO ₂ e/MEUR (invested)	

¹ <https://climate.copernicus.eu/climate-indicators/temperature> [14th May 2025]

² <https://www.un.org/en/climatechange/net-zero-coalition> [14th May 2024]

For this initial assessment, all the portfolio companies held in the funds managed by LGT Private Debt have been considered as of 31 December 2022; that is a total of 41 portfolio companies. For this assessment, we have relied on data provided directly by our portfolio companies and used sectorial proxies as needed. Proxy calculations are based on public-market proxies for the most granular GICS category, GICS sub-industry level per scope. For the information in the table below, we have indicated the percentage of emissions from portfolio companies versus the percentage of emissions calculated by relying on sectorial proxies for Scope 1, Scope 2 and Scope 3 GHG emissions:

Scope	Source of data	
	From portfolio companies	Sectorial proxies
Scope 1	63%	37%
Scope 2	45%	55%
Scope 3	50%	50%

2 Quantitative target (for 2030)

Based on the baseline for the reference year 2022 and with the objective of achieving net zero by 2050, we have defined a target volume of carbon emissions that we will seek to reach by 2030. While our previous report showed a target based on Scope 1 and Scope 2, we have prepared our decarbonization trajectory for 2024 based on Scope 1, Scope 2 and Scope 3 emissions; this translates into a target of 90.4 tCO₂e / mEUR (invested) as of 2030. Our aim is, in fact, for the total carbon emissions (Scope 1, Scope 2 and Scope 3) per million invested by the portfolio companies held in the funds managed by LGT Private Debt in 2030 to be equal to or below this target. A new target will be defined in 2030 for the year 2035 and then every five years thereafter until 2050.

Quantitative information related to the Firm's strategy for alignment with the international objectives for limiting global warming set out in the Paris Agreement:

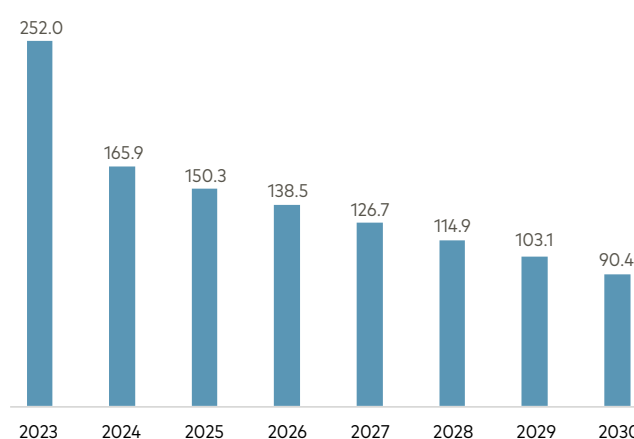
Quantitative objective for 2030 ¹	90.4 tCo2e / mEUR
Unit of measurement of the quantitative objective for 2030	Carbon intensity (tCo2e / mEUR)
Amount of assets under management covered by the quantitative alignment objective ²	EUR 2.01b AUM
Share of assets under management covered by the quantitative alignment objective over total assets under management	100%
Type of asset covered by this objective	Private debt investments

3 Annual carbon budgets (period 2025-2030)

The methodology we use to assess the alignment of our investment strategy with the Paris Agreement is based on the annual carbon budget that we built with the support of the ESG team of LGT Capital Partners.

Considering our 2022 carbon footprint baseline and our 2030 target, we have set up the following annual carbon budgets for each year for the period 2025-2030:

Annual carbon budgets – tCO₂e/MEUR (invested)



Our carbon budgeting methodology is based on the updated International Energy Agency (IEA) Net Zero 2050 scenario and encompasses Scope 1, Scope 2 and Scope 3 emissions. For homogeneous, high-emitting industries, we utilize the sector decarbonization approach (SDA) based on IEA industry-specific pathways to determine carbon budgets. Conversely, for heterogeneous or low-emitting industries, we adopt the value-added approach, which is aligned with the global IEA pathway.

We employ proxy industry budgets derived from public market proxies at the most granular level of the Global Industry Classification Standard (GICS), specifically the GICS subindustry category. In 2024, we adopted a different budgeting approach based on the type of emissions. For Scope 1 and Scope 2 emissions, the calculated budgets are calibrated to account for the increasing share of bottom-up emissions in our portfolio. This results in more ambitious budgets derived from these two types of emissions. However, Scope 3 calculated budgets remain unadjusted, as we recognize that the reporting of these emissions is less reliable due to various challenges, such as double counting issues or incomplete data.

¹ Scope 1, Scope 2 and Scope 3

² AUM for LGT Private Debt as a whole: LGT Private Debt (France): EUR 1,876m AUM and LGT Private Debt (UK): EUR 137.2m



Quantitative information related to the Firm’s methodology to assess the alignment of the investment strategy with the Paris Agreement:

Use of an internal methodology	Yes
Level of coverage at portfolio level	100%
Evaluation time horizon (dd/mm/yyyy)	31 December 2030

4 Measures and actions associated with the Firm’s strategy for alignment with the Paris Agreement objectives

To support our strategy for alignment with the objectives of the Paris Agreement, LGT Private Debt has put in place a series of measures and actions that relate, in particular, to our investment due diligence and portfolio monitoring processes. These measures and actions include:

- **Exclusion List** – In accordance with the Exclusion List that applies across all the funds we manage, we do not invest in companies that directly generate

revenues from activities related to the extraction, production or sale of coal or non-conventional hydrocarbons operations. Our current portfolio does not include this type of companies. More generally, our Exclusion List is aligned with the exclusions set out in Article 12(1) of EU Regulation 2020/2018 for EU Paris-aligned benchmarks;

- **Carbon footprint assessment** – For each investment opportunity that is presented to the Investment Committee, we systematically perform an assessment of the carbon footprint of the company that we are considering investing in. This assessment may be based on data provided directly by the company and/or sectorial proxies provided by external ESG-data providers. Such data may be complemented and refined through dedicated ESG due diligence, where applicable. In addition, we systematically determine whether the companies we consider investing in have decarbonation plans in place. Both criteria (carbon footprint assessment and decarbonation plan) are taken into account when making an investment decision, as they enable us to determine the extent to which an investment opportunity fits with our strategy for alignment with the objectives of the Paris Agreement.

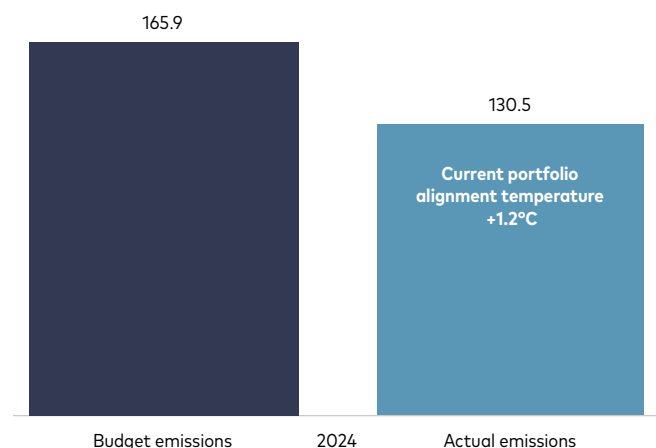


- **ESG margin ratchets** – We seek to agree on the implementation of ESG margin ratchets with new portfolio companies (and their respective majority shareholders) as far as possible. ESG margin ratchets are a mechanism whereby the interest rate margin decreases if one or several ESG-related KPIs are met (including emissions reduction targets). ESG margin ratchets are negotiated on a case-by-case basis, and we seek to implement this mechanism for each new company in our portfolio. Our most recent ESG margin ratchets include the development and implementation of decarbonization plans at portfolio company level.
- **Engagement / ongoing dialogue with portfolio companies** – We maintain an ongoing dialogue with our portfolio companies (and their shareholders) and encourage portfolio companies to implement measures and actions to reduce their exposure to ESG risks and their ESG impacts (including carbon emissions). Further details of our engagement vis-à-vis our portfolio companies are provided in Section D “Engagement” of this report

5 Annual assessment (actual GHG emissions vs. carbon budget)

We evaluate the extent to which our strategy is aligned with the objectives of the Paris Agreement on an annual basis. These evaluations consist primarily of a comparison of the annual carbon budgets we have established for each year until 2030 and the actual measured emissions of portfolio companies for the relevant year (using data provided by our portfolio companies or sectorial proxies). For 2024, we compared the actual total emissions (Scope 1, Scope 2 and Scope 3) of the portfolio companies held in the funds managed by LGT Private Debt with the calculated 2024 carbon budget:

Actual vs Budget – tCO₂e/MEUR (invested)



Quantitative information related to the quantification of results:

Free metric	130.5 tCo2e / mEUR
Description of the free metric	Carbon intensity
Free metric unit of measurement	tCo2e / mEUR

In 2024, the total emissions of the portfolio companies held in the funds managed by LGT Private Debt were 21% below our 2024 carbon budget. Additionally, we have enhanced the quality of our emissions data by increasing the share of bottom-up emissions.

Scope	Source of data		
	Bottom-up From portfolio companies	vs baseline	Top-down Sectorial proxies
Scope 1	96%	+33 pts	4%
Scope 2	91%	+46 pts	9%
Scope 3	60%	+10 pts	40%

Compared to 2022, our reference baseline year, a larger portion of our emissions data is now derived from direct measurements and detailed calculations at the company level, rather than relying on estimates or industry averages. This approach provides a more accurate and reliable assessment of our carbon footprint, allowing us to better manage and reduce our environmental impact. As highlighted below, this translates into a positive score under the PCAF¹ framework for 2024:

PCAF data quality



Note: Neither the Firm nor the other entities of LGT Private Debt manage index funds. We do not therefore use the "climate transition" and "Paris Agreement" benchmarks defined by Regulation (EU) 2019/2089 to assess the extent to which our strategy is aligned with the objectives of the Paris Agreement.

6 Corrective actions / revision of the investment process (as applicable)

In 2024, we did not make changes to the investment strategy based on the strategy for alignment with the Paris Agreement compared to 2023. Consequently, we did not take any specific action to monitor the impact of changes although we have formalized sustainability linked loans (SLLs) with our fund capital call providers, including specific targets linked to the implementation of decarbonization plans at portfolio company level. We would generally make changes to the investment strategy based on our strategy for alignment with the Paris Agreement in the following cases:

- Due to our constant efforts to improve processes regarding the inclusion of climate change-related criteria – notably carbon footprint assessments – in the context of our investment due diligence process. For this purpose, we monitor market best practices and ensure that our Investment team is fully aware of the latest developments in this area.
- In a situation where the emissions of our portfolio companies would exceed our annual carbon budget. This would trigger mitigation measures and corrective actions, the nature and degree of which would vary depending on the extent to which the annual carbon budget would not be met. For example, we might engage further with portfolio companies to encourage them to intensify their measures to reduce carbon emissions, or we might focus on investment opportunities with very low emissions and/or robust decarbonation plans. For 2024, we are within our annual carbon budget and there are therefore no specific mitigation measures and corrective actions to be implemented.

If it is relevant and/or necessary in the future to make changes to our investment strategy and/or investment due diligence process related to our strategy for alignment with the Paris Agreement, our Head of ESG & Impact will – under the supervision of the Firm's governing body and LGT Private Debt Partners – be responsible for implementing such changes, ensuring that they are operationally effective and verifying that the expected outcomes of such changes are realized.

¹ PCAF (Partnership for Carbon Accounting Financials) data quality scoring system is designed to evaluate the reliability and quality of data used in calculating financed emissions (more info available here: [Enabling financial institutions to assess and disclose greenhouse gas emissions associated with financial activities](#))



SECTION G – Strategy for alignment with long-term biodiversity objectives

The Convention on Biological Diversity, which was adopted at the Earth Summit in Rio de Janeiro on 5 June 1992, is an international treaty that aims to promote: i) the conservation of biological diversity, ii) the sustainable use of its components, and iii) the fair and equitable sharing of benefits arising out of the use of genetic resources.

The overarching objective of the Convention on Biological Diversity is to encourage actions that will lead to a sustainable future, as biodiversity is essential to support all life on earth. The Convention on Biological Diversity addresses biodiversity at all levels – ecosystems, species and genetic resources, as well as biotechnology – and covers all domains that are directly or indirectly related to biodiversity and its role in the development of science, politics, education, agriculture, business and culture.

As concluded at the 15th conference of the Convention on Biological Diversity (COP 15) in December 2022, the Kunming-Montreal Agreement sets out 23 targets for the conservation and sustainable use of biodiversity by 2030 and beyond. Further information on all 23 COP 15 targets can be found on the Convention on Biological Diversity webpage at: www.cbd.int/gbf/targets

1 Measures of compliance with the objectives set out in the Convention on Biological Diversity

At LGT Private Debt, we are fully committed to supporting the objectives of the Convention on Biological Diversity. We have specifically aligned our efforts with the three COP 15 targets that we believe are most relevant and impactful to our activities.

Our targets for alignment with the objectives of the Convention on Biological Diversity

Target 8 Minimize the Impacts of Climate Change on Biodiversity and Build Resilience	Target 14 Integrate Biodiversity in Decision-Making at Every Level	Target 15 Businesses Assess, Disclose and Reduce Biodiversity-Related Risks and Negative Impacts
We have implemented measures within our organization to reduce carbon emissions at the level of our portfolio in order to limit climate change and thus contribute to the preservation of biodiversity.	An assessment of biodiversity risks and negative impacts is integrated into our investment decisions through a structured approach that is applied throughout the investment lifecycle.	We identify and assess risks (i.e. dependencies) and negative impacts related to biodiversity for all our portfolio companies, and we publish a portfolio-wide analysis on an annual basis.

Further information is provided below on the objectives of the three COP 15 targets to which we are committed to making a significant contribution. We have also provided an overview of the measures that are in place within our organization in relation to these three targets.

Target 8 – Minimize the Impacts of Climate Change on Biodiversity and Build Resilience

Climate change is one of the main direct drivers of biodiversity loss. In addition to climate change, rising atmospheric carbon dioxide concentrations also result in ocean acidification. Target 8 focuses in particular on the reduction of greenhouse gas (GHG) emissions with the objective of minimizing the impacts of climate change and ocean acidification on biodiversity. The measures we have put in place within LGT Private Debt in relation to Target 8 are described in detail in the section about our strategy for alignment with the objectives of the Paris Agreement for limiting global warming (Section F of this report). A summary of these measures is presented below:

Measures in place in relation to Target 8 for minimizing the impacts of climate change on biodiversity

- ✓ Ongoing monitoring of our net zero strategy
- ✓ Free metric unit of measurement
- ✓ Exclusion of companies active in the fossil fuel sector and/or engaged in activities that have a relatively high impact on climate change
- ✓ Carbon footprint assessment of each investment opportunity
- ✓ SLLs / ESG margin ratchets linked to implementation of a decarbonization plan
- ✓ Introduction of decarbonization plan reporting obligation
- ✓ Engagement with our portfolio companies for reducing GHG emissions and limiting the impacts of climate change

Target 14 – Integrate Biodiversity in Decision-Making at Every Level

The Convention on Biological Diversity calls upon businesses to integrate, as far as possible and as appropriate, the conservation and sustainable use of biological diversity in their decision-making. As many (if not most) activities rely on biodiversity and have an impact on biodiversity, implementing this target is critical

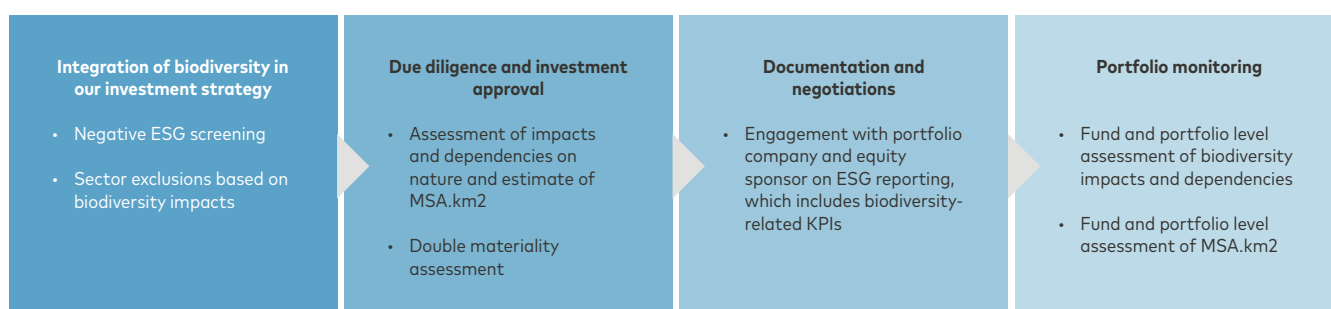
for achieving the objectives of the Convention on Biological Diversity. The aim of this target is to ensure that the values of biodiversity are fully reflected or mainstreamed in all relevant decision-making frameworks so that it is given due attention in decision-making, leading to the alignment of all activities and financial flows with the goals and targets of the framework. Within LGT Private Debt, we have developed a set of measures that is fully integrated into our investment due diligence process and the investment decision-making process, as well as the portfolio companies' monitoring process. We strongly believe that these measures, which are explained in further detailed below, enable us to contribute significantly to meeting the objectives of Target 14 of the Convention on Biological Diversity.

Investment process

Across all our investment processes, we apply a comprehensive Exclusion List that excludes any activities that negatively impact biodiversity, such as deforestation to produce palm oil or wood pulp, or companies that are involved in any non-sustainable economic activities to develop their business. Further, we have benchmark exclusions that are aligned with the Paris Agreement and are set out in Article 12(1)(a) – (g) of Commission Delegated Regulation (EU) 2020/2018.

We incorporate the assessment of biodiversity dependencies and negative impacts into investment decisions with the help of the third-party analysis tool Altitude from AXA Climate. In the case of each prospective investment, we examine the company's direct and indirect activities and rate the materiality of its biodiversity profile and potential negative impacts of its activities on biodiversity. We incorporate the industry metric MSA.km2 by estimating it at company level and, alongside qualitative analysis, we score the company based on its (i) dependency on ecosystem services, (ii) negative impacts on biodiversity, (iii) proximity or impact on areas of interest for biodiversity, and (iv) potential to threaten species that are referenced in the Altitude platform outputs.

Integration of biodiversity in our investment strategy

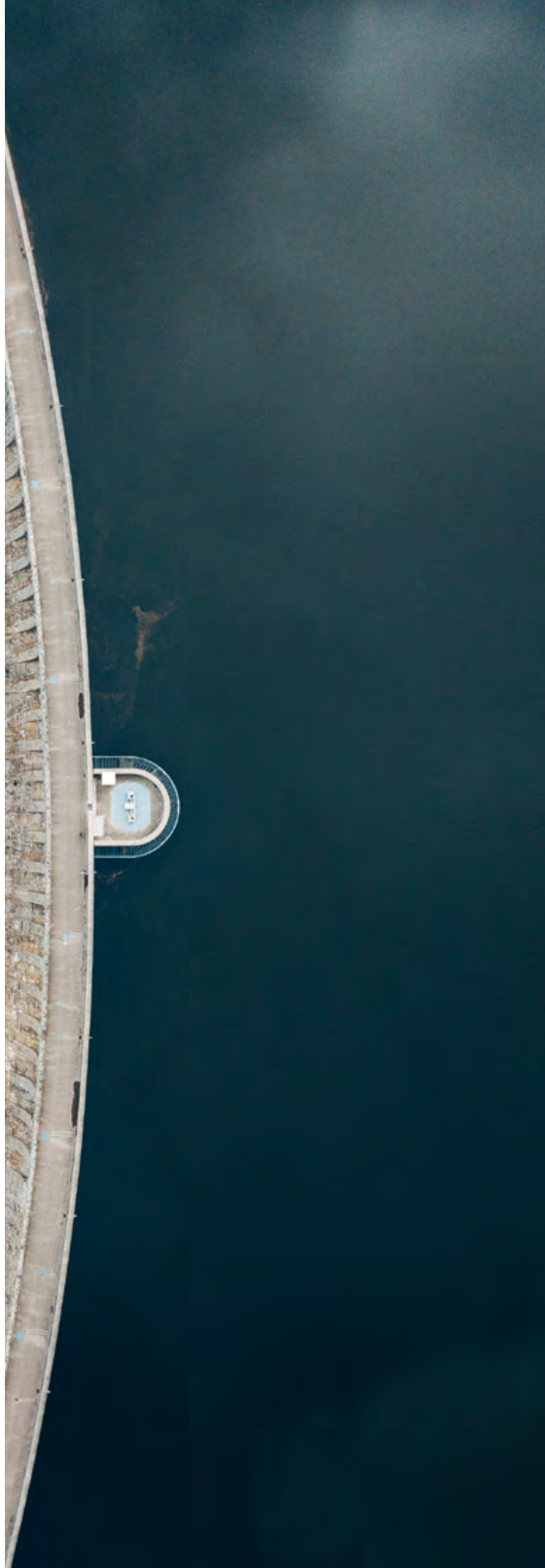


If any potential investee company is deemed to have material or potential biodiversity-related issues in its operational activities, including indirectly via its supply chain, we will not pursue the investment. If the Investment team identifies minor risks or impacts and believes that strong mitigating actions are being taken by the management team or the majority shareholder, they can propose that the opportunity be pursued.

Post-investment (during the holding period)

- **Monitoring:** throughout the holding period, we monitor whether our portfolio companies have an impact on biodiversity. This includes reviewing data obtained through our annual ESG survey, which incorporates specific biodiversity-related questions to help us assess their alignment with the PAIs under SFDR.¹ These include asking management teams to confirm whether any potential operations would be conducted near biodiversity-sensitive areas, and if so, which assessments have been conducted and which mitigation measures are in place. The Investment team additionally completes an annual re-assessment of the biodiversity profile through the Altitude platform and use these outputs to complete an annual review of biodiversity materiality mapping with the ESG Scorecard.
- **Engagement:** if there is any concern about potential issues identified by the Investment team, they are immediately discussed with the management team, and if applicable, with shareholders, to ensure the issues are known and actively addressed. We engage in a continuous dialogue with portfolio companies and their majority shareholders to support plans and measures for alignment with long-term biodiversity objectives. If applicable, we are open to discussing potential incentivization through our debt facilities.

¹ This primarily includes the following SFDR PAIs: Activities negatively affecting biodiversity-sensitive areas (PAI 7), Emissions to water (PAI 8) and Hazardous waste and radioactive waste ratio (PAI 9)



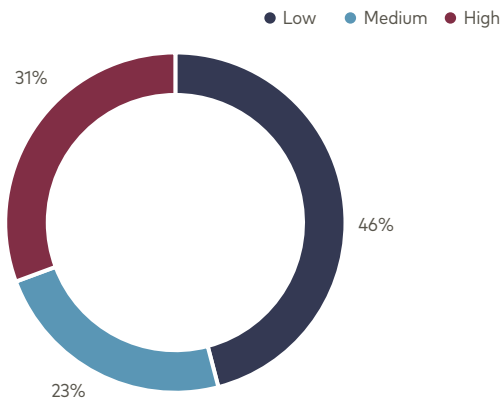
Target 15 – Businesses Assess, Disclose and Reduce Biodiversity-Related Risks and Negative Impacts

Many businesses have – to a different degree depending on the nature of their activities – negative impacts on biodiversity. To preserve biodiversity over the long term, businesses must progressively reduce their negative impacts on biodiversity and adopt more sustainable patterns of production. To achieve this, businesses are encouraged to identify, assess and monitor their impacts on biodiversity – including through their supply and distribution chains – as far as possible. In addition, all businesses are dependent on biodiversity to some extent. By assessing and monitoring their dependencies on

biodiversity, businesses can better understand their relationship with biodiversity and assess the risks posed by biodiversity loss to their own operations and supply chains.

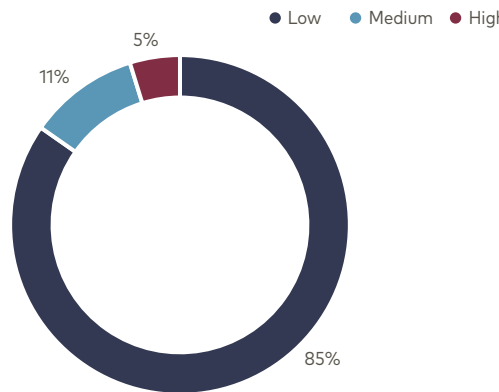
We consider it important to continuously assess: i) the negative impacts of the activities of our portfolio companies on biodiversity, and ii) the biodiversity risks (dependencies) to which our portfolio companies are exposed. Each year, we perform a quantitative analysis for each of our portfolio companies that we consolidate at overall portfolio level. The details of the consolidated analysis that we carried out for 2024 are shown below:

Dependencies



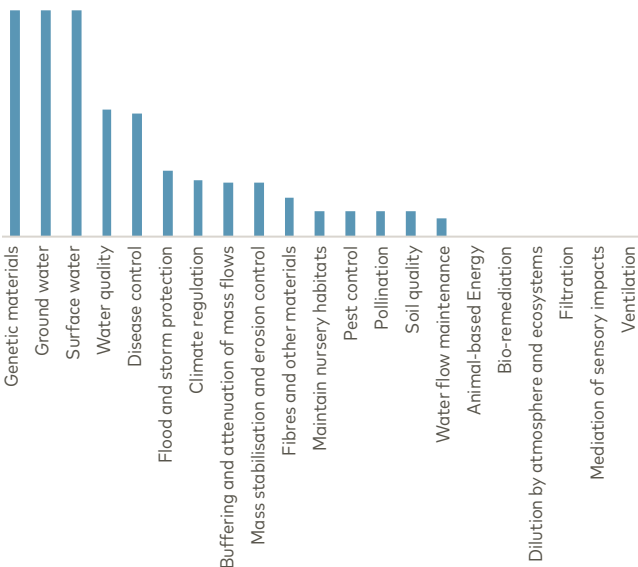
46% of our portfolio has a low dependency on ecosystem services. Material dependencies are mainly related to ground and surface water as well as genetic materials.

Impacts

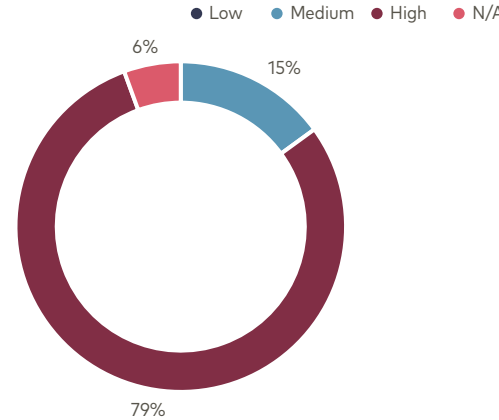


85% of our portfolio has a low impact on nature. However, 79% of our portfolio companies are at high risk due to their proximity to areas of interest for biodiversity, and 82% are at high risk due to their proximity to threatened species

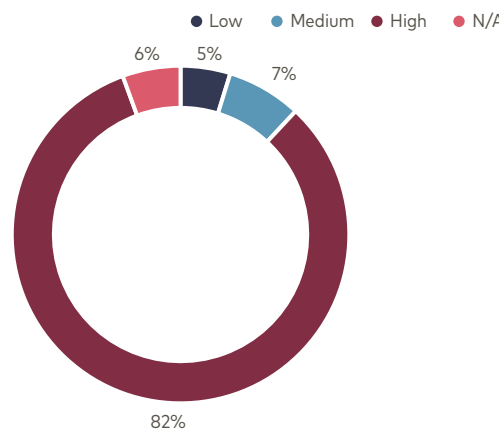
Medium and high dependency exposure (invested capital)



Proximity to areas of interest for biodiversity



Proximity to threatened species



2 Analysis of contribution to the reduction of the main pressures and impacts on biodiversity

In 2019, the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES) identified the five main drivers of the direct pressures responsible for biodiversity decline:

- ✓ Changes in land and sea use
- ✓ Direct exploitation of organisms and resources
- ✓ Climate change
- ✓ Pollutions
- ✓ Invasive species

Identifying the pressures responsible for biodiversity decline for a specific investment opportunity is part of the wider assessment of biodiversity impacts carried out by the Investment team during the investment due diligence process and the investment decision-making process referred to above. The identification and assessment of such pressures is based primarily on:

- Information and documents provided by the company;
- Any assessments carried out by the existing or future majority shareholder;
- Any specific ESG due diligence that Investment team may mandate a dedicated advisory firm to carry out;
- Information provided in **Altitude**

Efforts to identify and assess the pressures responsible for the biodiversity decline of an investment opportunity have two main objectives:

- To determine which measures (if any) are in place within potential portfolio companies to address the pressures that their activities may have on biodiversity; and
- To exclude investment opportunities where we believe the pressures responsible for biodiversity decline are too high and for which no adequate mitigation measures or plans are in place.

Post-investment and throughout the holding period, we assess the extent to which our portfolio companies help to reduce the main pressures driving the decline in biodiversity as a result of their activities. In particular, this includes:

- Analyzing data related to the impacts on biodiversity reported in the annual ESG questionnaire completed by our portfolio companies; and
- Dialogue with the management of our portfolio companies and their respective shareholders, especially on the implementation and effectiveness of measures taken by the portfolio company to reduce the pressures responsible for biodiversity decline.

The assessments that we perform each year may enable us to engage more actively with portfolio companies and to foster the implementation of more decisive measures for portfolio companies to reduce any pressures responsible for biodiversity decline resulting from their activities.

3 Reference to the use of a biodiversity footprint indicator

The biodiversity footprint indicator that we use is provided by Altitude, a science-based and data-driven "software as a service" (SaaS) solution developed by AXA Climate. Altitude follows the Global Biodiversity Score assessment methodology developed by CDC Biodiversité and enables us to evaluate the footprint (i.e. static and dynamic impacts) of companies and investments on biodiversity. The results of assessments are expressed in MSA.km2, where "MSA" stands for the Mean Species Abundance. This metric is recognized by the IPBES when assessing the integrity of ecosystems by measuring the abundance of species at a local point: an impact of 1 MSA.km2 is equivalent to the total destruction of 1 km2 of intact ecosystem.¹ The Altitude platform enables us to calculate the biodiversity footprint of investments depending on: i) the sector and sub-sector of a company, and ii) the country or countries where the company and its assets are located. As of today, Altitude does not enable users to identify variations in biodiversity footprint within a single country.

We currently use Altitude for:

- **Investment opportunities:** we calculate the biodiversity footprint of each investment opportunity by performing an assessment using the Altitude platform based on the geographical location of the company's main operational sites (i.e. headquarters, production sites / factories, warehouses, research centers, distribution centers), alongside headline information related to the company's activities, the sectors it operates within and its key financial data to help generate output focused on nature-related physical and transition risks.
- **Portfolio companies:** we calculate the biodiversity footprint of all the portfolio companies in which we have invested since the launch of our latest fund in 2021. Our objective for the near future is to run the analysis for all the companies in our portfolio. This would allow us to monitor the change from one year to the next and to potentially engage with portfolio companies and their majority shareholders about this topic. In addition, biodiversity footprints are aggregated, meaning that we can obtain an overall biodiversity footprint of our portfolio using MSA.km2. This allows us to see how our biodiversity footprint evolves at portfolio level or by sector, geography and other criteria.

¹ For further information on the Global Biodiversity Score methodology GBS and MSA, please refer to the following webpage: https://www.cdc-biodiversite.fr/wp-content/uploads/2023/07/20230717_STOXX600.pdf

Quantitative information related to the biodiversity footprint indicator:

	Terrestrial	Aquatic
Static impact	432.4	21.9
Dynamic impact	3	0.1
Free metric unit of measurement	MSA.km²	
Brief description of the metric	Mean Species Abundance (MSA) is a metric recognized by the IPBES to assess the integrity of ecosystems by measuring the abundance of species at a local point	
Share of assets under management covered by the biodiversity footprint indicator (in %)	49%	

The Altitude platform follows a multi-dimensional approach to estimating the biodiversity footprint. It covers two criteria: the nature of the impacts (terrestrial or aquatic) and their duration. The pressures covered for every sub-sector are:

Terrestrial ecosystems:

- Land use
- Encroachment
- Fragmentation
- Atmospheric nitrogen deposition
- Terrestrial ecotoxicity
- Climate change

Freshwater ecosystems:

- Hydrological disturbance due to climate change
- Hydrological disturbance due to direct water use
- Wetland conversion
- Land use in catchment of rivers
- Land use in catchment of wetlands
- Freshwater eutrophication
- Freshwater ecotoxicity

In addition, this platform covers the duration of the impacts, distinguishing between static impacts (all impacts occurring before the year of the evaluation) and dynamic impacts (impacts occurring during the year of evaluation).



Appendix of Section G – Definitions of the three objectives of the Convention on Biological Diversity

• Conservation of biological diversity

Biological diversity – or biodiversity – can be defined as the variability among living organisms from all sources, including terrestrial, marine and other aquatic ecosystems, and the ecological complexes of which they are part. This includes variations in genetic, phenotypic, phylogenetic and functional attributes, as well as changes in abundance and distribution over time and space within and among species, biological communities and ecosystems. The conservation of biodiversity refers to the management of human interactions with genes, species and ecosystems to provide the maximum benefit to the present generation while maintaining their potential to meet the needs and aspirations of future generations; this encompasses elements of preserving, studying and using biodiversity.

- <https://www.ipbes.net/glossary/biodiversity>
- https://www.ipbes.net/glossary-definitions?search_api_fulltext=Biodiversity+conservation&field_deliverable=

• Sustainable use of components of biological diversity

The sustainable use of components of biological diversity has been defined by the Convention on Biological Diversity since 1992 as the use of components of biological diversity in a way and at a rate that does not lead to the long-term decline of biological diversity, thereby maintaining its potential to meet the needs and aspirations of present and future generations.

As the human population increases, so does the pressure on ecosystems, since we draw ever more resources from them. Our ecological footprint on the planet is unsustainable and will become insupportable unless we change our consumption patterns and our behavior in general. In the past, humans have adapted to changing conditions by increasing productivity, but we have now reached the limits of the earth's capacity. Today, our only option is to manage productivity and resources in a sustainable manner, reducing waste wherever possible, using the principles of adaptive management, and considering traditional knowledge that contributes to the maintenance of ecosystem services. Within the Convention on Biological Diversity, sustainable use principles are

applied to the sectors that most affect biodiversity, such as agriculture, forestry, fisheries, tourism and water management. In 2004, the Convention on Biological Diversity Parties adopted the Addis Ababa Principles and Guidelines for the Sustainable Use of Biodiversity, a set of 14 principles that apply to all activities and areas. In 2010, these principles were reaffirmed and their implementation assessed through an in-depth review. By adopting the Convention on Biological Diversity, governments commit themselves to integrate conservation and sustainable use into their policies at the national level. Biodiversity loss needs to be minimized and local populations require help in restoring degraded areas to support the start of a new era of environmentally-sound economic development.

- <https://www.ipbes.net/fr/taxonomy/term/25451>
- <https://www.cbd.int/undb/media/factsheets/undb-factsheet-sustainable-en.pdf>

• Fair and equitable sharing of benefits arising out of the use of genetic resources

The Nagoya Protocol on Access to Genetic Resources and the Fair and Equitable Sharing of Benefits Arising from their Utilization (ABS) is a supplementary agreement to the 1992 Convention on Biological Diversity. It provides a transparent legal framework for the effective implementation of the fair and equitable sharing of benefits arising out of the utilization of genetic resources, thereby contributing to the conservation and sustainable use of biodiversity. The Nagoya Protocol aims to create greater legal certainty and transparency for both providers and users of genetic resources by establishing more predictable conditions for access to genetic resources and helping to ensure benefit-sharing when genetic resources leave the country providing the genetic resources. The Nagoya Protocol on ABS was adopted on 29 October 2010 in Nagoya, Japan, and entered into force on 12 October 2014.

- https://www.ipbes.net/glossary-definitions?search_api_fulltext=fair+and+equitable+sharing+of+benefits+arising+out+of+the+use+of+genetic+resources&field_deliverable=

Appendix of Section G – The five main drivers of direct pressures responsible for biodiversity

1. **Changes in land and sea use** (la destruction et l'artificialisation des milieux naturels)

The biggest driver of biodiversity loss is how people use the land and sea. This includes the conversion of land cover types such as forests, wetlands and other natural habitats for agricultural and urban uses. Since 1990, around 420 million hectares of forest have been lost through conversion to other land uses. Agricultural expansion continues to be the main driver of deforestation, forest degradation and forest biodiversity loss. The global food system is the primary driver of biodiversity loss, with agriculture alone being the identified threat to more than 85% of the 28,000 species at risk of extinction. Extracting materials such as minerals from the ocean floor and building towns and cities are actions that also impact the natural environment and biodiversity. Reconsidering the way people grow and consume food is one way of reducing the pressure on ecosystems. Degraded and disused farmland can be ideal areas for restoration; this in turn can help to protect and restore critical ecosystems, such as forests, peatlands and wetlands.

2. **Direct exploitation of natural resources** (la surexploitation des ressources naturelles et le trafic illégal)

The recent IPBES report on the sustainable use of wild species reveals that the unsustainable use of plants and animals is not just threatening the survival of one million species around the world but is also putting at risk the livelihoods of billions of people who rely on wild species for food, fuel and income. According to scientists, halting and reversing the degradation of land and oceans can prevent the loss of one million endangered species. In addition, restoring only 15% of ecosystems in priority areas can improve habitats, with the rate of extinction being cut by 60% by improving habitats. Negotiations at COP15 focused on protecting plants, animals and microbes whose genetic material is the foundation for life-saving medicines and other products. This issue is known as "access and benefits sharing" and is governed by the Nagoya Protocol. Delegates at COP15 looked at how marginalized communities, including Indigenous Peoples, can benefit from a subsistence economy – a system based on provisioning and regulating services of ecosystems for basic needs. Through their spiritual connection to the land, Indigenous Peoples play a vital protective role as guardians of biodiversity.

3. **Climate change** (le changement climatique global)

Since 1980, GHG emissions have doubled, raising average global temperatures by at least 0.7 degrees Celsius. Global warming is already affecting species and ecosystems around the world, particularly the most

vulnerable ecosystems such as coral reefs, mountains and polar ecosystems. There are indications that climate change-induced temperature increases may threaten as many as one in six species at the global level. Ecosystems such as forests, peatlands and wetlands represent globally significant carbon stores. Their conservation, restoration and sustainability are critical to achieving the targets of the Paris Agreement. By working with nature, emissions can be reduced by up to 11.7 gigatons of carbon dioxide equivalents per year by 2030, over 40% of what is needed to limit global warming.

4. **Pollution** (les pollutions des océans, eaux douces, sol et air)

Pollution, including chemicals and waste, is a major driver of changes in biodiversity and ecosystems, with especially devastating direct effects on freshwater and marine habitats. Plant and insect populations are dwindling because of the persistent usage of toxic, non-selective insecticides. Marine plastic pollution has increased tenfold since 1980, affecting at least 267 animal species, including 86% of marine turtles, 44% of seabirds and 43% of marine mammals. Air and soil pollution is also on the rise. Globally, nitrogen deposition in the atmosphere is one of the most serious threats to the integrity of global biodiversity. When nitrogen is deposited on terrestrial ecosystems, a cascade of effects can occur, often resulting in an overall decline in biodiversity. Reducing air and water pollution and safely managing chemicals and waste are crucial to addressing the nature crisis.

5. **Invasive species** (l'introduction d'espèces exotiques envahissantes)

Invasive alien species are animals, plants, fungi and microorganisms that have entered and established themselves in the environment outside their natural habitat. Invasive alien species have devastating impacts on native plant and animal life, causing the decline or even extinction of native species and negatively affecting ecosystems. The global economy, with the increased movement of goods and travel, has facilitated the introduction of alien species over long distances and beyond natural boundaries. The negative effects of these species on biodiversity can be intensified by climate change, habitat destruction and pollution. Invasive alien species have contributed to around 40% of all animal extinctions since the 17th century where the cause is known. Meanwhile, it is estimated that environmental losses from pests introduced in Australia, Brazil, India, South Africa, the UK and the US will reach over USD 100 billion per year. The threat from invasive alien species is a global issue that requires international cooperation and action. Preventing the international movement of these species and ensuring rapid detection at borders is less costly than subsequent control and eradication measures.

Source:

<https://www.unep.org/news-and-stories/story/five-drivers-nature-crisis> (EN)

<https://www.unep.org/fr/actualites-et-recits/recit/les-5-principaux-facteurs-qui-alimentent-la-crise-de-la-nature> (FR)

<https://biodiversite.gouv.fr/les-5-pressions-responsables-de-leffondrement-de-la-biodiversite> (FR)



SECTION H – Approach to taking ESG criteria into account in risk management

1 Process for identifying, assessing, prioritizing and managing risks related to the consideration of ESG criteria

The identification and assessment of ESG risks is an essential part of the investment due diligence we conduct when analyzing investment opportunities. As stated in Section A of this report, ESG criteria are fully integrated into our investment decision-making process.

Further, the management of ESG risks is an integral part of our portfolio monitoring process that is applied across all the portfolios of the funds we manage. In this context, ESG risks are managed at two levels: i) at the level of each individual asset, and ii) at fund level.

ESG risk management at individual asset level

The Investment team is primarily responsible for monitoring all relevant ESG risks to which a portfolio company is exposed throughout the holding period. Those risks comprise existing risks from the date of investment and any new ESG risks arising from that date until the ultimate realization date.

At individual portfolio company level, ESG risks are monitored as part of the wider portfolio monitoring process, whereby the Investment team ensures that i) the portfolio company is operating in a manner that is consistent with its short-term objectives, ii) the short-term objectives of the portfolio company are consistent with its long-term strategy, and iii) the risks – including ESG risks – to which the portfolio company is exposed are adequately mitigated.

In operational terms, the Investment team carries out regular analysis (e.g. on markets trends, strategic positioning, management and operations) and reviews all the reports submitted to them by the portfolio company (e.g. financial statements, budgets, commercial initiatives and HR policies). This analysis is complemented by frequent exchanges with the management team and the majority shareholder of the portfolio companies. When performing analysis and reviews and engaging in dialogue with the portfolio company, the Investment team systematically seeks to i) identify ESG events that can potentially directly or indirectly affect a portfolio company, and ii) assess the extent to which such ESG events – if they materialize – would negatively impact the operations of the portfolio company and its financial performance. In addition, we send all our portfolio companies an annual ESG questionnaire, which includes questions related to the ESG risks. The review of the completed ESG questionnaires received from our portfolio companies helps us to identify emerging ESG risks and to monitor existing ESG risks. Finally, specific tools have been implemented to further support the Investment team in identifying and monitoring ESG risks:

- **Rep-Risk:** Rep-Risk is an ongoing screening tool that generates alerts if the portfolio company were to become involved in ESG events that may have an impact on the portfolio company;
- **Altitude:** Altitude is a solution by AXA Climate that enables the Investment team to monitor the sustainability risks (climate physical risks, climate transition risks and biodiversity risks) of our portfolio companies. The Investment team generates reports sourced from Altitude on an annual basis, enabling them to identify any new sustainability risk that our portfolio companies may be exposed to.

The Investment team updates the ESG risks scorecard of each portfolio company on an annual basis.¹ The ESG risks scorecard consists of a list of 22 ESG risks that we consider as standard. These standard ESG risks are assessed for each of our portfolio companies and we perform both qualitative and quantitative assessments to estimate as accurately as possible the material ESG risks across all our assets (where materiality is assessed in terms of the likelihood of occurrence and quantitative impact). An overview of our standard 22 ESG risks is presented below:

LGT Private Debt standard ESG risks		
	Risk number	Risk name
Environmental risks	Risk 1	Extreme temperatures
	Risk 2	Drought
	Risk 3	Wildfire
	Risk 4	Flood
	Risk 5	Storms
	Risk 6	Landslide
	Risk 7	Shifts in weather patterns and temperatures
	Risk 8	Rising sea levels
	Risk 9	Water stress
	Risk 10	Shifts in consumer preferences
	Risk 11	Policy and regulatory Risks
	Risk 12	Obsolescence of existing technologies
	Risk 13	Provisioning
	Risk 14	Regulation and maintenance
	Risk 15	Pollution (air, water and soil)
Social risks	Risk 16	Abusive working practices
	Risk 17	Health and Safety
	Risk 18	Supply chain issues
Governance risks	Risk 19	Lack of diversity in governance bodies
	Risk 20	Corruption and bribery
	Risk 21	Data security
	Risk 22	Regulatory compliance

Note: the climate risks (i.e. risks 1 to 12) are assessed primarily by taking account analytics provided by Altitude – the climate change scenario used in Altitude is the SSP5-8.5 horizon 2050 scenario, which corresponds to a global warming scenario of 2.4°C by the horizon of 2041-2060.

ESG risk management at fund level

In accordance with the applicable requirements, we have implemented risk management measures at fund level that enable us to identify and manage all the relevant risks to which our funds are or may be exposed. These measures are described in our Risk Management Policy and associated procedures. A key principle of risk management at fund level is diversification, and we apply this principle across all of the funds we manage. This means that a specific significant risk to an individual asset does not constitute such a significant risk at fund level. At fund level, risks – including ESG risks – are monitored by our Risk Management Committee, which is chaired by the Head of the LGT Private Debt business.

Our Risk Management Committee meets on a quarterly basis. During this meeting, the members of the Risk Management Committee review the main risks to which the funds that we manage are exposed (e.g. market, liquidity, sustainability and counterparty risks), as well as their exposure to all other relevant risks (e.g. business, operational, liquidity and credit risks, which may be material for each individual fund that we manage).

When managing ESG risks at fund level, the objective is to assess whether a particular fund is over-exposed to one or several individual ESG risk(s). To perform this assessment, we consolidate the ESG risks scorecard of all our portfolio companies at the level of each of our funds (and also at the level of our entire portfolio) on an annual basis. The consolidated data enable us to: i) identify the material ESG risks to which our funds are exposed, and ii) measure the extent to which our funds are exposed to these risks. If the analysis indicates or leads to the conclusion that a fund is over-exposed to one or several individual material ESG risk(s), measures will be taken to reduce that exposure (e.g. the members of the Investment Committee will be informed that additional diversification is needed, the Investment team will be asked to work on mitigation measures at the level of the assets concerned and we may even decide to dispose of assets if we believe that the associated risks could jeopardize the fund and the interests of investors in the funds).

¹ ESG risks scorecards are updated for all the portfolio companies of our Article 8 and Article 9 funds (i.e. 23 portfolio companies out of 37 portfolio companies, representing 49% of total invested capital).

2 Description of the main ESG risks

As part of our annual ESG risks assessment, we have identified the material ESG risks to which our funds are exposed as well as the material ESG risks to which our entire portfolio is exposed. The findings from this assessment were presented to our Risk Management Committee in May 2025. The material ESG risks to which our entire portfolio is exposed are described below together with the level of exposure to these risks:

Material ESG risks identified (across our portfolio)	Exposure (in % of total capital invested) ¹	Description of the material ESG risks identified
Flood	11.9%	Risk that the portfolio company would be prevented from operating normally as a result of a sudden overflow of a large amount of water beyond its normal limits; this risk is particularly significant for companies located in flood-prone areas or those with operations near rivers.
Landslide	10.1%	Risk that the portfolio company would be prevented from operating normally as a result of the sudden and large movement of a mass of rocks, debris, earth and/or soil down a slope.
Storms	8.3%	Risk that the portfolio company would be prevented from operating normally as a result of a violent disturbance of the atmosphere with strong winds, usually accompanied by rain, thunder, lightning and/or snow.
Pollution (air, water and soil)	4.8%	Risk that the portfolio company would be prevented from operating normally as a result of the degradation of air, water or soil quality; this could affect working conditions and/or natural resources used in the operations of the portfolio company)

3 Indication of how often the risk management framework is reviewed

The purpose of our risk management framework is to identify and manage all the relevant risks to which our funds are or may be exposed. To ensure that our risk management framework remains adequate and effective over time, the framework is continuously reviewed and amended in accordance with the latest regulatory requirements and guidance and latest market best practices. The arrangements in place in respect of our risk management framework are reviewed on an ongoing basis by the members of the Risk Management Committee. The Risk Management Committee is responsible for making sure that the risk management measures in place within LGT Private Debt are and remain adequate and effective, especially in respect of any recent activity conducted by the Firm and/or any new strategy employed by the funds we manage.

Any proposal to make a significant change to our risk management framework must be approved by the members of the governing body of the Firm prior to implementation. The Risk Management Policy is reviewed annually by our Compliance team, which ensures that any changes in the applicable regulatory

risk management obligations that apply to the Firm (as defined in Articles 38 to 45 of AIFM regulation (UE) n. 231/2013 and Articles 318-38 to 318-43 of the AMF general regulation) as well as any new regulatory obligations are reflected in the Risk Management Policy and integrated into our operations.

Our risk management measures are checked periodically by the Firm's Compliance team in accordance with the Compliance Testing Plan. In addition, the Internal Audit team of LGT Capital Partners – our third line of defense – conducts reviews of our risk management measures periodically in accordance with the Internal Audit Plan.

4 Action plan to reduce the Firm's exposure to the principal ESG risks

Based on our latest analysis of our exposure to ESG risks, which was presented at the Risk Management Committee in May 2025, we have decided to: i) closely monitor our exposure to the risks of flooding, landslides, storms and pollution; ii) actively engage with portfolio companies that are particularly exposed to these risks; and iii) support such portfolio companies in mitigating these ESG risks.

5 Quantitative estimate of the financial impact of the main ESG risks identified

Our current process for managing ESG risks enables us to assess with reasonable confidence the extent to which our portfolio companies are exposed to ESG risks and to assess the concentration of those risks within our funds and at overall portfolio level.²

The valuation of our portfolio companies – and the subsequent valuation of our investments in those portfolio companies – encompasses all aspects of our portfolio companies' financial and operational performance, and all the risks (including ESG risks) that may affect their operations. The financial performance of our portfolio companies is considered when valuing our investments. As a result, the valuation of our investments inherently reflects the material ESG risks to which our portfolio companies are exposed, although such material ESG risks are not individually quantified.

6 Indication of changes in methodological choices and results

In 2024, we developed and implemented our ESG risks scorecard, which now enables us to identify – from a list of 22 ESG risks that we consider as standard – the ESG risks to which our portfolio companies are exposed. We then consolidate the data at fund level and at overall portfolio level.

¹ ESG risks scorecards are consolidated for all the portfolio companies of our Article 8 and Article 9 funds (i.e. 23 portfolio companies out of 37 portfolio companies, representing 49% of total invested capital).

² Our ESG risks assessment covers as of today, all the portfolio companies of our Article 8 and Article 9 funds (i.e. 23 portfolio companies out of 37 portfolio companies, representing 49% of total invested capital).

SECTION I – List of financial products pursuant to Article 8 and Article 9 of SFDR

As of 31 December 2024, LGT Private Debt (France) S.A.S. manages six funds classified as Article 8 funds under SFDR and two funds classified as Article 9 funds under SFDR.

Article 8 funds

Third generation of private debt funds (6 vehicles):

- Crown European Private Debt III S.C.Sp.
- Crown European Private Debt III (Lev) S.C.Sp.
- Crown European Private Debt III (Senior) S.C.Sp.
- Crown European Private Debt III Feeder S.A. SICAV-RAIF – Sub-Fund I
- Crown European Private Debt III B S.C.Sp.
- Crown European Private Debt III USD Feeder S.C.Sp.

Article 9 funds

First generation of private debt Impact fund (2 vehicles):

- Crown Impact Private Debt S.C.Sp.
- Crown impact Private Debt Feeder S.A. SICAV-RAIF

The share of assets under management for each fund category is detailed below:

Article 8 funds	
Number of funds	6
Share of assets under management (in %) (LGT Private Debt (France) only)	45%
Share of assets under management (in %) (the whole LGT Private Debt business)	38%

Article 9 funds	
Number of funds	2
Share of assets under management (in %) (LGT Private Debt (France) only)	2%
Share of assets under management (in %) (the whole LGT Private Debt business)	2%

SECTION J – Summary of the principal adverse impacts of the Firm's investment decisions on sustainability factors

1 Consideration of principal adverse impacts

LGT Private Debt (France) S.A.S.

(LEI: 549300GLON6NCPMZSN90) considers the principal adverse impacts of its investment decisions on sustainability factors. This statement constitutes the consolidated statement on principal adverse impacts on sustainability factors of LGT Private Debt (France) S.A.S. and of the LGT Private Debt business as a whole. This statement on principal adverse impacts on sustainability factors covers the reference period from 1 January 2024 to 31 December 2024.

2 Summary of the principal adverse impacts

In 2024, our coverage of PAI indicators remained high, with 97% of our portfolio companies (by number) (100% if we consider financial exposure) responding to our annual ESG questionnaire.

In 2024, we have noticed an increase in the proportion of companies that estimate their carbon emissions. While this has not led to an increase in the proportion of companies that are considering developing a decarbonization plan that is aligned with the Paris Agreement, our engagement on this topic should mean that more decarbonization plans are implemented in the future, as we are strengthening incentives for our portfolio companies to implement a decarbonization plan through the negotiation of sustainability-linked loans (SLLs) with them.

In addition, we are witnessing an increase in the number of our portfolio companies whose corporate sustainability is reviewed at least once annually during meetings of their Executive Committee or Board of Directors. We believe that this explains the consistently high number of companies that have an environmental policy and the absence of major ESG incidents in the portfolio, while the share of non-renewable energy consumption and production as well as emissions to water has decreased during the year.

SECTION K – Principal adverse impacts of investment decisions on sustainability factors and historical comparison

Information on the indicators on the principal adverse impacts of investment decisions on sustainability factors (art. 6 1. of RTS 2022/1288)	2024	2023	Explanations	Actions taken, and actions planned and targets set for the next reference period
Climate and other environment-related indicators				
Greenhouse gas emissions				
GHG emissions 1. a) Scope 1 GHG emissions (Emissions de GES de niveau 1 en tonnes d'équivalents CO2)	15,837	16,961	We have noticed a decrease in both total company emissions and financed emissions mainly driven by (i) exit of investments that had carbon-intensive activities as well as (ii) carbon intensity reduction of existing portfolio. Data collected from our portfolio companies represents: 63% of total emissions. Our total emissions are calculated based on a mix of data from portfolio companies data and estimates based on sectorial approach	All investments from our latest fund, and all funds going forward, have a contractual obligation to report their emissions. Older investments do not have such contractual obligation. The % increase in portfolio companies reporting their emissions reflects the joint efforts of LGT Private Debt and our portfolio companies to enhance reporting, alongside portfolio dynamics as older investments (without obligations) are replaced by newer investments. We expect that all companies will report this data in the next few years.
GHG emissions 1. b) Scope 2 GHG emissions (Emissions de GES de niveau 2 en tonnes d'équivalents CO2)	5,052	7,733		
GHG emissions 1. c) Scope 3 GHG emissions (Emissions de GES de niveau 3 en tonnes d'équivalents CO2)	241,977	281,551		
Carbon footprint 2. Carbon footprint (Empreinte carbone en tonnes d'équivalents CO2 par millions d'euros investis)	130.55	128.7	We notice a slight increase in carbon intensity per million EUR invested mainly driven by level of financial exposure which has remained high compared to the level of emission decrease Data collected from our portfolio companies represent: 63% of total emissions	Please refer to our above comment on GHG emissions.
GHG intensity of investee companies 3. GHG intensity of investee companies (Intensité de GES des sociétés bénéficiaires des investissements)	183.11	189.8		We typically look to invest in companies with relatively lower GHG profiles vs. the wider economy (compared to leading market indices).
Exposure to companies active in the fossil fuel sector 4. Share of investments in companies active in the fossil fuel sector (Part d'investissement dans des sociétés actives dans le secteur des combustibles fossiles (en %))	0%	0%	Share of portfolio companies screened : 100%	We do not invest directly in the fossil fuel sector or businesses with material operations affiliated to the extraction of fossil fuels. Our firm excludes this sector from its investment universe.
Share of non-renewable energy consumption 5. a) Share of non-renewable energy consumption of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage of total energy sources (Part de la consommation d'énergie des sociétés bénéficiaires d'investissement qui provient de sources d'énergie non renouvelables, par rapport à celle provenant de sources d'énergie renouvelables, exprimée en pourcentage du total des sources d'énergie (en %))	61.6%	79%	Data collected from our portfolio companies – collection rate: 100%.	We support shareholder or management decisions related to the reduction of consumption of energy from non-renewable energy sources.
Share of non-renewable energy production 5. b) Share of non-renewable energy production of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage of total energy sources (Part de la production d'énergie des sociétés bénéficiaires d'investissement qui provient de sources d'énergie non renouvelables, par rapport à celle provenant de sources d'énergie renouvelables, exprimée en pourcentage du total des sources d'énergie (en %))	57.5%	95%	Data collected from our portfolio companies – collection rate: 100%.	We support shareholder or management decisions related to the reduction of the production of energy from non-renewable energy sources.
Energy consumption intensity per high impact climate sector 6. Energy consumption in GWh per million EUR of revenue of investee companies – total of the high impact climate sectors (Consommation d'énergie en GWh par million d'euros de chiffre d'affaires des sociétés bénéficiaires d'investissements – total des secteurs à fort impact climatique)	0.48	1.37	Relatively limited coverage given that only 32% of the portfolio companies fall under the definition of operating in a high impact climate sector. Data collected from our portfolio companies – collection rate: 32%.	We typically look to invest in companies in low impact climate sectors. The number of companies considered as operating in high impact climate sectors has decreased by -15% year on year.
- Energy consumption in GWh per million EUR of revenue of investee companies for Sector NACE A	No exposure	No exposure	n/a	We have no investments in this sector of activity.
- Energy consumption in GWh per million EUR of revenue of investee companies for Sector NACE B	No exposure	No exposure	n/a	We have no investments in this sector of activity.
- Energy consumption in GWh per million EUR of revenue of investee companies for Sector NACE C	0.47	1.36	Relatively limited coverage given that only 24% of the portfolio companies fall under the definition of operating in a high impact climate sector NACE C.	Please see our above comment on Section 6.
- Energy consumption in GWh per million EUR of revenue of investee companies for Sector NACE D	No exposure	No exposure	n/a	We have no investments in this sector of activity.
- Energy consumption in GWh per million EUR of revenue of investee companies for Sector NACE E	No exposure	No exposure	n/a	We have no investments in this sector of activity.
- Energy consumption in GWh per million EUR of revenue of investee companies for Sector NACE F	No exposure	No exposure	n/a	We have no investments in this sector of activity.
- Energy consumption in GWh per million EUR of revenue of investee companies for Sector NACE G	0.01	0.01	Relatively limited coverage given that only 4% of the portfolio companies fall under the definition of operating in a high impact climate sector NACE G	Please see our above comment on Section 6.
- Energy consumption in GWh per million EUR of revenue of investee companies for Sector NACE H	No exposure	No exposure	n/a	We have no investments in this sector of activity.
- Energy consumption in GWh per million EUR of revenue of investee companies for Sector NACE L	0.00	0.00	Relatively limited coverage given that only 4% of the portfolio companies fall under the definition of operating in a high impact climate sector NACE L	Please see our above comment on Section 6.

Information on the indicators on the principal adverse impacts of investment decisions on sustainability factors (art. 6 1. of RTS 2022/1288)	2024	2023	Explanations	Actions taken, and actions planned and targets set for the next reference period
Biodiversity				
Activities negatively affecting biodiversity-sensitive areas 7. Share of investments in investee companies with sites/operations located in or near to biodiversity-sensitive areas where activities of those investee companies negatively affect those areas (<i>Part des investissements effectués dans des sociétés ayant des sites/établissements situés dans ou à proximité de zones sensibles sur le plan de la biodiversité, si les activités de ces sociétés ont une incidence négative sur ces zones (exprimée en %)</i>)	0.0%	7.7%	None of our portfolio companies have reported that their activities result in biodiversity loss. Data collected from our portfolio companies - collection rate: 97%	We plan to engage with companies where we have identified a higher biodiversity risk through our third-party biodiversity risk data provider.
Water				
Emissions to water 8. Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average (<i>Tonnes de rejets dans l'eau provenant des sociétés bénéficiaires d'investissements, par million d'euros investi, en moyenne pondérée</i>)	0.02	0.00	Our exposure to companies rejecting emissions into water is very limited given the result and the coverage ratio. Data collected from our portfolio companies - collection rate: 97%	We do not plan to take specific actions on this PAI.
Waste				
Hazardous waste and radioactive waste ratio 9. Tonnes of hazardous waste and radioactive waste generated by investee companies per million EUR invested, expressed as a weighted average (<i>Tonnes de déchets dangereux et de déchets radioactifs produites par les sociétés bénéficiaires d'investissements, par million d'euros investi, en moyenne pondérée</i>)	12.46	7.8	Our exposure is mainly concentrated on waste generated by less than 5 companies. Data collected from our portfolio companies - collection rate: 97%	We do not plan to take specific actions on this PAI.
Indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters				
Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises 10. Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises (<i>Part d'investissement dans des sociétés qui ont participé à des violations des principes du Pacte mondial des Nations unies ou des principes directeurs de l'OCDE à l'intention des entreprises multinationales (exprimée en %)</i>)	0%	0%	Share of portfolio companies screened: 100%	Considering the coverage rate and number of companies associated with this indicator, our Firm has determined that no specific action needs be taken. Our assessment of the risk has been completed, with checks carried out on reputational risk through an independent third-party provider, RepRisk.
Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises 11. Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance/complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises (<i>Part d'investissement dans des sociétés qui n'ont pas de politique de contrôle du respect des UNGC principes ou des OECD Guidelines for Multinational Enterprises, ni de mécanismes de traitement des plaintes ou des différents permettant de remédier à de telles violations (exprimée en %)</i>)	61.1%	76.9%	We can notice a decrease in the number of portfolio companies which have not implemented such policies. Note that historical data has been updated. Data collected from our portfolio companies – collection rate: 97%	Evolution of performance for this PAI is positive; we do not plan to take specific actions on this PAI.
Unadjusted gender pay gap 12. Average unadjusted gender pay gap of investee companies (<i>Écart de rémunération moyen non corrigé entre les hommes et les femmes au sein des sociétés bénéficiaires des investissements (exprimé en montant monétaire converti en euros)</i>)	13.9%	15.6%	We believe the result reflects a small- to medium-size gender pay gap across our portfolio. Data collected from our portfolio companies – collection rate: 97%	We do not plan to take specific actions on this PAI.
Board gender diversity 13. Average ratio of female to male board members in investee companies, expressed as a percentage of all board members (<i>Ratio femmes/hommes moyen dans les organes de gouvernance des sociétés concernées, en pourcentage du nombre total de membres</i>)	13.8%	16.4%	Data collected from our portfolio companies – collection rate: 92%	We do not plan to take specific actions on this PAI.
Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapon) 14. Share of investments in investee companies involved in the manufacture or selling of controversial weapons (<i>Part d'investissement dans des sociétés qui participent à la fabrication ou à la vente d'armes controversées</i>)	0%	0%	Exclusion policy applied to 100% of our portfolio companies	Our firm excludes from the investment universe companies involved in the manufacture or selling of controversial weapons.

Additional climate and other environment-related indicator (art. 6 1. a) of RTS 2022/1288)	2024	2023	Explanations	Actions taken, and actions planned and targets set for the next reference period
Emissions				
Investments in companies without carbon emission reduction initiatives 4. Share of investments in investee companies without carbon emission reduction initiatives aimed at aligning with the Paris Agreement (<i>Part d'investissement dans des sociétés qui n'ont pas pris d'initiatives pour réduire leurs émissions de carbone aux fins du respect de l'accord de Paris (en %)</i>)	69.4%	35.9%	Data collected from our portfolio companies – collection rate: 97%	We will continue to engage with our portfolio companies to improve reporting but there is no contractual obligation for them to do so at this time. We believe that with the increasing proportion of our portfolio companies having such contractual obligations to perform carbon footprint assessment, the number of companies without carbon emission reduction initiatives will also decrease in the future.

Additional indicator for social and employee, respect for human rights, anti-corruption and anti-bribery matters (art. 6 1. b) of RTS 2022/1288)	2024	2023	Explanations	Actions taken, and actions planned and targets set for the next reference period
Social and employee matters				
Lack of a supplier code of conduct 4. Share of investments in investee companies without any supplier code of conduct (against unsafe working conditions, precarious work, child labour and forced labour) (<i>Part d'investissement dans des sociétés sans code de conduite pour les fournisseurs (lutte contre les conditions de travail dangereuses, le travail précaire, le travail des enfants et le travail forcé) exprimée en %</i>)	36.1%	25.6%	Data collected from our portfolio companies – collection rate: 97%	We do not plan to take specific actions on this PAI.

SECTION L – Description of policies to identify and prioritize principal adverse impacts of investment decisions on sustainability factors

1) Policies to identify and prioritize principal adverse impacts on sustainability factors

We have implemented processes to identify and prioritize PAIs during both the i) **investment due diligence phase**, and ii) **portfolio companies monitoring phase**.

- **Investment due diligence phase:** During the investment due diligence phase, we identify and assess PAIs of a given investment opportunity to meet the following objectives:
 - Exclude investment opportunities involving activities that are included on our Exclusion List. For example, we systematically reject investment opportunities related to companies active in the fossil fuel sector (**PAI 4**) or companies involved in the manufacture or sale of controversial weapons (**PAI 14**).
 - Assess the extent to which the investment opportunity is consistent with our strategy of alignment with the objectives of the Paris Agreement. For this purpose, and as part of our investment due diligence process, we seek to obtain the most accurate and reliable data in respect of the GHG emissions of the investment opportunity (**PAI 1, PAI 2 and PAI 3**).
 - Assess the extent to which the investment opportunity has or may have negative impacts on biodiversity (**PAI 7**).
 - Identify specific areas that may be a cause of concern (e.g. that are related to the climate/environment and/or social and employee, respect for human rights, anti-corruption and anti-bribery matters).
 - Obtain an overall assessment of the adverse sustainability impacts of the investment opportunity; this assessment is then integrated into the wider ESG assessment that is carried out in relation to the investment opportunity presented to our Investment Committee.

- **Portfolio company monitoring phase:** During the portfolio company monitoring phase, we identify and assess PAIs on an annual basis. We do so by sending ESG questionnaires to all of our portfolio companies. The data we obtain in respect of each individual portfolio company is then analyzed. Particular importance is assigned to the PAIs related to our Exclusion List, as well as to any other indicators where the results may be a cause of concern. In addition, the data we obtain for each portfolio company is included in our consolidated statement on PAIs on sustainability factors for wider analysis at the level of the entire portfolio. The data we obtained on GHG emissions enables us to assess the extent to which our strategy is aligned with the objectives of the Paris Agreement.

In the future, we will seek to establish dedicated formalized policies that describe the measures we have put in place within LGT Private Debt in relation to the identification and prioritization of PAIs on sustainability.

2) Availability of information relating to the indicators used

The Firm strives to obtain the most accurate and reliable data possible in order to assess the PAIs of its investment decisions on sustainability factors. As a general rule, the data we obtain is provided by the company identified as an investment opportunity/portfolio company. In some instances, however, a company may not have implemented tools for gathering and reporting the data we need for identification and assessment purposes in respect of the PAIs on sustainability factors. When data from the companies is not available, we generally rely on data based on sectorial proxies provided by ESG data providers, while still engaging with the company and encouraging it to put in place such tools. Finally, there may be instances in which data based on such sectorial proxies does not exist; in these instances, we would indicate that the data is not available.

SECTION M – Engagement policies

1) The Firm's engagement approach regarding principal adverse impacts on sustainability factors

As a significant debt investor in our portfolio companies, our engagement vis-à-vis our portfolio companies regarding PAIs on sustainability factors essentially consists of the three following activities:

1. We gather information on the indicators for the PAIs from each of our portfolio companies on an annual basis through our ESG campaign. Once the data has been obtained, we analyze how each of our portfolio companies has performed from one year to the next in terms of its respective indicators on the PAIs. We seek to understand any significant movement (upwards as well as downwards) with a particular emphasis on situations where a given portfolio company is underperforming significantly in respect of its PAI indicators.
2. Through ongoing dialogue with our portfolio companies and their respective majority shareholders, we seek to:
 - Improve the quality and accuracy of the data we obtain from our portfolio companies for the purpose of our ESG survey;
 - Promote the alignment of management compensation within our portfolio companies with the reduction objectives of PAIs;
 - Take measures and actions to support our portfolio companies in their objectives to reduce their PAIs on sustainability factors and, in particular, to adopt a low-carbon budget.
3. We monitor on an ongoing basis the ESG KPIs of portfolio companies for which we have implemented a margin ratchets mechanism.

2) Availability of information relating to the indicators used

The Firm strives to obtain the most accurate and reliable data possible in order to assess the PAIs of its investment decisions on sustainability factors. As a general rule, the data we obtain is provided by the company identified as an investment opportunity/portfolio company. In some instances, however, a company may not have implemented tools for gathering and reporting the data we need for identification and assessment purposes in respect of PAIs. When data from the companies is not available, we generally rely on data based on sectorial proxies provided by ESG data providers, while still engaging with the company and encouraging it to put in place such tools. Finally, there may be instances in which data based on such sectorial proxies does not exist; in these instances, we would indicate that the data is not available.



SECTION N – References to international standards

1) Adherence by the Firm to responsible business conduct codes and internationally recognized standards for due diligence and reporting

The Firm – and the LGT Private Debt business as a whole – adheres to the following **responsible business conduct codes and internationally recognized standards for due diligence and reporting** in particular:

- UN Principles for Responsible Investment (UN PRI)
- UN Guiding Principles for Business and Human Rights
- UN Global Compact principles
- OECD Guidelines for Multinational Enterprises
- International Labour Organization (ILO) Conventions.

2) Degree of the Firm's alignment with the objectives of the Paris Agreement

Our Firm is committed to achieving the goal of net zero GHG emissions by 2050, in line with global efforts to limit global warming to 1.5°C. A comprehensive description of our strategy and methodology for alignment with the objectives of the Paris Agreement is provided in Section F of this report.

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