OMNES

POLICY

Integration of sustainability risks

Update: October 2025

Summary

I. Summary

This document has been produced in accordance with Article 3 of the EU Regulation 2019/2088 on sustainability-related disclosure in the financial services sector under the Sustainable Finance Disclosure Regulation (SFDR) and aims to describe how sustainability risks are integrated into Omnes' investment processes and advisory activities ("Sustainability Risk Policy").

Sustainability risk refers to the occurrence of an ESG event or situation that could potentially or actually have a significant negative impact on the value of the investment in a fund.

Sustainability risks can either represent a risk as such or have an impact on other risks and thus contribute significantly to the risks already identified, such as market, operational, liquidity or counterparty risks.

Sustainability risks can have an impact on long-term investor returns. Sustainability risks are addressed in the following areas:

- **Environment:** issues related to physical and transition risks in the field of climate (air pollution, carbon intensity, greenhouse gas emissions, etc.), impact on habitat, use of resources (water, natural disasters, etc.) and biodiversity;
- **Social:** issues relating to the rights and welfare of people, human resources management within companies, etc.;
- **Governance (issuers):** issues relating to corporate strategy, shareholder value creation, corporate culture, balance of power, etc.

Assessing sustainability risks is inherently complex for two main reasons. First, it requires analyzing three distinct dimensions—environmental impact, social progress, and good governance—each with its own considerations. Second, the assessment must be based on consistent methodology but also tailored to each company's specific business sector and stage of maturity, as risks vary significantly across these factors.

Omnes relies mainly on audits and feedback from its portfolio companies. The risk of misinformation must therefore also be taken into account by the fund managers as part of ESG analyses.

Omnes is committed to following the regulatory timetable and progressively identifying and prioritising indicators as well as the calculation and monitoring methodologies of the main negative sustainability impacts.

The purpose of this Policy is to describe the integration of sustainability risks in the investment strategies of the funds under management.

Omnes has grouped sustainability risks under four main categories:

1. **Climate change and environmental risks**
    - Physical risks related to climate change
    - Transition risks related to climate change
    - Risk of litigation and/or liability related to environmental factors

2. **Biodiversity risks**

3. **Governance risks**
    - Reputational risks
    - Litigation and/or liability risks related to extra-financial factors
    - Risks related to shareholder disengagement
    - Risk of lack of constructive dialogue with companies

- Corruption and money laundering risks

4. **Social risks**
    - Risks related to changes in the organisation of human activities
    - Insurance risks
    - Medico-social risks

II. Climate change and environmental risks

Omnes identifies three types of climate and environmental risks:

- **Physical risks** resulting from damage directly caused by climatic and meteorological phenomena. These can be acute (due to natural events) or chronic (linked to rising temperatures, ocean acidification and long- term geographical changes such as sea level rise). These factors can be promoted by human activity and must therefore be limited.

- **Transition risks** related to the effects of implementing a low-carbon economic model: legal, regulatory and political developments, market opportunities, innovations and technological breakthroughs, customer and stakeholder perceptions of their potential impact.

- **Liability risks related to environmental factors** linked to the failure to take into account the risks generated by financing companies that would violate the environment and not respect their commitments in the long term. Omnes aims to invest in a range of European companies (mainly French). Omnes does not commit to investing in "clean" companies but is committed to supporting growth companies in their transition to an economy with a limited impact on the environment and more consideration for the human aspect.

Omnes incorporates sustainability risks and opportunities into its research, analysis and investment decision-making process in order to capture all potential long-term risks and generate sustainable returns for investors.

Initially, transition risks may affect investors; if the transition is not successful, investors would be affected by physical risks and liability risks (e.g. financed companies convicted of non-compliance with environmental rules (the crime of "ecocide")).

While these risks are difficult to quantify at this stage, Omnes wishes to anticipate them to prevent their occurrence, by applying the following measures:

- implementation of an exclusion policy targeting those sectors most likely to cause environmental and/or social damage;
- extension of ESG due diligence during the investment process to each portfolio company from 2021, with the definition of ESG action plans adapted to the companies financed. The companies financed by Omnes belong to all business sectors and have different levels of maturity. Omnes therefore defines a relevant and achievable action plan for each company to initiate or continue its green transition;
- creation of funds to finance the development of green energy and sustainable buildings.

III. Biodiversity risks

Biodiversity erosion has as much effect on ecosystems as global warming and increases the risk of the climatic hazards described in the physical risks occurring. Biodiversity erosion affects all business sectors (installation of new buildings/warehouses in greenfield sites, needs and consumption of raw materials, waste management, use of natural resources, transport and infrastructure, etc.).

Omnes assesses biodiversity risks in our infrastructure investments and follows the regulatory timetable to disclose the principal adverse impacts.

IV. Governance risks

- **Reputational risks**

Reputational risk is the impact that a negative event can have on an organisation's image.

A problem, whether it is related to the environment, working or safety conditions, or ethics, can have an impact on both the valuation of the assets held in our funds and the management company itself.

The most likely events that could result in reputational risk for the fund could be related to the failure to implement monitoring measures for the companies financed, potential corruption or money laundering & terrorist financing, non- sustainable social or societal practices and/or governance of any of the financed companies held in our funds.

- **Litigation and/or liability risks related to extra-financial factors**

The risk of litigation and/or liability arises from possible legal action for non-compliance with environmental and social regulations.

These risks could limit the financial profitability and long-term liquidity of the funds under management.

- **Risk of shareholder disengagement**

Omnes has formalised a voting policy for general meetings and exercises voting rights in all portfolio companies, whether or not they are listed[1].

The risk would come from the non-identification of resolutions requiring voting action (resolutions with a direct or indirect impact on the climate, the implementation of social measures (profit-sharing scheme, training program, etc.) and good governance (compensation, appointment of directors, audit, etc.).

- **Risk of lack of constructive dialogue with portfolio companies**

Omnes' organisation allows us to engage in constructive and active dialogue with the companies we finance, enabling us to better understand the development strategies their managers want to pursue.

The risk would be a failure to analyse and understand our partners.

- **Risks of corruption, money laundering & terrorist financing, abuse of corporate assets**

Corruption and money laundering are the facilitation, by any means, of the false justification of the origin of the assets or income of the perpetrator of a crime or offence that has generated a direct or indirect benefit for the perpetrator or the intended use of the profits derived from the investment.

Omnes has put in place a control and monitoring system for portfolio companies and investors in its funds aimed at reducing the occurrence of this risk when making investments. The risk, however, could be that the databases used are not properly configured or that

[1] For listed companies, the exercise of voting rights is mandatory as from a holding of at least 5% of the capital and/or voting rights. Below this threshold, the exercise of voting rights is possible but not mandatory.

malpractice is not detected in the companies financed.

The risk of sanctions against these companies for such actions would impact the profitability of the fund and the long-term liquidity of the portfolio company concerned.

V. Social risks

Social risks are the risks to which communities of individuals or even nations are exposed. These are the risks that may affect individuals and cause them to have significant adjustment needs or incur significant expenses that require collective support.

- **Risks related to changes in the organisation of human activities**

The policies to be implemented by the States and the compliance with the objectives by all the communities will require adjustments in our current way of life. These adjustments will concern means of transport, consumption patterns, waste reduction and management, training and awareness-raising needs.

These lifestyle changes will affect the professional and personal lives of communities.

- **Insurance risks**

The evolution of physical risks linked to climate change and the decrease in biodiversity will generate additional insurance costs (natural disasters, increase in sea level and its impact on the coastline, etc.).

- **Medico-social risks linked to climate change and adaptation needs**

All these upheavals (climate, pandemics, resulting organisational changes) may have an impact on human health (impacts related to remote working or the absence of remote working, sick leave, stress, etc.). Companies will have to anticipate these impacts in their human resources management policies and recruitment policies.