Responsible Investment Policy

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Regulatory Framework

Capagro is a French asset management company specializing in venture capital investments within the FoodTech and AgTech sectors. As a pioneer in sustainable investment across the agri-food value chain, Capagro partners with innovative companies that contribute to more resilient, resource-efficient, and sustainable food systems.

In line with its mission and regulatory obligations, Capagro's approach to responsible investment is guided by several legal and regulatory frameworks, including:

- **Article 29 of the French Energy and Climate Law ("Loi Énergie-Climat")** This article, further detailed in Article D533-16-1 of the French Monetary and Financial Code, introduces enhanced disclosure requirements for asset managers and certain investment funds. It mandates transparency regarding the integration of environmental and social criteria, particularly those related to climate change and biodiversity, into investment and risk management policies.
- **The EU Sustainable Finance Disclosure Regulation (SFDR Regulation (EU) 2019/2088)** The SFDR sets binding ESG disclosure requirements for asset managers and other financial market participants. Its main provisions have applied since March 10, 2021.

Scope of Application

The present policy sets out the principles, objectives, and processes that guide the integration of environmental, social, and governance (ESG) considerations into Capagro's investment strategy, from due diligence through to portfolio management and engagement with portfolio companies.

Capagro currently manages two investment vehicles dedicated to AgTech and FoodTech: Capagro Innovation FPCI (classified under Article 6 of the SFDR) which is fully invested, and the Capagro Agri-Food Innovation Fund II FPCI (Capagro II), classified under Article 9 of the SFDR and fully aligned with Capagro's responsible investment philosophy.

Investment Vehicle	Article 6	Article 8	Article 9	% AUM
Capagro Innovation FPCI	X			52%
Capagro Agri-Food Innovation Fund II			X	48%

This policy applies to all of Capagro's investment activities, unless otherwise specified.

Objectives of the Policy

- To ensure systematic integration of ESG and sustainability risks into investment decisions.

- To actively contribute to environmental and social objectives, particularly climate mitigation, biodiversity, and sustainable agriculture.
- To monitor and report transparently on ESG performance and alignment with the EU Taxonomy and SFDR.

ESG Governance and Supervision

The Management Board and the ESG Impact team are responsible for implementing ESG and impact KPIs monitoring and ensuring that investments do not undermine the fund's objectives. Each investment is monitored by a dedicated team consisting of a Managing Director and a member of the investment team. Half of the carried interest (fund II) for the investment team is indexed to the achievement of Impact goals as measured by KPIs, reinforcing alignment between financial performance and sustainability outcomes.

Capagro's Funds systematically sign shareholders' agreements as part of their investments. These agreements ensure that each company provides Capagro's Funds with relevant information regarding its strategy, financial and operational performance, ESG commitments (environmental, social, and governance), impact performance and future outlook.

As an active shareholder, Capagro supports its portfolio companies in accelerating their transformation by providing financial resources, strategic expertise, and access to its broader ecosystem. Beyond financial support, Capagro maintains a close relationship with its portfolio companies through regular meetings with management, particularly via Board of Directors and various key committees in which Capagro plays an active role (Impact Committee, Remuneration Committee, etc.).

Adherence to International Standards and Labels

To formalize its commitments, Capagro participates in several external initiatives, whose principles are strictly applied by the management company and integrated into its strategy.

SIGNATORY TO THE UN PRINCIPLES FOR RESPONSIBLE INVESTMENT (UNPRI) - since 2020

- Incorporating ESG issues into investment analysis and decision-making processes.
- Being active owners and incorporating ESG issues into ownership policies and practices.
- Seeking appropriate disclosure on ESG issues by the companies in which we invest.
- Promoting the acceptance and implementation of the Principles within the investment industry.
- Cooperating to enhance the effectiveness of our implementation of the Principles.
- Reporting on our activities and progress towards implementing the Principles.

SIGNATORY OF THE FRANCE INVEST CHARTER OF INVESTORS' COMMITMENTS FOR GROWTH – since 2020

- Committing to investing in companies and projects that demonstrate enhanced economic, social, environmental, and governance performance, in line with the Charter's objectives, which go beyond existing professional codes of ethics and AMF regulations.

SIGNATORY OF BPIFRANCE'S CHARTER FOR INVESTMENT PARTNERS – since 2014

- Committing to support the development and long-term growth of portfolio companies in a responsible and value-creating manner.
- Applying high standards of professional ethics, transparency, and alignment of interests with Bpifrance and other stakeholders.
- Contributing to the development of a dynamic and responsible investment ecosystem in France.

CERTIFIED B-CORP – since 2023

- Acknowledging our commitment towards a fairer, more inclusive, and regenerative economy.

UN SUSTAINABLE DEVELOPMENT GOALS

CapAgro also built its ESG approach on the United Nations Sustainable Development Goals (SDGs), committing to invest in companies that address at least one of the following nine SDG, and to prioritize the nine following SDGs:

- SDG 2 - "Zero" Hunger
- SDG 3 - Healthy Lives and Well-Being
- SDG 12 - Sustainable Consumption and Production
- SDG 15 - Life on Land
- SDG 6 - Clean Water and Sanitation
- SDG 8 - Decent Work and Economic Growth
- SDG 9 - Industry, Innovation and Infrastructure
- SDG 13 - Measures Related to the Fight Against Climate Change
- SDG 14 - Aquatic Life

These 9 SDGs have been chosen as they are closely aligned with Capagro's investment strategy and the core activities of its portfolio companies.

Responsible Investment Strategy

ESG Integration into the Investment Process

Screening
- ✓ Exclusion policy
- ✓ Sector-based targets
- ✓ Alignment with Capagro's sustainable investment objectives and priorities
- ✓ Detailed analysis of thesis fit
- ✓ Preliminary analysis of red flags

Selection
- ✓ Sustainability analysis grid
- ✓ Sustainability due diligence
- ✓ Identification of SDGs addressed and mission of the company
- ✓ ESG Risks assessment (SASB matrix)

Investment decision
- ✓ ESG and impact analysis in the investment note
- ✓ Sustainability clauses in the shareholders' agreements
- ✓ Definition of individual impact KPIs with 5-year objectives
- ✓ 100-day plan including ESG & impact targets

Ownership
- ✓ Annual monitoring of sustainability performances in regard to the five-year impact business plan
- ✓ Quarterly reporting on health & safety
- ✓ ESG & impact topics discussed in board at least once a year

Exit
- ✓ Sharing relevant information to assess the company's sustainability profile
- ✓ Progress assessment of ESG & impact indicators over the holding phase
- ✓ Assessment of impact creation pre and post exit

Screening and Due Diligence

The ESG assessment begins during the sourcing phase. At this stage, the exclusion list is enforced, then a preliminary deal flow analysis is performed by the Management Company. For each company, information is requested on its ESG policy, the impact of the company given its sector of activity, its positioning, the SDG targets that are addressed by the activities of the company and the ESG risks identified. During the pre-investment phase, once a company of interest is identified, the Management Company uses its ESG analysis grid to assess the target's company's ESG maturity and the related risks and opportunities.

EXCLUSIONS

Capagro applies a formal **exclusion list** covering companies:

- Whose activity consists primarily in the production or sale of firearms, and in particular cluster munitions, cluster bombs, landmines, anti-personnel mines,
- Whose activity consists in the production, manufacturing and/or exploitation of and trade or distribution of tobacco and related products,
- Which substantially focus on casinos and equivalent enterprises,

- Whose activity consists in the production or sale of pornography and related products,
- Whose activity consists in the extraction, production, sale, storage, and transportation of conventional and non-conventional fossil fuels.

In addition to the aforementioned exclusion list, and as defined in its Article 9 fund documentation, Capagro commits to limit investment in companies whose activities involve the production, manufacturing and/or exploitation or trade of GMOs and new genomic techniques (NGTs). Where relevant the companies' activities must consist in confined GMOs and confined NGTs and must prior to the investment be unanimously approved by Capagro's Advisory Committee. As an exception to the above, any investment in the field of fermentation will not require the prior approval of the Advisory Committee.

PRE-INVESTMENT DUE DILIGENCE & PRELIMINARY ANALYSIS OF CSR OPPORTUNITIES

Capagro assesses ESG criteria using a proprietary ESG questionnaire comprising more than 80 indicators, including all Principal Adverse Impacts (PAIs) on sustainability factors. Capagro's ESG due diligence covers climate exposure, biodiversity impacts, resources use, governance practices, and alignment with sustainability frameworks.

The Management Company uses its ESG analysis grid to assess the target company's ESG maturity and the related risks and opportunities. The Management Company collects information on the impact of the company given its sector of activity, its ESG policy, its positioning, the Sustainable Development Goals that are addressed and the ESG risks identified. Capagro also conducts a SASB-based sustainability risk assessment of potential investee companies prior to investment, to identify the most material ESG risks.

If necessary, the Management Company engages external service providers to assist with due diligence with most of the analysis remaining internal.

Capagro pays particular attention to the company's mission and its alignment with Capagro's values, its vision of sustainable innovation in AgTech and FoodTech, and the entrepreneur's own ambition.

Focus on Capagro II – Fund-specific approach under Article 9

The Capagro II fund, classified as Article 9 under the SFDR and committed to making 100% sustainable investments, is currently Capagro's active fund. The Management Company ensures that all investments made through this vehicle meet the definition of sustainable investment (see Article 10 disclosure).

To that end, and in addition to the initial screening phases, the target company is also assessed for its eligibility under the EU Green Taxonomy.

- If the company is eligible, its alignment is assessed, with a minimum threshold of 50% of turnover aligned to consider the potential investment as sustainable.

- If the company is not eligible under the EU Green Taxonomy, Capagro assesses whether it contributes to one of the six sub-objectives defined by the Management Company (see page [10] of this Policy), which reflect the fund's focus on priority SDGs and key levers of ecological transition in agriculture (SGPE). In that case, the company must meet the Capagro contribution threshold, i.e., demonstrate that at least 60% of its turnover or OpEx contributes to one of these sub-objectives.

If the company meets one of the two contribution criteria above, the Management Company then verifies that it complies with the "Do No Significant Harm" (DNSH) principles and the minimum safeguards, including good governance practices.

Only if the company meets all these conditions, the investment is considered sustainable and aligned with the investment strategy of the Article 9 fund, in accordance with SFDR requirements.

Investment Decision

ESG and impact analysis is documented and presented to the investment committee. A summary of the conclusions of the due diligence is included in the investment memorandum presented to the Investment Committee. CSR due diligence is an integral part of the investment decision.

- Investee companies must:
    - Articulate an impact thesis linked to one or more SDGs
    - Align with Capagro's sustainable investment thesis (for investment under Article 9 fund)
    - Commit to ESG progress plans, including reporting expectations

From the analysis phase onward, discussions are initiated with the portfolio companies regarding the impact KPIs and the calculation methods that will be used during the post-investment phase.

As part of the investment process, ESG commitments are embedded into the Shareholders' Agreements to ensure long-term alignment and accountability on sustainability objectives.

Post-Investment Monitoring

SUPPORTING COMPANIES IN IMPLEMENTING CSR APPROACHES

Capagro is committed to supporting portfolio companies throughout the investment lifecycle in integrating environmental, social, ethical, and governance best practices into their operations and strategic planning. This includes identifying, preventing, and mitigating sustainability risks, as well as managing potential adverse impacts linked to their activities.

From the time of acquisition:

- One to three impact KPIs per company are defined, aligned with their business activities and with one or more of Capagro II fund's sustainable investment sub-objectives.
- A five-year impact business plan is developed for each KPI. These KPIs and their five-year targets are established in collaboration with Capagro's Impact Committee less than 6 months after closing. Improvement plans are monitored and reviewed annually.
- Each portfolio company's carbon footprint (Scopes 1, 2, and 3) is assessed annually with external providers, either through detailed measurement or estimated values depending on the level of materiality. Capagro also encourages companies to establish and implement concrete action plans to reduce greenhouse gas emissions and limit their contribution to climate change.
- As part of the investment process for the Article 9 Capagro II fund, a review of all DNSH (Do No Significant Harm) criteria is conducted regularly for each portfolio company to ensure ongoing compliance with these principles. Good governance practices are also assessed on a regular basis to ensure alignment with the requirements of the SFDR.

MONITORING OF CSR PERFORMANCES

During the holding phase, Capagro collects and monitors ESG KPIs from portfolio companies through an annual reporting questionnaire.

- Monitored indicators include:
    - The 14 mandatory PAIs
    - 3 additional PAIs (one social, one environmental, one governance-related)
    - The Sustainability Indicators monitored under Article 9 of the SFDR
    - The company-specific impact KPIs
- Non-compliance or insufficient progress may lead to engagement escalation.

The data used to monitor the principal adverse impacts is directly provided by each portfolio company via their answers to the annual ESG questionnaire. Some data of investee companies may not be available because not relevant or not monitored by the company. In case of lack of monitoring, Capagro commits to supporting companies in the implementation of rigorous monitoring measures.

This data is consolidated and presented in the annual report, thus allowing the Management Company to monitor the evolution of ESG-related risks.

Consideration of Principal Adverse Impacts (PAI) – SFDR Engagement

In line with its PAI statement, publicly available on its website, Capagro considers and discloses PAIs in line with SFDR and Article 29.

The Management Company has implemented engagement policies that includes PAIs monitoring as part of its environmental and social investment strategy. Environmental, Social and Governance policies have been defined, investee companies are required to monitor ESG indicators and impact KPIs on an annual basis to involve them in the ESG process. The Management Company is committed to supporting the investee companies making an impact and improving over time, including by reducing PAIs.

Alignment with Climate and Biodiversity Objectives

Food systems – spanning production, processing, distribution and consumption – have become complex global networks with significant carbon footprint with emission sources at all stages of the value chain:

- Production (synthetic fertilizers, soil degradation, deforestation…)
- Processing (heat treatment, refrigeration, waste mismanagement…)
- Packaging (non-biodegradable and/or nonrecyclable materials…)
- Distribution (transportation, post-consumption waste…)

It is also the leading pressure on surface and groundwater, largely due to nutrient runoff, pesticide use, and water abstraction. While they have driven productivity and economic growth, they have also contributed significantly to climate change, biodiversity loss, and pollution. Land-use conversion, soil degradation, overfishing, and the release of chemical substances are key drivers of this environmental footprint.

At the same time, agriculture and food systems are highly dependent on healthy ecosystems, stable climates, and the availability of natural resources. Their long-term resilience is threatened by environmental degradation and climate-related disruptions.

Despite these challenges, the sector also holds great potential for positive impact. Agriculture can help store carbon in soils and vegetation, preserve biodiversity, and adopt resource-efficient and circular practices. Supporting and scaling such solutions is essential to accelerate the transition toward sustainable food systems.

This transformation is at the heart of Capagro's investment thesis. Innovation, whether technological, biological or digital, is a key enabler to building more sustainable, resilient, and high-performing food systems. By investing in AgTech and FoodTech solutions that reduce environmental impact, enhance resource efficiency, and improve food quality and security, Capagro aims to generate both financial returns and measurable positive outcomes for people and the planet.

Fighting climate change and preserving biodiversity are among six strategic priorities guiding the investment thesis and objectives of the Management Company. These core drivers are:

- Better nutrition
- Biodiversity preservation
- Safety, health, and well-being
- Sustainable work practices
- Sustainable and circular production systems
- Climate action

Specific Approach to Fight against Climate Change

Each year, Capagro has the management company's carbon footprint assessed by an independent third party, Sami. The results and the evolution of its climate impact are publicly disclosed in the yearly impact report. As an investor, one of the key levers in the fight against climate change lies in investment choices and in supporting portfolio companies as they transition toward more resilient business models. Fighting climate change is one of Capagro's six strategic ESG drivers and a formal sustainable investment objective of its Article 9 fund.

CARBON MEASUREMENT AND REPORTING

Each year, Capagro encourages portfolio companies to assess their carbon footprint, covering Scopes 1, 2, and 3, using the support of external partners such as Sami. These assessments help identify material emission sources and guide the definition of tailored reduction plans. Depending on the company's maturity and data availability, the carbon assessment may rely on either actual measurement or reliable estimates.

In parallel, Capagro monitors relevant Principal Adverse Impacts (PAIs) related to climate, including GHG emissions, carbon intensity, fossil fuel consumption, and exposure to companies without carbon reduction strategies, as part of its annual ESG data collection campaign.

INTEGRATION INTO THE INVESTMENT PROCESS

Climate-related risks and opportunities are assessed during due diligence using Capagro's proprietary ESG analysis grid.

ESG commitments, including climate-related goals, are incorporated into shareholder agreements and tracked through annual KPIs.

Each portfolio company defines 1 to 3 impact KPIs aligned with its business and, where relevant, with climate mitigation or adaptation. A five-year impact business plan is built to support and monitor progress.

ENGAGEMENT AND CAPACITY BUILDING

Capagro promotes awareness and capacity-building across its ecosystem through internal and external training (such as the "Climate Fresk" for instance). The investment team engages portfolio companies on best practices related to decarbonization, circular economy, and resource efficiency.

Where relevant, Capagro supports companies in structuring and implementing actionable carbon reduction plans and encourages adoption of transition strategies aligned with sector best practices.

COMMITMENT TO CONTINUOUS IMPROVEMENT

In accordance with the French Legislation, Article 29 of the French Energy & Climate Law, which requires investment managers to publicly disclose information on their exposure to climate risks and the means implemented to contribute to the energy transition, Capagro will assess its exposure to climate risks at the corporate level as well as at portfolio level and will communicate annually through Article 29 LEC report.

Specific Approach to the Preservation of Biodiversity

Preserving biodiversity is one of Capagro's six strategic ESG drivers and a formal sustainable investment sub-objective of its Article 9 fund. The Management Company acknowledges the strong interdependence between agriculture, food systems and natural ecosystems, and is committed to supporting solutions that reduce pressures on biodiversity while promoting regenerative practices.

INTEGRATION INTO DUE DILIGENCE AND ESG TOOLS

Biodiversity-related risks and impacts are systematically integrated into Capagro's ESG due diligence process. During the pre-investment phase, prospective portfolio companies are assessed on their exposure to biodiversity loss and their potential contributions to its preservation. Specific indicators related to biodiversity are included in the ESG questionnaire and reviewed alongside climate and resource use criteria.

These indicators help evaluate:

- The alignment of company activities with long-term biodiversity goals,
- The potential impacts of business models on ecosystems, land use, and chemical inputs,
- The capacity of the company to adopt regenerative, circular or nature-positive approaches.

The assessment is reinforced for Article 9 investments, which must contribute to at least one environmental or social objective. Biodiversity preservation is among the eligible objectives and must be reflected in the company's SDG alignment and impact thesis.

Throughout the holding period, Capagro monitors ESG performance annually, including biodiversity-related indicators. Where relevant, biodiversity KPIs are defined as part of each company's impact business plan and integrated into quarterly or annual progress reviews.

Capagro encourages its portfolio companies to implement practices that limit deforestation, improve soil health, reduce dependency on synthetic inputs, and foster ecosystem restoration. The Management Company also supports knowledge sharing and capacity-building on biodiversity-related risks and opportunities across its portfolio.

Contribution to fighting climate change and preserving biodiversity

Capagro's commitment to materialize its contribution to fighting climate change and preserving biodiversity:

- **Drive solutions**: launch of an Article 9 fund (Capagro II) with fighting climate change and preserving biodiversity as part of its sustainable investment sub-objectives.
- **Measure and activate**: each year, we encourage our portfolio companies to assess their carbon footprint and set achievable targets in CO2 reduction.
- **Select and assess**: strengthening our selection criteria by highlighting in the pre-investment phase the principal adverse impacts for all of our funds.

Monitor and oversight: during the ownership phase, our team is fully committed to follow a five-year impact plan designed for each of our portfolio company. Capagro's approach to climate and biodiversity aligns with several international and national frameworks, including:

- The EU Taxonomy environmental objectives,
- The Sustainable Development Goals (notably SDG 13 and 15),
- The "Secrétariat Général à la Planification Écologique" (SGPE) national levers.

By integrating climate and biodiversity consideration into its investment decision-making, engagement and monitoring practices, Capagro contributes to strengthening the resilience of agri-food systems and promoting a more balanced relationship between nature and economic development.

Taxonomy

While the sectors targeted by Capagro, primarily early-stage AgTech and FoodTech, are not yet fully covered by the EU Taxonomy Regulation (Regulation (EU) 2020/852), the Management Company acknowledges its importance as a reference framework for defining environmentally sustainable activities.

As part of its commitment under Article 9 of the SFDR, Capagro has placed the EU Taxonomy at the core of its definition of sustainable investment for the Capagro II fund. Even in the absence of formal eligibility today, the fund's objectives – notably climate change mitigation, circular production models, and biodiversity preservation – are strongly aligned with the six environmental objectives of the Taxonomy.

Capagro integrates Taxonomy principles into its ESG analysis and investment processes and monitors future regulatory developments with the aim of progressively increasing alignment where relevant. In its SFDR disclosures, Capagro transparently states the current limitations in Taxonomy applicability, while reaffirming its long-term ambition to contribute to a taxonomy-aligned transition of the agri-food sector.

Voting policy and shareholder engagement

Capagro has defined a dedicated shareholder engagement policy, publicly available on [its website](). While voting rights are often limited in the context of minority venture capital positions, the Management Company actively engages with its portfolio companies throughout the investment lifecycle.

ESG expectations are formalized in shareholders' agreements, and regular dialogue is maintained with management teams to support progress on environmental, social, and governance matters. Impact KPIs are monitored regularly throughout the year in relation to the five-year target. Capagro supports portfolio companies with the calculation methodology and seeks alignment with co-shareholders on these indicators.

Reporting and Disclosures

Capagro's public disclosures include:

- ESG Engagement Charter, available on its website
- Article 10 SFDR disclosures (on fund objectives, methodologies, PAI) , available on its website
- PAI Statement, available on its website
- Annual Article 29 report, available on its website
- Annual Impact Report, available on its website
- Shareholder engagement policy and its annual reporting, available on its website

As a member of the PRI, Capagro contributes to the annual reporting exercise of the association.

Article 9 SFDR Periodic Disclosures are also provided to investors for Capagro II.

All disclosures are reviewed by the ESG Committee and validated by Managing Partners.

Review and Continuous Improvement

This Policy is reviewed annually and updated to reflect:

- New regulatory obligations (SFDR RTS, CSRD, TNFD)
- Internal ESG maturity and portfolio feedback
- Evolving best practices and stakeholder expectations