

2025 Report

Energy Climate Law

Article 29

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Introduction

PAI (“PAI” or “the Firm”) is a pre-eminent private equity firm investing in market-leading companies across the Real Economy. Our purpose is to create value for all stakeholders, including investors, portfolio companies, employees, and the communities in which we operate. The investment policy of the Firm is to realise substantial long-term capital gains through investments made primarily in equity, securities providing access to share capital, and other equity-related and debt investments in unlisted companies, buyouts and leveraged transactions.

In 2025, PAI evolved its sustainability approach into the Resilience Strategy, structured around three interconnected pillars: Operational Excellence, Business Continuity and Competitive Advantage. The strategy combines operational discipline, business continuity planning and Environmental, Social and Governance (ESG) differentiation across the portfolio.

As a signatory of the Principles for Responsible Investment (PRI) since 2010, PAI implements and publicly advocates responsible investment practices. In 2025, our science-based emissions reduction targets were validated by the Science Based Targets initiative (SBTi), and PAI was awarded the highest mark of 5 stars (100/100) in the PRI Direct – Private Equity category.

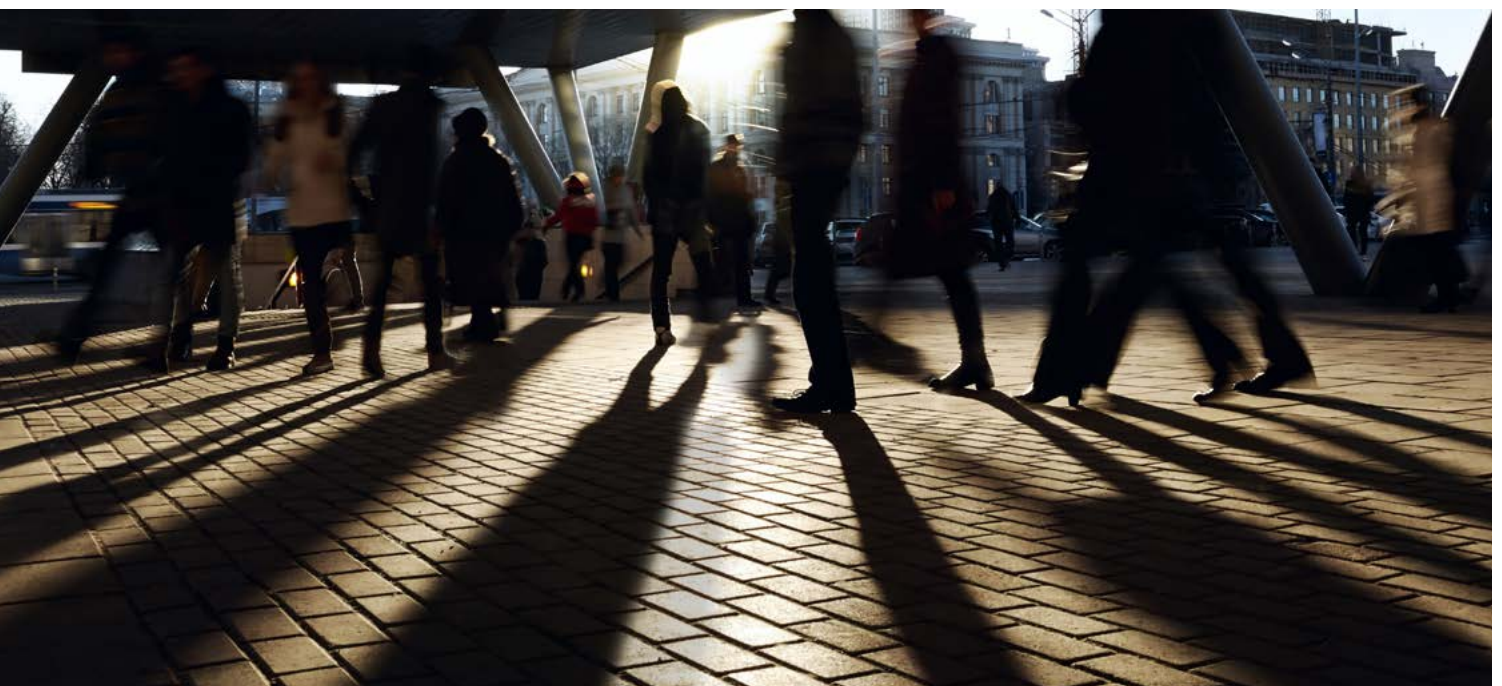
This report is prepared by PAI SAS (management company approved as an AIFM since 2 January 2024 and subsidiary of PAI Partners Holding) for all funds managed. As of 31 December 2025, this represents 19 vehicles managed by PAI SAS (was 17 vehicles as of 31/12/2024).

The funds managed by PAI SAS are private equity funds whose strategy is to invest in the equity of unlisted companies. These funds are Alternative Investment Funds (AIFs) within the meaning of the AIFM Directive (AIFMD). Their subscription is exclusively reserved for professional investors and they are not open to retail investors.

PAI provides its investors and the public with this document, which outlines its policy on the consideration of environmental, social and governance criteria in its investment strategy and the means implemented to contribute to the energy and ecological transition, in accordance with Article 29 (II) of Law No. 2019-1147 of 8 November 2019 relating to energy and climate, known as the “Energy-Climate Law” and codified in Article L. 533-22-1 of the French Monetary and Financial Code.

This statement covers the reference period from 1 January to 31 December 2025.

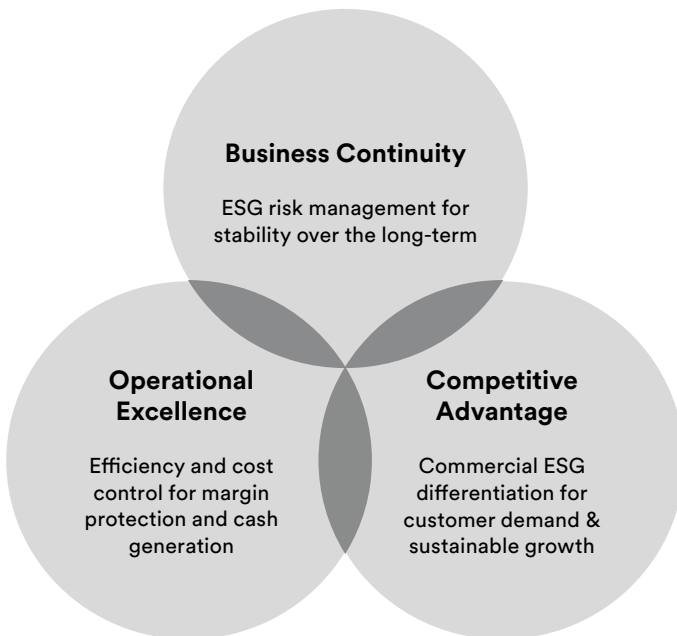
In accordance with the provisions of Article 29 of the Energy-Climate Law and its implementing decree n° 2021-663 of 27 May 2021, the report addresses the provisions of Article D. 533-16-1.-III, 1°, 2°, 3°, 4°, 6°, 7°, 8° and 9°. A full cross-reference table is included in [Appendix 2](#).



1 General Approach

1.a Sustainability Strategy & Policy

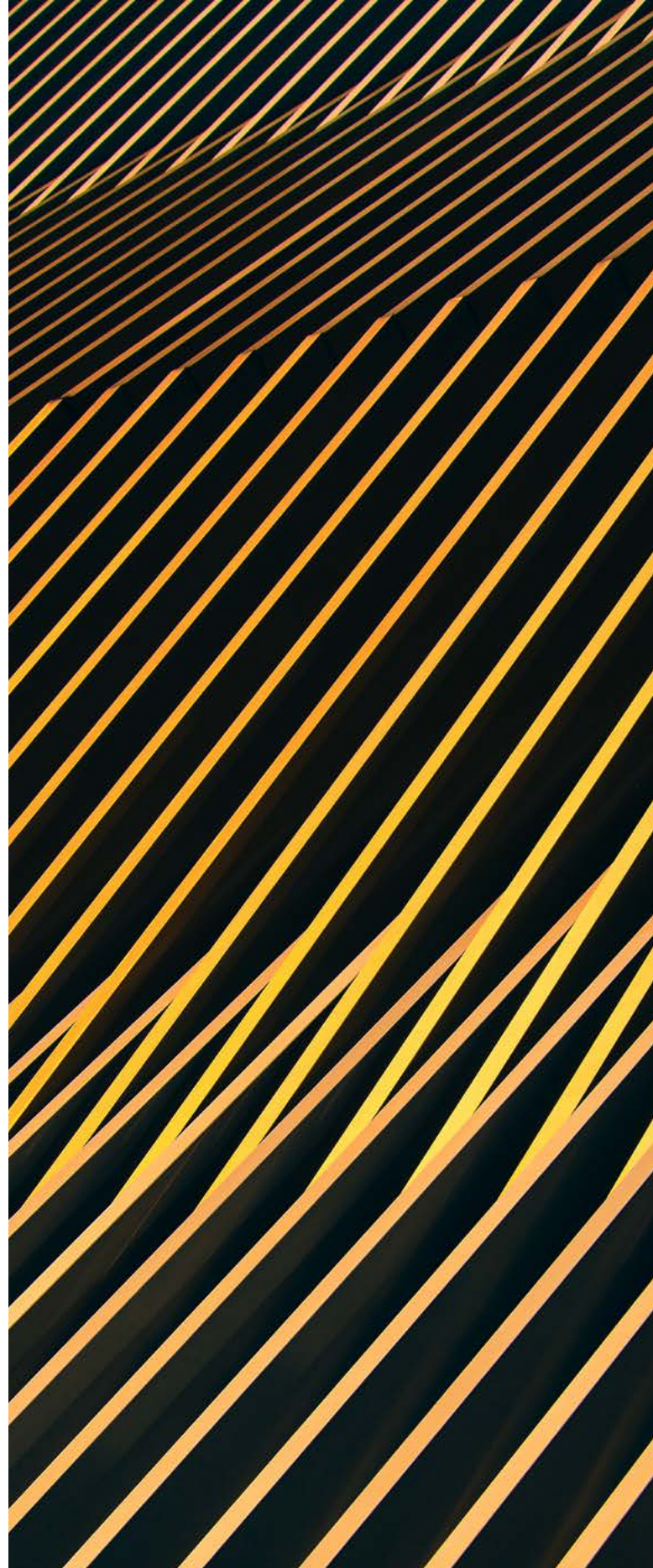
Our Resilience Strategy underpins PAI's responsible investment approach. It integrates ESG risk assessment, performance monitoring and industry engagement to support operational robustness and long-term value creation. Applied from origination to exit, it anchors sustainable performance and risk management across three interconnected pillars:



These pillars are supported by cross-portfolio engagement priorities applied consistently across investments, including capability building for management teams, decarbonisation planning, and the assessment and mitigation of physical and transition climate and nature risks.

In 2025, PAI updated its Responsible Investment Policy to incorporate considerations linked to its United Nations Global Compact (UNGC) membership, climate-related exclusions, and its science-based emissions reduction targets. The Policy is reviewed annually, consolidates our climate and responsible investment requirements, and is publicly available on the [Firm's website](#). It is complemented by a broader compliance framework and mandatory annual training.

Across the investment lifecycle, we integrate ESG from origination through to exit readiness.



Pre-acquisition

1. Screening.

Potential investments are screened against our Exclusion Policy and excuse rights, as well as side letters and investment restrictions from our investors, allowing us to opt out from any investment that does not align with our policies or ethical criteria.

2. Origination Committee decision-making.

We carry out a preliminary assessment to identify any material ESG risks and opportunities, including sector analysis of trends and regulations, and report this to the Origination Committee.

3. Investment Committee decision-making.

During due diligence, ESG topics are assessed alongside broader financial and operational factors including governance structures, environmental exposure, human rights risks and supply-chain practices. Climate-related risks and opportunities are analysed through our internal carbon pricing framework and physical climate risk assessments, tying climate performance to cost structure and resilience from the outset. Findings are presented to the Investment Committee through dedicated memoranda.

4. Signing to closing.

We incorporate ESG topics as a growth transformation lever into each portfolio company’s unique value creation plan (VCP) and assess the feasibility of sustainability-linked financing. Opportunities related to energy efficiency, product positioning or ESG-linked financing identified pre-acquisition are reflected directly in entry planning.

Ownership

5. First 100 days.

We translate ESG priorities into implementation, aligning sustainability considerations with business operations and strategy. In 2025, 100% of new investments implemented a 100-day sustainability plan covering ESG induction, sustainability strategy discussion, peer gap analysis, action plan development and onboarding to PAI’s annual sustainability reporting process.

6. Hold period.

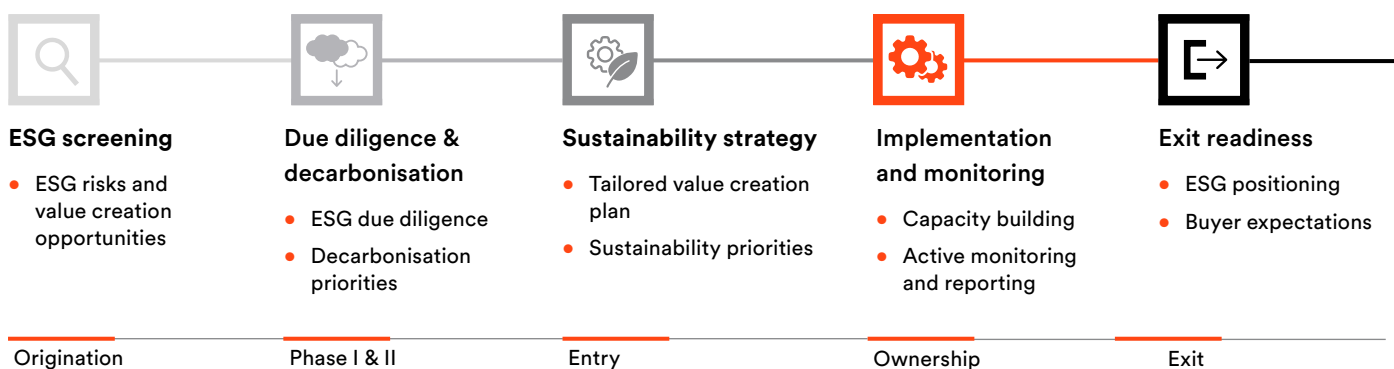
As ownership matures, we provide technical expertise and sector-specific support and monitor progress through ESG reporting and internal performance tools. Portfolio companies report against more than 200 ESG KPIs enabling benchmarking and active performance management.

Divestment

7. Exit.

ESG positioning focuses on readiness and execution. ESG reporting and internal performance tools build a consistent and credible evidence base. Portfolio companies demonstrate governance maturity, data quality and progress against defined priorities, supporting multiple exit routes and aligning with evolving buyer expectations.

Lifecycle support for value protection and advantage



1.b Stakeholder Communication

PAI provides regular, structured information on its ESG approach to investors, portfolio companies, employees and the broader industry. Channels are tailored to each stakeholder group and reflect differences in audience, purpose and frequency.

Investors

We provide regular and transparent information through our annual Sustainability Report, quarterly and annual fund reports, and Responsible Investment Policy as well as during meetings including our Annual General Meetings, Limited Partner Annual Committee and Investor Days. Ad-hoc updates are provided upon request.

Portfolio companies

Portfolio company engagement is structured and recurring. As described above, it starts at entry with an ESG onboarding programme covering an ESG induction, a sustainability strategy session and an introduction to ESG reporting requirements. It continues with an annual ESG strategy and value creation plan review, complemented by tailored engagement across the holding period.

To strengthen capability and collaboration across the portfolio, PAI provides a Sustainability Academy for ESG and sustainability professionals within its portfolio companies. The programme delivers interactive virtual workshops on priority topics ranging from regulatory developments to sustainability strategy. In 2025, PAI hosted four sessions focused on key themes including Energy, Diversity and Inclusion, SBTi FLAG and ESG reporting, with more than 230 individuals from portfolio companies participating. Sessions are complemented by PAI's online portal and virtual forum, alongside a library of associated resources.

We actively host sustainability events to foster collaboration, share best practices and drive industry-wide action on climate. This includes our annual in-person Sustainability Club, which brings together sustainability leaders from across our portfolio to exchange practical insights, discuss emerging topics and accelerate the adoption of leading practices. In 2025, the Sustainability Club engaged approximately 70% of portfolio companies and marked the third edition of the PAI Portfolio Sustainability Awards.

Following the launch of the PAI Portfolio Women's Network (PPWN) in 2024, this first-of-its-kind cross-portfolio initiative continues to support predominantly female leaders across PAI's portfolio companies. PPWN connects female leaders and male allies, honing leadership skills and professional capabilities, while promoting gender diversity. In 2025, PPWN comprised over 260 members who participated in two interactive sessions covering prominent topics such as overcoming imposter syndrome, strategic networking, courageous conversations, and executive presence. The network also provided members with practical content and tools to help establish similar networks within their own organisations.

PAI employees

Our colleagues play a key role in advancing PAI Partners' sustainability agenda. PAI staff receive ESG training at induction, complemented by ad-hoc updates from the ESG and Sustainability Team on topical matters and regulatory developments. Updates are also shared through quarterly Town Hall meetings, ESG and Sustainability newsletters, and the dedicated intranet site. Further detail on internal capacity building is provided in section 2.b.

Industry dialogue

We maintain an active presence in industry initiatives and collaborative platforms to contribute to the development of better practices and to exchange experience with peers across the private equity sector. This engagement spans a broad range of ESG topics; from climate and nature to governance, data transparency and upcoming regulations. Further detail is provided in [section 1.e.](#)

1.c SFDR Product Classification

As a European financial market participant, PAI is required by the Sustainable Finance Disclosure Regulation (SFDR) to disclose our approach to considering sustainability at General Partner (GP) and Fund level. PAI SAS, acting as the French AIFM, manages PAI VI, PAI VII and PAI Strategic Partnerships II. These funds are classified as Article 6 funds under SFDR.

PAI's Luxembourg AIFM manages PAI Partners VIII, classified as an Article 8 fund under SFDR. PAI Partners VIII is a Luxembourg fund for which portfolio management has been delegated to the French management company.

PAI supports portfolio companies across its Article 6 funds in adopting best sustainability practices; however, these funds do not formally promote environmental or social characteristics within the meaning of SFDR.

PAI Partners VIII promotes the following two environmental and/or social characteristics:

- Responsibility for ESG at management level within portfolio companies
- Decarbonisation through carbon impact awareness

A full classification of the funds is provided in [Appendix 1](#). SFDR disclosures for the Article 8 funds, namely PAI Partners VIII, are available in the investor data room.

1.d ESG Criteria in New Management Mandate Allocation

This requirement is not applicable. PAI SAS does not manage investment mandates on behalf of insurance entities referred to in Articles L. 310-1-1-3 and L. 385-7-2 of the French Insurance Code.

1.e ESG Labels, Charters & Initiatives

PAI is committed to advancing sustainable practices in the private equity industry and remains an active contributor to thematic networks, industry working groups and standard-setting initiatives. This engagement spans a broad range of ESG topics and focuses on practical outcomes; the development of guidance, alignment on reporting expectations, and the testing of emerging frameworks.

Signatory of:



- **United Nations Principles for Responsible Investment (UN PRI)**

PAI has been a signatory since 2010. PAI completed the PRI reporting framework requirements for the first time in 2013 and the climate change reporting module in 2020. In 2025, PAI received the highest mark of five stars (100/100) in the Direct – Private Equity category.



- **CDP**

As an investor signatory of CDP since 2018, PAI contributes to a global initiative driving corporate transparency and the provision of comparable environmental data on climate change, water security and deforestation-related risks.



- **Science Based Targets initiative (SBTi)**

In April 2025, PAI's science-based emissions reduction targets were validated by the SBTi, aligning the Firm's strategic goals with the global effort to limit warming to 1.5°C and committing PAI to reduce both its own emissions and those of its portfolio. Further details on our targets are provided in [section 6.a](#).

Member of:

- **United Nations Global Compact (UNGC)**

PAI is a member of the UNGC and supports its Ten Principles on human rights, labour, environment and anti-corruption. PAI participates in the Circular Economy Working Group.



- **Initiative Climat International (iCI)**

PAI is a founding member of iCI (since 2015) and participates in working groups shaping private equity guidance on science-based targets and Scope 3 data collection and reduction. PAI is a member of the Net Zero group working group.

Sustainable Markets Initiative

- **Private Equity Sustainable Markets Initiative Taskforce (PESMIT)**

PAI is a member of the climate working group and the biodiversity working group, contributing to dialogue on climate and nature-related topics, and supporting the piloting of emerging guidance, including the Private Markets Decarbonisation Roadmap (PMDR) 2.0.



- **Taskforce on Nature-related Financial Disclosures (TNFD)**

PAI has been one of the first private equity early adopters since 2023. As a TNFD Forum Member, PAI aims to align with the recommendations of the Task Force.



- **UK Private Capital Association**

PAI is a member of its Responsible Investment Advisory Group.



- **France Invest**

PAI is a signatory of the ESG charter of France Invest.



- **Invest Europe**

PAI is involved in Invest Europe through its ESG Commission.



- **ESG Data Convergence Initiative (EDCI)**

PAI participates in the EDCI, contributing to data consistency and comparability across general partners, limited partners and portfolio companies.



- **FAIRR Initiative.**

PAI is a member of the FAIRR Water Risk Monitor working group, focused on water risk and sustainability considerations in the food and agriculture sector.



- **Level 20**

PAI has been a member since 2018 and is the first France-headquartered GP to sponsor Level 20. PAI supports the mentoring programme and integrates its insights across portfolio companies.



- **Out Investors**

PAI has been a member of the Out Investors network since 2020, supporting LGBT+ investment professionals, and sponsored the launch of its Paris chapter.



- **Financial Markets Standards Board (FMSB)**

In 2025, PAI participated in the FMSB Sustainability Linked Product Working Group, which published a Statement of Good Practice on the governance of sustainability-linked products.

Beyond these affiliations, the ESG and Sustainability Team considers the United Nations Sustainable Development Goals (SDGs) throughout the investment cycle. On a case-by-case basis, PAI also supports portfolio companies with alignment to widely recognised ESG frameworks and standards (including ISO certifications, B Corp certification and EcoVadis).

2 Internal Resources

2.a ESG Resource Allocation

PAI has a dedicated ESG and Sustainability Team, headed by Aleix Busquets Gonzalez, comprising six full-time employees and supported by cross-functional resources from the PAI Performance Group. The Team is based across PAI’s offices to maintain a local presence with other functions and brings more than 50 years of combined experience in sustainability across asset management, consulting and corporate roles. The team dedicated to ESG topics at PAI represented 3% of PAI’s total employees, as of 31 December 2025.

The ESG and Sustainability Team is responsible for implementing PAI’s Responsible Investment Policy, including:

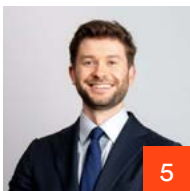
- Managing PAI’s firm-level sustainability strategy and operations
- Performing ESG Due Diligence in close collaboration with Deal Teams

- Working alongside portfolio companies to establish and implement a tailored Sustainable Strategy and monitor performance to ensure value creation
- Engaging with investors on ESG and responding to investor requests
- Creating PAI’s annual Sustainability Report
- Supporting investment teams on ESG related needs for exit
- Keeping track of all ESG-related regulatory disclosures which could impact PAI as a firm or its investees
- Assisting the capital markets team as it relates to sustainability-linked financing for the portfolio
- Advocating for ESG within the industry



Aleix Busquets Gonzalez
Head of ESG & Sustainability


 London

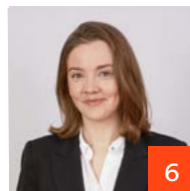


Laurie Cameron
ESG Director



Anna Harvey
ESG Associate

 Munich



Frederike Kress
ESG Officer


 Paris



Marie-Anne Vincent
ESG Director



Xavier Arrom
ESG Officer

 Years experience

PAI also engages external service providers where appropriate to support GP-level and portfolio company-level sustainability initiatives.

ESG capability is reinforced through a structured set of internal tools and frameworks, used both pre-acquisition and during ownership:

- A reputational risk screening tool, used during early origination and due diligence.
- A physical and transition climate risk assessment tool, applied site by site across the portfolio and during due diligence.
- A TNFD-aligned third-party tool that screens nature-related risks at the asset level by translating sector-level dependencies and impacts into decision-relevant risk insights, action plans, and recommended adaptations for investment teams and portfolio company engagement.
- An Internal Carbon Pricing (ICP) mechanism, used in Investment Committee discussions to highlight potential carbon liability associated with acquisitions under consideration. The ICP is reviewed annually to reflect developments and best practices in carbon pricing.
- A proprietary ESG maturity scoring tool used to benchmark portfolio company performance, and an internally developed SBTi alignment tool to support portfolio companies in setting and managing science-based targets.

2.b Capacity Building & ESG Training

Our colleagues play a critical role in advancing PAI Partners’ sustainability agenda. ESG capability is built through a structured programme of training and performance mechanisms, supporting informed judgement, accountability and consistent application of sustainability considerations across teams. Internal engagement focuses on how ESG topics relate to specific roles and responsibilities, with guidance covering climate and broader topics such as governance and business ethics.

Induction sessions are conducted for all new joiners and introduce core concepts, their relevance for the private equity industry and their application within PAI. This includes upskilling on decarbonisation and an overview of the firm’s carbon footprint analysis. In 2025, firm-wide training sessions were delivered on science based target setting, covering both the process for portfolio companies and the actions required to meet PAI Partners’ own targets.

ESG due diligence training is provided to investment professionals, focusing on identifying and assessing ESG-related risks and considerations during the investment process. Additional resources and ad hoc sessions are made available to support awareness of emerging ESG topics and regulatory developments. The ESG & Sustainability team maintains regular interaction with the Investment Teams to share updates on performance, initiatives and potential incidents.

PAI relies on firm-wide procedures on ESG and sustainability integration across the investment cycle, providing a detailed playbook from pre-acquisition to exit with a core focus on collaboration between teams. The ESG and Sustainability Team attends all Portfolio Review Committee (PRC) meetings alongside the Management Committee, respective deal teams and other Portfolio Performance Group members, with portfolio company ESG performance monitored through the annual ESG reporting campaign.

PAI internal ESG engagement mechanisms

ESG training	
Induction and onboarding	for all employees
ESG Due diligence	for Investment Teams
Climate training	for Investment Teams
ESG topic and regulatory development training	targeted employee groups, developed as needed

ESG performance drivers	
Remuneration	accounts for ESG risk management policy compliance
Decision-making	investment and portfolio level financial decisions include ESG memorandums
Climate training	identifies potential carbon liability of acquisitions
Compliance policies	including data privacy, ethical AI, whistleblowing, anti bribery, anti fraud and anti corruption

3 Governance

3.a ESG Expertise within Governing Bodies

PAI’s governance framework establishes clear oversight of sustainability matters at firm and portfolio level, with defined responsibilities across senior committees and policies. The model combines central coordination with consistent application across funds and asset classes, while allowing for topic-specific focus through dedicated forums.

Supervision

PAI’s **Management Committee** has overall responsibility for ESG and for the approval and review of PAI’s sustainability strategy. Members of the Management Committee also sit on the Investment Committee (IC), Origination Committee (OC) and Portfolio Transformation Committee (PTC). ESG risks and opportunities are regularly discussed in these forums, with the ESG and Sustainability Team systematically in attendance.

The **Sustainability Committee** coordinates the Firm’s Resilience Strategy. It brings together senior professionals from Investment, Investor Relations and Corporate Functions, and acts as the main forum for ESG-related topics, with escalation to the Management Committee for review and approval where required. The Committee is facilitated by the ESG and Sustainability Team, with the Head of ESG and Sustainability acting as secretary. Members are selected by the Management Committee.

Investment decisions are taken by the **Investment Committee**. ESG analysis is presented through dedicated memoranda and considered alongside financial and strategic aspects as part of investment, follow-on and exit decisions.

ESG governance framework



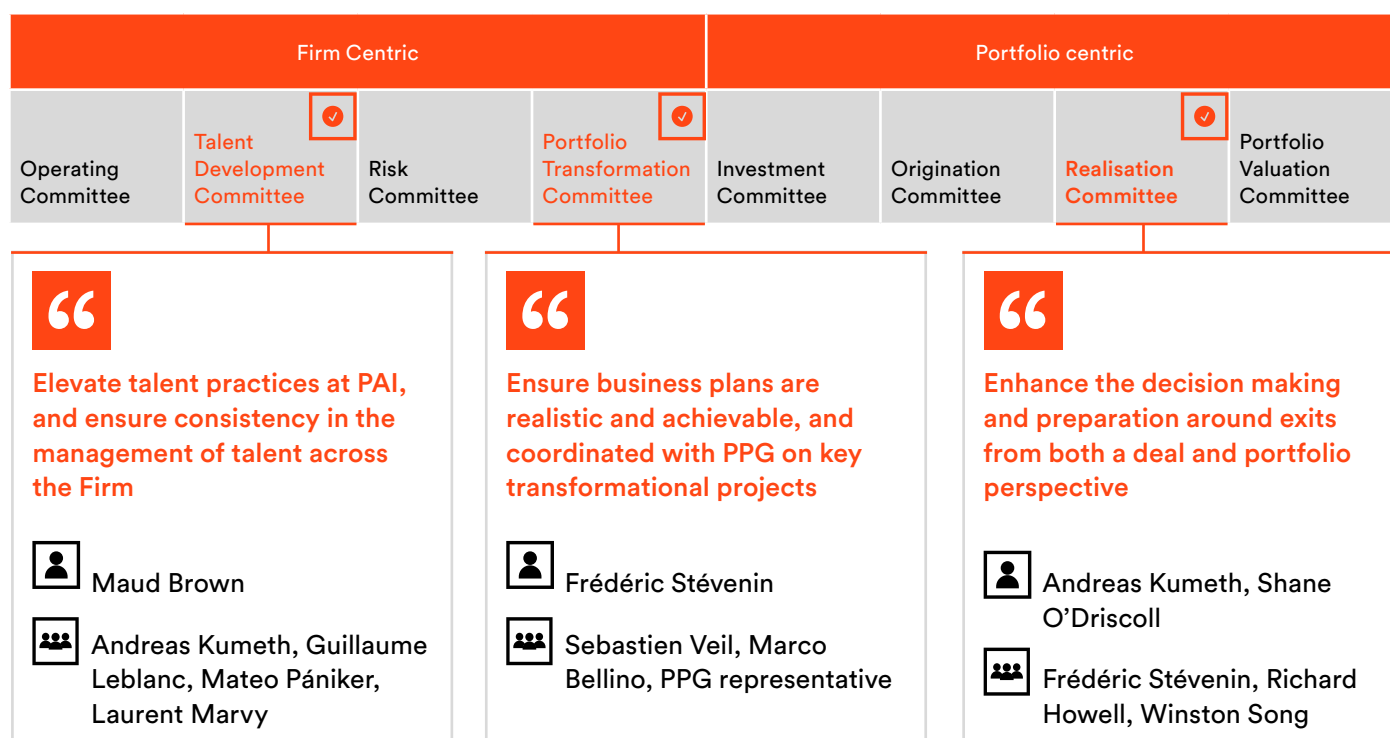
Execution

The ESG and Sustainability Team is responsible for the execution of PAI’s sustainability strategy and coordinates with the Management Committee. The Team is supported by thematic taskforces, providing technical input and topic-specific expertise:

- **Decarbonisation Taskforce.** Established in 2023 to define priorities and develop the Firm’s decarbonisation roadmap, including the launch of the Internal Carbon Pricing mechanism. Following the completion of these objectives and the validation of PAI’s science-based targets, the Taskforce’s responsibilities have been integrated into the Sustainability Committee, which now oversees progress against the validated targets and ensures decarbonisation levers are implemented.
- **Diversity and Inclusion Taskforce.** Continues to review and improve PAI’s diversity and inclusion policies and ambitions, with oversight from the Talent Development Committee.
- **Nature and Biodiversity working group.** Composed of members of the ESG and Sustainability Team, supporting the integration of TNFD-aligned analysis across the investment cycle.
- **Regulatory Watch working group.** Tracks emerging ESG regulation, including CSRD and the Omnibus package, and informs internal preparedness.

PAI’s Risk Committee oversees financial, non-financial and reputational risks falling within its scope of responsibility, including those related to ESG. The Committee ensures that the Firm maintains high standards of risk identification, assessment and management.

 New or revamped committees  Committee Chair  Committee member



3.b Sustainability Risks in Remuneration Policy

In accordance with Article 5 of Regulation (EU) 2019/2088, PAI’s remuneration policy describes the integration of sustainability risks into investment decision-making and into the conduct of staff whose activities have a material impact on the risk profile of the funds managed.

PAI’s remuneration framework combines fixed and variable components. For relevant roles, the variable component takes into account compliance with the Firm’s policies and procedures, including those governing the management of ESG-related and sustainability risks in investment decision-making, as set out in PAI Partners’ SFDR disclosures.

Sustainability considerations are reflected in performance management and internal decision-making processes. ESG performance is not directly linked to carried interest; however, it remains a relevant factor in investment and portfolio-level financial decisions, in board-level discussions during ownership, and in the assessment of staff against the Firm’s policies and procedures.

The remuneration policy is discussed annually by the Supervisory Board and updated where required to reflect changes in regulatory expectations, the Firm’s sustainability strategy and the broader compliance framework.

3.c ESG Integration in Board Rules

PAI's Supervisory Board oversees PAI's Management Committee on an ongoing basis, ensuring compliance with PAI's policies and procedures. As one of PAI's governing bodies, it supervises environmental, social and governance topics; however, ESG factors are not formally integrated into its internal rules. The Management Committee reports to the Supervisory Board on a quarterly basis.

The Supervisory Board¹ of PAI is an independent body comprised of senior professionals from outside the firm. Its members are elected by the partners of PAI.

The Management Committee of PAI supervises the definition of PAI's ESG strategy and reviews the annual reports prepared by the ESG team.



¹ <https://www.paipartners.com/group/supervisory-board/>

4 Issuer Engagement Strategy & Implementation

PAI believes that professional corporate governance standards are an essential part of its reputation and investment approach. Voting at general assembly meetings is a key component of the ongoing dialogue with portfolio companies and forms an integral part of PAI's investment process.

PAI has established Shareholder Engagement Policy and is committed to ensuring the consistent exercise of voting rights associated with shares held in the funds, with the sole view of preserving the interests of its investors.

As of 31 December 2025, none of the funds managed by PAI holds publicly traded shares of listed companies. Accordingly, the provisions of this section relating to listed equity voting do not apply to PAI or to the funds it manages. Engagement with portfolio companies takes place through board representation and ongoing dialogue, structured through the engagement model described in section 1 and detailed in PAI's 2025 Sustainability Report.



5 European Taxonomy and Fossil Fuels

None of PAI SAS funds have formal commitments in relation to the EU Green Taxonomy. The potential for company-level alignment with the Taxonomy is assessed during due diligence and ownership where material.

PAI does not currently report on EU Taxonomy alignment as this is not part of its Article 8 SFDR commitments. While certain portfolio companies may become subject to EU Taxonomy reporting requirements from 2028, PAI Partners does not report EU Taxonomy data as of 31 December 2025. PAI investments are not materially exposed to fossil industry activities. PAI does not make investments in sectors directly relating to the production of fossil fuels, as set out in our Responsible Investment Policy. This exclusion was reinforced in 2025, when the Policy was updated to consolidate climate-related exclusions.



6 Paris Agreement Climate Alignment Strategy

6.a Methodology, Targets & Objectives

PAI recognises the importance of addressing climate change and its impacts on the environment, society and the economy. We also believe that proactive climate action creates strategic advantages: companies that operate more efficiently and contribute to global decarbonisation are more resilient and better positioned to deliver long-term value for our investors and other stakeholders.

In April 2025, PAI's science-based emissions reduction targets² were validated by the SBTi, reinforcing the Firm's commitment to align with a 1.5°C pathway at both firm and portfolio level. The validation followed an extensive effort in 2024 by the ESG and Sustainability Team in collaboration with the Management and Sustainability Committees, to model the implications of an SBTi-aligned target for current and future investments.

PAI's validated targets comprise:

- Scope 1 and Scope 2 (firm level). PAI commits to reduce absolute Scope 1 and Scope 2 GHG emissions by 40% by 2029 from a 2022 base year.
- Scope 3 asset class targets. PAI commits to having 42% of its eligible private equity and listed equity portfolio (by invested capital) covered by SBTi-validated science-based targets by 2029, and 100% by 2040, from a 2022 base year. This target covers 98% of PAI's total investment and lending by invested capital as of 2022, with out-of-scope activities representing the remaining 2%.

These targets are complemented by climate-related exclusions formalised in the Responsible Investment Policy, and by the use of the Internal Carbon Pricing mechanism, applied in Investment Committee discussions to highlight potential carbon liability associated with acquisitions under consideration.

2025 progress and key achievements

In 2025, three additional portfolio companies³ committed to set science-based targets or submitted their targets for validation. As of 31 December 2025, 11 portfolio companies have committed to set, submitted or had validated SBTi GHG emissions reduction targets, representing 39% of invested capital.

PAI's engagement on climate also continued through CDP reporting, where portfolio companies use environmental disclosure to strengthen transparency and respond to growing customer expectations; SGD Pharma achieved an A score for Climate in 2025, reflecting leading practice.

Sustainability-linked loans (SLLs) remain a key engagement approach: by the end of 2025, PAI had SLLs in place for 16 portfolio companies, an increase of 45% from 2024, generating up to €2.2 million in margin savings during the year.

Energy management is an additional lever for both decarbonisation and resilience. In 2025, PAI published an Energy Sourcing Playbook to equip portfolio companies with practical guidance and best practices, supporting energy cost savings across the portfolio. €4.9 million in energy cost savings was secured over the past year across PAI's portfolio.

² https://files.sciencebasedtargets.org/production/files/Target-language-and-summary_PAI-Partners.pdf

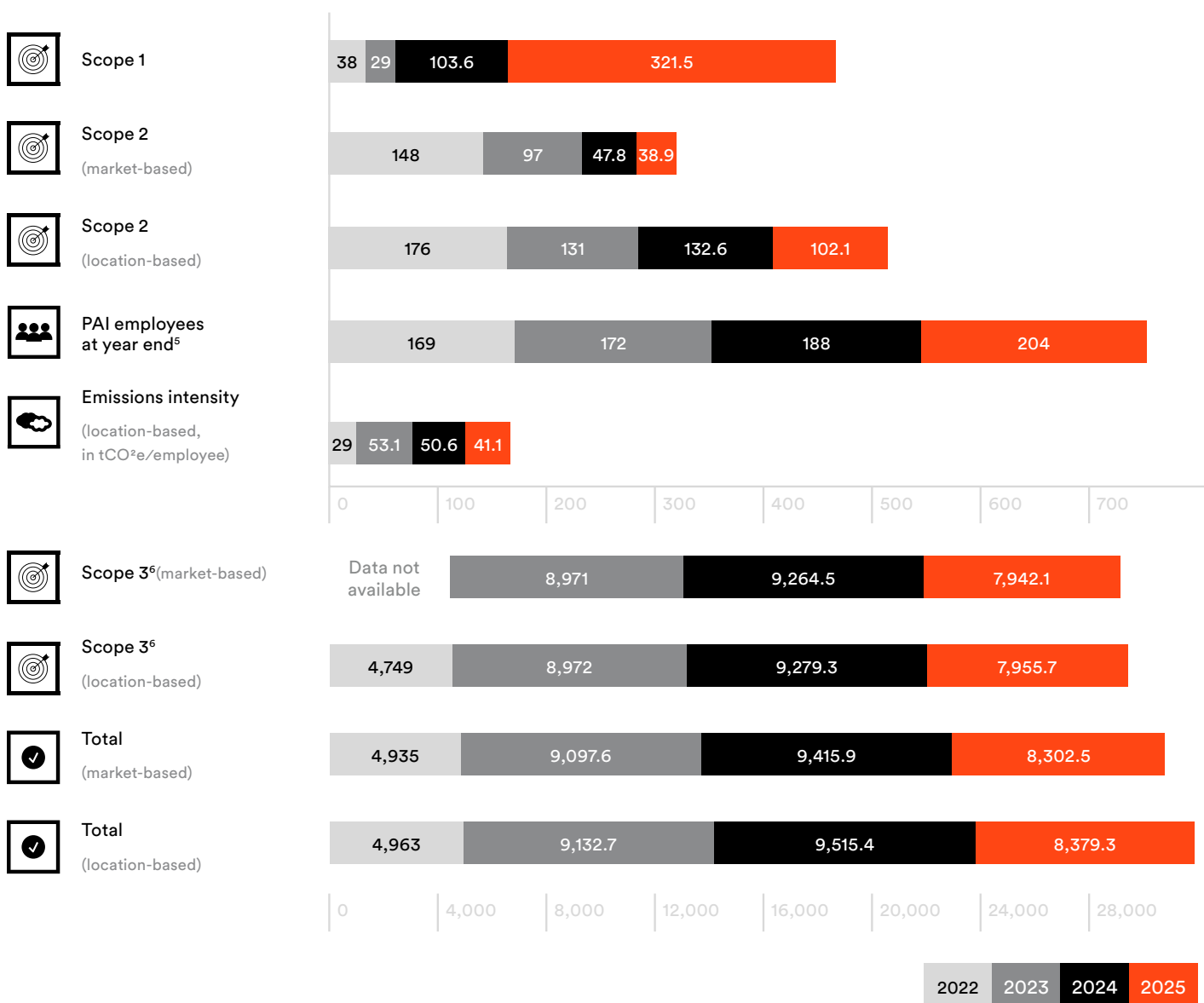
³ Froneri, Albéa and Alvest

Decarbonising our own operations

While the predominant source of PAI’s emissions is its portfolio, the Firm aims to lead by example in its own operations. In 2025, following SBTi validation, the Firm’s focus shifted from target-setting to implementation. Actions concentrate on operational decarbonisation across PAI’s offices, including energy efficiency (heating and cooling), energy procurement and day-to-day decisions affecting emissions. Operational GHG emissions are assessed annually and disclosed in line with the GHG Protocol, with the support of an internal Carbon Footprint Working Group that brings together Corporate Operations, the ESG and Sustainability Team, IT and office management.

In 2025, changes in operational GHG emissions were driven by both operational factors and methodological improvements. Scope 1 emissions increased significantly, mainly due to higher refrigerant leakage, predominantly at the London site. Scope 2 emissions decreased, likely reflecting continued grid decarbonisation across the countries where PAI operates. Scope 3 emissions were impacted by the remapping of spend data for this year’s inventory, as well as updates to emission factors. In addition, the increased availability of site-level data from office managers enabled the use of more actual data and reduced reliance on estimates, improving the overall accuracy of the inventory.

PAI carbon footprint (tCO₂e)⁴



⁴GHG emissions figures for 2023, 2024 and 2025 have been restated to reflect updates to the underlying calculation methodology. Figures for 2022 have not been recalculated.

⁵Headcount is reported on a full-time equivalent basis, consistent with recent reporting.

⁶Includes purchased goods and services, capital goods, fuel and energy related activities, upstream transportation and distribution, waste generated in operations, business travel, and employee commuting. Scope 3, category 15 (i.e. investments) is reported separately.

6.b Climate Performance Indicator

PAI does not use a proprietary internal alignment methodology. PAI applies the SBTi framework for target-setting and trajectory assessment, complemented by TCFD-aligned physical and transition risk analysis (section 6.d) and by the Private Markets Decarbonisation Roadmap (PMDR) for portfolio maturity tracking, as described below.

At management company level

Each year since 2019, PAI measures its own carbon footprint. The boundary of the assessment includes all relevant categories under the GHG Protocol methodology, excluding financed emissions. Direct and indirect carbon emissions (business travel, energy, purchase of goods and services, commuting, IT) are considered for all PAI offices. PAI uses its Scope 1, 2 and 3 carbon footprint and carbon intensity to analyse year-on-year changes.

At portfolio level

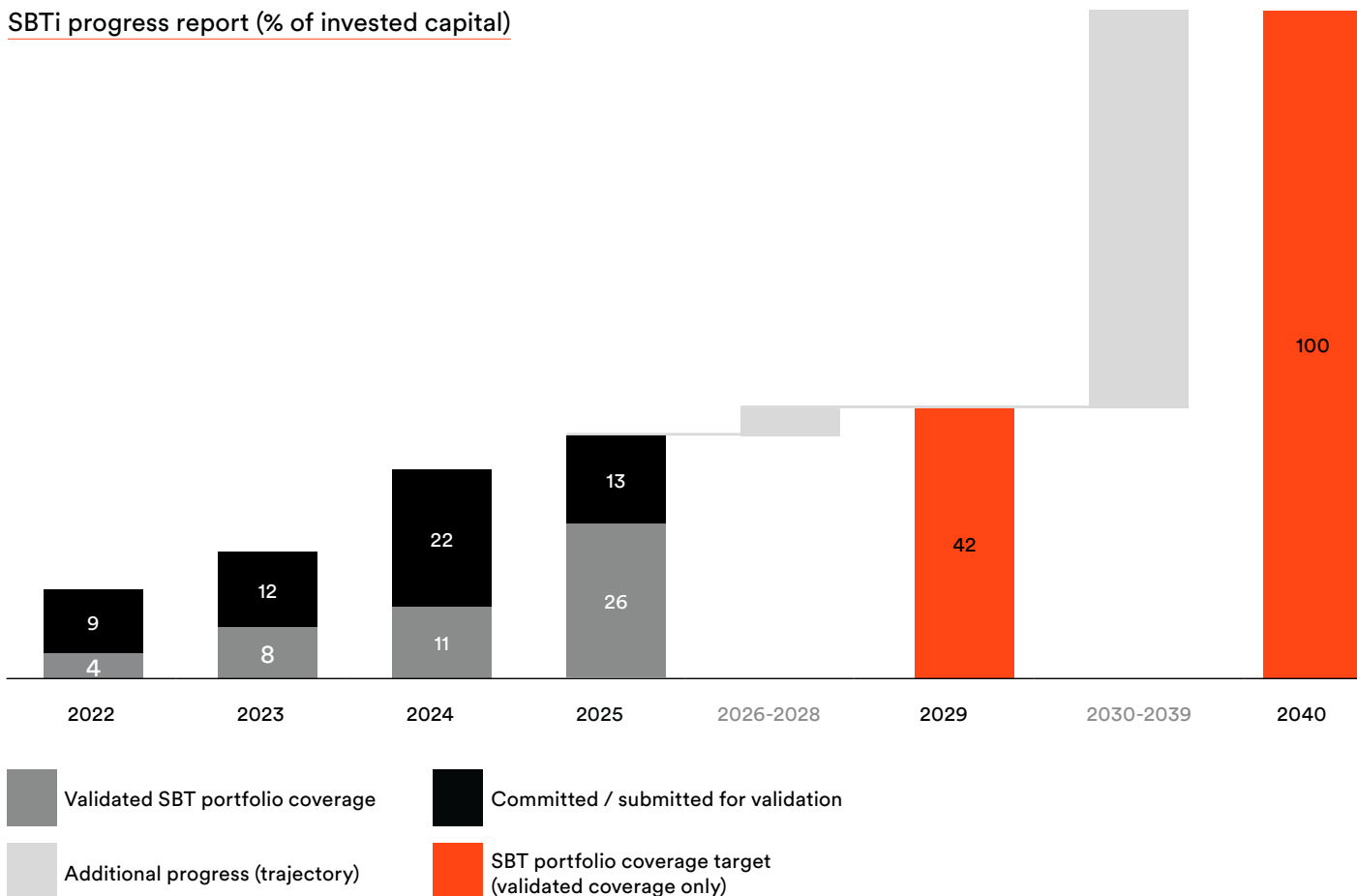
PAI monitors the annual carbon footprint of all portfolio companies participating in the ESG Reporting Campaign, performed on a yearly basis. Scope 1, 2 and 3 emissions and carbon intensity are assessed each year, alongside a defined set of climate-related KPIs:

- Geographic location of assets to assess exposure to physical climate risks.
- Energy consumption and share of renewable sources.
- Carbon footprint (Scope 1, 2 and 3) for all portfolio companies.
- Carbon intensity (emissions per unit of revenue).
- Weighted Average Carbon Intensity (WACI) of each fund.

SBTi portfolio coverage

For nearly a decade, we have supported our portfolio companies in aligning their decarbonisation pathways with the SBTi. In 2025, an additional portfolio company, Froneri, had its targets validated. As of 31 December 2025, 11 portfolio companies have committed to set, submitted or had validated SBTi GHG emissions reduction targets, representing 39% of invested capital.

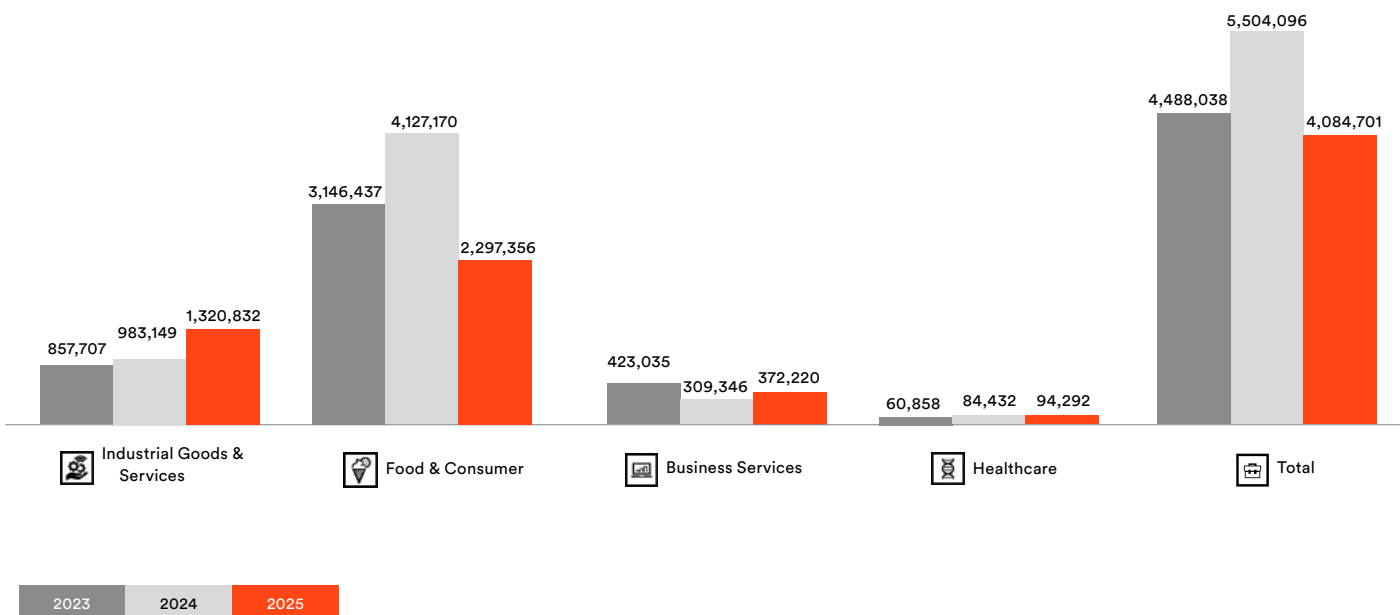
SBTi progress report (% of invested capital)



Financed emissions

Financed emissions across the portfolio rose from 4.5 MtCO₂e in 2023 to 5.5 MtCO₂e in 2024, before falling to 4.1 MtCO₂e in 2025. Overall, this represents a 9% decrease between 2023 and 2025; and -26% between 2024 and 2025. This evolution was primarily driven by the Food & Consumer sector, and in particular Froneri, whose attributed emissions increased materially in 2024 before decreasing in 2025. The 2025 reduction was mainly attributable to a lower ownership attribution factor, which declined from approximately 28% in 2024 to 12% in 2025, thereby reducing the share of Froneri's emissions allocated to the portfolio. This effect was further supported by exits including Tendam and Marcolin. By contrast, Industrial Goods & Services increased in 2025 following the entry of Alvest, making the sector the main structural contributor to the portfolio's higher carbon intensity. Both Froneri and Alvest have committed to the Science Based Targets initiative (SBTi) to validate their Scope 1, 2 and 3 emissions reduction targets and transition pathways. Froneri obtained validation of its targets in 2025, while Alvest submitted its application in 2025 and is targeting official validation in 2026.

Financed emissions scope 1, 2 & 3 (tCO₂e)



6.c Climate Benchmark & Index Funds

This requirement is not applicable. PAI does not manage index funds and therefore does not use the “climate transition” or “Paris Agreement” benchmarks defined by Regulation (EU) 2019/2089.

6.d Climate Assessment in Investment Strategy

At management company level

PAI shares the results of its carbon footprint on an office-by-office basis with all colleagues and uses this to identify reduction potentials in areas under its influence (goods purchased, IT, travel, events). Results are also shared during ESG onboarding for new joiners and firm-wide through the intranet.

At portfolio company level

Pre-acquisition. Climate-related material topics identified through ESG due diligence are included in the ESG memoranda discussed at Investment Committee meetings prior to the investment decision. The focus is calibrated to the materiality of carbon as a risk and value driver for the target.

Ownership. Under PAI’s Climate Policy, each portfolio company calculates its carbon footprint in collaboration with the ESG and Sustainability Team and, where appropriate, an external provider. The level of engagement is then determined based on maturity and material climate risks identified pre-acquisition. PAI supports portfolio companies in building and advancing their climate strategy, measuring Scope 1, 2 and 3 emissions annually, and adopting emissions reduction targets aligned with the SBTi Net Zero pathway. Climate risk screening is conducted at portfolio level and used to prioritise actions across site networks.

Exit. PAI assesses the company’s maturity on climate topics and communicates progress to prospective investors to support the continuation of decarbonisation efforts beyond the holding period.

6.e Coal & Hydrocarbon Exit Policies

PAI does not invest in coal or hydrocarbon assets. This exclusion is formalised in the Responsible Investment Policy, which was updated in 2025 to consolidate climate-related exclusions.

6.f Progress Monitoring & Strategy Updates

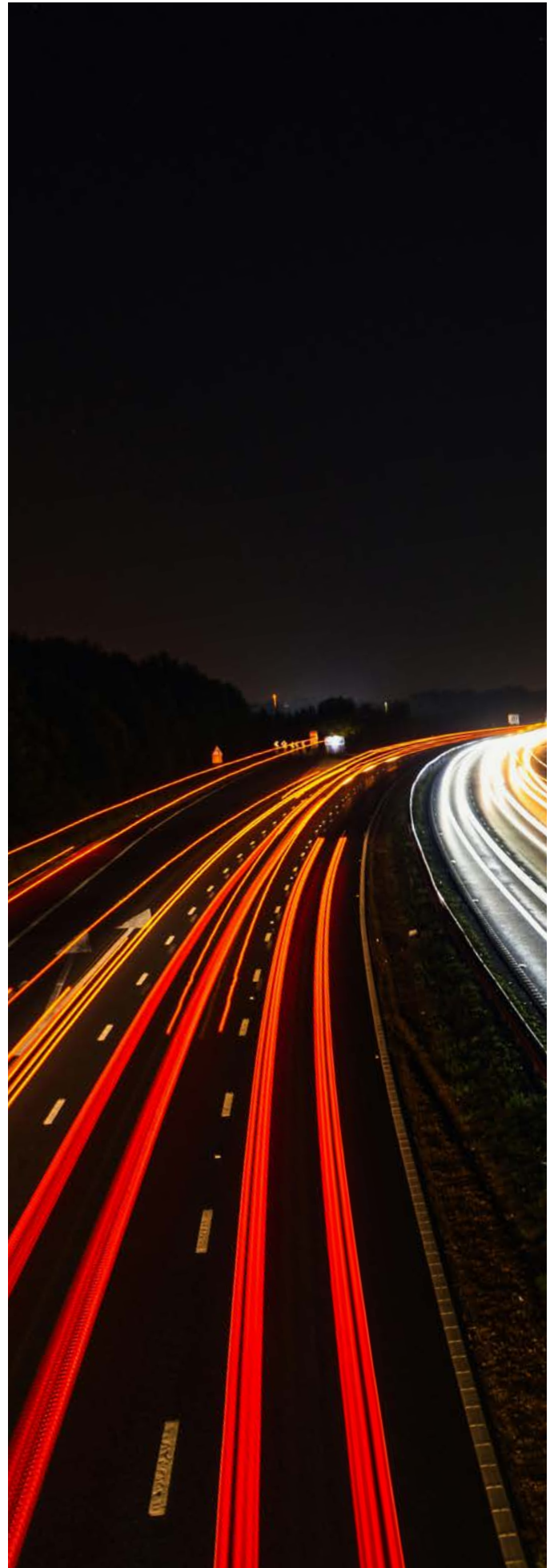
Actions and follow-ups are performed on an ongoing basis under the supervision of the Sustainability Committee, with escalation to the Management Committee where required. Following the SBTi validation in April 2025, the Sustainability Committee oversees implementation against the validated targets, supports the acceleration of science-based target adoption across the portfolio, and refines pre- and post-acquisition procedures to embed decarbonisation considerations earlier in the investment cycle.

Pre-acquisition, PAI assesses a target’s emissions inventory and identifies available decarbonisation levers, including through dedicated decarbonisation due diligence where applicable. Post-acquisition, decarbonisation and SBTi commitments are discussed with new portfolio companies during onboarding, followed by tailored guidance and resources to support adoption.

	2025
Share of acquisitions made during the year that were aligned with the Exclusion Policy	100%
Share of acquisitions made during the year that underwent sustainability due diligence	100%
Share of investments that responded to the sustainability reporting campaign	100%
Share of investments reporting GHG footprint	91%
Share of investments included in physical risk assessment	100%
Share of investments subject to impact and nature-related dependency screening	100%

6.g Review Frequency & Update Schedule

PAI's decarbonisation targets were validated by the SBTi in April 2025 following the validation process conducted in 2024. In line with the SBTi framework, PAI monitors and reports progress annually and plans to reassess targets at least every five years, or sooner if material changes in portfolio composition, methodology or guidance occur.



7 Biodiversity Risk Assessment

7.a Convention on Biological Diversity Compliance

PAI is committed to the conservation of biological diversity, the sustainable use of its components, and the fair and equitable sharing of benefits arising from the use of genetic resources, in line with the targets set out in the Convention on Biological Diversity adopted on 5 June 1992. PAI is one of the first private equity “early adopters” of the Taskforce on Nature-related Financial Disclosures (TNFD), and since 2024 nature and biodiversity have been embedded as core pillars of PAI’s sustainability strategy.

PAI recognises that addressing nature-related risks is essential to long-term resilience, particularly for Food and Consumer businesses, which depend on nature and biodiversity for long-term value creation. Biodiversity-related risk management starts at pre-acquisition due diligence, where third-party specialist tools are used to assess impacts and dependencies on natural capital across the investment lifecycle.

Spatial approach – identification of exposure to biodiversity-sensitive areas.

PAI assesses its portfolio’s exposure to biodiversity-related risks through a spatial approach, combining the monitoring of SFDR principal adverse impact indicators with a more granular analysis of portfolio companies’ sites and operations. As part of the annual ESG reporting campaign, SFDR principal adverse impact indicator no. 7 is monitored to identify the share of investments in companies whose activities are located in or near biodiversity-sensitive areas and may negatively affect those areas.

This analysis is complemented by a third-party tool aligned with the recommendations of the TNFD, which assesses the proximity of sites to Key Biodiversity Areas, protected areas and other ecologically sensitive locations. PAI has also started collecting the geographic coordinates of portfolio companies’ facilities to progressively enhance the granularity of this analysis.

Qualitative approach – analysis of nature-related impacts, dependencies and pressures.

PAI complements this spatial approach with a qualitative assessment of its investments’ impacts and dependencies on nature and biodiversity. This analysis relies on the ENCORE tool, which identifies sector-level impacts and dependencies and translates them into relevant asset-level and portfolio-company-level risks. It helps prioritise sectors and companies with the most significant exposures and informs engagement actions during the ownership period.

The analysis covers dependencies on ecosystem services such as ground and surface water, water flow maintenance, climate regulation, genetic materials, fibres and other natural materials. It also considers the main pressures on biodiversity, including land use, greenhouse gas emissions, water and soil pollution, water consumption, waste generation, agricultural and forestry supply chains, and deforestation-related risks.

The results of this analysis are used to strengthen the integration of nature-related considerations across the investment lifecycle, from due diligence to portfolio monitoring. They inform ESG action plans for relevant portfolio companies, particularly in the most exposed sectors, such as Food & Consumer, beverages, forestry-linked activities and certain industrial activities. Engagement actions may include water stewardship, raw material traceability, preparation for compliance with the EU Deforestation Regulation, reduction of waste- and water-related pressures, and alignment with TNFD and SBTi FLAG guidance.

Initiatives implemented in 2025

- Portfolio analysis

PAI uses a TNFD-aligned third-party tool to generate a science-based screening of the nature-related risks of an investment. The tool identifies sector-level dependencies and impacts and translates these into asset-level risks and decision-relevant insights. The tool also incorporates proximity to Key Biodiversity Areas (KBAs) and protected areas, including ecological connectivity factors such as shared watersheds, species migration and regulatory buffers. As part of this process, PAI has gathered the geo-coordinates of all portfolio companies’ facilities.

A portfolio-wide screening covering 100% of portfolio companies identified high dependencies on ground and surface water, climate regulation, water flow maintenance, genetic materials, and fibres and other natural materials. As of 31 December 2025, approximately 70% of our invested capital is in sectors considered to have material nature-related impacts and dependencies, consistent with 2024 (70%). Our investments in Food & Consumer businesses, which are highly dependent on nature and biodiversity for long-term value creation, have the most medium/ high dependencies within our portfolio.

- Portfolio engagement

PAI supports portfolio companies in managing nature and biodiversity-related risks and opportunities, including through water stewardship and preparation for compliance with the EU Deforestation Regulation (EUDR), supported by an in-house framework. PAI's 'RIPPLE' guide to water stewardship, launched in 2024, was further embedded across the portfolio in 2025 as part of business-as-usual processes.



PAI supports portfolio companies in managing nature and biodiversity-related risks and opportunities, including through water stewardship and preparation for compliance with the EU Deforestation Regulation (EUDR), supported by an in-house framework. PAI's 'RIPPLE' guide to water stewardship, launched in 2024, was further embedded

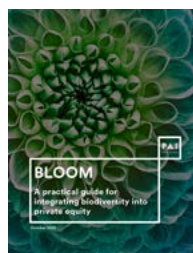
For high-impact sectors, in particular Food and Consumer and forestry-linked activities, PAI supports portfolio companies in preparing for compliance with the EU Deforestation Regulation and in aligning with SBTi FLAG guidance to address land-use and deforestation-related emissions.

- Internal engagement and industry processes

PAI recognises its role as a private equity firm to act for biodiversity preservation and restoration – in part due to PAI's investment in Food & Consumer businesses, for which addressing biodiversity impacts and dependencies is particularly crucial to ensure future resilience.

Biodiversity-related risks and impact on nature assessment are integrated throughout our investment cycle. At Due Diligence, we use third-party specialist tools to assess biodiversity-related impacts and dependencies across our portfolio. The results are aligned with the internationally recognised Taskforce for Nature-related Financial Disclosures (TNFD) framework. During ownership, we track performance on actions to identify and mitigate impact on biodiversity through indicators for all that are part of our ESG reporting framework.

The Task Force on Nature-related Financial Disclosures (TNFD) is developing a risk management and disclosure framework for organisations to report and act on evolving nature-related risks. PAI aims to align with the recommendations of the TNFD. The Firm is a TNFD Forum Member and was one of the first private equity firms to sign up as a TNFD 'early adopter' in late 2023, with the aim to align with the recommendations of the Task Force.



As part of our thought leadership programme, we developed [BLOOM](#), a practical guide for integrating biodiversity in private equity, laying out five key steps to help private equity firms reduce negative impacts on biodiversity and safeguard related returns.

Impacts and dependencies across our portfolio

Given the importance of nature and biodiversity to our investments, we are focused on assessing and managing impacts and dependencies across our portfolio companies.

- High dependency sectors

Food and beverage companies have the most medium/high dependencies within our portfolio, as shown below. Leather, glasses and eyewear, and insulation products also have numerous medium/ high nature-related dependencies. Collectively, our portfolio companies are mostly dependent on ground and surface water; climate regulation; water flow maintenance; genetic materials; and fibres/other materials. This analysis allows us to take a thematic approach when addressing dependencies across our portfolio.

- High-impact sectors

Food companies have the highest impact across our portfolio, followed by beverage companies and those using forestry products. In all three cases, this is largely because of associated land-use change.

Exposure to Nature-Related Risks by Fund⁷



7.b Key Biodiversity Pressures & Impacts

PAI identifies portfolio companies with elevated impacts on nature and biodiversity using a specialist third-party tool during due diligence and ongoing portfolio monitoring. The following KPIs are monitored from portfolio companies and analysed in PAI’s annual Sustainability Report:

- Average volume of water consumed by investee companies (m³) per €1 million of investee company revenue.
- Tonnes of emissions to water generated by investee companies per €1 million invested.
- Tonnes of hazardous waste and radioactive waste generated by investee companies per €1 million invested.

- Percentage of hazardous waste recovered.
- Tonnes of non-recycled waste generated by investee companies per €1 million invested.

Through the Sustainability Report, PAI also provides investors with analysis on the reduction of pressures and impacts on biodiversity. Across the portfolio, food companies have the highest biodiversity and nature impact, followed by beverage companies and those using forestry products, largely due to associated land-use change.

We remain committed to further aligning the impact KPIs we monitor and manage with TNFD guidance.

⁷ Only a limited number of companies are represented in the Biodiversity data set



7.c Biodiversity Footprint Indicator

PAI continues to align its reporting with TNFD guidance for Financial Institutions, focusing on the implementation of two core metrics:

- Percentage of invested capital in sectors considered to have material nature-related dependencies and impacts.
- Percentage of invested capital in companies with activities in sensitive locations.

Additional metrics under the TNFD guidance for corporates, including hazardous and non-recycled waste, water consumption and emissions to water (listed in section 7.b), are monitored on a per-million-euros-invested or per-revenue basis as appropriate. We continue to refine these metrics in line with evolving disclosure expectations and the maturity of underlying portfolio company data.

8

ESG Integration in Risk Management

8.a Process for Identifying, Assessing, Prioritising & Managing ESG Risks

The process by which PAI identifies, assesses, prioritises and manages ESG-related risks is described in section 1.a (investment lifecycle integration), section 3.a (governance forums) and section 2.a (internal tools). In summary, ESG risks are screened at origination, assessed during due diligence through dedicated ESG memoranda, escalated to the Investment Committee, embedded into 100-day plans and value creation plans at entry, monitored through annual ESG reporting during ownership, and reassessed at exit.

These risks are integrated into PAI's conventional risk management framework through three mechanisms. First, the Investment Committee, which is the firm's principal financial risk decision-making body, considers ESG memoranda alongside financial and strategic factors at investment, follow-on and exit. Second, the Risk Committee oversees financial, non-financial and reputational risks, including ESG, and ensures consistent risk identification, assessment and management standards across the firm. Third, the Sustainability Committee coordinates ESG risk management at firm and portfolio level and escalates to the Management Committee where required.

Climate-related disclosures across the portfolio are aligned with TCFD guidance, and nature-related disclosures follow the TNFD framework.

8.b Description of Main ESG Risks

PAI's main ESG risks fall into four families: climate physical, climate transition, nature and biodiversity, and social, governance and conduct (including litigation and liability). Each is described below against the four criteria required by 8° b. Sections 6 and 7 provide the underlying characterisation, methodology and management of climate and nature risks.

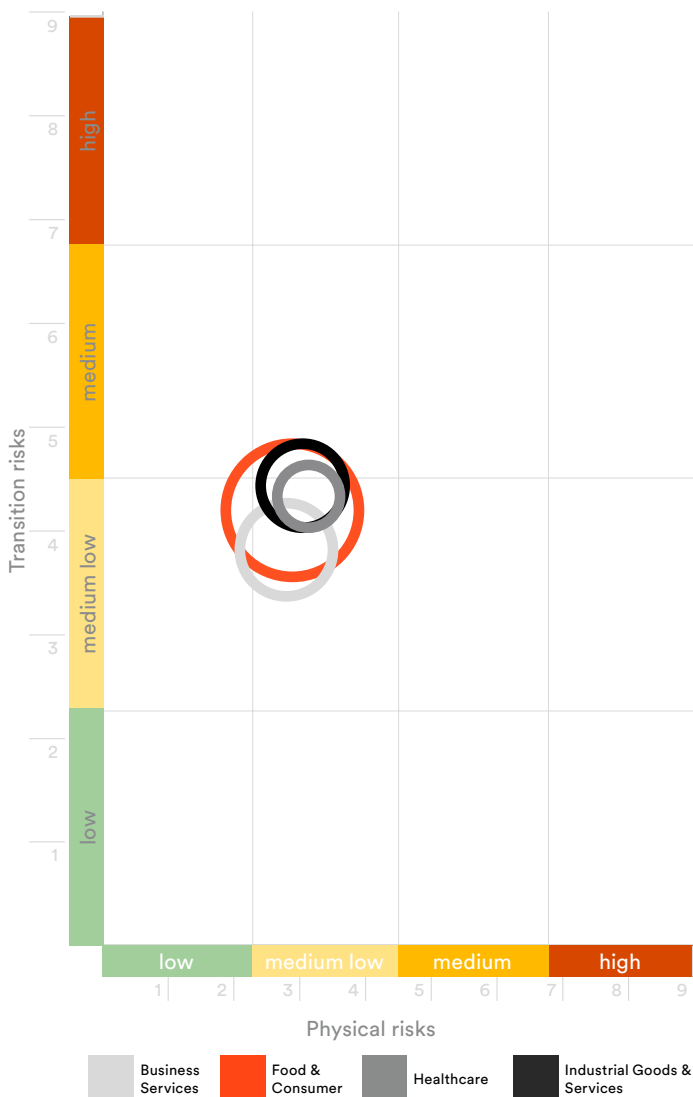
Climate physical risks. Emerging, exogenous, with both acute (storms, floods, wildfires, extreme temperatures) and chronic (precipitation, sea level, water stress) drivers; occurrence increasing, intensity site-dependent; time horizons near term, 2030 and 2050. Typology: physical. Risk factors include the trajectory of greenhouse gas emissions, the pace of adaptation investment and local infrastructure resilience. Sectors and geographies: highest exposure in Food and Consumer and in parts of Industrial Goods and Services; assessed site by site across the portfolio. Recurrent. Selection criteria: site-level exposure under three IPCC scenarios, prioritised by intensity score and revenue exposure. [See section 6.d.](#)

Climate transition risks. Current and emerging, predominantly exogenous with endogenous components linked to portfolio composition; continuous occurrence, intensity varying with policy and market evolution; near term to 2040, aligned with the validated SBTi trajectory. Typology: transition. Risk factors include carbon pricing, product regulation, evolving reporting requirements, shifts in customer preferences and energy and input cost pressures. Sectors and geographies: highest in carbon-intensive segments of Industrial Goods and Services and Food and Consumer; lower in Healthcare and Business Services. Selection criteria: PMDR alignment scale, Internal Carbon Pricing exposure and SBTi sector materiality. [See section 6.a.](#)

Nature and biodiversity risks. Emerging, with both exogenous (regulation, ecosystem service degradation) and endogenous (portfolio sector mix) components; occurrence varies by sector, intensity highest where dependence on natural capital is material; near to long term. Typology: physical risks (ecosystem service degradation, water scarcity, soil degradation) and transition risks (EUDR, biodiversity-linked regulation, evolving customer expectations). Risk factors include water availability, climate regulation services, land-use regulation and supply chain expectations. Sectors and geographies: concentrated in Food and Consumer (highest impact and dependence) and parts of Industrial Goods and Services. Selection criteria: TNFD-aligned third-party tool assessing impacts, dependencies and proximity to Key Biodiversity Areas. [See section 7.](#)

Social, governance and conduct risks (including litigation and liability). Current and recurring, predominantly exogenous, with intensity varying by sector and geography; near to medium term. Typology: liability and conduct risks linked to climate disclosure, human rights in supply chains, product safety, data protection and cyber security. Risk factors include the evolution of regulatory expectations (CSRD, CSDDD), enforcement trends and stakeholder scrutiny. Sectors and geographies: cross-portfolio, with elevated exposure in Healthcare, Food and Consumer and operations in higher-risk jurisdictions. Selection criteria: the Responsible Investment Policy exclusions, UN Global Compact compliance screening, the reputational risk screening tool and structured business continuity assessments during ownership.

Potential Portfolio Exposure to Climate-Related Risks across Sectors



8.c Review Frequency of the Risk Management Framework

The ESG risk management framework is reviewed at least annually by the Sustainability Committee, with escalation to the Management Committee and the Risk Committee where required. Ad hoc reviews are triggered by material changes in regulation (such as the Omnibus package or CSRD revisions), portfolio composition, methodological updates from SBTi, TNFD or PMDR, or material incidents identified through ongoing monitoring. The Responsible Investment Policy is reviewed annually and was updated in 2025 to consolidate climate-related exclusions and UN Global Compact commitments.

8.d Action Plan to Reduce Exposure to Material ESG Risks

PAI’s actions to reduce exposure to the material ESG risks identified above are embedded across the Resilience Strategy. Concrete levers include: SBTi-aligned decarbonisation plans for portfolio companies, with 42% of invested capital coverage targeted by 2029 and 100% by 2040 (section 6.a); site-level physical climate risk mitigation integrated into value creation plans (section 6.d); RIPPLE water stewardship framework and EUDR readiness in Food and Consumer (section 7.a); sustainability-linked loan structures linking financing terms to ESG performance targets across 16 portfolio companies; and the Internal Carbon Pricing mechanism applied in Investment Committee discussions.

8.e Quantitative Estimate of Financial Impact & Qualitative Declaration

PAI has not yet completed a portfolio-wide quantitative estimate of the financial impact of all main ESG risks on portfolio valuation. This reflects the current limitations of the developing nature of methodologies for translating physical climate, transition and biodiversity risks into valuation impacts, and the diversity of portfolio company sectors and geographies. In 2025, PAI strengthened the foundations for future quantification by extending site-level physical climate risk screening across the portfolio, upgrading its decarbonisation maturity assessment, applying its Internal Carbon Pricing mechanism in investment analysis, and expanding nature-related screening.

PAI will continue to develop its approach, with priority given to high-exposure assets and sectors and aims to progressively incorporate quantitative financial impact analysis into risk monitoring and value creation planning.

8.f Evolution of Methodological Choices & Results

PAI made several methodological developments compared with FY 2024. We extended the physical climate risk assessment to full portfolio coverage at site level (section 6.d). The Private Markets Decarbonisation Roadmap was upgraded to PMDR 2.0 with refined portfolio alignment scoring (section 6.b). PAI's science-based emissions reduction targets moved from commitment to validation following SBTi approval (section 6.a). We reviewed the Internal Carbon Pricing mechanism and recalibrated our tool to reflect the latest developments in carbon pricing benchmarks. We also extended our nature-related sectoral screening through a portfolio-wide review incorporating proximity to Key Biodiversity Areas ([section 7](#)).

Results-level changes are documented in the related sections: reductions in portfolio carbon intensity (section 6.b), expansion of sustainability-linked financing ([section 6.a.](#))



8.g Methodological criteria

Data quality (8° bis a).

Data used in this report is derived from portfolio company ESG reporting, external service providers, third-party climate and nature tools, and PAI's own internal systems. Where company-reported data is unavailable, estimates may be used, particularly for emissions, climate-risk exposure and nature-related screening. PAI seeks to prioritise forward-looking methodologies where relevant, including climate scenario analysis and science-based target pathways, while historical data remains relevant for year-on-year performance tracking, such as emissions, energy, water and waste indicators. PAI will continue to improve data quality by increasing portfolio company reporting coverage, refining methodological guidance, and documenting the use of estimates.

PAI applies the PCAF (Partnership for Carbon Accounting Financials) methodology to measure and report the GHG emissions associated with its investments. As part of this framework, each data point is assigned a PCAF data quality score ranging from 1 (highest quality, based on reported and ideally verified data) to 5 (lowest quality, based on high-level estimates), reflecting the reliability of the underlying emissions data. A lower score indicates greater reliance on primary, company-reported data, while a higher score reflects the use of estimations or sector-level proxies. For 2025, the overall PCAF score for the portfolio was of 2.36. PAI is working towards improving data quality scores across the portfolio by increasing the coverage of company-reported emissions data.

Climate-related scenarios (8° bis b).

Physical climate risk analysis uses three IPCC Representative Concentration Pathways: RCP 2.6 (aligned with a net zero, Paris-compatible scenario), RCP 4.5 (intermediate trajectory) and RCP 8.5 (business as usual, capturing trend and disorderly transition exposure). The scenarios are publicly available IPCC pathways and are applied at site level across the portfolio.

For transition risk, PAI applies its Internal Carbon Pricing mechanism in Investment Committee discussions and uses the SBTi 1.5°C pathway as the reference scenario at portfolio level.

The tool identifies the three climate transition risks and opportunities that are most material at the sectoral level.

It then computes climate-related indicators using state-of-the-art NGFS (Network for Greening the Financial System) proxy scenarios for the relevant geography. These proxies model the identified risks and opportunities in 2020, by 2030 and by 2040 under several scenarios.

- Net Zero 2050: Ambitious scenario that limits global warming to 1.5 °C through stringent climate policies and innovation, reaching net zero CO₂ emissions around 2050.
- Delayed transition: This scenario assumes annual emissions do not decrease until 2030. Strong policies are needed to limit warming to below 2°C.
- NDC (Nationally Determined Contributions): This scenario includes all pledged policies even if not yet implemented. It is referred in the Analysis as the "Business As Usual" scenario.

Biodiversity risks (8° bis c).

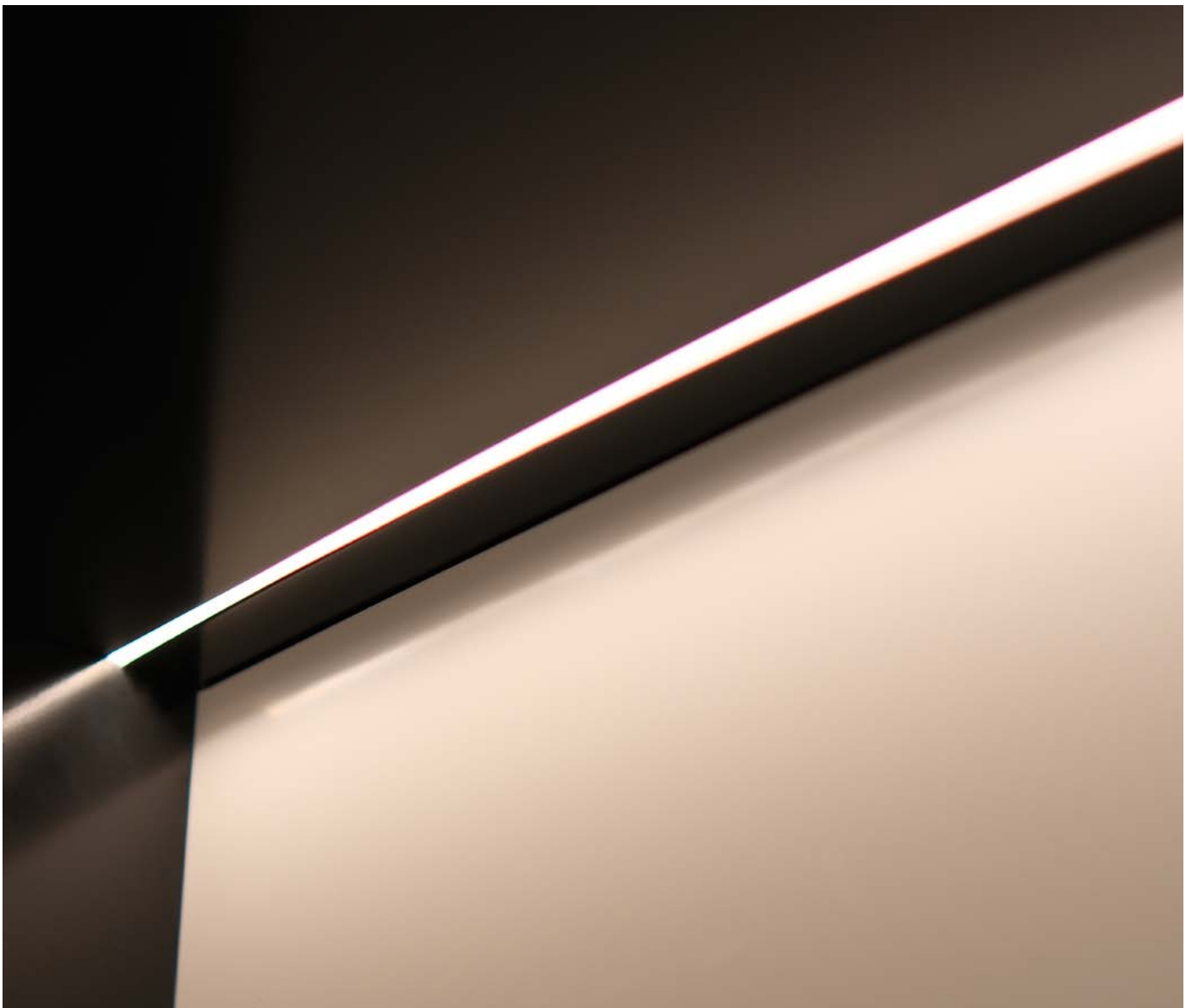
PAI's biodiversity risk assessment includes impact and dependency-based risks. Both categories are assessed using a TNFD-aligned third-party tool. The tool indicates whether each identified risk is sector-specific, geography-specific, or both.

9 Continuous Improvement Plan

In 2026, PAI plans to strengthen its ESG risk management framework by improving the quantification and monitoring of priority risks. This includes piloting a quantitative risk-to-value assessment for selected high-exposure assets and extending supplier-level physical climate risk analysis.

We will support our portfolio companies and more specifically those that are less advanced in measuring their carbon footprint and developing a decarbonisation roadmap during our ownership period, supporting the acceleration of SBT adoption across our portfolio, by providing resources and tailored guidance.

As we look to the future, our strategic roadmap lays out a definitive course for our portfolio companies to manage nature-related risks and opportunities. We plan to continue to leverage our TNFD-aligned third party tool to assess and manage nature and biodiversity impacts and dependencies across our portfolio companies and for pre-acquisition due diligence. This analysis will also support our engagement with portfolio companies with higher ratings. We also plan to monitor several nature and biodiversity-related metrics, such as water intensity, to help track performance and inform future strategies.



10 Appendix

Appendix 1

Classification of Funds managed by PAI SAS as of 31 December 2025

Fund	AUM ⁸ €M 31.12.2025	SFDR classification
PAI Europe VI	1 500,20	Article 6
PAI Europe VII	5 399,50	Article 6
PAI Strategic Partnership II	2 503,34	Article 6
PAI VIII	8 640,84	Article 8

⁸ Including NAV and undrawn commitment

Appendix 2

Ref.	Required information under Article D. 533-16-1, III	Related section(s)
1° a)	Information relating to the entity's general approach: a summarised presentation of the entity's general approach to taking into account ESG criteria, particularly in its investment policy and strategy.	Introduction; section 1.a
1° b)	The content, frequency and means used by the entity to inform subscribers, members, contributors, beneficiaries or clients about the ESG criteria taken into account in the investment policy and strategy.	Section 1.b
1° c)	The list of financial products referred to under Article 8 and Article 9 of Regulation (EU) 2019/2088, and the overall share, as a percentage, of assets under management that take ESG criteria into account out of total assets managed by the entity.	Section 1.c; Appendix 1
1° d)	The integration of ESG criteria in the decision-making process for awarding new management mandates by the entities referred to in Articles L. 310-1-1-3 and L. 385-7-2 of the Insurance Code.	Section 1.d (not applicable to PAI SAS)
1° e)	The entity's membership, or that of certain financial products, in a charter, code, initiative or label relating to the incorporation of ESG criteria, with a brief description, consistent with Article 4(2)(d) of Regulation (EU) 2019/2088.	Section 1.e
2° a)	Information relating to internal resources: a description of the financial, human and technical resources dedicated to incorporating ESG criteria into the investment strategy, relative to total assets managed or held (including, in whole or in part: percentage of corresponding full-time equivalents; percentage and euro amount of budgets devoted to ESG data; investment in research; use of external service providers and data suppliers).	Section 2.a
2° b)	Actions taken to strengthen the entity's internal capacity, including information on training, communication strategy, and the development of financial products and services associated with these actions.	Section 2.b
3° a)	Information relating to governance: the knowledge, skills and experience of the governance bodies (administrative, supervisory and management) in decision-making relating to the integration of ESG criteria into the entity's investment policy and strategy, and those of controlled entities where applicable (including level of oversight and associated process, reporting of results, and competencies).	Section 3.a
3° b)	The inclusion, in accordance with Article 5 of Regulation (EU) 2019/2088, in remuneration policies of information on how those policies are adapted to the integration of sustainability risks, including details on the criteria for linking remuneration policy to performance indicators.	Section 3.b
3° c)	The integration of ESG criteria into the internal rules of the entity's board of directors or supervisory board.	Section 3.c
4° a)	Information on the engagement strategy with issuers or vis-à-vis management companies, and its implementation: the scope of companies covered by the engagement strategy.	Section 4
4° b)	A presentation of the voting policy.	Section 4
4° c)	A review of the engagement strategy implemented (which may include the proportion of companies with which the entity has initiated dialogue, the topics covered, and follow-up actions).	Section 4; sections 6 and 7
4° d)	A review of the voting policy, in particular regarding the submission and voting at general meetings of resolutions on ESG issues.	Section 4 (not applicable: no listed holdings)
4° e)	Decisions taken with regard to investment strategy, in particular regarding sectoral divestment.	Sections 1.a, 5 and 6.e

5° (i)	Information relating to the European taxonomy and fossil fuels: the share of assets relating to activities compliant with the technical screening criteria of the delegated acts under Articles 10 to 15 of Regulation (EU) 2020/852, in accordance with the delegated act under Article 8 of that Regulation.	Section 5
5° (ii)	The share of assets in companies active in the fossil fuel sector, within the meaning of the delegated act under Article 4 of that Regulation.	Section 5
6° a)	Strategy for alignment with the Paris Agreement: a quantitative target with a 2030 horizon, reviewed every five years up to 2050 (reviewed no later than five years before its deadline), covering direct and indirect GHG emissions in absolute or intensity value against a reference scenario and reference year; may be expressed as implied temperature rise or volume of GHG emissions.	Section 6.a
6° b)	Where the entity uses an internal methodology, information on that methodology for assessing alignment with the Paris Agreement or the national low-carbon strategy (general approach and method, including cumulative or point-in-time analysis; portfolio and asset-class coverage and aggregation method; time horizon; assumptions on estimated data and scenarios used with name and publication year; adaptation of the scenario to the portfolios including WACI, absolute and intensity analysis; quality of methodologies and data including uncertainties; GHG value-chain scope including direct, indirect, avoided and negative emissions and financed emissions; forward-looking estimation method; temporal, sectoral and geographic granularity; comparative elements where multiple scenarios are used).	Sections 6.a, 6.b, 6.d
6° c)	A quantification of the results using at least one indicator.	Section 6.b
6° d)	For entities managing index funds, information on the use of the EU “climate transition” and “Paris-aligned” benchmarks defined by Regulation (EU) 2019/2089.	Section 6.c (not applicable to PAI SAS)
6° e)	The role and use of the assessment in the investment strategy, including the complementarity between the chosen methodology and other ESG indicators used more broadly in the investment strategy.	Section 6.d
6° f)	Changes made to the investment strategy in connection with the Paris Agreement alignment strategy, in particular policies for a gradual phase-out of coal and unconventional hydrocarbons, specifying the schedule adopted and the share of total assets covered by those policies.	Sections 5 and 6.f
6° g)	Any follow-up actions on results and changes made.	Section 6.f
6° h)	The frequency of assessment, the expected update dates, and the relevant factors for change adopted.	Section 6.g
7° a)	Strategy for alignment with long-term biodiversity objectives (specifying the value-chain scope adopted, with objectives set for 2030 and then every five years): a measure of compliance with the objectives of the Convention on Biological Diversity adopted on 5 June 1992.	Section 7.a
7° b)	An analysis of the contribution to reducing the main pressures and impacts on biodiversity as defined by IPBES.	Section 7.b
7° c)	A reference to the use of a biodiversity footprint indicator and, where applicable, how that indicator enables the measurement of compliance with international biodiversity objectives.	Section 7.c

8° a)	Approaches to incorporating ESG criteria in risk management (consistent with Article 3 of Regulation (EU) 2019/2088, covering physical, transition and liability risks related to climate change and biodiversity): the process for identifying, assessing, prioritising and managing ESG risks, how risks are integrated into the entity's conventional risk management framework, and how this process responds to the recommendations of the European Supervisory Authorities.	Section 8.a
8° b)	A description of the main ESG risks taken into account and analysed, including for each: (i) a characterisation (current or emerging, exogenous or endogenous, occurrence, intensity, time horizon); (ii) a segmentation into physical, transition and litigation/liability risks with descriptive analysis and risk factors; (iii) the economic sectors and geographical areas affected, recurring or one-off nature, and any weighting; (iv) the criteria used to select material risks and the rationale for any weighting.	Section 8.b
8° c)	An indication of the frequency of review of the risk management framework.	Section 8.c
8° d)	An action plan aimed at reducing the entity's exposure to the main ESG risks taken into account.	Section 8.d; section 9
8° e)	A quantitative estimate of the financial impact of the main ESG risks identified and the proportion of exposed assets, with associated time horizon, at entity and asset level, including impact on portfolio valuation. Where a qualitative statement is published, a description of the difficulties encountered and the measures envisaged to quantitatively assess the financial impact.	Section 8.e
8° f)	An indication of changes in methodological choices and results.	Section 8.f
8° bis a)	Methodological criteria – quality of data used: a reference to the use, wherever possible, of methodologies based on forward-looking data, and an indication, where applicable, of the relevance of using methodologies based on historical data.	Section 8.f
8° bis b)	Methodological criteria – climate change risks: for physical and transition risks, the use of multiple scenarios (including at least one 1.5°C or 2°C scenario and at least one baseline or disorderly transition scenario taking into account UNFCCC national climate contributions), naming public scenarios and describing their characteristics, justifying any individual scenarios, and explaining how scenarios are adapted to the entity's financial risk modelling capacity; and for physical risks, how the entity envisages including counterparty-specific information on exposure, sensitivity, adaptation and adaptive capacity along the value chain.	Section 8.g
8° bis c)	Methodological criteria – biodiversity risks: a clear distinction between the main risks arising from the impacts caused by the investment strategy and the main risks arising from biodiversity dependencies of the assets and activities invested in, indicating for each the value-chain scope adopted and whether the risk is specific to the sector of activity or the geographical area of the underlying asset.	Section 8.g
9° a)	Continuous improvement plan (where certain information in 1° to 8° bis is not published): an identification of opportunities to improve the current strategy and corresponding concrete actions.	Section 9
9° b)	Information on the strategic and operational changes introduced or to be introduced following the implementation of corrective actions.	Section 9
9° c)	For each of the two points above, objectives together with an implementation timeline.	Section 9

Annex 3 - Quantitative Indicators

Article 29 of the French Energy and Climate Act (Article 29 LEC) reporting.

<https://www.legifrance.gouv.fr/jorf/id/JORFTEXT000043541738>

Indicator category	Indicator detail and number / subparagraph	Metric	Format	Quantified indicator
1. Information on the entity's general approach	1.c. Overall share, as a percentage, of assets under management that take environmental, social and governance quality criteria into account, within the total amount of assets managed by the entity	As % of assets under management	%	100.0%
2. Information on the internal resources deployed by the entity These figures must be those of the entity subject to Article 29 LEC reporting and not the data consolidated at group level. As a reminder, these indicators are required by the Article 29 LEC decree; the information provided must match what you published in your entity-level Article 29 LEC report.	2.a. Description of the financial, human and technical resources dedicated to taking environmental, social and governance quality criteria into account in the investment strategy, expressed relative to the total assets managed or held by the entity. The description includes all or part of the following indicators: share, as a percentage, of the corresponding full-time equivalents; share, as a percentage, and amount, in euros, of the budgets devoted to environmental, social and governance data; amount of investment in research; use of external service providers and data providers.	Share, in %, of the FTEs concerned out of total FTEs	%	2.9%
		Share, in %, of dedicated budgets out of the financial institution's total budget	%	0.7%
		Amounts, in €, of dedicated budgets	euro	€306,600
		Amount of investment in research [2]	Monetary amount (€)	N/A
		Number of external service providers and data providers used (this covers all of your providers or suppliers whose data are used to take ESG criteria into account in your investment strategy)	Number	20
4. Information on the engagement strategy with issuers or vis-a-vis management companies, and on its implementation 4. Information on the engagement strategy with issuers or vis-a-vis management companies, and on its implementation	4.c. Review of the engagement strategy implemented, which may in particular include the share of companies with which the entity has initiated a dialogue, the themes covered and the follow-up actions of this strategy. NOTE: for players managing only real estate or infrastructure funds, this refers to engagement actions carried out with providers, tenants, property managers, etc. (so it is not necessarily shareholder engagement).	Share, in %, of the companies engaged in a dialogue out of all companies concerned by the theme covered	%	100.0%
		Specify the denominator of the indicator above	Text	3 (number of funds: PAI VI, PAI VII, PAI SP II)

4. Information on the engagement strategy with issuers or vis-a-vis management companies, and on its implementation	4.d. Review of the voting policy, in particular regarding the filing and voting at general meetings of resolutions on environmental, social and governance quality issues.	The indicators below are optional. Players are of course free to publish others within their Article 29 LEC reports.	N/A		
	(Examples of E, S or G resolutions: addressing the GHG emissions reduction pathway, gender equality, well-being at work, training of board members on climate topics, or indexing executive teams' remuneration to the achievement of ESG objectives)	Total number of filings on ESG issues	Number	N/A (Private Equity only)	
		Total number of votes on ESG issues	Number	N/A (Private Equity only)	
		Number of filings on environmental issues	Number	N/A (Private Equity only)	
		Number of votes on environmental issues	Number	N/A (Private Equity only)	
		Number of filings on social issues	Number	N/A (Private Equity only)	
		Number of votes on social issues	Number	N/A (Private Equity only)	
		Number of filings on governance quality issues	Number	N/A (Private Equity only)	
		Number of votes on governance quality issues	Number	N/A (Private Equity only)	
		Total % of filings on ESG issues out of all filings made	%	N/A (Private Equity only)	
		Total % of votes (yes/no) on ESG issues out of all votes cast	%	N/A (Private Equity only)	
		% of filings on environmental issues out of all filings made	%	N/A (Private Equity only)	
		% of votes on environmental issues out of all votes cast	%	N/A (Private Equity only)	
		% of filings on social issues out of all filings made	%	N/A (Private Equity only)	
% of votes on social issues out of all votes cast	%	N/A (Private Equity only)			
% of filings on governance quality issues out of all filings made	%	N/A (Private Equity only)			
% of votes on governance quality issues out of all votes cast	%	N/A (Private Equity only)			
5. Information on the European taxonomy and fossil fuels	5.b. Share of assets under management invested in companies active in the fossil fuel sector, within the meaning of the delegated act adopted under Article 4 of that regulation. [1]	Share of AUM, in %	%	0.0%	
	Share of assets under management invested in companies active in the coal sector (a sub-component of indicator 5.b above).	Share of AUM, in %	%	0.0%	
	This indicator was added at the request of the Directorate General of the Treasury and is not required by the Article 29 LEC decree itself. It is therefore optional, but we would be grateful if you could complete it where possible.				
	Share of assets under management invested in companies active in the conventional oil and gas sector (a sub-component of indicator 5.b above).	Share of AUM, in %	%	0.0%	
	This indicator was added at the request of the Directorate General of the Treasury and is not required by the Article 29 LEC decree itself.				
	Share of assets under management invested in companies active in the unconventional oil and gas sector (a sub-component of indicator 5.b above).	Share of AUM, in %	%	0.0%	
This indicator was added at the request of the Directorate General of the Treasury and is not required by the Article 29 LEC decree itself.					
5.b. For asset management companies that manage real estate funds (predominantly real estate management companies must complete this indicator; other management companies may complete it on an optional basis):	Share of investments, in %	%	N/A		
Exposure to fossil fuels through real estate assets, calculated as the share of investments in real estate assets used for the extraction, storage, transport or production of fossil fuels.					
This is indicator no. 17 of Table 1 of Annex 1 to the SFDR RTS (Delegated Regulation (EU) 2022/1288).					
Share of investments in real estate assets used for the extraction, storage, transport or production of coal (a sub-component of indicator 5.b above).	Share of investments, in %	%	N/A		
This indicator was added at the request of the Directorate General of the Treasury and is not required by the Article 29 LEC decree itself. It is therefore optional, but we would be grateful if you could complete it where possible.					

5. Information on the European taxonomy and fossil fuels	Share of investments in real estate assets used for the extraction, storage, transport or production of conventional oil and gas (a sub-component of indicator 5.b above). This indicator was added at the request of the Directorate General of the Treasury and is not required by the Article 29 LEC decree itself. It is therefore optional, but we would be grateful if you could complete it where possible.	Share of investments, in %	%	N/A
	Share of investments in real estate assets used for the extraction, storage, transport or production of unconventional oil and gas (a sub-component of indicator 5.b above). This indicator was added at the request of the Directorate General of the Treasury and is not required by the Article 29 LEC decree itself. It is therefore optional, but we would be grateful if you could complete it where possible.	Share of investments, in %	%	N/A
6. Information on the strategy for alignment with the international objectives for limiting global warming set out in the Paris Agreement	6.a. A quantitative target for 2030, reviewed every five years until 2050. This target must be reviewed no later than five years before its deadline. The target covers direct and indirect greenhouse gas emissions, in absolute value or intensity value, relative to a reference scenario and a reference year. It may be expressed by a measure of implied temperature rise or by the volume of greenhouse gas emissions;	One of the two aspects (degrees C or GHG emissions) must be reported in players' Article 29 LEC reports, as required by the decree. Players are of course free to publish others within their Article 29 LEC reports.	N/A	
		Quantitative 2030 target expressed in volume of GHG emissions (if applicable)	Numeric value	40%
	6.a. A quantitative target for 2030, reviewed every five years until 2050. This target must be reviewed no later than five years before its deadline. The target covers direct and indirect greenhouse gas emissions, in absolute value or intensity value, relative to a reference scenario and a reference year. It may be expressed by a measure of implied temperature rise or by the volume of greenhouse gas emissions;	Unit of measurement of the 2030 quantitative target	Text	PAI Partners has committed to reducing its Scope 1 and 2 GHG emissions at group level in absolute terms by 2029 (reference year: 2022). Portfolio-level targets: 42% of invested capital with SBTi-validated targets by 2029, reaching full 100% alignment by 2040. 100% of the investment portfolio is covered by the alignment target.
		Amount of AUM covered by the quantitative alignment target expressed in volume of GHG emissions	Monetary amount (€)	Not applicable - SBTi methodology for private equity
	6.a. A quantitative target for 2030, reviewed every five years until 2050. This target must be reviewed no later than five years before its deadline. The target covers direct and indirect greenhouse gas emissions, in absolute value or intensity value, relative to a reference scenario and a reference year. It may be expressed by a measure of implied temperature rise or by the volume of greenhouse gas emissions;	Share of AUM covered by the quantitative alignment target expressed in volume of GHG emissions, out of total AUM	%	Not applicable - SBTi methodology for private equity
		Quantitative 2030 target expressed in terms of implied temperature rise (if applicable)	Numeric value	Not applicable - SBTi methodology for private equity
		Amount of AUM covered by the quantitative alignment target expressed in terms of implied temperature rise	Monetary amount (€)	Not applicable - SBTi methodology for private equity
		Share of AUM covered by the quantitative alignment target expressed in terms of implied temperature rise, out of total AUM	%	Not applicable - SBTi methodology for private equity
		Type of asset covered by this target	Text	Private Equity
	6.b. Where the entity uses an internal methodology, details of that methodology used to assess the alignment of the investment strategy with the Paris Agreement or the national low-carbon strategy:	Use of an internal methodology?	Yes/no	No
6.b.ii. the level of coverage at portfolio level; (the level of coverage across asset classes is to be specified within the report)	Coverage level at portfolio level, in %	%	Not applicable - PAI does not use an internal methodology, but SBTi	
6.b.iii. the time horizon used for the assessment;	Time horizon of the assessment	Date	Not applicable - PAI does not use an internal methodology, but SBTi	

6. Information on the strategy for alignment with the international objectives for limiting global warming set out in the Paris Agreement	6.c. A quantification of the results using at least one indicator. (if several indicators are used, add as many columns as indicators used)	Free-form metric (consistent with the target mentioned in 6.a., if applicable)	Numeric value	39%
		Description of the free-form metric	Text	% of portfolio companies committed to setting targets, having submitted targets for validation, or with validated targets
		Unit of measurement of the free-form metric	Text	% of invested capital covered by a committed, submitted or validated SBT target
	6.f. Changes made within the investment strategy in connection with the Paris Agreement alignment strategy, in particular the policies put in place for a progressive phase-out of coal and unconventional hydrocarbons, specifying the chosen phase-out timetable as well as the share of total assets managed or held by the entity that is covered by these policies.	Coal: % of total assets managed or held by the entity	%	100.0%
	6.f. Changes made within the investment strategy in connection with the Paris Agreement alignment strategy, in particular the policies put in place for a progressive phase-out of coal and unconventional hydrocarbons, specifying the chosen phase-out timetable as well as the share of total assets managed or held by the entity that is covered by these policies.	Have you put in place a progressive coal phase-out timetable?	Yes/no	Yes
		Indicate the final coal exit date set by your policy for OECD countries	Date	2023
		Indicate the final coal exit date set by your policy for non-OECD countries	Date	2023
		Unconventional hydrocarbons: % of total assets managed or held by the entity	%	100.0%
		Have you put in place a progressive phase-out timetable for unconventional hydrocarbons?	Yes/no	Yes
		Indicate the final exit date for unconventional hydrocarbons set by your policy for OECD countries	Date	2023
7.c. A statement on the use of a biodiversity footprint indicator and, where applicable, how this indicator measures compliance with the international objectives related to biodiversity.	Free-form metric	Numeric value	70%	
	Brief description of the metric	Text	the percentage of invested capital in sectors with material nature-related dependencies and impacts	
	Unit of measurement of the free-form metric	Text	percentage of invested capital	
	Amount of AUM covered by the biodiversity footprint indicator	Monetary amount (€)	-	
	Share of AUM covered by the biodiversity footprint indicator, out of total AUM	%	100%	
7. Information on the strategy for alignment with the long-term objectives related to biodiversity	Free-form metric	Numeric value	70%	
	Brief description of the metric	Text	the percentage of invested capital in sectors with material nature-related dependencies and impacts	
	Unit of measurement of the free-form metric	Text	percentage of invested capital	
	Amount of AUM covered by the biodiversity footprint indicator	Monetary amount (€)	-	
	Share of AUM covered by the biodiversity footprint indicator, out of total AUM	%	100%	

Notes

[1] “companies active in the fossil fuel sector”: companies that derive revenue from the exploration, mining, extraction, production, processing, storage, refining or distribution, including transport, storage and trade, of fossil fuels within the meaning of Article 2, point (62), of Regulation (EU) 2018/1999 of the European Parliament and of the Council.

[2] Any investment in research to combat the risk of climate change.