

2022

DECLARATION OF NON-FINANCIAL PERFORMANCE



Kepler
Cheuvreux



Laurent QUIRIN,
Chairman of the
Supervisory Board

"By the end of 2022, more than €3.7 million in donations had been distributed to more than 25 European NGOs by the Kepler Cheuvreux Foundation, created to support public interest associations in Europe.

Donations were made during the first quarter of 2022 to the Red Cross to support Ukrainian refugees. The Foundation continued to make donations to its long-term projects: eleven charities in nine European countries involved in the health, education, nutrition and protection of children and adolescents.

This performance could not have been achieved without the commitment of Kepler Cheuvreux employees, its clients and partners.

Despite the coronavirus crisis, Kepler Cheuvreux employees have always remained united around the Group's core values: independence, commitment, entrepreneurship, and social and environmental responsibility.

The success of the Kepler Cheuvreux Charity Trading Day is the best example of what can be achieved when we act together: this year, more than €400,000 was raised in less than 24 hours!"

"Since 2005, Kepler Cheuvreux has been a pioneer in ESG research. As of end-2022, more than 100 analysts had been trained and are now able to produce reports on ESG issues.

Over the years, the ESG component has become one of the cornerstones of our equity research offering.

Kepler Cheuvreux has once again demonstrated its commitment to environmental and social issues by being one of the first financial services companies to move its "traditional" equity research to an integrated ESG research model. On the asset management side, the launch of the first Kepler Cheuvreux Invest fund includes a consistent and fully integrated ESG strategy aimed at investing in environmentally responsible assets.

In 2008, Kepler Cheuvreux became the first brokerage firm in Europe to sign up to the United Nations Principles for Responsible Investment (the "PRI") and it will continue to promote responsible investment and ESG integration practices in the years to come."



Grégoire VARENNE,
Chairman of the
Management Board



Julia ALICHE,
Managing Director,
Chief Operating Officer

"The 2020 health crisis brought its share of changes and Kepler Cheuvreux was quick to learn the lessons of the crisis. A number of major action plans were implemented throughout 2021 around measures that have shown real success. These plans continued to be implemented in 2022. Thus, working from home was extensively used and the organisation of seminars in a virtual format was institutionalised for the integration of newcomers.

Employees continue to work from home for two days a week, which limits the risk of contamination in the event of an increase in cases and improves their environmental and societal impact. With regard to the Swiss offices, the working environment has improved significantly thanks to the move this year to new premises in the centre of Nyon with better accessibility.

Lastly, carpooling and the use of public transport have increased within the Kepler Cheuvreux Group."

"Kepler Cheuvreux's pan-European DNA was fully preserved as the Group continued to expand. Diversity and the search for greater gender equality are a societal asset for the Group, where we have adopted a strict policy condemning all forms of harassment or discrimination related to, *inter alia*, gender, nationality, disability, religion or sexual orientation.

Several nationalities are represented in the Group, bringing together people from different cultural backgrounds and enriching our community as a whole.

We are also continuing our policy of integrating junior employees and providing them with the constant support of more senior employees, which encourages their personal development and acculturation to Kepler Cheuvreux."



Marine BAZÉ,
General Secretary



Henri BERTRAND,
Group Head of Human
Resources

"As Kepler Cheuvreux is and always will be a people-focused company, we have established a three-pronged employee personal and professional development strategy whose success is based on:

- Detecting and promoting young talent, with more than 137 trainees recruited to permanent positions over the last six years;
- The development of employee share ownership, with 41 employees benefiting from the free share programme implemented within the Group since 2020; and
- Support offered to senior employees with the possibility of part-time work on a voluntary basis."

OUR ACTIVITIES



Research

Research is the foundation of our business. Our empirical research aims to challenge consensus



Execution

Execution services (KC^x) provide a first-class trading platform with experienced sales traders and traders



Advice

A wide range of solutions: Corporate Finance, Fixed Income & Credit, Kepler Cheuvreux Solutions, Retail Services & Private Banking



Asset management

Kepler Cheuvreux offers a full range of listed and unlisted asset management services through Ellipsis AM and KC Invest.

OUR KEY FIGURES¹

1st

independent
European equity
broker

€2^{bn}

of equities
traded daily

1st

Equity Research
coverage in
Continental Europe

1st

Overall Country
Broker²

13

major financial
centres

600

employees

€300^m

turnover 2022

1,300

institutional
clients

¹ As of February 2023. | ² Institutional Investor Survey 2022.

I. INTRODUCTION



PURPOSE AND SCOPE OF APPLICATION

In accordance with European Directive 2014/95/EU, Kepler Cheuvreux (the "Company") is required to report on its and its subsidiaries (together, the "Group") non-financial performance for financial year ended 31 December 2022.

This Non-Financial Performance Statement (the "NFPS") describes the Group's business model, its main environmental, social and societal challenges, the risks associated with its business, products and services, and the commitments it has made to mitigate these risks and capitalise on these matters. The policies implemented and their results will be detailed in this report to illustrate the Group's actions in 2022.

The scope of the NFPS covers all Group entities (*i.e.*, the Company and its branches and subsidiaries).

Any restrictions on the scope of the presentation of key performance indicators are described in the footnotes.

REGULATORY ENVIRONMENT

Kepler Cheuvreux is an investment firm supervised by the French Prudential Supervision and Resolution Authority (*Autorité de Contrôle Prudentiel et de Résolution - ACPR*).

Its activities are also subject to supervision by the French Financial Markets Authority (AMF) in France and by local regulators in locations where the Company has a branch or subsidiary.

Kepler Cheuvreux is therefore subject to the regulations applicable to investment firms, in particular the IFR/IFD regulation since June 2021 and the Markets in Financial Instruments Directive 2014/65/EU, known as MiFID II, which since August 2022 has incorporated principles on sustainable finance.

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II. KEPLER CHEUVREUX BUSINESS MODEL



I. A BUSINESS MODEL BASED ON A SOLID HERITAGE

a) 1997 – Origins

Kepler Capital Markets was founded in 1997 under the name Julius Baer Brokerage (JBB). In 2003, Julius Baer Holding sold JBB to Lightyear Fund. JBB then changed its name to Kepler Equities, which Icelandic bank Landsbanki acquired in 2005. Its name changed to Landsbanki Kepler.

b) 2008 – MBO and independence

Following Landsbanki's bankruptcy in 2008, Kepler Landsbanki was bought out by its employees through an MBO (management buyout) and changed its name to Kepler Capital Markets (KCM). It became independent and focused solely on brokerage activities.

c) 2011 – Equity investment by new institutional shareholders

In 2011, the investment firm BlackFin Capital Partners acquired 47% of KCM's capital, bringing together three other institutional shareholders: Caisse des Dépôts et Consignations, Crédit Mutuel Arkéa, and Banca Leonardo, whose brokerage and research unit was acquired by KCM.

d) 2011-18 – Reshaping of the Group and multiplication of strategic alliances in international markets

The decade was marked by the formation of strategic partnerships that allowed the group to develop internationally, starting in 2011 with an alliance between KCM and UniCredit in the equity brokerage and Equity Capital Markets. UniCredit acquired a stake in 2013.

In April 2013, KCM acquired Crédit Agricole Cheuvreux from Crédit Agricole CIB and KCM was renamed Kepler Cheuvreux.

In December 2013, Kepler Cheuvreux acquired the activities of Derivatives Capital, a French company specialising in structured products for independent financial advisors and private banks.

Over 2015-18, Kepler Cheuvreux established strategic ECM & research distribution partnerships with Rabobank for the Netherlands, Swedbank for the Nordics and Belfius for Belgium, these three banks also acquired stakes in Kepler Cheuvreux. Over the same period, the company signed research distribution agreement with Piper Sandler (US).

e) 2018 – Two new major shareholders

Atlas Merchant Capital and Edmond de Rothschild Equity Strategies (ERES) bought out the stake held by BlackFin Capital Partners, giving them an interest in Kepler Cheuvreux in June 2018 of 20% and 7.7%, respectively. However, 40% of Kepler Cheuvreux's voting rights continue to be controlled by its management and employees.

f) 2019 – A new major partnership

Kepler Cheuvreux and Macquarie Group (Macquarie) announce a cross-distribution of equity research in their respective regional markets – Europe and Asia Pacific (APAC).

g) 2022 – Acquisition of Ellipsis AM

In 2022, Kepler Cheuvreux acquired the management company Ellipsis Asset Management, which was previously owned by Exane SA, a subsidiary of the BNP Paribas Group. Ellipsis Asset Management has 19 years of experience in convertible bond funds and specialises in high value-added niche management segments of listed assets.

II. A UNIVERSAL BUSINESS MODEL

Kepler Cheuvreux is a leading independent European financial services company that specialises in Research, Execution, Fixed Income & Credit, Structured Solutions, Corporate Finance and Asset Management.

The Group employs around 600 people and is present in 13 major financial centres in Continental Europe, the UK and the US.

As mentioned above, in addition to its local presence, Kepler Cheuvreux has also entered into cross-distribution partnerships for equity research and execution services with leading financial institutions in their region such as Macquarie for Asia Pacific and Piper Sandler for the US. These partnerships enable the Company to provide global research and execution coverage to equity market clients.



a) Execution Services

Through its KC^x brand, Kepler Cheuvreux offers high-quality bespoke execution services via its platform. KC^x's expertise and value-added services help clients navigate through the liquidity maze and implement cost-effective solutions in the complex post-trade landscape.

A key element of Kepler Cheuvreux's business, its execution services, is one of the most complete and customisable solutions on the market, offering:

- Sales Trading;
- Direct Market Access and Algorithmic Trading;
- Portfolio Trading;
- ETF; and
- Derivatives.

b) Research Services

Kepler Cheuvreux's core business is the provision of research, which is leveraged across all activities. Equity Research is complemented by top-ranked Economics & Strategic, ESG, Credit and Quantitative Research.

With 1,200 stocks under coverage, Kepler Cheuvreux offers the largest research footprint in Europe. Research stretches across more than 30 sectors and is conducted by a team of over 110 equity analysts who operate from 11 research offices in the major European financial centres.

Since February 2017, Kepler Cheuvreux has been distributing in Europe the equity research of Piper Sandler, a US investment bank. In 2019, Kepler Cheuvreux and Macquarie Group (Macquarie) announced their cooperation with the intention of creating cross-distribution of equity research in their respective regional markets – Europe and Asia Pacific (APAC). Through these partnerships, Kepler Cheuvreux offers more than 3,300 stocks under coverage to its clients.

Finally, Kepler Cheuvreux has an ESG-integrated research model combining the inputs of four dedicated experts and the contributions of the 110 equity analysts, with ESG research carried out at three different levels:

- Thematic research on different topics on the Corporate governance, Social & business ethics and Environment & climate change themes,
- ESG sector research made by the financial analysts, with in depth analysis of the most relevant ESG topics of a given sector, and
- ESG at a stock level, through our in-house ESG profiles (a common 11 topics analysis framework) and the ESG scores.

c) Fixed Income & Credit

The Fixed Income and Credit business line relies on a broad knowledge of institutional needs to give its clients access to the bond markets in the primary and secondary markets. The independent credit research team enables the sales teams to provide clients with specialist analysis and expertise in addition to liquidity in the secondary and primary markets. Kepler Cheuvreux's credit research provides extensive coverage alongside Kepler Cheuvreux's equity research, which covers more than 1,200 companies. The Fixed Income & Credit team has developed its own credit methodology to value hybrid corporate debt, subordinated financial debt and high yield debt.

d) Structured products (Kepler Cheuvreux Solutions)

Kepler Cheuvreux Solutions is the independent European leader for research, design and commercialisation of tailor-made structured investment solutions. Being part of the Kepler Cheuvreux Group enables the business line to place Research at the heart of its offering and to benefit from the critical size of a major player in financial services in Europe.

Created in 2011, this business line – based in Paris, Geneva, Zurich and Stockholm – now employs more than 60 experienced professionals, one third of whom are financial engineers. The team embodies five fundamental values to serve their clients: creativity, adaptability, independence, cohesion, and stability.

Kepler Cheuvreux Solutions' turnkey offering and services are based on four pillars:

- Cross-asset research, relying on the largest equity coverage in Europe, with more than 110 analysts.
- Financial engineering, designing differentiating investment solutions in full independence.
- Open architecture, giving privileged access to more than 30 issuing banks; and
- Personalised follow-up, combining local commercial support and the implementation of dedicated digital solutions.

e) Corporate Finance

Since 2009, Kepler Cheuvreux Corporate Finance (“KCF”) advises clients on their strategic development opportunities.

From M&A to capital raising and financing solutions, we assist companies, financial sponsors, family offices, and entrepreneurs in designing and executing tailor-made solutions to meet their strategic requirements.

We take a relationship-based approach and provide independent, expert advice with exclusive commitment and no conflict of interest.

Merger & Acquisition:

The team delivers sector-agnostic and customized M&A / strategic advisory to families, entrepreneurs, listed / unlisted European mid-cap corporates and private equity funds.

Its technical expertise ranges from fundraisings (Series A to D) to full sell-side mandates, also including public-to-private transactions as well as buy-side assignments.

The team leverages on its extensive industry and transaction experience, including on cross-border situations, to provide seamless, independent, and insightful advice to its clients.

Debt Advisory:

Our seasoned debt advisory team assists every type of client on the most suitable capital structure solutions for their business to meet their strategies.

As independent advisors, we have an unbiased view on debt instruments and funds providers, meaning that we offer impartial and tailored solutions throughout the debt-raising process with the unique objective of achieving the best possible service to our clients.

Market Solutions:

Market Solutions offers a full products suite to listed Corporates in Europe, as well as Family Offices, Private Equity funds, and some Sovereign Funds through Corporate Brokerage, Sponsored Research, and Equity products.

f) Asset Management

The Group offers a full range of asset management services through Kepler Cheuvreux Invest (KCI) for unlisted assets and through Ellipsis AM for listed assets.

KCI gives access to institutional investors and family offices, as well as to asset managers, to alternative investment strategies. Founded in 1998, KC Invest is a subsidiary of Kepler Cheuvreux. KCI is a management company (AIFM) approved by the AMF (French regulator).

With more than 18 years of investment history and €2.4 billion of AUM (as at 31/12/2022), Ellipsis AM is a portfolio management company renowned for its specialised expertise. Ellipsis AM has nearly 25 employees and became a fully owned subsidiary of Kepler Cheuvreux in January 2022. Ellipsis AM has been a leading portfolio manager of European and global convertible bonds since 2003. The company has also developed management expertise in credit (particularly high yield), volatility and listed derivatives.

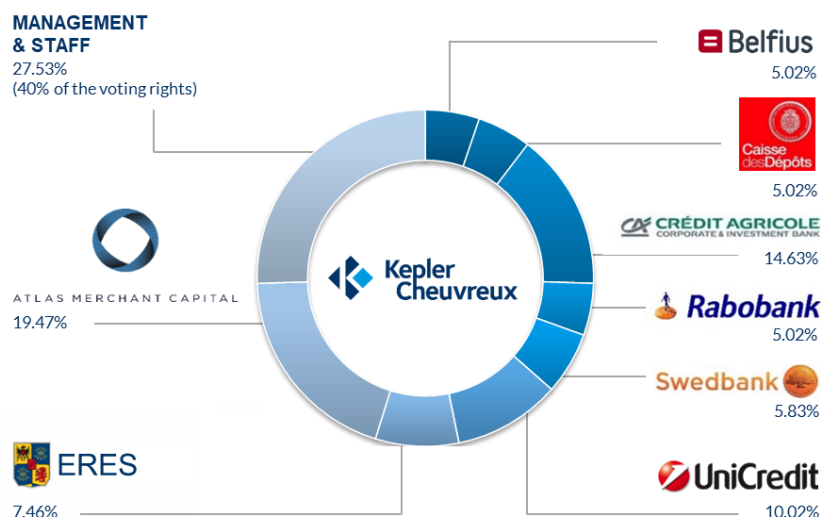
III. GOVERNANCE AND STAKEHOLDERS



I. THE GROUP'S CAPITAL STRUCTURE

The Company is controlled by Kepler Holding SA, which holds 40% of its voting rights and 27.53% of its share capital. Kepler Holding SA is owned by the Group's management and staff.

In parallel, the Company also enjoys the support of prestigious institutional shareholders such as Atlas Merchant Capital (19.47%), Belfius Bank SA/NV (5.02%), Caisse des Dépôts et Consignations (5.02%), Crédit Agricole CIB (14.63%), Edmond de Rothschild Equity Strategies (7.46%), Rabobank International Holding BV (5.02%), Swedbank AB (5.83%) and UniCredit Bank AG (10.02%).



II. GOVERNANCE

Pursuant to the Company's Extraordinary General Meeting of Shareholders of 27 October 2017, the Company's governance structure was changed from a French Société Anonyme (private limited liability company) administered by a Board of Directors, to a two-tier structure with a Management Board and a Supervisory Board.

Since then, and in accordance with Article 17 of the Company's Articles of Association, the Company's executive management is carried out by the Management Board under the control of the Supervisory Board.

a) Management Board

In accordance with the applicable legislation and Articles of Association, the Management Board is vested with the broadest powers to act in all circumstances on behalf of the Company within the limits of the corporate purpose and of the powers expressly conferred by law to shareholders' or the Supervisory Board.

As part of the Supervisory Board's ongoing supervision of the Company's management, the Management Board submits a report to the Supervisory Board at least once every quarter.

In compliance with the provisions of Article L. 225-58 of the French Commercial Code, the current Management Board meets the requirement for balanced gender representation.

b) Supervisory Board

The Supervisory Board performs permanent control of the Company's management by the Management Board, in accordance with the provisions of Article L. 225-68 of the French Commercial Code and Article 16 of the Company's Articles of Association.

In particular, the Supervisory Board can carry out, at all times of the year, the verifications and controls it considers appropriate for the fulfilment of its duties and may be provided with all the documents it deems

necessary for this purpose. In addition, it appoints and revokes the members of the Management Board, authorises the related-party agreements and presents to the General Meeting of Shareholders, if applicable, its comments on the Management Board's annual report and on the financial statements for the financial year under review.

In accordance with Article 15.1 of the Company's Articles of Association, the members of the Supervisory Board meet as often as necessary in the interests of the Company and at least once every quarter upon convening of its Chairman.

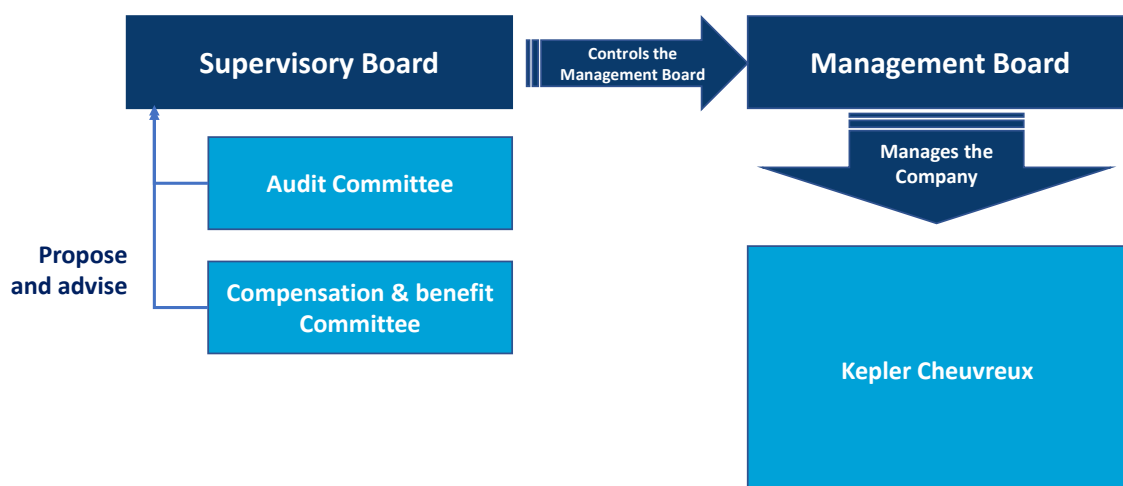
During financial year 2022, the proportion of women at the Supervisory Board continued to improve with the appointment of two new women in replacement of departing male members.

c) Committees assisting the Supervisory Board

The Supervisory Board receives all documents and information required to perform its duties.

To this end, two committees assist the Board in its tasks:

- **The Audit Committee:** it submits to the Supervisory Board its opinions, proposals and recommendations concerning the preparation and control of accounting data, internal control procedures and the efficiency of internal control systems.
- **The Remuneration Committee:** it submits to the Supervisory Board its opinions, proposals and recommendations relating to the hiring and remuneration policy for the managers and executives of the Company and its subsidiaries.



III. THE GROUP'S KEY STAKEHOLDERS

Kepler Cheuvreux has identified its internal and external key stakeholders for whom the Company creates added value through its activities:

- **Clients and prospects:** Kepler Cheuvreux offers them its market knowledge and local expertise through a network of 13 offices, as well as high-quality services and products.
- **Management, employees, institutional shareholders and other financial partners:** they all benefit directly from the Company's financial success.
- **Employees and social partners:** the Company provides them with a safe, positive and stimulating environment maintained by an attentive Human Resources department.
- **Suppliers:** the Company has built long-term, trusting relationships with its suppliers while fostering the entrepreneurial and innovative spirit needed to collaborate with Kepler Cheuvreux.
- **Regulatory bodies and external auditors:** Kepler Cheuvreux has developed trusting relationships with them based on communication, cooperation and good business conduct that meet the highest level of regulatory requirements.

- **Financial market professional associations** (AMAFI, SFAF, etc.): Kepler Cheuvreux regularly takes part in discussions and working groups on regulatory issues and industry practices.

Kepler Cheuvreux has also developed new geographical areas for its clients, in connection with the expansion of its activities, particularly in the MENA region.

IV. NON-FINANCIAL CHALLENGES AND COMMITMENTS



I. METHODOLOGY

The present NFPS for financial year 2022, validated by the Management Board, describes environmental, social and societal risks (associated with Group's business).

In order to better understand these risks, Kepler Cheuvreux has taken into account the specific characteristics of its business and its environment, namely:

- Its business model (see section II);
- Stakeholders' expectations of its business activities (see section III); and
- Applicable regulatory requirements (see section I).

Following this study, Kepler Cheuvreux has identified the main risks to which it is exposed and defined commitments and actions to be implemented to mitigate them.

The results of the analysis have also revealed that the Group does not face risks related to the fight against food waste, food insecurity, respect for animal welfare, circular economy or responsible, fair and sustainable food. Accordingly, these risks are not included in the commitments described in the NFPS.

II. CLIENT SATISFACTION, FAIR TRADE AND ETHICS

a) Main risks incurred by Kepler Cheuvreux

In terms of client satisfaction, fair trade and ethics, the main risks that the Company could face are:

- any practices contrary to the rules of professional conduct and ethics (lack of loyalty, corruption, intentional non-compliance with procedures, etc.);
- reputation and competence risk relating to front office traders;
- a potential lack of societal engagement with local stakeholders and the community at large, or even a lack of sponsorship initiatives.

b) Kepler Cheuvreux's commitments

Kepler Cheuvreux is a leading independent European financial services company with a true entrepreneurial spirit. Accordingly:

- The Company does not engage in proprietary trading. It focuses on providing objective, conflict-free advice and execution services in the best interest of its clients. As a leading European financial services company, client satisfaction remains the top priority for Kepler Cheuvreux.
- The Company's entrepreneurial spirit is a catalyst for innovation. Kepler Cheuvreux was one of the first European brokers to sign up to the "Principles for Responsible Investment"(PRI) in 2008. Since then, the Company has continued to expand its ESG offering across its business lines and locations, while considering how products and services offered to clients can benefit from this approach. The Company has also established a long-standing financial partnership with the Institut Louis Bachelier to develop academic financial research in France. Kepler Cheuvreux then enables its clients to benefit from its advances through its products and services.
- As part of the Company's pan-European presence, the Kepler Cheuvreux Foundation, a public foundation, was created to support pan-European public interest initiatives (fundraising and grants). The Foundation's objective is to make a substantial and concrete contribution to the common good, by involving its employees, clients, and partners. It was launched in the context of the COVID-19 crisis.
- The Company is committed to promoting a culture of ethics among its employees. The implementation of the Group's compliance and ethics culture is based on an internal system of reference documents which, alongside legal and regulatory requirements, are based on three main documents:

- The Compliance Manual: it aims to provide a framework for the Group companies' activities in terms of compliance and ethics.
- The Employee Handbook (Internal Regulations): it guides the actions, decisions and behaviour of each employee on a daily basis. This document can be consulted by all Group employees as soon as they join the Group.
- The Execution Policy: it specifies the Company's commitment, which involves taking all sufficient measures to fulfil our best execution obligation.

Challenges	Inherent Risks	Commitments
Products and services with a social and environmental impact	<p>Poor coverage/understanding of ESG research challenges and innovations.</p> <p>Green Washing.</p> <p>Potential sector bias concerning investment strategies.</p> <p>In the "execution service" segment, there is little influence on the direction of our clients' investments towards sustainable finance due to the nature of this activity.</p>	Promotion of ESG-related investment products and ESG research services (to issuers and investors)
Client satisfaction and company recognition	<p>Reputation and competence risk relating to front office traders.</p> <p>Unethical practices (disloyalty, corruption, intentional non-compliance with procedures).</p>	Excellent recognition in customer surveys.
Corporate sponsorship	Lack of societal commitment to local stakeholders and the community at large. Lack of sponsorship initiatives.	Contribute substantially and concretely to common good.

III. PROTECTION OF HUMAN CAPITAL

a) Main risks incurred by Kepler Cheuvreux

In terms of protecting human capital, the main risks that the Company may face are:

- a potential loss of company attractiveness, reduced employee motivation, talent drain, etc.;
- a possible deterioration of the Company's identity or questioning of its values;
- possible discriminatory practices within the Company;
- possible negative impacts of occupational hazards and natural disasters on employee health; and
- potential psychosocial risk resulting from unsatisfactory employment and working conditions.

b) Kepler Cheuvreux's commitments

The Company's Human Resources are one of its most valuable assets in combating potential risks related to the protection of human capital. That is why Kepler Cheuvreux continually invests in people. For example:

- The Company ensures that it **continues to train** its employees, that **they are satisfied** and that they grow by offering them the opportunity to **develop in a safe and healthy environment**.
- **The well-being of Kepler Cheuvreux employees** remains a top priority, particularly with the development of working from home.
- Kepler Cheuvreux fights all types of discrimination (gender, origin, religion, disability, etc.) to ensure diversity in its workforce. The Company's main commitments to promoting diversity are based on its corporate identity:
 - Kepler Cheuvreux pays particular attention to its identity and, via annual seminars for new employees, ensures that all new employees meet (physically or virtually) and have access to management via presentations from all parts of the Group.
 - Kepler Cheuvreux employs experienced senior staff who interact with and nurture talented young graduates, an essential part of ensuring the Company's continued and sustained success.

Challenges	Inherent Risks	Commitment
Diversity of human capital	Deterioration of the Company's identity, questioning of its values.	Promote intergenerational interactions.
	Discriminatory practices within the Company.	Annual seminars for new employees, virtual or face-to-face.
Employee health and safety	Negative impacts of occupational hazards and natural disasters on employee health.	Provide a working environment conducive to staff development.
	Psychosocial risk caused by unsatisfactory employment and working conditions.	Fight against social isolation and promote team spirit.
Development of human capital and its satisfaction	Loss of company attractiveness, reduced employee motivation, talent drain, increased HR operating costs.	Enable employees to develop professionally and personally within Kepler Cheuvreux.

IV. ENVIRONMENTAL IMPACT

a) Main risks incurred by Kepler Cheuvreux

In terms of environmental impact, the main risks that the Company may face are:

- a possible inability to support employees in their desire to adopt more environmentally friendly modes of transport. Not considering more environmentally friendly modes of transport for business travel;
- a potential lack of consideration for environmental and social issues in the selection of and relationship with suppliers; and
- a possible deterioration in the Group's image as a responsible company.

b) Kepler Cheuvreux's commitments

Kepler Cheuvreux is committed to combating climate change and therefore aims to work with its stakeholders to reduce overall carbon emissions and natural resource consumption associated with the Company's activities:

- **To offer greener modes of transport where possible** for staff travel and business trips.
- **Office consumption of natural resources** is monitored to reduce unnecessary waste and help identify areas for improvement.

Challenges	Inherent Risks	Commitments
Greener modes of transport	Failure to support employees in their desire to adopt greener modes of transport.	Encourage employees to commute using public transport.
	Not considering greener modes of transport for business trips.	Promote sustainable business travel practices.
Consumption of natural resources	Failure to take into account environmental and social issues in the selection of suppliers and in the relationship with them.	Reduce unnecessary waste and identify opportunities to minimise the Company's resource consumption.
	Damage to the Group's image as a responsible company.	

V. MATERIALITY ANALYSIS



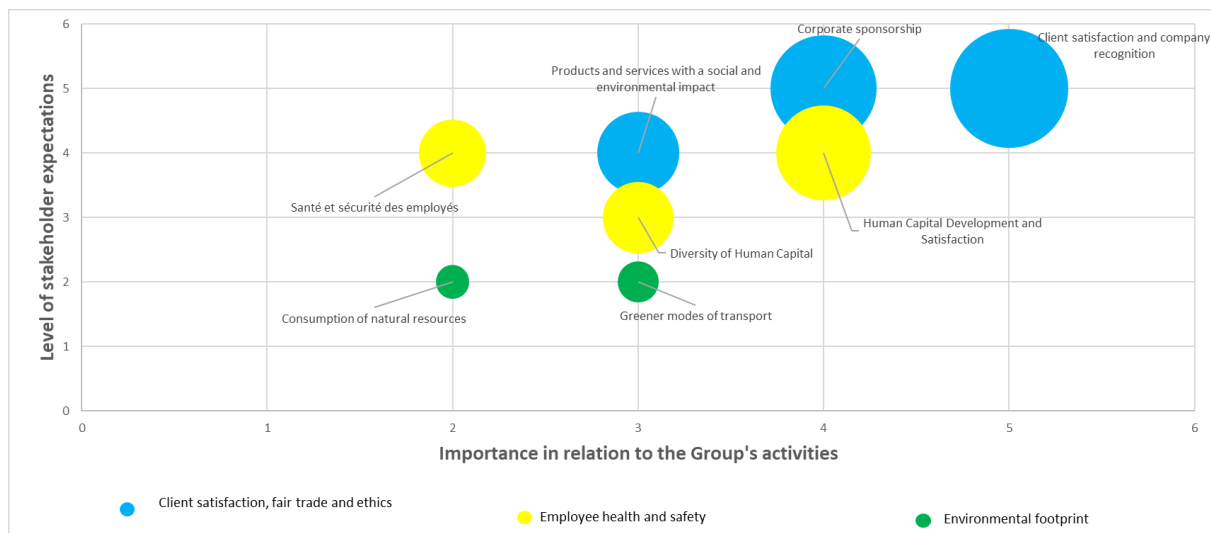
I. METHODOLOGY

The materiality of these environmental, social and societal risks was defined during collaborative workshops and individual interviews with the Company's Stakeholders¹. The answers collected enabled a detailed assessment of the importance of each of the Company's commitments in relation to its activities, as well as the expectations of stakeholders concerning each of the Group's commitments.

The indicators resulting from this mapping are presented in part *VII. Appendices: Methodology, scope and summary of performance indicators*.

II. RESULTS

Risk assessment and impact measurement has been defined as presented in the above materiality matrix.



Each bubble represents the main ESG risk to which Kepler Cheuvreux is exposed. Three analysis criteria have been taken into account:

- X-axis: Importance in relation to the Group's activities;
- Ordinate: Level of stakeholder expectations; and
- Size of bubbles corresponding to the impact of the risk².

¹ The Stakeholders are the members of the ESG supervision coordination group, the members of the Management Board, the Chairman of the Supervisory Board, the Head of Human Resources, the Head of Purchasing, the Head of Compliance and the heads of business lines or entities.

² The larger the area, the more material is considered the risk.

VI. ANALYSIS OF NON-FINANCIAL PERFORMANCE



I. METHODOLOGY

This section describes how Kepler Cheuvreux translates its environmental, social and societal commitments into actions and mitigates the inherent risks described in section III above.

The progress made and the areas for improvement that remain at the Group level are described and quantified as best as possible on the basis of indicators monitored by the various internal stakeholders involved in ESG issues.

II. CLIENT SATISFACTION, FAIR TRADE AND ETHICS

a) Products and services with a social and environmental impact

Kepler Cheuvreux is proud to be the first brokerage firm in Europe to have signed up to the Principles for Responsible Investment (PRI) in 2008³.

The PRI were developed by an international group of institutional investors, reflecting the growing relevance of environmental, social and corporate governance issues in investment practices, at the request of the United Nations Secretary-General. Kepler Cheuvreux reports annually on its compliance with the six Principles for Responsible Investment and renews its commitment to promoting these principles within the financial industry. The "Responsible Investment Transparency Report" is publicly available on the UN PRI6 website⁶⁴.

Kepler Cheuvreux' commitment to PRI is an additional lever for making ESG products and services one of the cornerstones of the Group's offering.

Research Services

In 2020, Kepler Cheuvreux began the process of integrating ESG considerations into investment recommendations produced by its research department. A dedicated ESG team is responsible for producing non-financial analyses on certain themes and economic sectors, but also for internally promoting the integration of ESG criteria and metrics in the production of "traditional" research.

The ESG research team consists of four experienced analysts specialising in climate change, social/societal, reputation and corporate governance issues.

This team represents 4% of the total number of full-time permanent financial analysts (114 employees as of 31 December 2022). Of the remaining 96% of "traditional" analysts, 85 (75%) contributed significantly⁵ to at least one ESG research report in 2022 compared to 73 (64%) in FY21. This highlights the progress made in integrating ESG issues into Kepler Cheuvreux's production of "traditional research".

Kepler Cheuvreux's research team produces ESG research at three levels:

- At the thematic level, by carrying out an in-depth analysis of a complex environmental, societal or social issue that may impact several business sectors at a time. This research is performed by our dedicated ESG analysts. A few recent examples include energy storage, accounting risks associated with weak governance and the decarbonisation trajectory of the companies in our coverage.

³ <https://www.keplercheuvreux.com/fr/recherche/>

⁴ See <https://www.unpri.org>

⁵ We classify a contribution as significant when the analyst's name appears on the front page as one of the report's authors.



- The ESG sector reports constitute a second level of analysis. They are drafted by the financial analyst teams, assisted by the ESG team. They make it possible to deal in detail with the most "material" ESG issues for a given sector and to make comparisons between companies in the sector.
- Finally, the ESG profiles make it possible to carry out an in-depth study of each individual stock by following an analysis grid common to all stocks, thereby offering benchmarks to investors. We review 11 topics on environmental, social and governance issues.

In 2022, the research teams published 362 ESG sector reports (versus 579 in 2021), 6 sector reports (none in 2021), 285 ESG profiles (515 in 2021), 8 thematic reports (12 in 2021) and 63 Always On reports (52 in 2021). The decrease in the volume of ESG reports in 2022 was due mainly to the following two reasons. The first is that 2021 was a record year in terms of the production of ESG reports (strong demand from trained clients and analysts). The second is linked to the macroeconomic environment (the war in Ukraine and the updating of economic assumptions, particularly those concerning energy prices and inflation), which prompted our analysts to review their models and projections and thereby reduce the proportion dedicated to the production of ESG reports.

Asset Management – Kepler Cheuvreux Invest (KCI)

Kepler Cheuvreux's private assets management activities are concentrated within its subsidiary KCI. Founded in 1998, KCI is an AMF-supervised Alternative Investment Fund Manager (AIFM) that provides access to alternative investment strategies for institutional and private investors, as well as for asset managers.

Specifically, KCI manages closed-end funds for professional investors and investments are made in unlisted instruments. KCI is currently promoting a "Tech Growth & Late-Stage" private equity strategy for SMEs and mid-caps. This product is classified Article 8 within the meaning of the SFDR.

To date, KCI, a UNPRI signatory, has a consistent ESG approach integrated into its investment process. KCI was acquired by the Kepler Cheuvreux Group in 2018. The team is responsible for leading KCI's fundraising and investment strategy. Although KCI represents a relatively small proportion of the Group's front office staff (6%⁶), their contribution to responsible investment is significant.

KCI supports entrepreneurs and companies in their financing needs through the capital structure (quasi-equity and equity) and has a clear focus on the growth of small and medium-sized enterprises.

In 2022, KCI was in the fundraising phase with the first closing of its tech fund Move Capital Fund I SLP (completed in February 2022 for an amount of €104 million). It made an initial investment via this vehicle in March 2022 (GateWatcher).

⁶ Out of 247 front office employees (i.e. involved in financial transactions or the trading of instruments).

This investment enabled the ESG investment policy defined by KCI to be implemented and, in particular, resulted in the investment team conducting its first ESG due diligence with KCI's expert partner, Ethifinance.

With respect to mandatory disclosures for asset management companies, KCI is already prepared to be fully compliant with the applicable industry ESG standards regarding:

- *Implementing climate change risk policies:* KCI is addressing climate change through (i) its ESG approach, detailed in its ESG Charter (available on the Company's website); (ii) signing up to the UNPRI Charter in 2020, which outlines KCI's commitment to managing climate change risks; and (iii) adding sustainability to KCI's risk mapping. Lastly, KCI has implemented several initiatives to address environmental, social and governmental risks, primarily through the integration of ESG risk assessment into the investment process, the incorporation of sustainability risks into KCI's remuneration policy, and the creation of an ESG advisory board.
- *The contribution of its investment strategy to the energy and environmental transition:* All KCI's funds incorporate a consistent and fully integrated ESG strategy into their investment process to mitigate climate change risks through positive impacts (e.g., waste management, rational use of natural resources, greenhouse gas emissions limitation, etc.). These are measured via investment companies' answers to the surveys collected annually by the Company and its service provider Ethifinance, as well as the ESG roadmap, which is formalised at the closing of each transaction and reviewed annually throughout the holding period.
- *KCI's level of climate-friendly investments:* at this stage, it is not envisaged that KCI funds will have a specific climate-friendly investment threshold. However, the company is firmly committed to a positive ESG approach aimed at reducing the overall greenhouse gas intensity of all its portfolio companies. In this regard, in October 2022 KCI entered into a partnership with Greenly to regularly measure the scope 1, 2 & 3 carbon footprint of the management company and all its portfolio companies. It should be noted that KCI's first carbon footprint will be drawn up in 2023 based on its financial year ended in December 2022. Through this key partnership, the aim of which is to achieve the medium-term goal of carbon neutrality, KCI provides its portfolio companies with an assessment of their greenhouse gas emissions so that they can become aware of their impact and establish an action plan to reduce their impact on the environment.
- *KCI's contribution to the international goal of limiting global warming:* KCI obtained the iC20 label in 2022 to step up its commitment to fighting climate change in line with the COP21 goal of limiting global warming to two degrees Celsius, and has received confirmation from the iC20 board that its ESG approach is consistent with the label.

More generally, the company has already prepared to meet the responsibilities of its future investment activities through:

- The commitment to several principles supported by the French association of investors for growth (France Invest) such as the "France Invest Commitment Charter" and the "France Invest Gender Equality Charter" (which promotes gender parity in private equity and in the companies that KC Invest supports) since the first day of publication of the two charters.
- The appointment of a partner to implement and monitor the development and effectiveness of KCI's responsible investment practices, with the help of an expert ESG service provider, Ethifinance, to support future investments. Ethifinance is also a signatory to the UNPRI, and is therefore aligned with KC Invest's objectives.
- Greenly's support for the periodic calculation of the carbon footprint and the definition of an appropriate action plan to reduce the carbon footprint of KCI and the portfolio companies under management.

Asset Management – Ellipsis AM

Ellipsis AM specialises in niche asset classes such as convertible bonds, credit and listed derivatives. Since 2013, the company has adopted a progressive ESG approach both at corporate level and within its investment policies. It has been a signatory to the UNPRI since 2019. In 2022, Ellipsis AM was acquired by Kepler Cheuvreux. The prospects for synergies and developments in the ESG field were a determining factor of the acquisition.

- **Research into and the selection of securities or financial instruments is at the heart of the management processes:** the ESG approach is an opportunity to enhance the analysis and understanding of risks within the portfolios and to strengthen managers' convictions. Ellipsis AM devotes nearly 20% of its overall external research budget to non-financial research and uses Sustainalytics as its main provider.
- **Ellipsis AM offers a range of open-ended funds all classified Article 8 - SFDR**, which incorporate all of the ESG criteria into their management processes. It should be noted that Ellipsis AM does not have funds with a sustainable investment objective or classified under Article 9 - SFDR.
- **Ellipsis AM also offers dedicated funds and mandates for European institutional investors that can apply ESG commitments** in their process but to a personalised and contractual degree according to the client's requirements, based on a suitability analysis questionnaire prior to the implementation of the tailor-made offering.
- **The ESG approach is widely deployed within the Convertibles & Credit division**, which brings together its historical areas of expertise. As the management team is in direct and regular discussions with issuers, it may be required to have a policy of dialogue on an identified ESG issue or controversy. It carries out its own ESG ratings to extend the scope covered, for example by rating issuers not monitored by Sustainalytics, or to review the relevance of a rating following an internal revaluation.
- In 2022, **the Overlay & Customised Portfolio Solutions division** decided to invest more selectively in indices that meet ESG criteria for funds using index derivatives, with a focus on the PAB (Paris Aligned Benchmark) and CTB (Climate Transition Benchmark) indices.
- **Ex ante and ex post analysis of ESG commitments is integrated into portfolio governance.** ESG objectives are systematically defined upstream of launches (e.g., Ellipsis Disruption Convertible Fund and Ellipsis Credit Road 2028 launched in 2022) and during annual portfolio reviews. Risk Control monitors ESG constraints on a daily basis (e.g., pre-trade exclusion, contractual firm limits, etc.).
- **In terms of its corporate commitments, Ellipsis AM provides ESG training for all its employees.** For 2022, the company defined a balanced gender representation target of one third of the teams responsible for investment decisions being women (Rexain law). The target was met as from the third quarter.

Communication on ESG information within Ellipsis AM

- **Ellipsis AM has an ESG page on its website** (<https://www.ellipsis-am.com/fra/fr/pro/esg-reglementaire>) on which **the LEC annual report** can be viewed: http://www.ellipsis-am.com/publication/ComplianceDoc/Fr_Rapport-LEC-Ellipsis-AM.pdf
- **Prospectuses, financial statements and SFDR documentation** provide both contractual and ex-post information on the integration of ESG criteria into each portfolio's investment strategy.
- **ESG indicators** (coverage in ESG analysis, ESG rating, carbon footprints and carbon intensities) are calculated and monitored for each portfolio by Independent Risk Control and enable regular reporting to be provided to investors.

Focus on the ESG commitments of Ellipsis AM's Convertibles & Credit division

1st AXIS - SECTOR/COUNTRY ISSUER EXCLUSION	
Norm-based exclusion in respect of controversial weapons	Oslo and Ottawa Conventions
Exclusion of high-risk countries	FATF (Financial Action Task Force) black and grey lists and European list of non-cooperative countries and territories
Exclusion in respect of sensitive sectors	List of sectors associated with climate change and human rights (BNP Paribas and ASIR-SVVK lists)
2nd AXIS - FILTER ON GOVERNANCE CRITERIA AND CONTROVERSIES	
Analysis of controversies	External research (including Sustainalytics) + Internal ratings methodology of Ellipsis AM manager-analysts
Eliminatory filter on governance	
3rd AXIS - INTEGRATION OF ESG CRITERIA	
Minimum coverage in terms of ESG analysis of the portfolio	E.g., more than 90% of the securities held in convertible portfolios
Selective approach on the 3 criteria, integrated into the overall multi-criteria analysis	Management seeks to favour companies with good ESG practices (e.g., by systematically eliminating at least 50% of the lowest rated securities in the investment universe, represented by each fund's benchmark).
“Rating improvement” approach	Management ensures that the portfolio’s overall sustainability risk is reduced (e.g., the average ESG rating of the convertible portfolio must be better than that of its benchmark).

Scope of ESG AUM by asset class at 31 December 2022

Outstandings in €

Total 2022 AUM managed by Ellipsis AM	€2,388,475,632
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1/ “FIXED INCOME” SCOPE

51% OF 2022 AUM

Bond portfolios classified ARTICLE 8 - SFDR	€1,059,665,455
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87% of “FIXED INCOME” AUM

Ellipsis European Convertible Fund	€383,256,597
Ellipsis Global Convertible Fund	€127,060,193
Ellipsis Disruption Convertible Fund	€59,578,231

Ellipsis High Yield Fund	€83,108,177
Ellipsis Credit Road 2028	€5,012,896
Ellipsis Short Term Credit Fund	€10,117,809
Ellipsis Optimal Allocation - Credit	€73,649,140
Convertible mandates and dedicated funds	€317,882,412

Bond portfolios classified ARTICLE 6 - SFDR
€156,609,605
13% of “FIXED INCOME” AUM

Convertible mandates <i>Integrated but non-contractual ESG approach</i>	€156,609,605
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2/ "LISTED DERIVATIVES" SCOPE
49% OF 2022 AUM
UCIs classified Article 8 - SFDR
€48,078,126
**4% of “LISTED DERIVATIVES”
AUM**

Ellipsis Optimal Solutions - PA Balanced	€48,078,126
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Mandates and dedicated funds classified ARTICLE 6 - SFDR
€1,124,122,445
**96% of “LISTED DERIVATIVES”
AUM**

These portfolios correspond to strategies to which the ESG approach cannot be applied due to the nature of the instruments used (mandates and dedicated option-based overlay funds).

Source: Ellipsis AM, AUM as at 31 December 2022. SFDR: European Regulation (EU) No. 2019/2088 known as the Sustainable Finance Disclosure Regulation.

Structured products (Kepler Cheuvreux Solutions)

Kepler Cheuvreux Solutions offers tailored solutions that enable investors to align their investment objectives with their values on sustainable issues. In addition to the dedicated ESG research team and collaboration with the main players in non-financial analysis, Kepler Cheuvreux Solutions has recruited a specialist dedicated to developing the sustainable offering. The aim is to develop secular and tactical investment solutions around

environmental, social and governance themes in order to best support our clients in developing their investment policy.

Our responsible investment solutions are based on three approaches:

- Investment in a responsible underlying or basket. This approach is based either on sectoral and norm-based exclusion policies or by incorporating the environmental, social and governance profile of companies so as to exclude those that do not meet the requirements set.
- Investment in sustainable themes, through baskets of shares exposed to specific issues such as the energy transition, biodiversity, water management or recycling, which provides an investment universe that contributes directly to the various sustainable development themes.
- Investment in responsible projects, through green or sustainable notes and bonds, to directly support the financing of business projects focussing on transition to a more environmentally friendly economy or the improvement of social criteria.

b) Client satisfaction and company awareness (survey)

With a presence in 13 major financial centres, Kepler Cheuvreux has a unique multi-local business model that allows its research teams to be close to the companies they cover and its sales teams to be close to investors. This proximity allows the Group to offer a better and more responsive service, taking into account the specificities, knowledge and opportunities of the local markets.

Fair treatment of clients and the development of relationships are governed by a set of policies and procedures applied across the Group by all employees.

Kepler Cheuvreux has formalised and implemented a strict execution policy, requiring employees to ensure fair treatment of all orders and in accordance with the principles set out in the execution policy. All necessary measures are thus taken to offer clients the best execution possible. The execution policy is updated annually. It is available to the public on the Kepler Cheuvreux website.

Customer complaints are handled quickly, accurately and fairly by dedicated traders. Complaint handling is governed by the compliance manual distributed to all Kepler Cheuvreux employees.

Institutional investor survey

The annual Institutional Investor survey is a must-read for market professionals, distinguishing the best players in research production and Corporate Access⁷.

It enables Kepler Cheuvreux to assess its clients' satisfaction and verify that the services offered are in line with their expectations.

The 2022 edition for Europe reflects the views of 4,692 portfolio managers and analysts from 1,696 financial institutions. A total of 62,580 votes were analysed and the results are presented below.

⁷ Corporate Access services allow investors to refine their investment decisions by meeting with listed companies. The services offered include the organisation of roadshows, thematic conferences, site visits and one-to-one meetings with the management of listed companies.

Results on Corporate Access

Category	2022 ranking	2021 ranking
Overall Corporate Access	1st	2nd
Conferences	1 st	1 st
Field trips	2 nd	6 th
Logistics	2 nd	3 rd
Roadshows	1 st	2 nd
Quality of teams	1 st	5 th
Virtual event	2 nd	2 nd

Research results

Category	2022 ranking	2021 ranking
Research - Overall	11th	10th
Small & Mid-cap	3 rd	2 nd
Oil Services	5 th	7 th
Property/Real Estate	5 th	4 th
Retailing Food	6 th	6 th
Medical Technologies & Services	7 th	6 th
ESG Research	8 th	6 th
Auto & Auto Parts	8 th	7 th
Forestry, Paper & Packaging	8 th	6 th
Payments	9 th	New
Technology Software	9 th	8 th
Building & Construction	10 th	10 th
Food Producers	10 th	7 th
Infrastructure	10 th	New
Technology Hardware	10 th	11 th

Gestion de Fortune magazine award

In 2022, Kepler Cheuvreux Solutions was named the second best structured products provider by French magazine Gestion de Fortune, and remains the leading independent structured products provider for the seventh consecutive year. In addition, Kepler Cheuvreux Solutions was ranked "Outstanding" (best ranking) for the fourth consecutive year in the 2022 ranking of the best independent structured product designers in France by Décideurs Magazine.

c) Corporate sponsorship

Kepler Cheuvreux employees share key values: independence, commitment, entrepreneurship and social and environmental awareness.

Kepler Cheuvreux is a truly entrepreneurial company with employees and management holding 40% of its voting rights.

Thanks to its local presence, the Group has been very sensitive to social and health impacts of the COVID-19 crisis in the countries it operates, and has focused on protecting its employees and clients from the very start of the crisis.

Aware of its social responsibility, the Group wished to go further by making a substantial and concrete contribution to the common good. To achieve this goal, the Kepler Cheuvreux Foundation was established in 2020 to help support pan-European fundraising and grants, in line with the Kepler Cheuvreux Group's pan-European footprint.

The Kepler Cheuvreux Foundation is a non-profit organisation that only supports other non-profit organisations, whether public or private. To achieve its objectives, the Kepler Cheuvreux Foundation supports:

- Public and private healthcare providers in Europe, especially in critical contexts;
- Charities that help victims of the economic and social consequences of the pandemic in the short term, and those in need in the longer term;
- Public and private non-profit healthcare research institutions across Europe; and
- European institutions that help the elderly or disabled.

Since its creation in March 2020 and its legal incorporation in June 2020, the foundation had distributed a total of more than €3.7 million by the end of 2022. The foundation's current efforts focus on medical organisations dedicated to children (Necker-Enfants Malades children's hospital, Het Vergeten Kind (the forgotten child) etc.) and food banks.

In 2022, the initial intention was to continue supporting the Foundation's long-term projects that relate to the education, protection and training of children and adolescents. However, the Russian invasion of Ukraine created an urgent and unprecedented refugee crisis. Consequently, in March 2022, the Foundation made a payment of €346,000 to the Red Cross to support Ukrainian refugees in Ukraine (40%), Poland (40%), Romania (10%) and Moldova (10%). At the same time, the Foundation donated €88,920 to ten long-term projects in nine European countries.

Following the great success of the Charity Trading Day, coinciding with the US Thanksgiving holiday, which raised more than €400,000, the Foundation paid an additional €880,906 in the fourth quarter of 2022 to 19 beneficiaries in eight European countries. The beneficiaries are a mix of nine long-term projects, eight food banks (due to the cost of living crisis in Europe) and two new beneficiaries: CRIS Cancer France and Make a Wish Nederland.

The Foundation's revenues in 2022 came from Kepler Cheuvreux, through voluntary bonus allocation as regards 81 employees, payroll allocation as regards five employees, cheques payments by three employees, as well as money collected during Charity Trading Day, the Kepler Cheuvreux Sports Week organised in June during which clients were encouraged to donate, and the auction of football shirts signed by famous football clubs.

Charity Trading Day, held on 24 November (US Thanksgiving), involved around 160 employees or 67% of front office staff. The total amount raised of more than €400,000 was around 8% higher than in the previous year, on a day when activity on the financial markets is traditionally very low.

The Foundation appreciated its donations in action when two representatives were invited to Necker-Enfants Malades children's hospital to attend surgery of a seriously ill child. The foundation is helping finance Visualase laser surgery, which was used in this case to remove a brain lesion in a child with severe epilepsy. The Visualase device is also used to treat brain tumours in children and has been shown to reduce morbidity and accelerate post-operative recovery.

The Foundation is always open to donations. Kepler Cheuvreux has continued to contribute €50,000 per month since the Foundation was launched. Other fundraising events are planned for 2023 that will allow the Foundation to expand its philanthropic efforts across Europe.

Through these various actions, 89 Kepler Cheuvreux employees donated to the Foundation in 2022 (compared with 136 in 2021).

In terms of physical and sports activities, the Foundation organised a series of “Sports Week” events in June 2022 in which employees from local offices and clients took part. This was intended to be a marketing event, the aim of which was to enable us to reconnect with our clients following the COVID-19 lockdowns and to raise funds for the Foundation.

III. PROTECTION OF HUMAN CAPITAL

a) Human capital satisfaction and personal development

Since Kepler Cheuvreux is a people-focused company, the Company's greatest asset is its people.

Group' staff and management are Kepler Cheuvreux main shareholders. With 27.53% of its share capital and 40% of its voting rights, they are directly involved in the Group's performance. This significant stake in the Group ensures staff motivation and involvement remain high and consistent over time.

The continuous development of Kepler Cheuvreux's human capital is supported by its training and development policy (encouragement to undertake training, during and outside working hours, studying for the CFA examination - Kepler Cheuvreux covers 75% of the costs of the CFA examination as well as the costs of study material for high-performing young employees – and studying for professional qualifications related to the Group's activity).

In 2022, 57 employees received training (compared to 26 in 2021) on various topics such as ESG, trading, strategy and leadership, foreign language training, etc.

In addition, every year the Chief Information Security Officer (CISO) raises awareness among employees of the Group or certain departments about the risks of cybersecurity and cyber-attack, phishing, etc. In 2022, this awareness-raising took the form of an email sent to all Group employees in December 2022 as well as a reminder in one of the internal videos distributed every 15 days on the intranet and by email to all Group employees.

Lastly, in July the Group Treasurer provided training on the risk of fraud to employees considered particularly sensitive. In 2022, this involved 22 employees performing payment functions within the organisation, compared with seven in 2021.

b) Employee health and safety

As a responsible employer, Kepler Cheuvreux is committed to providing a safe environment in which its employees can thrive. Accordingly, every year Kepler Cheuvreux conducts or updates an analysis of the health and safety risks for its Paris staff and presents it to the Social and Economic Committee (CSE) of the Paris office. As in 2021, the 2022 analysis covered 16 risk categories and 40 sub-risks. The key risks that were identified were: i) assessed to see how relevant they are to Kepler Cheuvreux' business; ii) compared to current practices to see if they are effectively mitigated by the business; and iii) reviewed to determine possible areas for improvement. Furthermore, only the COVID provisions have been removed, as a result of the health emergency coming to an end.

Major risks identified	Practices implemented to mitigate risk	Room for improvement - 2023 target
Ventilation, sanitation of premises	Satisfactory	None
Thermal environments (hot, cold)	Satisfactory	None
Workstation lighting	Satisfactory	None
Emergency organisation	<p>Frequent updating of emergency numbers (firefighters, etc.) on bulletin boards.</p> <p>Serious accident guidelines posted on evacuation signs.</p> <p>Medical supplies available at the reception and in accordance with occupational physician guidelines. Business centre security staff trained in first aid. Trained evacuation officers with an annual refresher course.</p> <p>Safety instructions are made available via the intranet to all new employees when they join the Company.</p>	None
Hazardous substances, chemical risks	Satisfactory	None
Energy	Satisfactory	None
Work equipment	Satisfactory	None
Road-related hazards	Satisfactory	None
Work carried out by external companies	Satisfactory	None
Risk of falling objects from height or due to work/repairs on site	Satisfactory	None

Major risks identified	Practices implemented to mitigate risk	Room for improvement - 2023 target
Risk of fire or explosion	<p>Satisfactory signage of fire extinguishers and periodic review of their operation. Smoke detectors are present near offices in each department and are checked periodically.</p> <p>Satisfactory installation and frequent inspection of the fire door.</p> <p>Safety instructions are made available via the intranet to all new employees when they join the Company.</p> <p>The emergency exits are clearly identified.</p>	None
Office equipment	<p>Screens are available to reduce glare.</p> <p>Distance between seat and screen compliant with standards. Annual visual inspection by the occupational health department.</p> <p>"Screen work awareness" documentation provided. Hands-free headset provided with business phone.</p>	<p>Continued efforts on office layout and the provision of more ergonomic chairs.</p> <p>The policy for home equipment allowance implemented in Q4 2021 was maintained in 2022.</p>

Kepler Cheuvreux is committed to the well-being of its employees and continues to implement these recommendations, notably through the constant developing of tools allowing to preserve a healthy and respectful work environment for everyone. With this in mind, in 2022, Kepler Cheuvreux implemented Flex Office monitoring software in Switzerland and a shared parking space reservation software.

The following charters implemented in 2021 remain highly applicable and have significant importance for the Group:

- The Charter against discrimination and harassment:

Kepler Cheuvreux promotes a flexible, responsible, responsive structure that is rich in experience and diverse cultures. Thus, the Charter sets three priorities: gender equality, protection against discrimination and equal opportunities at work and recognition of the diverse cultures and nationalities that is a source of richness.

- Agreement on professional gender equality:

The agreement aims to ensure equal opportunities for access to employment and throughout a person's working life, to ensure equal access to vocational training, to promote balance between personal and professional life and family commitments and to combat moral and sexual harassment and sexist behaviour.

- Working from home policy:

In order to ensure the safety of its employees, to comply with local health measures and to meet the demands of its employees, Kepler Cheuvreux has implemented a working from home procedure. It sets the framework for efficient work organisation and seamless continuity of its services.

Lastly, Kepler Cheuvreux has implemented the monthly monitoring of absenteeism and leave taken to ensure:

- detection of any problems in the Group's offices/departments in the event of a significant increase in the absenteeism rate; and
- Staff have regular rest by taking regular leave over the year, taking a significant break during the summer periods, and in particular by taking all their leave during the course of the year.

The absenteeism rate has increased slightly, from 1.38% in 2021 to 1.63% in 2022.

The rate of leave taken by employees in 2022 increased slightly (92% in 2022 versus 91% in 2021).

c) Diversity of human capital

Kepler Cheuvreux is committed to promoting workforce diversity, which is a strength in an ever-changing pan-European market. This is part of the Company's core values. To this end, the Group is proud to be committed to the fight against harassment and discrimination based on age, gender, nationality, disability, religion, beliefs or sexual orientation.

Discrimination affects the work environment and can have a devastating effect on the health, confidence, morale and performance of those who experience it. Therefore, the Group does not permit or tolerate any form of workplace harassment or discrimination based on a person's sex, nationality, disability, religion, beliefs or sexual orientation. Since 2021, the Group has developed a collective anti-discrimination and anti-harassment policy, establishing the following rules that must be followed by all Kepler Cheuvreux employees:

- Discrimination in the workplace against any person on the basis of age, gender, marital status, religious or other beliefs, sexual orientation, nationality, ethnic or national origin, or disability is unacceptable.
- The Group will not permit any applicant or employee to receive less favourable treatment than would be accorded to any other person for any of the above reasons.
- In the case of persons with disabilities, the Group considers all possible reasonable adjustments to enable that person to be hired or to continue in a job that he or she could otherwise perform.
- The Group ensures equal opportunities in recruitment, training, development and promotion.

Each Kepler Cheuvreux employee must support this policy, as each member has a responsibility to fight discrimination and promote equality, tolerance and diversity.

Cross-generational diversity

Kepler Cheuvreux was founded in 1997 and many of its employees have been involved in this entrepreneurial venture for several years. The Group now has one of the most experienced and solid teams in the European brokerage industry. This creates a dual challenge because Kepler Cheuvreux must ensure the long-term success and innovation of the Group by training and promoting young employees, while allowing for a smooth and active transition from one generation to the next.

Kepler Cheuvreux has developed a cross-generational policy allowing senior employees (aged over 55) to benefit, on a voluntary basis, from a part-time work formula, structured as follows:

- Aged between 55 and 56 => 10% or 20% part-time.
- Aged between 57 and 59 => 20% or 30% part-time.
- Aged between 60 and 61 => 30% or 40% part-time.
- Aged over 62 => 50% part-time.

The cross-generational programme is a unique opportunity to add more flexibility to employees' working lives and, for them, to enjoy more free time and prepare for their retirement step by step, while giving the Group the opportunity to continue to benefit from their expertise. As at 31 December 2022, five new employees had signed up for this programme, bringing the number of participants to 29.

As a responsible employer, Kepler Cheuvreux is also focused on supporting and promoting the next generation of leaders. Every six months, about 60 interns join the Group, of which about 20 are hired each year (12 more during 2022). Over the last six years, Kepler Cheuvreux has trained and recruited 137 talented young people, demonstrating the Group's commitment to promoting young and talented employees. These recruitments are offered on a Group-wide basis, as Kepler Cheuvreux's multi-local presence allows for greater flexibility in terms of geographical hiring and position within the Group.

The Group will also create two programmes dedicated to young talents to strengthen its human capital development policy.

The Talent programme was designed to develop and retain top talent with exceptional skills and a positive attitude towards the Company, but with limited experience within it. A selection of approximately 30 employees per year, appointed by the business line managers, participate in the programme (representing approximately 15% of the workforce aged under 35).

The duration of the programme is estimated at 2-3 years and includes both mandatory external courses (CFA or comparable local training) and internal courses on various business topics taught by senior professionals within Kepler Cheuvreux. In addition, it provides the opportunity for a six-month temporary assignment to another office in the same business line or any other business line. The objective is to allow participants to discover other areas of the Company and improve their learning curve.

A dedicated mentor is assigned to each participant. This mentor provides guidance, direction and advice. Bi-annual meetings with management and business line managers in Paris are held to provide direct access to management and discuss activities, challenges and career opportunities. The direct involvement and encouragement of these young talents by experienced professionals is a testament to Kepler Cheuvreux's commitment to passing on knowledge and skills across generations.

On the other hand, the Challenger programme is designed for strong senior professionals with a high level of technical, personal and leadership skills who believe in Kepler Cheuvreux's business model and who may be ready to take on new or greater responsibilities. A selection of 10 to 15 employees from all business sectors are considered for this three-year programme. As with talent development programmes, tailor-made internal and external training are offered, and a special mentoring system by business line managers is established to share behaviours, experience, knowledge, relationships and skills.

Both programmes were fully designed at the end of 2020 for an expected launch in 2023.

Gender diversity is important in the Company's workforce. This can be achieved by promoting the recruitment of female talent and through equal pay for men and women.

In 2022, women accounted for 20.7% of the Group's total workforce (down 0.4% compared with 2021).

Kepler Cheuvreux has put in place equal pay monitoring to ensure that annual salary reviews are carried out in line with the Group's principles in this area.

Of the 201 employees who received a salary increase in 2022, 24.9% were women (versus 23.8% in 2021), *i.e.*, 4 points higher than the proportion of women in the Company.

IV. ENVIRONMENTAL FOOTPRINT

a) Greener modes of transport

Green mobility initiatives

Kepler Cheuvreux supports its employees in their transition to low-carbon transport. Kepler Cheuvreux offers several options, depending on employees' requests and needs. For those who prefer to cycle to the office, the Group has installed bicycle parking facilities in each of its offices to make cycling more accessible to all. In cases where employees prefer to or have to use a car, the Group offers free electric charging stations in its main offices for electric cars, which generate less greenhouse gas and other emissions than cars powered solely by internal combustion engines. In addition, employees who prefer carpooling have priority for parking spaces. Carpooling is not only better for the environment but is also perfectly in line with Kepler Cheuvreux's values of team spirit and solidarity.

Following the research carried out in 2021 to find a new office in the Geneva region of Switzerland, the employees of the Suisse Romande office moved in 2022 to new premises in the centre of Nyon, at the foot of the central station, making it possible to reach Geneva and Lausanne in approximately 30 minutes. This new configuration, combined with the implementation of working from home for several years, will significantly reduce emissions related to employee commuting.

Kepler Cheuvreux is present in 13 major financial markets and has a unique multi-local business model that enables research teams to be close to the companies they cover and sales staff to be close to investors.

However, this proximity requires a high degree of mobility among Kepler Cheuvreux staff. Salespeople can visit their clients' headquarters to discuss business opportunities, while analysts can visit the facilities of companies they cover to improve the relevance of their analyses.

Calculation and monitoring of aircraft carbon emission consumption

The Group calculates and monitors the carbon emission consumption of its employees' business trips.

Kepler Cheuvreux implemented a policy banning business travel during the COVID crisis in 2020 and 2021. The ban ended in January 2022.

Against this backdrop of a significant increase in business travel in 2022, Kepler Cheuvreux has chosen to broaden its carbon emission consumption measurements⁸. The total kilometres travelled by air and rail and their respective carbon emission consumptions are now estimated.

It should be noted that car rentals are not taken into account due in particular to the low volume (less than 3% of car rentals relate to business travel).

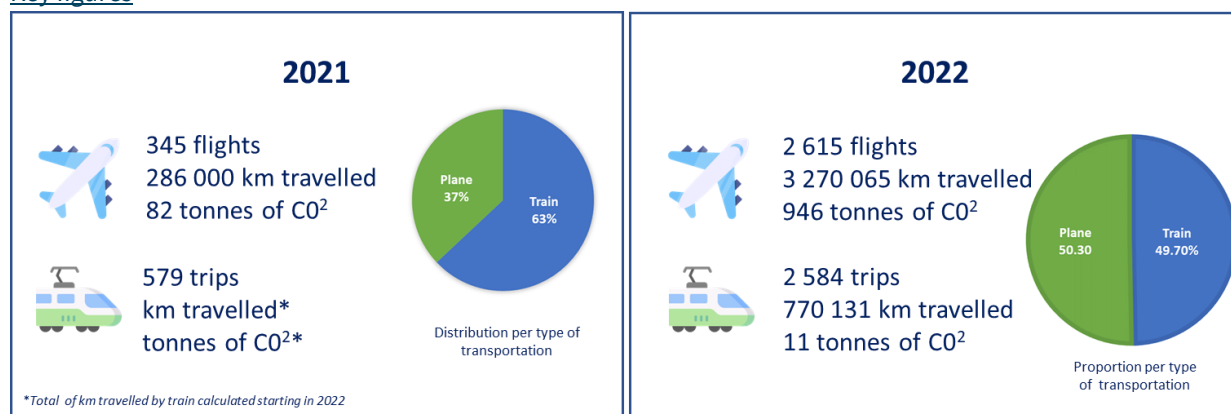
Carbon emissions are calculated based on the number of kilometres travelled by rail and air. Each kilometre is multiplied by an estimate of the amount of carbon emissions produced. To this end, Kepler Cheuvreux has chosen to use the estimates of the European Environment Agency⁹ which proposes quantities of carbon consumed per passenger-kilometre, and by type of transport means.

Thus, each kilometre travelled by air or rail represents 285 grams or 14 grams of carbon emissions.

⁸ From 2022, the calculation methodology has been improved with the inclusion of so-called "multiple" trips (return trips that do not have the same departure or arrival cities).

⁹ https://www.eea.europa.eu/fr/pressroom/infographies/emissions-de-dioxyde-de-carbone/image/image_view_fullscreen

Key figures



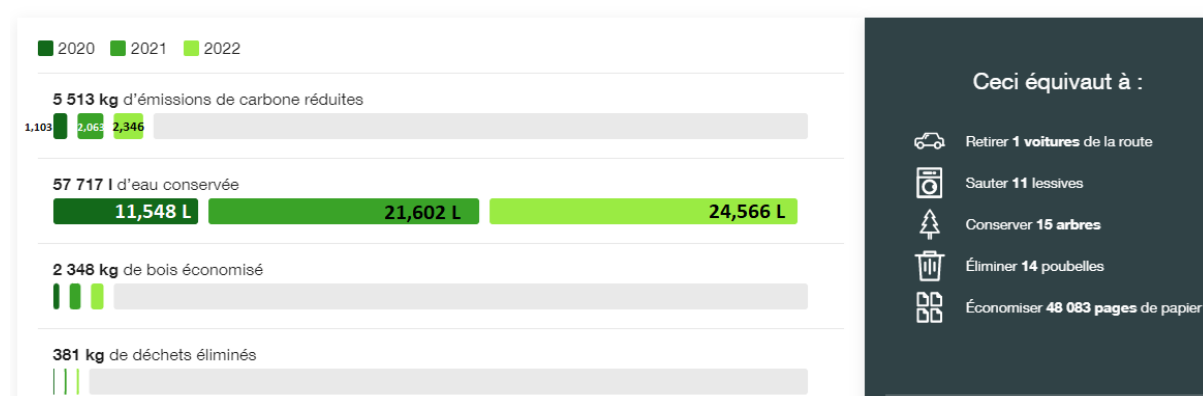
b) Consumption of natural resources by offices

Kepler Cheuvreux closely monitors the electricity and paper consumption in its offices as part of its policy of minimising the consumption of natural resources.

In 2020, the Group began to digitize its signature process by investing in the DocuSign solution. Since then, no paper contracts have been signed within the Group, whether they be business, supplier or employee (HR) contracts.

The impact of this change is notable and continues to be significant given the growth in the Company's activity year on year:

Préservations environnementales de Kepler Cheuvreux



The Group has installed waste sorting bins (glass/paper/plastic) to encourage recycling practices and reduce waste in each of its offices. Individual bins at each desk, which do not encourage recycling, have been removed. The impact of this change is significant. In terms of paper consumption, in 2022 approximately 400kg of paper were recycled in the Paris office alone. This represents the saving of 4 trees, or an equivalent of 16 kg of CO₂. These figures are down (by 30%) due to lower paper consumption in 2022 than in 2021, when 593kg of paper were recycled.

Scope:

There are two distinct categories of offices in which Kepler Cheuvreux employees work:

- Offices where the contractual relationship with the electricity supplier is direct (we have a contract with and are billed directly by the electricity supplier based on our consumption); and
- Other offices where electricity billing is zero, at a flat rate or indexed to a metric other than consumption (e.g., in proportion to m²).

In the second case, it generally is not possible to measure Kepler Cheuvreux's electricity consumption locally – electricity is recharged at a flat rate or per m² by default, usually in the absence of a dedicated meter for each tenant. Only offices where the contractual relationship with the electricity supplier is direct will therefore be included in the scope of this monitoring exercise.

An initial exercise was carried out to identify the offices to be included in the scope of the exercise:

Site	Within the scope?	Comments	Staff (Dec. 2022)
Paris	Yes		287
New York	No	Recharging by owner	15
London	Yes		75
Nyon	No	Flat-rate recharging by owner since May 2022	117
Milan	Yes		27
Zurich	Yes		21
Geneva	No	Sub-leasing: recharging by owner	0*
Oslo	No	Recharging by owner	14
Amsterdam	No	Recharging by owner	17
Frankfurt	Yes		36
Madrid	Yes		29
Stockholm	No	Recharging by owner	22
Vienna	No	Flat-rate recharging by Regus	5
Brussels	No	Free accommodation under the terms of the KC - Belfius partnership.	6
		Total:	671

**0 employees as representative office (i.e., transit) for employees based in Nyon.*

The offices included in the monitoring exercise had a total of 475 employees out of the 671 employed within the Group at the beginning of December 2022 (i.e., a coverage rate of 71%).

Result:

Site	2021 consumption in kWh (Dec 20-Nov 21)	2022 consumption in kWh (Dec 21-Nov 22)	Change (%)
Paris	604,062	540,196	-11%
London	198,239	168,693	-15%
Milan	73,730	50,858	-31%
Zurich	293,816	132,172	-55%
Frankfurt	235,268	109,773	-53%
Madrid	38,281	40,283	5%
Total	1,443,396	1,041,975	-28%

A refresh of the Group's IT equipment, including screens, servers and other network equipment, has been underway since mid-2021. The installation of more recent equipment, which is less energy-intensive, partly explains the fall in consumption identified above:

- Frankfurt refresh: December 2021;
- London refresh: October 2022;
- Milan refresh: April 2022; and
- Zurich refresh: February 2022.

VII. APPENDICES: METHODOLOGY, SCOPE AND SUMMARY OF PERFORMANCE INDICATORS



- **Methodology**

The purpose of this Appendix is to specify the method used to assess risks and the scope covered by the various indicators monitored.

Kepler Cheuvreux uses an internal model to measure its ESG risks (see section V.1. Methodology) which established a matrix based on three themes (client satisfaction and fair trade and ethics, protection of human capital, and environmental footprint). 12 issues potentially applicable to Kepler Cheuvreux have been assessed:

- Client satisfaction and company recognition;
- Corporate sponsorship;
- Products and services with a social and environmental impact;
- Respect for animal welfare;
- Employee health and safety;
- Development of human capital and its satisfaction;
- Diversity of human capital;
- Greener modes of transport;
- Consumption of natural resources (water, electricity and paper);
- Responsible, fair and sustainable nutrition;
- Responsible use of resources (waste water, air quality, recycling and transportation of hazardous waste, and coal consumption); and
- Construction of new facilities.

This mapping enables to measure materiality of the issues to which Kepler Cheuvreux is exposed and allowed to identify eight material stakes for the Group. This ESG risk mapping is updated annually. To achieve this, Kepler Cheuvreux involves all those responsible for monitoring sustainable development and social responsibility indicators and actions.

Once completed, the update of the ESG risk mapping is validated and accompanied by any action plans that may be needed to better control the identified risks.

- **Scope**

The ESG risk assessment covers the entire Group (*i.e.*, the Company, its subsidiaries and branches). However, the indicators used to monitor these risks may take account of smaller scopes than the Group.

The Group is established in many countries. The Paris, Swiss and London entities account for the majority of the workforce and activities carried out. Certain indicators (such as water or electricity consumption) may therefore sometimes cover only a representative part of the Group.

- Details of key indicators

Indicator	Description	Calculation	Scope
Workforce as of 31/12/2022	Gender distribution	$\frac{\text{Female or male employees on permanent contracts}}{\text{Total employees on permanent contracts}}$	Group employees on permanent contracts at the end of 2022 (583 employees).
	Gender distribution of salary increases	$\frac{\text{Female employees who have received salary increase}}{\text{Total employees who have received salary increase}}$	
	Absenteeism rate	$\sum \frac{\text{days of absence}}{(\text{total days worked} + \text{days of absence})}$	
Employees who participated in a training programme	Sum of employees who benefited from a training programme during the year	List of people who benefited from these programmes	
Employees made aware of cybersecurity	List of Group employees made aware of cybersecurity risks	List of persons made aware, and resources implemented	
Number of ESG reports produced during the year	Sum of reports with an ESG theme produced by the Kepler Cheuvreux Research teams	$\sum \text{reports with an ESG theme published}$	Reports published in 2022 via the Research portal including an ESG analysis.
Electricity consumption	Calculation of electricity consumption in kWh	$\sum \text{electricity consumption in kWh communicated by the supplier}$	Electricity consumption of Kepler Cheuvreux offices identified in the scope in 2022.
Kepler Cheuvreux's positioning in the annual Institutional Investor survey	Review of Institutional Investor's rankings on Corporate Access activities	Monitoring of rankings for the eight main Corporate Access indicators	2022 rankings monitored on: Corporate Access - Overall; Pan-European - Overall; Conferences; Field Trips; Logistics; Roadshows; Team quality; Virtual Event.
	Review of rankings published by Institutional Investor on Research activities	Monitoring of rankings where Kepler Cheuvreux's Research is in the top 10	2022 rankings monitored on: - Research - Overall; - All indicators where Kepler Cheuvreux ranks in the Top 10 and the ranking.
Share of employees	Number of employees who contributed	$\sum \text{permanent employees who contributed financially to the Foundation}$	

involved in the Foundation	financially to the Foundation		Group employees with permanent contracts in 2022.
	Number of employees who attended Foundation events	\sum permanent employees who attended Foundation events	

- Performance indicators

Pillars	Challenges	Indicators
Client satisfaction, fair trade and ethics	Products and services with a social and environmental impact	<p>Qualitative</p> <ul style="list-style-type: none"> - First brokerage firm in Europe to sign up to the UNPRI (in 2008). - Stabilisation of the ESG research team within Kepler Cheuvreux with the immediate replacement of the two departing members. Continued integration of ESG criteria into analyses of "traditional research" with a new increase in the number of ESG profiles. - KCI, the Group's unlisted AM division, is publicly committed as a responsible investor (signatory of the UNPRI, France Invest's Commitment Charter and the Gender Equality Charter). - Development of an ESG offering within KCS, the Group's business line dedicated to research, design and marketing of tailor-made structured investment solutions. <p>Quantitative</p> <ul style="list-style-type: none"> - Stable production of thematic ESG reports (6), supplemented by 6 ESG sector reports. - 285 new ESG profiles in 2022.
	Client satisfaction and company recognition	<p>Qualitative</p> <ul style="list-style-type: none"> - Policy for managing, reporting and handling customer complaints. - Entertainment practices and client gift policies and anti-corruption practices (threshold / governance / reporting). - Independence and impartiality of the account management team (responsible for client coverage) (not subordinate to any particular office or sales team) ensuring neutral coverage and service in the best interest of clients. <p>Quantitative</p> <ul style="list-style-type: none"> - Institutional Investor's rankings on Research and Corporate Access activities allow Kepler Cheuvreux to assess its clients' level of satisfaction and to compare itself with the competition. - In Research, Kepler Cheuvreux is in the top 10 for 14 sectors. - Corporate Access activities rose from 2nd in 2021 to 1st in 2022. - Kepler Cheuvreux Solutions, Kepler Cheuvreux's structured products division, was voted the second best structured products provider by Gestion de Fortune and remains the leading independent structured products provider for the seventh consecutive year. In addition, for the fourth year in a row, Kepler Cheuvreux Solutions was ranked "Outstanding" (best ranking) in Décideurs Magazine's 2022 ranking of the best independent structured product designers in France.

Pillars	Challenges	Indicators
Client satisfaction, fair trade and ethics	Corporate sponsorship	<p>Qualitative</p> <ul style="list-style-type: none"> - Creation of the Kepler Cheuvreux Foundation to assist in fundraising and grant-making at the pan-European level, in line with the Group's pan-European footprint. - In 2022, the Foundation paid out a total of more than €3.7 million. The foundation's current efforts focus on medical organisations dedicated to children (Necker-Enfants Malades children's hospital, Het Vergeten Kind (the forgotten child) etc.) and food banks. - In 2022, 89 employees (14% of the total workforce) contributed directly to the Foundation, via voluntary deductions from bonuses or regular donations via payroll (€155k). - Charity Trading Day, held on Thanksgiving Day in the United States (24 November 2022), enabled equity brokerage employees (around 160 employees - 67% of the front office staff) and their clients to raise more than €400,000 for the Foundation.
Protection of Human Capital	Diversity of Human Capital	<p>Qualitative</p> <ul style="list-style-type: none"> - All employees are subject to the Group's anti-discrimination and harassment policy, which condemns any form of workplace harassment or discrimination based on gender, nationality, disability, religion, belief or sexual orientation. - Development of a cross-generational policy allowing senior employees (aged over 55) to benefit, on a voluntary basis, from a part-time work arrangement. - Deployment of a virtual integration seminar for all employees who joined the Group during the year, so that they can meet their colleagues from the other offices and the Group's entire management. - Rollout of two programmes to encourage young talent in the Company: the Talent Programme, designed to develop and retain top talent who have exceptional skills and a positive attitude towards the Company, but limited experience within it, and the Challenger Programme, designed for strong senior professionals with a high level of technical, personal and leadership skills who believe in the Kepler Cheuvreux business model and may be ready to take on new or greater responsibilities. <p>Quantitative</p> <ul style="list-style-type: none"> - 5 new employees applied to join the cross-generational programme, bringing the total to 29. <p>Monitoring of the gender distribution and salary increase monitoring indicator:</p> <ul style="list-style-type: none"> - 20.7% of Group employees were women in 2022 compared with 21.1% in 2021; - 24.9% of salary increases were awarded to women compared with 22.8% in 2021. <p>111 participants in the <i>new joiners</i> seminar in 2022, based in 14 different Group offices.</p>

Pillars	Challenges	Indicators
Protection of Human Capital	Employee health and safety	<p>Qualitative</p> <ul style="list-style-type: none"> - Deployment of risk analyses concerning the health and safety of its Paris staff. The main risks identified were: <ul style="list-style-type: none"> i) assessed for their relevance to Kepler Cheuvreux's activities; ii) assessed in relation to current practices to see if they are effectively mitigated by the Company; and iii) reviewed for opportunities for improvement. - Annual analysis of psychosocial risks, with recommendations for improvement to be addressed in the future. - Distribution of mugs to all employees and newcomers; - Strict monitoring and instructions on the taking of regular leave during the year; - Monitoring changes in the absenteeism rate in all offices (excluding the NY subsidiary, Kepler Capital Markets Inc.). The absenteeism rate is calculated using the "number of days of absence/number of working days" formula where: <ul style="list-style-type: none"> - Days of absence include sickness/accident absences, unpaid leave and unauthorised absences. Authorised days of absence are excluded (family events, paternity and maternity leave, etc.). Details of them are extracted from the absence management tool, except for countries where this data is sent directly by the Payroll Provider (Italy, Netherlands and Germany). - The number of working days is calculated using the following formula: entity's end-of-period FTEs x number of working days in the year (set for the Group based on the French calendar) <p>Quantitative</p> <ul style="list-style-type: none"> - Between 60 and 70% working from home in total over the year 2022; - 92% of leave entitlements and RTT taken during the year (versus 91% in 2021); - Very low absenteeism rate in the Group (1.63% in 2022 versus 1.38% in 2021) <p>Replacement and modernisation of all the Group's IT equipment, country by country, over the 2021-2022 financial years and 2023 (USA and Nordic countries).</p>

Pillars	Challenges	Indicators
Protection of Human Capital	Human Capital Development and Satisfaction	<p>Qualitative</p> <ul style="list-style-type: none"> - development of a policy to encourage training, during and outside office hours, and in all Group countries. - Raising awareness of Group employees to the risks of cybersecurity, phishing and cyberattacks. <p>Quantitative</p> <ul style="list-style-type: none"> - In 2022, 57 Group employees received training (compared with 26 in 2021); - All Group employees were made aware of cyber security via: <ul style="list-style-type: none"> - A Group communication in December 2022; - Training in July 2022 on the risk of fraud among particularly sensitive employees (20 employees with access to payment tools were trained); and - Awareness raising via an internal Group video.

Pillars	Challenges	Indicators
Environmental footprint	Greener modes of transport	<p>Qualitative</p> <ul style="list-style-type: none"> - Bicycle parking available at each office. - Free charging stations for electric cars. - Staff carpooling priority for parking spaces. - Provision of shared parking spaces for employees in Flex office in Nyon and encouragement to use soft mobility. - Implementation of a travel policy limiting the use of air travel for short distance trips when trains can be used instead. <p>Quantitative</p> <ul style="list-style-type: none"> - Kepler Cheuvreux booked nearly 3,558 business trips for its employees in 2022. Of these bookings, car rentals accounted for less than 3% of the total. Consequently, car rentals were excluded from the calculation of carbon emission consumption of business travel. - For 2022, Kepler Cheuvreux expanded its carbon emission consumption calculation method by including so-called multiple journeys (return journeys that do not have the same departure or arrival cities), and a calculation of total consumption for rail journeys. - The breakdown of business travel by mode of transport (rail or air) was 63% in favour of rail travel compared with 37% in favour of air travel in 2021. In 2022, rail travel accounted for 49% of the journeys made. - There was a significant change in the number of trips by rail (+347%) and by air (+672%) linked to the resumption of travel post COVID. - The carbon impact generated for travel in 2022 is estimated at 932 tonnes of carbon for air travel and 11 tonnes for rail travel. To establish these consumption levels, Kepler Cheuvreux uses estimates from the European

		<p>Environment Agency¹⁰, which proposes quantities of carbon consumed per passenger-kilometre, and by type of means of transport. Thus, a coefficient of 285 grams per kilometre is applied for air travel, and 14 grams per kilometre for rail travel.</p>
	<p>Consumption of natural resources</p>	<p>Qualitative</p> <ul style="list-style-type: none"> - Automated thermal regulation of the Nyon building (Swiss office). - Withdrawal of individual waste bins and use of waste sorting bins (glass/paper/plastic) to encourage recycling practices and reduce waste. - Use of motion sensing faucets in the Paris office. - Use of full LED bulbs with motion sensors in the Paris office and in Nyon, as well as new, less energy-consuming computer screens. - Replacement of the old energy-consuming air conditioning system in the Paris Office. - Energy efficiency with the reduction in the temperature in the Paris office. <p>Quantitative</p> <p>The quantitative elements measured below concern the various Kepler Cheuvreux offices included in the calculation scope (see p35). These offices account for 71% of the Group's total workforce. Last year, electricity consumption was monitored only in the Paris office. The objective was set to cover a more representative scope of the Group as a whole in this year's NFPS.</p> <ul style="list-style-type: none"> - More than 500 kg of paper was recycled in 2022 versus 593 in 2021 (-16%), due to lower consumption¹¹. - Electricity consumption was significantly reduced (by 28%) between 2021 and 2022 (1443 kWh to 1042 kWh). <p>With regard to electricity consumption, the results displayed on pages 34 and 35 were obtained using this methodology: for the Paris office, the building maintenance department, for which Sodexo is responsible, gives us the actual consumption figures month by month. Similar reporting is available for Milan. For the rest of the offices, the following methodology was applied:</p> <ul style="list-style-type: none"> - Reporting by the Accounting department of the electricity costs by Office in financial year 2021 and over the period January - November 2022; - Identification, on the Q4 2021 and Q4 2022 invoices for each electricity supplier for each office, of the price per kWh billed to Kepler Cheuvreux. When different rates are shown on an invoice (e.g., off-peak time/peak time), an average rate is calculated; and - Consumption in kWh for 2021 and 2022 is recalculated on the following basis: cost over the period/price per kWh over the period.

¹⁰ https://www.eea.europa.eu/fr/pressroom/infographies/emissions-de-dioxyde-de-carbone/image/image_view_fullscreen

¹¹ The volume of recycled paper is calculated in the Kepler Cheuvreux Paris office. The measurement is performed on this perimeter because this office represents most of the consumed and recycled paper.

