

2023

DECLARATION OF NON-FINANCIAL PERFORMANCE



Kepler
Cheuvreux

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1. MESSAGES AND KEY FIGURES





Laurent QUIRIN,
Chairman of the
Supervisory Board

“Between its formation date and the end of 2023, the Kepler Cheuvreux Foundation had distributed more than €4.8 million in donations to more than 25 European NGOs.

This year, the Foundation continued to make donations to its long-term projects: nine charities involved in the health, education, nutrition and protection of children and adolescents. In the fourth quarter, we added a tenth project: the Robert-Debré Child Brain Institute. Alongside this, the Foundation made financial contributions to a number of food banks across Europe.

2023 was also characterised by the organisation of sporting and fund-raising events in a number of European countries, involving the active participation of our clients. In addition, volunteers from our London and Amsterdam offices devoted several days to supporting food banks and charities, thereby strengthening our commitment to the causes we proudly support.

The success of the Charity Trading Day, when more than €300,000 was raised in less than 24 hours, is the best example of what can be achieved when we act together. This performance was made possible by the active involvement of Kepler Cheuvreux employees, our clients and partners.

2023 has demonstrated the continuing commitment of Kepler Cheuvreux employees to the Group’s core values: independence, commitment, entrepreneurship and social and environmental responsibility.”

“Since 2005, Kepler Cheuvreux has been a pioneer in ESG research. More recently, the Group 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. As of end-2023, more than 100 analysts had been trained and are now able to produce reports on ESG issues.

In addition, 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.

In 2023, Kepler Cheuvreux became a member of the Sustainable Trading initiative via its execution activity, KCx. The aim is to help find practical solutions to the ESG issues specific to this industry.”



Grégoire VARENNE,
Chairman of the
Management Board



Julia ALICHE,
Managing Director and
Chief Operating Officer

“As part of its ongoing efforts to optimise well-being in the workplace and adapt to changes in the professional world, Kepler Cheuvreux has implemented major initiatives.

Working from home has become more widespread within Kepler Cheuvreux, thereby offering employees greater flexibility to improve their work-life balance. Alongside this, the Company has introduced a virtual format for seminars, which helps new employees to integrate more easily.

In addition, Kepler Cheuvreux has introduced a Flex-office approach, thereby promoting collaboration and well-being within the company. Recent relocations to Nyon, New York, Oslo and Stockholm were orchestrated with a view to creating more ergonomic and pleasant working environments, and therefore improving overall staff well-being.

Lastly, the promotion within the Kepler Cheuvreux Group of car sharing and the use of public transport demonstrate the Company’s commitment to sustainable transport and contribute to employee well-being by offering greener, more user-friendly travel alternatives. These global initiatives reflect the Company’s proactive approach to well-being in the workplace and its ongoing efforts to adapt to changes in the professional world.”

“By pooling our efforts, we have mapped out a path to sustainability at Kepler Cheuvreux. The recent carbon footprint, drawn up in collaboration with our employees, has become one of the cornerstones of our ongoing efforts.

Each indicator represents not only our impact but also the power of collective action. This tool enables us to work together to strengthen our existing initiatives and actions to reduce our carbon footprint.

This initiative demonstrates that each individual contribution helps forge a more sustainable and responsible future for our company and for our environment.”



Marine BAZÉ,
General Secretary



Henri BERTRAND,
Group Head of Human
Resources

“Brokerage is above all a story of men and women. It is with this conviction, deeply rooted in its DNA, that Kepler Cheuvreux deploys and consolidates its strategy for the professional and personal development of its employees. To this end, the Human Resources department and all the Group’s managers focus on the following three pillars:

- Detecting and promoting young talent via the recruitment of 5 to 15 trainees per year to permanent positions (around 10% of the Group’s annual recruitment);
- Retaining this talent by developing employee share ownership through free share programmes or internal markets;
- Supporting senior employees by giving them the option of working part-time if they so wish.”

OUR ACTIVITIES



Research

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

€2bn

of equities traded
daily

1st

Equity research
coverage in
Continental European

1st

Overall Country
Broker²

13

major financial
centres

~600

employees

~€280m

turnover 2023

1,300

institutional
clients

~1,200

Stocks covered in
Europe

¹ As of February 2024 | ² Institutional Investor Survey 2023.

2. ESG AT THE HEART OF THE GROUP'S STRATEGY AND GOVERNANCE



2.1 THE GROUP'S ESG STRATEGY

Our ESG strategy is an integral part of the way we operate as an independent European financial company. This strategy is structured around five key areas, which are commitments that we are determined to respect:

- **Environmental commitment:** Kepler Cheuvreux strives to minimise its negative impact on the environment by adopting environmentally-friendly practices, reducing waste, conserving resources and operating energy-efficient facilities. This commitment has materialized with, first, the completion of the first carbon footprint in 2023, then the group will set targets to reduce this carbon footprint.
- **Ethical business practices:** Kepler Cheuvreux conducts its operations with integrity, transparency, and fairness. This conduct includes respectful treatment of employees, clients, suppliers and other stakeholders as well as compliance with legislation and regulations.
- **Philanthropic commitment:** the Kepler Cheuvreux Foundation was set up in 2020 to help and support pan-European fund-raising, in line with the Kepler Cheuvreux Group's philosophy.
- **Commercial commitment:** the cornerstone of our business is the provision of equity research, which is used in all our activities. Kepler Cheuvreux is committed to having a research model that incorporates ESG criteria and combines the contributions of four dedicated experts and 100 equity analysts.
- **Stakeholder commitment:** the companies actively engage with their stakeholders, including employees, clients, investors, regulators and local communities. This involves actively seeking feedback, dealing with concerns or complaints and keeping communication lines open.

2.2 THE GROUP'S GOVERNANCE IN LINE WITH ITS ESG STRATEGY

THE GROUP'S GOVERNANCE

Pursuant to the Company's Extraordinary General Meeting of Shareholders of 27 October 2017, the Company's governance structure was changed from a *Société Anonyme* (public limited company) with a one-tier structure, managed 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 has been vested with the broadest powers to act in all circumstances on behalf of the Company. However, it exercises these powers within the limit of the corporate purpose and subject to those expressly conferred by law on shareholders' meetings and 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 accordance with the provisions of Article L. 225-58 of the French Commercial Code, it should be noted that the current Management Board meets the requirement for balanced gender representation.

b) Supervisory Board

The Supervisory Board performs the 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 carries out, at all times of the year, the controls it deems necessary 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 dismisses the members of the Management Board, authorises the regulated agreements and presents to the Annual General Meeting of Shareholders its comments on the Management Board’s report and on the financial statements for the year under review.

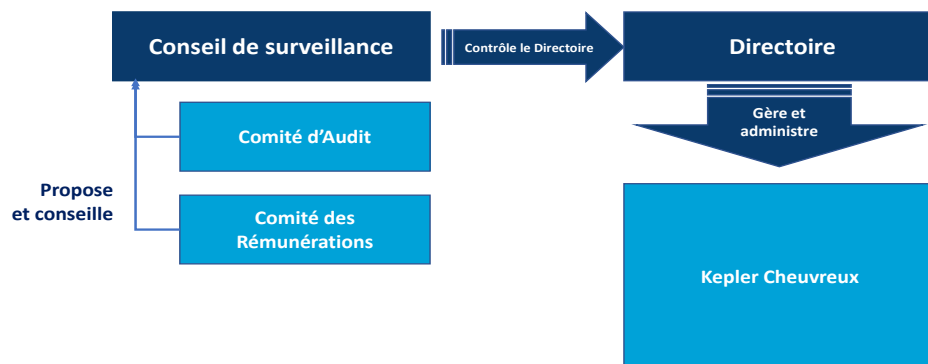
In accordance with Article 15.1 of the Company’s Articles of Association, the members of the Supervisory Board meet as often as necessary in the interests of the Company and at least once every three months, on the invitation of the Chairman.

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 Supervisory 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.



GOVERNANCE SPECIFIC TO ESG

As a financial broker, Kepler Cheuvreux undertakes to incorporate environmental, social and governance (“ESG”) considerations into its decision-making processes.

Kepler Cheuvreux recognises the importance of ESG principles in the creation of long-term value for its clients and strives to prioritise sustainability and responsible practices.

Kepler Cheuvreux’s commitment to ESG principles reflects its values and its belief in the power of sustainable practices and responsible action. To ensure the effective implementation of ESG initiatives, the Management Board decided to put in place a dedicated structure with two management bodies: the Corporate ESG Committee and the Products ESG Committee.

The Company’s **Corporate ESG Committee** is responsible for supervising the implementation of ESG policies and practices throughout the Company’s structure, including risk management, sustainability reporting and stakeholder engagement.

The Kepler Cheuvreux **Products ESG Committee**, supervised by the Chief Operating Officer (COO), plays a vital role in the integration of ESG considerations into all the Company’s activities. This committee ensures

that ESG policies and practices are not only formulated but are also effectively applied across the Company's various business lines. The presence of representatives from the various business lines on the committee guarantees a holistic and informed approach, ensuring that ESG perspectives are integrated into strategic and operational decisions.

Under the COO's direction, the committee plays an active role in revising the ESG guidelines, focusing on the updating of the marketing documents to reflect current and future ESG standards. It also supervises the alignment of products with ESG criteria, taking particular care to avoid greenwashing and to ensure the transparency of the ESG information provided to clients.

In addition, the committee plays a crucial role in the integration of ESG analysis into financial valuations, focusing on an ESG scoring methodology that is robust and regularly revised.

Lastly, the Products ESG Committee works on the continuous improvement of ESG processes and practices within Kepler Cheuvreux. This includes regulatory monitoring, notably as regards the definition and prevention of financial greenwashing, as well as the review and updating of reports produced for the purposes of defining ESG guidelines.

The involvement of the COO and the committee's structure, which includes representatives of the business lines, are evidence of Kepler Cheuvreux's deep commitment to ESG issues and highlight the fact that these considerations are integrated strategically and operationally into all areas of the Company.

It should be noted that the ESG committees are managed by the Company's Chief Financial Officer ("CFO") and Chief Operating Officer ("COO") respectively. This leadership structure demonstrates the firm commitment of Kepler Cheuvreux's executives to ESG issues and indicates that ESG considerations are integrated into the Company's global commercial strategy.

THE GROUP'S OTHER KEY STAKEHOLDERS

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

- **Shareholders:** Kepler Cheuvreux maintains regular contact with its shareholders by providing them with information about the Company's financial performance.
- **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.): with them, Kepler Cheuvreux regularly takes part in discussions and working groups on regulatory issues and industry practices.

2.3 MANAGING NON-FINANCIAL RISKS

Kepler Cheuvreux produces an annual study approved by the Management Board on the environmental, social and societal risks (current presentation of the NFPS) associated with its business.

This Non-Financial Performance Statement (the “NFPS”) describes the Kepler Cheuvreux Group's (the “Group's”) business model, its main environmental, social and societal challenges, the risks associated with its business, its products and its services, and the commitments it has made to mitigate these risks and capitalise on these issues.

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

- Its business model and the regulatory environment (see section 3),
- Stakeholders' expectations of its business activities (see section 2).

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

The results of the analysis also revealed that the Group does not face the following risks related to:

- the fight against food waste,
- food insecurity, respect for animal welfare,
- the circular economy or,
- responsible, equitable and sustainable food,
- promoting physical activity and sport even though some initiatives exist in some entities,
- strengthening the Nation-to-Army link and supporting engagement on reserves in light of group activities.

Therefore, these risks are considered not significant and are not included in the commitments described in this report.

Societal commitments to sustainable development are taken into account with all the foundation's initiatives.

METHODOLOGY

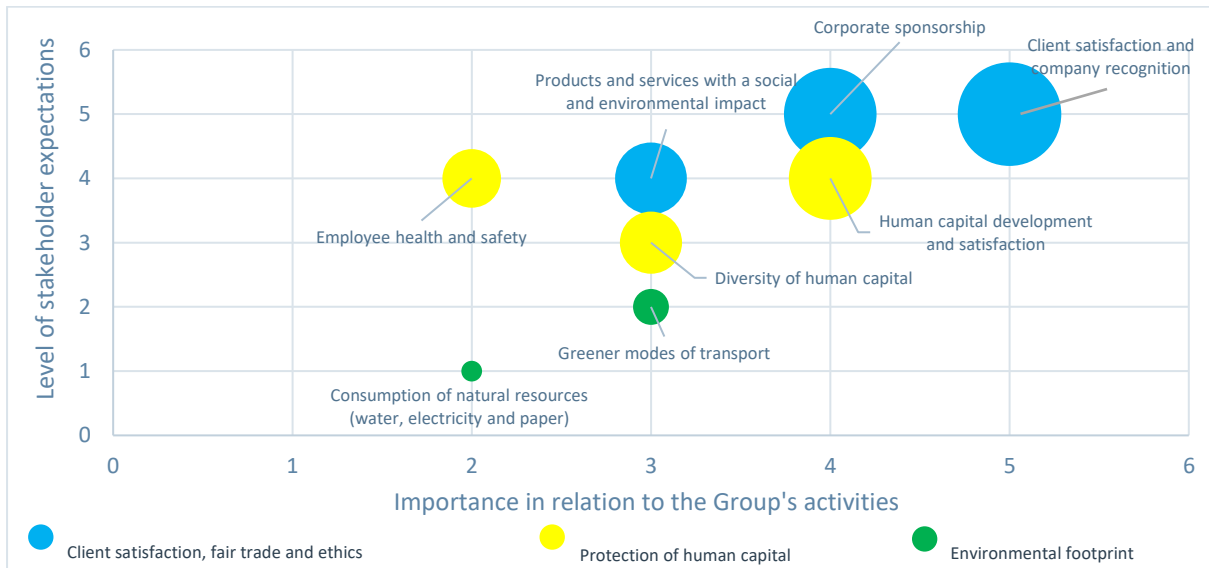
The materiality of these environmental, social and societal risks was defined during collaborative workshops and individual interviews with employees and the company management.¹ The answers collected enabled a detailed assessment of the importance of each of the Company's commitments in relation to its activities, as well as the expectations of stakeholders concerning each of the Group's commitments.

The indicators resulting from this mapping are presented below and the specified methodology is presented in part 6. *Appendices: Methodology and scope.*

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.

RESULTS

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



Each bubble represents the main ESG risks 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;
- Size of bubbles corresponding to the impact of the risk².

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

NON-FINANCIAL RISK INDICATORS

| Indicator | Description | 2023 calculation | 2022 calculation |
|--|--|--|---|
| Workforce | Gender distribution | 21.5% of Group employees were women in 2023 | 20.7% of Group employees were women in 2022 |
| | Gender distribution of salary increases | 28.2% of salary increases were awarded to women | 24.9% of salary increases were awarded to women |
| | Absenteeism rate | 1.34% | 1.63% |
| Employees for whom training was recorded over the period | Sum of employees for whom training was recorded over the period | 74 Group employees | 57 Group employees |
| Employees made aware of cybersecurity | List of Group employees made aware of cybersecurity risks | 18 employees with access to payment tools were made aware of the risks | 22 employees with access to payment tools were made aware of the risks |
| Number of ESG reports produced during the year | Sum of reports with an ESG theme produced by the Kepler Cheuvreux Research teams | 338 ESG sector reports | 362 ESG sector reports |
| Kepler Cheuvreux's positioning in the annual Institutional Investor survey | Review of Institutional Investor's rankings on Corporate Access activities | Corporate Access 3 rd in 2023. | Corporate Access 1 st in 2022. |
| | Review of rankings published by Institutional Investor on Research activities | For Research, Kepler Cheuvreux is in the top 10 for 10 sectors in Continental Europe | For Research, Kepler Cheuvreux is in the top 10 for 14 sectors in Continental Europe. |
| Share of employees involved in the Foundation | Number of employees who contributed financially to the Foundation | 53 employees (9% of the total workforce) | 89 employees (14% of the total workforce) |
| Environmental footprint | Emissions in TCO2 (total and detail per scope ³) | Total = 8,052 TCO2 equivalent Of which: 0 for Scope 1; 285 TCO2 for Scope 2 and 7 767 for Scope 3 | N/A |
| Electricity consumption | Calculation of electricity consumption in kWh | 1,044 kkWh | N/A |
| Amount of recycled confidential paper in Paris offices | calculation of the amount of recycled confidential paper in Paris offices | 643 kg | 401 kg |

³ Scope 1: Direct emissions related to fossil consumption; Scope 2: emissions from energy consumed from other companies (ex. electricity consumption); Scope 3: emissions indirectly produced by the company's activities (ex. business trips).

3. OUR BUSINESS MODEL IN LINE WITH THE ESG STRATEGY



3.1 BUSINESS MODEL BASED ON A SOLID HERITAGE

a) 1997 – Origins

The Company was founded in 1997 as Julius Baer Brokerage (JBB), a wholly owned subsidiary of the Swiss banking group Julius Baer Holding. In 2003, the latter sold JBB to Lightyear Fund. JBB then changed its name to Kepler Equities, which Icelandic bank Landsbanki acquired in 2005. It later changed its name again to Kepler Landsbanki.

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 once again changed its name to Kepler Capital Markets (KCM). It became independent and refocused solely on brokerage activities.

c) 2011 – Equity investment by new institutional shareholders

In 2011, the investment firm BlackFin Capital Partners acquired a 47% stake in KCM, bringing together four institutional shareholders: Caisse des Dépôts, 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 multiplication of strategic partnerships that allowed the Group to expand internationally, starting in 2011 with an alliance between KCM and UniCredit in equity brokerage and Equity Capital Market (ECM). UniCredit then acquired a stake in KCM in 2013.

In April 2013, KCM acquired Crédit Agricole Cheuvreux from Crédit Agricole CIB and the company was renamed Kepler Cheuvreux (hereinafter also referred to as the “Company”).

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.

During the period 2015-2018, Kepler Cheuvreux established strategic ECM distribution and research partnerships with Rabobank for the Netherlands, Swedbank for the Nordics and Belfius for Belgium. These three banks also acquired stakes in Kepler Cheuvreux. In the same period, the Company signed a research distribution agreement with Piper Sandler in the United States.

e) 2018 – Two new major shareholders

In June 2018, Atlas Merchant Capital and Edmond de Rothschild Equity Strategies (ERES) bought out BlackFin Capital Partners' stake, giving them an interest in Kepler Cheuvreux of 20% and 7%, respectively. However, 40% of Kepler Cheuvreux's voting rights continue to be controlled by its management and employees via Kepler Holding.

f) 2019 – A new major partnership

In 2019, Kepler Cheuvreux and Macquarie Group (Macquarie) announced 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.

h) 2023 – Development of activities in the Middle East

In 2023, Kepler Cheuvreux entered into a new cooperation agreement on equity research and distribution with CACIB, covering its ECM activities in the Middle East. A new Kepler Cheuvreux office will be opening in Dubai in the next few months.

3.2 ESG IN OUR BUSINESS MODEL

Kepler Cheuvreux is an independent and leading European financial services company, with a specific ESG approach including Research, Execution, Structured Solutions and Asset Management. The environmental consequences of the activity are also presented in part 4.3 environmental impact. The Company employs a staff of 577 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 regions 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 through 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.

Since the first half of 2023, Kepler Cheuvreux has been a member of the Sustainable Trading initiative through its KCx execution business. Sustainable Trading is a non-profit membership network dedicated to transforming environmental, social and governance (ESG) practices within the financial markets industry. This network brings companies together with the aim of finding practical solutions to the ESG issues specific to this industry and provides a self-assessment and benchmarking mechanism.

b) Research Services

The foundation of Kepler Cheuvreux's business is the research product, which is leveraged across all activities. The equity research product is complemented by top-ranked strategic, ESG, credit and quantitative research.

With around 1,200 stocks under coverage, Kepler Cheuvreux offers the largest research footprint in Europe. Research coverage 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). Kepler Cheuvreux offers more than 3,300 stocks under coverage to its clients with these partnerships.

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 and business ethics and environment and climate change themes,
- Sector ESG research conducted by analysts, with an in-depth analysis of the most relevant ESG issues in a given sector, and
- ESG at a stock level, through our in-house ESG profiles (a common 11-topic analysis framework) and the ESG scores.

d) Structured products (Kepler Cheuvreux Solutions)

Kepler Cheuvreux Solutions is the independent European leader in the research, design and marketing of tailor-made structured investment solutions. Being part of the Kepler Cheuvreux Group enables it 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 has more than 60 experienced professionals, one third of whom are financial engineers. Kepler Cheuvreux Solutions teams embody 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 broadest equity coverage in Europe, with more than 130 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 sales support and the implementation of dedicated digital solutions.

f) Asset Management

Kepler Cheuvreux Asset Management offers a full range of asset management services on the one hand, through KC Invest for unlisted assets, and on the other hand, through Ellipsis AM for listed assets.

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

With more than 18 years of investment history and €3.2 billion of assets under management (as at 31 December 2023), Ellipsis AM is a portfolio management company renowned for its specialised investment expertise. Ellipsis AM has nearly 25 employees and has been a subsidiary of Kepler Cheuvreux since January 2022. Ellipsis AM has been a leading portfolio manager in European and global convertible bonds since 2003. The company has also developed management expertise in credit (particularly high yield), volatility and listed derivatives.

4. OUR SOCIAL, ENVIRONMENTAL AND BUSINESS ETHICS COMMITMENTS



4.1 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. In 2023, the Company became a member of the Sustainable Trading initiative, whose aim is to transform environmental, social and governance (ESG) practices within the financial markets industry.
- 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> | <p>Promotion of ESG-related investment products and ESG research services (to issuers and investors). In the case of execution, participation in the Sustainable Trading initiative.</p> |
| 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> | <p>Excellent recognition in customer surveys.</p> |
| Corporate sponsorship | <p>Lack of societal commitment to local stakeholders and the community at large. Lack of sponsorship initiatives.</p> | <p>The Kepler Cheuvreux Foundation supports health and health research service providers, charities and European institutions involved in education.</p> |

4.2 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;
- potential psychosocial risk resulting from unsatisfactory employment and working conditions.

b) Kepler Cheuvreux's commitments

The Company's Human Resources are its most valuable asset 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 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. Discriminatory practices within the Company. | Promote intergenerational interactions. |
| Employee health and safety | Negative impacts of occupational hazards and natural disasters on employee health. Psychosocial risk caused by unsatisfactory employment and working conditions. | Provide a working environment conducive to staff development. 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. |

4.3 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.
- 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.

In 2023, Kepler Cheuvreux drew up its first carbon footprint, the results of which are presented in section 5.

| 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. | |

5. OUR RESULTS



5.1 METHODOLOGY

This section describes how Kepler Cheuvreux translates its environmental, social and societal commitments into actions (NFPS) and mitigates the inherent risks described in section 4 above.

The progress made and the areas for improvement that remain at 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.

5.2 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 2008⁴.

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 website⁵.

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 the 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 3% of the total number of full-time permanent financial analysts (121 employees in 2023 compared with 114 as of 31 December 2022). Of the remaining 97% of "traditional" analysts, 103 (85%) contributed significantly⁶ to at least one ESG research report in 2023 compared with 85 (75%) in FY22. This highlights the progress made in integrating ESG issues into Kepler Cheuvreux's production of "traditional research".

In addition, the number of companies with an ESG score increased from 303 at end-2022 to 487 at end-2023.

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

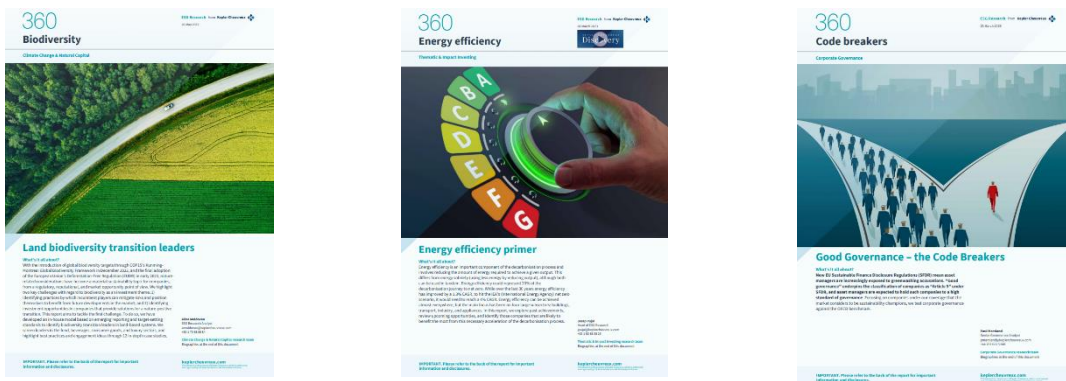
- At the thematic level, by carrying out an in-depth analysis of a complex environmental, societal or social issue that may impact several business sectors at a time. This research is performed by our

⁴ <https://www.keplercheuvreux.com/fr/recherche/>

⁵ See <https://www.unpri.org>

⁶ We classify a contribution as significant when the analyst's name appears on the front page as one of the report's authors.

dedicated ESG analysts. Recent examples include biodiversity, energy efficiency and the detection of companies with weak governance.



- 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 2023, the research teams published 338 ESG sector reports (versus 362 in 2022), 5 sector reports (6 in 2022), 273 ESG profiles (285 in 2022), 8 thematic reports (8 in 2022) and 52 Always On reports (63 in 2022).

Asset Management – Kepler Cheuvreux Invest (“KCI”)

Kepler Cheuvreux's private asset 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 staff (1%), 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 2023, KCI closed the fundraising for its tech fund Move Capital Fund I SLP (completed in July 2023 for an amount of €105 million). It made a second investment via this vehicle in January 2023 (Shark Robotics).

This portfolio deployment complies with the ESG investment policy defined by KCI and systematically includes ESG due diligence on the investment targets carried out by KCI's expert partner, Ethifrance.

With respect to mandatory disclosures for asset management companies, KCI has 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.

- *KCI's commitment to limiting global warming:*
KCI participates in the International Climate Initiative ("iCI") so that it can be involved in Private Equity's concerted action against climate change. iCI's manifesto comprises three commitments that are fully in line with Kepler Cheuvreux Invest's ESG values and policy:
 - To recognise that climate change will have an impact on the economy;
 - To contribute to the achievement of the Paris COP21 target of keeping global warming below 2°C;
 - To reduce portfolio companies' greenhouse gas emissions and promote more sustainable investment performance.
- *The contribution of its investment strategy to the energy and environmental transition:* The KCI fund incorporates a consistent and fully integrated ESG strategy into its 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 portfolio 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 investment:* Move Capital Fund I, the fund currently managed by KCI, does not have a specific climate-friendly investment threshold. However, following the signing of the iCI agreement, in October 2022, KCI entered into a partnership with Greenly to regularly measure the scope 1, 2 and 3 carbon footprint of the management company and all its portfolio companies. It should be noted that KCI drew up its first carbon footprint 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 enables its portfolio companies to assess 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.

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 person responsible for implementing and monitoring 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 has been a member of the Kepler Cheuvreux Group since 2022. The management company specialises in niche asset classes such as convertible bonds, credit and listed derivatives. Since 2013, it 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.

- **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 25% 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 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.
- **The Overlay & Customised Portfolio Solutions division** manages mainly listed derivatives mandates for which the ESG approach cannot be applied due to the nature of the instruments used. For its open-ended fund invested mainly in index derivatives, it favours climate benchmarks (the Climate Transition Benchmark and Paris Aligned Benchmark) and biodiversity benchmarks as well as investment grade ESG indices.
- **Ex-ante and ex-post analysis of ESG commitments is integrated into product 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 non-financial limits, etc.).
- **In terms of its corporate commitments, Ellipsis AM provided ESG training for all its employees in 2023.**

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-SVK 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 2023
Outstandings in €

| | |
|--|---|
| Total 2023 AUM managed by Ellipsis AM | €2,917,529,818 |
| Total 2023 ESG AUM | €1,054,735,415 <i>i.e. 36% of total AUM</i> |

1/ “FIXED INCOME” SCOPE
35% OF 2023 AUM
Bond funds classified ARTICLE 8 - SFDR
€950,167,523
94% of “FIXED INCOME” AUM

| | |
|---|---------------------|
| Ellipsis European Convertible Fund | €290,235,463 |
| Ellipsis Global Convertible Fund | €133,071,691 |
| Ellipsis Disruption Convertible Fund | €70,900,210 |
| Ellipsis High Yield Fund | €101,082,484 |
| Ellipsis Credit Road 2028 | €8,953,579 |
| Ellipsis Optimal Allocation - Credit | €81,108,374 |
| Convertible dedicated funds | €264,815,722 |
| Credit mandates <i>Integrated ESG approach</i> | €65,054,480 |

**2/ “LISTED DERIVATIVES & STRUCTURED FUNDS”
SCOPE**
65% OF 2023 AUM
UCIs classified Article 8 - SFDR
€39,513,412
2% of “LISTED DERIVATIVES” AUM

| | |
|--|--------------------|
| Ellipsis Optimal Solutions – Liquid Alternative | €39,513,412 |
|--|--------------------|

**Mandates and dedicated funds classified ARTICLE
6 - SFDR**
€1,862,794,403
**98% of “LISTED DERIVATIVES &
STRUCTURED FUNDS” 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 and structured funds).

Source: Ellipsis AM, AUM as at 31 December 2023. SFDR: European Regulation (EU) No. 2019/2088 known as the Sustainable Finance Disclosure Regulation.

Structured products (Kepler Cheuvreux Solutions)

Since its formation in 2011, Kepler Cheuvreux Solutions (KCS) has been the business line in the Kepler Cheuvreux Group dedicated to tailored investment solutions.

Placing research at the heart of its solutions, KCS serves as a link between financial intermediaries, investment banks and asset managers, thereby capitalising on each player's strengths to offer flexible, customised solutions. KCS is also aware of its role in sustainable finance and has therefore made ESG a cornerstone of its offering, thereby enabling it to offer investors solutions that are in line with their commitments.

KCS has developed an innovative and proactive approach to responsible investment, drawing on the Group's various strengths: the Kepler Cheuvreux Group's historic commitment to the Principles for Responsible Investment, which it signed up to in 2008, proprietary research involving the input of four dedicated experts and the support of around a hundred equity analysts, and strategic partnerships with ESG benchmark data providers.

To monitor the latest trends in responsible investment, whether in terms of market practices, databases or sustainable themes, KCS has set up an ESG committee comprising qualitative and quantitative experts specialising in sustainable issues.

KCS's responsible investment approach is based on four pillars:

- Investment in a responsible underlying or basket: a static approach involves selecting underlyings based on sectoral and/or norm-based exclusion policies or rigorous integration of companies' ESG profiles.
- Investment in portfolios exposed to sustainable themes: a dynamic approach involves building and maintaining equity portfolios exposed to sustainable themes such as the energy transition, biodiversity and quality of life in the workplace, which are central to our approach. The companies included meet rigorous selection criteria, which guarantee a contribution to the theme addressed.
- Investment in an ESG portfolio allocation: this involves an ESG diversified allocation, reflecting our Cross-Asset team's convictions and views. The selected underlyings meet ESG criteria, thereby ensuring that portfolio management is aligned with environmental, social and governance considerations.
- Investment in responsible projects: the aim is to directly support the financing of business projects focusing on a more environmentally-friendly economy or improving social challenges. This is implemented by means of green, social or sustainable notes and bonds, which make an active contribution to sustainable initiatives.

KCS has also broadened its scope to include consultancy services dedicated to the effective integration of ESG criteria into its clients' portfolios. Drawing on its expertise, KCS helps its clients achieve their sustainability commitments, providing an informed view of their portfolios' ESG profile and actively contributing to the definition of their sustainability objectives.

In addition, the ESG experts at KCS attend meetings of the industry working group on integrating ESG into structured products. They also contribute to the publication of research documents aimed at proposing conceptual frameworks for specific sustainable development issues (e.g. the alignment of sovereign portfolios).

b) Client satisfaction and company awareness

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 market.

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 possible execution. 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. Complaints may call into question the quality of the service and the Group's reputation. 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 2023 edition for Europe reflects the views of 5,462 portfolio managers and analysts from 1,893 financial institutions. A total of 69,372 votes were analysed and the results are presented below.

Results on Corporate Access

| Category | 2023 ranking | 2022 ranking |
|---------------------------------|-----------------------|-----------------------|
| Overall Corporate Access | 3rd | 1st |
| Conferences | 3 rd | 1 st |
| Field trips | 5 th | 2 nd |
| Logistics | 2 nd | 2 nd |
| Roadshows | 1 st | 1 st |
| Quality of the team | 3 rd | 1 st |
| Virtual event | 7 th | 2 nd |

Research results (Ranking in Continental Europe)

| Category | 2023 ranking | 2022 ranking |
|---------------------------------|------------------------|------------------------|
| Research - Overall | 10th | 11th |
| Small & Mid-cap | 5 th | 3 rd |
| Oil Services | 6 th | 5 th |
| Property/Real Estate | 6 th | 5 th |
| Food Producers | 7 th | 10 th |
| Medical Technologies & Services | 9 th | 7 th |
| Auto & Auto Parts | 7 th | 8 th |
| Banks | 9 th | 11 th |

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.

| | | |
|---------------------|------------------|------------------|
| Payments | 9 th | 9 th |
| Technology Software | 9 th | 9 th |
| Chemicals | 10 th | 12 th |

Gestion de Fortune magazine award

In 2023, Kepler Cheuvreux Solutions was named the best structured products provider by French magazine *Gestion de Fortune*, and remains the leading independent structured products provider for the eighth consecutive year. In addition, Kepler Cheuvreux Solutions was ranked “Outstanding” (best ranking) for the fourth consecutive year in the 2023 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 owning more than a quarter of the share capital and holding 40% of the voting rights.

Thanks to its local presence, the Group has been very sensitive to the social and health impacts of the COVID-19 crisis in the 12 countries where 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;
- European institutions that help the elderly or disabled;
- European institutions involved in the education and protection of young people.

Since its creation in March 2020 and its legal incorporation in June 2020, the foundation had distributed a total of more than €4.86 million by the end of December 2023. 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.

Following the great success of the fourth Charity Trading Day, coinciding with the US Thanksgiving holiday, which raised more than €300,000, the Foundation paid an additional €571,459 in the fourth quarter of 2023 to 19 beneficiaries in eight European countries. The beneficiaries are a mix of ten long-term projects and eight food banks (due to the cost of living crisis in Europe).

The Foundation's revenues in 2023 came from Kepler Cheuvreux, through voluntary bonus allocation as regards 53 employees, payroll allocation as regards five employees, the Charity Trading Day and client events organised by Kepler Cheuvreux in June and July during which clients were encouraged to donate.

The fourth Charity Trading Day, held on 23 November (US Thanksgiving), involved around 160 employees or 67% of front office staff. The total amount raised of more than €300,000 was lower than in the previous year (€402,000).

The Foundation was fortunate to see its donations converted into action when seven representatives spent a day volunteering in the main warehouse of City Harvest, a food redistribution charity based in London. The team was kept very busy sorting the food donations into batches and also helped with a few deliveries to food banks.

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 2024 that will allow the Foundation to expand its philanthropic efforts across Europe.

Through these various actions, 53 Kepler Cheuvreux employees paid a donation to the Foundation in 2023 (compared with 89 in 2022).

5.3 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.

Kepler Cheuvreux's staff and management are the Group's main shareholders. As they own 27.53% of the share capital and 40% of the voting rights, they are directly involved in the Group's performance. This significant stake in the Group's share capital ensures that 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 2023, 74 employees received training booked in the financial year (compared with 57 in 2022) on various topics such as ESG, trading, strategy and leadership, security, foreign language training, etc.

In addition, every year Management and the Chief Information Security Officer (CISO) raise awareness among employees of the Group or certain departments about cybersecurity risks, including cyber-attacks and phishing, etc. In 2023, this awareness-raising took the form of two emails sent to all Group employees in July and November 2023.

Lastly, in December 2023 — i.e. the Christmas season, a period prone to attacks — the Group Treasurer issued a reminder of the rules to prevent the risk of fraud to employees considered particularly sensitive. In 2023, this involved 18 employees performing payment functions within the Kepler Cheuvreux organisation, compared with 22 in 2022.

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 2022, the 2023 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 - 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 - target |
|---------------------------|--|--|
| Risk of fire or explosion | <p>Satisfactory signage of fire extinguishers and periodic review of their operation. Smoke detectors are present near the office 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>A policy of allowance for working from home equipment was maintained during the fourth quarter of 2021.</p> |

Kepler Cheuvreux is committed to the well-being of its employees and will continue to implement these recommendations.

In order to continuously improve the well-being of its employees, the Company constantly develops tools to govern the professional environment by preserving a healthy and respectful work environment for everyone. With this in mind, in 2023, Kepler Cheuvreux continued to update its HR systems and develop new functionalities for monitoring working from home and flexible working. The 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:

- It detects any problems in the Group's offices/departments in the event of a significant increase in the absenteeism rate;
- 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 fallen this year, from 1.63% in 2022 to 1.32% in 2023.

The rate of leave taken by employees remained stable during 2023 (86% in 2023 versus 92% in 2022).

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 company 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 company has been developing 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 company 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 company 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 company ensures equal opportunities in recruitment, training, development and promotion within the company.

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 2023, six new employees had signed up for this programme, bringing the number of participants in the workforce to 22.

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 (6 more during 2023). Over the last six years, Kepler Cheuvreux has trained and recruited 144 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.

Kepler Cheuvreux will also create two programmes dedicated to the Company's 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 Kepler Cheuvreux. A selection of approximately 30 employees per year, appointed by the business line managers, will 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 will include 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 will provide 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 will be assigned to each participant. This mentor will provide guidance, direction and advice. Bi-annual meetings with management and line managers in Paris will be 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 will be considered for this three-year programme. As with talent development programmes, tailor-made internal and external training will be offered, and a special mentoring system by business line managers will be established to share behaviours, experience, knowledge, relationships and skills.

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 2023, women accounted for 21.5% of the Group's total workforce (up 0.79% compared with 2022).

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 262 employees who received a salary increase in 2023, 28.2% were women (versus 24.9% in 2022), i.e. 7 points higher than the proportion of women in the Company.

5.4 ENVIRONMENTAL FOOTPRINT

a) The carbon footprint: a first step towards reducing the Group's environmental footprint

In 2023, Kepler Cheuvreux drew up its first carbon footprint using the Hellocarbon assessment tool. This assessment covered the entire Group and was carried out during the period 1 October 2022 to 30 September 2023. In 2022, an estimate of the carbon footprint covering a smaller scope (i.e. business trip) was made. Given the differences in method/scope, only data from the carbon footprint achieved in 2023 are presented.

The results of this assessment are presented below, and details of the methodology are provided in section 6.

Carbon footprint results by emission category

| <i>CO2 emissions (tonnes of CO2 equivalent)</i> | 2023 |
|---|--------------|
| SaaS applications | 17 |
| Digital use | 17 |
| Advertising | 2 |
| Events | 2,490 |
| Telephony & videoconferencing | 76 |
| SaaS applications used | 1,037 |
| Operations | 3,605 |
| Support services | 1,061 |
| Electronic equipment | 90 |
| Office supplies | 23 |
| Purchasing & support | 1,174 |
| Maintenance | 79 |
| Meals & drinks | 271 |
| Energy consumption | 285 |
| Offices | 635 |
| Other | 1,439 |
| Portfolio companies | 735 |
| Other | 2,174 |
| Aircraft | 290 |
| Trains | 7 |
| Daily commuting | 152 |
| Travel | 448 |
| Total | 8,052 |

Carbon footprint results by emission scope

The carbon footprint can also be presented by scope. A company's emissions include:

- Direct emissions (scope 1): emissions linked to fossil fuel consumption by a company for its operations (e.g. oil, fuel oil, coal and gas, consumed directly).
- Indirect emissions (scope 2): emissions from energy consumed but produced by other companies (e.g. electricity consumption).
- Indirect emissions (scope 3): emissions indirectly generated by the company's activities that are not recognised in scope 2 but which are linked to the value chain, upstream or downstream (e.g. business travel).

As regards the Group, most of the carbon footprint is classified under scope 3, with the exception of the carbon footprint of offices classified under scope 2.

| | |
|---|--------------|
| <i>CO2 emissions (tonnes of CO2 equivalent)</i> | 2023 |
| Scope 2 | 285 |
| Scope 3 | 7,767 |
| Total | 8,052 |

Scope 3 (indirect emissions) includes greenhouse gas emissions related to the downstream transport activities of the activity. Indeed, given its activities, the group does not generate emissions related to upstream transport activities. Emissions from downstream transportation activities are presented below:

| | |
|---|--------------|
| <i>CO2 emissions (tonnes of CO2 equivalent)</i> | 2023 |
| Events | 2,490 |
| Planes | 290 |
| Trains | 7 |
| Total | 2,787 |

b) Data analysis

Travel – use of greener modes of transport

[Calculating and monitoring carbon emissions in respect of travel \(daily commuting and business travel\)](#)

The Group has calculated the carbon footprint of its employees' business travel using an individual questionnaire.

Carbon emissions have been 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 or estimation factor taken from ADEME databases (ADEME is the French Agency for Ecological Transition).

Given the differences in method/scope, only the 2023 data is presented.

Key figures

- Daily commuting

| | 2023 |
|---|-------------|
| Distance travelled by public transport (km) | 666,169 |
| Distance travelled by private transport (km) | 510,035 |
| Total (CO2 emissions (tonnes of CO2 equivalent)) | 152 |

- Business travel

| | 2023 |
|---|-------------|
| Distance travelled by public transport (million km) | 1.6 |
| Distance travelled by train (million km) | 1.4 |
| Total (CO2 emissions (tonnes of CO2 equivalent)) | 297 |

Green mobility initiatives

Kepler Cheuvreux supports its employees in their transition to low-carbon transport. Kepler Cheuvreux offers several options, depending on its 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 the employee prefers to or has 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 within the company 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 configuration, combined with the implementation of working from home for several years, is helping to 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.

Offices – controlled consumption of natural resources

Calculating and monitoring offices' carbon emissions

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),
- 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 first case, consumption is shown directly on the bill. In this second case, there is generally no way of measuring Kepler Cheuvreux's electricity consumption locally – electricity is recharged at a flat rate or per m² by default, generally in the absence of a dedicated meter for each tenant. The energy consumption of all offices has been calculated.

Result:

| Site | 2023 consumption in kWh (Oct 22-Sept 23) |
|--------------|--|
| Paris | 514,572 |
| London | 129,170 |
| Milan | 34,072 |
| Zurich | 40,428 |
| Frankfurt | 55,225 |
| Madrid | 33,389 |
| Oslo | 24,582 |
| Vienna | 3,141 |
| Stockholm | 17,731 |
| Nyon | 116,407 |
| Amsterdam | 20,958 |
| New York | 40,075 |
| Brussels | 14,778 |
| Total | 1,044,530 |

Initiatives

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. To date, no paper contracts have been signed within the Kepler Cheuvreux Group, whether they be business, supplier or employee (HR) contracts.

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 2023 approximately 643 kg of paper was recycled (versus 401 kg) in the Paris office alone.

6. CSR REPORTING 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 2.3 Managing non-financial risks) 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);
- Construction of new facilities.

This mapping enables the materiality of the issues to which Kepler Cheuvreux is exposed to be measured and the eight material issues for the Group to be highlighted. 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.

The update of the risk mapping has been validated by the corporate ESG committee.

- **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.

- **Details of key indicators – social/business ethics**

| Indicator | Description | Calculation | Scope |
|--|--|--|--|
| Workforce | 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 the year |
| | Gender distribution of salary increases | $\frac{\text{Female employees who have received salary increase}}{\text{Total employees who have received salary increase}}$ | |
| | Absenteeism rate | $\frac{\text{Number of days of Absence}}{\text{Nbre of days Worked in France X Nbr of permanent staff as of 31/12/2023}}$ | Calculation based on the number of days worked in France. Less than 3 days of absence have not to be explained |
| Employees for whom training was recorded over the period | Sum of employees who benefited from a training programme recognised over the year | List of people who benefited from these programmes. Indicator based on the effective date of invoice recognition (dates of receipt of invoices and training dates that may be on N-1 or N+1) | All types of contracts are covered. The data includes employees who left before the end of the fiscal year |
| Employees made aware of cybersecurity | List of Group employees made aware of cybersecurity risks | Sum of people who received an informative email about cybersecurity. | |
| 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 2023 via the Research portal including an ESG analysis. |
| 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 | 2023 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 | 2023 rankings monitored on: - Research - Overall; - All indicators where Kepler Cheuvreux ranks in the Top 10 and the ranking. |
| Share of employees involved in the Foundation | Number of employees who contributed financially to the Foundation | $\sum \text{permanent employees who contributed financially to the Foundation}$ | Group employees with permanent contracts in 2023. |

- **Details of key indicators** – environmental footprint/consumption of resources

Kepler Cheuvreux has estimated its first carbon footprint using the Hellocarbon assessment tool. All Group entities are involved in the assessment. The period used for the carbon footprint was the period from 1 October 2022 to 30 September 2023.

The general principle is based on the following equation: activity data x emission factor. Activity data and emission factors have been determined according to the category concerned and generally correspond to monetary data (e.g. office supplies) or non-monetary data (e.g. office energy consumption). For each item, the calculation is as follows:

| Category | Item | Data | Emission factor | Calculation |
|---|---------------------------------|--|---|--|
| Digital use CO2 emissions generated by server power consumption | | CO2 estimate provided directly by the hosting company | | |
| Operations emissions from operations linked to the provision of services or products to clients: marketing, sales, support, project management, delivery, etc. | Advertising | Number of transactional and marketing emails | Emission factor (0,004kcCO2/email) – ADEME carbon database v21.1 Uncertainty factor 100% | (Number of transactional and marketing emails) X (Emission factor) |
| | Events | Number of events (seminars and conferences) collected using the CRM database | Emission factor specific to the size of the event – source: Goodplanet event calculator Uncertainty factor 90% | (Number of events) X (Size-specific emission factor) |
| Operations emissions from operations linked to the provision of services or products to clients: marketing, sales, support, project management, delivery, etc. | Telephony and videoconferencing | Number of telephone and videoconferencing hours obtained using individual questionnaires | Emission factor per hour of use and per type of videoconferencing service – source: ADEME carbon database v21.1 for traditional telephony and Greenspector database for videoconferencing Uncertainty factor 80% for telephony and 20% for videoconferencing | (Number of telephone and video hours) X (Emission factor) |
| Operations emissions from operations linked to the provision of services or products to clients: marketing, sales, support, project management, delivery, etc. | Software | Annual software usage cost | Monetary emission factor (0,11kg CO2/€) – source: ADEME carbon database v21.1 Uncertainty factor 80% | (Annual cost of using software) X (emission factor) |
| Purchasing emissions linked to the provision of services or products to clients: marketing, sales, support, project management, delivery, etc. | Support services | Annual support services cost | Monetary emission factor (0,170kg CO2/€) – source: ADEME carbon database v21.1 Uncertainty factor 80% | (Annual cost of support services) X (monetary issue factor) |
| | Supplies | Annual cost of supplies | Monetary emission factor (0.17697kg CO2/€): source | (Annual cost of purchasing |

| | | | | |
|--|---|---|--|---|
| | | purchased | Ademe Base Carbone v21.1 Uncertainty factor 80% | supplies) X (monetary issue factor) |
| | Electronic equipment | Annual cost of IT equipment purchases | monetary emission factor by type of material (kg CO ₂ /€): source Ademe Base Carbone v21.1 Uncertainty factor by type of equipment | (Annual cost of hardware purchases) X (monetary emission factor) |
| Office Emissions linked to offices' energy consumption, site maintenance and staff meals | Maintenance | Annual cost of cleaning and maintenance services | Emission factor: monetary 0.17kg CO ₂ /€: Ademe Base Carbone v21.1 Uncertainty factor 80% | (Annual cost of cleaning and maintenance services) X (emission factor) |
| | Workplace meals | Number of meals based on the number of days employees are at work collected using an individual questionnaire | Emission factor by meal type and delivery mode kgCO ₂ /meal: Ademe Base Carbone v21.1 Uncertainty factor 50% | (Number of meals) X (emission factor) |
| | Energy consumption | Amount of electricity consumed (in kWh) collected from supplier invoices. Portion allocated to building construction | Emission factor consumption and construction by country by: ADEME carbon database v21.1 and U.S. Energy Information Administration 2021 for offices in the US. Uncertainty factor 10% | (Quantity of electricity consumed) x (Emission factor + Share allocated to building construction) |
| Travel Emissions related to employee travel | Business travel | Number of kilometres travelled by rail or air collected using an individual questionnaire | Emission factor by type of transport (kgCO ₂ /km) – source: ADEME carbon database v21.1 | (Number of kilometres driven) X (emission factor) |
| | Daily commuting | Number of kilometres travelled by private transport or public transport collected using an individual questionnaire | Uncertainty factor between 60% & 80% | |
| Other Emissions related to portfolio companies and investments in other structures | KCI portfolio companies (Opensee) and funds | Turnover and number of employees in the investee company. Investment date and percentage holding to allocate the company's share of consumption | Social carbon intensity (kgCO ₂ /employee) or economic carbon intensity (kgco ₂ /euro of turnover) – Source: HelloCarbon estimator | (Number of employees x Social Intensity Factor + Turnover x Economic Intensity Factor) / 2 * Share of Ownership |
| | Other (Ellipsis funds) | For the Ellipsis funds, determination of the value of the investment for each security. This data is collected by Kepler's risk teams. Investment date and percentage holding to allocate the company's share of consumption. | Carbon intensity per security/issuer based on the share of the security in the fund – source Sustainalytics. | (Carbon intensity) X (share of the security in the fund) x (Share of investment) |

- **Correspondence table**

| 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 members who had left. 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 the research, design and marketing of tailor-made structured investment solutions. <p>Quantitative</p> <ul style="list-style-type: none"> - Stable production of ESG reports with a total of 338 reports including 8 thematic reports (8 in 2022) supplemented by 5 sector reports (6 in 2022) - 273 ESG profiles in 2023. |
| | 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 10 sectors in Continental Europe. - Corporate Access activities fell from 1st in 2022 to 3rd in 2023. - In 2023, for the eighth year running, Kepler Cheuvreux Solutions was voted the leading independent structured products provider in France by the magazine Gestion de Fortune. In addition, for the fourth year running, Kepler Cheuvreux Solutions was ranked "Outstanding" (best ranking) in Décideurs Magazine's 2023 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. <p>Quantitative</p> <ul style="list-style-type: none"> - In 2023, the Foundation paid out a total of more than €4.86 million compared with €3.7 million in 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 2023, 53 employees contributed directly to the Foundation, via voluntary deductions from bonuses or regular donations via payroll. - The Charity Trading Day, held on Thanksgiving Day in the United States (23 November 2023), enabled the equity brokerage employees (around 160 employees - 67% of the front office staff) and their clients to raise more than €300,000 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. - 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"> - 6 new employees applied to join the cross-generational programme, bringing the total to 22. <p>Monitoring of the gender distribution and salary increase monitoring indicator:</p> <ul style="list-style-type: none"> - 21.5% of Group employees were women in 2023 compared with 20.7% in 2022; - 28.2% of salary increases were awarded to women compared with 24.9% in 2022. |
| 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: |

| | |
|--|---|
| | <p>i) assessed for their relevance to Kepler Cheuvreux’s activities;</p> <p>ii) assessed in relation to current practices to see if they are effectively mitigated by the Company; and</p> <p>iii) reviewed for opportunities for improvement.</p> <ul style="list-style-type: none"> - 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 Kepler Capital Markets Inc. subsidiary). 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"> - 86% of leave entitlements and RTT taken during the year (versus 92% in 2022); - Absenteeism rate in the Group (1.32% in 2023 versus 1.63% in 2022) <p>Replacement and modernisation of all the Group's IT equipment, country by country, over the 2021-2022 financial year 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 the awareness of Group employees to the risks of cybersecurity, phishing and cyberattacks. <p>Quantitative</p> <ul style="list-style-type: none"> - In 2023, 74 Group employees received training (compared with 57 in 2022) sources: invoices recorded in 2023 - All Group employees were made aware of cyber security via: <ul style="list-style-type: none"> - Two Group communications in July and November 2023; - Training in December 2023 on the risk of fraud was provided to particularly sensitive employees (18 employees with access to payment tools were trained compared with 20 employees in 2022), - 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"> - For 2023, and for the purposes of calculating the carbon footprint, Kepler Cheuvreux expanded its carbon emission consumption calculation method by including, in particular, employees' daily commuting. - The breakdown of business travel by mode of transport (rail or air) was 51% in favour of rail travel compared with 49% in favour of air travel. In 2022, rail travel accounted for 49% of the journeys made. - Daily commuting accounted for a total of 1,197,204 km (including 666,169 km, or 56%, by public transport). - The carbon impact generated in respect of travel in 2023 is estimated at 449 tonnes of carbon. To establish these consumption levels, Kepler Cheuvreux uses the individual questionnaire sent to all employees and the ADEME emission |

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|--|---|---|
| | | factors. |
| | Consumption of natural resources | <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> <ul style="list-style-type: none"> - Recycling of confidential paper increased during the year: 643 kg of paper was recycled in 2023 versus 401 kg in 2022. - Electricity consumption came to 1,044 kWh in 2023 for all the various Kepler Cheuvreux offices. Consumption data is taken directly from invoices. We are only presenting data for the 2023 financial year since it is difficult to compare this data with 2022 data due to the change in scope and method following the calculation of the carbon footprint. |

