



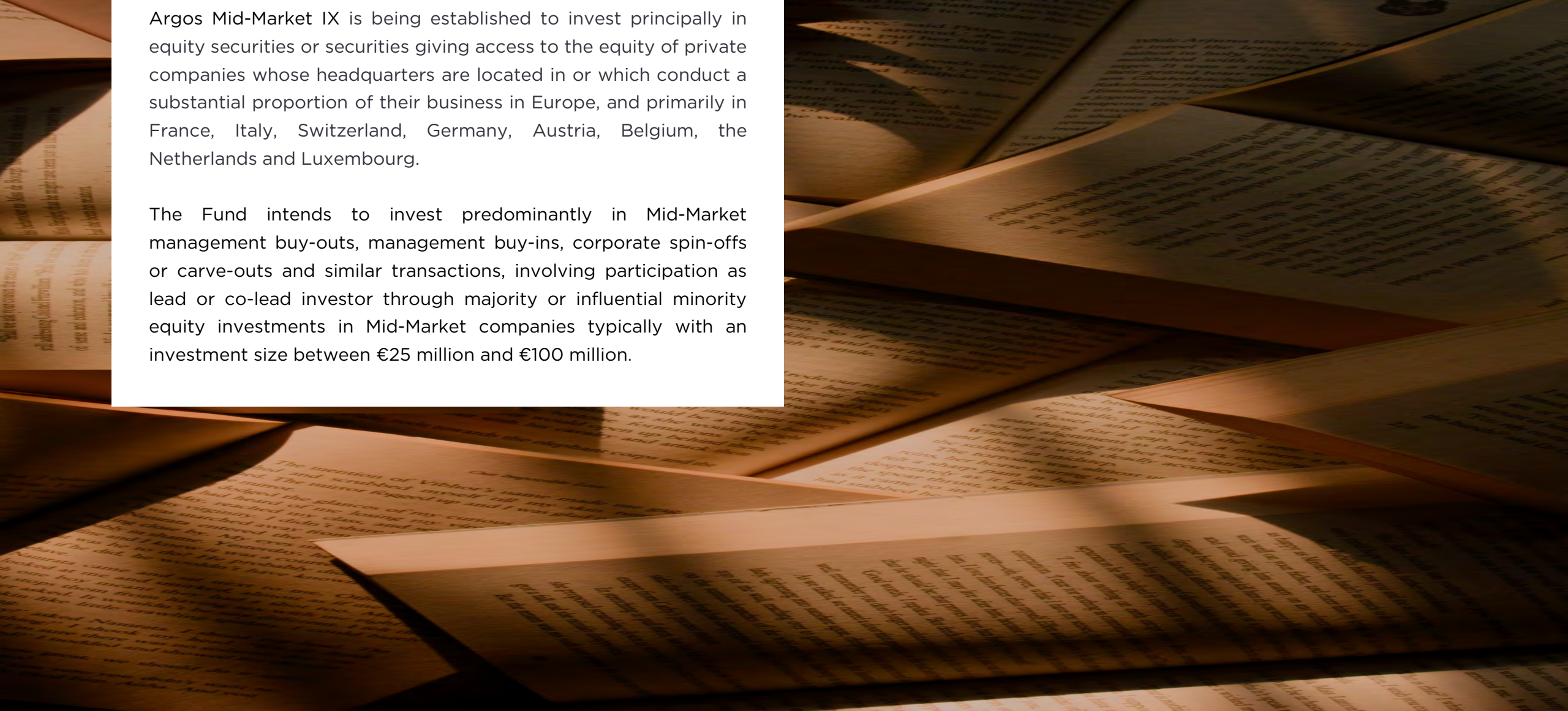
# Argos Mid Market IX Website Disclosure

argos  
fund

# Summary

Argos Mid-Market IX is being established to invest principally in equity securities or securities giving access to the equity of private companies whose headquarters are located in or which conduct a substantial proportion of their business in Europe, and primarily in France, Italy, Switzerland, Germany, Austria, Belgium, the Netherlands and Luxembourg.

The Fund intends to invest predominantly in Mid-Market management buy-outs, management buy-ins, corporate spin-offs or carve-outs and similar transactions, involving participation as lead or co-lead investor through majority or influential minority equity investments in Mid-Market companies typically with an investment size between €25 million and €100 million.



## No sustainable investment objective

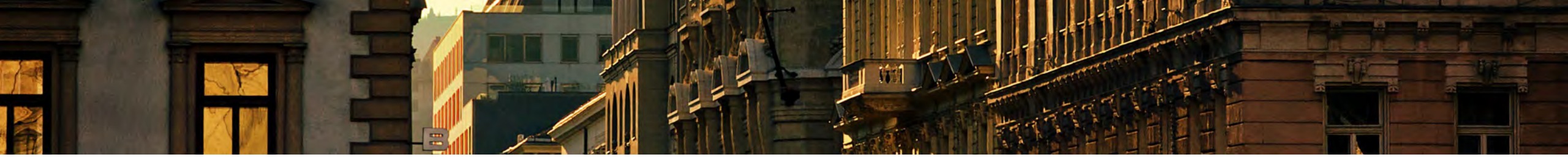
This financial product promotes environmental or social characteristics but does not have as its objective sustainable investment.

## Environmental or social characteristics of the financial product

The environmental and social characteristics of the Fund are first ensured by the strict application of Argos' Responsible Investment Policy.

Argos's commitment is reflected by the signature by Argos Partners S.A., the sole shareholder of Argos Fund, of the United Nations Principles for Responsible Investment (UNPRI), which implies high transparency requirements. As a UNPRI signatory and thanks to an increasing level of expertise and commitment, the Argos Group believes it can achieve virtuous and sustainable growth for the Portfolio Companies.





## Investment strategy

The Fund seeks to integrate sustainability risks into all phases of the investment process:

**Pre-Due Diligence:** The first phase involves the application of the exclusion policy described in the Fund agreement and the Responsible Investment policy

**Due Diligence:** Argos' investment team conducts systematic ESG analysis with support from Argos' sustainability team. To enhance the assessment of ESG risks and opportunities, an ESG review is systematically performed by external advisors who bring their expertise to the process. The review focuses on material topics defined by the advisors, aiming to identify and assess significant ESG risks for the organisation and their potential impact on the business..

**Investment decision:** The Investment Committee considers the ESG analysis summary included in every investment memorandum

**Ownership:** Argos' sustainability team supports Portfolio Companies in enhancing their ESG practices and actively monitors their progress. ESG monitoring is generally performed through the following means:

- Quarterly ESG reporting from the Portfolio Company: The AIFM generally seeks to obtain quarterly ESG reports from Portfolio Companies (which may include, for instance, reporting on KPIs, the progress on the implementation of any ESG action plan etc.). Based on the information gathered from these Portfolio Companies, the AIFM will report to Fund Investors on ESG-related matters under the terms set out in the relevant Fund Documents.

- Ongoing monitoring of Portfolio Companies: As part of its ESG oversight, the AIFM aims to engage with management bodies of the underlying Portfolio Companies on ESG matters whenever appropriate. This includes, amongst others, discussions on the applicable ESG action plan, review of the Portfolio Companies' KPIs and ESG metrics, evaluating progress on these indicators, challenging their management and identify new actions or KPIs to incorporate. During the first 100 days of the holding period, Argos initiates a GHG footprint assessment and benchmark for each portfolio company. We update the GHG assessment annually.

- Annual discussion with each Portfolio Company's governing body on relevant ESG action identified by the AIFM in accordance with the above.

**Exit:** Argos believes that sustainability integration in Portfolio Companies should be results-driven, with results clearly measured at exit. Thus, the investment team may require a vendor ESG due diligence report when appropriate. The purpose of this report is to assess the relevant company's ESG practices, evaluate how the implementation of the ESG action plan has created value, and also identify further opportunities for improvement in these areas.



## Proportion of investments

The Fund will invest 100% of its assets in investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

## Monitoring of environmental or social characteristics

The Fund actively assesses and monitors the potential adverse effects of its investment decisions on sustainability factors. This includes PAI (principal adverse impacts) metrics such as greenhouse gas (GHG) emissions, biodiversity impacts, water usage, and social issues such as labour rights violations. The Fund incorporates these considerations into its investment strategy to mitigate the adverse impacts and promote sustainable outcomes.

<https://argos.wityu.fund/sustainability>

## Methodologies

The sustainability indicators of the Fund are monitored via an ESG Matrix that covers topics related to governance, human resources, and environmental and external stakeholders.

The attainment of each of the environmental or social characteristics promoted by the Fund is mainly measured by using several indicators, including the carbon intensity of portfolio holdings, which tracks the amount of carbon emissions relative to revenue and the percentage of investments aligned with the United Nations Sustainable Development Goals (SDGs).

## Data sources and processing

The Fund is committed to supporting portfolio companies in setting up the most appropriate ESG management systems. Argos uses EcoVadis as ESG reporting platform. This will enable the firm to support portfolio companies in a customised way.

## Limitations to methodologies and data

The main limitation is linked to data quality collection. The data will be kept under review, and the Fund would expect it to increase significantly in the following years because companies will become more aware of ESG reporting and they will improve their data-gathering methodology.



## Due diligence

To deepen the analysis of ESG risks and opportunities, an ESG review is systematically carried out by external advisors, which provide their expertise. The review is focused on material topics defined by the advisors, which will:

- Identify and assess ESG risks which are significant for the organisation and how these issues may affect the business.
- Identify and assess ESG drivers and opportunities that could create value or avoid risks of value destruction (reduction in energy consumption, reduction of employee turnover, reputational issues, biodiversity, etc.).
- Define actions based on the risks and opportunities which feed the ESG Action Plan, conducted during the investment period, to leverage the ESG drivers over a multi-annual period (e.g., use of technology using less energy, long-term bonuses, etc.).

## Engagement policies

The responsible investment policy describes Argos 's ESG approach within the investment process. It specifically describes the engagement required from Argos 's portfolio companies to comply with commonly accepted ESG frameworks. The policy is available on the website: <https://argos.wityu.fund/sustainability>

