
ESG Report 2025–2026

Cathay Small Cap III & IV



Contents

- 1. Foreword – Why Does Sustainability Matter? 4
 - A. Foreword from our president and portfolio manager 7
 - B. AI & Sustainability: turning opportunities into sustainable value creation 8
- 2. 2025 ESG Performance Overview 12
- 3. Sustainability at Cathay Capital Private Equity 16
 - A. Our vision and values.18
 - B. Our ambitions and commitments19
 - C. Our sustainability journey.21
 - D. Sustainability in our investment process 24
 - E. Our ESG governance 26
 - F. Our portfolio companies27
 - G. The Cathay Foundation, a commitment to global community. 30
- 4. 2025 ESG Performance Results.....36
 - A. Major societal challenges contribution. 38
 - B. Building a robust governance. 39
 - C. Empowering people and talent. 44
 - D. Engaging in environmental efforts 46
 - E. Giving back to society50
- 5. Advancing Our Sustainability Journey52
- 6. Appendices56
 - Appendix I: Exclusion list.56
 - Appendix II: Sustainable Finance Regulation & Standards57
 - Appendix III: Cathay’s ESG & Impact Resource Hub.59

1. Foreword – Why Does Sustainability Matter?

Foreword

“ At Cathay Capital, we believe small and mid-sized companies are essential to building a sustainable economy. They are engines of employment, innovation and regional vitality, with the agility to pioneer new approaches. Their engagement with sustainability therefore has an influence that reaches well beyond their own boundaries.

If anything, this report shows that Small Cap III and IV companies are stepping up to that responsibility—many have created ESG leadership roles within their organizations, ensuring these topics are considered at the highest level. Others are opening new paths by piloting diversity initiatives or making employee well-being part of their long-term strategy. These actions illustrate how smaller businesses, often working with limited resources, can act decisively and set examples for others.

Our role is to ensure this shift is supported with the right tools, expertise, and networks. By creating practical ways for companies to align performance with purpose, we aim to help them capture opportunity while contributing positively to society and the environment. Small Cap II highlights a simple truth: sustainability is not a side project, but part of what will define the champions of tomorrow.

MINGPO CAI,
PRESIDENT AND CO-FOUNDER,
CATHAY CAPITAL PRIVATE EQUITY



“ Supporting the Small Cap III and IV portfolios over the past year has shown how quickly companies can progress when sustainability is treated as a business priority and move from intention to action.

Several have carried out detailed environmental audits to understand their emissions profile and identify efficiency gains. Others are trialling initiatives on workforce engagement such as employee shareholding schemes that strengthen alignment between teams and long-term success. Across the portfolio, companies have introduced diversity and inclusion projects, confirming that equity is being taken seriously at every level.

Equally important is the structure behind these efforts. More than half of the companies now have dedicated ESG governance in place, providing clear accountability and direction. With the backing of Cathay’s ESG & Impact Hub and our external partners, these initiatives are being translated into tangible outcomes.

For many small-cap businesses, resources are limited, and the challenges are complex—yet this report demonstrates their ability to move with determination, integrate sustainability into daily operations, and build stronger, more resilient companies in the process.

FABIEN WESSE,
PORTFOLIO MANAGER,
CATHAY CAPITAL PRIVATE EQUITY



AI & Sustainability: turning opportunities into sustainable value creation

AI by the numbers

\$2.6T-4.4T

annual economic value potential from generative AI.

<https://www.mckinsey.com/capabilities/tech-and-ai/our-insights/the-economic-potential-of-generative-ai-the-next-productivity-frontier#/>

43%

of global data centres operate in water-stressed regions

[S&P Global Rapid data center growth faces sustainability challenges: Increasing emissions and water stress, 2025](#)

60-70%

of employee activities could be augmented or automated.

<https://www.mckinsey.com/capabilities/tech-and-ai/our-insights/the-economic-potential-of-generative-ai-the-next-productivity-frontier#/>

40%

of AI data centres may face power constraints by 2027

<https://www.gartner.com/en/newsroom/press-releases/2024-11-12-gartner-predicts-power-shortages-will-restrict-40-percent-of-ai-data-centers-by-2027>

1/3

of semiconductor production could be exposed to climate disruption,

<https://www.pwc.com/gx/en/issues/esg/pwc-semi-con-report.pdf>

Artificial intelligence is emerging as one of the most powerful drivers of value creation of the decade. Generative AI alone could contribute between \$2.6 trillion and \$4.4 trillion annually to the global economy. As adoption accelerates, investors have an opportunity to support technologies and business models that combine innovation, competitiveness and sustainability. Realising this potential, however, requires addressing a set of interconnected challenges related to human capital, resource use, governance and technological resilience.

Productivity & human capital: augmenting human potential

AI is redefining how companies create value. McKinsey estimates that generative AI could automate activities representing 60-70% of employees' working time, unlocking significant productivity gains and enabling workers to focus on higher-value tasks such as innovation, problem-solving and customer engagement.

For investors, the opportunity extends beyond efficiency gains. Companies that successfully combine AI adoption with workforce upskilling and reskilling can strengthen talent attraction, innovation capacity and long-term competitiveness.

Capturing these benefits requires managing the workforce transition responsibly. Without adequate training, social dialogue and workforce planning, automation risks widening skills gaps and increasing social tensions.

Resource-efficient AI infrastructure: building the foundations for scale

The rapid expansion of AI is driving a new generation of investment opportunities across energy-efficient infrastructure, semiconductors, cooling technologies and renewable energy systems. As demand accelerates, companies developing low-power chips, advanced cooling solutions and circular electronics models are well positioned to benefit from structural growth trends.

Scaling AI also increases pressure on energy, water and critical mineral resources.

- Data centre electricity demand in Europe could increase by a factor of 2.8 by 2030
- 40% of AI data centres could face power constraints by 2027
- 43% of global data centres are located in water-stressed areas
- Up to 19 million litres of water per day may be consumed by a large data centre
- One-third of global semiconductor production could face disruption from climate-related risks within the next decade

These constraints illustrate the growing importance of resource efficiency and climate resilience across the AI value chain.

Trustworthy AI: a competitive advantage

As AI adoption expands, trust is becoming a critical differentiator. Companies that demonstrate strong governance, transparent AI systems and robust data management are likely to benefit from greater customer confidence, smoother regulatory compliance and stronger long-term value creation.

For investors, trustworthy AI may increasingly become a marker of business quality, similar to cybersecurity or data protection practices today.

As AI systems become more sophisticated, organisations face growing scrutiny regarding algorithmic bias, explainability, privacy protection and accountability. Regulatory frameworks such as the EU AI Act are raising expectations for transparency and governance.

European sovereignty & industrial resilience

The concentration of AI capabilities creates a compelling investment case for European industrial and technological development. Opportunities are emerging across semiconductors, sovereign cloud infrastructure, AI models and specialised technical expertise.

Strengthening local capabilities could improve resilience while supporting Europe's long-term competitiveness.

Strategic dependencies remain significant.

- 98% of the EU's rare earth imports originate from China.
- Semiconductor manufacturing remains highly concentrated geographically.
- Access to cloud infrastructure and advanced AI models is dominated by a limited number of global players.

Reducing these dependencies has become a strategic priority for governments, investors and businesses alike.

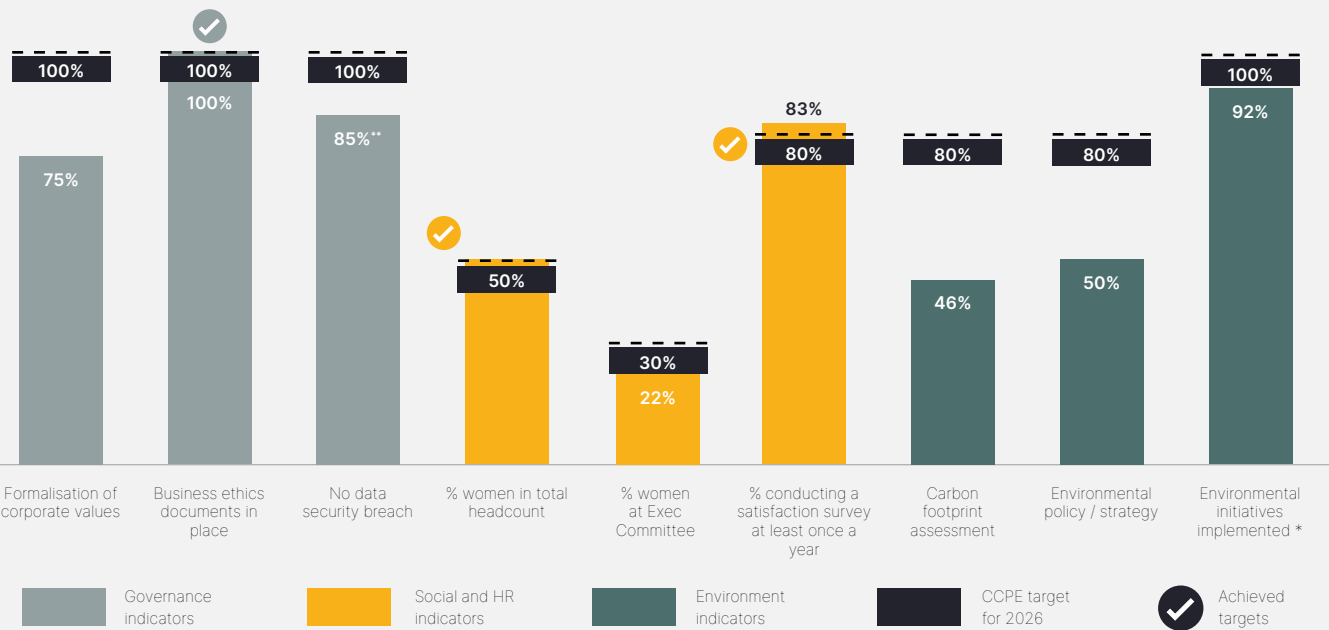


2. 2025 ESG Performance Overview

Disclaimer: All portfolio companies within Small Cap III and Small Cap IV answered the Reporting21 questionnaire. As a result, the analysis is based on a total of 13 assets. Each of the KPIs listed below focuses on Small Cap III & IV companies.

ESG Overview

ESG is at the heart of our investment philosophy. In 2025, The Small Cap portfolios maintained a stable overall ESG performance compared to previous years, despite several portfolio movements during the period. The scorecard below provides an overview of Small Cap III & IV's ESG performance. By gathering 5,400 employees across portfolio companies' operations, Small Cap III & IV aim at fostering positive impacts for all stakeholders.



(*) The environmental initiatives are related to portfolio companies' operations and/or products & services, i.e. circular economy, energy efficiency, waste & water management, remote working policy, low carbon travel policies, use of recycled materials, eco energetical products or services, etc.

(**) Remediation actions have directly been put in place. Cathay monitors data security processes on a quarterly basis for every Cathay portfolio company as it considers such policy as essential for the long-term success of a business.

Highlights of 2024 Main Portfolio Results

In 2025, portfolio companies also stood out through the implementation of various good practices, reflecting their commitment to sustainability.

(See more details in the "4. 2025 ESG performance results" section.)

85%

of Small-Cap companies have implemented value sharing mechanisms

39%

of women in Small-Cap companies hold managerial positions

38%

of Small-Cap companies have formalised responsible procurement policies

92%

of Small-Cap companies have implemented CSR initiatives (e.g. CSR policy, CSR officer, CSR label, etc.)

82%

of Small-Cap companies have a person responsible for Data Protection matters

100%

of Small-Cap companies have established gender equality initiatives

In 2025, Cathay has carried out a biodiversity analysis:

97%

of the Small-Cap portfolio has a very low to medium level of pressure on biodiversity

3. Sustainability at Cathay Capital Private Equity



Who we are

Our Vision and Values

As a globally integrated and agile team, we sincerely believe in the richness of diversity. We are committed to being useful and sincere advisors, connectors, and stewards to our entire ecosystem.

We also value engagement and devotion and are invested in the long-term success of our partners both in the good times and bad.



Be the Change
We're committed to leaving the world better than we found it.



Stay determined
We put in hard work every day believing that determination can move mountains.



Add value, be useful
We exist to be useful to our stakeholders and partners in achieving their goals.



One team for one world
A global company's biggest strength is diversity in cultures, backgrounds, perspectives, and knowledge.



Do what you say
Sincerity, transparency, and trust is at the core of how we operate.



Be grateful
When we drink water, we don't forget those who dug the well.

Our Ambitions and Commitments

We recognise that compliance is not only a goal to achieve but also a fundamental baseline in our journey towards sustainability. We strongly believe in delivering value with high standards and endeavour to create a positive impact across all our operations, aspiring to act as a catalyst for sustainable change.

1. As a company, we operate globally with agile and diverse teams, with a sense of responsibility everywhere.



Diversity in all forms



Ethical conduct



Environmental footprint



Cyber risk & data privacy

2. As an investor, we create value for society by ensuring that sustainability is embedded not only in our processes, but also in every portfolio company.



We are committed to being a **responsible investor**, working with companies that share our vision and respect international standards on sustainable investment. As such, we signed the **United Nations Principles for Responsible Investment (UN PRI)**, committing to monitor and report on ESG themes. In 2025, Cathay achieved the following scorecard:

- A score of 3 out of 5 in Policy Governance and Strategy
- A score of 5 out of 5 in Direct – Private Equity
- A score of 4 out of 5 in Confidence building measures
- Not applicable in Direct – Listed equity - Other



Cathay is committed to the **UN Guiding Principles on Human Rights** and the **OECD Guidelines for Multinational Enterprises**. In this context, we address the issue of human rights systematically in our pre-investment due diligence approach. In addition, we encourage our portfolio companies to ensure compliance with the **International Labor Organization's ("ILO") Core Labor Standards and Basic Terms and Conditions of Work**, as well as the **International Bill of Human Rights**, in line with the **UN Guiding Principles on Business and Human Rights**.

3. As an ecosystem partner, our mindset is to share best practices and proven solutions that are set to enable any company willing to drive the transition with us.



Cathay has been a member of the **iCI (initiative Climat International)** since 2020. The iCI is the first initiative of Capital Investment in favor of companies' management and reduction of greenhouse gas emissions. The signatories of the iCI have decided to contribute to the objectives of COP21 to limit global warming to 1.5°C.

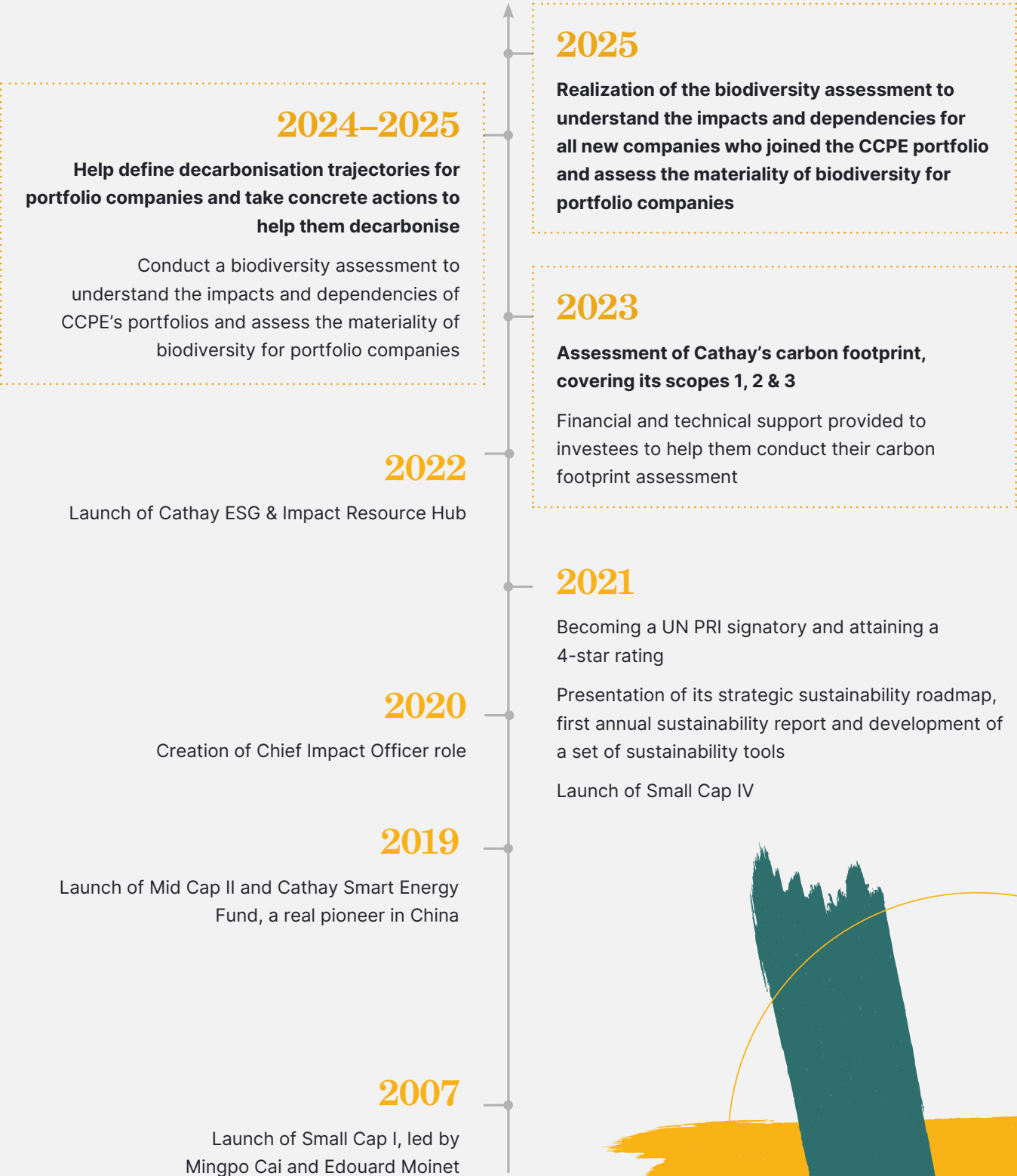


Cathay is a member of **France Invest network**, which provides access to **financing opportunities, strategic support**, and a powerful community of investors and entrepreneurs.



Our Sustainability Journey

Throughout our sustainability journey starting in 2019, we have continuously strived to refine and enhance our impact initiatives. Our primary focus has been on defining and measuring the economic and social impacts of our portfolio companies. Through these efforts, we have aimed to assess their ability to promote sustainable development and drive meaningful and lasting positive impacts.



Our impact initiative serves several goals:

- 1 Align portfolio, companies, LPs and fund managers with shared sustainability values and ambitions.
- 2 Define qualitative and quantitative measures to assess and measure impact.
- 3 Provide feedback and reporting on a regular basis to fuel progress.
- 4 Ensure accountability.

Empowering sustainable action: introducing the Cathay ESG & Impact Resource Hub

In 2022, we proudly unveiled the Cathay ESG & Impact Resource Hub, an innovative online platform that fosters knowledge sharing, collaboration, and practical guidance among our portfolio companies. This hub serves as a toolbox, equipping organisations with the necessary resources to swiftly and effectively implement new ESG policies and initiatives.

What can portfolio companies achieve through Cathay’s ESG Impact Resource Hub?

- | | | | |
|---|-------------------------------------|---|--|
|  | Become a purpose driven company |  | Adopt a sustainable data and AI governance |
|  | Learn about ESG & Impact frameworks |  | Select the right business partners |
|  | Upgrade the workplace |  | Act for the environment & climate |

See Appendix III for more information on the ESG & Impact Resource Hub.



Sustainability in our Investment Process

We view the most impactful companies of the future not as the largest, but as those that drive sustainable growth and economic transformation. These companies cannot be built in silos, and the transition will take an ecosystem-level response across regions, sectors, and up and down the value chain.

Within this comprehensive sustainability vision, our team perceives ESG as a value creation driver. We have crafted responsible investment approaches specifically tailored to the needs of our capital management company. For us, sustainability is a crucial transformation lever that enables us to work together with committed entrepreneurs and management teams to promote resilient and future-ready global leaders.

We formalised a specific ESG Management System in 2017, which integrates ESG issues and criteria in all stages of the investment cycle, from the pre-qualification to the exit stage. A sustainable investment process has therefore been formally developed and has been updated by the end of 2022. While risks and opportunities are assessed prior to investment, our focus is to co-develop actionable roadmaps with our portfolio companies and, most important, make sure they have the resources to turn roadmaps into results.

The below table outlines Cathay’s sustainable investment process:



Our ESG Governance

ESG is at the core of our investment approach.
We prioritise ESG at every level of our organisation, guided by strong governance and decision-making practices.

The leadership team, including the Chairman and Fund General Partner, oversees the management of Cathay, ensuring the integration of ESG principles into our operations, strategy, and decision-making. The Investment Committee plays a pivotal role in driving ESG-focused investment and exit decisions. In addition, Cathay appointed a Chief Impact Officer in 2020, Matthieu Van Der Elst, who is responsible for driving the development of our sustainability vision, roadmap, investment process, and tools for both Cathay Innovation and Cathay Capital.

To drive sustainability from an operational standpoint, we’ve decided to imply all our front-line investors to be in charge to follow-up portfolio companies’ activities and report data. It matters to all and not just for a limited appointed squad.

Once that said, we’ve set up Sustainability Ambassadors (for both PE and Innovation practices) who are responsible to lead our processes and operationalize the sustainability strategy.



Our Portfolio Companies

This section provides a detailed overview of the 13 companies that make up the Small Cap III and IV portfolio. All of them actively took part in the 2025 ESG reporting campaign.

Small Cap III



Sector:
Education / Future of work

Le Wagon is a coding school open to all, offering short and intensive on-site trainings or “coding bootcamps” in web development and data science.



Sector:
Consumer products / services

Brass Master is an original designer and manufacturer of brass-made handicrafts.



Sector:
Business / digital services

Easyvista offers two IT Service Management software: Service Manager (software to manage IT back-office tasks) and Self-Help (knowledge bases that employees can use in troubleshooting).

Small Cap IV

	 Sector: Education / Future of work	The AD Education Group is a French leader of higher education in art professions, design, culture, and communications.
	 Sector: Consumer products / services	Created in Thailand, Mistine is a reputable beauty brand, well known for its tropical, affordable and high-quality beauty products, notably for sunscreen and foundations.
	 Sector: Business / digital services	WeNext provides professional services such as 3D printing, CNC Machining, injection molding, and vacuum casting for various industries.
	 Sector: Consumer products / services	SNOCKS is a leading digital native brand for everyday basics. The company offers socks, underwear, basics and branded apparel for men and women through its main online sales channels (own website and Amazon).
	 Sector: Procurement	Founded in 2000 in Stuttgart, Onventis offers source-to-pay processes of direct and indirect materials in strategic and operational procurement. Onventis is a cloud pioneer in digital transformation of purchasing and finance processes.

	 Sector: Healthcare	Founded in 2018 in Sarasota, Florida, Parkview is a dental service company that currently manages 22 dental practices that provide both general dentistry and specialty dental services.
	 Sector: Healthcare	TransCure bioServices is a European CRO based in France offering preclinical predictive in vivo pharmacology testing services to international large pharmaceutical, biotech and academic customers.
	 Sector: Business / digital services	Wedia is a global leader in B2B SaaS solutions, specialising in Digital Asset Management (DAM) and social media management.
	 Sector: E-commerce / logistics	FutuMaster is the leading APS (Advanced Planning and Scheduling) software developer in France.
	 Sector: Healthcare, Digital Health & Life Sciences	Avelia is an Italian veterinary network uniting clinics around shared values of ethical, highquality and innovative veterinary care across Italy.

The Cathay Foundation, a Commitment to Global Community

Focus · Cathay Capital Foundation × Proxité

Believing in every young person

How a shared conviction on equal opportunity turned into a lasting partnership on the ground.

Since 2011, the Cathay Capital Foundation has worked to build bridges between cultures, generations and opportunities. Education and entrepreneurship sit at the heart of that mission. In 2015, we launched **French Dream** with **Proxité**, a mentoring programme to help young people from underprivileged backgrounds unlock their potential.

In 2021, the Foundation joined forces with **Proxité** to give French Dream deeper local roots. A recognized leader in French youth mentoring, Proxité brought two decades of field experience and a nationwide network of neighborhood branches. Together, we opened a Proxité presence in Orléans, connecting young people from priority neighborhoods with committed professionals who give their time, their networks and their trust.

“A company should look beyond its economic goals and contribute to society, mentoring is a powerful tool for that.”



MINGPO CAI, PRESIDENT & CO-FOUNDER, CATHAY CAPITAL

Who is Proxité?

Founded in 2002, Proxité is a French non-profit that helps young people from disadvantaged neighborhoods succeed at school, choose their own path and move into lasting employment. It runs a national network of local branches, around 58 across some 30 cities in France, where each young person is paired with a volunteer mentor, all of them active professionals, and takes part in tailored group workshops. Its work spans three mentoring programmes, from secondary school through higher education and into the workplace.

Some numbers

10,000+

young people supported since 2002

2,700

young people mentored in 2024

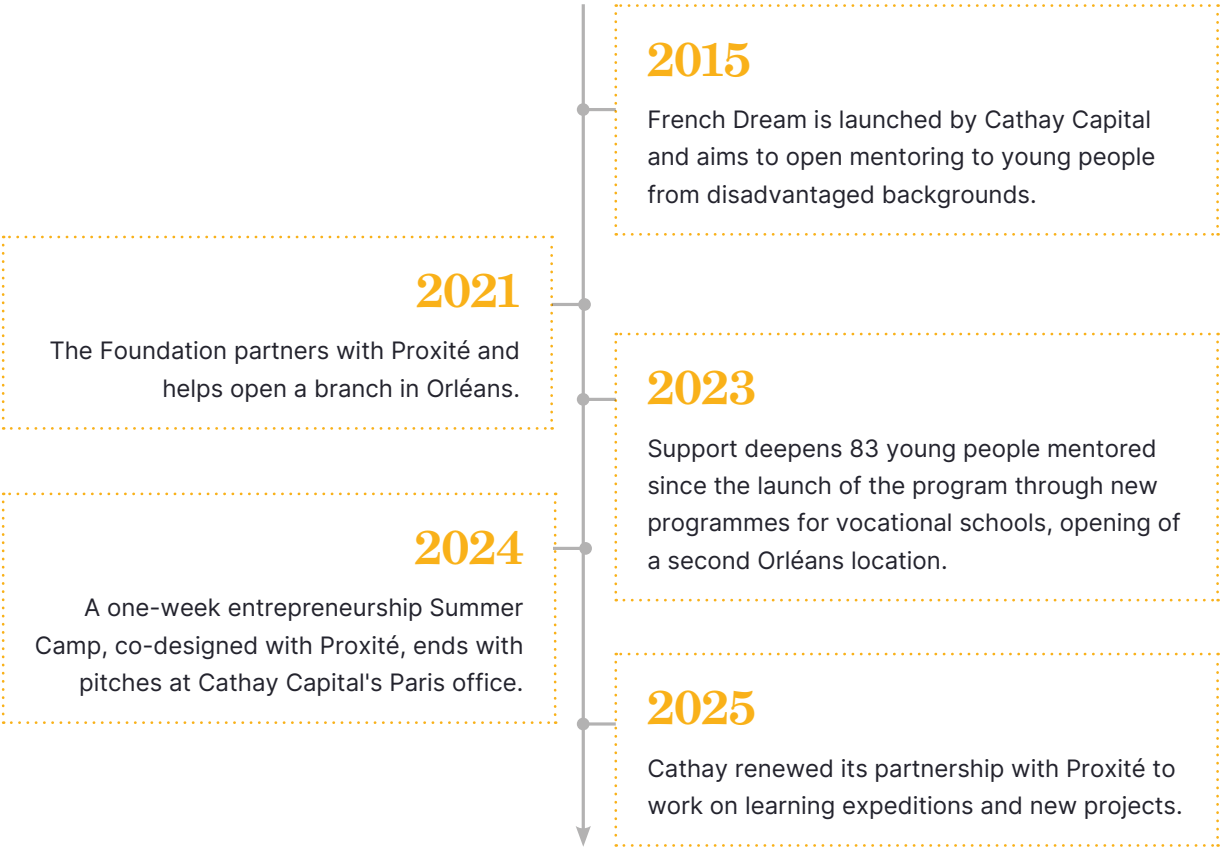
3,000

mentors & volunteers engaged

8/10

improved results, or found training or a job

A shared journey: From a founding conviction to concrete action, year after year.



"Our role is to build bridges between worlds that rarely meet, so that everyone can find their own path."



SÉBASTIEN LAILHEUGUE, MANAGING DIRECTOR, PROXITÉ

From support to shared commitment

Our partnership goes well beyond funding, it mobilizes Cathay Capital’s people, its offices and its entrepreneurial DNA.

1. Colleagues who become mentors

Above all, our partnership lives through Cathay's own people. Since 2021, more than ten mentor-mentee pairs have formed between Cathay collaborators and young people supported by Proxité, some running for over three years, in Nantes, Valenciennes and Paris, both in person and remotely. In March 2025, Proxité was introduced to the team through a testimonial from a former mentor, inspiring colleagues to get involved. It is this personal, human commitment, as much as financial backing, that turns a partnership into shared purpose.

2. Opening entrepreneurship to more young people

It began in August 2024 with a week-long Summer Camp in Orléans, where a group of young people built and pitched their own projects at Cathay Capital's Paris office. In 2025, the Foundation widened its reach with Esprit Entrepreneur, a free online course (MOOC) that opens the same entrepreneurial experience to any young person, at their own pace, turning a one-week camp into training accessible to many more.



The impact of mentoring

Measured across young people, families and mentors (Proxité, 2024–2025).

On young people

83%

met at least part of their initial goals

83%

have one or more professional projects in mind

88%

feel confident about their future path

On families

85%

see greater confidence in their child's ability to progress

89%

feel strongly supported in their child's education

On mentors

1 in 3

has a more positive view of youth

97%

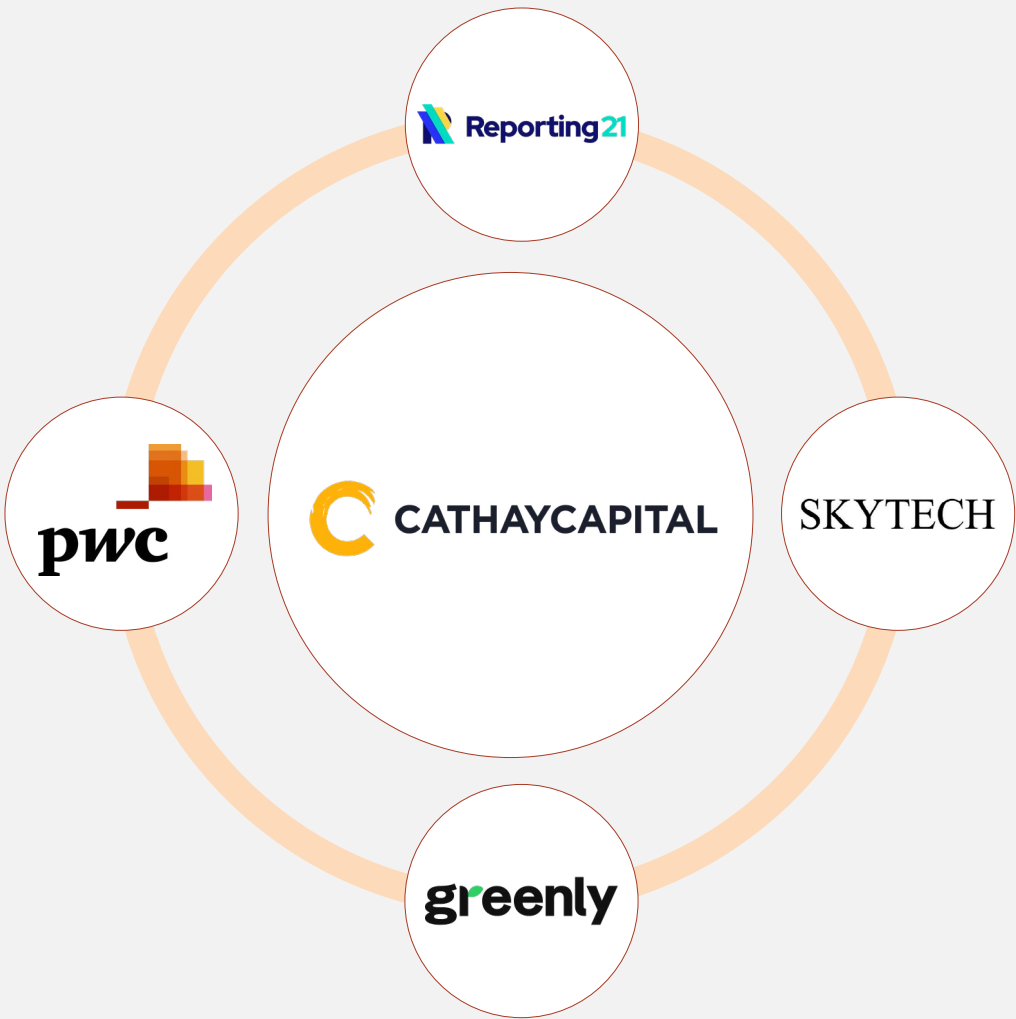
say mentoring helped them grow, personally and professionally

Through French Dream and Proxité, the Cathay Foundation keeps investing where it matters most, in young people, and in the simple conviction that everyone deserves the chance to build their own future.



Our Collaborations

To build and refine our methodologies and compile this report, Cathay received guidance, collaboration, and recognised industry expertise from four **complementary partners** (PwC, Sirsa, Greenly, and Skytech). These partners help our portfolio companies with specific topics, such as carbon footprint and biodiversity.



Founded more than 30 years ago, PwC Sustainability Strategy team support investors and companies of all sizes to better understand, anticipate and address sustainable challenges through innovative approaches. PwC team helps CCPE monitor its ESG performance, meet regulatory requirements and improve transparency on sustainability matters.

Learn more:
www.pwc.fr/fr/vos-enjeux/conseil-en-developpement-durable.html



Founded in 2019, Greenly is a company dedicated to helping businesses and individuals track and reduce their carbon footprint. They offer a platform that automatically calculates carbon emissions, providing actionable insights for sustainability improvements. Greenly supports CCPE assets in conducting their carbon footprint assessment.

Learn more:
www.greenly.earth.fr



Skytech supports CCPE assets based in China in conducting their carbon footprint assessment.

Learn more:
www.sinosoft-technology.com



CCPE uses Reporting21 to monitor progress on ESG matters across its portfolio quarterly.

Learn more:
www.sirsa.io/en | www.reporting21.com

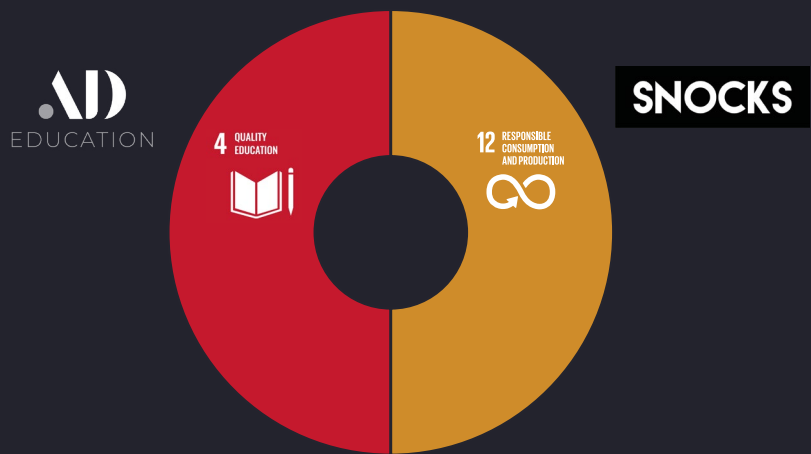
4. 2025 ESG Performance Results

Disclaimer: The results presented in this report are categorized based on the portfolio companies of Cathay Small Cap III and Small Cap IV. Small Cap III comprised a total of 3 companies in 2025, while Small Cap IV comprised 10 portfolio company, including 2 new investments in 2025.

For both qualitative and quantitative questions, when a portfolio companies reported in 2024 but not in 2025, the 2024 data has been reused in the absence of updated information.

For each of the indicators reported, the number of participations considered excludes the portfolio companies that did not respond to the question on Reporting 21.

Major societal challenges contribution



The companies in Cathay's Small Cap IV portfolio have worked to manage important sustainability themes and improve ESG performance. Some companies go beyond ESG issues and contribute to wider social goals through their business. Among Small Cap IV portfolio companies, two of them contribute to the United Nations' Sustainable Development Goals (SDG).

AD Education, which has developed a network of schools with around 42 000 students every year across Europe, contributes to **SDG 4** on Quality Education. 70% of schools offered courses on environmental issues in 2024. and each school defines ESG engagements. The Group created the AD Education Foundation to finance actions in favor of education and equal opportunities. One of the Group's schools, Ecole de Condé, annually formalizes an ESG review to highlight initiatives implemented (e.g., zero waste, energy efficiency). Another school, Accademia Italiana, conducts satisfaction surveys among students, staff and professors and a program coordinator facilitates dialogue between professors and staff.

SNOCKS contributes to **SDG 12** on Responsible Consumption and Production through initiatives aimed at promoting more sustainable materials, product quality, and supply chain transparency. The Company has implemented a raw material certification policy, requiring certifications such as GOTS (a minimum of 70% organic fibers for the GOTS label and 95% organic fibers for products marketed as "organic"), OCS, GRS, or Grüner Knopf depending on product categories, thereby supporting the use of responsibly sourced fibers. SNOCKS also applies stringent quality testing protocols—including abrasion, pilling, wash-resistance, colorfastness, and elasticity tests—to enhance product durability and extend product lifespans. In parallel, the Company is adapting its packaging requirements to align with the upcoming EU Packaging and Packaging Waste Regulation (PPWR), with a focus on reducing unnecessary packaging, improving recyclability, and limiting hazardous substances. Finally, SNOCKS has strengthened supply chain traceability through supplier mapping, progressive disclosure of production sites, Fair Wear integration, and subcontractor monitoring, supporting a more responsible and transparent value chain.

Building a robust governance

Corporate governance

Strong corporate governance ensures long-term resilience and growth. Small Cap funds support their portfolio companies in embedding robust governance frameworks, implementing well-established oversight measures, and promoting diversity within their governance bodies.

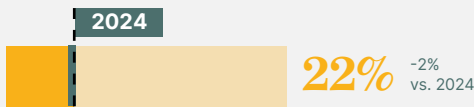
Key figures (2025)



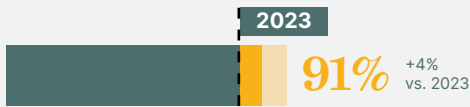
of Small Cap companies have formalised corporate values*.

*among the 8 portfolio companies that responded to this question in Reporting21.

This evolution reflects changes in portfolio composition over the period. Several companies, including large and well-structured organizations, exited the investment scope since the last reporting cycle. As all departing companies had responded positively to this indicator, their removal from the portfolio mechanically lowered the reported figure.



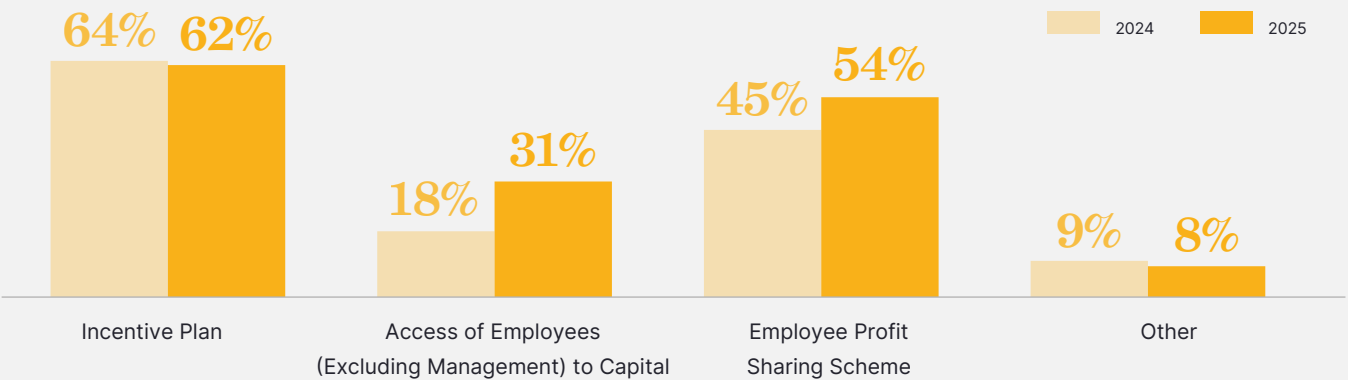
of women, on average, in the executive committees within Small Cap companies.



of Small Cap companies have implemented value sharing mechanisms*.

(*) Of the 85% of Small Cap companies with a value-sharing mechanism, several approaches have been adopted and combined by portfolio companies:

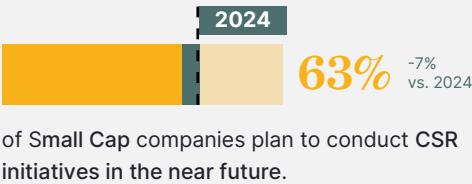
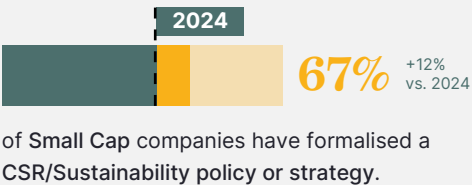
- **Access of employees to capital:** Employees can acquire stock options or equity, giving them a stake in the company's growth and success.
- **Incentive plan:** Performance-based bonuses or rewards align employee efforts with company objectives, driving productivity and engagement.
- **Employee profit-sharing scheme:** A portion of company profits is distributed among employees, fostering a sense of ownership and motivating collective achievement.



ESG governance

CCPE firmly believes that a sound governance system for ESG issues is beneficial to achieving a successful ESG transformation. ESG procedures and initiatives that are appropriately implemented and managed help to embed ESG principles within companies’ operations and supply chain, and thus to improve ESG performance and business resilience in the long term.

Key figures (2025)



*among the 8 portfolio companies that responded to this question in Reporting21.

Focus – Supply chain transparency & Human rights due diligence - SNOCKS



In 2025, SNOCKS published its first Sustainability Progress Report; a comprehensive, self-authored disclosure covering the full scope of the group’s ESG performance across its brands SNOCKS, OCEANSAPART, and Femtis. Far from a polished marketing exercise, the report reflects a deliberate commitment to transparency, including areas where the company acknowledges it falls short.

At the heart of the report lies the group’s Human Rights Due Diligence (HRDD) framework, aligned with the OECD Due Diligence Guidance and the UN Guiding Principles on Business and Human Rights. In 2025, Fair Wear membership was extended to the group level, covering all 26 active Tier-1 factories across 9 sourcing countries. Worker Information Sheets, detailing labor rights and the Fair Wear complaints mechanism, are now distributed in local languages at all registered facilities.

On wages, SNOCKS has collected data from the majority of its production partners and benchmarked them against living wage estimates. The results vary significantly: from approximately 87% of living wage benchmarks in China to 29% in Sri Lanka. 39.2% of total production volume is now covered by documented target wage commitments, including two factories in Pakistan where SNOCKS co-finances additional worker income through the tip me programme, a platform enabling customers to directly tip garment workers, with the company matching each contribution. Since launch, EUR 43,003 has been collected, reaching 1,289 workers.

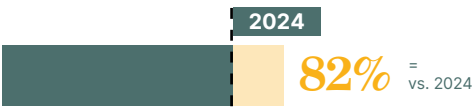
The group also responded to its first critical-severity grievance in 2025: allegations raised via the tip me platform regarding a production site in Pakistan led SNOCKS to commission an independent on-site worker survey, with a corrective action plan under development. Rather than minimizing the incident, the company chose to report it transparently - a demonstration that accountability mechanisms are not only in place but actively tested.

Complementing these efforts, SNOCKS conducted a Double Materiality Assessment in 2025 with ConClimate and set up a cross-functional ESG governance structure, with responsibilities distributed across Sustainability, Sourcing, Product Development, and Quality Management. Environmental progress continues in parallel: 100% organic cotton was achieved at SNOCKS in 2025, packaging emissions were reduced by approximately 90% through the switch to FSC-certified glassine bags, and SBTi targets remain the reference framework, with a re-submission planned to reflect the expanded group scope.

Data protection and business ethics

CCPE prioritises data ethics and security. Effective management and monitoring help to safeguard a company from risks associated with its activities, providing better control over risks should they arise. The adoption of a code of conduct or ethical guidelines is considered a best practice.

Key figures (2025)

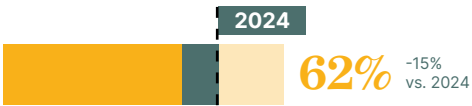


of Small Cap companies have formally assigned responsibilities for data protection.

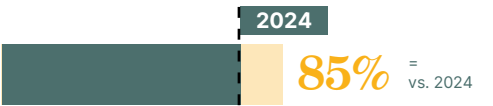


of Small Cap companies have at least one business ethics document in place*.

*among the 8 portfolio companies that responded to this question in Reporting21.



of Small Cap companies have implemented robust anonymous grievance schemes¹.



of Small Cap companies have reported no data security breaches².

As all departing companies had responded positively to this indicator, their exit from the portfolio mechanically lowered the reported figure.

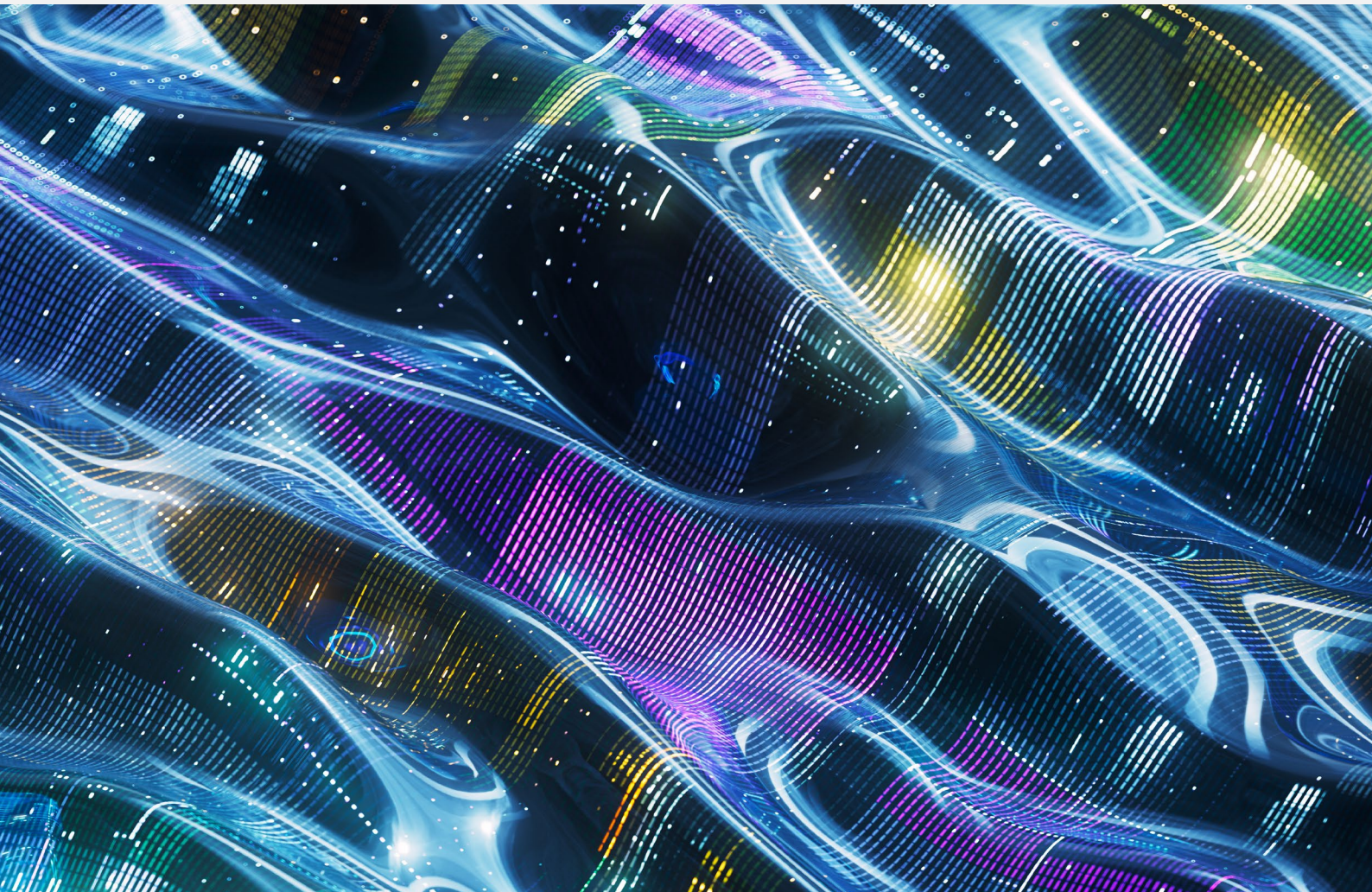
(1) Grievance mechanisms are important especially for French companies, since the law requires that companies with 50+ employees implement them. Cathay Capital will share good practices through the Resource Hub and assist in selecting providers to implement anonymous grievance schemes.

(2) Among the 15% of data breaches recorded in 2025, the two incidents involved customer personally identifiable information. Nonetheless, remediation actions have directly been put in place. This reinforces our conviction that implementing data security processes and policies is essential for the long-term success of a business.

Focus – Data protection, ethics & sourcing - Onventis



Onventis, a cloud-based source-to-pay platform headquartered in Stuttgart, has significantly strengthened its governance framework across data protection, business ethics, and responsible sourcing. In 2025, the company renewed its ISO 27001 certification and achieved formal compliance with both the NIS2 Directive and the DORA regulation, while maintaining a zero-incident track record on data breaches and cybersecurity across 2024 and 2025. This security posture is supported by mandatory annual cybersecurity awareness training for all employees and a structured Information Security Management System (ISMS). On the ethics front, Onventis published its Code of Conduct online -covering anti-corruption, fair competition, and supplier relations -and launched a dedicated ESG webpage to increase transparency. A functional whistleblower mechanism is in place, with two incidents reported and fully resolved over the period at a 100% response rate. ESG topics have been elevated to board-level discussion, and a double materiality assessment is planned for 2026. In parallel, Onventis has embedded responsible sourcing into both its internal operations and its client-facing platform. Internally, a new supplier screening programme was implemented in 2025, with 23% of suppliers already assessed on ESG criteria and a target of 100% business-critical supplier coverage by 2026. Externally, the EcoSpend module enables clients to track Scope 3 emissions and conduct CO2-based spend analysis, while integrations with EcoVadis and IntegrityNext provide real-time ESG risk monitoring -positioning Onventis as both a practitioner and an enabler of responsible procurement.



Empowering people and talent

Health and safety

Ensuring health and safety (H&S) of portfolio companies’ employees is crucial to guarantee their wellbeing, engagement, and, ultimately, company-wide resilience. Cathay Capital monitors portfolio companies through qualitative and quantitative indicators to assess companies’ health and safety management systems.

Key figures (2025)



*among the 12 portfolio companies that responded to this question in Reporting21.
The decrease is attributable to the exit of three portfolio companies in 2025, all of which had well-established health and safety measures in place, mechanically lowering the overall portfolio rate.

Focus – Health & Safety / Well-being - SNOCKS

SNOCKS

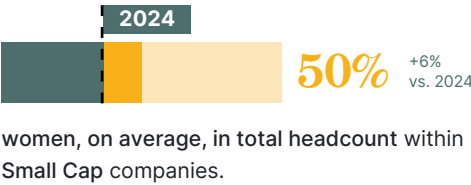
As a primarily office-based and e-commerce company, SNOCKS faces occupational risks that are less about physical hazards and more about ergonomic factors and mental well-being - challenges that are often underestimated in fast-growing digital businesses.

To address this, the SNOCKS GROUP has deployed a structured approach to employee health and safety, grounded in compliance with the German Occupational Health and Safety Act (Arbeitsschutzgesetz) and adapted to the realities of a remote-first organization. In 2025, no workplace incidents were reported across the group. Mental health support is provided through Nilo Health, a digital platform offering anonymous psychological support, mindfulness courses, and stress management resources - available free of charge to all 151 employees. A tax-exempt benefit via Edenred further supports employees’ everyday well-being. The company also offers “Power Days”, a voluntary benefit allowing menstruating employees to take time off without it being recorded as sick leave, reflecting a culture of trust and individual flexibility. Additionally, International Women’s Day (8 March) is recognized as a company holiday. Every employee receives a personal development budget of EUR 1,500 per year, which can be used for professional skills, health and well-being, coaching, and networking - reinforcing the link between personal growth and workplace resilience.

Human resources

We are dedicated to fair and just processes within human resources among our portfolio companies. These efforts highly contribute to employees’ engagement and retention. We understand the importance of implementing a strong human resources management framework and leveraging strategies to nurture talent, ensuring sustainable growth and long-term success.

Key figures (2024)



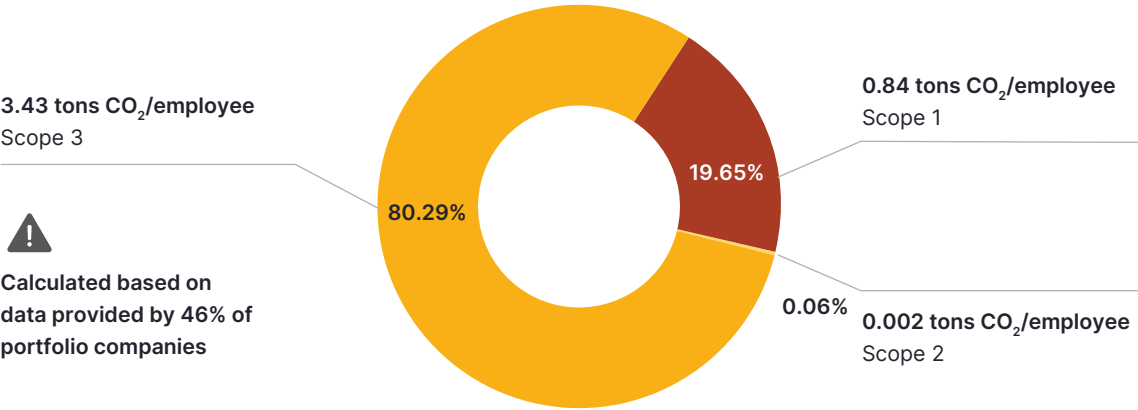
Engaging in environmental efforts

As a diversified investment fund, the carbon footprint of Small Cap portfolio companies is primarily influenced by the specific activities within each sector. The 13 companies encompass a diverse range of activities, including, for example, education, electronic recycling services, healthcare, digital services, and consumer products.

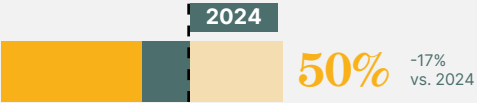
While the portfolio's emissions are less substantial compared to industrial or infrastructure funds, Cathay acknowledges the importance of reducing the carbon footprint across each of these sectors. Whether in digital services, consumer products, or medical devices, our goal is to promote sustainable and responsible practices that minimize the environmental impact of our investments.

Since 2023, Cathay has taken concrete steps to enhance climate transparency, beginning with a third-party assessment of our Scope 1 and 2 emissions. Building on this foundation, we are now extending our efforts to include Scope 3 emissions, with a particular focus on the carbon footprints of our investees. To support this initiative, we have partnered with Greenly and Skytech—global leaders in carbon management—to provide our portfolio companies with the tools and guidance needed to measure and manage their emissions effectively.

While there is still progress to be made, early signs are encouraging. As of end of Q4 2025, **46% of portfolio companies**—that is, 6 companies—**had measured their carbon footprints**. All of them provided detailed disclosures covering scope 1, 2, and 3 emissions.



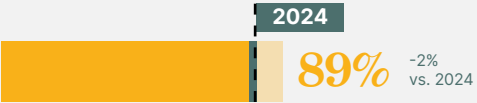
Key figures (2025)



of Small Cap companies have formalised an environmental strategy or policy.

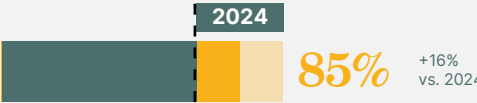
*among the 12 portfolio companies that responded to this question in Reporting21.

This decrease is explained by the changes in portfolio compared to previous year.



of Small Cap companies have implemented at least one environmental initiative on the operational level.

*among the 9 portfolio companies that responded to this question in Reporting21.



of Small Cap companies have implemented initiatives in their products and services to reduce environmental impacts.



Biodiversity

In 2025, CCPE performed a **biodiversity assessment** to better understand the impacts and dependencies of its portfolios’ direct operations and assess the materiality of the biodiversity topic for its portfolio companies. This assessment was conducted by a third-party using the ENCORE¹ and IBAT2 tools. In 2026, this analysis was extended to the entire portfolio, notably to cover recent acquisitions.

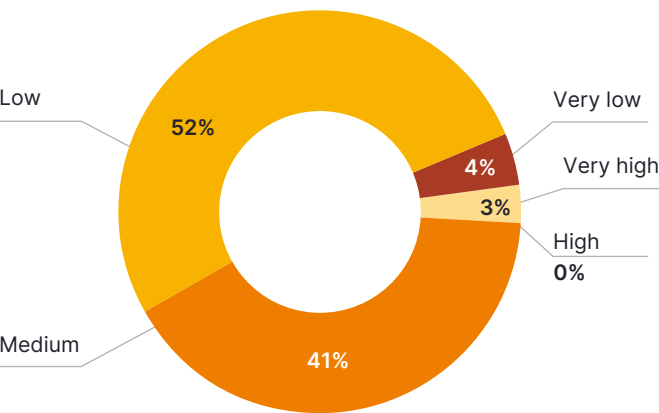
The results of these analyses indicate that **97% of portfolio companies’ activities have a very low to medium impact on biodiversity**. The main pressures portfolio companies’ activities contribute to are pollution of water and soil and resource exploitation, due to the manufacture of different products (e.g., metal and plastic products...) and the associated risk of discharge of toxic substances during production processes.

Among Small Cap’s portfolio companies having potentially high impacts on biodiversity, **two are located at close proximity with biodiversity sensitive areas or adjacent watercourse**. These companies operate mainly in Asia, with activities ranging from the manufacture of metal products to injection molding.

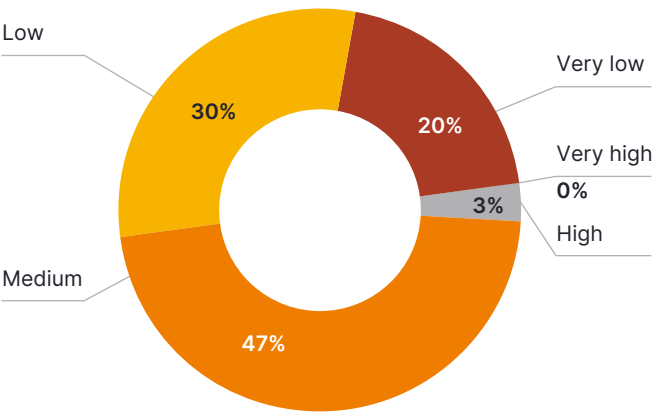
Regarding biodiversity dependency, **97% of the Small Cap portfolio has a very low to medium level of dependency** on ecosystem services.

Small Cap assets show **limited dependency** on ecosystem services. Such ecosystem services include reliance on water provisioning services mainly for manufacturing activities and regulation and maintenance services to safeguard infrastructure against extreme climate events such as floods, storms, and landslides.

Breakdown of Small Cap portfolio pressure levels



Breakdown of Small Cap portfolio dependency levels



(1) Exploring Natural Capital Opportunities, Risks and Exposure: <https://encorenature.org/>
(2) Integrated Biodiversity Assessment Tool: https://app.ibat-alliance.org/users/sign_in



Community involvement

Cathay Capital believes that in addition to providing direct benefits to local societies, community involvement has the potential to contribute to key business goals, including employee retention (i.e., boosting employees’ corporate engagement, motivation) and improved reputation.

A few examples of partnerships and mentoring programs by portfolio companies:

Focus – Giving back to society - SNOCKS

SNOCKS

SNOCKS demonstrates its commitment to social and environmental causes through a structured donation programme and targeted partnerships that connect the group’s ESG priorities to tangible community impact. In 2025, the total donation budget across the SNOCKS GROUP reached EUR 125,000 (SNOCKS: EUR 120,000; OCEANSAPART: EUR 5,000), managed centrally and focused on initiatives linked to the group’s supply chain, local communities, and environmental challenges. Key partnerships include drip by drip, a WASH programme supporting clean water access, sanitation infrastructure, and hygiene education in public schools in Pakistan -one of the group’s key sourcing countries; tip me, a platform enabling customers to directly tip garment workers, with SNOCKS matching each contribution EUR 43,003 collected since launch, reaching 1,289 workers; Café Anker, a social project in Mannheim providing support for individuals facing substance abuse challenges, funded through monthly and product donations; Pro Ocean, an organization dedicated to removing plastic waste from marine and coastal ecosystems in the Philippines, supported through monetary donations and a co-branded socks project; and FairWertung, a network of non-profit organizations collecting used textiles - in 2025, 70 pallets of product donations (primarily underwear) were distributed through Aktion Hoffnung for aid projects in Romania, Albania, and refugee camps across Europe. Every employee also receives one paid Social Day per year to engage in voluntary work.



5. Advancing our Sustainability Journey

Advancing Our Sustainability Journey

As we look towards the future, Cathay Capital Private Equity is committed to deepening its environmental and social initiatives and reinforcing its role as a player in sustainable investment. Our upcoming actions reflect both our long-term commitment to environmental and social responsibility and our strategic alignment with evolving regulatory and market expectations.



Climate Action:

measuring and reducing our carbon footprint

As we continue to expand carbon footprint assessments across our portfolio, our next objective is to turn this growing data foundation into action—by setting ambitious emissions reduction targets. This commitment will be a cornerstone of our strategy, driving ongoing improvements and adaptations to limit our climate impact. Furthermore, we will transparently report on our carbon footprint assessments and progress in our future ESG reports, reinforcing our accountability and commitment to sustainability.



Biodiversity:

establishing a framework for action

In 2025 and 2026, we have carried out a biodiversity assessment using the ENCORE and IBAT tools to screen the biodiversity impacts and dependencies of our portfolio companies. These assessments will help us determine the most relevant biodiversity KPIs for our portfolio and develop a comprehensive approach to measure and report on these metrics where relevant.

These initiatives underscore Cathay Capital Private Equity’s proactive approach to ESG: ensuring that we capitalise on emerging opportunities in environmental and social governance, meeting the growing expectations of stakeholders and, as a result, ensuring value creation for our portfolio companies and LPs.



Appendices

Appendix I: Exclusion list

Small Cap III and Small Cap IV: (LPA prohibited activities)

- Activities involving any use of forced labor or child labor;
- Activities that are illegal under the law of the host country or under international treaty, convention or regulation, in particular activities not consistent with the Kimberley Process concerning trade in diamonds and activities counter to the International Tropical Timber Organization (ITTO) agreement;
- Production of, or trade in, arms or ammunition;
- Production of, or trade in, alcoholic beverages (other than beer and wine);
- Production of, or trade in, tobacco and alternative tobacco products;
- Gaming, casinos and equivalent activities;
- Trade in wildlife and products within the scope of CITES (the Convention on International Trade in Endangered Species of Wild Fauna and Flora);
- Production of, or trade in, radioactive materials;
- Production of, or trade in, or use of, asbestos;
- Commercial deforestation or purchases of equipment for such purposes in tropical rain forests;
- Production of, or trade in, products containing polychlorinated biphenyl (PCBs);
- Production of, or trade in and storage or transport of significant volumes of dangerous chemicals, or the use of dangerous products for commercial purposes;
- Production of, or trade in, pharmaceutical products subject to international prohibition or destruction requirements;
- Production of, or trade in, pesticides or herbicides subject to international prohibition or destruction requirements;
- Production of, or trade in, ozone depleting substances subject to international destruction requirements;
- Fishing at sea with the use of floating nets of a length exceeding 2.5 km;
- Production on, or investment in, land belonging to, or claimed in an adjudication process by, an indigenous group without the duly documented agreement of that group;
- Activities contrary to applicable ADS or IFC policies (whichever is stricter in the case concerned)
- Threats to the status of individuals, leases, companies or private institutions;
- Production or distribution of, or trade in, pornographic material;
- Prostitution;
- Products and commodities subject to French or European embargo.

Appendix II: Sustainable Finance Regulation & Standards

Regulation / Framework	Short Description	How Cathay Innovation is addressing it
Sustainable Finance Disclosure Regulation (SFDR)	The SFDR's overarching goal is to foster greater transparency in the financial sector and combat greenwashing. To do so, the SFDR creates classification to evaluate the sustainability level of financial products: a. Article 9 – financial products designed to pursue a sustainable investment objective b. Article 8 – financial products that promotes environmental and social characteristics c. Article 6 – mainstream products that are not classified as article 9 or 8 The regulation also demands a greater level of transparency at both the entity and the product level. For instance, entities must now disclose their policy on integrating sustainability risks into investment decisions and will have to publish a series of aggregated sustainability KPIs (principal adverse impact) from 2023 onwards. Similarly, at the product-level, new disclosures must be included as part of pre-contractual documents and periodic reporting. Disclosure obligations depend on the financial product's classification. The SFDR applies to financial market participants, credit institutions, as well as investment firms providing portfolio management services.	Cathay Small Cap III fund is classified under Article 6 of the Sustainable Finance Disclosure Regulation (SFDR). As such, the fund is expected to disclose the following information: ⁿ - How sustainability risks are integrated into investment decisions/investment advice. ⁿ - How the fund considers its main negative impacts. Cathay Management selected the SFDR article 8 classification for its Small Cap IV fund (first closing was in Q1 2021). It is thus subject to additional disclosure requirements and published annual periodic reporting detailing: ⁿ - The environmental and social characteristics promoted by the fund and actions taken to meet them; ⁿ - Its alignment with the EU Taxonomy.
Article 29 of the Energy- Climate Law	The Article 29 of the Energy-Climate Law replaces Article 173 – VI TECV and supplements the SFDR. Published in 2021, it provides a framework for extra-financial reporting by defining the information to be published on the inclusion of ESG quality criteria in the investment policy and on the means implemented to contribute to the energy and ecological transition. As such, all asset management companies must now publish a dedicated annual report on their website.	Managing more than 500M€ euros of assets, Cathay CCPE is subject to all the elements required relating to the financial year 2025. The 2025 report was published on the ADEME platform and constitutes the fund's annual compliance by responding to its regulatory requirements.

Regulation / Framework	Short Description	How Cathay Innovation is addressing it
EU Taxonomy	The EU Taxonomy provides clear rules about which activities can be classified as sustainable. The EU Taxonomy’s overarching goal is to foster greater transparency, combat greenwashing and funnel capital to sustainable activities. The EU Taxonomy identifies activities that serve six environmental objectives: 1. climate change mitigation, 2. adaptation to climate change, 3. sustainable use of water and marine resources, 4. circular economy, 5. pollution prevention and control, 6. prevention and restoration of biodiversity and ecosystems. To be deemed ‘aligned with the EU Taxonomy’, activities must: a. be listed among the eligible activities, b. substantially contribute to at least one of the objectives mentioned above, c. not negatively impact the other objectives (do no significant harm principle), d. comply with minimum safeguards. From 2022 onwards, financial companies operating in the EU will have to report on specific KPIs related to the first two objectives of the EU Taxonomy (e.g., % of investments that are aligned with the EU Taxonomy).	As stated in Cathay CCPE’s Article 29 report, Cathay CCPE has verified the possibility to collect Taxonomy-related KPIs from investee companies. However, the information collected does not allow to draw conclusions on the alignment of the Fund’s investments with the EU Taxonomy. Consequently, no investment is qualified as Taxonomy-aligned to date.
Paris Agreement	The Paris Agreement is an international treaty on climate change which was adopted by a vast majority of countries in 2015. Its goal is to limit global warming to well below 2°C – though preferably 1.5°C – compared to pre-industrial levels. Since then, the Paris Agreement has become the reference framework when it comes to climate change. Many countries or groups of countries are using the framework defined by the Paris Agreement to guide policymaking. The EU’s Green Deal, for instance, was designed to help the union become the first climate neutral continent by 2050 – a necessary condition to keep in line with the Paris objective. The private sector is also embracing the Paris Agreement. SBTi, for instance, measures companies’ and investment funds’ decarbonization efforts against the Paris objective.	Please refer to section 4.4 for a description of the efforts deployed by Cathay CCPE to address climate change and move towards the objectives defined by the Paris Accord.

Appendix III: Cathay’s ESG & Impact Resource Hub

In 2022, we proudly unveiled the Cathay ESG & Impact Resource Hub, an innovative online platform that fosters knowledge sharing, collaboration, and practical guidance among our portfolio companies. This hub serves as a toolbox, equipping organisations with the necessary resources to swiftly and effectively implement new ESG policies and initiatives.

The Resource Hub covers a broad range of ESG topics relevant to companies, including Human Resources, Data Governance and Ethics, and Climate Action.

Furthermore, the Resource Hub is accessible to employees, supporting upskilling and ensuring that every frontline investor develops a good understanding of ESG and impact.

Overview of the content available in Cathay Innovation’s ESG & Impact Resource Hub

Cathay’s ESG & Impact Resource Hub
Becoming a purpose-driven company
→ Purpose and value creation
Learning about ESG & impact frameworks
→ UN SDGs/Formalizing and measuring impact/Getting certified/Educating employees on climate change
Upgrading the workplace
→ Governance
→ Compensation & Benefits
→ Diversity & Inclusion
→ Employee well-being
→ Sustainable workplace
Adopting a sustainable Data & AI governance
→ Data privacy/GDPR
→ Green IT
→ Green cloud
→ Unbiased algorithms
→ Ethical data annotation
→ Synthetic data
Selecting the right business partners
→ Software to assess your business partners
→ Supply chain
Acting for the environment & the climate
→ Carbon footprint analysis
→ Carbon offsetting solutions



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