



Gimv

Building leading companies.

Gimv Sustainable Finance Framework

February 2021

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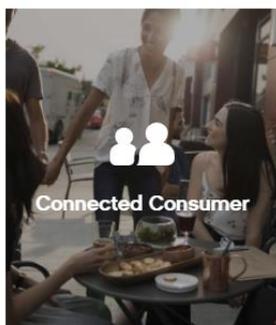
1. Sustainability at Gimv

Sustainability is high on the agenda today. Companies that offer sustainable solutions to societal challenges such as climate change or an ageing population undoubtedly have a solid starting point.

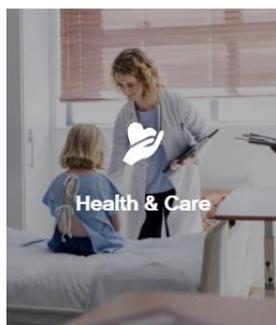
About Gimv

Gimv (www.gimv.com) is a European private equity company, listed on Euronext Brussels, that invests in ambitious companies being or wanting to become leaders in their sector. These companies provide answers to the societal challenges of tomorrow that require attention today: an ageing population, affordable and accessible health care, urbanisation, globalisation, digitalisation, mobility, sustainable food, responsible production and consumption, renewable energy, etc. They dare to look further ahead and set the bar high, keen to transform their sectors with their products and services. They believe that major social impact through innovation and pioneering goes hand in hand with sustainable growth.

Gimv has around 50 portfolio companies, with a combined turnover of EUR 2.5 billion and 14,000 employees. With 40 years' experience in private equity, Gimv currently has EUR 2 billion of assets under management.



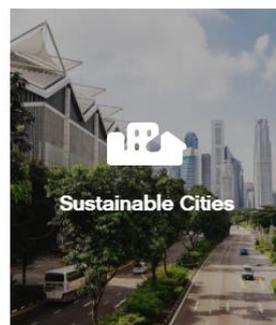
Companies that respond to current and future consumer needs and preferences



Pioneering biotechnology, innovative medical technology and leading service companies in the health & care sector



Companies that excel in their sectors through innovation and intelligent technologies



Companies that develop solutions to societal challenges such as efficient use of resources, well-conceived energy consumption, smoothly organised logistics and mobility, smart materials, etc.

Gimv is fully aware of the societal context in which it operates. Its roots already contained this DNA. Back in 1980, Gimv was founded to support Flemish companies in their growth and be a turbo-driver for Flanders' socio-economic fabric. Today, societal challenges and trends are the foundation of its platform organisation and investment focus.

Gimv's ESG approach and commitment to UN PRI and SDGs

The core of Gimv's ESG approach consists of 2 pillars:

- Gimv as a responsible company, i.e. a company composed of talent with diverse backgrounds that is aware of its ecological footprint and values highly the principles of good corporate governance and business ethics
- Gimv as a responsible investor, i.e. an investor that integrates ESG in its investment approach

United Nations Principles for Responsible Investment (UN PRI)

Gimv has the ambition to become a signatory of the UN PRI as part of its efforts to ensure that its responsible investment approach and practice remains aligned with global market practice.

Gimv's contributions towards UN 'Sustainable Development Goals' (SDGs)

Gimv's investment strategy fits seamlessly with the reference framework of the UN 'Sustainable Development Goals' (SDGs).

Together with its portfolio companies, Gimv wants to create sustainable strategic added value that goes beyond the merely financial and seeks solutions for the major economic and societal challenges of today.



Gimv's Rationale for Sustainable Financing

Gimv wants to provide institutional and retail sustainable investors access to investments in midmarket companies, whose positive impact on society comes to expression in their innovative and sustainable products and services.

Gimv believes that green, social, or sustainable finance instruments are an effective tool to channel investments to projects that have demonstrated environmental and social benefits and thereby contribute to the achievement of the SDGs. By issuing green, social, or sustainable finance instruments, Gimv intends to align its funding strategy with its mission, sustainability strategy and responsible investing objectives.

Moreover, Gimv aims to contribute to the development of the Green, Social, and Sustainable Finance market and to the growth of responsible investing. Lastly, from a stakeholder point of view, Sustainability Bonds will help Gimv to further diversify its investor base and broaden the language with existing investors. Under this Sustainable Finance Framework, Gimv has the ambition to issue green, social or sustainable finance instruments to finance and/or refinance investments in accordance with Gimv's core businesses and ESG Strategy.

2. Gimv Sustainable Finance Framework

Gimv has established this Sustainable Finance Framework under which it intends to issue green, social or sustainable finance instruments, which may include bonds (including private placements), commercial paper, loans, promissory notes (Schuldscheindarlehen) and any other green, social or sustainable finance instruments, to finance and/or refinance sustainable investments with a positive environmental and/or social benefit.

This Sustainable Finance Framework is based on the International Capital Markets Association (“ICMA”) Green Bond Principles (“GBP”) 2018 version¹, Social Bond Principles (“SBP”) 2020 version², Sustainability Bond Guidelines (SBG) 2018 version³, and Loan Market Association (“LMA”) Green Loan Principles (“GLP”) 2020 version⁴. These are sets of voluntary guidelines that recommend transparency and disclosure and promote integrity in the development of green, social or sustainable finance instruments. Any future changes in the standards mentioned above may be implemented in future versions of this Sustainable Finance Framework.

The Gimv Sustainable Finance Framework has four core components:

- 1) Use of Proceeds
- 2) Process for Project Evaluation and Selection
- 3) Management of Proceeds
- 4) Reporting

For each green, social or sustainable finance instrument issued, Gimv asserts that it will adopt (i) Use of Proceeds (ii) Process for Project Evaluation and Selection (iii) Management of Proceeds and (iv) Reporting, as set out in this Framework. The Gimv Sustainable Finance Framework also follows the recommendations of the Green Bond Principles and Social Bond Principles regarding External Review.

This Framework will apply to any green, social or sustainable finance instruments issued by Gimv and will be in force as long as any green, social or sustainable finance instrument is outstanding.

¹ To be found [here](#)

² To be found [here](#)

³ To be found [here](#)

⁴ To be found [here](#)

3. Use of Proceeds

Gimv's green, social or sustainable finance instruments will finance and/or refinance, in whole or in part, Eligible Projects. Eligible Projects (or Eligible "Investments") are investments in companies that (i) are active in or (ii) are about to align their strategy with respectively, the Green and Social Eligibility Criteria defined below, which have been prepared in accordance with the ICMA Green Bond Principles and Social Bond Principles.

Where Gimv invests in enabling companies (i.e. B2B companies making products, developing technologies or providing services that contribute to the ultimate end-user product, technology or service), the application of the principles and criteria set out in the Gimv Sustainable Finance Framework should be interpreted accordingly and in the spirit of the EU Taxonomy.

Green, social or sustainable finance instruments under this Framework will not be used to invest in companies whose products/services are primarily intended for and/or specialized in/for fossil-fuel activities/technologies.

Green Eligibility Criteria

ICMA GBP / GLP Category	Eligibility Criteria	UN SDGs	Contribution to EU Environmental Objectives ⁵
<p>Renewable Energy</p>	<p>Investments in companies that make products, develop technologies or provide services such as generation and transmission of energy from renewable sources and manufacturing of the related equipment including onshore and offshore wind energy, solar power, geothermal energy and hydro power.</p>	 	<p>EU Environmental Objective Climate Change Mitigation</p> <p>Substantial contribution to Climate Change Mitigation (Article 10): 1.a) Generating, transmitting, storing, distributing or using renewable energy in line with Directive (EU) 2018/2001, including through using innovative technology with a potential for significant future savings or through necessary reinforcement or extension of the grid</p>
<p>Energy Efficiency</p>	<p>Investments in companies that make products, develop technologies or provide services such as energy saving technologies, consumption monitoring and products or services that include or reduce the risk of the adverse impact of the current climate.</p>	 	<p>EU Environmental Objective Climate Change Mitigation Climate Change Adaptation</p> <p>Substantial contribution to Climate Change Mitigation (Article 10): 1.b) Improving energy efficiency, except for power generation activities as referred to in Article 19(3)</p>

⁵ Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending regulation (EU) 2019/2088. See [here](#)

<p>Eco-efficient and/or Circular Economy Adapted Products, Production Technologies and Processes</p>	<p>Investments in companies that make products, develop technologies or provide services that are eco-efficient and/or that contribute to a circular economy. Such companies must contribute to a substantial reduction in GHG emissions (of at least 30% reduction as an indication) when compared to a fossil fuel alternative.</p>	     	<p>EU Environmental Objective Transition to a Circular Economy</p> <p>Substantial contribution to the Transition to a Circular Economy (Article 13): 1.e) Prolongs the use of products, including through reuse, design for longevity, repurposing, disassembly, remanufacturing, upgrades and repair, and sharing product</p> <p>Many of Gimv's portfolio companies are enabling companies. Companies in this category may provide a substantial contribution to other EU Environmental Objectives as well</p>
<p>Sustainable Water and Wastewater Management</p>	<p>Investments in companies that make products, develop technologies or provide services that contribute to the protection of water resources, responsible water use and the recycling and treatment of wastewater and process water, water quality, improved water resilience and purification systems.</p>		<p>EU Environmental Objective Sustainable Use and Protection of Water and Marine Resources</p> <p>Substantial contribution to Sustainable Use and Protection of Water and Marine Resources (Article 12): 1.c) Improving water management and efficiency</p>

<p>Pollution Prevention and Control</p>	<p>Investments in companies which are focused on sustainable cities/communities and technologies that are related to the processing of organic compost/waste into energy and that make products, develop technologies or provide services such as air protection, soil remediation, waste prevention, waste reduction, waste recycling and waste to energy.</p>		<p>EU Environmental Objective Pollution Prevention and Control</p> <p>Substantial contribution to Pollution Prevention and Control (Article 14): 1.b) Improving levels of air, water or soil quality in the areas in which the economic activity takes place whilst minimising any adverse impact on, human health and the environment or the risk thereof</p>
<p>Clean Transportation</p>	<p>Investments in companies that make products, develop technologies or provide services that support clean transportation (electric, transportation and the associated infrastructure).</p>	 	<p>EU Environmental Objective Climate Change Mitigation</p> <p>Substantial contribution to Climate Change Mitigation (Article 10): 1.c) Increasing clean or climate-neutral mobility</p>
<p>Green Buildings</p>	<p>Investments in companies that focus on the development, manufacturing and distribution of products such as energy efficiency equipment for buildings, resource efficient building materials, or professional services related to energy performance of buildings.</p>	 	<p>EU Environmental Objective Climate Change Mitigation Climate Change Adaptation</p> <p>Substantial contribution to Climate Change Mitigation (Article 10): 1.b) Improving energy efficiency, except for power generation activities as referred to in Article 19(3)</p>

Social Eligibility Criteria

ICMA SBP Category	Eligibility Criteria	UN SDGs
<p>Access to Essential Services</p>	<p>Companies that make products, develop technologies or provide services whereby access to essential services such as physical or mental healthcare, elderly care and education is created, facilitated or made more universally accessible. These may include clinics and other health-care centres, emergency response and disease control services, health and medical education and emergency medical response training, healthcare and medical research, personal care, health related devices, digital healthcare, medical and diagnostic equipment, etc.</p>	
<p>Socioeconomic Advancement and Empowerment</p>	<p>Investments in companies that make products, develop technologies or provide services that support socioeconomic development of (underserved) populations/regions such as companies that contribute to the active integration, participation and advancement in the digital society of today, temporary work agencies, companies that are active in emerging markets or otherwise underserved or deprived regions, companies that focus on women and/or sexual and gender minorities, aging populations and vulnerable youth and other vulnerable groups and natural disaster relief</p>	
<p>Healthy Sustainable Food</p>	<p>Investments in companies that promote access to healthy food and/or produce and develop technologies and/or services related to healthy food and/or products that meet the nutrition needs of specific groups of people such as children, patients or elderly people</p>	

4. Process for Project Evaluation and Selection

Roles and responsibilities

This Sustainable Finance Framework is established by the Gimv Compliance & ESG Office (consisting of the Chief Executive Officer, the Chief Financial Officer, the Chief Legal Officer – Secretary General and the Compliance & ESG Manager) in close collaboration with the Gimv Investment Platform teams.

The Gimv Compliance & ESG Office is entrusted with the coordination of the ESG strategy of Gimv and – given its composition – best placed to facilitate maximum interaction between all actors involved, both inside and outside Gimv, and to ensure appropriate accountability relating to ESG matters.

As such, the Gimv Compliance & ESG Office is also responsible for:

- Coordinating the reporting obligations under this Sustainable Finance Framework as set out under chapter 6 below
- Reviewing the content of this Gimv Sustainable Finance Framework and updating it to reflect changes in corporate strategy, technology and market developments on a best effort basis
- Managing any future updates to the Framework, including expansions to the list of Eligible Categories and changes in the Green/Social/ Sustainably Bond Standards on a best effort basis, and oversee its implementation
- At any time, extending the list of green and social investments to other type of assets which provide verifiable sustainability benefits. In such case, Gimv commits to update the current Framework and to extend the set of criteria to appropriately analyse the new asset class

Gimv's Investment Platform teams will be responsible for sourcing and selecting Eligible Investments. The investment portfolio will be reviewed and evaluated by the Investment Committee of Gimv and approved by the Investment Committee or Board of Directors of Gimv in accordance with the internal governance principles as set out in the [Gimv Corporate Governance Charter](#).

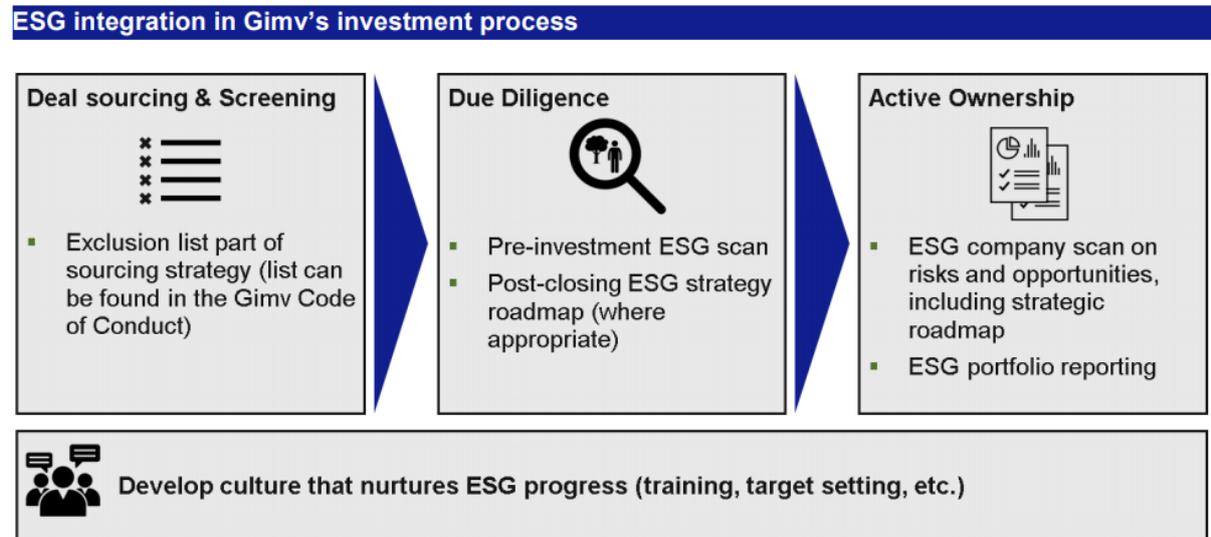
ESG integration

Gimv integrates ESG in every step of its core investment process: during screening and due diligence, during ownership and of course fundamentally, in its culture. In this context, a customized approach per Gimv investment platform is organized with the aim to provide the Gimv investment professionals with the necessary tools to integrate ESG in their daily investment activities.

Gimv's ESG strategies and policies serve as minimum standards for all business processes, including those financed with the proceeds of green, social or sustainable finance instruments issued under this Framework.

For potential new investments, Gimv will perform a pre-investment ESG scan and where appropriate develop an ESG strategy roadmap as an integral part of the post-closing action plans. The efforts with respect to ESG will be reported annually towards Gimv's board of directors. The key takeaways thereof will be shared with the stakeholders of Gimv.

To be able to screen, monitor and engage with the portfolio companies on ESG themes, Gimv uses a defined ESG methodology. This will guide Gimv in identifying relevant sustainability risks and opportunities per company and is used as a basis for its (annual) ESG reporting.



Project evaluation and selection also complies with Gimv's corporate and sustainability mission as well as with applicable national, European and international environmental standards and regulations, to ensure a stringent management of any potential negative environmental/social impacts, on a best effort basis.

Gimv has developed internal policies and guidelines that can mitigate any environmental/social risks potentially associated with green and social Eligible Projects. For example:

- The [Gimv Responsible Investing Policy](#) details how attention to ESG is integrated in the investment process as also summarized above
- During sourcing and screening of Eligible Projects, Gimv will adhere to its exclusion list included in the [Gimv Code of Conduct](#). Gimv will not invest in companies engaged in activities included on that exclusion list
- Where possible, the [Gimv Business Conduct Charter](#) can be added to the contractual framework agreed between shareholders on portfolio company level. This charter addresses fundamental topics with respect to proper business conduct, such as compliance with laws and regulations, fair competition, integrity and no bribery & corruption. A commitment to pay attention to impact on society and sustainability while conducting business, including avoiding potential negative impact (if any), is also addressed in this charter

5. Management of Proceeds

The net proceeds of the green, social or sustainable finance instruments issued under this Framework will be managed by Gimv in a portfolio investment approach.

Gimv intends to allocate the proceeds from the green, social or sustainable finance instruments to a portfolio of Eligible Projects that meet the use of proceeds eligibility criteria and in accordance with the evaluation and selection process presented above. Eligible Projects are all types of investment expenditures (both equity and debt).

In case an Eligible Project has multiple positive environmental and/or social impacts, it can be allocated to multiple categories to which the company contributes to the most (without double counting).

Gimv will strive, over time, to achieve a level of allocation to the portfolio of Eligible Projects which matches or exceeds the balance of net proceeds from its outstanding green, social or sustainable finance instruments. Additional investments will be added to the portfolio of Eligible Projects to the extent required.

Pending the allocation of the net proceeds of the green, social or sustainable finance instruments to the portfolio of Eligible Projects, all or a portion of the net proceeds may be used for the payment of outstanding indebtedness or other capital management activities.

6. Reporting

Gimv will make and keep readily available reporting on the allocation and impact of the portfolio of Eligible Projects after the first anniversary of the issuance of the green, social or sustainable finance instruments, to be renewed annually until full allocation. This report may be part of the Gimv Annual Report⁶.

Gimv intends to report on an aggregated basis for all the Gimv's green, social or sustainable finance instruments outstanding, at the level of the GBP/SBP categories.

Gimv intends to align its impact reporting with the Handbook for Harmonized Framework for Impact Reporting - December 2020⁷.

Allocation Reporting

The allocation report may provide indicators such as:

- The total amount of Gimv green, social or sustainable finance instruments outstanding
- The amount of net proceeds allocated to Eligible Projects
- The balance of unallocated proceeds
- The amount or the percentage of new financing and refinancing

Impact Reporting

The impact report may provide indicators such as (but not limited to):

GBP / SBP Category	Potential impact indicators
Renewable Energy	- Annual direct (scope 1/2) or indirect (scope 3) GHG emissions avoided (tonnes CO2)
Energy Efficiency	- Expected energy savings per year (MWh) - Annual GHG emissions avoided (tonnes CO2)
Eco-efficient and/or Circular Economy Adapted Products, Production Technologies and Processes	- Materials sourced sustainably or recycled (tonnes)
Sustainable Water and Wastewater Management	- Annual water savings (in m3)
Pollution Prevention and Control	- Annual waste prevented, minimised, reused or recycled (in m3)
Clean Transportation	- Annual GHG emissions avoided (tonnes CO2)

⁶ To be found [here](#)

⁷ To be found [here](#)

Green Buildings	<ul style="list-style-type: none"> - Annual energy savings (MWh) - Annual GHG emissions avoided (tonnes CO2)
Access to Essential Services	<ul style="list-style-type: none"> - Number of people that benefit - Target populations
Socioeconomic Advancement and Empowerment	<ul style="list-style-type: none"> - Number of jobs created or maintained - Number of people that benefit - Target populations
Healthy Sustainable Food	<ul style="list-style-type: none"> - Number of people that benefit - Target populations

7. External review

Second party Opinion

Sustainalytics reviewed the alignment of Gimv's Sustainable Finance Framework with ICMA 2018 Green Bond Principles, 2020 Social Bond Principles, 2018 Sustainability Bond Guidelines, and LMA 2020 Green Loan Principles. Sustainalytics provided a Second Party Opinion (SPO).

Annual Audit/Limited Assurance on the Allocation Reporting

Gimv intends to obtain a limited assurance report by its auditor on the allocation of the proceeds of the green, social or sustainable finance instruments outstanding.