

## ARDIAN GROUP'S RISK APPETITE STATEMENT 2019

Ardian Group's mission is "to invest responsibly and sustainably in order to create lasting value, outstanding returns and shared outcomes for our investors and partners, for our portfolio companies and their employees and for our own people". We have a conservative long-term approach to creating value that emphasizes industrial growth and strategic or operational excellence over excessive leverage and financial engineering.

Overall, we have a moderate appetite for risk. We operate in fast-moving and highly competitive markets, but aim to do so in a prudent, considered manner consistent with our mission and core values. Our external investors are predominantly institutions and qualified professionals, meaning we have limited exposure to certain legal and regulatory risks.

At fund level, we avoid investment strategies that rely on significant leverage or complex financial instruments. Our use of derivatives is restricted largely to hedging foreign-exchange and interest-rate exposures linked to the long-term nature of some fund cashflows. Our funds operate within strict guidelines that set various diversification and other limits agreed with our investors. We accept the risks that come from our ability to identify and close transactions quickly because this is one of our competitive advantages. As we expand into new asset classes and pursue new investment opportunities, we fully intend to maintain the discipline that has led to our investment success. Wherever possible we will monitor our approach to ensure that we understand key and emerging risk trends, such as the growing importance of digital technologies.

At Group level, we accept significant exposure to macro-economic risks related to the fact that most of our products are spread across several regions and industrial sectors. However, we believe that management of these interconnected risks is our essential core competency. We generate stable returns in part because we benefit

from diversification, via our different types of funds and the selected portfolio investments within them, and from our ability to manage our assets flexibly across unpredictable economic and financial cycles.

We aim at all times to maintain prudent cash balances and reserves to meet expected and unexpected demands and/or regulatory capital requirements in specific jurisdictions.

We have a particularly low appetite for risks that could threaten our reputation and we vigorously pursue the monitoring and mitigation of these risks. We continually assess our governance, our internal processes and procedures, the conduct of our directors and employees, as well as our awareness of unavoidable exposure to the actions and activities of third parties, including our fund administrators.

We accept operational risks associated with core IT systems, with data privacy and cybersecurity and with business continuity, but seek ways to mitigate these risks, including by making effective use of insurance. We are strongly committed to building and maintaining a strong compliance and risk culture, in the belief that this will considerably reduce our overall risk exposure. Our people and all those with whom we transact are vital to the good conduct of our business and we seek at all times a proper combination of fairness, incentives and vigilance.

Ardian is a fast-growing company measured by assets under management, by client and staff numbers and by geographical coverage. As we continue to expand, some of the risks we face are expected to evolve and new risks will continue to appear. We are committed to ensuring that we have the appropriate management and systems in place to manage these so that by embracing growth, we can achieve the next phase of our strategic goals.