



EURAZEO

**Progress
Report** 

2022

ABOUT THIS REPORT

The O+ Progress Report, named after Eurazeo's environmental, social and governance (ESG) strategy, is a voluntary report published each year since 2020. It highlights Eurazeo's ESG actions, achievements and impact at both Group and portfolio level. The report serves as a tool to assist stakeholders, particularly Limited Partners and portfolio companies, in monitoring the implementation of Eurazeo's ESG strategy.

To offer a comprehensive picture, this report should be read in conjunction with Eurazeo's Universal Registration Document (URD) and ESG Policies, available on eurazeo.com.

Hereinafter, "Eurazeo" or the "Group" refers to Eurazeo and its affiliates – Eurazeo SE, Eurazeo Mid Cap (EMC), Eurazeo Investment Manager (EIM), Eurazeo Funds Management Luxembourg, Eurazeo North America, Eurazeo Infrastructure Partners (EIP), Eurazeo UK Limited, Kurma Partners – unless specified otherwise. The terms "portfolio companies", "assets" and "financed companies" refer to investments made by Eurazeo.

Enjoy the read!

TABLE OF CONTENTS

■ A WORD FROM THE CO-CEOS.....	6
■ POWERING A FAIRER & MORE SUSTAINABLE SOCIETY.....	8
■ 2022 HIGHLIGHTS.....	10
■ ESG, AN IMPERATIVE FOR SUSTAINABLE PERFORMANCE.....	14
■ ACTING FOR CLIMATE.....	16
LEVER #1 INVESTING IN A LOW-CARBON ECONOMY.....	18
LEVER #2 PROMOTING DECARBONIZATION.....	24
LEVER #3 SAFEGUARDING ALL PLANETARY BOUNDARIES.....	31
■ ACTING FOR INCLUSION.....	34
LEVER #1 INVESTING IN A MORE INCLUSIVE ECONOMY.....	36
LEVER #2 PROMOTING DIVERSITY, EQUITY & INCLUSION.....	42
LEVER #3 CHAMPIONING EQUAL OPPORTUNITIES.....	48
■ REINFORCING ESG CAPABILITIES.....	50
EMBEDDING ESG THROUGHOUT THE GROUP.....	52
STRENGTHENING ESG IN THE PROCESS.....	56
HARNESSING GLOBALLY RENOWNED FRAMEWORKS & INITIATIVES.....	62
CONNECTING WITH THE INDUSTRY.....	64
■ DIVING INTO THE PORTFOLIO.....	66
ESG PROGRESS PLAN.....	68
ESG 2022 PORTFOLIO RESULTS.....	70
METHODOLOGICAL NOTES.....	84

A WORD FROM THE CO-CEOS



“The integration of ESG at the core of our business is a key differentiator for investors who entrust us with their money and for companies who entrust us with their growth”

CHRISTOPHE BAVIÈRE
CO-CEO

Integrating ESG at the core of our business model sets us apart from other Private Equity firms. We do not view ESG as an add-on; we consider it on a par with financial aspects and holistically integrate it into all our strategic and operational decisions. **The appointment of Sophie Flak, Managing Partner ESG & Digital, to the Executive Board** is a testament to this commitment. ESG is a key differentiator for investors who entrust us with their money and for companies who entrust us with their growth.

Supported by European regulation, **we have enriched our product offering in the last two years** with products that embed ESG into their very essence – in addition to fully integrating ESG into their investment processes. These thematic ESG funds finance companies that provide solutions to facilitate climate change mitigation and adaptation or enhance inclusion and are seeing good momentum on the market. We intend to introduce new products that bridge the gap between the demands of a transitioning economy, growing client expectations, and our established expertise.

On the climate front, 2022 marked a turning point in our journey to achieving carbon net neutrality by 2040. **The Science Based Target initiative (SBTi) validated our carbon reduction targets** at Group and portfolio level. In line with this, we have been actively working to engage our portfolio companies in the decarbonization of their businesses. To do so, we have rolled out a program to raise their awareness on climate issues and upskill them on decarbonization fundamentals. We are actively working on strengthening our support to portfolio companies, including providing access to carbon experts to assist them in establishing and implementing their climate strategy.

On the inclusion front, we have made good progress, reaching **a difference of only 6% between women and men** in our workforce and maintaining a diverse Supervisory Board. We do our utmost to increase the representation of women in our investment teams (35%) and at senior management roles (32%) and have set a new objective to reduce the unadjusted gender pay gap to 13% by 2030. At portfolio level, we continue to promote more inclusive practices among companies and encourage them to set ambitious targets.

As ESG issues become increasingly strategic and regulated, we have put a priority on **accelerating training to upskill employees and portfolio companies** on ESG matters. We have also reinforced our network of ESG external experts and created an ESG data hub to digitize and maximize the quality of ESG indicators. Finally, our practice of integrating ESG objectives in variable compensation has been extended to the investment teams of our Funds classified as Article 9 (SFDR), building on our previous success.

As a pioneer and leader in responsible investment, Eurazeo sets an example, as testified by **its excellent and above-median industry ratings** and its recent inclusion into the CAC SBT 1.5° index. Our ESG commitments are ambitious, and we strive to continuously step up our efforts to maintain the highest ESG standards.

Together, let's Power Better Growth.



“We do not view ESG as an add-on; we consider it on a par with financial aspects and holistically integrate it into all our strategic and operational decisions”

WILLIAM KADOUCH-CHASSAING
CO-CEO

POWERING A FAIRER & MORE SUSTAINABLE SOCIETY

Managing ESG considerations and integrating them at the core of the business model helps **anticipate market trends and identify future-proof companies** that create value. This has been Eurazeo's strongly held belief for nearly 15 years, setting the Group apart as a pioneer with a solid reputation for its ESG performance.

In 2020, Eurazeo launched its new ESG strategy named O⁺, structured around **two flagship commitments**: achieving carbon net neutrality (O) and fostering a more inclusive society (+) so as to contribute to the emergence of a fairer and more sustainable society. The O⁺ strategy binds the Group and its portfolio companies, making it a **significant driver of transformation**.



CLIMATE

ACHIEVING CARBON NET NEUTRALITY

INCLUSION

FOSTERING A MORE INCLUSIVE SOCIETY

LEVER #1

Investing in solutions

Financing companies that contribute to climate change mitigation and adaptation through their businesses, products, or services. Eurazeo seeks investment opportunities that significantly reduce or avoid greenhouse gas emissions.

Financing companies that contribute to social inclusion through their businesses, products or services. Eurazeo is currently focusing on investment opportunities in healthcare, which is critical in bolstering social well-being.

LEVER #2

Accompanying transitions

Promoting decarbonization at Group and portfolio level to meet the goals set out in the Paris Agreement. Eurazeo has set ambitious carbon reduction targets for itself and its portfolio companies, for 2025 and 2030, which have been validated by the Science Based Targets initiative (SBTi).

Promoting diversity, equity and inclusion at Group and portfolio level, including all types of diversity, broader access to healthcare coverage and greater profit-sharing. Eurazeo has set itself ambitious targets and strongly encourages its portfolio companies to follow suit.

LEVER #3

Extending the commitment

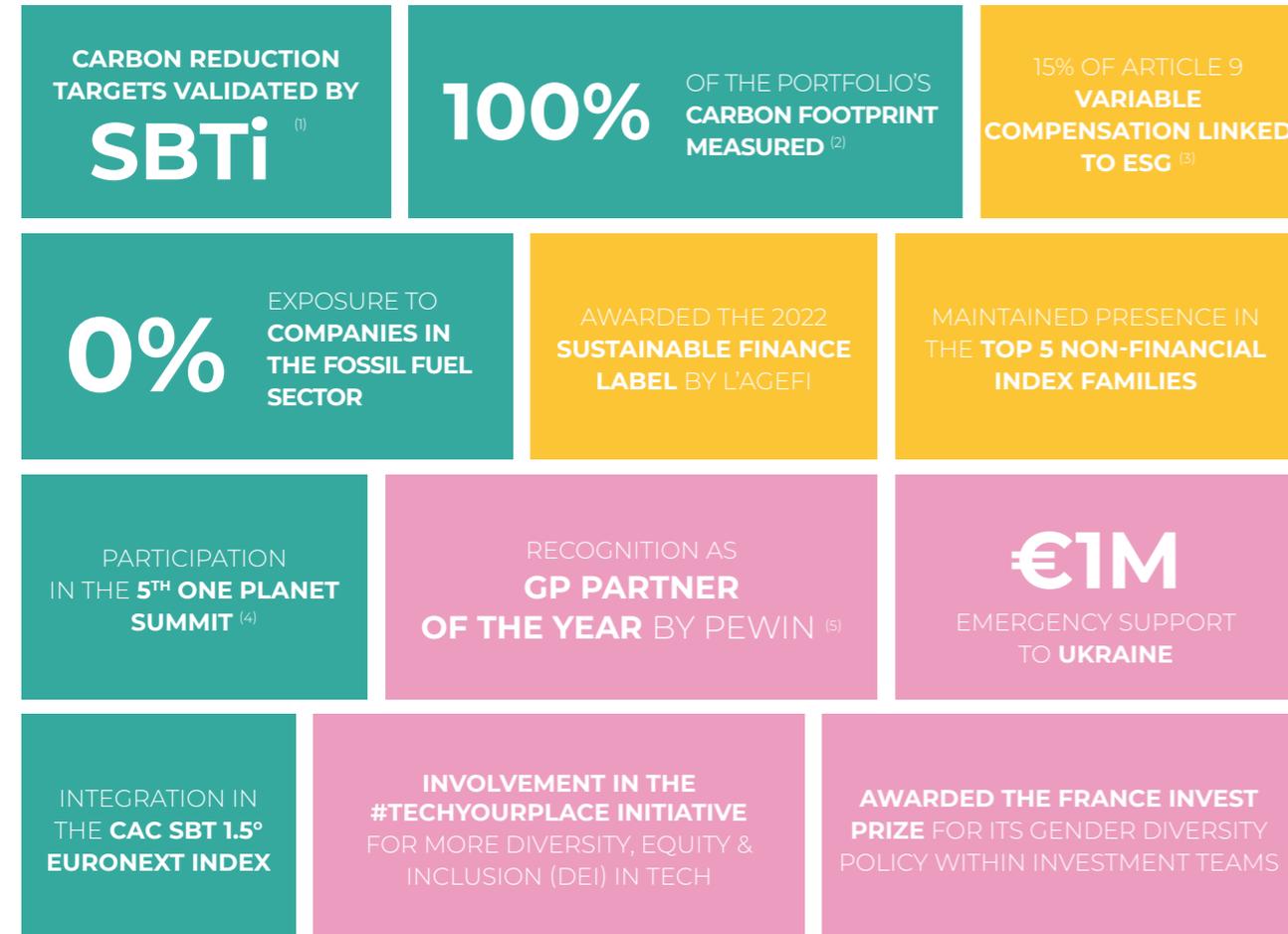
Championing the safeguarding of planetary boundaries. To broaden its consideration of environmental challenges, Eurazeo is committed to analyzing the materiality of planetary boundaries for its portfolio companies and formalizing progress plans. A strategy is already in place for biodiversity.

Championing equal opportunities through philanthropic initiatives that reach beyond the Group's frontiers. Eurazeo leans into projects that foster youth protection and education, and strengthens its pledges every year to achieve greater societal impact.

2022 HIGHLIGHTS

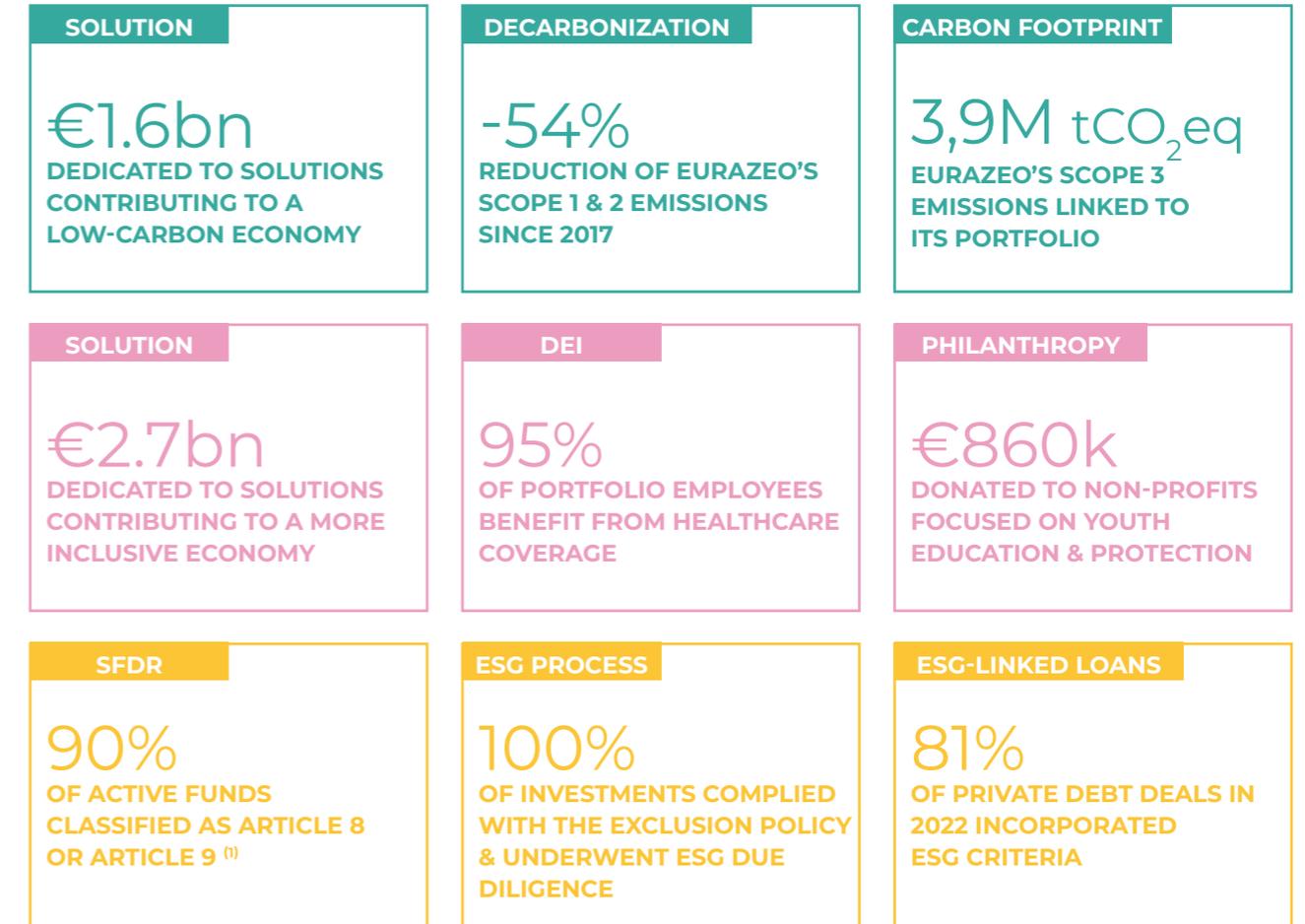
Achievements, awards & initiatives

Climate Inclusion ESG investment process



(1) Science Based Targets initiative. (2) Scope 1, 2 & 3 emissions, excluding Private Funds Group. (3) According to the Sustainable Finance Disclosure Regulation (SFDR) classification. (4) As member of the One Planet Summit Sovereign Wealth Fund. (5) Private Equity Women Investor Network.

Key ESG indicators



(1) As per the Sustainable Finance Disclosure Regulation (SFDR). Funds being raised or in the investment phase. Excluding Private Funds Group (PFG). Source: Eurazeo, data at December 31st, 2022.

Global recognition of ESG performance

NON-FINANCIAL INDEX FAMILIES

Eurazeo is the only listed investment group to be included in **five non-financial index families**: Ethibel, Euronext Vigeo, MSCI ESG & Climate Indexes, Stoxx ESG Leaders Indices and FTSE4Good. In December 2022, in recognition of its Science Based Target initiative (SBTi) commitment, Eurazeo was incorporated into the new Euronext CAC® SBT 1.5° non-financial index.

 <p>Solactive Europe CSR SINCE 2014</p>	 <p>ESG Leaders Low Carbon Climate Transition Climate Awareness Climate Impact Climate Change SINCE 2017</p>
 <p>Vigeo Europe 120 CAC® SBT 1.5° SINCE 2016</p>	 <p>Socially Responsible World Climate Change SINCE 2017</p>
 <p>All World SINCE 2017</p>	



EURONEXT CAC® SBT 1.5°

This index includes companies whose carbon reduction targets have been validated by the Science Based Target initiative (SBTi). It requires companies to pledge to both reduce their Scope 1 & 2 emissions by at least 50% by 2030 and start reducing their Scope 3 emissions in line with the goals set out in the Paris Agreement.

Last update: January 2023.



“At Eurazeo we strive to maintain the highest ESG standards. We are proud that these efforts are recognized year after year by our stakeholders”

PIERRE BERNARDIN
HEAD OF INVESTOR RELATIONS

ESG RATINGS

As a pioneer and leader in responsible investment, Eurazeo sets an example as a company. Its strong commitments and steady progress in ESG were once again acknowledged in 2022, with excellent and above-median industry scores.



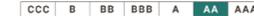
Maintaining
HIGHEST SCORES⁽¹⁾

★★★★★
Investment & Stewardship Policy
Greater than the module median (3 stars)

★★★★★
Private Debt – Fixed Income (direct)
Greater than the module median (4 stars)

★★★★★
Private Equity (direct)
Greater than the module median (4 stars)

★★★★★
Private Equity (indirect)
Greater than the module median (3 stars)

MSCI ESG RATINGS **AA**

Maintaining the AA RATING
 2021 Rating: AA

SUSTAINALYTICS
Improving to LOW RISK
 Greater than the "Medium Risk" industry average
 2021 Rating: "Medium Risk"

CDP DISCLOSURE INSIGHT ACTION
Improving to A- RATING
 Greater than the industry average (B-)
 2021 Rating: B

Moody's ESG Solutions
Improving to 66/100
 Greater than the industry average (34/100)
 2021 Rating: 65/100

(1) As part of the latest annual PRI assessment: 2021 using 2020 data on the four assessment modules related to Eurazeo's businesses. In 2021, the alphabetic grades from A+ to E were replaced by numeric grades ranging from 1 to 5 stars. The use by Eurazeo of any MSCI ESG research LLC or its affiliates ("MSCI") data, and the use of MSCI logos, trademarks, service marks or index names herein, do not constitute a sponsorship, endorsement, recommendation, or promotion of Eurazeo by MSCI. MSCI services and data are the property of MSCI or its information providers and are provided 'as-is' and without warranty. MSCI names and logos are trademarks or service marks of MSCI.

ESG, AN IMPERATIVE FOR SUSTAINABLE PERFORMANCE

Environmental, social and governance (ESG) issues are part of our daily lives and are becoming increasingly prevalent. Faced with dogmatic statements, media slogans and conflicting injunctions, it can be challenging to make sense of it all. It is a complex subject, but its societal and economic implications are such that they can no longer be ignored or underestimated: **it is imperative to understand what is at stake.**

What seemed somewhat theoretical to companies a decade ago is now very real, and affects their business and their value. It is no longer possible to consider future performance without taking into account the constraints posed by this new world. Thus, it is necessary to understand ESG developments with precision and accuracy to be resilient and successful.

But let's be clear: **acting effectively in this new world cannot be improvised**, experience makes the difference. We are proud to be one of the leaders in responsible investment for over 15 years. Our ESG expertise allows us to select future-proof companies, anticipate risks (fiduciary, regulatory and reputational), and work with our portfolio companies to set ambitious goals. It is no longer just a matter of raising awareness, but of accompanying them in integrating ESG issues into their business.



IS +4°C A SIGNIFICANT TEMPERATURE INCREASE?

Consider the last glacial maximum, which was the coldest period our planet experienced about 20,000 years ago. During this time, much of the world was covered in ice, and it was possible to travel from one continent to another on foot. And yet, the temperature difference was only about -6°C compared to today... This shows that even a small change in temperature can have a significant impact. Thus, a temperature increase of +4°C would lead to significant warming globally.

On the climate front, we have made a strong commitment to achieve carbon net neutrality by 2040 at the latest. We have committed as early as 2020 to defining decarbonization targets in line with the goals set out in the Paris Agreement. To guarantee the seriousness of our work, we use the Science Based Target initiative (SBTi), the world's benchmark methodology. **2022 marks the validation of our decarbonization pathway.** Our SBTi commitment binds the Group and the portfolio companies and is aligned with the 1.5°C scenario.

The result of all our efforts is a portfolio that is not only resilient but also positioned to benefit from this new economic order. It does so by financing companies that provide solutions to facilitate climate change mitigation and adaptation and to improve social inclusion. I am confident that together we have the ability to make a difference: Eurazeo, by engaging its 590 portfolio companies in a concrete ESG approach, and each investor, by continuing to make responsible investment choices.



“ It is no longer possible to consider future performance without taking into account the constraints posed by this new world ”

SOPHIE FLAK

MEMBER OF THE EXECUTIVE BOARD
MANAGING PARTNER ESG & DIGITAL

ACTING FOR **CLIMATE**

Global warming poses increased risks to health, food security, water supply, personal safety and economic development. The activities of companies and their entire value chain are directly affected by the degradation of ecosystems, scarcity of resources and multiplication of natural disasters, to name but a few. Everyone must make it a priority to do what they can to further the fight against climate change. Eurazeo is actively involved in a global movement to bring about carbon net neutrality, which it seeks to achieve by 2040 at the latest by activating the three levers detailed hereafter.

LEVER #1 INVESTING IN A LOW-CARBON ECONOMY

Eurazeo finances companies providing “solutions” that facilitate climate change mitigation and adaptation through their businesses, products, or services.

The Group seeks investment opportunities that **significantly reduce or avoid greenhouse gas emissions**, in sectors such as electric mobility, thermal insulation, the circular economy, alternatives to animal proteins, hydrogen, substitutes for chemical fertilizers, etc.

This is illustrated by Eurazeo’s portfolio companies, and more specifically its three dedicated funds: Eurazeo Transition Infrastructure Fund, Eurazeo Sustainable Maritime Infrastructure and Eurazeo Smart City Venture Fund II.

In total, these solutions represent:

€1.6
BILLION

The €1.6 billion corresponds to companies identified as having a business, products or services that contribute to a low-carbon economy across all of Eurazeo’s investment activities (Private Equity, Private Debt and Real Assets), calculated on the basis of their valuations as of December 31st, 2022. Examples of companies are given for illustration purposes, non exhaustive list.

PRIVATE EQUITY - GROWTH

BackMarket DESCARTES

Vestiaire Collective **i-PULSE**
HighPowerSystems

PRIVATE EQUITY - VENTURE

FORSEE
POWER sunfire

 *
meteo
swift

PRIVATE DEBT

BIKELEASING
www.bikeleasing.de **OMNI-PAC**
GROUP

THE RISE OF SUSTAINABILITY TECH ENTREPRENEURS

Sustainable technology is currently attracting such high valuations that it justifies a word of caution to any less experienced investors looking to jump into a hot market. **Sustainable tech is a young but broad investment category**, covering a vast array of digital solutions designed to address the many aspects of ESG high on the corporate and political agenda.

Europe has emerged as the cradle of this exciting new sector for three main reasons—there is a new generation of motivated and experienced entrepreneurs with a sharp eye for opportunities; there is a groundswell of demand from both consumers and also regulators; and **the current “polycrisis” of the pandemic, the war, and climate change is acting as a strident wake-up call**, almost as if the planet itself were trying to force us, in spite of ourselves, to live our lives in a more sustainable way.

However, despite the high level of interest, the rush of early-stage funds into the sector has been pushing valuations for young and often untested companies very high. Newcomers to sustainability investing may not have acquired sufficient knowledge and experience to identify which trends are likely to last, nor do they have the scientific and technical background needed to identify genuine sustainability solutions **from “greenwashing” gimmickry, or short-term exploitation of regulatory loopholes**. Sustainable technology is still in its infancy.



Ultimately, **the best of this new wave of European sustainability tech entrepreneurs will emerge as global leaders** in a sector that will itself prove of crucial importance to the future of the planet. Picking those winners could be the most significant investment decision each of us will ever make.

POINT OF VIEW

Transition to sustainable infrastructure

Energy, industry, transport and buildings account for over **85% of European CO₂ emissions**⁽¹⁾. Infrastructure therefore has a central role to play in decarbonizing the economy.

The purpose of the Eurazeo Transition Infrastructure Fund (ETIF) is to accelerate the transition toward a low-carbon economy by making sustainable investments in the **energy and digital transition**. Depending on the asset financed, the Fund either monitors the actual volume of CO₂ equivalent avoided or seeks to enhance the commitment with a view to meeting the goals set out in the Paris Agreement. The Fund also encourages its investments to align their activities with the EU Taxonomy criteria.

It is estimated that over a six-year period, the companies in which ETIF has invested in will contribute **to avoid over: +1M tCO₂e.**



From left to right: Laurent Chatelin, Partner – Infrastructure team, Elise Dupuy Vaudour, Chief Operating Officer – Infrastructure team, Audrey Lambry, Climate Manager – ESG team.

(1) Source: McKinsey (2020) and Eurostat (2019) reports. (2) Sustainable Development Goals as defined by the UN.

Fund Factsheet

- **Fund name:** Eurazeo Transition Infrastructure Fund
- **Expertise:** Real Assets - Infrastructure
- **SFDR Classification:** Article 9
- **Contribution to SDGs**⁽²⁾:
- **Portfolio:**



Data as of 31/12/2022

A SNAPSHOT OF 2023

In February, ETIF made its fourth investment in Etix Everywhere, a French company operating a network of edge data centers in regional locations, through which it addresses the challenge of incorporating sustainability considerations into the operation of data centers.

RESOURCE: A GAME-CHANGER FOR DANISH PLASTIC WASTE

Eurazeo and Quantafuel⁽¹⁾ have joined forces in July 2022 to establish ReSource, the **first large scale plastic waste sorting facility** in Denmark. This greenfield project provides a local solution to authorities and industrial companies.

It will operate a modern sorting equipment and will have the capacity to receive and process around 160,000 tons of plastic waste per year. The construction of ReSource started in September 2022 and **the plant is expected to be operational in early 2024**, turning plastic waste into a valuable resource and contributing to a more circular and sustainable future. It is estimated that over 6 years, ReSource will **contribute to avoid c.500kt of greenhouse gas emissions.**



“By increasing the recycling rate of plastics, Resource saves twice on carbon emissions, firstly by not incinerating plastics and secondly by not producing new plastic out of oil”

MARTIN SICHELKOW
MANAGING DIRECTOR
INFRASTRUCTURE



PLASTIC WASTE IN DENMARK

Today, around 85% of Denmark's plastic waste is either incinerated or exported to Germany. Denmark has set ambitious targets to increase plastic sorting and recycling: it is expected that 60% of municipal plastic waste will be recycled by 2025 and 80% of plastic that is currently incinerated will undergo sorting prior to incineration by 2030.

(1) Founded in 2007 and headquartered in Oslo, Quantafuel is a technology-based recycling company converting plastic waste back into low-carbon synthetic oil products replacing fossil oil feedstock.

INSIDE THE PORTFOLIO

Decarbonization of the maritime sector

The maritime sector alone accounts for **2.5%-3.0% of global GHG emissions** ⁽¹⁾, which is why it is critical to take action in this industry. Launched with the support of the European Investment Fund (EIF), the Eurazeo Sustainable Maritime Infrastructure Fund aims to support and accelerate the **ecological and energy transition of the maritime industry** in line with the decarbonization trajectory set out by the International Maritime Organization (IMO).

To do so, it focuses primarily on **vessels contributing directly to the ecological transition** based on lower GHG emissions achieved through using more sustainable technologies; **adapting port facilities and infrastructure** to make them more innovative and sustainable; and financing assets that support the **development of offshore renewable energies**.



From left to right: Sylvain Makaya, Partner – Asset-based Finance team, Daniel Emersleben, Investment Director – Asset-based Finance team, Audrey Lambry, Climate Manager – ESG team.

(1) Source: European Commission (figures for the year 2018, equivalent to 1 076 million tons of CO₂).

Acceleration of smart cities

Cities consume 78% of the world's energy and **produce more than 60% of GHG emissions** ⁽¹⁾. Positioned at the intersection of digital technologies and the renewable energy transition, Eurazeo Smart City Fund II supports technology companies favoring more sustainable and livable cities. It aims to help cities accelerate their transition and strengthen their resilience by investing in the most promising start-ups in the fields of energy, mobility, proptech, logistics and industry. The Fund is committed to investing in a majority of impact-driven companies and a methodology was developed together with its investors to track and report on the Fund's impact.

Eurazeo Smart City Fund II invests in innovative **companies that facilitate the rapid transformation of cities** for the benefit of their residents and businesses. The Fund is serving the megatrends that have been greatly fast-tracked and amplified by the multiple crisis experienced in recent years. These megatrends include energy transition, new impact technologies for businesses, municipalities and city dwellers, clean and shared mobility, more flexible and efficient supply chains, new construction technologies and more efficient industries.

The Fund currently has eight investments, the most recent of which, 1KOMMA5°, was finalized in early 2022. 1KOMMA5° is **a leading multinational one-stop-shop for CO₂-neutral homes**. The planning is already delivering several hundreds of millions of euros run rate in profitable revenues from the sales of solar, charging and heat pumps to homeowners. Fifteen months after its start, the company is operative in Germany, Sweden, Finland and Australia.

(1) Source: McKinsey (2020) and Eurostat (2019) reports. (2) Part of the portfolio contributes to these SDGs.

Fund Factsheet

- **Fund name:** Eurazeo Sustainable Maritime Infrastructure
- **Expertise:** Private Debt - Asset-based Finance
- **SFDR Classification:** Article 9
- **Contribution to SDGs:**
- **Portfolio:**



Financing a jack-up vessel through sale and lease-back for a subsidiary of Harren & Partner.

Data as of 31/12/2022

A SNAPSHOT OF 2023

In February, **Eurazeo announced joining forces with Société Générale** to support the sustainable transition of the maritime sector. The underlying idea is to enable shipowners to transition towards a greener future by setting up a sale and leaseback scheme.

Fund Factsheet

- **Fund name:** Eurazeo Smart City Fund II
- **Expertise:** Private Equity - Venture
- **SFDR Classification:** Article 8
- **Contribution to SDGs** ⁽²⁾:
- **Portfolio:**



Data as of 31/12/2022

LEVER #2

PROMOTING DECARBONIZATION

The ambitious objective of achieving carbon net neutrality by 2040 applies to Eurazeo as a whole. Consequently, the decarbonization pathway is implemented at both Group and portfolio level.

Measuring the carbon footprint

Eurazeo measures its carbon footprint according to the GHG Protocol, which provides an international framework for accounting and measuring GHG emissions. In 2022, Eurazeo's carbon footprint amounted to 3,958k tCO₂, broken down as follows:

Scope 1 & 2 79 tCO₂eq ⁽¹⁾

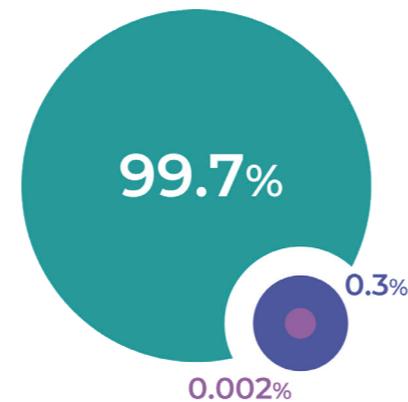
Direct and indirect greenhouse gas emissions related to energy consumption in Eurazeo's Paris, Berlin, Frankfurt, Luxembourg, New York, Seoul, Singapore, Madrid, London, and Shanghai offices with a permanent staff of 421 employees (compared to 338 in 2021).

Scope 3 13k tCO₂eq

Indirect GHG emissions related to goods and services purchased by Eurazeo (category 1 ⁽²⁾) and business travels (category 6). In 2023, Eurazeo equipped itself with a tool to assess and monitor its GHG emissions generated across other categories of Scope 3 in the future.

Scope 3 3,945k tCO₂eq

Indirect GHG emissions related to its investments (category 15). The GHG assessment covers Scope 1, 2, and 3 emissions of the portfolio companies ⁽³⁾ and is calculated on a pro-rata basis of the current net asset value of the companies in Eurazeo's portfolio.



⁽¹⁾ Scope 2 was assessed according to the market-based emission calculation method, taking into account the company's supply contracts and other contractual instruments such as Energy Attribute Certificates (EAC). ⁽²⁾ According to the GHG Protocol. ⁽³⁾ Based on monetary emission factors related to the company's sector of activity (taken from the CDP database and applied based on revenue). Excluding Private Funds Group (PFG). Source: Eurazeo, data as of 31/12/2022.

Reducing the carbon footprint

TARGETS VALIDATED BY SBTi

Back in 2020, Eurazeo committed to the Science Based Targets initiative (SBTi) – the leading initiative to help companies decarbonize their activities. It has done so to ensure decarbonization occurs in sufficient proportions and at the pace required by the goals set out in the Paris Agreement to limit the temperature rise to 1.5°C. With SBTi, Eurazeo was able to set "science-based targets", i.e. greenhouse gas (GHG) emissions reduction objectives aligned with recommendations made by the international scientific community. The scope of its commitment was defined according to existing SBTi methodologies. **These targets were officially validated by SBTi in February 2022.**

At Group level

Eurazeo offices worldwide:

55%

GREENHOUSE GAS EMISSIONS REDUCTION (SCOPE 1 & 2) IN ABSOLUTE TERMS BY 2030 (BASELINE YEAR: 2017)

At portfolio level

Real Estate portfolio:

60%

GREENHOUSE GAS EMISSIONS REDUCTION PER SQUARE METER BY 2030 (BASELINE YEAR: 2021)



80%

RENEWABLE ELECTRICITY ANNUAL SOURCING BY 2025 (9% IN 2017)

Eligible ⁽¹⁾ Private Equity portfolio:

100%

WITH SBTi VALIDATED TARGETS BY 2030, WITH AN INTERIM TARGET OF 25% INVESTED CAPITAL BY 2025

⁽¹⁾ The targets cover eligible investment activities in line with SBTi methodologies: Private Equity and Real Assets. Methodologies for debt, funds of funds and infrastructure are still under development.



PROGRESS IN DELIVERING SBTi TARGETS

Eurazeo significantly reduced its Scope 1 and 2 emissions between 2021 and 2022, from 180 tCO₂e to 79 tCO₂e, (56% decrease) by significantly increasing its renewable electricity supply. The Group's offices in Paris and London have had **green electricity contracts** since 2021 and 2022, respectively. In offices in Europe and the US where the Group has no control over the supply contract, Eurazeo has purchased **Guarantees of Origin (GOs)** and **Renewable Energy Certificates (RECs)** to cover its electricity consumption ⁽¹⁾. As a result, since 2017 (baseline year), Eurazeo has reduced its Scope 1 and 2 GHG emissions by 54% in absolute terms, **close to its 55% target**, and increased its electricity consumption from renewable sources from 9% to 97%, **exceeding its annual target of 80%**.

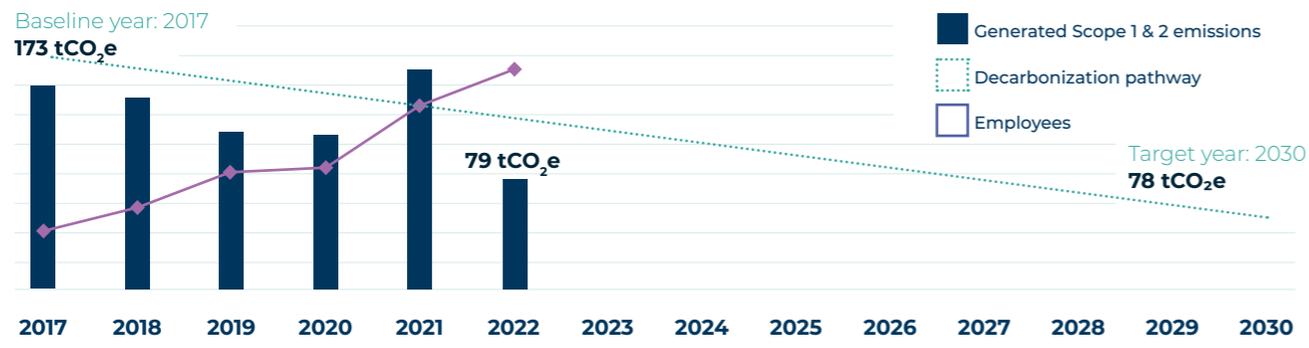
At Group level

-54%

REDUCTION IN ABSOLUTE TERMS IN SCOPE 1 & 2 EMISSIONS BETWEEN 2017 & 2022

97%

ELECTRICITY CONSUMPTION FROM RENEWABLE SOURCES IN 2022



(1) The French environment agency Ademe defines the GO as "an electronic document that exists in all countries of the European Union allowing the consumer to have the guarantee of the production of electricity from renewable energies." The REC is the US equivalent of the GO.

Eurazeo actively supports its portfolio companies to **enhance their knowledge** about decarbonization and the efforts they must undertake, as well as **develop climate action plans** in line with the goals set out in the Paris Agreement.

In early 2022, Eurazeo reinforced the **climate module of its ESG reports** for portfolio companies, including:

- Their carbon footprint across Scope 1, 2, and 3 emissions, using real data if available or estimated through proxies otherwise.
- Their carbon intensity in tons of CO₂ equivalent per million euros of revenue.
- An illustrative science-based decarbonization pathway, financially valued using the shadow price of carbon.

In 2022, Eurazeo also designed a program to assist portfolio companies in **establishing and implementing their climate strategy** involving:

- Thematic workshops to raise their awareness and develop their skills with respect to climate issues.
- Live webinars led by industry experts to introduce them to a step-by-step guide to decarbonization and the SBTi process.
- A selection of digital tools and partners at preferential rates to take action and render their approach concrete.

In addition, Eurazeo **provides a range of resources, tools and methodologies** through Connect, its digital platform open to all portfolio companies, and **organizes working sessions to offer tailored support** along the decarbonization journey.

(1) Excluding Private Funds Group (PFG). Of which 38% using real data (vs. 31% in 2021) and 62% using proxy data based on turnover (when available). (2) Changes in the methodology, please refer to the methodological section page 84

At portfolio level

100%

WITH A SCOPE 1, 2 & 3 CARBON FOOTPRINT ⁽¹⁾

40%

IMPLEMENTED CARBON REDUCTION INITIATIVES

vs. 49% in 2021 ⁽²⁾

2%

COMMITTED TO SBTi TO SET SCIENCE-BASED TARGETS

Newly set indicator in 2022

CRANIAL TECHNOLOGIES: A MAJOR STEP TOWARDS DECARBONIZATION

In late 2022, driven by Eurazeo's ambitious decarbonization targets, **Cranial Technologies committed to SBTi**, thereby demonstrating the highest level of ambition in setting its science-based greenhouse gas (GHG) emissions reduction targets with a view to decarbonizing its activities **in line with the goals set out in the Paris Agreement**. This commitment is the first of five main steps to complete the SBTi process.

Cranial Technologies is the **leading manufacturer and provider of cranial helmets** used to treat infants with plagiocephaly and brachycephaly. Also known as the flat head syndrome, the condition develops when a baby's head becomes flattened in one area due to repeated pressure on one part of the head and affects around 1 in every 5 babies. To date, Cranial Technologies has cared for over 300,000 babies using their FDA-approved Dynamic Orthotic Cranioplasty Band (DOC Band®).



“The commitment made by Cranial Technologies to set science-based carbon reduction targets is both a huge challenge and a historic milestone for the company. It sets an example for other major US organizations to follow, regardless of the industry”

ERIC SONDAG
CO-HEAD
MID-LARGE BUYOUT



EURAZEO CAPITAL V

Eurazeo has held a majority stake in Cranial Technologies since early 2022 through one of its Mid-large Buyout funds. Eurazeo invested in the company to support its expansion throughout the US and the rest of the world by increasing awareness, expanding its clinical locations and extending its product offerings into complementary business lines.

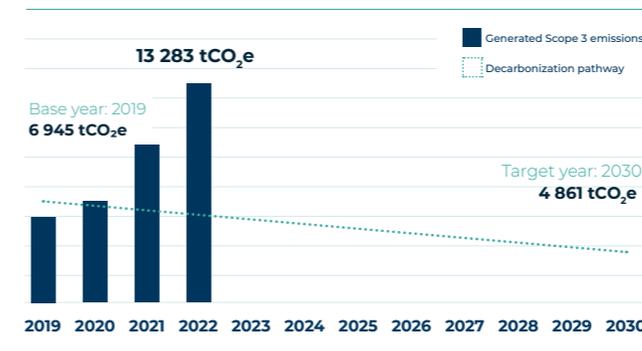
INSIDE THE PORTFOLIO

TARGETS AND PROGRESS BEYOND THE SBTi COMMITMENT

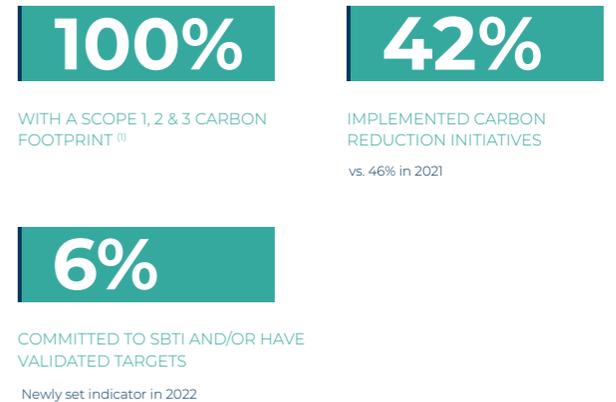
The Scope 3 emissions generated by **business travels** as well as the **products and services purchased** by the Group are not included in the SBTi commitment scope as they have reduced materiality in Eurazeo's Scope 3 compared to the emissions of its portfolio companies. However, as part of its responsible investor approach, Eurazeo has set a target to **reduce these emissions by 30% in absolute terms** by 2030 relative to 2019 (taking into account the Group's growth). To this end, Eurazeo is working on designing and implementing a carbon budget by team, as well as setting up a carbon monitoring program with its main service providers.

Are also excluded from the commitment Eurazeo's Scope 3 emissions related to **portfolio companies that do not meet the eligibility criteria** provided by SBTi and/or **for which SBTi methodologies are still under development** (debt activities, funds of funds, and infrastructure). However, as part of its responsible investor approach, Eurazeo actively encourages companies in these investment activities to **implement carbon reduction initiatives** and **set decarbonization targets** for their Scope 1, 2, and 3 emissions and to this end provides an array of tools, resources, and methodologies.

At Group level



At portfolio level



(1) Excluding Private Funds Group (PFG). Of which 34% using real data (vs. 43% in 2021), 66% using proxy data based on turnover (when available).

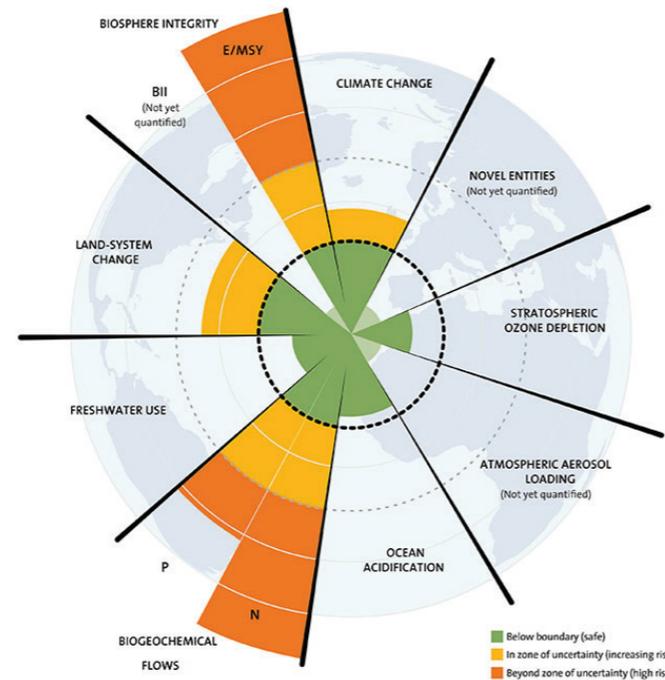
THE CONCEPT OF PLANETARY BOUNDARIES

Planetary boundaries are limits within which we must maintain the Earth to **ensure its resilience and stability**, so that it remains a suitable habitat for the human species.

For each (with the exception of atmospheric aerosol loading), one or more control variables have been determined to measure the state of the Earth. These indicators make it possible to define **science-based targets** for developing human and business activities within a framework compatible with the balance of the Earth's ecosystem.

Today, scientists have concluded that **six of these limits have been exceeded**. The consequences are not all known, but the further away we get from the limit, the more serious they are. For example, in the case of global warming, we know that it leads, among other things, to an increase in the occurrence of extreme weather events.

Based on these nine planetary limits, companies will have to work in a coherent and coordinated manner on **five major, closely related issues**. These are the fight against global warming, the preservation of biodiversity, the responsible management of water, the development of sustainable agricultural practices and the responsible management of chemical products.



The international team led by Johan Rockström of the Stockholm Resilience Center to identify the 9 planetary limits, explained and quantified in the publication 'A safe operating space for humanity' (Rockström, J., Steffen, W., Noone, K. et al. Nature 461, 472-475 (2009)).

FOCUS

LEVER #3 SAFEGUARDING ALL PLANETARY BOUNDARIES

Aware that environmental considerations go beyond the challenges related to global warming alone, **Eurazeo is committed to aligning its activities with respect to all planetary boundaries**. In practice, this involves analyzing the materiality of these planetary boundaries for companies financed by Eurazeo and formalizing progress plans where necessary. In 2022, Eurazeo focused its efforts on the planetary boundary related to biodiversity erosion.

Biodiversity strategy

OBJECTIVES

Biodiversity refers to **all living beings and the ecosystems in which they live**. The erosion of biodiversity is a growing concern as it plays a key role in climate regulation, absorbing around half the carbon emissions generated by human activities.

Eurazeo has defined **a strategy to help protect and restore biodiversity**. By 2030, the Group aims to have a formalized action plan in line with the Convention on Biological Diversity ⁽¹⁾ for 100% assets identified as presenting a high biodiversity challenge.

This strategy was established according to the principles of the **Science Based Targets for Nature methodology** developed by the Science Based Targets Network (SBTN), the "equivalent" of SBTi for setting scientific objectives with regard to nature. As such, the biodiversity commitment scope was set according to the same criteria as the decarbonization commitment scope, i.e., eligible companies in Private Equity and Real Estate.

(1) The Convention on Biological Diversity's main objectives are "the conservation of biological diversity, the sustainable use of the components of biological diversity and the fair and equitable sharing of the benefits arising out of the utilization of genetic resources".

At portfolio level

100%

OF ELIGIBLE ASSETS WITH A HIGH BIODIVERSITY CHALLENGE WILL HAVE A FORMAL ACTION PLAN BY 2030 LATEST, IN LINE WITH THE OBJECTIVES OF THE



Convention on Biological Diversity

PROGRESS

Eurazeo began to integrate biodiversity considerations into ESG due diligence nearly 10 years ago, in particular by identifying dependencies on natural raw materials and major impact areas of an investment target on biodiversity.

At the beginning of 2022, Eurazeo decided to **strengthen this analysis by partnering with a specialist provider**. A detailed analysis was carried out on the investments of the Small-mid Buyout and Mid-large Buyout funds.

Mainly drawing on data from the Exploring Natural Capital Opportunities, Risks and Exposure (ENCORE ⁽¹⁾) database, the Group was able to measure the level of dependence of each company on 21 ecosystem services and the level of pressure broken down into 11 impact factors. These results form the essential preliminary basis for developing personalized progress plans for each company, where applicable.

In addition, Eurazeo was named **co-manager for the France Invest working group "GT Biodiversity - subgroup II"** since its launch in early 2022 and thus contributes to its work to determine the most appropriate methodology for private equity. In this context, Eurazeo proposed to one of its portfolio companies that is sensitive to biodiversity issues to participate in a pilot project. The biodiversity impact of 32 agricultural raw materials is currently being evaluated using the Global Biodiversity Score (GBS ⁽¹⁾) metric

Furthermore, Eurazeo identifies **the companies in its portfolio that have a negative impact on sensitive biodiversity areas** through the Principal Adverse Impact (PAI) indicator n°7 ⁽²⁾. It aims to measure the share of investments whose sites and operations are located in or near sensitive biodiversity areas, where the activities of these companies have a negative impact on these areas. This information is collected as part of the annual ESG reporting campaign. However, this result should be treated with caution as this indicator has been newly integrated into the reporting framework.

Breakdown of portfolio dependencies ⁽²⁾



Using real data from Eurazeo's portfolio companies.

Pression on biodiversity ⁽²⁾

	Company 1	Company 2	Company 3	Company 4	Company 5
Water pollutants	Very Strong	Strong	Medium	Weak	Very Weak
Soils pollutants	Very Strong	Strong	Medium	Weak	Very Weak
Solid waste	Very Strong	Strong	Medium	Weak	Very Weak
Disturbances	Very Strong	Strong	Medium	Weak	Very Weak
Water use	Very Strong	Strong	Medium	Weak	Very Weak
Non-GHG pollutants	Very Strong	Strong	Medium	Weak	Very Weak
Use of terrestrial ecosystems	Very Strong	Strong	Medium	Weak	Very Weak
Use of marine ecosystems	Very Strong	Strong	Medium	Weak	Very Weak
Use of freshwater ecosystems	Very Strong	Strong	Medium	Weak	Very Weak
GHG emission	Very Strong	Strong	Medium	Weak	Very Weak
Other use of resources	Very Strong	Strong	Medium	Weak	Very Weak
Level of impact	Very Strong	Strong	Medium	Weak	Very Weak

Using real data from Eurazeo's portfolio companies.

At portfolio level

4%

OF PORTFOLIO COMPANIES HAVE ACTIVITIES THAT NEGATIVELY AFFECT BIODIVERSITY SENSITIVE AREAS

(1) Exploring Natural Capital Opportunities, Risks and Exposure is an online tool that allows users to identify significant risks to the natural capital of a given business sector and assess these risks by location, based on current environmental data. (2) For illustration purposes.

(1) Global Biodiversity Score is a tool developed by CDC Biodiversité that allows companies and financial institutions to measure their biodiversity footprint. (2) Principal Adverse Impacts are "significant or potentially significant adverse effects on sustainability that are caused, aggravated by or directly related to investment decisions and advice provided by the legal entity" as defined by the Sustainable Finance Disclosure Regulation (SFDR).

ACTING FOR INCLUSION

Inequalities continue to grow globally, as reflected in the numerous national movements around social, environmental or identity issues. They have been further exacerbated by the Covid-19 pandemic, the war in Ukraine, inflation, and the impact of climate change. Eurazeo can have a multiplier effect in bringing about a fairer, more equal and cohesive society because it can act not only on its direct scope but also on the companies in its portfolio. Eurazeo believes it can accelerate the transition toward a more inclusive society by activating the three levers detailed hereafter.

LEVER #1 INVESTING IN A MORE INCLUSIVE ECONOMY

Eurazeo invests in **companies that provide "solutions" to enhance social inclusion** through their businesses, products or services. Eurazeo places particular emphasis on the **healthcare sector**, which is key in improving social well-being and economic development.

The Group finances companies that undertake reindustrialization, relocation, R&D and innovation, telemedicine, or digitalization projects in the healthcare sector.

This is illustrated by Eurazeo's portfolio companies, its specialized Nov Santé Actions Non Cotées fund and through Eurazeo's stake in Kurma Partners.

In total, these solutions represent:

€2.7
BILLION

The €2.7 billion correspond to companies identified as having a business, products or services that contribute to a more inclusive economy across all of Eurazeo's investment activities (Private Equity, Private Debt and Real Assets), calculated on the basis of their valuations as of December 31st, 2022 and the amounts raised but not called. Examples of companies are given for illustration purposes, non exhaustive list.

PRIVATE EQUITY - GROWTH



PRIVATE EQUITY - MID-LARGE BUYOUT



PRIVATE EQUITY - VENTURE



PRIVATE DEBT



HEALTHCARE: ADDRESSING CHALLENGES, UNLOCKING OPPORTUNITIES

Whether by funding the development of new gene therapies to target severe, rare diseases, leveraging data analytics to optimise the design of clinical trials or improving primary care, **investments in healthcare contribute to solving major health issues**. However, the healthcare industry also faces significant ESG challenges that need to be addressed.

Access to care, affordability, and quality are pressing issues driven by demographic change, technological advancements, and increasing demand for quality care. **Disparities in healthcare access and outcomes** across countries and regions are also linked to socioeconomic factors, and there is a shortage of skilled professionals in the industry, leading to overworked staff and longer waiting times for patients. The industry also has high dependencies to and **impact on climate and biodiversity**. Healthcare contributes over 4% of global CO₂ emissions, with only 20% of companies having emission-reduction targets!

To protect their license to operate and ensure business longevity and resilience, companies to take proactive steps. Engaging with our portfolio companies to **implement ESG actions is at the top of our agenda** and, even where we do not have a controlling position in companies, we still promote strong ESG practices.

The healthcare sector also presents ESG opportunities, such as increasing demand for sustainable and socially responsible healthcare products and services. **Innovation in areas such as digital health and telemedicine** offers opportunities to improve care delivery efficiency and quality. The sector's resilience limits the downside, making it attractive for investment in an uncertain macro environment.

Overall, as an investor across the whole healthcare value chain, there is a unique opportunity for Eurazeo to **drive positive change in the healthcare industry** while also capitalizing on its growth potential.



“Our transverse Healthcare team is strongly positioned to identify, finance, accelerate and support companies that invent and reinvent themselves”

OLIVIER MILLET
MEMBER OF THE EXECUTIVE BOARD
MANAGING PARTNER - SMALL-MID BUYOUT & NOV SANTÉ

FOCUS

Strengthening French health sovereignty

Nov Santé Actions Non Cotées was launched in early 2021 at the initiative of *France Assureurs* and *Caisse des Dépôts* in the context of the Covid-19 pandemic. The Fund seeks to **finance French companies** that enhance collective health and well-being with the aim of **strengthening the sovereignty of the French healthcare system**. It takes minority stakes in SMEs or ETIs which contribute to:

- Improving health around major public health issues and in particular prevention and personal services,
- Strengthening the healthcare sector across the entire value chain including R&D, production, distribution of goods and services such as digital health,
- Relocating research and production in France and the European Union.

As such, **the Fund received the “Relance” label** from the French government.



From left to right: Arnaud Vincent, Managing Director – Healthcare team, Leslie Auriol, Inclusion Senior Specialist – ESG team, Asnen Cassam-Chenai, Principal – Healthcare team.

Fund Factsheet

- Fund name:** Nov Santé Actions Non Cotées
- Expertise:** Private Equity - Healthcare
- SFDR Classification:** Article 9
- Contribution to SDGs:**
- Label:** labelRelance[®]
- Portfolio:**

GRUPE
NOVAIR
imapôle

GRUPE PSIH
SEQENS

HORUS

Data as of 31/12/2022

MAJOR PUBLIC HEALTH ISSUES ADRESSED BY THE FUND

- Autonomy of health systems
- Innovation and competitiveness
- Prevention
- Chronic diseases
- Ageing of the population
- Inequality of access to care
- Reorganization and efficiency of health systems

NOV SANTÉ ACTIONS NON COTÉES: INVESTMENTS MADE IN 2022

IMAPÔLE

Medical imaging group

There is currently a major deficit in the supply of care in medical imaging, despite growing demand. In response to this issue, Imapôle has digitalized and integrated artificial intelligence solutions to improve the quality of radiologists' work while increasing their productivity and the reliability of diagnosis. Imapôle is also renowned for the early detection and diagnosis of major diseases, in particular by implementing AI solutions to detect lung cancer, breast cancer and endometriosis.

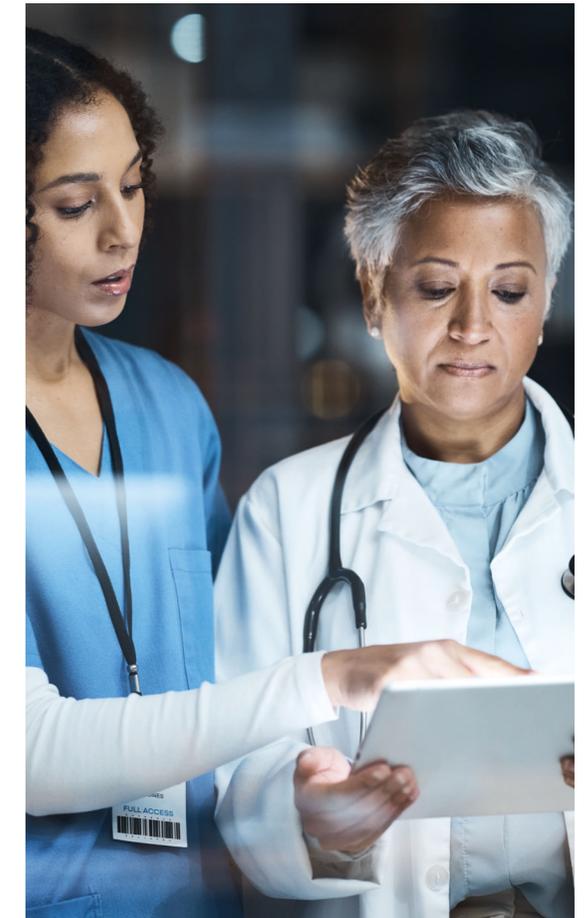
Imapôle addresses the following major public health issues: prevention, inequality of access to care and reorganization and efficiency of health systems.

HORUS PHARMA

Pharmaceutical laboratory

Horus Pharma has established itself as a leading player in ophthalmology by offering a comprehensive portfolio of more than 40 drugs, medical devices and food supplements for vision, eye and eyelid disorders. Through its product ranges, Horus Pharma addresses conditions where prevalence increases with age, such as AMD, cataracts, dry eyes, etc. In parallel, Horus Pharma has recently launched a range of products to treat glaucoma, a chronic eye disease caused by damage to the optic nerve.

Horus Pharma addresses the following major public health issues: chronic diseases and ageing of the population.



INSIDE THE PORTFOLIO

■ Driving innovation in health

Kurma Partners is a management company specialized in healthcare, based in France and operating throughout Europe. With more than €700M assets under management and six funds currently being raised or deployed, **Kurma Partners is a solid player in financing innovation** in the biotech and health tech sector, from pre-seed to growth capital.

Eurazeo raised its stake in Kurma Partners in 2021 up to 70.6%, bringing its operational support and leveraging its international network to support its transformation into one of Europe's leading forces driving innovation in healthcare. At the same time, **Eurazeo became a cornerstone investor in Kurma Partners' funds.**

2022 was marked by the first closing of the Kurma Growth Opportunities Fund at €160M, focused on late stage/growth capital companies in the fields of therapeutics, diagnostics, digital health, MedTech and Life Science Tools.



Thierry Laugel, Managing Partner
Kurma Partners



Rémi Droller, Managing Partner
Kurma Partners

Fund Factsheet

- **Fund name:** Kurma Growth Opportunities Fund
- **Expertise:** Private Equity - Healthcare
- **SFDR Classification:** Article 8
- **Contribution to SDGs:**
- **Portfolio:**



Data as of 31/12/2022

KURMA GROWTH OPPORTUNITIES FUND: INVESTMENTS MADE IN 2022

■ GERMITEC

Ultrasound probes high-level disinfection

Germitec is a global healthcare firm that designs and markets UV-C disinfection systems for ultrasound imaging probes. Through their innovative devices, Germitec simplifies the lives of healthcare professionals in terms of safety, time and responsibility. The company is awaiting FDA clearance for its products with the aim of entering the US market.

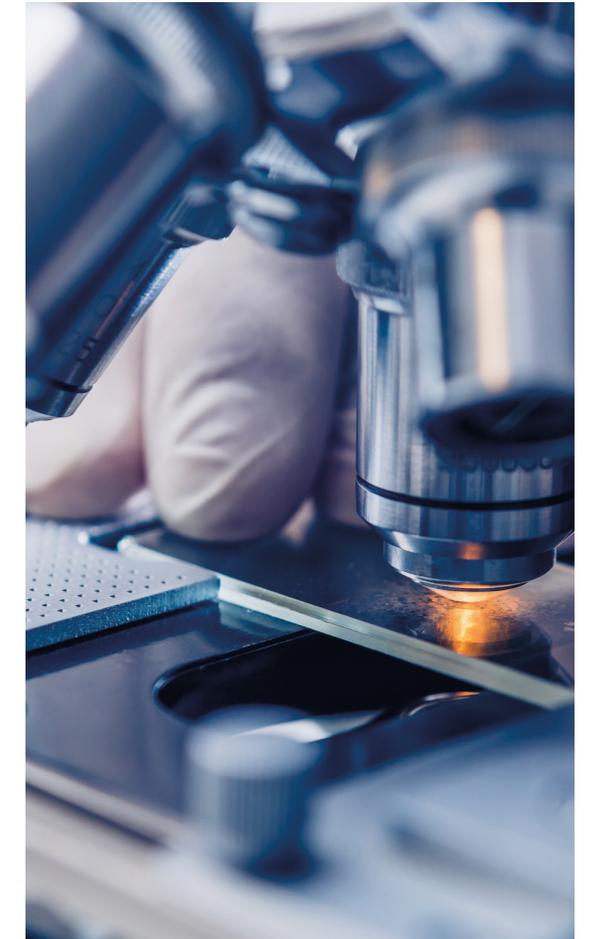
In 2020, Germitec won the 2020 Prix Galien, for the Hypernova Chronos, which was named "best medical device".

■ IMCHECK THERAPEUTICS

Immuno-oncology antibodies

ImCheck Therapeutics is designing and developing novel immunotherapeutic antibodies with the aim of bringing essential innovative treatments to patients, starting with the fight against certain types of cancers. It has solid expertise in antibody-based drug discovery and translational research, which has enabled advances in immuno-oncology.

ImCheck Therapeutics is part of the FT120, which seeks to support the growth of technology leaders and innovative companies that contribute to France's global influence.



INSIDE THE PORTFOLIO

LEVER #2 PROMOTING DIVERSITY, EQUITY & INCLUSION

Eurazeo encourages the implementation of **more inclusive and fairer practices within the Group and the companies in its portfolio**. Its efforts focus on (but are not limited to) three priority areas: fostering all types of diversity, broadening access to healthcare coverage and promoting greater sharing of the value created. Eurazeo has published a Diversity, Equity & Inclusion (DEI) Charter and a DEI Policy on its website early 2022, which details the measures implemented across the Group.

Fostering diversity

In 2020, Eurazeo's Executive Management team set a number of **quantitative objectives to pursue through 2030**, reflecting the Group's high level of ambition regarding gender diversity and demonstrating a resolute commitment to fostering a culture of inclusion and equity. These objectives are designed to ensure that Eurazeo's workforce is diverse and representative, and that all team members are empowered to contribute to their full potential.

Eurazeo's Human Resources team defined **specific guidelines to ensure gender diversity and equity** in its recruitment process and regarding its co-parental and maternity leave policy. Moreover, it rolls out regular initiatives including awareness raising, training courses and mentoring. After working hard to promote gender diversity, Eurazeo aims to extend the scope of its actions to diversity in all its forms, particularly regarding the LGBTQIA+ community.



PROPORTION OF WOMEN IN INVESTMENT TEAMS

In 2022, Eurazeo was recognized by France Invest as "the GP company that leads the most active policy in terms of actions to increase the proportion of women in its investment teams". Women make up 35% of Eurazeo's investment teams (and 57% of new recruits) higher than the PE industry average of 20% ⁽¹⁾.

(1) According to the BVCA/Level 20 Diversity & Inclusion Survey 2021

At Group level

2030 OBJECTIVES

2022 RESULTS ⁽²⁾

Reduce the difference between both genders in the entire workforce to less than 20%



DIFFERENCE BETWEEN WOMEN AND MEN ACROSS EURAZEO'S PERMANENT WORKFORCE ✓

Ensure the Supervisory Board comprises ≥ 40% of the least represented gender



OF EURAZEO'S SUPERVISORY BOARD MEMBERS ARE WOMEN ⁽³⁾ ✓

Ensure the least represented gender occupies at least 40% in Executive teams



OF EURAZEO'S SENIOR MANAGEMENT ROLES ARE HELD BY WOMEN ⁽⁴⁾ HIGHER THAN THE PE INDUSTRY OF 10% ⁽⁸⁾

Achieve a score of ≥ 85/100 on the Gender Diversity Index (*Pénicaud-Schiappa* ⁽⁵⁾)



GENDER EQUALITY INDEX FOR EURAZEO SE ⁽⁶⁾ HIGHER THAN THE 75/100 MINIMUM GOVERNMENT THRESHOLD ✓

Reach an unadjusted gender pay gap of 13% (*newly set objective*)



UNADJUSTED GENDER PAY GAP FOR EURAZEO ⁽⁶⁾ LOWER THAN THE 31% AVERAGE FOR FINANCIAL SERVICES SECTOR IN FRANCE ⁽⁷⁾

(2) Data as of as of December 31st, 2022. (3) Excluding nonvoting members and employee representatives. (4) Amongst Managing Partners, Partners, Managing Directors and Corporate Teams Directors. (5) The *Pénicaud-Schiappa* index is a French regulatory requirement. (6) Excluding Kurma Partners. (7) Source: European Commission, Eurostat, Table 2: The unadjusted gender pay gap by economic activity (%), 2021. (8) According to the BVCA/Level 20 Diversity & Inclusion Survey 2021.

Moreover, the Group has been actively contributing to working groups, networks, research and conferences. **Eurazeo connects and partners with peers and trade associations** to raise awareness and develop good ESG practices across the ecosystem. In 2022, Eurazeo joined the #TechYourPlace initiative, partnered with Mozaik RH and deepened its existing partnerships with the Private Equity Women Investor Network (PEWIN), France Invest, Level 20 and the Institutional Limited Partners Association (ILPA).



Eurazeo encourages its **portfolio companies to develop and strengthen their diversity practices**, including to ensure a minimum of 40% of the least represented gender in the various management bodies—one of the 20 key ESG actions, known as the O* Essentials, to implement. At end-2022, 20% of portfolio companies had at least 40% of the least represented gender in their first decision-making body. There is room for progress in a portfolio that is very diversified in terms of asset classes and company sizes.

At portfolio level

48%

OF EMPLOYEES ARE WOMEN ACROSS PORTFOLIO COMPANIES

vs. 36% in 2021

20%

OF PORTFOLIO COMPANIES WITH MIN. 40% OF THE LEAST REPRESENTED GENDER IN THEIR 1ST DECISION-MAKING BODY

vs. 12% in 2021



DIVERSITY BEYOND GENDER

To meet the growing demands of US Limited Partners, the Group has strengthened its DEI approach in the US to now include indicators relating to diversity beyond gender, in accordance with ILPA's recommendations.

DIVERSITY: A BUSINESS IMPERATIVE & STRATEGIC ADVANTAGE

Diversity has become a crucial business imperative in Europe, as forward-thinking companies recognize the significant benefits it brings to driving growth in today's globalized and competitive markets. Embracing diversity is no longer just a moral obligation, **it is a strategic advantage and a driver for value creation.**

Diverse teams bring together **a wide range of perspectives, experiences, and ideas**, leading to more creative and innovative solutions. When employees from different backgrounds collaborate and share their unique insights, it sparks creativity and generates fresh ideas, which can lead to breakthrough products, services, and business strategies. In today's competitive business landscape, companies need **to attract and retain top talent to stay ahead**, which in turn promotes creativity, collaboration, and high-performance teams, leading to increased productivity and better business outcome. It also enables to create an inclusive culture where employees from all backgrounds feel valued, included, and empowered. This helps attract and retain a diverse workforce.

In addition, diversity **enhances customer relationships**. Having a diverse workforce that reflects the diversity of the customer base can help companies better understand and connect with their customers. This can result in increased customer loyalty, improved customer satisfaction, and ultimately, higher sales and profits.

Companies that prioritize diversity and create inclusive workplaces are better positioned to drive growth, outperform their competitors, and create a positive impact on society. Embracing diversity is not just the right thing to do, but it is also **a smart business strategy for sustainable success** in today's dynamic and diverse business environment.

At Eurazeo, we have long recognized this and have made it **an integral part of our ESG strategy O***. The Group has been accelerating on this front to enhance social inclusion for itself, and actively encourages its portfolio companies to follow suit.



POINT OF VIEW

■ Broader access to healthcare coverage

Fundamental though it is, health coverage—mandatory or otherwise—as established by various states, is (still) not provided systematically and does not meet the same quality standards everywhere. Eurazeo is committed to ensuring that all its employees all around the world benefit not only from health insurance but also life and disability insurance.

Eurazeo also actively encourages companies in its portfolio to **ensure their employees have appropriate social coverage** (and to promptly take necessary measures if they do not). This forms one of the 20 O+ Essentials to implement. At the end of 2022, 95% of people employed by the Group's portfolio companies were covered by health and/or life/disability insurance.



At Group level

100%

OF EMPLOYEES COVERED BY HEALTH AND LIFE/DISABILITY INSURANCE

Alike 2021 (100%)

At portfolio level

95%

OF EMPLOYEES COVERED BY HEALTH AND/OR LIFE/DISABILITY INSURANCE

vs. 92% in 2021



EQUAL ACCESS TO CARE

In early 2022, Eurazeo carried out an engagement campaign among its US portfolio companies to make them change their health benefits policy so as to ensure equal access to health services for all their U.S.-based employees, regardless of where they live. Notably, if care is not available within 100 miles, insurance policies should cover travel and treatment costs.

■ Greater sharing of the value created

Likewise, the degree of value sharing by companies with their employees (voluntary or state-mandated schemes) varies considerably from one country and sector to another. Eurazeo is committed to providing all its employees with access to the value created by the Group.

This is done notably through **profit-sharing or participation agreements** (depending on the entities) and distribution of free shares every year in order to more closely associate employees with the development and performance of Eurazeo. In addition, in 2021, Eurazeo carried out a **capital increase reserved for employees**, in which 91% of eligible employees opted in.

Furthermore, Eurazeo encourages portfolio companies to ensure that at least 75% of their employees benefit from a profit-sharing scheme, regardless of the mechanism put in place. This forms one of the 20 O+ Essentials to implement. At the end of 2022, 46% of employees of portfolio companies benefited from a profit-sharing scheme.



PRIVATE EQUITY FOR ALL

Eurazeo has been committed to democratizing private equity for 20 years, convinced that individuals should have access to the same opportunities as institutional investors. Eurazeo has reinforced its wealth offering and at end-December 2022 had €2.8 billion in AUM on behalf of over 120,000 individuals.

At Group level

100%

OF EMPLOYEES ARE ELIGIBLE TO AT LEAST ONE PROFIT-SHARING SCHEME

Alike 2021 (100%)

At portfolio level

46%

OF EMPLOYEES BENEFITED FROM A PROFIT-SHARING SCHEME

vs. 53% in 2021

LEVER #3 CHAMPIONING EQUAL OPPORTUNITIES

Rooted in its commitment to bring about a more inclusive society, Eurazeo's philanthropic approach is fully in line with its desire to **reduce social divides** and promote equal opportunities.

This approach, which dates back to 2004, centers around protecting and educating young people. It includes combating poverty and exclusion, defending human rights and furthering medical research. Each year, the Group reinforces its commitment to **increase its societal impact**. In response to emergency situations, Eurazeo mobilizes funds to support organizations operating in the field and working with vulnerable groups.

In 2022, Eurazeo provided **active support to 19 non-profit organizations** from France and abroad (compared with 17 in 2021), donating €860,000 (compared with €800,000 in 2021)¹. In addition to financial support, the teams were involved throughout the year in organizing initiatives for the non-profits they represent.

NON-PROFITS SUPPORTED IN 2022



Emergency support to Ukraine

In light of the **economic and human impact of the war in Ukraine**, Eurazeo mobilized €1,000,000 to help the Ukrainian people, including Ukrainian employees of its portfolio companies. Eurazeo's donation helped non-profits to:

- **Deliver immediate humanitarian assistance in the conflict zone**, including basic necessities and goods, psychological support and emergency shelter.
- **Advocate for the population and refugee protection** including the respect of human rights and access to humanitarian assistance.
- **Organize transportation for refugees** along safe escape routes and accommodation at arrival.
- **Coordinate the collection and distribution of essential goods**, including hygiene products, clothes, educational kits and toys.
- **Assist students** by welcoming them in universities and providing them with living allowances and study scholarships.

NON-PROFITS



PORTFOLIO COMPANIES



€12M+

ALLOCATED TO NON-PROFITS SINCE 2004

45+

NON-PROFITS SUPPORTED SINCE 2004

2020

CREATION OF THE EURAZEO ENDOWMENT FUND

Data at December 31st, 2022. (1) Excluding emergency support.

REINFORCING ESG CAPABILITIES

ESG is at the heart of Eurazeo's strategy, setting it apart from other private equity firms. As ESG issues become more strategic and increasingly regulated, it is critical that Eurazeo's stakeholders have their interests aligned, work toward the same objectives and have the tools, methodologies and resources available to do so. As such, it is necessary to continuously enhance the investment process, regularly train employees including executives, maintain a cutting-edge network of ESG external experts and be equipped with the finest tools.

EMBEDDING ESG THROUGHOUT THE GROUP

A state of the art ESG governance

ESG is represented at the highest levels of Eurazeo's governance. A CSR Committee was created within the **Supervisory Board** in 2014 to support the Board's thoughts and views on ESG topics, anticipate risks and opportunities, and make recommendations on the Group's ESG strategy. It is currently composed of Mrs. Mathilde Lemoine, Mr. Roland du Luart and Mrs. Stéphane Pallez and is chaired by Mr. Emmanuel Russel representing JCDecaux Holding SAS ⁽¹⁾.

ESG is also represented on the **Executive Board** by Sophie Flak, Managing Partner ESG and Digital, who was appointed to the Executive Board in early 2023. Her main duties in regard to ESG involve defining and deploying Eurazeo's ESG strategy, developing new sustainable investment products, engaging with stakeholders and overseeing the ESG team.

Eurazeo has set up a **dedicated ESG team** in 2008, currently composed of six full-time members. Its main role is to ensure the proper implementation of the ESG strategy within the Group and its investments.



The ESG team, composed of, from left to right: Leslie Auriol - Inclusion Senior Specialist, Sophie Flak - Managing Partner ESG & Digital and Member of the Executive Board, Audrey Lambry - Climate Manager, Marième Diack - ESG Coordinator, Margaux Girard - ESG Specialist, Audrey Le Bourdier - ESG Analyst.

(1) Following the decision of the Supervisory Board meeting of March 7, 2023.

An internal network of ESG delegates

Since 2021, the ESG team has been supported by **ESG delegates in each investment team**. As key contact points for the ESG team, they coordinate ESG activities within their team in order to facilitate the deployment of ESG progress plans and strengthen synergies. Beyond their involvement in Eurazeo's operations, some of them also sit on committees and/or take part in roundtables or workshops set up by trade associations.

PRIVATE EQUITY					PRIVATE DEBT			REAL ASSETS		
BUYOUT		HEALTHCARE			DIRECT LENDING			INFRASTRUCTURE		
										
ERWANN LE LIGNÉ	ALEXANDRE BRET	AMANDINE AYREM	ASNEN CASSAM-CHENAI	KATRIEN SWERTS	MAXIME DE ROQUETTE BUISSON	EMMANUELLE TANGUY	SORIANO ABOUZ	ELISE DUPUY VAUDOUR		
MANAGING DIRECTOR	DIRECTOR	MANAGING DIRECTOR	PRINCIPAL	NEW VENTURE DIRECTOR	MANAGING DIRECTOR	INVESTMENT DIRECTOR	INVESTMENT DIRECTOR	CHIEF OPERATING OFFICER		
Small-Mid	Small-Mid	Mid-Large	Nov Santé	Kurma Partners ⁽¹⁾	Direct Lending and Leveraged Loans	Direct Lending and Leveraged Loans	Corporate Financing	Infrastructure		
GROWTH		BRANDS	VENTURE	PRIVATE FUNDS GROUP		ASSET-BASED FINANCE			REAL ESTATE	
										
ZOÉ FABIAN	ADRIANNE SHAPIRA	DAMIEN FIETTA	SOPHIE BARDSLEY	THÉO CHARPENTIER	DANIEL EMERSLEBEN	DAMIEN BOULANGEAT	RICCARDO ABELLO	BENOIT DESSOLAIN		
MANAGING DIRECTOR	MANAGING DIRECTOR	PORTFOLIO OPERATIONS SENIOR MANAGER	MANAGING DIRECTOR	INVESTMENT MANAGER	INVESTMENT DIRECTOR	INVESTMENT DIRECTOR	MANAGING DIRECTOR	INVESTMENT MANAGER		
Growth	Brands	Venture digital and Smart City	Primaries & co-invest	Secondaries & co-invest	Asset-based Finance	Asset-based Finance	Real Estate	Real Estate		

(1) Eurazeo holds 70.6% of Kurma Partners' capital as of December 2022.

■ ESG in compensation to align interests

Eurazeo strengthens the alignment of interests between its stakeholders by **incorporating ESG objectives in up to 15% of the annual variable compensation of its Executive Management**. The nature of these objectives and their assessment varies depending on their position in the company. Each member's achievement of ESG objectives is assessed and reviewed annually by the Compensation, Appointments and Governance (CAG) Committee.

- For the **Executive Board members**, the ESG appraisal is based on progress with the commitment of financed companies to meet the SBTi target and annual progress of the unadjusted gender pay gap.
- Each **Managing Partner** has quantitative targets tailored according to their position and/or business line. These objectives are linked to the extent to which: ESG criteria are integrated into the investment cycle, the ESG strategy of each fund has been deployed and/or gender diversity in the teams has improved.
- ESG also forms part of the variable compensation mechanisms of the **investment teams of Eurazeo's three funds classified as Article 9** (SFDR): Eurazeo Sustainable Maritime Infrastructure, Eurazeo Transition Infrastructure Fund and Nov Santé Actions Non Cotées. Compensation will therefore depend both on the Funds' financial performance and their non-financial performance in relation to their sustainable investment objectives.



A SNAPSHOT OF 2023

After the Executive Board members in 2014, the Managing Partners in 2019, and the investment team member of funds classified Article 9 in 2022, Eurazeo will integrate ESG objectives in up to 15% of the annual variable compensation granted to Managing Directors in 2023.

Source: Eurazeo, data as of 6 February 2023.

■ ESG upskilling training courses

Training employees on ESG topics is essential as it plays a crucial role in ensuring that Eurazeo is able to successfully achieve its ESG objectives. As such, Eurazeo is committed to ensuring that all its employees, including executives, benefit from at least one ESG training session during the year.

As part of the onboarding process, each newcomer has an introductory session planned with an ESG team member to **get acquainted with the Group's ESG strategy**, practices and ongoing projects.

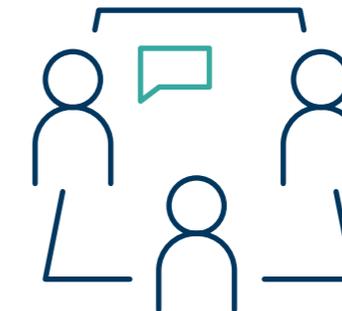
Sessions are organized throughout the year with specific Eurazeo teams to address their **ESG needs and challenges**. For example, sessions with the investment teams focus on ESG integration at each stage of the investment cycle.

In addition, **themed conferences with third-party specialists** are regularly offered to all employees to raise their awareness of environmental, social and regulatory issues. Eurazeo stepped up the frequency of these conferences in 2022, inviting legal experts to build fluency on sustainable finance regulation, and climate experts to introduce the essential stages of the decarbonization process.

In 2022, Eurazeo **introduced two additional training courses**, detailed below, which it intends to include as standard in the onboarding process for new hires.

AWARENESS RAISING WORKSHOPS (FRESQUE DU CLIMAT & 2TONNES)

were offered to all employees, empowering them to take ownership of issues related to climate change and carbon net neutrality.



A TAILORMADE TRAINING COURSE

on ESG language was created to enable employees to understand key ESG concepts and better convey Eurazeo's commitments.

STRENGTHENING ESG IN THE PROCESS

Acceleration of the ESG regulatory context

Since 2020, the **ESG regulatory context has evolved significantly** and at an ever-faster pace in particular with the Sustainable Finance Disclosure Regulation (SFDR) and the Taxonomy. These regulations apply to management companies on the one hand, and funds on the other. Although welcomed, the new regulatory requirements call for some adaptations in the Funds' investment processes and the teams' daily operations. Eurazeo's ESG team works closely with the Group's legal and compliance teams as well as with third-party consultants to ensure proper, efficient and effective application of these regulations.



SFDR

SFDR, which came into force in 2021, requires asset managers and investment advisors to disclose specific information on how they address sustainability risks and the Principal Adverse Impacts (PAI) of their financial products according to their classification:

- **Article 9** for funds with a sustainable objective
- **Article 8** for funds promoting ESG characteristics
- **Article 6** for funds not promoting ESG characteristics



TAXONOMY

2018 marks a turning point in ESG regulation with the launch of the Taxonomy.

For the first time, the European Union (EU) published a classification of green or 'environmentally sustainable' economic activities. They are appreciated through their contribution to at least one of the EU's climate and environmental objectives, without significantly undermining any of the others and while respecting minimum social safeguards.

(1) As per the Sustainable Finance Disclosure Regulation (SFDR). Funds being raised or in the investment phase. Excluding Private Funds Group (PFG). Source: Eurazeo, data at December 31st, 2022.

Compliance with the Exclusion Policy

Eurazeo's Exclusion Policy formalizes **strict exclusions and investment restrictions with thresholds** for companies operating in sectors or engaging in activities with potential negative impacts on the environment, human health, or society. For example, Eurazeo has **no exposure to companies operating in the fossil fuels sector**. The list of sectors covered by the Exclusion Policy is periodically reviewed to reflect regulatory and socio-environmental developments. For instance, in 2022, it was adjusted to reflect **changes in the European environmental Taxonomy** regarding nuclear power.

100%

OF INVESTMENTS MADE IN 2022
COMPLIED WITH THE EXCLUSION
POLICY

VERIFIED ✓

ESG due diligence

During the due diligence phase, Eurazeo aims to identify and analyze the key **ESG impacts and dependencies** of the investment target. The approach covers social, environmental, societal, supply chain, ethics and Human Rights, and governance criteria. In such analysis, Eurazeo applies **the principle of double materiality**, which aims to study the impact of ESG risks on the company, as well as the impact the company has on society.

Since 2021, Eurazeo assesses the **eligibility and alignment** of investment targets with the **Taxonomy** by analyzing compliance with the technical criteria and the "Do No Significant Harm" criteria (DNSH). In 2022, this analysis was extended to all Private Equity activities ⁽¹⁾. The conclusions of the ESG due diligence are shared with the Investment Committee members to inform their decision-making. ESG due diligence must be conducted on each investment as a **prerequisite for any financing**.

100%

OF INVESTMENTS MADE IN 2022
UNDERWENT ESG DUE DILIGENCE

VERIFIED ✓

(1) Excluding Private Funds Group.

■ ESG in legal documentation

As soon as the preliminary contractual documents for the target investments are sent, **Eurazeo informs the company of its ESG commitments and expectations**, which are then reflected in the final legal documents (shareholders' agreement, side letters, etc). The clauses are defined according to the nature of the investments and concern, in particular, investment restrictions covered by the Exclusion Policy, the achievement of an annual ESG reporting to oversee the deployment, progress and results of ESG programs and the deployment of a decarbonization strategy (carbon footprint, decarbonization objectives, etc.). Altogether, 85% of investments made in 2022 integrated ESG clauses in their legal documentation. This amounts to **100% for the Brands, Growth and Healthcare expertise**.

■ Sustainability linked-loans

After taking the pioneer step to index its own syndicated credit line to ESG criteria in 2020, Eurazeo negotiated the first ESG unitranche for one of its investments. Backed by five ESG criteria, the margin on this financing is adjusted annually according to the extent to which these objectives have been achieved. Since then, **Eurazeo has extended sustainability-linked loans to all its investment expertise**. They have become a core component of Eurazeo's engagement approach to help companies reinforce their ESG practices. More generally, they are now common practice within the financial sector, gradually raising the ambition of the ESG criteria defined. Across all areas of Eurazeo's expertise, 55% of investments made in 2022 incorporated sustainability-linked loans.

(1) Excluding Private Funds Group.

85%

OF INVESTMENTS MADE IN 2022
INTEGRATED ESG CLAUSES IN THEIR
LEGAL DOCUMENTATION

VERIFIED ✓

75%

OF BUYOUT INVESTMENTS MADE IN
2022 INCORPORATED SUSTAINABILITY
LINKED LOANS

VERIFIED ✓

81%

OF PRIVATE DEBT FINANCINGS MADE
IN 2022 INCORPORATED ESG CRITERIA

VERIFIED ✓

SUSTAINABILITY LINKED-LOANS: A POWERFUL DRIVER FOR ESG PROGRESS

Sustainability-linked loans (also known as ESG ratchets) are loans that include **margin adjustments on the interest rate based on the fulfilment of pre-defined ESG targets**. Eurazeo and the portfolio company define three or four ESG targets spanning the whole spectrum of ESG concerns, including climate and inclusion in line with Eurazeo's O+ strategy, and are tailored to the companies' most material issues and pressing ESG challenges. **The criteria must be ambitious enough to create genuine commitment**. Overall, even though the margin adjustment related to ESG criteria is still limited (5 to 10 bps), sustainability-linked loans are still a powerful way of rallying all parties around efforts to meet ESG targets.

Examples of ESG targets:

1. **Governance:** Include ESG at least once on the Board's agenda to comply with the below targets.
2. **Environment:** Define science-based targets aligned with the goals set out in the Paris Agreement.
3. **Social:** Improve by 10 pts the least represented gender at first-decision making body.
4. **Social:** Implement a Responsible procurement charter across the largest suppliers and carry out consistency checks.



EURAZEO PRIVATE DEBT VI

91% of the Fund's deals had or were in the process of having sustainability-linked loans at end-December 2022.



“ ESG ratchets enable us to build a tailor-made ESG roadmap for each portfolio company – with milestones over a defined period – and thus support them in reinforcing their ESG practices ”

FRANÇOIS LACOSTE
MANAGING PARTNER
PRIVATE DEBT

INSIDE THE PORTFOLIO

ESG reporting

Eurazeo measures the extent to which ESG is integrated into the business models of the companies it finances by **conducting annual ESG reporting since 2008**. Initially focused on its majority-owned direct investments, the practice has been gradually extended to all investments.

The framework covers **a range of environmental, social, governance, business and ethics indicators**, including the information needed to be able to calculate the Principal Adverse Impacts (PAIs), since 2021. Companies are trained to ensure they understand the reporting framework, which is made available to them on a digital platform. Response rates vary from one asset class to another but are strong overall.

Following the reporting, **Eurazeo shares an ESG report with each company** consolidating all the data collected, a comparison with historical data and benchmark data (where available). In the same way, an ESG report at Fund level is shared with all investors. Since 2021, Eurazeo also **calculates an illustrative decarbonization trajectory** for each company, with an associated carbon cost scenario. Working sessions can be organized with companies to discuss the results and identify priorities for the current year. These meetings are systematic for majority-owned buyout investments.

REPORTING SCOPE

	2022	2021
Global		
# companies interrogated	480	320
# companies that answered	343	222
Response rate	71%	69%
Private Equity¹		
# companies interrogated	274	145
# companies that answered	217	119
Response rate	79%	82%
Private Debt		
# companies interrogated	187	170
# companies that answered	107	98
Response rate	57%	58%
Real Assets		
# companies interrogated	19	5
# companies that answered	19	5
Response rate	100%	100%

(1) Due to the nature of the fund of fund activity, the ESG reporting campaign of the Private Funds Group expertise is on a different timeline. The data will be available by end of June.

ENHANCING ESG DATA THROUGH DIGITAL & TECHNOLOGY

2022 marked a major step in the digitization of Eurazeo's ESG reporting process, with **the development of a fully integrated and customized ESG data hub**. The objectives behind the development of the ESG data hub were twofold:

- Boost efficiency by industrializing ESG data collection from each of the hundreds of companies in the portfolio, and
- Control each step of the process (data collection, verification, and computation) to maximize the quality and transparency of all ESG indicators (including the PAI).

This ESG data hub relies on the smooth integration of ESG digital platforms with Eurazeo's internal financial systems.

Meeting the Taxonomy requirements

In 2022, Eurazeo equipped itself with a specific tool **to measure and calculate the eligibility and alignment** of its investment activities with the Taxonomy.

- Eligibility has been calculated for all funds classified as Article 8 and 9 (SFDR), as well as companies subject to the Non-Financial Reporting Directive (NFRD).
- Alignment was calculated for Funds classified as Article 9.

41%

OF INVESTMENTS IN FUNDS CLASSIFIED AS ARTICLE 8 ARE ELIGIBLE TO THE ENVIRONMENTAL TAXONOMY ⁽¹⁾

75%

OF INVESTMENTS IN FUNDS CLASSIFIED AS ARTICLE 9 ARE ELIGIBLE TO THE ENVIRONMENTAL TAXONOMY ⁽²⁾

The assessment covered the 6 objectives as defined by the Environmental Taxonomy. (1) The analysis was carried out at the company level regardless of the eligible turnover. (2) Excluding the Nov Santé fund which pursues a socially sustainable investment objective and for which the Social Taxonomy is under development.



“The ESG data hub uses 9-year data to securely initiate ESG initiatives, crucial for meeting regulations and driving effective decarbonization programs in a well-architected environment”

DOMITILLE DOAT
CHIEF DIGITAL OFFICER

HARNESSING GLOBALLY RENOWNED FRAMEWORKS & INITIATIVES

In its quest to meet the highest ESG standards, Eurazeo harnesses globally renowned frameworks and initiatives to shape and implement its ESG strategy, publicly undertaking commitments to some.



The Principles for Responsible Investment (PRI) is an international network to promote responsible investing through six guiding Principles for Responsible Investment. **Eurazeo signed up to the United Nations PRI in 2009** and as such, has committed to integrating ESG factors into investment decision making. **Eurazeo reports annually to the PRI and publishes its Assessments Report on its website.**



The UN Global Compact (UNGC) is the world's largest corporate sustainability initiative. It aims to mobilize and support companies to align their strategies and operations with Ten Principles on Human Rights, labor, the environment, and anti-corruption, and to take action to advance broader societal goals such as the SDGs. **Eurazeo signed up to the UNGC in 2014.**



The Sustainable Development Goals (SDGs) represent a framework developed by the United Nations to achieve a better and more sustainable future for all. **Eurazeo's ESG due diligence is guided in part by this framework** to identify the positive contributions and negative impacts of each target company's activities. **Eurazeo also identifies the way in which its themed ESG funds contribute to the SDGs.**



The UN Guiding Principles on Business and Human Rights form a set of guidelines put together by the UN Human Rights Office of the High Commissioner (OHCHR) to help States and companies prevent, address and remedy Human Rights abuses committed in business operations. **These guidelines are integrated into Eurazeo's Responsible Investment and Human Rights Policies.**



The OECD Guidelines for Multinational Enterprises are the most comprehensive international standard on Responsible Business Conduct. They reflect the expectations regarding the conduct governments and businesses should adopt to act responsibly in particular regarding Human Rights, labor rights, environment, bribery, consumer interests, etc. **These guidelines are integrated into Eurazeo's Responsible Investment and Human Rights Policies.**



The Task Force on Climate-related Financial Disclosures (TCFD) calls on the financial sector to be more aware of and transparent about climate issues. The framework offers a set of recommendations on the type of information that companies should disclose to appropriately assess and price a specific set of risks related to climate change. **Eurazeo pledged to follow the TCFD's recommendations, publishing its carbon footprint each year and reporting annually on its progress. The Group reiterated its commitment in 2021 when it joined the OPSWF.**



The Science Based Targets initiative (SBTi) is a partnership between CDP, the UNGC, World Resources Institute and the WWF. It helps companies to set GHG reduction targets in line with scientific fact and binds them to report annually on their progress. The targets are set to meet the goals set out in the Paris Agreement. **Eurazeo was the first Private Equity firm in Europe to pledge back in 2020** and was featured in the Science-Based Targets guide: "Financial sector Science-Based Targets guidance". **Eurazeo's targets were approved early 2022 by SBTi.** Set for 2025 and 2030, they cover both the Group and eligible portfolio companies.



The Planetary Boundaries concept was developed by a group of 28 internationally renowned scientists. It consists of thresholds that humanity should not exceed in order to ensure the resilience and stability of the Earth's system, and thus continue thrive for generations to come. **Eurazeo has committed to analyzing the materiality of planetary boundaries for its portfolio companies and formalizing progress plans.**



The Convention on Biological Diversity represents the international legal instrument for "the conservation of biological diversity, the sustainable use of its components and the fair and equitable sharing of the benefits arising out of the utilization of genetic resources". It covers ecosystems, species, genetic resources as well as biotechnology. **Eurazeo has designed its biodiversity strategy in line with the goals set out in the Convention on Biological Diversity.**



The Science Based Targets Network (SBTN) is a collaboration of global non-profits and organizations working to help businesses in setting science-based targets for all of Earth's systems. It is the equivalent of SBTi for nature. **Eurazeo designed its biodiversity strategy around the principles of the Science-Based Targets for Nature methodology developed by SBTN.**

CONNECTING WITH THE INDUSTRY

Eurazeo **promotes the sharing of best practices** throughout the Private Equity industry. The Group has been actively contributing to working groups, research and conferences for many years. Eurazeo **connects and partners with trade associations** to raise awareness and develop procedures that foster ESG practices throughout the ecosystem.



France Invest is the leading French professional organization representing private equity markets.

Eurazeo plays an active role in France Invest's **Talents & Diversity Commission**, set up to broaden the scope of its activities beyond gender and considering social diversity more comprehensively. Eurazeo has also endorsed France Invest's **Charter for diversity**, which promotes gender parity among Private Equity firms and their holdings.

Olivier Millet created the **ESG Commission** in 2009, which he presided until 2015. He encouraged France Invest to sign up to the PRI in 2013 and helped draft

its new professional charter implemented in 2014. He was Chairman of the Association from 2016 to 2018 and is now **Chairman of the Nomination Committee**.

Sophie Flak is a member of the ESG Commission's **Steering Committee**. Audrey Lambry co-manages the biodiversity working group "**GT Biodiversity - sub-group II**" and Leslie Auriol is a member of the **Philanthropy Club**.



OLIVIER MILLET

MEMBER OF THE EXECUTIVE BOARD
MANAGING PARTNER
SMALL-MID BUYOUT & NOVSANTÉ



SOPHIE FLAK

MEMBER OF THE EXECUTIVE BOARD
MANAGING PARTNER ESG & DIGITAL



AUDREY LAMBRY

CLIMATE MANAGER



LESLIE AURIOL

INCLUSION SENIOR SPECIALIST



Invest Europe is the largest association representing Private Equity markets.

ERWANN LE LIGNÉ

MANAGING DIRECTOR
SMALL-MID BUYOUT



Erwann Le Ligné is the current **Chairman of Invest Europe's ESG Committee** (2023), which seeks to promote and encourage responsible investment practices among Invest Europe members and more widely across the Private Equity industry. He was the Vice Chair since 2018.



France Digitale is an association seeking to foster the emergence of EU champions in the digital sector.

BENOIST GROSSMANN

CEO EURAZEO
INVESTMENT MANAGER

MANAGING PARTNER
VENTURE & GROWTH



The association brings together start-ups and venture capitalists to advocate for innovation in France and Europe. Benoist Grossmann has been **Co-President of France Digitale** since 2019, which works in particular on issues related to impact and diversity within the Tech community in Europe.



ILPA is the only organization that exclusively represents the private markets' Limited Partner community.

Eurazeo signed up to the ILPA **Diversity in Action initiative**, which promotes Diversity, Equity and Inclusion (DEI) in the Private Equity sector. It includes a wide range of actions covering talent management, investment management and industry engagement. Moreover, Eurazeo uses the **due diligence questionnaires provided by ILPA** as it offers the best market standard and contains an exhaustive ESG section.

DIVING INTO THE **PORTFOLIO**

Eurazeo supports the companies it finances throughout the duration of the investment. Depending on the strategies, this support may take different forms. Nevertheless, a common framework composed of 20 key ESG actions known as the O+ Essentials is used across all investments. It enables Eurazeo to measure progress year on year and compare different portfolio companies, regardless of company size or sector. To ensure the measures are effectively put in place, the ESG team works closely with the investment teams. Results are collected annually and disclosed hereafter.

ESG PROGRESS PLAN

EURAZEO'S O+ ESSENTIALS

Eurazeo has developed an ESG progress plan that enables financed companies to **embed ESG in their business model** and move forward over the years, regardless of their size or maturity in this area. The plan includes 20 "O+ Essentials" to build a balanced, comprehensive and effective ESG approach. These key actions change over time to take into account developments in ESG, whether regulatory or to better reflect Eurazeo's strategy and standards.

Progress is measured using a four-tier scale – bronze, silver, gold and platinum – depending on the number of actions implemented. Deployment of the progress plan varies according to the nature of the asset class, Eurazeo's ownership interest, the company's willingness to take action and its level of ESG maturity.

This approach also makes it possible to define the **target level required for companies** in which Eurazeo is a majority shareholder, i.e., the gold level, and for all other companies financed, i.e., the bronze level, in accordance with the Group's ambitions and regulatory requirements.

The data regarding the deployment of these criteria by the portfolio companies is **presented each year in this Report** – see following pages – and made available to the Group's various stakeholders. Due to the nature of the funds of funds activity, the ESG reporting campaign of the Private Funds Group (PFG) expertise works on a different timeline. The data will be available by end-June.



“The O+ Essentials constitute a common framework to get companies started on their ESG journey but is not exclusive: companies' material issues must be identified and the action plans to address them defined”

MARGAUX GIRARD
ESG SPECIALIST



GLOBAL CRITERIA

- Formalize a CSR policy/charter
- Appoint a CSR coordinator
- Define CSR objectives
- Carry out a CSR reporting
- Carry out an SDGs assessment



ENVIRONMENTAL CRITERIA

- Measure the carbon footprint
- Implement carbon emissions reduction initiatives
- Set a decarbonization pathway
- Formalize a biodiversity strategy
- Formalize a water management policy



SOCIAL CRITERIA

- Ensure health, life and disability insurance for all employees
- Implement a profit-sharing scheme for at least 75% of employees
- 40% of the least represented gender at Board level
- 40% of the least represented gender in the first decision-making body
- Implement a responsible procurement approach (Vigilance Plan)



GOVERNANCE CRITERIA

- Discuss CSR at Board level
- 30% of independent members at Board level
- Set up Audit and Compensation Committees
- Implement a Business Ethics and Anti-corruption program
- Integrate CSR criteria in the CEO's compensation scheme

	BRONZE 4-7 criteria implemented
	SILVER 8-11 criteria implemented
	GOLD 12-15 criteria implemented
	PLATINUM > 16 criteria implemented

ESG 2022 PORTFOLIO RESULTS

PRIVATE EQUITY - BUYOUT

SCORECARD

		2022	2021
O+ GLOBAL CRITERIA	Formalize a CSR policy/charter	72%	58%
	Appoint a CSR coordinator	83%	92%
	Define CSR objectives	41%	50%
	Carry out a CSR reporting	100%	100%
	Carry out an SDGs assessment	76%	100%
E ENVIRONMENTAL CRITERIA	Measure the carbon footprint	38%	79%
	Implement carbon emissions reduction initiatives	41%	63%
	Set a decarbonization pathway	17%	4%
	Formalize a biodiversity strategy	28%	17%
	Formalize a water management policy	24%	26%
S SOCIAL CRITERIA	Ensure health, life and disability insurance for all employees	34%	88%
	Implement a profit-sharing scheme for at least 75% of employees	28%	58%
	40% of the least represented gender at Board level	21%	13%
	40% of the least represented gender in the first decision-making body	24%	17%
	Implement a responsible procurement approach (Vigilance Plan)	66%	63%
G GOVERNANCE CRITERIA	Discuss CSR at Board level	76%	83%
	30% of independent members at Board level	24%	33%
	Set up Audit and Compensation Committees	79%	75%
	Implement a Business Ethics and Anti-corruption program	83%	83%
	Integrate CSR criteria in the CEO's compensation scheme	21%	13%

Changes in the methodologies have occurred between 2021 and 2022 and as such does not allow for trend analysis. Please refer to the methodological notes page 83.

Dates: January 1st to December 31st, 2022. The results are expressed as percentage of companies that have deployed each criteria.

RANKING



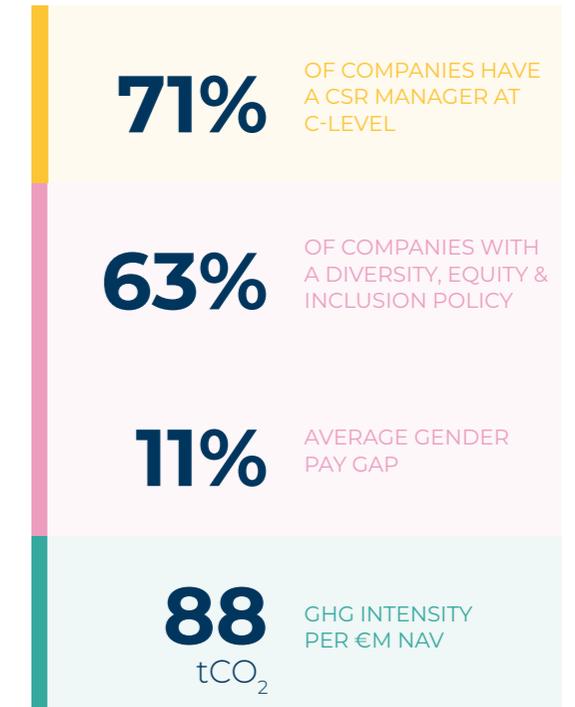
Pro forma 2022 vs 2021: Bronze (19% vs 19%), Silver (52% vs 29%), Gold (24% vs 33%), Platinum (5% vs 19%)

REPORTING SCOPE

28 COMPANIES
completed the ESG reporting
out of 28 interrogated

100% RESPONSE RATE
for 2022, alike 2021 (100%)

KEY ESG INDICATORS



PRIVATE EQUITY - VENTURE

SCORECARD

		2022	2021
O+ GLOBAL CRITERIA	Formalize a CSR policy/charter	18%	20%
	Appoint a CSR coordinator	30%	25%
	Define CSR objectives	14%	18%
	Carry out a CSR reporting	74%	75%
	Carry out an SDGs assessment	7%	75%
E ENVIRONMENTAL CRITERIA	Measure the carbon footprint	24%	26%
	Implement carbon emissions reduction initiatives	31%	23%
	Set a decarbonization pathway	10%	5%
	Formalize a biodiversity strategy	1%	2%
	Formalize a water management policy	4%	16%
S SOCIAL CRITERIA	Ensure health, life and disability insurance for all employees	75%	54%
	Implement a profit-sharing scheme for at least 75% of employees	36%	46%
	40% of the least represented gender at Board level	8%	8%
	40% of the least represented gender in the first decision-making body	17%	16%
	Implement a responsible procurement approach (Vigilance Plan)	19%	26%
G GOVERNANCE CRITERIA	Discuss CSR at Board level	27%	33%
	30% of independent members at Board level	22%	16%
	Set up Audit and Compensation Committees	23%	11%
	Implement a Business Ethics and Anti-corruption program	44%	44%
	Integrate CSR criteria in the CEO's compensation scheme	4%	3%

Changes in the methodologies have occurred between 2021 and 2022 and as such does not allow for trend analysis. Please refer to the methodological notes page 83.

Dates: January 1st to December 31st, 2022. The results are expressed as percentage of companies that have deployed each criteria.

RANKING



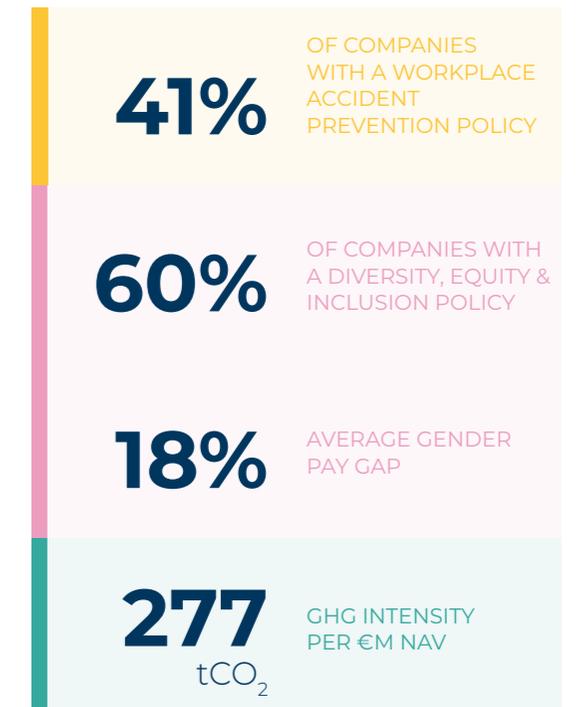
Pro forma 2022 vs 2021: Bronze (49% vs 69%), Silver (16% vs 16%), Gold (4% vs 6%), Platinum (0% vs 0%)

REPORTING SCOPE

139 COMPANIES
completed the ESG reporting
out of 187 interrogated

74% RESPONSE RATE
for 2022 vs. 75% for 2021

KEY ESG INDICATORS



PRIVATE EQUITY - BRANDS

SCORECARD

		2022	2021
O+ GLOBAL CRITERIA	Formalize a CSR policy/charter	25%	29%
	Appoint a CSR coordinator	83%	71%
	Define CSR objectives	42%	43%
	Carry out a CSR reporting	100%	100%
	Carry out an SDGs assessment	25%	100%
E ENVIRONMENTAL CRITERIA	Measure the carbon footprint	25%	29%
	Implement carbon emissions reduction initiatives	42%	43%
	Set a decarbonization pathway	17%	0%
	Formalize a biodiversity strategy	0%	0%
	Formalize a water management policy	0%	14%
S SOCIAL CRITERIA	Ensure health, life and disability insurance for all employees	50%	57%
	Implement a profit-sharing scheme for at least 75% of employees	33%	43%
	40% of the least represented gender at Board level	25%	14%
	40% of the least represented gender in the first decision-making body	25%	0%
	Implement a responsible procurement approach (Vigilance Plan)	33%	71%
G GOVERNANCE CRITERIA	Discuss CSR at Board level	83%	71%
	30% of independent members at Board level	33%	29%
	Set up Audit and Compensation Committees	42%	29%
	Implement a Business Ethics and Anti-corruption program	83%	86%
	Integrate CSR criteria in the CEO's compensation scheme	17%	0%

Changes in the methodologies have occurred between 2021 and 2022 and as such does not allow for trend analysis. Please refer to the methodological notes page 83.

Dates: January 1st to December 31st, 2022. The results are expressed as percentage of companies that have deployed each criteria.

RANKING



Pro forma 2022 vs 2021: Bronze (43% vs 43%), Silver (43% vs 43%), Gold (14% vs 14%), Platinum (0% vs 0%)

REPORTING SCOPE

12 COMPANIES

completed the ESG reporting out of 12 interrogated

100% RESPONSE RATE

for 2022, alike 2021 (100%)

KEY ESG INDICATORS

51% OF COMPANIES HAVE A WOMAN CEO

78% OF COMPANIES WITH A DIVERSITY, EQUITY & INCLUSION POLICY

14% AVERAGE GENDER PAY GAP

248 tCO₂ GHG INTENSITY PER €M NAV

PRIVATE EQUITY - GROWTH

SCORECARD

		2022	2021
O+ GLOBAL CRITERIA	Formalize a CSR policy/charter	48%	46%
	Appoint a CSR coordinator	63%	50%
	Define CSR objectives	25%	42%
	Carry out a CSR reporting	83%	80%
	Carry out an SDGs assessment	8%	80%
E ENVIRONMENTAL CRITERIA	Measure the carbon footprint	53%	46%
	Implement carbon emissions reduction initiatives	50%	46%
	Set a decarbonization pathway	38%	8%
	Formalize a biodiversity strategy	5%	13%
	Formalize a water management policy	10%	29%
S SOCIAL CRITERIA	Ensure health, life and disability insurance for all employees	63%	75%
	Implement a profit-sharing scheme for at least 75% of employees	28%	46%
	40% of the least represented gender at Board level	5%	0%
	40% of the least represented gender in the first decision-making body	15%	4%
	Implement a responsible procurement approach (Vigilance Plan)	40%	46%
G GOVERNANCE CRITERIA	Discuss CSR at Board level	50%	42%
	30% of independent members at Board level	20%	13%
	Set up Audit and Compensation Committees	38%	38%
	Implement a Business Ethics and Anti-corruption program	78%	58%
	Integrate CSR criteria in the CEO's compensation scheme	10%	13%

Changes in the methodologies have occurred between 2021 and 2022 and as such does not allow for trend analysis. Please refer to the methodological notes page 83.

Dates: January 1st to December 31st, 2022. The results are expressed as percentage of companies that have deployed each criteria.

RANKING



Pro forma 2022 vs 2021: Bronze (50% vs 41%), Silver (32% vs 36%), Gold (18% vs 9%), Platinum (0% vs 5%)

REPORTING SCOPE

40 COMPANIES
completed the ESG reporting
out of 48 interrogated

83% RESPONSE RATE
for 2022 vs. 80% for 2021

KEY ESG INDICATORS

49% OF COMPANIES HAVE A CSR MANAGER AT C-LEVEL

72% OF COMPANIES HAVE A DIVERSITY, EQUITY & INCLUSION POLICY

16% AVERAGE GENDER PAY GAP

34 tCO₂ GHG INTENSITY PER €M NAV

PRIVATE EQUITY - HEALTHCARE

SCORECARD		Nov Santé		Kurma Partners
		2022	2021	2022
O+ GLOBAL CRITERIA	Formalize a CSR policy/charter	40%	33%	2%
	Appoint a CSR coordinator	60%	33%	19%
	Define CSR objectives	60%	33%	0%
	Carry out a CSR reporting	100%	100%	89%
	Carry out an SDGs assessment	20%	100%	2%
E ENVIRONMENTAL CRITERIA	Measure the carbon footprint	60%	33%	10%
	Implement carbon emissions reduction initiatives	40%	33%	17%
	Set a decarbonization pathway	20%	0%	0%
	Formalize a biodiversity strategy	0%	0%	2%
	Formalize a water management policy	20%	33%	0%
S SOCIAL CRITERIA	Ensure health, life and disability insurance for all employees	40%	100%	88%
	Implement a profit-sharing scheme for at least 75% of employees	60%	0%	45%
	40% of the least represented gender at Board level	20%	0%	7%
	40% of the least represented gender in the first decision-making body	20%	33%	21%
	Implement a responsible procurement approach (Vigilance Plan)	40%	33%	7%
G GOVERNANCE CRITERIA	Discuss CSR at Board level	60%	100%	14%
	30% of independent members at Board level	0%	0%	29%
	Set up Audit and Compensation Committees	20%	33%	45%
	Implement a Business Ethics and Anti-corruption program	40%	33%	29%
	Integrate CSR criteria in the CEO's compensation scheme	20%	33%	2%

Changes in the methodologies have occurred between 2021 and 2022 and as such does not allow for trend analysis. Please refer to the methodological notes page 83.

Dates: January 1st to December 31st, 2022. The results are expressed as percentage of companies that have deployed each criteria.

RANKING



Pro forma 2022 vs 2021: Bronze (67% vs 67%), Silver (0% vs 0%), Gold (33% vs 33%), Platinum (0% vs 0%)

REPORTING SCOPE

(1) NovSanté only

47 COMPANIES

completed the ESG reporting out of 52 interrogated

90% RESPONSE RATE

for 2022 vs. 100% in 2021 ⁽¹⁾

KEY ESG INDICATORS

32%

OF COMPANIES HAVE A WORKPLACE ACCIDENT PREVENTION POLICY

81%

OF EMPLOYEES TRAINED DURING THE YEAR

18%

AVERAGE GENDER PAY GAP

368
tCO₂

GHG INTENSITY PER €M NAV

PRIVATE DEBT - DIRECT LENDING & ASSET-BASED

SCORECARD

	Direct Lending		Asset-based		
	2022	2021	2022	2021	
O+ GLOBAL CRITERIA	Formalize a CSR policy/charter	59%	48%	64%	57%
	Appoint a CSR coordinator	63%	48%	68%	67%
	Define CSR objectives	38%	40%	40%	88%
	Carry out a CSR reporting	50%	53%	100%	88%
	Carry out an SDGs assessment	30%	53%	32%	62%
E ENVIRONMENTAL CRITERIA	Measure the carbon footprint	38%	32%	44%	71%
	Implement carbon emissions reduction initiatives	51%	52%	48%	29%
	Set a decarbonization pathway	18%	6%	36%	43%
	Formalize a biodiversity strategy	8%	14%	32%	71%
	Formalize a water management policy	12%	31%	40%	57%
S SOCIAL CRITERIA	Ensure health, life and disability insurance for all employees	59%	40%	68%	5%
	Implement a profit-sharing scheme for at least 75% of employees	27%	29%	16%	14%
	40% of the least represented gender at Board level	14%	8%	16%	14%
	40% of the least represented gender in the first decision-making body	14%	10%	12%	71%
	Implement a responsible procurement approach (Vigilance Plan)	56%	47%	60%	57%
G GOVERNANCE CRITERIA	Discuss CSR at Board level	66%	60%	52%	29%
	30% of independent members at Board level	29%	14%	36%	19%
	Set up Audit and Compensation Committees	12%	12%	20%	76%
	Implement a Business Ethics and Anti-corruption program	68%	70%	72%	14%
	Integrate CSR criteria in the CEO's compensation scheme	15%	10%	16%	0%

Changes in the methodologies have occurred between 2021 and 2022 and as such does not allow for trend analysis. Please refer to the methodological notes page 83.

Dates: January 1st to December 31st, 2022. The results are expressed as percentage of companies that have deployed each criteria.

RANKING

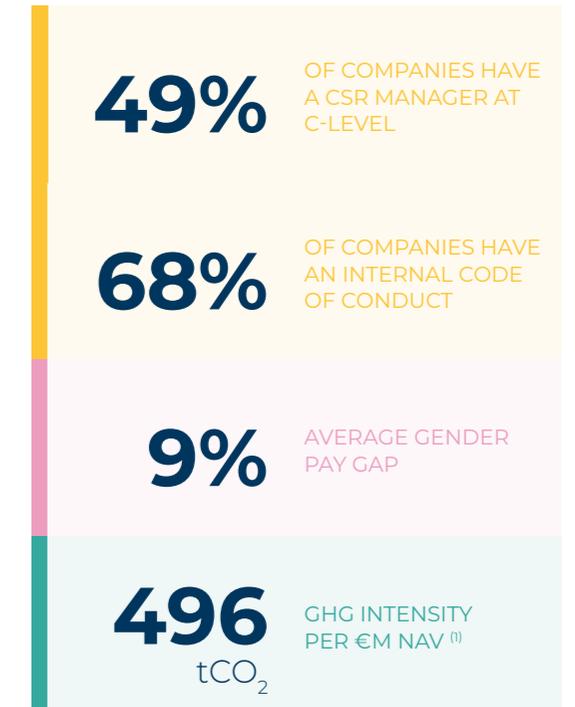


Pro forma 2022 vs 2021: Bronze (38% vs 30%), Silver (44% vs 44%), Gold (10% vs 22%), Platinum (4% vs 0%)

REPORTING SCOPE

(1) Direct Lending only

KEY ESG INDICATORS



107 COMPANIES

completed the ESG reporting out of 187 interrogated

57% RESPONSE RATE

for 2022 vs. 58% for 2021

REAL ASSETS - INFRASTRUCTURE & REAL ESTATE

SCORECARD		Real Estate Infrastructure		
		2022	2021	2022
O+ GLOBAL CRITERIA	Formalize a CSR policy/charter	50%	80%	50%
	Appoint a CSR coordinator	67%	100%	100%
	Define CSR objectives	50%	40%	100%
	Carry out a CSR reporting	100%	100%	100%
	Carry out an SDGs assessment	17%	100%	100%
E ENVIRONMENTAL CRITERIA	Measure the carbon footprint	0%	60%	100%
	Implement carbon emissions reduction initiatives	60%	100%	50%
	Set a decarbonization pathway	33%	0%	0%
	Formalize a biodiversity strategy	17%	40%	0%
	Formalize a water management policy	17%	60%	0%
S SOCIAL CRITERIA	Ensure health, life and disability insurance for all employees	83%	80%	100%
	Implement a profit-sharing scheme for at least 75% of employees	17%	40%	50%
	40% of the least represented gender at Board level	33%	20%	0%
	40% of the least represented gender in the first decision-making body	0%	0%	50%
	Implement a responsible procurement approach (Vigilance Plan)	33%	60%	50%
G GOVERNANCE CRITERIA	Discuss CSR at Board level	50%	80%	100%
	30% of independent members at Board level	33%	40%	0%
	Set up Audit and Compensation Committees	17%	60%	0%
	Implement a Business Ethics and Anti-corruption program	67%	60%	50%
	Integrate CSR criteria in the CEO's compensation scheme	0%	0%	0%

Changes in the methodologies have occurred between 2021 and 2022 and as such does not allow for trend analysis. Please refer to the methodological notes page 83.

Dates: January 1st to December 31st, 2022. The results are expressed as percentage of companies that have deployed each criteria.

RANKING



Pro forma 2022 vs 2021: Bronze (25% vs 25%), Silver (75% vs 50%), Gold (0% vs 25%), Platinum (0% vs 0%)

REPORTING SCOPE

19 COMPANIES

completed the ESG reporting out of 19 interrogated

100% RESPONSE RATE

for 2022, alike 2021

KEY ESG INDICATORS

68 GHG INTENSITY PER €M NAV

10% AVERAGE GENDER PAY GAP

INFRASTRUCTURE'S INVESTMENTS CONTRIBUTED TO AVOID:

1 100 tCO₂ EMISSIONS IN 2022

METHODOLOGICAL NOTES

■ Scope

The report covers the calendar year from January 1st to December 31st, 2022. In 2022, Eurazeo's ESG reporting covered 480 companies, compared to 320 in 2021. When a company is present in two strategies, it is counted in the reporting results of both strategies. The reporting covers all areas of expertise except Private Funds Group (PFG). Due to the nature of the fund of fund activity, and to meet the requirements of the different stakeholders, the ESG reporting of the PFG expertise is on a different timeline. The data will be available by end-June.

■ Evolution versus 2021

Scorecard & ESG indicators

The deployment of each criteria is calculated based on the responding companies. The O⁺ criteria change over time to take into account developments in ESG, whether regulatory or to better reflect Eurazeo's strategy and standards. Between 2021 and 2022, the following changes occurred:

Methodological changes:

- Carry out an SDGs assessment.
- Measure the carbon footprint.

New indicators:

- "Implement carbon emissions reduction initiatives", formerly "Define climate and energy actions".
- "Formalize a water management policy", formerly "Deploy initiatives to lower water consumptions".
- "Integrate CSR criteria in the CEO's compensation scheme", formerly "Integrate CSR criteria in the management's compensation scheme".

Changes in scope do not allow for trend analysis between 2022 and 2021.

Ranking

Proforma results have been calculated to allow for trend analysis between 2022 and 2021.

■ Key ESG indicators

ESG indicators are calculated as follow:

- The numerator may be the number of companies that have implemented the mechanism or action, or the number of employees covered by the mechanism.
- The denominator may be the number of companies that responded to the indicator, or the total number of employees.
- Companies that have not responded to the indicators will not be included in the calculation.
- GHG intensity per €M NAV: Weighted total GHG emissions / Current value of all investments.

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