



EURAZEO

**Principal Adverse Impact  
Statement**

This document includes Eurazeo's Principal Adverse Impact Statement in the meaning of the Regulation (EU) 2019/2088 ("Disclosure Regulation"). It covers Eurazeo's subsidiaries that operate in a regulatory environment subject to European law, i.e.:

- Eurazeo Mid-Cap (EMC)
- Eurazeo Investment Manager (EIM)
- Eurazeo Funds Management Luxembourg

## POLICIES ON THE IDENTIFICATION AND PRIORITIZATION OF PRINCIPAL ADVERSE SUSTAINABILITY IMPACTS AND INDICATORS

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As presented in the Responsible Investment policy, available on our website in the Section *Responsibility*, we identify principal adverse sustainability impacts at every stage of the investment process:

- Our **Exclusion Policy**, available on our website in the Section Responsibility, excludes investments deriving more than 20% of their overall revenue from sensible sectors (coal, palm oil, nuclear energy) and in securities issued by companies involved in highly controversial activities (such as tobacco production, production of controversial weapons) and in serious breach with the principles of the United Nations Global Compact. Our Exclusion Policy is an efficient instrument to reduce principal adverse sustainability impacts, addressing for example climate change, biodiversity loss, health, business ethics and human rights issues.
- As described in our Responsible Investment Policy, a **due diligence** is carried out in the pre-investment phase in order to identify and analyse all social, environmental, societal, sourcing, ethical and governance impacts. We consider all environmental impacts, such as greenhouse gas emissions, biodiversity and water.
- ESG **indicators** on adverse sustainability impacts are collected annually to monitor investee companies' impacts and progress plans. Reports on progress are published in an annual report.
- During the **divestment phase**, Eurazeo evaluates ESG progress and communicates indicators on adverse sustainability impacts to potential buyers through the integration of ESG data in data rooms or via vendor due diligence.

A more detailed description of the ESG themes – assessed throughout the investment cycle – can be found in Eurazeo's Universal Registration Document.

## DESCRIPTION OF PRINCIPAL ADVERSE SUSTAINABILITY IMPACTS AND OF RELATED ACTIONS

### Criteria and information examined

As described in the previous section, Eurazeo's goal is to identify and analyze main ESG challenges, risks and opportunities throughout the investment cycle, i.e. during pre-investment, investment and divestment periods. The approach covers the following areas: social, environment, societal, supply chain, ethics and governance. To conduct these analyses, Eurazeo relies on data supplied by the companies, opinions and studies produced by consulted experts and available public data.

### Themes studied

The icons presented below correspond to the United Nations' 17 Sustainable Development Goals, a reference framework adopted by Eurazeo to address all ESG aspects throughout the investment cycle:

SOCIAL	ENVIRONMENTAL	SOCIETAL	ETHICS and GOVERNANCE
<b>Employment</b> (workforce, changes, turnover and compensation) 	<b>General policy</b> (approaches, awareness/training, challenges, risk prevention, provisions and guarantees) 	<b>Territorial, economic and social impact</b> (employment, local development) 	<b>Fair trade practices</b> (ethics, corruption, taxation) 
<b>Organization of work</b> (working hours and absenteeism) 	<b>Pollution</b> (prevention/reduction/repair of discharges - air, water, soil, nuisances) 	<b>Relationships with stakeholders</b> (dialogue, partnership) 	<b>Health and safety of consumers and users</b> (quality, communication, transparency) 
<b>Labor relations</b> (organization of social dialogue and collective agreements) 	<b>Circular economy</b> (waste management, food waste, use of resources: water, energy, raw materials) 	<b>Corporate philanthropy</b> (donations to associations) 	<b>Human Rights</b> (actions taken) 
<b>Health and safety</b> (working conditions, health insurance, occupational accidents) 	<b>Biodiversity protection</b> (measures to develop, protect) 	<b>SUPPLY CHAIN</b>	
<b>Training</b> (policy, hours received) 	<b>CLIMATE</b>		<b>Diversity and independence of the Supervisory Board (SB)</b> 
<b>Equal treatment</b> (gender equality, fight against discriminations) 	<b>Emissions</b> (significant sources of GHG emissions) 	<b>Suppliers and subcontractors</b> (procurement policy and subcontracting) 	<b>Committees of the Supervisory Board</b> 
<b>ILO Conventions</b> (freedom of association, discrimination, forced labor and child labor) 	<b>Adaptation to climate change</b> (physical and transition risks) 	<b>Social and environmental impacts</b> relating to the supply chain 	<b>Risk management</b> and internal control system 
		<b>Raw materials and resource scarcity</b> 	<b>Crisis management, reputation</b> 

### Impact measurement

Since 2011, Eurazeo publishes detailed impact data on a yearly basis in its Universal Registration Document and annual sustainability report available on our website in the Section *Responsibility*.

## ENGAGEMENT POLICIES

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Eurazeo aims to drive positive changes in real economy and help investee companies deliver responsible value.

As a genuine partner, the Group maintains regular dialogue with the leadership teams of the companies in which it invests, in particular during Board of Directors' or Supervisory Board meetings during Board of Directors' or Supervisory Board meetings. High standards of corporate governance are the foundations for robust growth and strategy. Eurazeo values long-term strategy, independent and diverse board members and the implementation of formalized procedures.

As an engaged partner, Eurazeo actively assists investee companies in identifying risks and opportunities related to environmental, social and governance issues and in applying business ethics principles.

The Group primarily manages unlisted assets. However, its Engagement policy regarding shares traded on a regulated market is rolled out through the Voting policy, for which reports are published each year.

Eurazeo monitors the outcomes of its engagement and reports on progress to investors.

## **ADHERENCE TO RESPONSIBLE BUSINESS CONDUCT CODES AND INTERNATIONALLY RECOGNISED STANDARDS**

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Eurazeo's ESG commitment is illustrated by the adoption of the following codes and standards:

- The Non-Financial Performance Statement
- The Duty of Vigilance Law
- The Sapin II Law
- The 10 principles of the United Nations Global Compact
- The Initiative Climat International
- The United Nations Sustainable Development Goals (SDGs)
- The Principles for Responsible Investment (PRI)
- The Task Force on Climate-related Financial Disclosure (TCFD)
- The Global Reporting Initiative (GRI)
- The CDP's climate change questionnaire
- The Shift Project
- The French Business Climate Pledge
- The France Invest Charter of Commitments for Investors in Growth
- The Investor Agenda initiative
- The Science Based Targets Initiative
- The EU Sustainable Finance Disclosure Regulation

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