



PROGRESS
REPORT
2020

EURAZEO





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CEO STATEMENT

In 2020, we experienced a completely unprecedented crisis, considering its global reach and the impact it has had on people's well-being—physically, mentally, economically and socially.

This crisis has also called into question the geographical location of our business, the resilience of our economic structures and the value of sharing and solidarity.

I strongly believe that the financial community has to play a greater role in shaping the new world and that private equity will have an integral part to play. Our capacity to finance and support global businesses that create jobs gives us both the means and the responsibility to act.

“
Eurazeo is determined to turn its funding power into a catalyst for transition.”

Virginie Morgon,
CEO



Eurazeo has often been ahead of the curve in its industry in matters such as governance, inclusion and environmental efficiency. We are stepping up our action to contribute to Sustainable Development Goals with the launch of O+, based on two main commitments: achieving carbon net neutrality by 2040 and promoting a more inclusive society.

Eurazeo is determined to turn its funding power into a catalyst for transition. A transition to a more inclusive, equal and fairer society. A transition to an economy that is environmentally sustainable, respectful of the planet's limits and the Paris Accord. It is not only a social responsibility but also a fiduciary one, as we believe these choices will inevitably lead to stronger performance and more resilient investments.

That is the ambitious promise we are determined to honor. To do so, we need everyone to play their part. All employees throughout the Group have bought into this ambition, which is also supported across the board by our stakeholders, including Limited Partners, investors, invested companies and business partners. It is through these objectives that we face up to our corporate social responsibility, and we leverage our extensive influence to be part of the solution worldwide.

AT THE CORE OF EURAZEO: POWER BETTER GROWTH

To meet today's major challenges, businesses must embrace change, grow, innovate, expand worldwide and look beyond their core business. To support them, they need a robust, visionary, exemplary and engaged partner. Eurazeo is that partner. **From startups to SMEs, mid-caps and international groups, we identify, finance and accelerate companies, as well as innovative entrepreneurs and emerging talents.**

Eurazeo is a leading global investment group

Eurazeo has a diversified portfolio of around €26 billion in assets under management, including €18 billion managed on behalf of third parties, invested in some 450 companies. With our private equity, real estate and private debt expertise, we support companies of all sizes, helping them develop through the commitment and skills of our nearly 300 professionals, our in-depth sector knowledge, the privileged access we provide to global markets, and our identity as a responsible and sustainable investor.

Our institutional and family shareholder base, and in particular the long-standing support of the David-Weill and Decaux families, our solid financial position with no structural debt on the balance sheet, and our flexible investment horizon enable us to support companies over the long term.

To help our portfolio companies with their international expansion and to be as close as possible to our investment partners, we have offices in Paris, New York, Berlin, Frankfurt, London, Luxembourg, Madrid, São Paulo, Seoul, Shanghai and Singapore. The Group is listed on Euronext Paris.

~€26bn
OF AUM

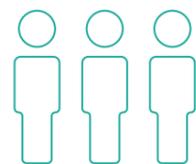
8
AREAS OF EXPERTISE¹

450
PORTFOLIO COMPANIES



10
COUNTRIES

300
EMPLOYEES

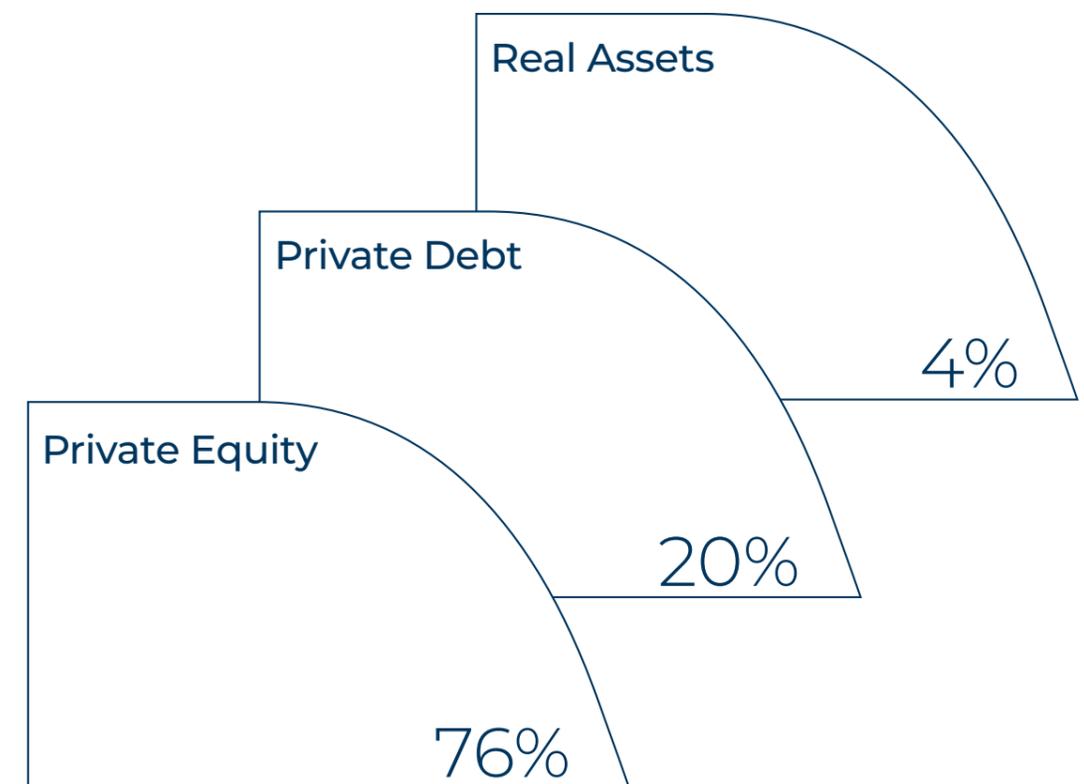


A leader in asset management for private markets, Eurazeo adopts bold investment strategies to identify and nurture tomorrow's champions and support their transformation.

Our business model, together with the diversification of our activities, geographies and investments, makes us a European leader with a global footprint. Eurazeo is recognized as one of the leading European players in Private Equity, which accounts for 76% of its business. With its two other asset classes, Private Debt (20%) and Real Assets (4%), the Group funds companies across the entire investment spectrum.

We target high-growth sectors

The growth of our portfolio is driven by a fully integrated organization. We focus on promising sectors such as technology, health care and financial services. Nearly half of the investments by our Private Equity teams are in technology companies: e-commerce, the internet of things, robotics, software development, and electronic payments. In the health care sector, we are accelerating our investments in biotechnology, diagnostics, devices, remote medicine, and clinical trials. Our teams are also closely monitoring other promising sectors, including financial services, asset management, education, and premium consumer goods.

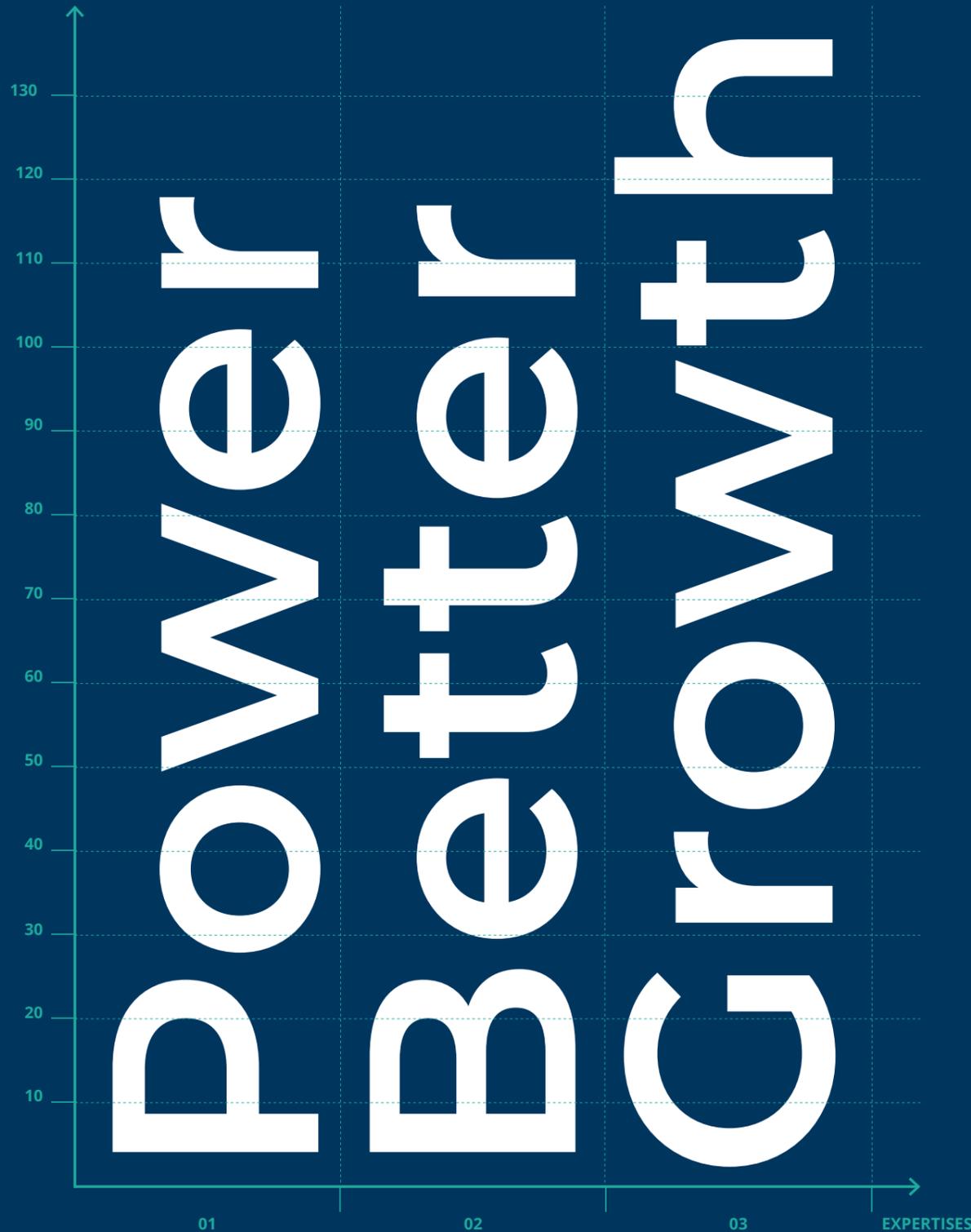


As of June 2021

¹ Buyout, Acceleration, Venture, Private Funds Group, Direct Lending, Asset-based Finance, Real Estate, Infrastructure

O+: OUR NEW ESG STRATEGY TO POWER BETTER GROWTH

ENGAGEMENTS



Since 2004, we have repeatedly demonstrated our ability to combine corporate responsibility and strong company performance, earning us worldwide recognition. Today, we are the only investment company to be included in the five leading families of non-financial benchmark indices.

As a private equity pioneer that is fully committed to creating a sustainable future, Eurazeo has an ambitious approach to responsibility, aligned with the United Nations' Sustainable Development Goals (SDGs). We strive to combine economic growth with social progress, an environmental footprint reduced to the planet boundaries, balanced governance and value creation. To do so, Eurazeo provides its investments with the necessary time, resources and expertise.

In 2020, Eurazeo launched O+, a leading and impactful ESG strategy within the financial industry to this date. O+ takes ESG one step further to drive positive change in society through shared and sustainable prosperity. This 20-year action plan focuses on two flagship goals: reaching carbon net neutrality by 2040 and promoting a more inclusive economy. It also aims to boost progress on all ESG dimensions, as defined by the SDGs.

We are the first company in our industry to aim this high. We will embark every company in our portfolio on this path to decarbonization, and inclusion. These commitments demonstrate Eurazeo's values, history and identity.



CLIMATE

Reach carbon net neutrality by 2040 at the latest



INCLUSION

Promote a more inclusive economy

A PRINCIPLE OF ACTION TO PROGRESS ON ALL ESG DIMENSIONS



CLIMATE: REACHING CARBON NET NEUTRALITY BY 2040 AT THE LATEST

An unprecedented commitment to carbon net neutrality

The link between human activities, greenhouse gas and climate change is becoming more apparent each year. We also know for a fact that climate change generates heightened risks for health, food safety, water supply, personal security and economic development. Businesses and their entire value chain are put at risk by the scarcity of resources and multiplication of natural disasters. We can no longer ignore climate change and its repercussions.

Thanks to their ability to invest in and support businesses, **private equity firms have leverage enabling them to fight climate change.** As a leading international group, Eurazeo seeks more than ever to boost the transition towards a low-carbon economy.

Eurazeo's long-lasting commitment to tackle climate issues has been strengthened in 2020 with the ambitious O+ engagement to become carbon net neutral by 2040 at the latest. Eurazeo aims to align its activities with a scenario limiting global warming to a well below 2°C threshold. This commitment led us to establish reduction targets which are calculated using a world-renowned scientific methodology: Science-Based Targets Initiative (SBTi).

At management company level, the scope 1 and 2 objectives, validated per SBTi's scientific committee, are the following:

- 2025: Eurazeo commits to increase annual sourcing of renewable electricity from 9% in 2017 to 80%.
- 2030: Eurazeo commits to reduce scope 1 and 2 GHG emissions by 80% per employee from a 2017 base year.

Our portfolio companies make up most our scope 3 emissions. The working hypothesis is to screen 100% of our investments' emissions and to engage companies emitting 30% of these emissions to set reduction targets within the next five years.

We set an example for our industry

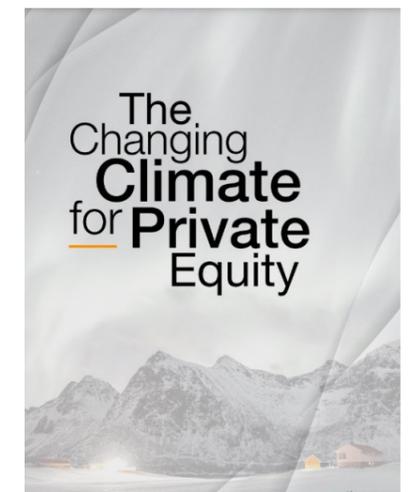


Eurazeo is the first private equity firm to commit to a Science-Based Targets decarbonization roadmap.

In April 2021, our hypotheses for SBT targets at management company and portfolio level were showcased as a case study in the "Financial Sector Science-Based Targets Guidance". The case is a testament to Eurazeo's advanced commitment to reach carbon net neutrality by 2040.



Eurazeo's unique SBT commitment was also showcased in "The Changing Climate for Private Equity" by Ceres and the Sustainability Institute by ERM.



REACH CARBON NET NEUTRALITY BY 2040 AT THE LATEST

1. Invest in the fast-growing, low carbon & impact economy

- Increase investments in low carbon / carbon reduction assets
- Increase investments in "for solution" / impact assets (depollution-tech, food solutions, ...)

2. Reduce exposure to carbon cost and risk

- 2°C decarbonization plans for Eurazeo (SBTi)
- 2°C decarbonization plans for portfolio companies (SBTi)

3. Measure carbon footprint throughout the investment lifecycle

- Integrate carbon valuation in all investment business plans
- Improve carbon performance of all investment strategies

Accelerating investments in the low carbon economy

To meet its climate goal, Eurazeo accelerates the funding of low carbon businesses through dedicated funds and investments.

ESMI, a new thematic fund to support sustainable maritime infrastructure



In 2021, Eurazeo launches the Eurazeo Sustainable Maritime Infrastructure (ESMI) to finance more environment-friendly infrastructure and technologies in the maritime sector that support the transition to a low carbon economy. The fund will have the objective to pursue sustainable development within the meaning of Article 9 of Regulation (EU) 2019/2088 (known as the "Disclosure Regulation").



Currently, 90% of the world's goods are transported by sea. Therefore, the decarbonization of the maritime sector is crucial to the fight against climate change. To meet this challenge, the Fund will mainly finance three types of infrastructure: ships equipped with advanced technologies that negate or curtail environmental harm, innovative harbor equipment, and assets that contribute to the development of offshore renewable energy.



The Fund will support around 50 European facilities that will support the transition of the maritime economy to become carbon neutral by 2050 and in line with the ambition announced in the European Green Deal.



Quantitative indicators will measure the emissions reductions achieved by the Fund's investments. The methodology used has been reviewed by independent experts and the assessment of the emissions reductions will be subject to an annual external audit.

Infrastructure, a new specialized team to support Europe's transition to a Net-Zero economy by investing in energy and digital infrastructure

Early 2021 Eurazeo welcomed a new team dedicated to infrastructure investments within the Real Assets division. They invest in sustainable and resilient transition infrastructure through the acquisition of small and medium-sized companies operating in the digital and energy sectors. The first fund to be raised by 2022 will cover:

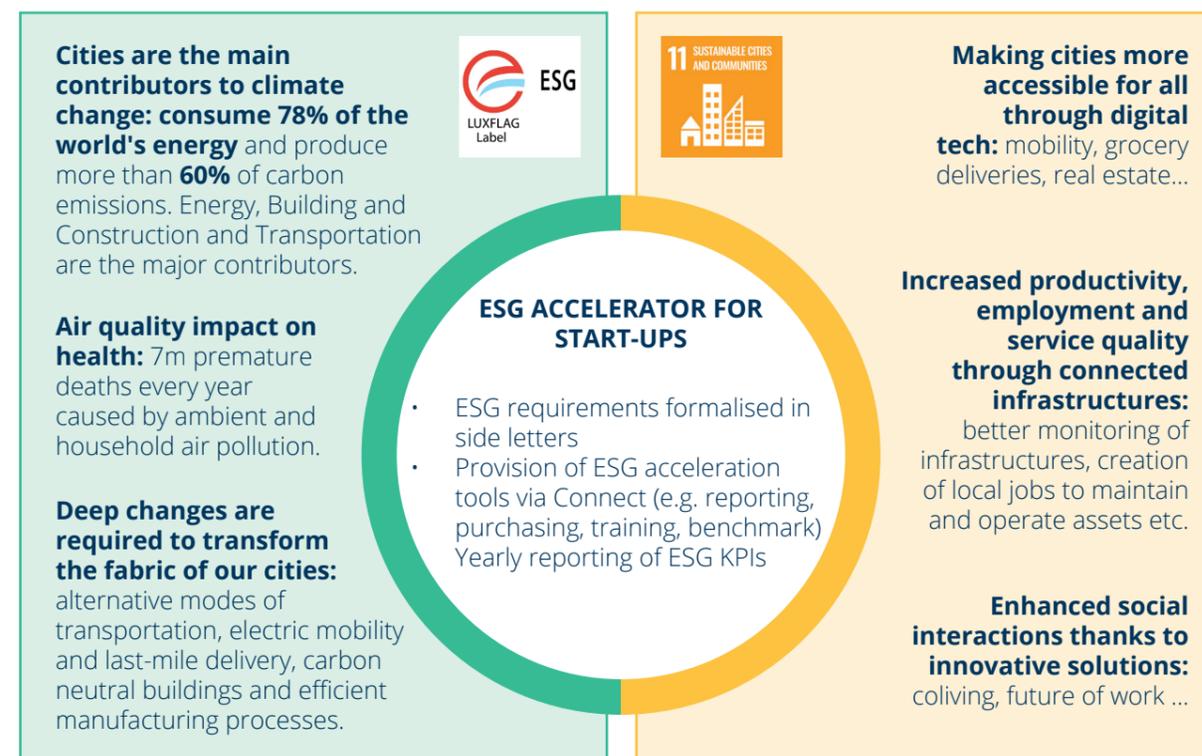
- 1. Energy transition infrastructure:** renewable energy (solar, wind, hydro, bioenergy, biogas...), energy efficiency and storage, smart grids, smart meters, green hydrogen, clean transport (EV charging, light rail...), waste and water management, circular economy, industrial decarbonization;
- 2. Digital transition infrastructure:** data centers, fiber-optic networks, telecoms towers, subsea cables and IoT (Internet of Things).



Smart City II, one of Europe's most prominent funds supporting progress in energy, mobility, proptech, logistics and Industry 4.0, all core components of a green recovery

After the success of its Smart City I Venture fund, Eurazeo has launched Smart City II Venture fund to invest in the most promising energy, mobility proptech and logistics start-up worldwide to help cities accelerate their transition and enhance their resilience against crisis.

Positioned at the intersection of digital technologies and the renewable energy transition, the fund will invest into innovative digital companies which are supporting rapid transformation of cities for the benefit of their residents: work from home, shared mobility, electric mobility, food delivery and the renewable energy transition; mega-trends which have been massively accelerated and amplified by the Covid-19 health crisis.



All investment strategies of Eurazeo have increased their asset portfolio of companies supporting the transition to a sustainable Net-Zero economy

Financing High Potential Carbon Reduction Assets



Funding the Sustainable Economy



Our impact at management company level



Besides working on the buildings' consumption and energy mix, the progresses are also related to travel drastic reduction during the Covid period.

Detailed carbon footprint (data as of December 31, 2020)

2020 - Eurazeo

Energy consumption excluding fuel (in MWh)	
Electricity	396
Renewable energies	504
Natural gas	3
Total energy consumption	903
Share of renewable energies	56%
Fuel consumption (in liters)	
Gasoline	5,705
Diesel	3,971
Total fuel consumption	9,676
GHG emissions (in metric tons of CO2 equivalent)	
Scope 1	24
Scope 2	111
Total (Scope 1 + 2)	135
Scope 3	7,386
Total (Scope 1 + 2 + 3)	7,521

Our impact at portfolio level

To boost its impact in combating climate change, Eurazeo mobilizes and encourages its invested companies to decarbonize their activities. Being a key prerequisite to any efficient action, Eurazeo provides all its companies with the tools and expertise to measure and monitor their greenhouse gas emissions for scope 1, 2 and 3.

Carbon footprint assessment

Eurazeo is committed to measure the carbon footprint of all its investments on scope 1, 2 and 3. Methodology and perimeter are detailed in appendices.



21.5 million
METRIC TONS OF CO2 EQUIVALENT
emitted in 2020 (scope 1,2,3)

87%
% OF COMPANIES WITH
carbon footprint assessment

1.5 million
METRIC TONS OF CO2 EQUIVALENT
reduced since 2015

0%
PERCENTAGE OF AUM IN COMPANIES
active in the fossil fuel sector

Data as of December 31, 2020

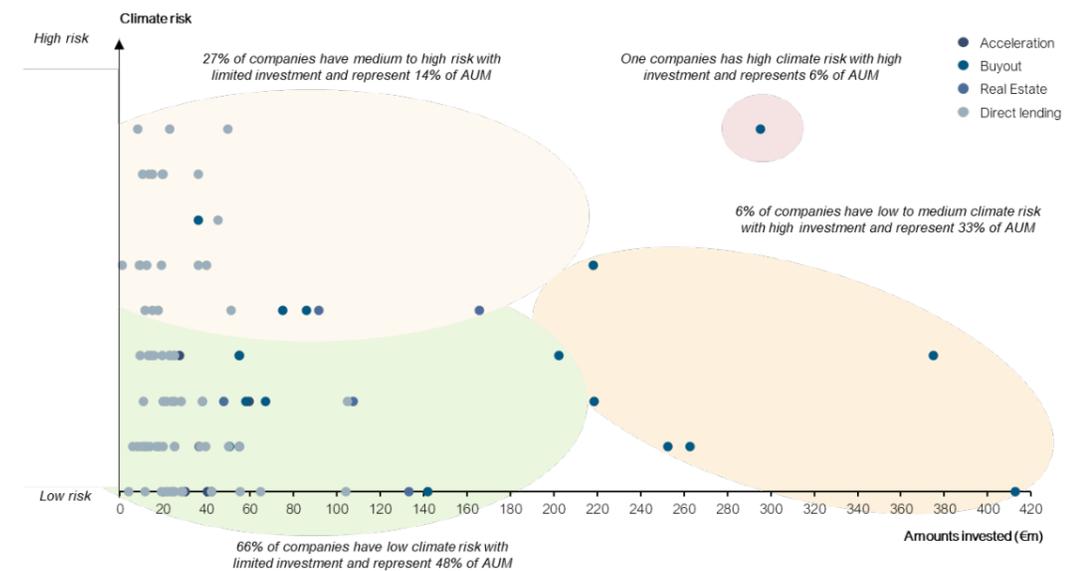
Climate risk assessment

Eurazeo conducts an extensive analysis of its investments' exposure to climate risks (physical and transition risks). This work is supported by the recommendations of the TCFD (Task Force on Climate-Related Disclosure), which calls on the financial sector to give greater consideration and transparency regarding climate issues. The scope and methodology are detailed in the appendices.

With a very diversified portfolio, Eurazeo's exposure to climate risks is limited. Plans are carried out in the detention period with portfolio companies to reduce this exposure.

2 climate risks are taken into account:

- **Physical risks** as a result of climate change impact: rising temperatures, drought, extreme weather events, rising sea levels worldwide.
- **Transition risks** include policy and legal, technology, market and reputation risks.



INCLUSION: PROMOTING A MORE INCLUSIVE ECONOMY

We champion diversity and inclusion

Eurazeo highly values Diversity that contributes to its collective performance. Along with inclusion, it is a pillar of our O+ ESG program. We put genuine effort into creating a more inclusive society for all, starting by improving our portfolio's practices and our own.

Offering all women equal access to fulfilling careers and opportunities is of paramount importance to us. Eurazeo is one of the most gender balanced investment company globally with 45% of women in the total workforce, 30% in the investment teams and among management positions.

We signed the SISTA charter in 2019, which seeks to reduce disparities in funding granted to male and female entrepreneurs, as well as organize discussions with female start-up founders. Furthermore, our teams regularly take part in programs such as the Vivatech Female Founder Challenge, Printemps de la Mixité and Assises de la Parité. Since 2007, Eurazeo has been a historical partner of the Women's Forum's Rising Talents initiative, which supports high-potential female talents under the age of 40.

Within the private equity industry, we are committed to help increase the number of women by supporting the French Chapter of the Level 20 initiative, launched in 2019. It includes outreach initiatives, mentoring, research work and events. That same year, we signed the France Invest Charter and its 30 commitments on gender equality.

Accelerating investments for diversity and inclusion

Eurazeo manages Nov Santé, a healthcare-dedicated fund



In 2021, Eurazeo was selected to manage Nov Santé Actions Non Cotées. This fund results from an initiative by the French Insurance Federation and Caisse des Dépôts, as part of the investment program to support France's sustainable recovery.



While the pandemic demonstrated the quality of the French healthcare system and its people, it also highlighted the need to increase the country's health and industrial sovereignty. This is the central focus of the Nov Santé fund. The €420 billion fund will invest in healthcare research, manufacturing and services. It also aims to speed up digitalization in this sector, which is vital in order to provide better access to healthcare through remote medicine, to prevent disease by using big data and artificial intelligence, and to increase coordination between healthcare providers.

All our strategies strengthen their investments in diversity and inclusion

Healthcare



WANDERCRAFT



Education



PROMOTE A MORE INCLUSIVE ECONOMY

1. End gender inequality

- 40% of the least represented gender in the management teams.
- Gender gap of less than 20% in the total workforce.
- Gender Equality Index (Pénicaud-Schiappa) greater than or equal to 85/100.
- Maintain 40% or more of the least represented gender on the Supervisory Board.

2. Drive access to health care coverage and value creation for all

- Pursuing health, life, and disability insurance all over the world. Adopting systems to ensure that all stakeholders benefit from Eurazeo's value creation and investment processes.

3. Champion equal opportunity and philanthropy

- Create an endowment fund to increase the resources allocated to non-profit organizations working for the education and protection of children

Our impact at management company level

We promote equal opportunities for all our team members at all stages of their journey, thanks to a global diversity policy and quantitative objectives set by top management. Our human resources processes fully integrate the importance of diversity and gender equality from recruitment to development, coaching and performance evaluation.

The promotion of gender equality at Eurazeo resulted in the deployment of:

- A general gender diversity policy
- Quantified objectives set by Executive Management
- Human Resource processes that take into account the gender equality concept
- Agreements promoting an improved work/life balance
- Awareness-raising and training initiatives



Higher than the 38% of the PE industry according to the BVCA / Level 20 Diversity & Inclusion Survey 2021.



Far from the 20% of the industry according to the BVCA / Level 20 Diversity & Inclusion Survey 2021.



Amongst Managing Partners, Partners, Managing Directors and Corporate Teams Directors



In April 2021, Eurazeo launched an employee share offering

The purpose of this transaction was to tie a closer link between Eurazeo Group's employees, both in France and abroad, and its development and performance. The transaction was capped at 300,000 shares, i.e. a maximum of approximately 0.38% of Eurazeo's current share capital. Eligible employees were able to subscribe for Eurazeo shares with a 30% discount to the reference share price entailing a five year lock-up. More than 90% of employees subscribed to the share offering, which demonstrates the alignment of interests between employees and Eurazeo.

We now offer a 6-week co-parental leave

As of July 2021, government reform extended paternity leave to 28 days (instead of 14) by a government

reform. Eurazeo has decided to go even further by offering a 6-week leave, applicable to any parent (father or same-sex co-parent) including for adoptions. We believe that this decision is highly beneficial to career equality between men and women, and adequately answers the growing demand from parents to play a more important role in the birth and first months of their child.

We launched an endowment fund dedicated to youth education and protection

As part of the O+ launch, Eurazeo strengthened its educational commitment through a dedicated endowment fund. This new philanthropic initiative will receive an initial endowment dedicated to guiding and supporting projects intended to protect young people and provide them with access to education, academic and professional training.

Our impact at portfolio level

The social and health pressures exerted by the Covid pandemic demonstrate how working conditions need to be improved.

Our actions at portfolio level cover two topics: gender diversity and inclusion of younger populations who struggle to enter professional life. We continue to eagerly improve social protection, value sharing, equality and solidarity within our portfolio companies across the globe.

Regarding gender diversity, our main actions included the creation of talent pool of potential women independent board members, identification of women for the succession plans that is systematically asked by our investment teams during the portfolio companies' remuneration committees.

In order to foster inclusion in our portfolio companies, Eurazeo assists them in the recruitment of young profiles. We support and help our portfolio companies in hiring young people from different backgrounds, social situations, "priority districts" by putting them in contact with the NGO "Sport dans la ville" that we have been sponsoring for many years. Many young people have been able to apply to open positions offered by our portfolio companies. Eurazeo has developed a programme that allows investee companies to share best practices. The supplementary aid in addition to the governmental aid that is proposed for the hiring of the apprenticeships was also proposed to our portfolio companies.



38%

OF EMPLOYEES in France

36%

OF WOMEN in portfolio companies

73%

OF EMPLOYEES covered by health insurance

160,000

EMPLOYEES in portfolio companies

Examples of Diversity and Inclusion initiatives at portfolio level

- **Nest** New York offers all employees training dedicated to diversity, inclusion and combating sexual harassment. In 2020, the company set up a working group on diversity and inclusion. Within this group, Nest focuses on specific initiatives to increase diversity in the company and raise employee awareness.
- In 2020, **WorldStrides** established a Diversity, Equity and Inclusion (DEI) Council comprising employees from across the company with varying experience levels, roles and backgrounds. This council has developed a comprehensive road map to address inequities in the marketplace, to foster a culture of inclusion and belonging in the workplace and to enhance the Group's demographic diversity best practices around recruitment, retention and promotion of talent in the workforce.

² Data do not include Private Funds Group

GLOBAL SUSTAINABILITY: PROGRESSING ON ALL ESG DIMENSIONS

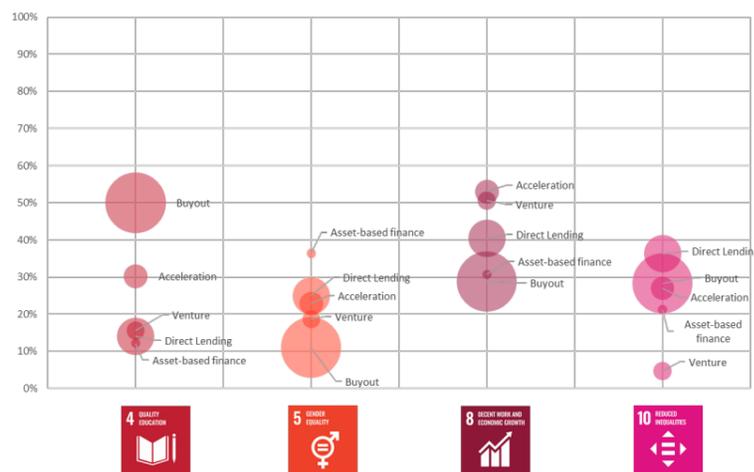
SDG impact of portfolio operations

A company can generate a negative or positive impact depending on how it conducts its business. It should be noted that a positive impact does not balance a negative impact, as each type of impact is assessed separately. Eurazeo selected seven primary SDGs to assess companies' operations:

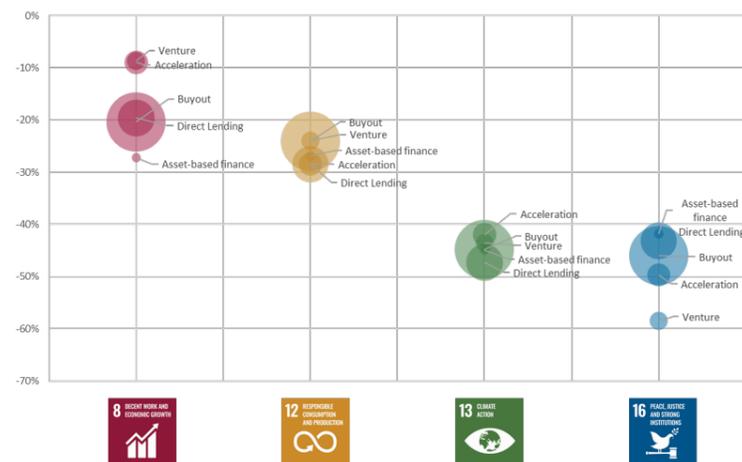


The contribution to the SDGs of the companies in which Eurazeo is a shareholder is mapped below. It should be noted that a positive impact does not balance a negative impact, as each type of impact is assessed separately.

Positive impact through operations



Mitigation of operations negative impacts



How to read the chart

- Bubble size represents the amounts invested; the detailed methodology is presented in appendices.
- Positive impact through operations: the score presented in the chart is the relative score compared to the maximum contribution score that can be achieved with regard to the assessment methodology (i.e. 100%).
- Mitigation of the negative impacts of operations: the score presented in the chart is the relative score compared to the maximum obstruction score that can be achieved with regard to the assessment methodology (-100%).

SDG impact of portfolio products and services



A company also generates negative and positive impacts through the products and services it produces or sells. The assessment is specific to each company, as products and services have specific types of impact according to their nature and means of production. For example, the logistics service offering, such as goods transport, has a negative impact on climate change due to the CO₂ emissions generated by the performance of the service. The weight of this negative impact varies according to the type of vehicle used, the distances covered, load weight, etc.



Here is an assessment of the contributions of a portfolio's products and services, weighted by the invested amounts. The portfolio's investments demonstrate a positive impact on work condition and economic growth (SDG 8), health (SDG 3), and education (SDG 4).

The negative impacts concentrate on SDG 12 relating to responsible consumption and production which aims to ensure sustainable management of resources, a well-reasoned use of chemicals and waste reduction. The detailed scope and methodology are presented in appendices.

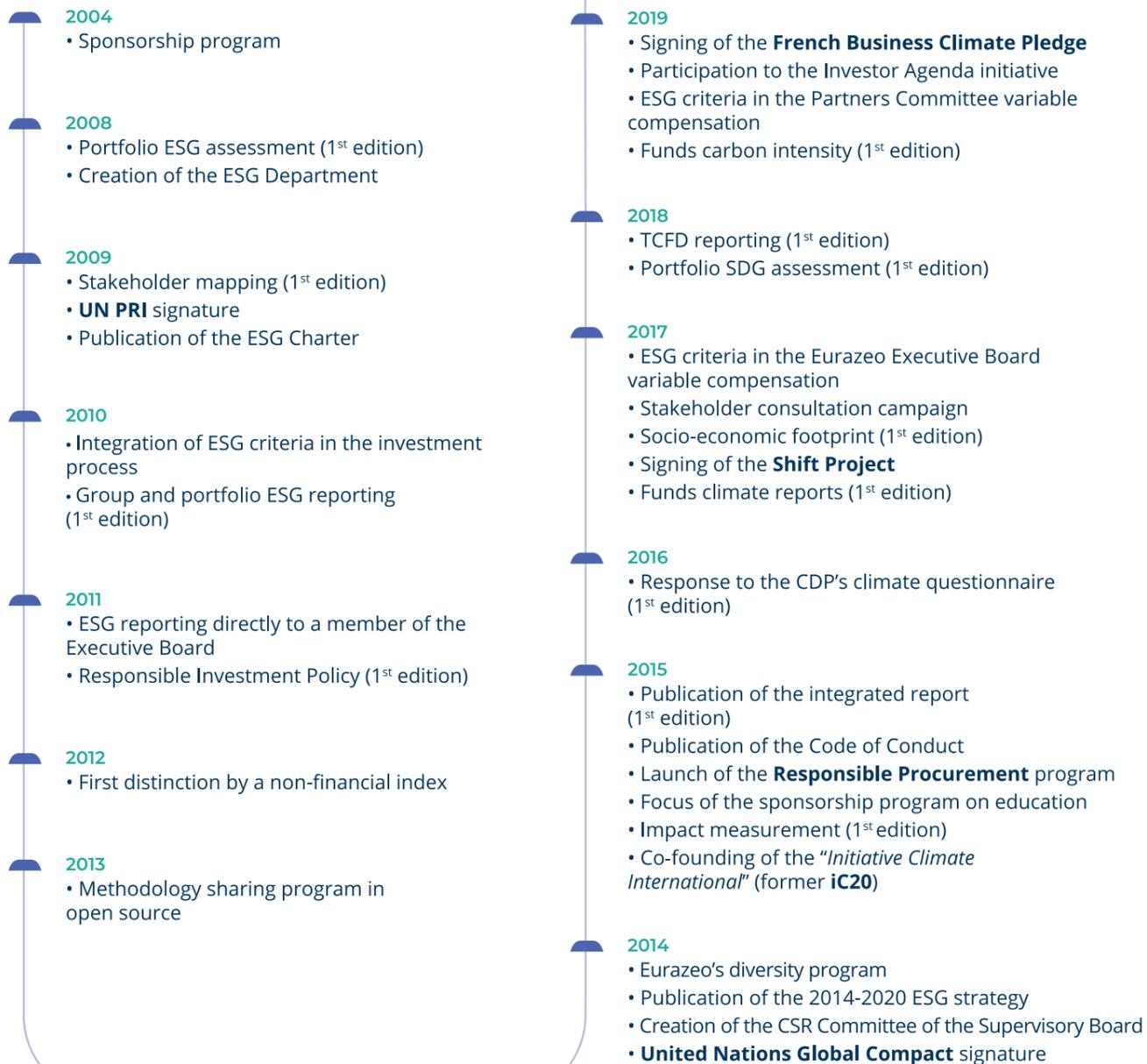
A PRINCIPLE OF ACTION TO PROGRESS ON ALL ESG DIMENSIONS

The 17 SDGs form a comprehensive blueprint to tackle the challenges related to social, environmental and economic development. They were adopted in 2015 by the UN Member States.

Analyzing businesses according to the SDGs helps identify positive contributions and negative impacts (or obstruction) of the company's activities. Eurazeo systematically conducts this assessment for each investment case to clarify the decision-making process and define ESG progress plans on operations, products and services, all along the holding phase.

OUR SUSTAINABILITY APPROACH

AN EARLY-ON COMMITMENT TO ESG



2020

- New ESG strategy **O+**
- Publication of the Exclusion Policy
- Creation of the Eurazeo's Endowment Fund
- Creation of the Covid-19 solidarity fund
- Commitment toward the **SBTI**
- ESG Director appointed to the Partners Committee
- Launch of Connect, ESG knowledge sharing platform for portfolio

Eurazeo's commitment and continual progress in terms of ESG are recognized by the main international non-financial rating agencies.



To date, **Eurazeo is the only listed investment company to feature in the five families of non-financial benchmark indices** alongside the world's most advanced companies in terms of ESG: Ethibel Sustainability Index (ESI), Euronext Vigeo, FTSE4Good, MSCI ESG Leaders and Climate Change and STOXX, Low Carbon and ESG Leaders.



SUMMARY SCORECARD



In 2020, Eurazeo also achieved the maximum score (A+) in each of the four assessment categories relating to its professions within the UN PRI's most recent survey. These scores are testament to Eurazeo's excellence in ESG.

STATE OF THE ART ESG ACCOUNTABILITY AND ADVOCACY

Eurazeo applies the best governance standards

ESG is embedded in the Supervisory Board

Eurazeo's Supervisory Board has had an ESG Committee since 2014. Its purpose is to assist the Supervisory Board in monitoring ESG-related issues. The ESG Committee considers these issues in coordination with the Executive Board and reports regularly to the Supervisory Board on the exercise of its duties and issues recommendations on Eurazeo ESG policy and actions. As of December 31, 2020, it had four members, including two independent members, and was chaired by Mrs. Anne Lalou.



Anne Lalou



Emmanuel Russel



Stéphane Pallez



Roland Du Luart

ESG criteria in variable compensation

ESG criteria have been taken into account since 2017 for the calculation of the variable compensation of Executive Board members, and more particularly since 2020 when ESG strategy objectives were factored into the individual assessment representing 15% of this variable compensation. Since 2019, ESG criteria have also been taken into account for the calculation of the variable compensation of all Partners Committee members with specific objectives depending on their scope of responsibility.

Eurazeo relies on the most renowned ESG frameworks



17 SDGs set up by UN Member States to provide a shared blueprint for **peace and prosperity for people and the planet**, now and into the future.



SBTi enable companies to set **net-zero science-based emissions reduction targets** in line with a 1.5°C future.



TCFD release **climate-related financial disclosure** recommendations.

Eurazeo strongly advocates for ESG in the financial industry

Encouraging its stakeholders to ascribe greater significance to ESG issues is a key commitment for Eurazeo, reflected by its active participation in several organizations of the financial industry. Eurazeo regularly contributes to research, working groups and conferences.



In 2020, Managing Partner and ESG & Digital Director Sophie Flak joined the EFRAG (European Financial Reporting Advisory Group) non-financial reporting standards task force. This participation translates Eurazeo's recognition in the field of ESG reporting. Eurazeo was the only private equity company to perform an NFRD reporting in 2020.

In partnership with four other private equity companies, Eurazeo launched the "Initiative Climat International" (former iC20) in November 2015. IC International is the first long-term approach allowing private equity investors to manage and reduce the greenhouse gas emissions of their portfolio companies.



In January 2020, Eurazeo also contracted the first syndicated sustainability-linked loan (SLL) for a private equity firm. This new facility has been indexed against ESG performance criteria. If the criteria are fulfilled, the margin calculation will generate a premium that Eurazeo will pledged to put toward funding projects to reduce greenhouse gas emissions, certified by recognized organizations.

EMBEDDING ESG IN THE INVESTMENT PROCESS

ESG is integrated at all stage of the investment cycle

- During the identification phase**, Eurazeo carries out ESG due diligence on 100% of prospective acquisitions undergoing advanced review to enrich the analysis of the sector and the target company, and to obtain an in-depth understanding of the various risks and opportunities;
- During the acceleration phase**, Eurazeo asks companies for which it is shareholder to deploy ESG essentials and perform an annual ESG reporting to measure the deployment, progress and results of ESG programs;
- During the divestment phase**, Eurazeo communicates ESG performance elements to potential buyers through the integration of ESG data in datarooms or via vendor due diligence.



In 2020, Eurazeo negotiated the first unitranche backed by 5 ESG criteria, including the annual measurement of the carbon footprint, the margin will be reviewed annually dependent on the achievement of those objectives. Since, ESG-linked loans have been implemented for 9 financings.

An ESG roadmap tailored for all investment strategies

To help portfolio companies integrate ESG into their business model and move forward, Eurazeo has developed a progress plan which is adapted to any company, whatever its size and level of ESG maturity. Built across 4 levels – bronze, silver, gold and platinum – the plan integrates 20 “ESG essentials” that help

elaborate a gradual yet efficient and comprehensive ESG approach. This system also helps to define the target level required for companies in which Eurazeo is the majority shareholder, i.e. gold, in compliance with the Group’s ambitions and the regulatory requirements to which it is subjected.

Achieving sustainability is a four-level process



¹ At least 75% of employees benefits from a profit sharing scheme

We help our portfolio companies connect on ESG

To support the development of ESG skills in the companies that it finances, Eurazeo organizes monthly webinars. Experts regularly discuss topics such as climate change, sustainable digital technology or new consumer expectations. Nine webinars were organized in 2020, bringing together more than 150 participants. To increase the streaming of these webinars, in 2020 Eurazeo developed EurazeoConnect, a digital platform opened to all portfolio companies. A community focusing on responsibility and impact enables the ESG managers

of companies to access all the documentation, tools and training offered by Eurazeo. For example, the platform includes an ESG reporting tool, a carbon calculator and a supplier ESG rating tool.

We aim to share our tips and tools with other actors

Eurazeo also has an open source policy, sharing with private equity companies two non-financial reporting frameworks: an advanced and a simplified version. Eurazeo also shares most of its methodologies on ESG reporting, climate, responsible procurement...

THEY DRIVE ESG WITHIN THE EURAZEO GROUP

A dedicated team of experts moves ESG forward

Created as early as 2008, the Eurazeo ESG team is managed by Sophie Flak, Managing Partner – ESG and Digital Director, member of Eurazeo Partners Committee. The four-member team reports to Nicolas Huet, General Secretary and member of Eurazeo Executive Board. Two new profiles will strengthen the team in 2021 on Climate and Inclusion topics.

 Nicolas Huet Member of Eurazeo Executive Board General Secretary	 Sophie Flak Managing Partner ESG & Digital Director	 Mariana Brito ESG Senior Specialist	 Margaux Girard ESG Analyst
	 Marième Diack ESG Coordinator	 Climate Manager Joining in October	 Inclusion Senior Specialist Joining in November

“Climate change and social inclusion are the most critical challenges of our time. In our line of business, we can have an exponential effect to bring about positive change. With O+, we are determined to do so!”

Sophie Flak,
Managing Partner, ESG & Digital Director

A network of ESG coordinators in all investment teams

ESG coordinators have been designated to coordinate ESG activities (eg, communication with investors and portfolio companies, coordination with ESG team) at segment or team level.

Private Equity			
Buyout		Venture	
 Mid-large buyout Amandine Ayrem - Managing Director		 Venture Digital Matthieu Baret - Managing Partner	
 Small-mid buyout Erwann Le Ligné - Managing Director	 Alexandre Bret - Principal	 Smart City Raphaël Cattan - Associate	
Acceleration		Private Funds Group	
 Growth Zoé Fabian - Managing Director		 Dedicated funds & mandates Sophie Bardsley - Investment Director	
 Brands Adrienne Shapira - Managing Director		 Secondary Funds Théo Charpentier - Associate	
 Healthcare Arnaud Vincent - Managing Director			
Private Debt			
Direct Lending		Asset-based finance	
 Direct Lending Maxime de Roquette Buisson - Managing Director		 Industrial Leasing Damien Boulangeat - Investment Manager	
 Corporate Financing Soriano Abouz - Investment Director		 Sustainable Maritime Infrastructure Financing Daniel Emersleben - Investment Director	
Real Asset			
Real Estate		Infrastructure	
 Fanny Brunier - Associate		 Élise Dupuy Vaudour - Chief Operating Officer	

Our Achievements

INVESTMENT PROCESS

Data as of December 31, 2020

	Private Equity				Private Debt		Real Assets
	Buyout	Acceleration	Venture	Private Funds Group	Direct lending	Asset-based Finance	Real Estate
Asset under management (M€)	4 789	2 685	2 490	5 229	4 329		1 071

In % of companies

ESG exclusion compliance	100%	100%	100%	100%	100%	100%	100%
ESG integration in the pre-investment phase: ESG due diligence	100%	100%	93%	84%	100%	100%	100%
ESG integration in the investment period: ESG reporting	100%	73%	68%	89%	59%	63%	100%

In number of funds - As of June 30, 2021

	3	-	1 ³	-	-	1	-
	-	2	4	-	2	-	-

Integrating ESG at each step of the investment process is at the core of Eurazeo's way of investing and KPIs are measured thoroughly and verified by an external consultant. Deployed in 2020, the exclusion policy has been immediately implemented by all investment branches with a 100% compliance rate. Conducting ESG due diligence for all types of investment is a specificity of Eurazeo in contrast to most other market players who focus mostly on buyout. Results are strong in all branches, with the objective to progress for Private Funds' transactions where access to information might prove more difficult for the secondary market.

All companies that have received investment from Eurazeo, either directly or through managed investment funds, are asked to conduct an annual ESG report. However, the response and the completion rates vary between asset classes due to different consolidation types and particularities of direct and indirect investment activities. The venture portfolio demonstrates a strong rate of contribution to the yearly reporting, regardless of the challenges and limited resources of startups. Some companies in the private debt portfolio might have a less direct relationship with Eurazeo's teams, especially the senior debt portfolio, which explains why response rates might be slightly lower than other portfolios. However, considering the particularity of debt activities, the rates are considered very satisfactory.

³ Applicant status

80% of our funds in marketing or investment phase are Article 8 or 9-compliant.

In accordance with the EU Sustainable Finance Disclosure Regulation (SFDR), Eurazeo has classified its funds according to the following typology:

- **Article 6** funds neither promote ESG characteristics nor have sustainable investment as their objective
- **Article 8** funds promote ESG characteristics
- **Article 9** funds have sustainable investment as their objective

All funds that have completed the investment phase are classified as Article 6 products. Funds whose sole purpose is to carry co-investments or invest in other funds are also allocated to this category.

Eurazeo has already launched two Article 9 funds that target sustainable investments: Eurazeo Sustainable Maritime Infrastructure (ESMI) and Nov Santé.

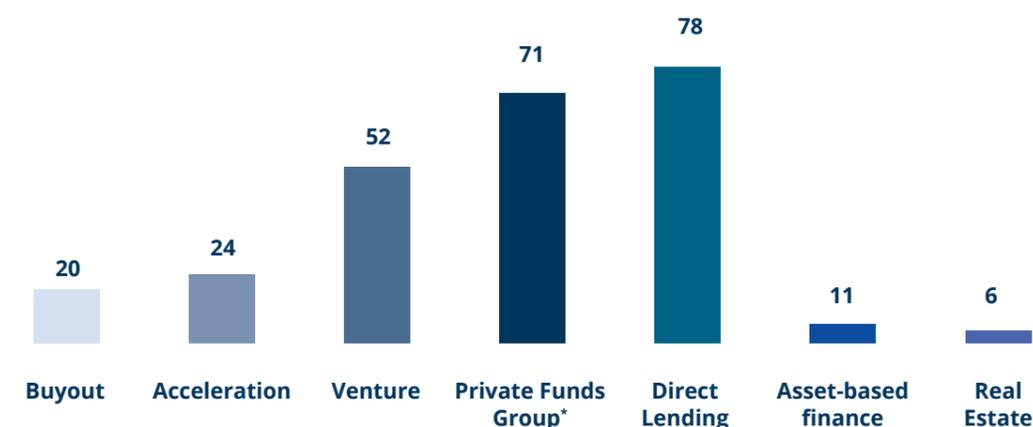
Reporting scope

The report covers the calendar year from January 1 to December 31, 2020. The annual ESG survey was sent to 285 companies, with a response rate of 64%. The ESG indicators and analysis reported below cover these 64% responding companies.

For the Private Funds Group, the annual ESG survey was sent to 79 management companies in portfolio with a 90% answer rate and 71 questionnaires returned, a 29% increase compared to 2020.

ESG Group reporting and portfolio data are subject to consistency checks on consolidation. A Statutory Auditor, appointed as an independent third party by Eurazeo, reviewed the ESG information published yearly in the Universal Registration Document⁴.

Investment strategy breakdown (# of companies)



* Number of management companies in portfolio covering over 600 portfolio investments

⁴ Please refer to the Non-financial Performance Statement in the Eurazeo Universal Registration Document.

PORTFOLIO IMPACT OVERVIEW

Reported below are the main KPIs regarding our O+ strategy for all our activities.

Private Equity

% of companies:	Buyout	Acceleration	Venture	Private Funds Group
With carbon footprint assessment scope (scope 1,2,3)	100%	85%	80%	45%
Scope 1 + 2 emissions in tons of CO2 eq.	807 751	22 547	28 504	
Scope 3 emissions in tons of CO2 eq.	4 163 661	87 680	90 639	
Scope 1+2+3 emissions in tons of CO2 eq.	4 971 411	110 227	119 143	
With 100% of green energy	0%	8%	6%	
With GHG reduction policy or goals	37%	17%	10%	
With a carbon neutrality trajectory	5%	8%	6%	

Total employees	30 978	6 993	6 852	14 968
Percentage of women in the total workforce	39%	33%	32%	37%
Percentage of women in the investment team				20%
Percentage of employees covered by health insurance	98%	88%	96%	
Percentage of employees in France	40%	49%	54%	

% of companies:	Buyout	Acceleration	Venture	Private Funds Group
With 40% of women in first decision-making body	11%	4%	13%	9%
French companies with 85/100 at Gender Equality Index	38%	25%	8%	
With health, life and disability insurance for all employees	89%	38%	73%	
With profit-sharing scheme for at least 75% of employees	32%	21%	29%	

% of companies:	Buyout	Acceleration	Venture	Private Funds Group
That performed an ESG reporting	100%	73%	68%	89%
With SDG assessment	95%	82%	80%	28%
With ESG on the agenda of board meeting	89%	33%	15%	86%
With an ESG coordinator	84%	50%	15%	96%
With ESG goals	58%	21%	4%	
With ESG improvement plans for portfolio				87%
With 30% of independent members at board level	84%	17%	13%	34%
With an audit and remuneration committee	95%	38%	13%	
With a responsible procurement approach	42%	17%	2%	
With a responsible investment policy				96%
With a code of ethics/code of conduct/anti-corruption policy	74%	63%	29%	-
With an exclusion policy				99%
With ESG criteria in management remuneration scheme	16%	4%	0%	17%

Case Studies

Buyout



Seqens is a leading global manufacturer of pharmaceuticals and essential chemicals providing to end markets in Pharma & Healthcare, Cosmetics & Flavors & Fragrances, Environment and Home Care. Seqens is an exemplary case of what can be achieved to decarbonize a company while growing it into a major player of synthetic pharmaceuticals and specialized ingredients.

Seqens implemented a proactive program to reduce its carbon footprint based on three pillars: (1) Boosting energy efficiency at production level; (2) Leveraging circular economy approaches to lower energy consumption and carbon emissions; (3) Improving the energy mix to reduce the ratio kgCO2/Kwh.

The results demonstrate a significant improvement of the ratio tCO2/€k EBITDA (from 23 tCO2/€k in 2008 to 8 tCO2/€k in 2019) and a 30% reduction of the production's carbon intensity, achieved between 2008 and 2019. Seqens is also two years ahead of its initial plan to move away from coal. Since 2016, Seqens saved 650kt of CO2 emissions as well as 33 million thanks to its decarbonization program.



Carambar & Co is a Group of confectionery and chocolate brands. In response to growing consumer expectations for transparency and quality, CPK launched a product innovation program called "bons et bons". 19 products were launched between September 2019 and April 2020 containing organic and/or plant-based ingredients and less sugar. CPK has also implemented a program to remove controversial ingredients from its products.

In 2019, the Group approached several suppliers to group together their goods transportation and limit the number of trucks on the road. This initiative has helped avoid over 3,000 metric tons of CO2. The gains linked to this optimization were evaluated at nearly €500,000.



Since 2013, Peters Surgical developed its ESG strategy in all countries it operates. A dedicated operational governance has been implemented with ESG, Human Resources and Environmental steering committees in each country (including India and Thailand). As such, local ESG-related priorities and initiatives are carried out with a focus on "Good Health & Well-being", "Quality Education" and "Responsible Production and Consumption".

Acceleration



Launched in 2014, Back Market is the first marketplace focused on bringing thousands of refurbished electronic devices and appliances from certified professionals to consumers. Driven by consumers' ecological awareness, but also by a logic of affordability, Back Market's circular and virtuous model correlates economic and environmental performance: the greater the volume of business on Back Market's platform, the less detrimental environmental impact related to electronics is being created. Back Market's business also has a strong secondary positive impact by offering its customers greater buying power when purchasing electronics.

In addition to reducing electronic equipment waste, reconditioning also helps reduce the impact on climate change by avoiding the production of new products. In 2019, the company has avoided 47,850 tons of CO2 and 358,000 tons of electronic waste thanks to its smartphones and computers sales.



Herschel Supply is excited to be building on its Corporate Impact journey. In February 2021 through direct-to-consumer channels only, Herschel Supply launched the Eco Collection, which reimagined a curated selection of classic Herschel silhouettes with 100% recycled fabrics. Using industry-leading recycled materials from the liner to the label, the Eco Collection was built with the same signature details and everyday features as the longstanding favorites plus some new, exclusive design elements. Each style in

the collection is made from anywhere between 11–22 post-consumer water bottles that were collected, chipped, cleaned, melted, spun, woven into fabric, and sewn into bags. All silhouettes feature 100% recycled body fabric, liners, labels, webbing, and zipper tapes. The Eco Collection has been available through select global wholesale channels since June 2021.

New CEO Jon Hoerauf's arrival heralded a new era of Corporate Impact at Herschel Supply, strengthening existing plans on product, supply chain, community, employee involvement, and ethical operations. In Q2, Herschel Supply was thrilled to join the industry-leading Sustainable Apparel Coalition and Higg Index, working with experts to discover a baseline and impact framework by the end of 2021.

As part of Herschel Supply's ever-expanding We've Got Your Back™ initiative, the company is on track to donate 15,000 units to arts education programs and other causes by the end of the year. Working closely with the People & Talent team, Herschel Supply will internally launch an employee volunteer program along with continuing diversity, equity and inclusion initiatives for the balance of 2021.

Venture



OnTruck is an on-demand B2B marketplace focusing on regional freight transportation (<150km), i.e. the "Uber for trucks". OnTruck's routing algorithm increases truck's utilization (2 to 4 orders by route), reducing empty kilometers travelled by carriers from 40% (industry average) to 23%. By 2025, OnTruck plans to capture 1% market share and estimate a cumulative savings of over 600 billion km of empty truck.

Private Funds Group



Norvestor is a leading Nordic private equity manager headquartered in Oslo (Norway) operating across the Nordics with offices in Sweden and Finland and investing in mid-market business services, technology enabled services, industrials and consumer services companies. The manager was established in 1989 and has invested €1.6bn in the region since inception.

Norvestor VIII is its 8th dedicated Nordic mid-market buyout fund targeting 14-18 investments starting in 2020 with a strong commitment to responsible investing with sustainability factors being an integral part of the investment process, annual sustainability reviews of their portfolio and actions plans based on structured assessment of ESG opportunities and risks. Eurazeo contributed to the fund early 2020 as part of its primary portfolio construction strategy backing ESG driven managers thanks to its privileged relationship and motivated by a solid track record, stable and experienced team and proven capacity to create value across cycles.

Private Debt

% of companies:	Direct Lending	Asset-based Finance
With carbon footprint assessment scope (scope 1,2,3)	89%	100%
Scope 1 + 2 emissions in tons of CO2 eq.	2 535 385	1 579 043
Scope 3 emissions in tons of CO2 eq.	5 733 712	6 180 405
Scope 1+2+3 emissions in tons of CO2 eq.	8 269 097	7 759 448
With 100% of green energy	6%	8%
With GHG reduction policy or goals	28%	64%
With a carbon neutrality trajectory	13%	17%

Total employees	108 627	6 649
Percentage of women in the total workforce	36%	15%
Percentage of employees covered by health insurance	65%	67%
Percentage of employees in France	34%	56%

% of companies:		
With 40% of women in first decision-making body	18%	25%
French companies with 85/100 at Gender Equality Index	22%	33%
With health, life and disability insurance for all employees	52%	33%
With profit-sharing scheme for at least 75% of employees	23%	8%

% of companies:		
That performed an ESG reporting	59%	63%
With SDG assessment	70%	74%
With ESG on the agenda of board meeting	48%	42%
With an ESG coordinator	51%	50%
With CSR goals	38%	67%
With 30% of independent members at board level	9%	33%
With an audit and remuneration committee	3%	25%
With a responsible procurement approach	6%	50%
With a code of ethics/code of conduct/anti-corruption policy	11%	83%
With ESG criteria in management remuneration scheme	8%	17%

Case Studies



Astradec is specialized in the collection, treatment and recovery of industrial and household waste, which contribute to the preservation of resources and the environment. In addition, the Group develops local networks to reduce the carbon footprint of waste transportation. Every year, the group recycles 70,000 tons of waste across its 16 sites in France.



Cem'In'Eu aims to disrupt cement production with an innovative and flexible approach, and strong breakthroughs in supply, logistics, production and sale of cement. Its modular plant design and processes result in lower environmental footprint while their sustainable logistics decrease the impact along the industrial process. Cem'In'Eu contributes positively to decrease the overall environmental footprint intensity of its sector, however which is not eliminated.



Excelrise is a leader in plastic packaging, a material that has negative impact on biodiversity (SDG14 and SDG15). Aware of the challenges its activity is facing, the company has developed a recycling business line (XL Recycling) and an upcycling product range (Reborn) to transform the plastic industry with a circular economy model. Carlsberg now uses Excelrise plastic film to regroup its beer cans in Denmark. It is made up of 100% recycled plastic, out of which 30% originate from the brewer's own plants.



Vertex is a leading producer of bioethanol. Not only does the company rely on sustainable crops to develop this low-carbon alternative fuel but they also include rural development and economic empowerment through job creation. Its dedicated Vertex Bioenergy Foundation is aimed at addressing the 17 SDGs through investments and donations for projects of foundations, NGOs and universities.

Real Assets

% of companies:	Real Estate
With carbon footprint assessment scope (scope 1,2,3)	100%
Scope 1 + 2 emissions in tons of CO2 eq.	8 023
Scope 3 emissions in tons of CO2 eq.	264 110
Scope 1+2+3 emissions in tons of CO2 eq.	272 133
With 100% of green energy	0%
With GHG reduction policy or goals	17%
With a carbon neutrality trajectory	0%

	Real Estate
Total employees	5 383
Percentage of women in the total workforce	76%
Percentage of employees covered by health insurance	100%
Percentage of employees in France	88%

% of companies:	Real Estate
With 40% of women in first decision-making body	25%
French companies with 85/100 at Gender Equality Index	67%
With health, life and disability insurance for all employees	100%
With profit-sharing scheme for at least 75% of employees	25%

% of companies:	Real Estate
That performed an ESG reporting	100%
With SDG assessment	83%
With ESG on the agenda of board meeting	100%
With an ESG coordinator	100%
With CSR goals	60%
With 30% of independent members at board level	50%
With an audit and remuneration committee	100%
With a responsible procurement approach	20%
With a code of ethics/code of conduct/anti-corruption policy	60%
With ESG criteria in management remuneration scheme	0%

Case Studies



Emerige is a company specialized in the management of urban operations. Emerige committed in 2017 to a CSR approach built around 4 commitments: "Build trust, Demand high quality, Shape the sustainable city, Bring people together around culture".

In 2020, Emerige carried out a carbon assessment of all its activities in order to measure its impact and to initiate a program to reduce GHG emissions. Making the city sustainable is already reflected in a number of projects underway, including the Berlier (Paris 13th), the tallest wooden residential building in France, the Docks de Saint Ouen eco-district, 80% of which is heated with renewable energy, and Morland Mixité Capitale with its centralized energy production.

In most of the programs, Emerige develops shared spaces dedicated to nature or participatory projects around biodiversity in the city, such as 2,500 square meters of gardens and green roofs in Pantin (Quai l'Aisne), or a greenhouse shared by UNIC residents in the new Clichy Batignolles eco-district.

Methodologies

SDG ASSESSMENT

The SDGs constitute a comprehensive blueprint to tackle social, environmental and economic development challenges facing the world. Adopted in 2015 by the Member States of the United Nations, the SDGs comprise 17 sustainable development goals (SDG), broken down into 169 targets and 232 measurement indicators.

A SDGs-based analysis seeks to identify positive contributions and negative impacts (or obstructions) of companies.

Eurazeo conducts this assessment for companies' operations and for products and services. An assessment is systematically performed for each investment to clarify the decision-making process and define ESG progress plans during the holding phase.

In the absence of a baseline methodology to perform impact measurements, Eurazeo has developed a methodology which takes into account the related targets and objectives to assess operations and uses the Impact Management Project (IMP) framework for products and services.

Risks of SDG washing

The defining principles of our methodology are aimed at preventing the following SDG-washing risks:

- **Positive contribution bias effect:** consists in highlighting a product's positive contributions (e.g. electric mobility) while ignoring the negative impacts in the value chain (e.g. raw material extraction, product waste and second life) or how the company manages its operations (e.g. decent working conditions);
- **Magnifying glass effect:** consists in focusing on a positive aspect of an activity, even if it only represents a small percentage (e.g. an eco-designed product which represents 1% of overall revenue, the remainder being generated by standard products);
- **Offsetting effect:** consists in reporting a neutral impact by offsetting the positive and negative impacts (e.g. production of medicine). The positive (healthcare) and negative (pollution) impacts are real and as such should be taken into consideration separately.

Assessment of operations

Eurazeo selected **7 SDGs and 8 targets** to assess company operations:



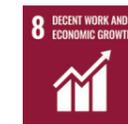
SDG 4 - Quality education

4.4. Increase the number of youth and adults who have relevant skills, including technical and vocational skills



SDG 5 - Gender equality

5.5. Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making



SDG 8 - Decent work

8.5. Achieve decent work for all women and men
8.8. Protect labour rights and promote safe and secure working environments for all workers



SDG 10 - Reduced inequalities

10.4. Adopt policies, especially fiscal, wage and social protection policies, and progressively achieve greater equality



SDG 12 - Responsible consumption & production

12.2. Achieve the sustainable management and efficient use of natural resources



SDG 13 - Climate action

13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries



SDG 16 - Peace, justice and strong institutions

16.5. Substantially reduce corruption and bribery in all their forms

The score is calculated for each portfolio company for each of the 8 targets. The targets are then aggregated with an equal weighting for each SDG.

The impact score comprises two factors:

- **The theoretical impact level**, which is determined according to the significance and criticality of the target in the considered business sector. This assessment is conducted by an external firm to ensure quality and objectivity.
- **The probability of the impact's occurrence**, which depends on the measures adopted by each company to either mitigate a negative impact or strengthen a positive impact. The probability for the various selected SDG targets is derived from the indicators of the ESG reporting collected by Eurazeo from its portfolio companies. These indicators can be quantitative or qualitative:
 - 16 quantitative indicators from the reporting are used (e.g. percentage of trained employees, percentage of women in management bodies, accident frequency rate, carbon intensity, etc.),
 - 16 qualitative indicators from the reporting are used (e.g. set-up of environmental policies (water management, energy efficiency, impacts on biodiversity, etc.), Responsible Procurement, Code of Conduct, Audit Committee policies, etc.).

The scoring system has four levels, from 0 (immaterial impact) to 3 (strong impact).



Products and services

The impact of products and services is assessed based on the Impact Management Project (IMP) guidance which sets out a framework for analyzing how the management of both positive and negative impacts in relation to the SDGs is measured, reported and improved.

Firstly, the SDGs on which products and services sold by each company may have an impact are identified. Three of the five IMP dimensions - What, Who and How much - are then analyzed to assess the impact of products and services.

IMPACT DIMENSION	IMPACT QUESTIONS EACH DIMENSION SEEKS TO ANSWER
WHAT	What outcome does the impact drive? How important is the outcome to the stakeholders experiencing the impact?
WHO	Who experiences the impact? To what extent were these stakeholders undeserved in relation to the outcome?
HOW MUCH	What is the scale, depth and duration of the impact?

The product or service impact score for an SDG target depends on the response given to each dimension, as summarized in the following table.

WHAT	Important negative outcomes	Mitigation outcomes	Important positive outcomes
WHO	Various		Undeserved
HOW MUCH	High degree of negative change	Moderate degree of change	High degree of positive change

CLASSIFICATION OF IMPACT	May cause significant harm	May cause harm	Act to avoid harm	Benefit stakeholders	Contribute to solutions
SCORE	-3 / -2	-1	1	2	3

The impact of a company's products and services is measured in relation to the SDGs identified for their positive contribution and their obstruction. It should be noted that positive and negative impacts are not offset.

CARBON FOOTPRINT & CLIMATE RISK ASSESSMENTS

Climate risks

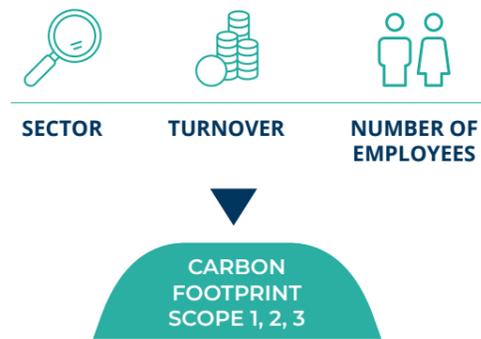
Climate risk analysis is based on financial and non-financial information (sector, location, type of facility, revenue and number of employees). It covers physical risks and energy transition risks in accordance with the French Energy Transition Law and Task Force for Climate-related Financial Disclosure (TCFD) recommendations.

Each of the five risks is assessed on a scale from 1 to 3 (1: low risk to 3: high risk). Risk assessment is based on each company's sector, geographical location and activity.

TYPE	CLIMATE RISKS	POTENTIAL FINANCIAL IMPACTS (1)
PHYSICAL RISKS	Physical risks result from climate change impacts: rising temperatures, drought, extreme weather events, rising sea levels worldwide. Physical risks are assessed by combining their probability of occurrence and their severity.	Reduced revenue from decreased production capacity (e.g., transport difficulties, supply chain interruptions) Reduced revenue and higher costs from negative impacts on workforce (e.g., health, safety, absenteeism) Write-offs and early retirement of existing assets (e.g., damage to property and assets in "high-risk" locations) Increased operating costs (e.g., inadequate water supply for hydroelectric plants or to cool nuclear and fossil fuel plants) Increased capital costs (e.g., damage to facilities) Reduced revenues from lower sales/output Increased insurance premiums and potential for reduced availability of insurance on assets in "high-risk" locations
	POLICY AND LEGAL	
TRANSITION RISKS	Increased pricing of GHG emissions Enhanced emissions-reporting obligations Mandates on and regulation of existing products and services Exposure to litigation	Increased operating costs (e.g., higher compliance costs, increased insurance premiums) Write-offs, asset impairment, and early retirement of existing assets due to policy changes Increased costs and/or reduced demand for products and services resulting from fines and judgments
	TECHNOLOGY	
	Substitution of existing products and services with lower emissions options Unsuccessful investment in new technologies Costs of transition to lower emissions technology	Write-offs and early retirement of existing assets Reduced demand for products and services Research and development (R&D) expenditures in new and alternative technologies Capital investments in technology development Costs to adopt/deploy new practices and processes
	MARKET	
	Changing customer behavior Uncertainty in market signals Increased cost of raw materials	Reduced demand for goods and services due to shift in consumer preferences Increased production costs due to changing input prices (e.g., energy, water) and output requirements (e.g., waste treatment) Abrupt and unexpected shifts in energy costs Change in revenue mix and sources, resulting in decreased revenues Re-pricing of assets (e.g., fossil fuel reserves, land valuations, securities valuations)
REPUTATION		
Shifts in consumer preferences Stigmatization of sector Increased stakeholder concern or negative stakeholder feedback	Reduced revenue from decreased demand for goods/services Reduced revenue from decreased production capacity (e.g., delayed planning approvals, supply chain interruptions) Reduced revenue from negative impacts on workforce management and planning (e.g., employee attraction and retention) Reduction in capital availability	

Carbon footprint

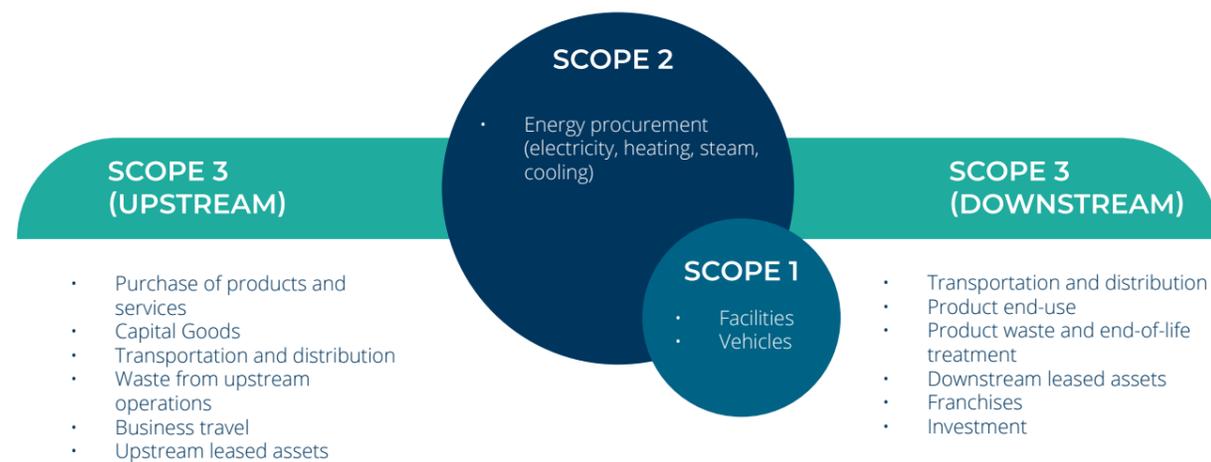
The carbon footprint assessment is based on emissions data provided by ISS Ethix Climate Solutions, a leading global provider of climate data. The ISS-Ethix Climate Solutions methodology was developed over three years and includes about 800 sector and subsector-specific models, allowing ISS-Ethix Climate Solutions to calculate the GHG emissions of companies based on sector of activity, turnover and number of employees.



The ISS-Ethix data received is subjected to quality checks in which sector and historical data is compared. Based on a statistical approach, the ISS Ethix provides the level of confidence for each estimated carbon footprint.

The analysis covers emissions throughout the value chain as defined by the GHG Protocol:

- **Scope 1 emissions:** direct emissions from owned or controlled sources.
- **Scope 2 emissions:** indirect emissions from the generation of purchased energy (electricity, steam, heating and cooling).
- **Scope 3 emissions:** all indirect emissions (not included in scope 2) that occur in the value chain of the reporting company, including both upstream and downstream emissions.



- Purchase of products and services
- Capital Goods
- Transportation and distribution
- Waste from upstream operations
- Business travel
- Upstream leased assets

- Facilities
- Vehicles

- Transportation and distribution
- Product end-use
- Product waste and end-of-life treatment
- Downstream leased assets
- Franchises
- Investment

NON-FINANCIAL REPORTING

Perimeter and dedicated reports

The ESG report covers Eurazeo and its subsidiary management companies:

- Eurazeo Mid-Cap (EMC);
- Eurazeo Investment Manager (EIM);
- Eurazeo Funds Management Luxembourg;
- Eurazeo North America.

Reporting tool

To collect and consolidate non-financial information, Eurazeo uses an online collection, processing and consolidation tool for quantitative and qualitative data. The ESG reporting software breaks down the indicators into four themes: labor impacts, environmental impacts, respect of human rights and governance and ethics.

Data control, consolidation and verification

In each company, entity managers carry out the necessary checks to ensure the accuracy and reliability of the data. Local managers perform initial validation of the data using the reporting software. The software also contains the data from previous years to facilitate consistency checks, with an alert system when a 10% variation appears between the current year and the previous year. Each indicator is accompanied by a precise definition in French and English.

At Eurazeo, several internal controls have been established to ensure data reliability:

- Consistency check with the data of the previous year;
- Automatic calculation of ratios and totals in the software;
- Comparison with market and/or external data.

For buyout fully consolidated companies, the consolidated data are also subject to consistency checks. PwC, a Statutory Auditor appointed as an independent third party by Eurazeo, reviewed the ESG information. These data are published in the Non-financial Performance Statement, as part as Eurazeo Universal Registration Document. The document is available on Eurazeo's website, in the ESG documents and publications section.

	PRIVATE EQUITY				PRIVATE DEBT		REAL ASSETS
	Buyout	Acceleration	Venture	Private Funds Group	Direct lending	Asset-based Finance	Real Estate
Internal check and verifications	X	X	X	X	X	X	X
Verification by statutory auditors	X	X	-	-	-	-	X

Cross-reference table

	Page or external reference	Article 173 - VI and Task Force on Climate-related Financial Disclosures (TCFD)	SASB	Global Compact: Advanced Level	Sustainable Development Goal (SDG)	Investors for growth commitments charter (France Invest)
SUSTAINABILITY APPROACH						
Statement from the most senior decision maker of the organization about the relevance of sustainability to the organization and its strategy	p7	-		19	-	-
Organization profile	p8-9	-		1	SDG8	A.1 to A.5
History of the ESG commitment	p24-25	-		-	-	-
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Nature of ESG criteria taken into account in the investment policy	URD 2020	Art. 173 - Title II, 1° and 2°; Title III, 1°	FN-IB-410a.3	1 to 2	SDG8	-
Information used for the application of criteria	URD 2020	Art. 173 - Article 1, Title III, 2°	FN-IB-410a.3	1 to 2	SDG8	-
Risks and opportunities related to climate change	URD 2020	Art. 173 - Title III, 3; TCFD - Strategy a. and b.; TCFD - Risk management a. and b.	FN-IB-410a.3	9 to 11	SDG8 ; SDG13	C.10
Methodology and results of the analysis of ESG criteria	URD 2020	Art. 173 - Title III, 3°	FN-IB-410a.3	1 to 2	SDG8	-
Integration of analysis results in the investment process	URD 2020	Art. 173 - Title III, 4°	FN-IB-410a.3	1 to 2	SDG8	C.10
ESG roadmap for investments	p29	-	FN-IB-410a.3	1 to 15 ; 21	SDG8	C.10 to C.11
FOCUS ON O+ STRATEGY						
Climate: reach carbon net neutrality by 2040 at the latest						
Management Company's impact						
Climate commitment	p12-13	Art. 173 - Title III, 3; TCFD - Strategy c.; TCFD - Metrics & targets c.		2; 9 to 11 ; 21	SDG13	C.10 to C.12
Investments in the low carbon economy	p14-15	TCFD - Strategy a., b. and c.		2; 9 to 11	SDG13	B.7; C.12
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Activities in the fossil fuel industry	p17	TCFD - Metrics & targets a.		11	SDG13	C.12
Climate risk assessment	p17	TCFD - Risk management a. ; Metrics & targets a.		9 to 11	SDG13	C.12
Inclusion: promote a more inclusive economy						
Management Company's impact						
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Breakdown of workforce by gender	p20	-	FN-IB-330a.1	-	SDG5	-
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SDG impact of products and services	p22	-		1 to 15	All SDGs	C.12
Other environmental commitments and results	URD 2020	-		9 to 11	SDG6; SDG7; SDG8; SDG12; SDG13; SDG14; SDG15; SDG16	C.10 to C.12
Other social commitments and results	URD 2020	TCFD - Metrics & targets a.	FN-IB-330a.1	3 to 8	SDG1; SDG3; SDG4; SDG5; SDG8	B.6 to B.9
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Code of Conduct	-	FN-IB-510a.1 ; FN-IB-510a.2	12 to 14	SDG16	D.13 to D.15	
INVESTMENTS' ANNUAL RESULTS						
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GHG reduction policy and goals	p34-39	TCFD -Metrics & targets a.		9 to 11	SDG13	C.12
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