



PROGRESS REPORT

2021

EURAZEO



ESG IN THE ERA OF GLOBAL SHOCKS

Editorial by **Virginie Morgon**, CEO

The environmental situation is catastrophic.

The effects of climate change have become a daily reality. Mega-fires, heavy cold spells, storms, heat waves and droughts have become commonplace. On top of the massive human and material damage it causes, climate change is impacting crops, hampering productivity and inflating prices. It is also increasingly threatening global food security. The Intergovernmental Panel on Climate Change (IPCC) states that 2025 is the final deadline to stabilize global greenhouse gas emissions. By 2030 these emissions must be reduced by 43%. By 2050 the goal is complete elimination.

The social fabric is torn, communities are fractured.

Over the past 10 years, we have witnessed an increasing number of countrywide social movements related to gender, sense of belonging, race, work and well-being. Social unrest is growing worldwide, and inequalities of all kinds are gaining ground, exacerbated by the Covid-19 health crisis and the war in Ukraine. The rapid increase in food and energy prices is an aggravating factor: we are facing the sharpest rise in extreme poverty in over 20 years.



The urgency of the situation has not been acknowledged.

Awareness is growing, but mobilization remains insufficient. The same is true for investment. Companies absolutely must do their part: they have the power to act faster and more decisively than governments, and to reach further. They can drive change for all their stakeholders through their commitments, practices, business activities, products and services.

The financial industry is part of the solution.

Investment companies, such as Eurazeo, can have a positive multiplier effect by deciding to finance certain activities or sectors (and banning others), financing companies whose products and services contribute to the “solution”, accompanying the companies of their portfolio on their ESG journey, raising awareness and sharing best practices.

Sustainability and performance are intricately related.

Environmental, social and societal levers contribute to making a company more efficient and resilient at all levels. Managing ESG issues and integrating them into the business help to anticipate market trends, identify future-proof companies and avoid stranded assets. ESG usually requires short-term capex, but it also contributes to long-lasting performance. It plays a key part in making a company more attractive to customers, partners, investors, employees and future recruits alike.

In this era of simultaneous, global shocks, who dare say or act otherwise?

Recent and current upheavals may have had the ‘benefit’ of boosting both awareness and commitment. This is visible in the recent developments in regulatory frameworks in various parts of the world. We have a long road ahead of us. But, at its own level, Eurazeo is working to the best of its abilities to be a responsible employer, investor and economic player. •

“ Environmental, social and societal responsibility makes a company more efficient and resilient at all levels. It usually requires short-term capex, but it also contributes to long-lasting performance. ”

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DRIVING

POSITIVE CHANGE

2021: THE DAWN OF A TRULY SUSTAINABLE ECONOMY?

By **Sophie Flak**, Managing Partner – ESG & Digital

I have always been convinced that finance, especially private markets, can play a decisive role in the transition towards a low-carbon and more inclusive economy. Private markets account for approximately 5% to 10% of global GDP: they can influence millions of companies worldwide to operate their business within environmental and social safeguards. Financial players have the unique ability to conduct this transformation at scale, globally and in a timely manner.

Until recently, incentives and regulatory constraints were limited. The scope of ESG is wide, complex and hard to grasp. Practices and guidelines are constantly evolving. Only a handful of players have been able to implement transformative ESG so far— including Eurazeo. Up until 2020, extra-financial reporting was essentially based on the Non-Financial Reporting Directive (NFRD)—*Grenelle's* younger offshoot—, which compelled listed and large corporations (500+ employees) to disclose information on the social and environmental repercussions of their activities. This directive had one major shortcoming: the indicators (about 150) were not standardized. Each company could thus choose the indicators and calculation methods it applied, making comparisons between players virtually impossible.



2021 has brought about both the incentive and the constraints. To achieve tangible ecological and inclusive change, the European Union has started introducing new regulations to enforce transparency of so-called sustainable investments and channel capital flows towards a more sustainable economy. The Sustainable Finance Disclosure Regulation (SFDR) makes it mandatory for financial companies to publish extra-financial information on each of their products. The EU Taxonomy complements this by establishing a list of environmentally sustainable economic activities, which contribute to the fight against climate change, in line with the goals of the Paris Agreement (social rules will follow).

“ It will take a few additional years to improve data quality and create effective comparability but, at long last, winter is coming for the fossil fuel economy and the associated greenwashing practices. ”

However, the debate as to what is, and isn't, “sustainable” is still raging at European level. The exponential growth of funds classified as Article 8 and 9, the declining number of those classified as Article 6 and the recurring headlines on greenwashing scandals are signs that the lines are moving and will likely accelerate with the mandatory publication of standardized ESG indicators – namely Principal Adverse Impact (PAI) indicators, Taxonomy eligibility and alignment.

Integrating those new regulations, including their national transpositions, will be a Herculean task. Apart from the complexity and the time it will require to adopt those new directives, I am nonetheless convinced that these regulations will—finally—create the extra-financial equivalent of DPI, IRR, or proceeds. It will take a few additional years to improve data quality and create effective comparability but, at long last, winter is coming for the fossil fuel economy and the associated greenwashing practices. •

TOWARDS MORE SUSTAINABLE AND SHARED GROWTH



O+ is Eurazeo's ESG strategy, launched in 2020. Its ambition: contribute to transforming the economy by driving more sustainable and shared growth. Its commitments: reach carbon net neutrality (the O) and foster a more inclusive society (the +). Its deployment: it applies across the Group, but also across the 530 companies in its portfolio.

CLIMATE

Reach carbon net neutrality

Invest in the fast-growing, low-carbon economy, by seizing opportunities likely to generate significant value. Eurazeo finances assets with high potential to reduce greenhouse gas (GHG) emissions in sectors such as mobility, energy, infrastructure and logistics.

Reduce exposure to carbon cost and risk, both at Group and portfolio level, through decarbonization efforts aligned with limiting global warming to 1.5°C. This commitment materializes by a carbon reduction pathway validated by the Science Based Targets initiative (SBTi).

Measure carbon footprint throughout the investment process, by excluding companies that contribute significantly to climate change, integrating a climate risk exposure analysis in the due diligence process, and supporting portfolio companies in reducing their GHG emissions. Eurazeo also negotiates fundings backed by ESG criteria.

INCLUSION

Foster a more inclusive society

Invest for a more inclusive economy, through companies that contribute to its construction by the nature of their businesses and/or their products and services. Eurazeo focuses particularly on healthcare, which plays a critical role in improving social well-being and economic development.

Fostering diversity and equity, both at Group and portfolio level, by implementing inclusive practices. Eurazeo is notably committed to promoting diversity, mainstreaming healthcare coverage and ensuring greater sharing of the value created.

Champion equal opportunities through philanthropic projects dedicated to the protection and education of youth. Eurazeo actively engages with non-profit organizations in France and abroad, and strengthens its commitment every year in order to achieve greater social impact.

2021 HIGHLIGHTS



Data as of December 31, 2021.
*Scope covers all business lines, but Private Funds Group.

COLLABORATING FOR A MORE SUSTAINABLE PLANET

CLIMATE

Eurazeo has joined the One Planet Sovereign Wealth Fund (OPSWF), a workshop within the One Planet Summit initiative which aims to mobilize the private sector in the fight against climate change. Eurazeo, alongside several other Sovereign Wealth Funds (SWFs), asset managers, and private investment firms, signed the One Planet Private Equity Funds Statement on Climate-Related Financial Disclosures, reiterating its pledge to follow the recommendations issued by the Task Force For Climate Related Financial Disclosures (TCFD) when preparing its reports. The One Planet Summit was launched by French President Emmanuel Macron back in 2017, an initiative to accelerate the transition toward a low-carbon economy in line with the goals of the Paris Agreement.

“ We understand our role and responsibility as an investor to facilitate the transition to a more environmentally sustainable economy to achieve truly meaningful growth. ”

Virginie Morgon, CEO

ONE PLANET SOVEREIGN WEALTH FUNDS SUMMIT

Presidential Palace, Paris
October 4th, 2021

Left to right :

John KERRY,
Emmanuel MACRON,
Yanovitch LAWRENCE
& Virginie MORGON



INCLUSION

Eurazeo partners with its peers and the trade associations in the Private Equity (PE) industry to raise awareness and develop practices that foster diversity, equity and inclusion (DEI) throughout the ecosystem. Eurazeo promotes the sharing of best practices and is involved in various initiatives and networks.

A few examples follow:



Eurazeo has become signatory to the Institutional Limited Partners Association (ILPA) Diversity in Action initiative, aimed at promoting DEI in the PE sector. It includes a wide range of actions covering talent management, investment management and industry engagement.



Eurazeo is a founding member of Level 20's Chapter France Committee, launched in 2019. As such, Eurazeo supports Level 20's activities, including its Mentorship and Outreach programs, with the aim to improve gender diversity in PE and to inspire women to join and succeed in the industry.



Eurazeo actively participates in France Invest's Talents & Diversity Commission, aimed at broadening the scope of its activities beyond gender and considering social diversity more comprehensively. Eurazeo has endorsed France Invest's charter for diversity since 2020.

A GLIMPSE OF 2022



BIODIVERSITY FOCUS

Eurazeo is co-responsible of the workshop Biodiversity – Subgroup II of France Invest, which aims to identify the methodology and tools for measuring biodiversity impact.



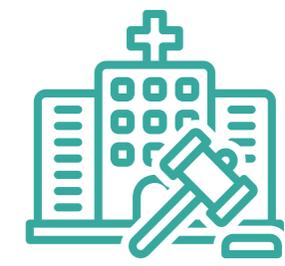
CLIMATE TRAINING

Throughout the year, Eurazeo will organize '2tonnes' and 'Climate Fresk' workshops to raise awareness of climate issues among its employees and the companies in its portfolio.



ESG VALUE AT EXIT

Eurazeo intends to systematize ESG vendor due diligences for Private Equity (excl. Private Funds Group). For the first time, Eurazeo created a vendor due diligence fully dedicated to carbon.



U.S. HEALTHCARE

Eurazeo has updated its health benefits policy to provide funding for travel in order to ensure all U.S.-based employees get equal access to healthcare services, no matter where they live.

SUPPORTING UKRAINE

In light of the economic and human consequences of the war in Ukraine, Eurazeo has channeled €1 million euros into:

- Collection and distribution of basic necessities
- Assistance for students through grants
- Coordination of transportation and shelter for refugees
- Intervention in conflict zones (psychological support, shelter)

EURAZEO'S COMMITMENTS TO BIODIVERSITY



The frequency and scale of **biodiversity degradation resulting from human activity** is critical as its impact on societies and their economies is dangerous. Human activities such as raw materials extraction, energy production and food processing have a massive impact on three pillars of natural capital—soil, air and water—and the pressure on these resources is both growing and alarming.

Eurazeo recognizes the importance of and the need to measure the impact of its activities in order to take uncompromising action **to preserve and restore natural capital**. Eurazeo is therefore committed to developing a specific biodiversity strategy by 2030 based on scientific methodologies and in line with global frameworks. In practice, this means integrating efforts at every stage of the investment cycle.

To continue the Group's actions in favor of investments that **generate benefits for biodiversity**:

100% of our Private Equity and Real Estate assets identified as involving a high biodiversity challenge will be associated with a formal action plan aligned with the objectives of the Global Convention on Biological Diversity by 2030.

2022

- **100% of Funds classified as Article 8 and Article 9** with calculated Principal Adverse Impacts (PAI) as per SFDR
- **Development of a methodological framework** to assess the biodiversity materiality of Eurazeo's investments
- **60% of Eurazeo's eligible invested capital** assessed on materiality of biodiversity impact and dependency

2023

- **100% of Eurazeo's eligible invested capital** assessed on materiality of biodiversity impact and dependency
- **100% of due diligences** include materiality analysis on biodiversity
- **Identification of the % of total AUM** with a high biodiversity challenge*
- **Development of biodiversity strategies** for investments with a high biodiversity challenge

2025

- **25% of Eurazeo's eligible investments with a high biodiversity challenge** with a formalized action plan aligned with the Convention on Biological Diversity

*Companies with a dependence and a material biodiversity impact

The background is a solid blue color. On the left side, there are several overlapping, curved white lines that resemble a stylized leaf or a series of concentric, flowing shapes. On the right side, there are several overlapping, curved white lines that resemble a stylized wave or a series of concentric, flowing shapes. The text is positioned in the upper right quadrant of the image.

REINFORCING
ESG CAPABILITIES

STRENGTHENING ESG IN-HOUSE

ESG is an integral part of Eurazeo's business model. As ESG topics become increasingly strategic and subject to more extensive regulation, it is essential to have sufficient human resources, share knowledge and align interests at all levels of the organization.

RECRUITING NEW ESG PROFILES

The ESG team welcomed two new members in 2021 and is recruiting two more in 2022. Created in 2008, the ESG team is headed by Sophie Flak, Managing Partner ESG & Digital, member of the Partners Committee, and reports to Nicolas Huet, General Secretary and member of Eurazeo's Executive Board.



Sophie FLAK
Managing Partner,
ESG & Digital
25 years of experience

- ESG strategy & governance
- ESG team supervision
- New product development
- Stakeholder management

**MEMBER OF
THE PARTNERS COMMITTEE**



Alexander MURILLO
Environmental
& Climate Manager
13 years of experience

2021

- Climate strategy
- Environmental projects
- ESG liaison* for Mid-large Buyout, Venture, Asset-based & Real Assets



Ongoing recruitment

Environmental
Analyst

2022



Margaux GIRARD
ESG
Specialist
5 years of experience

- ESG policies
- ESG tools, data and analytics
- ESG liaison* for Small-mid Buyout, Growth & Brands



Audrey LE BOURDIEC
ESG
Analyst
2 years of experience

2022

- ESG policies
- ESG tools, data and analytics



Leslie AURIOL
Inclusion
Senior Specialist
8 years of experience

2021

- ESG Marketing & Communication
- ESG liaison* for Healthcare, Direct Lending & Private Funds Group
- Philanthropy



Marième DIACK
ESG
Coordinator
14 years of experience

- ESG questionnaires: Non-financial rating agencies & LPs
- ESG team support

*ESG due diligence; ESG investment processes; portfolio companies' ESG progress plan and investment teams' general ESG support.

BUILDING AN INTERNAL ESG NETWORK

Eurazeo has reinforced its in-house ESG network by identifying an ESG correspondent in each investment team.

As the main go-to person for ESG matters, she or he coordinates ESG activities within his or her activity or team with a view to facilitating ESG progress plan deployment and reinforcing synergies.

Beyond their involvement in Eurazeo's operations, some of them are also active on committees and/or take part in roundtables or workshops set up by trade associations.

| PRIVATE EQUITY | | | | | | PRIVATE DEBT | | | REAL ASSETS |
|--|---|--|--|--|--|--|--|---|---|
| BUYOUT SMALL-MID MID LARGE | | | VENTURE DIGITAL HEALTHCARE SMART CITY | | | DIRECT LENDING | | | INFRASTRUCTURE |
|  |  |  |  |  |  |  |  |  |  |
| Erwann LE LIGNÉ Managing Director <i>Small-Mid</i> | Alexandre BRET Principal <i>Small-Mid</i> | Amandine AYREM Managing Director <i>Mid-Large</i> | Matthieu BARET Managing Partner <i>Digital</i> | Vanessa MALIER Managing Partner, Kurma Partners <i>Healthcare</i> | Raphaël CATTAN Vice President <i>Smart City</i> | Maxime DE ROQUETTE BUISSON Managing Director <i>Direct Lending</i> | Emmanuelle TANGUY Investment Director <i>Direct Lending</i> | Soriano ABOUZ Investment Director <i>Corporate Financing</i> | Elise DUPUY VAUDOUR Chief Operating Officer <i>Infrastructure</i> |
| ACCELERATION GROWTH BRANDS HEALTHCARE | | | PRIVATE FUNDS GROUP PRIMARIES SECONDARIES CO-INVEST | | | ASSET-BASED FINANCE | | | REAL ESTATE |
|  |  |  |  |  |  |  |  | | |
| Zoé FABIAN Managing Director <i>Growth</i> | Adrienne SHAPIRA Managing Director <i>Brands</i> | Asnen CASSAM-CHENAI Principal <i>Healthcare</i> | Sophie BARDSLEY Managing Director <i>Primaries & Co-invest</i> | Théo CHARPENTIER Associate <i>Secondaries & Co-invest</i> | Daniel EMERSLEBEN Investment Director <i>Asset-based Finance</i> | Damien BOULANGEAT Investment Director <i>Asset-based Finance</i> | Pierre LARIVIÈRE Managing Director <i>Real Estate</i> | | |

ENHANCING ESG PROCESSES AND DATA

Integrating ESG at each step of the investment process is at the core of Eurazeo's business model. Eurazeo is constantly looking for ways to improve its existing mechanisms, methodologies and tools, and the quality of data.

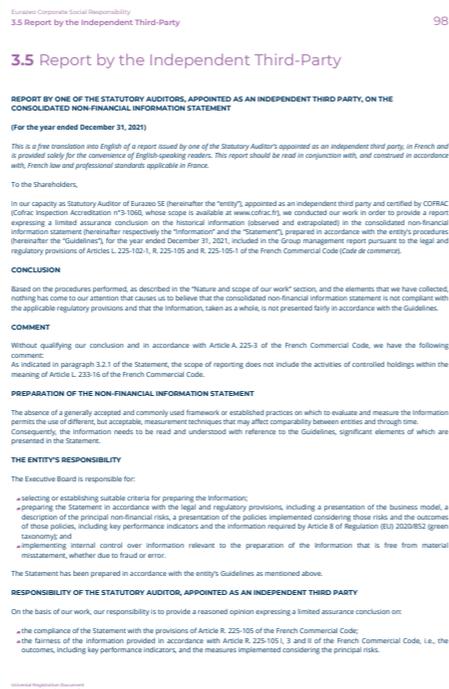
VERIFICATION BY AN INDEPENDENT THIRD PARTY

Eurazeo has established indicators to measure ESG integration in the investment cycle across all business lines:

■ **% of acquisitions during the year aligned with the Exclusion Policy:** The Exclusion Policy was implemented in 2020 by all investment branches, with a 100% compliance rate since then. In 2021, a digital tool that transposes the policy was created, to support its application by the investment teams.

■ **% of acquisitions during the year subject to ESG due diligence:** Conducting ESG due diligence on all types of investment is one of the features that sets Eurazeo apart from most other market players, who focus mostly on buyout. Every acquisition in 2021 underwent an ESG analysis.

This data related to the integration of ESG at all stages of the investment process is subject to consistency checks. PwC was appointed as an independent third-party by Eurazeo and reviews the ESG information published yearly in the Universal Registration Document (URD). PwC's report on the consolidated non-financial information statement is available in Eurazeo's 2021 URD.



ESG-LINKED LOANS

ESG-linked loans or ratchets include margin adjustments on the interest rate of a loan indexed on the achievement of pre-defined ESG targets. Three or four ESG targets are defined, including climate and inclusion in line with Eurazeo's O+ strategy. They are tailored to the companies' most material stakes and pressing ESG challenges. The criteria must be ambitious enough to create genuine commitment. Overall, if the margin adjustment related to ESG criteria is still limited, ESG ratchets are becoming increasingly popular and a powerful tool to rally all parties around efforts to meet ESG targets.

In practice at Eurazeo

■ **2019:** Eurazeo, as a company, integrated ESG criteria in its syndicated credit facility. In 2021, this facility helped to finance two reforestation projects undertaken by the French National Forests Office (ONF) which are expected to absorb 5,500 tCO2 by 2028.

■ **2020:** Eurazeo negotiated the first unitranche backed by five ESG criteria for one of its investments and decided to generalize this practice to its new investments and Private Debt activity.

■ **2021:** Nearly all buyout financing operations incorporated ESG criteria and more than 90% of Eurazeo Private Debt VI deals have ESG-linked loans.



“ ESG-linked loans have become a core component of Eurazeo's direct lending activity to accompany companies in their ESG journey. ”

Maxime de Roquette Buisson
Managing Director
Direct Lending

SFDR ARTICLES 6, 8 & 9

Effective since March 2021, SFDR (Sustainable Finance Disclosure Regulation) is a European regulation that aims to increase the level of transparency of sustainable investments and enables investors to compare financial products based on the same yardsticks.

SFDR makes it mandatory for financial companies to communicate extra-financial information on each of their products and to classify them in one of the following categories:

- **Article 6**, for products without specific ESG objective nor features into the investment process
- **Article 8**, for products that promote environmental and/or social criteria
- **Article 9**, for products that have a specific and measurable sustainable investment objective

In practice at Eurazeo

A vast majority of Eurazeo's funds are classified as Article 8 by design, as ESG has been fully integrated into the investment process for almost 15 years now (implementing the Exclusion Policy, conducting ESG due diligence prior to investing and measuring ESG impacts of underlying assets). Eurazeo has three funds classified as Article 9:

Eurazeo Transition Infrastructure Fund



Eurazeo Sustainable Maritime Infrastructure



Nov Santé Actions Non Cotées



83%
of Eurazeo funds being raised or in the investment phase are classified as Article 8 or Article 9.

As of December 2021.

ARTICLE 9 ADDITIONAL REQUIREMENTS

As all Eurazeo Funds, those classified as Article 9 rigorously follow Eurazeo's Responsible Investment Policy but also include enhanced requirements due to the nature of their sustainable investment objective.



EXCLUSIONS RELATED TO THE FUNDS' SECTOR OR OBJECTIVE

Additional investment restrictions are defined according to the Funds' sector (e.g. medical activities for healthcare) or objective (e.g. infrastructure transition).



ALIGNMENT WITH FUND MANDATE & REGULATORY REQUIREMENTS

Due diligence questionnaires include specific questions related to ESG regulation and to evaluate the alignment of the target company with the Funds' mandate and its ability to deliver the Funds' specific ESG objective.



SPECIFIC METHODOLOGIES & KPIs VERIFIED BY A THIRD-PARTY

Specific methodologies and indicators are defined to measure progress against the Funds' objective. Methodologies and annual results are systematically verified by third-party experts to ensure trust and quality in Eurazeo's most ambitious ESG funds.



NON-FINANCIAL CRITERIA FACTORED INTO CARRIED INTEREST

A sizeable 15% of the Funds investment teams' carried interest is linked to ESG criteria. Eurazeo firmly believes that all funds classified as Article 9 should incorporate this feature to ensure commitment to and achievement of the sustainability targets.

The background is a solid blue color. On the left side, there are several white, curved lines that flow from the left edge towards the center, creating a sense of movement and depth. On the right side, there are several white, concentric, curved lines that form a partial circular shape, suggesting a globe or a similar concept. The overall aesthetic is clean, modern, and minimalist.

ACTING
FOR CLIMATE

LEVER 1: INVESTING FOR A LOW-CARBON ECONOMY

The transition towards a low-carbon economy is opening up numerous investment opportunities in renewable energies, electric mobility, thermal insulation, hydrogen, circular economy, substitutes for nitrogen fertilizers, food with less animal protein, etc.

Eurazeo is boosting its investments in companies whose products and services contribute to a low-carbon economy. This is illustrated through dedicated funds and across the portfolio.

Funds

- Eurazeo Smart City Fund II**
Article 8+ (SFDR)
- Eurazeo Sustainable Maritime Infrastructure**
Article 9 (SFDR)
- Eurazeo Transition Infrastructure Fund**
Article 9 (SFDR)

Portfolio companies*

8% of Eurazeo's Private Equity assets invested in solutions that contribute to a **low-carbon economy.**

*Non exhaustive list, for illustration purposes. As of December 31, 2021.

EURAZEO SMART CITY FUND II

Article 8+ (SFDR)

Following the success of its Smart City I Venture fund, Eurazeo has launched the second such fund to invest in the most promising energy, mobility, proptech and logistics start-ups worldwide, thereby helping cities to accelerate their transition and enhance their crisis resilience.

Positioned at the intersection of digital technologies and the renewable energy transition, this Fund invests in innovative digital companies which are supporting rapid transformation of cities for the benefit of their residents—work from home, shared mobility, electric mobility, construction technologies and the renewable energy transition—all mega-trends which have been massively fast-tracked and amplified by the Covid-19 health crisis.

INSIDE THE PORTFOLIO

Smart City II had six companies in portfolio as of December 2021. The latest include:

Vay (2022): A German company specialized in autonomous driving (teledriven vehicles).

PinHome (2022): An Indonesian proptech company specialized in property buying and financing.

1komma5° (2022): A German company specialized in installation networks covering solar, electricity storage and charging infrastructure.



“Cities play a key role in climate change: they consume 78% of the world’s energy and produce more than 60% of global greenhouse gas emissions.”

Matthieu Bonamy

Partner
Venture





EURAZEO TRANSITION INFRASTRUCTURE FUND

Article 9 (SFDR)

Eurazeo Transition Infrastructure Fund (ETIF) aims to help infrastructure transition towards a low-carbon economy by investing in assets riding 3 themes:

- Energy transition: Renewable energy, green hydrogen, smart grid energy efficiency and storage;
- Digital transition: Telecom networks, network access;
- Other transition: Clean transport, environment (waste and water management, circular economy, industrial decarbonization).

The achievement of the Fund's objective is monitored through:

- A climate contribution indicator tracking metric tons of carbon emissions avoided;
- Measurement of each asset's GHG footprint and ascertaining that it has mapped out a decarbonization pathway in line with the Paris Agreement.

“Energy, industry, transport and buildings account for over 85% of European CO2 emissions*. Infrastructure thus has a central role to play in the transition to a low-carbon economy.”

Laurent Chatelin
Partner
Infrastructure

*Source: McKinsey (2020) and Eurostat (2019) reports.

INSIDE THE PORTFOLIO

Ikaros Solar (2022): A Belgian company that develops, builds, owns and operates rooftop and ground-mounted solar PV power plants across Benelux, France, Portugal and the UK.

Resource (2022): A Danish company specializing in plastic waste management; its sorting facility is expected to be operational in 2023.

Electra (2022): A French company specializing in fast charging for electric vehicle.

EURAZEO SUSTAINABLE MARITIME INFRASTRUCTURE FUND

Article 9 (SFDR)

Eurazeo Sustainable Maritime Infrastructure (ESMI) aims to support and accelerate the ecological and energy transition of the shipping industry, in line with the objectives of the International Maritime Organization (IMO) and the European Green Deal. Launched with the support of the European Investment Fund, it focuses mainly on:

- 1 Making existing fleets more energy-efficient by equipping them with environmentally-friendly technologies
- 2 Adapting port facilities and infrastructures to make them more innovative and sustainable
- 3 Financing assets that support the development of offshore renewable energies (e.g. windfarms)

INSIDE THE PORTFOLIO

ESMI's first deal was made in **early 2022** and involves **financing a jack-up vessel** used for building, repairing and servicing offshore windfarms in Europe. The vessel is financed through sale and lease-back for **a subsidiary of the Harren & Partner Group**. It is currently being used in the North Sea at Nordsee One, a German windfarm with 54 turbines that will produce around 1.2 billion kWh per year.



“The maritime sector alone accounts for 3% of global GHG emissions. If shipping was a country, it would be the 6th most emissive country on the planet.”

Sylvain Makaya
Partner
Asset-based Finance

CHOOSING STRINGENT DECARBONIZATION

82%

Share of CO2 in global greenhouse gas emissions

THERE IS A LIMIT TO EMISSIONS, WHICH SHOULD NOT BE EXCEEDED

The IPCC has established a “budget” of CO2* emissions between 1870 and 2100 that should not be exceeded if we want to limit global warming to 1.5/2°C. This budget amounts to about 3,000 gigatons and humanity has already emitted about 2,390 Gt (as of 2019).

YET, WE ARE SPENDING TOO MUCH OF OUR CARBON BUDGET, TOO FAST

At the current rate**, the global carbon budget will be spent by 2049 instead of 2100. After that date, humanity must not emit more CO2 than the Earth’s natural carbon sinks or storage techniques are able to capture each year. This is carbon neutrality.

EMISSIONS ARE CUMULATIVE

Emitted gases remain in the atmosphere for a long time. And we are adding more than we are removing. Despite the drastic slowdown during the lockdown, CO2 concentration continued to rise.

THE PATHWAY IS THEREFORE VERY STEEP

The latest IPCC report calls for the global emission peak in 2025. In Europe, the Green Deal (Fit for 55) has set a target of a 55% reduction in GHG emissions by 2030. In France, the Climate and Resilience Act has set this reduction at 40% by 2030.

CO2 remains between **100 and 1000 years** in the atmosphere

*CO2 represents about 82% of global GHG emissions (methane: 11%, nitrous oxide: 5% and hydrofluorocarbons 2%, in 2017).
**2009 is the reference year.

LEVER 2: REDUCING CLIMATE IMPACT

The Science Based Targets initiative (SBTi) is, to date, the benchmark methodology for decarbonizing the economy. It was therefore only natural for Eurazeo to choose it. Eurazeo made its commitment in 2020 and its reduction targets, set for 2025 and 2030, have now been approved, both for the Group and for eligible portfolio companies.



Eurazeo Group

Fuel and electricity consumption from offices worldwide

55% SCOPE 1 & 2 GREENHOUSE GAS EMISSIONS reduction in absolute terms by 2030 (base year: 2017)

80% RENEWABLE ELECTRICITY annual sourcing by 2025 (9% in 2017)

Portfolio

Real Estate investment portfolio:

60% GREENHOUSE GAS EMISSIONS reduction per square meter by 2030 (base year: 2021)

Eligible* private equity portfolio:

100% WITH SBTi APPROVED TARGETS by 2030, with an interim target of 25% invested capital by 2025



SBTi is a partnership between CDP, the UN Global Compact, World Resources Institute and the WWF. It helps companies to set GHG reduction targets in line with scientific knowledge and to report annually on their progress. The targets are set to meet the terms of the Paris Agreement and to limit the temperature rise to 1.5 degrees.

*The targets cover eligible investment activities in line with SBTi methodologies: Private Equity and Real Estate. There is no methodology yet for debt, fund of funds and infrastructure.

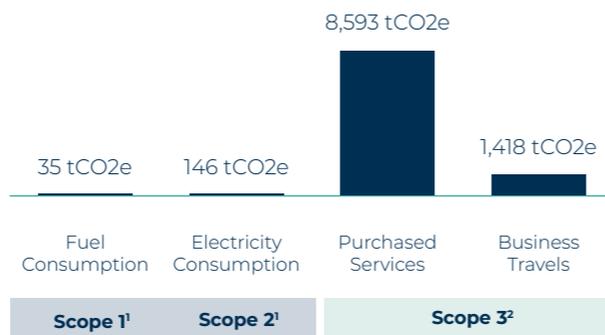
CLIMATE ACTION PLAN FOR EURAZEO GROUP

Detailed GHG footprint (data as of December 31, 2021)

10,219 tCO2e

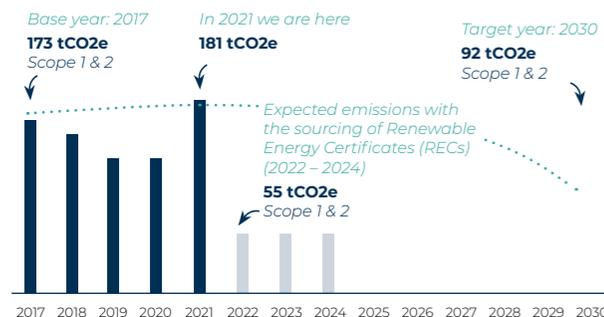
GENERATED IN 2021 AT EURAZEO LEVEL

This impact is relatively small (0.3%) compared to the emissions generated at portfolio level, but nonetheless, reducing GHG emissions at Eurazeo level remains a key action in the Group's climate strategy.



Scope 1 & 2

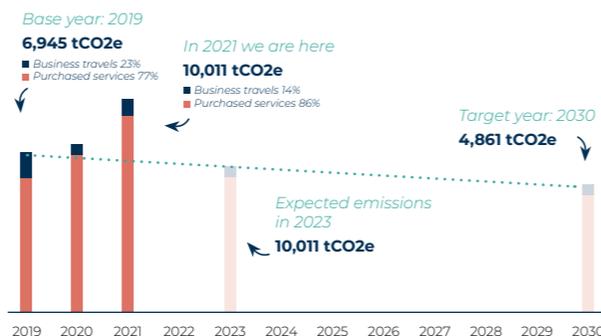
Scope 1 and 2 emissions cover Eurazeo's offices in Paris, Berlin, Frankfurt, Luxembourg, New York, Seoul, Singapore, Madrid, London and Shanghai (346 permanent employees in 2021).



- Since 2018, Eurazeo's head office is entirely powered by renewable energy
- In 2022, Eurazeo purchased Renewable Energy Certificates (RECs) to neutralize 70% of its Scope 1 and 2 emissions until 2024 compared with 2021 levels

Scope 3

Outside the scope of its SBTi commitment, in 2022 Eurazeo has defined a 30% absolute reduction target by 2030 compared to 2019 levels for its "purchased services" and "business travel" Scope 3 emissions.



- Starting in 2023, Eurazeo's climate reduction actions include:
- Designing and implementing a business travel carbon budget per team
 - Establishing a Monitoring Carbon program with its top 10 purchased services providers

(1) Scope 1 & 2: Eurazeo's direct emissions sources.
 (2) Scope 3: Eurazeo's indirect emissions sources that significantly contribute to GHG emissions. As per the GHG protocol, "purchased services" corresponds to category 1 and "Business travels" to category 6 of Eurazeo's Scope 3 emissions.

CLIMATE ACTION PLAN FOR THE PORTFOLIO¹

Detailed GHG footprint (data as of December 31, 2021)

3,3 MtCO2e

GENERATED IN 2021 AT PORTFOLIO LEVEL² BASED ON THE PROPORTIONAL VALUE SHARE OF EURAZEO.

The assessment of the portfolio's GHG emissions is based on emissions factors related to the company's activity sector from a benchmark dataset (Base Carbone – ADEME) and the net current value of the company in Eurazeo's portfolio.

*Covered by Eurazeo's decarbonization pathway (validated by SBTi)



Eligible Private Equity portfolio

| | % of eligible invested capital with validated SBT | | % of companies supported by Eurazeo to strengthen their decarbonization pathway |
|-----------------------|---|----------------------|---|
| | By 2025 | By 2030 ³ | In 2022 |
| Buyout - Mid-large | 25% | 100% | 40% |
| Buyout - Small-mid | 25% | 100% | 20% |
| Acceleration - Growth | N/A as of 31/12/2021 | | 3% (voluntary companies) |
| Acceleration - Brands | 16,5% | 66% | 11% |
| Healthcare | N/A as of 31/12/2021 | | Voluntary companies |
| Venture | 2% | 8% | Starting 2023 |

Real Estate investment portfolio⁴

| | % of eligible companies as of 31/12/2021 | Expected SBT reduction by 2030 |
|-------------|--|--------------------------------|
| | Commercial | 80% |
| Residential | 20% | 56% |

(1) As per the GHG protocol, the portfolio or "Investments" corresponds to category 15 of Eurazeo's Scope 3 emissions.
 (2) The Private Funds Group business line is out of scope.
 (3) Corresponds to the % of SBTi eligible invested capital as of 31/12/2021.
 (4) Emissions reduction targets are based on the energy-related emissions of the buildings and the energy consumptions of the tenants.

ACTION PLAN TO SUPPORT PORTFOLIO COMPANIES IN THEIR CLIMATE STRATEGY:

- Measure GHG footprint, set and validate a decarbonization pathway
- Implement decarbonization solutions
- Monitor and report progress and positive impact

LEVER 3: MEASURING CARBON EXPOSURE AND RISK

Eurazeo continuously invests in tools to better measure and monitor carbon data but also to prepare for future regulatory requirements and to better raise awareness and support the companies in its portfolio. In 2021, Eurazeo reworked the content and presentation of its ESG Fund and company reports to incorporate regulatory obligations and new data related to carbon.

PRINCIPAL ADVERSE IMPACT INDICATORS

Eurazeo has published the Principal Adverse Impact (PAI) indicators for all of its Funds classified as Article 8 or Article 9 (as per SFDR) ahead of the mandatory publication date, set on 30 June 2023.

Eurazeo included the calculation method into its reporting process a year in advance. This allows Eurazeo to anticipate next year's workflow and improve the results with more reliable data.

They are available for consultation in the Funds' half year reports.



Principal Adverse Impacts (PAI) are “negative, material, or potentially material effects on sustainability factors that result from, worsen, or are directly related to investment choices or advice performed by a legal entity.” They are a key concept in the EU's SFDR. Examples include carbon emissions, water emissions, biodiversity impacts, and gender parity on the board.

| PRINCIPAL ADVERSE IMPACT INDICATORS | |
|---|---|
| PAI calculation may rely on proxy data and they should be used for informative purpose only. They are one of the key elements of the EU's Sustainable Finance Disclosure Regulation (SFDR) and should be updated with more reliable data in order to be in compliance with the regulatory statement expected on 30 June 2023. | |
| GREENHOUSE GAS EMISSIONS | |
| 1. GHG emissions | tCO2e linked to the current value of investment 17 154 |
| 2. Carbon footprint | tCO2e per M€ of the fund's value 33 |
| 3. GHG intensity of investees companies | tCO2 per M€ of companies' revenues 185 |
| 4. Exposure to companies active in the fossil fuel sector | Share of investments in companies active in the fossil fuel sector (%) 0% |
| 5. Share of non-renewable energy consumption | Share of non-renewable energy consumption of investee companies (%) 54% |
| 6. Energy consumption intensity per high impact climate sector | Energy consumption in GWh per M€ of revenue of investee companies, per high impact climate sector (GWh/M€ revenues) 1 |
| BIODIVERSITY | |
| 7. Activities negatively affecting biodiversity-sensitive areas | Share of investments in investee companies with sites/operations located in or near to biodiversity-sensitive areas where activities of those investee companies negatively affect those areas (%) * |
| WATER | |
| 8. Emissions to water | Tons of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average (tonnes/M€ invested) * |
| WASTE | |
| 9. Hazardous waste ratio | Tons of hazardous waste generated by investee companies per million EUR invested, expressed as a weighted average (tonnes/M€ invested) 0 |

Example of PAI indicators for a Eurazeo fund (2021 data*) – for illustration purposes

| | | |
|--|--|--|
| PAI 1 - GHG EMISSIONS 6,561 tCO2e* linked to Eurazeo investment current value | PAI 2 - CARBON FOOTPRINT 23 tCO2e/M€ of value generated by Eurazeo | PAI 3 - GHG INTENSITY OF INVESTEE COMPANIES 260 tCO2e/M€ |
| PAI 4 - EXPOSURE TO COMPANIES ACTIVE IN THE FOSSIL FUEL SECTOR 0% | PAI 5 - SHARE OF NON-RENEWABLE ENERGY CONSUMPTION 14% | PAI 6 - ENERGY CONSUMPTION INTENSITY PER HIGH IMPACT CLIMATE SECTOR 1 GWh/M € |
| PAI 7 - ACTIVITIES NEGATIVELY AFFECTING BIODIVERSITY-SENSITIVE AREAS To be completed in 2023 | PAI 8 - EMISSIONS TO WATER To be completed in 2023 | PAI 9 - HAZARDOUS WASTE RATIO 0 t |
| PAI 10 - VIOLATION OF UNGC AND OECD GUIDELINES FOR MULTINATIONAL ENTERPRISES 0% | PAI 11 - COMPLIANCE WITH UNGC AND OECD GUIDELINES FOR MULTINATIONAL ENTERPRISES 73% | PAI 12 - UNADJUSTED GENDER PAYGAP 13% |
| PAI 13 - BOARD GENDER DIVERSITY 17% | PAI 14 - EXPOSURE TO COMPANIES INVOLVED IN THE MANUFACTURING OF WEAPONS 0% | |

*Declarative data from companies, collected during the 2021 ESG reporting campaign. PAI calculations may rely on proxy data and they should be solely as general guidance.

CARBON ASSESSMENT

To boost its impact in combating climate change, Eurazeo engages the companies that it finances in the decarbonization of their activities. Eurazeo provides all its companies with tools designed to measure and monitor their greenhouse gas (GHG) emissions—a key prerequisite to efficient action.

A dedicated module has been added to the 2021 ESG report to show portfolio companies the decarbonization efforts they must undertake.

A carbon footprint measurement containing:

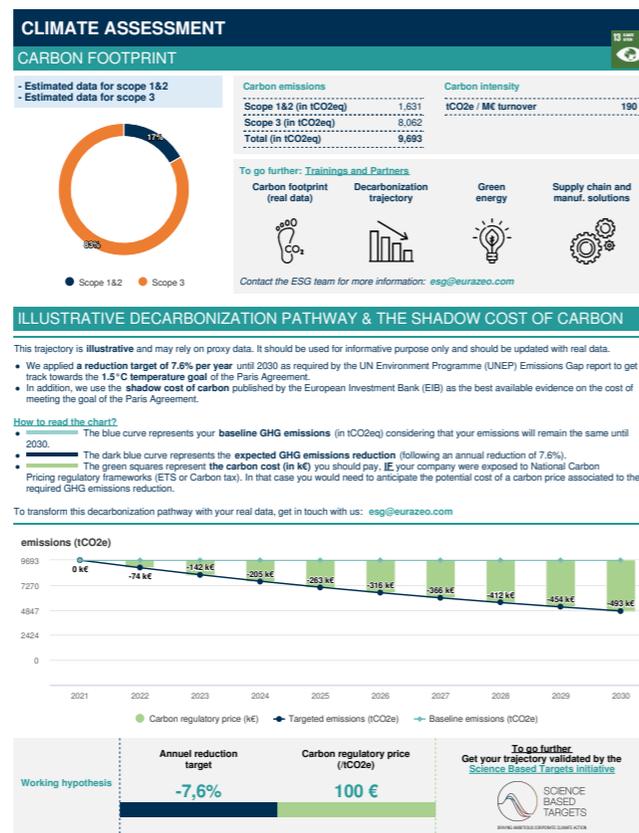
- The company's Scope 1, 2, 3 carbon emissions;
- Its carbon intensity (tCO2e per M€ turnover).

An illustrative decarbonization pathway (for general guidance) based on:

- A reduction target of 7.6% per year until 2030 (as required by the UN Environment Programme (UNEP) to get on track towards the 1.5°C temperature goal of the Paris Agreement);
- The shadow cost of carbon published by the European Investment Bank (EIB) as the best available evidence on the cost of meeting the temperature goal of the Paris Agreement.

The module uses proxy data and needs to be updated with actual data.

*Scope covers all business lines, but Private Funds Group.



**ETIF'S CLIMATE CONTRIBUTION:
+1 MILLION TCO2e TO BE PREVENTED**

The transition to a low-carbon economy creates investment opportunities, among others in companies contributing to the energy transition, the shift towards clean transport, the circular economy and the digital transition. Disclosing avoided emissions should be seen as a step that complements emission-reduction efforts and as a positive mechanism to boost efforts to keep global warming at under 1.5°C.

Article 9

as per the Sustainable Finance Disclosure Regulation (SFDR)

EURAZEO TRANSITION INFRASTRUCTURE FUND aims to deliver sustainable and resilient infrastructure investments to promote Europe's transition towards a low-carbon and sustainable economy.



The build-out of the company's current development pipeline over the next 6 years will prevent the generation of

205,600 tCO2e



Over 50% of Danish plastic waste is currently incinerated. By 2028, this plant will contribute to avoiding

528,000 tCO2e



This investment will support the decarbonization of the transport sector. By 2026 it will avoid the generation of

550,000 tCO2e



For reference, the average GHG footprint of a person living in France is 9 tCO2e / year.

ACTING

FOR INCLUSION



LEVER 1: INVESTING FOR A MORE INCLUSIVE ECONOMY

Eurazeo invests in companies which contribute to building a more inclusive economy, through the nature of their business and/or of their products and services. Eurazeo is currently focusing on the healthcare sector, which plays an essential role in improving social well-being and economic development. Addressing the basic needs in Maslow's pyramid will become increasingly critical in the years to come. The Group channels all its skills, know-how and commitment into financing companies which undertake reindustrialization, relocation, R&D and innovation, telemedicine or digitalization projects in the healthcare sector.

Strategic acquisition

Eurazeo holds 70.6% in **Kurma Partners¹**, a management company specialized in biotech and medical innovation.

Fund

Nov Santé Actions Non Cotées
Article 9 (SFDR)

Portfolio companies²



12% of Eurazeo's Private Equity assets invested in solutions that contribute to a more inclusive economy³.

(1) As of September 30, 2021. (2) Non exhaustive list, for illustration purposes. (3) As of December 31, 2021.

HEALTHCARE MARKETS POST-COVID

The Covid-19 pandemic has introduced uncertainty and disrupted global healthcare markets. Yet, healthcare-related private equity deals boomed in 2021, rising by 36% compared to 2020*.

Covid-19, combined with structural trends such as population aging and an increase in chronic diseases, is driving demand for care—and for investment.

Digital health tools, for example, have developed rapidly, redefining how healthcare is delivered and financed. Platforms provide highly scalable services that allow customers to take charge of their health and interact with providers in more convenient ways. This, in turn, has brought about improvements in areas such as access to care, disease prevention or quality of care.

On the other hand, the Covid-19 pandemic also shed light on the vulnerability of production chains and reliance on suppliers, pointing to the need to diversify supplier pools and increase autonomy in our strategic sectors, notably by relocating production and R&D, etc.

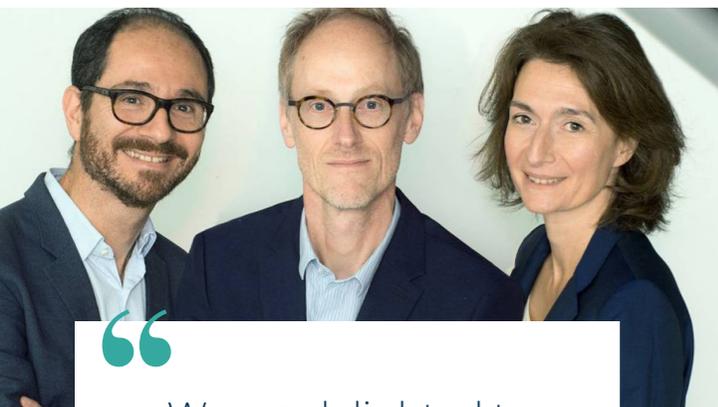
Of course, the Covid-19 pandemic drove tremendous changes across several key sectors—but it has straightforwardly redefined the global healthcare sector.

*Global Healthcare Private Equity and M&A Report 2022, Bain & Company.

“Of course, the Covid-19 pandemic drove tremendous changes across several key sectors—but it has straightforwardly redefined the global healthcare sector.”

\$151_{bn}

Total disclosed value of healthcare related Private Equity deals globally in 2021*



KURMA PARTNERS

In September 2021, Eurazeo raised its stake in Kurma Partners, a French management company specialized in biotechnologies and medical innovation, to 70.6%. This transaction coincided with Kurma Partners' launch of a third investment strategy, Kurma Growth Opportunity, to support more mature companies, with late-stage clinical or early-stage commercial assets.

Through this strategic acquisition, Eurazeo reaffirms its aim to be a European leader in the financing of healthcare companies at all stages of their development.

With nearly €500 million in assets under management, Kurma Partners has built strong and widely recognized expertise in the financing of innovation in the healthcare sector and in biotechnology, from pre-seed to growth capital. Kurma Partners' track record establishes it as one of the most credible players in financing the development of the most promising biotech companies in Europe.

Along with this increased stake, Eurazeo is set to become a leading investor in the funds managed by Kurma Partners and provide operational support, together with access to its international network, to help Kurma Partners become a European leader in the area of medical innovation. Kurma Partners will retain its management independence and its existing team.

“ We are delighted to welcome Eurazeo's support at this key stage, which will allow us to ramp up our growth by drawing on the Group's industrial expertise, operational capacities, and international networks. ”

Members of Kurma Partners' Executive Board

Left to right:

Remi Droller, Thierry Laugel & Vanessa Malier

NOV SANTÉ ACTIONS NON COTÉES

Article 9 (SFDR)

Launched during the health crisis at the initiative of France Assureurs and Caisse des Dépôts, the Fund takes minority stakes in SMEs or ETIs to support their growth. Its ambition is to:

- 1 Participate in the improvement of health, around major public health issues
- 2 Strengthen health industries throughout the sector including R&D, production, distribution, digital health services
- 3 Contribute to basing companies and production in France and the European Union

It covers research, industry and health services, including telemedicine and harnessing big data and AI technologies.

labelRelance

INSIDE THE PORTFOLIO

Novair (2021): A leading manufacturer and distributor of on-site medical gas systems.

PSIH (2021): A provider of health data management and hosting services.

Seqens (2021): A leading manufacturer and distributor of small molecule APIs and intermediates.

Horus Pharma (2022): A pharmaceutical company specializing in ophthalmology.



“ It is fundamental to contribute to the improvement of the health and well-being of populations; as it is to strengthen health and industrial sovereignty. ”

Arnaud Vincent

Managing Director
Healthcare

LEVER 2: FOSTERING DIVERSITY AND EQUITY

Eurazeo establishes best practices in terms of diversity, equity and inclusion, for the Group and the companies in its portfolio. This means creating places with diverse profiles and an inclusive environment, where everyone can feel part of the company and contribute to reducing inequality.

PROMOTING GENDER DIVERSITY

At Eurazeo level, gender equality is notably promoted through the rollout of a global gender diversity policy, quantified targets set by Executive Management, Human Resources processes taking into account the balance between men and women, agreements contributing to an improved work/life balance and awareness-raising and training initiatives.

In 2021, 50% of the profiles recruited were women and 31% of the members of the investment teams were women, well above the PE industry average (14%)*. Eurazeo's *Pénicaud-Schiappa* index stood at 90/100, above the regulatory requirement (75/100).

As a responsible investor, Eurazeo also encourages the companies in its portfolio to make similar commitments. Results are encouraging but there is still room for progress in a portfolio which is very diversified in terms of asset classes and company sizes.

Target: Min. 40% of the least represented gender in the total workforce

44%

at **Eurazeo** level

36%

at **portfolio** level

*According to the BVCA / Level 20 Diversity & Inclusion Survey 2021.



“ Eurazeo fosters an inclusive work environment where everyone can give their best. Our HR policy is based on best market practices, often ahead of legal requirements. ”

Caroline Hadrbolec
Managing Partner
Chief Human Resources Officer

MAINSTREAMING HEALTHCARE COVERAGE

Fundamental though it is, health coverage — mandatory or otherwise— is (still) not provided systematically and does not meet the same quality standards everywhere.

Eurazeo is therefore committed to ensuring that all its employees worldwide have not only health insurance but also life and disability insurance. The Group also actively encourages the companies in its portfolio to ensure their employees have appropriate health coverage (and to promptly take necessary measures if they do not).

In early 2022, Eurazeo changed its health benefits policy to ensure equal access to health services for all U.S.-based employees, regardless of where they live. For example, if care is not available within a 100-mile radius, insurance policies will notably cover travel and treatment costs.

92%

of employees of Eurazeo's portfolio companies have **health and/or life and disability coverage**

SHARING MORE OF THE VALUE CREATED

Similarly, the extent to which the value created by the company is shared with employees varies considerably from one country and sector to another.

Eurazeo is therefore committed to ensuring that all its employees benefit from the value created by the Group. It does so notably through distribution of free shares every year, to involve its employees more closely in Eurazeo's development and performance. In 2021, on top of the free share offering, Eurazeo carried out a capital increase reserved for employees to which 91% of eligible employees opted into it.

In addition, Eurazeo encourages its portfolio companies to ensure that at least 75% of their employees benefit from a profit-sharing scheme, regardless of the mechanism in place.

91%

of **eligible Eurazeo employees** opted into the capital increase

LEVER 3: CHAMPIONING EQUAL OPPORTUNITIES

INCLUSION FOR ALL, BEYOND EURAZEO'S FRONTIERS

Firmly rooted in its commitment to fostering a more inclusive society, Eurazeo's philanthropic program is fully in line with its desire to close social divides. This approach dates back to 2004 and focuses on the protection and education of young people. It includes pushing back against poverty and exclusion, defending human rights and advancing medical research. The Group steps up its commitment year after year in order to increase its societal impact.

In practice, the program involves actively supporting projects by French and international non-profit organizations. In 2021, Eurazeo allocated more than €800,000 to 17 organizations. Beyond providing financial support, the teams were involved throughout the year in organizing initiatives for the organizations they represent.

Non-profit organizations supported in 2022



45
Non-profits supported since 2004*

+11M€
Allocated to non-profits since 2004*

2020
Creation of Eurazeo's Endowment fund

*Data as of 30/06/2022.

THE BACK-TO-SCHOOL SOLIDARITY PROJECT

Agence du Don en Nature (ADN) is a charity that supports the people most in need by **collecting and redistributing non-food products**. It is a response to the large quantities of new products wasted in France and uses a circular economy system to counteract poverty.

The Back-to-School Solidarity program, **jointly founded by Eurazeo in 2015**, gives children from families in vulnerable circumstances free school supplies and new clothes. ADN collects unsold wares from companies, arranges for kits to be assembled in sheltered workshops then sends the kits to its network of organizations (homes for children and teenagers, charity stores, day-care centers and shelters). This way, the program fights against vulnerability, reduces waste and contributes to including people with disabilities.

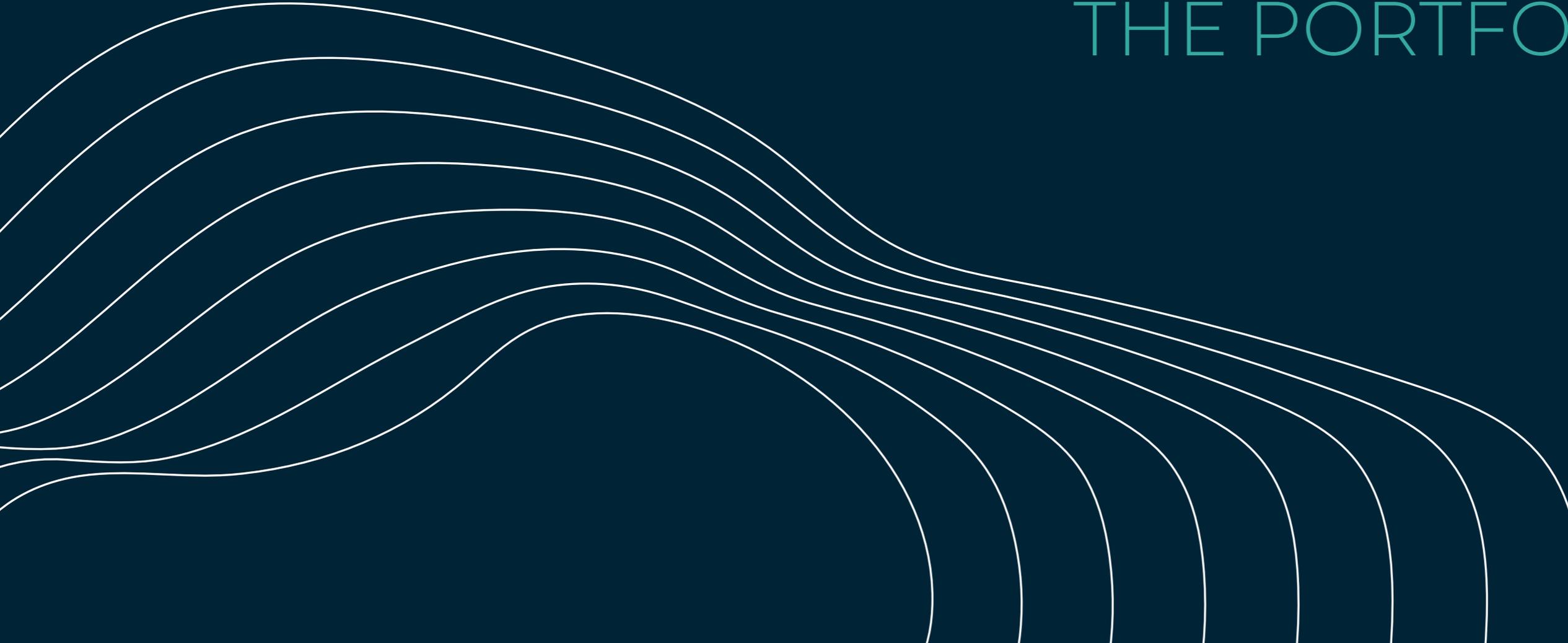
In 2021, ADN achieved its best results ever. Eurazeo's support brought **help and relief to 50,000 children** and their families.



365
Non-profits in 78 French departments received...

429,000
Products (school supplies), benefiting...

50,000
Children and their families.

A series of white, wavy, horizontal lines that flow from the left side of the image towards the right, creating a sense of movement and depth. The lines vary in amplitude and frequency, resembling a stylized wave or a topographical contour.

A DIVE INTO THE PORTFOLIO

O+ ESSENTIALS

Eurazeo has developed an ESG progress plan that enables financed companies to embed ESG in their business model and to progress 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. Companies may choose among the 20 criteria and should adopt a balanced approach between the various categories. Companies' progress is measured on a four-level scale—Bronze, Silver, Gold and Platinum—depending on the number of criteria 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 maturity in the field of ESG. It constitutes a common framework but is not exclusive: the companies' material issues must be identified and the action plans to address them defined.

All companies financed by Eurazeo are asked to submit an annual ESG reporting. The data collected is used both to map out ESG progress plans and to monitor progress over time. Response rates vary from one asset class to another but are strong overall.



“ Most portfolio companies are willing to improve their ESG practices, but they do not always know where to start. The O+ Essentials act as a roadmap to get them started on their ESG journey. ”

Sophie Flak
Managing Partner
ESG & Digital

SCORECARD

| | |
|---|---|
|  Global criteria | Formalize a CSR policy / charter |
| | Appoint a CSR coordinator |
| | Define CSR objectives |
| | Carry out a CSR reporting |
| | Carry out an SDG assessment |
| E Environmental criteria | Measure the carbon footprint |
| | Define climate and energy actions |
| | Define a carbon neutrality trajectory |
| | Formalize a biodiversity strategy |
| S Social criteria | Deploy initiatives to lower water consumption |
| | Ensure health, life and disability insurance provided 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 at Management level |
| G Governance criteria | Implement a Vigilance Plan (responsible procurement approach) |
| | Discuss CSR at board level |
| | 30% of independents at Board level |
| | Set up Audit & Remuneration Committees |
| | Implement a Business Ethics and Anti-corruption program |
| | Integrate CSR criteria in management compensation |

RANKING

| | |
|---|---|
|  | Bronze level 4-7 criteria met |
|  | Silver level 8-11 criteria met |
|  | Gold level 12-15 criteria met |
|  | Platinum level 16-20 criteria met |

PRIVATE EQUITY – BUYOUT, VENTURE, ACCELERATION

| | | Buyout | Venture | Acceleration |
|--|--|--------|---------|--------------|
|  <p>Global criteria</p> | Formalize a CSR policy / charter | 58% | 20% | 41% |
| | Appoint an CSR coordinator | 92% | 25% | 53% |
| | Define CSR objectives | 50% | 18% | 41% |
| | Carry out a CSR reporting | 100% | 75% | 85% |
| | Carry out an SDG assessment | 100% | 75% | 85% |
|  <p>Environmental criteria</p> | Measure the carbon footprint | 79% | 26% | 41% |
| | Define climate and energy actions | 63% | 23% | 44% |
| | Define a carbon neutrality trajectory | 4% | 5% | 6% |
| | Formalize a biodiversity strategy | 17% | 2% | 9% |
| | Deploy initiatives to lower water consumption | 54% | 16% | 26% |
|  <p>Social criteria</p> | Ensure health, life and/or disability insurance provided for all employees | 88% | 54% | 74% |
| | Implement a profit-sharing scheme for at least 75% of employees | 58% | 46% | 41% |
| | 40% of the least represented gender at Board level | 13% | 8% | 3% |
| | 40% of the least represented gender at Management level | 17% | 16% | 6% |
| | Implement a Vigilance Plan (responsible procurement approach) | 63% | 26% | 50% |
|  <p>Governance criteria</p> | Discuss CSR at board level | 83% | 33% | 53% |
| | 30% of independents at Board level | 33% | 16% | 15% |
| | Set up Audit & Remuneration Committees | 75% | 11% | 35% |
| | Implement a Business Ethics and Anti-corruption program | 83% | 44% | 62% |
| | Integrate CSR criteria in management compensation | 13% | 3% | 12% |

The results are expressed as percentage of companies that have deployed each criteria.

RANKINGS



Pro forma' 2021 vs 2020:

Bronze (17% vs 18%),
Silver (24% vs 53%),
Gold (41% vs 29%),
Platinum (18% vs 0%)

Pro forma 2021 vs 2020:

Less than 4 criteria (9% vs 35%),
Bronze (73% vs 56%),
Silver (12% vs 9%),
Gold (6% vs 0%),
Platinum (0% vs 0%)

Pro forma 2021 vs 2020:

Less than 4 criteria (10% vs 19%),
Bronze (47% vs 52%),
Silver (19% vs 29%),
Gold (19% vs 0%),
Platinum (5% vs 0%)

Reporting covers January 1 to December 31, 2021. Overall, for Private Equity excluding Private Funds Group, 119 companies responded to the reporting campaign out of 145, representing a response rate of 82%. The scorecards and rankings cover these 119 companies. More specifically, for Buyout, 24 companies responded (100% response rate); for Venture, 61 companies (75%) and for Acceleration, 34 companies (85%).

¹To conduct trend analyses between 2020 and 2021, Eurazeo calculated the results of each year for a "pro forma" scope. The 2020 and 2021 results were recalculated including the companies present in the Eurazeo portfolio during both years.

PRIVATE EQUITY – PRIVATE FUNDS GROUP

KEY TAKEAWAYS

Management companies

100%

OF MANAGEMENT COMPANIES **INTEGRATE ESG CRITERIA** IN THEIR INVESTMENT PROCESS

Funds

26%

OF FUNDS ARE CLASSIFIED **ARTICLE 8 AS PER SFDR**

Co-investments

95%

OF CO-INVESTMENTS REACHED AT LEAST **BRONZE LEVEL** 

Reporting covers January 1 to December 31, 2021. Overall, for Private Funds Group, the reporting was completed for 73 management companies out of 78, for 100 funds out of 123 and for 21 co-investments out of 26, representing an overall response rate of 85%.

ESG REPORTS

Management company dashboard

As of December 31st, 2021

Based on the data declared by the company in its CSR reporting, if the attached information is considered inaccurate please contact the ESG team (esg@eurazeo.com)



O+ ESSENTIALS

Eurazeo has developed a CSR progress plan to help portfolio companies integrate CSR into their business model and move forward, whatever its size and level of CSR maturity. This plan includes 20 "O+ essentials" that help elaborate a balanced, gradual yet efficient and comprehensive CSR approach.

| | Implemented | Not yet implemented |
|-------------------------------|--|--|
| GLOBAL CRITERIA | <ul style="list-style-type: none"> ESG policy / charter Dedicated ESG person or team ESG quantitative goals ESG reporting SDGs assessment | <ul style="list-style-type: none"> Carbon footprint Consumption of renewable energy Carbon neutrality trajectory Biodiversity strategy Water pollution level measurements |
| ENVIRONMENTAL CRITERIA | <ul style="list-style-type: none"> Ensure health, life and disability Implement a profit sharing scheme 40% of the least represented gender 40% of the least represented gender Charter / Code of conduct for respo | <ul style="list-style-type: none"> Discuss CSR at board level 30% of independent members at board lev Set up Audit & Remuneration Commi Code of conduct / ethics ESG objectives in variable compe |
| GOVERNANCE CRITERIA | | |

FUND ESG PERFORMANCE

As of December 31st, 2021

All the information provided on this report card is provided on an "as is" basis. The reporting manager does not warrant, represent or accept no responsibility or liability for the accuracy, or the completeness of the information and materials provided by the manager.

| | | | |
|-----------------------------------|---|-----------------------------|----------------------------------|
| Art. 8 SFDR classification | 8 | 8 | Coverage |
| | Companies in the reporting scope | Responding companies | 100% of companies covered |

O+ ESSENTIALS

Eurazeo has developed a CSR progress plan to help portfolio companies integrate CSR into their business model and move forward, whatever its size and level of CSR maturity. This plan includes 20 "O+ essentials" that help elaborate a balanced, gradual yet efficient and comprehensive CSR approach.

| | In % of companies having | |
|-------------------------------|---|--|
| GLOBAL CRITERIA | <ul style="list-style-type: none"> CSR policy CSR officer / manager ESG quantitative objectives ESG reporting SDGs assessment | <ul style="list-style-type: none"> 100% 100% 100% 100% 100% |
| ENVIRONMENTAL CRITERIA | <ul style="list-style-type: none"> Carbon footprint Consumption of green energy Carbon neutrality trajectory Biodiversity preservation policy Water pollution level measurements | <ul style="list-style-type: none"> 100% 13% 13% 0% Not applicable |
| SOCIAL CRITERIA | <ul style="list-style-type: none"> Ensure health, life and disability insurance for all employees Implement a profit-sharing scheme 40% of the least represented gender at Board level 40% of the least represented gender on the first decision-making body Charter / Code of conduct for responsible procurement | <ul style="list-style-type: none"> Not available 86% 13% 13% Not available |
| GOVERNANCE CRITERIA | <ul style="list-style-type: none"> Discuss CSR at Board level 30% of independent members at Board level Set up Audit & Remuneration Committees Code of conduct / ethics ESG objectives in variable compensation of top management | <ul style="list-style-type: none"> 100% 100% Not available Not available 0% |

PRIVATE DEBT AND REAL ASSETS

| | | Direct Lending | Asset-based Finance | Real Estate |
|------------------------------------|--|----------------|---------------------|-------------|
| O+ Global criteria | Formalize a CSR policy / charter | 48% | 71% | 80% |
| | Appoint an CSR coordinator | 48% | 57% | 100% |
| | Define CSR objectives | 40% | 67% | 40% |
| | Carry out a CSR reporting | 53% | 88% | 100% |
| | Carry out an SDG assessment | 53% | 88% | 100% |
| E Environmental criteria | Measure the carbon footprint | 32% | 62% | 60% |
| | Define climate and energy actions | 52% | 71% | 100% |
| | Define a carbon neutrality trajectory | 6% | 29% | 0% |
| | Formalize a biodiversity strategy | 14% | 43% | 40% |
| | Deploy initiatives to lower water consumption | 31% | 71% | 60% |
| S Social criteria | Ensure health, life and/or disability insurance provided for all employees | 40% | 57% | 80% |
| | Implement a profit-sharing scheme for at least 75% of employees | 29% | 5% | 40% |
| | 40% of the least represented gender at Board level | 8% | 14% | 20% |
| | 40% of the least represented gender at Management level | 10% | 14% | 0% |
| | Implement a Vigilance Plan (responsible procurement approach) | 47% | 71% | 60% |
| G Governance criteria | Discuss CSR at board level | 60% | 57% | 80% |
| | 30% of independents at Board level | 14% | 29% | 40% |
| | Set up Audit & Remuneration Committees | 12% | 19% | 60% |
| | Implement a Business Ethics and Anti-corruption program | 70% | 76% | 60% |
| | Integrate CSR criteria in management compensation | 10% | 14% | 0% |

The results are expressed as percentage of companies that have deployed each criteria.

RANKINGS



Pro forma' 2021 vs 2020:
Less than 4 criteria (13% vs 18%),
Bronze (31% vs 58%),
Silver (38% vs 24%),
Gold (18% vs 0%),
Platinum (0% vs 0%)



Pro forma 2021 vs 2020:
Less than 4 criteria (0% vs 8%),
Bronze (7% vs 61%),
Silver (62% vs 23%),
Gold (31% vs 8%),
Platinum (0% vs 0%)



Pro forma 2021 vs 2020:
Bronze (25% vs 50%),
Silver (25% vs 25%),
Gold (50% vs 25%),
Platinum (0% vs 0%)

Reporting covers January 1 to December 31, 2021. Overall, for Private Debt, 98 companies responded to the reporting campaign out of 170, representing a response rate of 58%. The scorecards and rankings cover these 98 companies. More specifically, for Direct Lending, 77 companies responded (53% response rate) and for Corporate Financing, 21 companies (88%). For Real Estate, 5 companies responded to the reporting campaign out of 5 (100%).

1 To conduct trend analyses between 2020 and 2021, Eurazeo calculated the results of each year for a "pro forma" scope. The 2020 and 2021 results were recalculated including the companies present in the Eurazeo portfolio during both years.

Completed in July 2022.

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