

PRINCIPAL ADVERSE IMPACT STATEMENT

Statement covering the period from January 1 to
December 31, 2023

EURAZEO

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I. SUMMARY

Eurazeo considers principal adverse impacts of its investment decisions on sustainability factors. The present statement is the consolidated statement on principal adverse impacts on sustainability factors of Eurazeo SE, Eurazeo Global Investor, Eurazeo Funds Management Luxembourg, Eurazeo Infrastructure Partners, Kurma Partners and their wholly owned subsidiaries, herein referred to as “Eurazeo”.

This document includes Eurazeo’s Principal Adverse Impact Statement in the meaning of the Regulation (EU) 2019/2088 (“Disclosure Regulation”). This fourth statement on principal adverse impacts on sustainability factors covers the reference period from January 1 to December 31, 2023. There was a first PAI statement published in 2021 in line with the regulatory requirements.

The present statement along with all documents referred to herein are accessible publicly on Eurazeo’s website. Eurazeo updates this statement annually according to the regulation.

II. DESCRIPTION OF THE PRINCIPAL ADVERSE IMPACTS ON SUSTAINABILITY FACTORS

A. Principal Adverse Impacts definition

Principal Adverse Impacts (PAIs) 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 European Union’s Disclosure Regulation.

B. Eurazeo’s integration and monitoring of PAI indicators at fund level

Eurazeo monitors the outcomes of its engagement and reports on progress to investors across the 14 mandatory PAI listed in the table below.

All investment funds¹, falling under the provisions of Article 8 and Article 9 of SFDR and managed by the Group's subsidiaries take into account principal adverse impacts (PAI). In accordance with the provisions of Article 7 of the aforementioned Regulation, the information on the consideration of these PAI is available for each investment fund and accessible to investors in the Fund’s periodic reports.

¹ Except Eurazeo Transition Infrastructure Co-Investment Fund – Electra Compartment I

C. Eurazeo's integration and monitoring of PAI indicators at entity level

Eurazeo's subsidiaries do not consider PAI indicators at entity level, in accordance with the provisions of **Article 4** of the Regulation 2019/2088 of 27 November 2019 on sustainability disclosure in the financial services sector (SFDR): Eurazeo Global Investor, Eurazeo Funds Management Luxembourg, Eurazeo Infrastructure Partners, and Kurma Partners.

III. DESCRIPTION OF POLICIES TO IDENTIFY AND PRIORITISE PRINCIPAL ADVERSE IMPACTS ON SUSTAINABILITY FACTORS

Eurazeo is one of the first investment groups to have incorporated sustainable development into its business through a proactive ESG (Environment, Social, Governance) strategy since 2008. ESG is an assurance of sustainability and performance for Eurazeo and its portfolio companies. Throughout the investment process, it fully contributes to their selection, transformation, and sustainable growth.

Eurazeo has formalized this approach through its O⁺ strategy, which is built on two flagship commitments: **reach carbon net neutrality** and **foster a more inclusive society**. Eurazeo also seeks to progress on all ESG dimensions, as defined by the Sustainable Development Goals (SDGs) of the United Nations (SDGs).

As presented in **Eurazeo's Responsible Investment policy**, available on the corporate website in the *Responsibility* section, Eurazeo identifies principal adverse sustainability impacts at every stage of the investment process:

- **Compliance with Eurazeo Exclusion Policy:** Investment restrictions related to companies that operate in sectors or that have activities with potential negative impacts on the environment, human health or society have been defined and formalized in the Eurazeo's Exclusion Policy, implemented by Eurazeo. Certain practices are also banned, regardless of the economic sector, such as corruption, money laundering, human rights violations, activities in war-torn areas and breaches of International Labour Organization (ILO) principles, United Nation Global Compact (UNGC) and OECD Guidelines. Please refer to Eurazeo's Exclusion Policy for more information.
- **Conducting ESG due diligence:** During the due diligence phase, Eurazeo's goal is to identify and analyse the main sustainability risks, impacts and dependencies for the investment target. To perform these analyses, Eurazeo applies the double materiality principle, which consists of assessing the impact of sustainability risks on the company and those risks that the company imposes on society. All 2022 acquisitions underwent

an ESG due diligence. Please refer to Eurazeo's Exclusion Policy for more information. Please refer to Eurazeo's Responsible Investment Policy for more information.

- **Encouraging and supporting the implementation the "O+ Essentials":** Eurazeo has developed an ESG progress plan that enables financed companies to embed ESG in their business model and move forward over the years, regardless of their size or maturity in this area. The plan includes 20 "O+ Essentials" to build a balanced, comprehensive, and effective ESG approach. In line with the two flagship commitments of the Eurazeo O+ strategy, Eurazeo encourages financed companies to decarbonize their activities and make progress on diversity, equity, and inclusion (DEI), among others. Progress is measured using a four-tier scale – bronze, silver, gold, and platinum – depending on the number of actions implemented. Please refer to Eurazeo's Responsible Investment Policy and Shareholder and Engagement Policy for more information.
- **Measuring the ESG integration in the business model:** Eurazeo has set up an ESG reporting campaign to collect and report information on the main ESG actions implemented by Eurazeo's investments. Each year, all are asked to complete a comprehensive annual ESG reporting on a set of indicators for all companies. In addition, Eurazeo considers Principal Adverse Impacts (PAI), which are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee issues, respect of human rights and anti-corruption.

More information is available in the [Responsible Investment Policy](#), the [Exclusion Policy](#), the [Universal Registration Document \(URD\)](#) and the [O+ Progress Report](#) available on the Group's website in the *Responsibility* section.

IV. REFERENCE TO INTERNATIONAL STANDARDS

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

- The Non-Financial Performance Statement
- The Duty of Vigilance Law
- The Sapin II Law
- The 10 Principles of the United Nations Global Compact
- The Initiative Climat International
- The United Nations Sustainable Development Goals (SDGs)
- The Principles for Responsible Investment (PRI)
- The Task Force on Climate-related Financial Disclosure (TCFD)

- The Global Reporting Initiative (GRI)
- The CDP's climate change questionnaire
- The Shift Project
- The French Business Climate Pledge
- The France Invest Charter of Commitments for Investors in Growth
- The Investor Agenda Initiative
- The Science Based Targets Initiative (SBTi)

V. REFERENCE DOCUMENTS

- [Eurazeo's Responsible Investment policy](#)
- [Eurazeo's Exclusion Policy](#)
- [Eurazeo's Shareholder's Engagement Group Policy](#)
- [Eurazeo's O+ Progress Report](#)
- [Eurazeo's *Loi Energie Climat* Report \(in French\)](#)
- [Eurazeo's Universal Registration Document \(URD\)](#)
- [Eurazeo's Sustainable Investment methodology](#)
- [Eurazeo's Sustainability Risk Policy](#)

VI. APPENDIX

Adverse sustainability indicators		Metric
Greenhouse gas emissions	GHG emissions	Scope 1 GHG emissions
		Scope 2 GHG emissions
		Scope 3 GHG emissions
	Carbon footprint	Scope 4 GHG emissions
	GHG intensity of investee companies	Carbon footprint
	Exposure to companies active in the fossil fuel sector	GHG intensity of investee companies
	Share of non-renewable energy consumption and production	Share of investments in companies active in the fossil fuel sector
Energy consumption and production	Share of non-renewable energy consumption and non-renewable energy production of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage of total energy sources	
Biodiversity	Activities negatively affecting biodiversity sensitive areas	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector
Water	Emissions to water	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
Waste	Hazardous waste ratio	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average
Social and employee matters	Violations of UN Global Compact principles and Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises	Tonnes of hazardous waste generated by investee companies per million EUR invested, expressed as a weighted average
	Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises	Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance/complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises
	Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies
	Board gender diversity	Average ratio of female to male board members in investee companies, expressed as a percentage of all board members
	Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	Share of investments in investee companies involved in the manufacture or selling of controversial weapons
	Additional - Investments in companies without carbon emission reduction initiatives	Share of investments in investee companies without carbon emission reduction initiatives aimed at aligning with the Paris Agreement
	Additional - Lack of a supplier code of conduct	Share of investments in investee companies without any supplier code of conduct (against unsafe working conditions, precarious work, child labour and forced labour)

DISCLAIMER

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