2025

Article 29LEC Report

(Energy and Climate law)

Mérieux Equity Partners

AMF Accreditation Number GP-18000009
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Published : June 2026

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1. Our general approach

1.1 WHO WE ARE

Mérieux Equity Partners (MxEP) is an AMF-accredited management company specializing in equity investments in the health sector across Europe. As the investment arm of Institut Mérieux, Mérieux Equity Partners draws on an exceptional scientific heritage and a set of founding values — integrity, responsibility, and solidarity — to pursue its mission as a purpose-driven investor.

Our ambition goes beyond financial performance: we aim to contribute to improving and saving lives, by backing companies that advance human, animal, and environmental health through the lens of the **"One Health"** approach.

1.2 ESG: A CORE CONVICTION, NOT A COMPLIANCE EXERCISE

At Mérieux Equity Partners, ESG is not a response to regulatory pressure — it is a deeply held conviction and a driver of long-term value creation. Since obtaining our AMF accreditation in June 2018, all our funds have been subject to a rigorous, documented ESG framework applied at every stage of the investment cycle.

We firmly believe that environmental, social, and governance criteria are a guarantee of resilience and sustainable performance for all stakeholders. Accordingly, ESG considerations are embedded in our analysis, investment decisions, and active support of portfolio companies — making responsible investment a genuine part of our DNA.

1.3 CONTRIBUTING TO THE SUSTAINABLE DEVELOPMENT GOALS

The nature of our investment strategy naturally positions us as a contributor to several UN Sustainable Development Goals:

- **SDG 3** — Good Health and Well-Being
- **SDG 10** — Reduced Inequalities
- **SDG 12** — Responsible Consumption and Production
- **SDG 15** — Life on Land

Beyond these structural contributions, we are equally committed to ensuring that none of our investments generate negative externalities on the remaining SDGs — a discipline embedded in our assessment process from the earliest stages of evaluation.

1. Our general approach

1.4 OUR FORMAL COMMITMENTS

Mérieux Equity Partners has joined several leading initiatives that structure and reinforce our ESG commitments:

- **Principles for Responsible Investment (PRI)** — our Responsible Investment policy is fully aligned with this international framework.
- **France Invest** — as an active member, we participate in the ESG, Biodiversity, and CSR strategy for portfolio companies working groups, and have signed the Charters for Growth, Gender Equity, and Value Sharing.
- **Initiative Climat International (iCI)** — member since early 2022.

1.5 EXCLUSION POLICY

Mérieux Equity Partners does not invest in companies whose activities involve practices contrary to our core values — including corruption, money laundering, violations of human rights (including child and forced labor), disregard for the rights of indigenous or vulnerable communities, negative health impacts resulting from regulatory or ethical failures, trade in protected wildlife species, or degradation of protected biodiversity areas.

Our full exclusion policy is publicly available on our website.

1.6 ESG INTEGRATION ACROSS THE INVESTMENT CYCLE

Mérieux Equity Partners systematically integrates ESG considerations across all four phases of the investment lifecycle:

SCREENING PHASE

Every opportunity is first assessed against our exclusion policy. Any identified red flag leads to the immediate discontinuation of the process.

DUE DILIGENCE

A thorough ESG analysis is conducted, drawing on SASB sector guidelines and direct management discussions. This analysis is presented to the Investment Committee and fully integrated into the investment decision. Where a material ESG issue cannot be adequately remediated, the opportunity is abandoned.

OWNERSHIP PHASE

A tailored ESG roadmap is co-developed with each portfolio company during the first year of the holding period. Key performance indicators are monitored annually, regular follow-up meetings are held, and any material incident is reported on a quarterly basis through our internal reporting system. An ESG clause is systematically included in shareholders' agreements.

EXIT PHASE

All ESG data collected during the holding period is integrated into the data room, giving potential buyers full visibility over the progress achieved and reinforcing the tangible value created through our ESG approach.

1. Our general approach

1.7 ASSETS UNDER MANAGEMENT BY SFDR CATEGORY

As of December 31, 2025, Mérieux Equity Partners manages several main funds totaling €1.6 billion in commitments, of which 43% is classified as Article 8 under SFDR (Mérieux Participations 4 SLP, launched in 2021 and Mérieux Innovation 2, launched in 2025). The remaining funds are classified under Article 6. However, all funds launched since our AMF accreditation are subject to annual and quarterly ESG reporting, including quantitative indicators, qualitative assessments, and material incident monitoring.

1.8 SCOPE OF THIS REPORT

The scope of the Article 29 LEC report is defined based on the perimeter of funds for which ESG integration is effectively implemented. In this context, the reporting primarily covers the Mérieux Participations 3, Mérieux Participations 4, OMX and Mérieux Innovation 2 funds, which are all subject to a structured ESG approach. In addition, within the Mérieux Participations 2 fund, only Seqens is included in the reporting scope, as it is the sole portfolio company currently meeting the criteria for ESG consideration under the defined framework. This approach ensures that disclosures remain consistent, relevant, and aligned with the level of ESG maturity and data availability across the portfolio.

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2. Our ESG governance & dedicated resources

2.1 A TRANSVERSAL ESG GOVERNANCE MODEL

At Mérieux Equity Partners, ESG governance is fully transversal, actively involving and collaborating with the investment team at every level of the organization. This integrated model ensures that ESG considerations are consistently embedded in strategic decisions, portfolio management, and day-to-day operations.

The ESG function reports directly to the President of Mérieux Equity Partners, reflecting the firm's top-level commitment to sustainability. This governance structure ensures that ESG strategy is defined, implemented, and monitored with the highest degree of accountability.

2.2 A DEDICATED AND GROWING ESG TEAM

The Mérieux Equity Partners' ESG team comprises a director and a dedicated apprentice. The ESG team is responsible for defining and implementing Mérieux Equity Partners' ESG strategy and supporting portfolio companies in their CSR journeys, aiming to create value that is both commercial and sustainable.

Mérieux Equity Partners' Presidence

Sustainability team

Justine Chabrol
ESG director

At France Invest, member of:
- Biodiversity working group
- Sustainability roadmap working group
- CSO club

Mathilde Forin
ESG apprendice

2. Our ESG governance & dedicated resources

2.3 ESG COMMITTEES AND CROSS-FUNCTIONAL BODIES

The ESG team leads and coordinates several key internal bodies:

- **ESG integration at Risk Committee** — primary governance body overseeing climate and nature-related risks.
- **Diversity, Equity & Inclusion Committee** — fostering an inclusive workplace culture.
- **ESG & Compliance Meetings** — ensuring regulatory alignment and continuous improvement.
- **"Mérieux Equity Initiative" Charity Fund** — channeling Mérieux Equity Partners's social engagement externally.

2.4 DEDICATED BUDGET AND RESOURCES

Mérieux Equity Partners's commitment to ESG is backed by meaningful financial investment. In 2025, over **€100,000** was allocated to ESG consulting and tools, covering:

- **SaaS platforms** for ESG KPI tracking, material incident reporting, improvement plan monitoring, carbon footprint assessment and climate and nature-related risks and opportunities analysis.
- **ESG consulting firms** engaged for ESG reviews, strategy development, and team training.

This investment reflects our conviction that robust ESG management requires both the right tools and the right expertise.

2.5 BUILDING INTERNAL EXPERTISE THROUGH TRAINING AND AWARENESS

Responsibility for ESG issues is not limited to the ESG team.

- Every year, the entire Mérieux Equity Partners team participates in at least one ESG or sustainability training session. For example, in 2023 we organized a biodiversity training to gain a better understanding of the interactions between nature and business, in 2024, the team deepened its understanding of nature-related topics through a dedicated workshop on water issues and in 2025 the team took part in a climate fresco.

- Whilst only Managing Partners were previously required to attend a minimum of one ESG training per year, since 2025 we have introduced a training session dedicated to ESG for all investment teams. A half-day has been dedicated to organize a training on ESG risk analysis gathering 100% of the investment tems.

2. Our ESG governance & dedicated resources

- Additionally, the ESG director and the Regulatory & Compliance director deliver internal ESG presentations to the full team three times a year, ensuring that all Mérieux Equity Partners teams remain informed about evolving sustainability topics, regulatory developments, and best practices.

- To maintain ongoing ESG awareness across the organization, a monthly ESG newsletter is distributed to all team members. Each edition combines general sustainability insights with Mérieux Equity Partners-specific updates — covering fund-level developments, portfolio company initiatives, and the firm's broader ESG projects. This regular touchpoint helps ensure that sustainability remains a shared responsibility, not just a specialist function.

Mérieux Equity Partners' ESG team also conducts training sessions at France Invest, contributing to the broader professional community's progress on sustainability.

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3. Our engagement strategy & shareholder commitment

3.1 OUR PHILOSOPHY: GOVERNANCE AS THE PRIMARY LEVER

At Mérieux Equity Partners, active shareholder engagement is our primary tool for driving ESG progress. Our approach has always been to be represented in the governance bodies of the companies in which we invest. This presence gives us the visibility, influence, and accountability needed to define, implement, and adapt ESG action plans in real time, in the best interest of our portfolio companies and our investors.

3.2 VOTING PERIMETER

Mérieux Equity Partners exercises all voting rights attached to the securities held in the funds it manages, without delegation. In 2025, the firm voted at **32 Shareholders' Meetings** across its portfolio companies — with no technical or administrative obstacles preventing the full exercise of these rights.

All votes are cast in Mérieux Equity Partners' name. Where Shareholders' Meetings are not legally required in certain geographies or for certain types of decisions, governance is exercised through alternative mechanisms such as written consent procedures or direct representation — whether in person, by mail, or via a dedicated proxy.

3.3 A STRUCTURED AND ACCOUNTABLE VOTING PROCESS

Each investment partner is responsible for collecting and reviewing the Shareholders' Meeting file for the companies they follow, including the meeting date, voting procedures, and the full text of resolutions. Where a resolution raises interpretive complexity, the Compliance and Internal Control Officer is consulted. The partner then decides how to vote and retains full accountability for that decision, being able to report on it at any time.

Mérieux Equity Partners typically exercises its voting rights by mail, though partners may choose to attend meetings in person when circumstances warrant. Partners generally exercise their voting rights through a proxy granted by the President, or alternatively, the President may vote directly.

3.4 CONFLICT OF INTEREST MANAGEMENT

All voting rights are exercised with full independence and with the sole objective of protecting the interests of fund shareholders / LPs. Mérieux Equity Partners has put in place governance rules and process ensuring that our engagement is free from conflicts of interest.

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4. European taxonomy & fossil fuel

Mérieux Equity Partnership invests exclusively in the healthcare sector, which by definition is not eligible for the taxonomy.

Mérieux Equity Partners does not invest in fossil fuel, and none of the companies in which we invest is active in this field.

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5. Our alignment with Paris agreement

5.1 OUR POLICY

Despite being small emitters themselves, financial institutions have an important role to play in the journey to net zero through their portfolios and investments. Mérieux Equity Partners recognizes that the health sector, like any human activity, currently generates the emission of greenhouse gases (GHG) and therefore contributes to climate change. In France, the health sector is estimated to account for approximately 8% of national GHG emissions, according to a publication by the think tank The Shift Project (April 2023)*, with estimates ranging from 5% (OECD, September 2025**) to 10% (according to the same publication from The Shift Project) depending on the scope considered, notably the inclusion of indirect emissions across the value chain.

The summary for policymakers of the latest report from IPCC group II*** (on climate change impacts and adaptation) concludes, as follows:

"The cumulative scientific evidence is unequivocal: climate change is a threat to human well-being and planetary health. Any further delay in concerted anticipatory global action on adaptation and mitigation will miss a brief and rapidly closing window of opportunity to secure a liveable and sustainable future for all."

On this basis, Mérieux Equity Partners is willing to fairly contribute to aligning the Health sector with the objectives defined in the Paris-Agreement.

The Paris Agreement commits signatory countries to define and regularly strengthen their nationally determined contributions (NDCs) in order to reduce greenhouse gas emissions. Its objective is to limit global warming to well below 2°C by the end of the century. Although the Agreement formally applies to countries, it is also used by companies as a reference framework to assess and align their greenhouse gas emission reduction strategies, including across their value chains.

Sources:
*Le Bilan Carbone de la santé en France – Rapport technique Novembre 2021; ** Measuring greenhouse gas emissions in the health sector | OECD; ***Climate Change 2022: Impacts, Adaptation and Vulnerability, IPCC 6TH Assessment Report;

5. Our alignment with Paris agreement

5.2 OUR STRATEGY

As an integral part of its commitment on climate, Mérieux Equity Partners became a member of the Initiative Climat International (iCI) in April 2022. iCI signatories commit to effectively analyze, manage, and mitigate climate-related financial risk and emissions in their portfolios, in line with the recommendations of the FSB's Taskforce for Climate-related Financial Disclosure (TCFD). Additionally, members are encouraged to share knowledge, tools, experience, and best practice among peers. Through this membership, Mérieux Equity Partners seeks support and feedback on low-carbon investment policy implementation.

Mérieux Equity Partners' strategy includes the following three pillars in the context of its contribution to aligning the Health sector with the objectives defined in the Paris-Agreements:

- Measure emissions related to our own activities ;
- Measure emissions related to all portfolio companies;
- Reduce emissions related to all portfolio companies supported by Mérieux Equity Partners from an ESG perspective.

This year, we switched carbon footprint assessment providers, which has enabled us to achieve greater accuracy in our results. However, we are still in the process of refining and improving our calculations, which makes it difficult to set targets at this stage. Once our carbon footprint calculations will be robust enough, we will define an emission reduction pathway.

5.2.1 MEASURE EMISSIONS RELATED TO OUR OWN ACTIVITIES*

Mérieux Equity Partners assessed its GHG footprint for **all relevant categories** (to the exclusion of category 15 of Scope 3 – Investments, covered in the following section), in alignment with the GHG Protocol standards. Mérieux Equity Partners uses the operational control approach to determine its organizational boundaries. The assessment was performed bottom-up (with a specific data collection) based on both physical and monetary data, depending on data availability and covered both Mérieux Equity Partners offices in Paris and Lyon. Mérieux Equity Partners partnered with a new GHG footprinting provider in 2025, better aligned with its needs and line of business, resulting in improved GHG carbon footprint quality.

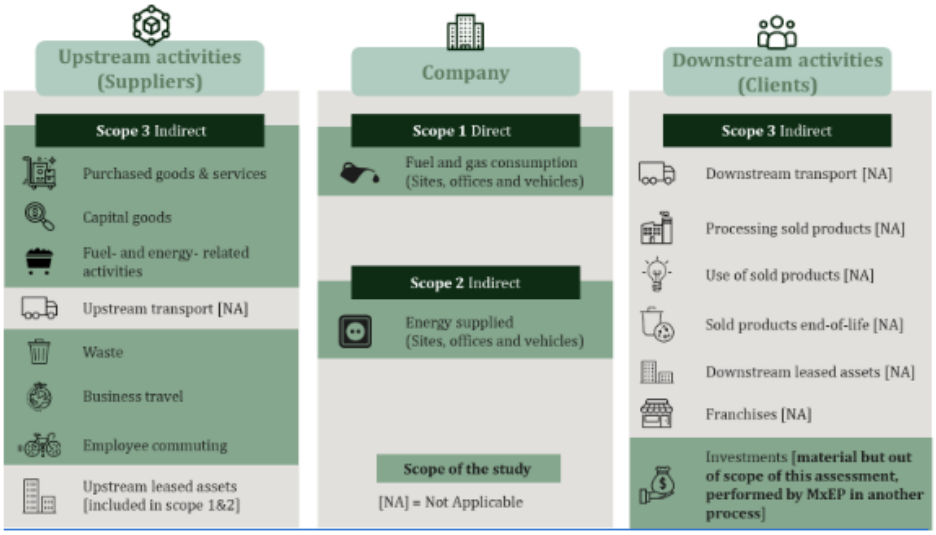
Scope 2 emissions (related to electricity consumption) were assessed with the location-based methodology. Emission factors were mostly taken from the Ademe Base Carbone database.

Sources:

*Carbon footprint provider

5. Our alignment with Paris agreement

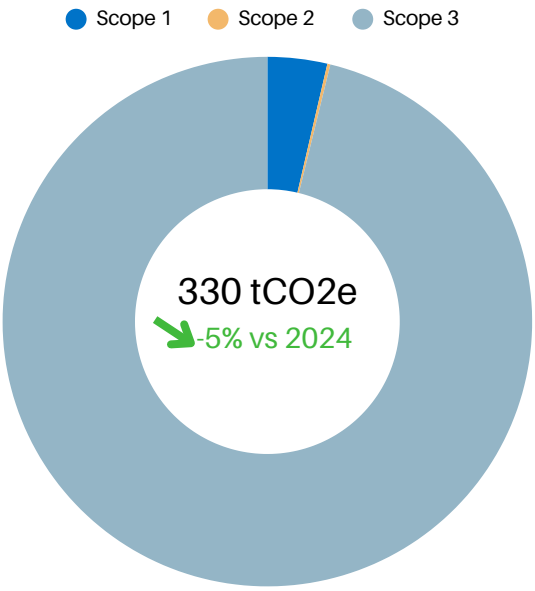
Categories of emissions included or excluded from the assessment are illustrated below:



Total 2025 emissions (excluding financed emissions) are estimated to be approximately **330 tCO2e** (-5% in comparison with 2024). This results in the following carbon intensities:

- **18,5 tCO2e/M€ of revenue** (compared to 19,2 tCO2e/M€ of revenue in 2024);
- **11,9 tCO2e/FTE** (compared to 13,9 tCO2e/FTE in 2024);
- **175 kgCO2e/M€ of Asset Under Management (AUM)** (compared to 208 kgCO2e/M€ AUM in 2024).

The distribution of emissions by scope is presented below:

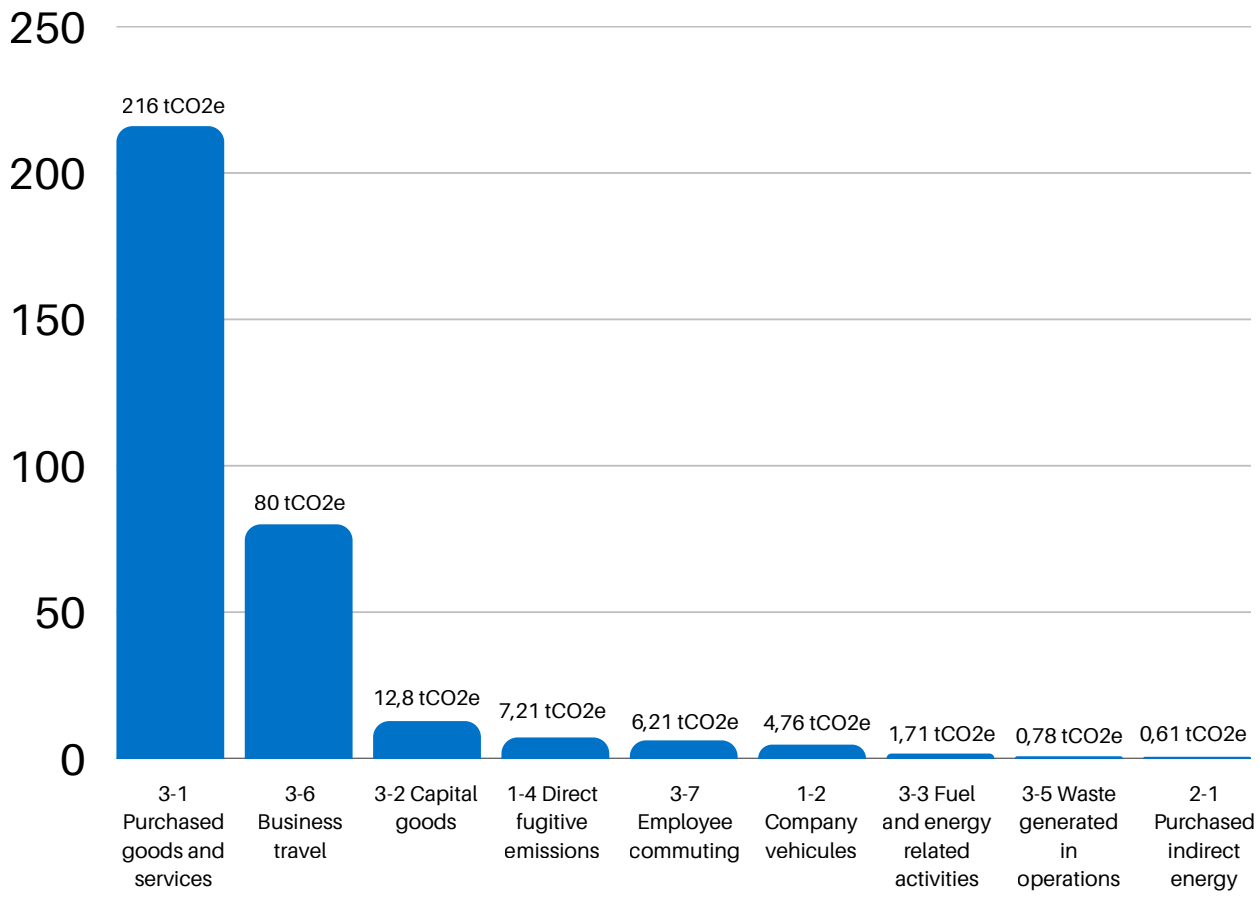


Scope 1 : 12 tCO2e
Scope 2 : 0,61 tCO2e
Scope 3 : 317 tCO2e

Sources:
*Carbon footprint provider

5. Our alignment with Paris agreement

The resulting Mérieux Equity Partners GHG footprint for calendar year 2025 is illustrated below:



The change in carbon footprint provider led to a methodological shift, including different emission factor sources, data allocation approaches, and levels of data granularity, As a result, comparing 2024 and 2025 emissions provides limited value since the variations may come either from operational changes or from methodological changes.

Moreover, variations with the 2024 carbon footprint attributable to the methodological shift are not systematically associated with a change in Mérieux Equity Partners activities. The methodological effects impact the following categories:

- **Indirect GHG emissions from imported electricity**: -80%. While the methodological change is expected to lead most of the emissions variation, it should be noted that the reduction may also be driven by reduced electricity consumption.

Sources:

*Carbon footprint provider

5. Our alignment with Paris agreement

- **Purchased goods & services**: +25%. Emissions are of improved quality in 2025, as data are directly sourced from procurement records and benefit from the use of more granular emission factors compared to 2024. The increase may also reflect higher consultancy expenditure related to the launch of investment funds.
- **Capital goods**: -76%. Expenditure allocation is more accurate and mapped to more precise emission factors.

Changes in the following categories are primarily driven by Mérieux Equity Partners actions:

- **Direct GHG emissions from mobile combustion**: -65%, primarily due to the transition to electric vehicles, with only one internal combustion vehicle remaining in the company fleet.
- **Waste**: +290% (from 0,2 to 0,8 tCO2e), driven by improved data quality, as a single waste service provider was contracted across both offices, ensuring more consistent and reliable data.
- **Business travel**: -19%, reflecting the implementation of Mérieux Equity Partners travel policy and ongoing awareness-raising efforts. Fewer team-building events were held in 2025, and these took place exclusively in France. Emissions remain predominantly driven by air travel.
- **Employee commuting**: +35%, resulting from improved quality data, including a more detailed survey, full FTE coverage, and a higher response rate.

Despite the methodological change, Mérieux Equity Partners total emissions in 2025 appear relatively stable with a similar distribution: approximately 90% of emissions are generated by the Purchased goods & services and Business travel categories, and total emissions remain significantly lower than financed emissions.

5.2.2 MEASURE EMISSIONS RELATED TO ALL PORTFOLIO COMPANIES

Scope

Mérieux Equity Partners aims to assess the GHG footprint of all portfolio companies (PCs) supported from an ESG perspective. In 2025, 93% of Mérieux Equity Partners funds are included in the carbon footprint assessment. The PCs' GHG carbon footprints that are included in the assessment were performed using either a bottom-up or a top-down approach.

Mérieux Equity Partner's approach since 2023 GHG footprinting

Prior to 2023, portfolio companies' GHG emissions were assessed using a top-down approach. In 2023, Mérieux Equity Partners upgraded the carbon management approach applied to its portfolio companies by:

- Partnering with a specialized carbon footprint provider to digitalize carbon management; and
- Supporting portfolio companies in developing bottom-up GHG emissions assessments, with the support of specialized consultancies.

Sources:

*Carbon footprint provider

5. Our alignment with Paris agreement

The partnership with a dedicated carbon footprint provider offers the following advantages:

- Streamlined and facilitated data collection for portfolio companies;.
- The ability to enhance portfolio companies' GHG footprints (completely or partially) based on the CDP (Carbon Disclosure Project) database, which is generally more granular and more accurate than generic monetary emission factors used historically since it is based on a compilation of numerous GHG footprints established with a bottom-up approach.

In 2025, Mérieux Equity Partners changed its footprinting provider to a partner better suited to its activities. The hierarchy of data sources and assessment methods is prioritized below, based on their expected level of accuracy:

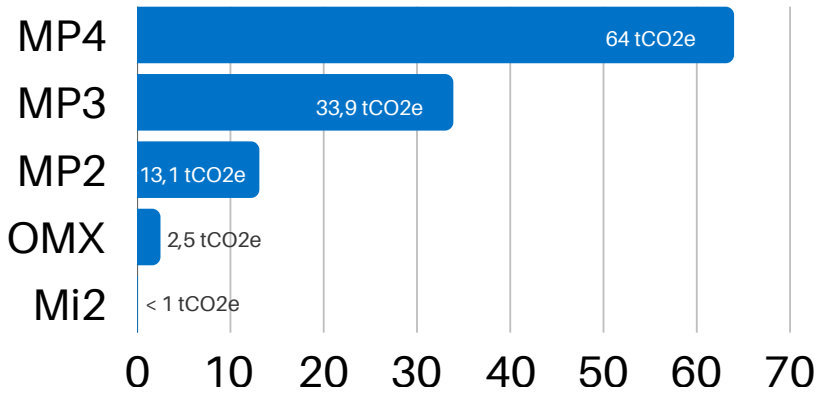
- **Carbon footprint**: priority given to using the asset's actual footprint (scopes 1, 2 and 3), as calculated directly by the entity or by a specialized consultancy;
- **Historical extrapolation**: in the absence of recent carbon footprint, use of historical emissions calculated to extrapolate an estimate;
- **Sector-specific estimation**: in the absence of asset-specific data, use of estimates based on sectoral emissions (NACE Code), calibrated using the asset's revenue or workforce (FTEs).

2025 financed emissions

Mérieux Equity Partners' financed emissions are calculated in accordance with the Partnership for Carbon Accounting Financials (PCAF) standard.

In 2025, total financed emissions attributable to Mérieux Equity Partners amount to 113,5 ktCO2e (compared to 128 ktCO2e in 2024), corresponding to a carbon intensity of 128 tCO2e/M€ invested (compared to190 tCO2e/M€ invested in 2024).

Results consolidated at fund level are presented in the graphs below (covering the total of scope 1, 2 and 3 emissions):

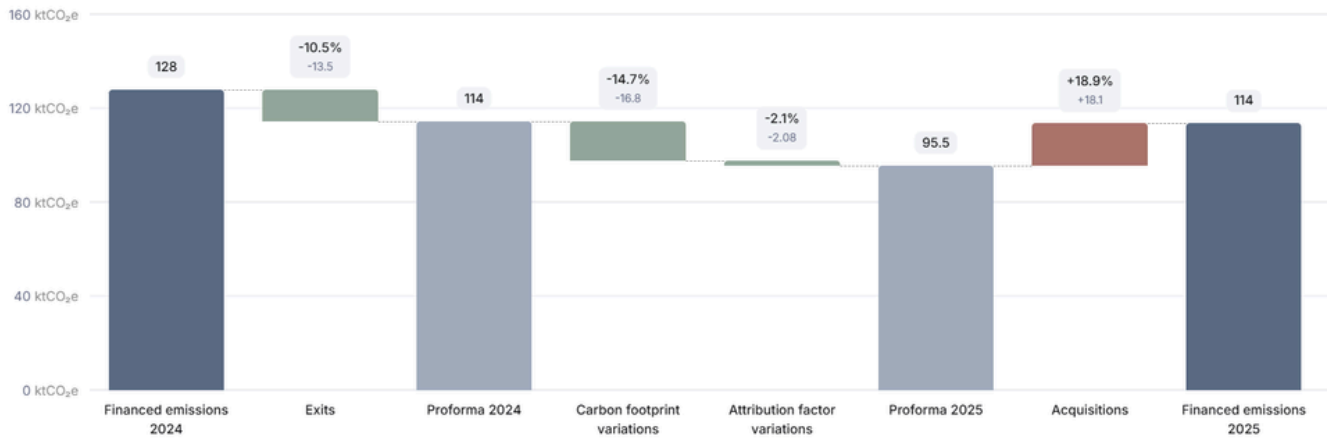


Sources:

*Carbon footprint provider

5. Our alignment with Paris agreement

A new fund (MI2) was added to Mérieux Equity Partners's portfolio in 2025. Overall, portfolio companies' carbon footprints remain consistent with previous years' assessments. While the distribution of financed emissions differs from 2024, the overall result remains similar.
The evolution breakdown is presented hereafter.



At this stage, Mérieux Equity Partners's climate strategy does not yet include quantified reduction targets for financed emissions. This reflects a deliberate and phased approach, prioritizing the improvement of data quality, the progressive shift toward bottom-up methodologies, and the strengthening of portfolio-wide coverage before setting binding targets.

Building on the significant progress achieved in recent years, Mérieux Equity Partners intends to define and disclose clear, measurable financed emissions reduction targets in future reporting cycles. These targets will be aligned with the company's investment strategy and relevant market frameworks. They will be supported by a robust methodological foundation and an actionable roadmap. Their integration will be progressively reflected in forthcoming Article 29 LEC reports, within a dedicated section on emissions trajectory and portfolio decarbonization.

Bottom-up approach for GHG footprinting
In 2025, approximately 47% of total Mérieux Equity Partners' financed emissions were assessed with a bottom-up approach, compared to approximately 60% in 2024. This decrease is primarily driven by the addition of new funds to the portfolio, along with the methodological changes resulting from the transition to a new footprinting partner. Bottom-up assessments are expected to increase in the coming years.
Mérieux Equity Partners aims to cover 60% of its financed emissions assessed using a bottom-up approach in 2026 based on the 2025 perimeter.

Sources:
*Carbon footprint provider

5. Our alignment with Paris agreement

5.2.3 **REDUCE EMISSIONS RELATED TO ALL PORTFOLIO COMPANIES**

Target setting

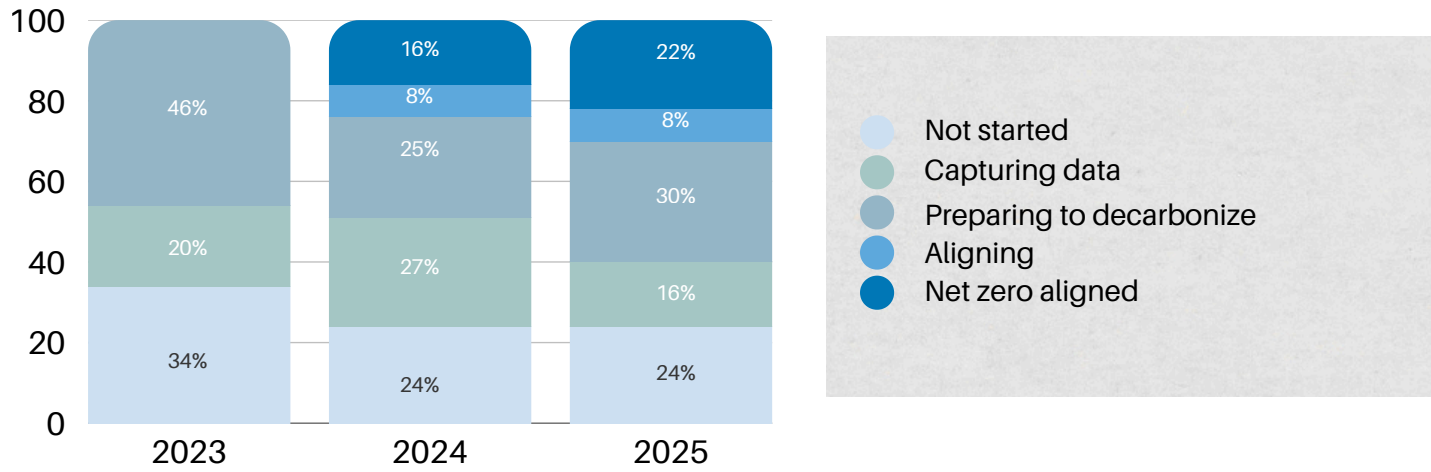
Mérieux Equity Partners is committed to responsible and sustainable investments. As a private equity firm, we actively integrate ESG and climate considerations into our activities and those of our PCs. This demonstrates our commitment to contributing to the global push for sustainability and limiting global warming to 1.5°C. Mérieux Equity Partners believes that ESG is essential for ensuring sustainability and performance, benefiting all stakeholders.

To formalize our commitments, and in light of the maturity of most PCs regarding climate-related matters, Mérieux Equity Partners has decided to implement a dedicated framework to drive greenhouse gas (GHG) emissions reduction within its funds: the Private Markets Decarbonization Roadmap (PMDR).

The PMDR, developed by Bain Capital on behalf of the Initiative Climat International (iCI) and the Sustainable Markets Initiative's Private Equity Task Force, provides a structured framework for private equity firms to reduce and disclose GHG emissions. It addresses the unique challenges of private markets, such as dynamic fund cycles and fiduciary responsibilities. The roadmap offers practical guidance on balancing emissions reduction priorities with fiduciary duties, defining decarbonization plans, and leveraging available levers in different asset classes. Furthermore, the framework includes asset-specific guidance and flexible tools for reporting on Scope 1, 2, and 3 emissions.

Mérieux Equity Partners began working on the PMDR methodology in 2024 to understand and communicate to its stakeholders where its PCs are on their decarbonization journey.

The PMDR methodology defines 5 stages of alignment with the Net Zero ambition. The following graph illustrates the **evolution of financed emissions across these alignment stages over the past three years for the buyout fund**.



Sources:

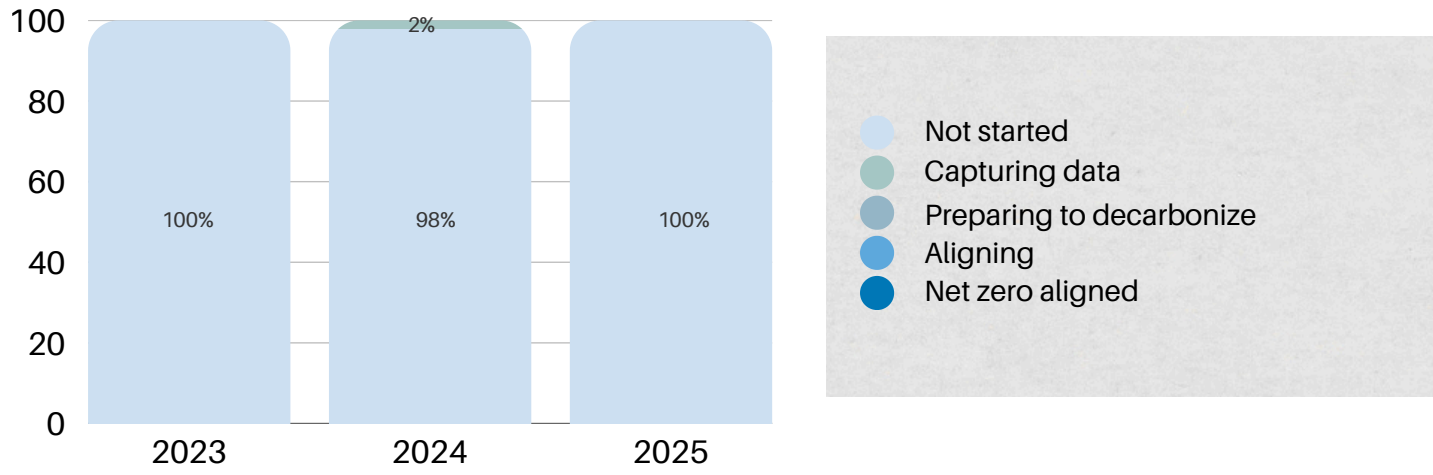
*Carbon footprint provider

5. Our alignment with Paris agreement

The buyout companies' portfolio made significant progress in 2024 compared with 2023, when a large majority had not yet started their transition toward Net Zero alignment. Two companies achieved alignment to the Net Zero target, while several others were on their path to decarbonization ("Aligning" and "Preparing to Decarbonize" categories).

In 2025, the share of "Net Zero Aligned" companies decreased compared with 2024, but the absolute number of aligned companies (2) remained identical. The share decrease is due to the addition of new unaligned companies to the buyout fund in 2025. Overall, further progress was made towards alignment in 2025, with 60% of portfolio companies engaged in a decarbonization pathway, compared with 49% in 2024, despite the expansion of the buyout fund.

The following graph displays the **evolution of portfolio companies' alignment across these stages over the past 3 years, for the Innovation fund**.



Innovation companies face more challenges due to their business size and outlook, a condition reflected by the overall limited improvement in the portfolio alignment with the Net Zero ambition since 2023 – despite sustainability being a top priority on the companies' agendas. Nonetheless, it should be noted that climate/environmental data from certain companies had not been collected at the time of this disclosure.

Sources:
*Carbon footprint provider

5. Our alignment with Paris agreement

Emissions reduction strategy

Starting in 2026, Mérieux Equity Partners will implement a new strategy regarding its future portfolio companies in the buyout fund, aimed at progressively integrating new investments into a decarbonization pathway. The approach is structured as follows, staged by the investment timeline:

- Year 1: at a minimum, an estimated carbon footprint will be required.
- Year 2: a carbon footprint covering scopes 1 & 2 will be assessed, using a bottom-up approach.
- Year 3: a carbon footprint covering scopes 1, 2 & 3 will be assessed, using a bottom-up approach.
- Year 4: the development of a decarbonization plan will be required, to be implemented in the following years.

This strategy will apply to all new companies integrating Mérieux Equity Partners' buyout funds.

Regarding its current investments, Mérieux Equity Partners will continue its efforts to collect more granular data at the companies' level and will provide the necessary support to improve portfolio alignment with the Paris Agreement goals. This includes the following actions:

- Conduct ESG and Climate awareness-raising trainings and workshops (e.g., the Climate Fresk, 2Tonnes) at least once every year to educate stakeholders about the importance of decarbonization and sustainability practices. The objective is for 100% of Mérieux Equity Partners employees to participate in annual trainings and/or workshops;
- Support portfolio companies in conducting carbon footprint assessments, by sharing knowledge and tools that enable their sustainability practitioners to perform robust GHG inventories and footprints;
- Appoint a contact for Corporate Social Responsibility (CSR) topics, to oversee and strengthen Mérieux Equity Partners' climate strategy and support portfolio companies into their decarbonization journey;
- Engage with key portfolio companies to develop and enforce sustainable practices and environmental actions aimed at reducing their GHG emissions;
- Commit to a strategic focus on the healthcare sector: Mérieux Equity Partners is strategically and structurally 100% focused on financing the healthcare sector. As a result, we will not finance activities primarily related to the production (extraction, refinery, etc.) of coal, non-conventional fossil fuel or even conventional fossil fuel (including petrol and fossil gas (so-called "natural gas")).
- Develop PMDR coverage at PC level (cf. previous section);
- Define high-level emissions reduction road maps at PC level (cf. previous section);
- Integrate progress tracking into annual ESG reporting;
- Offset residual emissions: in line with best practice, Mérieux Equity prioritizes the measurement and reduction of its emissions. Offsetting options will therefore be considered at a later stage to address residual emissions that cannot be avoided.

5. Our alignment with Paris agreement

As outlined in the previous sections, Mérieux Equity Partners will define emissions reductions targets, for its own operations as well as its financed emissions, to be disclosed in future Article 29 LEC report, along with the planned timeline to achieve said targets.

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Climate change is deeply connected to other different environment challenges, whose interdependencies significantly impact the health of our planet. One of the key connection is between climate and biodiversity. Indeed, climate influences the distribution, behavior, and survival of species, while biodiversity contributes to climate regulation through processes like carbon storage and water cycling.

Changes in climate - such as rising temperatures, altered precipitation patterns, and extreme weather events - can disrupt ecosystems, leading to habitat loss and species extinction. In turn, the loss of biodiversity can weaken ecosystems' resilience, making them less capable of adapting to climate change. Protecting biodiversity is therefore essential not only for preserving life on Earth but also for maintaining the stability of our climate system.

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6.1 NATURE AS A KEY INVESTOR ISSUE

6.1.1 THE STRATEGIC RATIONALE FOR AN INTEGRATED CLIMATE AND NATURE APPROACH

The Nature-finance landscape continued to mature over the past year, with new guidance and market practice making expectations for financial institutions more concrete. Taken together, recent publications from public institutions, standard setters and market initiatives point in the same direction: investors are increasingly expected to identify material Nature-related issues across their portfolio, improve the quality of underlying data, and translate high-level commitments into portfolio-level action.

Reference	Implications for investors
Bloomberg – Biodiversity Finance Factbook: COP30 Edition	Confirms that Nature is no longer a niche topic: it is becoming more visible in market data, investor questions and sustainable finance products.
IPBES – Methodological Assessment Report on the Impact and Dependence of Business on Biodiversity and Nature's Contributions to People	Methodological baseline to guide investors in assessing where portfolio companies depend on Nature, where they exert pressures on it, and how this may translate into risks, costs, opportunities and value creation levers over time.

External publications informing investor expectations on biodiversity finance

Aware of the growing relevance of Nature for investors, Mérieux Equity Partners has chosen to further structure and consolidate its ESG approach through the development of an integrated Nature & Climate Strategy (available on our website). The Strategy is built on the Nature Strategy developed in 2024 and the Climate Strategy introduced in 2025, which have now been merged into a single, coherent framework. While the underlying objectives remain unchanged, this consolidation reflects the strong interlinkages between climate and nature, supporting a more consistent and effective approach going forward.

6. Nature agenda

The integrated Strategy provides a single framework covering Mérieux Equity Partners' internal practices, portfolio engagement, data collection and disclosure, and support Mérieux Equity Partners' contribution to several targets of the Kunming-Montreal Global Biodiversity Framework, notably **Target 8** on resilience to Climate change, **Target 14** on integrating biodiversity into decision-making, **Target 15** on businesses' responsibilities in assessing and disclosing their own Nature-related DIROs (Dependencies, Impacts, Risks and Opportunities) and **Target 19** on mobilising finance for biodiversity, as well as to the objectives of the Paris Climate Agreement. Further detail on the integrated Climate & Nature strategy is provided in section 6.2 of this report.

LOOKING AHEAD TO CBD COP17

Mérieux Equity Partners will monitor the outcomes of the UN Biodiversity Conference (CBD COP17), to be held in Yerevan, Armenia, in October 2026, as these may further shape the expectations applicable to financial actors with respect to Nature. Mérieux Equity Partners acknowledges that the evolving Nature agenda discussed at COP17 may translate into implications and obligations for investors and business and, in turn, shape portfolio company practices, investor dialogue, data collection and engagement priorities.

Namely, COP17 is expected to provide further direction on how global Nature ambitions are progressively operationalised for the private sector in relation to target-setting, transition planning, and the development and disclosure of action plans with respect to identified Nature-related DIROs.

Mérieux Equity Partners will review relevant outcomes of the COP against its existing Nature & Climate Strategy and use them, where appropriate, to refine it.

6.1.2 EXTERNAL DEVELOPMENTS STRENGTHENING THE FINANCIAL-SECTOR CASE FOR CLIMATE AND NATURE

The IPBES Transformative Change Assessment Report (2025) and the Business and Biodiversity Assessment Report (2026) put forward how Climate change and biodiversity loss are intrinsically linked and can reinforce each other. For MxEP and its PCs, this translates into a combination of physical and transition risks.

6. Nature agenda

At the same time, addressing Climate and Nature together can help Mérieux Equity Partners and its PCs identify business opportunities: for instance, reducing energy, water, waste, emissions and associated operational costs, making internal practices and value chains more resilient to Nature and Climate-related shocks, improving resource and cost efficiency of products and/or processes, and meeting evolving customer and investor expectations.

The consolidated Nature and Climate lens gives an integrated overview allowing to anticipate where risks and costs may build up, where resilience needs to be strengthened, and where opportunities may support portfolio value creation.

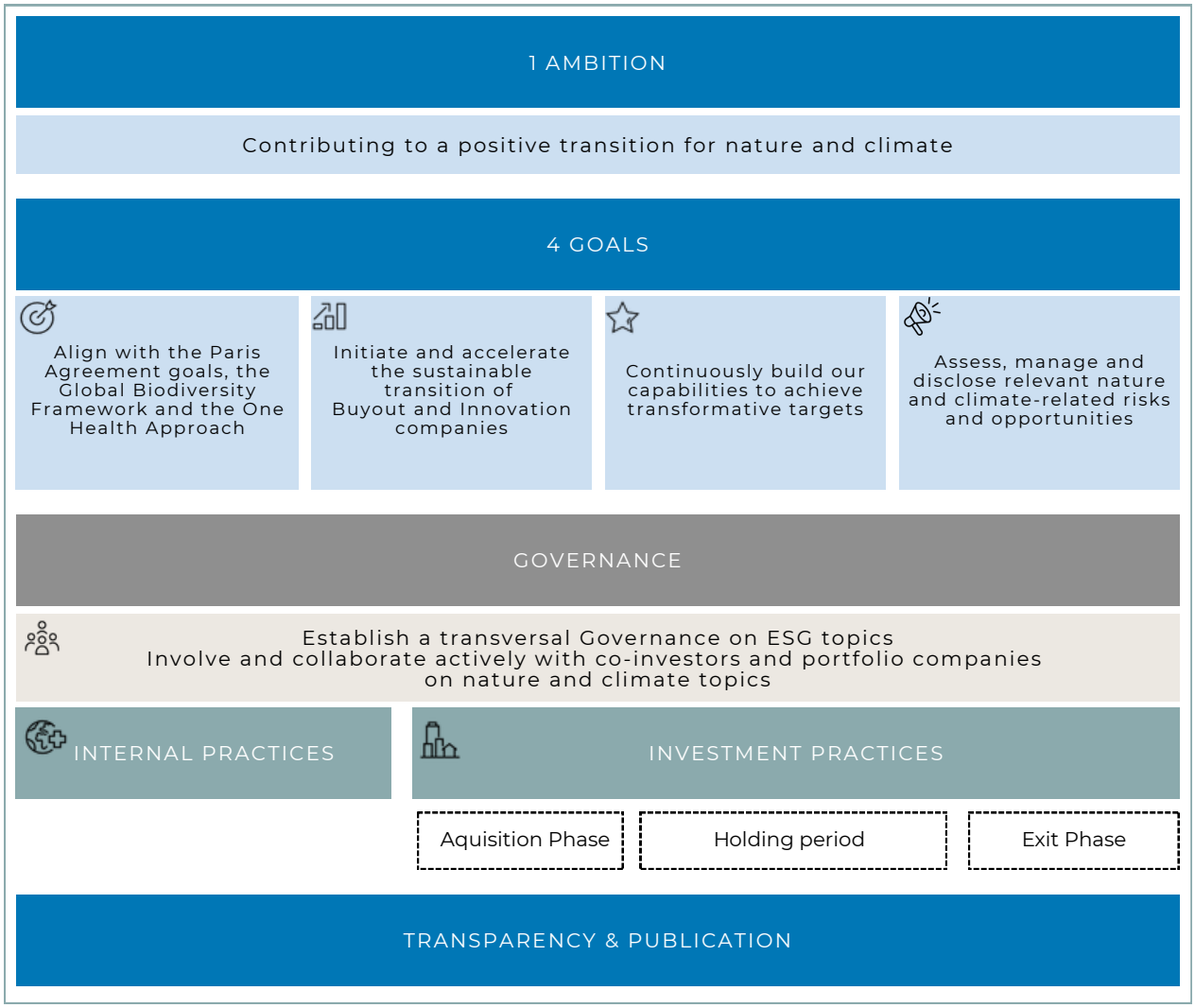
6.1.3 **FROM PRINCIPLES TO ACTION**

Mérieux Equity Partners, as part of the Institut Mérieux, aligns with the group's long-standing commitment to environmental and social responsibility. ESG considerations are deeply embedded in the DNA of the Institut Mérieux, reflecting its mission to advance global public health through the One Health approach, which integrates human, animal, and environmental Health.

Through its investment strategy aligned with Group principles, Mérieux Equity Partners embeds ESG principles into its investment strategy and portfolio management, ensuring continuity between the Institut Mérieux's values and its investment activities.

These principles are reflected in Mérieux Equity Partners' Climate and Nature Strategy, translating the One Health approach into the management of climate and biodiversity risks and opportunities across its investments.

6. Nature agenda



Strategic framework of Mérieux Equity Partners' Nature agenda, including ambition, governance and implementation approach

Mérieux Equity Partners translated its strategic goals into concrete steps. In 2025, Mérieux Equity Partners continued to implement its Nature & Climate strategy commitments across internal practices, including office operations, travel policy and the integration of ESG criteria into variable remuneration arrangements. A detailed overview related progress made in 2025 is provided in section 6.3.

6. Nature agenda

Mérieux Equity Partners continued in 2025 to strengthen its engagement with PCs on Climate and Nature topics. This support combined ESG questionnaires, training sessions, tailored exchanged and structured follow-up, with the objective of helping PCs better understand their DIROs, identify relevant actions and progressively translate these topics into management priorities. A key development in 2025 was the introduction of a dedicated Fiche Nature for each PC, consolidating its individual DIROs and suggested response actions. Further detail is provided in section 6.4.

Mérieux Equity Partners refined LEAP-based portfolio analysis in 2025. The LEAP approach, endorsed by the TNFD, provides a structured way to identify where an entity interacts with Nature (**Locate**), understand the most material impacts and dependencies (**Evaluate**), translate these into risks and opportunities (**Assess**), and progressively define the basis for response and action (**Prepare**). Further detail on the LEAP portfolio analysis is provided in section 6.5.

Mérieux Equity Partners also began to explore innovative topics, including imported deforestation, supply-chain exposure and its proprietary CSR Value Creation Tool. Further detail is provided in section 6.6.

6.2 THE NATURE AND CLIMATE STRATEGY

Nature & Climate Strategy is guided by the One Health approach and the IPBES Nexus perspective. It builds on Mérieux Equity Partners' earlier Nature (2024) and Climate (2025) Strategies.

6.2.1 PILLARS

Mérieux Equity Partners' Nature & Climate Strategy is organised around five pillars:

1. **Alignment & integrity**: Align with the Paris Agreement, the Global Biodiversity Framework , and the One Health approach, and ensure their integration into internal policies and processes.
2. **Capabilities & culture**: Continuously strengthen Nature and Climate capabilities, including skills, maturity, and tools across internal teams and the portfolio.
3. **Portfolio transformation**: Accelerate the transition of Buyout and Innovation companies through the implementation of action plans tailored to their maturity levels and specific challenges.
4. **Risk management & resilience**: Assess, manage, and disclose Climate and Nature-related risks and opportunities across the portfolio, supported by appropriate mitigation and adaptation measures.
5. **Governance & collaboration**: Establish cross-functional governance and strengthen collaboration with co-investors and portfolio companies through structured engagement tools (eg. questionnaires, training, KPIs, roadmaps).

6. Nature agenda

6.2.2 COMMITMENTS

To operationalise its Strategy, Mérieux Equity Partners has defined a set of commitments from 2025 onward, across both internal practices and the entire investment cycle. The table below summarises progress against the commitments, achieved in 2025.

	Commitment	Progress for 2025
	Commitments within our internal practices	
1	Conduct ESG, Nature and Climate awareness-raising trainings and workshops, such as the Climate Fresk and 2Tonnes, to educate employees about sustainability practices at least once a year.	
2	Adopt sustainable practices in offices in relation to energy consumption, waste generation, electronic equipment, and related operational topics.	
3	Promote and reinforce the travel policy to reduce GHG emissions.	
4	Strengthen waste management and reduction in MxEP's offices.	
5	Integrate ESG criteria into the variable compensation of the entire Mérieux Equity Partners team.	
	Commitments towards our portfolio companies during the acquisition phase	
1	Enhance Climate and Nature considerations in the shareholders' agreement for 100% of new investments.	
2	Strengthen the exclusion criteria.	
3	Reinforce Nature and Climate criteria in due diligence.	
4	Identify critical Nature and Climate practices linked to the deal's production processes and suppliers.	

6. Nature agenda

	Commitment	Progress for 2025
5	Integrate Climate and Nature assessment into the decision-making process of a deal, including its potential for improvement.	
	Commitments towards our portfolio companies during the holding phase	
1	Build capacities on Nature and Climate by providing awareness-raising sessions, trainings and tools.	Nature Climate
2	Establish portfolio companies' GHG inventory, covering Scope 1, 2 and 3 emissions, for 100% of all companies by 2029.	
3	Identify Nature-related impacts and dependencies for 100% of portfolio companies by 2026, and Climate-related impacts and dependencies by 2029.	Nature Climate
4	Establish Climate and Nature roadmaps starting in 2026.	
5	Integrate Climate and Nature considerations into the future valuation tool.	

Legend => **Achieved** **In progress** **Not achieved**

Progress against Mérieux Equity Partners' 2025 Climate and Nature commitments

In 2025, Mérieux Equity Partners stepped up its efforts on Climate and Nature-related issues. Significant progress has been made in integrating Nature-related issues into all its internal practices and portfolio management processes. The next step is to strengthen the implementation of the roadmap on climate-related issues. Nevertheless, most commitments have now been met or are in the process of being fulfilled, reflecting a gradual transition from strategic planning to operational implementation:

- Mérieux Equity Partners' strongest areas of progress are awareness-raising, governance, and ESG integration into decision-making.
- Overall, 8 out of 17 commitments have been achieved and 7 are in progress.

6. Nature agenda

- Progress remains more limited on data-driven and forward-looking commitments, especially for PCs in the holding phase.
- The main areas requiring further rollout are the establishment of GHG inventories, the assessment of Climate- and Nature-related impacts and dependencies, and the development of Climate and Nature roadmaps.
- 2 out of 17 commitments remain not yet achieved

Over the past years, we have deliberately prioritized Nature-related challenges, reflecting their increasing materiality for our portfolio companies and stakeholders, in line with our "One Health" approach. As a result, we acknowledge that progress on Climate-related topics has been somewhat slower than anticipated. To address this gap, we will leverage the climate strategy framework developed last year, building on its methodologies and tools to accelerate our efforts. This will enable us to develop tailored climate roadmaps for each portfolio company, ensuring a more structured, consistent, and impactful approach to climate action moving forward.

6.3 IMPLEMENTATION OF THE NATURE STRATEGY WITHIN OUR INTERNAL PRACTICES

6.3.1 CONDUCT ESG, NATURE AND CLIMATE AWARENESS-RAISING TRAININGS AND WORKSHOPS

Mérieux Equity Partners achieved in 2025 its target in training sessions, reaching **100% of its teams** through Climate Fresco. Sessions contributed to raising awareness of Nature and Climate-related stakes within the company.

In addition, targeted awareness actions on the carbon footprint of business travel were deployed, including dedicated sessions and individual information sheets, focusing on the most frequent travelers (representing approximately 37% of employees).

Mérieux Equity Partners complemented these actions by distributing a monthly internal ESG newsletter to all employees.

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6.3.2 ADOPT SUSTAINABLE PRACTICES IN OFFICES

Mérieux Equity Partners reduced its energy consumption at its offices by 80,4% in 2025 compared to 2024.
Mérieux Equity Partners also promotes responsible resource use through practices such as systematically providing refurbished electronic equipment upon renewal. These initiatives contribute to reducing its office-related environmental footprint.

6.3.3 PROMOTE AND REINFORCE THE TRAVEL POLICY TO REDUCE GHG EMISSIONS

Mérieux Equity Partners achieved its target of reducing travel-related GHG emissions to 80 tCO2 in 2025 from 98,7 tCO2 in 2024. The travel policy was applied to the whole company and regularly promoted through targeted sessions and individual factsheets, focusing on most frequent travelers.

Despite the team's growth and our fundraising efforts, we are seeing a slight decrease in travel-related emissions. This is primarily due to the fact that we have stopped using airplanes for annual seminars and, in addition, we are prioritizing trains over airplanes whenever possible.

6.3.4 STRENGTHEN WASTE MANAGEMENT AND REDUCTION IN MÉRIEUX EQUITY PARTNERS OFFICES

Mérieux Equity Partners enhanced its waste management and waste monitoring system in 2025. In addition, Mérieux Equity Partners has launched a waste reduction initiative across its offices, aiming to standardise practices and raise employee awareness to improve waste management and reduce overall waste.

6.3.5 INTEGRATE ESG CRITERIA INTO THE VARIABLE COMPENSATION

Mérieux Equity Partners met its target of including ESG criteria into variable compensation in 2025. ESG objectives are part of the annual assessment and remuneration of all MxEP employees. 100% of its employees have benefitted from a variable compensation that integrate ESG criteria (100% in 2024 as well). ESG criteria which depend on the specific challenges of each portfolio company – now represent up to 20% of individual variable compensation.

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6.4 IMPLEMENTATION OF THE NATURE STRATEGY WITHIN MERIEUX EQUITY PARTNERS' PORTFOLIO COMPANIES

6.4.1 FROM PARTIAL COVERAGE TO FULL PORTFOLIO ENGAGEMENT

Up to last year, 75% of the Buyout portfolio was covered by structured Climate and Nature engagement processes. In a logic of continuous improvement, this coverage reached 100% of the portfolio during the current fiscal year.

6.4.2 PC ENGAGEMENT ARCHITECTURE

Mérieux Equity Partners engages with PCs around four operational levers, as outlined in the table below:

Engagement lever	Use in Mérieux Equity Partners' engagement model
Annual ESG questionnaire	Refreshed for 2025 updating the Nature, water, pollution and circular-economy modules, with more granular questions on site-level data and value-chain dependencies.
Tailored decarbonisation roadmaps	Produced / refreshed across the full Buyout portfolio and increasingly aligned with SBTi pathways
Thematic working sessions & discussions	Structured exchanges between Mérieux Equity Partners, the ESG consultancy and individual PCs
Exclusion criteria and operational awareness	The exclusion criteria defined under the 2024 Nature Strategy remained unchanged in 2025, but were more actively operationalised through written materials, newsletters, tailored exchanges and awareness-raising discussions with PCs and Mérieux Equity Partners teams. Namely, they exclude investments involving trade in endangered wild fauna or flora, products derived therefrom, and/or activities that would degrade protected areas of biodiversity. The full list is consolidated in Mérieux Equity Partners' Exclusion Policy.

Main engagement levers used by Mérieux Equity Partners with portfolio companies

6. Nature agenda

CSRD READINESS AND SUPPORT TO PORTFOLIO COMPANIES

The progressive inclusion of certain PCs into the expected scope of the CSRD, together with the evolution of ESRS disclosure expectations, was considered within Mérieux Equity Partners' engagement framework.

Through questionnaires, follow-up discussions and tailored feedback, Mérieux Equity Partners supports PCs in structuring information on climate (ESRS E1), pollution (ESRS E2), water (ESRS E3), biodiversity and ecosystems (ESRS E4), and resource use and circular economy (ESRS E5).

Following the revised CSRD timeline and scope, Mérieux Equity Partners estimates that approximately 17% of its Buyout portfolio companies will fall within the scope of CSRD Wave 2. These companies are expected to be required to publish their first CSRD aligned sustainability statement in 2028, covering FY2027 data. Mérieux Equity Partners will continue to support them in building the necessary processes and capabilities to meet these requirements.

6.4.3 **PC ENGAGEMENT**

Engagement through discussions and questionnaires

Mérieux Equity Partners relies on two differentiated questionnaires, one for Buyout PCs and one for Innovation PCs. The level of detail of the questions is calibrated to the expected maturity profile of the Buyout and Innovations PCs and is updated yearly.

For **Buyout PCs**, while the overall architecture was kept stable to preserve comparability of results over time, some sections were sharpened to better reflect current priorities linked to CSRD disclosure requirements and expectations emerging on supply-chain management. More targeted questions were asked on how PCs identify and evaluate ESG risks within their supply chains.

For **Innovation PCs,** the questionnaire remained intentionally lighter and less granular. The aim is to establish a first view of the PC's exposure to Nature-related issues, identify where awareness already exists, and create a baseline for follow-up.

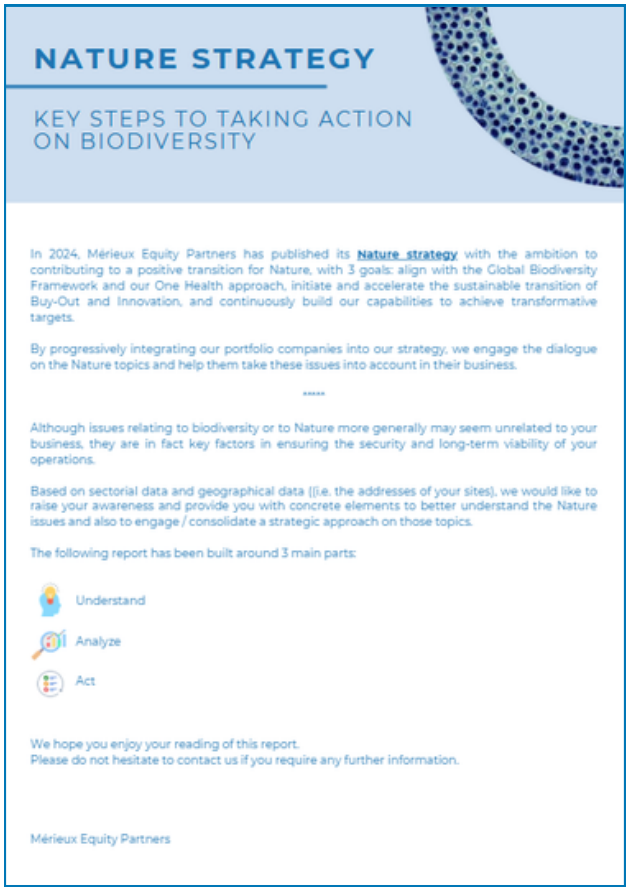
6. Nature agenda

For both Buyouts and Innovation PCs, questionnaire responses are discussed in dedicated sessions.

In 2025, Mérieux Equity Partners adopted a more targeted and pragmatic engagement approach with portfolio companies, prioritizing focused interactions and tailored materials.

On the occasion of World Biodiversity Day, Mérieux Equity Partners engaged in dedicated discussions with portfolio companies, sharing its Nature Strategy along with a concise overview of the relevance of biodiversity-related issues for their activities and long-term resilience.

To reinforce its engagement model, Mérieux Equity Partners introduced a structured document for each PC, combining general guidance on environmental integration with a company-specific analysis. The document included information on each company's impacts and dependencies, key risks and opportunities, as well as practical insights to support the implementation of biodiversity-related actions, with a particular focus on site-level considerations and recommendations on initial actions and the next steps.



NATURE STRATEGY

KEY STEPS TO TAKING ACTION ON BIODIVERSITY

In 2024, Mérieux Equity Partners has published its Nature strategy with the ambition to contributing to a positive transition for Nature, with 3 goals: align with the Global Biodiversity Framework and our One Health approach, initiate and accelerate the sustainable transition of Buy-Out and Innovation, and continuously build our capabilities to achieve transformative targets.

By progressively integrating our portfolio companies into our strategy, we engage the dialogue on the Nature topics and help them take these issues into account in their business.

*****

Although issues relating to biodiversity or to Nature more generally may seem unrelated to your business, they are in fact key factors in ensuring the security and long-term viability of your operations.

Based on sectorial data and geographical data ((i.e. the addresses of your sites), we would like to raise your awareness and provide you with concrete elements to better understand the Nature issues and also to engage / consolidate a strategic approach on those topics.

The following report has been built around 3 main parts:

Understand

Analyze

Act

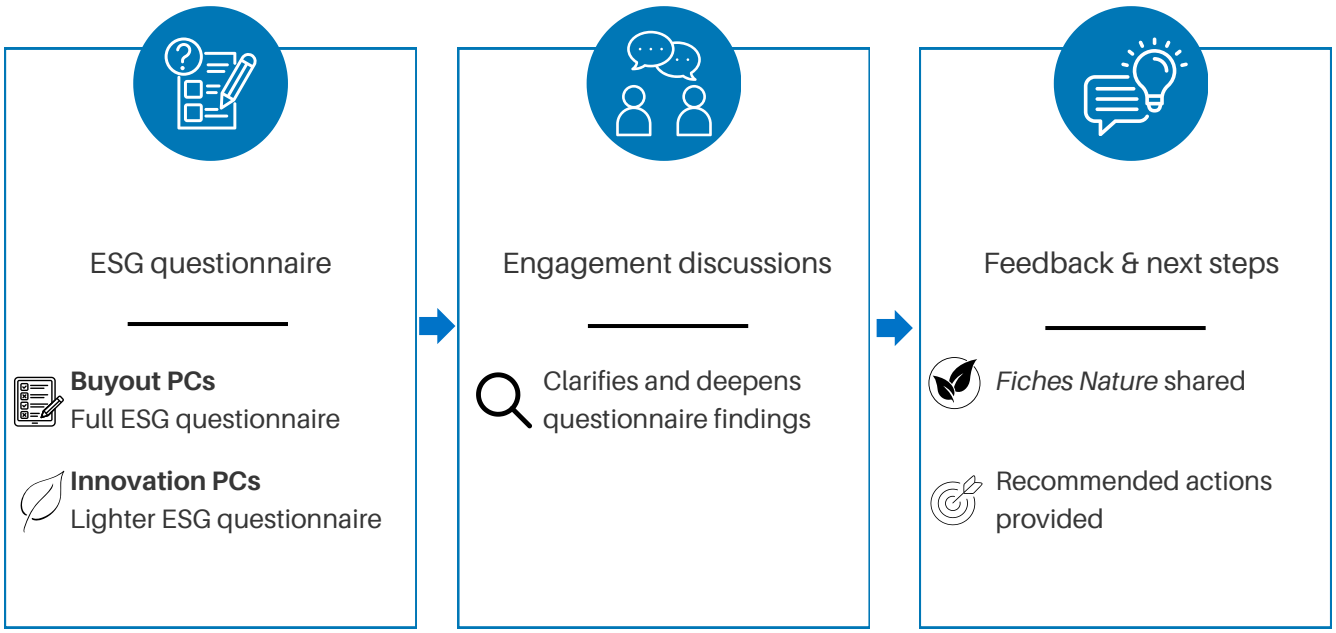
We hope you enjoy your reading of this report.
Please do not hesitate to contact us if you require any further information.

Mérieux Equity Partners

The Nature support document introduced for portfolio companies in 2025

6. Nature agenda

In addition, Mérieux Equity Partners provided each PC with a detailed dataset enabling portfolio companies to carry out the "Locate" phase of the TNFD framework, supporting a more informed understanding of their exposure to nature-related issues.



Portfolio companies' engagement in Nature topics

Key insights from the engagement campaign

- For buyout PCs:

The 2025 cycle provided an initial view of environmental maturity across Buyout PCs.

Dimension	Maturity level	Rational
Regulatory awareness and governance	★★☆☆	Awareness of CSRD, EUDR and the Global Biodiversity Framework is increasing, but internal ownership, governance and operational translation are only beginning to take shape
Resource use and circular economy	★★★☆	Waste sorting and waste management practices are already present in several PCs, particularly where hazardous, chemical, biological or medical waste is operationally relevant. Advanced practices relating to resource efficiency or the circular economy are beginning to emerge in some companies, with innovative approaches.

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Dimension	Maturity level	Rational
Climate change	★★★☆	Carbon accounting is increasingly part of the discussion. Some PCs have completed a carbon footprint, and a smaller number are starting to use the results to support reduction actions, but implementation remains uneven.
Pollution, water and marine resources	★★★☆	Pollution is generally addressed through practical prevention measures rather than advanced monitoring. Water accounting is not yet standard, although some PCs are starting to estimate consumption or reduce withdrawals and wastewater generation.
Biodiversity and ecosystems	★★☆☆	Most PCs do not yet systematically assess proximity to protected or biodiversity-sensitive areas, and no formal Biodiversity Action Plan have been identified. However, thanks to the awareness-raising campaign led by Mérieux Equity Partners, participations are beginning to realise the importance of these issues for their business models.

Legend: Maturity level

★☆☆☆ Early stage (awareness only);
★★☆☆ Emerging (initial structuring underway);
★★★☆ Partially structured (implemented, not yet systematic);
★★★★ Structured / mature (systematically integrated and monitored)

Initial maturity reading across key environmental dimensions for Buyout portfolio companies

- For Innovation PCs:

For Innovation PCs, the 2025 cycle confirmed that Climate and Nature maturity remains at an early stage. This is consistent with the profile of smaller and fast-growing companies, where dedicated resources, formal ESG policies and structured Climate and Nature reporting processes are often still at an early stage of development.

The value added of dialogue with Innovation PCs is to bring Climate and Nature topics into the agenda early on, while business models, operations and growth plans are still being shaped. In particular, the discussions helped:

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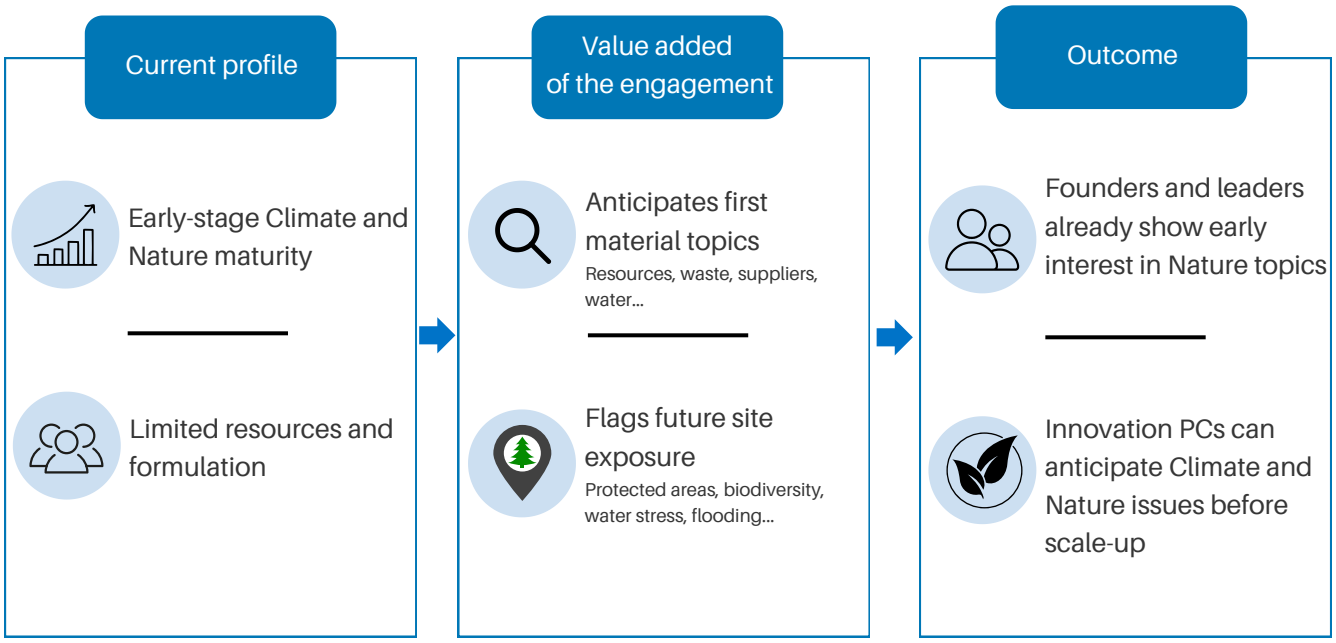
- Identify the first issues that are likely to become material as Innovation PCs progressively expand their business, including **resource use, waste management, supplier ESG practices** and **water needs**. These topics may still be early stage today, but they are expected to gain relevance as companies scale their operations, increase their footprint, structure their supply chains and face growing customer, investor and/or regulatory expectations
- Open the discussion on potential **site-level exposure to Nature-related issues**. This includes whether future **offices, laboratories, production areas or logistics locations** could be located near **protected areas, biodiversity-sensitive zones, water-stressed areas, flood-prone locations**, areas exposed to **soil instability** or other **environmental constraints**.
- Encourage these topics to be considered early when **choosing sites, structuring operations** or **planning future expansion**, rather than being addressed later as corrective actions.

A positive signal from the 2025 campaign is that some Innovation PCs already appeared more sensitive to ESG topics and to certain Nature-related issues. While this does not yet reflect a structured approach, it nevertheless provides a more favourable starting point for Mérieux Equity Parners to continue the dialogue and progressively support these companies in further formalising their practices over time.



Climate and Nature maturity profile of Innovation portfolio companies

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Maturity assessment

Mérieux Equity Partners introduced an anonymous maturity reading of Buyout PCs in 2025. The table below presents the initial baseline.

Maturity category	Illustrative reading	Buyout PCs
⭐⭐⭐ High maturity	PCs with established governance, structured assessments of impacts and dependencies, and concrete actions already in place on procurement, resource use or biodiversity-related risk management, supported by a relatively high level of formalisation and implementation.	21%
⭐⭐ Medium maturity	PCs with growing awareness of Nature-related issues, early governance or policy development, and selected initiatives underway, but with limited data and partial formalisation.	36%
⭐ Low maturity	PCs at an early stage of their Nature journey, with limited internal awareness, no structured assessment yet, and actions still mainly driven by emerging regulatory or investor expectations.	43%

Portfolio-level maturity reading of Buyout portfolio companies in 2025

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6.4.4 **WHAT EMERGING GOOD PRACTICES ALREADY LOOK LIKE ACROSS THE PORTFOLIO**

While Mérieux Equity Partners PCs demonstrate varying levels of maturity in addressing environmental challenges, several stand out for their advanced practices, setting a benchmark and serving as examples for others within the portfolio.

Ceva Santé Animale

CASE STUDY, CEVA: ONEHEALTH, ONE PLANET APPROACH AND PRESERVING BIODIVERSITY

Ceva, the 5th largest animal health company in the world, has structured its sustainability strategy around the One Health, One Planet and One Ceva pillars, integrating environmental and health considerations across its operations and supply chain. Its practices focus on reducing emissions, controlling air, water and soil quality, and limiting waste.

Ceva contributes to biodiversity through concrete initiatives such as the Ceva Wildlife Research Fund, which finances research and field projects to protect species and ecosystems, and through partnerships addressing zoonotic risks and ecosystem health. The company also supports conservation efforts through initiatives like the Agrobiodiversity Prize, promoting the preservation and sustainable development of endangered livestock breeds.

CASE STUDY, BIOFIRST : SUSTAINABILITY AS A CORE MISSION

BioFirst Group integrates sustainability by developing biological crop protection and natural pollination solutions that reduce chemical inputs and support biodiversity in agricultural systems. It also promotes sustainable agriculture by leveraging beneficial insects, natural processes and offers biostimulants as alternative to traditional fertilizers, improving soil and water quality. In addition, the company enhances biodiversity locally through actions such as planting native plant species, improving habitats, and sharing expertise with growers. This is their positive and most material impact.

In addition, BioFirst Group implements broader environmental initiatives across its operations, including measures to reduce carbon emissions, implementing circular practices and reduce environmental impacts across the value chain. BioFirst Group advances circular practices by redesigning packaging (for example, phasing out plastics and Styrofoam by 2030), scaling recycling and reverse logistics, and reducing its overall environmental footprint across operations.

Illustrative case studies of Climate and Nature practices across the portfolio

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6.5 THE LEAP ANALYSIS

6.5.1 METHODOLOGY OF THE ANALYSIS

The LEAP analysis builds on the approach already presented in last year's report, while extending the scope. This year's main development was the move to full portfolio coverage, with the LEAP assessment now covering 100% of Buyout PCs and their operational sites worldwide.

The analysis relies on three input sources which lead to the development of a dedicated *fiche Nature* for each PC:

- **ESG questionnaire**
- **One-on-one engagement discussions** with each PC
- **Integrated Nature assessment platform** adopted in 2026, bringing together site-level geospatial analysis and sectoral assessments of impacts and dependencies on natural capital within a single environment *(The platform relies on globally recognised biodiversity and water datasets and replaces previously fragmented tools and manual processes, enabling a more consistent portfolio-wide approach)* This platform replaces previously fragmented tools and manual processes, enabling a more consistent and comparable assessment across the portfolio.

METHODOLOGICAL NOTE ON THE 2026 TRANSITION IN THE ASSESSMENT APPROACH

The transition to a new integrated assessment tool in 2026 has significantly improved portfolio coverage, consistency and updateability, making it possible to screen 100% of Buyout PCs and sites. The licence to the tool is held by MxEP. At the same time, this first year of deployment still provides a relatively generic Nature-related reading for some companies, particularly where results remain primarily based on sector-level averages rather than company-specific data. MxEP considers the 2026 analysis to be a strengthened baseline that will need to be progressively refined through additional data collection, company engagement and more granular inputs over time.

Methodological note on the 2026 transition in the assessment approach

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6.5.2 FROM PORTFOLIO FOOTPRINT TO SITE PRIORITISATION: THE LOCATE PHASE

Methodological framework of the Locate phase of the LEAP approach

The new platform combines geospatial asset mapping with layered environmental datasets (e.g., ecosystems, biodiversity sensitivity, water stress, and protected areas) to identify priority locations and Nature-related exposures. It is relatively advanced in terms of usability and scalability and able to process large portfolios and provide consistent screening outputs, but its completeness and precision depend strongly on input data quality (namely asset geolocation granularity). In practice, it delivers a robust first-pass prioritization aligned with TNFD expectations, but still requires expert validation, site-specific refinement, and complementary local/ecological studies to reach decision-grade accuracy for high-risk or high-stakes assets.

The platform relies on proprietary sources as well as external datasets, including but not limited to:

Dataset / source	Main use in the analysis
IPCC / CMIP6 Climate projections	Used for **forward-looking Climate analysis** and to assess how physical Climate conditions may evolve over time.
NGFS Transition scenarios	Used to assess **transition risks** under different decarbonisation and policy pathways.
ERA5 reanalysis Copernicus / ECMWF	Provides **historical Climate references** used as a baseline for current Climate conditions.
Fathom Flood models and FathomDEM+ terrain data	Used for **physical risk screening**, especially flood exposure and terrain-related analysis.
Global Biodiversity Score	Used to inform the assessment of **Nature-related impacts and dependencies**.
EXIOBASE and ADEME – Base Carbone	Used for **carbon-intensity inputs** and broader emissions-related analysis.
NASA Earth observation data	Used for additional **geospatial and environmental analysis**.

Main datasets and sources used in the integrated Nature assessment platform

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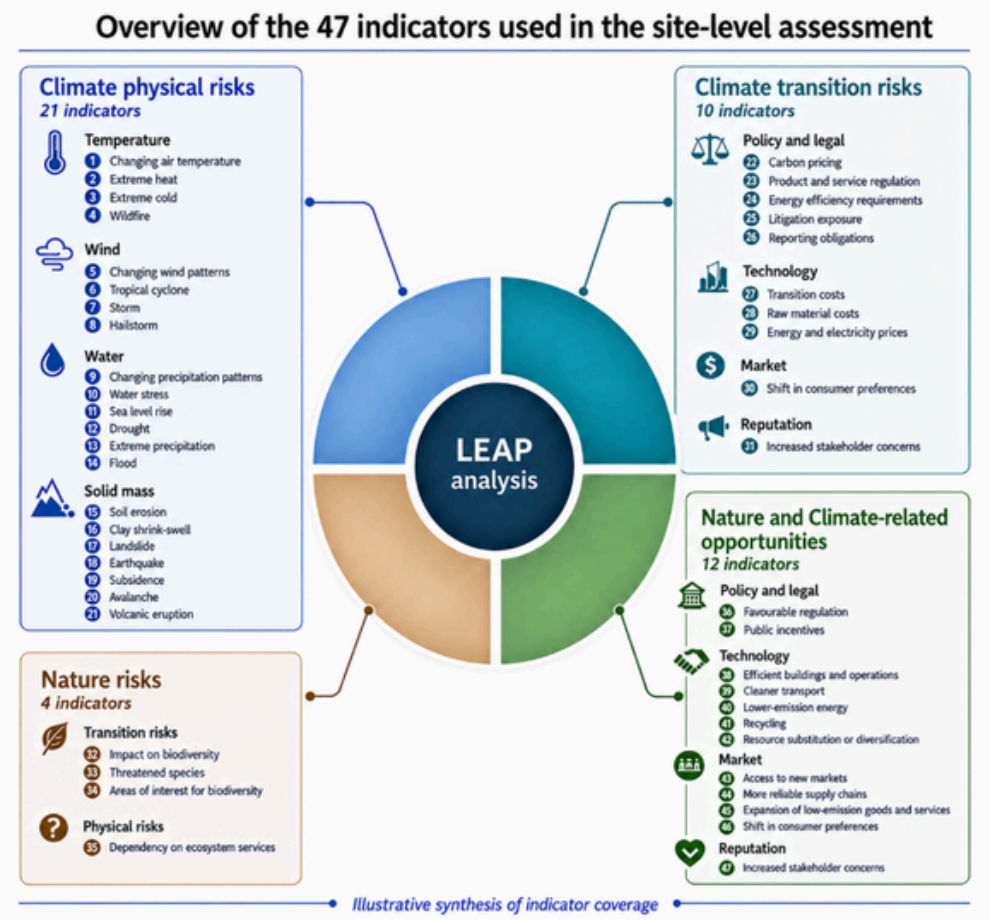
Together, these datasets are leveraged to produce, for each site, a set of standardised Low / Medium / High scores for 47 indicators grouped within four categories:



Indicators used in the site-level Nature assessment

For 2026, the analysis was run under the SSP5-8.5 climate scenario at the 2050 horizon (+4.4 °C), to provide a precautionary forward-looking reading, consistent with TNFD recommendations.

Summary of the Locate phase results

At portfolio level, the footprint remains concentrated in Western Europe, particularly in France, Germany and the broader EU, with a more limited number of sites in North America and selected non-EU geographies. This concentration means that the portfolio's main interfaces with Nature are shaped predominantly by European ecosystems, regulatory frameworks and Climate trajectories.

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6.5.3 THE EVALUATE PHASE - UNDERSTANDING WHERE IMPACTS AND DEPENDENCIES ARE MOST MATERIAL

Applied to Mérieux Equity Partners, the Platform's TNFD Evaluate phase translates the PC's exposure into a structured view of Nature-related dependencies (water, biological resources, ecosystem services...) and impacts (pollution, land use, resource extraction...) using sector proxies and location-based overlays identified in the Locate phase.

This works well at portfolio level to highlight where impacts and dependencies may concentrate—for example, dependencies on high-quality water or bio-based inputs in life sciences —but remains moderately precise because it relies on generalized sector assumptions rather than company-specific operational data.

As a result, for Mérieux Equity Partners, the methodology provides a robust screening to prioritize assets for deeper analysis and engagement (e.g. identifying which portfolio companies require further due diligence), but would still need to be complemented by company-level data collection, expert ecological input, and possibly site-level assessments to reach investment-grade conclusions or inform active ownership strategies.

Impact on Nature

The impact assessment provides a PC-level screening of Mérieux Equity Partners' Nature-related footprint across the five IPBES categories: climate change, resource exploitation, land use, pollution and invasive species. Using the same external tool as in the Locate phase, impacts were classified as high, medium or low based on each PC's activities, sector and site location, then aggregated at fund level; impacts related to invasive species were reported as not applicable due to the current lack of a sufficiently consistent scientific basis.

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Impact category	MP2 (1PC)	MP3 (5 PCs)	MP4 (12 PCs)	OMX (12PC)	Mi2 (1PC)
Climate change	🔴	🟢	🔴	🟢	N/A
Resources exploitation	🔴	🟠	🔴	🟠	N/A
Land use	🔴	🟠	🟠	🟠	N/A
Pollution	🔴	🔴	🟠	🟠	N/A
Invasive species	N/A	N/A	N/A	N/A	N/A

Legend: 🔴 High impact 🟠 Medium impact 🟢 Low impact N/A Non applicable

Portfolio-level view of Mérieux Equity Partners impacts on Nature categories

Methodological note: At this stage, impact assessment results for the single portfolio company included in Mi2 could not be generated due to technical limitations encountered in the external assessment tool used for this analysis. Consequently, Mi2 impact results are presented as not available / not applicable and should not be considered fully comparable with the results of the other funds in the portfolio-level analysis.

Overall, Mérieux Equity Partners' portfolio appears to have a moderate impact on Nature, mainly driven by resource exploitation, land use and pollution. These drivers relate to the use of water, energy and raw materials in manufacturing, packaging, laboratory and healthcare-related activities; the physical footprint of production sites, laboratories and warehouses; and pollution pressures from wastewater, effluents, chemical inputs, process emissions and waste streams.

Based on the consolidated impact profile, funds can be prioritised as follows, reflecting the number of high impact categories and the operational nature of the underlying activities:

- **#1 MP2:** appears the most concentrated, with high impacts across climate change, resource exploitation, land use and pollution. This is understood to reflect industrial-scale pharmaceutical manufacturing, including energy and resource intensity, site footprint and process-related waste streams.

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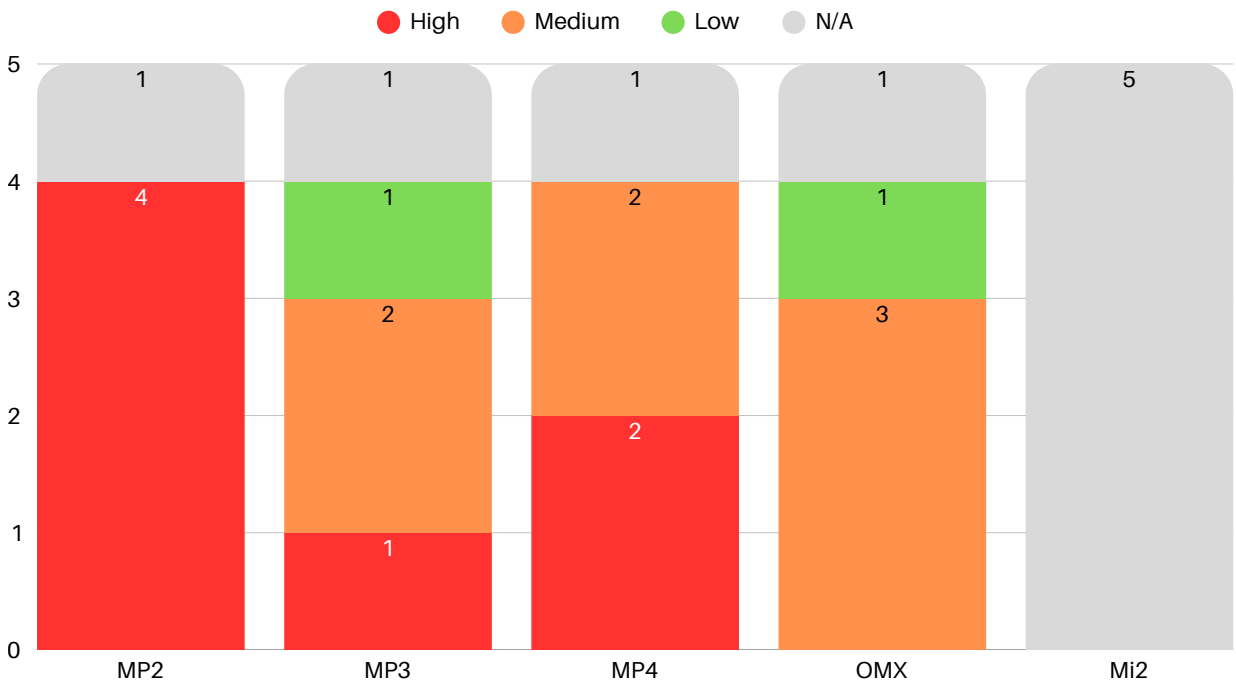
- **#2 MP4:** shows a broad profile, with high impacts on climate change and resource exploitation, and medium impacts on land use and pollution. This may reflect its diversified agriculture, pharmaceutical manufacturing and industrial production profile.
- **#3 MP3:** presents a more mixed profile, with high impact on pollution and medium impacts on resource exploitation and land use. Key drivers are understood to relate to healthcare services, food production and light industrial activities.
- **#4 OMX:** appears more moderate, with medium impacts on resource exploitation, land use and pollution, and lower climate-related impact, consistent with R&D and medical technology activities.

The chart below complements this view by showing the number of impact categories affected across funds.



Portfolio-level profile of Mérieux Equity Partners impacts on Nature

(based on 5 impact categories)

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This interpretation is consistent with international guidance on Nature-related impact assessments, including TNFD and WBCSD sector guidance for pharmaceutical sector and health-related activities, which emphasize the need to identify both direct individual impacts and cumulative impacts. MP2 and MP4 have at least medium impact on all the assessed impact categories and are understood to have the highest cumulative impact.

Dependencies on Nature

The analysis of dependencies on ecosystem services across Mérieux Equity Partners' funds highlights a structural reliance on natural capital, mainly through water supply, water purification, climate regulation, soil quality regulation, and access to biological and genetic materials.

Overall, dependencies are predominantly low to medium. Yet, high dependencies are concentrated in MP4, highly dependent on provisioning, regulation and maintenance services (see table next page).

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Category	Ecosystem service	MP2 (1PC)	MP3 (5 PCs)	MP4 (12 PCs)	OMX (12PC)	Mi2 (1PC)
Provisioning	Animal-based energy	Low	Low	Medium	Low	Low
	Fibres and other materials	Low	Low	High	Low	Low
	Genetic materials	Low	Low	High	Medium	Medium
	Water supply	High	High	High	High	Low
	Bio-remediation	Low	Low	High	Low	Low
Provisioning	Buffering and attenuation of mass movements	Low	Low	Medium	Low	Low
	Dilution by atmosphere, freshwater and marine ecosystems	Low	Low	Low	Low	Low
	Filtration / sequestration / storage / accumulation by ecosystems	Medium	High	High	Medium	Low
	Groundwater	Low	Low	High	Low	Low
	Maintaining nursery populations and habitats	Low	Low	Low	Low	Low
	Mass stabilization and control of erosion rates	Low	Low	High	Low	Low
	Mediation of sensory impacts	Low	Low	Low	Low	Low
	Pest and disease control	Low	Low	High	Low	Low
	Pollinisation	Medium	Medium	High	Medium	Low
	Soil quality regulation	Medium	Medium	High	Medium	Low
	Ventilation and transpiration	Low	Low	High	Low	Low
	Water purification	Medium	Medium	Medium	Medium	Low
	Weathering and decomposition	Medium	High	High	Medium	Low
	Climate regulation	High	High	High	High	Low
	Surface water	Medium	High	High	Medium	Medium
Cultural	Education and research	Low	High	High	High	High
	Maintaining heritage	Low	Low	High	Low	Low
	Recreation / tourism	Low	High	High	High	High
	Visual amenity	Low	High	High	Low	Low

Legend: High dependency · Medium dependency · Low dependency

Portfolio-level view of Mérieux Equity Partners dependencies on Nature

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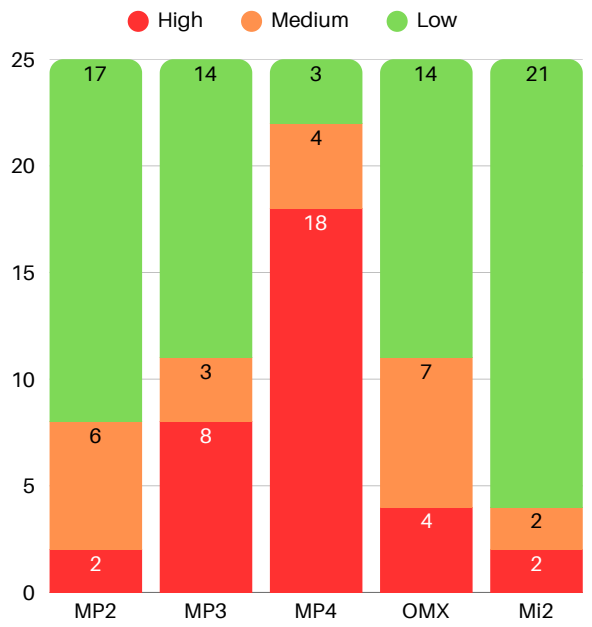
- **Water supply** is the most recurrent dependency, with high levels observed in MP2, MP3, MP4 and OMX. This mainly reflects the role of water in industrial, pharmaceutical and healthcare-related processes, including cooling, rinsing, washing and sanitisation.
- **Biological, genetic and biomass-derived materials** are relevant for life sciences and manufacturing activities, particularly in MP4. Dependencies are understood to relate to natural inputs used in active ingredients, formulations, excipients, filtration processes and packaging components.
- **Regulation and maintenance services** are more heterogeneous but strategically relevant, especially in MP3 and MP4. Key services include climate regulation, surface water, water purification, ecosystem sequestration, pollination and soil quality regulation, which may support operational continuity and raw material availability.



Portfolio-level profile of Mérieux Equity Partners dependanciesdependencies on Nature

Based on the consolidated dependency profile, funds can be prioritised as follows, reflecting both the number of high dependencies and the operational relevance of the underlying ecosystem services:

- **#1 MP4:** dependency exposure appears the most extensive, with 18 out of 25 ecosystem services rated high across provisioning, regulation and cultural services. Key dependencies are understood to relate to water, soils, biomass and regulating functions, reflecting its diversified agriculture, manufacturing and life sciences profile.
- **#2 MP3:** dependency exposure appears mainly concentrated in regulatory and water-related services, with 8 high dependencies including climate regulation, water functions and ecosystem filtration. This reflects healthcare, food production and industrial activities relying on ecosystem stability for operational continuity.
- **#3 OMX:** dependency exposure appears more targeted, with 4 high and 7 medium dependencies, mainly linked to water supply, climate regulation, utilities and supply chains. This is consistent with medical technology and R&D-oriented activities.

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6.5.4 THE ASSESS PHASE - TRANSLATING IMPACTS AND DEPENDENCIES INTO RISKS AND OPPORTUNITIES

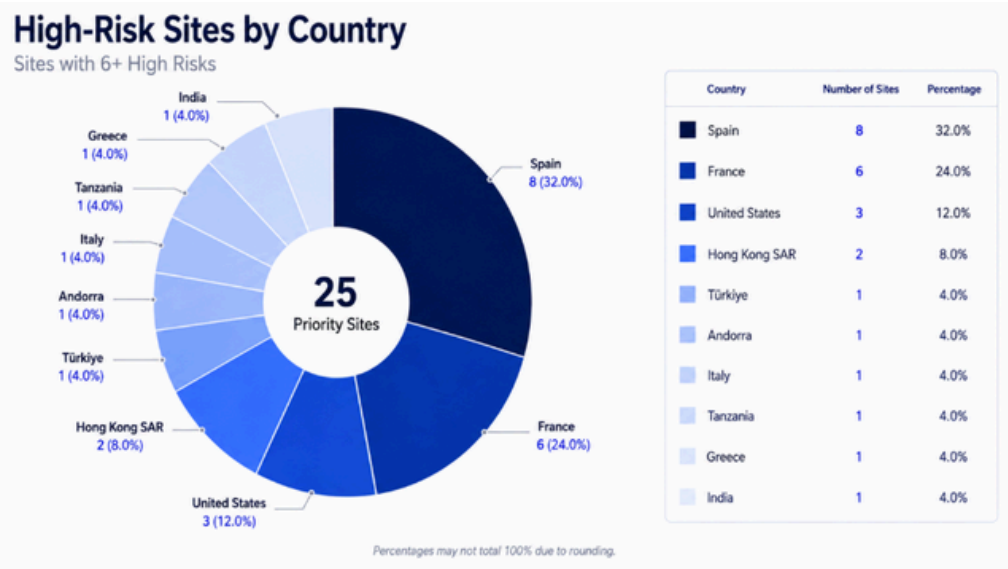
The Assess phase translates evaluated **impacts** and dependencies into portfolio-level **risk and opportunity signals**, in line with established Nature-related risk screening methodologies. The analysis covers the **31 PCs within the portfolio** at the beginning of 2025, across Buyout and Innovation funds; newly acquired PCs will be progressively integrated in future updates.

This screening helps identify **indirect risks**, compare assets and prioritize engagement, but its precision remains **moderate**: financial translation still relies on modelled pathways, assumptions and sector averages rather than company-specific financial sensitivities. Further **PC-level deep dives**, financial data and expert judgment are therefore required to assess potential effects on revenue, margins, capex, insurance costs and business continuity.

Highest risk sites

Highest risk sites by country (for sites with 6 or more high risks)

The analysis identifies **25 priority sites** with **six or more high risks**. Exposure is concentrated in a limited number of geographies: **Spain** (**8 sites**) and **France** (**6 sites**) together account for almost 60% of all priority locations, while the **United States** (**3**) and **Hong Kong SAR** (**2**) form a second tier. The remaining sites consist of more **isolated exposures**.



Country	Number of Sites	Percentage
Spain	8	32.0%
France	6	24.0%
United States	3	12.0%
Hong Kong SAR	2	8.0%
Türkiye	1	4.0%
Andorra	1	4.0%
Italy	1	4.0%
Tanzania	1	4.0%
Greece	1	4.0%
India	1	4.0%

Geographic distribution of the 25 priority sites by country

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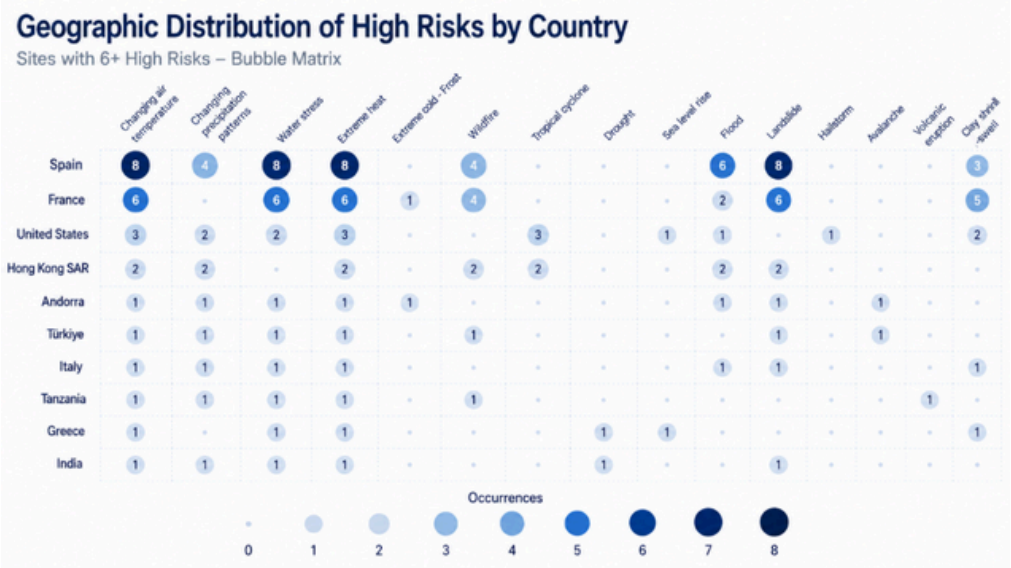
Most frequent risks (for sites with 6 or more high risks)

Climate physical risks dominate across the 25 priority sites. The most recurrent exposures are **changing air temperature** and **extreme heat**, followed by water stress, landslide, changing precipitation patterns and flood. For MxEP and its PCs, this means that the main vulnerabilities are concentrated around **site operability, worker safety, water availability** and the resilience of equipment and infrastructure. It also points to a likely need for **adaptation measures** and potentially higher costs linked to insurance, maintenance and business continuity.

Main risks within the portfolio

Geographic distribution of high risks by country (for sites with 6 or more high risks)

Water stress, landslide and **changing air temperature** in **Spain** and **France** are the dominant hazards across the portfolio.



Geographic distribution of high-risk exposures by country across the 25 priority sites

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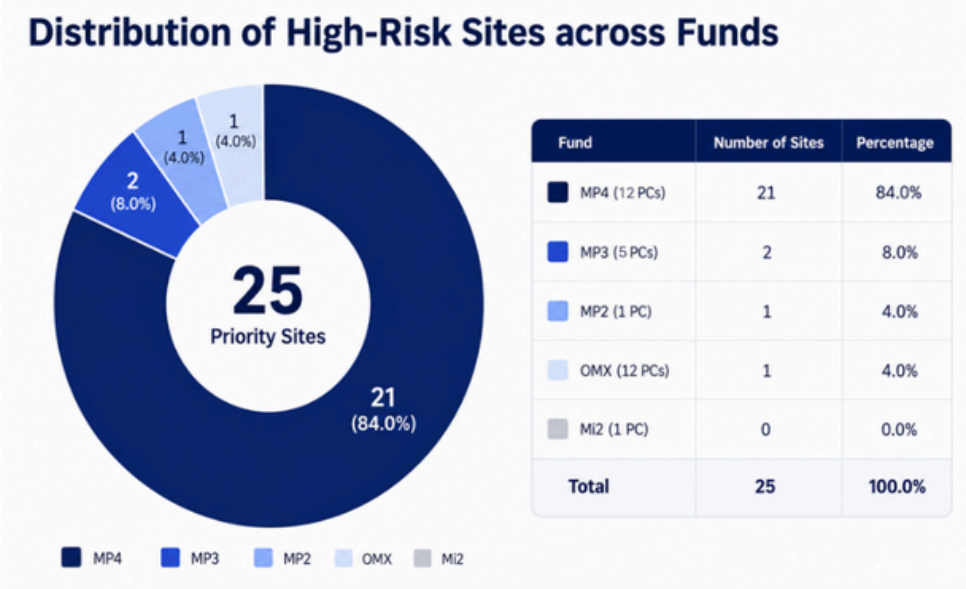
Distribution of high-risk sites across funds (considering sites with 6 or more high risks)

More than 80% of the high-risk sites are associated with MP4, which is consistent with MP4 being the largest portfolio Fund in terms of number of PCs ex aequeo with OMX.



Fund	Number of Sites	Percentage
MP4 (12 PCs)	21	84.0%
MP3 (5 PCs)	2	8.0%
MP2 (1 PC)	1	4.0%
OMX (12 PCs)	1	4.0%
Mi2 (1 PC)	0	0.0%
Total	**25**	**100.0%**

Distribution of high-risk sites by Fund

High-risk sites should be treated as the main **prioritisation layer** for follow-up with PCs. For Mérieux Equity Partners, this means moving from portfolio screening to targeted site-level review, focusing first on the most exposed geographies and recurrent risk themes. As the assessment remains screening-based, the results should be read as an initial prioritisation signal. Mérieux Equity Partners' next step is to support PCs in developing a **Biodiversity Action Plan** for each of the **25 priority sites**, tailored to local ecological and social conditions and to the main site-level risk drivers.

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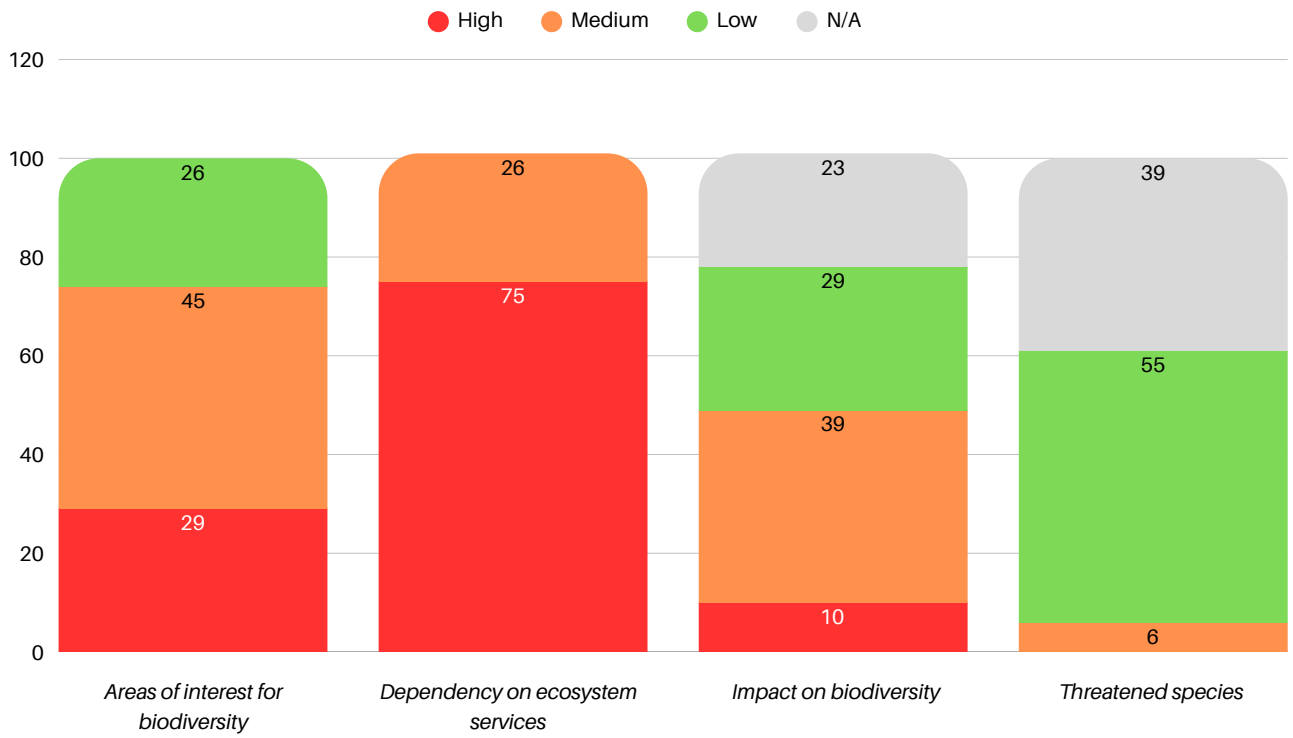
Nature-related physical risks

- **Dependency on ecosystem services** appears as the main risk driver, particularly for water-related services, flood regulation and other functions supporting business continuity, input availability and site resilience.
- **Biodiversity-sensitive locations** represent a second area of attention, as some PCs may operate in or near areas of ecological interest requiring further site-level analysis.
- **Direct biodiversity impacts** and **threatened species exposure** appear less material at portfolio level; the immediate focus should therefore remain on ecosystem service dependencies and biodiversity-sensitive contexts.



Nature-related physical risks - Portfolio average (31 PCs)

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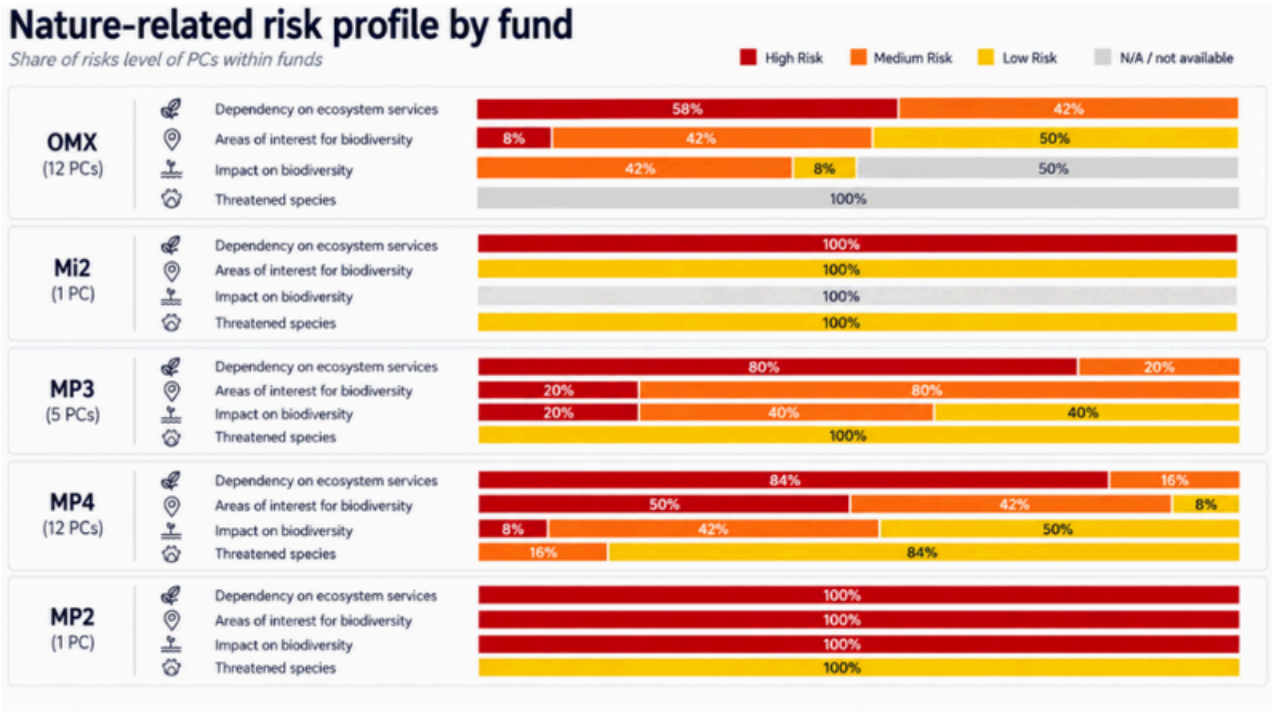

Portfolio-level Nature-related physical risk profile

Based on the consolidated Nature-related physical risk profile, the ranking reflects both the breadth of exposure and the operational relevance of the underlying risk drivers:

- #1 MP4: highest-risk fund, combining the broadest exposure with high ecosystem service dependency (84% high) and material biodiversity-sensitive exposure. Key risks are understood to relate to water availability, climate regulation, soil quality and biodiversity-sensitive locations, reflecting its diversified agriculture, manufacturing and life sciences profile.
- #2 MP3: driven by high ecosystem service dependency (80% high) and concentrated exposure to water-related and regulatory ecosystem services. Risks are expected to be mainly associated with healthcare, food production and industrial activities, where water supply, ecosystem filtration and climate regulation may affect operational continuity.
- #3 OMX: mainly driven by ecosystem service dependency (58% high). Risks are understood to be primarily associated with water and energy inputs, utilities and supply-chain reliance, consistent with medical technology and R&D-oriented activities.

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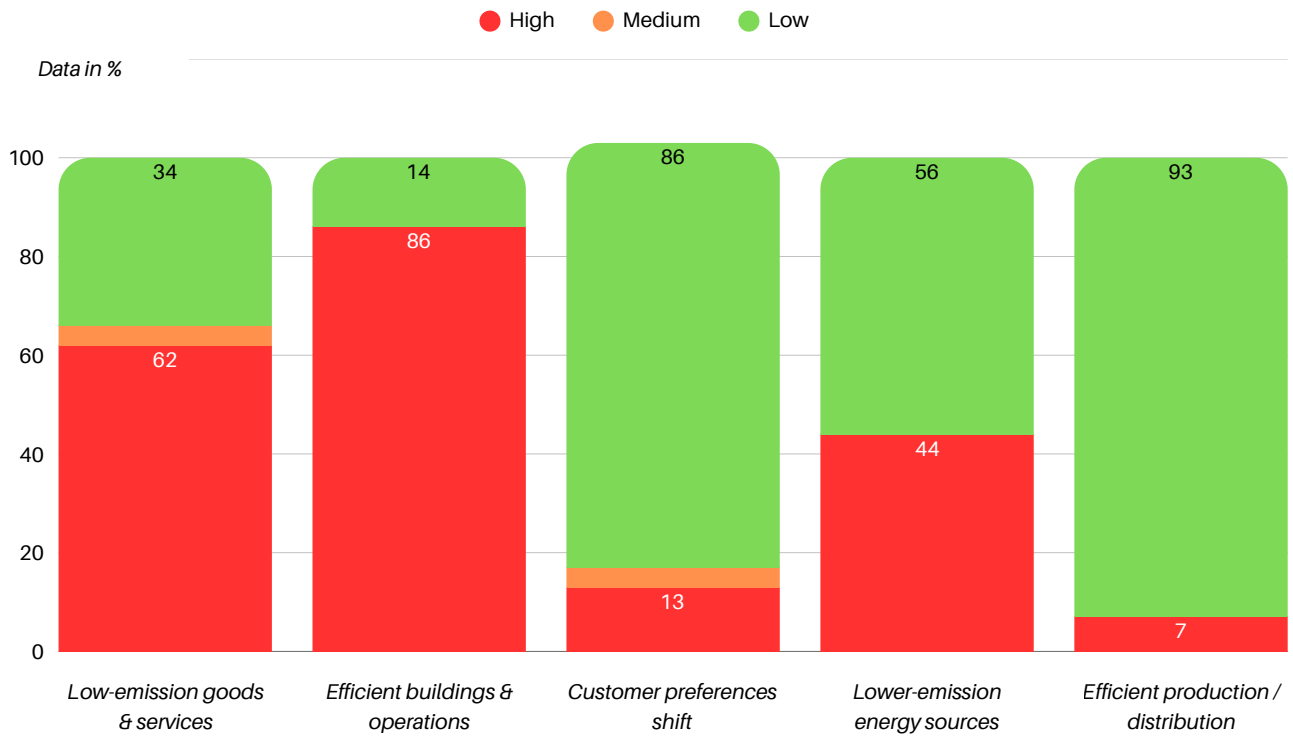
Climate-related and Nature-related opportunities

- Operational efficiency is the most broadly applicable opportunity, with potential gains from more efficient buildings, operations, energy use, resource consumption and operating costs.
- Low-emission goods and services, together with lower-emission energy sourcing, represent strategic transition levers for PCs positioned to respond to low-carbon market demand.
- Customer preference shifts and more efficient production and distribution processes may create more targeted opportunities, particularly for industrial, logistics or operationally intensive PCs, supporting both cost efficiency and emissions reduction.

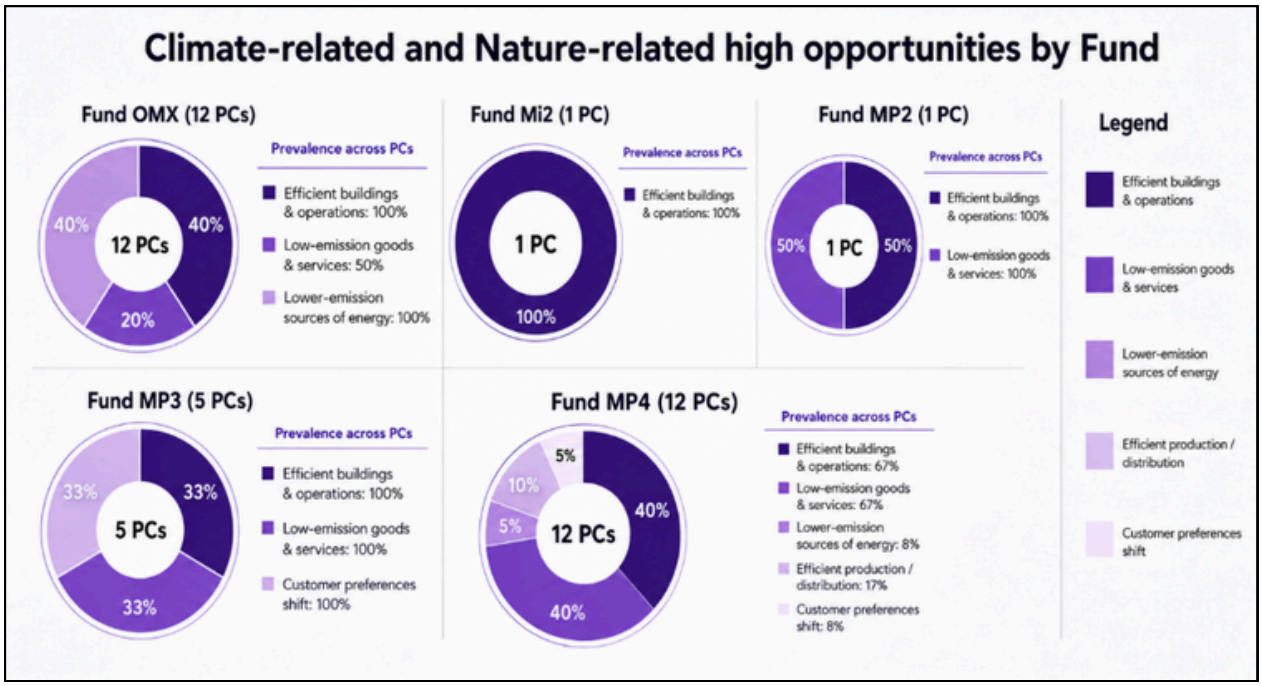
The figure below shows the main opportunity profile at portfolio level. Almost all PCs show a clear opportunity on efficient buildings and operations. Associated benefits could be on energy savings, resource efficiency and, in turn, lower operating costs. Other opportunities exist, but they are less widespread and depend more on each company's business model.



Climate-related and Nature-related opportunities - Portfolio average (31 PCs)

6. Nature agenda

The chart below shows how the mix of identified high opportunities differs across funds, highlighting differences in both their prevalence and composition. It allows comparison of how each fund captures various opportunity levers.



Distribution of identified opportunity types across funds.

Note: Donut chart shares are normalized within each Fund, as opportunity types are not mutually exclusive

Based on the consolidated opportunity profile, funds can be prioritised as follows, reflecting the breadth and potential relevance of identified value-creation levers:

- #1 MP4: appears to have the broadest opportunity set, spanning operational efficiency, low-emission products, production improvements and customer shifts. This is understood to reflect its diversified industrial, agricultural and life sciences profile, although opportunities would require targeted company-level follow-up.
- #2 MP3: appears well positioned on market-driven and operational levers, including efficiency, low-emission products and customer preference shifts. This may reflect its mix of healthcare, food and service-oriented activities.
- #3 OMX: shows a more focused opportunity profile, mainly around energy and operational efficiency, consistent with medical technology and R&D-driven activities where facility optimisation and energy use are likely to be the main levers.

6. Nature agenda

MP2 and Mi2 should be read separately given their single-PC sample size; both show more concentrated opportunity signals, mainly linked to internal efficiency and, for MP2, potential process optimisation and product innovation.

OUTLOOK FOR THE UPCOMING REPORTING CYCLE: PROGRESSIVE QUANTIFICATION AS A STRATEGIC PRIORITY

The 2025–2026 cycle has established a stronger basis for portfolio-wide Nature assessment and engagement. In the upcoming reporting cycle, the next priority is to move from a qualitative baseline to a more quantified and comparable framework, supported by improved data granularity and a stronger evidence base to track progress and differentiate maturity across portfolio companies.

Outlook for the upcoming reporting cycle on Nature assessment and quantification

6.6 INNOVATIVE TOPICS: DEFORESTATION, SUPPLY CHAIN, VALUE CREATION TOOL

6.6.1 IMPORTED DEFORESTATION: INITIAL SCREENING AND ENGAGEMENT APPROACH

In the reporting year Mérieux Equity Partners began to explore the issue of imported deforestation as an emerging topic within its broader Nature agenda. This first step reflects the growing importance of the European regulatory framework on deforestation-free supply chains and Mérieux Equity Partners' recognition that some portfolio companies may be exposed through the sourcing of specific raw materials and derived products. Under the EU Deforestation Regulation (EUDR), the main commodities in scope include cattle, cocoa, coffee, palm oil, rubber, soy and wood, as well as certain derived products.

To better understand this exposure, an internal screening was initiated to identify the companies most likely to fall within the scope of the relevant regulatory requirements. For the companies considered potentially concerned, Mérieux Equity Partners started dedicated discussions to assess whether internal reviews had already been launched, whether the applicable obligations

had been identified, and whether supplier engagement had started or was being planned in the short to medium term. These exchanges also helped gauge each company's level of maturity on traceability, responsible sourcing and procurement governance.

Early feedback suggests that the topic is still at an initial stage, but that awareness is increasing and some companies have already started to review their practices. In one case, this includes the preparation of a supplier charter and a responsible purchasing policy, as well as initiating research into bio-based materials, to strengthen sustainable sourcing practices

The work also confirmed that the regulatory analysis requires a granular approach, as exposure cannot be assessed based on broad commodity categories alone and may depend on the specific customs codes used, as well as on the exact role played by the company in the supply chain. In practice, this means that some PCs may not be directly subject to the core obligations where an intermediary importer already places the relevant products on the European market, while still needing appropriate assurance from their suppliers or intermediaries. At this stage, Mérieux Equity Partners' approach remains focused on awareness-raising, initial screening and dialogue, with the objective of refining the analysis over time and supporting the most exposed PCs in progressively strengthening their due diligence and sourcing practices.

6.6.2 **IMPORTED DEFORESTATION: INITIAL SCREENING AND ENGAGEMENT APPROACH**

Mérieux Equity Partners strengthened in 2025 its annual ESG questionnaire by adding targeted supply chain questions. These questions are designed to provide a clearer view of how PCs structure responsible procurement, assess supplier related ESG risks, and embed sustainability considerations into supplier selection and monitoring.

6. Nature agenda

Supply chain topic covered	Examples of questions asked to PCs
Responsible procurement framework	Do you have a responsible purchasing policy, supplier charter, or ESG commitments signed by suppliers?
Use of sustainability standards	Do you use ESG or sustainability standards in procurement? If yes, for which topics?
Supplier ESG screening	Do you assess suppliers on sustainability-related issues?
Topics covered by supplier screening	Does the assessment cover environmental practices, social practices, carbon efficiency, forced labour or child labour?
Supplier due diligence process	Does the process include supplier due diligence, regular monitoring, supplier engagement, risk mitigation, or transparency requirements?
External assessment tools	Have you completed an EcoVadis assessment?

Supply chain topics covered in the 2025 ESG questionnaire

In parallel, supply chain ESG considerations have been added to the agenda of regular discussions between Mérieux Equity Partners and its portfolio companies.

To ensure robustness and comparability, Mérieux Equity Partners' supply chain expectations are informed by emerging EU regulatory requirements, including CSRD value chain disclosure requirements, notably ESRS S2 on workers in the value chain, ESRS S3 on affected communities, and ESRS E4 where biodiversity related impacts, dependencies and risks extend beyond own operations, as well as the CSDDD (Corporate Sustainability Due Diligence Directive).

6.6.3 THE CSR VALUE CREATION TOOL: FROM PILOT TO PORTFOLIO-WIDE DEPLOYMENT

From a nature-oriented prototype to a full ESG framework

As part of its long-term vision to align financial performance with positive societal and environmental outcomes, Mérieux Equity Partners has continued the development of its

proprietary CSR Value Creation Tool. Originally developed as part of the Nature strategy, the **CSR Value Creation Tool** was broadened in 2025 into a more comprehensive ESG framework. This evolution underscores Mérieux Equity Partners' commitment to linking ESG topics with clear value drivers, enabling interactions with portfolio companies to move beyond compliance. By demonstrating the positive financial impact of ESG, the tool also reinforces asset managers' conviction to adopt an integrated approach to CSR, driving sustainable growth across portfolio companies.

Pilot phase: insights from the 2025-2026 testing

During the 2025-2026 period, the tool has been tested on a representative sample of three PCs – two Buyout companies and one Innovation company – selected to cover different fund segments and sectoral profiles. The pilot phase has allowed Mérieux Equity Partners to:

- Validate the relevance and the clarity of the questionnaire across heterogeneous business contexts.
- Identify which indicators carry the strongest signal in dialogue with management teams.
- Refine the articulation between qualitative inputs and quantitative tracking.
- Test the operational link between the tool's outputs and Mérieux Equity Partners' investment and monitoring processes.
- For piloted companies, define a baseline against which future ESG improvements can be valorised
- Adjust and tailor the tool to consider different sizes and maturity levels of the PCs.

Key takeaways from the pilot to date include:

Buyout companies

- On average, both companies achieved 91 points out of a possible 224, resulting in a CSR score of C.
- Respondents answered 33 out of 46 questions on average, representing approximately 70% completion.
- The analysis indicates an average improvement of 9 to 10 basis points in WACC, reflecting the positive impact of CSR initiatives on valuation.

6. Nature agenda

Innovation companies

- All questions have been addressed in the questionnaire.
- Approximately half of the answers indicate that policies, targets, or measures are either established or under development, while the remaining responses indicate that such frameworks are not yet in place.
- Overall, the results show a CSR maturity level that could be improved by deep diving on climate and social impacts, along with a deeper integration of other environmental issues.
- Asset managers participating in the pilot emphasized the need for greater clarity on completing the quantitative inputs. In response, the tool has been updated to address this feedback.

Towards portfolio-wide deployment

Building on the lessons of the pilot, the tool will be refined and progressively deployed across the existing portfolio by 2027 (followed by the integration of the new invested companies) and integrated in the internal processes by 2028, enabling regular tracking and assessment of the progress achieved by PCs – so that the CSR Value Creation Tool becomes a structural component of how Mérieux Equity Partners creates and protects value, alongside more traditional financial and operational levers.

The trajectory of the tool, from a nature-oriented prototype to a full ESG framework, reflects Mérieux Equity Partners' conviction that proactively managing environmental, social, and governance factors is not only a fiduciary responsibility but also a source of long-term value creation for investors, PCs, and the broader stakeholder ecosystem.

Integrating CSR into MxEP's investment cycle

From the pre-investment phase and during the holding period, the tool evaluates each PC's maturity on environmental, social and governance topics, and can be used to track the CSR progress made by each PC over time. Their CSR maturity is assessed by a **CSR score from A to E (with A being best)**, and is used to adjust financial parameters (e.g., CSR-adjusted cost of debt, CSR-adjusted cost of equity). Integrating these into the tool ensures that every CSR improvement (new policy, impact reduction, social or governance improvement) is reflected in the PC's modelled financial valuation.

6. Nature agenda

At exit (divestment), the tool illustrates the financial impact of CSR initiatives undertaken during the holding period. By comparing valuation with and without CSR adjustments, it quantifies the additional value generated by the CSR trajectory over the holding period. This quantification supports Mérieux Equity Partners' messaging to buyers and investors (LPs), demonstrating the alignment between CSR performance and economic value creation.

How the tool converts CSR progress into financial value creation

The valuation section of the tool aggregates the CSR score (based on answers to the questions) and the company's financial data to calculate the value created that relates to ESG actions.

Roles of the ESG team and asset managers

A **strong collaboration between Mérieux Equity Partners' ESG team and asset managers is a key factor for the successful implementation of the tool**. The ESG team engages proactively, providing responses to most inquiries by leveraging data collected through the annual ESG questionnaires distributed to PCs. The investment team plays a key role in providing company's financial data (e.g., debt, interest expenses, EBTIDA growth). Together, the ESG team and the investments team provide all the inputs that are required by the tool to estimate an adjusted WACC, update the financial valuation model and quantify the associated value creation.

Sector-specific questions for health

The tool is tailored to fit with Mérieux Equity Partners' PCs activities and specificities and reflects their realities. Questions and indicators have been tailored to PC's sectors and activities:

- **Patient Safety & Product Quality**: "Does the company have channels to collect and address patient or customer feedback on product safety? (e.g., pharmacovigilance hotline, post-market monitoring for a medical device)" Indicators: number of reported quality or safety incidents, existence of post-marketing surveillance processes and rapid corrective actions if needed.
- **Cybersecurity & Health Data**: "Has the company implemented a data management and cybersecurity policy compliant with GDPR?" Indicators: presence of a dedicated officer (e.g., DPO), number of IT security incidents handled, compliance with health IT security standards.

6. Nature agenda

- **Water & Effluents**: "Has the company set targets to reduce its water consumption (e.g., optimizing CIP cleaning, reusing cooling water)?" and "Does it monitor its water footprint and effluents (e.g., tracking pharmaceutical substances in wastewater)?" Tracked indicators: cubic meters of water consumed per year, sites in water-stressed areas, compliance with pollutant discharge standards.
- **Responsible Supply Chain**: "Does the company impose sustainability criteria on key suppliers and monitor their compliance? (e.g., responsible purchasing charter, ESG audits of critical suppliers)" Indicators: percentage of suppliers assessed on ESG, integration of certified materials (bio-based, recycled) in procurement, corrective actions taken with suppliers.

A robust tool, aligned with market standards, serving sustainable performance

With the support from an environmental consultancy, Mérieux Equity Partners ensures its **CSR valuation methodology is robust and credible, in line with market standards**. The tool's content is anchored in recognized frameworks (e.g., ESRS, CDP, TNFD framework for nature), and draws on best practices observed among leaders in the health industry. Furthermore, the chosen approach is consistent with recommendations from private equity associations such as France Invest, regarding the consideration of CSR in valuation.

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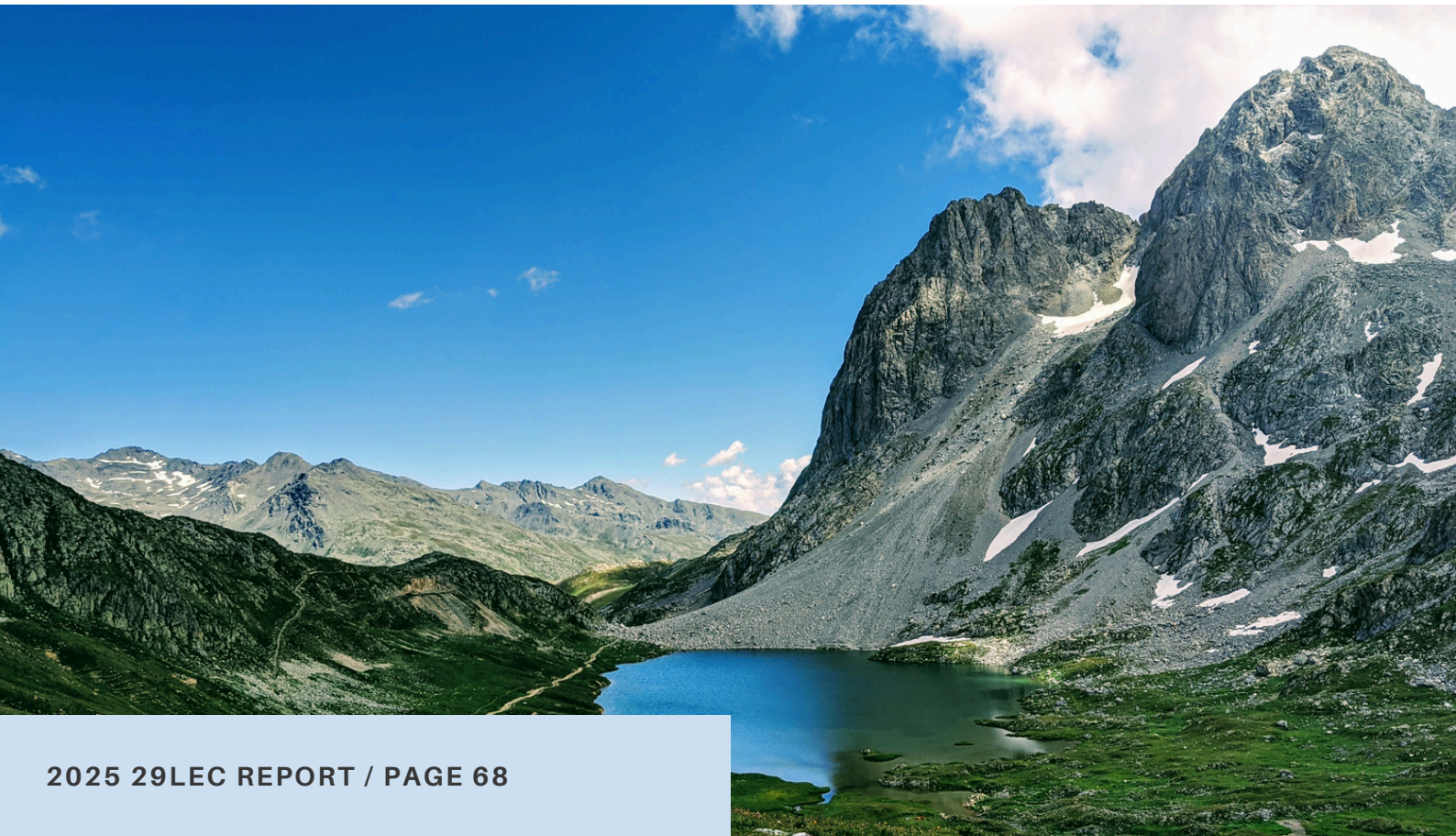


7. Our sustainability climate and biodiversity risk management

7.1 CLIMATE AND BIODIVERSITY-RISK GOVERNANCE

In order to effectively manage climate and biodiversity-related risks, Mérieux Equity Partners is committed to establishing robust governance processes and assigning appropriate responsibilities within the organization.

ESG risks are integrated into the Mérieux Equity Partners Risk Committee, and jointly overseen by the ESG director, the Legal & Compliance director and the Chief Financial Officer. This is the primary governing body responsible for formulating and executing the Mérieux Equity Partners' strategy for climate and biodiversity-related risks. The objective is to conduct a risk map in order to identify and monitor potential risks that could impact negatively both the Management company and the portfolio companies.

Specifically, the aim of incorporating ESG into the 'Risk Committee' is to coordinating and conducting tasks and discussions related to climate and biodiversity-related risks, as well as consolidating and communicating these matters to relevant internal and external stakeholders. These tasks include but are not limited to:

- The annual monitoring and reporting of portfolio companies' Carbon Footprints (As defined in the section 'Alignment with Paris Agreement' of this document).
- The definition of GHG emission reduction targets set in accordance with the Paris Agreements and latest scientific recommendations, as well as their enforcement (As defined in the section 'Alignment with Paris Agreement' of this document).
- Defining Mérieux Equity Partners' approach to identifying, prioritizing, assessing, and managing climate and biodiversity-related risks, including the establishment of methodologies such as screening methods, materiality assessment, scenario analysis, financial quantification of significant risks, and the co-creation of a risk mitigation roadmap
- Developing questionnaires and engagement programs for portfolio companies, as well as processing and consolidating the data and information reported.
- Strengthening the knowledge and expertise of all Mérieux Equity Partners employees in climate-related matters by providing training sessions and developing informative materials.

7. Our sustainability climate and biodiversity risk management

7.1.1 CAPACITY BUILDING AND TRAINING PROGRAM

Mérieux Equity Partners will conduct training sessions to enhance the capacity of all relevant stakeholders involved in the climate and biodiversity-risk management process.

Furthermore, identified portfolio companies will be encouraged to provide training to their relevant external stakeholders, enabling them to acquire the necessary knowledge to report on required indicators and perform the necessary assessments.

7.1.2 INCENTIVES FOR LEADERS AND COMMITTEE MEMBERS

The integration of climate and biodiverity-related risk objectives into the remuneration policy ensures that individuals involved in climate and biodiversity-risk management are motivated and accountable for their contributions towards achieving the organization's climate and biodiversity related goals.
Since 2021, specific objectives have been established for Executive Officers and Managing Partners. These objectives aim to increase ESG awareness, integrate ESG factors throughout the entire investment cycle, and ensure proper reporting of ESG indicators in the Fund Annual Report and Incident monitoring.

And since 2025, ESG objectives are also included in the annual assessment and remuneration of other Mérieux Equity Partners employees.

Therefore ESG objectives are now part of the annual assessment and remuneration of all Mérieux Equity Partners employees.

7.1.3 MERIEUX EQUITY PARTNERS' APPROACH TO CLIMATE AND BIODIVERSITY-RISKS MANAGEMENT

Mérieux Equity Partners' climate and biodiversity risk strategy and management process aim to identify, assess, and prioritize climate and biodiversity-related risks faced by portfolio

7. Our sustainability climate and biodiversity risk management

companies. This approach has been developed to seamlessly integrate into Mérieux Equity Partners processes such as broader risk management, investment, and portfolio management. It was developed in line with TCFD recommendations.

To ensure effective implementation into Mérieux Equity Partners investment process, the climate and biodiversity-risk management approach has been divided into two stages:
Pre-investment and Ownership.

Pre-investment phase	Ownership phase
• Mérieux Equity Partners will conduct a climate and biodiversity pre-screening for every prospect company as a mandatory task in every buyer due diligence. • If the pre-screening reveals a "high" level of exposure to physical and/or transition risks and/or biodiversity risks, a high-level risk assessment, including a forward-looking analysis of climate and biodiversity-related trends (i.e., scenario analysis), will be conducted during the due diligence phase. • Companies believed not to be highly exposed to climate and biodiversity-related risks require no further actions at this stage.	• Companies that have already been acquired and have not undergone prescreening will undergo climate and biodiversity pre-screening. • If the pre-screening results show "high" risk score levels, an in-depth climate and biodiversity risk assessment will be conducted. • If significant or material risks are identified, a mitigation plan will be required within a defined timeline, possibly including a financial quantification of material risks, when deemed relevant. • If the risk assessment does not reveal any material risk, no further action is required.

7. Our sustainability climate and biodiversity risk management

	PRE-INVESTMENT PHASE		OWNERSHIP PHASE	
MATERIALITY LEVEL	HIGH	LOW-MODERATE	HIGH	LOW-MODERATE
PRE-SCREENING				
HIGH-LEVEL RISK ASSESSMENT		N/A	N/A	N/A
DETAILED-RISK ASSESSMENT	N/A	N/A		N/A
MITIGATION PLAN	N/A	N/A		N/A

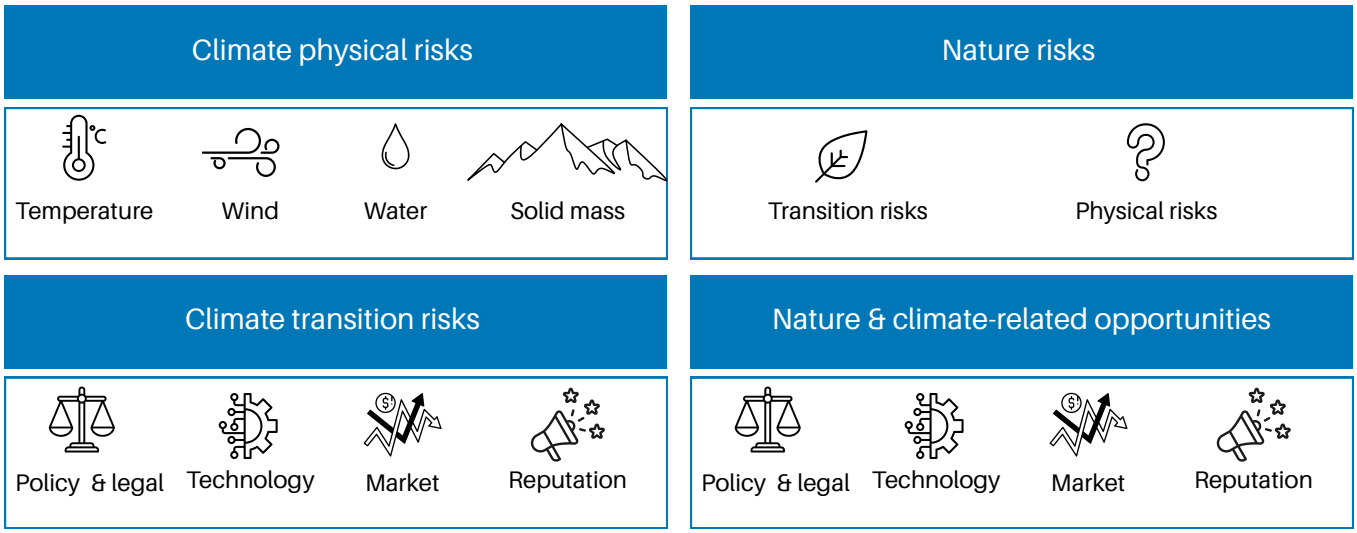
7.1.4 **METHODOLOGY**

Early 2026, Mérieux Equity Partners has implemented a systematic screening of climate and biodiversity risks across its portfolio using a dedicated Saas platform. This tool enables a forward-looking and science-based assessment of companies' exposure to physical and transition climate risks, as well as their dependencies and impacts on biodiversity. The methodology relies on a combination of geospatial analysis, sectoral risk mapping and scenario-based modelling, allowing for the identification of key risk drivers such as extreme weather events, water stress, ecosystem degradation and regulatory changes.

Each portfolio company is assessed based on the location of its activities, the nature of its operations and its value chain, providing a granular view of risk exposure. The results are then consolidated at portfolio level to establish a risk heatmap, prioritize companies with higher exposure, and support the definition of targeted engagement strategies and action plans. This approach ensures consistency with international frameworks (notably TCFD and TNFD recommendations) and strengthens Mérieux Equity Partners' capacity to anticipate, manage and mitigate climate and nature-related risks while identifying resilience and adaptation opportunities.

7. Our sustainability climate and biodiversity risk management

This methodology is applied by analysing the following risks and opportunities:



The results of this analysis can be found on section 6.5 of this report.

To ensure ongoing alignment with regulatory requirements and stakeholder expectations, and to continuously strengthen its approach, Mérieux Equity Partners regularly updates its ESG risk assessments, with a particular focus on climate- and nature-related risks. These assessments are embedded within Mérieux Equity Partners' broader risk management framework and aim to identify, evaluate, and monitor material exposures across the portfolio. The results are systematically shared with portfolio companies in order to support the definition and implementation of appropriate mitigation and adaptation measures, where relevant, and to strengthen the overall resilience of the portfolio.

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