

2026

STATEMENT ON SUSTAINABILITY RISK MANAGEMENT

Mérieux Equity Partners

Updated: June 2026

General principles



REGULATORY FRAMEWORK

In accordance with the requirements of Article 3 of EU's 2019/2088 Sustainable Finance Disclosure Regulation (SFDR) and the Article L 533-22-1 of the Code Monétaire et Financier (CMF) (French "loi Energie-Climat"), Mérieux Equity Partners (MxEP) is required to publish on its website how sustainability risks are integrated into the investment decision-making process.

Additionally, Article L 533-22-1 of the CMF requires that a specific disclosure be made on the following sustainability risks: biodiversity and climate change.



DEFINITION OF SUSTAINABILITY RISK

As defined in the SFRD, Sustainability risk is defined as *"an environmental, social or governance event or condition that, if it occurs, could cause an actual or potential material negative impact on the value of an investment"* (1).

Sustainability risks may include, but are not limited to, the physical risks arising from climate change, transition risks associated with the shift to a low-carbon economy, social risks related to labour practices, supply chain integrity, data privacy, and governance risks such as corruption, lack of board diversity, or inadequate management of conflicts of interest.

(1) Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector

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SCOPE OF APPLICATION

This statement applies to all funds managed by Mérieux Equity Partners which include sustainability risks in their investment process. This statement concerns financial products under Article 8, promoting environmental and social characteristics, but not exclusively.

Indeed, taking into account environmental, social and governance objectives is a key element to create value in our investment strategy, covering all our portfolio companies.



ESG GOVERNANCE AND DEDICATED RESOURCES

The ESG director, under the supervision of Mérieux Equity Partners' President, makes sure that sustainability risks are integrated into the investment decision-making process.

The sustainability risks are taken into account by identifying and monitoring potential risks that could impact negatively both the Management company and the portfolio companies.

ESG risks are integrated into the MxEP Risk Committee, and jointly overseen by the ESG director, the Legal & Compliance director and the Chief Financial Officer. 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.

In addition to a structured governance framework, MxEP is equipping itself with resources dedicated to risk identification and management, such as a digital platform for climate and biodiversity risks, and a SaaS platform for collecting ESG-related incidents, enabling it to identify, manage and mitigate potential risks within its portfolio.

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SUSTAINABLE RISK MANAGEMENT - GENERAL FRAMEWORK

Mérieux Equity Partners will not invest in a company for which it is aware that its direct activity includes practices such as corruption and money laundering, violates human rights (including child or forced labor), results in disrespect for the rights of indigenous and/or vulnerable groups, results in a negative impact on health through non-compliance with legal, regulatory or ethical standards or proven negligence on the part of the company's management, does include trade in endangered species of wild fauna or flora (or products derived therefrom) and would degrade protected areas of biodiversity.

An exclusion policy is available on our website.

The sustainability risks are systematically integrated at each stage of the investment cycle:



Pre-investment phase

During the pre-investment phase, MxEP conducts a structured ESG due diligence assessment for every potential portfolio company.

This assessment evaluates:

- **Environmental risks:** carbon footprint, energy consumption, waste management, water usage, biodiversity impacts and dependancies assessment and exposure to environmental regulation. To go deeper into the analysis of these risks, we use a dedicated digital platform on environmental risks (climate physical risks, climate transition risks and biodiversity risks).

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- **Social risks:** employee health and safety, labour rights and fair compensation, diversity and inclusion policies, patient safety and product quality in life sciences contexts. In order to reinforce our risk management practices, we are going to strengthen the human rights risk management by using the dedicated Human Rights Due Diligence from Europe Invest.
- **Governance risks:** board composition and independence, anti-corruption and anti-bribery frameworks, whistleblowing mechanisms, executive remuneration policies, and data protection compliance.

All findings are integrated into the investment ESG synthesis sent to the investment committee, and taken into account in the decision-making process and the ESG roadmap to be developed.



Ownership phase

On the first year of ownership, a detailed ESG review is conducted, after which a set of KPIs is tracked annually, again allowing to identify, quantify exposure to and manage sustainability risks throughout ownership. Subsequent year's information of the ESG review are updated.

Moreover, we have recently adopted a digital tool to help us assess climate and biodiversity loss risks. This tool enables us to monitor these risks and how they evolve for each of our portfolio companies. On this basis, should any critical risks be identified, we work closely with the portfolio companies to address these risks and put mitigation plans in place.

Information on sustainability risks are reported to investors through dedicated annual reports.

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