



LAUXERA
CAPITAL PARTNERS

REPORT ON THE ENERGY AND CLIMATE LAW (ART. 29)

2023 Update

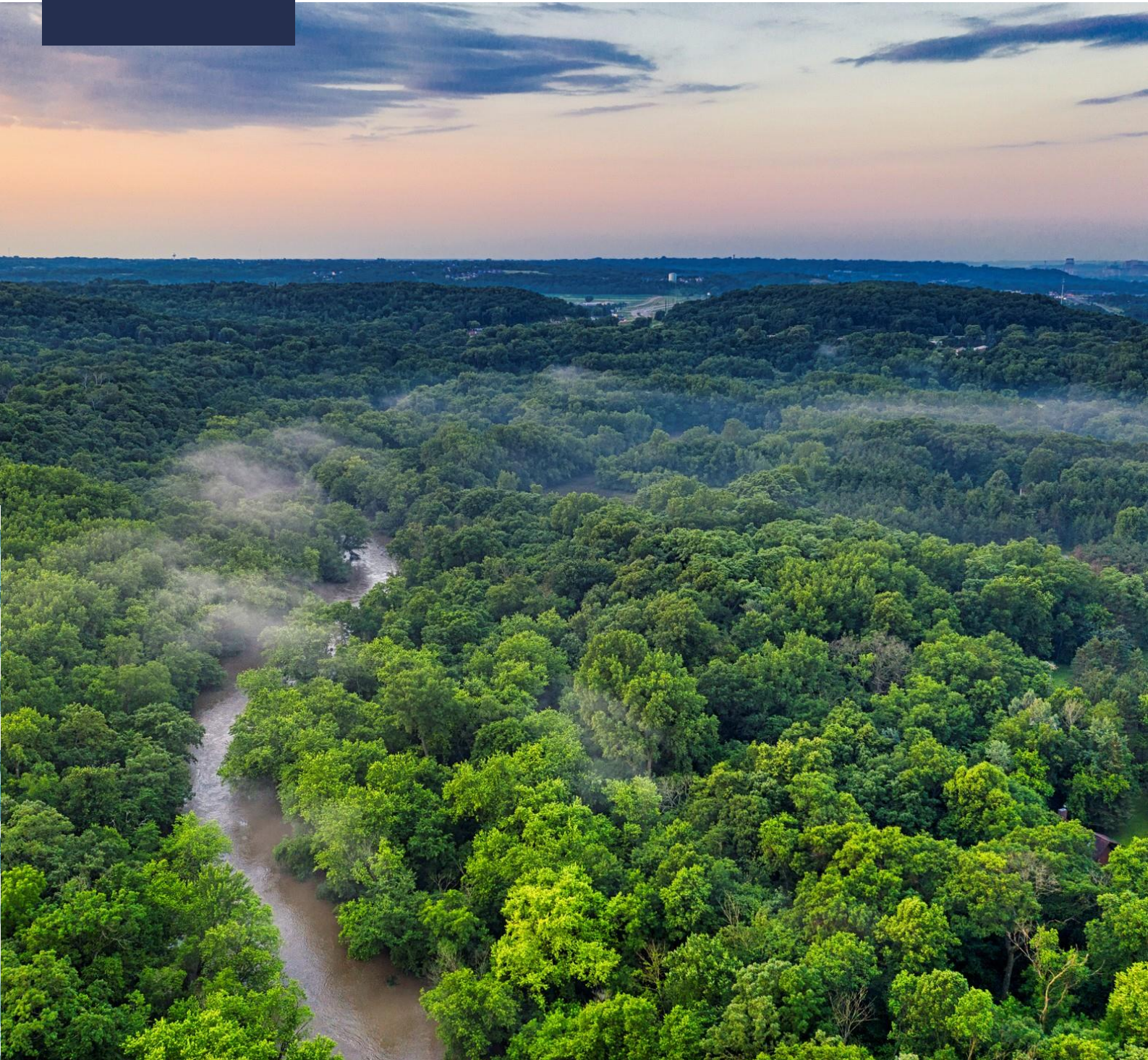


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Content, frequency and means used to inform subscribers, affiliates, contributors, beneficiaries or customers about the criteria relating to the ESG objectives taken into account in the investment policy and strategy

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Adherence of the entity, or of certain financial products, to a charter, a code, an initiative or any labels on the consideration of ESG criteria

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List of financial products mentioned pursuant to article 8 and 9 of Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability reporting in the financial services sector (SFDR)

01.

GENERAL APPROACH OF THE ENTITY ON THE CONSIDERATION OF ENVIRONMENTAL, SOCIAL AND GOVERNANCE QUALITY CRITERIA

Introduction to Lauxera

Lauxera Capital Partners is an **independent, founder-owned** investment management company focused on **growth and growth-buyout investing** in healthtech. Founded in 2019, Lauxera has been built with the ambition and goal to be a **natural bridge between innovative European health technology and the US market**, which represents both the largest revenue opportunity and deepest capital pools for most healthtech end markets. This transatlantic ambition is supported by Lauxera investment teams based in our **two offices**: Paris (European HQ) and San Francisco (US HQ).

Lauxera’s senior team is a unique mix of **operators and investors**, with experience scaling companies from the early commercial stage all the way to global leadership with hundreds of millions in revenue. We take **active roles** as both **minority and majority** investors in driving growth within our investments, both organically through R&D and global commercial investments, as well as inorganically through bolt-on M&A.

Lauxera’s invests with a social objective: to **enable a more sustainable healthcare system**. Healthtech companies at our target stage are naturally aligned with this objective as they must deliver **innovation at a sustainable price**. We define and measure our companies’ contributions to this objective through a purpose-built framework. Through the integration of ESG-linked factors into the investment process, alongside our framework, we believe our strategy can build strong companies with meaningful positive impact.



01.

Background

At Lauxera Capital Partners, the Team believes that a principles-based approach to evaluating Environmental, Social, and Governance (“ESG”) factors for 100% of investments enhances investment selection, portfolio risk management, and, ultimately, returns for Lauxera’s Limited Partners.

As healthcare investors, Lauxera seeks to do well while doing good. As a rule (and not an exception), the Fund’s healthtech portfolio companies will focus on improving the quality and quantity of patients’ lives.

The Team believes strongly that the success of all growth- and growth-buyout stage healthtech companies – Lauxera’s sole stage and sector of focus – is directly linked to their performance on ESG metrics, particularly Social practices around equal opportunity hiring, employee empowerment, product quality and safety, and data protection as well as Governance practices around management incentives, business ethics, and legal and regulatory risks.

They seek to scale medical innovations with the potential to improve healthcare outcomes globally. Lauxera’s capital and leadership enable the commercial success of these better and safer healthcare products, often in domains without acceptable alternatives.

Principles-Based Approach

ESG issues require careful evaluation on a company-level. Lauxera eschews broad-brush policies in favor of a case-by-case, principles-based approach to evaluating ESG factors for 100% of the investments that the Lauxera assesses.

The Team’s key principles are:

E

Environmental:

A company’s business practices, supply chain, and go-to market structure should seek to minimize its carbon footprint and other ecological impacts

S

Social:

A company’s success depends on its ability to attract and retain top talent, which is only possible if the company maintains best-in-class labor practices and a positive public and industry reputation

G

Governance:

A company’s management team and its investors should have aligned financial incentives

Lauxera will not compromise these principles in our investments, but the Team will be flexible in evaluating ESG issues in light of their materiality and the specific facts.

For example, Lauxera may invest in a medical device which dramatically reduces overall harm to patients but may introduce a small risk of a major side effect. The Team will consider the specific facts as well as the company’s ability to preserve the reputation of the therapy even in the case of a public disclosure of one of these major side effects. Lauxera’s core principle holds that no company will be able to sustainably attract and retain talent if it is not a net contributor to population health with a **compelling clinical value proposition**.

01a

SUMMARY OF THE PROCESS

Integration into the Investment Process

Lauxera’s Investment Team performs specific ESG due diligence at entry on every investment at the binding offer stage. The Team engages with portfolio companies continuously during the life of every investment, with priorities set by our regular ESG committees and our annual ESG questionnaire. At exit, the Team replicates the diligence performed at entry to ensure that the attractiveness of each exit option integrates ESG-related risks and opportunities.

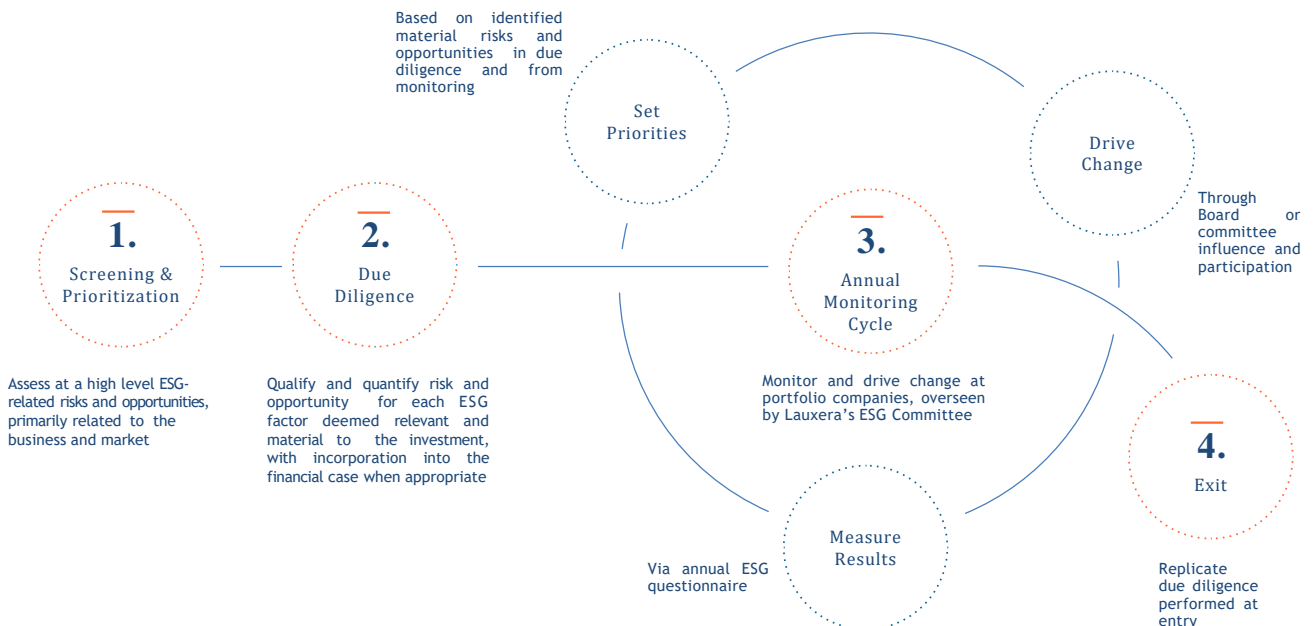
Lauxera focuses on ESG-related risks and ESG-related opportunities in its investment process. Regarding opportunities, the Team often identifies investments where an ESG issue contributes to a company’s sustainable growth or competitive moat (for example a compelling

investment theme or management team that is sustainably able to attract top talent). Regarding risks, the Team ensures that the projected return of each investment properly reflects all business risks, including risks related to ESG factors.

Analysis of ESG factors influences the attractiveness of an investment, both in the assessment of a company’s financial projections and in the hurdle rate and terms that are acceptable to the Team. The Team believes that this integration of ESG analysis into the projected value of each portfolio opportunity is a simple and effective way to incorporate these issues into the Lauxera investment process.

ESG-related clauses are included into company documents (e.g., side letters or shareholder’s agreements) whenever possible, committing portfolio companies to disclose metrics and deliver best-efforts on ESG improvement.

Our Process



01a

SUMMARY OF THE PROCESS

Levels of Implementation

The Lauxera Team integrates, tracks, and reports on ESG-related topics at three levels: Management Company, Fund, and portfolio company.

- At the **Management Company level**, Lauxera implements initiatives to adhere to its ESG Policy. These initiatives include best practices related to Social topics like conducting annual 360-degree reviews and providing significant training resources for junior Team members. Lauxera tracks its carbon footprint semi-annually and implements initiatives to minimize key drivers identified. Additionally, the Team has committed to contribute 1% of its carried interest to healthtech-related charities (Carried for Interest), starting with Lauxera Growth II
- At the **Fund level**, Lauxera surveys its companies with an annual questionnaire, which is rolled up into an objective scoring system that captures the Fund's progress on ESG-related factors and helps the Team set priorities for its hands-on initiatives. As detailed in our ESG and Impact Policy (see inset), Lauxera integrates ESG-related factors into the Fund's investment process. Starting with Lauxera Growth II, we will also evaluate and monitor principle adverse impacts and good governance practices

- At the **portfolio company level**, Lauxera engages with management teams as active investors to help these teams manage ESG-related risks and capitalize on ESG-related opportunities. Lauxera's ESG Committee, meeting quarterly, defines priorities for these engagements and tracks progress. Additionally, the Team tracks each company's contributions towards achieving Lauxera's social investment objective (enabling a more sustainable healthcare system) via custom-defined metrics – reported quarterly. These metrics capture the impact of each company on improving patient outcomes, enhancing the productivity of providers and innovators, and lowering overall costs to healthcare systems



More information:

For additional detail please consult our ESG and Impact Policy, available at www.lauxera.com/esg

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SUMMARY OF THE PROCESS

Governance, Resources, Practices, and Tools

LAUXERA ESG AND IMPACT EFFORTS AT A GLANCE:	
Governance	<ul style="list-style-type: none"> - Lauxera’s ESG and Impact activities are governed by the ESG and Impact Committee, chaired by the two Co-Heads of ESG and Impact, including Alex Slack who is also a Co-Founding Partner of the firm - Each Deal team captain is responsible for managing portfolio company-specific ESG- and Impact-linked duties
Activities:	<ul style="list-style-type: none"> - Weekly meetings between ESG and Impact Co-Heads - <i>Ad hoc</i> ESG engagement by Deal teams in portfolio companies - Quarterly ESG Committees attended by all Deal teams and members of the Investment team (also by interested Limited Partners twice annually) - Twice-annual full investment team training on ESG topics - ESG Review delivered at each Annual General Meeting - ESG Review of antiportfolio delivered annually to Lauxera’s LPAC - <i>Ad hoc</i> participation in ESG-related industry events
Tools:	<p>Internal</p> <ul style="list-style-type: none"> - Lauxera’s internal ESG questionnaire (for entry/exit evaluation and annual portfolio company evaluation) - Internal Investment Committee ESG and Impact evaluation templates - Quarterly ESG Committee pre-read templates, including quarterly Deal team updates - Custom-defined Impact templates for each portfolio company <p>External</p> <ul style="list-style-type: none"> - SASB Materiality Finder
Service Providers:	<ul style="list-style-type: none"> - Carbometrix (bi-annual Manco and PortCo Scope 1-3 carbon footprint assessment) - Ad hoc due diligence providers on specific ESG and ESG-linked business topics
Personnel:	<ul style="list-style-type: none"> - Each Deal team (composed of two senior and two junior investment staff) is responsible for ESG DD, monitoring, and exit process/procedures - Lauxera’s ESG and Impact Committee (chaired by Alex Slack and including all members of the investment team) meets quarterly to provide overall governance, monitor changes in ESG-linked risks and opportunities, coordinate reporting, and plan ecosystem engagement - Every Lauxera investment team member receives mandatory, dedicated ESG trainings twice a year which cover general ESG concepts, Lauxera’s process to integrate ESG into the investment process, and Lauxera’s reporting obligations. These trainings complement discussions at Lauxera’s ESG Committee - Alex Slack and Alix de Benedetti (Co-Heads of ESG and Impact), assisted by Lauxera’s CFO and a compliance intern, jointly prepare all presentations and reporting activities - Lauxera’s RCCI (Pierre Moustial, Co-Founding Partner of Lauxera) and CFO meet weekly in an Operational Committee which manages overall firm compliance and risk control, including any issues related to ESG and Impact (e.g., new reporting or compliance requirements)

01b

CONTENT, FREQUENCY AND MEANS USED TO INFORM SUBSCRIBERS, AFFILIATES, CONTRIBUTORS, BENEFICIARIES OR CUSTOMERS ABOUT THE CRITERIA RELATING TO THE ESG OBJECTIVES TAKEN INTO ACCOUNT IN THE INVESTMENT POLICY AND STRATEGY

Oversight and Reporting

Lauxera provides full transparency to Limited Partners on ESG-related issues, including a comprehensive ESG and Impact policy, a detailed Annual ESG report, and specialized reporting when requested.

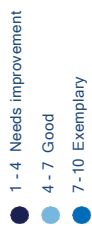
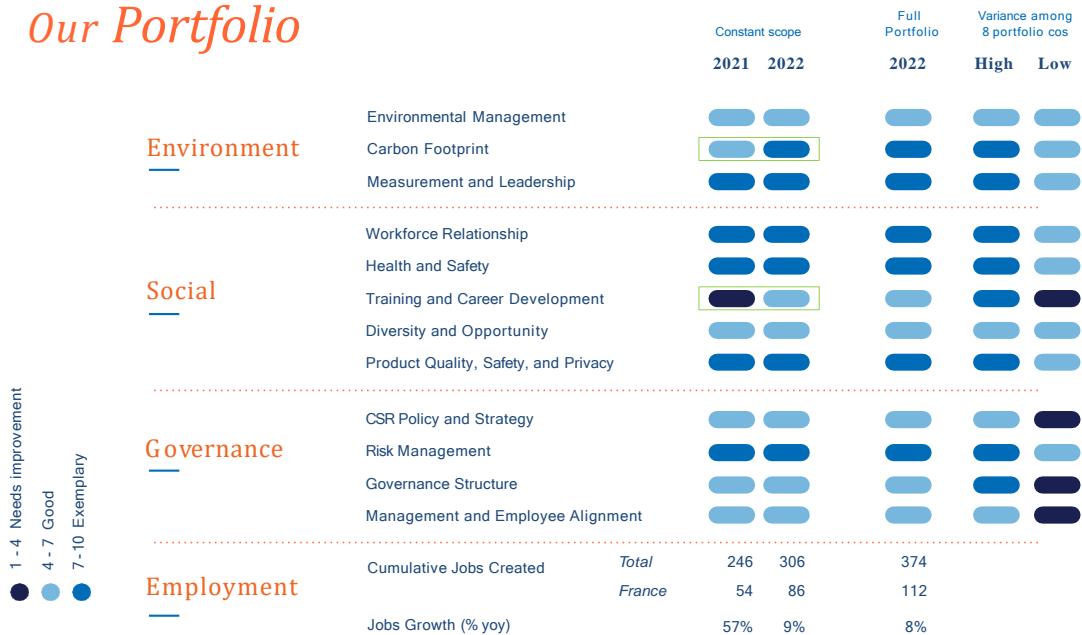
Publicly, Lauxera maintains an updated,

dedicated section of our website (www.lauxera.com/esg) containing our ESG and Impact Policy and SFDR disclosures. As UNPRI signatories, Transparency Reports are also available at the link in the table below.

REPORTING SUMMARY:	
Internal	<ul style="list-style-type: none"> - Quarterly Impact measurement updates - Annual ESG Report - LPAC ESG Antiportfolio analysis (twice-annually) - LP attendance to Lauxera’s ESG Committee (twice-annually) - Limited Partner-specific reporting (e.g., Reporting21)
External	<ul style="list-style-type: none"> - Annual UNPRI Transparency Reporting (available at unpri.org) - Annual LEC Article 29 Report (available on Lauxera’s website) - Annual updates to SFDR Article 10 disclosures (available on Lauxera’s website) - Other ad hoc updates to the ESG section of Lauxera’s website, including our comprehensive ESG and Impact Policy (www.lauxera.com/esg)

Sample ESG KPIs

Our Portfolio



01c

ADHERENCE OF THE ENTITY, OR OF CERTAIN FINANCIAL PRODUCTS, TO A CHARTER, A CODE, AN INITIATIVE OR ANY LABELS ON THE CONSIDERATION OF ESG CRITERIA

ESG Ecosystem

The Team continues to support the ESG ecosystem that has increasingly pushed investors and companies to focus on these critical issues. To that end, Lauxera is a signatory of the United Nations Principles for Responsible Investment (“UNPRI”), with first reporting year in 2023. Lauxera is also a signatory of the Initiative Climat International, and has made the France Invest Gender Equality Pledge.

The Team has partnered with Carbometrix, a leading carbon measurement firm, to measure the carbon footprint of the management company and of each portfolio company on a biannual basis.

Last, Lauxera has contributed to an effort led by the GIIN – a global impact investing group – to set standards for healthcare impact reporting.

Lauxera expects to continually evaluate new ways to further support the ESG ecosystem.

Our Charters



Our Partners

 **carbometrix**

02.

LIST OF FINANCIAL PRODUCTS MENTIONED PURSUANT TO ARTICLE 8 AND 9 OF REGULATION (EU) 2019/2088 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL OF 27 NOVEMBER 2019 ON SUSTAINABILITY REPORTING IN THE FINANCIAL SERVICES SECTOR (SFDR)

List of Financial Products

Financial Product Name	SFDR Classification	AuM (m€)	Share Taking Into Account ESG Criteria
Lauxera Growth I SLP	Article 8	€262 million	100%