ARTICLE 29 LEC REPORT

(ENERGY AND CLIMATE LAW)

2024

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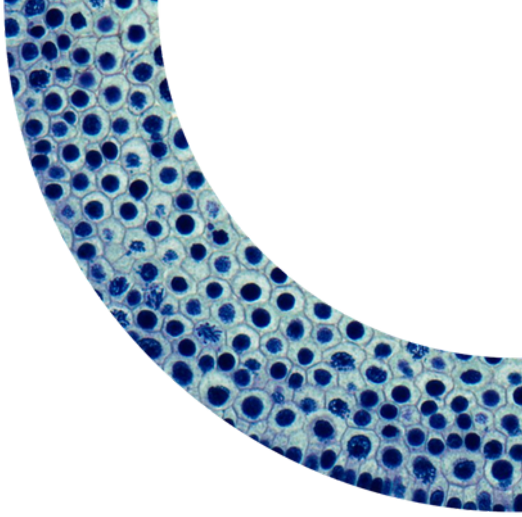
MERIEUX EQUITY PARTNERS



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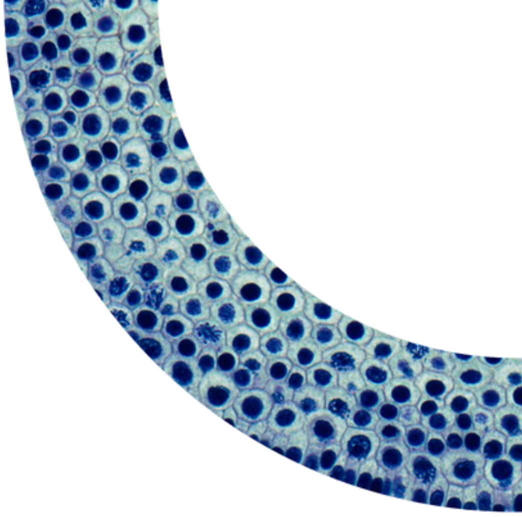


CONTENT

OUR GENERAL APPROACH

Mérieux Equity Partners ("MxEP") is an AMF-accredited management company dedicated to equity investments in the health and nutrition sector, across Europe.

Driven by the **« One Health » approach**, MxEP aims to act as a responsible Private Equity player by implementing its commitments both within its direct scope and across its portfolio companies. Supporting its portfolio companies, MxEP aims to achieve a positive impact on the society and on the environment, with the ultimate objective to contribute to improving and saving patients 'lives.

As the investment arm of Institut Mérieux Group, Mérieux Equity Partners (MxEP) plays a key role in applying and promoting the Group's strong ESG commitments and core values. Anchored in a mission to advance public health and sustainable innovation, MxEP integrates environmental, social, and governance principles into its investment strategy and portfolio management. Reflecting Institut Mérieux Group's foundational values — integrity, responsibility, and solidarity — MxEP works actively to foster long-term value creation while encouraging its portfolio companies to adopt ethical, impactful, and responsible business practices.

ESG is part of the DNA of the company and several policies have been prepared and are available on MxEP website.

UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

Structurally, the investment strategies of our funds under management enable us to meet several Sustainable Development Goals (SDG), including:

3 GOOD HEALTH AND WELL-BEING

Good Health and Well-Being

10 REDUCED INEQUALITIES

Reduce inequalities

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Sustainable consumption and production

15 LIFE ON LAND

Life on land

In addition to supporting those SDGs, we also want to ensure our investments do not negatively influence any other of the SDGs and as such, we have embedded assessment of Environmental, Social and Governance (ESG) matters in our entire investment process.

Our Responsible Investment policy demonstrates MxEP's ESG commitments. It is applicable to all of our investments since AMF (French Financial Markets Authority) approval on 5th June, 2018.

OUR GENERAL APPROACH

SIGNATORY OF SEVERAL INITIATIVES

At Mérieux Equity Partners we are committed to responsible and sustainable investments, and we are convinced that ESG is an assurance of sustainability and performance that will benefit to all its stakeholders.

In order to formalize our commitments, we are a signatory of several intitiatives :

- MxEP is a signatory of the **Principles for Responsible Investment (PRI)** and this Responsible Investment policy and its content were defined in accordance with the PRI.
- MxEP is also an active member of **France Invest** through involvement in its commissions and Working Groups (ESG, Biodiversity, Acceleration & sustainability) and the signature of France Invest's Charter for growth, Charter for Gender Equity and very recently Charter for Value Sharing.
- MxEP has joined the **International Climate Initiative** early 2022.

TRANSPARENCY & DISCLOSURE

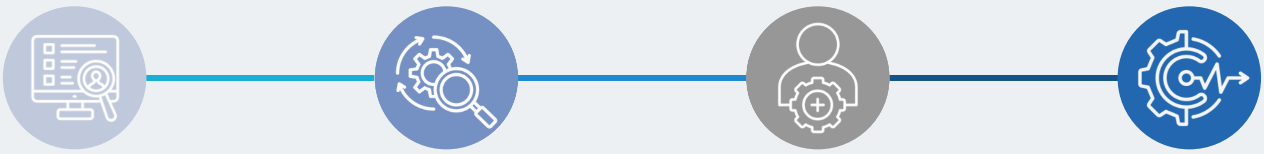
MxEP will not invest in a company for which it is aware that its direct activity includes practices such as corruption and money laundering, violates human rights (including child or forced 4 labor), results in disrespect for the rights of indigenous and/or vulnerable groups, results in a negative impact on health through non-compliance with legal, regulatory or ethical standards or proven negligence on the part of the company's management, does not 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.

OUR GENERAL APPROACH

ASSESSMENT OF ESG IN THE INVESTMENT PROCESS

Mérieux Equity Partners integrates ESG considerations at each stage of the investment cycle:



SCREENING PHASE

- Screening towards the management company's exclusion policy such as sector, geography and prohibited practices.

DUE DILIGENCE

- Review of the activity's compliance with the UNPRIs;
- Risk and opportunity analysis based on SASB sector guidelines and company information;
- ESG Due-Diligence is presented to the Investment Committee and included in the investment decision process.

OWNERSHIP PHASE

- ESG clause incorporated in shareholder's agreement;
- ESG interviews and roadmap definition;
- ESG Monitoring (Progress Plans, ESG KPIs);
- Shareholder's Engagement Policy;
- Internal process to report ESG incidents.

EXIT PHASE

- All ESG data collected during the ownership phase is integrated into the data room available to the vendors;
- ESG translate actions that have generated savings, better productivity, safer work environment, building « Win-Win » partnerships.

- **DURING THE PRE-INVESTMENT PHASE**:
    - **Screening** : consists of ensuring that the opportunity under consideration allows the exclusion policy of MxEP to be respected. If no blocking issue is identified, the opportunity analysis process continues. However, if the opportunity does not ensure compliance with the rules mentioned in the exclusion policy, then it is abandoned.
    - **Due-Diligence** : consists of linking the activity of the opportunity to the United Nations PRI and establishing an analysis of the risks and opportunities for ESG risk protection and value creation. The risk/opportunity analysis is carried out on the basis of the ESG sector guides of the SASB (Sustainability Accounting Standards Board) and through our discussions with the management of the company in which we are considering an investment.

OUR GENERAL APPROACH

As per the SASB Healthcare sector classification, there are 6 sub-sectors: Biotechnology & Pharmaceuticals, Drug Retailers, Health Care Delivery, Health Care Distributors, Managed Care and Medical Equipment & Supplies.

The ESG due-diligence file is presented to the investment committee along with the other due diligence workstreams (financial, tax, social, strategic, commercial , etc.). If a material ESG subject is identified, a “progress plan” must be developed to resolve the material issue during the hold period. If a progress plan cannot be created to resolve or mitigate the material ESG issue; then the opportunity is abandoned. This decision is formalized in the minutes of the Investment Committee. In our investment sector, abandonments at this stage of the process are mainly related to governance issues.

The documentation of this phase may be (partially) outsourced (particularly about the analysis of risks and opportunities for value creation), to sector specialists (the major names in the market).

- **DURING THE OWNERSHIP PHASE**:
  - **Documentation** : if MxEP decides to invest in a company, the shareholders' agreement explicitly provides for an ESG clause. This clause makes it possible to indicate that, among other things, ESG data will be reported by the portfolio companies and that the management company must communicate these ESG data to its investors at the level of its funds. ESG data is hence requested annually from portfolio companies and monitored and consolidated at the fund level. Topics covered include business ethics, supply chain, human resources, environment, Nature amongst others.
  - **Progress Plan**: During the first year of the investment period and in partnership with management, an ESG roadmap is established. This roadmap is tailor-made to each portfolio company to ensure most urgent and relevant ESG topics are addressed first. This work is based on the risk/opportunity analyses carried out during the ESG due-diligence phase. Regular follow-up meetings are held throughout the year with PCs to support them and monitor the progress of the action plan. To complete these ESG reviews, progress monitoring is regularly conducted through quarterly and annual surveys.
  - **Reporting**: MxEP prepares annual ESG reporting for each of the funds launched since our AMF approval obtained on 5th June, 2018. This reporting includes standard quantitative indicators as well as best practices at the level of the portfolio companies. This reporting enables us to yearly monitor the achievements of the ESG roadmap and the sustainability risks. The carbon footprint is also calculated (calculations based on the instructions of the Greenhouse Gas (GHG) protocol).

OUR GENERAL APPROACH

- **Shareholder Engagement**: MxEP has a shareholder engagement policy, available on its corporate website, which specifies the terms and conditions for exercising our representation within the governing bodies of the companies in which we invest. Our logic has always been to be represented in the governance bodies of the companies in which we invest. In a risk-based framework such as ours, this is the main lever for defining the ESG progress plan, implementing it and adapting it if necessary.

- **Incident Reporting**: MxEP has set up an internal system for reporting quarterly ESG incidents that may occur at the level of the companies in the portfolios under management and of which it may become aware thanks to its presence in the governance bodies. Such incidents are defined, in accordance with France Invest's recommendation, as any event that could have a material impact on the investment and/or its shareholders, in particular but not exclusively in terms of public health, environment, labor law disputes or business ethics.

- **DURING THE EXIT PHASE**:
  - **Data Room**: during the exit phase, all ESG data collected during the ownership phase (progress plan, monitoring data) is integrated into the data room available to the vendors. This data enables potential buyers to identify the progress made during the ownership period.
  - **Value Creation**: beyond the environmental and social dimension of ESG, on which we intervene with appropriate governance, the objective of our approach is to create shareholder value. This translates into ESG actions that can result in financial savings, better productivity, a safer working environment, and building partnerships with stakeholders based on respectful and stronger contractual bases. Ultimately, the ESG approach contributes to the creation of a more agile environment, in line with the structural changes in our companies, and this ability to anticipate is a lever for value creation that is bearing fruit.

ASSET UNDER MANAGEMENT BY SFDR CATEGORY

As of December 31, 2024, the management company manages several main funds, whose commitments represent €1.5 billion, of which 38% is classified under Article 8 of the SFDR regulations. This share corresponds to Mérieux Participations 4 SLP (fund launched in 2021).

The other previous funds are classified under article 6. Nevertheless, all funds launched since our approval by the French Financial Market Authority are subject to annual ESG reporting with quantitative indicators, as well as qualitative assessment elements, and monitoring of material ESG incidents.

CONTENT

OUR ESG GOVERNANCE & DEDICATED RESOURCES

OUR ESG GOVERNANCE

At Mérieux Equity Partners, the ESG governance is a transversal governance involving and collaborating actively with the investment team.

In September 2023, Mérieux Equity Partners hired a full-time ESG expert. Reporting to the MxEP' President, the ESG manager defines and implements the ESG strategy for the management company and support the portfolio companies in their CSR approaches. In September 2024, a person with an apprendiceship contract joined the team for a two years-period to help strengthen and structure our ESG commitments.

MxEP Presidence

ESG team

Justine CHABROL

ESG manager
Mérieux Equity Partners

At France Invest, member of Biodiversity Working Group, Acceleration & Sustainability Working Group and CSO Club

Mathilde FORIN

ESG apprendice
Mérieux Equity Partners

Missions of the ESG team

LEADS COMMITTEES, SUCH AS

- ESG Risk Committee
- Diversity, Equity & Inclusion Committee
- ESG & Compliance Meetings
- "Mérieux Equity Initiative" Charity Fund

SUPPORTS INVESTMENT TEAMS WITH ESG EXPERTISE

SUPPORTS PORTFOLIO COMPANIES WITH ESG EXPERTISE

OUR ESG GOVERNANCE & DEDICATED RESOURCES

DEDICATED MEANS & RESOURCES

Budget allocated to sustainability:

In 2024, MxEP has dedicated a budget of over 100 K€ to ESG consulting:

- **SaaS platforms**
  - ESG KPI & material incident reportings and improvement plans
  - Carbon footprint assessment
- **ESG consulting firms** (ESG Reviews, Strategy, ESG training).

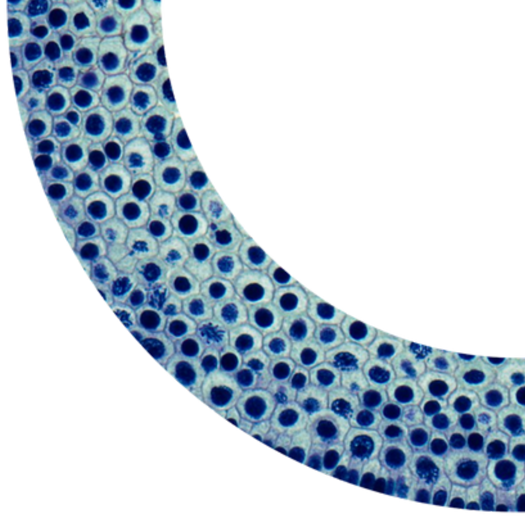
Training sessions:

- Every year, the entire MxEP team participate to at least one training session on a ESG / sustainability topic. After half a day spent on a biodiversity training session in 2023, we wanted to look more closely at subjects related to nature. Therefore, in 2024, the team participated to a workshop on the water issue.
- The team has conducted several training sessions at France Invest.
- Besides, managing partners are requested to attend at minimum one ESG training per year. Together with the Regulatory and Compliance manager, the ESG manager also conduct internal presentations to the whole MxEP team on ESG specific topics three times a year.

As mentioned in the General approach section, ESG team is involved in France Invest association through involvement in its commissions and Working Groups.

Awareness tool:

In addition, an ESG newsletter is sent on a monthly basis to all teams, containing both general information on sustainability issues and information specifically regarding MxEP (e.g. concerning the funds, the portfolio companies, the specific projects...).



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OUR ENGAGEMENT STRATEGY & SHAREHOLDER COMMITMENT

VOTING PERIMETER

MxEP exercises all the voting rights attached to the securities held in the FIAs it manages and for which the management company is responsible for exercising voting rights.

In 2024, the management company voted at **34** Shareholders' Meetings, of its portfolio companies. During fiscal year 2024, we did not experience any technical or administrative blockages or malfunctions that prevented us from exercising our voting rights.

All voting rights are exercised in our name. The management company does not manage a mandate or a dedicated or delegated fund. It should be noted that Shareholders' Meetings are not compulsory in certain geographical areas, depending on the type of company and the nature of the decisions to be taken. Governance is therefore expressed in various ways, either through a system of written consent or through our representation at meetings (in person, by mail, or via a dedicated proxy).

We integrate these elements into the monitoring of Shareholders' Meetings to have the most accurate vision possible of the expression of the rights and duties attached to the shares held.

METHODS OF EXERCING VOTING RIGHTS

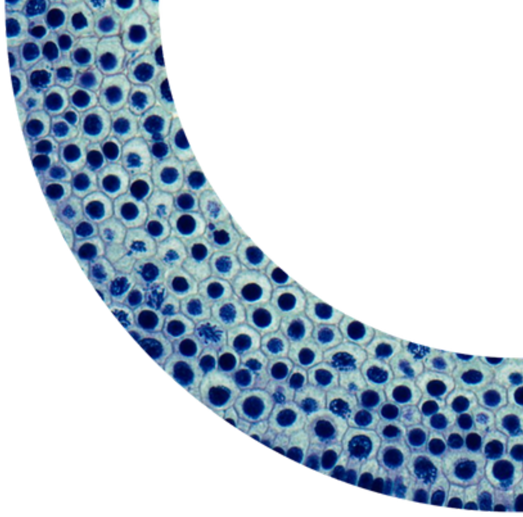
Each partner is responsible for collecting the Shareholders' Meeting file of the companies he/she follows, and this file includes at least: the date, the voting procedures, and the text of the resolutions. A power of attorney may be given to him to represent the Management Company.

The partner examines and analyzes the resolutions submitted to the meeting. In case of difficulty in analyzing a resolution, he/she refers to the Compliance and Internal Control Officer. The partner is responsible for deciding how to vote.

The partner's voting choices are retained by him/her. The partner must be able to report at any time on the exercise of his/her voting rights. MxEP usually exercises its voting rights by mail. However, the partner may decide to attend the Shareholders' Meeting in person.

CONFLICT OF INTEREST MANAGEMENT

The voting rights exercised were done so in complete independence and with a view to safeguarding the interests of the unitholders of the funds concerned. No member of the governance of the portfolio companies has any connection with the management company.



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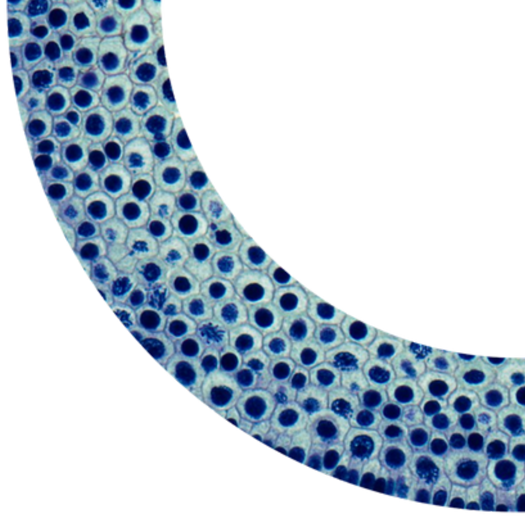
EUROPEAN TAXONOMY & FOSSIL FUEL

EUROPEAN TAXONOMY & FOSSIL FUEL

Mandatory information for this section is included in the detailed excel appendix.

The management company invests exclusively in the healthcare sector, which by definition is not eligible for the taxonomy.

The management company does not invest in fossil fuels, and none of the companies in which the management company has invested is active in this field.



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OUR ALIGNMENT WITH PARIS AGREEMENT

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 generate the emission of greenhouse gases (GHG) and therefore contribute to climate change. In a publication of April 2023, the think tank The Shift Project estimates that the health sector is responsible for approximately 8% of territorial GHG emissions in France.

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.

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, MxEP 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 its own activities
- Measure emissions related to all portfolio companies
- Reduce emissions related to all of portfolio companies
- Offset residual emissions which cannot be reduced

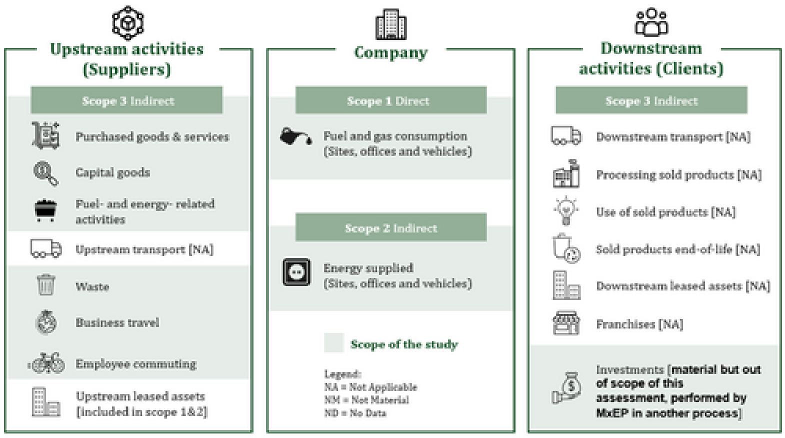
OUR ALIGNMENT WITH PARIS AGREEMENT

- **Measure emissions related to its own activities**

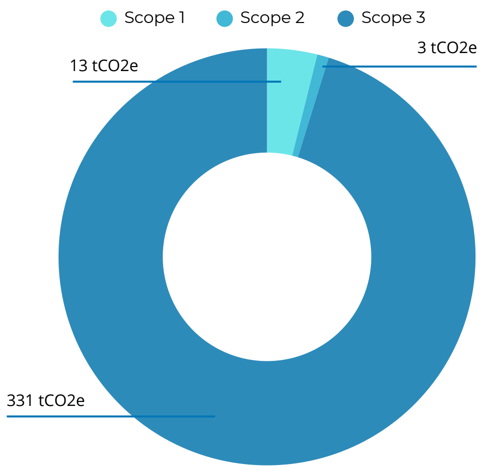
Mérieux Equity Partners assessed its GHG footprint for all relevant categories (to the exclusion of category 15 of Scope 3 – Investments, covered in the following section), with an operational control approach and based on the GHG Protocol methodology. The assessment was performed bottom-up (with a specific data collection) based on both physical and monetary data, depending on data availability and covering both MxEP offices in Paris and Lyon.

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

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

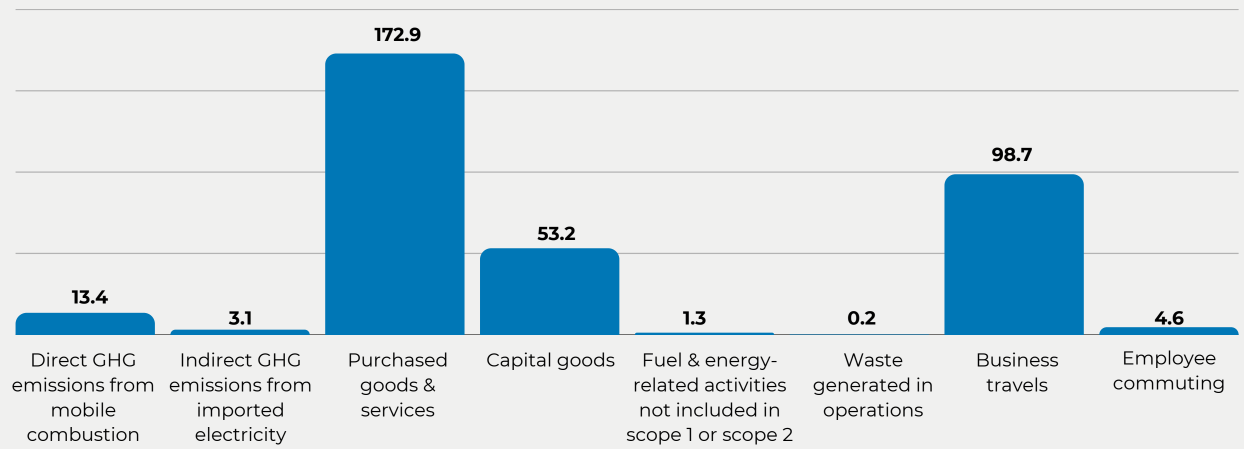


Total 2024 estimated emissions (to the exclusion of financed emissions) are estimated to be approximately **347 tCO2e** (-19% vs 2023, mainly due to non-recurrent expenditures linked to an office moving in 2023). Most emissions are generated by categories Purchased goods & services and Business travel (predominantly air travel), and to a lesser extent Capital goods. Emissions related to purchased goods and services are likely to be over-estimated, since these were assessed based on monetary data and using a conservative Ademe emission factor for services (110 kgCO2e/k€), with no discrimination of various carbon intensities for various types of services (including legal, insurance etc.). In 2024, the Business Travel emissions increased compared to 2023 due to the growth of the activity.



OUR ALIGNMENT WITH PARIS AGREEMENT

Resulting MxEP GHG footprint for calendar year 2024 is illustrated below:



- **Measure emissions related to all portfolio companies**

Scope: Mérieux Equity Partners aims to assess the GHG footprint of all portfolio companies (PCs) within all its funds.

  - Hybrid approach from 2023 GHG footprinting

In 2021 and 2022, Mérieux Equity Partners portfolio companies' GHG emissions were estimated based on a top-down approach, with a calculation methodology based on sectoral monetary emission factors and PCs revenues and activity types.

Over time, an increasing proportion of PCs are developing a more precise bottom-up assessment of their GHG footprint, with the support of specialized consultancies. Mérieux Equity Partners also implemented the digitalization of its carbon management (Sweep platform) with the following advantages:

- Facilitation of data collection for PCs.
- Possibility to complement PC's 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.

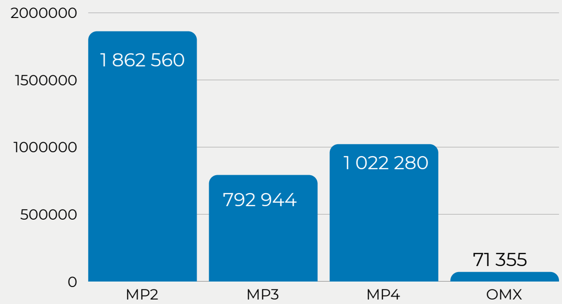
OUR ALIGNMENT WITH PARIS AGREEMENT

Therefore, 2023 and 2024 assessments of Mérieux Equity Partners financed emissions were performed with a different methodology compared with 2021 and 2022: for each PC, emissions were assessed by selecting data from a hierarchy of decreasing expected accuracy, as follows:

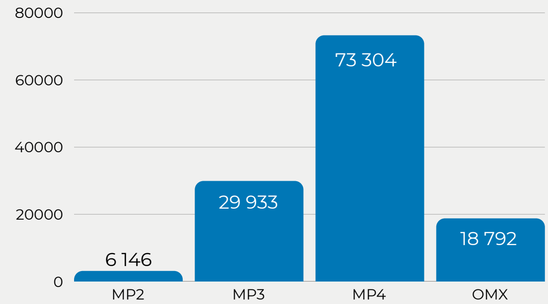
- Preferred use of emissions assessed with a bottom-up approach, ideally with support from specialized consultancy;
- If the above is not available, use of emissions calculated thanks to data collected by the PC through the digital platform proposed by Mérieux Equity Partners (completed with CDP sectoral emissions for potential uncovered categories);
- If the above is not available, use of estimates based on CDP sectoral emissions; and
- If the above is not available, use of top-down assessment developed in 2023.

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

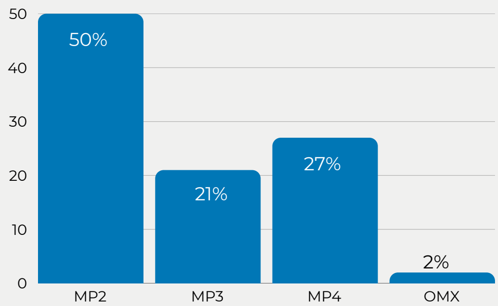
Companies total emissions per fund (tCO2e)



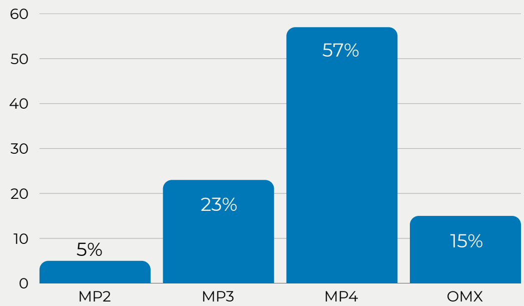
Emissions financed by MxEP, per fund (tCO2e)



Companies total emissions per fund (%)



Emissions financed by MxEP, per fund (%)



Estimated emissions at fund level based on a top-down approach (orders of magnitude)

OUR ALIGNMENT WITH PARIS AGREEMENT

The overall 2024 results are consistent with the previous years assessments, in particular considering that fund OMX Europe was added to the perimeter in 2023 and that the methodology was modified and refined compared with previous years.

- Bottom-up approach for GHG footprinting

In 2024, approximately 60% of total Mérieux Equity Partners financed emissions were assessed with a bottom up approach and for fund MP4 that represents in the order of 57,3% of financed emissions. This is an increasing trend compared with previous years and these figures are expected to increase further in 2025 since several PCs already plan to assess their 2025 GHG footprint based on a bottom up approach.

- Companies GHG footprint preliminary profiling

An increasing proportion of companies in MxEP's portfolio are assessing their Scope 3 emissions through a detailed bottom-up approach and more are expected to do so for year 2025. For companies who are not using this granular approach yet (assessments mostly based on monetary data), the identification of emission reduction levers and action plans is not possible at an actionable level of detail.

Therefore, an initial qualitative assessment has been proposed for these companies. For this purpose, Mérieux Equity Partners' PCs were classified in the five following business categories depending on activity and business model:

- Production of medicines
- Production of medical tools and equipment
- Product distribution (retail)
- Health care services and facilities (building-based)
- Other types of health-related services and solutions, including R&D

OUR ALIGNMENT WITH PARIS AGREEMENT

Some companies are included in more than one category. For each type of PC, the proportion of expected GHG emissions per emission category was qualitatively assessed by ERM based on a literature review and professional judgment.
The resulting overview is presented below:

	Type of company				
Main emission categories	Production of medicines	Production of medical tools/ equipment	Distribution (retail)	Services (health care-related facilities)	Other services (R&D)
Raw materials - chemicals/ pharmaceuticals					
Raw materials - others (metals/plastics etc.)					
Other purchased goods and services					
Capital goods (IT, buildings, purchased equipment)					
Building-related energy consumption					
Food					
Employee commuting					
Visitors transport					
Products transportation					
Waste					

Likely very significant
Likely significant
Likely moderately significant
Likely minor
Likely not material

- **Reduce emissions related to all portfolio companies**
    - Target setting

MxEP 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. MxEP believes that ESG is essential for ensuring sustainability and performance, benefiting all stakeholders.

To formalize our commitments, we analyzed which PCs would be in scope should MxEP decide to set Science-Based Targets (SBTs). Given the specificities of the PCs and considering the Science Based Targets initiative (SBTi) coverage criteria, it was determined that only a few mature PCs (buyout companies) would fall within the SBTs' perimeter. This would require including their Scope 1 and 2 emissions within MxEP's Scope 3 – Category 15: Investments boundary.

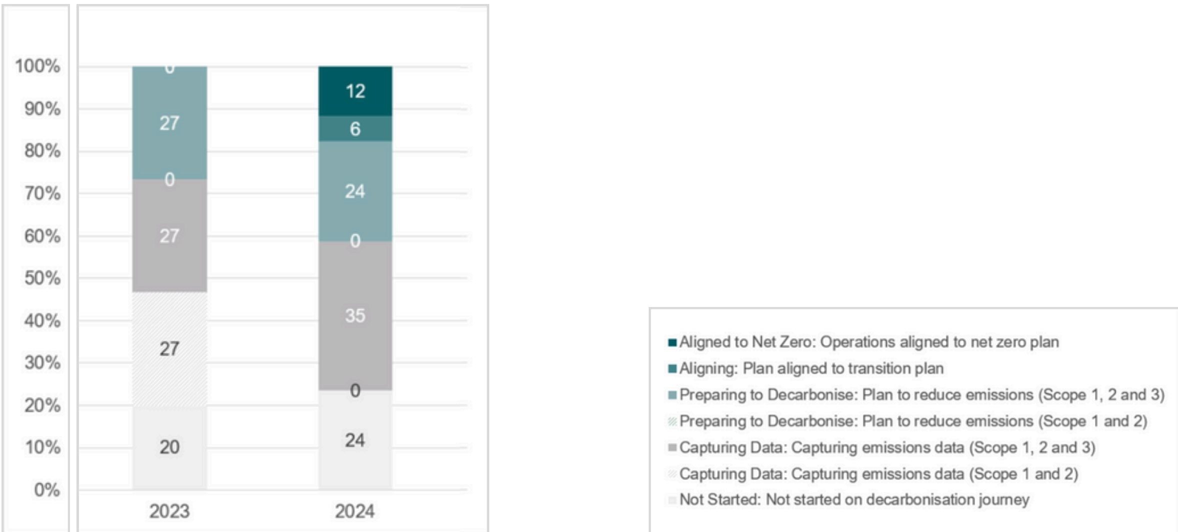
OUR ALIGNMENT WITH PARIS AGREEMENT

Since MxEP believes that climate-related efforts and commitments should address all participations and be tailored to the PCs' specific contexts, Mérieux Equity Partners has decided to implement a different framework to drive greenhouse gas (GHG) emissions reduction within its funds: the Private Markets Decarbonization Roadmap (PMDR).

The PMDR, developed by Bain 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.

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

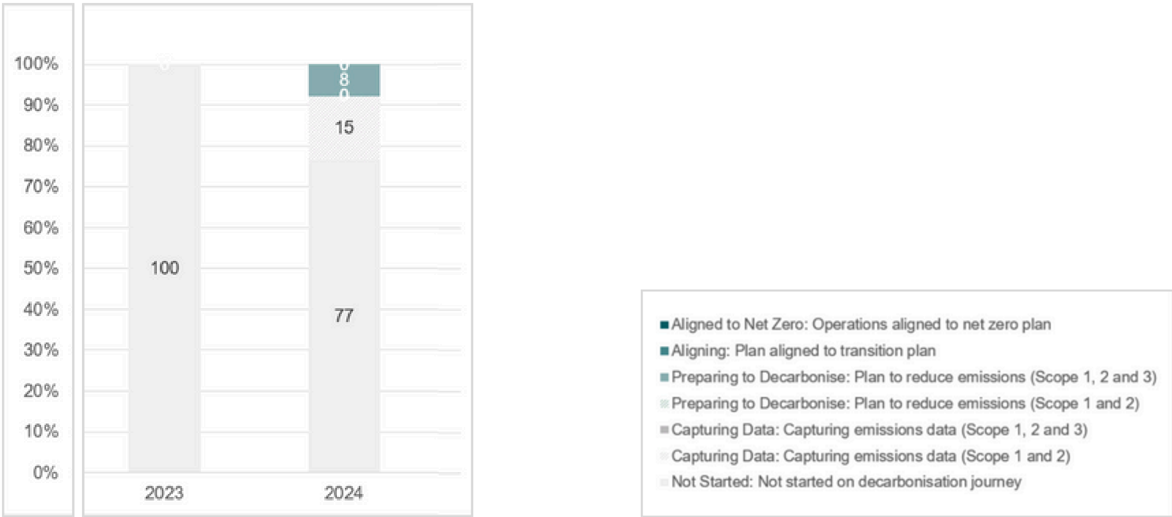
The initial results displayed in the two graphics below suggest that there has been an improvement in the portfolio alignment with the Net Zero ambition for both Buyout and Innovation companies.



MxEP's PMDR portfolio alignment development for Buyout companies

The **Buyout companies' portfolio** made significant progress in 2024, notably with two companies aligned and one company aligning to the Net Zero target. Additionally, several companies are preparing to decarbonize, with the intention – for a few of them – to engage and commit to the Science-Based Target Initiative.

OUR ALIGNMENT WITH PARIS AGREEMENT



MxEP's PMDR portfolio alignment development for Innovation companies

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

- Emissions reduction strategy

MxEP will continue its efforts to collect more granular data at the PC level and will provide the necessary support to PCs to improve portfolio alignment with the Paris Agreement goals. This includes the following actions:

- Conducting 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.
- Sharing knowledge and tools that enable PCs' sustainability practitioners to perform robust GHG inventories and footprints.
- Engaging with key PCs to develop and enforce sustainable practices and environmental actions aimed at reducing their GHG emissions.
- Exclusions : MxEP is strategically and structurally focused on financing the healthcare sector. Mérieux Equity Partners commits to remain 100% focused in this sector and 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")).

OUR ALIGNMENT WITH PARIS AGREEMENT

- Development of PMDR coverage at PC level (cf. previous section)
- Definition of high-level emissions reduction road maps at PC level (cf. previous section)
- Progress tracking will be included in annual ESG reporting

- **Offset residual emissions which cannot be reduced**

Mérieux Equity Partners will likely consider offsetting its residual emissions at a later stage through the development of nature-based projects. In line with best practice, Mérieux Equity Partners wants to focus its initial efforts on measuring and reducing our emissions. Offset options will therefore be assessed at a later stage.

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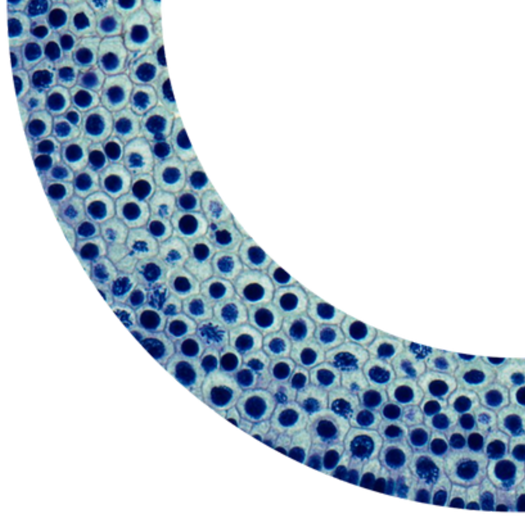
Climate change is deeply connected to other different environment challenges, whose interdependencies significantly impact the health of our planet. One of the key connection is between climate and biodiversity. Indeed, climate influences the distribution, behavior, and survival of species, while biodiversity 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.



CONTENT

OUR ALIGNMENT WITH BIODIVERSITY LONG-TERM OBJECTIVES

ELEMENTS OF INTRODUCTION

The 2024 EthiFinance report reveals that financial entities still have a long way to go to fully contribute to reducing their major pressures and impacts on biodiversity. In response to this challenge, Mérieux Equity Partners has taken the lead and has gradually integrated Nature into its internal practices and ESG engagements with portfolio companies throughout the investment cycle. A significant milestone in 2024 was the publication of the Mérieux Equity Partners' Nature strategy, which serves as the cornerstone of MxEP's efforts for Nature.

A key highlight of 2024 was the annual "Rencontre de l'Institut Mérieux," where the implementation of the Nature Strategy was presented in detail, facilitating meaningful exchanges among the various Mérieux entities. This event fostered the formation of synergies between MxEP and the other Mérieux companies. Beyond internal events, MxEP is leading by example through active participation in external forums - sharing insights and experiences in events and working groups such as France Invest's Biodiversity Working Group -to inspire its peers to take action.

This year, MxEP has continued to engage with its PCs to assess their Dependencies, Impacts, Risks and Opportunities (DIROs) and has successfully covered, as planned in the strategy, 75% of its portfolio. The Group progressively addresses companies that are less mature on the subject, taking one more challenging step. By understanding their nature-related issues, MxEP was able to offer tailored support, helping them contribute to the Nature Positive Trajectory. This approach has enabled Mérieux Equity Partners to develop and strengthen trust-based relationships with its portfolio companies.

MxEP's ambition for Nature is moving from vision to action, with objectives being translated into concrete operations. Since early 2025, a tool is in progress to better capture how the PC's ESG investments and actions contribute to increasing the business values and resilience. By leveraging this tool, MxEP aims to enhance its understanding of ESG issues, better highlight progress made, and more effectively target future actions. This approach strengthens its positioning with investors and insurers, while reinforcing its ability to deliver meaningful impact across its portfolio.

OUR ALIGNMENT WITH BIODIVERSITY LONG-TERM OBJECTIVES

NATURE, A KEY COMMITMENT FOR MERIEUX EQUITY PARTNERS

Published in 2024, the Nature Strategy has enabled MxEP to define its ambition, set three main goals, establish clear governance, and implement concrete actions across its internal operations and investment practices throughout the investment cycle — positioning MxEP as a proactive leader in integrating nature and biodiversity into financial decision-making.

MxEP has defined its ambition — “**Contributing to a positive transition towards Nature**” — clearly demonstrating its determination to actively lead and rank among the best practitioners in driving the health sector towards a sustainable future.

The ambition translates into three goals:

- Align with the Global Biodiversity Framework and Mérieux Equity Partners’ One Health Approach, to contribute to bending the curve of biodiversity loss and preserving the health of humans, animals and the environment.
- Initiate and accelerate the sustainable transition of all investees, by engaging with their PCs and supporting their Nature journey.
- Continuously build capabilities to achieve transformative targets, drive meaningful changes and continuously make progress on Nature.

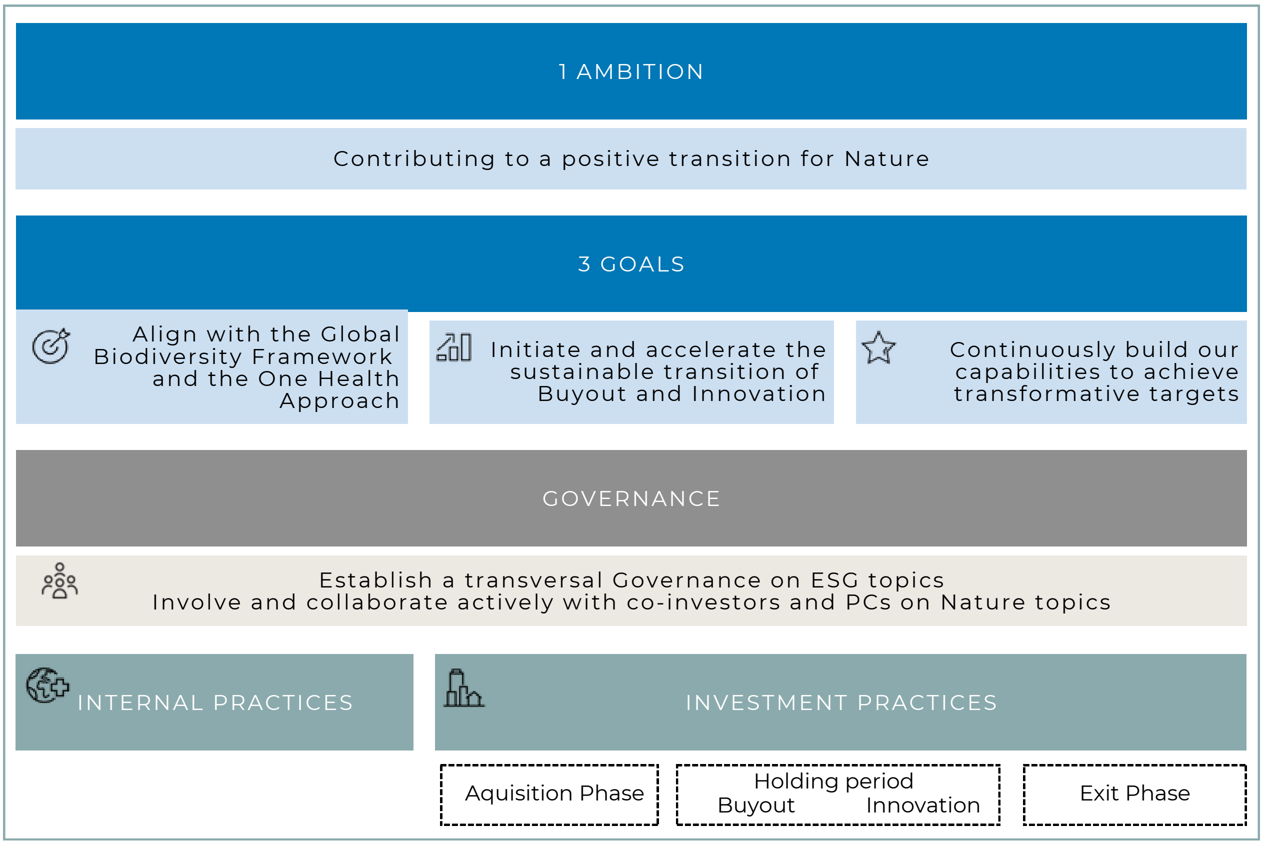


Figure 1 : Mérieux Equity Partners’Nature strategy

OUR ALIGNMENT WITH BIODIVERSITY LONG-TERM OBJECTIVES

- **ENGAGEMENT AND MATURITY OF MÉRIEUX EQUITY PARTNER ON HALTING BIODIVERSITY LOSS**

The One Health High-Level Expert Panel (OHHLEP) defines the One Health Approach as “an integrated, unifying approach that aims to sustainably balance and optimize the health of people, animals and ecosystem” (*Tripartite and UNEP support OHHLEP's definition of "One Health", 2021*). The OHHLEP is the scientific and strategic advisory group to the Quadripartite organizations - the Food and Agriculture Organization of the United Nations (FAO), the United Nations Environment Programme (UNEP), the World Health Organization (WHO) and the World Organisation for Animal Health (WOAH) – in their collaboration on One Health.

The One Health approach lies at the core of MxEP’s vision, an integrated strategy that recognizes the intrinsic connections between human health, animal health, and the environment. This holistic perspective is critical, as the degradation of ecosystems has direct consequences for disease emergence, food security, and overall well-being.

The 2019 report by the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES) highlighted an alarming trend: biodiversity is declining at an unprecedented rate, with severe repercussions for human health. The 2024 Nexus Assessment report by IPBES has since demonstrated the interdependence of human health and nature, emphasizing the strong connections between biodiversity, health, climate, water, and food.

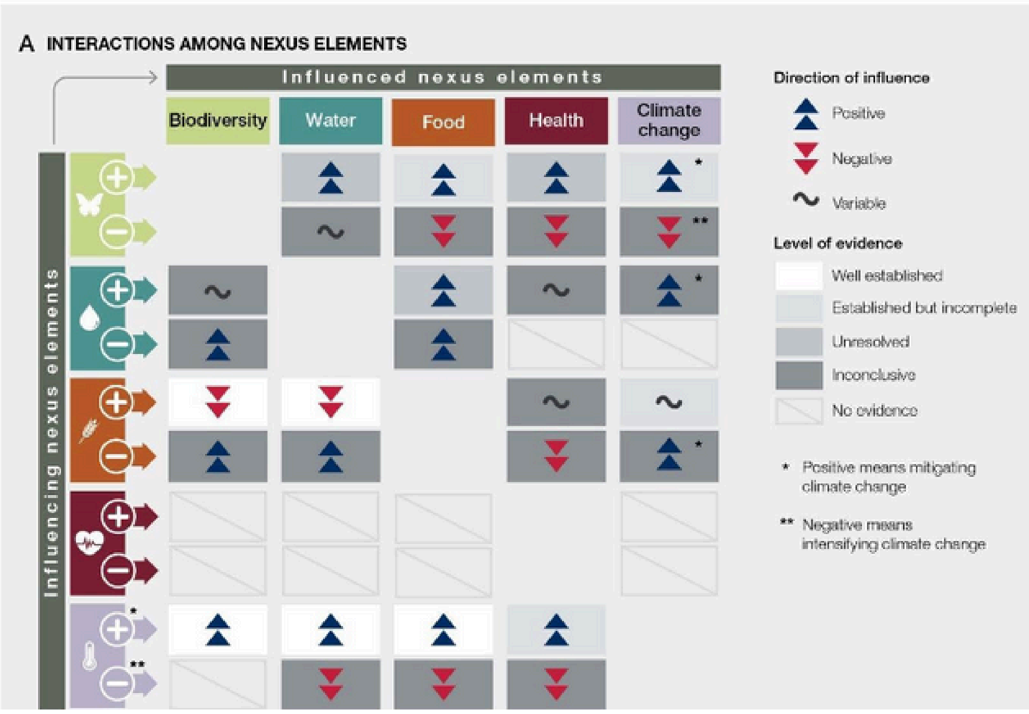


Figure 2 : Evidence on the directionality of interactions among the 5 Nexus elements

Source: IPBES (2024). Summary for Policymakers of the Thematic Assessment Report on the Interlinkages among Biodiversity, Water, Food and Health of the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services. DOI: 10.5281/zenodo.13850289.

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Biodiversity decline globally affects ecosystem functioning, water quality, food security, health, and resilience to climate change. The interdependence of biodiversity loss and climate change exacerbates threats to human health and well-being. To mitigate these cascading impacts, businesses must take a proactive and integrated approach, incorporating the One Health framework into their strategies.

In this context, achieving the Global Biodiversity Framework (GBF) goal to "halt and reverse biodiversity loss by 2030" is more critical than ever for safeguarding human health. Recognizing this urgency, MxEP has aligned its strategy with GBF objectives and is transitioning toward nature-positive financial flows, ensuring that investments contribute to business and ecosystem resilience.

MxEP acknowledges that climate change, biodiversity loss, and human health are intertwined challenges that require integrated responses. By prioritizing both climate and nature, MxEP reinforces its core mission: safeguarding human health. Consequently, Mérieux Equity Partners has aligned its climate strategy with its nature strategy, building on the work accomplished in 2024 for Nature, thereby reinforcing its commitment to health (see section - Our alignment with the Paris Agreement).

The creation and implementation of the Nature Strategy required strong buy-in from MxEP. Discussions on Nature have raised awareness among internal teams, gradually enhancing their skills and prompting internal reflections that were previously unexplored. The expertise recently developed within MxEP has been effectively transferred to the portfolio companies, enabling more structured and impactful support throughout their respective Nature journey. This transfer of knowledge has reinforced the capacity of the PCs to address nature-related challenges, while positioning MxEP as a strategic and value-adding partner. As a result, MxEP is now recognized by its portfolio companies as one of the most committed and forward-thinking investors on nature and biodiversity issues.

This progress has bolstered MxEP maturity on other ESG topics. During this year’s strategic climate workshop, discussions were more fruitful than ever, reflecting internal stakeholders’ growing maturity on environmental topics (*see section - Our alignment with the Paris Agreement*).

- **ACCELERATION OF THE SUSTAINABLE TRANSITION OF THE PORTFOLIO COMPANIES**

The MxEP team is actively involved in supporting its PCs to contribute to the Nature Positive Trajectory and managed to cover 75% of their portfolio this year. This progressive evolution began with **Buyouts Companies** due to their size, maturity level, and regulatory obligations.

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MxEP ensures that these companies are well-prepared to meet the requirements of the CSRD-ESRS. By fostering a deep understanding of the Dependencies, Impacts, Risks and Opportunities (DIROs) of each PCs, MxEP helps them gather valuable information to leverage in their regulatory reporting and drive long-term value protection and creation. This proactive strategy not only enhances regulatory adherence but also strengthens the resilience and sustainability of the portfolio.

For **Innovation Portfolio Companies**, the focus is on raising awareness rather than formal commitments, with an emphasis on anticipating future DIROs. MxEP engages in sensitizing these early-stage companies to the importance of Nature and regulatory compliance. This approach allows Innovation portfolio companies to project what they will become when they grow into significant enterprises and anticipate future challenges and regulations. This strategy ensures that Innovation PCs are equipped to integrate sustainable practices early on to support their growth and create value.

- **PROGRESS ON BUILDING CAPABILITIES FOR NATURE: THE DEVELOPMENT OF THE VALUE CREATION TOOL**

As part of its long-term vision to align financial performance with positive societal and environmental outcomes, Mérieux Equity Partners has initiated the design and development of a proprietary ESG Value Creation Tool. This strategic tool is intended to systematically assess, monitor, and enhance the ESG performance of portfolio companies throughout the entire investment lifecycle—from pre-investment screening, through the active holding period, and up to the exit phase. Grounded in the belief that ESG integration is a powerful lever for value creation, the tool goes beyond compliance to focus on impact, business resilience, and long-term competitiveness.

The tool is structured as a modular framework, using a tailored set of questions and indicators that evolve according to each company's maturity level, industry context, and risk profile. It combines qualitative insights (such as governance practices, environmental risk exposure, and stakeholder engagement) with quantitative and financial metrics (such as cost savings from energy efficiency, or revenue growth linked to sustainable innovation). This approach ensures that ESG performance is directly linked to value drivers and can be translated into actionable recommendations for management teams.

The 2025–2026 period will serve as a pilot phase, during which the tool will be tested and refined across a representative sample of portfolio companies. Feedback from this phase will guide the final calibration of the tool to ensure its usability, relevance, and strategic impact. Once finalized, the tool will be deployed across all portfolio companies and integrated into Mérieux Equity Partners' ongoing monitoring and engagement processes. This initiative reflects the firm's conviction that proactively managing ESG factors is not only a responsibility but a source of long-term value creation for investors, companies, and society at large.

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ONGOING ANALYSIS OF MERIEUX EQUITY PARTNERS' CONTRIBUTION TO REDUCING THE MAIN PRESSURES AND IMPACTS ON BIODIVERSITY AND RELATED BIODIVERSITY RISKS

- **OBJECTIVE, SCOPE, AND METHODOLOGY OF THIS ANALYSIS**
  - **Objective and scope of the analysis**

Since 2023, MxEP has been evaluating the nature-related Dependencies, Impacts, Risks, and Opportunities (DIROs) of a selection of investees and engaging with them to support their own Nature journey.

This year, MxEP has managed to cover 75% of its portfolio.

MxEP aims to cover 100% of its portfolio by 2026.

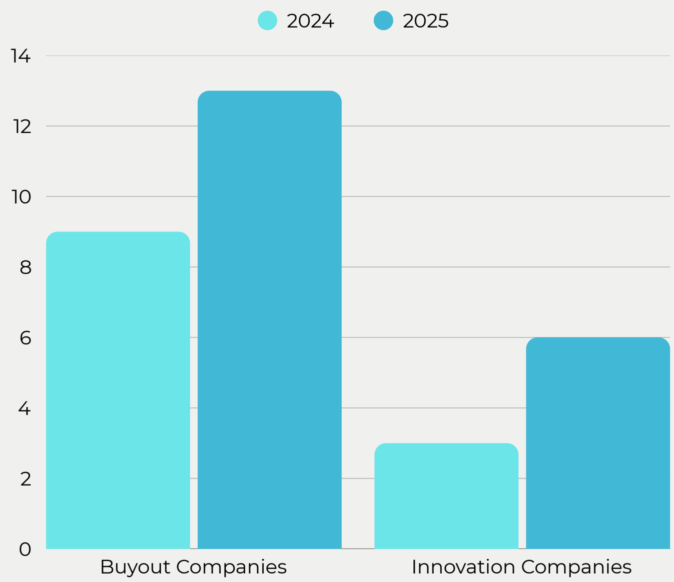
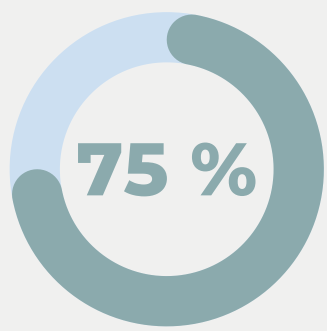


Figure 3 : Buyout and Innovation companies included in the analysis in 2025



Portfolio companies integrated into the Nature strategy

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- **Overview of the methodology**

To support the PCs on their Nature Journey, MxEP engaged them through questionnaires and one-on-one discussions designed to upskill teams and build awareness of key environmental issues. This approach enabled MxEP both to monitor the progress of previously assessed PCs and to build the capacity of newly integrated ones on nature-related topics.

In parallel, MxEP conducted a more in-depth assessment of each PC's nature-related Dependencies, Impacts, Risks, and Opportunities (DIROs), using the TNFD LEAP (Locate, Evaluate, Assess, Prepare) approach as a standardized methodological framework.

The LOCATE phase focused on identifying each PC's interfaces with nature—specifically the ecological sensitivity of their operational sites. These results will enable PCs to prioritize specific sites for early action and targeted biodiversity efforts.

The EVALUATE and ASSESS phases were used to help PCs better understand their nature-related Dependencies, Impacts, Risks, and Opportunities (DIROs). MxEP provided each PC with initial insights and guidance on how to begin managing these issues within their operations and supply chains.

To carry out this process, MxEP leveraged a combination of resources:

- **Biodiversity questionnaires** sent to all 13 Buyout PCs and 6 Innovation PCs, developed with the support of a consulting firm in 2023 and refined annually.
- **One-on-one engagement discussions** with each PC to contextualize results and provide tailored feedback.
- **Several databases and tools** to complete the LOCATE phase:
  - The **ENCORE** (Exploring Natural Capital Opportunities, Risks and Exposure) database to assess nature-related impacts and dependencies.
  - The **IBAT platform** relying on the following datasets: the World Database of Protected Areas (WDPAs), World database of Key Biodiversity Areas (WDKBA) and the IUCN Red list of Threatened Species
  - **QGIS** to map the **Biodiversity Intactness Index** (Natural History Museum) and the **Baseline Water stress** (Aqueduct)
  - This collaborative and data-driven approach equips each PC with a clearer understanding of where and how they interact with nature, laying the groundwork for future strategy, risk management, and action planning.

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- **STRATEGIC ENGAGEMENT WITH THE PORTFOLIO COMPANIES**

  - **Methodology for engagement: discussions and questionnaires**

MxEP decides to use the biodiversity questionnaires and engagement discussions as key levers to initiate a constructive collaboration with its PCs on nature-related issues. These tools are instrumental in upskilling Buyout Companies by helping them prioritize nature-related challenges considering increasing regulatory expectations. They also play a critical role in strengthening the capabilities of Innovation PCs by raising awareness among key decision-makers—such as CEOs, CFOs or HR directors—and fostering high-level understanding of the strategic relevance of nature in business operations.

Two distinct questionnaires were distributed to the newly integrated PCs: one tailored for the Buyout Companies and another for the Innovation Companies.

Each questionnaire began with an introductory section focused on sensitization and context setting, providing a foundation before moving into the core questions. This year, PCs were also given the opportunity to explore three new key reports in greater depth:

- **IPBES**, The Nexus Assessment: Summary for Policymakers
- **EthiFinance**, Rapports Article 29 LEC 2024 – Quel niveau de conformité sur les enjeux de biodiversité et de risques ESG ?
- **World Economic Forum**, Global Risks Report 2025

For the Buyout Companies, the questionnaire used last year was updated. The core questions remained the same, based on the France Invest guidelines and aligned with sustainability disclosure requirements under the CSRD and ESRS. This consistency allows for year-over-year comparisons between portfolio companies. This year, an additional requirement was introduced: PCs were asked to conduct a more in-depth analysis of biodiversity-related risks throughout their value chains.

Innovation Portfolio Companies also received an updated version of last year's questionnaire. It included a small number of open-ended questions, as well as a high-level assessment of the company's potential impacts and risks related to nature.

The objective of the **discussions** was to engage the PCs in a dynamic process towards integrating nature-related issues. For the PCs assessed for the first time, the process began with a brief awareness session about evolving trends and regulatory developments in the Business and Nature contexts. The interviews then proceeded to gather information on the PCs' activities and practices, gather their feedback on the questionnaire, and discuss their perspectives and approaches to Nature. For the PCs that had already been assessed in the past, the focus shifted from raising awareness to monitoring their progress and assisting them in identifying opportunities to advance on their Nature journey.

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- **Progress on previously assessed portfolio companies**

The findings reveal that several of the PCs assessed the previous year have undertaken significant actions, strengthening their commitment to biodiversity and sustainability. While these initiatives indicate positive momentum, there is still room for improvement. The actions implemented can be grouped into the following categories:

- **Assessment and management of environmental impacts**: Some companies have developed environmental risk and opportunity mapping, identifying biodiversity-sensitive areas, water stress zones, and the effects of climate change on their operations. Others have further evaluated their land footprint and conducted a double materiality analysis in preparation for CSRD requirements.
- **Sustainability objectives and methodologies:** One PC has established a working groups to elaborate a methodology for assessing their exposure and vulnerability to climate risks. Two PCs have defined objectives and strategies related to biodiversity and water management.
- **Reduction of industrial emissions and resource management**: Some companies have continued their efforts to minimize their impacts on Nature, particularly concerning pollution and the exploitation of natural resources, both in their direct operations and across their value chain.
- **Development of sustainable products and services**: One company is now integrating the conservation of local species and wildlife into products' development.
- **Positive initiatives for biodiversity**: Finally, some companies have launched actions aimed at preserving or restoring ecosystem functionality and have funded initiatives to protect wildlife and natural habitats.

Companies that have implemented new initiatives demonstrate a continuous improvement dynamic, particularly those subjected to increased reporting obligations under the CSRD. Their commitment places them on a positive path of progress. As for other companies (2 of the Buyout PCs and all the Innovation PCs), while no major new initiatives have been identified this year, their previous actions remain in place, providing a solid foundation on which they can continue to evolve at their own pace.

- **Engagement of newly integrated portfolio companies**

For the Buyout PCs:

Of the four Buyout portfolio companies integrated this year, three responded to the sustainability questionnaire, providing valuable insights into their practices. The remaining company, while unable to complete the questionnaire, shared the necessary information through its upcoming annual report.

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- The analysis reveals a generally low familiarity with national frameworks such as the French National Biodiversity Strategy, the Net Zero Artificialization Objective (ZAN), and the mitigation hierarchy. In contrast, European and global regulations —including the EU Corporate Sustainability Reporting Directive (CSRD), the EU Deforestation Regulation, and the Global Biodiversity Framework (GBF) are more widely recognized, though mostly at a basic or introductory level. These findings highlight a need for targeted awareness-raising and capacity-building efforts to ensure that all PCs are equipped to align with evolving regulatory and nature-related expectations.

- Sustainability governance appears to be an emerging priority among portfolio companies (PCs). Two of the PCs have already implemented a dedicated team or person in charge of sustainability issues, and the others indicated that their governance system is currently under construction, reflecting a positive trajectory toward structured oversight. These results highlight a growing recognition of the importance of internal governance mechanisms to guide sustainability strategies, even though many organizations are still in the process of operationalizing them.

- Regarding Nature commitments, the majority of portfolio companies have already established public or internal commitments. This reflects a promising engagement trend across the portfolio. However, one of the respondents indicated that they currently have no such commitments in place, highlighting the need to further encourage formalization of nature-related actions.

- Several portfolio companies have initiated or are in the process of developing a Sustainable Procurement Policy, with some expecting completion by late 2025 or early 2026. During discussions around supplier mapping, companies expressed a clear interest in better understanding how to engage their value chain on sustainability issues. They specifically requested practical guidance—such as structured templates or Excel-based tools—to help frame the right questions and facilitate meaningful dialogue with their suppliers. This reflects a growing awareness of the importance of responsible sourcing and a willingness to improve procurement practices.

Here is an overview of the maturity of the PCs surveyed on the topics addressed by CSRD ESRS E:

- **Climate change**: Half of the Buyout PCs have estimated their carbon footprint. This indicates that while awareness of carbon accounting is beginning to emerge, it is not yet systematically adopted. Among the PCs who have conducted their carbon footprint, one has used the data to reduce emissions. While the results are encouraging, they also reveal a clear gap between measurement and action—underscoring the need for both targeted technical support and strengthened internal governance to effectively translate carbon assessments into concrete and impactful mitigation strategies.
- **Pollution**: Regarding pollution, none of the PCs indicated having a significant impact on air and/or soil and/or water pollution. Nevertheless, in alignment with proactive environmental stewardship, two of the PCs are actively implementing measures to further minimize their potential impact on pollution.

- **Water and Marine Resources**: Most PCs have not yet conducted a detailed assessment of their water withdrawals or discharges. However, two of the PCs have estimated their water consumption and one is taking impactful actions to reduce their water intake and to generate less wastewater.

- **Biodiversity and Ecosystems**: The PCs are not yet fully aware of the importance of this issue, as they do not currently check if their sites are near biosensitive areas such as Protected Areas, Natura 2000 areas or Ramsar sites. More importantly, none of them designed Biodiversity Action Plans to tackle the issue in a more systematic and structured way.

- **Resource use and Circular Economy**: Finally, the PCs report generating hazardous waste, including chemical, biological, or medical waste. In response, all PCs have implemented a waste sorting system or a structured waste management plan to ensure proper handling and treatment of waste streams. Most are also familiar with the EU Waste Hierarchy Framework and apply its principles—such as waste reduction, reuse, and recycling—as part of their operational practices. These efforts reflect an increasing alignment with circular economy objectives and a commitment to minimizing environmental impacts linked to resource use and waste production.

For the Innovation PCs:

Across Innovation PCs, there is an increasing awareness of sustainability-related concerns, with some already experiencing engagement on these topics from key stakeholders such as investors and business partners. Innovation PCs generally have a limited understanding of their impacts and dependencies on nature and need guidance and tools to understand and assess them. However, the Innovation PCs interviewed have shown strong voluntary interest in the topic and welcomed the opportunity to engage with MxEP's nature-related risk assessment process. Some of them are planning to communicate internally about MxEP initiative, highlighting positive momentum and growing commitment within this segment of the portfolio.

- **PRIORITIZING PORTFOLIO SITES THROUGH THE TNFD LOCATE PHASE**
    - **Methodological framework of the Locate phase of the LEAP approach**

In alignment with the LOCATE phase of the LEAP approach, MxEP identified the potential interaction between portfolio companies (PCs) and nature. The Locate phase is a two-level analysis:

- **Ecological sensitivity** was assessed at the site level, covering a total of approximately 668 sites across all portfolio companies in scope.

- **Sectoral materiality** was evaluated at the company level, based on the economic activity of each PC.

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Ecological sensitivity:

The ecological sensitivity of each site was informed by three key criteria recommended by the TNFD:

1 - The biodiversity importance
This criterion captures the proximity of sites to ecologically significant areas and species. It is composed of:

- Species vulnerability, assessed by reviewing the number of species in the IUCN Red List that are designated as Critical, Endangered or Vulnerable in a 50 km buffer around each site.
- The number of Protected Areas (PAs) and Key Biodiversity Areas (KBAs) within a 10 km buffer around each site was extracted. The WDPA (World Database on Protected Area) includes both legally protected areas of all IUCN management categories and areas recognized by international and regional conventions and agreements.

These indicators were retrieved from the Integrated Biodiversity Assessment Tool (IBAT) which provides standardized data to assess the overlap between operational sites and biodiversity-sensitive zones.

2 - The ecosystem integrity
It refers to the extent to which an ecosystem remains intact in terms of its structure, composition, and function. It was measured using the **Biodiversity Intactness Index** (BII).
To adopt a precautionary approach, the **maximum BII value** within a 10 km buffer around each site was retained.

3 - Water stress
The **Baseline Water Stress (BWS)** index, sourced from the **WRI Aqueduct** tool, was used to assess freshwater availability. It measures the ratio of total annual water withdrawals to available renewable supply. This metric was extracted at the precise site coordinates, without a buffer.

Sectorial materiality:

The ENCORE database provided MxEP with a high-level understanding of the portfolio's main dependencies and impacts on biodiversity. The ENCORE database was chosen for its recognized scientific soundness, open-source accessibility, and user-friendly interface. It is recommended by the Taskforce on Nature-related Financial Disclosures (TNFD) and the Science-Based Targets Network (SBTN) frameworks.

Each PC was mapped to an **ISIC industry group or class**, depending on data availability. These classifications were then used to extract dependency and impact scores from ENCORE. While the ISIC codes offer a structured way to categorize activities, MxEP acknowledges potential limitations, such as **partial representation of business operations** and **data gaps** in certain sub-sectors. More granular assessments may be needed for companies with diversified activities.

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For each PC, **aggregated impact and dependency scores** were calculated based on data retrieved from the ENCORE database.

- **Summary of the Locate phase results**

According to TNFD guidance, sites that receive at least one "Very High" score in the LOCATE phase should be prioritized for action. Applying this criterion to the portfolio would result in 97% of sites (i.e. 652 out of 688) being marked as priority, which would significantly dilute the effectiveness of targeted biodiversity actions.

To enable a more strategic and actionable prioritization, MxEP refined the approach by considering the number of "Very High" scores per site. The distribution is as follow:

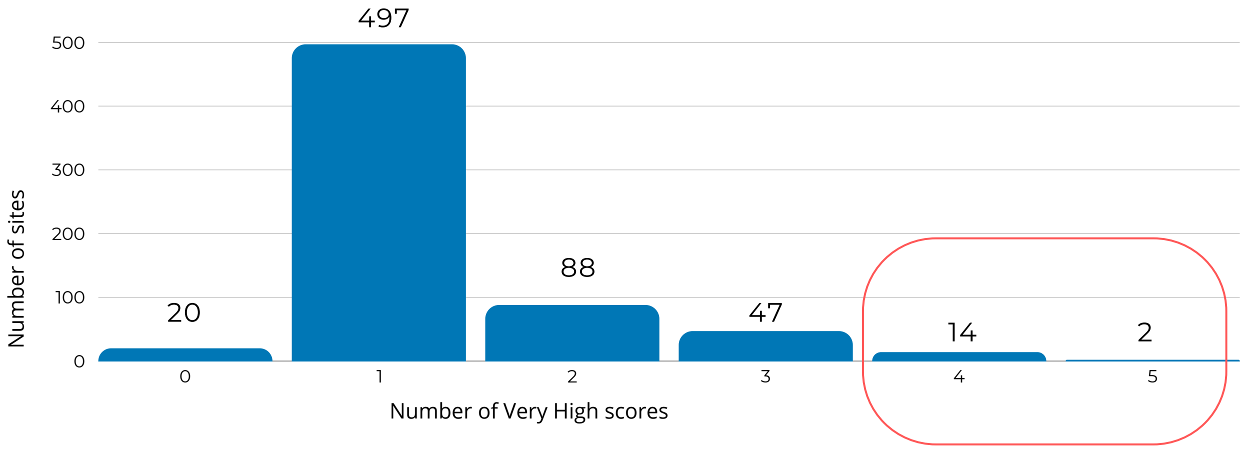

Figure 4 : Overall results of the Locate phase

Based on this distribution, MxEP recommended the PCs to prioritize the sites with the highest number Very High scores for immediate nature-related actions. The 16 sites with 4 or 5 Very High scores represent the most critical interfaces with nature, and focusing efforts on them ensures a high-impact, resource-efficient response aligned with TNFD best practices. For these most sensitive sites, dedicated action plans should be developed and implemented to address the specific nature-related DIROs and enhance ecosystem health.

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- **Ecological sensitive results**

This site-specific approach of the LOCATE phase provides a detailed understanding of the geographical interfaces between portfolio companies and sensitive ecosystems. By identifying areas of high ecological value or vulnerability, MxEP offered to the PCs a robust basis to inform strategic prioritization and guide targeted actions aimed at preserving or enhancing ecosystem health.

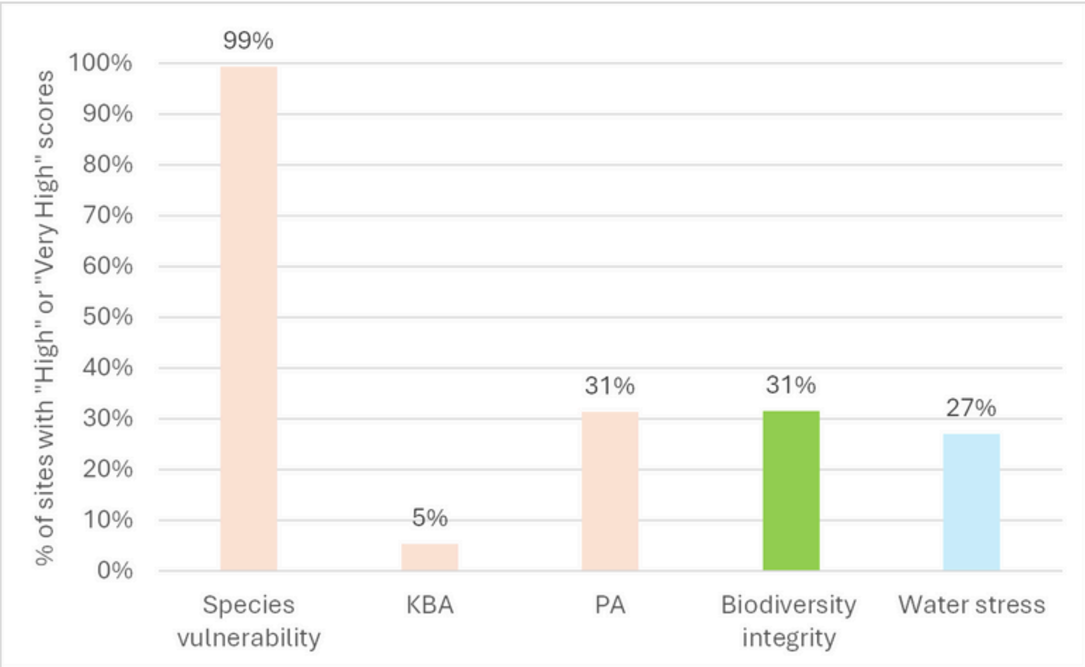

Figure 5 : Ecological sensitivity of portfolio sites

The results highlight Biodiversity Importance as a key area of concern across the portfolio. When combining Species Vulnerability (99%), Protected Areas (31%), and Key Biodiversity Areas (5%), it becomes clear that a large majority of sites are in ecologically sensitive areas. In total, these three drivers indicate that biodiversity considerations are relevant in a significant share of the portfolio, with many sites intersecting critical habitats, conservation zones, or areas hosting vulnerable species.

Importantly, Biodiversity Integrity scored High or Very High for 31% of sites, indicating that these locations are situated close relatively intact and healthy ecosystems. This reinforces the need to prevent degradation and maintain the ecological quality of these environments through precautionary measures.

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PCs were encouraged to **assess ecological connectivity** and **undertake field inventories** to verify species presence and **identify potential conservation actions**.

Finally, **Water Stress**, affecting **27%** of the sites, presents both operational and ecological risks. These findings support the integration of water management into broader nature strategies, especially for operations in water-scarce regions.

- **EVALUATE AND ASSESS PHASES**
  - **Evaluate the impact and dependencies of the PCs**

By leveraging the ENCORE database alongside supplementary data collected through questionnaires and engagement interviews, MxEP gained **a more comprehensive and nuanced understanding of each company's nature-related impacts and dependencies.**

IMPACT ON NATURE

Overall, the portfolio displays a majority of Medium and High impacts on nature. Two PCs from the MP3 fund display a Very High impact score.

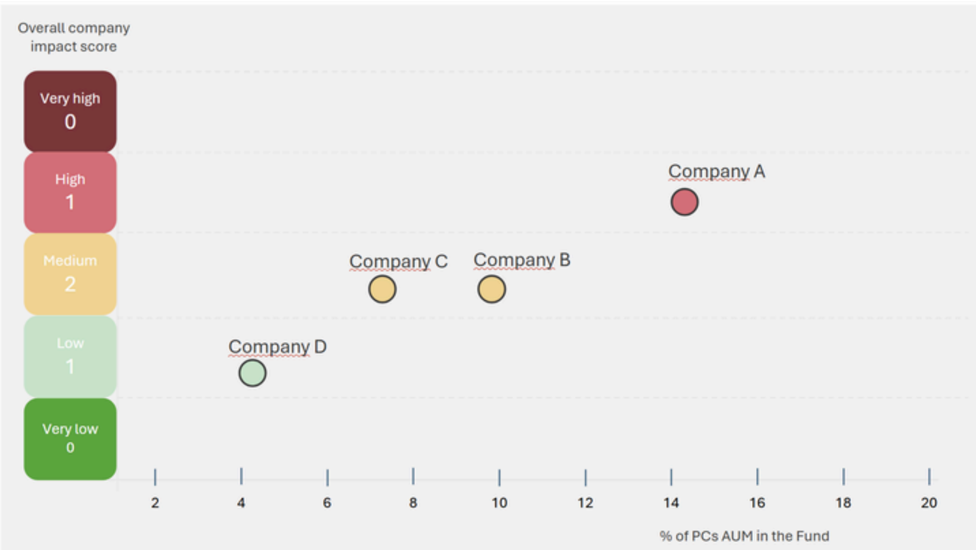

Figure 6 : Aggregated impact score of the PCs in the MP3 fund

3 PCs, corresponding to 31% of AUM in the MP3 fund, have at least a medium impact on nature, with one PC having a high impact. Indeed, this PC accumulates medium scores on several impact drivers: pollution, climate change, volume of water use and disturbances.

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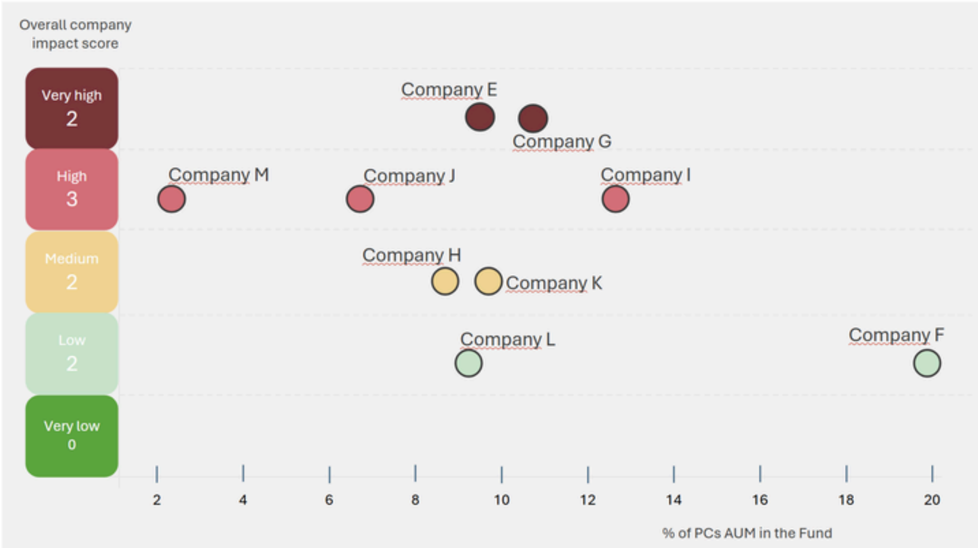

Figure 7 : Aggregated impact score of the PCs in the MP4 fund

43% of the MP4 fund's AUM have at least a high impact score, with 20% (PCs 5 and 7) showing a very high impact score. For these two PCs, the very high scores are primarily driven by significant impacts in the areas of land use, water consumption, greenhouse gas emissions and all the pollution impact drivers. Notably, both PCs 5 and 7 exhibit very high scores for emissions of nutrient pollutants affecting soil and water.

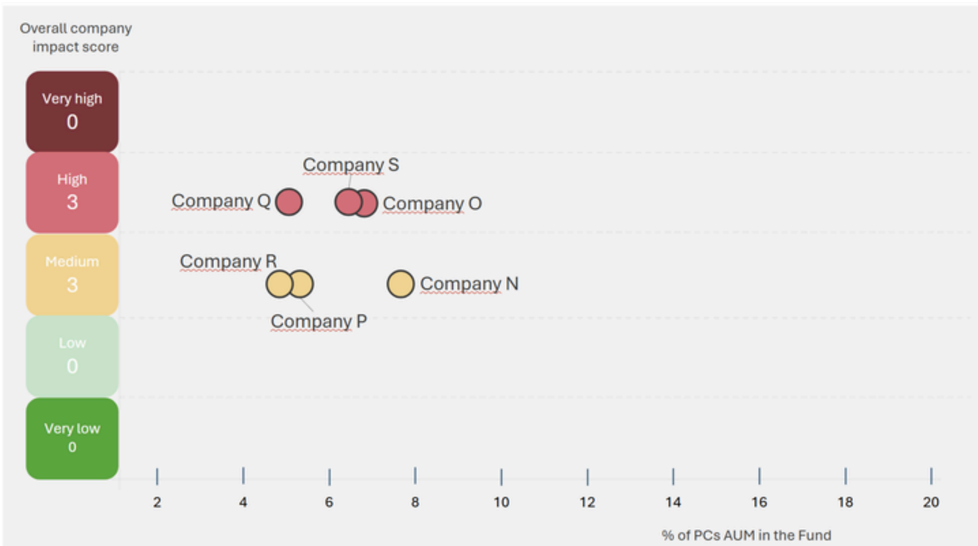

Figure 8 : Aggregated impact score of the PCs in the OMX fund

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All PCs in the OMX fund studied this year have an impact score above 3, with half of them exhibiting high impacts on nature. These higher scores are primarily driven by elevated levels of disturbance, particularly from noise and light pollution.

DEPENDENCIES ON NATURE

Most of the PCs display a “Medium” dependency towards Nature. Still, 37% of the PCs studied shows a “High” to “Very High” dependency.

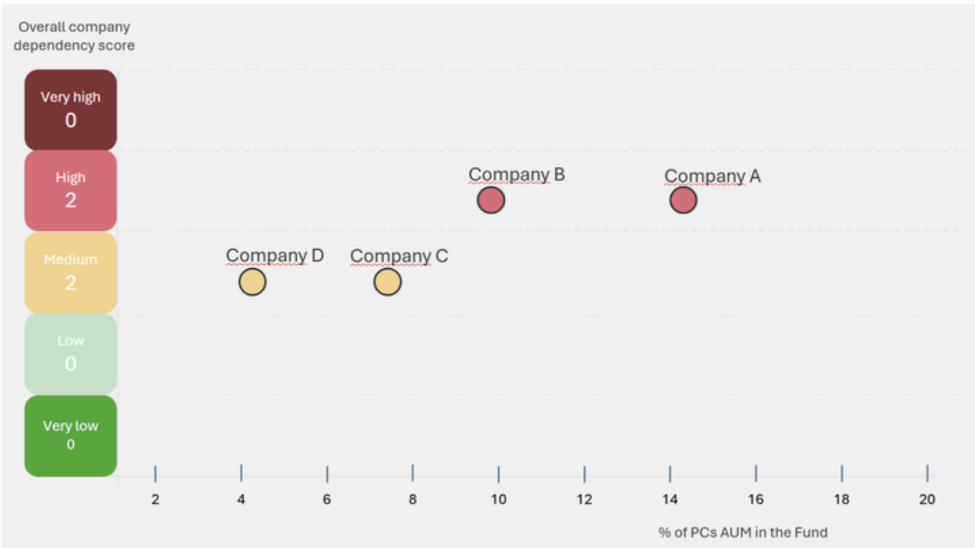

Figure 9 : Aggregated impact score of the PCs in the MP3 fund

All the MP3 Fund PCs studied have a dependency score above 3, with half of them showing a high dependency score. These elevated scores are primarily driven by very high dependencies on ecosystem services such as water purification, as well as cultural services including visual amenity, and spiritual, artistic, and symbolic values.

OUR ALIGNMENT WITH BIODIVERSITY LONG-TERM OBJECTIVES

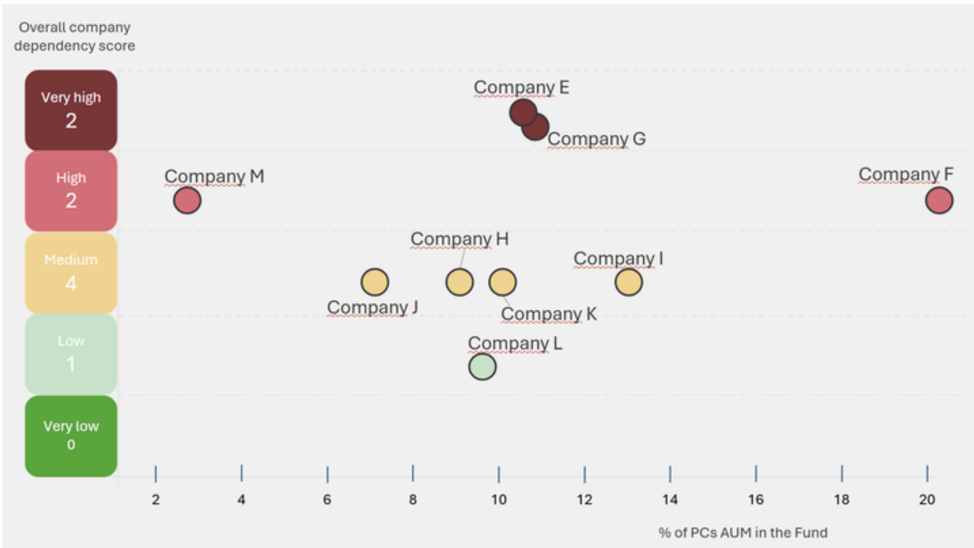

Figure 10 : Aggregated impact score of the PCs in the MP4 fund

82% of the MP4 fund's AUM exhibit a significant level of dependency on nature, with dependency scores above 3. While nearly half of the PCs studied in this fund (4 out of 9) have medium dependency scores, two display high dependency, and two show very high dependency. These very high scores are driven by strong reliance on a wide range of ecosystem services. This includes provisioning services such as water supply, biomass and genetic resources, regulating and maintenance services like climate regulation, soil quality, and water purification. Cultural services also contribute significantly, particularly educational, scientific, and research functions, as well as spiritual, artistic, and symbolic values.

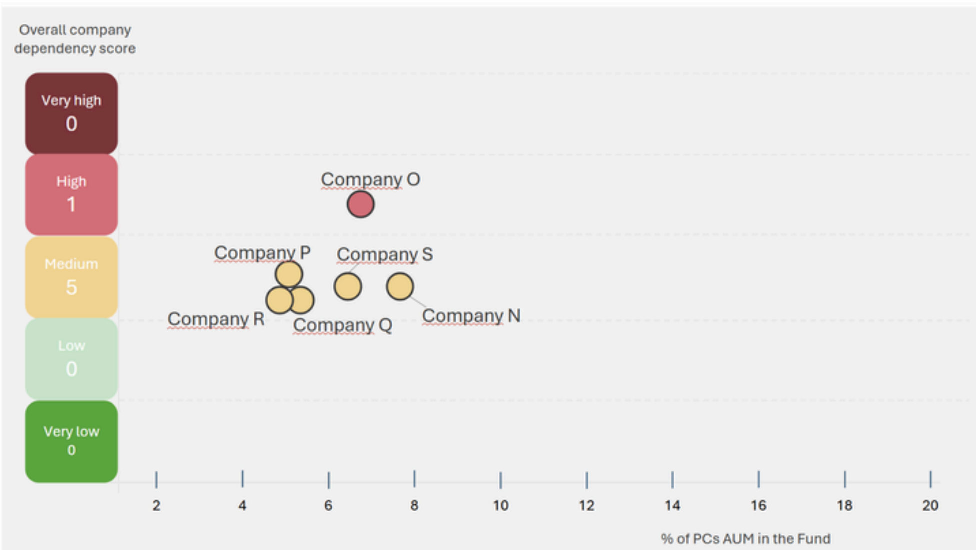

Figure 11 : Aggregated impact score of the PCs in the OMX fund

OUR ALIGNMENT WITH BIODIVERSITY LONG-TERM OBJECTIVES

Among the PCs assessed, one shows a high level of dependency on nature, while the others have medium dependency scores. The PC with high dependency is particularly reliant on water purification services and on cultural services related to research and scientific activities.

- **Assess the risks and opportunities of the PCs**

NATURE-RELATD RISKS

The responses to the questionnaire indicate that newly assessed portfolio companies are in the process of evaluating their nature-related risks. Three companies have reported that this evaluation is in progress, suggesting that they recognize the importance of assessing these risks but have not yet finalized their analyses. Regarding biodiversity-related risks within the value chain, companies are facing challenges in fully understanding the risks associated with their upstream and downstream operations. One portfolio company specifically notes that the pharmaceutical industry is highly regulated, with all value chain participants required to comply with local nature-related regulations. While these regulations are helpful to mitigate risks, it is acknowledged that they cannot fully eliminate all potential exposures.

In summary, the portfolio companies are at an early stage of maturity in managing nature-related risks. While they are aware of relevant issues and regulatory frameworks, further work is required to complete their evaluations and take a more proactive approach to managing these risks.
Based on the **engagement with the PCs** and the **results of the Evaluate phase**, MxEP has **refined its assessment** of the nature-related risks of the portfolio.
Utilizing the biodiversity risk classification framework provided by the **TNFD** and the **WBCSD sectoral guidance on pharmaceuticals**, it has been determined that PCs are vulnerable to and exposed to the following risks:

- **Physical Risks**
  - Water Scarcity Disrupting Operations: Increased operating costs from loss or reduction in water supply due to increasing water scarcity; potentially leading to regulatory water use restrictions for certain activities and the inability to obtain operating or production permits during specific periods, resulting in reduced revenue.
  - Polluted Water Reducing Productivity: Increased operating costs & reduced productivity due to polluted water at production sites
  - Storm and Flood Damage to Sites and Logistics: Reduced revenue and repair costs from increased frequency/intensity of storm and flood damage to production sites & transportation infrastructure
  - Material Sourcing Disruptions from Ecosystem Shifts: Increased operating expense (OpEx) due to challenges in material sourcing (e.g., plant-based compounds, minerals) due to scarcity caused by shifts in climate patterns, over exploitation & habitat degradation.

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- Higher Cooling Costs from Rising Temperatures: Increased operating costs from climate-related impacts (i.e., higher industrial cooling costs under increasing temperatures)

- **Transition risks**
    - Restricted Access to Genetic Resources: Loss of revenue may occur if access to certain genetic resources is restricted or prohibited, limiting opportunities for innovation in research and development.
    - Rising Compliance Costs from Environmental Regulations: Rising compliance costs are also a concern, especially with evolving environmental regulations—such as the EU Urban Wastewater Treatment Directive—which may require companies to invest in advanced waste treatment technologies to reduce the release of active pharmaceutical ingredients (APIs) after patient use. These adaptations can significantly impact operational budgets.
    - Reputational Risk from Sustainability Demands: Increased civil society attention towards greener and environmentally friendly healthcare and pharmaceutical products and processes which can harm brand reputation especially if the PC produces a lot of solid waste.
    - Litigation and Penalties for Environmental Harm: Increased costs of jurisdictional penalties/ litigation for activities linked to the emission of GHG and non GHG air pollutants.
    - Liability from Environmental Disturbances: Additional liabilities may arise from environmental disturbances like noise or light pollution, especially in jurisdictions with stricter environmental enforcement. Over time, these risks can accumulate and affect both operational continuity and stakeholder trust.

NATURE-RELATD OPPORTUNITIES

Drawing from the insights collected through questionnaires and interviews with portfolio companies, several opportunities to transform identified risks into positive outcomes were identified. These include:

- **Supply chain mapping and development of sustainable procurement policy:** Ongoing work on supply chain mapping will allow the PCs to develop adequate procurement policies. It is a strategic opportunity to embed environmental criteria into supplier selection and management, encouraging responsible sourcing across the value chain.
- **Adopting water, energy and resource-efficient technologies and processes**: reduced OpEx and increased productivity.

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- **Wastewater management improvements**: It is an opportunity to avoid costs linked to fines and imposed remediation from pollution activities with investment in on-site wastewater management processes and infrastructure
- **Waste management improvement**: Existing efforts to sort and manage waste can be expanded into broader circular economy strategies, reducing environmental impact and improving resource efficiency.
- **Environmental certifications**: Increased credibility from market & reputational status through use of certification schemes to ensure sustainable activities. For instance, the sustainable harvesting of raw materials & sustainable cultivation of medicinal plants. This could improve talent attraction & retention due to positive employee sentiments towards the company's nature positive activities & sustainability reputation;
- **Reduction of CO_2 emissions**: Initiatives such as optimizing logistics, greening vehicle fleets, or improving energy efficiency (for instance by choosing to work with computer servers with environmental engagements) offer tangible pathways to reduce carbon emissions while also lowering operational costs and meeting stakeholder expectations.
- **Optimize land use** by minimizing additional soil sealing and encouraging the consolidation of activities within existing business hubs. New developments should be prioritized on already artificialized land and designed to limit further land take.

This opportunity assessment is intended to help portfolio companies integrate more environmentally sustainable practices into their operations and strategic planning.

As a follow-up, MxEP organized feedback sessions with the portfolio companies that expressed interest, presenting them with tailored results from the assessment. During these exchanges, MxEP proposed offering targeted support to help these companies develop their own nature-related roadmaps—enabling them to better understand their nature-related impacts, dependencies, risks and opportunities, and define actionable steps toward nature-positive business models.

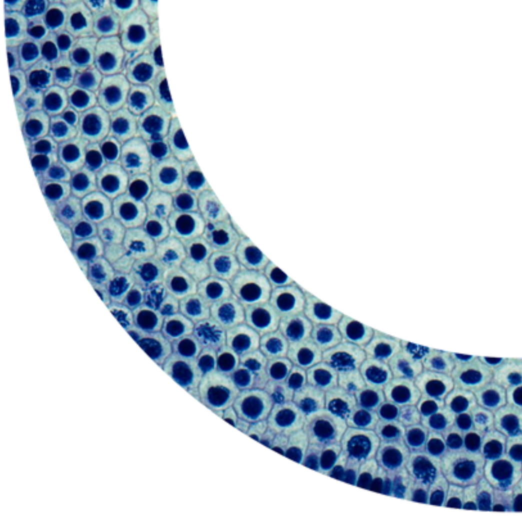
CONCLUSION AND OUTLOOK FOR THE COMING YEARS

In conclusion, the upskilling of portfolio companies (PCs) has been actively supported and accelerated by evolving regulatory expectations and the deepening ESG expertise within Mérieux Equity Partners. This expertise has been effectively transferred to PCs through targeted awareness-raising initiatives, collaborative exchange sessions, and structured feedback loops. These efforts have not only strengthened the ESG maturity of the portfolio but also reinforced trust-based, strategic relationships between MxEP and its companies.

As a responsible and forward-looking investor, MxEP continues to rigorously track the implementation of its ESG strategy, regularly reviewing and refining its objectives to ensure alignment with its long-term ambition to contribute to a Nature Positive trajectory. Deeply rooted in the values of the Institut Mérieux Group—driven by a mission to improve global health and resilience—MxEP brings a unique perspective to sustainability, anchored in the One Health approach, which recognizes the interconnectedness of human, animal, and environmental health.

OUR ALIGNMENT WITH BIODIVERSITY LONG-TERM OBJECTIVES

By promoting an integrated, transversal, and impact-oriented ESG approach, MxEP positions itself as a leader in the private equity sector, helping to set new standards for sustainable investment. Through the combination of scientific heritage, strategic engagement, and a deep commitment to long-term value creation, MxEP is shaping a resilient, inclusive, and One Health-aligned future for its portfolio and beyond.



CONTENT

CLIMATE-RISK GOVERNANCE

- ### GOVERNANCE AND RESPONSIBILITIES

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

To fulfill this objective, MxEP has established an 'ESG Risk Committee' as the primary governing body responsible for formulating and executing the Mérieux Equity Partners' strategy for climate-related risks. Certain responsibilities will also be delegated to existing committees, such as the 'Risk Committee' and certain decisions will be made at Executive Committee level.

The 'ESG Risk Committee' consists of the ESG and the Legal and Compliance managers and the CFO. These key participants in the 'ESG Risk Committee' bear the responsibility of defining and maintaining long-term sustainable objectives.

Specifically, the 'ESG Risk Committee' is responsible for coordinating and conducting tasks and discussions related to climate-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-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 (along with Risk committee, Fund manager and PC).

- 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.

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The delegation of specific tasks and operations will be assigned to internal stakeholders or committees within MxEP. Here are the responsibilities of each:

‘Risk Committee’:
The Risk Committee will be delegated the task of defining and validating materiality thresholds, both in terms of financial and extra-financial considerations (including climate transition and physical aspects). Based on risk assessment reports provided by the ESG Risk Committee, the Risk Committee will integrate material climate-related risks into their standard risk review process. They will also be responsible for identifying mitigation and adaptation measures, and draft corrective plans.

‘Executive Committee:
The Executive Committee will oversee the entire process and approve the decisions made. Critical risks and opportunities will be presented to the Board, along with suggested actions to mitigate risks and capitalize on opportunities. The Executive Committee will provide the necessary sign-off on these decisions.

- **CAPACITY BUILDING AND TRAINING PROGRAM**

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

- **INCENTIVES FOR LEADERS AND COMMITTEE MEMBERS**

The integration of climate-related risk objectives into the remuneration policy ensures that individuals involved in climate-risk management are motivated and accountable for their contributions towards achieving the organization's climate-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.

Consequently, ESG objectives are incorporated into the annual assessment and remuneration of these employees. And starting 2025, all MxEP employees will get ESG objectives for their variable remuneration.

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MERIEUX EQUITY PARTNERS' APPROACH TO CLIMATE-RISKS MANAGEMENT

Merieux Equity Partners' climate risk strategy and management process aim to identify, assess, and prioritize climate-related risks faced by portfolio companies. This approach has been developed to seamlessly integrate into MxEP processes such as broader risk management, investment, and portfolio management. It was developed in line with TCFD recommendations.

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

- **Pre-investment phase**:
  - MxEP will conduct a climate 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, (see section 3.a Pre-screening methodology), a high-level risk assessment, including a forward-looking analysis of climate-related trends (i.e., scenario analysis), will be conducted during the due diligence phase.
  - Companies believed not to be highly exposed to climate-related risks require no further actions at this stage.

- **Ownership phase**:
  - Companies that have already been acquired and have not undergone pre-screening will undergo climate pre-screening.
  - If the pre-screening results show "high" risk score levels, an in-depth climate risk assessment will be conducted.
  - If significant or material risks are identified, a mitigation plan will be required within a defined timeline (see section 4.a), 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.

This is synthesized in the following table.

	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

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PRE-SCREENING OF MERIEUX EQUITY PARTNERS' PORTFOLIO CLIMATE-RELATED RISKS

In 2024, the climate pre-screening exercise was conducted again to accommodate changes in the investment portfolio, including new investments and divestments. The exercise aimed to assess the potential exposure of each portfolio company to both physical and transition climate-related risks. The overarching objective is to allow for prioritization among portfolio companies by identifying the most exposed companies and thus taking them through a more detailed assessment in 2025/2026 if needed. In fact, MxEP aims to perform a more detailed physical climate risk assessment for selected PCs next year, building on the outcomes of the physical climate risk screening performed in 2024.

This section provides a description of the methodology utilized, the assumptions and sources used, and a discussion of the results of the pre-screening exercise.

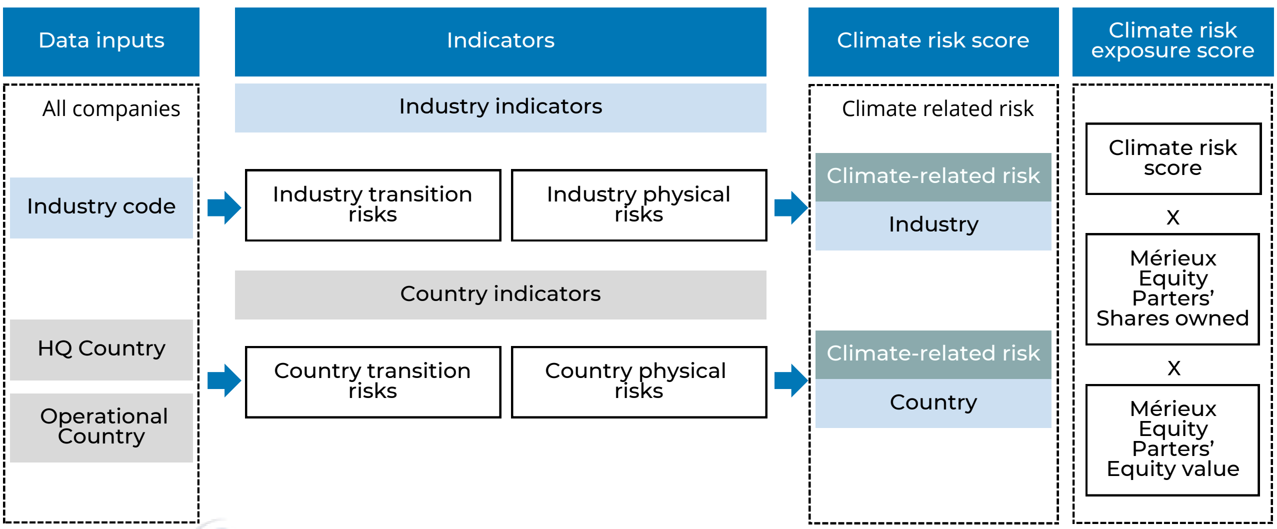
- **METHODOLOGY**

The pre-screening exercise uses the companies' industry (GICS level 2) and location (Top 2 countries of operation) to generate climate transition and physical risk scores for each company.

These risk scores are derived from indicators sourced from widely recognized sources. Industry risk indicators are obtained from sources such as the SASB Climate Risk Technical Bulletin and TCFD Annex, while country-specific risk indicators are sourced from organizations like Germanwatch, World Bank, WEF, GFDRR, ND-GAIN and WRI.

The physical and transition risk scores are then combined to create an overall "**Climate Risk Score**". Subsequently, a final indicator called "**Climate Risk Exposure**" is generated by integrating two financial metrics: the percentage of shares owned by Mérieux Equity Partners in the company and the value of these shares.

The method is summarized in the flowchart presented below:



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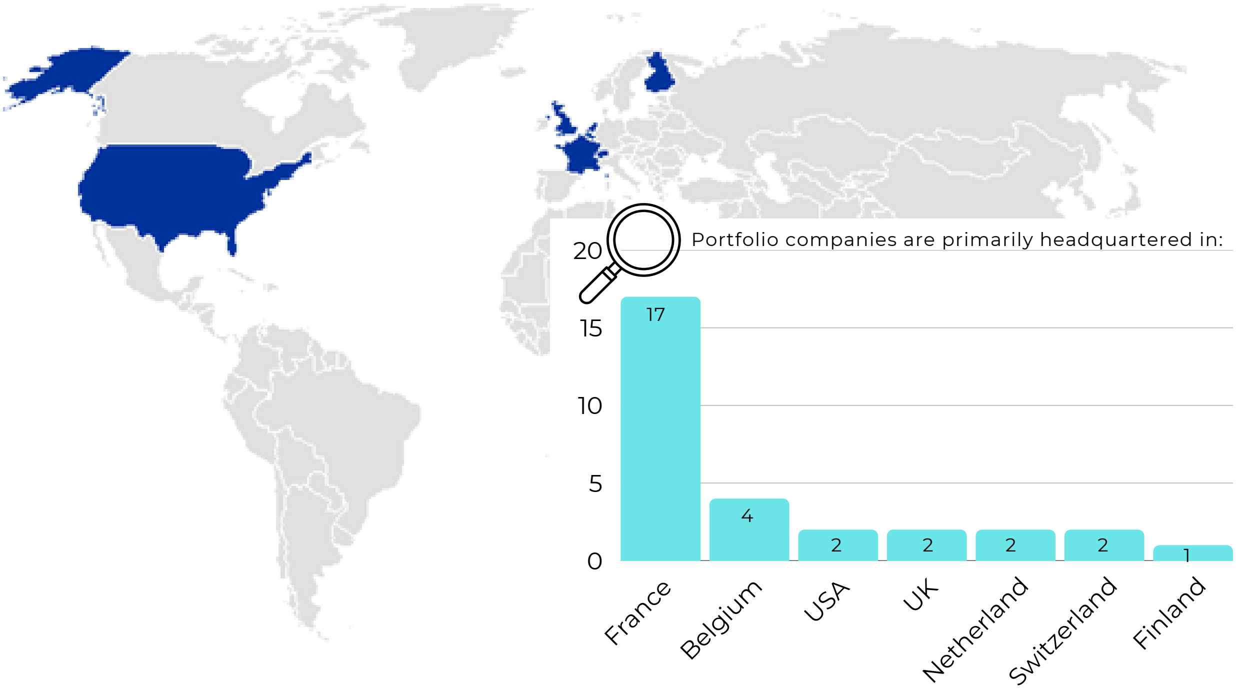
- **RESULTS PRESENTATION**

OVERVIEW OF MERIEUX EQUITY PARTNERS' PORTFOLIO

Geographic distribution of the 30 Portfolio Companies:



Industry and sub-industry distribution:

Industry distribution	Sub-industry distribution	
Healthcare Equipment & Services (16)	Healthcare Equipment (5)	Healthcare Distributor (4)
	Healthcare Technologies (3)	Healthcare Supplies (1)
	Healthcare Facilities (2)	Healthcare Services (1)
Pharmaceuticals, Biotechnology and Life Sciences (14)	Pharmaceutical (7)	Biotechnologies (3)
	Life Sciences Tools & Services (4)	

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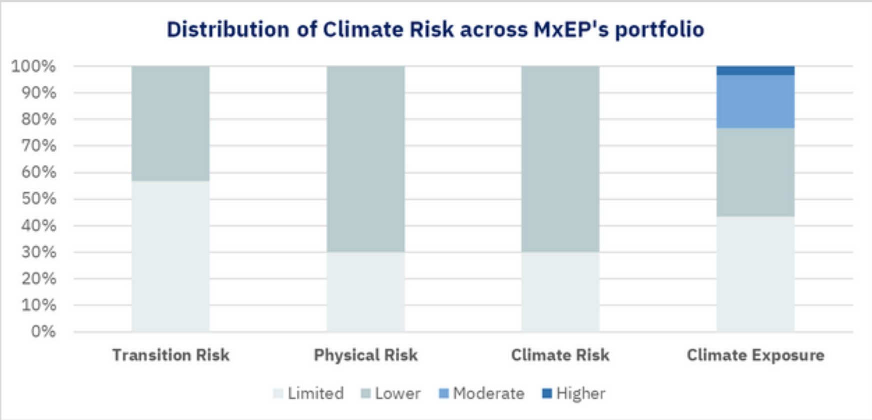
- **RESULTS PRESENTATION**

PORTFOLIO LEVEL ANALYSIS

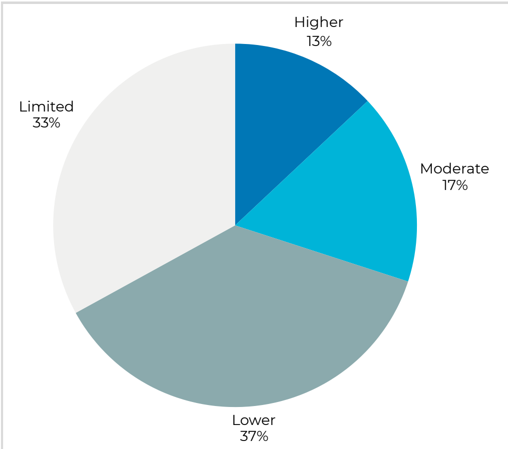
The graph below depicts the varying levels of risk between Physical and Transition risks in addition to the overall Climate Risk, and the Climate Exposure adjustments (integration of the financial metrics).



Overall, MxEP has a '**Lower**' exposure to Climate-related risks, including both for Transition and Physical risks.

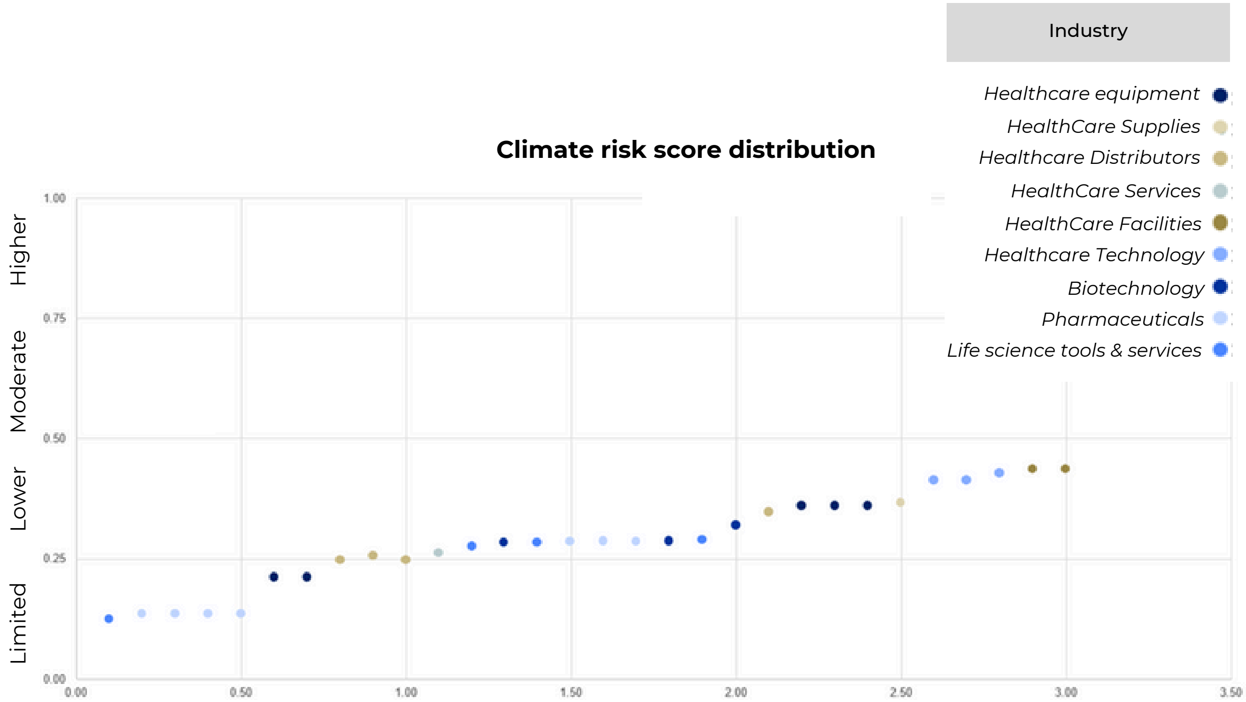
The table below gives the proportion of portfolio companies in each risk category, with the financial metrics applied.

Company overall Climate Risk Score		
Risk Rating	Count of Assets	Proportion of Portfolio
Higher	4	13%
Moderate	5	17%
Lower	11	37%
Limited	10	33%



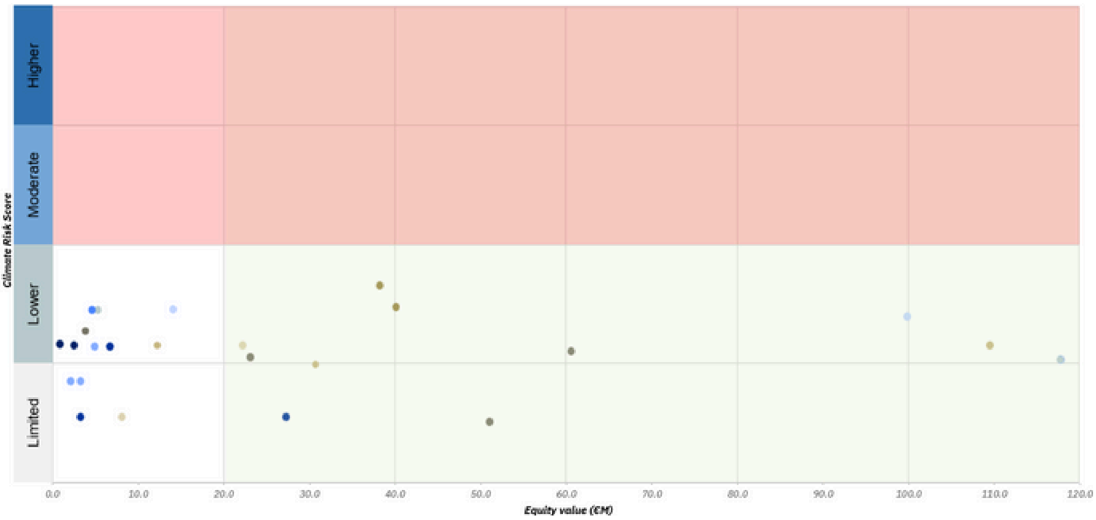
Proportion of asset in each Risk Category – Climate Exposure (with financial metrics applied)

The graph below depicts the distribution of companies across Climate Risk Scores categories. Companies have been grouped by sub-industries. Each industry has been assigned with a colour coding which is available in the legend above.



As evidenced in the graph, the highest Climate Risk Score companies operate in the ‘**Health Care Facilities**’ sub-industry. Two companies have been reclassified from “Speciality chemicals” to “Food distributor” and “Pharmaceuticals”, respectively. Since the sector speciality chemical was particularly exposed to climate risk, MxEP estimated exposure has been significantly reduced compared with the previous assessment.

Scatter plot highlighting Climate Risk Score relative to 'Equity value'.



The above graph depicts the Climate Risk Score correlated with the 'Equity Value' in Million EURO (€), for the 30 MxEP's portfolio companies. Materiality threshold for Climate Risk Score has been set at 0.5 (Moderate) and 20 for the financial metric. No company meets both financial and climate materiality thresholds. This graph, however does not take into account the percentage of shares owned by MxEP in a portfolio company.
This initial analysis reveals that MxEP's portfolio companies operate in industries and from countries with a relatively **low exposure to physical and transition risks**.

MERIEUX EQUITY PARTNERS STRATEGY AND ROADMAP FOR PROGRESSIVE ALIGNMENT WITH LEC'S REQUIREMENTS

As part of Mérieux Equity Partners long-term sustainability strategy and in order to progressively align with LEC Art.29 requirements, MxEP has elaborated a Climate-related risk roadmap, including a selection of corrective actions and commitments. The outline is presented in the following section.

- **MERIEUX EQUITY PARTNERS STRATEGY TO ALIGN WITH LEC ART. 29**

Mérieux Equity Partners Climate-related risk roadmap builds on the results of the pre-screening exercise carried out in 2023 and updated in 2024 and 2025, as well as on recommendations from international standards such as the Task Force on Climate-Related Financial Disclosures (TCFD). This Roadmap also takes into account MxEP existing ESG, risk management and investment process, as well as the financial and human resources available to the company. It is linked with the risk management approach detailed in section 2 of this document.

This roadmap is designed to guide the organization in effectively addressing climate-related risks and is presented below:

Mérieux Equity Partners internal roadmap		
Measures	Details of measures	Timelines of implementation
Creation of an 'ESG Risk Committee', definition of roles and responsibilities.	As defined in section 1.a 'Governance and responsibilities', the 'ESG Risk Committee', supported by the 'ESG manager has primary responsibility for overseeing and managing Climate Risk and Opportunity within MxEP. The Committee members will at least meet once a year to assess the advancement of MxEP's climate-risk strategy implementation, review the objectives and progress of Portfolio Companies, monitor material climate R&O, and establish the strategic direction and future actions for MxEP's climate-risk initiatives.	2024 - 2025
Definition of a shortlist of KPIs aligned with applicable regulations	The 'ESG Risk Committee' will compile a list of metrics required for Portfolio Companies to track and report on. This handful of metrics should allow both MxEP and the PCs to comply with applicable regulations (i.e., CSRD, SFDR, LEC art.29 etc) and efficiently manage climate-related risks.	2025-2026

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Mérieux Equity Partners internal roadmap		
Measures	Details of measures	Timelines of implementation
Development of a standardized reporting questionnaire	To ensure consistency, accuracy, and completeness of the climate-related risk metrics reporting, MxEP will develop a standardized reporting questionnaire containing guidance and detailed definitions for each metric. This questionnaire will be presented and explained to each portfolio company.	2024
Development of PCs alignment roadmap	Subsequently, to the identification of key metrics to be monitored, the 'ESG Risk Committee will elaborate an "alignment roadmap" specific to all portfolio companies. This roadmap is a 24-months journey that contains key milestones and actions to be implemented by PCs to align with MxEP standards. It is detailed in the two tables below.	2024-2025
ESG training of MxEP employees	Dedicated trainings for all MxEP employees, to ensure a good knowledge of sustainable topics. The core ESG team will undergo a comprehensive set of training sessions covering the potential business impacts of climate-related risks, current and forthcoming climate-related regulations as well as recognized international frameworks and methodologies for assessing and managing climate-related risks.	2023 - 2026

Roadmap applicable to all Portfolio Companies		
Measures	Timeline of implementation for existing PCs	Time of implementation for new investments
Mapping of all existing climate related initiatives, and consolidation in annual reporting.	2024	First 12 months
Completion of the standardized reporting questionnaire	2024-2025	First 12 months

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PC alignment roadmap					
Measures	Details of measures	Pre-investment		Ownership phase	
		Relevant / high risk score	Non relevant / low to moderate risk score	Relevant / high risk score	Non relevant / low to moderate risk score
Conduction of a high-level climate-related risk and opportunity assessment	This assessment is based on a standardized approach provided by a qualified external party. The assessment includes an identification of a short-list of potentially material R&O (risk and opportunity) as well as a scenario analysis of these factors based on most reliable sources (IPCC, IEA, NGFS).	Immediate			
Conduction of a detailed climate R&O assessment	This assessment is based on a standardized approach provided by a qualified external party. Compared to the "High-level" assessment, the approach is further tailored to the company specificities. The assessment includes an identification of a long-list of potentially material R&D as well as a scenario analysis of these factors based on most reliable sources (IPCC, IEA, NGFS).	Only for critical risks / red flags		Within 12 months	
Development of climate-related R&O strategy and definition of company policy	The policy should give a view on how the company plans to integrate climate risks in existing risks management processes, and in overall business strategy. It defines a clear governance structure and responsibilities within the organization. It also states the KPIs to be monitored and resources available. The Strategy outlines the company ambition and the key steps to be taken to achieve this ambition. It mainly builds on the results of the Climate risk assessment previously carried out.			Within 24 months	

PC alignment roadmap					
Measures	Details of measures	Pre-investment		Ownership phase	
		Relevant / high risk score	Non relevant / low to moderate risk score	Relevant / high risk score	Non relevant / low to moderate risk score
Development of a mitigation plan	The mitigation plan describes actions of reduction, mitigation, and adaptation to the risks identified, with short-, medium- and long-term objectives, and detailed processes to reach targets. This plan should be attached to the company policy and strategy once elaborated.			Within 36 months	
Conduction of financial quantification of material Climate-related R&O	For each material risk identified during the high-level or detailed risk assessment, potential impacts on business will be quantified. Expected impacts on financial performance (sales, CAPEX, OPEX), costs & revenues will be evaluated, as well as the cost associated with the implementation of reduction, mitigation, adaptation measures identified in the Climate R&O strategy). A tailored calculation approach will be developed for each Portfolio Company.			When deemed relevant by Mérieux Equity Partners	
Review and update of existing processes and assessments	Risk and Opportunity assessment should be updated annually with any additional information coming in. The scenario analysis component of the analysis should be reconducted every 5 years. The company strategy and policy should be updated annually based on progress and change in the group ambition and orientations.			Annually	

- **CLIMATE RISKS AND OPPORTUNITY ASSESSMENT METHODOLOGY**

As described in the above roadmap, Portfolio Companies estimated to be highly exposed to physical and transition risks will be requested to perform a climate-risk assessment starting fiscal year 2026. The depth of the risk assessment will differ between companies entering the pre-investment phase or the ownership phase. What essentially differs between a detailed and high-level risk assessment is the number of risks considered and the granularity of the scenario analysis and assessment of the potential impacts.

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