LAZARD ELAIA CAPITAL

Article 29 « Loi Energie Climat »

2025 Report

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II. Introduction

In accordance with Article 29 of the Energy and Climate Law, which aims at clarifying and reinforcing the extra-financial transparency of market players in order to build sustainable perspectives into the activities of financial market participants, Lazard Elaia Capital (LEC) publishes this report presenting its approach to responsible investment.

III. General Approach of the Entity

A. Financial-First, Responsible-Driven Funds

Lazard Elaia Capital (LEC) was founded in 2024 and is a private equity management company investing in growth and buyout opportunities in high-potential tech-intensive digital and deep tech B2B startups.

LEC believes that long-term investment performance relies not only on financial strategy, but also on how companies engage with their social, economic, and environmental context. That is why ESG factors are embedded throughout our investment approach, from sourcing and due diligence to portfolio monitoring and exit.

Our approach to responsible investments is aligned with the Lazard Elaia Capital strategy to generate financial performance for its investors while being close to its investors and committed entrepreneurs.

We consider that private equity firms have an incentive and an educational role to play in ensuring that all their investments include these criteria and act for the growth and conduct of their projects.

By investing early in tomorrow's leaders and raising the awareness of our portfolio companies to the importance of responsible investing, we develop a multiplier effect in their industries.

1. ESG is Part of our Investment Process

ESG considerations are part of our investment process. We have integrated ESG criteria in our investment process as described below. The first investments will be made in 2026.

2. Investment process and due diligences

Lazard Elaia Capital's investment team will integrate ESG criteria at every stage of the investment process:

- Preliminary Analysis: each potential investment will be screened against LEC's Exclusion Policy, which explicitly rules out business activities with a negative societal impact;
- Investment Note: the ESG profile of each company will be detailed in pre-investment committee notes, including an assessment of alignment with the UN's Sustainable Development Goals (SDGs);

- Investment Committee Review: the ESG profile of every potential investment opportunity will be included in the decision-making process of the investment committee;
- ESG Due Diligence: each investment opportunity will undergo systematic ESG due diligence conducted by a third-party, the conclusions of which will be presented and discussed in committee;
- Term Sheet and Shareholder Agreement: ESG requirements will be included in legal documentation; and
- ESG Objectives: in collaboration with the company's management, nine key ESG indicators and objectives will be defined to monitor post-investment, with progress tracked every six months.

Since ESG is part of Lazard Elaia Capital's DNA, it is everyone's concern. An annual ESG training is mandatory for all team members. The aim of the training is to raise awareness and provide practical knowledge and tools to analyse the sustainability profile of new investments and support portfolio companies with their sustainability journeys.

It covers topics such as establishing a carbon footprint, addressing the challenges of a low-carbon transition approach once the carbon footprint has been established, addressing the study of risks and opportunities related to climate change, and finally, considering societal impacts in the investment process.

3. Investment journey

Lazard Elaia Capital's team will embed ESG principles throughout the holding period:

- Post-investment, a carbon footprint analysis will be strongly recommended to fine-tune ESG indicators and define action plans;
- LEC will employ a structured benchmark system positioning each portfolio company against peers based on employee count and industry classification;
- Active support will be provided through dedicated programmes including CarbonCutter (operational support for measurable emissions reduction) and Talent² (partnership program advancing team diversification and inclusion);
- Company-specific ESG indicators will be monitored on a bi-annual basis and reported to the fund's investors alongside the financial quarterly report;
- An annual comprehensive ESG survey will be sent to all portfolio companies, forming the foundation for the LEC Annual Sustainability Report; and
- Where appropriate, incentives will be set up for senior managers of portfolio companies to monitor and achieve ESG objectives.

4. Exit

Lazard Elaia Capital's team will describe and analyse in the divestment memorandum the impact and/or improvement made by the company regarding ESG matters. LEC will develop an ESG exit strategy designed to highlight and enhance the ESG value created during the holding period.

B. Article 8 and Article 9 funds

The SFDR (Sustainable Finance Disclosure Regulation) classification of our fund.

The LEC 1 fund managed by Lazard Elaia Capital is classified under Article 8 of the SFDR Regulation.

Lazard Elaia Capital will integrate ESG considerations throughout the investment process by:

- Systematically performing ESG due diligence reports with the assistance of an external service provider prior to an investment;
- Integrating in Fund by-laws a strict exclusion policy regarding specific sectors;
- Integrating commitments to track ESG KPIs in Term sheets and Shareholder Agreements;
- Monitoring ESG progress at company level and tracking KPIs.

C. Our commitments to the ecosystem

Following the first close of the fund, LEC will formalise its ecosystem commitments. We will become:

- A signatory of the United Nations Principles for Responsible Investment (UN PRI);
- A committed member of France Invest's Gender Equality Charter, targeting 25% women responsible for Investment Committee decisions by 2030 and 40% of investment teams by 2030;
- Active members of Invest Europe and France Invest;
- Committed to the Initiative for Climate (iCI), working towards full Paris Agreement alignment;
- Conducting a yearly carbon assessment (Scope 1, 2 and 3) to identify and reduce our environmental footprint;
- Aligned with the main international conventions (in particular OECD and ILO) on human rights;
- Retaining a board seat on the majority of our invested companies;
- Compliant with requisite regulations (SFDR, Loi Pacte, GDPR, etc.); and
- Promoting sustainable practices in our internal operations.

D. Principal Adverse Impacts

In accordance with Regulation (EU) 2019/2088 (SFDR), LEC will consider the Principal Adverse Impacts (PAI) of its investment decisions on sustainability factors. PAI are the most significant negative impacts stemming from investment decisions on environmental, social, and governance matters.

LEC will publish an annual PAI Statement for each fiscal year starting with the 2026 reference period. The Statement presents a historical comparison of PAI indicators across reporting periods and will be made available on the LEC website.