



ESG Global Policy

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ESG CORPORATE POLICY

I. Foreword

At Lazard Elaia Capital (LEC), we believe that integrating Environmental, Social and Governance (ESG) principles into our investment approach strengthens both long-term value creation and resilience.

Sustainability is not an added layer to our strategy but an essential part of how we identify, support and grow innovative companies. We recognise that lasting performance depends on more than financial results; it also relies on how businesses engage with their people, communities and environment.

This policy outlines our commitment to embedding ESG considerations throughout our operations and investment process, ensuring that our actions reflect our values and contribute to meaningful, sustainable impact.

II. Governance

As a key aspect of LEC's operations, sustainability is managed through a dedicated team led by our Head of Sustainability and overseen by a committee comprising ESG experts from both Lazard and Elaia.

The objective of the sustainability team is, with the support of the ESG Committee, to monitor and implement sustainability practices and policies within both the management company and portfolio companies.

The sustainability team's broader responsibilities include:

- Approving annual updates or amendments to LEC's ESG Policy ensuring it evolves with market and stakeholder expectations.
- Overseeing sustainability integration within investment strategies that embed ESG and impact goals at their core.
- Elevating ESG analysis and decision-making across all investment activities.
- Championing ESG awareness and education for our teams and portfolio companies.
- Managing ESG data collection, refining monitoring indicators, and ensuring practical implementation across our portfolio.
- Curating and sharing cutting-edge ESG research, insights, and trends.
- Partnering with LPs and industry peers to advance the adoption of sustainable investment practices.
- Ensuring transparent, accurate reporting to key frameworks such as UN PRI.
- Listening to LPs and anticipating their evolving ESG-related needs and objectives.

The interdisciplinary ESG Committee is composed of representatives from the LEC, Elaia, and Lazard Frères Gestion teams to enable consistent ESG integration across the company. The team includes:

- **One investment partner:** To be determined.
- **Louisa Mesnard:** Head of Sustainability at LEC and Elaia, sitting on the Executive Committee of Elaia and responsible for driving the ESG strategy for both entities.
- **Thibaut Mihelich:** Head of ESG at Lazard Frères Gestion (LFG), reports directly to the President of LFG and reports quarterly to the executive committee of LFG on ESG strategy and key milestones.

- **Xavier Evans:** Sustainability Associate at Elaia, managing day-to-day sustainability operations.
- **Armance Palleau:** Wealth Management and Private Assets ESG Specialist at LFG.
- **Pierre Besse:** Compliance and Internal Control Officer (RCCI) at Elaia and LEC, closely involved in all ESG topics.

III. Corporate sustainability policy

A. Our values

Our investment policy promotes Environmental, Social and Governance pillars at every stage of the process.

1. Environmental pillar

This covers how a company reduces its carbon footprint through measures like carbon assessments, cutting greenhouse gas emissions, managing waste and resources, and boosting water and energy efficiency. Upon first close, we will strengthen our climate commitment by joining the Initiative for Climate (iCI).

2. Social pillar

This pillar of the ESG principles focuses on a company's responsibility to its employees and society, including working conditions, labour rights, diversity, and sharing value.

3. Governance pillar

This pillar defines the rules and principles that set stakeholder rights, responsibilities, and expectations. It acts as a safeguard against bribery, corruption, excessive executive pay, shareholder rights, and internal controls.

We believe that fair governance provides long-term benefits for LPs, employees, and society as a whole. One way of ensuring this is to focus on increasing transparency and openness between the company and its stakeholders on issues such as board composition and shareholder rights.

B. Diversity and inclusion

At LEC, we see diversity as a catalyst for value. We are committed to fostering a gender-inclusive culture and workplace that is safe, rewarding, and empowering every day. Our commitment extends beyond our own organization to the broader ecosystem in which we operate.

We uphold the highest standards by:

- Enforcing a strict zero-tolerance policy against any form of harassment or discrimination
- Embedding best practices in gender inclusiveness and diversity across human resources, recruitment, and communications
- Driving meaningful change by aligning with respected industry initiatives and by actively promoting diversity across our portfolio companies

LEC's dedication to inclusion is also reflected within our own team, which features a range of nationalities, professional backgrounds, and age groups, all with balanced gender representation.

C. Climate action

LEC is committed to reducing its environmental impact by managing its buildings and resources responsibly and by monitoring and controlling its CO2 emissions. This includes, but is not limited to, the following actions:

- Carbon assessment: LEC will assess its activities' carbon footprint on a yearly basis the year following our first close. This assessment (including Scopes 1, 2 and 3) allows us to identify the most carbon-intensive assets, specifically the assets that have the highest exposure to material carbon risk (e.g., high carbon prices, regulatory changes, etc.). The carbon assessment is a key part of LEC's climate strategy, including its plan to monitor and reduce its emissions.
- Waste wise: LEC will encourage a responsible waste management and promote selective sorting through the use of recycling bins.
- Sustainable food and drink: At LEC, we have removed single-use and plastic utensils from the kitchen and water fountains installed in our offices are equipped with microfiltration systems. In addition, we use eco-friendly cups and bottles instead of plastic or disposable options. Likewise, reusable bowls can be used by employees for their lunch purchases.
- Low-Impact Travel: The LEC travel policy prioritises reducing CO2 emissions by limiting travel to necessary occasions (where video conferencing is unfeasible or insufficient), strongly encouraging rail for journeys under four hours, etc.

D. Public engagements

1. UN PRI

Upon reaching first close, LEC will sign the United Nations Principles for Responsible Investment ("UN PRI" or the "Principles") to further formalise and to reinforce its sustainability commitment. As a signatory, LEC will commit to the following six principles:

- Principle 1: We will incorporate sustainability criteria into investment analysis and decision-making processes;
- Principle 2: We will be active owners and incorporate sustainability criteria into our ownership policies and practices;
- Principle 3: We will seek appropriate disclosure on sustainability highlights and issues by the entities in which we invest;
- Principle 4: We will promote acceptance and implementation of the Principles within the investment industry;
- Principle 5: We will work together to enhance our effectiveness in implementing the Principles, and;
- Principle 6: We will report on our activities and progress towards implementing the Principles.

2. Gender Equality Charter

Upon first close, LEC will commit to France Invest's initiative "Gender Equality Charter" with the following stated objectives to:

- Increase the percentage of women responsible for Investment Committee decisions to 25% by 2030 and to 30% by 2035 and to acquire the necessary tools to achieve this objective;
- Set a target for women to make up 40% of the investment teams by 2030 and to involve the management in delivering on these commitments;
- Ensure that published job offers are gender neutral and free of gender stereotypes in accordance with the regulations in force; and
- Ensure fair, non-discriminatory recruitment and assessment practices by:
 - Evaluating multiple female candidates alongside male candidates to reduce bias;
 - Using gender-neutral interview questions for all applicants;
 - Ensuring balanced representation of LEC team members during assessment and selection;
 - Expanding candidate pools for unlisted investment roles to attract diverse skills;
 - Tracking progress with clear indicators, reported annually; and
 - Implementing targeted initiatives to retain female talent.

By adhering to these targets, LEC affirms its determination to take an active approach to improve gender equality and inclusiveness.

IV. ESG Regulations Compliance

A. European Union regulations

1. Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector (“SFDR”)

a) Regulation objectives and main obligations

SFDR is a disclosure regulation that is designed to make it easier for investors to distinguish and to compare the many sustainable investing strategies that are now available. SFDR aims at clarifying sustainability information in the financial services sector and at helping investors by providing more transparency on financial products’ environmental and/or social characteristics. This information is now being presented in a more standardised manner.

The SFDR requires specific firm-level disclosures from asset managers and investment advisers regarding how they address two key considerations: Sustainability Risks and Principal Adverse Impacts. In addition, the regulation aims at helping investors choose between products by classifying funds into three distinct categories, according to the degree to which sustainability is a consideration. Binding investment criteria with specific disclosures are also required for each category. These categories align to Articles 6, 8 and 9 within the SFDR and are summarised below:

“Article 8” strategies promote social and/or environmental characteristics, and may invest in sustainable investments, but do not have sustainable investing as a core objective.

“Article 9” strategies have a sustainable investment objective.

"Article 6" concern all of the other strategies and financial products that are neither Article 8 nor Article 9.

The disclosures, which went into effect on March 10, 2021, will apply to several financial products, including LEC’s fund.

To achieve the SFDR’s goal of improving sustainable finance by increasing transparency and creating standards, asset managers must disclose the way they consider two key factors: Sustainability Risks and Principal Adverse Impacts. Asset managers are required to disclose their policies at both the company and product level.

SFDR outlines specific definitions for Sustainability Risks and Principal Adverse Impacts:

- Sustainability Risks refer to environmental, social or governance events, or conditions, such as climate change, which could cause a material negative impact on the value of an investment; and
- Principal Adverse Impacts (PAI) are any negative effect that investment decisions or advice could have on sustainability factors. Examples could include investing in a company with business operations that significantly contribute to carbon dioxide emissions, or that has poor water, waste or land management practices.

Asset managers need to provide specific information on Sustainability Risks and Principal Adverse Impacts at both entity and product levels:

	Entity level	Product level
Sustainability risks	Policy on the integration of sustainability risks.	Assessment of the likely impacts of sustainability risks on the return of the product.
Principal adverse impacts	Consideration of Principal Adverse Impacts of investment decisions on sustainability factors (Comply or explain).	Disclosure of how each financial product considers the adverse impacts on sustainability factors.

b) LEC’s organisation for compliance to SFDR

At LEC, the compliance to the various aspects of SFDR is driven and monitored as follows:

- At the launch of a new fund, the managing partners and the Head of Sustainability review investment goals, ESG integration, and marketing materials to classify the fund as Article 6, 8 or 9.
- Our compliance and legal teams ensure all website content and fund documents meet SFDR requirements.
- The compliance team selects optional PAI indicators for annual SFDR reporting, with data gathered efficiently by our finance team through online surveys, streamlined for accuracy and timely submission.

2. Sustainable finance taxonomy - Regulation (EU) 2020/852

EU Taxonomy Regulation (EU TR) became effective on 1 January, 2022. Since then, elements of the EU TR, which introduces a standard environmental criterion within the EU, are integrated into the disclosure obligations set out by the SFDR. The EU TR specific elements to be disclosed under SFDR are whether, and to what extent (in%), sustainable investments, if any, are aligned with the EU TR.

B. French regulations

1. Article 29 of law #2019-1147 of 8 November, 2019, “Loi énergie et climat”

The Article 29 of the law “Energie et climat” aims at transposing and going beyond SFDR and entails several obligations for French asset managers.

The main obligations of the regulation consist in defining strategies of alignment of the portfolios with Paris Agreement’s objective of limiting the temperature rise to 2°C, and with biodiversity-linked long-term goals. As a consequence, specific monitoring and reporting are to be set-up in order to analyse the management company’s performance with regards to these strategies.

2. AMF Regulation DOC 2020-03 : “informations à fournir par les placements collectifs intégrant des approches extra-financières”

a) Regulation objectives and main obligations

The Autorité des Marchés Financiers (AMF) has published mandatory guidelines (“position-recommandation”) aiming at reinforcing the transparency on extra-financial information for fund management companies.

According to the DOC 2020-03, funds fall into 3 categories, depending on the importance of extra-financial information in the fund’s investment approach:

- For funds whose approach is that of a significant commitment to extra-financial characteristics (as measured by the attainment of specific standards set forth by the regulation), their communication on the matter can be central;
- For funds whose approach is that of a non-significant commitment to extra-financial characteristics (as measured by the attainment of (lesser) specific standards set forth by the regulation), their communication on the matter must be lesser than above;
- For funds that do not meet any of the standards above, the communication must be limited to the fund’s by-laws, and only in a proportionate manner.

LEC funds are intended for professional investors only, so these communication rules do not apply. However, LEC pays specific attention to its ESG communication to avoid conveying a misleading image of its ESG products and to ensure clarity, appropriateness, and accuracy.

b) Compliance assurance process

At LEC, when a fund is launched, the process of determination of the category to which it belongs is merged with the process described above to determine the SFDR category (Article 6, 8 or 9). The standards to be met are then decided (when applicable: ratings, indicators, etc.) and integrated in the fund’s legal documentation.

ESG EXCLUSION POLICY

I. Foreword

The objective of this policy is to present LEC's Exclusion policy, as referred to in the ESG Investment Policy and the Investment Procedure.

II. Business activity exclusions

A. Tobacco

LEC considers investment in tobacco companies to be unsustainable. We exclude companies that are significantly involved in the production of and trade in tobacco and related products. We also exclude those which have significant ownership in such companies, as well as those which are significantly involved in the wholesale distribution of those products or in the supply of components, such as filters.

B. Adult entertainment, gambling and pornography

LEC considers investment in adult entertainment and pornography companies to be unaligned with LEC's values, unsustainable and not to contribute positively to the long-term sustainable development of society. We believe that there is a significant risk that the adult entertainment industry may indirectly fail to comply with human rights principles from labour practices to societal impact.

We exclude companies who receive over 2% of their revenues from the production or distribution of adult entertainment and pornography, those which have a significant ownership in such companies or those which are significantly involved in the wholesale distribution of adult entertainment and pornographic content.

LEC excludes companies that focus on the casinos and equivalent enterprises.

C. Weapons and equivalent companies

LEC excludes companies that focus on the financing, the production of and trade in weapons and ammunition of any kind, it being understood that this restriction does not apply to the extent such activities are part of or accessory to explicit European Union policies.

D. Thermal coal miners

LEC acknowledges that reducing thermal coal emissions, as recommended by scientists, is one of the most effective ways of transitioning to a cleaner energy system and being consistent with the Paris Agreement. LEC pledges that no investment shall be made by LEC's funds in coal mining-related companies, except if the relation to coal mining is that of coal-usage reduction.

E. Coal based power generation

LEC recognises the importance of encouraging companies to reduce their dependence on coal power generation in order to align their activities with the Paris Agreement. Hence, LEC will not invest in coal-based power generation companies.

F. Oil and Fossil Gas

LEC excludes investments in companies involved in the exploration, extraction, refining, production, sale, logistics, or energy generation from oil and fossil gas, as well as their direct suppliers, while permitting exceptions only for projects aligned with the European Taxonomy, including certain conventional fossil sector projects and hydrogen or hydrogen-derived synthetic fuel projects that meet the Taxonomy's technical screening criteria.

III. Geographical exclusions

LEC excludes investments in companies that are established in and maintain significant business relationship with entities incorporated in non-cooperative jurisdictions, as classified by lead organisations for not having made sufficient progress towards satisfactory implementation of EU and/or internationally agreed standards in connection with AML-CFT and/or tax good governance standards. LEC refers to various official lists (notably GAFI, French and European lists).

IV. Implementation

For company exclusions, all investment instruments (e.g. equity, corporate bonds, etc.) are in scope.

LEC's in-house sustainability team, supported by external data and desktop research, undertakes a series of ESG-themed assessments which identify companies within our investment universe or invested companies that could qualify for potential exclusion.

For discretionary mandates or specific investments solutions, LEC will initially suggest LPs apply the current LEC exclusion framework; but LEC may finally apply further (no lesser) restrictions if requested by the LP.

Once an invested company is placed on LEC's exclusion list (for example, following an acquisition or the development of new business lines), we will divest any holdings from our Funds within a defined and precise timeframe. LEC's Compliance team monitors adherence. Any identified breach to the defined timeframe would be duly escalated to the Internal Control Committee.

V. Governance and Monitoring of the Policy

LEC's sustainability team works with the compliance team to oversee the implementation and ongoing updates of the firm's exclusion policy. The sustainability and compliance teams propose additions, removals and exceptions for approval by the LEC board.

ESG INVESTMENT POLICY

I. Foreword

This policy reflects LEC's commitment to ESG values across our investments, portfolio companies, and LPs, aligned with our Corporate ESG Policy.

By investing in market-leading companies and embedding responsible practices across our portfolio, we amplify positive impact within their sectors. Our approach ensures ESG considerations are integrated throughout the investment lifecycle.

LEC's funds invest exclusively in tech-intensive growth and buyout companies with B2B models and global ambitions. Our internal ESG policy and due diligence processes are tailored to this asset class.

II. Investment process & due diligence

To ensure informed decision-making and set the foundation for ongoing engagement with portfolio companies, our investment process integrates ESG analysis and due diligence at every stage:

- **Preliminary Analysis:** Each potential investment is screened by the investment team against LEC's Exclusion Policy, which explicitly rules out business activities with a negative societal impact.
- **Investment Note:** The ESG profile of each company is 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 is systematically included in the decision-making process of the investment committee.
- **ESG Due Diligence:** Each investment opportunity undergoes systematic ESG due diligence conducted by a third-party, the conclusions of which are presented and discussed in committee.
- **Term Sheet & Shareholders' Agreement:** ESG requirements are systematically included in legal documentation.
- **ESG Objectives:** In collaboration with the company's management, we define nine key ESG indicators and objectives to monitor post-investment. We monitor progress on these indicators every six months, partnering with portfolio companies to provide tailored support where required, including complimentary carbon footprint assessments and diverse hiring support.

To help the investment team deliver relevant analyses on ESG criteria, specific ongoing trainings and team awareness exercises are carried out throughout the year.

III. Investment journey

A. Post-Investment ESG Monitoring and Support

Once the company has been invested in, a carbon footprint analysis will be strongly recommended. Alongside the ESG due diligence results, this carbon footprint will allow the fine tuning of ESG indicators to monitor and to define action plans.

B. Portfolio Benchmarking and Active Support

LEC employs a structured benchmark system positioning each portfolio company against peers in the portfolio based on employee count and industry classification. This enables systematic identification of performance gaps and targeted improvement opportunities.

LEC provides active support to portfolio companies through dedicated programmes:

- CarbonCutter: Operational support for measurable emissions reduction.
- Talent²: Partnership programme advancing team diversification and inclusion.
- Complimentary carbon footprint assessments for some companies.

This approach reflects LEC's commitment as an active shareholder to advance portfolio companies along their ESG development.

C. Portfolio-Wide Assessment and Reporting

LEC conducts an annual comprehensive ESG survey across all portfolio companies, forming the foundation for the LEC Annual Sustainability Report and institutional investor reporting under specific ESG frameworks.

LEC's investment teams integrate ESG considerations into value creation strategies throughout the holding period. Where appropriate, it is possible to set up incentives for senior managers of portfolio companies to monitor and achieve ESG objectives.

IV. Exit

Investors are increasingly focused on ESG performance in target companies. To address this, measurable ESG-related KPIs provide essential data points for monitoring progress and identifying opportunities. Establishing baseline ESG analytics before acquisition allows acquirers to track improvements over time, systematically identify and address challenges and opportunities, and incorporate ESG maturity as a key factor in company valuations.

The LEC teams will assess sustainability's role in exit strategy and develop a pre-exit ESG reporting template. This template will include an assessment of how ESG initiatives have created value throughout LEC's holding period.

This structured approach ensures that ESG considerations are embedded throughout the investment lifecycle, from acquisition through exit.

V. Conflict of interest related to responsible investment and engagement with policy makers.

As an asset management company, LEC is required to take all reasonable measures to detect, identify, treat, and resolve conflicts of interest situations in order to act exclusively in the interest of its funds (and delegations) and its unit holders.

To prevent conflicts of interest, the company relies in particular on:

- A policy and procedure for preventing and managing conflicts of interest as well as a mapping of the different potential conflict of interest cases;
- A "Register of Conflicts of Interest" that lists potential or proven conflict of interest cases since the creation of the company;
- LEC's internal regulations and Code of Ethics, which are signed by each employee upon arrival;



- The Code of Ethics of Portfolio Management Companies involved in private equity, common to France Invest and the AFG.

Any conflict of interest relating to responsible investment will be managed in accordance with the conflict of interest policy.

In the course of its activity, LEC may participate to working groups and/or initiatives organised by the French government. This involvement does not affect the fact that LEC's actions are made in the best interests of its investors, and that any conflict of interest relating to LEC's participation to any working group and/or initiative backed by the French government and/or a regulated body will be managed accordingly to the conflict of interest policy.

SUSTAINABILITY RISKS MANAGEMENT POLICY

I. Foreword

The objective of this policy is to describe the methods, procedures, governance organisation and tools used to identify and to manage sustainability risks at LEC.

II. Presentation of sustainability risks

A. Definition

A sustainability risk is an event or situation related to environmental, social, or governance issues, that, if it arises, could have an important negative impact, real or potential, on the value of the investment.

B. Description of the identified sustainability risks

As stems from their broad definition, sustainability risks are numerous and highly dependent on the considered company's activity.

As seen below, each investment opportunity leads to an analysis by the investment team, backed by an independent due diligence by an industry expert, aiming, among others, at defining the main ESG risks facing the prospective portfolio company.

When performing its analysis, LEC applies the European commission's approach towards double materiality impact, meaning that non-financial information can have a financial impact and, conversely, that finance can have consequences for the environment and/or society.

C. Main tools for sustainability risk assessment and management

To better apprehend the sustainability risks, LEC has developed several tools and processes to be implemented all along the investment journey, from the deal sourcing to the company exit.

Those tools and processes include:

- A dedicated ESG investment procedure as described above;
- An Exclusion Policy at the management company level as described both above and in the funds By-laws;
- A proprietary mapping to assess the sustainability risks;
- Direct discussion with the portfolio company;
- A sustainability team, supported by the ESG Committee intervening both at the management company level and at portfolio level;
- A shareholder engagement policy.

III. Sustainability risk analysis mapping

During the due diligence and execution phases, a sustainability risk analysis will be performed for each portfolio company. In order to do so, LEC has designed a proprietary mapping to assess the relevant sustainability risks regarding potential portfolio companies' activities and sectors.

This mapping determines the sustainability risks based on a combination of different factors: (1) the impact of the risk, (2) the likelihood of occurrence and (3) the process established at portfolio company level to mitigate those risks.

This analysis encompasses the three pillars of ESG:

A. Environmental sustainability risks:

While examining the impact of environmental risks, LEC will take into account two types of risks, the physical risks, which are the risks coming from direct environmental disruptions (floods, earthquakes, air pollution...) and the transition risks, that can be categorised as the risks coming from a change of regulation, the exposure of companies to the risks of obsolescence linked to a lack of technological innovation, the substitution of existing products and services by others with lower emissions, and the risks linked to the energy prices evolutions.

Physical risks may have impacts on the following aspects of a company, but are not limited to:

- Impact on its premises and facilities
- Impact on the supply chain and raw materials procurement
- Financial cost due (insurance costs, investment costs, operating costs)
- Productivity capacity diminution, impact on workforce management

Transition risks may have the following impacts on a company's activity, but are not limited to:

- Competitiveness loss due to technological delay
- Increased costs due to a less efficient technology
- Additional expenses to pay for fines and to cope with delays in the transition to a more efficient / regulatory obligated ecological level of technology
- Client loss and loss of market shares due to a poor image

B. Social sustainability risks:

LEC has also identified social sustainability risks that can be either endogenous risks, meaning risks towards the non-respect of human rights condition or practices leading to a lack of training, a loss of employees motivation, and deterioration of well-being at work, or exogenous risks, which relates to poor inclusion and involvement and/or low diversity in teams, leading to less competitiveness arising from the lack of various opinions and experiences.

These social sustainability risks can impact the company in the following ways, but are not limited to:

- Increased turnover and costs of staff
- Reputation risk
- Loss of competitiveness
- Sanction risks due to poor workers condition or monitoring of suppliers

C. Governance sustainability risks:

Finally, LEC has identified sustainability risks regarding governance. These risks have been classified in two categories, the governance risks within the company (lack of business ethics, concentrated power, poor independence in the governance body) and the product governance (issues with safety and quality of the product or data security loss and/or breach).

These governance sustainability risks can jeopardise the company the following ways:

- Direct financial impact coming from a lawsuit

- Lack of implication, poor decisions making process
- Reputational risk

Based on the review and the combination of these criteria, LEC has a global picture of the sustainability risks that can be used while discussing a roadmap with the portfolio company to address the risks identified and to mitigate them.

With regards to the double materiality approach, LEC will rely on the analysis performed by its external audit provider to assess the impact of its portfolio companies on the environment. During the ESG due diligence phase and on a periodic basis after the investment is realised, the investment team also performs an analysis to assess this impact and better apprehend the sustainability risks at stake.

IV. Periodic review of sustainability risks

A. Organisation of periodic reviews of sustainability risks by the management team

At portfolio level, LEC will ensure the management follows the roadmap established together. While following the different milestones set, upon reinvesting, LEC will verify that the milestones have been achieved or that the company has correctly taken actions to meet them. This review will also be the opportunity to reassess the roadmaps and to adjust the objectives if needed.

B. Controversy monitoring

LEC may rely on an external service provider if required but will primarily rely on the proximity with its underlying companies to assess any controversy and to foresee any sustainability risk that might happen.

The investment team is responsible for following the sustainability update on both the company and the ecosystem. Any controversy noted will be treated by the investment team in charge of the portfolio with the support of the sustainability team. If any material sustainability event is noted, it will be reported to the limited partners of the fund.

V. Periodic review of the sustainability risks mapping

On a periodic basis or in the event of any material sustainability risk requiring a review to existing process, LEC will re-evaluate its sustainability risks mapping. These risks will be assessed by the ESG and compliance teams. While performing the review, the sustainability team considers both the evolution of the environment and any significant changes in the ecosystems that would require an adjustment in the risk mapping and sustainability risks assessments. In case of a significative update, changes are communicated to the investment team.

VI. Governance of sustainability risks management

A. Presentation of sustainability risks governance at management company and portfolio level

LEC considers sustainability risks and opportunities as part of its own roadmap. These topics are discussed to the extent possible during board meetings at least once a year. As part of its

transparency engagement towards its investors, LEC reports on sustainability risks in the ESG reporting and the funds' annual SFDR reporting.

B. Investment Committee

While reviewing an opportunity, the members of the investment committee have to give their opinion on ESG criteria as part of their overall scoring of the investment opportunity. Their opinion is based on their own analysis of the activity of the company and on the information provided by the investment team in the investment memorandum, provided before the committee.

In case of a divergence of opinion, the discussion is oriented to deal with the discrepancies noted in the analysis and the final decision considers these opinions.

C. ESG risks monitoring and control

As part of its risks approach, sustainability risks are included in the overall risks management of the company. These risks are followed and materialised in the dedicated mapping designed by the ESG and compliance teams. They are also monitored at each portfolio company level by the dedicated member of the investment team.

As part of its risks monitoring policy, LEC has put in place a dedicated procedure regarding reporting accidents and malfunctions.

VII. Shareholder Engagement Policy

In accordance with I of Article L. 533-22. of the French Monetary and Financial Code, and the European Commission's Delegated Regulation (EU) No. 231-2013 of December 19, 2012, the management company has drawn up a "Shareholder Engagement Policy" in accordance with the procedures specified in Article R533-16. The purpose of this policy is to specify:

- The monitoring of strategy, financial and non-financial performance, risks, capital structure, social and environmental impact, and corporate governance
- Dialogue with investee companies;
- Exercising voting rights and other rights attached to shares;
- Cooperation with other shareholders;
- Communication with relevant stakeholders; and
- The prevention and management of actual or potential conflicts of interest in relation to their commitment.

Please refer to the shareholder engagement policy that will be uploaded on LEC's website for further information.

PRINCIPAL ADVERSE IMPACTS POLICY

I. LEC's Principal Adverse Impacts Policy Statements

The Principal Adverse Impacts in terms of sustainability ("PAI") are the most significant negative impacts stemming from investment decisions on sustainability factors, whether they are related to the environment, social and staff, human rights, and fight against corruption.

LEC, a financial intermediary regulated by the Autorité des Marchés Financiers and registered under the number GP-0240024, herewith declares taking the PAI into account in the process and investment decisions of its latest funds.

LEC publishes a Statement to this effect, in compliance with Annex 1 of the regulatory technical standards related to Regulation (EU) 2019/2088, for each fiscal year, starting on 2026, with reference period of fiscal year 2025.

II. PAI reporting

LEC has decided to monitor and report on several PAI. PAI reporting will be performed on an annual basis and is included in the LEC 29 report for Lazard Elaia Capital.

The Statement presents a historical comparison of the Principal Adverse Impact indicator, for each reporting period, with the previous reporting periods, provided that data had been recorded.

The annual PAI report will become available on the website of the company.

CLIMATE AND BIODIVERSITY ENGAGEMENT POLICY

I. Strategy for alignment with the Paris Agreement

The Paris Agreement is a legally binding international treaty on climate change, adopted by 196 Parties at the UN Climate Change Conference (COP21) in Paris in 2015 and effective since 2016. Its goal: keep global warming well below 2°C, and strive for 1.5°C, above pre-industrial levels.

While our full Paris alignment strategy is still being developed, we are already committing to acting in the year following our first close. We will partner with a third-party expert to measure our carbon footprint in the year following first close. Emissions will be calculated by combining activity data with standardised emission factors and classified into three scopes:

- Scope 1: Direct emissions (e.g., company vehicles, heating)
- Scope 2: Indirect emissions from electricity and heat production
- Scope 3: All other indirect emissions across our value chain—travel, purchasing, waste, and more—typically the largest share.

This detailed breakdown guides us in understanding and reducing our environmental impact effectively.

A. Management company engagement

From the first year after the closing of our first fund, we will begin tracking the carbon footprint (Scope 1, 2 and 3) of our management company. Results and a clear emissions reduction roadmap will be shared with the entire team.

We will also seek to embed sustainability into everyday operations and office management, focusing on:

- Coffee: All meeting rooms feature biodegradable, compostable coffee capsules. Our bean-to-cup machines brew responsibly sourced coffee, supporting the planet and small producers.
- Fruit: A weekly delivery of 100% organic, seasonal, and local fruit in our Paris kitchen.
- Water: Our in-office water fountain keeps the team refreshed, without a single plastic bottle.

B. Driving climate action across our portfolio

At portfolio level, we will offer a series of targeted initiatives to help our portfolio companies reduce their carbon footprint and embed sustainability at the core of their operations.

C. Our Objectives

LEC has established the following objectives :

1. Short-term objective (horizon 2027) – Laying the Groundwork

- Train our internal team on the Paris Agreement and climate change fundamentals

- Continue to contribute to Private Equity working group and initiatives to contribute to shaping industry-wide standards
- Formalise and strengthen our climate commitment through the Initiative for Climate (iCI)

2. Mid-term objective (horizon 2030) – Taking Decisive Action

Continue to reduce the carbon intensity in our operations Scope 1 & 2:

- Make sustainable procurement the standard – from event planning (low-carbon and local suppliers where possible) to office operations

Tackle Scope 3 emissions through our portfolio:

- Mandate annual carbon assessments for all new investments
- Provide resources and hands-on support to help startups decarbonise
- Co-finance workshops to accelerate climate action among portfolio companies

Integrate climate considerations into investment strategy

- Embed climate risk & opportunity analysis at the board and strategy level
- Run scenario analysis to test fund resilience under different climate futures

3. Long-term objective (Beyond 2030) - Full Transparency & Alignment

- Publicly disclose climate alignment levels for all funds
- Align managed funds with the Paris Agreement
- Ensure 100% of portfolio companies follow a decarbonisation pathway aligned with less than 2°C trajectory

II. Biodiversity alignment strategy

Biodiversity conservation is a major global challenge in which all players have a role to play. Our approach to biodiversity is based on our analysis of the Private Equity ecosystem and best practices set by leading industry groups like France Invest. We recognise biodiversity as a key aspect of responsible investment and incorporate it into our approach to investing sustainably.

A. Closely following industry best practices

At LEC, we are committed to both learning from and contributing to best practices across the investment industry. Biodiversity is a key area of focus within this commitment. As active members of leading industry groups, we apply relevant insights directly to how we manage our portfolio.

We participate in initiatives such as France Invest, which has dedicated working groups focused on biodiversity for both funds and portfolio company. As we begin to invest, we see it as essential to anticipate future challenges as our own portfolio companies scale.

Looking ahead, we are committed to:

1. Closely following the work of the France Invest Sustainability working group to remain informed on emerging best practices relevant to Private Equity.

2. Developing a scalable framework to assess biodiversity impact, accounting for company size and operational footprint, while raising awareness among entrepreneurs about integrating biodiversity considerations as they grow.
3. Requesting our third-party due ESG diligence provider to include biodiversity impact assessments as part of the broader double materiality analysis
4. Applying biodiversity risk assessments to portfolio companies once they reach a certain size or operational threshold, aligning with industry standards and guidance from France Invest and other expert bodies.

B. Expanding our internal capabilities and processes

We are also focused on enhancing our internal approach to biodiversity. Our ambition is to integrate biodiversity, alongside other core sustainability priorities, into everything we do at LEC. We view this not as a separate initiative, but as a natural extension of how we invest, operate, and grow.

In practice, we are committed to strengthening the role of biodiversity considerations within our operations:

1. Team training & awareness: We have an ongoing process to provide internal training on a range of sustainability topics. These sessions will continue, incorporating insights gained from our involvement in industry associations and other funds in this space. Our goal is to equip every team member with a clear understanding of how biodiversity considerations relate to their role, and what steps they can take to reduce impact.
2. Stronger ESG integration in investment decisions: ESG is already embedded in our due diligence and investment approval processes. As we continue to refine our approach, we will ensure biodiversity remains a key focus within investment due diligence.

C. Work with portfolio companies to integrate biodiversity considerations

We are committed to working with our portfolio companies to ensure that biodiversity is considered as the company grows its physical footprint.

Our approach starts with ensuring the appropriate policies and processes are in place to consider biodiversity concerns in business processes. After establishing best practices, we then work with the company to make best efforts to avoid negative biodiversity impacts with any physical expansion of production.

We commit to improving our approach to biodiversity in line with best practice in the Private Equity sector, including through the application of using industry-standard frameworks such as the Global Biodiversity Score.