

EMZ 10 - ARTICLE 10 (SFDR¹) WEBSITE DISCLOSURE FOR AN ARTICLE 8 FUND



Product name/legal identifier: EMZ 10 Fund

Legal entity identifier: EMZ Partners

Does this financial product have a sustainable investment objective?

☐ Yes

It will make a minimum of sustainable investments with an environmental objective:

☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It will make a minimum of sustainable investments with a social objective: __%

☒ No

☐ It promoted Environmental/Social (E/S) characteristics and while it did not have as its objective a sustainable investment, it had a proportion of __ of sustainable investments

☐ With an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ With an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ With a social objective

☒ It promoted Environmental/Social (E/S) characteristics, but did not make any sustainable investments

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

A. Summary

In accordance with Article 8 of the SFDR, the EMZ 10 Fund (the « Fund ») promotes environmental and/or social characteristics but does not commit to making any sustainable investments.

EMZ seeks to actively integrate ESG into every phase of its investment process and encourage ESG monitoring and disclosure: it has defined sustainability indicators to measure how the environmental or social characteristics are being attained by investee companies and collects ESG data annually via a dedicated ESG questionnaire. This questionnaire includes a detailed list of questions covering environmental, labour, societal and governance issues, as well as questions about customers and suppliers.

Additionally, EMZ considers and takes into account 16 PAI (14 compulsory and 2 optional) indicators to assess its portfolio companies. They are monitored annually over the ownership period and could trigger corrective actions if needed, which EMZ can encourage as a supervisory board member of all portfolio companies. These indicators are reported to LPs annually in the periodic report of the Fund.

In a logic of continuous improvement, EMZ strives to best respect the alignment of all its investments with its ESG investment strategy.

B. No sustainable investment objective

This financial product promotes environmental or social characteristics, but does not have as its objective sustainable investment.

C. Environmental or social characteristics of the financial product

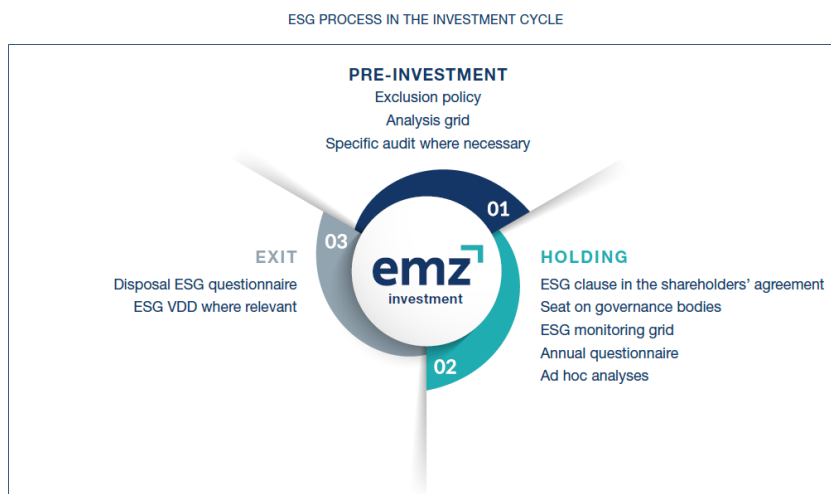
EMZ's commitment to pursuing an investment policy that incorporates Environmental, Social and Governance (hereinafter "ESG") issues was reflected in its decision to sign the United Nations' Principles for Responsible Investment (PRI) in 2016.

By adopting this initiative, EMZ committed to upholding six principles:

- Incorporate ESG issues into investment analysis and decision-making processes;
- Be an active investor incorporating ESG issues into shareholder policies and practices;
- Seek appropriate disclosure by portfolio companies on ESG matters;
- Promote acceptance and implementation of the Principles in the industry;
- Work collectively to enhance EMZ's effective implementation of the Principles;
- Report EMZ's activities and progress towards implementing the Principles.

The funds managed by EMZ have implemented policies requiring to take Environmental Social and Governance considerations into account before the investment decision and, thereafter, to request all portfolio companies to consider ESG aspects in their activities.

To ensure the achievement of the environmental and social characteristics it promotes, EMZ has set different indicators that are monitored annually. For more information on the indicators, please refer to the dedicated section "F. Monitoring of environmental or social characteristics".



D. Investment strategy

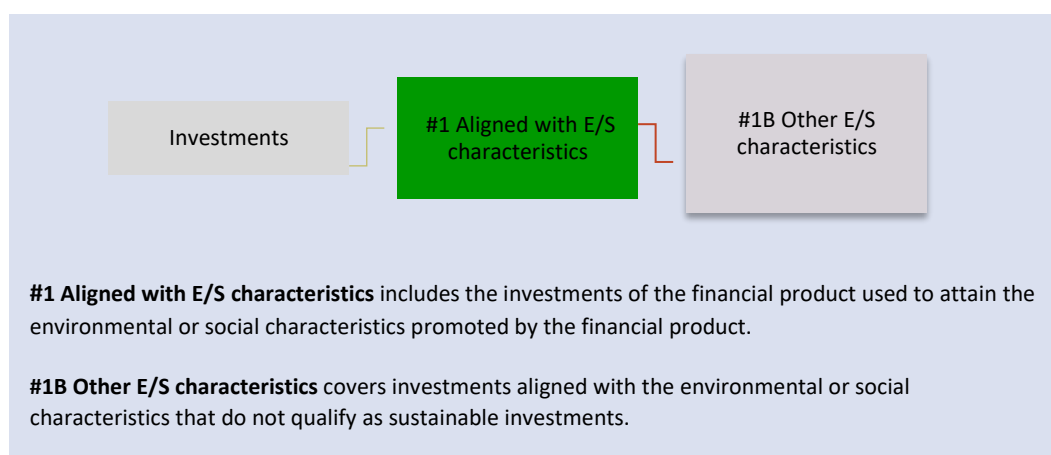
The EMZ investment strategy that applies to the EMZ 10 Fund includes:

- 1/ An exclusion policy, elaborated in coordination with the most important investors of the Fund, to avoid, inter alia, investments with important sustainability risks.
- 2/ Once the company's alignment with the exclusion policy has been ensured, the analysis of risks and opportunities in the pre-investment phase relies on EMZ's ESG analysis grid which is based on 26 criteria and enables to determine the level of maturity of the target company.
- 3/ Once the investment has been validated, the company signs an ESG clause in the shareholders' agreements which commits in particular to taking ESG aspects into account in its activity and to monitoring their performance throughout the holding period by answering EMZ' ESG questionnaire every year.

E. Proportions of investments

In a logic of continuous improvement, EMZ strives to best respect the alignment of all its investments with its ESG investment strategy, and notably strictly follows its exclusion policy, 100% of portfolio companies complying with this policy.

The asset allocation of the Fund is as follows:



The EMZ 10 Fund does not specifically target investments in economic activities that qualify as environmentally sustainable under the EU Taxonomy, nor has defined any share of socially sustainable investments.

F. Monitoring of environmental or social characteristics

The EMZ 10 Fund promotes Environmental or Social characteristics (as a part of its Article 8 classification) and follows the below Sustainability indicators:

- Application of the exclusion policy;
- % of investments for which a pre-investment ESG diagnosis was completed;
- % of shareholder agreements including an ESG clause;
- % of portfolio companies having received EMZ's ESG questionnaire;
- % of portfolio companies having completed EMZ's ESG questionnaire.

The results are presented every year in the Fund's periodic report and in EMZ's ESG report.

G. Methodologies

In accordance with EMZ's ESG strategy, ESG questionnaires including a detailed list of questions covering environmental, labour, societal and governance issues, as well as questions about customers and suppliers, are sent annually to the investee companies.

This allows qualitative analyses to be carried out on the integration of ESG issues by the portfolio companies and the associated risks. It also includes quantitative indicators, such as measurements of companies' carbon footprints for instance.

H. Data sources and processing

The ESG profile of investee companies is assessed annually using a questionnaire that is filled out annually by the investee companies and sent through an online reporting platform.

The process involves sending login links to ESG managers and/or other managers in the company involved in the data collection, in order for them to respond to the ESG questionnaire. The questionnaire covers general ESG factors as well as the 16 Principal Adverse Impact (PAI) metrics. EMZ then analyses the real data transmitted by the investee companies and the results are aggregated to assess the performance of the companies regarding the most significant ESG indicators.

For companies which do not calculate their own carbon footprint, EMZ estimates their carbon emissions with an external provider based on their sector of activity and financial data. EMZ is currently taking measures to improve the accuracy of this calculation by switching to a more thorough methodology based on the actual data of companies. This will provide a more accurate picture of the carbon emissions of these portfolio companies.

I. Limitations to methodologies and data

The main limitation to assess the ESG performance of the investee companies lies in their ability to provide the relevant data to EMZ to conduct in-depth analyses.

However, EMZ is working with its portfolio companies to continuously improve its reporting system to better address this limitation. In this respect, the use of an online platform since 2022 has increased the response rate of companies by facilitating collaboration among different stakeholders within the companies.

J. Due diligence

Prior to investments, EMZ's ESG criteria are taken into account in the pre-investment phase using an ESG analysis grid that enables to determine the level of maturity of the target company and identify potential risks. As necessary, a specific ESG audit might also be conducted to better evaluate the company's situation with regards to these aspects.

These ESG audits assess the following: climate & GHG emissions, governance, environmental, labour and social risks, as well as relations with suppliers and customers.

K. Engagement policies

Once an investment has been validated, investee companies sign a shareholder agreement where they commit to do their best efforts to have regards for ESG considerations and principles, with respect to their activities, and to provide ESG reporting on an annual basis to EMZ through its dedicated ESG questionnaire.

Moreover, the Fund and portfolio companies commit to make their best efforts to address ESG issues in the supervisory board at least once a year, topics that EMZ 10 supports as board member.

L. Designated reference benchmark

No index has been designated as a reference benchmark for the purpose of attaining environmental or social characteristics promoted by the Fund.

Appendix 1: Principal Adverse Impact (PAI) indicators taken into account

Indicators applicable to investments in investee companies		
Adverse sustainability indicator		Metric
ENVIRONMENTAL MATTERS		
Greenhouse gas emissions	1. GHG emissions	Scope 1 GHG emissions
		Scope 2 GHG emissions
		Scope 3 GHG emissions
		Total GHG emissions
	2. Carbon footprint	Carbon footprint
	3. GHG intensity of investee companies	GHG intensity of investee companies
	4. Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector
	5. Share of non-renewable energy consumption and production	Share of non-renewable energy consumption and non-renewable energy production of investee companies from non-renewable energy sources, compared to renewable energy sources, expressed as a percentage
6. Energy consumption intensity per high impact climate sector	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector	
Biodiversity	7. Activities negatively affecting biodiversity- sensitive areas	Share of investments in investee companies with sites/operations located in or near to biodiversity-sensitive areas where activities of those investee companies negatively affect those areas
Water	8. Emissions to water	Tons of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average
Waste	9. Hazardous waste ratio	Tons of hazardous waste generated by investee companies per million EUR invested, expressed as a weighted average

Indicators applicable to investments in investee companies		
Adverse sustainability indicator		Metric
SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS		
<i>Social and employee matters</i>	10. Violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises
	11. Lack of processes and compliance mechanisms to monitor compliance with UNGC principles and OECD Guidelines for Multinational Enterprises	Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines, or grievance /complaints handling mechanisms to address violations of those texts
	12. Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies
	13. Board gender diversity	Average ratio of female to male board members in investee companies
	14. Exposure to controversial weapons	Share of investments in investee companies involved in the manufacture or selling of controversial weapons
<i>Additional PAI indicators</i>	15. Investments in companies without carbon emission reduction initiatives	Share of investments in investee companies without carbon emission reduction initiatives
	18. Rate of accidents reported in investee companies	Rate of accidents in investee companies, expressed as a weighted average.