

## SFDR Compliance

### Article 4 - Statement on Principal Adverse Impacts of investment decisions on sustainable factors

Revaia considers principal adverse impacts of its investment decisions on sustainability factors.

This document represents our response to Article 4 of the Disclosure Regulation and sets out how the principal adverse sustainability impacts are identified, prioritised and considered in Revaia's investments.

The scope of this document includes all funds managed by Revaia.

This document will evolve in line with SFDR requirements and any relevant changes that Revaia makes to its strategy and/or ESG approach.

#### A. Summary

As part of its responsible investment policy, Revaia has identified several negative impacts related to our activities on sustainability factors.

This list is in line with the list of mandatory sustainability indicators published by the European authorities under the SFDR. The following description of negative impacts covers this list of 14 mandatory indicators and also includes two additional indicators.

Among the negative impacts addressed in this document, two main themes stand out:

- Negative impacts relating to environmental and climate challenges.
- Negative impacts relating to social themes, such as human resources practices, respect of human rights and diversity.

Revaia considers the mandatory principal adverse impacts indicators and relevant optional indicators of Annex 1 of the Delegated Regulation (EU) 2022/1288 listed below, subject to the availability and quality of data.

Adverse Sustainability Indicators	Metrics
Greenhouse gas emissions	GHG emissions
	Carbon footprint
	GHG intensity of investee companies
	Exposure to companies active in the fossil fuel sector
	Share of non-renewable energy consumption and production
	Energy consumption intensity of high impact climate sector
Biodiversity	Activities negatively affecting biodiversity-sensitive areas
Water	Emissions to water
Waste	Hazardous waste and radioactive waste ratio

Social and employee matters	Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises
	Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises
	Unadjusted gender pay gap
	Board gender diversity
	Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)

**Additional indicators**

Emissions	Investments in companies without carbon emission reduction initiatives
Social and employee matters	Lack of a supplier code of conduct

Adverse sustainability impacts are systematically addressed during the sourcing and due diligence phases.

## B. Description of the Principal Adverse Impacts on sustainability factors

Principal Adverse Impacts (PAI) are defined as “negative, material, or potentially material effects on sustainability factors that result from, worsen, or are directly related to investment choices or advice performed by a legal entity”. They are a key concept in the European Union’s Disclosure Regulation.

All funds of Revaia falling under the provisions of Article 8 and Article 9 of the Regulation 2019/2088 of 27 November 2019 on sustainability disclosure in the financial services sector (the “**Disclosure Regulation**”), consider principal adverse impacts.

In accordance with the provisions of Article 7 of the Disclosure Regulation, the information on the consideration of these PAI is available for each investment fund and accessible to investors in the fund’s periodic reports.

**Table 1. Indicators applicable to investments in investee companies**

Indicators applicable to investments in investees companies			
Adverse sustainability indicators	Metrics		Actions taken and actions planned and targets set for the next reference period
<b>Climate and other environment-related indicators</b>			
Greenhouse gas emissions	1. GHG emissions	Scope 1 GHG emissions	<p><b>Due Diligence phase</b> During the due diligence phase, Revaia questions the investee, using its ESG questionnaire, about its carbon footprint and the actions implemented by the company to meet commitments under the Paris Agreement.</p> <p><b>Shareholding phase</b> GHG emissions indicators are systematically measured and monitored through the annual ESG assessment. Should the information not be available, Revaia performs a carbon footprint assessment, through an external party.</p>
		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 of total energy sources		
6. Energy consumption intensity of 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 relatively affect those areas.	<p><b>Due Diligence phase</b> During the due diligence phase, Revaia questions the investee, using its ESG questionnaire, about the location of its operations and make sure that they have no significant impact on biodiversity.</p> <p><b>Shareholding phase</b> Biodiversity indicators are systematically monitored through the annual ESG assessment.</p>
Water	8. Emissions to water	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average	Revaia seeks to improve the data quality of this indicator.
Waste	9. Hazardous waste and radioactive waste ratio	Tonnes of hazardous waste and radioactive waste generated by investee companies per million ER invested, expressed as weighted average	Revaia seeks to improve the data quality of this indicator.

Indicators applicable to investments in investees companies			
Adverse sustainability indicators	Metrics	Actions taken and actions planned and targets set for the next reference period	
<b>Indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters</b>			
Social and employee matters	10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (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	<p><b><u>Due Diligence phase</u></b> During the due diligence phase, Revaia questions the investee, using its ESG questionnaire, about its commitment to respect the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights.</p>
	11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact 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 for Multinational Enterprises or grievance /complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	<p><b><u>Shareholding phase</u></b> Questions related to the respect of the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights are systematically included in the annual ESG assessment.</p>
	12. Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies	<p><b><u>Due Diligence phase</u></b> During the due diligence phase, Revaia questions the investee, using its ESG questionnaire, about its gender pay gap.</p> <p><b><u>Shareholding phase</u></b> Gender pay gap indicators are systematically measured and monitored through the annual ESG assessment. Should this metric not be available, Revaia strongly recommends its investee to monitor it and reduce the gap.</p>
	13. Board gender diversity	Average ratio of female to male board members in investee companies, expressed as a percentage of all board members	<p><b><u>Due Diligence phase</u></b> During the due diligence phase, Revaia questions the investee, using its ESG questionnaire, about its board gender diversity.</p> <p><b><u>Shareholding phase</u></b> Board gender diversity is systematically measured and monitored through the annual ESG assessment. Revaia strongly recommends its investee to have at least 40% of the least represented gender at Board level.</p>

	14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	Share of investments in investee companies involved in the manufacture or selling of controversial weapons	The AIFs managed by Revaia do not invest in companies engaged in both conventional and controversial weapons.
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**Table 2. Additional climate and other environment-related indicators**

<b>Adverse sustainability indicators</b>	<b>Metrics</b>		<b>Actions taken and actions planned and targets set for the next reference period</b>
Emissions	4. Investments in companies without carbon emission reduction initiatives	Share of investments in investee companies without carbon emission reduction initiatives aimed at aligning with the Paris Agreement.	<p><b><u>Due Diligence phase</u></b> During the due diligence phase, Revaia questions the investee, using its ESG questionnaire, about its carbon emission reduction initiatives.</p> <p><b><u>Shareholding phase</u></b> Questions related to the carbon emission reduction initiatives are systematically included in the annual ESG assessment.</p>

**Table 3. Additional social-related indicators**

<b>Adverse sustainability indicators</b>	<b>Metrics</b>		<b>Actions taken and actions planned and targets set for the next reference period</b>
Social and employee matters	4. Lack of a supplier code of conduct	Share of investments in investee companies without any supplier code of conduct (against unsafe working conditions, precarious work, child labour and forced labour).	<p><b><u>Due Diligence phase</u></b> During the due diligence phase, Revaia questions the investee, using its ESG questionnaire, about its supplier code of conduct.</p> <p><b><u>Shareholding phase</u></b> Questions related to the supplier code of conduct are systematically included in the annual ESG assessment.</p>

## C. Description of policies to identify and prioritise the Principal Adverse Impacts on sustainability factors

From the beginning, ESG is part of Revaia's DNA. Revaia strongly believes that a sustainable approach will contribute to future proof its portfolio companies.

As a result, Revaia has established an approach to identify principal adverse impacts on sustainability factors for each potential opportunity and throughout the investment cycle:

- **Application of sector exclusions screening:** Revaia defined an exclusion policy which consists in excluding all opportunities related to an industry listed in the exclusion list of a fund. All Revaia's funds strictly comply with the exclusion policy when selecting investments opportunities since 2019.
- **Application of positive selectivity screening:** Revaia performs deep dive analyses of industries considered as sustainable in order to source opportunities meeting the definition of the funds' definition of sustainable investment. All Revaia's funds have benefitted from the positive selective screening approach since 2021.
- **Assessment of ESG performance through a pre-LOI scoring:** Prior sending any term sheet, ESG criteria are analysed to ensure that the opportunity meets the minimum requirements of the funds' ESG and sustainable criteria. This phase is also the moment Revaia performs a first analysis of the principal adverse impacts and DNSH based on the information made available at this stage (industry analysis, public information, calls with management). All 2022 acquisitions underwent an ESG pre-LOI scoring analysis.
- **Performing a detailed ESG due diligence:** a due diligence is carried out in the pre-investment phase to identify and analyse all social, environmental, societal, sourcing, ethical and governance impacts. Principle Adverse impacts as well as DNSH criteria are analysed in detail during this phase. All acquisitions have undergone ESG due diligence since 2019.
- **Monitoring ESG indicators:** Revaia collects, from all investees, a series of ESG indicators during the ESG annual assessment, and the outcomes are shared with them. The ESG indicators include the PAI indicators. ESG reporting is performed for all Revaia's funds since 2019 and includes PAI indicators since 2022.

Our policy for taking account of adverse impacts described above has some limits:

- Maturity of the investees.
- Availability of the information.

## D. Engagement policies

In line with its purpose, Revaia commitment to invest in companies wanting to engage on a sustainable trajectory, and to support its investees in improving their ESG practices and in identifying solutions to mitigate negative impacts.

As a shareholder, and as soon as Revaia obtains a seat at the advisory board, Revaia undertakes to:

- Be an active shareholder by taking an active part in the meetings.
- Encourage our investees to take on board ESG considerations.
- Ask our investees to be fully transparent and inform us as soon as the management is aware that a sudden event might bring about a substantial ESG risk,
- Interact with investees and share information/data to support them in the ESG journey.
- Monitoring ESG achievements of investees
- Share outcomes of annual ESG assessment campaign and any relevant ESG information with investees by organising at least one annual dedicated meeting to share current situation concerning the investee's ESG achievements and challenges.
- Cooperate with other shareholders.

In addition, Revaia commits to collaborate actively with other stakeholders of its ecosystem to improve the effectiveness of responsible approaches and to report on its ESG activities and achievements on an annual basis.

## E. References to international standards

Revaia's analysis of the principle adverse impacts is based on a set of international conventions and standards, including:

- The ten principles of the United Nations Global Compact regarding the PAI 10 and 11 of Table 1;
- The OECD Principles of Corporate Governance regarding the PAI 10 of Table 1;
- The OECD Guidelines for Multinational Enterprises regarding the PAI 11 of Table 1;
- The Paris Climate Agreement regarding the PAI 1, 2, 3, 4, 5 and 6 of Table 1 as well as PAI 4 of Table 2.

These conventions and standards are the framework for our analysis of the compliance of the companies in which we invest. Companies that are guilty of severe controversies, including violations of any of the ten principles of the United Nations Global Compact, are excluded from our dealflow.

In addition, Revaia is a stakeholder in several large generalist, environmental/climate and/or social initiatives that are consistent with our approach and policy as a responsible investor, such as:

- UN PRI
- The Task Force on Climate-related Financial Disclosure (TCFD)
- International Climate Initiative
- France Invest
- Europe Invest

## F. Historical comparison

Adverse impacts on sustainability factors covering the reference period from 1 January to 31 December 2022 will be available under the 'Description of principal adverse impacts on sustainability factors' in Table 1 of Annex I format, following Revaia's annual ESG assessment campaign, which will take place on the first quarter of 2023.

Historical information of up to the previous periods preceding 2022 ESG assessment campaign will not be available under the format proposed 'Description of principal adverse impacts on sustainability factors' in Table 1 of Annex I. Consequently, historical information will be developed starting on 2022 data.

*Document version: January 2023*