

# Article 10 (SFDR)

## Website disclosure for an Article 8 fund

### EdR BE Privak

Version	Date	Brief Summary	Approved by
1.0	July 2025	First version	IQ EQ Fund Management (Luxembourg) S.A

**Product name: EdR PE Privak**

**Legal entity identifier: N/A**

**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 **promotes Environmental/Social (E/S) characteristics** and while it does 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 promotes E/S characteristics, but **will not make any sustainable investments**



## A. Summary

EdR PE Privak ('The Fund') is a feeder fund of the professional private equity fund Edmond de Rothschild Private Equity Trajan 2 (the 'Master Fund') and therefore promotes the same ESG characteristics as set out below.

No sustainable investment objective: The Fund, through the Master Fund, promotes environmental or social characteristics but does not have sustainable investment as its objective.

The environmental and/or social characteristics promoted by the Fund, through the Master Fund, are structured around three main areas:

- Reducing environmental impact: reducing the environmental impact of portfolio companies by supporting them in identifying, anticipating and mitigating the effects of their activities on climate change.
- Development of human capital: developing the human capital of SMEs by promoting a healthy working environment and accelerating employee training.
- Employee commitment: Promoting the commitment of all employees by aligning interests and implementing good governance principles.

Investment share: 100% of the investments made by the Fund, through the Master Fund, will be aligned with the promoted environmental and social characteristics.

Investment strategy: The Fund's investment strategy, through the Master Fund, aims to facilitate the transfer of capital and management of SMEs whose owner-director wishes to secure their capital and hand over operational control. The Fund, through the Master Fund, targets SMEs with strong expertise, a proven business model, good profitability, and promising development prospects in various sectors such as B2B

services, agri-food, niche industry, health, or education/training. The Fund, through the Master Fund aims to place ESG issues at the center of the manager's concerns, so they are considered in the company's development strategy. The Fund, through the Master Fund, raises awareness among the leaders it supports about ESG issues before the takeover by establishing an ESG action plan and linking part of the manager's variable compensation and management package to achieving the plan's ESG objectives.

During the sourcing phase, The Fund, through the Master Fund, will comply with an exclusion strategy and exclude companies presenting significant ESG risks that could have a strong negative impact on the overall portfolio performance as well as its reputation or that of its stakeholders.

During the pre-investment phase, a social due diligence will be systematically carried out before each investment, as well as an environmental due diligence (if relevant for the sector concerned). An analysis grid comprising an evaluation of the ESG situation of the target and an ESG action plan (co-developed with the acquiring manager) will be included in the final investment memorandum presented to the committee. Note that the shareholders' agreement will at least include an ESG clause.

After acquisition, portfolio companies will be supported in improving their internal processes for managing environmental and social considerations and will monitor the results through the implementation of specific tracking indicators (see below). These annual results will be presented to the supervisory board to ensure regular monitoring, with part of the manager's variable compensation linked to achieving this action plan. Note that 20% of the carried interest and at least 15% of the management packages will be linked to achieving ESG objectives.

Through the Master Fund, the Fund will oversee and track the environmental and social characteristics:

- Reduction of the environmental impact:
  - Conducting of a carbon review (Yes/No)
  - Exhaustiveness of the carbon assessment: inclusion of scope 3 in the carbon assessment (Yes/No)
  - Emissions by scope (1/2/3) per € of revenue (tCO<sub>2</sub>e/€m)
  - Production of a report on physical and transition risks (Yes/No)
  - Definition of a plan to reduce the carbon footprint of services/products (Yes/No)
  - Demonstrated impact of carbon footprint reduction initiatives (Yes/No)
  - Share of renewable energy in total energy consumption (%)
  - Biodiversity impact analysis (Yes/No)
- Employee commitment:
  - Establishment of a supervisory board (Yes/No)
  - Establishment of an Executive Committee (Yes/No)
  - Appointment of an independent member or more than 2 "entities" represented (Yes/No)
  - Percentage of women on the Executive Committee (%)
  - Average gender pay gap (€)
  - Implementation of an annualised collective value sharing mechanism open to employees (excluding management package) (Yes/No)
- Development of human capital:
  - Implementation of an employee training plan (Yes/No)
  - Percentage of employees who received training during the year (%)
  - Share of payroll allocated to training (%)
  - Absenteeism rate (%)
  - Staff resignation rate (%)
  - Implementation of a dedicated workplace safety policy (Yes/No)
  - Frequency of workplace accidents (%)

**Methodology:** During the takeover period, an ESG action plan will be implemented and reviewed annually, and key tracking indicators will be established to measure the company's performance, particularly on the characteristics promoted by the Fund through the Master Fund.

**Sources and data processing:** Data will be collected from the portfolio companies by sending a questionnaire to the leaders. The consistency of the information received will be verified by the investment team of the Master Fund's Management Company

**Limitations to methodologies and data:** As the Fund invests in SMEs through the Master Fund, the data will not always be immediately available. To address this, the Management Company of the Master Fund will gradually implement the requested indicators.

**Due diligence:** As part of developing its ESG strategy, the Management Company of the Master Fund conducts various levels of due diligence:

- An analysis grid, including an evaluation of the ESG situation of the targeted company, is included in the Investment Note presented to the committee—this grid helps to identify ESG issues to explore before a potential investment;
- A series of environmental and social questions is integrated into the due diligence questionnaires sent to companies considered as potential investment projects;
- A social audit is systematically conducted—and can be complemented by an environmental audit if necessary. Other major risks assessed relate to the company's sector, the seller's sensitivity to ESG issues, and the policies implemented in this area;
- These various analyses and due diligence are carried out by the Management Company of the Master Fund with the support of specialized external firms if needed.

**Engagement policies:** Through the Master Fund, the Fund plans to hold a majority shareholder position. This will allow to encourage the promotion of the environmental and social characteristics listed above and encourage companies to fulfill ESG reporting obligations. The Management Company of the Master Fund supports this by tying part of the compensation (carried interest and management package) to achieving these ESG objectives.



## B. No sustainable investment objective

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



## C. Environmental or social characteristics of the financial product

### What are the environmental or social characteristics promoted by this financial product?

The portfolio companies in which the Fund invests through the Master Fund are expected to operate in various sectors while maintaining the exclusion strategy. Thus, to ensure the alignment of the promoted characteristics with regard to the investments and the materiality of the promoted environmental and/or social characteristics, the Management Company of the Master Fund has defined the following characteristics applicable to all potential investments:

**Environmental characteristics:** The environmental characteristics promoted by the Fund, through the Master Fund, in its selection process focus on the actions implemented by companies to reduce their environmental impact, supporting them in identifying, anticipating, and mitigating the effects of their activities on climate change.

**Social characteristics:** The social characteristics promoted by the Fund, through the Master Fund, in its selection process focus on employee engagement and human capital development. These characteristics include measures such as reducing absenteeism, improving employee safety in the workplace, and implementing policies for value-sharing and employee training.



## D. Investment strategy

### What investment strategy does this financial product follow and how is the strategy implemented in the investment process on a continuous basis?

The Fund's investment strategy, through the Master Fund, aims to facilitate the transfer of SMEs whose managing shareholder wishes to secure his/her/its share capital and take over the operational reins. Through the Master Fund, the Fund targets SMEs with good know-how, a proven business model, a good level of profitability and good development prospects in various sectors, such as B2B services, niche industry, agri-food, healthcare or education/training.

The Management Company of the Master Fund aims to place ESG issues at the center of the new CEO's concerns, to take these into account in the development strategy of the company. It raises the awareness among supported managers of ESG issues upstream of the recovery, by implementing an ESG action plan reviewed annually by the company's Supervisory Committee and by linking a portion of the manager's variable remuneration to the achievement of the ESG objectives of the plan.

Our ESG plans are built around the characteristics promoted by the Fund, through the Master Fund:

- Reduction of the company's environmental impact;
- Employee engagement;
- Human capital development.

Key indicators on these three main criteria are established and monitored annually to assess the company's regular progress. Please note that 20% of the carried interest and at least 15% of management packages are linked to achieving ESG objectives.

### What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

During the sourcing phase, the Fund, through the Master Fund, will apply an exclusion strategy notably based on a predefined list of sectors. It will therefore exclude companies with a significant level of ESG risks that could have a strong and negative impact on the overall performance of the portfolio, as well as on its reputation or that of its stakeholders. The exclusion list includes the following sectors: weapons, tobacco, gambling, pornography, oil, coal, gas, radioactive materials, alteration of cultural heritage or of conservation areas.

Each investment opportunity is subject to an ESG audit which systematically includes a risk analysis grid, a social audit and, if necessary, an environmental audit.

After the acquisition, the Management Company of the Master Fund will support the portfolio companies in the implementation of specific ESG indicators and in the improvement of their internal processes for managing ESG issues. Through the Master Fund, the Fund will monitor the results obtained on a regular basis during specific reviews at meetings of the Supervisory Committees of the companies in the portfolio.

### What is the policy to assess good governance practices of the investee companies?

Through the Master Fund, the Fund will assess good governance practices of its investee companies. Indeed, during the pre-investment period, the Fund through the Master Fund assesses good governance practices through its pre-investment ESG grid and risk management process. The governance risks of all investment opportunities are analyzed in order to ensure that all future portfolio companies meet minimum requirements in terms of good governance practices.

During the holding period, the Fund, through the Master Fund, will ensure transparent monitoring with the senior manager and regular exchanges with the Supervisory Committee of the investee companies. The annual monitoring of the ESG performance of portfolio companies includes good governance practices covering anti-corruption, anti-money laundering, fair taxation, anti-competition, human rights violations, activities in conflict zones and violations of International Labour Organization (ILO) principles.

**Does this financial product consider principal adverse impacts on sustainability factors?**

☐ Yes

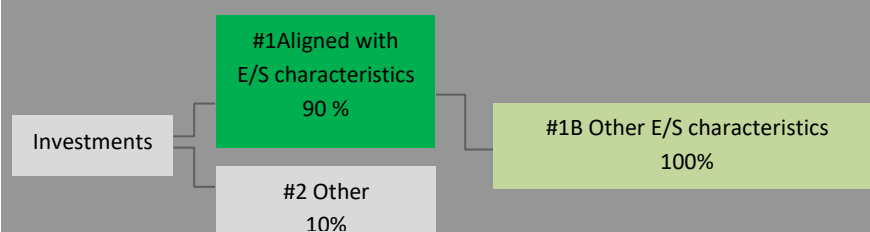
☒ No



**E. Proportion of investments**

**What is the planned asset allocation for this financial product?**

Through the Master Fund, 100% of the investments made by the Fund will be aligned with the promoted environmental and social characteristics and will be direct investments in portfolio companies.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category #1 Aligned with E/S characteristics covers:

- The sub-category #1A Sustainable covers sustainable investments with environmental or social objectives.
- The sub-category #1B Other E/S characteristics covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

**How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**

The only derivatives used by the Fund concern currency or interest rate risk for hedging purposes, and therefore do not favor the Fund's environmental and social characteristics.

**What is the minimum share of investments with an environmental objective aligned with the EU Taxonomy? (including what methodology is used for the calculation of the alignment with the EU Taxonomy and why; and what the minimum share of transitional and enabling activities)**

n.a.

**What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**

n.a.

**What is the minimum share of sustainable investments with a social objective?**

n.a.

**What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

The only investments included in the “#2 Other” category are cash investments and derivatives.



## F. Monitoring of environmental or social characteristics

**What sustainability indicators are used to measure the attainment of the environmental or social characteristics promoted by this financial product?**

The indicators below will be used to measure the achievement of the promoted environmental and social characteristics.

- Reduction of the environmental impact:
  - Conducting of a carbon review (Yes/No)
  - Exhaustiveness of the carbon assessment: inclusion of scope 3 in the carbon assessment (Yes/No)
  - Emissions by scope (1/2/3) per € of revenue (tCO<sub>2</sub>e/€m)
  - Production of a report on physical and transition risks (Yes/No)
  - Definition of a plan to reduce the carbon footprint of services/products (Yes/No)
  - Demonstrated impact of carbon footprint reduction initiatives (Yes/No)
  - Share of renewable energy in total energy consumption (%)
  - Biodiversity impact analysis (Yes/No)
- Employee commitment:

- Establishment of a supervisory board (Yes/No)
- Establishment of an Executive Committee (Yes/No)
- Appointment of an independent member or more than 2 “entities” represented (Yes/No)
- Percentage of women on the Executive Committee (%)
- Average gender pay gap (€)
- Implementation of an annualised collective value sharing mechanism open to employees (excluding management package) (Yes/No)
- Development of human capital:
  - Implementation of an employee training plan (Yes/No)
  - Percentage of employees who received training during the year (%)
  - Share of payroll allocated to training (%)
  - Absenteeism rate (%)
  - Staff resignation rate (%)
  - Implementation of a dedicated workplace safety policy (Yes/No)
  - Frequency of workplace accidents (%)

**How are the environmental or social characteristics and the sustainability indicators monitored throughout the lifecycle of the financial product and the related internal/external control mechanism?**

When each investment is made, an ESG action plan is defined with the entrepreneur, and key indicators are established, focusing particularly on the characteristics promoted by the Fund through the Master Fund. A questionnaire is then sent annually to the companies to collect the information necessary for tracking these indicators. This data is compiled into a report presented annually to the Supervisory Board of the portfolio companies to ensure proper monitoring. The results of this tracking form the basis for awarding part of the variable compensation to the company’s executive by the Supervisory Board. Additionally, 20% of the carried interest and at least 15% of the management packages will be linked to achieving the ESG objectives.



## G. Methodologies

**What is the methodology to measure the attainment of the environmental or social characteristics promoted by the financial product using the sustainability indicators?**

The Management Company of the Master Fund implements an ESG action plan with the company leaders at the time of the acquisition. This plan is reviewed annually, and key indicators are established to track the company's progress—focusing particularly on the characteristics promoted by the Fund through the Master Fund. Establishing these key indicators highlights the importance of the characteristics promoted by the Fund, through the Master Fund, and focuses the attention of the company leaders on improving these criteria year on year. The objective is to achieve regular progress for the companies on the various characteristics promoted by the Fund through the Master Fund.



## H. Data sources and processing

**What are the data sources used to attain each of the environmental or social characteristics including the measures taken to ensure data quality, how data is processed and the proportion of data that is estimated?**



The data collected comes directly from the portfolio companies. It is gathered by sending a questionnaire to the leaders of these companies. Efforts are made with the management teams of the companies to gradually collect any missing information. The consistency of the information received is then verified by the investment teams of the Master Fund's Management Company.



## I. Limitations to methodologies and data

**What are the limitations to the methodologies and data sources? (Including how such limitations do not affect the attainment of the environmental or social characteristics and the actions taken to address such limitations)**

Through the Master Fund, the Fund will invest in SMEs. Unfortunately, in some companies, the requested data is not immediately available. The Management Company will typically work with the entrepreneur and their chief financial officer to gradually implement the required financial indicators.



## J. Due diligence

**What is the due diligence carried out on the underlying assets and what are the internal and external controls in place?**

As described in the previous sections, the pre-investment phase includes several steps to assess the ESG maturity of the target company, its potential and actual impact on the environment and society. This phase also allows the Management Company of the Master Fund to define with the company the action plan to be implemented during the holding period. These various processes can be carried out directly by the Management Company's teams or by engaging external consultants when appropriate.



## K. Engagement policies

**Is engagement part of the environmental or social investment strategy?**

☒ Yes

☐ No

**If so, what are the engagement policies? (Including any management procedures applicable to sustainability-related controversies in investee companies)**

In its investment strategy, the Fund through the Master Fund plans to hold a majority shareholder position. This will allow to encourage the promotion of the environmental and social characteristics listed above. Consequently, the portfolio manager will encourage portfolio companies to fulfill the corresponding ESG reporting obligations, including requesting reports on the indicators defined to measure the achievement of environmental and/or social characteristics. With the goal of raising awareness and best integrating the promotion of these characteristics by the management of portfolio companies, the Fund, through the Master Fund, implements a mechanism to index part of the variable compensation to the achievement of ESG objectives. Additionally, 20% of the carried interest and at least 15% of the management packages will also be linked to achieving these ESG objectives.



#### L. Reference benchmark

**Has a reference benchmark been designated for the purpose of attaining these characteristics promoted by the financial product?**

☐ Yes

☒ No

## Appendix 1



### A. Summary

EdR PE Privak (« Le Fonds ») est un fonds nourricier du fonds professionnel de capital-investissement Edmond de Rothschild Private Equity Trajan 2 (« le Fonds Maître »), et promeut donc les mêmes caractéristiques ESG décrites ci-dessous.

Pas d'objectif d'investissement durable : A travers le Fonds Maître, Le Fonds est un produit financier qui promeut des caractéristiques environnementales ou sociales mais n'a pas pour objectif l'investissement durable.

Les caractéristiques environnementales et/ou sociales promues par le Fonds, à travers le Fonds Maître, sont structurées autour de trois principaux axes :

- Réduction de l'impact environnemental : réduction de l'impact environnemental des entreprises du portefeuille en les aidant à identifier, anticiper et atténuer les effets de leurs activités sur le changement climatique.
- Développement du capital humain : développement du capital humain des PME en favorisant un environnement de travail sain et en accélérant la formation des employés.
- Engagement des employés : promotion de l'engagement de tous les employés en alignant les intérêts et en mettant en œuvre des principes de bonne gouvernance.

Part des investissements : 100 % des investissements réalisés par le Fonds, à travers le Fonds Maître, seront alignés sur les caractéristiques environnementales et sociales promues.

Stratégie d'investissement : La stratégie d'investissement du Fonds, à travers le Fonds Maître, vise à faciliter le transfert de capital et de gestion des PME dont le propriétaire-dirigeant souhaite sécuriser son capital et céder le contrôle opérationnel. A travers le Fonds Maître, le Fonds cible des PME avec une forte expertise, un modèle économique éprouvé, une bonne rentabilité et des perspectives de développement prometteuses dans divers secteurs tels que les services B2B, l'agro-alimentaire, les industries de niche, la santé ou l'éducation/formation. A travers le Fonds Maître, le Fonds vise à placer les enjeux ESG au centre des préoccupations du gestionnaire, afin qu'ils soient pris en compte dans la stratégie de développement de l'entreprise. Le Fonds, à travers le Fonds Maître, sensibilise les dirigeants qu'il soutient aux enjeux ESG avant la prise de contrôle en établissant un plan d'action ESG et en liant une partie de la rémunération variable du gestionnaire et du package de management à la réalisation des objectifs ESG du plan.

Durant la phase de sourcing, le Fonds appliquera à travers le Fonds Maître une stratégie d'exclusion et exclura les entreprises présentant des risques ESG significatifs susceptibles d'avoir un fort impact négatif sur la performance globale du portefeuille ainsi que sur sa réputation ou celle de ses parties prenantes.

Durant la phase de pré-investissement, une diligence sociale sera systématiquement menée avant chaque investissement, ainsi qu'une diligence environnementale (si pertinente pour le secteur concerné). Une grille d'analyse comprenant une évaluation de la situation ESG de la cible et un plan d'action ESG (co-développé avec le gestionnaire acquéreur) sera inclus dans le mémoire d'investissement final présenté au comité. Notez que le pacte d'actionnaires inclura au moins une clause ESG.

Après l'acquisition, les entreprises du portefeuille seront soutenues pour améliorer leurs processus internes de gestion des considérations environnementales et sociales et les résultats seront suivis à travers la mise en œuvre d'indicateurs spécifiques de suivi (voir ci-dessous). Ces résultats annuels seront présentés au conseil de surveillance pour assurer un suivi régulier, une partie de la rémunération variable du gestionnaire étant liée à la réalisation de ce plan d'action. Notez que 20 % du carried interest et minimum 15% de la rémunération variable des dirigeants seront liés à la réalisation des objectifs ESG.

A travers le Fonds Maître, le Fonds supervisera et suivra les caractéristiques environnementales et sociales suivantes :

- Réduction de l'impact environnemental :
  - Réalisation d'un bilan carbone (Oui/Non)
  - Exhaustivité de l'évaluation du carbone : inclusion du scope 3 dans l'évaluation du carbone (Oui/Non)
  - Émissions par scope (1/2/3) par € de chiffre d'affaires (tCO<sub>2</sub>e/€m)
  - Production d'un rapport sur les risques physiques et de transition (Oui/Non)
  - Définition d'un plan pour réduire l'empreinte carbone des services/produits (Oui/Non)
  - Impact démontré des initiatives de réduction de l'empreinte carbone (Oui/Non)
  - Part d'énergies renouvelables dans la consommation énergétique totale (%)
  - Analyse de l'impact sur la biodiversité (Oui/Non)
- Engagement des employés :
  - Mise en place d'un conseil de surveillance (Oui/Non)
  - Mise en place d'un comité exécutif (Oui/Non)
  - Nomination d'un membre indépendant ou plus de 2 « entités » représentées (Oui/Non)
  - Pourcentage de femmes au sein du comité exécutif (%)
  - Écart moyen de rémunération entre les sexes (€)
  - Mise en œuvre d'un mécanisme de partage de la valeur collectivement annualisé ouvert aux employés (hors package de management) (Oui/Non)
- Développement du capital humain :
  - Mise en œuvre d'un plan de formation des employés (Oui/Non)
  - Pourcentage d'employés formés au cours de l'année (%)
  - Part de la masse salariale consacrée à la formation (%)
  - Taux d'absentéisme (%)
  - Taux de démission du personnel (%)
  - Mise en œuvre d'une politique dédiée à la sécurité sur le lieu de travail (Oui/Non)
  - Fréquence des accidents du travail (%)

Méthodologie : Pendant la période de prise de contrôle, un plan d'action ESG sera mis en œuvre par la Société de Gestion du Fonds Maître et la direction de l'entreprise. Ce plan sera révisé annuellement, et des indicateurs clés de suivi seront établis pour mesurer la performance de l'entreprise, en particulier sur les caractéristiques promues par le Fonds.

Sources et traitement des données : Les données seront collectées auprès des entreprises du portefeuille en envoyant un questionnaire aux dirigeants. La cohérence des informations reçues sera vérifiée par l'équipe d'investissement de la société de gestion du Fonds Maître.

Limites des méthodologies et des données : Comme le Fonds, à travers le Fonds Maître, investit dans des PME, les données ne seront pas toujours immédiatement disponibles. Pour pallier cela, la Société de Gestion du Fonds Maître mettra progressivement en œuvre les indicateurs demandés, en collaboration avec la direction de l'entreprise.

Diligence : Dans le cadre de l'élaboration de sa stratégie ESG, la société de gestion du Fonds Maître mène différents niveaux de diligence :

- Une grille d'analyse, incluant une évaluation de la situation ESG de l'entreprise cible, est incluse dans la Note d'Investissement présentée au comité - cette grille aide à identifier les enjeux ESG à explorer avant un investissement potentiel ;
- Une série de questions environnementales et sociales est intégrée dans les questionnaires de diligence envoyés aux entreprises considérées comme projets d'investissement potentiels ;
- Un audit social est systématiquement réalisé - et peut être complété par un audit environnemental si nécessaire. D'autres risques majeurs évalués concernent le secteur de

l'entreprise, la sensibilité du vendeur aux enjeux ESG et les politiques mises en œuvre dans ce domaine ;

Ces diverses analyses et diligences sont réalisées par la Société de Gestion du Fonds Maître avec le soutien de cabinets externes spécialisés si nécessaire.

Politiques d'engagement : A travers le Fonds Maître, le Fonds prévoit de détenir une position d'actionnaire majoritaire. Cela permettra d'encourager la promotion des caractéristiques environnementales et sociales listées ci-dessus. La société de gestion du Fonds Maître soutient cette démarche en liant une partie de la rémunération variable des dirigeants à la réalisation de ces objectifs ESG.