

XENON AIFM S.A.

No consideration of adverse impacts of investment decisions on sustainability factors

[Disclosure under the Commission Delegated Regulation (EU) 2019/2088, Art 4., and
Regulation 2022/1288]

Principal adverse impacts (“PAI”) refer to the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

With reference to Article 4, point (b) of Regulation (EU) 2019/2088, Xenon AIFM S.A. (“Xenon”) currently does not consider principal adverse impacts on sustainability factors in accordance with the template provided in Annex I (Table I) of the Regulatory Technical Standards (“RTS”). Instead, Xenon evaluates sustainability factors and negative externalities in line with its ESG integration approach, as detailed within its ESG Policy, applying negative screening to exclude investments that may have negative impacts on the environment and society, and performing ESG due diligence to identify ESG risks and opportunities across the entirety of the investment process.

From 2024, Xenon monitors the Flagship Fund’s portfolio companies’ ESG performance through a set of ESG key performance indicators which have been selected based on and have been aligned to the principal adverse impact indicators reflected in Annex I (Table I) of the RTS. It should be noted that the level of maturity in providing non-financial data of adequate quality and quantity varies significantly by portfolio company. Xenon will aim to collaborate with the companies in question to improve the scale and quality of data provided, in line with the principal adverse impact indicators.

Xenon will aim to review its approach on an ongoing basis and will amend its position towards the statement on principal adverse impacts if and when appropriate.

Note for Xenon FIDEC SCA SICAV-RAIF (“Xenon FIDEC”), a private equity fund of Xenon, please refer to the dedicated Article 10 disclosure of the fund.

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2023 [Version 001]	30 June 2024 [Version 002] No material changes made (minor changes to the wording to improve the language)