

ARCHIMED

IMPACTING HEALTHCARE



ANNUAL SUSTAINABILITY REPORT 2022

“At ARCHIMED, we believe that our mission of advancing healthcare industries and improving health outcomes can only be achieved by recognizing the interdependence between human, animal, and environmental health, also known as the ‘One Health’ concept. ARCHIMED’s commitment to sustainability is embedded within our corporate ethos and permeates every aspect of our business; this positioning underpins our responsible investment approach and is the crucial means of value creation both internally and within our portfolio.

Our latest funds, MED III and MED Platform II, were created with the sole purpose of driving sustainable investments in the healthcare realm. These funds, classified as Article 8+ and Article 9 respectively, serve to demonstrate the unique duality of our investments, namely amplifying positive impacts on health which further enhances our ability to deliver superior financial returns.

Amid rising regulatory pressures and investor expectations impelling the financial sector to assume a central role in driving sustainable growth, we continue to uphold a culture of transparency while remaining adaptable to the needs of both our stakeholders and wider regulatory requirements.

The past year was one of monumental progress for ARCHIMED in terms of achieving impact and ESG milestones that have been pivotal at both strategic and portfolio management levels, as illustrated throughout this Report. By building on our capacity and expertise, we endeavor to maintain this momentum and consolidate our position as an industry catalyst towards investments that lead to a healthier and more sustainable future for all.”



Denis Ribon,
Chairman and Managing Partner

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ARCHIMED at a Glance

“All our funds are labelled Article 8 or 9*,
reflecting our engagement and
investment strategy over the years
to be fully impact-oriented.”



Vincent Guillaumot
Managing Partner



Introduction to ARCHIMED

Founded in 2014, ARCHIMED was born out of the belief that setting up a private equity firm dedicated to investing in the healthcare industries would create a positive difference for companies, investors and society. As a specialized impact investor within the health sector, improving patient outcomes is one of our foundational goals, with contributing to better healthcare being the overarching mission at ARCHIMED.

The ARCHIMED team brings decades of medical, scientific, operational and financial experience, and is purely focused on accelerating the growth and business development of healthcare companies through innovation, internationalization, acquisitions and capacity expansion. Through our healthcare expertise, we have consistently delivered excellent performance to our investors in terms of financial returns, as well as sustainability improvements and positive health impacts. These outcomes serve as the underlying drivers behind our responsible investment approach.

OUR VISION

We believe in human, animal and environmental health ('HEALTH') as a common value amongst all people and a key condition for long-term development.

OUR MISSION

We join forces with scientists, healthcare professionals, entrepreneurs, and investors to drive the sustainable development of the healthcare industries through our 3 main activities:

FUND

We ensure funds are channeled into companies contributing to improving healthcare outcomes, while achieving ESG and impact objectives.

SUPPORT

We empower healthcare entrepreneurs in their companies' development, seeking to drive value for multiple stakeholders and build a better healthcare future.

RETURN

We deliver superior returns to our investors and fair rewards to our companies, but we also aim to have a wider impact on society by supporting charitable projects through the EURÉKA Foundation.

OUR AMBITION

By driving more resources to the healthcare industries, we are improving people's health and economic status across all levels.



Introduction to ARCHIMED

2014

Creation of ARCHIMED's first fund MED I

100 %

ARCHIMED professionals invest in our funds

5 %

Carried interest to the EURÉKA Foundation from all funds

30 %

Average EBITDA margin of our portfolio companies

€3.7M

Charitable donations to the EURÉKA Foundation

€100M+

Annual investment in GMP facilities throughout our portfolio

10,200 +

Employees across our portfolio

140 +

ARCHIMED professionals

1

ESG Award

€8B

Assets Under Management (AUM)

100 %

SFDR Article 8, 8+ or 9 funds

3

Offices in Europe, USA and Asia

30 +

Healthcare sub-sectors invested

30

Nationalities

60 %

higher portfolio company growth rate compared to pre-ARCHIMED performance

€10M-1B

Investment size

5

Investment funds



Our Areas of Expertise

ARCHIMED's dedicated sector teams invest across the following seven prioritized healthcare sectors ('MedSegs'). All our companies are developing cutting-edge products & services, improving patient lives and pushing the boundaries of the fields in which they operate.



Healthcare IT

use of technology to manage and share health-related information for clinical, administrative, and finance functions.

3 Investments



Consumer Health

branded consumer products addressing daily healthcare needs, including skincare, nutrition, baby health, and women's health.

4 Investments



Pharma Services

services across the pharmaceutical value chain from early-stage drug discovery research to commercial manufacturing and ancillary support services.

3 Investments



MedTech

design, development and sale of devices used in medical, surgical, and dental treatments.

9 Investments



Biopharma Products

pharmaceutical products manufactured, extracted or synthesized from biological sources, including orphan drugs and novel therapies for women's health, rare diseases, respiratory and dermatology conditions.

3 Investments



Life Science Tools & Biologic Services

equipment, consumables or technologies used for R&D processes, manufacturing or administration of therapeutics and services for the development, manufacturing and administration of biopharmaceuticals.

5 Investments



In Vitro Diagnostics

value chain of diagnostic tests used on biological samples, including raw materials, laboratory and point-of-care instruments.

4 Investments

Our Funds

Sustainable Finance Disclosure Regulation

The Sustainable Finance Disclosure Regulation (SFDR) was first proposed in 2018 by the European Commission as a critical pillar of the EU Action Plan for Financing Sustainable Growth, aiming to reorient capital towards sustainable investments. The SFDR intends to protect investors from greenwashing claims by imposing greater transparency through various mandatory pre-contractual and periodic disclosure obligations on entities and financial products, based on their sustainability profile. All ARCHIMED funds are subjected to these obligations as they consistently embed sustainability across the investment lifecycle and are thus classified as either Article 8, 8+ or 9 under the SFDR.

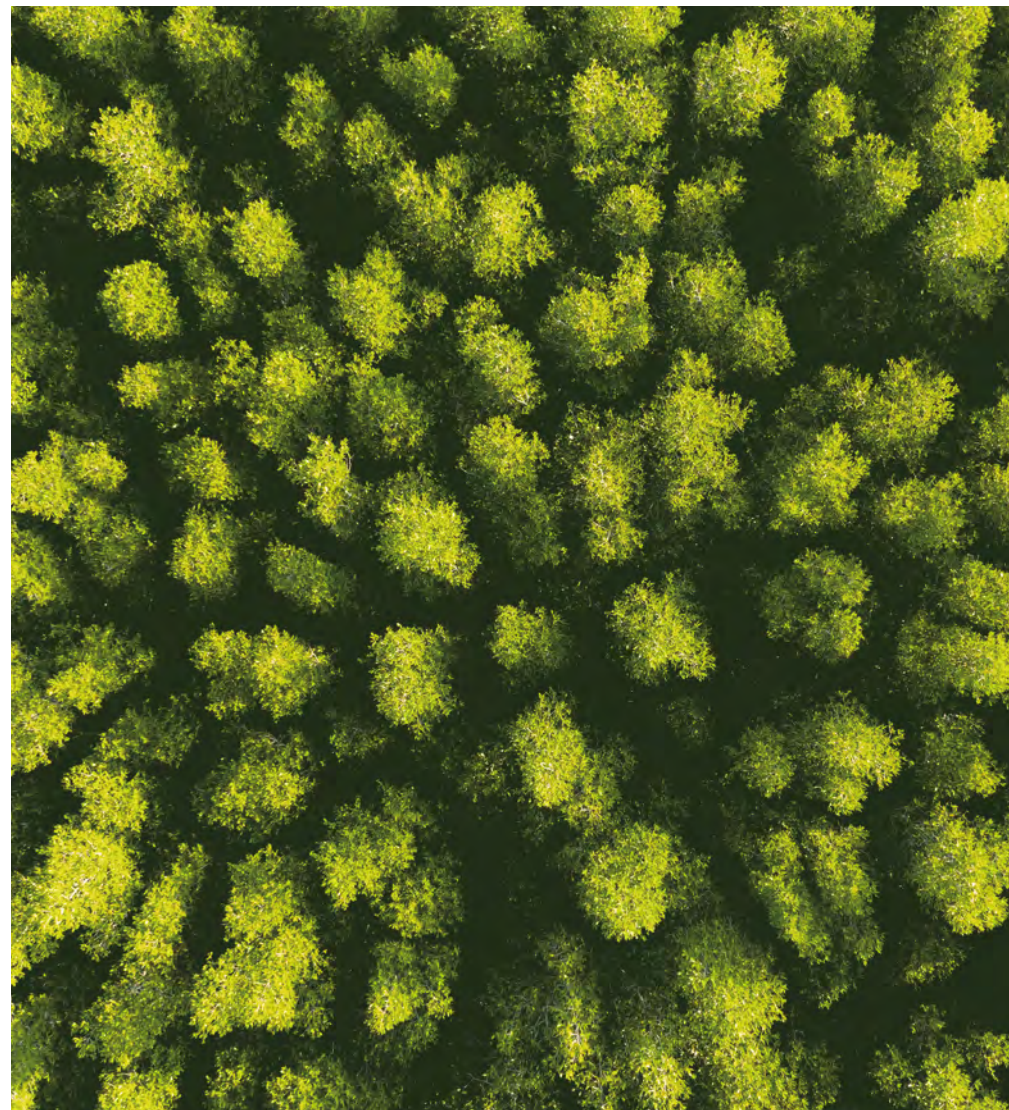


All our sustainability-related entity and fund-level disclosures, including reporting on Principle Adverse Impact indicators (PAIs), are available at the dedicated [**SFDR Disclosures page**](#) on our website.

MED III Fund Classification as Article 8+ SFDR

As of January 2023, MED III was reclassified from an Article 9 to an Article 8+ Fund, an unofficial classification based on the EU SFDR but an emerging market practice following the latest SFDR amendment that set a threshold of 100% for sustainable investments within Article 9 funds. Article 8+ funds invest in line with the investment strategy of Article 8 Funds to promote environmental and social characteristics, but also go beyond this by acquiring some assets that pursue a sustainable investment objective in line with the investment strategy of Article 9 Funds.

MED III's sustainable investment objective will continue to contribute to "Good Health and Well-being" as promoted by the United Nations Sustainable Development Goal 3 (SDG 3), by investing in companies that address at least one of the five ARCHIMED Health Objectives (refer to page 21). These sustainable investments will comprise a large portion (at least 66%) of the portfolio, while the remaining portion will be invested in companies that promote strong environmental and social characteristics.



Our Funds

SFDR Fund Classifications

Art. 8 Funds

promote environmental or social characteristics

Art. 8+ Funds

majority of the fund has a sustainable investment goal as its objective

Art. 9 Funds

have sustainable investment as their objective



MED I	MED II	MED III	MED Platform I	MED Platform II
2014 Vintage year	2018 Vintage year	2021 Vintage year	2019 Vintage year	2022 Vintage year
€146M Total Commitments	€315M Total Commitments	€650M Total Commitments	€1B Total Commitments	€3B Total Commitments
Small-cap Strategy	Small-cap Strategy	Small-cap Strategy	Mid-cap Strategy	Mid-cap Strategy
Art. 8 SFDR Classification	Art. 8 SFDR Classification	Art. 8+ SFDR Classification	Art. 8 SFDR Classification	Art. 9 SFDR Classification

Investment Map



Our Sustainability Strategy

“We actively use our role as a responsible investor and business owner to develop more resilient and sustainable companies that can ultimately save and improve lives. Our responsible investment policy includes our commitment to achieve greater health outcomes whilst upholding the highest ESG standards.”



Alice Morillon

Head of Sustainability and Impact



Our Sustainability Journey

ARCHIMED
IMPACTING HEALTHCARE

EURÊKA
Foundation

PRI Principles for Responsible Investment



Charte
FAVORISER LA PARITÉ
FEMMES-HOMMES
dans le Capital
Investissement
et donc les entreprises

ic initiative climat international
Private equity action on climate change

ESG BEST PRACTICES HONOURS
Reporting21
A Cority Company

IMPACT MANAGEMENT PROJECT

European Commission

QBC
BILAN CARBONE®



GREENHOUSE GAS PROTOCOL



SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

TNFD Taskforce on Nature-related Financial Disclosures

2014
Initiate

- + Creation of ARCHIMED and of the EURÊKA Foundation

2018
Commit

- + Signatory of the United Nations Principles of Responsible Investment (PRI)

2019
Integrate

- + Public Commitment to integrate sustainability and the United Nations Sustainable Development Goals (UN SDGs) within the investment process
- + First companies' Sustainability Roadmaps developed with the support of INDEFI

2020
Measure and Disclose

- + Inclusion of sustainability sections within Quarterly Investor Reports
- + Measurement and disclosure of portfolio carbon emissions, in line with ARCHIMED's initiative Climat International (ICI) membership signature
- + Measurement and promotion of gender diversity within private equity companies, in line with the France Invest Parity Charter

2021
Accelerate

- + Definition of internal healthcare taxonomy to address pressing health challenges and set objectives
- + Winning the Swen Capital Award for best ESG practices
- + First year of collecting ESG data across all portfolio companies using the Reporting21 platform
- + Recruitment of Head of Sustainability and Impact

2022
Transform

- + Classification of MED Platform II as an Article 9 fund and MED III as Article 8+ under the EU SFDR classification
- + Defined sustainable objective of the funds, the screening methodology and tools to ensure new investments measurably contribute to the sustainable objectives using the Impact Management Project (IMP) framework
- + 100% response rate on the annual ESG reporting campaign with portfolio companies
- + Conducted biodiversity risk assessment across the portfolio

2023
Embed

- + Hired internal capacity in Sustainability & Impact Team
- + Conducted carbon footprint assessment at ARCHIMED level in line with the Greenhouse Gas (GHG) Protocol and planned assessment for high-emitter portfolio companies
- + 100% response rate on the annual ESG reporting campaign with portfolio companies
- + Refinement of proprietary Internal Sustainability Tool to be used pre-investment, to integrate impact and ensure portfolio's measurable contribution to SDG 3
- + Revision of companies' Roadmaps to include impact targets

Looking Ahead

- + Continue to build capacity within the investment team on extra-financial topics
- + Define carbon reduction plan with concrete targets in line with the 2015 Paris Agreement low-carbon trajectory
- + Commit to validate climate targets under the Science Based Targets Initiative (SBTi)
- + Publish ARCHIMED's Climate and Biodiversity Policies (aligned with TCFD and TNFD)
- + Develop a Statement on Animal Testing

Responsible Investment Strategy

ARCHIMED has been following a dynamic approach to responsible investment, continuously evolving its policies, tools and processes in order to facilitate the implementation of a responsible investment strategy. This commitment was ratified in 2018, when ARCHIMED became a signatory of the UN PRI, and was then endorsed further with the incorporation of the UN SDGs into our investment process. Most recently, we have fully entrenched responsible investment with our strategy in 2021, with the creation of our first fund with a sustainable investment objective, MED III.

Our responsible investment strategy is embedded into all steps of our investment cycle and is focused on supporting and accelerating our portfolio companies' sustainable transformation alongside ours.

For this purpose, we select mission-driven companies and engage with them to uphold the highest ethical, environmental, social and governance standards, and ensure that they directly contribute to the UN SDGs. Furthermore, we bring advice on the definition of their Corporate Social Responsibility (CSR) strategy and assist them in developing actionable Sustainability Roadmaps that help set clear objectives, assign internal responsibilities, and monitor progress over time through dedicated KPIs.

ARCHIMED's goal is to deliver long-term performance for investors and institutions on a global scale. To exemplify how this goal is fulfilled at an individual investment level, in 2022-2023 we updated our **Responsible Investment Policy**. This policy sets out the methodologies, processes and tools we employ to establish extra-financial criteria throughout the investment process, it describes how sustainable investments are identified from the outset and how their contribution to the Health Objectives is measured, as well as how sustainability topics are managed and improved upon across the portfolio. Through these mechanisms, ARCHIMED integrates ESG considerations throughout all operations, and involves the entire team on the execution of the responsible investment strategy. In particular, the investment teams receive regular training from our dedicated Sustainability & Impact team to ensure that they are properly equipped to drive our portfolio's sustainability performance and to accelerate our health impact. We periodically report on our progress through both Quarterly Investor Reports as well as our annual Sustainability and Impact Reports. In addition, our Responsible Investment Policy outlines the systematic monitoring and reporting of PAIs, which are publicly available on the **SFDR Disclosures** page on our website.

To ensure that we follow the highest industry standards, our responsible investment strategy is built upon a range of established international sustainability and impact frameworks, including but not limited to:



The Sustainability Accounting Standards Board (SASB) aims to guide the disclosure of companies' financially material sustainability information by identifying subsets of the most relevant sustainability issues across 77 industries.

As part of our annual ESG Reporting Campaign, we collect and report on healthcare-specific SASB indicators across our portfolio.



The UN SDGs consist of seventeen objectives designed to serve as a call for action by all countries and a shared blueprint for peace and prosperity for both people and the planet.

ARCHIMED is committed to investing in companies that positively contribute to SDG 3 "Good Health and Well-Being", as well as targets of SDG 9 "Industry, Innovation and Infrastructure", which also define the sustainable investment objective of our MED III and MED Platform II funds. Additionally, we use other SDGs, such as SDG 13 "Climate Action", as a compass to evaluate sustainability performance.



The UN PRI is the leading international network of financial institutions working to implement its six principles that offer possible actions for incorporating ESG issues into investment practice.

In 2018, ARCHIMED became a signatory of the PRI, illustrating our long-standing commitment to integrating ESG criteria into our investment strategy.



The IMP is a widely used impact assessment framework helping identify the positive and negative impacts of a company on people and planet through five dimensions of impact.

Pre-investment, ARCHIMED systematically conducts a positive screening analysis using the IMP methodology to assess the intentional, additional and measurable potential contribution of the investment to our Health Objectives. The results obtained serve as the basis to define the impact thesis of each new sustainable investment.

Our Four Commitments to Sustainability

1

IMPACT

Contribute to Health Objectives

- › Pre-investment: Assessment of contribution to Health Objectives and to SDG targets ("impact potential assessment").
- › Defining a clear impact thesis for investments contributing to the sustainable objective of the fund.
- › Setting short- and long-term impact targets within a Sustainability Roadmap.
- › Accelerating impact on health through the IMP framework.
- › Monitoring of progress on the Sustainability Roadmap and associated targets through specific KPIs.

2

ESG

Build Responsible Businesses

- › Pre- and post-investment Assessment of key ESG material topics and the company's maturity against these topics.
- › Establishment of a Sustainability Roadmap with specific objectives, milestones and ESG KPIs.
- › Yearly review of progress against the Roadmap for each company.
- › Regular discussions on key ESG topics at board level and continuous engagement with companies to ensure sustainability stewardship.

3

ENGAGEMENT

Align Interests

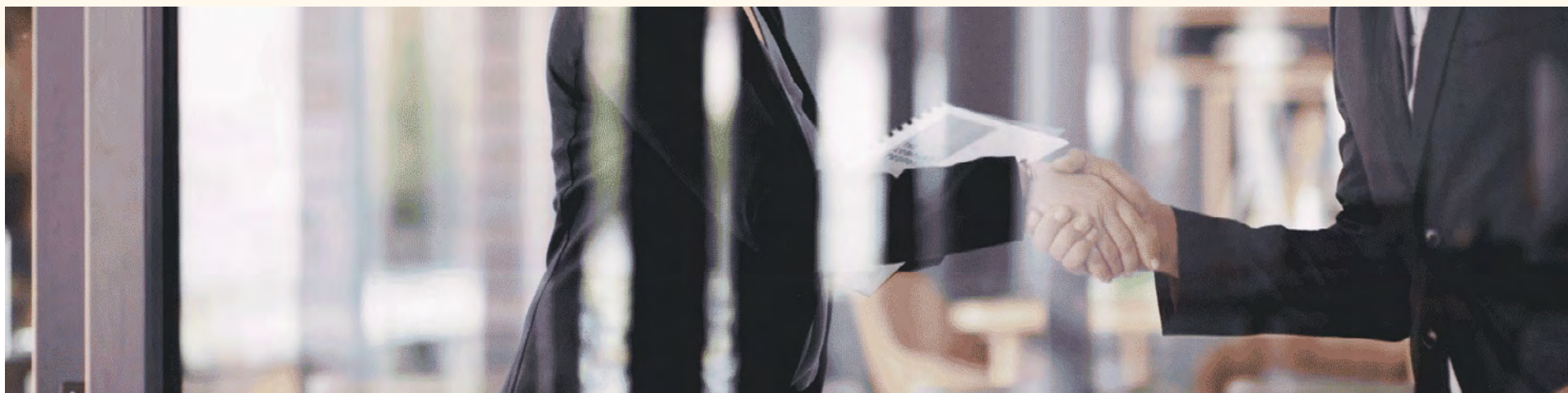
- › Integration of impact and ESG topics at companies' Board level.
- › Top management variable remuneration aligned with progress on the Roadmap.
- › ARCHIMED investment team's variable remuneration aligned with sustainability objectives.

4

TRANSPARENCY

Monitoring and Reporting

- › Regular assessment of progress against the Roadmap.
- › Integration of PAIs within due diligence.
- › Yearly data collection to measure, monitor and report on impact and ESG performance.
- › Annual Sustainability and Impact Reports, and readily available information throughout the year through regular reporting on progress.
- › Integration of sustainability-related updates and material ESG events into ARCHIMED's Quarterly Investor Reports.



Supporting our Companies on their Sustainability Journey

At ARCHIMED, we recognize the fundamental role sustainability plays in creating long-term value and we are committed to building leading responsible businesses that have been designed to leave a positive footprint on society, beyond ARCHIMED's investment horizon. To that end, we have developed robust processes embedding sustainability within every step of the investment lifecycle.

Building on our internal capacity, in 2022 we expanded our dedicated Sustainability and Impact team and developed a proprietary Internal Sustainability Tool to facilitate and streamline the integration of ESG and impact factors consistently within our pre-investment process. Prior to every Investment Committee (IC), an impact referent from the deal team is appointed to conduct preliminary sustainability screenings through this Tool, including a high-level ESG assessment covering all the PAIs. This initial assessment helps us identify early in the investment process key ESG risks or opportunities, and highlights areas requiring closer examination. This preliminary analysis is further validated through extensive ESG due diligence that is systematically performed by expert consultants as well as more specific due diligence on selected ESG topics, such as environmental and supply-chain risks, where relevant. These results are thoroughly evaluated to assess whether ESG performance is aligned with our investment goals and can be improved during the holding period, and are always included in the investment memo, forming an integral part of the investment decision-making.

Furthermore, the Post-Completion Action Plan (PCAP) for all new investments contains the requirement for an in-depth sustainability and impact assessment to be conducted by expert consultants within 100 days of closing. Included in the scope of this workstream, the materiality and maturity of the sustainability and impact topics most relevant to each company's sector, activities, location and supply chain are assessed. For the materiality analysis, ARCHIMED has selected the following key ESG topics as minimum requirements that are pursued and promoted systematically:



ENVIRONMENT

Assessment of Scopes 1, 2 & 3 GHG Emissions, GHG Emissions Reduction Target & Action Plan, Risk on Biodiversity, Waste Management and Eco-design, Environmental Pollution, Exposure to Climate Change



GOVERNANCE

Business Integrity, Safety and Health, Equity in Clinical Trials, Local Footprint and Philanthropy, Quality and Product Safety, Innovation and R&D, Supply Chain Management (incl. Human Rights and Environmental Impacts), Digitalisation and Telemedicine, Distribution, Marketing, and Product Labelling, Risk Management (incl. Data Protection and Security)

SOCIAL

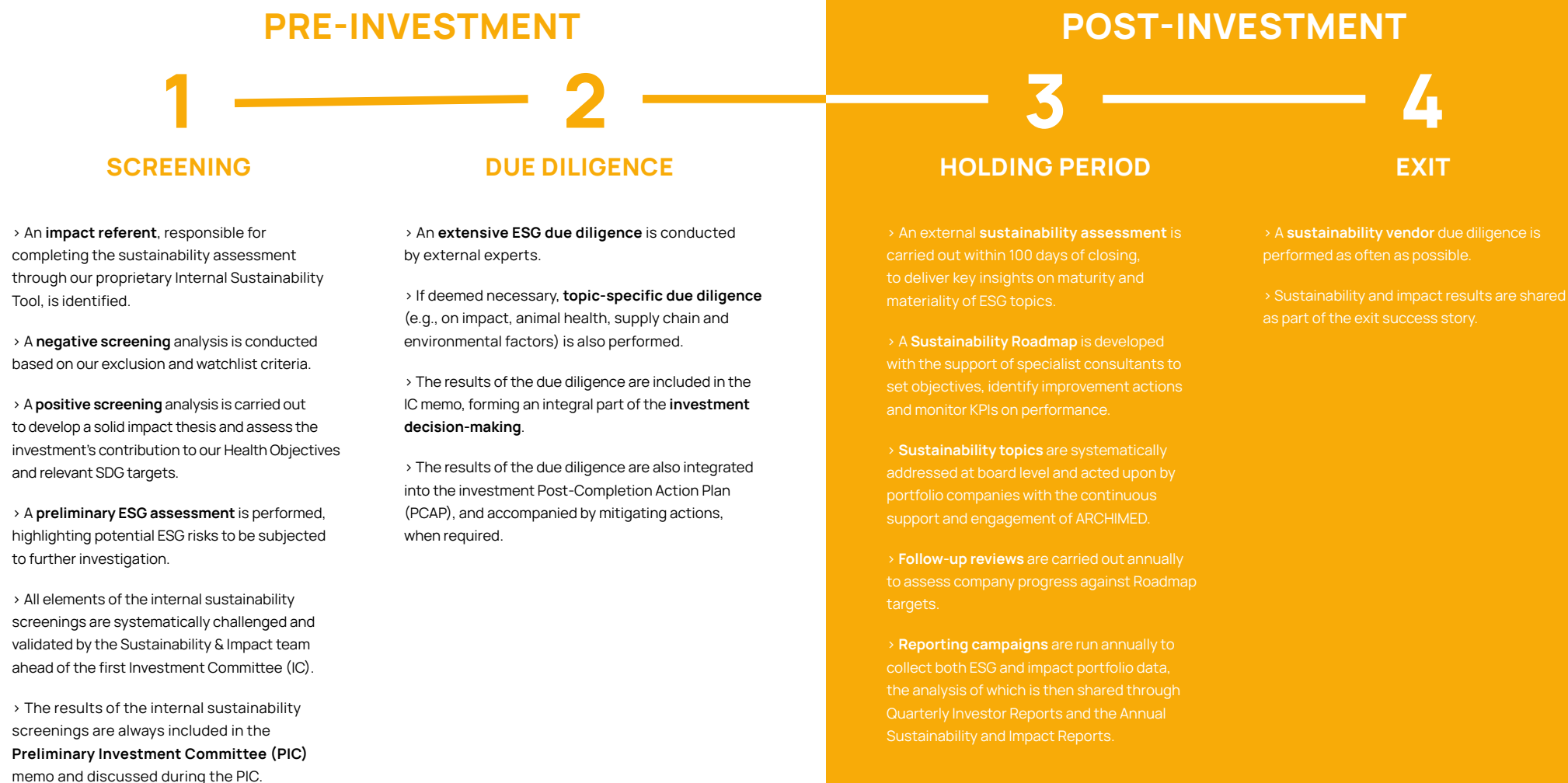
Diversity, Inclusion and Equal Treatment, Employee Engagement and Labour Relations, Occupational Health and Safety



Expanding upon the most significant ESG topics identified, the maturity of each company's management and performance on these topics is assessed against a benchmark of market peers. Based on these results and insights, a Sustainability Roadmap is developed that includes key implementation actions with short and long-term targets set out according to a realistic timeframe. In addition, each action point is monitored by selecting relevant Key Performance Indicators (KPIs) in order to track and measure progress over time. This Roadmap is validated at board level and is executed by the company's management team. To further align business interests with ESG and impact objectives, ARCHIMED has mandated that 20% of the CEO's variable remuneration is linked to the achievement of this Roadmap for MED Platform II and MED III investments.

The ARCHIMED team unceasingly mentors and assists the portfolio companies with their sustainability journey through continuous engagement with company management and monitors company progress against this Roadmap through formal follow-up reviews which are performed on an annual basis. Furthermore, in line with our commitment to transparency and accountability, as part of ARCHIMED's annual ESG Reporting Campaign, portfolio companies are required to provide data on their sustainability performance across an extensive set of indicators including their carbon footprint, supply chain, impact on health, ESG policies and processes, PAIs and healthcare-specific indicators based on SASB.

Embedding Sustainability across the Investment Lifecycle



Sustainability Case Study



DIESSE is an Italian industry pioneer in the development and production of innovative In Vitro Diagnostics (IVD) systems, that help to diagnose inflammatory, infectious, and autoimmune diseases quickly and reliably. Through the constant integration of advanced research, DIESSE continues to enable the improvement of medicine for the benefit of a wide variety of patients.

A Sustainability Journey That Started with ARCHIMED

Since the formalization of DIESSE's Sustainability Roadmap in 2019, the company has elevated its CSR strategy and has accomplished impressive progress on several ESG topics through the implementation of best practices which have served to demonstrate their corporate commitment to sustainable development.

To facilitate the execution of the Roadmap, in 2020 DIESSE first defined and structured CSR responsibilities by appointing a cross-functional team dedicated to working on sustainability and ESG topics within the company. They developed a CSR Policy that identifies key priorities aligned with the UN SDGs. Since then, DIESSE has undertaken several measures to reduce its environmental footprint, predominantly through more responsible energy and water consumption and the use of renewable sources, as well as improved waste management and waste reduction initiatives. More specifically, DIESSE monitors water consumption, implements measures to prevent water discharges - nearly 50% of its energy consumption comes from renewable sources - and almost 25% of renewable energy is produced in-house through solar panels. Furthermore, DIESSE has formalized a policy for the treatment of hazardous and non-hazardous waste in line with which it has advanced its waste sorting process, monitors recycled and non-recycled waste quantities and has replaced cardboard boxes with durable ones to improve reusability when shipping products between sites. In 2022, DIESSE was awarded a bronze medal for its sustainability performance based on its EcoVadis 2022 assessment.

DIESSE's new state-of-the-art facility, the DIESSE Biotech Campus, is designed in line with the highest health and safety standards as well as environmental excellence and energy self-sufficiency facilitated by two photovoltaic systems and an internal water supply system, covering the entire energy needs of the plant. Notably, all employees participated in the design and planning phase of this new building serving as a reminder of the strong engagement and collaboration across the teams which is a defining element of DIESSE's corporate culture.

In addition, DIESSE implements several best practices to create a positive working environment and has dedicated resources to support personal and professional growth of its employees. DIESSE conducts regular employee engagement surveys that form the basis from which action plans are developed around topics that employees are truly passionate about.

In 2022, the company delivered 3,000 hours of employee training on soft skills, including communication, stress and conflict management, well-being and mental health, with 95% of employees participating in at least one training course. Moreover, DIESSE has implemented initiatives focused on remuneration, career and personal development, and has integrated environmental and ethical risks, including anti-bribery and corruption, human rights, and anti-discrimination and diversity management, within the updated Code of Ethics to meet the requirements of the Modello 231 law. Notably, in 2022, DIESSE restructured its CSR commitments and obtained the CSR status of a 'Società Benefit', a label that denotes a company that combines the pursuit of profit with positive business impacts on society and the environment. Companies that have been awarded this status are known for operating in a transparent, responsible and sustainable way, and as such this milestone represents a significant leap forward for DIESSE's transition into an IVD market leader on sustainability.



More detailed information on DIESSE's sustainability performance can be found in DIESSE's annual Sustainability Report, which is certified by KPMG, in compliance with the Global Reporting Initiative (GRI) index methodology.

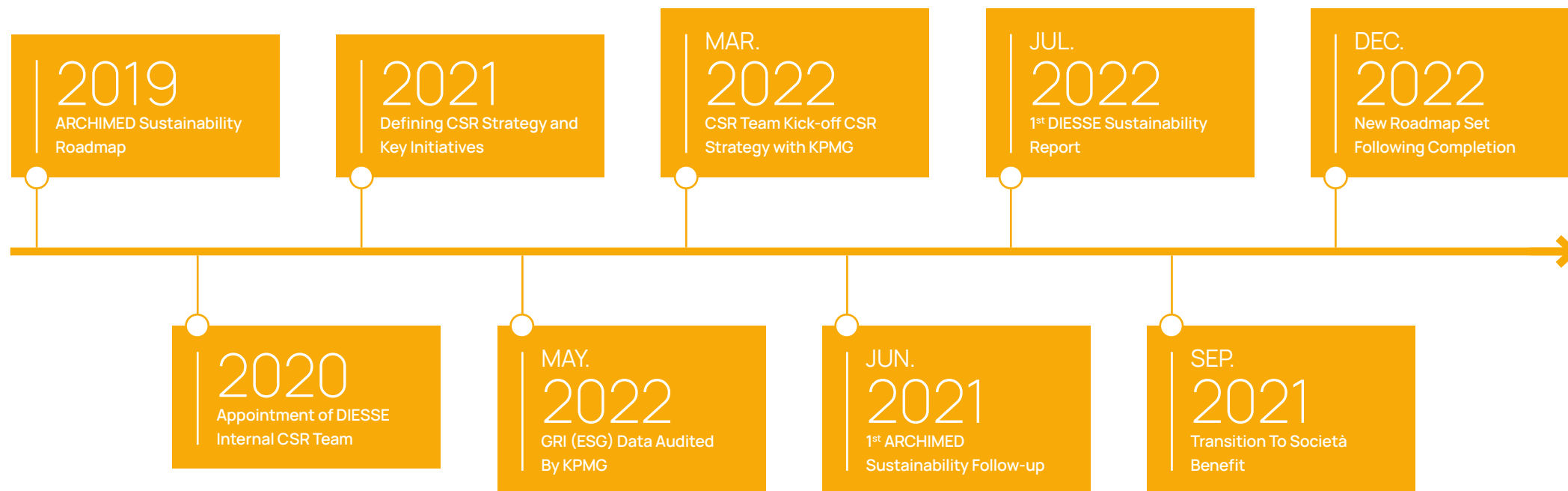
50%
of its energy consumption
comes from renewable
sources

25%
of renewable energy
is produced in-house
through solar panels.

95%
of employees participating
in at least one training
course

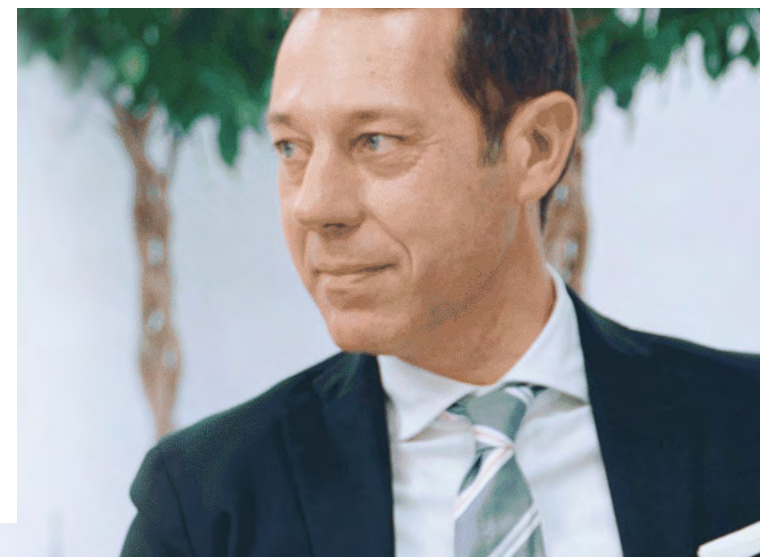


Sustainability Case Study



“ARCHIMED was pivotal to triggering our ESG journey, which has enabled DIESSE to align its operations and processes with the 2030 agenda for sustainable development. The nature of what we do, healthcare for patients, and our commitment to a better world have naturally led us to change our status to become a Benefit Corporation. Moreover, ARCHIMED shared with us the vision to build the DIESSE Biotech Campus, the most advanced and fully sustainable R&D and production biotech plant for the In Vitro Diagnostics in Europe.”

Massimiliano Bogetti,
CEO, DIESSE



Our Sustainability Journey Continues: 2023 Key Priorities

1 Establish a Carbon Reduction Action Plan under the SBTi and drive decarbonization efforts across the portfolio

Starting from fall 2023, ARCHIMED will be working with Carbone 4 to develop a climate strategy under which ARCHIMED and the portfolio companies will gradually set an ambitious carbon reduction action plan based on the carbon footprint assessment results. The purpose of this work is to progress towards setting ARCHIMED's science-based climate objectives aligned with 2015 Paris Agreement and eventually submit them for validation under the SBTi, further consolidating decarbonization efforts across our portfolio. The work will start with 10 portfolio companies (the main emitters of CO2 emissions). Thanks to Carbone 4's support, these companies will learn how to calculate their carbon emissions on scopes 1, 2 and 3, under the GHG Protocol. Several workshops will be conducted to train company representatives on climate change and the specificities of measuring carbon footprint. Following this exercise, each company will work with Carbone 4 to analyze key decarbonization levers that will form the basis of a carbon reduction action plan.

Adopting this progressive approach will allow ARCHIMED to (1) get a clear view on portfolio carbon emissions, based on stabilized and homogeneous data, and (2) identify concrete decarbonization opportunities; these are pivotal steps to define a decarbonization strategy with set targets at ARCHIMED level.

2 Engage with portfolio companies to set impact objectives and accelerate ESG improvements

As a majority shareholder, ARCHIMED is in a unique position to engage with portfolio companies to assist them in accelerating their impact across several sustainability topics. ARCHIMED's Sustainability & Impact team, alongside investment team members, support the management of portfolio companies in their



sustainability journey. In addition to the Sustainability Roadmaps containing specific sustainability objectives each company commits to achieve, moving forward, ARCHIMED will also develop guidance and tools on specific ESG topics, such as decarbonization levers, health equity, biodiversity management, etc., that will serve to guide and inspire portfolio companies.

3 Develop Position Statements on specific ESG topics

ARCHIMED aims to develop statements defining its position on highly material ESG topics such as animal testing, profit-sharing, biodiversity, etc. These statements aim to provide clarity to our stakeholders on ARCHIMED's perspective on these topics and our related commitments which will be enforced through pre-investment screenings as well as monitoring processes during the holding period.

4 Publish Climate and Biodiversity Policies in line with the TCFD and the TNFD recommendations

Later this year, ARCHIMED will publish a Climate Policy, aiming to strengthen our climate action initiatives and commitments and formalize our climate strategy in line with the 2015 Paris Agreement and the TCFD recommendations.

Recognizing the growing importance of integrating biodiversity considerations into investment decisions, ARCHIMED also plans to develop a Biodiversity Policy in line with TNFD recommendations and guidance on biodiversity loss.

5 Continue to Build Capacity within the Investment Team on Extra-Financial Topics

At ARCHIMED, we believe that involving our entire team in our responsible investment strategy is a key driver of its successful implementation. To that end, developing and strengthening ESG-related knowledge and skills is a priority. This year we aim to ramp up our efforts to build capacity within the investment team by conducting both more regular formalized and ad-hoc trainings on sustainability and impact topics, as well as organizing more specialized sessions on our Internal Sustainability Tool and impact assessment processes. In this way, we will ensure that our teams are properly equipped to evaluate investment targets on ESG and impact criteria, drive our portfolio's sustainability performance and accelerate impact on health.

6 Identify most impactful sub-sectors and activities within each MedSeg

Building on ARCHIMED's revised Health Objectives, we aim to develop a classification system or health taxonomy (MedImpact). MedImpact will define eligibility criteria for activities within each MedSeg, enabling the early detection and prioritization of business activities that substantially contribute to at least one of the Health Objectives, as well as an SDG 3 target.

Contributing to Global Health Objectives

“As a health impact investor,
we guide healthcare actors towards building
resilient and equitable healthcare systems,
facilitating broader access to
healthier lifestyles.”



Robin Filmer-Wilson,
Partner



Investing for Better Health

The Challenge

Rising global health concerns, including pandemics and health risks linked to climate change, are increasingly putting a strain on the healthcare system and hindering the improvement of health outcomes. The COVID-19 crisis that persisted from 2020-22 served as a wakeup call, revealing fragilities within our global healthcare system. As the Platform on Sustainable Finance's report on social taxonomy states: *"the pandemic has shown that private investment can be crucial for social progress: it was private investment coupled with government support that enabled companies to conduct the medical research that in turn made it possible to develop a vaccine against COVID-19"*. Through the redirection of resources and capital flows, investors have a pivotal role to play when it comes to creating a stronger global healthcare system. Notably, The Bridgespan Group identifies healthcare as the second-largest sector in terms of impact investing potential, presenting an opportunity for investors to make a substantial difference by supporting the growth of healthcare companies.

Our Solution

At ARCHIMED, we are convinced of the vital role healthcare companies play in sustaining humanity's well-being and have witnessed their tremendous contributions, yet we are not blind to the multitude of potential risks that can emerge from inadequate management and control. As a health impact investor, we guide healthcare actors towards building resilient and equitable healthcare systems, facilitating broader access to healthier lifestyles. ARCHIMED continuously proves that being an impact-driven investor in the healthcare industry is fully compatible with delivering excellent returns to investors.

Over the last 20 years, our leadership team has directly managed and invested €30 billion in aggregated value across healthcare companies globally, with ARCHIMED funds currently representing €8 billion of assets under management. ARCHIMED's return to society is multifaceted: we are driving positive change in the healthcare industries, increasing positive impacts on global health outcomes, improving businesses' ESG practices, and supporting the needs of vulnerable people through the EURÉKA Foundation.

The Sustainable Objectives of Our Funds

We firmly believe that the healthcare industries have the required characteristics to actualize our impact vision. To that end, we develop and strengthen innovative businesses with product and service lines that provide concrete positive impacts on either human, animal or environmental health. Meanwhile, we also push our companies to realize their sustainability potential to develop lasting mechanisms for value creation. Although all ARCHIMED funds were created to improve health outcomes, our newest funds, MED III and MED Platform II, target investments that also seek to generate a positive and measurable social impact on human, animal, and environmental health, alongside superior financial returns.

Thus, these funds have as their sustainable investment objective to contribute to SDG 3 "Good Health and Well-being" through the framework of ARCHIMED's Health Objectives, (see page 22) and to SDG 9 "Industry, Innovation and Infrastructure", where relevant. By channeling investment towards sectors, companies, entrepreneurs and teams that deliver better health outcomes, we directly contribute to these sustainable objectives.



HEALTHCARE CHALLENGES ADDRESSED BY OUR IMPACT PORTFOLIO (MED III AND MED Platform II)

1.5B

people globally living
with hearing loss

1B

people suffer from neurological
disorders like multiple sclerosis
and brain injuries

17.9B

deaths each year from
cardiovascular diseases,
the leading cause of
death globally

244.1M

people living with Ischemic
Heart Disease (IHD), the most
prevalent heart disease

2B

people globally have no access to
essential drugs and medicines

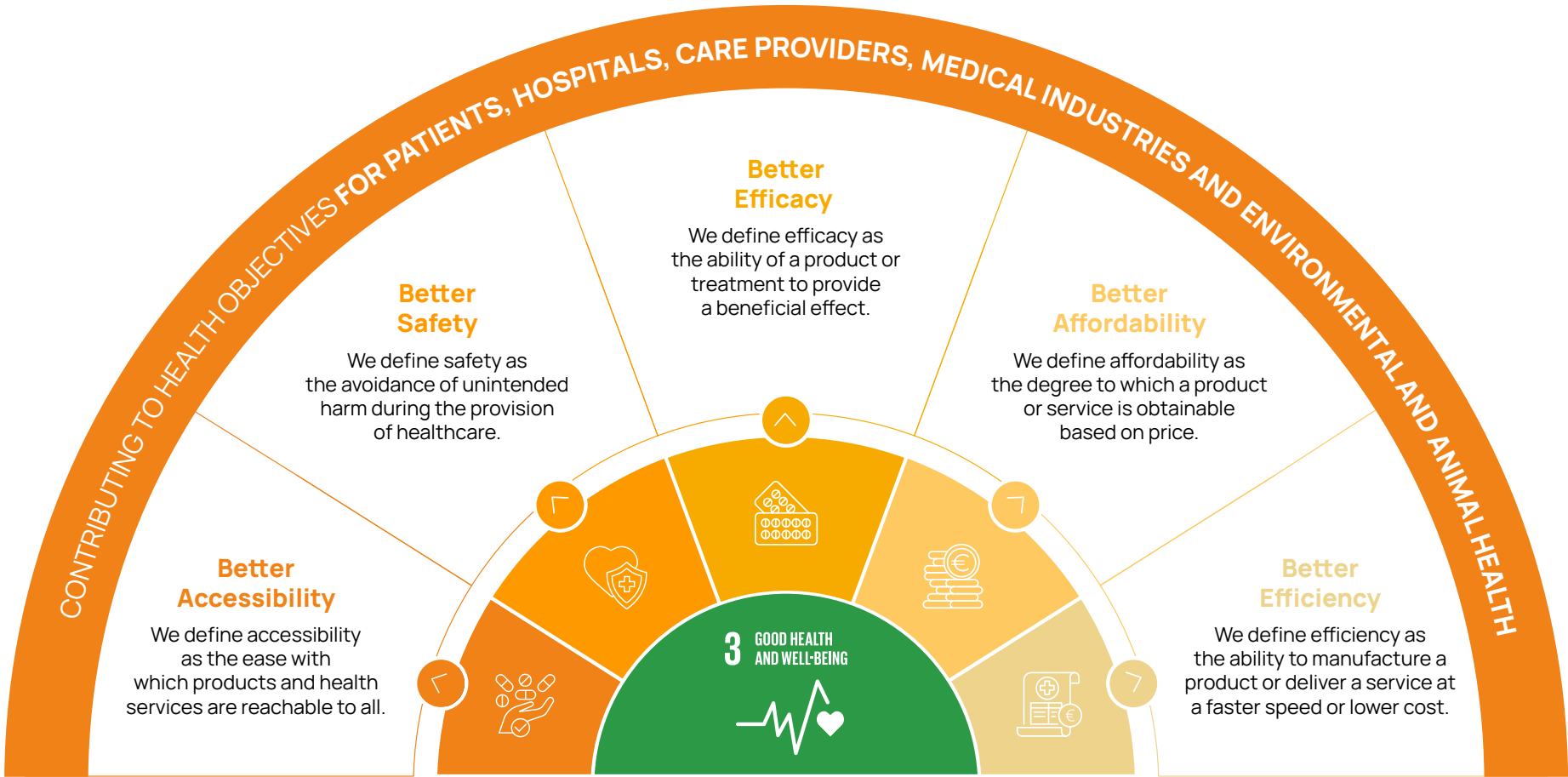
2.3B

people still unvaccinated against
COVID-19, with 70% located
in Low and Middle Income
Countries (LMICs)

Investing in Companies with a Measurable Impact on Health

At ARCHIMED, we believe in human, animal and environmental health ('HEALTH') as a common value amongst all people, and a key condition for long-term development. The commitment to improving health outcomes and building more resilient healthcare industries is embedded within our DNA and realized throughout our impact investment approach, which guides us in prioritizing, selecting and investing in companies that collectively contribute to positive intentional, additional, and measurable health impact across all levels.

In 2022, the introduction of our proprietary Internal Sustainability Tool enabled us to effectively measure and demonstrate how our investments in MED III and MED Platform II contribute to the funds' sustainable objectives which are centered around UN SDG 3 "Good Health and Well-being", ARCHIMED's Health Objectives, and relevant targets of SDG 9 "Industry, Innovation and Infrastructure". More precisely, investees must serve at least one of ARCHIMED's five Health Objectives:



Our Impact Assessment Approach

The Internal Sustainability Tool is used by the impact referent appointed for each deal from the investment team, who conducts a preliminary screening analysis composed of a negative screening, including our exclusion and watchlist criteria, a positive screening, namely the impact potential assessment, as well as a high-level ESG assessment considering additional material ESG topics.

Prioritizing Health Impact at All Levels

The negative screening analysis, taking into account our **exclusion and watchlist criteria** which enable us to filter activities that raise critical ethical risks associated with investing in healthcare, including, but not limited to; bioethics issues, risks of substance dependence, aggressive marketing tactics, and price increases. Subjecting potential investments to a high degree of scrutiny across these topics is essential to ensure that we stay true to our mission of improving health outcomes for all.

Assessing Impact through the IMP Framework

As a further step, our **impact assessment framework** evaluates each investment's potential contribution to our sustainable investment objectives. Our impact assessment process is based on the Impact Management Project (IMP) framework, which focuses on intentionality, additionality and measurement, and is structured around the five dimensions of impact in order to help companies better understand how their activities affect people and the planet. Based on the answers, a scoring system is applied on each of the three impact criteria - intentionality, additionality and measurement - to evaluate whether a potential investment will contribute to our Health Objectives. The results of the assessment form the basis of the Impact Thesis which is presented and challenged during each Investment Committee. Further impact and ESG due diligence is systematically conducted, the outcome of which is evaluated as part of the investment decision-making.

Integrating Impact Metrics into the Sustainability Roadmap

Post-investment, contribution to the Health Objectives is maximized by setting specific impact KPIs and targets for each company. Based on the expected outcomes that are defined pre-investment, short-term and long-term initiatives are outlined in the Sustainability Roadmap to help drive each company's contribution towards measurable health impact. Progress against these targets is monitored alongside other ESG objectives, including linking part of the variable remuneration of companies' top management to the achievement of the Roadmap.

100 %

of companies invested before 2022 have a Sustainability Roadmap with specific KPIs as well as a Follow-up Report, conducted a year later, on their progress

4

more companies have planned to conduct a Sustainability Assessment and Roadmap with specific KPIs in 2023



Please refer to the **2022 Impact Report**, focused on MED III and MED Platform II funds, for more detailed information on our impact investment approach and the performance of our impact portfolio.



The Polyplus Story: Creating a Global Leader in Cutting-Edge Gene Therapy

Polyplus was founded in 2001 by Jean-Paul Behr, a scientist from the University of Strasbourg and an inventor of a chemical molecule (PEI) enabling the transport of DNA material into living cells, a widely used technology by scientists in research laboratories worldwide. Since partnering with ARCHIMED, Polyplus has transformed from a specialist in the cellular delivery of DNA and RNA with its clientele concentrated in academia, to a leading upstream solutions provider for Advanced Biologic and Cell and Gene Therapy production, covering research to commercial scale.

A cutting-edge innovator in nucleic acid transfection solutions, Polyplus owns a legacy portfolio featuring process-centric transfection reagents, kits, and support services critical for the rapid evolution of hugely promising cell and gene-based therapies (CGT). Headquartered in Europe, the Polyplus team continues to grow globally with operations expanding into the United States and Asia.

Identifying Untapped Potential

At the time ARCHIMED joined as a majority shareholder, Polyplus was positioned on the niche R&D market, supplying academic laboratories, universities, and biopharmaceutical companies with transfection reagents to support fundamental research on Cell and Gene Therapy. In addition, a small proportion of the business relied on two new products for the development and commercialization of CGT drugs. ARCHIMED has historically identified Cell and Gene Therapy as attractive; following the MedDiscover™ process, Polyplus emerged as the strongest candidate. Our team's specialized scientific and sectoral knowledge, as well as their first-hand understanding of the complex transfection technology, enabled us to swiftly recognize the untapped potential of Polyplus and understand its high quality ready-to-use product portfolio, despite being a small company (<€5M revenue).

Accelerating Business Growth

From 2016 to 2019, ARCHIMED invested substantial strategic and financial resources to advance the R&D, commercial, and marketing activities of Polyplus in order to accelerate growth in sales and production. Polyplus' R&D budget was doubled immediately after the acquisition to ramp up product development efforts in the Research and Bioprocessing markets and to promote their unique expertise and positioning. The business doubled in size every year from 2016 to 2020, growing from 20 to 80+ employees, with a 50/50 gender balance and the offices and laboratories grew as the company transitioned from an old 700 square meter facility to a newly built eco-friendly one of 3,600 square meters. Investing in these new facilities helped improve working conditions and upgrade research processes, ultimately supporting the development of new solutions.



“When we initially invested in Polyplus, we realized their products were already the most scalable and cost-efficient delivery systems in cell and gene therapy. We know the industry was on the edge of transformational change with regulatory approvals about to come through for products that were now clearly safe for human use.”

Loïc Kubitza,
Partner and PhD in Biology
and Transfection

The Polyplus Story: Creating a Global Leader in Cutting-Edge Gene Therapy

In 2020, Warburg Pincus joined ARCHIMED as a co-shareholder with the objective of making Polyplus a global leader in the Bioprocessing market catalyzing the development of life-changing new drug generations at a greater speed and scale. Following the establishment of this co-lead structure, ARCHIMED and Warburg Pincus invested in a full Good Manufacturing Practices (GMP) grade second facility, allowing Polyplus to market its products at the highest pharmaceutical quality grade and meet the strictest regulatory standards, thereby constituting an additional point of differentiation from competitors in preparation for commercialization. Furthermore, the joint M&A strategy pursued favored investments in small companies with very niche CGT expertise that could be bundled with Polyplus reagents, transforming Polyplus from a product provider into a solutions provider. The successive acquisition of e-Zyvec, CellPlusBio and Xpress Biologics enabled Polyplus to develop integrated and sophisticated solutions to its customers and improve the manufacturing yield and affordability of new drug generations.

Revolutionizing Medical Treatment

From relative infancy only a few decades ago, the market has extrapolated to currently consist of close to 1,000 active clinical trials in the CGT pipeline, with ongoing drug development targeting the treatment of genetic diseases and various types of cancers. Treating illnesses through CGT holds the promise to cure thousands of life-threatening conditions, including intractable diseases such as muscular atrophy and leukemia. Polyplus has grown together with the market and partnered with key biopharmaceutical players to support the development and commercialization of new life-changing drug generations.



Polyplus bioprocessing products were part of successful CGT drug development programs that demonstrated significant positive impacts on the treatment of genetic diseases. More specifically, the first clinical trial targeting Spinal Muscular Atrophy (SMA) - a neuromuscular disorder recognized as the most common genetic cause of infant mortality - that was supported by Polyplus resulted in a +90% success rate. This achievement has been replicated in the second clinical phase and reached a similar success rate. Most biopharmaceutical companies developing CGT drugs have been using Polyplus' solutions as essential ingredients within their drug manufacturing processes. As the development of chemical molecules has an impact on human and environmental health, Polyplus has dedicated additional resources to measure product toxicity with the objective of improving ultimate drug efficacy while limiting potential side effects and ensuring that any hazardous waste generated during the production process are properly treated and disposed. The continuous engagement of R&D resources has allowed Polyplus to enhance its leadership position over time and ultimately contribute to improving health outcomes and overall quality of life of patients affected by genetic conditions across the globe.

“ARCHIMED’s partnership with Polyplus enabled the establishment of a thriving, sustainable business. At Polyplus - as with all our investments - ARCHIMED takes pride in contributing to bringing new treatments and better healthcare to people. To achieve this, we link sector expertise with access to finance. While this may sound simple, we believe it is a hard combination to build. We would posit that the tale of our involvement with Polyplus demonstrates the power of our approach - and its rarity - both for building businesses and improving lives.”

Polyplus Deal Team:
Denis Ribon, Chairman and Managing Partner
Loïc Kubitz, Partner
Ludovic Alonzi, Principal
Isaac Haq, Associate

Polyplus was recently acquired by Sartorius Stedim, a German life science company. The combination of Sartorius and Polyplus will cover the full value chain from upstream to downstream bioprocessing to address market needs, creating synergies at both customer and operational levels from early-stage development to commercial applications. ARCHIMED's financial backing and exceptional scientific knowledge made it possible for Polyplus to positively influence the course of disease and human health by becoming the only company in the world to provide end-to-end services and support commercially approved, life-saving gene therapies. In this respect, the Polyplus-ARCHIMED story is a case study in terms of successful and impactful partnership.

Impacting Healthcare: Illustration in the Portfolio

natus.

Natus is a leading provider of medical equipment, software, supplies and services for the diagnosis, monitoring, and treatment of disorders affecting the brain, neural pathways, and eight sensory nervous systems. Natus contributes to SDG target 3.4 by helping improve the quality of life and reduce premature mortality of patients affected by these disorders.

The wide reach of Natus' high-quality diagnostic and treatment solutions contributes to better patient accessibility and safety, advancing the standard of care and enhancing patients' health outcomes. In addition, Natus' products offer better efficiency for hospital and care providers as they allow for timely diagnosis and treatment of neuro and sensory disorders.

40M

newborns globally
received hearing
screening with Natus'
ALGO AABR

3.6M

patients annually
screened for balance
disorders such as
Vestibular Neuronitis

57M

patients have received
a hearing assessment
by Natus

13.4M

patients annually screened
for epilepsy and other brain
disorders with Natus' EEG
Electroencephalography
solutions



Vita Health Group (VHG) is a leading UK healthcare provider dedicated to improving the lives of individuals by providing integrated physical and mental health services to corporates, private insurers and the NHS. VHG's services directly contribute to improving patients' physical and mental health by delivering musculoskeletal (e.g., tendinitis, osteoarthritis, or bone fractures) and mental therapies, as well as training. In addition, by providing face-to-face and remote delivery (clinics, helplines, etc.) and community-based service development, VHG strengthens access to healthcare across the UK.

90,000

people cared for
through VHG services

450,000

appointments
delivered

95%

people supported through
the mental health services
reported improvement on
their mental health

97%

people treated through
the physical health services
reported improvement of
their symptoms



Impacting Healthcare: Illustration in the Portfolio

Direct Healthcare Group

Direct Healthcare Group (DHG) develops, produces and sells innovative solutions for individuals whose lives are impacted by reduced movement (e.g., moving, handling, specialist seating, and in-bed or out-of-bed solutions). DHG's solutions help improve the vital connections between movement and health, enabling accelerated recovery and independent daily living for patients, while simultaneously preventing critical risks linked to reduced movements, notably pressure ulcers. In addition, DHG enables safer and more efficient working conditions for nurses and care providers, reducing the risk of injury and enabling more time to be dedicated to essential care, thereby contributing to a better quality of care overall.



784 M
pressure ulcers
avoided per year

2.8 M
patients use powered
hybrid mattresses
per year

56 %
demonstrated and
sustained pressure ulcer
reduction rate

164 M
nursing staff hours saved
and released back to
healthcare



NAMSA is the global industry leading Contract Research Organization (CRO) for pre-clinical and clinical medical device companies, and a global market leader in preclinical and biocompatibility testing. NAMSA is the only CRO focused exclusively on end-to-end services for medical devices, offering consulting, testing and project management through every development stage, from conception to commercialization. As a CRO partner, NAMSA enables its clients to optimize development costs, while offering efficient and safe medical devices to new markets and thus improving the availability and accessibility of adequate treatment for patients on a global scale.



2,000
medical devices and
diagnostic client
partnerships annually

10,000
medical devices
approved globally

90 %
clients recommending
NAMSA

95 %
on-budget and on-time
delivery

Beyond Investment: the EURÊKA Foundation

Delivering Superior Returns to Society

Beyond investing, ARCHIMED directly contributes to improve health outcomes through the EURÊKA Foundation which was created by ARCHIMED's founders in 2014. The Foundation serves as a testament to our long-standing ambition to amplify social impact, bring positive change in people's lives and unlock health benefits for society at large. To that end, the purpose of the Foundation is to provide financial resources, strategic support, and guidance for medical research and innovation that is focused on underfunded diseases, as well as for charitable projects that help vulnerable people affected by either physical or mental health issues.

The Foundation leverages the wider ARCHIMED network in the healthcare space, including Key Opinion Leaders (KOLs) and an established scientific committee, to identify and promote research programs on unmet medical needs. Further, all Foundation projects involve ARCHIMED team members through volunteering activities, and each project has a designated internal champion who serves as the project advocate and liaison.

To demonstrate our commitment, 5% of ARCHIMED's carried interest from all funds is automatically dedicated to advance the work of EURÊKA Foundation. The Foundation has received €3.7 million in donations from ARCHIMED, €700 K of which has been disbursed to charitable projects in 2022.

“The charitable mission of the EURÊKA Foundation serves as a reminder that the ultimate purpose of investing in the healthcare industries is to help improve the lives of patients in need.”

Vincent Guillaumot,
Founding and Managing Partner
of ARCHIMED, and President
of the EURÊKA Foundation

2014

Creation of the EURÊKA Foundation

€3.7M

Charitable donations to the EURÊKA Foundation

5%

Carried interest to the EURÊKA Foundation from all funds

18

Associations supported

1

Scientific committee

3

Research programs financed

40

Team members involved

6

Annual charity events



Beyond Investment: the EURÉKA Foundation

Medical Research and Innovation

In 2022, the EURÉKA Foundation launched a scientific committee composed of international, multidisciplinary and multisectoral experts, and provided funding and support to three PhD programs illustrating its efforts to propel medical research and innovation:



Immunotherapy (3 years, Paris):

Discovery and characterization of epigenetic antigens for cancer immunotherapy through artificial intelligence and integrative proteogenomics.



Pancreatic Cancer (3 years, Marseille):

Identification of predictive signatures of chemosensitivity of cell subpopulations by single-cell transcriptomic analysis in pancreatic adenocarcinoma.



Human Technopole (4 years, Milan):

Illuminating the effects of chromosomal rearrangements on 3D genome structure-function by programmed karyotype rewiring.

Charitable Projects

The Foundation is impacting thousands of lives through its partnerships with various non-profit associations across Europe and North America working on charitable projects, including:



EURÉKA supports the development of the Clubhouse model around the world, which aims to destigmatize mental illness recovery by helping people with psychological disorders reintegrate into society. The Foundation is a founding member of Clubhouse Lyon and Torino, and actively supports seven other Clubhouses across Europe and the US.



350 | >100,000 | 34
Clubhouses | people reached per year | countries



The ELA association raises awareness and funding for critical research on leukodystrophies (orphan, neurodegenerative genetic diseases causing progressive paralysis), and offers assistance to families of children suffering from these diseases. ARCHIMED team members participate in the yearly 'Wear Your Trainers' challenge which is a solidarity operation to support these families and finance research to fight leukodystrophies.



The Simon de Cyrène association facilitates shared community living places where both able-bodied and disabled adults who have suffered brain damage, strokes or other forms of trauma can develop supportive connections. ARCHIMED's internal champion participates in weekly activities with the association and ARCHIMED team members participated in the Course des Héros solidarity race this June.

260
Able-bodied and disabled people in France in shared houses



The Wings for Life foundation is dedicated to finding a cure for spinal cord injury. The main causes for spinal cord injury are: road accidents, falls, (extreme) sports, and other accidents which can happen to everyone. In 2022, ARCHIMED team members ran a total of 328kms during the RUN'in Lyon, and the EURÉKA Foundation donated 30€ per km to this association.

The Clubhouse Model: Transforming Mental Health Care Through Community Building

In 2019, 1 in 8 people globally were living with a mental disorder. Following the COVID-19 pandemic, the incidence of anxiety and depressive disorders rose by 26% and 28% respectively. In the U.S alone, more than 14 million people live with serious mental illness (SMI).

People with SMI often have smaller or more limited social networks, increasing the likelihood of social isolation. Social isolation can lead to persistent feelings of loneliness, associated with experiencing pervasive stigma, impaired social skills, and worsening symptoms. Loneliness can also increase the likelihood of psychiatric re-hospitalization.

Since the creation of the EURÊKA Foundation, there has been a strong focus on mental health and psychic disorders recovery. The Foundation firmly believes in the lasting positive impact of the Clubhouse model and continues to support its growth.

Clubhouses have developed an innovative non-medicalized solution to offer people living with mental illness opportunities for social bonds, employment, education and access to several services in a caring and safe environment. Ultimately, social and economic inclusion reverses the alarming trends of higher suicide, hospitalization and incarceration rates associated with mental illness and contributes to break the stigma around psychological disorders.



Founded in 1948, Fountain House in New York began when former patients of a New York psychiatric hospital started meeting up together informally. It was organized as a support system for people living with mental illness, rather than as a service or a treatment program. Communities around the world that have modelled themselves after Fountain House have embraced the term "Clubhouse" because it communicates the message of membership and belonging. This message of inclusion is at the heart of the Clubhouse way of working.

A Clubhouse is a community-based location designed to support the recovery of people living with SMI. Each Clubhouse provides a restorative environment for people whose lives have been severely disrupted due to mental illness. In each Clubhouse, an intentional community is created, where members and staff work together, side-by-side, to carry out all daily operations of the Clubhouse. While at the Clubhouse, members are also given access to crisis intervention services when needed and are connected with resources to support their basic needs, including support with employment, relationship building, education, housing, and daily meals. Clubhouses are built upon the belief that every member has the potential to sufficiently recover from the effects of mental illness and lead a satisfying life as an integrated member of society.



Health-Related Charitable Initiatives Supported by Our Portfolio



As part of its CSR commitments, Title21's team is supporting Phoenix Children's Hospital's mission of making premier pediatric care accessible to every child who needs it through monetary donations, participation in events and dedicating personal time to connect with the patients and understand their needs.



Title21 also offers financial support and actively engages in the events of the Emily Whitehead Foundation, a non-profit organization committed to raising awareness on childhood cancer and funding innovative childhood cancer treatments like CAR T-cell therapy.



Ad-Tech donated a substantial quantity of material to support the Co-Pilot Project (CPP) of Razom for Ukraine, a non-profit organization serving the people of Ukraine. CPP is a humanitarian initiative led by Dr. Luke Tomczyk, a neurosurgeon with the mission of treating patients suffering from intractable epilepsy in Ukraine.



Ad-Tech is a sponsor of The Epilepsy Foundation of Wisconsin through donations and staff participation in their annual Walk to End Epilepsy fundraising event.



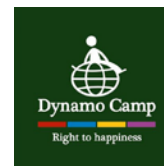
Deallus' New York office raised money for Light the Night, a series of fundraising campaigns for the Leukemia & Lymphoma Society (LLS). LLS is the largest funder of cutting-edge cancer research investing nearly \$1.3 billion to advance blood cancer cures and ensure access to treatments for all blood cancer patients.



Members of Deallus' London office spent an afternoon with Sydenham Garden, a community charity supporting the improvement of mental and physical health. One of the key projects the Deallus team undertook was to create a new area that would allow wheelchair users to access the social area of the garden more easily.



Provepharm has launched the Endowment Fund with the mission of supporting projects with a high societal impact in line with the ten principles of the UN Global Compact. One of the projects the Endowment Fund has committed to through active participation and fundraising is the Hope Project, which aims to improve the lives of sick children and their parents in the Pediatric Department of the Timone Hospital in Marseille.



DIESSE has been supporting the Dynamo Camp over several years through monetary donations and employee participation, including taking part in solidarity and fundraising initiatives such as the Medical Device Challenge and the 2 Million Km. Dynamo Camp is the only recreational therapy structure in Italy designed for children suffering from serious and chronic pathologies, mainly onco-haematological, neurological and diabetic.

Building Sustainable Healthcare Industries

“Our corporate philosophy of working on a deal from sourcing to execution allows us to be truly immersed within the entire impact lifecycle, from the initial assessment of environmental impacts pre-investment, to the implementation of robust reduction strategies post-acquisition. We see environmental action as a key lever for sustainable value creation, not only in terms of the societal benefits that arise from climate mitigation, but also from the economic advantages that result from decreasing companies carbon footprints, energy and water consumption, and total waste generation.”



Steffen Brand,

Associate Director and Pharmaceutical Services
Sector Ambassador



Paving the Way for Climate-Conscious Healthcare Industries

Climate change and pollution are the greatest health threats facing humanity, with millions of people across the globe already suffering from their detrimental consequences. From the heightened frequency and severity of health conditions (such as respiratory and cardiovascular diseases, cancers, heart attacks and strokes) to the disruption of food and water systems and the emergence of new infectious diseases, climate change and pollution are fundamentally changing the course of human health. For the first time in history, it has become increasingly

likely that within this decade we will exceed the 1.5°C threshold for global temperature rise, set by the 2015 Paris Agreement, which would in turn escalate health challenges, jeopardize the stability of global healthcare systems, and irrevocably alter the business landscape for all companies. Paradoxically, the healthcare sector (healthcare industry and care providers) is a large contributor to the climate crisis, representing over 5% of global greenhouse gas emissions mostly attributed to high energy consumption and carbon-intensive supply chains.

As a healthcare investor, we recognise climate change mitigation and adaptation as critical levers in preventing harmful impacts on health and improving health outcomes. Our ambition is to change the industry's track record by taking concrete actions to help our companies pave the way for more climate-conscious healthcare industries.

Building a Climate-Resilient Portfolio

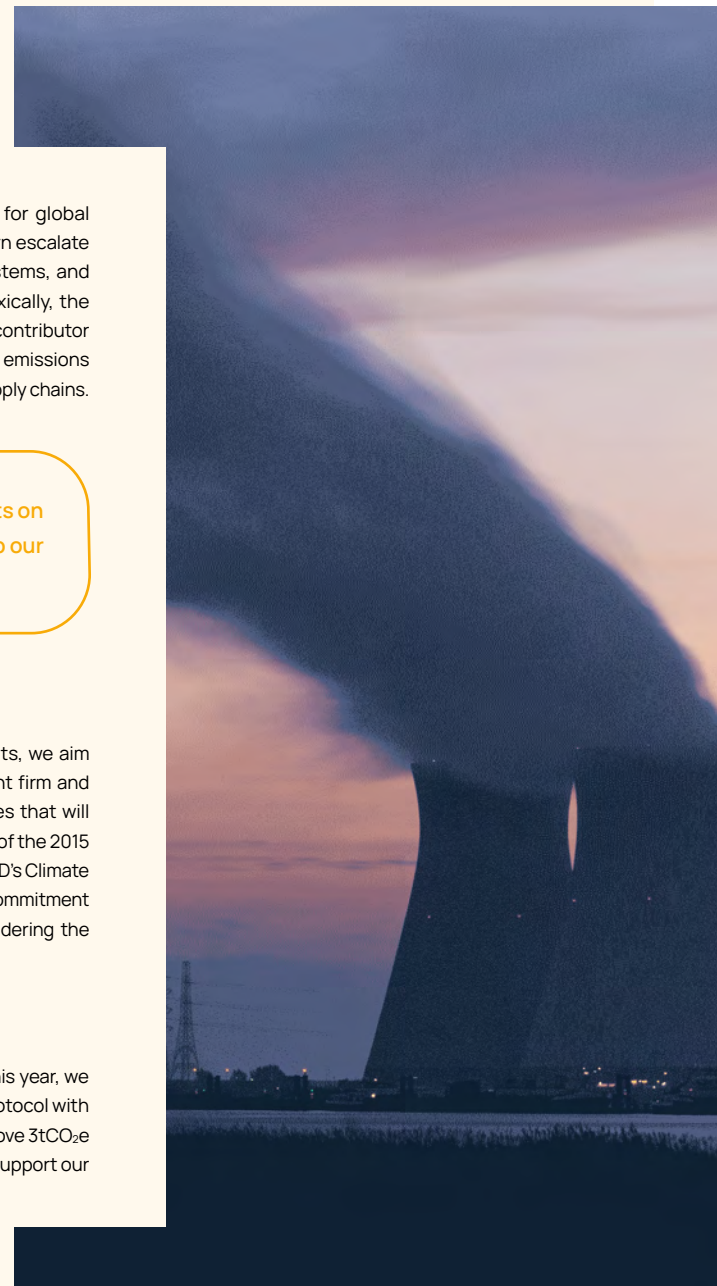
By positioning climate change as a central pillar within our responsible investment strategy, we have been able to identify investment opportunities that take environmental considerations into account, thereby facilitating the construction of a climate-resilient portfolio. As part of our robust pre-and-post acquisition assessment processes, we systematically examine climate-related exposures, including vulnerability to physical and transitional risks and biodiversity, in order to identify and manage potential risks that our investments are exposed to, or that they generate through their business activities.

Measuring Our Carbon Footprint

To advance our climate strategy, we work internally and with our portfolio companies to monitor GHG emissions and adopt carbon reduction initiatives. This year, we completed our first carbon footprint assessment of scope 1, 2 and 3 emissions (excluding scope 3: category 15 - portfolio emissions) in line with the GHG Protocol with the support of Carbometrix, a carbon accounting and management consultancy. Leading by example, we will now require all portfolio companies emitting above 3tCO₂e to complete a carbon footprint assessment. To facilitate this exercise, we have engaged with Carbone 4, a specialist carbon footprint consultancy, that will support our portfolio companies to calculate their own carbon assessments under the GHG Protocol.

Setting Carbon Reduction Targets

Building on our carbon footprint assessment and the portfolio results, we aim to define actionable carbon reduction plans at both the management firm and portfolio company levels establishing concrete targets and initiatives that will enable us to pursue a low-carbon trajectory in line with the objectives of the 2015 Paris Agreement. This workstream represents the first pillar of ARCHIMED's Climate Policy, which is due to be published later this year. To demonstrate our commitment to driving decarbonization efforts across our portfolio, we are also considering the opportunity to validate our climate targets under the SBTi.



Paving the Way for Climate-Conscious Healthcare Industries

OUR ENGAGEMENT WITH INTERNATIONAL CLIMATE INITIATIVES



The initiative Climat International (ICI) is a collective call to action for private equity firms recognizing the industry's role in tackling climate change and reducing its carbon emissions.

In 2020, ARCHIMED became a signatory of the ICI demonstrating our aspiration to build a climate-resilient portfolio and work together with other private equity players to advance sustainability across our industry. To that end, we are committed to adopting best practices such as systematically assessing climate issues and measuring our carbon footprint. In addition, we are currently developing a climate strategy that will be aligned with the Paris Agreement and entail SBTi validated climate targets.



France Invest is a professional association bringing together more than 400 French management companies and nearly 180 consultancies with the aim of promoting sustainable growth across the industry.

Since 2022, our Head of Sustainability and Impact, Alice Morillon, has been an active member of the France Invest Sustainability Commission GT1 Climate. The mission of this working group is to promote ESG within the investment realm by sharing societal and regulatory developments amongst members, providing methodological support to entrench sustainability at the core of strategy and developing action plans on priority themes such as climate change and biodiversity.

The GT1 recently published decarbonization cards with examples of decarbonization levers for each main source of emissions (buildings, supply chain, transport, etc.).



The Taskforce on Climate-related Financial Disclosures (TCFD) was created by the Financial Stability Board (FSB) to develop recommendations on the types of information companies should disclose to investors to allow for the appropriate assessment and pricing of climate change-related risks.

At ARCHIMED, we see becoming a supporter of the TCFD and its recommendations as a next natural step to consolidate our climate strategy. In this way, we will commit to work towards implementing TCFD recommendations and take action to increase transparency on climate-related risks and opportunities to build a more resilient financial system.

HOW CLIMATE CHANGE AND POLLUTION AFFECT OUR HEALTH

5M

deaths annually linked to abnormally hot or cold temperatures known to exacerbate health conditions such as migraines and autoimmune diseases like multiple sclerosis; heat-related deaths have increased by two-thirds over past two decades

9M

premature deaths annually, or 1 in 6 deaths globally, linked to pollution-induced illnesses, such as respiratory and cardiovascular diseases, including strokes, heart attacks, lung cancers and asthma

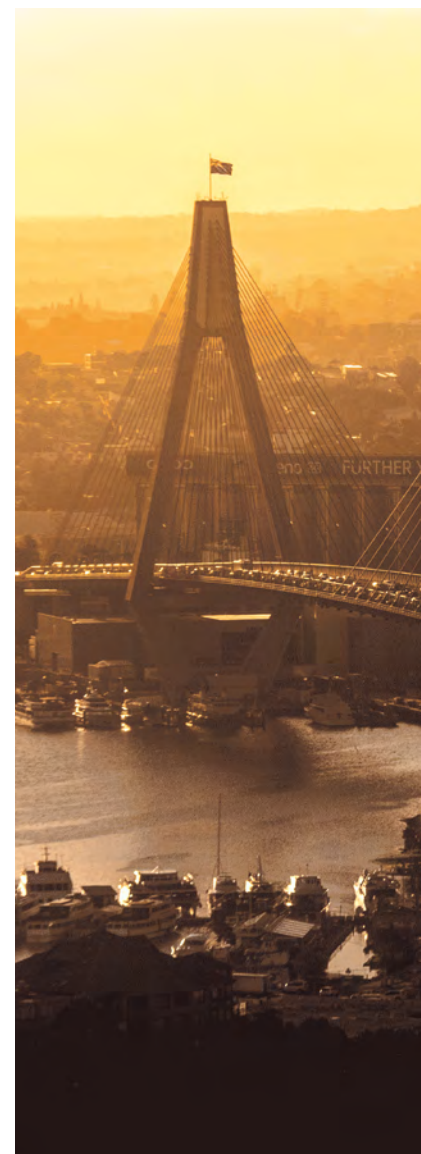
21.5M

people on average are forcibly displaced every year due to weather-related events which is linked to anxiety, psychological pain, disorientation and social isolation

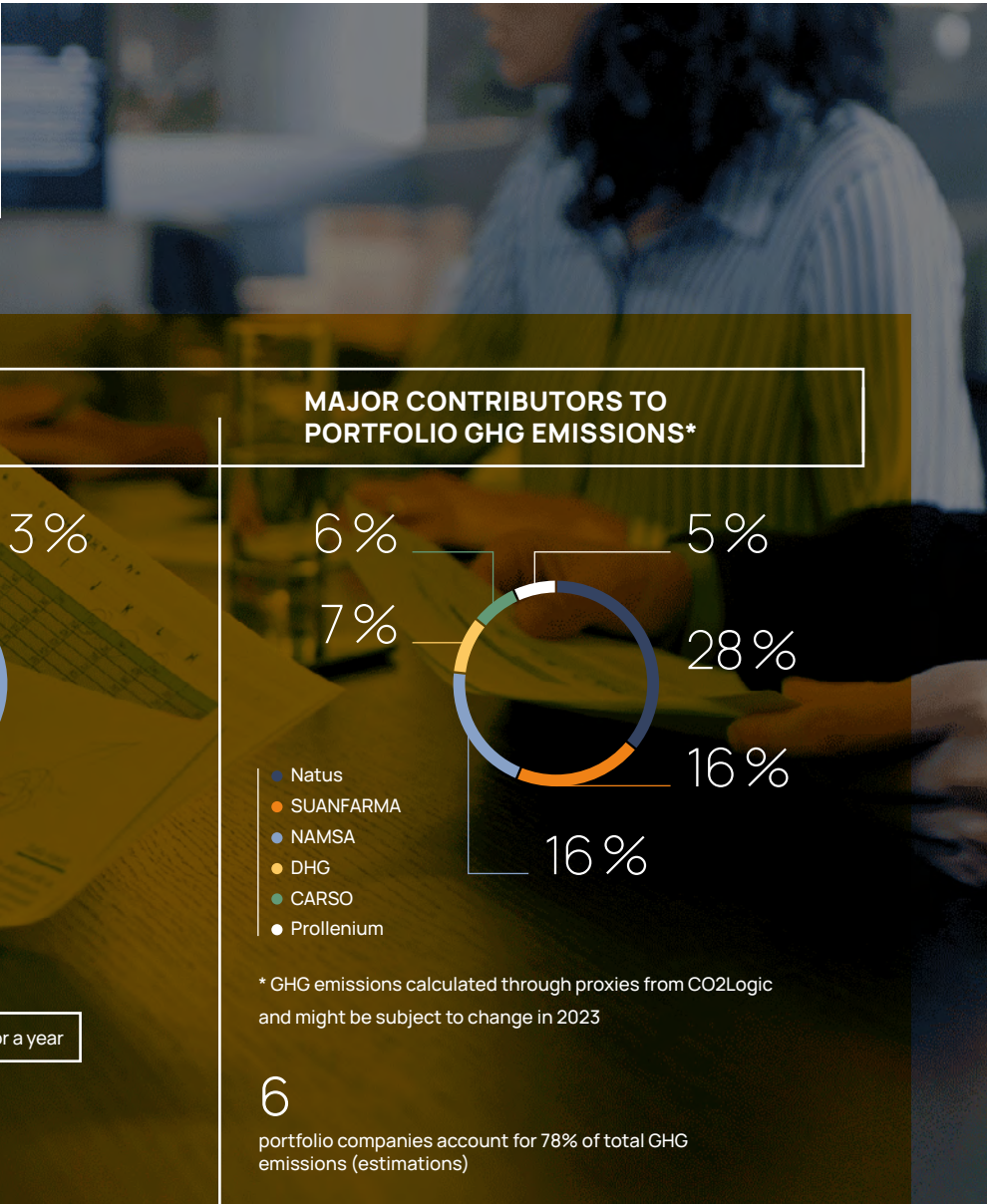
97%

of urban population exposed to concentrations above the WHO health-based guideline of fine particular matter (PM2.5), identified as a leading cause of cancer and linked to systemic inflammation and dementia

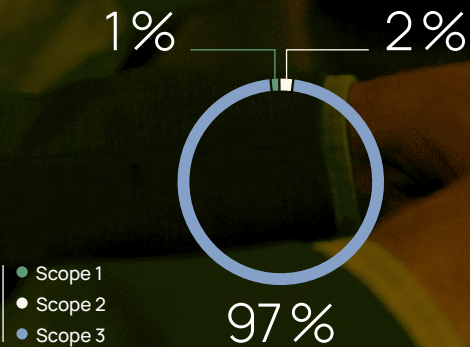
By 2030, direct damage costs to health associated with climate change is estimated to be up to \$4 billion per year, according to the WHO.



Paving the Way for Climate-Conscious Healthcare Industries



ARCHIMED GHG EMISSIONS BY SCOPE



2,241tCO₂e
total GHG emissions
equivalent to **282 homes'** energy use for a year

39tCO₂e/€M
GHG intensity

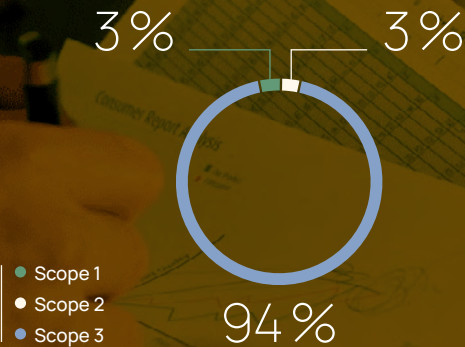
100 %

renewable energy consumed at ARCHIMED offices

100 %

costs reimbursed to employees using public transport or bicycle

PORTFOLIO GHG EMISSIONS BY SCOPE



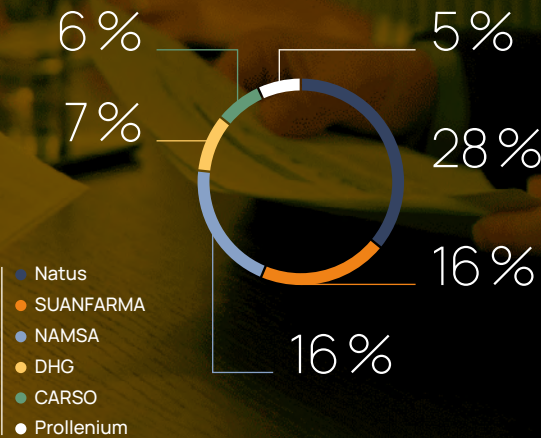
371,053tCO₂e*
total GHG emissions
equivalent to **72,197 homes'** energy use for a year

160tCO₂e/€M
GHG intensity

20/25

portfolio companies provided information on energy consumption to calculate Scope 1 & 2 emissions

MAJOR CONTRIBUTORS TO PORTFOLIO GHG EMISSIONS*



* GHG emissions calculated through proxies from CO2Logic and might be subject to change in 2023

6
portfolio companies account for 78% of total GHG emissions (estimations)

5

portfolio companies have conducted a carbon footprint assessment aligned with the GHG Protocol

7

more companies have planned a carbon footprint assessment aligned with the GHG Protocol in 2023

Paving the Way for Climate-Conscious Healthcare Industries

SUANFARMA

Energy Efficiency Measures

Under SUANFARMA's Sustainability Policy (2020), several measures to reduce environmental impact have been implemented with a focus on reducing carbon footprint, increasing the share of renewable energy, adopting energy-saving and efficiency measures and using water sources more responsibly. To that end, SUANFARMA has established a committee focused on the implementation of planned efficiency measures, whom consistently monitors each industrial site's energy consumption and has set carbon footprint reduction objectives linked to renewable energy generation. The Italian and Portuguese production sites consume electricity from renewable energy sources, representing 100% and 36% of total electricity consumed, respectively.

At SUANFARMA Italia an ISO 50001 certified energy management system has been adopted and several energy-savings projects have been implemented such as renewable electricity production from biogas which has been recovered from production waste. In addition, an Efficiency Plan has been approved outlining three key initiatives: a new trigeneration plant aimed at increasing the efficiency of heat, cooling and electricity production, a heat pump, and a solar plant, including the installation of solar panels on building roofs and parking lots. As a result, the facility is expected to reduce its CO₂ emissions by 6,450 tons/year (~25%) and reduce its water consumption by 1,400,000 mc/year (~23%).

Provepharm
Life Solutions
UNLOCKING UNLIMITED POTENTIAL

Carbon Footprint Assessment

In 2022, Provepharm conducted a carbon footprint assessment of Scope 1, 2, and 3 emissions using the GHG accounting methodology created by ADEME, the French Agency for Ecological Transition, which takes into account the entire lifecycle of both products and activities. This assessment forms the basis for the development of Provepharm's climate strategy and action plan, including a carbon emissions reduction trajectory that includes scientifically validated targets which are aligned with the Paris Agreement.

Furthermore, Provepharm has assessed their vulnerability to physical and transition climate risks within the scope of the ACT (Assessing low Carbon Transition) initiative by ADEME and have created an environmental risk matrix that identifies key priorities for the deployment of the company's action plan. Moving forward, as part of its Horizon 2025 plan, Provepharm has set objectives to diagnose the maturity of its climate approach and to carry out a review of the entire lifecycle of each product in order to reduce their environmental footprint throughout the value chain.

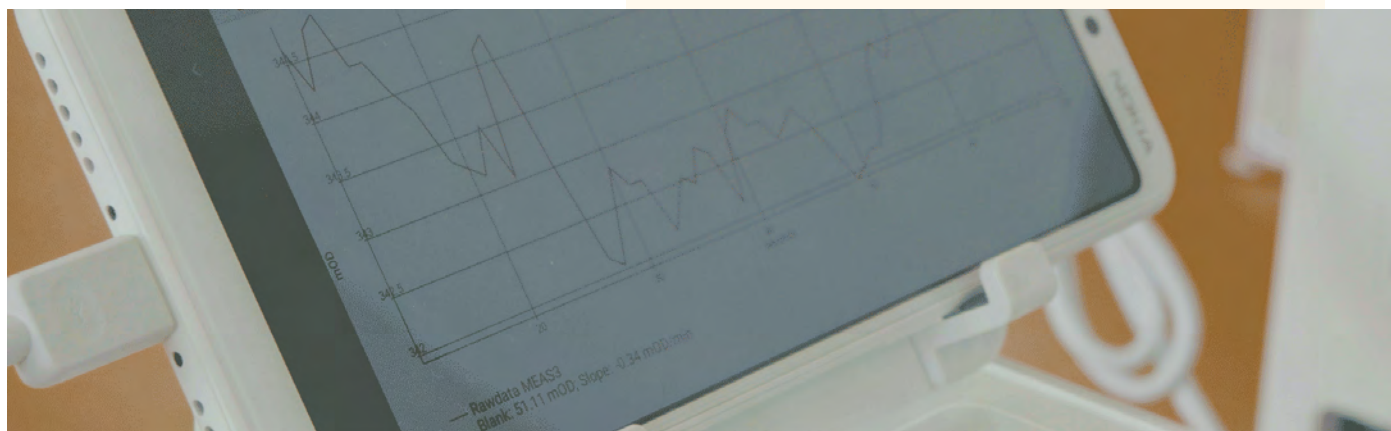
vita
health group

Carbon Reduction Plan

Following the completion of a full carbon footprint assessment this year with the support of Carbon Footprint Ltd, Vita Health Group (VHG) has been qualified to use the Carbon Footprint Standard and has committed to achieving Net Zero emissions by 2050, in line with the UK Government's Climate Change Act (2008). In 2019, a target of a 100% reduction in the net UK carbon account was introduced. As a healthcare provider, VHG's commitment is also informed by the Greener NHS Campaign and ambitions outlined in the Delivering a 'Net Zero' National Health Service report (2020).

VHG's published Carbon Reduction Plan defines the following carbon reduction targets:

- a - Aim to align VHG's emissions reduction strategy with the NHS roadmap to have a net-zero supply chain by 2045.
- b - Reduce Scope 1 and 2 emissions per £Million turnover by 60% by 2030.
- c - Reduce Scope 1, 2 and 3 emissions per £Million turnover by 80% by 2045.



Promoting Responsible Consumption and Production Towards Waste-Free Healthcare

Every year, humans discard around 2.12 billion tons of waste, pushing beyond the boundaries of what the Earth can sustain and disproportionately posing health risks to the poorest and most vulnerable populations in lower-income countries. Healthcare activities generate substantial amounts of waste and waste by-products, of which 15% is classified as hazardous (only 3% across ARCHIMED portfolio), including infectious, biomedical, chemical, radioactive, pharmaceutical waste and electronic waste from medical devices, which can be highly toxic. The incorrect treatment and disposal of such types of waste can release or leak harmful substances into the environment, contaminating food supply, deteriorating air and water quality, disrupting ecosystems, causing irreversible damage to biodiversity and exacerbating the spread and prevalence of diseases.

At ARCHIMED, we see waste as a large-scale health risk and strive to contribute to the de-escalation of this problem by encouraging the more responsible use and disposal of materials across our portfolio, and by promoting an ecological approach to product design, including reusability of products, where possible.

Waste Management Across our Portfolio

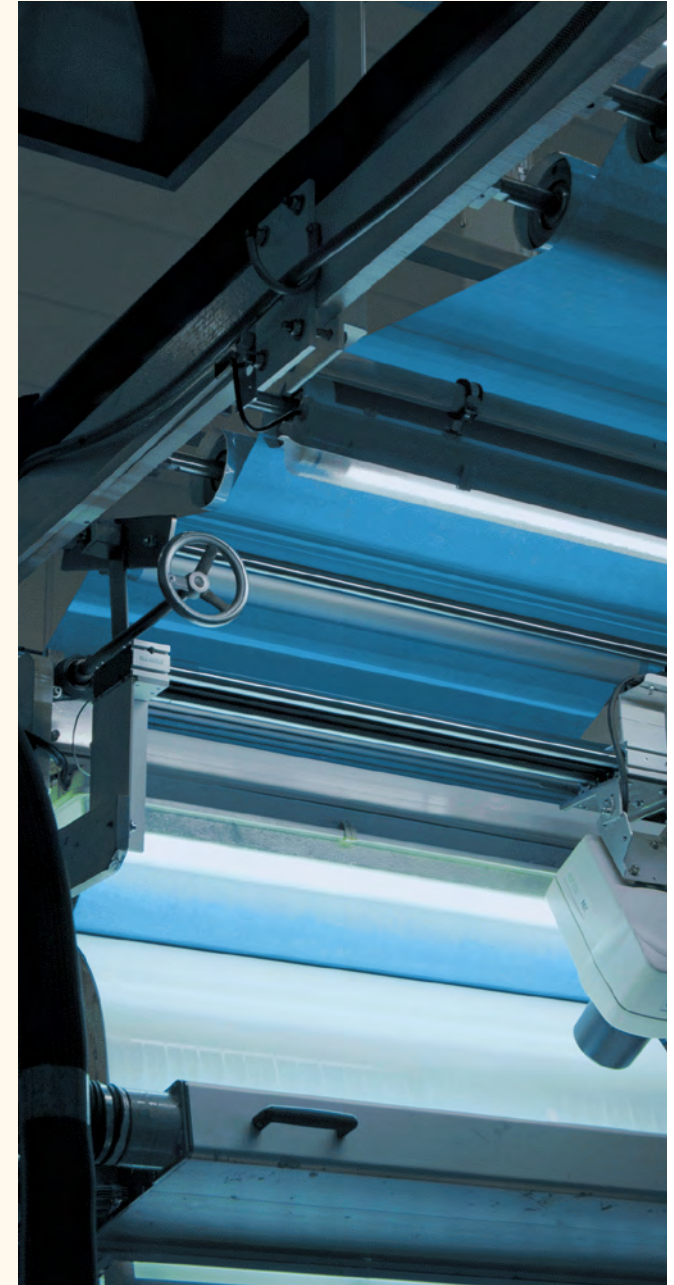
In line with our responsible investment strategy, we systematically monitor waste indicators across our portfolio, including the share of recycled waste and hazardous waste. We also help our companies implement waste reduction policies and initiatives and ensure proper handling and disposal of hazardous waste. Further, we encourage companies working with potentially toxic substances to assess the feasibility of replacing them with safer alternatives to mitigate environmental and health risks linked to their leakage or disposal.

Responsible Consumption at ARCHIMED Offices

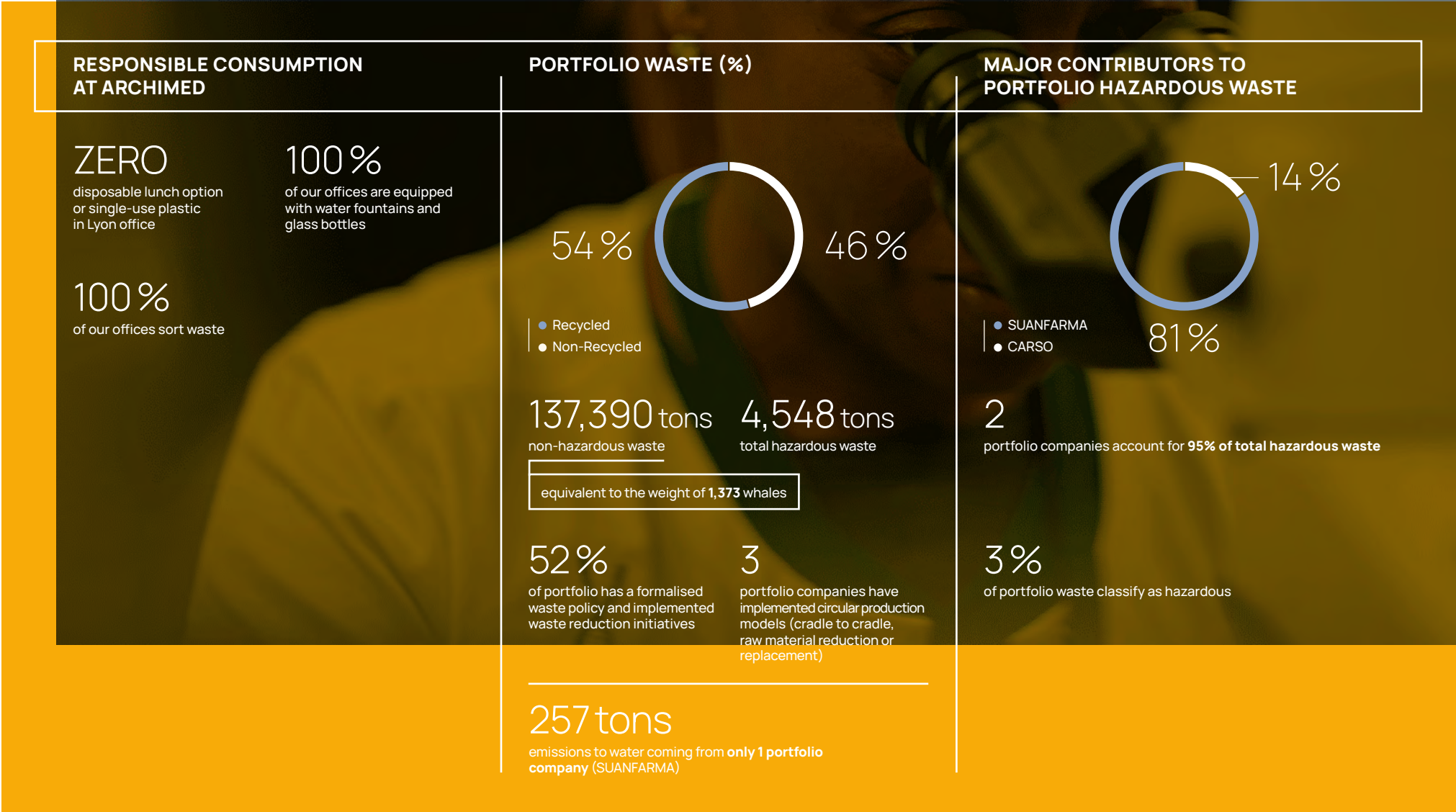
All our offices are equipped with waste sorting bins, facilitating the recycling of a range of materials such as paper and aluminum. Also, water fountains are installed at each office and every team member is provided with a glass bottle, thereby eliminating the presence of plastic bottles at the workplace. In fact, there is no single-use plastic and disposable lunch options in the Lyon office, which is hosted in a new BREEAM (Building Research Establishment Environmental Assessment Method) and HQE (Excellent and High Environmental Quality)-certified building. Moreover, reused and refurbished IT assets are utilized across all offices, in an effort to extend the useful life and circularity of products and thus reduce the electronic waste and environmental footprint associated with the dismantling and remanufacturing of IT assets.

Integration of Eco-Design into Product Lifecycle

We recognize that healthcare products generate environmental impacts throughout their entire lifecycle and thus we support the implementation of an eco-design approach from the raw material acquisition to the end-product distribution stage. For this purpose, we encourage our companies to conduct Life Cycle Assessment (LCA) analyses to identify at which lifecycle stage interventions would be more impactful. Also, we actively promote the integration of eco-design features in product design, to the extent possible. In this way, we support the development of medical products and devices that consume less energy, have longer lifespans, and either use less materials or replace existing materials with more sustainable options, while continuing to adhere to the highest quality and safety standards.



Promoting Responsible Consumption and Production Towards Waste-Free Healthcare



Promoting Responsible Consumption and Production Towards Waste-Free Healthcare



Product Eco-Design and Reusability

Eurotape, SMG's reusable product brand, supports the transition towards more sustainable healthcare systems by utilizing reusable technical textiles (RTT) with washable soluble properties which allow for medical tapes and self-adhesive accessories to be reused multiple times. Eurotape's surgical drape and gown designs offer solutions for all types of surgeries and specializations, while replacing the need for these typically single-use disposable items in operating rooms which produce tons of waste each year. Reprocessing RTT in industrial laundries also provides local labor opportunities, while contributing to shorter medical supply chains.

A Life Cycle Assessment (LCA) conducted by SMG demonstrated that the reusable drape system promoted by Eurotape has substantially lower environmental impacts, outperforming the disposable drape system in the environmental indicators studied, namely solid waste generation, blue water consumption and natural resource energy consumption. Furthermore, as a member of the AFERA (European Adhesive Tape Association), SMG is participating in working groups for the AFERA Flagship Sustainability Project focused on harmonizing a calculation method to measure the environmental impact of adhesive tapes. SMG is also a member of the CHAINGE initiative actively promoting the use and prospects of RTT in operating rooms across Europe.



Built-in Ecological Mission

Title21 provides integrated software solutions for regulatory documents and quality management. The company has a built-in ecological mission to prioritize the needs of the wider environment and society. By enabling the digitization and efficiency optimization of key processes, Title21 allows for paperless workflows and thus more sustainable resource use which translates into significant carbon footprint reductions for clients. During the 2023 Inaugural Advanced Therapies Awards hosted at the Advanced Therapies Week Congress, Title21 won the Sustainability Initiative Award in recognition of its efforts in driving sustainable development within the cell and gene therapy industry.

To date, Title21 has helped transition more than 30 blood banks, hospitals, BMT labs, and cell manufacturing programs from entirely paper-based record-keeping systems to cloud-supported filing. Most recently, Title21 took the entire Mayo Clinic digital, covering over 30,000 users between Minnesota, Florida, and Arizona. Notably, Title21 reports an 83-96% decrease in the number of hard copy paper manuals across their blood bank client pool.



Waste Recycling

As part of its waste reduction initiatives, Cardioline has launched an eco-packaging project whereby it is replacing all its products' plastic packaging with recyclable materials such as recycled paper. Moving forward, Cardioline is planning to assess the feasibility of removing plastic materials from its medical devices altogether, where possible. On the operational side, Cardioline regularly monitors its waste generation and has established a formalized waste management policy that outlines its planned efforts to increase the share of recyclable non-hazardous waste. To facilitate this goal, Cardioline encourages its employees to use separated waste bins specifically dedicated for either plastic, paper or batteries recycling. Further, the company has partnered with local providers to improve hazardous waste management and was able to recycle 60% of this waste in 2022. Additionally, 100% of Cardioline's electricity consumption comes from renewable energy sources.

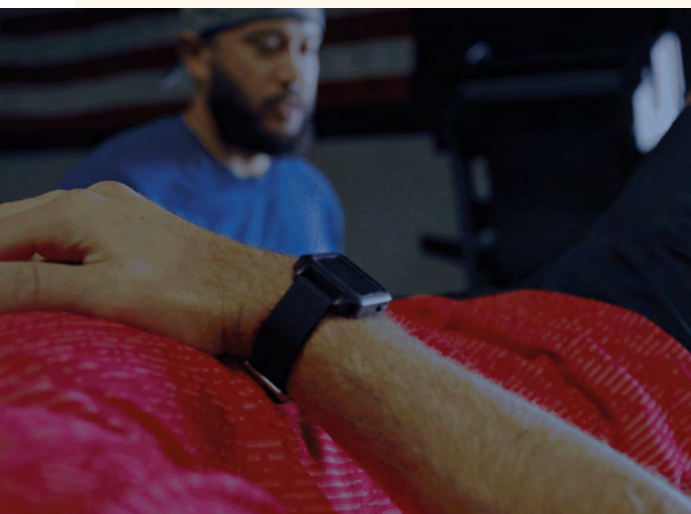


Promoting Responsible Consumption and Production Towards Waste-Free Healthcare



Product Lifecycle Management

ActiGraph has developed a set of product management procedures that cover the entire lifecycle of its manufactured devices, from the design phase to the end-of-life, reducing e-waste, and enhancing product circularity. In 2022, ActiGraph deployed re-use and refurbishment programs for internal circuits and electronics, with the aim of extending this initiative to other product parts in the future. The company has also integrated eco-design features into the design of its devices, including the development of longer-lasting batteries with 30 days autonomy incorporated into the wearable watch design. At the end of their useful life, product accessories such as recharging cables can be returned to ActiGraph to be deep cleaned and ultimately repurposed. Beyond this, ActiGraph is leveraging green cloud applications hosted in Microsoft Azure for its system software implementation.



Environmental Action

Environmental protection is a top priority for Clean Biologics, as outlined within the group's CSR policy and highlighted in the validated Sustainability Roadmap, defined by ARCHIMED with the support of expert consultants.

In 2022, Clean Biologics started working on its carbon footprint assessment of Scope 1, 2, and 3 emissions with the support of Greenly, a SaaS GHG accounting company, that follows the Bilan Carbone® methodology by ADEME. Based on the results of the assessment which was finalized earlier this year, the group is planning on developing a carbon reduction plan, as well as implementing further environmental initiatives. Already, Clean Biologics is taking action to optimize water and energy use during the manufacturing process at its sites.

Furthermore, the new site of Clean Cells was constructed with ecological considerations including; energy efficiency features such as high performance insulation, energy recovery systems, photovoltaic panels on the roof terrace for self-consumption, LED lighting, site vegetation, grassed parking spaces, electric vehicle charging stations, and bicycle shelters. The company also tracks energy consumption and transportation data and has created a working group with ESSOR focused on monitoring the quantity of waste produced and analyzing different waste flows in order to further improve waste management practices. Clean Cells has increased recycling efforts of specific materials, including glass used in laboratories, and is planning on reducing the volume of ordinary industry waste as well as evaluate the use of composting on site. To raise environmental awareness within the company, Clean Cells also organized a Mobility Week.

In Naobios, single-use plastic cups have been completely removed from the facilities and a working group has been set up to address the management of infectious clinical waste. The working group has started analyzing how to either reduce or eliminate on-site autoclaving of DASRI (waste from healthcare activities posing infection risks). In Biodextris, a new recycling initiative is planned with one of the company's main providers and will cover laboratory gear such as protection gloves. A study has also been initiated on the implementation of a bonus for carpooling or use of public transport.

Fostering Employee Well-Being and Sense of Purpose

“ARCHIMED is people-driven. We strive to create a working environment that allows people from diverse backgrounds to build a career in private equity.”



Cécile Pontier,
Partner & Head of HR



Amplifying Employee Development and Voice

Human capital is at the core of every company's success story. Investing in development is not only a critical driver of productivity and performance, but it also helps improve job satisfaction and attract and retain top talent. In addition, fostering a work environment that enables employees to have an active voice and participation in the company's future growth and direction is essential to create a positive working culture and a sense of purpose and belonging within the company. For healthcare industries in particular, high-skilled human capital is a catalyst for the development and commercialization of innovative products and services, ultimately enabling the delivery of better-quality care for all patients.

Defining a robust human resources strategy is fundamental to build a highly specialized, skilled and engaged team working towards the same goal: the improvement of health outcomes. We strongly believe in and support the development of our people, while ensuring that we all share the benefits from ARCHIMED's growth.

Providing Learning Opportunities

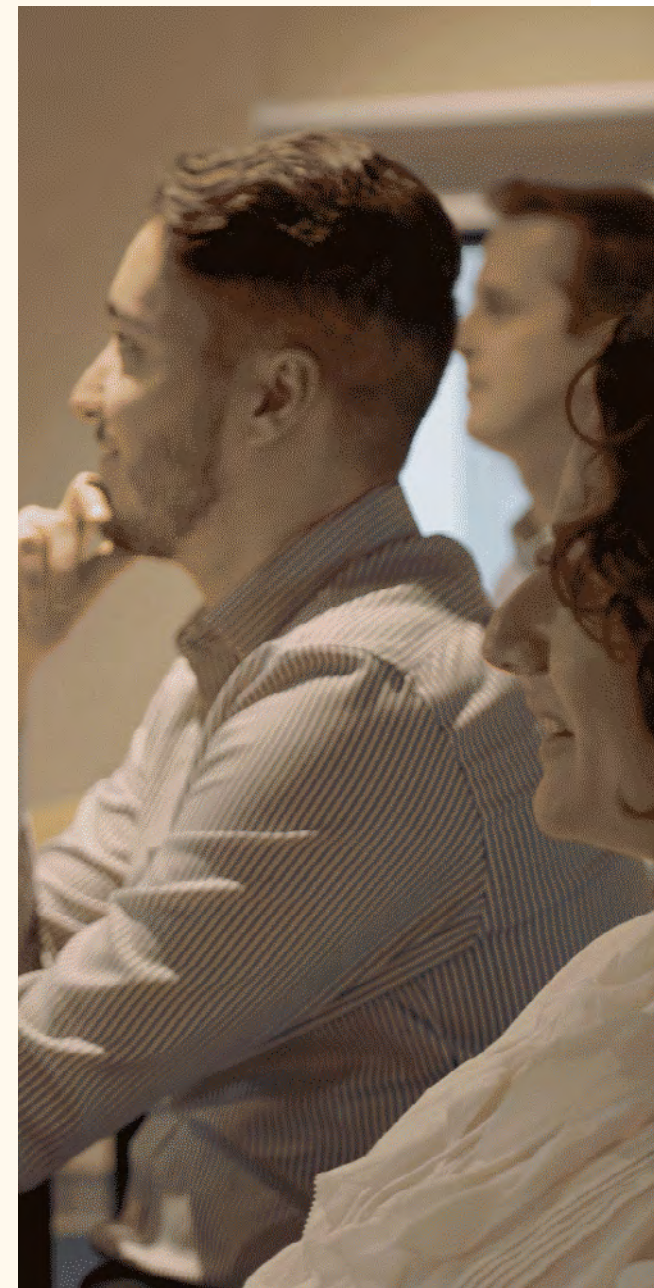
At ARCHIMED, we strive to foster a working environment that allows people from varied backgrounds to build a career in private equity. To that end, we create a rich learning experience for our employees by accelerating their professional growth and personal development, leveraging our global and diverse team to create a broad cultural experience for everyone. All our team members have access to learning and development opportunities, including mentoring, coaching, certifications, or language training, digital tools and health strategy amongst other topics, enhancing both technical expertise and soft skills. In addition, we also work very closely with portfolio companies on secondments, allowing team members to further advance their learning journey and build meaningful relationships with management teams. We actively promote the implementation of employee development initiatives at our portfolio companies and monitor relevant KPIs such as training budget, share of employees trained and topics covered by the trainings.

Enabling Profit-Sharing

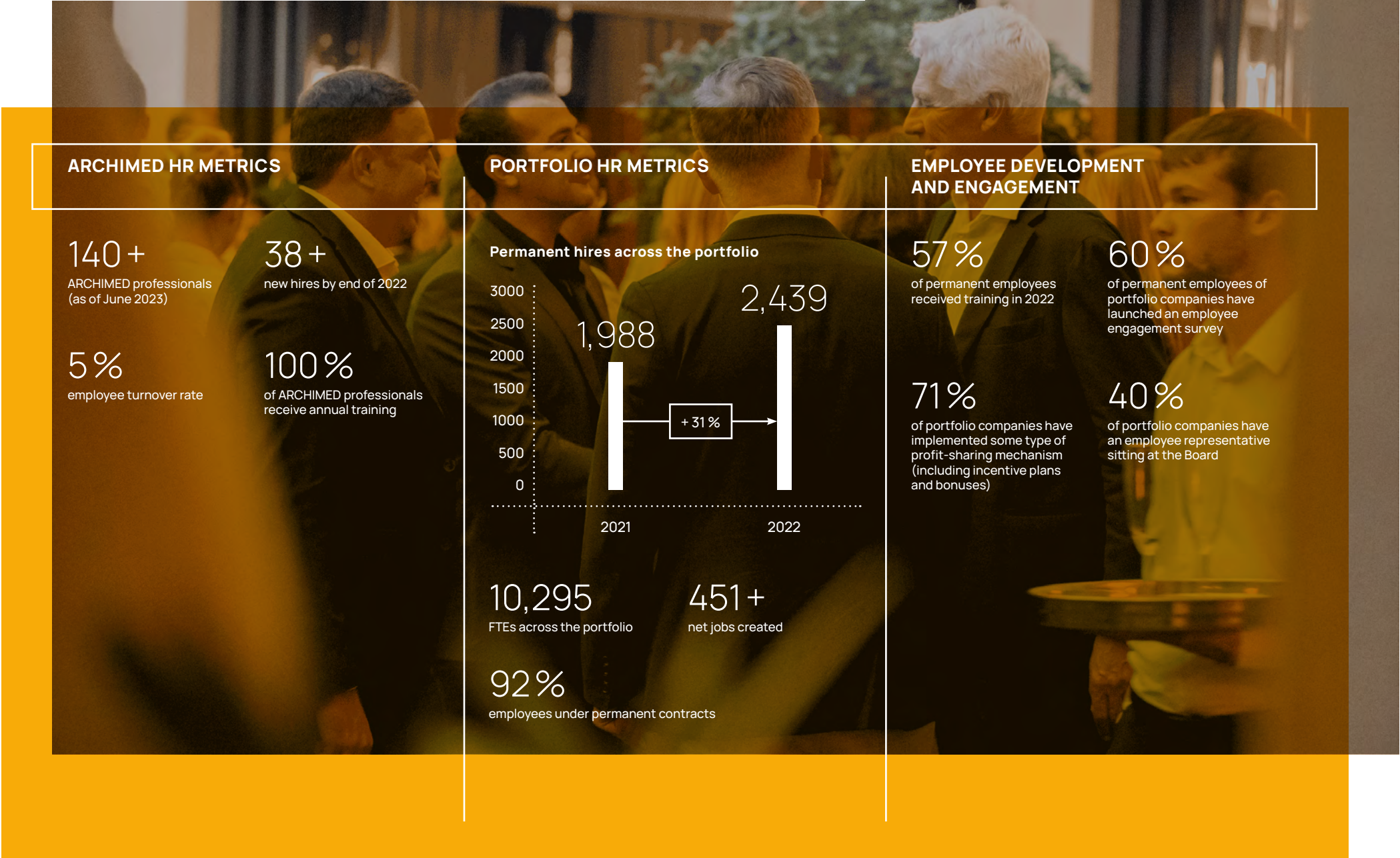
We believe that our team is our greatest strength and thus we want to ensure that every team member is rewarded for their contribution to ARCHIMED's continuous value creation. For this purpose, each member of the team is able to benefit from carried interest through a fund-based long-term incentive plan. At portfolio level, ARCHIMED systematically incentivizes management teams through equity-based packages and also encourages the implementation of profit-sharing or long-term incentive plans. In this way, we enable employees to participate in the company's success and create a more inclusive and fair culture offering benefits for all.

Elevating Employee Voice

Since its inception, ARCHIMED has embraced a flat management structure allowing team members across organizational levels to actively participate in shaping our story by sharing their ideas and concerns and bringing value through their unique experiences. Fostering a supportive working culture and investing in team building encourages our team members to ask questions, provide constructive feedback and stand ready to offer help to each other in any given situation. To better accommodate the professional objectives of our team members, we also enable multifaceted careers by promoting leadership opportunities across varied workstreams and facilitating regular interactions with our Partners and leadership team. The well-being and satisfaction of our team is a key priority, so we remain flexible to team members changing locations or job roles in line with their professional goals. In this way, we seek to maintain a highly engaged team across geographies.



Amplifying Employee Development and Voice



Amplifying Employee Development and Voice



Deallus Academy

Deallus has formalized three employee training programs with different objectives and modules under the umbrella of the Deallus Academy: i) Core Academy for associates, ii) Consult Academy for consultants, and iii) Engage Academy for managers. The programs cover both technical skills trainings specific to the job functions as well as soft skills trainings including communication and leadership. In 2022, over 90% of employees received training, with the Deallus team systematically gathering employee feedback after each training session.

Deallus also delivers mandatory anti-harassment, sexual harassment and unconscious bias training to all employees. In addition, Deallus has trained a mental health team and has launched an employee assistance program to further support employees on personal and professional matters.



Great Place to Work Certification

Provepharm has been certified as a Great Place to Work® for 2022-2023, the third time in the company's history. This certification constitutes the highest level of recognition of the work environment quality in France, and is based on the criteria of credibility, respect, equity, pride and friendliness. To that end, Provepharm created a committee of employee volunteers who conducted surveys covering all employees globally on a monthly basis and analyse the results to identify key takeaways and implementation actions. This certification serves as a testament to the company's commitment to employees: 92% of employees report that the company premises and equipment help to create a pleasant work environments and 96% feel welcomed as newcomers.



Employee Engagement

SMG has gathered feedback from employees through its employee engagement and satisfaction survey and based on the results the group implemented several social initiatives aiming to improve working conditions and employee well-being.

More specifically, SMG introduced more flexible working hours, improved sick leave and paid vacation schemes as well as a 13-month salary which is included as a fixed element of the employee pay package. SMG plans to repeat this survey later this year to evaluate the effectiveness of measures in place and identify further areas for improvement. Moreover, SMG enhanced its profit-sharing mechanism which takes the form of a paid bonus and is half based on individual performance targets and half on the overall company profitability. SMG recognizes the contribution of its employees to company performance, so once profitability exceeds a defined EBITDA threshold, employees start to earn more and benefit from SMG's financial results.



Creating a Culture of Diversity and Equal Opportunities

The business case for promoting diversity, equity, and inclusion (DEI) within companies is now stronger than ever since it is increasingly recognized as a valuable source of competitive advantage and an indispensable element of healthy company cultures and high-performing teams. Multiple studies have shown that a more diverse workforce in terms of age, gender, ethnicity, as well as disability, and LGBTQIA+ status can inspire new creative ideas and help anticipate shifts in end-user needs, thus creating opportunities for companies to improve their market offering. For instance, Gartner reports that 75% of companies with "frontline decision-making teams reflecting a diverse and inclusive culture" exceed their financial targets, while gender-diverse and inclusive teams outperform gender-homogeneous and less inclusive teams by 50% on average. Creating a working environment that is inclusive is the key to leveraging diversity as it ensures that employees are benefiting from equal personal and professional growth opportunities. These conditions help improve employee engagement, satisfaction and retention, while preventing the emergence of silos and echo chambers, which could hamper innovation and organizational effectiveness.

In the healthcare sector in particular, a workforce that mirrors the diverse characteristics of the patient populations served is essential to ensuring better quality treatment, reducing healthcare disparities and advancing health equity. However, the healthcare industry has been facing systemic challenges in addressing DEI issues at the workplace. In addition, historically, women and minority groups have been underrepresented in medical research and mistrusted by healthcare professionals as a result of gender or racial bias, as well as ignorance that differences in physiology matter and there a one-size fits all approach is unlikely to hold the same level of efficacy across patient profiles. Fostering a diverse and inclusive healthcare industry enables the integration of varied health perspectives across the value chain, from the research and development phase all the way to product commercialization and application into clinical practice, thus allowing for better coverage of different health needs, and improved accessibility and effectiveness of healthcare services for all.

At ARCHIMED, we firmly believe that diversity makes our business more successful and thus we strive to build a multicultural and diverse team in terms of age, background and gender, to unlock the benefits of having multiple perspectives contribute to our way of doing business.

Embracing Diversity and Inclusion

Our commitment to building bigger and more diverse teams is a key driver of our success and what defines us as a global firm. The international and diversified profiles within our team, representing over 30 nationalities and a mix of operational, medical, scientific and financial backgrounds, gives us a competitive edge through varying viewpoints, networks and contributions. We see this as a unique selling point adding immense value and creating a richer experience for our team, business partners and companies. To foster a positive work environment that champions diversity, we ensure employee recruitment, development and promotion processes are deliberately designed to eliminate discrimination and bias in all forms, promote more inclusive business practices and provide equal opportunities for all. We place the same emphasis on DEI across our companies by systematically tracking relevant KPIs, supporting the implementation of relevant initiatives and identifying areas for improvement.

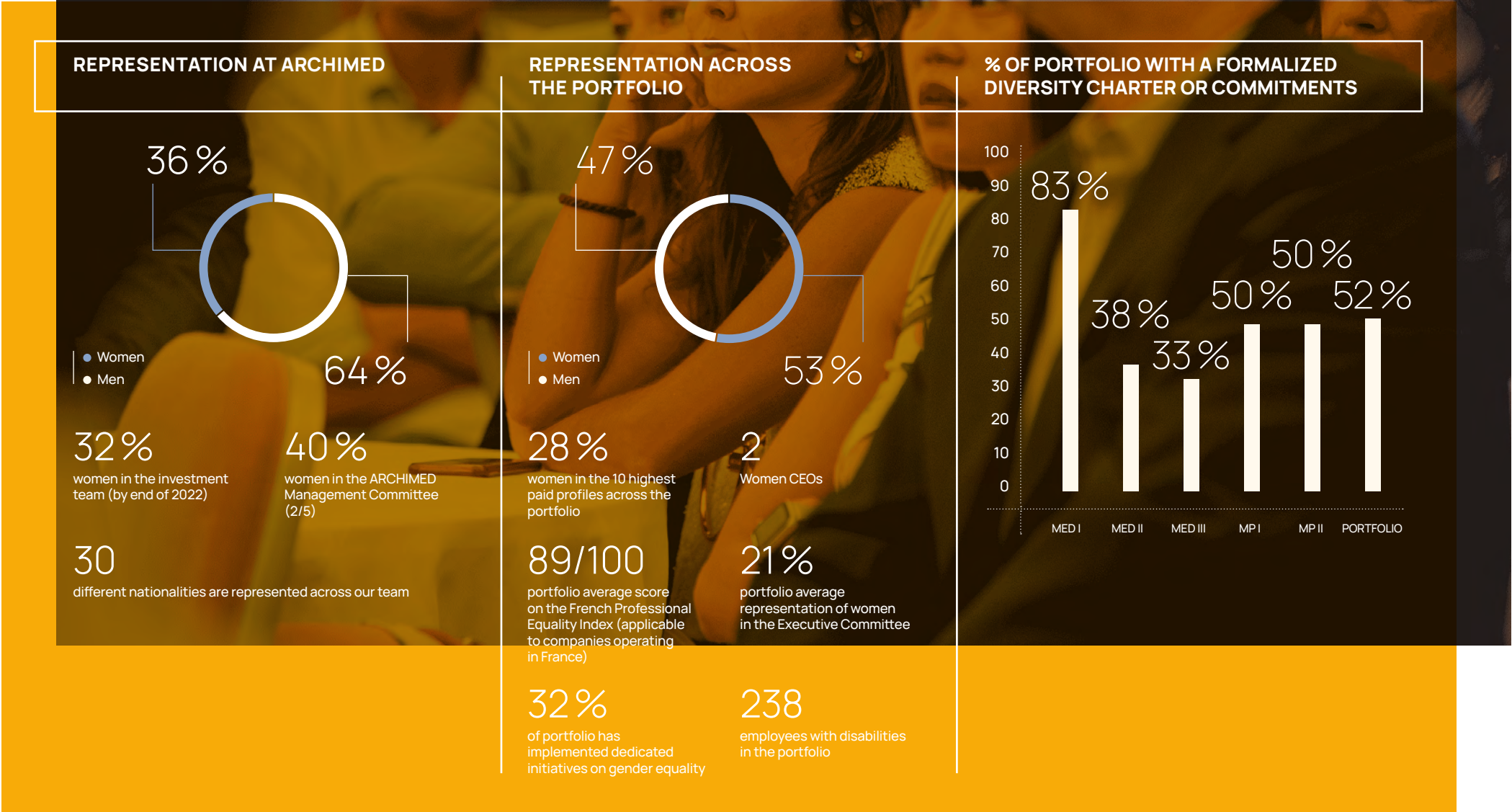
Promoting Gender Equality

Operating in the heavily male-dominated private equity industry, we recognize our responsibility to bring about change and hold a strong stance against perpetuating gender power imbalance and inequality within our firm and our companies.

To demonstrate our engagement with this cause, we have signed the France Invest Parity Charter composed of 30 commitments designed to promote gender parity amongst French private equity players and we actively support the Level20 initiative aiming for women to hold at least 20% of senior positions in private equity. At ARCHIMED, we continuously strive to increase the recruitment and promotion of female talent especially for more senior leadership roles, where women are often underrepresented. Breaking away from industry norms, 40% of our Management Committee is female and we aim to also improve the representation of women at Partner level. Starting from 2023, we will be tracking critical gender equality KPIs based on the French Professional Equality Index.



Creating a Culture of Diversity and Equal Opportunities



Creating a Culture of Diversity and Equal Opportunities



DEI Initiatives

To champion its long-standing commitment to diversity, equity, and inclusion (DEI), VHG has adopted an Equality and Diversity Policy and has implemented several initiatives led by its expert DEI team to educate and promote diversity within the group. VHG consistently monitors key DEI KPIs, including those outlined by the Workforce Race Equality Standard (WRES) and the Workforce Disability Equality Standard (WDES), and is using an Equality Delivery System (EDS) in line with the UK National Health System's (NHS) pledge to ensure inclusive and accessible provision of health services for all. Also, VHG adapts working conditions to the needs of its disability employees, which represented nearly 15% of the workforce in 2022, and has been recognized under the Disability Confident Employer and Mindful Employer Schemes.

The DEI team's mandate also includes a health and well-being function to support staff, diversity networking groups, implicit bias trainings, and internal guidance on specific DEI issues, such as transgender awareness in the UK. VHG ensures a discrimination and bias-free recruitment process and has established an affirmative action plan to ensure female candidates are considered in management positions. A peer-to-peer employee mentoring program aiming for high diversity across cohorts has also been set up to support employee development and job mobility opportunities. VHG has also set up an independent Speak Up Team based on the National Guardian's Office framework, facilitating a direct route for employees to raise issues to management. A Gender Pay Gap Report and a DEI Report are published annually, identifying areas for improvement and communicating activities undertaken over the year.



Professional Equality Index

Since March 2022, CARSO has signed a gender equality agreement for its LSEHL site, championing diversity and rights to equal opportunities in the workplace, which are further supported by a new wellness commission and employee trainings on these topics. In accordance with the French Law aimed at eliminating the pay gap between women and men, CARSO measures its annual performance on the French Professional Equality Index, including indicators such as difference in rate of pay increases between women and men, as well as percentage of employees who benefited from a pay increase upon return from maternity leave. In 2022, CARSO scored 99 out of 100 in this index, a 24% improvement from 2021, demonstrating the group's continuous commitment to enhancing women's representation at all organizational levels. Furthermore, as of 2022, 50% of CARSO's 10 highest paid profiles were women.



DEI Roadmap

Natus is committed to encouraging a culture of DEI and regularly assessing and driving continuous improvement across their ecosystem of people. To that end, the company has formalised and embedded a DEI roadmap into their corporate policies and processes such as the employee handbook, the code of business conduct and ethics, and recruitment procedures actively seeking a diverse pool of candidates. Following its DEI roadmap, in 2022 Natus initiated the delivery of DEI and unconscious bias trainings, as well as the analysis of its pay gap based on job architecture, gender and ethnicity data. Furthermore, Natus is promoting diversity at the management level and taking affirmative action against discrimination through the implementation of initiatives such as employee surveys and roundtables, as well as a whistleblowing mechanism allowing employees to raise concerns.



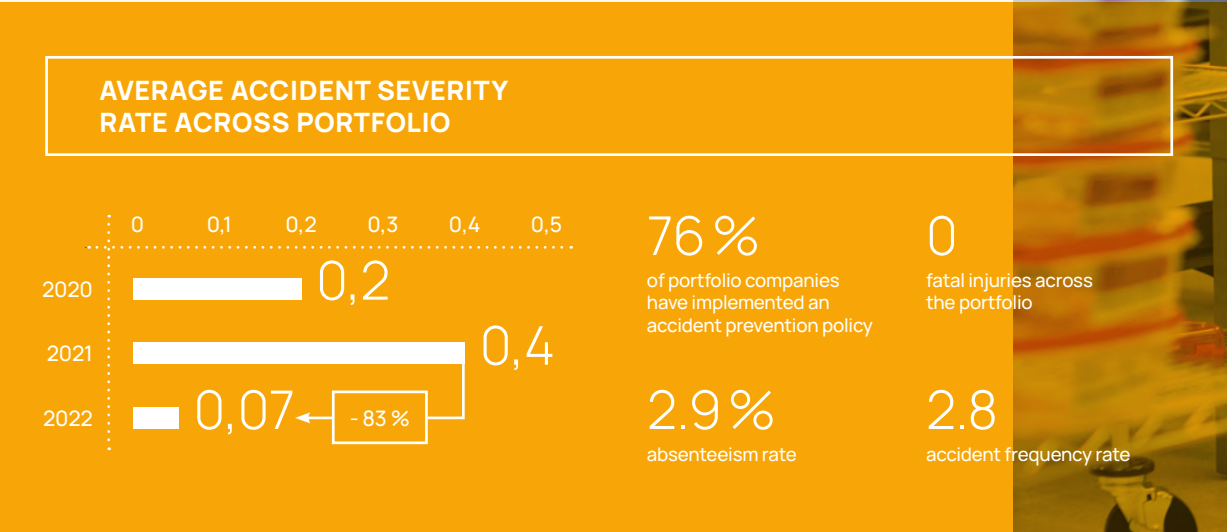
Protecting Employee Health and Safety

Employee health and well-being should be a top priority for every company. However, it is even more critical in the healthcare industry, where employees face a wide range of health risks on a regular basis, including the handling of potentially harmful chemicals, exposure to infectious agents, as well as physical and ergonomic hazards which could lead to illness, occupational accidents and injuries. Thus, ensuring decent working conditions, and implementing rigorous health and safety measures, including access to proper training and support as well as necessary resources and equipment, is essential to protecting healthcare employees and ultimately patients by reducing employee downtime and further disruptions across the healthcare value chain.

The ARCHIMED team works closely with portfolio companies to guarantee that all employees are well taken care of, and that our healthcare facilities adhere to the highest health and safety standards.

We proactively encourage our companies to conduct thorough risk assessments in order to identify health and safety hazards most relevant to their business activity and workplace, with an accentuated focus on manufacturing sites and laboratory facilities, and to plan preventive and corrective actions where necessary.

Furthermore, we help our companies establish clear health and safety guidelines and requirements, including accident prevention policies, and define health and safety KPIs to systematically monitor their progress.



Protecting Employee Health and Safety



Accident Prevention Policy

Ad-Tech has implemented an Accident Prevention Policy and has established a Safety Committee and participates in monthly with the purpose of monitoring and preventing occupational accidents and other health risks to ensure safe working conditions for all employees. In the event of an accident, a formal accident investigation process is initiated to evaluate the root causes and take corrective actions where necessary. Furthermore, since ergonomics and repetitive motion injuries were identified as the most prevalent health and safety risk affecting Ad-Tech employees, ergonomics specialists have visited on-site, delivered trainings to the Safety Committee and helped them detect potential hazards and areas for improvement.

Ad-Tech has implemented several measures to ensure employee safety including the use of fully protective body gowns and face masks and the provision of adequate hands-on employee training on the production floor covering standard operating procedures (SOP) amongst other topics. Furthermore, microbial testing and monitoring of controlled environments in working areas are conducted monthly to verify safe working conditions and manufacturing engineers are continuously striving to improve workstations and equipment to make it easier for operators to use and reduce physical strain which could lead to injuries. Ad-Tech also encourages an open line of communication for employees to raise suggestions for improving working conditions which are reviewed monthly by management; extension of holiday periods and limitation of overtime hours has been implemented thanks to this employee feedback mechanism.



Occupational Health and Safety Management System

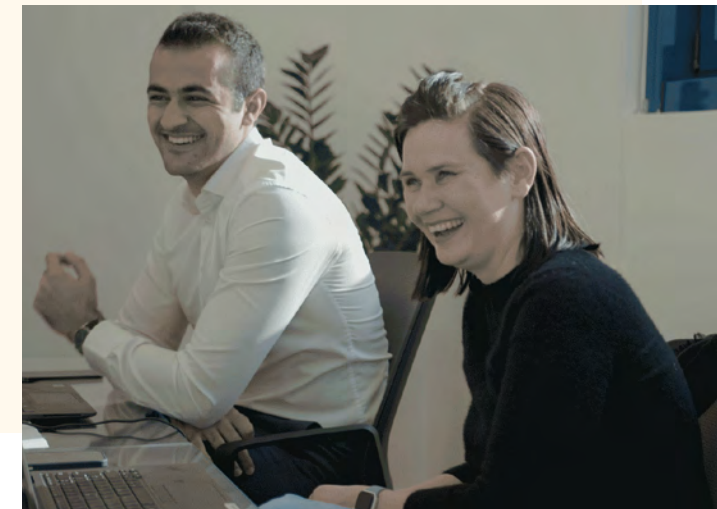
Being aware of the type of industrial activity carried out in its factories, SUANFARMA has prioritized and allocated significant resources to the protection of health and safety at work. For this reason, both facilities have a Safety, Health and Environmental Sustainability Policy that lists the principles and practices to minimize risks and negative impacts, ensuring decent working conditions for all employees. In particular, SUANFARMA Italia has deployed an ISO 45001 certified Occupational Health and Safety Management System (OSHMS) to anticipate and control safety hazards and risks, aiming to protect employees against ill health or injury at work. SUANFARMA Italia also has an Emergency Management System (SEM) which enables the facility to effectively manage unforeseen occupational incidents and accidents with potentially harmful or dangerous consequences.

Furthermore, CIPAN has established 10 security principles to be followed as safety rules stating mandatory and prohibited behaviors applicable to all employees and conducts internal security audits to identify new risks, analyse progress and evaluate the effectiveness of measures in place. An internal emergency plan has also been set up defining an evacuation and action plan in case of emergency. Across sites, all employees are trained on topics regarding occupational risk prevention and medical examinations are carried out at the time of hiring and repeated annually to ensure the health and well-being of SUANFARMA's workforce.



Health and Safety Risk Assessment

Cardioline has carried out a Health and Safety Risk Assessment concerning employees of its production site working across different functions, including assembly, testing and repair of electromechanical parts, electronic boards, and finished products. In the scope of this assessment, each identified risk was examined based on its level of severity and probability of occurrence and corresponding preventive and protective measures were implemented that successfully drove the accident severity rate to zero in 2022. The most material risk for health and safety on the production site was identified to be fire and explosion risk, so Cardioline's risk prevention and mitigation measures include protective equipment, emergency and evacuation procedures as well as first-aid training. All employees working on the production floor receive mandatory health and safety training alongside technical training on Cardioline's ISO certifications.

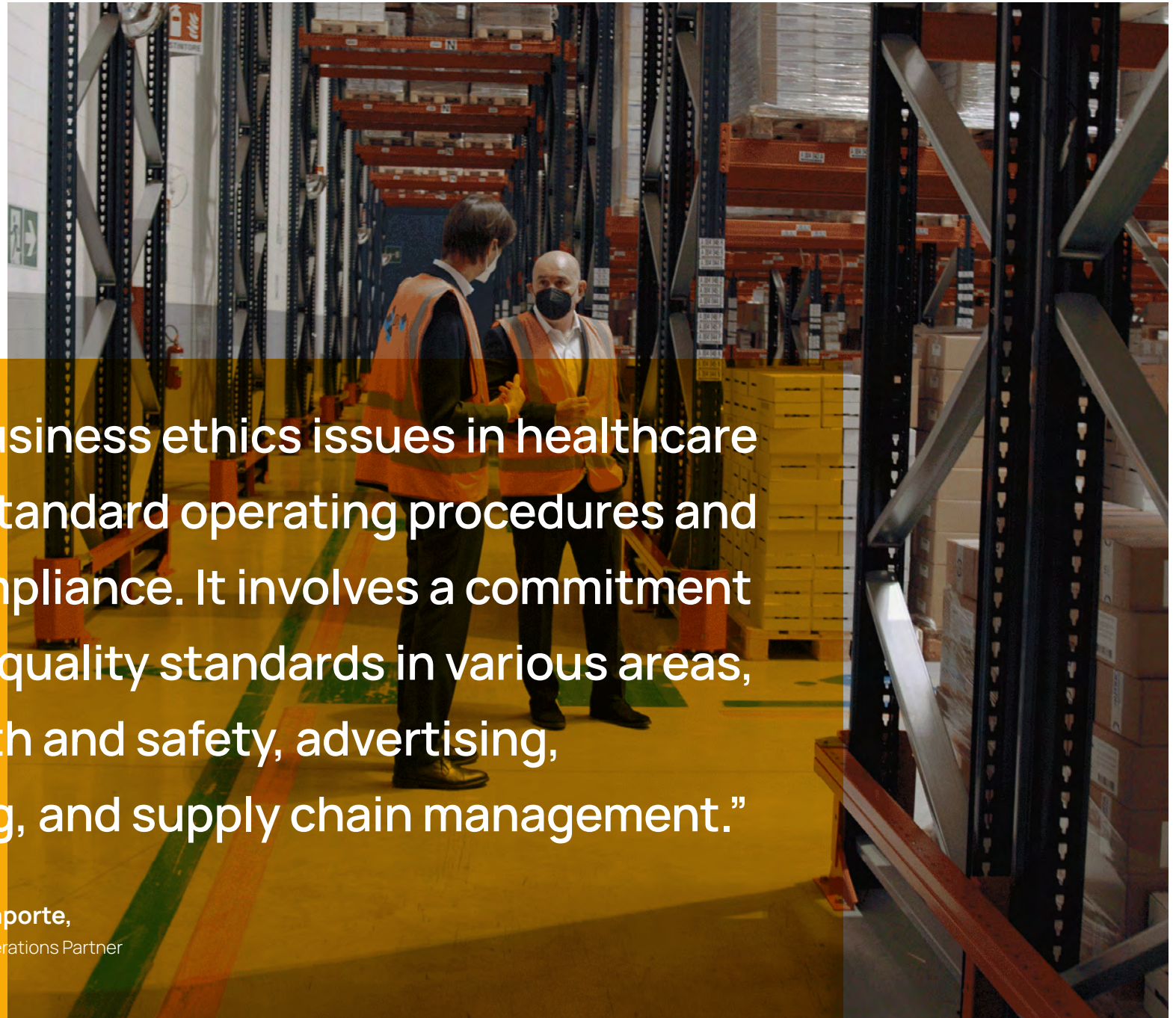


Promoting Good Governance Practices

“Addressing business ethics issues in healthcare goes beyond standard operating procedures and regulatory compliance. It involves a commitment to the highest quality standards in various areas, including health and safety, advertising, product pricing, and supply chain management.”



Sandrine Laporte,
Finance and Operations Partner



Respecting Business Ethics Across the Supply Chain

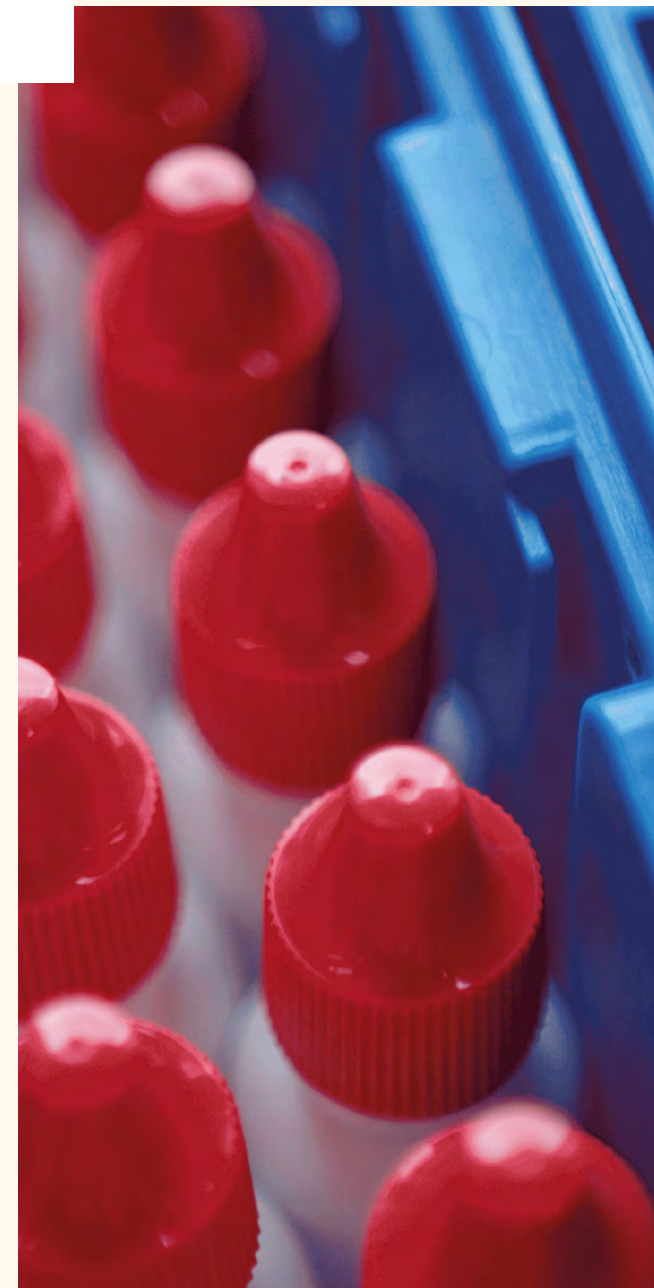
At its core, the healthcare industry is committed to patient's rights, fair working conditions, and sustainable resource management in order to provide the greatest benefits to global society. Healthcare organizations are integrated within and are dependent on the communities in which they operate, and as such the set of responsibilities they hold is crucial when it comes to protecting human, animal and environmental health. Addressing business ethics issues in healthcare does not only entail standard operating procedure and regulatory compliance; the highest quality performers take this a step further and adhere to relevant, local regulations regarding health and safety, advertising, product pricing, salaries, downsizing, supply chain management, clinical trials, animal testing, employee recruitment and retention, and R&D.

The primary activities involved in healthcare supply chain management include monitoring and supporting the flow of medicine, medical equipment and services from the manufacturer to patient. By optimizing and automating the supply chain, healthcare providers, pharmaceutical companies, and wider stakeholders in the healthcare sector can not only eradicate inefficiencies in the supply chain, but also embed resilience within the healthcare value chain. Improving supply chain management enables partners to better detect and resolve potential disruptions, boost the level of patient care and safety, while simultaneously minimize waste and unnecessary costs. A more adaptable supply chain is crucial in the recent times of escalated volatility, unpredictable supply and demand, and facilitates both upstream and downstream partners in responding to sudden events such as the global pandemic or natural disasters, and fundamentally to work together to improve patient outcomes and save lives.

At ARCHIMED, we believe that it is essential to follow good governance practices, continuously improve internal processes and implement stringent measures designed to mitigate any potential ethical risks across our operational and investment activities.

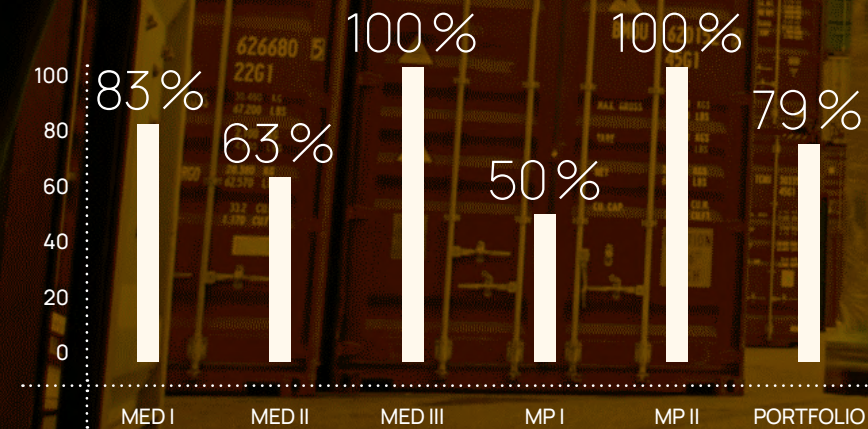
ARCHIMED's formalized Code of Ethics is communicated to and signed by all employees upon hiring, and governing bodies, specialized oversight committees and internal control mechanisms have been set up to ensure our organization upholds the highest standards of business ethics and facilitates transparency. By implementing a rigorous KYC (Know Your Customer) and AML (Anti-Money Laundering) assessment processes, we also verify that our investors are compliant with ethical principles. As per our Responsible Investment Policy, each potential investment is evaluated against our exclusion and watchlist criteria, which also covers specific ethical risks that may arise from investing in healthcare, such as bioethics issues, risk of substance dependence, aggressive marketing tactics and price increases.

Subjecting potential investments to a high degree of scrutiny on these topics is fundamental in ensuring that we stay true to our mission of improving health outcomes for all. Furthermore, we continuously encourage our portfolio companies to consider ethical issues arising across their supply chain and implement relevant measures such as developing a Code of Ethics, organizing trainings on business ethics for employees and conducting CSR audits on suppliers.



Respecting Business Ethics Across the Supply Chain

% OF PORTFOLIO COMPANIES WITH A FORMALIZED A CODE OF ETHICS



21 % of portfolio companies have adopted specific policies to comply with UNGC or OECD guidelines	0 business ethics litigations	0 violations of the UNGC or OECD guidelines
1 company with a benefit corporation CSR status (DIESSE)	60 % of portfolio companies have assigned CSR responsibilities	62 % of portfolio companies have conducted CSR assessments
24 % of portfolio companies have environmental or social certifications	45 % of portfolio companies with Suppliers Code of Ethics or Responsible Purchase Charter	12 % of portfolio companies have audited suppliers on CSR topics

Respecting Business Ethics Across the Supply Chain



Supplier's Code of Conduct

Beyond deploying high sustainability standards across its manufacturing and operational processes, DHG is also placing the same emphasis on its supply-chain by actively engaging with suppliers and systematically performing supplier evaluations to ensure that environmental, social, and ethical best practices are being adhered to. To that end, all new suppliers are subject to assessments on a wide range of CSR issues including health and safety, environment, respect for human rights, labour abuses, and anti-bribery, covered by DHG's Supplier Code of Conduct which they must adhere to and against which they are regularly audited. DHG is focused on local sourcing; more than 96% of all materials from their supply chain are coming from Europe which significantly reduces their carbon footprint linked to freight mileage and thus too the overall environmental impact of products. Additionally, as part of DHG's sustainable manufacturing processes, all waste foam produced from the fabrication of pressure ulcer prevention surfaces is collected and sent back to the supplier who recycles it and repurposes it into new commercial products.

All DHG's business activities are carried out in accordance with the MedTech Europe Ethical Code of Practice, which includes competition law and anti-corruption statements, forming part of DHG's Code of Conduct applicable to all employees. DHG has also defined a Safeguarding Children and Vulnerable Adults Policy to ensure strict compliance to protecting clients and customers as well as a Dignity at Work and Equal Opportunities Policy and a Whistleblowing Policy aimed at upholding a work environment where all employees are treated with dignity and respect and harassment or discriminatory behaviors are not tolerated.



Good Governance

NAMSA has established an Anti-corruption Policy and a Business Code of Conduct, covering amongst other topics fair business and labour practices, which all its business partners must adhere to. Additional ethical, social and environmental requirements are considered during NAMSA's supplier selection process.

Furthermore, NAMSA's procurement team has received dedicated training on ethics and anti-corruption topics and is pursuing responsible procurement practices. NAMSA's employees as well as its board of directors are also trained on ethics, promoting good governance across the organization. Concerning the clinical trials supported by NAMSA, a Quality Manual has been established, including Clinical SOPs aligned with Good Clinical Practices and safety standards. NAMSA has also assessed the environmental impact of some of the raw materials fed into its supply chain including bio-sourced materials and unethically extracted raw materials, which it aims to replace with more organic and sustainably sourced materials where possible.



Code of Ethics

Deallus has formalized a Code of Ethics that is shared with all employees upon hiring and outlines general employee responsibilities and expected behaviours within the workplace. Deallus' Code of Ethics also covers specific policies on data privacy and integrity, quality management, anti-corruption and bribery as well as an insider dealing policy. Furthermore, as Deallus operates in the strategic intelligence and consulting space, a specific section has been included dedicated to research ethics and related rules to mitigate potential ethical risks arising from this business activity.



Ensuring Data Security and Privacy

“As ARCHIMED’s Data Protection Officer (DPO), my role is to ensure that ARCHIMED remains compliant with the relevant data protection laws such as the General Data Protection Regulation (GDPR) and that we implement best practices on data security especially concerning the handling of personal data. To that end, my team is continuously assessing our current data protection practices, identifying compliance gaps and developing strategies to address them in line with our internal data protection policies and procedures.

We also conduct regular Data Privacy Impact Assessments (DPIAs) to evaluate the potential impact of new projects or processes on individual privacy rights and advise on data protection measure throughout the project lifecycle. To promote a culture of privacy within ARCHIMED, we organize regular training sessions and provide access to materials and resources to raise awareness on data protection obligations and best practices. In the event of a data breach, resources are swiftly allocated to investigate the breach, assess its impact, and coordinate a response with appropriate measures to minimize harm to affected individual and prevent future breaches.

Supporting the cybersecurity strategy of our portfolio companies remains a key priority for ARCHIMED. To advance the protection of IT infrastructure and premises, two years ago we launched a toolbox of services and state-of-the-art tools designed to safeguard data and information systems security against new threats such as smishing, phishing, deepfake or social engineering.

Following a comprehensive evaluation process, we selected partners and suppliers to facilitate the implementation of our Cyber Security Program, which allows for the monitoring of cybersecurity vulnerabilities through a Security Score Card as well as the analysis of potential cybersecurity risk exposures in real-time across multiple web layers. We are also offering new services in strategic intelligence and business protection across our portfolio, enabling the detection and anticipation of external threats, and malicious or unintentional data leaks.

More precisely, we support our portfolio companies with the implementation of:

- 1 - Phishing and/or smishing campaigns over a long period to address permanent data security challenges and enhance the cybersecurity maturity level across the organization.
- 2 - 24/7 Cyber monitoring to evaluate the risk surface, detect malicious or involuntary leaks, and reinforcing data security by implementing data monitoring and protection mechanisms for the long term.
- 3 - Cybersecurity due diligence on physical persons or legal entities to evaluate the digital reputation and threats parties are exposed to, as well as identify regulatory aspects to be respected and necessary adjustments are made to swiftly correct severe breaches detected.

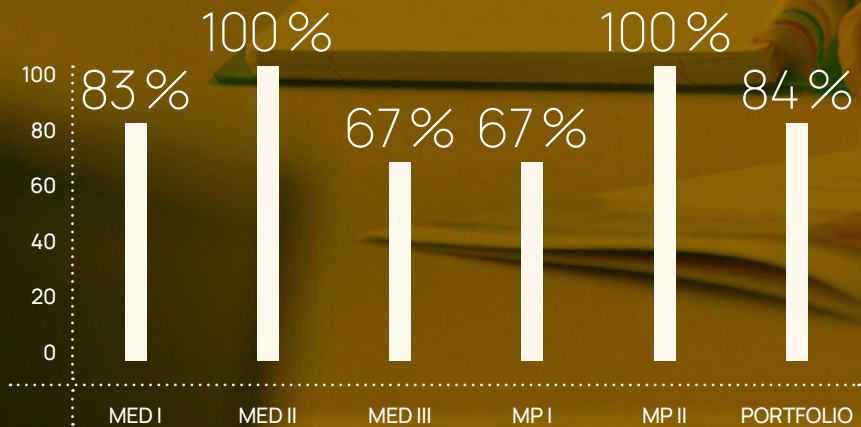
Finally, we have updated our IT Policy to be inclusive of the challenges faced by the onset of AI integration into daily business practices, and endeavor to, ensure both our employees and those of our portfolio companies are kept abreast of the most material cyber security developments.”

Thierry Picard,
Chief Digital and Data Officer,
Data Protection Officer (DPO)



Ensuring Data Security and Privacy

SHARE OF PORTFOLIO COMPANIES WITH GDPR COMPLIANCE PROCEDURES IN PLACE



64 %
of portfolio companies have conducted an external cybersecurity assessment

60 %
of portfolio companies have data protection procedures in place

12
portfolio companies have appointed a Data Protection Officer (DPO)

Ensuring Data Security and Privacy



Data Privacy Policy

As a digital health pioneer, ActiGraph recognizes the importance of safeguarding sensitive personal information generated while its software products are in use. For this reason, the company has developed a data privacy policy, which includes GDPR compliant data guidelines and defines the responsibilities of the controller and processors. Furthermore, extensive procedures have been established to ensure personal information is handled responsibly and in accordance with data protection and privacy laws. To evaluate the robustness of its cybersecurity processes, ActiGraph regularly performs automated vulnerability scanning and has set reporting procedures for personal data breaches that are monitored by the company's Data Protection Officer (DPO).



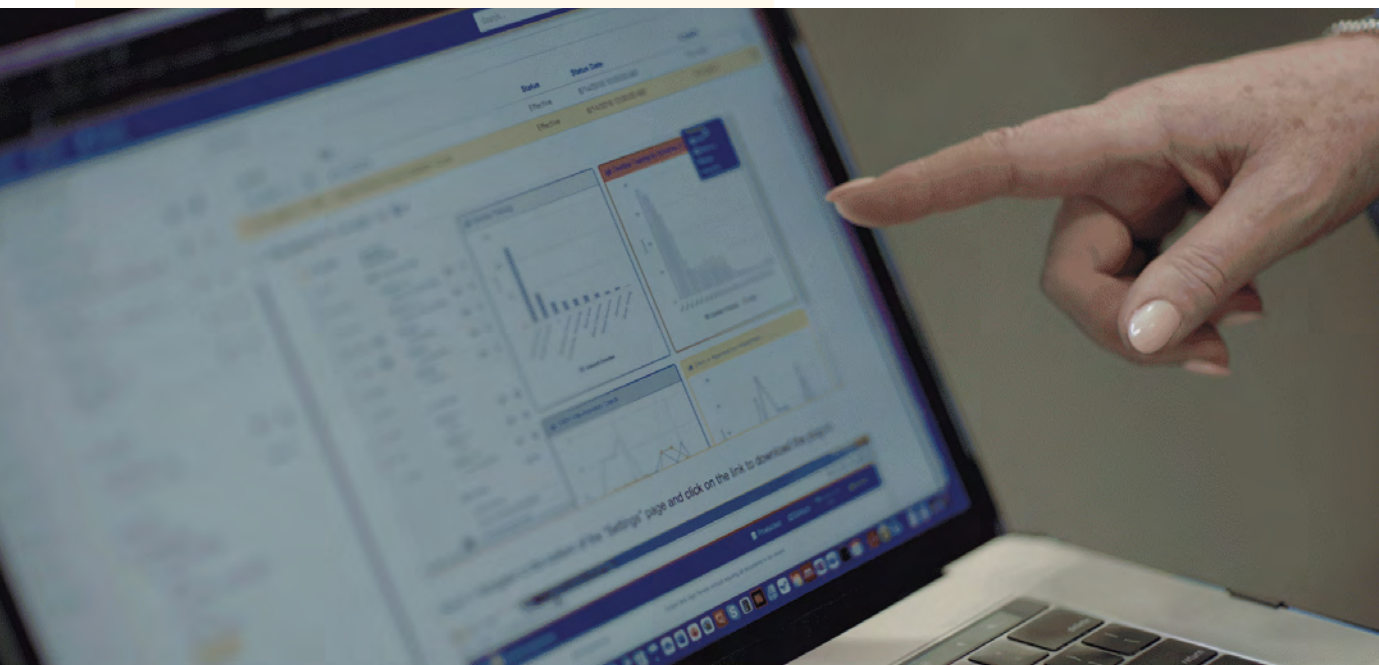
Cybersecurity Roadmap

In 2022, CARSO developed a Cybersecurity Roadmap outlining key actions to be undertaken throughout the course of 2023. Ongoing actions include the deployment of EDR (Endpoint Detection and Response), a cybersecurity technology that continually monitors an "endpoint" to mitigate malicious cyber threats, on all CARSO terminals and the execution of vulnerability scanning on all public IPs, websites and internal assets. Furthermore, a phishing awareness and prevention campaign is implemented, and is supplemented by employee training on various topics including IT tools and data security.



Safeguarding Sensitive Information

Natus is committed to the secure electronic transmission, storage and hosting of sensitive information, including personally identifiable information ("PII"), personal health information, financial information, intellectual property and other sensitive information related to its customers and workforce. Natus uses Oracle or SQL Server databases to store securely millions of data records which are backed up nightly and has set up a disaster data recovery plan. These databases have usernames and password restricted access and have been encrypted and anonymized using sophisticated data security methods to further prevent unauthorized access to sensitive information. Patient data generated from Natus' Otoscan solution are hosted in OtoCloud, which deploys several technical safeguards to ensure the confidentiality, integrity, and availability of the stored patient data. Mechanisms to prevent brute-force password and distributed denial of service attacks (DDoS) are also in place, while still preserving the availability of the data for the authenticated users.



A minimalist graphic design was adopted for this report, minimizing ink usage when printed and reducing energy consumption when read online. To achieve this, visuals were compressed and processed in 32 colors.

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ARCHIMED

IMPACTING HEALTHCARE



IMPACT REPORT 2022

MED III
and MP II
Funds

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Purpose of the Report

Since ARCHIMED's inception in 2014, sustainability and impact have been central pillars within our responsible investment strategy, acting as unique vehicles for value creation, as well as crucial risk mitigants across our portfolio. All of ARCHIMED's funds systematically embed sustainability across the investment lifecycle; classifying them as Article 8, 8+ or 9 under the EU Sustainable Finance Disclosure Regulation (SFDR) – a regulatory measure that seeks to improve transparency and reporting within sustainable-marketed funds.

In alignment with our long-standing commitment to create positive change within the healthcare industry, our newest funds MED III and MED Platform II ('MP II'), classified as Article 8+ and 9, respectively, pursue sustainable investment objectives that are social in nature. These investments result in the achievement of measurable improvements across a range of health outcomes, thereby contributing to the development of more sustainable and resilient healthcare industries.

Following the publication of our first Impact Report (2021); for the 2022 iteration we decided to enhance our communication and create two standalone reports: a group-level Sustainability Report and a specific Impact Report for our sustainable funds MED III and MED Platform II. The purpose of this Impact Report is to provide further insights into our responsible investment strategy, and to highlight the sustainability and impact progress achieved by the companies within these funds.

For more detailed information on ARCHIMED's responsible investment strategy and the sustainability performance across our entire portfolio, please refer to our 2022 Sustainability Report.



ARCHIMED was born out of the belief that setting up a private equity firm dedicated to investing in the healthcare industries would create a positive difference for companies, investors and society.



Introduction to ARCHIMED

A Health Impact Investor

Founded in 2014, ARCHIMED was born out of the belief that setting up a private equity firm dedicated to investing in the healthcare industries would create a positive difference for companies, investors and society. As a specialized impact investor within the health sector, improving patient outcomes is one of our foundational goals, with contributing to better healthcare being the overarching mission at ARCHIMED.

The ARCHIMED team brings decades of medical, scientific, operational and financial experience, and is purely focused on accelerating the growth and business development of healthcare companies through innovation, internationalization, acquisitions and capacity expansion. Through our healthcare expertise, we have consistently delivered excellent performance to our investors in terms of financial returns as well as sustainability improvements and positive health impacts. These outcomes serve as the underlying drivers behind our responsible investment approach.

OUR VISION

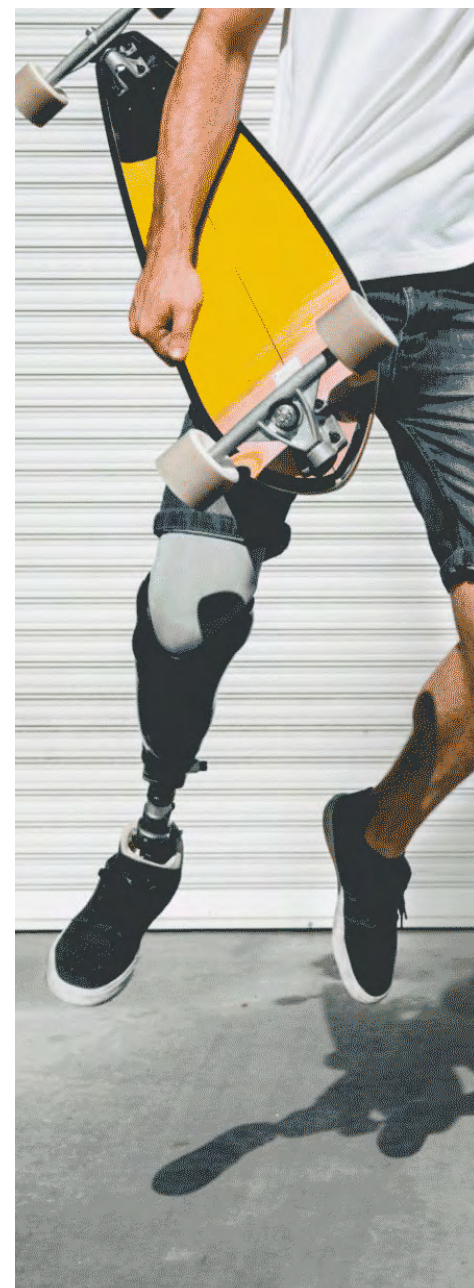
We believe in human, animal and environmental health ('HEALTH') as a common value among all people and a key condition for long-term development.

OUR MISSION

We join forces with scientists, healthcare professionals, entrepreneurs, and investors to drive sustainable development of the healthcare industries.

OUR AMBITION

By driving more resources to the healthcare industries, we are improving people's health and economic status across all levels.



2014

Creation of ARCHIMED's first fund MED I

€8B

Assets Under Management (AUM)

140+

ARCHIMED professionals

3

Offices in Europe, USA and Asia

30+

Healthcare sub-sectors invested in

5

Investment funds

100%

SFDR Article 8, 8+ or 9 funds

€3.7M

Charitable donations to the EURÉKA Foundation

Introduction to ARCHIMED



MED III

2021

Vintage year

€650 M

Total fund commitments

€148.7 M

Invested to date

10 years

Fund life

4*

Investments

Small-cap

Investment strategy

Article 8+

EU SFDR classification fund

5%

Carried interest to
the EURÊKA Foundation
from all funds

MED Platform II

2022

Vintage year

€3 B

Total fund commitments

€435 M

Invested to date

10 years

Fund life

2

Investments

Mid-cap

Investment strategy

Article 9

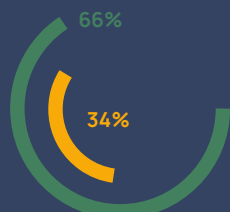
EU SFDR classification fund

5%

Carried interest to
the EURÊKA Foundation
from all funds

1

Signed sustainability-linked
loan



- Measurable contribution to ARCHIMED's Health Objectives
- Promoting environmental and social characteristics



- Measurable contribution to ARCHIMED's Health Objectives

Investment Map (MED III and MP II)



MedSeg: Pharma Services
Subsector: Pharma Production
Geography: Canada with Global Coverage
Business Model: B2B Services
MED III



MedSeg: Healthcare IT
Subsector: Pharma IT Software
Geography: US with Global Coverage
Business Model: B2B Services
MED III



MedSeg: MedTech
Subsector: Cardiology Diagnostics
Geography: Italy with European Coverage
Business Model: Product
MED III



MedSeg: MedTech
Subsector: Neurodiagnostics & Surgery
Geography: US with Global Coverage
Business Model: Products
MP II



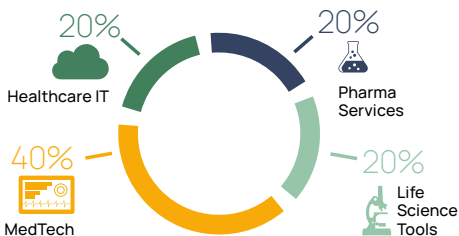
MedSeg: Life Science Tools & Biologic Services
Subsector: Plasmid DNA Manufacturing
Geography: Germany with Global Coverage
Business Model: B2B Services
MP II



MedSeg: sophisticated sector filtering tool enabling ARCHIMED to analyze the healthcare market and prioritize the most attractive sub-sectors within the healthcare industries as the primary focus of our investment strategy.

- Pharma Services
- Healthcare IT
- MedTech
- Life Science Tools & Biologic Services

INVESTMENTS BY HEALTHCARE SECTOR



INVESTMENTS BY HEALTH OBJECTIVE



Investing for Better Health

The Challenge

Rising global health concerns, including pandemics and health risks linked to climate change, are increasingly putting a strain on the healthcare system and hindering the improvement of health outcomes. The COVID-19 crisis that persisted from 2020-22 served as a wakeup call, revealing fragilities within our global healthcare system. As the Platform on Sustainable Finance's report on social taxonomy states : *"the pandemic has shown that private investment can be crucial for social progress: it was private investment coupled with government support that enabled companies to conduct the medical research that in turn made it possible to develop a vaccine against COVID-19"*. Through the redirection of resources and capital flows, investors have a pivotal role to play when it comes to creating a stronger global healthcare system. Notably, The Bridgespan Group identifies healthcare as the second-largest sector in terms of impact investment potential, presenting an opportunity for investors to make a substantial difference by supporting the growth of healthcare companies.

Our Solution

At ARCHIMED, we are convinced of the vital role healthcare companies play in sustaining humanity's well-being and have witnessed their tremendous contributions, yet we are not blind to the multitude of potential risks that can emerge from inadequate management and control. As a health impact investor, we guide healthcare actors towards building resilient and equitable healthcare systems, facilitating broader access to healthier lifestyles. Over the last 20 years, our leadership team has directly managed and invested €30 billion in aggregated value across healthcare companies globally, with ARCHIMED funds currently representing €8 billion of assets under management. ARCHIMED's return to society is multifaceted: we are driving positive change in the healthcare industries, increasing positive impacts on global health outcomes, improving businesses' ESG practices, and supporting the needs of vulnerable people through the EURÊKA Foundation.

The Sustainable Objectives of Our Funds

Alongside superior financial returns, ARCHIMED invests to create positive impacts that are aligned with our impact investment strategy. Our newest funds, MED III and MED Platform II target investments that also seek to generate a positive and measurable social impact on human, animal, and environmental health. Thus, these funds have as their sustainable investment objective to contribute to the United Nations Sustainable Development Goals ('SDGs') "Good Health and Well-being" (SDG 3) through the framework of ARCHIMED's Health Objectives (refer to page 9), and to "Industry, Innovation and Infrastructure" (SDG 9), where relevant. By channeling investment towards sectors, companies, entrepreneurs and teams that deliver better health outcomes, we directly contribute to these sustainable objectives.

Investment Scope:

ARCHIMED's dedicated sector teams invest across the following seven prioritized healthcare sectors ('MedSegs'):



MedTech

design, development and sale of devices used in medical, surgical, and dental treatments.



Healthcare IT

use of technology to manage and share health-related information for clinical, administrative, and finance functions.



In Vitro Diagnostics

value chain of diagnostic tests used on biological samples, including raw materials, laboratory and point-of-care instruments.



Pharma Services

services across the pharmaceutical value chain from early-stage drug discovery research to commercial manufacturing and ancillary support services.



Biopharma Products

pharmaceutical products manufactured, extracted or synthesized from biological sources, including orphan drugs and novel therapies for women's health, rare diseases, respiratory and dermatology conditions.



Consumer Health

branded consumer products addressing daily healthcare needs, including skincare, nutrition, baby health, and women's health.

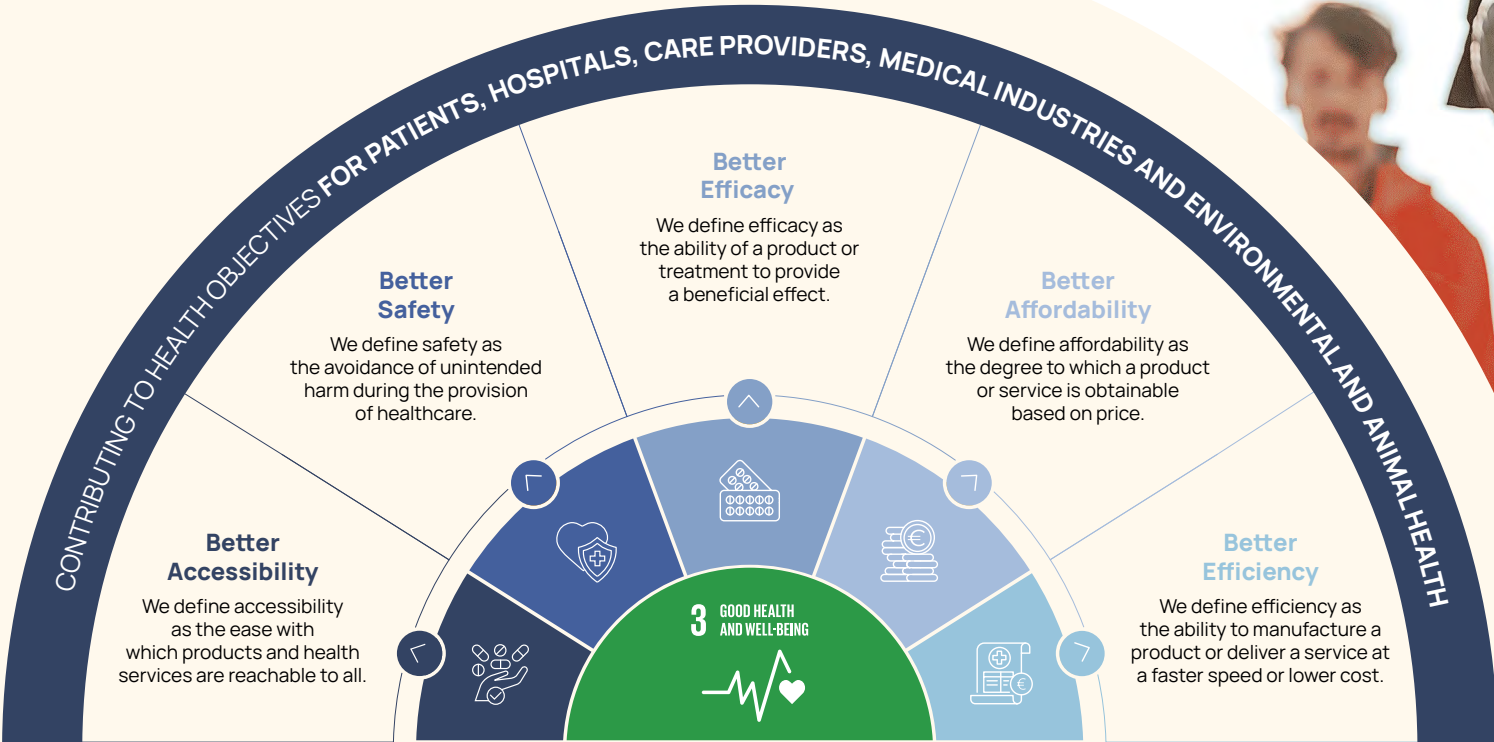


Life Science Tools & Biologic Services

equipment consumables or technologies used for R&D processes, manufacturing or administration of therapeutics and services for the development, manufacturing and administration of biopharmaceuticals.



Identifying Key Health Objectives



HEALTH CHALLENGES ADDRESSED BY OUR IMPACT PORTFOLIO

1.5B

people globally living with hearing loss

1B

people suffer from neurological disorders like multiple sclerosis and brain injuries

17.9M

deaths each year from cardiovascular diseases, the leading cause of death globally

244.1M

people living with Ischemic Heart Disease (IHD), the most prevalent heart disease

2B

people globally have no access to essential drugs and medicines

2.3B

people still unvaccinated against COVID-19, with 70% located in Low-and Middle Income Countries (LMICs)

Impacting Healthcare Through Our Investments

At ARCHIMED, our vision is that human, animal and environmental health ('HEALTH') is a common value amongst all people and is a key condition to long-term development. In order to actively contribute to HEALTH improvements, ARCHIMED is focusing on building more resilient healthcare companies. By joining forces with scientists, healthcare professionals, entrepreneurs and investors, ARCHIMED uses financial resources and business acumen to source, support and scale companies whose activities contribute to improving health outcomes across all levels. Our goal is to truly make a difference in advancing healthcare by helping companies fulfill their roles as providers of sustainable and life-changing solutions.






















Sustainable Investment Objective

We firmly believe that the healthcare industries have the required characteristics to actualize our impact vision. To that end, we develop and strengthen innovative businesses with product and service lines that provide concrete positive impacts on either human, animal or environmental health. Meanwhile, we also push our companies to realize their sustainability potential to develop lasting mechanisms for value creation. Consequently, the funds' sustainable investment objective is attained by investing in companies whose business activities are directly contributing to the achievement of SDG 3 "Good Health and Well-being" and its associated targets, including but not limited to 3.2 and 3.4, as well as 9.2, 9.4 and 9.5 for SDG 9 "Industry, Innovation and Infrastructure", where relevant.

More precisely, investees would serve at least one of ARCHIMED's five Health Objectives:



IMPACT - CONTRIBUTE TO HEALTH OBJECTIVES

Direct Beneficiaries		Better safety	Better efficacy	Better accessibility	Better affordability	Better efficiency
	patients					
	hospitals and care providers					
	medical industries					
	animal and environmental health					
CARDIOLINE						
Title 21  health solutions						
COREALIS <small>Formulation Development and Clinical Supply Manufacturing</small> Pharma						
natus						
PlasmidFactory 						

Beyond Investment: the EURÊKA Foundation

Delivering Superior Returns to Society

Beyond investing, ARCHIMED directly contributes to improving health outcomes through the EURÊKA Foundation which was created by ARCHIMED's founders in 2014. The Foundation serves as a testament to our long-standing ambition to amplify social impact, bring positive change in people's lives and unlock health benefits for society at large. To that end, the purpose of the Foundation is to provide financial resources, strategic support, and guidance for medical research and innovation that is focused on underfunded diseases, as well as for charitable projects that help vulnerable people affected by either physical or mental health issues.

The Foundation leverages the wider ARCHIMED network in the healthcare space, including Key Opinion Leaders (KOLs) and an established scientific committee, to identify and promote research programs on unmet medical needs. Further, all Foundation projects involve ARCHIMED team members through volunteering activities, and each project has a designated internal champion who serves as the project advocate and liaison.

To demonstrate our commitment, 5% of ARCHIMED's carried interest from all funds is automatically dedicated to advance the work of the EURÊKA Foundation. The Foundation has received €3.7 million in donations from ARCHIMED, of which €700,000 have been disbursed to charitable projects in 2022.

“The charitable mission of the EURÊKA Foundation serves as a reminder that the ultimate purpose of investing in the healthcare industries is to help improve the lives of patients in need.”

Vincent Guillaumot,
Founding and Managing Partner
of ARCHIMED, and President
of the EURÊKA Foundation

2014

Creation of the EURÊKA Foundation

€3.7M

Charitable donations to the EURÊKA Foundation

5%

Carried interest to the EURÊKA Foundation from all funds

18

Associations supported

1

Scientific committee

3

Research programs financed

40

Team members involved

6

Annual charity events



Beyond Investment: the EURÊKA Foundation

Medical Research and Innovation

In 2022, the EURÊKA Foundation launched a scientific committee composed of international, multidisciplinary and multisectoral experts, and provided funding and support to three PhD programs illustrating its efforts to propel medical research and innovation:



Immunotherapy (3 years, Paris):

Discovery and characterization of epigenetic antigens for cancer immunotherapy through artificial intelligence and integrative proteogenomics.



Pancreatic Cancer (3 years, Marseille):

Identification of predictive signatures of chemosensitivity of cell subpopulations by single-cell transcriptomic analysis in pancreatic adenocarcinoma.



Human Technopole (4 years, Milan):

Illuminating the effects of chromosomal rearrangements on 3D genome structure-function by programmed karyotype rewiring.

Charitable Projects

The Foundation is impacting thousands of lives through its partnerships with various non-profit associations across Europe and North America working on charitable projects, including:



EURÊKA supports the development of the Clubhouse model around the world, which aims to destigmatize mental illness recovery by helping people with psychological disorders reintegrate into society. The Foundation is a founding member of Clubhouse Lyon and Torino, and actively supports seven other Clubhouses across Europe and the US.



350 | >100,000 | 34
Clubhouses | people reached per year | countries



The ELA association raises awareness and funding for critical research on leukodystrophies (orphan, neurodegenerative genetic diseases causing progressive paralysis), and offers assistance to families of children suffering from these diseases. ARCHIMED team members participate in the yearly 'Wear Your Trainers' challenge which is a solidarity operation to support these families and finance research to fight leukodystrophies.



The Simon de Cyrène association facilitates shared community living places where both able-bodied and disabled adults who have suffered brain damage, strokes or other forms of trauma can develop supportive connections. ARCHIMED's internal champion participates in weekly activities with the association and ARCHIMED team members participated in the Course des Héros solidarity race this June.

260
Able-bodied and disabled people in France in shared houses



The Wings for Life foundation is dedicated to finding a cure for spinal cord injury. The main causes for spinal cord injury are: road accidents, falls, (extreme) sports, and other accidents which can happen to everyone. In 2022, ARCHIMED team members ran a total of 328kms during the RUN'in Lyon, and the EURÊKA Foundation donated 30€ per km to this association.

Our Impact Assessment Approach

Prioritizing Health Impact at All Levels

At ARCHIMED, improving health outcomes and building more resilient healthcare industries is instilled within our DNA and demonstrated in practice through our responsible investment approach. This strategy helps us prioritize, select and invest in companies with business purposes that result in positive intentional, additional, and measurable health impacts. ARCHIMED continuously proves that being a leading impact-driven investor in the healthcare industries is fully compatible with delivering excellent returns to our investors.

Building further on our sustainability and impact capacity, in 2022 we expanded our dedicated Sustainability and Impact team and developed a proprietary Internal Sustainability Tool to facilitate and streamline the integration of sustainability and impact factors consistently within the pre-investment process. Prior to every first Investment Committee, an impact referent from the deal team is identified to ensure that all our internal sustainability and impact related procedures are respected, and that the Tool is utilized to conduct the following:

Negative Screening Analysis

A preliminary negative screening analysis, taking into account our exclusion and watchlist criteria. These criteria watchlist criteria help us filter activities which raise critical ethical risks associated with investing in healthcare, including but not limited to bioethics issues, risks of substance dependence, aggressive marketing tactics and price increases. Subjecting potential investments to a high degree of scrutiny across these topics is essential to ensure that we stay true to our mission of improving health outcomes for all.

Impact Potential Assessment

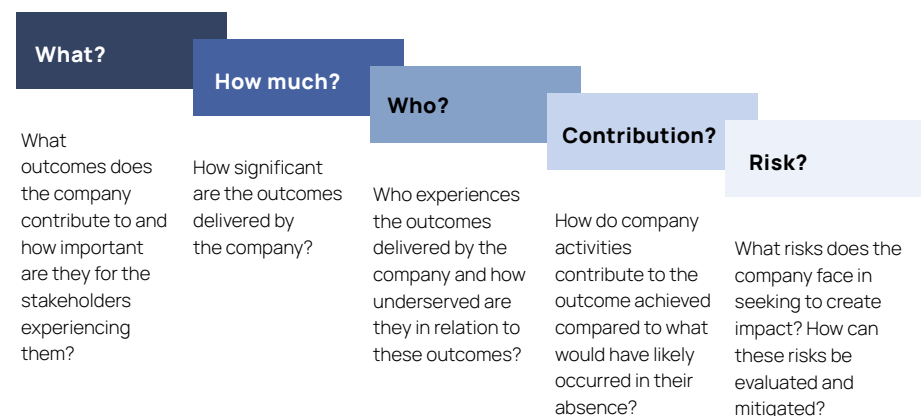
A positive screening analysis - namely the impact potential assessment, which evaluates each investment's potential contribution to our sustainable investment objectives. These objectives are defined by SDG 3 "Good Health and Well-being", through ARCHIMED's Health Objectives, and SDG 9 "Industry, Innovation, and Infrastructure", where relevant.

High-level ESG Analysis

An initial assessment on additional material ESG topics that highlights key risks and opportunities for further examination, including first insights on the integration of Principle Adverse Impacts (PAIs).

Assessing Impact through the IMP Framework

Our impact assessment process is based on the Impact Management Project (IMP) framework, which covers the overarching criteria of **intentionality, additionality and measurement**, and is structured around the five dimensions of impact that helps companies better understand how their activities affect people and planet, as illustrated below:



Based on the answers, a scoring system is applied on each of the three impact criteria (intentionality, additionality and measurement) to define whether a targeted company meets the minimum contribution requirements towards the Health Objectives of the fund. The results of the analysis conducted through the Internal Sustainability Tool form the basis of the impact thesis, which is included in the investment memorandum and is presented and challenged during every Investment Committee (IC).

These results are further validated through more extensive ESG and impact due diligence performed by expert consultants, which in turn is thoroughly evaluated as part of the investment decision-making.

Integrating Impact Metrics into the Sustainability Roadmap

Post-investment, ARCHIMED works with portfolio companies to consolidate processes designed to facilitate the monitoring and reporting of the impact indicators elaborated within the impact thesis. Specific initiatives to improve the contribution of the company to Health Objectives are integrated within the company's dedicated Sustainability Roadmap, as well as specific impact targets.



Our Impact Assessment Approach

IMPACT ASSESSMENT CRITERIA

INTENTIONALITY

Which sustainable objectives and related outcomes do the company's activities actively intend to contribute to?

Intentionality corresponds to the company's intention to contribute to the generation of a measurable social or environmental benefit through its economic activities. Intentionality is not claiming impacts ex-post, without having intended to generate these impacts beforehand. Thus, our decision to invest is based on each company's capacity to demonstrate:

A positive and measurable contribution to SDG 3 and, where relevant, also to SDG 9 targets. To that end, **at least 50% of revenue** are driven by business activities which have an impact on at least one of the Health Objectives: safety, accessibility, affordability, efficacy, and efficiency.

No significant harm is inflicted on environmental, social or governance related areas, as reflected primarily in the PAIs and the Health Objectives.

EXAMPLES OF QUESTIONS RAISED FOR INTENTIONALITY:

- › Which SDG 3 target(s) and Health Objective(s) do the company's activities contribute to and how so?
- › What share of the company's revenue contributes to the attainment of SDG 3?
- › Are these products or services addressing essential health problems?
- › What is the expected impact of the product or service on human, animal or environmental health?
- › Could the company's activities generate negative externalities?

ADDITIONALITY

How does performing this investment contribute to the sustainable objectives and related outcomes that would not have occurred without the investment?

Additionality refers to whether the company brings forward a solution that significantly improves what would have happened alternatively, and whether the investment will directly contribute to increasing the positive impact generated by the company's activities. Additionality is not a financial or extra-financial contribution, like the integration of ESG dimensions, with no specific intention to generate an impact.

Thus, the company's main economic activities must provide solutions, products or services to society that measurably improve our defined Health Objectives and associated outcomes. This criterion is addressed by explaining how this investment will bring additional value or improvement compared to what would otherwise occur without this investment. This is typically conveyed by referring to a sector benchmark, for each of the Health Objectives pursued.

EXAMPLES OF QUESTIONS RAISED FOR ADDITIONALITY:

- › Who are the beneficiaries of this solution?
- › How are the beneficiaries' needs currently met by other stakeholders?
- › How does the company's offer compare to alternatives on the market?
- › Will the capital provided by ARCHIMED help improve the intended positive impact?

MEASUREMENT

How can the intended contribution of the investment to the sustainable objectives and related outcomes be concretely demonstrated?

Measurement ensures that the company's contribution to the intended Health Objectives and associated outcomes can be quantified through robust KPIs suggested during the pre-investment phase.

ARCHIMED is committed to measuring and reporting on the social and environmental performance and progress of underlying investments, ensuring transparency and accountability. As part of the impact measurement process, we conduct a business case analysis for each company with the support of external consultants, to improve sustainability practices and encourage them to develop impact initiatives. This analysis follows the Theory of Change methodology to track how outcomes will be achieved. Furthermore, specific impact KPIs are defined, enabling the portfolio company to track progress against the impact targets established in the Roadmap.

EXAMPLES OF QUESTIONS RAISED FOR MEASUREMENT:

- › Does the company measure its impact?
- › If so, what KPIs does the company track and are these robust measures of impact?
- › If not, what KPIs could be relevant to track and how feasible is it for the company to do so?

Responsible Investment Strategy

A Dynamic Approach to Responsible Investment

At ARCHIMED, we believe that sustainable development is a key precondition for realizing our mission of improving health outcomes for human, animal, or environmental health, and driving long-term value creation. Our commitment to sustainability permeates every aspect of our business and is positioned at the core of our dynamic approach to responsible investment. This commitment was ratified in 2018, when ARCHIMED became a signatory of the UN Principles of Responsible Investment (PRI), and was then endorsed further with the incorporation of the UN SDGs into our investment process. Most recently, we have fully entrenched responsible investment with our strategy in 2021, with the creation of our first fund with a sustainable investment objective, MED III. We are continuously evolving our policies, tools and processes to facilitate the implementation of our responsible investment strategy, which guides us in sourcing, prioritizing, and investing in mission-driven companies.

Our responsible investment strategy helps us realize our ambition of impacting healthcare and building leading responsible businesses designed to leave a positive footprint on society beyond ARCHIMED's investment horizon.

We are focused on supporting and accelerating our portfolio companies' sustainable transformation alongside ours. For this purpose, we select mission-driven companies and engage with them to uphold the highest ethical, environmental, social and governance standards, and ensure that they directly contribute to the UN SDGs. Furthermore, we bring advice on the definition of their Corporate Social Responsibility (CSR) strategy and assist them in developing actionable **Sustainability Roadmaps that help set clear ESG and impact objectives, assign internal responsibilities, and monitor progress over time through specific KPIs.**

ARCHIMED's goal is to deliver long-term performance for investors and institutions on a global scale. To exemplify how this goal is fulfilled at an individual investment level, in 2022-2023 we updated our **Responsible Investment Policy**. This policy sets out the methodologies, processes and tools we employ to establish extra-financial criteria throughout the investment process; it describes how sustainable investments are identified from the outset and how their contribution to our Health Objectives is measured, as well as how sustainability topics are managed and improved upon across the portfolio. Through these mechanisms, ARCHIMED integrates ESG considerations throughout all operations, and involves the entire team on the execution of the responsible investment strategy. In particular, the investment teams receive regular training from our dedicated Sustainability & Impact team to ensure that they are properly equipped to drive our portfolio's sustainability performance and to accelerate our health impact. The ARCHIMED team unceasingly mentors and supports the portfolio companies' management on their sustainability journey, helping them achieve continuous improvements on sustainability criteria. We periodically report on our progress through both Quarterly Investor Reports as well as our annual Sustainability and Impact Reports. In addition, our Responsible Investment Policy outlines the systematic monitoring and reporting of PAIs, which are publicly available on the **SFDR Disclosures** page on our website.



Our responsible investment strategy is embedded into all steps of our investment cycle, upholding the following four commitments:

- 1 **Impact – Contribute to Health Objectives**
- 2 **ESG – Build Responsible Businesses**
- 3 **Stewardship – Align Interests**
- 4 **Transparency – Monitoring and Reporting**

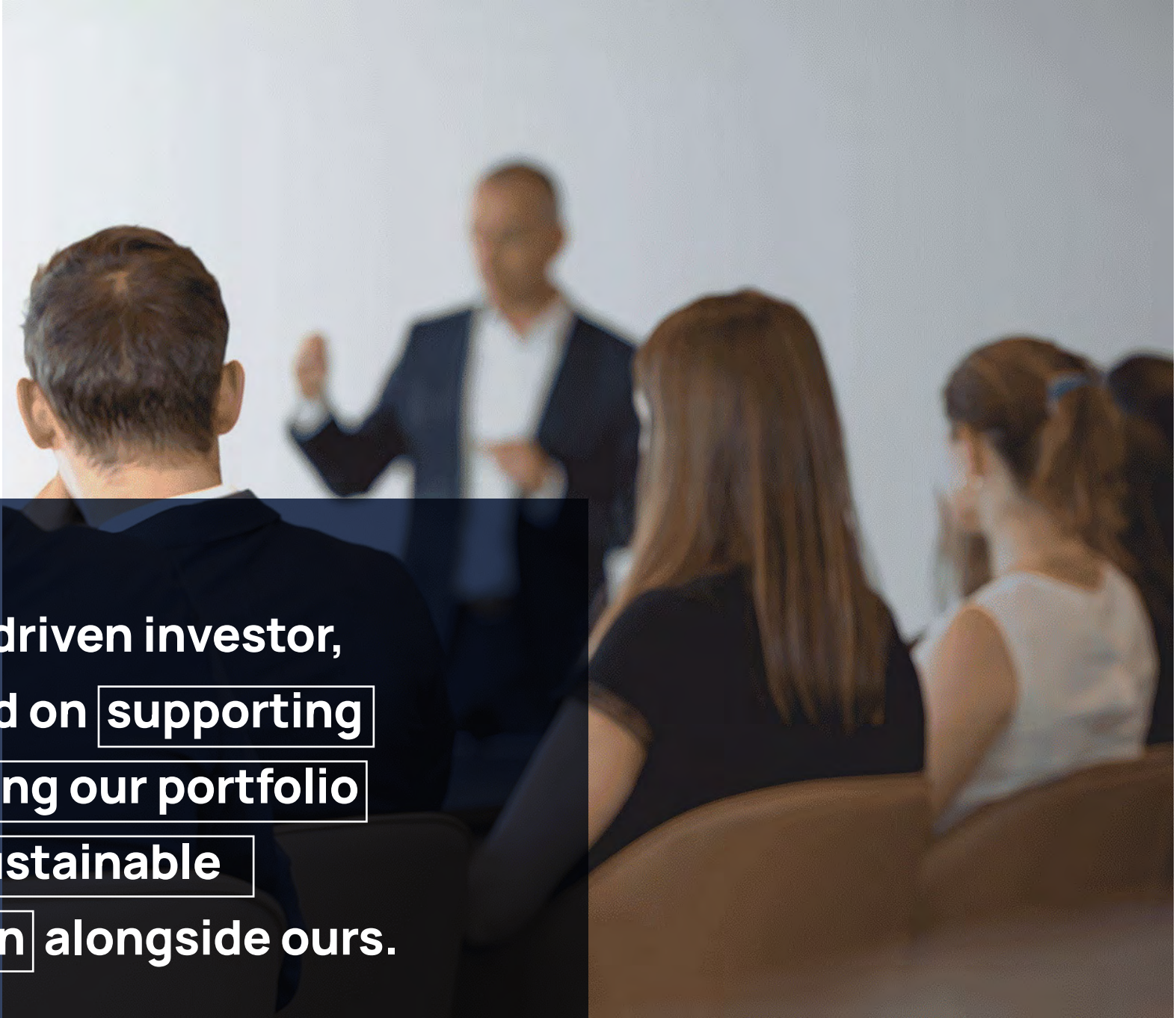
To ensure that we follow the highest industry standards, our responsible investment strategy is built upon a range of established international sustainability frameworks and impact initiatives including:



For more detailed information on our responsible investment strategy and the frameworks used, please refer to our Responsible Investment Policy and our 2022 Sustainability Report.

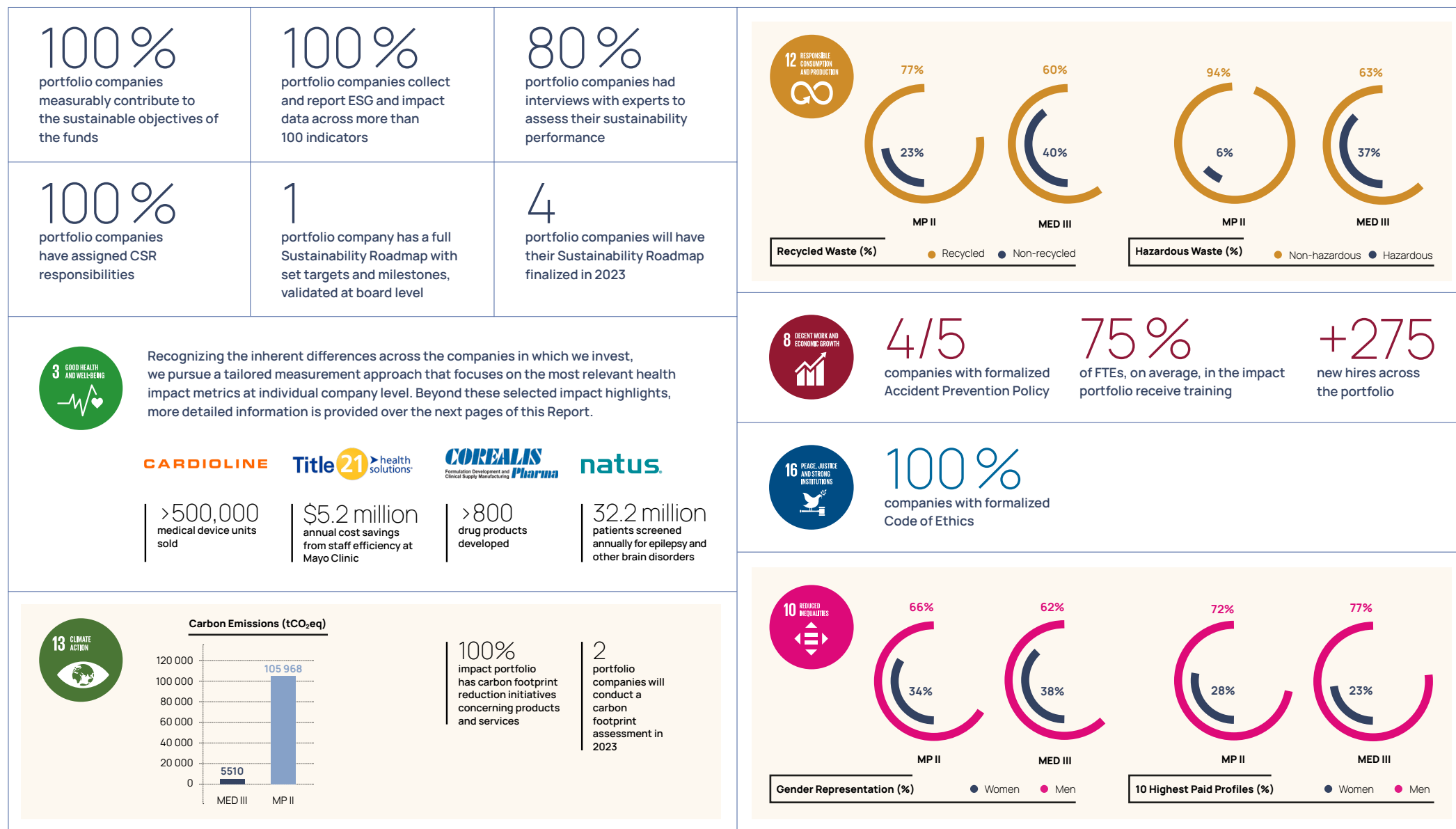
Embedding Sustainability Across the Investment Lifecycle





**As an impact-driven investor,
we are focused on supporting
and accelerating our portfolio
companies' sustainable
transformation alongside ours.**

Sustainability and Impact Performance of Impact Portfolio



*3/5 companies could not provide energy data to calculate Scope 1 and/or 2 emissions

*Natus accounts for 98% of MP II emissions (based on estimates)

CARDIOLINE

MedSeg: MedTech

Subsector: Cardiology Diagnostics

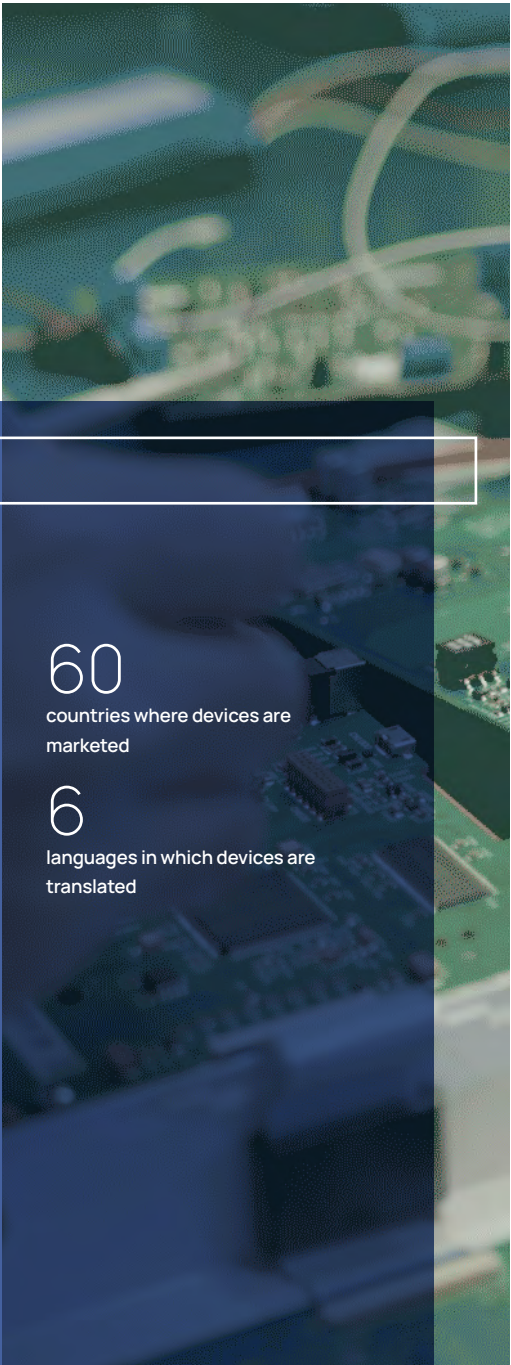
Geography: Italy with European Coverage

Business Model: Product



Business Profile

Cardioline is a leading manufacturer of on-site cardiology devices, electrocardiographs (ECGs) and solutions addressed to the diagnostic cardiology and telemedicine arenas. Cardioline is an international company with a commercial presence in over 60 countries. Its product range includes resting ECGs, holter systems, stress exercises, software solutions, and accessories. Its clients are comprised of healthcare professionals such as cardiologists, GPs, private physicians, pharmacists, hospitals and Clinical Research Organizations (CROs).



Sustainable Investment
Objective: Health Objectives

-
- Contribution to SDG 3.4 - by preventing mortality from cardiovascular diseases
-
- Better safety for patients:** by offering diagnostic and disease monitoring products that promote patient-centered care and ensure adequate treatment of heart diseases (e.g., arrhythmias, ischemia, coronary heart disease, heart attacks, cardiomyopathy) or conditions affecting the heart (e.g., hypertension).
-
- Better efficiency for hospitals and care providers:** by offering data management, and telemedicine solutions that optimize and streamline hospital workflows and provide highly precise measurements exceeding stringent standards, thus enabling the provision of targeted care and reducing the healthcare burden and costs associated with chronic disease treatment.
-
- Better accessibility for hospitals and care providers:** by offering digital solutions marketed across 60 countries and translated into 6 languages, thus enhancing the availability of the technology and its fast and easy use by physicians at hospitals or remotely, ultimately allowing them to reach a wider patient population.

HEALTH CHALLENGE	IMPACT ON HEALTH
<p>Rising incidence of cardiovascular diseases calling for effective diagnostic and disease monitoring tools</p> <p>17.9 million deaths annually from cardiovascular diseases, the leading cause of death globally</p> <p>244.1 million people living with Ischemic Heart Disease (IHD), the most prevalent heart disease</p>	<p>Providing safer and more efficient cardiovascular disease diagnoses enabling better prevention and treatment</p> <p>>500,000 medical device units sold</p> <p>60 countries where devices are marketed</p> <p>6 languages in which devices are translated</p>

Product Lines

- Resting ECG
- Holter Systems
- Stress Exercise Testing
- Data Management & Telemedicine
- Ergometers
- Defibrillators

Contribution to Health Objectives

- Detecting cardiovascular diseases which represent 1/3 of all global deaths
- Saving time and reducing cardiovascular healthcare costs which represent €109 million annually in the EU
- Providing treatment to 300,000 Europeans suffering from out-of-hospital cardiac arrest (OHCA)

CARDIOLINE

Sustainability Journey

In 2022, expert consultants performed a sustainability assessment for Cardioline, delivering key insights on the company's ESG maturity and identifying material ESG and impact topics for the company to address.

A formalized Sustainability Roadmap with set targets



Based on the results of the assessment, a Sustainability Roadmap was developed, highlighting topic-specific improvement actions and milestones, fitted into a timeline, and establishing relevant KPIs to monitor progress over time. This analysis indicated that Cardioline should prioritize commitments and initiatives on Human Resources, Environment, and Supply Chain and could also improve on Corporate Governance and Product Design and Quality. The Sustainability Roadmap has been verified by Cardioline's Board and an internal team has been assigned to manage its implementation. Formal follow-up reviews are conducted annually to evaluate progress.

More efficient cardiology solutions through sustainable R&D

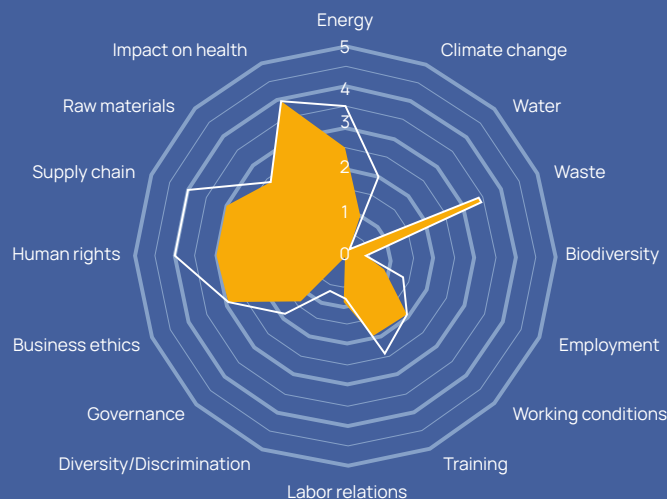


The systemic integration of sustainability checkpoints and impact indicators into product R&D specifications allows Cardioline to quantitatively demonstrate its contribution to health objectives and further monitor improvement on impact on health by offering more reliable and effective cardiology solutions to healthcare professionals.

2022 ESG Performance

Low residual sustainability risk

○ Risk
● Maturity



ESG BEST PRACTICE: WASTE AND MATERIAL USE

As part of its carbon footprint reduction initiatives, Cardioline has launched an eco-packaging project under which plastic packaging for products is replaced with recyclable materials such as recycled paper. Cardioline is also assessing the feasibility of removing plastic materials from its medical devices.

On the operational side, Cardioline regularly monitors its waste generation and has established a formalized waste management policy outlining continuous efforts to increase the share of non-hazardous waste being recycled. In this regard, Cardioline encourages its employees to use dedicated bins to separate waste such as plastic, paper and batteries, and has partnered with local providers to better manage the handling of the hazardous waste generated in the production process. Additionally, 100% of Cardioline's electricity consumption comes from renewable sources.

Carbon Footprint



● Scope 1
● Scope 2
● Scope 3

2,702 tCO₂eq

GHG emissions (all scopes - estimated scope 3)

193 tCO₂eq/€M

GHG intensity

Responsible Consumption & Production



100%
renewable energy
purchased

60%
waste recycled

11 tons/€M
hazardous waste ratio

Working Conditions



7%
accident
frequency rate

86%
FTEs trained

Gender Diversity




34%

● Women
● Men

women
among the
10 highest
paid profiles

unadjusted
gender pay
gap

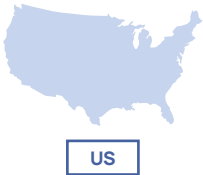


MedSeg:  Healthcare IT

Subsector: Pharma IT Software

Geography: US with European Coverage

Business Model: B2B Services



Business Profile


Title21 is the number one enterprise software company providing FDA-regulated solutions to Cell and Gene Therapy (CGT) laboratories in hospitals and academic institutions. Title21's main products are Quality Management Systems (QMS) and Cellular Therapy solutions (CT). QMS provides a scalable solution to automate workflows, integrate compliance-driven processes, and enable continuous quality improvement. CT solutions enable end-to-end electronic management of cellular therapy processes across clinical, manufacturing, and post-infusion follow-up. Within Cellular Therapy, Title21 has developed an Electronic Batch Record (EBR) solution, which enables electronic collection of life science production data to drive efficiencies and compliance in clinical development. Title21 is one of the few cell therapy software businesses tracking all three supply chains: custody, identity and condition.

Sustainable Investment Objective: Health Objectives

- 

Contribution to SDG 3.4 - improving processes in the development chain of cell and gene therapies, which prevent mortality from genetic disorders and cancers.
- 

Better efficiency for hospitals and care providers: by facilitating the digitization and optimization of key processes through integrated software solutions, unlocking efficiency gains in terms of time and resources spent on data management in labs and hospitals, which enhances their ability to deliver quality services to patients.
- 

Better safety for patients: by streamlining and enhancing the quality of data management processes, cell therapy laboratories in hospitals can significantly reduce double data entries and minimize the risk of transcription errors, which in turn improves patient safety.
- 

Better affordability for patients: by driving substantial cost savings for cell and gene therapy laboratories in hospitals, Title21 enables lower costs of service delivery to be passed on to patients in the form of more affordable treatments.

HEALTH CHALLENGE	IMPACT ON HEALTH
High growth Cell and Gene Therapy space facing increasing complexity of workflows with zero tolerance for errors	Optimizing and streamlining the management of digital healthcare and cell therapy data for better safety
1,000 active clinical trials in the rapidly accelerating pipeline of cell and gene therapies	\$ 5.2 million annual cost savings from staff efficiency improvements at Mayo Clinic
80% of hospitals and academic institutions today are using pen and paper solutions to document workflows	65% reduction in time spent on quality data forms at Indiana Blood Center
	82% decrease in hard copy manuals at Mississippi Valley Blood Center

Product Lines

- Quality Management Software (QMS)
- Cellular Therapy Solutions (CT)

Contribution to Health Objectives

- Enhancing compliance and quality in laboratories that are handling precious biomaterials
- Reducing paper usage and waste which is still used in over 80% of biotech and hospital labs
- Improving efficiencies in the distribution and application of precision medicine





Sustainability Journey

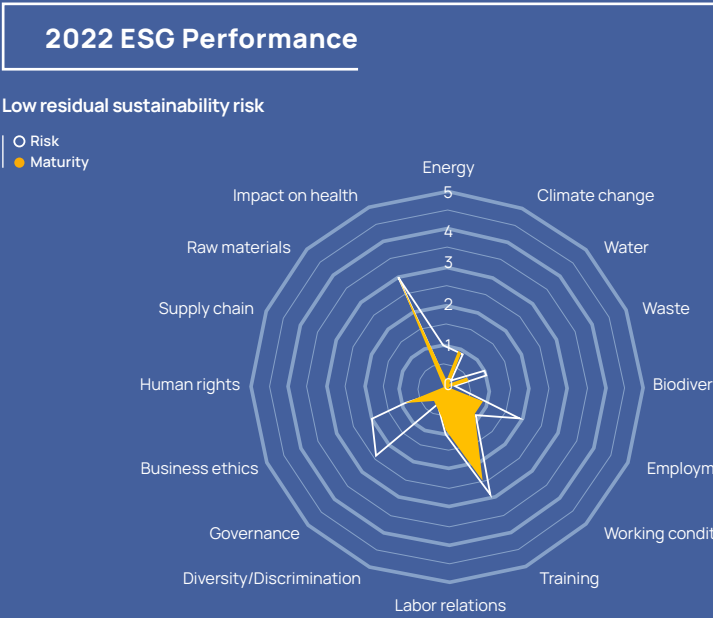
Title21 won the Sustainability Initiative Award for its efforts in sustainable development in the cell and gene therapy industry, during the 2023 Inaugural Advanced Therapies Awards hosted at Advanced Therapies Week, a Life Science Congress in Miami, Florida. Title21 represents an efficiency optimization process driving sustainable change with a built-in ecological mission prioritizing the needs of the wider environment and society.

Optimized digital customer experience and reduced carbon footprint

By enabling the innovative and sustainable use of resources through an integrated digital system for regulatory documents and quality management, Title21 is creating a paperless future for cell and gene therapy clients and helping them reduce their carbon footprint.

More efficient and sustainable workflows in blood banks, hospitals and BMT labs

Title21 has helped transition more than 30 blood banks, hospitals, BMT labs, and cell manufacturing programs from entirely paper-based record-keeping systems to cloud supported filing. The company tracks sustainability KPIs as part of the sustainability framework established with ARCHIMED and reported an **83-96% decrease in the number of hard copy paper manuals** across the company's blood bank client pool. Most recently, Title21 took the entirety of Mayo Clinic digital, covering over 30,000 users between Minnesota, Florida, and Arizona.



ESG BEST PRACTICE: CHARITABLE INITIATIVES

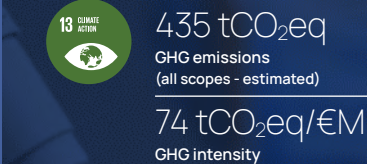


As part of its CSR commitments, Title21's team is supporting Phoenix Children's Hospital's mission of making premier pediatric care accessible to every child who needs it through monetary donations, participation in events and dedicating personal time to connect with the patients and understand their needs.



Title21 also offers financial support and actively engages in the events of the Emily Whitehead Foundation, a non-profit organization committed to raising awareness on childhood cancer and funding innovative childhood cancer treatments like CAR T-cell therapy.

Carbon Footprint



Responsible Consumption & Production



Working Conditions



Gender Diversity



*Data not collected in 2022. Will be available in the next Report.



MedSeg: Pharma Services

Subsector: Pharma Production

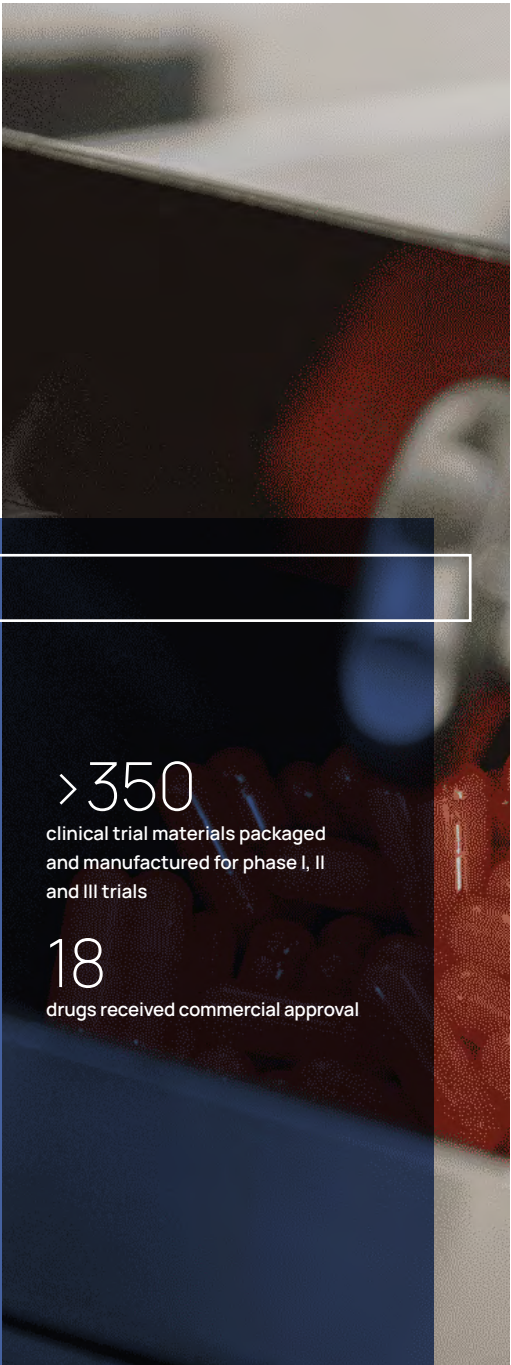
Geography: Canadian with Global Coverage

Business Model: B2B Services



Business Profile

Corealis is a Canadian provider of formulation development and clinical supply manufacturing. The company offers a spectrum of R&D services focused exclusively on pharmaceutical oral solid dosage forms (i.e., tablets, capsules, and granules) and Current Good Manufacturing Practices («cGMP») services for phase I, II and early phase III studies. This expertise has led Corealis to develop more than 800 drug products, and manufacture and package over 350 different clinical trial materials for phase I, II and early phase III clinical trials. So far, eight drug products developed at Corealis have been approved for commercialization. Located in the biotech scientific park in Laval, Canada, Corealis has R&D laboratories, cGMP laboratories, and phase I, II, and early phase III clinical trial manufacturing packaging suits designed specifically for formulation development and clinical supply manufacturing for pharmaceutical oral solid dosage forms.



Sustainable Investment
Objective: Health Objectives

- Contribution to SDG 3.8** - by improving the availability of essential medical drugs on the market through services supporting the drug development value chain.
- Better accessibility for medical industries:** by deploying innovative strategies, state-of-the-art technologies, and value-added expertise, Corealis delivers compliant phase appropriate drug products customized to client requirements.
- Better efficiency for medical industries:** by delivering highly specialized services to pharma and biopharma industries, resulting in substantial cost and time savings and improving the overall efficiency of the drug development value chain.
- Better affordability for patients:** by expanding the availability of essential medical drugs on the market, Corealis helps drive down the costs of treatment.

HEALTH CHALLENGE	IMPACT ON HEALTH
<p>Continuous demand for essential medical drugs but drug formulation and manufacturing can be very expensive</p> <p>2 billion people globally have no access to essential drugs and medicines</p> <p>\$1.3 billion average cost of bringing a new drug to market</p>	<p>Ensuring compliance of drug products to specified requirements and cost-effectiveness of manufacturing processes</p> <p>>800 drug products developed</p> <p>>350 clinical trial materials packaged and manufactured for phase I, II and III trials</p> <p>18 drugs received commercial approval</p>
<p>Service Lines</p> <div><div>Formulation Development</div><div>Clinical Supply Manufacturing</div></div>	<p>Contribution to Health Objectives</p> <div><div>Enhancing drug formulation strategies and processes to ensure each product meets client requirements</div><div>Providing high quality services solving complex problems throughout the manufacturing process</div></div>

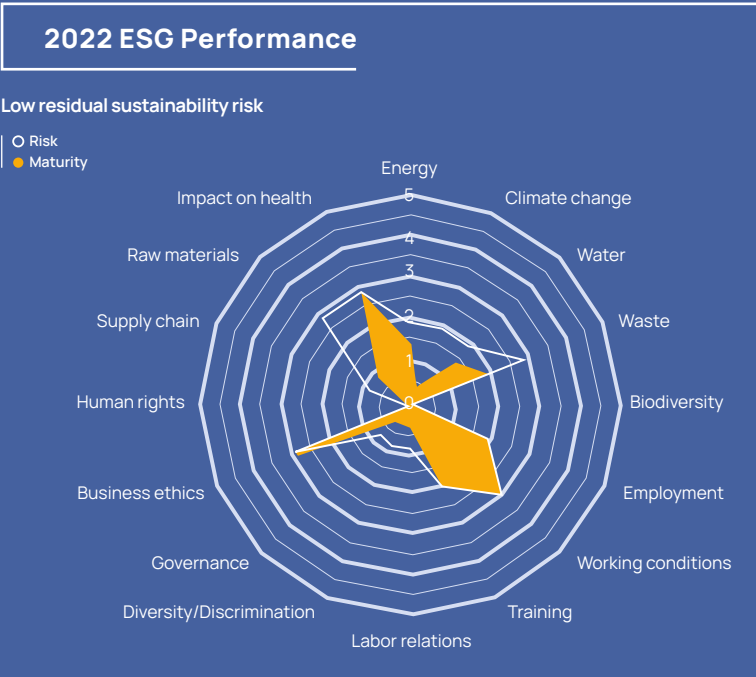


Sustainability Journey

As a facility compliant with cGMP Corealis has trained all employees in 2022 on technical skills, health and safety, hazardous waste management as well as standard operating procedures (SOP). In addition, Corealis is implementing recycling initiatives to reduce waste and also ensures no risk of emissions to water by following stringent hazardous waste management procedures and monitoring relevant KPIs.

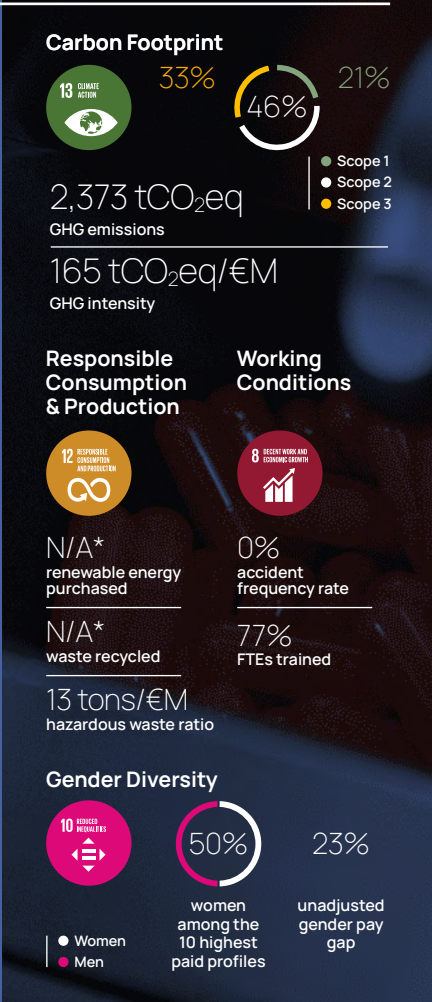
A comprehensive sustainability assessment and roadmap to complement cGMP requirements

With the support of ARCHIMED and external specialist consultants, Corealis will conduct an extensive sustainability assessment in 2023 that will be aimed at evaluating the company's maturity across material ESG and impact topics. Based on the results, a Sustainability Roadmap will be developed, highlighting key priorities and suggested actions for improvement, which will be accompanied by specific KPIs to monitor progress over time.



ESG BEST PRACTICE: CARBON-NEUTRAL FACILITY

Corealis' management is taking sustainability aspects into consideration while laying out the blueprints of their new laboratory and office space which will be located in a carbon-neutral building. Incorporating sustainability from the first day of entering this new facility will enable Corealis to build a strong foundation for sustainable growth from the outset.



*Data not collected in 2022. Will be available in the next Report.

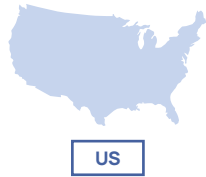
natus

MedSeg:  MedTech

Subsector: Neurodiagnostics & Surgery

Geography: US with Global Coverage

Business Model: Products



Business Profile

Natus is a leading medical device solutions provider offering medical equipment, software, supplies and services for the diagnosis, monitoring, and treatment of impairments and disorders affecting the brain, neural pathways, and eight sensory nervous systems. The company has historically structured their products primarily within three end markets: neuro products, newborn care, and hearing & balance. Natus' brands have been setting the standard for patient care for over 80 years, and their products are trusted by medical professionals in university medical centers, hospitals, private practices, clinics and research laboratories around the world.

Sustainable Investment Objective: Health Objectives



Contribution to SDG 3.4 - by improving the quality of life of patients with disorders affecting the brain, neural pathways and sensory nervous systems.



Better safety for patients: by providing high-quality medical equipment for diagnosis, screening and monitoring of neurological and sensory disorders, advancing the standard of care and improving patients' health outcomes.



Better efficiency for hospitals and care providers: by providing a broad range of diagnostic and treatment products that offer efficiency gains to hospitals as they allow for timely diagnosis and treatment of neuro and sensory disorders



Better accessibility for patients: by making the entire product portfolio available in all major markets, thus expanding access to diagnostic and treatment solutions.

HEALTH CHALLENGE

High prevalence of brain and sensory nervous system disorders creating a need for trusted screening, diagnostic and treatment solutions

>1.5 billion
people globally living with hearing loss

Up to 1 billion
people globally suffer from neurological disorders like MS and brain injuries

Product Lines

Electroencephalography (EEG)

Polysomnography (PSG)

Brain Injury

Neurocritical Care

Electromyography

Hearing Assessment

Hearing Fitting

Balance Assessment

IMPACT ON HEALTH

Improving the health outcomes and quality of life of patients with brain and sensory nervous system disorders

>40 million
newborns globally received hearing screening with Natus' ALGO AABR

Contribution to Health Objectives

Detecting and diagnosing neurological diseases

Diagnosing and treating traumatic brain injuries, estimated to cause over 50,000 deaths per year in the US

Diagnosing and monitoring of neuromuscular issues

Helping diagnose and treat individuals with hearing loss and balance impairment

32.2 million
patients annually screened for epilepsy and other brain disorders with Natus' EEG and EMG solutions

57 million
patients receiving a hearing assessment





Sustainability Journey

Natus demonstrates its commitment to sustainability through its ESG strategy and policies covering multiple topics, such as Diversity, Equity and Inclusion (DEI), CSR and ethical business conduct.

Amplifying systemic sustainability practices: ESG dashboard, roadmap, and product lifecycle review.



For example, Natus has implemented an ESG dashboard within their monthly reporting to monitor hazardous materials, waste, emission, recycling amounts, water usage, and energy usage. Further, they are currently working on a roadmap to identify key environmental risks and to set objectives and KPIs that can be used to track progress. This workstream will be further developed this year with the support of ARCHIMED and expert consultants in order to incorporate additional sustainability action levers. In addition, to the extent that it is clinically appropriate, Natus designs products and packaging with energy-efficiency and material reusability and recyclability in mind, in line with its Product Lifecycle Review policy. Where possible, occasional product refurbishment programs are also deployed to improve the circularity of products and reduce waste.

Fostering DEI through dedicated corporate initiatives and follow-up reviews to assess progress



In terms of social initiatives, Natus has formalised a DEI roadmap and embedded it within their corporate policies and processes, including the employee handbook, the code of business conduct and ethics, and wider recruitment procedures. Natus also promotes diversity at the management level and takes affirmative action against discrimination by implementing initiatives such as employee surveys, roundtables and a whistleblowing mechanism that allows employees to raise concerns.

2022 ESG Performance

Low residual sustainability risk

○ Risk
● Maturity



ESG BEST PRACTICE: TRAINING AND EDUCATION

Natus continuously promotes the personal and professional growth of their employees by providing global internal training programs that are facilitated through its learning platform and additional extensive training resources, including an on-demand e-learning system with over 4,000 courses to support employee skill development. In addition, the Natus Academies provide expert knowledge, clinical expertise, and accredited advanced education opportunities to over 18,000 registered members through more than 500 in-depth product and clinical training courses, enabling access to the latest scientific advancements in the field.

Carbon Footprint



104,266 tCO₂eq

GHG emissions
*99% from Scope 3

228 tCO₂eq/€M

GHG intensity

Responsible Consumption & Production



24%
renewable energy
purchased

60%
waste recycled

13 tons/€M
hazardous waste ratio

Working Conditions



1.4%
accident
frequency rate

99%
FTEs trained

Gender Diversity



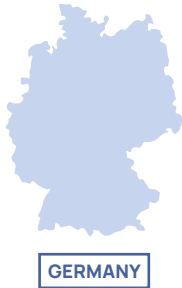
10%
women
among the
10 highest
paid profiles

18%
unadjusted
gender pay
gap

● Women
● Men



MedSeg: Life Science Tools
Subsector: Plasmid DNA Manufacturing
Geography: German with Global Coverage
Business Model: B2B Services



Business Profile

Founded in Germany in 2000, PlasmidFactory is a globally active biopharmaceutical company and leading contract manufacturing organization (CMO) for plasmid and minicircle DNA, holding a strong customer base in cancer research, cell and gene therapy (CGT), CAR T-cell development, and genetic vaccination. PlasmidFactory produces plasmids and minicircles, according to clients' requirements, in modern laboratories with high quality standards, ranging from research to GMP grade. The company manufactures large-scale plasmid DNA in three different grades 1) a high-quality grade that is used in mRNA vaccine production for commercial purposes; 2) a ccc grade; and 3) a research grade that is used for transfections and virus production in preclinical applications, as well as in early research studies. PlasmidFactory's customer base includes pharmaceutical and small to large biotech companies, as well as research institutes.



Sustainable Investment Objective: Health Objectives



Contribution to SDG 3.3 - by providing starting materials that enable the production of mRNA vaccines which are fundamental in preventing disease spread



Contribution to SDG 3.4 - by providing starting materials that enable the development of cell and gene therapies treating genetic diseases and cancers



Better accessibility for patients: by manufacturing plasmid DNA used for vaccines and CGT treatments, and thus expanding access to essential therapeutics improving the quality of life of patients with various disease.



Better efficacy for medical industries: by enabling the development of essential vaccines, which prevent disease spread and CGT treatments, which treat chronic diseases, thus decreasing the strain and excessive cost on healthcare systems and society.



Better safety for patients: by enabling the development of essential vaccines, which helps reduce the global disease burden and consequently health risks brought about by epidemics/pandemics.

HEALTH CHALLENGE	IMPACT ON HEALTH
Continuous fight against the global burden of communicable and non-communicable diseases	Enhancing the development of essential vaccines and therapeutic treatments based on high-quality materials
2.3 billion people still unvaccinated against COVID-19, with 70% located in LMICs	100,000 patients could be cured from diseases in 2030 alone thanks to CGT products
18.1 million cancer cases globally with oncology being one of the key areas of application for CGT	

Product and Service Lines



Contribution to Health Objectives

Producing plasmid and minicircle DNA used for essential mRNA vaccines and cell and gene therapy (CGT)

Providing a variety of plasmids including AAV and pEPito plasmids, molecular size markers and reporter genes

63 CGT products to be approved in the US through 2030

14.4 million averted deaths from COVID-19 in 185 countries thanks to mRNA vaccination



Sustainability Journey

With the support of ARCHIMED and external specialist consultants, PlasmidFactory will conduct an extensive sustainability assessment in 2023 aimed to evaluate the company's maturity across material ESG and impact topics.

A more strategic sustainability focus through a comprehensive assessment and Roadmap



Based on the results of the sustainability assessment, a Sustainability Roadmap will be developed highlighting key priorities and suggested actions for improvement, which will be accompanied by specific KPIs to monitor progress over time.

2022 ESG Performance

PlasmidFactory was acquired by ARCHIMED in 2022 and thus the collection of ESG performance data for this period was limited. This data will be available in next year's Report.

ESG BEST PRACTICE: RESPONSIBLE CONSUMPTION

PlasmidFactory is using 99% renewable energy sources such as wind and hydropower for its energy consumption and recycles 95% of its waste.

Carbon Footprint



1,701 tCO₂eq
Total GHG emissions

162 tCO₂eq/€M
GHG intensity

Responsible Consumption & Production



99%
renewable energy
purchased

95%
waste recycled

0 tons/€M
hazardous waste ratio

Working Conditions



0%
accident
frequency rate

14%
FTEs trained

Gender Diversity



● Women
● Men

45%
women
among the
10 highest
paid profiles

N/A*
unadjusted
gender pay
gap

*Data not collected in 2022.
Will be available in the next Report.

A minimalist graphic design was adopted for this report, minimizing ink usage when printed and reducing energy consumption when read online. To achieve this, visuals were compressed and processed in 32 colors.

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