

Periodic disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name:

- MED II SLP

Legal entity identifier:

- MED II SLP: 96950018Q5V8DGWJHI81

Environmental and/or social characteristics

Did this financial product have a sustainable investment objective?

<input checked="" type="radio"/> <input type="radio"/> Yes	<input type="radio"/> <input checked="" type="radio"/> <input checked="" type="checkbox"/> No
<input type="checkbox"/> It made sustainable investments with an environmental objective : ___% <ul style="list-style-type: none"> <input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> It made sustainable investments with a social objective : ___%	<input type="checkbox"/> It promoted Environmental/Social (E/S) characteristics and while it did not have as its objective a sustainable investment, it had a proportion of ___ % of sustainable investments <ul style="list-style-type: none"> <input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with a social objective <input checked="" type="checkbox"/> It promoted E/S characteristics, but did not make any sustainable investments

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.



To what extent were the environmental and/or social characteristics promoted by this financial product met?

MED II (or 'the Fund') and its management approach is focused on the contribution of social and environmental factors. Historically, ARCHIMED has relied on the UN Sustainable Development Goals ('SDGs') and respective targets for measuring sustainability performance. UN SDG 3 "good health and wellbeing", SDG 8 "Decent work and economic growth", SDG 12 "Responsible production and consumption", 13 "Climate Action", and 16 "Peace, justice and strong institutions" have been of particular relevance.

MED II has defined Environmental and Social (E/S) characteristics that companies should promote:

1) The Fund has a focus on healthcare companies promoting **eco-conception and sustainable use of natural resources and contributing to carbon neutrality**. We therefore have sought to promote the following environmental characteristics:

- Mitigation of adverse impact on the environment,
- Companies' carbon footprint and exposure to climate-related risks,
- Use of renewable energy,
- Formalized environmental policy,
- Hazardous and non-hazardous waste management.

2) MED II's investment strategy also seeks to invest in healthcare companies with initiatives implemented regarding **employees' and stakeholders' work conditions and promoting business ethics**. We therefore promote the following social characteristics:

- Employees' wellbeing, safety, satisfaction, and retention,
- Business ethics,
- Gender equality.

Most recently, ARCHIMED has widened its focus to consider SFDR Principal Adverse Impact ('PAI') indicators. Notably, the convergence between PAI indicators and ARCHIMED's approach, has increased the reliance on the PAI metrics for evaluating MED II sustainability performance.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

● ***How did the sustainability indicators perform?***

All investee companies of MED II have completed their 2023 ESG reporting. For details on 2023 vs. 2022 performance, please refer to Appendix I.

● ***...and compared to previous periods?***

As above.

● ***What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?***

Not applicable. The financial product does not have a sustainable investment objective.

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

How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?

Not applicable (please see above).

How were the indicators for adverse impacts on sustainability factors taken into account?

Not applicable (please see above).

Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

Not applicable (please see above).

The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific Union criteria.

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the Union criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the Union criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



How did this financial product consider principal adverse impacts on sustainability factors?

PAIs were considered throughout the entire investment cycle, from the initial negative and positive screening phases. After the screening is complete, our Internal Sustainability due diligence tool contains PAI-related questions, and from which it is determined if additional due diligence is required from an external consultant.

If any PAIs are identified during the screening or due diligence processes, ARCHMED’s Impact Investment team discusses with the management of the investee company and it is decided whether these impacts can be mitigated, and the investment can go ahead, or if the transaction must be dropped based on the incompatibility with the Fund’s social and environmental characteristics.

As explained above, our ESG reporting process monitors this by asking portfolio companies for PAI-related data on an annual basis. Please refer to Appendix I for more information.



What were the top investments of this financial product?

Largest investments	Sector	% Assets	Country
Zyto Group	In Vitro Diagnostics	18.7	Germany
ActiGraph	Healthcare IT	17.0	USA
Diesse	In Vitro Diagnostics	13.7	Italy
Ad-Tech	MedTech	12.4	USA
Aliri	Pharma Services	10.7	France
Provepharm	Biopharma Products	9.7	France
Clean Biologics	Life Science Tools & Biologic Services	9.2	France
Cube	Life Science Tools & Biologic Services	8.6	Germany

The list includes the investments constituting the **greatest proportion of investments** of the financial product during the reference period which is: **01/01/23 – 31/12/23**

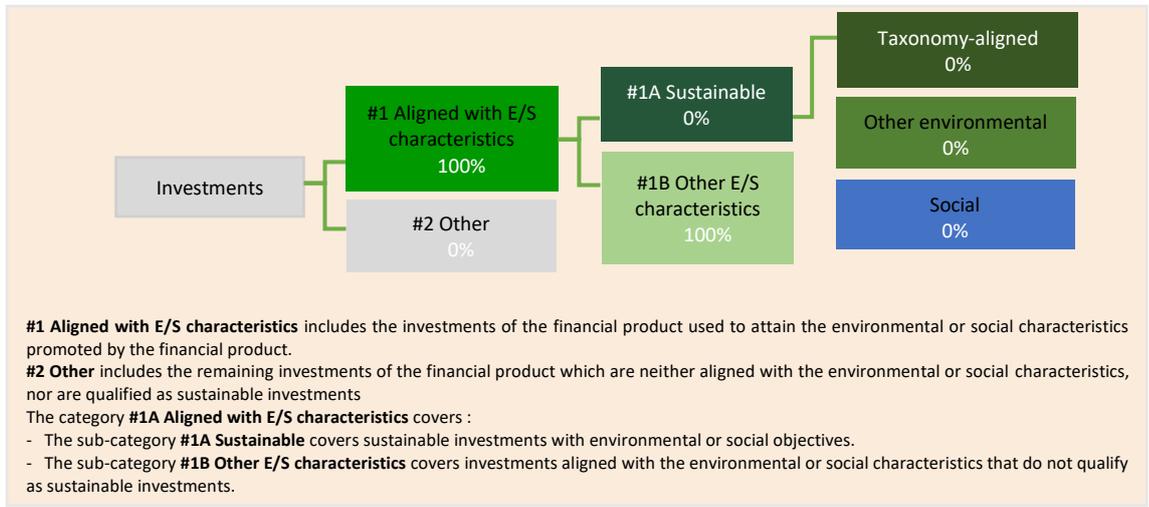


What was the proportion of sustainability-related investments?

MED II currently holds investments in 8 companies within the healthcare industries which are all actively promoting E/S characteristics.

Asset allocation describes the share of investments in specific assets.

● **What was the asset allocation?**



As at 31/12/23, 100% of the Fund's invested amount were allocated to investments that promotes E/S characteristics.

● ***In which economic sectors were the investments made?***

All investments made through MED II lifetime were made in healthcare industries across seven different sectors:

- Biopharma Products: 1 investment
- Consumer Health
- Healthcare IT: 1 investment
- In Vitro Diagnostics: 2 investment
- Life Science Tools and Biologic Services: 2 investments
- MedTech: 1 investment
- Pharma Services: 1 investment



To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?

Not Applicable. MED II does not conduct sustainable investments with an environmental objective aligned with the EU taxonomy. Instead, the Fund's focus is on the promotion of environmental and social characteristics.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies

- **capital expenditure (CapEx)** showing the green investments made by investee companies, e.g. for a transition to a green economy.

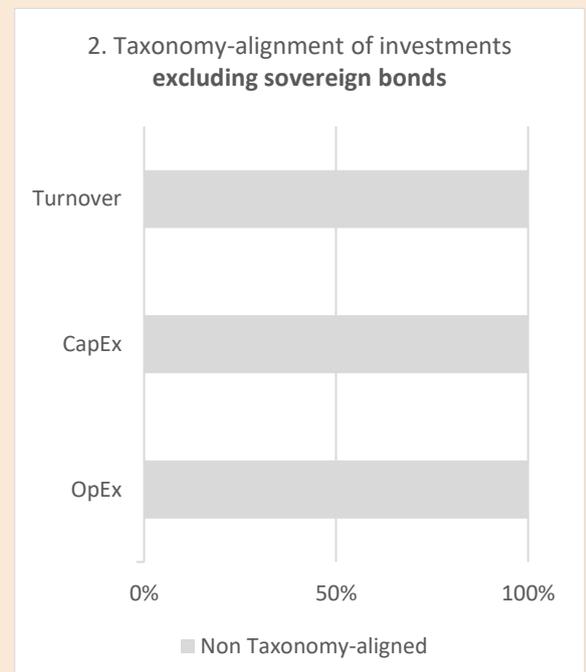
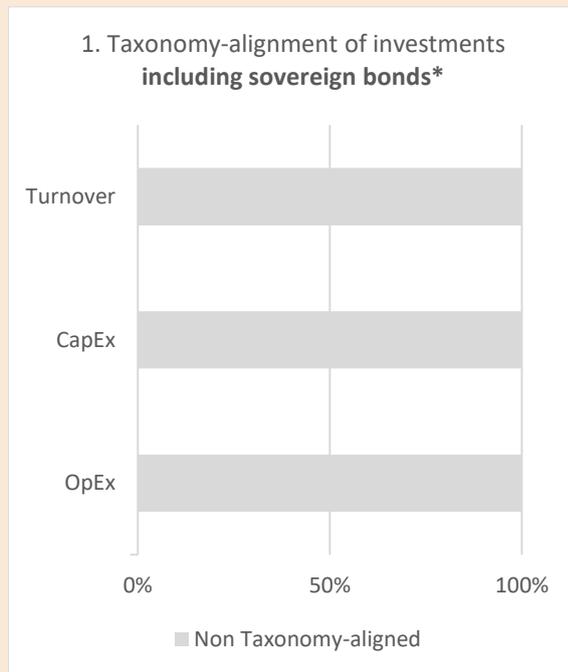
- **operational expenditure (OpEx)** reflecting green operational activities of investee companies.

● **Did the financial product invest in fossil gas and/or nuclear energy related activities that comply with EU Taxonomy¹?**

Yes : In fossil gas In nuclear energy

No

The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investment of the financial product other than sovereign bonds.



This graph represents 100% of the total investment.

***For the purpose of these graphs, “sovereign bonds” consist of all sovereign exposure.**

● **What was the share of investments made in transitional and enabling activities?**

¹ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change (“climate change mitigation”) and do not significantly harm any EU Taxonomy objective – see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

Not applicable. The Fund does not invest or plan to invest in transitional nor enabling activities in the sense of the EU Taxonomy.

● **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?**

Not applicable. As stated above, MED II's investments do not follow an environmentally sustainable investment objective in the sense of the EU Taxonomy. Instead, they focus on the promotion of social and environmental characteristics.

 are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under Regulation (EU) 2020/852.



What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy ?

MED II's investments do not pursue an environmental objective as laid out in the EU Taxonomy. Hence, 0% of the Fund's investments are aligned with the EU Taxonomy.



What was the share of socially sustainable investments ?

Not applicable, as the Fund's investments contributed to E/S characteristics and do not commit to investing in socially sustainable investments.



What investments were included under "other", what was their purpose and were there any minimum environmental or social safeguards ?

None of MED II's investment fall into this category.



What actions have been taken to meet the environmental and/or social characteristics during the reference period?

During the reference period, ESG data was collected for all portfolio companies on a quarterly basis, comprising over one hundred indicators. At the end of the reference period, follow-up reviews were conducted including overall progress, gap analysis and establishment of priorities for 2024.

Specific actions implemented at investee companies' level are specified in the Fund's Sustainability Report², and regularly to our investors in quarterly reports of the Fund.

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.



How did this financial product perform compared to the reference benchmark?

Not applicable. The Fund does not use a benchmark.

² ARCHIMED's 2023 Sustainability Report is expected to be published by mid-2024.

- ***How does the reference benchmark differ from a broad market index?***
Not applicable.

- ***How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?***
Not applicable.

- ***How did this financial product perform compared with the reference benchmark?***
Not applicable.

- ***How did this financial product perform compared with the broad market index?***
Not applicable.

APPENDIX I: ARCHIMED MED II Principal Adverse Impact Indicators 2023/2022

Adverse sustainability indicator	Metric	Unit	2023	2022	Explanation ¹	Actions Taken
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CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS

GHG (Greenhouse Gas) Emissions	1. GHG emissions (GP share)	Scope 1 GHG emissions and	tonnes	427.00	139.06	The data in the reference period represent an improvement in methodology, which explains the overall increase in the GHG figures.	During the reference period, ARCHIMED supported its portfolio companies in obtaining GHG data and conducting a carbon footprint exercise. The results have been/ or will be used to develop a decarbonization strategy under which ARCHIMED and its portfolio companies will have a clear trajectory aligned with the Paris Agreement. Currently, they are at different stages in this process.
		Scope 2 GHG emissions	tonnes	1 247.00	478.95		
		From 1 January 2023, Scope 3 GHG emissions	tonnes	15 933.00	8 116.49		
		Total GHG emissions	tonnes	17 607.00	8 734.50		
	2. Carbon footprint	Carbon footprint	tonnes/ €M	47.20	15.46		
3. GHG intensity of investee companies	GHG intensity of investee companies	tonnes/ €M	146.00	53.34			
4. Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector	%	Nil	Nil			

¹ The Fund has strictly followed the definitions of Annex I of the Final Report on draft Regulatory Technical Standards, dated 2 February 2021, for compiling the various PAI indicators.

	5. Share of non-renewable energy consumption and production	Share of non-renewable energy consumption and non-renewable energy production of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage	%	70.00	NA (cons.) NA (prod.)		
	6. Energy consumption intensity per high impact climate sector	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector	GWh/ €M	0.04	Nil		
Biodiversity	7. Activities negatively affecting biodiversity-sensitive areas	Share of investments in investee companies with sites/operations located in or near to biodiversity-sensitive areas where activities of those investee companies negatively affect those areas	%	Nil	Nil		<p>During the reference period, the following initiatives to reduce environmental impact were implemented and/or considered for future implementation among MED II portfolio companies:</p> <ol style="list-style-type: none"> 1. Development and maintenance of environmental policies 2. Development and maintenance of waste management policies including recycling schemes 3. Reduction and reuse of packaging material 4. Improvement of processes around general and hazardous waste management
Water	8. Emissions to water	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average	tonnes/ €M	Nil	Nil		
Waste	9. Hazardous waste ratio	Tonnes of hazardous waste generated by investee companies per million EUR invested, expressed as a weighted average	tonnes/ €M	0.14	0.90		
ARCHIMED Additional environmental indicator	4. Investments in companies without carbon emission reduction initiatives	Share of investments in investee companies without carbon emission reduction initiatives aimed at aligning with the Paris Agreement	%	100.00	100.00	The 2023 indicator strictly follows the definition of the Paris Agreement. Outwith this definition, c. 25% of the fund is considered to <u>not</u> have such initiatives.	

Adverse sustainability indicator	Metric	Unit	2023	2022	Explanation ²	Actions Taken
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SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS

Social and Employee Matters	10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	%	Nil	Nil	<p>As part of ARCHIMED's ESG program, portfolio companies are encouraged to develop and maintain policies on the following non-exhaustive, social and governance topics:</p> <ul style="list-style-type: none"> (a) Code of Conduct (b) Code of Ethics (c) Anti-Bribery and Corruption (d) Grievance and Whistleblowing Mechanism (e) Human Rights (f) Supply Chain (g) Diversity, Equity and Inclusion (h) Health and Safety (i) Cybersecurity (j) Data Privacy and Protection <p>The deal teams are responsible, through their board representations, for enforcing the above and implementing corrective actions when material issues or violations occur. ARCHIMED informs ESG incidents or violations to LPs if/when they occur through the appropriate channels.</p>
	11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises	Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance /complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	%	46.00	52.00	
	12. Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies	%	19.00	24.00	
	13. Board gender diversity	Average ratio of female to male board members in investee companies	%	4.00	9.00	
	14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	Share of investments in investee companies involved in the manufacture or selling of controversial weapons	%	Nil	Nil	
<p>During the reference period, ARCHIMED established ESG objectives across its portfolio to ensure ongoing commitment towards improving their sustainability performance. For gender diversity, all portfolio companies are required to implement clear initiatives or programs to close any possible salary gaps and career development potential.</p>						

² The Fund has strictly followed the definitions of Annex I of the Final Report on draft Regulatory Technical Standards, dated 2 February 2021, for compiling the various PAI indicators.

ARCHIMED Additional social indicator	1. Investments in companies without workplace accident prevention policies	Share of investments in investee companies without a workplace accident prevention policy	%	14.00	Nil		See Actions Taken with respect to indicators 10 and 11 above.
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