

**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 III A SLP
- MED III B SLP

**Legal entity identifier:**

- MED III A SLP: 9695008E6ETNQCPACL27
- MED III B SLP: 969500XCUBXM8BZO8Y38

## Environmental and/or social characteristics

**Did this financial product have a sustainable investment objective?**

<input checked="" type="radio"/> <input type="radio"/> <b>Yes</b>	<input type="radio"/> <input checked="" type="radio"/> <input checked="" type="checkbox"/> <b>No</b>
<input type="checkbox"/> It made <b>sustainable investments with an environmental objective:</b> ___% <ul style="list-style-type: none"> <li><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> </ul> <input type="checkbox"/> It made <b>sustainable investments with a social objective:</b> ___%	<input checked="" type="checkbox"/> It promoted <b>Environmental/Social (E/S) characteristics</b> and while it did not have as its objective a sustainable investment, it had a proportion of 66 % of sustainable investments <sup>1</sup> <ul style="list-style-type: none"> <li><input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> <li><input checked="" type="checkbox"/> with a social objective</li> </ul> <input type="checkbox"/> It promoted E/S characteristics, but <b>did not make any sustainable investments</b>

**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.

<sup>1</sup> The LPA establishes that at least 66% of the investments must be sustainable. In the reference period ending December 2023, c. 74% of the investments were classified as sustainable. The percentage is based on net cost of each investment. As of December 2023, only one portfolio company (Wiqo, representing c. 26% of the investments) was an Article 8 investment.



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

As an Article 8 fund with a sub-portion of sustainable investment (also termed unofficially an 'Article 8+ fund'), MED III (or 'the Fund') and its management approach is focused on the contribution of social and environmental factors, as well as the contribution to a social sustainable investment objective for part of the portfolio. 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 III 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 III'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.

For its latest funds, ARCHIMED has in addition adopted sustainable investment objectives with a social focus, namely the attainment of the UN SDG ('SDG') 3 "Good Health and Well-being" through ARCHIMED's five HEALTH objectives:

- (a) **better efficiency**, (b) **better efficacy**, (c) **better safety**, (d) **better accessibility** and (e) **better affordability**,

at the level of either the patient, healthcare provider, medical industry or animal and environmental health - as well as targets of SDG 9 "Industry, Innovation and Infrastructure", where relevant.

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 III 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 III 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?**

As an Article 8+ Fund, and according to Annex IV of the Limited Partnership Agreement of MED III, at least 66% of MED III’s investments have a social sustainable investment objective, namely to improving healthcare outcomes by contributing to one or more of our five healthcare objectives: better efficiency, efficacy, safety, accessibility and affordability. These objectives seek to provide better healthcare outcomes at the doctor, patient, animal, and environmental health level, through improvements directly to patients or through the medical industries and services to hospitals and care providers.

In addition to the healthcare objectives, the sustainable investment objective also encompasses measurement of the fund’s contribution to the achievement of the SDG 3 and SDG 9 and their associated targets.

Through this framework, investments with a socially sustainable objective can be identified through their contribution to the five healthcare objectives as depicted in our sustainable healthcare investment matrix included below:

- Efficiency: for instance, number of people reached through prevention initiatives, cost reduction archived (in %), time reduction archives (in %)
- Efficacy: for instance, protection efficacy of vaccines, number of health issues significantly impacting patients’ quality of life / health addressed
- Safety: for instance, number of tests performed, treatments and surgeries completed, and patients recovered
- Accessibility: for instance, number of patients gaining access to care, patient satisfaction rate of healthcare services
- Affordability: for instance, number of products sold enabling cost savings.

Improved health outcomes	Better efficiency	Better efficacy	Better safety	Better accessibility	Better affordability
At people/ patients/ populations level					
At doctors/ healthcare professionals / care providers level					
At healthcare industries level					

At the level of equivalent targets regarding animal and environmental health					
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Table 1: Illustration of assessment to be undertaken by the Deal Team

To ensure the Fund attains its sustainable investment objective, the Management Company has implemented an exclusion policy and a watch-list for additional vigilance. Investments into Healthcare sectors or companies exposed to strict regulations, having potential negative impacts, or limited positive impacts are thus restricted. In addition, vigilance is applied to a watchlist of 7 healthcare sectors. Every investment in these sub-sectors is discussed on a case-by-case basis during the Investment Committee, with the presence of the Management Company's Advisory Board:

- Vigilance due to strict regulations on: Human reproductive cells (embryonic stem cell research), Drug Discovery Services and preclinical development (animal testing conditions), and Stem cells, Cell therapy and Gene therapy (only for preventive, diagnostics, or therapeutic purposes)
- Vigilance due to potential negative impacts on: Biocontrol (risks of chemically based fertilizer and pesticides), Pain relief and sleep aids (risks of substance dependence), Assisted living (risks regarding quality of care)
- Vigilance due to limited positive impacts on health: Aesthetics (non-essential plastic surgery). Probiotics, Vitamins, and minerals (only products with clinical studies considered impactful).

This approach enables us to ensure that at least 66% of MED III's investments are contributing to socially sustainable investment objectives by the end of the fund life, with healthcare outcomes solutions used as assessment criteria to determine their impact on each investment's contributions to a healthier society.

At the end of reference period, c. 74% of MED III's investments were classified as sustainable. Their contribution can be summarized as follows:

	Better efficiency	Better efficacy	Better safety	Better accessibility	Better affordability
<b>Cardioline</b>		<b>Sustainable Investment Objective:</b> Improve diagnosis for cardiovascular diseases through advanced technologies		<b>Sustainable Investment Objective:</b> Increase access to cardiac diagnostic solutions anytime anywhere for everyone	
		<b>Sustainable Investment Contribution:</b> 12 798 medical devices sold per year		<b>Sustainable Investment Contribution:</b> 49 900 patients benefiting from telemedicine solution in pharmacies	
<b>Corealis</b>	<b>Sustainable Investment Objective:</b> Accelerate drug development and increase chances of success			<b>Sustainable Investment Objective:</b> Expand the drug offering available to patients, including for patients suffering from rare diseases	

	23% increase in the no. of molecules worked by the company			21% of projects focused on addressing rare diseases	
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Table 2: MED III 2023 sustainable investments' contribution to impact healthcare objectives<sup>2</sup>

Additional impact performance metrics have been defined for MED III portfolio companies, which are currently undergoing implementation and data collection:

Portfolio Company	Sustainable Investment Objective	Metric (Sustainable Investment Contribution)
<b>Cardioline</b>	<b>Better Accessibility:</b> Increase access to cardiac diagnostic solutions anytime anywhere for everyone	<ul style="list-style-type: none"> <li>Breakdown by type of customers (e.g. hospitals, pharmacies, clinics, etc.)</li> </ul>
<b>Title21</b>	<b>Better efficiency:</b> Less errors and better time management, contributing to safer and quicker advanced therapies for patients	<ul style="list-style-type: none"> <li>Number of days saved in accessing treatment, compared to market average (for the CT-Solution)</li> <li>Number of hours saved for the medical staff, compared to market average (for both)</li> <li>Number of processes automatized, compared to market average (for both)</li> </ul>
	<b>Better safety:</b> Compliance module informing professionals of obligations regarding process and instruments, helping maintain quality and ensure patient safety	<ul style="list-style-type: none"> <li>Reduction of the number of errors compared to market average (for the QMS solution)</li> </ul>
	<b>Better accessibility:</b> Simplifying access, reducing information loss and facilitating efficient information retrieval for healthcare professionals, allowing focus on patient care	<ul style="list-style-type: none"> <li>Number of patients who benefit from a faster care, compared to market average (for the CT-Solution)</li> <li>Number of customized software delivered, compared to market average (for the QMS solution)</li> </ul>

Table 3: MED III impact performance metrics under implementation phase

Further information on MED III investments' contribution to sustainable objectives are expected to be published in the Fund's Impact Report<sup>3</sup>.

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

MED III's Investment strategy is focused on the promotion of E/S characteristics for a sub-section of the Fund and on the contribution to one or more of ARCHIMED's objectives, as well as the contribution to SDG 3 and 9, and relevant targets for the other part of investments.

This strategy dictates that the investments of the Fund will undergo a pre-investment screening and ESG due diligence to ensure that not only does the Fund contribute to social objectives, but that it will 'do no significant harm' (DNSH) to other sustainable investment objectives mainly through the collection and analysis of Principal Adverse Impacts indicators.

Please refer to Appendix I for more information.

<sup>2</sup> As a recent investment, Symbio Proinnovera's impact KPIs are currently being defined.

<sup>3</sup> ARCHIMED's 2023 Fund Impact Report is expected to be published by mid-2024.

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

During the investment cycle, the ESG Due diligence assesses indicators that would indicate presence or absence of a principal adverse impact (PAI). These indicators include, in compliance with the SFDR and Delegated regulation, the following principal adverse impacts:

- Environmental damage, GHG emissions; carbon footprint; GHG intensity of Portfolio Companies; exposure to companies active in the fossil fuel sector; share of non-renewable energy consumption and production; energy consumption intensity per high impact climate sector; activities negatively affecting biodiversity-sensitive areas; emissions to water; hazardous waste ratio.
- Social and employee matters, respect for human rights such as health and safety of workforce; unfair advantage; community relations; human rights, violation of UN Global Compact principles and OECD Guidelines for Multinational Enterprises; lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises; unadjusted gender pay gap; board gender diversity; exposure to controversial weapons.
- Governance, anti-corruption and anti-bribery matters, appropriate KYC is undertaken on service providers and investors.
- Conflict of interest risk.
- In addition to the mandatory PAIs, two additional PAIs are taken into account: 1) “Investments in companies without carbon emission reduction initiatives aimed at aligning with the Paris Agreement”, which was chosen due to ARCHIMED’s focus on climate as a central pillar within our responsible investment strategy; and 2) “Share of investments in investee companies without workplace accident prevention policy” which was selected due to the particular importance of health in safety in the workplace of healthcare businesses, which may be exposed to particular chemicals, machinery or other occupational hazards beyond that of a typical office environment.

Furthermore, our responsible investment strategy is embedded into all steps of our investment lifecycle and is focused on supporting and accelerating our portfolio companies’ sustainable transformation alongside ours. For this purpose, we bring advice on the definition of their Corporate Social Responsibility (CSR) strategy and assist them in developing actionable Sustainability and Impact Roadmaps that help set clear objectives, assign internal responsibilities, and monitor progress over time through the PAIs and tailored impact KPIs. These Roadmaps are validated at board level executed by the company’s management team as a concrete action plan to advance ESG and sustainability performance, as well as ultimately their PAI results, while also simultaneously contribute to the achievement of the social sustainable objective of the fund. If risks or incidents arise, ARCHIMED identifies any potential corrective action plans and implements active measures to mitigate the identified risks.

To further align business interests with sustainability and impact objectives, ARCHIMED has mandated that for MED III, 20% of the CEO's variable remuneration is linked to the achievement of this Roadmap, which by default guarantees improvement of their PAIs over the holding period. The ARCHIMED team unceasingly mentors and assists the portfolio companies with their sustainability journey through regular engagement with company management and monitors company progress against this Roadmap through formal follow-up reviews which are performed on an annual basis. Results on the PAIs for this Fund are available in Appendix I.

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

Yes, the Management Company ensures portfolio companies are aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. This information is gathered as part of our annual ESG reporting process and is carried out across all portfolios. ARCHIMED policies require MED III to perform appropriate due diligences on its own activities, investments, and business relationships to enable appropriate action to be taken in the event of any findings of non-compliance. ARCHIMED ensures human rights, equality and anti-bribery and corruption policies are in place and that there are not any instances of child, forced, or compulsory labour.

*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, ARCHIMED'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
Corealis	Biopharma Products	26.7	Canada
WiQo	Consumer Health	25.6	Italy
Title21 Health Solutions	Healthcare IT	21.3	USA
Cardioline	MedTech	13.8	Italy
Symbio Proinnovera	Pharma Services	12.6	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**

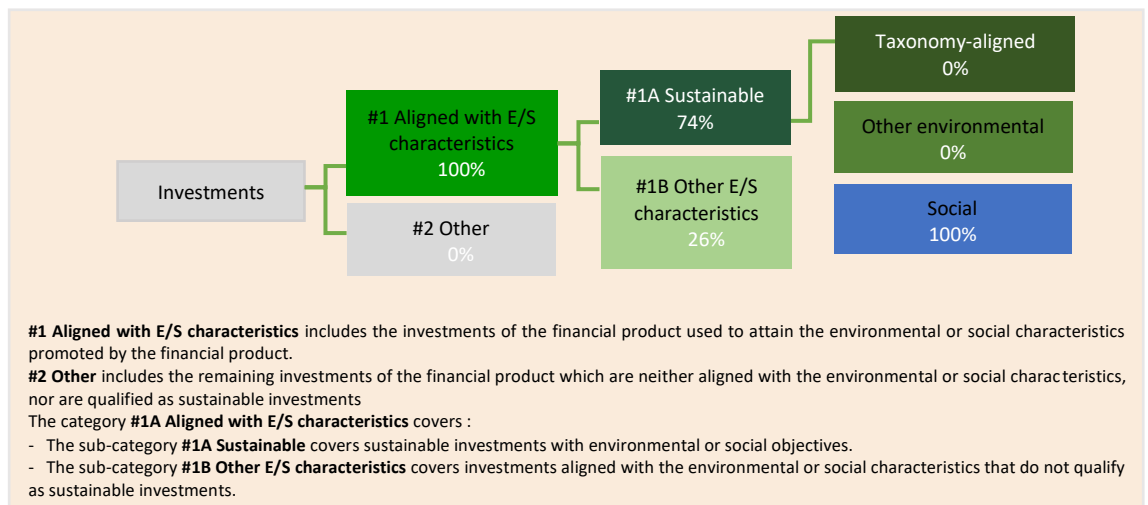


### What was the proportion of sustainability-related investments?

MED III currently holds investments in 5 companies within the healthcare industries, of which 4 are actively contributing to the Fund’s healthcare objectives. Hence c. 74% of assets were sustainability-related investments. The Fund seeks to have at least 66% of its investment in companies with a sustainable social investment objective, and the remainder in companies that promote positive social and environmental characteristics, as explained in our investment strategy.

#### ● What was the asset allocation?

Asset allocation describes the share of investments in specific assets.





As at 31/12/23, 74% of the Fund's invested amount were allocated to sustainable investments contributing to the Healthcare Objectives of the Fund. The most recent investment, WiQo, promotes E/S characteristics and comprises c. 26% of the Fund.

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

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

- Biopharma Products: 1 investment
- Consumer Health: 1 investment
- Healthcare IT: : 1 investment
- In Vitro Diagnostics
- Life Science Tools and Biologic Services
- 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 III 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, as well as on the attainment of a social sustainable investment objective for a sub-portion of the portfolio.

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.

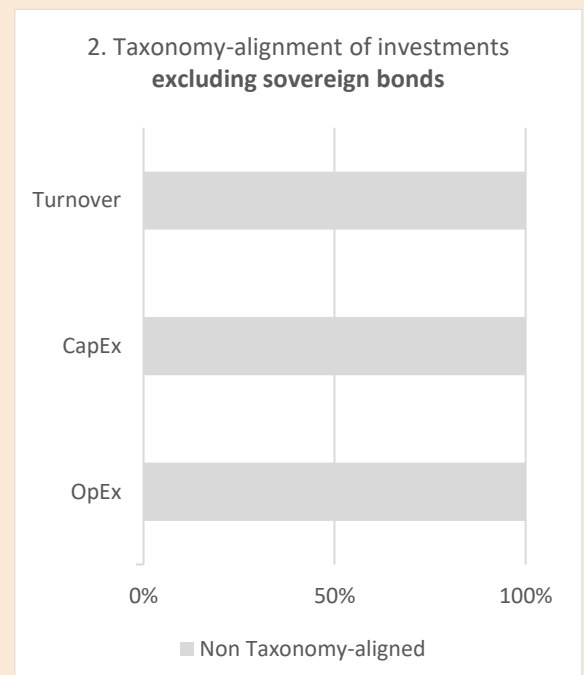
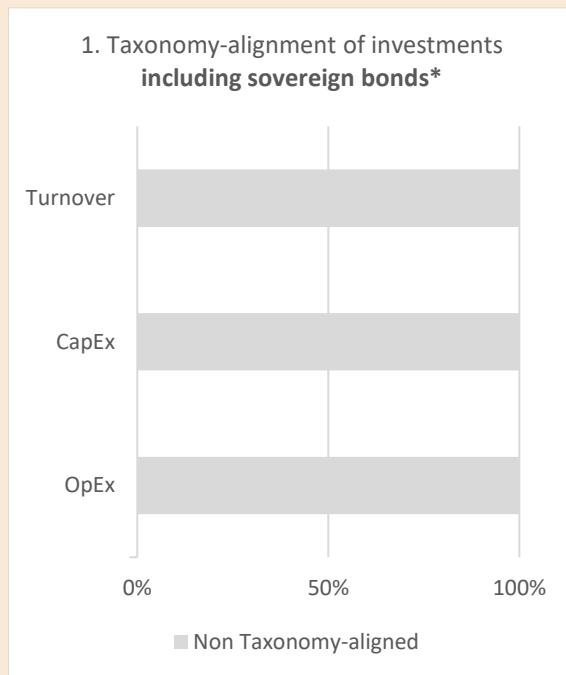
- **operational expenditure (OpEx)** reflecting green operational activities of investee companies.

● **Did the financial product invest in fossil gas and/or nuclear energy related activities that comply with EU Taxonomy<sup>4</sup>?**

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?**

<sup>4</sup> 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 at this stage. As stated above, MED III'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, and on the attainment of a social sustainable investment objective for a sub-portion of this portfolio.



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 III'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 ?**

According to its LPA, and Annex III, invested amounts of MED III should pursue social objectives through the improvement of healthcare outcomes at various level (as detailed above), for at least 66%. On this reporting period, socially sustainable investments represented 74% of the Fund's total investments. The Fund will have an investment that contributes to E/S characteristics within the scope of the next pre-contractual disclosure.



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

None of MED III'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 and Impact Reports<sup>5</sup>, and regularly to our investors in quarterly reports of the Fund.



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

Not applicable. The Fund does not use a benchmark.

- ***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.

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

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<sup>5</sup> ARCHIMED's 2023 Sustainability and Impact Reports are expected to be published by mid-2024.

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

Adverse sustainability indicator	Metric	Unit	2023	2022	Explanation <sup>1</sup>	Actions Taken	
<b>CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS</b>							
GHG (Greenhouse Gas) Emissions	1. GHG emissions (GP share)	Scope 1 GHG emissions and	tonnes	408.00	255.25	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	193.00	339.69		
		From 1 January 2023, Scope 3 GHG emissions	tonnes	14 077.00	3 828.05		
		Total GHG emissions	tonnes	14678.00	4 422.99		
	2. Carbon footprint	Carbon footprint	tonnes/ €M	80.30	45.18		
3. GHG intensity of investee companies	GHG intensity of investee companies	tonnes/ €M	208.64	91.08			
4. Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector	%	Nil	Nil			

<sup>1</sup> 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	%	22.00	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	0.07	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	%	51.00	Nil		<p>During the reference period, the following initiatives to reduce environmental impact were implemented and/or considered for future implementation among MED III portfolio companies:</p> <ol style="list-style-type: none"> <li>1. Development and maintenance of environmental policies.</li> <li>2. Development and maintenance of waste management policies. Recycling initiatives and use of recycled materials where possible. Management of hazardous waste in line with regulatory standards.</li> </ol>
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	0.04	0.20		
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. 40% of the fund is considered to <u>not</u> have such initiatives.	

Adverse sustainability indicator	Metric	Unit	2023	2022	Explanation <sup>2</sup>	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"> <li>(a) Code of Conduct</li> <li>(b) Code of Ethics</li> <li>(c) Anti-Bribery and Corruption</li> <li>(d) Grievance and Whistleblowing Mechanism</li> <li>(e) Human Rights</li> <li>(f) Supply Chain</li> <li>(g) Diversity, Equity and Inclusion</li> <li>(h) Health and Safety</li> <li>(i) Cybersecurity</li> <li>(j) Data Privacy and Protection</li> </ul> <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	%	83.00	100.0	
	12. Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies	%	17.00	21.00	
	13. Board gender diversity	Average ratio of female to male board members in investee companies	%	11.00	12.00	
	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	

<sup>2</sup> 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	%	Nil	22.00		See Actions Taken with respect to indicators 10 and 11 above.
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