

**ARCHIMED Report on Principle Adverse Impacts**

Art. 4 of the SFDR

ARCHIMED considers the principal adverse impacts (PAI) of its investment decisions on environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters in the manner prescribed by Article 4 of the SFDR.

This PAI report covers the reference period from 1<sup>st</sup> January – 31<sup>st</sup> December 2021.

## Description of the principle adverse impacts on sustainability factors

Adverse sustainability indicator	Metric	ARCHIMED portfolio	MED I	MED II	MED III	MP I
<b>CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS</b>						
1. GHG emissions	Scope 1 GHG emissions	76,702.5	5654.2	1831.3	48.0	69,169.0
	Scope 2 GHG emissions	506.0	0.0	506.0	0.0	0.0
	Scope 3 GHG emissions	103,087.1	15,724.2	8,656.2	678.6	78,028.1
	Total GHG emissions	180,295.6	21,378.4	10,993.5	726.6	147,197.1
2. Carbon footprint	See GHG emissions					
3. GHG intensity of investee companies (tCO <sub>2</sub> eq/€m revenue)		151.9	97.4	110.7	49.8	171.8
4. Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector			0%		
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 of total energy sources	87.3%	83.0%	90.5%	100.0%	92.0%
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	No investee companies in high impact climate sector				

Adverse sustainability indicator	Metric	ARCHIMED portfolio	MED I	MED II	MED III	MP I
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			0%		
8. Emissions to water	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average	18.8	0.0	0.0	0.0	25.7
9. Hazardous waste and radioactive waste ratio	Tonnes of hazardous waste and radioactive waste generated by investee companies per million EUR invested, expressed as a weighted average	337.6	0.0	489.1	0.0	361.6

## INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY 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			0		
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	76%	67%	88%	100%	67%
12. Unadjusted gender pay gap <sup>(1)</sup>	Average unadjusted gender pay gap of investee companies (in %)	15.54%	20.92%	16.38%	32.67%	11.08%

Adverse sustainability indicator	Metric	ARCHIMED portfolio	MED I	MED II	MED III	MP I
13. Board gender diversity	Average ratio of female to male board members in investee companies, expressed as a percentage of all board members	7.6%	7.5%	7.1%	33.3%	4.2%
14. Exposure to controversial weapons	Share of investments in investee companies involved in the manufacture or selling of controversial weapons			0%		

## OTHER INDICATORS FOR PRINCIPAL ADVERSE IMPACTS ON SUSTAINABILITY FACTORS

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%, among which 56% have implemented carbon emission reduction initiatives				
7. Incidents of discrimination	Number of incidents of discrimination leading to sanctions in investee companies expressed as a weighted average	0				

## Description of policies to identify and prioritize principal adverse impacts on sustainability factors

ARCHIMED describes its processes to identify and prioritize PAIs on sustainability factors within its 2021 Impact Report and its 2022 Responsible Investment Policy.

## Engagement Policies

As part of its impact investment strategy, ARCHIMED describes its engagement policy with portfolio companies within the 2022 Responsible Investment Policy.

## References to international Standards

The international standards that ARCHIMED adheres to are described within the 2022 Responsible Investment Policy.