SUSTAINABILITY-RELATED DISCLOSURES

This disclosure is made pursuant to Article 10 of Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector ("**SFDR**") as supplemented by Commission Delegated Regulation 2022/1288 of 6 April 2022 ("**RTS**"). This disclosure should not be used as a basis for a decision to invest in the Funds. Such a decision should be based on the Funds' confidential legal, tax and risk memorandum (together with any amendments or supplements thereto, the "**Memorandum**") and the Funds' limited partnership agreements ("**Agreements**") (the Memorandum and the Agreements, together, the "**Offering Documents**").

MED III A SLP, MED III B SLP, MED RISE SLP (the "**Funds**")

(a) **Summary**

(b) **Sustainable investments:** These financial products promote environmental or social characteristics and commit to a minimum of 66% sustainable investments with a social objective over the fund lifetime, within the meaning of Article 2(17) of SFDR.

(c) **No significant harm to the sustainable investment objective:** The Funds apply the principle of "do no significant harm" (DNSH) to all sustainable investments, ensuring they do not significantly harm any of the six environmental objectives under the EU Taxonomy, nor social objectives, including compliance with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. DNSH is assessed pre-investment through a comprehensive review of each target against the mandatory PAI indicators set out in Table 1 of Annex I of the RTS, complemented by external ESG and Impact due diligence. Post-investment, PAI indicators are collected annually from portfolio companies and adverse impacts are addressed through mitigating actions embedded in each company's Post-Completion Action Plan (PCAP) and Sustainability Roadmap.

(d) **Environmental or social characteristics of the financial product:** The Funds implement ARCHIMED SAS (the "**Manager**")'s responsible investment approach throughout the investment lifecycle to support the achievement of the Funds's financial goals, identify and mitigate material risk and improve the sustainability performance of portfolio companies. Material sustainability topics are prioritized and are integrated in the investment process and form the basis of engagement with portfolio companies post-investment.

(e) **Investment strategy:** The Funds will primarily make either directly or indirectly, controlling investments in platform companies whose securities are not traded on a regulated financial market and operate, in a meaningful manner, in the area of health (human, animal and environmental). For the minimum portion of 66% sustainable investments, the Manager will apply a sustainable investment strategy alongside ESG integration and engagement. For the said portion, the Funds will seek to assess the attainment of their social objective alongside good governance for all portfolio companies during the pre-investment phase through a combination of ESG and Impact due diligence, and other due diligence as well as systematic data collection and monitoring.

(f) **Proportion of investments:** The Funds intend to make private equity investments in businesses operating in the healthcare sector. The minimum proportion of the Funds' investments which will be used to meet the environmental and social characteristics promoted by the Funds will be 70% of investments (based on invested capital measured at the end of the investment period). Additionally, the Funds commit to a minimum of 66% sustainable investments within the meaning of Article 2(17) of SFDR over the fund lifetime, with a social objective focused on investments that improve healthcare outcomes contributing to one or more ARCHIMED's Health Objectives (better efficacy, safety, efficiency, accessibility and affordability) and the UN SDG targets (particularly SDG 3 but also 9 where applicable). The 66% minimum sustainable investments are included within the broader 70% minimum of investments meeting the Funds' environmental and social characteristics.

(g) **Monitoring of environmental or social characteristics:** To measure the attainment of environmental and social characteristics promoted by the Funds, an ESG, and where applicable, Impact assessment will be conducted to complement other analyses completed as part of the investment process and company-specific indicators will be determined based on material sustainability topics identified and prioritized. Other indicators may include those that are material to each sector of focus for the Partnership and are derived from the Sustainable Accounting Standard Board (SASB).

(h) **Methodologies:** During pre-investment due diligence, the Manager, supported by external consultants, seeks to identify company-specific sustainability and, where applicable, Impact indicators based on material sustainability topics identified and prioritized. The methodologies used to measure how the social or environmental characteristics promoted by the Funds are met will depend upon the sustainability indicators that are identified as relevant to a particular investment, considering minimum sustainability requirements based on applicable regulations and industry standards. The Manager has also developed a "Sustainability Essentials" framework which is a set of sustainability objectives informed by Sustainable Development Goals 3, 8, 9, 12, 13, 15 and 16, which provides a standardized approach for the Manager to guide its portfolio companies in making progress across material sustainability topics.

(i) **Data sources and processing:** Data may be obtained directly from portfolio companies or through desktop research and third-party sources. Collected data is reviewed externally by an expert sustainability advisory team and then analyzed internally by the Manager's dedicated Sustainability & Impact team. Where relevant, supporting evidence, such as policies, standard operating procedures, and other documentation, are also collected to substantiate sustainability claims of portfolio companies. The data collection process is facilitated via an online reporting platform which provides the ability to visualize key ESG metrics in the format of an ESG scorecard at the portfolio company level. Actual data will be used where available but there may be some instances where data is estimated, either at the portfolio company level or otherwise.

(j) **Limitations to methodologies and data:** Limitations to the methodologies and data arise because of a lack of available data by investee companies and/or a lack of infrastructure or resource in place for the collection and processes of relevant data. This is sought to be mitigated through ongoing engagement with portfolio companies.

(k) **Due diligence:** The Manager relies on its Responsible Investment Policy to inform its approach to ESG due diligence. The pre-investment due diligence process includes a preliminary negative screening, a positive screening, a high level ESG assessment and more extensive ESG and, where applicable, Impact due diligence by external consultants.

(l) **Engagement policies:** During the holding period, the Manager will seek to engage with portfolio companies on at least an annual basis to evaluate performance against the sustainability roadmap and to collect data via the Manager's annual ESG Reporting Campaign.

(m) **Designated reference benchmark:** No index has been designated as a reference benchmark to meet the characteristics.

(b) Sustainable Investments

These financial products promote environmental or social characteristics and commit to a minimum of 66% sustainable investments with a social objective over the fund lifetime, within the meaning of Article 2(17) of SFDR.

(c) No significant harm to the sustainable investment objective:

The Funds apply the principle of "do no significant harm" (DNSH) to all sustainable investments, ensuring they do not significantly harm any of the six environmental objectives under the EU Taxonomy, nor social objectives, including compliance with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. DNSH is assessed pre-investment through a comprehensive review of each target against the mandatory PAI indicators set out in Table 1 of Annex I of the RTS, complemented by external ESG and Impact due diligence. Post-investment, PAI indicators are collected annually from portfolio companies and adverse impacts are addressed through mitigating actions embedded in each company's Post-Completion Action Plan (PCAP) and Sustainability Roadmap.

(d) Environmental or social characteristics of the financial product

The Funds implement ARCHIMED SAS (the "**Manager**")'s responsible investment approach throughout the investment lifecycle to support the achievement of the Funds' financial goals, identify and mitigate material risk and improve the sustainability performance of portfolio companies.

Material sustainability topics are prioritized and are integrated in the investment process and form the basis of engagement with portfolio companies post-investment. Material sustainability topics may include, but are not limited to:

Environmental

- Climate change mitigation and adaptation
- Integration of sustainability criteria in product design
- Resource and operational efficiency
- Pollution prevention and waste reduction
- Conscious use of natural resources
- Biodiversity impacts
- Environmental governance

Social

- Healthcare accessibility and affordability
- Product safety, efficacy and efficiency
- Business governance, ethics and resilience
- Sustainable and resilient supply chain
- Sustainability credibility and brand reputation
- Employee welfare and labor practices

(e) Investment strategy

(i) Investment strategy used to meet the environmental or social characteristics

The Funds will primarily make either directly or indirectly, controlling investments in platform companies whose securities are not traded on a regulated financial market and operate, in a meaningful manner, in the area of health (human, animal and environmental).

The Manager will apply a strategy of ESG and, where applicable, Impact integration and engagement.

Pre-investment phase:

- **Preliminary negative screening** will be conducted based on the Manager's exclusion and watchlist criteria included in applicable policies and procedures;
- **Positive screening** will be conducted, where applicable, based on contribution towards SDG 3 targets and, where applicable, SDG 9 targets, as well as towards ARCHIMED's Health Objectives of Better Efficiency, Better Efficacy, Better Safety, Better Accessibility and/or Better Affordability;
- **High-level assessment** of ESG issues covering material topics related to each investment, which aims at highlighting potential material ESG risks or opportunities that require further diligence;
- **Detailed due diligence** conducted by external consultants focusing on material sustainability risks or opportunities, which includes a mandatory ESG maturity assessment against the Manager's Sustainability Essentials and Impact due diligence where applicable.

Ownership phase:

- **Sustainability Roadmap** will be developed for each company based on findings from the pre-investment phase and will typically include:
  - a 3-to-5-year strategic plan with defined objectives linked to proposed improvement actions across material sustainability topics;
  - key performance indicators and targets linked to each improvement action are defined (which may be based on the Manager's Sustainability Essentials, or other material topics);
- **Engagement** with each portfolio company on at least an annual basis to evaluate performance against the roadmap; and
- **Data collection** via the Manager's annual ESG Reporting Campaign to enable the Manager to assess portfolio company progress on sustainability.

(ii) Policy to assess good governance practices

The Funds will seek to assess good governance for all portfolio companies during the pre-investment phase through a combination of ESG and where applicable, Impact due diligence, and other due diligence such as legal, tax and commercial (considering topics such as sound management structures, employee relations, remuneration of staff and tax compliance). On an ongoing basis, good governance will be monitored through systematic data collection and, where necessary, the Manager will follow-up with portfolio companies to seek to address and mitigate material issues.

(f) Proportion of investments

The Funds intend to make private equity investments in businesses operating in the healthcare sector. The minimum proportion of the Funds' investments which will be used to meet the environmental and social characteristics promoted by the Funds will be 70% of investments (based on invested capital measured at the end of the investment period).

This minimum proportion will not be applicable during the ramp-up period prior to the end of the investment period. The minimum proportion will not be maintained year-on-year during the wind-down phase.

The Funds' remaining investments may include: (a) investments which are aligned with the Funds' investment strategy but to which the promoted environmental and/or social characteristics have not been, or cannot be, applied; or (b) investments made for liquidity or risk management purposes such as cash, cash equivalents such as money market instruments or units of money market funds, hedging instruments or financial derivatives. No environmental or social safeguards may be applied in respect of such investments.

The Manager has opted to determine asset allocation by reference to capital invested by the Funds (a static value) instead of using a dynamic value, such as net asset value. This is because the Funds are closed-ended and the Manager is unable to rebalance the portfolio in the same manner as for an open-ended funds.

Additionally, the Funds commit to a minimum of 66% sustainable investments within the meaning of Article 2(17) of SFDR over the fund lifetime, with a social objective focused on investments that improve healthcare outcomes contributing to one or more ARCHIMED's Health Objectives (better efficacy, safety, efficiency, accessibility and affordability) and the UN SDG targets (particularly SDG 3 but also 9 where applicable). The 66% minimum sustainable investments are included within the broader 70% minimum of investments meeting the Funds' environmental and social characteristics.

The Funds do not currently commit to invest in environmentally sustainable investments within the meaning of Article 2(1) of Regulation (EU) 2020/852 (the "**EU Taxonomy**"). Accordingly, the minimum extent to which sustainable investments with an environmental objective are aligned with the EU Taxonomy is 0%.

The Funds expect to have direct exposure to portfolio companies as well as exposure to other instruments such as cash, cash equivalents, money market instruments, hedging instruments or financial derivatives.

(g) Monitoring of environmental or social characteristics

To measure the attainment of environmental and social characteristics promoted by the Funds, a sustainability and, where applicable, impact assessment will be conducted to complement other analyses completed as part of the investment process and company-specific indicators will be determined based on material sustainability topics identified and prioritized. Such indicators may include, but are not limited to:

Environmental

- Scope 1-3 carbon emissions (in tonnes of CO_2 equivalents)
- Total GHG emissions (in tonnes of CO_2 equivalents) of the total portfolio of the Funds
- Portfolio companies without carbon emission reduction initiatives
- Non-renewable energy consumption and production
- Existence of insurance against climate risks or a business continuation plan that includes climate risks
- Application of circular design practices
- Emissions to water (tonnes)
- Hazardous waste (tonnes)
- Non-recycled waste (tonnes)
- Actions taken to minimize negative impacts on biodiversity
- Existence of an environmental policy

Social

- Healthcare challenge(s) addressed by the company and how it contributes to improving safety, accessibility, affordability, efficiency and efficacy of products and services
- Existence of quality certifications
- Existence of a code of ethics
- Existence of ESG governance with clear roles and responsibilities
- Existence of supplier code of conduct
- Confirmation of past EcoVadis assessment(s)
- Unadjusted gender pay gap
- Ratio of female to male board members
- Existence of a health and safety policy
- Average hours of employee training

Other indicators may include those that are material to each sector of focus for the Partnership and are derived from the Sustainable Accounting Standard Board (SASB).

Further, post-investment, the Funds will seek to collect data in respect of the mandatory indicators for principal adverse impacts (the "**PAIs**") as set out in Table 1 of Annex I of the RTS from portfolio companies and will report on available data in the Funds' annual periodic disclosure produced in accordance with Article 11 of SFDR.

The Manager will monitor the above-mentioned indicators on an annual basis, with the assistance of external consultants, as applicable.

(h) Methodologies

During pre-investment due diligence, the Manager, supported by external consultants, seeks to identify company-specific sustainability indicators based on material sustainability topics identified and prioritized.

The methodologies used to measure how the social or environmental characteristics promoted by the Funds are met will depend upon the sustainability indicators that are identified as relevant to a particular investment, considering minimum sustainability requirements based on applicable regulations and industry standards. All indicators are collected by the portfolio companies and reported to the Manager on an annual basis, unless otherwise specified. Illustrative examples of the methodologies that may be used include, but are not limited to:

Environmental

- *Scope 1-3 carbon emissions (in tonnes of CO2 equivalents)*: Measured by the portfolio companies, often with the support of external consultants or software tools, using primarily physical activity data where available, in line with the GHG Protocol. In cases where the portfolio company has not yet measured its carbon emissions the Manager uses a sectoral estimate or revenue-based extrapolartion methodology to derive a conservative estimate.
- *Total GHG emissions (in tonnes of CO2 equivalents) of the total portfolio of the Funds*: Measured by the Manager on an annual basis by aggregating emissions data received from portfolio companies.
- *Portfolio companies without carbon emission reduction initiatives*: Measured by the Manager on an annual basis by assessing whether portfolio companies have structured carbon emissions reduction initiatives in place aimed at aligning with the Paris Agreement, such as SBTi-validated climate targets or a net-zero climate strategy. This assessment is based on qualitative information concerning the decarbonization progress of portfolio companies shared at least annually with the Manager.
- *Non-renewable energy consumption and production*: Measured by tracking the total energy consumed and produced by the entities owned or controlled by the portfolio companies, excluding energy derived from renewable energy sources.
- *Existence of insurance against climate risks or a business continuation plan that includes climate risks*: Measured by confirming whether the portfolio companies have insurance and business continuity plans in place in relation to climate-related risks.
- *Application of circular design practices*: Measured by the Manager using a qualitative assessment based on reporting from the portfolio company regarding practices relating to product durability, optimization of use and reuse, repair, refurbishing, remanufacture, repurposing and recycling.
- *Emissions to water (tonnes)*: Measured by tracking the mass of certain pollutants, like nitrates and pesticides that the portfolio companies release in bodies of water.
- *Hazardous waste (tonnes)*: Measured by tracking the amount of liquid, solid, and gaseous waste that is hazardous and radioactive and generated due to the portfolio companies' operations.
- *Non-recycled waste (tonnes)*: Measured by tracking the quantity of waste that the portfolio companies generate, excluding waste that gets recycled.
- *Actions taken to minimize negative impacts on biodiversity*: Measured based on portfolio company reporting of specific actions the company has taken, or plans to take, to minimize any identified negative impacts on biodiversity.

- *Existence of an environmental policy*: Measured by confirming whether the portfolio companies implement formalized policies that cover environmental matters, such as climate change, biodiversity, pollution, responsible resource management.

Social

- *Healthcare challenge(s) addressed by the company and how it contributes to improving safety, accessibility, affordability, efficiency and efficacy of products and services*: Measured pre-investment using a proprietary qualitative assessment tool developed by the Manager to identify the healthcare challenge addressed and the stakeholders served by the company's solution, assess preliminary alignment with the Manager's Health Objectives framework, and select preliminary company-specific indicators that can be monitored post-investment to demonstrate the contribution to these Health Objectives. These indicators are refined and validated post-investment and thereafter measured by portfolio companies and reported to the Manager on an annual basis.
- *Existence of quality certifications*: Measured by confirming whether the portfolio companies hold third-party quality certifications, such as ISO9001 and ISO13485, representing independent assessments conducted by accredited organizations to verify that the companies' products, services, or systems meet specific safety, quality, or performance standards.
- *Existence of a code of ethics*: Measured by confirming whether the portfolio companies implement a formalized code of ethics that covers responsible business conduct, ethics, and governance matters.
- *Existence of ESG governance with clear roles and responsibilities*: Measured by confirming whether the portfolio companies have a structured ESG governance in place, including a formal corporate sustainability policy or charter, as well as a designated employee or project lead that is actively engaged in the execution of this strategy and ongoing management of sustainability matters.
- *Existence of supplier code of conduct*: Measured by confirming whether the portfolio companies implement a formalized supplier code of conduct that covers responsible business conduct, including expectations or criteria on environmental, social and governance performance for suppliers.
- *Confirmation of past EcoVadis assessment(s)*: Measured by confirming whether the portfolio companies conducted an EcoVadis sustainability assessment, including information on completion date, validity period, assessment scores or outcomes, and medals obtained.
- *Unadjusted gender pay gap*: Measured by comparing the average gross hourly earnings of men and women employees of the portfolio companies, including all remuneration component such as salary, wages, bonuses, overtime; This percentage difference excludes other variables influencing pay, such as seniority or position.
- *Ratio of female to male board members*: Measured by comparing the number of female to male members that serve the board of directors of the portfolio companies.
- *Existence of a health and safety policy*: Measured by confirming whether the portfolio companies implement formalized policies that cover occupational health and safety matters such as accident prevention, decent working conditions, psychosocial risks, and ergonomics.
- *Average hours of employee training*: Measured by tracking the number of hours of training undertaken by the portfolio companies' employees and then deriving the average.

The Manager has also developed a "Sustainability Essentials" framework which is a set of sustainability objectives informed by Sustainable Development Goals 3, 8, 9, 12, 13, 15 and 16, which provides a standardized approach for the Manager to guide its portfolio companies in making progress across material sustainability topics.

(i) Data sources and processing

(i) Data sources used to attain the promoted characteristics

The Manager may use several data sources to attain the promoted characteristics. At the pre-investment stage, data may be obtained directly from portfolio companies or through desktop research and third-party sources. Post-investment, data is collected on an annual basis from portfolio companies during an annual ESG reporting campaign.

(ii) *Measures taken to ensure data quality*

Collected data is reviewed externally by an expert sustainability advisory team and then analyzed internally by the Manager's dedicated Sustainability & Impact team. Where relevant, supporting evidence, such as policies, standard operating procedures, and other documentation, are also collected to substantiate sustainability claims of portfolio companies. Portfolio data are included in annual group level reporting, including the annual Sustainability & Impact Report, as well as within the quarterly and annual financial reports at the fund level and ad-hoc investor presentations and information requests.

(iii) *How data are processed*

The data collection process is facilitated via an online reporting platform which provides the ability to visualize key ESG metrics in the format of an ESG scorecard at the portfolio company level.

(iv) *Proportion of data that are estimated*

Actual data will be used where available but there may be some instances where data is estimated, either at the portfolio company level or otherwise.

(j) Limitations to methodologies and data

Limitations to the methodologies and data primarily arise because of a lack of available data by portfolio companies and/or a lack of infrastructure or resource in place for the collection and processes of relevant data by portfolio companies. This is sought to be mitigated through ongoing engagement with portfolio companies, including through the sustainability roadmap.

The Manager seeks to ensure that limitations regarding methodologies and data do not affect the attainment of the environmental and/or social characteristics.

(k) Due diligence

The Manager relies on its Responsible Investment Policy to inform its approach to ESG and, where applicable, Impact due diligence. The pre-investment due diligence process includes:

- **A preliminary negative screening,** based on exclusion and watchlist criteria, which filter activities that are believed to raise critical ethical risks associated with investing in healthcare, such as bioethical issues, risks of substance dependence and aggressive marketing tactics. ARCHIMED believes that subjecting potential investments to a high degree of scrutiny across these topics is essential in mitigating risk and ensuring that ARCHIMED stays true to the mission of improving health outcomes for all.

- **Positive screening**, an assessment, where applicable, of the potential new investment's contribution towards SDG 3 targets and, where applicable, SDG 9 targets, as well as towards ARCHIMED's Health Objectives of Better Efficiency, Better Efficacy, Better Safety, Better Accessibility and/or Better Affordability;

- **A high-level ESG assessment**, covering material topics for each investment which aims at highlighting potential ESG risks or opportunities that require further due diligence.

- **More extensive ESG and, where applicable, Impact due diligence** performed by external consultants.

The results of the due diligence are included in the Preliminary Investment Committee memo to inform the investment decision-making and the Post-Completion Action Plan (PCAP) to define mitigating actions.

(l) Engagement Policies

As mentioned above, the Manager applies a strategy of ESG integration and engagement to achieve the promoted characteristics. During the holding period, the Manager will seek to engage with portfolio companies on at least an annual basis to evaluate performance against the sustainability roadmap and to collect data via the Manager's annual ESG Reporting Campaign.

(m) Designated reference benchmark

No index has been designated as a reference benchmark to meet the characteristics.

Update History

Version	Date
1	January 2023
2	June 2026