



Legal entity identifier : **Vivalto Partners**

The contents of this document apply to all the Funds managed by Vivalto Partners, which are all also article 8 SFDR.

Sustainability-related disclosures

a. Summary

- **No sustainable investment objective**

This financial product promotes environmental or social characteristics but does not have as its objective sustainable investment.

- **Environmental or social characteristics of the financial product**

Vivalto Partners aims to support the sustainable growth of audacious and innovative companies, guiding them in their responses to present and future health challenges in close collaboration with the medical profession, to increase access and the quality of care and work towards patient well-being.

UN Sustainable Development Goals have been identified in relation to the social characteristics promoted by the Fund.

At the Portfolio Level, the fund promotes the following social characteristics:

- Increase the access and the quality of care toward patients' well-being (SDG 3 Good health and well-being)
- Place employees at the heart of organization (SDG 8 Decent work and Economic Growth)
- Uphold responsible and ethical governance (SDG 16 Peace Justice and Strong Institutions)
- Promote Innovation, research, and development (SDG 9 Industry, Innovation, and Infrastructure)

- **Proportion of Investments**

The Fund will be aligned at 80% with the social characteristics promoted and will be direct investments in portfolio companies.

- **Investment strategy and monitoring of environmental or social characteristics**

To promote social characteristics, the following steps are incorporated into the Fund's investment and portfolio company monitoring processes:

- During the pre-investment phase:
 - Company screening on alignment with values and ESG policies.
 - Exclusion list, no investments in countries under international sanctions or countries presenting high principal adverse impacts, nor in the industries mentioned in the exclusion list below, reducing investment in sectors with high sustainability impacts.
 - Assessment of the potential principal adverse impacts of the target company via an ESG checklist, including the Principal Adverse Impacts.
 - If climate risks and impacts are medium to high, Vivalto Partners will consider including climate topics in the company's ESG roadmap.
 - If principal adverse impacts are identified, an ESG Due Diligence is made by an independent third party.
 - Inclusion of ESG Due Diligence in the Information Memorandum and presented to the investment Committee before any investment decision.

EXCLUSION SECTORS I Standards
Illegal economic activities
Industries involved in child labor
Pornography and/or prostitution
Manufacture or trade in tobacco or distilled alcoholic beverages and related products
Operation of casinos or other gambling
EXCLUSION SECTORS I Standards
Genetic modification and human cloning (activities considered unethical by the EU)
Biological weapons or any other weapons and ammunition
Medicines used for lethal purposes
EXCLUDED COUNTRIES
Countries under international sanctions (see EU Sanctions Map)
Countries presenting high ESG risks (see Sustainalytics Country Risk Rating)

- During the holding period :
 - Collecting the annual reporting indicators for Principal Adverse Impact (PAIs) on sustainability factors and communicating them in the ESG report, consolidated at the portfolio level.
 - Incorporating appropriate actions and mitigation measures into the ESG roadmap when PAIs are identified for a portfolio company.

b. No sustainable investment objective

This financial product promotes social characteristics but does not have as its objective sustainable investment.

c. Environmental or social characteristics of the financial product

Vivalto Partners aims to support the sustainable growth of audacious and innovative companies, guiding them in their responses to present and future health challenges in close collaboration with the medical profession, to increase access and the quality of care and work towards patient well-being. UN Sustainable Development Goals have been identified in relation to the characteristics promoted by the Fund.

At the Portfolio Level, the fund promotes the following characteristics:

- Increase the access and the quality of care toward patients' well-being (SDG 3 Good health and well-being)
- Place employees at the heart of organization (SDG 8 Decent work and Economic Growth)
- Uphold responsible and ethical governance (SDG 16 Peace Justice and Strong Institutions)
- Promote Innovation, research, and development (SDG 9 Industry, Innovation, and Infrastructure)

d. Investment strategy

The Fund aims to promote 4 social characteristics, defined above.

To promote these characteristics, the following steps are incorporated into the Fund's investment and portfolio company monitoring processes:

Pre-investment phase:

- Before the acquisition, Vivalto Partners commits to reviewing and scanning target companies to ensure their alignment with both its values and ESG policy. While financial factors will remain the key drivers of the decision-making process, the potential identification of principal adverse impacts will determine whether Vivalto Partners will move forward with investments.
- During the initial screening, Vivalto Partners ensures that target companies do not have activities in countries or sectors from Vivalto Partners' exclusion list. As such, Vivalto Partners will not invest in countries under international sanctions or countries presenting high principal adverse impacts, nor in the following industries:
 - Illegal economic activities;
 - Genetic modification and human cloning (activities deemed unethical by the EU);
 - Biological weapons or any other weapons and ammunitions;
 - Medicines used for lethal purposes;
 - Other industries involved in child labor, pornography and/or prostitution, manufacture or trade in tobacco or distilled alcoholic beverages and related products, operation of casinos, or other gambling.
- In addition, Vivalto Partners commits to systematically performing an assessment of the potential principal adverse impacts of the target company via an ESG checklist, considering key material ESG issues and Principal Adverse Impacts. This assessment aims at identifying whether there are any ESG red flags (i.e., risks) associated with the target company.
- Based on this assessment, for any company that presents high risks on material ESG issues, an ESG due diligence might be performed by an independent third party.
- The conclusions of the ESG checklist and the potential ESG Due Diligence carried out will be included in the Information Memorandum and systematically presented to the Investment Committee of Vivalto Partners before any investment decision.

Deal:

When appropriate, Vivalto Partners will also integrate ESG clauses in the shareholders' agreements.

Holding phase:

- Vivalto Partners will define an ESG roadmap for each portfolio company.
- Vivalto Partners will follow up on the implementation and results of this ESG reporting, using a reporting tool monitoring progress annually. The results of those reporting campaigns will be shared with Vivalto Partners LPs.
- Vivalto will also proceed to an optional annual ESG review with the portfolio companies.
- ESG topics will be discussed with the Board at least once per year.
- In case of ESG incidents, Vivalto Partners will proceed to the follow-up of those incidents.

The Fund assesses the portfolio companies' good governance practices through governance KPIs monitored during the investment process:

- Assessment of good governance during the investment phase
- Monitoring of governance KPIs annually, through the ESG questionnaire addressed to the portfolio companies during the holding period. The enforcement of the ESG roadmap and its monitoring over time rests on an appropriate ESG governance at each portfolio company level, via:
 - Identification of an ESG point of contact at the portfolio company level
 - Inclusion of ESG topics at the Board Level at least once a year

In addition, Vivalto Partners is committed to aligning portfolio companies with its own ethical standards, by asking its portfolio to adhere to and sign its Code of Ethics.

Finally, Vivalto Partners has established a management procedure for ESG incidents faced by portfolio companies, who are committed to reporting any major ESG incidents to Vivalto Partners by signing the shareholders' agreement which contains a dedicated clause.

e. Proportion of investments

It is anticipated that 80% of the Fund will be aligned with the social characteristics promoted and will be direct investments in portfolio companies.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

f. Monitoring of environmental or social characteristics

The following sustainable indicators measure the attainment of the environmental and social characteristics promoted. Regarding the diversity of business models of portfolio companies, indicators selected may vary among portfolio companies. The list of sustainability indicators can be reviewed and improved each year to comply with stakeholders' and regulatory requirements or new material sustainability topics identified.

- ***Increase the access and the quality of care toward patients' well-being (SDG 3 Good health and well-being):***
 - Indicator 1: IFAQ index: for applicable health services companies.
 - Indicator 2: Maintenance CAPEX: for applicable health services companies (% of annual revenue).
 - Indicator 3: Number of batch withdrawals for applicable pharma companies.

- ***Place employees at the heart of the organization (SDG 8 Decent work and Economic Growth):***
 - Indicator 1: Absenteeism rate for all companies (%).
 - Indicator 2: % of employees covered by health insurance.
 - Indicator 3: % of employees covered by value-sharing schemes.

- ***Uphold responsible and ethical governance (SDG 16 Peace Justice and Strong Institutions):***
 - Indicator 1: % members of the Board with Health experience.

- ***Promote Innovation, research, and development (SDG 9 Industry, Innovation, and Infrastructure):***
 - Indicator 1: Amount invested in R&D (€).
 - Indicator 2: Number of ongoing research projects.
 - Indicator 3: Number of drugs in clinical trials for applicable pharma companies.

Additionally, Vivalto Partners monitors annually, from the 2022 reporting year and for each portfolio company, the 14 mandatory PAIs and 2 optional PAIs.

g. Methodologies

As described in section (f) 'Monitoring of environmental or social characteristics', to measure the attainment of environmental and/or social characteristics defined for each company and promoted by the Fund, indicators will be collected every year via the Annual ESG Portfolio Questionnaire. The questionnaire is addressed by Vivalto Partners to all portfolio companies, starting from the reporting campaign on the fiscal year during which the company entered the portfolio, until the company exit from the portfolio.

h. Data sources and processing

The data sources used to measure the attainment of the environmental and/or social characteristics defined for each company are the direct data provided by each portfolio company via their answers to the Annual ESG Portfolio Questionnaire.

To ensure data quality, answers to the questionnaire are reviewed by external consultants. Data collected through the annual ESG reporting is used to compute indicators at portfolio companies & the fund level and to realize the annual ESG report.

Estimated data should be negligible, as Vivalto Partners expects that data reported by portfolio companies are based on their real activities and performance over the reporting period.

i. Limitations to methodologies and data

The methodology described in section (g) 'Methodologies' and data sources used and described in section (h) 'Data sources and processing' may be subject to the following limitations:

Indicators requested as part of the Annual ESG Portfolio Questionnaire may not be available in the portfolio company, for instance, the company's internal ESG reporting systems do not enable the company to collect some indicators. This limitation does not affect the attainment and measure of the attainment of the environmental and/or social characteristics defined for each company, as indicators defined to monitor each characteristic are defined by the Portfolio Managers (with the assistance of the Advisers, as applicable), based on each company's ability to report on these indicators.

j. Due diligence

As described in section (d) 'Investment strategy', the pre-investment, if principal adverse impacts are identified during the pre-investment phase, an ESG Due Diligence is made by an independent third party. Then, the ESG Due Diligence is included in the Information Memorandum and presented to the investment Committee before any investment decision.

k. Engagement policies

Vivalto Partners is committed to aligning portfolio companies with its own ethical standards, by asking its portfolio to adhere to and sign its Code of Ethics.

Vivalto Partners has established a management procedure for ESG incidents faced by portfolio companies, who are committed to reporting any major ESG incidents to Vivalto Partners by signing the shareholders' agreement which contains a dedicated clause.

The fund commits annually to realize an ESG report.

l. Designated reference benchmark.

No reference benchmarks have been identified for the Fund.