

VIVALTO PARTNERS

2022 Report - Article 29 Loi Energie Climat
June 2023

VIVALTO PARTNERS SAS

Management Company
Regulated by the French Financial Services Authority
n° GP-21000024

GENERAL APPROACH TO CONSIDER ESG CRITERIA



1. Entity's general approach to ESG criteria

1.1. Summary of the Vivalto Partners' approach

As an investor in the healthcare sector, the integration of Environmental, Social, and Governance (ESG) issues in the investment process is key for Vivalto Partners. The company is convinced that this approach will ensure its success in supporting the sustainable growth of ambitious and innovative companies and will help them to build answers to the health challenges of tomorrow.

Vivalto Partner's strategy is aligned with the UN sustainable development goals.

Endorsed in 2015 by 193 countries, the UN SDGs constitute the United Nations 2030 Agenda for Sustainable Development by defining the global roadmap to address the most critical challenges identified by the 3Ps (People, Planet, Profit).




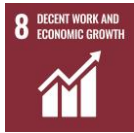


Based on these sustainable development goals, Vivalto Partners has defined its own ESG and investment strategy seeking positive contributions as an investor. In alignment with its investment strategy, the management company aims to improve access and quality of care for patients and is particularly focused the SDG 3 "Good health and well-being".

Additionally, investments of Vivalto Partners also seek a positive contribution to the following SDGs:

- Decent work and economic growth (SDG 8)
- Industry, innovation & infrastructure (SDG 9)
- Peace, justice & strong institutions (SDG 16)

All funds of Vivalto Partners are classified as Article 8 according to the Sustainable Finance Disclosure Regulation (SFDR) and promote social characteristics aligned with the 4 SDGs described above. To measure the contribution to those sustainable development goals, Vivalto Partners has defined for **each** social objective quantitative indicators to measure their attainment. Depending on the portfolio

companies' sectors, Vivalto Partners will monitor the relevant performance indicators listed below. These indicators measure the social characteristics defined under Article 8 of the SFDR regulation. Additionally, Vivalto Partners monitors numerous ESG indicators, such as the Principle Adverse Impacts, to assess globally the ESG performance of each portfolio company and its sustainable impacts.

SDGs	Goals	Performance indicators
	<p>Increase the access and the quality of care for patients' well-being</p>	<ul style="list-style-type: none"> • IFAQ index: for applicable health services companies • Maintenance CAPEX: for applicable health services companies (% of annual revenue) • Number of batches withdrawal for applicable pharma companies
	<p>Place employees at the heart of the organization</p>	<ul style="list-style-type: none"> • Absenteeism rate for all companies • % of employees covered by a health insurance • % of employees covered by value-sharing schemes
	<p>Promote Innovation, research, and development</p>	<ul style="list-style-type: none"> • Amount invested in R&D (€) • Number of ongoing research projects • Number of drugs in clinical trials for applicable pharma companies
	<p>Uphold a responsible and ethical governance</p>	<ul style="list-style-type: none"> • % members of the Board with Health experience

Additionally, Vivalto Partners has committed not to invest in companies operating in countries under international sanctions, countries with high ESG risks, or companies having business activities in the following sectors.

EXCLUSION LIST

EXCLUSION SECTORS | 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 | Specific to the healthcare industry

Genetic modification and human cloning (activities considered as 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](#))

The following commitments are materialized by relevant indicators monitored at the fund and portfolio level, allowing us to measure ESG stakes and opportunities. This measurement will allow Vivalto Partners to prioritize ESG topics with the portfolio companies and assess their progress over time.

Vivalto Partners also shares information on ESG in accordance with Articles 3(1), 4(1)(b), and 5(1) of Regulation (EU) 2019/2088 ("Disclosure" Regulation) and with Article 8 of the Sustainable Finance Disclosure Regulation (SFDR) on its [website](#).

1.2. Content, frequency, and means used to inform subscribers, members, contributors, beneficiaries, or customers about the criteria relating to the ESG objectives taken into account in the investment policy and strategy

ESG issues are systematically considered throughout the investment cycle, covering the pre-investment, holding, and exit phases.

1.2.1. Pre-investment phase

Prior to 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 ESG risks 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 ESG risks, nor in the industries present in its exclusion list.

In addition, Vivalto Partners commits to systematically performing an assessment of the potential ESG risks of the target company via an ESG checklist, considering key material ESG issues. This assessment aims at identifying whether there are any ESG risks associated with the target company. As part of the ESG checklist, Vivalto Partners analyses the climate risks and opportunities associated with the target company. If risks and impacts are medium to high, Vivalto Partners will consider including climate topics in the company's ESG roadmap.

Based on this assessment, for any company presenting high risks on material ESG issues, ESG due diligence might be performed by an independent third party. The conclusions of the ESG checklist, as well as 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.

When appropriate, Vivalto Partners will also integrate ESG principles into the shareholders agreement.

1.2.2. Holding phase

ESG strategic guidance

Vivalto Partners is committed to guiding portfolio companies towards the improvement of their ESG maturity throughout the holding period, through a pragmatic and tailored approach.

The management company first establishes the initial ESG performance maturity of companies post-closing via the ESG checklist and/or ESG due diligences and/or first discussions with the management teams. This allows us to define tailored ESG roadmaps for each company. These roadmaps include at least actions on the three fundamental ESG subjects considered systematically material by Vivalto Partners:

- Ethics and governance
- Human resources
- Environment
- Other key ESG issues specific to the Healthcare sectors

When necessary and appropriate, Vivalto Partners may also conduct full-fledged annual ESG reviews for some of its companies, with the help of external consultants.

Once the roadmaps have been set up, active monitoring will be used to ensure their implementation by portfolio companies, through:

- Establishing an ongoing dialogue with portfolio companies' ESG key point of contact and having official discussions at Board-level at least once a year to check the roadmap's execution.
- Sending an ESG reporting questionnaires to each portfolio company on an annual basis.
- Establishing an 'ESG' club for portfolio companies to share good practices amongst themselves on issues linked to ESG and healthcare.

Portfolio companies' governance

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 companies to adhere to and sign its Code of Ethics.

Finally, the management company 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.

ESG reporting

Vivalto Partners reports to its investors both on its own ESG performance and on that of its portfolio companies on an annual basis through an annual report, containing:

- Consolidated KPIs of portfolio companies based on the data gathered through the annual ESG questionnaires at the company level, including case studies when appropriate.
- Fund-level KPIs, assessing its aggregated ESG risks and maturity.

The presentation of its annual ESG report is included on the agenda of its Annual General Meeting with its investors.

In addition, Vivalto Partners will report to its investors via ESG questionnaires, upon request.

1.2.3. Exit phase

Vivalto Partners believes that clear attention to ESG issues demonstrates a robust operational infrastructure and supports a higher valuation of the outgoing business.

When planning for exit, Vivalto Partners will systematically assess progress achieved on ESG by the company under its ownership. Evidence will be formalized via an ESG memo.

When deemed appropriate, an ESG Vendor Due Diligence will be carried out by an external consultant.

1.3. Adherence of Vivalto Partners, or of certain financial products, to a charter, a code, an initiative, or obtaining a label on the taking into account of ESG criteria as well as a summary description of these criteria

Code of Ethics:

Vivalto Partners established a Code of Ethics, tailored to its values and investment sectors. The management company pays particular attention to the prevention of conflicts of interest and the respect

of principles of professional ethics. Vivalto Partners' Code of Ethics is signed by all its employees and portfolio companies, which are asked to comply with the same requirements.

To support its ethical commitments, Vivalto Partners trains its teams in business ethics and regularly discusses ethical issues in the health sector with the management of its portfolio companies. These include behavioural and medical ethics, as well as the prevention of conflicts of interest.

Adherence to national and international frameworks:



Vivalto Partners is a member of France Invest, demonstrating its responsible investment approach and its will to promote best-in-class practices. As part of its membership, the management company is committed to signing:

- The Commitment Charter on best ESG management practices
- The Gender Equality Charter, promoting gender equality in Private Equity and companies.



Vivalto Partners is also working towards becoming a signatory of the UN PRI (United Nations Principles for Responsible Investment), to further confirm its pledge as a responsible investor.

As a future signatory of the PRI, Vivalto Partners will publish a Transparency Report every year to publicly report on responsible investment activities.

2. List of financial products referred to under Articles 8 and 9 of Regulation (EU) 2019/2088 of the European

All the funds managed by Vivalto Partners are classified as Article 8 according to the SFDR classification.

80%* of assets under management consider environmental, social, and governance criteria.

* This percentage takes into account cash held by the funds.

3. ESG governance within Vivalto Partners

3.1. ESG governance

The governance of Vivalto Partners is composed of Daniel Caille, Yonel Génin, and Sébastien Alauzet. Sébastien Alauzet (Managing Partner) and Pauline Bourillon (CFO) are sponsoring the ESG strategy and commitments for Vivalto Partners as a management company. They assist the investment teams by overseeing the definition of the global investment strategy.

They also support portfolio companies' management on ESG topics throughout the investment cycle.



We are dedicated to creating value through responsible healthcare investment practices and our commitment to actively contribute to a more sustainable and inclusive future.

3.2. Gender Equality in Vivalto Partners

In compliance with article 533-22-2-4 of the French Monetary and Financial Code, Vivalto Partners has set a target of balanced representation of women and men among the teams, bodies and managers responsible for making investment decisions.

Within this framework, Vivalto Partners considers its Investment Committee and Investment Team as teams and bodies responsible for making investment decisions.

Vivalto Partners is a signatory to France Invest's "Charte Parité", which aims to promote gender parity in Private Equity.

Vivalto Partners therefore aims to achieve the following targets:

- 25% of women with responsibility for investment committee decisions by 2030 and 30% by 2035;
- 40% women in investment teams by 2030.

As of December 31, 2022, the composition of these bodies was as follows:

Body	Men	Women	Percentage of women
Investment Committee	3	0	0%
Investment Team	6	1	17%

In order to meet these targets, management is continuing to recruit and promote diversity within its teams. It promotes diversity and inclusion by raising awareness of these issues throughout the team. Achievement of these targets remains conditional on Vivalto Partners' future recruitment needs.

3.3. PAIs consideration

Vivalto Partners collects nearly 120 indicators including the principal adverse impacts required by the SFDR regulation.

Vivalto Partners communicates to its investors on the consolidated PAIs at the level of its funds as well as at the level of each portfolio company.

4. Communication on ESG



Launch of the 2022 ESG reporting campaign with Reporting 21

- Vivalto Partners gives access to contributors to reporting campaign with the reporting tool "Platform by Reporting 21".



- The contributors of each investment respond to the ESG questionnaire for the 2022 financial year, directly on the tool.

Review of ESG data for each company

- Reporting 21 analyses the answers to the ESG questionnaire and conducts an interview with the management of each portfolio company to ensure a good understanding of the investment context, ESG data consistency and reliability, ESG stakes and the level of maturity.

ESG analysis

- Reporting 21 identifies the main ESG stakes, the best practices already in place and areas for improvement on ESG stakes.
- The results of the analysis are presented in an ESG factsheet for each company.

Consolidation of ESG data at the fund level and integration in the ESG report

- This will concern the 2023 ESG report.

Each year, we share with our LPs a global report on the management company as well as a report on the companies in the portfolio. This report contains:

- Consolidated indicators for the companies in the portfolio, based on information collected via the annual ESG questionnaires for each company, including case studies.
- Indicators at the fund level, allowing the evaluation of Vivalto Partners' performance as a management company and its level of ESG integration during the investment process.

In addition to annual reporting, Vivalto Partners is also available to investors when requested. We are committed to communicating transparently with our investors, in particular in the event of ESG incidents. An incident management procedure has been established which allows investors to be kept informed of their follow-up. The portfolio companies themselves are committed to reporting any major ESG incidents via the shareholder agreement, which includes a clause to this effect.

As future signatories of the PRI (Principles for Responsible Investment), we will also be required to publish an annual Transparency Report on responsible investment activities.

Vivalto Partners will monitor the development of the Regulation Disclosure Technical Standards (RTS) and may change its position on the inclusion of PRIs in the future.