Sustainability risk management policy
Article 3 SFDR

In 2018, as part of its action plan for a greener, cleaner economy, the European Commission published three recommendations targeting the financial sector:

- Redirect capital flows towards sustainable investments to achieve sustainable and inclusive growth;
- Manage financial risks induced by climate change, resource depletion, environmental degradation and social issues;
- Promote transparency and a long-term vision in economic and financial activities.

Against this backdrop, the European authorities have initiated the development of a regulatory framework applicable to the financial sector aimed at responding to these three recommendations. Regulation (EU) 2019/2088 of the European Parliament and of the Council of November 27, 2019, on sustainability disclosure in the financial services sector has thus been adopted. This regulation establishes harmonized rules on transparency with regard to the integration of sustainability risks and the consideration of negative sustainability impacts in investment decisions and insurance advice, as well as the provision of sustainability information on financial products.

Under the terms of Article 3 of the Disclosure Regulation, financial market players are required to include factors in their fund management that demonstrate a solid and proven sustainability track record.

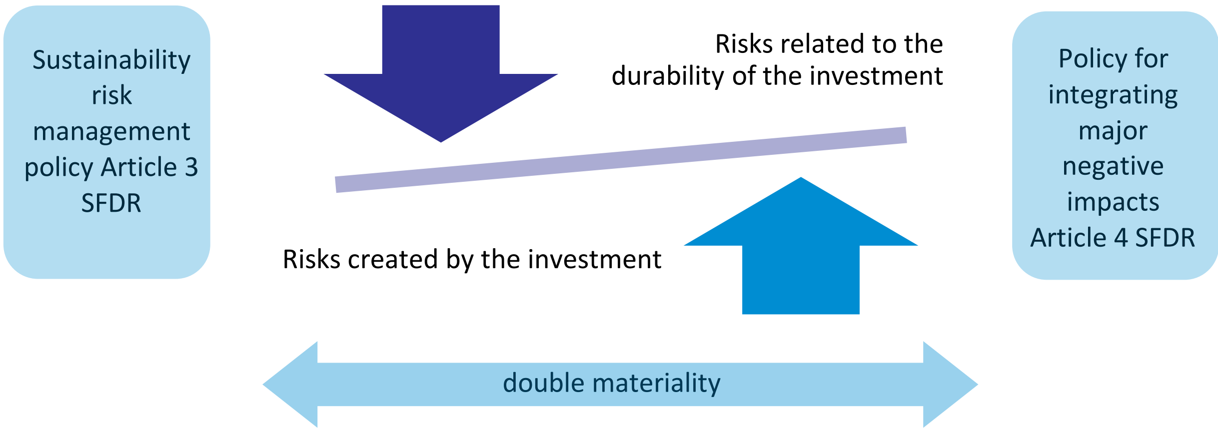
Instructions and objectives of the policy

According to the SFDR, sustainability risk is defined as an environmental, social or governance event or situation which, if it occurs, could have a significant negative impact on the value of an investment.

Sustainability risks can either represent a risk in their own right or have an impact on other risks and contribute significantly to other risks.

The SFDR regulation is based on a "double materiality" approach, i.e. taking into account both the exposure of financial activities to sustainability risks, as well as the negative environmental impacts generated by the activity in question (also known as Principal Adverse Impacts or "PAI"). This gives rise to two policies within TechLife Capital. A Sustainability Risk Management Policy Article 3 SFDR and a Principal Adverse Impacts Integration Policy Article 4 SFDR.

The dual materiality approach can have a financial impact, and conversely, financing can have environmental and/or social consequences.



TechLife Capital is a fund specializing in the pharmaceutical industry, healthcare, medical devices and new technologies. Climate and biodiversity issues are at the heart of the fund's investment policy. Determined to take concrete action, TechLife Capital has defined an ESG, climate and biodiversity strategy that enables it to engage with its holdings, to detect the occurrence of an ESG event or risk that could potentially cause a negative impact on the value of an investment but also induce a risk to the environment and/or society.

In addition, TechLife Capital has set up a section dedicated to SFDR regulations in the sustainability section of its website, which lists all ESG policies.

Integrating sustainability risks into the management framework

Sustainability risks include:

- Environmental risks: issues relating to physical and transitional risks in the field of climate (air pollution, carbon intensity, greenhouse gas emissions, etc.), natural resource management within companies, impact on habitat, resources (water, natural disasters, etc.) and biodiversity,
- Social risks: issues relating to human rights, the well-being of populations, stakeholder management,
- Governance risks: issues relating to corporate strategy, corporate culture, the way in which companies are managed, administered, and controlled, shareholder relations.

TechLife Capital's objective is to invest in new technologies capable of generating sustainable well-being and impact within society.
When managing a portfolio of non-quoted investments, also known as participations, the relevance of the data is based on two fundamental sources. The first is the investment itself, which supplies the data and submits it to the management company. The second is an audit carried out at the request of the management company, which, in more complex cases, ensures the relevance of the data. TechLife Capital takes great care to ensure that the data it collects is reliable, relevant and as up-to-date as possible.

A responsible investment approach based on 4 pillars:

- a policy of exclusion,
- a climate and biodiversity policy,
- a proprietary ESG assessment with regular monitoring and annual targets for each investment,
- a shareholder engagement and voting policy.

The sector and normative exclusions are designed to exclude companies exposed to the most serious sustainability risks identified as part of our investment process.
In addition, TechLife Capital has decided to invest in sustainable holdings that generate all their revenues from goods and services on one of the following SDGs (Sustainable Development Goals) explained in the Responsible Investment Policy:
(3) Good health and well-being
(8) Decent work and economic growth
(9) Industry, innovation, and infrastructure

It should be noted that no benchmark has been designated to meet the environmental or social characteristics, as its investments are in unlisted companies, generally those with fewer than 250 employees.

TechLife Capital's Climate and Biodiversity Policy enables us to take a holistic approach to climate and biodiversity risk for each investment. Sustainability objectives are to invest in holdings that are as neutral as possible in terms of carbon emissions and impact on biodiversity.

ESG assessment, monitoring and targets:

Taking ESG criteria into account enables us to deepen our knowledge of companies, to better assess their ESG risks and thus minimize the sustainability risks associated with our holdings. When monitoring companies, a controversy alert system has been set up to notify the managers directly of any incidences and subjects of emerging controversy. Controversies are systematically discussed at executive and supervisory committee meetings. For TechLife Capital, prevention is a management activity in its own right, in view of our concentrated investments and the associated risks. To analyze these risks, every year TechLife Capital submits a comprehensive ESG questionnaire to all its investments, covering all areas of sustainability. Targets are then set in agreement with our holdings, according to their size and resources.

Shareholder engagement:

In addition to ESG monitoring and assessment, ongoing dialogue with holdings is an essential basis for any risk assessment. The management company exercises its voting rights without any intermediary, and votes for 100% of its holdings. For further information, please consult the shareholder engagement and voting policy.