

IMPACT REPORT ECHIQUIER HEALTH IMPACT FOR ALL



2022



intentionality

Methodology

1 proprietary methodology to identify companies contributing to the 4 challenges of access to healthcare:

- Availability
- Accessibility
- Affordability
- Acceptability

Governance

4 specialists in access to healthcare on the **expert committee**.

80% of the Echiquier Impact SICAV Board members are **independent**.

Objectives

2 ex-ante impact targets¹ used in the determination of part of the **portfolio managers' variable compensation**.

Sharing value

€60,000 to nonprofit "Les P'tits Doudous" in 2002.



additionality

Engagement

26 portfolio companies have been engaged on **access to healthcare** in 2022.

Singularity

22.4% of the portfolio invested in companies with market capitalisation of less than **€10 billion**.

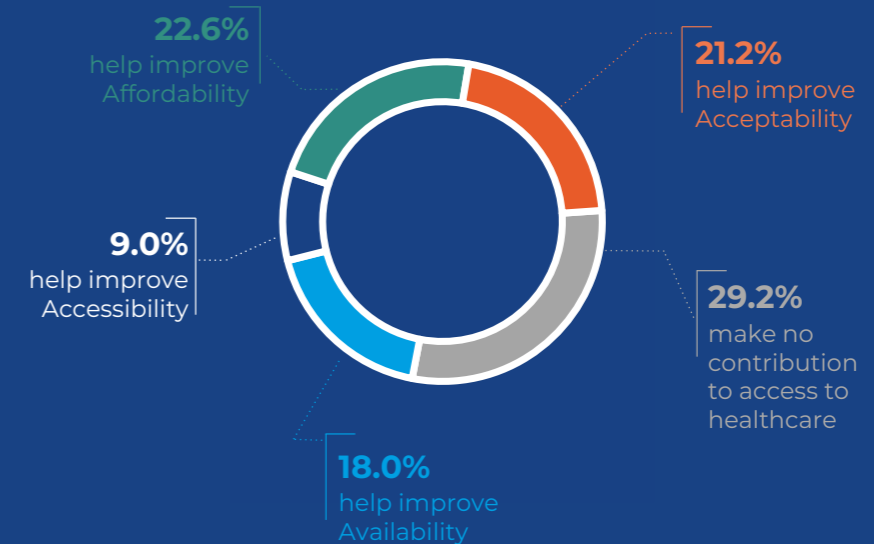
Sector contribution

2 **working groups** on listed impact investing in which we participated in 2022.

measurability

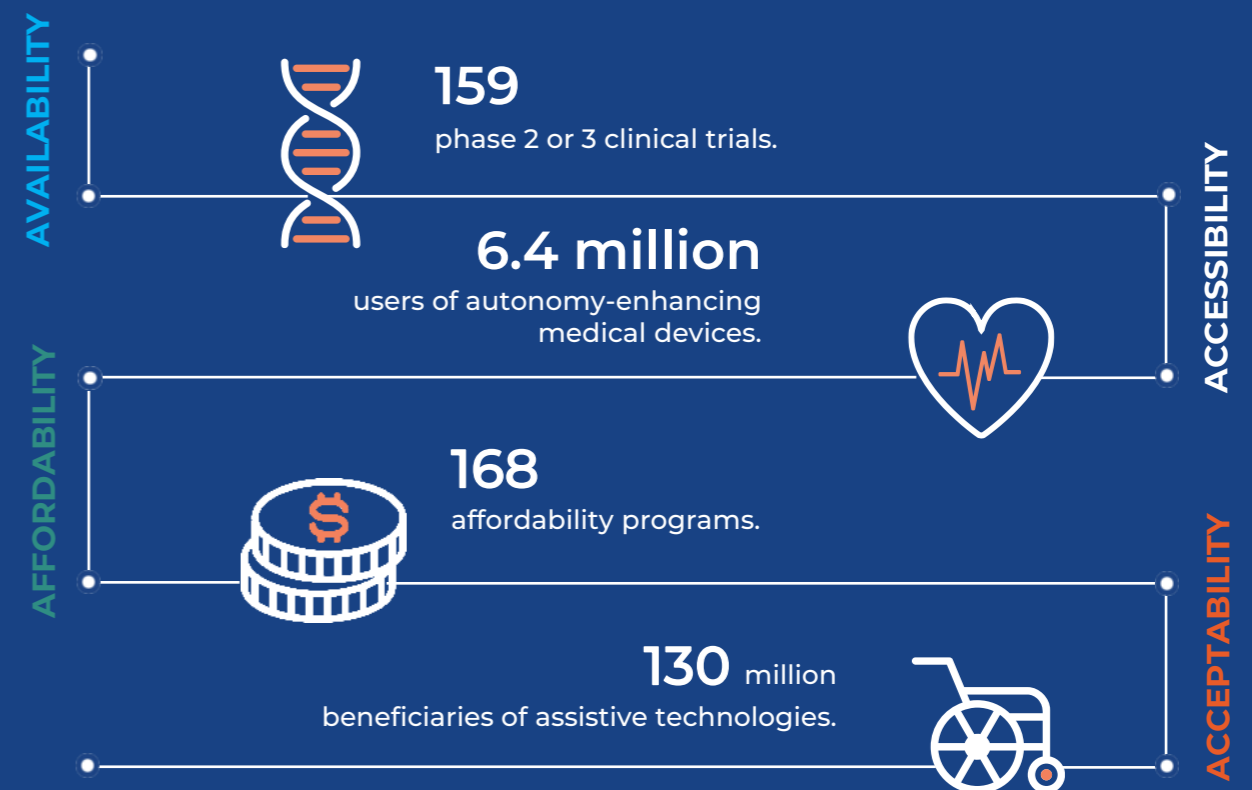
Impact assessment of the companies at portfolio level

On average, our portfolio companies derive 70.8% of their revenue from products and services that improve access to healthcare by contributing to the four dimensions of access to healthcare inspired by the work of the WHO:*



Impact assessment of portfolio companies

In 2022, the portfolio companies contributed to the four dimensions of access to healthcare through their activities and their products and services, via:



Investors' attention is drawn to the fact that an investment in the sub-fund will not have a direct impact on the environment or society. However, the sub-fund seeks to select and invest in companies meeting the precisely defined criteria set out in the sub-fund's management strategy.
1. Defined before the investment to align the impact objectives sought with the Fund's impact thesis.

The aggregate figures presented above are based on information provided by the companies, either in their sustainability reports or in discussion with LFDE teams. Details of the data and the calculation methods used are provided in appendix 6.

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Important information

In this report, the abbreviation EHIFA refers to the Echiquier Health Impact For All fund. From a methodological point of view, the term “impact” used in this report does not refer to a scientific definition that would make it possible to attribute the cause of a change to the Fund’s financing actions or to the actions of the portfolio companies.

The purpose of this report is to give an account of the resources committed by the Fund and to estimate their impact on the investments made. It also aims to give an account of the portfolio companies’ contributions to access to healthcare, based on content and data disclosed publicly by companies as at 31/12/2022.



For more information on Better Way’s independent verification of this report, please refer to Appendix 7.

FOREWORD

Olivier de Berranger
Deputy Managing Director
and Chief Investment Officer



Health, precious capital

Following the example of Australia’s Flying Doctors, an airlift of doctors was organised in France in 2022 in an attempt to alleviate the shortage of healthcare professionals in a medical desert in Burgundy. Since then, cardiologists, general practitioners and nurses have been flown every week between Dijon and Nevers. This initiative is not just anecdotal, it is a response to a real health emergency in these areas.

What is at stake is access to healthcare, a multifaceted challenge, from the availability of healthcare providers, healthcare infrastructure and treatments, to financial accessibility..

This global challenge encompasses growing inequalities throughout the world. According to the WHO, while 50% of the world’s population has no access to basic healthcare, an additional 100 million people fall into poverty every year due to the cost of healthcare. At the current rate, 5 billion people could be deprived of access to healthcare by 2030.¹

To meet this major challenge, La Financière de l’Échiquier (LFDE) has decided to put its expertise in listed impact investing to good use. Our quest for social impact led to the launch of Echiquier Health Impact for All in 2022. The strategy is based on an innovative methodology co-constructed with Better Way, covering four dimensions of access to healthcare inspired by the work of the WHO: availability of care and healthcare workers, geographical accessibility, affordability and acceptability. Another innovation is the creation of a committee of experts from the healthcare sector to ensure the relevance of the solutions offered by companies, understand the ethical issues involved and provide us with guidance.

Companies are innovating to improve the geographical accessibility of healthcare, and are developing solutions such as telemedicine, which provides a response to medical deserts and offers faster care for isolated people. Faced with the challenge of affordability, in vitro diagnostic technologies – which account for only 2% to 3% of global healthcare expenditure² but on which the majority of medical decisions depend – are making it possible to reduce treatment times and hospital stays. Companies are also mobilising to meet the dual challenge of availability of carers and treatments: innovative solutions including software, innovative biological drugs – targeted therapies, immunotherapy, gene therapies – or even promising treatments for conditions for which none are yet available. This represents a vast field of investment opportunities that will enable us to create financial performance for unitholders.

In addition, the sharing of the value created, which has been central to our impact approach since the outset, enabled us in 2022 to support Les P’tits Doudous, an exceptional nonprofit that improves the well-being of children undergoing surgery. This is a fine example of our dual quest for social and environmental impact.

This first annual impact report for this Fund, classified as SFDR Article 9, looks at the resources deployed in support of the Fund’s impact thesis, as well as the impact of the portfolio companies. It is vital as a means of ensuring our transparency.

¹WHO, 2019 report

²In Vitro Diagnosis Market Size, Share & Covid-19 Impact Analysis, 2021

Impact of the Fund



Listed impact investing

Impact investing on listed markets is the new frontier of responsible finance. To differentiate itself from approaches that invest primarily in companies with the best environmental, social and governance practices, this form of investing must be able to go further and demonstrate its positive impact over time.

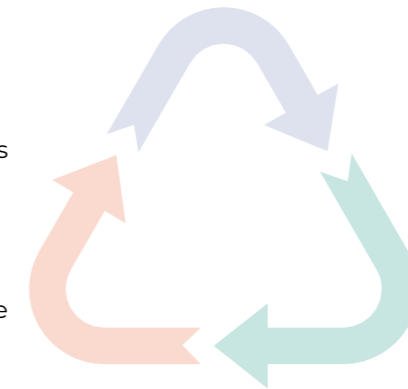
To achieve this, listed impact investing is dynamically structured around three characteristics: Intentionality, Additionality and Measurability.

measurability

Measuring the positive and negative impact of the Fund and the portfolio companies enables us to assess the quality of the mechanism as a whole and to report on the Fund's performance in a transparent way. To ensure the quality and reliability of this measurement, it is carried out annually in partnership with independent experts. The results of this measurement have an impact on investment decisions.

» For an impact fund, the annual publication of its impact measurement is an opportunity to refine the impact strategy, its specific objectives and its engagement with companies.

This continuous process of improvement enhances the intentionality and additionality of our impact funds.



intentionality

The intention to generate a positive environmental and/or social impact is the starting point for any impact investing approach. Several components of intentionality are essential: the definition of ex-ante impact objectives and indicators, robust governance, dedicated internal resources, etc.

additionality

As a responsible investor, a fund must bring real, unique and differentiating added value to the companies it invests in. This is what we call additionality. Active, long-term engagement with companies should enable them to improve or increase their net impact, their environmental and social performance, and their governance.

The four dimensions of access to healthcare: proprietary methodology

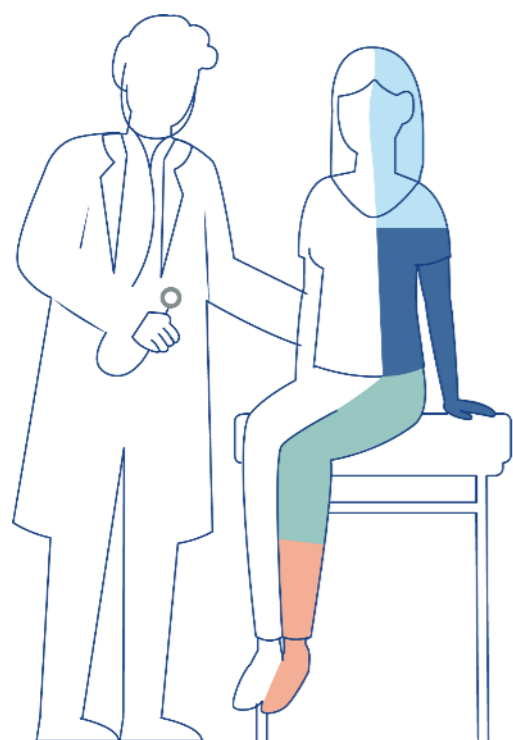
Among the social challenges identified by the United Nations in its 2030 roadmap, we have decided to take on the theme of health, as we believe that enabling everyone to live in good health and promoting well-being at all ages are essential to sustainable development.

However, investment in the healthcare sector does not in itself imply investment in virtuous or impactful companies. Our analysis of the targets of SDG 3, the treatment of health in the preliminary work on social taxonomy, and our involvement with the Access to Medicine Foundation have led us to approach this theme from the angle of **access to healthcare**.

An approach built on stakeholder involvement

The fruit of the expertise of LFDE's teams and the advice provided by Better Way, Echiquier Health Impact for All was born with the aim of investing in listed companies around the world whose **innovations improve access to healthcare**.

To build our model, we **consulted several experts in the sector** to understand the challenges of access to healthcare, which are multiple and subject to a variety of obstacles. The Echiquier Health Impact for All fund is based on the **four dimensions of access to healthcare, as defined by the WHO**:



Availability

Improving of the availability of caregivers, healthcare infrastructure and treatments for neglected conditions.

Accessibility

Improving of geographical access to healthcare (geographical coverage and patient autonomy)

Affordability

Improving of the financial capacity of patients or healthcare systems to access high-quality medical services.

Acceptability

Improving of trust thanks to treatments that are less onerous and invasive for patients.

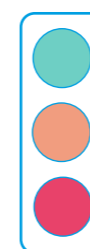
An Impact filter maximising positive impacts and minimising negative externalities on access to healthcare

We expect the companies selected by Echiquier Health Impact for All to propose innovative solutions that make a significant contribution to at least one of the four dimensions of access to healthcare, while at the same time doing no significant harm to any of them, in keeping with the DNSH approach.

Our methodology is based on the European regulatory framework (Taxonomy, SFDR, etc.) and incorporates the **substantial contribution requirements** and the **DNSH principles**.

In all, companies are assessed on the basis of approximately 20 criteria defined in line with the four dimensions of access to healthcare.

3-LEVEL DNSH FILTER



"GO": The company has implemented good practices in the challenge analysed.

"COMMITMENT": The company's practices on the challenge analysed are insufficient, but it has room for manoeuvre to mitigate negative impacts.

"NO GO": The company's activities, or its inability to control the risks associated with the challenge analysed, are having a negative impact on access to healthcare.



Example of the DNSH criterion "Reliability and Quality of Treatments" in the ACCEPTABILITY dimension:

GO

No product recalls or quality issues, and/or one or more quality certifications.

COMMITMENT

Controversies rated "moderate" by MSCI ESG Research on the Product Safety & Quality criterion or track record of minor product recalls.

NO GO

Controversies rated "severe" by MSCI ESG Research on the Product Safety & Quality criterion or track record of critical product recalls.

Limited investment universe

To ensure that our investments all contribute to our impact thesis, we have restricted the activities eligible for the Fund in order to focus our investments on companies that contribute directly to improving people's access to healthcare. **Five main activities are eligible**:

ELIGIBLE ACTIVITIES

NON-ELIGIBLE ACTIVITIES

* LFDE's AAAA segmentation is inspired by the AAAQ framework defined by the WHO and the UN PRI.

2 Our investment approach under the microscope

IMPACT THESIS >> Supporting international companies offering innovative solutions to improve access to healthcare.

This impact thesis is applied throughout the **Echiquier Health Impact For All** investment process, which has **five stages**. Impact research is fundamental: ex-ante, proactive and systematic.

1 IDENTIFICATION OF COMPANIES CONTRIBUTING TO OUR IMPACT THESIS

Impact is the starting point for generating investment ideas. The Fund seeks to identify international companies whose products and services contribute to our impact thesis.

2 EXCLUSION FILTER

The exclusion filter is the safeguard to avoid contributors that generate the most negative externalities. It excludes companies operating in **16 activities and sectors** considered harmful and with the most controversial practices, including:



For more information on exclusion criteria and thresholds, please refer to the [exclusion policy](#) available on the La Financière de l'Échiquier website.

3 ESG FILTER

This filter is used to assess the ESG performance of companies, focusing on the materiality of specific challenges. Fully in-house analysis is carried out, combined with a systematic interview with management on sustainability challenges. Particular emphasis is placed on governance analysis. Our ESG requirements enable us to select best-effort and best-in-universe companies.

6.0/10
Minimum ESG score, including:
62.5%
of the governance score

Integration of negative externalities in the ESG score

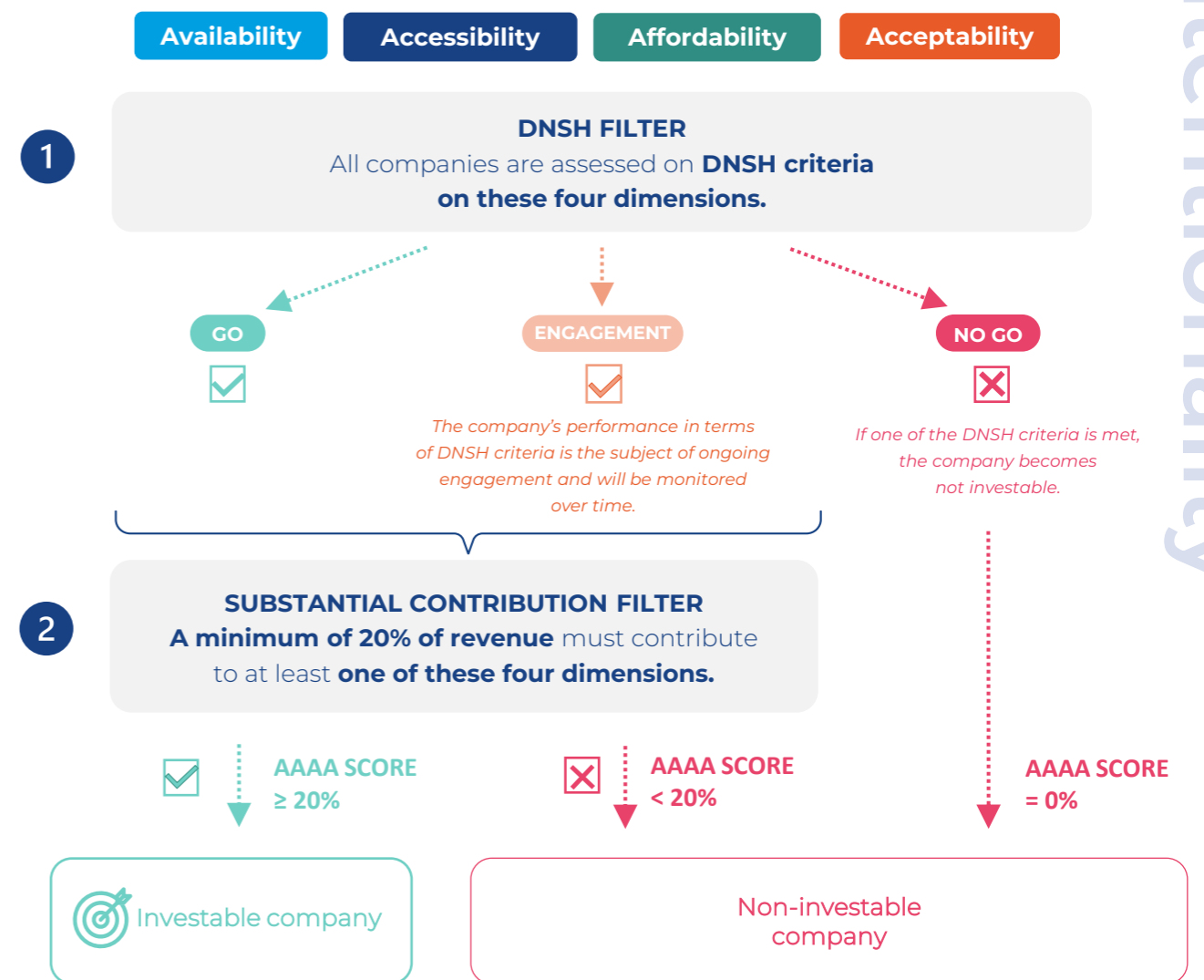
- PROCESS**
Case-by-case analysis of controversies* and focus on their materiality for the company under review.
- CONTROVERSY PENALTY**
Penalty of up to 2 points applied to the ESG rating (out of 10).
- COMMITMENT**
EHIFA is committed to achieving a higher weighted average ESG* Controversy Score than its benchmark.

* Source: MSCI ESG Research, with scores ranging from 0 to 10 (0 being the lowest).

4 IMPACT FILTER

Companies that have completed these three stages are analysed according to our **AAAA methodology**. To be eligible, a company must go through the following two filters:

- DNSH filter:** not contribute negatively, through its activities and practices, to any of the four challenges of access to healthcare. This approach is key to ensuring the **net positive impact** of our investments.
- SUBSTANTIAL CONTRIBUTION filter:** make a positive contribution, through its products and services, to at least one of the four dimensions of access to healthcare.



5 FUNDAMENTAL FINANCIAL ANALYSIS FILTER

- ◆ Meetings with management teams.
- ◆ Investment cases: valuation, strategic analysis and buying and selling objectives.

3 Governance for impact

Since the creation of our first impact fund, Echiquier Positive Impact Europe, in 2017, we have been committed to providing our impact funds with their own governance, capable of supporting this innovative listed impact investing project over time. This governance is essential to ensure the intentionality of our impact funds and the sustainable implementation of their strategy.

Continuous improvement in the quality of our impact funds' governance is one of our key concerns.

Increasing dedicated resources and mobilising teams to roll out the strategy.

Management Team

Composed of three managers and analysts combining sound financial and non-financial skills with a strong conviction on impact.

Responsible Investment Research Team

Comprising four people independent of the management team, it provides support for the management of impact funds. The team is responsible for proprietary methodologies and their implementation. They challenge the management team and proposes impact investing ideas. The team is involved in the selection of projects financed by the Primonial Group Foundation, thanks to its permanent seat on the Education Committee. It is also very active in numerous working groups on impact investing topics.

Board of Directors

Composed of five experienced professionals, the majority of whom are independent. Their complementary backgrounds provide the management team with in-depth expertise in the environmental and social impacts of investments. Their role is to advise and challenge the work of the RI management and research team.

In addition to the work of our Board, we benefit from an external perspective on our approach during our annual impact monitoring and reporting process. **Better Way**, a consultancy specialising in impact, has been working with us for four years. Its expertise constantly stimulates our vision of impact on listed markets.



In 2022

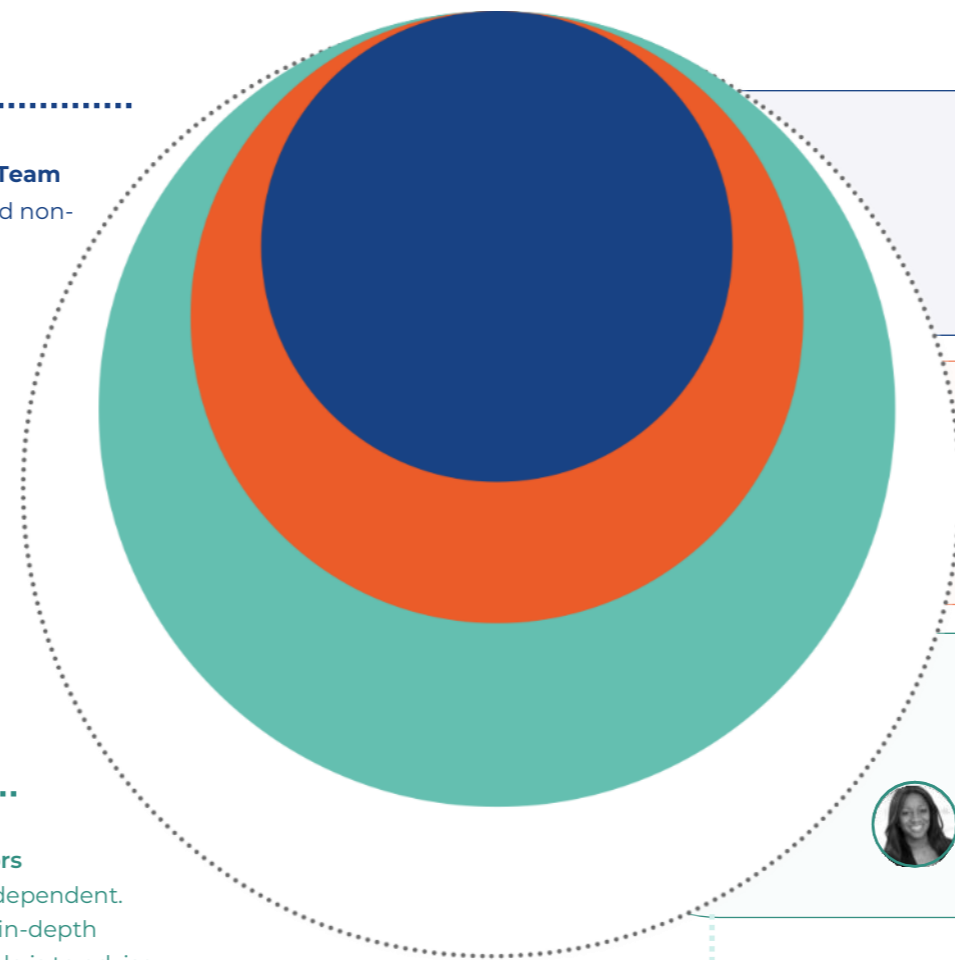
4 ECHIQUIER IMPACT SICAV MEETINGS

Strong commitment | 100% attendance at plenary sessions

- ◆ Monitoring of ex-ante impact indicators
- ◆ Challenge on the development of impact methodologies
- ◆ Discussions on the impact of several investments
- ◆ Discussions on sustainable finance regulations
- ◆ Support for the launch of a social impact fund on access to healthcare
- ◆ Discussions on the redistribution of a portion of management fees

In-house

External



Louis Porrini
Portfolio manager
8 years' experience
4 years @ LFDE



Emilie Deslogis
Financial analyst
8 years' experience
4 years @ LFDE



Antoine Fabre
SRI and financial analyst
3 years' experience
3 years @ LFDE



Coline Pavot
Head of RI Research
8 years' experience
5 years @ LFDE



Valentin Vigier
SRI analyst
6 years' experience
2 years @ LFDE



Antoine Fabre
SRI and financial analyst
3 years' experience
3 years @ LFDE



Fanny Herbaut
SRI analyst
2 years' experience
2 years @ LFDE



Thibault Couturier
Independent Director
○ Habitat et Humanisme, Finansol
△ CSR, SRI, Philanthropy
□ Private banking



Sophie L'Helias
Independent Director
△ Governance, CSR, Legal, Diversity, Climate, United Nations Global Compact



Faty Dembele
Independent director*
△ Impact investing, SRI
□ Private Equity, Asset Management



Bertrand Merveille
Non-independent director*
○ LFDE, AMF
△ Internal Control, Philanthropy
□ Asset Management



Antoine de Salins
Independent director*
△ Climate, Institutional Investors
□ Impact Investing
Financial sector

○ Organisations □ Sectors △ Areas of expertise

40%
women

80%
independent

* In accordance with best governance practices:

Faty Dembele has been considered independent since June 2020, five years after leaving her position as SRI analyst at LFDE.

Bertrand Merveille is considered non-independent due to his status as a director of LFDE.

Antoine de Salins is Executive Director of I Care, the consulting firm that supported LFDE's teams from 2019 to 2021, notably in the implementation of its climate and biodiversity strategy. Given the small amounts involved, the one-off nature of these services and after validation by our Compliance and Internal Control Officer, we have decided to maintain his independent status.

3 Governance for impact

For this impact-driven fund, we wanted to call on professionals from the healthcare sector. This is reflected in the creation of a **fully independent four-member committee of experts with complementary international backgrounds**. It met for the first time in November 2022. It provides the management team with specific knowledge of treatments, technologies, companies and trends in the sector. The committee members' appetite for impact enables them to take a critical look at investments made, methodologies and impact measurements in the light of the Fund's impact thesis. Discussions between the management team and the experts take place at committee meetings held at least twice a year. In addition, bilateral exchanges may also take place on a more informal basis.



Yvonne Mburu, Independent Expert, Kenya

- Nexakili, Presidential Council for Africa
- △ Immunology, Oncology, Healthcare Policy
- University Research, Consulting

#Affordability
#Accessibility



Damiano de Felice, Independent Expert, Italy

- CARB-X, Access To Medicine Foundation, SASB
- △ Antimicrobial Resistance, CSR, Human Rights
- NGO, Private Equity

#Availability
#Affordability



Dr Madeleine Cavet, Independent Expert, France

- Angels Santé, CTM Groupe, Mcavet Conseil
- △ Radiology, Telemedicine, Interoperability, Digital
- Hospitals, Consulting, Private Equity

#Acceptability
#Availability



Thomas Pellerin, Independent Expert, France

- IFC (International Finance Corporation)
- △ Impact Investing, Investment in Health
- Private Equity, Consulting

#Accessibility
#Acceptability

○ Organisations

□ Sectors

△ Areas of expertise

1 The number of committee meetings held in 2022. Initial discussions provided an opportunity for a detailed review of the stock-picking methodology, expectations and functioning of the committee. More specifically, the topics of overdiagnosis, interoperability and antimicrobial resistance were discussed.

4 Value sharing



EHIFA has a dual purpose: generate positive impacts through its investments, and share the value created in favour of positive-impact projects aligned with the Fund's impact thesis. Value is shared by **redistributing part of the management fees**.

Our choice, validated by the Board of Directors of the SICAV, went to **Les P'tits Doudous**, a nonprofit created in 2011 with the aim of improving the welcome and well-being of children undergoing surgery in hospitals. Founded at the Centre Hospitalier Universitaire (CHU) in Rennes, the nonprofit has since grown into a national organisation heading up a network of over 120 local chapters in CHUs, hospitals and clinics, mainly in France. Through its actions, it makes a particular contribution to the **acceptability** of access to healthcare.

The many plans and initiatives implemented by Les P'tits Doudous generate **positive impacts for many stakeholders**:

CHILDREN

Initially through the distribution of cuddly toys, then through the introduction of digital tools such as the game "Le Héros c'est toi!" or "Oculus GO", the positive impact of the nonprofit's work on the **acceptability of children's operations and hospital stays** is tangible: reduced anxiety, less premedication and fewer post-operative disorders.

The nonprofit also works with schools to promote prevention and explain the medical world.

80% reduction in premedication.*

PARENTS

The hospitalisation of a child can be a traumatic experience for parents. With that in mind, Les P'tits Doudous has developed "Keep Contact", a mobile app designed to **improve communication between parents and carers during the child's hospital stay**, especially those undergoing surgery.

36 parents have been able to benefit from this app.

CAREGIVERS

One of the nonprofit's other aims is to **improve working conditions for nursing staff**. Reducing stress among children significantly improves the working environment for caregivers. The involvement of volunteer carers in local nonprofits is also a source of pride and a factor of intrapreneurship within hospitals.

1,500 caregivers involved

ENVIRONMENT

Each local nonprofit's financing model is based on a highly innovative **circular economy approach**. Copper, stainless steel and aluminium from single-use electric scalpels and other metal waste from operating theatres are decontaminated and then **recycled**. This gives each local nonprofit the financial autonomy needed to develop its activities.

233 tonnes of metal recycled in 2022, generating €93,658 for local nonprofits.

EHIFA'S 2022 CONTRIBUTION >> EHIFA redistributed **€60,000** to national nonprofit Les P'tits Doudous in 2022. The aim of this donation is to support the development of the network of local nonprofits in Europe. It will also enable the nonprofit to design new tools to improve the lives of children, carers and parents in hospital.

* Source: Study by the Faculty of Medicine and the University of Psychology in Rennes. "Les P'tits Doudous" documentation.



A unique approach to healthcare investment

Echiquier Health Impact For All stands out from other health funds thanks to its impact approach, which...

... favours innovative small and medium-sized businesses over Big Pharma companies...

The Fund has elected to apply a company-size bias in favour of small and mid-caps, as this capital can play a decisive role in their development. This choice sets us apart from other specialised healthcare funds and benchmarks, which traditionally focus primarily on large pharmaceutical companies, which are less sensitive to long-term investments and whose models are more financial.

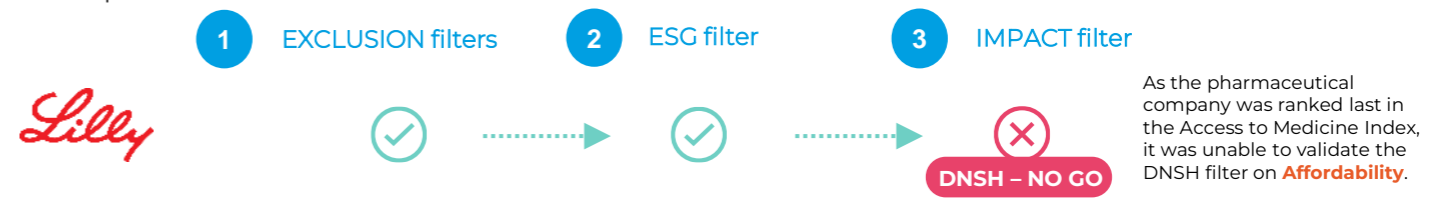
22.4% of the portfolio is composed of small and mid-cap companies* vs **2.9%** for the benchmark.

↳ **18.7%** are SMIDs/medium-sized company** vs **0.8%** for the benchmark. ↳ On average, small and medium-sized companies in the sector invest **19.1%** of their revenue in research, compared with **11.9%** for large companies***.

... promotes best practices in the industry...

We quickly realised that innovation could come at the expense of access to healthcare. In the course of our research on the DNSH criteria, we defined our doctrine on access to healthcare. We identified the best practices towards which we wanted to steer the sector, as well as those that could be detrimental to access to healthcare, which we wished to exclude.

Examples:



... and targets solutions to improve access to healthcare.

Companies in the healthcare sector have a considerable positive impact on our living conditions. However, when we launched EHIFA, we wanted to go beyond a simple sector-based approach. We wanted to create a fund that invests in companies whose products and services improve access to healthcare. Through research and consultation with experts, we defined a list of activities that contribute to this. This has led us to be particularly demanding in our choice of investments on the healthcare theme, and not to invest in companies that are not precisely aligned with our **impact thesis**. Examples:



* The capitalisation criterion used is less than €10 billion for small and mid-caps and more than €10 billion for large caps. ** Revenue < €1.5 billion and 5,000 employees / *** Data: Capital IQ

2 A committed investor alongside companies

Shareholder engagement has been central to our relationship with companies for many years. This engagement, which takes various forms, drives our dialogue with them. We are fully aware that we are not solely responsible for the progress made by the companies in which we invest. However, we do our utmost to provide them with the support they need and to play a decisive role in helping them achieve continuous improvement. Various opportunities for dialogue arise throughout the year on various aspects of sustainability, including impact.

Engagement in 2022

Annual General Meetings (AGMs)

We are committed to voting at 100% of AGMs. Particular attention is paid to environmental and social resolutions, with time for discussion before the AGM to clarify certain resolutions and after the AGM to inform companies of our opposition and help them to progress.

- ◆ 1 pre-AGM engagement
- ◆ 13.3% votes against

The transformation of Echiquier Health (the fund's former name) into the Echiquier Health Impact For All impact fund was completed in 2022. This explains the low number of pre-AGM engagements and the absence of post-AGM engagements during the year.



An example of a social resolution we could support:

At Moderna's 2022 AGM, NGO Oxfam tabled a resolution calling for the feasibility of technology transfer related to the COVID-19 vaccine to stimulate manufacturing in low and middle-income countries. EHIFA became a Moderna shareholder after this AGM, but we supported this resolution on behalf of our other shareholding funds.



ESG and Impact analysis

During our analysis, we engage in a systematic dialogue with the companies we invest in, sharing a number of specific areas for progress. These form our sustainability objectives, which we monitor on an ongoing basis. They may relate to:

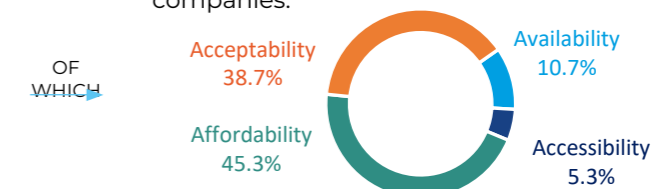
1 The environmental, social and governance dimensions identified in our ESG analysis.

167 areas of improvement transmitted to 30 companies:



2 Access to healthcare, as part of our impact analysis, in particular the DNSH filter.

75 areas of improvement transmitted to 26 companies:



As the Fund was only transformed into an impact fund in 2022, we will communicate the achievement on the areas for improvement transmitted from 2024 in the 2025 impact report, to give companies time to get moving.

Collaborative engagement

Joining forces with other investors on specific themes sends an even stronger signal to company directors.

In this first year, there were no collaborative engagements specific to the healthcare sector, but we did take part in **1 collaborative engagement campaign** on climate and biodiversity, targeting **10** portfolio companies, in order to increase their transparency on environmental challenges.

- ◆ The CDP Non-Disclosure Campaign

- Lead on engagement with > 4 companies
 Achieved > 0 companies
 Partially achieved > 0 company
 Not achieved > 4 companies

- Co-Lead on engagement > 6 companies
 Achieved > 1 company
 Not achieved > 5 companies

Other opportunities

We engage with companies on an ongoing basis and in a variety of ways throughout the year to help them take steps towards greater responsibility and impact.

- ◆ We continue our engagement with companies divested as a result of controversy.
- ◆ We organise an annual multi-stakeholder engagement seminar on climate and biodiversity, bringing together companies, investors and experts.
- ◆ For example, we respond to their requests when they wish to draw up their materiality matrix.

2 A committed investor alongside companies

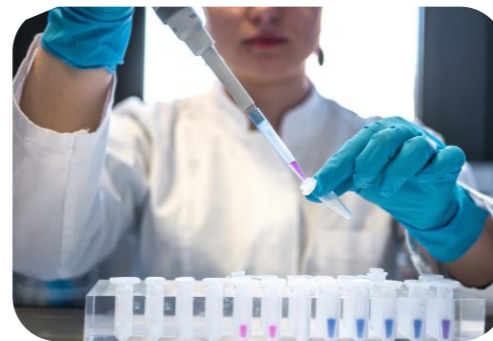


BioMérieux is a French company specialising in in vitro diagnostics. It derives 85% of its revenue from equipment and reagents used in infectious disease diagnostics. We have had many interactions with the company in recent years, and they have been intensified by our approach to analysing the impact on access to healthcare.

ESG and Impact analysis

A meeting dedicated to **ESG challenges** and impact took place in April 2022. Following our discussions, five areas for improvement were shared with the company:

- E** Improve the CDP rating on the Climate Change pillar.
- S** Publish the results of employee satisfaction surveys.
- G** Appoint more directors with international profiles (US and Asia).



- Impact** **Affordability** Show greater transparency on product price trends.
- Impact** **Accessibility** Demonstrate greater transparency on patient data storage.

Stakeholder Committee

After our rich exchanges on non-financial topics, we were invited to join BioMérieux's Stakeholder Committee as shareholder stakeholder representatives. In October 2022, we took part in a **day dedicated to eco-design**.

We came away from it with a very positive view of the company's commitment to this cross-functional challenge. For a long time, the healthcare sector confined itself to its intrinsic public health mission, investing little on other ESG challenges, particularly on the environmental dimension.

Aware of this pitfall, BioMérieux several years ago decided to take action to reduce its environmental impact. The group's ambition is to implement an eco-design approach for 100% of its products. This approach, which will have a profound impact on all of the company's businesses, has necessitated the creation of a dedicated governance structure. It will enable the group to reduce the impact of its products, from design to transport, use and end-of-life.

3 A patient investor

As an impact investor, EHIFA aims to be a patient shareholder by **acquiring long-term stakes in companies**. It is important for us to offer a degree of capital stability to the companies in which we invest, enabling them to implement their sustainability strategy with greater peace of mind, taking initiatives and decisions with a view to the long term. Long-term holdings give us the opportunity to support them in their development, for example by supporting various capital-intensive operations, and to establish a relationship of trust with the management teams, an important condition for constructive shareholder dialogue over the long term, particularly on issues of access to healthcare.

47.1% of the **portfolio was renewed** in 2022.*

This particularly high figure is attributable to the requirement of our impact methodology implemented in 2022. Over the period, we divested **12** companies, mainly for impact reasons, in order to obtain our target impact portfolio.

Impact investing does not mean passive investing. The management team may decide to divest a company for financial reasons, but also in the event of controversy or insufficient impact.

A look back at the divestments that marked 2022:

◆ Refocus on companies that help improve access to healthcare

The transformation of Echiquier Health (the fund's former name) into the Echiquier Health Impact For All impact fund and the implementation of a new stock-picking methodology have resulted in significant changes within the portfolio. As such, several stocks whose contribution to the fund's impact thesis was deemed insufficient were divested. Examples include **GN Store Nord** and **Virbac**.

◆ Controversy and divestment

Despite an enduringly attractive financial case, we divested British pharmaceutical company **GlaxoSmithKline** (GSK) following the controversy surrounding the recall of Zantac, a drug marketed for 30 years to treat heartburn. GSK is recognised as a top performer in the field of access to healthcare among pharmaceutical companies, as evidenced by its top ranking in the Access To Medicine Index since 2008 and announcements of €1 billion in R&D investment over 10 years in infectious diseases, which disproportionately affect low and middle-income countries. But despite this commitment, the 2019 Zantac recall had significant consequences in the United States, with over 3,000 individual compensation proceedings and several class action suits underway. New evidence presented in 2022 could establish a link between high concentrations of NDMA, the chemical compound present in Zantac, and cancer. We therefore decided to divest, as this raised questions on the Acceptability pillar of our methodology.

* Calculation formula = (number of companies entering the portfolio in 2022 + number of companies exiting in 2022)/(2*average number of companies in the portfolio in 2022)
Source: LFDE – Data at 31/12/2022

4 Impact and Healthcare: active participation on these issues

LFDE's pioneering approach often prompts us to explore new and less mature investment themes. This is the case for impact investing, which we have been supporting since 2017, and also for access to healthcare. The rollout of impact investing must fit into a demanding framework that will allow these investments to develop with full credibility. It will thus encourage the redirection of financial flows towards companies that have a positive impact on society. Our teams are actively involved in contributing to market discussions, and participate in working groups, to promote best practice in listed impact investing. Through our work, we also aim to promote investment on social impact themes, which are often under-represented in the market.

In 2022, we participated in 12 working groups, including:

Access to Medicine Foundation

LFDE has been a signatory of the Access to Medicine Foundation since 2019. This initiative aims to advance pharmaceutical companies' practices in favour of access to healthcare in low- and middle-income countries. Within this framework, we took part in a collaborative engagement with GSK in 2022.

A common definition of impact by the Institut de la Finance Durable

Since 2020, as part of the Institut de la Finance Durable's work on impact finance, we have contributed to discussions within several sub-groups. In 2022, we were active in the sub-groups dealing with the impact charter and the formulation of proposals for an "impact" version of the French government's SRI label.

Education and external outreach

We have a role to play in raising our clients' awareness of impact investing. To that end, we have developed an educational approach based on transparency.



SRI & Climate School by LFDE

These two programmes are designed to raise our clients' awareness of responsible finance and the climate.

- > More than 300 people were trained at the SRI School in 2022, bringing the total to more than 2,067 since its creation in 2019!
- > 124 people have been trained at the Climate School created in 2022.



Sharing methodologies on our website

The creation of EHIFA necessitated in-depth research into issues relating to access to healthcare: animal testing, stem cells, patient data management, etc. The results of this work are summarised in our [Manifest](#), available on our website for anyone wishing to delve deeper into the subject.



Media coverage

Several events dedicated to impact organised in Europe, notably the launch of Echiquier Health Impact for All, generated coverage in major media such as PaperJam in Luxembourg and Agefi.



Overview of the portfolio's contribution to access to healthcare

Impact assessment can be carried out at portfolio level, for each company, or by challenge. This step is essential, because accountability to end investors is of paramount importance for an impact investor.

DNSH filter

AAAA score – Access to healthcare

Substantial Contribution filter

1

Portfolio performance – DNSH

Across the portfolio, **72.9%** of DNSH criteria achieved the **GO** level and **27.1%** the **ENGAGEMENT** level.



Novo Nordisk

is the portfolio company that validated the most DNSH criteria at the **GO** level: **94.1% on 17 criteria**



Lonza

is the portfolio company that validated the fewest DNSH criteria at the **GO** level: **33.3% on 9 criteria**

The three main criteria on which the 26 portfolio companies must improve are:

- 1 Responsible tax practices**
17 still lack transparency in regard to their tax practices.
- 2 Data sovereignty**
10 house their healthcare data in non-sovereign hosting services.
- 3 Fair pricing strategy**
8 have no differentiated pricing policy and/or few patent filings in low- and middle-income countries.



Focus on the improvement trajectory for data sovereignty practices:

ENGAGEMENT

- Companies store their data with non-sovereign and often cloud-based hosts, or sometimes fail to disclose precisely where they are located.

...

- Awareness of the subject, Analysis of the sovereignty of data hosts, Analysis of possible alternatives for improving data sovereignty.

GO

- Companies can choose to host their data on a sovereign basis or on their own premises.



2

Portfolio performance – SUBSTANTIAL CONTRIBUTION

If Echiquier Health Impact For All were a company, **70.8%** of its revenue would contribute positively to the four dimensions of access to healthcare:



This percentage is the average proportion of the revenue of portfolio companies that does not contribute to one of the four access to healthcare challenges.
NB: all portfolio companies have at least 20% of their revenue contributing to at least one of the four dimensions of access to healthcare.

Methodology: For a company that contributes to several dimensions of access to healthcare, the share of revenue generated is multiplied by its weight in the portfolio. The contributions are then aggregated by dimension.

Key figures:

- 9** companies have over 90% of their revenue contributing to access to healthcare, i.e. **34.6%** of the portfolio.
- 4** companies have less than 30% of their revenue contributing to access to healthcare, i.e. **15.4%** of the portfolio.
- 50%** of portfolio companies have at least **84.0%** of their revenue contributing to one of the 4 dimensions of access to healthcare.

measurability

measurability

2 Climate commitments

To respond to the climate emergency and biodiversity loss, LFDE devised an ambitious and pragmatic [strategy](#) in 2021, in partnership with I Care. It sets the course for transforming our responsible investment approach to align it with a low-carbon economy. Faced with the climate emergency that is coming into sharper focus every year, LFDE is committed to making climate challenges central to its corporate approach and its investments. The commitments set out in our Climate and Biodiversity strategy cover all aspects of our activities, to ensure a comprehensive and coherent approach to meeting the climate challenge. They are broken down into four pillars:



For Echiquier Health Impact for All

	Weighted average carbon intensity (in teqCO ₂ /€m)	Weighted average intensity of emissions savings (in teqCO ₂ /€m)	% with a climate roadmap validated or in the process of being validated by the SBTi.*	Climate trajectory
Portfolio	11.7 ★	0.0	50.6%	2.7°C
Benchmark	51.0	0.3 ★	70.2% ★	2.6°C ★

Source: Carbon4 Finance – Data at 31/12/2022 with a coverage rate of between 92% and 99% – See methodology in Appendix 5.

★ = best performance

* "Near Term" climate roadmap validated, "Targets Sets" or "Committed".



Carbon intensity

EHIFA is committed to having a weighted average carbon intensity according to the WACI (Weighted Average Carbon Intensity) method below that of its benchmark.

3 Impact and remuneration

We have included **ex-ante impact objectives in the variable remuneration policy for the portfolio managers of our impact funds**. These targets will be measured over a three-year period. The aim of this approach is to reinforce intentionality and align our interests with those of our clients, based on the Fund's impact thesis. The **two impact objectives are equally weighted**.

The portion concerned is indexed to the ex-ante impact objectives and operates on a **progressive and linear basis, with a minimum threshold** from which the manager becomes entitled to part of the variable remuneration.

For example, if the AAAA score increases by 5 to 6 points, the employee will receive half of the amount linked to that objective. Below that, there is no entitlement.

Over three years (2023/25) the objectives are:

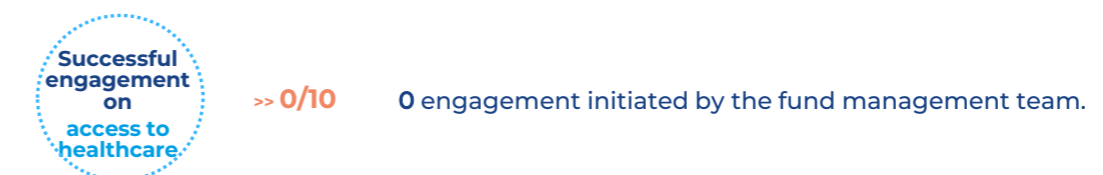


The aim of this approach is to encourage managers to improve the contribution score of the companies in their portfolios, by getting them to align their practices with their commitment in terms of access to healthcare. Each year, our progress towards these objectives will be communicated in this impact report. As the measurement of these objectives was initiated on 31/12/2022, this year's report will be the **starting point for this follow-up**.

1 Starting point of the EHIFA AAAA Score at 31/12/2022



2 EHIFA's commitments start on 31/12/2022



A successful engagement case must enable the company to make progress on one of the four dimensions of access to healthcare. LFDE's contribution to the success of the engagement must be demonstrated, notably through the transcription of exchanges between the company and the team, as well as their recurrence. The achievement of this objective will be analysed and monitored by the SICAV's Board of Directors and LFDE's RI Research team.

Impact of investee companies

We have decided to illustrate the impact of the investee companies through a series of focuses presenting each of the four dimensions of access addressed by the EHIFA portfolio, namely Availability, Accessibility, Affordability and Acceptability.

They aim to highlight the contribution of portfolio companies at 31/12/2022 to the dimensions of access to healthcare, reflected in the contribution and DNSH scores.

Each focus has two parts. The first assesses the positive contribution of portfolio companies to access to healthcare, using aggregate impact indicators. The second looks at the specific case of a company and illustrates its contributions to the specific challenge to which it contributes most.

The information presented is taken from the latest company publications or from analysis and dialogue between LFDE's teams and the companies concerned. Unless otherwise indicated, the percentages shown are weighted by the weight of each company in the portfolio or within each dimension of access to healthcare. The data used refer to the 2022 financial year, unless otherwise stated. The data may vary over time.

ESG ratings and AAAA scores are the latest available, bearing in mind that analyses are updated every two years. Given the periodicity of the analyses, the oldest underlying data relate to the 2020 financial year.

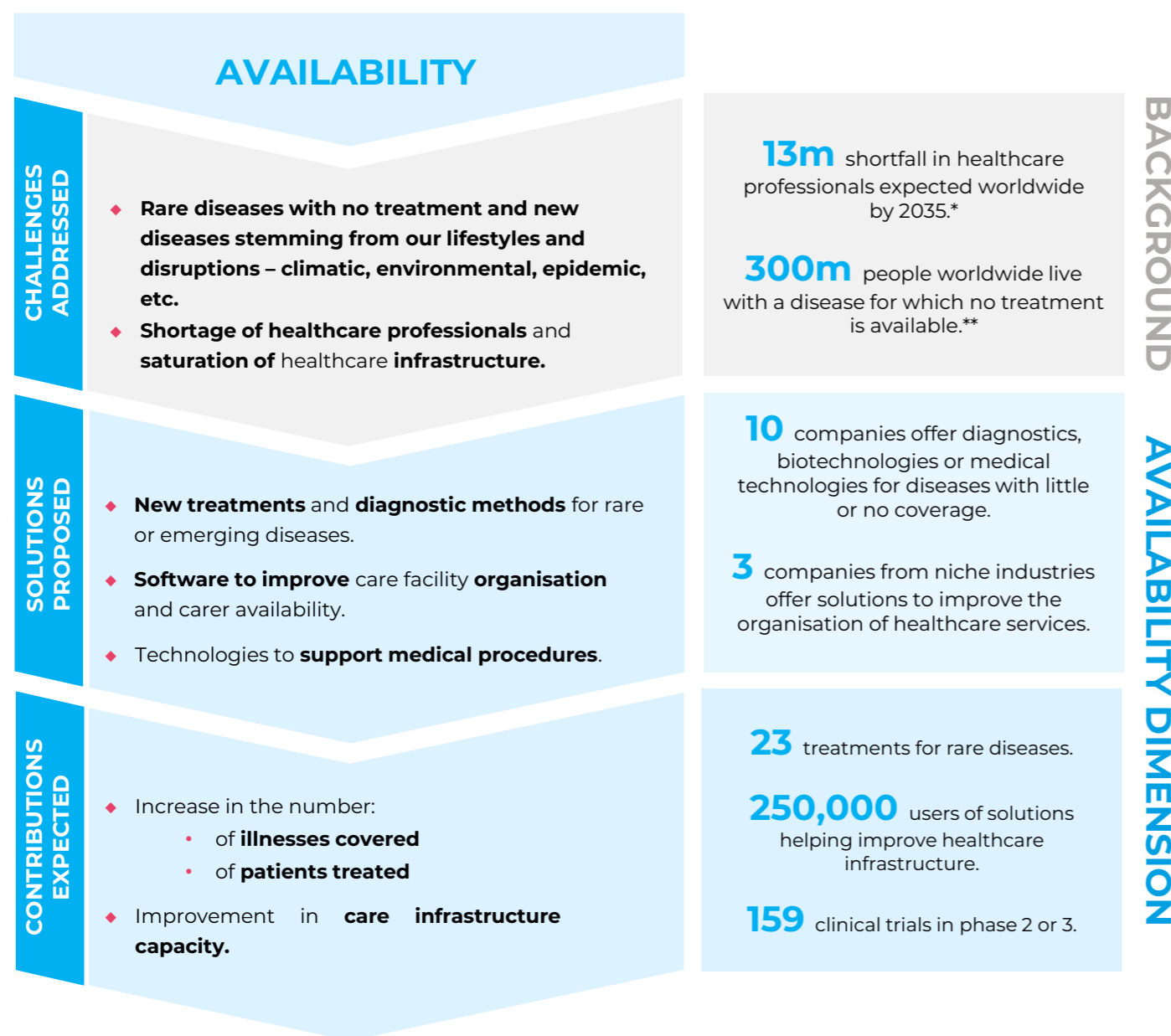
Investors should note that their investment in the sub-fund does not generate a direct impact on the environment or society, but that the sub-fund seeks to select and invest in companies that meet the specific criteria set out in the management strategy.

Availability dimension

To address this challenge, the portfolio focuses part of its investments on companies offering solutions that contribute to improving the availability of caregivers, healthcare infrastructure, diagnostics and treatments for rare or poorly covered diseases.

→ **13** portfolio companies contribute to the **Availability** dimension.

For each challenge, we have formalised our theory of change,



Sources:
* WHO, 2020
** European Journal of Human Genetics, 2019

Focus A flagship company in the Availability dimension

Overview

nexus/ag



Niche industry
Digitalisation & healthcare software

Nexus AG is one of Europe's leading healthcare software companies. Based in Germany, it develops software for hospitals, rehabilitation facilities and retirement homes, used worldwide.

Impact in 2022:

> 250,000 users of Nexus AG software solutions worldwide.

40% of prenatal diagnostic tests carried out worldwide.

DNSH –

80% of criteria evaluated as "GO"

20% of criteria evaluated as "ENGAGEMENT"

Examples of criteria validated at GO level

Acceptability – Data sovereign: The company has decided to close its decentralised data centres and bring them in-house at its head office, thereby helping improve patient data security.

Acceptability – Interoperability: Nexus AG software is compatible with various databases, enabling medical data to be shared between healthcare facilities.

Examples of criteria validated at the "ENGAGEMENT" level

Affordability – Transparent tax practices: The company does not communicate with sufficient transparency on its tax practices. We have therefore engage with Nexus to communicate more metrics on the subject, ideally in a dedicated report.

Availability – Training of healthcare personnel: Little information is available on this subject. We have asked the company to be more transparent about the means used to train healthcare personnel in its solutions.

Substantial contribution – 87/100

Availability contribution score
87/100

Other contributions
0/100

With its software, Nexus AG contributes to improving the availability of healthcare solutions in two ways:

- Optimisation of caregivers availability** thanks to software that enables better organisation of healthcare facilities (≈ **61% of revenue**).
- Improved diagnostic availability** via diagnostic software enabling comparison with databases including obstetric information on malformations, endoscopies or cancers (≈ **26% of revenue**).

Under our methodology, we do not include contributions to other access to healthcare challenges.

Accessibility dimension

To address this challenge, the portfolio focuses part of its investments on companies offering solutions that contribute to improving the geographical coverage of healthcare and patient autonomy in their treatment.

4 portfolio companies contribute to the **Accessibility** dimension.

For each challenge, we have formalised our theory of change,



BACKGROUND

ACCESSIBILITY DIMENSION



Focus

A flagship company in the Accessibility bucket

Overview



novo nordisk®



Biotechnologies
Chronic diseases

Novo Nordisk is a Danish pharmaceutical company and a leader in the treatment of chronic diseases, in particular type 1 and type 2 diabetes, but also obesity and haemophilia.

Impact in 2022:

36.3m patients treated with their diabetes products worldwide.

5.5m patients treated thanks to access and affordability initiatives.

76 countries covered by the \$3 price cap per vial of insulin.

DNSH –

94% of criteria evaluated as "GO".

6% of criteria evaluated as "ENGAGEMENT"

Examples of criteria validated at GO level

Affordability – Responsible tax practices: The company demonstrates a high level of tax transparency, with country-by-country reporting of the amount of tax paid in relation to its production and sales.

Availability – Pooling R&D within the medical ecosystem: The company has several partnerships with universities and other schools to work on ambitious R&D projects.

Examples of criteria validated as "ENGAGEMENT"

Acceptability – Transparency on data sovereignty: The company does not provide information on the geographical location of hosts of its sensitive data. We have asked the company to be more transparent on this matter.

Substantial contribution – 98.5/100

Accessibility contribution score: **74.0/100**

Other contributions **24.5/100**

Novo Nordisk makes a major contribution (74% of revenue) to improving patient access to treatments for chronic diseases in a number of ways:

- Developing patient autonomy with less intrusive self-medication solutions.
- Improving geographical availability of treatments through healthcare solutions that can be stored for several weeks without refrigeration.

- Availability – 18.5% of revenue also contribute to improving process availability, as in the case of *Wegovy* and *Saxenda*.

- Acceptability – 6% of revenue, notably via oral treatments such as *Rybelsus* and *NovoNorm*.

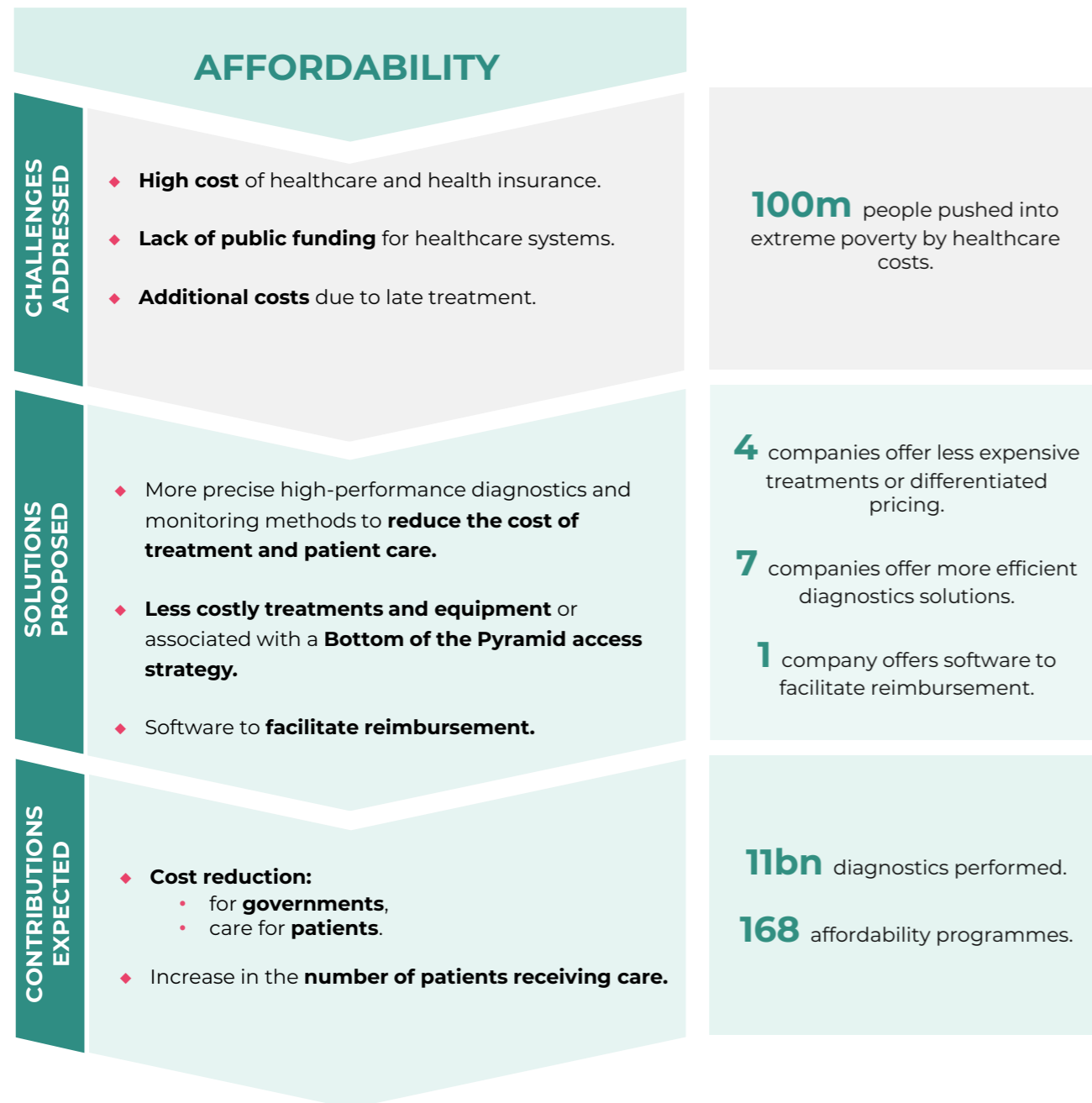
* Source: 2020 Global maps of travel time to healthcare facilities D. J. Weiss, A. Nelson, [...] P. W. Gething
** We will be working with our investee companies to make this indicator more transparent.

Affordability dimension

To address this challenge, the portfolio focuses part of its investments on companies offering solutions that help improve the financial capacity of patients to access quality medical services, and that of national healthcare systems.

→ **12** portfolio companies contribute to the **Affordability** dimension.

For each challenge, we have formalised our theory of change,



BACKGROUND

AFFORDABILITY DIMENSION



Focus

A flagship company in the Affordability bucket

Overview



Diagnostics
Infectious diseases

BioMérieux is a French company that develops, produces and markets in vitro diagnostic systems for infectious diseases (HIV, tuberculosis, respiratory infections, etc.).

Impact in 2022:

5.5 hours on average to provide usable results for Gram-negative bacterial infections.

Over **160 countries** served by BioMérieux subsidiaries and its network of distributors.

Over **80%** of antibiotics approved for use in human medicine in antibiotic susceptibility testing solutions.

DNSH –

85% of criteria evaluated as "GO"

⊕ Examples of criteria validated at GO level

Accessibility – Skills transfer: Training healthcare personnel in the countries where our diagnostic solutions are marketed is an integral part of the corporate strategy.

Affordability – Access facilitated in all countries in need: The company has partnered with the Africa Medical Suppliers Platform (AMSP) to facilitate access to diagnostic solutions dedicated to the fight against the COVID-19 pandemic, in response to supply shortages in Africa.

15% of criteria evaluated as "ENGAGEMENT"

⚠ Examples of criteria validated at the "ENGAGEMENT" level

Affordability – Transparent pricing and price increase practices: The company has no specific policy for ensuring fair pricing and price increases in different local contexts. We would therefore like to engage the company on this issue, with a view to encouraging progress.

Substantial contribution – 85/100

Affordability contribution score:
85/100

BioMérieux contributes **85% of its revenue** to financial accessibility through:

- **Savings generated by its solutions:** Diagnostics help reduce over-prescription of treatments, and shorten patient treatment and hospitalisation times.
- **Rapid and effective diagnostics:** 45 minutes for a PCR test to combat COVID-19, or the marketing of diagnostics enabling treatment to be administered shortly after the patient is admitted.

Other contributions
0/100

Under our methodology, we do not include contributions to other healthcare access challenges.

Acceptability dimension

To address this challenge, the portfolio focuses part of its investments on companies offering solutions that help improve patient confidence in the healthcare system, through less invasive or less burdensome treatments.

→ **12** portfolio companies contribute to the **Acceptability** dimension.

For each challenge, we have formalised our theory of change,



BACKGROUND

ACCEPTABILITY DIMENSION



Focus

A flagship company in the Acceptability dimension

Overview

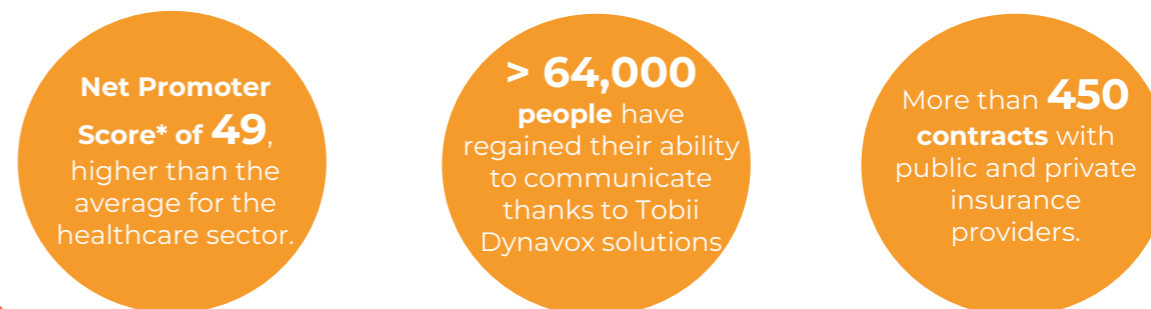
tobii dynavox



Assistive technologies
Communication & education

Tobii Dynavox develops and markets assistive communication technologies for people with disabilities, such as eye-movement controlled solutions, touch screens, as well as communication and special education software solutions.

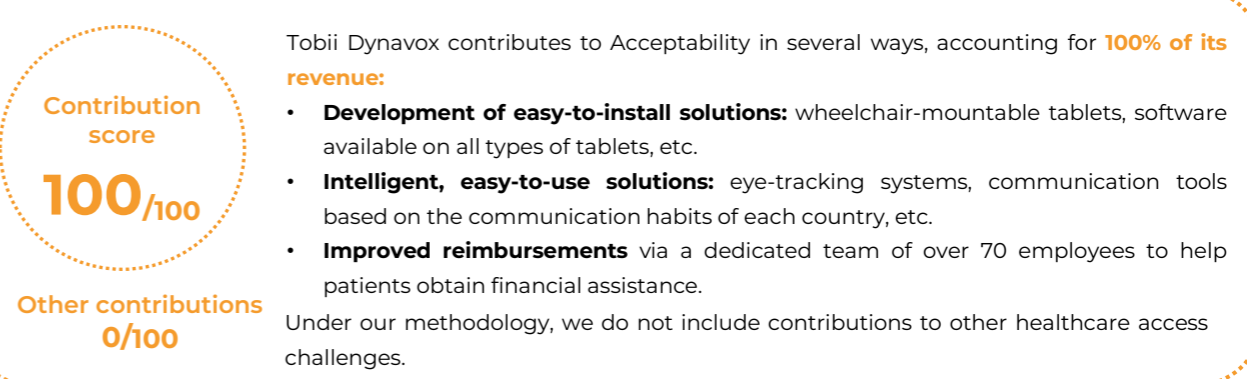
Impact in 2022:



DNSH –



Substantial contribution – 100/100



Source: 2022 Edelman Trust Barometer.

* Net Promoter Score (NPS) measures customer satisfaction. It submits a simple survey to customers, then incorporates the responses obtained into a formula capable of generating a single figure for benchmarking purposes. The average for the healthcare sector is 38. The scale ranges from -100 to +100.

Appendices

Appendix 1 – The Fund's progress approach

Our approach as an impact investor is intended to be sincere and pragmatic, with continuous improvements in order to keep pace with developments in the impact framework and improve its quality from year to year. We therefore aim to be transparent about the work we are undertaking for 2023, with the goal of enhancing the intentionality, additionality and measurability of the Fund and in turn strengthening the robustness of the impact approach.

To that end, we have identified four issues that will form the basis of our work in 2023:

Proprietary AAAA methodology

Our **proprietary methodology** for analysing companies' contribution to improving access to healthcare was developed at the end of 2021. Given the rapid change of practices in the healthcare sector, our analysis framework is evolving. This determination for continuous improvement, to take into account all the new challenges of access to healthcare in our DNSH filter, has led us to **adjust our methodologies**.

Working groups

We are **mobilising to contribute to discussions and work in working groups** to promote best practice in listed impact investing. Through this mutual sharing, we **aim to gradually implement cutting-edge practices that emerge** in our own approach. This is particularly true of the lessons learned from the GIIN and Institut de la Finance Durable working groups.

Remuneration & Engagement

Of the two ex-ante impact indicators selected, one relates to the success of 10 impact engagements. The characteristics of "success" have been defined in advance. To be eligible:

- The engagement must enable the company to make progress on one of the dimensions of the AAAA score.
- LFDE's contribution must be demonstrated, notably through the transcription of exchanges between the company and the management team, as well as their recurrence.

Despite this, there is still a significant amount open to interpretation. For this reason, **follow-up work** will take place in 2023 with the support of the Board of Directors of the Echiquier SICAV to analyse the engagement themes, identify the progress of the actions undertaken and their potential success.

Institut de la Finance Durable

In 2021, the Institut de la Finance launched several working groups with impact investing stakeholders, which resulted in the publication of various deliverables, including an impact charter and an evaluation grid for a fund's potential contribution to sustainable transformation.

Having contributed to its work, we wish to **demonstrate our transparency** by publishing on our website the details of our response to this grid as well as the outcomes obtained for each of our impact funds. As work is still in progress to finalise the "listed equities" version of this grid, we will endeavour to implement the necessary actions to obtain the minimum score required. In particular, this will be an opportunity to identify practices where we can make further progress.

Ethical challenges

Ethical issues abound in the healthcare sector. Therefore, analysing companies, using our proprietary methodological framework, we are regularly led to question ourselves on these topics. We would like to go further on these ethical challenges, for example, by systematising exchanges with experts in the field (Haute Autorité de Santé, for example), in order to better integrate this dimension into our selection of companies.

* Source: Institut de la Finance Durable

In 2019, the European Parliament adopted the Sustainable Finance Disclosure Regulation (SFDR), framing sustainability disclosures in the financial services sector.

Under the SFDR, funds with a **sustainable investment objective** that aim to have a positive measurable impact on the environment and society can be classified as “**Article 9**”. They differ from “Article 8” funds, which simply promote environmental and social characteristics.

Why have we classified EHIFA as “Article 9”?

The Fund meets the three conditions required by the SFDR

Contribute to an environmental or social objective

✔ **Social objective** > EHIFA aims to contribute to **improving access to healthcare** by supporting listed companies worldwide that make a significant contribution to at least one of the four dimensions of access to healthcare. **100% of companies** are subject to a proprietary impact filter to ensure that they contribute to the Fund's impact thesis.* (p.8 and 11)

✔ **Alignment with the impact thesis** > **Ex-ante impact indicators** supporting the impact thesis linked to additional **variable remuneration for fund managers** have been defined. (p.27)

✔ **Measuring the achievement of objectives** > We annually measure the achievement of the **ex-ante impact indicators** included in the remuneration policy for fund managers. EHIFA is also committed to **outperforming its benchmark on two indicators, including carbon intensity**. (p.26 and 27)

Do no significant environmental or social harm

The choice of each portfolio company is based on three complementary filters and the consideration of the principle adverse impacts (PAI) ensuring that our investments do not cause such harm:

✔ **Exclusions** > A rigorous **policy of sector and normative exclusions** reduces the Fund's exposure to social and environmental damage (p.10)

✔ **ESG analysis** > Systematic analysis of each company enables us to invest only in companies **that manage their environmental and social impacts effectively**. This analysis takes into account the main negative impacts (p.11)

✔ **Impact analysis** > EHIFA's impact score includes a DNSH filter to ensure that companies do not contribute negatively to one or more of the challenges on which they are likely to have a positive impact. It also includes a filter for substantial contribution to at least one of the four dimensions of access to healthcare. (p.8 and 11)

✔ **Principle Adverse Impacts (PAI)** > EHIFA, through the various aspects of its responsible investment approach, takes into account the PAIs of its investments on sustainability factors, through **14 mandatory indicators and 2 additional ones**.

Demonstrate good governance practices

Governance is central to of our analysis:

✔ **Good Governance Practices** > A minimum ESG rating of 6.0/10 (62% of which is based on governance) is necessary to be part of the EHIFA portfolio, to ensure good corporate governance practices (sound management structures, remuneration, etc.). (p.10)

✔ **Governance and Controversies** > Particular attention is paid to the analysis of controversies, which often stem from poor governance. EHIFA is committed to achieving **a better ESG Controversies score than its benchmark**. The ESG Controversies score measures the severity of a company's controversies. (p.10 and 11)

✔ **Sustainable Investment > 100% of investments**** are made in assets considered to be sustainable investments, as defined by the SFDR.

To find out more, please consult [the pre-contractual appendix](#) and the [sustainability information publication](#) (recommended by Article 10 of the SFDR) of the Fund.

* Supporting international companies offering innovative solutions to improve access to healthcare.
 ** Excluding money market and mutual funds.

In 2021, the Institut de la Finance Durable (formerly Finance for Tomorrow) launched several working groups with impact investing players in the Paris financial centre. They have led to the publication of an impact charter and an **evaluation grid for assessing a fund's potential contribution to sustainable transformation**.

These complementary tools aim to encourage the development of a demanding and transparent impact finance sector and to harmonise market practices in this area.

How and why does EHIFA fit into the framework proposed by the Institut de la Finance Durable?

The Fund complies with the 10 principles of the [Impact Charter](#) and undertakes to use the [evaluation grid](#) to guide it in its impact approach.

Here's how EHIFA complies with the 10 principles of the Charter:

Intentionality

✔ **Principle 1** > Intentionality is applied to all investments in the portfolio, as the proprietary Impact Score methodology is applied to 100% of the portfolio. (p.8 and 11)

✔ **Principles 2 and 3** > Two ex-ante impact objectives have been defined. They will be assessed over a three-year period. Our impact doctrine and methodologies set out the level of action (products and services or conduct of operations) for each impact objective. (p.27)

✔ **Principle 4** > Negative externalities are taken into account throughout the investment process, whether through the exclusion policy, ESG analysis, a “net” impact score or the controversy-related penalty. (p.8-11)

Additionality

✔ **Principles 5 and 6** > The Fund's additionality approach is based on several pillars: a singular focus on impact, with an emphasis on small and medium-sized innovative companies, long-term holding of securities in the portfolio and close involvement with the investee companies. The resources implemented to maximise the positive impacts and minimise the negative externalities are described annually in the Fund's impact report. (p.17-22)

Measurability

✔ **Principles 7 and 8** > Impact assessment is carried out at portfolio level, by challenge and for each company. Indicator coverage rates are systematically disclosed. (p.24-25 and 30-35)

✔ **Principle 9** > An impact report is published annually for the Fund. This report is co-constructed with independent experts from Better Way, who provide a critical view of the methodologies and content, and verify the figures in order to assess the accuracy of the information provided in it. This verification work covers between 20% and 50% of the consolidated data. (p.48)

Alignment of interests

✔ **Principle 10** > We included ex-ante impact targets in the variable remuneration policy for the managers of our impact funds in 2021. These targets will be measured over a three-year period. The associated amount represents a maximum of 20% of the fund managers' variable remuneration. This threshold is below the required 25%, but is not discriminatory since the Fund was created before January 2023. However, we are looking into this matter, which has been identified as an area for improvement. (p.27)

Assessment grid for a fund's potential contribution to sustainable transformation

As an investor signatory to the Charter, in addition to complying with its 10 principles, for our impact funds falling within the charter's scope of application, we undertake to:

- Answer the qualifying questions on the grid to the required standard
- Obtain an overall score of at least 70/100.

➔ In the specific case of EHIFA, we are committed to publishing the score obtained on the impact contribution potential evaluation grid within the next two years. Funds that have been launched for less than two years are asked to wait before publishing their first evaluation in order to have more information on its generated impact.



Diagnostics



Assistive technologies



Niche technologies

	Country	Weighting in portfolio*	ESG score	Contribution score	Contribution score details	DNSH details	Overview of the business	Company contribution to access to healthcare	Year of entry	
Diagnostics	BIOMERIEUX		4.4%	7.1	85.0%	Availability 0%; Accessibility 0%; Affordability 85% ; Acceptability 0%.	GO: 84.6% COMMITMENT: 15.4% NO GO: 0%	Company specialising in in-vitro diagnostics for infectious diseases.	BioMérieux's effective diagnostics help avoid major costs for healthcare systems. They also help combat antimicrobial resistance.	2020
	CARL ZEISS MEDITEC		3.1%	6.2	74.0%	Availability 3% ; Accessibility 0%; Affordability 71% ; Acceptability 0%.	GO: 72.7% COMMITMENT: 27.3% NO GO: 0%	Company specialising in diagnostic solutions and treatment for ophthalmic diseases.	The company's ophthalmic diagnostics products enable simple, reliable diagnosis, saving healthcare systems considerable costs. The company also markets a number of software products for centralising patient data, thereby improving the availability of care providers.	2019
	CELLAVISION		0.7%	6.4	100.0%	Availability 10% ; Accessibility 0%; Affordability 90% ; Acceptability 0%.	GO: 80% COMMITMENT: 20% NO GO: 0%	MedTech company producing automated haematological diagnostics technologies.	Digital microscopes produce high-quality images and reduce the risk of diagnostic error. Cellavision also markets digitisation software that enables results from different laboratories to be pooled, and ultimately improves availability for carers.	2022
	DIASORIN		4.4%	6.0	93.0%	Availability 0%; Accessibility 0%; Affordability 93% ; Acceptability 0%.	GO: 80% 20% COMMITMENT NO GO: 0%	Leader in laboratory diagnostics, specialised in the immunodiagnostics and molecular diagnostics segments.	In-vitro diagnostics sold by Diasorin reduce costs for society and healthcare systems. The company is also expanding its range of diagnostic platforms, from point-of-care to multiplex.	2019
Assistive technologies	COLOPLAST		4.5%	7.7	87.0%	Availability 0%; Accessibility 0%; Affordability 0% ; Acceptability 87% .	GO: 90.9% COMMITMENT: 9.1% NO GO: 0%	Market leader in ostomy, wound care and urology.	The products sold by Coloplast help improve patient autonomy, and certain products enable early discharge from healthcare facilities, as well as greater patient acceptance.	2021
	ESSILORLUXOTTICA		4.0%	6.1	35.0%	Availability 0%; Accessibility 0%; Affordability 0% ; Acceptability 35% .	GO: 80% COMMITMENT: 20% NO GO: 0%	World leader in the design, production and marketing of ophthalmic lenses, optical equipment, prescription glasses and sunglasses.	The optical lenses sold by the company correct myopia, hyperopia, astigmatism and presbyopia. The company has implemented extensive access policies in low-income countries and rural areas.	2019
	HOYA		2.7%	6.4	44.0%	Availability 0%; Accessibility 0%; Affordability 0% ; Acceptability 44% .	GO: 66.7% COMMITMENT: 33.3% NO GO: 0%	Company specialising in the manufacture and marketing of optical products.	Hoya's high-quality lenses can be used to treat myopia. Hoya also markets endoscopes designed to reduce the risk of post-ambulatory infections.	2022
	STRYKER		5.4%	6.0	76.0%	Availability 0%; Accessibility 3% ; Affordability 3% ; Acceptability 70% .	GO: 73% COMMITMENT: 27% NO GO: 0%	Manufacturer of orthopaedic prostheses and instruments and surgical robots, hospital equipment and neurotechnological devices.	A key player in the healthcare system, whose innovations and services improve patient care, such as orthopaedic fastening systems and healthcare beds.	2019
Niche technologies	TOBII DYNAVOX		0.8%	6.9	100.0%	Availability 0%; Accessibility 0%; Affordability 0% ; Acceptability 100% .	GO: 80% COMMITMENT: 20% NO GO: 0%	Manufacturer of medical devices to assist communication.	The company's products enable users to improve their quality of life and become more independent.	2022
	BONESUPPORT		3.0%	6.3	100.0%	Availability 0%; Accessibility 0%; Affordability 0% ; Acceptability 100% .	GO: 87.5% COMMITMENT: 12.5% NO GO: 0%	Company manufacturing a synthetic bone graft substitute to fill voids or gaps in skeletal systems.	The Cerament product range enables patients to avoid bone grafts. This means lower complication rates (amputations and infections) and fewer surgical procedures.	2022
	CRODA		2.3%	7.9	20.0%	Availability 20% ; Accessibility 0%; Affordability 0% ; Acceptability 0%.	GO: 40% COMMITMENT: 60% NO GO: 0% OF REVENUE	Chemical company specialising in ingredients for the cosmetics and health sectors.	Croda develops high-purity excipients and polymers, elements used in the manufacture and development of new treatments, vaccines and medicines.	2022
	NEXUS		2.9%	7.0	87.0%	Availability 87% ; Accessibility 0%; Affordability 0% ; Acceptability 0%.	GO: 80% COMMITMENT: 20% NO GO: 0%	Company developing software dedicated to the healthcare sector.	Nexus helps improve organisation in healthcare facilities. It also derives a proportion of its revenue from software designed to improve diagnostic efficiency in the detection of prenatal malformations.	2022
YPSOMED		1.9%	6.9	100.0%	Availability 0%; Accessibility 100% ; Affordability 0% ; Acceptability 0%.	GO: 69.2% COMMITMENT: 30.8% NO GO: 0%	The world's leading manufacturer of pens and autoinjectors, which also markets insulin pumps.	Injection devices for people with diabetes improve treatment quality and patient autonomy.	2022	

* Weighting at 31/12/2022. At that date, cash represented 7.74% of the portfolio.



Biotechnologies



Medical Technologies

	Country	Weighting in portfolio*	ESG score	Contribution score	Contribution score details	DNSH details	Overview of the business	Company contribution to access to healthcare	Year of entry
ASTRAZENECA		6.1%	7.4	45.0%	Availability 8% ; Accessibility 0%; Affordability 30% ; Acceptability 7% .	GO: 73.3% COMMITMENT: 26.7% NO GO: 0%	Pharmaceutical group specialising in non-communicable diseases, offering treatments in seven major therapeutic areas.	AstraZeneca ranks third in the Access to Medicine Index, and particularly highly in its pricing and governance practices for access to healthcare. The company also develops treatments for rare diseases.	2019
BIONTECH		2.5%	6.4	99.0%	Availability 99% ; Accessibility 0%; Affordability 0%; Acceptability 0%.	GO: 71.4% COMMITMENT: 28.6% NO GO: 0%	Biotech specialising in the development and manufacture of immunotherapies for the treatment of serious diseases.	Using mRNA, BioNTech has developed a vaccine to combat the COVID-19 pandemic. Product development is underway, notably to combat orphan diseases and infectious diseases.	2021
LONZA		3.8%	7.1	23.5%	Availability 0%; Accessibility 0%; Affordability 23.5% ; Acceptability 0%.	GO: 33.3% COMMITMENT: 66.7% NO GO: 0%	Subcontractor for the pharmaceutical industry, manufacturing complex molecules.	Lonza helps speed up the production and marketing of treatments. The group is also involved in the development of innovative, less demanding treatments, while reducing overall production costs.	2019
MODERNA		2.6%	6.3	100.0%	Availability 100% ; Accessibility 0%; Affordability 0%; Acceptability 0%.	GO: 66.7% COMMITMENT: 33.3% NO GO: 0%	World leader in messenger RNA treatments, having developed one of the world's most widely used COVID-19 vaccines.	Thanks to mRNA, Moderna developed an effective vaccine against the COVID-19 pandemic. Product development is underway to combat infectious and cellular diseases.	2022
NOVO NORDISK		7.1%	7.2	98.5%	Availability 18.5% ; Accessibility 74% ; Affordability 0%; Acceptability 6% .	GO: 94.1% COMMITMENT: 5.9% NO GO: 0%	Pharmaceutical company offering treatments for diabetes, obesity and haemophilia.	Novo Nordisk markets treatments for non-communicable diseases that can be administered directly by the patient with fewer constraints, for example through oral treatments. Novo Nordisk has also developed one of the few treatments for obesity. Our access policy in developing countries is ambitious.	2019
RECORDATI		3.4%	6.5	29.3%	Availability 29.2% ; Accessibility 0%; Affordability 0%; Acceptability 0.1% .	GO: 85.7% COMMITMENT: 14.3% NO GO: 0%	Pharmaceutical group specialising in the development, manufacture and marketing of drugs to combat hypertension, cardiovascular disease and rare diseases.	Recordati develops treatments for rare endocrine diseases and metabolic disorders. One of its drugs, Caphosol, also combats certain side effects associated with chemotherapy and radiotherapy.	2019
SARTORIUS STEDIM BIOTECH		3.3%	7.2	79.0%	Availability 24% ; Accessibility 0%; Affordability 35% ; Acceptability 20% .	GO: 85.7% COMMITMENT: 14.3% NO GO: 0%	Subsidiary of Sartorius AG, manufacturing and marketing integrated solutions for the biopharmaceutical industry, such as the production of biomedicines (filters, membranes and single-use bags).	The company's activities enable it to guarantee the microbiological control of drugs, to help pharmaceutical companies in their R&D on new treatments, particularly mRNA and gene therapies, and to shorten their time-to-market.	2019
DANAHER		3.6%	7.1	84.0%	Availability 47% ; Accessibility 26% ; Affordability 6% ; Acceptability 5% .	GO: 63.6% COMMITMENT: 36.4% NO GO: 0%	Industrial and technological conglomerate producing medical devices and analytical instruments.	Part of Danaher's business is linked to the marketing of point-of-care diagnostic instruments – local diagnostics that can be carried out in pharmacies, for example – to improve geographical accessibility. The company also develops high-precision diagnostic equipment.	2022
INTUITIVE SURGICAL		4.5%	6.5	84.0%	Availability 0%; Accessibility 0%; Affordability 0%; Acceptability 84% .	GO: 60% COMMITMENT: 40% NO GO: 0%	Manufacturer of medical robots designed primarily for minimally invasive surgery.	Intuitive Surgical markets <i>Da Vinci</i> , a robot that extends the capabilities of medical teams during operations. Minimally invasive surgery reduces post-operative pain and the patient's recovery period.	2019
SIEMENS HEALTHINEERS		3.5%	6.5	78.0%	Availability 19% ; Accessibility 0%; Affordability 59% ; Acceptability 0%.	GO: 71.4% COMMITMENT: 28.6% NO GO: 0%	Global manufacturers of equipment for medical imaging, laboratory diagnostics and hospital information systems.	Diagnostic products, including molecular imaging, help avoid major costs for society and healthcare systems. Siemens Healthineers also markets radiotherapy machines and surgical arms for complex, high-precision operations.	2022
STRAUMANN		2.0%	6.8	20.0%	Availability 0%; Accessibility 0%; Affordability 20% ; Acceptability 0%.	GO: 70% COMMITMENT: 30% NO GO: 0%	World leader in dental implants.	Straumann has developed a range of implants that are among the least expensive on the market.	2019
TECAN		3.5%	7.5	100.0%	Availability 0%; Accessibility 0%; Affordability 100% ; Acceptability 0%.	GO: 86% COMMITMENT: 14% NO GO: 0%	Manufacturer of automated analysis and fluid handling systems for laboratories.	Automated diagnostics systems significantly increase the rate and volume of tests performed, freeing up time for laboratory staff to analyse results and improve their reliability.	2022
THERMO FISHER		6.1%	6.5	40.0%	Availability 40% ; Accessibility 0%; Affordability 0%; Acceptability 0%.	GO: 50% COMMITMENT: 50% NO GO: 0%	Supplier of scientific instruments, reagents, consumables and software for research laboratories.	Thermo Fisher enables research laboratories to improve production, cut costs and concentrate on developing new treatments. In particular, the company developed a PCR test for COVID-19, marketed in over 50 countries.	2019

* Weighting at 31/12/2022. At that date, cash represented 7.74% of the portfolio.

Climate indicators

2°C alignment: In 2015, the Paris Agreement set ambitious targets for limiting the increase in global surface temperature to 2°C. The portfolio temperature alignment indicator measures the gap between the fund's prospective carbon performance and that expected in a 2°C scenario. For example, a fund with an estimated temperature of 2°C indicates that, on average, the companies in the portfolio demonstrate that the gradual reduction in their greenhouse gas emissions is keeping pace with the 2°C trajectory required for their business sector. If a company adopts a temperature scenario that is higher than that of the economy in which it operates, it exposes itself to risks that could affect the long-term viability of its business (regulatory pressure, high price per tonne of CO₂ impacting profitability, etc.).

This indicator enables us to identify whether the companies in our portfolios are on a trajectory that is compatible with the Paris Agreement, and to steer our investments in order to achieve our contribution to this collective objective. The temperature alignment indicator positions the portfolio on a scale ranging from 1.5°C to 6°C, produced by Carbon4 Finance. At fund level, each company is given a rating (CIA score) based on its business sector, its past climate performance and its decarbonisation strategy. This score is then associated with a temperature between 1.5 and 6°C. The correspondence table between the CIA score and temperatures was constructed on the basis of a study of two universes of companies.

Induced emissions intensity (or carbon footprint) of the portfolio: The intensity of a company's emissions is calculated by dividing the greenhouse gas emissions generated by its business (Scopes 1, 2 and 3) by its value. To calculate the carbon footprint of our funds, we use the weighted average of the carbon intensities of the companies in the portfolio.

$$\text{Carbon intensity of the portfolio} = \sum_{i=1}^N \left(\frac{\text{Investment value}_i}{\text{Fund net assets}} \times \frac{\text{Carbon emissions Scopes 1, 2 and 3}_i}{\text{Company value}_i} \right)$$

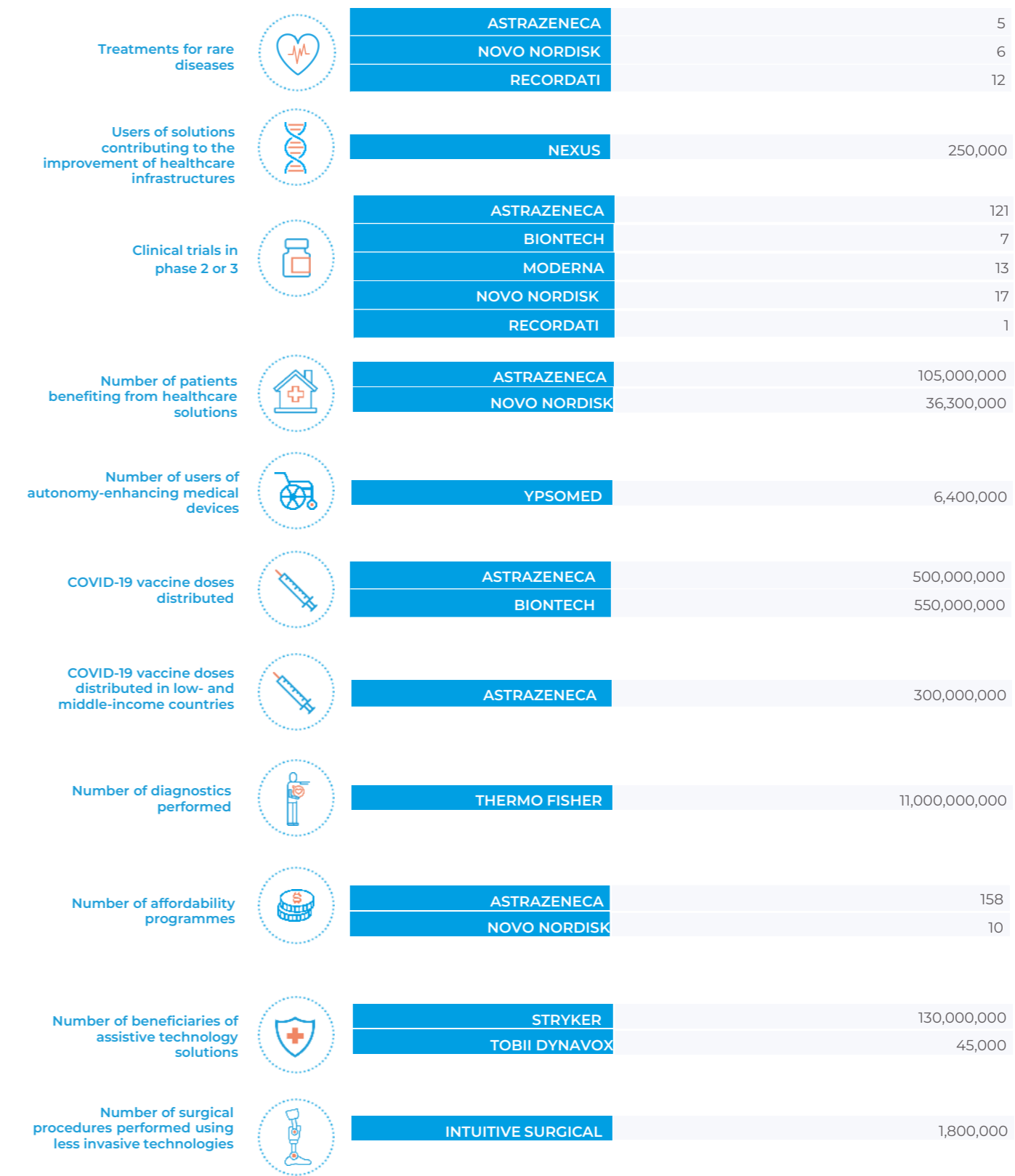
Portfolio saved emissions intensity: A company's saved emissions intensity is calculated by dividing its saved emissions by its value. They are the sum of the emissions avoided thanks to the company's products and services (compared with a reference scenario) and the emissions reduced thanks to an improvement in the efficiency of production processes.

$$\text{Emissions intensity saved by the portfolio} = \sum_{i=1}^N \left(\frac{\text{Investment value}_i}{\text{Fund net assets}} \times \frac{\text{Carbon emissions saved Scopes 1, 2 and 3}_i}{\text{Company value}_i} \right)$$

These indicators are provided by Carbon4 Finance. To find out more about the methodologies used, please visit their website: <https://www.carbon4finance.com>

In this report's infographics and company profiles, we have sought to illustrate the contribution of our portfolio companies to the four access to healthcare challenges that are an integral part of EHIFA's stock-picking process.

To that end, we have collected the impact indicators communicated by the companies as of 31/12/2022 and covering their activities for 2022.



Investors should note that their investment in the sub-fund does not generate a direct impact on the environment or society, but that the sub-fund seeks to select and invest in companies that meet the specific criteria set out in the management strategy.

This report was co-constructed with independent experts from Better Way, who provide a critical view of the methodologies and content, and verify the figures in order to assess the accuracy of the information provided in it. This verification work covers between 20% and 50% of the consolidated data, which does not eliminate the risk of not detecting any significant misstatements.

In addition, the information used in the preparation of the document was obtained from various external sources. LFDE and Better Way have neither sought to demonstrate the reliability of these sources nor verified this information. Accordingly, neither LFDE nor Better Way makes any warranty whatsoever (express or implied) as to the accuracy, completeness or adequacy of the information contained in this publication.

Better Way is a consulting firm that supports investors and the companies in their portfolios with their responsible or impact investing approach, from defining a strategy through to implementation and assessment.

Better Way has been supporting La Financière de l'Échiquier since 2020 in the annual evaluation of its impact approach, both in terms of its funds and the management company's strategy.

Marion PELLETIER – Clara DENIAU – Valentin BOUTEILLER

For more information, visit: <https://www.better-way.net/>

Important information

The information contained in this report should not be construed as investment advice, a solicitation to invest or an encouragement to operate in financial markets. Investors are urged to familiarise themselves with the KIID and prospectus, available at www.lfde.com understand the risks associated with the fund and the costs to be borne before taking any investment decision.

As the fund is mainly invested in equities, it carries a risk of capital loss and is also exposed to equity, discretionary management and currency risks.

Investors or potential investors are notified that they may obtain a summary of their rights and also file a claim using the procedure stipulated by the management company. This information is available in the country's official language or in English on the "Regulatory Information" page of the management company's website:

www.lfde.com

Investors should also note that the management company may decide to terminate the promotional agreements for its mutual funds in accordance with Article 93a of Directive 2009/65/EC and Article 32a of Directive 2011/61/EU.

The UCITS' consideration of sustainability criteria is **significantly committing, as defined by the Autorité des Marchés Financiers in its doctrine 2020-03.**

The sustainability objective is in line with the provisions of **Article 9 of the SFDR.**

The securities mentioned in this report were included in the portfolio at 31/12/2022.

Neither their presence in the portfolio nor their performance is guaranteed.

Proprietary ESG (Environment, Social, Governance) data and AAAA Scores are the latest available, with analyses updated at least every two years by La Financière de l'Échiquier teams. They are based on the latest public documentation available at the time of the analysis (annual reports in particular), i.e. by

2020 at the latest. There is a one-year time lag, due to the deadlines by which companies are required to report their data. Unless otherwise indicated, other data on corporate impact refer to the 2022 financial year.

The data may vary over time. From a methodological point of view, the term "impact" used in this report does not refer to a scientific definition that would make it possible to attribute the cause of a change to the fund's financing actions or to the actions of the companies in the portfolio. In this report, we analyse the expected effects of the investments made, as well as the effects of the companies' actions on their stakeholders – employees, customers, local communities neighbouring the sites where they operate, etc. – based on data reported by companies.

LFDE and Better Way have endeavoured to provide as much transparency as possible on the figures presented (scope, source, etc.), as well as on the analyses and calculations based on these figures.

Investors should note that their investment in the Fund does not generate a direct impact on the environment or society, but that the Fund seeks to select and invest in companies that meet the specific criteria set out in the management strategy.

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