

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.



14. Annex 2 “Environmental and/or social characteristics” to the Sub-Fund VARIOPARTNER SICAV – MIV GLOBAL MEDTECH FUND

Pre-contractual disclosure annex for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: VARIOPARTNER SICAV – MIV GLOBAL MEDTECH FUND
Legal entity identifier: 529900Y6GORRZA09L707

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?	
<input checked="" type="radio"/> <input type="radio"/> Yes	<input type="radio"/> <input checked="" type="radio"/> <input checked="" type="checkbox"/> No
<input type="checkbox"/> It will make a minimum of sustainable investments with an environmental objective: ____% <ul style="list-style-type: none"> <input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> It will make a minimum of sustainable investments with a social objective: ____%	<input checked="" type="checkbox"/> It promotes Environmental/Social (E/S) characteristics and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 33% of sustainable investments <ul style="list-style-type: none"> <input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input checked="" type="checkbox"/> with a social objective <input type="checkbox"/> It promotes E/S characteristics, but will not make any sustainable investments

What environmental and/or social characteristics are promoted by this financial product?

The Sub-Fund promotes environmental and social characteristics by following integration and exclusion approaches and by investing in medical technology companies with good Environmental, Social and Governance (ESG) profiles according to the analysis of the Investment Manager.

The Sub-Fund will partially make socially sustainable investments contributing to the following social objectives of the United Nations’ Sustainable Development Goals (UN SDGs): UN SDG 3 (Good health and well-being), UN SDG 1 (No poverty), UN SDG 5 (Gender equality), UN SDG 8 (Decent work and economic growth), UN SDG 10 (Reduced inequalities).

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Sub-Fund.

Sustainability indicators

measure how the environmental or social characteristics promoted by the financial product are attained.

● **What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?**

The Investment Manager's sustainability investment process consists of detailed, systematic qualitative and quantitative analysis of a potential investee. The Investment Manager uses the following sustainability indicators to measure the attainment of the Sub-Fund's environmental and social characteristics:

- Percentage of investments in securities of corporate issuers that derive a non-negligible part of their revenues from products and/or activities excluded by the Sub-Fund (excluded products and/or activities can be found in the website disclosures referenced below under "Exclusion approach")
- Percentage of investments in issuers with a minimum ESG profile, i.e. exclusion of investments with an ESG Risk Rating higher than 40 (severe risks) and a Controversy Score higher than 4 (severe controversies).
- Percentage of investments in socially sustainable companies as defined by the Investment Manager, which
 - generate at least 25% of its revenues in major disease prevention, diagnosis or treatment.
 - contribute to at least 3 out of the following 5 UN Sustainable Development Goals: Good health and well-being (UN SDG 3), No poverty (UN SDG 1), Gender equality (UN SDG 5), Decent work and economic growth (UN SDG 8), Reduced inequalities (UN SDG 10). Contribution is measured by SDG Net Alignment. SDG Net Alignment is assessed by qualitative SDG Net Alignment assessments and scores for each of the selected global goals by evaluating the businesses and operations of each company. SDG Net Alignment possible values are Strongly Aligned, Aligned, Neutral, Misaligned and Strongly Misaligned.
- Percentage of securities covered by ESG analysis.

ESG Risk Rating, Controversy Score, percentage data on Major Disease Treatment, alignment with UN Sustainable Development Goals, as well as information on No Significant Harm and Good Governance are based on data from the third-party ESG data provider selected by the Investment Manager.

● **What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?**

The sustainable investments that the financial product partially intends to make have the social objective of improving good health and well-being, contributing to UN SDG 3, and being a good employer and a good citizen, contributing to UN Sustainable Development Goals No poverty (UN SDG 1), Gender equality (UN SDG 5), Decent work and economic growth (UN SDG 8), Reduced inequalities (UN SDG 10). Sustainable investments are made in companies that are active in major disease prevention, diagnosis or treatment. Such sustainable investments are innovative medtech companies active in research, development, production and marketing of medical devices and life sciences tools & services for major disease prevention, diagnosis or treatment. Such activities include, but are not limited to, the development of innovative medical devices or systems that improve patient outcomes, digital health solutions that increase efficiency within the healthcare systems, life science tools that enable innovation, or activities that help improve access and facilitate affordability of healthcare in developing geographies or elsewhere. Medical technology innovation has the potential to facilitate access to therapies, improve people's quality of life, and expand life expectancy, thereby contributing to above-mentioned UN Sustainable Development Goals. Information on Major Disease Treatment and the alignment with UN Sustainable Development Goals, are based on data from the third-party ESG data provider selected by the Investment Manager.

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

In order to ensure that the sustainable investments that the Sub-Fund intends to make do not cause significant harm to any environmental or social investment objective, the Sub-Fund takes into account all the mandatory indicators for adverse impacts and ensures that the Sub-Fund's investments are aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights.

How have the indicators for adverse impacts on sustainability factors been taken into account?

The Investment Manager takes into account all the mandatory adverse impacts indicators and any relevant additional indicators by applying the following process:

The Investment Manager identifies issuers that are exposed to principal adverse impacts on sustainability factors based on data from the ESG data provider selected by the Investment Manager. When no reliable third-party data is available, the Investment Manager may make reasonable estimates or assumptions.

Where the Investment Manager identifies an investment as having a critical and poorly managed impact in one of the considered principal adverse impacts areas, and where no signs of remedial action or improvement have been observed, action by the Investment Manager will be taken. Action mechanisms may include: exclusion, active ownership, tilting.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

The OECD Guidelines for Multinational Enterprises with recommendations on responsible business conduct across a range of issues such as human rights, labour rights, and the environment, as well as the UN Guiding Principles on Business and Human Rights are considered in the due diligence procedure for investment selection and ongoing monitoring. The assessment is based on analyses and ratings provided by the third-party ESG data provider selected by the Investment Manager.

The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

Does this financial product consider principal adverse impacts on sustainability factors?

- Yes, principal adverse sustainability impact indicators related to greenhouse gas emissions, biodiversity, water, waste, and social aspects applicable to medtech companies and all additional indicators that are relevant for the investment universe are monitored for the investments that the Sub-Fund may invest in. These indicators are considered by the Investment Manager in the due diligence procedure for investment selection and ongoing monitoring. The Investment Manager relies on a Principal Adverse Impact Data Solution from a third-party provider selected by the Investment Manager that provides a comprehensive set of datapoints that have been mapped to the mandatory as well as the additional PAIs.

Where the Investment Manager identifies an investment as having a critical and poorly managed impact in one of the considered principal adverse impacts areas, and where no signs of remedial action or improvement have been observed, action by the Investment Manager will be taken. Action mechanisms may include: exclusion, active ownership, tilting.

Information on how principal adverse impacts on sustainability factors were considered will be made available in the periodic reporting of the Sub-Fund.

- No



The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

What investment strategy does this financial product follow?

In order to attain the environmental and/or social characteristics, the Sub-Fund applies the following sustainability framework: ESG Integration, Socially Sustainable Investments, Exclusions:

ESG Integration: The consideration of sustainability criteria (ESG) is integrated in the research, analysis and investment process. The Sub-Fund applies negative screening to companies with high ESG Risk Ratings and/ or high Controversy Scores based on data from the third-party ESG data provider selected by the Investment Manager.

- **ESG Risk Rating:** The ESG Risk Rating measures a company's exposure to material industry-specific ESG risks as well as how well those risks are being managed. Investments with severe ESG risks (ESG Risk Ratings from 40 to 100) are excluded.
- **Controversy Score:** The Controversy Score identifies incidents and events with negative impact on the environment and/or society or that can pose serious business risks to the company's operations. Investments with severe ESG controversies (Controversy Score 5) are excluded.

Socially Sustainable Investments: The Investment Manager assesses medical device companies as being sustainable investments when all the following conditions are fulfilled based on data from the third-party ESG data provider selected by the Investment Manager.

- The investment generates at least 25% of its revenues in major disease prevention, diagnosis or treatment. Investments with less than 25% contribution are excluded.
- The investment contributes to at least 3 out of the following 5 UN Sustainable Development Goals: Good health and well-being (UN SDG 3), No poverty (UN SDG 1), Gender equality (UN SDG 5), Decent work and economic growth (UN SDG 8), Reduced inequalities (UN SDG 10). Contribution is measured by SDG Net Alignment. Investments with an SDG Net Alignment assessment of less than Strongly Aligned or Aligned are excluded.

Exclusion approach: The Sub-Fund excludes issuers (corporate and/or other issuers) based on pre-defined criteria related to certain practices or involvement in certain activities (such as involvement in manufacturing or controversial weapons, and where applicable other types of controversial activities). More information about these pre-defined exclusion criteria are disclosed under <https://www.mivglobalmedtech.com/en/esg-website-disclosure.html>., and, if applicable, whether the exclusion applies to upstream, midstream/production or downstream activities, the revenue thresholds applied and potential exceptions considered.

Additionally, the Sub-Fund follows an active ownership approach, which takes into account relevant environmental, social and governance matters. Active ownership is based on engagement with investees and potential investees, as well as proxy voting, where the Investment Manager partners with a proxy advisory firm. The Investment Manager sees these activities as a way to support the attainment of the environmental and social characteristics promoted by the Sub-Fund.

Investments will be analyzed based on the binding elements prior to investment and monitored on a continuous basis. Assets in the portfolio have their sustainability performance periodically revaluated using the above-described sustainability framework. If an issuer does not comply with the criteria described below, the Investment Manager divests from such an issuer within a time period to be determined by the Investment Manager without exceeding in principle three months after such breach was detected, considering prevailing market conditions, and taking due account of the best interests of the shareholders. The Board of Directors or the Management Company of Variopartner SICAV may decide to further postpone the rectification of such a breach or decide to carry out the divestment in several instalments over a longer period of time in exceptional cases, provided this is considered to be in the best interests of the shareholders.

● ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

The binding elements used to select the investments to attain the environmental and/or social characteristics promoted are

- The Sub-Fund excludes securities of corporate issuers that derive a non-negligible part of their revenues from excluded products and/or activities referenced above under “Exclusion approach”. The Sub-Fund only invests in companies with a minimum ESG profile, i.e. exclusion of companies with an ESG Risk Ratings from 40 to 100 (severe risks) and a Controversy Score of 5 (severe controversies). Further information on the calculation methodology is available at <https://www.mivglobalmedtech.com/en/esg-website-disclosure.html>.
- A minimum proportion (33% of net assets) is invested in companies that
 - generate at least 25% of its revenues in major disease prevention, diagnosis or treatment and
 - are aligned or strongly aligned with at least 3 out of the following 5 UN Sustainable Development Goals: Good health and well-being (UN SDG 3), No poverty (UN SDG 1), Gender equality (UN SDG 5), Decent work and economic growth (UN SDG 8), Reduced inequalities (UN SDG 10).
- The ESG analysis covers at least 95% of the Sub-Fund’s securities. The use of data may be subject to methodological limits.

● ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

The implementation of the sustainability selection criteria as described above leads to the exclusion of at least 20% of the initial investment universe. The initial investment universe is made of all medical technology companies worldwide.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

● **What is the policy to assess good governance practices of the investee companies?**
The Investment Manager's policy to assess good governance practices of the investee companies is based on

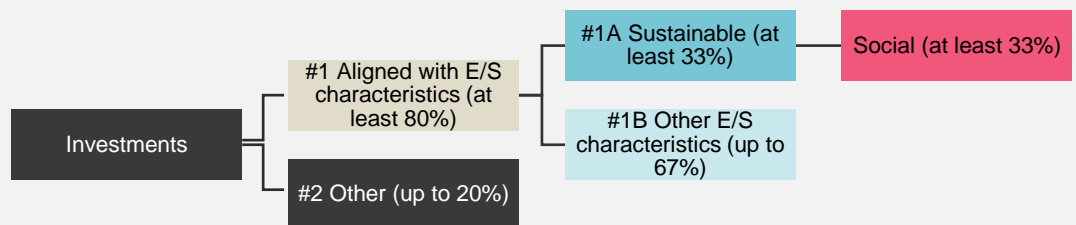
- Good Governance Due Diligence: Good Governance forms part of the overall investment thesis for all investments. Good Governance is initially assessed during the detailed due diligence performed as part of the Investment Manager's investment process and continually monitored thereafter. The assessment takes into account data from the third-party ESG data provider selected by the Investment Manager.
- Active Ownership: The Sub-Fund intends to improve Good Governance of the investee companies via active ownership based on
 - o Engagement: An element of Active Ownership is the Investment Manager's engagement with company executives on, among others, ESG-related issues, including Good Governance practices that have been identified as potentially material to an investment.
 - o Proxy Voting: Another element of Active Ownership is Proxy Voting where the Investment Manager works with a proxy advisory firm. In the case of extraordinary transactions that could have a lasting impact on the interests of the investors and where the potential consequences for the investors outweigh the administrative effort, the Investment Manager exercises the voting rights itself or issues explicit instructions.



What is the asset allocation planned for this financial product?

The Sub-Fund is expected to invest at least 80% of its NAV in issuers that qualify as aligned with E/S characteristics (#1 Aligned with E/S characteristics). From this percentage, at least 33% will be invested in sustainable investments with a social objective (#1A Sustainable).

The Sub-Fund is allowed to invest up to 20% of its NAV in unscreened investments such as investments for which ESG data is lacking such as IPOs, smaller companies, cash, cash equivalents, and/or hedging instruments (#2 Other).



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

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category #1 Aligned with E/S characteristics covers:

- The sub-category #1A Sustainable covers environmentally and socially sustainable investments.
- The sub-category #1B Other E/S characteristics covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

The percentages indicated above refer to the Sub-Fund's net asset value.

- **How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**

Not applicable.



To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

While individual investments may contribute to environmental objectives aligned with the EU Taxonomy, the Sub-Fund does not commit to invest a minimum share in environmentally sustainable investments as defined by the EU Taxonomy regulation.


Therefore, the financial product's minimum share of investments in sustainable investments with an environmental objective aligned with the EU Taxonomy is indicated to be 0%.

Asset allocation describes the share of investments in specific assets.

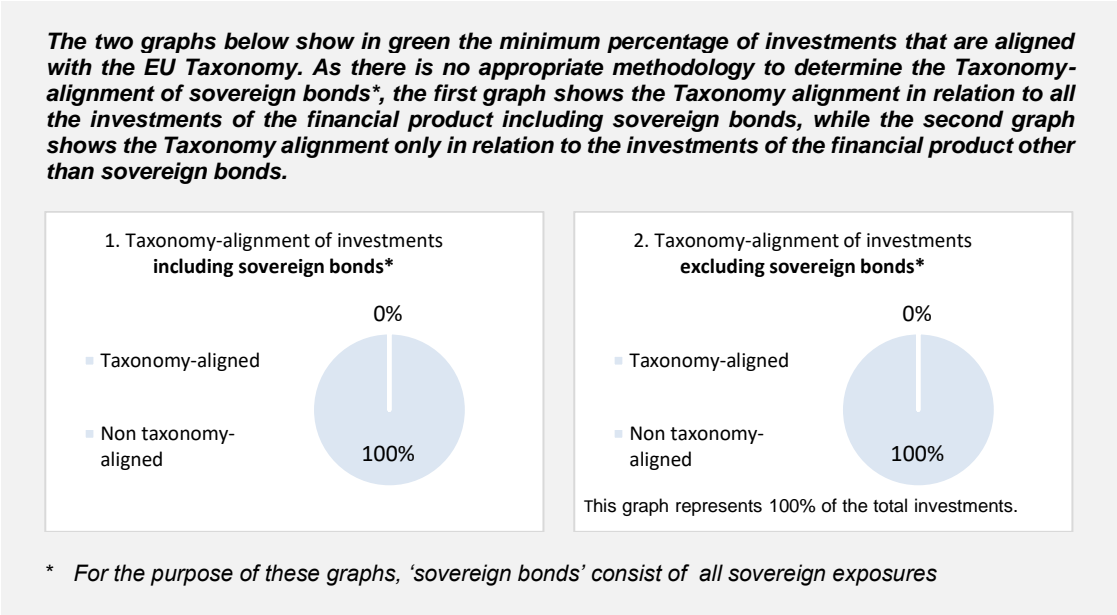
Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules. **Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective. **Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

 are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

- **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy¹?**
 - Yes:
 - In fossil gas
 - In nuclear energy
 - No



- **What is the minimum share of investments in transitional and enabling activities?**
The minimum share of investments in transitional and enabling activities within the meaning of the EU Taxonomy is indicated to be 0%.



- **What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**
The minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy is indicated to be 0%.

- **What is the minimum share of socially sustainable investments?**
The minimum share of socially sustainable investments is 33%.



- **What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**
Other investments may include: derivative financial instruments for hedging purposes, investments for which ESG data is lacking such as IPOs or smaller companies, cash held as ancillary liquidity, or money market instruments or bank deposits for treasury purposes.

¹Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change (“climate change mitigation”) and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

Other investments include also unscreened investments for diversification purposes.

No minimum environmental or social safeguards are applied to these investments.



Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Not applicable.



Where can I find more product specific information online?

More product-specific information can be found on the website:

<https://www.mivglobalmedtech.com/en/esg-website-disclosure.html>