

Art. 8 SFDR - Transparency of the promotion of environmental or social characteristics

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 include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Product name: heal.capital II GmbH & Co KG

Legal entity identifier: ...

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?



Yes



No



It will make a minimum of **sustainable investments with an environmental objective**: ____%



in economic activities that qualify as environmentally sustainable under the EU Taxonomy



in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy



It will make a minimum of **sustainable investments with a social objective**: ____%



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 30% of sustainable investments



with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy



with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy



with a social objective



It promotes E/S characteristics, but **will not make any sustainable investments**



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

Investment focus:

All investments are made with the overarching goal of sustainable and future-proof healthcare. The Partnership supports non-discriminatory access to and the affordability of medical services. Investments are made exclusively in companies that pursue the goal of ensuring a healthy life and promoting the well-being of all people at all ages, thereby supporting UN SDG 3. In addition to the UN SDG 3 focus, the Partnerships's investments are intended to promote UN SDGs 5, 9, 10 and 11.

Sector Exclusions:

The Partnership will not hold any direct or indirect participations or other investments in companies that are directly or indirectly active in the following industries or generate a significant proportion of their revenues from the following:

- Production and distribution of arms, ammunition and military equipment (excluding so-called dual-use goods);
- Pornography and the so-called sex industry;
- Manufacture and distribution of tobacco products;
- Extraction of critical raw materials (CRM);
- Production of agricultural products and livestock;
- production and distribution of genetically modified organisms (GMO);
- gambling, in particular, the operation of internet gambling or online casinos;
- manufacture of nuclear energy or essential components for the manufacture of nuclear energy;
- Extraction of natural gas or crude oil by fracking and production of crude oil from tar sands;
- production and/or distribution of coal and other extraction of petroleum or coal; or
- in serious violation of the UN Global Compact (without a positive perspective), which has the following objectives, among others:
- Protection of international human rights;
 - no complicity in human rights abuses;
 - uphold freedom of association and the right to collective bargaining;
 - elimination of forced labor;
 - elimination of child labor;
 - elimination of discrimination in respect of employment and occupation;
 - precautionary principle in dealing with environmental problems;
 - promote greater environmental awareness;
 - development and diffusion of environmentally friendly technologies;
 - advocacy against all forms of corruption.

Further exclusions that correspond with the exclusion list of the European Investment Fund can be found in § 18 of the Partnership Agreement.

No reference benchmark has been designated for the purpose of attaining the environmental and social characteristics promoted by the Partnership.

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 list of exclusion criteria as described above is used as indicators to measure the attainment of the promoted characteristics.

- ***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 of the financial product are aimed primarily at a sustainable and future-proof healthcare system. Contributions to this can be made, for example, by improving non-discriminatory access to and affordability of medical services as well as innovative approaches for a healthy life and well-being for all people.

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?

For these purposes, the Managing Limited Partner considers adverse impacts on sustainability factors in relation to the sustainable investments of the financial product. Based on the adverse impacts on sustainability factors, the Managing Limited Partner can assess potential negative impacts on the social objectives and implement strategies to prevent them.

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

See above and below for consideration of adverse impacts on sustainability factors in relation to the financial product's sustainable investments.

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 Managing Limited Partner reviews the sustainable investments of the financial product on an ongoing basis in light of the OECD Guidelines for Multinational Enterprises and the United Nations Guiding Principles on Business and Human Rights and intends to support the portfolio companies in complying with these standards. However, as the investments made in the portfolio companies are minority shareholdings, the influence that the Managing Limited Partner can exert on the portfolio companies is limited. If a portfolio company is not complying with the standards listed above and no measures are taken by the portfolio companies to counteract this, the Managing Limited Partner will consider terminating the investment early or no longer treating it as a sustainable investment with regard to the minimum share, whereby it will weigh up the situation in accordance with the principles of proportionality.

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, see above regarding Art. 7 SFDR.
- No



What investment strategy does this financial product follow?

The investment objective of the Partnership is to build, hold and manage (including divestment) equity and equity-like investments in various early and growth stage digital health companies. No investments are made in the area of sector exclusions. As part of the due diligence process and ongoing investment management, the Partnerships's investment team will continuously monitor whether the investment objectives are being pursued and the investment restrictions complied with and whether the investment is in line with the investment strategy.

All investments are made in accordance with the ESG guidelines of the managing limited partner. In addition, the Partnership will focus its investments exclusively on companies that promote UN SDG 3 and UN SDGs 5, 9, 10 and 11 in particular.

- ***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 investment strategy is described in § 3 of the Partnership Agreement. Further binding elements of the investment strategy and the investment restrictions can be found in § 18 of the Partnership Agreement.

- ***What is the policy to assess good governance practices of the investee companies?***

As part of the due diligence process and ongoing investment management, the Managing Limited Partner's investment team checks whether a potential portfolio company has good corporate governance practices in place.

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.

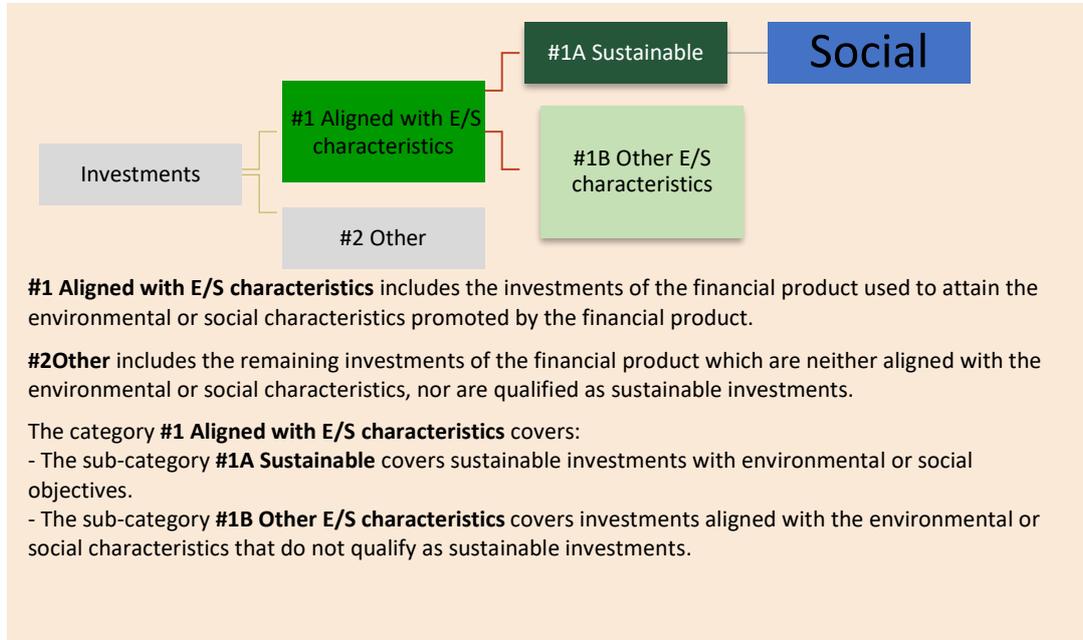
Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.



What is the asset allocation planned for this financial product?

The Partnership will invest fully in accordance with its investment strategy and investment restrictions. The Partnership will not invest any part of its capital in any other asset class. Therefore, 30% of the investments fall under #1A and 70% of the investments fall under #1B.

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.

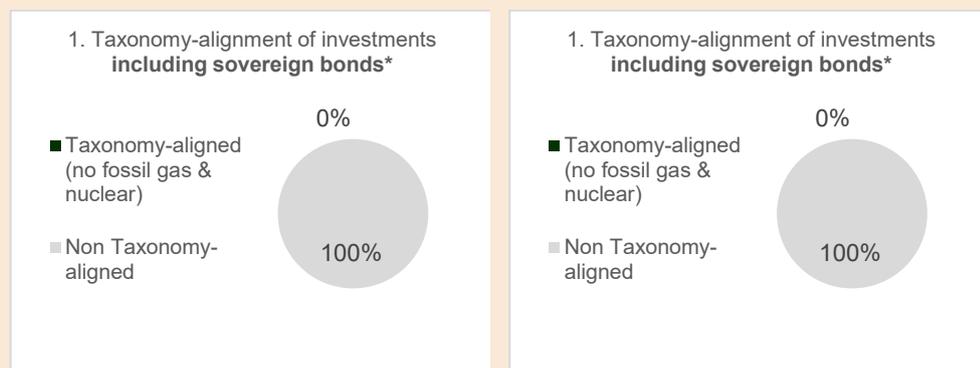
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



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

0%. Sustainable investments do not have an environmental objective.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*



* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to 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.

- **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?**

0%. The sustainable investments do not have an ecological objective.



What is the minimum share of socially sustainable investments?

The minimum proportion of socially sustainable investments is 30%.



What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

There will be no investments in Portfolio Companies that are not aligned with the promoted environmental and social characteristics. Occasionally, the Partnership may however retain small sums of cash or short-term liquidity temporarily while waiting to invest, reinvest, or distribute to investors.



Where can I find more product specific information online?

More product-specific information can be found on the website: <https://www.healcapital.com/sustainability-disclosures>

¹ Fossil 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.