



# Sustainability Report 2022

**Impilo** Investing in a  
healthy future.



# Impilo

Impilo is an investment company focused on investments in Nordic companies operating in the pharmaceutical, medical technology, healthcare services and other health-related industries. Our starting point is that our portfolio companies must contribute to a positive and sustainable development of the societies and markets in which they operate, in order to remain successful in the long term. This is a conviction that is deeply embedded in our investment strategy and inspires our approach to investments and how we interact with our portfolio companies. In this way, Impilo invests in people's opportunities to enjoy healthier lives in the future.

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*“As a healthcare focused investor, the overall performance of the Impilo portfolio is strong and resilient to changes in this challenging environment. As for sustainability, our commitment remains fully intact – we are in it for the long-run and will not waver on our ambitions, even in more challenging times.”*

Fredrik Strömholm, partner

# Partner letter

During 2022, Impilo continued to see positive developments across the portfolio with strong earnings growth, the onboarding of two new portfolio companies and the successful exit of Ferrosan Medical Devices. At the same time, significant progress was made to implement and anchor Impilo’s Sustainability Blueprint with our portfolio companies.

## Strong results and outlook in a changing external environment

During 2022, we continued to see strong growth and positive developments in our portfolio companies despite a turbulent macro-economic environment. Combined revenue and EBITDA of our portfolio companies grew by 15% and 10%, respectively, compared to the previous year.<sup>1)</sup> For our two more recent investments, tandlægen.dk and Lowenco, the focus has been on successfully onboarding them onto the Impilo governance framework and laying the foundation for future growth. As we look into 2023, we remain positive about the commercial outlook for our portfolio companies, despite the global challenges caused by Russia’s atrocious war on Ukraine, rising interest rates, increasing inflation and reduced consumer confidence. Equally important, our commitment to sustainability remains unchanged.

## Successful exit of Ferrosan Medical Devices building on strong commercial and sustainability fundamentals

A highlight during 2022 was the successful exit of Ferrosan Medical Devices, which was sold to a financial consortium consisting of Kirk Kapital, ATP and Lundbeckfonden in December 2022. Ferrosan’s development during our ownership has been tremendous on several accounts, with a more than two-fold increase in both revenue and EBITDA and over 100 new jobs created. Following our exit, we leave behind a financially stronger and operationally more robust business with a stronger-than-ever innovation pipeline and outlook. During our ownership, significant investments were made to accelerate Ferrosan’s innovation pipeline, bringing new, innovative haemostatic medical devices to market that allow for better clinical outcomes and surgical bleed-

1) Revenue and EBITDA include all portfolio companies (incl. FeMD) except TFP.





ings to be stopped faster and more efficiently. Ferrosan has also implemented a robust ESG strategy, including on climate change (read more on pages 33–34), that allows the company to increase its positive impact on society and to meet increasing requirements from investors, customers, employees, and regulators. Based on the experiences from our investment in Ferrosan, we are convinced that being able to communicate a powerful health impact thesis, combined with strong ESG fundamentals, is an important element for building a compelling and credible equity story upon exit of our portfolio companies.

#### **“The rubber hits the road” – building sustainability capabilities across the portfolio**

Following the launch of Impilo's updated sustainability commitments and framework in 2021, the focus in 2022 has been on ensuring a successful implementation of the core components of Impilo's Sustainability Blueprint within the portfolio companies. Two portfolio companies have been exempted from this work during 2022 due to competing priorities – Mallax and TFP – and they will therefore not feature in the 2022 portfolio progress report.

A particular focus during 2022 has been on building a solid foundation by integrating the Impilo Minimum Requirements and ESG Core

Indicators into the governance of our portfolio companies. For the larger and more mature companies, the work has entailed additional efforts to refine and evolve their health impact thesis and measurements while establishing bespoke ESG targets and priorities.

#### **Acceleration through support, know-how and tools**

Across the portfolio we are happy to see that the reaction to Impilo's commitment and the Impilo Sustainability Blueprint has been very positive. This was also evident when we in September 2022 hosted a full-day sustainability summit for the CEOs and Chairpersons of our portfolio companies.

Implementing thorough sustainability practices is no small feat, especially for less mature and smaller companies who are often at the very early stages of their sustainability journeys. One example was Impilo's requirement to measure portfolio company GHG emissions during 2022, which for several companies felt like a daunting task amid other urgent priorities. Impilo therefore decided to partner with a specialised carbon accounting platform that assisted several of our portfolio companies to establish their first climate footprints during 2022. Going forward, we remain committed to support our portfolio companies on

their sustainability journeys and to continuously improve their performance while we also build up experience, know-how and tools that can be leveraged and shared across the portfolio.

#### **2023 outlook: What's next?**

As we tally up the current status across our portfolio companies, we are happy with the progress we have made on sustainability during 2022. But we also realise that more needs to be done and that the bar is continuously being raised, both for us as investors and for our portfolio companies. During 2023, we will continue our efforts to internalise and refine our sustainability framework. As part of this work, we expect to move beyond risk management and reporting towards setting ambitious targets, driving improvements, and identifying opportunities for long-term value creation.

One example is climate change. With an initial baseline now in place, we will in 2023 take the next step and develop a net-zero climate strategy and road-map in line with the Science-Based Target Initiative (SBTi). We will further sign up to the Task Force for Climate-Related Disclosures (TCFD) to increase transparency around the impacts of climate change on our portfolio companies.

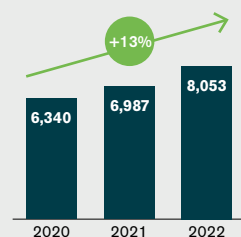
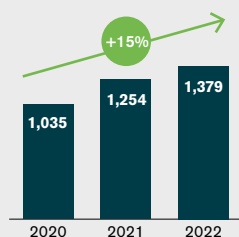
Another example is diversity and inclusion, where we recognise that more and faster progress is needed, both within our own organisation and in our portfolio companies. During 2023, we will develop a diversity and inclusion strategy with the overall ambition of promoting greater gender balance, diversity and inclusion in our investment team as well as in the Boards and Management teams of our portfolio companies.

Finally, while Impilo's most important contribution to health is through the products and services of our portfolio companies, we have decided to launch the Impilo Foundation during 2023. The Impilo Foundation will provide us with a platform to support research projects and other early-stage projects through charitable grants that can help accelerate positive health impacts in support of one or more of the dimensions of Impilo's Health Diamond.

The Impilo partner group:

Carolina Oscarius Dahl, Fredrik Strömholm, Jesper Eliasson, Magnus Edlund, Martin Fagerlund, Nicholas Hooze, Victor Steien

# Our 2022 impact in numbers<sup>1)</sup>

Portfolio revenue<sup>2)</sup>

Portfolio EBITDA<sup>2)</sup>


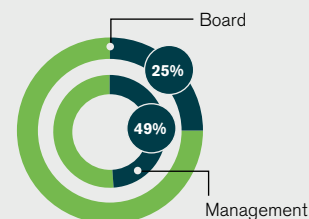
Number of Nordic healthcare investments

10

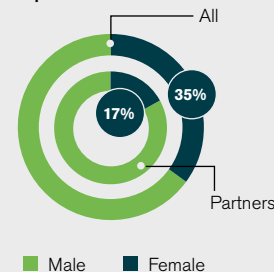
Impilo has been the most active private equity healthcare investor in the Nordics since inception (2017)

Net new hires in portfolio companies (2022)

544<sup>2)</sup>

Gender balance 2022  
Portfolio companies


Impilo



■ Male ■ Female

Continued strong focus on sustainability

100%

of new investments based on ESG considerations as an integral part in the decision making

100%

of the portfolio companies are required to report ESG Core indicators set by Impilo

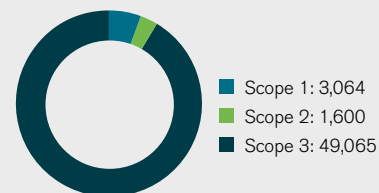
100%

of portfolio companies have integrated sustainability as theme in the annual board wheel

Key principles that guide and inspire our work

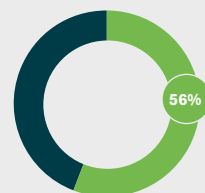


Key SDG contributions for our portfolio companies


Scope 1, 2 & 3 emissions (tCO<sub>2</sub>e)<sup>3)</sup>


53,730  
total emissions (tCO<sub>2</sub>e)

Renewable energy share %



1) Revenue and EBITDA include all portfolio companies (incl. FeMD) except TFP. Renewable energy exclude Lowenco, Scantox and TDK. Please see page 30 for details.

2) Humana only included with Impilo's ownership fraction.

3) Excludes Impilo's own emissions which are equivalent to c 1% of its portfolio's emissions.

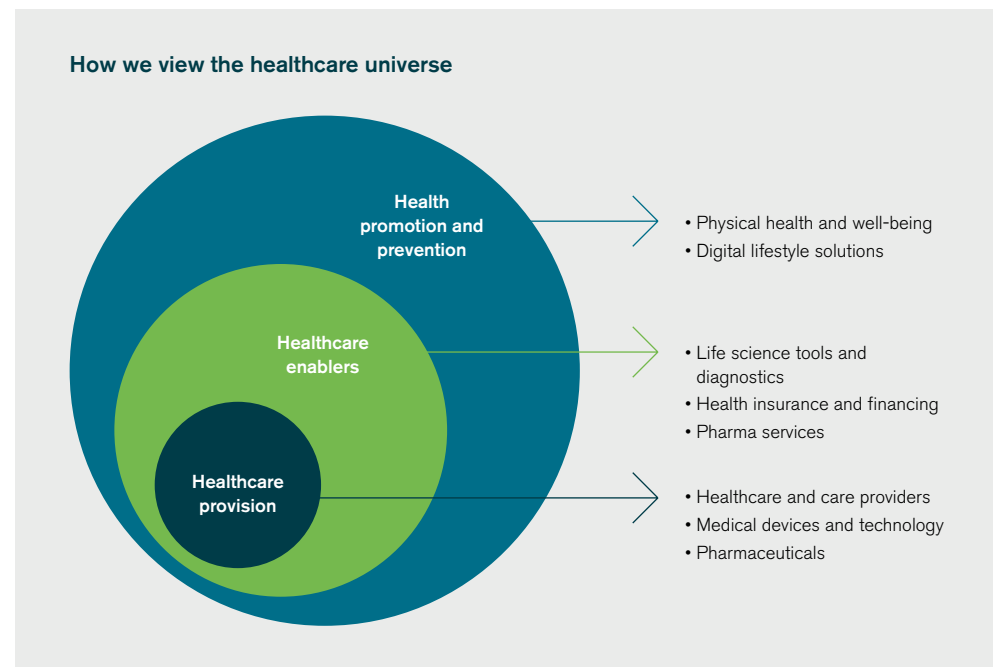




# Investing in a healthy future

# Investing in a healthy future

We invest in a healthy future. At the core of this bold statement lies our belief that long-term investments with positive health impacts will lead to superior returns, for society as well as for investors.



Impilo is an investment company focused on companies, primarily in the Nordics, operating in the full healthcare universe, including businesses within pharmaceuticals, MedTech and healthcare services.

Our investment strategy focuses on identifying businesses with great potential for long-term, profitable growth and positive health outcomes. At the core of our investment thesis lies our belief that investing in healthcare businesses with positive health outcomes, strong ESG performance and high growth potential will create better companies that can deliver higher returns. Hence, when we make new investments, we consider the current and potential health impacts of a business alongside commercial and financial criteria.

## The Impilo Health Diamond

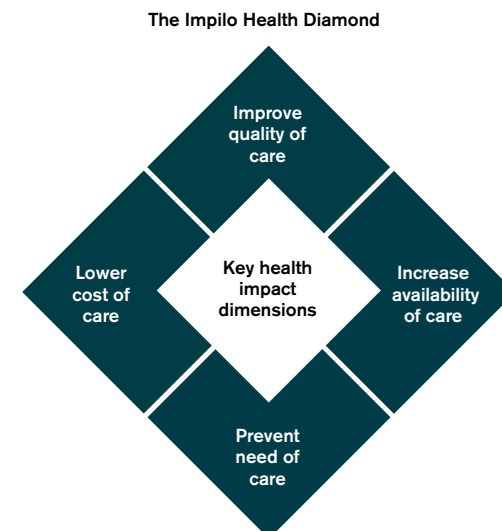
The Impilo Health Diamond represents our four main investment criteria. Any new investment must align with or have the potential to align with one or more of the criteria of the Impilo Health Diamond to be deemed attractive. Ultimately, we believe that healthcare companies with attractive solutions that either improve the quality of care, increase the availability of care, lower the cost of care or prevent the need of care make for attractive investment prospects.

As a dedicated healthcare investor, we can play an important role in bringing such solutions to scale through specialised knowledge, capital, and experience to the benefit of our stakeholders and society.

## Unlocking potential through active ownership

Accelerating positive health outcomes is a key focus during our ownership, where we work actively with our portfolio companies to unlock their full commercial and health impact potential through Impilo's proprietary Health Impact Thesis (HIT) framework.

As part of our commitment to deliver superior financial returns to our investors, Impilo also works actively with promoting environmental, social and governance (ESG) characteristics. We consider this work instrumental in protecting and increasing the long-term value of our investments.



# Impilo's Sustainability Framework – an overview

At Impilo, we are on a mission to invest in and build leading healthcare companies. We consider sustainability a central component of this commitment and believe that the leading healthcare companies of tomorrow are also the most sustainable healthcare companies. Our efforts are guided by our mission and our three core commitments, which are firmly embedded in our sustainability framework covering all aspects of the investment process, from sourcing to exit.

## Our mission

*“Generating superior returns by investing in and building sustainable and leading healthcare businesses.”*

## Our Core Sustainability Commitments (What we want to achieve)

### Three core commitments

#### Accelerate positive health impacts

- Identify new investments with a positive health impact
- Work with portfolio companies to assess, measure and accelerate positive health outcomes

#### Manage ESG risks and opportunities

- Ensure effective mitigation of ESG risks during investment and ownership
- Identify value creation opportunities on material ESG topics during investment and ownership

#### Improve transparency and reporting

- Measure performance and progress on material health impact and ESG dimensions during our ownership

## Our Sustainability Framework (How we deliver)

### Investment process

### Active ownership

### Exit

### Framework & guidelines:

Health impact and ESG investment guidelines

Impilo's Sustainability Blueprint for Portfolio Companies

Sustainability exit plan (3-yr)

### Governance:

Initial Investment Committee

Final Investment Committee

Annual Investment Committee follow-up

Impilo governance model, annual board wheel, active ownership and reporting

Reporting of progress to Impilo's investors and external stakeholders



## Integration of sustainability in the investment process

Sustainability is at the core of Impilo's investment thesis and mandate as expressed by the four dimensions in the Impilo Health Diamond. All prospective investments must have the potential to fulfil one or more of these criteria. In addition, Impilo considers material environmental, social and governance issues in all prospective investments, both from a risk and opportunity perspective.

At Impilo, we always look for investment cases that present opportunities for improvement. Our investment mandate is thus focused on progress, not perfection. We identify and invest in companies where we, through active ownership, can

make a positive difference, both from a commercial, operational, financial and sustainability perspective.

In cases where we are unable to drive meaningful progress or where an investment case is associated with significant "red flags" which cannot be reasonably remediated during ownership, we will refrain from investing. This includes:

- Investments which, despite a positive impact on one dimension of the Impilo Health Diamond, cause significant and irreversible harm to other dimensions
- Investments which cause significant and irreversible harm to key environmental, social and/or governance matters

- Investments which may damage the reputational and financial capital of Impilo, its investors and its existing portfolio companies

## Impilo's Sustainability Blueprint for portfolio companies

At Impilo, we consider our active ownership approach the key to unlocking value in our portfolio companies. This applies to sustainability as much as to other critical business disciplines.

Impilo's Sustainability Blueprint defines the main steps that all portfolio companies must take during Impilo's ownership and helps translate Impilo's three sustainability commitments – accelerate positive health impact, manage ESG

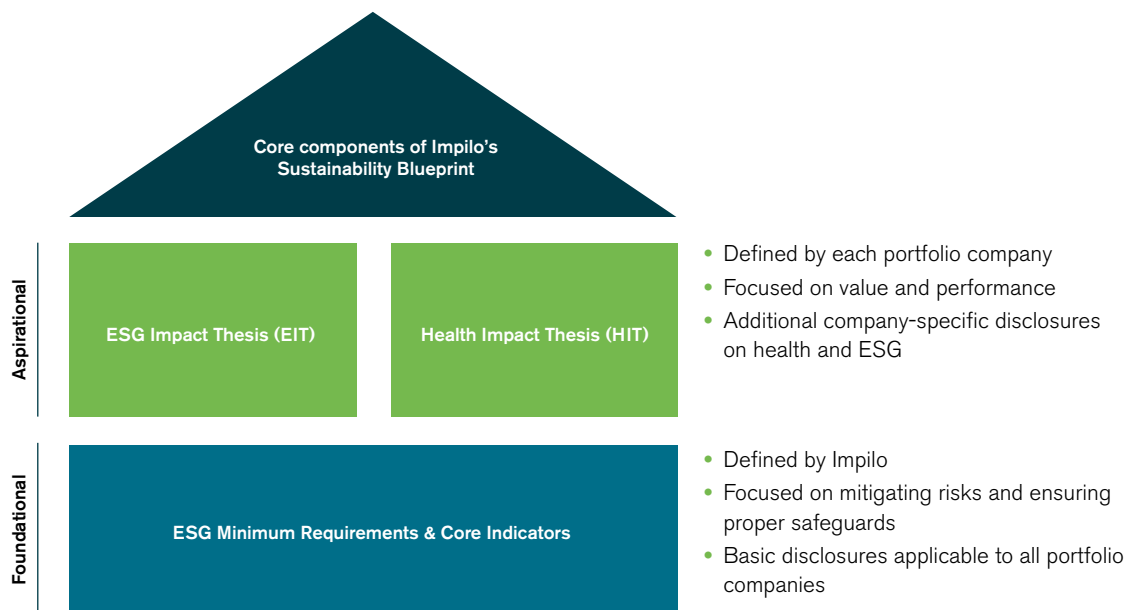
risks and opportunities, and improve transparency and reporting – into practice.

In this work, we continuously seek to balance the need for generally accepted standards and disclosures relevant to healthcare companies as reflected in the Foundational level of the Impilo Sustainability Blueprint with the need for more customised approaches that are "fit to measure" for the individual company as reflected in the Aspirational level of the Impilo Sustainability Blueprint.

## HOW IMPILO MANAGES SUSTAINABILITY RISKS IN THE INVESTMENT PROCESS

While Impilo is not yet covered by the EU SFDR, Impilo is committed to adhering to the principles and spirit of the legislation. In practice, this means that Impilo seeks to align its sustainability framework – including its investment policies and procedures – with SFDR's requirements to financial market participants. In line with Article 3 of the SFDR, Impilo identifies and assesses sustainability risks for all new investments. The risk assessment is conducted by the deal teams with support from third party sustainability experts and guided by Impilo's sustainability investment guidelines focused on health impact and material ESG issues. For all potential acquisitions, a summary of potential sustainability risks as well as opportunities for value creation are presented to the Investment Committee, all of which are reviewed as an integral part of the investment decision. For more information about how Impilo works with sustainability risks in the investment as well as ownership phase, please see Impilo's Responsible Investment & Ownership policy which is available on Impilo's website.

## Impilo's Sustainability Blueprint for portfolio companies



### Good progress on Impilo's Blueprint in 2022

Since the launch of Impilo's Sustainability Blueprint in 2021, important progress has been made. During 2022, the main focus has been on rolling out Impilo's Sustainability Blueprint to all required portfolio companies. Key 2022 high-lights<sup>1)</sup> include:

**100%** of portfolio companies now have sustainability as a fixed topic in their annual Board wheel

**100%** of portfolio companies have a preliminary Health Impact Thesis (HIT) in place; of these 83% have bespoke health impact KPIs

**83%** of portfolio companies are well-underway (min. 75% completion) with ensuring that their policies and procedures align with Impilo's ESG Minimum Requirements

**100%** of portfolio companies have developed an initial GHG baseline for scope 1, 2 and 3

For an overview of progress against Impilo's Blueprint, please see table.

### Blueprint implementation status for the Impilo Portfolio

Modules	Progress				2022 Commentary	Near-term priorities
	Not started	Started, substantial gaps	Well underway	Complete		
Board integration and management incentives					Integrated into annual board wheel of all portfolio companies	Evaluate linking management incentives to ESG targets
ESG Minimum Requirements					Big effort during 2022 to roll out ESG minimum requirements and cored indicators across all companies, institutionalising reporting and governance	Continue to fill gaps and onboard newer portfolio companies
ESG Core indicators					Few gaps remain, mostly in more recent investments	Set targets across core indicators to drive improvements Focus on high-impact areas (per portfolio company)
Health Impact Thesis (HIT)					During 2022 HITs were defined for all portfolio companies, KPIs developed and governance setup	Leverage work done to maximise health impact efforts and initiatives Incremental quality improvements of KPIs
ESG Impact Thesis (EIT)					ESG impact thesis work initiated H2'2022 with good adoption thus far	Focus on shifting from setting the foundations to identifying initiatives along the thesis outline
External update on progress					All portfolio companies currently meet their respective sustainability reporting obligations	Preparations for tightening of regulations under way Use learnings for value creation
Status of Impilo Sustainability Blueprint (Summary)					<b>2022 has been a hallmark year for Impilo's sustainability efforts, with sustainability having been integrated into both the investment process and the governance of our portfolio companies</b>	<b>As the foundation is being completed, shift focus to accelerating ESG / HIT work</b> <b>Continue development and learning of executives and boards</b>

1) TFP and Mallax have been excluded from the above calculations due to competing priorities.



### Sustainability within Impilo's own organisation

To support the Impilo organization and deal teams in embedding sustainability into our core processes, Impilo has developed a set of responsible investment and ownership policies which applies to our own employees. These include:

- **Impilo Code of Ethics and Conflicts:** describes the principles that guide Impilo's daily operations and the relations with other members of the Impilo community, customers, suppliers, shareholders, stakeholders and the healthcare community as it relates to conflict of interest, insider trading, confidential information and privacy, fair competition, political involvement, anti-bribery and corruption, working environment and equal opportunities and anti-discrimination
- **Other policies:** in addition to above-mentioned policies, there are also other policies that help ensure we act responsibly, such as our Personal Account Dealing policy, our Travel Policy, and our Parental Leave Policy.

Every member of the Impilo team is accountable for putting these policies into practice, and for ensuring that sustainability is a natural part of our activities and the way we make decisions. Hence the organization is structured to reinforce strong support from leadership, engagement from the full team, and integration into our daily activities.

Impilo reviews its internal policies once per year. No major changes or revisions have been made to Impilo's own policies in 2022.

### IMPILO'S REMUNERATION POLICY AND HOW IT ADDRESSES SUSTAINABILITY RISKS

Impilo's remuneration policy is consistent with Impilo's commitment to integrate sustainability risks into its investment decisions. The consideration of sustainability risks is integrated in Impilo's annual performance evaluation and variable compensation framework, whereby all investment professionals are assessed according to their adherence to Impilo's Responsible Investment and Ownership (RIO) policy and sustainability framework. In addition to risks, the performance evaluation also considers the contribution of investment professionals to promoting positive sustainability characteristics which can contribute to enhanced value creation within Impilo's portfolio companies. Adherence to Impilo's RIO policy and sustainability framework is included as a distinct metric in the performance review template alongside other factors that are considered critical to enhancing and protecting the long-term value of Impilo's investments, including adherence to Impilo's values.



# Accelerating Health Impact



# Accelerating health impact – 2022 progress & outlook

At Impilo, the commitment to advancing positive health impacts is ingrained in our culture and an integral part of our purpose, investment process and ownership approach. During 2022, we have taken further steps to incorporate Impilo’s Health Impact Thesis (“HIT”) framework in our investment procedures while at the same time deepening our portfolio companies’ work with measuring and accelerating positive health impacts.

At Impilo, the main tool for accelerating positive health impact is our proprietary Health Impact Thesis (HIT) framework, which forms an integral part of our investment process as well as our Sustainability Blueprint for portfolio companies.

The purpose of Impilo’s HIT framework is to provide guidance to help deal teams and portfolio companies identify, measure and accelerate positive health outcomes in one or more areas of the Impilo Health Diamond. The HIT framework builds on the impact management norms and guidance from the Impact Management Project (IMP) as well as other relevant sources including, but not limited to, the Global Impact Investment Network (GIIN).

## Increased focus on Health Impact in Impilo’s investment guidelines

While the opportunity to make a positive impact on health has always been an integral part of Impilo’s investment considerations, it has not always been based on an explicit HIT hypothesis. In 2022, Impilo decided to update its investment guidelines and templates to reflect the core dimensions of the HIT framework and build a common language and understanding around health impacts in the deal teams as well as in Impilo’s Investment Committee. The framework was tested on several potential investments in 2022 and positively contributed to the investment process and evaluation of new investments.

## HOW HEALTH IMPACT FEATURES IN IMPILO’S INVESTMENT PROCESS

Screening

Initial Health Impact Thesis (HIT) established



Due Diligence

Refinement and validation of HIT with external expertise



Portfolio Company

Integration of HIT into corporate strategy and communication



Exit

Demonstrated progress is integral part of the equity story at exit



### Deepening portfolio company work with HITs

Following the launch of Impilo's Health Impact Thesis (HIT) framework during 2021, Impilo has focused on rolling out the HIT framework to all portfolio companies during 2022.

The majority of the portfolio companies have now developed their own company-specific health objectives and bespoke health KPIs. As from this report, some of the bespoke health KPIs for each portfolio company will be integrated into Impilo's annual reporting as well as become a central component of each portfolio companies' own sustainability strategies and disclosures.

For examples of key health impact challenges and opportunities in Impilo's portfolio and how selected portfolio companies have taken action to accelerate positive health impacts within their own domains, please see the 2022 Health Feature Stories on pages 16–19.

#### WHAT IS A "HIT"?

A Health Impact Thesis (HIT) is a statement of intent, which specifies the main health outcomes targeted by a portfolio company, supported by concrete health-related KPIs and targets. Recognising that there is no universally accepted way to measure health impact, each HIT is based on best-available measures in line with the company's intended contribution to improving health. Where possible, outcome-based measures are prioritised, but in lack of such data points, proxy indicators may be necessary. As an example: some healthcare companies do not have access to data on the specific health outcomes or benefits for their targeted populations. In those cases, proxy measures such as customer satisfaction, product quality deviations and/or the reach of products and services in key markets are used.

Portfolio companies	Improve quality of care	Increase availability of care	Lower cost of care	Prevent need of care	Main Diamond contribution in brief
Ferrosan Medical Devices	◆		◆		<ul style="list-style-type: none"> <li>Improve quality of care through products that stop bleeding effectively during surgery</li> <li>Lower cost of care by reducing risk of complications and length of post-operative recovery</li> </ul>
Immedica	◆	◆		◆	<ul style="list-style-type: none"> <li>Improve quality of care by bringing to market innovative treatments for patients with high unmet medical needs</li> <li>Increase availability of care by ensuring optimal access to treatments</li> <li>Prevent need of care by promoting new diagnostic practices</li> </ul>
Humana	◆	◆	◆		<ul style="list-style-type: none"> <li>Improve the quality of life for customers at a lower cost for society</li> <li>Increase availability of care by opening new units and increasing number of customers cared for</li> <li>Humana delivers care services at the same or better-quality levels as the public sector at the same or lower total cost of care</li> </ul>
Euro Accident	◆	◆		◆	<ul style="list-style-type: none"> <li>Improve quality of care by ensuring the insured individuals get back to work quicker in case of illness</li> <li>Provide both better and faster access to care through optimal selection of healthcare providers</li> </ul>
Scantox	◆		◆		<ul style="list-style-type: none"> <li>Improve drug development processes, leading to an improved quality of care and lower total development costs</li> </ul>
tandlægen.dk	◆			◆	<ul style="list-style-type: none"> <li>Deliver high-quality dental care and service level which over time result in industry leading oral health impact in relation to treatment cost for patients</li> <li>Preventive treatments and high-quality care overall improve patients' long-term oral health, reducing need for acute treatments</li> </ul>
Lowenco			◆		<ul style="list-style-type: none"> <li>Minimise cost of ultra-low temperature storage of drug substances through best-in-class energy consumption and highest uptime</li> </ul>



### How a health impact thesis can turn into a compelling equity story

For most of Impilo's portfolio companies, being able to articulate why they exist and how their products or services contribute to advancing positive health outcomes – whether for patients/end-users or for the health system at large – is an important part of the equity story.

This was also the case for FeMD which was sold to a consortium of Danish investors during 2022. In comparison to 2017 when Impilo took over ownership of FeMD, the company was able to demonstrate significant improvements, both

on its commercial and financial development as well as on its ability to deliver tangible benefits to both patients (from lower bleedings and faster recovery) and hospitals (from increased efficiency and effectiveness).

For more information about the transformation journey of FeMD during Impilo's ownership, please read FeMD's exit story on pages 33–34.

*“There is no doubt that – as a healthcare company – being able to articulate not only your company’s growth prospects but also how that growth brings added value to patients and our collective health systems is a clear value-add during discussions with potential investors. At FeMD we have ensured that health impact and sustainability are integrated in our business strategy and communication.”*

Rasmus Hother le Fevre, CEO FeMD



### OUTLOOK 2023

During 2023, we will continue the work with implementing and refining the HIT framework while further internalising the framework and line of thinking within the portfolio companies. Our main emphasis will be to support recent investments who have yet to establish their bespoke HIT targets and KPIs, while supporting the more mature portfolio companies in identifying relevant initiatives whereby they can further accelerate their health impact potential and improve the accuracy of the measures.

As part of our work with health impact, we will also launch a new (non-commercial) funding structure in 2023 in form of the Impilo Foundation. The Impilo Foundation will be financed with a share of Impilo's profit and shall complement Impilo's commercial activities via health impact-focused initiatives. Specifically, the Impilo Foundation will focus on identifying relevant research and social impact projects which can advance insights into one or more dimensions of Impilo's Health Diamond. In 2023, Impilo will work to formalise the Foundation's charter and focus areas, and we have the ambition that the Foundation will make its first grant during the year.

## Feature #1: Making a difference to patients living with rare diseases

Rare diseases are gaining more attention as a critical global health priority. More than 6,000 rare diseases exist, many of which are still not well understood and lacking curative therapies. As a result, rare diseases are often misdiagnosed and without effective treatment options, leading to severe negative impacts on the quality of life for people and families affected by rare diseases.

### Rare diseases impact more people than you think

Rare diseases are – by definition – rare, which means that most of us will never come in contact with one ourselves.

Yet current estimates suggest that rare diseases affect between 3.5% – 5.9% of the global population or up to 450 million people.<sup>1)</sup> Since the majority of rare diseases are genetic, more than half of the patients living with rare diseases are believed to be children, with 30% of them dying before they reach their fifth birthday – often without a diagnosis.<sup>2)</sup> Most importantly, while rare diseases are a “phenomenon of the few”, for individuals and families living with rare diseases, the consequences can be significant.

### Addressing barriers to proper diagnosis and treatment

Only 5% of patients living with rare diseases have access to proper treatment today.<sup>3)</sup> According to Anders Edvell, CEO of Immedica, there are many reasons for this. Some of the

main reasons include a lack of knowledge and awareness around rare diseases, underinvestment in research & development, and a lack of reimbursement opportunities to ensure proper treatment of rare diseases at the national level.

“We have only scratched the surface when it comes to understanding rare diseases and finding proper cures. And even for rare diseases where we do have treatments, barriers such as lack of knowledge or lack of reimbursement options mean that patients can go undiagnosed and untreated for years,” says Anders.

When Immedica set out to formulate its health impact thesis (HIT) and objectives in 2022, the company did not have to think about it for long. In line with the company’s mission, Immedica seeks to make a positive difference for people living with rare diseases by providing innovative treatment options to as many people as possible. To deliver on its mission and unlock the company’s full health impact potential, Immedica sees its role as going well beyond “selling drugs”.

### ABOUT IMMEDICA

#### Serving patients with rare and speciality diseases

Headquartered in Stockholm, Sweden, Immedica is a pharmaceutical company focused on the commercialization of medicines for rare and infrequent diseases. Immedica’s capabilities include marketing and sales, compliance, pharmacovigilance, quality assurance, regulatory and medical affairs as well as market access. Serving patients in more than 50 countries, Immedica is fully dedicated to helping those living with diseases which have a large unmet medical need.

Immedica’s therapeutic areas are genetic & metabolic diseases, hematology & oncology and specialty care.

Immedica was founded in 2018 through Impilo’s acquisition of a small pharma platform, Medical Need, and Buy-in-Management. Today the company employs more than 90 people and the turnover 2022 was SEK 610 M.

# 5%

the share of patients living with rare diseases who have access to proper treatment

*“In the EU, a rare disease is defined as one affecting fewer than one person in 2,000 and in the US, the Orphan Drug Act of 1983 defines a rare disease as a condition affecting fewer than 200,000 people.”*

1) Wakap et al. 2019, Nature: <https://www.nature.com/articles/s41431-019-0508-0>

2) WEF, 2020: <https://www.weforum.org/reports/global-access-for-solving-rare-disease-a-health-economics-value-framework/>

3) WEF, 2020: It’s time to share the data on rare disease | World Economic Forum ([weforum.org](https://www.weforum.org))

Anders concludes: "To make a positive difference within rare diseases, we need to work within the entire eco-system. Patients can't get treatment if doctors don't recognize their symptoms. Doctors can't prescribe treatment if treatment isn't prioritised and approved by payers. And of course, there will be no treatment in the first place if public and private R&D is not committed to finding new treatments."

### Building knowledge and capacity around rare diseases

Immedica has extensive experience in bringing rare disease and specialty care products to patients in Europe, Middle East, and Africa. Through its highly specialised field team with more than 10 years' experience working in rare diseases, Immedica engages actively with all key stakeholders in the rare disease eco-system, incl. patient advocacy groups (PAGs), healthcare professionals (HCPs), key opinion leaders (KOLs) and national and regional healthcare authorities (payers). According to Immedica, one of the critical enablers to driving innovation forward within rare diseases is to bring patient insights to the

forefront of discussions with stakeholders such as HCPs and Payers. This requires deep engagement with patient advocacy groups to get a good understanding of both the needs of the individual patient and the larger patient population as well as more insightful conversations and engagements with HCPs. Finally, it requires that payers in each country are presented with real-world evidence of the societal and patient burdens caused by rare diseases and the degree of unmet medical needs through early education and awareness building programs.



### LIVING WITH RARE DISEASES

#### Living with rare diseases can have significant impacts on quality of life for patients and families

Living with a rare disease is a challenge, not only for the individual, but for the whole family. Many rare diseases have an early onset and often already at birth. One example is UCD, short for urea cycle disorders; a rare metabolic disorder that affects approx. 1:35,000 new-borns. UCD leads to inflated levels of ammonia, which can be devastating to the body if untreated and cause significant brain damage and impaired development. While survival rates of UCD patients drops dramatically during the first 5 years of life, life expectancy has increased over the past decade due to improved screening and treatment options. This also means that there is an increasing number of families engaged in the long-term care of patients with UCD, which studies suggest can be associated with negative quality of life impacts for both patients and their caregivers.<sup>1)</sup> To learn more about life with UCD for patients and their caregivers, read more on Immedica's website <https://ucdandyou.com/>.

1) Fabre A. et al., 2013, Health & Quality of Life Outcomes; Gramer G. et al. (2013), JIMD.



## Feature #2: Early intervention key to curbing long-term sick-leave

Long-term sick-leave remains a massive burden on individuals, families, employers and society. Over the past years, mental illness has become the main cause of long-term sick-leave in developed countries, including in Sweden. To address the problem, we must intervene earlier and adopt healthier habits, both at work and at home, says Euro Accident.

### The cost of long-term sick-leave to individuals, employers and society

Work-related illnesses are a growing concern across both the public and private sector. Beyond the emotional toll on individuals and families impacted by work-related illnesses, there are also substantial costs involved, both for individuals, for companies and for society.

A study in Norway found that for people who go on long-term sick leave, there are not just short-term losses in income, but also losses in future earnings potential: for every one percentage point increase in sick leave rates, an individual will reduce his/hers earnings two years later with 1.2%.<sup>1)</sup>

Other studies have tried to calculate the costs for employers and societies. In Sweden, each case of long-term sickness has been estimated to cost employers 100,000 SEK in lost productivity and salaries (note that the authors view this number as a conservative estimate).<sup>2)</sup> The cumulative costs for total sickness absence in Sweden were estimated at SEK 64 billion (approx. EUR 6.4 billion) in 2018, with the value of production loss due to absence being the largest cost component.

### Mental health now among the leading causes of long-term sickness

Over the past decade, mental health disorders have surpassed other types of diagnoses and is now the main cause of longer sickness absence in several developed countries, including Sweden.<sup>3)</sup>

“Even though the trend prior to Covid-19 was a general decrease in long-term disability claims, the ratio of claims with a mental health diagnosis has increased steadily during the last decade.” explains Maria Rylander, Head of Product at Euro Accident. This is supported by general trends across the Nordic market. According to a 2023 survey on the state of Nordic health, 84% of the surveyed population report having experienced negative stress at work, and 4 in 10 reports having been stressed for a longer period (more than six months).<sup>4)</sup>

Almost half of the respondents – 46% – say that a lack of work-life balance is the main trigger for the stress in their daily lives, although private factors, such as financial stress and worries, can also contribute to stress-related symptoms.

### ABOUT EURO ACCIDENT

Euro Accident is the leading Swedish specialist in health-related insurance, active within long-term disability, private health and group insurance and with an emerging presence in Denmark and Norway. Euro Accident provides a comprehensive range of health insurance options and health services to mainly SMEs to help them succeed with their health and work environment strategies, distributed through insurance brokers and distribution partners.

Euro Accident is headquartered in Stockholm, Sweden and employs over 300 people.

>50%

of long-term disability claims in Euro Accident related to mental illness in 2022, up from 42% in 2012.

80→87%

Share of Euro Accident's long-term disability insured population who re-entered the job market before day 90 in 2021 vs. 2022

1) The\_Individual\_Cost\_of\_Sick\_Leave.pdf

2) <http://www.diva-portal.org/smash/record.jsf?pid=diva2%3A1150928&dswid=8134> (Ekberg, K., et al. 2017)

3) Sjukfrånvaro i psykiatriska diagnose: En registerstudie av Sveriges arbetande befolkning i åldern 20–69 år, Socialförsäkringsrapport 2020:8, Försäkringskassan

4) if-nordic-health-report-2023.pdf



### Early detection and intervention key to success

So what can be done to reverse the trend on long-term sickness? According to Euro Accident, the answer lies in a concerted effort to provide effective treatment once the illness has set in but increasingly also in getting help and support to people who struggle with mental health issues before it is too late.

As part of Euro Accident's health impact thesis (HIT) work, the company has therefore articulated a specific objective around early intervention, focused on increased outreach and support to people before they enter long-term sick-leave after 90 days.

"We have done a lot of work over the past few years to increase our outreach to our customers via insurance brokers and our customer portal with main emphasis on mental health issues. And since we have started measuring our efforts, we can see that we are getting better at it: we are reaching more people at an earlier stage and we are getting more people back to work before they enter into long-term sick-leave," explains Maria.

As an example, Euro Accident hosts regular sessions – so-called "EA talks" – directed at brokers and their customers to help raise awareness on different topics. One such topic has been on mental health risk factors and early symptoms hosted by inhouse psychologists. In Denmark, Euro Accident staff simply calls up all clients to make sure that they understand what is included in their insurance and they know when to reach out.

Maria continues: "Insurance companies do not have a reputation for advertising their services once the insurance is purchased. For us, it is the opposite. Our philosophy is focused on the medical need: the more people use our services earlier on, the better we can help them and prevent more significant cases further down the line."

### Need for greater focus on mental health

Based on more than 400 cases of bringing people with long-term sickness back to work, Euro Accident has built up unique knowledge, an extensive toolbox and a high-quality network of mental health providers across Sweden, Denmark and Norway. During 2022, Euro Accident purchased

a new company with expertise in mental health to increase inhouse service capabilities and to extend access to higher-quality treatment to more customers at a lower cost.

"We know what works and we are constantly getting better at identifying signals of mental health issues which can lead to long-term sickness and what an effective intervention looks like at different stages of the illness," explains Maria.

But Euro Accident also sees a need for a broader educational focus to help create conducive conditions for mental health, both in the workplace and at home. Marie Fristedt, Head of Sustainability at Euro Accident, explains:

"All research suggests that prevention is by far the cheapest and most effective strategy, also when it comes to mental health. But we need to start talking about mental health more and educating ourselves on what it takes to promote strong mental health."

Marie concludes: "From all we know today, strong mental health requires hard work, much like taking care of our physical health. For individuals, it is basic things like exercise, sleep, good relationships and healthy diets. For organisations, it is ensuring healthy working environments with built-in breaks, flexibility and good managers. There really is no quick fix or a single app that can make it happen."

### LONG-TERM SICK-LEAVE

Definitions of long-term sick-leave vary between countries and are associated with different reimbursement options and thresholds. The Swedish Social Insurance Agency's yearly report "Socialförsäkringen i siffror" defines long-term sick-leave as individuals who are absent from work more than 60 days. From day 15, individuals in Sweden are entitled to sickness benefits from the Government, which can be supplemented by private insurances to compensate for loss of income, medical treatment and support for getting back to work. Many Swedish employees have additional coverage through collective agreements. Euro Accident's Long-Term Disability (LTD) benefits starts at day 90 in a sick-leave period and mirrors the collective agreement ITP.



A photograph of an older couple sitting in a meditative pose on a wooden deck. The woman is on the left, wearing a white t-shirt and black pants, with her hands in a mudra. The man is on the right, wearing a grey tank top and black pants, also with his hands in a mudra. They are both looking down with closed eyes. The background shows a body of water and trees under a sunset sky. A dark teal overlay with a light green geometric pattern covers the right side of the image.

# Managing ESG risks & opportunities



# Managing ESG risks & opportunities – 2022 progress & outlook

Our investment approach is based on the conviction that strong ESG performance contributes to superior returns and is a fundamental element of creating the leading healthcare companies of the future. As active owners, we have an opportunity to help implement ESG practices that protect our investments, unlock value, contribute to society and increase the value of our portfolio companies.

At Impilo, we consider our most important contribution to sustainability the difference our investments make in advancing health. But our sustainability commitment extends beyond making a positive impact on health.

At the core of our sustainability approach, we have a long-standing commitment to managing environmental, social and governance (ESG) risks in our investment decisions and ownership. We also work closely with our portfolio companies to promote environmental, social and/or governance characteristics that are material to their businesses.

## Strengthening ESG fundamentals and safeguards

During 2022, the main focus for Impilo has been on the risk component of ESG, notably through the implementation of Impilo's ESG Minimum Requirements.

The ESG Minimum Requirements cover nine distinct policy areas which are considered important across all portfolio companies as well as a set of procedural requirements to ensure effective implementation. For some portfolio companies this effort has been a natural extension of what was already in place, while it has taken more time and effort for other portfolio companies who are at an earlier stage of their sustainability journey.

## WHAT ARE THE ESG MINIMUM REQUIREMENTS?

The purpose of the Minimum Requirements is to ensure that all portfolio companies have a minimum level of ESG 'safeguards' in place to identify, prevent, mitigate and continuously monitor key environmental, social and governance risks within their operations and in their business dealing. In addition, Impilo's Minimum Requirements reflect Impilo's commitment to respect internationally recognised requirements to responsible business in line with the 10 principles of the UN Global Compact and the OECD Guidelines for Multinational

Enterprises. The Minimum Requirements is not an exhaustive list of ESG topics, and Impilo expects its portfolio companies to identify and mitigate additional ESG risks not directly addressed by the Minimum Requirements. Impilo expects its portfolio companies to take a risk-based approach to implementing the Minimum Requirements, meaning that safeguards in the form of policies, management systems, governance and reporting should be commensurate with the risks each company faces.

## Core topics included in ESG Minimum Requirements

#1: Quality & product safety

#2: Business integrity

#3: Climate and environment

#4: Diversity & inclusion

#5: Occupational health & safety

#6: Employee relations and satisfaction

#7: Supply chain due diligence and human rights

#8: Data protection and security





#9: Grievances and concerns

Implementation of the Minimum Requirements, incl.

- Policy requirements
- Management system requirements
- Governance requirements
- Reporting requirements

Beyond risk mitigation, several portfolio companies have progressed the development of a bespoke ESG impact thesis (EIT), thereby articulating where they see specific opportunities for promoting social, environmental and/or governance-related characteristics (see table below.)

#### Examples of ESG characteristics promoted by Impilo's portfolio companies

ESG characteristics promoted by Impilo's portfolio	SDG <sup>1)</sup>	Share of PCs engaged	Examples of targets/key initiatives <sup>1)</sup>
Enhance decent work for all		4/9	<ul style="list-style-type: none"> <li>• Humana has set a target to increase job opportunities for marginal groups (200 FTEs by 2025)</li> <li>• Scantox has set a target to increase trainee opportunities for young people (5% of staff)</li> <li>• EuroAccident has identified flexible working environment as a key priority</li> <li>• TDK has set a target of being the most attractive employer for dentists and hygienists in Denmark</li> </ul>
Promote gender diversity		3/9	<ul style="list-style-type: none"> <li>• Immedica has set targets to sustain and achieve gender balance in its Board of Directors and Executive Management and keep unadjusted gender pay gap within +/- 5%</li> </ul>
Take climate action		7/9	<ul style="list-style-type: none"> <li>• Lowenco has set a carbon neutral target for 2025</li> <li>• Humana and EuroAccident are in the process of setting GHG reduction targets (net zero, 1.5-degree aligned)</li> <li>• Immedica has taken initiative to reduce its climate impact by optimizing drug scrapping, distribution chains and shifting from traveling to virtual meetings</li> </ul>
Increase resource productivity		2/9	<ul style="list-style-type: none"> <li>• Lowenco has set targets to increase recycling ratios and reduce waste</li> <li>• Immedica has set a target to reduce scrapping to &lt;1.5%</li> </ul>

1) Excludes SDG 3, Good health and well-being, which is addressed by all Impilo's companies directly or indirectly.

### Helping portfolio companies measure their carbon footprint

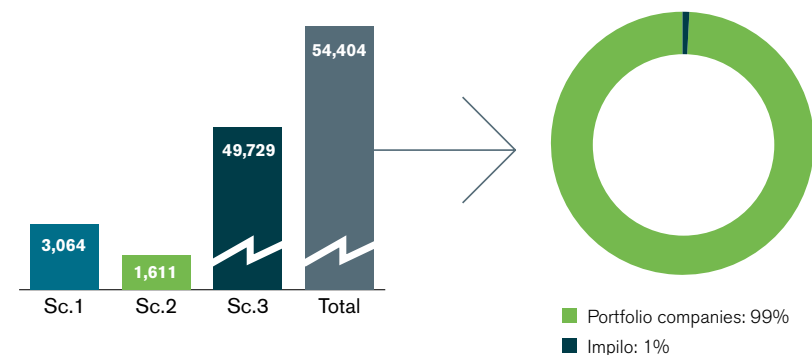
As part of Impilo's commitment to improve transparency and reporting, Impilo launched an initial set of ESG Core Indicators in last year's report, which will be reported on for the first time in this year's Portfolio Company Update on Progress report on pages 32–47.

During the early stages of implementation, it became clear that while most indicators were relatively easy to establish, some portfolio companies lacked the data, methodology, know-how and resources to submit data on their GHG emissions. This was especially the case for the more recent investments, which are still in the earlier stages of their development.

A shared challenge across the portfolio was how to measure the companies' indirect (so-called Scope 3) GHG emissions. For this reason, Impilo identified a number of digital platforms for climate disclosure and carbon management and entered into a framework agreement with a preferred service provider in 2022, allowing portfolio companies to tap into extensive experience and support, regardless of where they are on their climate journey.

During 2022, the main focus has been on getting a proper baseline in place for the majority of the portfolio companies. 6 out of 8 portfolio companies are currently able to report on their climate footprint for 2022, with the remaining companies being onboarded during 2023.

CO<sub>2</sub> emissions for Impilo and its portfolio, tCO<sub>2</sub>e



### WHAT IS IMPILO DOING TO MEASURE AND MANAGE ITS OWN FOOTPRINT?

In 2022, Impilo has also worked to establish its own carbon footprint, which confirms that the by far biggest impact we have is via our portfolio companies, also known as financed emissions. To Impilo, our biggest priority is therefore also to solicit better data from our portfolio companies and support them in reducing their emissions. Within Impilo's own scope the main contribution comes from purchased goods and services and air travel. Impilo will look to mitigate these by managing its advisor spend and travelling only when necessary.

### BUILDING CAPACITY AND SHARING LEARNINGS ACROSS PORTFOLIO COMPANIES

For many of Impilo's portfolio companies, sustainability has become a strategic imperative with increased attention from Executive Management as well as the Board of Directors. In September of 2022, Impilo hosted a full-day sustainability summit for all portfolio company CEOs, Chairpersons as well as selected employees with strategic or operational responsibility for sustainability. During the summit Impilo provided an update on its sustainability goals and progress and invited external speakers and experts to share the latest developments on important sustainability topics such as climate change and ESG-linked incentives. The session aimed at building further awareness around shared themes and challenges while allowing portfolio companies at different stages of their sustainability journeys to learn from each other and exchange ideas.



### Despite progress, more can be done to promote gender balance

Another important focus in the past year has been to increase awareness around diversity and inclusion, which, like climate change, is one of several topics in Impilo's Minimum Requirements to portfolio companies and an integral part of Impilo's Core Indicators. While important progress has been made to promote diversity in the Boards

of Directors and Executive Management teams of Impilo's portfolio companies, Impilo is committed to taking further actions to promote greater diversity. Within Impilo's own organisation important steps have been taken to increase gender balance during the year and we will continue to work to promote greater diversity across all levels of the organisation.

#### The state of gender diversity at Impilo

	Women as % of total team	Women in junior roles	Women in senior roles
Impilo	2022: 35%	2022: 42%	2022: 17%
Sweden average <sup>1)</sup>	2022: 22%	2022: 43%	2022: 8%
Denmark average	2022: 10%	2022: 22%	2022: 7%

#### The state of gender diversity in board of directors and executive management teams in Impilo portfolio companies

	2022
Women as % of Executive Management	49%
Women as % of Board of Directors	25%

1) Level 20, 2022 annual report: [https://wp-l20-2022.s3.eu-west-2.amazonaws.com/media/2022/11/L20-European-Report-111122-PA\\_C.pdf](https://wp-l20-2022.s3.eu-west-2.amazonaws.com/media/2022/11/L20-European-Report-111122-PA_C.pdf)



### OUTLOOK 2023

During 2023, Impilo plans to move several of its portfolio companies further along in their respective ESG journeys, going beyond risk and compliance to (also) focus on areas for potential value creation, supported by concrete ESG targets and initiatives. For existing portfolio companies that still have gaps meeting the ESG Minimum Requirements or Impilo's ESG Core Indicators (notably GHG emissions), these gaps will be closed during 2023.

During 2023, Impilo plans to launch a new portfolio-wide strategy and action plan to bring its current and future portfolio companies in line with the UN Paris Agreement. As part of this work, Impilo expects to set a Science-Based Target in line with relevant standards for private markets covering the full portfolio. Impilo expects to be able to announce the target and roadmap for implementation in its 2023 sustainability report. Impilo also plans to explore which actions can be taken across the portfolio to promote gender balance for portfolio companies at Board of Director and executive management level as well as for Impilo's own investment professionals. Similar to climate, a more detailed D&I plan is expected to be released in next year's report.

Finally, Impilo plans to increase its focus on ESG-linked incentives and financing during 2023. Specifically, Impilo plans to explore relevant short-term and long-term incentive (STI) frameworks to help portfolio companies link compensation to their ESG and HIT work. Impilo further plans to evaluate and consider sustainability-linked financing options when raising new debt.

## Helping healthcare companies measure and manage their climate footprint

### Why climate matters, also in healthcare

Contrary to popular beliefs, the healthcare sector has a significant climate footprint with an estimated 4.4% of global net emissions, more than both shipping and aviation. Even so, the healthcare sector has traditionally lagged behind other sectors when it comes to climate awareness and action.<sup>1)</sup>

"I think one of the reasons is that the healthcare sector has to some extent seen its climate footprint as being of lesser urgency given its mission to improve or even save lives. But this

perception is changing, and we are seeing increased expectations for our companies, also on climate issues, from customers, partners, and stakeholders," says Fredrik Strömholm, Partner at Impilo.

"Another challenge specific to many healthcare companies is that their direct footprint is often quite small, which means that most emissions sit outside their immediate control in form of so-called Scope 3 emissions. Since many of our portfolio companies are small or medium sized companies, this makes it challenging to drive

steep emission reductions as their influence in the wider value chain can be limited," continues Fredrik.

### Helping portfolio companies on their climate journeys

During 2022, Impilo asked all portfolio companies to begin to measure their climate footprints as a first step towards building awareness of climate impacts across all three scopes and identifying emissions reductions across the portfolio.

"Our portfolio companies are at varying stages of maturity when it comes to climate action. When we make a new investment, most of them will be immature and will often lack the internal data and capabilities to get started on measuring and managing their climate footprint. During our ownership, our ambition is to help them improve their sustainability performance by providing the required resources, know-how and tools to leverage the full value of sustainability", concludes Fredrik.

### The climate journey for Impilo's portfolio companies – from awareness to action

Step 1: Building a baseline	Step 2: Identifying key actions	Step 3: Setting climate targets	Step 4: Delivering on ambitions & showing results
For most companies, the climate journey starts by determining a baseline and beginning to measure their scope 1–3 emissions.	Once a baseline is in place, the next step is to identify relevant actions to reduce the company's climate footprint.	With a proper baseline in place and a good sense of which levers can be pulled, the next step is to plot a credible climate action plan with long-term and short-term targets.	Setting an ambition is one thing, delivering on it is another. At this step, companies will need to ensure that they "walk the talk" and that learnings and new developments are continuously incorporated into the climate strategy.
<b>Critical success factors</b> While scope 1 and 2 emissions are relatively easy to calculate, scope 3 emissions often require additional support, e.g. in form of online tools.	<b>Critical success factors</b> This step will often require more detailed ("activity-based") data on scope 3 emissions and access to experts with sector-level expertise in identifying relevant improvements.	<b>Critical success factors</b> A robust climate action plan is aligned with the UN Paris Agreement and shows a credible pathway to Net Zero. One example is the Science-Based Target Initiative (SBTi) guideline for SMEs.	<b>Critical success factors</b> To ensure that a company's climate plan receives sufficient attention and prioritization, it should be reflected in management incentives and priorities, and progress must be submitted to regular reviews by the Board of Directors.
Most of Impilo's companies start here upon acquisition			Most of Impilo's companies will be here upon exit

1) 'Healthcare without harm' (2019): [https://noharm-global.org/sites/default/files/documents-files/5961/HealthCaresClimateFootprint\\_092319.pdf](https://noharm-global.org/sites/default/files/documents-files/5961/HealthCaresClimateFootprint_092319.pdf)

## Scantox's climate journey – Building a baseline & identifying priorities

**Scantox is a leading Nordic preclinical contract research organisation ("CRO") located outside of Copenhagen, in Lund and in Solna, Sweden. Scantox provides pre-clinical research services, including exploratory in-vivo work and disease model development and GLP ("Good Laboratory Practice") regulatory in-vivo toxicology studies, within the Scantox Group. Scantox was acquired by Impilo in 2021.**



Like most small and medium-sized companies, Scantox did not have a detailed carbon footprint when the company was first tasked with the request from Impilo to submit data on scope 1, 2 and 3 emissions in early 2022.

"We had already done a lot when it comes to our energy consumption, just not from a CO<sub>2</sub> angle," says Jeanet Løgsted, CEO of Scantox.

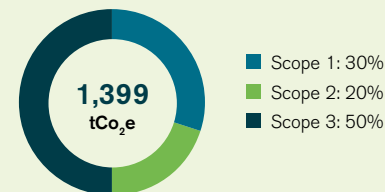
Unlike most of Impilo's portfolio companies, a substantial part (50%) of Scantox's GHG emissions comes from the use of natural gas (scope 1) and electricity (scope 2), which is used to ensure controlled temperature, lighting and humidity in the company's operations, ensuring the best possible conditions for animals involved in preclinical studies.

According to Jeanet, the energy crisis driven by Russia's war in Ukraine combined with increased interest from staff and customers has given the company extra incentives to accelerate its climate journey and look for alternative sources of energy with much lower climate impact. As such, Impilo's requirement to build a climate baseline during 2022 came at a good time.

"I think we already had a good understanding of what we needed to do, but getting some more concrete numbers has shown us how much it really does matter for our climate footprint if we for example can figure out a way of converting from natural gas to renewable energy sources. In that way, Impilo's initiatives have helped us further focus our efforts and build an even stronger case for action," concludes Jeanet.

→ [Read more about Scantox on pages 38–39.](#)

### Split of emissions (scope 1–3)



### Scantox' climate journey to date

- Since 2021, Scantox has worked diligently with improving its energy consumption at its Danish operations
- In 2022, Scantox has developed its first CO<sub>2</sub> footprint covering scope 1, 2 and 3 emissions.
- During 2023, Scantox plans to investigate options for reducing dependency on natural gas by changing to renewable energy. If successful, this would lead to a dramatic reduction in Scantox's total CO<sub>2</sub> emissions.
- In addition, Scantox is working to develop more accurate activity-based data for the share of its scope 3 emissions that relate to livestock.



## FeMD's climate journey – Setting targets & delivering results

**FeMD is the world's largest manufacturer of gelatine-based bioabsorbable hemostatic products for use in surgical procedures, and also has an electromechanical contract manufacturing business. The company is headquartered in Søborg, Denmark. FeMD was acquired by Impilo in 2017 and sold to a Danish, financial consortium in 2022.**



FeMD started its climate journey already in 2020 as part of a concerted effort to strengthen the company's overall approach to ESG.

"We used a lot of our efforts early on to establish a baseline. This may be perceived as a tedious task, but it was important for us to have a proper point of departure for our discussions. 2023 is the first year we can show data on our progress, and it is extremely impactful to see the development, also for our employees", explains Morten Rytter Kure, Director of Strategy & Sustainability at FeMD.

One of FeMD's main learnings was that, even with a solid baseline in place, it can be difficult to tackle the biggest sources of scope 3 emissions as a relatively small player in the healthcare value chain. FeMD realised that to effectively curb its scope 3 emissions, action is required long before emissions are generated in the first place.

"As a med-tech company, a great deal of our climate impact in scope 3 starts with our design choices. Once our product gets regulatory approval and is launched in the market, changing even one component or supplier is a lengthy and costly process."

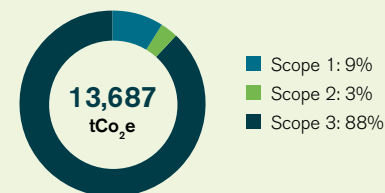
As a result, in 2022, FeMD developed a set of principles for sustainable innovation with an

associated tool to quantify CO<sub>2</sub> emissions of specific design choices. In practice, the tool allows FeMD's product design specialists to evaluate and compare different material choices and supply chain designs in terms of environmental impact. The tool is an integral part of the company's project stage gate model.

"The impact of our design choices will not do much to address our scope 3 emissions in the short-term, but it is by far the biggest and most important climate impact we can have on our wider value chain emissions in the longer term", concludes Morten.

→ [Read more about FeMD on pages 33–34.](#)

### Split of emissions (scope 1–3)



### FeMDs climate journey to date

- FeMD developed its CO<sub>2</sub> emission baseline in 2021, covering scope 1, 2 and 3.
- FeMD calculates its scope 1, 2 and 3 CO<sub>2</sub> emissions every year with an external partner to monitor progress.
- In 2022, FeMD aligned all environmental targets with the guidelines and requirements from the Science-Based Target Initiative. FeMD is committed to reduce emissions in line with the intention of the Paris Agreement to limit global warming to well below 2°C and pursuing efforts to limit it to 1.5°C.
- During 2022, FeMD launched its sustainable innovation tool to evaluate climate impacts of design choices. In addition, the company is in the process of installing solar panels for its Polish operations while investigating options for renewable Purchasing Power Agreements (PPAs).
- FeMD's progress on sustainability is linked to Executive Management's incentive program. Progress against FeMD's climate targets is reviewed annually by the Board of Directors.



# Promoting transparency & reporting



# Promoting transparency & reporting – 2022 progress & outlook

Impilo considers the move towards standardised and comparable sustainability reporting by the industry as well as portfolio companies key to enhancing the effectiveness of sustainable investment principles and approaches in the private equity sector. We support regulatory as well as investor and industry-driven initiatives, which can contribute to transparency around the social, environmental and governance impacts of private investments and we work actively with portfolio companies to build robust health and ESG disclosures.

## Impilo joins the ESG Data Convergence Initiative for FY2022

Following the launch of Impilo's Core ESG Indicators in 2021, Impilo has decided to join the ESG Data Convergence Initiative from 2022.

In response to the proliferation of ESG ratings and questionnaires with increased complexity and variation, the ESG Data Convergence Initiative aims to create a critical mass of meaningful, performance-based ESG data from private companies by converging on a standardized set of ESG metrics for private markets. The initiative can allow Impilo, our investors as well as our portfolio companies to benchmark their current position and generate progress toward ESG improvements, while enabling greater transparency and more comparable portfolio information for investors.





## Disclosure of Impilo's ESG Core Indicators – FY2022

ESG Core Indicators	Unit	tandlægen.dk	EuroAccident	Lowenco	Scantox	Immedica	Humana	FeMD	Total <sup>1)</sup>
<b>Climate and Environment</b>									
Scope 1 GHG emissions	#tCO <sub>2</sub> e	125	113	90	419	37	4,129	1,223	3,064
Scope 2 GHG emissions	#tCO <sub>2</sub> e	555	78	38	279	0	1,012	391	1,600
Scope 3 GHG emissions	#tCO <sub>2</sub> e	3,218	21,630	1,201	701	3,601	25,944	12,073	49,065
GHG intensity	#tCO <sub>2</sub> e per EUR 1m	38	10	96	81	64	36	126	n.a.
Renewable energy share	%	n.a.	15%	n.a.	n.a.	100%	86%	34%	56%
<b>Diversity &amp; inclusion</b>									
Gender diversity – board	females % of total	14%	43%	0%	0%	33%	50%	14%	25%
Gender diversity – management	females % of total	25%	50%	22%	50%	64%	57%	37%	49%
Unadjusted gender pay gap		2%	18.8% (Swe), 32.1% (Nor), 16.7% (Den)	n.a.	n.a.	0%	1%	9%	n.a.
<b>Occupational health and safety</b>									
# of injuries	# of injuries	0	0	0	2	0	529	7	144
# of fatalities	# of fatalities	0	0	0	0	0	0	0	0
The ratio of days of absence per FTE	%	6%	4%	6%	4%	1%	7%	n.a.	n.a.
<b>Employee relations and satisfaction</b>									
Employee survey score (eNPS)	eNPS	33	49	n.a.	n.a.	4.6/5 (overall satisfaction)	14	n.a.	n.a.
Turnover ratio	%	16%	10%	19%	12%	3%	20%	19%	n.a.
New hires and attrition	# of employees	66	57	14	52	18	1,258	15	544
<b>Other</b>									
# of legal proceedings	#	0	0	0	0	0	0	n.a.	0
Cost from legal proceeds	SEKm	0	0	0	0	0	0	n.a.	0

1) Adjusted for Humana ownership (%).



Based on the data and learnings from rolling out the Core Indicators in 2022, Impilo observes the following impacts across its portfolio:

## ENVIRONMENTAL INDICATORS – KEY OBSERVATIONS

Key observations: As discussed in Section III, the ESG Core Indicators suggest that the majority of Impilo's portfolio companies have limited footprints within their own operations (scope 1 and 2) and that the vast majority of Impilo's portfolio company emissions are in Scope 3. This increases the importance of collecting accurate emissions data from suppliers meaning that several of the initiatives taken by portfolio companies to mitigate their climate footprint will rely on the actions of others. Despite the relatively low operational footprint of Impilo's portfolio companies, the data also suggests that there is potential to increase the visibility and share of renewable energy across the portfolio (currently at 56% on average<sup>1)</sup>).

### Key actions for 2023

- Impilo will continue its ongoing work to develop and improve portfolio companies' climate footprint, including progression from spend-based to activity-based data, where relevant
- Impilo will set a Science-Based Target in 2023, which will cover the full portfolio and require portfolio companies to progress from climate disclosure to climate action over time
- Impilo will explore potential for increasing the share of renewable energy across portfolio companies, including potential synergies

## SOCIAL & GOVERNANCE INDICATORS – KEY OBSERVATIONS

Key observations: For Impilo's more mature portfolio companies, including Immedica, Humana, Euro Accident and Scantox, we have achieved quite strong diversity within management and the board of directors. As for our newer companies, like Tandlægen.dk and Lowenco, we still have some way to go to achieve a top performing, diverse setup. Impilo will look to accelerate specific companies diversity journeys, including the board of directors, as it remains a key priority for Impilo as a firm.

### Key actions for 2023:

- Impilo will continue to drive diversity across PCs and remains committed to having top performing setups
- For 2023, Impilo will launch DEI (Diversity, equity, inclusion) targets and policies for its portfolio



## OUTLOOK 2023

During 2023, Impilo will take the first steps to prepare for aligning its future disclosure practices with the core tenants of SFDR. This includes a review of the ESG Core Indicators to seek future alignment with the Principal Adverse Impact (PAI) indicators. In addition, Impilo will collect and share benchmarking data from its participation within the ESG Data Convergence Initiative with its portfolio companies and investors with a view to understand current performance and identify potential improvement areas.

1) Average based on three of Impilo's portfolio companies. Calculated by dividing total renewable energy consumption with the total energy consumption. Disclosure of this KPI to improve in future reports.

A photograph of a person holding a young child in a field at sunset. The person is wearing a light-colored jacket and a beanie, and the child is wearing a pink jacket and a beanie. The sun is low on the horizon, creating a warm, golden glow. The background is a field of tall grass or crops. The right side of the image has a dark blue overlay with a green geometric grid pattern.

# 2022 Portfolio Company Report on Progress



## EXIT REVIEW



## Key company statistics

**Sector:** Medical devices      **Entry:** Acquired by Impilo in 2017  
**HQ:** Søborg, Denmark      **Exit:** Sold in 2022  
**FTEs:** 360 FTEs

# Ferrosan Medical Devices

**Successful exit during 2022 with sustainability and health impact forming a natural part of the business strategy and equity story**

Ferrosan Medical Devices (FeMD) manufactures and develops innovative hemostatic products used by healthcare professionals all over the world during surgeries whenever there is a need to effectively control and stop bleedings.

The products are sold in approximately 100 countries and were used in over 13 million surgeries during 2021. FeMD invests significantly in innovation and is working on an exciting pipeline of new products to be launched in the coming years.

Impilo invested in FeMD in 2017 and sold the business in 2022 to a consortium of Danish investors led by Kirk Kapital.

## Holistic approach to sustainability and health impact

During Impilo's ownership, a new approach to sustainability was developed that spans from Impilo's minimum ESG reporting requirements to a health impact framework that helps accentuate the impact FeMD's products have on patient health, by reducing bleedings and improving recovery times, as well as the broader healthcare system.

The sustainability framework allowed for creating a strong message around FeMD's mission of stopping complicated surgical bleedings efficiently and fast, making it a natural part of the business strategy and the exit story.

## Health impact

*What healthcare challenges are we addressing?*

Excessive bleedings during surgery can cause serious complications, longer recovery times and longer hospital stays.

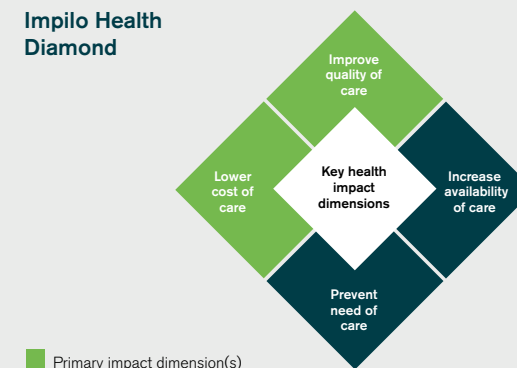
*What is the effect of FeMD's services?*

Ferrosan Medical Devices' products are effective in stopping bleedings during surgeries and reduce the time of surgery, complications and length of hospital stay.

*Who is the beneficiary?*

Patients benefit from improved quality of care and the healthcare system benefits from lower cost of care.

## Impilo Health Diamond



## Key achievements during Impilo ownership

- Sustainability introduced as a core element in the business and financial strategy
- Significant development across both Health Impact and ESG dimensions, including establishing the climate footprint of the business and developing a sustainability strategy

*“Making seconds count in surgical care”*





## FERROSAN MEDICAL DEVICES

### Sustainability maturity at entry vs. exit

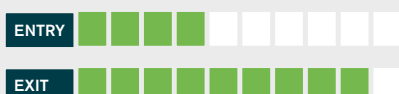
#### Health impact quantification



#### Environment



#### Social



#### Governance



1) Investments include Ferrosan Medical Devices' net capitalized costs for innovation projects to improve the current hemostatic devices or develop new hemostatic devices. Revenues includes all sales of hemostatic devices.

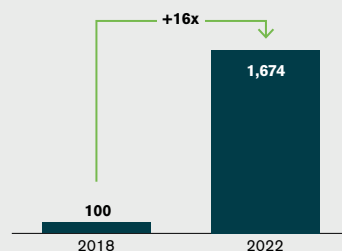
### Sustainability achievements during Impilo's ownership



#### Health impact

- Ensuring that as many surgeons as possible globally have access to effective haemostats and bringing new, innovative products to market to help stop bleedings faster, is at the core of FeMD's health impact strategy
- During Impilo's ownership, significant investments were made in product innovation and the R&D function was strengthened, and at exit the company could showcase the strongest innovation pipeline in its 76 years long history

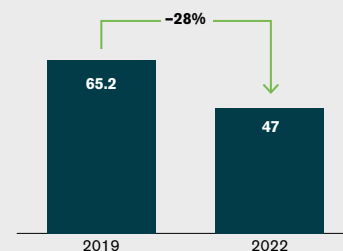
#### Investments in haemostatic device innovation as share of revenues (2018=100)<sup>1)</sup>



#### Environment

- FeMD established and began measuring its climate footprint in 2021 and implemented several initiatives that have also led to cost savings and efficiency improvements, e.g.:
  - Site optimizations to reduce energy consumption
  - Shifting parts of transportation from air to ocean freight
- During 2022 FeMD aligned its targets with the Science Based Target initiative (SBTi), committing to significant reductions in Scope 1–3 by 2030 and net zero by 2050

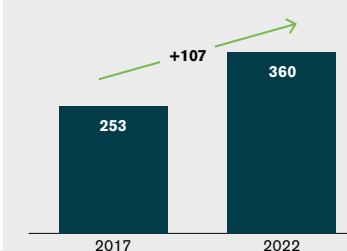
#### Energy intensity (Gigajoules per DKKm revenue)



#### Social

- New set of corporate values created – aimed at creating a healthy, safe and diverse workplace
- Introduced a value-based leadership approach with behavioural targets weaved into personal development plans
- Over 100 new jobs created during Impilo's ownership

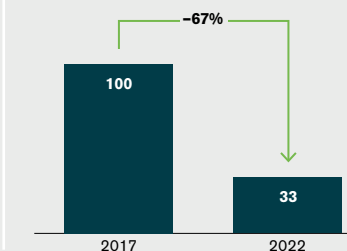
#### FTE's



#### Governance

- Significant steps taken to enforce good governance and strengthen the fundamentals of the business
  - Updated and aligned governing policies with best practice
  - Established new processes and tools to monitor business risk and processes
- Significant improvements in cyber security

#### Annual deviations from standard processes, parameters or systems (2017=100)







## FERROSAN MEDICAL DEVICES

### ESG impact and focus indicators

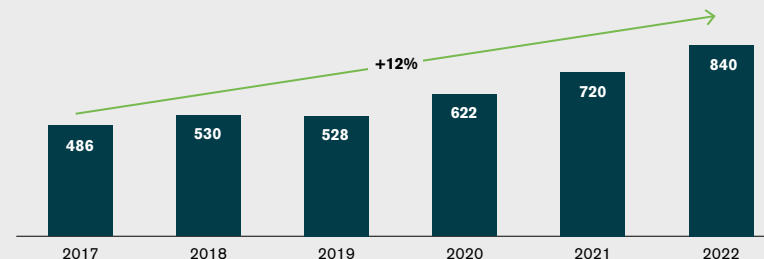
#### FeMD's ESG impact

FeMD's core focus is to ensure a healthy and safe work environment where employees thrive and grow, and to minimise the environmental impact of its operations and supply chain.

#### SDGs primarily addressed

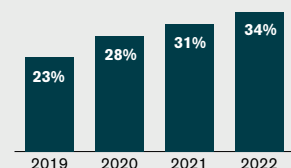


#### Revenue development during Impilo ownership, DKKm

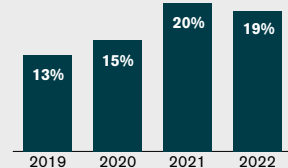


### Focus ESG indicators

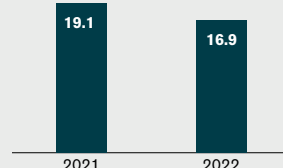
#### Renewable energy share



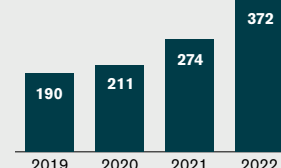
#### Staff turnover ratio



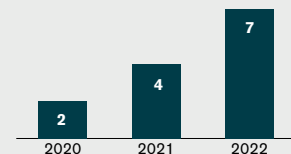
#### GHG intensity (Scope 1–3), Gigajoules per DKKm



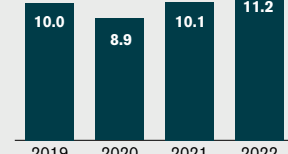
#### Waste generation (tons)



#### Number of work-related injuries (accidents w. absence)



#### Sickness absence, number of days per FTE



#### Scope 1–3 GHG Emissions 2022, thousand tons CO<sub>2</sub>e<sup>1)</sup>



1) Scope 2 emissions are market-based.



Rasmus Hother le Fevre  
CEO FeMD

#### CEO statement

"During Impilo's ownership, we have not only taken significant strides in developing Ferrosan commercially and financially, but also established a new approach to sustainability and made it an integral part of our corporate strategy and departmental business plans. Impilo has been an excellent sparring partner on this journey and it has been very motivating to see the energy this work has sparked across the organization."



## Key company statistics

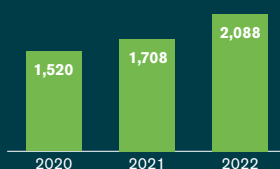
**Sector:** Health insurance

**HQ:** Danderyd, Sweden

**FTEs:** 339 FTEs

**Impilo entry:** 2019

**Revenue (GEP), SEKm**



# Euro Accident

Euro Accident is the leading Swedish specialist in health-related insurance, active within long-term disability, private health, and group insurance and with an emerging presence in Denmark and Norway.

Euro Accident provides a comprehensive range of health insurance options and health services to mainly SMEs to help them succeed with their health and work environment strategies, distributed mainly through insurance brokers and distribution partners.

## Health impact

*What healthcare challenges are we addressing?*

In Sweden, on average, ~14 out of 1,000 individuals incur long-term sick leave and thus leave the job market with significant negative consequences for the individuals' overall well-being and the overall cost for society.

*What is the effect of Euro Accident's services?*

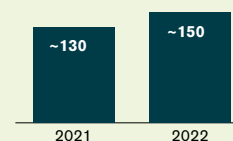
Euro Accident's rehabilitation and preventive services ensure that a higher share of individuals return to work from illness and avoid falling into long-term sick leave, thus contributing positively to their overall well-being and the cost to society.

*Who is the beneficiary?*

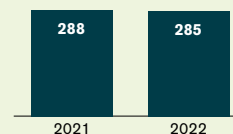
Insured individuals benefit from improved quality of care, increased access to care and a lower need for care, with positive effects on the society at large.

## Health Impact KPIs

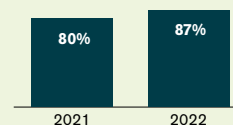
**Number of individuals with EA's Long Term Disability (LTD) insurance**



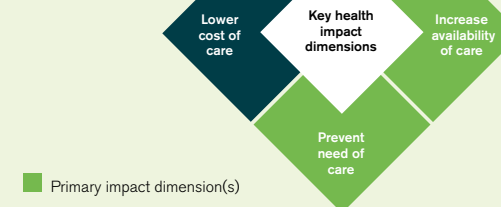
**Long-term sick leave average duration for the EA LTD portfolio (# of days)**



**% of people on short-term sick leave (<90 day) that re-enter job market before sick-day 90**



## Impilo Health Diamond



## 2022 key health impact achievements

- Increased number of insured individuals that Euro Accident can reach with their preventive offering
- Significant increase and focus in reaching claimants earlier in the treatment process, as well as an increase from 80% to 87% in terms of return to the job market for people on short-term sick leave
- Improved Euro Accident's offering and internal capabilities (e.g., psychologist, coaches) as well as identified high-quality third-party care providers to further increase the quality of care

## Key 2023 priorities to accelerate health impact

- Continue reaching a higher share of individuals earlier (e.g., before day 90) to start treatment and thereby increase chances of the individual re-entering the job market
- Further build on core HIT KPIs and embed them into the organization

## ← EURO ACCIDENT

### ESG Impact thesis

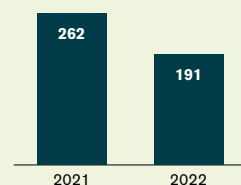
- By providing preventive and rehabilitation services combined with a customer-centric third-party care selection, Euro Accident takes an active role in supporting healthier lives (both pre-and-post illness), thereby improving the life of the individual with positive effects on society in large

### SDGs primarily addressed

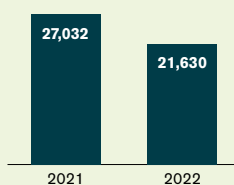


### ESG Focus KPI's

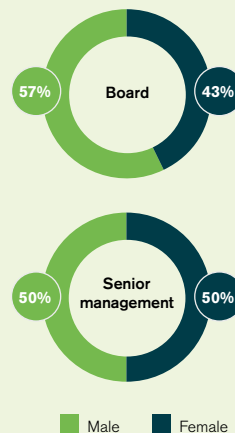
#### Scope 1 & 2 (tCO<sub>2</sub>e)



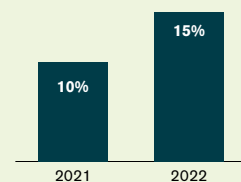
#### Scope 3 (tCO<sub>2</sub>e)



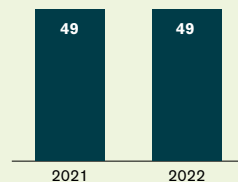
#### Gender diversity



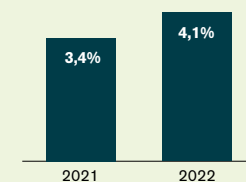
#### Renewable energy shares (%)



#### Employee NPS score



#### Sick leave (%)



### Key ESG Achievements 2022

- Strong results across several key ESG KPIs
  - Reduction in Scope 1 & 2 and Scope 3 through a continuous focus on bringing down emissions
  - Increased share of energy from renewable sources
  - Strong gender equality with balanced female and male share for both management and the Board of Directors
- Established KPIs including CO<sub>2</sub> baseline for scope 3, and developed/improved policies across main topics

### Key ESG Priorities 2023

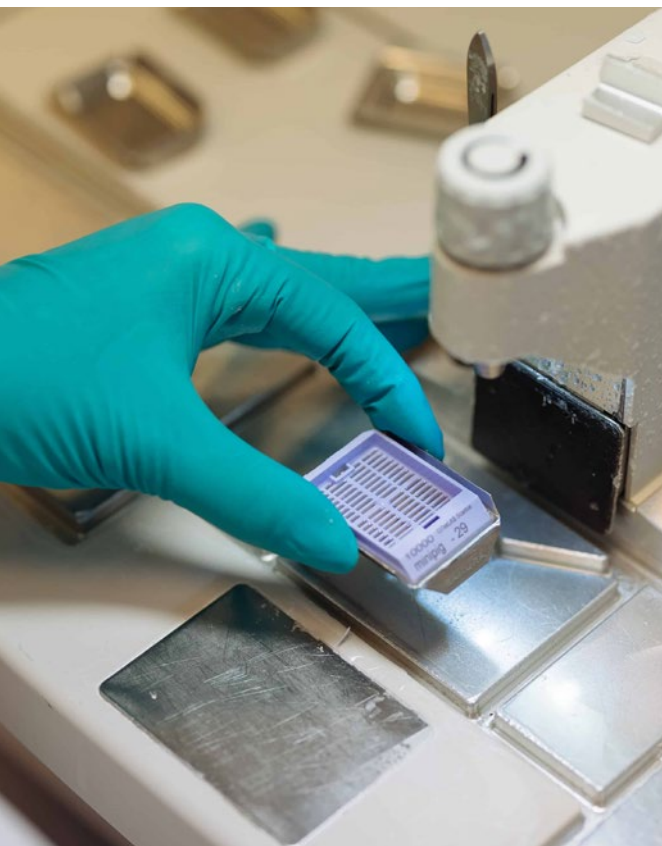
- Focus on bringing down Scope 3 emissions by increasing share of digital visits/treatments (e.g., EA successfully using digital psychologist sessions)
- Detailed assessment of the unadjusted gender gap by type of role
- Set long-term targets across ESG KPIs and communicate targets to the organization
- Incremental improvements to the quality of KPIs and policies



Fredrik Bergström  
CEO EuroAccident

#### CEO statement

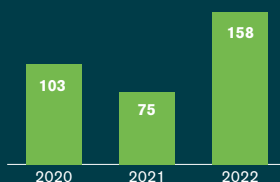
“During the last year EuroAccident has made significant progress quantifying the health impact of our preventive care model and we are proud to see the effectiveness of our model and the impact it has on society.”



## Key company statistics

**Sector:** Pharma Services  
**HQ:** Lille Skensved, DK  
**FTEs:** c. 100 FTEs  
**Impilo entry:** 2021

PF Revenue, DKKm



# Scantox

Scantox is a pre-clinical Contract Research Organisation (“CRO”) that provides a broad set of pre-clinical services, including explorative pharmacology, disease models, toxicology, safety pharmacology and histopathology. Scantox was founded more than 45 years ago and has a long track-record of successfully serving its trusted Pharma, Biotech and MedTech clients throughout Europe. Impilo acquired Scantox, Ejby in 2021 from Charles River, who had decided to close the site in the Summer of 2020, and as such 2021 represented a ramp-up year for Scantox. In 2022, the company acquired two Swedish CROs, Adlego and TimeLine Bioresearch, that are now part of the integrated Scantox Group.

## Health impact

*What healthcare challenges are we addressing?*

Pre-clinical services are essential to develop new, improved treatments for patients. The process is expensive and time consuming and Scantox’s clients need the best science and knowledge in a timely manner to succeed.

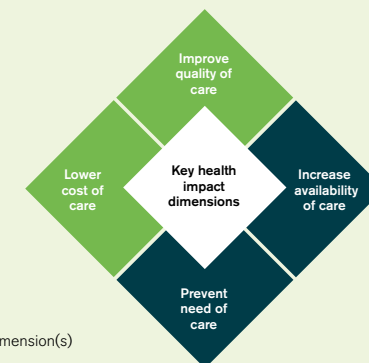
*What is the effect of Scantox’s services?*

Scantox’s services enable clients to make well-informed and timely decisions in the drug development process. As such the CRO services increase the probability of identifying safe and efficacious drug candidates, while reducing cost and lead times in the process.

*Who is the beneficiary?*

Clients and patients and, in the end, society, benefit from improved quality and lower cost of care.

## Impilo Health Diamond



Primary impact dimension(s)

## 2022 key health impact achievements

- Scantox awarded “Company of the Year 2022” by Connect Køge
- Scantox made two add-on acquisition along the value chain which improves Scantox 's ability to be a one-stop shop for companies
- Strong organic growth as Scantox has reopened and improved its operations following becoming an independent company

## Key 2023 priorities to accelerate health impact

- Continue to grow across value-chain and further decrease time to market of new pharmaceuticals, medical device and food additives as Scantox becomes more of a one-stop shop for the client across the company to accelerate reporting time to clients
- Continue to offer apprenticeship across the organisation to ensure education of tomorrow's employees





SCANTOX

### ESG Impact thesis

- Scantox works to ensure a healthy and safe work environment where employees thrive and grow
- Scantox works to minimize the impact of its operations on the environment and ensure best-in-class animal welfare

### SDGs primarily addressed

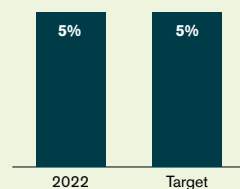


### Key ESG Achievements 2022

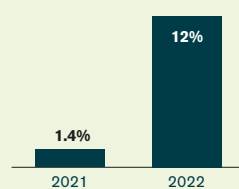
- Established KPIs including CO<sub>2</sub> baseline and core KPIs
- Strong gender equality, with 50% of C-suite management team being female
- Substitution of various hazardous chemicals to non-toxic chemicals and introduced initiatives to eliminate heavy lifting

### ESG Focus KPI's

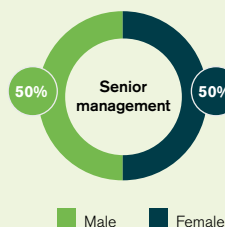
Share of workforce that are trainees  
% of total workforce



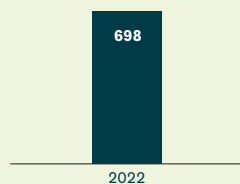
Turnover ratio % of total workforce



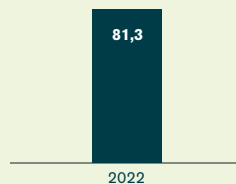
Gender diversity



GHG emissions, scope 1 & 2 tCO<sub>2</sub>



GHG intensity tCO<sub>2</sub>/DKKm



### Key ESG Priorities 2023

- Incremental improvements to quality of KPIs and policies, e.g. develop activity-based data for the share of its scope 3 emissions that relate to livestock
- Adopt global policies across Sweden and Danish facilities following the Swedish add-on acquisitions in 2022
- Investigate options for reducing dependency on natural gas by changing to renewable energy, which would lead to a material reduction in Scantox's total CO<sub>2</sub> emissions.



Jeanet Logsted  
CEO Scantox

### CEO statement

"At Scantox, we are committed to making a positive impact on society through our critical role in the drug discovery and drug development eco-system by providing high-quality pre-clinical testing services to identify efficacious and safe drug candidates, medical devices, food additives, etc. based on our long-standing experience and know-how. This is achieved by highly skilled, educated and dedicated staff working in a safe and stimulating environment.

We are committed to continue implementing ESG initiatives focusing on minimizing the impact of our operations on the environment and continue to go above and beyond ensuring we offer best-in-class animal welfare and share best practices across Scantox facilities."



## Key company statistics

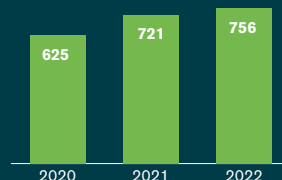
**Sector:** Dental care services

**PF Revenue, DKKm**

**HQ:** Lyngby, Denmark

**FTEs:** c. 800 FTEs

**Impilo entry:** 2021



# tandlægen.dk

tandlægen.dk is the leading Danish dental care chain. Founded in 2016, today it comprises 45 clinics across all regions in Denmark, employs over 800 professionals and serves more than a quarter of a million patients per year.

The company operates in a partnership model with the clinics and invests significant resources in professional development of all employees. Impilo's ambition is to support tandlægen.dk in strengthening its position as the preferred dental chain in Denmark by investing in quality and service level, as well as in pursuing its organic and M&A growth agenda.

## Health impact

*What healthcare challenges are we addressing?*

Good oral health has proven a correlation with health-related quality of life and reduced healthcare costs. Hence, tandlægen.dk aims to improve the oral health of its patients and increase the number of patients treated, as not all Danes have the same level of dental care access or oral health.

*What is the effect of tandlægen.dk's services?*

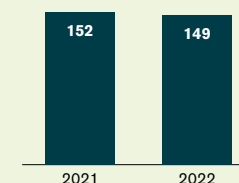
We help to improve oral health-related quality of life (OHROqL) for patients by best-in-class dentistry services with industry-leading customer satisfaction scores which ultimately will lead to better quality of life (QoL) for the patients.

*Who is the beneficiary?*

Patients benefit from improved quality of care, and the healthcare system benefits from a lower cost of care.

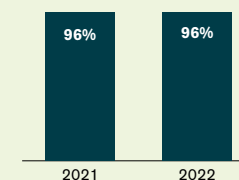
## Health Impact KPIs

### Preventive treatments<sup>1)</sup>

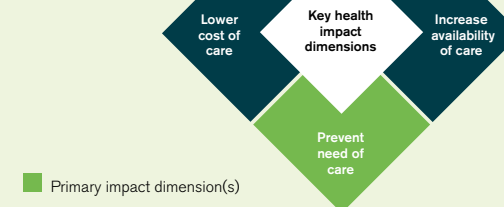


: 1) Based on select treatment codes

### Customer satisfaction



## Impilo Health Diamond



## 2022 key health impact achievements

- Treated over 172k recurring patients
- Stellar Trustpilot score of 4.8 achieved by focusing on customer experience and feedback across the clinic network

## Key 2023 priorities to accelerate health impact

- Encouraging engagement of inactive patients toward better oral health outcomes
- Set targets for HIT KPIs
- Grow the number of preventive (and overall) treatments
- Maintain high customer satisfaction



## ESG Impact thesis

- tandlægen.dk contributes to climate action by using environmentally friendly dental supplies and equipment, as well as cleaning products
- tandlægen.dk contributes to gender equality by ensuring equal employment conditions and gender diversity on the management and board level

## SDGs primarily addressed

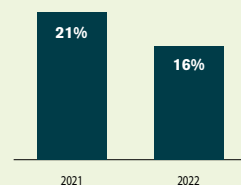


## Key ESG Achievements 2022

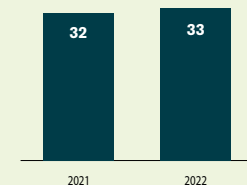
- Strong results across several key ESG KPIs
  - Significant improvement in turnover ratio for dentist at 9% vs. 18% in FY2021
  - Strong gender equality, with only a 2% difference in commission rates between female and male dentists
- Established KPIs including CO<sub>2</sub> baseline and core KPIs
- tandlægen.dk, together with Impilo, has during 2022 adopted policies, included ESG in its annual board cycle, and started its efforts on the ESG thesis

## ESG Focus KPI's

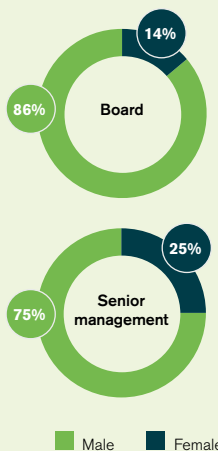
### Employee turnover – turnover ratio (%)



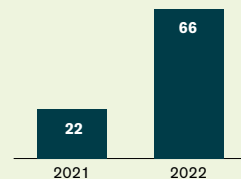
### Employee satisfaction – employee survey score (eNPS)



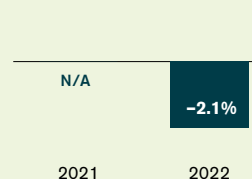
### Gender diversity



### Employment – net hires



### Pay equality – unadjusted paygap



## Key ESG Priorities 2023

- Incremental improvements to quality of KPIs and policies
- Set targets for ESG KPIs



Henrik Kølle  
CEO tandlægen.dk

### CEO statement

"At tandlægen.dk, we are dedicated to improving our ESG initiatives to impact the health and well-being of our customers positively.

We believe every person deserves strong oral health, and we recognize the role we can play in promoting and supporting this goal.

To achieve this, we have implemented new policies and initiatives focused on sustainability, health, and transparency. By doing so, we hope to foster a culture of responsibility and accountability within our organization, and we recognize our role as a market leader being part of a modern society with its necessary requirements for the healthcare sector."





### Key company statistics

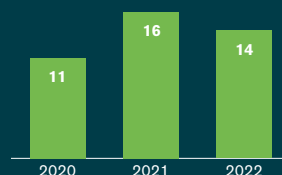
**Sector:** Pharma services

**HQ:** Vamdrup, Denmark

**FTEs:** c. 52 FTEs

**Impilo entry:** 2022

**Revenue, EURm<sup>1)</sup>**



1) Adjusted for Covid related orders in regard to 2020 and 2021.

## Lowenco

Lowenco develops, manufactures, markets, and installs large-scale modular ultra-low temperature ("ULT") storage solutions for commercial biopharma, primarily targeting the drug substance market where large storage volumes are required.

Lowenco provides a disruptive and sustainable solution to an underserved market, offering a unique customer value proposition that is centered around superior technical performance, significantly lower cost of ownership, and outstanding energy efficiency when compared to traditional upright freezers.

### Health impact

*What healthcare challenges are we addressing?*

The production and logistics of biopharmaceutical products constitute a highly complex supply chain given the ultra-low temperature needs to secure product quality and efficacy.

*What is the effect of Lowenco's services?*

Lowenco plays a vital role in lowering the cost of care by significantly reducing the total lifetime costs of ULT cold storage and reducing drug spoilage through higher uptime.

*Who is the beneficiary?*

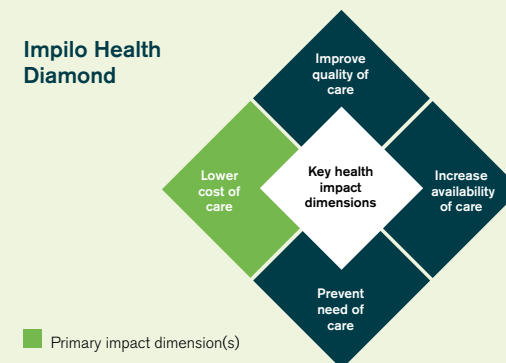
Lowenco helps reduce costs within a critical part of the pharmaceutical supply chain, indirectly lowering the direct cost of care for the ultimate beneficiaries.

### Health Impact KPIs

# 70%

Lowenco's ultra low temperature storage solutions with c. 70% lower total cost of ownership.

### Impilo Health Diamond



### 2022 key health impact achievements

- The company has begun its journey in establishing Impilo's HIT framework and will define relevant KPIs during the course of 2023
- The HIT KPIs will be centred around Lowenco's ability to i) lower the cost of ULT cold storage, ii) expand cold chain capacity in pharmaceutical supply chains, and iii) reduce spoilage of pharmaceuticals

### Key 2023 priorities to accelerate health impact

- Define additional relevant KPIs to quantify Lowenco's direct and indirect impact
- Develop a roadmap to accelerate health impact, supported by the KPIs



## LOWENCO

### ESG Impact thesis

- Lowenco contributes to climate action, as its solution offers material benefits on energy efficiency and GHG emissions
- Lowenco contributes to a safe working environment, as its solution offers material benefits on product safety
- Lowenco contributes to responsible production, as its solution has a materially longer useful life than that of alternatives

### SDGs primarily addressed

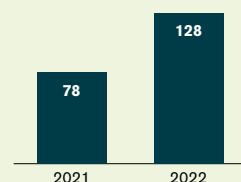


### Key ESG Achievements 2022

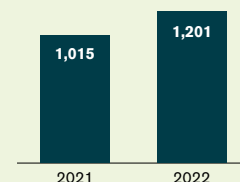
- Established KPIs, including CO<sub>2</sub> baseline and ESG KPIs, and developed/improved policies across main topics
- Developed and updated policies embedded in the organization
- No injuries in production facilities (vs. two the previous year)
- Albeit still below Lowenco's ambition level, improved gender diversity in senior management vs. previous year
- Successful recruitment of a Head of ESG to drive the ramp-up of sustainability efforts

### ESG Focus KPI's

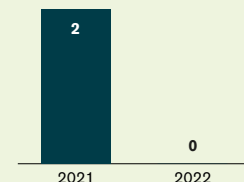
#### Scope 1 & 2 (tCO<sub>2</sub>e)



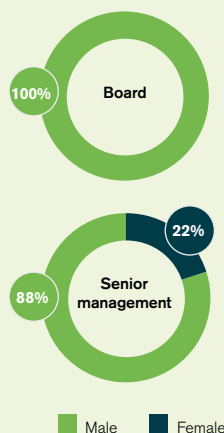
#### Scope 3 (tCO<sub>2</sub>e)



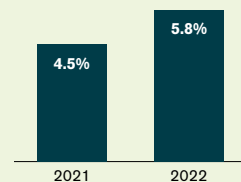
#### Number of Injuries



#### Gender diversity



#### Sick leave (%)



Lowenco's ultra-low temperature storage solutions

65-85%

lower energy consumption than upright freezer alternatives

### Key ESG Priorities 2023

- Develop Lowenco's first sustainability report for 2022
- During 2023, Lowenco will quantify the positive emission impact it provides through its products / installed base (i.e., scope 4)
- Introduce the first employee survey in Q1 2023
- Incremental improvements to the quality of KPIs and policies



Mikael Hoier  
CEO Lowenco

#### CEO statement

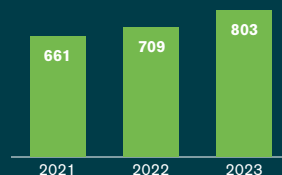
"At Lowenco, we are proud of the sustainable nature of our products in terms of lowering emissions and cost for ultra-low storage. During last year, we step-changed our approach to quantifying and communicating this impact. It has been a highly beneficial process that has inspired us to continuously work on improvements concerning our ESG and health impact."



## Key company statistics

**Sector:** Pharmaceuticals  
**HQ:** Stockholm, Sweden  
**FTEs:** c. 90 FTEs  
**Impilo entry:** 2018

### PF Revenue, SEKm



# Immedica Pharma

Immedica is a pharmaceutical company focused on the commercialization of medicines for rare and specialty diseases. The company's capabilities include marketing and sales, compliance, pharmacovigilance, quality assurance, regulatory and medical affairs as well as market access. Immedica serves patients in more than 50 countries and is fully dedicated to helping those living with diseases which have a large unmet medical need.

## Health impact

### What healthcare challenges are we addressing?

Immedica works to improve the quality of life for rare disease patients; patients who often face major hurdles, including lack of available treatments, access and limited knowledge and diagnosis of the disease.

### What is the effect of Immedica's services?

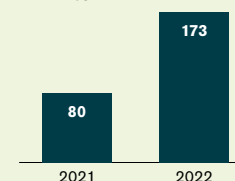
More patients are able to get more effective treatment, helping improve their quality of life and reducing mortality while preventing the need of additional care.

### Who is the beneficiary?

Patients benefit from improved quality of care and increased availability of care and the healthcare system benefits from prevented need of care.

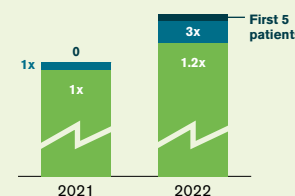
## Health Impact KPIs

### Identified patients with Arg-1D – Loargys



Arg-1D is an ultra orphan disease that often goes undiagnosed. Immedica works actively to identify new patients, thus increasing the availability of care.

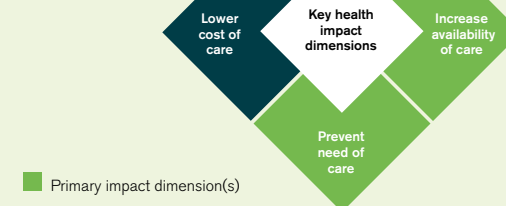
### Patients treated with Immedica's core products



■ Ravicti  
■ Zepzelca  
■ Loargys

By making innovative products available to patients, Immedica helps healthcare practitioners improve the quality of care.

## Impilo Health Diamond



■ Primary impact dimension(s)

## 2022 key health impact achievements

- Ravicti was approved in Hongkong and achieved reimbursement in Poland, Romania and Czech Republic, in turn making the treatment available to patients
- First patients treated with Loargys on an NPU basis. Immedica also submitted an MAA to the EMA for Loargys
- First approval of Zepzelca in the Middle East

## Key 2023 priorities to accelerate health impact

- Support authorities and healthcare agencies identify additional patients in orphan segments (e.g., for Loargys, lomab-B)
- Identify additional partnership opportunities to bring innovative treatment to patients with high unmet medical need





IMMEDICA

## ESG Impact thesis

Immedica seeks to maximise its ESG impact by actively working to:

- Reduce its environmental footprint directly and with our suppliers and partners towards a sustainable value chain
- Make sure employees have a safe and sustainable working environment and help them develop
- Operate with high compliance practice and have zero tolerance for bribery, corruption and forced labour
- Implement ESG diligence in procurement

## SDGs primarily addressed



## Key ESG Achievements 2022

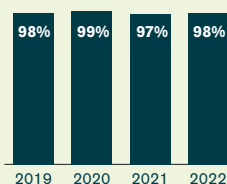
- In 2022, Immedica delivered strong performance across several of its core KPIs
  - Above industry average compliance performance, evidenced e.g., by 15-day patient safety reporting compliance to EMA of 97% vs industry average of 95%
  - Stellar employee happiness, (4.6/5 rating in employee survey)
  - Good gender equality as 62% of management are female
- Established KPIs including CO<sub>2</sub> baseline and core KPIs

## ESG Focus KPI's

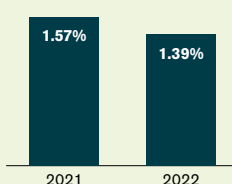
### Critical findings in audits

0 in 2022 (vs 1<sup>1)</sup>) critical findings in MPA driven audits

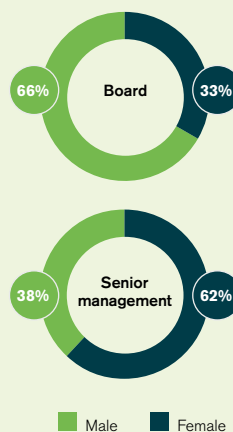
### 15-day patient safety reporting compliance to EMA<sup>2)</sup>



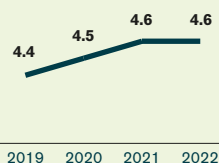
### Scrapping (% COGS, LTM)



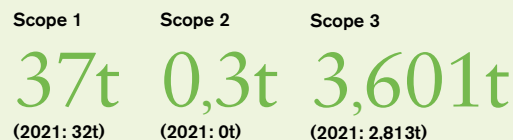
### Gender diversity



### Employee survey score



### CO<sub>2</sub> emissions 2022 (2021)



## Key ESG Priorities 2023

- Shift focus from 2022's CO<sub>2</sub> baselining and setting Health Impact and ESG targets to working actively with initiatives where it matters the most and reducing Immedica's climate footprint
- Launch first sustainability report (2022 report)
- Establish ESG committee and governance approach



Anders Edvell  
CEO Immedica

### CEO statement

"During the year we have taken great strides in making our ESG commitment more tangible and concrete. Making medicines available for patients is not enough if we don't do it in a sustainable way.

For us, a sustainable organization and business operations means entering sustainable partnerships, running our business in a compliant way, caring for the environment and society, and, last but by no means least, taking good care of our employees."

1) In 2019 (first year after entry).

2) Reporting to Eudravigilance (EMA). Industry average of c. 95% during 2018–2020.



## Key company statistics

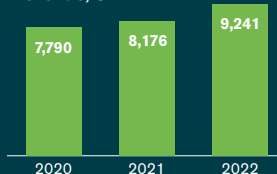
Sector: Care services

HQ: Stockholm, Sweden

FTEs: 12,426 FTEs

Impilo entry: 2019

Revenue, SEKm



# Humana

Humana is a leading Nordic care company that offers individual and family care services, personal assistance, as well as elderly care and housing with special services for individuals with functional impairment.

In Sweden, Humana is the market leader in individual and family care and personal assistance. In Norway and in Finland, Humana is the second largest provider of individual and family care services. In Denmark, Humana has a smaller care operation.

## Health impact

*What healthcare challenges are we addressing?*

Increasing need and cost caring for people with functional impairment, psychosocial disorders and mental illness as well as for the elderly.

*What is the effect of Humana's services?*

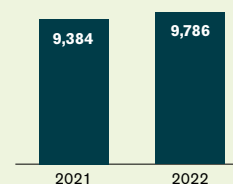
Improved quality of life for people under Humana's care and lower cost for society.

*Who is the beneficiary?*

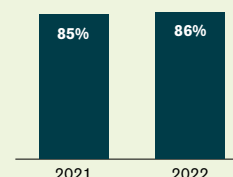
Customers benefit from improved quality of care and the healthcare system benefits from lower cost of care.

## Health Impact KPIs

### Number of customers

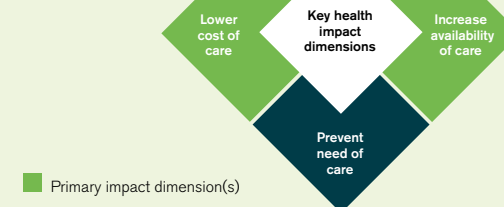


### Customer satisfaction



*Humana continues to increase its contribution to a sustainable Nordic care market, where everyone is entitled to a good life*

## Impilo Health Diamond



Primary impact dimension(s)

## 2022 key health impact achievements

- During 2022, Humana announced a new and improved quality index (Humana Quality Index) and started measuring social outcomes within its business area Individual & Family
- The company has grown its operations organically and through acquisitions
- Number of customers increased by 4%, reaching 9,786 customers
- Humana made five acquisitions during 2022 within Personal Assistance, Swedish and Finnish Individual and Family care and entered into an agreement to build and manage a new elderly care home with 100 apartments

## Key 2023 priorities to accelerate health impact

- Continue to grow number of customers and units to increase availability of care
- Continue to build on social outcome measurements and maintain/improve its high-quality operations



HUMANA

## ESG Impact thesis

Humana contributes positively by

- its high quality operations
- being an attractive employer
- delivering profitable growth and
- being a responsible provider, promoting diversity and inclusion and striving to reduce its environmental impact

## SDGs primarily addressed

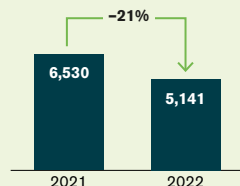


## Key ESG Achievements 2022

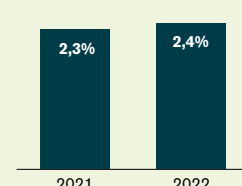
- Improved precision in measurement of Scope 2 and 3 emissions
- Included in Universum's list of Sweden's Best Employers for the first time.
- Strong results across several key ESG KPIs
  - Low unadjusted pay gap (0.5% difference, where females have higher salaries)
  - 103 jobs created for people furthest away from the labour market
  - Strong gender equality, with 57% of management being female and 50% female directors on the board of directors

## ESG Focus KPI's

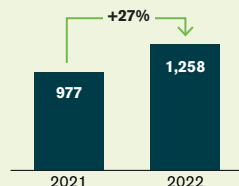
### Reduction of GHG Scope 1 & 2 (tCO<sub>2</sub>e)<sup>1)</sup>



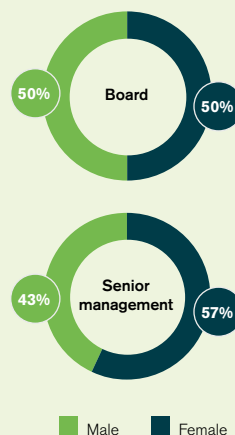
### Decrease long-term sick-leave



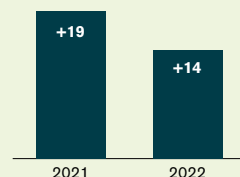
### Net new hires, number of people



### Gender diversity



### Employee NPS



103

jobs created for people who stand furthest away from the labour market

1) New refined baseline set in 2022 for scope 3 – will be included going forward.

## Key ESG Priorities 2023

- Continuous aim to reduce environmental impact, maintain high diversity in the company
- Incremental improvements to quality of KPIs and policies



Johanna Rastad  
CEO Humana

### CEO statement

"We operate in a world where society's resources are increasingly stretched, with fewer professional caregivers to look after more care recipients and our contractors facing financial pressure. We are taking a major step forward in terms of better conveying our contribution to society by presenting social outcome measurements for Individual & Family care in Sweden.

We have to see an increase in efficiency, quality, the rate of innovation and freedom of choice. That's where Humana is needed. We are part of the solution, contributing by setting a higher standard in Nordic care."





# Supporting information

# Social investment update

In line with our values, Impilo is committed to supporting important social causes through charitable initiatives. Our focus is on supporting causes where we can have a positive impact on one or more of the Health Diamond dimensions,

both in developing markets as well as in the Nordics. To this end, Impilo collaborates with the Social Initiative, an organisation linking companies to high-impact social entrepreneurs, to identify relevant initiatives and measure outcomes.



## OUTLOOK 2023

During 2023, Impilo plans to continue the partnership with Lwala and further formalise the new partnership with Frisk Generation. In addition, Impilo will launch the Impilo Foundation during 2023, adding more muscle to our charitable initiatives.

## Continued support to maternal and child health in Kenya



In Kenya, 64,500 children still die every year before reaching the age of five, mostly of preventable

causes such as diarrhea, pneumonia and neonatal complications. Nearly 5,000 women and girls die annually due to pregnancy and childbirth complications.

To help address this challenge, Impilo has together with Social Initiative been a proud partner to Lwala Community Alliance in Kenya since 2019. Lwala has, since 2007, been working towards advancing universal health coverage through bottom-up, community led health interventions, focusing specifically on children and maternal health.

Since 2019, Impilo has contributed to scaling up Lwala's model, increasing their reach from a population of 85,000 at the start of the collaboration, to 130,000 in 2022.

## Lwala's health impact – key figures

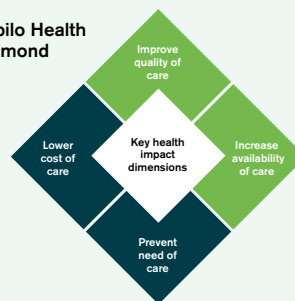
72% 19% 122%

reduction in child deaths over last five years

increase in immunization rate in Rongo sub-county vs. 2021

increase in contraceptive use vs. 2021

## Impilo Health Diamond



## Preventive health identified as main theme for Nordic charities



In the Nordics, lifestyle choices and aging populations are putting growing pressures on the healthcare system and

investments in preventive health remains low. During 2022, Impilo collaborated with the Social Initiative to identify relevant charitable initiatives in Sweden and identified two themes within the

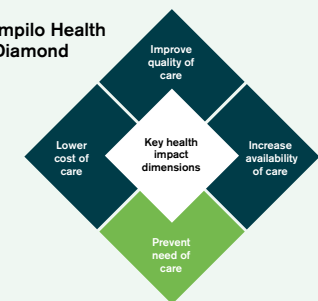
Preventive health dimension of the Impilo Health Diamond. These include:

- Preventive care: Through initiatives that can help prevent physical and mental health conditions via exercise and nutrition and mental health (stress reduction)
  - Preventing loneliness among elderly: Engaging the elderly in social activities which has also been proven to have a positive health impact.
- Based on these two themes a long-list of 28 initiatives was identified, of which one initiative called Frisk Generation was chosen.

## Frisk Generation – Inspiring families with low socioeconomic status to a more active and health lifestyle

Frisk Generation is a Swedish charity targeting children of ages 4–12 years old and their families. Since its inception, Frisk Generation has had 3,200 children and young people participate in its activities focusing on physical activities, healthy foods and mental well-being. With the help of Impilo, Frisk Generation would be able to scale into new municipalities through increased staff and expand its outreach to more children and their families.

## Impilo Health Diamond



## UNPRI alignment

UNPRI Principle	Impilo Alignment
<b>We will incorporate ESG issues into investment analysis and decision-making processes.</b>	<ul style="list-style-type: none"> <li>The Impilo Responsible Investment and Ownership ("RIO") Policy states our commitment to integrating ESG throughout the investment process consistent with international standards and good industry practice.</li> <li>Impilo requires that investments must have the potential to contribute to one or more criteria of the Impilo Health Diamond.</li> <li>ESG risks and opportunities are identified and assessed during deal sourcing and due diligence through a preliminary Health and ESG Impact Thesis. ESG due diligence is performed by our investment professionals together with a third-party ESG advisor.</li> <li>The implementation of our approach to ESG in the investment process is the responsibility of all Impilo employees. Through training and coaching we continuously seek to build knowledge and the capacity of our teams to address ESG.</li> </ul>
<b>We will be active owners and incorporate ESG issues into our ownership policies and practices.</b>	<ul style="list-style-type: none"> <li>The Impilo RIO Policy states our commitment to integrating ESG throughout the ownership cycle.</li> <li>Our active ownership commitment is reflected in Impilo's Sustainability Blueprint ("Blueprint") for portfolio companies.</li> <li>The Blueprint requires all portfolio companies to meet Impilo's minimum requirements and report against a list of core indicators. In addition, it supports portfolio companies to define their own strategic objectives and key performance indicators to advance important health and ESG goals specific to their businesses.</li> <li>The core components of the Blueprint must be implemented within one year of acquisition. Regular oversight from the Board of Directors through integration of ESG in the annual board wheel ensures continuous improvement of the core components of the Blueprint throughout our ownership.</li> <li>In support of the above, Impilo provides tools, guidance and training to its portfolio companies throughout our ownership.</li> </ul>
<b>We will seek appropriate disclosure on ESG issues by the entities in which we invest.</b>	<ul style="list-style-type: none"> <li>Impilo requires all portfolio companies to report and disclose performance against a set of ESG Core Indicators based on internationally accepted reporting protocols and the ESG Data Convergence Initiative for Private Equity. In addition, Impilo helps portfolio companies develop company-specific ESG and health targets and indicators tailored to their business.</li> <li>While Impilo is not currently covered by the EU Sustainable Finance Disclosure Regulation (SFDR), we are committed to aligning our disclosure against the requirements for Article 8 funds. As such Impilo intends to voluntarily apply the principal adverse impact regime (PAI) that follows from the SFDR in relation to its operations.</li> </ul>

UNPRI Principle	Impilo Alignment
<b>We will promote acceptance and implementation of the Principles within the investment industry.</b>	<ul style="list-style-type: none"> <li>Impilo actively engages with investors, portfolio companies and other business partners to promote responsible investment principles across our full deal cycle as well as in our external disclosure.</li> <li>Impilo supports the implementation of responsible investment principles in the private equity sector through bilateral meetings and knowledge sharing with peers and participation in ESG events and seminars in relevant associations such as the European Healthcare Private Equity association.</li> <li>Impilo expects service providers to align with the basic tenants of our responsible investment and ownership policy which are communicated through engagement letters.</li> </ul>
<b>We will work together to enhance our effectiveness in implementing the Principles</b>	<ul style="list-style-type: none"> <li>Impilo considers the move towards standardised and comparable ESG disclosures key to enhancing the effectiveness of responsible investment principles and approaches in the private equity sector.</li> <li>Impilo supports the standardisation of ESG disclosures and has initiated disclosure against the core indicators in the ESG Data Convergence Initiative for 2022. In addition, Impilo is in the process of preparing for alignment against the forthcoming product disclosure requirements in the SFDR.</li> </ul>
<b>We will each report on our activities and progress towards implementing the Principles.</b>	<ul style="list-style-type: none"> <li>Impilo is committed to following relevant reporting standards and disclosure frameworks</li> <li>Impilo reports publicly on its ESG approach, activities, and results at an Impilo-level for the full portfolio and on a portfolio company level through the annual Impilo Sustainability Report</li> <li>In addition, Impilo reports on its ESG approach, activities, and results to investors on a regular basis.</li> </ul>





# Sources

- 1) Impilo's understanding is based on EU and WHO definitions of "good quality care" as: "healthcare that is effective, safe and responds to the needs and preference of patients" (OECD, 2019)
- 2) European Commission
- 3) <https://www.frontiersin.org/articles/10.3389/fphar.2021.748702/full>
- 4) WHO Fact Sheet on Patient Safety
- 5) EU Healthcare at a Glance (2020)
- 6) Healthcare Expenditure Statistics, EU, 2019
- 7) Healthcare without harm, 2021

# Impilo

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