

Responsible Investment and Ownership Policy

1. Background

Impilo is an investment company focused on investments in the healthcare and health related sectors, primarily targeting companies in the Nordic region.

At Impilo, we invest in a healthy future. Our mission is to generate superior returns by investing in and building sustainable and leading healthcare businesses.

At the core of our investment thesis lies the belief that investing in healthcare businesses with positive health outcomes, strong environmental, social and governance (ESG) performance and high growth potential will lead to superior returns and greater benefits to our investors, portfolio companies, and society at large.

2. Purpose

The Responsible Investment and Ownership Policy (the “Policy”) describes Impilo’s commitment to sustainability and how we seek to implement our sustainability commitments throughout the investment process and ownership cycle. The Policy is the foundation of Impilo’s Sustainability Framework and outlines the main commitments and principles that guide how we work with sustainability in our daily operations.

3. Scope

This Policy shall be implemented and executed across the full Impilo structure and throughout the investment process and ownership cycle. The Policy covers all investments in Impilo Healthcare AB, Impilo AB and Impilo Orphan Care.

It applies to Impilo’s Board of Directors, Impilo management and employees, and Impilo’s industrial advisors and other individuals with a mandate to represent Impilo, and it is the responsibility of all such individuals to understand and comply with the Policy.

Impilo shall at all times seek to leverage its influence as a responsible investor and owner and as a leading member of the healthcare community to deliver on the commitments outlined in this Policy. In cases where Impilo is a minority owner, Impilo will still seek to promote the core tenets of the Policy in a manner that is at least proportionate to Impilo’s ownership share and level of influence.

4. Definitions

The Impilo Health Diamond: Impilo’s proprietary investment framework outlining the four dimensions of health Impilo seeks to promote with its investments: improve quality of care, increase availability of care, lower the cost of care, and/or prevent the need for care.

Health Impact Thesis (HIT): Impilo’s investment thesis pertaining to the primary (positive) health outcomes that each investment shall pursue during the investment period in support of one or more dimensions of the Impilo Health Diamond, including relevant objectives, targets and KPIs.

ESG Impact Thesis (EIT): Impilo’s investment thesis pertaining to the material environmental, social and governance (ESG) impacts, risks and opportunities that each investment shall pursue during the investment period, including relevant objectives, targets and KPIs.

Impilo’s Sustainability Blueprint: Impilo’s proprietary ownership framework, setting out requirements to all portfolio companies in support of Impilo’s sustainability commitments.

Sustainability risk: an environmental, social or governance (ESG) event or situation which, if it occurs, could have an actual or potential material adverse impact on the value of an investment. “ESG risks” and “sustainability risks” are used interchangeably in the Policy.

Principal adverse impacts: The most significant negative effects that Impilo’s investment decisions might have on sustainability factors.

Red flags: When potential investments are found to cause or contribute significant and irreversible harm to health and/or material ESG factors, and/or damage the financial or reputational capital of Impilo, its investors and/or its existing portfolio companies.

5. Principles

Impilo shall comply with all applicable rules and regulations governing the integration and disclosure of environmental, social and governance issues into investment decisions, including, but not limited to, the Sustainable Finance Disclosure Regulation (“SFDR”).

Impilo shall further seek to align its Responsible Investment and Ownership Policy, practices and disclosures with key international standards, guidelines and frameworks, including, but not limited to:

- The UN Paris Agreement
- The Science-Based Target Initiative (SBTi)
- The UN Principles for Responsible Investment (UNPRI)
- The UN Sustainable Development Goals (SDGs)
- The UN Global Compact and the OECD Guidelines for Multinational Enterprises
- The Sustainability Accounting Standards Board (SASB)
- The International Financial Reporting Standards (IFRS) climate disclosure standards
- The ESG Data Convergence Initiative (EDCI)

6. Commitments

At Impilo, we are on a mission to invest in and build the leading healthcare businesses of tomorrow. We consider sustainability a central component of this mission and believe that the leading healthcare company of tomorrow is also a sustainable healthcare company.

To help us deliver on our mission, we will focus our sustainability efforts around three core commitments:



Accelerate positive health impacts: The Impilo Health Diamond sets out four health impact dimensions, one or more of which any new investment must fulfil or have the potential to fulfil during Impilo’s ownership. When we make new investments, we shall consider its current and potential health impacts alongside commercial and financial criteria. Further, during our ownership, we shall continuously work with portfolio companies to assess, measure and accelerate positive health outcomes.

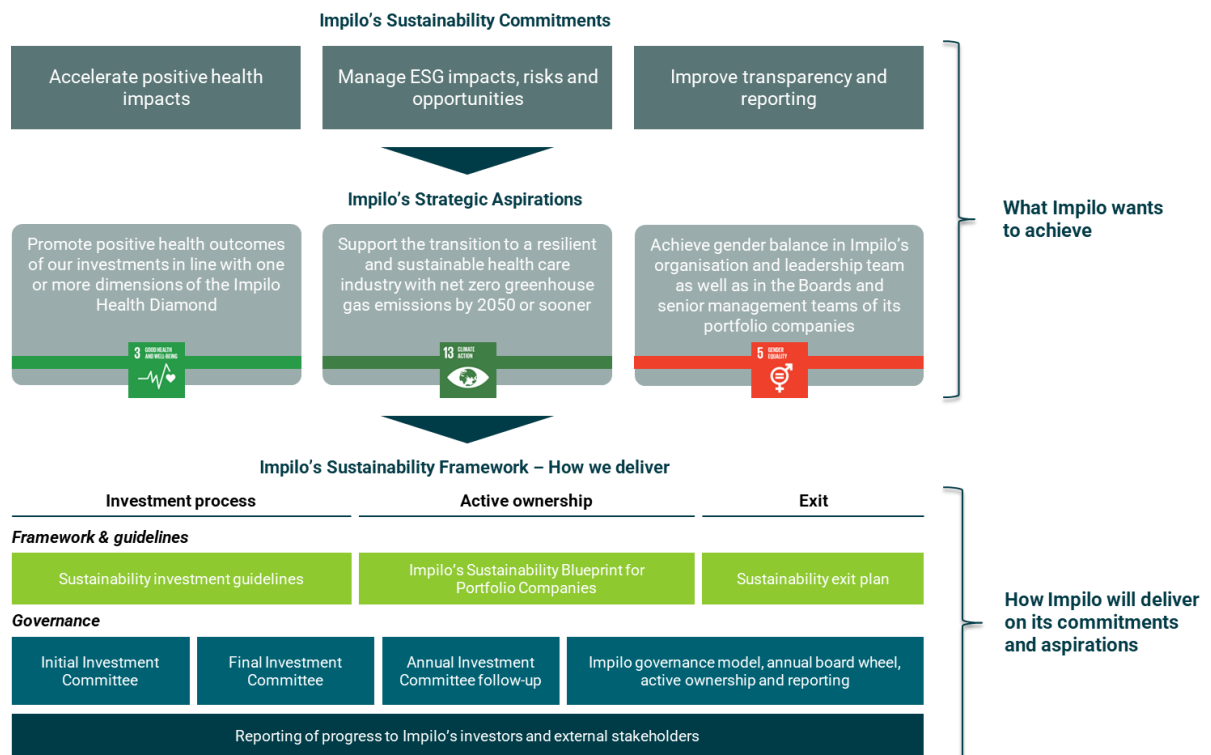
Manage ESG impacts, risks and opportunities: We will actively manage material environmental, social and governance (ESG) impacts, risks and opportunities throughout the investment process and ownership cycle. This includes setting ambitious aspirations and taking timely action to bring investments in line with the UN Paris Agreement (1.5 scenario), promote gender balance in Impilo and its portfolio companies and identifying and addressing additional ESG issues specific to the individual investments. We consider this work instrumental to reducing principal adverse impacts and sustainability risks associated with our investments as well as finding new opportunities for value creation for investors, portfolio companies and society.

Improve transparency and reporting: As a responsible investor with a fiduciary duty towards our investors, Impilo is committed to improving transparency. We shall continuously measure and report on progress against our commitments to accelerate positive health impacts and manage ESG impacts, risks and opportunities. . We recognise that transparency is a key lever for driving progress, both on important health outcomes as well as material ESG issues.

7. Approach

The following section outlines Impilo’s approach to integrating sustainability in its investment decisions, including, but not limited to, its policies for integration of sustainability risks pursuant to Article 3 of Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (Disclosure Regulation or SFDR). Impilo also considers principal adverse impacts (PAI) in its investment decisions, pursuant to Article 4 of the SFDR regulation. Please refer to the separate PAI statement on Impilo’s website.

Impilo is dedicated to integrating its commitments and aspirations to sustainability throughout the investment process and ownership cycle and openly share progress with investors and external stakeholders. The core constituents of Impilo’s sustainability framework are illustrated below.



Raising capital: When raising capital, Impilo shall enable potential investors to make an informed assessment of how our approach to sustainability during the full lifecycle of an investment (including in the investment process and ownership phase) aligns with their responsible investment policies and investment requirements.

Deal sourcing: The Impilo Health Diamond sits at the core of Impilo's investment strategy, wherefore all potential investments must have the potential to promote positive health outcomes by aligning with one or more of the four health impact dimensions. During sourcing, Impilo shall further consider any potential risks and/or adverse impacts associated with the investment – including “red flags” – which may pertain to either health issues and/or other material ESG issues.

Due to the nature of Impilo's investment mandate and focus, Impilo does not source deals in controversial industries with high inherent sustainability risk exposure, including, but not limited to, sectors such as tobacco, alcohol, weapons, tar sands, coal or other businesses outside of healthcare and health related sectors. Impilo does not maintain a formal exclusion policy or list separate to the stipulations in this Policy as its exposure to such sectors is limited and instead fully rely on the Impilo Health Diamond.

Due diligence: If a screened investment proceeds to due diligence, Impilo shall conduct an in-depth analysis of the investment's health impact potential as well as its material ESG impacts, risks and opportunities, including “red flags”. In this process, Impilo shall give due consideration to both sustainability risks as well as principal adverse impacts associated with the investment. Further, Impilo shall identify opportunities for value creation on respectively health impact and material ESG issues via a preliminary Health Impact Thesis (“HIT”) and ESG Impact Thesis (“EIT”), which shall be further developed during Impilo's ownership. To assist the deal teams in this process, Impilo has developed dedicated due diligence guidelines, instructions and templates building on recognized frameworks and regularly engages with external advisors.

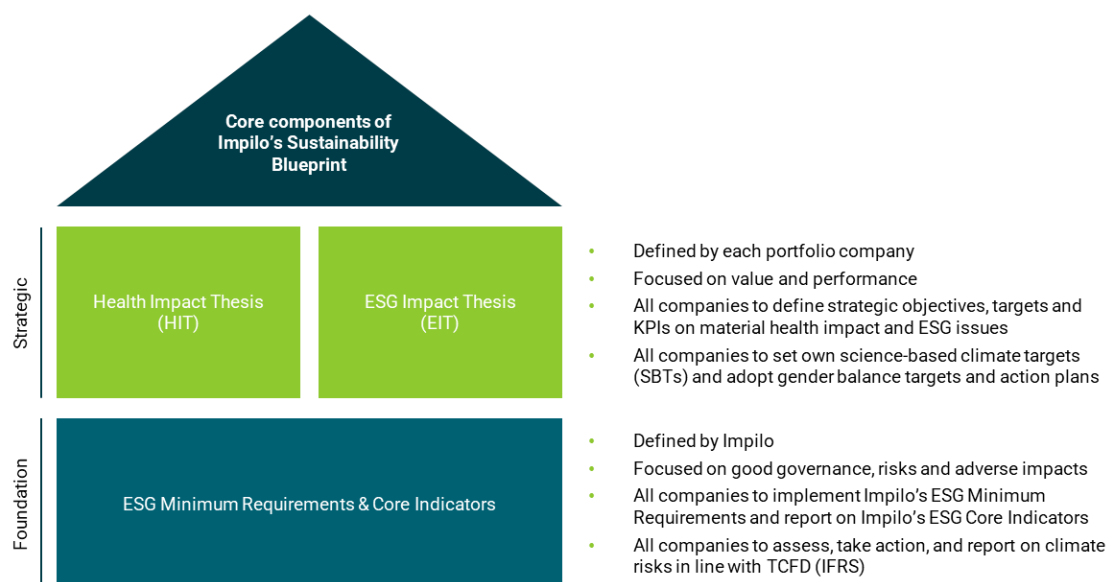
Investment decision: The findings from due diligence, including any “red flags”, shall be documented and presented to the Investment Committee (“IC”) at consecutive stages, thereby forming an integral part of the investment decision-making process.

In cases where a prospective investment is found to cause or contribute to significant and irreversible adverse impacts to health and/or to other material environmental, social and governance factors, which cannot be mitigated by Impilo during ownership (i.e. unmitigable “red flags”), Impilo will refrain from investing. Such instances includes:

- Investments which, despite a positive impact on one dimension of the Impilo Health Diamond, cause or contribute to significant and irreversible harm to other health dimensions;
- Investments which cause or contribute to 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.

Ownership: Impilo is committed to being a responsible owner. It is as an owner that we have the greatest opportunities to accelerate the positive health outcomes of our portfolio companies, improve performance on material ESG issues and drive increased transparency within our industry. The Impilo Sustainability Blueprint defines the main steps that all portfolio companies must take during our ownership.

Impilo’s Sustainability Blueprint for portfolio companies



The Blueprint shall ensure that all portfolio companies have a sufficient level of safeguards in place to identify and manage material sustainability risks, and demonstrate good governance practices in line with the UN Global Compact and the OECD Guidelines for MNEs. Further, it shall enable portfolio companies to identify, measure and accelerate positive health outcomes in line with the Impilo Health Diamond while setting ambitious targets and actions on climate change, diversity, equity and inclusion (DEI), and other company-specific ESG initiatives. Finally, the Blueprint shall ensure continuous monitoring and reporting of portfolio company performance and principal adverse impacts, allowing Impilo to track and disclose the progress of its portfolio companies over time.

Exit: Impilo recognises that sustainability can be an important valuation driver. As we get closer to exit, Impilo will work closely with portfolio companies to document past progress and outline future improvement prospects on material sustainability issues. Impilo shall further ensure that sustainability performance and practices form part of the vendor diligence reports, initial public offering prospectus, and/or other relevant divestment process documentation. As part of the exit preparations, Impilo will evaluate how the business of the portfolio company can be developed going forward, including in respect of sustainability.

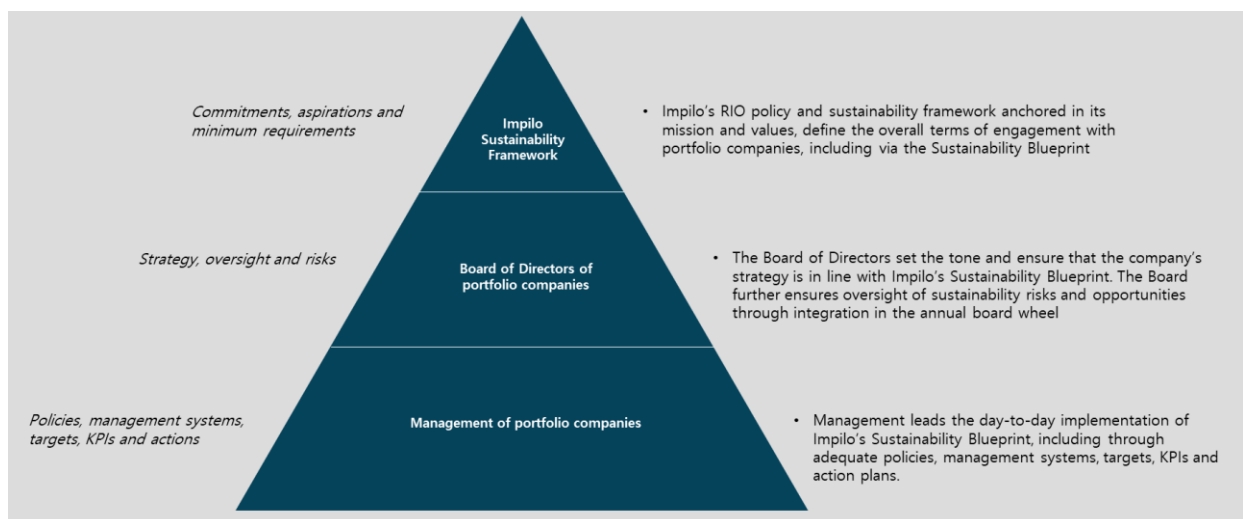
8. Accountability

The CEO of Impilo is the owner of the Policy and provides regular updates on the execution of the Policy to the Investment Committee. In the exercise of the responsibilities, the CEO is supported by one investment partner together with the COO.

The Impilo IC is responsible for the implementation of the Policy in the investment decisions. The IC is made up of all partners (except the CFO) of Impilo.

The full Impilo team is responsible for the implementation of the Policy in day-to-day operations including in deal sourcing, due diligence, active ownership, and exit. The Impilo team is supported by 1-2 investment team members assigned to continuously improve tools, guidelines and others as well as to make recommendations for improvement to the Impilo management.

The Board of Directors of each portfolio company is responsible for implementation of the Sustainability Blueprint, including ensuring the integration of sustainability in the annual Board wheel and that executive incentive plans take into consideration relevant sustainability targets and KPIs consistent with the company's goals, where possible.



Transparency on remuneration policies in relation to the integration of sustainability risks

The following outlines Impilo's approach to integration of risks in its remuneration policies pursuant to Article 5 of Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector.

The consideration of sustainability risks is integrated in Impilo's performance evaluation and variable remuneration 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 the RIO Policy and sustainability framework is included as a distinct metric in the performance review 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.

9. Reporting and review

The Policy shall be reviewed annually by the IC, to assess compliance and identify opportunities for improved implementation and/or further development.

Issues with compliance with the Policy must be escalated to the CEO and COO of Impilo and logged and dealt with immediately. For further guidance on how to report concerns, please refer to Impilo's Whistleblowing instruction.

Impilo is committed to monitoring the implementation of this Policy through regular reporting to investors as well as through the Impilo Annual Sustainability Report available to all interested external stakeholders.