

Responsible Investment Policy

1. Introduction

Careventures' mission is to help entrepreneurs and business owners to transform their ideas into leading international healthcare companies by leveraging our capital, network and hands-on approach while promoting innovation, a culture of excellence and best practices.

We aim to create a positive impact by improving European healthcare through the creation and growth of industry-leading companies, while generating outstanding and sustainable returns for our investors.

As healthcare dedicated professionals and investors, we understand responsible investment as the only way to achieve our goals. Besides our commitment to deliver outstanding returns to our investors, promoting good purpose business ideas that have an impact is paramount in our entrepreneurial DNA.

2. Purpose and scope

The purpose of this responsible investment policy is to highlight Careventures' commitment and understanding of all ESG related matters and to define the importance that ESG considerations play in our decision-making process and daily operations.

This policy has been developed in accordance with the United Nations Principles for Responsible Investment ("UNPRI"), to which Careventures became a signatory member in November 2019.

The principles aim to provide a framework to facilitate the incorporation of ESG issues management into the investment activity of the firm, covering the whole investment cycle from the decision-making phase to the ownership and the divestment moment.

The Careventures Responsible Investment Policy and its principles are consistently applied to all the existing portfolio companies, the related firms that compose the Careventures structure as well as to all prospective investments.

In this regard and to ensure an appropriate implementation, the Board of Directors is the body that assumes the ultimate responsibility for its oversight. The Managing Partners are responsible for the Investments policy's continuous development and adaptation.

3. Our core values

Careventures is governed by its foundational values that play a key role in determining our investment actions in the context of ESG:

- **People:** we recognize people as our main asset and the most essential asset of the companies in which we invest. From former entrepreneurs to healthcare investors, we understand the value of honest and transparent human relationships within a framework that promotes meritocracy and opportunities.
- **Commitment:** as an essential part of our responsibility as investors in a sector with a huge impact in people's lives as healthcare. We are committed to act with honesty, transparency and a sense of fairness with the highest ethical standards in everything we do. As a result, we only commit ourselves and our resources with those stakeholders that share these values.
- **Sustainability:** we work with the intention to optimize the resources we have. Minimize the negative social and environmental impact and maximize the positive ones.
- **Innovation:** we believe in the power of disruptive ideas to create value, and especially in the context of healthcare, usually affected by public systems' lack of resources and limited public access to certain treatments/solutions.
- **Excellence:** because we understand that investing in healthcare can only be done within a culture of excellence and high standards.

As responsible investors, we consider our ESG policy as a critical lever to create solid projects that meet our stakeholders' goals and that have a positive impact on society.

4. Management of the ESG issues

Our responsible investment policy is integrated into our governance structure, firm's culture and operational and execution practices.

We have defined several ESG criteria to identify potential risks and opportunities associated with our short and long-term goals.

To this end, we have created our own internal tool (the "*Careventures' ESG Scorecard*") that allows us to assess different aspects that are deemed as critical in the 2 main phases of our investments: (a) The Initial Screening and (b) the Monitoring linked to our holding period.

(A) Initial Screening of Investments

1. **Exclusion:** which allows us to assess if new investment opportunities are affected by activities that are excluded from what we expect from a Careventures platform/project:
 - a. Illegal economic activities;
 - b. Production of tobacco or illegal drugs;
 - c. Financing (directly or indirectly) of the production or trade of weapons and ammunition;
 - d. Pornography;
 - e. Potential child abuse;
 - f. Limitation of individual rights or freedom of individuals, as well as human rights violations;
 - g. Human cloning;
 - h. Animal suffering or mistreat;

- i. Other business activities that may imply an ethical dilemma for the benefit of improving revenues or profits;
- j. Etc.

These characteristics immediately preclude a potential investment from any further consideration.

2. **ESG Due Diligence:** our investment process procedures include an early evaluation of ESG related risks and opportunities that start with an initial own designed questionnaire.

We are committed to continue bolstering our due diligence procedures to ensure strict compliance with ESG criteria, reason for which we usually include in our standard acquisition due diligence package a specific ‘ESG Due Diligence’ or ESG review.

The results of the questionnaire and due diligence work are systematically considered in our investment documentation package and memorandums to ensure that the Investment Committee is duly informed about it before making any decision.

3. **Investment approval:** for any investment being considered, a recommendation to the relevant fund or governance body will include a specific mention highlighting the key beneficial impacts of the target, any significant ESG issues or opportunities that may have been identified as well as the forecast actions to mitigate any material risks.

(B) Monitoring of ESG issues

We encourage our portfolio entities and platforms to develop their own ESG policy and Corporate Social Responsibility programs.

In this process, we aim to monitor and measure ESG practices so as to identify possible risks/opportunities that may need corrective actions or a proactive response from the governance bodies. All of it with a positive and constructive approach.

Careventures tries to ensure that its objectives regarding ESG are clear and widely known by the management of its portfolio entities. Our ESG policy is shared with new potential investee companies or management teams that approach us to develop a new proprietary project. At the early stage of any new platform, Careventures makes sure that an ESG responsible is assigned, who will take care of all ESG-related aspects in the drafting of the route map and action plan.

We firmly believe that the best way to ensure success in implementing ESG practices is by empowering management teams to develop their own policies, commit to those and set real and achievable goals that can be measured and that can have a real impact. Each company/platform’s ESG plan would be reviewed at a board level at least once per year.

Since Careventures generally invests in small and mid-sized companies or projects that are on their way to become pan-European players, we usually find that management teams have a limited knowledge on this field, that is frequently combined with limited resources. In this regard, we support them by providing skills, tools and frameworks, as well as by engaging external consultants if needed.

Main ESG-related topics that are taken in consideration:

I. Human related:

- Human rights;
- Impact on local communities;
- Diversity;
- Gender discrimination;
- Health and safety of employees or stakeholders' employees;
- Access to proper healthcare;
- Etc.

II. Environmental related:

- Climate change;
- Resource depletion;
- Waste generation;
- Biodiversity loss;
- Animal suffering;
- Etc.

III. Ethical and relationships related:

- Money laundering;
- Bribery and corruption;
- Influence by interest groups or lobbies;
- Minority shareholders rights;
- Board and governance bodies composition;
- Ethical-related issues management;
- Conflicts of interest that can result in ethical issues;
- Etc.

5. ESG Reporting:

Following our transparency approach, at Careventures we aim to share with our stakeholders any ESG-related issues that may have been identified as a result of our investment activity, as well as the developments in further improving our management and performance of it.

In this regard, our reporting process to investors and other related parties is based on the following parts:

- A. **Information gathering:** which is executed fundamentally through questionnaires, Q&A sessions, as well as through existing regular meetings with portfolio entities in which ESG topics are also discussed.
- B. **Assessment phase:** that includes processing the inputs gathered and an evaluation of the impact and effectivity of main ESG performance KPIs.
- C. **Action plans:** consisting on the design and implementation of effective action plans that allow us to mitigate any identified issues or execute new initiatives that are expected to have a positive ESG impact.
- D. **Balance and on-going improvement:** evaluate the overall performance and impact of the existing measures and plans, as well as the next steps towards implementing corrective/improving measures if necessary.

Also, as a signatory member of the UN PRI, Careventures will also report annually through the UN PRI Transparency Report that will be publicly available on the UN PRI website.

6. On-going improvement process and review of this policy

Careventures understands its commitment towards ESG issues management as an on-going continuous improvement journey. Thus, it is our understanding that the management of ESG issues should be continually revisited in line with the market's best practices and existing economic and social context.

This Responsible Investment Policy has been reviewed at 2020 year-end. At least an annual review is expected to be conducted, following the elaboration of the annual ESG memorandum.