Sustainability Report 2021

Impilo

Investing in a healthy future.

Impilo

Impilo is a Nordic investment company focused solely on investments in 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.



Content

CEO letter

During 2021, we have taken important steps to enable us to create more value from our sustainability efforts by placing health impact at the core of our investment approach. As part of these efforts, we have also set out to fully integrate sustainability in our investment process and engagement with portfolio companies.

An important year for sustainability
2021 has been an important year for sustainability – and not just for Impilo. In the wake of a growing urgency for investors and companies to respond to global sustainability challenges, new landmark regulations such as the EU Sustainable Finance Disclosure Regulation (SFDR) and the EU Taxonomy have now entered into force. We stand behind these initiatives, and others to come, and believe they will help create a more level playing field in our industry, providing investors with greater transparency and choice, also on sustainability factors.

At Impilo, we fully support this development. While we are not yet covered by the EU regulations within sustainability, we have proactively started to align our investment process, engagement with portfolio companies and reporting with the emerging regulations and will continue to do so as the landscape evolves and matures over time.

Sustainability is more than compliance
Sustainability lies at the very core of our investment thesis and how we engage with our portfolio companies, investors and other stakeholders. It is how we manage our risks and how we create value.

At Impilo, our mission to invest in a healthy future is intrinsically linked to the global aspiration of ensuring healthy lives and promoting well-being for everyone, as reflected in the UN Sustainable Development Goals (SDGs). Behind this mission lies our belief that long-term investments with positive health impacts lead to superior returns, for society as well as for investors.

Health impact at the core of our approach

To better reflect our commitment to advancing important health goals in the markets we or our portfolio companies are present, we took important steps to rethink our approach to sustainability during 2021. In doing so, we placed our commitment to accelerating positive health impacts at the core of our sustainability efforts. Our ability to unlock the full health impact potential of our portfolio companies through an active and engaged ownership approach is closely linked to producing superior returns. The larger the potential health impact of the investment case, the higher the value we can deliver – for society and for our investors.

Bringing the Impilo Health Diamond to life

The Impilo Health Diamond lies at the heart of our investment approach and has since we were founded in 2017 helped guide us in identifying the dimensions we want to address with our investments. The global health challenge is substantial, and while we do not solve for all of it, we see a strong demand for innovative products and solutions that improve the quality, availability and cost of care and prevent the need of care. While many of our portfolio companies are already acutely aware of the challenges they address and the differences they are making, we developed our proprietary Health Impact Thesis (HIT) framework to help them articulate how they can contribute to achieve important health outcomes over the coming years.

As a dedicated healthcare investor, being able to clearly articulate our portfolio companies' impact and contribution to a healthier future is a critical priority for us. While there is still more work ahead of us in perfecting our approach, I believe we have taken an important step in this direction.

Taking the next steps on our sustainability journey

In 2021, we set out to create more value from our sustainability efforts and make sustainability even more engrained in our investment process and the way we engage with our portfolio companies. Reflecting on the year passed, I can proudly say that we have made significant strides to this end by bringing more passion, intent and structure to our core sustainability commitments: advancing positive health impacts, improving progress on material ESG issues and strengthening transparency and reporting.

I hope you will enjoy reading more about our journey, and I am confident that we will see even further improvements and impact of our efforts over the years to come.

Fredrik Strömholm,
Partner

"A strong health impact thesis is closely linked to superior long-term returns and successful healthcare companies."

2021 highlights and outlook

2021 has been an important year for Impilo. We have seen strong development in our portfolio, closed our second investment pool with available commitments of SEK 5.7 bn and welcomed three new acquisitions with promising growth and health impact potential. In addition, we have taken significant strides to bring our sustainability commitments to the next level.

17%

Combined EBITDA growth in 2021

Strong growth and positive developments

We have continued to see strong growth and positive developments in our portfolio companies, with combined EBITDA 17% higher than the previous year and all portfolio companies seeing a continued positive outlook for 2022. Notable developments during the year include the results of Ferrosan Medical Devices and Immedica, which ended the year with an EBITDA growth of 22% and 14%, respectively, and Euro Accident that saw record-strong profitability levels in its core Swedish market and reached several important milestones in its geographic expansion.

New investments

In 2021, we welcomed three new portfolio companies, further strengthening our presence in care and pharma services by acquiring Denmark's largest dental chain, tandlaegen.dk, and the Danish company Scantox, a leading European pre-clinical contract research organisation. At the very end of the year, we also signed the acquisition of Lowenco, an innovative Danish player in the field of ultra-low temperature storage solutions for commercial biopharmaceuticals.

COVID-19

COVID-19 continued to put a considerable strain on society during the year and led many of our companies to adopt novel ways of working and engaging with both employees and customers. On an aggregate level, the Impilo portfolio was relatively unscathed financially by the pandemic, with several companies boasting record results, such as Ferrosan Medical Devices, Immedica and Euro Accident. The largest impact of the pandemic was felt in our services companies, Humana and TFP, who saw utilisation rates impacted by restrictions and in some instances had to close clinics temporarily during countrywide lockdowns, all while facing challenges with elevated sickness absence levels and increased cost for personal protective equipment.

Health at the core

In 2021, we took important steps towards bringing our sustainability work to the next level. This included the introduction of our revised Sustainability Framework (see page 8), placing Impilo's commitment to advancing positive health impact at the core of our investment process and active ownership approach, while strengthening the focus on ESG practices and transparency.

In support of this, we developed Impilo's proprietary Health Impact Thesis (HIT) framework, building on guidance from, among others, the Impact Management Project (IMP) and emerging best-practices in impact management and measurement. During 2021, we launched Impilo's HIT framework with two of our portfolio companies, Euro Accident and Ferrosan Medical Devices. The HIT framework will be rolled out to all remaining portfolio companies during 2022 and will be applied to all new investments going forward (see page 23).

Raising the bar on ESG

In 2021, we also raised the bar on how we address ESG risks and opportunities in our investment and ownership approach. We initiated a process to strengthen our existing ESG Minimum Standards to ensure that our portfolio companies, during our ownership and beyond, have the right foundation in place to manage core ESG risks. We also refined our ESG due diligence procedures to not only consider material ESG risks but also potential for value creation (see page 27). Our approach to ESG will be further developed and refined during 2022.

Improving transparency

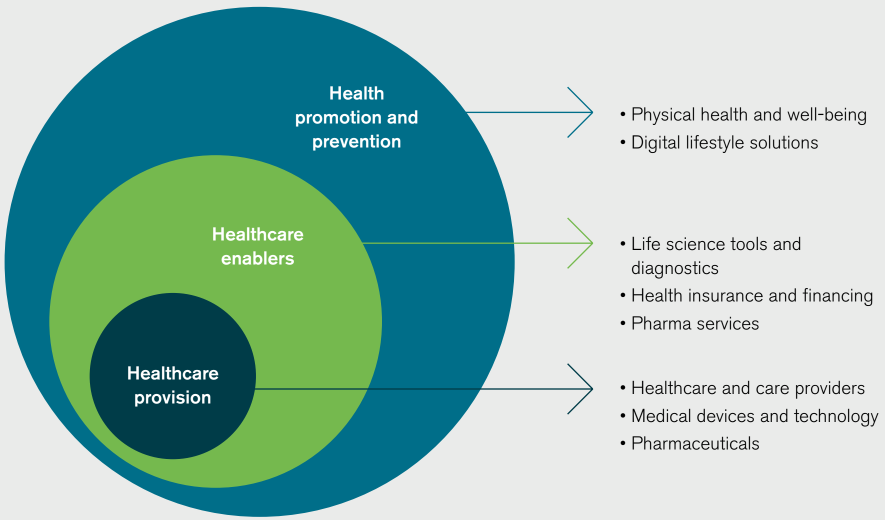
In support of the general movement towards increased standardisation and transparency in ESG disclosures, we developed an initial list of 12 ESG Core Indicators which will be implemented across the portfolio in 2022. The list of indicators represents the most frequent asks from Impilo's investors as well as the recommended indicators set out by the ESG Data Convergence Project for Private Equity. In addition, the indicators cover several of the Principal Adverse Indicators (PAI) included in the draft Sustainable Finance Disclosure Regulation (SFDR). The list of ESG Core Indicators will be supplemented with additional company-specific Health and ESG indicators for each of our portfolio companies. We expect to be able to report on the updated indicators in next year's sustainability report for financial year 2022.

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 impact will lead to superior returns, for society as well as for investors.

How we view the healthcare universe



Impilo is an investment company focused on companies, primarily in the Nordics, operating in the full healthcare universe, from healthcare provision (e.g. pharmaceuticals) to healthcare enablers (e.g. pharma services) and health promotion and prevention (e.g. physical health and well-being). 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 lead to superior 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 consists of four health impact dimensions. Any new investment must align with or have the potential to align with one or more of the dimensions to be deemed attractive.

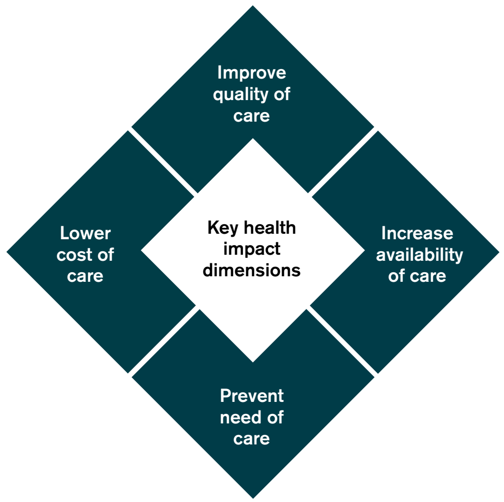
Ultimately, we believe that healthcare companies with attractive solutions that either improve the quality of care, increase the availability of care, reduce the cost of care or prevent need of care make for attractive investment prospects. As a dedicated healthcare investor, we can play an important 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

Our commitment to 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 (see page 23).

As part of our commitment to deliver superior financial returns to our investors, Impilo also works actively with environmental, social and governance (ESG) matters. We consider this work instrumental in protecting the long-term value of our investments and finding opportunities for value creation (see page 28).

The Impilo Health Diamond



Impilo's Sustainability Framework

At Impilo, we are on a mission to invest in and build the leading healthcare companies of tomorrow. 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 mission

"Generating superior returns by investing in and building sustainable and leading healthcare businesses."

Our sustainability efforts are guided by 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

Mitigate ESG risks and capture opportunities

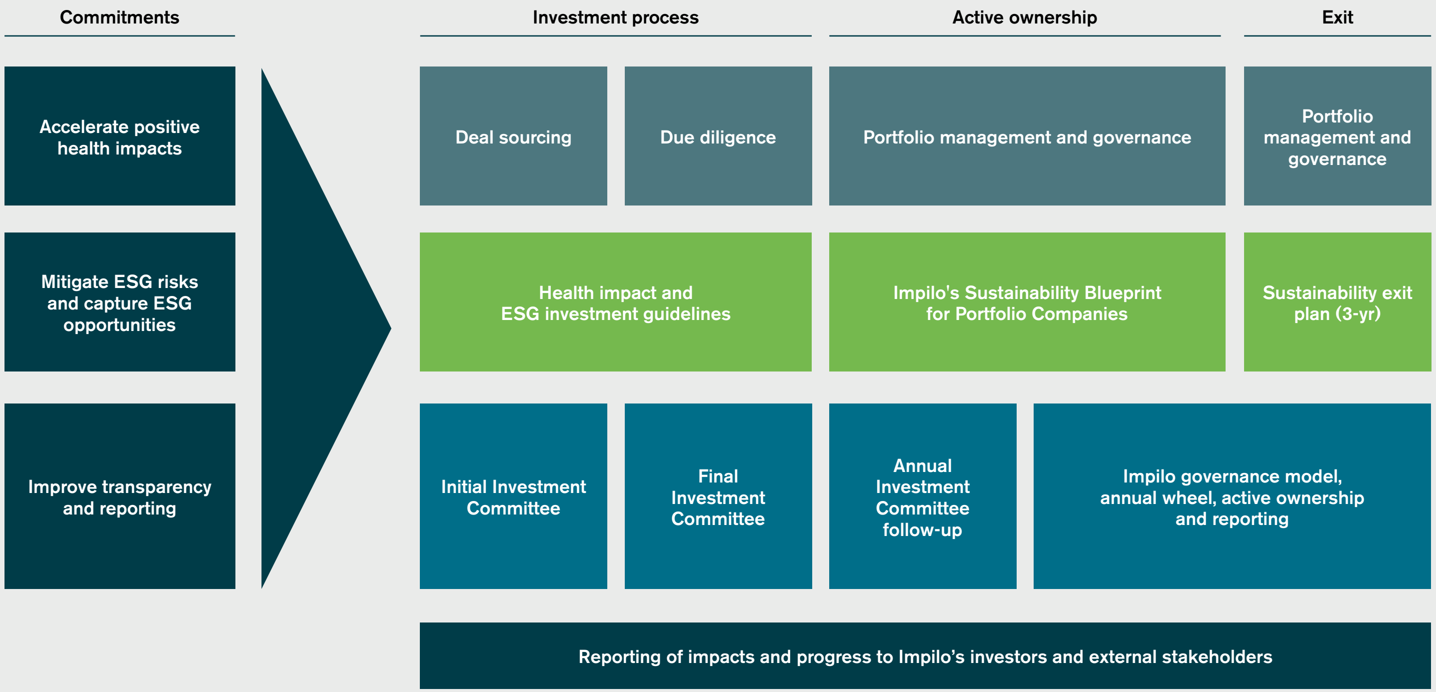
- Ensure effective mitigation of ESG risks during investment and ownership
- Identify value creation opportunities on material ESG topics during investment and ownership

Improve transparency and reporting

- Measure performance and progress on material health impact and ESG dimensions, at or above industry standards, during our ownership

Integration of sustainability at Impilo

To ensure that our commitments to sustainability are firmly embedded in how we work, we took important steps to refine and further develop our sustainability framework during 2021. The basic components for how we work with sustainability across our full deal cycle and at Impilo-level are outlined here.



How we work with sustainability at the Impilo-level

Our values and policies

At Impilo, our everyday actions are guided by our values. To further support our investment professionals, translate our values into practice, and ensure good governance, we have implemented several policies at Impilo-level. These include Impilo's Policy for Responsible Investment & Ownership ("RIO policy") and Impilo's Code of Ethics and Conflicts as well as several specific policies addressing issues such as data protection, travel, employment terms, remuneration and personal account dealings.

Guiding principles

Impilo's approach to sustainability is closely linked to our mission and is an integral part of how we work, both within our own organisation and with our portfolio companies. To guide our work, Impilo considers the following goals, standards and principles among the core building blocks of our sustainability framework.

Key principles that guide and inspire our work

PRI Principles for Responsible Investment	**The UN Principles for Responsible Investments ("UNPRI")**	We align with the core tenets of UNPRI by integrating our commitments to sustainability throughout the investment process and ownership phase, see page 50.
THE GLOBAL GOALS For Sustainable Development	**The UN Sustainable Development Goals ("SDGs")**	Our investment thesis and the Impilo Health Diamond are intrinsically linked to SDG 3: "Ensuring healthy lives and promoting well-being for all at all ages". In addition, our portfolio companies also address several other SDGs, see page 51.
UN GLOBAL COMPACT	**The UN Global Compact ("UNGC") and OECD Guidelines for Multinational Enterprises**	The core principles of the UN Global Compact and the OECD Guidelines for Multinational Enterprises are reflected in Impilo's ESG Minimum Requirements applied to current and future portfolio companies, see page 29.
IMPACT MANAGEMENT PROJECT	**The Impact Management Project ("IMP")**	As part of Impilo's proprietary Health Impact Thesis (HIT) framework, we consider the five core impact dimensions defined by the Impact Management Project (IMP) for each portfolio company see page 23.
European Commission; GRI; SASB	**International reporting frameworks**	During 2021, Impilo took the first step towards standardising its future ESG reporting against relevant disclosure frameworks, including the Sustainable Finance Disclosure Regulations ("SFDR"), the Global Reporting Initiative ("GRI"), the Greenhouse Gas Protocol, the Sustainability Accounting Standards Board ("SASB") and the ESG Disclosure Project for Private Equity, see page 30.

How we work with sustainability in our investment process

Investment thesis and mandate

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 shall fulfil – or have the potential to fulfil – one or more of these dimensions. In addition, Impilo considers material environmental, social and governance matters in all prospective investment cases, both from a risk and opportunity perspective.

At Impilo, we look for investments that present opportunities for value creation. Our investment mandate is focused on progress, not perfection. We identify and invest in companies where we through active ownership can make a positive difference, both from a financial and a 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 our ownership, we will refrain from investing. This includes:

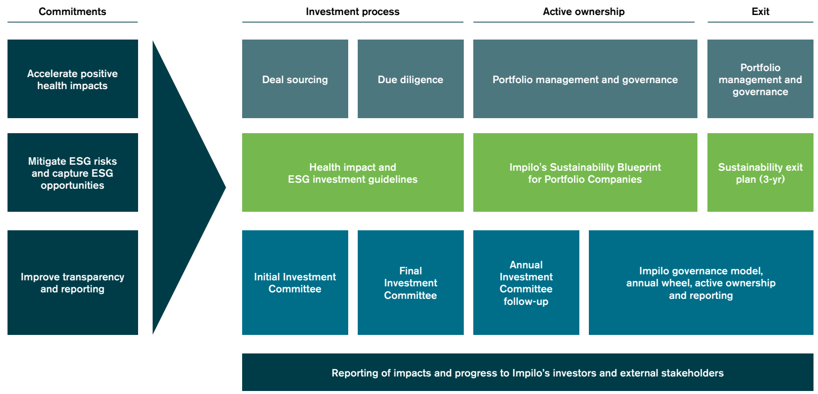
- Investments which, despite a positive impact on one dimension of the Impilo Health Diamond, may cause material and irreversible harm to other aspects of the Impilo Health Diamond
- Investments which are associated with material adverse and irreversible environmental, social or governance impacts

Deal sourcing and due diligence

Impilo considers sustainability in both deal sourcing and due diligence. During 2021, Impilo revised its investment procedures to better capture material sustainability risks as well as opportunities for value creation. Going forward, we will leverage the findings from the sourcing and due diligence phase to draft a preliminary Health Impact Thesis (HIT) and ESG Impact Thesis (EIT), which can carry over into the ownership phase in case an investment is made.

During deal sourcing, Impilo considers how the potential target aligns with the Impilo Health Diamond. In addition, an initial list of material ESG topics are identified for further examination during due diligence along with potential red-flags.

The sustainability findings from the deal sourcing phase are presented to the Investment Committee as an integral part of the commercial and financial investment case. If the investment case is approved by the Investment Committee, a more thorough due diligence process is initiated, which will include a review of the main health outcomes of the investment case, summarised in a Health Impact Thesis (HIT), a review and summary of the priority ESG topics (ESG Impact Thesis) and an assessment of the overall ESG state of the company.



Topics included in due diligence:

- Initial Health Impact Thesis (HIT)
- Initial ESG Impact Thesis (EIT)
- Gap assessment against Impilo's ESG Minimum Requirements
- Baseline assessment against Impilo's ESG Core Indicators
- Assessment of red flags

"Our investment mandate is focused on progress, not perfection."

LOWENCO'S INVESTMENT THESIS

Lowenco's investment thesis: creating attractive returns by meeting the growing demand for flexible cold chain solutions while lowering cost and emissions in the healthcare system.

In February of 2022, Impilo closed the acquisition of Lowenco, a manufacturer of modular, customisable, ultra-low temperature ("ULT") storage solutions. During sourcing and due diligence, Lowenco was identified as an attractive investment case, both due to its commercial growth potential and its potential for value creation on material sustainability topics. While Lowenco's products do not carry direct health benefits for patients or consumers, the provision of cost-effective cold storage solutions is a critical system enabler to ensure essential medicines reach patients in need, at the right time, in the right place and at the right quality. The main impact potential of Lowenco's products is their ability to reduce the high installation and running costs associated with establishing sufficient cold chain capacity at ultra-low temperatures in pharmaceutical supply chains. Beyond Lowenco's potential to reduce supply chain costs within the healthcare system, Impilo also found that the products carry a strong inherent GHG benefit for customers in the healthcare sector compared to current cold storage solutions, with internal data suggesting GHG savings of up to 33% over a 10-year period from use of Lowenco's storage solutions vs. alternatives. The materials presented to the Investment Committee included an initial Health and ESG impact thesis along with a proposed list of indicators and actions, which will now carry into the ownership phase as part of Impilo's Sustainability Blueprint for portfolio companies.

How we work with sustainability during ownership

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.

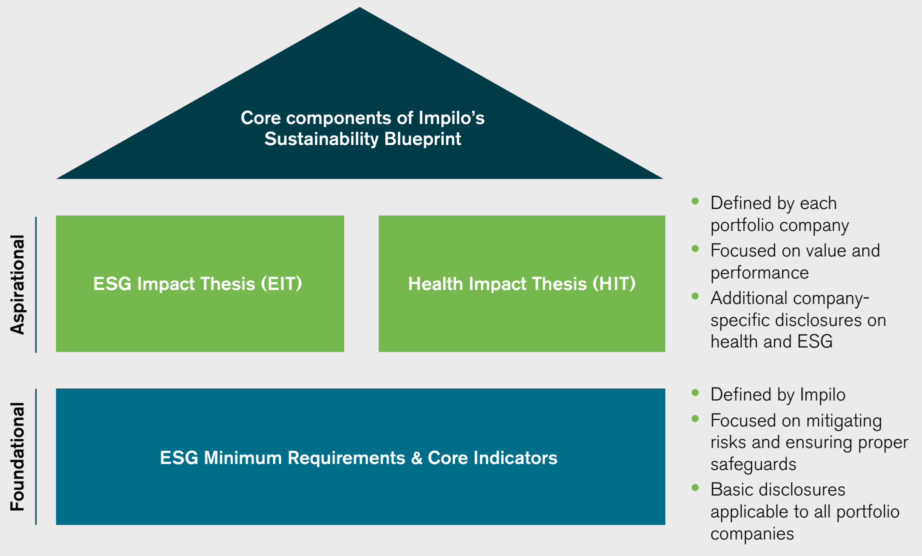
While all our portfolio companies are unique and have their own set of sustainability risks and opportunities, Impilo has taken important steps to further formalise and standardise our ownership expectations and approach to sustainability in our portfolio companies during 2021. In this work, we continuously seek to balance the need for generally accepted standards and disclosures in line with emerging international frameworks with the need for more customised approaches that are "fit to measure".

The result is what we refer to as the Impilo Sustainability Blueprint ("Blueprint"). The 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, mitigate ESG risks and capture opportunities, and improve transparency and reporting – into practice.

The foundational level of the Blueprint is Impilo's ESG Minimum Requirements, which define the basic policies, management systems, as well as the ESG Core Indicators, which define the disclosures that all portfolio companies have to report on. The ESG Minimum Requirements and Core Indicators ensure a robust foundation for each portfolio company and addresses the most common ESG risks across the portfolio. Read more on page 29.

The aspirational level of the Blueprint identifies company-specific focus areas for value creation in relation to health impact as well as broader ESG topics. The ESG Impact Thesis (EIT) and Health Impact Thesis (HIT) builds on top of Impilo's minimum requirements and core indicators by introducing additional and company-specific objectives and targets to help drive progress on material sustainability topics. Read more on pages 23 and 30.

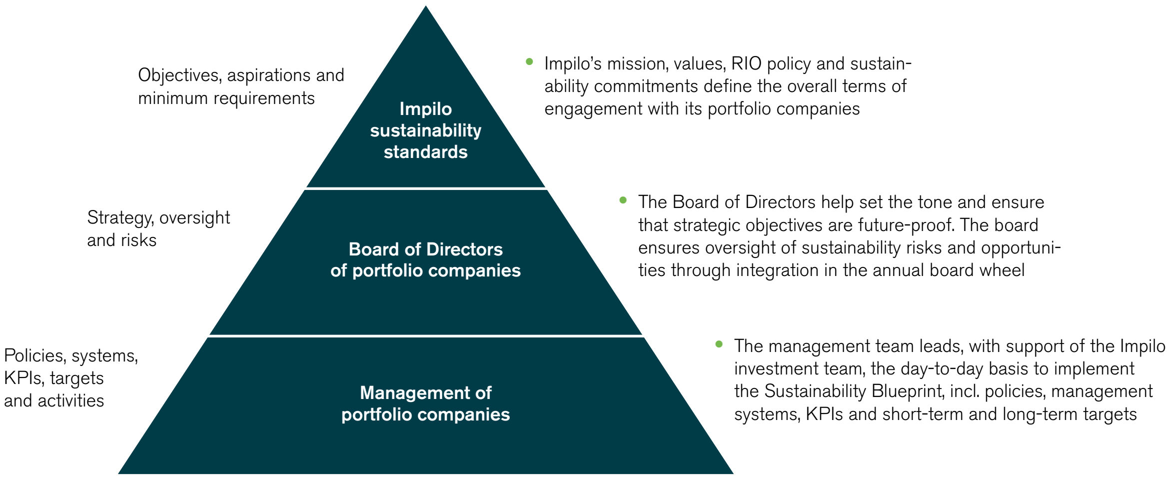
Impilo's Sustainability Blueprint for portfolio companies



"At Immedica, we see a lot of value in having a clear sustainability framework that can be adapted to our specific business context – helping bring innovative treatments to patients with large unmet medical needs. The framework helps us clearly demonstrate the health impact of our products and helps us think of our sustainability risks and opportunities in a more structured way."

Anders Edvell, CEO of Immedica

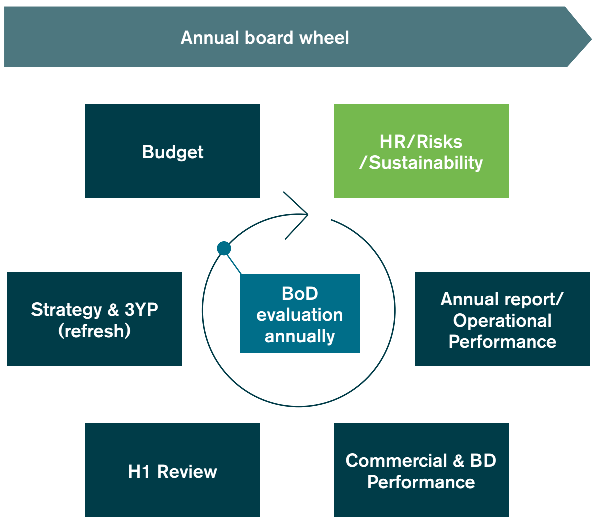
Impilo's portfolio company governance model



The Sustainability Blueprint is implemented through Impilo's governance model which ensures ongoing and hands-on engagement with our portfolio companies.

The main lever for exercising active and engaged ownership is through the Board of Directors, where Impilo ensures that sustainability forms part of the annual board wheel of all portfolio companies. The management team is responsible for ensuring implementation of the Impilo Sustainability Blueprint with oversight and ongoing reports on progress to the Board of Directors.

During 2021, Impilo ensured that all existing portfolio companies have sustainability as a fixed item on the annual board wheel, which will continue to be the main vehicle through which Impilo ensures successful implementation of the Blueprint for new and existing portfolio companies.

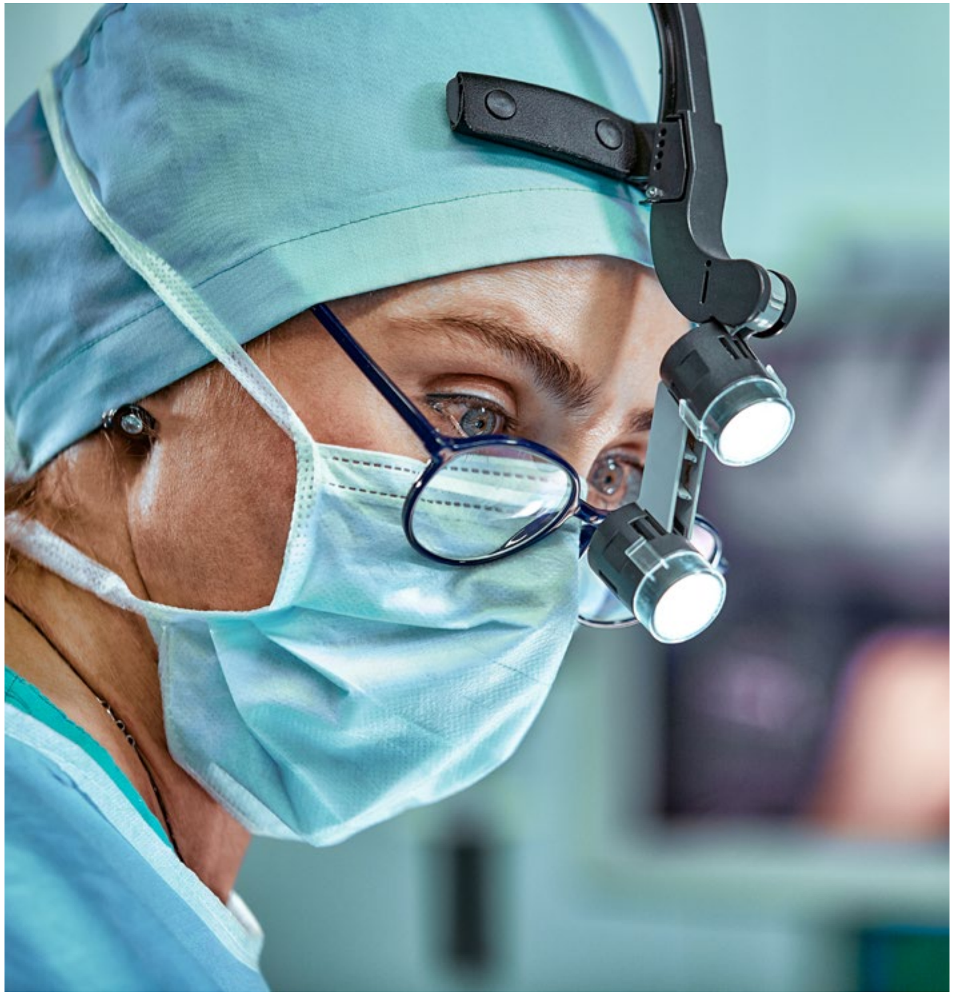


2022 OUTLOOK

Impilo will continue the work started in 2021 to further integrate our sustainability commitments into our core processes. This will include updating existing procedures and tools used in deal sourcing and due diligence and rolling out the core components of Impilo's Sustainability Blueprint to existing and new portfolio companies. At an Impilo-level, Impilo will conduct a review of its Policy for Responsible Investment & Ownership (RIO policy) to incorporate the recent changes to its Sustainability Framework. Impilo will also look into setting Impilo-level and portfolio-level targets in key sustainability areas. Furthermore, while Impilo is not currently covered by the EU Sustainable Finance Disclosure Regulation (SFDR), Impilo will take further steps to align our disclosure against the requirements for Article 8 funds on a voluntary basis.

Accelerating Health Impacts

Challenges to health in our key markets



Through our investments, Impilo is committed to delivering a positive impact on health and well-being. With the Impilo Health Diamond at the core of our investment thesis, we have identified four main health impact dimensions we want to address and where we see a positive correlation to superior health impact and returns.

Improved health and well-being for all is a critical global priority as captured by the UN Sustainable Development Goal 3, much of which focuses on the need for essential healthcare products and services, particularly in the developing world.

Europe in general, and the Nordics in particular, are generally believed to have some of the highest quality healthcare systems in the world, determined by a wide variety of factors, including the quality of the care process, access, efficiency, equity and measured by actual healthcare outcomes (e.g. low mortality rates).

However, even in a Nordic context, the healthcare sector faces significant challenges. Aging and growing populations, greater prevalence of chronic diseases, the rising shortage of healthcare workers and inequalities in access to care are all putting pressure on the healthcare sector like never before.

This is contrasted with exponential advances in healthcare innovations. From next-generation sequencing, big data analytics and genomics to innovations in telehealth and convenient care, today's healthcare industry has tools at its disposal that would not have been possible, even just a few years ago.

To Impilo, this offers unprecedented potential to become part of the solution to the fundamental challenges facing the healthcare sector over the coming decade. Ultimately, we look for investments which fulfil one or more of the following health impact dimensions:

- Improve quality of care and/or
- Increase availability of care and/or
- Lower cost of care and/or
- Prevent need of care

WHAT DO WE MEAN BY "IMPACT"?

Impact continues to be an ambiguous term with many different interpretations in both theory and practice. While we at Impilo do not consider ourselves an impact investor, we do consider ourselves an investor with impact. So what do we mean by impact? At Impilo, we consider an impact a change in one or more health-related outcomes caused by the core products and services offered by our portfolio companies. A health-related outcome may occur at the individual level, for instance by benefiting the patient or individual who receives care, treatment or a health-related service from one of our portfolio companies. It may also occur at the health system or entity level, for instance by benefiting a healthcare clinic or pharmaceutical company who, in turn, may then be able to offer better care or treatments to their patients or customers.

Impact terminology

	Description	Examples
Input and activities	Financial, human and material resources used to develop health-related interventions	R&D expenditure and activities involved in launching a new treatment or drug
Outputs	Direct results from investments and activities in the form of health-related products or services	Market penetration of new drug once launched
Outcomes	Short- to medium-term effects from the use of the products or services for the targeted beneficiaries	Effectiveness of drug in alleviating disease symptoms. "Differentiated outcomes" implies the new drug is better than existing treatments
Impacts	Long-term effects produced over time, positive and negative, intended and unintended	Long-term effects of the new drug or treatment on the quality of life of patients and/or the overall healthcare system

Results from health-related interventions (Outputs, Outcomes, Impacts)

"At Impilo, we consider an impact a change in one or more health-related outcomes caused by the core products and services offered by our portfolio companies."

Challenge #1: Improve quality of care

Improved quality of care is a key focus area for Impilo and where we see the strongest contribution from our current portfolio. While quality of care has many different definitions and overlaps with several of the other health impact dimensions of the Impilo Health Diamond, quality of care is ultimately about finding solutions that help improve the effectiveness, safety and personal relevance of care.[1]

Europe in general, and the Nordics in particular, are generally believed to have some of the highest quality healthcare systems in the world, determined by a wide variety of factors including the quality of the care process, access, efficiency, equity and measured by actual healthcare outcomes (e.g. mortality rates).

Yet, the healthcare system also faces significant challenges. Many common medicines in the EU do not meet the individual preferences or needs of the people they target, thereby reducing their effectiveness.[2] At the same time, adherence rates to medical treatments remain suboptimal and are associated with almost 200,000 deaths annually and €80–125 billion in the European Union.[3]

In high-income countries such as the Nordics, 1 in 10 patients are harmed whilst receiving hospital care, further emphasising the need to improve the overall quality in the healthcare system.[4]

In this context, there is a need for companies with products and solutions that help improve the effectiveness, safety and personal relevance of care. One example is within the connected care space, which has in some instances proven to improve treatment outcomes for patients due to higher levels of patient engagement while also reducing waiting times and capacity constraints.

Investment opportunities to improve quality of care

At Impilo, we look for companies with products or services that:

- Provide positive treatment outcomes for patients and/or individuals
- Enable companies in the healthcare system to provide a higher quality of care, e.g. better patient outcomes, improved quality of treatment etc.
- Are tailored to the specific needs of individual patients and customers
- Improve processes and quality standards in the broader healthcare value chain, e.g. by ensuring products are safe to use compared to alternative treatments

"Poor quality health services are holding back progress on improving health in countries at all income levels. Poor quality healthcare also leads to broader economic and societal costs including long-term disability, impairment and lost productivity."

Delivering Quality Health Services Report by The World Bank, WHO and OECD

TFP FERTILITY (TFP)

Improving treatment outcomes for customers through high medical standards

TFP is a leading Northern European group of fertility clinics and globally renowned IVF specialists with a commitment to creating lives and changing lives. The main health outcome sought is positive treatment outcomes, measured through pregnancies that result in live births. The group offers a range of services to increase the likelihood of successful treatment outcomes including IVF, IUI and ICSI, as well as auxiliary services. Clinics that have joined TFP have historically improved their success rates and overall quality due to improving processes and standards and benefitting from TFP's research, accumulated knowledge, and technologies.

Challenge #2: Increase availability of care

Access to essential healthcare services and products is a key global priority reflected in SDG3. While the Nordics enjoy universal health coverage and have one of the most equitable healthcare systems in the world, much can still be done by investors and companies to make healthcare products and services more accessible to those who need them.

With at least half of the world's population not being able to obtain essential health services, the majority of whom lives in developing countries, the need for public and private sector investments in making healthcare available and accessible to all is enormous.

Ensuring that we have enough healthcare services available to meet the needs of a growing and aging population is a challenge, even in a Nordic context. The imbalance between healthcare demand and supply has been further increased during the COVID-19 pandemic. Demand for healthcare has risen but the supply of healthcare in terms of resourcing, availability of staff and facilities remains constrained.

The knock-on effects of this imbalance are significant, for individuals and for society: shortages of healthcare workers mean less hands to deliver primary care and capacity constraints with primary physicians and care facilities lead to longer waiting times. As healthcare facilities and services are increasingly being centralised and consolidated to drive efficiencies in an already pressed system, the availability of care for people living outside major cities and healthcare hubs is also at risk of being reduced.

Investment opportunities that improve the availability of care

At Impilo, we look for companies with products or services that:

- Make healthcare services more easily available or accessible to the people who need them at the time they need them (e.g. by increasing opening hours or opening of new facilities in unserved areas)
- Bring novel treatments to people who did not have access to these treatments before
- Provide scalable solutions (e.g. digital health), which reduce the dependency on in-clinic care
- Help increase capacity within the healthcare sector (e.g. new facilities, increase in healthcare workers etc.)

"The COVID-19 pandemic highlighted the shortages of health workers in many countries, and the need for mechanisms to mobilise human resources quickly in times of crisis."

EU Health at a Glance, 2020

IMMEDICA

Increasing availability of novel treatments for people with rare diseases

Immedica is a pharmaceutical company operating in Europe and the Middle East focused on satisfying high unmet medical needs for people with rare diseases. Globally, there are an estimated 7,000 types of rare diseases that directly affect several hundred million people, the majority of which do not receive sufficient medical, informational and psychosocial support. Immedica specialises in commercialising and launching novel and innovative treatments for rare diseases and has significant expertise in managing the regulatory approval process and ensuring market access for new products, thereby enabling access to much needed drugs for people suffering from rare diseases. The company also works actively to drive disease awareness and invests significant efforts in educating healthcare professionals, authorities and payors in how both diagnostic and treatment practices can be improved.

Challenge #3: Lower cost of care

The healthcare sector is one of the most significant areas of public spending. At the same time, healthcare costs continue to outpace GDP growth. Companies that can help lower costs for patients or healthcare providers without compromising on quality present attractive investment opportunities.

The cost effectiveness of a country's healthcare system must always be seen in the context of the health outcomes it is able to deliver. In this context, the Nordic healthcare systems are among the most cost-effective in the world. As an example, the US spends 17% of GDP on healthcare but has a life expectancy of 79 years. This can be compared to Sweden which spends 11% of GDP on healthcare for a life expectancy of 83 years.

Nonetheless, the cost-effectiveness of the Nordic healthcare system continues to be challenged by upward pressures on health spending from new and more expensive technology in medical services, rising costs of pharmaceuticals, rising incomes driving higher expectations, and the growing needs of ageing populations.

According to latest available estimates (2019), the Nordic countries already devote more than 10% of their GDP to healthcare and have the highest per capita expenditure levels in all of Europe. At the same time, healthcare spending per capita have continued to increase at around 1.5–1.8% each year in real terms (adjusted for inflation) between 2013–2019.[5]

"Health is a human right and all countries need to prioritise efficient, cost-effective healthcare as the path to achieving universal health coverage and the Sustainable Development Goals."

Dr Agnes Soucat WHO Director for Health Systems, Governance and Financing

While some healthcare services such as dental care involve out-of-pocket expenses for Nordic citizens, the Nordic healthcare systems remain heavily reliant on public funding, which is expected to come under pressure as their populations age. This calls for companies with innovative products and solutions that can introduce critical efficiencies in the healthcare system, ultimately bringing quality care to more people at a lower total cost to taxpayers.

Investment opportunities that lower the cost of care

At Impilo, we look for companies with:

- Products or services that introduce critical efficiencies and cost-saving benefits compared to alternatives – either directly for patients/individuals and/or for healthcare companies or organisations that purchase them.

LOWENCO

Reducing costs in pharmaceutical cold chains

Lowenco is a leading manufacturer of modular, customisable ultra-low temperature ("ULT") storage solutions. The main impact potential of Lowenco's products is their ability to reduce the high installation and running costs associated with establishing sufficient cold chain capacity at ultra-low temperatures in pharmaceutical supply chains. As cold chain storage represents a significant cost to pharmaceutical companies, Lowenco's products can be an important component in reducing costs for key actors in the healthcare supply chain. Lowenco's product has a total cost of ownership over 10 years of less than half of that of upright freezers, which constitute the main alternative.

Challenge #4: Prevent need of care

Existing evidence overwhelmingly shows that unhealthy diets and low physical activity are predictive of higher healthcare expenditures and premature mortality rates. In Europe alone, two-thirds of treatable and preventable deaths could be prevented through improved lifestyle choices. Even so, public and private funding for preventive health remains low.

The need to invest in preventing diseases is becoming a growing global priority. A central target in SDG3 is to reduce premature mortality from non-communicable diseases by one-third, through prevention and treatment and promote mental health and well-being, measured through mortality and suicide rates.

Yet, attracting sufficient public and private investments to improving physical and mental health continues to be a challenge. Healthcare systems and their financing mechanisms are to a large extent geared to treat and cure, not to prevent and avoid. As a result, less than 3% of total health expenditures in the EU are spent on preventive measures and preventive care has been listed as one of the most important measures to solve some of the largest problems in Swedish healthcare.[6]

At Impilo, we see the preventive healthcare space as a nascent investment opportunity, which links closely to our mandate. While several of our investments have preventive features by ensuring that existing diseases/conditions do not get worse, Impilo sees the biggest opportunity for impact in primary and secondary prevention, which help ensure that people do not get sick in the first place.

Investment opportunities that prevent the need of care

At Impilo, we look for companies with products or services that:

- Offer products or services that help people not get sick in the first place, e.g. through improved lifestyle choices (exercise, nutrition etc.) – *Primary prevention*
- Offer products or services that help detect current or potential diseases early on and prevent them from getting worse – *Secondary prevention*

"Societally, we devote most attention to medications and healthcare delivery, but a major opportunity for improving wellness starts long before medical care."

Stanford Prevention Research Center

"The 10 leading contributors to disease burden in the WHO European region were all non-communicable diseases or mental disorders. All of these conditions are amenable to health promotion and disease prevention interventions."

WHO

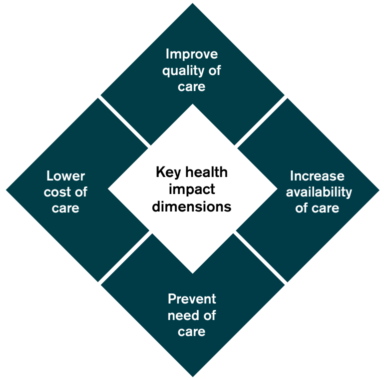
EURO ACCIDENT

Combining health insurance with preventive care

Euro Accident is a leading Swedish specialist provider in health-related insurance and employee well-being, active primarily within the long-term disability, private health insurance, group life and accident markets. The customer base consists of over 300k insured individuals across c. 35k companies. Through dedicated preventative and rehabilitative health support services, Euro Accident offers a holistic healthcare plan for employees, working actively to prevent the harmful individual and societal impacts of long-term disability. Most importantly, Euro Accident has shown to its customers that investing in preventive healthcare pays off: when entering short-term sick leave, 8 out of 10 insured individuals who receive Euro Accident's preventative and rehabilitation support avoid long-term sick leave (sick leave above 90 days).

Summary: How Impilo's portfolio contributes to the Impilo Health Diamond

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	◆		◆		• Improves quality of care through products that stop bleedings effectively during surgery • Lowers cost of care by reducing risk of complications and length of post-op recovery
Immedica	◆	◆		◇	• Improves quality of care by bringing to market innovative treatments for patients with high unmet medical needs • Increases availability of care by ensuring optimal access to treatments • Prevents need of care by promoting new diagnostic practices
Humana	◆	◆	◇		• Improves the quality of life for customers at a lower cost for society • Increases availability of care by opening new units and increasing number of customers cared for
TFP	◆	◆			• Improves quality of care by focusing on achieving best-in-class success rates and minimising treatment complications • Increases availability of care by seeking to make services available to even more people, including diverse and minority groups
Euro Accident	◆	◇		◆	• Prevents the need of care by offering preventive and early treatments to insured individuals • Improves quality of care by ensuring the insured individuals get back to work quicker in case of illness • Provides both better and faster access to care through optimal selection of healthcare providers
Mallax		◆		◇	• Increases availability of care by making effective treatments available on non-prescription basis
Scantox	◆		◆		• Improves drug development processes, leading to an improved quality of care and lower total development costs
tandlægen.dk	◆			◆	• Improves the oral health of the Danish population through high-quality dental care and preventive treatments
Lowenco			◆		• Minimises cost of ultra-low temperature storage of drug substances through best-in-class energy consumption and highest uptime



◆ = Primary alignment

◇ = Secondary alignment

Impilo's Health Impact Thesis (HIT) Framework

How we identify, measure and accelerate positive health impact

At Impilo, our commitment to advancing positive health impacts, as expressed through the Impilo Health Diamond, is ingrained in our culture and is an integral part of our investment process and ownership. During 2021, we took steps to further formalise our efforts to identify, measure and accelerate the positive health impacts of our current and future investments through our new Health Impact Thesis (HIT) framework.

The purpose of Impilo's HIT framework is to identify and measure the specific health outcomes related to Impilo's portfolio companies' products and services and assess how these outcomes align with one or more of the four health impact dimensions in Impilo's Health Diamond. In addition, the HIT framework aims to identify areas where portfolio companies can further accelerate their health impact during Impilo's ownership in support of their long-term commercial objectives. Examples of this could include expanding the reach of important products and services to underserved populations, developing new and better treatments or services with documented health benefits to address unmet needs, or driving important efficiencies in the wider health system.

FERROSAN MEDICAL DEVICES CASE STUDY

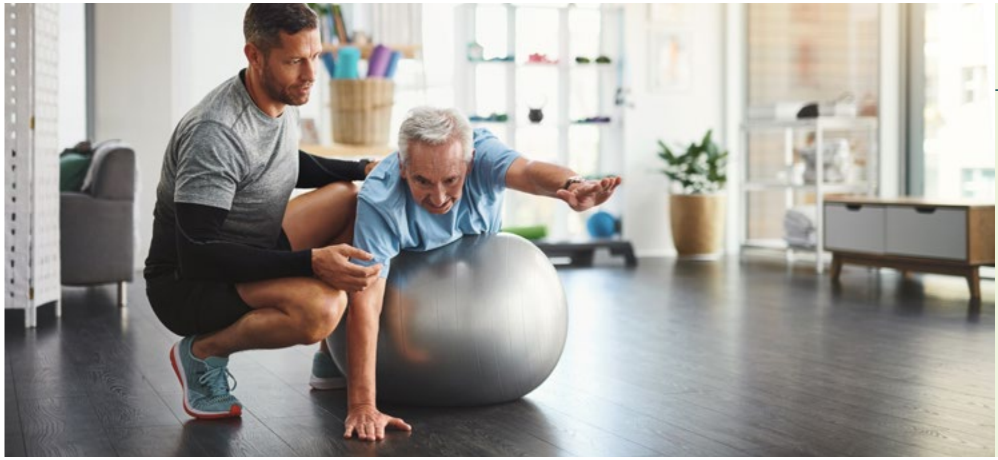
Ferrosan Medical Devices manufactures and develops innovative haemostatic products used by healthcare professionals all over the world during surgeries, whenever there is a need to effectively control and stop bleedings. During 2021, Impilo engaged with Ferrosan Medical Devices to articulate an initial Health Impact Thesis (HIT) and identify relevant health-related KPIs. The products are effective in stopping bleedings during surgeries and reduce the time of surgery, complications and length of hospital stay. At the core of the HIT is the company's efforts to making their product available to even more healthcare professionals globally and invest ever more in product innovation to broaden application areas and improve efficacy. During 2021, the number of assisted surgeries (with Surgiflo) increased with 28%. During 2022, Ferrosan Medical Devices plans to further improve and refine its health impact objectives.

What is a "HIT" and how can it be measured?
The HIT framework is designed for use in both the investment and ownership phase and going forward it will also be an integral part of how Impilo will demonstrate progress and future potential of our portfolio companies in an exit. Impilo's 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 underlying Theory of Change (ToC). Where possible, outcome-based measures are prioritised, but in lack of outcome-based KPIs, proxy indicators are often necessary. As an example: some healthcare companies may not have real-life 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. Over time, Impilo expects to build more experiences and insights into measuring the health impacts of its portfolio companies in line with emerging best-practices.

Experiences from the pilot phase
In 2021 Impilo took the first steps to roll out the HIT framework to its existing portfolio companies, starting with a launch of two portfolio companies – Euro Accident and Ferrosan Medical Devices – to solicit input and test the approach. The results and feedback were positive and Impilo will now begin to roll out the approach to the remaining portfolio.

"Even though most of us intuitively know the difference our products and services make to our customers, this was the first time we actually had to put some structure and numbers around it. It has been a really useful process that has inspired us to think about the impact we have through our core business and how we can measure and communicate it in a way that helps us drive the right behaviours."

Thomas Petersson, CEO of Euro Accident



EURO ACCIDENT CASE STUDY

Early detection and prevention at the core of EuroAccident's Health Impact Thesis (HIT)
During 2021, Impilo engaged with Euro Accident to articulate an initial Health Impact Thesis (HIT) and identify relevant health-related KPIs. At the core of Euro Accident's Health Impact Thesis is the company's efforts to reduce the number of people on long-term disability through preventive and rehabilitative services. To this end, evidence suggests that early detection and prevention is key and by far the most cost-effective approach to reducing long-term disability claims. During 2022, Euro Accident plans to further improve and refine its health impact objectives and measures, and incorporate the new measures into relevant parts of the organisation.

How does Impilo handle trade-offs between commercial returns and health impact?
At Impilo, we always look for investments where we see the strongest alignment between positive health impact, and superior financial returns, and we believe the prospective investment universe is big enough to find attractive cases that deliver on both these dimensions. Even so, trade-offs can and will appear, both during the investment and ownership phase. As an example, Impilo may decide not to invest in a company if the health impact case is weak or unsubstantiated or if an investment is associated with adverse health impacts or unjustifiable risks to patients, despite positive financial credentials.

Likewise, Impilo may invest in new initiatives within a current portfolio company, which will substantially accelerate the company's contribution to health instead of initiatives with lower or no positive health outcomes, even if short-term financial gains may be lower. Such trade-offs are managed on a case-by-case basis by the Investment Committee, Impilo and the board as well as the management team of the relevant portfolio company. At all times, our decisions are guided by a long-term perspective in line with Impilo's values and mission and Impilo's belief that long-term value creation is directly correlated to long-term health impact.

2022 OUTLOOK

Following the work to develop and test the Health Impact Thesis (HIT) framework in 2021, Impilo will now focus on rolling out the HIT process to all remaining portfolio companies. The work will result in the development of company-specific health objectives and KPIs which will be used to track and communicate progress on health impact across the full Impilo portfolio from 2022 and onwards. During 2022, the HIT framework will also be further formalised and integrated into the investment process, incl. with more detailed definitions and criteria for assessing alignment with the Impilo Health Diamond. Impilo's HIT framework is expected to be updated annually over the coming years to reflect the learnings from engaging with portfolio companies as well as external advancements in health impact measurement and management.

ESG Risks & Opportunities

Our approach to ESG

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 valuation of our portfolio companies upon exit.

At Impilo, we consider our most important contribution to sustainability the difference our investments make in advancing health and well-being. 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 the continuous integration of material environmental, social and governance (ESG) factors in our investment decisions and ownership.

Increased ESG requirements

Major societal and planetary trends such as climate change, resource scarcity, and the need for promoting diversity and inclusion increasingly require investors and businesses to take a more forward-looking, comprehensive and action-driven approach to material ESG issues within their sectors. The growing sense of urgency is also reflected in the evolving policy and regulatory landscape, not least the EU's sustainability disclosure regime, as well as growing stakeholder interest and expectations including from our investors and the society.

In light of these developments, Impilo took important steps to further evolve our approach to ESG during 2021 to more effectively mitigate risks from the changing policy and stakeholder landscape but also capture new opportunities for value creation.

CLIMATE ALSO MATTERS TO HEALTHCARE COMPANIES

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.[7] Even so, healthcare companies have traditionally lagged behind other sectors when it comes to decarbonisation. There are several reasons for this: the direct footprint of many healthcare companies is often relatively small, which means that the majority of the emissions reductions required sits outside healthcare companies' immediate control in form of so-called Scope 3 emissions. As a result, healthcare companies have often lacked incentive to act as investors and stakeholders have pushed for other priorities than climate. As the climate crisis is intensifying, leading healthcare companies are starting to ramp up their efforts on climate to make sure they do their part to bring the healthcare sector in line with the Paris Agreement. At Impilo, we are committed to leveraging our influence to support this development. In 2021, we developed a new set of standard ESG Core Indicators, which will require all portfolio companies to report on their Scope 1, 2 and 3 emissions over time. Further, several of our portfolio companies are already in the progress of defining their own climate mitigation strategy and reduction targets. As an example, during 2021, Impilo worked with Ferrosan Medical Devices to initiate a project to establish the company's first climate footprint and target. The experiences from this project will be shared with the rest of the portfolio companies during 2022.

How we work with ESG in our investments

Impilo has since inception been committed to integrating ESG into its investment and ownership processes. In 2021, we have taken further steps to develop and refine our approach with emphasis on building more robust processes for risk mitigation, standardising disclosure, and capturing opportunities for value creation on the ESG topics most material to our portfolio companies.

During 2021, Impilo initiated the design and development of its new Sustainability Blueprint, which is the main vehicle through which Impilo will deliver on its sustainability commitments going forward.

The ESG module of the Sustainability Blueprint has three main components:

- The ESG Minimum Requirements
- The ESG Core Indicators
- The ESG Impact Thesis (EIT)

The ESG module has been designed to ensure that all portfolio companies adopt baseline management practices and disclose performance across a set of key ESG areas while seeking performance improvement in the ESG areas most material to their specific business. The objective is both to mitigate risks and to capture opportunities associated with key environmental, social and governance issues.

Going forward, all new portfolio companies must have implemented the core components of the Sustainability Blueprint – incl. the Minimum Requirements, the ESG Core Indicators and the ESG and Health Impact Thesis (EIT and HIT) – within one year of investment by Impilo.

Impilo's Sustainability Blueprint for PCs – a roadmap for improving ESG performance during ownership

ESG Minimum Requirements

Impilo's ESG Minimum Requirements ("Minimum Requirements") is a core pillar of the Impilo Sustainability Blueprint. During 2021, Impilo updated and refined its existing Minimum Requirements to cover nine ESG topics that are important to all portfolio companies operating in the healthcare sector.

The purpose of the Minimum Requirements is to ensure that all portfolio companies have a minimum level of ESG 'safeguards' in place to identify, mitigate and continuously monitor key environmental, social and governance risks within their operations and in their business dealing. In addition, the updated 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

ESG Core Indicators

During 2021, Impilo developed an initial list of ESG Core Indicators. The ESG Core Indicators reflect Impilo's commitment to improve transparency and reporting on ESG within the private equity industry and towards its investors, while taking account of current and upcoming regulatory disclosure requirements.

The purpose of the ESG Core Indicators is to ensure that all portfolio companies disclose their performance in a consistent and comparable way. To this end, Impilo is in the process of developing standardised reporting protocols consistent with international reporting standards and emerging disclosure regulations, incl. the EU Sustainable Finance Disclosure Regulation (SFDR) and the ESG Data Convergence Project.

The Core Indicators are not an exhaustive list of ESG indicators and will be reviewed and updated on an annual basis to reflect new requirements from investors and regulatory changes. Further, in addition to the ESG Core Indicators, Impilo expects its portfolio companies to adopt additional indicators for company specific ESG topics, if relevant.

The ESG Impact Thesis

The ESG Impact Thesis (EIT) is the ESG equivalent of the Health Impact Thesis (HIT). The purpose of the EIT is to identify the ESG topics where there is the strongest link to value creation and where the individual portfolio companies can drive measurable improvements on the ESG issues that matter most to their business and their stakeholders and the society.

Like the HIT process, the EIT process is intended to help portfolio companies zero in on their most important ESG priorities and set clear objectives and targets to demonstrate progress.

Impilo and SFDR alignment

In March 2021, the European Union's Sustainable Finance Disclosure Regulation (SFDR) came into force. The SFDR is designed to help financial market participants understand, compare, and monitor the sustainability characteristics of investment funds by standardising sustainability disclosures. Impilo is not currently covered by SFDR. Even so, 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, many of which are reflected in the new ESG Core Indicators.

ESG Core Indicators

Environment	Social	Governance
#1 Scope 1 and 2 GHG emissions	#5 Gender Diversity – Board and Management	#12 Anti-bribery and anti-corruption
#2 Scope 3 GHG emissions	#6 Gender Equality – Unadjusted gender pay gap	
#3 Renewable Energy Consumption and Share	#7 Injuries and fatalities	
#4 GHG intensity	#8 Sick absence	
	#9 Employee survey and eNPS	
	#10 Employee turnover	
	#11 Net new hires	

2022 OUTLOOK

The main focus during 2022 will be to finalise the ESG modules of the Sustainability Blueprint as well as the ESG tools and procedures used by Impilo's investment professionals and advisors during sourcing and due diligence. The three ESG modules are expected to be rolled out to all existing portfolio companies during the first half of 2022 and completed by end of 2022. Impilo expects to be able to report on the majority of the ESG Core Indicators from the financial year 2022 for all of its existing portfolio companies.

2021 Portfolio Company Report on Progress

PORTFOLIO COMPANY

Ferrosan Medical Devices

Ferrosan Medical Devices in brief

Ferrosan Medical Devices 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.

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 it?
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.

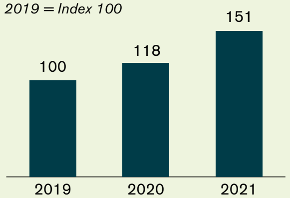
Health impact ambition

- Making the products available to even more healthcare professionals globally
- Investing ever more in product innovation to broaden application areas and improve efficacy

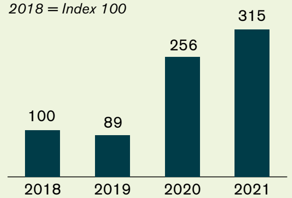
Impilo Health Diamond

HIT indicators

Number of assisted surgical procedures w. Surgiflo®
2019 = Index 100



Investments in R&D projects as share of revenue
2018 = Index 100

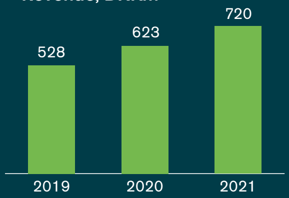


"Our products are used every third second everyday, all over the world."

Key company statistics

Sector: Medical devices
HQ: Søborg, Denmark
FTEs: 345 FTEs
Impilo entry: 2017

Revenue, DKKm



Ferrosan Medical Devices

FERROSAN MEDICAL DEVICES (FEMD)

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.

UN SDG Links

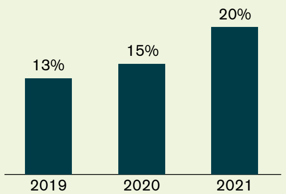
Key achievements during the year

- Increased number of assisted surgeries with Surgiflo by 28%
- Got regulatory approval to sell Surgiflo® w. Thrombin in India
- Awarded Silver status in Eco Vadis, exceeding industry average in 3 of 4 categories
- Initiated full Scope 1, 2 and 3 GHG emissions baseline according to the GHG Protocol Accounting and Reporting Standards
- Implemented sustainability framework with ESG key metrics to set targets and monitor performance
- Prepared the inaugural sustainability report for 2021
- Implemented sustainability targets in management bonus scheme

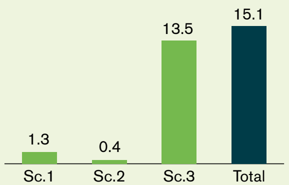
ESG indicators

Gender diversity (management)

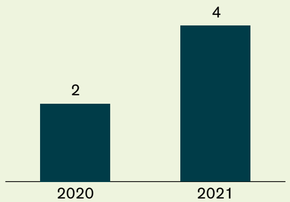
Staff turnover ratio



Scope 1–3 GHG Emissions, thousand tons CO_2e[1]



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



Key sustainability targets and initiatives

- Double the number of surgical procedures where Surgiflo® is used by 2025 (baseline 2019)
- Introduce value based leadership program in 2022 to improve employee engagement and well being
- Source 100 pct. of the electricity directly consumed by the group from renewable sources by 2025
- Achieve net zero emissions from our own operations (scope 1 and 2) by end of 2026
- Define target for Scope 3 emissions by end of 2022
- Set ESG and Health Impact Thesis (HIT) targets and anchor ambition level and targets across the organisation

1) Based on market-based reporting.

Key company statistics

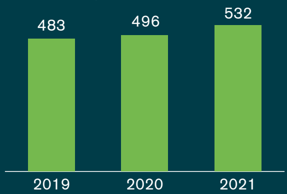
Sector: Pharmaceuticals

HQ: Stockholm, Sweden

FTEs: c. 60 FTEs

Impilo entry: 2018

Revenue, SEKm[1]



PORTFOLIO COMPANY

Immedica Pharma

Immedica in brief

Immedica is a leading pan-European specialty pharma commercialisation and distribution platform focused on niche specialty and orphan drugs.

Immedica distributes pharmaceuticals across a number of therapeutic areas. Within Immedica's core therapeutic area, Urea Cycle Disorders, Immedica has c. 1,000 patients under treatment with drugs that significantly contribute to lowering the risk of premature death and increase patient quality of life.

Immedica's health impact

What healthcare challenges are we addressing?

Immedica works to improve the quality of life for patients suffering from a rare disease; 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 it?

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.

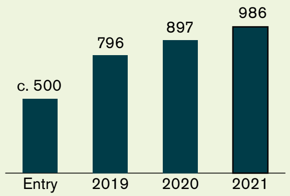
Health impact ambition

- Improve the quality of care by launching and making niche specialty and rare disease drugs available to patients with high unmet medical need
- Improve availability of care by ensuring optimal access through market authoritisation, pricing reimbursement and NPU
- Prevent need of care by promoting effective diagnostic practices, meaning patients can be found and treated in time with fewer side effects

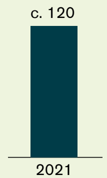
Impilo Health Diamond

HIT indicators

Number of UCD patients on treatment (at end of year)



Number of diagnosed ARG-1D patients in Immedica territory[2]



"Immedica has during the last 4 years delivered more than 1 million packs of life saving, specialty medicines to patients across Europe and the Middle East."

1) Pro-forma for acquisitions.
2) 2021 is the first datapoint as Loargys was in-licensed during 2021.

IMMEDICA PHARMA (IMMEDICA)

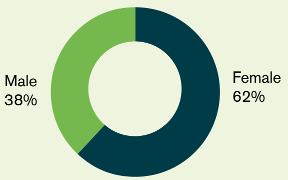
Immedica's ESG impact

Immedica works to maximise its ESG impact by (i) lowering climate impact in its supply chain, (ii) enabling excellent pharma practices to lower risk for patients and (iii) providing employees an attractive workplace.

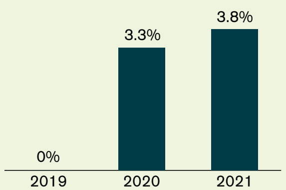
UN SDG Links

ESG indicators

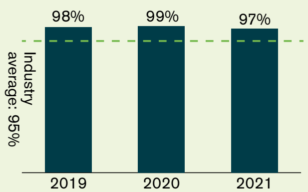
Gender diversity (management)



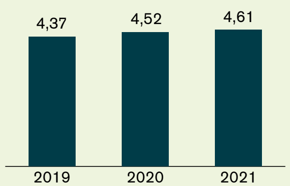
Staff turnover ratio



15-day reporting compliance to EMA[1]



Employee survey score (scale 1–5)



Key achievements during the year

- Outstanding employee happiness in the 2021 employee survey (4.61/5.0) despite COVID-19
- No critical remarks at inspections (or mock inspections) from medical authorities and partners
- 13 quality audits conducted by Immedica on e.g. manufacturers, distributors
- 97% 15-day reporting compliance to EMA, outperforming peers (industry average during 2018–2020 of 95%)

Key sustainability targets and initiatives

- Define QALY (quality adjusted life years) targets and measures for key products Ravicti, Ammonaps and Loargys
- Establish CO2 emissions baseline and define targets
- Set ESG and Health Impact Thesis (HIT) targets and anchor ambition level and targets across the organisation

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

Humana

PORTFOLIO COMPANY

Humana

Humana in brief

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 impairments.

Humana's individual and family care employees possess broad expertise in the area of psychosocial change management and mental illness and offer outpatient care and various forms of residential care for children, adolescents and adults. The assistance operations help individuals with functional impairments to live independent lives. For the elderly Humana offers elderly care homes in a safe and social environments.

Humana's health impact

What healthcare challenges are we addressing?

Humana addresses the increasing need and increasing cost of caring for people with functional impairment, psychosocial disorders and mental illness as well as for the elderly.

What is the effect of it?

Improved quality of life for people under Humana's care at a 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.

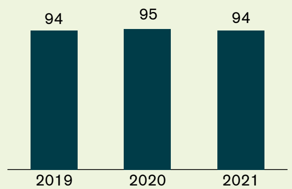
Health impact ambition

- Improved quality of life for customers at lower cost for society
- Grow number of customers cared for while maintaining leading care-quality

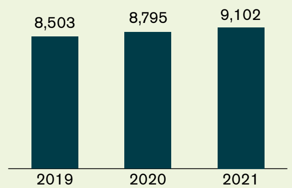
Impilo Health Diamond

HIT indicators

Humana Quality Index



Number of customers[1]



"Humana employs 16,000 employees, providing care for over 9,000 people."

Key company statistics

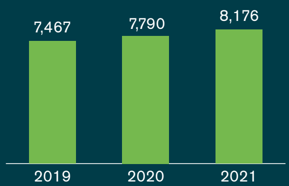
Sector: Care services

HQ: Stockholm, Sweden

FTEs: 10,996 FTEs

Impilo entry: 2019

Revenue, SEKm



1) Average.

Humana

HUMANA

Humana's ESG impact

Humana contributes positively by (i) its high-quality operations, (ii) being an attractive employer, (iii) delivering profitable growth and (iv) being a responsible provider, promoting diversity and inclusion and striving to reduce its environmental impact.

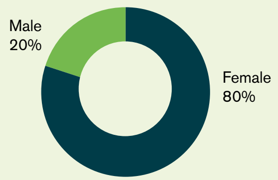
UN SDG Links

Key achievements during the year

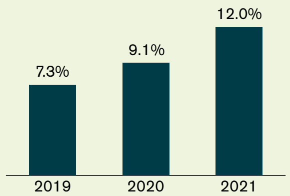
- Humana perceived as the most sustainable brand in the healthcare and care industry in Sweden for two consecutive years (2021 and 2022)[3]
- Developed an improved Humana Quality Index (launched in Q1-2022)

ESG indicators

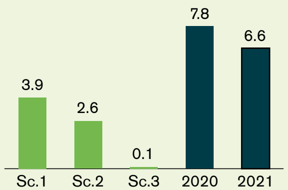
Gender diversity (management)



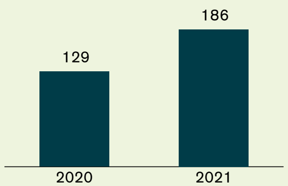
Staff turnover ratio[1]



Scope 1–3 GHG Emissions, thousand tons CO_2e[2]



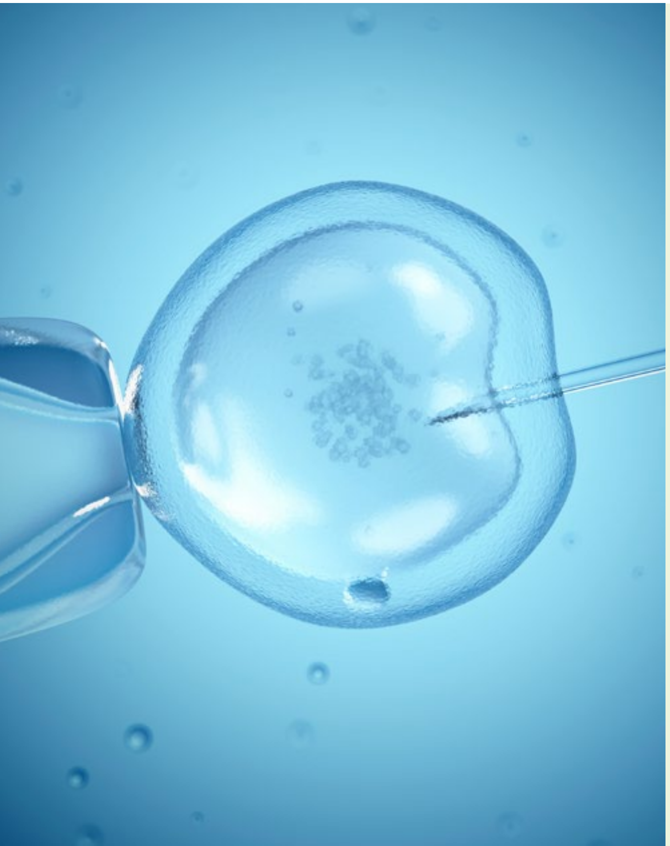
Number of work-related injuries (Sweden)



Key sustainability targets and initiatives

- 100% of customers should have a personal development plan
- Customer satisfaction index should be at least 85%
- Reduce environmental impact vs previous year
- Inclusiveness: create at least 200 employment opportunities for those who stand furthest from the labour market
- Humana's employees shall know Humana's values as Humana is a values driven company
- 40–60% of senior leadership, business area managers and board should be female
- Set ESG and Health Impact Thesis (HIT) targets and anchor ambition level and targets across the organisation

1) Management, business area managers and central support functions. 2) Scope 3 = impact from business travel via air.
3) Humana's top ranking is based on the largest independent brand study focused on sustainability in Europe, the Sustainable Brand Index, describing how consumers view companies' sustainability work.



PORTFOLIO COMPANY

TFP Fertility (TFP)

TFP in brief

TFP is the leading provider of fertility services in Northern Europe, with 20 IVF clinics across six countries, specifically: UK, Poland, the Netherlands, Germany, Austria and Denmark.

In addition to the IVF clinics across Europe, the group owns and operates the largest private ultrasound network in the UK (Ultrasound Direct) with ~80 owned and franchised sites across the country, as well as an egg and sperm donor bank, a blood diagnostic laboratory and a dialysis centre in Germany.

TFP's health impact

What healthcare challenges are we addressing?

15% of couples are affected by infertility. Infertile couples typically experience psychological distress and suffer from an impaired health-related quality of life.

What is the effect of it?

TFP provides access to high-quality IVF services, aiming at best possible success rates, i.e., more child births, while minimizing complications associated with the procedures and aiming to reduce infertility related stress for its patients. The group enables doctors to share knowledge amongst each other, which improve performance and quality further.

Who is the beneficiary?

Patients benefit from improved quality of care and increased availability of care; and the society benefits from increased availability of care which support the long-term sustainability of birth rates.

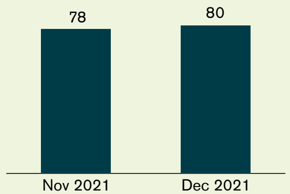
Health impact ambition

- Make TFP's services available to even more people, including diverse and minority groups
- Continue to focus on best possible success rates while minimising complications associated with fertility treatments

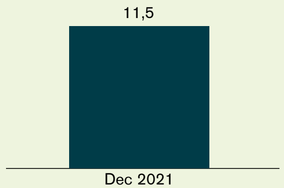
Impilo Health Diamond

HIT indicators

Patient satisfaction and NPS score



Patient complaints per thousand cycles



"A TFP baby is born every 90 minutes."

Key company statistics

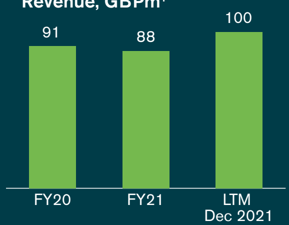
Sector: Healthcare services

HQ: Oxford, UK & Berlin, DE

FTEs: 640 FTEs

Impilo entry: 2019

Revenue, GBPm[1]



1) Fiscal year April to March.

TFP FERTILITY (TFP)

TFP's ESG impact

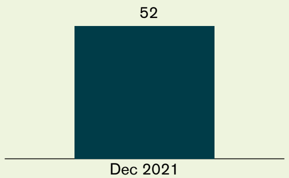
TFP focuses on providing a diverse and inclusive work place for its employees ensuring equal employment conditions and gender diversity on management level. Additionally, TFP also focuses on reducing inequalities in the society through its services.

UN SDG Links

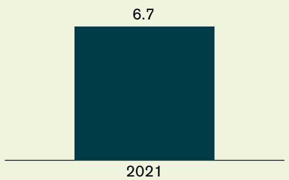
ESG indicators

Gender diversity (management)

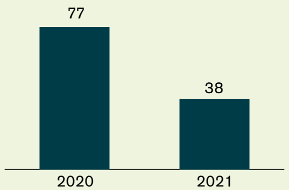
Employee eNPS



Number of reportable incidents (per thousand cycles)[1]



Net new hires



Key achievements during the year

- Increased number of treatments by 16% as of LTM Dec 2021
- Started to implement sustainability framework with ESG key metrics to set targets and monitor performance
- Reached target of a completely gender-balanced management team

Key sustainability targets and initiatives

- Selected sustainability KPIs measured on ongoing basis with end-to-end plan being defined
- Set ESG and Health Impact Thesis (HIT) targets and anchor ambition level and targets across the organisation

1) Whereof no serious incidents.

EURO ACCIDENT försäkring + hälsa

PORTFOLIO COMPANY

Euro Accident

Euro Accident in brief

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.

Euro Accident's health impact

What healthcare challenges are we addressing?

In Sweden, on average ~14 out of 1,000[1] individuals fall into 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 it?

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 for 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 in large.

Health impact ambition

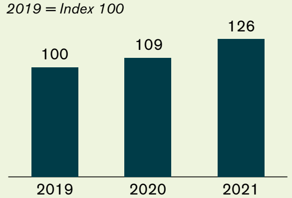
- Expand reach of services to more individuals
- Prevent through early detection & treatment
- Bring back sick individuals to the job market through effective treatment

Impilo Health Diamond

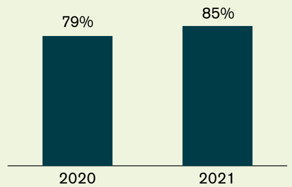
HIT indicators

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

2019 = Index 100



% of people on short-term sick leave that re-enter job market



"Lowering the likelihood of long-term sick leave by 32% through preventive care.[2]"

Key company statistics

Sector: Health-related insurance

HQ: Danderyd, Sweden

FTEs: 296 FTEs

Impilo entry: 2019

Revenue (GEP), SEKm

1) Based on Unionen's members in 2020 (i.e. Euro Accidents main customer segment).
2) Compared to a benchmark portfolio (Unionen) 2020.

EURO ACCIDENT

Euro Accident's ESG impact

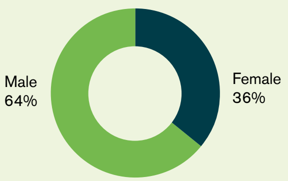
Euro Accident's core focus is to take an active role in enabling healthier lives (both pre- and post illness), thereby improving the health and well-being of the individual, and in doing so, securing an overall positive societal impact.

UN SDG Links

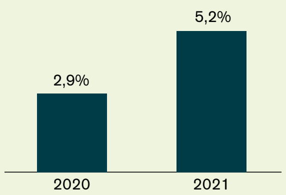
3 GOOD HEALTH AND WELL-BEING

ESG indicators

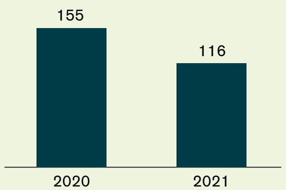
Gender diversity (management)



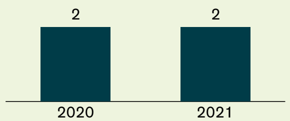
Staff turnover ratio



Scope 1–2 GHG Emissions, tons CO_2e



Number of incidents reported to the board



Key achievements during the year

- Increased number of LTD insured with c. 16%
- Initiated project to identify full Scope 3 CO_2 emission
- Initiated the "Health Index Survey" that will support Euro Accident in taking an even more preventive and active role for its insured population
- Implemented sustainability framework with both ESG and HIT

Key sustainability targets and initiatives

- Strengthen Euro Accident's internal offering and capabilities (e.g., psychologist, coaches) as well as identifying the most effective third-party care providers to further increase the quality of Euro Accident's services
- Define measures and targets for Scope 3 emissions
- Set ESG and Health Impact Thesis (HIT) targets toward 2025 and anchor ambition level and targets across the organisation

MALLAX PHARMACEUTICALS

Key company statistics

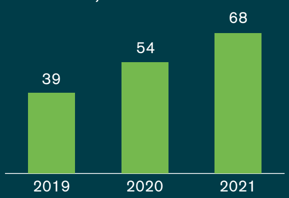
Sector: Pharmaceuticals

HQ: Oslo, Norway

FTEs: 16 FTEs

Impilo entry: 2021

Revenue, NOKm



PORTFOLIO COMPANY

Mallax Pharmaceuticals

Mallax in brief

Mallax Pharmaceuticals was established in 2020 as a pharma platform 'ready-to-use' with the required pharmaceutical processes and licenses.

Mallax first acquisition, Sana Pharma Medical, is a rapidly growing OTC company based on the commercialisation of in-house developed products (sold exclusively through pharmacies) which are currently sold across the Nordics. Current portfolio is heavily tilted towards the sleeping and anxiety (S&A) categories where it is the Nordic (OTC) market leader.

Mallax's health impact

What healthcare challenges are we addressing?

The current portfolio consists of no/low addiction alternatives to treat sleep and anxiety difficulties/disorders – a public health issue which has been proven to lower quality of life, reduce productivity, and even increase mortality.

What is the effect of it?

Mallax's products improve sleep and reduce anxiety for patients without significant side-effects. In turn, patients can avoid heavier treatments that burden the patient and increase cost within the healthcare system.

Who is the beneficiary?

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

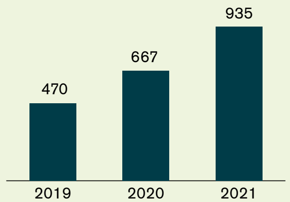
Health impact ambition

- Expand reach of products and medical knowledge, in turn increasing availability and effectiveness of treatments
- Prevent or lower need of care by allowing relevant patients to receive effective treatment without seeking medical assistance/prescription based addictive alternatives

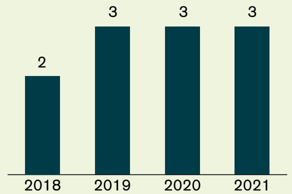
Impilo Health Diamond

HIT indicators

Number of sold products (k) within Sleep & Anxiety category



Number of countries with Mallax products



"Each day Mallax sells c. 2.5k sleep & anxiety packages to the Nordic markets, helping patients to better lives."

MALLAX PHARMACEUTICALS

MALLAX PHARMACEUTICALS (MALLAX)

Mallax's ESG impact

Ensure effective, non-harmful use to lower risk for patients through commercial efforts (e.g. education of patients) and strong medical compliance/governance.

Aim to minimise negative impact on environment in operations and supply chain by choosing sustainable options.

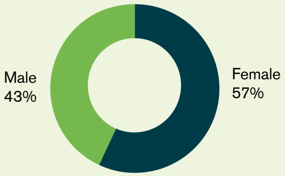
UN SDG Links

Key achievements during the year

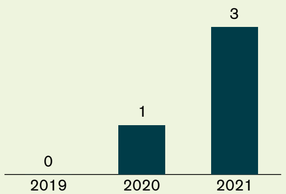
- Updated and consolidated Mallax's Pharmacovigilance and Quality Assurance systems across all current markets
- Initiated a CO_2-compensation program
- Zero remarks from authorities during compliance/regulatory/pharmacovigilance audits
- Met the 0% product scrapping target

ESG indicators

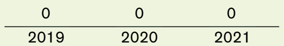
Gender diversity (management)



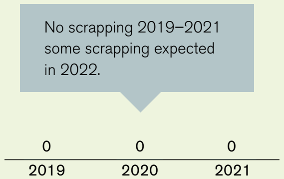
Involuntary employee turnover[1]



Number of critical remarks in inspection from 3rd parties (incl. authorities)[2]



Scrapping as % of COGS



Key sustainability targets and initiatives

- Key sustainability targets and initiatives are under development (incl. measures to estimate cost savings for society)
- During 2022, CO_2 compensate Scope 1 emissions
- Establish ESG baseline including CO_2 emission calculations
- Set ESG and Health Impact Thesis (HIT) targets and anchor ambition level and targets across the organisation

1) Used instead of employee churn as percentage is less relevant given the size of the company. E.g. 2021 had a couple of "coincidences", including one FTE moving to another city which caused them to resign.
2) During COVID authorities have only done paper audits as physical audits have not been possible.

scantox

Key company statistics

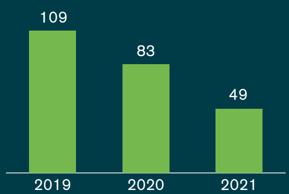
Sector: Pharma Services

HQ: Lille Skensved, DK

FTEs: c. 100 FTEs

Impilo entry: 2021

Revenue, DKKm[1]



PORTFOLIO COMPANY

Scantox

Scantox in brief

Scantox is a GLP-accredited pre-clinical Contract Research Organisation ("CRO") that provides a broad set of pre-clinical services including toxicology, pharmacology and histopathology.

Scantox was founded in 1977 and has a long track-record of successfully serving its trusted Pharma, Biotech and MedTech clients throughout Europe. Impilo acquired Scantox 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.

Scantox's 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 it?

Scantox's services enable clients to make well-informed and timely decisions in the drug development process. As such they 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.

Health impact ambition

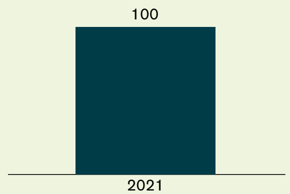
- Continuously strive to improve services and practise the highest scientific and quality standards
- Expanding Scantox's scope of services to better serve its clients across the drug development phases

Impilo Health Diamond

HIT indicators[2]

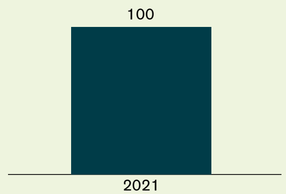
Average number of critical and major findings per client audit

2021 = Index 100



% of studies completed on time

2021 = Index 100



"More than 60,000 pre-clinical studies conducted since inception in 1977."

1) Acquired in 2021 from Charles River, who had decided to close the site in 2020, and as such 2021 represented a ramp-up year.
2) As Scantox was part of Charles River before 2021, 2021 represents the first meaningful baseline for the KPIs.

scantox

SCANTOX

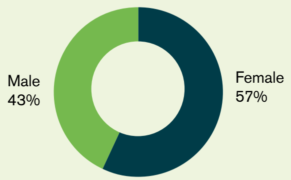
Scantox's ESG impact

Scantox'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 ensure best-in-class animal welfare.

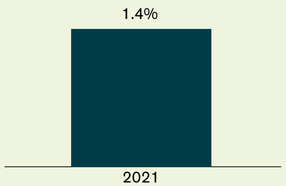
UN SDG Links

ESG indicators[3]

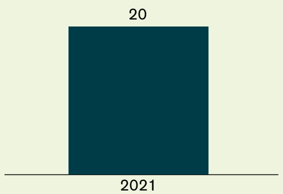
Gender diversity (management)



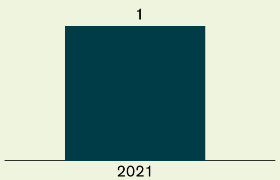
Staff turnover ratio



Net new hires



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



Key achievements during the year

- Expanded the organisation with 20 new net hires bringing # of FTEs to 72 by end of 2021 (now c. 100 FTEs with ambition to increase to c. 130 in 2022)
- Replaced 5 out of 7 gas boilers with up-to-date boilers that are 10-15% more efficient
- Defined and implemented new policies as a standalone entity (e.g., anti-corruption, workplace codex, etc.)
- Fully re-licensed by various Danish authorities incl. Danish Medicines Agency for GLP and GMP
- Substitution of various hazardous chemicals to non-toxic chemicals and introduced initiatives to eliminate heavy lifting
- Implemented sustainability framework with ESG key metrics to set targets and monitor performance

Key sustainability targets and initiatives

- Replace all light sources with LED – 5% achieved in 2021
- Evaluate if outsourced land can be used for solar park or as forest
- Source 100% of the power (electricity and gas) directly consumed by Scantox from renewable sources by 2025
- Set ESG and Health Impact Thesis (HIT) targets and anchor ambition level and targets across the organisation

3) As Scantox was part of Charles River before 2021, 2021 represents the first meaningful baseline for the KPIs.

tandlægen·dk

PORTFOLIO COMPANY

tandlægen.dk

tandlægen.dk in brief

tandlægen.dk is the leading Danish dental care chain. Today it comprises 51 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. The company targets both organic and M&A growth.

tandlægen.dk's health impact

What healthcare challenges are we addressing?

Good oral health has proven 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 same level of dental care access or oral health.

What is the effect of it?

We help to improve oral health-related quality of life (OHRQoL) 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 lower cost of care.

Health impact ambition

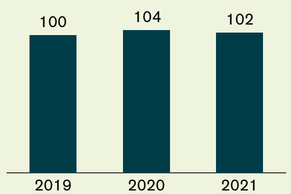
- Improve the oral health (OHRQoL) of the Danish population through high-quality dental care and high share of recurring patients and preventive treatments

Impilo Health Diamond

HIT indicators

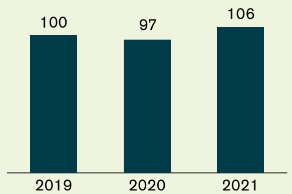
Number of recurring patients

(index 2019=100)



Number of dental check-ups

(index 2019=100)

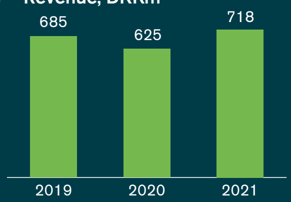


"tandlægen.dk serves more than 250,000 patients per year."

Key company statistics

Sector:	Dental care services
HQ:	Lyngby, Denmark
FTEs:	c. 800 FTEs
Impilo entry:	2021

Revenue, DKKm



tandlægen·dk

TANDLÆGEN.DK

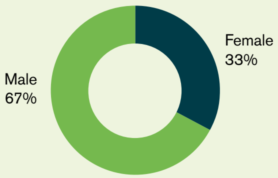
tandlægen.dk's ESG impact

tandlægen.dk contributes by improving the oral health of its patients and by increasing the number of patients treated. Further the company contributes to gender equality by ensuring equal employment conditions and gender diversity on management and board level and aims to reduce the climate impact of its operations by using environmentally friendly dental supplies and equipment

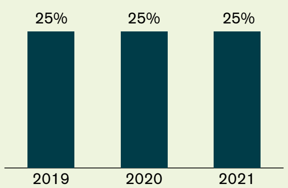
UN SDG Links

ESG indicators

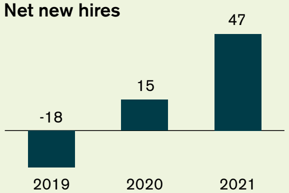
Gender diversity (management)



Staff turnover ratio[1]



Net new hires



Key achievements during the year

- A new annual board wheel was implemented (going forward sustainability will be part of the annual wheel each year)

Key sustainability targets and initiatives

- Set ESG and Health Impact Thesis (HIT) targets and anchor ambition level and targets across the organisation, including:
- Number of treatments
- Number of recurring patients
- Share of preventive treatments
- Customer satisfaction
- Adherence to national quality controls

1) Total turnover of clinic staff.

Supporting information

Julius Mbeya,
Co-CEO of Lwala

"We are very pleased to have Impilo with us on this journey, contributing not only financially but also with strategic advice from a business perspective. This is very helpful in our scale-up process."

SOCIAL CONTRIBUTION

Lwala, community led health interventions in Kenya

Impilo supports Lwala since 2019

In line with Impilo's strategy to invest in people's opportunities to enjoy healthier lives in the future, we are proud partners 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.

Lwala'shealth impact

What healthcare challenges are we addressing?
Lwala focuses on maternal and child health. 70,000 mothers and children die every year in Kenya – mostly from preventable and treatable conditions – and 46% of Kenyan women report problems accessing healthcare.

What is the effect of it and who is the beneficiary?
Lwala uses a community led model where recruitment and training of community health workers is at the core. In Lwala supported communities, child mortality decreased from 105/100,000 to 29.5/100,000 in just five years and the rate of skilled deliveries increased to 98%, compared to 53% in Migori county and 62% in Kenya as a whole.

Who is the beneficiary?
Communities benefit from improved quality of care and the health care system benefits from improved efficiency in the delivery of quality care.

Impilo social ambition

During 2021 Impilo has evaluated its ongoing programme and a revised program will be launched during 2022 with support and efforts both locally and internationally.

Impilo Health Diamond

Lwala Community Alliance Proof of Concept

64%	reduction in child deaths
73%	reduction in infant death
98%	skilled delivery rate (vs. 53% in Migori county and up from 26% in the specific areas)
300%	increase in contraceptive use
97%	immunisation rate (vs. 57% in Migori county)

Based on the proven model, Lwala has been invited by Migori Ministry of Health to expand their model beyond Rongo sub county in Western Kenya, to the entire county, with over 1 million people. At the same time, Lwala is influencing national and global policies and guidelines.

UNPRI alignment

UNPRI Principle	Impilo Alignment
We will incorporate ESG issues into investment analysis and decision-making processes.	• 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. • The Impilo investment mandate requires that investments must have potential to contribute to one or more criteria of the Impilo Health Diamond. • 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. • 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.
We will be active owners and incorporate ESG issues into our ownership policies and practices.	• The Impilo RIO Policy states our commitment to integrating ESG throughout the ownership cycle. • Our active ownership commitment is reflected in Impilo's Sustainability Blueprint ("Blueprint") for portfolio companies. • 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 define their own strategic objectives and key performance indicators to advance important health and ESG goals specific to their businesses. • 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 ownership. • In support of above, Impilo provides tools, guidance and training to its portfolio companies throughout ownership.
We will seek appropriate disclosure on ESG issues by the entities in which we invest.	• 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 Project for Private Equity. In addition, Impilo helps portfolio companies develop company-specific ESG and Health targets and indicators tailored to their business. • 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.

UNPRI Principle	Impilo Alignment
We will promote acceptance and implementation of the Principles within the investment industry.	• 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. • 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 Health Care Private Equity association. • Impilo expects business partners including service providers to align with the basic tenants of our responsible investment and ownership policy and is currently working to formalise these requirements into our engagement letters.
We will work together to enhance our effectiveness in implementing the Principles	• 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. • Impilo supports the standardisation of ESG disclosures and will from FY2022 begin to dislose against the core indicators in the ESG Data Convergence Project while seeking voluntary alignment against the forthcoming product disclosure requirements in the SFDR.
We will each report on our activities and progress towards implementing the Principles.	• Impilo is committed to following relevant reporting standards and disclosure frameworks • 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 • In addition, Impilo reports on its ESG approach, activities, and results to investors on a regular basis (quarterly).

Key SDG contributions

Priority SDG goals	Who	Share of NAV (%)[1]	Examples of contributions
3 GOOD HEALTH AND WELL-BEING	FeMD, Immedica, Mallax, Scantox, Humana, TFP, Euro Accident	93%	All portfolio companies contribute to advancing important health goals in various ways. During 2021, Euro Accident and Ferrosan Medical Devices were to first to articulate how they are contributing to advancing important health outcomes. This work has been initiated for the remaining portfolio companies and work be completed during 2022.
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	FeMD, Immedica, Mallax, Scantox, Lowenco	53%	FeMD, Immedica, Mallax and Scantox have all made it a priority to reduce the environmental footprint of their operations and supply chain. As an example, FeMD has set a net zero emissions target for 2026 (also aligning with SDG13) while Mallax reached its 0% product scrap target in 2021.
5 GENDER EQUALITY	Humana, TFP	16%	Humana and TFP have identified gender diversity and equality as key priorities. As an example, TFP reached its ambition of a fully gender diverse management team in 2021, while Humana has set a target for to have 40–60% of senior leadership, business area managers and board be female.
8 DECENT WORK AND ECONOMIC GROWTH	Humana, TFP	36%	As the biggest employer in Impilo's portfolio, Humana plays an important role as a responsible employer, providing decent jobs and development opportunities to more than 16,000 people, many of whom are immigrants or recent graduates, looking for opportunities to integrate into the labour market.
10 REDUCED INEQUALITIES	Humana, TFP	16%	Reduced inequalities is a key priority for Humana and TFP. Humana has set a target to create 200 inclusive jobs per annum while TFP is committed to ensuring the widest possible access to its fertility services, free from discriminatory practices.
13 CLIMATE ACTION	Mallax, Lowenco	8%	Healthcare companies have climate impacts too, much of which resides in the supply chain. Several portfolio companies have initiated work to develop a climate footprint and targets, incl. FeMD, Mallax, Humana and Euro Accident. The strongest contribution to SDG13 in the portfolio of companies owned by Impilo comes from Lowenco which was acquired in 2022, offering ultra-low temperature storage solutions with potential GHG saving benefits for healthcare companies.

1) Share of Impilo NAV per Q4-21.

Sources

1) Impilo's understanding takes an outset in 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

Contact information
Fredrik Strömholm (Partner and CEO)
fredrik.stromholm@impilo.se

Jesper Eliasson (Partner and CFO)
jesper.eliasson@impilo.se

Martin Fagerlund (Partner and COO)
martin.fagerlund@impilo.se

+46 8 401 00 60
info@impilo.se
www.impilo.se

Addresses
Holländargatan 20
SE-111 60 Stockholm
Sweden

Kongens Nytorv 28
DK-1050 Copenhagen
Denmark