

Environmental, social and corporate governance (ESG) policy

The HealthCap team is dedicated to continue building a high quality, long term orientated venture capital business in the life science sector, with particular focus on breakthrough therapies which provide value to many stakeholders:

- Patients, delivering innovative products that can improve their quality of life.
- Health care systems, saving money to payors by introducing novel disruptive therapies.
- Society, driver of economic growth and efficient translation of science into products

The pharmaceutical market and drug development process are extensively regulated in the interest of protecting patients and public health. Clinical trials must be conducted according to Good Clinical Practice, authorized by relevant medical products agencies and approved by ethics committees. Manufacturing and marketing are also governed by a number of regulations. Management of environmental, social and corporate governance factors is thus a prerequisite for building long term value and generating strong returns to investors.

These factors are intrinsic to HealthCap's business and considered through the investment lifecycle, starting with the due diligence to ensure that potential risks are identified and mitigated in order to create sustainable value. The team will consider environmental, public health, safety, and social issues associated with potential investee companies when evaluating whether to recommend an investment to HealthCap funds.

HealthCap will seek to act at all times as a responsible owner promoting appropriate environmental, labor and human rights and ethical standards in its portfolio companies, as well as promoting gender equality. The team takes pride in its active involvement in portfolio companies and applies a transparent corporate governance model. One or more team partners take board seats and the team's extensive scientific and industrial networks are used for recruitment of highly experienced professionals to portfolio company boards. The team seeks together with the board and management to develop and grow the portfolio companies for long term sustainability and ensures that management receives the relevant support and resources to run the company in an efficient, responsible and accountable manner.

The team's policy aims to promote sound ethical practices within its own organization as well as in the portfolio companies which entails, among other things;

- Promoting awareness and compliance with relevant laws, regulations and specific guidelines for drug development.
- Avoid corruption and unethical business practices.
- Seeking to engage with relevant stakeholders and community either directly or through representatives of portfolio companies, as appropriate.