



V-BIO VENTURES POLICY ON ENVIRONMENTAL, SOCIAL AND GOVERNANCE ("ESG") MATTERS

This policy (the "**ESG Policy**") aims to document the undertakings by V-Bio Fund 1, V-Bio Co-Invest 1-1, and V-Bio Fund 2 (each a "Fund"), and their fund managers V-Bio Management 1 and V-Bio Management 2 (each a "Manager") (together "V-Bio") in relation to ESG matters of its Portfolio Companies. The term "ESG" is commonly used to refer to environmental, social and governance matters relevant to a company's strategy and operations. There is growing recognition in the financial community that an effective analysis of ESG risks and opportunities is a fundamental part of the assessment of a company's value. Addressing ESG risks and realizing opportunities for ESG improvements during a fund's investment period are important levers for fund managers to add value to their portfolio companies.

As a matter of policy, V-Bio gives proper and appropriate consideration to ESG issues. This ESG Policy sets out our approach to ESG issues. The ESG criteria are taken into account within the analysis and decision process relating to investments made or contemplated to be made by V-Bio. Our guiding principle is to invest only in Portfolio Companies that make a positive contribution to our society, both in *what* they do and *in the way* that they do it. We encourage our Portfolio Companies to adhere to the principles in our ESG policy. In addition, information on ESG parameters is periodically requested from the Portfolio Companies.

The principles set out below have been established in line with the Regulation of the European Parliament and of the Council on the transparency and integrity of Environmental, Social and Governance (ESG) rating activities, as well as with the UN Principles for Responsible Investment ("UN PRI").

1. ESG Criteria

1.1 Environmental

1.1.1 Climate

The Portfolio Companies may not cause excessive emission of carbon dioxide or other relevant greenhouse gases in developing or producing its products.

1.1.2 Energy use and sustainability

The Portfolio Companies may not cause excessive use of energy and may not cause excessive use of rare non-recyclable raw materials in developing or producing its products.



1.1.3 Waste management

The Portfolio Companies need to comply with national regulations and international agreements pertaining to the management of waste in the countries where they operate.

1.1.4 Animal welfare

The development of safe and effective medicines at times requires the care and use of animals for research and testing. The Portfolio Companies need to comply with applicable laws and regulations and are expected to treat all animals used in a caring and humane manner, to minimize harm and to enhance welfare.

1.2 Social

1.2.1 Human rights

The Portfolio Companies need to respect the protection of internationally proclaimed human rights, wherever they operate.

1.2.2 Diversity

The Portfolio Companies need to provide equal opportunities and respect diversity and must not unlawfully discriminate against prospective or current employees on the grounds of race, ethnic background, religion, marital status, age, sex, sexual orientation, disability, health status or pregnancy.

1.2.3 Health and Safety

The Portfolio Companies need to ensure the health and safety of employees and contract personnel. The Portfolio Companies need to carry out proper health and safety risk assessment and implement mitigation strategies.

1.3 Governance

1.3.1 Corporate Governance

The Portfolio Companies need to comply with the basic elements of corporate governance.

Basic formalities of corporate governance of the Portfolio Companies need to be in place, including:

- a board of directors which meets regularly
- records of shareholders and the number of shares they own
- annual shareholders' meetings



Adequate internal controls and risk management systems must be in place and - to the extent possible - periodically reviewed by an independent external auditor.

All shareholders of Portfolio Companies must be provided with all material information and a detailed agenda in advance of general shareholder meetings.

1.3.2 Executive Compensation

The Portfolio Companies need to ensure that their executive compensation and policies on bonuses are in line with general market practice. In general, V-Bio will endorse the formation of a remuneration committee that advises on the remuneration of executive management and reports directly to the board of directors.

2. Process

2.1 Internal

This ESG Policy will be incorporated in the selection and investment process by the Managers.

When considering potential investments, the Managers must take into consideration all relevant ESG criteria as detailed in the V-Bio ESG checklist.

2.2 External

The Portfolio Companies need to comply with the principles laid out in this ESG Policy. The Managers will monitor compliance.