

YSIOS CAPITAL

Responsible Investment Policy

June 2023

Introduction to our Responsible Investment vision

As a responsible venture capital management company, Ysios Capital Partners (Ysios) meets its fiduciary responsibilities and acts considering the long-term interests of its investors. Ysios invests in companies backed by a solid business concept, with a trustworthy management team and a high growth potential at mid-term.

Environmental, social and governance matters (ESG) are increasingly focusing the attention of the investment community. Ysios perceives this rise as a secular trend and is convinced that the investing entities which pay attention to the broader ESG factors generate higher long-term sustainable returns of investment.

As an investor, Ysios clearly acknowledges the relevance of ESG criteria and incorporates ESG matters into its investment strategy. Ysios became a signatory of the United Nations Principles for Responsible Investment (UN PRI) initiative in February 2015.

Our definition of Responsible Investment

Our understanding of Responsible Investment is based on our definition:

‘Responsible Investment (RI) is an approach in which additional financial elements – usually related to environmental, social and governance (also known as ESG) elements – shall be taken into consideration at investor management company level and in investees’ activities, recognizing that investments should also consider a long-term vision in which return relies in well governed, social, environmental and economic assets.’

This definition is consistent with the United Nations Principles for Responsible Investment (PRI) to which Ysios is a signatory.

Ysios Commitment on Responsible Investment (RI)

We at Ysios are convinced of the importance of integrating ESG-related measures in all our activities and we make efforts to understand how these considerations can help us generate long-term sustainable added value for our portfolio companies, our investors and ourselves.

It also means we work proactively to support awareness of material ESG issues in our investees’ operations, while including RI principles in our daily agenda.

Ysios Responsible Investment Principles

To support this integration and development of our Responsible Investment philosophy and structure our commitment to this respect, Ysios has developed the following principles to serve as a road map for the Ysios team and its investees.

Principle 1 – Integrate considerations on material ESG issues in our operations.

Principle 2 – Increase awareness of ESG considerations and disclosure among our investees.

Principle 3 – Participate in events promoting general acceptance of ESG considerations within the life sciences investment industry.

Principle 4 – Promote appropriate disclosure of Ysios material ESG issues.

Ysios approach to Responsible Investment

Ysios has designed the following catalogue of actions to support the integration of our Responsible Investment Principles across our operations and those from our investees.

Integrate ESG considerations in Ysios operations

- > Integrate considerations related to material ESG issues into Ysios' investment agreements with its portfolio companies.
- > Support main initiatives in Responsible Investment as well as best practices in the life sciences sector.
- > Promote training on ESG issues among our professionals.

Increase awareness of ESG considerations and disclosure among our investees

- > Promote awareness within our investees on ESG material issues into their operations.
- > Support disclosure of ESG issues by the entities in which we invest.
- > Promote monitoring of material ESG issues among our investees' operations.

Acceptance and integration of ESG considerations in the life sciences sector

- > Foster communication on actions carried out with respect to ESG issues to Ysios investors.
- > Ysios participation in initiatives to share information and tools in terms of Responsible Investment.

Ysios disclosure on ESG material issues

- > Ensure annual disclosure of information on Responsible Investment practices carried out by Ysios.

Integration of sustainability risks and opportunities and the consideration of adverse sustainability impacts

- > While Ysios does not promote impact investing funds, impact is an important part of the investment analysis.
- > Ysios' Investment activities have a clear positive impact on 3 of the United Nations' Sustainable Development Goals: "Good health and well-being", "Decent work and economic growth" and "Industry, innovation and infrastructure".
- > At the same time, the evaluation of adverse sustainability impact is a key parameter in the due diligence process.
- > Ysios uses an in house developed methodology to analyse the impact potential of current and future investments. This methodology is used in the due diligence process, investment monitoring, and after investment to measure the impact created by Ysios' funds in an iterative process.

Remuneration policies in relation to Responsible Investment

Remuneration policies at Ysios are consistent with the degree of integration of sustainability risks in the investment process. Team goals, upon which variable remunerations depend, include the accomplishment of ESG related objectives.