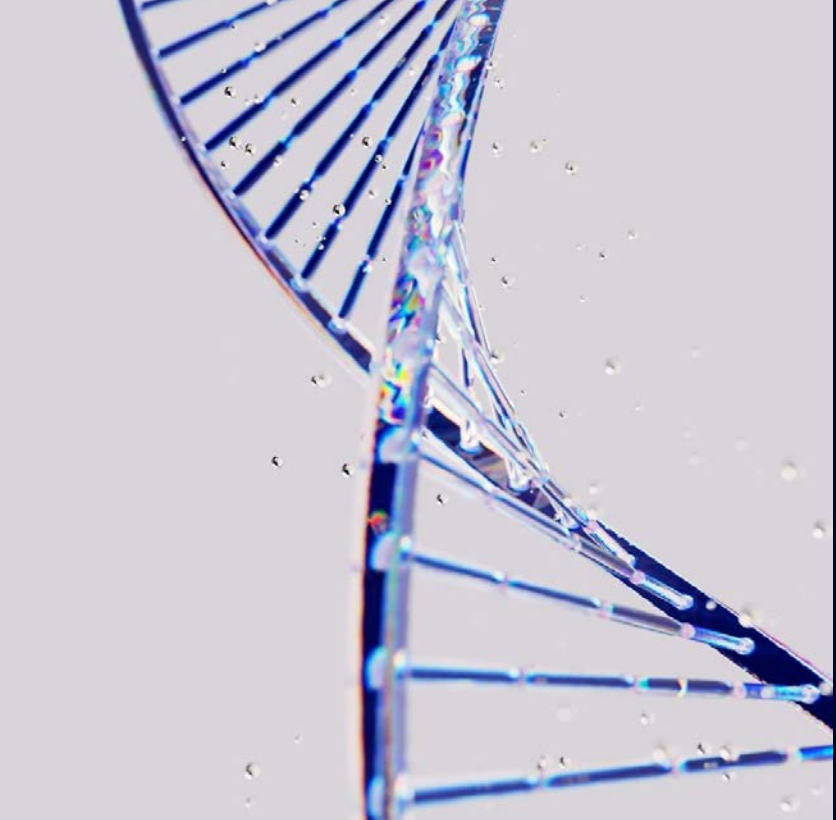




2024 Responsible Investing Report

# ENABLING BETTER, FASTER, MORE ACCESSIBLE HEALTHCARE

31 March 2025





In this report we outline our Responsible Investing objectives, the progress we have made towards them in calendar year 2024, the challenges we have navigated, and our key priorities for 2025.

We set out the investment opportunities within healthcare, our investment thesis, and how the two strategies of our Responsible Investing approach – Offence and Defence – contribute to our investment and operational enhancement decision making.



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OUR PURPOSE

TO INVEST IN COMPANIES THAT HAVE AT THEIR CORE A MISSION TO DELIVER **BETTER, FASTER AND MORE ACCESSIBLE HEALTHCARE**, DRIVING EFFICIENCIES ACROSS THE HEALTHCARE ECOSYSTEM TO MAXIMISE RETURNS AND SUPPORT POSITIVE SOCIETAL OUTCOMES.



The healthcare sector is experiencing a period of unprecedented scientific discovery. Fuelled by increasing global demand, we believe that healthcare continues to be one of the most compelling investment opportunities. At the same time, the healthcare system faces significant challenges, and its growing inefficiencies can place an increasing burden on society.

Our Purpose shapes our work, influencing our investment strategy and the Responsible Investing approach as detailed in this report.

We seek to invest in technically advanced, business to business companies, led by exceptional management teams. These companies provide services that enable scientific innovation which can have tangible real-world applications. Focused on high-growth healthcare sub-sectors across transatlantic markets, our strategy is designed to build a portfolio that delivers long-term value while seeking to advance our Purpose.



# About GHO

GHO Capital is one of Europe’s leading specialist investors in global healthcare.

We seek to apply global capabilities and perspectives to unlock high growth healthcare opportunities, building market leading businesses of strategic global value to enable Better, Faster and More Accessible Healthcare, delivering superior returns for investors, while supporting positive societal outcomes.

Founded

2014

Assets under management

€6bn

Flagship funds currently disclosing under EU SFDR

3

Team members

57

Offices (London, UK and New York, US)

2

Nationalities

16

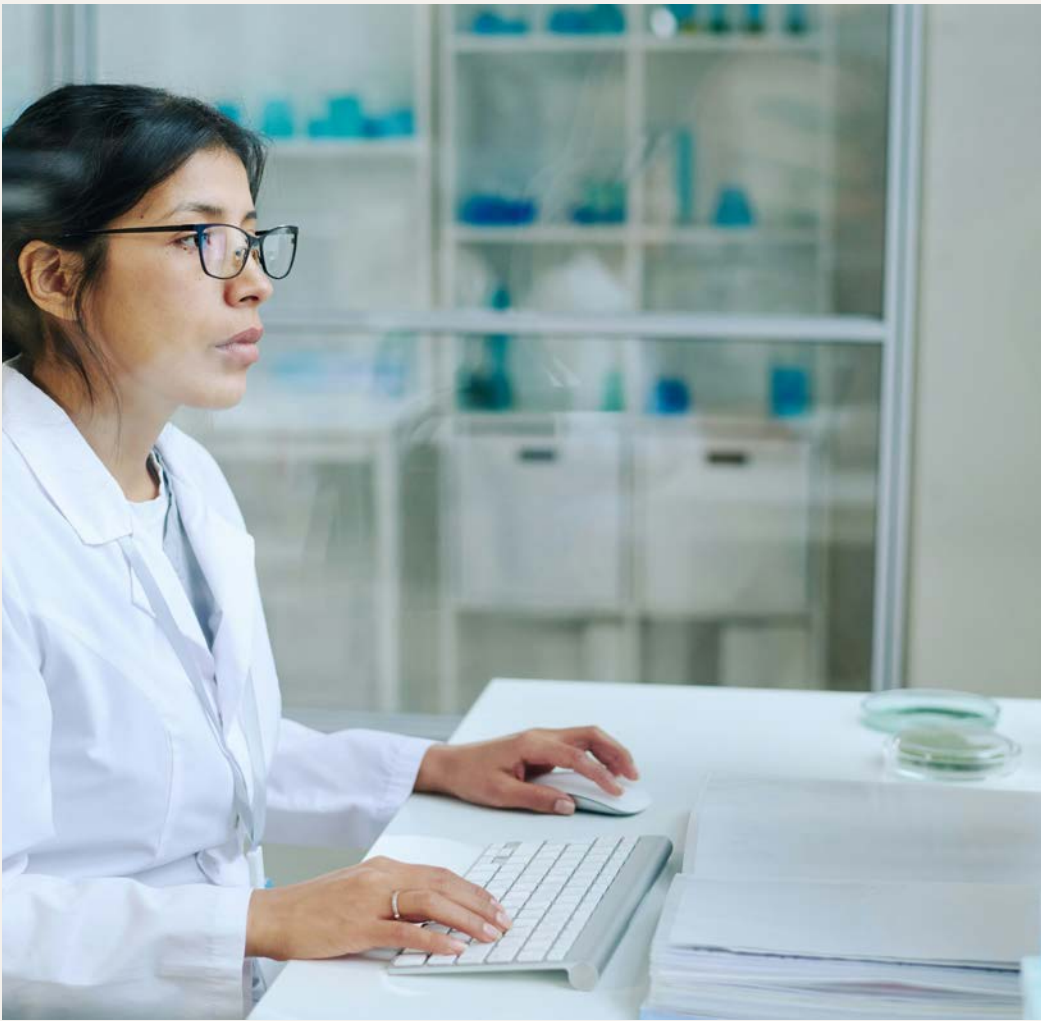
Our unrealised portfolio at a glance

|                                      |        |                                                         |     |                                                                   |       |
|--------------------------------------|--------|---------------------------------------------------------|-----|-------------------------------------------------------------------|-------|
| Number of portfolio companies        | 17     | Add-ons in 2024                                         | 5   | Aggregated Enterprise Value (across Flagship Funds I, II and III) | €12bn |
| Total employees across our portfolio | 12,432 | Countries where our portfolio companies have operations | 20+ | Continents                                                        | 4     |



All data points contained in this report are as of 31st December 2024, unless otherwise stated.





We believe that healthcare is one of the most compelling investment opportunities of our time, thanks to ground-breaking scientific advances. With rising global demand, we believe the sector is poised for sustained long-term growth<sup>1</sup> while offering the potential for superior investment returns.

At the same time, the healthcare sector faces significant challenges. There is a growing need for solutions that improve efficiency, timelines, access, and reduce costs.

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# THE HEALTHCARE OPPORTUNITY





# The global healthcare opportunity: investment with purpose

Healthcare is one of the world’s largest and fastest-growing sectors, with global expenditure growing at 6%<sup>1</sup> with Europe and North America accounting for over two-thirds of that spend<sup>2</sup>.

Long-term secular growth in the sector is predominantly driven by the following factors:

- **An ageing global population:** the number of people aged 65 years or older worldwide will double between 2021 and 2050 from 761 million to 1.6 billion<sup>3</sup>.
- **Increased incidence of chronic disease:** the cost of managing chronic diseases globally is expected to triple from 2021 to 2031<sup>4</sup>.
- **Advances in technology and mechanisms for disease management:** advances in understanding diseases and developments in drugs, devices and data for intervention enable new business models and businesses. Such advances are continuous, propelled by the need to address the 60% of the global disease burden that cannot be addressed with existing interventions<sup>5</sup>.
- **The rise of emerging market middle-class:** an additional 1.3 billion people are projected to attain middleclass income levels by 2030<sup>6</sup>, with significantly higher purchasing power and demand for healthcare solutions.

COVID-19 has also shifted the dynamics in the healthcare system globally. The pandemic served to accelerate numerous existing and emerging healthcare trends, notably:

- **Adoption of advanced analytics and software has become faster and broader:** in particular across population health management, patient engagement and virtual health services, with the latter also driving care-model innovation<sup>7</sup>.
- **Value-based care models have expanded rapidly across the healthcare value chain:** increasingly powered by data, these models can better deliver affordability, quality and enhanced experience of care, while delivering superior economic returns<sup>7</sup>.
- **Precision medicine is becoming mandatory, not optional:** understanding patient diversity and tailoring for their needs has become increasingly essential and will continue to fuel growth in R&D spending, which has in turn driven substantial growth in the outsourcing sector<sup>8</sup>.

Healthcare investment can have a profound effect on global wellbeing through scalable, cost-effective solutions that can enhance health outcomes. According to McKinsey Global Institute, every \$1 invested in health improvements generates an economic return of \$2 to \$4, demonstrating the sector’s ability to achieve strong financial performance while improving lives<sup>9</sup>. Over the next decade, there is a transformative opportunity to enhance quality of life, extend life expectancy, and ensure more years are lived in good health<sup>10</sup>.



## A growing need for an efficient healthcare system

Despite remarkable progress, there is no room for complacency. Over the past 60 years, average life expectancy has increased by nearly 20 years – rising from 54 in 1960 to 73 in 2019 – yet the proportion of lives lived in ‘moderate’ or ‘poor’ health has not changed in the same period<sup>10</sup> this is due to chronic disease, an ageing population, health inequities, lifestyle factors and medical advances focussed on longevity rather than quality. As life expectancy continues to rise, along with other factors, the demand for healthcare will intensify, adding complexity and scale to an already strained system.

Healthcare currently accounts for 11% of global GDP. By 2080, spending in the US is projected to reach 50% of GDP, with most OECD countries following suit by 2100<sup>11</sup>. At the same time, the sector faces mounting sustainability challenges: it generates approximately 4.6% of global emissions<sup>12</sup>, employs 12% of the global workforce<sup>13</sup>, and is expected to face a shortfall of 10 million workers by 2030<sup>14</sup>. Further exacerbating these issues is the inefficiency within the system – Overall, existing estimates suggest that one-fifth of health spending could be channelled towards better use<sup>15</sup>.

Without meaningful transformation, the global healthcare system risks becoming a burden on society and the planet.

In the US, spending on the healthcare system is projected to reach

50% of GDP by 2080<sup>11</sup>.

Healthcare accounts for

5% of global carbon emissions<sup>12</sup> and around

12% of the global workforce<sup>14</sup>.





# The healthcare value chain

The healthcare value chain spans drug and device development, which are typically technical healthcare segments and includes research and discovery, development and manufacturing, regulatory approvals, market access and commercialisation – to delivery – which includes tools and diagnostics, as well as treatment at home, in clinics and in hospitals. Global healthcare costs society \$9.8 trillion each year<sup>16</sup>. Of this, only \$180 billion is allocated to the drug and device development, while \$9.68 trillion<sup>16</sup> – 54 times more – is spent on delivery. Investment in drug and device development benefit the treatments available downstream at home, clinics and hospitals, providing both medicines that treat and cure diseases better.

This is the century of biologics discovery which involves medical products derived from living organisms. The scientific understanding in this area has advanced significantly but is still limited. Over the coming decade there is expected to be a market expansion of ~10% CAGR<sup>17</sup> with considerable time and investment expected to go in to translating that scientific knowledge into tangible treatments for diseases, genetic disorders, vaccines, antibodies and immunology.



In addition to biologics, Advanced Therapies, growing at ~20% CAGR<sup>18</sup>, which involves regenerative medicines such as cell and gene therapy and tissue engineering, also holds the potential to address conditions that were previously considered untreatable.

The treatments available today are the result of innovations from the past – many of which took over 15 years\* to develop, test and obtain regulatory approvals, before reaching patients. Today’s

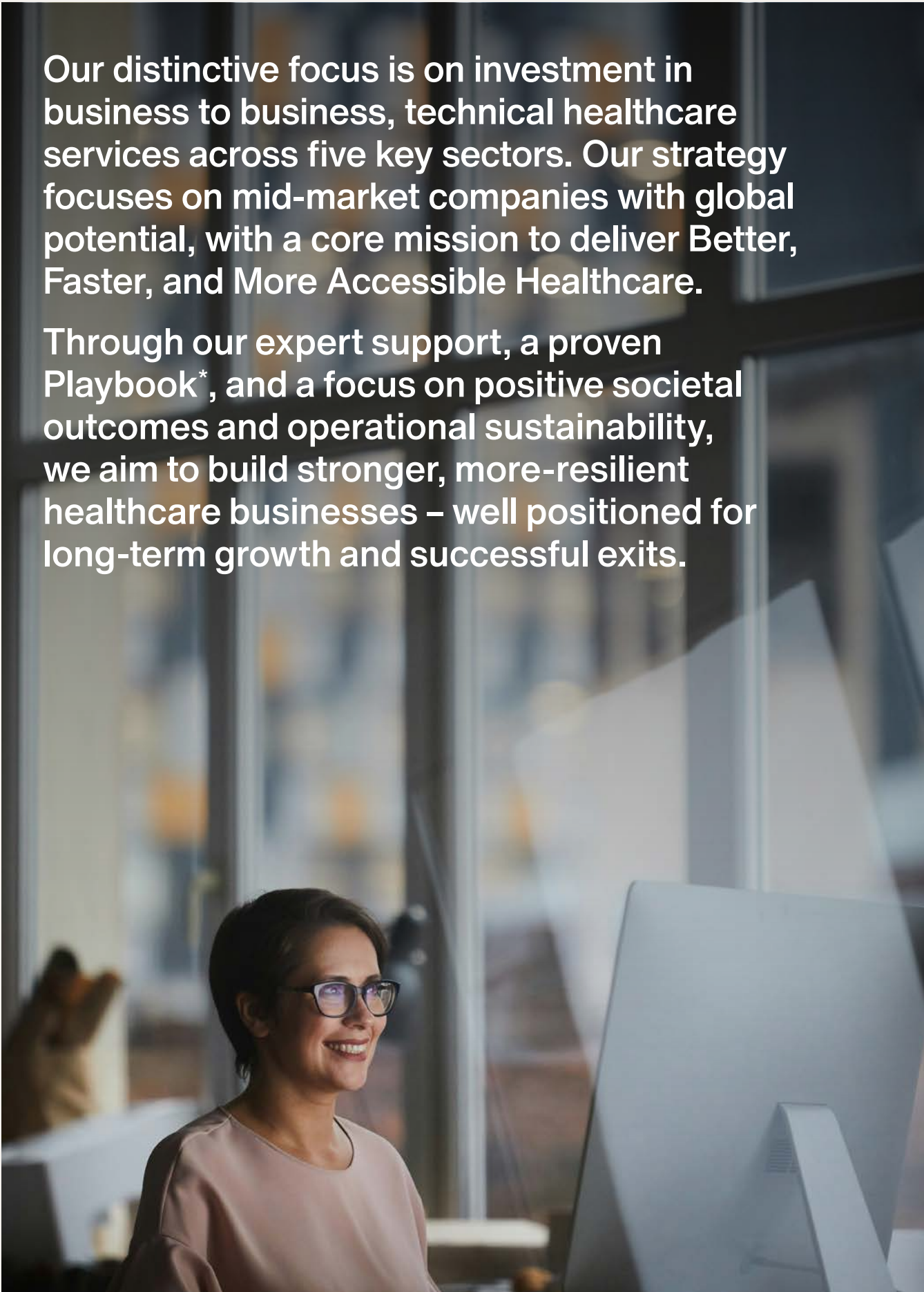
breakthroughs have the potential to cure diseases and make delivery to patients more efficient and effective.

However, currently, developing a single drug through pre-clinical testing costs around \$2.6<sup>19</sup> billion, a figure that in 2022<sup>20</sup> rose by approximately 15% from 2021. The process from initial discovery to pre-clinical testing takes an average of four years\* and only approximately 10% of drug candidates ever make it to market<sup>21</sup>.

We believe that Investments in the technical segments of the healthcare ecosystem that transform scientific knowledge into tangible realities have the potential to accelerate timelines, reduces costs and expand patient access, creating a more efficient and effective healthcare system. We want to be able to facilitate that.

\* Drug development timeline.





# OUR INTEGRATED INVESTING APPROACH

Our distinctive focus is on investment in business to business, technical healthcare services across five key sectors. Our strategy focuses on mid-market companies with global potential, with a core mission to deliver Better, Faster, and More Accessible Healthcare.

Through our expert support, a proven Playbook\*, and a focus on positive societal outcomes and operational sustainability, we aim to build stronger, more-resilient healthcare businesses – well positioned for long-term growth and successful exits.

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\* Our Playbook details the strategic guidance, approaches and best practices we use to help our portfolio companies expand their reach, scale operational capacity, and accelerate growth into new markets.





# Our overarching investment approach

Our core investment strategy was built to identify assets of high strategic potential and support rapid expansion within the context of increasingly global healthcare market. To enable this vision, we deploy our approach combined with deep knowledge of the specialised healthcare segments, a transatlantic team and a global ecosystem of healthcare experts and operators that seek to drive transformation.

## A Clear Investment Thesis

We aim to target rapidly growing segments of healthcare that are underpinned by robust fundamentals and long-term, structural tailwinds. We aim to operate at the forefront of the growing technical healthcare segments focusing on business to business technical services in the healthcare value chain, across areas such as drug discovery, development, manufacturing, the regulatory landscape, market access and commercialisation.

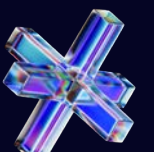
**GHO’s five targeted sub-sectors within healthcare:** We take a thematic approach to sourcing high quality innovation-rich businesses with strong transatlantic and internationalisation potential across the following five subsectors:

BIOPHARMA



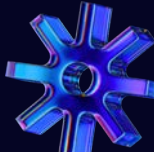
which comprises drug discovery, contract development and manufacturing, clinical trial services, supply chain products & services, and speciality and generic products.

MEDTECH



which comprises both the manufacturing and distribution of a wide range of medical devices across different therapeutic areas as well as various types of outsourced original equipment manufacturer (OEM) and/or provider services to support the development and maintenance of these products.

ADVISORY AND DATA



which comprises data and analytics, commercialisation, strategy & consulting and regulatory affairs services for the healthcare sector.

HEALTHTECH



which comprises technology, including software and digital solutions, to improve the delivery and efficiency in drug research and development, (e)clinical, manufacturing and quality, regulatory and medical affairs, sales and marketing and workflow.

LIFE SCIENCE TOOLS AND DIAGNOSTICS



which comprises reagents and consumables, instruments, software/lab automation.

We do not invest in single product businesses, patient services, or payor services as they do not lend themselves to our strategy and expertise and they tend to be more localised in nature. We are focused on the underserved mid-market, above local funds and below large cap funds, where we aim to amplify strategic value and where specialist expertise can provide a competitive edge.

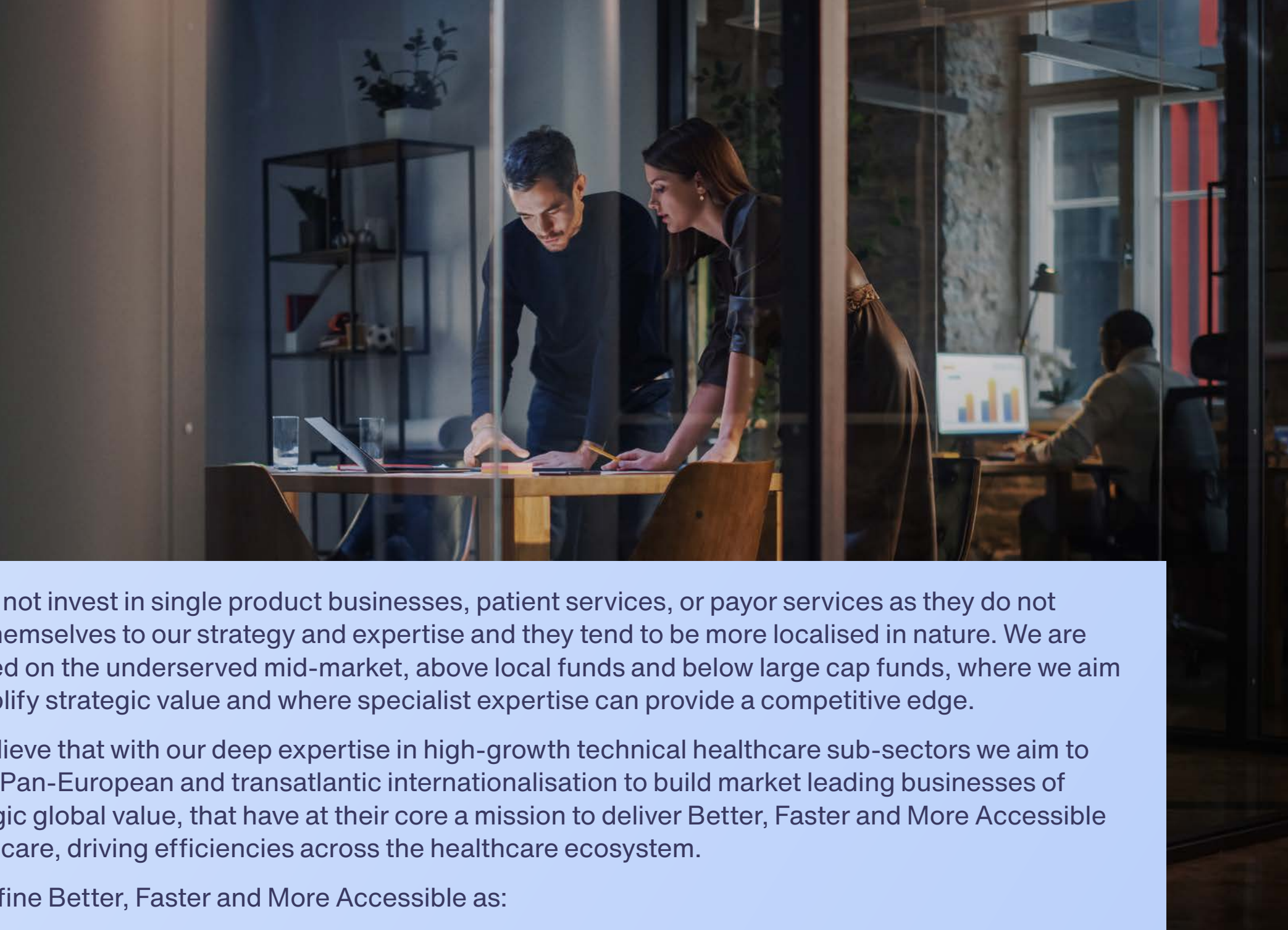
We believe that with our deep expertise in high-growth technical healthcare sub-sectors we aim to target Pan-European and transatlantic internationalisation to build market leading businesses of strategic global value, that have at their core a mission to deliver Better, Faster and More Accessible Healthcare, driving efficiencies across the healthcare ecosystem.

We define Better, Faster and More Accessible as:

- Better** – Where the quality of the product or service, is better than the norm, or where there is a competitive advantage inherently designed into the business model;
- Faster** – Where the product or service is enabling a speed efficiency in the marketplace against the norm through the skills of the people, by reengineering the process or by the business model; and
- More Accessible** – Where the product or service reduces costs and/or demand to the healthcare system, thereby enabling greater access\*.

For each portfolio company that we invest in, we deploy our repeatable “Playbook” that has been honed through pattern recognition for engagement in similar business models, value chains and end-markets. We believe this leads to increased focus and clarity around the characteristics that the underpin repeatable success and ultimately Better, Faster and More Accessible Healthcare.

However, investing in these business-to-business technical healthcare segments means the innovations can take years, even decades, to materialise in the form of improvements in positive patient and societal outcomes. Articulating and measuring the potential for improved patient outcomes is crucial to demonstrating the contribution to Better, Faster and More Accessible Healthcare these companies make. This is why part of our Responsible Investing strategy focuses on supporting portfolio companies to articulate their value to society, while the other part focuses on enhancing operational and sustainability-related aspects of their business.



\* In 2024 we refined our definition of More Accessible based on market feedback.



# Our Responsible Investing approach

Investing in high growth, business to business companies that contribute to Better, Faster and More Accessible Healthcare enables us to:

- Enhance efficiencies through better solutions, reduced timescales and costs and increase access across our chosen technical healthcare sub sectors making a positive societal contribution; and
- Maximise returns by focussing on underserved areas of the market which offer opportunities for transatlantic expansion, increased capacity and capability, and innovation.

Our Responsible Investing approach is a key part of our overall investment approach.

We believe that businesses that offer solutions to increase the efficiency of healthcare systems, while also optimising operational and sustainability-related aspects of their business, are inherently better, more resilient and more valuable.



Our Responsible Investing approach comprises two strategies:

- **Offence:** the active targeting of companies that can deliver Better, Faster and More Accessible Healthcare and evaluation and measurement of each investment’s potential to contribute to at least one of these three dimensions.
- **Defence:** the operational enhancement of material environmental, social and governance topics. Based on our most recent materiality assessment and driven by the sector in which we operate, these include the effectiveness of a business’ governance, the decarbonisation of its operations and the management of its talent. We seek to do this within our own operations at GHO, to lead by example, but also within our portfolio, with a view to optimising the way the businesses are run and building long-term value.

These two strategies, each from a different angle, are designed to strengthen our financial returns.

These two strategies work together to allow us to articulate and further amplify the outcomes we create and the returns we seek to deliver. We aim to lead by example within our own operations and work with our portfolio companies to excel in both.



# An integrated approach throughout the investment lifecycle

We have sought to integrate our Offence and Defence strategies into each phase of the investment lifecycle, from origination through to exit, to encourage systematic platform investment decision making.

In 2024, we further refined our investment process to integrate key climate-related risks and opportunities and human rights\* risk considerations in both the deal execution and portfolio management stages of the investment lifecycle.

Looking Ahead

Our [Responsible Investing Policy](#), last updated in October 2023, provides additional detail on how we seek to integrate both our Offence and Defence strategies throughout the investment lifecycle. We review the policy annually, and expect to publish its next iteration during the course of 2025.

\* We adopt the UNGP’s definition, which refers to internationally recognised human rights as “understood, at a minimum, as those expressed in the International Bill of Human Rights and the principles concerning fundamental rights set out in the International Labour Organization’s Declaration on Fundamental Principles and Rights at Work”. Social issues, such as employee relations, diversity, equity and inclusion, health and safety, community relations and forced labour are all included.



01

Origination & screening

- Negative screening
- Positive screening contribution assessment
- ESG red flag screening



02

Deal execution

- ESG due diligence
  - Diligence deep dive contribution assessment to Better, Faster and More Accessible Healthcare
- Risks, opportunities, and adverse impacts assessment
- Defence considerations in the investment decision
- Offence considerations in the investment decision



03

Portfolio Management

- Implementation of GHO’s good governance framework
- Defence 180 day plan
  - Quarterly and annual non-financial KPIs collection and diagnostics
- Ongoing dialogue and engagement
- Implementation of Offence 180 day plan, measurement, and roadmap



04

Exit

- GHO assessment of the ESG progress created since entry
- ESG vendor due diligence
  - Implementation of vendor due diligence of the contribution to Better, Faster and More Accessible healthcare created since entry
- Portfolio case studies with key achievements

- Defence
- Offence



# FairJourney Biologics: A case study of our integrated investment approach

During our four-year long partnership with FairJourney Biologics we invested capital, deployed our Playbook, and supported improvements in the company’s sustainability maturity. Working alongside its management team, we supported FairJourney to become a truly global business. This included increasing the number of antibody libraries to enhance the discovery of specific antibodies, improving its energy efficiency, optimising its talent management and boosting its governance frameworks. We believe that all these aspects contributed to realising a strong return and delivering significant value back to our investors.

## Precise targeting of complex conditions

While healthcare has advanced significantly in recent decades, many diseases or conditions are still thought to be untreatable, or difficult to treat. Antibody therapies can offer more-precise targeting of these conditions and have been particularly promising in treating or curing infectious diseases, immune disorders and cancer, with over 100 antibody-based drugs approved by the FDA (by 2022)<sup>22</sup>.

## The role FairJourney Biologics plays in drug discovery

Established in 2012 in Porto, Portugal, FairJourney Biologics offers outsourced antibody discovery, engineering, production and development services to the pharma and biotech industry. Over the last 25 years, scientific progress and a better understanding of biological mechanisms has led to a rapid increase of the potential applications of antibodies to cure or treat diseases<sup>22</sup>. FairJourney enables researchers who are looking for antibodies that can impact biological pathways, to stimulate the immune system or deliver more potent targeted drugs to do so.

## Scaling a leader in antibody therapies

We invested in FairJourney in January 2020, and throughout our holding period provided capital, sector expertise and access to our international network, to help build on the company’s USP and create a global player. Working with the founding management, over the last four years, we expanded FairJourney’s global footprint, adding over 1,000 discovery projects and 140 customers. We also increased its operational capacity in the UK, with the acquisition of Iontas, to support this growth in activity. We helped launch four new business divisions, diversifying into adjacent and downstream activities, and invested in teams and systems to support international market penetration and growth.

## Our defence strategy: How GHO supported improvements in FairJourney’s operations

During our investment, we deployed our expertise to support FairJourney’s evolving sustainability approach. The company assigned staff to oversee sustainability, aligned its governance frameworks with the OECD Guidelines and UN Global Compact Principles, and tested its anti-bribery and corruption risk and cyber risk.

In 2022, the company started to systematically track its sustainability performance on a set of KPIs, in line with our sustainability programme. From that baseline, we achieved the following by the end of 2024:

- Use of renewable energy increased from zero to 32%, including investment in solar panels at the Porto headquarters.
- GHG emissions intensity decreased to 4.9 tonnes of CO2e per million € revenues from a 5.2 baseline.
- Total employee turnover decreased from 32% to 24%.
- The gender pay gap reduced from 36% to 20%.

## Our offence strategy: FairJourney’s contribution to drug development

By the time we sold our majority stake in FairJourney in 2024, the company had increased its screening libraries for identifying antibodies from approximately 1,400 in 2020, to more than 4,000, with a best-in-class 99%+ project success, compared with a market average of 85%. This has resulted in over 14 antibodies that have entered the clinic for FairJourney’s clients. Antibody discovery has clear drug-development applications, and is also valuable for regulators, as it provides them with scientific data, tools and insights to evaluate the safety, efficacy and quality of therapeutic antibodies.



## Our returns to all

FairJourney Biologics demonstrates how our integrated investment strategy creates value for our investors, our portfolio companies, their customers and their customers’ patients. FairJourney’s reputation and presence in the antibody market has grown exponentially over the four years of our investment, and the business is now well positioned to continue scaling. In September 2024, we sold a majority stake to Partners Group, realising a strong return and delivering significant value back to our investors.

“The team at GHO Capital has been instrumental in helping us achieve our global success. Their specialist healthcare expertise and network are invaluable when rapidly scaling a company like FairJourney.”



**António Parada**  
CEO, FairJourney Biologics



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Our Responsible Investing approach shapes how we support and measure the positive contribution our portfolio companies make to society, and how we ensure they are governed effectively, decarbonise their operations and optimise their talent management.

# WORKING ALONGSIDE OUR PORTFOLIO





# Offence – our approach to portfolio management

Our Purpose is to invest in companies that have at their core a mission to deliver Better, Faster and More Accessible Healthcare, driving efficiencies across the healthcare ecosystem to deliver superior returns for investors, while supporting positive societal outcomes. We seek to select and invest in companies with a USP that aligns with our Purpose. We believe these companies can benefit from our thematic expertise, and strategy of transatlantic expansion so that it can provide an edge and enable the companies to win in their markets.

In Edinburgh and Boston, Peter Coleman and his team at Roslin aim to support their customer Vertex who is developing a cure for sickle cell anaemia and beta thalassemia that afflict the lives of 6.1 million people around the world.

In Massachusetts, Karen Lackey and her team at X-Chem are seeking to support their customers to accelerate the timeline of early-stage drug development, with the aim to help them get medicines to patients faster.

In California, Luis de Luzuriaga and his team at BioCare aim to support their customers to provide access to cancer diagnostic tests. In 2024, the tests they have developed for their customers have benefited 3 million people anxious about whether they have cancer.

Peter, Karen and Luis are just three of the CEOs in our portfolio companies pushing boundaries to enable Better, Faster and More Accessible Healthcare for their customers, the healthcare system and ultimately patients.

However, investing in these business to business technical healthcare segments, often means that our portfolio companies are removed from the end patient and improvements in patient outcomes often take years, or even decades, to materialise. As a result, it is often hard to measure the positive societal outcomes these companies can provide.

(i) These numbers have been provided by Portfolio Companies and have not been independently audited  
(ii) Drug development timeline.  
(iii) Based on Drug discovery services and DNA-encoded libraries Market review conducted by Mckinsey 9/15/22.  
(iv) Based on Biocare's analysis of the market.

### Working with our portfolio companies

In 2023, we started to address this challenge by codifying our Investment Thesis and Theory of Change which details our activities and outcomes for customers the healthcare system and ultimately patients. This allows us to evidence the outcomes we believe our portfolio is achieving. At the end of 2023, of the 14 portfolio companies in Fund II and Fund III, we were able to show:

- both qualitative and quantitative outputs and outcomes for six companies
- qualitative outputs and outcomes for six other companies
- contribution to Better, Faster and More Accessible Healthcare only for two companies.

### Results

**In 2024, we worked closely with our portfolio companies to increase the number that can quantify and provide evidence of their contribution to our Purpose.**

- One more company with both qualitative and quantitative outputs and outcomes
- One more company with qualitative outputs and outcomes.

### Looking Ahead

While we acknowledge the challenges of measurement, especially with our business to business portfolio companies, we are seeking to improve our evidence and measurement approach. During 2025, we will continue refining our methods to better demonstrate the potential contribution to positive societal outcomes for each sub-sector we invest in.

### Selected case studies<sup>(i)</sup>

## Roslin, enabling Better and More Accessible Healthcare

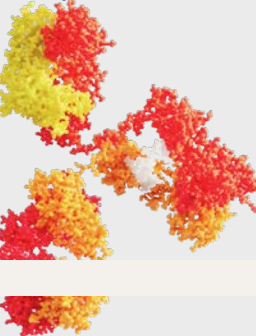


### Context

Cell and gene therapies offer a potential cure for many conditions, rather than just treating symptoms.

### What the company does

Roslin drives the development and production of cell therapies.



**Better:** Roslin developed and manufactured the first ever marketed CRISPR gene modified cell therapy that cures a major inherited disorder.

**More Accessible:** In 2024, Roslin supported the manufacturing of Casgevy, a cure for sickle cell and beta thalassemia, for one of its customers, Vertex. This enabled Vertex to start 40<sup>23</sup> patients treatments, for the first time.

## X-Chem, enabling Better and Faster Healthcare



### Context

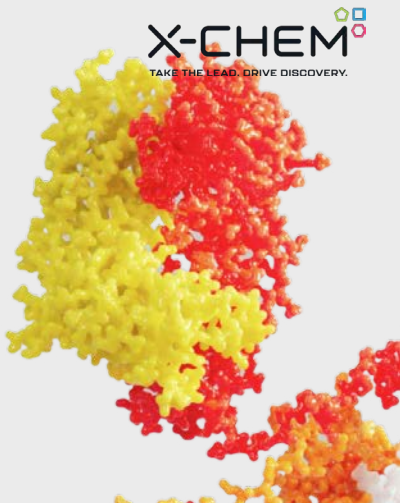
Timelines and costs have been increasing across both pre-clinical and clinical development – for example, it now takes an average of four years from discovery to pre-clinical testing<sup>(ii)</sup>.

### What the company does

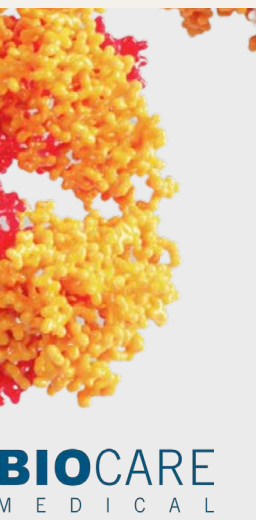
X-Chem plays a key role in enabling the early-stage drug development of small molecules as the only established US-based supplier of DNA encoded library (DEL), enabling discovery as a service based on a peer group of four<sup>(iii)</sup>.

**Better:** X-Chem's technology has 30 target classes of small molecules that are typically more complex than alternative methods or vendors and, as a result, are able to address traditionally “undruggable” targets and able to find novel mechanisms of actions to address established targets more effectively.

**Faster:** X-Chem accelerates small-molecule drug discovery by 12-18 months against the norm of four years, aiming to help their clients to get medicines to patients faster.



## BioCare, enabling Better and Faster Healthcare



### Context

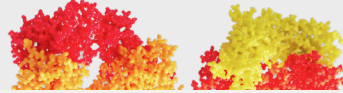
According to Cancer Research UK, half of all cancers are already advanced by the time they are detected<sup>24</sup>. New diagnostics allow earlier detection of cancer, which can increase survival rates and quality-adjusted life years.

### What the company does

BioCare provides diagnostic solutions for their customers that improve and speed up more-precise cancer diagnostics and enable better decisions for 3 million patients annually.

**Better:** Working with over 200 diagnostic types, that can be used in any diagnostic machine, the company supports their customers to deliver around 10 million diagnostic tests a year.

**Faster:** For its immunohistochemistry and molecular division: Biocare delivered ~200 additional probes, in 6-8 months and a new antibody 5 months faster to market, both represent a record in its market<sup>(iv)</sup>.





# Offence – our approach to investing

Since inception, we have sought to invest in companies that have at their core a mission to deliver Better, Faster and More Accessible Healthcare, driving efficiencies across the healthcare ecosystem to deliver superior returns for investors while supporting positive societal outcomes.

In 2023, we codified our investment framework to support us as we scale and guide how we partner with our portfolio companies. Our offence framework involves evaluating each company’s potential contribution to our Purpose (see page 11 for further details on how that is integrated into our investment lifecycle).

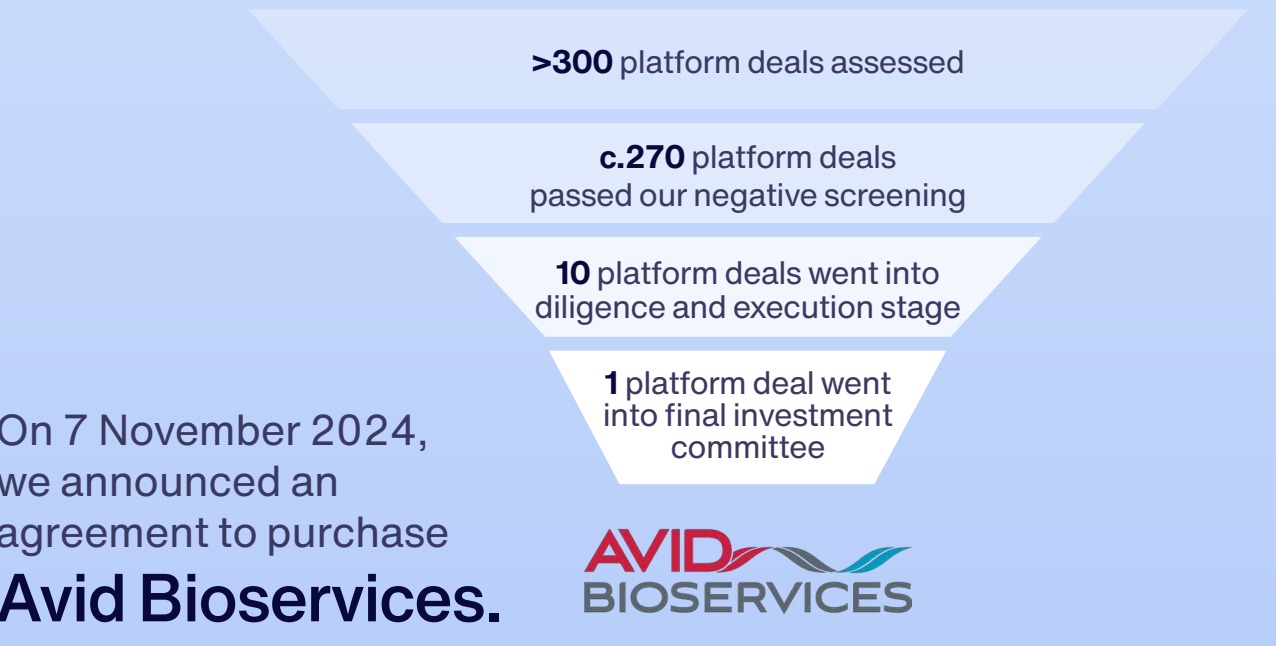
In 2024, we set out to apply our offence framework more systematically across all investments, to ensure we are able to measure how each investment aligns with our purpose.

Our investment teams work closely with management teams, supported by responsible investing specialists and, where appropriate, external consultants, to apply the offence framework from due diligence through to decision-making, and articulate the contribution to our Purpose. Once we make investments, the 180-day plan contains a roadmap detailing how the contribution to Better, Faster and More Accessible Healthcare will be measured, monitored and reported. We aim to establish within the first 18 months of investment if the contribution can also be quantitatively measured.

### Results

Plenty of opportunities exist in the business to business technical healthcare, sub-sectors of the healthcare ecosystem, and in 2024 we evaluated over 300 platform deals.

Through our Responsible Investing approach, we excluded approximately 30 companies either because of the absence of a USP that enables our Purpose, or concerns related to environmental, social and governance issues. We progressed discussions with approximately 10 companies, to initial investment committee stage, and one proceeded to final investment committee.

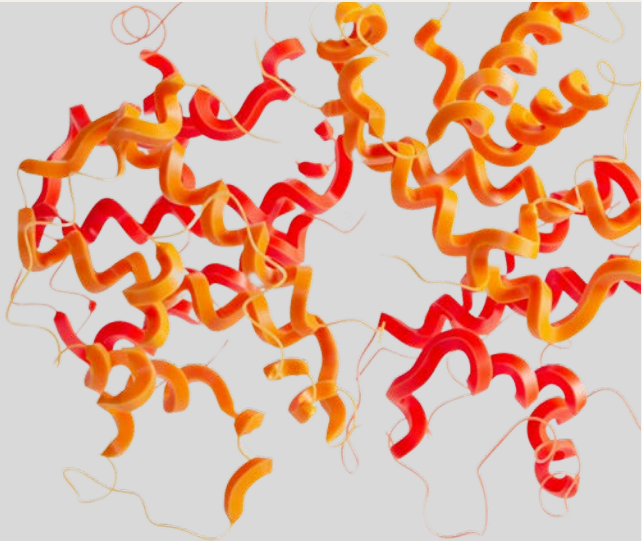


### Looking Ahead

In 2025, we look forward to further learning, adapting and fully testing our Offence diligence framework and working alongside the Avid Bioservices management team to articulate and measure their contribution to Better, Faster and More Accessible Healthcare.

### Case study

## Acquisition of biologics Contract Development and Manufacturing Organisation Avid Bioservices



In 2024, GHO and Ampersand Capital Partners announced an agreement to acquire Avid in an all-cash transaction valued at approximately \$1.1 billion. The transaction closed on 5th February, 2025. We believe Avid aligns with our Purpose of enabling Better, Faster, and More Accessible Healthcare. We believe Avid can contribute to Better by seeking to support efficient, high-quality manufacturing of innovative treatments and operating in high-growth markets, producing complex biologics for leading pharmaceutical and biotech innovators at both the clinical and commercial stages. It has a strong quality record, with no inspectional observations by the FDA over the last ten years of annual inspection, compared with the market norm of one or two minor observations per inspection\*. We believe Avid can contribute to Faster through its recent investments in capacity which position it strongly for growth and enable it to establish new manufacturing projects in six to nine months for its customers.

\* Determined by using inputs from FDA’s Inspection Database, PharmaTimes on CDMO Regulatory Compliance, McKinsey’s Pharmaceutical Regulatory Insights, ICH Q7 Guidelines for GMP Compliance



# Offence – our Purpose Advisory Council

In 2023, we established an external advisory body to continuously improve our approach to our Purpose of investing in companies that at their core have a mission to enable Better, Faster and More Accessible Healthcare, to deliver superior returns for investors, while supporting positive societal outcomes, while we increase the scale of our investment activities, and ensure continued alignment with our Responsible Investing approach.

Founding members:

- 

**Alistair Macdonald**  
Chair, Purpose Advisory Council and GHO Operating Partner
- 

**Andrea Ponti**  
Managing Partner, GHO Capital

In 2024 we engaged three external advisors and formally announced our Purpose Advisory Council\*. The external members are:

- 

**Dame Caroline Mason**  
CEO, Esmée Fairbairn; Member of the Advisory Council for the Impact Investing Institute; Chair of the Foundations Forum
- 

**Clark Murphy**  
Author, Sustainable Leadership; advisor and former CEO of Russell Reynolds
- 

**Dr. Lisa Hehenberger**  
Esade Center for Social Impact; author; advisor to multiple funds

Recognising the challenges to measure the contribution our portfolio companies make to Better, Faster and More Accessible Healthcare, Caroline, Clarke and Lisa bring a wealth of valuable experience to help us navigate how best to measure and illustrate the positive societal contributions our portfolio companies can support. They also bring experience in supporting investors and businesses to deliver superior returns, while supporting positive societal outcomes, identifying the key qualities needed in management teams for responsible business approaches, and academic rigour of measurement.

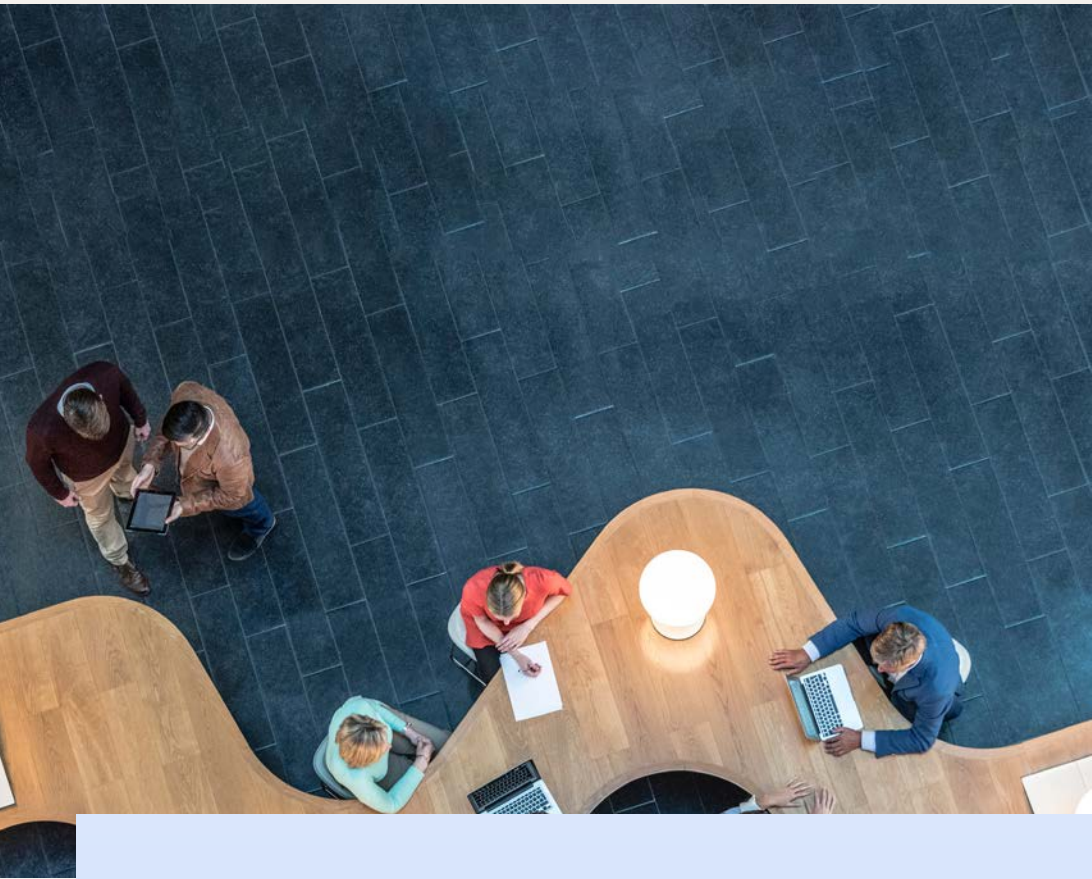
Working with members of our investment and responsible investing teams, the Purpose Advisory Council supports, scrutinises and critiques our activities in pursuit of our Purpose.

The Purpose Advisory Council helps us answer two key questions:

- Is GHO fulfilling its Purpose: Investing in companies that have at their core a mission to deliver Better, Faster and More Accessible Healthcare, driving efficiencies across the healthcare ecosystem, to deliver superior returns for investors, while supporting positive societal outcomes?
- How can we continually improve our Responsible Investing approach?

During 2024, the Purpose Advisory Council met and agreed its remit to work with the investment team to:

- advise on creating and adopting plans, priorities, policies and processes that ensure the integrity of GHO’s Purpose
- advise, support and challenge the system of internal controls for our Purpose and outcomes
- support, where appropriate, the design of our portfolio companies’ outputs and outcomes aligned to our Purpose, and monitor their progress
- cultivate a culture of ethical and social responsibility
- help us comply with our disclosure obligations under the SFDR and other relevant regulations. This includes advising on our established systems to monitor and control compliance.



**“Measuring a company’s ability to address social challenges is complex, especially in business to business healthcare services that focus on making science a tangible reality. Outcomes are often removed from the patient and can take years to materialise. GHO Capital’s Purpose Advisory Council seeks to support thinking based on positive societal outcomes throughout the investment process. Rigorous measurement and solid data are essential to demonstrating real progress.”**



**Dr Lisa Hehenberger**  
Director, Esade Center for Social Impact

### Looking Ahead

During 2025, the Purpose Advisory Council will meet four times and focus on further integrating positive societal outcomes thinking into our investment process, refining, adapting and testing our frameworks, and supporting the existing portfolio as well as new investments we make.

\* In 2024 we renamed our Sustainability Advisory Board to Purpose Advisory Council in line with its remit.



# Defence – our approach to portfolio management

We focus our investments on companies in high-growth sub-sectors of healthcare. These are typically mid-sized companies, often just at the beginning of their sustainability journey, which could benefit from our stewardship and pragmatism as they seek to optimise material sustainability-related aspects of their business.

We have been developing, since setting up the Responsible Investing function in 2021, a repeatable approach that helps our portfolio companies advance on sustainability in a way tailored to their needs and potential. We do this with a view to building better and more-resilient healthcare businesses, that are better positioned for future growth.



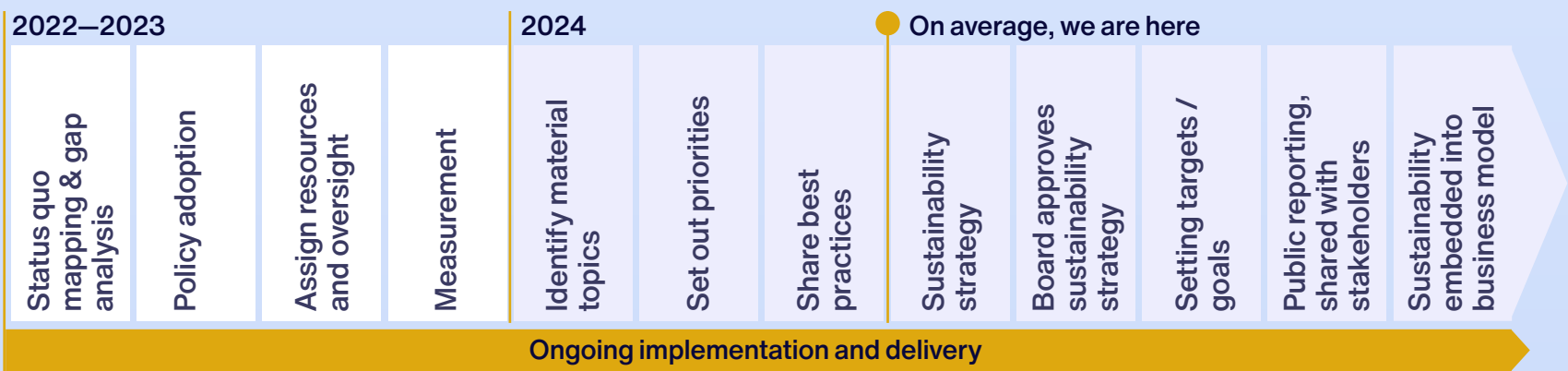
Once we invest in a business, we work with it throughout our holding period to enhance its operations through our deep expertise in sustainability and our repeatable approach. We focus predominantly ensuring effective governance and on optimising the way they manage their talent and decarbonise their operations.



As part of our philosophy, we balance the pace of adoption of our sustainability program with pragmatism, as we are aware that some of the most progressive stances might have a significant cost associated to them or might not always be practical.



In 2022, we encouraged management teams to assign people to oversee sustainability, ensured their policy frameworks aligned with the OECD Guidelines and UN Global Compact Principles, and started to systematically measure a number of sustainability KPIs to gain a deeper understanding of our portfolio performance. In effect, building the foundations necessary for implementing, measuring and monitoring material sustainability topics in a systematic way.



In 2024, we built on these foundations to move from measurement to management, ultimately helping the portfolio further advance through our sustainability engagement model, by:

- introducing company-specific scorecards for 13 Fund II and III portfolio companies\*, to record achievements and any potential improvements across our three focus areas of effective governance, decarbonisation of their operations and talent management;
- developing tailored action plans for those 13 portfolio companies and agreeing their priorities for the rest of the year, executed during the year by the investment team and the Responsible Investing team;
- promoting best practice through workshops designed for our portfolio companies to exchange knowledge and ideas, or share resources;
- ensuring our portfolio companies’ accreditations accurately reflected their sustainability maturity as well as the needs of their stakeholders. To do this, we encouraged the portfolio to undertake the EcoVadis assessment, which evaluates and rates companies based on their sustainability performance. These ratings are often used by large pharma companies as part of their due diligence when selecting suppliers, as they offer a reliable and standardized way to assess sustainability efforts.

### 2024 results

ecovadis

**57**  
average score achieved across Fund II and III, increased by +15 compared with 2023 (average score of 43 in 2023).

|     |                                                                                          |
|-----|------------------------------------------------------------------------------------------|
| 57% | of Funds II and III portfolio companies obtained an EcoVadis rating, up from 36% in 2023 |
| 2   | companies published their sustainability reports and commitments                         |
| 3   | portfolio companies developed sustainability strategies, endorsed by the Board           |
| 3   | companies undertook double-materiality assessments                                       |

RoslinCT is proud to leverage its ‘first mover’ approach to decarbonisation and has worked alongside the GHO Responsible Investing team to embed emissions reduction targets deeper across the portfolio. By sharing best practice, industry knowledge and information between portfolio companies we have acted as a force multiplier and demonstrated that repeatable steps can be taken to achieve continuous improvement. Sustainability is a team game and both GHO and RoslinCT are focused on realising the mutual stakeholder benefits of portfolio collaboration.



**Adam Liddle**  
Head of Sustainability,  
RoslinCT

### Looking Ahead

In 2025, we aim to support more of our portfolio companies in developing their own sustainability strategies, as they seek to integrate material social and environmental considerations into their business activities. We also seek to further quantify how this supports cost savings, operational efficiencies and customer wins. So far, we have been able to do so within a few of our portfolio companies, and where possible we will try to measure it more systematically.

\* FairJourney Biologics was not included due to the sale of our majority stake to Partners Group.



# Defence – effective governance



We believe that a strong governance framework is crucial for the companies we invest in, as it enables them to effectively navigate the complexities of the highly regulated sector they operate in, manage their risks effectively and appropriately govern their geographical expansion.

Our approach to effective governance saw a significant step up in 2023, when we worked to ensure all our Fund II and III portfolio companies had policies and processes in line with the OECD Guidelines and UN Global Compact Principles, and could monitor material governance topics in a systematic way.

In 2024, we focused on testing the effectiveness of the material policies and processes through assessments. The policies identified as material for our portfolio companies are anti-bribery and corruption (ABC), human rights practices<sup>(i)</sup> and cybersecurity. To ensure the overall integrity of these policies, we also assessed the effectiveness of our portfolio companies’ Boards.

### Health and Safety metrics

In 2024, we continued to offer our support to our Fund I, II and III portfolio companies on the topic of health and safety.

- No fatalities (flat vs. 2023)
- Work-related injuries across the entire portfolio increased from 49 in 2023 to 63 in 2024, with the ratio of work-related injuries per employee broadly flat at 0.7% (vs. 0.6% in 2023)

## Anti-bribery and corruption

In 2024, all of our Fund I, II and III portfolio companies tested their processes for ABC and whistleblowing risk. Specifically, we encouraged them to assess risk based on geographical, political and sector factors.

Results

**100%**

of Fund I, II and III portfolio companies assessed in anti-bribery and corruption, and whistleblowing risk through an internal risk assessment

Looking Ahead

In 2025, six of the portfolio companies will be taking steps to strengthen their policies and procedures, and work with their boards to agree next steps and may implement further effectiveness testing to measure implementation.

## Human rights

In 2024, to ensure our Fund I, II and III portfolio companies have policies and processes to govern labour and human rights issues, we have strengthened our approach as follows:

- At the time of deal execution, we include an assessment of human rights matters as part of the scope of ESG due diligence on all new investments.
- Once invested, we establish a policy commitment in line with the UN Guiding Principles on Business and Human Rights.
- As part of our Responsible Investing programme, we track our companies’ management of human rights matters, including labour rights, health and safety, and DEI, by collecting and reporting on a set of human rights metrics on an annual basis.

In addition, in 2024, nine portfolio companies of 17 completed a Labour and Human Rights assessment through EcoVadis.

Results

**53%**

of Fund I, II and III companies assessed for Human Rights processes, with an average score of 60 (out of 100), indicating above average compliance with industry standards and best practices

**100%**

of companies in Fund II and Fund III pay their employees above the minimum Living Wage

Looking Ahead

In 2025, we will seek to continue working with the remaining portfolio companies in Fund II and III to undertake the Human Rights assessment module of EcoVadis.

## Cybersecurity

Over the last three years, we have focused on increasing our portfolio’s cybersecurity maturity to ensure we are collectively protected against the most common cyber threats.

To ensure our companies have the policies and processes to mitigate cybersecurity risk effectively:

- At the time of deal execution, if the potential investment has a prevalent cyber or AI element to its operations, we assess it via third party cyber due diligence;
- Once invested, we establish a cybersecurity policy in line with industry standards;
- As part of our Defence strategy, we track implementation of the cybersecurity policy and support companies in remediation as appropriate.

In addition, in 2024 all of Fund I, II and III portfolio companies’ cybersecurity risk profile were assessed on a cybersecurity scorecard.

Results

**No** material breaches

**100%**

of Fund I, II and III companies assessed on a cybersecurity scorecard, with an average score of 87 (out of 100)

Looking Ahead

In 2025, we aim to continue working with the portfolio companies to make improvements where needed and conduct benchmarking on the recommendations of the Centre for Internet Security standards.

## Board effectiveness

While a management team implements policies, an effective board ensures policies align with the company’s goals, regulatory requirements, and ethical standards, while monitoring their execution to ensure accountability and compliance.

In 2024, we established a baseline scorecard of our board effectiveness for 12 Fund II and III portfolio boards<sup>(ii)</sup>. To do this, we asked each board to undertake a self-assessment.

Results

**86%**

of Fund II and III companies assessed via a board-effectiveness questionnaire, with an average score of 80 out of 100, indicating the boards scored themselves generally effective, with a clear purpose, and comprised of the right knowledge and experience

Looking Ahead

During 2025, we will work with these insights and seek to continue to measure and manage progress of our boards through the annual board-effectiveness review.

(i) We adopt the UNGPs definition, which refers to internationally recognised human rights as“understood, at a minimum, as those expressed in the International Bill of Human Rights and the principles concerning fundamental rights set out in the International Labour Organization’s Declaration on Fundamental Principles and Rights at Work.”; Social issues, such as employee relations, diversity, equity and inclusion (DEI), health and safety, community relations and forced labour are included.

(ii) FairJourney Biologics was excluded from the board effectiveness assessment due to the sale of our majority stake to Partners Group.



# Defence – decarbonising operations

The healthcare sector is responsible for approximately 5% of global greenhouse gas (GHG) emissions<sup>12</sup>. As pressure on the healthcare system grows, driving up demand and exacerbating inefficiencies, it will consume more energy and generate higher emissions. Given the link between human health and the climate, it is important that the healthcare sector works towards reducing its own emissions. We work closely with our portfolio companies to help them understand and reduce their emissions, enhance their operational efficiency, reduce their exposure to energy input prices, and proactively address customers’ climate-related requirements.

Since 2022, we have supported all Fund II and III portfolio companies in assessing their Scope 1, 2 and 3\* emissions, with the support of a third-party specialist and in line with the GHG Protocol. We use actual data wherever possible and draw on estimates only when necessary. At the beginning of 2024, 29% of our portfolio companies had committed to reduce emissions, including our largest portfolio company emitter which is responsible for 37% of our total 2024 emissions.

In 2024, we focused on deepening our portfolio approach to climate and decarbonisation to support enhancements in portfolio companies’ operational efficiency and proactive engagement with customers’ climate-related requirements. We undertook our inaugural climate scenario analysis, with the support of a third-party specialist provider, to assess climate-related risks and opportunities for our 14 Fund II and III portfolio companies. This identified key risks, including customer supply-chain decarbonisation requirements and rising energy input prices. These results formed the basis of our climate-related portfolio actions for 2024:

- 1. **Increasing the use of renewable electricity.** 100% of Fund II and III portfolio companies assessed whether they could purchase more renewable energy directly or otherwise purchase Energy Attribute Certificates. Some also installed on-site renewable-energy assets, such as solar panels.
- 2. **Setting decarbonisation targets.** We supported five companies to explore and, where feasible, commit to reducing emissions. Many of our portfolio companies are suppliers to large pharmaceutical companies, who ask their suppliers to set decarbonisation targets. Agreeing a target can help our portfolio companies meet their customers’ sustainability requirements, improve energy efficiency and, ultimately, be a potential driver of competitive advantage.

We take a materiality-based approach to our portfolio emissions reduction, with our top three emitters making up approximately 80% of Fund II and III emissions. This year, we focused on our second and third largest portfolio company emitters, and we are pleased that our second largest emitter (approximately 27% of Fund II and III emissions) and two other portfolio companies formalised their commitment to reduce emissions.

Across Funds II and III, we are proud that these efforts resulted in:

|     |                                                                                                                                                         |
|-----|---------------------------------------------------------------------------------------------------------------------------------------------------------|
| 50% | of companies committing to reduce GHG emissions, up from 29% in 2023, nearly doubling the portfolio companies that have committed to reducing emissions |
| 73% | of emissions covered by an emissions reduction commitment, up from 59% in 2023                                                                          |
| 52% | of equity invested covered by an emissions reduction commitment, up from 31% in 2023                                                                    |
| 51% | of each portfolio company’s electricity, on average, was sourced from renewable sources, up from 28% in 2023                                            |

This year, our portfolio emissions have grown at a higher rate than revenue and resulted in a 24% year-on-year GHG emissions increase. This is due to factors including fixed operating costs for our manufacturing businesses, an investment in business development and client engagement that has resulted in increased business travel, and some portfolio companies expanding their Scope 3 emissions categories. When looking at like-for-like GHG emissions (excluding new Scope 3 categories), portfolio GHG emissions increased by 3%. We will continue to work closely with our portfolio companies to understand their emissions profile and decarbonisation levers, as we work to support action towards the challenge of decoupling revenue growth from emissions growth.

## Portfolio Climate and GHG emissions KPIs

160,121 tCO2e  
total GHG emissions in 2024, up from 128,682 tCO2e in 2023

+24% total emissions increase

### GHG emissions by scope

| Scope 1       | Scope 2        | Scope 3*        |
|---------------|----------------|-----------------|
| 44,028 tCO2e  | 49,444 tCO2e   | 66,649 tCO2e    |
| 0% YOY change | +3% YOY change | +81% YOY change |

81 GHG intensity (tCO2e/€M)  
21% increase from 2023

100% portfolio companies identified as not affecting biodiversity-sensitive areas

Total renewable energy consumed  
49,143 MWh 2024 | 47,551 MWh 2023

15% share of renewable energy across the portfolio, up from 13% in 2023

100% of Fund II and III portfolio companies have an environmental policy

|                                              |                           |                                           |
|----------------------------------------------|---------------------------|-------------------------------------------|
| 3 hazardous waste ratio (tonnes/€M invested) | 11,200 tonnes total waste | 0 emissions to water (tonnes/€M invested) |
|----------------------------------------------|---------------------------|-------------------------------------------|

## Spotlight

### RoslinCT moves to 100% renewable electricity

RoslinCT applies cell and gene-editing science to developing medicine and works with pharmaceutical companies to progress cell and gene therapies from development to commercialisation.

RoslinCT was our first portfolio company to reach 100% renewable electricity across its entire footprint. It achieved this, from a baseline of 35% in 2022, through a mix of virtual Power Purchase Agreements, green tariffs and Energy Attribute Certificates – pioneering a repeatable approach we have communicated across our portfolio to support other companies to increase their own renewable energy use.

This has led to a 25% reduction in Roslin’s emissions intensity per million euro of revenue since 2022. It is a critical step in helping Roslin work towards its emissions reduction target of a 50% reduciton in Scope 1 and 2 emissions by 2030, on a 2023 baseline.

## Looking Ahead

The real challenge lies in reducing emissions – not just setting targets. In 2025, we will (1) support additional portfolio companies to establish emissions reduction commitments, (2) support the three companies who committed to reducing emissions in 2024 to develop a GHG emissions reduction roadmap and articulate how this will support cost savings, operational efficiencies and customer requirements, and (3) support the four companies with existing GHG emissions reduction roadmaps to implement them.

\* All Fund II and III portfolio companies report Scope 3 Category 6 Business Travel and Category 7 Employee Commuting. Some portfolio companies measure additional Scope 3 categories where material.



# Defence – Talent management

The healthcare sector employs 12% of the global workforce<sup>13</sup>, and is expected to face a shortfall of ten million workers by 2030<sup>14</sup>. Our portfolio companies operate in deeply complex sectors, seeking to address some of the most pressing challenges in healthcare. To maximise their potential for success, these companies require a highly skilled, experienced, and motivated workforce, which is stable and well-supported in navigating the complexities of the industry.

We work closely with our portfolio companies’ management teams to put in place professional development strategies designed to help retain their employees and realise their full potential, which is critical to their continued growth and innovation. There are two main objectives to this support:

- To attract, engage, develop and retain high performing people
- To reach as wide and diverse a pool of talent as possible, to ensure our businesses have access to the best professionals in the market, with particular emphasis on senior management and Board levels.

## Talent Management

We believe that investing in retaining and developing a skilled workforce supports business development and operational efficiency by preserving knowledge, increasing productivity, and reducing the need for, the time spent on and the fees of recruitment. This lets management focus on enabling Better, Faster and More Accessible Healthcare.

To support our portfolio companies optimise their talent strategy, we use a number of metrics and engage in ongoing dialogue with them.

In 2024, we helped increase the number of employee engagement surveys across the portfolio, to gain a deeper understanding of the levels of engagement of our workforce, and assessed and reviewed the level of investment in employee development.

### We supported our portfolio companies in taking the following actions:

- Launching inaugural engagement surveys – 3 companies launched it for the first time in 2024, bringing the total number up to 12 (86% of our Fund II and II portfolio), up from 9 last year (64% of our Fund II and II portfolio)
- Increasing development spending per employee by 47% (approximately €630 per employee up from approximately €428 per employee in 2023)

### ...and as a result we have observed:

|      |                                                                                                   |
|------|---------------------------------------------------------------------------------------------------|
| 13%  | average voluntary turnover, down from 15% in 2023                                                 |
| 86%  | of our Fund II and III portfolio conducts annual employee engagement surveys, up from 64% in 2023 |
| €630 | average development spend per employee, up from €428 in 2023                                      |
| 66%  | average employee engagement score, up from 65% in 2023                                            |

## Diversity, Equity and Inclusion

To identify the best professionals in the market, it is key to reach as wide a pool of talent as possible when recruiting, comprised of candidates with varied experiences and perspectives. Then, to retain successful hires for the long term, we need to create inclusive workplaces where every individual has equal access to career development and progression.

Therefore, for five portfolio companies where we identified Diversity, Equity and Inclusion as an area for potential improvement, we highlighted the merits of a balanced set of candidates in recruitment as well as in internal promotion. Where appropriate, we have also encouraged discussions on family policies and development training to ensure optimal levels of retention.

### In 2024, we have achieved the following percentages of gender diverse representation across our Fund II and III portfolio:

|                                           |     |
|-------------------------------------------|-----|
| Workforce decreased from 54% to           | 53% |
| C-suite -1 increased from 44% to          | 48% |
| C suite remained at                       | 27% |
| Board representation increased from 7% to | 12% |
| Gender pay gap reduced from 19% to        | 17% |

## Looking Ahead

In 2025, we aim to keep working with our companies’ management teams to ensure optimal levels of employee attraction, engagement, development, retention and representation.

## Spotlight

## X-Chem invests in its talent for the long run

X-Chem works to accelerate the timeline of early-stage drug discovery, helping its clients get medicines to patients faster, and supporting innovation in the healthcare industry. It is the only\* established US-based DNA-encoded library small-molecule discovery engine, screening vast libraries of compounds.

In 2024, it improved across all its talent and DEI metrics. As well as launching its inaugural employee engagement survey, it sought to significantly increase its investment in developing its talent. Among many achievements during the year, X-Chem was able to:

- increase employee development spend by 88%, from \$1,022 in 2023 to \$1,926;
- reduce voluntary turnover from 14% in 2023 to 8%;
- increase female representation at senior levels (C-Suite and Board), hire a female CEO, and reduce its gender pay gap from 26% in 2023 to 19%.

\* Based on Drug discovery services and DNA-encoded libraries Market review conducted by Mckinsey 9/15/22.





We seek to contribute to the growing maturity of responsible investing in the private equity sector by collaborating with the most-prominent industry associations:

**PRI**  
Principles for Responsible Investment

bvca

ilpa

LEVEL 120

**ic**  
initiative climat international  
Private equity action on climate change

**ESG Data Convergence Initiative**  
New, joined in 2024.

**Triple I**  
for Global Health

# 05

## RESPONSIBILITY WITHIN OUR OWN OPERATIONS



|                                           |    |
|-------------------------------------------|----|
| Strengthening our governance              | 22 |
| Commitment to the environment and climate | 23 |
| Investing in our people                   | 24 |
| Engaging with our community               | 25 |

Since establishing our Responsible Investing programme, each year we have set out to improve our own maturity in the areas of effective governance, decarbonisation and talent management, as we see it as crucial to be able to lead by example our portfolio. We also aim to contribute to the communities in which we operate by funding healthcare research and supporting charities which help to reduce inequality.



# Strengthening our governance

## Maturing our approach to cybersecurity

For the last three years, we have been evolving our approach and maturity to cybersecurity, to ensure we are managing the cyber threats we face proactively.

In 2024, we improved our cybersecurity through the introduction of scorecards, monitoring, training and certification. We experienced no material breaches and achieved a GHO score of 94 (out of 100). Key activities included:

- Assessing key suppliers against a cybersecurity scorecard and exited a supplier as a result;
- introducing monitoring and retiring legacy infrastructure;
- providing cyber training;
- attaining cyber-essentials certification.

In 2025, we will be continuing to work with our suppliers and increase our maturity against the Centre for Internet Security standards.

## In 2024, we reviewed our governance frameworks with a view to streamlining them, which resulted in forming the Executive Leadership Team.

In addition to this, we further strengthened the integration of responsible investing into our governance by recruiting external advisors for our Purpose Advisory Council (see page 16), integrating the governance of climate risks into our existing governance structures, establishing an Environmental Taskforce to implement environmental initiatives in our operations, and taking steps to improve our cybersecurity maturity.

### Setting up an Environmental Taskforce

In September 2024, our newly established Environmental Taskforce (a subset of the Employee Taskforce) asked all employees by survey for ideas on how we could be more environmentally responsible, such as reducing waste. We aim to act on the forthcoming suggestions across our offices in 2025.

|                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                     |                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Managing Partners Meeting</b><br><b>Purpose:</b> Overall governance of the firm<br><b>Frequency:</b> Quarterly<br><b>Attendees:</b> Managing Partners, & CFO                                                                                                                                                                                            |                                                                                                                                                                                                                                                                     |                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>Purpose Advisory Council</b><br><b>Purpose:</b> To advise on Responsible Investing Agenda<br><b>Frequency:</b> Quarterly<br><b>Attendees:</b> Dame Caroline Mason, Alistair Macdonald (Chair), Dr Lisa Hehenberger, Clarke Murphy, Andrea Ponti, Investment Team and Responsible Investing Team<br><br><b>Advises the Firm on Responsible Investing</b> | <b>Executive Leadership Team (ELT)</b><br><b>Purpose:</b> To discuss and approve Firmwide management matters<br><b>Frequency:</b> Weekly<br><b>Attendees:</b> Managing Partners, Partners and Functional Leads (Finance, HR & Legal)<br><br><b>Firmwide Matters</b> | <b>Operating Committee</b><br><b>Purpose:</b> To discuss and approve firmwide operational matters<br><b>Frequency:</b> Every 2 weeks<br><b>Attendees:</b> Functional Leads of operational teams (Finance, Legal, HR, IR & IT)<br><br><b>Operational Matters</b> | <b>DE&amp;I Committee</b><br><b>Purpose:</b> Promote diversity, equity and inclusion matters across GHO<br><b>Frequency:</b> Monthly<br><b>Attendees:</b> Chaired by our CFO and comprised by other six members<br><br><b>Employee Taskforce</b><br><b>Purpose:</b> To discuss and promote any non-deal related employee, social, environmental or charity initiatives of the Firm<br><b>Frequency:</b> Monthly<br><b>Attendees:</b> Volunteers from different teams<br><br><b>Other Employee Forums</b> |



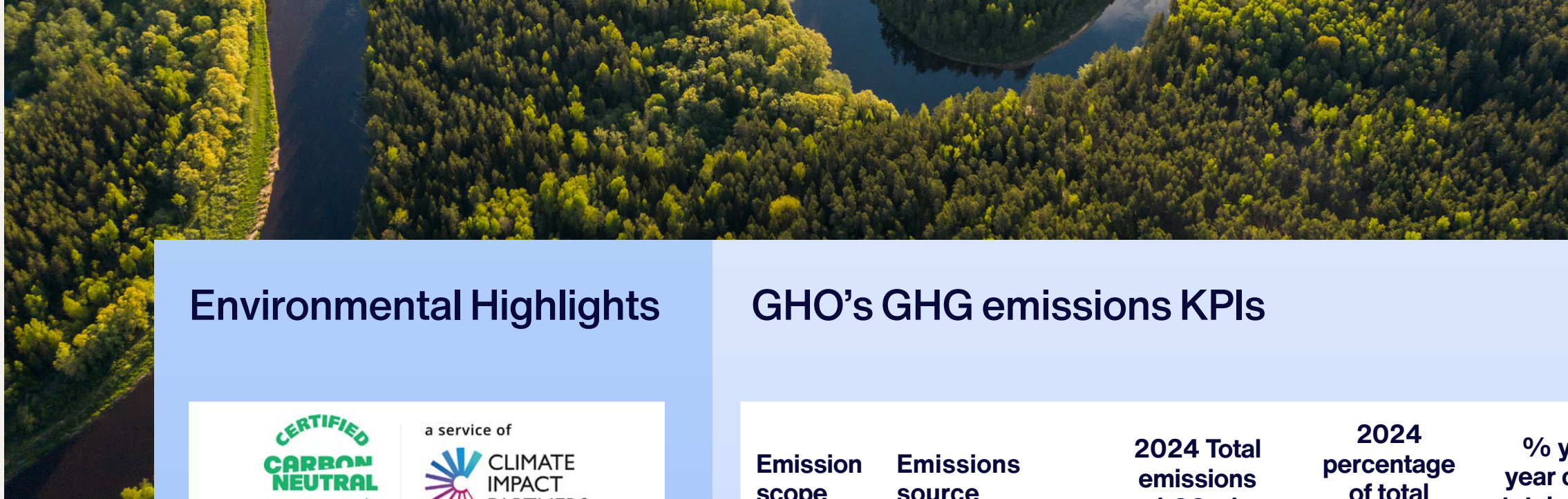
# Commitment to the environment and climate

We aim to lead by example for our portfolio companies in environmental sustainability. Since 2021, we have measured and reported our house-level Scope 1, 2 and 3<sup>(i)</sup> GHG emissions, with the support of a third-party specialist provider and in line with the GHG Protocol. We continue to be certified carbon-neutral at firm level<sup>(ii)</sup> through Gold-Standard-certified offsets and buy 100% renewable energy for our London head office.

This year, our own Scope 1, 2 and most Scope 3 GHG emissions remained constant. However, one specific Scope 3 Category, Category 15 Financed emissions – the emissions generated from our portfolio companies – increased by 24%. Our portfolio company emissions constitute 99% of our total emissions, and the increase was primarily driven by an expansion of Scope 3 reporting categories for some portfolio companies, and an increase in business travel including business development and client visits (see more detail on page 19). We continue to work with our portfolio management teams to understand and reduce these emissions.

In 2024, we set out to strengthen our climate governance, strategy, risk management and measurement, in alignment with prominent climate-reporting standards. This led us to conducting our first climate scenario analysis to assess climate-related risks and opportunities.

(i) Scope 3 emissions categories include Category 6 Business Travel, Category 7 Employee Commuting, and Category 15 Financed Emissions.  
(ii) Does not include Scope 3 Category 15 Financed Emissions.



## Environmental Highlights



19  
GHG intensity tCO2e/€M<sup>(ii)</sup>

21  
GHG intensity tCO2e/ FTE<sup>(ii)</sup>



renewable energy at GHO's London head office

## GHO's GHG emissions KPIs

| Emission scope            | Emissions source                         | 2024 Total emissions (tCO <sub>2</sub> e) | 2024 percentage of total emissions | % year-on-year change in total emissions |
|---------------------------|------------------------------------------|-------------------------------------------|------------------------------------|------------------------------------------|
| Scope 1                   | Natural gas                              | -                                         | 0%                                 | 0%                                       |
| Scope 2                   | Electricity                              | -                                         | 0%                                 | 0%                                       |
|                           | Heat                                     | 4                                         | 0%                                 | 22%                                      |
| Scope 3                   | Business travel                          | 1,227                                     | 1%                                 | 1%                                       |
|                           | Employee commuting                       | 50                                        | 0%                                 | 12%                                      |
|                           | Financed emissions (portfolio companies) | 160,121                                   | 99%                                | 24%                                      |
| Total including portfolio |                                          | 161,402                                   | 100%                               | 24%                                      |
| Total excluding portfolio |                                          | 1,281                                     | 1%                                 | 2%                                       |

## Climate scenario analysis

With the support of a third-party specialist provider, we undertook our inaugural climate scenario analysis to identify our climate-related risks and opportunities within our operations and across our portfolio, to allow us to better manage them. We used the results to:

- integrate the identified climate risks into our existing risk-management processes, including in our own GHO operational risk register, in our portfolio-management processes (see page 19) and in the due diligence phase of the investment process (see page 11);
- integrate climate management into our existing governance structures (see page 22), ensuring management oversight of climate risks is reflected into the new governance framework adopted in 2024.

## GHO's carbon-offsetting project

We are committed to working towards being carbon neutral and, as part of that, invest in carbon-offsetting projects. When selecting a project, it is important it offers a dual benefit of reducing GHG emissions while improving health and healthcare outcomes for the communities where the project is based. In 2024, our GHO teams voted to support the Acre Amazon Reducing Emissions from Deforestation and Forest Degradation (REDD+) project to offset our GHG emissions.

The project<sup>25</sup> reduces approximately 360,000 tonnes of GHG emissions each year by preventing deforestation of pristine Amazon rainforest and protecting biodiverse habitats. It also aims to support the United Nations Sustainable Development Goal 3, Good Health and Wellbeing, by facilitating local doctors' visits, building local health centres and dental clinics, and hiring and training community members in first aid and basic pharmacy medicine.

GHO is proud to support a project that offsets emissions while seeking to positively impact the health and wellbeing of communities.

## Looking Ahead

In 2025, we aim to further increase our alignment with relevant climate-reporting standards, including the Taskforce for Climate-related Financial Disclosures (TCFD) and the International Sustainability Standards Board (ISSB), and improve measurement and management of material Scope 3 emissions categories.



# Investing in our people

Our success is due to the dedication and expertise of our team. Creating an environment where talented individuals reach their potential and contribute to meaningful work is at the heart of our long-term success.

2024 was a transformative year for us, including setting up a new office in the US and attracting exceptional talent to join our team. We provided learning and development opportunities, enhanced our approach to managing performance, and continued to work with our team to cultivate a diverse, inclusive and equitable workplace.



### Evolving our approach to talent management

We seek to invest in our leaders and future leaders, so they have the skills to support team members and create environments where they can be successful, including creating targeted development opportunities through staffing on deals and projects.

This year, we provided development opportunities in leadership, inclusivity, belonging and equity, developed our board succession potential with ten members of the investment team completing the Institute of Directors Certificate in Directorship. Across the firm, we ran a session on negotiating and influencing skills.



### Building an inclusive and equitable culture

In 2024, our leadership and DEI committee strengthened our commitment to fostering a culture where everyone feels valued, supported and included. This focused on talking to our team to help shape a culture that meets their needs, revealing a specific need to support families, which we now do by offering 50 hours of emergency care per employee for dependents provided by an external agency. This reaffirmed our support for those with care responsibilities, including providing parental leave. Across the firm, we also ran training in unconscious bias awareness, and increased leadership inclusivity skills.



### Measuring progress in improving continually

We monitor our progress and aim to improve continually. In 2024, 95% of our team participated in our annual employee engagement survey. Our employee Net Promoter Score (eNPS) is 43 – a testament to our workplace culture.

**Looking Ahead**

In 2025, we will be listening to the feedback from the engagement survey and asking team members at all levels to work with us on the areas for improvement.

## GHO Diversity

GHO's overall gender composition:

**56%**  
female (up from 53% in 2023)

**30%**  
women in our investment team (flat vs. 2023)

**7**  
Male Partners (+1 from 2023)

**16%**  
GHO team members are of ethnic minorities (up from 15% in 2023)

**8**  
ethnicities

**16**  
nationalities



# Engaging with our community

Beyond our healthcare investments, we try to extend our reach by making meaningful contributions to people’s lives in the local communities where we operate. We do so by working with charities and organisations that support causes close to our heart, by volunteering and by giving back.

In 2022, we formalised our community engagement programme to better structure how we support and engage with our communities. We aim to:

- improve people’s lives by tackling a number of healthcare related challenges;
- contribute to a society where everyone has a chance to realise their full potential; and
- reduce our impact on the environment

### Reducing inequalities and providing work opportunities

A key focus of our community engagement programme is ensuring young individuals from disadvantaged backgrounds can access the same opportunities as those from higher socio-economic backgrounds. Through our long-standing partnership with Generating Genius, we offer internships to young people who might not otherwise have such opportunities. Similarly, our collaboration with the Harrow Club is aimed at further expanding access to opportunities for disadvantaged youth in London.

### Healthcare-related volunteering

Every year, we encourage team members to take two days of paid volunteering, one designed to be taken up as a team and one on a personal basis. This year, fifteen team members contributed to the Sleep Pod charity (see panel).

### Giving to healthcare causes close to our heart

Our team members took part in a number of fundraising activities this year for our house charities. Four of our team ran the London Marathon in April 2024 to raise funds for the Helen Arkell Dyslexia Charity, St John’s Ambulance and Alzheimer’s Research. In addition, fourteen members took on the Santa in the City 4K run in December 2024, to raise funds for our latest charity partner, UK Sepsis Trust.

### Building emergency night shelters for Sleep Pod

Over 1,400 people died in the UK in 2023 while having to sleep outdoors in unsafe conditions. The risk is especially high in the winter, when exposure to extreme weather and hypothermia becomes deadly. In November 2024, 15 GHO team members came together in London to build a number of emergency shelters for local people experiencing homelessness.



## GHO House Charities



Providing educational and recreational opportunities for local youth



Supporting sepsis patients and raising awareness



Working to find cures for dementia



A leading UK charity focusing on disease



A London hospital providing world-leading cancer care





# 06

## LOOKING AHEAD

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We seek to continually improve our approach to Responsible Investing, keeping pace with an evolving environment and, with our portfolio, building on the strong foundations we have already established.





# Looking ahead: Our plans for 2025



In 2025, we will be building on the strong foundations we’ve established across the following areas of focus.

**Offence and defence:**

**The investment lifecycle**

We will aim to deploy our integrated Responsible Investment approach for all new investments. We will continue to learn with every new investment, and apply any lessons learned.

**Working with our stakeholders**

We will continue to work with our investors, our team, our portfolio companies, their customers, and the broader responsible investing industry on the topics you have read about in this report, to pursue transparency and unity of Purpose.

**Offence:**

**Refining measurement**

We will refine our approach to measurement so we can better demonstrate the contribution to Better, Faster and More Accessible Healthcare by our portfolio companies in our five key business-to-business, technical healthcare, sub-sectors – biopharma, medical technology, advisory and data, health technology, and life-science tools and diagnostics.

**Defence:**

**Evolving our portfolio’s sustainability maturity**

Over the years, we have built a suitable framework to be able to implement, measure and monitor material sustainability topics. In 2024, we used it to make tangible operational enhancements in our three focus areas of effective governance, decarbonisation of operations and talent management.

In 2025, we are continuing to move portfolio companies along our sustainability engagement model (see page 17), as we keep taking targeted action to improve their operational performance, and articulating how this can support cost savings, operational efficiencies and customer wins. With an eye to pragmatism, we will also continue to refine the sustainability KPIs we track across our portfolio to make sure we focus on the most material ones, as we keep balancing monitoring and reporting with realistic resource utilisation.

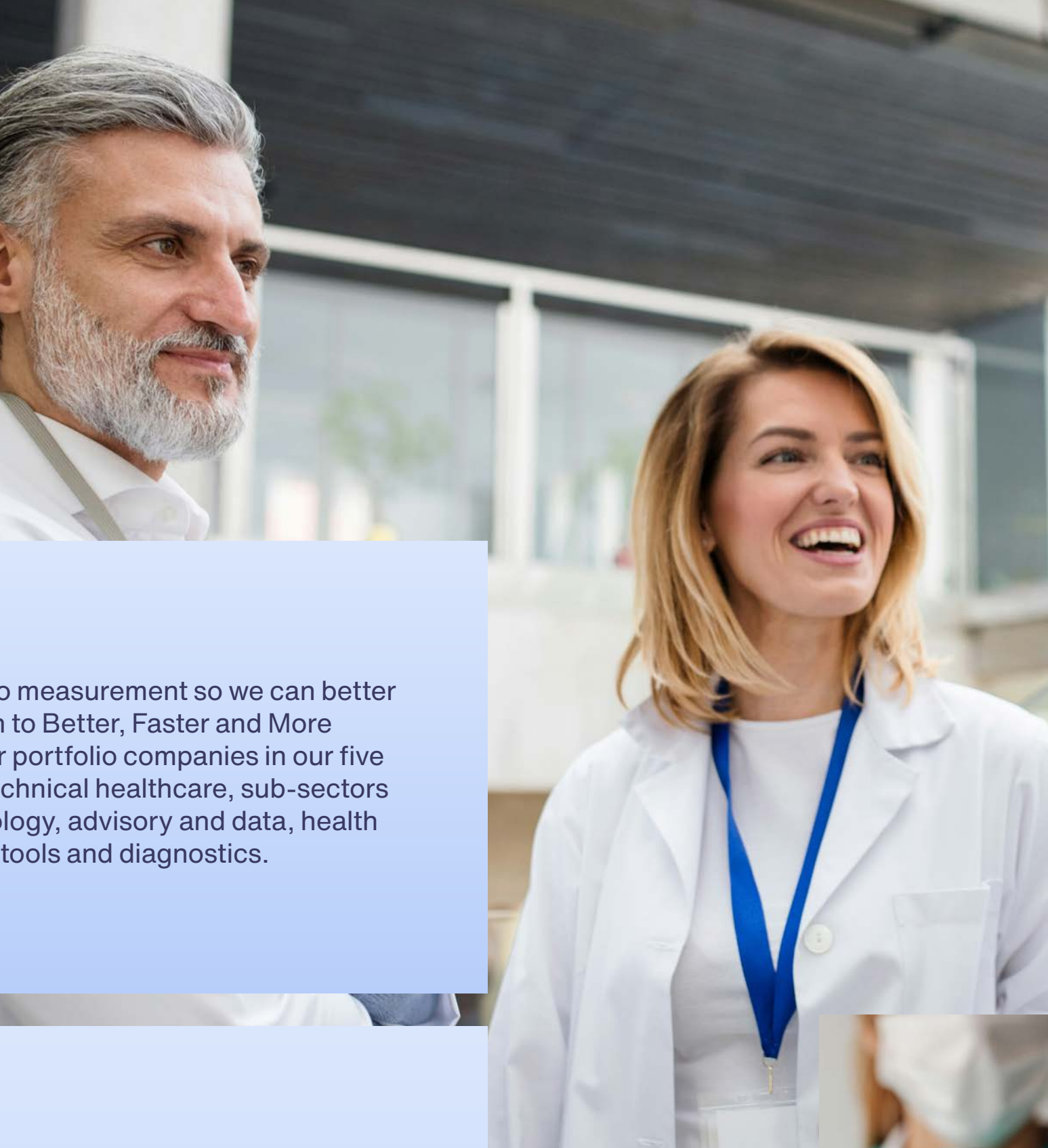
**Decarbonising healthcare**

Our focus for our portfolio is threefold: (1) support additional portfolio companies to establish emissions reduction commitments, (2) to support the portfolio companies who have committed to reducing GHG emissions in developing their plans, and (3) to support companies with existing GHG emissions reduction roadmaps in implementing them.

Within our own operations, we are working to further increase our alignment with relevant reporting standards, as well as reviewing our material Scope 3 emissions measurement and management to include other categories that may be material.

**Staying ahead of regulation**

We will keep working with our portfolio companies as they prepare for new regulatory frameworks coming into force, such as the EU Corporate Sustainability Reporting Directive (CSRD), and we aim to closely monitor emerging industry standards, such as the Taskforce on Nature-related Financial Disclosures (TNFD).





# Appendix: Fund II and III Portfolio Key Metrics 2024<sup>(i)</sup>

With support from our portfolio companies, we have voluntarily disclosed a selection of aggregate 2024 metrics.



## Environment

|                                                                             |                      |
|-----------------------------------------------------------------------------|----------------------|
| Scope 1 GHG emissions, per the GHG protocol                                 | 44,028 tCO2e         |
| Scope 2 GHG emissions, per the GHG protocol                                 | 49,444 tCO2e         |
| Scope 3 GHG emissions, per the GHG protocol                                 | 66,649 tCO2e         |
| GHG intensity                                                               | 81 tCO2e/€M revenue  |
| Exposure to companies active in the fossil fuel sector                      | None                 |
| Percentage energy consumption from renewable sources                        | 15%                  |
| Percentage of energy consumption from non-renewable sources                 | 85%                  |
| Energy consumption intensity per high-impact climate sector <sup>(ii)</sup> | 0.36 GWh/€M revenue  |
| Activities negatively affecting biodiversity-sensitive areas                | None                 |
| Emissions to water                                                          | 0 tonnes/€M invested |
| Hazardous waste and radioactive waste ratio                                 | 3 tonnes/€M invested |



## Social

|                                                                                |                                |
|--------------------------------------------------------------------------------|--------------------------------|
| Total number of employees                                                      | 8,459                          |
| Net change in employees due to M&A                                             | 218                            |
| Total employee composition                                                     | 47% Male, 52% Female, 1% Other |
| Total C-1 Level (senior management) composition                                | 52% Male, 48% Female, 0% Other |
| Total C-Suite (executive) composition                                          | 73% Male, 27% Female, 0% Other |
| Total Board composition (Board gender diversity)                               | 88% Male, 12% Female, 0% Other |
| Average unadjusted gender pay gap                                              | 17%                            |
| Average turnover of permanent employees (voluntary)                            | 13%                            |
| Average turnover of permanent employees (voluntary and involuntary)            | 22%                            |
| Average employee tenure                                                        | 4 years                        |
| Average training and development expenditure per full-time employee            | € 630                          |
| Total number of work-related fatalities                                        | 0                              |
| Total number of recordable work-related injuries                               | 63                             |
| Percentage of portfolio companies that conducted an Employee engagement survey | 86%                            |
| Average employee engagement survey score                                       | 66%                            |
| Average Employee engagement survey participation rate                          | 72%                            |



## Governance

|                                                                                                                                                       |      |
|-------------------------------------------------------------------------------------------------------------------------------------------------------|------|
| Portfolio companies with Anti-bribery and Corruption Policy in place                                                                                  | 100% |
| Portfolio companies with Human Rights Policy in place                                                                                                 | 100% |
| Portfolio companies with Environmental Policy in place                                                                                                | 100% |
| Portfolio companies with Diversity, Equity and Inclusion Policy in place                                                                              | 100% |
| Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises  | 0    |
| Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises | 0    |
| Exposure to controversial weapons (antipersonnel mines, cluster munitions, chemical weapons and biological weapons)                                   | 0    |

(i) Environmental, social and governance data includes Fund II and III. Given where Fund I is in its lifecycle we have not included data from these portfolio companies.

(ii) Applies only to portfolio companies that fall under high-impact climate sector: Alcami, Sterling, Sanner, Roslin, and Ardena.



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