

Welcome to our first sustainability report. Over the following pages, we share how we approach ESG and sustainability within GHO as a firm, in our investment activities, and in the way we work with our portfolio companies.

Covering the 2021 calendar year, this report illustrates the steps we have taken to develop our approach and sets out our priorities and focus for 2022, as we strive to keep building on our progress year after year.

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About us

GHO was founded in 2014 with the purpose to invest in healthcare companies that enable the delivery of better, faster and more accessible healthcare for society.

A word from our Managing Partners

GHO today

Our purpose and our principles

2021 Sustainability highlights

Our sustainability journey

Following the highest industry standards



GHO Capital, St James's Square, London

A word from our Managing Partners

At GHO, sustainability is integral to our dual purpose: to deliver better, faster and more accessible healthcare, whilst generating sustainable financial returns.

Andrea Ponti
Managing Partner

Mike Mortimer
Managing Partner

Alan MacKay
Managing Partner

We invest in companies that have enormous growth potential in the healthcare industry and in supporting these stories, we seek to deliver value for our investors. These businesses help to improve the efficiency of healthcare systems around the world, to the benefit of patients and society at large, and make the capital spent in this critical industry go further. We at GHO are strategically positioned to combine these two strands of our purpose to drive better outcomes for all. This not only gives us huge personal satisfaction, but enables GHO to act as a force for good.

Much has been learned from the pandemic. For us, it has underlined the importance of accelerating the growth of businesses that are tackling key bottlenecks in healthcare systems, finding efficiencies and providing more accessible

solutions for the benefit of all. Even before Covid-19 hit, we sought to drive wider societal impact through our investments. This has long been a crucial component of our fund strategy, and, as a natural next step, we have formalised our approach to demonstrate how sustainable business strategy goes hand in hand with generating returns. We wanted to tackle the misconception that placing sustainability, purpose and the delivery of benefits to society at the heart of a company's strategy is at odds with value creation. We operate in a space where all of these attributes perfectly intersect, and at GHO, we are aiming to be at the cutting edge of sustainability as well as a best-in-class performer in everything else we do.

To help achieve this, we appointed our first Director of Responsible Investing to start formalising our sustainability

approach within GHO and work with our portfolio companies to improve their sustainability and impact measurement. Unlike financial metrics such as EBITDA or IRR, we recognise the challenges that come with measuring sustainability and impact, but we also know that demonstrating this is critical in order to highlight how we and the companies we work with are benefitting society.

We are committed to continuing our journey to increase transparency and evidence how a sustainable approach to business can serve society and drive value creation. We hope this report will provide you with valuable insight on our approach to creating value for all through our investment activities.

GHO today

€5bn+
AUM

Transatlantic
presence

35
GHO employees

**EAST COAST,
US**

**LONDON,
UK (HQ)**

European specialist investor in global healthcare

Our Portfolio Companies

15
specialist healthcare
companies

45
strategic add-ons
(since inception)

91
global portfolio
locations

~7,200
employees worldwide
across our portfolio

VISUarma

ALCALIBER

linimed

VALIDANT

Sterling

ARDEN

**FairJourney
Biologics**

X-CHEM
TAKE THE LEAD. DRIVE DISCOVERY.

**ENVISION PHARMA
GROUP**

Velocity
CLINICAL RESEARCH

CLEARVIEW
Healthcare Partners

SANNER

GENESIS
RESEARCH

BIOCARE
MEDICAL

Roslin

NOTE: All figures as of 31 December 2021.

Our purpose and our principles

Our purpose is to invest in healthcare companies that enable the delivery of better, faster and more accessible healthcare for society.

GHO has been purpose-built since day one, and everything we do has our purpose in mind. Our unique history and journey helped shape this purpose, which has always been, and still is, the pillar on which our entire investment ethos, strategy and sustained profitable growth are built upon.

Our principles

We expect all our employees to embrace GHO's principles, so that they understand the core values that underpin our business.

Similarly, we only partner with leadership teams who are aligned with our purpose and ethos and share these principles.

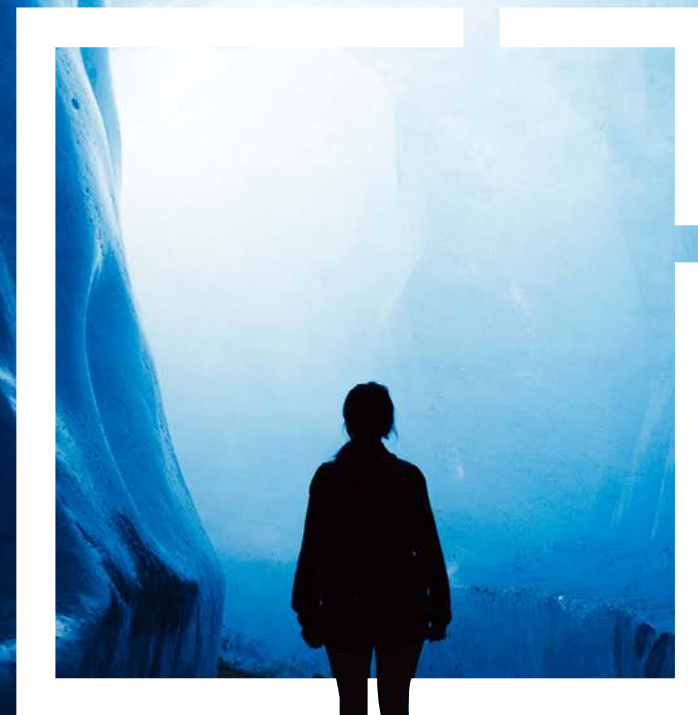
Deliver long-term sustainable performance

Be a good citizen

A responsible and responsive employer

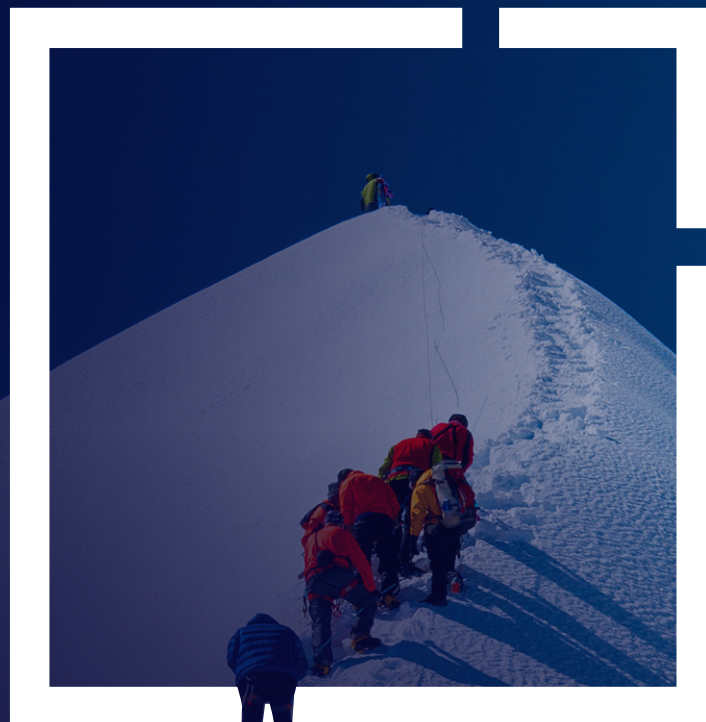
Honest and fair with customers and suppliers

A guardian for future generations



2021 Sustainability highlights

In 2021 we are particularly proud of having achieved a number of important milestones:



ENVIRONMENTAL MILESTONES

- 100%** of our firm's carbon emissions were measured and offset
- 100%** renewable electricity powers our office
- 1st** fully virtual fundraiser

DIVERSITY MILESTONES

- 43%** of all GHO professionals are female
- 20%** of investment executives are female
- 8** ethnicities represented across GHO

GOVERNANCE MILESTONES

- 1st** Director of Sustainable Investing appointed
- 100%** of employees completed ESG training
- 100%** of new platform investments received ESG Due Diligence and support

NOTE: All figures as of 31 December 2021. Further details will be provided in the following pages of this report.

Our sustainability journey

We have been investing since inception to solve one of the greatest challenges of our times – the delivery of and access to better, faster and more accessible healthcare for society – but we have also come a long way on our journey to deliver on our commitments.

This timeline shows some key highlights and progress we have made to date on ESG and sustainability.

2014

GHO is established

2015

Became a signatory to UN PRI

Responsible Investment Policy first introduced



2017

Responsible Investment Policy updated for the first time

2018

GHO's corporate principles established

Individual portfolio company ESG updates incorporated into quarterly investor reporting

2019

Conducted first CEO and CFO best practice sharing across all portfolio companies

2020

Joined Level 20

Joined OutInvestors

Supported the local community throughout COVID-19 via the Salute the NHS initiative



2021

GHO appoints PwC to perform a full sustainability analysis both within GHO and across the portfolio



GHO appoints first dedicated Director of Sustainable Investing, Manuela Rankine

GHO publishes Cybersecurity Policy

GHO conducts its first fully virtual fundraise

GHO welcomes two interns with diverse backgrounds through Generating Genius



GHO supports 7 charitable initiatives in the community

GHO introduces specific ESG Due Diligence training for investment executives

100% of GHO's employees complete ESG training

GHO enhances its Responsible Investment Policy

GHO performs a carbon footprint analysis on its own operations and becomes carbon neutral



GHO publishes its first Annual Sustainability Report

Following the highest industry standards

As a signatory to the United Nations Principles for Responsible Investment, we are publicly committed to incorporating ESG considerations into our investment practices.



PRI

GHO has been a signatory to the United Nations Principles for Responsible Investment since 2015 and is fully committed to their six principles. We report on our approach to responsible investment and how we are implementing the six principles annually in our PRI transparency report.

Principle 1: We will incorporate ESG issues into investment analysis and decision-making processes.

Principle 2: We will be active owners and incorporate ESG issues into our ownership policies and practices.

Principle 3: We will seek appropriate disclosure on ESG issues by the entities in which we invest.

Principle 4: We will promote acceptance and implementation of the Principles within the investment industry.

Principle 5: We will work together to enhance our effectiveness in implementing the Principles.

Principle 6: We will each report on our activities and progress towards implementing the Principles.



Blueprint for Better Business

Blueprint for Better Business is an organisation which helps businesses to be inspired and guided by a purpose that benefits society and respects people and the planet. GHO has been an active partner of Blueprint for Better Business since inception and has worked with them to establish its corporate purpose and principles.

GHO's founding partner, Andrea Ponti, is a Founding Trustee of Blueprint for Better Business.



BVCA

BVCA is the UK industry body for the private equity and venture capital industry. It supports the industry's transformative role and works with the community as it adapts to new policies, sustainability, diversity, and technological priorities.

GHO's founding partner, Alan MacKay, was previously Chair of the BVCA and for a number of years chaired the BVCA Responsible Investment Advisory Board.



Level 20

Level 20 is an organisation established to inspire women to join and progress in the European private equity industry and dedicated to improving its gender diversity.

GHO has been an active partner of Level 20 since 2020.

Our approach to responsible investment

We have made significant progress in embedding environmental, social and governance considerations into our investment process to mitigate risk, make better investment decisions and build sustainable businesses.

How we invest responsibly

Progressing our sustainability agenda



How we invest responsibly

Our responsible investment policy helps guide our investments, while raising internal awareness on the importance of ESG and sustainability considerations at every step of the way.

[Read our latest policy here.](#)

Our structured Responsible Investment framework is an integral part of our investment process. This systematic process draws on international standards and includes the integration of ESG and sustainability considerations at each stage of the investment life cycle, from origination through to exit.

1. SELECTION: Origination and screening

GHO's strategy is to invest in specialist healthcare companies, and we maintain a list of activities and geographies we will not invest in, no matter how attractive the return potential of the asset is. We constantly review this list to make sure it is up to date with the times we live in and with our ever-evolving values and beliefs.

For example, in our latest version of our Responsible Investment policy, we committed not to invest in businesses which operate animal testing facilities. There have been several cases where GHO has declined to look at opportunities that we did not believe were a fit for our purpose and values.

2. ENTRY: Due diligence and deal execution

We believe that strong ESG governance starts with a detailed assessment of risks and opportunities in due diligence. We also recognise our own limits, and we are aware that in order to do a proper assessment, it is important to leverage professional resources and expertise outside of our own organisation. That's why ESG due diligence by third party specialist providers is conducted on every GHO platform investment, in order to properly assess its current and prospective ESG profile and evaluate the extent of sustainability-related value creation opportunities. In full compliance with this framework, every single platform deal in Fund III has received ESG Due Diligence and support.

The areas of focus for the ESG due diligence are informed by an initial screening assessment done by GHO, based on a materiality approach that draws on the Sustainability Accounting Standards Board ("SASB") and MSCI's guidelines. Our deeper integration of ESG issues means that the investment teams' understanding of material ESG risks has grown through regular training and support from the Director of Sustainable Investing.

In order for the Investment Committee to make informed investment decisions taking material ESG and sustainability considerations into account, the findings of ESG due diligence as well as the initial and interim ESG screening assessments are always presented at Investment Committee meetings and appropriately discussed.

3. PORTFOLIO MANAGEMENT: Monitoring and value creation

We take an active role in managing and overseeing the companies in which we invest, and this involvement at the highest level allows us to address ESG risks and opportunities directly with our portfolio companies, and initiate change where required.

The findings of the pre-investment ESG due diligence are used in the post-closing review, which typically takes place during the first six-months of an investment, to highlight areas for progress and value creation, which get

detailed in the company's 100 or 180 day plan. The Firm's Director of Sustainable Investing, Manuela Rankine, in collaboration with the deal team, focuses on helping management, throughout our ownership period, adopt best practice when it comes to creating sustainable value for their businesses and all stakeholders involved. Thereafter, progress on ESG topics is monitored regularly through ESG meetings with the management team and, when necessary, on-site ESG reviews, while material ESG factors are itemised for discussion at our Quarterly Portfolio Review meetings and ESG targets are addressed directly with our portfolio companies at each Board meeting.

Going forward, we will roll-out a KPI reporting framework to be able to deepen our evidence-based ESG picture of the portfolio and track progress.

4. EXIT: Sale Preparation

When nearing the exit phase of the investment lifecycle, the deal team assesses a portfolio company's ESG progress since acquisition, using, when available, the pre-investment ESG review as a benchmark. Where appropriate, we also conduct a third-party ESG vendor due diligence assessment to comment on, and quantify, ESG and sustainability value creation. This information is incorporated into exit documentation to demonstrate the value of ESG and sustainability integration to prospective buyers.

Progressing our sustainability agenda

Q&A with Manuela Rankine, Director of Sustainable Investing

1. How does GHO 'walk the walk' as opposed to 'talk the talk' on ESG and sustainability issues?

Sustainability is embedded in our organisation. The companies we invest in and work with all play key roles in the modern healthcare system, have strong governance structures in place and address key societal challenges. In addition to this, the core principles of sustainability have always been a focus for GHO, its founders and its employees. We therefore believe that leading by example is of paramount importance and have always sought to demonstrate to our portfolio companies that we are going through the same sustainability journey as they are.

As our organisation and portfolio scale on both sides of the Atlantic, I have been focused on embedding these practices in our investment processes and ensuring all our stakeholders are fully aware of the initiatives we are undertaking. Specifically, we have now incorporated sustainability criteria throughout our investment processes, from establishing healthcare-specific exclusions within our investment screening criteria, to formalising ESG due diligence for all platform investments and increasing the cadence of ESG reviews.

At house level, we have identified a series of priority areas to enable us to lay a solid foundation for future sustainable growth. This has included the measurement of our own carbon footprint and carrying out firm-wide sustainability training to ensure the full team is well-equipped to progress these initiatives.

2. 2021 was the year of climate action and COP26. What are you doing to accelerate progress on this front and decarbonise further?

We recognise that climate change is one of the key challenges of our generation. For us, 2021 was a foundational year in terms of our climate reporting and engagement. We have been working together with Anthesis, a sustainability consultancy, to measure for the first time the emissions of our GHO office network for 2021. We then partnered with sustainable development expert Natural Capital Partners to offset carbon emissions associated with the firm's activities, hence becoming carbon neutral at firm level. In an effort to do more, we also switched to a renewable energy provider to power our office. In 2022, we plan to build on this foundation by putting in place a carbon emission reduction strategy.

We also recognise that we can achieve the biggest impact through our portfolio. We have plans to develop a portfolio carbon measurement programme that will enable us to work side by side with management teams to accelerate their decarbonisation strategies and reduce their environmental impact. Once we have developed a complete base year Greenhouse Gas inventory for the fund, we will look to set a science-based carbon reduction target on our scope 1, 2 and 3 emissions in line with the SBTi guidance.


3. What are your other priorities for 2022?

If 2021 was the year of rising to the challenge, 2022 is the year of action. We have learned that the bar on sustainability issues is constantly moving and an ongoing commitment to action is required to advance our progress.

This year we will be actively engaging with our portfolio companies on a range of initiatives. A major step will be the roll-out of a detailed, KPI-led portfolio reporting model. While we do not believe in taking a one size fits all approach, we are committed to establishing the core sustainability areas for our portfolio companies to report on. These will include employee diversity and inclusion metrics as well as renewable energy and carbon emission measurement, amongst many others. We also plan to carry out a cybersecurity review to identify where we can strengthen processes and programmes within our portfolio.

We believe our Annual CEO and CFO Conference in May will be a key opportunity for us to propel some of these initiatives across the portfolio, and will help foster further dialogue on sustainability issues. For example, as more and more of our portfolio companies strive to attain the ISO 14001 Environmental Management certification, we will ensure that the key learnings from those management teams who obtained it for their businesses are shared for the benefit of the entire portfolio.

Overall, we are setting our sights high in alignment with GHO's core values and I am looking forward to building on the foundations we have already laid.



Manuela was appointed as GHO's first Director of Responsible Investing in 2021, having worked in the firm's investment team for seven years. Here she discusses GHO's recent progress in driving forward its sustainability journey.

ESG and sustainability within GHO

Just as we invest responsibly, we also adopt ESG and sustainability practices within GHO as an organisation.

This means:

Reducing our carbon footprint and environmental impact

Creating a diverse and inclusive workplace

Governing with integrity and transparency

Our commitment to the environment

Diversity at GHO

Governance


Our commitment to the environment

In 2021, we measured and offset our own carbon footprint for the first time, as we believe it is our duty to minimise our environmental impact and be a better guardian of this world for future generations.

By measuring and offsetting our own carbon footprint for the first time in 2021, we have started to do our part in tackling the global climate crisis, while at the same time supporting sustainable development in the local communities we invest into via our offset program. We compensated for our emissions from 2021 by working with Natural Capital Partners and purchasing Gold Standard certified carbon offsets. The sustainable development project we have chosen to support is a clean cooking project in Africa, which was selected not only for its positive contribution to emission reduction, but also for the additional healthcare and social benefits that fuel efficient cookstoves deliver to local communities.

We have also worked with our landlord to switch to renewable electricity contracts, and our London office is now powered by renewable electricity in its entirety.

Details of our scope 1,2 and 3 emissions using the Greenhouse Gas Protocol are set out in the table below:

Emission summary for 2021	Emission scope	Emission source	Location-based		Market-based	
			Total emissions (tCO ₂ e)	Proportion of the tCO ₂ e (%)	Total emissions (tCO ₂ e)	Proportion of the tCO ₂ e (%)
 CarbonNeutral.com	Scope 1	Gas	2.90	0.66%	2.90	0.75%
	Scope 2	Electricity	56.26	12.74%	0.00	0.00%
	Scope 3	Business travel	366.08	82.90%	366.08	95.00%
		Water	0.15	0.03%	0.15	0.04%
		Waste	0.10	0.02%	0.10	0.03%
		Commuting (remote-working)	16.11	3.65%	16.11	4.18%
	Total		441.60	100.0%	385.33	100.00%

Our 2021 greenhouse gas inventory was our first step in understanding GHO's climate impact. From 2022, we will investigate the full extent of our relevant Scope 3 emissions, including our portfolio, to develop a complete base year GHG Inventory and take further action.

Diversity at GHO

We strongly believe that our diverse culture, established in the very early days of GHO, has been key to the success of the firm, enabling us to make superior decisions and attract the best talent across both geographies and functions.

We took some significant steps over the last 12 months to increase our diversity and inclusion practices, but we also recognise we still have some way to go, as the private equity industry has historically fallen short on diversity.

Our partnerships:

LEVEL
20

OUT LGBT+ NETWORK
INVESTORS

GENERATING
GENIUS

On the recruitment front, we have been intensifying our efforts to attract diverse individuals by reaching out to wider pools of talent that reflect a variety of educational and professional backgrounds. This includes sponsoring networks such as Generating Genius, as well as investing earlier in young professionals from diverse backgrounds via the creation of internship programmes.

On the development front, we are close to organisations such as Level 20, a non-for-profit that inspires women to join and progress in the private equity industry, and OutInvestors, a global network for LGBT+ investment professionals. Being active partners of these organisations allows us to give our diverse employees access to mentoring and other career development resources also outside of our own firm.

On the retention front, in the aftermath of the COVID-19 pandemic, GHO has decided to retain a flexible working policy across our offices, on the basis of 3 days in the office per week.

On the inclusivity front, we started running a firm-wide annual unconscious bias programme to ensure we stay on top of this issue.



NOTE: All figures as of 31 December 2021.

Governance

This year, we have taken some important steps in the strengthening of our ESG governance with the appointment of a Director of Sustainable Investing and further investment in training and cyber security.

ESG governance

Our Director of Responsible Investing, Manuela Rankine, leads on the development of the sustainability strategy and approach, with a mandate to drive constant improvement across both the fund and the portfolio. She is also responsible for the day-to-day implementation of sustainability activities and for providing information and updates on ESG and sustainability to GHO's Managing Partners, who have ultimate responsibility for ESG and sustainability efforts and set the direction and strategy for ESG and sustainability in the firm. The Director of Sustainable Investing meets regularly with the Managing Partners of the firm to report on progress on both fronts.

With regards to our investment activities, it's GHO's investment professionals, with the support of the Director of Sustainable Investing, who are responsible for ensuring adherence to our responsible investment framework with regards to the acquisition, ownership and realisation of investments. In addition, investment teams are required to escalate internally ESG-related incidents that arise within portfolio companies that are deemed to be sufficiently material.

Training

We strive to lead by example and are constantly in an active dialogue with our portfolio companies to raise their awareness and support positive change, with a sense of urgency. As a result, it is very important for us to show to our companies that, as responsible stewards, we are going through the same sustainability journey ourselves first.

For this reason, training was a key focus area for us in 2021. We doubled the sessions we hosted on Financial Crime and Compliance and supplemented these a series of sessions on ESG and, for the investment team, ESG Due Diligence.

By investing in training and in good governance processes, not only we keep minimising emerging risks and maintaining the team's awareness of the constantly changing regulatory landscape, but our team's growing expertise on a variety of ESG and sustainability issues now also enables us to routinely create more value from capitalizing on sustainability trends.

Cyber security

We recognised the acceleration in cyber security threats in the aftermath of the COVID-19 pandemic and of the increasingly virtual and hyperconnected world that followed it.

In light of this, in 2021 we implemented an Information and Cyber Security Policy. The Managing Partners of the Firm have appointed Edward de Nor as the lead executive partner responsible for cyber security. Our Legal Counsel, Alison Armstrong, also oversees compliance with Cyber Security and Personal Data from a regulatory perspective as the Chief Compliance Officer.

In addition to this, in 2021 we also commissioned an independent cyber security review of our own operations, which covered network controls and testing, user device security, staff awareness, privacy risk assessment and review of policies and procedures as well as payment controls.

Embedding sustainability within our portfolio companies

Our portfolio companies are fully aligned with our sustainability agenda and we actively engage with them to support their continued development and sustainable growth.

In the following pages, we share a few examples of achievements that we and our portfolio are particularly proud of.

Sustainability at Sterling Pharma

Sustainability at FairJourney Biologics

Sustainability at Sanner



Sustainability at Sterling Pharma

Sterling Pharma Solutions is a specialist provider of Active Pharmaceutical Ingredient ('API') development and manufacturing services to the innovator segment of the global biopharmaceutical industry.

GREENER SMALL MOLECULE MANUFACTURING

Sterling Pharma Solutions ("Sterling") was acquired by GHO in 2019. Since the acquisition, GHO has worked with the Company to devise a comprehensive strategy to reduce the environmental impact of its business.

As part of the strategy, Sterling completed a materiality assessment that identified areas to target within both energy consumption and waste treatment. In its sustainability roadmap, Sterling is now targeting sustainability goals of a 50% decrease in carbon footprint and a 65% decrease in waste-related emissions by 2025.

The Company is progressing well towards these targets and has invested significant resources into a Combined Heat & Power Plant ('CHP') and waste treatment bioplant, contributing to i) increases in efficient energy consumption, ii) reduced carbon footprint and iii) net positively contributing to the gas grid. The CHP alone has reduced Dudley site electricity consumption by c.90%. In addition to this, Sterling's has switched to 100% renewable energy provider in its Deeside facility.

In order to further target waste treatment alongside its existing bioplant, the Company has also invested in an anaerobic digester at the Dudley site. Expected to come online in 2022, the digester will expand the breadth of waste Sterling can treat on-site, removing the environmental cost associated with off-site treatment, and is expected to significantly decrease Sterling's carbon footprint as well as generate biogas to be utilised by the UK gas grid.

Through these initiatives, Sterling is now recognised as a sustainability leader in small molecule manufacturing. As a testament to the above commitments and actions, in 2021 Sterling achieved a Gold EcoVadis sustainability rating, which is only awarded to the top 5% of participating companies. This represents an improvement over the prior year silver rating. In addition, the Company recently obtained the ISO14001 environmental certification, in recognition of its effective environmental management system.

Going forward, and in an effort to continue targeting its energy consumption, Sterling has embarked upon a longer-term carbon neutral plan. A detailed assessment of the Company's carbon footprint is currently underway, targeting its direct site activity, energy supply, as well as travel and supply chain contributions.

Sterling 

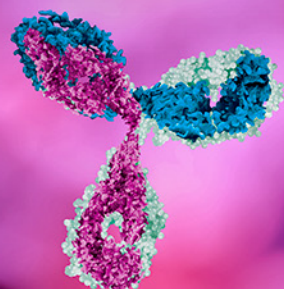
100%
renewable energy
in Deeside

~90%
reduction in
electricity
consumption
in Dudley

Gold
sustainability rating
ecovadis

Sustainability at FairJourney

FairJourney Biologics is a global leader in antibody discovery services, developing diverse antibody libraries, antibody engineering, analytics and production.



PIONEERING DIVERSITY IN ANTIBODY DISCOVERY

FairJourney Biologics ('FairJourney') was founded in 2012 by Antonio Parada and Maria Pajuelo after two very successful careers in the biotechnology sector, and has been an investee company of GHO since 2020. From its inception with a male-female founding pair, the company has grown to become into an industry leader in terms of employee diversity. Diversity is a core value of FairJourney from the top-down; four out of six department heads and over 65% of the workforce are female. Furthermore, FairJourney's workforce is represented by over 15 nationalities across their four sites in Porto, Portugal, Cambridge, UK and Boston USA.

In addition to this, the organisation benefits from a highly skilled workforce with over 90% of the team holding University degrees (including 25% PhDs and over 40% with a Masters or equivalent) and significant emphasis is placed on continued training and career development. Exemplifying the career progression opportunities within FairJourney, a majority of senior Management have developed from junior roles within the company.

The nature of its young employee base, with an average age of just 32 years, meant that the Company historically experienced a level of employee churn in line with the industry average. Staff retention initiatives put in place in 2020 have been effective in reducing employee churn from 20% in 2019 down to 16% in 2021, which is well below industry average.

In addition to this, despite the staffing challenges presented by the COVID-19 pandemic, FairJourney has successfully grown its workforce from fewer than 80 employees at the time of GHO's investment to over 200 today.

Ongoing initiatives to foster FairJourney as an environment where employees want to work include regular employee social events, staff satisfaction surveys, employee bonus scheme as well as more formal policies including the recent introduction of formalised whistleblower policy.

FairJourney remains committed to its employee base, who are the cornerstone of the Company's positioning as a leading global antibody discovery CRO.



Female
co-founder

65%
female workforce

20%
reduction in
employee churn
(since 2019)

Sustainability at Sanner

Sanner is the leading supplier of high-quality active packaging solutions supporting Pharmaceutical, Diagnostic, Nutraceutical and MedTech companies globally.



MAKING HEALTHCARE PACKAGING MORE SUSTAINABLE, ONE TABLET AT A TIME

Sanner, a German developer and manufacturer of medical, pharmaceutical and healthcare packaging, was acquired by GHO in 2021. Due to the nature of its business, improving the sustainability specifications of Sanner's products, without compromising their stability and safety specifications, was identified by GHO as a key potential value creation lever for the business.

Already from before GHO's investment into the business, management had been focusing part of their efforts on developing more sustainable plastics and materials for drug packaging. This culminated with the development of Sanner BioBase®, the first sustainable organic effervescent packaging, made from more than 90% renewable raw materials and with a lower carbon impact on the environment compared to conventional packaging.

To complement their commitment to sustainability, Sanner has also invested into a waste separation system to increase recycling levels for both secondary packaging and raw materials, regranulating unused single sort plastics to be reused in the manufacturing process. In recognition of their ability to reuse wooden pallets, they were awarded the PRS Green Label in 2021.

Sanner is also committed to reducing its energy consumption and CO₂ emissions, and currently auto-generates 50% of its own energy requirements at its Bensheim site through a gas and power-heat coupling plant which not only generates electricity, but also utilises the waste heat for water cooling in the manufacturing process. In addition, ~50% of the electricity obtained externally for the site is from derived from renewable sources. Despite rising sales volumes, this has enabled the Company to reduce its CO₂ emissions by more than 40% since 2012.

Sanner is committed to be a sustainability pioneer in its segment as it continues to develop its greener product offering and looking for more sustainable, but equally effective, alternatives to plastics.



90%
renewable raw
materials in their
BioBase offering

>40%
reduction in CO₂
emissions since
2012

50%
of energy generated
in-house in
Germany

Looking ahead

The GHO sustainability programme is evolving continuously, as the world is not standing still.

We are committed to continuing our journey, transforming businesses and, together with our portfolio, creating a more sustainable future for our planet.

Our priorities for next year



Our priorities for next year

With the processes we have put in place, and the degree to which sustainability is integrated into our investment process, we are now able to build on our foundations to drive progress against metrics which contribute to global sustainability goals.

In the year ahead, we plan to do more to tackle the environmental impact of our portfolio, get a full picture of their baseline sustainability metrics and further monitor cyber security.

Climate change

While some of our portfolio companies have already been independently working to measure and manage their greenhouse gas emissions for a number of years, in 2022 we plan on supporting all companies in our portfolio to take action in this area. We will aim to lead by example, having performed a carbon footprint analysis on our own operations and having become carbon neutral in 2021. Following this, we will look to set a science-based target on our Scope 1, 2 and 3 emissions in line with the Science-Based Target initiative's (SBTi) guidance. Through this, we will be encouraging our portfolio companies to work with us to reduce our value chain emissions to limit warming to 1.5 degrees.

Portfolio reporting program

In 2022, we will be rolling out across our portfolio a non-financial reporting program which will allow us to understand where our companies stand vis-à-vis a set of sustainability indicators. The KPIs of this program will incorporate, among other things, metrics from the World Economic Forum's metrics for sustainable value creation and the EU's Sustainable Finance Disclosure Regulation's ("SFDR") Principle Adverse Indicators. Examples of the data we will be asking our portfolio companies to provide include information on greenhouse gas emissions, diversity metrics, employee engagement statistics, and employee churn.

This will not only deepen our evidence-based sustainability picture of the portfolio, but will also enable us to track progress on the aspects that are most relevant for the industry in which our company operate: healthcare.

Cyber security

Following the independent cyber security review of our own operations which we undertook in 2021, in 2022 we have partnered once again with Control Risks to perform another cyber security review, this time of our portfolio. This review will not only help our management teams in their understanding of their business-specific key cyber risks and vulnerabilities, but also equip them with a series of recommendations to help them mature on the cyber security front.

If you would like any further information on GHO's approach to sustainability, please feel free to contact:

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