



**Better, faster, and more accessible
healthcare. Enabling world-class
leadership teams to succeed.**

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1. Our purpose

We believe companies whose business models are helpful to both the healthcare system and wider society have a unique selling proposition and are best placed to deliver superior returns to society and investors.

GHO Capital Partners (“GHO”, “we” or “us”) was founded with a 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, as further outlined herein, our responsible investment policy (this “Policy”).

2. Achieving our purpose

In order to deliver on our purpose, we believe we need to both:

- i. support and measure the positive contribution to society of our portfolio companies in achieving Better, Faster and More Accessible healthcare; and
- ii. consider value creation and protection for stakeholders by proactive management of material environmental, social and governance risks, opportunities and adverse impacts.

We refer to the attainment of (i) as our “Offence” strategy and (ii) as our “Defence” strategy.

2.1 Our Responsible Investing Offence Strategy

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 is enabling greater access to healthcare than the norm and reduces costs and/or demand to the healthcare system.

We believe our work towards achieving Better, Faster, More Accessible healthcare can support the United Nations Sustainable Development Goal #3 of Good Health and Well-being. We refer to the fulfilment of our purpose and the furtherance of Better, Faster, More Accessible healthcare as our responsible investing Offence strategy.

To operationalise our Offence strategy, we have designed an Offence Framework consisting of four objectives by reference to prominent frameworks and standards developed by the Global Impact Investing Network, UN Sustainable Development Goals, OECD European Healthcare and US Department of Health and Human Services:

- Improved decision making throughout the healthcare system;
- Improved access to unmet or poorly met healthcare needs;
- Improved healthcare systems efficiencies; and
- Increase in the continuous supply of essential products and services.

Full definitions of each of these areas can be found in *Appendix 1 (Offence Framework)*.

Where possible, we intend to quantitatively measure an investment's contribution to at least one of our Better, Faster, More Accessible healthcare objectives during the ownership period.

2.2 Our Responsible Investing Defence Strategy

Society faces a series of interconnected risks, including those relating to environmental, social and governance issues, that require active management. It has now become a commercial imperative for every company in the healthcare value chain to actively manage these risks. By accelerating the environmental, social and governance journeys of our portfolio companies, we seek to work alongside them to embed better environmental, social and governance risks and opportunities identification and management practices into their businesses.

We refer to this value creation and protection as our responsible investing Defence strategy, that is, the identification and management of material risks, opportunities and/or adverse impacts.

We believe that businesses that both: (i) seek to fulfil their full environmental, social and governance potential; and (ii) offer solutions to address key challenges faced by healthcare systems are ultimately better and more resilient businesses.

We believe that one strategy cannot exist without the other, and at GHO we are uniquely set up to work with our portfolio companies to deliver and maximise on both.

3. Our commitments to stakeholders

At GHO we are committed to acting as a responsible steward of our investors' capital to deliver our dual purpose of Better, Faster, More Accessible healthcare and superior returns.

We believe it is our social responsibility to do our part to contribute to a healthier society, as well as understand and actively manage material environmental, social and governance risks throughout the value chain, to the greatest extent possible, with and alongside our stakeholders.

GHO have been a signatory of the United Nations Principles for Responsible Investment ("UN PRI") since 2015. As such, we have committed to the UN PRI's six core principles. These have formed the basis upon which our responsible investing policy has been created. Over time we have built on that initial policy, and this Policy now reflects both the original principles and our more fulsome Offence and Defence strategies.

4. Delivering on our commitments to stakeholders

Outlined below is how we are demonstrating both our commitment to the UN PRI Principles via our responsible investment activities and how we are using our Offence and Defence strategies to create and protect value for our stakeholders.

4.1 Incorporating our Offence and Defence strategies into our investment analysis and decision-making processes

Origination and screening

4.1.1 First line of Defence:

Negative screening: excluded activities and geographies

We maintain a list of sectors, activities and geographies where we will not invest. These are set out in *Appendix 2 – Defence: Negative Screening List*.

All potential new investments are screened against this list of excluded sectors, activities and geographies –constituting our negative screening analysis. This analysis is conducted every time a new deal opportunity arises.

4.1.2 Offence:

Assessment of the potential for contribution to Better, Faster and More Accessible healthcare

GHO seeks to actively target companies that can deliver Better, Faster and More Accessible healthcare, and positively screens investments to evaluate each investment's potential to contribute to at least one of these three dimensions.

This assessment is an outside-in screening to determine whether the targeted investment qualitatively contributes to one or more of (i) Better, (ii) Faster and (iii) More Accessible healthcare for society (the “Contribution Assessment”).

4.1.3 Defence:

Environmental, Social and Governance Red Flag Screening

In the pre-investment phase, Environmental, Social and Governance red flags of a given targeted investment are first analysed by the GHO Investment team from the outside-in (the “Environmental, Social and Governance Red Flag Screening”).

The conclusions of both (i) the Contribution Assessment and (ii) the Environmental, Social and Governance Red Flag Screening, are presented at the initial investment discussion.

Due diligence and Deal execution

Due diligence is conducted by third party specialist providers on every GHO target investment (“EDD”) that covers both Offence and Defence strategies.

4.1.4 Offence: Identifying Investments Aligned with Our Purpose

The EDD is used to identify whether the target company is or has the potential to be “Better”, “Faster” or create “More Access” than the norm by assessing its business model and the ability to deploy the GHO playbook. Our track record in each of the subsectors and proprietary frameworks enable the understanding of this comparison to the norm and our ability to amplify the target company’s outcomes through the GHO playbook.

This includes a deep-dive analysis of the activities, products and/or services of the target company, with the purpose of testing and verifying its qualitative contribution to GHO’s purpose of Better, Faster and More Accessible healthcare for society, along with an assessment of the existing metrics to measure such contribution.

Where a potential target company does not have metrics in place to quantitatively measure its contribution to Better, Faster, More Accessible healthcare, the EDD also includes a feasibility assessment and roadmap for the target company to measure, monitor and improve on the positive contribution to the relevant objectives set out in the Contribution Assessment.

4.1.5 Defence: Risks, Opportunities and Adverse Impacts

EDD is also carried out on target companies to identify, and further scope out, material risks, opportunities and/or adverse impacts. The focus areas are informed by GHO's Environmental, Social and Governance Red Flag Screening. A materiality approach is taken, drawing on leading sustainability standards and regulations as guidance. More on the areas we consider material can be found in *Appendix 3 (GHO's Materiality Approach)* of this Policy.

As part of the scope of the EDD, GHO also seeks to identify the target company's material adverse impacts on people and planet and that the target company follows good governance practices. If any material adverse impact is identified at the point of diligence, an assessment is made as to whether it can be mitigated.

We are committed to working with our portfolio companies to develop greater environmental, social and governance awareness and practices. Material environmental, social and governance risks and/or impacts may not restrict the likelihood of investment if we believe that there is opportunity for meaningful improvement.

In order for the GHO investment committees to make informed investment decisions, taking material offence and defence factors into account, the key findings of EDD are presented at the investment committee meetings.

4.2 Being active owners, incorporating our Offence and Defence strategies into our policies and practices

Monitoring and value creation

GHO takes an active role in managing and overseeing the companies in which it invests. GHO aims to acquire majority stakes, and in the event where minority stakes are acquired, GHO seeks to acquire similar rights to larger investors, by way of board representation and a list of reserved matters, to ensure we retain joint control over the target company. Involvement at the highest level allows us to address Environmental, Social and Governance risks and opportunities directly with our portfolio companies and initiate change where required.

With all new investments, the results of the EDD are used to highlight areas of existing excellence and best practice, as well as areas for progress. The latter are included in the post-completion 180-day action plan designed by GHO which guides the initial period of our investment ("180-day plan"). After the end of 180-day period, implementation and progress on both our Offence and Defence strategies is then measured quarterly.

4.2.1 Offence: Measuring the contribution to Better, Faster, More Accessible healthcare

The 180-day plan contains a roadmap detailing how that company's contribution to Better, Faster and/or More Accessible healthcare will be qualitatively assessed and reported. In cases where the investment also has the potential to quantitatively measure its contribution to at least one of our Better, Faster, More Accessible healthcare objectives during the ownership period, the 180-day plan contains a roadmap detailing how that contribution will be quantitatively measured, monitored, and reported.

4.2.2 Defence: Accelerating Environmental, Social and Governance journeys of our portfolio companies

The 180-day plan contains a roadmap relating to key performance indicators ("KPIs") for that company, which it is required to measure, monitor and report on. The 180-day plan is tailored to each portfolio company's baseline, as identified in EDD.

The 180-day plan will also map out a framework for the company's governance policies. This is based on GHO's analysis of the company's existing governance policies against GHO's framework of good governance standards.

Exit preparation

When nearing the exit phase of an investment, the relevant GHO deal team assesses the portfolio company's progress since acquisition, using the entry EDD as a benchmark.

Where appropriate, vendor EDD is completed by third party providers to assess the impacts of Environmental, Social and Governance factors on the portfolio company's financials. This EDD may also comment on (and quantify where possible) value creation and, where appropriate, the investment's quantitative contribution to Better, Faster, More Accessible healthcare. This information is incorporated into exit documentation to demonstrate the value of our Offence and Defence strategies to prospective buyers.

4.3 Seeking appropriate disclosure by the entities in which we invest

In order to further both our Offence and Defence strategy, GHO has established a reporting framework to collect a number of key indicators from all investee companies across the majority of our funds.

These consist of:

- i. a set of indicators demonstrating contribution to our purpose as outlined and illustrated in appendix 1;
- ii. a set of universal and
- iii. healthcare-specific sustainability KPIs

which are used to standardise reporting for our portfolio, track progress on key value metrics, and enhance transparency.

The metrics are informed by global frameworks, including the UN Global Compact, Global Reporting Initiative and Sustainable Finance Disclosure Regulation (“SFDR”), among others.

The list of indicators is issued to all investee companies shortly after the closing of the investment. The data is then collected periodically and reported on annually.

We continue to review and update this reporting framework regularly to ensure it includes relevant metrics, as well as to incorporate outputs and outcomes measures.

4.4 Promoting the UN PRI within the investment industry

GHO actively engages with investors, co-investors and other market participants on the rationale for responsible investing and the development of good practices. In addition, we have also communicated this Policy and its expectations to other relevant stakeholders (including employees, portfolio companies and our advisor community). We continuously encourage and welcome external reviews and challenge on our Policy, strategy and approach.

4.5 Working with other investors to implement the UN PRI

GHO is an active member of the UN PRI community, regularly attending and participating in the organisation’s events, conferences, workshops, and webinars.

We also engage with peers to promote the widespread adoption of responsible investment strategies through various industry groups, such as A Blueprint for Better Business and the British Private Equity & Venture Capital Association.

4.6 Reporting on our progress towards implementing the UN PRI

Each portfolio company reports certain relevant data to GHO on a regular basis which feeds into public reporting at an aggregate level in our annual Responsible Investing Report, as well as disclosed on a portfolio company level to investors upon request. Our annual Responsible Investment Report, first published in 2021, describes our progress towards implementing the UN PRI as well as the sustainability-related performance of our portfolio companies.

GHO also provides a quarterly update to investors on responsible investing. More urgent environmental, social and governance-related incidents are directly communicated to relevant stakeholders as they arise. We also provide a responsible investing update at our Annual General Meeting.

5. Incorporating climate change awareness into our processes

GHO recognises that climate change is a global challenge and acknowledges the United Nations' Paris Agreement which seeks to hold the increase in the global average temperature to well below 2 degrees Celsius above pre-industrial levels and considers global ambitions to achieve a limit of 1.5 degrees Celsius.

We recognise the potential impact that our portfolio companies may have on climate change, as well as the potential financial implications associated with physical risks (impacts from changing climate patterns) and transition risks (policy, technological, and market changes) that our portfolio companies could be exposed to. Consideration of climate change-related risks is therefore a part of our responsible investment framework. GHO also recognises that addressing and providing solutions to climate change can be a source of opportunity.

With the aim of enhancing our portfolio's resilience to climate risk, we model our climate-related risk and opportunity identification, assessment, and management approach on the Financial Stability Board's Task Force on Climate-related Disclosures ("TCFD") four pillars of Governance, Strategy, Risk Management, and Metrics & Targets. Consistent with the TCFD recommendations, climate governance and risk management processes are embedded within existing management processes at GHO.

As a signatory of both the UN PRI and the Initiative Climat International, in the interest of investor transparency, we collect portfolio-wide data on climate and other environment-related metrics, including our portfolio companies' Scope 2, 1 and 3 carbon emissions as well as their renewable energy consumption. We intend to continue to strengthen our portfolio climate strategy and, together with third-party consultants, identify where it is appropriate to set emission reductions targets and support our portfolio companies to identify and implement carbon reduction initiatives.

6. Incorporating Diversity, Equity and Inclusion into our processes

GHO values diversity, equity and inclusion (“DEI”) and we expect our portfolio companies to respect and reflect these values alongside us.

We define diversity as inclusive of, but not limited to, race, sex, gender identity, parental status, religion, disability, age, sexual orientation, marital or civil partnership status, religious or philosophical belief or any other status protected by law.

We believe that a diverse and equitable workplace leads to improved outcomes for our portfolio companies, and we are committed to supporting them to work towards greater representation from the highest level of management throughout their entire workforce. We engage with our portfolio companies and monitor their diversity, equity, and inclusion progress on a regular basis, including by collecting portfolio-wide data on board gender diversity and gender pay-gap, amongst others.

We also recognise that good governance is fundamental to creating lasting financial value at our portfolio companies. Sound governance, in our view, starts with an effective board comprised of directors with the requisite mix of skills and experiences relevant to overseeing strategy and risk. Where appropriate, we appoint non-executive directors to both (i) ensure an element of independence and (ii) broaden the range of perspective at the boardroom table. When setting up a board of directors following the acquisition of a portfolio company, we give consideration to the competencies required for the board, its business nature as well as its strategies, and seek to select from a pool of diverse candidates.

7. Governance

GHO's Managing Partners have ultimate oversight and accountability for our Offence and Defence strategies and their implementation.

GHO's Director of Responsible Investing is responsible for setting the responsible investment strategy, communicating it and managing its implementation across the GHO and key stakeholders. The Director of Responsible Investing meets regularly with the GHO Managing Partners to update and report on responsible investing progress.

GHO's Responsible Investing team supports the Director of Responsible Investing and is responsible for the day-to-day implementation of responsible investing activities. The Responsible Investing team coordinates training on this Policy, relevant environmental, social and governance factors, best practices and accompanying sustainability tools on a regular basis to support the investment team's sustainability knowledge. In addition, the team works closely with GHO's investment professionals across the investment lifecycle to ensure there is appropriate expertise, best practice, input and challenge on material offence and defence topics.

GHO's investment professionals work in collaboration with the Responsible Investing team and are responsible for ensuring adherence to and execution of this Policy with regards to the acquisition, ownership and realisation of investments. They are also responsible for supporting GHO's portfolio companies in reaching their full sustainability potential and reduce the material adverse impacts of their business activities.

In 2023, GHO established a Sustainability Advisory Board to provide an external review and fresh perspectives on how GHO's investments contribute to Better, Faster, and More Accessible healthcare. The Advisory Board will support the relevant GHO deal team in the implementation of the Policy during the ownership phase of an investment and will make recommendations for continuous improvements across the investment lifecycle.

This Policy is updated annually to reflect on-going efforts to improve our responsible investing approach, as well as emerging requirements from stakeholders and evolving good practices.

Appendix 1 – Offence Framework

Below we have provided a definition of each of the Offence framework’s objectives and examples of indicators that may be used to measure our portfolio companies’ contribution to each.

We generally seek to collect indicators for direct customers, healthcare systems and patients, and our indicators may evolve over time.

Area	Definition	Example Indicators for Direct Customers	Example Indicators for Healthcare System and Patients
Improve decision-making throughout the health system	Improve decision-making throughout the health system—from providers to policymakers—by collecting better and more streamlined data, ensuring data are shared appropriately, and using data to better coordinate and deliver healthcare	Better + No. of processes improved Faster + Time reduction in processes or efficiency More Accessible + No. of people with increased access	Better + Number of diseases/conditions addressed Faster + Improved speed of access to unmet or poorly met health needs + Improved speed of patients helped, supported, or benefitted More Accessible + Number of people with Increased access to unmet or poorly met health needs + Number of people with increased affordability + Proportion of reduction of costs/ demand or increased savings to the healthcare system + Number of patients benefitting from regulatory approvals or remediation or quality standards + Number of patients helped, supported, or benefitted
Increased Access to Unmet or Poorly Met Health Needs	Improve access to quality, affordable medicines, supplies, and vaccines by inventing new products for target market-specific contexts—often through product development partnerships and other innovative collaborations—or by strengthening local infrastructure and supply chains across health systems to better deliver existing products	Better + No. of processes improved Faster + Time reduction in processes or efficiency More Accessible + No. of people reduced cost and increased affordability	More Accessible + Number of people with Increased access to unmet or poorly met health needs + Number of people with increased affordability + Proportion of reduction of costs/ demand or increased savings to the healthcare system + Number of patients benefitting from regulatory approvals or remediation or quality standards + Number of patients helped, supported, or benefitted
Healthcare Systems Efficiencies	Improve delivery of healthcare through innovative business models, processes, systems, and tools	Better + No. of processes improved Faster + Time reduction in processes or efficiency More Accessible + Cost savings + increased affordability	+ Proportion of reduction of costs/ demand or increased savings to the healthcare system + Number of patients benefitting from regulatory approvals or remediation or quality standards + Number of patients helped, supported, or benefitted
Increase the continuous supply of essential products and services	Improving the ability of the healthcare system to deliver the volumes of essential products and services required to maintain or improve the health of the relevant population	Better + No. of improvements in safety, quality, and experience + No. process improved Faster + Time reduction in processes or efficiency	

Appendix 2 – Negative Screening List

GHO refrains from investing in companies and geographies based upon: (i) compliance with laws and regulations; (ii) standards of business practice; and (iii) GHO's values and philosophy.

i) Compliance with laws and regulations

No investment will be made in companies that are known to GHO to be engaged in tax evasion, fraud, corruption, coercion, collusion, obstruction, money laundering, financing of terrorism, organised crime, forced or harmful child labour, or any other activity which is prohibited by the laws or regulations to which the company is subject.

No investment will be made in companies headquartered or deriving the majority of their revenues from any nation which: (i) appears in the United Nations Security Council Consolidated Sanctions List; (ii) appears on the US Treasury Department's Office of Foreign Asset Control list of sanctioned nations; or (iii) is subject to an embargo imposed by the European Union.

ii) Standards of business practice






No investment will be made in companies that are known to GHO to have materially breached:

- + Human rights laws adopted in accordance with international standards such as the Universal Declaration of Human Rights by the United Nations; and
- + Working conditions in accordance with the European Union's Occupational Safety and Health Directives or similar regulation applicable in the jurisdictions in which the company is operating.







iii) GHO's values and philosophy

No direct investment will be made in companies which generate revenue from or directly in connection with the following activities:



"Sin industries" exclusions:

Gambling, gaming casinos or equivalent	
Tobacco or tobacco related products	
Pornography or prostitution	
Weapons and munitions for military purposes	
Distilled alcoholic beverages	

Environment-related exclusions:

Ozone depleting substances	
Unbonded asbestos fibres or radioactive materials	
Extraction, production and distribution of fossil fuels (coal, oil and gas)	
Nuclear power	
Endangered or protected wildlife or wildlife products	
Palm oil	

Healthcare-related exclusions:

The operation of animal testing facilities	
Elective, non-essential aesthetics plastic surgery	

Appendix 3 – GHO’s materiality approach

Topics we consider material to our portfolio include:

Environmental

- + Climate risk (physical and transition)
- + Pollution

Social

- + Health and safety
- + Product safety and product quality
- + Patient safety
- + Employee and workforce management
- + Human capital development
- + Diversity and inclusion
- + Community engagement

Governance

- + Corporate governance
- + Regulatory compliance
- + Ethical practices and policies
- + Data privacy and cybersecurity

For each investment, we refine and order the list of material factors considering risks posed to a company’s business as well as value creation opportunities.

Disclaimer

The specific, binding environmental, social and governance or sustainability-related goals, targets, commitments, incentives, initiatives or outcomes for funds advised by GHO for the purposes of Regulation (EU) 2088/2019 on Sustainability-related Disclosures in the financial services sector ("SFDR") are those stated in the relevant Fund documentation and regulatory disclosures made pursuant to the SFDR. Investors should refer to these materials for further information on how environmental, social and governance activities are incorporated into investment strategies, screening, decision making, stewardship and engagement.

Calculation methodologies and data collection practices are evolving, and other asset managers may be implementing different frameworks, methodologies, and tracking tools to those which we propose in our Offence and Defence strategies, including in relation to social and environmental risks and opportunities. The selection of such different but acceptable measurement techniques can result in materially different measurements.

The SDGs are aspirational in nature. The analysis involved in determining whether and how certain investments may contribute to or support the SDGs is inherently subjective and dependent on a number of factors and GHO makes no commitment or guarantee that it is investing in companies that have a formal commitment or plan or take specific actions to support or contribute to the SDGs. There can be no assurance that reasonable parties will agree on a decision as to whether certain investments contribute to or support a particular SDG.

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