

The Fund+ SRI policy

It is Fund+'s belief that good corporate governance combined with high standards in social and environmental practice can help to enhance the reputation of companies, which in turn has a favorable effect on financial performance and long term sustainability. As such, responsible investment is the integration of environmental, social and corporate governance (ESG) considerations into investment management processes and ownership practices in the belief that these factors can have an impact on financial performance

Fund+ has developed a customary due diligence scorecard to analyze and follow up any relevant ESG risks for its investments. The scorecard is an integral part of the overall due diligence procedure in the pre-investment phase. It also serves as a follow up tool during Fund+'s investment in the investee.

Fund+'s responsible investment approach

Fund+ will:

- Promote consistent practice and adherence to this Policy across its investment activities
- Monitor and evaluate the implementation of this policy on a regular basis
- Report progress on the implementation of this policy annually to Fund+ shareholders

Fund+ will implement this policy in its investment activities by:

- Screening new investment opportunities against its internal Exclusion and Investment criteria
- Carrying out an initial assessment of new investment opportunities using an ESG due diligence to identify potential ESG risks and opportunities
- Where potential ESG risks are identified, evaluating management's commitment, capacity and track record in addressing ESG issues
- Where our due diligence identifies actual material ESG risks, Fund+ will require the potential investee company to commit to implementing appropriate measures to mitigate those risks. Such measures may include meeting relevant International Standards (over a reasonable time frame) where these are more stringent than Applicable Laws. Fund+ will support the potential investee company to do so by developing action plans with appropriate targets, timetables and resources

- Using its influence as an investor by encouraging and supporting the investee to work over the period of Fund+'s investment to pursue continuous improvement in relation to managing ESG matters as best practice continues to evolve
- Monitoring and recording the investee's performance against agreed action plans, targets and timetables as part of Fund+'s portfolio review process
- Monitoring and recording serious incidents involving investee companies which result in loss of life, serious injury, material effect on the environment or material breach of law

Minimum ESG standards

Fund+ seeks to invest in businesses that are committed to the following specific ESG standards:

A. Environment, labour, health & safety

As a minimum, each potential new investee company and current portfolio company must comply with all Applicable Laws relating to the environment, labour and health & safety matters and the prevention of bribery and financial crime.

Fund+'s pre-investment due diligence and annual ESG review will typically include a focused investigation into relevant areas, such as:

- Significant labor issues (working conditions, critical open positions)
- Contribution to the Belgian Life Sciences ecosystem via integration and collaboration with other stakeholders (universities, service providers, comparable companies) and relevant infrastructure

B. Corporate governance

In addition, Fund+ will encourage and support its investee companies to implement best practice standards of corporate governance where Fund+ considers it appropriate to the size and nature of the business, the circumstances of Fund+'s investment and the market in which the business operates.

For example, Fund+ encourages relevant investee companies to:

- Appoint an independent chairman
- Establish separate audit and remuneration committees
- An appropriate balance of executive and non-executive directors on the board
- Regular board meetings with an agreed agenda and papers circulated in advance and including, at least annually, a review of material ESG issues
- A robust budget and objective-setting process with clear accountability for key deliverables
- Adequate internal controls and risk management systems
- A business continuity/disaster recovery plan

If the pre-investment due diligence or annual ESG review identifies one of the above as an actual or potentially material risk, management must:

- Demonstrate to us that they have the commitment, capacity and track record to effectively manage those risks and a willingness to make improvements and reach standards acceptable to Fund+ in this area over time; and
- Commit to implementing appropriate measures to mitigate those risks, which may include committing to apply the relevant International Standards over a reasonable time frame where these are more stringent than Applicable Laws. With particular regard to bribery, even where Fund+'s pre-investment due diligence assesses the company as low risk, we expect management to carry out an assessment of the business's exposure to bribery within an agreed time frame following Fund+'s investment and to commit in advance to implement any improvements which may be identified.