

Guideline for Responsible Investment at Rhenman & Partners Asset Management AB

This document has been created in English and Swedish language versions. In case of any discrepancy, the Swedish version prevails.

This Guideline was adopted by the board of directors of Rhenman & Partners Asset Management AB ("Rhenman & Partners") on 17 March 2026 with an effective date of 1 May 2026. The Guideline is reviewed and adopted by the board at least once a year.

1. Introduction

The purpose of this guideline is to describe Rhenman & Partners' approach to responsible and sustainable investment.

Rhenman & Partners' overarching objective is to create solid long-term, risk-adjusted returns on its assets under management, and as a discretionary manager it thus has a responsibility to act in a responsible, trustworthy manner in the long-term interests of investors. Environmental, social and governance (ESG) matters have the potential to affect the return on investments. Rhenman & Partners therefore takes steps to identify and manage sustainability factors¹ and sustainability risks² in its asset management. As an investor in healthcare companies, Rhenman & Partners also aims to act responsibly as a shareholder.

Rhenman and Partners is subject to Regulation (EU) 2019/2088 of the European Parliament and of the Council on sustainability-related disclosures in the financial sector (the "Disclosure Regulation"). According to this regulation, Rhenman & Partners must provide the information external stakeholders need to understand how sustainability factors and risks are considered and integrated in the fund's investment decision-making process and which methods or tools are used in investment activities. Rhenman & Partners must also provide a statement on the results of these procedures. In addition, Rhenman & Partners must adopt principles for its shareholder engagements and exercise of voting rights.

Against this background, the board of directors of Rhenman & Partners has adopted the following Guideline for Responsible Investment (the "Guideline"). The Guideline covers all long equity investments. Any other instruments, such as cash, short positions, derivatives or other assets which potentially may be utilized are not covered as there is not enough market praxis and information around how such investments should be treated from an ESG perspective at present.

2. Integration of sustainability risks

At Rhenman & Partners we are active managers who carefully select fund holdings based on a thorough company analysis. In the day-to-day management, factors such as the company's

¹ According to Article 2 (24) of the Disclosure Regulation, "sustainability factors" are defined as "environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters".

² According to Article 2 (22) of the Disclosure Regulation, "sustainability risk" is defined as "an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment".

business model, market position and growth opportunities as well as various types of risks and sustainability factors are assessed.

Sustainability factors are often also called ESG factors. Depending on how well a company understands and manages material ESG factors in its business model and operating environment, an ESG factor can pose a risk to a company's market position, growth and profitability and thus have an actual or potential material negative impact on the value of an investment.

Rhenman & Partners has determined that ESG factors and specific sustainability risks shall be classified based on their materiality for the sectors and companies in which Rhenman & Partners invests. Based on an analysis of the healthcare sector and its subsectors, Rhenman & Partners has identified the factors and specific risks that can be considered the most material and therefore might have a significant impact on the potential investment.

In its assessment of material sustainability risks, Rhenman & Partners has compiled the most relevant ESG factors in the healthcare sector based on sector analysis as well as the portfolio managers' deep sector expertise and experience. Rhenman & Partners' compilation of relevant and material sustainability factors in the healthcare sector is set out in Appendix 1. These are reviewed annually and updated as needed.

In order to minimise the risk of a sustainability factor having an actual material negative impact on the value of investments, managers must integrate relevant sustainability risks as part of the investment process. See further under Section 4, "Procedure".

3. Consideration of principal adverse impacts on sustainability factors

Rhenman & Partners has decided to consider principal adverse impacts (PAIs) when making investment decisions. Principal adverse impacts can be defined as material negative effects on sustainability factors, meaning environmental, social or governance matters, respect for human rights, and anti-corruption or anti-bribery matters that are caused by, or can be tied to, Rhenman & Partners' investment decisions. A report on the investments' negative consequences on sustainability is published annually (on 30 June at the latest), this includes a more detailed description of how they are considered and can be found under "Sustainability" on the company's website at www.rhepa.se.

4. Procedure for long equity investments

4.1 Before Rhenman & Partners makes an investment

Step 1. Rhenman & Partners ensures that the company meets the fund's investment criteria and minimum sustainability criteria.

- a. The intended investment must not generate material income from any of the sectors that Rhenman & Partners assesses to have significant negative consequences for society. Excluded sectors are defined in Appendix 2.
- b. Rhenman & Partners also expects all companies held by the fund to respect and work in accordance with internationally recognised conventions and norms regarding the environment, human rights, labour law and anti-corruption, and to not invest in companies that in a serious or systematic manner are considered to act in violation of them. If there is

information that the intended investee company has acted in violation of these conventions and norms, Rhenman & Partners must, prior to any investment decision, ensure that the company is aware of the infringement and has a carefully considered plan for appropriately ensuring that the infringement ceases and does not happen again.

- c. In addition, all companies held by the fund must meet Rhenman & Partners' expectations of good corporate governance, including matters relating to sound management structures, employee relations, remuneration of affected staff and compliance with tax regulations.

Rhenman & Partners shall not invest in companies that do not meet the minimum criteria in items a-c above unless the managers have succeeded in confirming that the company has a credible plan to meet these criteria within a reasonable time. The analysis and decision to deviate from these minimum criteria are documented and then reviewed at least quarterly to ensure that the company continues to make progress in the expected direction.

Step 2. The responsible manager then conducts a deeper pre-trade ESG analysis in which specific sustainability factors – and risks for the healthcare sector – are evaluated. Depending on the company's ability to manage the specific sustainability factor, the investment team assesses whether it should be viewed as a risk that, if realised, could have an actual or a potential material negative impact on the value of the investment over time. The assessment might also be that the sustainability factor should rather be viewed as an opportunity that could potentially have a positive impact on the value of the investment over time. The conclusions from the ESG analysis are factored into the managers' investment analysis and decisions and can result in an adjustment of the manager's view of the company and current price expectations, thereby affecting the size of the intended investment's holdings. The managers might also refrain from investing in the company until the ESG assessment notes an improvement. The conclusions are documented and saved centrally so that the entire management team has access to all ESG analyses.

The investment team also evaluates how well the investment in question performs on the PAI indicators assessed to be particularly material in the healthcare sector. The evaluation might lead to an assessment by Rhenman and Partners that a company's negative consequences are too significant, and an investment might thus not be made.

As support, Rhenman & Partners has developed its own ESG tool that methodically organises the manager's ESG analysis and conclusions. The tool uses the sustainability factors that the managers have identified as material in the healthcare sector and the specific subsector. Rhenman & Partners' managers base their analysis on external ESG data, corporate reports, analyst reports and other publicly available information. During the investment process, the managers usually have some form of direct contact with the companies and, if necessary, can use these opportunities to obtain or reconcile information or to follow up on specific ESG issues. The tool is also used to confirm whether an investment can be categorized as "sustainable" according to the Disclosure Regulation article 2.17 and includes the steps in Rhenman & Partners' three step test. 1) Contribution to UN SDG #3, 2) Meets the portfolio managers' expectations in terms of good governance and 3) pass Rhenman & Partners' DNSH test.

4.2 After Rhenman & Partners had made an investment

To ensure that all companies in the portfolio continue to meet Rhenman & Partners' minimum sustainability criteria, a quarterly screening is carried out using an external provider of sustainability services.

In addition, the investment team reviews all ESG analyses annually or when there is a significant event in order to ensure that the analysis and conclusions remain relevant and do not alter the managers' view of the company's business model, market position or expected returns.

4.3 In the event of infringement

Excluded sectors

If the manager is alerted during the quarterly screening that a company has total revenues from one of the excluded sectors (see Appendix 2) exceeding the permitted limit and the manager does not consider the situation to be temporary, a structured divestment of the holding shall be initiated.

Breaches of norms

If the screening reveals that a company has acted in violation of recognised conventions and norms, the manager must immediately initiate a process to seek information about the violation and an explanation for it. The manager then decides whether the fund can continue to own holdings in the company without further action or whether an engagement dialogue should be initiated to try and promote positive change within a reasonable time. The analysis and decision to continue the investment are documented and then reviewed at least quarterly to ensure that the company continues to make progress in the expected direction. In the event of serious and systematic breaches in which the manager does not consider that the company intends to address the breach in an adequate manner, a structured divestment of the holding shall be initiated.

The companies' management of ESG risks and opportunities

Any updated conclusions from the ESG analysis are considered in the day-to-day management and can affect the manager's decision to increase or decrease the size of the holding, or alternatively to divest it.

4.4 After any decision to divest

There may be isolated occurrences in which an immediate divestment is not considered to be in the common interest of the unitholders. This means that the portfolio can contain non-permissible holdings during a transitional period, provided that the deviation is justified and that the decision is documented.

In that case, holdings identified as not permissible must be blocked in the manager's trading system.

5. Shareholder engagement

As a central part of its ongoing fund management process, Rhenman & Partners maintains regular dialogue with portfolio companies about their circumstances, outlook and potential events. These dialogues can also include questions and discussions about the companies' material sustainability factors, which then underpin managers' investment analyses and decisions.

However, in light of the EU Shareholder Rights Directive II (SRD II) and the holding structure of Rhenman & Partners, Rhenman & Partners does not exercise voting rights at general meetings. SRD II applies to companies within the EU area, and the majority of Rhenman & Partners' assets under management are in companies outside the EU. It is therefore not practical for Rhenman & Partners, given the company's size and geographical base, to take an active position on ownership issues in order to exercise voting rights at general meetings in a considered manner that is in the common interest of the unitholders. Although Rhenman & Partners do not actively collaborate with other managers in relation to sustainability issues, Rhenman & Partners would, open request, consider whether a collaboration in the specific situation would indeed be in the interest of the shareholders.

6. Commitment to responsible investment

In 2019, Rhenman & Partners became a signatory to the UN Principles for Responsible Investment (UN PRI). By signing on to these principles, Rhenman & Partners is part of a global investor network that pursues the integration of ESG factors in its investment and ownership guidelines. Rhenman & Partners is also a member of the local SIF organization, SWESIF.

7. Transparency and reporting

Rhenman & Partners must ensure that external stakeholders receive the information they need to understand how sustainability factors, specific sustainability risks and negative consequences are considered and integrated in the fund's investment decision-making process, which methods or tools are used in investment activities and the results of these procedures. The information must be available on the company's website, in the fund's pre-purchase information and in the fund's periodic report in accordance with the requirements and expectations described at any given time in the Disclosure Regulation.

In addition, Rhenman & Partners submits an annual report in accordance with the PRI reporting framework. The report is also made available on Rhenman & Partners' website.

The CEO must ensure that the board and relevant control functions receives quarterly updates and reports on the ongoing efforts around responsible investment.

8. Responsibility, follow-up and control

The board of directors has overall responsibility for ensuring that Rhenman & Partners has the prerequisites to effectively carry out its responsible investment and shareholder engagement activities, including having the necessary guidelines and governing documents in place.

The CEO is responsible for producing proposals for necessary policies and governing documents at the relevant time, and for ensuring that they are presented to the board for a decision. The CEO is also responsible for ensuring that these guidelines are implemented, followed up and reviewed annually.

The investment team is responsible for ensuring that investments are made in accordance with these guidelines, while the risk and compliance functions are tasked with ensuring compliance with these guidelines and any appendices. The communications manager, together with a member of the investment team, is responsible for regular reporting.

9. Updates to the Guideline

Date	Reason and significant changes
10 March 2021	Updated prior to the entry into force of the Disclosure Regulation.
15 June 2023	Updated with extended information about the investment process, responsibilities, follow-up and control in order to meet requirements for funds classified as Article 8 funds under the Disclosure Regulation.
12 December 2023	Annual review and update of overall guidelines for the business.
11 December 2024	Updated to include further details around the investment process, selection, potential collaborations and memberships.
10 December 2025	Annual review and update of overall guidelines for the business.
17 March 2026	Adoption of the consolidated guidelines in connection with a new client, ONE Fund Management S.A.

Appendix 1

The following sustainability factors and specific sustainability risks have been identified as particularly material in the healthcare sector.

Sustainability risk	Biotech	Pharma	Medtech	Services
Physical impacts of climate change	○	○	○	○
Greenhouse gas emissions	○	○	○	
Energy and water consumption	○	○	○	○
Sustainable product <i>Examples: product design, lifecycle management</i>			○	
Animal testing	○	○		
Safe product <i>Examples: quality, safety, labelling, patient well-being</i>	○	○	○	○
Data security, patient and customer privacy	○	○	○	○
Product availability <i>Examples: access, proximity, affordability, time</i>		○		○
Fraud <i>Examples: counterfeits, unnecessary treatments</i>	○	○	○	○
Employee situation <i>Employee engagement, diversity, inclusion, health and safety</i>	○	○	○	○
Production routines/safe production <i>Examples: handling of waste or hazardous materials, safety of controlled substances, supply chain management</i>	○	○	○	○
Business ethics <i>Incl. human rights and community relations</i>	○	○	○	○

Environmental
 Social
 Corporate governance

Not all sustainability risks, however, have equal weight in the various subsectors of the healthcare sector. Rhenman & Partners therefore takes this into account in company-specific analyses to ensure that conclusions are as accurate as possible.

Appendix 2

Rhenman & Partners chooses to exclude the following sectors:

Sector	
<i>Controversial weapons</i>	<i>Companies that derive more than 0 percent of total revenue from the production or distribution of controversial weapons.</i>
<i>Conventional weapons</i>	<i>Companies that derive more than 5 percent of total revenue from the production or distribution of conventional weapons.</i>
<i>Commercial gambling</i>	<i>Companies that derive more than 5 percent of total revenue from the production or distribution of commercial gambling or betting operations.</i>
<i>Tobacco</i>	<i>Companies that derive more than 5 percent of total revenue from the production or distribution of tobacco.</i>
<i>Fossil fuels</i>	<i>Companies that derive more than 5 percent of total revenue from the production or distribution of fossil fuels.</i>
<i>Pornography</i>	<i>Companies that derive more than 5 percent of total revenue from the production or distribution of pornography.</i>
<i>Alcoholic beverages</i>	<i>Companies that derive more than 5 percent of total revenue from the production or distribution of alcohol, not including alcohol used in medicines or for disinfection.</i>
