



Forbion.

Impacting the future of medicine

Impact & ESG Report 2023





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PART I: Forbion

Forbion is a leading European venture capital firm that helps companies bridge research and development through the team's expertise in drug development and company building. Our ultimate goal is to bring novel treatments for unmet needs to the market to impact the lives of patients. In this part we introduce Forbion through some key numbers, explain our position on environmental, social and governance ESG reporting, and describe how we impact the future of medicine through our investments.

About Forbion

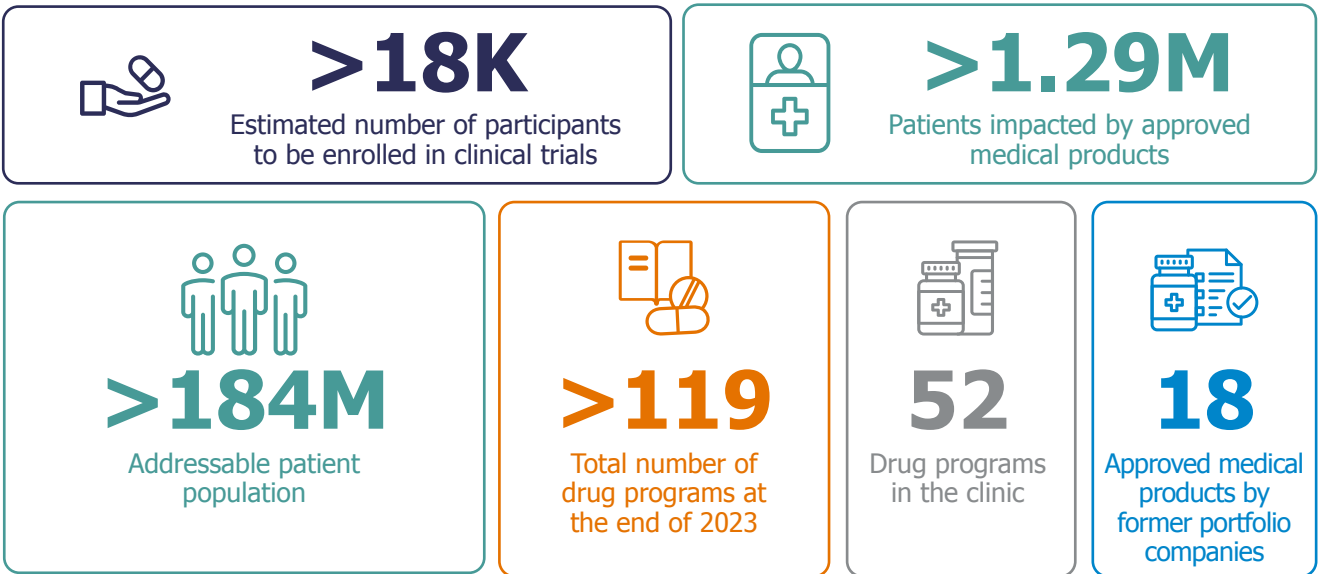
Forbion in a nutshell



Data as of end of March 2024.

Source: Forbion

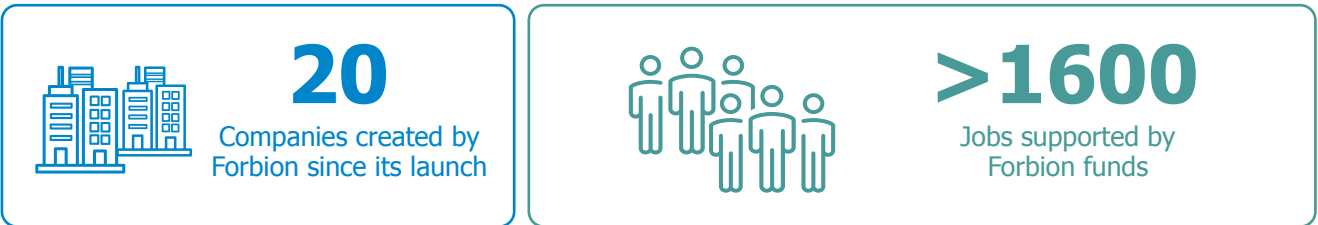
Portfolio companies' impact on patients



Data as of end of 2023.

Source: Forbion

Economic impact



Data as of end of 2023.

Source: Forbion



From the Forbion team

Forbion is a leading global life sciences venture capital firm with deep expertise in Europe and a 20 year plus track record supporting innovative companies and delivering impactful returns for our LPs through our platform of funds. Across our company formation (BGV), company building (Ventures) and company expansion (Growth) funds, we support biotech companies through all stages of development.

Our purpose is to enable high-quality life sciences companies to develop novel therapeutics in critical areas of unmet medical need to significantly impact the future of medicine and improve the lives of patients worldwide. Our team consists of academics, entrepreneurs and investment professionals uniquely positioned to build and support innovative biotech companies. We have a long-term approach to investments which is anchored in the fundamentals of science, due diligence and hands-on support for ambitious management teams.

This report illustrates how our portfolio companies contributed to science, innovation and the clinical development of new medicines in 2023. It also sets out how they performed across environmental, social and governance (ESG) factors. As referred to in the Sustainable Finance Disclosure Regulation (SFDR) Article 8, we have categorized our funds as financial products which promote environmental or social characteristics. This categorization was primarily driven by our focus on impacting the future of medicine and the specific characteristics of early-stage life sciences companies.

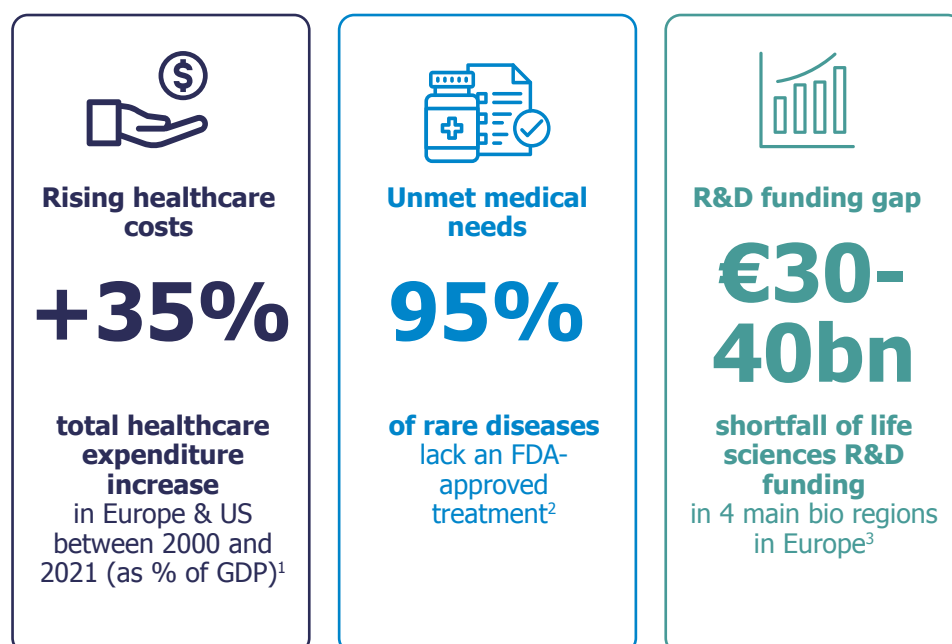
Our investors increasingly request ESG and impact-related data for their own regulatory reporting, portfolio monitoring and benchmarking. They use different reporting templates and request more granular information, sometimes directly from portfolio companies. In response to these developments, Forbion joined forces with eleven life sciences-focused VC managers to standardize ESG reporting and reduce the burden on portfolio companies. Through initiatives such as this, we continue to advance our approach to impact and ESG integration to align with industry standards, regulatory requirements and the expectations of our investors.

Forbion.
Impacting the future of medicine

Our impact on the future of medicine

Forbion is driven by the conviction that patient impact is at the core of investing in medicine. Our role in the medical ecosystem is to support the development of new drugs from the lab to the market. We align with investors who believe in our mission of addressing high and unmet medical needs, and therefore improvement in the quality of patients' lives through true innovation. Medical innovation is necessary to tackle the global healthcare challenges such as the rising healthcare costs, significant unmet medical needs and R&D funding gap.

Global healthcare challenges



Our contribution to solutions

Forbion aims to build and/or help develop therapies that would not reach patients without our financial, advisory and operational support. The novel therapies we support are based on either innovative science or robust clinical data, combined with strong intellectual property. Forbion will only consider potential investment opportunities where significant scientific innovations have the potential to improve the treatment paradigm for patients in a cost-efficient manner.

¹ Source: [Our World in Data Global Health Data Explorer](#) (based on WHO data).

² Source: National Centre for Advancing Translational Sciences: [Delivering Hope for Rare Diseases](#), 2023.




³ Source: European Investment Bank: [Financing the next wave of medical breakthroughs - What works and what needs fixing? Access-to-finance conditions for Life Sciences R&D](#), 2018.

Our contribution to solutions



Through its investment activities Forbion supports portfolio companies in developing their potential to contribute to solutions to the global challenges. All our companies make a positive contribution to a number of the UN Sustainable Development Goals (SDGs), such as SDG 3, SDG 8 and SDG 9.

Forbion and our portfolio companies contribute to the UN SDGs

SDG	Primary Goal Target	Relevant Targets
	Ensure healthy lives and promote well-being for all at all ages	3.4 By 2030 reduce by one-third pre-mature mortality from non-communicable diseases (NCDs) through prevention and treatment , and promote mental health and wellbeing
	Promote Sustained, Inclusive and Sustainable Economic Growth, Full and Productive Employment and Decent Work for All	8.2 Achieve higher levels of productivity of economies through diversification, technological upgrading and innovation , including through a focus on high value added and labor-intensive sectors 8.3 Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage formalization and growth of micro-, small- and medium-sized enterprises including through access to financial services
	Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation	9.5 Enhance scientific research , upgrade the technological capabilities of industrial sectors in all countries, in particular developing countries, including, by 2030, encouraging innovation and substantially increasing the number of research and development workers per 1 million people and public and private research and development spending

Our impact & ESG approach

Forbion is driven by the conviction that at the core of its investing in medicine is creating societal value that goes hand in hand with investment returns. By making investments in life sciences companies, Forbion aims to positively impact patients and future societal health.



Our mission

Impacting the future of medicine

To reduce the burden of diseases in society by using the most innovative science to improve the lives of patients worldwide



Our values

- Passion
- Exploration
- Perseverance
- Diversity
- Reputation
- Results
- Creativity

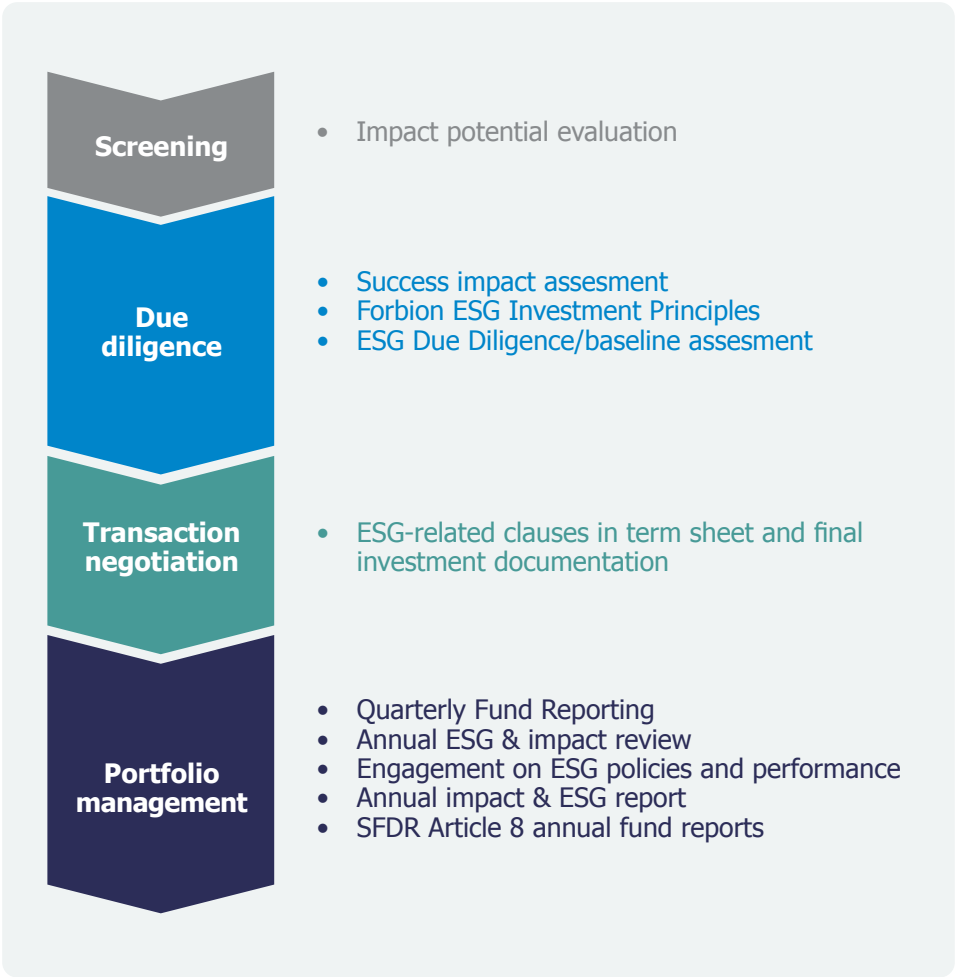


Our investment beliefs

1. **Investing on fundamentals:** deep science, fundamental belief, no hype
2. **Focus on impactful returns:** both financial and in terms of benefits for patient and society
3. **Address high and unmet medical needs:** focus on innovative new medicine able to affect patients' lives
4. **Collaborative approach:** work as a team, trust and focus on each other's strength
5. **Unanimous decisions:** consensus and high conviction for each investment decision








In order to create financial and societal value, Forbion has integrated ESG and impact considerations in each stage of the investment process. We have identified material ESG factors and incorporated them in the tools we use to analyze, monitor and manage positive impact of the companies we invest in. *Forbion Policy for Responsible Investments: Life Sciences* provides a detailed description of our process and tools we apply.

Forbion’s investment decision and portfolio management process from 2024 onwards



We assess the potential positive impact and ESG risks of each investment opportunity during the due diligence process and track the progress of each company across different dimensions of impact and ESG performance in the monitoring phase. We have developed a proprietary methodology for the impact assessment, known as the SUCCESS framework. It consists of seven factors that allow us to evaluate the impact potential of our investments, their contribution to science and innovation and to the development of solutions to the global health challenges. The Forbion SUCCESS framework for impact investment is explained below.

Forbion SUCCESS framework for impact assessment

Severity of disease	Unmet medical need	Cost-Savings potential	Curative potential	ESG considerations	Size of addressable patient population	Significance of innovation
						
Life Threatening	No alternative treatment	Evident	Cure/disease modification	Fully integrated by company	>5 million	Visionary paradigm shift
Debilitating	Very considerable treatment advantage	Very considerable	Clinical meaningful change	Implementation toward compliance in place	1-5 million	Very considerable (e.g. new MOA)
Considerable impact on quality of life	Considerable treatment advantage	Considerable	Severe symptom relief	Resolve minor non-compliance issues, plan in place	0.1-1 million	Considerable (e.g. add-on, repositioning)
Modest impact on quality of life	Modest treatment advantage	Modest	Mild/moderate symptom relief	Overcoming major non-compliance issues	1,000-100,000	Modest (e.g. reformulation)
Life style interaction	No treatment advantage	Minute	Minimal difference	Non-compliant	0-1,000	None (e.g. me-too)

Forbion believes it is in the interest of our investors and portfolio companies to manage all investment risks, including those related to ESG. We will only invest in companies that endorse both the Forbion ESG Investment Principles and the *Forbion Policy for Responsible Investments* and thus positively contribute to the global social and environmental challenges.

We monitor ESG performance of our portfolio companies using a set of indicators, jointly determined with our peers as part of the *KNOWLEDGE ESG Life Sciences Project*. This project is an initiative of like-minded life sciences VC firms that aim to reduce the reporting burden of early stage companies in our portfolios by developing a standardized ESG reporting template. Our aim is that our portfolio companies incorporate ESG policies and processes that are material for the life sciences sector and to support them in their endeavors.



PART II: Our portfolio

Since its launch in 2006, Forbion has invested in over 115 portfolio companies and pioneered the development of new technologies, such as gene and immune therapies. Our portfolio companies contribute to science and innovation and the drug development process continuously. In Part II, we present our portfolio and illustrate the scientific and clinical results, and ESG performance of active portfolio companies in 2023.

Active portfolio companies in Forbion funds at the end of 2023

In our investments we focus on sustainable business models, substantial markets, unmet needs, and clear exit perspectives. Our portfolio spans the full spectrum of therapeutic areas, including oncology, respiratory, cardiovascular, metabolic, neurodegenerative, orphan diseases and ophthalmology.

- Ventures
- Growth

Preclinical

Clinical

Oncology



- PHEON THERAPEUTICS
- AMPHISTA THERAPEUTICS
- MESTAG THERAPEUTICS
- mariana ONCOLOGY
- TessellateBIO REDEFINING SYNTHETIC LETHALITY

- ACHILLES THERAPEUTICS
- ANA VEON
- BioInvent
- PRECIRIX
- Replimune®
- CATALYM catalyzing immunotherapy
- Mestag Therapeutics™
- ENGINE
- NUMA8 Drug Innovators
- SynOx Therapeutics

Cardiovascular & metabolic



- Oxitope PHARMA

- ARMGO Pharma, Inc.
- NewAmsterdam Pharma

- northsea THERAPEUTICS

Rare & genetic disorders



- RECTIFY PHARMA
- seamless THERAPEUTICS
- RAMPARTBIO

- Dyne THERAPEUTICS
- OMEICOS THERAPEUTICS

CNS



- VectorY THERAPEUTICS
- Kynexis

- NOEMA PHARMA
- prilenia
- azafaros

● Ventures

● Growth

Preclinical

Clinical

Autoimmune & inflammatory



-  **SITALA**
-  **granitebio**
-  **Dualyx**

-  **AI@LOS BIO**

Respiratory



-  **enterprise THERAPEUTICS**

-  **NeRRe therapeutics**

Ophthalmology



-  **AAVANTGARDE**
-  **Complement THERAPEUTICS**

-  **Oxular**

Genito-urinary



-  **AM PHARMA**

Infectious diseases



-  **allegra therapeutics**

-  **F2G**

Source: Forbion

New investments in 2023

In 2023, Forbion made 11 new investments, all as lead or co-lead investor. In total, we helped these eleven companies raise over one billion euros. At the time of writing of this report one company is still in stealth, therefore we only provide details for the ten new companies.

	<p>Central nervous system (CNS)</p> 	<p>Noema Pharma is a Swiss company developing novel therapies designed to address debilitating central nervous system (CNS) disorders in order to improve quality of life and patient outcomes. Noema was founded by a seasoned management team and a pipeline of clinical stage assets licensed from Roche. Noema has repositioned these assets in orphan and large indications and revised the clinical development strategy to optimize probability of success. Forbion co-led Noema's Series B financing in 2023.</p>
	<p>Obesity and metabolic diseases</p> 	<p>Versanis Bio was founded by Novartis veterans at Aditum Bio with the spinout of Bimagrumab, a monoclonal antibody against activin receptor type II, as a treatment for obesity and metabolic diseases. Obesity is an emerging major societal pandemic with a lack of efficacious, safe and tolerable treatments, especially for vulnerable or refractive patient populations that could be addressed by Versanis. Forbion co-led the company's Series B financing round in 2023.</p>
	<p>Autoimmune & inflammatory</p> 	<p>Aiolos Bio is a clinical-stage company developing novel therapies for autoimmune and inflammatory diseases. The lead asset is an anti-TSLP antibody with a differentiated dosing regimen of once every six months, which is in development for moderate-to-severe asthma. TSLP inhibition has broad clinical applicability, including both orphan diseases and other chronic indications beyond asthma. Forbion co-led Series A financing of Aiolos in 2023.</p>
	<p>Central nervous system (CNS)</p> 	<p>VectorY is a fully integrated gene therapy company focused on the development of innovative therapeutics such as vectorized antibodies for both CNS and somatic disorders. VectorY is developing proprietary & partnered programs based on novel AAV-based vectorized antibody gene therapy technologies. The company was co-founded by Forbion Ventures in 2020. Forbion co-led the Series A financing in 2023.</p>
	<p>Autoimmune & inflammatory</p> 	<p>Dualyx is developing a first/best-in-class TNFR2 agonist antibody to modulate Tregs in autoimmune/inflammatory indications. TNFR2 is widely regarded as a master control switch in immunosuppression, playing an important role in Treg migration into tissues, where Tregs are no longer responsive to IL2. Dualyx also has a pipeline of additional Treg programs in early development. Forbion co-led Series A financing of Dualyx in 2023.</p>

	Ophthalmology 	<p>AAVantgarde Bio has developed proprietary dual Adeno-Associated Viral (AAV) vector platforms that allow for the delivery of large genes for inherited retinal disorders (IRD). There is currently no treatment available for both Usher Syndrome Type 1B and Stargardt disease, which results in strong vision impairments and ultimately blindness. Forbion co-led Series A financing of AAVantgarde in 2023.</p>
	Oncology 	<p>Mariana Oncology is a Boston-based company which aims to harness the power of precisely-delivered radiation as a novel approach for the treatment of solid tumors. The company has a broad pipeline of programs directed against innovative targets. Forbion co-led Series B financing of the company in 2023.</p>
	Rare & genetic disorders 	<p>Rampart Bio is a preclinical-stage company based in the US developing next-generation non-viral gene therapies for the treatment of rare genetic diseases. Rampart's platform is based on a proprietary DNA-based cargo (HALO) which has been designed to enable the development of potent and infrequently administered drugs. Forbion led Series A financing of Rampart Bio in 2023.</p>
	Autoimmune & inflammatory 	<p>Dualyx is developing a first/best-in-class TNFR2 agonist antibody to modulate Tregs in autoimmune/inflammatory indications. TNFR2 is widely regarded as a master control switch in immunosuppression, playing an important role in Treg migration into tissues, where Tregs are no longer responsive to IL2. Dualyx also has a pipeline of additional Treg programs in early development. Forbion co-led Series B financing of the company in 2023.</p>
	Autoimmune & inflammatory 	<p>Calluna Pharma is a clinical stage company pioneering breakthrough approaches to treating inflammatory and fibrotic diseases by leveraging the body's innate immune system. The company's therapeutic approaches target upstream amplifiers of disease, offering potential applicability across a diverse array of medical conditions. Calluna Pharma was formed by Forbion in 2023, following the merger of Oxitope Pharma and Arxx Therapeutics. Forbion led the Series A financing in 2023.</p>

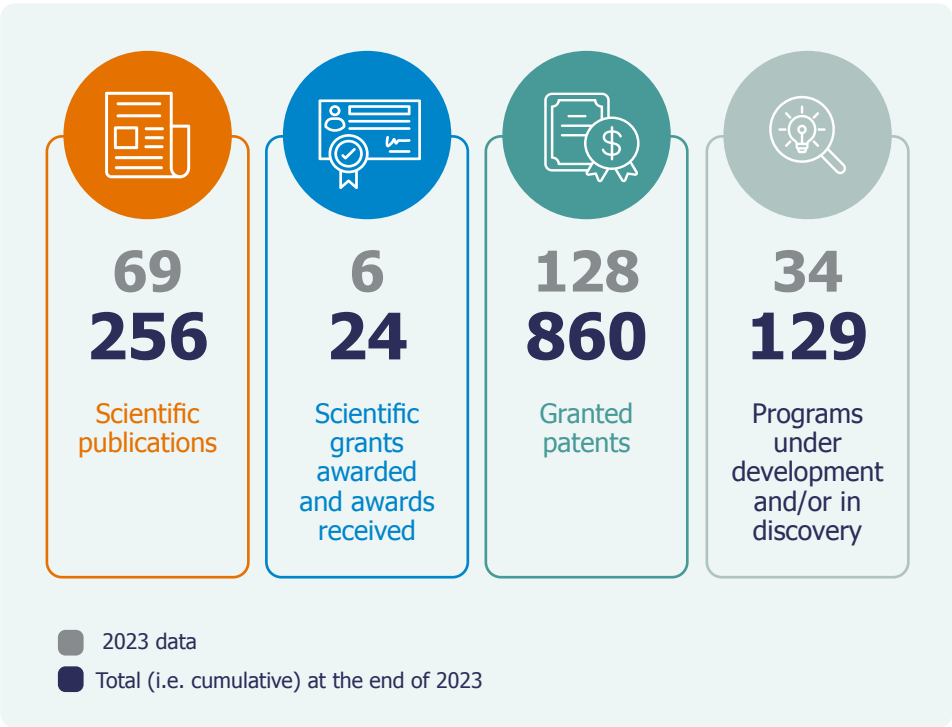
Source: Forbion

Portfolio impact in 2023

Forbion continuously monitors the progress of portfolio companies in terms of their contribution to science and innovation and advances in drug development. We report this progress to our investors via quarterly fund reports. In addition, we conduct a more detailed survey on an annual basis and summarize the results in the annual impact and ESG report. Our survey for the calendar year 2023 was sent to 40 portfolio companies, representing the active investments in Forbion Ventures Funds III-VI and Growth Opportunities Funds I and II. The scientific and clinical achievements of these companies at the end of 2023 are illustrated in the rest of this section.

Science & innovation

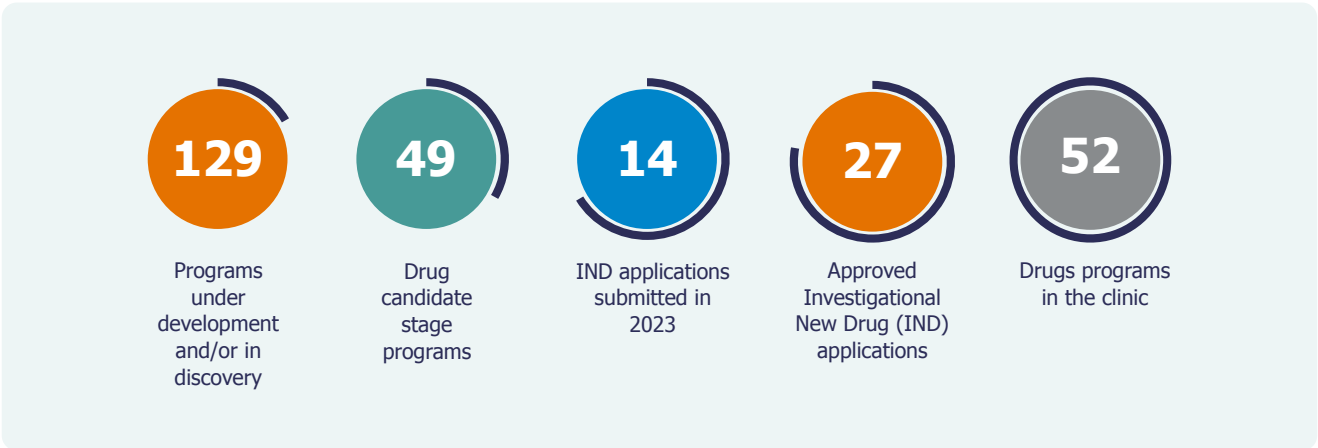
Forbion prefers to invest in companies with deep expertise and knowledge of a specific field, protected by intellectual property and/or trade secrets, with the opportunity to become the leader in specific disease and/or technology markets. This can relate to a specific disease area, to a specific technology platform used to create products, or it could be specific product development expertise. Below we present some indicators of the contribution of our portfolio companies to medical science and innovation as of end of 2023.



Source: Forbion impact survey 2023

Preclinical and clinical drug development

Forbion supports the development of new drugs, targeting a range of different diseases and scientific areas, from discovery to market. The status of the drug programs and product candidates of the 40 active portfolio companies at the end of 2023 is presented below.

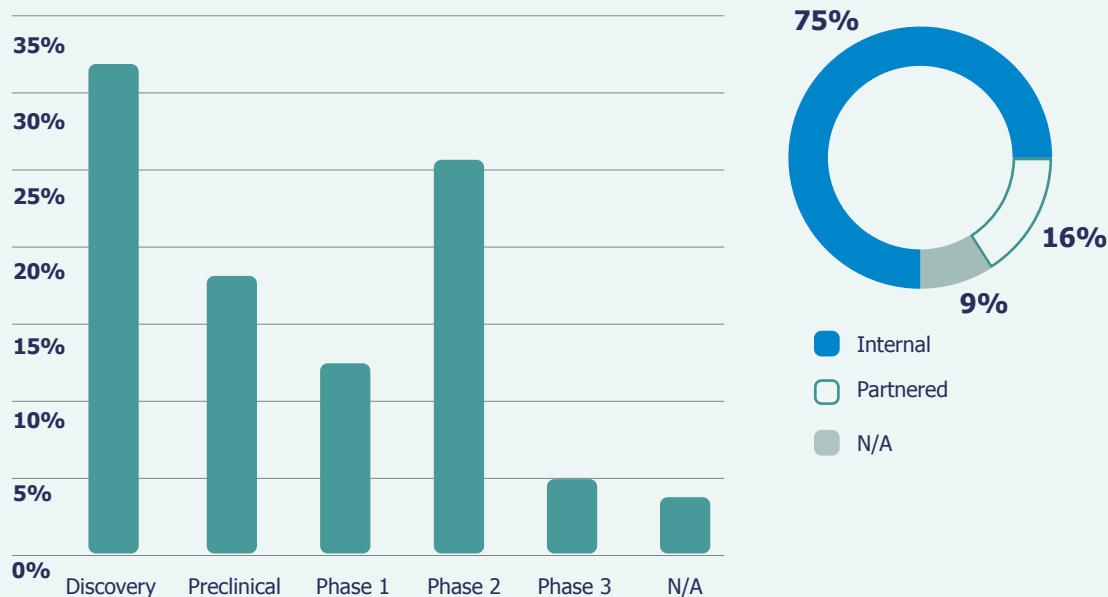


Source: Forbion impact survey 2023

If we take a closer look at the characteristics of the drug programs being developed by our portfolio companies at the end of 2023 we can observe that the majority of the programs are in the discovery stage, followed by the Phase 2. This is also a reflection of our ventures and growth strategies, described in the next section. Most drug programs are being developed internally and are disease modifying. Of the programs in the clinical stage of development, just under one-quarter has an orphan drug designation.

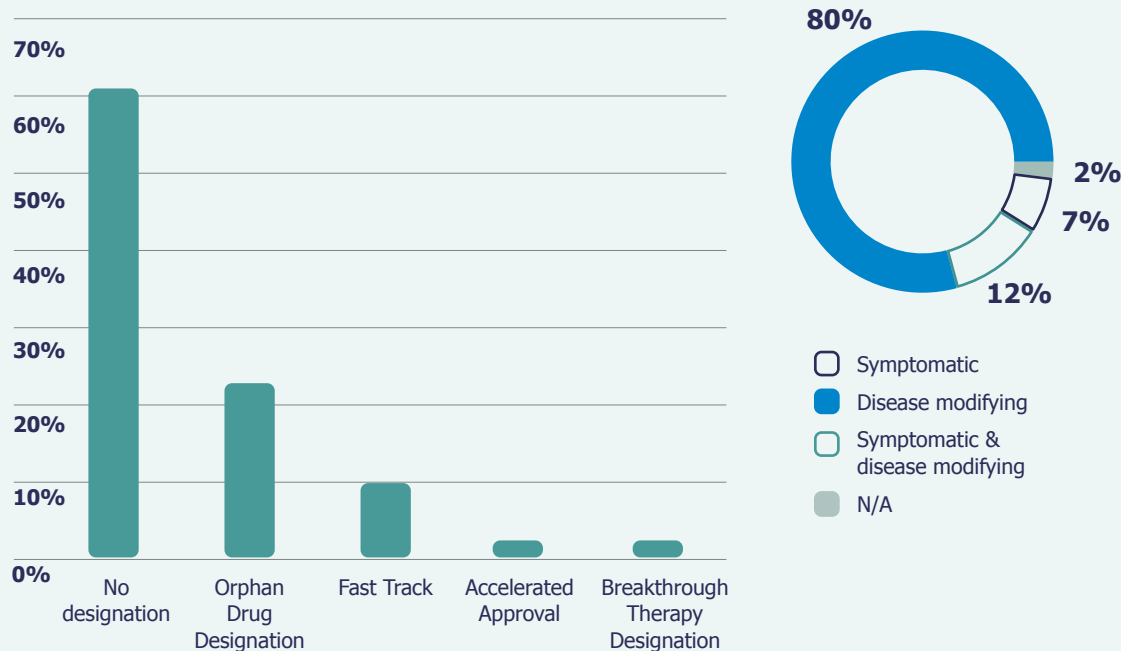


Drug programs by Forbion’s active companies by development stage and partner involvement at the end of 2023



Source: Forbion Impact Survey 2023


Drug programs by Forbion’s active companies according to regulatory designation and impact on disease at the end of 2023



Source: Forbion Impact Survey 2023

Contribution to the SDGs

By investing in groundbreaking science and supporting the growth of innovative companies, Forbion’s funds also contribute to the Sustainable Development Goals. The contribution is likely the strongest to the SDG 3, which focuses on Good Health and Well-being (see relevant indicators as of end of 2023 below).

<div><div><div>3</div><div>GOOD HEALTH AND WELL-BEING</div><div></div></div><div>Ensure healthy lives and promote well-being for all at all ages</div></div>	Estimated number of participants to be enrolled in clinical trials	18,153
	Number of patients who completed clinical trials in 2023	1,430
	Number of completed clinical trials at the end of 2023	30
	Number of ongoing clinical trials at the end of 2023	48
	Number of new programs started in 2023	34

Source: Forbion Impact Survey 2023

By building and enabling the growth of micro-, small- and medium-sized life-sciences companies, Forbion furthermore contributes to the SDG 8. Since its launch Forbion has created 20 new companies, of which two in the course of 2023. And as our investments help enhance scientific research and increase the number of research and development workers, they also positively influence the SDG 9 (see part I for description of these SDGs). Forbion’s active portfolio companies employed over 1,600 people in 2023, with many of them being highly skilled and in research & development roles.



Case studies

As part of its **Ventures** strategy, Forbion builds and enables companies that are discovering and developing medicines, typically with a greater focus on those that are in the drug discovery and preclinical phase. *Mariana Oncology* (Case study 1) is an example of a portfolio company in our Ventures strategy. Within our **Growth** strategy, Forbion's focus is to deploy capital to advance clinical development in later-stage companies, driving drugs closer to market approval, and therefore to the patient population in need. *Aiolos Bio* (Case study 2) illustrates an investment in our Growth strategy. Both strategies play a vital role in supplying the necessary financing to bring medicines to market and hence closer to patients.

Case study 1



Disease & patient population

Cancer is a leading cause of mortality worldwide, currently accounting for nearly one in six deaths. Despite the important recent breakthroughs in cancer treatment, clear unmet need remains for many cancer patients. Lung cancer is currently the most common cause of cancer death, with 1.8 million deaths in 2020. Small cell lung cancer, a particularly aggressive form of lung cancer, is a key area of unmet need. These patients' life expectancy is currently only around 10-12 months, mostly due to this cancer's tendency to be widely disseminated by the time of diagnosis.



Unmet need

While the treatments that are currently available for small cell lung cancer patients significantly extend patients' survival, the median survival rate is still very short, currently being around 10-12 months on average. The rapid progression of the disease to metastatic status often hinders the use of treatment strategies such as external beam radiation therapy, whose use is limited to tumors contained in a single area. There is thus a clear unmet need for new effective therapies for these patients.



Therapy and its curative potential

Mariana Oncology is developing a platform focused on novel targeted radiotherapeutics for the treatment of various solid tumors. The company's lead program is being developed in small cell lung cancer and is based on a novel mechanism of action that allows the selective targeting of cancer cells while sparing healthy tissues. In particular, the molecule is designed to deliver a toxic radioactive atom specifically to small cell lung cancer cells, thus causing their death. To date, highly promising preclinical results have been generated with the lead program. Compared to competitors, strong tumor penetration, highly favorable safety profile, and improved antitumor efficacy has been demonstrated. The company is currently completing broader preclinical safety experiments and is planning to start testing the molecule in patients later this year. Also, Mariana Oncology is developing a rich pipeline of other programs based on their innovative platform, that can be developed in multiple solid tumor indications.



Exit

Mariana Oncology's highly innovative platform and high potential programs were recognized by Novartis, who acquired the company in May 2024, bringing together two companies at the forefront of novel radiopharmaceutical development. Novartis is an ideal partner to complement Mariana Oncology's capabilities, being an established leader in the commercialization of radiopharmaceuticals with a world-class team and global reach.

Case study 2



Disease & patient population

Asthma is one of the most common inflammatory conditions, affecting over 260 million people worldwide. Whilst the majority of patients can alleviate their symptoms through the use of inhaled steroids, approximately 10% of patients do not respond to these therapies and are considered to have severe asthma. Such patients experience debilitating symptoms including shortness of breath, wheezing and chest tightness, which can severely limit their ability to participate in daily activities, such as work, school and exercise. In some cases, the symptoms are so acute that patients require admittance to hospital for immediate care. In the US alone, an average of 10 people die from asthma each day.



Unmet need

Currently, there are a handful of therapies available to patients that seek to dampen the airway-constricting inflammation and thereby prevent an asthma attack from occurring. However, these therapies have several limitations for patients including 1) restricted application to specific asthma subtypes and 2) frequent injections every 4 to 8 weeks.



Therapy and its curative potential

Aiolos Bio was established around a novel therapy with the mission to address two pertinent issues for severe asthma patients:

- The drug's therapeutic mechanism of action is the only one that has the proven ability to benefit all severe asthma patients, regardless of the underlying drivers of their disease. This is due to the targeting of a key driver at the very top of the inflammatory cascade in severe asthma patients.
- It has been designed to require administration only every 6 months, which greatly reduces the number of painful injections that patients have to self-administer.

Aiolos Bio's therapy has demonstrated a compelling safety and tolerability profile in multiple clinical studies so far. In addition, it has already shown initial signals of efficacy in asthma patients, including a reduction of the underlying inflammation and an improvement in patients' breathing capacity. The potential impact of Aiolos Bio's therapy for patients does not stop at asthma. Based on biological and clinical evidence, the therapy has the potential to help patients with other respiratory and autoimmune diseases, such as Chronic Obstructive Pulmonary Disorder (COPD) and chronic rhinosinusitis with nasal polyps.



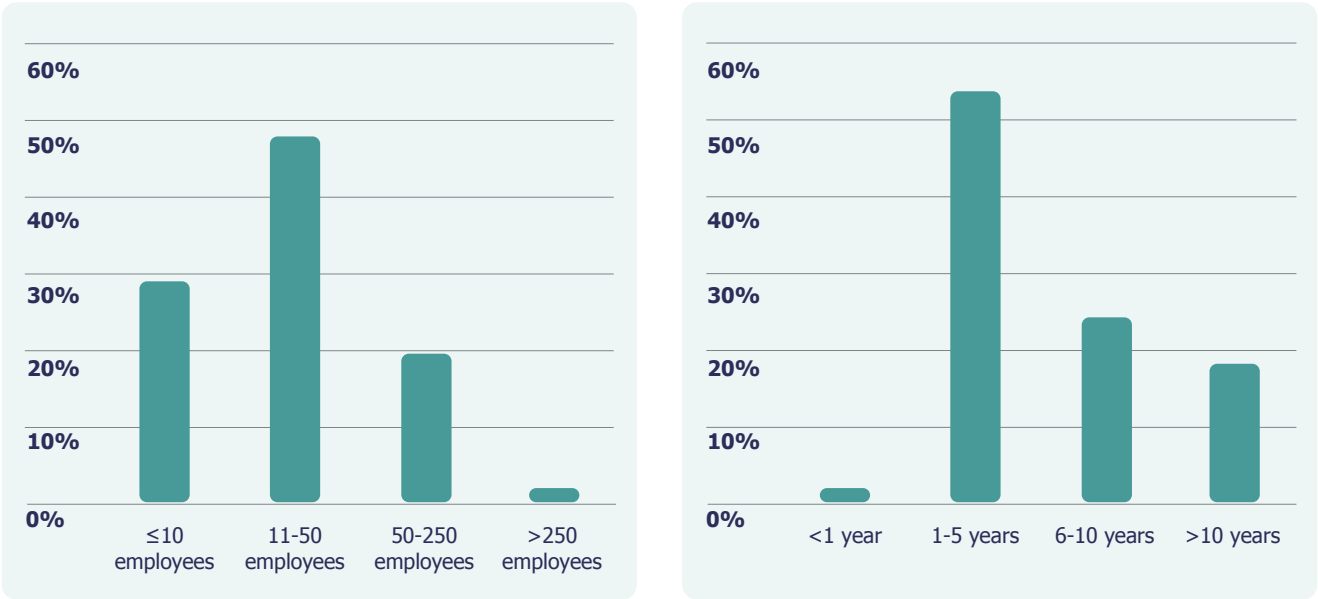
Exit

In recognition of the high impact that this therapy could have on patients, GSK acquired Aiolos Bio in February 2024. As a global leader in the development of respiratory medicines, GSK is an ideal partner to advance Aiolos Bio's innovative therapy in the hope of significantly reducing the treatment burden for patients suffering from respiratory and inflammatory conditions.

Portfolio ESG performance in 2023

As part of our portfolio monitoring process we collect data on selected ESG indicators from our portfolio companies each quarter, and more granular data via an ESG survey once a year. 40 active portfolio companies were included in our ESG survey for 2023. This survey was developed jointly with 11 other life science-focused VC firms as part of the *KNOWLEDGE ESG Life Sciences Project* during 2023. The survey builds on the established reporting templates, while adding life sciences-specific topics, such as animal testing.

Portfolio companies according to size (measured as number of employees at the end of 2023) and age (measured in years at the end of 2023)



Source: Forbion ESG Survey 2023

When looking at the survey results it is important to keep in mind that the responding companies are relatively small. Over three-quarters of the companies had less than 50 employees and only one company had more than 250 employees at the end of 2023. The number of employees is a good indicator of the maturity of a company and determines to a large extent what ESG-related policies and processes it might have in place.

This section highlights some results from our 2023 ESG survey, showing selected performance indicators related to portfolio companies’ employees, diversity, business ethics, and environmental footprint. Given that we have used the Life Sciences VC ESG reporting template for the first time, the results represent a baseline assessment that will allow us to track progress over time and comment on changes and trends in the future. The collected data also enables us to respond to investor requests and provides us with topics for engagement with our portfolio companies.

ESG management

Even though relatively small and often still in development stage, the results of the 2023 survey show that many of Forbion’s portfolio companies have ESG-related policies in place, ensure their implementation and oversight. One of the goals of our annual ESG survey is to create awareness of the material topics and good ESG practices early in the development stage of companies. This will help them get ready and encourage a culture of becoming good corporate citizens as they grow and mature.

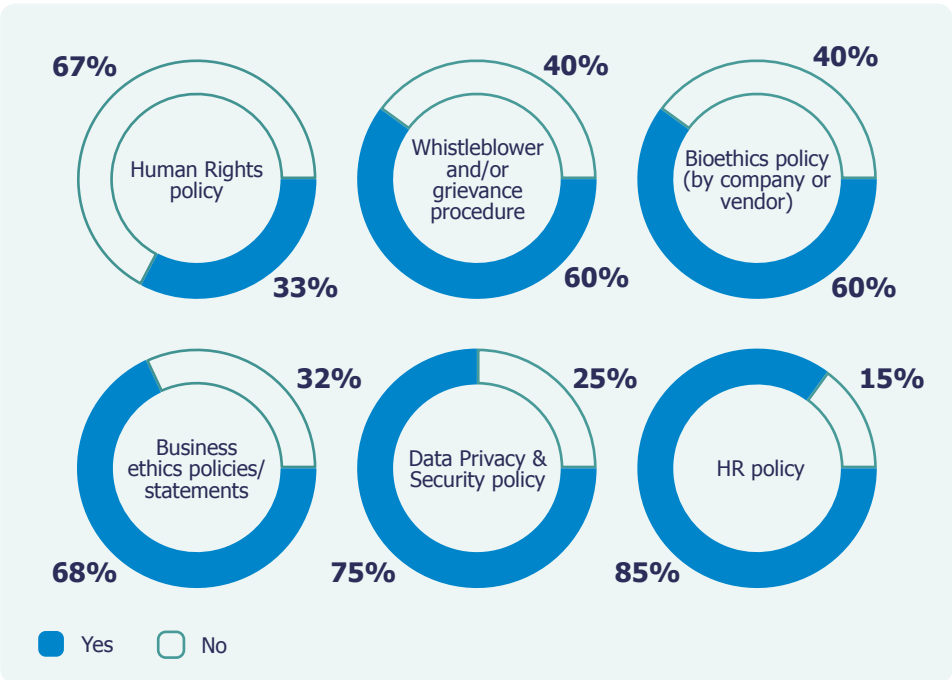
Proportion of Forbion portfolio companies with ESG policy and governance at the end of 2023



Source: Forbion ESG Survey 2023

A significant proportion of our portfolio companies have policies on specific topics, such as bioethics (60%), HR (85%) or data privacy (75%). Forbion will engage with portfolio companies that currently lack relevant policies, as they mature.

Proportion of Forbion portfolio companies with ESG-related policies at the end of 2023








Source: Forbion ESG Survey 2023

Employment

There were over 1,600 employees working in our active portfolio companies at the end of 2023. Compared to 2022, the number increased by at least 200. The average FTE turnover rate across portfolio companies was 20% in 2023. This can be due to various factors, including adverse results of clinical trials, the type of hires that are needed at a different stages of company development and competition for talent. Note that the total number of new hires was still almost 1.3-times higher than the number of employees who left in the same period.

Portfolio companies employee-related indicators at the end of 2023

	Companies with employees (excl. founders) as shareholders	87%
	Companies with training plans for staff annually developed and reviewed	58%
	Companies with annual employee survey conducted	18%
	Companies with annual performance reviews for all employees	78%
	Response rate on the latest employee survey	90%

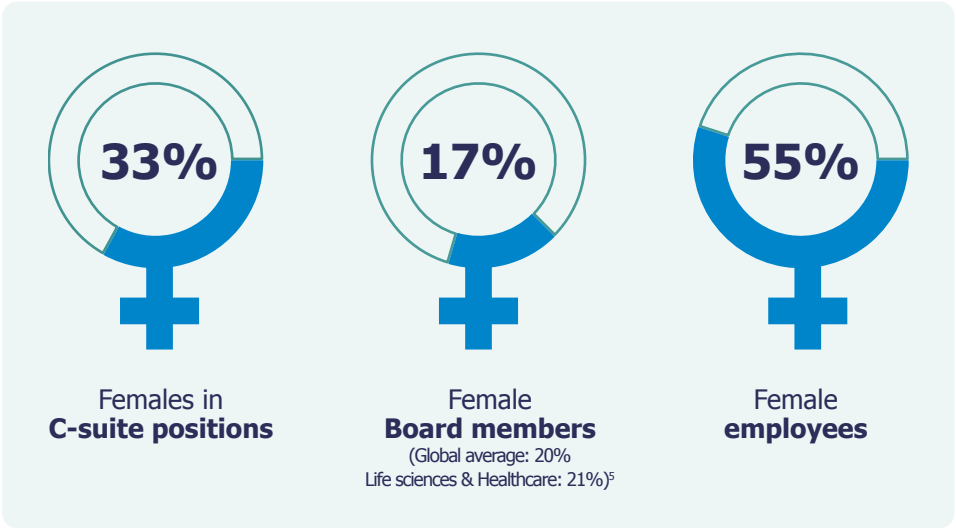
Source: Forbion ESG Survey 2023

Gender diversity

Forbion requires its portfolio companies to respect and promote diversity, equity and inclusion (DE&I) of its employees. According to the 2023 ESG survey, 62% portfolio companies had female employees in C-suite positions and 65% companies had female Board members. 20 portfolio companies had more than 30% females in their C-suite at the end of 2023. According to McKinsey’s research, companies with more than 30% female executives were more likely to outperform companies where this percentage was lower. ⁴

⁴ McKinsey & Co, Diversity wins: [How inclusion matters](#), 2020.

Portfolio companies’ average percentage of females per employment category at the end of 2023



Source: Forbion ESG Survey 2023



Almost 40% of companies had either a DE&I training or tools related to DE&I, unconscious bias or anti-harassment made available to their employees, and three companies formulated targets related to DE&I. DE&I is another area where survey results will present input for the dialogue with our portfolio companies. Forbion supports recruitment and other HR activities at portfolio companies that typically don’t have specialized HR functions yet, and can help incorporate DE&I and other considerations in these undertakings.

Health & safety

Forbion monitors how its portfolio companies manage health and safety issues and their performance on a quarterly and annual basis. Forbion’s portfolio companies benefit from ensuring a healthy and safe environment as they avoid unnecessary high sickness- and worker replacement costs. According to the data for 2023, only seven companies had work-related incidents of some kind. These were minor, and companies took the necessary measures to ensure that these were not repeated. Additional training is one such measure taken to mitigate such repetition. Annual training for all employees is more common for companies that work on premises and have a wet lab in-house. Our portfolio companies typically contract out their manufacturing and research activities to dedicated contract research organizations (CROs) and contract manufacturing organizations (CMOs).

⁵ Deloitte, Women in the boardroom: [A global perspective](#), 2022.

Portfolio companies’ health and safety performance in 2023

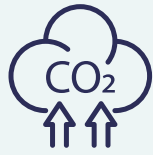
	Number of work-related incidents	42
	Number of companies with work-related incidents	7
	Number of sick leave days per employee	1.8
	Number of days lost due to work-related accidents	2
	Proportion of companies with annual training on health & safety for all employees	43%

Source: Forbion ESG Survey 2023

Carbon emissions

For the second time, Forbion is able to report on CO₂ emissions of its portfolio companies and funds. All but two (listed) companies were able to provide emissions data for 2023. The majority of our companies calculated the emissions using the CO₂ calculator on the Worldfavor platform which was used to collect ESG and impact data for 2023. Four companies used other tools or an external consultant to calculate their CO₂ emissions.

In this section, we present consolidated fund level emissions data across Scope 1, 2 and 3, whereby we use total emissions for each company, not the part attributed to Forbion’s funds’ ownership of these companies. Just like in 2022, **Scope 3**, or value chain-related emissions, represent the majority of total emissions of Forbion’s portfolio companies in 2023, followed by **Scope 2** (resulting from electricity use) and **Scope 1**, or direct emissions. **Scope 3** emissions are largely a result of business travel, purchased goods and services and waste. Only 11 companies reported **Scope 1** emissions. Many Forbion portfolio companies are early stage and use shared office space and homeworking, do not own vehicles and outsource their manufacturing and research activities to CMOs and CROs. As a result, their carbon emissions, in particular those in Scope 1, are limited.



Total emissions (tons CO ₂ e)	19,462
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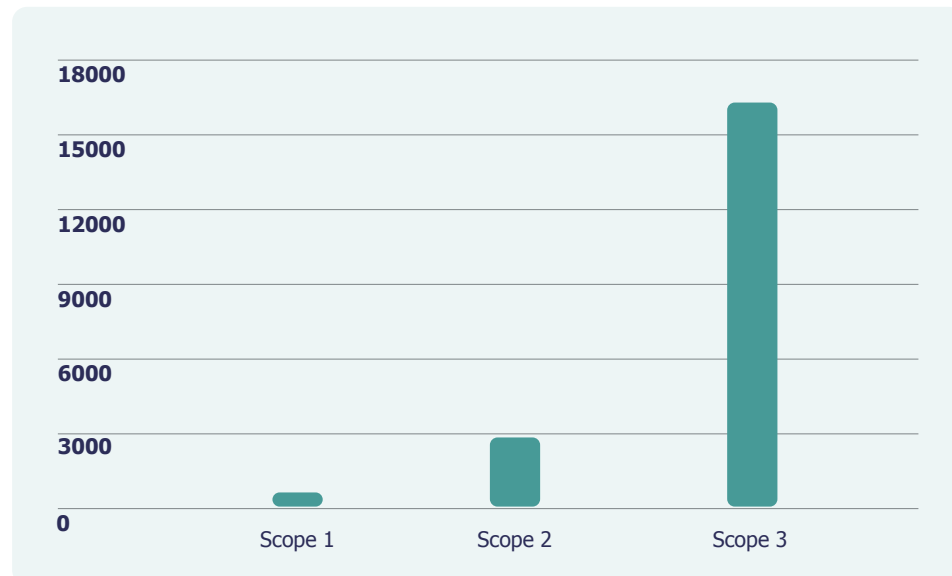
Total emissions per FTE venture funds (tons CO ₂ e)	3.6
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Total emissions per FTE growth funds (tons CO ₂ e)	32.2
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Source: Forbion ESG Survey 2023

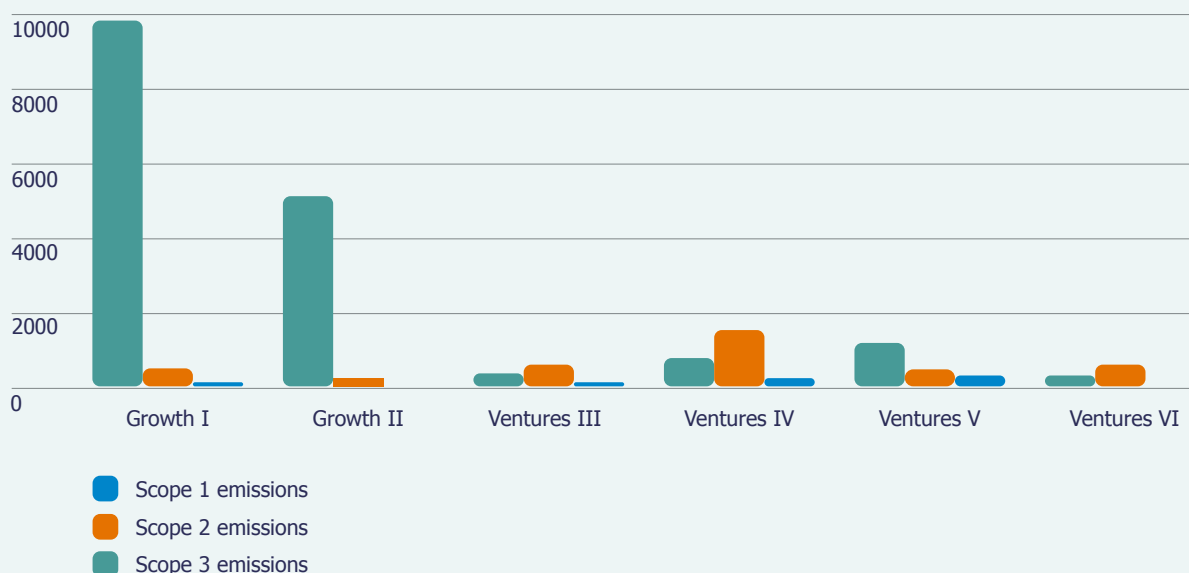
While all emissions calculations are based on the Greenhouse Gas Protocol, companies may report on different categories within the Scope 1, 2 and 3 emissions which are most relevant for their operations. Companies can also calculate their emissions either using data on their activities (e.g. electricity used in MWh) or their invoices using the spend-based method. All these factors makes comparisons of emissions data challenging.

Consolidated portfolio GHG emissions by scope in 2023 (in tons of CO₂ equivalents, tCO₂e)



Source: Forbion ESG Survey 2023

Portfolio GHG emissions by fund and scope in 2023 (in tons of CO₂ equivalents, tCO₂e)



Source: Forbion ESG Survey 2023

Caution is needed when comparing CO₂ emissions (and other ESG data) between funds. Amongst others, a fund's emissions are affected by the number of companies in its portfolio, company development stage focus (e.g. ventures or growth) and the maturity of its portfolio. For example, Forbion Ventures Fund III has a mature portfolio with limited number of companies left, while the Ventures Fund VI portfolio is very recent. More mature venture portfolios and growth funds are likely to include larger, often public companies, which will dominate the fund's CO₂ emissions⁷. Finally, some funds, like Forbion Growth Opportunities Fund II and Forbion Ventures Fund VI are still in their investment stage, whilst others are already fully invested.

Even though CO₂ emissions are not very material for most Forbion's portfolio companies, many of them report to have taken measures to reduce emissions. Examples include limiting travel by planes and cars, encouraging remote working, paperless administration etc. Ten companies reported that they use electricity from renewable energy sources and one company has formulated a long-term net zero carbon target.

⁶ **Scope 1** includes direct emissions from sources owned and controlled by the reporting company. **Scope 2** includes indirect emissions from energy purchased or acquired like electricity, steam, heat, or cooling, that is generated off-site and consumed by the reporting company. **Scope 3** includes all indirect emissions (not included in Scope 2) that occur in the value chain of the reporting company, including both upstream and downstream emissions. There are 15 distinct reporting categories in scope 3 which are typically the most complex to measure. For more information on definitions, standards and tools that help companies measure their emissions, see Greenhouse Gas Protocol.

⁷ The data on carbon emissions by funds covers 11 companies in the two growth opportunities funds and 34 portfolio companies across four ventures funds. A few companies are included in more than one fund.

Waste

For the first time, Forbion’s portfolio companies reported on their waste from operations and waste management in 2023. As most companies typically out-source their manufacturing and research activities to CMOs and CROs, the total generated waste is limited to the companies with wet labs in house. More than one-third of the companies have implemented measures to reduce waste from their operations.



Source: Forbion ESG Survey 2023

Data privacy & security

Due to increased regulatory and consumer pressure to prevent the disclosure or compromising of sensitive information, life sciences companies have deepened their efforts on privacy, security and information risk management. The majority of Forbion’s portfolio companies reported to have put measures in place to prevent data incidents. Unfortunately, these were not avoided in their entirety. Companies that reported (minor) incidents have implemented new and upgraded security features, organized additional staff training and implemented security hardening, among others.

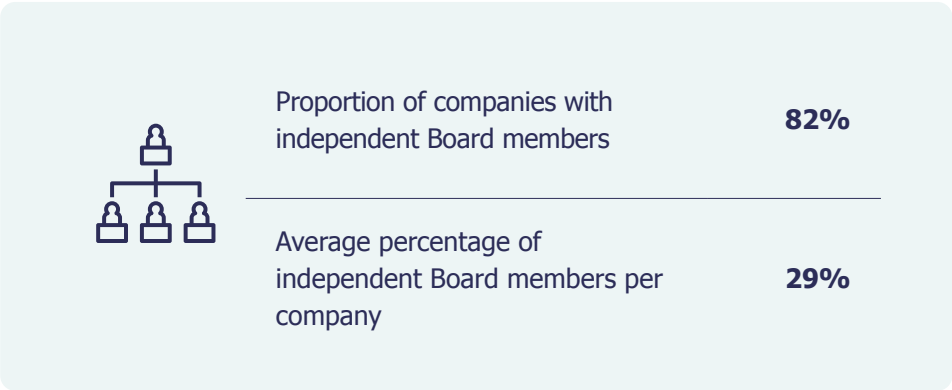


Source: Forbion ESG Survey 2023

Board-related matters

Forbion requires its portfolio companies to be set up and organized in accordance with good corporate governance practices. We endorse good governance committees, such as the audit and remuneration committee, in our portfolio companies, and propose independent candidates for non-executive board positions. We monitor how companies implement good practices and provide support where needed. At the end of 2023, 65% of portfolio companies had at least the following policies in place:

- CEO and chair separation of power
- Remuneration of staff
- Management structure
- Employee relations
- Main Board operating rules with internal rules clearly defined.



Source: Forbion ESG Survey 2023

Examples of good ESG practices

When analyzing the responses to the 2023 ESG survey we came across a number of good ESG practices at our portfolio companies. We highlight some of them here, as inspiration for other companies who might learn from these examples. Future ESG surveys will enable us to analyze changes over time and identify best practices in our portfolio.

Examples of good ESG practices

One company offset its carbon emissions from flights booked during 2022 and 2023 and is encouraging its landlord to implement green measures, such as solar panels.

One company has a 'Green Team' that meets regularly and looks for ways of reducing waste and increasing recycling volumes. This has led to changes in the laboratory consumables they purchase for 'greener items'.

One company has implemented an order consolidation module to minimize delivery occurrences. They are in active discussion with the landlords to introduce measures to improve impacts throughout the building.

One company became a Nasdaq ESG Transparency Partner, and initiated a plan to further map and develop sustainability aspects to its strategy.

One portfolio company has a Bio-Safety officer who tracks and manages lab safety and reports incidents.

Source: Forbion ESG Survey 2023

Concluding remarks on portfolio ESG performance

In this section we reviewed the results of the analysis of the ESG survey of our portfolio companies in 2023. Our findings reflect Forbion's hands-on involvement with portfolio companies which ensure strategic alignment, lean and efficient running of operations, and hiring of high performing teams to achieve portfolio company objectives. Forbion's Growth and Ventures investment teams take active roles on boards and board committees of all privately held portfolio companies in the portfolio.

By actively monitoring ESG indicators Forbion's investment teams, supported by the Impact & ESG team, are able to engage on ESG issues with portfolio companies that lag behind good industry practices. For example, in the 2023 ESG survey we identified data privacy and security as a topic for engagement with selected companies. Forbion serves as a knowledge platform, and helps companies share their good practices. As part of its Business Building efforts Forbion is also providing companies with access to specialist knowledge and strategic partners who can offer support on preferential terms.



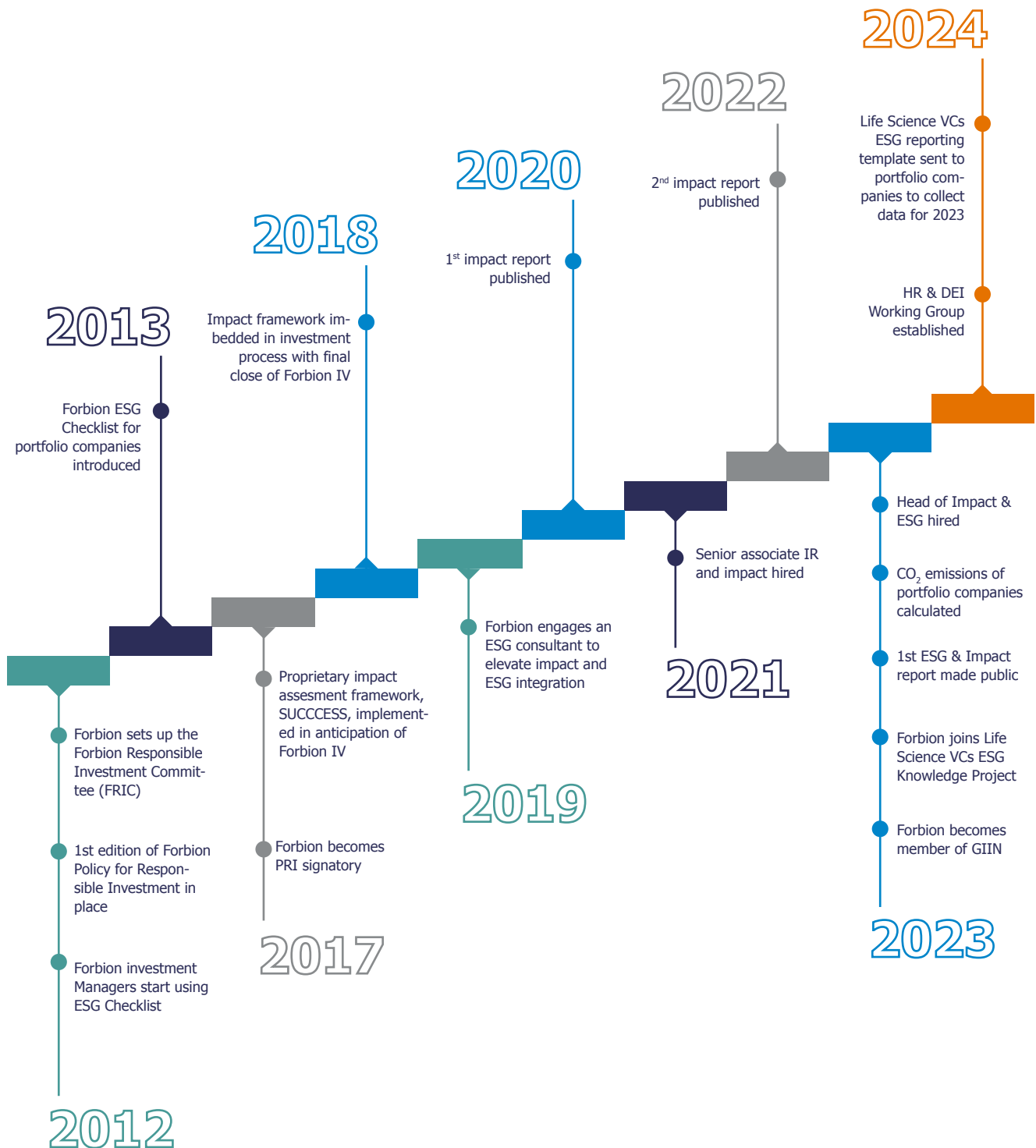
PART III:

Our management company

Forbion was born out of ABN AMRO Capital Life Sciences which was founded in 2000. For more than two decades, our investment team has built an impressive track record of sourcing, building and guiding life-sciences companies resulting in many breakthrough therapies and valuable exits. We strongly believe that setting the right culture and operating principles internally is paramount to achieving this. Hence, we are committed to operating in a responsible way and follow good sustainability practices. In Part III we explain how we do this. We also touch upon our ongoing commitments and introduce our new BioEconomy strategy.

Impact & ESG journey

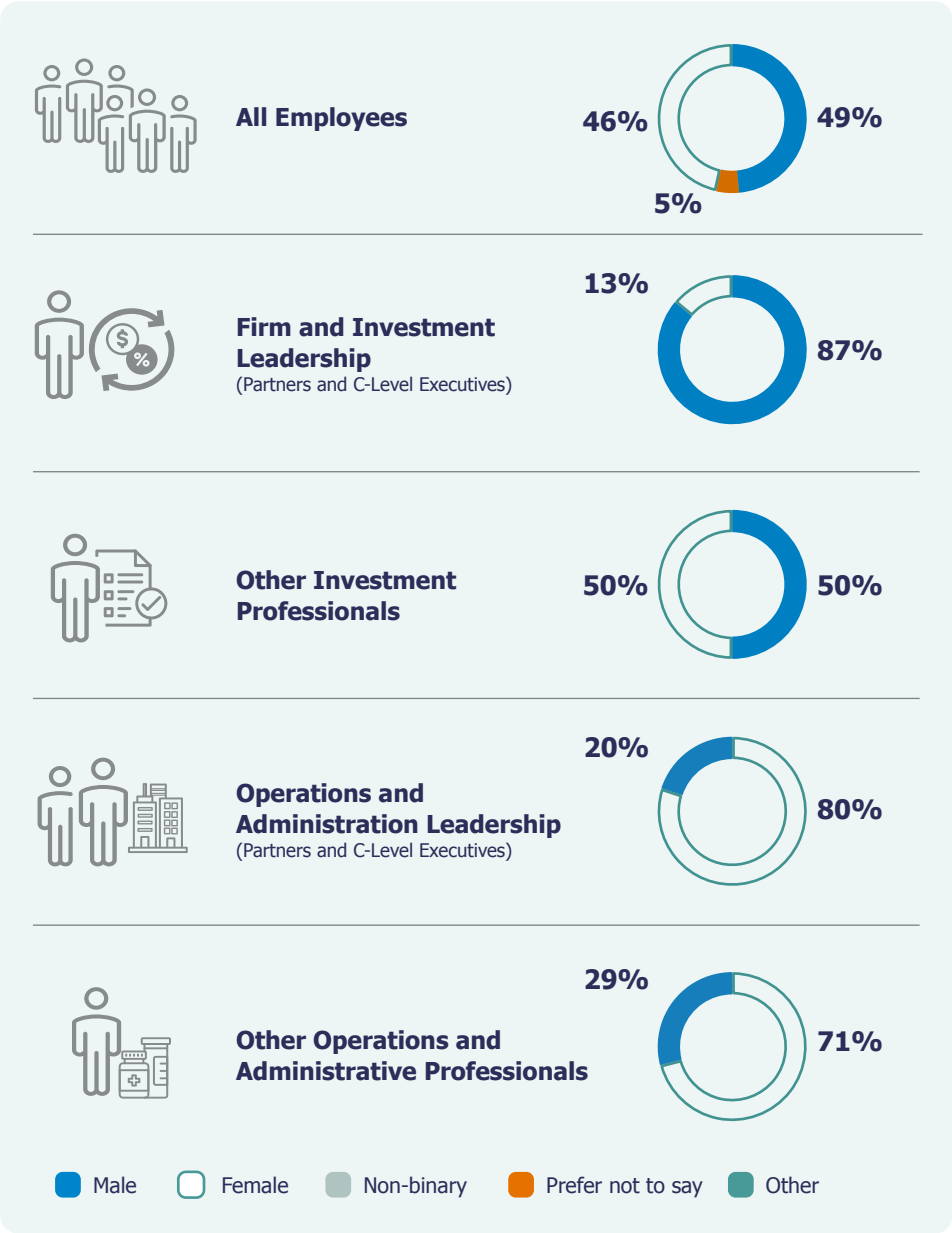
Since inception, Forbion has been making a positive contribution to society, while supporting its portfolio companies to become successful businesses and good corporate citizens. The formalization of our approach to impact and responsible investing started in 2012. The journey of improvements and milestones continued over the years and is well paved into the future.



People

Forbion is committed to the diversity of its team and is proud of the unique set of skills, experience and values each of the members bring to the organization. We are convinced that different experiences, strengths, opinions and backgrounds strengthen our organization and the decisions we take. Diversity considerations are incorporated in our recruitment and selection, professional development and training, and other employee-related matters. As of the end of 2023, we had 13 nationalities within the team. Gender diversity across different employment categories is depicted in the pie charts below.

Gender distribution per employee category at the end of 2023⁸



Source: Forbion

⁸ Data for all employees is based on anonymous gender identity survey and shows more categories than just female and male. To ensure anonymity, the same survey could not be conducted across different employment categories.

At the end of 2023, Forbion had 46 employees and 15 operating and venture partners affiliated with the firm. Twelve new members joined the Forbion team in the course of 2023, of which eight were female.

To create an environment where employees will perform to the maximum of their abilities, Forbion organizes internal knowledge sessions and training on compliance, investment, and portfolio management, ESG, soft skills and other topics. The team has access to personal effectiveness and development training. In addition, the investment team members have individual development managers and personal development plans in place. During 2023, investment team members furthermore participated in sessions lead by external experts which focused on career pathway, motivation, and feedback.

In the spring of 2024 the Forbion Responsible Investment Committee initiated the launch of the HR & DEI Working Group. As part of its work, this working group will consider relevant DEI initiatives and prepare proposals for implementation. For example, the working group has already considered different options for the introduction of an employee engagement survey which will be conducted for the first time in the course of 2024.



ESG & impact policy and governance

As a venture investor in the life sciences space, we believe that ESG issues are important and can affect the performance of investment portfolios. To achieve our impact objectives and create economic and societal value, impact and ESG considerations have been integrated within each stage of our investment process. We are a signatory to *The Principles for Responsible Investment*, and have committed to these principles as described in the Forbion Policy for Responsible Investments.⁹

Forbion's Responsible Investments Committee (FRIC), established in 2012, ensures that the Forbion Policy for Responsible Investments is implemented in the investment process across its strategies and the funds managed. As one of FCPM III Services B.V. Board's committees, FRIC also reviews the annual impact & ESG report and other initiatives related to sustainability and ESG aiming to strengthen Forbion's organizational capabilities. Furthermore, the FRIC advises Forbion's investment team and is responsible for promotion and further development of Forbion's ESG and impact methodology.

Forbion's Head of Impact & ESG, the General Partner IR & Impact and Senior Associate IR & Impact together form a team that supports the investment team and collaborates with Forbion's Limited Partners.

Members of the Forbion Responsible Investments Committee



Silva Deželan PhD
Head of Impact & ESG



Geert-Jan Mulder MD
Managing Partner



**Robbert
vd Griendt MSc**
General Partner IR
& Impact



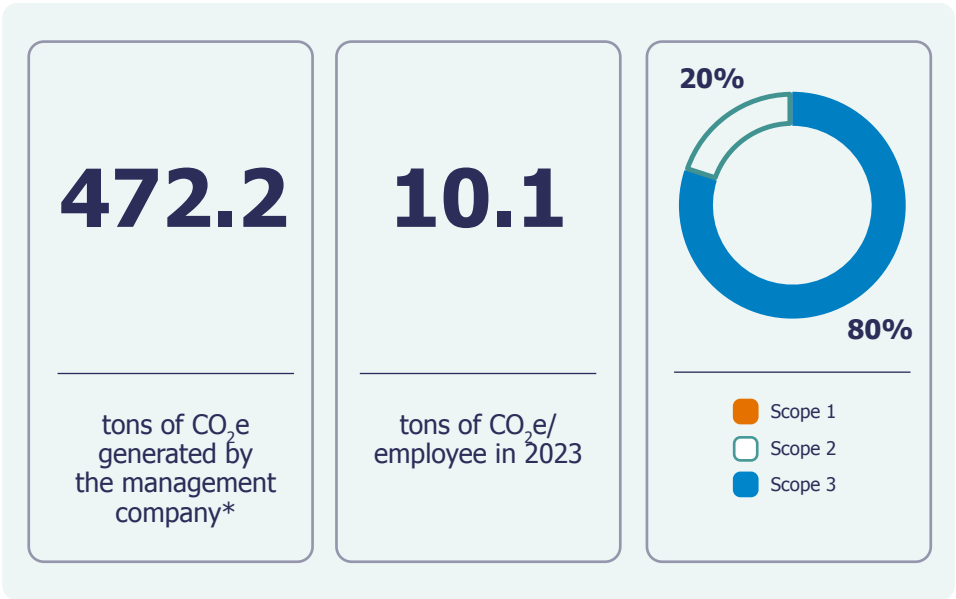
**Machteld Groenveld
LLM, EMBA**
Legal Counsel &
Compliance Officer

⁹Since the launch of the BioEconomy strategy in 2023 Forbion has two versions of its Policy for Responsible Investments, namely one for its life sciences and one for bioeconomy investments. The difference between the two lies in the impact assessment framework.

Carbon footprint

Although our direct environmental footprint as a financial services firm with less than 50 employees at the end of 2023 is limited, we are fully aware of the emissions resulting from our company’s operations and strive to mitigate them where possible. For the second time we calculated our carbon emissions using the CO₂ calculator provided by the Worldfavor software platform. This calculation enables us to identify our main sources of emissions and consequently implement measures to reduce them.

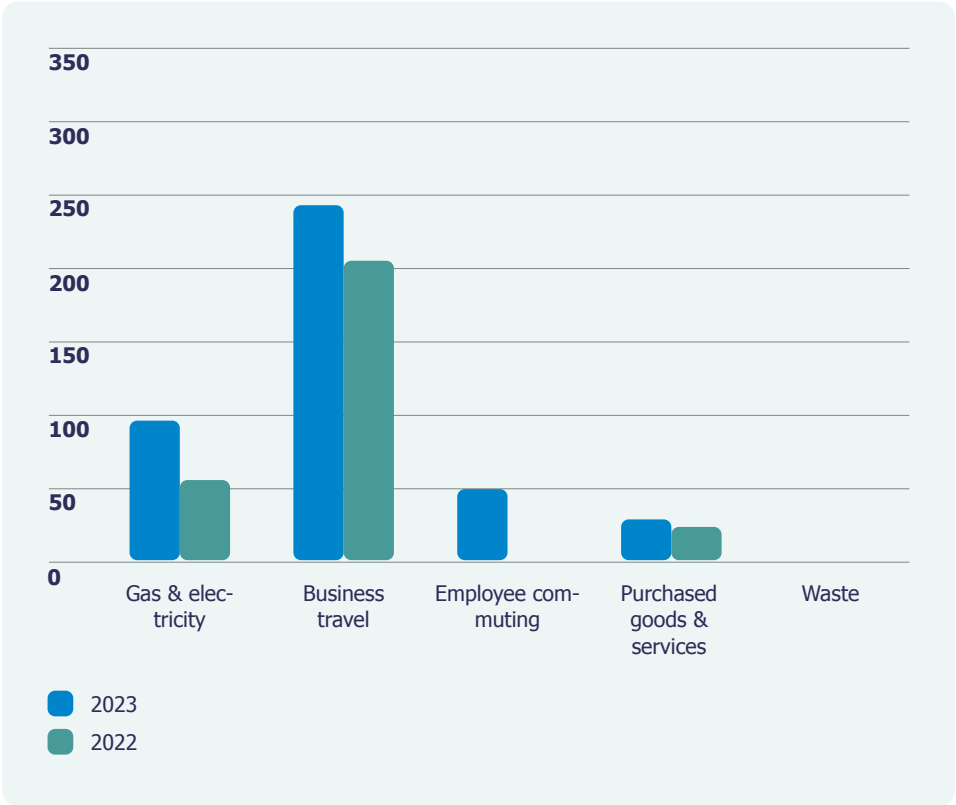
Forbion’s CO₂ emissions from business operations in 2023



*Incl. scope 1, 2 & 3, excluding financed emissions, generated by portfolio companies Source: Forbion

Fobion’s total CO₂ emissions from business operations were **472.7** tons of CO₂ equivalent (tCO₂e) in 2023. Scope 2 emissions, which result from our electricity and gas use, represented 20% of the total, while scope 3, or indirect, emissions made up the remaining 80% of our total emissions from business operations. *Business travel* by air and train accounts for the largest portion of our Scope 3 and total operational emissions (see graph). In the calculation of our Scope 3 emissions for 2023 we also included employee commuting (for the first time), *purchased goods & services* and *waste*. CO₂ emissions of Forbion’s portfolio companies, the so-called *financed emissions*, are not included in the calculation of Scope 3 emissions here. They are shown at the fund level in the chapter on ESG performance of portfolio companies.

Composition of Forbion’s CO₂ emissions from business operations, 2022-2023 (in tons of CO₂ equivalents, tCO₂e)



Source: Forbion

Our total emissions in 2023 were higher than in 2022. This increase can be explained by our growth in the number of employees (by 31%) and enlarged office space area (which increased by 115%) in the same period. Furthermore, the addition of employee commuting to the calculation of Scope 3 emissions further contributed to the increased total emissions compared to a year ago.

Data on our carbon footprint helps us engage with our employees and our service providers on opportunities for its reduction. In 2023 Forbion introduced its inaugural Travel Policy which incorporates sustainability recommendations as well. We are implementing energy saving measures in our offices and have started discussion on the possibilities to generate renewable energy on-site with our landlord. Furthermore, we started compensating our unavoidable emissions with nature impact which will remove CO₂ through tree planting by Land Life.

Forbion supports tree planting in Mexico

Land Life planted 1,855 trees for Forbion in 2023 on degraded land surrounding the Monarch Butterfly Reserve in Mexico. This 13,000 ha biosphere reserve has 25% of the area degraded. Both the reserve and its buffers are in need of restoration due to illegal logging and wildfires. In addition to its ecological significance, the area's exceptional aesthetic importance led to its declaration as a UNESCO World Heritage site in 2008.

Forbion's tree planting had the following positive impacts:

- Carbon emissions: by planting the trees, the habitat of the Monarch butterfly will be strengthened and CO₂ removed from the atmosphere.
- Reforestation of up to 1.5 ha of land in Mexico and planting trees that are native, diverse, and climate change resilient.
- Support the critically endangered Monarch butterfly by planting trees in the butterfly's buffer zone.
- Planting provides direct employment for the nearby low-income and rural communities.



Industry involvement

Forbion continuously looks for standards and ideas which can strengthen its ESG integration and impact management practices. For this purpose, we are actively involved in the most relevant industry initiatives in the Netherlands (as a member of the Responsible Investment Committee of the NVP), within Europe (as Co-chair of the ESG Committee of Invest Europe) and globally, as a PRI signatory. In December 2023 Forbion also became a member of the Global Impact Investors Network (GIIN), an organization that is the global champion of impact investing, dedicated to increasing its scale and effectiveness around the world.

Our commitments



Forbion's team members regularly speak at the most relevant industry events. Our Head of Impact & ESG frequently shares knowledge and our insights on ESG integration and impact investing. In 2023 we participated at the RegmedXB Conference, PEI Impact Investor Global Summit, and PEI Responsible Investment Forum, and others. Industry events provide an opportunity to meet up with our peers and investors and learn about the latest developments and best practices in the industry.

Looking ahead

At Forbion we ensure that we utilize the insights, knowledge and expertise of our team to address unmet medical needs. In recent times, we have realized that global challenges require that we go beyond the medical field since these challenges now include planetary health issues, global warming, biodiversity loss, natural resource shortages and pollution. Therefore, we have launched the BioEconomy fund whose aim is to invest in companies that use biotechnology to clean and sustainably feed the planet. Forbion has developed a distinct - PLANET Impact - framework for the BioEconomy fund, and from the fund's inception will make its investments using this framework.

Forbion BioEconomy fund

There is an urgent need to clean the planet and sustainably feed the population, and we cannot do this without innovation. Technological innovations allow us to be stewards of our planet, and to change and improve these unsustainable processes. As a biotechnology VC specialist, Forbion is optimally positioned to invest in those technological innovations.

Our approach: applying biotechnology to improve critical production processes. We believe that biotechnology is ready to be used to create sustainable products and enable new production systems to clean our planet from pollution and feed the population. We believe that the timing is right to catalyze change through biotechnology, build these innovative companies, and help them reach their market potential. As part of our new BioEconomy strategy we will invest in companies that use biotechnology and build a portfolio across the following two themes:

- Clean (materials & environment): companies that apply biotechnology to clean the planet from pollution and use renewable materials to protect natural resources from further depletion. Examples are companies which use biotechnology to grow real leather using animal cells, without the need for cows.
- Feed (food & agriculture): companies that use biotechnology to redesign food systems and production processes to sustainably feed the population. Examples are companies which produce microbes to improve crop productivity and resilience to diseases.



Photo credit: SOLASTA Bio

Overall, we continue to strengthen the integration of ESG and impact considerations throughout our investment process. As of 2024, we will expand current ESG due diligence processes and engagement with portfolio companies in the newly launched funds including the BioEconomy fund, Forbion Ventures Fund VII and the Forbion Growth Opportunities Fund III. Plans also include the introduction of a more comprehensive ESG assessment to augment our current ESG Investment Principles and SUCCESS factor evaluation. Based on the due diligence findings, we will define ESG topics of focus, and therefore have a clear engagement plan for each company. All of these activities aim to support the building, enabling and growth of successful portfolio companies.

Impact on patients remains at the core of our thinking and motivation as team Forbion. We continue to address unmet medical needs like we have done for the past two decades. As a hands-on investor, we are committed to working with our portfolio companies to build the most suitable structures from the outset to achieve the highest level of impact alongside financial returns. In addition, we are using the insights, know-how and expertise within our organization to address some of the largest planetary challenges that the world is faced with today.





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