
Responsible Investment & Environmental, Social, and Governance (ESG) Policy

Frazier Healthcare Partners (the “Firm”) is committed to delivering long-term value for all our stakeholders. The Firm is committed to investing in and increasing the value of companies that improve the quality, affordability, and accessibility of healthcare. To assist the Firm in delivering long-term value for our stakeholders, we employ comprehensive risk management policies that include environmental, social, and governance factors. Over thirty-plus years of investing experience informs the Firm’s consistent focus on risk management which leads to better investment outcomes while ensuring we leave all our stakeholders (our investors, our companies’ employees, the patients they serve, and the communities in which they operate) better off through our partnership.

This Policy Statement incorporates feedback from internal and external stakeholders and is an evolving document that we review annually and update as necessary to reflect our strategy and key developments. The Firm considers ESG both during due diligence and throughout our portfolio company’s ownership period. The results of each company’s ESG program is reported to its Board, semi-annually. To foster transparency about the Firm’s performance of our ESG program, we inform our stakeholders of our activities, efforts, and progress on these matters as part of our regular reporting schedule.

The Firm’s responsible investment philosophy is grounded in five components:

1. We invest in companies that positively impact the quality, affordability, and/or accessibility of healthcare
2. We have a mature, structured, and value-additive ESG program
3. We are environmentally conscious
4. We focus on our people, as they are our greatest asset. Hence, we actively monitor engagement, retention, compensation equity, and advancement.
5. We always act in a way consistent with our values

In support of our strategy, the Firm has built our ESG program around a five-step process:

1. Start with the SASB Guidelines
2. Determine which SASB standards materially apply to each portfolio company
3. Identify ESG “gaps” during diligence and present them to the Firm’s Investment Committee
4. Create specific programs to address the unique gaps for each company in which we invest
5. Track and report progress semi-annually to the company’s Board of Directors and annually to our stakeholders to ensure accountability

The Firm has aligned its program with the Institution of Limited Partners Association’s ESG Data Convergence Initiative (ILPA EDCI) and United Nations Principles for Responsible Investment (UN PRI).

The Firm incorporates the following considerations into its comprehensive risk assessment models for both potential investment opportunities and existing portfolio companies:

- Evaluation of environmental, public health, safety, and social issues in due diligence when considering a potential investment opportunity and continually monitor compliance of the environmental and social risk factors for existing portfolio companies.
- Assessment of accessibility and responsiveness to appropriate and relevant stakeholders, either directly or through representatives of portfolio companies, as appropriate.
- Determination of growth opportunities through long-term sustainability initiatives while also considering environmental, social, and governance issues.
- Performance improvement while minimizing any potential adverse impacts with respect to environmental, public health, safety, and social issues through the Firm's direct involvement with each portfolio company management team and the appropriate governance structures (e.g., Board of Directors; committees).
- The availability of governance structures (e.g., Audit/Compliance Committee) to promote a strong level of oversight of each portfolio company's ESG policy.
- Compliance with applicable national, state, and local laws while supporting the payment of competitive wages and benefits to employees, and providing a safe and healthy workplace for company's stakeholders.
- Compliance with domestic and foreign jurisdictions regarding policies prohibiting any form of bribery and other improper payments to public officials (e.g. US Foreign Corrupt Practices Act, OECD Antibribery Convention).
- Assessment of the ESG efforts, if any, employed by a potential investment opportunity.

The Firm believes ESG is a business opportunity and works with our portfolio companies to advance this ESG Policy in a way consistent with our fiduciary duties to our stakeholders.

The Firm maintains a Conflicts of Interest Policy and requires quarterly attestation to its policies by each of the Firm's employees through its compliance program.

The Firm's ESG Committee consistently reviews and monitors its performance in implementing and advancing these ESG principles.

Please refer any questions regarding this policy to Andy Caine (andy.caine@frazierpartners.com) and Carol Eckert (carol.eckert@frazierhealthcare.com).