

Environmental, Social and Governance Report 2021

We are decent people making
a decent return in a decent way

About FSN Capital

Established in 1999, FSN Capital Partners (FSN Capital) is a leading Northern European private equity firm and investment advisor to the FSN Capital Funds (FSN Funds), with €4 billion assets under management. FSN Funds make control investments in growth-oriented Northern European companies, to seek to support further growth and to transform companies into more sustainable, competitive, international, and profitable entities. FSN Capital Partners has a team of more than 70 professionals across Oslo, Stockholm, Copenhagen, and Munich, in addition to 9 executive advisors with extensive industry experience.

Learn more about
FSN Capital on: www.fsncapital.com

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FSN Capital focuses on delivering trend shifts through transformation, creating sustainable and resilient companies that can withstand the test of time – for the benefit of both our investors and society at large.

– The Partner Group at FSN Capital

Letter from our Chairperson



Frode Strand-Nielsen,
Founder and Chairperson
FSN Capital Partners

As private equity owners, we are in a privileged position to drive meaningful change in our companies — change that sets in motion ripple effects well beyond the companies themselves.

We focus on building more competitive and resilient companies. Companies that outgrow their respective industries, creating job opportunities and value. This transformation, in turn, contributes to the welfare of our ultimate clients: the millions of workers, students, pensioners, and other citizens that we serve through our investors.

We govern our companies with a keen eye on the rights of the people we affect. We strive to secure equality of opportunity, for employees and for customers, and up and down our supply chains. We intend to contribute positively to society, both today and for future generations.

“As private equity owners, we are in a privileged position to drive meaningful change in our companies - change that sets in motion ripple effects well beyond the companies themselves.”

We have always run our companies with a view to managing their impact on the environment. The standard for what is considered “responsible management of adverse environmental effects” has changed dramatically in the last 5 years. At COP 26 in Glasgow in November 2021, the world’s 450 largest financial institutions forming part of the Glasgow Financial Alliance for Net Zero made the new standard very clear: Net Zero or carbon neutrality by 2050. They pledged to get 50% of the way there by 2030. A strong call to action for publicly listed companies.

If the world is to reach Net Zero, however, private markets must be part of the equation. Here, private equity can make a difference. With our governance models, we generate the sense of urgency and identify opportunities which have the potential to drive change.

We are very proud to have been part of a working group, comprised of six private equity firms, that contributed to the development of the Science Based Targets initiative’s tailored guidance for the private equity industry, launched in November 2021. These firms, all members of the Initiative Climat International (iCI), became some of the first private equity firms globally to adopt science-based emissions reduction targets, aligned with the Paris Agreement’s goal to limit global warming to 1.5°C. Through such collaborations, we can enable more private equity firms and more capital to join the path to Net Zero.

As Larry Fink pointed out at COP 26, there is no shortage of capital to solve the climate crisis. Deployment is the issue. We need better “plumbing” to provide the infrastructure to put it to work. The private equity industry is a very important part of that plumbing. That is a responsibility the entire FSN Capital team intends to live up to.

Letter from our Co-Managing Partners

We are in the middle of a necessary transition to a low-carbon and sustainable society, which will span generations and change the world as we know it. This knowledge colours both how we invest and how we approach active ownership.

We will continue to seek to invest in companies that contribute to solving society's greatest challenges, including the green transition, and to deepen our expertise in these themes. We will aim to transition our portfolio companies to net zero emissions, building the necessary capabilities and structure to do so. And we will endeavour to play our part to shift the direction of travel of our industry.

This transition requires collaboration across the private sector: sharing know-how, developing industry standards and accountability, and ingraining ESG into entire value chains. We are proud to be an active member of the Initiative Climat International (ICI), an investor-led organisation of more than 140 private equity firms collaborating on climate action. Our Oslo-based Head of ESG, Rebecca Svensøy, is taking the lead on establishing a Nordic chapter in 2022.

As you will read in this report, FSN Capital and our portfolio companies have continued to advance our ESG efforts over the past year. This includes building out the resources and capabilities to go even further, and faster, in the coming years. We were delighted to bring ESG Associate Mia Sørli onboard to strengthen our team in implementing our responsible ownership agenda. And within our portfolio, each company has appointed an ESG Officer to ensure continued day-to-day focus on its ESG priorities.

We believe that a focus on ESG is integral to value creation. It also connects us to our purpose and values, especially in challenging times. As we finalised this report, we watched Russia's invasion of Ukraine with deep concern. We stand for freedom and democracy. We believe people have the right to safety, health, and self-determination. As an immediate response, FSN Capital and our employees have supported UNICEF's humanitarian efforts. Longer-term, this reinforces our commitment to ESG as an integrated part of how we invest, how we work with companies, and how we act as a firm.

This is consistent with the way we have been working since the firm was established in 1999, under one simple ethos: to be decent people, making a decent return, in a decent way.



"We will endeavour to play our part to shift the direction of travel of our industry."



Ulrik Smith and Robin Mürer
Co-Managing Partners
FSN Capital Partners

Meet the ESG team

Erik Nelson

Partner responsible for ESG
at FSN Capital until the end of 2021

*Q: What motivates you about working
at FSN Capital?*

For over 16 years I have been very motivated and inspired by all the great people I get to work with every day. Everyone here is smart, humble, curious, and with an open mindset to learn from others and an uncompromising willingness to work hard to serve our ultimate clients in a decent way.

Q: What's one ESG initiative that inspires you?

I am very proud of one of our portfolio companies, Håndverksgruppen (HG), that in their first full year of operation made ESG one of their three key strategic priorities. HG's ESG focus centres on being an attractive and inclusive employer that takes social and environmental responsibility seriously. One of the first senior hires was a Head of HR to work on the people and culture of the firm, and to highlight that this is a key priority for HG.

See page 46-47 to learn about HG's ESG journey.



Erik Nelson (Left),
Justin Kent (Right)

Justin Kent

Partner responsible for ESG
at FSN Capital from the beginning of 2022

*Q: What motivates you about working
at FSN Capital?*

At FSN we have a tremendous team that is driven by a core set of values that we all share. We are laser focused on generating great shareholder returns but doing so in a sustainable way that aligns with our values. At FSN we firmly believe that we can do well, by doing good and this resonates throughout our portfolio. Working with great people across the firm and across our portfolio companies to drive change to create better, more robust businesses is what ultimately drives me.

Q: What's one ESG initiative that inspires you?

The enthusiasm that the founders and business leaders we partner with show for ESG excites me. When MEGABAD became a part of the FSN portfolio in 2021, the CEO Harald Hotop initiated a meeting with the ESG team as one of his first meetings with the FSN Capital team. MEGABAD already had several impressive ESG initiatives ongoing, and with FSN Capital's frameworks they are now quickly expanding their efforts with the goal of being an ESG leader in their sector.

See page 42-43 for the onboarding of MEGABAD.



Rebecca Christine Svensøy

Rebecca Christine Svensøy

General Counsel and Head of ESG

*Q: What motivates you about working
at FSN Capital?*

The key reason I joined FSN Capital seven years ago was that I was inspired by the vision and focus of the FSN Capital leadership on ethical behaviour and responsible investing – which for me personally is extremely important and a key component of my internal motivation. Since then, the focus on ESG has only increased, and we intend to keep pushing the frontier for what constitutes good ESG governance.

Q: What's one ESG initiative that inspires you?

FSN Capital's ambitious climate agenda involves a commitment to decarbonize the full FSN portfolio. We were very encouraged by the unanimous positive feedback from the portfolio companies. Decarbonization will require hard work and dedication for most, but being an early mover will also set FSN portfolio companies up for success by meeting the demands of customers, investors, employees, and other stakeholders.

Mia Sørli

ESG Associate

*Q: What motivates you about working
at FSN Capital?*

The businesses in which FSN Funds invest are about solving problems, making a difference, and creating meaningful employment for thousands of people around the world. We seek to build companies that stand the test of time. It motivates me to work for a company that shows that a focus on ESG is not only the right thing to do – it is simply good business.

Q: What's one ESG initiative that inspires you?

I have the privilege to work hands-on with our portfolio companies. In 2021, all portfolio companies assigned one person each to head up the ESG efforts of their respective companies. Seeing the drive and commitment of these ESG officers, and how ESG increasingly becomes an integral part of the strategy, culture, and operations of each portfolio company truly inspires me.



Mia Sørli

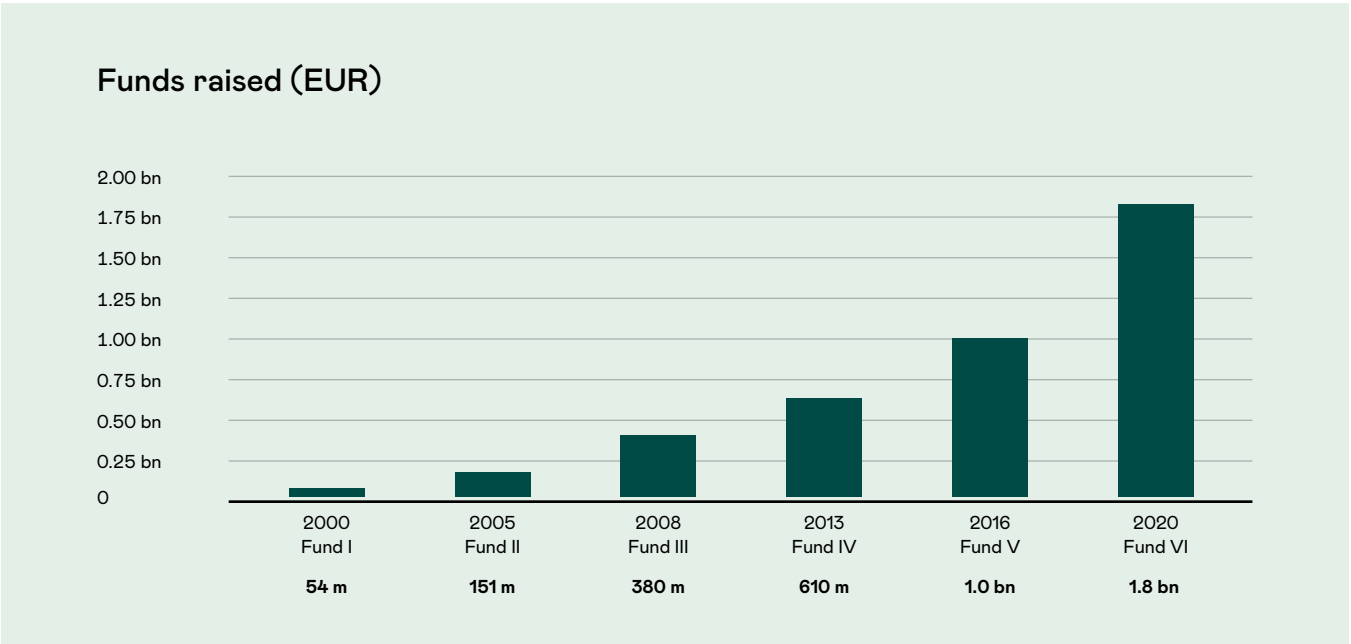
CHAPTER 1

Growth Mindset at FSN Capital

How we think about ESG at FSN Capital, what we have accomplished in 2021, and our plans for 2022



FSN Capital at a Glance



People performance

FSN Capital's...	2014	2015	2016	2017	2018	2019	2020	2021
Employees (FTEs)	28	30	32	39	48	51	53	68
Representation of women (% FTEs)	25%	27%	28%	28%	33%	33%	36%	41%
Employee Satisfaction (eNPS)	87	92	92	79	46	60	66	80

Historical PRI scorecard (median score)

	2014	2015	2016	2017	2018	2019	2020
Strategy & Governance	C (B)	B(B)	B(B)	B(A)	A(A)	A(A)	A+(A)
Private Equity	B(B)	A(B)	A(B)	A+(B)	A+(B)	A+(B)	A(A)*

* But for a reporting error on the existence of our responsible investment policy, we would have been awarded A+ in 2020



FSN CAPITAL OFFICES

- 1 Oslo, Est. 1999
- 2 Stockholm, Est. 2006
- 3 Copenhagen, Est. 2010
- 4 Munich, Est. 2017



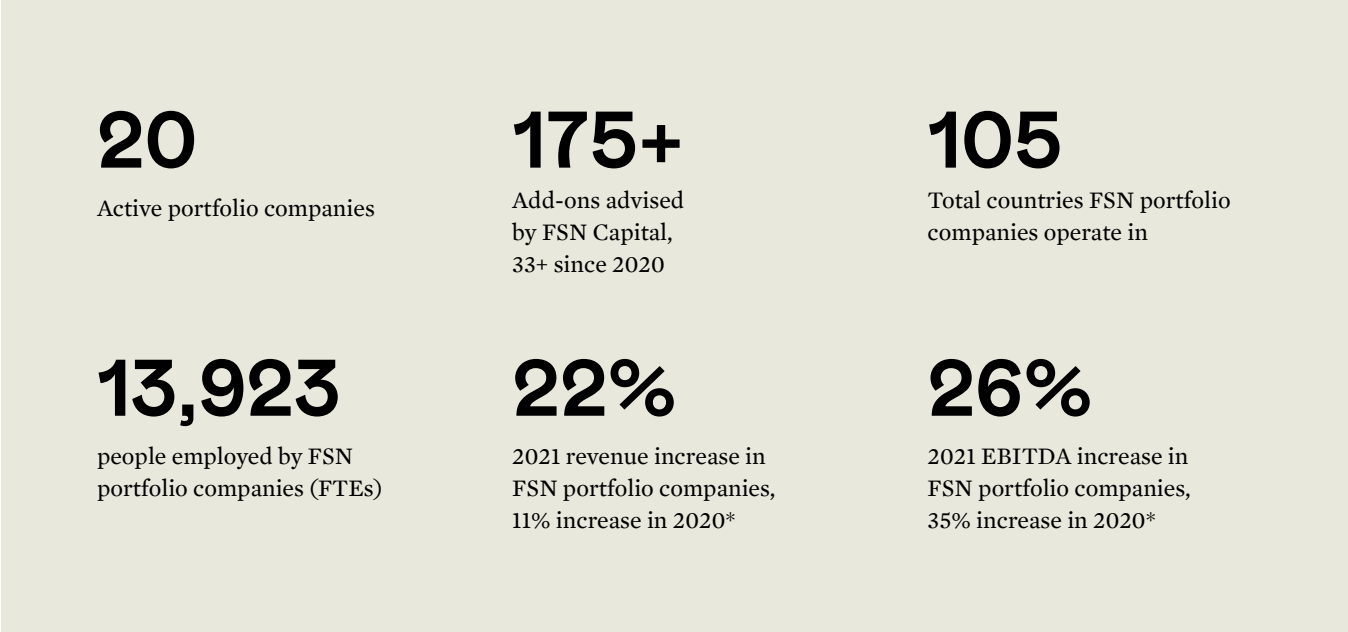
FSN Portfolio

Companies at a glance

Key performance indicators for 2021 portfolio	% of portfolio companies ¹
Tailormade ESG Strategy created	100%
ESG officer assigned	100%
ESG on agenda in every board meeting	100%
Code of Conduct ²	100%
Code of Conduct training ³	50%
Supplier Code of Conduct ⁴	95%
Whistleblower policy	100%
Whistleblower system ⁵	50%
Report Scope 1 GHGs ⁶	85%
Report Scope 2 GHGs ⁶	95%
Report Scope 3 GHGs ⁶	45%
Portfolio company boards that are diverse ⁷	55%

1) % calculated per portfolio company as of 31.12.2021, not weighted by revenue size;
2) have a written code of conduct that they share with employees;
3) have trained employees in Code of Conduct, e.g., ethics, anti bribery and corruption;
4) have a written Supplier Code of Conduct that they share with suppliers;
5) electronic and/or hotline whistleblower;
6) Report complete or partially complete greenhouse gas scope 1, 2, and 3 emissions according to the GHG Protocol;
7) At least one female and one international board member – no double counting

Quick facts - 2021



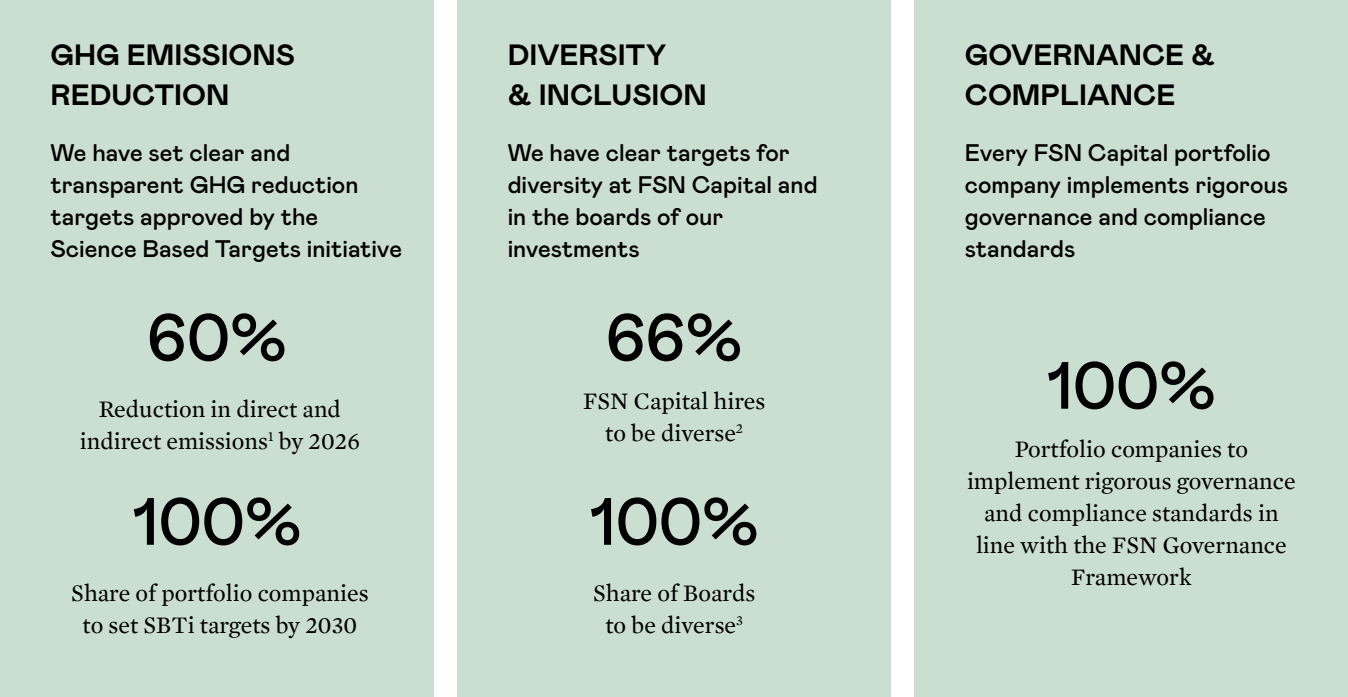
* Past performance is not necessarily indicative or a guarantee of future results.

FSN portfolio companies*

Fund VI	   
Fund V	            
Fund IV	 
Fund III	

* As of 31.12.2021

Clear targets for FSN Capital and portfolio companies



1) Scope 1 and 2 GHG emissions for FSN Capital 2) In terms of gender, ethnicity or educational/professional background compared to the team you are hired into (i.e. a male is considered diverse if hired into a female-dominated team) – no double counting 3) At least one female and one international board member – no double counting

Our Ultimate Clients



US high-tech workers



US students



US public employees



US medical researchers



Norwegian municipal workers



UK pensioners



Swedish pensioners



European steel workers



Asian students



South-East Asian citizens



Middle Eastern citizens



Australian pensioners



Australian nurses

We believe that you can achieve top tier returns by investing responsibly. We are ambitious about our ESG agenda to be true to our purpose: to contribute to the welfare of everyday people. Our ultimate clients are millions of workers, students, pensioners, and citizens around the world.



Our Ethos

“We are decent people making a decent return in a decent way”

By **decent people** we mean people of character and integrity who operate according to our ethos and values.

By **decent returns** we mean an internal rate of return which outperforms what our investors could achieve by investing in the public market.

To generate returns in a **decent way**, we operate according to our internal code of conduct, and we implement a similar code of conduct in all portfolio companies.

“We believe that culture is the most important ingredient in driving the ESG agenda. FSN Capital is the sum of our people, and we invest significant time and resources to find and recruit talented individuals who share our values and who fit well with our culture.”

– **Jesper Isaksen**,
Partner and Head of Talent
at FSN Capital

Our Values

FSN Capital has three core values:

→ **Growth Mindset:**

The belief that you can always improve, the courage to set bold, visionary goals, and the desire and grit to overcome the barriers that stand in the way of winning.

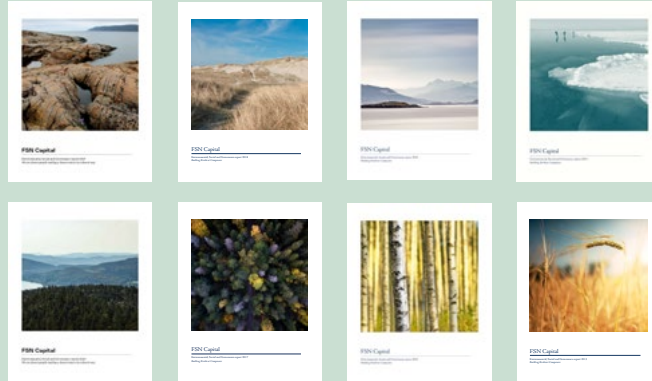
→ **Integrity:**

The quality of knowing, and having the personal strength to do what is morally right, even when no one is watching or there appears not to be a benefit in the short term.

→ **Team First:**

Putting the team ahead of ourselves to maximise performance and win together.

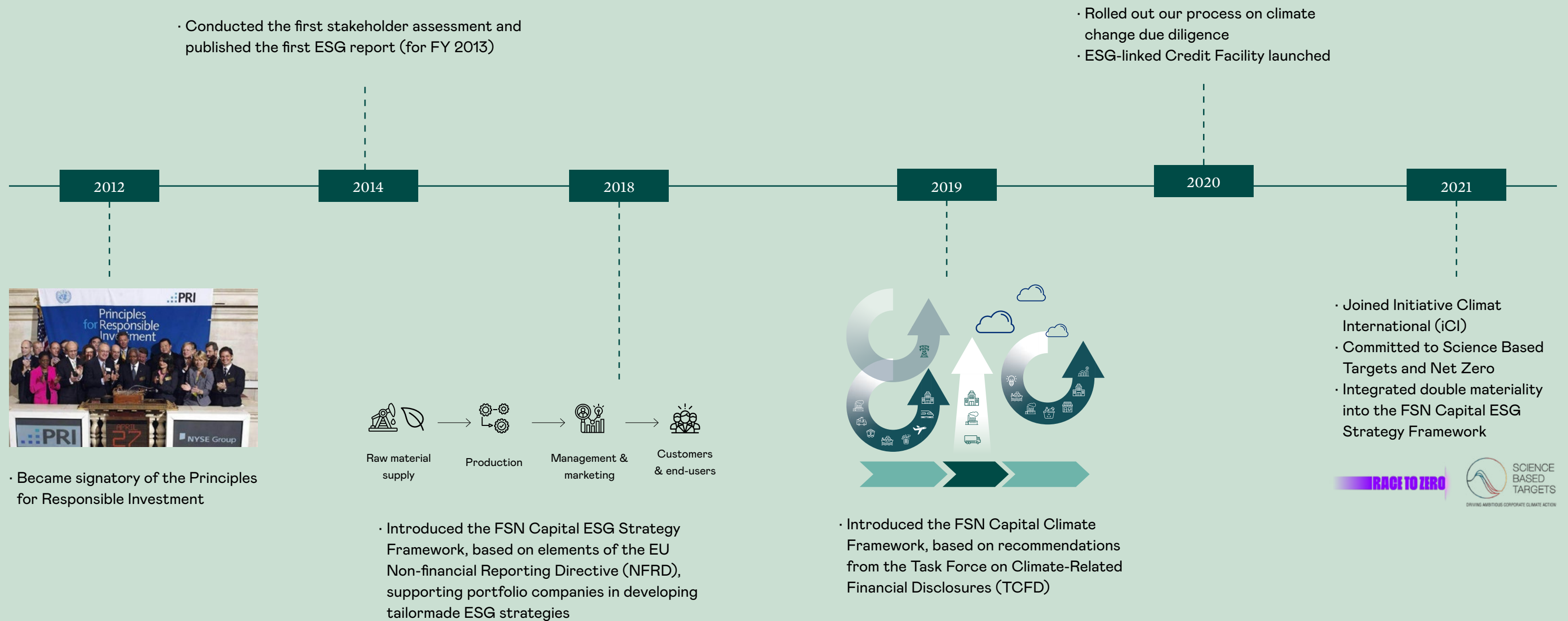
Our Strong Historic Focus on ESG



- Conducted the first stakeholder assessment and published the first ESG report (for FY 2013)

ESG has been a core part of FSN Capital's DNA and value creation approach since the inception of the firm.

As a firm we see ourselves as a learning organisation with continuous improvement processes in everything we do, including our ESG approach. As responsible owners, we are dedicated to continuing to push the frontier of what constitutes good ESG governance.



Supporting the Science Based Targets initiative

In 2021, the Science Based Target initiative (SBTi) launched an effort to enable widespread adoption of science-based targets by private equity investors. Science-based targets are targets for GHG emissions reduction that are aligned with the goals of the Paris Agreement, to limit global warming to 1.5 degrees C.

As a member of the Initiative Climat International (iCI), FSN Capital joined a small working group set up to support the SBTi's efforts, together with five other private equity firms: Astorg, Bregal Investments, Hg, ICG, and Investindustrial. Working together, we provided industry input to the SBTi's development of tailor made guidance for how private equity firms can set science-based targets.

The working group helped the SBTi and sustainability consultancy Anthesis address common challenges that private equity firms face when trying to set science-based targets – for example, regular turnover in their investment portfolios. FSN Capital “road-tested” the guidance by modelling out how it would look across our portfolio.

The firms in the iCI working group became among the first private equity firms globally to set science-based targets when the SBTi's guidance was formally launched in November 2021.

FSN Capital's Science Based Targets

- Reduce FSN Capital's direct and indirect emissions (scope 1 and 2) by 60% by 2026, from a 2019 baseline
- Reduce FSN Capital's other indirect emissions (material scope 3 categories) by 29% by 2026, from a 2019 baseline
- Work with 100% of portfolio companies to set their own approved science-based targets by 2030 – a decade before the timeframe required by the SBTi



Material Topics for FSN Capital

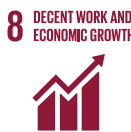
The foundation of how FSN Capital operates is our values, which are connected to the UN Principles for Responsible Investment

- ✓ **Principle 1:** We incorporate ESG issues into investment analysis and decision-making processes.
- ✓ **Principle 2:** We are active owners and incorporate ESG issues into our ownership policies and practices.
- ✓ **Principle 3:** We seek appropriate disclosure on ESG issues by the entities in which we invest.
- ✓ **Principle 4:** We promote acceptance and implementation of the Principles within the investment industry.
- ✓ **Principle 5:** We work together to enhance our effectiveness in implementing the Principles.
- ✓ **Principle 6:** We report on our activities and progress towards implementing the Principles.

Further, our goal is to make a positive contribution that lasts. In respect of key funds, we have used the UN Sustainable Development Goals (SDGs) as a guide to identify the topics which we as active owners can make the greatest contribution:



- Opportunity to include women on boards of directors and key C-suite positions, both in our portfolio companies and at FSN Capital
- We track and encourage portfolio company diversity



- Job creation through organic growth in the portfolio companies
- Opportunity to increase health and safety of the people working across the full value chain of our portfolio companies



- Opportunity to invest in companies that contribute to climate change mitigation and/or adaptation
- Opportunity to reduce climate impact by providing tools and resources to report and reduce GHG emissions
- Increase climate awareness among portfolio companies and FSN Capital's employees through strategy development discussions and trainings



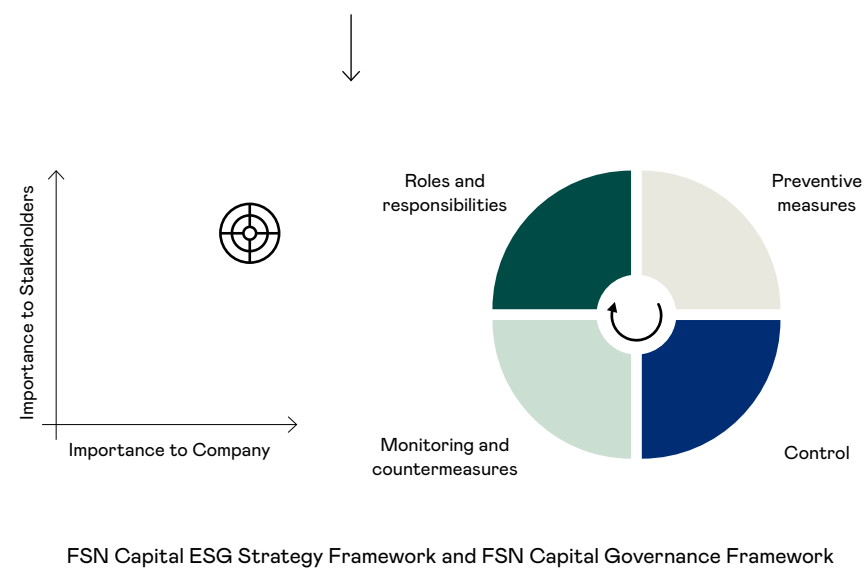
- Opportunity to strengthen ethical business conduct by always conducting an ESG due diligence and implementing the FSN Capital ESG Governance Framework in our portfolio companies



ESG-linked subscription facility

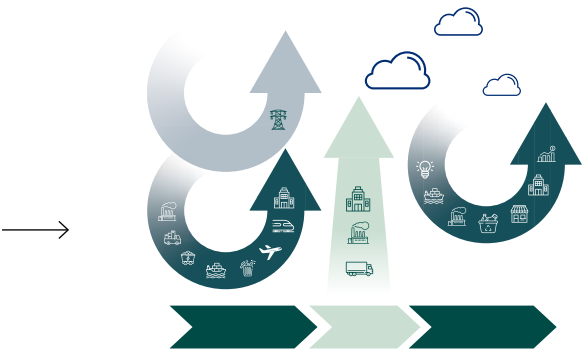
The UN PRI and SDGs have guided our processes and thinking around which topics to focus on. To maximise our potential impact as active owners, we have created the three FSN Capital ESG Frameworks, designed to drive long-term change in our portfolio companies.

KPI 1: ESG STRATEGY AND GOVERNANCE	STATUS 2021
A. ESG Strategy and Climate Assessment Each portfolio company shall develop an ESG strategy with annual targets	Completed ✓
B. ESG Ownership Designate political (Board) and operational (management) ownership per portfolio company	Completed ✓
C. ESG Board Meeting Status Report Confirmation that ESG has been discussed semi-annually by the board of directors of the portfolio companies	Completed ✓



To further incentivise implementation of our ESG frameworks, we raised an ESG-linked subscription facility for Fund VI in 2020. Under the Facility, the aggregate success rate in respect of certain ESG KPIs across the portfolio determines the interest rate - both with an upside and downside in respect of certain agreed targets.

KPI 2: GREENHOUSE GAS EMISSIONS	STATUS 2021
A. GHG Reporting System Set up online GHG reporting system	On track ✓
B. GHG Emissions Scope 1 & 2 Report Scope 1 and 2 emissions	On track ✓
C. GHG Emissions Scope 3 Report Scope 3 to the extent deemed relevant	On track ✓
D. GHG Emissions Target Set ambitious GHG reduction target	On track ✓



KPI 3: DIVERSITY RATIO	STATUS 2021
A. Gender Diversity Ratio Incentive for having more than 25% female portfolio company board members. Interest margin increases if this indicator falls below 20% (in aggregate)	Aggregate diversity*: 18% Aggregate diversity, members appointed by FSN Capital**: 25%



For a full overview on Fund VI portfolio companies’ performance against the ESG KPIs, see p. 124.

* Female board members to total board members in Fund VI if also including board members appointed by other shareholders of portfolio companies than FSN Capital VI (excludes FSN Capital employees and employee representatives)
** Female board members to total board members in Fund VI if excluding board members appointed by other shareholders of portfolio companies than FSN Capital VI (excludes minority shareholders, FSN Capital employees, and employee representatives)

Delivering on Our Commitments

Each year we create a list of key ESG efforts that we aim to pursue in the coming year. To keep ourselves accountable we disclose publicly how we are doing on those commitments.

What we said we would do in 2021		How we did it
Roll out the updated FSN Capital ESG Strategy Framework to all portfolio companies	✓	Updated the FSN Capital ESG Strategy Framework to capture the latest developments and emerging requirements in the EU, including the Sustainable Finance Disclosure Regulation (SFDR), the EU Taxonomy, and the incoming Corporate Sustainability Reporting Directive (CSRD)
EU Taxonomy screening of all portfolio companies	✓	Performed a high-level eligibility screening of all portfolio companies in cooperation with external technical consultants
Create a platform for all portfolio companies to share and discuss ESG knowledge, best practice, and questions	✓	Created the FSN ESG Officer Network to facilitate knowledge sharing across the portfolio companies. To supplement the network, launched the ESG Portal for easy access to information and frameworks, and held the first ESG Network event. 35 participants joined the event, and ESG Officers from Saferoad, EET, and Mørenot presented their experience with the FSN Capital ESG frameworks
Hire a full-time dedicated ESG resource to the FSN Capital ESG Team	✓	Mia Sørli joined as a full-time resource after completing her MSc. in Sustainability Management from Columbia University in New York. Mia has been part of the FSN team two times before - as an investment intern in 2016, and as an interim ESG resource in 2020
Implement Team First recommendations	✓	Several Team First initiatives launched, including our new values (<i>see p. 21</i>), a new diversity and employee satisfaction tracker, feedback and sponsor training, and other initiatives suggested by employees
Present at two ESG seminars in the DACH region	~	Held one ESG webinar in the DACH region
Respond to the EU Sustainable Finance Disclosure Regulations, including updating our communications material and Responsible Investment Policy	✓	In March 2021 we updated our Responsible Investment Policy and communications material to respond to the EU SFDR
Apply for UN Global Compact membership	✓	Became participants in the UN Global Compact in July
Further formalise FSN Capital's climate ambitions and set a science-based target for emission reduction in line with the Paris Agreement	✓	Set science-based emissions targets for FSN Capital which were validated by the Science Based Targets initiative

In 2021 we also		How we did it
Contributed to the creation of Science Based Targets initiative's guidance for the private equity industry	✓	Participated in Initiative Climat International (iCI) working group together with five other PE firms, experts, and NGOs to draft and test guidance
Committed to Net Zero	✓	Committed to the Net Zero Asset Managers Initiative and submitted our target disclosure. Committed to SBTi's Net-Zero target
Published how we work with human rights in the due diligence process	✓	Created PRI case study on our human rights DD process
Completed ESG Kaizen events	✓	Ran a workshop with representatives from across the organisation to improve our ESG processes - a so called "Kaizen event"
Signed the CEO Commitment	✓	Our founder and Chairperson Frode Strand-Nielsen signed up to the CEO Commitment on behalf of FSN Capital, a pledge towards a more diverse and inclusive business environment for women and people with different cultural backgrounds and ethnicities
Called on global governments for action	✓	Signed PRI's group letter to the SEC, supporting mandatory disclosure and reporting of climate and ESG data, and the Investor Agenda's statement to global governments as a call for action on the climate crisis

WHAT WE WILL AIM TO DO IN 2022

- Start Nordic chapter of iCI
- Develop a standard approach for setting and achieving science-based targets for GHG emissions reductions
- Continue EU taxonomy analysis of portfolio companies
- Update standard ESG policies
- Provide a whistleblower policy overview for each jurisdiction of FSN portfolio companies
- Create and share a step-by-step plan for best practice supply chain management
- Present at two ESG seminars in the DACH region

CHAPTER 2

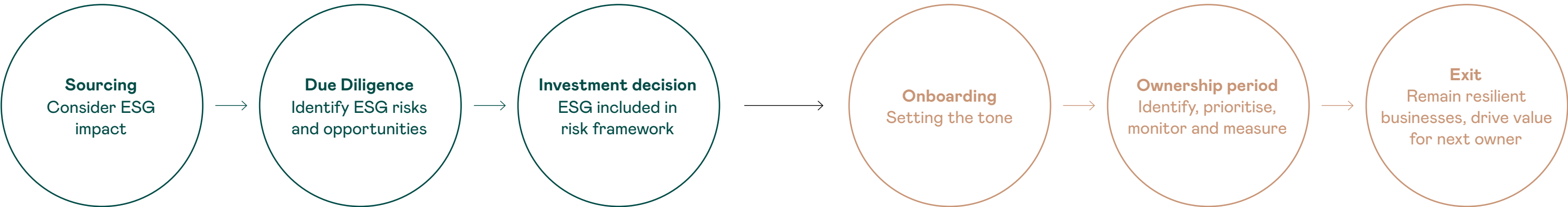
ESG Integration Throughout the Investment Process

Our standard ESG frameworks for value creation, applied across all investments



FSN Capital's ESG approach

FSN Capital applies a long-term perspective and integrates ESG in all stages of the investment process, from sourcing through to exit.



Pre-investment

In the **sourcing** phase:

- Our target is high-quality companies operating in Northern Europe with the potential to double EBITDA and with limited exposure to uncontrollable beta risks
- We assess ESG risks and opportunities, aiming to identify companies well-positioned to capitalise on emerging trends, while avoiding companies with exposure to clear transition or physical climate risks
- Our guiding star is our ethos and our values, captured in FSN's Responsible Investment Policy and its clear exclusion criteria (see appendix on p. 128).

In line with our Responsible Investment Policy, FSN Capital has developed both a standard **climate change DD** and **ESG DD approach**, and a mandatory requirement to include a summary from both in the Risk Framework and **investment decision** material (see p. 36-39 for more information).

Our investment philosophy is also inspired by the UN SDGs to identify global growth trends and deal opportunities, and to understand how target companies could impact the world around them.

Ownership period

To ensure portfolio companies meet FSN Capital's expectations and ambitions in respect of ESG, we have developed a standard onboarding program and frameworks for value creation.

In the first **onboarding** meeting, the FSN ESG team introduces portfolio company management and the board to the following ESG priorities during the first six months of ownership:

1. Assign an ESG Officer to lead execution of the three FSN Capital ESG frameworks;
2. Adopt and create a plan for implementation of FSN's standard ESG policies (per the FSN Governance Framework on p. 40-41);
3. Develop an ESG strategy (per the FSN ESG Strategy Framework on p. 44-45); and
4. Analyse climate impacts and start mapping GHG emissions (per the FSN Climate Framework on p. 48-49).

We seek to build companies that remain sustainable after our **ownership period**. Accordingly, our ESG approach is focused on integrating key ESG topics into the strategy, operations, and culture of each portfolio company.

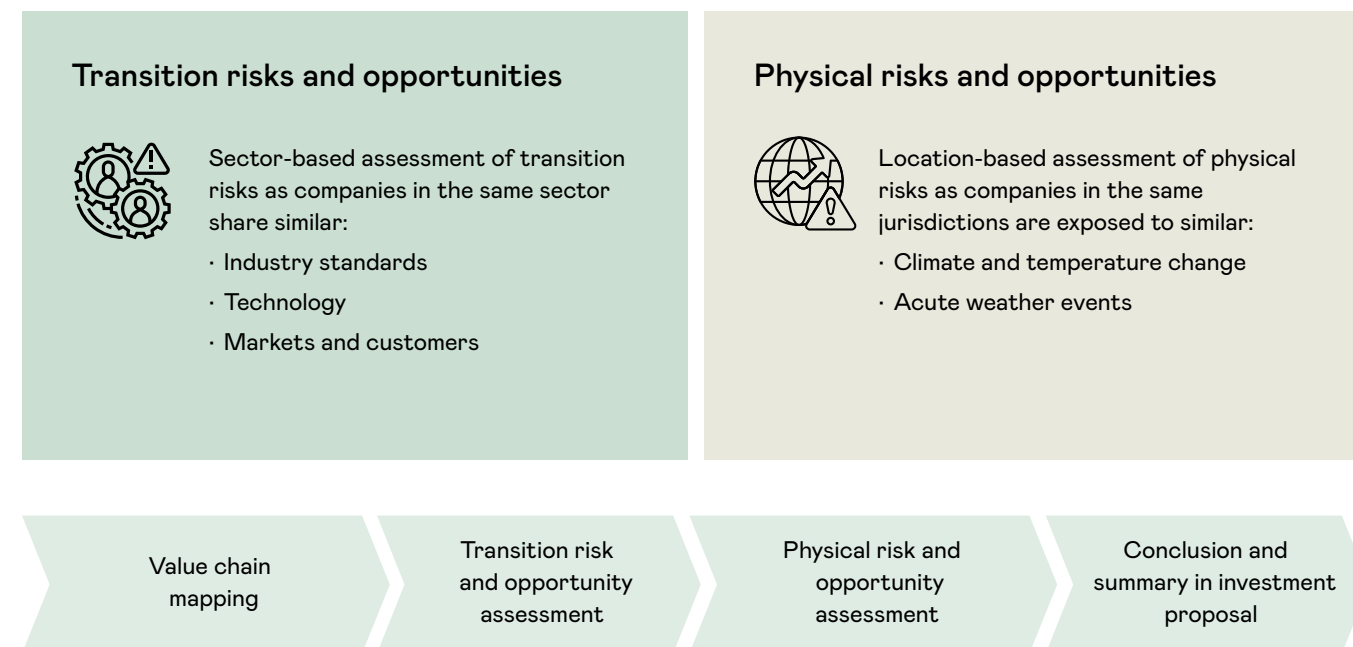
We drive lasting change by combining our standardised ESG approach with establishing personal relationships with management teams. Together we emphasise continuous improvement and "positive dissatisfaction," building cultures that challenge the status quo.

By the time we **exit** our investment, our ambition is for sound ESG management to have reduced risks and positioned the company to capture ESG opportunities, thereby increasing the value of the company.

The Climate Change Due Diligence

A standard requirement in all our transactions is that the deal team conduct a high-level climate change due diligence early in the investment phase. This is intended to ensure we uncover potential climate risks and opportunities to avoid stranded assets and capture investment opportunities.

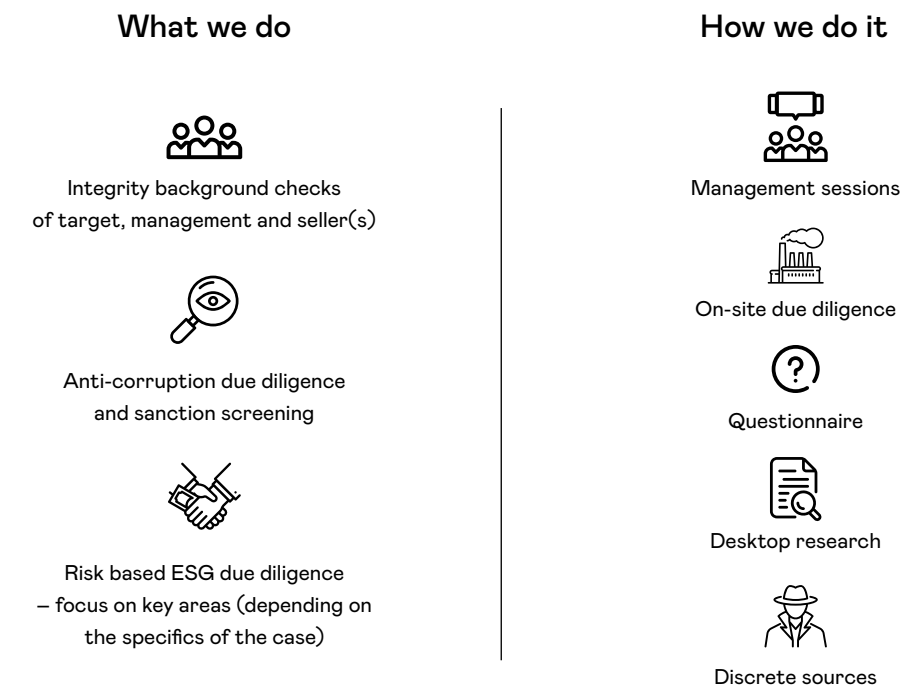
Our climate change due diligence evaluates transition and physical risks and opportunities along all stages of the company's value chain. Transition risks and opportunities are assessed based on sector-specific properties, while physical risks and opportunities are assessed based on the geographical reach of the company's value chain.



The ESG Due Diligence

An ESG due diligence conducted by internal and external experts is a standard requirement for all new potential investments, and it is a standard part of the investment decision papers.

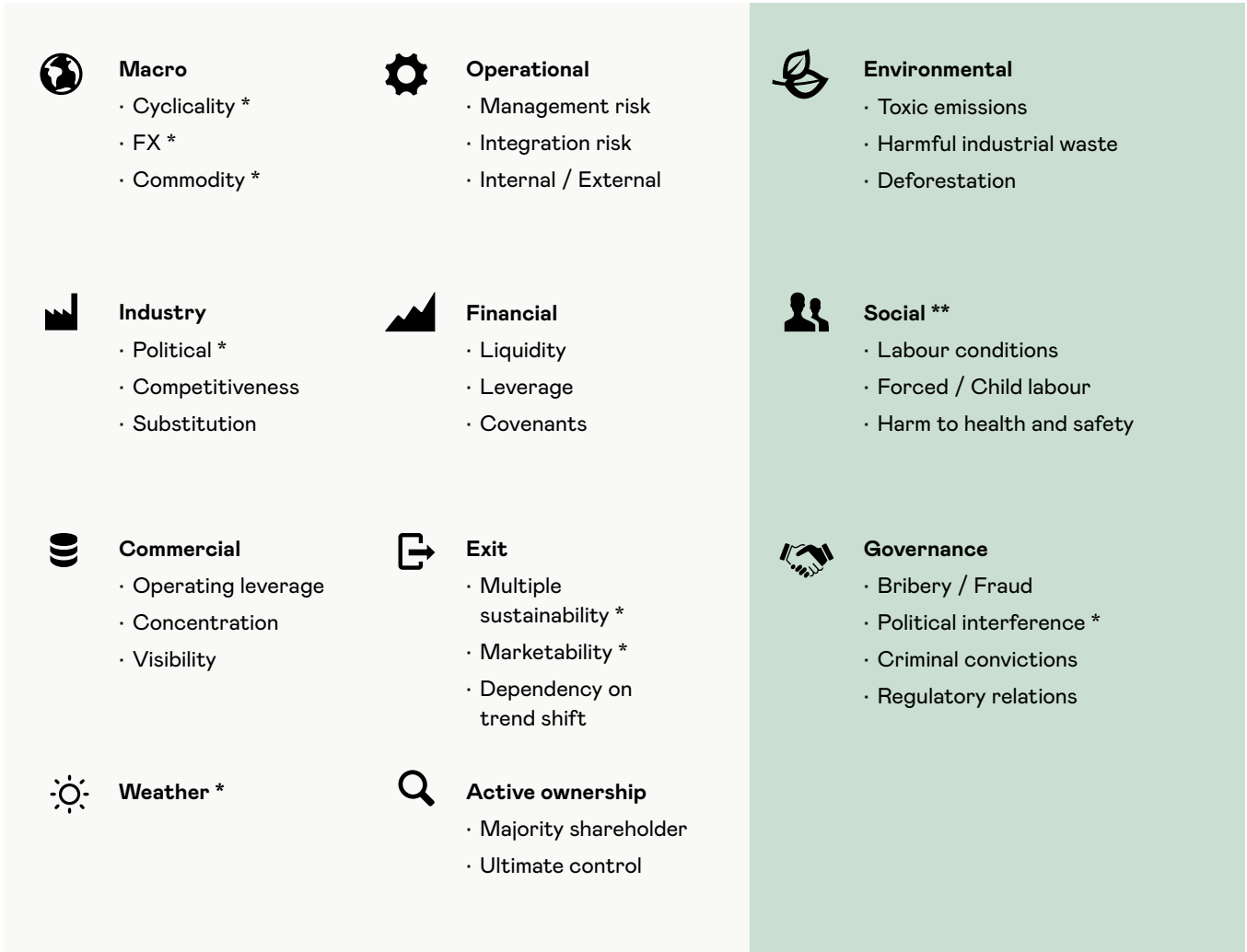
The objective of the ESG DD is threefold: (i) to identify potential “show-stoppers”; (ii) to ensure that ESG risks and opportunities are included in the pricing considerations and transaction documentation; and (iii) to identify the status quo and use this as a baseline in planning for the onboarding and continuous improvement during the ownership phase.



Our risk based ESG DD is designed to understand the residual ESG risks in any company. We ask external experts to report on the objective inherent risk in key categories, e.g., the company’s industry, jurisdictions, suppliers, and customers, and to analyse how the target company is currently addressing these risks. Finally, the experts document the residual risks and provide recommendations for how to address them to meet best practice in the ownership period.

FSN Capital's Risk Categories

The FSN Capital Risk Framework is used for detailed analysis of alpha and beta risks in a due diligence process. Alpha risks are risks that we can seek to manage actively by our guidance, while beta risks are beyond our control.



* Beta risk
 ** Where these risks occur throughout the value chain, they are more likely to constitute beta risks

Investment Decision

FSN Capital seeks to limit exposure to uncontrollable beta risk factors and instead focus on understanding and dealing with the alpha risks that can be controlled or mitigated. The FSN Capital Risk Framework forms the basis for any investment decision, and a summary of key findings from the ESG and climate change due diligences are always included in the formal investment documentation.

Our Risk Framework thereby considers the extent to which identified ESG risks could result in a potential or actual adverse effect on the value of any investment and these findings are subsequently discussed by, amongst others, the Investment team, Executive Advisors, and the Investment Committee.

To the extent relevant, investment materials include countermeasures and plans to address identified ESG risks, and/or for how to capture ESG opportunities. This will then also form the basis for a tailor-made ESG onboarding plan.

The FSN Capital Governance Framework

The objective of the FSN Capital Governance Framework is to ensure that our portfolio companies operate in line with ethical standards with a focus on continuous improvement. We set minimum requirements with regards to ESG policies, implementation, and governance.

Our Governance Framework defines roles and responsibilities with clear expectations for the Chairperson, board of directors, and portfolio company management (see p. 58-59 for breakdown of roles and responsibilities). Importantly, as of 2021 we also require all portfolio companies to assign an ESG Officer to coordinate ESG initiatives across the organisation.

As part of the ESG onboarding program, management will, in close dialogue with the FSN Capital deal team and ESG team, tailor fit FSN Capital's standard ESG policies and minimum requirements and prepare a proposed plan for implementation.

Our objective is the integration of ethical standards throughout each portfolio company's organisation and relevant operational processes – with a focus on building ESG knowledge through training of employees. This is to seek to ensure we have positive impacts beyond our ownership period. In 2021 we increased the number of portfolio companies setting up electronic whistleblower channels and rolling out ESG e-Learning platforms to their employees, and this will continue to be a focus for us in 2022. A priority for 2022 will also be to further strengthen supply chain management across the portfolio. FSN Capital will aim to create a step-by-step plan for best in class supply chain management and share with all portfolio companies.

An important aspect of our governance wheel is that ESG shall be the first thing on the agenda in every board meeting to keep the momentum behind key ESG topics.

Governance Framework Wheel

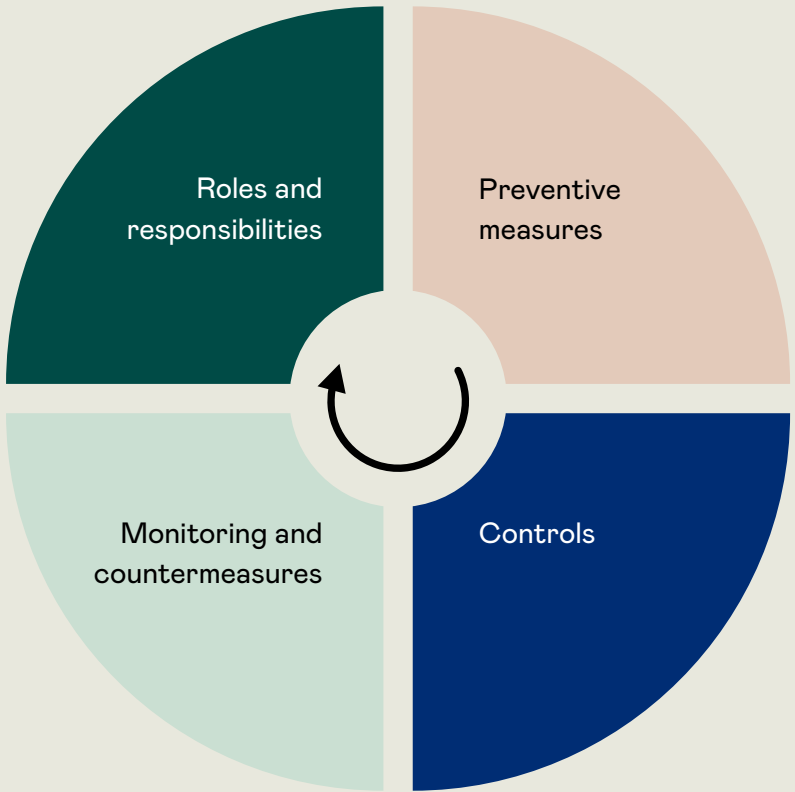
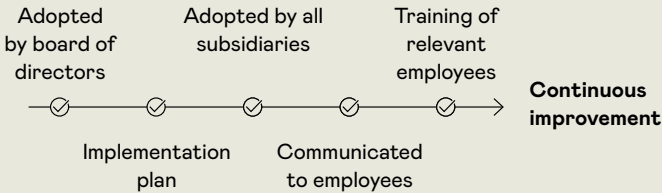
Ownership period

Assign responsibilities

- Tone from the top
- ESG officer
- ESG task force

Implement ESG Standard Policies

- Code of Conduct
- Short version of Code of Conduct
- Supply Chain Code of Conduct
- Whistleblower Policy + procedures for handling whistleblower reports
- Rules of Procedures for Board of Directors
- CEO/management instruction
- Authorisation Matrix: minimum requirements & annual auditor report



Ensure ESG is on the agenda at every board meeting, covering:

- Status on implementation of ESG policies
- Status towards annual ESG targets
- Information on any ESG-related incidents

Implement control mechanisms

- Internal control
- External control
- Whistleblower

Meet MEGABAD

MEGABAD
DER PROFI FÜRS BAD

MEGABAD, a leading German e-commerce retailer for bathroom fittings and sanitary products, became an FSN portfolio company in 2021. Laura Koch, Employer Branding & ESG Officer, describes the company's onboarding to FSN Capital's ESG frameworks.

How was it to work with FSN Capital on the overall ESG onboarding process?

FSN Capital is a firm with clear core values that align with ours. Our principle "Value creation through appreciation" fits perfectly with FSN Capital's ethos, "We are decent people making a decent return in a decent way". As such, we feel very comfortable with FSN Capital as our partners.

I was announced as ESG Officer parallel to the FSN onboarding process, and I am very grateful for the support we have received. The team provided clear guidance and support while being approachable and down to earth. Together with the ESG frameworks it really helped putting the ESG puzzle together.

Which parts of the FSN Capital ESG onboarding did you find most useful?

As we are in the process of formalising our ESG efforts, it was perfect timing to get a partner like FSN Capital onboard. We already had several initiatives and processes ongoing in the group, and we now got the support and tools to put it into a structure. Together we sorted out what would be most relevant for us to focus on.

The case studies presented herein are for illustrative purposes only and do not represent a full list of FSN Capital portfolio companies which is available upon request.

It was also very helpful to get access to the CEMAsys GHG emissions reporting tool and its consultants to start to understand the drivers of our emissions, which will form a baseline for our climate agenda moving forward.

How are you integrating ESG into the strategy, operations, and culture of MEGABAD?

We would like ESG to be a topic that fits into how we work from the bottom up, as well as from the top down. It should be exciting and understandable for all employees.

As part of our efforts to reduce our environmental footprint, we have certified green shipping from 3 out of 4 outbound distributors and deliver 100% plastic free packaging to customers. We have also planted a "MEGABAD forest" here in Germany, making the team climate neutral.



Albeit emissions reduction is what we strive for, planting our own forest has been a successful way to engage our employees.

We are also working on implementing the ESG policies across the firm and adapting them to fit into our ways of working. When rolling out the Code of Conduct and Whistleblower policy, we created several small explanatory videos to present the material in an interesting way, which we will use in our e-Learning and when onboarding new employees.

2021 was the year to map the status quo and set long-term targets, as well as short-term goals for our 2022 ESG strategy. I am excited to take our ESG agenda to the next level and focus on product development, supply chain transparency, and emissions reduction moving forward.

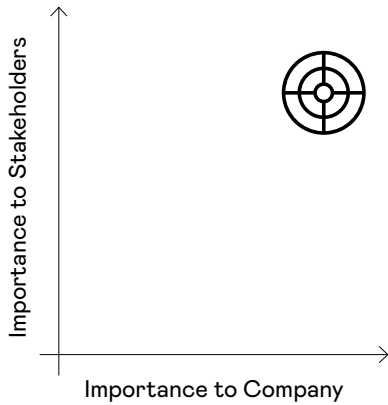
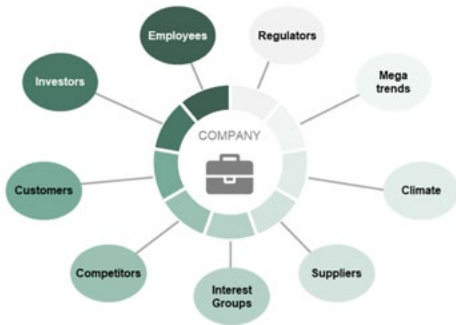
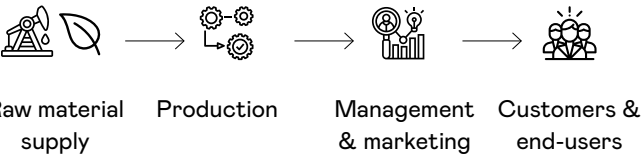
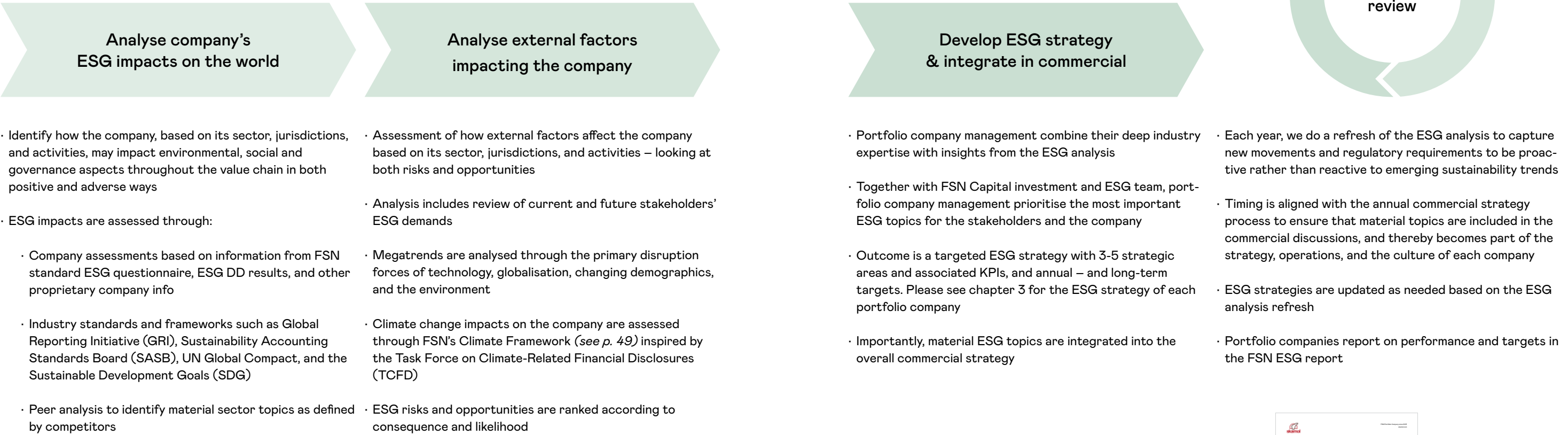
For MEGABAD's full ESG Strategy, please see p. 84-85

The FSN Capital ESG Strategy Framework

The FSN Capital ESG Strategy Framework results in an individualised ESG strategy for each portfolio company by mapping, prioritising and thereby setting goals related to the key ESG aspects (both risks and opportunities) for each company. The ESG strategy is an integral part of the value creation strategy of each portfolio company.

We utilise external experts to support the ESG analysis for each portfolio company, to expand the knowledge of the management team. The portfolio company management remains fully responsible for the creation and execution of the ESG strategy.

In 2021 we updated our ESG Strategy Framework to incorporate double materiality – assessing both the company’s potential ESG impacts on the world, and external factors impacting the company.



Håndverksgruppen

– an emerging ESG leader



In 2020, FSN Capital Fund V teamed up with 30 painting, flooring and tiling companies and created Norway's largest surface treatment group, Håndverksgruppen ("HG"). Since then, HG has more than doubled the number of companies through acquisitions and mergers.

Not long after its establishment, HG appointed one of the regional leaders to lead the Group's ESG work. To make real change, it was important that one of the original founders with significant hands-on experience take the lead.

HG went through FSN Capital's standard onboarding program and created a tailor-made ESG strategy. As input to this strategy, external experts supported in identifying the ESG topics that are most material to both the company and its stakeholders, and thereby material to value creation. HG's ESG responsible took lead on the process and involved several employees when undertaking the materiality assessment. HG management used this research and input from its employees to develop an ESG strategy around three strategic areas, with targeted KPIs and targets to measure progress.

"An industry won't change itself. We need proud Craftsmen to show the way."

HG has emerged as a highly attractive platform for ambitious local companies that share the company's purpose-driven approach and values. As of March 2022, HG had closed 42 add-on acquisitions in Norway and Sweden. HG has a clearly stated ambition to be an ESG leader and is promoting sustainable and responsible business practices in an industry that often faces challenges within ESG. Håndverksgruppen aims to change the industry: "An industry won't change itself. We need proud Craftsmen to show the way."

For HG's full ESG Strategy, please see p. 78-79

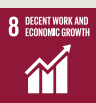
The case studies presented herein are for illustrative purposes only and do not represent a full list of FSN Capital portfolio companies which is available upon request.



With clear ESG priorities, HG shows to both its customers and employees that they care about ESG

We care for each other and aim to be an attractive employer who takes social responsibility

% of own workers	75%
# of injuries	40
# employees	c.2100
# HG Academy graduates ¹	25
Employee NPS ²	35



We shall understand the environmental impact of our business and strive towards limiting our environmental footprint and promote circular economy

% certified Miljøfyrtårn ³	75%
GHG emissions (tCO ₂ e)	4,064



We govern our business in a responsible way



% Code of Conduct training	100%
Collaborations	2



¹) HG Academy is HG's own education institution. The purpose of the HG Academy is to provide an arena for personal development and comprise of the following modules; culture, leadership, project management and expertise matters.

²) Currently measured in five companies

³) 45% certified and 30% being certified. Miljøfyrtårn (Eco-Lighthouse) is Norway's most widely used certification scheme to document environmental efforts and demonstrate social responsibility

The FSN Capital Climate Framework

We believe that climate change is the greatest challenge and opportunity of our time.

One of our key strategies for supporting the transition to a low-carbon economy is to invest in companies that directly contribute to or enable climate change mitigation and adaptation. Examples of FSN portfolio companies that directly address climate challenges include Obton, one of Europe’s largest solar power investors, and ViaCon, whose construction and engineering is likely to be increasingly necessary as we adapt to a changing climate.

In addition to investing in companies that seek to decrease the climate challenges, we have also developed FSN Capital’s Climate Framework.

There are two parts to the framework:

Part 1: The Climate Analysis Module

Purpose: Analyse climate risks and opportunities.

The Climate Analysis Module was inspired by the Taskforce on Climate-related Financial Disclosures (TCFD). The objective of the module is to seek to ensure that portfolio companies prepare for climate change by assessing how climate change impacts their company through the full value chain.

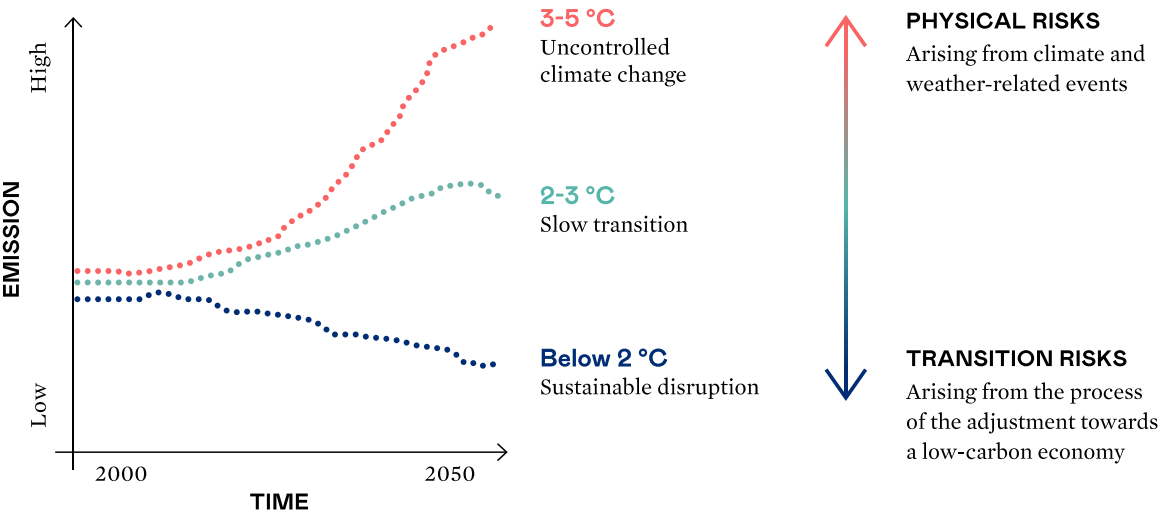
External experts typically assist in identifying and analysing climate-related risks and opportunities in different temperature scenarios. Scenarios are used to illustrate how climate change may affect the company, whether in the form of physical risks in a high temperature scenario or due to transition risks and opportunities in a low temperature scenario. The analysis and findings are incorporated in step 2 of the ESG Strategy Framework (details on p. 44-45). FSN Capital requires the impact of climate change to be discussed by all portfolio companies at board level.

Part 2: The GHG Module

Purpose: Mapping and reporting greenhouse gas emissions (“GHGs”), setting science-based targets, and creating a plan for reducing such emissions.

As of 2021, FSN Capital will seek to ensure that all portfolio companies commit to the Science Based Targets initiative (SBTi) within two years of acquisition, with efforts to set targets sooner where possible. This is intended to prepare FSN Capital portfolio companies for a low-carbon society, to meet stakeholder expectations, and importantly, to reduce emissions across FSN’s portfolio. Emissions targets and reduction plans are therefore expected to be a natural part of the 3-5 strategic goals in the ESG strategy of each portfolio company.

To support portfolio companies in the GHG Module, FSN Capital uses an online portal with expert support from external sustainability professionals. Portfolio companies report their GHGs in the portal, which is aligned with the Greenhouse Gas Protocol, and experts are available to assist and guide, should questions and challenges arise. Once a “base year” for measurement is established, the FSN Capital ESG team will support portfolio companies in modelling how emissions reductions would look both economically and operationally, create an action plan for reduction, and set science-based emissions reduction targets aligned with the goals of the Paris Agreement.



We support portfolio companies in setting Science Based Targets
Three-pronged approach



Our Portfolio's Greenhouse Gas Emissions

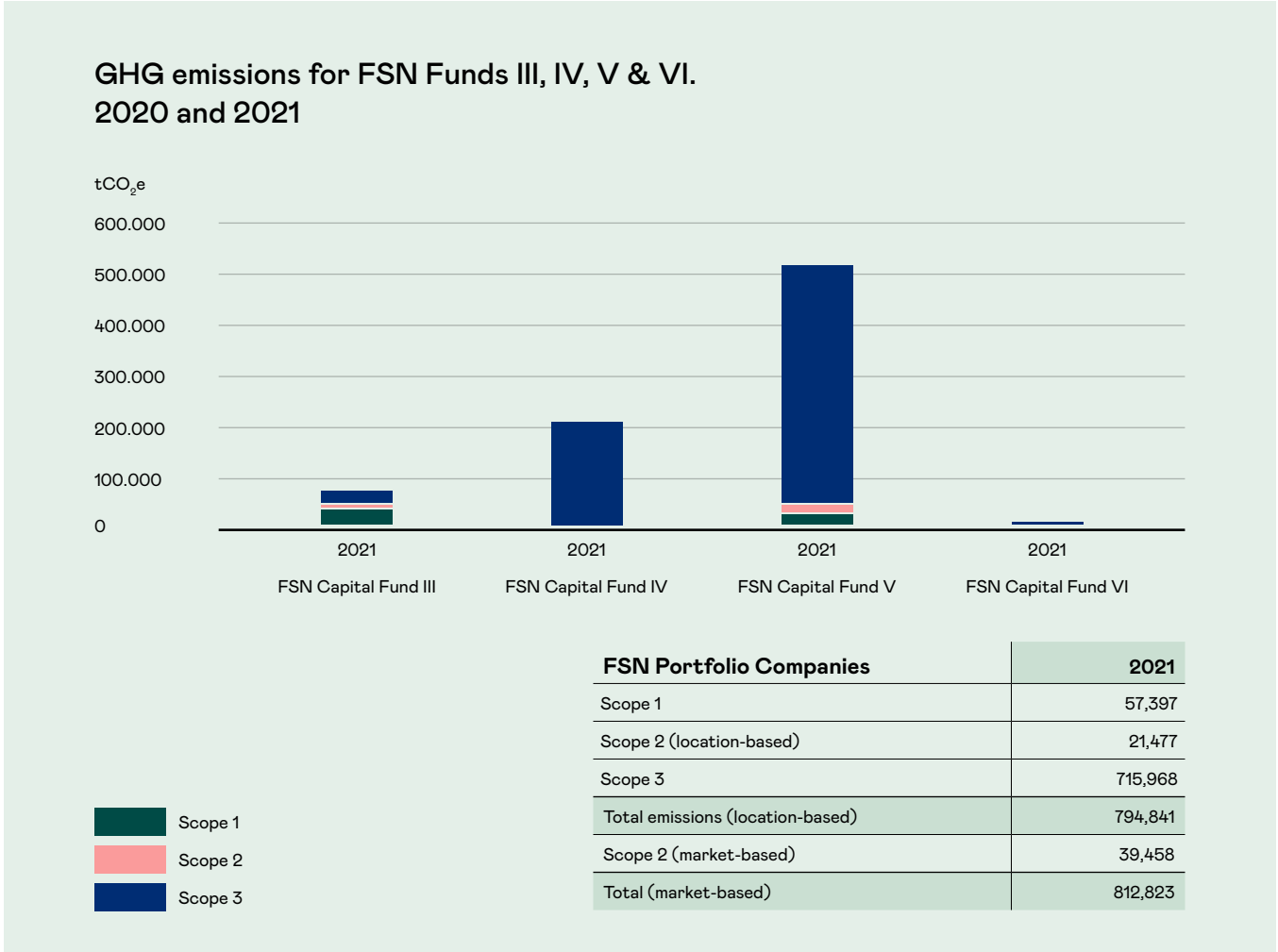
With the announcement of FSN Capital's ambitious climate commitments in Q4 2021, the FSN ESG team held GHG emissions workshops with each portfolio company. The goal was to improve reporting of emissions to lay the foundation for a base year from which to set science-based targets. We also completed a full scope 3 mapping with the portfolio companies. As a result, total reported emissions increased in 2021 compared to 2020.

On an aggregate level across the FSN Capital portfolio:

Scope 1 emissions for FSN funds constituted ~7 % of total emissions. This was mainly driven by companies with energy intensive production processes, such as Saferoad and Skamol.

Scope 2 emissions are the reported consumption of the generation of acquired and consumed electricity, steam, heating, and cooling. Location-based scope 2 emissions only represented ~3 % of total emissions, while market-based constituted ~5 % in 2021.

Scope 3 emissions accounted for ~ 90% of the total reported emissions in 2021. Scope 3 emissions was a focus area for our portfolio companies during the reporting year. As more portfolio companies improve their reporting, we expect scope 3 to increase in the years to come.



Greenhouse gas emissions for FSN portfolio companies 2021 (tCO₂e)

GHG emissions reported in an online portal following the GHG Protocol

Yes

Most units/categories

No

	PortCo name	Scope 1	Complete scope 1 reporting*	Scope 2	Complete scope 2 reporting*	Scope 3	All material scope 3 categories*
Fund III	Skamol	29,681	Yes	3,636	Yes	41,248	Yes
Fund IV	Active Brands	55	Most units/categories	48	Most units/categories	992	No
	Fibo	178	Yes	49	Yes	198,352	Yes
Fund V	ecovium	60	Yes	701	Yes	124	Most units/categories
	Fellowmind	653	Most units/categories	1,789	Most units/categories	768	No
	Gram	465	Yes	345	Yes	9,438	Yes
	Håndverksgruppen	3,078	Most units/categories	201	Most units/categories	785	No
	Holmbergs	382	Yes	1,715	Most units/categories	100	No
	iMPREG	347	Yes	707	Yes	80	No
	Mørenot	5,502	Yes	1,248	Yes	9,652	Most units/categories
	Nordlo	59	Most units/categories	178	Most units/categories	303	Most units/categories
	Rameder	127	Most units/categories	238	Most units/categories	5,551	Most units/categories
	Saferoad	12,388	Yes	3,667	Yes	4,041	No
	SNS	-	No	3	Most units/categories	394,127	No
	TASKING	1	No	4	Most units/categories	1	No
	ViaCon	2,088	Most units/categories	5,873	Most units/categories	47,981	No
	Adragos Pharma	2,199	Most units/categories	1,017	Yes	900	No
Fund VI	MEGABAD	65	Most units/categories	16	No	534	Most units/categories
	Obton Group**	-	No	24	Most units/categories	781	No
	Omegapoint	70	Yes	19	Yes	207	Yes
Total		57,397		21,477		715,968	

* Complete scope and material categories according to the GHG Protocol
** Values for 2020 - Obton Group's emissions for 2021 will be reported in their 2021 ESG report

The exit process



Exit – Remain sustainable and resilient

At the time of exit, FSN Capital seeks to ensure that sound ESG management has reduced risks throughout our ownership period, put portfolio companies in a position to capture emerging ESG opportunities and thereby increase the value of the company.

We see to an increasing degree that sophisticated buyers of our portfolio companies appreciate and value the development of ESG metrics over time and use this as part of their assessment of the attractiveness of a company.

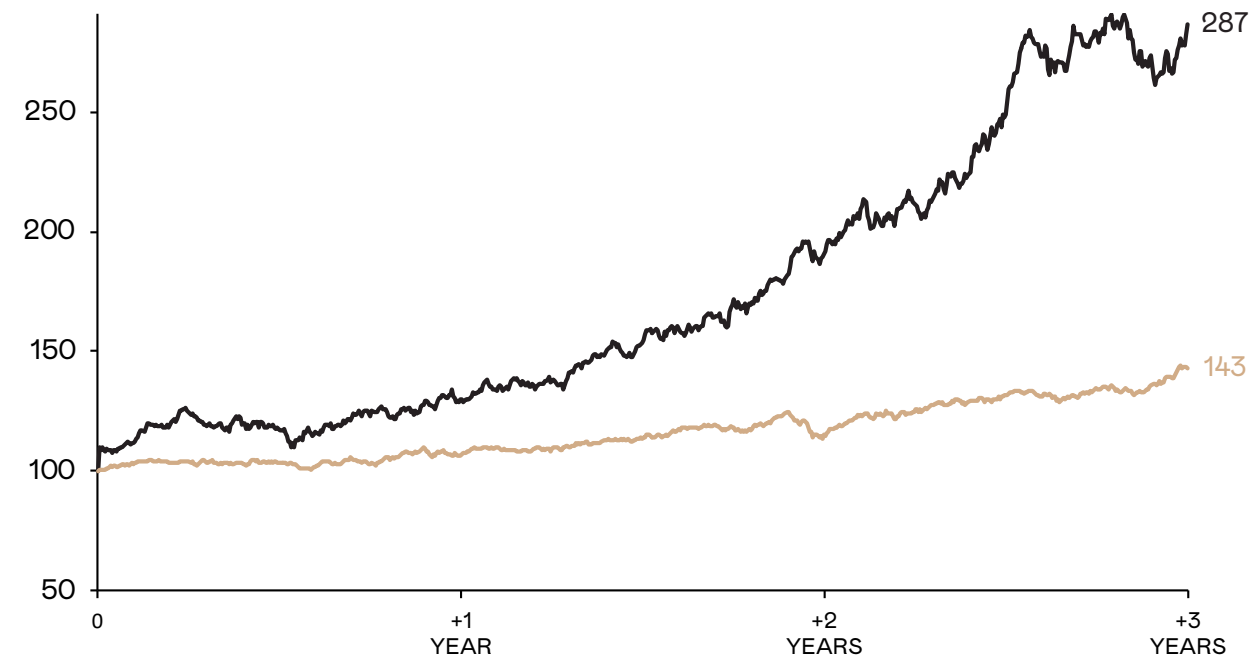
Our ESG Frameworks ensure focus and monitoring of key ESG topics from the time of our acquisition, which simplifies documentation of a portfolio company’s ESG progress in an exit process. More importantly, it clearly shows how ESG is an integrated part of both strategy and operations and that the ESG ambitions are driven by the management team, as part of building a more sustainable and resilient company in the long term.

In close collaboration with our management teams, we seek to create robust and sustainable businesses and make a contribution that lasts beyond our ownership period.

Strong track record in developing and preparing companies for successful IPOs

Share price development

3 years post IPO – FSN Funds IPOs vs market
Share price (Index 100 at IPO)
Average return 3 years post IPO: 186.9%



Source: FSN Capital, Capital IQ. All data as of September 16th 2021

Exit Highlight: EET



One of our 2021 highlights was the exit of EET, a leading European value-added distributor of technology products and spare parts, headquartered in Denmark. Through a combination of organic growth and 25 add-on acquisitions, EET has grown its EBITDA by ~2.5x since 2015. Katrine Rasmussen, CHRO for the EET Group, leads the company's ESG efforts and shared some insight into the company's ESG transformation.

1. Looking back at the past 6 years, how do you reflect on EET's ESG journey as an FSN portfolio company?

The attention and regulation related to ESG has changed rapidly the past years. At the same time, EET has grown as an organisation, and we wanted to prioritise ESG and implement concrete actions across our value chain. The implementation though was not something that happened overnight. In fact, it was important for us to do it in a way that would enable the entire organisation to follow. FSN Capital as owners helped us structure our ESG approach, and supported us with resources, input, and guidance along the way. It makes me very proud to look back at our ESG transformation.

2. How has FSN Capital's frameworks supported you in your ESG efforts?

The ensemble of frameworks, guidance, and templates played an integral part in our ESG work. The Governance Framework helped us get our policies and supply chain procedures in place, while the ESG Strategy Framework facilitated the creation of a focused ESG strategy based on the topics most material to us. The Climate Framework gave us the insights and tools to start reporting and analysing our greenhouse gas emissions as well as to understand climate risks and opportunities according to the Task Force on Climate-Related Financial Disclosures.

"It makes me very proud to look back at our ESG transformation."

The case studies presented herein are for illustrative purposes only and do not represent a full list of FSN Capital portfolio companies which is available upon request.



3. How do you integrate ESG into the strategy, operations, and culture of EET

Over the past years, ESG has become so embedded in our day-to-day operations that it is also a natural part of our strategy. We have a commercially driven ESG approach and want to engage our stakeholders to join in on the ESG journey. We offer climate positive shipments by planting trees and offsetting our emissions from outbound transportation. To ensure we have control over the supply chain, we require suppliers to adhere to our standards – over 90% of supplier spend has completed our self-assessment questionnaire. We have also developed a service to handle our suppliers' Right to Repair landing pages and provide spare parts to customers to support the circular economy.

Increasingly, colleagues understand why focusing on ESG is important for EET. The past two years we have published a report where we disclose how we systematically work with ESG factors, and last year we created a specific section on our website on the role that ESG factors play in our business.

ESG reporting showcases the real value-creating work that goes on across the company, and as such it makes the efforts of each contributor visible and acknowledged. I see that this in turn creates motivation among employees and a sense of purpose which drives further progress.

4. What's next on EET's ESG journey?

ESG is a moving target, and we will continue to progress on a broad range of topics. In the short term, we expect our focus to be on supply chain transparency and meeting the packaging and recycling directives as defined by the EU. We will approach these new initiatives like we did when we were an FSN portfolio company: focus on implementation in our current structures and making it "our own." For us, this is the way to drive meaningful improvement. We have already come a long way and will continue the journey of continuous improvement.

Winner of FSN Capital's 2021 ESG Award – ViaCon



Our annual ESG award is part of setting the tone from the top. Netcompany, Green Landscaping, Kjell & Company, Saferoad, and Mørenot are all proud winners from previous years.

The criteria for selecting the winner remain unchanged:

- Awareness and ESG efforts in daily operations
- Value creation in society at large
- Clarity in ESG policies
- Focus on continuous improvement and progress
- Tone from the top (i.e., management and board engagement)
- Portfolio Company's holistic approach to sustainability
- Adherence to FSN Capital's values

ViaCon is a pioneer in the construction and civil engineering industry. Its products and services support resiliency and climate change adaptation, which are critical as public and private entities prepare for increasing frequency of extreme weather events. ViaCon's stormwater tanks, plastic pipes, and geotechnical solutions, for example, mitigate the disruptions of heavy rainfall and droughts, and will only gain in importance in the future. Furthermore, steel structures offered by ViaCon have a lower environmental footprint than traditional solutions made of concrete, thus facilitating the transition to a low carbon economy.

When ViaCon was established in 2019, responsibility for ESG was early on assigned to the Chief Human Resource Officer, Mattias Hakeröd, who is a part of the executive team.

Since then, ViaCon has made significant progress in ingraining and institutionalising ESG across the entire organisation. ViaCon created an internal ESG team with representatives from each business segment to share progress on ESG efforts and expand on synergies. Combining the operational and strategic insights from these representatives have proven highly effective and fruitful.

ViaCon limits its environmental impact through production efficiencies and by recycling and reusing its steel and plastic. Achievements to date include increasing the recycled content in plastic pipes from 27% in 2020 to 36% in 2021. ViaCon is also supporting customers in making environmentally friendly choices and is creating a Life Cycle Assessment tool for its products and solutions.

Further, ViaCon's production involves manual labour, and the health and safety of its employees is a key priority. Initiatives include easier to report "near misses" to accelerate preventative measures, and bonus criteria linked to Health & Safety. ViaCon rolled out the software tool Winningtemp in 2021 to track employee satisfaction, with the goal of becoming the industry's best employer. Within ViaCon's intranet, employees can access both ESG policies and ethics training, and 95% of employees completed the ethics training in 2021.

ViaCon has ambitious plans for the future. To further integrate ESG into its operations and keep the pressure up for continuous improvement and performance against its ESG targets, ViaCon structured a sustainability link to its financing agreement in 2021. The sustainability link was finalised in January 2022, and the KPIs are based on ViaCon's ESG strategy.

The case studies presented herein are for illustrative purposes only and do not represent a full list of FSN Capital portfolio companies which is available upon request.

The ESG KPIs behind ViaCon's financing are linked to the company's ESG strategy:

Focus area	Purpose	KPI
GHG emissions	ViaCon has a long-term target to reach Net Zero. To minimise ViaCon's climate footprint, ViaCon will set emissions reductions targets consistent with what climate science deems necessary to limit global warming to 1.5°C	Implement procedures for reporting GHG emissions and setting reduction targets
Circularity	Plastics are ViaCon's second most used raw material, making up 20% of total raw materials. ViaCon will work to reduce plastic use in the design of its pipes, as well as replace virgin plastic with recycled plastic, further supporting the circular economy	A minimum reduction of virgin plastics as a % of raw materials
Supply chain	ViaCon will continue to strengthen control of its supply chain, ensuring that suppliers follow ViaCon's standards, including human and labour rights and environmental protection	Expand % of suppliers signing its Supplier Code of Conduct

For ViaCon's full ESG Strategy, please see p. 104-105



Roles and Responsibilities

The basis of our ESG work is accountability and a clear definition of roles and responsibilities.

Pre-investment

- In every transaction we complete**
- Climate change due diligence
 - Anti-corruption and sanction due diligence
 - ESG due diligence with a risk-based approach
 - Integrity due diligence / background check of key management and seller
- While the ESG team support, deal teams run these processes to ensure ESG knowledge is spread throughout the organisation rather than concentrated in the ESG team (*more on FSN Capital's ESG trainings on p. 110-112*)

Ownership period

- To ensure action and continuous improvement on ESG, we assign clear responsibilities for the portfolio company, the Board and the FSN Capital team.
- Each FSN Capital pointperson* is responsible for the development of his or her portfolio company and is represented on the board of directors. They contribute in setting the tone from the top and driving compliance with our ESG frameworks.
- The Chairperson and board members remain fully accountable for the implementation plan of ESG policies, the ESG strategy, and monitoring status of integration. The CEO is fully responsible for the daily management of his / her company, and that includes ESG.

	Main role	Details on responsibilities
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Portfolio Company	Operational ownership of ESG	<p>FSN Governance Framework</p> <ul style="list-style-type: none">· Assign ESG officer to lead and coordinate ESG efforts· Prepare and implement ESG policies· Report regularly to the board on progress & ad hoc incidents· Link ESG performance to bonus· Annually: evaluate board and CEO on ESG· Recommended: Create ESG task force to drive action on ESG strategy <p>FSN ESG Strategy Framework</p> <ul style="list-style-type: none">· Create ESG strategy with ambitious and specific long-term and short-term targets, where applicable· Include ESG in commercial strategy where relevant· Operationalise ESG strategy to maximise impact and meet stated ambitions· Annually update ESG strategy <p>FSN Climate Framework</p> <ul style="list-style-type: none">· Report GHG emissions in online reporting tool with the objective to set reduction targets once the reporting captures material emissions, where applicable· Annual TCFD reporting to take climate risks and opportunities into consideration in the company's governance, strategy, and risk management
Portfolio Company Board of Directors	Political ownership of ESG	<ul style="list-style-type: none">· Set tone from the top, and understand and highlight commercial value of ESG· Approve and follow up ESG, implementation plan, and the ESG strategy· ESG on the agenda at every board meeting to cover: 1) any incidents, 2) status on implementation of Governance framework, and 3) status on work towards ESG strategy KPIs· Annually: review ESG strategy and policy implementation, evaluate board and CEO on ESG
FSN Capital ESG team	Work as partners with portfolio companies on all ESG topics	<ul style="list-style-type: none">· Define FSN Capital's ESG expectations, and develop tools and frameworks· Train and follow-up ESG officers· Share best practice ESG policies and implementation templates· Support the creation and implementation of tailor-made ESG strategies· Contribute to GHG emissions reporting, target setting (where applicable), and reduction initiatives· Assist in achieving ESG-linked financing· Provide templates through ESG Portal· Facilitate ESG Network events· Monitor ESG status and progress

* The partner or principal responsible for a particular portfolio company

CHAPTER 3

ESG Developments in FSN Portfolio Companies

A detailed view on how FSN portfolio companies work systematically on environmental, social, and governance topics



ESG KPIs for FSN Capital Portfolio Companies

FSN Capital Portfolio Companies 31.12.2021

			Fund	Revenue (EURm)
	Active Brands	House of premium sports apparel and equipment brands	Fund IV	133
	Adragos Pharma	A globally operating B2B Contract Development and Manufacturing Organization (CDMO)	Fund VI	44
	ecovium	End-to-end logistics software and hardware provider	Fund V	37
	Fellowmind	A leading Microsoft Business Applications and Modern Workplace partner in Europe	Fund V	263
	Fibo	Leading global manufacturer of high-quality wet room wall systems	Fund IV	70
	Gram	A global market leader within advanced ice cream processing equipment	Fund V	101
	Håndverksgruppen	Nordic's largest entity offering surface treatment services including painting, flooring, tiling and masonry	Fund V	282
	Holmbergs	A global supplier of mission critical safety systems to the child safety seat industry	Fund V	67
	IMPREG	A leading supplier of glass fiber liners for sustainable and environmentally friendly sewage rehabilitation	Fund V	73
	MEGABAD	Leading German e-commerce retailer for bathroom and sanitary products	Fund VI	176
	Mørenot	A leading supplier of equipment and services to the world's fishery and aquaculture industries	Fund V	125
	Nordlo	Nordic IT and digitalisation partner helping customers improve their IT environment	Fund V	153
	Obton Group	Leading Danish alternative asset manager and developer with focus on solar PV	Fund VI	133
	Omegapoint	Market leading cyber security and secure digital transformation consultancy	Fund VI	63
	Rameder	European e-commerce platform for automotive transport products and solutions	Fund V	129
	Saferoad	The largest supplier of road safety and road infrastructure solutions in Europe	Fund V	560
	Skamol	Leading producer of energy-saving, high temperature insulation products to customers globally	Fund III	70
	SNS	A global online and physical retailer of limited edition sneakers and apparel	Fund V	93
	TASKING	Global provider of compilers, linkers and debuggers for automotive and industrial applications	Fund V	20
	ViaCon	The European market leader of engineered corrugated steel structures and pipes used to build e.g. culverts, bridges and tunnels	Fund V	197
	Total			

ESG KPIs as of 31.12.2021

Employees (FTEs)	% Female FTEs	% Female C-suite officers	% Females on BoD	Absenteeism (%)	Employee Satisfaction (eNPS)	Customer Satisfaction (cNPS)	ESG at all board meetings	Code of Conduct ¹	Code of Conduct Training ²	Supplier Code of Conduct ³	Whistleblower Policy ⁴	Whistleblower System ⁵
231	71%	17%	40%	N/A	4	70	✓	✓	✓	✓	✓	×
372	55%	32%	0%	5.5%	N/A	N/A	✓	✓	×	✓	✓	×
274	28%	33%	0%	N/A	N/A	N/A	✓	✓	×	✓	✓	×
1,857	25%	38%	0%	N/A	21	32	✓	✓	✓	✓	✓	✓
142	25%	3%	50%	3.2%	50	60	✓	✓	✓	✓	✓	✓
496	16%	14%	0%	1.8%	15	29	✓	✓	✓	✓	✓	✓
2,100	9%	1%	25%	N/A	N/A	N/A	✓	✓	✓	✓	✓	✓
1,268	73%	20%	40%	5.4%	N/A	N/A	✓	✓	×	✓	✓	✓
264	15%	0%	25%	4.4%	7.7	38	✓	✓	✓	✓	✓	✓
231	28%	20%	17%	N/A	N/A	N/A	✓	✓	×	✓	✓	×
736	40%	0%	20%	8.2%	-6	N/A	✓	✓	✓	✓	✓	✓
737	15%	16%	20%	N/A	29	N/A	✓	✓	×	✓	✓	×
334	38%	23%	25%	N/A	N/A	N/A	✓	✓	×	×	✓	✓
483	22%	23%	33%	N/A	55	N/A	✓	✓	×	✓	✓	×
410	23%	0%	25%	4.0%	11	61	✓	✓	×	✓	✓	×
2,510	16%	0%	50%	5.5%	24	N/A	✓	✓	✓	✓	✓	✓
438	30%	14%	0%	11.0%	28	44	✓	✓	✓	✓	✓	✓
218	32%	25%	40%	3.1%	-15	N/A	✓	✓	×	✓	✓	×
73	20%	28%	25%	N/A	16	N/A	✓	✓	×	✓	✓	×
749	19%	25%	33%	7.1%	-14	N/A	✓	✓	✓	✓	✓	×
13,923												

1) Have a written code of conduct that they share with employees; 2) have trained employees in Code of Conduct, e.g., ethics, anti bribery and corruption; 3) have a written Supplier Code of Conduct that they share with suppliers; 4) have a written whistleblower policy that they share with employees; 5) electronic and/or hotline whistleblower

Structure of FSN Capital's ESG Strategy 2-pager

Following FSN Capital's ESG Strategy Framework, each portfolio company creates its own tailor-made ESG strategy based on thorough analysis and materiality assessment (see p. 44-45 for information on the ESG Strategy Framework). On the next pages you will find each portfolio company's ESG Strategy 2-Pager

Portfolio company snapshot:

Covering business activities, geographic footprint of value chain, and key customers.

Double materiality part 1/2:

Analysis of the portfolio company's potential impact on the world across the full value chain – looking at both positive and negative impacts from an environmental, social, and governance standpoint.

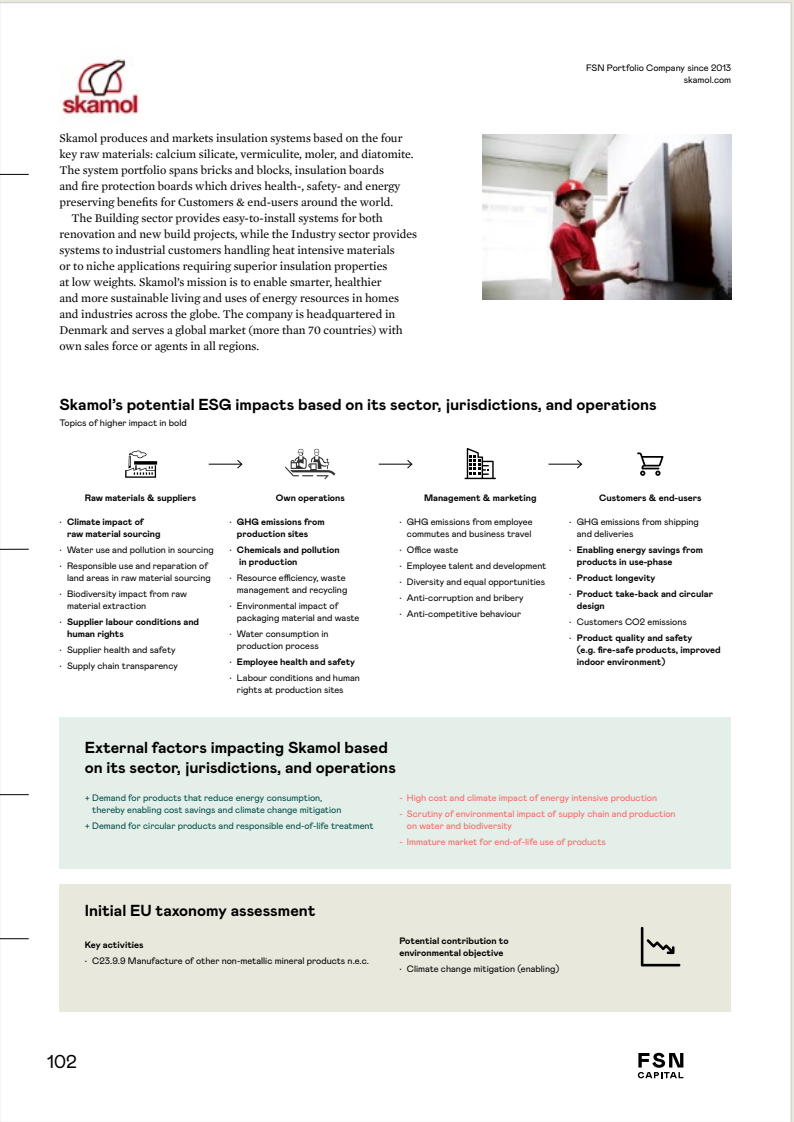
Double materiality part 2/2:

External ESG factors that may impact a portfolio company due to its sector, jurisdiction, and operations.

Initial EU taxonomy assessment

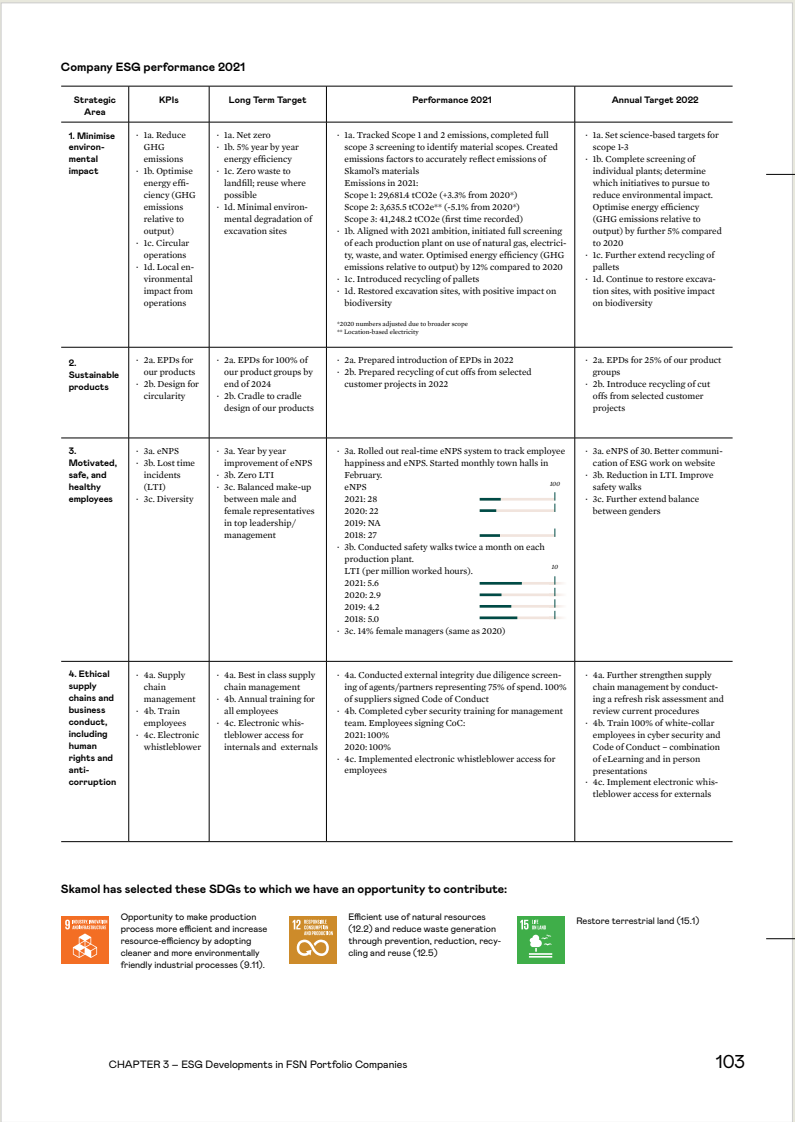
FSN Capital will seek to complete screening for taxonomy-eligibility in 2022.

ESG analysis



102

ESG strategy



103

ESG strategy:

Based on the materiality analysis, each portfolio company creates an ESG strategy centered around 3-5 strategic areas, with KPIs and long and short term targets. Portfolio companies also transparently disclose 2021 performance.

SDG mapping:

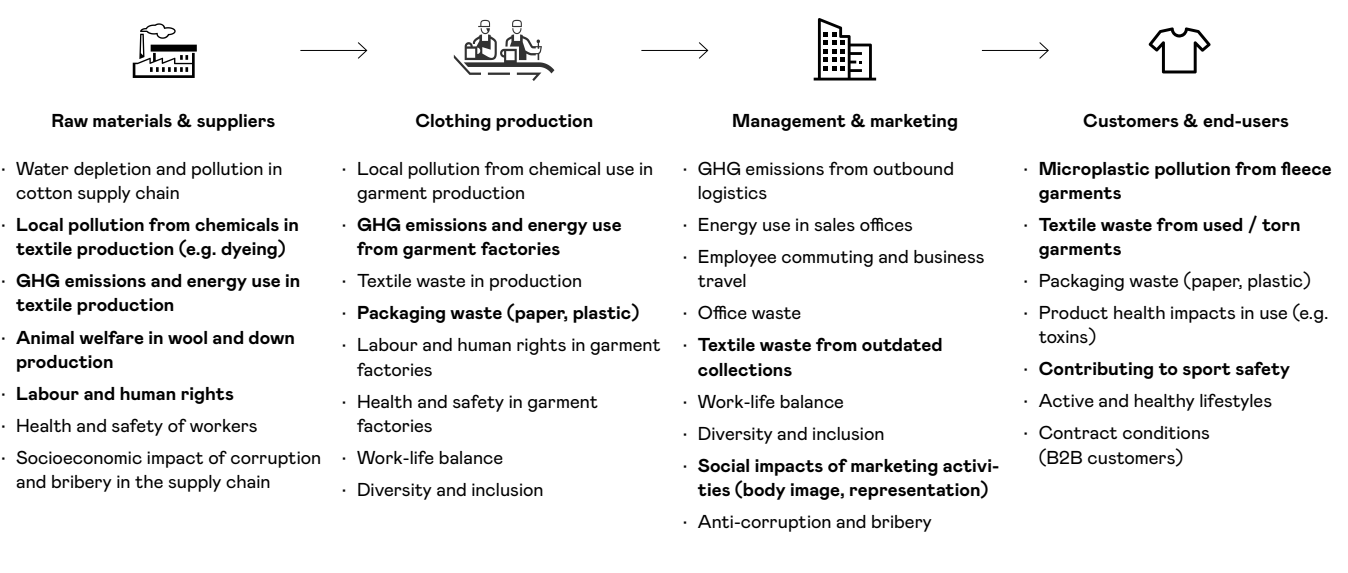
The portfolio companies further disclose which SDGs they have an opportunity to contribute to.

Active Brands is a leading Nordic supplier of sporting goods brands and promotes seven own brands. The Active Brands’ product portfolio consists of a variety of sports apparel, and equipment related to an active lifestyle. Norway is currently the company’s biggest market, while Sweden and North America represent the second and third largest end-markets. Whereas the company’s main customer group is B2B (serving sporting goods e-tailers and retailers), the fastest growing route to market is represented by Active Brands’ own web shops.

Main raw materials include animal products like wool and goose down, as well as cotton and certain synthetic fabrics. Active Brands source raw materials globally, and products are manufactured by third-party producers, most of which are found in Asia.

Active Brands’ potential ESG impacts based on its sector, jurisdictions, and operations

Topics of higher importance in bold



External factors impacting Active Brands based on its sector, jurisdictions, and operations

- + Demand for low impact and circular products produced in socially sustainable ways

+ Active lifestyle associated with positive health outcomes

- Scrutiny of environmental footprint of textile industry

- Climate change causing shifts in seasons, impacting consumption patterns and demand

- Scrutiny of human rights and labour conditions in the supply chain

Initial EU taxonomy assessment

Key activities

- C14.1 - Manufacture of wearing apparel
- G46.4 - Wholesale of textiles, clothing, and footwear

Potential contribution to environmental objective

- Transition to a Circular Economy



Company ESG performance 2021

Strategic Area	KPIs	Long Term Target	Performance 2021	Annual Target 2022
1. Sustainable value chain	<ul style="list-style-type: none"> 1a. GHG emissions 1b. Water, waste, and biodiversity impact 1c. Collaboration for circularity 	<ul style="list-style-type: none"> 1a. Net Zero 1b. Systematically manage impacts 1c. Offer circular value chain through collaborations 	<ul style="list-style-type: none"> 1a. Mapped and reported scope 1, 2, and select scope 3; became a STICA member (textile collaboration initiative to reduce GHGs) 1b. All suppliers asked to sign and adhere to Supplier Code of Conduct covering animal welfare and environment 1c. Started “Share our secrets” initiative to encourage collaboration among peers for circularity – has evolved into “Norwegian Sportswear Innovation Initiative” led by NF&TA 	<ul style="list-style-type: none"> 1a. Create full baseline for emissions and set science-based targets; develop action plan for reduction w/ external consultants 1b. Systematically measure and disclose water, waste, and biodiversity impact 1c. Continue to take a lead in NF&TA collaboration to i) increase product circularity and sustainability ii) provide collective circular services (recycling, repair, take-back +)
2. Sustainable and circular products and services	<ul style="list-style-type: none"> 2a. Product development 2b. Certifications 2c. Excess materials 2d. Repair services 	<ul style="list-style-type: none"> 2a. 100% durable products suited for repair and/or recycling 2b. Use 100% RDS and RWS certified down and wool; organic certifications where appropriate 2c. Zero waste 2d. To be determined 	<ul style="list-style-type: none"> 2a. Focus on designing durable products with low impact materials 2b. “Responsible down standard” (RDS) certified down <div> <div>2021: 100%</div> <div>2020: 40%</div> <div>100% of wool is certified non-mulesing</div> </div> 2c. Implemented digital tools to minimise samples and prints for product development and sales; launched 3 clothing collections made of excess material 2d. Repair services for Sweet Protection helmets 	<ul style="list-style-type: none"> 2a. Conduct training on department and brand level on designing for durability with low impact materials. Focus on singular materials and eco-based treatments and materials 2b. 100% RDS; Engage suppliers to identify opportunity for “responsible wool standard” (RWS) wool. Assess appropriate KPI for other eco-labels (organic, OEKO-TEX, bluesign+) 2c. 3 collections from excess material; further analyze how to reduce excess material in production 2d. Launch 4 repair services
3. Happy and healthy customers and employees	<ul style="list-style-type: none"> 3a. Campaigns on social topics 3b. eNPS and Winningtemp 3c. ESG leadership 	<ul style="list-style-type: none"> 3a. AB a positive force for equality and health 3b. AB rated among most attractive places to work in sporting goods industry 3c. AB recognised as sust. leader 	<ul style="list-style-type: none"> 3a. Launched “Girls will be girls” and “People of color in the outdoors” campaigns 3b. Introduced “Winningtemp” to understand employee sentiment. eNPS: 4/100. Winningtemp Temp score: 74/100. Winningtemp response rate of 74%. 3c. Created 10-year ESG strategy; Hired full time ESG Manager 	<ul style="list-style-type: none"> 3a. Launch 3 new campaigns highlighting social topics 3b. eNPS of 10, increase Winningtemp Temp score to 8. Implement learnings from Winningtemp (e.g. personal development and worklife balance). Increase response rate to 85%. 3c. Onboard ESG Manager; detail out and execute action plan for ESG
4. Responsible and transparent supply chain	<ul style="list-style-type: none"> 4a. Supply chain mgmt. 4b. Supply chain transparency 4c. Supplier audits 	<ul style="list-style-type: none"> 4a. Best in class supply chain mgmt. 4b. Stakeholders able to trace full supply chain 4c. 100% of tier 1 suppliers audited in person annually 	<ul style="list-style-type: none"> 4a. External consultants assessed AB’s supply chain mgmt.: approach rated “Systematic” and “Advanced.” Continued Ethical trade membership 4b. Transparently disclose list of all tier 1 suppliers on website 4c. 30%* of tier 1 suppliers audited by 3rd party BSCI or internal team <p><small>*Somewhat negatively affected by Covid-19 travel restrictions</small></p>	<ul style="list-style-type: none"> 4a. Further strengthen supply chain mgmt. through project with experts 4b. Further document and share full supply chain with externals 4c. 40% of tier 1 suppliers audited through in-person inspection – combination of BSCI and inspections by internal Shanghai team
5. Highest standards of business integrity	<ul style="list-style-type: none"> 5a. ESG policies & control 5b. ESG trainings 	<ul style="list-style-type: none"> 5a. ESG policies and whistleblower up to date 5b. Annual trainings w/ country-specific content 	<ul style="list-style-type: none"> 5a. AB compliance policies signed by 100% of Shanghai employees 5b. Anti-corruption training for Shanghai employees completed 	<ul style="list-style-type: none"> 5a. Update ESG policies based on best practice, 100% of employees to sign; set up electronic whistleblowing channel available to 3rd parties 5b. Anti-corruption and sanctions training for all employees in Spring ‘22

Active Brands has selected the following SDGs to which it has an opportunity to contribute:



Protect labour rights and promote safe and secure working environments for all workers (8.8)



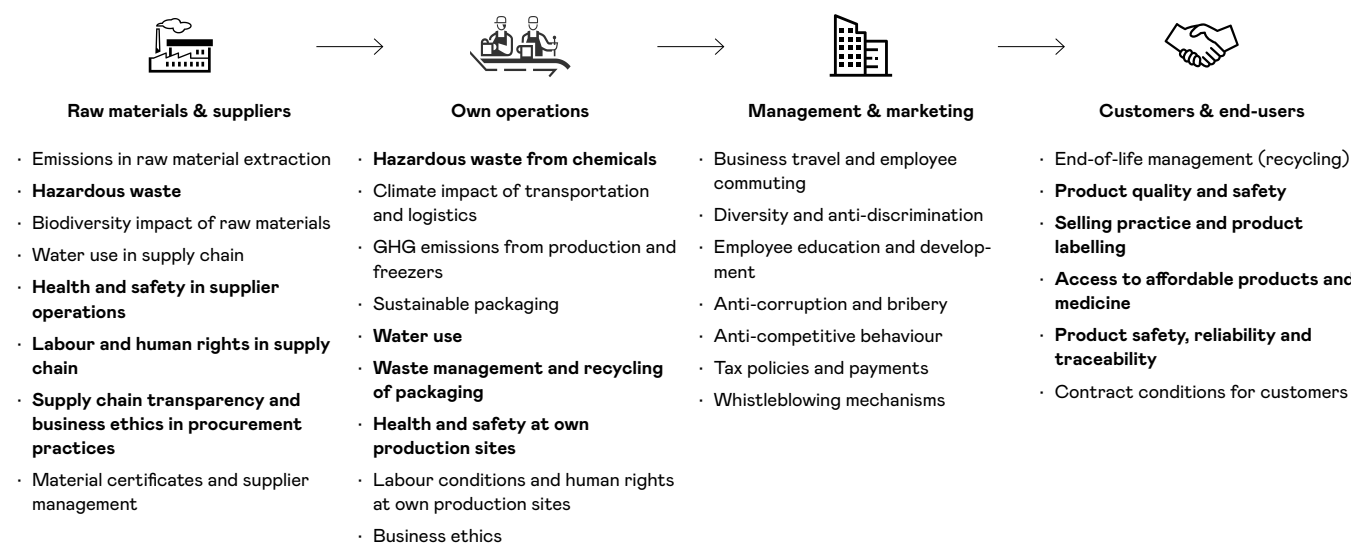
Achieve sustainable management and efficient use of natural resources (12.2) and reduce waste generation through prevention, reduction, recycling and reuse (12.5)

Adragos Pharma is a globally operating B2B Contract Development and Manufacturing Organization (CDMO), headquartered in Germany. The company employs more than 400 people, servicing primarily European and North American pharmaceutical customers. Adragos pursues a buy and build strategy, focused on buying underutilised production sites from large pharma companies, and subsequently optimising the production capabilities and efficiencies of these sites.

The company currently operates three production sites in France, Germany, and Japan, specialised in the production of finished dosage form (FDF) drugs in the non-biotech segment, so-called small-molecule. The sites cover relevant technologies in semi-solids, and sterile and non-sterile liquids, providing end-to-end services for its large base of pharma customers. The main raw materials are chemical pharmaceutical ingredients, which it sources mainly from Asia and Europe.

Adragos Pharma's potential ESG impacts based on its sector, jurisdictions, and operations

Topics of higher importance in bold



External factors impacting Adragos Pharma based on its sector, jurisdictions, and operations

- | | |
|--|--|
| <ul style="list-style-type: none"> + Aging population drives demand for safe and accessible medicines + Efficient production sites enable affordability of medicines | <ul style="list-style-type: none"> - Public concern over price, accessibility, and side effects of medicines - Strict regulations and standards for handling of active chemical ingredients - Demands on supply chain transparency |
|--|--|

Initial EU taxonomy assessment

Key activities

- C21.2 - Manufacture of pharmaceutical preparations

Potential contribution to environmental objective

- Pollution prevention and control



Company ESG performance 2021

Strategic Area	KPIs	Long Term Target	Performance 2021	Annual Target 2022
1. Minimise environmental impact of our operations	<ul style="list-style-type: none"> 1a. GHG emissions 1b. Energy consumption 1c. Waste reduction 	<ul style="list-style-type: none"> 1a. Net Zero 1b&c. Reduce consumption 	<ul style="list-style-type: none"> 1a. Completed full scope 1-3 screening w/ experts 1b. Measured energy consumption on entity level 1c. Identified waste as a key priority 	<ul style="list-style-type: none"> 1a. Establish full baseline scope 1-3 emissions and set science-based targets 1b. Perform energy analysis on group level to identify reduction opportunities 1c. Implement a continuous waste reduction culture targeting an annual reduction >3% p.a.; formalise waste management procedures on group level
2. Safe, accessible and affordable products	<ul style="list-style-type: none"> 2a. Therapeutic areas 2b. Countries supplied 	By 2030: <ul style="list-style-type: none"> 2a. Supply major relevant areas 2b. Provide products for more than 60 countries 	<ul style="list-style-type: none"> 2a. Supplied key therapeutic areas 2b. Ensured supply despite Covid impact to all current countries 	<ul style="list-style-type: none"> 2a. Expand current therapeutic areas and perform strategic review 2b. Continue to ensure supply despite Covid impact to all current countries
3. Healthy, engaged and satisfied employees	<ul style="list-style-type: none"> 3a. Reducing Absenteeism 3b. Safe working environment 3c. Female employee rate 3d. Lost time incident rate 3e. ESG resources 	<ul style="list-style-type: none"> 3a. <4% absenteeism 3b. Continuous review of EHS measures in all entities 3c. Increased diversity score 3d. LTR 0 3e. Resource focusing >= 50% of time on ESG 	<ul style="list-style-type: none"> 3a-d: Track KPI on entity level 3e. Identified need to hire ESG resource 	Implement group wide tracking: <ul style="list-style-type: none"> 3a. <7% absenteeism; track covid initiatives 3b. Refurbish walkways, lockers and sanitary areas 3c. Develop strategy & diversity scorecard 3d. Identify and implement initiatives 3e. Hire resource to allocate up to 50% of time to ESG
4. Ensure responsible supply chains	<ul style="list-style-type: none"> 4a. Improved Supply chain management 4b. Supplier CoC signed by suppliers 4c. Supplier audits and findings via site visits or questionnaire self-assessments 	<ul style="list-style-type: none"> 4a. Best in class supply chain mgmt. 4b. Stakeholders able to trace full supply chain 4c. 100% of tier 1 suppliers audited in person annually 	<ul style="list-style-type: none"> 4a. Performed full assessment of supply chain management 4b. Supplier CoC adopted by board 4c. Quality audits of suppliers 	<ul style="list-style-type: none"> 4a. Further formalise and document supply chain management through project with external experts 4b. Start process with suppliers 4c. Implement assessment culture and perform 12 supplier audits (quality, environmental, and social aspects)
5. Promote integrity throughout our operations	<ul style="list-style-type: none"> 5a. Code of conduct 5b. Code of conduct training 5c. Anonymous and electronic whistleblower channel 	<ul style="list-style-type: none"> 5a. 100% of employees sign and live by CoC 5b. 100% of employees undergo regular training 5c. Whistleblower channel available to all employees 	<ul style="list-style-type: none"> 5a. CoC adopted by Board 5b. Evaluated of CoC eLearning 5c. Prepared for whistleblower set-up 	<ul style="list-style-type: none"> 5a. Adopt CoC across organisation and have 100% of employees sign 5b. Implement eLearning for all staff 5c. Establish electronic whistleblowing platform & follow-up structures

Adragos has selected the following SDGs to which it has an opportunity to contribute:



Access to safe, effective, quality and affordable essential medicines and vaccines for all (3.8)



Support full and productive employment and decent work for all, including equal pay for work of equal value (8.5)



Enhance scientific research (9.5)



Environmentally sound management of chemicals and all wastes throughout their life cycle, and significantly reduce their release to air, water and soil (12.4)

ecovium is a leading end-to-end logistics software provider that offers sustainable and economical solutions to its customers. Its solutions cover four main areas of the logistics supply chain: shipping, customs, warehousing and transportation. The hardware division sells and configures accompanying products from the major original equipment manufacturers (OEMs).

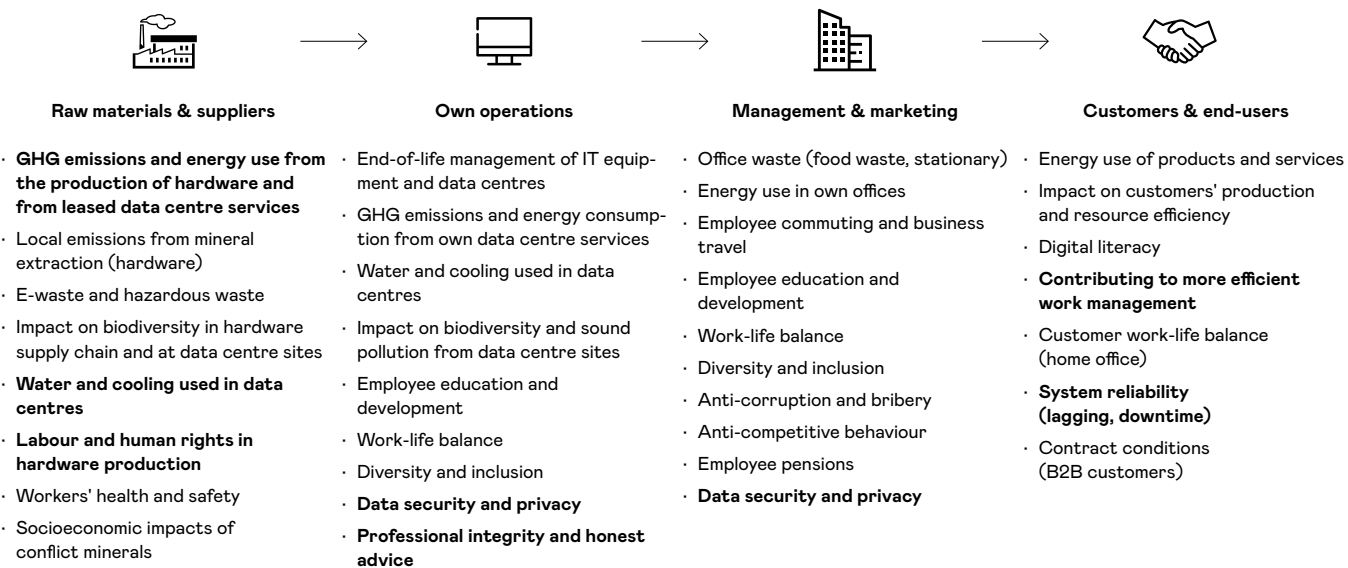
Headquartered in Neustadt, Germany, the company primarily operates in the DACH region, Central and Southern Europe, and North America.

ecovium's business approach combines deep expertise of the logistics industry with modern software development. With the add-on of Mantis, ecovium now counts more than 400 employees, and serves a large customer base ranging from medium to large companies from a wide range of industries, including logistics forwarders, retail, e-commerce, wholesale, and manufacturing.



ecovium's potential ESG impacts based on its sector, jurisdictions, and operations

Topics of higher importance in bold



External factors impacting ecovium based on its sector, jurisdictions, and operations

- + Demand for efficient and sustainable logistics solutions supporting reduction in cost and climate impact
- + Demand for solutions that allow for tracking of emissions across the supply chain
- + Demand for solutions that facilitates supply chain transparency, driven by regulatory requirements
- Heightened cyber attack risks globally, putting pressure on product security and system reliability
- Scrutiny on environmental and social impacts of data centres and hardware

Initial EU taxonomy assessment

Key activities

- J62.01 – Computer programming activities

Potential contribution to environmental objective

- Climate change *mitigation* (enabling)
- Climate change *adaptation*



Company ESG performance 2021

Strategic Area	KPIs	Long Term Target	Performance 2021	Annual Target 2022
1. Climate efficient operations	<ul style="list-style-type: none">· 1a. Reduce GHG emissions· 1b. Internal car policy· 1c. Green electricity· 1d. Waste management	<ul style="list-style-type: none">· 1a. Net Zero· 1b. 80% of company cars electric or hybrid; electric car chargers in every location· 1c. All locations sourcing certified green electricity· 1d. 100% recycling of e-waste	<ul style="list-style-type: none">· 1a. Started mapping our GHG footprint – scope 1, 2, 3· 1b. Implemented bonus malus car scheme for employees, 25% of all company cars and 80% of new orders in 2021 are electric or hybrid· 1c. Close cooperation with Greenplanet Energy; 2 locations have 100% green energy· 1d. Cooperation with NABU (German Environmental Association)	<ul style="list-style-type: none">· 1a. Establish full scope 1-3 emissions and start process of setting science-based targets· 1b. Install the first electric chargers in offices· 1c. 6 locations to be converted to 100% green electricity· 1d. Set up recycling stations for e-waste
2. Supporting customers' sustainability journey	<ul style="list-style-type: none">· 2a. Hours of software devt. for green transition offering· 2b. Hours of software devt. for transparency offering	<ul style="list-style-type: none">· 2a. Provide services that enable customers to reduce climate footprint· 2b. Provide services that enable supply chain transparency	<ul style="list-style-type: none">· 2a. First steps towards the introduction of the E-Commerce Suite· 2b. First steps towards the introduction of the Forwarder Suite	<ul style="list-style-type: none">· 2a. Introduction of the E-Commerce Suite and offering various functions with which the CO2 footprint can be determined and optimised· 2b. Introduction of the Forwarder Suite to help make the supply chain transparent across different players
3. Satisfied and engaged employees	<ul style="list-style-type: none">· 3a. One team firm· 3b. Diversity· 3c. ESG leadership	<ul style="list-style-type: none">· 3a. One team firm· 3b. Target TBD· 3c. ecovium recognised as a leader in ESG	<ul style="list-style-type: none">· 3a. Integrated all branches under the ecovium brand. Implemented Winningtemp to measure employee satisfaction· 3b. 33% women in C-Level, 20% in management team, 36% in second level management and 15% in the R&D department.· 3c. Filled Sustainability Manager role to lead ESG efforts	<ul style="list-style-type: none">· 3a. Increase Winningtemp participation and eNPS; further build a “one team” culture· 3b. Further increase diversity on all levels and in all areas. Devt team as a focus· 3c. Further integrate ESG considerations in commercial strategy
4. Reliable services	<ul style="list-style-type: none">· 4a. Product security and reliability· 4b. Data security and privacy	<ul style="list-style-type: none">· 4a. No customer downtime as a result of product malfunction· 4b. No data breaches	<ul style="list-style-type: none">· 4a. Not measured· 4b. Training for key employees (e.g., HR, IT, Management) on GDPR; implemented centralised work safety team with scope on all locations	<ul style="list-style-type: none">· 4a. Start measurement· 4b. Cyber Security and Data protection training for all employees; External control of most locations to ensure the security of employees as well as data
5. Ethical business conduct	<ul style="list-style-type: none">· 5a. Ethics training and controls· 5b. Supply chain management	<ul style="list-style-type: none">· 5a. Employees annually trained in ESG· 5b. Best in class supply chain management	<ul style="list-style-type: none">· 5a. Launched updated CoC, supplier CoC, anti-corruption and whistleblower policies; and rolled them out to all employees, confirmed by 86%· 5b. Data collection and survey from all sites to map current supply chain and improve transparency and efficiency; built a team to handle supply chain management	<ul style="list-style-type: none">· 5a. Implement eLearning on key policies and electronic whistleblower· 5b. Further strengthen and formalise supply chain management

ecovium has selected the following SDGs to which it has an opportunity to contribute:



Achieve higher levels of economic productivity through technological upgrading (8.2) and improve global resource efficiency in consumption and production (8.4)



Upgrade technological capabilities of industrial sectors in all countries (9.5)



Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning (13.3)

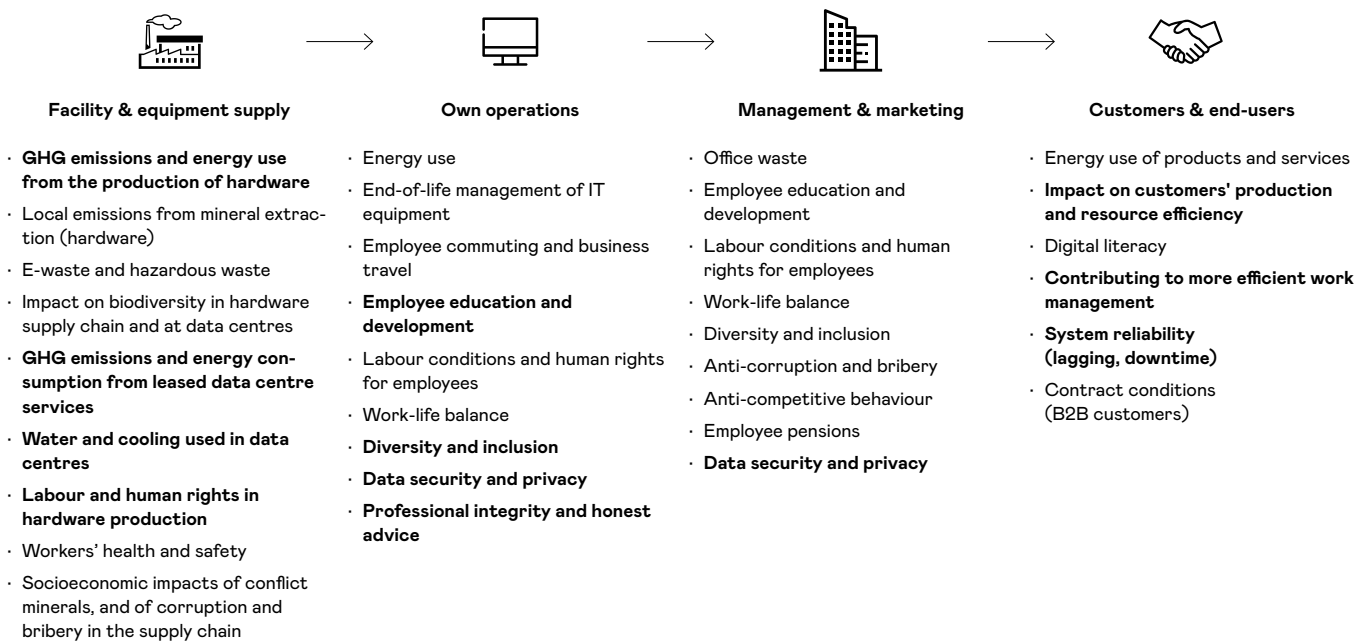
Fellowmind accelerates the digital readiness of its customers by using Microsoft cloud solutions. Key offerings include consulting and implementation services across all Microsoft products as well as managed services. Headquartered in Barneveld, Germany, Fellowmind employs ~1900 employees across six European countries and serves public and private customers across a wide range of industries, including manufacturing, energy, and retail.

Fellowmind helps its customers become connected companies by using Microsoft cloud solutions that encourage agile development, implement integrated platforms, and help end-users learn and adopt. The aim is to create a connection between people and technology. Fellowmind is committed to supporting customers in the green transition, through tech-enabled sustainability.



Fellowmind’s potential ESG impacts based on its sector, jurisdictions, and operations

Topics of higher importance in bold



External factors impacting Fellowmind based on its sector, jurisdictions, and operations

- + Increased demand for green IT and services that reduce and track customers’ environmental footprint and support the transition to a low carbon economy
- + Need for societal digital inclusion in a world moving increasingly online
- Heightened cyber attack risks globally, putting pressure on data privacy and security measures
- Industry characterised by lack of diverse candidates for technical jobs

Initial EU taxonomy assessment

Key activities

- J62.02 – Computer consultancy activities

Potential contribution to environmental objective

- Climate change *mitigation*
- Climate change *adaptation*



Company ESG performance 2021

Strategic Area	KPIs	Long Term Target	Performance 2021	Annual Target 2022
1. Enabling the green transition with digital solutions for our customers	<ul style="list-style-type: none">• 1a. Number of customers implementing Microsoft's Cloud for Sustainability• 1b. Number of Digital Solutions for our customers' sustainability challenges	<ul style="list-style-type: none">• 1a. Establish a cloud for sustainability engagement for 50% of our customers• 1b. Sustainability fully integrated in all our service offerings	<ul style="list-style-type: none">• 1a. Developed propositions for our customers to Record, Report and Reduce GHG emissions• 1b. Implemented a project for data driven farming with Microsoft to support sustainable farming	<ul style="list-style-type: none">• 1a. Implement the Cloud for Sustainability (to be released in 2022) for 4 existing customers• 1b. Provide insights and advice to top 20 customers on GHG emissions from the use of on premise versus Microsoft Cloud services
2. Sustainable employer to reduce severe and irreversible impacts from climate change	<ul style="list-style-type: none">• 2a. Reduction of GHG emissions (scope 1,2 and 3)	<ul style="list-style-type: none">• 2a. Net zero GHG emissions by 2030	<ul style="list-style-type: none">• 2a. Recorded scope 1 and 2 GHG emissions. Completed a full scope 3 screening to identify material scope 3 categories Identified Food, Waste, Mobility and Office-space as employee engagement priorities to reduce own footprint	<ul style="list-style-type: none">• 2a. Reporting of scope 1 and 2 emissions available and action plans for reduction in place at all regions
3. Best work-place in the industry by maximising the engagement of our employees	<ul style="list-style-type: none">• 3a. eNPS• 3b. Psychological safety as key-indicator for diversity and inclusion• 3c. Gender diversity	<ul style="list-style-type: none">• 3a. eNPS of 35• 3b. Score significantly above the benchmark on psychological safety• 3c. Gender balance in all departments	<ul style="list-style-type: none">• 3a. Implemented a tool for continuous measurement of employee engagement providing insights per team and across the entire company. eNPS: 2021: 21 2020: 24• 3b. Analyzed employee engagement and inclusion insights• 3c. Female ratio: 2021: 24.9% 2020: 24.5% Female new hires: 29.5%	<ul style="list-style-type: none">• 3a. eNPS target of 30• 3b. Psychological safety target of 8.0 (benchmark other companies in 2021 was 6.1)• 3c. Female new hires: 40%
4. Enabling Societal digital inclusion	<ul style="list-style-type: none">• 4a. Digital inclusion	<ul style="list-style-type: none">• 4a. Make a serious impact in Western Europe in improving digital inclusion	<ul style="list-style-type: none">• 4a. Allocated budget for initiatives to support digital inclusion Set up a sustainability circle to e.g. manage the initiatives around digital inclusion	<ul style="list-style-type: none">• 4a. Run 4 major digital inclusion/ skills activities that impact all regions
5. Ethical and reliable business partner	<ul style="list-style-type: none">• 5a. Data privacy and security• 5b. Supply chain management• 5c. Business compliance	<ul style="list-style-type: none">• 5a. Trustworthy management and use of stakeholder data• 5b. Best in class supply chain management• 5c. Employees undergo annual ESG trainings	<ul style="list-style-type: none">• 5a. Further developed IT security policies• 5b. Supplier Code of Conduct in place• 5c. eLearning covering key ESG topics such as CoC and Whistleblower Policy included as standard in onboarding program	<ul style="list-style-type: none">• 5a. 100% adoption of updated GDPR policies through our central learning portal• 5b. Top 50 suppliers sign supplier CoC or similar CoC covering same principles• 5c. 100% of employees conduct ESG eLearning

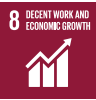
Fellowmind has selected the following SDGs to which it has an opportunity to contribute:



Increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship (4.4)



Achieve sustainable management and efficient use of natural resources (12.2)



Support full and productive employment and decent work for all, including equal pay for work of equal value (8.5)



Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning (13.3)

Fibo is the leading global manufacturer of high-quality wet room wall systems, which aims to be an environmentally friendly, design versatile, functional and cost-efficient substitute to traditional ceramic tiles. The product range includes complete wet room wall systems, comprising fully waterproof wall panels and related installation accessories, as well as kitchen boards and countertops.

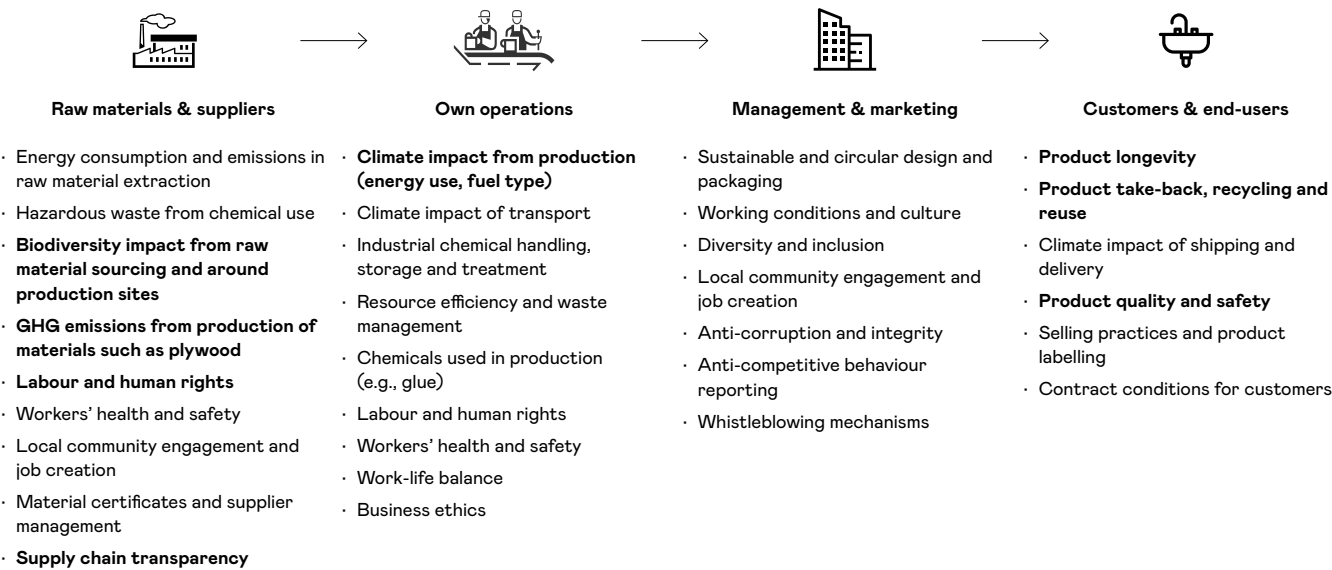
Plywood and laminate constitute the main raw materials and are sourced from suppliers in Asia, Latin America, and Europe, while the end-product is produced at Fibo's factory in Lyngdal, Norway. The company is headquartered in Oslo.

The final products are sold to customers across new construction, renovation, and prefab housing markets in Europe, New Zealand, Australia and North America. Fibo is active across different distribution channels, with key customers being builders' merchants, DIY chains and direct B2B sales, that in turn mainly sell to installers within residential and non-residential construction.



Fibo's potential ESG impacts based on its sector, jurisdictions, and operations

Topics of higher importance in bold



External factors impacting Fibo based on its sector, jurisdictions, and operations

- + Demand for affordable, alternative products with lower GHG footprint as a means for climate change mitigation
- + Demand for products produced in socially sustainable ways, with HSE practices and fair wages
- Concerns for biodiversity and climate impact of sourcing trees
- Immature market for reuse and recycling at end of life of products

Initial EU taxonomy assessment

Key activities

- C16.21 - Manufacture of veneer sheets and wood-based panels

Potential contribution to environmental objective

- Climate change *mitigation* (enabling)
- Climate change *adaptation*



Company ESG performance 2021

Strategic Area	KPIs	Long Term Target	Performance 2021	Annual Target 2022
1. Sustainable Products	<ul style="list-style-type: none">1a. Glue - formaldehyde reduction1b. Sustainable main raw materials (PEFC / FSC %)1c. Circular design	<ul style="list-style-type: none">1a. Formaldehyde free products1b. 100% PEFC/FSC certified1c. Circular use of product at end of life	<ul style="list-style-type: none">1a. Fibo is well below REACH threshold for chemicals, and now testing biobased alternatives to formaldehyde-based glue1b. PEFC / FSC certified1c. Participate in "Tre på Agder," an initiative to develop an industry cluster, share common knowledge and add value for business	<ul style="list-style-type: none">1a. Continued testing and involve suppliers1b. PEFC / FSC re-certification1c. Data collection in participating companies and sharing of knowledge to brainstorm circular solutions
2. Climate Impact	<ul style="list-style-type: none">2a. Electricity usage (kwh/m²)2b. % Renewable energy usage2c. GHG emissions2d. Environmental management system	<ul style="list-style-type: none">2a. 10-15% reduction2b. 100%2c. Become Net Zero2d. ISO 14001 certification	<ul style="list-style-type: none">2a. Reduced energy usage by 1.5%, Energy usage (kwh/m²) 2021: 2.02 2020: 2.05 2019: 2.06 2018: 2.07 2017: 2.362b. 0%2c. Reported complete scope 1-3 emissions2d. Achieved ISO 14001 certification	<ul style="list-style-type: none">2a. Optimisation of boiler to reduce electricity usage by 1.5%2b. Purchase 100% green certified electricity and identify ways to further reduce usage2c. Optimisation of boiler to reduce GHG. Testing of alternative transport in Northern-Norway2d. Keep ISO 14001 certification
3. Waste Management	<ul style="list-style-type: none">3a. Product Waste (% / produced m²)3b. Residual waste (kg/m² produced)	<ul style="list-style-type: none">3a. =<4%3b. 0.0075 kg/m²	<ul style="list-style-type: none">3a. Waste (% of produced m²) 2021: 4.17 2020: 4.70 2019: 5.00 2018: 5.00 2017: 5.203b. 0.012 kg/m² Variable quality of raw materials affects the result.	<ul style="list-style-type: none">3a. Focus on process / supplier improvement3b. Introduce new waste fractions to increase recirculation
4. Satisfied employees that are passionate for Fibo	<ul style="list-style-type: none">4a. Employee NPS4b. Turnover %4c. Sick leave %4d. Gender diversity	<ul style="list-style-type: none">4a. 50%4b. Below 2%4c. Below 1.5% (Short term)4d. Increase women % total, 25% in production	<ul style="list-style-type: none">4a. eNPS score 2021: 50 2020: 52 2019: 21 2018: 13 2017: 114b. 0.85%4c. Short term sick leave 2021: 1.7 2020: 1.3 2019: 2.24d. 25% Women, 19% in production	<ul style="list-style-type: none">4a. Implement action plan to increase eNPS4b. Below 2%4c. 1.5%4d. Keep current level (no new hiring planned)
5. Ethical business behaviour	<ul style="list-style-type: none">5a. Supply chain management5b. Training of employees5c. Fair working conditions5d. Whistleblower	<ul style="list-style-type: none">5a. Best in class supply chain mgmt.5b. All key employees participate in governance training5c. Prevent social dumping practice5d. Included in HRM system, and employees informed	<ul style="list-style-type: none">5a. Implemented Business Partner Management Manual (includes reporting procedures, supplier and customer DD, training of employees); Screened all suppliers in sanctions lists5b. CoC training with all new employees5c. Participation in Fair Play Agder. Management and union represented5d. Established through 3rd party provider. Included in new HRM system	<ul style="list-style-type: none">5a. Further formalise and strengthen supply chain management5b. Publish e-learning in new HRM system5c. Continue membership in Fair Play Agder Working/salary conditions included in CoC signed by suppliers5d. Regular information to all employees

Fibo has selected the following SDGs to which it has an opportunity to contribute:



Protect workers' health and safety in Fibo's production sites (8.8), and promote an inclusive work environment (8.5 and 8.6)



Reduce resource consumption by developing circular product attributes and minimizing waste in production process (12.5).



Increase resource efficiency in own production processes by adopting clean and environmentally sound technologies (9.4).



Contribute to sustainable forest management (15.2) through cooperation with raw material suppliers.

Gram Equipment (Gram) designs and assembles food processing equipment and spare parts for the global ice cream production industry. The machinery is mainly for high-throughput production and can produce more than 40,000 ice creams per hour.

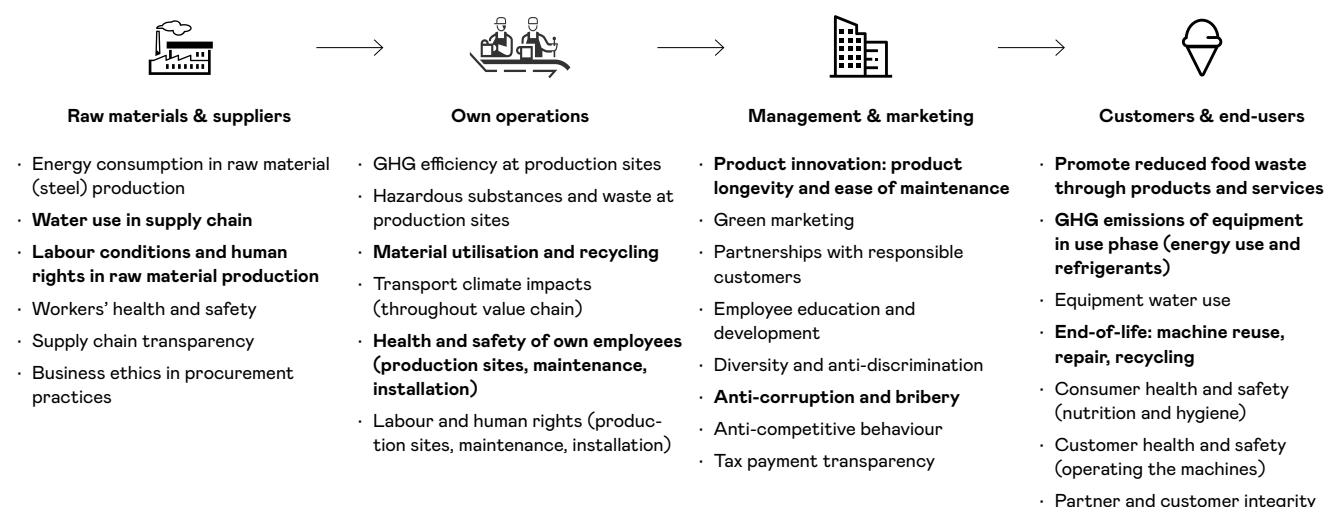
The machine parts are mainly made of stainless-steel components, sourced from European, US and Turkish sub-suppliers, which are then assembled in Gram's facilities in Denmark and Turkey.

Gram's customers operate across the globe, ranging from North America to New Zealand. Transport to the customer is outsourced, while Gram handles the installation and machinery service.



Gram's potential ESG impacts based on its sector, jurisdictions, and operations

Topics of higher importance in bold



External factors impacting Gram based on its sector, jurisdictions, and operations

- + Demand for products that enable customers to achieve environmental targets (reduce food waste, energy use, and emissions)
- + Demand for products produced and delivered in climate efficient ways
- Scrutiny on environmental impact of production, transportation, in-use, and end-of-life treatment of products
- Scrutiny of human rights and labour conditions in the full supply chain

Initial EU taxonomy assessment

Key activities

- C28.93 – Manufacture of machinery for food, beverage and tobacco processing

Potential contribution to environmental objective

- Transition to a Circular Economy



Company ESG performance 2021

Strategic Area	KPIs	Long Term Target	Performance 2021	Annual Target 2022
1. Supporting customers to reach their environmental ambitions	<ul style="list-style-type: none"> 1a. Circular solutions 1b. Energy efficient equipment / service 1c. Collaboration to reach climate targets 	<ul style="list-style-type: none"> 1a. Partner with our customers and suppliers to develop circular solutions w/ focus on waste in ice cream production 1b. Be the preferred partner for sustainable solutions 1c. Collaboration with suppliers, industry peers, and customers on ESG 	<ul style="list-style-type: none"> 1a. Identified circularity as one of our focus areas in the commercial strategy with focus on reducing waste in ice cream production 1b. The Ice Technology Center was inaugurated in June as planned; R&D organization active in several projects to improve sustainability and efficiency 1c. Active membership of local green business network 	<ul style="list-style-type: none"> 1a. Define high level roadmap for circularity focusing on food waste 1b. R&D to improve energy efficiency of equipment 1c. Active role in external Ice Cream Tech 2022 conference on ESG matter; identify venues to collaborate on sustainable solutions
2. Reducing our environmental footprint	<ul style="list-style-type: none"> 2a. ESG leadership 2b. Reduce GHG emissions 2c. Zero waste 	<ul style="list-style-type: none"> 2a. Gram identified as ESG leader in ice cream industry 2b. Net Zero 2c. Zero waste to landfill 	<ul style="list-style-type: none"> 2a. ESG strategy approved by BoD and integrated with commercial strategy; Introduced renewed purpose, vision, and mission reflecting Gram's ESG focus 2b. Initiated scope 3 screening. Green energy throughout 2021 at our DK site 2c. Improved waste mgmt. driven by the H&S group in DK: exceeded DK 2025 regulation targets. Evaluation score: 10/10 	<ul style="list-style-type: none"> 2a. Hire full time ESG manager to drive ESG initiatives and projects; run workshop for all employees to establish an ESG Bank of Ideas 2b. Refine emissions data to establish full base year; prepare for Science Based Targets; initiate GHG emissions reduction initiatives on each site 2c. Workshop with employees for waste mgmt. ideas
3. Motivated employees in a diverse and inclusive workplace	<ul style="list-style-type: none"> 3a. eNPS 3b. Diversity 3c. Short-term absenteeism 3d. Personal development 	<ul style="list-style-type: none"> 3a. eNPS of +40% 3b. Female new hires 25% 3c. Short term absenteeism below industry average 3d. Regular personal development offerings to all employees 	<ul style="list-style-type: none"> 3a. Deep dive on employee motivation to address pain-points. eNPS 2021: 15 2020: 13 2019: -8 3b. Continued focus on diversity in recruitment: successful in administration, more challenging with assembly workers Female new hires% 2021: 16 2020: 18 2019: 26 3c. Short term absenteeism (covid impacted absence) among assembly workers: 2021: 4.1 (goal 3.9%) 2020: 4.1 2019: 3.8 3d. Completed leadership training for 35 leaders, including a 360-degree leader evaluation 	<ul style="list-style-type: none"> 3a. eNPS of +20% Increase the immediate superior evaluation: 2021: 5.66/7 2022: 5.75/7 3b. Female new hires 20% 3c. Implement initiatives to reduce absence rate amongst hourly paid. Short-term absenteeism of assembly workers: ≤3.9%. Administration %: ≤0.9 3d. Develop personal development program and provide regularly to all employees
4. Ethical value chain	<ul style="list-style-type: none"> 4a. Supply chain management 4b. Supplier CoC (SCoC) 4c. Ethical business conduct 	<ul style="list-style-type: none"> 4a. Best in class supply chain management 4b. SCoC signed by all main/key suppliers 4c. Annual ESG trainings for all employees 	<ul style="list-style-type: none"> 4a. Risk mgmt. system introduced and in use 4b. SCoC signed by % of total spend: 2021: 75%* 2020: 76% 4c. Introduction and signing of Code of Conduct for all new employees Introduced a new whistleblower platform with opportunity for internal and external stakeholders to report <p>*Covid-impacted supply situation has stretched the resources and supplier interaction</p>	<ul style="list-style-type: none"> 4a. Conduct supplier risk assessments and audits following a risk-based approach; further formalise supply chain mgmt. through project with external consultants 4b. 85% of supplier value spend to sign the SCoC 4c. 100% of employees to finalise the ethical training program. Run open ESG workshop on sites

Gram Equipment has selected the following SDGs to which it has an opportunity to contribute:



PEOPLE

We prioritise creating an inclusive and safe working environment accessible to all, where we encourage our employees to be innovative and creatively impact our business future.



CIRCULARITY

We partner with our customers and suppliers to develop circular solutions focusing on reducing waste in ice cream production.



ENVIRONMENT

Across operations and the value chain, we continuously strive to learn and implement new methods of reducing our environmental footprint concerning water, waste and GHG emissions



GOVERNANCE

We adhere to responsible policies, practices, rules and norms and fully support the principles for responsible business conduct laid down by the UN Global Compact.



Håndverksgruppen (HG) is Nordic's largest entity offering surface treatment services including painting, flooring, tiling and masonry. The group has strong local presence across the Nordics with more than 2100 employees in their 73 operating companies.

The main input factor to offer surface treatment services are labour and building materials, including paint, fillers, and flooring (wood, carpets and epoxy). The materials are purchased mainly from large Nordic distributors which source the materials from leading national and international building materials suppliers.

HG mainly serves the B2B segment, including building contractors, insurance companies, municipalities, and real estate owners. HG's key value proposition to public and professional B2B customers is its strong ESG focus by offering high quality services, with clear ethical standards and strong HSE compliance and documentation.



HG's potential ESG impacts based on its sector, jurisdictions, and operations

Topics of higher importance in bold



External factors impacting HG based on its sector, jurisdictions, and operations

- + Increased demand for sustainable rehabilitation and repairs, as well as climate resilient solutions, taking into account material selection and circularity
- + Demand for treatment services delivered in socially sustainable ways, with HSE practices and fair wages
- + Positive momentum on biobased products (e.g., water-based paint), and requirements on zero-emission construction zones
- Industry characterised by short term employment, unlawful payments, and lack of HSE practices
- Current regulations hindering widespread adoption of circular solutions (i.e., reuse of materials)

Initial EU taxonomy assessment

Key activities

- F43.34 – Painting and glazing

Potential contribution to environmental objective

- Climate change *mitigation* (enabling)



Company ESG performance 2021

Strategic Area	KPIs	Long Term Target	Performance 2021	Annual Target 2022
1. We care for each other and aim to be an attractive employer who takes social responsibility	<ul style="list-style-type: none">1a. Share of apprentices1b. eNPS1c. Lost time injury frequency rate (LTIFR) (entity build up)1d. HG academy**	<ul style="list-style-type: none">1a. 12%1b. eNPS of 30, WT implemented in all companies*1c. To be defined in 20221d. Define mission and scope for HG academy**	<ul style="list-style-type: none">1a. One apprentice per company on average1b. Implemented Wunningtemp (WT) in five companies with 220 users1c. Launched HSE / QA project to select system1d. Launched, adjusted and re-launched HG Academy. 25 employees have completed training**	<ul style="list-style-type: none">1a. 9%1b. eNPS of 20, WT implemented in 1/3 of companies1c. Establish measurement and define target for 2023 + 20301d. Continue to develop HG academy** and have 200 employees complete training
2. We shall understand the environmental impact of our business and strive towards limiting our environmental footprint and promote circular economy	<ul style="list-style-type: none">2a. Reduce GHG emissions included in Scope 1 and 22b. Miljöfyrtårn / ISO 140012c. CO2 emission saved due to HG solutions / advice	<ul style="list-style-type: none">2a. Net zero2b. 100% of companies being certified*2c. Tool to advice customers to select more sustainable solutions by 2026	<ul style="list-style-type: none">2a. Started to map scope 1 and 2. Completed project with Jotun with the purpose of calculating emission per painting job2b. Certified 29 companies % certified companies: 2021: 40% 2020: 33%2c. Calculated CO2 emission for one project, trying to impact customer selection	<ul style="list-style-type: none">2a. Understand environmental impact to identify top two areas with the most significant impact and set science-based targets2b. 100% of companies being certified*2c. Develop model to calculate CO2 emissions for floor with one supplier
3. We govern our business in a responsible way	<ul style="list-style-type: none">3a. Continuous improvement of supply chain management3b. ESG training3b. Collaborations with organisations with positive impact	<ul style="list-style-type: none">3a. To be defined3b. 100% of employees undergo regular ESG training3c. 10	<ul style="list-style-type: none">3a. Introduced CoC including environmental requirements to suppliers covering 60% of purchases3b. Implemented CoC eLearning as a standard onboarding requirement of all employees. 100% of employees completed CoC eLearning3c. Jotun project on calculating emissions per painting job	<ul style="list-style-type: none">3a. 100% of existing suppliers acknowledged HG's Code of Conduct3b. 100% of new hires complete eLearning3c. 3

* one year after acquisition

** HG Academy is HG's own education institution. The purpose of the HG Academy is to provide an arena for personal development and comprise of the following modules; culture, leadership, project management and expertise matters. Target excludes CoC training mandatory for all employees

Fibo has selected the following SDGs to which it has an opportunity to contribute:



Increase number of youth and adults who have relevant vocational skills for future employment by employing apprentices and supporting them on the way to certification (4.4).



HG's core competency can make direct contribution to ensure access to adequate, safe and affordable housing for all (11.1)



Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning (13.3)



Reduce the number of unemployed youth through apprenticeship (8.6) as well as preventing shadow work and promote labour rights and safe working environments (8.8).



Promote sustainable consumption through waste reduction (12.5) and supporting sustainable public procurement (12.7).



Multi-stakeholder partnerships to support the achievement of the sustainable development goals (17.16)

Holmbergs develops and produces critical safety components and systems for child safety car seats, with a vision to make transport safer for everyone. The products include harness systems, ISOFIX connectors, retractors, and covers. Holmbergs work closely with today's leading brands and carriers to enable it to create products that increase safety, comfort and peace of mind.

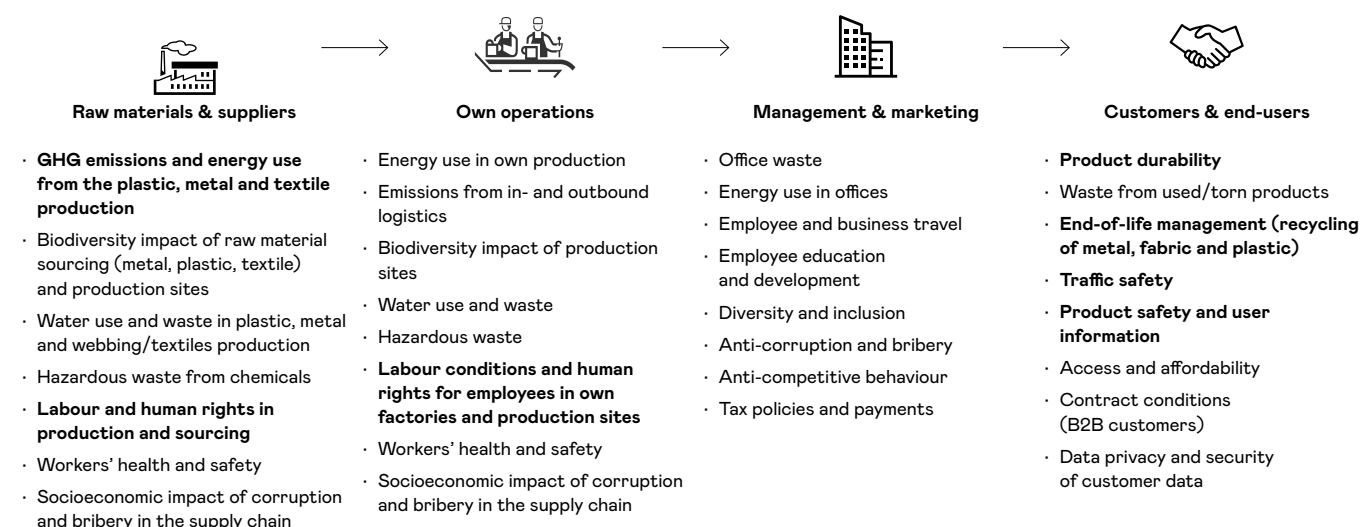
The company serves B2B customers globally, primarily child seat OEMs (original equipment manufacturers). It also provides some customers in other transportation niches with safety belt solutions, including buses, agriculture machinery, and rescue vehicles.

The company operates four production sites: two in China, one in Lithuania, and one in Romania. The main raw material inputs are plastic, metal, webbing, and textiles.



Holmbergs' potential ESG impacts based on its sector, jurisdictions, and operations

Topics of higher importance in bold



External factors impacting Holmbergs based on its sector, jurisdictions, and operations

- + Demand for high-quality and innovative products that increase safety on the road
- + Demand for low impact and circular products produced in socially sustainable ways, with fair wages and HSE practices
- Scrutiny of environmental impact of raw materials and end-of-life management of products
- High anti-corruption and bribery risks in key markets (e.g., China)
- Human and labour rights concerns in high-risk locations (e.g., China)

Initial EU taxonomy assessment

Key activities

- C32.99 Other industrial production not elsewhere specified

Potential contribution to environmental objective

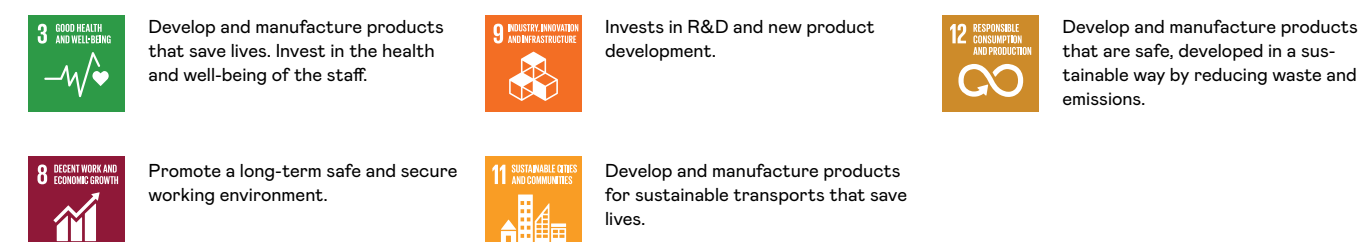
- Transition to a Circular Economy



Company ESG performance 2021

Strategic Area	KPIs	Long Term Target	Performance 2021	Annual Target 2022
1. Saving lives and minimising damages during transport and traffic through innovation and zero-defect products	<ul style="list-style-type: none"> • 1a. Zero field failures • 1b. Product development that improve child car seat safety • 1c. Quality and environmental performance certifications 	<ul style="list-style-type: none"> • 1a. Zero field failures • 1b. Continuous R&D to improve safety features • 1c. Maintain relevant certifications 	<ul style="list-style-type: none"> • 1a. Zero field failures in 2021 • 1b. Continued expansion of Roll-Fix, a safety belt helping parents fasten children in the right way, reducing the risk of injuries • 1c. Obtained IATF 16949, ISO 9001 and ISO 14001 certifications where applicable 	<ul style="list-style-type: none"> • 1a. Zero field failures • 1b. Roll-out of Digital Safety product • 1c. Maintain relevant certifications
2. Moving towards circularity and low-impact products	<ul style="list-style-type: none"> • 2a. Increase use of recycled material and reduce waste • 2b. Reduce GHG emissions 	<ul style="list-style-type: none"> • 2a. Product offering with recycled material • 2b. Net Zero 	<ul style="list-style-type: none"> • 2a. Initiated discussion with supplier on use of recycled plastics. Launched new product with recycled polyester and cotton • 2b. Reported scope 1 and 2 emissions; completed scope 3 screening; started to report on waste 	<ul style="list-style-type: none"> • 2a. Evaluate increased use of recycled material and recycling of scrap • 2b. Create full baseline emissions for scope 1-3; set reduction targets and create action plan for reduction
3. Commitment to our employees	<ul style="list-style-type: none"> • 3a. Reduced absenteeism • 3b. eNPS 	<ul style="list-style-type: none"> • 3a. Reduced absenteeism • 3b. High eNPS across all sites 	<ul style="list-style-type: none"> • 3a. Reduced average absenteeism from 6.0 to 5.4% • 3b. Improved eNPS at two sites, supported by investment in upgrading facility and machinery. eNPS reduced at one site 	<ul style="list-style-type: none"> • 3a&b. Continue to improve working conditions by upgrading facilities and machinery. Improve eNPS by 5 p.p. from 2021
4. Ethical business conduct	<ul style="list-style-type: none"> • 4a. Ethics training and controls 	<ul style="list-style-type: none"> • 4a. Employees annually trained in ESG 	<ul style="list-style-type: none"> • 4a. All new permanent employees signed CoC; whistleblower accessible for all employees 	<ul style="list-style-type: none"> • 4a. Implement CoC e-learning and in-person training material for employees
5. Responsible supply chain management	<ul style="list-style-type: none"> • 5a. Number of supplier audits performed • 5b. Share of suppliers who signed supplier CoC 	<ul style="list-style-type: none"> • 5a&b. Further strengthen supply chain management to monitor and control risk 	<ul style="list-style-type: none"> • 5a. 9 supplier audits performed in 2021, limited by Covid-19 • 5b. 36% of suppliers signed Supplier CoC 	<ul style="list-style-type: none"> • 5a. Perform 25 supplier audits in 2022 • 5b. Achieve >50% of suppliers to sign Supplier CoC

Holmbergs has selected the following SDGs to which it has an opportunity to contribute:



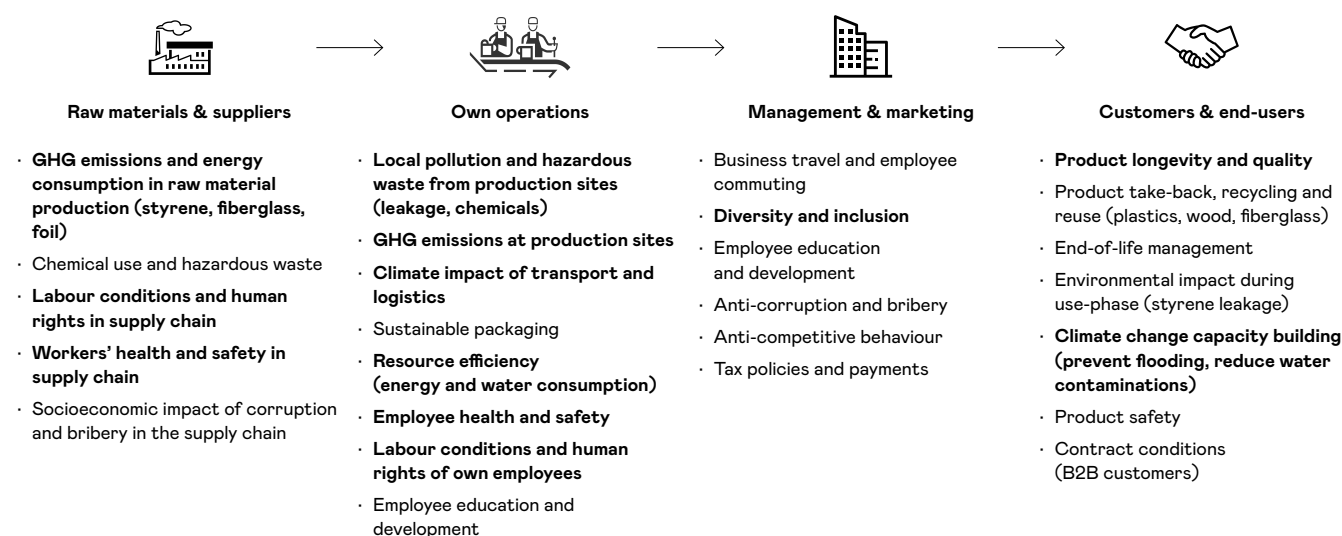
iMPREG is a leading global supplier of sewer rehabilitation products, focused on fiberglass-based cured-in-place pipe liners that enable trenchless repair of wastewater pipes. The company is headquartered in Germany and operates three dedicated sites in Germany, China, and Virginia (US), with local management, production and sales teams in each site. To be close to regional markets, iMPREG also operates three distribution centers in Australia, the UK, and in California, USA.

Key raw material inputs include fiberglass and styrene-based resin. Along with the local production strategy, iMPREG focuses on localising its supply chain and has established relationships with local partners in Europe and China. The main customers are installers and contractors that conduct rehabilitation work for pipe owners, including municipalities. The customer base spans across Europe, Middle East and Africa, Asia-Pacific, and the Americas.



iMPREG's potential ESG impacts based on its sector, jurisdictions, and operations

Topics of higher importance in bold



External factors iMPREG based on its sector, jurisdictions, and operations

- + Demand for climate change mitigation solutions, e.g., products and services with lower CO2 emissions than alternatives
- + Demand for climate change adaptation solutions, e.g., solutions that mitigate flooding, ensure safe water, and reduce cross contamination of water/wastewater
- **Scrutiny of environmental and health effects of chemical toxins**
- **High anti-corruption and bribery risks in key markets (e.g., China)**
- **Human and labour rights concerns in high-risk locations (e.g., China)**

Initial EU taxonomy assessment

Key activities

- E37.00 – Sewerage

Potential contribution to environmental objective

- Climate change *mitigation*
- Climate change *adaptation*



Company ESG performance 2021

Strategic Area	KPIs	Long Term Target	Performance 2021	Annual Target 2022
1. Enable climate resilience in society	<ul style="list-style-type: none"> • 1a. UV penetration of pipe rehabilitation worldwide • 1b. Amount of CO2 saved by using UV vs felt 	<ul style="list-style-type: none"> • 1a. Achieve EU standards worldwide of approx. 80% penetration • 1b. Target to be established 	<ul style="list-style-type: none"> • 1a. EMEA at 80%. Americas at below 10% and growing fast. APAC to be estimated in 2022 • 1b. Identified CO2 savings as a key focus area 	<ul style="list-style-type: none"> • 1a. EMEA at 80%. Americas at 12%. APAC at 50% • 1b. Quantify benefits of UV vs felt and communicate CO2 savings to customers
2. Minimise environmental impact of our operations	<ul style="list-style-type: none"> • 2a. Carbon emissions • 2b. Waste as percentage of products produced 	<ul style="list-style-type: none"> • 2a. Net Zero • 2b. Annual reduction of 2-5% YoY 	<ul style="list-style-type: none"> • 2a. Established tracking of scope 1 and 2 GHG emissions; started scope 3 screening • 2b. Reduced consumption of wood in EMEA by replacing wood boxes with cardboard for 60% of liners with diameters up to 400 mm (1/3 of all boxes) 	<ul style="list-style-type: none"> • 2a. Start monthly tracking of scope 1-3; identify ways to reduce • 2b. Establish waste tracking tool; extend cardboard box utilisation in EMEA to 80%
3. Ensure healthy, safe, and satisfied employees	<ul style="list-style-type: none"> • 3a. Total recordable incident rate • 3b. Employee satisfaction score (eNPS) • 3c. Attrition • 3d. ESG leadership 	<ul style="list-style-type: none"> • 3a. To be determined • 3b. eNPS > 20 • 3c. Attrition below 15% • 3d. Dedicated resources working on ESG 	<ul style="list-style-type: none"> • 3a. Major accident monitoring; root cause analysis and preventative actions taken. Discussed at monthly review meetings • 3b. Implemented tool to measure employee satisfaction. eNPS of 7.7 • 3c. Attrition rate 6.8% • 3d. Decided to hire resource with ESG as part of role description to drive ESG initiatives 	<ul style="list-style-type: none"> • 3a. Track total recordable incident rate and reduce over time • 3b. Create and implement action plan to improve eNPS to > 15 • 3c. Attrition < 10% • 3d. Hire resource to dedicate time to ESG
4. Ensure ethical supply chain	<ul style="list-style-type: none"> • 4a. Supply chain management • 4b. Supply chain code of conduct (sCoC) 	<ul style="list-style-type: none"> • 4a. Best in class supply chain management • 4b. 100% of supply volume signed sCoC 	<ul style="list-style-type: none"> • 4a. Decided to initiate supply chain management project • 4b. Established sCoC for suppliers 	<ul style="list-style-type: none"> • 4a. Further strengthen supply chain management through project with external consultants • 4b. Have 50% of supply volume sign sCoC
5. Promote integrity throughout our operations	<ul style="list-style-type: none"> • 5a. ESG awareness amongst employees • 5b. Whistleblower scheme known to all employees 	<ul style="list-style-type: none"> • 5a. 100% of employees trained annually in ESG topics • 5b. 100% employees know the whistleblower scheme 	<ul style="list-style-type: none"> • 5a. APAC staff trained in CoC. EMEA and Americas informed • 5b. 100% of employees know the whistleblower scheme as of April 2021 	<ul style="list-style-type: none"> • 5a. All onboarded employees sign and get trained in CoC – combination of eLearning and in-person training • 5b. 100% informed of whistleblower and establish process for information to new hires

iMPREG has selected the following SDGs to which it has an opportunity to contribute:

<p>Reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination (3.9)</p>	<p>Protect labour rights and promote safe and secure working environments for all workers (8.8)</p>	<p>Environmentally sound management of chemicals and all wastes, and significantly reduce their release to air, water and soil (12.4)</p>
<p>Improve water quality by minimizing release of hazardous chemicals and materials (6.3)</p>	<p>Upgrade infrastructure and retrofit industries to make them sustainable (9.4)</p>	

MEGABAD is a leading German e-commerce retailer for bathroom and sanitary products with a vast assortment of high-end to value brands along with a dedicated own brand portfolio comprising four brands.

In addition to its e-commerce store, MEGABAD operates two physical retail stores in Cologne and Bochum. The company is headquartered in Kerpen, Germany, where it also operates two warehouses to be close to its customers and to offer short delivery times.

MEGABAD sources the majority of its products from third-party OEMs based in the EU. Its private label products are produced in the EU and Turkey, with fully outsourced production. The primary customer group is B2C, and goods are delivered to them through third party distributors.



MEGABAD’s potential ESG impacts based on its sector, jurisdictions, and operations

Topics of higher importance in bold



External factors impacting MEGABAD based on its sector, jurisdictions, and operations

- + Demand for low-impact products produced and transported in environmentally sound ways, considering water, waste, and associated emissions
- + Demand for products made in socially sustainable ways, with full supply chain transparency
- Scrutiny on environmental impact of production, transportation, and end-of-life treatment of products
- Scrutiny of human rights and labour conditions in the full supply chain

Initial EU taxonomy assessment

Key activities

- G47.9.1 – Retail sale via mail order houses or via Internet
- G46.7.3 - Wholesale of wood, construction materials and sanitary equipment

Potential contribution to environmental objective

- Transition to a Circular Economy



Company ESG performance 2021

Strategic Area	KPIs	Long Term Target	Performance 2021	Annual Target 2022
1. Reduce our environmental footprint	<ul style="list-style-type: none">· 1a. Reduce GHG emissions· 1b. CO₂ compensation· 1c. Use of clean energy· 1d. Reduce climate impact from logistics and transportation· 1e. Reduce waste production YoY	<ul style="list-style-type: none">· 1a. Become Net Zero 2040· 1b. Offset all remaining emissions· 1c. 100% clean energy and use of electric company cars· 1d. Majority of suppliers to follow Net Zero initiative 2040· 1e. Reduce waste production by 50%	<ul style="list-style-type: none">· 1a. Started reporting GHG emissions dating back to 2019 in online reporting tool; completed full scope 3 screening· 1b. Researched possibilities to offset emissions. Chose “Planted”· 1c. Electricity converted to green in 2021; cars concept finalised and first cars (company buses) already 100% electric fueled by 100% green energy· 1d. 3/4 of outbound logistics partners deliver certified green shipping to customers· 1e. New waste & recycling contract with City of Frechen, as well as wood recycling contract with Füngeling to guarantee correct recycling	<ul style="list-style-type: none">· 1a. Become member of “The Climate Pledge”; create full baseline for GHG emissions and set science-based targets· 1b. Develop MEGABAD forrest through Planted; plant 3600 trees to offset 36000 tons CO₂· 1c. Prepare car fuel compensation concept· 1d. Work with logistic partners that can provide 100% green deliveries· 1e. Reduce 10% of waste in proportion to revenue
2. Sustainable products and packaging	<ul style="list-style-type: none">· 2a. Create own sustainable product line· 2b. Sustainable packaging	<ul style="list-style-type: none">· 2a. Introduce sustainable products (LCA studies as evidence)· 2b. 100% FSC certified/ recycled packaging	<ul style="list-style-type: none">· 2a. Started planning for development of sustainable product suites; focus on circularity and environmental sustainability· 2b. Moved to 100% Plastic Free packaging; Penetration of FSC /recycled packaging only reached 25% due to limited availability	<ul style="list-style-type: none">· 2a. Evaluate possible suppliers and create road map; Introduce first green product suites· 2b. 100% Plastic Free and 50% FSC certified/ recycled packaging
3. Employee satisfaction	<ul style="list-style-type: none">· 3a. Increase Kununu score (HR evaluation e-commerce platform)· 3b. MEGA benefits	<ul style="list-style-type: none">· 3a. Reach score of >4.6/5· 3b. Regarded 1st choice as employer in region	<ul style="list-style-type: none">· 3a. Reached score of 4.3/5· 3b. Strategised how to improve employee benefits (e.g., health bonus, employee discounts, presents, events)	<ul style="list-style-type: none">· 3a. Score of >4.5; being acknowledged as a top Company in 2022 ranking· 3b. Create onboarding boxes & benefit booklet; Further develop benefits
4. Ethical supply chain	<ul style="list-style-type: none">· 4a. Own Brands: Proven supply chain transparency including onsite supplier verification· 4b. External Brands: Proven supply chain transparency	<ul style="list-style-type: none">· 4a. Own Brands: 100% supply chain transparency· 4b. External Brands: 100% of external brands sign SCoC	<ul style="list-style-type: none">· 4a&b. Supplier Code of Conduct reworked and finalised to send out to suppliers	<ul style="list-style-type: none">· 4a. Own Brands: 100% of suppliers to sign SCoC. Conduct onsite supplier visits with first batch of suppliers. Further formalise procedures for supply chain mgmt.· 4b. External brands: Top 50 suppliers to sign SCoC. Further formalise procedures for supply chain mgmt.
5. Ethical business conduct	<ul style="list-style-type: none">· 5a. Achieving 100% commitment in ESG policies	<ul style="list-style-type: none">· 5a. Acting 100% ESG compliant	<ul style="list-style-type: none">· 5a. Prepared updated Code of Conduct, Anti-corruption & whistleblower policies GDPR already integrated and signed by each employee	<ul style="list-style-type: none">· 5a. Launch updated policies Produce ESG video for website & social media Produce video for ethics e-learning Kick-off meeting & trainings Q2 '22

MEGABAD has selected the following SDGs to which it has an opportunity to contribute:



Support full and productive employment and decent work for all, including equal pay for work of equal value (8.5)



Sound management of chemicals and all wastes throughout their life cycle (12.4) and reduce waste generation through prevention, reduction, recycling and reuse (12.5)



Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning (13.3)

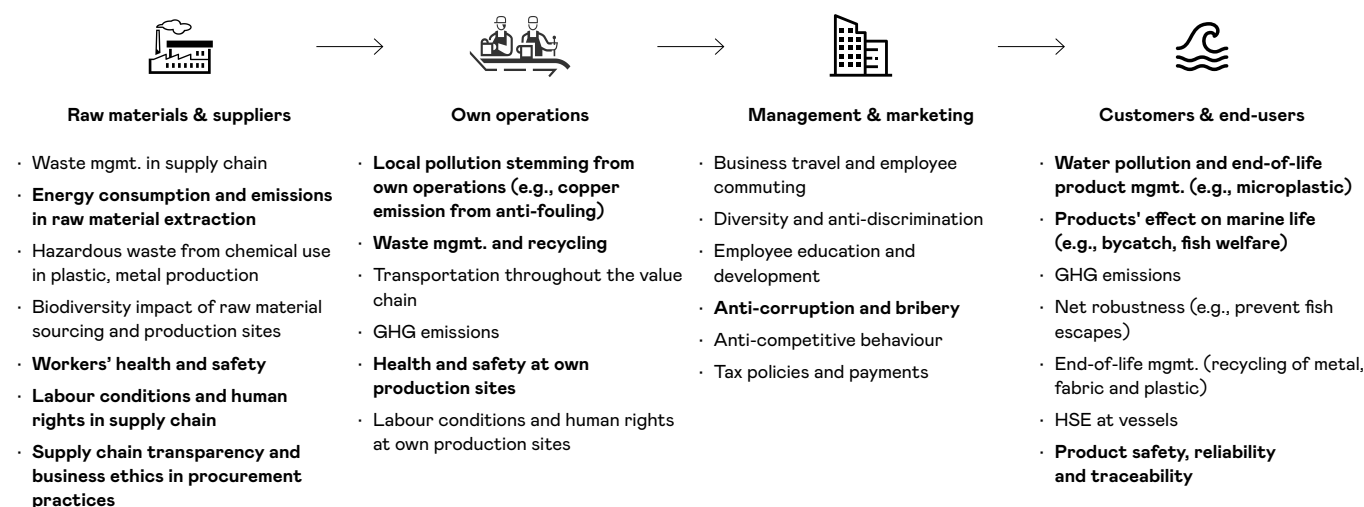
Mørenot manufactures and services solutions within the global fishing, aquaculture, and seismic industries. The company is divided in three divisions: Aquaculture, Fishery, and Offshore. Key products and services offered within the Aquaculture division include the production and service of nets, mooring systems, and cages. The Fishery division produces trawls, longlines, purse seines, and pots. The Offshore division produces seismic towing solutions such as deflectors, seismic buoys, and ropes.

Mørenot is headquartered in Ålesund, Norway, with service stations mainly on the Norwegian coastline. However, the company has a global footprint with equipment production in China, Lithuania, Canada, Spain, Poland and Denmark. The customer base consists of blue-chip fish farming and vessel companies. Key target markets include the North Atlantic and Mediterranean market, with some activity in South Korea and China.



Mørenot's potential ESG impacts based on its sector, jurisdictions, and operations

Topics of higher importance in bold



External factors impacting Mørenot based on its sector, jurisdictions and operations

- + Demand for circular and low-impact products produced sustainably, considering water, waste, and associated emissions
- + Demand for products that allow end customers to meet environmental objectives, e.g., reduce plastics, bycatch, emissions
- **Scrutiny of environmental impact of raw materials, products in use-phase, and end-of-life of products**
- **Scrutiny of biodiversity impact of products in use (bycatch, fish welfare)**
- **Human and labour rights concerns associated with production and supply chain in higher-risk locations (e.g., China)**

Initial EU taxonomy assessment

Key activities

- C13.94 Manufacture of cordage, rope, twine and netting
- C33.12 Repair of machinery
- M71.12 Engineering activities and related technical consultancy

Potential contribution to environmental objective

- Climate change *mitigation*
- Sustainable use and protection of water and marine resources
- Transition to a circular economy



Company ESG performance 2021

Strategic Area	KPIs	Long Term Target	Performance 2021	Annual Target 2022
1. Sustainable and circular solutions	<ul style="list-style-type: none"> 1a. Reduce the environmental footprint of our products 1b. Responsible and circular material management 1c. Be the leader of sustainable development in our industries 	<ul style="list-style-type: none"> 1a. Maintain LCA analysis for all major product categories 1b. Company guidelines on reuse and material mng. for all major product categories 1c. Align our R&D efforts to contribute to environmental challenges in our industry and the UN SDGs 	<ul style="list-style-type: none"> 1a. Initiated a pilot project for calculating the carbon footprint of products from the mooring segment 1b. Pilot project on material mng. in the purse seine segment. 1c. Launched 5 products and processes deemed to have an environmental benefit: <ul style="list-style-type: none"> Renewable energy net drying system Aquacom risk mgmt. module Electrical long line system Plastic retention system (with the Ocean Cleanup Project) Mørenot Collect 	<ul style="list-style-type: none"> 1a. Conduct LCA analysis for 30 products (Scope A1- A3) 1b. Establish company guidelines on reuse and material mgmt. for products in the purse seine segment 1c. Set ESG criteria for company R&D efforts
2. Climate and resource efficient production	<ul style="list-style-type: none"> 2a. Reduce GHG emissions 2b. Get ISO14001 certificate 2c. Resource efficient processes 	<ul style="list-style-type: none"> 2a. Become Net zero; Set science-based reduction targets in '23 2b. Obtain ISO14001 certificate for full group in 2023 2c. To be determined 	<ul style="list-style-type: none"> 2a. Reported full Scope 1 and 2 emissions, completed Scope 3 screening and started measuring 2b. 5 Mørenot service stations added to existing ISO9001 certificate 2c. 7/12 drying systems with new drying technology (reduced our carbon footprint with - 1200 tCO2 in 3 locations); Production in Poland supplied with internally generated solar energy, reducing footprint by 29 tCO2 	<ul style="list-style-type: none"> 2a. Reduce Scope 1 and Scope 2 with 5%; Include most material Scope 3 categories in climate reporting. 2b. 4 remaining service stations to be included in existing ISO9001 and preparation for ISO14001 for Mørenot AS 2c. Self-supply of energy for production in Poland
3. Attractive employer with a sustainable mindset	<ul style="list-style-type: none"> 3a. Increase eNPS 3b. Meaningful work for our employees 	<ul style="list-style-type: none"> 3a. eNPS of 50% and positive eNPS in all locations; 100% participation 3b. To be determined 	<ul style="list-style-type: none"> 3a. eNPS: <div> <div>0 %</div> <div>100 %</div> <div>2021: - 6%.</div> <div>2020: -12%</div> <div>2019: -5%</div> </div> Used Winningtemp to further understand employee sentiment (participation 59%) 3b. Winningtemp scores from survey: <ul style="list-style-type: none"> Meaningfulness score: 7.1/10; Sustainability score: 6.7/10; Inclusion, equality, and justice: 7.1/10; Created Mørenot Sustainability Group 	<ul style="list-style-type: none"> 3a. eNPS: >=5% (Increase eNPS in all locations); 75% participation in Winningtemp survey 3b. Increase score for each score to Winningtemp averages; Further expand Mørenot Sustainability Group to all branches
4. Supply chain ethics and transparency	<ul style="list-style-type: none"> 4a. Strong supply chain management 4b. Supply Chain CoC 	<ul style="list-style-type: none"> 4a. Risk Mgmt. Framework implemented in med-high risk locations 4b. 100% of purchase value from suppliers who have signed Supply CoC or similar agreement 	<ul style="list-style-type: none"> 4a. 35 Supplier Evaluation Questionnaires (SEQs) completed in 2021; Risk Mgmt. Framework implemented in China 4b. Supplier by purchase value who have signed the Supply CoC, or an equivalent agreement (%): <div> <div>100 %</div> <div>2021: 61%*</div> <div>2020: 36</div> <div>2019: 19</div> </div> 	<ul style="list-style-type: none"> 4a. Total of 30 SEQs and supply audits; Implement Risk Mgmt. Framework at 2 more locations 4b. 80% of purchase value from suppliers that signed Supply CoC or a similar agreement

*Incl. Mørenot Norway & Operations, excl. Aqua Knowledge

Mørenot has selected the following SDGs to which it has an opportunity to contribute:



Support a sustainable food production system (2.4) and contribute to securing safe and nutritious food for all (2.1).



Ensure decent working conditions in the supply chain (8.8) and contribute towards employment and decent work for all (8.5)



Work towards responsible production and consumption, as well as responsible management of chemicals and waste (12.4). Improve circularity throughout the product's lifecycles and in daily operations (12.5).



Develop products that enable sustainable harvest of the oceans, and contribute to prevent and reduce marine pollution of all kinds (14.1)

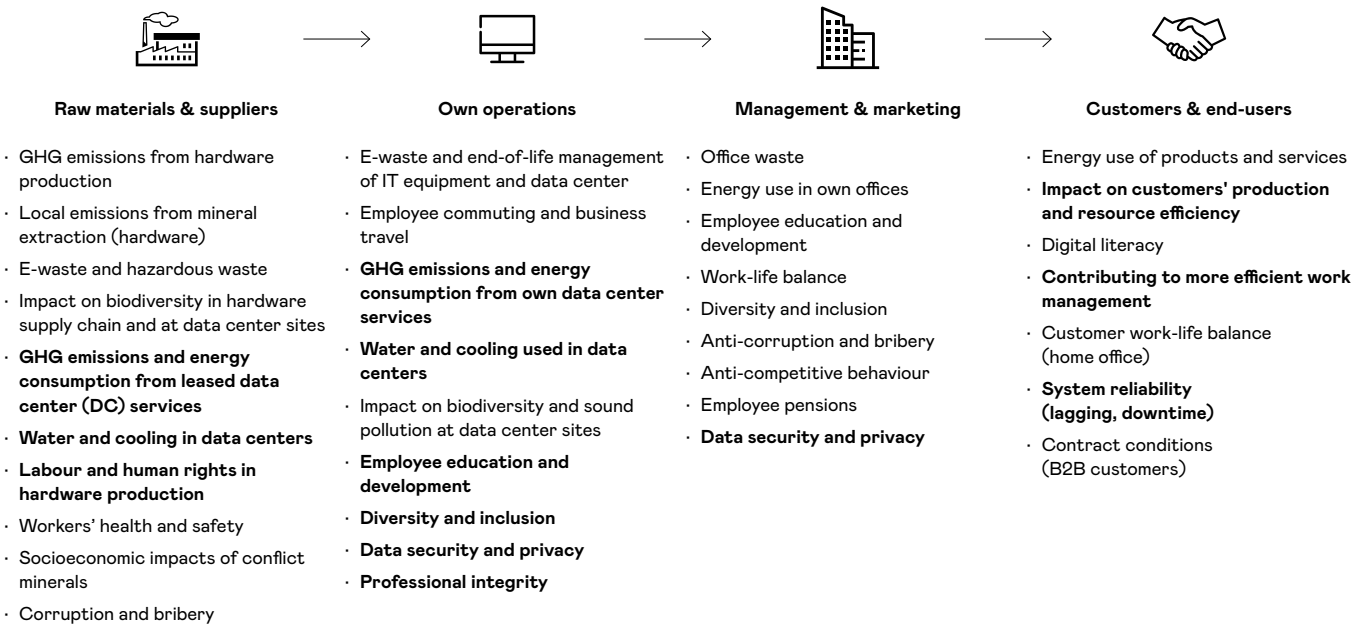
Nordlo is a Nordic IT and digitalization partner helping customers improve their IT environment by offering scalable IT solutions addressing the needs of both businesses and employees. The company offers a broad range of services, including managed IT, IT infrastructure, cloud services, hardware and software management, as well as digital transformation. These are organised in three main service segments: 1) IT Operations; 2) Hardware; and 3) Consulting. Services are provided through Nordlo’s own data centers.

Nordlo is headquartered in Stockholm, Sweden, and employs ~750 people across 41 offices in Sweden and in Norway. The key customer focus is companies with limited to no in-house IT department across a wide range of different industries. The main customer segments are small to medium-sized enterprises, public institutions, NGOs, and the education sector.



Nordlo’s potential ESG impacts based on its sector, jurisdictions, and operations

Topics of higher importance in bold



External factors impacting Nordlo based on its sector, jurisdictions and operations

- + Demand for digital transformation services that enable transition to low-carbon economy
- + Demand for low impact and circular products and services
- Heightened cyber attack risks globally, putting pressure on data privacy and security measures
- Scrutiny of emissions from data centers and e-waste
- Industry characterised by lack of diverse candidates for technical jobs

Initial EU taxonomy assessment

Key activities

- J62.02 - Computer consultancy activities
- J62.03 - Computer facilities management activities
- G46.51 - Wholesale of computers, computer peripheral equipment and software

Potential contribution to environmental objective

- Climate change *mitigation*
- Climate change *adaptation*
- Transition to a Circular Economy



Company ESG performance 2021

Strategic Area	KPIs	Long Term Target	Performance 2021	Annual Target 2022
1. Drive the sustainability journey	<ul style="list-style-type: none">• 1a. Sustainability included in offering• 1b. Strategic customer workshops w/ documented sustainability results• 1c. % of customers indicating Nordlo supported in sustainability work	<ul style="list-style-type: none">• 1a. Sustainability products/services included as integral part of commercial offering, continuously evolving• 1b. Nordlo impact on customers' sustainability work demonstrated• 1c. Target TBD	<ul style="list-style-type: none">• 1a. Internal leader workshop to develop green transition and circular economy offering• 1b. Integrated sustainability clearer in customers strategic workshops.• 1c. Perform customer surveys, do not have question on sustainability yet	<ul style="list-style-type: none">• 1a. Continue to include sustainability in Nordlo's service offering• 1b. Continue integrating sustainability in customer workshops; develop at least 2 case studies to show results• 1c. Include questions on sustainability in customer survey and start measuring
2. Reduce climate impact and increase circularity	<ul style="list-style-type: none">• 2a. GHG• 2b. Circular offering• 2c. % renewable energy in data centers (DC)	<ul style="list-style-type: none">• 2a. Become Net Zero• 2b. Circular services offered to all customers• 2c. 100% renewable electricity in DC	<ul style="list-style-type: none">• 2a. Reported full scope 1 and 2 for all business units; completed full scope 3 screening. Offset 100% of emissions• 2b. Circular offerings offered in select BUs• 2c. Renewable energy in DCs:<div><div>2021: 100%*</div><div>2020: > 85%</div><div>2019: 78%</div></div>One of own DC's certified according to Fossil Free Data. <small>*a few smaller locations have partially renewable energy</small>	<ul style="list-style-type: none">• 2a. Expand scope 3 reporting; start process of setting science-based target. Continue to offset 100% of emissions• 2b. Scale circularity pilot and formalise processes within group; identify external parties to collaborate with• 2c. Continuous target of 100% renewable electricity in DCs
3. Attractive and inclusive employer	<ul style="list-style-type: none">• 3a. Satisfied employee index score and eNPS• 3b. % of Nordlo's internships, and similar go to women• 3c. % staff turnover	<ul style="list-style-type: none">• 3a. Continuous improvement of employee index and eNPS• 3b. Work actively to be an inclusive employer and increase share of women at Nordlo and in IT Industry• 3c. % turnover at least as low for women as for men	<ul style="list-style-type: none">• 3a. Satisfied employee index through Quicksearch:<div><div>2021: 75</div><div>2020: 77</div><div>2019: 77</div></div>eNPS (+100 to -100)<div><div>2021: 29</div><div>2020: 37</div><div>2019: 40</div></div>2018: 29• 3b. Continued Nordlo More initiative on inclusion and diversity internally, DataTjej sponsorship externally. Female managers (employees, Oct)<div><div>2021: 19%</div><div>2020: 23%</div><div>2019: 22%</div></div>Female technicians (employees, Oct)<div><div>2021: 4%</div><div>2020: 3%</div><div>2019: 4%</div></div>• 3c. Tracking turnover but not women/men	<ul style="list-style-type: none">• 3a. Satisfied employee index over 77; eNPS over 37• 3b. Continue Nordlo More and DataTjej sponsoring. Launch initiative on increasing the proportion of women in internships, and similar. Most relevant/ largest BU to start• 3c. Establish Nordlo joint measurement of turnover (women/men)
4. Reliable partner	<ul style="list-style-type: none">• 4a. IT-security offerings• 4b. Relevant BUs ISO-certified** or equivalent <small>**9001, 14001, 45001, 27001</small>• 4c. Data security and privacy trainings	<ul style="list-style-type: none">• 4a. Target TBD• 4b. 100% of BUs are ISO-certified** or equivalent• 4c. Employees participate in regular trainings	<ul style="list-style-type: none">• 4a. Further developed IT-security offerings• 4b. % of employees working in ISO cert.** or equivalent BUs<div><div>2021: 70%</div><div>2020: 50%</div></div>• 4c. GDPR-refresh e-learning implemented	<ul style="list-style-type: none">• 4a. Strengthen IT-security service offerings• 4b. Select BUs to obtain ISO-certifications 2022/23• 4c. 100% of employees complete GDPR training
5. Highest ethical standards	<ul style="list-style-type: none">• 5a. ESG policies & controls• 5b. Ethics and compliance trainings• 5c. Supply chain mgmt.	<ul style="list-style-type: none">• 5a. ESG policies and whistleblower up to date• 5b. All employees undergo annual training• 5c. Best in class supply chain mgmt.	<ul style="list-style-type: none">• 5a. Compared policies w/ best practice• 5b. Received proposal for ethics training• 5c. Formalised assessment and follow-up process of suppliers; published annual sustainability report	<ul style="list-style-type: none">• 5a. Update ESG policies; launch electronic whistleblower channel• 5b. Launch eLearning; 100% of employees to complete training• 5c. Further strengthen supply chain transparency; document progress in sustainability report

Nordlo has selected the following SDGs to which it has an opportunity to contribute:

Ensure women's full and effective participation and equal opportunities for leadership (5.5)

Improve resource efficiency in consumption and production (8.4), and support full and productive employment and decent work for all, including equal pay for work of equal value (8.5)

Opportunity to indirectly contribute to upgrading the technological capabilities of customers (9.5)

Opportunity to indirectly reduce environmental impact of cities (11.6) and increase their resource efficiency (11.B)

Support the sustainable management and efficient use of natural resources (12.2), and reduce waste generation through prevention, reduction, recycling and reuse (12.5)

Obton* is a specialised alternative investment provider developing, structuring, and managing solar photovoltaic (PV) projects. Headquartered in Aarhus, Denmark, Obton has offices around the world. Obton has more than 13 years of international experience in the development of solar PV and is one of the largest operators of commercial solar PV systems in Europe. Obton has more than 1500 solar PV plants with a total capacity of 1536 MWp.

Obton's solar PV plants are predominantly located in Europe but also in select other geographies, including Japan and Canada. As is the case for the solar PV industry in general, the majority of solar panels and other key components are sourced from the leading suppliers in China. The investors in the Obton-administered funds are Danish High-Net Worth Individuals.



Obton's potential ESG impacts based on its sector, jurisdictions, and operations

Topics of higher importance in bold



Company ESG performance 2021

Strategic Area	KPIs	Long Term Target	Performance 2021	Annual Target 2022
1. Climate change mitigation	<ul style="list-style-type: none">• 1a. Reduce GHG emissions• 1b. CO2 avoided• 1c. Climate Risk (TCFD)	<ul style="list-style-type: none">• 1a. Become Net-Zero• 1b. Implement CO2 avoidance measures• 1c. Implement climate risk mitigation measures in the construction and day-to-day operation of Obton solar PV projects	<ul style="list-style-type: none">• 1a. Reported Scope 2 and 3 GHG emissions• 1b. 283 000 tCO2e avoided by Obton solar PV plants• 1c. Completed a first high-level climate risk assessment	<ul style="list-style-type: none">• 1a. Implement GHG emissions reporting through the online portal (CEMASys) and prepare to set science-based reduction targets• 1b. Increase total CO2e avoided by Obton administered solar PV plants with +10 %• 1c. Further investigate climate mitigation strategies
2. Environment and natural resource preservation	<ul style="list-style-type: none">• 2a. Circularity• 2b. Biodiversity	<ul style="list-style-type: none">• 2a. Increase recycling and use of recycled material in PV plants• 2b. Transparently disclose and systematically address biodiversity impact	<ul style="list-style-type: none">• 2a. Analysed the current circularity of modules and inverters for solar PV panels• 2b. Started to map and disclose Obton's impact on biodiversity in annual ESG report	<ul style="list-style-type: none">• 2a. Further ideate circularity opportunities for components from Obton plants• 2b. Expand biodiversity preservation initiatives
3. Attractive and dynamic workplace	<ul style="list-style-type: none">• 3a. eNPS• 3b. Diversity, Equity & inclusion• 3c. Health and safety	<ul style="list-style-type: none">• 3a. Maintain the already high employee satisfaction• 3b. A diverse workforce in an inclusive work environment where everyone is treated fairly and feel they belong• 3c. Best in class HSE performance	<ul style="list-style-type: none">• 3a. Redefined setup for employee engagement surveys with higher frequency• 3b. Diversity 2021: 37.5% women• 3c. Enhanced Obton's internal expertise by hiring HSE specialists	<ul style="list-style-type: none">• 3a. Implement Populum as tool and report eNPS• 3b. Increase share of female employees at management levels and in the organization in general• 3c. Implement HSE reporting and further strengthen HSE procedures at solar plants as well as in offices
4. Ethical and transparent business conduct	<ul style="list-style-type: none">• 4a. Ethical supply chain• 4b. ESG awareness training• 4c. Active industry collaboration to promote ESG• 4d. Annual ESG report• 4e. Annual review of compliance processes	<ul style="list-style-type: none">• 4a. Transparently disclose and manage supply chain risks• 4b. Maintain outstanding business ethics among all employees and mgmt.: continuously work towards an open and transparent culture• 4c. Active member of industry ESG collaboration• 4d. Publish annual ESG reports• 4e. Continue with external, annual compliance review	<ul style="list-style-type: none">• 4a. Completed screening of suppliers sourcing materials from manufacturers in China• 4b. Completed AML awareness training for relevant employees• 4c. Analyzed need to join forces with industry peers to facilitate ESG action• 4d. Created first ESG report• 4e. Established compliance committee and prepared for the first review	<ul style="list-style-type: none">• 4a. Implement Supplier Code of Conduct; strengthen supplier due diligence• 4b. Expand scope and target group for ESG training• 4c. Assess relevant industry collaboration initiatives to partake in• 4d. Create and publish second ESG report• 4e. Completed first annual review of processes and implemente proposed actions
5. Responsible investing	<ul style="list-style-type: none">• 5a. ESG processes in the investment phase	<ul style="list-style-type: none">• 5a. Continuously improve how ESG factors are integrated throughout the investment phase	<ul style="list-style-type: none">• 5a. Member of PRI; Disclosed how ESG factors and ESG DD is used in the investment process	<ul style="list-style-type: none">• 5a. Further strengthen how ESG is integrated in the investment process, including formalising project ESG DD procedures

Obton has selected the following SDGs to which it has an opportunity to contribute:

Facilitate for universal access to modern energy (7.1) and increase global percentage of renewable energy (7.2)

Reduce waste generation through prevention, reduction, recycling and reuse (12.5) and promote sustainable public procurement practices (12.7)

Reduce the degradation of natural habitats and loss of biodiversity (15.5)

End forced labour, modern slavery and child labour (8.7)

Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning (13.3)

External factors impacting Obton based on its sector, jurisdictions and operations

- + Solar PV recognised as a critical technology to meet global climate targets

+ Demand for solar panels produced in socially and environmentally sustainable ways
- Scrutiny on environmental impact of raw material sourcing and end-of-life management of solar panels

- Immature market for reuse solutions

- Human and labour rights concerns associated with supply chain in higher-risk locations (e.g., China)

Initial EU taxonomy assessment

- Key activities**

 - F42.22 - Construction of utility projects for electricity and telecommunications
- Potential contribution to environmental objective**

 - Climate change *mitigation*



* We present here Obton, the solar part of Obton Group. The second part of the Group, Koncenton, is a provider of Danish real estate investment opportunities.

Omegapoint is a leading consulting company with expertise in cyber security and secure digitalisation. The wide range of services enables companies and organisations to develop and boost their digital business while protecting them from cyber threats. A majority of business volumes stem from multi-year customer relationships.

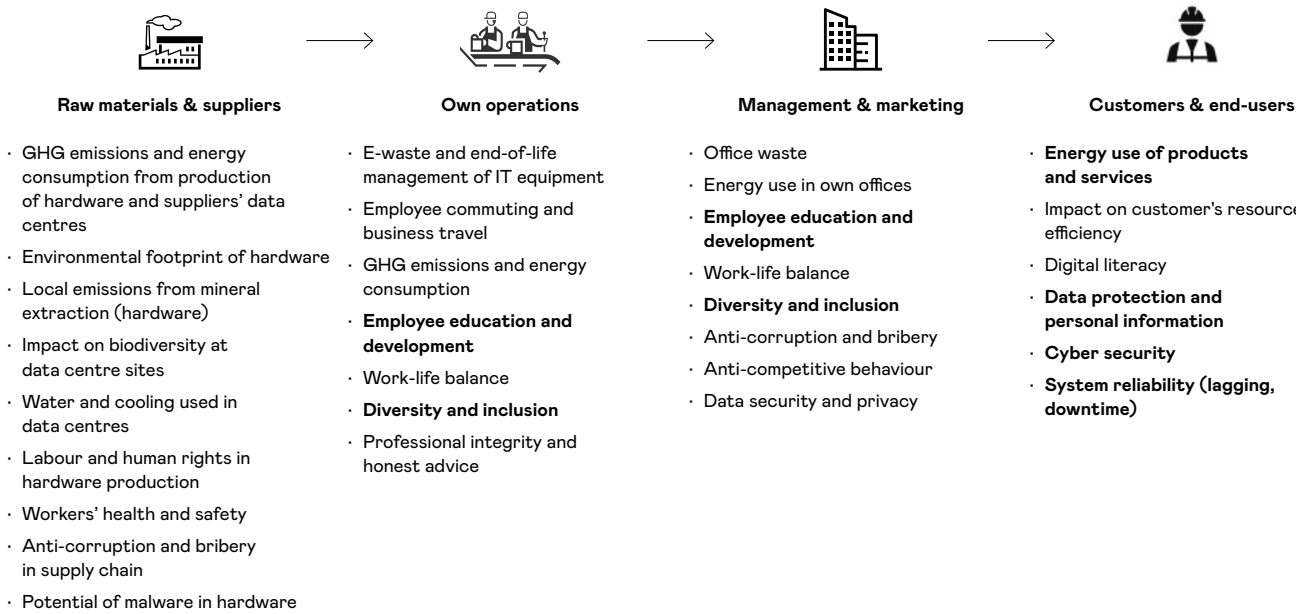
Omegapoint is a fast-growing company with 500 consultants in Stockholm, Gothenburg, Malmö, Umeå, Uppsala and Örebro. The company culture is characterised by focus on skills development and a determination to continually improve. Omegapoint is recognised for running a rewarding trainee program that develops top students into sharp developers and cyber security experts.

Omegapoint serves public and private customers across a wide range of industries, including healthcare, retail, banking and manufacturing. Its mission is to secure the future.



Omegapoint's potential ESG impacts based on its sector, jurisdictions, and operations

Topics of higher importance in bold



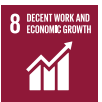
Company ESG performance 2021

Strategic Area	KPIs	Long Term Target	Performance 2021	Annual Target 2022
1. Reduce environmental footprint	<ul style="list-style-type: none">· 1a. GHG reduction according to SBTi and Net Zero	<ul style="list-style-type: none">· 1a. Become Net Zero	<ul style="list-style-type: none">· 1a. Reported Scope 1, 2 and 3 emissions	<ul style="list-style-type: none">· 1a. Set Science Based targets for Scope 1, 2 and 3
2. Preferred partner for secure and sustainable solutions	<ul style="list-style-type: none">· 2a. Number of cases of loss of customer data· 2b. Annual webinars and seminars in Secure Digitalisation and Cyber Security· 2c. ISO27001 certification	<ul style="list-style-type: none">· 2a. 0· 2b. 10 annual webinars and seminars· 2c. Keep ISO27001 certification	<ul style="list-style-type: none">· 2a. 0 cases of loss of customer data· 2b. Ran 7 webinars spanning from Architectural design in AWS to Cloud Security reaching more than 800 attendees, 96% of which were externals· 2c. Implementation of ISO27001 certification started, pre-audit successful	<ul style="list-style-type: none">· 2a. Continue to achieve 0 cases of loss of customer data· 2b. 8 annual webinars and seminars· 2c. Obtain ISO27001 certification
3. The best workplace in the industry	<ul style="list-style-type: none">· 3a. eNPS· 3b. Female ratio trainee program· 3c. Female staff turnover	<ul style="list-style-type: none">· 3a. Continuously maintain an eNPS =>50· 3b. Our long-term goal is a gender balance of 50/50.· 3c. Female staff turnover in line with male staff turnover	<ul style="list-style-type: none">· 3a. eNPS of 55· 3b. 30.6 % females in the trainee program. Supported "Hello World," offering girls summer camps with programming focus; ran internal initiatives focused on broadening our recruitment selection· 3c. Turnover %: Females: 21.6 % Male: 15.7 %	<ul style="list-style-type: none">· 3a. eNPS=>50· 3b. Launch external mentor program targeting women and non-binary. Attend Datatjej and continue efforts to increase share of women in the trainee program: target 33 % females in 2022· 3c. Difference between female and male turnover no greater than 4 percentage points
4. Trusted and ethical business partner	<ul style="list-style-type: none">· 4a. Supplier CoC (SCoC)· 4b. CoC training for employees· 4c. Implementation of whistleblowing policy	<ul style="list-style-type: none">· 4a. SCoC part of our agreements with all our suppliers· 4b. CoC training done by 100% of our employees annually· 4c. Whistleblowing policy and electronic whistleblowing system implemented in all subsidiaries	<ul style="list-style-type: none">· 4a. Internal ESG website with SCoC launched· 4b. Internal ESG website with CoC launched. Received proposal for CoC eLearning· 4c. Internal website with Whistleblowing policy launched	<ul style="list-style-type: none">· 4a. Introduce SCoC as part of agreement to all new suppliers.· 4b. Implement e-learning platform supporting CoC training for all our employees· 4c. Implement electronic whistleblowing system

Omegapoint has selected the following SDG to which it has an opportunity to contribute:



Ensure women's full and effective participation and equal opportunities for leadership (5.5) and enhance the use of enabling technology, in particular information and communications technology, to promote the empowerment of women (5.b)



Achieve higher levels of economic productivity through diversification, technological upgrading and innovation (8.2), support full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value (8.5) and protect labour rights and promote safe and secure working environments for all workers (8.8)

External factors impacting Omegapoint based on its sector and operations

- + Increasing demand for cyber security services
- + High demand for digitalisation services as the world moves more online
- Risk of cyber security affecting company reputation and market share
- Industry characterised by lack of diverse candidates for technical jobs
- Scrutiny of emissions and e-waste from industry

Initial EU taxonomy assessment

Key activities

- J62.02 - Computer consultancy activities

Potential contribution to environmental objective

- Climate change *adaptation*



Rameder is the leading European e-commerce platform for automotive transport products and solutions enabling and encouraging its customers to enjoy an active lifestyle in the outdoors. The company has developed its position through market leadership in key European markets, a multi-channel e-commerce product offering as well as a best-in class service and solutions portfolio.

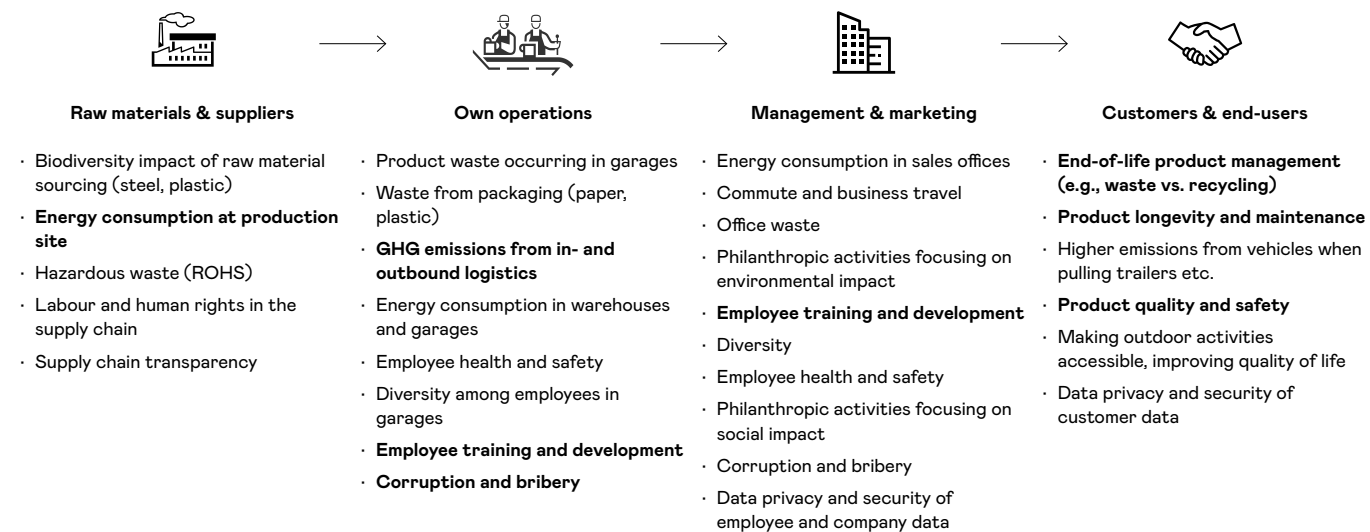
Rameder has local operations in Germany, France, Finland, Sweden, Switzerland, and the Czech Republic, resulting from an active buy-and-build strategy with nine acquisitions in recent years. Rameder targets both B2B as well as B2C customers and operates more than 70 installation centres, enabling a fully-integrated experience for the end-customers. The company is headquartered in Germany and employs about 400 employees in Europe.

Rameder's products are sourced directly from suppliers, all of which are exclusively located in Europe.



Rameder's potential ESG impacts based on its sector, jurisdictions, and operations

Topics of higher importance in bold



External factors impacting Rameder based on its sector, jurisdictions, and operations

- + Demand for products supporting the circular economy through lifelong repair and return services
- + Active lifestyles and outdoor activities associated with improved overall health
- Scrutiny on human and labour rights among 2nd tier suppliers, putting pressure on supply chain management
- Scrutiny of environmental impact of raw materials, transportation, and end-of-life of products

Initial EU taxonomy assessment

Key activities

- 45.32 - Retail sale of motor vehicle parts and accessories, except motorcycles

Potential contribution to environmental objective

- Transition to a Circular Economy



Company ESG performance 2021

Strategic Area	KPIs	Long Term Target	Performance 2021	Annual Target 2022
1. Sustainable operations	<ul style="list-style-type: none"> · 1a. Reduce GHGs · 1b. Use 100% green electricity · 1c. Share of electric and hybrid vehicles in the company car fleet 	<ul style="list-style-type: none"> · 1a. Net Zero · 1b. Operations and facilities with green energy 100% · 1c. 95% electric and hybrid vehicles in group car fleet 	<ul style="list-style-type: none"> · 1a. Mapped and reported scope 1, 2 and 3 emissions · 1b. Switched to 100% green electricity in Germany · 1c. 12% electric and hybrid vehicles in Germany 	<ul style="list-style-type: none"> · 1a. Create full baseline for GHG emissions and start process of setting emissions targets · 1b. Increase share of green electricity in key markets · 1c. Create action plan for switching car fleet to electric and hybrid in all countries
2. Circular product offering	<ul style="list-style-type: none"> · 2a. Number of rental offerings · 2b. Number of repair services 	<ul style="list-style-type: none"> · 2a. On average 3 rental stations per bigger German city (top 20) · 2b. Offer repair services in all Rameder cities 	<ul style="list-style-type: none"> · 2a. 1 test station · 2b. Offer repair services in all Rameder cities 	<ul style="list-style-type: none"> · 2a. 2 test stations · 2b. Promote offering of repair services in all German Rameder cities
3. Be an attractive employer	<ul style="list-style-type: none"> · 3a. eNPS · 3b. Diversity & inclusion across all levels · 3c. Sick leave 	<ul style="list-style-type: none"> · 3a. eNPS 30 · 3b. 40% female employees · 3c. 2.0% 	<ul style="list-style-type: none"> · 3a. Reduction in eNPS due to short-time work and cancellation of events and other happenings 2021: 11 2020: 29 2019: 11 · 3b. Partnership with Diakonie Stiftung Christopherus Hof for inclusion of people with limited health Female employees: 100% 2021: 23 2020: 24 2019: 26 · 3c. Sick leave 2021: 3.9 (COVID19) 2020: 3.6 2019: 3.9 	<ul style="list-style-type: none"> · 3a. eNPS 20 – develop action plan to increase connectivity and workplace enjoyment · 3b. 28% female employees – reach out on job market with family friendly workplace and additional benefits (e. g. part-time job option, kindergarden support, further HSE measures) · 3c. 5.0% (COVID19)
4. Safe products and services	<ul style="list-style-type: none"> · 4a. Number of accidents · 4b. Number of Lifelong guarantee 	<ul style="list-style-type: none"> · 4a. Zero accidents known to Rameder as a result of a faulty installations · 4b. 100% for all self installed tow bars 	<ul style="list-style-type: none"> · 4a. Zero accidents known to Rameder as a result of a faulty installations · 4b. 100% for all self installed tow bars 	<ul style="list-style-type: none"> · 4a. Zero accidents known to Rameder as a result of a faulty installations · 4b. 100% for all self installed tow bars
5. Sustainable supply chain	<ul style="list-style-type: none"> · 5a. Number of suppliers with signed Code of Conduct · 5b. Supply chain management · 5c. Increase employees HSE equipment and ESG knowledge 	<ul style="list-style-type: none"> · 5a. 100% 29 high and medium impact suppliers to sign the Supplier Code of Conduct representing 98 % of purchase volume · 5b. Best in class supply chain management · 5c. Fully trained and equipped employees 	<ul style="list-style-type: none"> · 5a. % supplier volume signing Code of Conduct 2021: 82 2020: 82 2019: 67 · 5b. Optimising supply chain of logistic – decrease product handling by direct delivery · 5c. Equipped all workers with special safety shoes 	<ul style="list-style-type: none"> · 5a. 26 suppliers to sign the Code of Conduct, representing 90% of purchase volume · 5b. Further strengthen supply chain management through project with external experts · 5c. Select, install, and implement eLearning system for employees

Rameder has selected the following SDG to which it has an opportunity to contribute:



Ensure sustainable consumption and production patterns:
12.2 By 2030, achieve the sustainable management and efficient use of natural resources
12.5 - Substantially reduce waste generation through prevention, reduction, recycling and reuse
12.6 - Encourage companies to adopt sustainable practices and to integrate sustainability information into their reporting cycle
12.8 By 2030, ensure that people everywhere have the relevant information and awareness for sustainable development and lifestyles in harmony with nature

Saferoad is a leading supplier of road safety solutions in Europe. As societies evolve – influenced by urbanization, increased mobility, climate change and new technology – infrastructure is undergoing tremendous developments. Saferoad serves customers from early road design through manufacturing, installation, and ongoing maintenance in four core business areas: (1) Road safety; (2) Signs and work zone protection; (3) Light poles and masts; and (4) Road services.

Saferoad's key customer segments vary by product and geography but span from light manufacturers, wholesalers, installers and construction companies to road authorities, governments and municipalities. Saferoad employs about 2,500 people across 13 countries in the Nordics and Eastern Europe. Main production sites are located in Norway, Sweden and Poland. Input materials are sourced from both Europe and Asia.



Saferoad's potential ESG impacts based on its sector, jurisdictions, and operations

Topics of higher importance in bold



External factors impacting Saferoad based on its sector, jurisdictions, and operations

- + Increased demand for road rehabilitation and infrastructure resilient against extreme weather events
- + Demand for products with a lower environmental footprint than its competitors
- High cost and climate impact of raw material sourcing, transportation, and production
- Health and safety of workers in own production and supply chain
- Scrutiny of human rights and labour conditions in the full supply chain

Initial EU taxonomy assessment

Key activities

- C25.11 Manufacture of metal structures and parts of structures
- C33.11 Repair of fabricated metal products
- M71.12 Engineering activities and related technical consultancy

Potential contribution to environmental objective

- Climate change *mitigation* (enabling)
- Climate change *adaptation*
- Transition to a circular economy



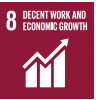
Company ESG performance 2021

Strategic Area	KPIs	Long Term Target	Performance 2021	Annual Target 2022
1. Increase circularity and reduce climate impact	<ul style="list-style-type: none">1a. Reduce GHG emissions1b. Circular operations1c. ISO 14001 certification	<ul style="list-style-type: none">1a. Net Zero1b. Zero waste to landfill; reuse where possible, recycling as last resort1c. 100% of production units ISO 14001 certified	<ul style="list-style-type: none">1a. Full scope 1 and 2 reporting, started scope 3 reporting1b. Circular initiatives in process: beam recycling in Netherlands; heat recycling in hot dip galvanizing (HDG) plant in Vik Ørsta1c. 80% of production units ISO 14001 certified	<ul style="list-style-type: none">1a. Establish full scope 3 as base-line for setting science-based targets; create action plan for reduction with external experts1b. Collect and act on feedback from Business Areas on how to improve circularity1c. 90% of units to be certified
2. Sustainable products	<ul style="list-style-type: none">2a. Environmental product lines2b. EPDs	<ul style="list-style-type: none">2a. Environmentally friendly product family alternatives for all main product groups2b. EPDs for 100% of our key product groups by end of 2025	<ul style="list-style-type: none">2a. Initiated development of environmental product line in the Road Restraint Systems (RRS)2b. Uniform EPD solution for business areas (BAs) RRS and Lightpoles in Norway and Sweden	<ul style="list-style-type: none">2a. New environmentally friendly RRS product family approved to local containment level according to the European Standard EN13172b. Uniform EPD solution for RRS
3. Ensure health, safety and satisfaction of own employees	<ul style="list-style-type: none">3a. ESG leadership3b. Lost time incident rate (LTI)3c. eNPS score3d. Business Units with negative eNPS scores	<ul style="list-style-type: none">3a. Saferoad recognised as an ESG leader by stakeholders3b. Zero LTI3c. >703d. 0	<ul style="list-style-type: none">3a. Joined UN Global Compact, completed #takeTheball initiative from BU to BU to spur employee engagement around ESG3b. LTI rate 2021: 48 2020: 58 2019: 623c. eNPS 2021: 23.5 2020: 24.9 2019: 28.03d. Implemented quarterly follow-up process for units w/ negative scores 2021: 4 2020: 3	<ul style="list-style-type: none">3a. Engage with UNGC and join industry ESG network3b. LTI <453c. eNPS >303d. 0
4. A transparent and sustainable supply chain	<ul style="list-style-type: none">4a. Supply chain management4b. Business units implement supplier Code of Conduct4c. Digital Supplier Self Assessment4d. Mitigating plans agreed with critical suppliers with low score on Supplier Self Assessment	<ul style="list-style-type: none">4a. Best in class supply chain mgmt.4b. 100% of Business Units4c. 100% of critical suppliers4d. 100% of critical suppliers	<ul style="list-style-type: none">4a. Completed risk-based analysis as a basis for further implementation, screened all major suppliers4b. Established stand-alone supplier CoC4c. Developed digital supplier self assessment process4d. Developed follow-up process for defining mitigating action plans for low scoring suppliers	<ul style="list-style-type: none">4a. Further document supply chain mgmt.4b. 80% (largest units)4c. 80% of critical suppliers to go through digital supplier self assessment; including self-declaration on sanctions and conflict of interest4d. Started dialogue on corrective action plans with critical suppliers with lower scores
5. Ensure ethical business conduct	<ul style="list-style-type: none">5a. ESG training5b. Cyber awareness training5c. Electronic whistleblower (WB)	<ul style="list-style-type: none">5a. Employees undergo annual ESG training5b. 100% of employees5c. Electronic WB access for internals and externals	<ul style="list-style-type: none">5a. Awareness training through #takeTheball campaign, standardised ESG onboarding training for all employees5b. 50% of employees completed cyber awareness training5c. Prepared for adaptation of WB channels	<ul style="list-style-type: none">5a. Develop dedicated ESG training of procurement team; roll out revised ESG e-learning in full group5b. 90% of employees to complete training5c. Implementation of standalone WB channel for Saferoad Sweden

Saferoad has selected the following SDG to which it has an opportunity to contribute:



Contributes to target 3.6, road traffic accidents, by providing products that increase road safety



Promotes safe working environments for all employees through HSE training and audits (8.8)



Contributes to target 9.1, quality, reliable, sustainable and resilient infrastructure, by providing high-quality road infrastructure components.



Contributes to several targets by focusing on resource efficiency and waste reduction.

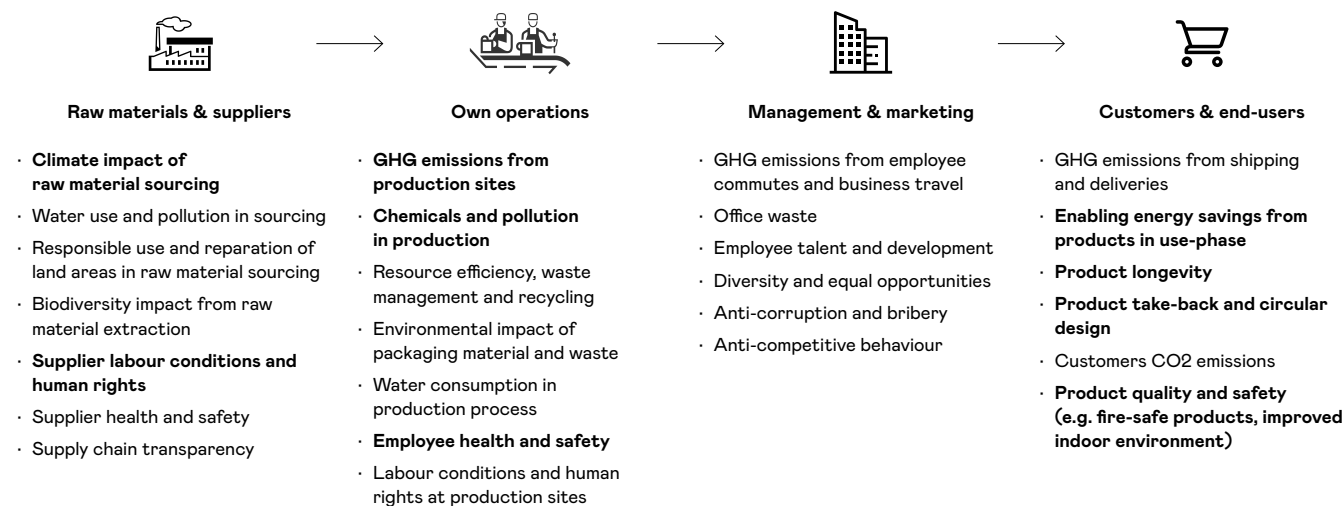
Skamol produces and markets insulation systems based on four key raw materials: calcium silicate, vermiculite, moler, and diatomite. The system portfolio spans bricks and blocks, insulation boards, and fire protection boards which drives health-, safety- and energy preserving benefits for customers and end-users around the world.

The Building sector provides easy-to-install systems for both renovation and new build projects, while the Industry sector provides systems to industrial customers handling heat intensive materials or to niche applications requiring superior insulation properties at low weights. Skamol's mission is to enable smarter, healthier and more sustainable living and uses of energy resources in homes and industries across the globe. The company is headquartered in Denmark and serves a global market (more than 70 countries) with own sales force or agents in all regions.



Skamol's potential ESG impacts based on its sector, jurisdictions, and operations

Topics of higher importance in bold



External factors impacting Skamol based on its sector, jurisdictions, and operations

- + Demand for products that reduce energy consumption, thereby enabling cost savings and climate change mitigation
- + Demand for circular products and responsible end-of-life treatment

- High cost and climate impact of energy intensive production
- Scrutiny of environmental impact of supply chain and production on water and biodiversity
- Immature market for end-of-life use of products

Initial EU taxonomy assessment

Key activities

- C23.9.9 Manufacture of other non-metallic mineral products n.e.c.

Potential contribution to environmental objective

- Climate change *mitigation* (enabling)



Company ESG performance 2021

Strategic Area	KPIs	Long Term Target	Performance 2021	Annual Target 2022
1. Minimise environmental impact	<ul style="list-style-type: none"> 1a. Reduce GHG emissions 1b. Optimise energy efficiency (GHG emissions relative to output) 1c. Circular operations 1d. Local environmental impact from operations 	<ul style="list-style-type: none"> 1a. Net zero 1b. 5% year by year energy efficiency 1c. Zero waste to landfill; reuse where possible 1d. Minimal environmental degradation of excavation sites 	<ul style="list-style-type: none"> 1a. Tracked Scope 1 and 2 emissions, completed full scope 3 screening to identify material scopes. Created emissions factors to accurately reflect emissions of Skamol's materials Emissions in 2021: Scope 1: 29,681.4 tCO2e (+3.3% from 2020*) Scope 2: 3,635.5 tCO2e** (-5.1% from 2020*) Scope 3: 41,248.2 tCO2e (first time recorded) 1b. Aligned with 2021 ambition, initiated full screening of each production plant on use of natural gas, electricity, waste, and water. Optimised energy efficiency (GHG emissions relative to output) by 12% compared to 2020 1c. Introduced recycling of pallets 1d. Restored excavation sites, with positive impact on biodiversity <p><small>*2020 numbers adjusted due to broader scope ** Location-based electricity</small></p>	<ul style="list-style-type: none"> 1a. Set science-based targets for scope 1-3 1b. Complete screening of individual plants; determine which initiatives to pursue to reduce environmental impact. Optimise energy efficiency (GHG emissions relative to output) by further 5% compared to 2020 1c. Further extend recycling of pallets 1d. Continue to restore excavation sites, with positive impact on biodiversity
2. Sustainable products	<ul style="list-style-type: none"> 2a. EPDs for our products 2b. Design for circularity 	<ul style="list-style-type: none"> 2a. EPDs for 100% of our product groups by end of 2024 2b. Cradle to cradle design of our products 	<ul style="list-style-type: none"> 2a. Prepared introduction of EPDs in 2022 2b. Prepared recycling of cut offs from selected customer projects in 2022 	<ul style="list-style-type: none"> 2a. EPDs for 25% of our product groups 2b. Introduce recycling of cut offs from selected customer projects
3. Motivated, safe, and healthy employees	<ul style="list-style-type: none"> 3a. eNPS 3b. Lost time incidents (LTI) 3c. Diversity 	<ul style="list-style-type: none"> 3a. Year by year improvement of eNPS 3b. Zero LTI 3c. Balanced make-up between male and female representatives in top leadership/management 	<ul style="list-style-type: none"> 3a. Rolled out real-time eNPS system to track employee happiness and eNPS. Started monthly town halls in February. eNPS 2021: 28 2020: 22 2019: NA 2018: 27 3b. Conducted safety walks twice a month on each production plant. LTI (per million worked hours). 2021: 5.6 2020: 2.9 2019: 4.2 2018: 5.0 3c. 14% female managers (same as 2020) 	<ul style="list-style-type: none"> 3a. eNPS of 30. Better communication of ESG work on website 3b. Reduction in LTI. Improve safety walks 3c. Further extend balance between genders
4. Ethical supply chains and business conduct, including human rights and anti-corruption	<ul style="list-style-type: none"> 4a. Supply chain management 4b. Train employees 4c. Electronic whistleblower 	<ul style="list-style-type: none"> 4a. Best in class supply chain management 4b. Annual training for all employees 4c. Electronic whistleblower access for internals and externals 	<ul style="list-style-type: none"> 4a. Conducted external integrity due diligence screening of agents/partners representing 75% of spend. 100% of suppliers signed Code of Conduct 4b. Completed cyber security training for management team. Employees signing CoC: 2021: 100% 2020: 100% 4c. Implemented electronic whistleblower access for employees 	<ul style="list-style-type: none"> 4a. Further strengthen supply chain management by conducting a refresh risk assessment and review current procedures 4b. Train 100% of white-collar employees in cyber security and Code of Conduct – combination of eLearning and in person presentations 4c. Implement electronic whistleblower access for externals

Skamol has selected these SDGs to which we have an opportunity to contribute:



Opportunity to make production process more efficient and increase resource-efficiency by adopting cleaner and more environmentally friendly industrial processes (9.11).



Efficient use of natural resources (12.2) and reduce waste generation through prevention, reduction, recycling and reuse (12.5)



Restore terrestrial land (15.1)

SNS Group (Sneakersnstuff) is a global online and physical retailer of sneakers and apparel, as well as a creative contributor to street culture. The primary product segments are limited edition/rare sneakers sold through raffles, normal premium sneakers, apparel & accessories.

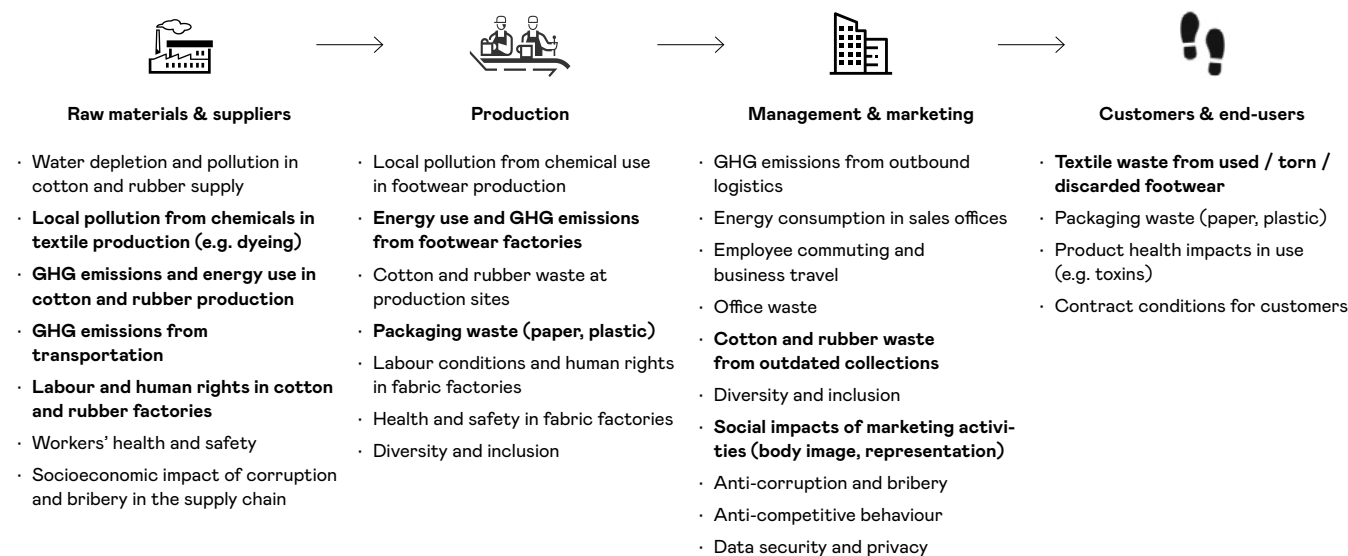
SNS is headquartered in Sweden and operates seven physical stores in Europe, the United States and Japan. Further, its online shop ships to customers across 63 countries. To reach the customers, SNS has three warehouses in Stockholm, New York, and Tokyo.

Products are primarily branded goods from brands like Nike and Adidas, but SNS also sells its own-branded products. All products are sourced from a select number of third-party suppliers. SNS' customer base is primarily younger consumers with a great interest in the sneaker and streetwear culture.



SNS' potential ESG impacts based on its sector, jurisdictions, and operations

Topics of higher importance in bold



External factors impacting SNS based on its sector, jurisdictions, and operations

- + Demand for low impact and circular products and services (e.g., longevity, recycling, re-use)
- + Demand for products and services that promote diversity and inclusion
- Scrutiny of environmental footprint of apparel industry
- Scrutiny of human rights and labour conditions in the supply chain
- Immature market for end-of-life use of used and torn shoes

Initial EU taxonomy assessment

Key activities

- G47.71 - Retail sale of clothing in specialised stores
- G47.72 - Retail sale of footwear and leather goods in specialised stores

Potential contribution to environmental objective

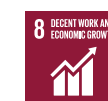
- Transition to a *Circular Economy*



Company ESG performance 2021

Strategic Area	KPIs	Long Term Target	Performance 2021	Annual Target 2022
1. Climate efficient operations	<ul style="list-style-type: none"> 1a. Reduce GHG emissions 1b. GHG efficient logistics 	<ul style="list-style-type: none"> 1a. Net Zero 1b. Optimised transport routes 	<ul style="list-style-type: none"> 1a. Reported scope 1 and 2 emissions, completed full scope 3 screening 1b. Started move of European central warehouse closer to consumers and suppliers to reduce transport routes; increased local fulfilment in USA to 76% of total US sales 	<ul style="list-style-type: none"> 1a. Create full baseline for GHG emissions and start process of setting emissions targets 1b. Finalise move of European central warehouse by Q2 '22. Discuss lower emission transport options with carriers
2. Sustainable products	<ul style="list-style-type: none"> 2a. Circular products 2b. Sustainable products 	<ul style="list-style-type: none"> 2a. Offer products designed for circularity 2b. All products sustainably produced 	<ul style="list-style-type: none"> 2a. Offered circular products from brand partners on website, e.g., Adidas shoes made of 100% recycled ocean plastic 2b. 100% of own-brand suppliers have signed Supplier CoC, containing requirements on social and environmental standards 	<ul style="list-style-type: none"> 2a. Evaluate possibility of joining collaboration initiative focused on circularity 2b. Change to a 100% degradable shopping bag for all our customers
3. Motivated and satisfied employees	<ul style="list-style-type: none"> 3a. eNPS 3b. ESG leadership 3c. Community initiatives 	<ul style="list-style-type: none"> 3a. eNPS of 50 3b. ESG systematically implemented in all SNS decisions 3c. Develop SNS Care to work in close partnerships with brand partners and continue giving back to the culture we are a part of 	<ul style="list-style-type: none"> 3a. eNPS score among others affected by covid and lack of communication eNPS score: 2021: -15 2020: N/A 2019: 36 2018: 32 3b. Formed an ESG task force with team members representing different departments at HQ in Q4. Conducted 2 workshops covering environmental sustainability and diversity & inclusion 3c. We have made several non-profit initiatives during 2021. E.g., designed and built a public basketball court together with Brand Jordan in the heart of Stockholm 	<ul style="list-style-type: none"> 3a. Increase employee satisfaction rate by 30 points by end of 2022 by acting on employee feedback through leadership and communication 3b. Appoint ESG Officer to lead coordination of ESG efforts; create action plan from ideas raised during ESG workshops 3c. Further define and set company culture and values
4. Promote high standards of business ethics	<ul style="list-style-type: none"> 4a. ESG awareness amongst employees 4b. Whistleblower 	<ul style="list-style-type: none"> 4a. Employees trained annually in ESG topics 4b. Whistleblower scheme known to all 	<ul style="list-style-type: none"> 4a. 100% of employees have signed CoC 4b. Whistleblower policy is a part of the CoC that all employees sign 	<ul style="list-style-type: none"> 4a. Develop eLearning covering CoC topics such as ABC and roll out to all employees 4b. Implement electronic whistleblower system
5. Sustainable and ethical supply chain	<ul style="list-style-type: none"> 5a. Supply chain management 5b. Supply chain code of conduct (sCoC) 	<ul style="list-style-type: none"> 5a. Best in class supply chain management 5b. 100% of suppliers sign CoC 	<ul style="list-style-type: none"> 5a. ESG is key focus when choosing suppliers for SNS brand. All own-brand suppliers are required to comply and sign CoC, and brand partners are encouraged 5b. Increased number of brand partners that have signed the supplier CoC 2021: 38/58 2020: 23/43 2019: 20/39 2018: 14/39 	<ul style="list-style-type: none"> 5a. Further strengthen supply chain mgmt. and transparency through project with external consultants 5b. Continue to have 100% of suppliers for our own brand to sign supplier CoC

SNS has selected the following SDGs to which it has an opportunity to contribute:



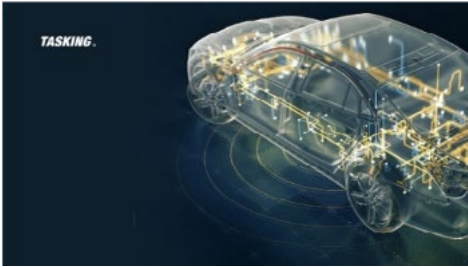
8.8 Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment



12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse
12.8 By 2030, ensure that people everywhere have the relevant information and awareness for sustainable development and lifestyles in harmony with nature

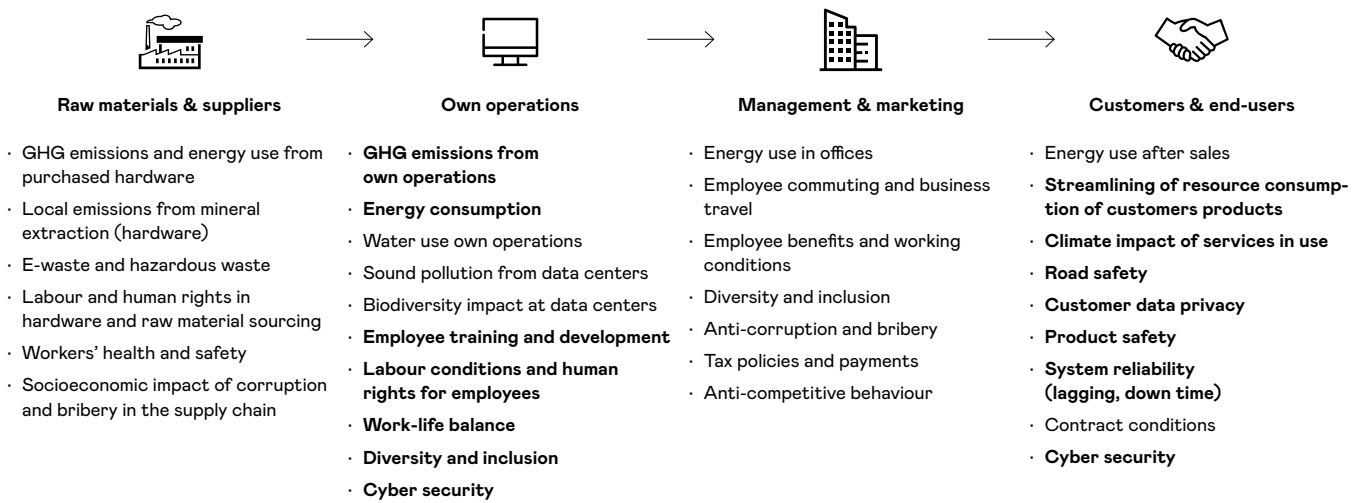
TASKING offers high-performance, embedded software development tools for original equipment manufacturers (OEMs) and Tier 1 suppliers in the automotive space. Its strategic partnerships with semiconductor manufacturers, OEMs, and suppliers makes TASKING a leading player in the embedded software development industry for advanced driving assistance systems (ADAS) and autonomous driving.

Headquartered in Munich, TASKING is a global company, with teams in Europe, Asia, and the US. TASKING is world-renowned for superior compiler technology. Its tools have been used for over 25 years by developers and the world’s leading organizations to meet the demands of specialised embedded software development.



TASKING’s potential ESG impacts based on its sector, jurisdictions, and operations

Topics of higher importance in bold



External factors impacting TASKING based on its sector, jurisdictions, and operations

- + Demand for products that enable road safety
- + Demand for products that enable reduction in GHG emissions when in use
- Requires highly specialised technical workforce
- Heightened cyber attack risks globally, putting pressure on product security and system reliability
- Geopolitical instability, and anti-bribery and corruption risks in high-risk jurisdictions

Initial EU taxonomy assessment

Key activities

- J62.01 – Programming services

Potential contribution to environmental objective

- Climate change *mitigation* (enabling)



Company ESG performance 2021

Strategic Area	KPIs	Long Term Target	Performance 2021	Annual Target 2022
1. Climate	<ul style="list-style-type: none">· 1a. Reduce emissions	<ul style="list-style-type: none">· 1a. Net Zero	<ul style="list-style-type: none">· 1a. Started reporting GHG emissions in online GHG reporting tool; completed full scope 3 screening	<ul style="list-style-type: none">· 1a.<ul style="list-style-type: none">- Create full baseline of scope 1-3 emission and set science-based targets- Determine reduction and offsetting strategy based on SBTi recommendation- Reduce and offset business-trips- Assess possibility of switching to green energy when producing software- Help employees with reducing carbon footprint by introducing benefits to incentivise action
2. Transporting end customers in safe and climate efficient ways	<ul style="list-style-type: none">· 2a. Products for safety relevant applications· 2b. Climate change mitigation	<ul style="list-style-type: none">· 2a. Continuously push the bar for safety products· 2b. Quantify life-cycle GHG emission reductions from TASKING's activities	<ul style="list-style-type: none">· 2a. Offered tools for safety critical applications· 2b. Delivered tools used in EV and autonomous driving, enabling reduction in GHG emissions	<ul style="list-style-type: none">· 2a. Further expand product offering: roll-out of new releases for safety applications· 2b. Complete in-depth EU taxonomy screening under Goal 2 – Climate Mitigation to assess alignment
3. Diversity & Inclusion	<ul style="list-style-type: none">· 3a. Increase share of female employees across levels (with focus on Product Dev't)· 3b. Increase number of female employees in each country· 3c. Increase number of employees with different cultural backgrounds in monocultural teams	<ul style="list-style-type: none">· 3a. Female employees across levels 50% as well as 50% in the management roles· 3b. 50% female employees in each country· 3c. Empower cultural diversity on a global level and introduce staff rotation	<ul style="list-style-type: none">· 3a. Current female employees across levels 20%; current female employees in management roles 28%· 3b. 4 countries with 1 or none female employees· 3c. Multicultural teams in Germany, Netherlands, USA; Monocultural teams in Asia	<ul style="list-style-type: none">· 3a.<ul style="list-style-type: none">- Female employees across levels at least 30%- At least one additional female employee in a management role: through internal or external recruitment· 3b. At least 1 female employee in each country· 3c.<ul style="list-style-type: none">- Align with the recruiters on multicultural talent acquisition- Enable cross-country rotation for Sales and Product Development teams to create multicultural awareness- Intercultural team building (online or when possible organising global meet-up of TASKING team)
4. Employee happiness	<ul style="list-style-type: none">· 4a. Increase eNPS score· 4b. Development of our team· 4c. ESG leadership	<ul style="list-style-type: none">· 4a. Increase eNPS score to 20+; 100% employee participation in Winningtemp· 4b. Performance reviews and development trainings offered across levels and departments globally· 4c. ESG considered in all business decisions	<ul style="list-style-type: none">· 4a. Implemented Winningtemp, employee's participation at 91%, Current eNPS 16· 4b. 8 hours Project Lead Training in NL for product dev. department· 4c. Assigned ESG officer role to lead ESG initiatives	<ul style="list-style-type: none">· 4a. Increase eNPS score to 20· 4b.<ul style="list-style-type: none">- Analyse and define training topics across departments and find providers/ solutions- Implement a regular Performance and Development process for our employees- Enable knowledge sharing in the teams through internal eLearning platform· 4c. Implement ESG initiatives
5. Ethical business conduct	<ul style="list-style-type: none">· 5a. ESG policies & control· 5b. Training for all employees covering topics such as ABC, Code of Conduct, Whistleblowing· 5c. Data security and privacy training· 5d. Resellers, partners, and customer compliance process documentation	<ul style="list-style-type: none">· 5a. ESG policies and whistleblower regularly updated to follow best practice· 5b. All employees do regular ESG trainings· 5c. All employees complete data security and privacy training with an assessment/ exam at the end· 5d. Best in class procedures in compliance	<ul style="list-style-type: none">· 5a. Updated all ESG policies including CoC, whistleblower policy and procedures, supplier CoC; 70% of employees signed· 5b. Received eLearning & electronic whistleblower platform proposal· 5c. Data privacy training developed by an external partner in Germany· 5d. Working with external experts on creating a compliance process according to the CoC	<ul style="list-style-type: none">· 5a. 100% of new hires to sign ESG policies; implement and introduce electronic whistleblower channel· 5b. 100% of employees complete the first ESG eLearning Organise Compliance training with focus on ABC for Sales reps· 5c. Implement the tool for Data Privacy and Data Security training for the global team, proceed with the first training· 5d. Establish risk assessment of all resellers and external partners, implementation of a compliant process

TASKING has selected the following SDGs to which it has an opportunity to contribute:



Reduce global deaths and injuries from road traffic accidents (3.6)

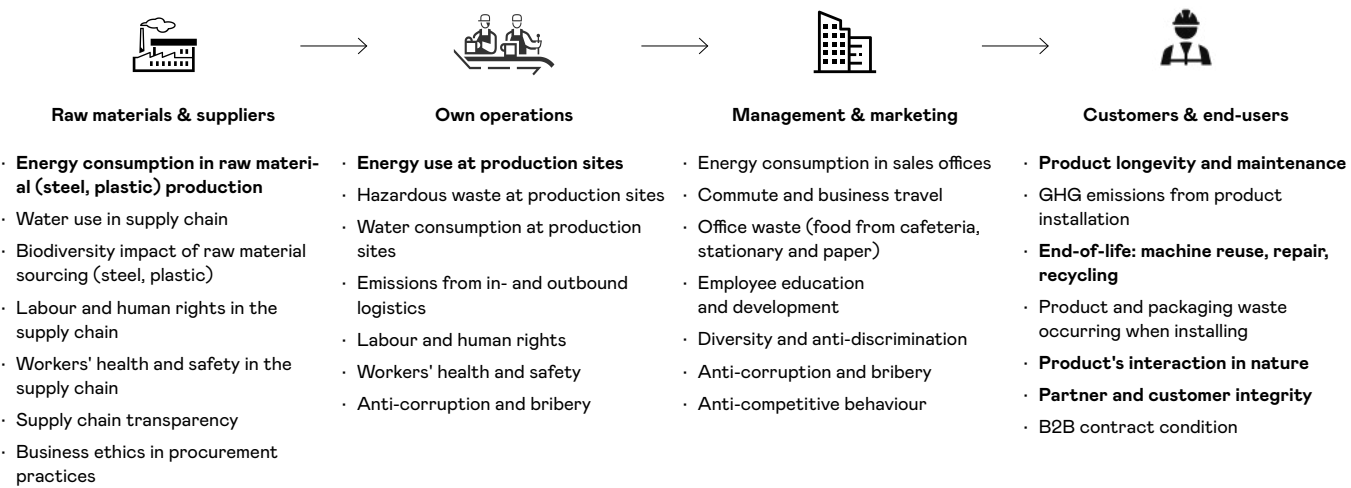
ViaCon provides mission critical sustainable infrastructure products and solutions to customers across Europe, the Middle East and North Africa. The company is organised in three business segments: 1) Bridges & culverts – consist of the design, engineering, manufacturing and installation of corrugated steel structures and culverts; 2) Geotechnical – solutions used in a range of applications from soil reinforcement in infrastructure projects to solutions for groundwater protection in landfills; and 3) Stormwater – consists of the design, engineering, manufacturing, and installation of water management systems to manage flood water.

ViaCon employs ~800 people across 19 countries, with its three main production plants being in Poland, Lithuania, and Turkey. Main raw materials are steel coils and raw plastic. Most geotechnical products are procured by suppliers. ViaCon often acts as a sub-supplier to construction companies that participate in larger public tenders for road and tunnel construction. Stormwater solutions are sold to B2B customers.



ViaCon's potential ESG impacts based on its sector, jurisdictions, and operations

Topics of higher importance in bold



External factors impacting ViaCon based on its sector, jurisdictions, and operations

- + Demand for climate change mitigation solutions, e.g., products and services with lower CO2 emissions than alternatives
- + Demand for climate change adaptation solutions, e.g., solutions that mitigate flooding, ensure safe water, and reduce cross contamination of water/wastewater
- Scrutiny of environmental impact of raw material sourcing, transportation, and production
- Anti-corruption and bribery risks in key markets (e.g., China)
- Human and labour rights concerns associated with higher-risk markets (e.g., China)

Initial EU taxonomy assessment

Key activities

- F42.99 - Construction of other civil engineering projects n.e.c
- F42.13 Construction of bridges and tunnels
- M71.12 Engineering activities and related technical consultancy

Potential contribution to environmental objective

- Climate change *adaptation*
- Climate change *mitigation* (enabling)



Company ESG performance 2021

Strategic Area	KPIs	Long Term Target	Performance 2021	Annual Target 2022
1. Improve climate resilience of the society	<ul style="list-style-type: none">· 1a. LCA calculation tool for each business segment (BS)· 1b. EPDs· 1c. ISO 14001· 1d. Emissions free solutions	<ul style="list-style-type: none">· 1a. LCA calculation tool for key solutions in each BS· 1b. EPDs for all product categories· 1c. ISO 14001 certifications for all production units· 1d. Launch the first “emissions free” soil steel bridge and water tank by 2028* <p><small>*pending Green steel initiative</small></p>	<ul style="list-style-type: none">· 1a. Developed an LCA calculation tool for culverts in BS 1 and geo-synthetics in BS 2, measuring GHG emissions, water and energy use compared to comparable materials· 1b. Developed 2 EPDs in BS 1· 1c. Have ISO 14001 in all main production units (remaining: France, Germany and UK – newly acquired)· 1d. Ideated the opportunity to provide emissions free steel solutions	<ul style="list-style-type: none">· 1a. Further build on LCA calculation tool for BS 1 and BS 2; develop LCA tool for fire tanks in BS 3· 1b. BS 1: develop EPDs for all product categories in; BS2: develop EPDs for plastic pipes and require EPDs from suppliers (increase from 5 suppliers with EPD's to 10)· 1c. Implement ISO 14001 in France· 1d. Create the design of a sustainable bridge pilot project with the lowest possible environmental impact
2. Improve ViaCon's climate impact	<ul style="list-style-type: none">· 2a. Reduce GHG emissions	<ul style="list-style-type: none">· 2a. Become Net Zero	<ul style="list-style-type: none">· 2a.- Introduced CEMAsys and reported scope 1 & 2; completed full scope 3 screening- 75% of factory lights now LED- Reduced GHG emissions with 20% in relative figures due to new plastic production line in Lithuania (mainly related to electricity consumption)	<ul style="list-style-type: none">· 2a.- Establish science-based targets for scope 1 & 2- Track and report material scope 3 and create baseline- Reduce relative emissions by 5% due to reduction of electricity use in Lithuania
3. Material utilisation and recycling in production	<ul style="list-style-type: none">· 3a. Virgin plastic reduction· 3b. Steel raw material consumption	<ul style="list-style-type: none">· 3a. Reduce virgin plastic raw material in pipes by 22% by 2025· 3b. Reduce steel consumption with 2.5% by 2025	<ul style="list-style-type: none">· 3a. Increased recycled plastic raw material from 27% to 36% of total plastic production- Reduced 10% CO2 emissions/kg in Pecor Optima production· 3b. N/A	<ul style="list-style-type: none">· 3a. 14% reduction in virgin plastic compared to 2020 base· 3b. Reduce steel consumption with 1% through standardising steel thickness in our Watertanks
4. Be this industry's preferred employer	<ul style="list-style-type: none">· 4a. eNPS· 4b. Engagement index (EI)· 4c. Lost days per 1000 Employees· 4d. Employee turnover rate· 4e. Share female employees	<ul style="list-style-type: none">· 4a. eNPS 10 by 2025· 4b. EI >7.3 by 2025· 4c. Lost Days at <400 in 2024· 4d. Employee turnover rate <8% in 2023· 4e. Improved gender balance in our teams – specific target TBD	<ul style="list-style-type: none">· 4a. Ran Winningtemp pilot, eNPS -14· 4b. Executed 2 virtual leadership conferences, EI at 6.9· 4c. Virtual H&S Audits and action plans for all factories. New reporting tool for accidents and near misses.- Lost days: 2021: 568 2020: 642- Severity rate: 2021: 17.2 2020: 30.6- Frequency rate: 2021: 46.6 2020: 28.9· 4d. Employee turnover rate: white collar 11.82%, blue collar 15.45%· 4e. Established practice with our search firms to always strive to add both genders in shortlist	<ul style="list-style-type: none">· 4a. Implement Winningtemp to all office workers. eNPS = -4· 4b. Run 2 Leadership Devt. Programs. EI = 7.0· 4c. Validate H&S Audits and create robust plans per production unit- Lost days reduced by 10%- Near miss reporting increased with 30%· 4d. Employee turnover reduced to <10% through: a) salary reviews, b) performance appraisal process, c) employee branding program d) leadership development program· 4e. Diversity objective TBD Q2 '22
5. Ensure business ethics	<ul style="list-style-type: none">· 5a. Business ethics/ Code of conduct trainings· 5b. Suppliers signing SCoC· 5c. Supply chain management	<ul style="list-style-type: none">· 5a. 95% of employees complete eLearning annually· 5b. 90% of distributors and suppliers to sign CoC· 5c. Best in class supply chain management.	<ul style="list-style-type: none">· 5a. >95% of staff completed elearning on business ethics· 5b.- Rolled out the Supplier Code of Conduct – 55% uptake- Developed Distribution CoC· 5c. Suppliers screened through self-assessments	<ul style="list-style-type: none">· 5a. >95% of staff complete annual business ethics training· 5b. 75% of suppliers to sign the SCoC; 75% of Distributors to sign the DCoC· 5c. Further strengthen supply chain mgmt. through project with external experts

ViaCon has selected the following SDGs to which it has an opportunity to contribute:



Promote safe working environments for all employees through HSE training and audits (8.8)



Develop resilient and sustainable infrastructure (9.1), and increase resource efficiency in infrastructure development (9.4).



Reduce raw material consumption and scrap material, particularly of steel and plastic, thus reducing waste (12.5)



Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters (13.1)

CHAPTER 4

ESG Initiatives at FSN Capital

How FSN Capital works with ESG internally



Playing our Part

As responsible owners, we recognise that we have an opportunity to use our ownership position to drive change and contribute. At FSN Capital, we believe that we can further scale our contribution by mobilising others, too.



UN PRINCIPLES FOR RESPONSIBLE INVESTMENT

Developing a more sustainable global financial system

- FSN Capital was among the early signatories of the UN PRI, the world's leading proponent of responsible investment, and its principles have been firmly integrated in our Responsible Investment Policy and our investment approach
- We are proud that our Partner and former Chairperson Knut Kjær took part in drafting the Principles for Responsible Investment in 2005



INITIATIVE CLIMAT INTERNATIONAL

Committing private equity to climate action

- Initiative Climat International (ICI) is a collaboration of private equity firms working together to fight climate change by sharing best practices and tools, building common industry frameworks, and launching local initiatives
- In 2021, FSN Capital joined the ICI's UK chapter, and Head of ESG, Rebecca Svensøy, will take lead on launching the ICI's Nordic chapter in 2022



NET ZERO ASSET MANAGERS

Supporting the race to net zero emissions

- The Net Zero Asset Managers initiative is committed to supporting the goal of net zero greenhouse gas emissions by 2050 or sooner
- In 2021, FSN Capital became one of the 236 signatories of the Net Zero Asset Managers, committing to support investing aligned with net zero and setting science-based targets toward this commitment



UN GLOBAL COMPACT

Doing business responsibly and advancing the UN Sustainable Development Goals

- The UN Global Compact encourages businesses to create a culture of integrity across their strategy and operations
- The ten principles of the UN Global Compact are embedded in FSN Capital's Code of Conduct and are in part reinforced by our firm's values and ethos, "We are decent people, making a decent return, in a decent way"



LEVEL 20

Promoting gender diversity in our industry

- Level 20 is a non-profit founded in 2015 to improve gender diversity in the private equity industry, with the ambition to increase the percentage of women in senior roles to 20%
- FSN Capital and our team members are active in local Level 20 initiatives to inspire women to join and succeed in the private equity industry, through mentoring, networking events, outreach and advocacy, and research efforts



Meeting our ESG expectations

To meet our high ESG expectations, we seek to ensure we hire the right people, as we view values and culture as the most important ingredients in driving the ESG agenda. A background check is conducted on all new FSN Capital employees, one of the means of sending a strong message about the importance of ESG from the start.

For Deal Teams, in their capacity as members of the Board of Directors in portfolio companies, we see that it is essential to have a good ESG understanding to set the right tone from the top, and to work in close collaboration with the portfolio management team to continuously improve ESG efforts.

An overview of FSN Capital's internal ESG training

The onboarding session with new hires includes one-on-one meetings with senior leaders, including Frode Strand-Nielsen (Founder and Chairperson), who set the tone from the top and discuss ethics, integrity, and FSN Capital's ESG focus and expectations. The ESG team also conducts a separate ESG onboarding session with all new hires.

As part of their onboarding package, all new employees are required to read the full ESG report and complete two training videos – the ESG eLearning and the Climate DD training. The ESG eLearning helps employees gain an understanding of FSN's Code of Conduct and their responsibilities as FSN Capital employees, and it raises their awareness of typical “red flag” situations that require increased diligence.

The FSN Capital ESG team arranges ad hoc internal training sessions, such as when a new framework or approach is launched. Further, to make

The ESG eLearning helps employees gain an understanding of FSN's Code of Conduct

sure we are up to date on new ESG practices and policies, we have long standing cooperation agreements with PWC, EY and local law firms that help develop training materials and run workshops with the team.

Furthermore, the FSN Capital ESG team regularly uses the firm's internal communication platform on Slack to share ESG standards,

best practice, and inspiration with all employees. There is also a dedicated intranet page with all ESG information available.

Finally, we believe the best form of training happens on the job. To build internal competence and understanding of how climate change and

ESG aspects affect both portfolio companies and potential targets, deal teams are responsible for execution of the ESG and climate DD workstreams, supported by FSN Capital's ESG team.



Diversity

FSN Capital places significant emphasis on diversity, equity, and inclusion (DEI). In an increasingly complex world, having teams with complementary skill sets and backgrounds is vital for success.

Research shows that companies with a more diverse workforce perform better financially. The private equity industry is male dominated, suggesting that the experience, talent, and expertise of half of the population is underutilised. FSN Capital has continued to take action to improve the balance, positioning us to benefit from an expanded talent base. In addition to gender balance, we also seek candidates with varying nationality, ethnicity, education, and professional experience.

Per FSN Capital’s Code of Conduct that all employees and our portfolio companies sign, employees should always “act to promote a culture characterised by respect, inclusion, equality, and diversity.” FSN’s strategy to address DEI spans internal initiatives, industry collaborations, and targeted efforts in our management of portfolio companies.

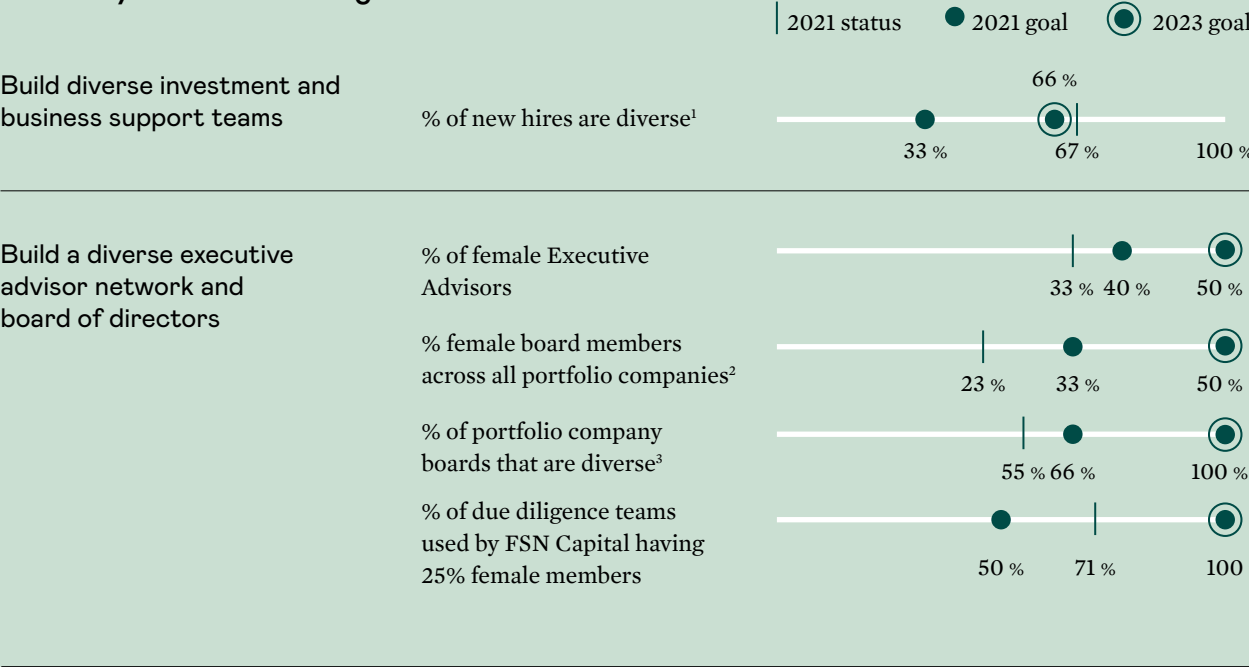
SOME OF THE MEASURES TAKEN TO DATE INCLUDE:

- Defined clear targets for improvement: 50% of all new hires to the Investment team, Executive Advisors and portfolio company board of directors should be female.
- Partnered with headhunters specialised in recruiting female candidates to help us achieve the goal.
- Included gender diversity on portfolio company boards as one of three KPIs in the ESG-linked subscription facility for FSN Fund VI
- Unconscious bias training conducted for the Partner Group and all employees.
- Implemented mandatory parental leave for all team members – male and female.
- Cooperation with Equality Check (former #ShesGotThis) since 2017.
- Mentoring program for all women in the Investment team, where they are paired with external female senior executives.
- Part of the Nordic Executive Committee of Level20.
- Cooperation with MAK, a network for young professionals promoting intercultural and ethnic diversity
- Signed the CEO Commitment

Historical diversity performance

FSN Capital's...	2014	2015	2016	2017	2018	2019	2020	2021
Employees (FTEs)	28	30	32	39	48	51	53	68
Representation of women (% FTEs)	25%	27%	28%	28%	33%	33%	36%	41%
Representation of women on investment team (% FTEs)	4%	4%	4%	7%	9%	14%	36%	30%

Diversity & inclusion targets



1) In terms of gender, ethnicity or educational/professional background compared to the team you are hired into (i.e. a male is considered diverse if hired into a female-dominated team) – no double counting

2) Includes board members appointed by other shareholders of portfolio companies than FSN Funds (excludes FSN Capital employees and employee representatives)

3) At least one female and one international board member – no double counting

FSN's internal climate footprint

In relation to setting science-based targets and committing to Net Zero in 2021, FSN Capital improved its GHG reporting to have a full base year from which to set emissions targets and reduce.

FSN Capital saw a ~20 % total decrease in GHG emissions in 2021 compared to 2020. This is likely a result of the continuation of the Covid-19 pandemic leading to remote work and less business travel, combined with our increased focus on reducing our internal emissions. However, with business travel as our largest contributor to emissions, we expect our emissions to increase again when travel restrictions ease, though reducing travel and related emissions will continue to be a focus.

OUR INTERNAL EMISSIONS TARGETS HAVE BEEN VALIDATED AND APPROVED BY THE SBTi:

- Reduce direct emissions (scope 1 and 2) by 60% by 2026, from a 2019 baseline
- Reduce indirect emissions from business travel and waste (scope 3) by 29% by 2026, from a 2019 baseline

GHG emissions for FSN Capital (tCO2e)

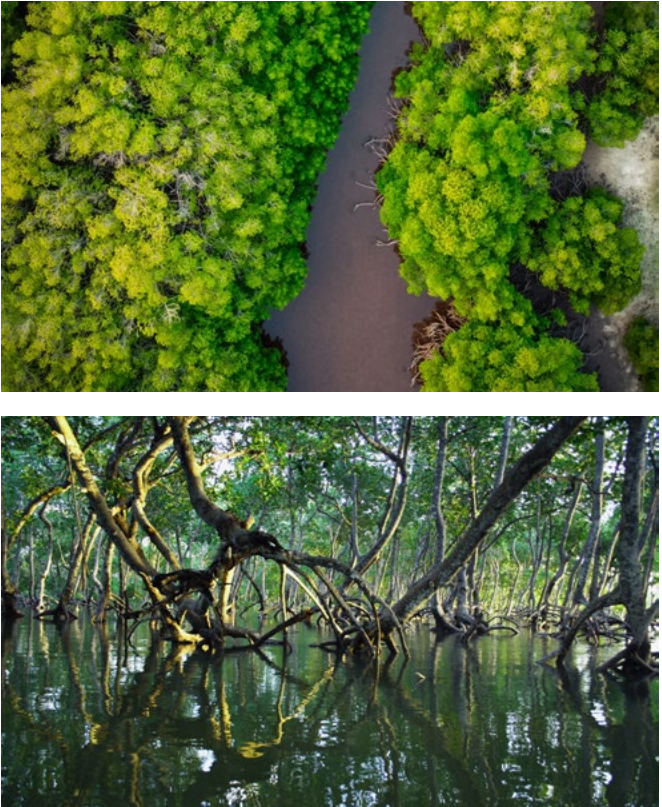
	2019	2020	2021	% Change from 2020 to 2021
Transportation	4.3*	4.3	4.6	
Scope 1	4.3*	4.3	4.6	7.60%
Electricity (location based)	9.3*	6.6	4.6	-30.90%
District heating	3.7*	4.6*	4.9	5.50%
District heating (general)	10.2*	10.0*	9.8	-1.10%
Scope 2 (location based)	23.2	21.2	19.3	-8.90%
Waste	2.0*	1.8	1.8	
Business travel	303.5	69.8	52.5	-24.80%
Scope 3	305.4	71.6	54.3	-24.10%
Total emissions (location based)	333.0	97.1	78.3	-19.40%
Scope 2 (market based)	16	38.7	47.3	
Total emissions (market based)	375.2	136.2	102.8	-24.50%

* Value changes from 2020 ESG report due to additional locations included in the scope

Offsetting FSN Capital's carbon footprint

With FSN Capital’s commitment to reach Net Zero, we complement our reduction efforts with offsetting any remaining emissions. As with our 2019 and 2020 GHG emissions, we elected to buy carbon credits to support the Thor Heyerdahl Climate Park in 2021 - a project aiming to plant mangrove trees in Myanmar. The project aims to plant 300 million trees by 2023, which will seek to biologically capture and store over 150 million tons of CO2e. Mangrove trees capture up to five times more CO2 compared to other trees in the rainforest and thus contribute to climate change mitigation.

The Thor Heyerdahl Climate Park is also a climate change adaptation project, as the mangrove can grow in saltwater, thus protecting the coastal areas from extreme weather conditions such as cyclones, increasing seafood production and biodiversity, and preserving coral reefs. The project also has local benefits. Breeding, planting, and cultivating the forests creates local jobs, while the network of roots filter polluted water.



Promoting ESG

UN PRI Principle 5 states that we should «work together to enhance our effectiveness in implementing the Principles within the investment industry». Rather than safeguarding our ESG knowledge as a competitive advantage, we actively share and promote our approach to improve ESG efforts of the private equity industry.

Participation in the public debate has made FSN Capital known for its values and ESG focus. Despite most conferences and seminars being postponed or moved online in 2021 due to Covid-19, FSN Capital has promoted ESG in several external forums.

Our Partner Knut Kjær shared his thoughts on climate risks in financial markets at **Norwegian School of Economics (NHH)**.

FSN Capital hosted, together with law firm **Selmer**, a webinar about **ESG with focus on social sustainability**. Representatives from FSN Capital included Founder and Chairperson Frode Strand-Nielsen, Principal Eskil Koffeld, and Rebecca Svensøy. We also invited Øystein Bråta, COO of FSN portfolio company Active Brands, to share how ESG is integrated throughout the value chain.

Knut Kjær and Rebecca Svensøy interviewed by **Bloomberg** on ESG investing.

FSN Capital participated in the “**Active ownership with a focus on sustainability**” seminar at **BI Norwegian Business School**. Frode Strand-Nielsen and Mia Sørli, ESG Associate, shared how FSN Capital systematically integrates ESG and climate change considerations into the strategy, operations, and culture of each portfolio company.

FSN Capital hosted, together with with ESG DD provider **Frank Partners**, an **ESG Breakfast Seminar**. Representatives from FSN Capital included our two Partners Knut Kjær and Justin Kent as well as Søren F. Knudsen, Chairperson of FSN portfolio company iMPREG.



UN PRI published a case study on how FSN Capital identifies and addresses human rights in the value chain.

Frode Strand-Nielsen participated in a CEO panel discussion as part of **the Science Based Targets initiative's** launch of its new private equity sector guidance for setting science-based targets.



Rebecca Svensøy, General Counsel and Head of ESG, represented FSN Capital at **Mergermarket's Global M&A Conversation** to share insights about environmental legislation.

Knut Kjær participated in a virtual panel discussion hosted by **Central Bank of Singapore** sharing his perspectives on how to build a climate-aware portfolio.

Rebecca Svensøy shared insights on how FSN Capital works with ESG in our portfolio companies at **PwC's Internal Ethics Day**.



FSN Capital was present at the **Women's Finance Day** at **Stockholm School of Economics (SSE)**, promoting women in private equity.

As part of our commitment to **Level 20**, FSN Capital hosted an event together with 4 other private equity firms at **Copenhagen Business School** to discuss careers in private equity and to kick off the Private Equity Female Academy for 2022.

Rebecca Svensøy presented at **Pareto Securities' Sustainability Week** sharing FSN Capital's work on climate change, including the latest initiative on setting science-based targets.

Frode Strand-Nielsen and Rebecca Svensøy participated at the **Nordic Buy Out Forum**, an event hosted by **Wiersholm** in collaboration with **Norwegian Venture Capital Association (NVCA)**. Frode shared his perspective on the opportunity for private equity to take a leading role in addressing climate change, while Rebecca explained how FSN Capital is taking concrete steps to reach net-zero and reached out to collaborate with others in our industry.

Giving Back

FSN Capital donates to select philanthropic initiatives that support our values.

Since 2014, we have donated a Christmas gift to the Naandi Foundation. The charity supports the education and empowerment of underprivileged girls in India.

As of 2021, our donations have contributed to 31 girls completing their 10 years education. Currently, we support the education of 176 girls in school.

FSN CAPITAL ALSO SPONSORED AND CO-OPERATED WITH OTHER INITIATIVES INCLUDING:

- **UNICEF**, specific donation to support families in Ukraine fleeing the Russian invasion in 2022.
- **FromU2them**, committed to providing relief for citizens of India, affected by the Covid-19 crisis.
- **Kennedy Human Rights**, promoting investment approaches that consider social justice.
- **Plan**, driving change to advance children's rights and equality for girls.
- **Level 20**, dedicated to improving gender diversity in the European Private Equity industry.



CHAPTER 5

Reporting

We abide by and meet several industry initiatives and regulatory reporting requirements. This section indicates how we do on each of them.



UN PRI

Compliance with the six principles in the UN Principles for Responsible Investment (PRI) is a natural part of our investment approach and the foundation for our Responsible Investment Policy.

We welcome how PRI continues to drive the sustainable investment agenda. Below we have highlighted some of our key efforts to fulfill our commitments under each PRI principle.

The Principles		Examples of how FSN Capital upholds each principle
1	We will incorporate ESG issues into the investment analysis and decision-making process	ESG and climate considerations are always included in the pre-investment phase (<i>see page 36-39</i>).
2	We will be active owners and incorporate ESG issues into our ownership policies and practices	We engage with our portfolio companies, providing them with ESG frameworks to support them in identifying material ESG issues and addressing these through ESG strategies (<i>see page 44-45</i>). The ESG-linked subscription facility is designed to further incentivise implementation of our ESG frameworks in the ownership phase (<i>see page 28-29</i>).
3	We will seek appropriate disclosure on ESG issues by the entities in which we invest	Portfolio companies are required to disclose material ESG issues in their value chain, their ESG strategy (<i>see chapter 3</i>), as well as FSN Capital standard ESG KPIs (<i>see page 63</i>).
4	We will promote acceptance and implementation of the Principles within the investment industry	Our Responsible Investment Policy forms part of our formal commitment to our investors. ESG questions are included in the annual service provider assessment conducted by FSN Capital. We collaborate with industry peers (<i>see page 108</i>).
5	We will work together to enhance our effectiveness in implementing the Principles	We share our ESG approach in relevant fora and contribute to sector ESG initiatives and events (<i>see page 116-117</i>).
6	We will each report on our activities and progress towards implementing the Principles	FSN Capital's PRI transparency reports are publicly available on UN PRI's websites (<i>see table of historic PRI scores on page 14</i>).

UN SDGs

The private sector plays an integral part in solving the most urgent global challenges, best described by the UN Sustainable Development Goals (SDGs). Since 2017, the UN SDGs have been part of how we engage with portfolio companies on ESG. Similarly, for our firm, we have identified the below SDGs and targets to which FSN Capital can contribute.

Goal	Target	Our opportunity to contribute	KPI and 2021 performance
 5 GENDER EQUALITY	· 5.5. Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life	· Opportunity to include women on boards of directors and key C-suite positions, both in our portfolio companies and at FSN Capital · We track and encourage portfolio company diversity	· 23% women on board of directors in portfolio companies* · 3/9 FSN Capital's Executive Advisors are women · Launched ESG-linked subscription facility with KPIs on % of women on board of directors in portfolio companies · See « Diversity » for more information
 8 DECENT WORK AND ECONOMIC GROWTH	· 8.2. Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labour-intensive sectors	· Job creation through organic growth in the portfolio companies · Opportunity to increase health and safety of the people working across the full value chain of our portfolio companies	· 13,923 people employed by FSN portfolio companies · 28% increase in FSN Capital employees in 2021
 13 CLIMATE ACTION	· 13.3 Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaption, impact reduction and early warning	· Opportunity to invest in companies that contribute to climate change mitigation and/or adaptation · Opportunity to reduce climate impact by providing tools and resources to report and reduce GHG emissions · Increase climate awareness among portfolio companies and FSN Capital's employees through strategy development discussions and trainings	· 100% of portfolio companies report GHG emissions · Climate change due diligence completed ahead of every transaction · Launched ESG-linked financing with KPIs on GHG reporting by portfolio companies · Carbon offsetting FSN Capital
 16 PEACE, JUSTICE AND STRONG INSTITUTIONS	16.5 Substantially reduce corruption and bribery in all their forms	· Opportunity to strengthen ethical business conduct by always conducting an ESG due diligence and implementing the FSN Capital ESG Governance Framework in our portfolio companies	· 100% of FSN Capital employees have completed the mandatory e-Learning · 100% of Portfolio Companies have implemented the FSN Code of Conduct · 50% of Portfolio Companies have implemented Code of Conduct training · 95% of Portfolio Companies have implemented the FSN Standard Supply Chain Code of Conduct · 100% of portfolio companies have adopted the FSN Whistleblower policy · 50% of portfolio companies have adopted a Whistleblower system

* Including board members appointed by other shareholders of portfolio companies than FSN Funds (excludes FSN Capital employees and employee representatives)

ESG-linked subscription facility for FSN Fund VI

FSN Capital Fund VI has an ESG-linked subscription facility, designed to further incentivise implementation of FSN Capital's ESG Frameworks in portfolio companies. Under this facility, interest rate is determined by 3 ESG-related KPIs, reported below.

Reporting Dec 31st 2021

Reporting 2022 and onwards

AS OF 31 DECEMBER 2021

KPI metric	PortCo	Omegapoint <i>Closed June 2021</i>	Obton Group <i>Closed July 2021</i>	MEGABAD <i>Closed August 2021</i>	Adragos Pharma <i>Closed September 2021</i>
KPI 1a	ESG Strategy & Climate Assessment	Completed <i>(see p. 92-93)</i>	Completed <i>(see p. 90-91)</i>	Completed <i>(see p. 84-85)</i>	Completed <i>(see p. 68-69)</i>
KPI 1b	ESG Ownership	Yes	Yes	Yes	Yes
KPI 1c	ESG Board Meeting Status Report	Yes	Yes	Yes	Yes
KPI 2a	GHG System	Yes	No - report in excel tool	Yes	Yes
KPI 2b	GHG Emissions Scope 1 & 2	Reported full scope 1 and 2 emissions for all units	Reported scope 2 emissions for 2020	Partly reporting of scope 1	Partly reporting of scope 1, full reporting of scope 2
KPI 2c	GHG Emissions Scope 3	All material scope 3 categories reported for all units	Reported scope 3 emissions for 2020	Partly reporting of material scope 3 categories	Limited reporting of material scope 3 categories
KPI 2d	GHG Emissions Target	Not yet	Not yet	Not yet	Not yet
KPI 3	Diversity Ratio KPI	3/17 board members are female = 18%* 3/12 board members appointed by FSN Capital are female = 25%**			

* Female board members to total board members in Fund VI if also including board members appointed by other shareholders of portfolio companies than FSN Capital VI (excludes FSN Capital employees and employee representatives)

** Female board members to total board members in Fund VI if excluding board members appointed by other shareholders of portfolio companies than FSN Capital VI (excludes minority shareholders, FSN Capital employees, and employee representatives)

CHAPTER 6

Appendix

A collection of our governance policies, built on international conventions, standards and guidelines



Responsible Investment Policy for FSN Capital Partners

WE ARE DECENT PEOPLE SEEKING TO MAKE A DECENT RETURN IN A DECENT WAY.

FSN Capital seeks to act with the highest level of integrity, taking a responsible approach when interacting with our portfolio companies, our advisors, our investors, local communities, and the environment. FSN Capital publishes an annual ESG report to be transparent about our performance and keep ourselves accountable.

With our investment approach, FSN Capital doesn't see a need for a responsible investment policy that is treated separately from our general investment strategy. Our policy for responsible investments and our investment philosophy are intertwined and in fact two sides of the same coin; tools we apply to ensure that we over time get the best possible combination of controlling risk and enhancing value.

Compliance with UN's Principles for Responsible Investment (UN PRI)

UN PRI promotes integrating ESG perspectives into the investment process and active ownership policy. For FSN Capital, being a signatory falls naturally within our investment approach and being compliant with these six UN PRI principles is a natural part of an investment strategy to safeguard and enhance return of our portfolio investments:

1. We always incorporate ESG risks and opportunities into the investment analysis and decision-making process.
 - This Responsible Investment Policy defines our formal exclusion criteria.
 - We conduct a climate change due diligence in every transaction.
 - We conduct an ESG due diligence in every transaction.
 - A summary of the key risks and opportunities identified in the climate and ESG due diligence is always included in the investment decision material.
 - We always consider the likely impact of key sustainability risks on return by having ESG risks integrated in our Risk Framework.
2. We are active owners and incorporate ESG into our ownership policies and practices.

ESG is a core part of FSN Capital Partners' value creation approach.

We implement both the FSN Capital Governance Framework and the FSN Capital ESG Strategy Framework in every Portfolio Company. With the FSN Capital Governance Framework we set the tone from the top and have minimum requirements with regards to ESG policies, implementation of ESG policies, and governance. The FSN Capital ESG Strategy Framework is our method for establishing an individualised ESG strategy for each Portfolio Company.

As responsible owners, we are dedicated to continuing to push the frontier of what constitutes good ESG governance. Our ESG Frameworks will therefor

evolve over time in line with international conventions, standards, and guidelines.

3. We seek appropriate disclosure on ESG risks and opportunities by the entities in which we invest.
4. We promote acceptance and implementation of the UN PRI within the investment industry.
5. We work together to enhance our effectiveness in implementing the Principles.
6. We will each year report on our activities and progress towards implementing UN PRI by completing the annual PRI signatory survey.

FSN Capital's exclusion criteria

1. Have contributed to systematic denial of human rights
2. Demonstrate a pattern of non-compliance with environmental regulations.
3. Show a pattern of engaging in child labour or forced labour.
4. Have an unacceptably high greenhouse gas footprint and have failed to take reasonable steps to reduce these emissions.
5. Produce weapons that through their normal use may violate fundamental humanitarian principles (eg Anti-personnel land mines, Production of cluster munitions, Production of nuclear arms)
6. Are directly related to the following industries:
 - a. Adult entertainment
 - b. Tobacco
 - c. Gambling
 - d. Alcohol

FSN Capital Partners' annual ESG report

FSN Capital has published an annual ESG report since 2014.

We will continue to publish an annual ESG report to transparently report on the progress of both FSN Capital Partners and the Portfolio Companies.

In the annual ESG report we will describe in more detail how ESG is integrated in our investment process and ownership approach, as this naturally evolves over time.

This policy will be reviewed and amended as appropriate from time to time.

Revised March 2021

FSN Capital Partners’ Code of Conduct - short version

WE ARE DECENT PEOPLE MAKING A DECENT RETURN IN A DECENT WAY

Purpose and main principle

The purpose of the Code of Conduct is to create a company culture that promotes integrity, our values, ethical guidelines and the FSN Capital Partners’ policies. The underlying principle for the Code of Conduct is that we always do the right thing, and if we are unsure, ask people who might know first.

The Code of Conduct applies to everyone in FSN Capital Partners, including all direct and indirect subsidiaries, and we expect all Board members, Advisors and Employees to live by them.

Always

- + Act professional and treat others with respect
- + Be careful when writing or posting pictures in blogs and social media regarding FSN Capital Partners, suppliers or customers
- + Comply with applicable laws and regulations in the countries in which we operate
- + Act to promote a culture characterised by respect, inclusion, equality and diversity
- + Act in the best interest of FSN Capital Partners at all times
- + Avoid conflict of interests and disclose all actual or potential conflict of interest to your line manager
- + Follow regulations regarding insider information and the insider list
- + Compete fairly within the framework of relevant anti-trust and competition laws
- + Act in a socially responsible manner that is safe and protective to people, the environment and society
- + Promote principles set out in international conventions regarding human rights and worker’s rights

Never

- Do not conduct any form of harassment, discrimination or treatment that may be interpreted as threatening or degrading by others
- Do not discriminate or provide differential treatment to others
- Do not share any confidential information
- Do not conduct any form of corruption – this includes offer, promise, request, demand, receive or accept unlawful or inappropriate gifts or other remunerations (all employees will be provided training in this)
- Do not give or accept gifts, entertainment or preferential treatment unless:
 - it is a non-cash gift
 - it is consistent with customary business practice
 - it is of insignificant value
 - it cannot be construed as a bribe or kickback
 - it is in accordance with FSN Capital Partners values
 - it does not violate any laws
- Do not exploit children as a labour force
- Do not exploit any form of forced or compulsory labour

Whistleblower policy

We encourage employees to make good faith reports of actual or suspected breaches of our Code of Conduct, and no one who in good faith reports a violation shall suffer retaliation from FSN Capital Partners or other employees. In most cases, an **employee’s sponsor or the head of relevant local FSN Capital Partners’ office** is in the best position to address an area of concern. If this reporting channel is deemed inappropriate, please see contact list below:

Compliance Officer FSNC	Rebecca Svensøy
Head of Compliance - Chairperson FSNC	Frode Strand-Nielsen
Co-Managing Partner FSNC	Robin Mürer
Co-Managing Partner FSNC	Ulrik Smith
External contact person	Gunnar Holm Ringen at PwC

We expect that all employees are familiar with our Code of Conduct and actively promote its content.

FSN Capital Partners’ Code of Conduct

INTRODUCTION

Our ethos reads “We are decent people making a decent return in a decent way”.

Integrity and honesty are at the heart of who we are. We maintain high ethical standards in everything we do and take pride in living by these standards, both in our professional and personal lives.

We believe that FSN Capital has three assets – people, capital and reputation. If any of these are ever compromised, reputation is the most difficult one to restore. Reputation takes years to build, but only one wrong decision to ruin.

The purpose of this Code of Conduct is to breathe life into the definition of who we are and what we stand for, and to inspire and steer our team members, Executive Advisors and portfolio companies to do the right thing every day – even when no one is looking. A breach of law or of our Code of Conduct is a threat to our Firm’s culture, our competitiveness and our reputation. We strive, therefore, to ensure that we do not compromise our ethos, integrity or values and that every member of the FSN Capital team is encouraged to raise the following question if in doubt: *“Is this behaviour in line with our ethos and values?”*

CODE OF CONDUCT FOR FSN CAPITAL

Ethics deals with ideas about what is right and wrong. We believe that ethics in professional life must be directly linked to the ethics that set the standards for us as individuals and as a society. Combining ethical judgment with personal strength to act out that judgment is our definition of integrity.

FSN Capital shall respect the principles set out in the UN Global Compact as attached hereto as Appendix A, (principles derived from the UN Convention against Corruption, the UN Declaration of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work and the Rio Declaration on Environment and Development), the OECD Guidelines for Multinational Enterprises, and the UN Convention on the Rights of the Child.

1. Personal Conduct

FSN Capital sets high ethical standards for everyone who acts on behalf of the Firm. All board members and employees must conduct themselves with courtesy, respect and integrity in business relationships, towards customers, colleagues and others who they encounter in professional life. No one should behave in a manner that may offend local customs or culture.

All board members and employees must protect FSN Capital’s assets to ensure that they are used efficiently and properly for legitimate business purposes. Each employee is personally accountable for the use of any Firm assets which he or she controls. Incidental personal use of telephones, copy machines, personal computers and similar equipment is allowed provided that there is no significant cost to the Firm, it does not interfere with duties to the Firm, and it is not related to any illegal activity or is otherwise outside the Firm’s business activity.

FSN Capital team members must not use assets of the Firm or the FSN Capital Funds directly or indirectly for contributions of any kind to any political party, political committee or candidate for, or holder of, any public office. Board members and employees may participate in political activities solely in their personal capacity and never in the capacity of being an employee or representative of FSN Capital, and always with due consideration to FSN Capital’s Code of Conduct

2. Laws and Regulations

All board members and employees are personally responsible for complying with applicable laws, regulations and guidelines issued by public authorities. In some instances, FSN Capital’s Code of Conduct may be more comprehensive than the applicable laws and regulations and, if not in conflict with the laws and regulations, FSN Capital’s Code of Conduct shall prevail.

3. Work environment and safety

FSN Capital shall provide a professional, inspired and safe workplace in accordance with mandatory legislation and will show respect for all individuals and make active efforts to ensure a good and inclusive working environment characterised by equality and diversity.

FSN Capital’s suppliers shall be required to apply the same principles.

No form of harassment, discrimination, differential treatment or other conduct which may be interpreted as threatening or degrading shall take place.

All board members and employees must refrain from conduct that may have a negative effect on colleagues or on the work environment of FSN Capital.

4. Conflicts of interest

Board members and employees must behave impartially in all business dealings and not give other individuals, companies or organisations improper advantages. Everyone shall avoid situations where conflicts of interest may arise between their personal and/or financial interests and those of FSN Capital or any of the FSN Capital Funds.

No one must work on or deal with any matter in which they themselves, their spouse, partner, close relative or any other person with whom they have a close relationship, has a direct or indirect financial interest. Further, the same applies when special circumstances exist which may weaken the perceived impartiality or the trust and integrity of employees or of their work.

Employees who consider themselves not to be impartial in relation to any particular matter, or who are uncertain as to their impartiality, shall notify their sponsor or point person of their situation and may then be excused from having any further involvement in the matter concerned.

5. Directorship, employment and other assignments

Board members, Executive Advisors and employees are expected to show loyalty towards FSN Capital and the FSN Capital Funds and shall not participate in any competing business.

No one must engage in other directorships, employment or assignments of any material significance outside FSN Capital unless otherwise agreed with FSN Capital. Should a conflict of interest arise, or if the relevant person’s ability to perform their duties or fulfil their obligations to FSN Capital is compromised, such approval will be evaluated and could be withdrawn.

6. Personal Investments

No FSN Capital Partners employee will participate for its own account in any investment opportunity in listed single name securities with their primary listing in the Nordics or DACH or unlisted securities with incorporation and principal activities in the Nordics or DACH, unless:

(i) such investment is made through a delegated discretionary portfolio investment mandate, or into EFTs or mutual funds; or

(ii) such investment is in a private company outside FSN Funds’ target universe with written prior approval from both sponsor and FSN Capital Partners’ compliance officer.

All FSN Capital Partners employees are required to report their investments to the FSN Compliance officer on a semi-annual basis.

7. Confidentiality

Everyone at FSN Capital shall maintain all proprietary and confidential information in strict confidence, except when disclosure is authorised by FSN Capital Partners’ Managing Partner or required by law.

Proprietary and confidential information generated and gathered in the Firm’s business is a valuable FSN Capital asset. Protecting this information is critical to FSN Capital’s reputation for integrity and its relationship with the FSN Capital Funds, and ensures compliance with the complex regulations governing the financial services industry. “Proprietary information” includes all non-public information that might be useful to competitors or that could be harmful to FSN Capital, the FSN Capital funds, its investors, portfolio companies or other connections if disclosed. It includes, for example, intellectual property, business plans, personal employee information, unpublished financial information and identification of target portfolio companies. “Confidential information” is information that is not generally known to the public about FSN Capital, the FSN Capital Funds, or other parties with whom FSN Capital or the FSN Capital Funds have a business relationship and that have an expectation of, or legal right to, confidentiality.

8. Insider information

All Executive Advisors, FSN Capital board members and employees shall comply with applicable laws and regulations regarding insider information. Everyone is advised to take necessary measures to ensure that insider information regarding a potential target portfolio company is not received. FSN Capital should under no circumstance advise the FSN Capital Funds to act (purchase or sell shares) as a result of insider information.

9. Anti-corruption regulations: Remuneration and gifts

FSN Capital is strongly opposed to all forms of corruption. Corruption undermines legitimate business activities, distorts competition, ruins reputations and exposes companies and individuals to risk. FSN Capital makes active efforts to ensure that corruption does not occur in its business activities.

The purpose of entertainment and gifts in a business setting is to create and enhance goodwill and working relationships to better serve the FSN Capital Funds and their investors, and not to gain an unfair business advantage. No Executive Advisor and no one at FSN Capital shall offer, promise, request, demand, receive or accept unlawful or inappropriate gifts or other remuneration. In some countries, “facilitating” (paying a “small token” to smooth a process or transaction) is not uncommon, but FSN Capital does not accept this as a way of doing business.

No one shall gain personal business-related benefits other than gifts or services of insignificant value.

FSN Capital Partners’ policy for gifts is as follows:

a) No gift, entertainment or preferential treatment can ever be solicited, provided or accepted by any individual at FSN Capital unless (i) it is a non-cash gift, (ii) it is consistent with customary business practices, (iii) it is of insignificant value, (iv) it cannot be construed as a bribe, payoff or kickback, (v) is in accordance with FSN Capital’s ethos and (vi) it does not violate any laws;

b) All directors and employees of FSN Capital shall notify the Compliance Officer of any gifts, entertainment or preferential treatment prior to such being provided or accepted. The Compliance Officer shall maintain a gift-log and approve gifts, entertainment or preferential treatment only when such are in compliance with FSN Capital’s anti-corruption policy set out herein;

c) As a general rule, one should decline invitations to paid events or trips hosted by service providers or other business contacts. Participation at paid events must always be authorised by FSN Capital’s Compliance Officer.

Agreements with consultants, suppliers, partners or other middle-men must never be used to channel payment or other remuneration to anyone within or outside FSN Capital.

10. Fair Competition

FSN Capital will compete in a fair and ethically justifiable manner within the framework of the antitrust and competition rules in the markets in which the Firm operates.

11. Correct information

FSN Capital requires that all employees are truthful in their dealings with one another, our clients and other business partners. In our interaction with investors, each other, intermediaries and potential sellers of portfolio companies, FSN Capital will always be honest and fair in terms of how we act in processes and “only promise what we can deliver”.

We will never take short-cuts in terms of due diligence of potential portfolio companies. We will view each deal in isolation and only base our investment recommendations on the merits of that particular transaction.

FSN Capital’s business information will be communicated accurately and fully, both internally and externally. All accounting information must be correctly registered and reproduced in accordance with laws and regulations, including relevant accounting standards. Any intentional act that results in material misstatements in financial statements will be treated as fraud

12. Social Media

Social media can work as a rewarding platform to share your opinions and moments of your life. But social media also brings with it certain risks and responsibilities. Employees are solely responsible for their content posted in social media. Any representative of FSNC shall refrain from sharing content that may compromise FSN Capital’s values or reputation. Keep in mind to always act in the best interest of FSN Capital and FSN fund investors.

Everyone at FSN Capital shall strive to demonstrate appropriate and respectful social media conduct. Be mindful that even when you make a statement or share content in a personal capacity, your content may reflect on FSN Capital. No representative of FSN Capital shall publish content, whether published in a private or professional capacity, that may reflect negatively on the professionalism or reputation of FSN Capital or FSN fund investors, such as malicious, hostile or intimidating content or content that might constitute discrimination or harassment.

Be particularly careful in respect of entries relating to FSN Capital, FSN fund investors and portfolio companies. Use a professional tone of voice when referring to FSN Capital and make sure you are fair, honest and courteous in any content reflecting on FSN Capital and FSN fund investors and portfolio companies.

Confidential information shall never be published and neither colleagues, customers, partners nor suppliers may be quoted or referenced without their prior consent. Everyone at FSN Capital must respect intellectual property rights and copyright-protected material.

When in doubt, reach out to your Sponsor or FSNC Compliance Officer.

APPENDIX A THE TEN PRINCIPLES OF THE UN GLOBAL COMPACT

Human Rights

- Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and
- Principle 2: make sure that they are not complicit in human rights abuses.

Labour

- Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- Principle 4: the elimination of all forms of forced and compulsory labour;
- Principle 5: the effective abolition of child labour; and
- Principle 6: the elimination of discrimination in respect of employment and occupation.

Environment

- Principle 7: Businesses should support a precautionary approach to environmental challenges;
- Principle 8: undertake initiatives to promote greater environmental responsibility; and
- Principle 9: encourage the development and diffusion of environmentally friendly technologies.
- Anti-Corruption
- Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.



We hope you appreciate reading this year's ESG report.
Please provide any feedback, comments or questions you
may have to esg@fsncapital.com



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