FSN CAPITAL

Environmental, Social and Governance Report 2022

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

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

– FSN Capital Partners' Ethos

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The ultimate goal of FSN Capital's ESG work:
To create Net Zero sustainability leaders with good governance & high ethical business standards

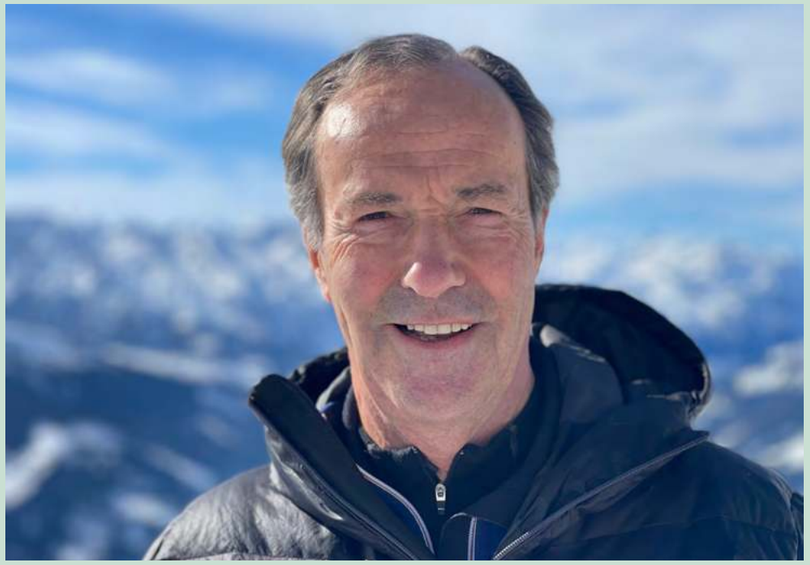
Letter from our Chairperson

– The courage to set bold targets

As we look into the future, there are many unknowns, yet one thing is certain – we must face the brutal facts. As UN Chief António Guterres said at COP27 in November 2022: "We are on a highway to climate hell with our foot still on the accelerator." With this in mind, we must all have the courage to set bold targets and work steadfastly towards them. For us this is our Net Zero commitment.

When I founded FSN Capital 24 years ago, I was committed to responsible investing, and built a firm with a strong and clear ethos leading the way: "We are decent people making a decent return in a decent way". What constitutes responsible investing has changed over the years, and we have always done our part to drive the private equity industry forward in this regard. Now, responsible investing means being part of society's necessary path to decarbonization, where we already have industry-leading goals with our Science Based Targets and Net Zero commitment *(see fact box)*. We are humble to the fact that we have a big job in front of us to meet our decarbonization goals: emissions reduction will for many companies necessitate operational changes and cooperation across the full value chain.

We will continue to sharpen our tools to be able to best support FSN portfolio companies on their decarbonization path. We believe that one of our most valuable assets in an uncertain future will be our flexibility and openness to adapt, as we together search for the path to reach the bold goals we have set. One of our core values - growth mindset – is required for the journey ahead.



Frode Strand-Nielsen,
Founder, Chairperson, and Partner responsible for ESG at FSN Capital Partners

"We must all have the courage to set bold targets and work steadfastly towards them. For us this is our Net Zero commitment."

The private equity industry is in a unique position to both capture the investment opportunity arising from the green transition and to increase the speed of the transition by accelerating the growth of such investments. FSN Capital will continue the race towards Net Zero by investing in companies that can contribute to reducing greenhouse gas (GHG) emissions in a material and quantifiable way, such as Obton and newly signed Polytech.

As always, we will do this with our Ultimate Clients in mind: the millions of workers, students, pensioners, and other citizens around the world, to whom we aim to deliver attractive investment returns in a responsible way.

This year's report marks a milestone for our firm: for the 10th time we are transparently documenting how we choose to incorporate ESG into all stages of the investment process. As we work on meeting our bold goals, we will continue to report to our stakeholders on our progress, in the open and transparent manner we have strived for since 2013.

SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

The Net Zero Asset Managers initiative
256 signatories with US$5.75 trillion in AUM

FSN Capital Partners has set clear and transparent GHG reduction targets verified by the Science Based Targets initiative

60%

Reduction in Scope 1 and 2 emissions by 2026

100%

Share of portfolio companies to set SBTi targets by 2030

Letter from our Co-Managing Partners

– The structure to execute change

Since inception, FSN Capital has been an industry leader in responsible investing. In an increasingly complex world, we believe our structured focus and commitment to ESG is proving ever more valuable.

When we look for companies to invest in, we always start by asking ourselves: "Will this company be relevant in the next decade or decades?" Applying a long-term perspective is not optional in our business, it is mandatory. With the green transition, increased stakeholders' expectations on ESG, new and upcoming regulations, and employees' preference to work for more sustainable companies, there is a clear link between a company's ESG position or potential, and its future relevance and financial success.

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

To generate returns for our Ultimate Clients we have developed a standardised approach to value creation – our FSN Execution Framework ("FEF", *see p. 40*). Our ESG approach is an integral part of FEF and therefore supports the commercial strategy of our portfolio companies. As a firm, we believe that to become a winner in any industry in the future, you must also be a sustainability leader. In the ownership period, we therefore utilise our industry-leading ESG frameworks to support portfolio companies in making the right priorities, acting fast, and driving change.

Internally at FSN Capital, we continue to focus on our people. In 2022 we were finally able to go on a family offsite which had been postponed several times due to Covid-19. Meeting all the children and spouses of our employees and spending time together as a team was one of the absolute highlights of 2022!

Building on several previous firm-wide diversity initiatives, we also launched a new diversity, equity, and inclusion (DEI) initiative in 2022. Throughout 2023, our team will collaborate on topics including talent and recruitment, unconscious bias, and work-life balance. From this, we expect to create a DEI strategy that resonates with our ethos and values.

Outside of our firm, we have been pleased to see the increasing focus on ESG among our stakeholders. In 2022, we joined the World Economic Forum's New Champions community, and we look forward to exchanging ideas and experiences with a community of future-focused companies that can enable us to together build a better and more sustainable future.

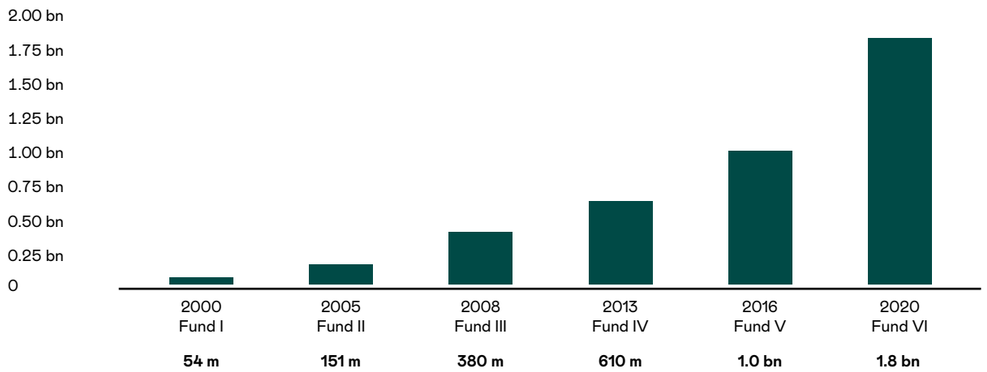
"To become a winner in any industry in the future, you must also be a sustainability leader."

FSN Capital at a Glance

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 has a team of more than 80 professionals across Oslo, Stockholm, Copenhagen, and Munich, in addition to 13 executive advisors with extensive industry experience[1].

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

FUNDS RAISED (EUR)



QUICK FACTS - 2022[2]

25
Active portfolio companies

200+
Add-ons advised by FSN Capital

~128
Total countries FSN portfolio companies operate in

19 891
people employed by FSN portfolio companies (FTEs), 48% increase from 2021

24%
2022 revenue increase in FSN portfolio companies, 22% increase in 2021[3]

37%
2022 EBITDA increase in FSN portfolio companies, 26% increase in 2021[3]

1. *As of March 2023*
2. *Numbers updated as of 31.12.22, excludes holdings in listed companies*
3. *Past performance is not necessarily indicative or a guarantee of future results*

FSN CAPITAL OFFICES

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

Our Ultimate Clients

Our purpose is to contribute to the welfare of everyday people.

We serve our investors, whose underlying beneficiaries constitute millions of pensioners, workers, students, and other citizens around the world who trust FSN Funds with their money. These are our Ultimate Clients.

We believe that our Ultimate Clients are best served when we create returns in a decent way - with focus on sustainable growth for the benefit of both our investors and society at large.

PUBLIC EMPLOYEES

PENSIONERS

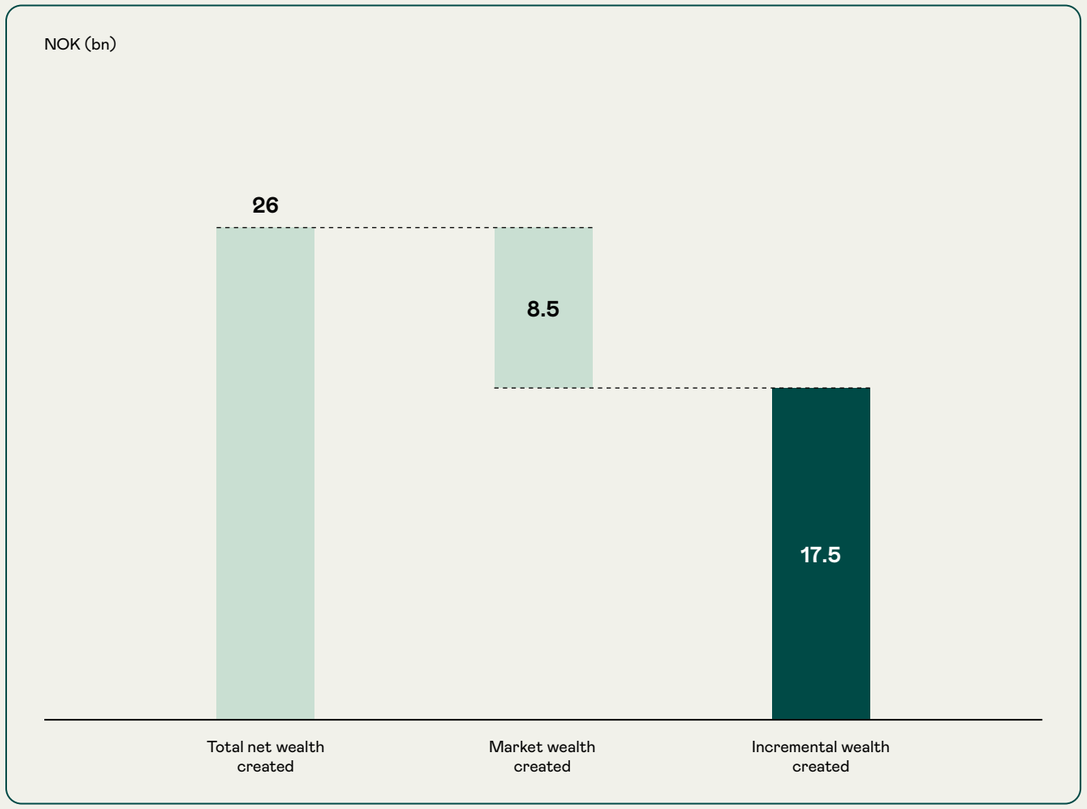
RESEARCHERS

STUDENTS

FAMILIES

Creating Welfare for our Ultimate Clients

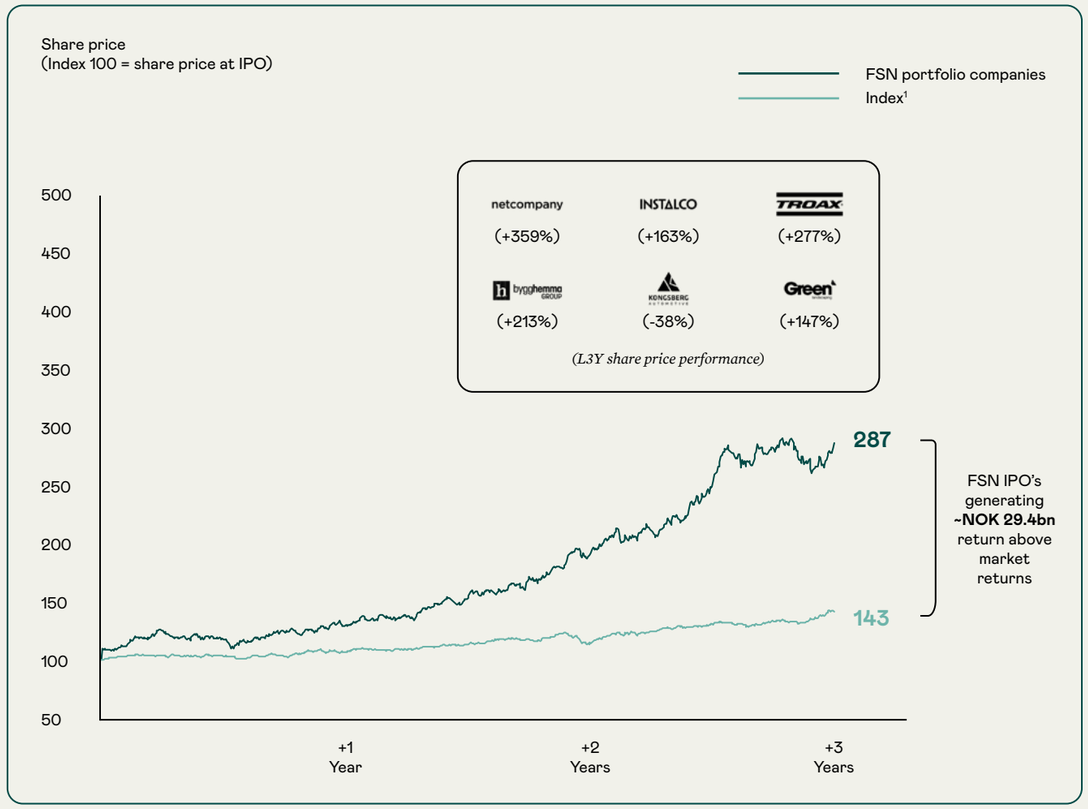
WEALTH CREATED *DURING* OWNERSHIP PERIOD



Source: McKinsey

Building Lasting Growth

WEALTH CREATED *POST* OWNERSHIP PERIOD



1. *OMX Nordic All-Share average*

Indices and other market comparisons are included to show general market trends during the period indicated and are not intended to imply that any FSN Fund's portfolio or any individual portfolio company is similar to the companies included in the relevant index or market comparison in either composition or risk. The investment characteristics and risk/return profile of an index differ materially from any FSN Fund, and it should not be assumed that correlations with any index based on historical returns will continue.

CHAPTER 1

Introduction

How we think about ESG at FSN Capital, what we have accomplished in 2022, and our plans for 2023

We Take Part in Leading the Way

At FSN Capital, the commercial value of our ESG work is strongly anchored at the top with our partner group and in our ethos. Not only do we all agree that the growth we seek in FSN portfolio companies, to ensure return to our Ultimate Clients, needs to be sustainable – we also believe that a robust ESG focus will be a competitive advantage for portfolio companies going forward.

To ensure that FSN portfolio companies remain resilient and relevant in the future, our ultimate ESG goal is to create Net Zero sustainability leaders with good governance and high ethical standards - for the benefit of both our investors and society at large.

All FSN portfolio companies must apply the three FSN ESG Frameworks – no exceptions. We in the ESG team have the pleasure to work closely with all portfolio company management teams to ensure deep ESG integration. Our contribution is to take part in shaping the sustainability leaders of tomorrow.

We were early movers and among the first private equity firms in the world to (i) set Science Based Targets and make Net Zero Commitments in 2021, and (ii) put in place a sustainability-linked financing facility in 2020 (see more info on p. 18 & 120). We are dedicated to maintaining our position as an industry leader in responsible investing. However, the change that needs to happen for the world to move towards a more sustainable society is of overwhelming scale and complexity. Collaboration across industries, value chains, and among peers will be a key success factor for solving the challenges ahead. We are grateful for our cooperation with peers through the Initiative Climat International (iCI), which we see as a catalyst for change.

Given our historically strong focus on ESG as a firm, our bold ESG targets, and our robust ESG Frameworks, we are in a unique position to drive change and capture the commercial value of ESG. This will help us realise our purpose of contributing to the welfare of everyday people, by creating a decent return in a decent way.

FSN CAPITAL'S ESG TEAM

Rebecca Christine Svensøy
General Counsel and Head of ESG

Mia Sørli Wikborg
ESG Associate

Katti Frølich
ESG Intern

Jeanette Fangel Løgstrup
Senior ESG Advisor

Our ultimate ESG goal is to create Net Zero Sustainability Leaders with Good Governance & High Ethical Business Standards

FSN'S PORTFOLIO COMPANY TARGETS

- 100% All FSN portfolio companies create own ESG strategy
- 100% All FSN portfolio companies adopt & implement ESG policies with clear governance
- 100% All FSN portfolio companies to set Science Based Targets
- 100% All FSN portfolio companies to have at least one female board member*

FSN'S ESG FRAMEWORKS

- ESG Strategy Framework
- Governance Framework
- Climate Framework
- Diversity

ESG in sourcing and due diligence

**Female board members to total board members (excludes FSN Capital employees, minority shareholders, and employee representatives)*

Sustainability-Linked Subscription Facility

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

KPI 1: ESG STRATEGY AND GOVERNANCE

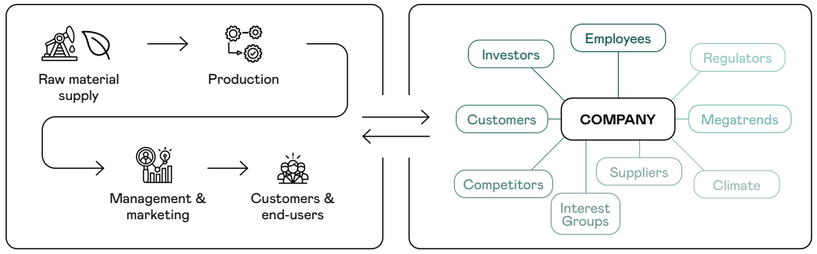
A. ESG STRATEGY AND CLIMATE ASSESSMENT
Each FSN portfolio company shall develop an ESG strategy with annual targets

B. ESG OWNERSHIP
Designate political (board) and operational (management) ownership per FSN portfolio company

C. ESG BOARD MEETING STATUS REPORT
Confirmation that ESG has been discussed semi-annually by the board of directors in each portfolio company

FSN'S ESG STRATEGY AND GOVERNANCE FRAMEWORK

(see p. 34, 38-41 for more details)



KPI 2: GREENHOUSE GAS EMISSIONS

A. GHG REPORTING SYSTEM
Each FSN portfolio company set up online GHG reporting system

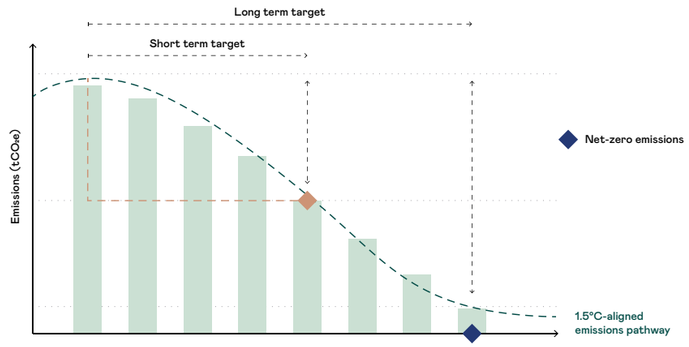
B. GHG EMISSIONS SCOPE 1 & 2
Each FSN portfolio company report Scope 1 and 2 emissions

C. GHG EMISSIONS SCOPE 3
Each FSN portfolio company report Scope 3 to the extent deemed relevant

D. GHG EMISSIONS TARGET
Each FSN portfolio company set ambitious GHG reduction target

FSN'S CLIMATE FRAMEWORK

(see p. 42 more details)



KPI 3: DIVERSITY RATIO

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)

FSN'S DIVERSITY INITIATIVE

(see p. 112 for more details)

**Female board members to total board members (excludes minority shareholders, FSN Capital employees, and employee representatives)*

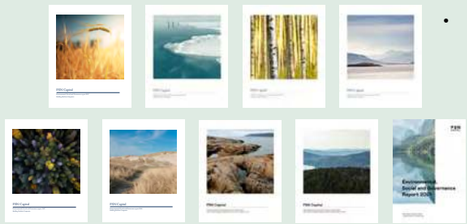
For a full overview on Fund VI portfolio companies' performance against the ESG KPIs, see p. 120

Our Strong Historic Focus on ESG

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

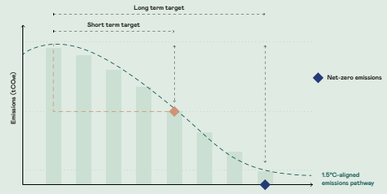
As a firm we see ourselves as a learning organisation with continuous improvement processes in everything we do, including our ESG approach. We continue to push the frontier when it comes to what it means to be a responsible owner.

- Introduced Principal Adverse Impact (PAI) and EU Taxonomy screening in investment process and of certain FSN portfolio companies
- Started portfolio company Science Based Target journey through FSN's Decarbonization Module



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

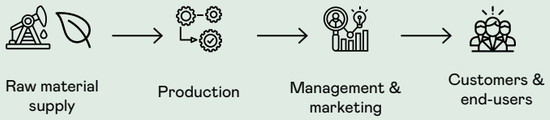
- Rolled out our process on Climate Change Due Diligence
- Sustainability-linked subscription facility launched



2012

- Became signatory of the Principles for Responsible Investment (PRI)

2014



- Introduced the FSN ESG Strategy Framework, based on elements of the EU Non-financial Reporting Directive (NFRD), supporting all FSN portfolio companies in developing tailormade ESG strategies

2017

2019

- Introduced the FSN Climate Framework, based on recommendations from the Task Force on Climate-Related Financial Disclosures (TCFD)

2020

2021

- Joined Initiative Climat International (iCI)
- Committed to Science Based Targets and Net Zero
- Integrated double materiality into the FSN ESG Strategy Framework

RACE TO ZERO

SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

2022

Playing our Part

At FSN we aim to use our ownership position to drive positive change. We believe that we can further scale our contribution by mobilising and cooperating with other too.

In addition, international ESG frameworks have influenced what we view as material ESG topics and how we work with these. Please see *page 118* for more information on how we work with the UN Principles for Responsible Investment (PRI) and Sustainable Development Goals (SDGs) in practise.

COMMITTED TO:

Signatory of: PRI Principles for Responsible Investment

initiative climat international

United Nations Global Compact

Science Based Targets

Science Based Targets | The Net Zero Standard

Race to Zero

Level 20

INCORPORATED ESG FRAMEWORKS:

SASB

Signatory of: PRI Principles for Responsible Investment

TCFD

CSDDD

Science Based Targets

Sustainable Development Goals

United Nations Global Compact

GRI

CSRD

EU Taxonomy Regulations

OECD

HISTORICAL PRI SCORECARD

	2014	2015	2016	2017	2018	2019	2020	2021
Strategy & Governance*	C(B)	B(B)	B(B)	B(A)	A(A)	A(A)	A+(A)	94/100[1] ★★★★★
Private Equity*	B(B)	A(B)	A(B)	A+(B)	A+(B)	A+(B)	A(A)[2]	99/100 ★★★★★

**Scores in parenthesis refers to the median peer score*

1. *In 2021 PRI used another methodology referring to Investment & Stewardship Policy rather than Strategy & Governance*
2. *But for a reporting error on the existence of our responsible investment policy, we would have been awarded A+ in 2020*

Signatory of: PRI Principles for Responsible Investment

RealDeals
26.1.23/522
realdeals.eu.com

Future 40

ESG INNOVATORS

The *Real Deals* Future 40 ESG Listing, in association with Private Equity Recruitment (PER), showcases alternative fund managers and advisers that are leading the way in transforming the industry's approach to environmental, social and governance (ESG).

By *Real Deals* team

THE PROCESS

The Future 40 ESG selection is based on nominations from across the industry - Real Deals and PER received in excess of 100 submissions for this inaugural ESG list, showcasing the breadth and depth of innovation in that space throughout the global PE landscape. Each entry was then carefully reviewed by our panel of industry specialists, who had the tough task of selecting the 40 standouts in what was a very compelling field. The judges paid particular attention to the innovation displayed by the firms and individuals across several key areas, including implementation in both the portfolio and the organisation itself, reporting and wider stakeholder engagement.

THE JUDGES

Jovana Stopic
ESG director, IK Partners

Chloe Sanders
Head of ESG, CVC Capital Partners

Caoimhe Bain
Head of ESG, Hayfin

Andy Duffy
Chief sustainability and decarbonisation officer, White Summit Capital

Gail McManus
Founder and managing director, PER

Kate Goodall
Head of ESG and sustainability, PER

Greg Gille
Editor, Real Deals

FSN CAPITAL

FSN's approach to ESG can be best summed up by its ethos: "Decent people making a decent return in a decent way". FSN currently has €4bn in assets under management, having most recently closed FSN Fund VI on €1.8bn in 2021. With its ESG team led by head of ESG Rebecca Christine Svensøy, ESG associate Mia Sørli and supported by partner responsible for ESG Justin Kent, the GP refined its efforts in recent months with highlights including the raise of an ESG-linked subscription facility for FSN VI to further incentivise implementation. The firm looks beyond its own organisation too: in 2021, it collaborated with five other private equity firms, all peers of the Initiative Climat International, to contribute to the development of the Science-Based Targets initiative's tailored guidance for the private equity industry. FSN became one of the first PE firms globally to adopt science-based emissions reduction targets, aligned with the Paris Agreement's goal to limit global warming to 1.5°C. FSN has committed that 100% of the portfolio will have set SBTs by 2030, with an interim target of 60% by 2026.

ESG Awards & Events

Participation in the public debate has made FSN Capital known for its values and ESG focus. 2022 was another successful year for FSN Capital when it comes to advocating for the effectiveness of ESG. We also received international recognition through several industry ESG awards.

Industry awards

- FSN Capital named as Real Deals' Future 40: ESG Innovators 2022
- FSN Capital received "the Green Prize Award 2022" at Aktive Ejere - Active Owners Denmark, the Danish PE/VC association's annual summit
- FSN Capital shortlisted for the "ESG – Mid Cap" category at Real Deals ESG Awards 2022

Awais Shafique, FEF Director and Marcus Wintersø, Investment Director, receiving "the Green prize Award 2022" in Copenhagen

Select speaker events

- Knut Kjær, Partner, spoke about "Sustainable Finance" at the Norwegian Society of Financial Analysts' (NFF) Seminar in Oslo, and "How Assets owners can contribute to the Green energy transition" at Responsible Asset Owners APAC
- Frode Strand-Nielsen, Founder and Chairperson, participated in Wikborg Rein's asset management seminar and called for a plan to make Norway a world leader in investments to fuel the green transition
- FSN Capital hosted an ESG breakfast seminar together with Frank Partners
- FSN Capital hosted a lecture at Stockholm School of Economics on how we incorporate ESG across the investment process

Justin Kent, Partner, speaking at FSN Capital and FP's ESG breakfast seminar

Frode Strand-Nielsen, Founder and Chaiperson, at Wikborg Rein's asset management seminar

Mike Joseph, Investment Associate, and Mia Sørli Wikborg, ESG Associate, speaking at Stockholm School of Economics

Delivering on our Commitments

Each year we create a list of key new 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 2022		HOW WE DID IT
Start Nordic chapter of Initiative Climate International (iCI)	~	The planned organisational structure of iCI was changed during 2022. There will be one European chapter rather than many regional chapters going forward
Develop a standard approach for setting and achieving Science Based Targets (SBTs)	✓	By further refining the Decarbonization Module in FSN's Climate Framework we have supported FSN portfolio companies in preparing for and setting SBTs
Continue EU taxonomy analysis of portfolio companies	✓	Utilised a new semi-automated digital tool to high-level assess EU taxonomy* eligibility for prospective and current FSN portfolio companies
Update standard ESG policies and whistle-blower policy overview per jurisdiction	✓	Updated FSN's standard policies to reflect recent changes in applicable laws and best practices in all core jurisdictions
Create and share a step-by-step plan for best practice supply chain management	✓	Created a third-party risk management procedure to support FSN portfolio companies' supply chain management, and a guidebook to assist companies in meeting the legal requirements under Norway's new Transparency Act (Åpenhetsloven)
Present at two ESG seminars in the DACH region	~	Held one ESG webinar in the DACH region

WHAT WE WILL AIM TO DO IN 2023

- Hire additional full-time dedicated resource to the FSN Capital ESG team to further support portfolio companies on their journey to Net Zero
- Further strengthening the link between ESG and incentives for FSN Capital employees, and develop standard templates and process for inclusion of ESG metrics in FSN portfolio companies' executive incentive plans
- Collaborate with our peers through iCI with a focus on Net Zero
- Work with FSN portfolio companies to ensure that they have detailed action plans with specific steps, timelines and responsibilities, to deliver on their ESG strategies, emission reduction, and policies implementation plans
- Provide supply chain management training to FSN portfolio companies to further enhance focus on human rights
- Consider how to further incorporate biodiversity and nature at the due diligence stage and in strategy discussions with FSN portfolio companies

**FSN Capital makes no commitment to achieving Taxonomy-alignment for any FSN portfolio companies*

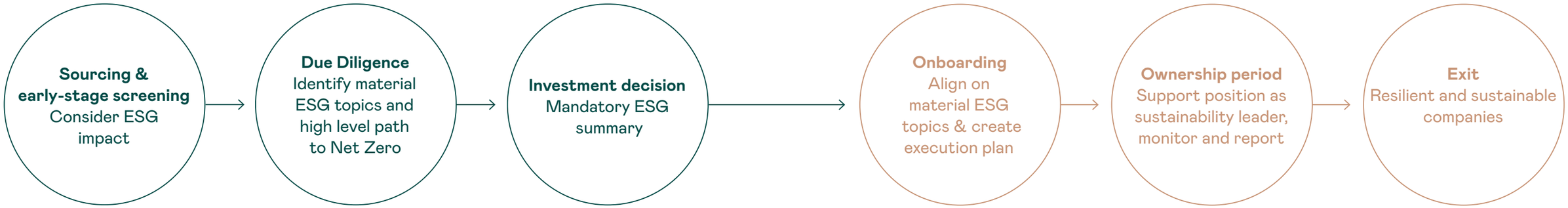
CHAPTER 2

ESG Integration Throughout the Investment Lifecycle

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

Overview of FSN's ESG Approach

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



PRE-INVESTMENT

Our target is high-quality companies operating in Northern Europe with the potential to double EBITDA through sustainable growth and with limited exposure to uncontrollable beta risks.

Our guiding star is our ethos and our values, captured in **FSN's Responsible Investment Policy** and its clear exclusion criteria (*see p. 33 & 125*).

In the early screening phase, we conduct a **climate change due diligence** and assess potential investments' **impact** on the world, as well as potential eligibility under the **EU taxonomy**. Our early-stage ESG screening supports our teams to identify companies well-positioned to capitalise on emerging trends, while seeking to avoid companies with exposure to clear transition or physical climate risks (*see p. 32*).

When the transaction moves one step further, we apply our **standard ESG due diligence approach**.

We aim to identify how to support potential investments in becoming sustainability leaders in their respective industries by analysing **material ESG topics** and how to address these, focusing on both opportunities and risks. Further, in our race to **Net Zero**, we identify the material sources of a company's GHG emissions and potential measures to reduce these. We always conduct an **integrity due diligence** of key stakeholders (*see p. 34*).

Information from the early-stage screening and ESG due diligence is a mandatory part of the **investment decision material**. ESG is also included in the **risk framework** (*see p. 36*).

OWNERSHIP PERIOD

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

In the **onboarding** meetings, the FSN Capital ESG team introduces portfolio company management and the board to the following ESG priorities:

1. Assign an ESG Officer to lead execution of the three FSN ESG frameworks;
2. Adopt and create a plan for implementation of FSN's standard ESG policies *(per the FSN Governance Framework on p. 38);*
3. Develop an ESG strategy and action plan *(per the FSN ESG Strategy Framework on p. 40)*; and
4. Map, report and set reduction targets for GHG emissions *(per the FSN Climate Framework on p. 42)*.

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 aim to 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 as a sustainability leader in its industry, thereby increasing the value of the company.

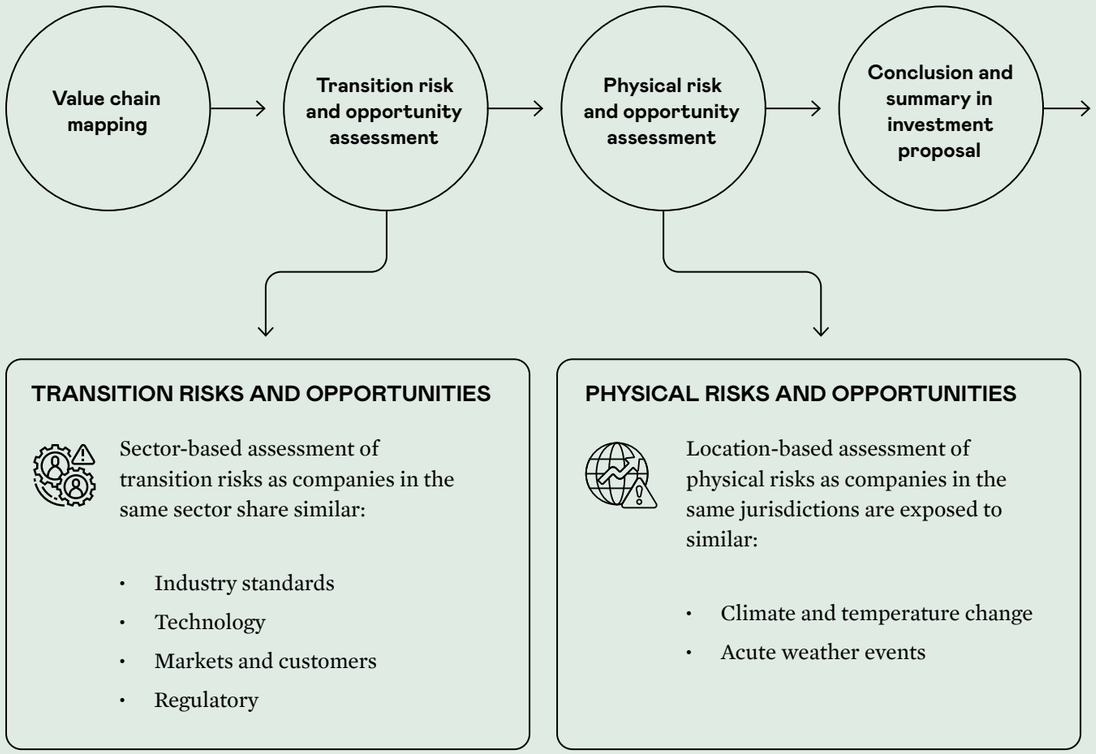
Early-Stage ESG Screening

Climate Change Due Diligence

PURPOSE: IDENTIFY CLIMATE RISKS AND OPPORTUNITIES

A standard requirement in all our transactions is that the deal team conducts a high-level climate change due diligence early in the investment phase. A more detailed analysis will be conducted later in the process by external experts as part of the ESG due diligence.

The Climate Change Due Diligence approach was developed by FSN's ESG team in 2019 inspired by the Taskforce on Climate-related Financial Disclosures (TCFD). We have developed the due diligence tool, templates, and a mandatory training video. Our training video goes through the below four-step process.



FSN's Responsible Investment Policy

Defines our formal exclusion criteria, stating that we shall not invest in companies that:

- Have contributed to systematic denial of human rights
- Demonstrate a pattern of non-compliance with environmental regulations
- Show a pattern of engaging in child labour or forced labour
- Have an unacceptable high greenhouse gas footprint and have failed to take reasonable steps to reduce these emissions
- Produce weapons that through their normal use may violate fundamental humanitarian principles (e.g. antipersonnel landmines, production of cluster munitions, production of nuclear arms)
- Are directly related to adult entertainment, tobacco, gambling or alcohol

FSN's Responsible Investment Policy is included as appendix on p. 124

Net Impact & SDG alignment assessment

At FSN we want to understand the social and environmental impact of the companies we consider to invest in. We also want to understand to what extent a company's activities are aligned or misaligned with the SDGs.

In 2022 we therefore started screening for both Net Impact and SDG alignment at the early-stage screening phase. We use a software that semi-automatically quantifies companies' net impact on people, planet, society and knowledge. The output from this initial screening further informs the scope of the ESG and/or commercial due diligence.

EU taxonomy & Principal Adverse Impact screening

In 2022 we started using a software that in a semi-automated way conducts a high-level screening of EU taxonomy eligibility and Principal Adverse Impact indicators early in the investment phase for every potential investment.

What we have learned is that most companies do not have relevant data available as of now. If we make the investment, we aim to work with the portfolio company on a more detailed assessment, and on a plan to gather relevant data for each applicable KPI.

External experts have also conducted a high-level EU taxonomy screening of current portfolio companies. Details for each FSN portfolio company can be found in their ESG strategy in Chapter 3.

The ESG Due Diligence

ESG Materiality & Gap Analysis

PURPOSE: UNDERSTAND HOW POTENTIAL INVESTMENTS CAN BECOME SUSTAINABILITY LEADERS IN THEIR INDUSTRY

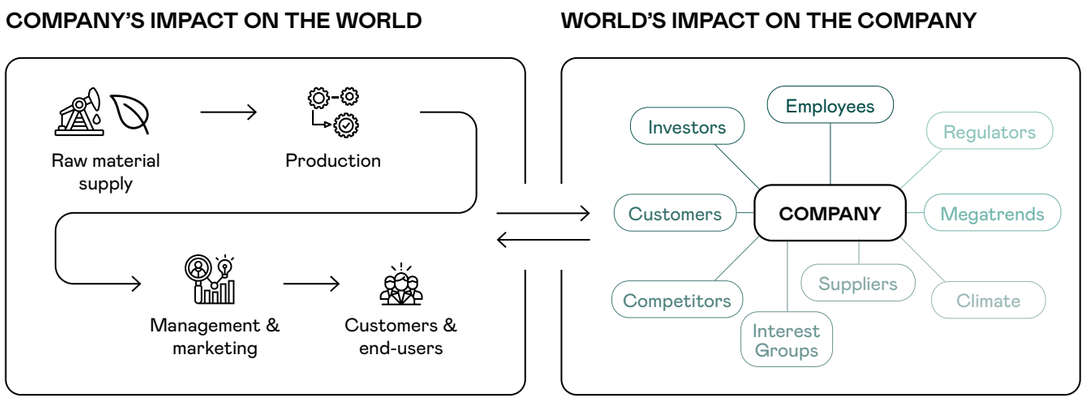
An ESG due diligence conducted by internal and external experts is a standard requirement for all new potential investments. Material ESG information is a mandatory part of the investment decision material.

We will from Q2 2023 update our standard ESG due diligence approach to include a double materiality assessment.

Double materiality means that we assess both the company's impact on the world through its full value chain, and the impact of the world on the company, covering all material stakeholders and climate scenarios analysis (*see p. 42 for more details*). We use primary information from the company, expert interviews, and industry standards and frameworks as input sources to the analysis.

Once the material ESG topics are identified through the double materiality analysis, a gap and maturity assessment provides the basis for recommendations by the external experts on how to meet best practice in the ownership period. This forms our understanding of how this company can become a sustainability leader in its industry.

When it comes to ESG risks, our ESG due diligence approach includes an assessment of the company's inherent ESG risks based on industry, jurisdictions, suppliers, and customers, and how the company is currently addressing these risks. The external ESG experts will advise on the company's residual ESG risk profile and provide recommendations on how to improve during the ownership period.



Net Zero

PURPOSE: UNDERSTAND HOW POTENTIAL INVESTMENTS CAN BECOME NET ZERO

As part of FSN Capital's Science Based Targets, we have committed to support our portfolio companies in setting their own Science Based Targets with the goal to drive FSN's portfolio to Net Zero. We therefore want to understand already in the due diligence phase how a potential investment's GHG emissions can be reduced during our ownership period.

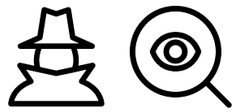
Our approach on this has gradually evolved during 2022, and from Q2 2023 we will in every transaction complete a high-level outside-in assessment of:

- the most material sources of GHG emissions in the company's value chain
- how to reduce the most material GHG sources
- level of effort and costs of reaching Net Zero
- the commercial value of Net Zero initiatives

Integrity

PURPOSE: ENSURE KEY STAKEHOLDERS SHARE OUR VALUES

We believe that culture is the key ingredient in driving the ESG agenda. We therefore have external experts conduct an integrity due diligence of the company, its board and management, and seller(s) to ensure they share our values.



Investment Decision

The early-stage screening and ESG due diligence supports the deal teams in investing in the right companies: it uncovers potential ESG risks and identifies commercial ESG opportunities.

Information from both the early-stage screening and the ESG due diligence forms a mandatory part of the investment decision material and is also used as input for the scoring of ESG risks in FSN's Risk Framework.

Risk Framework

FSN's 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.

Macro
- Cyclicality *
- FX *
- Commodity *

Operational
- Management risk
- Integration risk
- Internal / External

Industry
- Political *
- Competitiveness
- Substitution

Financial
- Liquidity
- Leverage
- Covenants

Commercial
- Operating leverage
- Concentration
- Visibility

Exit
- Multiple sustainability *
- Marketability *
- Dependency on trend shift

Weather *

Active ownership
- Majority shareholder
- Ultimate control

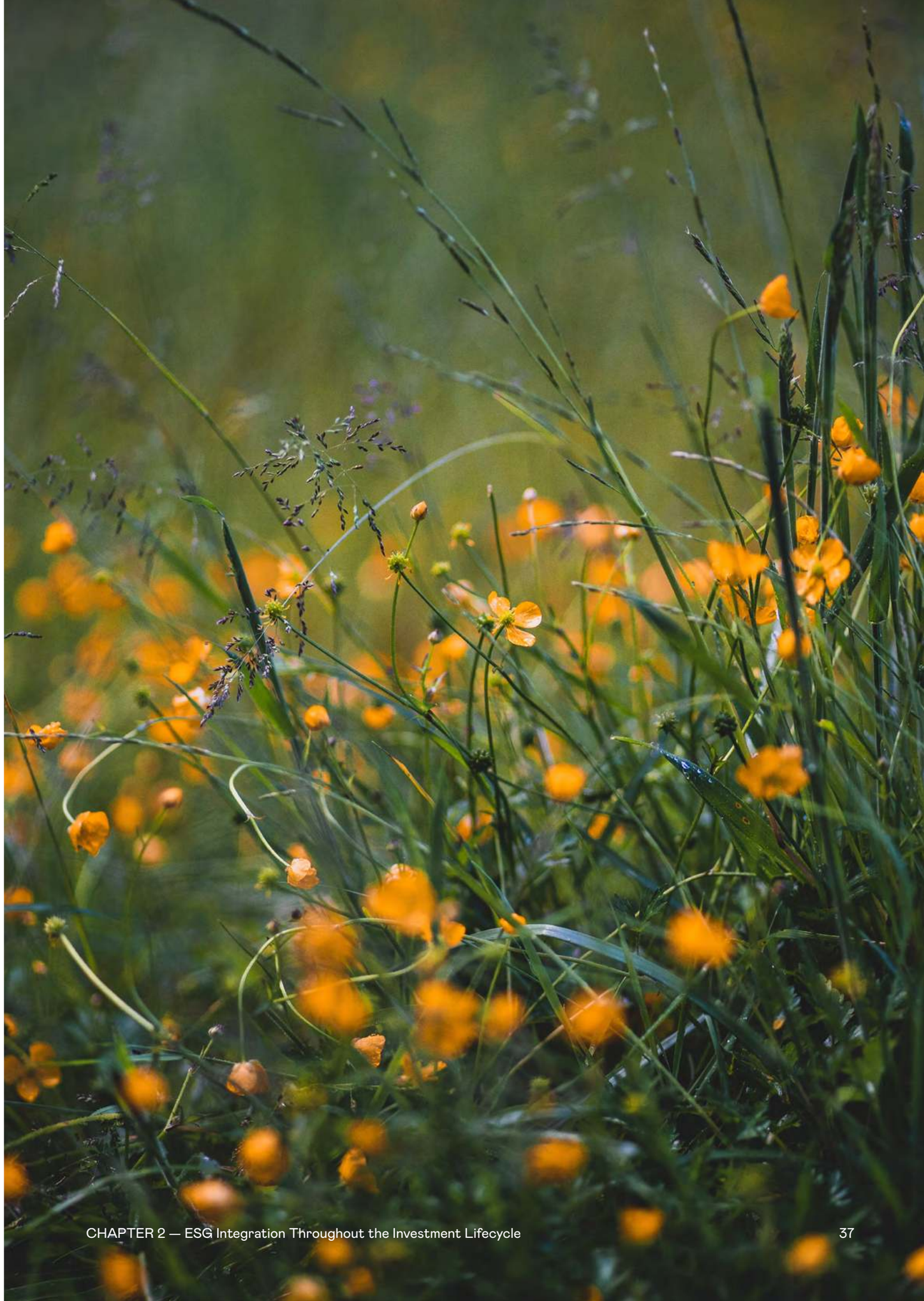
Environmental
- Toxic emissions
- Harmful industrial waste
- Deforestation

Social **
- Labour conditions
- Forced / Child labour
- Harm to health and safety

Governance
- Bribery / Fraud
- Political interference *
- Criminal convictions
- Regulatory relations

* *Beta risk*

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



The FSN Governance Framework

PURPOSE: GOOD GOVERNANCE AND HIGH ETHICAL BUSINESS CONDUCT

The objective of the FSN Governance Framework is to ensure that FSN portfolio companies have good governance and operate in line with high ethical standards with a focus on continuous improvement. We have minimum requirements for all portfolio companies 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. The board of directors is always responsible for ensuring good governance and high ethical business conduct under the Governance Framework which entails adopting adequate ESG policies and ensuring implementation of these. The CEO is fully responsible for the daily management of the company, and that includes preparing the proposals on ESG to the board and follow up with execution of plans. Further, since 2021 we require all portfolio companies to assign an ESG Officer to coordinate ESG initiatives across the organisation.

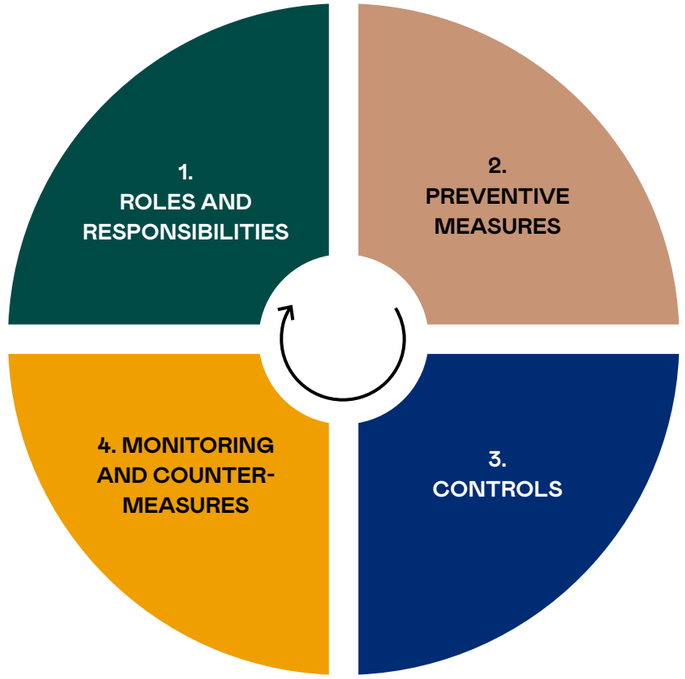
As part of the ESG onboarding program, management will, in close dialogue with FSN's deal team and ESG team, tailor fit FSN's standard ESG policies and prepare a plan for implementation. FSN's standard policies have been developed to enable portfolio companies to act in accordance with ethical standards and applicable laws and regulations, and were updated in 2022 to reflect recent changes in applicable laws and best practices in all core jurisdictions. The policies cover, inter alia, compliance with laws, human rights, anti-corruption, antitrust and sanctions.

The implementation plan shall ensure 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 approach seeks to ensure lasting change and improvement, and that FSN has a positive impact beyond our ownership period.

An important aspect of our Governance Framework is that ESG is expected to be the first thing on the agenda in every board meeting. This agenda item includes an update on status and progress under all three FSN ESG Frameworks. The board of directors is responsible for driving the ESG agenda and having it on the agenda keeps the momentum up. Action plans under the three ESG Frameworks are subject to annual reviews and updates by the board of directors, and the same goes for the ESG policies.

Onboarding & Ownership period ○○○→●●○

GOVERNANCE FRAMEWORK



1. ROLES AND RESPONSIBILITIES

Assign responsibilities

- Tone from the top: Chairperson, Board of Directors, and CEO
- ESG Officer/ESG Task Force

3. CONTROLS

Implement control mechanisms

- Internal control
- External control
- Whistleblower channel

4. MONITORING AND COUNTERMEASURES

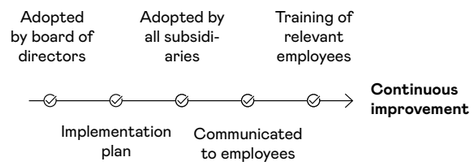
ESG on the agenda at every board meeting:

- Status on implementation of ESG policies
- Progress on ESG strategy action plan
- Progress on setting SBTs and action plan to reduce emissions
- Information on any ESG-related incidents

2. PREVENTIVE MEASURES

Implement ESG Standard Policies

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



The FSN ESG Strategy Framework

PURPOSE: ENSURE POSITION AS A SUSTAINABILITY LEADER

We believe that to become a winner in any industry, you must also be a sustainability leader. The objective of the ESG Strategy Framework is to work with FSN portfolio companies to become sustainability leaders in their industry. The ESG Strategy Framework is an integral part of the FSN Execution Framework – FSN's value creation approach (*see fact box below*).

The FSN ESG Strategy Framework results in an individualised ESG strategy for each portfolio company by mapping, prioritising and thereafter setting goals related to the material ESG topics for each company. The basis for this work is the ESG due diligence in which we identify material ESG topics for the company, what it takes to become a leader in these areas, and a status on the company's current initiatives *(see the ESG Due Diligence on p. 34)*.

Having a holistic ESG strategy allows portfolio companies to be agile as they see the bigger picture and can be proactive rather than reactive to emerging sustainability trends. We see that when management combines their deep industry expertise with the input from the ESG Strategy Framework, their strategic responses surpass our expectations. With this approach, ESG becomes an integral part of value creation, and the portfolio companies are more likely to also remain sustainable after FSN Funds' ownership period.

FACT BOX: THE FSN EXECUTION FRAMEWORK (FEF)

The FSN Execution Framework (FEF) is FSN's approach to driving value creation during our ownership period. FEF covers four main areas: Strategy, Organisation, Operations and Control, Reporting & Governance. The core of FEF is the FEF Strategy Process, a structured approach to developing, planning and executing with discipline on strategies that are clear, ambitious, prioritised and anchored in deep market insight.

ESG is part of every step in implementing the FSN Execution Framework, from strategy to operations, control and reporting.

Following the FEF approach, FSN portfolio companies end up with a well-defined strategy and action plans - both overarching and within each key sub-topic such as ESG.

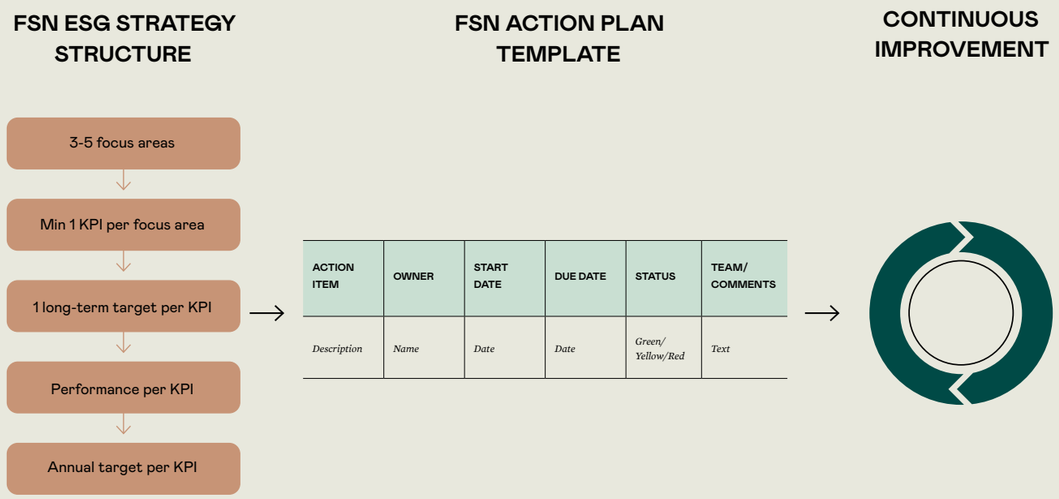
To learn more about FEF, please visit our website: fsncapital.com

How to develop an ESG strategy

Each FSN portfolio company management team creates an ESG strategy consisting of 3-5 material ESG focus areas with relevant KPIs. For each KPI, the management identifies both long (3-5 years) and short-term targets. The FSN Capital ESG team takes part in the discussions and development of every portfolio company's ESG strategy. This also allows for sharing of best practice across the FSN portfolio.

Further, following the FEF process, each portfolio company is to create an ESG action plan to meet the annual targets under the ESG strategy. The action plan contains actions, clear responsibilities (owners), and the associated timeline. Progress on the ESG strategy is discussed in every portfolio company board meeting. The ESG strategy and action plan is subject to annual review and update.

FSN portfolio companies report on performance and disclose updated annual targets in the annual FSN ESG report. Please see Chapter 3 for the ESG strategies of each FSN portfolio company.



The FSN Climate Framework

PURPOSE: TO PREPARE PORTFOLIO COMPANIES FOR A NET ZERO FUTURE

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/or adaptation through their products and/or services. Examples of FSN portfolio companies that directly address climate challenges include Polytech, a provider of systems to protect and improve efficiency of wind turbines, Obton, one of Europe's largest solar power developers, and ViaCon, whose storm water solutions are likely to be increasingly necessary as we adapt to a changing climate.

In addition to investing in companies that seek to address climate challenges, we have also developed the FSN Climate Framework. There are two parts to the framework - as illustrated below and described to the right.

Part 1: The Climate Analysis Module

The Climate Analysis Module was inspired by the Taskforce on Climate-related Financial Disclosures (TCFD). We typically have external experts identify and analyse climate-related risks and opportunities in different temperature scenarios as part of the ESG due diligence phase *(see p. 34)*. Scenarios are used to illustrate how climate change may affect the company and/or its value chain, 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 insights from the climate analysis is shared with the portfolio company during the onboarding, with the goal to seek to ensure that portfolio companies prepare for climate change by assessing how climate change impacts their company through the full value chain. FSN Capital requires the impact of climate change to be discussed by all portfolio companies at board level.

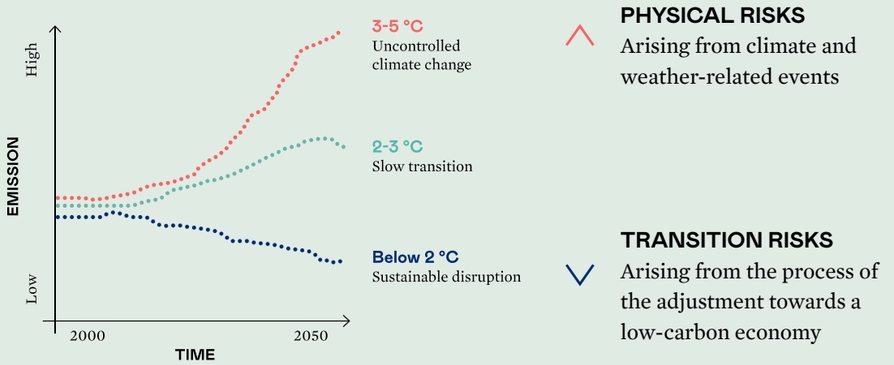
Part 2: The Decarbonization Module

FSN Capital seeks 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. In the due diligence phase we assess the Net Zero potential of the company, which forms the basis for our view on how to decarbonize the company in our ownership period *(see p. 34)*.

Through FSN's Decarbonization Module we support portfolio companies' decarbonization journeys. We utilise an online portal with expert support from external sustainability professionals. Portfolio companies report their GHG emissions 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 and external experts support portfolio companies in modelling how emissions reductions would look both economically and operationally, create an action plan for reduction, and set Science Based Targets aligned with the goals of the Paris Agreement.

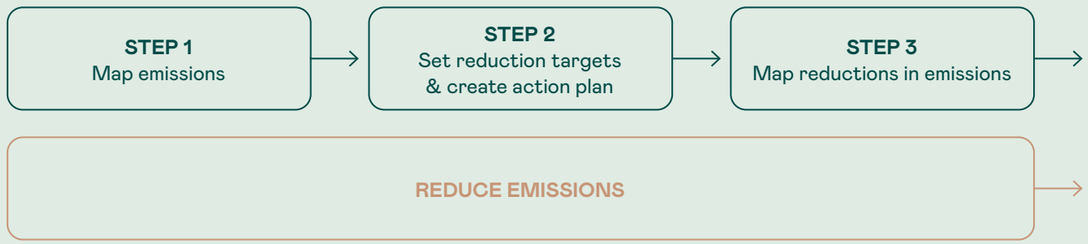
PART 1. CLIMATE ANALYSIS MODULE

Climate scenarios in three temperatures as recommended by TCFD



PART 2. DECARBONIZATION MODULE

We support portfolio companies in setting Science Based Targets through our three-pronged approach



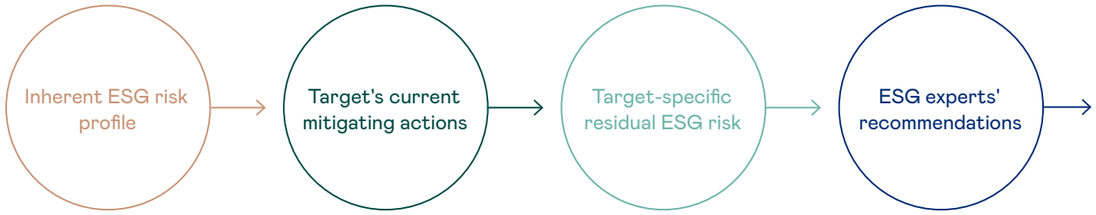
CASE STUDY
ESG due diligence with focus on human rights

This is a short version of the case study written for UN PRI.
The full case study can be found here

Our ESG due diligence scope follows UN's Guiding Principles for due diligence. In the due diligence phase, we identify and assess potential and actual human rights risk in a company's operations and supply chain. To ensure that key risks are accurately accounted for, we always involve external ESG experts to conduct the due diligence and ask that they use our standard ESG due diligence framework (*see below and p. 34 for more details*).

A company's entire value chain is subject to review: its in-house operations, partners, suppliers, and customers. Indicators for high human rights risk include operating in countries with historically poor/limited employee protection and low labour standards, labour-intensive work, and high volume and/or low-cost products. The external ESG experts use a range of sources, including Transparency International, Human Rights Watch, Amnesty International, industry reports and company websites.

The assessment of the inherent risk profile dictates the ESG DD scope and thereby which areas we focus our efforts on. To understand how the potential investment currently addresses the identified risks, external experts do a combination of management sessions, interviews with discrete sources, questionnaires, and on-site due diligence. After assessing how the target addresses the current risks, residual ESG risks are rated from high to low. Finally, we ask the ESG experts to provide their recommendations for how to address the residual risks. This last step is critical when building an action plan for how to integrate, act and follow up on risks in our ownership period.



EXAMPLE
DUE DILIGENCE OF A TEXTILE COMPANY

In 2020 we looked at acquiring a textile company with a production and supplier base in Europe and MENA. We identified that the inherent human rights risks for this company were high, not only because of its industry, but also because of the jurisdictions where the production and tier-1 suppliers were based. Human rights risks included workers' rights, working hours, remuneration, and health and safety. To address these risks, the company in question had mandated its manufacturers to be compliant with third-party social auditing schemes. However, given the high risk in these jurisdictions, we saw it as imperative to thoroughly investigate the sites during our due diligence phase.

Given that the COVID-19 pandemic had the world in lockdown, neither we nor our trusted advisers could conduct site visits. As such, we had to get creative: a full vendor ESG due diligence was initiated as well as the customary audits, and we accessed videos and pictures of the production site to get an overview of the situation. Critically, we interviewed current and former employees at the production and supplier sites using discrete sources to get a feel for the conditions there. We also conducted interviews with local authorities.

Our thorough investigation found no human rights violations, but we did see a need to improve site conditions to meet our standards. Following our investment philosophy, we looked at this case as an opportunity to have a positive impact on people's lives, rather than to disregard the company or to move production to lower risk jurisdictions.

As per our standard process, the deal team created a detailed action plan. In addition to running the company through the FSN ESG Governance Framework to implement our standard policies that address human rights (e.g., Code of Conduct, Supplier Code of Conduct and whistleblower policy) and conducting mandatory supplier screens and audits through verified third parties, the deal team committed to sending one representative to visit the sites in person once COVID-19 restrictions would allow. If insufficient social standards were identified in the supply chain, a corrective action plan would be demanded, and if this plan was not implemented the supplier would be replaced as a last resort. Further, human rights certifications like the Fair Wear Foundation would be obtained. The deal team also committed to be directly involved in the process, as well as appointing a dedicated person with relevant experience for the daily management of ESG and human rights at the company level. Although we ended up not doing the deal, our ESG due diligence framework positioned us to make an educated decision and be prepared to be responsible owners from day one.

The case studies presented herein and any information relating to ESG or climate performance are for illustrative purposes only. They do not represent a full list of FSN Capital portfolio companies, and should not be seen as an indication of current or future performance.

CASE STUDY
Active Brands' Race towards Net Zero

Active Brands is a proud agent for change in the sports apparel and equipment industry. The fast-growing house of brands includes Kari Traa, Dæhlie, and Sweet Protection, and has over the years systematised its sustainability and ESG efforts. In 2022 it became the first FSN portfolio company to have its emission reduction targets verified by the Science Based Targets Initiative (SBTi). Active Brands has been an FSN portfolio company since 2017, first through FSN Capital IV and currently through FSN Capital VI.

Active Brands' ambitious emissions targets:

- Net Zero in own operations by latest 2025 (Scope 1-2)
- Reducing 60% GHG emissions in Scope 1, 2, and 3 emissions per product by 2030
- Net Zero emissions across the full value chain by latest 2050

We spoke with Rebecca Johansson, Head of ESG and Sustainability at Active Brands, about the company's race to Net Zero:

Why did you decide to set Net Zero targets?

At Active Brands, we understand the impacts of climate change and how rising temperatures can affect our business. Therefore, we have worked proactively with ESG, aiming at aligning our business priorities with climate action in all parts of our company. Naturally, this involves reducing our negative impact and becoming net zero.

Our ESG work accelerated through the ESG onboarding with FSN Capital. With the right amount of guidance, we have systematically turned our ESG ambitions into action. Through the double materiality analysis in the FSN ESG Strategy Framework we identified climate action as one of the most critical areas to focus on. Further, when FSN Capital set its Science Based Targets in 2021, we received support to set our own SBTs: through the FSN Climate Framework we had already started reporting our emissions, and got support from external consultants and FSN to formalise a clear plan for mapping emissions across our seven brands, setting reduction targets, and creating an action plan.

What were some of the roadblocks to set SBTs and how did you overcome them?

One of the main challenges was, and still is, to obtain accurate data of our emissions. In terms of scope 1 & 2 emissions (our own operation), we have direct access to the emitting sources and can thereby more easily ensure the quality of data. However, when mapping scope 3, we have had limited access to factual data.

The case studies presented herein and any information relating to ESG or climate performance are for illustrative purposes only. They do not represent a full list of FSN Capital portfolio companies, and should not be seen as an indication of current or future performance.

Initially, we assessed life cycle assessments of certain raw materials, while also keeping record of the exact type and weight of every element - down to the smallest trims, such as cord stoppers, buttons, and threads. This detailed tracking enabled us to develop roadmaps for each brand with its unique raw material and product mix. In the cases where we did not have access to such information, we had to rely on global averages. Thereby, we acknowledge data gaps where we have had to rely on estimates rather than actual data. However, we work to counteract such gaps by continuously building our supply chain on long-term partnerships. Our strong relationship with key suppliers gives us access to some of their data on a facility level, including their actual energy consumption and sources. Although this provides a good indication of our key sources of emissions we must continue to strive for more reliable data.

How will you meet your ambitious Net Zero targets?

To reach our 2025 target we know that renewable energy and an electrification of our company carpool is what will bring us to our goal. For our 2030 target, we have developed a high-level roadmap and begun to customise a plan for each brand. We will break down our targets into sub-targets to get each team to know what specific actions are required by them to cut emissions in the value chain. Climate and GHG emission considerations must be built into every function and team and be a part of daily business decisions. Communication is in our view key to make sure the full organisation is aligned and working towards the same goal.

Achieving Net Zero targets in the full value chain by 2050 cannot be done alone. In addition to the work we do with our suppliers in the value chain, Active Brands also seeks to collaborate with industry peers and business partners. In 2021 we joined STICA (Swedish Textile Initiative for Climate Action). This industry collaboration brings together nearly 50 brands and companies from the textile industry to share knowledge, drive initiatives, and tackle climate challenges in the shared supply chain. This type of work must continue, as we are all dependent on the global value chains to embark on the same Net Zero journey to mitigate the severe consequences of climate change.

Although there are many unknowns, we are energised by the momentum of climate action and will be working steadfastly towards our Net Zero commitment.

For Active Brands' full ESG Strategy, please see p. 58

Winner of FSN Capital's 2022 ESG Award – Håndverksgruppen

Proud craftspeople leading the way

FSN's annual ESG award is part of setting the tone from the top. Netcompany, Saferoad, Kjell & Company, Mørenot, and ViaCon, amongst others, 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

This year's ESG award winner is Håndverksgruppen (HG), Nordic's largest provider of surface treatment services including painting, flooring, tiling and masonry. HG was established in 2020 when FSN Capital V partnered with around 30 companies to form a group of local winners and give them access to the benefits of a larger platform, while still maintaining an entrepreneurial spirit through HG's decentralised structure. Today the group totals more than 3000 employees in over 100 operating companies.

With ESG firmly integrated in its core commercial approach, a strong tone from the top, and a desire to continuously improve, HG has proved itself a worthy recipient of this year's award. ESG is a clearly understood value driver to be the best business partner to its customers, and further serves as a lever to attract and retain the best companies and people to join the HG group. HG is changing a whole industry, professionalising and heightening the standards for all players, for the benefit of the whole society. HG is a sustainability leader with strong governance and high ethical standards, and has an ambitious ESG agenda not only because it's the right thing to do – it is simply good business.

The case studies presented herein and any information relating to ESG or climate performance are for illustrative purposes only. They do not represent a full list of FSN Capital portfolio companies, and should not be seen as an indication of current or future performance.

With, on average, one company added to the group every second week, HG is on a continuous journey to ensure that ESG is a priority within all new add-ons. ESG is a critical due diligence workstream in HG's M&A process, and the company has walked away from potential add-ons due to ESG concerns. At the same time, many companies are attracted to join the group due to its approach to ESG.

Similarly, one of HG's key value propositions to public and professional B2B customers is its ESG focus, offering high quality services, with clear ethical standards and strong Health, Safety and Environment (HSE) compliance and documentation. All HG companies need to be ISO14001 certified within 12 months after joining the group. Acknowledging its industry's footprint, HG challenges established practices and innovates to meet customer needs. In 2022, HG launched "Sustainable solutions" which are common services designed to resolve a problem with a minimal footprint and at a lower cost.

"This is the future. For example, restoring floors rather than changing them saves about 7 kg of carbon emissions per tenth square metre. These solutions make us an even better partner for our customers," says Business Development Director Elisabeth Rustad-Nilssen. Other examples of sustainable solutions for customers include offering environmentally friendly materials and ESG KPI dashboards.

At HG, providing good work conditions and developing employees is a priority. A learning platform available for all employees, the HG Academy, was launched in 2021. The HG Academy provides the necessary tools and training to develop both soft and hard skills, within areas such as project management and leadership, leading to increased job satisfaction and personal growth. In 2022, 342 employees completed training at the HG Academy, while the measured eNPS was 46.

HG is also proud to support apprentices (about 9.2% of its total workforce), providing the opportunity for training and work security. Apprentices who join HG are not only youths coming straight from school, but also adults who are looking for a new path. At HG they get the necessary training to become a craftsperson.

"At HG, we care for each other. That means we want what's best for the people around us. It means we care for the environment we operate in. It means we care about doing things right," says CEO Øyvind Emblem.

Looking ahead, HG's quest to change the industry and be "Proud craftspeople leading the way" drives them to evolve. In parallel to continuously onboarding new companies to HG's ESG standards, the company is doubling down on its climate efforts. Starting from 2023, HG is implementing quarterly reporting on CO_2 emissions for all companies and will be setting science-based targets.

For HG's full ESG Strategy, please see p. 74

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 Portfolio Companies

OVERVIEW OF FSN PORTFOLIO COMPANIES AS OF 31.12.2022*

			Revenue (EURm)	Employees (FTEs)
	Active Brands	House of premium sports apparel and equipment brands	129	240
	Adragos Pharma	A globally operating B2B Contract Development and Manufacturing Organisation (CDMO)	43	392
	Bäcker Görtz**	Leading German bakery chain offering a tailored product assortment of baked goods and out-of-home meals	142	1718
	ecovium	End-to-end logistics software and hardware provider	51	394
	Epista Life Science	IT services and consultancy firm dedicated to the Life Science industry	18	119
	Fellowmind	A leading Microsoft partner in Europe focusing on adoption of digital innovation and cloud transformation	299	1946
	Fibo	Leading global manufacturer of high-quality wet room wall systems	86	155
	Firesafe	Leading Nordic supplier of fire protection services	122	968
	Gram Equipment	A global market leader within advanced ice cream processing equipment	126	544
	Håndverksgruppen	The Nordic's largest provider of surface treatment services including painting, flooring, tiling, and masonry	466	3042
	Holmbergs	A global supplier of mission critical safety systems to the child safety seat industry	68	983
	IMPREG	A leading supplier of glass fiber liners for sustainable and environmentally friendly sewage rehabilitation	88	304
	Koncenton	Leading investment provider of residential real estate projects	20	108
	MEGABAD	Leading German e-commerce retailer for bathroom and sanitary products	193	259
	Nordlo Group	Nordic IT and digitalisation partner helping customers improve their IT environment	171	834
	Obton	Leading Danish alternative asset manager and developer with focus on solar PV	110	297
	Omegapoint	Market leading cyber security and secure digital transformation consultancy	113	844
	OptiGroup	Leading European distribution group offering customised supply solutions to B2B customers	1652	2387
	Rameder	Leading European e-commerce platform for automotive transport products and solutions	123	366
	Saferoad	The largest supplier of road safety and road infrastructure solutions in Europe	586	2501
	Seriline	Leading provider of physical access management systems for secure access control	14	51
	Skamol	Leading producer of energy-saving, high temperature insulation products to customers globally	85	409
	SneakersNStuff	A global online and physical retailer of limited edition sneakers and apparel	96	164
	TASKING	Global provider of compilers, linkers and debuggers for automotive and industrial applications	27	90
	ViaCon	The European market leader of engineered corrugated steel structures and pipes used to build e.g. culverts, bridges and tunnels	211	776
Total (Yes)				**19891**

*Excludes holdings in listed companies

**Bäcker Görtz acquired in Q4 2022 - FSN standard policies currently being implemented

The case studies presented herein and any information relating to ESG or climate performance are for illustrative purposes only. They do not represent a full list of FSN Capital portfolio companies, and should not be seen as an indication of current or future performance.

NON-FINANCIAL KPIS AS OF 31.12.2022

% Female FTEs	% Female C-suite officerss	% Females on BoD[1]	Absenteeism (%)	Employee Satisfaction (eNPS)	Customer Satisfaction (cNPS)	ESG at all board meetings	Code of Conduct[2]	Code of Conduct Training[3]	Supplier Code of Conduct[4]	Whistleblower Policy[5]	Whistleblower System[6]
72%	33%	67%	–	1	60	●	●	●	●	●	●
54%	0%	25%	5.9%	–	–	●	●	○	●	●	●
56%	0%	33%	4.4%	–	–	○	○	○	○	○	○
26%	36%	0%	3.6%	5	–	●	●	○	●	●	●
48%	14%	50%	–	57	48	●	●	●	●	●	●
27%	33%	0%	3.9%	26	42	●	●	●	●	●	●
32%	11%	50%	6.5%	31	55	●	●	●	●	●	●
9%	17%	67%	9.6%	7	–	●	●	○	●	●	●
18%	25%	0%	2.4%	15	–	●	●	●	●	●	●
8%	17%	33%	6.7%	46	48	●	●	●	●	●	●
72%	0%	50%	5.2%	–	–	●	●	○	●	●	●
16%	0%	25%	6.5%	33	55	●	●	●	●	●	●
42%	29%	0%	–	36	–	○	●	○	○	●	●
29%	50%	25%	–	22	–	●	●	○	●	●	●
16%	20%	25%	3.7%	29	27	●	●	○	●	●	●
37%	27%	33%	1.8%	50	–	●	●	○	●	●	●
23%	14%	50%	–	60	–	●	●	○	●	●	●
39%	0%	50%	4.3%	-1	28	●	●	●	●	●	●
20%	8%	33%	4.9%	–	55	●	●	○	●	●	○
19%	0%	50%	5.3%	29	–	●	●	●	●	●	●
16%	14%	50%	3.4%	–	33	●	●	●	●	●	●
30%	14%	0%	–	–	44	●	●	●	●	●	●
33%	20%	40%	2.7%	10	–	●	●	○	●	●	○
28%	29%	25%	–	19	–	●	●	○	●	●	○
20%	0%	50%	5.0%	-7	–	●	●	●	●	●	●
						92%	**96%**	**48%**	**92%**	**96%**	**84%**

1. *Professional board members (excludes minority shareholders, FSN Capital employees, and employee representatives)*
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. *Have a written whistleblower policy that they share with employees;*
6. *Electronic and/or hotline whistleblower*

Status of FSN Portfolio Companies' Decarbonization Journeys

FSN Capital is committed to support FSN portfolio companies in setting Science Based Targets and reducing their emissions accordingly. Below is an update on the status in the FSN portfolio.

FSN'S DECARBONIZATION MODULE

STATUS IN FSN PORTFOLIO

STEP 1
Map emissions

BASELINING

- All portfolio companies have completed scope 3 screenings*
- All portfolio companies are familiar with and working on establishing a solid base year to set a Science Based Target
- Reporting is based on good data quality and gathering of activity and/or supplier data, rather than cost estimates, leading to more accurate reporting

STEP 2
Set reduction targets & create action plan

COMMITMENTS

- 5 portfolio companies have committed to the Science Based Targets initiative, others in progress
- All portfolio companies have identified GHG emissions reductions as a material topic for them and are working towards setting reduction targets

STEP 3
Map reductions in emissions

REDUCTION EXAMPLES

- ViaCon's total emissions went down by 10% relative to 2021, through initiatives such as reducing consumption of virgin plastic and steel (*see ESG strategy p. 104*)
- Skamol reduced all three scope emissions by more than 5% relative to 2021, by screening individual production plants and identifying tailored reduction initiatives (*see ESG strategy p. 98*)
- Fibo reduced both scope 1 & 2 emissions by ~20% from 2021 by limiting the idle time of equipment and machinery, and purchasing Renewable Energy Certificates (RECs) (*see ESG strategy p. 68*)

* *except newly acquired companies*

GREENHOUSE GAS EMISSIONS FOR FSN PORTFOLIO COMPANIES 2022 (TCO2E)

● Yes
● Most units/categories
● Limited reporting

PORTCO NAME	SCOPE 1	COMPLETE SCOPE 1 REPORTING*	SCOPE 2	COMPLETE SCOPE 2 REPORTING*	SCOPE 3	ALL MATERIAL SCOPE 3 CATEGORIES*	COMMITTED TO SCIENCE BASED TARGETS INITIATIVE	GHG EMISSIONS INCLUDED IN ESG STRATEGY
Active Brands	77	Yes	51	Yes	43,712	Yes	✓	✓
Adragos Pharma	2,136	Yes	1215	Yes	595	Limited	–	✓
Bäcker Görtz**	–	Limited	–	Limited	–	Limited	–	–
ecovium	246	Yes	204	Yes	211	Most units	–	✓
Epista**	–	Limited	-	Limited	–	Limited	–	✓
Fellowmind	1,427	Most units	174	Most units	1,381	Limited	–	✓
Fibo	93	Yes	39	Yes	198,847	Most units	–	✓
Firesafe	1,761	Yes	24	Yes	786	Limited	–	✓
Gram	479	Yes	367	Yes	3,847	Most units	–	✓
Håndverksgruppen	4,051	Yes	104	Yes	3,970	Limited	–	✓
Holmbergs	670	Yes	1,560	Yes	1,438	Limited	–	✓
IMPREG	376	Yes	542	Yes	93,140	Most units	–	✓
Koncenton	2	Yes	6	Yes	1	Limited	–	✓
MEGABAD	203	Yes	92	Yes	12,798	Most units	✓	✓
Nordlo	74	Yes	156	Yes	8,387	Most units	✓	✓
Obton	2	Yes	41	Yes	334	Limited	–	✓
Omegapoint	88	Yes	38	Yes	522	Most units	–	✓
OptiGroup	7,002	Yes	6,131	Yes	7,950	Limited	–	✓
Rameder	188	Yes	317	Yes	5,410	Most units	–	✓
Saferoad	13,692	Yes	3,343	Yes	311,708	Most units	✓	✓
Seriline	55	Yes	2	Yes	16	Limited	–	✓
Skamol	22,703	Yes	2,832	Yes	37,753	Yes	–	✓
SNS	–	Yes	0,4	Most units	12,771	Limited	–	✓
TASKING	–	Limited	15	Yes	4	Limited	–	✓
ViaCon	1,823	Yes	2,546	Yes	9,786	Most units	✓	✓
Total	**57,148**		**19,799**		**755,367**			

GHG emissions reported in online portal.
Any estimates are conducted by CEMAsys in line with the GHG Protocol

* *Complete scope and material categories according to the GHG Protocol*

** *Bäcker Görtz acquired in Q4 2022*

Structure of the ESG Strategy 2-pager

Following FSN's ESG Strategy Framework, each portfolio company creates its own tailormade ESG strategy based on thorough analysis and materiality assessment *(see p. 40 for information on the ESG Strategy Framework)*. On the next pages you will find each portfolio company's ESG Strategy reported in a 2-pager format.

ESG ANALYSIS

PORTFOLIO COMPANY DESCRIPTION:
Covering business activities, geographic footprint of value chain, and key customers.

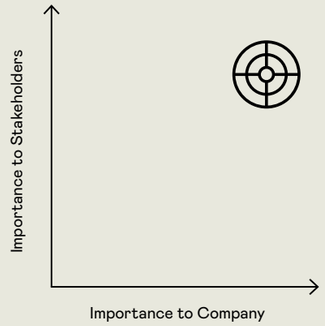
DOUBLE MATERIALITY PART 1/2:
Analysis of the portfolio company's potential impact on the world across the full value chain – looking at both positive and negative impacts from an environmental, social, and governance perspective.

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:
High level outside-in eligibility assessment conducted by external experts.

ESG STRATEGY

ESG STRATEGY:
Based on the materiality analysis, each portfolio company creates an ESG strategy centred around 3-5 focus areas, with KPIs and long and short term targets. Portfolio companies also transparently disclose 2022 performance.



SDG MAPPING:
The portfolio companies further disclose which SDGs they have an opportunity to contribute to based on an assessment conducted by external experts. This is not an indication of actual contribution unless otherwise explicitly stated.

FSN Portfolio Company since 2017
activebrands.com

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 sources 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

RAW MATERIALS & SUPPLIERS

- Water depletion and pollution in the cotton supply chain
- Water use during textile production
- **Local pollution from chemicals in textile production (e.g. dyeing)**
- **GHG emissions and energy use in material production**
- **Animal welfare in wool and down production**
- **Labour and human rights**
- Health and safety of workers
- Socioeconomic impact of corruption and bribery in the supply chain

PRODUCT ASSEMBLING

- Local pollution from chemical use in product assembling
- **GHG emissions and energy use from product assembling**
- Material waste in production
- **Packaging waste (paper, plastic)**
- **Labour and human rights in garment factories**
- Health and safety in garment factories
- Work-life balance
- Diversity and inclusion

MANAGEMENT & MARKETING

- **GHG emissions from inbound and outbound logistics**
- Energy use in sales offices and stores
- Employee commuting and business travel
- Office waste
- **Textile waste from outdated collections**
- Work-life balance
- Diversity and inclusion
- **Social impacts of marketing activities (body image, representation)**
- Anti-corruption and bribery

CUSTOMERS & END-USERS

- **Microfiber pollution during the washing of textile products**
- **Textile waste from used/torn garments**
- **Longevity of products**
- **Packaging waste (paper, plastic)**
- Product health impacts in use (e.g. toxins)
- **Contributing to sport safety**
- **Active and healthy lifestyles**
- Contract conditions (B2B customers)

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 the environmental footprint of the textile industry
- Climate change causing shifts in seasons, impacting consumption patterns and demand, and risk of causing disruption in the supply chain
- 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

ACTIVE BRANDS' ESG STRATEGY 2023

FOCUS AREA	KPIS	LONG TERM TARGET	PERFORMANCE 2022	ANNUAL TARGET 2023
1. Sustainable value chain	· 1a. % of manufacturers with climate targets and action plans in place · 1b. GHG emission reductions (absolute Scope 1,2 and % Scope 3) · 1c. % of environmentally preferred materials in products · 1d. Identify how to measure water, chemistry, waste, and biodiversity impact · 1e. Enhance ESG reporting · 1f. Supply chain transparency T1 and T2, on open platform and % of products covered	· 1a-c. Deliver on our SBTi Net-Zero Climate Target · 1d. Systematically measure and disclose water, chemistry, waste, and biodiversity impact according to targets · 1e-f. Demonstrate transparency and accountability on ESG	· 1a & b. Calculated Scope 1,2, and 3 GHG emission baseline (set to 2021) and got SBTi approval for our net-zero climate target. Developed climate strategy with a high-level roadmap to net zero for each brand · 1c. RDS (responsible sourced down): 100%, Merino wool: IWTO cert non-mulesing: 100%, Bluesign approved fabrics: 20% all, 30% synthetics - Oekotex cert fabrics: 75%, Recycled Polyester: 12% (compared to polyester volumes) – refers to 2021 volumes · 1d. Conducted high-level risk assessment including water, waste, and biodiversity. Approved bluesign system partnership · 1e. Ethical Trade Norway report · 1f. Full mapping of Tier 1 and Tier 2 initiated to be ready Feb 2023	· 1a. Min 40% of key suppliers have their own climate targets and action plans in place · 1b. Min 30% absolute reduction in Scope 1 and 2 · 1c. Set & follow clear reduction targets per AB brand · 1d. Join the bluesign system - Adopt regenerative merino wool and develop an adoption plan · 1e. Deliver AB ESG report with reference to GRI · 1f. Full mapping of T1 and T2 supplier facilities and sharing of locations on product and open platform
2. Products and services	· 2a. Establishing guidelines · 2b. Number of products sold via our resell platform · 2c. Repair offering: - Consumer engagement in repair DIY guidance and repair kits - Number of products repaired via customer service · 2d. % reduction of packaging	· 2a-d. Incorporate circular principles in every product creation and circular models (re-com & repair) in every key market	· 2a. Conducted two larger workshops focusing on how to keep the products active and longlived and continued implementation of the digital 3D design tool · 2b. Signed partner agreement with resell provider Vandre · 2c. "Norwegian Sportswear Innovation Initiative" resulted in a project funded by Viken county which focuses on repair offers. Began mapping repair service possibilities and projects to enable repairs. Launch delayed to 2023 · 2d. Extensive measuring of packaging materials; cardboard, paper and LDPE	· 2a. Develop sustainability guidelines for design & development, and communication guidelines for customer service/marketing · 2b. Pilot resell in key markets (Norway and US) · 2c. Extend and structure our repair offering · 2d. Initiate packaging reduction project
3. Health	· 3a. Number of engagement initiatives - Number of people involved in the initiatives related to physical activity · 3b. eNPS · 3c. Winningtemp score	· 3a-c. Active Brands is rated to be among the most attractive places to work in the sporting goods industry and a leader in engaging people toward a healthier lifestyle	· 3a. KT: "Boobs on my mind" – a campaign in support of the breast cancer cause - BD: "Team Beyond" – one team beyond abilities, gender, age, nationality, and disciplines - Åsnes: supporting the documentary "Draumen om Grønland" - Bula: brought in a new ambassador which for him was life-changing - JO: Supported Norwegian Cancer Organisation battling breast cancer. Launched the podcast "Johaug Redaksjonen" which focused on training and mental health. · 3b. eNPS: 1/100 - 3c. Winningtemp Temp score: 7.3/10; Winningtemp response rate: 76-84%	· 3a. Engage consumers and people in physical activity · 3b. Stabilise eNPS towards industry level · 3c. Increase Winningtemp score by 15%
4. Human rights	· 4a. T1 suppliers audited with BSCI or similar audit schemes · 4b. Salient human rights issues, qualitative progress	· 4a & b. Active Brands support and protect human rights in our supply chain, with a focus on identified salient human rights issues	· 4a. All vendors audited in person via BSCI in 2022: 58% by number of vendors, 93% by volumes - Vendors outside Europe audited via BSCI in 2022: 67% by number of vendors, 94% by volume · 4b. Developed and implemented Active Brands Responsible Business Conduct Policy. Updated materiality assessment ongoing and will continue during Q1 '23	· 4a. 75% of Tier 1 suppliers, outside Europe, were audited with BSCI or similar audit schemes · 4b. Identifying salient human rights issues and developing an action plan and targets to address them

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

3 GOOD HEALTH AND WELL-BEING — Promote mental health and well-being (3.4)

5 GENDER EQUALITY — End all forms of discrimination against all women and girls (5.1). Ensure women's full and effective participation and equal opportunity for leadership at all levels of decision-making (5.5)

8 DECENT WORK AND ECONOMIC GROWTH — Protect labour rights and promote safe and secure working environments for all workers (8.8), and facilitate equal pay for work of equal value (8.5). Take measures to eradicate forced labour, end modern slavery and human trafficking, and secure the prohibition and elimination of the worst forms of child labour(8.7)

12 RESPONSIBLE CONSUMPTION AND PRODUCTION — Achieve sustainable management and efficient use of natural resources (12.2) and reduce waste generation through prevention, reduction, recycling, and reuse (12.5)

17 PARTNERSHIPS FOR THE GOALS — Mobilise and share knowledge, expertise, technology, and financial resources, to support the achievement of the Sustainable Development Goals (17.16)

FSN Portfolio Company since 2021
adragos-pharma.com

Adragos Pharma is a globally operating B2B Contract Development and Manufacturing Organisation (CDMO), headquartered in Germany. The company employs more than 600 people, servicing primarily European, Japanese, and North American pharmaceutical customers. Adragos pursues a buy and build strategy, focused on buying underutilised production sites from large pharma companies, and subsequently increasing the utilisation, optimising the production capabilities and efficiencies of these sites.

Adragos currently operates 4 production sites in France, Germany, and Japan, specialised in the end-to-end production of the finished dosage form (FDF) of pharmaceuticals. The main business consists of non-biotech pharmaceuticals, so-called small molecules which constitute the vast majority of all pharmaceuticals globally. Exemplary dosage forms are semi-solids (such as creams and ointments), solids as well as sterile and non-sterile liquids. Adragos sources the main raw materials, i.e. active pharmaceutical ingredients and others from sources in Asia and Europe.

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

Topics of higher importance in bold

RAW MATERIALS & SUPPLIERS

- Emissions in raw material extraction
- **Hazardous waste**
- Biodiversity impact of raw materials
- Water use in the supply chain
- **Health and safety in supplier operations**
- **Labour and human rights in the supply chain**
- **Supply chain transparency and business ethics in procurement practices**
- Material certificates and supplier management

→

OWN OPERATIONS

- **Hazardous waste from chemicals**
- Climate impact of transportation and logistics
- GHG emissions from production and freezers
- Sustainable packaging
- **Water use**
- **Waste management and recycling of packaging**
- **Health and safety at own production sites**
- Labour conditions and human rights at own production sites
- Business ethics

→

MANAGEMENT & MARKETING

- Business travel and employee commuting
- Diversity and anti-discrimination
- Employee education and development
- Anti-corruption and bribery
- Anti-competitive behaviour
- Tax policies and payments
- Whistleblowing mechanisms

→

CUSTOMERS & END-USERS

- End-of-life management (recycling)
- **Product quality and safety**
- **Selling practice and product labelling**
- **Access to affordable products and medicine**
- **Product safety, reliability and traceability**
- Contract conditions for customers

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

+ Ageing population drives demand for safe and accessible medicines
+ Efficient production sites enable affordability of medicines
+ Strong desire to repatriate pharma-production from low-cost countries to secure drug supply in Western healthcare systems

- Ever higher regulatory requirements and standards for production
- Increasingly complex global Supply Chain challenges for active ingredients with discussions on dependency from Asia

Initial EU taxonomy assessment

Key activities
- C21.2 - Manufacture of pharmaceutical preparations

Potential contribution to environmental objective
- Pollution prevention and control

ADRAGOS PHARMA'S ESG STRATEGY 2023

FOCUS AREA	KPIS	LONG TERM TARGET	PERFORMANCE 2022	ANNUAL TARGET 2023
1. Minimise the environmental impact of our operations	· 1a. GHG emissions · 1b. Energy consumption per pack · 1c. Responsible Waste mgmt	· 1a. Net Zero GHG emission in production · 1b. Energy consumption p. pack reduced by 30% · 1c. 100% re-use of recyclable Waste	· 1a. Baseline scope 1 and 2 defined for production · 1b. Energy consumption baseline on group and site level defined · 1c. Further specified responsible waste mgmt. as a company target	· 1a. Create a full baseline (scope 1-3); Monitor and maintain baseline as group growths · 1b. Perform energy analysis on group level to set reduction targets · 1c. Develop and implement a recyclable waste management
2. Safe, accessible, and affordable products	· 2a. Therapeutic areas · 2b. Number of countries supplied · 2c. Number of patients reached	· 2a. Number of diseases combated · 2b. Provide products to more than 60 countries · 2c. Number of patient reached >100m	· 2a. Two therapeutic areas added · 2b. Fully operating sites during the COVID pandemic, despite global price changes.	· 2a. Add at least three more therapeutical areas · 2b. Two more countries to be supplied · 2c. At least double the number of patients reached
3. Healthy, engaged, and satisfied employees	· 3a. Absenteeism rate · 3b. Safe working environment · 3c. Female employee rate · 3d. Lost time incident rate (LTIR) · 3e. ESG resources · 3f. eNPS	· 3a. <4% absenteeism · 3b. Continuous review of EHS measures in all entities · 3c. Increased diversity score · 3d. LTIR of 0 · 3e. ESG resource per site · 3f. eNPS of >15%	· 3a. Target achieved after normalisation for COVID protection initiatives · 3b. Fire Safety review with external experts · 3c. 16% increase on top governance level female rate, Interviewer awareness training to prevent Halo effect, diversity reporting implemented · 3d. Initiatives identified · 3e. Decision to allocate percentages to C-Level and on-site to HSE person	· 3a. <6,5% absenteeism · 3b. Drive standardisation across sites · 3c. Keep diversity of 50% male/ female · 3d. Implement initiatives to reduce LTIR · 3e. Integrate ESG resources in the ESG network · 3f. Define baseline and identify improvement measures
4. Ensure responsible supply chains	· 4a. Supplier CoC signed by suppliers · 4b. Supplier audits and findings	· 4a. Stakeholders able to trace the full supply chain · 4b. 100% of tier 1 suppliers audited	· 4a. Postponed due to global supply chain interruptions · 4b. Ongoing audits performed	· 4a. Start the process with suppliers · 4b. Define alternate sources for three suppliers
5. Promote integrity throughout our operations	· 5a. CoC · 5b. CoC training · 5c. Anonymous and electronic whistleblower channel · 5d. Company's core values	· 5a. 100% of employees sign and live by CoC · 5b. 100% of employees undergo regular training · 5c. Whistleblower channel available to all employees · 5d. Company's core values as required part of performance appraisal and career compression	· 5a. CoC communicated to all employees · 5b. Postponed due to reprioritisation of resources · 5c. Whistleblower Channel established and working · 5d. New KPI/ target only set in 2022. · Significant donation of life-saving injectables to Ukraine	· 5a. Roll out CoC to all new acquisitions of Adragos group · 5b. Implement an e-learning platform and curriculum for all levels · 5c. Expand whistleblower access to newly acquired companies · 5d. Define and implement the company's core values

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

3 GOOD HEALTH AND WELL-BEING — Access to safe, effective, quality, and affordable essential medicines and vaccines for all (3.8)

8 DECENT WORK AND ECONOMIC GROWTH — Support full and productive employment and decent work for all, including equal pay for work of equal value (8.5)

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE — Enhance scientific research (9.5)

12 RESPONSIBLE CONSUMPTION AND PRODUCTION — Environmentally sound management of chemicals and all wastes throughout their life cycle, and significantly reduce their release to air, water, and soil (12.4)

FSN Portfolio Company since 2020
ecovium.com

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 in 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

RAW MATERIALS & SUPPLIERS

- **GHG emissions and energy use from the production of hardware and leased data centre services**
- Local emissions from mineral extraction (hardware)
- E-waste and hazardous waste
- Impact on biodiversity in hardware supply chain and at data centre sites
- **Water and cooling used in data centres**
- **Labour and human rights in hardware production**
- Workers' health and safety
- Socioeconomic impacts of conflict minerals

OWN OPERATIONS

- End-of-life management of IT equipment and data centres
- GHG emissions and energy consumption from own data centre services
- Water and cooling used in data centres
- Impact on biodiversity and sound pollution from data centre sites
- Employee education and development
- Work-life balance
- Diversity and inclusion
- **Data security and privacy**
- **Professional integrity and honest advice**

MANAGEMENT & MARKETING

- Office waste (food waste, stationery)
- Energy use in own offices
- Employee commuting and business travel
- Employee education and development
- Work-life balance
- Diversity and inclusion
- Anti-corruption and bribery
- Anti-competitive behaviour
- Employee pensions
- **Data security and privacy**

CUSTOMERS & END-USERS

- Energy use of products and services
- Impact on customers' production and resource efficiency
- Digital literacy
- **Contributing to more efficient work management**
- Customer work-life balance (home office)
- **System reliability (lagging, downtime)**
- Contract conditions (B2B customers)

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

+ Demand for efficient and sustainable logistics solutions supporting the 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*

ECOVIUM'S ESG STRATEGY 2023

FOCUS AREA	KPIS	LONG TERM TARGET	PERFORMANCE 2022	ANNUAL TARGET 2023
1. Climate efficient operations	· 1a. Reduce GHG emissions · 1b. Internal car policy · 1c. Green electricity · 1d. Waste management	· 1a. Net Zero · 1b. 80% of company cars are electric or hybrid; electric car chargers in every location · 1c. 100% certified green electricity at all locations · 1d. 100% recycling of e-waste	· 1a. Scope 1-3 mapped, with scopes 1 and 2 fully measured - Launch of Corporate emissions reduction and removal initiatives including risk assessment of procurement of office materials and provisions · 1b. 36% of all ecovium cars are E-autos or hybrids. Due to the green energy supply stop, no electric-charge stations were installed in 2022. · 1c. Four of eight German ecovium locations operate with 100% green energy. Conversion of two additional locations pre-arranged. · 1d. Collecting recycling boxes for private e-waste were placed in all ecovium GmbH locations.	· 1a. Report full scope 1-3 emissions for the group and set Science Based Targets · 1b. Increase the quota of electric/hybrid cars in our fleet - Pursue the installation of E-charge stations wherever possible among all our locations · 1c. Extend green electricity conversion to all locations · 1d. Resume inventory of corporate e-waste and establish a standard recycling model in all locations
2. Supporting customers' sustain-ability journey	· 2a. Hours of software devt. for green transition offering · 2b. Hours of software devt. for transparency offering	· 2a. Provide services that enable customers to reduce their climate footprint · 2b. Provide services that enable supply chain transparency	· 2a. E-Commerce Suite was launched, offering three main functionalities for our customers' climate footprint reduction: delivery address validation, eco-efficient route planning, and intelligent retour-management · 2b. Forwarder Suite launched with tracking and data sharing as main functionalities, which increases transparency between our customers and their supply chain partners	· 2a. & 2b. Hours of development to be monitored for: - Cloud first strategy: elaboration of new products in collaboration with climate-neutral cloud providers - Introduction of the SimpleChain platform, which reduces energy consumption and data loads at the consumers' end
3. Satisfied and engaged employees	· 3a. One team firm · 3b. Diversity · 3c. ESG leadership	· 3a. One team firm · 3b. ecovium to be a successful example of diversity within the IT field · 3c. ecovium recognised as a leader in ESG	· 3a. Established a task force to address learnings from our employee engagement platform (Winningtemp) - 87% Winningtemp response rate for ecovium GmbH users. eNPS of 5 · 3b. 50 % women in C-Level/1st level management, 40% in 2nd level management, and 15% in the R&D department · 3c. ESG considerations fully integrated into the company strategy until 2025	· 3a. Further increase Winningtemp participation with roll-out to MANTIS S.A. - One team culture: integrate MANTIS S.A. in culture and establish a common approach within the group. · 3b. Join 3rd party initiative focused on diversity (e.g. German Charta der Vielfalt) and set up a task force to manage diversity related activities · 3c. Establish an ESG working team - Monitor ESG activities with special attention to incidents - Prepare to respond to EU Corporate Social Responsibility Directive
4. Reliable services	· 4a. Product security and reliability · 4b. Data security and privacy	· 4a. No customer downtime as a result of product malfunction · 4b. No data breaches	· 4a. Analysis of diverse tools confirms that a uniform measurement would not be possible due to mixed client support frameworks within the company · 4b. 88% of all employees were trained in data protection and 70% in cyber security. - Granted collaboration with an external Data Protection Officer to ensure quality.	· 4a. Define processes and start measurement focused on (1) Number of registered issues (2) service disruptions (3) total customer downtime · 4b. Development of learning material for advanced GDPR topics (e.g. systematic handling of data breaches) for all employees - Elaboration of more detailed documentation of technical and organisational measures to facilitate quality checks
5. Ethical business conduct	· 5a. Ethics training and controls · 5b. Supply chain management	· 5a. Employees annually trained in ESG · 5b. Best in class supply chain management	· 5a. & 5b. Updated CoC, supplier CoC, anti-corruption, and whistleblower policies; rolled out to all employees - Introduction of the "Sustainability Days"	· 5a. Continuation of eLearning and training on key policies, including listing cybersecurity awareness in our new learning platform (ecovium Academy), to be rolled out to 100% of employees - Establish an electronic whistleblower system (iWhistle) · 5b. Supply chain screening for IT procurement - both for internal usage as for units bought for Hardware division, incl. signature of supplier CoC

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

8 DECENT WORK AND ECONOMIC GROWTH — Achieve higher levels of economic productivity through technological upgrading (8.2) and improve global resource efficiency in consumption and production (8.4)

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE — Upgrade technological capabilities of industrial sectors in all countries (9.5)

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

EPISTA

FSN Portfolio Company since 2022
epista.com

Epista is a life-science consultancy with a team of experts working at the intersection of business priorities and compliance requirements. Established in 2009, the company is headquartered in the life-science hub of Hørsholm, Denmark, and employs more than 120 people across Denmark, Sweden, and Germany.

Epista is dedicated to the life-sciences industry, serving pharma, biotech, medical device, and CDMO customers with IT services, consulting, staff augmentation, and managing operations related to an ever-changing IT and automation landscape. The launch of the 'Cloud Transition' proposition in 2017, and the 'Biotech accelerator' proposition in 2020, propelled the company into playing a deeper role as a holistic IT service and managed operations partner.

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

Topics of higher importance in bold

FACILITY & EQUIPMENT SUPPLY

- Local emissions from mineral extraction (hardware)
- E-waste and hazardous waste in supply chain
- Impact on biodiversity in hardware supply chain
- **Water and energy consumption for cooling in data centres**
- **Labour and human rights in hardware production**
- Health and safety in computer factories and production sites
- Corruption and bribery in the hardware production supply chain

OWN OPERATIONS

- **Energy use in own offices**
- E-waste and end-of-life management of IT equipment
- Employee commuting and business travel
- **Employee education and development**
- Labour conditions and human rights for employees
- Work-life balance
- **Diversity and inclusion**
- **Data security and privacy**
- **Professional integrity and honest advice**

MANAGEMENT & MARKETING

- General waste management in offices
- Increased impact through growth of group: due diligence responsibility of new acquisitions
- Employee education and development
- Work-life balance
- Diversity and inclusion
- **Data security and privacy**
- Business ethics
- Anti-competitive behaviour
- Employee pensions

CUSTOMERS & END-USERS

- Customers' production and resource efficiency
- Waste and hazardous materials in environment and water from pharmaceuticals
- **Drug development process**
- **Cost of manufacturing drugs**
- **Access and affordability of drugs**
- **Drug product quality and safety**
- **The ethical aspect of selling practices & product labelling**

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

+ Demand for safe, affordable, and accessible drugs driven by globalisation and the growing and ageing population
+ Increasingly regulated market drives pharma customer demand
+ Opportunity to differentiate as an employer by providing meaningful jobs

- Risk of association with customers' public image and reputation (e.g., due to cost of drugs, accessibility, safety etc.)
- Increasing stakeholder expectations for formalisation of ESG strategies, actions, and results
- Fight for talent in the industry

EPISTA'S ESG STRATEGY 2023

FOCUS AREA	KPIS	LONG TERM TARGET	PERFORMANCE 2022	ANNUAL TARGET 2023
1. Engaged and satisfied employees	· 1a. Employee satisfaction (eNPS) · 1b. Overall gender distribution (% females) · 1c. Gender distribution in management (% female managers) · 1d. Gender pay gap	· 1a. eNPS of +60 · 1b. 50% female · 1c. 50% female · 1d. No pay gap	· 1a. eNPS: (100) 2021: 79 2022: 57 · 1b. % females amongst FTEs: 2021: not measured 2022: 46.2% (100 %) · 1c. % female managers: 2021: not measured 2022: not measured · 1d. Gender pay gap 2021: not measured 2022: not measured	· 1a. eNPS target of +60 · 1b. Female ratio target of 50% · 1c. Female ratio target of 25% · 1d. Gender pay gap target of 0
2. Services supporting sustainability in Life Sciences	· 2a. Customer satisfaction (eNPS) · 2b. % sales on Life Science companies · 2c. % sales on specific ESG aspects at customers	· 2a. eNPS of +40 · 2b. +90% sales · 2c. 25% sales	· 2a. eNPS: (100) 2021: 53 2022: 49 · 2b. % sales: (100) 2021: 100% 2022: 100% · 2c. % sales: 2021: not measured 2022: not measured	· 2a. eNPS target of +40 · 2b. +90% sales · 2c. Less than 10% sales
3. Promote integrity throughout our operations	· 3a. CoC / Whistleblower function · 3b. Pending whistleblower remediating actions · 3c. # of client ESG screenings · 3d. # of supplier ESG screenings	· 3a. CoC is periodically updated · 3b. Less than 10% · 3c. All new clients · 3d. All new suppliers	· 3a. CoC: 2021: not existing 2022: not existing · 3b. Whistleblower remediating actions: 2021: not existing 2022: not existing · 3c. # of ESG screenings: 2021: not measured 2022: not measured · 3d. # of ESG screenings: 2021: not measured 2022: not measured	· 3a. Institutionalise CoC · 3b. Less than 10% · 3c. All new clients · 3d. All new suppliers
4. Minimise environmental impact	· 4a. GHG emissions	· 4a. Reduce GHG emissions	· 4a. Identified GHG emissions as material KPI	· 4a. Start to report GHG emissions, conduct full scope 3 screening

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

3 GOOD HEALTH AND WELL-BEING

Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all (3.8)

5 GENDER EQUALITY

Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life (5.5)

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

Enhance scientific research, upgrade the technological capabilities of industrial sectors in all countries, in particular developing countries, including, by 2030, encouraging innovation and substantially increasing the number of research and development workers per 1 million people and public and private research and development spending (9.5)

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

By 2030, achieve the sustainable management and efficient use of natural resources (12.2). By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimise their adverse impacts on human health and the environment (12.4)

Fellowmind

FSN Portfolio Company since 2019
fellowmindcompany.com

Fellowmind is on a mission to transform its customers' digital capabilities and help them transition to a greener future with the help of Microsoft's cloud solutions. Their comprehensive range of services includes consulting and implementation across all Microsoft products, as well as managed services to keep your tech running smoothly.

But that's not all. Fellowmind is also dedicated to help its customers become connected companies, ready to expand their influence and to make a real impact on their business ecosystem. By embracing the vision of the connected company, businesses can make quick decisions, stay ahead of the competition, and create meaningful connections.

With a team of over 2,000 expert IT professionals spread across six European countries – Finland, Sweden, Denmark, The Netherlands, Germany, and Poland – Fellowmind is well-equipped to serve a diverse range of clients in industries such as manufacturing, energy, retail, and beyond. Their clients include both public institutions and private companies.

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

Topics of higher importance in bold

FACILITY & EQUIPMENT SUPPLY

- **GHG emissions and energy use from the production of hardware**
- Lowon (hardware)
- E-waste and hazardous waste
- Impact on biodiversity in hardware supply chain and at data centres
- **GHG emissions and energy consumption from leased data centre services**
- **Water and cooling used in data centres**
- **Labour and human rights in hardware production**
- Workers' health and safety
- Socioeconomic impacts of conflict minerals, and corruption and bribery in the supply chain

OWN OPERATIONS

- Energy use
- End-of-life management of IT equipment
- Employee commuting and business travel
- **Employee education and development**
- Labour conditions and human rights for employees
- Work-life balance
- **Diversity and inclusion**
- **Data security and privacy**
- **Professional integrity and honest advice**

MANAGEMENT & MARKETING

- Office waste
- Employee education and development
- Labour conditions and human rights for employees
- Work-life balance
- Diversity and inclusion
- Anti-corruption and bribery
- Anti-competitive behaviour
- Employee pensions
- **Data security and privacy**

CUSTOMERS & END-USERS

- Energy use of products and services
- **Impact on customers' production and resource efficiency**
- Digital literacy
- **Contributing to more efficient work management**
- **System reliability (lagging, downtime)**
- Contract conditions (B2B customers)

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*

FELLOWMIND'S ESG STRATEGY 2023

FOCUS AREA	KPIS	LONG TERM TARGET	PERFORMANCE 2022	ANNUAL TARGET 2023
1. Accelerate the green and digital transition for our customers	· 1a. # of Connected Company indexes performed on sustainability · 1b. Total amount of GHG Emissions we help to reduce	· 1a. Sustainability Services are fully integrated into all our customer offerings · 1b. We can track and see a GHG emission reduction of customers through our services	· 1a. Developed a Connected Company index linked to services, to assess a customer's maturity level on sustainability · 1b. Providing customers with cloud services that contribute to reducing emissions	· 1a. Connected Company sustainability indexes to be conducted by all 6 regions with 20% of our strategic customers · 1b. Develop a tracking system for the GHG emission reduction for customers using Microsoft research insights to measure our impact
2. Sustainable employer to reduce *climate and environmental impacts*	· 2a. Reduction of GHG emissions (scope 1,2 and 3)	· 2a. Net zero GHG emissions by 2030	· 2a. Reporting of Scope 1, 2 and 3 emissions available (but accuracy and comprehensiveness need to be improved). Action plans in the regions to be put in place	· 2a. Reporting of Scope 1, 2, 3 emissions. Develop an Action plan for setting science-based targets
3. Best workplace in the industry by maximising the engagement of our employees	· 3a. eNPS · 3b. Psychological safety as key-indicator D&I · 3c. Diversity	· 3a. eNPS of >35 · 3b. Psychological safety target of 8.0 · 3c. Diversity in thought, experience, nationality, and orientation	· 3a. eNPS of 26 · 3b. Psychological safety 7.7 · 3c. 35% female new hires	· 3a. eNPS of 35 · 3b. Psychological safety target of 8.0 · 3c. 40% female new hires
4. Enabling societal digital inclusion	· 4a. Budget allocation of digital inclusion fund	· 4a. Deliver positive social impacts in the regions where we operate by improving digital inclusion with our digital expertise and by funding	· 4a. Completed selection. And initial talks with 4 major digital inclusion/skills associations that have a social impact in the regions	· 4a. Support the 4 selected digital inclusion associations regionally through funding and measure the impacts
5. Ethical and reliable business partner	· 5a. 100% compliance with data privacy and security policies · 5b. Business conduct (compliance with human rights, labour rights)	· 5a. Protection of data and information of stakeholders we work with · 5b. 100% of employees undergo (bi)annual business conducts and ESG training	· 5a & b. Green guidance has been developed for all regions	· 5a & b. 100% adoption of ESG policies through mandatory review in our central e-learning portal. Development of Group GDPR policy in HY2

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

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

8 DECENT WORK AND ECONOMIC GROWTH — Support full and productive employment and decent work for all, including equal pay for work of equal value (8.5)

12 RESPONSIBLE CONSUMPTION AND PRODUCTION — Achieve sustainable management and efficient use of natural resources (12.2)

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

Fibo

FSN Portfolio Company since 2015
fibo.no

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, in addition to 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 across Europe 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

RAW MATERIALS & SUPPLIERS

- Energy consumption and emissions in raw material extraction
- Hazardous waste from chemical use
- **Biodiversity impact from raw material sourcing and around production sites**
- **GHG emissions from the production of materials such as plywood**
- **Labour and human rights**
- Workers' health and safety
- Local community engagement and job creation
- Material certificates and supplier management
- **Supply chain transparency**

OWN OPERATIONS

- **Climate impact from production (energy use, fuel type)**
- Climate impact of transport
- Industrial chemical handling, storage, and treatment
- Resource efficiency and waste management
- Chemicals used in production (e.g., glue)
- Labour and human rights
- Workers' health and safety
- Work-life balance
- Business ethics

MANAGEMENT & MARKETING

- Sustainable and circular design and packaging
- Working conditions and culture
- Diversity and inclusion
- Local community engagement and job creation
- Anti-corruption and integrity
- Anti-competitive behaviour reporting
- Whistleblowing mechanisms

CUSTOMERS & END-USERS

- **Product longevity**
- **Product take-back, recycling, and reuse**
- Climate impact of shipping and delivery
- **Product quality and safety**
- Selling practices and product labelling
- Contract conditions for customers

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 the 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*

FIBO'S ESG STRATEGY 2023

FOCUS AREA	KPIS	LONG TERM TARGET	PERFORMANCE 2022	ANNUAL TARGET 2023
1. Sustainable Products	· 1a. Glue/ laminate - formaldehyde reduction · 1b. Sustainable main raw materials (PEFC / FSC %) · 1c. Circular design	· 1a. Formaldehyde free products · 1b. 100% PEFC/FSC certified · 1c. Circular use of product at end of life	· 1a. Fibo is well below REACH threshold for chemicals and now testing biobased alternatives to formaldehyde-based glue · 1b. PEFC / FSC certified · 1c. Participate in "Tre på Agder," an initiative to develop an industry cluster to share common knowledge and add value for business	· 1a. Further assess identified alternative to formaldehyde glue · 1b. PEFC / FSC re-certification · 1c. Data collection in participating companies and sharing of knowledge to brainstorm circular solutions
2. Climate Impact	· 2a. Electricity usage (kwh/m²) · 2b. % Renewable energy usage · 2c. GHG emissions · 2d. Environmental management system	· 2a. 10-15% reduction · 2b. 95% · 2c. Become Net Zero · 2d. ISO 14001 certification	· 2a. Energy usage (kwh/m2) 2.50 % 2022: 1.97 (-2,5%) 2021: 2.02 (-1,5%) 2020: 2.05 (-0,5%) 2019: 2.06 (-0,5%) · 2b. 93,6% (100% Green certified electricity) · 2c. Reported complete scope 1-3 emissions · 2d. Achieved ISO 14001 certification	· 2a. Reduce energy usage by 1.5%, · 2b. Identify ways to further reduce energy usage · 2c. Develop science-based targets together with external consultants, to reduce the climate footprint · 2d. ISO 14001 re-certification. Introduce organic waste fraction
3. Waste Manage-ment	· 3a. Product Waste (% / produced m²) · 3b. Residual waste (kg/m² produced)	· 3a. =<4% · 3b. 0.029 kg/m²	· 3a. Waste (% of produced m²) 6.00 % 2022: 4,49% (New raw materials) 2021: 4.17% 2020: 4.70% 2019: 5.00% · 3b. 2022: 0.026 kg/m2 2021: 0,024 kg/m2	· 3a. Focus on process/supplier improvement · 3b. Introduce new waste fractions to increase recirculation
4. Satisfied employees that are passionate about Fibo	· 4a. Employee NPS · 4b. Turnover % · 4c. Sick leave % · 4d. Gender diversity	· 4a. eNPS of 50% · 4b. Below 5% · 4c. Below 1.5% (Short term) · 4d. Increase total % of women, and 25% women in production	· 4a. eNPS score of: 100% 2022: 30,5 2021: 50 2020: 52 2019: 21 · 4b. Turnover of 5.16% · 4c. Short term sick leave: 2.5% 2022: 1.8% 2021: 1.7% 2020: 1.3% 2019: 2.2% · 4d. 24% Women, 21,5% in production	· 4a. eNPS of 40 · 4b. Turnover below 5% · 4c. Sick leave of 1.5% · 4d. Keep current level (no new hiring planned)
5. Ethical business behaviour	· 5a. Supply chain management of all suppliers · 5b. Governance training · 5c. Fair working conditions · 5d. Whistleblower policy and channel	· 5a. Best in class supply chain mgmt. · 5b. All key employees participate in governance training · 5c. Prevent social dumping practice · 5d. Whistleblower channel and policy included in the HRM system, and all employees informed	· 5a. Implemented Business Partner Management Manual (includes reporting procedures, CoC, and training of employees); Screened all suppliers in sanctions lists · 5b. CoC training with all new employees · 5c. Participation in Fair Play Agder. Management and union represented · 5d. Established through 3rd party provider. Included in the new HRM system	· 5a. Further formalise and strengthen supply chain management. 100% of suppliers signed CoC. · 5b. Publish e-learning in the new HRM system · 5c. Continue membership in Fair Play Agder Working/salary conditions included in CoC signed by suppliers · 5d. Regular information to all employees through Simployer

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

8 DECENT WORK AND ECONOMIC GROWTH — Protect workers' health and Safety in Fibo's production sites, and promote an inclusive work environment

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE — Increase resource efficiency in own production processes by adapting clean and environmentally sound technologies

12 RESPONSIBLE CONSUMPTION AND PRODUCTION — Reduce resource consumption by developing circular product attributes and minimising waste in the production process

15 LIFE ON LAND — Contribute to sustainable forest management through cooperation with raw material suppliers

FIRESAFE

FSN Portfolio Company since 2022
firesafe.com

Firesafe, established in 1981, is a leading Nordic supplier of fire protection services, including fire engineering, consulting, passive fire protection systems, and fire technical control and service. The range of services also includes fire safety training courses, and specialised solutions such as water mist and gas extinguishing systems, emergency lighting, escape path lighting systems, sprinkler systems, fire detection, and alarm systems.

The group has a strong local presence across the Nordics with close to 1000 employees in more than 30 locations in Norway, Sweden, Denmark, and Finland.

Firesafe contributes to a safer society by providing professional and sustainable fire protection solutions, and mainly serves the B2B segment, including building contractors, municipalities, housing associations, and real estate owners. Firesafe also develops special products and solutions for the offshore and marine industry.

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

RAW MATERIALS & SUPPLIERS → **PRODUCTION** → **MANAGEMENT & MARKETING** → **CUSTOMERS & END-USERS**

RAW MATERIALS & SUPPLIERS
- Pollution and emissions generated by raw material extraction
- Human rights and labour conditions across the raw materials supply chain

PRODUCTION
- PFAS still used in some fire extinguishers
- Deep-tier Asian suppliers have lower E&S impact regulation

MANAGEMENT & MARKETING
- Sustainable product innovation and circular design
- Employee well-being and company culture
- Employee and board diversity

CUSTOMERS & END-USERS
- Product sustainability and non-toxicity
- Refilling and recycling
- Climate impact of logistics operations
- Labelling and product safety

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

+ Demand for fire safety equipment and related consulting activities brought about by the impacts of global warming and climate change
+ Demand for more climate-friendly and circular products

- Public and consumer concern over the use of toxins, products' wider contribution to climate change and emission footprint as well as the recyclability of products
- Immature market for reuse and recycling at end of life of products

Initial EU taxonomy assessment

Key activities
- 43.29 - Other construction installation

Potential contribution to environmental objective
- Climate change mitigation
- Transition to a circular economy

FIRESAFE'S ESG STRATEGY 2023

FOCUS AREA	KPIS	LONG TERM TARGET	PERFORMANCE 2022	ANNUAL TARGET 2023
1. Environmentally sound operations	· 1a. Reduce GHG emissions · 1b. Waste management · 1c. Route planning	· 1a. Roadmap for Net Zero · 1b. Increase waste sorting rate by 50% · 1c. Reduce transport related GHG emissions by 50%	· 1a. Preparing for GHG reporting in the online portal · 1b. Assessed current procedures · 1c. Kicked off planning project	· 1a. Map GHG footprint, scope 1-3 · 1b. Implement waste management procedures on a group level · 1c. Establish and implement route planning routines for technicians and fitters
2. Ethical & transparent business conduct	· 2a. Supply Chain CoC to be signed by main partners · 2b. Supply chain Audit · 2c. ESG policy implementation · 2d. Whistleblower channel	· 2a. Top 100 (90%+ of volume) suppliers having signed Supply Chain CoC · 2b. 10 % of suppliers audited in person yearly · 2c. Annual training in ESG topics for all employees · 2d. Whistleblower channel familiar to 100% of employees	· 2a. Supply Chain Policy adopted by BoD · 2b. Top 10 suppliers audited in person · 2c. ESG policies adopted by BoD · 2d. Completed set-up of whistle-blower channel	· 2a. Top 25 suppliers to sign Supply Chain CoC · 2b. Implement the supply chain management system; identify suppliers to be audited in person and start the audit · 2c. Anti-bribery and-corruption training (all relevant empl); CoC training and CoC commitment (100% empl) · 2d. Implement and introduce whistleblowing policy and follow-up structures
3. Motivated and committed employees	· 3a. eNPS · 3b. Engagement Index · 3c. Leadership Index	· 3a. eNPS of 25 · 3b. Engagement Index of 90 · 3c. Leadership Index of 85	· Brilliant Insight results* · 3a. eNPS of 7 · 3b. Engagement Index of NO 80/ SE 76 · 3c. Leadership Index of NO 75/SE 70	· 3a. Introduce Brilliant Insights in all countries for measuring KPI's (eNPS, EI and LI) · 3b. Focus on internal communication; Improve day-to-day digital tools for employees · 3c. Implement basic leadership training
4. Promote equality & diversity	· 4a. Share of female employees · 4b. Compensation and benefit policy	· 4a. 25% female FTE's · 4b. Gender equality in compensation and benefit structure	· 4a. 10% female FTE's · 4b. Identified gender inequalities as a focus area	· 4a. Promote diversity in job ads; establish recruitment policy · 4b. Implement compensation and benefits policy, including principles of equal pay for work of equal value

** SE= Firesafe Sweden, NO= Firesafe Norway*

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

5 GENDER EQUALITY — Ensure women's full and effective participation and equal opportunities for leadership (5.5)

8 DECENT WORK AND ECONOMIC GROWTH — Ensure decent working conditions in the supply chain (8.8) and contribute toward employment and decent work for all (8.5)

11 SUSTAINABLE CITIES AND COMMUNITIES — Firesafe's services are a direct contribution to ensuring access to safe housing (11.1)

12 RESPONSIBLE CONSUMPTION AND PRODUCTION — Environmentally sound management of chemicals and all wastes throughout their life cycle, and significantly reduce their release to air, water and soil (12.4)

FSN Portfolio Company since 2018
gram-Equipment.com

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

RAW MATERIALS & SUPPLIERS → **OWN OPERATIONS** → **MANAGEMENT & MARKETING** → **CUSTOMERS & END-USERS**

RAW MATERIALS & SUPPLIERS
- GHG emission reductions in scope 3
- Protection of ecosystems & biodiversity that can be impacted by operations
- Health and safety in the value chain (suppliers' employees)
- Diversity and anti-discrimination in the value chain
- Labour conditions and human rights in the value chain

OWN OPERATIONS
- GHG emission reductions in scope 1 and 2
- Waste minimisation and prevention
- Health and safety and a good working environment of global employees
- Diversity and anti-discrimination
- Labour conditions and human rights

MANAGEMENT & MARKETING
- Responsible supply chain practices
- Anti-corruption and bribery
- Anti-competitive behaviour
- Tax payment transparency

CUSTOMERS & END-USERS
- Meeting obligations for supporting decarbonization of the ice cream business, by developing equipment and services that reduces food waste, energy use and use of high GWP refrigerants
- Responsible End-of-life practices: repair, recycling
- Health and safety in the value chain (customers' employees who operate Gram equipment)
- Food safety of Gram equipment

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

+ Managing transition and physical impact risks and opportunities, including the decarbonization of value chain
+ Ensuring access to critical talent and human capital
+ Enabling digitally-based global growth as substitution of growth based on travel activities

- Managing critical safety and security risks across operations
- Geopolitical uncertainty, conflicts, and crises in the countriesGram operate
- Managing compliance risks across operations
- Responsible sourcing of critical input materials with few or no available substitutes, many of which are sourced from deposits concentrated in only a few countries

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

GRAM'S ESG STRATEGY 2023

FOCUS AREA	KPIS	LONG TERM TARGET	PERFORMANCE 2022	ANNUAL TARGET 2023
1. Supporting customers to reach their environ-mental ambitions	· 1a. Circular solutions · 1b. Energy-efficient equipment/ service · 1c. Collaboration to reach climate targets	· 1a. Partner with our customers and suppliers to develop circular solutions w/a focus on waste in the ice cream production · 1b. Be the preferred partner for sustainable solutions · 1c. ESG collaboration with suppliers, industry peers, and customers	· 1a. High-level roadmap for circularity focusing on food waste has been defined · 1b. R&D improved the energy efficiency of the equipment · 1c. We have had an active role at the external Ice Cream Tech 2022 conference on ESG matters. We have identified venues to collaborate on sustainable solutions	· 1a. Establish a market-driven baseline for food waste in standard tier 1 product lines and develop targets for future food waste optimised equipment, to be included in the 2026 strategy. Actual projects to initiate food waste reductions will be established · 1b. Establish a market-driven baseline for energy efficiency in standard tier 1 product lines and develop targets for future energy efficiency optimised equipment, to be included in the 2026 strategy. - Plan for the development of an additional product line with low GWP (global warming potential) refrigerants · 1c. Develop an end-of-life guide for our equipment
2. Reducing our environ-mental footprint	· 2a. ESG leadership · 2b. Reduce GHG emissions · 2c. Zero waste	· 2a. Gram identified as an ESG leader in the ice cream industry. · 2b. Net Zero · 2c. Zero waste to landfill	· 2a. Full-time ESG business partner was hired in May 2022. More than 50% of our employees participated in one or more ESG workshops and an ESG idea Bank was established · 2b. GHG reporting competencies strengthened through two key employees completing the UN Global Compact Climate Ambition Accelerator program. GHG emissions reductions initiated at several sites · 2c. New legal guidelines for waste sorting implemented in DK	· 2a. Integrate ESG into our 2026 Strategy, also in a combined focus with innovation. Conduct EcoVadis rating of Gram Equipment - Six internal ESG training and knowledge-sharing workshops to be facilitated on team/department level to boost the integration of ESG in the core activities · 2b. Establish a baseline for GHG emissions in all relevant scope 3 categories, to complete a full base year for setting SBT in 2024 - Develop infrastructure and procedures for stream-lined GHG reporting · 2c. Residual waste reduction by 20% at our biggest production site (DK) and optimised set-up for waste sorting to be implemented at all sites
3. Motivated employees in a diverse and inclusive workplace	· 3a. eNPS · 3b. Diversity · 3c. Personal development	· 3a. eNPS of +40% · 3b. Female new hires 25% · 3c. Regular personal development offerings to all employees	· 3a. eNPS +15% on average. Great variations between groups and therefore focus to bring the low scores up. We increased the immediate manager score to a satisfactory level · 3b. Female new hires reached 26% and exceeded the target · 3c. Leadership training program conducted. Forty leaders finalised exams – all business-rel-evant cases presented to Group Management	· 3a. eNPS of +22% - Increase the immediate superior evaluation: 2022: 5.73/7 2023: 5.85/7 · 3b. Female new hires 22%. Target lower than 2022 result but another mix in planned FTE budget. We will continue to focus on diversity in all recruitments · 3c. 90% of people managers/leaders have finalised the basic Leadership Program
4. Ethical value chain	· 4a. Supply chain management · 4b. Supplier CoC · 4c. Ethical business conduct	· 4a. Best in class Supply chain management · 4b. SCoC signed by all main/ key suppliers · 4c. Annual ESGTraining for all employees	· 4a. Supplier risk assessment set-up prepared for execution in 2023 · 4b. SCoC improved and a new version was published. 84% of 2022 spent covered by signed SCoC · 4c. New employees' ethical training program developed for roll-out in 2023	· 4a. Risk assessment and supplier rating through EcoVadis - ESG on the agenda for supplier conference: inform about our strategy and supplier expectations · 4b. 90% of 2023 spending covered by signed SCoC · 4c. 100% of employees to finalise the ethical training program

Gram 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

HÅNDVERKS GRUPPEN

FSN Portfolio Company since 2020
handverksgruppen.com

Håndverksgruppen (HG) is the Nordic's largest provider of surface treatment services including painting, flooring, tiling, and masonry. The group has a strong local presence across the Nordics withmore than 3000 employees in over 100 operating companies.

The main input factors 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's use of subcontractors is limited.

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

RAW MATERIALS & SUPPLIERS

- Chemical use in paint production
- GHG emissions from the production and transportation of rehabilitation materials (carpets, paint, wooden floors etc.)
- **Hazardous waste from the production of materials**
- Labour conditions and human rights in raw material production
- Workers' health and safety in the supply chain
- Supply chain transparency
- Business ethics in procurement

OWN OPERATIONS

- GHG emissions from transportation
- Release of hazardous substances occurring during rehabilitation activities
- **Waste management at rehabilitation sites**
- **Material utilisation and recycling**
- **Health and safety of own employees**
- **Labour rights**
- **Local job creation**

MANAGEMENT & MARKETING

- Energy use in admin offices
- Waste management in admin offices
- **Diversity, inclusion, and anti-discrimination**
- **Employee education and development**
- **Anti-corruption and bribery**
- **Anti-competitive behaviour**

CUSTOMERS & END-USERS

- **Ease of maintenance and repair**
- **End of life product management (reuse, repair, recycling)**
- Product reliability and quality
- Long-term health impacts of toxic materials
- Partner and customer integrity

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

- Part of the industry has issues with regards to short term employment, unlawful payments, and lack of HSE practices
- Current regulations are not promoting 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)

HG'S ESG STRATEGY 2023

FOCUS AREA	KPIS	LONG TERM TARGET	PERFORMANCE 2022	ANNUAL TARGET 2023
1. We care for each other and aim to be an attractive employer who takes social responsibility	· 1a. Share of apprentices · 1b. eNPS · 1c. Lost time injury frequency rate (LTIFR) (entity build up) · 1d. HG Academy*	· 1a. 12% · 1b. eNPS of 55, WT implemented in all companies* · 1c. To be defined in 2022 · 1d. On average 20% of the craftsman workforce receive training of more than 3 hours/ year.	· 1a. 9.2% · 1b. Implemented Winnningtemp (WT) in 43% of all companies and 1 617 users. eNPS of 46 · 1c. Implemented HSE / QA system in 11 companies · 1d. 342 employees completed training in the HG Academy**	· 1a. 10% · 1b. WT implemented in 75% of companies*****, eNPS of 55 · 1c. Establish monthly measurement for LTIFR by 03/2023 and define targets for 2024 + 2030 1d. 700 employees complete training for at least one course at HG Academy***
2. We shall understand the environmental impact of our business and strive towards limiting our environmental footprint and promote a circular economy	· 2a. GHG emissions · 2b. Miljøfyrtårn / ISO 14001 · 2c. CO2 emission saved due to HG solutions/advice	· 2a. Net zero · 2b. 100% of companies being certified* · 2c. Tool to advice customers to select more sustainable solutions by 2026	· 2a. Mapped scope 1 and 2 · 2b. Certified 16 companies · % certified companies: 100 % 2022: 50% 2021: 40% 2020: 33% · 2c. Renewed 3 000 sqm of floors, saving the environment 2 000 kg of CO2 emissions***	· 2a. Identify the top two areas with the most significant impact and set science-based targets for 2024 · 2b. 100% of companies being certified* · 2c. Renew 30 000 sqm of floors, saving 20 tons of CO2 emissions****
3. We govern our business in a responsible way	· 3a. Continuous improvement of supply chain management · 3b. ESG training for employees · 3c. Collaborations with organisations with a positive impact on the ESG factors	· 3a. To be defined · 3b. 100% of employees undergo regular ESG training · 3c. Collaboration with 10 organisations	· 3a. Established process for receiving suppliers' signature on CoC · 3b. 75% of employees completed CoC eLearning · 3c. Three collaborations with organisations, whereof two are promoting employment and decent work conditions	· 3a. 100% of existing suppliers signed HG's Code of Conduct*** · 3b. 100% of new hires complete CoC training***** · 3c. Add two relevant industry collaborations

**For all OpCo's closed by 12/2022.*

***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*

**** Materiality threshold*

***** Dr Schutz Nordic A/S, compared in FIGR where polishing and waxing are used over a period of 10 years*

****** For OpCo's closed by H1 2023*

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

4 QUALITY EDUCATION — Increase the 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)

8 DECENT WORK AND ECONOMIC GROWTH — Reduce the number of unemployed youth through apprenticeship (8.6) as well as prevent shadow work and promote labour rights and safe working environments (8.8)

12 RESPONSIBLE CONSUMPTION AND PRODUCTION — Promote sustainable consumption through waste reduction (12.5) and support sustainable public procurement (12.7)

17 PARTNERSHIPS FOR THE GOALS — Multi-stakeholder partnerships to support the achievement of sustainable development goals (17.16)

FSN Portfolio Company since 2017
holmbergsgroup.com

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 works 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 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

RAW MATERIALS & SUPPLIERS

- **GHG emissions and energy use from plastic, metal, and textile production**
- Biodiversity impact of raw material sourcing (metal, plastic, textile) and production sites
- Water use and waste in plastic, metal, and webbing/textiles production
- Hazardous waste from chemicals
- **Labour and human rights in production and sourcing**
- Workers' health and safety
- Socioeconomic impact of corruption and bribery in the supply chain

OWN OPERATIONS

- Energy use in own production
- Emissions from in- and outbound logistics
- Biodiversity impact of production sites
- Water use and waste
- Hazardous waste
- **Labour conditions and human rights for employees in factories and production sites**
- Workers' health and safety
- Socioeconomic impact of corruption and bribery in the supply chain

MANAGEMENT & MARKETING

- Office waste
- Energy use in offices
- Employee and business travel
- Employee education and development
- Diversity and inclusion
- Anti-corruption and bribery
- Anti-competitive behaviour
- Tax policies and payments

CUSTOMERS & END-USERS

- **Product durability**
- Waste from used/torn products
- **End-of-life management (recycling of metal, fabric, and plastic)**
- **Traffic safety**
- **Product safety and user information**
- Access and affordability
- Contract conditions (B2B customers)
- Data privacy and security of customer data

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 the 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

HOLMBERGS' ESG STRATEGY 2023

FOCUS AREA	KPIS	LONG TERM TARGET	PERFORMANCE 2022	ANNUAL TARGET 2023
1. Saving lives and minimising damages during transport and traffic through innovation and zero-defect products	· 1a. Zero field failures · 1b. Product development that improves child car seat safety · 1c. Quality and environmental performance certifications	· 1a. Zero field failures · 1b. Continuous R&D to improve safety features · 1c. Maintain relevant certifications	· 1a. Zero field failures in 2022 · 1b. Roll-out of Digital Safety executed during 2022, further product enhancements implemented, and ongoing · 1c. Obtained IATF 16949, ISO 9001, and ISO 14001 certifications where applicable	· 1a. Zero field failures · 1b. Roll-out of Digital Safety product · 1c. Maintain relevant certifications
2. Moving towards circularity and low-impact products	· 2a. To increase the use of recycled material and reduce waste · 2b. Reduce GHG emissions	· 2a. Product offering with recycled material · 2b. Net Zero	· 2a. Discussion with supplier on the use of recycled plastics ongoing · 2b. Reported scope 1 and 2 emissions; initial reporting of scope 3 screening; to be further developed	· 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 an action plan for reduction
3. Commitment to our employees	· 3a. Reduced absenteeism · 3b. eNPS	· 3a. Reduced absenteeism · 3b. Improved eNPS for selected categories of employees	· 3a. Marginal improvement of absenteeism by 0.2 pp to 5.2% · 3b. Improved eNPS at two European sites. eNPS declined at Chinese sites, where a significant reduction in manning has been executed at the time of the survey	· 3a & b. Continue to improve working conditions by upgrading facilities and machinery. Improve eNPS by 5 p.p. from 2022
4. Ethical business conduct	· 4a. Ethics training & controls	· 4a. Employees annually trained in ESG	· 4a. All new permanent employees signed CoC. Whistleblower channel is accessible to all employees. New versions of CoC and Whistleblower policies approved by the BoD	· 4a. Implement CoC e-learning and in-person training material for employees
5. Responsible supply chain management	· 5a. Number of supplier audits performed · 5b. Share of suppliers who signed Supplier CoC	· 5a & b. To strengthen supply chain management to monitor and control risk	· 5a. 30 supplier audits performed in 2022, Covid restrictions in China continue to limit supplier visits · 5b. 67% of suppliers signed Supplier CoC	· 5a. Perform 25 supplier audits in 2023 · 5b. Achieve >75% of suppliers signed Supplier CoC

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

- Develop and manufacture products that save lives. Invest in the health and well-being of the staff
- Promote a long-term safe and secure working environment
- Invests in R&D and new product development
- Develop and manufacture products for sustainable transports that save lives
- Develop and manufacture products that are safe, developed in a sustainable way by reducing waste and emissions

FSN Portfolio Company since 2019
impreg-group.com

IMPREG is the global manufacturing leader of fiberglass reinforced liners for trenchless pipe rehabilitation, sustainable cured-in-place-pipe (CIPP) waste-water & stormwater infrastructure solutions. The company is headquartered in Germany and operates three dedicated manufacturing sites in Germany, China, and the US, with local management, production, and sales teams in each site. To be close to regional markets, IMPREG also operates three distribution centres in Australia, the UK, and the US.

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, the 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

RAW MATERIALS & SUPPLIERS

- **GHG emissions and energy consumption in raw material production (styrene, fiberglass, foil)**
- Chemical use and hazardous waste
- **Labour conditions and human rights in the supply chain**
- **Workers' health and safety in the supply chain**
- Socioeconomic impact of corruption and bribery in the supply chain

OWN OPERATIONS

- **Local pollution and hazardous waste from production sites (leakage, chemicals)**
- **GHG emissions at production sites**
- **Climate impact of transport and logistics**
- Sustainable packaging
- **Resource efficiency**
- **(energy and water consumption)**
- **Employee health and safety**
- **Labour conditions and human rights of own employees**
- Employee development
- Train global operators to facilitate experience in critical infrastructure rehabilitation

MANAGEMENT & MARKETING

- Business travel and employee commuting
- **Diversity and inclusion**
- Employee education and development
- Anti-corruption and bribery
- Anti-competitive behaviour
- Tax policies and payments

CUSTOMERS & END-USERS

- **Product longevity and quality**
- Product take-back, recycling, and reuse (plastics, wood, fiberglass)
- End-of-life management
- Environmental impact during use-phase (styrene leakage)
- **Climate change capacity building (prevent flooding, reduce water contaminations)**
- Product safety
- Contract conditions (B2B customers)
- Trenchless: non-disruptive to the communities we serve

External factors impacting 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*

IMPREG'S ESG STRATEGY 2023

FOCUS AREA	KPIS	LONG TERM TARGET	PERFORMANCE 2022	ANNUAL TARGET 2023
1. Enable climate resilience in society	· 1a. UV penetration of pipe rehabilitation worldwide · 1b. Amount of CO2 saved by using UV vs felt	· 1a. Achieve EU standards worldwide of approx. 80% penetration · 1b. Target to be established	· 1a. EMEA at 80%, USA 10%, APAC at 50% · 1b. Started to quantify benefits of UV versus felt, but data was not reliable, to-be-continued	· 1a. Continue market penetration, keep EMEA level, USA 12%, APAC 53% · 1b. Quantify the benefits of UV vs felt and communicate CO2 savings to customers. Finalise the assessment and use it for marketing
2. Minimise environmental impact of our operations	· 2a. Carbon emissions · 2b. Waste as a percentage of products produced	· 2a. Net Zero · 2b. Annual reduction of 2-5% YoY	· 2a. Track GHG emissions scope 1-2 (3) to assess baseline · 2b. Achieved approx. 65% cardboard box applications for EMEA liners up to DN400, selected new ERP system that will enable waste assessment in EMEA 2023	· 2a. Extend baseline to scope 3 and assess reduction opportunities, and reduce scope 1 and 2 by 10% · 2b. Establish a waste tracking tool in EMEA production and start reducing
3. Ensure healthy, safe, and satisfied employees	· 3a. LTIR (Long Term Incident rate) · 3b. eNPS · 3c. Attrition · 3d. ESG leadership	· 3a. LTIR of ≤ 3,6 · 3b. eNPS of > 20 · 3c. Annual attrition of <15% · 3d. Dedicated resources working on ESG	· 3a. LTA established, resources dedicated, continuous improvement measures in place · 3b. Positive eNPS trend ´22 (´21) across regions*: USA +8 (-17), EMEA 28 (10), APAC 46 (15) · 3c. Attrition rate of 6.8% · 3d. Job ad posted, and applicants assessed	· 3a. Reduce regional LTA by 20%, LTIRGroup ≤ 4,5 · 3b. Include all colleagues and achieve eNPS of > 20 · 3c. Attrition of < 10% · 3d. Onboard a dedicated ESG manager and develop impact focused value creation plan. Establish an external communication campaign
4. Ensure ethical supply chain	· 4a. % of procurement value sourced regionally · 4b. Supply chain code of conduct (sCoC)	· 4a. > 50% of procurement value sourced regionally · 4b. 100 % of material supply volume signed sCoC	· 4a. Identified the need to increase regional sourcing · 4b. sCoC established and dispatched, 0% signed	· 4a. Source > 30% of procurement values regionally · 4b. 80% of supply volume to sign sCoC
5. Promote integrity throughout our operations	· 5a. ESG awareness amongst employees · 5b. Whistleblower scheme known to all employees	· 5a. 100% of employees trained annually in ESG topics · 5b. 100% employees know the whistleblower scheme	· 5a. Training was based on individual approaches, missing corporate approach · 5b. Whistleblower scheme established	· 5a. Deploy corporate ESG information campaign and training, 95% of staff trained during 2023 · 5b. Whistleblower scheme available and known to all employees and suppliers

** white collar workers only*

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

- 3 GOOD HEALTH AND WELL-BEING: Reduce the number of deaths and illnesses from hazardous chemicals and air, water, and soil pollution and contamination (3.9)
- 6 CLEAN WATER AND SANITATION: Improve water quality by minimising the release of hazardous chemicals and materials (6.3)
- 8 DECENT WORK AND ECONOMIC GROWTH: Protect labour rights and promote safe and secure working environments for all workers (8.8)
- 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE: Upgrade infrastructure and retrofit industries to make them sustainable (9.4)
- 12 RESPONSIBLE CONSUMPTION AND PRODUCTION: Environmentally sound management of chemicals and all wastes, and significantly reduce their release to air, water, and soil (12.4)

KONCENTON

FSN Portfolio Company since 2022
koncenton.com

Koncenton is a leading investment provider of residential real estate projects, focusing on providing high-net-worth individuals with access to Danish residential real estate investment opportunities. Koncenton offers passive investments into future-proof residential properties carefully selected and developed to accommodate the trend-specific need for new housing. The properties are primarily located in the largest Danish cities with high population growth. For three consecutive years, Koncenton has held the position as the largest Danish real estate investor measured by transaction volume.

Koncenton's in-house rental department, Go' Bolig, handles marketing and rental of all properties under Koncenton administration and delivers industry-leading vacancy rates adding to the unique value proposition.

The company is headquartered in Aarhus, Denmark, and employs 110 people in its two offices in Aarhus and Copenhagen.

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

Topics of higher importance in bold

SUPPLIERS

- **GHG emissions from extraction and transportation**
- **Nature impacts (biodiversity, pollution) from the extraction of raw materials**
- Water use in the production of materials
- **Human and labour rights in resource extraction and construction**
- Anti-corruption and bribery in the supply chain

CONSTRUCTION

- **Building design and life cycle management**
- **GHG emissions from machinery and transportation**
- **Land use and ecological impacts**
- **Waste from construction activities**
- **Labour health and safety**
- Work-life balance
- Diversity and inclusion
- Local community impacts of construction and choice of areas
- Climate risk assessments
- Business ethics
- Product quality and safety

PORTFOLIO MANAGEMENT

- Office waste
- Energy use in own offices
- GHG emissions from employees' travel activities
- Waste handling
- Employee education and development
- Work-life balance
- Diversity and inclusion
- **Investment policy and strategy**
- **Compliance processes**
- Anti-corruption and bribery
- Anti-competitive behaviour
- Data security and privacy

CUSTOMERS & END-USERS

- **Energy consumption in the use phase of buildings**
- Water consumption in the use phase
- **Inclusive and affordable housing**
- Health and safety of tenants
- Critical incident risk management
- Fair access and affordability

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

+ Urbanisation leading to increasing demand for accessible, affordable, safe, and energy-efficient housing in cities
+ Demand for climate resilient properties designed to minimise the environmental impact of full life-cycle of a building
+ Investor sentiment toward and demand for climate-friendly investments

- Extreme weather events increase the need and cost of maintenance, repairs, and preparations
- Scrutiny of the environmental and social impact of the construction value chain, leading to increased regulations and requirements

Initial EU taxonomy assessment

Key activities
- L68 – Real estate activities
- F41 – Development of building projects

Potential contribution to environmental objective
- Climate change *adaptation*
- Climate change *mitigation* (enabling)

KONCENTON'S ESG STRATEGY 2023

FOCUS AREA	KPIS	LONG TERM TARGET	PERFORMANCE 2022	ANNUAL TARGET 2023
1. Responsible Investment Practices	· 1a. UN PRI Principles · 1b. TCFD reporting · 1c. Annual review of compliance processes	· 1a. UN PRI Principles, with all Principles implemented · 1b. Publish the annual TCFD report (containing Governance, Strategy, Risk Management, and Metrics and Targets) · 1c. Continue with the annual external compliance review	· 1a. Identified UN PRI principles as a focus area · 1b. Identified TCFD reporting as relevant KPI · 1c. Completed first external compliance review	· 1a. Implement principles 2 and 5 · 1b. Begin initial structure for TCFD reporting · 1c. Complete the second external compliance review of processes and implement proposed actions
2. Climate and nature-friendly housing	· 2a. GHG emissions · 2b. Share of properties in operation powered by green energy	· 2a. Strive to Net Zero · 2b. Maintain 95% of properties in operation powered by green energy	· 2a. Started reporting GHG emissions in the online portal, performed scope 3 screening to identify material categories · 2b. 95% of properties in operation are powered by green energy	· 2a. Report full scope 1+2, and prepare a structure for reporting scope 3 · 2b. Green energy from renewable sources in 95% of our properties in operation
3. Quality housing that promotes health and quality of life	· 3a. Share of properties with certification · 3b. Share of properties with community-promoting areas	· 3a. Over 70% of all properties have achieved the Nordic Ecolabel (Svanemærket) or other recognised certifications · 3b. More than 60% of all properties in operation have a common room or area	· 3a. 45% of properties purchased in 2022 have achieved the Nordic Ecolabel (Svanemærket) or other recognised certifications · 3b. More than 28% of all properties in operation have common rooms or areas	· 3a. More than 40% of all properties to achieve the Nordic Ecolabel (Svanemærket) or other recognised certifications · 3b. More than 35% of all properties in operation have common rooms or areas
4. Happy and satisfied employees	· 4a. Employee satisfaction · 4b. Social employee arrangements	· 4a. eNPS score of >= 60 and puls score of > 75 · 4b. Organise five social events for employees annually	· 4a. Average eNPS score of 36 and average pulse score of 76 (started tracking from August 2022) · 4b. Organised two larger employee social events (summer party and Kick-off trip)	· 4a. eNPS score of > 50 and puls score of > 65 for the year · 4b. Organise three social events for employees

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

3 GOOD HEALTH AND WELL-BEING — Strengthen social communities with buildings that make it easy and natural for residents to meet. Senior housing concept units older people to combat loneliness (3.4)

7 AFFORDABLE AND CLEAN ENERGY — Increase the global percentage of renewable energy at an affordable price (7.2)

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE — Increase resource efficiency and make production processes more efficient through adopting cleaner and more environmentally friendly industrial processes (9.4)

11 SUSTAINABLE CITIES AND COMMUNITIES — Ensure access to adequate, safe, and affordable housing and basic services (11.1)

12 RESPONSIBLE CONSUMPTION AND PRODUCTION — Efficient use of natural resources (12.2) and encourage companies in a less-sustainable industry to start publishing sustainability reports (12.6)

MEGABAD

DER PROFI FÜRS BAD

FSN Portfolio Company since 2021
megabad.com

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 one physical retail store in Cologne. 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

RAW MATERIALS & SUPPLIERS

- **Climate impact from production (energy use, fuel type)**
- Industrial chemical handling, storage, and treatment
- **Emissions of particulate matter in the production**
- **Environmental impact of transporting products and materials**
- Biodiversity impact from the extraction of raw materials and production
- Labour and human rights
- Workers' health and safety
- Material certificates and supplier management
- **Supply chain transparency**

OWN OPERATIONS

- **Climate impact of transport, logistics, and warehouse**
- Waste management
- Sustainable packaging
- Labour and human rights
- Workers' health and safety
- Diversity and inclusion
- Business ethics

MANAGEMENT & MARKETING

- Sustainable and circular design
- Working conditions and culture
- Diversity and inclusion
- Local community engagement and job creation
- Anti-corruption and integrity
- Anti-competitive behaviour reporting
- Whistleblowing mechanisms

CUSTOMERS & END-USERS

- Product longevity
- Product take-back, recycling, and reuse
- Climate impact of shipping and delivery
- Product labelling and certification
- Product quality and safety
- Selling practices
- Customer welfare
- Contract conditions for customers

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

MEGABAD'S ESG STRATEGY 2023

FOCUS AREA	KPIS	LONG TERM TARGET	PERFORMANCE 2022	ANNUAL TARGET 2023
1. Reduce our environ-mental footprint	· 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	· 1a. Become Net Zero by 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%	· 1a. Committed to SBTi · 1b. Offset 3300 tons of CO2 emissions with "Planted" and planted 3300 trees. - Hosted MEGABAD Wald planting event in December · 1c. Carpool changed from 22% hybrid/ electric in 2019 to 43% in 2022 · 1d. 3/4 of outbound logistics partners deliver certified green shipping to customers · 1e. Started with the digitalisation of Logistics, Accounting, and HR departments to reduce paper waste & reducing wood pallet waste by repairing & recycling them	· 1a. Set SBTi targets & develop emissions reduction plan · 1b. Increase MEGABAD forest through Planted: plant 3600 trees to offset 3600 tons CO² · 1c. Prepare car fuel compensation concept · 1d. Only work with logistic partners that can provide 100% green deliveries · 1e. Reduce additional 10% of paper & wood waste in proportion to revenue
2. Sustainable products and packaging	· 2a. Create a sustainable product line (within our own brands) · 2b. Enable customers to save energy & money by introducing an "energy efficient" filter on the website · 2c. Sustainable packaging	· 2a. Introduce sustainable products (Life Cycle Analysis studies as evidence) · 2b. Prominent presence of sustainable (& energy efficient) products/ product lines on the MEGABAD website · 2c. 100% FSC certified/recycled packaging	· 2a. Development of sustainable product suites; focus on circularity and environmental sustainability (water & energy saving) · 2b. Started developing filters for "energy-effi-ciency" and "sustainable products" - Definition and selection of sustainable products · 2c. Cardboard packaging is FSC certified. Only usage of already used life-cycle plastic packaging, no additionally bought plastic	· 2a. Introduction of first green product suites · 2b. Go live with filter in 2nd half of 2023 · 2c. 100% Plastic Free and 100% FSC certified/ recycled packaging
3. Employee satisfaction	· 3a. Increase eNPS	· 3a. Regarded 1st choice as an employer in the region	· 3a. Implemented a survey tool (Winningtemp) for employee satisfaction and eNPS. Developed and implemented a social intranet for better internal communication	· 3a. eNPS of 70 and a 8/10 score in temperature - Regular feedback loops in team meetings within the departments & quarterly publication of evaluations on social intranet
4. Ethical supply chain	· 4a. Own Brands: - Proven supply chain trans-parency including onsite supplier verification · 4b. External Brands: - Extension of the Supplier CoC to ALL departments	· 4a. Own Brands: - 100% supply chain transparency · 4b. External Brands: - 100% of external brands sign SCoC	· 4a. & b. Code of Conduct: - 83% of suppliers in purchasing department signed Supplier CoC - 24% of ALL departments	· 4a. Own Brands: - 100% of suppliers are to sign SCoC. Conduct onsite supplier visits with the 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	· 5a. Achieving 100% commitment in ESG policies	· 5a. Acting 100% ESG compliant	· 5a. - Launched updated policies - Produced ESG video for website & social media - Produced videos for ethics e-learning - Selection of a suitable e-learning Platform & electronic whistleblower channel	· 5a. - Implementation of e-learning tool (1st step compliance themes) - 100% of employees to complete e-learning training in whistle-blowing & CoC

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

8 DECENT WORK AND ECONOMIC GROWTH — Support full and productive employment and decent work for all, including equal pay for work of equal value (8.5)

12 RESPONSIBLE CONSUMPTION AND PRODUCTION — 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)

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

NORDLO

FSN Portfolio Company since 2018
nordlo.com

Nordlo is a Nordic IT and digitalisation 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, IT security services, hardware and software management, as well as digital transformation. Services are provided through Nordlo's data centres and public cloud partners.

Nordlo is headquartered in Stockholm, Sweden, and employs ~850 people across 46 offices in both Sweden and Norway. The key customer focus is companies with limited to no in-house IT departments across a wide range of different industries. The main customer segments are small to medium-sized enterprises, public institutions, and NGOs.

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

Topics of higher importance in bold

RAW MATERIALS & SUPPLIERS

- **GHG emissions from hardware production**
- Local emissions from mineral extraction (hardware)
- E-waste and hazardous waste
- Impact on biodiversity in the hardware supply chain and at data centre sites
- **GHG emissions and energy consumption from leased data centre (DC) services**
- **Water and cooling in data centres**
- **Labour and human rights in hardware production**
- Workers' health and safety
- Socioeconomic impacts of conflict minerals
- Corruption and bribery

OWN OPERATIONS

- E-waste and end-of-life management of IT equipment and data centre
- Employee commuting and business travel
- **GHG emissions and energy consumption from own data centre services**
- **Water and cooling used in data centres**
- Impact on biodiversity and sound pollution at data centre sites
- **Employee education and development**
- **Diversity and inclusion**
- **Data security and privacy**
- **Professional integrity**

MANAGEMENT & MARKETING

- Office waste
- Energy use in own offices
- GHG emissions from business travel and employee commutes
- **Employee education and development**
- Work-life balance
- **Diversity and inclusion**
- Anti-corruption and bribery
- Anti-competitive behaviour
- Employee pensions
- **Data security and privacy**

CUSTOMERS & END-USERS

- Energy use of products and services
- **Impact on customers' production and resource efficiency**
- Digital literacy
- **Contributing to more efficient work management**
- Customer work-life balance (home office)
- **System reliability (lagging, downtime)**
- Contract conditions (B2B customers)

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

+ Demand for digital transformation services that enable the transition to a 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 centres 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

NORDLO'S ESG STRATEGY 2023

FOCUS AREA	KPIS	LONG TERM TARGET	PERFORMANCE 2022	ANNUAL TARGET 2023
1. Sustainable offering	· 1a. GHG footprint of Nordlo services · 1b. Average lifespan of utilised hardware	· 1a. Services that support our customers' sustainability* goals · 1b. Circular services offered to all customers	· 1a. Included sustainability perspective in offering strategy · 1b. Circular offering of the workplace as a service can be offered to all customers	· 1a. Evaluate and document the sustainability perspective, incl. GHG footprint, of our 5 largest services, define a method to measure the GHG footprint linked to these services · 1b. Evaluate and document circular management of the services with the largest hardware volume, define a method to measure the share average lifespan of utilised hardware
2. Sustainable organisation	· 2a. GHG emissions · 2b. eNPS · 2c. % of female and non-binary leaders and operational staff · 2d. % of employees participating in data security and privacy training	· 2a. Net Zero · 2b. Attractive employer with industry-leading employee satisfaction · 2c. Inclusive employer with diversity and representation above the industry average · 2d. Reliable partner with secure IT solutions	· 2a. Expanded scope 3 measuring with most relevant areas according to screening - Offset of measured emissions: 100% - Renewable energy in data centres: 100% - Renewable energy included as a prerequisite in data centre strategy · 2b. eNPS of 29 · 2c. Female and non-binary staff: - Leaders: 23% - Operational staff: 8% - Share of internships and similar: 33% · 2d. All employees conducted GDPR update training. - Monthly interactive micro training on IT security offered to all employees	· 2a. Set internal emission reduction plan - Evaluate setting targets in line with SBTi - Continue to offset 100% of measured emissions · 2b. Increase eNPS to 31 · 2c. Increase the share of female and non-binary leaders and operational staff. Continue Nordlo More initiative on inclusion and diversity internally. Implement equal sponsoring. One female or non-binary final candidate for all leadership roles · 2d. Monthly interactive micro training on IT security and GDPR for all employees
3. Sustainable supply chain	· 3a. % of purchase volume from suppliers for which we have conducted a risk analysis and/or due diligence	· 3a. Effective supply chain mgmt.	· 3a. Updated Supplier CoC adopted. Electronic whistleblower channel procured	· 3a. Implement due diligence and external communication according to new regulations

** Including social, economic and environmental sustainability*

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

5 GENDER EQUALITY — Ensure women's full and effective participation and equal opportunities for leadership (5.5)

8 DECENT WORK AND ECONOMIC GROWTH — 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)

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE — Opportunity to indirectly contribute to upgrading the technological capabilities of customers (9.5)

11 SUSTAINABLE CITIES AND COMMUNITIES — Opportunity to indirectly reduce the environmental impact of cities (11.6) and increase their resource efficiency (11.B)

12 RESPONSIBLE CONSUMPTION AND PRODUCTION — 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

FSN Portfolio Company since 2021
obton.com

Obton is a specialised alternative investment provider developing, structuring, and managing solar photovoltaic (PV) projects and recently also engaged in battery storage projects. Headquartered in Denmark, Obton has offices around the world. Obton is one of the largest operators of commercial solar PV systems in Europe and we expect to become a significant operator of battery storage as well. Obton has more than 1,400 solar PV plants with a total capacity of 1,728 MWp.

Obton's projects are predominantly located in Europe and increasingly also outside Europe in countries like Japan and Canada. The majority of solar panels and other key components are sourced from the leading suppliers in China. Batteries are likewise sourced from Asia. The investors in the Obton-administered funds are Danish High-Net-Worth Individuals and the produced energy is sold, among others, through power purchase agreements.

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

Topics of higher importance in bold

RAW MATERIALS & SUPPLIERS

- **GHG emissions from the production of components**
- **Local environmental impacts (e.g., biodiversity, pollution) from production of raw materials**
- GHG emissions from transport of solar panels and battery modules (alternative just 'components')
- **Water use from manufacturing solar cells**
- Human rights risks related to conflict minerals used in solar PV components and battery modules
- **Human and labour rights in the supply chain**
- Workers' health and safety in raw material extraction and production
- Anti-corruption and bribery in the supply chain

OWN OPERATIONS

- **Biodiversity impacts from changes in land use due to solar and battery storage development**
- GHG emissions during the construction and operation of solar and battery storage plants
- Water use for cleaning/ maintenance of solar panels
- **Choice of location - other utilisation value of solar and battery storage plant (e.g., agricultural land, rich biodiversity, or habituated land)**
- **Health and safety risks during construction, operation, and maintenance**
- Local job creation
- Professional integrity and honest advice

MANAGEMENT & MARKETING

- Office waste
- Energy use in own offices
- GHG emissions from employee travel
- **Product design and life cycle management**
- **Employee engagement, education, and development**
- **Diversity and inclusion**
- Anti-corruption and bribery
- Anti-competitive behaviour
- Data security and privacy
- **Systemic risk management**

CUSTOMERS & END-USERS

- Environmental impact of disposal and reuse of solar systems and battery modules at end of life
- **Biodiversity and green initiatives during operation, and restoration after project decommissioning**
- **Positive environmental impact from the production of renewable energy and energy storage**
- **Access to affordable sustainable energy**
- Solar plant potential for recreational areas
- Opportunity to co-own solar farms for local residents
- **System reliability (lagging, downtime)**

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

+ Solar PV and energy storage are recognised as a critical technology to meet global climate targets and energy security in Europe
+ Demand for solar panels produced in socially and environmentally sustainable ways

- Scrutiny on the environmental impact of raw material sourcing and end-of-life management of solar panels and battery modules
- Immature market for reuse solutions
- Human and labour rights concerns associated with the supply chain in higher-risk locations (e.g., China)

Initial EU taxonomy assessment

Key activities

- D35.11 - Production of electricity
- F42.22 - Construction of utility projects for electricity and telecommunications

Potential contribution to environmental objective

- Climate change *mitigation*

OBTON'S ESG STRATEGY 2023

FOCUS AREA	KPIS	LONG TERM TARGET	PERFORMANCE 2022	ANNUAL TARGET 2023
1. Climate change mitigation	· 1a. Reduce GHG emissions · 1b. CO2 avoided · 1c. Climate Risk (TCFD)	· 1a. Become Net-Zero · 1b. Produce solar energy to cover the energy use of a city of the size of L.A. · 1c. Implement climate risk mitigation measures in the construction and day-to-day operation of Obton solar projects	· 1a. Got familiar with CEMAsys and started reporting on scope 1, 2 and 3 · 1b. The production of solar energy from Obton administrated solar parks in 2022 was 1,238 GWh. This is an increase from 2021 production of 28%. · 1c. Adopted Policy for integration of ESG risks to consider physical and transactional risks in the investment process	· 1a. Report on GHG emissions to calculate a baseline year and prepare to set an SBTi target · 1b. Increase total CO2e avoided by Obton administered solar PV plants with +10 % · 1c. Further investigate climate mitigation strategies, including evaluation of adverse sustainability impacts in the investment and how to minimise the adverse impacts
2. Environment and natural resource preservation	· 2a. Circularity · 2b. Biodiversity	· 2a. Increase recycling and use of recycled material in PV plants · 2b. Transparently disclose and systematically address biodiversity impacts	· 2a. Increased the share of repairable inverters · 2b. Fostered biodiversity by not using pesticides to keep the parks, letting vegetation grow, using minimum maintenance, and planting bushes and flowers	· 2a. Establish a baseline for repaired or replaced solar modules, inverters, caples and mounting structures and targeting 90% coverage · 2b. Perform an Environmental Impact Assessment for every new greenfield development project in Denmark
3. Attractive and dynamic workplace	· 3a. eNPS · 3b. Diversity, Equity & inclusion · 3c. Health and safety	· 3a. Maintain employee satisfaction with an eNPS at 50 · 3b. A diverse workforce in an inclusive work environment where everyone is treated fairly and feel they belong · 3c. Best in class HSE performance	· 3a. Populum was implemented as a tool to measure employee satisfaction. The eNPS was 50 · 3b. Signed the Gender Diversity Pledge to work towards an overall gender distribution of 40/60 female/male in management and BoD. Currently gender distribution: - In the whole organisation: 62.8% men, 37.2% female - Top management: 75% men, 25% female - BoD: 16.7% female, 83.3% male · 3c. Appointed HSE managers/advisors for both solar plants and offices	· 3a. Perform a workplace assessment at HQ due to new facilities and maintain an eNPS score at 50 · 3b. Work towards a gender distribution of 40/60 in the whole organisation · 3c. Offer all Obton employees to participate in a first aid course
4. Ethical and transparent business conduct	· 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	· 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 reporting · 4e. Continue with external, annual compliance review	· 4a. Adopted Policy for ESG Due Diligence and CoC for Partner and Suppliers to increase transparency in the value chain · 4b. Formalisation of guidance to marketing to prevent using words or sentences that could be misinterpreted and deemed as greenwashing · 4c. Became member of SolarPower Europe, Green Power Denmark and Svensk Solenergi · 4d. Published second ESG report · 4e. Completed first external review of compliance processes	· 4a. Have 70% of direct solar module, inverter and battery suppliers sign Obton's CoC for Partner and Suppliers or equivalent standards · 4b. Perform two training activities within Environment to increase ESG awareness · 4c. Actively engage in Green Power Denmark, SolarPower Europe and Svensk Solenergi that Obton is a member of · 4d. Publish ESG reporting and data for 2022 in the annual report · 4e. Complete second external compliance review of processes and implement proposed actions
5. Responsible investing	· 5a. ESG processes in the investment phase	· 5a. Continuously improve how ESG factors are integrated throughout the investment phase	· 5a. Adopted policy for ESG DD and integration of ESG risks, that will improve implementation of ESG in the investment process	· 5a. Strengthen ESG procedures in the investment process through full implementation of ESG DD

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

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

End forced labour, modern slavery, and child labour (8.7) and be a workplace with equal pay for equal work (8.5)

Reduce waste generation through prevention, reduction, recycling, and reuse (12.5)

Reduce GHG emissions (13.1) and improve education, awareness-raising, and climate change mitigation and adaptation (13.3)

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

FSN Portfolio Company since 2021
omegapoint.se

Omegapoint is a thought leader in cybersecure digitalisation. The company builds, operates, and defends solutions that need to work under any circumstances. Omegapoint serves a wide range of industries, including healthcare, retail, banking, manufacturing, utilities, and government. A majority of the company's revenue comes from long-term customer relationships.

In 2022, Omegapoint doubled in size and now has 850 employees spread over offices in Stockholm, Gothenburg, Malmö, Umeå, Uppsala, Örebro, Enköping, Copenhagen, and Oslo. The company's culture is based on constant competence development, manifested in the internal Academy program. The company's vision is a society where real cybersecurity is a natural part of all technology.

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

Topics of higher importance in bold

RAW MATERIALS & SUPPLIERS

- GHG emissions and energy consumption from the production of hardware and suppliers' data centres
- Environmental footprint of hardware
- Local emissions from mineral extraction (hardware)
- Impact on biodiversity at data centre sites
- Water and cooling used in data centres
- Labour and human rights in hardware production
- Workers' health and safety
- Anti-corruption and bribery in the supply chain
- Potential of malware in hardware

OWN OPERATIONS

- E-waste and end-of-life management of IT equipment
- Employee commuting and business travel
- GHG emissions and energy consumption
- **Employee education and development**
- Work-life balance
- **Diversity and inclusion**
- Professional integrity and honest advice

MANAGEMENT & MARKETING

- Office waste
- **Energy use in own offices**
- **Employee education and development**
- Work-life balance
- **Diversity and inclusion**
- Anti-corruption and bribery
- Anti-competitive behaviour
- Data security and privacy

CUSTOMERS & END-USERS

- **Energy use of products and services**
- Impact on customer's resource efficiency
- Digital literacy
- **Data protection and personal information**
- **Cybersecurity**
- System reliability (lagging, downtime)

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

+ Increasing demand for cyber security services
+ High demand for digitalisation services as the world moves more online

- Risk of cybersecurity 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*

OMEGAPOINT'S ESG STRATEGY 2023

FOCUS AREA	KPIS	LONG TERM TARGET	PERFORMANCE 2022	ANNUAL TARGET 2023
1. Reduce environmental footprint	· 1a. SBTi	· 1a. GHG Net Zero	· 1a. Baseline measured and reported in CEMAsys	· 1a. Reduce GHG emissions: - Reduce air travel by 10% - Increase the share of power contracts using green electricity - Reduce the use of fossil-driven cars by 20%
2. The best workplace in the industry	· 2a. eNPS · 2b. Gender diversity	· 2a. eNPS >= 50 · 2b. Gender balance in the range 45-55	· 2a. eNPS of 60 · 2b. 34.5% of new trainees were female	· 2a. eNPS >= 50 · 2b. At least 1/3 of new hires should be female
3. Preferred partner for secure and sustainable solutions	· 3a. Number of cases lost data · 3b. ISO 27001 certification · 3c. Employer ranking in Universum's annual survey	· 3a. 0 cases of lost customer data · 3b. Be ISO27001 certified · 3c. Our Academy for competence development is seen as leading in the industry	· 3a. 0 cases of lost data · 3b. ISO27001 certified · 3c. Ranked #97 in employer attractiveness rating	· 3a. 0 cases of lost data · 3b. ISO27001 certified · 3c. Increase employer ranking by at least 6 positions

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

8 DECENT WORK AND ECONOMIC GROWTH

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)

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

Create reliable, sustainable, and resilient infrastructure to support economic development and the well-being of all citizens. Support inclusive and sustainable industrialisation. Increase access and integration to small-scale enterprises. Increase scientific research and technical capabilities in all countries. Facilitate technical innovation, research, and innovation. Equal access to information and communication technology. (9.1-9.5 and 9c)

OPTI GROUP

FSN Portfolio Company since 2022
optigroup.com

OptiGroup is a leading European distribution group offering customised supply solutions to B2B customers. We acquire and develop companies specialising in providing customers with products and services that enhance efficiency and contribute to a more successful business. Through active and long-term ownership, OptiGroup contributes with industry expertise and synergies between the subsidiaries.

The companies within the Group's four business areas – Facility & Safety, Packaging, Medical and Paper & Business Supplies – supports more than 100,000 B2B customers, primarily within cleaning & facility management, hotel & restaurant, health & medical care, manufacturing industry and the graphical sector, with reliable and sustainable supply solutions that free up resources and save costs.

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

SOURCING

- Affordable products with improved sustainability, reusability and recyclability
- Supplier due diligence
- General human rights and labour conditions in Asian suppliers
- Socioeconomic impact of corruption and bribery
- Bio-diversity and responsible use of natural resources
- Deforestation and sustainable forestry practices
- Ethically sourced bio-based products
- Product safety and restricted chemical substances

OWN OPERATIONS

- GHG emissions and energy use in own operations
- CO2 emissions in outbound distribution from warehouse to customers
- Business travel
- Warehouse and office waste (paper and plastics)

PEOPLE AND BUSINESS CONDUCT

- Compliance to OptiGroup's policy framework
- Employee wellbeing, diversity and work-life balance
- Health & safety

CUSTOMERS & END-USERS

- Promotion of sustainable products and supply solutions
- Transparent and objective product information
- Help customers make well-informed buying decisions
- Sustainable product innovation, circulator design and closed-loop solutions
- Climate impact of distribution, returns and other logistics solutions

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

+ Demand for low impact and circular products produced in socially sustainable ways
+ Global health problems drives need for medical, facility, and safety gear
+ Growing need to account for emissions, materials, waste, and labour conditions present opportunity to develop deeper, high-impact relationships with value chain partners

- Scrutiny on environmental impact of raw materials, production, and end-of- life management of products
- Changing regulatory requirements with regards to single-use items and plastics
- Human and labour rights concerns associated with supply chain in higher-risk locations (e.g., China)

OPTIGROUP'S ESG STRATEGY 2023

FOCUS AREA	KPIS	LONG TERM TARGET	PERFORMANCE 2022	ANNUAL TARGET 2023
1. Sustainable products **Partner sustainable products and customer solutions**	· 1a. Sales share of products made of bio-based materials and recycled plastics · 1b. Sales share of eco-labelled products to represent · 1c. Sales share of wood fibre-based products from FSC and PEFC certified sources	· 1a. >70% of product sales by 2030 · 1b. >50% of product sales by 2030 · 1c. >90% of product sales by 2030	· 1a. 53% · 1b. 34% · 1c. 53%	· 1a. 55% · 1b. 37% · 1c. 57%
2.Ethics in the supply chain **Strict principles for supplier evaluation**	· 2a. Share of compliant suppliers with CoC · 2b. Supplier risk management procedure in place	· 2a. 100% compliance of new and current suppliers that represent a purchase value >50 KEUR by 2024 · 2b. 100 % of Group subsidiaries have a supplier risk management procedure in place by 2024	· 2a. 44% · 2b. 70%	· 2a. 80% and all new suppliers · 2b. 80% of Group subsidiaries have supplier risk management procedure in place
3. Emissions and climate impact **Race towards carbon neutrality**	· 3a. Virgin plastic reduction · 3b. Steel raw material consumption · 3d. CO2e intensity in Scope 1 and 2 (CO2e/MEUR) · 3e. GHG emissions reporting	· 3a. Zero by 2030 · 3b. 70% by 2030 · 3c. >75% · 3d. Annual reduction of emission intensity of 5% · 3e. To be defined	· 3a. 3% · 3b. 24% (50% excl BFG) · 3c. 45% · 3d. 7,.9 CO2e/MEUR (4.9 excl. BFG) · 3e. Reported downstream distribution in Scope 3	· 3a. 3% · 3b. 26% (54% excl.BFG) · 3c. 50% · 3d. 7.5 CO2e/MEUR (4.5 excl. BFG) · 3e. Expand reporting to all material scope 3 categories
4. Anti-corruption and business ethics **High level of ethical norms in all business dealings**	· 4a. Policy compliance confirmation by key individuals · 4b. Number of incidents	· 4a. 100% by identified key individuals · 4b. Zero incidents	· 4a. 100% by identified key individuals · 4b. Zero incidents	· 4a. 100% by identified key individuals · 4b. Zero incidents
5. Diversity, equality and inclusion **Engaged employees in equal and enriching work environments**	· 5a. Gender distribution among managers with directly reporting employees · 5b. Discrimination cases	· 5a. >30% female and non-binary managers · 5b. Zero discrimination incidents	· 5a. 33% female managers · 5b. Zero discrimination incidents	· 5a. >30% female managers · 5b. Zero discrimination incidents

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

complete your car.
rameder.

FSN Portfolio Company since 2019
kupplung.de – rameder.eu

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

RAW MATERIALS & SUPPLIERS

- Biodiversity impact of raw material sourcing (steel, plastic)
- **Energy consumption at the production site**
- Hazardous waste (ROHS)
- Labour and human rights in the supply chain
- Supply chain transparency

OWN OPERATIONS

- Product waste occurring in garages
- Waste from packaging (paper, plastic)
- **GHG emissions from in- and outbound logistics**
- Energy consumption in warehouses and garages
- Employee health and safety
- Diversity among employees in garages
- **Employee training and development**
- **Corruption and bribery**

MANAGEMENT & MARKETING

- Energy consumption in sales offices
- Commute and business travel
- Office waste
- Philanthropic activities focusing on environmental impact
- **Employee training and development**
- Diversity
- Employee health and safety
- Philanthropic activities focusing on social impact
- Corruption and bribery
- Data privacy and security of employee and company data

CUSTOMERS & END-USERS

- **End-of-life product management (e.g., waste vs. recycling)**
- **Product longevity and maintenance**
- Higher emissions from vehicles when pulling trailers etc.
- **Product quality and safety**
- Making outdoor activities accessible, improving quality of life
- Data privacy and security of customer data

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 the 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

RAMEDER'S ESG STRATEGY 2023

FOCUS AREA	KPIS	LONG TERM TARGET	PERFORMANCE 2022	ANNUAL TARGET 2023
1. Sustainable operations	· 1a. Reduce GHG emissions · 1b. Share of green electricity usage in operations and facilities · 1c. Share of electric and hybrid vehicles in the company car fleet	· 1a. Net Zero · 1b. 100% of operations and facilities supplied with green energy · 1c. 95% of the group car fleet being electric or hybrid	· 1a. Mapped and reported scope 1, 2, and 3 emissions. Reduced emissions from distribution by 285 tons compared to 2021 · 1b. Switched to 100% green electricity in Germany; 70% in the group · 1c. 15% electric and hybrid vehicles in Germany and 13% in the group – process slowed down due to the limited availability of hybrid and electric cars	· 1a. Create a full baseline for GHG emissions and start the process of setting emissions targets · 1b. Increase the share of green electricity in key markets · 1c. Create an action plan for switching car fleet to electric and hybrid in all countries
2. Circular product offering	· 2a. Number of rental offerings · 2b. Number of repair services	· 2a. On average 3 rental stations per bigger German city (top 20 per capita) · 2b. Offer repair services in all Rameder cities	· 2a. Opening of 1 test station delayed · 2b. Offer repair services in all Rameder cities	· 2a. 1 test station for rental business running · 2b. Further promote repair services in all German cities where Rameder is present
3. Be an attractive employer	· 3a. eNPS · 3b. Diversity & inclusion across all levels · 3c. Sick leave	· 3a. eNPS of 30 · 3b. 50% female white-collar employees (i.e., not counting service point and warehouse employees) · 3c. Sick leave of 2.0%	· 3a. - Started project plan for renewal and modernisation of Rameder HQ - Transformation Project "new leadership / one Rameder" started eNPS: 2022: No survey was performed 2021: 11 2020: 29 2019: 11 · 3b. Partnership with Diakonie Stiftung Christopherus Hof for inclusion of people with limited health - Female white-collar employees: 2022: 46% 2021: 45% · 3c. Sick leave: 2022: 4.9 % 2021: 3.9 % (COVID19) 2020: 3.6 %	· 3a. - Start using the new eNPS tool - Renewal and modernisation of the headquarter - Execution of the leadership transformation · 3b. 48% female white-collar employees - Implement benefits such as kindergarten support, further HSE measures, and promote part-time job opportunities to increase the number of female employees · 3c. Sick leave of 3.0 %
4. Safe products and services	· 4a. Number of accidents · 4b. Number of lifelong guarantees	· 4a. Zero accidents are known to Rameder as a result of faulty installations · 4b. 100% for all self-installed tow bars	· 4a. Zero accidents are known · to Rameder as a result of faulty installations · 4b. 100% for all self-installed tow bars	· 4a. Zero accidents are known to Rameder as a result of faulty installations · 4b. 100% for all self-installed tow bars
5. Sustainable supply chain	· 5a. Share of suppliers with signed Supplier Code of Conduct (SCoC) · 5b. Increase employees HSE equipment and ESG knowledge	· 5a. 98 % of supplier volume to sign SCoC · 5b. Fully trained and equipped employees	· 5a. % of supplier volume signing SCoC 2022: 85 2021: 85 2020: 82 2019: 67 · 5b. Equipped all workers with special safety shoes and most office employees with electrical desks	· 5a. 26 suppliers to sign the SCoC, representing 90% of purchase volume · 5b. Select, install, and implement eLearning system for employees

Rameder has selected the following SDGs 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 of sustainable development and lifestyles in harmony with nature

SAFEROAD

FSN Portfolio Company since 2018
saferoad.com

Saferoad Group is a leading road safety supplier in Europe with 75 years of experience within the industry. Saferoad Group offers a broad range of innovative and high-quality products and solutions. Saferoad serves customers from early road design through manufacturing, installation, and ongoing maintenance in four core business areas: (1) Road Restraint Systems; (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. The Group employs 2500 people and has production and sales offices across 13 countries in Europe. Main production sites are located in Norway, Sweden, and Poland. Input materials are predominantly sourced from Europe, but also from Asia.

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

Topics of higher importance in bold

RAW MATERIALS & SUPPLIERS

- Energy consumption in raw material production (steel, aluminium, plastic, recycled alternatives)
- **GHG emission from production (zinc, aluminium, steel)**
- Labour conditions and human rights in raw material production
- Workers' health and safety
- Supply chain transparency
- **Business ethics in procurement practices**

OWN OPERATIONS

- GHG efficiency at production sites
- Water consumption and waste-water management at production sites
- Management of hazardous substances and waste
- Environmental legacy risk at production sites
- Material utilisation and recycling
- Chemical use and pollution
- **Health and safety of own employees (production sites, maintenance, installation)**
- Labour and human rights (production sites, maintenance, installation)
- **Traceability of raw materials (e.g., risk of counterfeit)**

MANAGEMENT & MARKETING

- Product innovation: climate resilient products (e.g., extreme weather)
- Product innovation: product longevity and ease of maintenance
- Transportation of products to market
- Product innovation: product quality and safety (e.g., can sustain the impact of heavier vehicles)
- Diversity and anti-discrimination
- Employee education and development
- Employee benefits
- **Anti-corruption and bribery**
- Anti-competitive behaviour
- Integrity and realistic advice

CUSTOMERS & END-USERS

- Environmental impact of products during use-phase
- **End-of-life product management**
- Improved site working conditions
- **Road accidents and safety**
- Public and customer health and safety
- **Product reliability (quality and safety throughout product lifetime)**
- Integrity of partners and customers

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

+ Continued increased demand for road rehabilitation and infrastructure resilient against extreme weather events
+ Demand for products with a lower environmental footprint than its competitors

- Increasing cost and climate impact of 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

SAFEROAD'S ESG STRATEGY 2023

FOCUS AREA	KPIS	LONG TERM TARGET	PERFORMANCE 2022	ANNUAL TARGET 2023
1. Increase circularity and reduce climate impact	· 1a. Reduce GHG emissions · 1b. Circular operations · 1c. ISO 14001 certification	· 1a. Net Zero · 1b. Zero waste to landfill; reuse where possible, recycling as a last resort · 1c. 100% of production units ISO 14001 certified	· 1a. Scope 1, 2, and 3 included in 2022 · 1b. Circular initiatives in the process: beam recycling in the Netherlands · 1c. 64% of units certified adding Eurostar AS	· 1a. Commit to SBTi · 1b. Circular initiatives in the process: heat recycling in hot dip galvanising (HDG) plant in Vik Ørsta · 1c. ISO 14001 certification of Saferoad Pomerania in Poland. Total of 10 certified (71%)
2. Sustainable products	· 2a. Environmental product lines · 2b. EPDs	· 2a. Environmentally friendly product family alternatives for all main product groups · 2b. EPDs for 100% of our key product groups by end of 2025	· 2a. Delays in product development initiative, due to capacity constraints and raw material shortage · 2b. Uniform EPD solution for RRS as well as new PIM system. Current portfolio with EPDs 27.2%	· 2a. Finalise new environmentally friendly RRS product family approved to local containment level according to the European Standard EN1317 · 2b. Target 45% of the portfolio
3. Ensure health, safety, and satisfaction of own employees	· 3a. ESG leadership · 3b. Lost time incident rate (LTI) · 3c. eNPS score · 3d. Business Units with negative eNPS scores	· 3a. Saferoad recognised as an ESG leader by stakeholders · 3b. Zero LTI · 3c. eNPS of >70 · 3d. 0 Business Units with negative eNPS scores	· 3a. Completed Communication on Progress to UNGC and published ESG report · 3b. LTI of: 2022: 57 2021: 48 2020: 58 2019: 62 · 3c. eNPS 2022: 29 2021: 23.5 2020: 24.9 2019: 28.0 · 3d. 0	· 3a. Establish a new ESG function in Saferoad to further build internal capabilities. Align our ESG reporting with the GRI standards · 3b. LTI of 48 · 3c. eNPS of 35 · 3d. 0
4. A transparent and sustainable supply chain	· 4a. Supply chain management · 4b. Business units implement supplier Code of Conduct · 4c. Digital Supplier Self Assessment · 4d. Mitigating plans agreed with critical suppliers with low scores on Supplier Self Assessment	· 4a. Best in class supply chain mgmt. · 4b. 100% of Business Units · 4c. 100% of critical suppliers · 4d. 100% of critical suppliers	· 4a. Yearly screening of all major suppliers performed. Targeted additional screenings were performed to ensure sanctions compliance, re Ukraine crisis · 4b. 100% of phase 1 (confirmation and compliance) · 4c. 90% · 4d. Dialogue started with all critical suppliers with low scores. - Concluded 50% of critical suppliers with low scores	· 4a. Yearly screening of all major suppliers. Continued focus on sanctions compliance, re Ukraine crisis · 4b. 100% of phase 2 (Supplier audits) critical suppliers · 4c. 100% of critical suppliers · 4d. 100% of critical suppliers
5. Ensure ethical business conduct	· 5a. ESG training · 5b. Cyber awareness training · 5c. Electronic whistleblower (WB)	· 5a. Employees undergo annual ESG training · 5b. 100% of employees · 5c. Electronic WB access for internals and externals	· 5a. ESG training completed for Saferoad Procurement Network · 5b. Hoxhunt onboarding rate of 61.4% · 5c. Saferoad Sweden continues on standard Saferoad WB solution due to carve out of RRS into a separate legal entity	· 5a. Roll out revised ESG e-learning in full group · 5b. 90% of employees to complete training by Q1 2023 · 5c. Update of Whistleblower policy to align with the Norwegian Transparency Act

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

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

Promote 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

FSN Portfolio Company since 2022
seriline.com

Seriline offers a one-stop-shop for physical access management solutions, incl. systems for physical credentials (primarily access cards and tokens), RFID/card readers, and identity management systems. Most customers have an integrated software and hardware solution.

Headquartered in Stockholm, Sweden, the company primarily operates in Sweden with growing sales in the Nordics and select Western European countries. The company supplies a wide range of customers spanning across society both in the private and public sectors. The company employs 50 people, with production sites in Stockholm and Ronneby, as well as sales offices across Sweden. The main raw materials are electronics and PVC plastics sourced from Europe and Asia.

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

RAW MATERIALS & SUPPLIERS →

- Pollution and emissions generated by raw material extraction and production (petroleum, chlorine, chalk)
- Health impact of vinyl chloride, phthalates, and other additives used and released in the PVC manufacturing/recycling process
- Human rights and labour conditions across the raw materials supply chain

OWN OPERATIONS →

- GHG emissions and energy consumption from own RFID card and credential production facilities
- Sales force car emissions
- Logistics emissions, especially for products sourced from Asia
- Logistics emissions for packages sent to customers using the postal service
- Employee education and development
- Diversity and inclusion
- Data security and privacy

MANAGEMENT & MARKETING →

- Sustainable product innovation, energy reduction, and circular design
- Employee well-being and company culture
- Diversity and inclusion
- Supplier mgmt. focused on eco-friendly practices, health & safety, and the protection of human rights
- Anti-corruption and bribery
- Data and information security

CUSTOMERS & END-USERS

- Product durability and recyclability
- Energy-efficient products & digital tools for building management
- Climate impact of buildings
- Transparency of materials, labelling, and product safety
- Customer safety and privacy
- System reliability (downtime)
- Contributing to compliance with data security regulations (e.g GDPR, NIS2)

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

+ Technical upgrades of buildings, including safety and access products
+ Increased expectations for environmentally friendly (recyclable) solutions
+ Increased compliance regulations (e.g. GDPR and NIS2)

- Increased security awareness with heightened cyber attack risks globally, putting pressure on privacy and security measures
- Scrutiny on climate footprint of industry solutions

SERILINE'S ESG STRATEGY 2023

FOCUS AREA	KPIS	LONG TERM TARGET	PERFORMANCE 2022	ANNUAL TARGET 2023
1. Minimise our environmental footprint	· 1a. Move from PVC into recycled and biodegradable materials · 1b. Reduce GHG emissions	· 1a. 100 % eco friendly hardware · 1b. Net zero by 2050	· 1a. 0.3 ton converted to biodegradable materials from PVC; Looked into all hardware products to find better solutions. · 1b. Kicked off reporting in online GHG portal	· 1a. Convert 1 ton of PVC hardware into biodegradable materials (120 000 pcs) · 1b. Quantify and report GHG emissions (scope 1- 2), initial assessment of Scope 3 emissions
2. People empowerment	· 2a. Employee well-being survey · 2b. Gender balance in the organisation	· 2a. Well-being average score above 90% · 2b. 50/50 gender balance	· 2a. Subsidiary company, Areff has completed the survey · 2b. 16% women among Seriline Groups' FTE´s	· 2a. Roll out a well-being survey in the Group, with a 95% response rate · 2b. 20% women in the Seriline Group
3. Ensure a sustainable supply chain	· 3a. Number of suppliers signing the supply chain CoC	· 3a. 100% of our suppliers	· 3a. Adopted a new Suppliers CoC	· 3a. 80% of hardware suppliers (representing over 95% of sales volume to sign the CoC)

Seriline 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). Provide good employment opportunities for the youth (8.6)

Develop quality, reliable, sustainable and resilient infrastructure to support economic development and human well being (9.1)

Enhance sustainable urbanisation (11.3)

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

FSN Portfolio Company since 2013
skamol.com

Skamol produces and markets insulation systems based on three key raw materials: calcium silicate, vermiculite, and moler.

The system portfolio spans bricks and blocks, insulation boards, and fire protection boards which drive 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 niche applications requiring superior insulation properties at low weights. Skamol's mission is to enable smarter, healthier, and more sustainable living and the use 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 its 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

RAW MATERIALS & SUPPLIERS

- **Climate impact of raw material sourcing**
- Water use and pollution in sourcing
- Responsible use and reparation of land areas in raw material sourcing
- Biodiversity impact from raw material extraction
- **Supplier labour conditions and human rights**
- Supplier health and safety
- Supply chain transparency

OWN OPERATIONS

- **GHG emissions from production sites**
- **Chemicals and pollution in production**
- Resource efficiency, waste management and recycling
- Environmental impact of packaging material and waste
- Water consumption in the production process
- **Employee health and safety**
- Labour conditions and human rights at production sites

MANAGEMENT & MARKETING

- GHG emissions from employee commutes and business travel
- Office waste
- Employee talent and development
- Diversity and equal opportunities
- Anti-corruption and bribery
- Anti-competitive behaviour

CUSTOMERS & END-USERS

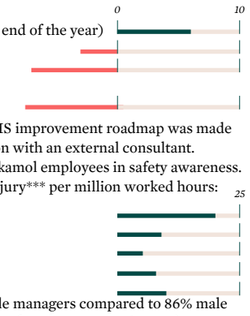
- GHG emissions from shipping and deliveries
- **Enabling energy savings from products in use-phase**
- **Product longevity**
- **Product take-back and circular design**
- Customers CO2 emissions
- **Product quality and safety (e.g. fire-safe products, improved indoor environment)**

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

- Climate impact of energy usage in production
- Scrutiny of the environmental impact of supply chain and production on water and biodiversity
- Immature market for end-of-life use of products

SKAMOL'S ESG STRATEGY 2023

FOCUS AREA	KPIS	LONG TERM TARGET	PERFORMANCE 2022	ANNUAL TARGET 2023
1. Minimise environ-mental impact	· 1a. Reduce GHG emissions · 1b. Optimise energy efficiency (GHG emissions relative to output) · 1c. Circular operations · 1d. Local environmental impact from operations	· 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	· 1a. Did not commit to Science Based Targets in 2022. Further investigation is needed to set objectives in scope 3 - Emissions* in 2022: Scope 1: 22,703.2 tCO2e (-7.2% from 2021) Scope 2: 2,832.2 tCO2e (-6.8% from 2021) Scope 3: 37,753.6 tCO2e (-5.8% from 2021) · 1b. Introduced "reduce energy" as a strategic priority: Minimise dependency on gas Reduce GHG emissions · 1c. Approx. 1,000 pallets returned in 2022. Further strengthened incentive to return pallets · 1d. Restore excavation sites, with a positive impact on biodiversity	· 1a. Set Science Based Targets for scope 1-3 · 1b. Determine which initiatives to pursue to reduce environmental impact e.g., alternative energy sources. Optimise energy efficiency (GHG emissions relative to output) by 5% compared to 2020. Implement a continuous waste reduction culture targeting an annual reduction of >2% · 1c. Further extend recycling of pallets · 1d. Continue to restore excavation sites, with a positive impact on biodiversity
2. Sustain-able products	· 2a. EPDs for our products · 2b. Design for circularity	· 2a. EPDs for 100% of our product groups by end of 2024 · 2b. Cradle-to-cradle design of our products	· 2a. EPD for 33% of product groups introduced · 2b. Prepared recycling of cut-offs from selected customer projects in 2023	· 2a. EPDs for 100% of our product groups · 2b. Introduce recycling of cut-offs from selected customer projects
3. Motivated, safe, and healthy employees	· 3a. eNPS · 3b. Lost time incidents (LTI) · 3c. Diversity	· 3a. Year by year improvement of eNPS · 3b. Zero LTI · 3c. Balanced make-up between male and female representatives in top leadership/ management	· 3a. eNPS**  2022: 6 (11 at end of the year) 2021: -3 2020: -7 2019: NA 2018: -8 · 3b. A new EHS improvement roadmap was made in cooperation with an external consultant. Trained all Skamol employees in safety awareness. - Lost Time Injury*** per million worked hours: 2022: 20.0 2021: 9.0 2020: 5.2 2019: 7.9 2018: 10.0 · 3c. 14% female managers compared to 86% male managers (14% female managers in 2021)	· 3a. Increase eNPS to 14. Increase response rate to get better insight combined with follow-up meetings with local managers Better communication of ESG work on the website · 3b. Reduction in LTI. Roadmap for Health & Safety is generated with a focus on: 1. Management / Organisation 2. Processes / Preventive 3. Systems / Tools 4. Awareness / Personal · 3c. Further extend balance between genders
4. Ethical supply chains and business conduct, including human rights and anti-corruption	· 4a. Supply chain management · 4b. Train employees · 4c. Electronic whistleblower	· 4a. Best in class supply chain management · 4b. Annual training for all employees · 4c. Electronic whistleblower access for internals and externals	· 4a. All major**** suppliers have signed CoC · 4b. All employees are assigned to monthly e-learning courses about cyber security and GDPR. CoC e-learning available for all Skamol employees beginning of 2023 · 4c. Electronic whistleblower available on Skamol's official website	· 4a. Further strengthen supply chain management by conducting a refresh risk assessment and review current procedures · 4b. Secure all relevant employees have completed CoC and GDPR training

Prepared in accordance with the GHG Protocol, using the online reporting tool CEMAsys ©. Russia is excluded from 2021 and 2022

***Russia is excluded from the 2018, 2020, 2021, and 2022 eNPS*

****Injury sustained by an employee that leads to loss of productive work in the form of absenteeism or delays. Russia is excluded from the 2018, 2020, 2021, and 2022 LTI*

*****Major suppliers are defined as having a spend > 1mDKK*

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

Opportunity to make the 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)

FSN Portfolio Company since 2018
sneakersnstuff.com

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 Grobbendonk (Belgium), 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

RAW MATERIALS & SUPPLIERS

- Water depletion and pollution in cotton and rubber supply
- **Local pollution from chemicals in textile production (e.g. dyeing)**
- **GHG emissions and energy use in cotton and rubber production**
- **GHG emissions from transportation**
- **Labour and human rights in cotton and rubber factories**
- Workers' health and safety
- Socioeconomic impact of corruption and bribery in the supply chain

PRODUCTION

- Local pollution from chemical use in footwear production
- **Energy use and GHG emissions from footwear factories**
- Cotton and rubber waste at production sites
- **Packaging waste (paper, plastic)**
- Labour conditions and human rights in fabric factories
- Health and safety in fabric factories
- Diversity and inclusion

MANAGEMENT & MARKETING

- GHG emissions from outbound logistics
- Energy consumption in sales offices
- Employee commuting and business travel
- Office waste
- **Cotton and rubber waste from outdated collections**
- Diversity and inclusion
- **Social impacts of marketing activities (body image, representation)**
- Anti-corruption and bribery
- Anti-competitive behaviour
- Data security and privacy

CUSTOMERS & END-USERS

- **Textile waste from used / torn / discarded footwear**
- Packaging waste (paper, plastic)
- Product health impacts in use (e.g. toxins)
- Contract conditions for customers

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*

SNS' ESG STRATEGY 2023

FOCUS AREA	KPIS	LONG TERM TARGET	PERFORMANCE 2022	ANNUAL TARGET 2023
1. Climate efficient operations	· 1a. Reduce GHG emissions · 1b. GHG efficient logistics	· 1a. Net Zero · 1b. Optimised transport routes	· 1a. The complete baseline will be done when figures of 2022 are complete. · 1b. Completed move to European central warehouse. Major positive impact in shortening the transportation routes and the environmental impact. 56% shorter transports between SNS and customer (inbound not included i.e.actual figures are even higher)	· 1a. Create a full baseline for GHG emissions and start the process of setting emissions targets. · 1b. Negotiate climate friendly transport options with carriers. Increase partners that climate compensate from 1 (Germany) to 3
2. Sustainable products	· 2a. Circular products · 2b. Sustainable products	· 2a. Offer products designed for circularity · 2b. All products sustainably produced	· 2a. Plan set of when and how to start working with recycled cotton. · 2b. Launched SNS Labels Jersey line in 100% Organic GOTS certified cotton. - First SNS Label styles produced by deadstock material. 2 scues launched Summer/Fall had zero CO2 emission from fabrics	· 2a & 2b. Switch to 50%Organic GOTS certified cotton and 50% recycled cotton. · Set up structures to ensure sustainable choices are always made when possible. - Sourcing at least 1 product in each collection by deadstock material
3. Motivated and satisfied employees	· 3a. eNPS · 3b. ESG leadership · 3c. Community initiatives	· 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	· 3a. eNPS score: November 2022: 10 June 2022: -4 2021: -15 (0 – 100) - Positive trends connected to improved organisational structures, working processes, clear goals and expectations. Increased staff turnover and a stronger team via external talent, and internal promotions. · 3b. Relaunch of ESG and D,E&I Task Force. Instead of executive management driven à employee driven · 3c. Separate "SNS Cares" Task Force to be launched	· 3a. Increase employee satisfaction rate by 25 points by the end of 2023. Main focus: leadership development, implementing core values, and cross functional collaboration. · 3b. Set roadmap for ESG development. Combine local activities with company wide activities. · 3c. Implement regular care projects driven by local teams. More than 10 local cares activities during 2023
4. Promote high standards of business ethics	· 4a. ESG awareness amongst employees · 4b. Whistleblower	· 4a. Employees trained annually in ESG topics · 4b. Whistleblower scheme known to all	· 4a. ESG Task force relaunched. Wider team engaged to set SNS ESG agenda and to push various projects. · 4b. Whistleblower policy is a part of the CoC that all employees sign as part of the onboarding process. · Digital channel for whistle blowing function launched	· 4a. ESG Task force relaunched. Wider team engaged to set SNS ESG agenda and to push ESG projects. · 4b. No actions planned for 2023
5. Sustainable and ethical supply chain	· 5a. Supply chain management · 5b. Supply chain code of conduct (sCoC)	· 5a. Best in class supply chain management · 5b. 100% of suppliers sign CoC	· 5a. Reshoring SNS Label production to Europe. - 2022: 85% in Europe, 15% China. · 5b. Brand partners that have signed the supplier CoC 2022: 52/88 2021: 38/58 2020: 23/43	· 5a. SNS Label production fully relocated to Europe. · 5b. 100% of suppliers to sign supplier CoC. Move from printing physical documents to signing digitally

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

8 DECENT WORK AND ECONOMIC GROWTH

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 RESPONSIBLE CONSUMPTION AND PRODUCTION

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

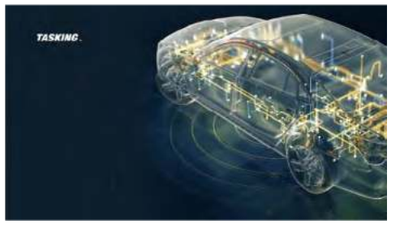
TASKING

FSN Portfolio Company since 2020
tasking.com

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 make TASKING a leading player in the embedded software development industry for safety relevant applications, 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 30 years by developers and the world's leading organisations 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

RAW MATERIALS & SUPPLIERS

- GHG emissions and energy use from purchased hardware
- Local emissions from mineral extraction (hardware)
- E-waste and hazardous waste
- Labour and human rights in hardware and raw material sourcing
- Workers' health and safety
- Socioeconomic impact of corruption and bribery in the supply chain

OWN OPERATIONS

- **GHG emissions from own operations**
- **Energy consumption**
- Water use own operations
- Sound pollution from data centres
- Biodiversity impact at data centres
- **Employee training and development**
- **Labour conditions and human rights for employees**
- **Work-life balance**
- **Diversity and inclusion**
- **Cyber security**

MANAGEMENT & MARKETING

- Energy use in offices
- **Employee commuting and business travel**
- **Employee benefits and working conditions**
- **Diversity and inclusion**
- Anti-corruption and bribery
- Tax policies and payments
- Anti-competitive behaviour

CUSTOMERS & END-USERS

- Energy use after sales
- **Streamlining of resource consumption of customers' products**
- **Climate impact of services in use**
- **Road safety**
- **Customer data privacy**
- **Product safety**
- **System reliability (lagging, down time)**
- Contract conditions
- **Cyber security**

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

+ Demand for products that enable road safety
+ Demand for products that enable a 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)

TASKING'S ESG STRATEGY 2023

FOCUS AREA	KPIS	LONG TERM TARGET	PERFORMANCE 2022	ANNUAL TARGET 2023
1. Climate	· 1a. Reduce emissions	· 1a. Net Zero	· 1a. Sat scope 2 emissions targets: to actively procure at least 80% renewable electricity by 2025 and 100% by 2030	· 1a. Assess the possibility of switching to green energy when producing software - Assess the possibility of using public transportation in each region of our office locations - Organise team/activities to support local reduction initiatives
2. Trans-porting end customers in safe and climate efficient ways	· 2a. Products for safety relevant applications · 2b. Climate change mitigation	· 2a. Continuously push the bar for safety products · 2b. Quantify life-cycle GHG emission reduc-tions from TASKING's activities	· 2a. Expanded product offering by launching the Smart-Code tool · 2b. Organised a global administration team to check regionally the impact of TASKING's activities	· 2a. Maintain a high level of safety and quality of our products; complete TISAX Audit for TASKING B.V. (Netherlands office) · 2b. Make a GHG emission reduction plan for TASKING's activities and enrol the first measures in 2023
3. Diversity & Inclusion	· 3a. Increase the share of female employees across levels (with a stronger focus on technical roles) · 3b. Increase the number of female employees in each country · 3c. Increase the number of employees with different cultural backgrounds in monocultural teams	· 3a. 30-50% female employees across levels, and 30% in leadership roles · 3b. 30%-50% female employees in each country · 3c. Empower cultural diversity on a global level and introduce staff rotation	· 3a. Female employees across levels 28%; One female promotion to manager through internal development · 3b. At least 1 female employee in each country: fulfilled in 2022 for USA, Japan, China, and India · 3c. Established strong relationships with the recruiters and worked on multicultural and gender-diverse talent acquisition: in total 16 hires (8 different cultural backgrounds, 6 female employees). Organised a workshop for a global Product Development team, FAE team, and Global Sales Meeting to enforce international exchange between different teams	· 3a. Use social media and website to raise awareness that TASKING is supporting women in building their professional career · 3b. Assess benefit packages regionally to provide flexibility and compensation for female employees and extend them when possible · 3c. Organise regular global meetings to support intercultural awareness – at least 4 (Marketing, Sales, FAE, Product Development)
4. Employee happiness	· 4a. Increase eNPS score · 4b. Development of our team · 4c. ESG leadership	· 4a. Increase eNPS score to 20+ and 100% employee participation in Winningtemp · 4b. Performance reviews and development training offered across levels and departments globally · 4c. ESG considered in all business decisions	· 4a. Current eNPS score 17 (Nov 2022), 80% participation · 4b. Analysed and defined training topics across departments and organised first trainings/workshops, e.g., manager training, DevOps training, Global FAE workshop; Global Product Development workshop. - Implemented a regular Performance review and introduced it as part of the HRpuls tool; created an individual Development process for employees who were selected for promotion · 4c. Building up ESG initiatives as part of HR and company's strategy through the cooperation with HR Contrast consultancy, ensuring that ESG topics are considered in all business decisions	· 4a. Increase eNPS to 20 and increase the participation rate to 90% · 4b. Ensure regular manager-em-ployee performance dialogue once a year · 4c. Finalise HR strategy (taking into consideration new acquisitions) and start with the first steps, including ESG topics
5. Ethical business conduct	· 5a. ESG policies & control · 5b. Training for all employees covering topics such as ABC, CoC, Whistleblowing · 5c. Data security and privacy training · 5d. Resellers, partners, and customer compliance process documentation	· 5a. ESG and whistle-blower policies are regularly updated to follow best practice · 5b. All employees complete regular ESG training · 5c. All employees complete data security and privacy training with an assessment/ exam at the end · 5d. Best in class proce-dures in compliance	· 5a. 100% of new hires signed ESG policies · 5b. The onboarding process is ensuring that all new hires get familiarised with ESG policies through HR onboarding during their first week · 5c. Proceeded with the first Data Privacy and Data Security training for the EMEA team · 5d. Implemented DESCARTES Visual Compliance tool/Salesforce for automatic screening of all resellers and external partners on the implementation of a compliant processes	· 5a. Implement and introduce an electronic Whistleblower channel; · 5b. Find a solution for an ESG eLearning and ensure 100% of employees complete training; Organise Compliance training with a focus on ABC for Sales reps · 5c. Organise regular Data Privacy and Data Security meetings on a global level and ensure 100% of employees complete the training · 5d. Continuously keep the same high level of the compliance process

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

3 GOOD HEALTH AND WELL-BEING

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

VIACON

FSN Portfolio Company since 2018
(first as part of Saferoad Group)
viacongroup.com

ViaCon provides mission-critical sustainable infrastructure products and solutions to customers across Europe, the Middle East, and North Africa. The company is organised into three business units (BU): 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 20 countries, with its main production plants being in Poland, Lithuania, France, the UK, and Turkey. The 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

RAW MATERIALS & SUPPLIERS

- **Energy consumption in raw material (steel, plastic) production**
- Greener produced raw materials (steel)
- Water use in the supply chain
- Biodiversity impact of raw material sourcing (steel, plastic)
- Labour and human rights in the supply chain
- Workers' health and safety in the supply chain
- Supply chain transparency
- Business ethics in procurement

OWN OPERATIONS

- **Energy use at production sites**
- Hazardous waste at production sites
- Water consumption at production sites
- Emissions from in- and outbound logistics
- Labour and human rights
- Workers' health and safety
- Anti-corruption and bribery

MANAGEMENT & MARKETING

- Energy consumption in sales offices
- Commute and business travel
- Office waste (food from the cafeteria, stationary and paper)
- Employee education and development
- Diversity and anti-discrimination
- Anti-corruption and bribery
- Anti-competitive behaviour

CUSTOMERS & END-USERS

- **Product longevity and maintenance**
- GHG emissions from product installation
- **End-of-life: machine reuse, repair, recycling**
- Product and packaging waste occurring when installing
- **Product's interaction in nature**
- **Partner and customer integrity**
- B2B contract condition

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 the environmental impact of raw material sourcing, transportation, and production
- Anti-corruption and bribery risks in key markets
- Human and labour rights concerns associated with higher-risk markets

Initial EU taxonomy assessment

Key activities

- 3.6. Manufacture of other low carbon technologies.
- 9.1. Engineering activities and related technical consultancy dedicated to adaptation to climate change.

Potential contribution to environmental objective

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

VIACON'S ESG STRATEGY 2023

FOCUS AREA	KPIS	LONG TERM TARGET	PERFORMANCE 2022	ANNUAL TARGET 2023
1. Improve climate resilience of the society	· 1a. LCA calculation tool for each business unit (BU) · 1b. EPDs · 1c. ISO 14001 · 1d. Emissions-free solutions	· 1a. LCA calculation tool for key solutions in each BU · 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*	· 1a. Initiative to combine LCA calculators for BU1 and BU2 started. BU3 calculator expanded to take backfill into account. · 1b. BU1: EPDs covering 100% of products, 86% of EPDs certified by ITB. BU2: EPD's covering 11 products. · 1c. Expanded ISO certifications to plant in France - ISO 9001, 14001, and 45001" · 1d. Design sustainable bridge pilot identified and in progress	· 1a. Environmental impact assessment added as a standard when offering ViaCon solutions. - Update of LCA Comparison Calculator. - Launch LCA calculator 2023. · 1b. BS1: Analyse EPD data from production units, understand differences, and reduce them. - BS2: EPD's cover 50% of spending on traded goods suppliers; Complete EPD certificate for Plastic products in Romania, Poland & Lithuania. · 1c. Continue ISO group implementation · 1d. Continue to identify sustainable bridge pilot design
2. Become Net Zero	· 2a. Reduce GHG emissions · 2b. EU taxonomy	· 2a. Become Net Zero by 2050 · 2b. To be defined	· 2a. Scope 1 & 2 reported for 8 quarters. · Aligned Scope 3 with SBTI criteria. · Member of SteelZero initiative. · Committed to SBTI in November. · 2b. Started EU taxonomy alignment assessment	· 2a. Submit SBTi target of -42% reduction in emissions by 2030. - Report 50% of spend as tonnage or with EPD rather than spend based within CEMAsys. · 2b. Define Taxonomy alignment areas and establish eligibility.
3. Maximise material utilisation and recycling in production	· 3a. Virgin plastic reduction · 3b. Steel raw material consumption	· 3a. Reduce virgin plastic raw material in pipes by 22% by 2025 · 3b. Reduce steel consumption by 2.5% by 2025	· 3a. 27.7% reduction in virgin plastic achieved – full potential achieved · 3b. Reduced steel consumption by 1%	· 3a. Maintain virgin plastic reduction % · 3b. Reduce steel consumption on water tanks with current mix from 1% in 2022 to 2% in 2023
4. Be this industry's preferred employer	· 4a. eNPS · 4b. Engagement index (EI) · 4c. Lost days per 1000 Employees · 4d. Employee turnover rate · 4e. Share female employees	· 4a. eNPS of 10 by 2025 · 4b. EI of >7.3 by 2025 · 4c. Lost Days at <400 in 2024 · 4d. Employee turnover rate of <8% in 2023 · 4e. Improved gender balance in our teams – target gender manager to employee ratio gap of <1% by 2026	· 4a. eNPS currently at -7 · 4b. Engagement index at 7.1 and Leadership Programs delivered to plan · 4c. Days lost in 2022 were 515 vs. 582 days in 2021 (12% improvement) - 8 Production sites were visited, and reports were developed - Near miss increased 107% YOY · 4d. Turnover rate: 9.7% Voluntary, 4.9% Involuntary - Salary review done - Performance appraisal implemented - Employer branding partly completed - Leadership development complete · 4e. Gender management diversity gap at 4.55%	· 4a. Target of +1 eNPS for 2023 · 4b. Target of 7.2 engagement index · 4c. 10% improvement in lost days · 4d. Voluntary Employee turnover of 8% - Build the ViaCon brand as a desirable employer through executing our Employer branding Program · 4e. Have a manager diversity ratio gap of less than 3.5% in 2023
5. Ensure business ethics	· 5a. Business ethics/ CoC training · 5b. Suppliers and distributors signing CoC · 5c. Supply chain management	· 5a. 95% of employees complete eLearning annually · 5b. 90% of suppliers and distributors to sign CoC · 5c. Best-in-class supply chain mgmt.	· 5a. 97% of employees completed training · Redesigned and updated training for 2023. · 5b. 78% of suppliers signed CoC; 75% of distributors signed CoC · 5c. Risk assessments completed on top 35 suppliers	· 5a. 95% of employees to complete updated eLearning · 5b. 90% of suppliers and distributors having signed CoC · 5c. Complete risk assessments to cover 80% of company spend

** pending Green steel initiative*

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

8 DECENT WORK AND ECONOMIC GROWTH — ViaCon focuses on safe working environments, code of conduct and long-term employment

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE — ViaCon creates value for our customers by providing them sustainable solutions tailored towards their specific needs

12 RESPONSIBLE CONSUMPTION AND PRODUCTION — ViaCon is a trusted partner to all our stakeholders with focus on sustainable solutions during all stages of our consumption, production, transport and utilisation

13 CLIMATE ACTION — ViaCon invests in new and excisting plants and facilities to reduce emission from our own operations as well as from the use of our products. We focus on providing sustainable solutions, on recycling and training

FSN Portfolio Company since 2022
baeckergoertz.de

Newly acquired

Bäcker Görtz is a leading bakery chain in the Rhine-Neckar region in South-West Germany. With a network of approximately 200 branches, it offers a tailored product assortment of baked goods and out-of-home meals. Bäcker Görtz was founded and has been owned by the Görtz family since 1963, with many employees having been part of the company for over a decade.

Bäcker Görtz places high importance on regional and local sourcing leading to an almost entirely Germany-focused value chain centralised around its state-of-the-art production site at its headquarter in Ludwigshafen, Germany. Bäcker Görtz provides affordable meals to approximately 100,000 customers per day, comprising residents as well as visitors of the South-West Germany region spanning all age groups and professions.

Acquired in Q4 2022 - ESG analysis completed; yet to fully develop ESG strategy

CHAPTER 4

Internal ESG Initiatives and Reporting

How FSN Capital works with ESG internally and our performance against industry initiatives and regulatory reporting requirements

FSN Capital's Culture

We strive to pursue a performance culture that radiates integrity and trust. To underpin this culture, we have developed three core values which are nothing but codified behaviour.

We have 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.

- **We gaze for the stars**
- **We face the brutal facts**
- **We thrive on Positive Dissatisfaction**
- **We insist on excellence, and nothing less**

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.

- **We are decent people**
- **We are purpose-driven**
- **We act with courage**
- **We focus on the long-term**

TEAM FIRST

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

- **We build trust**
- **We promote diversity of thought**
- **We dare to challenge**
- **We win together**

For more information, see fsncapital.com/values

Diversity, Equity & Inclusion

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

To further improve in this area, a firmwide DEI initiative has been launched, focused on accelerating our efforts and creating a DEI strategy which reflects our values and cultural DNA. The initiative is building on our successful Team First approach including cross functional working groups to research, discuss, and propose practical recommendations to be implemented.

The project is guided by a Steering Group including internal and external contributors from diverse offices, tenures and functions to promote diverse thinking and perspectives.

Based on input from all Steering Group members, the following areas were defined as focus areas for the working groups:

Activity

- Talent & Recruitment
- Career Opportunities
- Career Development & Learning
- Parenting
- Work Conditions
- Teamwork and Collaboration

Behavioural

- Culture & Communication
- Leadership
- Unconscious Bias
- Accountability & Success

Each working group will define their own process finishing by end of 2023 where each group is to present and summarise key recommendations for improving FSN Capital's DEI strategy within their topic.

SOME OF THE DEI MEASURES TAKEN TO DATE INCLUDE:

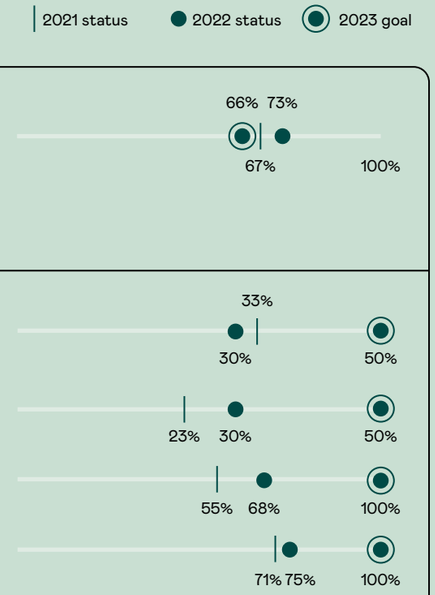
- Defined clear targets for improvement: 50% of all new hires to the investment team, Executive Advisors and portfolio company board of directors should be female
- Partnered with headhunters specialised in recruiting female candidates to help us achieve the goal
- Cooperation with Equality Check (formerly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

HISTORICAL PEOPLE PERFORMANCE

FSN Capital's*...	2016	2017	2018	2019	2020	2021	2022
Employees (FTEs)	32	39	48	51	53	68	72
Representation of women (% FTEs)	28%	28%	33%	33%	36%	41%	39%
Representation of women on investment team	4%	7%	9%	14%	21%**	30%	25%
Employee Satisfaction (eNPS)	92	79	46	60	66	80	65

**Numbers as of 31.12 each calendar year, Interns not included*
***Correction from 2021 ESG report*

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. *Female board members to total board members (excludes minority shareholders, FSN Capital employees, and employee representatives)*
3. *At least one female and one international board member – no double counting*

FSN Capital's Internal Climate Footprint

FSN Capital has targets verified by the SBTi and has committed to Net Zero. Although total emissions per employee decreased in 2022 by 23% from 2019, our total absolute emissions were above pre-pandemic levels, and we will work on reducing our emissions further.

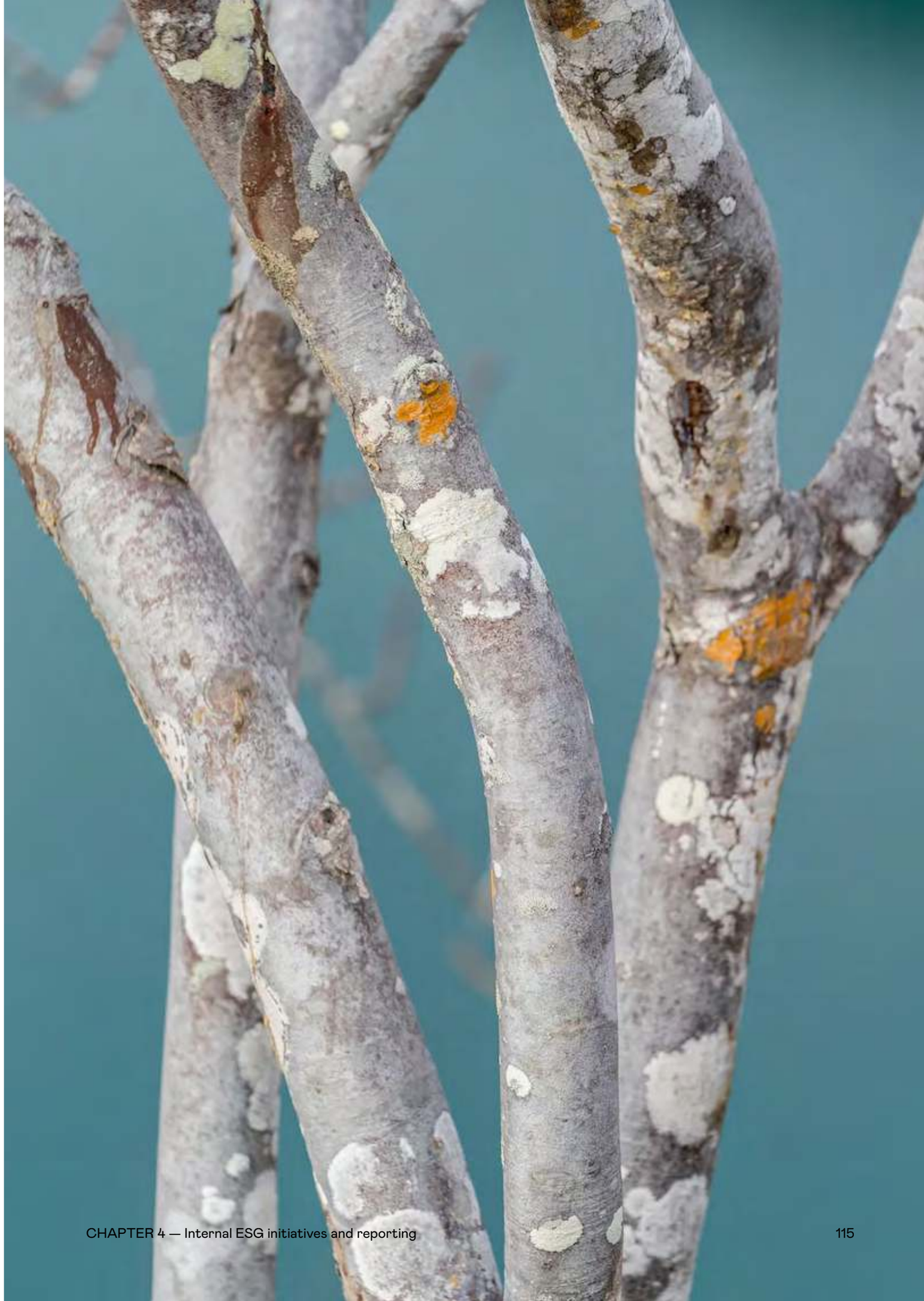
In addition to reducing our emissions, we each year offset any remaining emissions by buying carbon removal credits. Total emissions for FSN Capital in 2022 was 406 tons CO2e, and we bought Verified Carbon Standard (VCS) credits for planting of mangrove trees and reforestation[1]. These credits are in line with SBTi's carbon removal strategy.

SBTI APPROVED EMISSIONS TARGETS	STATUS 2022	COMMENTARY
Reduce absolute direct emissions (scope 1 and 2) by 60% by 2026, from a 2019 baseline	**-32%** from 2019 baseline	On track to meet SBTi target
Reduce absolute emissions from business travel and waste (scope 3) by 29% by 2026, from a 2019 baseline	**+18%** from 2019 baseline	Business travel main driver for increase. FSN Capital to revisit travel policy. Note that number of employees in FSN Capital has increased, and emissions per employee has dropped by 17% since 2019

GHG EMISSIONS FOR FSN CAPITAL[2] (tCO2e)

	2019	2020	2021	2022	% Change from 2019 baseline
Scope 1					
Transportation	4.3	4.3	4.6	5.9	
Total Scope 1	**4.3**	**4.3**	**4.6**	**5.9**	**37.2%**
Scope 2 (market-based)					
Electricity	51.5	45.7	29.1	39.6	
District heating	3.7	4.6	4.4	2	
District heating (general)	10.2	10	9.8	0	
Total Scope 2 (market-based)	**65.4**	**60.3**	**43.3**	**41.6**	**-36.4%**
Scope 1+2 emissions (market-based)	**69.7**	**64.6**	**47.9**	**47.5**	**-31.9%**
Scope 3					
Waste	2	1.8	1.8	4	
Business travel	303.5	69.8	52.5	354.7	
Total Scope 3	**305.4**	**71.6**	**54.3**	**358.6**	**17.5%**
Scope 1+2+3 total emissions (market-based)	**375.1**	**136.2**	**102.2**	**406.2**	**8.3%**
Total Scope 2 (location-based)	23.2	21.2	18.8	7.8	-66.4%
Scope 1+2+3 total emissions (location-based)	332.9	97.1	77.7	372.4	11.9%
FSN Capital employees (FTEs)	51	53	68	72	41.2%
Business travel/employee	6.0	1.3	0.8	4.9	-17.2%
Total emissions/employee (market-based)	7.4	2.6	1.5	5.6	-23.3%

1. *There is no guarantee that projects will be completed and/or result in actual emissions reductions*
2. *GHG emissions based on activity data, except waste which is estimated by CEMAsys in line with the GHG Protocol*



TCFD – FSN Capital

GOVERNANCE

The GP boards of each of the FSN Capital funds is responsible for management of the respective FSN Funds. FSN Capital Partners is the Investment Advisor to the FSN Capital funds. ESG strategy and execution, which includes climate-related risks and opportunities, is reviewed at least annually.

FSN has developed the FSN Climate Framework (see page 42 for further details) to ensure appropriate consideration of climate-related risks and opportunities is included throughout the lifecycle of an investment.

FSN Capital's deal teams are responsible for applying the FSN Climate Framework both in the due diligence and ownership phase.

FSN requires all portfolio companies to apply the FSN Climate Framework, but the ultimate decision and responsibility for this lies with the portfolio company board and management.

FSN Capital's ESG team develops FSNs standard approach to managing climate-related risks and opportunities and supports deal team and portfolio companies in applying these.

STRATEGY

FSN Capital is a Northern European private equity firm, and the FSN Funds make control investments in growth-oriented Northern European companies, to seek to transform companies into more sustainable and resilient entities.

As part of a wider climate strategy, FSN Capital has both set Science Based Targets and committed to Net Zero by joining NZAM.

Taking short-term climate-related risks and opportunities (typically regulatory and market-based) into consideration in the ownership period is part of ensuring that a portfolio company is attractive for the next owner (medium-term) and stays relevant in the future by being committed to Net Zero operations (longer-term).

Climate-related risks and opportunities affect both what type of investments FSN views as attractive and how FSN work with portfolio companies during the ownership phase.

Under FSN's Climate Framework, climate-related risks and opportunities (short-term, medium-term, and long-term risks) and a company's resilience in different climate scenarios (including 2 degree or lower) are identified in the due diligence process and included in a portfolio company's ESG strategy to the extent relevant. All FSN portfolio companies will need to have validated SBTs by 2030, and a standard process to support portfolio companies on this journey is included in the FSN Climate Framework.

RISK MANAGEMENT

Under FSN's Climate Framework, climate-related risks are identified and assessed as part of the due diligence process as well as part of the annual review of a portfolio company's ESG strategy.

Climate-related risks are managed as part of a portfolio company's ESG strategy to the extent relevant, and by ensuring that all portfolio companies measure, report and set targets to reduce their greenhouse gas emissions in line with the Paris Agreement.

FSN's ESG approach, including the FSN Climate Framework, is an integral part of FSN's due diligence, onboarding and ownership approach.

METRICS & TARGETS

As part of FSN Capital's validated Science Based Targets, FSN Capital commits to:

- Reduce own absolute Scope 1 and Scope 2 GHG emissions by 60 % by 2026 from a 2019 base year;
- Reduce own absolute Scope 3 (cat.5, waste, and cat. 6, business travel) GHG emissions by 29% by 2026 from a 2019 base year; and
- That 60% of FSN's portfolio companies will have set a SBTs in 2026 and 100% by 2030 from a 2020 base year.

FSN Capital's greenhouse gas emissions are reported in line with the GHG Protocol, as well as status towards targets is set out on page 114.

Climate-related metrics are included in the sustainability-linked financing facility of FSN Fund VI as further described on page 18 & 120.

FSN portfolio companies are also required to report greenhouse gas emissions in line with the GHG Protocol. Please see page 55 for reported numbers, status towards reporting of full scope as well as number of portfolio companies committed to the SBTi.

Other company specific climate-related metrics are included in each portfolio company's ESG strategy to the extent relevant. Please see Chapter 4 for each of the portfolio companies' ESG strategies.

LOW-CARBON TRANSITION PLAN

- FSN Capital was 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 2021.
- FSN Capital has validated SBTs and is committed to Net Zero through NZAM.
- FSN Capital has as further described on page 114 purchased carbon removals for the last three years – and will continue to support planting of mangrove trees and reforestation also going forward.
- FSN Capital focuses on reducing its own greenhouse gas emissions and will in 2023 review its travel policy to ensure further reduction.
- FSN Capital will continue to ensure progress on our commitments – page 4 & 114.
- FSN Capital will continue to support FSN portfolio companies on their journey towards SBTs.

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 responsible investing 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 and in the investment decision *(see page 32 & 36)*.
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 *(see page 30-36)*. The sustainability-linked subscription facility is designed to further incentivise implementation of our ESG frameworks in the ownership phase *(see page 18, 38-43, & 120)*.
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 *(see chapter 3)*, as well as FSN Capital standard ESG KPIs *(see page 52)*.
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 *(see page 22)*.
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 *(see page 25)*.
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.

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 2022 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	• 30% female board members across all portfolio companies* • 30% of FSN Capital's Executive Advisors are women • Sustainability-linked subscription facility with KPI on board diversity in portfolio companies • See p. 120 on 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	• 19 891 people employed by FSN portfolio companies • 6% increase in FSN Capital employees in 2022
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	• 23/25 of portfolio companies report GHG emissions • 5 FSN portfolio companies have committed to SBTi • Climate change due diligence completed ahead of every transaction • Sustainability-linked subscription facility 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 • 96% of Portfolio Companies have implemented the FSN Code of Conduct • 48% of Portfolio Companies have implemented Code of Conduct training • 92% of Portfolio Companies have implemented the FSN Standard Supply Chain Code of Conduct • 96% of portfolio companies have adopted the FSN Whistleblower policy • 84% of portfolio companies have adopted a Whistleblower system

** Female board members to total board members (excludes minority shareholders, FSN Capital employees, and employee representatives)*

Sustainability-Linked Subscription Facility for FSN Fund VI

We have a sustainability-linked subscription facility linked to implementation of our ESG Frameworks in Fund VI portfolio companies (the FSN ESG Frameworks are further described in Chapter 2). Per the performance below, Fund VI achieved its KPIs targets for the year end 2022.

AS OF 31.12.2022

KPIs to be met by Dec 31st 2022 or earlier

KPIs to be met from 2023 and onwards

KPI metric	Portfolio company*	**Omegapoint** Closed June 2021	**MEGABAD** Closed August 2021	**Adragos Pharma** Closed September 2021	**OptiGroup** Closed March 2022	**Active Brands** Closed April 2022	**Aggregate results**
KPI 1a	ESG Strategy & Climate Assessment	Yes (*see p.88*)	Yes (*see p.82*)	Yes (*see p.60*)	Yes (*see p.90*)	Yes (*see p.58*)	KPI achieved
KPI 1b	ESG Ownership	Yes	Yes	Yes	Yes	Yes	KPI achieved
KPI 1c	ESG Board Meeting Status Report	Yes	Yes	Yes	Yes	Yes	KPI achieved
KPI 2a	GHG System	Yes	Yes	Yes	Yes	Yes	KPI achieved
KPI 2b	GHG Emissions Scope 1 & 2	Yes	Yes	Yes	Yes	Yes	KPI achieved
KPI 2c	GHG Emissions Scope 3	Partly reporting	Partly reporting	Partly reporting	Partly reporting	Yes	KPI achieved
KPI 2d	GHG Emissions Target	Not yet	Yes (SBTi target)	Not yet	Not yet	Yes (SBTi target)	KPI achieved
KPI 3	Diversity Ratio KPI	7/17 professional board members are women = 41%**					KPI achieved

** Excludes investments where FSN Fund VI is a minority shareholder, i.e., Obton and Koncenton*

*** 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 5

Appendix

A collection of some 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

FSN shall not invest in assets that:

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 landmines, Production of cluster munitions, Production of nuclear arms)
6. Are directly related to the following industries:

- Adult entertainment
- Tobacco
- Gambling
- 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, including sanctions and export laws
+ 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 antitrust 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
- Do not breach or circumvent any international sanctions regimes

Whistleblower policy

If anyone in FSN Capital Partners becomes aware of circumstances that violates laws, regulations or the Code of Conduct, they are encouraged and sometimes obligated to report this. 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:

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

Please see the full version policies for further details Code of Conduct (go/coc), Whistleblower Policy (go/whistleblower) and Procedure for handling reported issues of concerns (go/whistleblowerprocedure).

Head of ESG and 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

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 act to ruin. Each and all of us at FSN Capital have a responsibility to act with utmost integrity. Doing what is right is our North Star, even when it may be against short-term business or personal interest.. Be mindful that how we behave in our private life may also pose a reputational risk to the firm. Clear requirements and consistent business conduct build trust and loyalty among employees, business partners, investors, customers and communities

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 laws or regulations, 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 judgement with personal strength to act out that judgement is our definition of integrity.

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.

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.

All leaders and managers, regardless of country or location, are responsible for setting the right tone at the top to cultivate a strong corporate culture for ethics and compliance. They are expected to act as role models for ethical conduct, educate and support employees in complying with the Code and underlying policies, perform oversight to detect violations, identify and mitigate compliance risks, and finally yet importantly, promote a culture of speaking up in good faith without fear for retaliation.

Employees are responsible for seeking advice when in doubt regarding any of the topics in the Code.

2. Laws and Regulations

All board members and employees are personally responsible for complying with applicable laws, regulations and guidelines issued by public authorities, and compliance shall always prevail over our business goals and needs.

It is also our policy to 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 corporate governance for multilateral enterprises and the UN Convention on the Rights of the Child.

Where differences exist between applicable laws, regulations and our Code and underlying policies, the highest standard of behaviour shall always prevail. Furthermore, employees must not engage in activities, even if legal, that could harm the reputation of FSN Capital. If you are unsure about what is acceptable, please seek advice.

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. A healthy workforce contributes to stronger and safer performance in the workplace.
FSN Capital's suppliers are 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 ever be permitted

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 FSNC 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 and fraud: Remuneration and gifts

FSN Capital is strongly opposed to all forms of corruption and fraudulent behaviour. Corruption and fraudulent behaviour undermines legitimate business activities, distorts competition, ruins reputations and exposes companies and individuals to risk.
FSN Capital makes active efforts to ensure that corruption and fraud 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. Anti-competitive activities undermine confidence and trust from society, our customers, suppliers and other third parties.

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 personally 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.

13. Continuous improvement

FSN Capital continually focuses on improvement. Our Code is subject to annual review in order to ensure latest best practices and requirements are accurately reflected and addressed.

REPORTING AND RAISING CONCERNS

Any personnel who observes a possible violation of the Code, other underlying policies, and/or applicable laws and regulations shall report their concern without undue delay in accordance with FSN Capital's Whistleblower Policy.

Individuals who fail to comply with the Code, including those who fail to report Code violations, may face disciplinary action up to and including termination.

ACKNOWLEDGEMENT

I understand that it is my responsibility to read, to understand and to keep up to date with the contents of the Code of conduct and to seek clarification or further information, if needed, and to comply with the contents of the Code of conduct.

I acknowledge that I have received a copy of the Code of Conduct for my review. I also understand that breach or violation of the Code of conduct may result in disciplinary action (which may include termination of employment).

I further acknowledge that I have been afforded the opportunity to ask any questions I have concerning the content of the Code of conduct.

Signature

Date

Name

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.

FSN Capital – Annual ESG Report – Information Page

Please note that this ESG Report is not a marketing document and is provided for information purposes only. For the purpose of Regulation (EU) 2019/2088, any environmental and/or social characteristics of the Funds advised by FSN Capital Partners are those stated in the relevant Fund documentation and/or regulatory disclosures made pursuant to Regulation (EU) 2019/2088. Any ESG claims, targets, commitments, incentives, initiatives or outcomes are otherwise not binding on investment decisions and/or management of investments made by or on behalf of the FSN Funds or FSN Capital Partners. Investors should refer to those materials for further information on binding ESG, goals, targets, commitments, incentives, initiatives or outcomes and how they are incorporated into investment strategies, screening decision making, stewardship and engagement.

Calculation methodologies and data collection practices used in respect of climate change-related risks and the reporting thereof as a whole are evolving, and other asset managers are implementing different frameworks, methodologies, and tracking tools. The selection of such different but acceptable measurement techniques can result in materially different measurements. Further, these techniques are subject to measurement uncertainties resulting from inherent limitations in the nature and methods used to determine such data. The precision of different measurement techniques may also vary.

Any information provided in respect of ESG or climate performance of portfolio companies is intended to be illustrative only should not be seen as an indication of current or future performance.

The SDGs are aspirational in nature. The analysis involved in determining whether and how certain investments may contribute to or support the SDGs is inherently subjective and dependent on a number of factors and the FSN Funds make no commitment or guarantee that they are investing in companies that have a formal commitment or plan or take specific actions to support or contribute to the SDGs. There can be no assurance that reasonable parties will agree on a decision as to whether certain investments contribute to or support a particular SDG.

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

Miljømerket 241-796 Trykksak