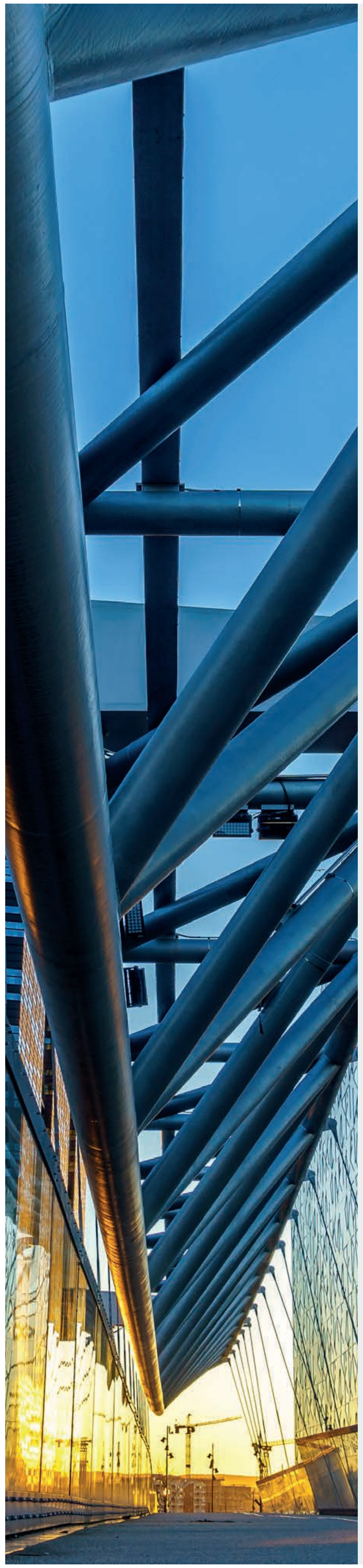
Norvestor

Sustainability Report 2020



About us

Norvestor is a private equity firm that has partnered with Nordic businesses for nearly three decades. We are passionate about supporting companies in their development and growth. The businesses we look for have ambitious and experienced management teams at the helm, and aim to become leaders in their markets.

We typically invest in companies providing services, often where digitalisation and available technology can be utilised to make sustainable efficiency gains and create real value for clients and society. Key to our approach is forging a partnership with the managers and co-owners of the businesses we invest in.

Norvestor funds invest in medium-sized Nordic companies, with revenues in the range of €25–250 million. While we consider opportunities in many different industries, we tend to focus on areas in which our team has experience and strong networks.

We aim to grow our portfolio companies substantially during the holding period, which normally spans three to six years. To drive this expansion, we often help companies to enter new geographies, acquire complementary businesses and create digital strategies.

The Norvestor team has over 200 years of combined experience in private equity. We come from diverse but complementary backgrounds, including senior roles in industry, investment banking and management consulting. Most importantly, we all share a passion for building Nordic businesses.

Contents

Highlights 2019

- Third year of producing company-specific sustainability reports: 18 in total.
- Increased the proportion of portfolio company boards with both genders represented from 13% to 74%.
- Mapped our portfolio companies to the Sustainable Development Goals (SDGs).
- Completed integration of the recommendations from the Task Force on Climate-related Financial Disclosures (TCFD) into our environmental, social and governance (ESG) reporting framework.
- Became a signatory to the UN Sustainable Ocean Principles.
- Improved our ratings from the Principles for Responsible Investment (PRI) to an 'A' in both modules assessed.
- Updated our Responsible Investment policy to align it with evolving best practice, including a clearer articulation of our commitment to the Paris Agreement.
- Introduced an innovative data platform to manage sustainability information from portfolio companies.

Key portfolio data (by end of 2019)

22 portfolio companies	**1,724** EUR million revenue	**6088** FTEs	**13.4** tonnes carbon emissions (thousands)	**74%** of companies have both genders on the board
8%* reduction in absolute CO_2 intensity since 2018	**84%*** renewable energy	**11%*** increase in use of renewable energy	**22%*** reduction in specific energy use since 2017	**2%*** average absenteeism rate[1]

2019 PRI ratings	**A** Strategy & Governance	**A** Private Equity	Signatory of: PRI Principles for Responsible Investment

*Includes Norvestor VI and VII (18 of 22 companies)

[1] Short-term absenteeism.

Introduction

We are proud to present our 2020 sustainability report, designed to give you an overview of our investment approach and showcase the important work done by our portfolio companies. Recent years have seen a real surge in demand for sustainable assets and solutions, reflecting a growing awareness of the need for a more holistic investment paradigm. The Covid-19 pandemic has brought corporate social responsibility to the fore, while underlining the importance of contingency planning, even for seemingly low-probability scenarios. At the same time, major global challenges such as climate change and the deteriorating health of our oceans loom ever larger. As investment managers, we have an important role to play, both directly and indirectly, in promoting wiser stewardship of resources, as well as greater mindfulness of all stakeholders.

ESG factors have been embedded in our investment process for many years, informing our due diligence and active ownership. Risk management is naturally an important component of this, helping us identify areas that could negatively affect value creation. However, we put an equal emphasis on the opportunity part of the equation. We fundamentally believe that there is a virtuous circle between good ESG practices, innovation and long-term performance. We also believe that companies can build a real competitive edge by directly addressing sustainability challenges through their products and services.

When we partner with a company, we will support it in its sustainability journey, through comprehensive governance policies, reporting frameworks and sustainability targets. Once we have identified the most material areas, we work with the company to create roadmaps, covering both the short and long term. It's a time-tested formula: a clearly defined set of goals, combined with measurement and regular disclosure, drives action. Importantly, although this is our first 'public' sustainability report, we have been producing in-depth annual ESG assessments of our portfolio companies, and ourselves, for several years.

We don't profess to know exactly what tomorrow's business landscape will look like, but we are confident that the winners will be companies that genuinely marry vision and strategy with positive impacts. Through this report, we hope to convey our commitment to sustainability. Not only is it the right thing to do, we also firmly believe that it leads to superior returns.

Over the past year, we have continued to make progress on many fronts, including reducing our – already low – portfolio-level carbon intensity, mapping our investments to the SDGs and increasing boardroom diversity. We have also completed our integration of the recommendations from the TCFD and become a signatory to the UN Sustainable Ocean Principles.

ESG and investment returns

There is plenty of academic and industry research showing the relationship between ESG factors and company performance. Granted, there may be lingering debate around the precise taxonomy, or the measurement of materiality, but few investors are now likely to cling to the notion of a trade-off between ESG and long-term financial returns. Put differently, the question has moved on from the why, to the how and what.

Risk is perhaps the most broadly understood aspect of ESG. History is littered with examples of companies that have destroyed value as a result of poor ESG practices. Weak governance has been a common denominator in many of these cases, underscoring the importance of having the right people, policies and culture in place. As for the financial impacts, these can manifest themselves in many ways, including lost business, increased cost of capital and fines.

It stands to reason that a company generating negative impacts on stakeholders – whether employees, customers, suppliers or local communities – is unlikely to build durable long-term value. Many of these impacts are not captured by traditional accounting methods, hence the increasing weight attached to non-financial information. To determine ESG risks, it is vital to look beyond a company's immediate operations and assess impacts across the whole value chain.

Culture critical to success

We believe culture is a key determinant of long-term performance and that this is a function of many factors, including the 'tone at the top', a compelling corporate vision and sound HR policies. We want our portfolio companies to be employers of choice, which means creating an open and inclusive work environment, where all employees feel valued and have opportunities to grow their careers. All of our companies are required to conduct employee-satisfaction surveys, providing management important input on how to improve. In addition, we track data on absenteeism and employee turnover, which are good proxies for cultural health. We also encourage the HR teams in our portfolio companies to share best practice, including at Norvestor conferences and through a collaborative online platform.

The return-enhancing side of strong ESG practices should be equally clear, particularly when combined with a focus on sustainable solutions. From our perspective, ESG is key to building customer loyalty and pricing power. It is also a way to reduce costs, for example through more efficient use of energy or the adoption of circular principles in the management of materials and waste. Then there is human capital, the bedrock of any business. Millennials have been dubbed 'the purpose generation' for a reason; companies with an authentic and stakeholder-sensitive vision stand a far better chance of attracting and retaining talent, as well as maintaining employee productivity.

As investors increasingly differentiate between companies on sustainability grounds, there are good reasons to expect a valuation premium related to strong ESG performance. Indeed, we don't think it is a coincidence that a growing share of a company's market value is made up of intangible assets. Brand and reputation are now tightly intertwined with a company's sustainability credentials. The implication for asset managers is clear – as a driver of value creation, ESG cannot be viewed in isolation from fiduciary duty.

Norvestor ESG framework

ESG considerations are integrated into all stages of our investment process, from the initial deal sourcing and due diligence, through to our period of ownership. We place a major weight on measurement and disclosure, and ensuring that the right yardsticks are used to gauge progress. Over the years, we have developed a framework that is aligned with important market standards.[2] Using a four-step approach, we determine key material themes and assess each company's performance against these every year. This analysis is then used as the basis for approving short-, medium- and long-term action plans.

[2] This framework has been developed together with ESG consultants MJ Hudson Spring. It is aligned with a number of principles and standards, including the Global Reporting Initiative (GRI), Principles for Responsible Investment (PRI), Sustainable Accounting Standards Board (SASB) and the OECD Guidelines for Multinational Enterprises.

Four-step approach

01

Investigate industry exposure: How is the company's industry aligned with a sustainable future? Are there areas in need of improvement?

02

Determine key material impacts and themes: What material risks and opportunities exist throughout the value chain? How do these affect the growth prospects for the company?

03

Assess company ESG performance: How is the company managing the relevant ESG issues identified? What is the direction and speed of travel?

04

Create action plan: Use material areas to formulate a roadmap, with actionable targets covering the short, medium and long term.

The materiality lens

Materiality refers to the degree to which a particular ESG factor can impact a company's operational and financial performance. This will, of course, vary from business to business. Key material themes in our portfolios include: energy & greenhouse-gas (GHG) emissions, employee health & safety and data security & privacy.
The reason we use materiality as an organising principle is that it helps us use time and resources more efficiently, by narrowing down the most impactful areas to track and manage. Research points to the outperformance of companies that score well on material issues.[3] Our materiality assessment is based on the industry framework developed by the Sustainable Accounting Standards Board (SASB), which covers the whole value chain. After the most important themes have been identified, we rate the management of these on a five-tier scale, ranging from compliant to future proof.

Pre-investment analysis

Every investment idea we look at will be subject to a high-level ESG audit to determine the most material themes and risks. We do not use 'negative screens' in the strict sense, but will avoid industries that have questionable ethical foundations or that are likely to struggle to shift to sustainable business models. As part of our pre-investment research, we rate the company's ESG maturity by assessing the degree to which it is managing the relevant issues operationally and strategically. We are not looking for perfection, to be sure, but try to ascertain that the founders and management are: (a) aware of the importance of sustainability; and (b) willing to accelerate change. In our experience, small- and medium-sized companies are often constrained not by a lack of ambition, but rather by a lack of resources and expertise. The findings from our initial assessment form a key component of the sustainability due-diligence report, which feeds into our discussion and eventual investment decision.

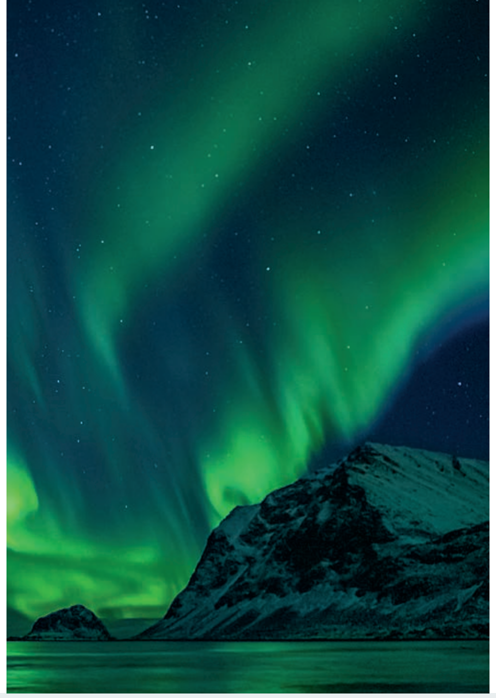
Case study: 4Service

4Service is a great example of a purpose-driven business that is continuously ratcheting up its sustainability ambition. The company is a provider of contract catering, cleaning and other facility-management services, with operations across Norway. Every day it serves some 100,000 meals and cleans around one million square metres. 4Service takes its environmental impacts very seriously, with a host of initiatives under way to shrink its footprint, including reducing food waste (it is a member of the 'KuttMatsvinn2020' campaign), cutting single-use plastic, shifting to locally and responsibly sourced seafood, and converting its fleet to electric vehicles. It is also actively promoting healthier diets, e.g. by lowering meat consumption and salt levels. What's more, 4Service is a genuine champion of social issues, including tackling youth unemployment and improving workplace diversity. The company is a founding member of the 'YTE' initiative, which aims to create 10,000 jobs by 2025.

Most relevant material themes in our portfolio

- **Employee health & safety**
- **Data security & privacy**
- **Integration of sustainability principles**
- **Recruitment, development & retention**

[3] E.g. Khan, Mozaffar and Serafeim, George and Yoon, Aaron, Corporate Sustainability: First Evidence on Materiality (November 9, 2016). The Accounting Review, Vol. 91, No. 6, pp. 1697–1724.



You can't manage what you don't measure

Quality disclosure is critical for us to be able to support our portfolio companies and carry out our fiduciary responsibilities. This means gathering and sharing decision-useful information at regular intervals. All of our portfolio companies undergo a rigorous annual ESG review to evaluate progress against targets set. The outcome of this process is an extensive and data-rich report, which helps stakeholders understand the sustainability profile and roadmap of each business. We also conduct the same thorough assessment of ourselves. Notably, this year we have introduced an innovative digital platform to make the data collection and analysis more efficient.

Integrating the Sustainable Development Goals

The United Nations SDGs represent a momentous call to action. A huge mobilisation of public- and private-sector resources is needed to meet the 17 goals, with the global investment community playing a very important role. Although we have not explicitly mapped the SDGs to our portfolio companies until this year, they have featured indirectly in the Norvestor ESG framework. Unsurprisingly, the Nordic region – where most of our portfolio companies operate – is strongly positioned with respect to many of the goals. In view of this, we are focusing on the areas in which our portfolio companies have the most impact by directly linking the SDGs to the material themes and targets for each company. We have listed the goals that are most relevant to each holding in the company section.

Overall, the most common goals in our portfolios are:

Decent work and economic growth
Promote sustained, inclusive and sustainable economic growth, full and productive employment, and decent work for all

Responsible consumption and production
Ensure sustainable consumption and production patterns

Climate action
Take urgent action to combat climate change and its impacts

Peace, justice and strong institutions
Promote peaceful and inclusive societies for sustainable development, provide access to justice for all, and build effective, accountable and inclusive institutions at all levels

Promoting the UN Sustainable Ocean Principles

The ocean is vital to the wellbeing and prosperity of humankind. There is a clear need to expand the use of the ocean for food production, energy, raw materials and transportation. However, carrying out these activities in a sustainable manner is critical to maintaining biodiversity and reducing global warming. We believe responsible management of the ocean provides significant opportunities for business, and ultimately supports global economic growth. For this reason, we became a signatory to these principles in 2019. Since then, we have encouraged the portfolio companies that target the Energy & Marine sector (nine companies in total) to become signatories, with a view to them all joining this important initiative in the first half of 2020.

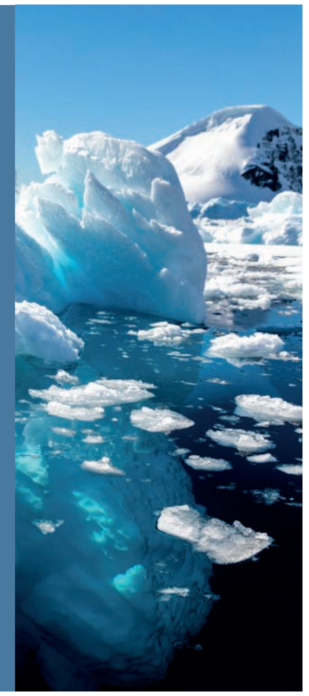
Environment

We are acutely aware of the huge, interconnected threats posed by issues such as climate change, water pollution and deforestation, and are committed to continuously reducing our environmental impact. All of our portfolio companies provide detailed information on their environmental footprint annually, covering areas such as waste management, energy use and carbon emissions. Whether it is cutting air travel and plastic use, or promoting renewable energy and resource efficiency, we are determined to push the envelope of environmental performance.

The climate challenge

As a challenge of existential proportions, climate change necessarily features in a wide range of business decisions, including risk management, product development and strategy. Our decarbonisation efforts are ultimately guided by the Paris Agreement, which states that we need to limit the global temperature rise to well below 2°C above pre-industrial levels and aim to keep it under 1.5°C.[4]

To understand climate resilience, we have to determine the exact vulnerabilities and opportunities of each business. This is why we monitor our portfolio companies' exposure to climate risks (see below) and continuously seek to drive down emissions across our portfolios.[5] It is also the reason we have invested in businesses that are helping to speed up the transition to a low-carbon world.

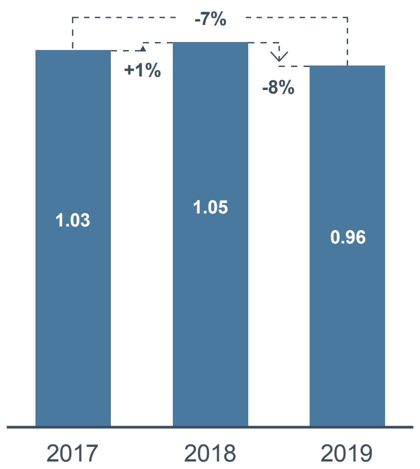


TCFD and the assessment of climate risks

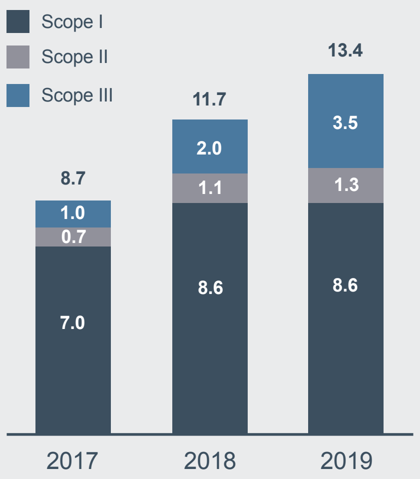
The TCFD has produced a set of helpful recommendations on how to report on climate-related risks and is built around three categories: transition, physical and liability risks. Transition risks span issues such as climate policy, carbon pricing, technological advances, and changing investor and consumer sentiment. This risk features heavily in our climate-resilience work: we assess every company's carbon exposure by using a shadow carbon price to calculate the cost implications if this rises to a level deemed high enough to significantly accelerate the energy transition.[6] Physical risks refer to the damage and disruption that extreme weather and rising sea levels can cause to a company's operations, assets and supply chains. Nordic countries tend to rank among the least vulnerable to physical climate impacts[7], but this is a risk that cannot be overlooked as the world continues to warm. Liability risks concern the possibility of a wave of climate-related litigation. This is less relevant for the types of businesses we invest in.

[4] The UN Environment Programme (UNEP) estimates that the world needs to cut greenhouse gas emissions by 7.6% annually between 2020 and 2030 to meet the 1.5°C target.
[5] We follow the reporting convention of the Greenhouse Gas Protocol. Our companies disclose their Scope 1, 2 and 3 emissions annually.
[6] Our current analysis is based on a carbon price of US$50 per Mt CO_2.
[7] E.g. see HSBC Global Research's 'Fragile Planet: scoring climate risks around the world' reports (www.gbm.hsbc.com).

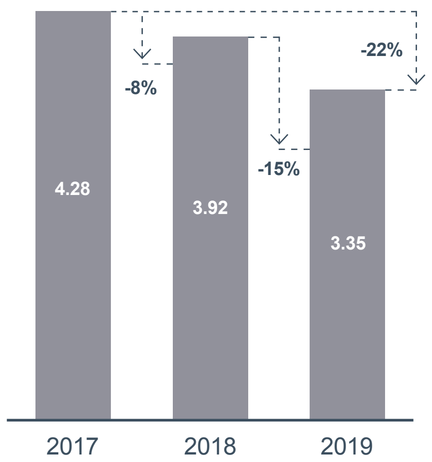
CO_2 intensity[8]



Total carbon footprint[9]



Specific energy use[10]



Source: MJ Hudson Spring assessment

[8] (tCO2/ NOK m). The portfolio CO2 footprint includes scope I, II & III (travel-related) emissions. The like-for-like analysis, excludes revenue & emission data from companies and business units that did not disclose emission data: Sperre (2017), NoA (2017-2018), Presserv (2017), Wellit (2017-2018).

[9] Absolute carbon footprint (ktCO2e) includes scope I, II & III emissions as described by the GHG protocol and is based on available data. Business travel by air and vehicles not owned by the company is officially included in scope III. It is included in the absolute carbon footprint analysis as the related CO2 footprint can be significant.

[10] (MWh/NOK m). The like-for-like analysis includes normalised energy data for companies, entities and business units that did not disclose energy data for 2017 & 2018.

It is important to stress that the service-oriented nature of many of our investments, combined with the large proportion of renewable energy in the Nordic power-generation mix, translates into a relatively low carbon footprint for our portfolios. We know this by comparing our portfolio carbon exposure against other asset managers, as well as by benchmarking each company against industry peers. Our estimated financial carbon exposure[11] is 0.3%. In other words, if we have to pay for our carbon emissions today, this would only impact 0.3% of total portfolio EBITDA, which is considered low. In addition to this, our portfolio-level carbon intensity fell by 8% last year.

Some of our portfolio companies provide services and products to the offshore energy sector. However, whether it is plugging oil wells safely (and thus protecting ecosystems from spills) or optimising logistics (and therefore significantly reducing GHG emissions by minimising vessel traffic to offshore oil rigs and wind farms), these companies are providing solutions that are helping energy companies improve their environmental performance.

[11] **Carbon Exposure:** (CO2 footprint (tCO2e) x CO2 price (NOK/tCO2eq) / EBITDA (NOK) x 100%).

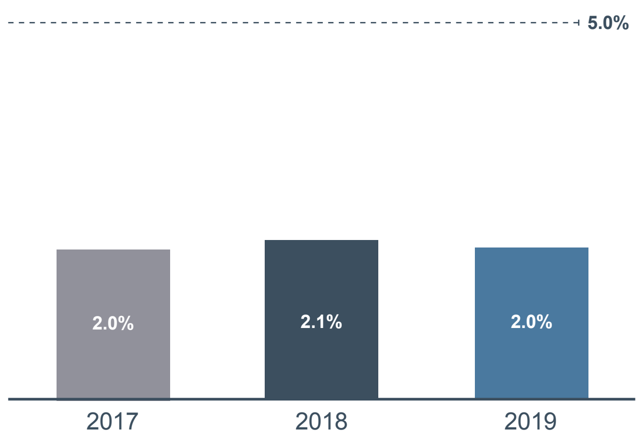
Social

Maintaining a social license to operate isn't merely about following rules and regulations, it's about being mindful of the many stakeholder impacts that a company has, both internally and externally. The latter includes a range of aspects, such as labour conditions in the supply chain and improving opportunities for marginalised groups in society. Internationally, the private equity industry has often been associated with aggressive cost cutting. In our view, a narrow 'bean-counter' approach to investing is a fool's errand; we're focused on building world-class businesses, not tinkering with short-term margins.

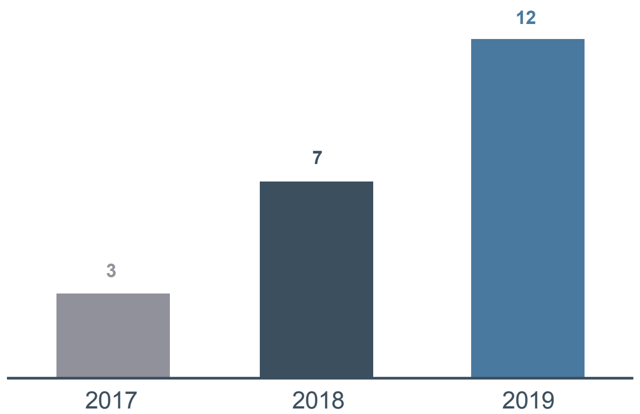
Enduring success cannot come without due attention to the health and wellbeing of employees. Increases in staff turnover, or absenteeism, are red flags, and we therefore encourage our companies to work proactively to understand and address any concerns employees may have. Health & safety and recruitment & retention are common material themes for our portfolio companies, all of which have very robust QHSE-management systems in place. In 2019, the average absenteeism rate[8] across our portfolios was 2%, which is significantly below the national average.

Diversity is an important driver of value, as highlighted by many studies. Not only is it an antidote to groupthink, but we also believe that it spurs greater innovation and productivity. Among other things, we have been ramping up efforts to improve the gender balance in company boards, as evidenced by the near six-fold increase in the proportion of companies with at least one female director last year.

Absenteeism rate[12]



Total accident rate[13]



Source: MJ Hudson Spring assessment

[12] Short-term absenteeism. Norwegian national average in 2019, https://www.ssb.no/en/arbeid-og-lonn/statistikker/sykefratot (absenteeism rate includes self-certified & certified by doctor)

[13] Accident rate=(# of accidents / 1,000 FTE). The portfolio like-for-like analysis, excludes newly acquired companies and companies that did not disclose relevant social data in 2017-18. Increase from previous years due to change in methodology.

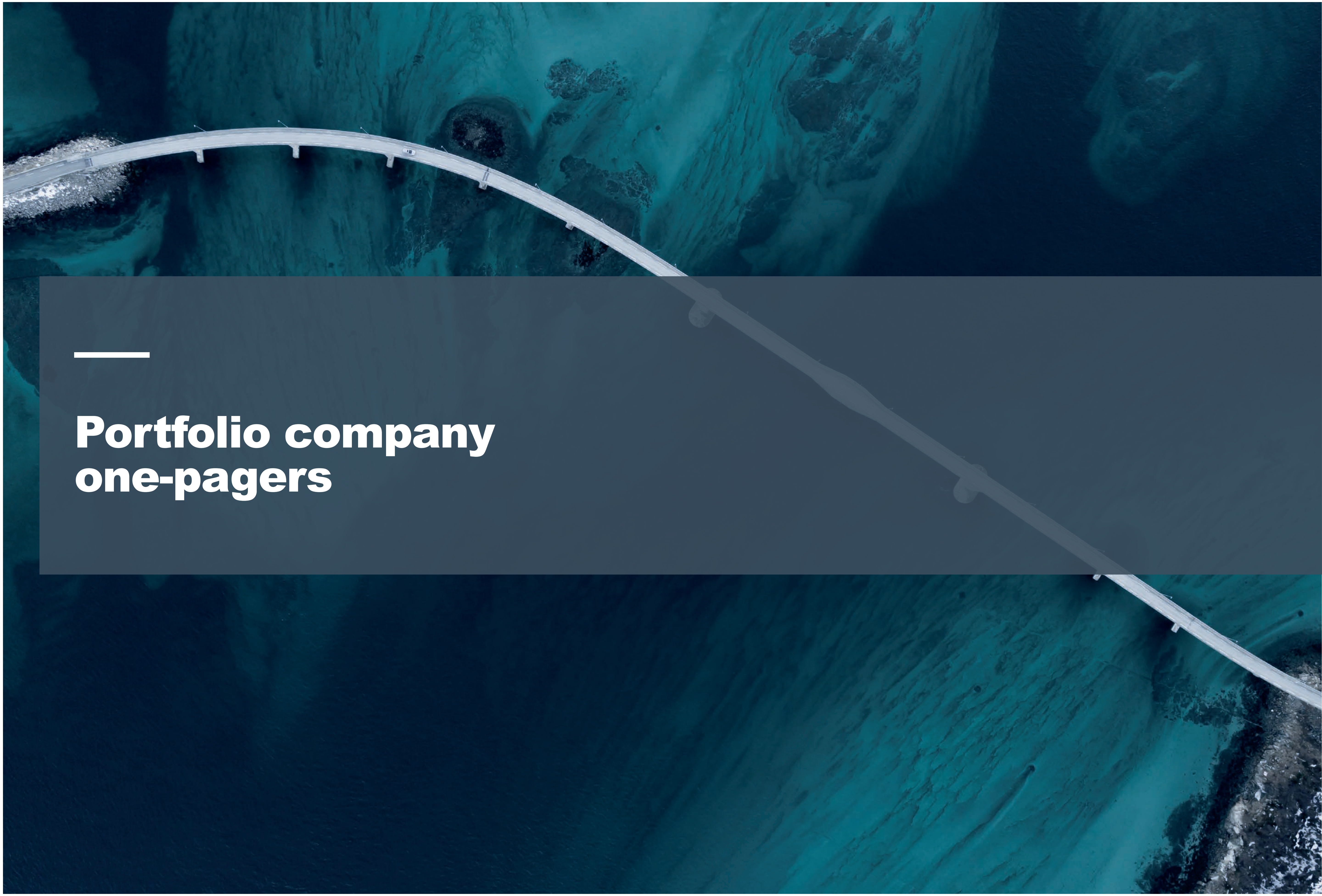
Governance

It is difficult to overstate the importance of good governance. In our view, it is unlikely that a business will perform strongly on the ‘E’ and ‘S’ in the absence of wise leadership and strong protocols. Over the years, we have developed a comprehensive set of governance policies that all our portfolio companies must adhere to. These represent our minimum expectations and help guide action in critical areas such as anti-corruption and whistleblowing. We insist that every company assigns responsibility for ESG to a senior member of staff and make sure that relevant issues are part of the agenda at board meetings.

Key governance policies:

- Code of Conduct
- Anti-corruption
- Supplier Code of Conduct
- Antitrust
- Whistleblowing
- ESG
- Sanctions

As we have already mentioned, our portfolio companies operate mainly in the Nordic region; however, where there is exposure to countries with a high incidence of corruption, or that are under sanctions, extra resources are spent assessing the associated risks. The annual sustainability reports that are produced for each portfolio company include sections on material governance themes and third-party certification (such as ISO and various environmental-management certificates).



Portfolio company one-pagers

4Service

Acquisition date: January 2016
Country HQ: Norway
Industry: Business Services

Headquartered in Oslo, 4Service is a Norwegian provider of contract catering, cleaning, front-desk support and other facility-management services. Its main markets are commercial real estate, onshore infrastructure camps, and offshore platforms. On a typical day, 4Service staff prepare and serve more than 100,000 meals.

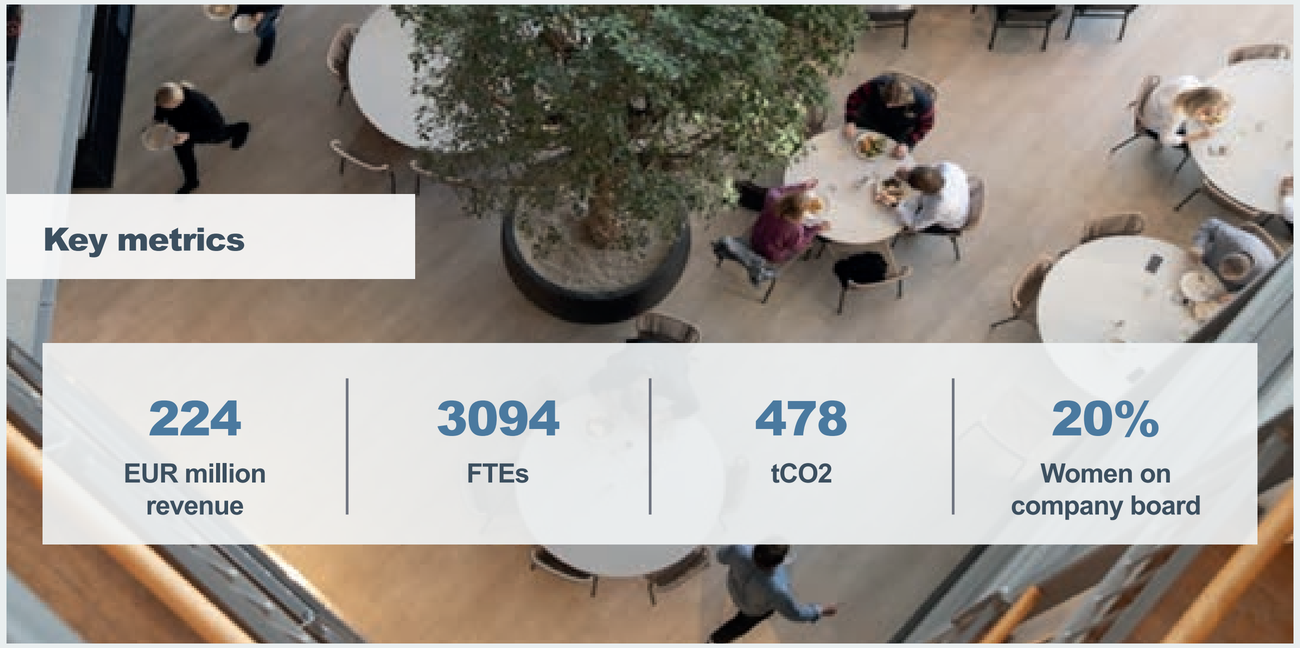
4Service is committed to sustainability in all facets of its operations. Due to the nature of its business – for example, the sheer volume of meals prepared – the company's potential to do good is vast. 4Service is intent on making a positive impact at every touchpoint with society and the environment. The company's long-term targets include using 100% recyclable packaging; vehicle fleet and logistics with no carbon emissions; and 90% locally sourced food.

The company's shorter-term goals are no less ambitious. As a participant in the 'KuttMatsvinn' campaign, it is actively combating the problem of food waste, with a 20% decrease targeted for this year, in line with UN Sustainable Development Goal #2.

Conscious that the food served has a direct impact on people's health and wellbeing, 4Service also targets a 14% reduction in meat in all the company's canteens. Excessive meat consumption has adverse effects both on human health and the broader environment. The company has hired a well-respected specialist in sustainability to ensure this effort includes strong follow-up with their supplier.

4Service's business working group is working to end the use of disposable plastic overshoes in camps and offshore. These blow away easily and are destructive for the natural environment, including the ocean. 4Service was buying five million overshoes per year but will be reducing this by 90% by 2021. The company communicated these changes to its customers and explored alternatives, running an information campaign advising that the overshoes were being phased out due to their negative environmental impact. It has also removed plastic cups, with multi-use cups offered as an alternative. Elsewhere, in its cleaning division, the company is working hard to gain a sustainability certification and is reducing the use of chemicals. It has a long-term goal of only using eco-friendly cleaning products. To give a sense of scale, 4Service cleans around one million square metres per day.

As well as minimising its environmental footprint, 4Service has also cast its eye to societal issues, such as youth unemployment and diversity. The company has created a new role, a social entrepreneur, that is focused on helping the local community in Oslo. Her role will be to target young people, particularly those from disadvantaged backgrounds, and to guide them to a career with 4Service. This is a cause close to the company's heart – it is a founding member of YTE, an initiative that aims to reduce the number of young people who are unemployed. This initiative encourages entrepreneurs in Oslo and other large Norwegian cities to hire young unemployed people. The businesses involved aim to create 10,000 new jobs by 2025. 4Service itself plans to obtain 30% of its new employees from this inclusion work. In 2019, the company employed 1000 people from this workstream. Notably, 4Service has also created a focus group to tackle mental health issues in the workplace. This group looks at the factors that stop people returning to work, and the ongoing support employees need.



Key metrics

224	3094	478	20%
EUR million revenue	FTEs	tCO2	Women on company board

Highlights

- 13% reduction in food waste since 2018, targeting 20% in 2020, and 50% by 2030
- No food claims in 2019
- Route optimisation to cut costs and carbon emissions by minimising km driven and fuel consumption
- Investigating transition to electric-vehicle fleet
- Reducing usage of plastic overshoes to 500,000 by 2021

Key Material Themes & Sustainable Development Goals

- Waste management
- Fleet and fuel management
- Employee health & safety
- Food quality & safety
- Integration of sustainability principles
- Supply chain management

8 DECENT WORK AND ECONOMIC GROWTH
12 RESPONSIBLE CONSUMPTION AND PRODUCTION
13 CLIMATE ACTION
16 PEACE, JUSTICE AND STRONG INSTITUTIONS

HydraWell

Acquisition date: April 2016
Country HQ: Norway
Industry: Energy & Marine

HydraWell is a leading provider of well-integrity systems, providing safe, effective and sustainable zonal isolation for the plug and abandonment (P&A) of hydrocarbon wells across the world. For a long time, the company has been a leading proponent of sustainable technology solutions in the oil and gas industry.

All oil wells eventually have to be abandoned. The manner in which this takes place is absolutely critical to ensure that the environment is permanently protected from leaks of fluid or gas. In the case of Norwegian environmental regulation, this literally means providing 'eternal' protection. Historically, the costs of P&A combined with varying regulatory regimes across the world have caused many oilfield operators to opt for temporary – and thus unsustainable – fixes. HydraWell addresses this lingering problem through a unique set of well-integrity solutions that enable its clients to safely and quickly seal their wells.

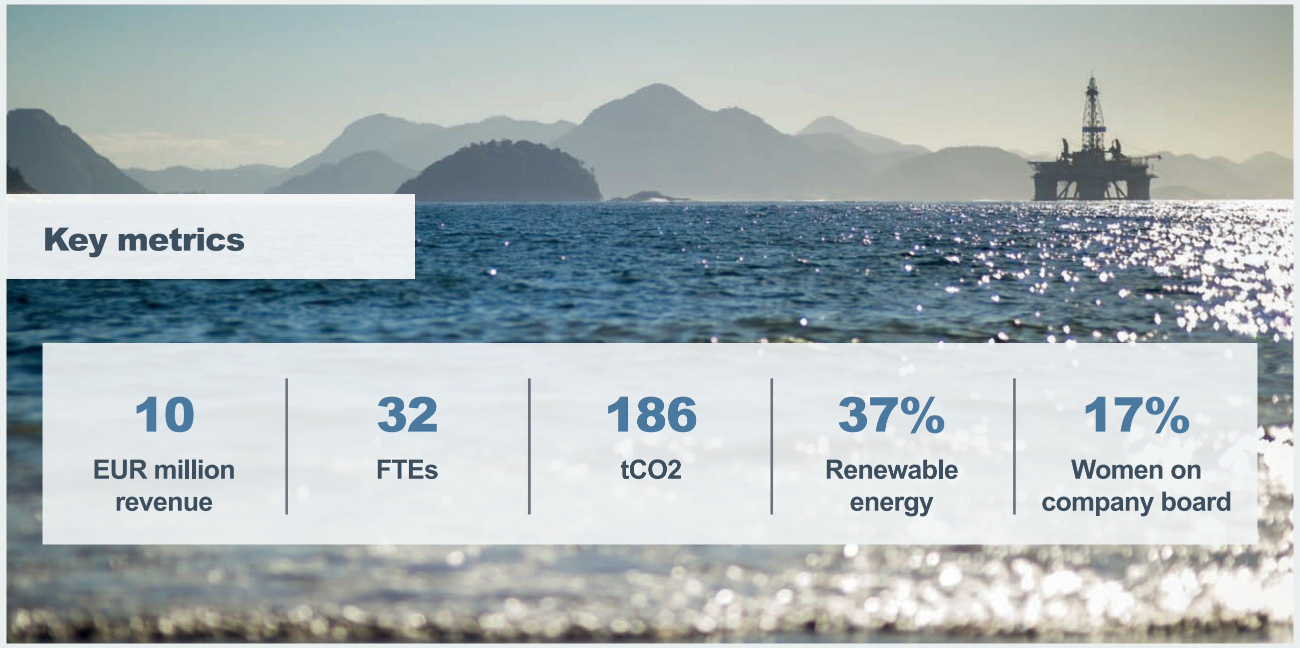
On top of the financial costs, there is a significant environmental footprint associated with traditional P&A methods, due to the large number of people and pieces of equipment involved in the plugging process. Time is a critical variable: traditional approaches typically take two to three weeks, whereas the company's efficient Perforation, Wash and Cement (PWC) technology can plug a well in less than 48 hours. This translates into significantly lower energy consumption, and therefore a major reduction in associated CO2 emissions. For example, when used on a floating offshore drilling unit, HydraWell's approach can reduce associated CO2 emissions by two-thirds – from 750 metric tons to 250 metric tons, per plug. This is equivalent to taking more than 100 cars off the road for a year.

The company's solutions come with lower health and safety (H&S) risks than conventional techniques (e.g. section milling), which often entail the handling of large amounts of metal debris. Internally, the track record is very strong, as reflected in zero accidents over the past four years. HydraWell provides its products and services across the world, including in countries that fall into a higher risk category when it comes to corruption. The company has strict protocols in place to manage this and conducts an annual review and compliance checks of all its agents.

HydraWell has a very responsible approach to the management of materials, with the bulk of its waste stream either recycled or composted. A total of 18 kg of waste is disposed of per plug, including 16kg of rubber and 2kg of steel. The steel is reused, and the rubber is sent to local farmers who find creative uses for the material. The company is currently developing the next generation of PWC tools; these will not only be more efficient, but also reduce chemical waste and disposal of cement, mud and spacer.

HydraWell is working actively to reduce greenhouse gas emissions generated through air travel (the main source of CO2 pollution). Last year the company's flight-related emissions fell by 46%, while its total carbon footprint was down by 42%. It is continuously assessing the need for on-site presence, with onshore operations supported by the use of videoconferencing software where possible. Importantly, the company has been improving the audit of suppliers to ensure that they are aligned with ESG best practice.

[2] A typical passenger vehicle emits 4.6 metric tons of carbon dioxide per year (US Environmental Protection Agency).



Key metrics

10	32	186	37%	17%
EUR million revenue	FTEs	tCO2	Renewable energy	Women on company board

Highlights

- No accidents
- 98% plug success rate
- 0.8% absenteeism rate
- Plans to become a signatory to the UN Sustainable Ocean Principles in 2020

Key Material Themes & Sustainable Development Goals

Ecological protection	Employee (on-site) health & safety	Integration of sustainability principles

8 DECENT WORK AND ECONOMIC GROWTH | 12 RESPONSIBLE CONSUMPTION AND PRODUCTION | 14 LIFE BELOW WATER | 16 PEACE, JUSTICE AND STRONG INSTITUTIONS

VENI Energy Group

Acquisition date: August 2016
Country HQ: Norway
Industry: Business Services

The VENI Energy Group (previously Eneas) is one of Nordic region's leading energy brokers and energy-service providers. The company actively helps small- and medium-sized businesses transition to renewable power sources, as well as improve their energy efficiency. It has over 40,000 clients across industry, business and agriculture.

Decarbonisation of the power sector is critical if the world is to avoid catastrophic climate change. VENI Energy is playing a direct role in tackling this monumental challenge, by making it very easy for businesses to shift to sustainable energy sources.

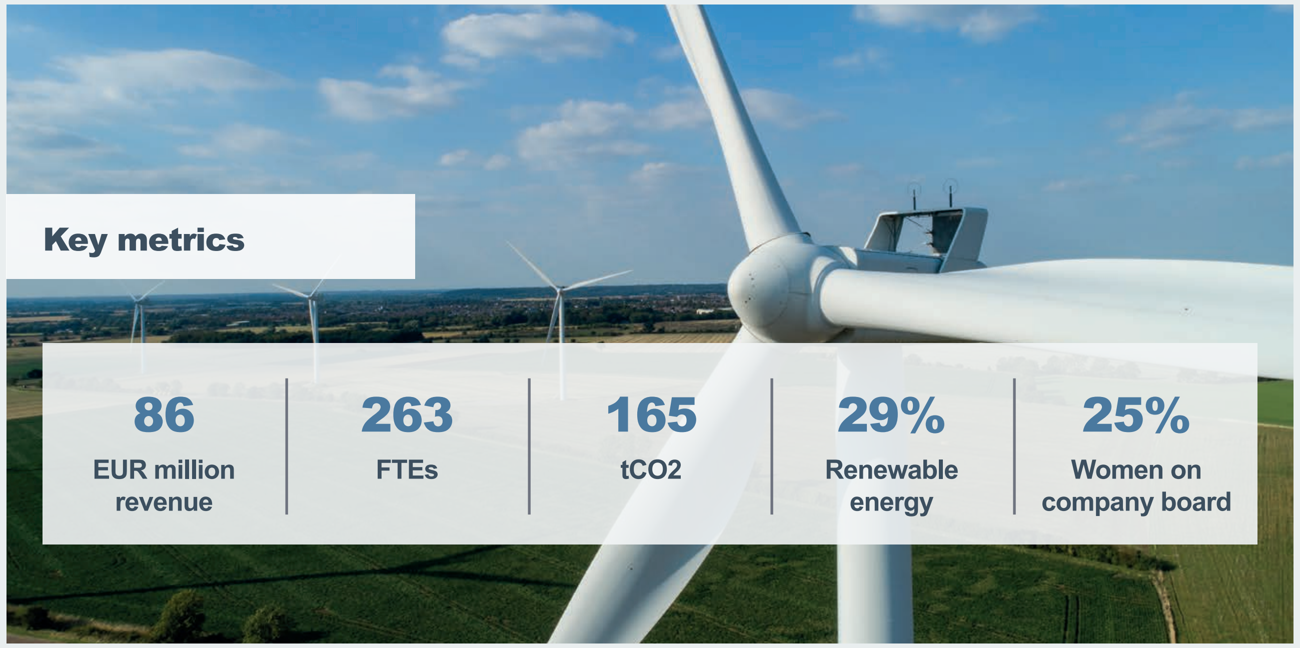
The Nordics are in the vanguard of the renewable-energy revolution, with a major share of hydro, wind and solar in the power-generation mix. Over 18,000 of VENI Energy's business clients have already opted for certified green power, and 100% of their customers in Sweden and Norway procure renewable energy. These clients receive guarantees of origin, so they can document if the energy source comes from hydropower or other renewables.

For VENI Energy, it is not just about purchasing green power, it is also about using energy as wisely as possible. The company's smart-metering business is helping clients to monitor, manage and reduce their power consumption. It can also motivate clients to switch supplier in order to achieve a better and greener deal. Additionally, it offers auditing services to allow customers to enhance their energy efficiency.

Operationally, VENI Energy has made considerable efforts to reduce its own environmental impact, including initiatives to reduce energy consumption. For example, it is moving from using its own servers to more energy-efficient cloud-based solutions. Like many other service-oriented businesses, air travel constitutes a large share of total greenhouse gas emissions. VENI Energy is now very conscientious about business travel and using modern technology, including videoconferencing, to mitigate this source of carbon pollution.

The company has been Eco-Lighthouse (Miljøfyrtårn) certified since 2007. Additionally, it is a member of Green Point Norway (Grønt Punkt Norge), a non-profit company responsible for financing the recovery and recycling of used packaging. It also directly supports the work of organisations dedicated to fighting the climate crisis, including the Bellona Foundation and Zero.

Staff wellbeing is a high priority for VENI Energy, including managing employee turnover and absenteeism at its call centres (turnover levels in telemarketing are generally high, so this is not unique to the company). It now conducts annual employee-satisfaction surveys and has a range of HR policies aimed at improving the work-life balance of employees. Data security and customer privacy are other material areas for the company, with robust protocols and systems in place to manage cyber security.



Key metrics

86	263	165	29%	25%
EUR million revenue	FTEs	tCO2	Renewable energy	Women on company board

Highlights

- 100% of clients in Sweden and Norway procure renewable energy, 30% in Finland
- Continued efforts to increase clients use of renewable energy
- Targeting 100% renewable energy for all clients by 2030 (90% by 2025)

Key Material Themes & Sustainable Development Goals

- Use of scarce resources
- Energy & GHG emissions
- Employee health & safety
- Data security & privacy
- Integration of sustainability principles

Presserv[1]

Acquisition date: November 2016
Country HQ: Norway
Industry: Energy & Marine

Presserv is a leading specialist in preservation and corrosion protection. The company's unique and environmentally friendly solutions help to protect physical assets in a number of industries, including oil and gas, storage tanks and shipping. Presserv's headquarters are located in Stavanger, with additional offices in the UK, Singapore, Brazil and the US.

Ensuring the safety and longevity of physical assets is critical from a sustainability perspective. Replacement isn't just undesirable financially, but also comes at a significant environmental cost, due to the materials and energy needed in production.[2] Many traditional methods of preservation are harmful to the environment, largely due to the use of hazardous chemicals. Presserv offers a range of green preservation and corrosion-protection solutions, helping customers extend the life of their assets, while minimising the environmental impact.

Sand blasting is an important case in point. This commonly used technique of surface preparation is very polluting, with dust and debris – such as paint and other adhesives – easily escaping into the environment. It also comes with clear health risks for the operator. Presserv offers alternative methods to conventional blasting, including a sponge-based technology, which captures contaminants, and mechanical grit-blasting tools with a vacuum function. Both of these methods significantly reduce fugitive emissions. Importantly, although Presserv has historically been heavily focused on the oil and gas industry, it now offers bespoke solutions for greener industries, such as offshore wind-power plants.

The company has a very strict sourcing policy for materials, focusing on non-hazardous, bio-based chemicals. Most of the plastics the company sells are biodegradable. Presserv is working closely with its suppliers to ensure that they continuously reduce the environmental footprint of their products. For instance, it has been putting pressure on the sponge provider to develop a biodegradable alternative; currently this is based on a synthetic material, which contains a very small percentage of polyurethane (microplastics).

The company is also working hard to improve the environmental performance of its own operations, including reducing waste and energy consumption at its international offices. All of the electricity used at its Norway HQ comes from hydropower. Presserv tracks carbon emissions from air travel and has a long-term goal of only using this mode of transport in exceptional circumstances. Fifty percent of board meetings are now conducted virtually, and video equipment is used on every installation to avoid unnecessary travel.

Health and safety is a major priority for Presserv, including ensuring that customers use its products correctly. Internally, there have been no accidents over the past three years. Employee engagement is another important area, with the company now tracking absenteeism across its international locations. In terms of governance, Presserv has conducted extensive anti-corruption training for its employees, with clear due-diligence policies in place, as well as thorough vetting of any agent used. This is very important as some of its customers are based in markets that are still deemed high risk.

Key metrics

33	109	109	99.5%	20%
EUR million revenue	FTEs	tCO2	Renewable energy	Women on company board

Highlights

- No accidents
- Hazardous materials only 25.6% of total
- Offsetting CO_2 emissions to achieve carbon neutrality in 2020
- Plans to become signatory to the UN Sustainable Ocean Principles in 2020

Key Material Themes & Sustainable Development Goals

- (Hazardous) material management
- Fleet and fuel management
- Employee health & safety
- Supply chain management
- Integration of sustainability principles

[1] Presserv will from next year be named Preservation Holding and contain Monti, as well as Presserv.
[2] Iron and steel production is very carbon intensive, and a major contributor to global greenhouse gas emissions. Prolonging the useful life of existing steel structures, whether ships, infrastructure or buildings, is thus critical from a climate-change perspective.

First Camp

Acquisition date: December 2016
Country HQ: Sweden
Industry: Consumer Markets

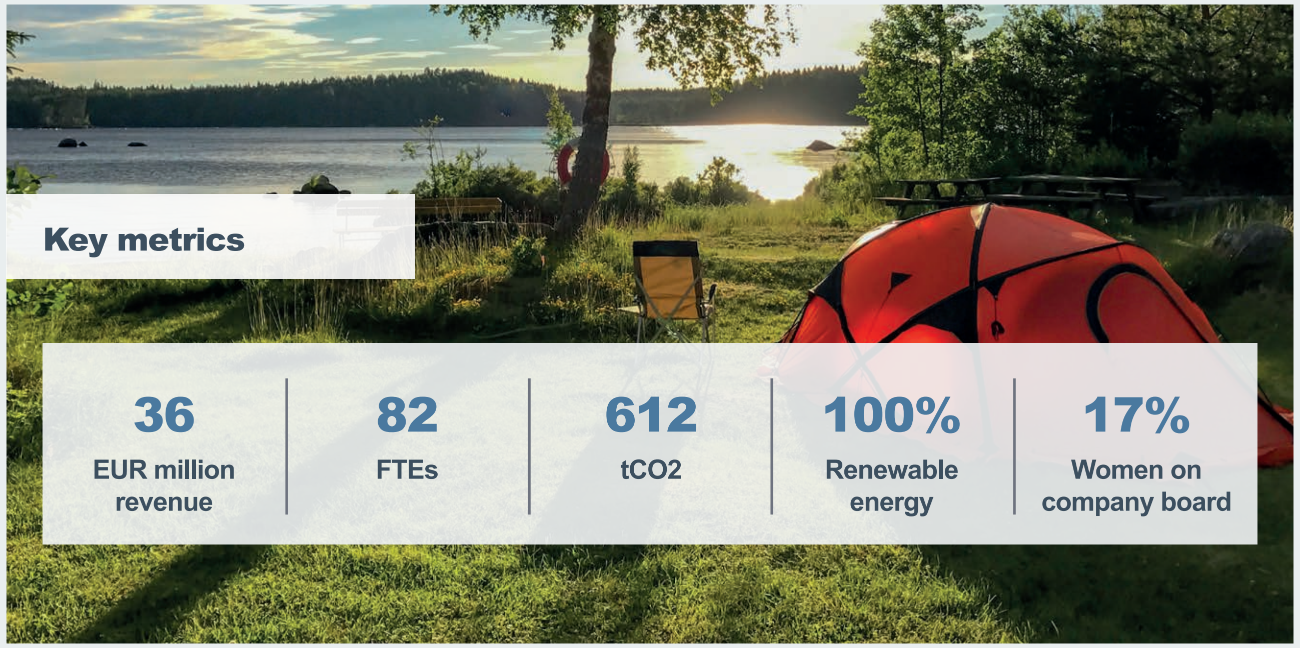
First Camp is Scandinavia's leading campsite operator. The company offers pitches, mobile homes, tents and lodges, across 40 sites in Sweden and Demark. It also has a range of family-oriented activities such as mini-golf, swimming pools, kids' clubs, saunas, boat and bike rental, as well as restaurants and small convenience stores. The company began life as Nordic Camping & Resorts but has been operating under the new brand since the acquisition of First Camp in 2019.

The founders of First Camp – back then, Nordic Camping & Resorts – saw the great enjoyment people derived from spending time outdoors. The nature of their business aligns well with environmental and social principles – holidaying close to home represents a lower carbon footprint, when compared with longer-haul flights, and the mental and physical health benefits of camping in nature are widely known.

First Camp is deeply committed to making every one of its campsites as sustainable as possible, so that every visitor can enjoy an environmentally friendly holiday. 'Green Key' certificates are already in place for over half of the company's sites, with targets to achieve this important certification for every site.

Converting sites to renewable electricity, introducing solar panels on the lodges where possible, setting up recycling schemes and water-usage efficiencies are ways that every campsite will become more environmentally friendly. At present, 37 out of 40 campsites use renewable energy. The policy of having visitors pay for their electricity and water consumption also means that they will be much more aware of usage. Medium-term goals include all sites procuring energy from sustainable sources. In the long term, the company has an ambitious target of reaching a net-zero carbon footprint.

First Camp recognises that it is important to have a good relationship with the local community around every campsite, so impacts from the sites, such as littering and noise pollution, are closely monitored. Another key goal for the company is to improve the satisfaction of employees and make sure that health and safety, both for staff and guests at the campsites, is as good as it can possibly be.



Key metrics

36	82	612	100%	17%
EUR million revenue	FTEs	tCO2	Renewable energy	Women on company board

Highlights

- 100% of waste is processable and recycled
- 700+ seasonal staff
- 93% 'Green Key' certified camps and targeting 100%
- Targets set to reduce water discharge at all sites
- No guest injuries in 2019

Key Material Themes & Sustainable Development Goals

- Ecological protection
- Water use
- Energy & GHG emissions
- Employee health & safety
- Integration of sustainability principles
- Consumer health & safety

6 CLEAN WATER AND SANITATION | 8 DECENT WORK AND ECONOMIC GROWTH | 13 CLIMATE ACTION | 15 LIFE ON LAND | 16 PEACE, JUSTICE AND STRONG INSTITUTIONS

READ Cased Hole

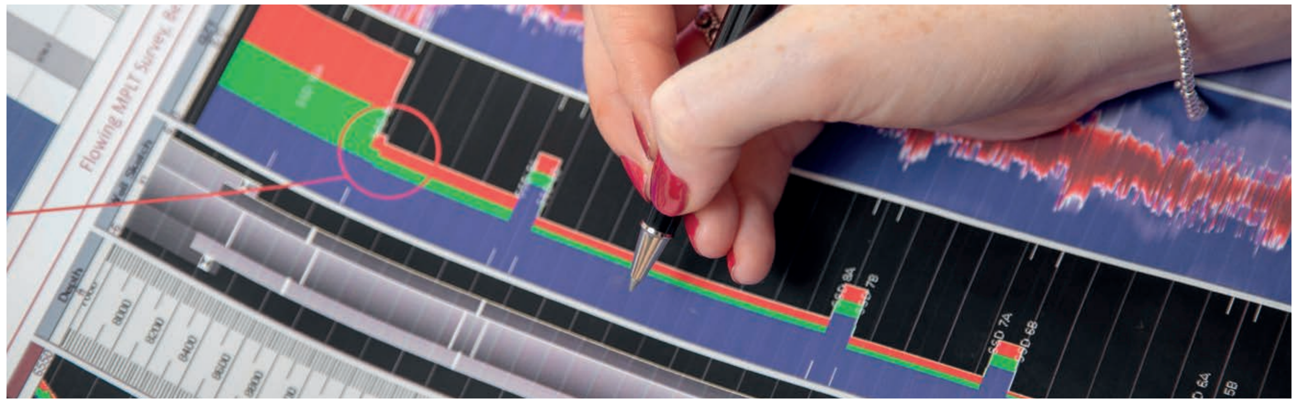
Acquisition date: December 2016
Country HQ: United Kingdom
Industry: Energy & Marine

READ Cased Hole ('READ') provides production logging and well-integrity services to the oil and gas industry. The company offers a suite of high-tech solutions that help oilfield operators manage risk, extend operating life and optimise management of their downhole assets. Since its founding in 1990, READ has built an impressive customer base across the world.

Maintaining the integrity of an oil well is paramount from an environmental and safety perspective. Leaks can go undetected until they reach a critical volume, at which point it may be too late to prevent significant damage. READ has developed a comprehensive suite of tools and data analytics, which give its clients a very granular picture of their wells, helping to identify and quantify damage and deformation, holes, leaks, corrosion and scale build-up. Armed with this knowledge, operators can take preventative measures and minimise remedial costs. Extending the operating life of an existing asset also reduces the need to drill for new wells, thus avoiding the attendant environmental impacts.

READ is working proactively to shrink the environmental footprint of its own operations. The company reduced its carbon intensity by 25% last year. Reducing air travel is a priority, as this accounts for a large share of the company's greenhouse gas emissions.[3] The board now uses videoconferencing for 50% of meetings. To reduce flights to its Middle-Eastern clients, READ is rotating employees in its Qatar office, as well as training local analysts and engineers. In the long term, it is looking to offset the emissions of all essential flights with Gold Standard-certified projects. In terms of its energy consumption, READ is in the process of switching the power contract for its Aberdeen HQ to 100% renewable energy.

Health and safety issues are front and centre for the company. In 2019, READ received an ISO 45001 certification, after successfully migrating from the previous standard (OHSAS 18001). The company has maintained a zero accident rate for three years, and last year recorded absenteeism below its 1% target. As a knowledge business with a highly skilled workforce, READ places a significant emphasis on the attraction and retention of talent, with structured in-house development programmes and annual employee-satisfaction surveys. It also has a very active corporate-social-responsibility (CSR) agenda, including fund-raising for a number of charities in the UK and at its international locations.



[3] In 2019 air travel accounted for approximately 70% of READ's total CO_2 emissions (Scope 1,2 and 3).

Key metrics

11	54	423	0%	25%
EUR million revenue	FTEs	tCO2	Renewable energy	Women on company board

Highlights

- Successful transition to ISO 9001
- Carbon intensity has decreased by 35.7% since 2017
- Considering carbon neutrality by offsetting their already low CO2 emissions
- Plans to become signatory to the UN Sustainable Ocean Principles in 2020
- Provides ongoing support for local social initiatives such as 'Guide Dogs for the Blind'

Key Material Themes & Sustainable Development Goals

- Business travel by air
- Employee health & safety
- Quality management
- Data security & privacy
- Integration of sustainability principles

8 DECENT WORK AND ECONOMIC GROWTH | 13 CLIMATE ACTION | 16 PEACE, JUSTICE AND STRONG INSTITUTIONS

NetNordic

Acquisition date: August 2017
Country HQ: Norway
Industry: Business Services

NetNordic is an independent systems integrator providing solutions and services for clients' networks, data centres, IT security, and corporate communications. Its clients include large- and medium-sized enterprises, government agencies, municipalities and service providers in Norway, Sweden, Denmark and Finland.

Whether it is reducing business travel through the use of the videoconferencing technology, increasing collaboration via bespoke platforms, or protecting data, NetNordic can help clients optimise their IT systems, while bringing tangible improvements in ESG performance. Internally, the company has made good strides since our acquisition in 2017. Keen to streamline and benchmark progress, the company has been working towards achieving the Eco-Lighthouse (Miljöfyrtårn) certification. This is Norway's most widely used scheme for businesses that want to document their environmental efforts and demonstrate social responsibility. Companies are independently assessed and must undergo a re-certification process every three years.

In the long term, systems integrators can contribute to a sustainable future by ensuring the right measures are in place to ensure data protection and quality at all times. NetNordic places security and data privacy at the heart of its business, helping a range of clients, including major Nordic hospitals, communicate, integrate and share information securely. The company is preparing to acquire the ISO 27001 certificate this year. This certification is the international gold standard for information security processes.

On the social front, NetNordic is very focused on the wellbeing of its people and invests significantly in training. The company conducted its first group-wide employee satisfaction survey in 2018 and received a score of 74%. This number increased to 85% in 2019. These are telling numbers, as companies showing a responsible attitude to their own staff and contractors are more likely to extend the same principles externally. Absenteeism is comparatively low at 1.9% last year.

NetNordic has raised awareness of energy use throughout the business and made a commitment to continuous efficiency improvements. It reports annually on total energy consumption and the emissions of its fleet. Videoconferencing facilities, both within the company and as a service they offer to clients, are designed to allow people to communicate easily and directly and at the same time reduce the need for travel. This saves on both cost and greenhouse gas emissions.

Key metrics

136	363	1105	62%	20%
EUR million revenue	FTEs	tCO2	Renewable energy	Women on company board

Highlights

- 85% employee satisfaction score
- Implementing UN SDGs in daily business
- Targeting 100% renewable energy use
- Preparing to acquire ISO 27001

Key Material Themes & Sustainable Development Goals

- Recruitment, development & retention
- Data security & privacy
- Integration of sustainability principles

Wexus

Acquisition date: September 2017
Country HQ: Norway
Industry: Business Services

Wexus makes modular (pre-fabricated) buildings for governmental institutions and customers within the infrastructure, utilities, oil and gas, and shipbuilding industries. Its customers are mainly in Scandinavia, particularly Norway. Wexus has built a reputation as an efficient 'value for money' provider with a relentless focus on quality. The company's HQ is based in Stavanger, Norway, while its production facility, Modular Tech, is located in Tallinn, Estonia.

As a producer and supplier of modular buildings, Wexus plays a very important role in pushing the boundaries of environmental performance. The company has integrated sustainability into its operations and strategy – sourcing and using sustainable and fully recyclable materials and increasing energy efficiency in production and during use. In the longer term, the company aims to transition to a circular business model, where its buildings can be disassembled, and the materials re-used.

Because the company's clients are largely based in the north, efficient energy use is a key priority. Wexus' energy consumption has been reduced materially in recent years, going beyond compliance with national targets. The company's ultimate goal is to have a net-zero carbon footprint. Wexus has consistently lowered its electricity use due to the mode of installation and other materials used. The company's modular buildings are made to a 'TEK17' standard, the highest energy-efficiency category. In its own operations, Wexus aims to rely on 100% renewable energy by 2025, and to reduce overall energy consumption by 20%. Notably, the company's energy intensity in 2019 (MWh/NOK) fell by 22% year on year.

Wexus recently completed construction of a new factory, designed to create the best working environment for staff, and to be efficient in terms of how materials are used. The company uses environmentally friendly materials and actively sources products that don't require transportation over long distances. Wexus also runs a programme to recycle the materials used in the factory, and specifically to lower the amounts of surface material to the absolute minimum. The company's longer-term goals include sourcing FSC-certified wood and decreasing the use of non-recycled materials by 10%.

Staff wellbeing is also of prime importance to Wexus. The company works actively to tackle absenteeism, by determining the root causes and then implementing various initiatives. This has included vaccine programmes for flu. These efforts have proved successful – absenteeism fell to 6% in 2019, from 13.7% in the prior year. Wexus is working to reduce absenteeism further, by enhancing employee incentive schemes. Elsewhere, the company has made good progress when it comes to gender diversity, including improved female representation at the board and senior-management level.

Key metrics

29	96	371	0%	25%
EUR million revenue	FTEs	tCO2	Renewable energy	Women on company board

Highlights

- Continuously exploring the potential for procuring sustainable and certified materials
- 57% decrease in absenteeism rate since 2017, due to extensive root cause analysis and implementation of health programmes for all employees
- Carbon intensity has decreased by 36.8% since 2017
- Considering carbon neutrality by offsetting their already low CO2 emissions

Key Material Themes & Sustainable Development Goals

- Product design & LCA management
- Material and waste management
- Energy management & GHG emissions
- Product energy use
- Integration of sustainability principles
- Employee health & safety

7 AFFORDABLE AND CLEAN ENERGY
8 DECENT WORK AND ECONOMIC GROWTH
12 RESPONSIBLE CONSUMPTION AND PRODUCTION
13 CLIMATE ACTION
16 PEACE, JUSTICE AND STRONG INSTITUTIONS

Sperre Compressors

Acquisition date: March 2018
Country HQ: Norway
Industry: Energy & Marine

Sperre is a world-leading provider of compressed air system solutions for a broad range of mission-critical applications across the marine- and energy-related industries. With a history spanning 80 years and more than 36,000 operative systems, Sperre is ensuring its customers' operations are uninterrupted through timely provision of critical spare parts and service-kits across the world. The company is continuously developing its products and service offering, including the introduction of alternative fuel solutions and exhaust-gas emission controls.

Picture a stalled oil tanker drifting uncontrollably near a reef or the coast; the consequences of not being able to restart an engine can be catastrophic. Tens of thousands of ships now ply the world's oceans. Ensuring the safety and reliability of every vessel is critical, to protect both human life and the marine environment. Sperre's state-of-the-art compressors have become synonymous with durability. The company has built a large global customer base, driven by the quality of its products, continuous innovation and an unparalleled service commitment. Since 1948, it has delivered spare parts anywhere in the world with a 48-hour guarantee.

The global shipping industry is undergoing a tectonic shift, with stricter sulphur regulations and growing pressure to reduce greenhouse-gas emissions driving a switch to cleaner fuels. Sperre is working closely with its customers and regulators to support this important transition. At the same time, it is also making great progress in reducing its own environmental footprint. A significant proportion of the company's electricity consumption already comes from renewable energy. Efficiency is a key mantra, as reflected in the integration of cutting-edge technology throughout its operations, including the use of highly automated manufacturing processes and high-tech inventory-management systems.

Sperre's main source of CO_2 emissions is business travel by air. It has made major efforts to cut air travel by setting up sales and service offices in its most important business locations and increasing the use of videoconferencing. Significantly, it has also reduced reliance on its own engineers by designing ease of service into its products, as well as developing tools – including the use of virtual reality – to help customers and service operators carry out maintenance. The second largest source of carbon emissions is diesel used for heating and drying paint at its compressor plant. The company is in the process of phasing this out entirely. Last year Sperre's total CO_2 emissions fell by 27%, with a 31% and 18% reduction in the air travel and diesel categories, respectively.

The bulk of Sperre's waste streams are recycled, and it has robust systems in place for the management of hazardous materials. The latter is monitored through a chemicals database (ecoonline.no), with consumption recorded in an enterprise resource planning system. To understand the full environmental impact of its products, the company conducts life-cycle assessments. A Sperre compressor is designed to last for at least 30 years – the typical lifespan of a ship – and this analysis helps plan end-of-life processes such as disassembly and reuse of materials. The company places a major weight on health and safety. It became ISO 45001 certified in 2019 and has rolled out compulsory training programmes related to this. On the social front, Sperre maintains strong community relations, including support for sports clubs and social events.

Key metrics

40	100	688	75%	20%
EUR million revenue	FTEs	tCO_2	Renewable energy	Women on company board

Highlights

- Considering carbon neutrality by offsetting their already low CO_2 emissions
- Initiatives in place to lower energy use in production and offices
- 87% of waste recycled
- Hazardous materials only 1% of total used
- Plans become a signatory to the UN Sustainable Ocean Principles in 2020

Key Material Themes & Sustainable Development Goals

- Product design
- Employee health & safety
- (Hazardous) material management
- Product quality & safety
- Energy management & GHG emissions
- Integration of sustainability principles

The North Alliance

NOA

Acquisition date: July 2018
Country HQ: Norway
Industry: Business Services

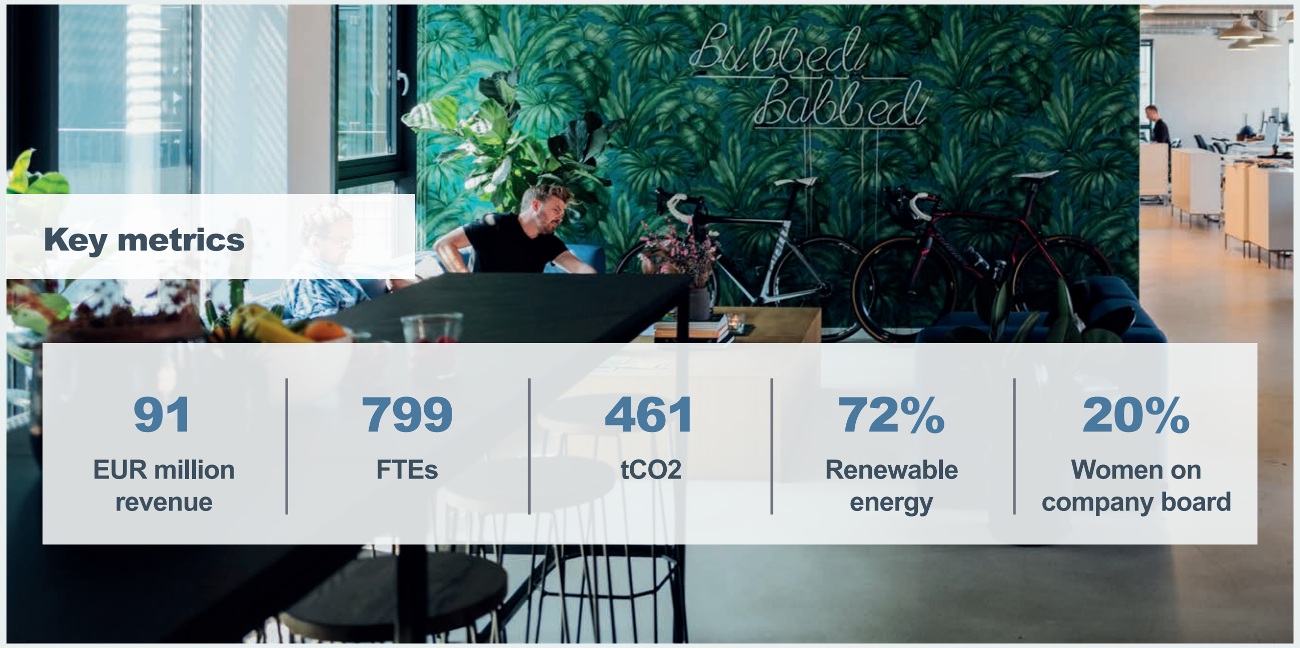
The North Alliance (NoA) helps clients drive growth through a broad service offering, spanning technology, data, design and communication. NoA has around 800 employees across offices in Norway, Sweden, Denmark, Poland and the US.

Effective communication plays an important role in tackling many of the world's challenges. Companies and brands increasingly seek to demonstrate their ESG credentials and position themselves as part of the solution, by embedding sustainability into their value proposition. NoA's expert teams can help clients ensure that purpose and authenticity underpin their messaging and broader communication efforts.

Since being acquired by Norvestor in 2018, the company has been developing and implementing its ESG policy, including the assignment of clear managerial oversight of the company's sustainability efforts. Specifically, NoA's operations manager has been made responsible for ESG-related matters, while representatives from other business areas, such as IT and HR, are being appointed. The Group is already at the forefront of issues such as gender equality and this is being acknowledged externally. Indeed, NoA's Digital Products and Services business unit recently won the prestigious Norwegian She Index 2020, an award that focuses on the promotion of equality and diversity in the workplace.

As a digital service provider, NoA's direct environmental impact is limited. It mainly relates to the energy used by servers and the emissions resulting from business travel. In every office, energy consumption is carefully monitored, while all parts of the business increasingly use videoconferencing to minimise the need to travel. In the long term, the Group aims to have a net-zero carbon footprint. It already procures a large share of renewable energy, and intends to lift this to 100% by 2025.

NoA is increasingly targeting projects that have a positive ESG impact. Overall, its ESG policies are at an early stage, but the Group is building strong capabilities and is dedicated to becoming a sustainability frontrunner, which is key to remaining an attractive employer in its industry.



Key metrics

91	799	461	72%	20%
EUR million revenue	FTEs	tCO_2	Renewable energy	Women on company board

Highlights

- 1st place in EY SHE Index (a catalyst for encouraging companies to focus on gender balance and diverse cultures)
- Always striving for increased gender balance in their employee investment programme
- Working groups to participate in positive-impact projects, including charity, NGO and philanthropic initiatives
- Working groups formed company-wide in 2019 to engage employees on ESG topics

Key Material Themes & Sustainable Development Goals

- Ethical influence
- Energy & GHG emissions
- Recruitment, development & retention
- Ethical use of (personal) data
- Integration of sustainability principles
- Data security & privacy

8 DECENT WORK AND ECONOMIC GROWTH | 13 CLIMATE ACTION | 16 PEACE, JUSTICE AND STRONG INSTITUTIONS

Avonova

Acquisition date: January 2019
Country HQ: Norway & Sweden
Industry: Business Services

Avonova (previously Stamina) is the largest provider of occupational health services in the Nordics, with market-leading positions in both Norway and Sweden. Offering occupational health services, across more than 150 locations in Norway and Sweden, Avonova is uniquely positioned to influence health in the Nordic region.

What do the most successful and profitable companies have in common? Their people feel supported in their roles, they have the skills to excel, and the autonomy to act. Avonova designs and delivers a range of training courses covering practical topics, such as health and safety and first aid, to more thoughtful subjects, such as mental health. Poor mental health can affect a business acutely – it is estimated to cost the global economy $1trillion per year. Notably, Avonova's services focus on prevention, rather than cure – training staff on how to prevent and manage stress and recognise the signs that a co-worker is struggling.

As a leading provider of occupational health services in the Nordics, the company is well versed in the causes and contexts of sick leave. It provides rehabilitation to re-integrate staff back into the workplace, based on tried-and-tested methodologies. Avonova's methods aim to reduce absenteeism by tackling the root causes – providing solutions that work in the real world. In addition, the Group offers treatments for muscular and skeletal disorders, and lifestyle-related diseases from its private hospital.

The company has a genuine commitment to sustainability and continuous improvement. Each year, it produces an annual report on health and working life, based on a survey of 2500 workers. The report presents findings on lifestyle, work ability and sick leave, tracking evolving workplace trends. In the longer term, Avonova's business will be underpinned by the digitalisation of health services, coupled with closer cross-border cooperation.

Key metrics

132	1115	683	100%	40%
EUR million revenue	FTEs	tCO2	Renewable energy	Women on company board

Highlights

- 1.6% absenteeism rate
- No accidents
- 5,881 digital meetings with clients in 2019
- Seeking to obtain ISO 27001 in 2020

Key Material Themes & Sustainable Development Goals

- Labour conditions & wellbeing
- Fleet & fuel
- Energy & GHG emissions
- Customer wellbeing
- Integration of sustainability principles
- Data security & privacy

8 DECENT WORK AND ECONOMIC GROWTH | 13 CLIMATE ACTION | 16 PEACE, JUSTICE AND STRONG INSTITUTIONS

Wellit

Acquisition date: January 2019
Country HQ: Norway
Industry: Energy & Marine

Based in Stavanger, Norway, Wellit is a disruptive software company with international customers in the oil and gas sector – including all oilfield operators operating on the Norwegian continental shelf. Wellit has created an innovative software platform that makes it cheaper and easier for its clients and partners in the oil and gas value chain to do business. As well as increasing efficiencies for its clients, Wellit is also indirectly helping to lower emissions of greenhouse gases.

At first glance, a company serving the oil and gas sector may not seem like an obvious champion of the natural environment. But in reality, Wellit's solutions have a material positive impact by directly reducing the wasteful use of resources.

Through its cloud-based business model, Wellit gives oil and gas operators precise information and complete visibility of where all of their vessels are, and what they're carrying. This allows the operator to plan more cost-efficient routes and optimise the load that is put on every ship. Crucially, Wellit's solution cuts the number of platform supply vessels (PSV) in use, which directly reduces costs for operators. That is very significant from an environmental perspective, as the operation of these vessels generates large amounts of greenhouse gas emissions.

Wellit's solutions can cut 30% from transportation costs – transportation costs being defined as the number of vessels used per annum. In practice, that means an operator in the North Sea can cut the number of boats used annually from 100 to 70. Those 30 vessels represent a material environmental impact, equivalent to:

- 360,000 cars for CO_2 emissions
- 20 million cars for nitrogen oxides (NOx)
- 70 million cars for sulphur oxides (SOx)

Wellit's positive environmental impact doesn't end there. In the oil and gas industry, every single installation has its own helicopter route or dedicated helicopters. Wellit's cloud-based solution gives a complete picture of helicopter movement: any operator, company, or supplier. This information means that helicopter flights can be re-routed, reducing both the number of passengers and the number of flights. Here, too, the environmental benefits are tangible: a 30% reduction in helicopter traffic.

In addition, the company's software helps oil and gas companies reduce their waiting times at rigs, which also improves the efficiency of their operations and lowers costs and environmental impacts. It is worth noting that the North Sea market is only one-sixteenth of the global offshore market. As Wellit's solution is adopted around the world and the offering developed further, we are confident that it can do more to reduce harmful emissions.

As well as environmental impacts, Wellit has strong social and governance policies in place. The company adheres to the health and safety requirements of the oil and gas sector, which are among the strictest in the world, both in terms of monitoring and reporting. Health and safety incidents and risk observations are reported to the board on a monthly basis. Finally, the company has seen a 24% reduction in its absenteeism rate to 1.6%, which is well below the industry average.

"Our ambition is to transform how oil and gas companies worldwide handle their logistics and to provide them with the necessary platform to easily benefit from greener logistics. By accommodating the use of big data and AI ('Artificial Intelligence'), we will boost our customers' logistics through enabling predictive planning, safe and efficient operations and reduced costs and carbon emissions."

– Jan Inge Pedersen, CEO Wellit

Key metrics

7	30	207	100%	0%
EUR million revenue	FTEs	tCO2	Renewable energy	Women on company board

Highlights

- 2,973 Inquiries resolved – no unresolved inquires
- 1.6% absenteeism rate
- Considering carbon neutrality by offsetting their already low CO2 emissions
- Plans to become a signatory to the UN Sustainable Ocean Principles in 2020

Key Material Themes & Sustainable Development Goals

- Energy & GHG emissions
- Logistics & fuel efficiency
- UN Global Compact's sustainable ocean principles
- Service quality
- Data security & privacy
- Integration of sustainability principles
- Recruitment, development & retention

8 DECENT WORK AND ECONOMIC GROWTH

13 CLIMATE ACTION

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

XlInc

Acquisition date: January 2019
Country HQ: Sweden
Industry: Tech-enabled services

XlInc is a leading Nordic provider of sustainable IT services to large corporations and schools, through their IT lifecycle management solutions. The company's offering includes everything from sourcing of the equipment to recollection and recycling, creating a second and even third life for IT hardware.

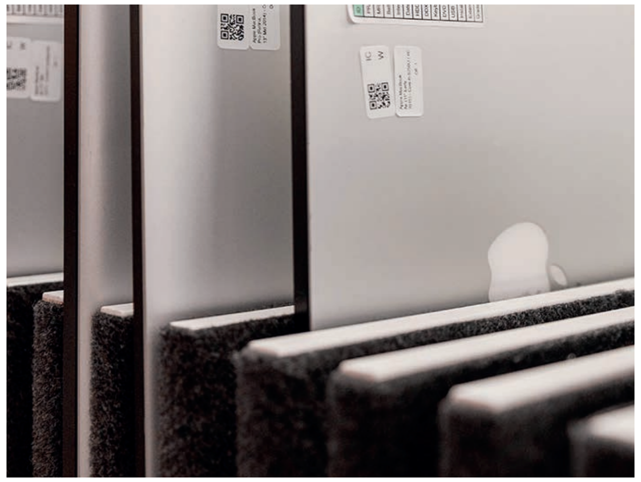
Did you know that over 1.7 tonnes of material is used to manufacture just one laptop? On average, the manufacturing process also releases 20kg of chemicals into the natural environment, while consuming 100,000 litres of water. With such a significant environmental footprint, it is important to ensure that the maximum use is made of devices such as laptops (and computers generally). If they can be disposed of responsibly and the parts recycled, so much the better – because electronic waste is estimated to represent 2% of the world's landfill but adds up to some 70% of all hazardous waste.

That's where XlInc comes in. The company helps organisations to evaluate and plan their end-user needs as accurately as possible, to ensure IT equipment is used efficiently. Companies can track their employees use of devices easily, helping them with sustainable lifecycle management and thus minimising the environmental impact. XlInc's lifecycle management services include end-of-life handling, ensuring a second life after refurbishment, and scrapping while recycling parts and raw materials. Wherever possible, used hardware is re-purposed or donated. Reusing hardware is considered to be 20 times more efficient (from a climate and resource-saving perspective) than recycling or scrapping a device.

The company's ambition is to enable the circular economy within its industry, but recycling is also a growing option for equipment that has reached the end of its usefulness. And it is certainly better than just throwing hardware away.

One initiative XlInc has introduced is the Green Zone perspective. Based on device-usage data, this initiative seeks to extend the useful life of existing hardware by up to 16 months, thereby lowering CO2 emissions. As part of this, XlInc produces Green Grading Reports for its customers, outlining the benefits of lifecycle management as well as tracking the customer's CO2 impact. With so many companies seeking to measure and mitigate their carbon footprint, this is a valuable additional service. The Green Zone perspective is genuinely innovative and sets XlInc apart from its peers.

Overall, the IT industry is having an increasingly negative impact on the climate, and a large share of this is attributable to user devices such as personal computers and smartphones. The sector's CO2 emissions currently account for less than 2% but are expected to grow to 10–15% when the world becomes fully digitised. Companies like XlInc have a huge opportunity to mitigate this impact, through the responsible handling of IT equipment.



Key metrics

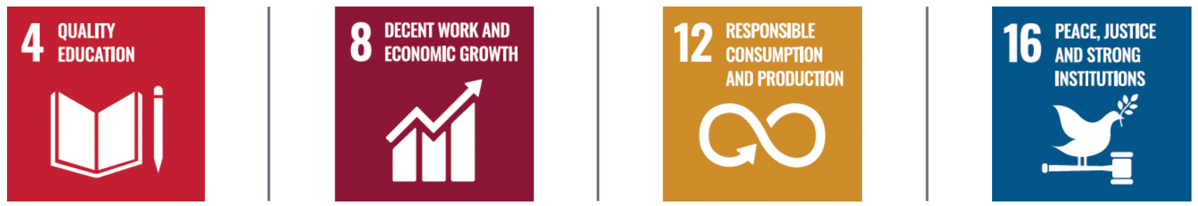
283	**578**	**322**	**50%**	**40%**
EUR million revenue	FTEs	tCO2	Renewable energy	Women on company board

Highlights

- Plans to quantify positive impact of operations and products
- 81.8% employee satisfaction score
- No data-security incidents
- 95% hardware recycling rate

Key Material Themes & Sustainable Development Goals

- Product durability & circularity
- Electronic waste
- Recruitment, development & retention
- Employee health & safety
- Integration of sustainability principles
- Data security & privacy



Key opportunities to improve ESG performance across our portfolio companies

	Goal	Description	Metrics to be tracked
Sustainable Development Goals & Sustainable Ocean Principles	Ensure that portfolio companies' strategies are aligned with the specific SDGs identified and, where relevant, in harmony with the UN Global Compact Sustainable Ocean Principles (SOPs).	Using our SDG framework, we will help portfolio companies maximise their positive contributions to relevant goals (linked to their key material themes). Additionally, we will support companies operating within the energy and marine industries to align their business strategies with the SOPs, to protect the health of the oceans.	% of companies contributing positively to relevant SDGs. % of relevant companies becoming signatories to the SOPs.
Employee engagement	Improve employee relations and engagement across our portfolio companies.	We aim to raise the quality of employee engagement across our portfolios. Key to this is the use of employee engagement surveys, which help track sentiment and build a better understanding of areas in need of improvement.	% of companies conducting employee engagement surveys. % of companies improving their employee engagement.
Carbon offsetting	Measure greenhouse-gas emissions and use quality carbon offset/ compensation schemes in hard-to-abate areas such as air travel.	Reducing direct carbon emissions (Scope 1 and 2) through energy-efficiency measures, reduced travel and the procurement of green power is our first priority. However, where mitigation is still difficult, carbon offsetting can offer a 'bridge' to full carbon neutrality.	% of companies offsetting part of their emissions. % of carbon-neutral companies.

Contact us

For further information, please contact:

Angelina Gajić I ESG Coordinator
angelina.gajic@norvestor.com

Inge Larsen I Partner & CFO
inge.larsen@norvestor.com

DISCLAIMER

This Sustainability Report is intended to provide non-exhaustive, general information and has not been independently verified. The Report may contain or incorporate by reference information not separately reviewed, approved or endorsed by Norvestor and its portfolio companies and accordingly, no representation, warranty or undertaking, express or implied, is made as to the accuracy or completeness of any information contained herein and thus, no responsibility or liability is accepted by Norvestor or its portfolio companies in this regard.

This Report may contain forward-looking statements about future events and expectations which are based upon various assumptions. Although Norvestor believes that these assumptions were reasonable when made, these assumptions are inherently subject to significant known and unknown risks, uncertainties, contingencies and other important factors which are difficult or impossible to predict and are beyond the control of Norvestor and its portfolio companies. Thus, no representation, warranty or undertaking, express or implied, is made that any of these forward-looking statements will come to pass or that any forecasted result will be achieved, and no responsibility or liability is accepted by Norvestor or its portfolio companies in this regard.

Norvestor has and undertakes no obligation to update or modify the information in the Report.

Norvestor