

## Responsible Investment Policy

Norvestor recognizes the impact we have on the environment and on society at large. We see this as both a responsibility and an opportunity. Our team and the family of Norvestor portfolio companies are committed to making positive and valuable contributions – to shareholders, clients, employees, the communities and the societies we operate in and, as well as to our investors.

We are fully committed to promoting sound environmental, social and governance (ESG) principles and we are convinced that businesses that contribute positively to society and have sustainable business models will create long-term value. Our Responsible Investment Policy reflects this commitment towards high ESG standards. The policy's purpose is to maintain proper ESG management in core investment operations and decision-making processes. Norvestor is a signatory of the United Nations Principles for Responsible Investment (UN PRI).

### ESG Principles

#### Environmental

Norvestor seeks to maximize sound stewardship on environmental themes, encourage environmental consciousness and facilitate the sustainability transition. We promote sustainable business propositions, along with products and services that actively reduce the potential impact on the environment. Specifically, we aim to

contribute to lower greenhouse gas emissions, improved energy and resource efficiency, reduced waste.

#### Social

It is Norvestor's objective to be socially responsible regarding our investments. We adhere to applicable national and international labour laws and work to ensure fair and proper labour conditions throughout the value chain. Norvestor strives for high health and safety standards across our portfolio companies and promotes equal rights and diversity in all areas of business operations. We contribute to the development of the communities in which portfolio companies operate by promoting sustainable and profitable growth.

#### Governance

Norvestor understands the importance of good corporate governance within a business. We will exhibit honesty, integrity, and respect in all business activities. We adhere to relevant local and international agreements and legislation. We create model governance structures which are implemented in all our portfolio companies.

By implementing a package of policies including ESG, Code of Conduct, Anti-Corruption and Whistleblowing, we aim to map and mitigate internal governance risks. Through a high level of

transparency throughout our operations we seek to ensure high standards of business ethics.

#### Application

In accordance with the UNPRI, Norvestor is committed to the incorporation of ESG into investment analysis, decision-making processes, portfolio companies' policies and business practices. As part of this commitment, Norvestor evaluates ESG performance to mitigate risks and to identify opportunities that can create value.

#### Screening

Norvestor conducts a pre-due diligence screening in which an investment is rejected if it is currently, or if it is likely to in the future, generate a significant share of its revenue from excluded industries or products (outlined in Annex).

Norvestor will also reject any investment if a company is operationally or financially linked to a country, company or persons registered on relevant sanctions lists.

#### Due Diligence

Norvestor conducts a comprehensive ESG due diligence to determine the sustainable proposition of the target business. The ESG due diligence takes into consideration the entire value chain of business activities. Through this process we identify key risks and opportunities within ESG, and we assess how a prospective portfolio company manages these risks and opportunities.

#### Business Operations

Norvestor provides portfolio companies with the appropriate tools and guidance required to adopt and integrate ESG best practices into their business operations. Throughout the ownership phase we challenge and support companies we have invested in to enhance their ESG performance and transparency. Action plans are created, performance and progress are monitored, and the plans are continuously revised by the Board of Directors in the portfolio companies.

#### Training

We enable and support our ESG integration by ensuring that our investment professionals are regularly trained in responsible investments and ESG practices.

#### Reporting

Investors in Norvestor funds are provided an annual sustainability report for each portfolio company in the fund. The report provides transparency on environmental footprint, governance risks, reputational risks as well as all other aspects of ESG performance, and the reports track progress towards company specific goals. The reports are created by portfolio company management together with a third party ESG specialist and with the support from Norvestor. We consider this report, and the process to create it, an important tool to set ambitious targets and to make progress to reach the goals. The report is sought to align to and

comply with a number of internationally recognized reporting frameworks.

### **UNPRI and Global Compact**

The Norvestor responsible investment policy is compliant with internationally recognized standards for responsible business operations and investment practices. More specifically, Norvestor has implemented the United Nations Principles for Responsible Investment (UN PRI) in its business practices and ensures that portfolio companies adhere to and comply with the principles in UN Global Compact, UN's Universal Declaration of Human Rights and guidelines outlined in the Organization for Economic Co-Operation and Development (OECD) for Multinational Enterprises.

### **Annex: Industry and Product Exclusions**

The Norvestor funds will not invest in a company engaged in any of the following business activities:

- a) production, trade and/or distribution of cluster bombs;
- b) production, trade and/or distribution of tobacco;
- c) activity of prostitution or procuring of prostitutes;
- d) production, distribution or sale of pornography;
- e) manufacture or marketing of casinos or other gambling activities;
- f) thermal coal mining and extraction