INTERA
PARTNERS

ESG Policy

November 2023

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1. OUR SUSTAINABILITY VISION

Intera Partners builds sustainable growth. As an active private equity investor and owner of several medium-sized Nordic companies, Intera has an impact on many sectors of society. It is our responsibility to ensure that our portfolio companies operate in a sustainable way that considers the needs of society and future generations. We strive to accelerate growth through our three key value creation themes – organic growth, buy & build and international expansion. These growth themes often entail sizeable transformation for the businesses. We ensure that sufficient focus is put on Environmental, Social and Governance (ESG) issues and that ESG is fully integrated into our investment strategy.

2. ESG INVESTMENT POLICY

2.1 About this ESG Investment Policy

Intera's investors are generally large Nordic and international public pension funds, as well as other European institutional investors. By creating value for them through our investment portfolio, we indirectly create value for the society. Our obligations are, however, not only limited to our investors. In our view, it is imperative to act as a good corporate citizen and positively contribute to the society and the preservation of the environment.

Our primary impact on society and the environment comes through the operations of our portfolio companies. Therefore, it is of great importance that ESG factors are considered throughout the entire investment process. We want to set high ESG standards for our portfolio companies. Our ambition is that all portfolio companies reach our minimum ESG standards within one year after acquisition.

Most of our portfolio companies are at the time of our investment fairly small, often entrepreneur-driven, have limited group functions and thus tend to have significant ESG development potential. Establishing a sustainable ESG culture in each portfolio company begins prior to our acquisition and continues after our exit. Intera's portfolio companies have historically been acquired by strategic buyers or financial sponsors, or they have been publicly listed. The acquirers of our portfolio companies set increasingly stringent ESG requirements on their acquisition targets, and therefore positive ESG development in our portfolio companies can positively impact the exit valuations that our portfolio companies attract.

The material ESG topics that impact our portfolio companies include, among others:

- **Environmental**: climate change, resource efficiency, etc.;
- **Social**: health and safety, labor standards, people development, diversity, equality topics, etc.; and
- **Governance**: proper corporate governance, professional management, anti-corruption, code of conduct, cybersecurity, etc.

Whilst we consider the adverse impacts of our investment decisions on sustainability factors, we also believe there are significant opportunities for change as well as commercial growth opportunities arising from many ESG topics.

This policy will be reviewed annually and updated if necessary.

In addition to this policy, our operations are conducted in accordance with our Code of Conduct, which governs topics such as conflicts of interest, anti-corruption, etc.

2.2 Guiding Principles and Framework

United Nations' Principles for Responsible Investment Initiative (UNPRI)

Intera has been a signatory to the United Nations' Principles for Responsible Investment Initiative (UNPRI) since 2020. As a signatory,

- We will incorporate ESG issues into investment analysis and decision-making processes.
- We will be active owners and incorporate ESG issues into our ownership policies and practices.
- We will seek appropriate disclosure on ESG issues by the entities in which we invest.
- We will promote acceptance and implementation of the Principles within the investment industry.
- We will work together to enhance our effectiveness in implementing the Principles.
- We will each report on our activities and progress towards implementing the Principles.

Intera Partners' adherence to principles for responsible investment through FIBS and FVCA

Intera is a member of the leading Finnish corporate responsibility network, FIBS ry., and complies with the code of conduct of the Finnish Venture Capital Association (FVCA), which also covers sustainability topics. Intera adheres to the following principles for responsible investment:

- **Principle 1:** ESG issues will be incorporated into investment analysis and decision-making processes.
- **Principle 2:** As active owners, we will incorporate ESG issues into our ownership strategies and practices.
- **Principle 3**: We seek to develop the ESG practices of all our portfolio companies during our investment period.
- **Principle 4:** Intera and our portfolio companies will report on activities and progress related to ESG.

Portfolio Companies

The application of a common framework and toolset facilitates risk management and ESG development work in our portfolio companies. We use ISO 26000 as this common ESG framework or another framework if more appropriate for the relevant industry. Risk dimensions are reviewed and ranked according to relevance and severance, and scenario analysis is done related to the risks.

Stewardship and Engagement

Intera's approach to ESG and creation of sustainable long-term value is reflected in active stewardship and engagement in the industry association (FVCA) and various working groups, which have active dialogue with policymakers both at domestic and EU level. As an active private equity investor, Intera promotes its ESG approach, where the active ownership and continuous development of portfolio companies is at the center of driving sustainable value creation.

2.3 ESG Integration

ESG is integrated into all our core investment processes: Deal Sourcing, Deal Execution, Active and Responsible Ownership and Exit.

Deal Sourcing

We invest in businesses with the potential to grow and increase in value. In a global economy where diminishing resources, changing consumer demands, and increasing regulation pose ever larger challenges, we believe companies with positive exposure to ESG opportunities should be better positioned for the acceleration of sustainable growth, and are therefore of great interest to us.

During our deal sourcing process, we aim to identify sustainability-related risks or opportunities material in the target company's industry and business model and take this into account in our investment decisions. The frameworks we use to identify such material topics include ISO 26000, another framework if more appropriate for the relevant industry, UN Sustainable Development Goals (SDGs), EU Taxonomy etc.

We practice negative screening in the deal sourcing process. We do not invest in companies with major and irreparable ESG issues. In companies with minor negative ESG track records or with larger exposure to ESG risks, we see an opportunity to create value by applying our ESG best practices. Any potential platform investment is also screened for controversies and breaches of minimum standards of business practices based on international norms and frameworks, e.g., UN treaties, UN Global Compact, UN Human Rights Declaration, OECD guidelines, and dealings with countries under Security Council sanctions, as each has been implemented under local legislation.

Our currently investing funds will not invest in companies where a substantial part of the business relates to:

- the manufacture, distribution, sale or supply of offensive armaments and weapons, including cluster bombs, anti-personnel land mines, incendiary weapons, blinding laser weapons, chemical weapons, biological weapons and/or nuclear weapons;
- the manufacture of tobacco and/or recreational (non-medical) cannabis products;
- the business of pornography or vice;
- the operation of gambling facilities;
- the operation of nuclear power plants;
- coal extraction and/or coal power generation and/or electricity via a coal powered plant and/or coal mining activities and/or recovering of oil from tar sand; or
- the exploitation of oil and/or gas.

Due Diligence and Deal Execution

Forming a detailed business plan is a key element in our investment decision making process. The business plan is based on the value creation vision and on the findings of our thorough due diligence analyses. ESG factors are integrated into the due diligence process offering us insight into key components such as transparency and maturity of the company culture, capabilities, level of professionality, management competence and overall ESG risk profile. The aim of incorporating ESG factors in this process is to determine if there are substantial risks related to the investment and to understand whether investments in ESG related topics might increase the overall value of the company.

The aim of ESG Screening as part of due diligence is to determine whether there are substantial risks related to the investment and to understand whether investments in ESG related topics might increase the overall value of the company. During the due diligence process, we seek to analyze key material ESG factors for each of the targeted companies. We use ISO 26000 as the due diligence framework or another framework if more appropriate for the relevant industry.

Potential findings of the review are ranked according to relevance for each specific company:

1. Crucial findings in investment decision (go/no go)
2. Crucial findings with impact on pricing
3. ESG issues flagged as compliance factors (form a part of such company's development agenda, if deal is executed)
4. Value creation opportunity or risk
5. None of above

We engage external advisors throughout our due diligence process as needed to complement our in-house capabilities. External advisors are typically engaged in studying environmental, governance and labor related issues. ESG Screening does not replace the need for carrying out other vital streams in the due diligence process (e.g., legal due diligence), but rather complements these with more focus on environmental, social and governance factors.

Active and Responsible Ownership

To be most effective, ESG initiatives should be seen as best practices for operational excellence. We focus on ESG areas where we see a social, environmental, or commercial benefit. Our ESG work with portfolio companies is transparent, pragmatic, and adaptable to the respective company.

Our ambition is that our portfolio companies meet Intera's minimum ESG requirements within one year following the acquisition. Our team oversees and facilitates these efforts with portfolio companies and provides hands-on support to portfolio companies to continuously improve their ESG performance. We arrange regular ESG workshops for our portfolio companies to facilitate sharing of best practices. We also leverage selected ESG consultants to support the portfolio companies in their ESG development work. At Intera level, we monitor the ESG development work in all our portfolio companies through quarterly internal reviews.

To facilitate compliance with the requirements, Intera provides its portfolio companies with the Intera handbook template library during the onboarding process, giving portfolio companies detailed guidance and tools for the requirements of Intera ESG standards.

The roadmap to achieve the minimum level of Intera ESG standard is determined for each portfolio company, and could include:

1. Developing and implementing group-wide governance and decision-making rules
2. Continuous analysis of relevant ESG opportunities and risks, and defining ESG goals, metrics and action plan based on such analysis
3. Defining and tracking a relevant set of KPIs to assess performance on selected focus areas
4. Reporting progress on the chosen improvement areas and KPIs quarterly to Intera

In addition, we set mandatory ESG KPIs on other important ESG-related topics and regularly monitor the companies' development.

Where Intera has limited influence (as a minority or non-controlling holder), it will seek, to the extent possible, to escalate sustainability risks to the management and/or majority owners to promote actions to resolve or mitigate applicable sustainability risks, with the goal of applying the same level of ESG standards throughout the Intera portfolio.

Exit

We build sustainable growth. At the exit phase, our target is that each of our companies has reached the level where it is professionally managed with competent key people, has good corporate governance and sustainable way of operating. Acquirers of Intera's businesses, whether trade buyers or financial sponsors, set increasingly stringent ESG requirements on their acquisition targets and we believe that positive ESG development has a positive impact on exit valuations. ESG issues, on the other hand, can have significant negative impact on exit process and valuation.

As ESG factors become increasingly important in analyzing risks associated with new investments, ESG improvements in portfolio companies must be successfully communicated to potential buyers throughout the exit process.

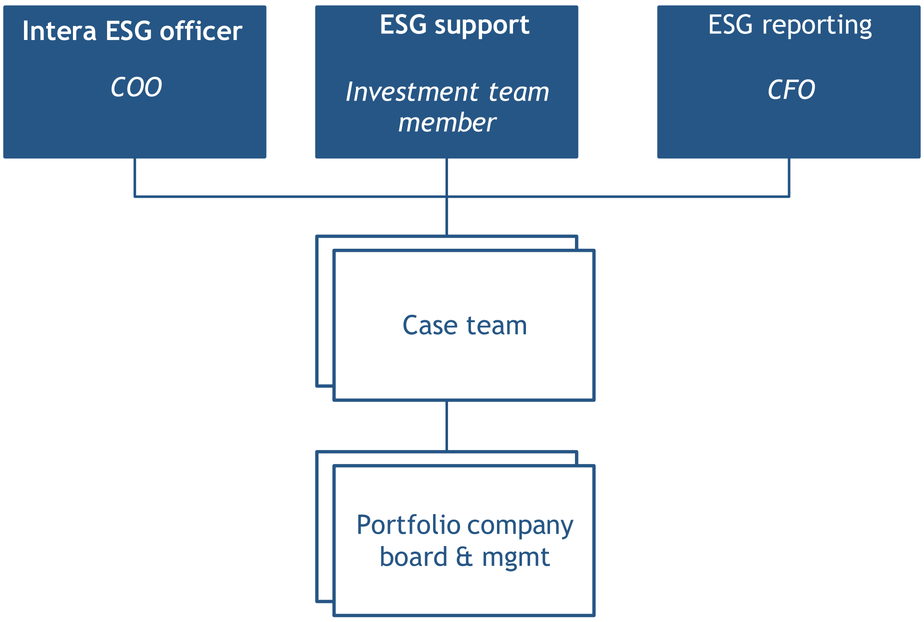
Stock exchange listing has in the past years been a relevant exit route for Intera's portfolio companies. The IPO process sets especially high requirements for target company's ESG compliance and reporting.

3. ORGANIZATIONAL RESPONSIBILITY FOR ESG

All our investment professionals are responsible for identifying potential ESG issues and assessing these during due diligence and throughout ownership. Developing our whole team’s ESG management awareness and competence is an integral part of our organizational development efforts.

ESG management and its overall development at Intera is led by an ESG officer who maintains this role in addition to COO role. The ESG officer oversees the implementation and development of our ESG policy and projects in all portfolio companies. ESG officer is supported by an investment team member. At the individual portfolio company level, the specific deal teams are responsible for ensuring that applicable policies are implemented through portfolio company board work. Intera’s ESG reporting is overseen by Intera’s CFO. Current organizational responsibilities are published on Intera’s website (https://interapartners.fi/en).

Our investment committee reviews ESG risks and opportunities in connection to each new investment. In addition, ESG risks and opportunities analysis is incorporated in the annual review of each investment at Intera's investment committee.



4. ESG REPORTING & COMMUNICATION

4.1 Intera Partners

To ensure that our ESG efforts are in the best interest of our business and our stakeholders, we map our stakeholders' expectations through regular and interactive communication. We believe that transparency and open reporting promotes change, and therefore have consistently increased ESG-related communications to our investors.

ESG is an agenda item in our annual investor meeting, and a standard part of our quarterly reporting to our investors. The ESG report includes following items:

- Key ESG development steps at fund and portfolio company level
- Potential ESG incidents
- Performance of our portfolio companies vs. Intera's minimum ESG requirements

In case of major ESG incidents, we will inform our investors without delay.

As a signatory to the UNPRI, we also publicly report our progress on responsible investment matters in an annual Transparency Report.

4.2 Portfolio Companies

To promote transparency and drive improvement, our portfolio companies provide us with ESG reporting, including quarterly reporting on any positive ESG events or any potential ESG incidents, and annual reporting on:

- their key ESG development steps
- their performance vs. Intera's minimum ESG requirements
- various tracked ESG KPIs and latest values for each KPI
- a set of mandatory ESG KPIs focused on, e.g., diversity and employee health

Communicating ESG efforts to Intera is also handled through our investment professionals' participation in board work. Individual CEOs and management teams of our portfolio companies regularly report to their board regarding the progress of ESG initiatives.

Communication channels of ESG development to the general public include our portfolio companies' annual reports, web pages, press releases and ESG reports. Our portfolio companies will determine the communications channel most relevant for their business and size.

5. CHARITY WORK

Although our largest impact in society comes through our portfolio companies, we believe that we can have a positive direct impact as well. For the past years, we have annually contributed to local charities, and we plan to continue this trend in the future. We highly encourage our portfolio companies to engage in charity work as well.