

16. Environmental, Social and Governance Policy

16.1. Context

At Rivean Capital, we believe incorporating Environmental, Social, and Governance (ESG) considerations into our portfolio management adds investment value while also contributing positively to our society.

We encourage our portfolio companies to operate in accordance with our ESG principles and to advance ESG-related initiatives. Through our partnership-based approach to value creation, we push for correction where needed and support our companies in becoming more sustainable, more resilient, and more ethical operators.

16.2. Scope

This policy applies to all funds managed by Rivean Capital and to Rivean Capital and its affiliated companies. Where a fund managed by Rivean Capital has majority control of portfolio companies, Rivean Capital will apply this ESG Policy and set and monitor ESG targets where material. In cases where Rivean Capital has limited ability to implement this ESG Policy, e.g. in the case of minority control or companies prepared for exit, Rivean Capital will make reasonable efforts to encourage portfolio companies to set and monitor ESG targets.

16.3. Objectives

- a) Formalize Rivean Capital's own corporate and social responsibility as fund manager.
- b) Continue to be able to attract investors that have high ESG standards.
- c) Ensure responsible corporate behaviour in our portfolio companies.
- d) Comply with the laws and regulations of the European Union, such as the Sustainable Finance Disclosure Regulation ("SFDR") that provides a classification of funds in three categories as described in Annex 1.

All funds, up to Fund VI, were raised prior to 10 March 2021, being the date on which the SFDR became effective. As a consequence, all funds prior to 10 March 2021 are originally not SFDR-classified. Rivean Capital's current plan is to have all its future funds classified as at least article 8 SFDR in line with the objectives of Rivean Capital to promote responsible behaviour within Rivean Capital and in the portfolio companies of its funds.

The public disclosures in accordance with Articles 3(1), 4(1)(b) and 5(1) of the SFDR are attached to the policy manual as Annex 2 to this policy and are also available on our website.

16.4. Principles

Rivean Capital takes into account the following ESG principles when investing in portfolio companies:

- a) Comply with local and national laws and regulations in the regions where funds managed by Rivean Capital invest;
- b) Avoid investments in companies that do not respect its ESG-principles or do not maintain ethical standards similar to Rivean Capital's standards;

- c) Respect the following:
- human rights and fundamental rights to work, i.e. proper working conditions and no child labor, as set out by human rights conventions such as the International Labour Organization (ILO);
 - animal rights; and
 - the interests of stakeholders in our portfolio companies;
- d) Promote adequate corporate governance including policies to avoid bribery and corruption in line with national laws and international conventions such as the OECD Anti-Bribery Convention;
- e) Ask and encourage the management teams of portfolio companies to operate in accordance with Rivean Capital's ESG- principles and ethical standards, and advance these throughout their value chain. Where needed, Rivean Capital will push for correction through its capacity as shareholder and supervisory board member;
- f) Require Co-investors to agree to the provisions with regard to ESG that are included in the shareholders' agreements of portfolio companies.

16.5. Exclusion of sensitive industries

Rivean Capital refrains from investing in portfolio companies that derive a significant portion of income from:

- production and/or distribution of weapons;
- production of tobacco and tobacco products;
- pornography; or
- any other industry that does not operate in accordance with our SRI principles and ethical standards or when indicated in the Limited Partnership Agreement of a fund managed by Rivean Capital.

Implementation of the ESG policy
16.6. Due diligence

a) ESG is fully integrated into Rivean Capitals standard investment process. As a result, ESG risks and opportunities are assessed by the investment team and signed off on by the Investment Committee as part of our standard investment approval process. The ESG-assessment during the investment process consists of four steps:

1) **Industry Risk:** the relevance of ESG in the industry is assessed while at the same time defining the potential for sustainable growth ('licence to grow');

2) **ESG Materiality:** the key material themes that are likely to impact the financial or operating performance of a company are identified and the severity of the identified key material themes are determined;

3) **Company Performance:** Evaluation of the targeted company's performance on key material themes and its overall ESG-management is carried out;

4) **Priority Issues & Opportunities:** Set the priority of ESG risk and value creation opportunities and include these projects in the Portfolio Enhancement Program (PEP) roadmap.

In the table below, the different steps in the investment process, along with the relevant ESG activities and deliverables are detailed:

Investment stage	Activities	Deliverables
Fact Sheet	<ul style="list-style-type: none"> • Evaluation on industry risk • Identification of material themes • Identification of potential red flags 	<ul style="list-style-type: none"> • ESG section including industry risk assessment score and list of key material themes identified
Project Proposal	<ul style="list-style-type: none"> • Deepen industry risk and material themes based on desk research 	<ul style="list-style-type: none"> • Refined view of ESG topics • Clarification of DD scope • Selection of potential ESG DD advisor
Investment Proposal	<ul style="list-style-type: none"> • Full ESG related DD along defined scope in PP phase addressing the four step ESG approach 	<ul style="list-style-type: none"> • ESG section with description of findings across ESG topics • Prioritizing of identified ESG value creation projects in PEP roadmap

b) Rivean Capital will incorporate standard clauses in the relevant Shareholders Agreement (we refer to Chapter 6 "Standard blocks to include in Shareholders Agreements") regarding:

- Complying with and respecting our ESG principles and ethical standards; and
- Ensuring that no investments are made in those industries which are excluded (as referred to in paragraph 16.5 above).

16.7. Ownership period

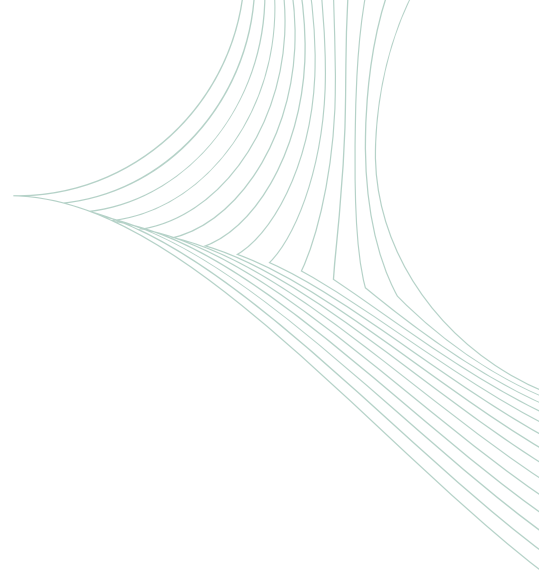
During the ownership phase, Rivean Capital commits to carry out the following:

- a) Continuous monitoring of progress on identified ESG risks and opportunities through the incorporation of prioritized ESG-projects in Rivean Capitals' Portfolio Enhancement Program. As part of this, ESG value creation projects progress is discussed on a monthly basis between the portfolio company's management and the Rivean Capital investment team. Internally the developments in the portfolio enhancement programs across the portfolio are discussed in a bi-monthly strategic portfolio meeting by the members of the investment committee;
- b) Annual ESG review of portfolio companies is carried out with the assistance of an external ESG advisor. The ESG review consist of an independent review of the relevance of ESG themes which can be updated when deemed outdated. A performance review of the company on the material themes including an assessment of the progress made since he review and/or initial performance assessment is carried out as part of this. Secondly, a part of the review is the KPI data collection in which data for portfolio-wide selected KPI's is being collected and year-on-year development is assessed;
- c) Engage through its Board seats with portfolio company management teams to improve a company's ESG performance; and
- d) Encourage portfolio companies to report externally and internally on ESG topics to relevant stakeholders.

16.8. Transparency and Reporting

Rivean Capital gives periodic updates on the implementation of this Policy:

- a) During fund-raising, Rivean Capital discloses to potential investors its policies with regard to ESG and also makes appropriate disclosures in the PPM. The documentation of funds managed by Rivean Capital also includes all relevant information with regard to ESG management;
- b) During the life of a fund managed by Rivean Capital, all relevant information will be disclosed to its investors, including changes to the ESG policy and material ESG developments and associated incidents in portfolio companies. Transparency to investors and other stakeholders is formalized through quarterly and annual ESG reporting to investors, advisory committee meetings, an annual general meeting and as part of the investor relations team's function;
- c) In case of a material ESG incident, which is defined as a significant event at a portfolio company or at Rivean Capital that may materially impact a portfolio company, a fund managed by Rivean Capital, Rivean Capital or its stakeholders, Rivean Capital will inform stakeholders as soon as reasonably possible and will in due course address such incident;
- d) Investors have the right to request any information related to ESG, which will be answered by the Head of Investor Relations and Co-investments.



16.9. Fund manager level

To live up to its commitment to act as a social responsible fund manager, Rivean Capital has formalized an internal ESG approach, which is based on three pillars. We believe these three pillars are key ESG themes for fund managers to generate investment value while also contributing to society. The three pillars and our goals are as follows:

Carbon Footprint – Our goal is to minimize our carbon footprint to the extent possible. This is in order to contribute our share to the climate goals as set in the Paris Agreement.

Talent management – Our homegrown team has been one of the fundamentals in our success as a firm today. Putting talent together with a diversified team is a vital condition to generating sustainable financial returns now and in the future. For Rivean Capital, diversity means having a balanced team based on diverse cultures, genders and educational and professional backgrounds.

Responsible investing – By having fully integrated ESG programme as part of our core investment processes and procedures, Rivean Capital has developed a unique approach to capture the value creation potential that ESG offers.

16.10. Roles and Responsibilities

- a) Rivean Capital established an ESG Committee, consisting of a few of Rivean Capital’s Investor Relations Team members and Rivean Capital’s investment professionals, headed by an MD;
- b) The ESG Committee provides knowledge about ESG and advises jointly with Rivean Capital’s Director L&C on ESG matters and ensures compliance with ESG-related laws and regulations, as applicable, on the funds managed by Rivean Capital (dependent on their categorization as described in the SFDR);
- c) ESG is the prime responsibility of Rivean Capital’s investment professionals with the support of the Investor Relations team. Rivean Capital expects its Directors acting as Board members and portfolio company management members to actively monitor the ESG performance of the portfolio companies. In case a particular subject matter expertise is needed, the investment professionals may use external resources where appropriate; and
- d) The Executive Committee of Rivean Capital has reviewed and approved this Policy, and ensures its continuous improvement through periodic updates.

16.11. Commitment to International Standards

As a responsible investor, Rivean Capital has committed to International Standards to foster international collaboration and make a positive contribution to international sustainability goals and society.

Rivean Capital has:

- become a signatory to the United Nations supported Principles for Responsible Investment (UN PRI) in 2019;
- integrated the United Nations Sustainable Development Goals (UN SDG) in its investment process; and
- integrated the recommendations of the Task Force on Climate-related Financial Disclosure (TCFD) in its investment process.

This policy is updated: February 21, 2022

Annex 1

The Sustainable Finance Disclosure Regulation (“SFDR”) provides for the classification of funds in three categories:

- i. Article 6 covers funds which do not integrate any kind of sustainability into the investment process (i.e. they do not have ESG as an investment objective nor are they considered to “promote” ESG). Such funds could include as part of their portfolio stocks currently excluded by ESG funds such as tobacco companies or thermal coal producers. While these will be allowed to continue to be sold in the EU, provided they are clearly labelled as non-sustainable, they may face considerable marketing difficulties when matched against more sustainable funds.
- ii. Article 8 funds are those that are deemed to “promote” ESG as referred to in the SFDR, “... where a financial product promotes, among other characteristics, environmental or social characteristics, or a combination of those characteristics, provided that the companies in which the investments are made follow good governance practices.”
- iii. Article 9, also known as ‘products targeting sustainable investments’, covers products targeting bespoke sustainable investments and applies “... where a financial product has sustainable investment as its objective and an index has been designated as a reference benchmark.” This will typically encapsulate impact funds with ESG as an investment objective.



Annex 2

Sustainability-related Disclosures is published separately on website.

