

Website disclosure pursuant to Sustainable Finance Disclosure Regulation Article 10 for products referred to in Article 8

This website disclosure has been prepared in accordance with the draft Regulatory Technical Standards (RTS).

Product name: Equip Capital Fund II SCSp (**Fund II**), managed by Equip Capital AS (**Equip**).

A. Summary

Fund II seeks to invest in profitable businesses with unrealised growth potential that can be triggered by applying our ownership methodology and expertise, primarily in small and mid-sized companies in the Nordic region, with a focus on Norway and Sweden.

Fund II promotes environmental and social characteristics by

- (a) Positive screening for investments that perform well on ESG or has the potential to do so through Equip's active ownership approach;
- (b) Commitment to at least one UN Sustainable Development Goal by all portfolio companies;
- (c) Measuring and monitoring of the implementation of policies and best practise standards for good governance and social responsibility in portfolio companies, in addition to defined KPIs to ensure accountability of companies' environmental impact and contribution to socially responsible growth that benefits the communities in which the companies operate in;
- (d) An active ownership approach where ESG factors are an integrated part of the investment analysis and the decision-making processes throughout both the acquisition process, the ownership period and the exit process;
- (e) Exclusion of investments that conflict with Equip's investment policy, which outlines activities that could have negative ESG characteristics; and
- (f) Exclusion of investment opportunities with unmanageable sustainability risks or significant ESG issues or concerns unless there is a clear opportunity to raise standards to an acceptable level

Fund II promotes environmental and social characteristics, but does not have as its objective a sustainable investment. Fund II invests partially in sustainable investments. Fund II is not committed to making sustainable investments aligned with the EU Taxonomy.

Equip's ESG Policy was developed for the purpose of promoting and maintaining proper decision-making processes that focus on high environmental, social and governance standards and to encourage the establishment of appropriate ESG measures in portfolio companies.

Before making an investment, both positive and negative screening criteria are applied to ensure adherence to the UN Principles for Responsible Investment, taking into account any principal

adverse impacts of an investment decision and being true to Equip’s mission, which is to build better companies - for shareholders, employees, customers and society.

Environmental and social characteristics are monitored throughout the lifecycle of Fund II through the regular reporting on material sustainability indicators to measure the attainment of the environmental and social characteristics promoted by Fund II. Most ESG KPIs are monitored on a quarterly basis, while GHG emissions are reported annually.

Equip publishes an annual ESG Report which is publicly available on the Equip website, and will also disclose any material ESG incidents to the Advisory Committee, the General Partner and to the Limited Partners.

Equip strongly believes that private equity owners are in a unique position to drive sustainability outcomes and implement principles of responsible investing to generate positive returns for society in specific areas through our controlling and active ownership model.

B. No sustainable investment objective

Fund II promotes environmental and social characteristics, but does not have as its objective a sustainable investment. Fund II invests partially in sustainable investments. Fund II is not committed to making sustainable investments aligned with the EU Taxonomy.

Sustainable investments made by Fund II will contribute to various environmentally and socially sustainable investment objectives. On fund level, Fund II will seek contribute to the following overarching Sustainable Development Goals (SDGs) through its investments:



All portfolio investments will be required to select a number of specific SDGs, relevant to their business operations, set specific targets and actions, and continuously monitor and report on progress.

To ensure sustainable investments do not cause significant harm to any sustainable investment objectives, Equip will, in addition to the steps outlined above in section J, assess all investments against adverse impacts on sustainability factors prior to making the investment decision. In the pre-investment phase, Equip will collect information about a prospective investment on sustainability indicators. If a prospective investment is considered by Equip to cause significant harm to any sustainability factors, the investment will not be a sustainable investment pursuant to SFDR.

In addition, Equip will assess whether investments are aligned with OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work and the

International Bill of Human Rights. Only investments that are aligned with these social safeguards will be reported as sustainable investments.

Fund II is not committed to invest a minimum proportion of its investments in activities aligned with the EU Taxonomy. The reason for this position is mainly due to Fund II's investment strategy, whereas Fund II may target prospective portfolio investments in the retail and consumer industry within the fund's mandate, which are not included in the Taxonomy, at least to date, and for which technical screening-criteria is not developed.

Equip will however seek to identify whether investments made by Fund II will qualify as environmentally sustainable investments pursuant to the Taxonomy, and will disclose the results of this assessment in the periodic reports to investors in Fund II. As such, investors in Fund II will receive reporting on the proportion of Fund II's investments that are aligned with the Taxonomy.

C. Environmental and social characteristics of the financial product

Fund II promotes environmental and social characteristics by:

- (g) Positive screening for investments that perform well on ESG or has the potential to do so through Equip's active ownership approach;
- (h) Commitment to at least one UN Sustainable Development Goal by all portfolio companies;
- (i) Measuring and monitoring of the implementation of policies and best practise standards for good governance and social responsibility in portfolio companies, in addition to defined KPIs to ensure accountability of companies' environmental impact and contribution to socially responsible growth that benefits the communities in which the companies operate in;
- (j) An active ownership approach where ESG factors are an integrated part of the investment analysis and the decision-making processes throughout both the acquisition process, the ownership period and the exit process;
- (k) Exclusion of investments that conflict with Equip's investment policy, which outlines activities that could have negative ESG characteristics; and
- (l) Exclusion of investment opportunities with unmanageable sustainability risks or significant ESG issues or concerns unless there is a clear opportunity to raise standards to an acceptable level

Environmental: Equip aims to increase awareness of each portfolio company with regards to their carbon emissions and environmental risks, show stewardship on how to mitigate risks, seek opportunities in the transition to a more environmentally sustainable operation as well as investing in innovative concepts and technologies that benefits the planet.

Social: Equip actively seeks to secure decent work and economic growth by investing in well-reputed companies with a unique growth potential and build employers that are inclusive and promote equal opportunities at all levels of the workforce.

Sustainability indicators used to measure the attainment of the environmental and social characteristics currently include:

- (i) GHG emissions (scope 1, 2 and 3 and total emissions)
- (ii) Carbon footprint
- (iii) GHG intensity of investee companies
- (iv) Exposure to companies active in the fossil fuel sector
- (v) Investments in companies producing chemicals
- (vi) Investments in companies without carbon emission reduction initiatives
- (vii) Share of non-renewable energy consumption and production
- (viii) Energy consumption intensity per high impact climate sector
- (ix) Activities negatively affecting biodiversity-sensitive areas
- (x) Water emissions
- (xi) Hazardous waste ratio
- (xii) Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises
- (xiii) Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises
- (xiv) Unadjusted gender pay gap
- (xv) Board gender diversity
- (xvi) Exposure to controversial weapons (anti- personnel mines, cluster munitions, chemical weapons and biological weapons)
- (xvii) Days lost to injuries, accidents, fatalities or illness
- (xviii) Insufficient whistle blower protection
- (xix) Lack of anti-corruption and anti-bribery policies
- (xx) Number of convictions and amount of fines for violation of anti-corruption and anti-bribery laws
- (xxi) Lack of due diligence / Share of investments in entities without a due diligence process to identify, prevent, mitigate and address adverse human rights impacts

D. Investment strategy

Fund II seeks to invest in profitable businesses with unrealised growth potential that can be triggered by applying Equip's ownership methodology and expertise, primarily in small and mid-sized companies in the Nordic region, with a focus on Norway and Sweden.

ESG is a core part of Equip's Investment Policy as constituted in the Limited Partnership Agreement, which is consistently applied across all our investment and ownership activities. ESG is also a key part of Equip's 7 Step Ownership Methodology and Equip's 4 Stage Investment Process.

Equip's ESG Policy was developed for the purpose of promoting and maintaining proper decision-making processes that focus on high environmental, social and governance standards and to encourage the establishment of appropriate ESG measures in portfolio companies.

As a signatory of the UN Principles for Responsible Investment, Equip have publicly committed to incorporating ESG issues into our ownership policies and practises, investment analysis and decision-making processes and seek appropriate disclosures on ESG issues.

See details on our due diligence process below in section J.

E. Proportion of investments

Based on Fund II's investment strategy and the binding elements of that strategy, all investments made by Fund II will be aligned with the environmental and social characteristics of Fund II. The asset allocation planned for Fund II is that minimum 50% of Fund II's investments shall qualify as sustainable investments pursuant to SFDR. All exposure towards investee companies will be direct.

F. Monitoring of environmental and social characteristics

Environmental and social characteristics are monitored throughout the lifecycle of Fund II through the regular reporting from portfolio companies on material sustainability indicators to measure the attainment of their environmental and/or social characteristics. Most ESG KPIs are monitored on a quarterly basis (such as gender balance, sick leave, occupational injury rates, waste recycling, activities negatively affecting biodiversity sensitive areas, water emissions, hazardous waste and governance checklists), as well as 3-5 company specific ESG KPIs and targets related to the most material value drivers. Data for calculating carbon emissions across scope 1, 2 and 3 as well as share of renewable energy consumption are currently reported annually through a third-party software and calculated through their emission accounting engine and verified by their consultant, who will also recommend actions with the highest impact to reducing emissions.

The sustainability reporting from the portfolio companies is reviewed by the responsible investment team at Equip and the Equip CFO on a regular basis. Equip publish an annual ESG Report which is publicly available on the Equip website www.equip.no, and will also disclose any material ESG incidents to the Advisory Committee, the General Partner and to the Limited Partners.

Approximately 6 months after closing of a new investment, the Equip investment team will also provide an update to the Investment Committee and the General Partner on the implementation of the post-acquisition plan, including a focused value creation plan where ESG is an integrated part based on the risk and opportunities identified during the acquisition process.

G. Methodologies

All portfolio companies conduct a materiality assessment to prioritise KPIs and targets related to ESG based on their respective business model. The materiality assessment is based on the industry standards prepared by the Sustainability Accounting Standard Board (“SASB”), which are designed to better identify, manage and communicate sustainability information that is financially material to a company within a certain sector or industry, regardless of location. The selected ESG KPIs and targets per portfolio company are monitored by Equip throughout the ownership period as described above in section F. Carbon emissions across scope 1, 2 and 3 are calculated based on the GHG protocol.

Social KPIs such as for instance sick-leave, occupational injuries, gender balance, number of jobs created, economic growth and employee satisfaction/engagement are reported directly from the portfolio companies, and benchmarked against industry or national statistics, if relevant and available.

H. Data sources and processing

All data regarding the portfolio companies are collected directly from the portfolio companies. Some of the data regarding environmental and social characteristics are gathered annually through an external software platform, which is verified by the respective CFO and then reviewed by the Equip CFO and an external consultant. The remaining data is collected monthly or quarterly as an integrated part of the management reporting, and reviewed both by the Equip investment team and the Equip CFO. Estimations may be used where there is a lack of available data, however, currently only a limited proportion of the data is based on estimations.

I. Limitations to methodologies and data

Equip invests primarily in small and mid-sized companies, and as all data is gathered directly from the portfolio companies, there may be limitations within the portfolio with regards to resources and training of employees on ESG matters. The attainment of the environmental and social characteristics is not expected to be affected by these potential limitations.

J. Due diligence

Already at the deal sourcing stage, Equip seeks to identify sustainability risk and opportunities in its initial screening phase by applying the proprietary Early Deal Assessment Tool and ESG Assessment Tool. These tools allow us to apply a positive screening to ensure that the target performs well on ESG, or has the potential to do so through our active ownership approach, and is aligned with at least one of the Sustainable Development Goals (“SDGs”) as Equip seeks to invest in companies that promote growth while protecting the planet and address social needs.

The Equip ESG Assessment Tool is an integral part of the due diligence of a potential investment, and based on the output of the tool, Equip considers where deep dive(s) are necessary and whether external resources are required for further investigation. Equip will typically engage legal advisors, financial and tax advisors, technical expert teams, external ESG consultants and/or other well-reputed management consultancy firms in situations where external resources are required during due diligence. Through the due diligence, Equip will also assess whether the investee company follows good governance practices.

The standardized and comprehensive questionnaire used in the ESG Assessment Tool is based on the guidelines from Invest Europe and aims to gauge how advanced a company is with its ESG policies and reporting. The questionnaire will also assist with the identification of potential issues that might require a more detailed technical assessment, as well as opportunities to enhance value and mitigate risks. The tool includes c. 90 questions in total asked on business level, covering the company's overall approach to and maturity on ESG and sustainability, as well as detailed questions regarding the environmental, social and governance aspects of the business, including, inter alia, climate change, emissions, working conditions, employee matters, respect for human rights, anti-corruption and anti-bribery. The questionnaire is typically completed with large involvement from the target company's management team, which allows for alignment and specific discussions on ESG related matters throughout the acquisition process.

The tools also allow us to apply negative screening to ensure that no investments conflict with the exclusions in Equip's Investment Policy. The Investment Policy outlines several activities that could have negative ESG characteristics, including, but not limited to, coal, weapons, firearms and ammunition, nuclear power, companies targeting criminal activities such as money laundering, financing of terrorism, or tax crime, tobacco, drugs, genetic engineering, corruption, animal testing, casinos, internet gambling, pornography, and illegal data access and use.

The Investment Committee will have a first review and assessment of the opportunity at the deal sourcing stage, and if approved by the General Partner of Fund II, a more thorough due diligence process is completed to identify material risks associated with the potential investment, including any sustainability risks. During this phase, Equip will also screen any key people and shareholder in a potential portfolio investment against EU, UN and OFAC sanctions lists before entering business relationships or presenting an investment proposal to the General Partner of Fund II.

Before an investment proposal is presented to the General Partner of Fund II, the Investment Committee will review and discuss the investment advice prepared by the investment team. Each investment team will consist of one Lead Partner and one or two investment professionals to ensure extensive investment experience as well as a track record of raising ESG standards through active ownership in portfolio companies. The Investment Committee consists of all Partners of Equip. If approved by the Investment Committee, the Compliance Committee (consisting of the Managing Partner and the CFO of Equip and an external representative from Equip's legal advisor) will review the investment material, including due diligence reports, the output from the ESG Assessment Tool, the Risk Assessment Tool and the Management Assessment and a comprehensive compliance checklist to consider whether an investment proposal is within the bounds of the investment strategy and within the limits with regards to, inter alia, the risks and instrument of Fund II, as well as reviewing potential conflicts of interest.

If the investment proposal is approved by the Compliance Committee, the investment memorandum, including the output from internal and external due diligence, will be presented to the Board of Directors of the General Partner of Fund II, who is responsible for all investment decisions.

K. Engagement policies

Equip strongly believes that private equity owners are in a unique position to drive sustainability outcomes and implement principles of responsible investing to generate positive returns for society in specific areas through our controlling and active ownership model.

As part of the onboarding process of a new portfolio company, the Equip onboarding pack with a set of best practise templates is implemented and adopted by the Board of Directors in the relevant portfolio company. The Equip onboarding pack contains, inter alia, Instructions for the Board of Directors, Instructions for CEO, ESG Policy, Code of Conduct, Anti-corruption policy, Whistle-blowing policy, Workplace harassment policy, Procedure for ESG in relation to third parties and GDPR privacy protection policy.

After acquiring a company, Equip will typically take the Chairperson position and appoint other board members with extensive industry expertise who can support the management team in the implementation of the value creation plan. The boards of the Equip portfolio companies challenge the management teams to set ambitious targets and measure the progress towards the set ESG KPIs and targets through comprehensive reporting on both financial and non-financial parameters. The current management reports include reporting on several adverse impact indicators including, inter alia, greenhouse gas emissions, share of renewable energy, gender diversity, number of days lost to injuries, accidents or fatalities, violations of anti-bribery or anti-corruption laws as well as additional company specific KPIs related to their respective SDG commitment.

In accordance with the template for the ESG Policy included in the Equip onboarding pack, each portfolio company is required to define a person who is responsible for monitoring of adherence of the policy and who also has the obligation to notify the company's board of directors if it becomes clear that the company is in material breach of its ESG Policy or any other material ESG concern are identified.

All portfolio companies are required to conduct a materiality assessment to prioritise KPIs and targets as well as identify potential mitigating actions, if needed, related to ESG based on their respective business model.

Board meetings are held regularly, typically every second month, with open discussions and a direct line of communication between the board and the management team. The Equip investment team also interact frequently with the management team as a sparring partner outside the board room. The independence between the operational management team and the board alongside clear roles and responsibilities defined in the set of policies that Equip requires to be operationalised by each portfolio company are seen as effective preventive measures to minimise the risk of fraud, corruption, bribery and manage potential conflicts of interests.

Please see section F and H above for further details on the monitoring process and data included as part of Equip's regular reporting from its portfolio companies to monitor the progress of the agreed value creation plan, where ESG improvement areas and opportunities often coincide with the general value creation plan to ensure commercial success.

L. Designated reference benchmark

No specific index is designated as a reference benchmark for Fund II's investments.

Date	Version	Amendment
11 January 2022	1	Publication of disclosure