

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) Chapter IV Articles 31-44.

Product name: Equip Capital Fund I LP

A. Summary

Equip Capital Fund I LP (“the **Fund**”) 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.

The Fund promotes environmental and social characteristics by

- positive screening for investments that perform well on ESG or has the potential to do so through our active ownership approach
- commitment to at least one UN Sustainable Development Goal by all portfolio companies
- 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
- 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 and the ownership period
- exclusion of investments that conflict with Equip’s investment policy, which outlines activities that could have negative ESG characteristics
- exclusion of investment opportunities with unmanageable risks or significant ESG issues or concerns unless there is a clear opportunity to raise standards to an acceptable level

The Fund promotes environmental and social characteristics, but does not have as its objective a sustainable investment. The Fund is not committed to making one or more sustainable investments within the meaning of the SFDR. Sustainable investments made by the Fund, if any, will be identified in the periodic reporting made to investors pursuant to SFDR Article 11.

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 our mission, which is to build better companies - for shareholders, employees, customers and society.

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

Equip publish 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

Sustainable investments made by the Fund, if any, will be identified in the periodic reporting made to investors pursuant to SFDR Article 11.

The reporting to investors on sustainable investments, if any, will include information on how the indicators for adverse impacts are taken into account to ensure no significant harm to any sustainable investment objectives, and whether the investment is aligned with the 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.

C. Environmental and social characteristics of the financial product

The Fund promotes environmental and social characteristics by

- positive screening for investments that perform well on ESG or has the potential to do so through our active ownership approach
- commitment to at least one UN Sustainable Development Goal by all portfolio companies
- 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
- 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
- exclusion of investments that conflict with Equip's investment policy, which outlines activities that could have negative ESG characteristics
- 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.

D. Investment strategy

The Fund 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.

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 to ensure attainment of the environmental and social characteristics promoted by the Fund, and investing in companies that follow good corporate practices.

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 the Fund's investment strategy, all the Fund's portfolio companies will promote environmental and social characteristics.

The Fund is not committed to making one or more sustainable investments within the meaning of the SFDR. Sustainable investments made by the Fund, if any, will be identified in the periodic reporting made to investors pursuant to SFDR Article 11.

F. Monitoring of environmental and social characteristics

Environmental and social characteristics are monitored throughout the lifecycle of the Fund 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 and hazardous waste), as well as company specific ESG KPIs and targets related to the most material value drivers (such as customer safety, customer satisfaction, share of recyclable packaging, carbon footprint from meals served, food safety and governance checklists). 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 for environmental and social characteristics

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, economic growth and employee engagement are reported directly from the portfolio companies, and benchmarked against industry or national statistics, if relevant and available.

H. Data sources and processing for environmental or social characteristics

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. Limitation to methodologies and data

Equip invests primarily in small and mid-sized companies, and as we gather all data directly from our 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.

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 the Fund, 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 Capital 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 the Fund.

Before an investment proposal is presented to the General Partner of the Fund, 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 the Fund, 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 the Fund, 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.

Date	Version	Amendment
2 June 2021	1	Publication of disclosure
17 January 2023	2	Added overview for date of publication and date of any update/amendment