



POLARIS

Sustainability
Report
2021

polarisequity.dk

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Introduction to Polaris and Sustainability

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Polaris Management A/S is a fund manager, with 39 employees, based in Copenhagen, Denmark, and is the issuer of this report.
- ★

Polaris Management manages funds (in the form of Limited Partnerships) under the name Polaris which makes majority private equity investments in the Nordic region. On the 31st of December 2021, our three active funds combined had more than 1 BEUR of capital under management, owned seventeen portfolio companies with a combined revenue of more than 1 BEUR and had more than 5.000 employees in Denmark, Sweden and across the world. Our funds have an onshore legal structure based in Denmark (limited partnerships registered in Denmark) and our investors are reputable institutions based in the Nordics and in Europe.
- ★

Our purpose is to invest in good companies with great potential and support their journey towards becoming bigger and better in partnership with management teams, founders and Board of Directors and thereby create financial return for our investors. We invest in mid-sized companies domiciled in the Nordics which we typically own over a period of three to seven years.
- ★

We have a responsibility towards our many stakeholders, and we are committed to promoting sustainability throughout Polaris to honor this responsibility. We work with sustainability for two reasons:

- It is a moral imperative – it is the right thing to do.

- It is an integrated part of long-term value creation.
- ★

Within the scope of sustainability, we include assessments and management of potential social, environmental, and economic impacts according to the internationally agreed principles for sustainable development consisting of the UN Guiding Principles and the OECD Guidelines. These are our Sustainability Principles. We believe that the sustainability related risks and opportunities are unique for each company and we therefore evaluate these individually
- for each portfolio company and ensure that our way of working with sustainability allows for individualization in approach, while making sure that they all adhere to our principles and minimum requirements.
- ★

Our commitment to sustainability is executed broadly throughout Polaris and affects our activities throughout our investment process, active ownership and exit as well as the operations of our portfolio companies and the operations of Polaris Management A/S.
- ★

To be transparent about how we address sustainability across Polaris, we report on the status and progress of our work on an annual basis. This report “Polaris Sustainability Report 2021” is our second annual sustainability report.
- ★

Our industry is subject to many extensive regulations and industry guidelines and we invest significant resources in ensuring that we continuously are compliant and act in accordance with these. As an Alternative Investment Fund Manager (AIFM), our funds fall under the EU Sustainable Finance Disclosure Regulation 2019/2088 (“the SFDR”). Our approach to sustainability described in this report is applied to our most recent active funds, Fund IV and V, launched in 2015 and 2021, and fall under SFDR – Article 8. These funds constituted 89% of our invested capital per 31.12.2021. Our oldest fund III fall under SFDR – Article 6.
- ★

In 2021, Polaris launched Polaris Flexible Capital (PFC) which is a new investment strategy in Polaris. In addition to the current private equity strategy, PFC is focused on minority investments and junior debt. PFC did not start its investment activities in 2021 and is therefore not covered in this report.

Our progress

Explore the highlights of our work during the year



Sustainability highlights of 2021

★ Sustainability provides value in the investment process:

During 2021, Polaris made five investments and sustainability was integrated as a standard component in the due diligence processes and was an important part of the evaluation of these investment opportunities. As part of the sustainability due diligence, we conduct a dedicated Q&A session with the management to discuss the sustainability risks and opportunities of the specific company, how these could be addressed in the future and how Polaris can support this journey. These discussions help us not only make a better assessment of each company but also build a strong foundation for the future work with sustainability together with the company post-acquisition. We often hear that our focus on sustainability and ability to support our management teams on this topic is highly appreciated and we believe it makes Polaris a more attractive investment partner.

★ Two new companies taken through Polaris Sustainability Program:

Two of our 2021 investments, Contour and Sinful, completed Polaris Sustainability Program already during the year and during 2022, the other investments made in 2021 will be taken through our program. Even though it is a standardized structure based on recognized frameworks, it is built on a company specific view on sustainability.

★ SSG wins Polaris Sustainability Award 2021:

We increasingly see examples of how sustainability creates commercial value for our portfolio companies. As an example, our portfolio company SSG is able to use their market-leading work with sustainability to help win important contracts and also to attract and retain staff. Because of this, SSG was awarded our annual Polaris Sustainability Award for 2021. Celebrating great achievements is important to motivate and spread best-practice and it highlights the importance of working with sustainability throughout Polaris.

★ Sustainability continues to provide value at exit:

Our work with sustainability helped secure the successful exit of Molslinjen in 2020 and during 2021, it also contributed to the successful exit of ProData. ProData had worked systematically during our ownership to claim a leading position in sustainability in their industry, which they were also able to leverage commercially, e.g. in tender processes, especially towards large institutional customers. In the exit process, they were able to document their structured approach to sustainability and a track record of continuous improvement of their performance, which strengthened the business case towards the potential buyers.

★ **Moving forward on Climate Action:** Combating climate change is a focus area throughout Polaris and we believe that understanding our carbon emissions on Scope 1,2 and 3, is imperative to be able to identify and prioritize the right actions. During 2021, the portfolio companies included in last years report continued to improve their data gathering and approach to measuring their CO2e emissions, while new portfolio companies started the journey. Our ambition is to support the ambition of the Paris Agreement throughout Polaris and support our companies in setting and fulfilling science-based targets as defined by the Science Based Targets Initiative (SBTI). During the year, Contour Design submitted their application to get their Science Based Targets approved by the Science Based Target Initiative (SBTI) and Futur Pension and Link Logistics are in the process of doing the same. We expect many more companies to follow their example and will encourage and support these efforts.

More highlights on next page

- ★ **Supporting gender equality:** We continued to work to promote gender equality during 2021. To strengthen our network among female leaders, we continued our collaboration with the female board network Bestyrelseskvinder, which led to the recruitment of Mie Krog as chairperson of the board at Sinful. We have a long way to go still and look into accelerating our actions to expand our recruitment networks. In our own finance industry, we engaged with several external partners to improve. In Level 20, the pan-European initiative to support gender equality in private equity, we organized activities together with our peers to attract more female talent to our industry. We at Polaris also support this effort throughout Europe as members of both the Nordic and European Committee. To support change, we also work together with Active Owners to start to measure the gender distribution and its development in the private equity industry in Denmark. We are also sponsors of Kvinder i Finans (Women in Finance), which is a network organization for women in finance in Denmark, with whom we arranged a number of breakfast seminars during 2021. We improved our parental leave policies in 2020 to improve equal opportunity at Polaris and support diversity. Consequently, two male members of the investment team were on paternity leave during the year and benefitted from these improvements.
- ★ **Polaris Sustainability Group:** A lot of work is on-going on sustainability throughout Polaris and our seventeen portfolio companies. To improve communication and learn from each other, we initiated the Polaris Sustainability Group which met digitally for the first time in September 2021. Here

the sustainability leads from each portfolio company together with Polaris Head of Sustainability meet to discuss different sustainability topics. During our first 4 meetings we have discussed topics like science-based target setting, whistleblower systems, the EU Taxonomy and experiences with internal communication. This facilitation of internal knowledge building and sharing of experiences across our investments has been very well received by the portfolio companies and we will continue to develop this forum this coming year.

- ★ **First report filed to PRI in 2021:** In April 2021, Polaris Management A/S filed its first report on its responsible investment activities to PRI and we engaged EY's expert group for Climate Change and Sustainability Services to provide reliance on our reporting. The final score and benchmarking will be provided by PRI in June 2022.
- ★ **Complying with SFDR – Article 8:** After a detailed review of the new EU regulations, we concluded that our work with sustainability, as described in our Responsible Investment Policy (available on our web-page), and which is applied to our Funds IV and V, will likely be categorized by regulators as SFDR - Article 8 and we will therefore comply with the related requirements.



Letter from our Managing Partner

Working hard to keep up

Last year, we had just embarked on our journey to take our work with sustainability at Polaris to the next level which started in the end of 2019. This was motivated by extensive dialogues internally and with various stakeholders as well as our forecasts of an industry-wide shift. During 2020, we launched our new sustainability platform and annual sustainability report and appointed a dedicated resource as Head of Sustainability.

As I write this one year later, I see how clearly the focus on sustainability has evolved in only a years' time, and how much this will be a key driver in our industry as we move forward. The increasing interest from the customers of our portfolio companies means that sustainability is increasingly an area where we can create a competitive advantage. Conversely, it is an area where there is a potential risk of losing competitiveness if we fall behind. At a higher level, sustainability might also impact the overall attractiveness of entire sectors. Ultimately, sustainability is critical for us to understand when we evaluate potential investments and later in the development of our



“To sum up, there are no signs that the pace of change in sustainability is decreasing. It is not a project that can be completed but a long-term commitment and we at Polaris will continue to invest and work hard to stay competitive”

companies in partnership with our management teams. As an investor, we at Polaris must ensure that we adapt to this new reality, both in the investment phase and during our active ownership, to be able to deliver the returns we have promised our investors, and to be a responsible investor ourselves. We believe we are well under way, but we acknowledge that sustainability is a complicated area undergoing fast development and we must remain humble and ensure we work hard every day to keep up with the pace of change. During the past year, we continued to improve and develop our work with sustainability. I am therefore pleased to share the progress we have made in our second year of having our more developed sustainability focus in place.

During 2021, we completed five investments in our new fund V. All these investments were made following a due diligence process which included a structured and comprehensive sustainability review. As a part of this process, we conduct a dedicated session with the management team to discuss our findings and how to best develop going forward. These sessions have consistently demonstrated that management teams want to develop their sustainability work and appreciate support on how to proceed. Being able to provide this support makes

us a more attractive future partner and potential buyer. We also see the same interest in sustainability among the management teams in our existing portfolio companies. I am very happy to see this “pull effect”, which puts pressure on us at Polaris to deliver value to our portfolio companies. We will do our best to live up to these expectations and keep pushing the ambition levels for sustainability in our portfolio companies in joint effort with the management teams and Board of Directors.

Throughout Polaris' portfolio, we see increasing focus on sustainability as each company is developing their sustainability efforts. We can clearly see that competencies and resources are key enablers to this journey and having a sustainability responsible in the management team is required to progress. Finding these resources in-house have been a successful solution for many of our companies. Despite not having a sustainability background, these individuals' knowledge of their organizations and operations can make them successful in their new roles. To support the sustainability leads throughout Polaris and drive collaboration across our portfolio, we have started Polaris Sustainability Group where these people can meet regularly to share experiences and best-practices.

During 2020, we started to introduce a range of sustainability KPIs and we expect these to develop over time as we expand our work to meet the requirements from regulators and other stakeholders. During 2021, we also started concrete discussions with one of our financing partners about how we can link the development of certain sustainability KPIs to a company's financing costs. Over time, I believe this will become the new norm.

There are no signs that the pace of change in sustainability is decreasing and it is not a project that can be completed but requires a long-term commitment. We at Polaris are prepared to continue to work hard and invest to stay competitive in this area. We hope you will find this report useful, and we look forward to engaging in dialogues with all our stakeholders on our sustainability efforts, and how we can continue to improve.

With kind regards,

Jan Johan Kühl
Managing Partner
Polaris Management A/S

How to read this report?

Sustainability in **Polaris** impacts multiple levels



The purpose of this report is to provide an overview and status update on the work with sustainability in Polaris. The following sections define how we structure our work with sustainability and provide a comprehensive overview and status of our work as well as guidance for the reader.



1. Polaris as Fund Manager

The first section of the report outlines our Sustainability Strategy, including our ambitions and approach to working with sustainability as an investment manager, hereunder;

- How sustainability plays a role in our investment strategy, investment process and ownership process
- Our main focus areas within sustainability
- The frameworks and standards we use and why we use them

2. Polaris' portfolio

The second section details how we are working with sustainability in our portfolio through our Sustainability Program, how our portfolio is performing, and the progress on our sustainability focus areas. In addition, the section also includes a sustainability status update from each of our portfolio companies.

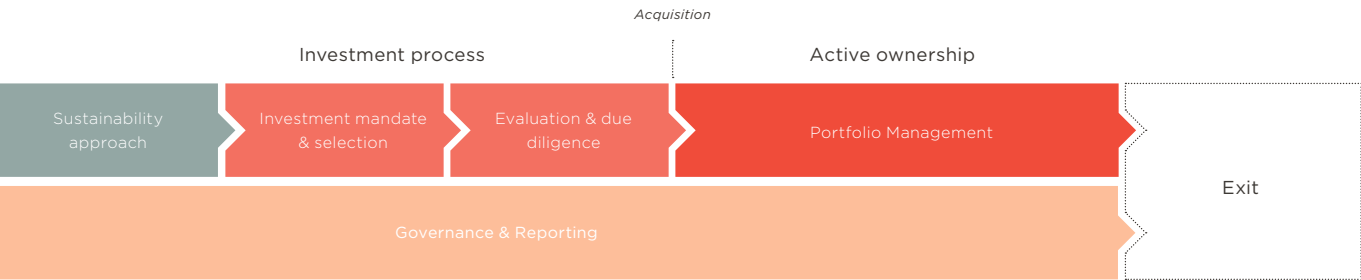
3. Polaris Management

The final section of the report is a summary of our work with sustainability in our own organization in Polaris Management and in our office in Copenhagen. As with our portfolio companies, we have also conducted the work that is outlined in our Sustainability Program internally and provides a status hereof in this section.

Our Sustainability Strategy

1. Polaris as Fund Manager

Our commitment to sustainability is operationalized in our Sustainability Strategy and its different components throughout the investment process:



Sustainability approach Outlines how we are working with sustainability and what sustainability means for our investment strategy. Our approach also details the areas within sustainability which we in Polaris have chosen to focus our efforts on and the best practice international standards and frameworks that we are basing our work on, which form the foundation for our work within sustainability.	Investment process With our Sustainability Approach as the starting point, sustainability is an integrated part of our investment process. Our Investment mandate & selection criteria define what we are willing to invest in and how we screen investment opportunities. Our process for Evaluation & Due Diligence dictates how we evaluate investments prior to an acquisition.	Portfolio Management Our Portfolio Management process outlines how we are working with sustainability in partnership with our portfolio companies as part of our active ownership. Our Polaris Sustainability Program supports our portfolio companies in their process to define the appropriate sustainability strategy specifically for their company in their specific industry. Polaris Sustainability Program is an integrated part of our Polaris Excellence Model, which support value creation in our portfolio companies.	Governance & reporting Details how sustainability fits into our overall governance structure, from defining our approach and throughout the investment process and active ownership phases. and how we measure, track our progress and communicate around sustainability.
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All of these areas will be explained in more depth throughout this report. Our sustainability approach also sets the direction for our work internally in Polaris Management. However, as a fund manager, we acknowledge that our main positive, as well as negative, impacts on sustainability derive from the collective actions of our portfolio companies. Therefore, it is key that all our work with sustainability is integrated in the ongoing work with them and is focused on concrete actions at the portfolio company level. Although we have a defined sustainability strategy, which is based on recognized international standards and concepts, we have developed the approach so it allows for company specific considerations and can be tailored to ensure the most relevance and impact for each company. This is based on our belief that the material sustainability related risks and opportunities are often unique for each sector and often also specific for each company depending on their geographic location, supply chain, business model and culture. For our work to be relevant we must therefore continuously ensure that our sustainability strategy strikes the right balance between standards and minimum requirements and company specific considerations.

Our sustainability strategy described in this report is implemented in Polaris funds IV and V, which we launched in 2015 and 2021 respectively. The strategy and Fund IV and V fall under SFDR – Article 8. It is also detailed in our Responsible Investment Policy (“RIP”), which is available on our home page. Our sustainability strategy is not implemented in Polaris Fund III, from 2009, which fall under SFDR – Article 6.

Our sustainability approach

Our commitment and rationale

As the fund manager of Polaris’ funds, we at Polaris Management acknowledge that our responsibility stretches beyond our own organization and includes the broader impact we have on all stakeholders of Polaris: the employees, customers, suppliers, and the societies where we and our portfolio companies operate. We are committed to actively promoting sustainability throughout Polaris and do this for two reasons:

- It is a moral imperative – it is the right thing to do
- It is an integrated part of long-term value creation

We promote sustainability by

- Promoting sustainability throughout Polaris and incorporate sustainability considerations into our own operations in Polaris Management as well as in our investment and portfolio management processes. This is our Sustainability Strategy
- Striving to continuously improve the way we work with sustainability and our sustainability performance both as investors, in our work with our portfolio companies, their management teams and Board of Directors, as well as in Polaris Management
- Being transparent and reporting on our performance and progress in this Sustainability Report which we publish on an annual basis

- Working with, and thereby promoting, internationally recognized sustainability standards
- Actively engage in promoting sustainability and transparency around sustainability in the finance sector where we operate

Our Scope

- We are applying our Sustainability Strategy to our private equity investment strategy and the investments in Polaris’ most recent funds, Fund IV and V, which constituted 89% of our invested capital and fifteen of Polaris seventeen portfolio companies at the end of 2021. This includes all companies acquired by Polaris as of 2015.

Our ambition is to implement our Sustainability Strategy through Polaris Sustainability Program in our portfolio companies within twelve months after the closing of each transaction or as soon as it is feasible. As Polaris Sustainability Program was launched during 2020, we are still working to include all our current portfolio companies into the program.

Sustainability Standards

To create a solid foundation for our work with sustainability, our Sustainability Strategy is based on, and aligned with, recognized international standards and regulations. With this approach we seek to ensure financial materiality, consistency, and reliability in our reporting and to support strengthened reporting practices and the development of common standards in the investment community with respect to sustainability.

Principles of Responsible Business Conduct – UN Global Compact



Since 2017, we have founded our work with sustainability on UN's Guiding Principles and OECD's guidelines defining responsible business conduct. The standards cover social (human rights including labor rights), environmental and economic (including anti-corruption) impacts. The management standards are referred to as our Sustainability Principles and form the basis for managing impacts in relation to the UN Global Compact principles. Before an acquisition, all potential investments' compliance towards the Sustainability Principles are evaluated and all Portfolio Companies are consequently taken through a comprehensive process to align with these principles. Polaris Management and most of our portfolio companies in Polaris Fund IV and V are members of UN Global Compact and work according to our Sustainability Principles, which include regular operational-level impact assessments and reporting. Polaris is committed to having all new investments to go through this process and sign up to the UN Global Compact within twelve months from the date of acquisition which means our newest investments might not yet have concluded the process at the time of our annual reporting.

Principles for Responsible Investment – PRI

Signatory of:



Created by the investment community for the investment community, PRI, offer a set of voluntary and aspirational principles and actions to incorporate ESG issues into investment practice. As signatories of PRI, Polaris use the six principles as guidelines for our efforts within sustainability. In addition, we report annually to PRI on our progress. Our report to PRI for the year 2020 was submitted to PRI on April 30th 2021 and we engaged EY's expert group for Climate Change and Sustainability Services to provide reliance on our submission. The final score and benchmarking will be published by PRI during 2022.

UN's Sustainable Development Goals – SDGs



The Sustainable Development Goals (SDGs) were established by the United Nations in 2015 and are an integral part of UN's Agenda 2030 – “A blueprint to achieve a better and more sustainable future for all by 2030”. We use the SDGs to focus our sustainability efforts and as a way of creating transparency around our positive and negative impacts and how each portfolio company is working with these. The portfolio companies have mapped their positive and negative impacts to the SDGs and linked these to specific sub-targets and business actions in accordance with the SDG reporting guidelines formulated by the Global Reporting Initiative (GRI).

Sustainability key performance indicators – SASB, GRI and GHG



To improve transparency on our performance and progress in sustainability, we work to establish relevant key performance indicators (KPIs) related to sustainability both at fund level and for the individual portfolio companies. To the extent possible, our ambition is to follow the international standards established by the Sustainability Accounting Standards Board (SASB) and Global Reporting Initiative (GRI) to identify and define the most material KPIs throughout Polaris. The Polaris Sustainability Program is based on three cross-portfolio KPIs (including CO2e) and three portfolio company specific. Carbon footprint calculations are done according to the guidelines of the Greenhouse Gas Protocol (GHG).

Task Force on Climate-related Financial Disclosures – TCFD



Given the expected impact of climate change on our economy, portfolio companies with a significant exposure to climate change are analyzed in accordance with the TCFD recommendations to access potential future financial impact on our investments both from a risk and an opportunity perspective. Similarly, the TCFD principles are an integrated part of our sustainability due diligence in our acquisition processes as of the launch of our fifth fund, Polaris V.

EU regulations

Polaris Management, our funds and portfolio companies are impacted by the emerging structure of EU regulations on sustainability which are part of the EU Green Deal. As an Alternative Investment Fund Manager (AIFM), Polaris Management and our funds fall under the Sustainable Finance Disclosure Regulation (EU) 2019/2088 (“the SFDR”). Our companies are also directly impacted by regulations with respect to sustainability and sustainability reporting locally in Denmark and Sweden and at the EU level. Depending on their size and classification, they might be directly impacted by the current Non-Financial Reporting Directive (EU) 2014/95 (“the NFRD”) which will be replaced by the Corporate Sustainability Reporting Directive (“the CSRD”). These EU regulations, the SFDR and the NFRD/CSRD, also operationalize the underlying EU Taxonomy regulation (EU) 2020/852 (“the EU Taxonomy”) which is under development. Our Sustainability Strategy, as applied to our Funds IV and V, launched in 2015 and 2021 respectively, fall under SFDR – Article 8 and we are continuously monitoring the development of the related regulations to adapt and align our work to ensure compliance. We have currently not integrated the EU Taxonomy and its definitions of sustainable economic activities into our Sustainability Strategy but we will evaluate this continuously.

Guidelines from industry associations

Polaris is a member of the private equity industry in Denmark, Sweden and Europe and we are members of the relevant private equity industry associations Active Owners (in Denmark), SVCA (in Sweden) and Invest Europe (in Europe). As members of these associations, we follow the guidelines that they issue and incorporate and align areas related to sustainability into our Sustainability Strategy.

Polaris' sustainability focus areas

Polaris has identified three areas within sustainability that form the main pillars of our sustainability focus. For each focus area we have formulated a cross-portfolio KPI that is applied across all portfolio companies and reported on both at fund level, individually at portfolio company level and for Polaris Management. In our work as active owners, we at Polaris Management will make an extra effort to improve and make a difference in these three areas:

Focus Area I



Climate Action

- Climate change is one of the biggest challenges of our time and requires the attention of today's investment community. It might mean significant risks, costs and investments for companies and investors, but also significant opportunities for companies addressing this challenge.
- We must all acknowledge that organizations around the world need to significantly step up their climate focus, in order for us all to meet the commitments made under the Paris Agreement and the inevitable policy responses that are under way to close the gap. The investment community has an important role to play in supporting the green transition and thereby also a responsibility to act.
- In Polaris, we take our responsibility seriously and acknowledge that through our investments we have a considerable carbon footprint. We have therefore chosen to make Climate Action, with main focus on CO2e emissions, a key element in our sustainability work. Our objective is to support our portfolio companies to fulfill their part of the Paris Agreement by setting their own Science Based Targets and reduce their emissions accordingly.

Focus Area II



Gender Equality

- In Polaris we believe in supporting equal opportunity for all genders and we firmly believe in gender diversity as a value creator. Gender diversity is therefore a key priority for us. We acknowledge that as a private equity fund manager, Polaris is a large employer and owner with the ability to impact and drive forward gender equality at top level management and in Board of Directors representation of our portfolio companies. With a current underrepresentation of women both at Polaris Management and in most portfolio companies' Management and Board of Directors, working to achieve a better balance in the representation of genders is an imperative for us, which will require a strong focus and action in the coming years. Our long-term objective is to reach a minimum representation of each gender of 40% in Boards and Management levels. In Polaris Management, this priority has lead to initiatives within three areas:
 1. Working to increase the share of women in Polaris Management
 2. Working to increase the share of women in private equity and the finance industry as a whole
 3. Working to increase the share of women across our portfolio companies' management teams and Boards of Directors

Focus Area III



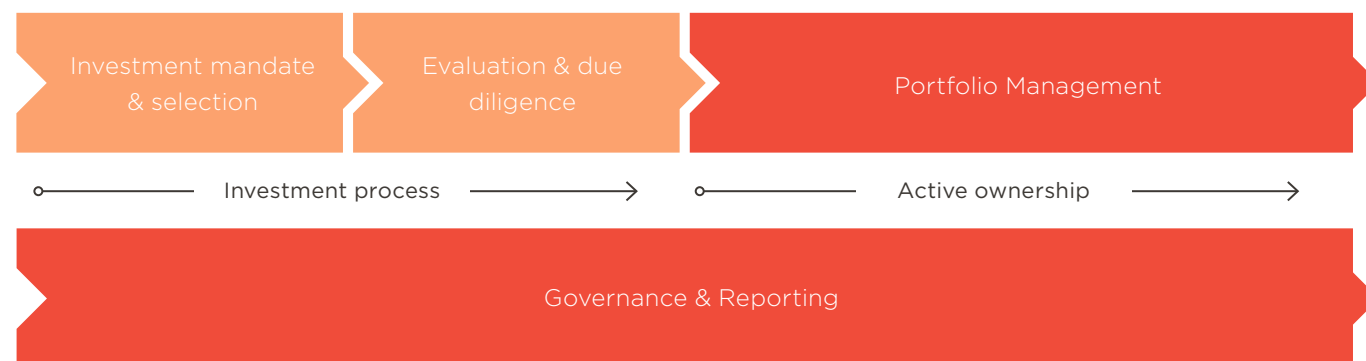
Employer Responsibility

- Through our position as a private equity fund manager, Polaris is a large employer and through our portfolio companies we impact many people across companies, sectors and geographies. It is a core focus for us, and a naturally integrated part of our DNA and culture at Polaris, to actively work in this area and support our portfolio companies in their focus on being good employers.
- Our ability to attract, develop and retain talent is key to value creation – both in Polaris Management and in our portfolio companies. Employer Responsibility and ensuring a strong ongoing focus on creating strong organizations that continuously improve their work environment is therefore an overall focus area in our sustainability work as fund managers.

Sustainability in our investment process

Our investment process has been developed to support our commitment to sustainability and our Sustainability Strategy and is aligned with the international standards. Our investment process is described in our Responsible Investment Policy (RIP), which is publicly available on our home page polarisequity.dk

The Investment Process:



Investment Mandate and selection

Our investment mandate defines how we screen investment opportunities as a fund manager and defines what we are willing to invest in. Our core commitment to sustainability is to improve the companies we invest in by strengthening their structures around sustainability and by improving their sustainability performance through minimizing negative impacts and increasing positive impacts. The requirements that all investments have to fulfill are:

- The company is not part of, or, has an important exposure to a “no-go” sector: gambling, weapons, tobacco, alcohol, and pornography
- The company does not have an unacceptable exposure to countries, persons, or entities on the UN sanctions list
- The risk of sustainability related adverse impacts of the company, as defined in our Sustainability Principles, is determined to be acceptable and manageable
- The company has processes, procedures, and policies in place to govern and manage sustainability and the company’s adverse impacts, as defined in our Sustainability Principles, or we believe that we will be able to establish these in collaboration with the management team after acquisition
- We believe, we can improve the company’s sustainability performance together with the management team within the period of ownership

Evaluation and due diligence

We evaluate potential opportunities in a structured investment process, a stage gate process model, where sustainability has been integrated throughout the different steps:

- **Investment mandate control:** Ensuring alignment with our investment mandate throughout the process as we gain more information about the potential investment
- **Risks & opportunity evaluation:** Identification of current and future material risks and opportunities from a sustainability perspective including climate-related assessments in line with TCFD principles – and early identification of sustainability hypothesis for the investment
- **Industry assessment:** Review of relative sustainability performance in the sector (compared with customers, peers, suppliers etc.)
- **Maturity assessment:** Assessment of the current status and maturity of the company's sustainability performance and structure including formalized data request on sustainability elements in due diligence and interviews with management
- **Sustainability Program:** Identification of initial key elements to be included in our plan for the future development of sustainability of the company

In the due diligence stage of the process, we have developed a sustainability due diligence structure which is supported by external sustainability experts as required. This new structure has been used in all processes starting with the investments in our fifth fund in 2021.

4) Polaris Sustainability Principles: assessments and management of potential and actual social (human rights including labor rights), environmental, and economic (including anti-corruption) impacts in accordance with the internationally agreed principles for managing impacts on sustainable development consisting of the UN Guiding Principles and the OECD Guidelines.

Active ownership – Portfolio Management process

To support the development of our portfolio companies we have developed the ‘Polaris Excellence Model’. This model is our way of working together with our portfolio companies and is based on our long experience with working in partnership with management teams of mid-market companies in the Nordic region. ‘Polaris Excellence Model’ includes standards, tools and best practices as well as a network of consultants and specialized experts ready to support the management teams on a range of topics important for value creation. Sustainability is an important module in ‘Polaris Excellence Model’ and contains our view on what we believe our portfolio companies should have in place with respect to sustainability and how they should get there. We call this ‘Polaris Sustainability Program’ and it is mandatory for our portfolio companies. While the program is based on Polaris Sustainability Principles⁴ and internationally recognized standards and best practices within sustainability, it is structured to be customized to the specific risks and opportunities of the specific company and their specific industry. As ‘Polaris Sustainability Program’ is part of ‘Polaris Excellence Model’ we provide the following support to our portfolio companies in their sustainability journey and implementation of ‘Polaris Sustainability Program’:

- **Online toolbox:** ‘Polaris Sustainability Program’ material, reference information, templates, and benchmarking data from other portfolio companies.
- **Polaris Discussion Partner:** focused support resources at Polaris Management from Polaris’ Head of Sustainability.
- **Polaris Expert Network:** network of specialized consultancy firms and advisors that can provide support.
- **On-boarding:** the program is initiated in an onboarding for management teams and board members of each new portfolio company in Polaris office. Here we introduce Polaris Excellence Model and Polaris Sustainability Program in more detail. We do this to ensure early and strong board and management support to the work and is a direct continuation of the sustainability discussions during due diligence process.
- **Knowledge building:** Portfolio workshops and facilitation of peer knowledge sharing between the portfolio companies in Polaris Sustainability Group where the sustainability leads of Polaris’ portfolio companies meet regularly to discuss and share information about sustainability together with Polaris.
- **Polaris Sustainability Group:** network group consisting of the employees responsible for sustainability in our respective portfolio companies for best practise sharing and discussions through regular digital meetings.

4) Polaris Sustainability Principles: assessments and management of potential and actual social (human rights including labor rights), environmental, and economic (including anti-corruption) impacts in accordance with the internationally agreed principles for managing impacts on sustainable development consisting of the UN Guiding Principles and the OECD Guidelines.

Polaris Sustainability program:

Reporting	Polaris Sustainability Report (public)	Portfolio Company Report (public)	Portfolio Company Board Review (internal)
Execution	Action Plans		
Strategy	Sustainability KPIs Sustainability Statement Sustainability Focus Areas and SDGs		
Analysis	Climate Related Risks & Opportunity Assessment Carbon footprint measurement – Scope 1,2,3 Market overview		
Foundation	Sustainability Platform – policies, management system Impact assessment – positive and negative impacts		

Structure of Polaris Sustainability Program

'Polaris Sustainability Program' includes a set of fundamental actions and deliverables that constitute the sustainability structure that we will work to implement in all portfolio companies. The components of 'Polaris Sustainability Program' are also integrated and aligned with our investment strategy and sustainability due diligence. The program process is initiated with an onboarding session during which the Board of Directors and management team of a new portfolio company is introduced to Polaris' sustainability work and Sustainability Program. We do this to ensure early and strong board and management support to the work. The work builds upon established frameworks and practices and is supported by specialist consultants that support the portfolio companies as they embark on the journey and help build sustainability competencies in the portfolio companies. It is of great importance for the anchoring of the work in the portfolio companies that a sustainability responsible is appointed in the management team and that the sustainability plans and policies are approved by the Board of Directors and followed up as part of the ongoing board reporting. At the initiation of the work, it is determined what the relevant elements of the program will be for the portfolio company but mandatory for all is:

- **Impact assessment:** An assessment of the potential adverse impacts a company might have according to our Sustainability Principles.
- **Sustainability Platform:** Establishment of a sustainability policy including a commitment to UN/OECD guidelines. Implementation of a management system for managing adverse impacts (grievancy mechanism). Establishment of a Business Relationship Code of Conduct (BRCoC) to set expectations on suppliers and other business relationships in line with UN/OECD guidelines. Membership of UN Global Compact.
- **Market overview:** Structured review of the status of sustainability in the relevant sector, including a review of relevant competitors, peers, customers and suppliers.
- **Establishment of carbon footprint baseline:** Establishment of a first bottom-up calculation of the companies carbon footprint according to the GHG protocoll.
- **Climate Related Risks & Opportunities Assessment:** Identification of climate related risks & opportunities according to TCFD principles (Task Force on Climate-related Financial Disclosures). Performed for companies believed to be materially impacted by climate change.
- **Sustainability Focus Areas and SDG mapping:** Identification of the company's material positive and negative sustainability related impacts across the value chain and mapping to the UN's Sustainable Development Goals (SDGs).
- **Sustainability Statement:** Formulation of sustainability statement detailing what sustainability means for the portfolio company.

- **Establishment of Polaris standard sustainability KPIs:**
 1. Carbon footprint: according to Greenhouse Gas Protocol (GHG) on Scope 1, 2 and 3
 2. Gender Equality: gender distribution across company Board, Management and employee level
 3. Employee turnover: indicator of employee satisfaction.
- **Establishment of company specific KPIs:** Establishment of company specific sustainability KPIs that are material to the portfolio company.
- **Action plan:** Prioritized implementation plan with initiatives to improve sustainability structures and performance – increasing positive impacts and minimizing negative impacts including action plans to address our three focus areas: Climate change, Gender Equality and Employer responsibility.
- **Annual portfolio company board review:** Annual update on sustainability to Board of Directors.
- **Portfolio company report:** Annual report on progress reported to Polaris and published by the company (first report published within one year of joining UN Global Compact).
- **Polaris Sustainability Report:** Annual report to Polaris on sustainability including KPIs as part of the annual Polaris Sustainability Report.

Governance and reporting

All investment decisions, which include considerations on sustainability related risks and opportunities, are discussed and recommended by Polaris Investment Committee (consisting of the Partners in Polaris Management A/S) and approved by the board of Polaris Management A/S and the board of each respective fund. Polaris' investment strategy and the integration of sustainability throughout the investment process in our Sustainability Strategy is also approved by the Partners in Polaris Management A/S and the board of Polaris Management A/S. The Board of Directors and Management team of each portfolio company are subsequently responsible for the execution, follow-up and reporting on the sustainability initiatives in their respective company. All employees and board members in Polaris Management A/S are responsible for assisting Polaris and our portfolio companies to fulfill our commitment to sustainability. A critical part of our commitment to sustainability is to report annually on sustainability in this Polaris Sustainability Report and each portfolio company is responsible for providing their input to this report. In addition, each company reports on sustainability as required by local legislation, EU regulations and in accordance with the requirements of UN Global Compact.

The work with sustainability at portfolio level

2. Polaris' Portfolio



The work with sustainability throughout Polaris' portfolio is aligned with Polaris Sustainability Program, either through a direct implementation of the program together with Polaris recommended advisors or through comparable and fundamentally aligned processes yielding similar outcomes and including the same mandatory components. We aim to implement this structure as soon as practically possible and preferably within 12 months after the closing of an acquisition. For the program to be successful and drive real change it is important that the project is firmly anchored in the management team and Board of Directors, can be supported by sufficient resources and a sustainability responsible in the company. The implementation of the program might therefor sometimes need to be postponed beyond our target of 12 months until these factors are in place.

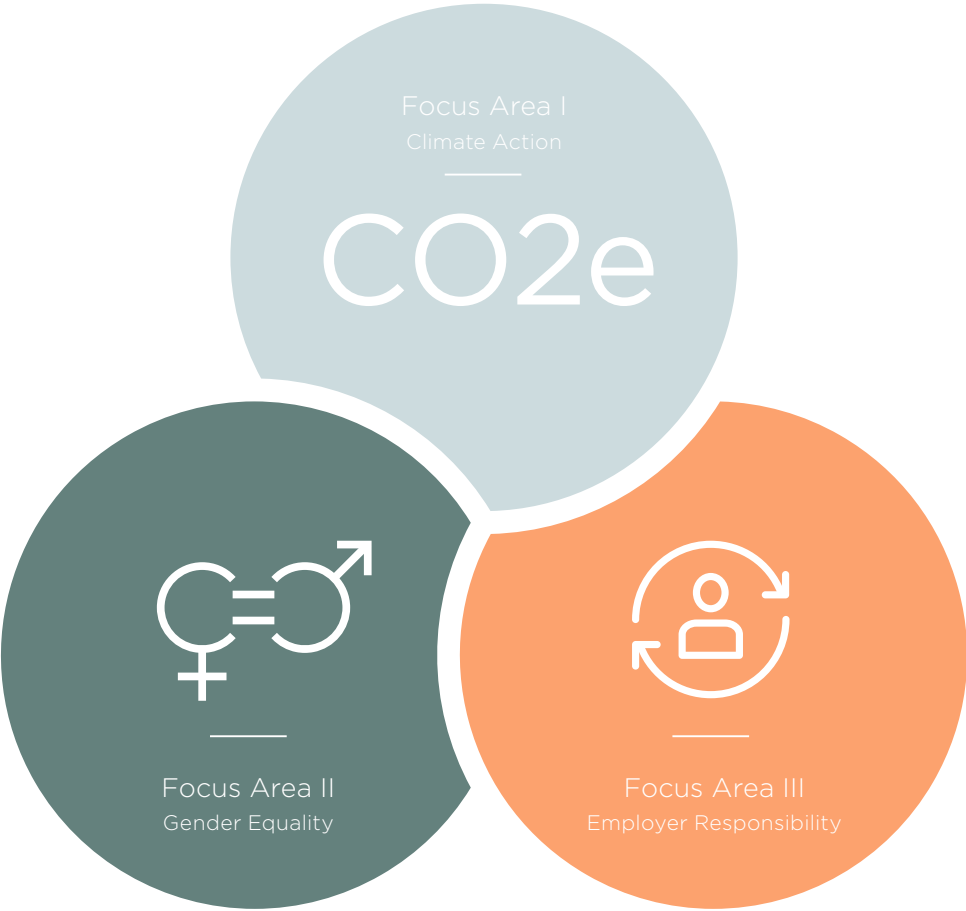
Polaris Sustainability Program is part of Polaris Sustainability Strategy and applied to Fund IV and V. The status of implementation of the program in these funds was as follows in the end of 2021:

Fund / portfolio company	Acquisition date	Holding period per 31.12.2021	Status of program implementation	Comment
POLARIS FUND IV - SFDR ARTICLE 8				
TRIAX	27-Aug-2015	6 years	No	Undergoing significant merger combined with restructuring
CONFIGIT	4-Feb-2016	6 years	In 2020	
AKADEMIKLINIKEN	21-Jun-2016	5 years	In 2020	
MENU	10-Apr-2018	4 years	In 2021	
RELYON NUTEC	20-Sep-2018	3 years	In 2020	
FUTUR PENSION	2-May-2019	3 years	In 2020	
SSG	2-Dec-2019	2 years	In 2020	
LINK LOGISTICS	17-Dec-2019	2 years	In 2020	
DISTRIKTSTANDVÅRDEN	19-Aug-2020	16 months	Pending	Delayed due to on-going institutionalization effort combined with heavy expansion program
VIKINGBUS	4-May-2021	8 months	Pending	Planned for 2022
POLARIS FUND V - SFDR ARTICLE 8				
CONTOUR	4-Jun-2021	7 months	In 2021	
SINFUL	29-Apr-2021	8 months	In 2021	
NORTH	7-May-2021	8 months	Pending	Planned for 2022
STRONGER	21-May-2021	7 months	Pending	Small organization with limited internal resources. Effort started in 2021 and is planned for completion during 2022.
G&O MARITIME GROUP	21-Sep-2021	3 months	Pending	Planned for 2022



Portfolio company impact on the Sustainable Development Goals - SDGs

Our work with mapping the portfolio companies' impacts, positive as well as negative, to the SDGs is used as a way to prioritize, focus our actions and communicate on progress. As mentioned earlier we have chosen to focus especially on three SDGs that we work with and report on across all portfolio companies: Climate Action, Gender Equality and Employer Responsibility.



Focus Area I: Climate Action in Polaris' portfolio

Our focus on Climate Action is based on measuring and tracking the CO2e emissions of our portfolio companies on an annual basis. By doing this we create transparency and ensure that the footprint of the portfolio companies can be addressed, and our portfolio companies actively can work towards reducing their CO2e through identification and implementation of relevant reduction initiatives. We are encouraging and supporting our companies to set reduction targets in-line with the Paris Agreement through Science Based Targets approved by the Science Based Target Initiative (SBTI)

CO2e

	Fund IV	Fund V	
Scope 1+2	70% <i>(7 of 10)</i>	40% <i>(2 of 5)</i>	of portfolio companies have estimated their Scope 1 & 2 baseline
Scope 3	70% <i>(7 of 10)</i>	40% <i>(2 of 5)</i>	of portfolio companies have estimated their Scope 3 baseline
Science Based Target	0% <i>(0 of 10)</i>	0% <i>(0 of 5)</i>	of portfolio companies have set CO2e reduction targets and approved by Board of Directors
Initiatives	80% <i>(8 of 10)</i>	40% <i>(2 of 5)</i>	of portfolio companies have defined CO2e reduction initiatives
TCFD	60% <i>(3 of 5)</i>	0% <i>(0 of 1)</i>	of portfolio companies assessed to have a significant climate exposure have undertaken a TCFD analysis

Climate action

13 CLIMATE ACTION



Table overview of all absolute emissions (tCO2e)

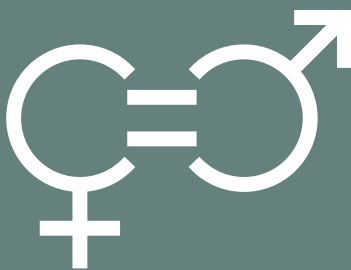
	2019		2020		2021		CO2e intensity 2021
	Scope 1+2	Scope 3	Scope 1+2	Scope 3	Scope 1+2	Scope 3	(gCO2e/ DKK revenue)
Polaris Fund IV							
Triax ¹	-	-	-	-	-	-	-
Configit	202	923	202	461	155	577	5,6
Akademikliniken	123	4.587	121	4.587	109	4.185	12,6
MENU ²	-	-	163	-	149	18.016	54,8
RelyOn Nutec ²	-	-	5.154	-	5.396	1.411	10,4
Futur Pension	-	-	41	204	37	77	0,2
SSG	-	-	4.319	5.047	4.150	4.852	9,9
Link Logistics	60	8.158	70	7.819	191	39.387	47,1
Distriktstandvården ¹	-	-	-	-	-	-	-
Vikingbus ¹	-	-	-	-	-	-	-
Total Fund IV³ incl. additional portfolio companies	386	13.668	10.071	18.117	10.186	68.506	21,1
Using Market Based Scope 2 emissions					10.229		
Polaris Fund V							
Contour	-	-	134	4.499	123	4.941	18,4
Sinful	-	-	120	4.027	123	4.848	12,7
North ¹	-	-	-	-	-	-	-
Stronger ¹	-	-	-	-	-	-	-
G&O Maritime Group ¹	-	-	-	-	-	-	-
Total Fund V³ incl. additional portfolio companies	-	-	254	8.525	246	9.788	15,1
Using Market Based Scope 2 emissions					342		
TOTAL PORTFOLIO³	386	13.668	10.325	26.642	10.432	78.294	20,2
Using Market Based Scope 2 emissions					10.571		

In 2021, our companies continued to work with addressing climate change. As many broaden the scope of their measurements, it makes it difficult to follow-up the development on a portfolio level and often also to follow-up on the performance of a single company. These continuous improvements should be expected and are necessary to enable the companies to better understand and address their emissions properly. We continue to believe in the benefits of our detailed bottom-up approach to CO2e measurement as we believe that this is the best foundation for understanding your emissions and be able to identify the right reduction measures. Targets for the emission reductions should be set in-line with the Paris Agreement and we encourage and support our portfolio companies to set science-based targets approved by the Science Based Target Initiative. A few companies already started this process in 2021 and we expect several companies to get science-based targets approved during 2022. We recognize that it is a large effort for a company to seriously address climate and this might take some time to establish. We at Polaris do what we can to support our portfolio companies on this journey.

1) Company has not yet measured their carbon footprint
2) MENU and RelyOn Nutec only started to include Scope 3 categories in 2021
3) Includes Location Based Scope 2 emissions

Focus Area II: Gender Equality in Polaris' portfolio

With Gender Equality as a focus area for our work, the share of women on board, management and employee level has been chosen as a cross-portfolio KPI for Polaris. Thus, all portfolio companies are reporting annually on the gender balance across their organization and Polaris will report on this KPI for the portfolio as a whole. The metric measured is share of women across the portfolio companies, and the work is focused on ensuring a balanced workforce and increase the share of the underrepresented gender.

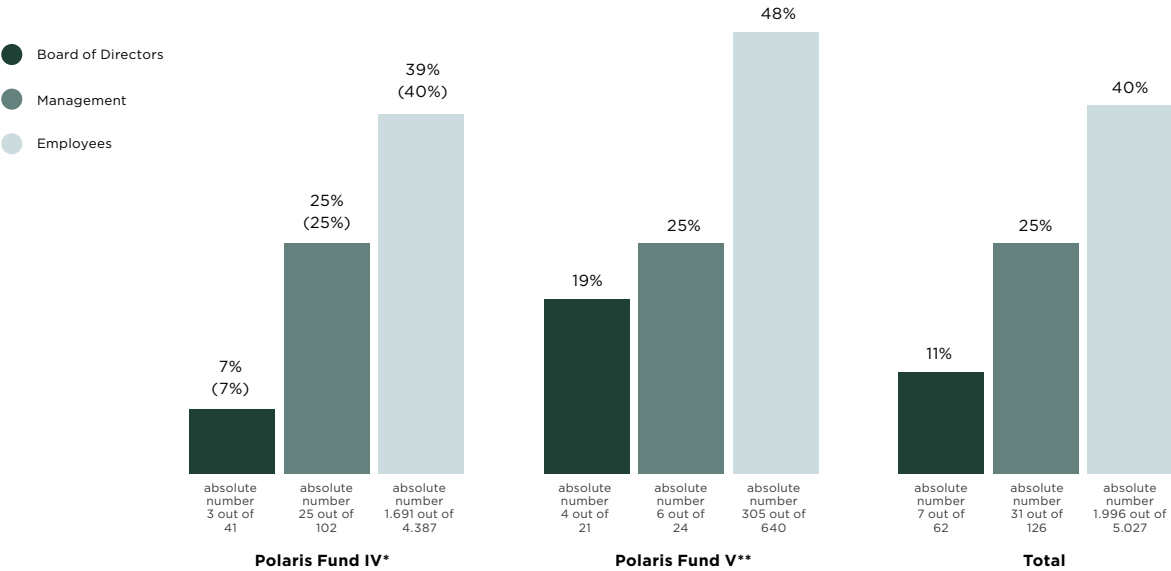


	Fund IV	Fund V	
Tracking	100% <i>(10 of 10)</i>	100% <i>(5 of 5)</i>	of portfolio companies are tracking on gender diversity
Strategy & targets	30% <i>(3 of 10)</i>	20% <i>(1 of 5)</i>	of portfolio companies have defined a strategy and targets to ensure Gender Equality
Initiatives	60% <i>(6 of 10)</i>	20% <i>(1 of 5)</i>	of portfolio companies have defined and initiated initiatives to strengthen Gender Equality

Gender equality



Share of women across portfolio - Year end 2021 (2020)



We expect our portfolio companies to promote gender equality and, as part of Polaris Sustainability Program, formulate initiatives to secure a balanced gender distribution. Our ambition is to reach a 40/60 gender balance across our portfolio for management teams and boards over time. As we follow up on the gender distribution among our companies' Board of Directors, management teams and employees, we can see the companies overall are close to 40% women in staff but that is not reflected in the management teams and Board of Directors. At the board level, we at Polaris continue our effort to expand our network of female professionals for potential board and management team positions through our co-operations with the Danish board network Bestyrelseskvinder ("Board Women"). In 2021, this co-operation led to the

recruitment of the chair person for Sinful, one of our new portfolio companies. We will continue to work to broaden our network of female professionals to improve our recruitment base. At the portfolio level, all companies now report on gender distribution and many have initiatives in-place to improve. We expect more to follow as we are onboarding our portfolio companies into Polaris Sustainability Program. Our focus on Gender Equality throughout Polaris drives focus and transparency on this important topic and helps drive change but we acknowledge that we still have a long way to go. In the future, we will work to transfer best practices between our portfolio companies and ensure they all have actions plans which are approved and followed up by the board of directors.

* Vikingbus was acquired in 2021 and is not included in the 2020 numbers
** All companies in Polaris Fund V were acquired in 2021

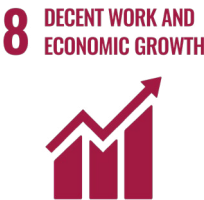
Focus Area III: Employer Responsibility in Polaris' portfolio

Being good employers through respect for and protection of labor rights and providing safe, secure and healthy working environments for all employees is not only the right thing to do, but also key to value creation in our portfolio companies.



	Fund IV	Fund V	
Tracking	70% (7 of 10)	40% (2 of 5)	of portfolio companies are tracking out employee turnover
Strategy & targets	50% (5 of 10)	20% (1 of 5)	of portfolio companies have defined a strategy and targets on employee turnover
Initiatives	70% (7 of 10)	20% (1 of 5)	of portfolio companies have defined and initiated initiatives to improve employee retention

Employee turnover



Employee-initiated turnover (Total attrition)

	2019	2019	2021
Polaris Fund IV			
Triax ¹	-	-	-
Configit	14,2%	19,2%	15,3%
Akademikliniken	9,2%	8,2%	9,5%
MENU	-	6,2%	12,0%
RelyOn Nutec	10,4%	7,9%	4,3%
Futur Pension	5,4%	1,2%	3,4%
SSG	10,8%	9,1%	14,0%
Link Logistics ²	20,5%	29,7%	25,5%
Distriktstandvården ¹	-	-	-
Vikingbus ¹	-	-	-
Total Fund IV	10,9%	9,8%	10,3%
Polaris Fund V			
Contour ²	43,8%	38,9%	31,5%
Sinful ²	-	40,8%	48,1%
North ¹	-	-	-
Stronger ¹	-	-	-
G&O Maritime Group ¹	-	-	-
Total Fund V	43,8%	39,7%	38,5%
TOTAL PORTFOLIO³	13,0%	12,9%	13,8%

We want to ensure that all our portfolio companies work to ensure a good working environment for their employees and continuously strive to improve. This is also a part of Polaris Sustainability Program. To follow-up on this we ask our companies to monitor their Employee Initiated Turnover as an indicator of the attractiveness of the company as an employer and the overall employee satisfaction. Employee turnover varies greatly between companies depending on their structure. Link Logistics, Contour and Sinful have large groups of temporary employees in manufacturing &

warehousing with a relatively higher turnover. These groups of employees in these three companies constituted 37% of the total employee turnover in our portfolio in 2021 (40% in 2020). The portfolio companies are monitoring the development of this metric closely as a part of their efforts to manage and improve their working environment. Most companies also measure employee satisfaction, but this is currently not done in a consistent way across the portfolio. We will continue to develop our work in this focus area together with our portfolio companies.

1) Company is not yet measuring employee initiated turnover as part of Polaris Sustainability Program
2) Link Logistics, Contour and Sinful have large groups of temporary employees in manufacturing & warehousing which increases turnover

Overview of portfolio impact on the SDGs

As part of Polaris Sustainability Program, our portfolio companies map their material positive and negative impacts of our portfolio related to the UN’s Sustainable Development Goals (SDGs). All impacts to the SDGs have been linked to the sub-goals and related business actions formulated by the Global Reporting Initiative (GRI) to make this work as concrete and actionable as possible. Subsequently the portfolio companies have formulated initiatives to increase positive and minimize negative impacts.






Polaris’ portfolio contributes to the SDGs – both cross-cutting focuses & company-specific

	Cross-portfolio SDG focus			Portfolio company-specific SDG focus				
	5 GENDER EQUALITY	8 DECENT WORK AND ECONOMIC GROWTH	13 CLIMATE ACTION	3 GOOD HEALTH AND WELL-BEING	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	11 SUSTAINABLE CITIES AND COMMUNITIES	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	
Polaris Fund IV (SFDR – article 8)								
Triax	Pending							
Configit	★	★	★				★	
Akademikliniken	★	★	★	★				
MENU	★	★	★				★	
RelyOn Nutec	★	★	★					
Futur Pension	★	★	★					★
SSG	★	★	★			★	★	
Link Logistics	★	★	★		★			
Distriktstandvården	Pending							
Vikingbus	Pending							
Polaris Fund V (SFDR – article 8)								
Contour	★	★	★				★	
Sinful	★	★	★				★	
North	Pending							
Stronger	Pending							
G&O Maritime Group	Pending							

Polaris’ portfolio is working on specific sub-targets and relevant business actions

Polaris’ portfolio companies’ concrete focus on the UN SDGs

SDG/SUB-TARGETS	DESCRIPTION	EXAMPLES OF BUSINESS ACTIONS
<div><div><div>3</div><div>GOOD HEALTH AND WELL-BEING</div></div><div></div><div>3.4</div></div>	By 2030, reduce by one third premature mortality from non-communicable diseases through prevention and treatment and promote mental health and well-being.	<ul style="list-style-type: none">• Taking responsibility to protect consumers and end-users from any potentially negative health impacts from ingredients, products, services and marketing activities
<div><div><div>5</div><div>GENDER EQUALITY</div></div><div></div><div>5.5</div></div>	Ensure women’s full and effective participation and equal opportunities for leadership at all levels of decision-making.	<ul style="list-style-type: none">• Gender-sensitive recruitment and retention practices• Internal targets for the number of women at each level and position
<div><div><div>8</div><div>DECENT WORK AND ECONOMIC GROWTH</div></div><div></div><div>8.4</div></div>	Improve global resource efficiency in consumption and production and decouple economic growth from environmental degradation.	<ul style="list-style-type: none">• More efficient use of energy, water, materials and other resources• Formalized sustainable procurement policies and supplier Code of Conduct
<div><div><div>8</div><div>DECENT WORK AND ECONOMIC GROWTH</div></div><div></div><div>8.8</div></div>	Protect labor rights and promote safe and secure working environments for all workers, in particular women migrants, and those in precarious employment.	<ul style="list-style-type: none">• Policies committed to health and safety• Ensuring consistent practices in own supply chains• Monitoring and reporting on compliance of labor rights practices
<div><div><div>9</div><div>INDUSTRY, INNOVATION AND INFRASTRUCTURE</div></div><div></div><div>9.1</div></div>	Develop sustainable and resilient infrastructure to support economic development and human well-being, with a focus on affordable and equitable access.	<ul style="list-style-type: none">• Ensuring resource efficiency, resilience and sustainability in transport, buildings, information and communication technology
<div><div><div>11</div><div>SUSTAINABLE CITIES AND COMMUNITIES</div></div><div></div><div>11.5</div></div>	Reduce the number of people affected by disasters, including water-related disasters, with a focus on protecting people in vulnerable situations.	<ul style="list-style-type: none">• Supporting post-disaster reconstruction efforts of local and national authorities
<div><div><div>12</div><div>RESPONSIBLE CONSUMPTION</div></div><div></div><div>12.1</div></div>	Implement the 10-year framework of programmes on sustainable consumption and production, with developed countries taking the lead.	<ul style="list-style-type: none">• Establishing sustainable production and consumption programs

SDG/SUB-TARGETS	DESCRIPTION	EXAMPLES OF BUSINESS ACTIONS
<div><div><div>12</div><div>RESPONSIBLE CONSUMPTION</div></div><div></div><div>12.4</div></div>	Achieve environmentally sound management of chemicals and wastes throughout their lifecycle and significantly reduce their release to air, water and soil.	<ul style="list-style-type: none">• Tracking and reporting waste generated.• Implement mitigation measures.• Understanding the waste caused by the design of products and services
<div><div><div>12</div><div>RESPONSIBLE CONSUMPTION</div></div><div></div><div>12.5</div></div>	Implementing circular business models such as using renewable, bio-based or fully recyclable inputs, recovering resources, extending product lifecycle.	<ul style="list-style-type: none">• Implement use of recycled materials in production and enable proof of content• Develop products designs to align with requirements for circularity
<div><div><div>12</div><div>RESPONSIBLE CONSUMPTION</div></div><div></div><div>12.7</div></div>	Ensuring suppliers apply sustainable principles in the procurement contracts through evidence-based approaches such as supplier sustainability audits.	<ul style="list-style-type: none">• Develop sustainability policy and share with suppliers• Include environmental aspects in supplier audits
<div><div><div>12</div><div>RESPONSIBLE CONSUMPTION</div></div><div></div><div>12.8</div></div>	Provide relevant information on the use, environmental attributes, maintenance and disposal of products to enable consumers to make informed decisions.	<ul style="list-style-type: none">• Provide customers with information about products from a life-cycle perspective• Improve customer communication to promote responsible waste handling
<div><div><div>13</div><div>PROTECT THE PLANET</div></div><div></div><div>13.1</div></div>	Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries.	<ul style="list-style-type: none">• Identifying climate change induced risks and opportunities• Disclosing and reducing GHG emissions.• Working with suppliers on their emissions
<div><div><div>13</div><div>PROTECT THE PLANET</div></div><div></div><div>13.3</div></div>	Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning.	<ul style="list-style-type: none">• Raising awareness and understanding among clients and employees about climate change
<div><div><div>16</div><div>PEACE, JUSTICE AND STRONG INSTITUTIONS</div></div><div></div><div>16.5</div></div>	Substantially reduce corruption and bribery in all their forms.	<ul style="list-style-type: none">• Developing policies and programs to effectively address all forms of corruption• Prohibiting bribery in any form, whether direct or indirect



Polaris’ Portfolio

Company
Details

This section contains details on the sustainability initiatives in Polaris’ portfolio companies.

Polaris Fund IV	
Configit	40
Akademikliniken	50
MENU	60
RelyOn Nutec	70
Futur Pension	80
SSG	90
Link Logistics	100
Additional Fund IV portfolio companies	110
Polaris Fund V	
Contour Design	112
Sinful	122
Additional Fund V portfolio companies	132

Company introduction

Configit

Business critical software solutions



Sustainability statement

Our software enables our customers to realize efficiency gains throughout their production processes and do what they do more precisely and with fewer errors. In that sense we are an enabler of more efficient production with less resource usage. Given the nature of our business we recognize that our greatest potential sustainability contribution lies in supporting our customers to realize sustainability gains and reduce their negative environmental impact through more sophisticated and efficient production processes. Going forward we will increase our focus on establishing transparency around the environmental gains inherent in our product and how these enable and facilitate businesses on their green transformation journey.

Serving as an enabler of efficiency gains, facilitating sustainable, responsible production is inherent to our business. At Configit, we also take responsibility for the way we operate our own business through focus on:

Ensuring a good and healthy working environment for all employees
Configit is a people-company with dedicated highly skilled employees who all contribute to the value of our business. It is a key priority for us to offer an attractive working environment where people are in focus and that supports the retention of employees. We ensure this based on our company values, having great leaders and an open and communicative culture. Our annual employee engagement survey showed a great appreciation of our strategy, skilled co-workers, and our managers. We will continue ensuring dialogues between managers and employees to ensure that everyone is treated with dignity and respect. As part of this, we are committed to creating a diverse and inclusive workplace where our employees can thrive. We are proud to employ people of all backgrounds, and unique talents and experiences are welcomed.

Reducing our environmental impact
We are conscious about the way we are operating, and do our best to ensure we minimize our environmental impact, for example through formalized procedures related to waste management, encouraging virtual meetings and being focused on when travel is a prerequisite for developing our relationship with customers and partners. We make annual measurement of our CO2e to create transparency and be able to initiate targeted reduction initiatives.

Having strong governance in place
At Configit we strive to do the right thing, and we are committed to the highest standards of ethical business and integrity. Our business rests on strong formalized governance procedures, supported by policies and training, to ensure best-practice information security and minimizing the risk of data breaches and IP infringements.



Key statistics

- CEO**
Johan Salenstedt
- Chairman**
Allan J. Vestergaard
- Headquarter**
Copenhagen, Denmark
- # of FTEs**
124
- Year acquired**
2016
- Polaris Fund**
Polaris IV
- Polaris ownership**
59%
- Revenue (DKKm)**
130
- Revenue (EURm)**
18

Management summary



“We have a unique opportunity to help reduce the environmental impact of large and complex value chains across the world”

In 2021, we continued our sustainability work to manage the impacts from conducting our business. During the year, we also took important steps to leverage the capabilities in our offering to make a positive impact.

The rise of “Green configuration”

A fast-growing trend in modern manufacturing means an increasing number of products are becoming configurable. This means that a single product has multiple options for each variation. Today, everything from cars to elevators to lighting systems have customized options. Configit’s CLM technology can enable our customers with the concept of “green configuration,” in which a configurator can be used to show the customer the environmental consequences of their configuration choices, enable them to make more environmental friendly choices and help them meet their own sustainability goals. This concept is nascent but catching on quickly and the demand for “Green configuration” is rising across sectors. Within a few years, this approach will be a necessity. We at Configit can enable this trend and we have a unique opportunity to help reduce the environmental impact of large and complex value chains across the world and make a positive impact. During the last year, we have therefor increased our focus on raising awareness of “Green configuration” via blogs, tech talks and white-papers about “Configit Sustainability Transformation in Manufacturing”.

Further strengthening our governance

It is a key priority for Configit, to demonstrate a high degree of business ethics and integrity. In 2021 we started the implementation of a Grievance system, which we truly believe will strengthen our organization further. We have improved our Information Security Management System, to enhance the strength of our ISO 27001 certification. The ISMS and the certification, which we obtained in 2019, has a great impact on how we are continuously improving the way we work, with annual internal as well as external audits. We have also made essential improvements during 2021 via establishing and implementing OKRs (Objectives and Key Results) to ensure collaborative goal setting and priority of security objectives across the company. The risk management process has been improved, as we have implemented a structured way of reporting, assessing and mitigating risks and we have trained key people in the process to ensure awareness in the daily work.

We have an ongoing focus on our development processes, which provide clear guidance on how to respect software copyrights. We ensure this by using

a well-defined Free and Open-Source Software Policy to ensure and integrate Free and Open-Source Software (FOSS). Both are part of our onboarding of new developers, and we ensure that all developers understand and sign the policies and procedures when updates are made.

Ensuring a healthy and safe work environment

In 2021 we worked hard on ensuring a healthy and safe working environment. The Covid-19 situation was monitored closely to ensure our employees’ wellbeing during the pandemic. Being in a situation where everyone had to work remotely for longer periods, it was essential for us to be in close contact with our employees. We strengthened our communication with our co-workers, and we focused on how to support each of them depending on their individual situation. We conducted a Health and Safety survey including questions about physical and mental health and the Covid-19 situation. The result was overall positive, our employees experienced support and we have planned further initiatives to ensure that we improve in 2022. In 2021, we repeated the annual employee survey to track employee engagement. It showed, that we have created more clarity of our direction as a company, that our managers clearly demonstrate our values – and that we are a great company to work in due to our technology, the smart colleagues, and our culture. We will continue enhancing this in 2022.

Reducing our impact on the environment

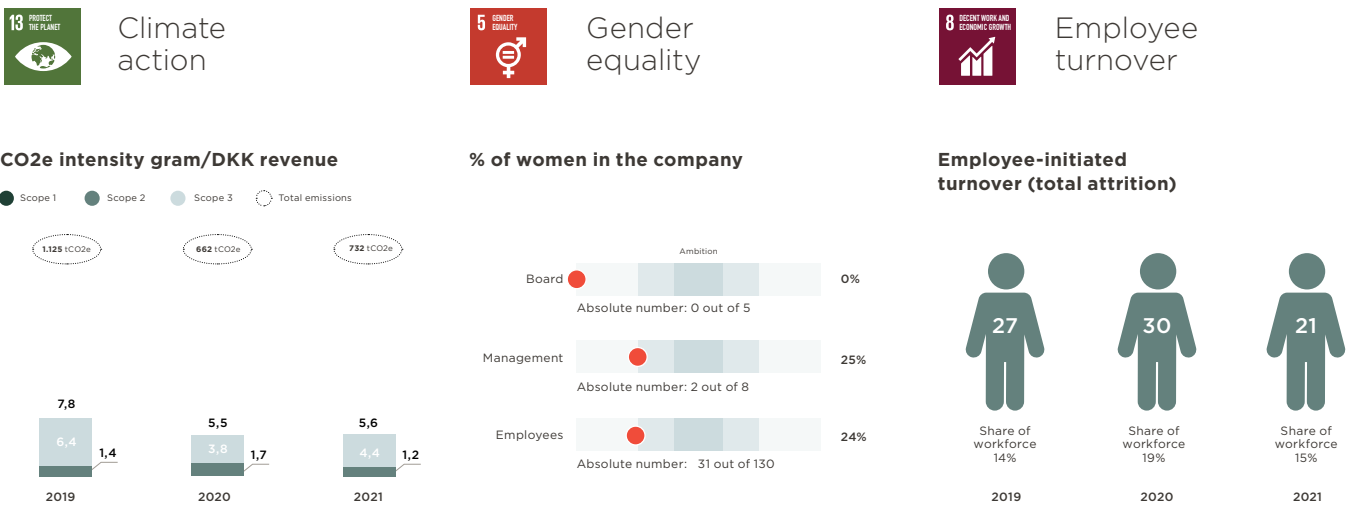
We continued to track the development of our CO2e baseline in 2021 to monitor our impact on the climate and we continued to work to reduce our own emissions during the year.

With kind regards,

Johan Salenstedt

Sustainability metrics

Polaris cross-portfolio KPIs



No Scope 1 emissions in Configit's CO2e baseline. The reduction between 2019 and 2020 is driven by a 50-60% reduction in canteen use and business travel.

This level has been maintained in 2021 with a further reduction in travel in 2021. The levels are not completely comparable as we introduced measurements of waste and Azure services in Scope 3 in 2021.

GRI: 305-1a, 305-2a, 305-3a, 305-4a

Climate Action Management

Scope 1 & 2
Estimated activity-based calculations.

Scope 3
Main categories included. Further categories to be added in years to come.

Strategy & targets
Targets are defined for all areas except for KPI 1, which is work in progress, but will be assessed on an annual basis as we gain more insight and increase number of measurement categories.

Initiatives
Initiatives have been defined and key initiatives have been initiated.

TCFD
TCFD analysis not undertaken: Climate related risks & opportunities deemed low.

Configit is focused on improving the gender balance across the organization, for example when recruiting, we look for candidates of the underrepresented gender and request recruiters to search for and present candidates of the underrepresented gender. As the market for IT people is stretched in general, we do our best to invite candidates for informal meetings about our positions to get them interested. Configit is aiming at being gender agnostic.

GRI: 405-1(i)

Gender Equality Management

Tracking
Tracking in place on gender across the organization, at different tenures.

Strategy & targets
Targets have been defined and approved by the BoD.

Initiatives
Initiatives defined and approved by the BoD.

We succeeded in decreasing the attrition close to the level in 2019, although the pandemic and the market for highly skilled IT professionals has been a major challenge.

We expect the turnover to decrease more due to the end of the pandemic and our progress and results of our strategic direction of Configit including our supporting values.

SASB: Adapted from HC-DY-330a.1

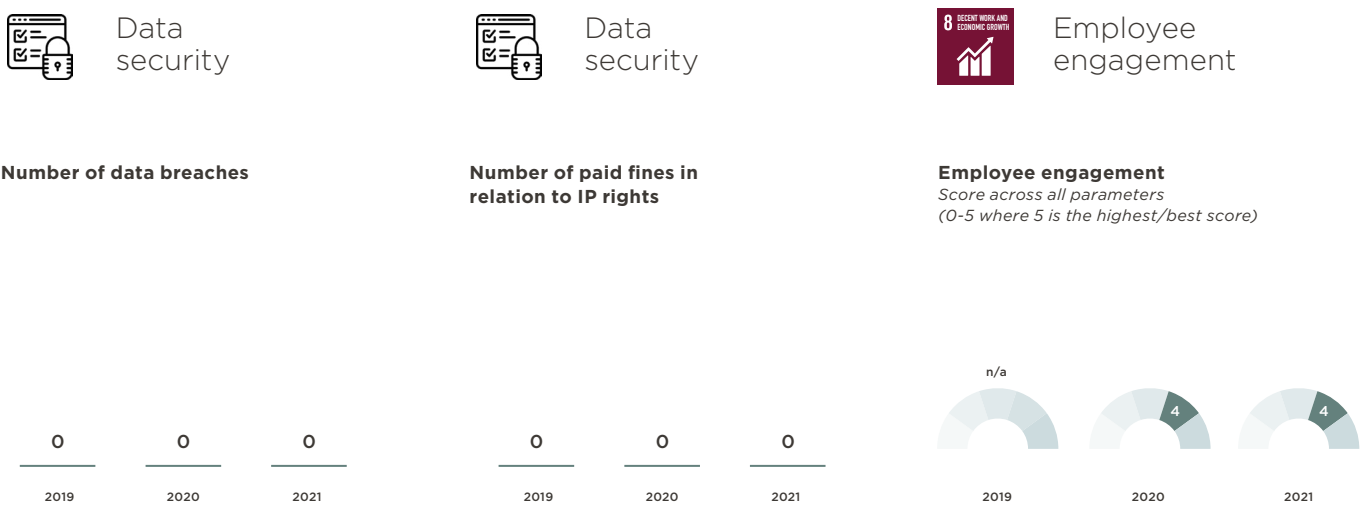
Employee Turnover Management

Tracking
Tracking in place on employee-initiated turnover.

Strategy & targets
Target is equal to 2019 level: 14%.

Initiatives
Initiatives defined to ensure a healthy work environment and employee engagement.

Portfolio company-specific KPIs and initiatives



Being compliant in relation to GDPR is a priority in Configit. We have implemented a number of processes to support this compliance, amongst them ISMS and Cybersecurity policies as well as regular training for employees involved. All employees have been trained - and new employees are trained as part of the onboarding process - including a final test.

SASB: Adapted from TC-SI-230a.1

Constantly reviewing the software we develop, ensuring the uniqueness of our product and that intellectual rights of others are not infringed and is a natural key priority in Configit. We use software, but more importantly education to ensure this.

SASB: Adapted from TC-SI-520a.1

The result of the annual employee engagement survey 2021 improved positively (+0,2) from 2020. The survey covers the following areas: Assignments, conditions, growth opportunities, teamwork, management, communication and strategy.

SASB: Adapted from TC-SI-330a.2



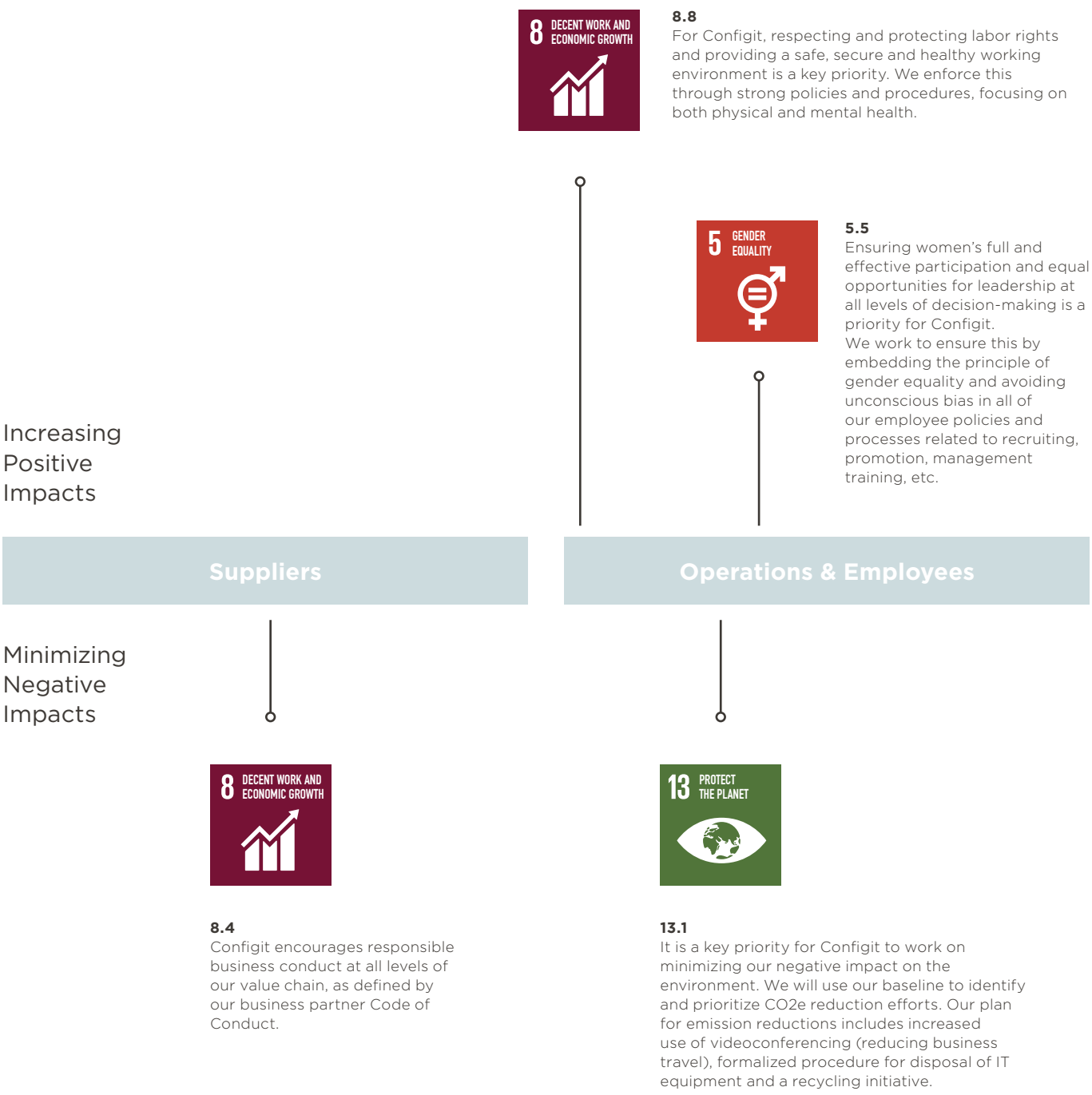
We have in 2020 adapted our travel policy to discourage flights. 2020 and 2021 were unusual years and as such cannot be used as a basis for comparison. Travel has been greatly decreased due to Covid-19 travel restrictions. Going forward we expect to see a lower travel intensity compared to 2019 due to changes in the approach to travel (culture change as a result of Covid-19).

At Configit we value diversity and is proud that with only 130 employees, we represent 27 different nationalities.

We have strengthened our way of working with risk and established processes and guidelines in order for Executive Management to have an ongoing overview of risks, prioritization and mitigation in a timely manner. We are planning our re-certification in October 2022.

The Sustainable Development Goals

Configit's contribution to the SDGs



The Sustainable Development Goals

Configit’s contribution to the SDGs

INCREASING POSITIVE IMPACTS

Concrete initiatives in progress



- Conduct annual salary reviews to ensure salaries among employees are purely based on job experience and performance. Address any differences if they occur
- Incorporate unconscious bias and discrimination training elements in management training
- Review and update attraction and retention procedures and processes, hereunder: staff manual, promotion guidelines, promotion criteria and job postings
- Track gender equality across the organization, to improve representation for example by requiring recruiters to present candidates reflecting underrepresented gender for a given position



- Update staff manual to include section on safe and healthy working condition
- Ensure a flexible work environment, allowing employees to accommodate their preferences, as we believe it fosters a better and healthier working environment
- Update employee engagement survey annually to ensure follow-up discussions



- Facilitate and accelerate the green transformation of our customers' production by using our software
- Educate our customers on how they can use our software to create transparency around sustainable configurations of their products towards their end-consumers



Status on initiatives

- We check and compare reviews based on performance aligned with the specific job positions and identify issues. So far, we have had very few cases.
- We will train all managers to avoid bias and discrimination on an on-going basis. This year we will focus on the flexible working policy and related biases.
- Career paths are being updated to create clarity on requirements for promotions. Job postings are updated including non-discrimination statements. We ask recruiters to search for all genders for all positions.
- Tracking of gender diversity, age and nationalities are incorporated in all HR reporting to management and board. Explicit plans made to recruit more employees of the underrepresented gender, who will match our job profiles in 2022.

- The results of the Health & Safety assessments and the plan for 2022 are available on our intranet for all employees. Plans to train managers and employees in First Aid and screenwork management.
- We followed up on the experiences with the “Flexible Work Policy” established in 2020 via engagement survey, discussions with employees and managers and are making plans to adapt for the future.
- Employee engagement survey has been conducted, 91% of employees participated in the survey, and we improved our overall rating. We will work to improve collaboration, planning and knowledge sharing.

- In 2021 we had initiatives to raise awareness among our customers, partners, and other stakeholders via online tech talks and white papers. In 2022 we will continue this journey and “Green configuration” will be a topic on our annual CLM summit.

MINIMIZING NEGATIVE IMPACTS

Concrete initiatives in progress



- Disclose and expand upon current CO2e baseline coverage to continue to improve the depth of data collection to support decision making on carbon reduction initiatives
- Use the CO2e baseline to set GHG reduction targets and priorities for emission reduction efforts



- Implement Business Relationship Code of Conduct
- Implement supplier Code of Conduct for IT suppliers to ensure they adhere to our policies especially in relation to GDPR and our ISMS as well as IP protection

Status on initiatives

- CO2e baseline updated in 2021 and analyzed to monitor progress and to analyze relevant actions.
- Initiative to encourage virtual meetings where possible has been supported by the recent pandemic. The practical knowledge gained will influence travel frequency and the way we work going forward,
- The Code of Conduct for Business partners has been developed and sent to customers and vendors.
- Each significant IT supplier is evaluated annually prior to our annual Audit to ensure they live up to the standards required. This evaluation includes adhering to our Code of Conduct, a list of the validated suppliers in our Policy Handbook – which is part of our ISO 27001.

Company introduction

Akademikliniken
Aesthetic treatments



Sustainability statement

Our Vision

Is to have the worlds most satisfied customers. With themselves. In our work, we are committed to sustainability and aim to reach our Vision in a sustainable and responsible way, particularly within three key focus areas. We want to ensure that we are always...

...Caring for our patients

Aesthetic procedures, like all medical procedures, involve certain risks. At Akademikliniken we take this very seriously and do our outmost to minimize risks of adverse effects to our patients. If adverse impacts should occur, Akademikliniken ensures we are available to our patients 24/7. In addition, as industry leaders, we are committed not only to the safety of our own patients; we also work to improve the standards of the entire industry. We continuously engage with regulators, peers and relevant organizations to ensure adequate rules and regulations to protect patients from being treated by unauthorized professionals and to ensure that all patients are provided with correct advice and necessary support in their process. Patients that wish to benefit from our industry should be protected from disappointments, over-treatments, unsafe procedures or other undue risks.

...Caring for our employees

We care deeply for our employees. Our employees are the ones ensuring that we can run a sustainable business, and the ones providing the customer care and outcomes we strive for. It is important to us, that all current and potential future employees are treated with dignity and respect. As part of this, promoting Gender Equality is a top priority for us. To ensure our employees have the best foundation for providing a world class service, that both they and our patients deserve, we invest in their professional training, general well-being and awareness of high quality across our operations.

...Caring for our environment

We appreciate that all actors in our society need to act on climate change. In addition to our continuous efforts to reduce our adverse environmental impacts, we are focused on reducing our carbon footprint. We will continue our focused engagement to diligently improve our efforts and use our leverage to reduce negative environmental impact across our value chain.



Key statistics

- CEO**
Annika Söderberg
- Chairman**
Thomas Berglund
- Headquarter**
Stockholm, Sweden
- # of FTEs**
185
- Year acquired**
2016
- Polaris Fund**
Polaris IV
- Polaris ownership**
57%
- Revenue (DKKm)**
459
- Revenue (EURm)**
46

Management summary



“We take our role as industry leader in the Nordics very seriously and actively work to improve the industry and push for stronger regulation within the patient safety area”

During 2021 our sustainability related efforts have been to improve the awareness and more actively work with our initiatives within the organization.

Our company-wide sustainability commitments include acting responsibly, supporting core principles for social, environmental, and economic sustainability as defined by UN/OECD and striving to continuously improve our performance. The work with impact assessments gives a clear overview of our key impact areas. In 2021, a new impact assessment work has started for Norway and is planned to be finalized during 2022. So far in that work we have identified that the key impact areas are mainly the same as for Sweden and there are minor differences which will be addressed with separate initiatives. With our three focus areas: caring for our patients, caring for our employees and caring for our environment we give over employees the opportunity to be engaged in Akademikliniken’s commitment in their everyday work.

Caring for our patients

For several years Akademikliniken has put extensive work to improve the industry and push for a stronger regulation within the patient safety area. We are very proud of our contribution where we have been involved in dialogues with politicians, colleagues and public health care providers, promoted the regulation in all available media and actively helped patients who have had bad experiences with other providers. This finally led to a new legislation in July 2021. The safety of the patients is now covered in a much better way, when it comes to aesthetic treatments. In Norway, the same legislation has been initiated and even here Akademikliniken takes an active role in the debate hoping for a new regulation to be implemented during 2022. As in Sweden the regulation will e.g. help to protect patients from unauthorized caregivers. Patients’ health and safety are the highest priority for Akademikliniken, and we are focused on ensuring high quality procedures. We track relevant KPIs across the organization, and ensuring that across all our clinics, we continuously follow and improve our customer experience at all levels. Our customer satisfaction surveys have during 2021 given us insights throughout our customer journey and resulted in actions in 2022 to improve the experience after surgery.

Caring for our employees

To continuously ensure our employees’ commitment and well-being, we use the employee-experience measurement tool, Peakon. The second survey was sent out in June 2021 and our overall score continuous to be in the highest 25% in the Healthcare sector according to the Peakon benchmark. The result from the survey

in June has from high numbers decreased since 2020 and we believe that this is caused by organizational changes in relation to productivity. When it comes to Gender Equality, the strategy is to focus on the underrepresented gender in the recruitment process. Unfortunately the objective of recruiting more female surgeons didn’t succeed during 2021, so it is still high priority.

Caring for our environment

Our main CO₂e emission impact derives from Scope 3 (purchase of goods and services) where Akademikliniken, during 2021 in an even more active way tried to foster vendors with low impact on the environment. Even though total share of CO₂e emissions from travel and transportations are not significant, Akademikliniken has focused on minimizing the use of fossil fuels. Our two identified focus areas to reduce our CO₂e footprint are: engaging our suppliers to jointly reduce our emissions, and to a greater extent engage our employees so they can contribute to our decarbonization efforts in their daily processes. An example of the latter includes improvement of our purchase processes with less suppliers and more products centered to one supplier with less transportation as a result.

Our commitment and engagement

Together with our employees and other business partners, we strongly believe that we can increase our contribution to a sustainable development. In August, Akademikliniken sent the first Communication on Progress report (CoP) to UN Global Compact and reviewed our sustainability policy and Business Code of Conduct available on our homepage. Akademikliniken will continue to work with sustainability in the structured way that we started in 2020.

With kind regards,

Annika Söderberg

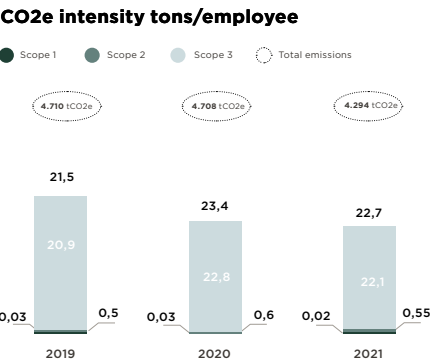
Sustainability metrics

Polaris cross-portfolio KPIs

13

PROTECT THE PLANET

Climate action



Main CO2e emission impact derives from Scope 3 (purchase of goods and services) where Akademikliniken, were possible, always try to foster vendors with low impact on the environment. Even though total share of CO2e emissions from travel and transportations are not significant, Akademikliniken always tries to minimize the use of fossil fuels.

GRI: 305-1a, 305-2a, 305-3a, 305-4a

Climate Action Management

Scope 1 & 2
Activity-based with national statistics on fuel and energy prices.

Scope 3
Combination of spend-based calculations, and activity-based for key categories.

Strategy & targets
Definition of targets in progress.

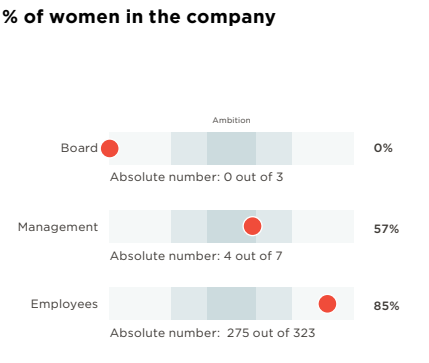
Initiatives
Initiatives defined. Most are already initiated.

TCFD
TCFD aligned analysis not undertaken: Climate related risks and opportunities deemed low.

5

GENDER EQUALITY

Gender equality



For each job function and level we have a strong focus on the underrepresented gender in our recruitment process.

There is a challenge to retrieve a total balance within many functions due to an uneven distribution of educated people in the market.

GRI: 405-1(i)

Gender Equality Management

Tracking
Tracking in place on gender across the organization, at different tenures.

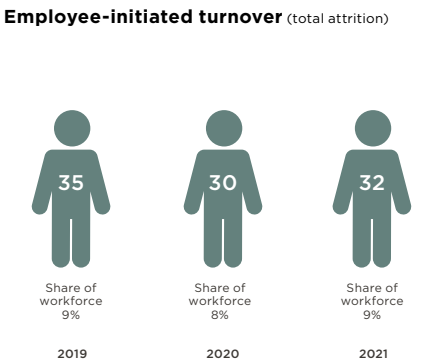
Strategy & targets
Always focus on the underrepresented gender in the recruitment process. Targets in numbers are not set.

Initiatives
Initiative for 2022 will be to recruit more female surgeons, since the surgeon group stands out with an overweight on males.

8

DECENT WORK AND ECONOMIC GROWTH

Employee turnover



In 2021 we did see a slight increase in total attrition. This is due to organizational changes, closing our central customer service unit. In 2022, we will continue to work on our efforts to strengthen Akademikliniken as a great workplace, hereunder focus on talent retention and personal development. We still have many employees who have passed or are near retirement age, which might cause an increase in the coming years.

SASB: Adapted from HC-DY-330a.1

Employee Turnover Management

Tracking
Tracking in place on employee-initiated turnover.

Strategy & targets
Targets to be defined and approved by the BoD in 2021.

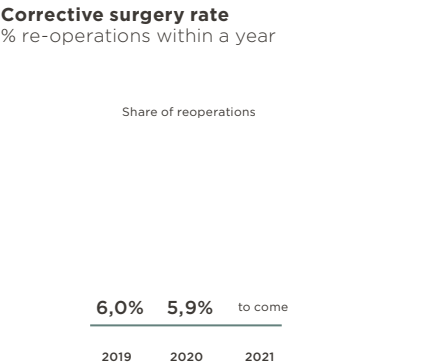
Initiatives
Initiatives defined to ensure good work environment and employee engagement.

Portfolio company-specific KPIs and initiatives

3

GOOD HEALTH AND WELL-BEING

Medical quality 1: Corrective surgery



Correction rate is calculated from how many of the surgeries performed in 2019 resp. 2020, that have resulted in a correction within 365 days. Values for full year 2021 will not be available until 2022 report. The correction rate is not spread evenly over different surgery procedures. The focus is to reduce the correction rate for procedures with higher correction rates.

SASB: Adapted from HC-DY-250a.4

Provide excess resources

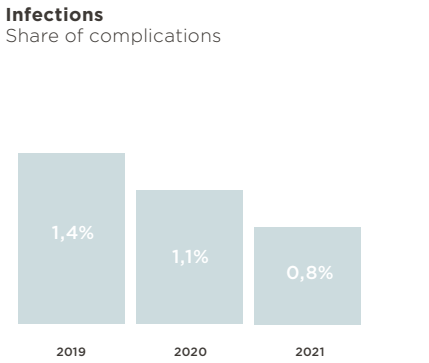
Akademikliniken wants to contribute to the society by offering the excess human and physical capital of our clinics to external partners that have patients in need of care. During the Covid-19 outbreak, many hospitals had to put surgeries on hold, which extended their waiting lists.

We have continued our contribution during 2021 to help some of these hospitals reduce their waiting lists and patients in need of cancer breast surgery.

3

GOOD HEALTH AND WELL-BEING

Medical quality 2: Infections



The infection rate covers all surgical procedures in Akademikliniken Sweden.

The infection rate is not spread evenly over the different surgical procedures.

The progress from 2020 to 2021 is mainly due to changed surgical technique within specific procedures.

SASB: Adapted from HC-DY-250a.4

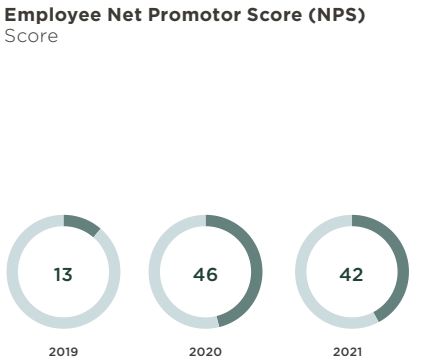
Waste management

During 2021 information about waste handling in the clinics has been initiated and we have had dialog with suppliers to be able to get more differentiated reports for follow up. Customers have also been informed to recycle skin care packaging at our clinics.

8

DECENT WORK AND ECONOMIC GROWTH

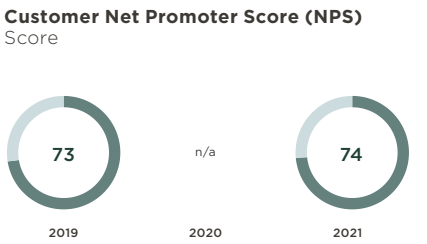
Employee satisfaction



The measurement method has been updated between 2019 and 2020, which limits the possibility of comparing the two figures.

SASB: Adapted from SV-PS-330a.3

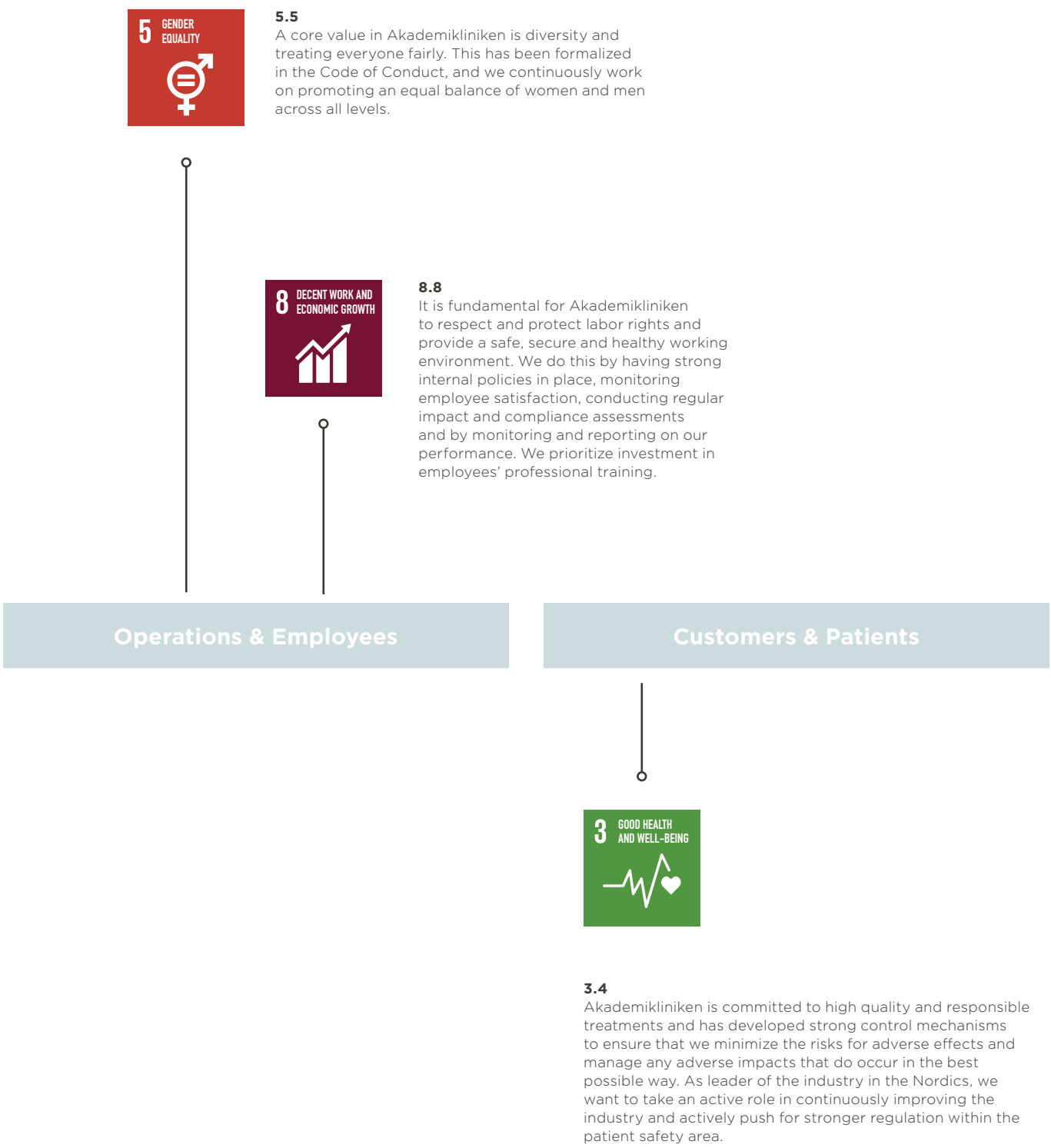
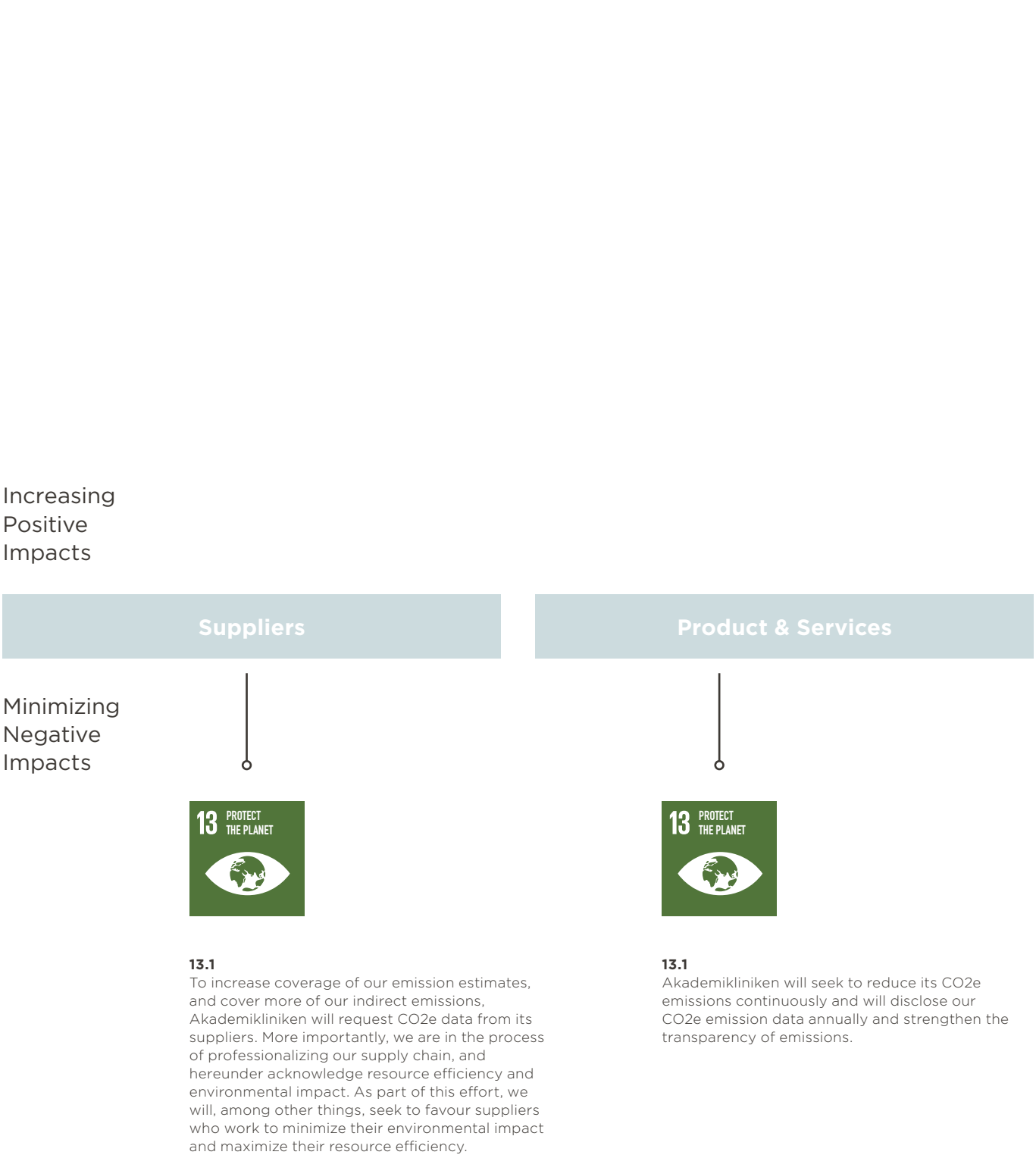
Customer satisfaction



At Akademikliniken we see high customer/ patient-satisfaction as the final proof of the quality of delivered services and effectiveness of used resources. During 2021, a new system for surveys was implemented and lower values than expected for NPS 6-months after surgery was detected, leading to an extended measurement period (12-month) and focus during 2022 to improve the post surgery outcomes.

The Sustainable Development Goals

Akademikliniken’s contribution to the SDGs



The Sustainable Development Goals

Akademikliniken’s contribution to the SDGs

INCREASING POSITIVE IMPACTS

Concrete initiatives in progress



- Implement a new equality plan to ensure gender-sensitive recruitment and retention practices, with a target of gender balance in the field of candidates when hiring
- Define and implement internal targets for gender balance at each level/position within the organization
- Ensure all employees have an equal voice in the workplace, including through adequate grievance mechanisms and employee satisfaction feedback systems and processes, all of which are to address and incorporate elements of gender equality adequately



- Implement sustainability related elements in Employee Handbook and Employee Code of Conduct, and communicate new sustainability structure to all staff
- Establish grievance mechanism and whistle-blower system for sustainability related issues for employees across organization
- Expand upon current employee engagement efforts, hereunder including broader topics and strengthen how insights are used and backed up by ensuring procedures for more frequent follow-ups
- Implement a new leadership program with focus on coaching and feedback based on the SCARF-model
- Focus on surgeon training program to share knowledge and educate, as an investment in both the surgeon and Akademikliniken

Status on initiatives

- The equality plan is implemented and Focus will be activities to hire future female surgeons.
- Initiated data gathering on gender diversity within our specific professions has been initiated. Among plastic surgeons there is approx. 20/80% split between female/ male. Especially among injection nurses it is difficult to gather the information due to lack of national records and supplier and clinic supported educations.
- We measure twice a year in our eNPS survey our employees’ perception regarding gender, equality, diversity and inclusion.

- Update of Employee Handbook has not yet been initiated
- In accordance with new EU directives this will be in place for employees as well as for external stakeholders during 2022.
- The expanded employee satisfaction survey has been performed twice since Q4 2020. The result gave three focus areas which are; overlaying strategy communication, competence development and job satisfaction. These focus areas have been addressed during employee meetings, management online presentations and dedicated competence development days for all work groups.
- The leadership program has been performed in 4 modules during 2021 with focus on; Target and Development, Feedback and Coaching, The psychology of leadership, Coaching step2 and Strategy. Additional modules will be added in 2022.
- New recruited surgeons have been introduced to AK procedures and surgeon techniques in a new developed mentor program. Due to pandemic reasons, physical meetings with surgeon training on the agenda has been postponed to 2022.

MINIMIZING NEGATIVE IMPACTS

Concrete initiatives in progress



- Expand upon current CO2e baseline coverage to continue to improve the depth of data collection to support decision making on carbon reduction initiatives (both with respect to quality and granularity)
- Use the CO2e emissions baseline to define and prioritize reduction efforts
- Formalize sustainable procurement policies and supplier Code of Conduct in order to promote sustainable practice across the supply chain
- Investigate handling of medical waste and identify measures to reduce waste



- Develop even stronger control mechanisms to further ensure that we always do what is in the patient’s best interest – and ensure consistency across geographies
- Develop annual quality follow-up tracking
- Support implementation of stronger governmental controls/ regulations of the aesthetic treatment industry in Sweden and Norway.

Status on initiatives

- The dialogue with key suppliers to gather data on their CO2e emissions and sustainability efforts has been performed. Continued dialogue is planned for 2022 to be able both compare data from different suppliers and to improve data collection.
- Initial CO2e emissions reduction plan has been defined, hereunder a procurement process project.
- Procurement process project has been started and improvements has been implemented in some of the focus areas. E.g. a new supplier for office supplies with a clear environmental policy has been contracted for all clinics in Sweden.
- Waste management initiative is not yet initiated
- The work process for follow up on deviation has been improved, and the Clinical Management Team is following and gives recommendations in relation to sever deviations. Consistency across geographies still needs improvement and is planned for during Q2 2022.
- Correction rates and infections in standardized, automated reports developed and process for follow up implemented.
- New regulation in place from 1st of July 2021 in Sweden. Marketing efforts to educate patients in their rights. Supported the process for regulation in Norway. Going forward the public work with compliance to the Swedish regulation will be followed during 2022.

Company introduction

MENU

We connect people.
We connect design.
We connect spaces.



Sustainability statement



We aim to be a strong sustainable interior supplier through first of all a sustainable operational business model building on global recognised sustainable principles. Over time, the product range will be known for its responsible footprint.

For MENU, good design means far more than aesthetics and function. As a company making contemporary products for home, work and life, MENU believes sustainable, social and environmental practices are fundamental hallmarks of good design. MENU is committed to taking tangible actions during every step of our process to help to reduce the environmental impact of our work, improve the quality of our products and the experience of our customers and our community of designers, producers, and suppliers. With the help of experts in environmental, social, and legal responsibility, MENU has developed a Sustainability Manifesto, a Code of Conduct and ten Responsible Product Criteria to ensure we conduct our business responsibly, to hold ourselves and our partners accountable, and to set meaningful goals for the future. These pillars of our sustainability work are all publicly available and described on our website to create full transparency around our approach.

Our sustainability work is based on three pillars: Environmental, Social and Governmental. The core of our sustainability work is our focus on creating products that will last generations, with ten-year warranties introduced in stages, and offering spare parts for repair to increase the lifespan of an individual product. We also seek to manufacture our designs as close to their end-destinations as possible, thereby reducing transportation. Our design team look to the ten points of our Responsibility Criteria to make furniture, lighting, and accessories responsibly. And both MENU staff and partners alike are committed to following our sustainability philosophy and to providing transparency around our work.

Key statistics

- CEO**
Danny Feltmann Espersen
- Chairman**
Søren Schriver
- Headquarter**
Copenhagen, Denmark
- # of FTEs**
109
- Year acquired**
2018
- Polaris Fund**
Polaris IV
- Polaris ownership**
58%
- Revenue (DKKm)**
328
- Revenue (EURm)**
44

Management summary



“We believe in close collaboration throughout our supply chain and will work with our suppliers on both social and environmental issues”

At MENU, we want to provide responsible products, why we continuously need to find ways to minimize our environmental impact across our value chain. Finding the right solutions requires co-operations across the entire supply chain, which is why we established the MENU Green Group in 2020 with representatives from sourcing, product development, design, marketing, and sales with the mandate to lead our sustainability journey.

In 2021, we have taken important steps on our sustainability journey. Firstly, we have calculated our own emissions from operations (Scope 1 and 2) and initiated the work with measuring the CO₂e footprint of our products (Scope 3), which will be finalized in 2022. This piece of work enables us to understand the emission hotspots from our own operations as well as for our products and enable us to formulate an actual reduction target for our emissions during 2022 and work in a structured manner with the most impactful emission reduction levers. The work with reducing our footprint has already begun in 2021 where we went from 50% to 100% renewable energy in our headquarter and warehousing in Denmark from 2020 to 2021. Secondly, our work with ensuring long lasting products through introduction of 10 years warranty on our furniture products is also well under way. In 2021 we reached a 18% share of these warranties on furniture turnover with a target of 30% by 2024. In 2022, we will be applying a 10 years' warranty to another four of our main product families. Thirdly, we have progressed on our initiative of near market sourcing moving from 26% in 2020 to 28% in 2021 with a target of 39% near market sourcing by 2024.

We have also continued our efforts on the social dimension of our sustainability work. With products that are sourced from suppliers across the world, providing responsible products means that we continuously need work to ensure they are manufactured responsibly. To this end we have implemented our Code of Conduct with all

our suppliers and business partners. Our work in 2021, which will continue throughout 2022, has been focused especially on our top 5 suppliers and the implementation of their formulated action plans to minimize negative impact. We believe in close collaboration throughout our supply chain and will work with our supplies on both social and environmental issues going forward.

In 2021, we also renewed our ISO 14001 certification (environmental management standard) and got certified for ISO 9001 (quality management standard). Finally, we published our first COP report in 2021 as a part of our commitment to UN Global Compact and its 10 guiding principles of sustainability including human rights, labor, environment, and anti-corruption.

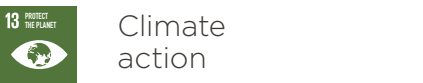
Looking ahead, we will continue these efforts as part of our sustainability journey with our main focus for 2022 being finalizing the measurement of the environmental footprint of our products and the subsequent development of emission reduction targets as well as adjusting our emission reduction roadmap accordingly.

With kind regards,

Danny Feltman

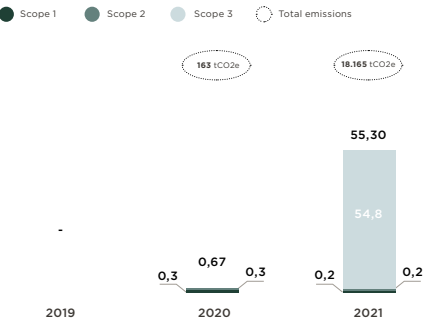
Sustainability metrics

Polaris cross-portfolio KPIs



Climate action

CO2e intensity gram/DKK revenue



In 2020, MENU only measured Scope 1 and 2 emissions. Emissions are driven in equal measures by company cars and heating/ electricity in offices and central warehouse. Some initiatives are now in place to reduce these emissions. In 2021, MENU also started to measure the Scope 3 emissions from its products (Cat 1). Additional Scope 3 categories will be added over time.

GRI: 305-1a, 305-2a, 305-3a, 305-4a

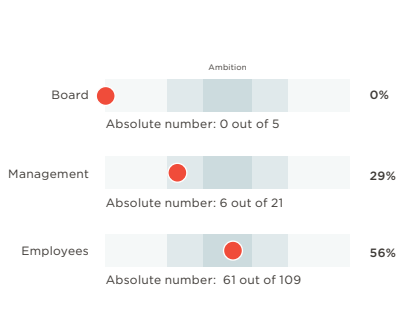
Climate Action Management

- Scope 1 & 2**
Activity-based calculations with some estimations where actual data was not included.
- Scope 3**
48% of our products have been fully accessed with detailed Bill Of Material, the rest of our products have been estimated based on a very conservative screening.
- Strategy & targets**
Targets for Scope 1 - 3 are now in place for 2022.
- Initiatives**
By Oct. 22 we will have accessed all our products using detailed Bill of Material.
- TCFD**
Not initiated.



Gender equality

% of women in the company



MENU's organization is gender balanced. This is however not fully reflected at board and management team levels. MENU will continue to focus on diversity going forward to also improve the gender balance at management team level.

GRI: 405-1(i)

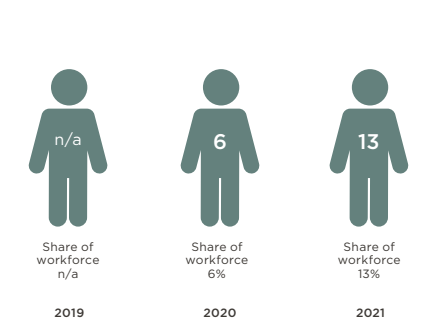
Gender Equality Management

- Tracking**
Tracking in place on gender across the organization, at different tenures.
- Strategy & targets**
Overall targets have been defined.
- Initiatives**
All people managers have been introduced to an unbiased recruitment process which includes our formal role and job descriptions to avoid imbalance in gender & age preference.



Employee turnover

Employee-initiated turnover (total attrition)



The staff turnover in 2021 is considered high due to warehouse staff and the Audio, which has been influenced by the Covid-19 situation. MENU will continuously work to ensure a good working environment and will measure their performance annually in an employee satisfaction survey.

SASB: Adapted from HC-DY-330a.1

Employee Turnover Management

- Tracking**
Tracking in place on employee-initiated turnover.
- Strategy & targets**
Target is to keep below 5%.
- Initiatives**
Management training and tools have been put in place, as well as internal HR resources has been employed.

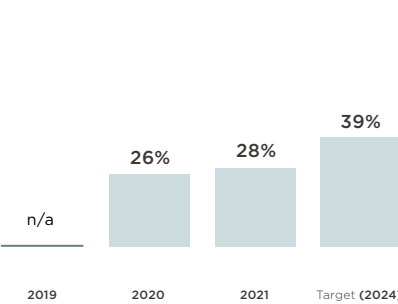
Portfolio company-specific KPIs and initiatives



Near market sourcing

Products manufactured locally

% of products manufactured locally



Increase the amount of products sourced in the same continent as they are sold to minimize transportation distance. Target is defined by share of turnover for each continent and summerized as a total.

Declare label

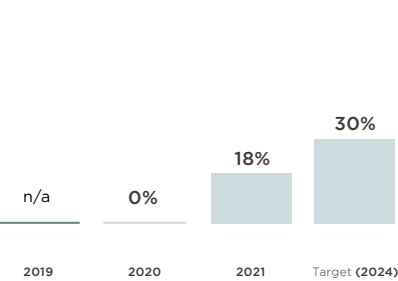
At MENU we are aiming to be transparent in our sustainability ambitions and therefore we have decided to label 10 of our most important products with a Declare label. The label gives the customers the opportunity to understand the ingredients of each product before making their choice.



Long lasting products

Products with extended warranty

% of turnover from products with 10-yr warranty



By 2024, MENU aims that 30% of furniture sales holds a product warranty up to 10 years to ensure long lasting product life for the benefit of the environment and customers. Target is defined as a share of turnover.

Upholstery US

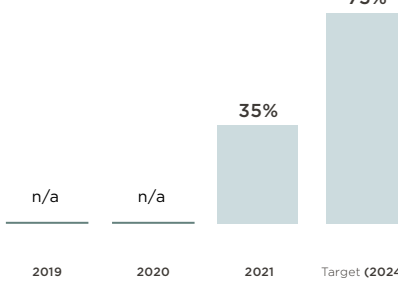
As a part of the ambition to increase near market sourcing, MENU is starting local upholstery sourcing in Mexico to support the North American market.



Responsible products

Responsible Products

% of turnover from products with at least 7 of 9 criteria fulfilled



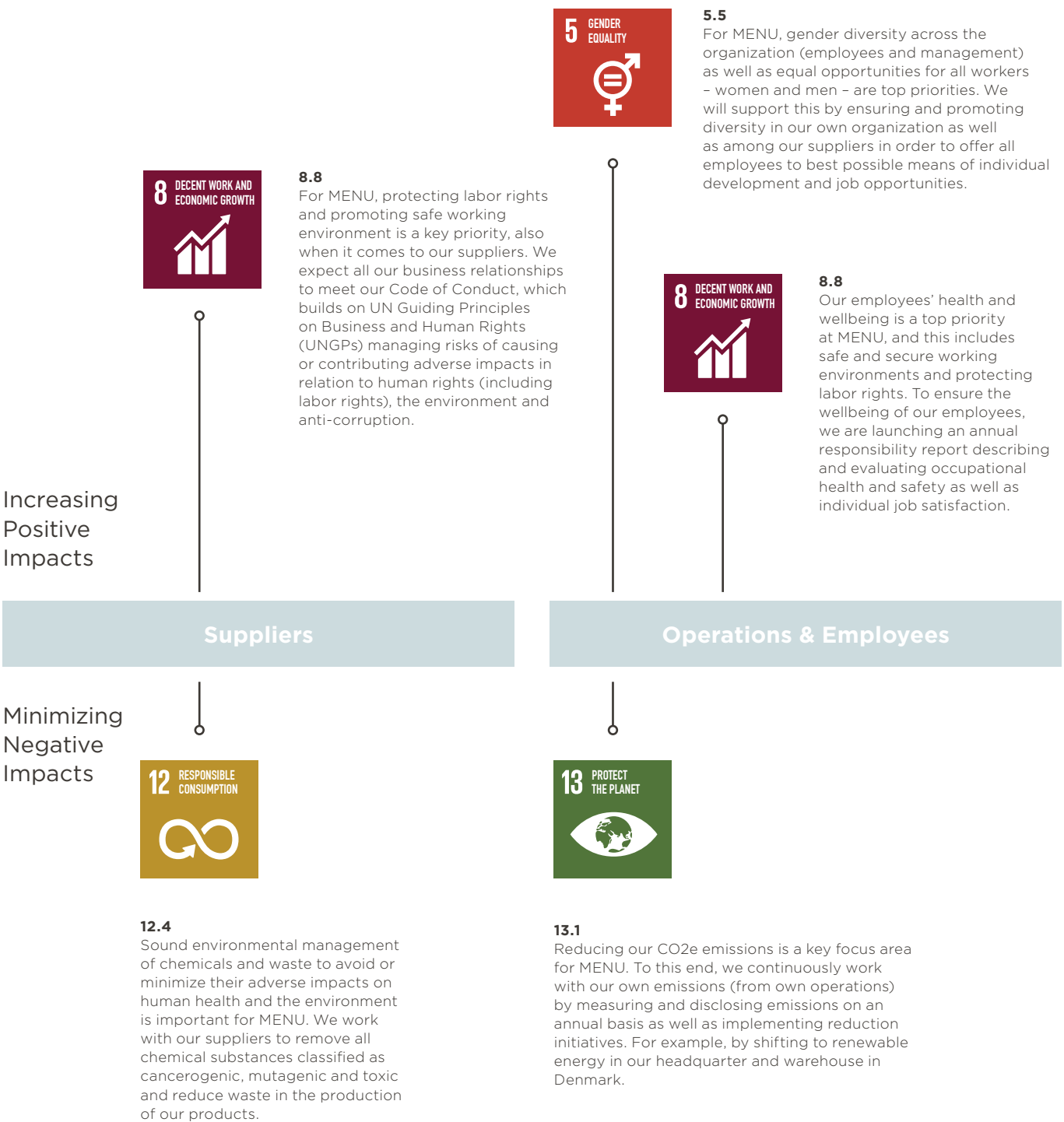
From the 9 responsible criteria defined, which document everthing from Bill of Material to Code of Conduct and emissions, we aim to have a minimum of 7 criteria fulfilled to become a responsible product. The ambition is to have 75% of our turnover to be defined as responsible.

Warehousing Asia

As a part of the ambition to increase the near market sourcing and lower the transportation distance, a new warehouse solution will be started in Asia during 2022 to support the growing demand of the region. With this approach, products sourced and sold in Asia stay in Asia.

The Sustainable Development Goals

MENU's contribution to the SDGs



The Sustainable Development Goals

MENU’s contribution to the SDGs

INCREASING POSITIVE IMPACTS

Concrete initiatives in progress



- Promote diversity & inclusion in our daily people management
- Promote diversity in our recruitment with respect to gender but also nationality and age



- Ensure our suppliers commit to our code of conduct for responsible business conduct by adding it to our standard supplier contract
- Ensure a healthy work environment by analyzing occupational health and job satisfaction in annual work environment and job satisfaction surveys

Status on initiatives

- In 2021, we expanded through recruitment of different genders and nationalities
- We will work to establish measures to strenghten diversity and inclusion in MENU during next year
- Our code of conduct for responsible business conduct has been sent to all our suppliers. We will make concrete follow up on our top 5 suppliers action plans to minimize negative impact
- The annual work environment survey has been conducted and we have found the need for more management training on work satisfaction and development. A solution to be found for more light and better temperature at the office

MINIMIZING NEGATIVE IMPACTS

Concrete initiatives in progress



- Measure and map our entire product portfolio on key performance criteria based on firm documentation on topics areas like safe substances, material life cycle screening and near market sourcing
- Ensure documentation and information about our products and different designs in a life-cycle perspective to customers, stakeholders and the public in general
- Remove all chemical substances classified as carcinogenic, mutagenic, or toxic to reproductivity - no matter that they are not banned or restricted - from our products



- Measure and disclose our CO2e emission footprint
- Use the CO2e emission footprint to prioritize our reduction initiatives to reduce our emissions to the extent possible, both in our own operations and our supply chain
- Set and communicate CO2e emission reduction targets to ensure progress on our decarbonization journey

Status on initiatives

- We have identified 9 critieria were our products need to score a minimum of 7 and we have concluded a mapping of our entire collection where 35% meets the minimum score. The target for 2024 is to reach 75%, by having focus on getting Bill Of Materials (BOM) lists and Code of Conducts signed by suppliers
- Our work with adding the Declare label for our top 10 most sold products has been initiated in 2021 and will be finalized in April 2022
- Environmental licenses, proving compliance, have been collected from our suppliers throughout 2021 with the work being finalized in February 2022
- Scope 1 and 2 emission baseline has been estimated in 2021. In addition, we have during 2021 worked to establish the emissions from our products (Scope 3). The output of this work became available in April 2022 and is published in this report. We will use this data to structure appropriate emission reduction initiatives during 2022
- Initiatives targeting emissions from own operations (renewable energy in HQ and warehousing in Denmark) and transport has been implemented in 2021. By end of 2022, we will finalize an action plan for the reduction of our CO2e emissions
- Target initiative not started but scheduled for 2022.

Company introduction

RelyOn Nutec
Multi-service safety and
competence house



Sustainability statement

For RelyOn Nutec, safety is not only our business – it is in our DNA. Helping our customers to ensure a healthy and safe work environment is our purpose, and we take pride in ensuring that our delegates have the right skill set to stay safe in hazardous and potentially life-threatening situations.

We are committed to protecting the health, safety, and well-being of all employees, delegates, and visitors across the entire organisation. We focus on minimising risks and raising awareness about health and safety for our employees.

We conduct our business based on compliance with applicable anti-corruption laws and regulations, integrity, and high ethical standards. We reduce the risk of corruption by working actively to ensure that our employees have the right knowledge and skills.

RelyOn Nutec continuously identifies, prevents or mitigates its risks of adverse impacts on the core principles for sustainability.

We are committed to reducing the environmental footprint of our operations through efficient use of resources and continuous focus on reducing our energy consumption and CO2e emissions. We operate our business with respect for human and labour rights everywhere and expect the same from our business partners.



Key statistics

- CEO**
Torben Harring
- Chairman**
Jakob Thomasen
- Headquarter**
Copenhagen, Denmark
- # of FTEs**
814
- Year acquired**
2018
- Polaris Fund**
Polaris IV
- Polaris ownership**
94%
- Revenue (DKKm)**
657
- Revenue (EURm)**
88

Management summary



“Our employees’ and delegates’ safety and health are our highest priority. Health and safety are embedded in our culture.”

RelyOn Nutec continued the dedicated work initiated in 2020. Environmental Social Governance (ESG) has been – and will continue to be one of the key areas of focus. The backbone of our CSR strategy – now also called Sustainability or ESG (Environmental, Social and Governance) – is shaped by the ten principles of the UN Global Compact.

Our mission is to provide high-quality services, while also influencing and strengthening the compliance with internationally proclaimed principles for Human Rights and Labour Standards, Environment and Anti-corruption.

- We strive to monitor and manage the sustainability risks associated with our business, as well as communicate our performance to our customers, so that we can support the success of their own businesses.
- We know that responsible business conduct provides sustainable, long-term business results, and that responsibility is a prerequisite for retaining our customers’ trust and confidence.
- Addressing and working with the Sustainable Development Goals (SDGs) give our company an important voice.

Improving our gender composition

In the light of the slight decrease in women in the organisation in 2020, we participated in a “Target Gender Equality” (TGE) accelerator programme to raise the share of women in the company. Through facilitated performance analyses, capacity-building workshops, peer-to-peer learning and multi-stakeholder dialogues, TGE supports us in setting and reaching our ambitious targets for women’s representation and leadership. We identified the enabling policies and practices, and developed a tailored action plan. The programme helped us understand our current gender equality performance through the facilitated use of the Women’s Empowerment Principles (WEP) Gender Gap Analysis Tool to identify our challenges and opportunities.

We raised our share of women in the company to 35 % (from 32%) of employees, 29 % (from 17 %) of top management and 20 % (from 0 %) in our Board.

In addition to that, we have performed an equal pay screening as part of our impact assessment, and in the 4 screened countries (Denmark, Norway, the Netherlands and Dubai) we did not have any gender-based pay gap. We will extend our equal pay screening to all countries in 2022.

Ensuring a healthy and safe work environment

Our employees’ and delegates’ safety and health are our highest priority. Health and safety are embedded in our culture. In 2021, we have continued to systematically work to implement improvements across the organisation. Our efforts have worked and the number and frequency of incidents have fallen due to dedicated safety initiatives and continued focus.

Our commitment to reduce our environmental footprint

As part of RelyOn Nutec’s efforts to reduce CO₂e emissions and work to improve climate resilience of operations, we are developing digital training solutions. In 2021, our digitalisation has been accelerated and improved with an adaptive learning software. This year we have improved our CO₂e emission calculation processes by refining our data, the data collection and included data from all sites. Additionally, we have included measurement of Scopes 3.3 and 3.6 in some countries.

Continued focus on economic sustainability

In the impact assessment we found that RelyOn Nutec is considered a company with good practice in economic systems and financial security systems, and that we as a company have not allowed unethical behaviour to influence our decisions or actions. Nonetheless, we have decided to describe our zero-tolerance attitude to such unethical economic behaviour explicitly. In 2021, we have updated our anti-corruption and anti-bribery policies (ABC) and have provided proper digital learning to all our employees to identify and act against corruption and bribery.

With kind regards,

Torben Harring

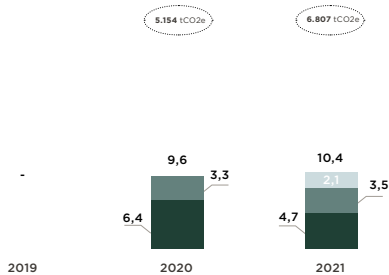
Polaris cross-portfolio KPIs



Climate action

CO2e intensity gram/DKK revenue

● Scope 1 ● Scope 2 ● Scope 3 ○ Total emissions



Due to the complexity of our setup, our first few reporting years are solely focused on Scope 1 and 2. Our data has improved related to Scope 1 and 2, by including all sites in the reporting. Inclusion of Scope 3.3. and 3.6 (for some countries) in 2021 baseline. Our emissions are primarily in Scope 1 and 2. As category 3.3. and 3.6 are only minor categories the emissions is low. Further Scope 3 emissions will be included in 2022.

GRI: 305-1a, 305-2a, 305-3a, 305-4a

Climate Action Management

Scope 1 & 2

Activity-based calculations.

Scope 3

Inclusion of Scope 3.3. and 3.6 (for some countries) in 2021 baseline.

Strategy & targets

Initial reduction strategy defined. Target for Scope 1 & 2 has been set and approved by the BoD.

Initiatives

Initiatives defined and approved by BoD. Implementation initiated for most locations.

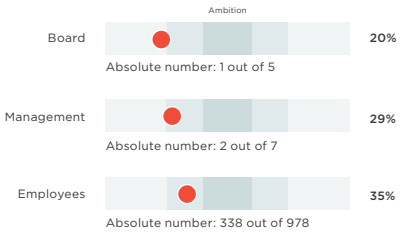
TCFD

TCFD aligned analysis has been conducted and initiatives related to risks and opportunities launched.



Gender equality

% of women in the company



We participated in a “Target Gender Equality” accelerator program to raise the share of women in the company. The program helped us understand our current gender equality performance and to identify our challenges and opportunities. The total number of women in the company have increased from 32 to 35%, BoD from 0 to 20% and Group Management from 17 to 29%.

GRI: 405-1(i)

Gender Equality Management

Tracking

Tracking in place on gender across the organization, at different tenures.

Strategy & targets

Targets have been defined and approved by the BoD.

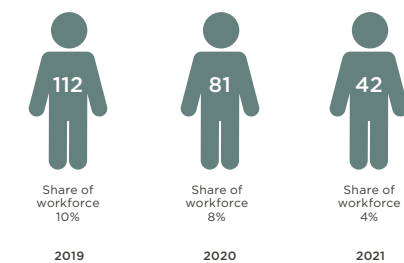
Initiatives

Initiatives defined and approved by the BoD.



Employee turnover

Employee-initiated turnover (total attrition)



The share of employee-initiated turnover decreased between 2020 and 2021.

SASB: Adapted from HC-DY-330a.1

Employee Turnover Management

Tracking

Tracking in place on employee-initiated turnover.

Strategy & targets

Targets have been defined and approved by the BoD in 2020.

Initiatives

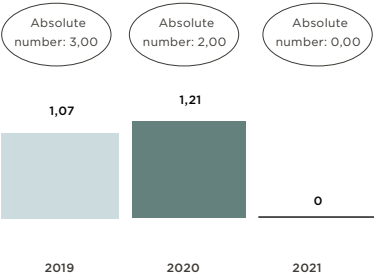
Initiatives defined to ensure good work environment and employee engagement.

Portfolio company-specific KPIs and initiatives



Lost time injuries for employees

Number of employee lost time injury events per 1.000.000 hours worked



Target of 1.00 LTI frequency.

While LTIs in general are difficult to eliminate completely, RelyOn Nutec target 0 fatalities and 0 major incidents. Incidents have decreased, due to a continuous global focus on safety. Incidents, learnings and sharing of best practices are systematized and discussed every month in global HSEQ groups.

SASB: Adapted from EM-SV-320a.1

Other environmental friendly initiatives

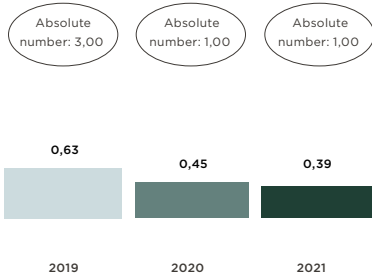
As part of RelyOn Nutec’s effort to reduce CO2e emissions and work to improve climate resilience of operations, we are developing digital training solutions.

In 2021, our digitalisation has been accelerated and improved with e.g. an adaptive learning software. Furthermore, we are continuously improving resource efficiency in our current training services.



Lost time injuries for delegates

Number of trainee lost time injury events per 1.000.000 hours trained



Target of 0.50 LTI frequency.

While LTIs in general cannot be avoided completely, RelyOn Nutec targets 0 fatalities and 0 major incidents. The number and frequency of incidents have fallen due to dedicated focus and safety initiatives implemented the last 2 years.

SASB: Adapted from EM-SV-320a.1

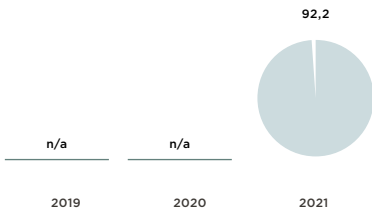
Safety initiatives

We are hosting several safety initiatives to the community eg.; online workshop offered for free in Fire Risks and Safety at home, free first aid courses for mothers and children from 8 years old and free training for chaplaincy in order to comply with off-shore safety requirements when traveling out to mentally/morally support staff working off-shore.



Anti-corruption training

Employees (in Scope) who have completed anti-corruption training % of employees



E-learning implemented in 2021.

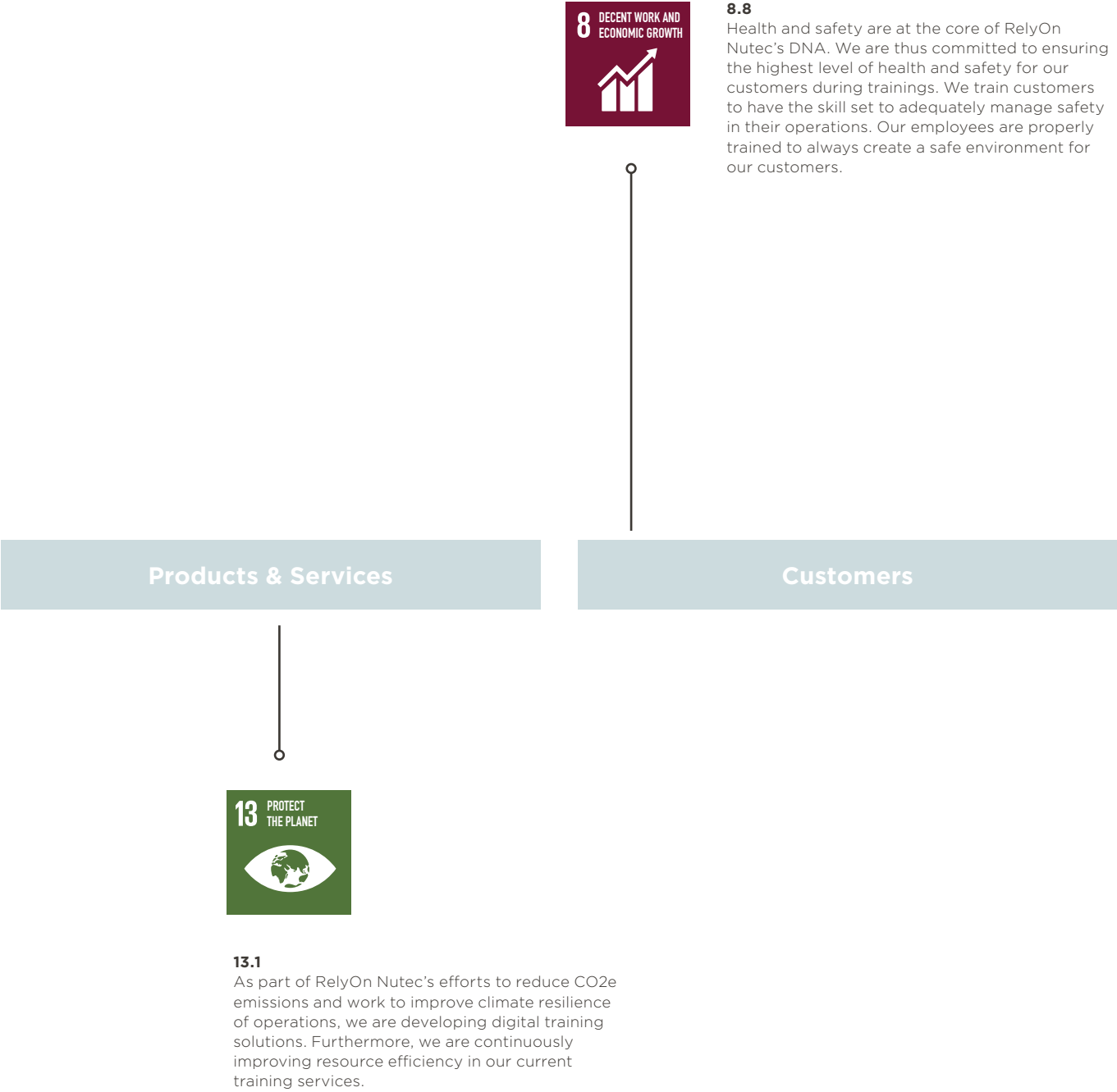
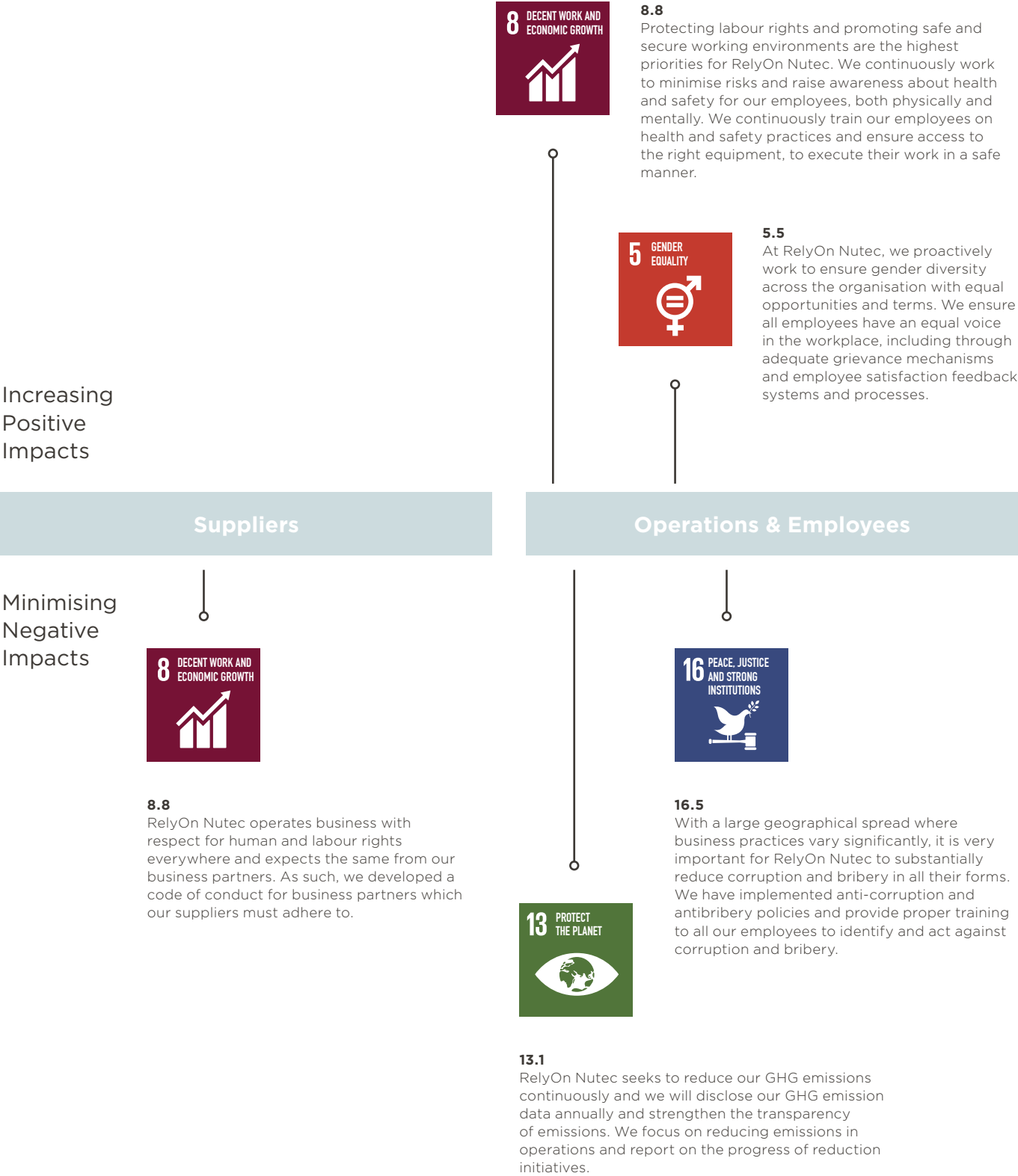
SASB: Adapted from EM-SV-510a.2

Community contributions

In RelyOn Nutec, we believe it is important to give back to our communities. We do so through several initiatives across the organization. For example, in our sites in Asia; all staff have an annual “Sustainability day” to perform voluntary work on ESG projects, eg; beach clean-ups, teach first aid to local community, handymen at orphanages etc.

The Sustainable Development Goals

RelyOn Nutec’s contribution to the SDGs



The Sustainable Development Goals

RelyOn Nutec’s contribution to the SDGs

INCREASING POSITIVE IMPACTS

Concrete initiatives in progress



- Measure the gender equality performance baseline through the use of the Women’s Empowerment Principles (WEPs) Gender Gap Analysis Tool
- To understand our current gender equality performance through the facilitated use of the (WEP) Gender Gap Analysis Tool to identify our challenges and opportunities
- Identify the enabling policies and practices, and develop a tailored action plan
- Redefine and track KPIs to ensure increased gender equality across management and board. Ensure minorities are represented in web, communication, and training material
- Ensure our picture library is updated with pictures that also represent minorities



- Conduct risk assessments and workplace assessments to ensure a healthy and safe working environment
- Train employees with the necessary tools to create and work in a safe environment for themselves and customers
- Make all relevant equipment needed to ensure a safe working environment available to all employees
- Report on near misses, incidents, unsafe acts and conditions in a global reporting system, in order to ensure consistency and continuous monitoring, assessment and improvement globally
- Instruct employees to work from home as much as possible during Covid-19 in order to stay safe

Status on initiatives

- Our baseline analysis showed we were on “beginner level”
- The Gender Gap Analysis has been performed and the following 4 workstreams have been identified to prepare and implement policies on:
 - Non-discrimination and equal opportunities in recruitment, promotion and pay
 - Maternity and paternity schemes
 - How to support parents and caregivers
 - Work – Life balance
- KPIs and targets have been redefined
- Our picture library is continuously updated and the new website is more diverse

- Thorough risk assessments and regular workplace assessments on all training stations have been conducted and needed adjustments implemented
- Employee training talks on health and safety topics is mandatory, and occur on a regular basis and are facilitated by RelyOn Nutec
- Certified protective equipment (PPE) is provided to all trainers free of charge. Further, adjustable tables and all reasonable requests for special ergonomic needs are met
- The reporting system is implemented, and incidents are discussed every month. Learnings and sharing of best practices are systematized.
- A number of Covid-19 precautionary measures have been implemented and are continuously reviewed and updated

MINIMIZING NEGATIVE IMPACTS

Concrete initiatives in progress



- Continuously ensuring our suppliers live up to our expectations on human and labour rights, the environment and anti-bribery, our Code of Conduct for Business Partners ensures that suppliers and their employees are not exploited and have proper working conditions



- Expand upon current CO2e baseline coverage to include more categories and continue to improve the depth of data collection to support decision-making on carbon reduction initiatives (both with respect to quality and granularity)
- Use the CO2e footprint to prioritise our efforts to reduce our emissions to the extent possible, both in our general operations and in our training. This includes using best practice efforts from various locations
- Assess climate risks and opportunities according to TCFD, among others, acute and chronic physical risks, impact of CO2e tax and impact of shifting energy markets
- Investigate measures to optimise our handling of waste, including identification of measures to reduce waste produced in our operations



- Implement anti-corruption and anti-bribery policies and e-learning for relevant employees.
- Developed adaptive e-learning for annual refresher
- Ensure all relevant employees have completed relevant anti-corruption training

Status on initiatives

- The Code of Conduct for Business Partners has been implemented. It is included in the global terms of conditions for customers, and it is a requirement that the Code of Conduct for Business Partners is part of all new agreements with our tier 1 suppliers
- Inclusion of Scope 3.3. and 3.6 (for some countries) in baseline and further data improvement related to Scope 1 and 2. Further, Scope 3 emissions will be included in 2022
- Initiatives to improve resource efficiency and decrease use of energy and resources have been implemented, e.g. LED bulbs, -, motion light sensors, increasing digital training solutions, among others
- Climate risks and opportunities have been assessed according to TCFD. TCFD assessment reviews are performed on an annual basis.
- Several initiatives on handling and reduction of waste have been identified e.g. plastic cups and cutlery are replaced with glasses, mugs and wooden cutlery, reducing food waste, waste recycling, etc.
- ABC policies and e-learning have been implemented
- ABC implementation and training are fully implemented with a 92 % completing rate

Company introduction

Futur Pension
Swedish insurance
company offering
full-service solutions



Sustainability statement

Our mission at Futur Pension, as an insurance company and manager of our customers' savings, demands responsibility and integrity. This is a part of our culture. Naturally, at Futur Pension, we also want to take responsibility for the world around us and a sustainable development. We can contribute to this by:

Conducting our business in a sustainable way

Our customers should be confident that we look after their savings in a sustainable and responsible way. Our objective is to conduct our business as sustainably as possible and continuously improve. In our daily work we focus specifically on three areas:

- A good and equal working environment
- Responsible advice to our customers
- A minimal environmental impact

By facilitating that the savings we manage can contribute to a sustainable development

At Futur Pension we create attractive pension and savings solutions for our customers and for them, we manage a substantial amount of savings which are invested in a variety of assets around the world. Our objective is to provide as good opportunities as possible for our customers to allow their savings to grow. The decisions on how these savings should be invested can also contribute to a sustainable development. These decisions are made by our customers, often with advice from Futur Pension or our partners. They are, however, the right and responsibility of our customers. At Futur Pension, we are convinced that by providing better information to our customers about the potential sustainability impact of their investment decisions, their decisions will increasingly support a sustainable development. To actively work for this together with our partners is the most meaningful way in which we at Futur Pension can have a positive impact on the world around us.

1) Total income only includes income from fees, commissions and retrosessions



Key statistics

CEO
Torgny Johansson

Chairman
Johan Agerman

Headquarter
Stockholm, Sweden

of FTEs
84

Year acquired
2019

Polaris Fund
Polaris IV

Polaris ownership
24%

Total income (DKKm)¹
711

Total income (EURm)¹
97

Management summary



“We believe that we have an obligation to educate and help our customers to make good and informed choices”

Sustainability is of great importance for us, as we believe that our role as an insurance company demands responsibility and integrity. We see this as an ongoing process and a natural part of our company and company culture.

In 2021 we had a large focus on educating our employees within sustainability and improve our customer communication on sustainability. Although we have taken important steps during 2021, we acknowledge that sustainability is an area of constant learning and we acknowledge that we are still in the beginning of this important journey.

Sustainability and insurance

We do not have our own funds, we provide a platform with external funds that our customers can choose from. We believe it is important to be transparent and inform and educate our customers about these funds. We have during 2021 increased the number of categories to filter by when looking at the funds on our platform. To make it easier for the customer to make more sustainable choices the most sustainable funds appear first when looking on our website.

We have also launched a new sustainability section on our website to be transparent about the work we do. We believe that we have an obligation to educate and help our customers to make good and informed choices. Consequently we:

- provided a large selection of ESG-funds, where 84% of all the funds were Article 8 or 9¹
- ensured great transparency and ease of selection, resulting that 88% of total AuM (Unit Linked) was placed in these funds.

Due to new EU-regulations, we complied with the new SFDR regulation during 2021 and we now inform all of our customers about the new regulations and what Article the funds have.

Working with Anti-Money Laundering (AML) and data security is something that is constantly a top priority for us as an insurance company. It is important that our customers can feel safe about placing their investments with us. We have during 2021 continued to do IT security awareness and training for all employees and consultants and training within AML. During 2021 we have strengthened our processes within data security even more.

Our sustainability focus internally in Futur Pension

In 2021 we kept focusing on reducing our CO2e footprint by continuing or shift towards hybrid or EV's in our car fleet. We have made more letters out to customers digital, in order to reduce the letters sent out by regular mail. We made a decision to

reduce our footprint in accordance with the Paris Agreement and we will do this by setting a science based target approved by the Science Based Target Initiative (SBTi). We will initiate this work during 2022. In order to educate the organization and to make sure all employees have a good knowledge about sustainability, all employees were certified in sustainability through the e-learning “Sustainability in the financial industry”. It is an e-learning that all employees went through, and it is also part of our onboarding process, so all new employees are trained. There will be an update of the certification once a year. We also made an update of our sustainability policy and our business code of conduct and made these available on our website as a way of being transparent and show our commitment.

Our commitments and engagements

We have during 2021 focused on finding initiatives within sustainability that we want to engage with. During 2021 we engaged with and signed Global Compact, WEPs (Women Empowerment Principles), SheIndex and Fossilfritt Sverige. We truly believe that we can contribute to a sustainable development together with our customers and partners. As part of that commitment we believe the customer should have more sustainable funds to choose from. We therefore had a target for 2021 that at least 75% of our funds should be Article 8 or 9. Whenever we exchange a fund on the platform, or include a new one, we always try to make sure it will fulfill this requirement. By doing this, we reached our target for 2021 and 84% of our funds were Article 8 or 9 by the end of the year. We have set a target of 87% for 2022.

With kind regards,

Torgny Johansson

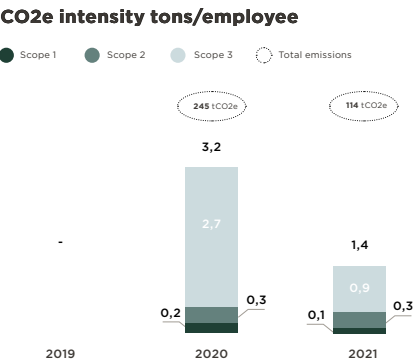
1) According to EU regulations (SFDR), investments with sustainability as one of their objectives, or with sustainability as their main objective, are designated Article 8 and 9 respectively.

Sustainability metrics

Polaris cross-portfolio KPIs



Climate action



Futur moved in to a new office during 2020 so purchased goods were unusual high during 2020. During 2021 operations have normalised which results in a lower Scope 3 emission. Business travel has still been low during 2021 due to Covid-19 but it was a bit higher compared to 2020.

GRI: 305-1a, 305-2a, 305-3a, 305-4a

Climate Action Management

Scope 1 & 2
Activity-based calculations with some estimations where actual data was not available.

Scope 3
Activity-based calculations. Business travel & commuting conducted based on survey.

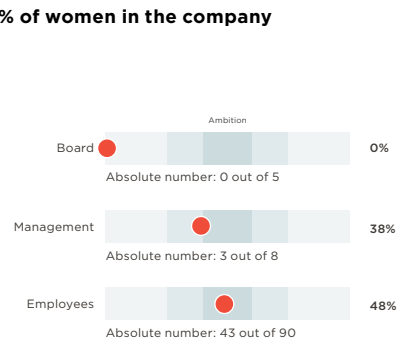
Strategy & targets
Initial reduction strategy defined. Targets to be set and approved by the BoD in 2021.

Initiatives
Initiatives defined. Implementation initiated for most.

TCFD
TCFD aligned analysis not undertaken in year 1: climate related risks & opportunities deemed low.



Gender equality



Management in Futur changed during 2021. A new CEO came in and he has made changes in the management team and new functions have been added to the management team. The number of women in the organization increased, mostly due to recruitment. The share of women in total is overall at a satisfying level, but going forward we will focus on different departments within Futur that needs to have a more equal share of either women or men.

GRI: 405-1(i)

Gender Equality Management

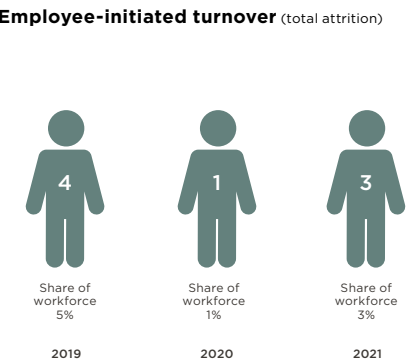
Tracking
Tracking in place on gender across the organization, at different tenures.

Strategy & targets
Targets to be defined and approved by the BoD in 2021.

Initiatives
Initiatives defined and approved by the BoD. Focus on improving insights.



Employee turnover



We have had below 5% turnover in the last couple of years. We believe the low turnover rate is a result of us working to establish a good working environment and taking care of our employees.

2020 was a special year due to Covid-19 which we believe resulted in a lower turnover rate than other years.

SASB: Adapted from HC-DY-330a.1

Employee Turnover Management

Tracking
Tracking in place on employee-initiated turnover, annual analysis conducted.

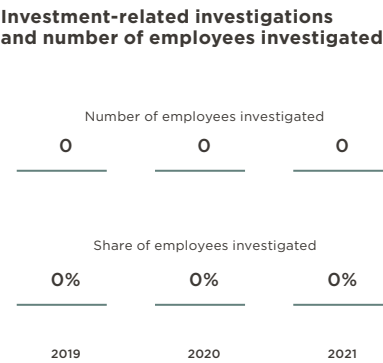
Strategy & targets
Targets to be defined and approved by the BoD in 2021.

Initiatives
Initiatives defined to ensure good work environment and employee engagement and will be approved by the BoD in 2022.

Portfolio company-specific KPIs and initiatives



Fair advice to customers

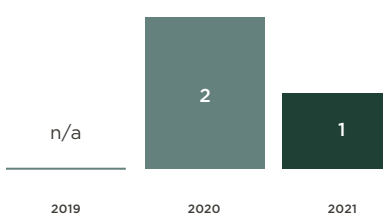


We believe that us not having any investment-related investigations is attributed our strong focus on AML and Compliance.

SASB: FN-AC-270a.1

Compliance

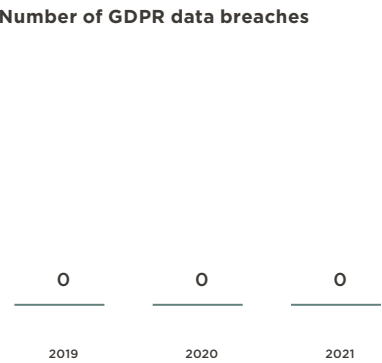
Number of complaints and issues received



Ensuring being compliant with all applicable rules and regulations and that our customers are satisfied with our services is a top priority and we constantly make improvements and adjustments to our way of working and to our processes.



Data security

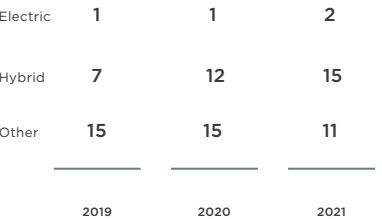


Being compliant is a top priority and there has been a large focus on GDPR from our side and making sure we have good processes.

SASB: Adapted from SV-PS-230a.3

Futur Pension car fleet

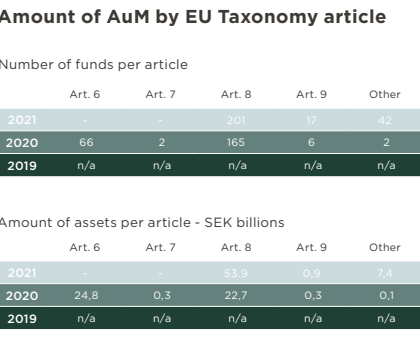
Types of cars in fleet by type
Number of cars



The car policy that was implemented during 2020 has increased the share of hybrids and EV's with 13%. The existing cars will be changed when the leasing agreement runs out. Due to longer delivery times because of Covid-19, the increase of EV's and hybrids were not as high as expected during 2021. There are many leasing agreements that will end during 2022 so we believe we will see the effects of this shift during 2023. We have a goal that within the next 5 year period, we will only have EV's in our car fleet.



Assets under management



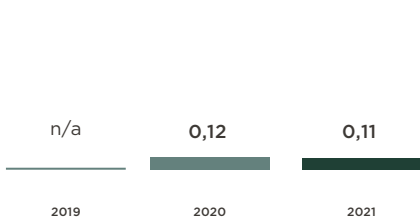
New disclosure regulation implemented as per March 2021.

The aim for Futur Pension is to support a shift towards a larger share of AuM to fall into Article 8 funds.

SASB: Adapted from FN-AC-410a.1

Postal footprint

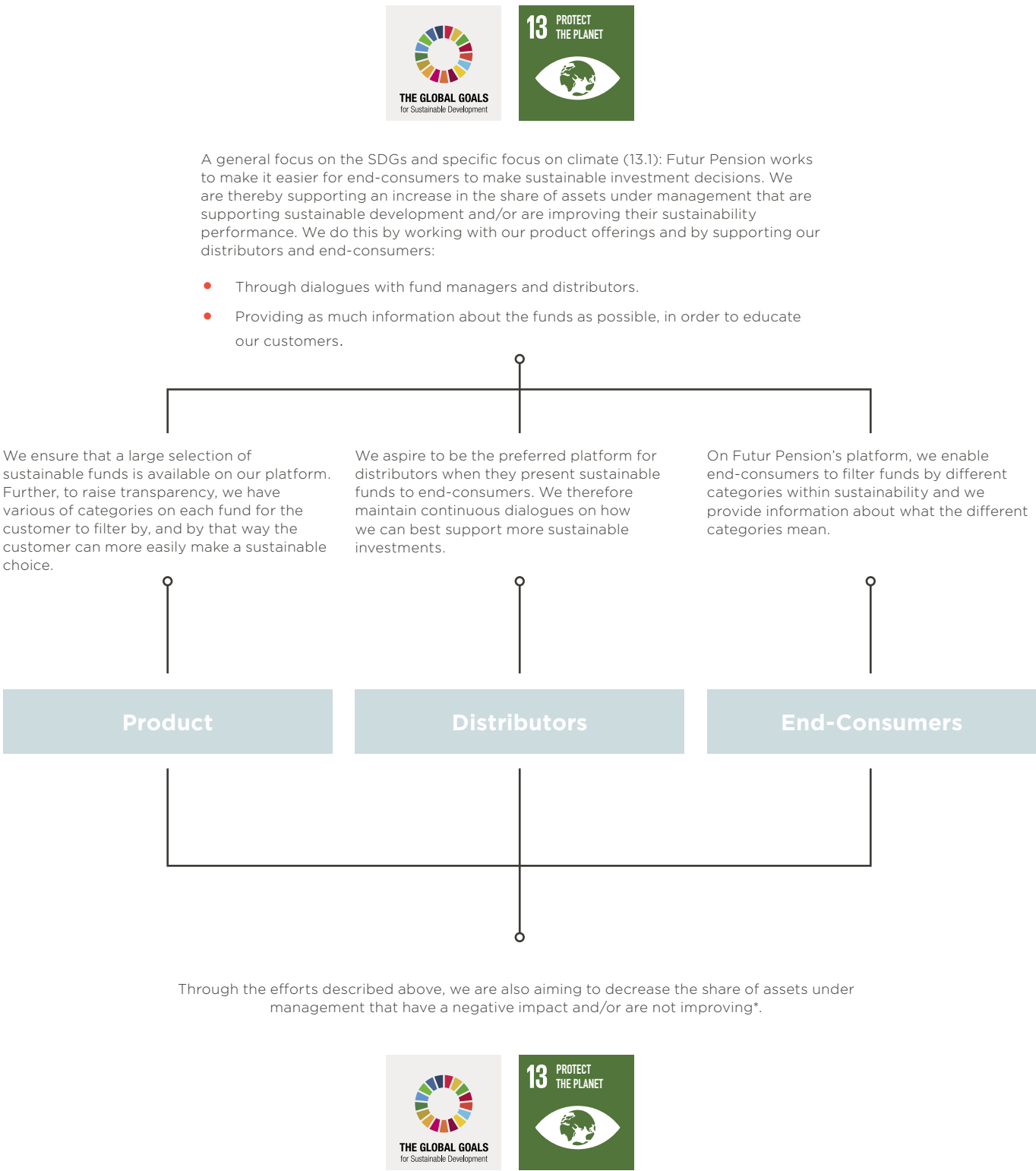
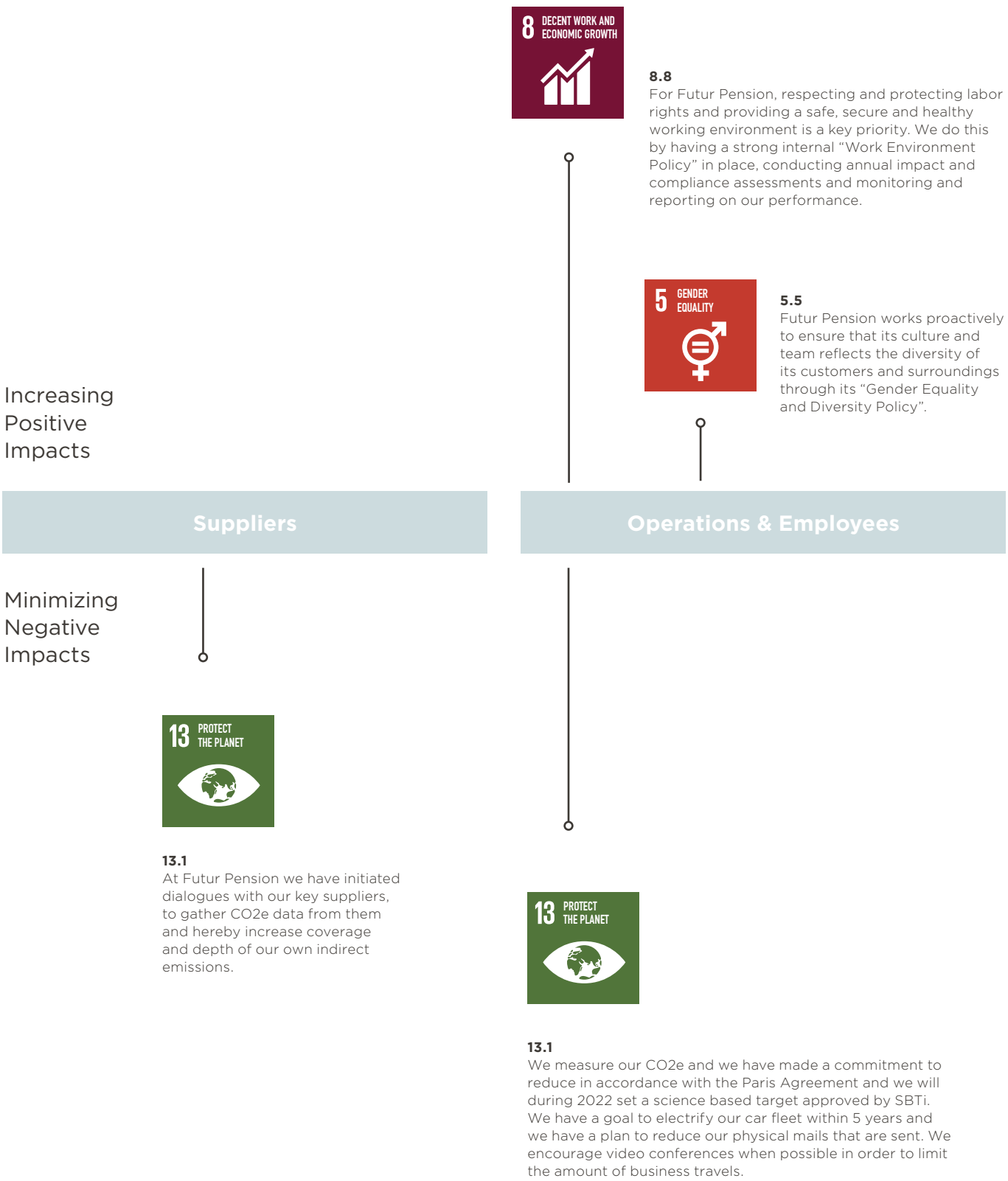
Number of physical mail sent per customer
No. of letters sent per customer per year



Despite an increase in number of customers we have managed to reduce the amount of physical letters sent. This is due to a focused effort of having digital solutions on sending letters to our customers digitally.

The Sustainable Development Goals

Futur Pension’s contribution to the SDGs



* For simplicity these are only covered as Increasing Positive Impact in initiatives, but implicitly also reflect Minimizing Negative Impacts

The Sustainable Development Goals

Futur Pension’s contribution to the SDGs

INCREASING POSITIVE IMPACTS

Concrete initiatives in progress



- Engage in external partnerships to improve knowledge and enable improvements in this area
- Conduct Gender Equality assessment among employees –gather employees’ views and insights on Gender Equality and diversity across the organization and adapt policies and procedures as required



- Establish a whistle-blower system focused on sustainability related issues
- Expand upon current employee engagement surveys – include broader topics and strengthen how insights are used and backed up by ensuring procedures for more frequent follow-ups



- Continuously increase transparency on our website to include further information on sustainability-related issues
 - Fund managers: Conduct annual surveys about their work on sustainability
 - Distributors: Ensure ongoing dialogues as part of all regular meetings and advocate in support of sustainable investments and a green transition by being data driven in the dialogues
 - End-consumers: Ensure continuous product-development to increase knowledge level among end-consumers through our platform focused on end-consumer education



Status on initiatives

- During 2021 we engaged with and signed WEPs (Women Empowerment Principles) and SHEindex. We will during 2022 go through educational tools from these initiatives to improve our work.
- Assessment is being made by a survey annually. We will during 2022 go deeper with the survey in order to find areas where we can improve and set targets and procedures, something we did not manage to do during 2021.
- A general whistle-blower system already exists; and we have integrated environmental issues in the system. We are planning to integrate other aspects of sustainability, for example working environment or human rights aspects.
- Monthly surveys are now being sent out (through &Frankly) and the surveys will be developed with more detailed questions during 2022 in order to find areas to improve.

- General website update is launched. During 2021 the site was updated to include more data on the funds, more information on our sustainability initiatives and processes as well as our sustainability policies.
- We have developed a survey that will be sent out annually to all our fund manager. First time will be 2022. It will give us an insight on their work and the survey will generate a sustainability score. We will use the score to communicate with the fund managers on where they are in comparison to other fund managers and also to discuss in what areas we believe they can improve their work.
- Sustainability topics implemented as recurring theme on key distributor meetings during 2021 to support joint development.
- We have made it possible for customers to filter funds based on different categories, for example funds with low CO2e or funds that are fossil-free.

MINIMIZING NEGATIVE IMPACTS

Concrete initiatives in progress



- Conduct annual measurements of our CO2e footprint to increase transparency on our environmental impact.
- Use the CO2e footprint to prioritize efforts. Concrete initiatives include:
 - Ongoing dialogues with our landlord on how to improve energy efficiency in our office.
 - Work towards a full electric car fleet within 5 years.
 - Increase digital communication, and hereby reduce physical mails sent to our customers.



- Have a large selection of sustainable funds on our platform, that are Article 8 or Article 9 funds
- Keep the organization informed about our work and ambition related to sustainability and educate employees within sustainability

Status on initiatives

- Dialogue with suppliers (including fund companies) will continue during 2022 to be able to receive CO2e data from them. We want to do this so that we can start to include this in our Scope 3 calculation. We have a goal to show the information about the funds on our website.
- We have made a commitment to reduce our footprint in line with the Paris Agreement and we will apply to SBTi to set a target. The application to set a target approved by the SBTi will be done during 2022.
- Dialogue with the landlord has been initiated
 - charging posts for electric cars will be installed in the garage during 2022
 - more waste is being recycled from our office.
- The change towards an electric car fleet has started but due to Covid-19 and long deliveries, we will not see an effect until 2023.
- Communication with customers has been made more digital and the work will continue during 2022 with more IT-development.
- By the end of 2021 we had 84% of our funds in Article 8 or 9 and we have a target for 2022 to increase that to 87%.
- All employees have been certified within sustainability, an extensive e-learning “Sustainability in the financing industry” and we continuously inform employees about our work on staff meetings.

Company introduction

SSG

Nordic damage control service provider



Sustainability statement

At SSG, we provide security by taking care of people, assets and properties. We are the leading damage control company in Scandinavia, and our core business is to handle and reduce the impacts of climate change and extreme weather events. It is our ambition to be at the forefront of the sustainability agenda.

SSG is a people business, and the safety and well-being of our employees is our number one priority. Our ambition is to have a safe, inclusive and diverse work-environment, where people of all ages and backgrounds can work and thrive.

While damage control, restoration and prevention by nature is more sustainable than building and buying new, we acknowledge the environmental footprint of our operations, and continuously work to reduce our footprint. Apart from a continuous focus on operational efficiency and more sustainable product alternatives, the cornerstones of our sustainability engagement are our innovation projects. These aim to reduce emissions of our operations through use of new innovative technologies and IoT, and thereby also making damage claims handling of our customers more sustainable.

As implementation of these projects is driven by our employees, we similarly have a focus on hiring people who share our ambition of being at the forefront of the sustainability agenda.

Our ambition is also to strengthen our presence within damage prevention, so our society better can adapt to climate changes.



Key statistics

CEO	Carsten Fensholt
Chairman	Jeff Gravenhorst
Headquarter	Herlev, Denmark
# of FTEs	783
Year acquired	2019
Polaris Fund	Polaris IV
Polaris ownership	89%
Revenue (DKKm)	908
Revenue (EURm)	122

Management summary



“Being a people business, health and safety is a top priority for SSG – hereunder investing significantly in training and education, and ensuring our employees have access to the best work tools to execute their job in an efficient and safe manner.”

During 2021, we have worked with the implementation of our numerous initiatives across various sustainability areas and to create more transparency on our footprint. We have initiated a collaboration with the climate reporting startup BeWo to automate carbon emission calculations and reporting on case level to enable a significant level of transparency to our customers. Furthermore, we have rolled out our key initiatives to new acquisitions completed in H2 2021.

Our commitment to reduce our environmental footprint

In 2020 we calculated our first CO₂e baseline and have set an ambitious target to reduce CO₂e emissions by 70% towards 2030. The baseline has been used to define and prioritize initiatives to reduce our environmental footprint.

Our car fleet is the largest contributor of emissions across our operations. Reducing the emissions from these has been a priority during the year. We have been working with several levers in 2021 to reduce our fleets emissions which includes electrification where possible. However, this is highly delayed due to the international supply chain crisis. We are also implementing the GPS tracking system Skyhost in all our operational vehicles in DK to reduce driving related emissions, and further remote monitoring that allows for desktop checks of dehumidifiers and moist cases. This reduces our technicians need for driving to customers. We also implemented waste handling at customers to reduce driving with waste.

In 2021 we also initiated work with climate data startup BeWo to calculate and disclose our CO₂e emissions per customer and calculate the climate effect from specific projects. This will be rolled out to cover all our 30-40.000 yearly projects.

Recycling of waste has been a continuing focus area in 2021, both to ensure proper waste handling and increase our waste recycling rate. This means that 86% of the 1000 tonne waste handled is reused or used for energy production. To reduce waste and ensure reusability of the movables handled by SSG,

we introduced a webshop solution for our insurance customers. This means that movables that are sent to waste handling in the future may be part of a webshop.

Ensuring a healthy and safe work environment

Health and safety is a top priority for SSG. This includes investing in training and education but also investing in the tools necessary for our employees to be able to execute their job safely and efficiently.

In 2021 we saw an increase in LTI to 29 (+10). To mitigate injuries we have done an extensive analysis of the reasons for injuries across employee types and length of employment to identify the key issues and how to address these. These will be implemented in 2022. In 2021 we implemented a weekly status report on injuries, learning videos, reduced the number of chemicals used in operations and implemented new procedures and protective equipments in handling of chemicals.

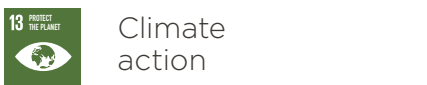
With kind regards,

Carsten Fensholt

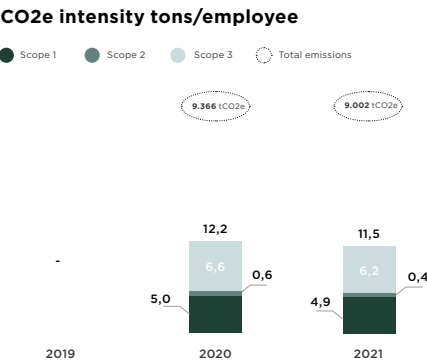
Carsten Fensholt

Sustainability metrics

Polaris cross-portfolio KPIs



Climate action



The baseline follows SSG's financial year from October to September. SSG's base year is the financial year 19/20. The BoD have set a target of reducing the CO2e baseline 70% towards 2030. Therefore this is the first year in 20/21 SSG has a comparison target.

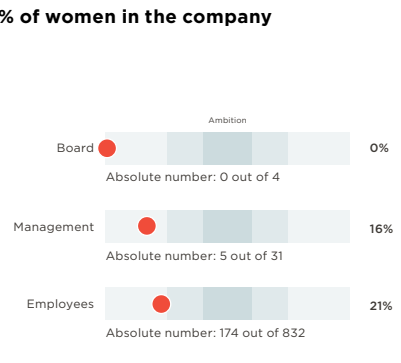
GRI: 305-1a, 305-2a, 305-3a, 305-4a

Climate Action Management

- Scope 1 & 2**
Activity-based calculations with some estimations where actual data was not available.
- Scope 3**
Key categories included: Combination of spend-based calculations and activity-based estimates.
- Strategy & targets**
Reduction target defined and approved by the BoD.
- Initiatives**
Initiatives defined and approved by BoD. Most are already initiated.
- TCFD**
TCFD aligned has been conducted and initiatives related to risks and opportunities launched.



Gender equality



SSG DK has had success in 2021 by increasing the share of women and especially in the back office functions, which now constitutes 40% women. The main goal is to get more women in both Sweden and Norway the coming 12 months.

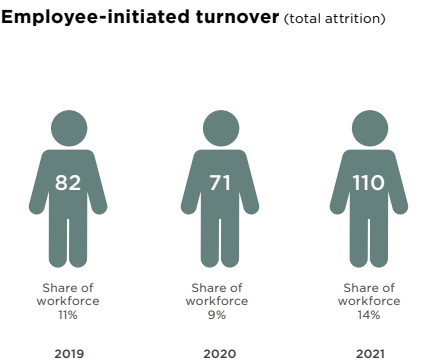
GRI: 405-1(i)

Gender Equality Management

- Tracking**
Tracking in place on gender across the organization, at different tenures.
- Strategy & targets**
Short-term targets for 2023 have been defined and approved by the BoD.
- Initiatives**
Initiatives defined and approved by the BoD.



Employee turnover



There has been an increase in this area. Therefore SSG will introduce exit interviews to understand and evaluate the reasons behind the increase in turnover and make an action plan with the management based on the inputs on how to reduce this for next year.

SASB: Adapted from HC-DY-330a.1

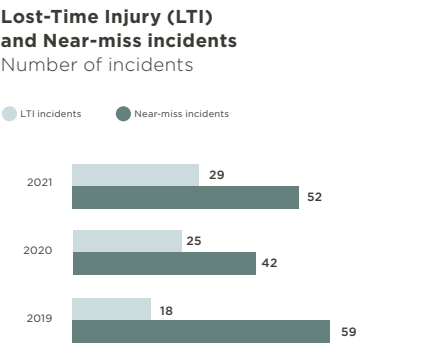
Employee Turnover Management

- Tracking**
Tracking in place on employee-initiated turnover in a fixed monthly report per center to increase focus on this.
- Strategy & targets**
Targets to be defined and approved by the BoD in 2022.
- Initiatives**
Employee surveys to ensure employees' well-being been measured every quarter.

Portfolio company-specific KPIs and initiatives



Health & safety



The number of LTIs increased from 2020 to 2021, due to more mental health working environment issues. Therefore, the well-being measurements SSG carries out every quarter is a key focus. Furthermore, a coach has been hired to support in one of the offices.

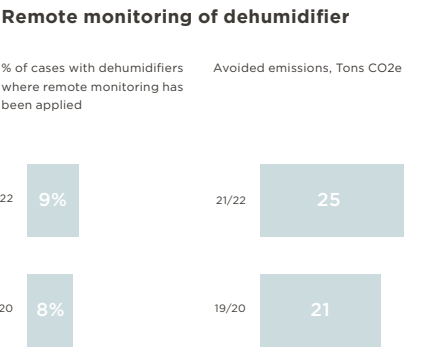
SASB: IF-WM-320a

Innovation projects to reduce CO2e emissions

In addition to existing innovation projects we also engaged in a partnership with Climaid – an indoor climate startup. This enables us to help our customers to improve energy efficiency and living conditions based on real time data gathered on site via IoT devices and with BeWo a carbon emission tracking platform to help us track, report and meet our carbon emission ambitions.



Innovation



In 2021 we continued our focus on digitalizing and innovating on our services. Together with our technology partners we developed a new version of the remote monitoring equipment to increase the rate of remotely monitored cases. SSG is on a continuous mission to transform our processes and delivery model through innovative collaborations in the ecosystem.

SASB: Adapted from IF-EN-410a.2

Waste management

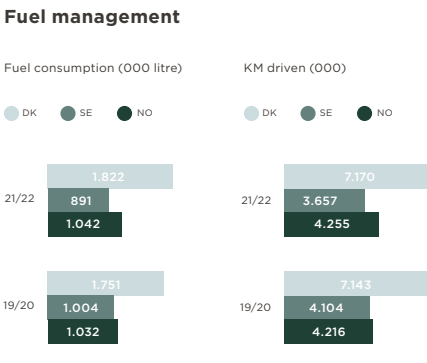
Reducing waste and increasing recycling rates are key focus areas for SSG as well as for our customers. SSG is continuously exploring new ways of improving waste management.

In 2021 we completed a pilot project with Junk Busters, a waste management company, to deliver on site waste handling and sorting to reduce our footprint related to waste.

The project will be rolled out to the rest of the Danish locations in 2022 and dialogues have been initiated relating to our NO and SE geographies. In addition to this we will discuss possibilities for collaborating with companies focus on the reuse and resell of building materials in 2022.



Fleet fuel management



There has been an increase in cloud burst in especially Denmark but also in Sweden during July/August. This increase is activity driven and there is still tracking in place to ensure focus on how to optimize the routes to minimize KM driven per case to show how focus on the environmental part in SSG.

SASB: Adapted from IF-WM-110b.1

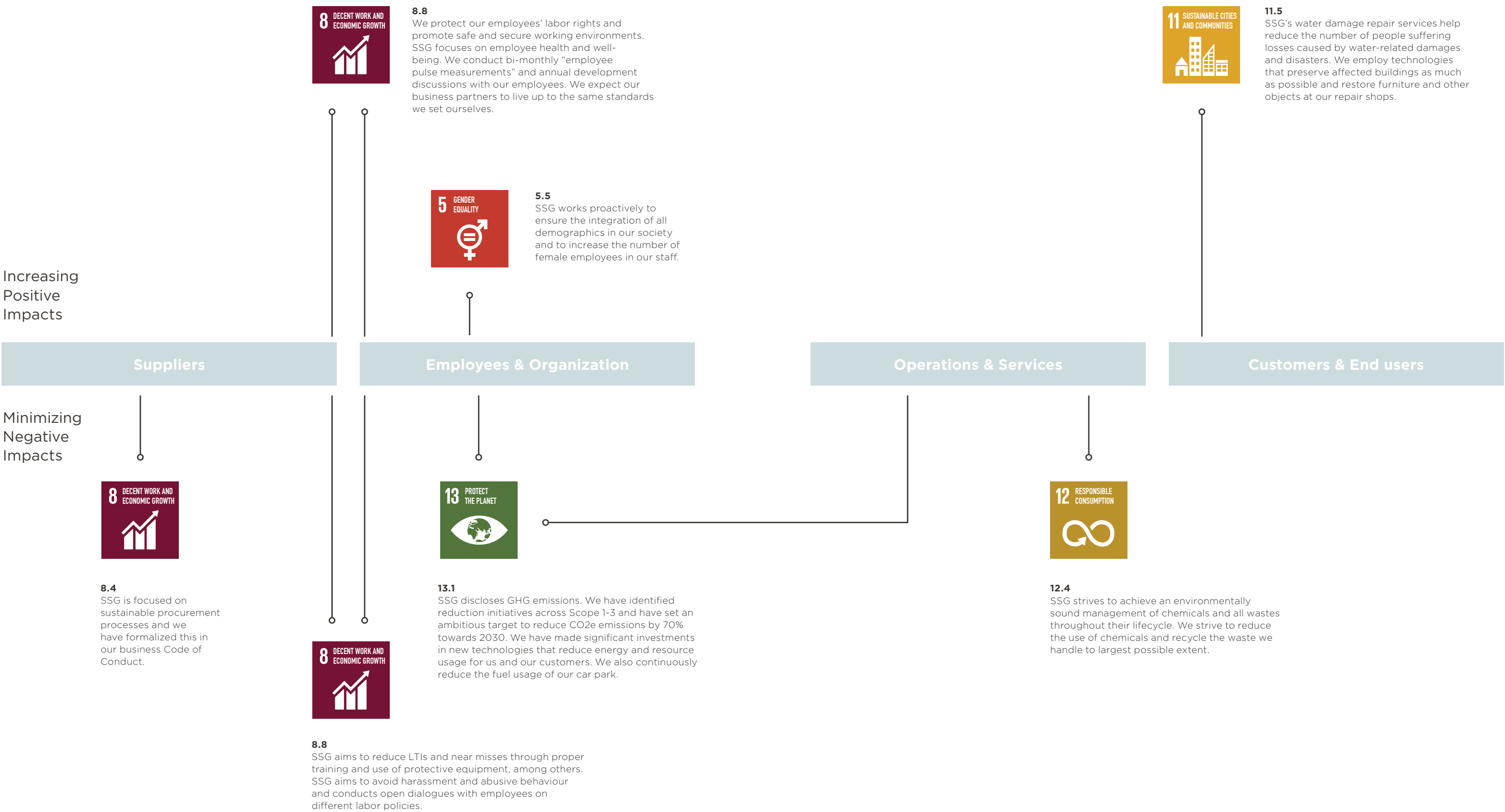
Employee training

SSG has invested 11.526 hours in 2021 of training primarily training of all the operational staff. One of key focus areas in the training this year has been working environment training. Furthermore, several technical trainings have been completed to make sure that our employees have the updated and necessary skills to serve all our customers.

* SE and NO figures are estimated based on fuel consumed

The Sustainable Development Goals

SSG’s contribution to the SDGs



The Sustainable Development Goals

SSG’s contribution to the SDGs

INCREASING POSITIVE IMPACTS

Concrete initiatives in progress



- Integration: Collaborate with municipalities on integration of all demographics in our society, for example through providing opportunities for long-time unemployed, flex jobbers, “troubled” youth
- Gender: Adapt our recruiting process to ensure a more balanced field of applicants in an effort to increase the number of female employees in our staff and create a strong variation of competencies



- Continuously measure employees’ well-being through:
 - Large employee surveys focusing on classic indicators of well-being at work (APV)
 - “Employee pulse” surveys every 2-3 months, allowing us to be more up to date and react more quickly if needed
 - Yearly development discussions with all our employees
- Develop a green procurement policy



- Continuous development of conservative reparation techniques, to ensure we continue to stop the immediate causes of water damages more and more swiftly and reduce ensuing damage to buildings, and rescue and restore objects damaged by water and fire to limit the material damage caused

Status on initiatives

- Integration: Continued our collaboration with municipalities in Herlev, Solrød, Frederiksberg and Hvidovre in 2021
- Gender: In 2021 we implemented a recruiting process focusing on a balanced field of applicants in leading position. The recruiting process covers internally driven recruitments as well as external driven, e.g. recruiters. In 2021 this has meant that recent recruitments to leading positions has been staffed with women, securing a balanced gender mix in SSG

- Well-being: We score on several parameters and address the areas with the lowest scoring. In 2021 the lowest scoring parameters were acknowledgement and appraisals, work load and personal development. To address these we have implemented new management principles and an online training tool to provide on demand training and initiated work with a talent program across SSG

- The green procurement policy has been implemented in 2021

- In dialogue with our customers, we have developed our proprietary controlled heat dehumidification (SVU). After testing the SVU system in 2020, we have made adjustments in 2021 in close collaboration with key customers and have planned an extensive focus in 2022 in this area.

MINIMIZING NEGATIVE IMPACTS

Concrete initiatives in progress



- Initiatives focused on keeping Lost-Time Incidents (LTI) low:
 - Properly train our staff and provide protective and safety equipment to prevent work-related accidents
 - Set guidelines and define method descriptions for how a given task is solved in risk assessments (APV)
 - Ensure our staff has access to the best and safest equipment that ensures a healthy and safe working environment
- Have dialogues about different labour policy themes with our employees
- Develop a company-wide Code of Conduct for Business Partners, defining minimum criteria that suppliers are expected to live up to



- Initiatives focused on reducing the use of chemicals include:
 - Develop a green procurement strategy on materials, chemical, etc. to ensure the use of environmentally friendly cleaning products where possible, with proper dosing
 - Ensure proper disposal of residual products and chemicals
 - Ensure our stock of chemicals and cleaning products are up to date
- Waste: Sort, handle and secure correct waste disposal



- Conduct and disclose our CO2e footprint in accordance with the GHG Protocol
- Use the CO2e baseline to prioritize emission reduction efforts, hereunder:
 - Investments in new technologies that reduce energy and resource usage in our dehumidifying business
 - Reducing the fuel usage of our car fleet

Status on initiatives

- LTI: Reduced number of chemicals, updated our work guidelines with hazardous materials, implemented new protective equipments and training and LTI as part of our management meetings to ensure focus at the highest level in the organization.
- We have fully implemented new ladders to reduce injuries involving falls which was identified as a major cause in 2020. Started a program about mental working environment.
- Labor policy dialogues: in 2021 a cooperation committee has been implemented where we have recurrent dialogues several times a year covering focus areas such as; abusive behaviour, healthy work environment, etc. anchored in SA-udvalg
- The Code of Conduct for business partners has been developed, and has been sent to key suppliers in 2021

- Chemicals: Green procurement policy has been implemented in 2021 and will be updated based on learnings in 2022
- Waste: Together with our waste management suppliers we increased the level of recycling from 75-80% to up to 90% during the year

- CO2e/Dehumidifiers: In 2021 we updated our remote monitoring devices due to poor device quality on the first versions. Hence we reached 9% remote monitoring. We expect to see an increased usage in 2022 with a target of 50% in H1 2022
- Cars: Due to the global supply chain crisis we have not been able to implement electrical vehicles. We are in close dialogue with our suppliers and are in the mean time focusing on reducing weight and driven km on our existing fleet

Company introduction

Link Logistics

To make logistics as simple, effective and responsible as possible.



Sustainability statement

It is fundamental for our success that we live up to our customers' expectations. We wish to be a credible partner that creates security for both our customers and suppliers. Our responsible business conduct is based on managing potential and actual adverse impacts on areas for sustainable development.

At Link Logistics we take on the role and responsibility to focus on the environmental challenges that we face today and know await in the future. We are working to combine our strategic ambition with our understanding of the most pressing climate challenges, where we believe Link Logistics – through our business – has the potential to make a real contribution to change.

As a provider of logistic services, we acknowledge that our negative impact on the environment is through CO2e emissions. We approach this challenge with great seriousness and feel committed to address not only our own direct emissions but also the emissions related to the shipments we facilitate through the networks of our partners.

Our commitment is based on core areas of sustainable development: social, environmental, and economic sustainability. As a signatory to the UN Global Compact, we embrace the 10 principles listed by the UN Global Compact and made operational through the UN Guiding Principles on Business and Human Rights (UNGPs) and the OECD Guidelines for Multinational Enterprises (OECD).

We believe it is important to ensure that all our employees and business partners understand the commercial relevance and necessity of sustainability covering both environmental, social, and economic perspectives. We support public accountability and transparency within sustainability and therefore, we report annually on progress within our sustainability framework.

link logistics

Key statistics

- CEO**
Anders Martens
- Chairman**
Charlotte Hansson
- Headquarter**
Copenhagen, Denmark
- # of FTEs**
192
- Year acquired**
2019
- Polaris Fund**
Polaris IV
- Polaris ownership**
63%
- Revenue (DKKm)**
841
- Revenue (EURm)**
113

Management summary



“We recognize that Rome was not built in one day, neither is a sustainable business. Therefore, we focused on organizing our efforts identifying and scoping initiatives and projects for both a short-term and long-term strategy.”

During 2021 Link Logistics has increased its sustainability focus, building on the framework created in 2020. As a part of the transport sector, we recognize our responsibility, and our ambition is to address and act on current global challenges. We have based our responsible business conduct on managing potential and actual adverse impacts on the internationally agreed core areas of sustainable development: social, environmental, and economic sustainability.

Managing our impact through the integration process

2021 was an exciting year for Link in general. In August, we officially included YOYO Global Freight as part of Link Logistics. Both the months before and especially after the signing have been focused on making the merger a success across all locations and departments. This has been an incredibly resource-demanding process, forcing the entire business to run faster. As YOYO did not have a sustainability strategy or fundament, a lot of work has been put into including the YOYO business in Link's sustainability strategy, work, and accounting. With the merger, we have added several countries to our portfolio, and the work to understand and manage our impact across all countries will continue in 2022.

Past, present, and future focus - creating our first sustainability strategy

In 2020 the primary focus for Link was to create a solid foundation to build our sustainability efforts on. This included conducting our first impact assessment, performing a TCFD aligned Climate-Related Risks & Opportunity Assessment, and linking our efforts and commitment to supporting the UN's work to achieve the 17 Sustainable Development Goals (SDGs), with a primary focus on SDG 5, 8, 9 and 13.

In 2021 we initiated the groundwork of how to manage our impact. In August, the board agreed on incorporating sustainability as part of our strategic ambition, thus committing to having a greater focus on sustainability and the SDGs moving forward. Being pioneers is one of our core values, and we aim to be one of the sustainable pioneers in our sector.

We recognize that Rome was not built in one day, neither is a sustainable business. Therefore, we focused on organizing our efforts identifying and scoping initiatives and projects for both a short-term and long-term strategy. These efforts include initiating projects to create transparency and reduce emissions throughout our operations and transport: In 2021, we decided to set targets to reduce our

CO2e emissions by committing to setting Science-Based Targets and aligning ourselves with the Science-Based Target initiative. We are currently in the process of having our specific targets for Scope 1 and 2 approved by the SBTi and we are committed to reducing our Scope 3 emissions. We aim to detail the target for our Scope 3 reductions in more detail during 2022.

To ensure that our present and future efforts align with Link's overall strategic ambition and focus on managing the identified risks, a sustainability strategy for 2022 was created and approved by the board. Through this strategy, we have identified and scoped the projects for 2022 and divided them into 5 key areas - Governance, Climate Actions, Impact Assessments, Customer Value Adds, and Internal Support projects. Our sustainability strategy aims to ensure that we initiate the right initiatives and transform the organization from the inside out. Supported by innovative and frontrunner projects, we need to create a company culture and identity base that nurtures a sustainable way of working.

We are on an exciting journey and are looking forward to continuing this in the years to come towards a stage where sustainability is an embedded part of the business.

With kind regards,

Anders Martens

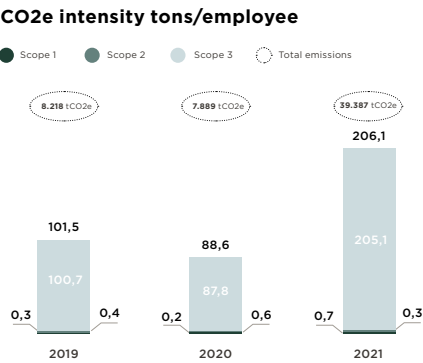
Sustainability metrics

Polaris cross-portfolio KPIs

13

PRESERVE THE PLANET

Climate action



As YOYO Global Freight has been integrated as part of Link Logistics, all CO2e emissions have been included in the report, and therefore we see a significant increase in the overall emissions due to the nature of the freight forwarding business in YOYO. The CO2e intensity for Link alone in 2021 decreased from 88.6 to 83.6 tons/employee. The work ahead within this area will be focused on increasing supplier data for the combined organisation and providing customers with more emissions transparency.

GRI: 305-1a, 305-2a, 305-3a, 305-4a

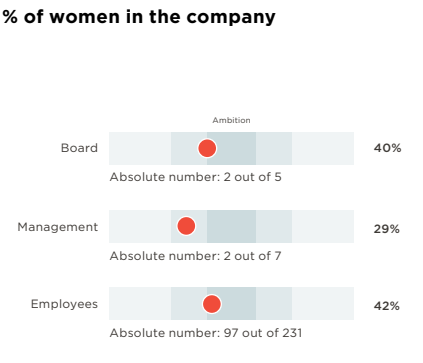
Climate Action Management

- Scope 1 & 2**
Spend-based calculations with national statistics on fuel and energy prices.
- Scope 3**
Combination of spend-based calculations, and activity-based for key categories.
- Strategy & targets**
In 2022 science-based targets will be set to align with the Paris agreement. Specific numbers can not be provided yet.
- Initiatives**
Initiatives defined and approved by BoD. Most are already initiated.
- TCFD**
TCFD aligned analysis was conducted in 2020, and in 2021 initiatives related to risks and opportunities were launched.

5

GENDER EQUALITY

Gender equality



There was an increase in the share of women in management and among employees between 2020 and 2021.

The efforts to increase the share of women at other employment levels have been successful and will continue in 2022.

GRI: 405-1(i)

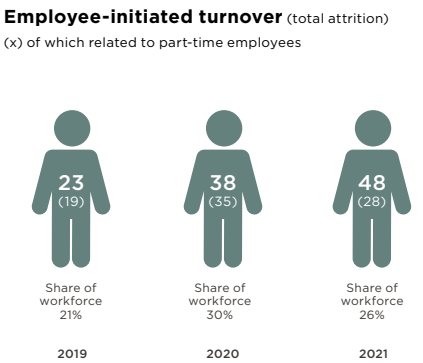
Gender Equality Management

- Tracking**
Tracking in place on gender across the organization, at different tenures.
- Strategy & targets**
Targets have been defined and approved by the BoD.
- Initiatives**
Initiatives defined and approved by the BoD. Focus on the recruiting and promotion processes.

8

SECURE WORK AND ECONOMIC GROWTH

Employee turnover



We have seen a significant increase in the turnover for full-time employees. A part of the increase can be assigned the merger with YOYO as we have an overall higher number of employees. The merger has also meant that not all employees want to continue on the journey ahead. We have a high focus on maintaining our valuable employees, and therefore our focus in 2022 is to increase the flow of communication through the organization to understand and fulfill the needs of all employees across countries and locations.

SASB: Adapted from HC-DY-330a.1

Employee Turnover Management

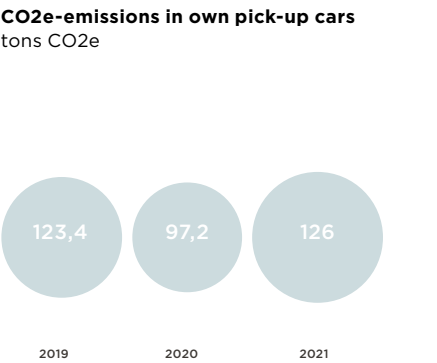
- Tracking**
Tracking in place on employee-initiated turnover.
- Strategy & targets**
Targets to be defined and approved by the BoD in 2022.
- Initiatives**
Initiatives defined to ensure good work environment and employee engagement.

Portfolio company-specific KPIs and initiatives

13

PRESERVE THE PLANET

Environmental impact of own pickup cars



The increase in own emissions is a direct result of the merger with YOYO as we have added several pickup cars to our fleet. A focus in 2022 is to get back on track with reducing our emissions across the organization, and including the YOYO locations in our efficiency improvements and route planning scheme.

SASB: Adapted from TR-AF-430a.2

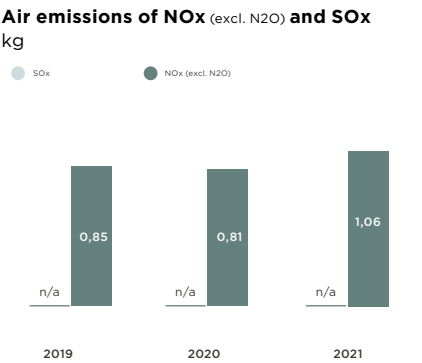
Reducing our environmental footprint

In 2021 we used the baseline created in 2020 as a foundation to identify further opportunities to reduce our CO2e emissions continuously. We initiated a range of projects to reduce our footprint. A big project that is still ongoing is within waste management and sustainable packaging for our warehouse division. In 2022 we will continue initiating several internal projects to reduce our footprint.

13

PRESERVE THE PLANET

Air quality



2020 Link Logistics has initiated dialogue with key suppliers to gather NOx (excl. N2O data) on services provided by them. This is continued in 2021, as the current data provided is faulty and thus cannot be seen as accurate. We continue to work on the data with suppliers, as we believe this KPI is important for our business.

SASB: TR-AF-120a.1

Reducing emissions from own pickup cars

An important project for Link Logistics is looking into solutions to bring down the CO2e and Nox emissions from our own pickup cars, the company leased cars, and suppliers. In 2021 the key focus for the organization was the merger, and therefore the green fleet project was put on hold for a while.

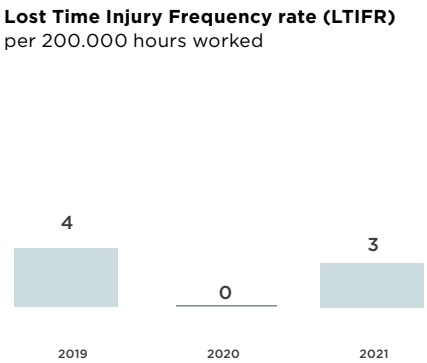
At the end of 2021 and with continued high focus in 2022 we are working with several solutions for the short and long term to lower both the emissions from the current fleet and ensure that our fleet increasingly will include new, green cars as current vehicles are being replaced.

In 2021 we initiated a green initiative for leased company cars, and 25% of the cars are either hybrid or full electric driven cars. Continued focus for 2022 is the conversion of our fleet of pick-up cars.

3

GOOD HEALTH AND WELL-BEING

Accidents & safety management



Unfortunately, we had an increase in work-related accidents in 2021. Our goal is to have no accidents each year, and we are working on employee safety training and instructions to decrease the number of accidents.

SASB: Adapted from TR-AF-320a.1

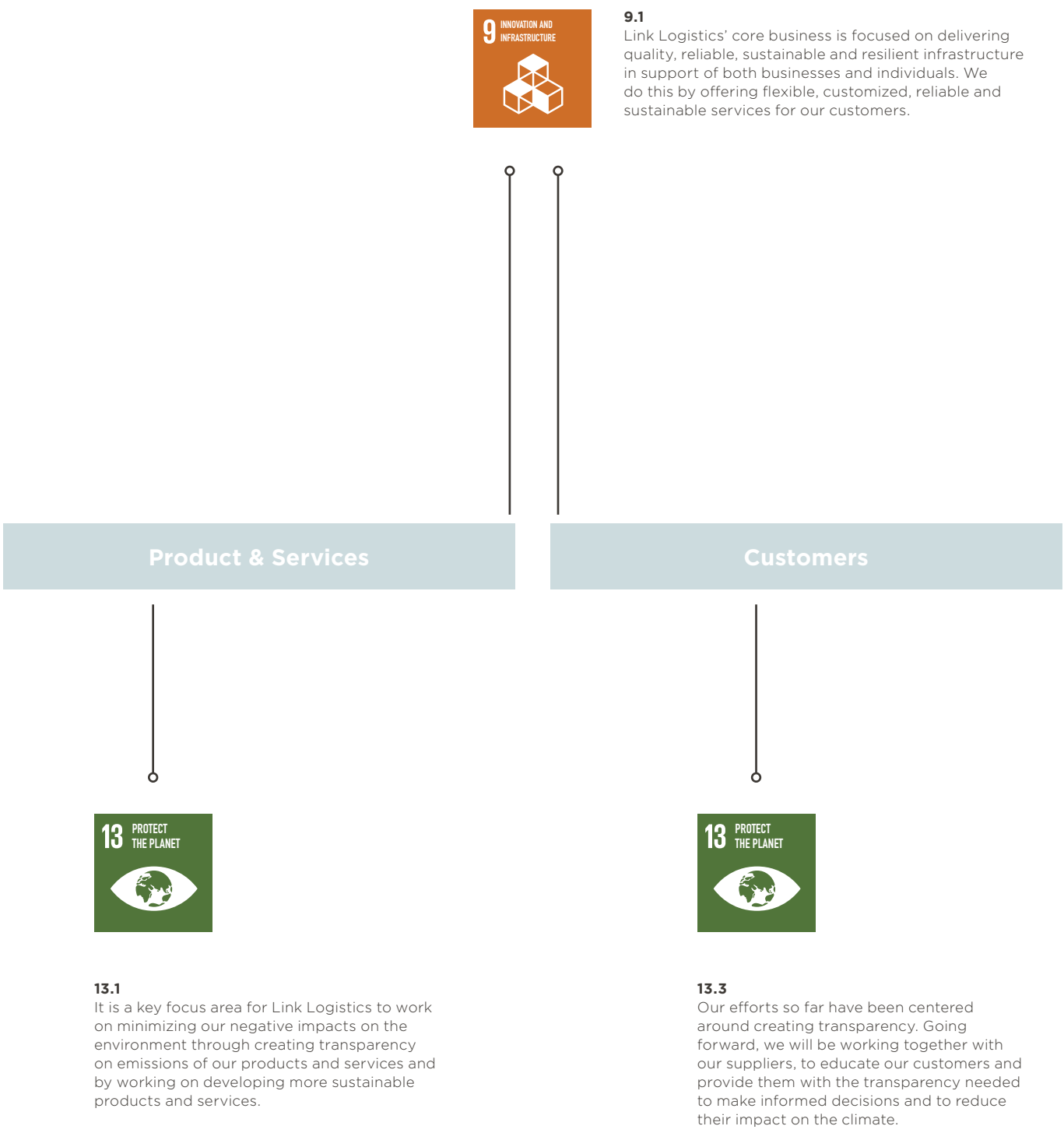
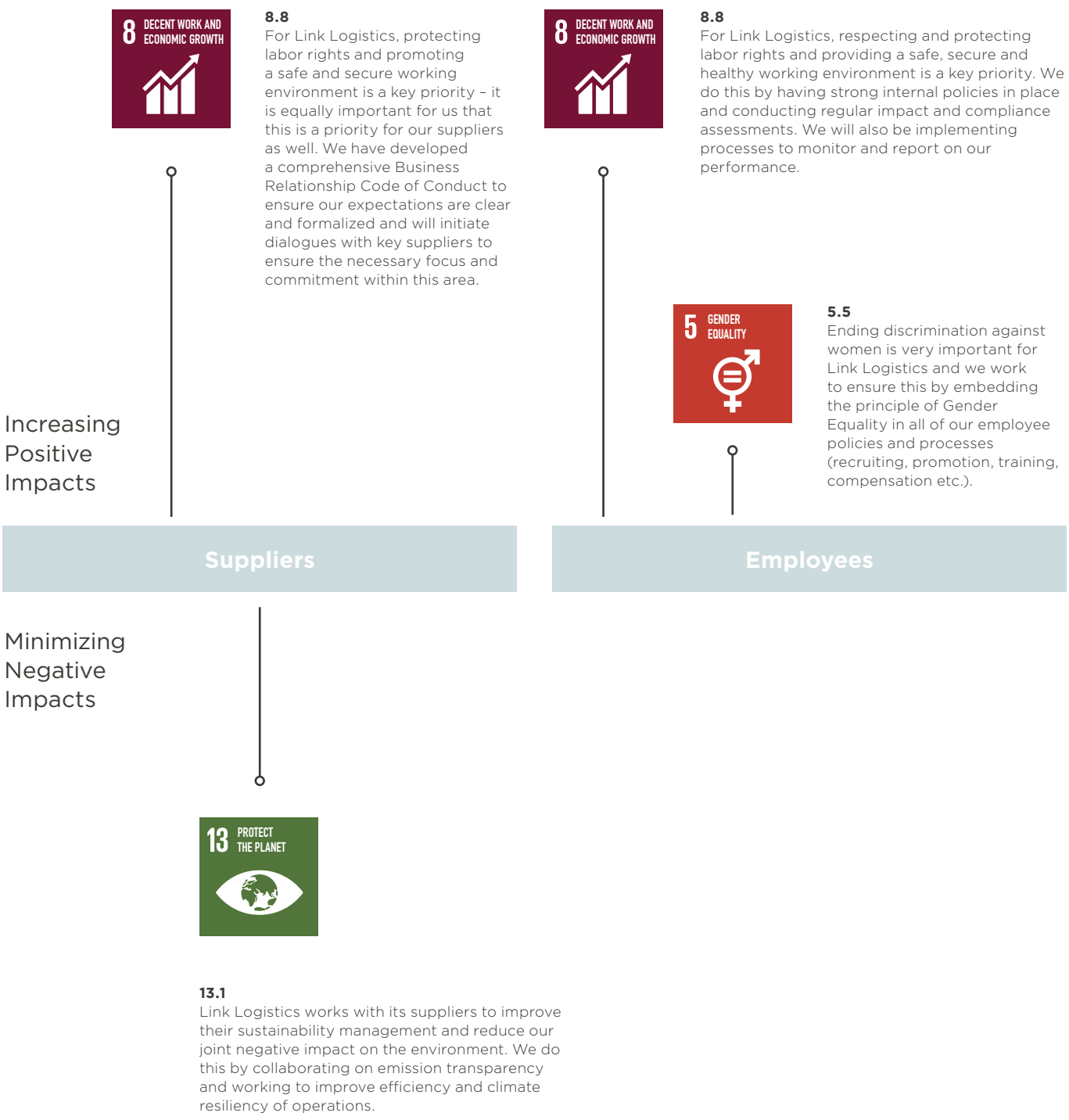
Create an accident-free workplace

All new employees in the warehouse and operations receive instructions in safe and proper lifting and carrying techniques for different kinds of parcels aligned with the Work Environment in Denmark (WEA) guidelines. We have worked to increase awareness on safe working conditions through management and the employee handbook. In 2021 we did a safety analysis at our terminals and warehouses, and following enforced a set of more thorough requirements in the identified risk locations.

These requirements include mandatory yellow vests and safety shoes in risk areas. Additionally, Link has clear processes for accident and incident reporting and investigations to ensure focus on root cause identification and effective corrective and preventative actions.

The Sustainable Development Goals

Link Logistics’ contribution to the SDGs



The Sustainable Development Goals

Link Logistics’ contribution to the SDGs

INCREASING POSITIVE IMPACTS

Concrete initiatives in progress



- Focus on merits and competencies in the recruiting process and ensure there is no (unconscious) bias in both the searching, promoting, and hiring process.
- Work on creating and maintaining an inclusive culture by working with all management levels to prevent potential biases in the promotion processes and the benefits and salary negotiations.



- Conduct annual internal and external Impact Assessments to assess negative and positive impacts of Link Logistics’ operations on people and the work environment (among a broad range of other areas)
- Conduct Work Engagement surveys to assess employee satisfaction and well-being. Based on the results, develop department-specific action plans for improvement in a shared effort between management and employees
- Annually review and improvement of Business Relationship Code of Conduct



- Continuous product development to ensure an increasingly flexible, customized, reliable, and sustainable product offering to meet customers’ demands both today and tomorrow

Status on initiatives

- HR is working directly with each department when recruiting to evaluate job postings, interview processes, and negotiations to prevent potential gender, race, and religious biases.
- HR continued one-to-one meetings with all managers with employee responsibility to support the organizational development.

- Initiatives to address identified potential negative impacts on our people and the work environment (among many other areas) have been initiated. Creating a positive work environment during a pandemic has been of high focus. Close work and communication between management and employees was a key area to help maintain high morale and satisfaction.
- During the integration, the focus has been on maintaining high employee satisfaction. Information, well-being, and engagement surveys have been executed, and the results have been used to identify and manage risk areas. In 2022 we will focus on maintaining a heavy flow of communication across the organization, as we have identified the lack of knowledge and information to be an important factor in low work engagement.
- The Business Relationship CoC has been reviewed and approved by The Board of Directors. The strategy for implementation has been developed, and during 2022, it will be shared with key suppliers, and dialogues will be initiated to ensure commitment.

- A sustainability strategy has been developed to emphasize sustainability and meet our customers’ growing demands. In 2022 we will work closely with our customers and suppliers to develop more sustainable products. We believe that close collaboration with our business relationships is the best way to find solutions.

MINIMIZING NEGATIVE IMPACTS

Concrete initiatives in progress



- Seek to gather more actual CO2e data from suppliers to increase the maturity of the different Scopes and categories in the baseline calculations, as this will strengthen decision-making on carbon reduction initiatives.
- Ensure product development and efforts to educate customers and provide them with the transparency needed to make informed decisions.
- Ensure internal competency building to provide strong customer support and education around sustainable logistics.

Status on initiatives

- In 2021 we gathered the data from Link and the former YOYO. To ensure transparency, we are analyzing the data separately and combined.
- Several initiatives to reduce Scope 1 and 2 have been initiated in 2021 – including greener company cars, green electricity, and warehouse waste management. The actual data from suppliers will be used in 2022 to investigate initiatives specifically focused on reducing Scope 3 emissions
- In 2021 we scoped several projects to help and educate our customers. We initiated projects to help them improve their operations and improve our transparency to help them make more educated choices.
- As part of our sustainability strategy, internal initiatives have been developed to improve the sustainability competencies internally in Link. We have initiated management and employee workshops to educate in Links’ impact. Additionally, key people in the different part of the organization are increasingly being involved in specific sustainability initiatives that affect their area of business such as Warehouse are involved in waste management project. Operations are involved in the green pick up car initiative and much more.



Other companies - Fund IV

TRIAX

TRIAX is one of the leading European suppliers of reliable, innovative products and solutions for the reception and distribution of video, audio and data signals. The company was acquired by Polaris already in August 2015. Triax has been undergoing a longer period of restructuring and reorganization and in March 2021, the company also merged with the Spanish peer Ikusi Multimedia. Triax has initiated their work with sustainability but due to their other priorities, they have not yet completed Polaris Sustainability Program and are not expected to be able to do so during 2022. Their priorities will be evaluated again later this year.



Key statistics

CEO	Ken Cordes
Chairman	Ramon Sotomayor
Headquarter	Hornsyld
# of FTEs	275
Year acquired	2015
Polaris Fund	Polaris IV
Polaris ownership	47%
Revenue (DKKm)	486
Revenue (EURm)	65

Distriktstandvården

Distriktstandvården is the leading independent private dentistry chain in the greater Stockholm region where Distriktstandvården operates 31 clinics. Since the acquisition by Polaris in August 2020, the company has focused on establishing their platform and developing their organization, while onboarding several new acquisitions. Following the onboarding of a new CEO during 2022, the company is expected to go through Polaris Sustainability Program during 2023.



Key statistics

CEO	Ibbe Gnem
Chairman	Fredrik Gren
Headquarter	Stockholm
# of FTEs	375
Year acquired	2020
Polaris Fund	Polaris IV
Polaris ownership	43%
Revenue (SEKm)	375
Revenue (EURm)	38

Vikingbus

Vikingbus is created from the merger of four Danish bus companies to create the leading bus company in Denmark. The company was merged under Polaris ownership in April 2021, and has since been focusing on the integration of the four companies and establishing a strong company platform. Vikingbus is very aware of its environmental footprint as an operator of a large fleet of buses and take this very seriously. They plan to go through Polaris Sustainability Program during 2022 and be part of next years sustainability report.



Key statistics

CEO	Mogens Pedersen
Chairman	Søren Jespersen
Headquarter	Hvidovre
# of FTEs	1.200
Year acquired	2021
Polaris Fund	Polaris IV
Polaris ownership	52%
Revenue (DKKm)	693
Revenue (EURm)	93

Company introduction

Contour Design

Reduce pain, avoid strain and work faster with an ergonomic mouse



Sustainability statement

Contour Designs’ mission is to offer the most innovative products and high-quality services, enabling better job satisfaction, ergonomics, and productivity. Our unique product offering contributes to positive impacts for our customers, while we recognize the need to manage all sustainability risks and negative impacts of our business. At Contour Design, we are committed to contribute to a sustainable development and our ambition for the coming years is to be in the forefront of the sustainability agenda in our industry. In line with this ambition, we want to be proactive in addressing sustainability trends and topics of interest to our customers and other stakeholders and go beyond compliance. This also means that we set a high ambition for responsible business conduct in all areas, both internally and with business relationships.

For Contour Design sustainability is about:

- Developing high quality products that will have a long lifetime and provide our customers with the right working equipment to ensure a healthy work life.
- Minimize the environmental impact of our products by working with product design, material selection and our supply chain. Hereunder reducing and replacing virgin and high-emission materials and improving circularity and the end-of-use impact of our products. A focus area for us is to minimize our CO2e emissions and we take a fact-based approach to our efforts to make sure that the initiatives we launch will make a real impact and address the largest categories of our CO2e baseline. We will also work to create transparency for our customers and enable end-consumers to make informed choices.
- Ensuring our products are produced in a responsible way by building best practice in managing adverse impacts, in particular on the right to healthy and safe working conditions, throughout our supply chain, in cooperation with our suppliers and other business relationships.

At Contour Design, we apply internationally agreed principles to define sustainable development: human rights (including labor rights), environmental, and economic sustainability. As a member of UN Global Compact, we embrace their 10 principles, which we make operational through the UN Guiding Principles (UNGPs) and the OECD Guidelines for Multinational Enterprises (OECD).

We do this by:

- Adopting a sustainability Policy Commitment, vetted by external experts
- Establishing and maintaining a Due Diligence Process, aligned with UNGP/OECD guidelines
- Provide access to remedy through grievance mechanisms/ whistleblower system



Key statistics

CEO
Kenneth Nielsen

Chairman
Erik Stannow

Headquarter
Ballerup, Denmark

of FTEs
138

Year acquired
2021

Polaris Fund
Polaris V

Polaris ownership
70%

Revenue (DKKm)
Not disclosed

Revenue (EURm)
Not disclosed

Management summary



“In 2021 we also invested considerable resources in establishing a baseline for our CO₂e footprint. It comes as no surprise that most of our emissions comes from materials used in production.”

During 2021 Contour Design has taken a big leap towards a more structured approach to our sustainability work. We have developed and implemented a management system covering all three areas of sustainability: human rights (including labor rights), environment and economy. Our work has been aligned with internationally agreed principles and vetted by experts. In 2021, Contour Design appointed a full-time Head of Sustainability.

Triple bottom line

Aligning our work with the UN Guiding Principles (UNGP) and OECD Guidelines for Multinational Enterprises, we have implemented what is referred to as the *global minimum standard* for responsible business conduct. In essence, it is a universally agreed standard, covering 48 human rights, 20 environmental and 16 areas of anti-corruption. This has enabled Contour Design to identify potential adverse impacts on the triple bottom line, and we performed our first impact assessment in 2021 for our head-office in Denmark. Next assessment is planned for our factory in China during 2022. This is to ensure we are doing all we can to reduce risk and avoid or mitigate any negative impacts from our business, followed by concrete initiatives and action-plans to prevent such impacts. In short, try to avoid being taken by surprise. Furthermore, and as required by the standard, we will communicate any severe negative impacts to our business relationships and expect the same in return from them. No severe negative impacts were identified during our first impact assessment. A Code of Conduct for Business Relationships has been developed and will be communicated to our suppliers and partners. It is worth noting, that we are holding ourselves to the same standard as we expect from our relationships. Hence, our impact assessment will serve as documentation on how Contour Design is working with sustainable development and responsible business conduct. We are prepared to share this documentation as proof and to inspire dialogue on collective improvement with our partners and suppliers. If something should still go wrong, we are in the process of developing a grievance mechanism/ whistleblower system so employees and other stakeholders can tell us about it and we can make it right.

Climate action

In 2021 we also invested considerable resources in establishing a baseline for our CO₂e footprint, and we are following up this year by updating the baseline. The CO₂e footprint for 2020 and 2021 are both communicated in this report. Collecting and

calculating data on Scope 1, 2 and 3 has supported us in identifying the areas of highest emissions in Contour and our value chain. As a hardware manufacturer of computer accessories, it comes as no surprise that most of our emissions comes from Scope 3, and even more specific from materials used in production. As a result of these findings, concrete initiatives have been put in place to reduce emissions, among other things: increasing use of recycled materials on e.g., aluminum, plastic, and PCBs (printed circuit boards). Other initiatives include implementing sustainability metrics in product design, responsible sourcing and emissions tracking of materials and transport.

UN Global Compact and the SDGs

Contour Design became a member of UN Global Compact during 2021 and are committed to respect the ten principles. Our first Communication on Progress (COP) is due in May 2022, and we have opted to take part in their Early Adopter Program which aims to test out their advanced Communication of Progress report (CoP) that will be mandatory for all from 2023. We are following up on our commitment by focusing on a selection of the Sustainable Development Goals where we believe we have the most impact.

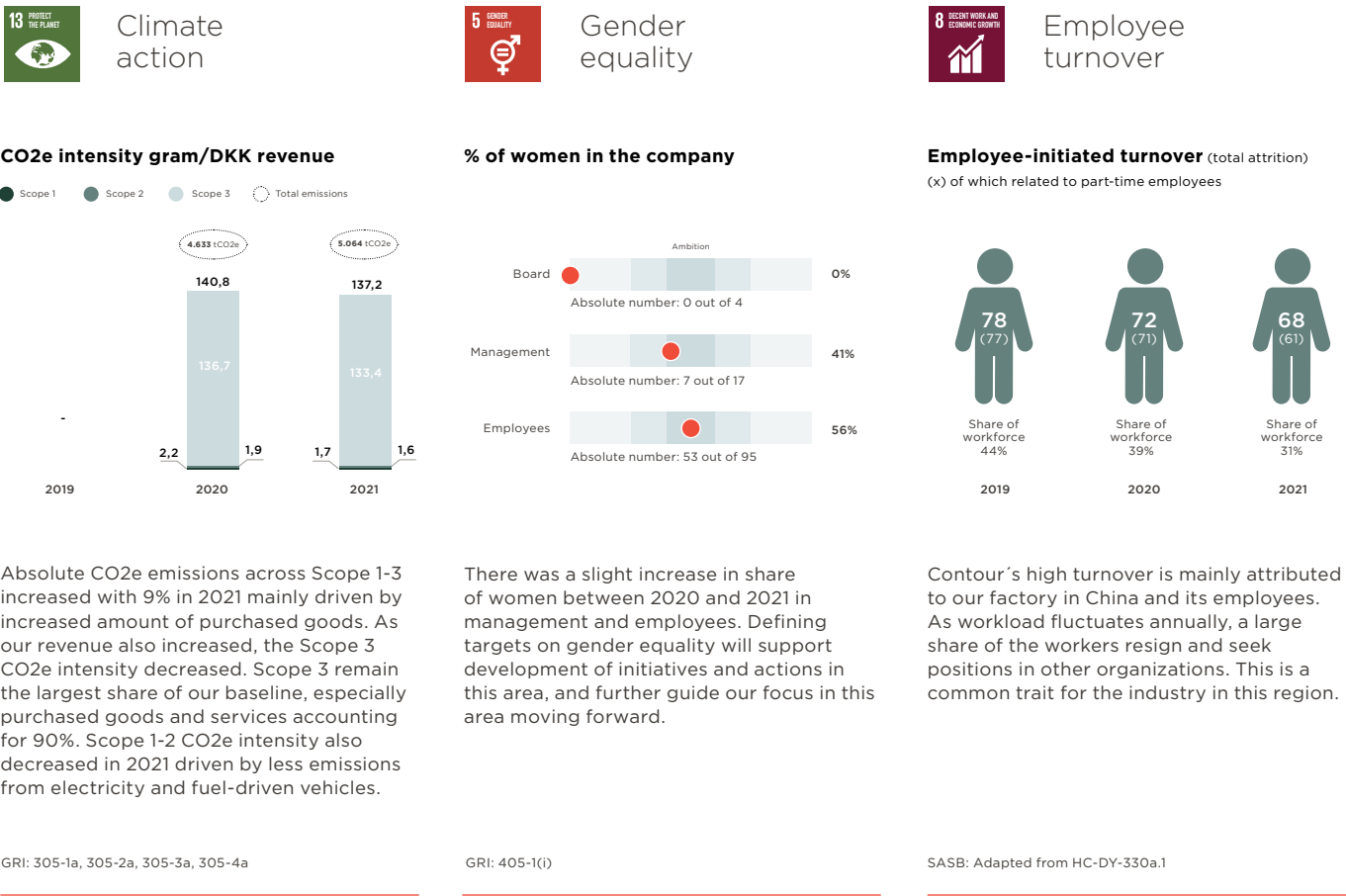
We are looking forward to continuing the journey in the coming years, embedding a sustainability mindset both internally across our organization and externally in partnership with our business relationships.

With kind regards,

Kenneth Nielsen

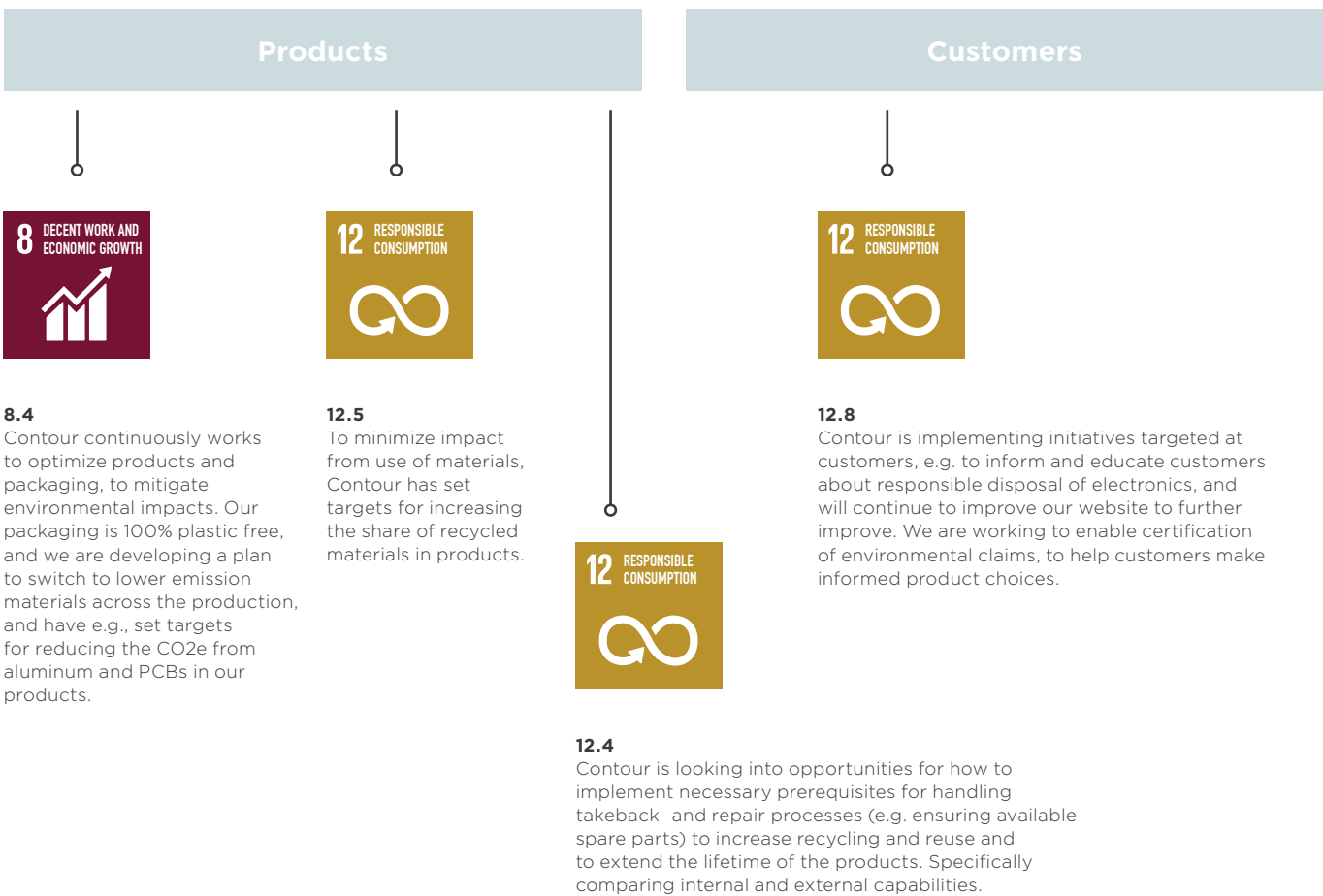
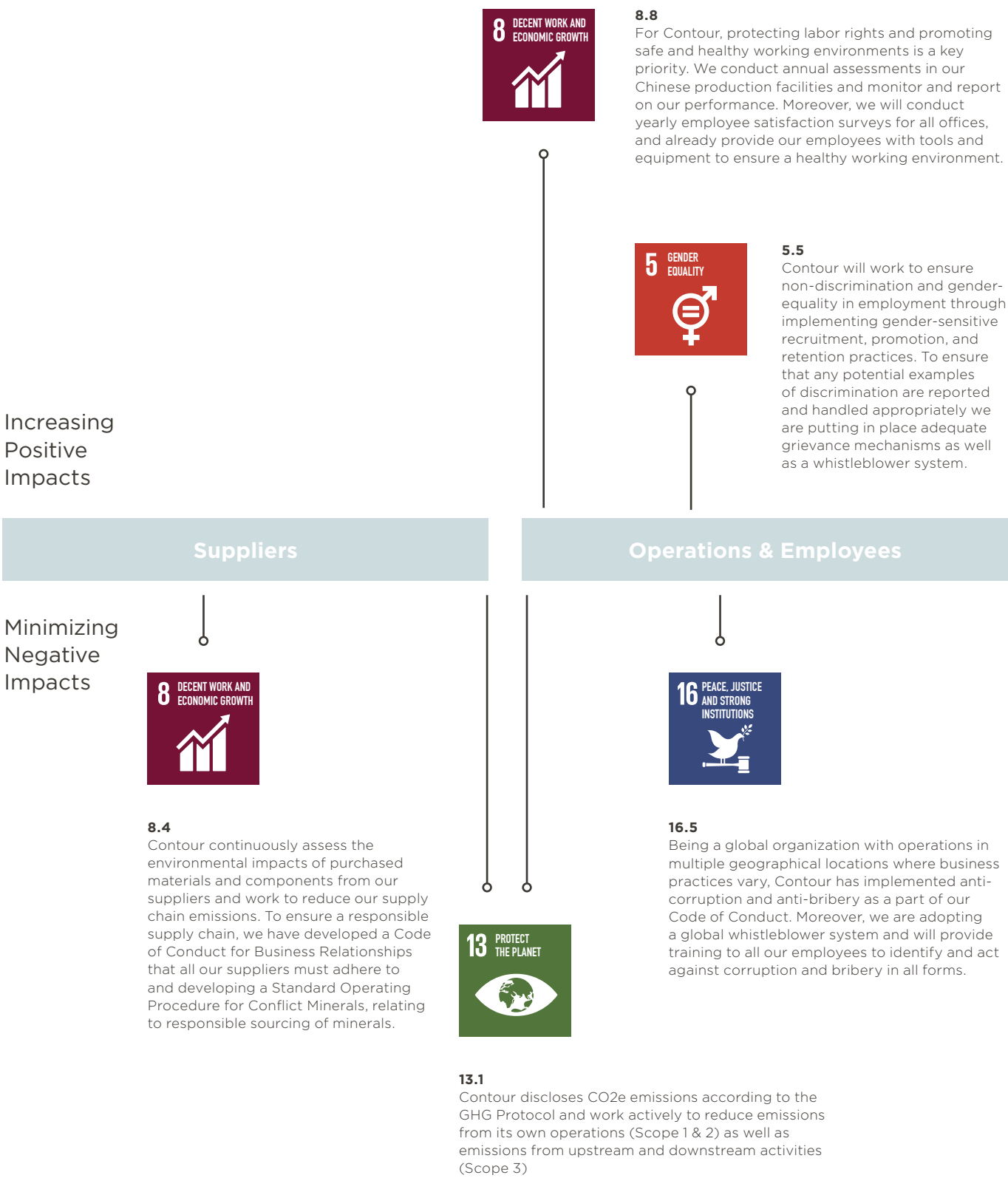
Sustainability metrics

Polaris cross-portfolio KPIs



The Sustainable Development Goals

Contour’s contribution to the SDGs



The Sustainable Development Goals

Contour’s contribution to the SDGs

INCREASING POSITIVE IMPACTS

Concrete initiatives in progress



- Proactively search for candidates of the underrepresented gender in recruitment and work to ensure that recruiting and promotion processes are unbiased
- Ensure that salaries are based purely on experience and performance
- Show and promote commitment to gender equality and diversity in communication
- Ensure appropriate handling of potential reports on discrimination



- Conduct annual workplace conditions assessment and launch improvement initiatives
- Conduct employee survey to assess and improve employee satisfaction and well-being
- Conduct assessment of cases of absence and long-term sick leaves related to stress and mental health and launch initiatives to improve
- Ensure that all employees have access to health insurance
- Conduct annual (third-party) review and assessment of production facilities in China

Status on initiatives

- Investigating options for third-party unconscious bias training of managers. Future job postings will be reviewed with regards to gender equality to avoid bias
- Examination of current pay structure to identify potential gaps related to gender is scheduled for 2022
- Focus on gender equality in marketing material and website, e.g. in selection of models for photo/video
- We are in the process of implementing a whistleblower system, expected to launch in 2022

- First impact assessment has been conducted in 2021 at Denmark head-office, identifying initiatives for improvement and added to action plan. Next impact assessment planned for China factory in 2022
- Investigating external partner to support development and distribution of company-wide survey in 2022
- Will conduct assessment during 2022, to uncover potential long-term sick leaves related to stress and mental health. Initiatives will be determined based on findings.
- Assessment conducted in 2021, and no risks were identified. All covered by health insurance
- Due to Covid-19, third-party assessment has not been performed in China. Plan to conduct new review in 2022

MINIMIZING NEGATIVE IMPACTS

Concrete initiatives in progress



- Assess potential to reduce or eliminate use of high emitting materials in production and in packaging
- Review emissions from suppliers and actively work with suppliers to reduce emissions
- Share Code of Conduct for Business Relationships with all existing and new suppliers, and ensure adherence
- Ensure responsible sourcing of minerals



- Implement use of recycled materials in production
- Educate customers in opportunities and benefits of responsible waste handling of electronics, by clearly communicating benefits and opportunities for recycling.
- Investigate opportunities for improving repairability, to enhance product lifetime



- Disclose CO2e baseline emissions to ensure transparency across the organization
- Use results from the CO2e baseline to prioritize efforts to reduce emissions
- Reduce emissions from own operations through electrification of corporate vehicles
- Develop a climate policy



- Update and formalize structures and policies on anti-corruption and antibribery practices
- Provide training to employees to act against corruption and bribery

Status on initiatives

- First CO2e baseline calculation performed for 2020 and 2021. identifying the most high-emitting materials, enabling targeted initiatives for reduction in emissions from Scope 3
- CO2e baseline results to be shared with suppliers in 2022, to enable dialogue and cooperation on emissions reduction
- Code of Conduct for Business Relationships developed and approved. During 2022 it will be shared with tier 1 suppliers to enable dialogue and learning
- Standard Operating Procedure to be developed and communicated to suppliers, to enable dialogue and learning. Awaiting membership with Responsible Minerals Initiative (RMI) to confirm process.

- Work to increase percentage of recycled materials and enable certified proof of materials content. Targets to be defined.
- In addition to participating in legally required take-back schemes, we plan to further improve our website to promote responsible waste handling among our customers.
- Currently developing design and production guidelines, to align with requirements for circularity

- This report includes our first CO2e report on Scope 1, 2 and 3. We will continue to improve our calculations to increase accuracy and actionability
- An emission reduction plan has been crafted across our value chain hotspots with focus on product development
- Initiatives to be defined in 2022, awaiting input to engage.
- The initiative is scheduled for 2022.

- Our policies on anti-corruption and antibribery are implemented in our Code of Conduct for Business Relationships. Whistleblower system is currently being developed and implemented with 3rd party provider.
- Currently investigating external partner to develop e-learning for employees.

Company introduction

Sinful

A playful sex life
for everyone



Sustainability statement

At Sinful we want to contribute to a safe and playful sex life for everyone. Our customers and our employees are our passion – we have a unique and diverse culture. As the leading e-commerce company selling sex toys in Scandinavia, our ambition is to be the best at what we do - this also applies to sustainability.

This means that Sinful continuously works on product development to always be able to accommodate the needs of our customers in regards to safety and quality. We recognise that our products are not sustainable by nature – we, therefore, work to ensure sustainable operations around our products and work closely with our suppliers to ensure quality and sustainability are a constant focus. Sustainability in Sinful means ongoing development and focus on material selection in packaging and products. This entails reducing single-use batteries, working on sustainable certifications, and replacing virgin- and high-emission materials in packaging.

We want to create transparency and awareness for our customers and enable end-users to make informed choices on sustainability when purchasing products from us. We are implementing environmental awareness and options for a more sustainable purchase and delivery. We are committed to define green principles for our product development and product selection.

We care about people - meaning both our customers and our employees. Our vision is to be the most trusted sex toy shop in Europe by ensuring that our customers' personal data is kept safe via a variety of security measures and internal procedures. To Sinful, sustainability is also about ensuring that our employees have healthy and safe working conditions, and we are demanding the same from our supply chain. Our expectations are addressed in our Code of Conduct for our business relations.



Key statistics

CEO
Tonny Andersen

Chairman
Mie Krog

Headquarter
Højbjerg, Aarhus

of FTEs
150

Year acquired
2021

Polaris Fund
Polaris V

Polaris ownership
57,5%

Revenue (DKKm)
Not disclosed

Revenue (EURm)
Not disclosed

Management summary



“With every initiative, we consider the welfare of our employees, our collaborators and our planet to be the best we can be in our quest to help everyone achieve a playful sex life.”

In early 2021, Sinful took the first steps towards a more sustainable approach, and to understand our impact on the environment and the people in our supply chain. Our approach is based on the OECD Guidelines and the UN Guiding Principles. We have assessed Sinful’s impact and potential risks, and intensified our effort to mitigate or remove these.

Since the very beginning, we at Sinful have taken great pride in providing Scandinavians with the tools and knowledge to lead a healthy and playful sex life by being market leaders in sex toy products and awareness. At Sinful we are aware that our product materials, batteries, and usage of sex toys have an adverse impact on the environment. Therefore, we have begun the implementation of a health and environmental specific plan to work towards becoming a more sustainable company.

A unique and healthy work environment

Being at Sinful means making a great effort and taking great pride in your work while being given the opportunity to perform in an informal and inclusive working environment. At Sinful we strive for diversity regarding gender, nationality, ethnicity, and age, and we have a zero tolerance policy concerning discrimination and harassment. In 2021 Sinful invested significantly in pre- and on-boarding of new employees as well as staff retention by developing our HR department to include a whole function focusing on Recruitment and Development. The department shall continuously gain insights and secure improvement. We advocate for a strong social culture and family-feeling amongst our employees.

Enabling our business relations

In Sinful we acknowledge that our industry lacks certifications and standards, and might have a reputation of not taking responsibility in regards to people and products. We want to enable our business partners to engage in our vision to be trustworthy and responsible. In 2021 we introduced our business relations to our product safety agreement and in 2022, we will implement our Business Relations Code of Conduct. We have commenced several initiatives with our suppliers in order to move towards more sustainable material use and less use of disposable batteries. We are determined to implement a sustainable procurement policy to ensure that our products meet the initiatives set out in our strategy. Our suppliers’ commitment is motivated through third party audits and inhouse quality and compliance assurance.

Our commitment to reduce our environmental footprint

We recognise the impact of our business and have made it a daily aspiration to equip ourselves with the information required to leave as minimal an environmental footprint as possible. In late 2021 we calculated our first CO2e baseline which has created transparency concerning our environmental impact. The data used and the calculation principles will be assessed and improved in the years to come. The CO2e baseline will serve as a starting point when prioritizing emission reduction efforts. We have highlighted a number of beneficial areas with potential to reduce our environmental impact. We are looking into how to transform conventional material selection into low emitting materials.

Keeping data safe

We have already established mandatory information security and GDPR awareness training, audited IT-accesses, performed penetration tests and comply with standards, legislation, and best practices. These initiatives serve to ensure personal data is kept safe.

With every initiative, we consider the welfare of our employees, our collaborators and our planet to be the best we can be in our quest to help everyone achieve a playful sex life.

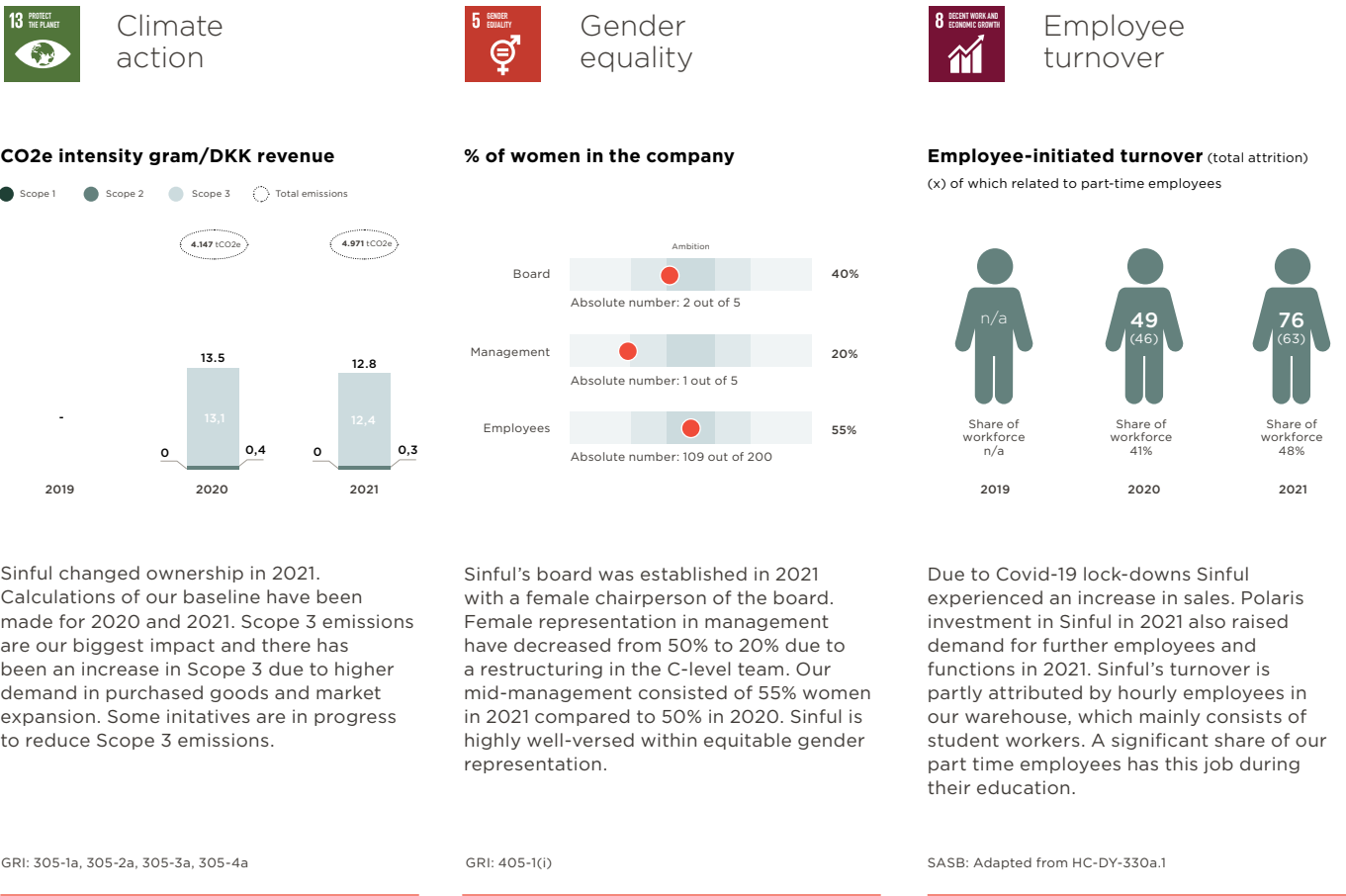
With kind regards,

A handwritten signature in black ink, appearing to read 'Tonny' followed by a stylized surname.

Tonny Corydon Andersen

Sustainability metrics

Polaris cross-portfolio KPIs



Sinful changed ownership in 2021. Calculations of our baseline have been made for 2020 and 2021. Scope 3 emissions are our biggest impact and there has been an increase in Scope 3 due to higher demand in purchased goods and market expansion. Some initiatives are in progress to reduce Scope 3 emissions.

Sinful's board was established in 2021 with a female chairperson of the board. Female representation in management have decreased from 50% to 20% due to a restructuring in the C-level team. Our mid-management consisted of 55% women in 2021 compared to 50% in 2020. Sinful is highly well-versed within equitable gender representation.

Due to Covid-19 lock-downs Sinful experienced an increase in sales. Polaris investment in Sinful in 2021 also raised demand for further employees and functions in 2021. Sinful's turnover is partly attributed by hourly employees in our warehouse, which mainly consists of student workers. A significant share of our part time employees has this job during their education.

Climate Action Management

- Scope 1 & 2**
Calculations based on activity-based data.
- Scope 3**
Combination of spend-based and activity-based calculations.
- Strategy & targets**
Targets have been set and approved by BoD.
- Initiatives**
Initiatives defined and approved by BoD.

TCFD
TCFD aligned analysis has been conducted and initiatives related to risks and opportunities launched.

Gender Equality Management

- Tracking**
Tracking in place on gender across the organization, at different tenures.
- Strategy & targets**
Overall targets have been defined.
- Initiatives**
Initiatives defined and approved by the BoD.

Employee Turnover Management

- Tracking**
Tracking in place on employee-initiated turnover.
- Strategy & targets**
Overall targets have been defined.
- Initiatives**
Initiatives defined.

Portfolio company-specific KPIs and initiatives



Our vision is to become the most trusted sex toy shop in Europe. Therefore, it is crucial for us that our customers and employees have confidence in and trust our safeguarding of their personal data. We work continuously to strengthen our approach to information security and data protection internally by mandatory awareness training for existing and new employees. All employees are responsible to comply with policies and procedures on data privacy and data security. We perform regular penetration tests and continuously assess any vulnerabilities and potential risks to our information systems. Based on the recognised potential risks, we implement technical and organizational measures to mitigate these and future risks. For example, we have removed all personal data from our delivery note to mitigate the risk of unauthorized disclosure of personal data based on a human mistake.

All current and future suppliers are audited before first order placement. In line product quality inspection is mandatory for all suppliers. Our goal is to expand the Scope of our quality inspection to include further areas to improve the political and legal framework for trade in a sustainable way.

Sinful continuously experience growth as we expand into new markets in 2022. To reduce emissions from our outbound product delivery, we need to investigate possibilities for improvement on all our markets. Our first step is to initiate dialogue with our current and future logistic partners throughout Europe. Our goal is to reduce the average (kgCO2e) per parcel. Target will be defined.

Product material

The material origin, quality, durability, and recyclability plays a crucial role to the total footprint of the product lifecycle, and therefore an essential focus in our development proces. We challenge the state-of-art in order to develop more innovative and sustainable sex toys, where materials and their manufacturing, and minizing the use of ressource is primary. We continuously educate and prepare tools to key employees to secure a thorough knowledge and focus on trustworthy, reliable and environmentally causius solutions. Central to this is documentation, traceability and therefore a focus on increasing the application of certified materials, processes and suppliers, through international recognized certification schemes wihtin social business ethics, environment, and chemicals. In 2022 we will develop green principles in our product portfolio.

Use of batteries in products

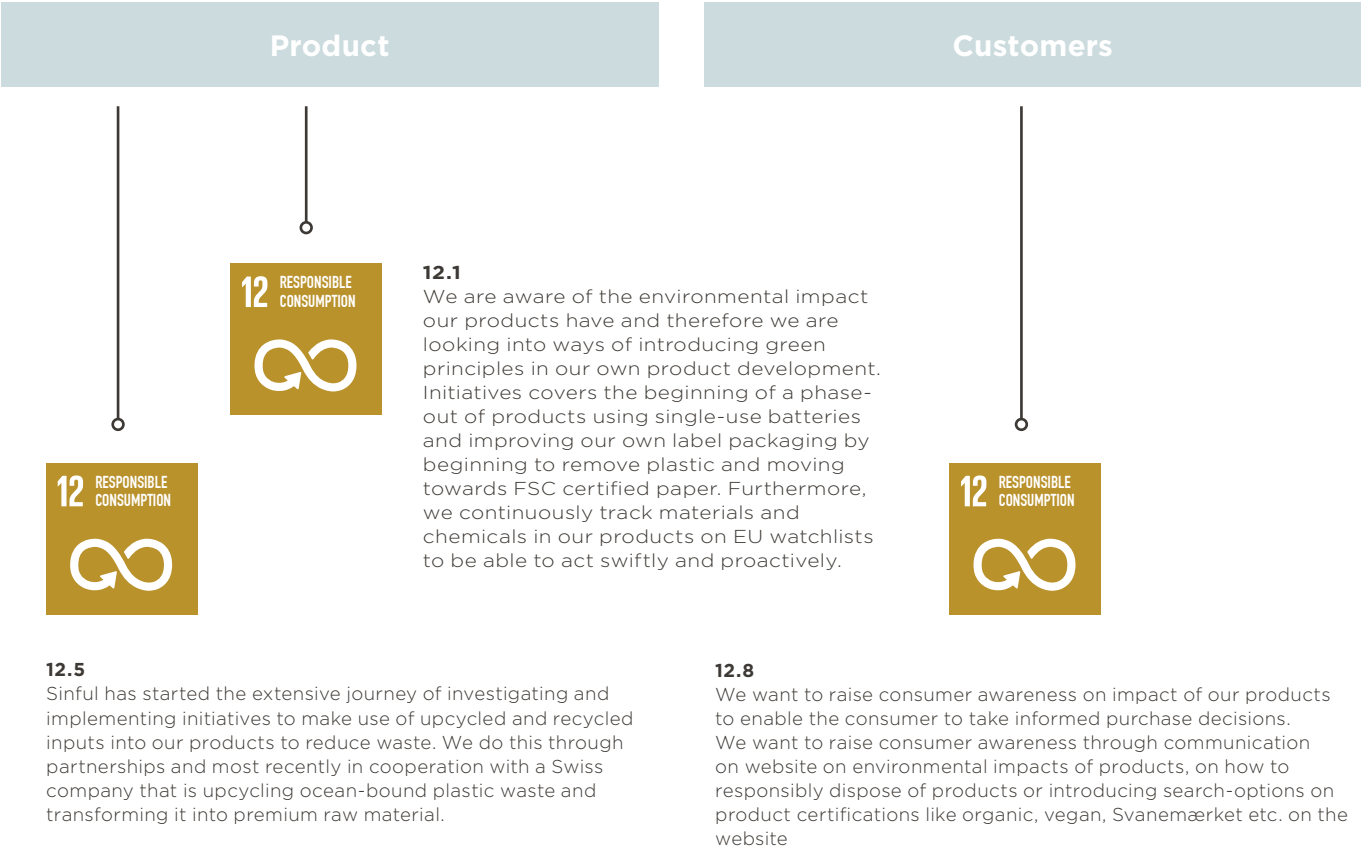
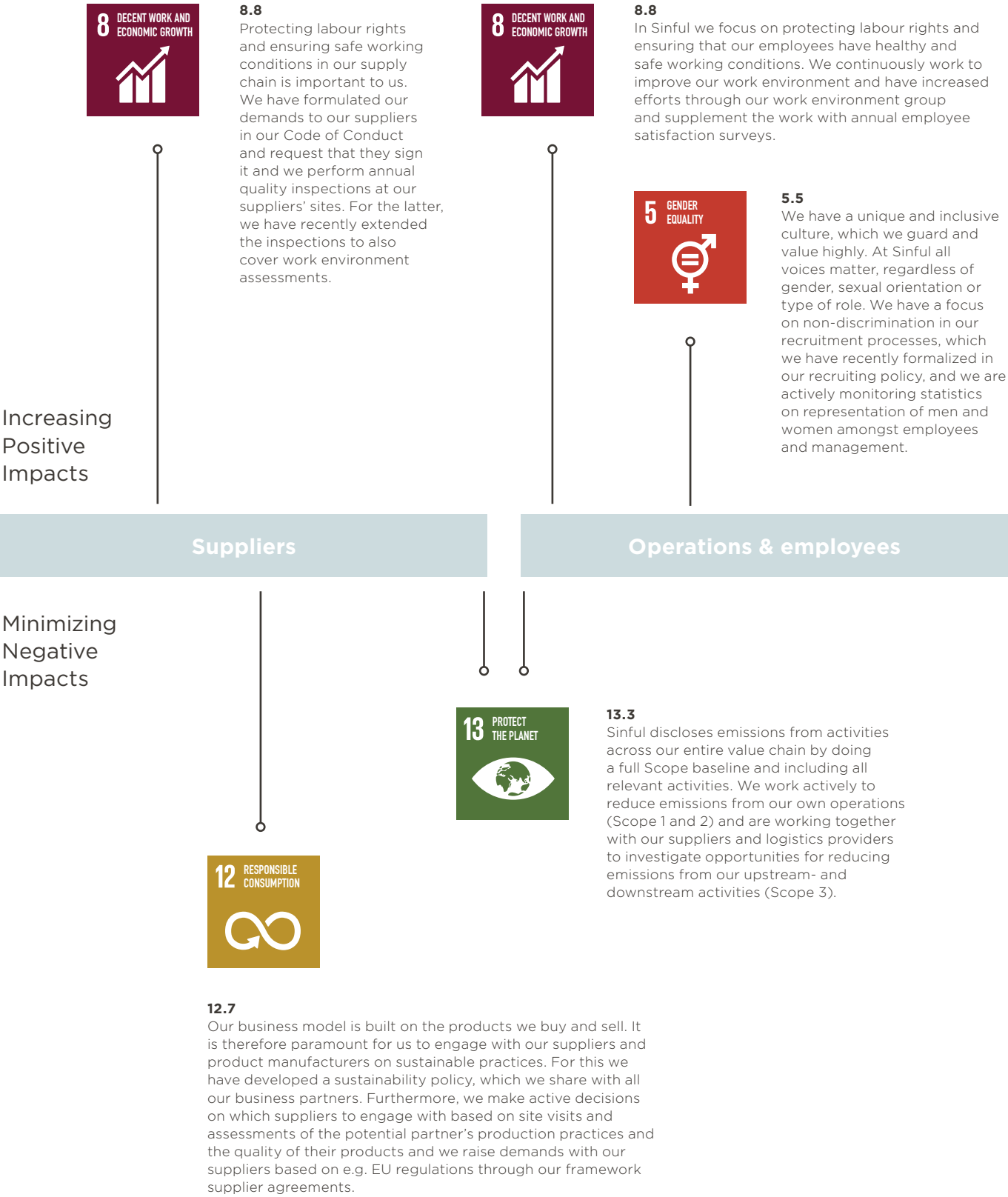
We have prioritized to phase out single-use batteries, e.g. by minimizing products containing single-use batteries and when redesigning and developing new private label products, prioritizing recycable batteries only. This is done in close collaboration with our suppliers. Furthermore, we have initiated a data improvement project to work proactively with replacing single-use batteries with rechargeable technology. To track the use of single-use batteries in our products we need to improve our data and establish a baseline for improvement. Reporting should be initiated in 2023.

Packaging

We are in proces of phasing out plastic (e.g. product trays) to paper/cardboard with the aim of converting our private label products to non-plastic packaging. We have an ambition to phase out plastic in all of our private label products before end 2024. Furthermore, we have assessed the opportunitites to obtain green certifications for our packaging in 2022. Our Business Relations Code of Conduct set forth our expectations for future colaboration on sustainable business development.

The Sustainable Development Goals

Sinful's contribution to the SDGs



The Sustainable Development Goals

Sinfuls’ contribution to the SDGs

INCREASING POSITIVE IMPACTS

Concrete initiatives in progress



- Ensure photos used in communication are representative and non-discriminating
- Examine if salary differences occur between genders



- Develop Business Relationships Code of Conduct and share with suppliers for signature
- Review of inspection standard to assess further areas to include, i.e., working conditions
- Conduct Quality Control at suppliers
- Assessment of cases of absence and long-term sick leaves related to stress and mental health and launch improvement initiatives
- Establish working environment group to ensure a structured follow-up on initiatives and progress
- Conduct an annual employee survey to assess employee satisfaction and well-being and develop action plans for improvement
- Review and update Code of Conduct for employees

Status on initiatives

- Conducted assessment of corporate photo library to ensure that it is representative and non-discriminating.
- Conducted annual salary reviews to ensure we pay our employees solely based on experience and performance and we did not identify a general gender pay gap or unreasonable differences.
- Developed and medio 2022 we will disclose our Business Relations Code of Conduct
- Our quality inspections are conducted by external suppliers based on the BSCI standard and annually revised. With our current suppliers Expansion of our audits to include the BEPI standard in progress
- On-line inspections have been conducted for all private label products. We will investigate which further areas should become a part of our inline inspections throughout 2022 to ensure that we comply with the ISO 3533:2021 Design and safety requirements for sex toys.
- We offer our full time employees extensive health insurance covering both work time and private life and, in most cases, their children. Monthly meetings are held between employee and manager to continuously ensure that time and resources are in accordance with tasks given to prevent stress. Work from home and flexible hours leveraged to ensure a healthy work-life balance
- A plan for improving our working environment group has been developed. For each initiative a responsible person has been assigned to follow-up on initiatives and progress.
- An employee survey is performed every year. The results are reviewed and handled to determine further improvements and actions
- Our internal Code of conduct will be updated in 2022

MINIMIZING NEGATIVE IMPACTS

Concrete initiatives in progress



- Disclose CO2e baseline emissions across Scope 1, 2 and 3 according to the GHG Protocol, to ensure transparency
- Use results from the CO2e baseline to prioritize efforts to reduce emissions to the largest extent possible
- Implement measures to minimize emissions from business travel, incl. reducing air travel



- Set target for phasing out single-use batteries
- Investigate how to increase portfolio of products made with green principles
- Identify further measures to phase out of plastics in packaging
- Engage with our suppliers on sustainable practices
- Investigate opportunities for using recycled materials in products and packaging
- Raise consumer awareness on environmental impact of products
- Continuously monitor EU-defined watchlists of products, materials and chemicals (e.g., REACH) and respond accordingly by i.e. phasing out products
- Develop sustainability policy and share with suppliers and other stakeholders

Status on initiatives

- Our first CO2e baseline was calculated during 2021 and published in this report. The results shall be assessed by a working group to to minimize emissions where possible.
- We have identified three focus areas in our reduction efforts: 1) downstream transportation, 2) business travel, and 3) products. During 2022 we will detail out the initiatives.
- Our travel policy will be revised in 2022 with focus on areas to improve our emission footprint when traveling.
- Project initiated to create transparency of products with single-use batteries. Our next steps is to implement a new PIM system.
- In 2021 we developed our first private label brand made with upcycled materials. We are investigating opportunities to increase the portfolio of products with green principles.
- Two of our ten private label brands have phased out plastic in its packaging and four additional private label brands are in process. the goal is to phase out plastic in all private label brands by the end of 2024.
- Medio 2022 we will disclose our Business Relations Code of Conduct and Sustainability Policy to all business partners of Sinful
- Recycling project initiated by 2022 to obtain recycling standards and certifications for private label products
- Initiative in progress to redesign product information to raise awareness for our customers on correct disposal of products and guide our customers to make informed choices on green principles when developed.
- We have developed internal processes for real time surveillance and actions to be taken when relevant legislation updates occur and a product is marked unsafe for consumers.
- Developed and medio 2022 we will disclose our Sustainability Policy to all business partners of Sinful



Other companies - Fund V

Stronger

Stronger is a Nordic activewear brand that operates in the large, global activewear market. As a textile producer, sustainability is an important area for Stronger and their customers and they already have a number of on-going activities. Since Polaris' acquisition in May 2021, supporting the further development of the company's sustainability agenda has been a focus area. Stronger has already started this process and a project to develop their sustainability strategy is currently on-going. The process is supported by a specialist advisors with experience from the textile industry. We expect Stronger to have completed Polaris Sustainability Program during 2022 and be included in next years sustainability report.

STRONGER

Key statistics

CEO	Annica Rantaala
Chairman	Pernilla Ekman
Headquarter	Stockholm
# of FTEs	50
Year acquired by Polaris	2021
Polaris fund	Polaris V
Polaris ownership	26%
Revenue (SEKm)	293
Revenue (EURm)	39

North

North is created from the merger of four Danish financial services companies to create a unique and independent financial advisory business with activities within insurance and pension brokerage, financial procurement and mortgage. Sustainability is increasingly important in the financial services industry and for North. The management team is highly motivated to develop a strong sustainability platform for the company to support their service offering. During 2021, North has been focusing on the integration of the four companies but is planning to complete Polaris Sustainability Program during 2022 and be included in next years sustainability report.



Key statistics

CEO	Lars Gundorph
Chairman	Per Klitgård
Headquarter	Lyngby
# of FTEs	116
Year acquired	2021
Polaris Fund	Polaris V
Polaris ownership	53%
Revenue (DKKm)	180
Revenue (EURm)	24

G&O Maritime Group

G&O Maritime Group is a world leading provider of maritime products for the international shipping industry. Polaris acquisition was closed in September 2021, and since closing, main focus areas have been to establish a strong platform and onboard the new management team which includes a sustainability responsible. Sustainability is critical for G&O as they are part of the transformation of the shipping industry and through their production of physical products in a global supply chain. G&O is planning to complete Polaris Sustainability Program during 2022 and be included in next years sustainability report.



Key statistics

CEO	Morten Pilnov
Chairman	Jesper Lok
Headquarter	Allerød
# of FTEs	189
Year acquired	2021
Polaris Fund	Polaris V
Polaris ownership	54%
Revenue (DKKm)	221
Revenue (EURm)	30



Sustainability in
Polaris Management

3. Polaris
Management

We are committed to actively promote sustainability throughout Polaris.

Through our portfolio companies, we have a significant combined revenue, thousands of employees and operations in many countries across the world and a responsibility towards a broad range of stakeholders. As we work with our portfolio of companies we are also committed to addressing sustainability in our own organization at Polaris Management.

Company introduction

Polaris Management

The fund manager of Polaris' funds



Sustainability statement

Polaris Management is the fund manager of Polaris' funds. Our purpose is to invest in good companies with great potential and make them bigger and better in partnership with management teams, founders and Board of Directors and thereby create financial return for our investors. Although our own operation is small, the funds we manage under Polaris control a number of portfolio companies with a significant combined revenue, thousands of employees and operations in many countries across the world. We therefore have a responsibility towards a broad range of stakeholders such as investors, employees, customers, suppliers, business relationships and the communities in which Polaris Management and our portfolio companies operate.

We take this responsibility seriously and we are committed to actively promoting sustainability throughout Polaris. Our commitment to sustainability is executed broadly across our operations. The main opportunity we believe that we have to promote sustainability is through our investment activities. We therefore work to incorporate sustainability throughout our investment process and our portfolio management process in the active ownership period. Our ambition is to improve the sustainability performance of our portfolio companies during our ownership. In the scope of sustainability we include environmental, social and economic factors. In addition to working with sustainability in our investment activities, we also promote sustainability in our own daily operations. In this work we apply the principles, structures and focus areas for promoting sustainability as those we have set out for the whole of Polaris and our portfolio companies. In Polaris Management, we are therefore committed to reducing our own environmental footprint, continuously improve our working environment and promoting gender equality. We conduct our business with the highest ethical standards and expect the same from our business partners and we employ and promote best practice international standards as the foundation for our work with sustainability. We have made a commitment to engage with peers and industry associations to promote sustainability in the investment industry in Denmark, Sweden and in Europe.

POLARIS
THE POWER OF PARTNERSHIP

Key statistics

CEO
Jan Johan Kühl

Chairman
Erik G. Hansen

Headquarter
Copenhagen, Denmark

of FTEs
34

Revenue (DKKm)
123

Revenue (EURm)
17



Management summary

During 2021, we continued to implement our sustainability strategy in our work as a Fund Manager. We do this at the fund manager level, the portfolio company level and at Polaris Management level.

Fund Manager level

2021 was a very busy year for Polaris and we signed five new investments during the year. The evaluation process which preceded these investments included our extended sustainability due diligence. These were integrated into the overall due diligence and the final evaluation of each investment. The sustainability due diligence is supported by external experts and is based on, and coordinated, with many of the other due diligence tracks - legal, financial, commercial and IT. It also includes a workshop with the management of the company to discuss their view on sustainability, market development, ambition level and future plans. This is also an opportunity for us to introduce how we work with sustainability. This helps us develop a sustainability plan for the company going forward and is a first step in engaging with the company on sustainability matters. During 2021, we also continued to implement Polaris Sustainability Program, which is part of our Excellence Model, throughout Polaris. Based on our experiences, we will continue to refine and develop the work with sustainability throughout our investment process.

Portfolio level

During 2021, two of our new investments, Contour and Sinful, were taken through Polaris Sustainability Program already within six months post acquisition. Stronger also initiated the process. As we now already introduce our way of working in the investment process, we should expect to be able to kick-off the work earlier in our ownership. It is however critical that the companies are ready for the project and have sufficient resources to support it and integrate it into the business. We must therefore expect that we sometimes will need to wait longer until the timing is right. To help our companies combat climate change, we are supporting and encouraging them to move towards setting science based targets for their emission reductions. By the end of 2021, three portfolio companies had already applied to the Science Based Target Initiative to get their targets validated.

Polaris Management level

We continued our work with sustainability and our three focus areas in Polaris Management during the year. On gender equality, we continued to work with our peers and Level 20 to attract female talent to the private equity industry by arranging a private equity academy for female business students called Private Equity Female Academy. The program got very good feedback and is repeated in 2022. It has also attracted interest from other European countries in Level 20. We also continued our co-operation with the female network Bestyrelseskvinder to expand our recruitment network. This resulted in the recruitment of the chairperson to our portfolio company Sinful in 2021. The share of women in our investment team increased to 17% in 2021 (31% in the entire team). This is still below our target of 40% but above the private equity industry average in Denmark of 10%. To develop our working environment, we are initiating project evaluations and an employee satisfaction survey annually supplemented by regular pulse-checks. We will use these to improve our feedback process and identify areas of improvements. Our impact on the climate has been reduced during the Covid-19 pandemic as our emissions from business travelling has been reduced. We will work to ensure that this reduction is partly made systematic but we expect some level of increased level of travel in 2022. As most of our emissions are generated from the advisors that we use, we need to engage with these to understand what they are doing to minimize their climate impact.

With kind regards,

Martin Bang-Löwgren,
Head of Sustainability

Sustainability metrics

Polaris cross-portfolio KPIs



The Sustainable Development Goals

Polaris Management’s contribution to the SDGs

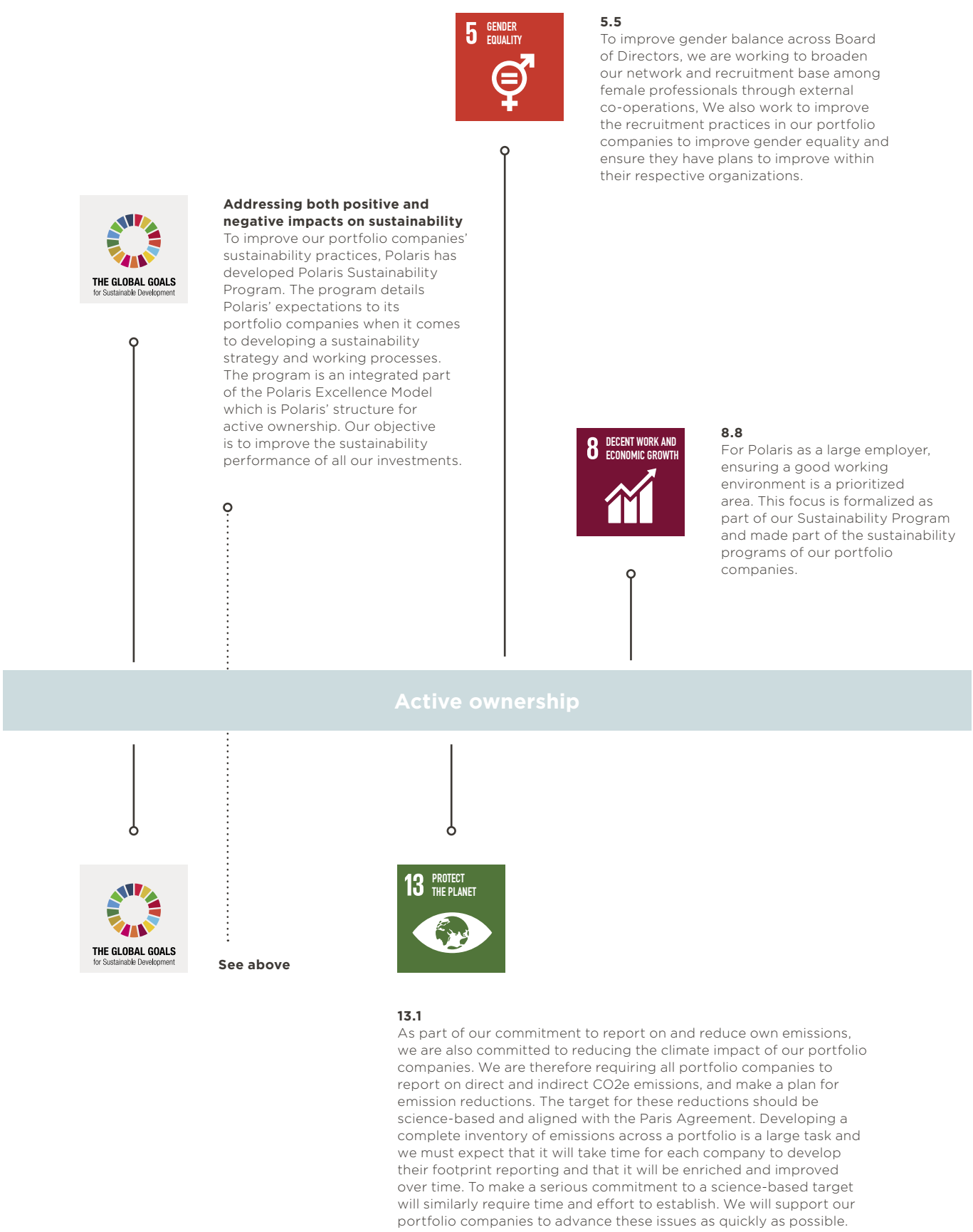
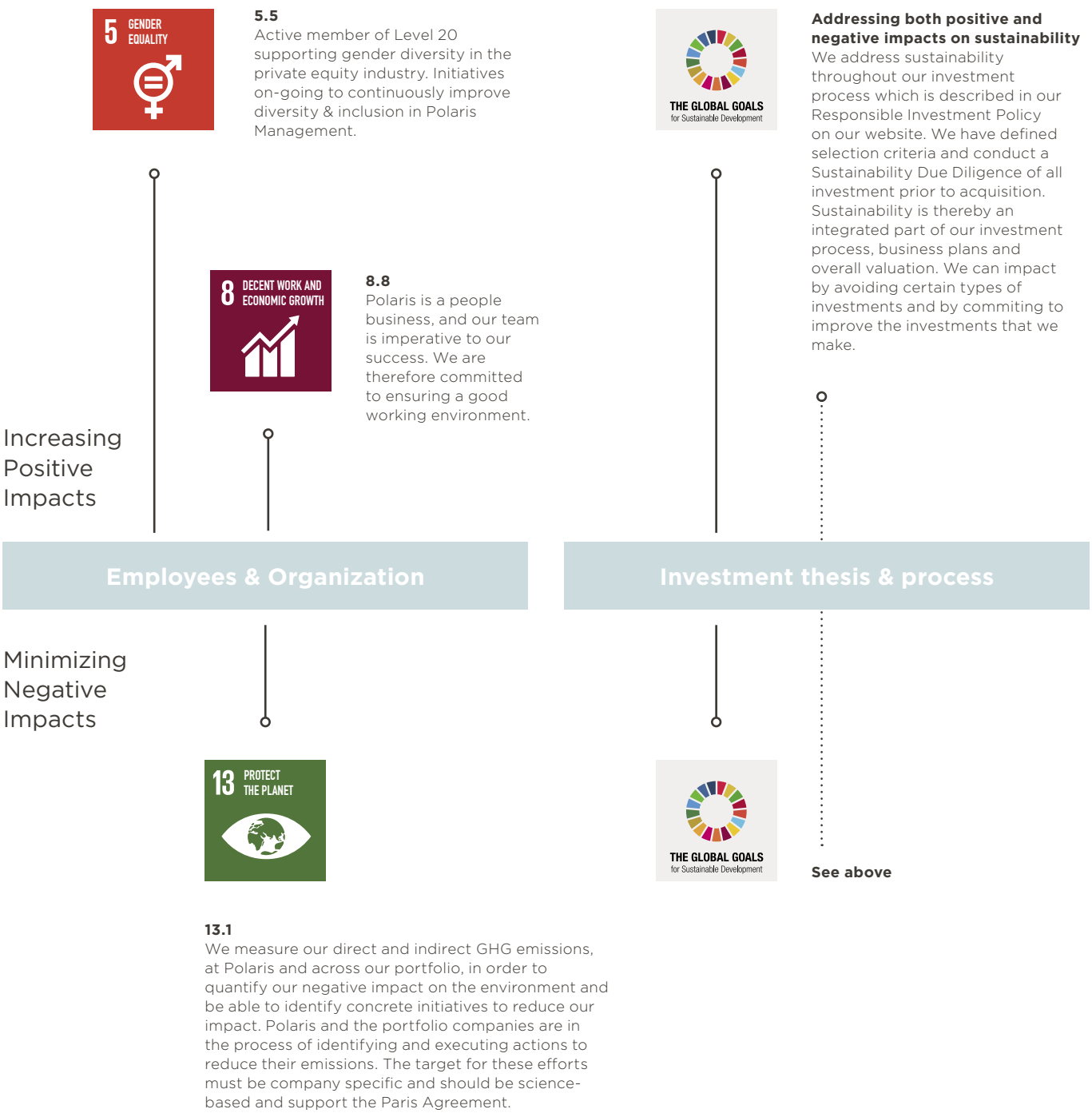




Table overview of all absolute emissions (tCO2e)

	2019			2020			2020		
	Scope 1	Scope 2	Scope 3	Scope 1	Scope 2	Scope 3	Scope 1	Scope 2	Scope 3
Polaris Fund IV									
Triax ¹	-	-	-	-	-	-	-	-	-
Configit	0	202	923	0	202	461	0	155	577
Akademikliniken	6	118	4.587	5	116	4.587	4	105	4.185
MENU ²	-	-	-	82	81	n.a.	80	69	18.016
RelyOn Nutec ²	-	-	-	3.397	1.757	0	3.108	2.288	1.411
Futur Pension	-	-	-	26	15	204	27	10	77
SSG	-	-	-	3.878	441	5.047	3.814	336	4.852
Link Logistics	27	33	8.158	19	52	7.819	126	65	39.387
Distriktstandvården ¹	-	-	-	-	-	-	-	-	-
Vikingbus ¹	-	-	-	-	-	-	-	-	-
Total Fund IV ³	33	353	13.668	7.407	2.664	18.117	7.160	3.027	68.506
Using Market Based Scope 2 emissions							3.069		
Polaris Fund V									
Contour	-	-	-	72	62	4.499	62	61	4.941
Sinful	-	-	-	0	120	4.027	0	123	4.848
North ¹	-	-	-	-	-	-	-	-	-
Stronger ¹	-	-	-	-	-	-	-	-	-
G&O Maritime Group ¹	-	-	-	-	-	-	-	-	-
Total Fund V ³	0	0	0	72	182	8.525	62	184	9.788
Using Market Based Scope 2 emissions							279		
TOTAL PORTFOLIO ³									
Using Market Based Scope 2 emissions									
Polaris Management A/S									
TOTAL POLARIS ³									
Using Market Based Scope 2 emissions									

1) Company has not yet measured their carbon footprint
2) MENU and RelyOn Nutec only started to include Scope 3 categories in 2021
3) Includes Location Based Scope 2 emissions

The Sustainable Development Goals

Polaris Management’s contribution to the SDGs

INCREASING POSITIVE IMPACTS

Concrete initiatives in progress



Employee & organization

- Work to support gender equality in the private equity industry in Denmark, Sweden, and Europe
- Ensure a working environment supporting gender equality at Polaris Management

Active ownership

- Ensure initiatives to improve gender equality in Polaris’ portfolio companies
- Expand Polaris’ female network and recruitment base for projects, board, and management team positions



Employees & Organization

- Initiative to support employee health
- Process to foster culture of feedback and personal development

Active ownership

- Ensure initiatives to improve working environment in Polaris’ portfolio companies



Investment thesis & process

- Integrate sustainability in Polaris’ investment process

Active ownership

- Ensure sustainability program that addresses relevant risks and opportunities are available in Polaris’ Portfolio companies

Status on initiatives

Employees & organization

- During 2021, we took an active role in Level 20 in Denmark where we arranged presentations and training programs to attract female students to private equity. As members of the International Committee, we also contribute to this agenda on a European level.
- The new parental leave policy was introduced and two male members of the investment team utilized this opportunity during 2021. We also included Diversity & Inclusion questions in our new Employee Satisfaction survey

Active ownership

- For the 2nd year we follow-up on gender distribution and plans for gender equality in our portfolio companies and this topic was made part of the agenda in two of our new portfolio companies during 2021.
- Our collaboration continued with the female board network “Bestyrelseskvinder” and our efforts in 2020 resulted in the recruitment of a female chairperson to one of our new portfolio companies.

Employees & organization

- We conducted a detailed survey of our physical working conditions and are following up the results (APV/ Arbejdspilsvurdering)
- Extended annual review and 360-degree feedback process implemented with support by new HR system EmPLY. During 2021, we extended our feedback systems to include project assessments during the year and a new Employee Satisfaction survey will be conducted annually with supplementary “Pulse checks” during the year

Active ownership

- With working environment as one of our sustainability focus areas, we included this topic of the board agenda of two of our newly acquired companies

Investment thesis & process

- Our expanded Sustainability Due Diligence standard was an integrated part of the evaluation processes preceding the four investments evaluated and signed in 2021

Active ownership

- Polaris Sustainability Program, which is part of our Excellence Model, was rolled out in two of our new portfolio companies during the year and plans were made to add four additional companies during 2022.

MINIMIZING NEGATIVE IMPACTS

Concrete initiatives in progress



Employees & Organization

- Implement initiatives to reduce climate impact in Polaris Management based on calculations of CO2e emissions

Active ownership

- Ensure initiatives to reduce climate impact in Polaris’ portfolio companies based on calculations of CO2e emissions



Investment thesis & process

- See “Increasing Positive Impacts”

Status on initiatives

Employees & Organization

- Emissions from travel were kept at a low level compared to 2019 (13 tCO2e vs. 89 tCO2e) despite the lifting of Covid-related restrictions as we are now structurally leveraging a significantly higher proportion of digital meetings. We expect this to continue. During 2022, we will reach out to our advisors as they constitute around 75% of our emissions.

Active Ownership

- We continue to implement the measurement of CO2e emissions in our portfolio companies on Scope 1,2 and 3. In 2021, two new companies completed their measurement and two of our legacy companies completed their first part of their Scope 3 assessment. In addition, three portfolio companies were actively preparing to submit their application for validation of their science-based targets by the SBTi

- See “Increasing Positive Impacts”



4. Regulatory & compliance

Polaris is subject to a number of regulations and industry practises.

Polaris Management A/S and the funds managed by us are subject to a number of regulations and industry practises. We work continuously to monitor and adapt to these to ensure compliance and we engage with external experts to support us in this effort. We also aim to set a good example and promote the development of standards and industry practises within sustainability in our industry.

Sustainability regulations

Polaris is an Alternative Investment Fund Manager (AIFM)

Polaris Management A/S is licensed by The Danish Financial Supervisory Authority to operate as an Alternative Investment Fund Manager (AIFM) in accordance with the Danish Alternative Investment Fund Managers Act (Polaris FT number is 23009) and the Alternative Investment Fund Manager Directive Regulation (EU) 2011/61 (“the AIFMD”). Polaris has appointed Private Equity Administrators Depositary Service ApS as Depositary for the Polaris funds.

Sustainability Regulations impacting Polaris

On March 10, 2021, the EU Commission’s Sustainable Finance Disclosure Regulation (EU) 2019/2088 (“the SFDR”) entered into force. As an AIFM, Polaris’ funds fall under SFDR and Polaris Management A/S ensures compliance with this regulation on behalf of Polaris active funds.

The SFDR sets new standards as to how financial market participants should report on sustainability relating to their financial products. With the SFDR, financial products are divided into categories with respect to their level of promotion of sustainability. These categories are defined as Article 6, 8 and 9 financial products. Article 6 products do not consider sustainability as a goal. Article 8 products consider sustainability as a goal, amongst other things, whereas Article 9 products consider sustainability as their primary goal. Article 8 and article 9 products are also termed as “light green” and “dark green” products, respectively.

The EU Taxonomy aims to establish a uniform framework as to how environmentally sustainable economic activities are defined. The SFDR specifies how to report on sustainability in the financial sector. When published in 2020, the EU Taxonomy made amendments to the SFDR, which means that parts of the disclosure regulation refer back to the EU Taxonomy. Hence, the two regulations are interrelated.

SFDR categorization of Polaris active private equity funds

Polaris sustainability strategy, which is described in our Responsible Investment Policy and in this sustainability report, is applied to our two most recent private equity

funds Polaris Private Equity IV and V. It is not applied to our earlier Fund III. Based on our assessment of the SFDR, and the expected interpretation of this regulation, and the sustainability claims in our sustainability strategy, we believe our current work with sustainability fall under SFDR – Article 8. We therefore assume our active private equity funds fall under the following regulatory categorization:

- Polaris Private Equity funds in Scope of our current Sustainability Strategy, SFDR - Article 8
- Fund IV (Polaris Private Equity IV K/S)
 - Fund V (Polaris Private Equity V K/S)

- Polaris Private Equity funds not in Scope of our current Sustainability strategy, SFDR - Article 6
- Fund III (Polaris Private Equity III K/S)

Polaris will therefore align disclosures on behalf of the private equity Funds IV and V with the requirements for SFDR - Article 8 funds. Polaris Private Equity Fund III, launched in 2009, will comply with the regulatory requirements for an SFDR – Article 6 fund.

How we promote and follow-up on the environmental and social objectives in our private equity strategy

Our commitment to sustainability is executed broadly throughout Polaris and affects our activities throughout our investment process, ownership and exit and covers all our investments. Within the Scope of sustainability, we include social, environmental, and economic impacts according to the internationally agreed principles for sustainable development consisting of the UN Guiding Principles (UNGPs from 2011), and as referenced by the OECD Guidelines (OECD from 2011) and we refer to these as our “Sustainability Principles”. Our sustainability commitment and Sustainability Principles are described in Polaris Responsible Investment Policy (RIP). Our commitment to sustainability includes the promotion of both environmental and social objectives. We ensure that these objectives are reached by following our sustainability strategy described in this report, which includes defined investment criteria and ambitions with respect to sustainability.

The material sustainability related risks and opportunities for each of our investment opportunities and portfolio companies are unique. Which environmental and social factors that should be promoted and improved upon, and how these improvements should be measured, is therefore unique, and will be established on a case-by-case basis, for each portfolio company.

As described in this report, for our three focus areas, we do however systematically follow-up and report on progress, development of Key Performance Indicators (KPIs) and actions taken across our portfolio companies:

We have not identified any general indices to measure our progress against, as our portfolio companies are active in a broad range of industries and geographies.

The EU Taxonomy offers a definition of what constitutes sustainable economic activities, and this definition is expanding to include more areas/sectors. As part of our work on sustainability, we will report on the EU Taxonomy eligibility and alignment of our portfolio companies as required by regulations and integrate this into our work. We have however not yet set any specific investment criteria or performance targets related to the EU Taxonomy.



Focus Area -Climate Action: Action to combat climate change

- **KPI and measure of success:**
Reduction of carbon emission and/or carbon emission intensity (Scope 1,2 and 3)



Focus Area - Employer Responsibility: Actions to create and improve the working environment

- **KPI and measure of success:**
Working to ensure a good working environment across Polaris portfolio to, among other things, achieve a balanced and stable turnover of staff.



Focus Area - Gender Equality: Actions to support equal opportunity for men and women

- **KPI and measure of success:**
Improvement of gender distribution in the Board of Directors and management teams of our portfolio companies.

Polaris policies regarding sustainability

Our commitment to sustainability is set out and detailed in Polaris Responsible Investment Policy (RIP). Our commitment to sustainability is further elaborated in

certain other Polaris policies: our Anti-Corruption Policy, Gender Equality Policy, Privacy Policy and Remuneration Policy. All of these documents are publicly available on our web-page.

Proportion of investments in environmentally sustainable economic activities

The EU Taxonomy is a classification system which defines environmentally sustainable economic activities. Companies that are defined as Public Interest Entities (“PIE”) are obligated to report on EU Taxonomy eligibility for the year 2021 in 2022. Polaris is obligated to report on EU Taxonomy eligibility on behalf of our SFDR – Article 8 funds based on the portfolio companies in each of these funds.

Fund / Portfolio Company type	Portfolio companies as per 31.3.2022	EU Taxonomy Eligibility 2021*		
		Turnover	OPEX	CAPEX
Polaris Fund IV – SFDR Article 8				
Non-PIE portfolio companies	Configit, Akademikliniken, MENU, Link Logistics, Distriktstandvården, Vikingbus	n.a.	n.a.	n.a.
PIE portfolio companies – not yet reporting on EU Taxonomy eligibility for 2021***	SSG, Futur Pension	n.a.	n.a.	n.a.
PIE portfolio companies – reporting on EU Taxonomy eligibility for 2021	RelyOn Nutec	0%	0%	0%
Total Fund IV**		0%	0%	0%
Polaris Fund V – SFDR Article 8				
Non-PIE portfolio companies	Contour Design, Sinful, North, Stronger, G&O Maritime	n.a.	n.a.	n.a.
PIE portfolio companies	n.a.	n.a.	n.a.	n.a.
Total Fund V**		0%	0%	0%

* For the period 1.1.2021 to 31.12.2021. Polaris does not hold any sovereign bonds and the EU Taxonomy Eligibility including/excluding sovereign bonds is therefore the same

** The turnover, OPEX and CAPEX of Non-PIE companies are included in the denominator

*** SSG’s EU Taxonomy eligibility will be addressed in the annual report for the financial year ending 30.9.2022. Futur Pension expect to start to report according to the EU Taxonomy in 2024 for the year ending 31.12.2023 as the Corporate Sustainability Reporting Directive (CSRD) comes into force.

Integration of sustainability risks

A sustainability risk means “an environmental, social or governance (“ESG”) event or condition that, if it occurs, could cause an actual or potential material negative impact on the value of the investment”. Sustainability risks are integrated into the investment decisions of Polaris and are taken into account during the investment process in a manner proportionate to each product’s investment objective and in the same way as Polaris approaches other forms of risk management in relation to its products. This is done primarily as part of the due diligence process, whereby should an investment have a material exposure to a sustainability risk, Polaris may choose not to make an investment on this basis and in accordance with the relevant investment and risk management policies.

Statement of Principal Adverse Impacts (“PAI”)

As described in our Responsible Investment Policy, Polaris considers the principal adverse impact on sustainability factors that our investment decisions have. Polaris’ investment process consists of several pre-defined “gates”. The due diligence in the final gate consists of several aspects that are to be investigated for the target company. This includes an analysis of the investment from a sustainability perspective. The process is supported by reputable advisors in the area.

The principal adverse impacts are evaluated alongside all other risks and opportunities of a potential investment. If a particular investment fulfills our investment criteria, all risks and opportunities, hereunder sustainability related risks and opportunities, are then fully included in the business plan, the financial forecast and the overall valuation of the company.

Our portfolio companies shall, at a minimum, establish governance structures to meet the requirements embedded in our sustainability principles. These principles are founded on the UNGPs and the OECD’s guidelines that consist of a policy commitment to having a sustainability policy, sustainability due diligence processes, and grievance mechanisms. The key objective for Polaris is to create value and build a stronger company by active ownership through a structured value creation process, combined with an effective corporate governance structure. We address principal adverse impacts through our active ownership and investment restriction activities, as described in our Responsible Investment Policy.

How our private equity investments consider climate change mitigation and adaptation

Climate change mitigation means avoiding and reducing emissions of heat-trapping greenhouse gases into the

atmosphere to prevent global warming. Climate change adaptation means altering our behavior and systems to protect ourselves from the impacts of climate change (source: WWF). Combating climate change is a focus area in our commitment to sustainability and as a part of this focus we attempt to consider both climate change mitigation and adaptation. To address mitigation, we measure and work to reduce greenhouse gas emissions throughout Polaris as part of our sustainability commitment. To address climate change adaptation, we consider which investments that are, or will be, materially impacted by climate change and analyze their potential future climate-related risks and opportunities and how these can be addressed. We do this analysis based on the principles provided by the Task force on Climate related Financial Disclosures (“TCFD”), which we integrate into our sustainability strategy. We do however not do TCFD reporting. The analysis of the climate-related risks and opportunities, based on the TCFD principles, are included into our overall assessment of potential investments, as part of our due diligence process, and it is part of Polaris Sustainability Program, which is implemented in our Portfolio Companies in the portfolio management phase.

Remuneration and sustainability risks

The boards of our portfolio companies must establish policies and systems that ensure board oversight with executive management, performance and remuneration reviews. Further, it must ensure legal compliance with respect to books, records, and accounting standards, effective internal controls, and solid risk management processes. Specifically, it is important that the remuneration of the management team and employees in the portfolio company does not encourage risk taking, including sustainability risks, beyond acceptable levels.

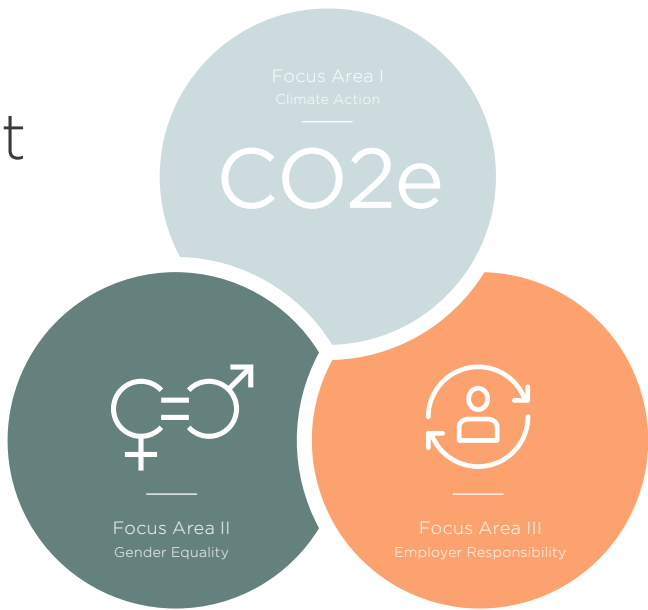


5. Methodology

We align our work with established standards and frameworks.

Our sustainability program is based upon international standards and frameworks to ensure that the way we work and report is in alignment with best practices in the field. By this we also seek to support quantitative and concrete approaches with a focus on materiality. The standards and frameworks used is described throughout this section along with how the work is conducted.

CO2e accounting in Polaris Management and its portfolio



Our efforts of calculating CO2e baselines were initiated in 2020 and 2019 has therefore generally been selected as the base year across-portfolio companies. However, due to variances in data availability among the portfolio companies, for some selected companies either the full baseline or the Scope 3 baseline has 2020 as a base year. In this report, two of our new companies acquired in 2021 are included; Sinful and Contour. For these two companies, the CO2e baselines have been calculated for both year 2020 and 2021.

Boundary setting and consolidation approach

For the organizational boundary setting, Polaris uses the Operational Control approach. We do this because our investment strategy typically includes us taking majority ownership (table 1). In doing so we acknowledge that we as majority shareholders have the mandate to introduce and implement operating policies in our portfolio companies, and we therefore also take full responsibility for the emissions thereof in our CO2e baseline.

Consequently, when consolidating CO2e emissions, in addition to Polaris Management’s emissions, we account for our portfolio companies’ Scope 1 emissions in our own Scope 1 baseline, their Scope 2 emissions in our Scope 2 baseline and their Scope 3 emissions in our Scope 3 baseline. Although we do not have majority ownership in all portfolio companies, consolidation approach is taken for all portfolio companies, acknowledging the influence we have across all the companies, nonetheless. While emissions are consolidated across-portfolio

companies to estimate the full Polaris emissions (including Polaris Management and all portfolio companies), we acknowledge that the baselines individually are not directly comparable. The companies in our portfolio vary greatly with respect to complexity, both with regard to the type of operations, but also with regards to procurement and reporting being more decentralized in some companies compared to others. This means that the data available for some companies may not be as readily available for others, why the same activity may have been estimated with a different calculation method across-portfolio companies, or may not have been included in the base year for some companies due to lack of available data.

While our portfolio companies have defined their own organizational boundaries, to ensure it reflects their operations and business model, all companies have selected the operational control approach. Polaris Management and all portfolio companies included in this report have gone through all the Scopes and categories of the GHG Protocol and assessed their relevance and feasibility based on the principles of relevance, completeness, accuracy, consistency, and transparency. Categories that have been excluded are described in table 2 for Polaris Management. Similar tables for each portfolio company can be found in the Appendix of this report.

Table 1

Equity share of portfolio companies

Fund IV companies	Equity share	Included in portfolio CO2e calculation 2021
Triax	47%	No
Configit	59%	Yes
Akademikliniken	57%	Yes
MENU	58%	Yes
RelyOn nutec	94%	Yes
FuturPension	24%	Yes
SSG	76%	Yes
Link Logistics	63%	Yes
Distriktstandvården	43%	No
Vikingbus	52%	No
Fund V companies		
Contour	70%	Yes
Sinful	57%	Yes
North	53%	No
Stronger	26%	No
G&O Maritime Group	73%	No

Table 2

Categories not included in the Scope

Polaris Management (excl. portfolio companies)

2. Capital Goods	Polaris Management has not made any CAPEX investments.
4. Upstream transportation	Category assumed negligible, as Polaris Management purchases few goods.
8. Upstream leased assets	Since Operational Control approach is selected, emissions related to our leased assets are accounted for in Scope 1 and Scope 2.
9. Downstream transportation	Not relevant given Polaris Management’s business model.
10. Processing of sold units	Not relevant as Polaris Management does not sell any intermediary goods.
11. Use of sold products	Polaris Management does not sell any physical products.
12. End-of-life treatment of sold products	Polaris Management does not sell any physical products.
13. Downstream leased assets	Polaris Management does not lease out assets.
14. Franchises	Not relevant as Polaris Management has no franchises.

Calculation methods

CO2e emissions have been calculated through a combination of calculation approaches, hereunder the activity-based method (based on activity data such as total weight of a product, total passenger-kilometers flown or other relevant metrics), the spend-based method (based on spend on a specific activity or category) and the supplier-specific method (based on actual emissions per SKU or supplier provided data).

Each baselining process has been initiated with establishing a spend-based baseline, which has been used to prioritize further data collection efforts with the aim of increasing accuracy through moving towards more detailed calculation methods.

Data has been extracted from Polaris Management's and our portfolio companies' ERP-systems, invoices and collected from key suppliers when relevant (especially purchased energy services, logistics services, waste management services etc.). Where data for applying these methods have not been available, emissions for selected categories have been estimated based on proxy data. For example, for selected portfolio companies, where actual energy consumption was not available, the energy consumption has been estimated based on the size of facilities and average annual national energy consumption per square meter for a specific facility type (such as office spaces).

Similarly, emissions from employee commuting have been based on central assumptions, publicly available data on local commuting patterns and in some cases on company specific employee survey data.

CO2e intensity is calculated based on revenue when consolidating the baseline across-portfolio companies or otherwise in accordance with industry standards on portfolio company level to allow for comparisons against competition to the greatest extent possible – knowing that a complete “apples to apples” comparison is not possible due to differences in especially Scope 3 coverage and methodology between different companies.

CO2e intensity and totals are calculated as the total of Scope 1, Scope 2 (location-based) and Scope 3 emissions. Polaris has chosen the location-based approach as the main approach in alignment with the GHG Protocol's guidance. If any companies purchase energy attribute certificates it will be accounted for in the market-based emission calculations, which is also communicated in this report in alignment with the dual Scope 2 reporting requirement.

Emission reduction and governance

For each portfolio company the baselining process has been concluded with the development of a CO2e road map. We acknowledge that this is only our second year for estimating the CO2e baseline, and that there will be some uncertainties and gaps in the baseline due to lack of sufficient data. We strive to have more and more complete and accurate GHG inventories over time, and so, for both Polaris Management and each portfolio company the roadmap includes plans for improving the breadth and depth of the data gathered in the coming years. This includes integrating categories that have been deemed to be significant in terms of the size of emissions, but where sufficient data is not yet available.

Further, the road maps include a plan for the initiatives that are to be launched to reduce CO2e emissions. At Polaris we request that the road map, together with the baseline itself, is approved by the Board of Directors of the portfolio company to ensure commitment to and accountability of the efforts planed. In some cases the portfolio companies have set specific reduction targets while the target setting efforts in other companies are still in progress. The work with setting emission reduction targets were expected to be finalized by end of 2021 for all companies. Nonetheless, some companies due have targets outstanding, and we will work to have targets for all companies by 2022. The initiatives for emission reductions will be part of each portfolio company's sustainability roadmap and progress on the reduction targets will be reviewed annually by the Board of Directors.

Location vs. Market based approach:

- Scope 2 (location-based) approach is calculated based on average emission factors for each country
- Scope 2 (market-based) approach takes the green power purchased into account and assumes that the non-green power is delivered as residual power where the green part has been taken out

Sustainability KPI identification

Three core sustainability KPIs have been selected and will be reported on across all portfolio following SASB standard reporting practices – as described in section 1 of this report. These include:

- **CO2e emissions**, both total emissions and intensities based on revenue or otherwise in accordance with the industry standards of our portfolio companies
- **Share of women across levels** in the organizations, hereunder the ‘Board of Directors’, ‘Management’ (employees that are part of the top executive management team of the company and report directly to the CEO) and ‘All employees’ (all employees in the entity not including management). The reported figures are as of the end of the reporting period, unless there has been a material change during the reporting period. If so the average over the reporting period, will be the reported figure and a note has been made
- **Employee-initiated turnover**, calculated as the total number of employee-initiated separations (e.g., resignation and retirement) during the reporting period, divided by the average number of workers during the reporting period

Emission factors

Emission factors have been collected via supplier specific environmental product declarations (EPDs), research-based Life-Cycle-Analyses (LCAs), from the UK Department for Environment, Food & Rural Affairs (DEFRA), International Energy Agency (IEA) or otherwise known and qualified emission factor databases. To the extent possible we have gathered multiple datapoints for each emission factor to validate the sources used.

When working with the spend-based DEFRA database the following steps have been taken to adjust for VAT, inflation (since the DEFRA database is from 2011) and currency: 1. Exclude VAT from the DEFRA factor, 2. Converyed from GBP to local currency (exchange rate in the year of the emissions factor) and 3. Adjust for inflation based on local inflation rates.

For Scope 2 electricity calculations, for Danish electricity consumption we have used Energinet's (the Danish Transmission System Operator) emission factor based on consumed electricity from the grid, while we for all other countries have used IEA's database and emission factors for produced electricity within the respective countries. The decision to select a more accurate emission factor for Denmark is driven by the fact that most portfolio companies have facilities located in Denmark, and as such we see it as a means to improve the accuracy of the GHG inventory across the portfolio.

Recalculation policy

At Polaris we recognise that we will continuously improve our understanding of our emissions and we will over time both refine and adjust our Scope and calculation method to increase the accuracy of our calculations and in turn our CO2e baseline. Furthermore, given the nature of our operations, the composition of our portfolio will change over time as new companies are acquired and current companies are exited. As such, we have defined a recalculation policy in line with the GHG Protocol.

The Recalculation Policy states that, in the case of structural changes, for example, acquisitions, divestments, mergers, outsourcing or insourcing, we will clearly indicate in the report added or subtracted parts of the baseline, which can then not be used for year-on-year comparisons. The same applies to the inclusion of more Scope 3 categories. In the case of methodological change, for example, a change in emission factors, data accuracy, discovery of a significant error (or similarly, a number of cumulative errors that collectively have a significant impact on the CO2e baseline), it will trigger a recalculation of the previous 2-3 years to ensure CO2e baselines are comparable over time. Where either Polaris Management or any of our portfolio companies have defined CO2e reduction targets from a given base year, we will recalculate the base year if either a structural or methodological change impacts our baseline. This is in order to ensure true and fair comparison of our CO2e emission reduction progress.

THE SUSTAINABILITY ACCOUNTING STANDARDS BOARD’S (SASB) MATERIALITY MAP

is based on studies of 77 industries and more than 4000 cases to identify relevant disclosure topics across different industries and sectors.

To ensure that we measure sustainability in a manner that is material, manageable and relevant to the individual portfolio company, and acknowledging that our portfolio is very diverse, each company has furthermore gone through a process of selecting three additional sustainability KPIs that are specific for their company.

A key priority during this process has been to ensure relevance and materiality in the KPIs selected based on the industry of the specific portfolio company. To ensure this, the KPI selection process has taken point of departure in SASB’s materiality map.

The SASB materiality map has been chosen as the starting point for this process since it is a broadly accepted and research-based standard to guide the disclosure of financially material sustainability information by companies to their investors. The approach is focused on identifying quantitative and qualitative measures that are likely to impact a company’s financial performance and at the same time provides an industry-specific lens in recognition of the fact that the issues most likely to impact financial performance vary by industry. Relying on the SASB standard therefore provide us with the evidence-based and market-informed material sustainability measures we are looking for, but also help us increase sustainability transparency towards our investors and future owners of our portfolio companies.

For the majority of the portfolio companies it has been necessary to adapt some of the SASB KPIs to better reflect the reality of their operations and adjust the KPIs to a Nordic context rather than the American context in which the SASB materiality map is originally developed. Whenever a KPI has been adapted it is indicated which original SASB KPI the KPI is built upon and a reference is made to the appropriate SASB code.

At this point in our sustainability journey, we have decided to not report on all SASB KPIs. Rather we use the map as a starting point for each portfolio company to identify the three most material sustainability KPIs to ensure this effort is manageable for the companies acknowledging that this is a new area of reporting for the majority of our companies.

All portfolio companies have been tasked with setting targets for the cross-portfolio sustainability KPIs as well as for the company-specific KPIs. Some portfolio companies have completed this process already while other are still in the process of developing the initiatives associated with their efforts to improve on the KPIs, why target setting is still an ongoing process. The companies who are still in the process of setting targets are expected to have finalized the process by end of 2022. In addition to three company-specific KPIs that must be aligned with SASB, each portfolio company has selected three company-specific KPIs and/or initiatives that they see as an integral part of their sustainability efforts. Some portfolio companies have chosen to lean against the SASB materiality map framework, though this has not been a requirement. While others have chosen KPIs or more qualitative descriptions of initiatives central to their sustainability efforts not covered by SASB.



BUSINESS REPORTING ON THE SDGs: AN ANALYSIS OF GOALS AND TARGETS

is a report developed in a partnership between Global Reporting Initiative (GRI) and the UN Global Compact with technical and strategic support provided by PwC. The report consolidates guidance on how businesses can contribute to the SDGs by providing an illustrative list of possible actions that businesses can take to make progress towards the individual sub-targets.

Our contribution to the UN Sustainable Development Goals

In Polaris we believe that the UN Sustainable Development Goals (SDGs) provide a strong framework for our work with sustainability. We use the SDGs as a way of creating transparency around our positive and negative impacts and how we are working with these. All portfolio companies have gone through a process to identify their significant contributions to the SDGs. In this process both positive and negative impacts have been identified and discussed. It has been of high importance that the approach to working with the SDGs is as realistic, holistic and transparent as possible. We also want to ensure that we do not only focus on and work towards increasing our positive impacts, but have an equally strong focus on minimizing our negative impacts and being transparent in how we work towards doing so.

We are taking a conservative approach to working with the SDGs, meaning that what we focus on and work with is our material impact. Therefore we have encouraged our portfolio companies to rather focus on fewer SDGs and work more in depth with the areas of material impact, than falling for the temptation to claim positive impacts across a wide range of SDGs.

It is very important for us to be clear about the fact that we and our portfolio companies are not fundamentally changing the world, but that we are nonetheless taking responsibility for our negative impacts. We are focused on ensuring businesses are run in a sustainable way – both internally and externally. This realization is important and necessary for us and the portfolio companies to focus our efforts on the areas where we can achieve real impact and where it matters the most.

In order to link our work with the SDGs to actual initiatives and actions to the greatest extent possible, we have based our approach on Global Reporting Initiative’s (GRI) “Business Reporting on the SDGs: An Analysis of Goals and Targets”. As a consequence, the portfolio companies have addressed the sub-target level of the SDGs in their work. For the selected sub-targets we have assessed the associated business actions of the sub-targets in order to identify where the companies can have a real impact in line with these.

For each identified area of material impact we have identified the associated concrete initiatives that the portfolio companies have launched or will launch to increase their positive impacts or minimize their negative impacts. These initiatives have been sequenced and included in the sustainability road map for the portfolio company, which is approved by the individual Board of Directors. Impact tracking on the initiatives will be followed up upon in the Board meetings and status on the initiatives will be included in this annual sustainability report.

How we are assessing climate risks and opportunities

Our approach to assessing the impact of climate change on our portfolio companies from a risk/opportunity perspective is based on the Task Force on Climate-related Financial Disclosures' (TCFD) risk and opportunity framework.

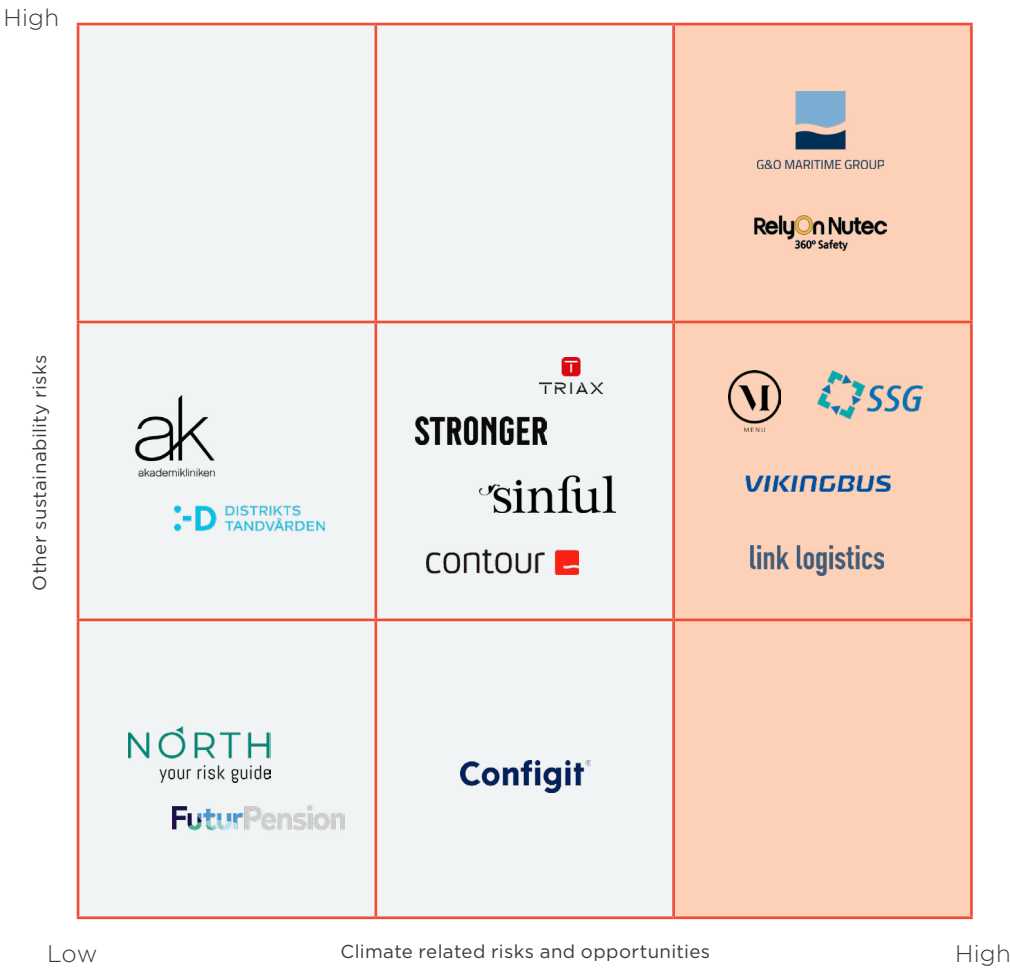
2021 was the second year where TCFD as a structured, formalized approach was introduced to our work with climate-related risks and opportunities and the work has been launched as a phased roll-out approach. To prioritize efforts we have conducted a high-level assessment of each of the portfolio companies included in this report and prioritized the companies according to estimated exposure to climate changes. The ones believed to be most exposed to climate-related risks and opportunities have been prioritized. These companies have been analysed from an outside-in perspective of each of the topics in the TCFD risk and opportunity framework. The result of this high-level assessment can be seen in the TCFD prioritization matrix on the right where the companies initially prioritized for the TCFD analysis are to be found on the right hand side of the matrix.

Another element of our phased approach to climate-related risk and opportunity assessments is that this first step in working with TCFD has been primarily qualitative, where all topics in the risk and opportunity framework initially have been addressed and where possible supported findings with quantitative analyses have been carried out. At this first step of working with TCFD we have not carried out structured scenario analyses, but will work towards expanding our approach to further strengthen the efforts with scenarios in the coming years. For the portfolio companies that have gone through the climate risks and opportunity assessment, the process has been initiated by a high-level assessment of each risk and opportunity topic followed by a prioritization of where to

conduct deep-dive analyses to increase depth of analyses and increase the transparency of the impact on the company. As part of the TCFD analyses the companies have conducted analyses of e.g. expected CO2e tax scenarios based on their calculated CO2e baselines and the carbon tax recommendations put forward by the Danish Climate Council and IMF in relation to a 1.5 and a 2 degree scenario. Following the analyses, initiatives to address the key risks and opportunities identified have been formulated. These initiatives have been prioritized and aligned with the overall strategy of the company and other organizational priorities and presented as part of the consolidated sustainability roadmap for Board approval. Going forward each portfolio company must revisit their TCFD analysis on an annual basis to ensure continuous focus on climate-related risks and opportunities and identify any relevant changes in relation to these.

In 2021 Polaris Management has formally integrated the TCFD framework as a structured approach to assessing climate-related risks and opportunities in our due diligence process. Hence, for all investments made in Fund V a separate assessment of the investment case's exposure to climate changes will be carried out in addition to the previous sustainability analyses conducted in our due diligence process. This analysis will be an important element of the overall sustainability assessment of the investment case and the decision foundation for the investment committee in Polaris Management.

TCFD prioritization matrix



POLARIS SUSTAINABILITY PRINCIPLES DEFINE RESPONSIBLE BUSINESS CONDUCT based on the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises. These Principles are the foundation for making the ten principles of the UN Global Compact operational and constitute a global minimum standard for responsible business conduct.

Principles of Responsible Business Conduct

The Sustainability Principles define the management system, that corporations shall establish to manage potential and actual adverse impacts related to core elements of social (human rights including labor rights), environmental, and economic (including anti-corruption) sustainability. The standard includes:

- A policy commitment to continuously manage adverse impacts and require the same from business relationships
- A definition of key elements of sustainability: a clear definition of the areas for potential adverse impacts related to:
 - o Social sustainability (48 areas)
 - o Environmental sustainability (20 areas)
 - o Economic sustainability (16 areas)
- Due diligence methodology: a process for assessments of potential and actual adverse impacts throughout the business
- Grievance mechanisms: processes for providing access to remedy to impacted stakeholders
- Management process: a governance process for continuously assessing and managing adverse impacts and requiring business relationships to do the same



The work of all Polaris portfolio companies, acquired after the middle of 2015, is aligned with the global minimum standard for responsible business conduct. This work is initiated in a 5-day onboarding process which we aim to initiate within 12 months post the closing of each acquisition as part of Polaris Sustainability Program. The process generates the following content and output:

Impact Assessments/Capacity Development process (5-day onboarding)

- Introduction: Introduction to the global minimum standard for responsible business conduct
- Policy commitment: Formulation of a sustainability policy and a formal commitment to the minimum standard for responsible business conduct
- Impact assessments: Implementation of due diligence processes and completion of the first due diligence process at a company site, which includes:
 - o Identification of potential negative impacts
 - o Assessment of risk levels, existing actions and additional actions to prevent or mitigate the risks identified, and indicators to measure effectiveness of actions
 - o Action plans: Listing of coming actions to prevent or mitigate impacts, estimate of resources and person responsible
- Business relationships: Construction of a Code of Conduct for Business Relationships
- Grievance mechanisms: Outlining the basis for establishment of grievance mechanisms in the company

The resulting sustainability policy, business relationship Code of Conduct, impact assessments as part of a management system (due diligence process and governance, action plans and grievance mechanisms) are approved by the company Board of Directors after which the company applies for membership in UN Global Compact.



6. Appendix

Configit

Scope/ Category	Description	Calculation method & key assumptions	Data source, supplier engagement & data quality	Emission factor source(s) and publication(s)	Next steps in coming years
Scp. 1	CO2e emissions from driving in (leased) company vehicles	Not relevant since Configit does not have any company owned or leased vehicles	-	-	-
Scp. 2	CO2e emissions from purchased power for facilities	Location-based: Electricity and heating consumption based on sqm. and national averages of electricity consumption per sqm. in offices; Electricity consumption in DK office based on actual consumption in 2020; Market-based: Identical to location-based as electricity consumption has been estimated	Sqm. per office; Average power purchase (UK Department Energy & Climate, German Energy Agency)	IEA 2021; Energinet, Foreløbig miljødeklaration, 2021; Miljødeklaration for Fjernvarme i Hovedstadsområdet 2020	Actual electricity/ heating/ cooling consumption and collection of supplier-specific emission factors from electricity provider
Scp. 2	CO2e emissions from electricity for EV (leased) vehicles	Not relevant given Configit does not have any company owned or leased electric vehicles	-	-	-
Scp. 3, Cat. 1	CO2e emissions from purchased goods & services	Overview of number of products purchased for IT; Amount of food & beverages; Spend on cleaning and other services	Purchase overview from general ledger	DEFRA, Indirect emissions from the supply chain1 2011; Apple, Product Environmental Report; Lenovo, Product Carbon Footprint; Dell, Product Carbon Footprint; CONCITO (2021): Den store klimadatabase, version 1	Collect activity-based data on cloud services
Scp. 3, Cat. 2	CO2e emissions from capital goods	No CAPEX investments were made in 2021	-	-	-
Scp. 3, Cat. 3	CO2e emissions from fuel- and energy related activities	Power consumption based on Scope 2	Same as Scope 2	IEA 2021; DEFRA, UK government GHG conversion factors for company reporting 2021; Energinet, Foreløbig miljødeklaration 2021; HOFOR, Miljødeklaration for Fjernvarme i Hovedstadsområdet 2020	-
Scp. 3, Cat. 4	CO2e emissions from upstream distribution & transportation	Assumed negligible and has therefore not been prioritised to be included	-	-	-
Scp. 3, Cat. 5	CO2e emissions from waste from operations	Amount of paper waste collected from DK office; Extrapolated to include other offices based on sqm.	Weight of paper-based waste from paper shredder	-	Collect actual data on paper waste from other offices and include additional waste streams (e.g., food waste and electronic waste from offices)
Scp. 3, Cat. 6	CO2e emissions from business travel	Flights: Passenger.km provided by travel agency; Cars: Business-related milage from travel allowances; Trains: Based on spend; Hotel stays: Number of overnight stays provided by travel agency	General ledger; Travel agency; Skattestyrelsen	DEFRA, UK government GHG conversion factors for company reporting 2021; DSB Miljøopgørelse 2021	-
Scp. 3, Cat. 7	CO2e emissions from employee commuting	Not included due to lack of data availability	-	-	Employee commuting to be integrated – either survey-based or assumption-based
Scp. 3, Cat. 8	CO2e emissions from upstream leased assets	Since Operational Control approach is selected, emissions related to leased assets are accounted for in Scope 1 and Scope 2	-	-	-
Scp. 3, Cat. 9	CO2e emissions from downstream distribution & transportation	Not relevant given Configit's business model	-	-	-
Scp. 3, Cat. 10	CO2e emissions from processing of sold products	Not relevant as Configit does not sell any intermediary goods	-	-	-
Scp. 3, Cat. 11	CO2e emissions from use of sold products	Configit does not sell any physical products	-	-	-
Scp. 3, Cat. 12	CO2e emissions from end-of-life treatment of sold products	Configit does not sell any physical products	-	-	-
Scp. 3, Cat. 13	CO2e emissions from downstream leased assets	Configit does not lease out assets	-	-	-
Scp. 3, Cat. 14	CO2e emissions from franchises	Not relevant as Configit has no franchises	-	-	-
Scp. 3, Cat. 15	CO2e emissions from investments	Not relevant given Configit's business model	-	-	-

KPI/Initiative	Calculation metric used in sustainability report	SASB Code	SASB definition	Comment on adoptions from standard SASB definition
Data security	Number of data breaches	TC-SI-230a.1	(1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of customers affected	Configit only delivers B2B software solutions and we handle limited amount of personally identifiable information; KPI has been adapted to reflect type of product delivered
IP Protection	Number of paid fines in relation to IP rights	TC-SI-520a.1	Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behaviour regulations	Adjusted to align with existing internal KPI
Employee engagement	Scope from 1-5, covering the following areas: assignments, conditions, growth opportunities, teamwork, management, communication, strategy (average across areas are used)	SV-PS-330a.3	Employee engagement as a percentage	Score across all parameters; Adapted to align with existing internal KPI and data already collected and tracked in the organisation
Business travel	KM per employee (split into short-haul and long-haul)	n/a	n/a	n/a
Diversity & Inclusion	Number of nationalities in Configit	n/a	n/a	n/a
Information System Management	Number of non-conformities related to information security risks	n/a	n/a	n/a

Akademikliniken

Scope/ Category	Description	Calculation method & key assumptions	Data source, supplier engagement & data quality	Emission factor source(s) and publication(s)	Next steps in coming years
Scp. 1	CO2e emissions from driving in (leased) company vehicles	Business-related mileage based on: National average on mileage (11,710 km, Trafikanalys 2019); assumption on business-related share of mileage (15%) based on company insights; Vehicle category based on brand and model	List of company leased vehicles incl. brand, model and fuel type ~ categorized thereafter	DEFRA, UK government GHG conversion factors for company reporting 2021	-
Scp. 2	CO2e emissions from purchased power for facilities	Location-based: Electricity consumption collected for a surgical clinic and a skin clinic and extrapolated based on sqm.; Consumption of district heating and cooling based on national averages per sqm.; Market-based: Supplier-specific emission factor for electricity applied	Sqm. per site; Average district heating and cooling per sqm. (Werner, District heating and cooling in Sweden, 2017)	IEA 2021; Energinet, Foreløbig miljødeklaration 2021; Stockholm exergi, Miljönycketal 2021; Tekniska Verken, Miljövården för fjärrkyla 2021; HOFOR, Miljødeklaration for Fjernvarme i Hovedstadsområdet 2020; HOFOR, Miljødeklaration for Fjernkøling i Hovedstadsområdet 2020; Fortum, Nakkeltall for miljø og klima 2021; Fortum, Ursprungsmärkning 2020	Actual electricity/ heating/cooling consumption from broader selection of facilities/clinics
Scp. 2	CO2e emissions from electricity for EV (leased) vehicles				-
Scp. 3, Cat. 1	CO2e emissions from purchased goods & services	Spend-based estimation per product category for key categories; Where data was available emissions calculated based on size/quantity of purchases	Purchase overview from general ledger; Sales data on selected products categories	DEFRA, Indirect emissions from the supply chain1 2011; Environmental Product Declaration (S-P-01257)	Continue efforts to collect product-specific emissions through collaboration with suppliers
Scp. 3, Cat. 2	CO2e emissions from capital goods	No CAPEX investments were made in 2021	-	-	-
Scp. 3, Cat. 3	CO2e emissions from fuel- and energy related activities	Fuel and power consumption based on Scope 1 and 2	Same as Scope 1 and Scope 2	IEA 2021; Energinet, Foreløbig miljødeklaration 2021; Stockholm exergi, Miljönycketal 2021; Tekniska Verken, Miljövården för fjärrkyla 2021; HOFOR, Miljødeklaration for Fjernvarme i Hovedstadsområdet 2020; HOFOR, Miljødeklaration for Fjernkøling i Hovedstadsområdet 2020; Fortum, Nakkeltall for miljø og klima 2021; DEFRA, UK government GHG conversion factors for company reporting 2021	-
Scp. 3, Cat. 4	CO2e emissions from upstream distribution & transportation	Assumed negligible and has therefore not been prioritised to be included	-	-	-
Scp. 3, Cat. 5	CO2e emissions from waste from operations	Waste data from selected clinic; Amount of waste (kg) estimated based on averages for size of bins; Extrapolation to remaining clinics and facilities based on revenue	Waste overview from supplier, categorised into waste types	COWI, Klimaregnskab: Region Hovedstaden Hospitaler, Virksomheder & Koncerncentre, 2017	Waste from broader selection of facilities/ clinics
Scp. 3, Cat. 6	CO2e emissions from business travel	Flights: Passenger.km estimated based on average route length; Assumptions of direct flights only and 'Economy Class' due to company policy; Train: Data on passenger.km; Hotel stays: Data on amount of overnight stays	Overview of routes and number of trips; Supplier-specific data on train rides and hotel stays	DEFRA, UK government GHG conversion factors for company reporting 2021	-
Scp. 3, Cat. 7	CO2e emissions from employee commuting	Not included due to lack of data availability	-	-	Employee commuting to be integrated - either survey-based or assumption-based
Scp. 3, Cat. 8	CO2e emissions from upstream leased assets	Since Operational Control approach is selected, emissions related to leased assets are accounted for in Scope 1 and Scope 2	-	-	-
Scp. 3, Cat. 9	CO2e emissions from downstream distribution & transportation	Customer transportation to facilities have not been included	-	-	-
Scp. 3, Cat. 10	CO2e emissions from processing of sold products	Not relevant as Akademikliniken does not sell any intermediary goods	-	-	-
Scp. 3, Cat. 11	CO2e emissions from use of sold products	Akademikliniken does not sell any physical products that use energy in the use phase	-	-	-
Scp. 3, Cat. 12	CO2e emissions from end-of-life treatment of sold products	Not included as assumed negligible given Akademikliniken's core business is not selling physical goods (limited to skin care products)	-	-	-
Scp. 3, Cat. 13	CO2e emissions from downstream leased assets	Akademikliniken does not lease out assets	-	-	-
Scp. 3, Cat. 14	CO2e emissions from franchises	Not relevant as Akademikliniken has no franchises	-	-	-
Scp. 3, Cat. 15	CO2e emissions from investments	Not relevant given Akademikliniken's business model	-	-	-

KPI/Initiative	Calculation metric used in sustainability report	SASB Code	SASB definition	Comment on adoptions from standard SASB definition
Medical quality 1	Number and rate of corrective surgery (surgeries performed, that has resulted in a correction within 365 days)	HC-DY-250a.4	Excess readmission ratio per hospital	Adapted to reflect the types of procedures undertaken by Akademikliniken. Reported for the full organisation
Medical quality 2	Share of surgeries resulting in infections	HC-DY-250a.4	Excess readmission ratio per hospital	Adapted to reflect the types of procedures undertaken by Akademikliniken. Reported for the full organisation
Employee satisfaction	Net Promoter Score of employees	SV-PS-330a.3	Employee engagement as a percentage	Net promoter score used to as an indicator of employee engagement, to align with existing internal KPI and existing data collection efforts
Provide excess resources	Qualitative description of initiatives to utilise resources to benefit society during the COVID-19 outbreak	n/a	n/a	n/a
Waste management	Qualitative description of initiatives backing up commitment to gather and track data on waste management, in an effort to improve practises	n/a	n/a	n/a
Customer satisfaction	Net Promoter Score of customers	n/a	n/a	n/a

MENU

Scope/ Category	Description	Calculation method & key assumptions	Data source, supplier engagement & data quality	Emission factor source(s) and publication(s)	Next steps in coming years
Scp. 1	CO2e emissions from driving in (leased) company vehicles	L of fuels used for business-related mileage in company leased vehicles estimated based on actual km driven per car; Danish Road Authorities database used to convert to L (through km/L estimate)	List of company leased vehicles incl. brand, model, fuel type and km driven	DEFRA, UK government GHG conversion factors for company reporting 2021	Where data was extrapolated, use actual data
Scp. 2	CO2e emissions from purchased power for facilities	Location-based: Electricity, heating and cooling based on actual consumption; Market-based: Green certificates included	Overview of electricity consumption by location	IEA 2021; Energinet, Foreløbig miljødeklaration 2021; HOFOR, Miljødeklaration for Fjernvarme i Hovedstadsområdet 2020	-
Scp. 2	CO2e emissions from electricity for EV (leased) vehicles	Not relevant given MENU does not have any company owned or leased electric vehicles	-	-	-
Scp. 3, Cat. 1	CO2e emissions from purchased goods & services	The CO2e emissions of all MENU products have been calculated across their lifecycle, where 48% of products has been assessed and a conservative estimate value has been used to calculate emissions for the remaining products produced in 2021	-	-	Split calculated lifecycle emissions of products into the relevant GHG Protocol categories, e.g., cat. 4, cat. 9, cat. 11 and cat. 12
Scp. 3, Cat. 2	CO2e emissions from capital goods	Not assessed in 2021	-	-	-
Scp. 3, Cat. 3	CO2e emissions from fuel- and energy related activities	Not assessed in 2021	-	-	-
Scp. 3, Cat. 4	CO2e emissions from upstream distribution & transportation	Emissions related to transportation of MENU products have been included in scope 3, category 1	-	-	-
Scp. 3, Cat. 5	CO2e emissions from waste from operations	Not assessed in 2021	-	-	-
Scp. 3, Cat. 6	CO2e emissions from business travel	Not assessed in 2021	-	-	-
Scp. 3, Cat. 7	CO2e emissions from employee commuting	Not assessed in 2021	-	-	-
Scp. 3, Cat. 8	CO2e emissions from upstream leased assets	Since Operational Control approach is selected, emissions related to leased assets are accounted for in Scope 1 and Scope 2	-	-	-
Scp. 3, Cat. 9	CO2e emissions from downstream distribution & transportation	Emissions related to transportation of MENU products have been included in scope 3, category 1	-	-	-
Scp. 3, Cat. 10	CO2e emissions from processing of sold products	Not assessed in 2021	-	-	-
Scp. 3, Cat. 11	CO2e emissions from use of sold products	Emissions related to use of MENU products have been included in scope 3, category 1	-	-	-
Scp. 3, Cat. 12	CO2e emissions from end-of-life treatment of sold products	Emissions related to end-of-life treatment of MENU products have been included in scope 3, category 1	-	-	-
Scp. 3, Cat. 13	CO2e emissions from downstream leased assets	Not assessed in 2021	-	-	-
Scp. 3, Cat. 14	CO2e emissions from franchises	Not assessed in 2021	-	-	-
Scp. 3, Cat. 15	CO2e emissions from investments	Not assessed in 2021	-	-	-

KPI/Initiative	Calculation metric used in sustainability report	SASB Code	SASB definition	Comment on adoptions from standard SASB definition
Near market sourcing	% of products manufactured locally (close to end-market)	n/a	n/a	n/a
Long lasting products	% of turnover from products with 10-year warranty	n/a	n/a	n/a
Responsible products	% of turnover from products with at least 7 of 10 of MENU Responsible Products criteria fulfilled	n/a	n/a	n/a
Declare label	Implementation of Declare label in product assortment	n/a	n/a	n/a
Upholstery US	Near market sourcing: Progress of establishment of sourcing of upholstery in proximity to US market	n/a	n/a	n/a
Warehousing Asia	Near market sourcing: Progress of establishment of regional warehousing for the Asian market	n/a	n/a	n/a

RelyOn Nutec

Scope/Category	Description	Calculation method & key assumptions	Data source, supplier engagement & data quality	Emission factor source(s) and publication(s)	Next steps in coming years
Scp. 1	CO2e emissions from driving in (leased) company vehicles	Data collected in actual consumption. Covers both fuels used to fire training, and fuels used for company cars and for heating	Overview of fuel purchased (L), by fuel type	DEFRA, UK government GHG conversion factors for company reporting 2021	-
Scp. 2	CO2e emissions from purchased power for facilities	Location-based: Data collected in actual electricity consumption (heating covered in Scope 1); Market-based: Green certificates included	Overview of electricity consumption by location	IEA 2021; Energinet, Foreløbig miljødeklaration 2021; Norlys Energi A/S, Green certificate	-
Scp. 2	CO2e emissions from electricity for EV (leased) vehicles	Electricity consumptions in kWh (heating covered in Scope 1) used for electric vehicles	Overview of electricity consumption by location	IEA 2021	-
Scp. 3, Cat. 1	CO2e emissions from purchased goods & services	Not included in 2021 due to high level of complexity in data collection for scope 1 and 2, and decentralized procurement system	-	-	Collect data for major spend-categories such as fire extinguishers and food
Scp. 3, Cat. 2	CO2e emissions from capital goods	Not included in 2021 due to high level of complexity in data collection for scope 1 and 2	-	-	-
Scp. 3, Cat. 3	CO2e emissions from fuel- and energy related activities	Fuel and power consumption based on Scope 1 and 2	Same as Scope 1 and Scope 2	DEFRA, UK government GHG conversion factors for company reporting 2021; IEA 2021	-
Scp. 3, Cat. 4	CO2e emissions from upstream distribution & transportation	Assumed negligible and has therefore not been prioritised to be included	-	-	-
Scp. 3, Cat. 5	CO2e emissions from waste from operations	Not included as emissions from waste were found not to be material based on sample sites	-	-	-
Scp. 3, Cat. 6	CO2e emissions from business travel	Business travel from HQ included based on overview of flights from travel agency stating CO2e-emissions for each trip based on class and to/from destinations	Overview of flights and emissions from travel agency	-	Expand to include the main locations
Scp. 3, Cat. 7	CO2e emissions from employee commuting	Not included for now, due to complexity data collection for scope 1 and 2. Relevant category to include later on	-	-	Employee commuting to be integrated - either survey-based or assumption-based
Scp. 3, Cat. 8	CO2e emissions from upstream leased assets	Since Operational Control approach is selected, emissions related to leased assets are accounted for in Scope 1 and Scope 2	-	-	-
Scp. 3, Cat. 9	CO2e emissions from downstream distribution & transportation	Customer transportation to facilities have not been included	-	-	-
Scp. 3, Cat. 10	CO2e emissions from processing of sold products	Not relevant as RelyOn Nutec does not sell any intermediary goods	-	-	-
Scp. 3, Cat. 11	CO2e emissions from use of sold products	RelyOn Nutec does not sell any physical products	-	-	-
Scp. 3, Cat. 12	CO2e emissions from end-of-life treatment of sold products	RelyOn Nutec does not sell any physical products	-	-	-
Scp. 3, Cat. 13	CO2e emissions from downstream leased assets	RelyOn Nutec does not lease out assets	-	-	-
Scp. 3, Cat. 14	CO2e emissions from franchises	Not relevant as RelyOn Nutec has no franchises	-	-	-
Scp. 3, Cat. 15	CO2e emissions from investments	Not relevant given RelyOn Nutec's business model	-	-	-

KPI/Initiative	Calculation metric used in sustainability report	SASB Code	SASB definition	Comment on adoptions from standard SASB definition
Lost time injuries for employees	Lost time injury events for employees (absolute and frequency rate per one million hours)	EM-SV-320a.1	(1) Total recordable incident rate (TRIR) and (2) fatality rate, (3) near miss frequency rate (NMFR), (4) total vehicle incident rate (TVIR), and (5) average hours of health, safety, and emergency response training for (a) full-time employees, (b) contract employees, and (c) short-service employees	We use per million hours worked as the rate for LTRIR to align with internal KPI
Lost time injuries for customers	Number of lost time injury events for customers (absolute and frequency rate per one million hours)	EM-SV-320a.1	(1) Total recordable incident rate (TRIR) and (2) fatality rate, (3) near miss frequency rate (NMFR), (4) total vehicle incident rate (TVIR), and (5) average hours of health, safety, and emergency response training for (a) full-time employees, (b) contract employees, and (c) short-service employees	We use per million hours worked as the rate for LTRIR to align with internal KPI
Anti-corruption training	% of employees (in scope) who have completed anti-corruption training	EM-SV-510a.2	Description of the management system for prevention of corruption and bribery throughout the value chain	Adapted to quantifiable KPI on anti-correction process and procedures
Other environmental initiatives	Qualitative description of initiative to reduce environmental footprint at sites	n/a	n/a	n/a
Safety initiatives	Qualitative description of safety measures	n/a	n/a	n/a
Community contributions	Qualitative description of community contribution initiatives	n/a	n/a	n/a

Futur Pension

Scope/Category	Description	Calculation method & key assumptions	Data source, supplier engagement & data quality	Emission factor source(s) and publication(s)	Next steps in coming years
Scp. 1	CO2e emissions from driving in (leased) company vehicles	Emissions related to business-mileage in company leased vehicles estimated based on actual km driven per car; Danish Road Authorities database used to convert to L (through km/L data)	List of company leased vehicles incl. brand, model, fuel type and km driven	DEFRA, UK government GHG conversion factors for company reporting 2021	-
Scp. 2	CO2e emissions from purchased power for facilities	Location-based: Electricity, heating and cooling based on actual consumption; Market-based: Supplier-specific emission factor for electricity applied	Electricity and heating bills	IEA 2021; Stockholm exergi, Miljönycketal 2021; Tekniska Verken, Miljövården för fjärrkyla 2021; GodEl 2020	-
Scp. 2	CO2e emissions from electricity for EV (leased) vehicles	Emissions from business-related millage in company leased electric vehicles, as well as electric part of hybrids (share based on average split from DEFRA) based on km driven	List of company leased vehicles incl. brand, model and km driven	IEA 2021; DEFRA, UK government GHG conversion factors for company reporting 2021	-
Scp. 3, Cat. 1	CO2e emissions from purchased goods & services	Quantity (number) of specific products purchased, and where available specific suppliers (particularly for IT equipment)	Overview of products purchased, by type, material, brand, model	Lenovo, Product Carbon Footprint; Apple, Product Environmental Report; Logitech, Carbon Transparency Report; PostNord, Sustainability calculator; Nestle	-
Scp. 3, Cat. 2	CO2e emissions from capital goods	Not relevant given Futur Pension's business model	-	-	-
Scp. 3, Cat. 3	CO2e emissions from fuel- and energy related activities	Fuel and power consumption based on Scope 1 and 2	Same as Scope 1 and Scope 2	DEFRA, UK government GHG conversion factors for company reporting 2021; IEA 2021; Stockholm exergi, Miljönycketal 2021; Tekniska Verken, Miljövården för fjärrkyla 2021	-
Scp. 3, Cat. 4	CO2e emissions from upstream distribution & transportation	Assumed negligible and has therefore not been prioritised to be included	-	-	-
Scp. 3, Cat. 5	CO2e emissions from waste from operations	Assumed negligible and has therefore not been prioritised to be included	-	-	Waste to be included in coming years through dialogue with landlord
Scp. 3, Cat. 6	CO2e emissions from business travel	Overview of all flight, train and bus travel; Distance travelled based on distance calculator; Overview of hotel stays	Survey to relevant employees	DEFRA, UK government GHG conversion factors for company reporting 2021	-
Scp. 3, Cat. 7	CO2e emissions from employee commuting	Survey sent to all employees on commuting patterns, hereunder distance, transport mode, fuel type if relevant, and average number of commutes per week	Survey to all employees	DEFRA, UK government GHG conversion factors for company reporting 2021	-
Scp. 3, Cat. 8	CO2e emissions from upstream leased assets	Since Operational Control approach is selected, emissions related to leased assets are accounted for in Scope 1 and Scope 2	-	-	-
Scp. 3, Cat. 9	CO2e emissions from downstream distribution & transportation	Not relevant given Futur Pension's business model	-	-	-
Scp. 3, Cat. 10	CO2e emissions from processing of sold products	Not relevant as Futur Pension does not sell any intermediary goods	-	-	-
Scp. 3, Cat. 11	CO2e emissions from use of sold products	Not relevant as Futur Pension does not sell any intermediary goods	-	-	-
Scp. 3, Cat. 12	CO2e emissions from end-of-life treatment of sold products	Futur Pension does not sell any physical products	-	-	-
Scp. 3, Cat. 13	CO2e emissions from downstream leased assets	Futur Pension does not lease out assets	-	-	-
Scp. 3, Cat. 14	CO2e emissions from franchises	Not relevant as Futur Pension has no franchises	-	-	-
Scp. 3, Cat. 15	CO2e emissions from investments	Not included due to lack of available data	-	-	We are investigating how investments should be included next year

KPI/Initiative	Calculation metric used in sustainability report	SASB Code	SASB definition	Comment on adoptions from standard SASB definition
Fair advice to customers	Investment-related investigations (number and share of employees)	FN-AC-270a.1	(1) Number and (2) percentage of covered employees with a record of investment-related investigations, consumer-initiated complaints, private civil litigations, or other regulatory proceedings	No changes from the standard SASB definition
Data security	Number of GDPR data breaches	SV-PS-230a.3	(1) Number of data breaches, (2) percentage involving customers' confidential business information (CBI) or personally identifiable information (PII), (3) number of customers affected	Adapted to be aligned with EU legislation (GDPR) and our existing focus within Futur Pension
Assets under management	Amount of Assets under Management by EU Taxonomy article	FN-AC-410a.1	Amount of assets under management, by asset class, that employ (1) integration of environmental, social, and governance (ESG) issues, (2) sustainability themed investing, and (3) screening	Adapted to be aligned with new EU legislation and the consequent market definition of sustainability with respect to financial investments
Compliance	Number of complaints and issues received	n/a	Number of regulatory fines & Settlements, Number of inquires, complaints and issues received by the legal & compliance office	Report on number of all complaints received
Futur Pension car fleet	Number and share of company leased vehicles by types (electric, hybrid and other)	n/a	n/a	n/a
Postal footprint	Number of physical mail sent per customer (number of letters annually)	n/a	n/a	n/a

SSG

Scope/Category	Description	Calculation method & key assumptions	Data source, supplier engagement & data quality	Emission factor source(s) and publication(s)	Next steps in coming years
Scp. 1	CO2e emissions from consumption of fuels in own operations	Actual m3 of gas used for heating; Actual L diesel/petrol from business-related milage in company owned and leased vehicles	List of company vehicles incl. L/m3 of fuel/gas used	DEFRA, UK government GHG conversion factors for company reporting 2021	-
Scp. 2	CO2e emissions from purchased power for facilities	Location-based: Power consumption (kWh) based on either actual data, sqm. and averages, or estimated kWh based on spend (combined with price per kWh in Norway); Market-based: Identical to location-based as some electricity consumption has been estimated	Sqm. per site; Average power purchase per sqm.; Spend on heating	IEA 2021; Energinet, Foreløbig miljødeklaration 2021; Stockholm exergi, Miljönycketal 2021; Tekniska Verken, Miljövärden för fjärrkyla 2021; HOFOR, Miljødeklaration for Fjernvarme i Hovedstadsområdet 2020; Statista (prices in Sweden and Norway)	Where data was estimated, use actual consumption data
Scp. 2	CO2e emissions from electricity for EV (leased) vehicles	Not relevant given SSG does not have any company owned or leased electric vehicles	-	-	-
Scp. 3, Cat. 1	CO2e emissions from purchased goods & services	Combination of spend and activity/supplier specific for large, significant categories in DK (material to core business and +100 kDKK); For significant categories (building material and paint) based on supplier input	Purchase overview from general ledger; Material overview from significant suppliers	DEFRA, Indirect emissions from the supply chainl 2011; Environmental Product Declaration (S-P-01257); LCA Gore-tex; EIO-LCA purchase model, 20021	Onboard Sweden and Norway
Scp. 3, Cat. 2	CO2e emissions from capital goods	For core categories, supply chain emission factors for large and material categories depending on spend on product categories	Purchase overview from general ledger	EIO-LCA purchase model, 20021	Onboard Sweden and Norway
Scp. 3, Cat. 3	CO2e emissions from fuel- and energy related activities	Fuel and power consumption based on Scope 1 and 2	Same as Scope 1 and Scope 2	IEA 2021; Energinet, Foreløbig miljødeklaration 2021; Stockholm exergi, Miljönycketal 2021; Tekniska Verken, Miljövärden för fjärrkyla 2021; HOFOR, Miljødeklaration for Fjernvarme i Hovedstadsområdet 2020; DEFRA, UK government GHG conversion factors for company reporting 2021	-
Scp. 3, Cat. 4	CO2e emissions from upstream distribution & transportation	Not relevant given SSG's business model	-	-	-
Scp. 3, Cat. 5	CO2e emissions from waste from operations	Assumed negligible due given the services SSG delivers (waste at the customers sites not assumed part of SSGs baseline)	-	-	-
Scp. 3, Cat. 6	CO2e emissions from business travel	Spend from business travel split in type of transport	Purchase overview from general ledger	DEFRA, Indirect emissions from the supply chainl 2011	-
Scp. 3, Cat. 7	CO2e emissions from employee commuting	Not included due to lack of data available	-	-	Include going forward, but not prioritized category for now
Scp. 3, Cat. 8	CO2e emissions from upstream leased assets	Production of leased vehicles based on mileage and number of cars	List of company vehicles and mileage	The Danish Council on Climate Change report (emissions from car production based on g/km)	-
Scp. 3, Cat. 9	CO2e emissions from downstream distribution & transportation	Not relevant given SSG's business model	-	-	-
Scp. 3, Cat. 10	CO2e emissions from processing of sold products	Not relevant as SSG does not sell any intermediary goods	-	-	-
Scp. 3, Cat. 11	CO2e emissions from use of sold products	Emissions calculated based on estimated electricity used in SSG's products during projects	Energy intensity of products/services sold and assumed usage	Energinet, Foreløbig miljødeklaration 2021	-
Scp. 3, Cat. 12	CO2e emissions from end-of-life treatment of sold products	Not relevant given the products and services SSG sells	-	-	-
Scp. 3, Cat. 13	CO2e emissions from downstream leased assets	SSG does not lease out assets	-	-	-
Scp. 3, Cat. 14	CO2e emissions from franchises	Not relevant as SSG has no franchises	-	-	-
Scp. 3, Cat. 15	CO2e emissions from investments	Not relevant given SSG's business model	-	-	-

KPI/Initiative	Calculation metric used in sustainability report	SASB Code	SASB definition	Comment on adoptions from standard SASB definition
Health & safety	Number of LTI, Number of near-miss incidents	IF-WM-320a.1	(1) Total recordable incident rate (TRIR), (2) fatality rate, and (3) near miss frequency rate (NMFR) for (a) direct employees and (b) contract employees	Report on the number of near miss incidents rather than the frequency rate; Only direct employees is relevant for SSG
Innovation	Share of cases with dehumidifiers, where remote monitoring has been applied (number), Avoided emissions (tonnes CO2e)	IF-EN-410a.2	Discussion of process to incorporate operational-phase energy and water efficiency considerations into project planning and design	Adapted to quantifiable KPI on specific innovation efforts applicable to SSG
Fuel management	Fuel consumption per country, litre KM driven	IF-WM-110b.1	(1) Fleet fuel consumed, and (2) percentage natural gas, (3) percentage renewable	Adapted to account for fuel consumption per country and only fuel to ensure relevance to SSG's fleet
Innovation projects to reduce CO2e emissions	Qualitative description of commitment to invest in innovation projects to reduce CO2e emissions	n/a	n/a	n/a
Waste management	Qualitative description of initiatives in waste management	n/a	n/a	n/a
Employee training	Qualitative description of training to maintain a safe and healthy working environment	n/a	n/a	n/a

Link Logistics

Scope/Category	Description	Calculation method & key assumptions	Data source, supplier engagement & data quality	Emission factor source(s) and publication(s)	Next steps in coming years
Scp. 1	CO2e emissions from driving in (leased) company vehicles	Emissions calculated based on estimated L fuels consumed; L fuels estimated based on actual KM driven per car and KM/L data from the Danish Road Authorities.	List of company vehicles; distance driven; fuel type; km/l	DEFRA, UK government GHG conversion factors for company reporting 2021	
Scp. 2	CO2e emissions from purchased power for facilities	Location-based: Electricity and heating based on acutal consumption data from location sites; Market-based: Supplier-specific emission factor for electricity applied	Purchase overview from general ledger; Eurostat (price per kWh)	Energinet, Foreløbig miljødeklaration 2021; HOFOR, Miljødeklaration for Fjernvarme i Hovedstadsområdet 2020; Stockholm exergi, Miljönycketal 2021	
Scp. 2	CO2e emissions from electricity for EV (leased) vehicles	Not relevant given Link Logistics does not have any company owned or leased electric vehicles	-	-	-
Scp. 3, Cat. 1	CO2e emissions from purchased goods & services	Spend-based estimation per product category for key categories	Purchase overview from general ledger	DEFRA, Indirect emissions from the supply chainl 2011	Begin to collect activity-based data in the coming years
Scp. 3, Cat. 2	CO2e emissions from capital goods	No CAPEX investments were made in 2021	-	-	-
Scp. 3, Cat. 3	CO2e emissions from fuel- and energy related activities	Fuel and power consumption based on Scope 1 and 2	Same as Scope 1 and Scope 2	DEFRA, UK government GHG conversion factors for company reporting 2021; Energinet, Foreløbig miljødeklaration 2021; HOFOR, Miljødeklaration for Fjernvarme i Hovedstadsområdet 2020	-
Scp. 3, Cat. 4	CO2e emissions from upstream distribution & transportation	Link: -95% of emissions are based on supplier-specific data from main freight forwarders, the remaining -5% is extrapolated. Yoyo: Emissions are calculated based on a mixture of the supplier-specific method (-15%), average-distance method (-75%), and extrapolation (-10%)	Emissions from main freight forwarders; number of shipments; weight (kg); distance (km)	DEFRA, UK government GHG conversion factors for company reporting 2021	Gather more actual data from Yoyo freight forwarders
Scp. 3, Cat. 5	CO2e emissions from waste from operations	Spend-based calculations for waste related to Link Logistics operations	Purchase overview from general ledger	DEFRA, Indirect emissions from the supply chainl 2011	Gather actual waste data for Link Logistics incl. Yoyo
Scp. 3, Cat. 6	CO2e emissions from business travel	Spend on hotel, air and business-related milage converted to activity data based on average prices	Purchase overview from general ledger; Average price of activities (SKAT, DSB, TV2)	DEFRA, UK government GHG conversion factors for company reporting 2021; Movia Miljøregnskab 2018	Initiate efforts to collect activity-based data for business travel
Scp. 3, Cat. 7	CO2e emissions from employee commuting	Survey sent to all employees on commuting patterns, hereunder distance, transport mode, fuel type if relevant, and average number of commutes per week	Survey to all employees	DEFRA, UK government GHG conversion factors for company reporting 2021	-
Scp. 3, Cat. 8	CO2e emissions from upstream leased assets	Since Operational Control approach is selected, emissions related to leased assets are accounted for in Scope 1 and Scope 2	-	-	-
Scp. 3, Cat. 9	CO2e emissions from downstream distribution & transportation	Not relevant given Link Logistics' business model	-	-	-
Scp. 3, Cat. 10	CO2e emissions from processing of sold products	Not relevant as Link Logistics does not sell any intermediary goods	-	-	-
Scp. 3, Cat. 11	CO2e emissions from use of sold products	Link Logistics does not sell any physical products	-	-	-
Scp. 3, Cat. 12	CO2e emissions from end-of-life treatment of sold products	Link Logistics does not sell any physical products	-	-	-
Scp. 3, Cat. 13	CO2e emissions from downstream leased assets	Link Logistics does not lease out assets	-	-	-
Scp. 3, Cat. 14	CO2e emissions from franchises	Not relevant as Link Logistics has no franchises	-	-	-
Scp. 3, Cat. 15	CO2e emissions from investments	Not relevant given Link Logistics' business model	-	-	-

KPI/Initiative	Calculation metric used in sustainability report	SASB Code	SASB definition	Comment on adoptions from standard SASB definition
Environmental impact of own pickup cars	Total CO2e footprint in Link Logistics' own pick-up cars (tonnes CO2e)	TR-AF-430a.2	Total greenhouse gas (GHG) footprint across transport modes	Link Logistics have narrowed this KPI to own pickup cars/fleet
Air quality	NOx emissions (excluding N2O) and SOx emissions, both in Kg	TR-AF-120a.1	Air emissions of the following pollutants: (1) NOx (excluding N2O), (2) Sox, and (3) particulate matter (PM10)	We are not reporting on Particulate matter (PM10) due to lack of data availability
Accidents & safety management	Lost Time Injury Frequency rate (LTIFR) per 200.000 hours worked	TR-AF-320a.1	(1) Total recordable incident rate (TRIR) and (2) fatality rate for (a) direct employees and (b) contract employees	Our LTIFR covers services, where Link Logistic's own, leased vehicles are operating, and not services delivered by our suppliers
Reducing our environmental footprint	Qualitative description of commitment to reduce CO2e emissions	n/a	n/a	n/a
Reducing emissions from own pickup cars	Qualitative description of initiatives backing up commitment to reduce emissions in own pickup cars	n/a	n/a	n/a
Create an accident free workplace	Qualitative description of initiatives to create an accident-free workplace	n/a	n/a	n/a

Contour

Scope/Category	Description	Calculation method & key assumptions	Data source, supplier engagement & data quality	Emission factor source(s) and publication(s)	Next steps in coming years
Scp. 1	CO2e emissions from driving in (leased) company vehicles	L of fuels used in company leased vehicles, except for CN, where L are estimated based on actual km driven per car	List of company vehicles; litres consumed; distance driven; fuel type	DEFRA, UK government GHG conversion factors for company reporting 2021; EIA, Carbon Dioxide Emissions Coefficients 2021	-
Scp. 2	CO2e emissions from purchased power for facilities	Location-based: Electricity based on actual consumption for offices (NO, DK, FI, CN, UK, US); Actual consumption of heat for DK, FI, NO offices; Market-based: Supplier-specific emission factor for electricity applied where available	Power consumption per location (kWh)	IEA 2021; Energinet, Foreløbig miljødeklaration 2021; HOFOR, Miljødeklaration for Fjernvarme i Hovedstadsområdet 2020; Energi Ikast Varme, Miljødeklaration 2020; Fortum, Nøkkeltall for miljø og klima 2021; Ewii Energi A/S, Individuel miljødeklaration 2020; Samstrøm A/S, Individuel deklaration 2020	-
Scp. 2	CO2e emissions from electricity for EV (leased) vehicles	Electricity consumptions in kWh used for electric vehicles	Survey sent to relevant employees	IEA 2021; Energinet, Foreløbig miljødeklaration 2021	-
Scp. 3, Cat. 1	CO2e emissions from purchased goods & services	Number, weight and material for all purchased goods; Spend for all purchased services	Overview of products purchased, by name, categories, quantity, weight, price and material; General ledger	Ecolinvent v.3.8; DEFRA, UK government GHG conversion factors for company reporting 2021; DEFRA, Indirect emissions from the supply chain1 2011	Initiate efforts to calculate product-specific emissions
Scp. 3, Cat. 2	CO2e emissions from capital goods	Spend of purchased machinery and equipment	General ledger	DEFRA, Indirect emissions from the supply chain1 2011	-
Scp. 3, Cat. 3	CO2e emissions from fuel- and energy related activities	Fuel and power consumption based on Scope 1 and 2	Same as Scope 1 and Scope 2	DEFRA, UK government GHG conversion factors for company reporting 2021; IEA 2021; Energinet, Foreløbig Miljødeklaration 2021; HOFOR, Miljødeklaration for Fjernvarme i Hovedstadsområdet 2020; Energi Ikast 2020	-
Scp. 3, Cat. 4	CO2e emissions from upstream distribution & transportation	Supplier-specific emissions data where available; Otherwise based on weight, distance and type of transportation mode; Warehousing based on spend	Emissions from transportation suppliers; Overview of products; General ledger	DEFRA, UK government GHG conversion factors for company reporting 2021	-
Scp. 3, Cat. 5	CO2e emissions from waste from operations	Amount of waste collected in CN; Assumption on office waste in CN; Spend on treatment of office waste in US	General ledger	DEFRA, UK government GHG conversion factors for company reporting 2021; DEFRA, Indirect emissions from the supply chain1 2011	Collect actual data on waste from production and offices
Scp. 3, Cat. 6	CO2e emissions from business travel	Distance-based method for Contour Nordic's business travel; All other travel based on spend	Survey sent to relevant employees; General ledger	DEFRA, UK government GHG conversion factors for company reporting 2021; DEFRA, Indirect emissions from the supply chain1 2011	Initiate efforts to collect more activity-data for business travel
Scp. 3, Cat. 7	CO2e emissions from employee commuting	Based on number of FTEs and zip codes with assumptions made on transport mode taking distance into account and assumptions made on average number of working days	Survey sent to employees	DEFRA, UK government GHG conversion factors for company reporting 2021	-
Scp. 3, Cat. 8	CO2e emissions from upstream leased assets	Not relevant given that Contour do not lease assets	-	-	-
Scp. 3, Cat. 9	CO2e emissions from downstream distribution & transportation	Has not been prioritised to be included	-	-	-
Scp. 3, Cat. 10	CO2e emissions from processing of sold products	Not relevant as Contour does not sell any intermediary goods	-	-	-
Scp. 3, Cat. 11	CO2e emissions from use of sold products	Based on quantity of sold products, assumptions of lifetime and average consumption	Overview of products sold, by name, categories and quantity	IEA 2021	-
Scp. 3, Cat. 12	CO2e emissions from end-of-life treatment of sold products	Has not been prioritised to be included	-	-	Calculate end-of-life treatment of sold products
Scp. 3, Cat. 13	CO2e emissions from downstream leased assets	Contour does not lease out assets	-	-	-
Scp. 3, Cat. 14	CO2e emissions from franchises	Not relevant as Contour has no franchises	-	-	-
Scp. 3, Cat. 15	CO2e emissions from investments	Not relevant given Contour's business model	-	-	-

KPI/Initiative	Calculation metric used in sustainability report	SASB Code	SASB definition	Comment on adoptions from standard SASB definition
Materials sourcing	"-Total # of Conflict Minerals Reporting Templates (CMRTs) sent out and total # number of responses - Description of management system developed for conflict minerals "	TC-HW-440a.1.	Description of the management of risks associated with the use of critical materials	n/a
Supply chain management	Percentage of T1 suppliers audited in the RBA VAP or equivalent	TC-HW-430a.1	"Percentage of Tier 1 supplier facilities audited in the RBA Validated Audit Process (VAP) or equivalent, by (a) all facilities and (b) high-risk facilities"	n/a
Labour conditions	Percentage of Contour's facilities audited in the RBA VAP or equivalent	TC-ES-320a.2	"Percentage of (1) entity's facilities and (2) Tier 1 supplier facilities audited in the RBA Validated Audit Process (VAP) or equivalent, by (a) all facilities and (b) high-risk facilities "	n/a
Recycled materials	Qualitative description of commitment to move towards more recycled material	n/a	n/a	n/a
Material emissions	Qualitative description of commitment to reduce emissions from materials	n/a	n/a	n/a
Transport emissions	Qualitative description of commitment to reduce emissions from transport	n/a	n/a	n/a

Sinful

Scope/Category	Description	Calculation method & key assumptions	Data source, supplier engagement & data quality	Emission factor source(s) and publication(s)	Next steps in coming years
Scp. 1	CO2e emissions from driving in (leased) company vehicles	Fuel from company-owned van converted to L based on fuel-spend (DKK) and average fuel price (DKK/L)	General ledger	DEFRA, UK government GHG conversion factors for company reporting 2021	-
Scp. 2	CO2e emissions from purchased power for facilities	Location-based: Electricity and heating based on actual consumption; Market-based: Supplier-specific emission factor for electricity applied	Power consumption per location (kWh) from suppliers and landlord	Energinet, Foreløbig miljødeklaration 2021; AffaldVarme Aarhus, Miljødeklaration 2021; Aura A/S, Generel miljødeklaration 2020	-
Scp. 2	CO2e emissions from electricity for EV (leased) vehicles	Not relevant given Sinful does not have any company owned or leased electric vehicles	-	-	-
Scp. 3, Cat. 1	CO2e emissions from purchased goods & services	Number, weight and material for all purchased goods; For products without listed materials, average material composition based on other products was used; Spend for all purchased services	Overview of products purchased, by name, categories, quantity, weight, price and material; General ledger	Ecolnvent v.3.8; DEFRA, UK government GHG conversion factors for company reporting 2021; DEFRA, Indirect emissions from the supply chain1 2011	Initiate efforts to include all materials for each product item as well as percentage of each material
Scp. 3, Cat. 2	CO2e emissions from capital goods	Spend of van	General ledger	DEFRA, Indirect emissions from the supply chain1 2011	-
Scp. 3, Cat. 3	CO2e emissions from fuel- and energy related activities	Fuel and power consumption based on Scope 1 and 2	Same as Scope 1 and Scope 2	DEFRA, UK government GHG conversion factors for company reporting 2021; Energinet, Foreløbig Miljødeklaration 2021; AffaldVarme Aarhus, Miljødeklaration 2021	-
Scp. 3, Cat. 4	CO2e emissions from upstream distribution & transportation	Supplier-specific emissions data where available; Otherwise based on weight, distance and type of transportation mode	Emissions from transportation suppliers; Overview of products	DEFRA, UK government GHG conversion factors for company reporting 2021	-
Scp. 3, Cat. 5	CO2e emissions from waste from operations	Spend for waste collection, treatment and disposal	General ledger	DEFRA, Indirect emissions from the supply chain1 2011	-
Scp. 3, Cat. 6	CO2e emissions from business travel	Spend for business travel split on mode of transportation and hotels	General ledger	DEFRA, Indirect emissions from the supply chain1 2011	Initiate efforts to collect activity-based data for business travel
Scp. 3, Cat. 7	CO2e emissions from employee commuting	Based on number of FTEs and zip codes with assumptions made on transport mode taking distance into account and assumptions made on average number of working days	HR system	DEFRA, UK government GHG conversion factors for company reporting 2021	Employee commuting to be integrated survey-based
Scp. 3, Cat. 8	CO2e emissions from upstream leased assets	Not relevant given that Sinful did not lease assets	-	-	-
Scp. 3, Cat. 9	CO2e emissions from downstream distribution & transportation	Supplier-specific data where available; Otherwise based on weight, distance and type of transportation mode	Suppliers; Overview of products sold	DEFRA, UK government GHG conversion factors for company reporting 2021	-
Scp. 3, Cat. 10	CO2e emissions from processing of sold products	Not relevant as Sinful does not sell any intermediary goods	-	-	-
Scp. 3, Cat. 11	CO2e emissions from use of sold products	Based on quantity of sold products, assumptions of use patterns and average consumption	Overview of products sold, by name, categories and quantity	IEA 2021; Energinet, Foreløbig miljødeklaration 2021	-
Scp. 3, Cat. 12	CO2e emissions from end-of-life treatment of sold products	Based on weight of sold products	Overview of products sold, by name, categories, quantity, weight, price and material	DEFRA, UK government GHG conversion factors for company reporting 2021	-
Scp. 3, Cat. 13	CO2e emissions from downstream leased assets	Sinful does not lease out assets	-	-	-
Scp. 3, Cat. 14	CO2e emissions from franchises	Not relevant as Sinful has no franchises	-	-	-
Scp. 3, Cat. 15	CO2e emissions from investments	Not relevant given Sinful's business model	-	-	-

KPI/Initiative	Calculation metric used in sustainability report	SASB Code	SASB definition	Comment on adoptions from standard SASB definition
Data security	Qualitative description of approach to identifying and addressing data security risks	CG-EC-230a.1	Qualitative description of approach to identifying and addressing data security risks	n/a
Supply chain management	Number of own label suppliers (active) which has undergone quality inspection	CG-TS-430a.1	Number of facilities audited to a social responsibility code of conduct	Adapted to align with existing KPI and our business operations
Product shipment emissions	Total greenhouse gas (GHG) footprint of product shipments (absolute and average per product shipment)	CG-EC-410a.1	Total greenhouse gas (GHG) footprint of product shipments	Addition of calculation metric to track GHG emissions per product shipment
Product material	Qualitative description of initiative to define green principles and define meaningful KPI	CG-HP-250a.4	Revenue from products designed with green chemistry principles	Adapted to align with current maturity level
Use of batteries in products	Percentage of electrical products that uses batteries (alkaline etc.)	n/a	n/a	n/a
Packaging	Qualitative description of efforts to reduce plastic packaging	n/a	n/a	n/a

Polaris Management

Scope/Category	Description	Calculation method & key assumptions	Data source, supplier engagement & data quality	Emission factor source(s) and publication(s)	Next steps in coming years
Scp. 1	CO2e emissions from driving in (leased) company vehicles	Spend on fuel for company cars in Sweden; Converted to L based on average price per liter in the given year (Eurostat)	Purchase overview from general ledger	DEFRA, UK government GHG conversion factors for company reporting 2021	Gather data on actual fuel consumption
Scp. 2	CO2e emissions from purchased power for facilities	Location-based: Spend on electricity and heating; Converted to kWh based on average price per kWh in the given year (Eurostat); Market-based: Identical to location-based as electricity consumption has been estimated	Purchase overview from general ledger	Energinet, Foreløbig miljødeklaration 2021; HOFOR, Miljødeklaration for Fjernvarme i Hovedstadsområdet 2020	Actual electricity/heating consumption and collection of supplier-specific emission factors from electricity provider
Scp. 2	CO2e emissions from electricity for EV (leased) vehicles	Not relevant given Polaris Management does not have any company owned or leased electric vehicles	-	-	-
Scp. 3, Cat. 1	CO2e emissions from purchased goods & services	Spend-based estimation per product category for key categories; Where data was available emissions calculated based on size/quantity of purchases	Purchase overview from general ledger	DEFRA, Indirect emissions from the supply chain1 2011; Apple, Product Environmental Report; Lenovo, Product Carbon Footprint; Logitech, Product Carbon Footprint	Gather more activity-based data
Scp. 3, Cat. 2	CO2e emissions from capital goods	No CAPEX investments were made in 2021	-	-	-
Scp. 3, Cat. 3	CO2e emissions from fuel- and energy related activities	Fuel and power consumption based on Scope 1 and 2	Same as Scope 1 and Scope 2	DEFRA, UK government GHG conversion factors for company reporting 2021; Energinet, Foreløbig Miljødeklaration 2021; HOFOR, Miljødeklaration for Fjernvarme i Hovedstadsområdet 2020	-
Scp. 3, Cat. 4	CO2e emissions from upstream distribution & transportation	Assumed negligible and has therefore not been prioritised to be included	-	-	-
Scp. 3, Cat. 5	CO2e emissions from waste from operations	Amount of paper-based waste collected from waste handler; Estimates does not include municipal solid waste	Weight of paper-based waste, categorised into waste categories	DEFRA, UK government GHG conversion factors for company reporting 2021	-
Scp. 3, Cat. 6	CO2e emissions from business travel	Distance of flights in km calculated based on to/from destinations; Spend-based converted to activity based on average costs for train, car and taxi travel and hotel stays	Overview of flights; Purchase overview from general ledger; Average price of activities (SKAT, DSB, TV2)	DEFRA, UK government GHG conversion factors for company reporting 2021; DSB miljøopgørelse 2021	-
Scp. 3, Cat. 7	CO2e emissions from employee commuting	Distance from postal code to office calculated on employee level; Assumption on number of trips per year; Split on mode of transportation based on survey sent to all employees	Survey sent to employees	DEFRA, UK government GHG conversion factors for company reporting, 2021; Movia Miljøregnskab, 2020; DSB miljøopgørelse 2021	-
Scp. 3, Cat. 8	CO2e emissions from upstream leased assets	Since Operational Control approach is selected, emissions related to leased assets are accounted for in Scope 1 and Scope 2	-	-	-
Scp. 3, Cat. 9	CO2e emissions from downstream distribution & transportation	Not relevant given Polaris Management's business model	-	-	-
Scp. 3, Cat. 10	CO2e emissions from processing of sold products	Not relevant as Polaris Management does not sell any intermediary goods	-	-	-
Scp. 3, Cat. 11	CO2e emissions from use of sold products	Polaris Management does not sell any physical products	-	-	-
Scp. 3, Cat. 12	CO2e emissions from end-of-life treatment of sold products	Polaris Management does not sell any physical products	-	-	-
Scp. 3, Cat. 13	CO2e emissions from downstream leased assets	Polaris Management does not lease out assets	-	-	-
Scp. 3, Cat. 14	CO2e emissions from franchises	Not relevant as Polaris Management has no franchises	-	-	-
Scp. 3, Cat. 15	CO2e emissions from investments	Portfolio companies' scope 1 emissions in accounted for in our own scope 1, their scope 2 emissions in our scope 2 and their scope 3 emissions in our scope 3	-	-	-

KPI/Initiative	Calculation metric used in sustainability report	SASB Code	SASB definition	Comment on adoptions from standard SASB definition
Polaris sustainability due diligence	% of investments made following Polaris Sustainability due diligence (comprehensive and review), Total no. investments made	FN-AC-410a.1	Amount of assets under management, by asset class, that employ (1) integration of environmental, social and governance (ESG) issues, (2) sustainability themed investing, and (3) screening	Adapted to be aligned with Polaris Management's efforts through the investment process
UN/OECD principles for responsible business conduct	% of portfolio companies aligned with UN/OECD principles	FN-AC-410a.1	Amount of assets under management, by asset class, that employ (1) integration of environmental, social and governance (ESG) issues, (2) sustainability themed investing, and (3) screening	Adapted to be aligned with Polaris Management's sustainability program
Whistleblower policy	Description of whistleblower policies and procedures	FN-AC-510a.2	Description of whistleblower policies and procedures	n/a
Sustainability competencies in Polaris management	Qualitative description of Polaris Management's sustainability competencies	n/a	n/a	n/a
Employee satisfaction	Employee Net Promoter Score (eNPS)	SV-PS-330a.3	Employee engagement as a percentage	Adapted to be aligned with Polaris Management's sustainability program
Sustainability competencies in portfolio companies	Qualitative description of on-boarding process of new portfolio companies to Polaris approach to sustainability	n/a	n/a	n/a

For an in-depth description of Polaris including our strategy,
team and portfolio companies, please visit polarisequity.dk