

## Responsible Investment Policy for EQT<sup>1</sup>

EQT's mission is to support the development of its portfolio companies to build long term value and generate superior returns for its investors. As a significant owner, EQT believes it also has a responsibility towards society to influence its portfolio companies to act in a socially responsible manner. EQT is convinced that the best interests of its investors are aligned with those of the companies that it owns, their customers, their employees and the communities in which they operate. Therefore, while remaining resolutely commercial, EQT always aims to act in a socially responsible manner.

To reflect this EQT has therefore adopted this Responsible Investment Policy ("RI Policy").

### RI Policy

EQT's policy is to:

a) Act at all times as a responsible owner promoting appropriate environmental, labor & human rights and ethical standards in its portfolio companies. This is achieved through the EQT 'RI Governance' model described below.

and

b) When assessing potential investments, to consider environment, labor & human rights and ethical issues, as part of its due diligence.

In determining its RI Policy, EQT will consider its alignment with various international conventions and standards.<sup>2</sup>

### RI Governance

An essential part of EQT's value creation model is the governance and management structure that is put in place for each portfolio company.

The board of directors of each portfolio company is responsible for defining strategy and policy, and EQT expects their role to include the setting of sound environmental, labor & human rights and ethical standards. EQT requires that the board of every portfolio company discuss their company's compliance with RI Factors at least once a year.

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<sup>1</sup> EQT means the general partners and the managers of the various EQT branded funds (each being an "EQT Fund" and together, the "EQT Funds") and which form part of the leading private equity organization in Northern Europe. Together with a superior network of independent Industrial Advisors, EQT implements its investment strategy by acquiring or financing high-quality medium-sized to large companies in Northern and Eastern Europe, Asia and the United States, supporting their development into leading companies. EQT serves as a responsible owner and works in close co-operation with the management of the companies it acquires to support the development and implementation of value-enhancing strategies. Development is achieved by an industrial strategy with focus on growth.

<sup>2</sup> EQT became a signatory to the United Nations-backed Principles for Responsible Investment on December 23, 2010.

Each company's CEO and management team are responsible for executing strategy and running the daily operations of the company according to the policies established by the board. EQT supports management to promote a culture of compliance with the EQT RI Policy by providing best practice information and tools.

Those EQT Funds which do not typically operate with control or co-control have adapted an appropriate governance model and their influence on RI Factors may be more limited.

## **RI Factors**

### **Environment**

EQT aims to promote an appropriate level of environmental awareness and sound environmental practices in the portfolio companies that it owns or in which it has an interest, including:

- Limiting the emissions of harmful substances and harmful waste
- Seeking appropriate permissions for dealing with hazardous materials
- Complying with current environmental law
- Limiting consumption of environmentally scarce resources, e.g. rainforest
- Monitoring other material environmental issues
- Supporting value creation potential from developing the company as environmentally sound

### **Labor & Human Rights**

EQT aims to promote sound labor and human rights practices in the portfolio companies it owns or in which it has an interest, including:

- Considering employee working conditions such as minimum wages, working hours, health and safety of work force
- Supporting the elimination of child labor including possible use of child labor by the suppliers to underlying portfolio companies
- Promoting employees' right to collective bargaining
- Avoiding discrimination e.g., based on age, race, gender, religion, sexual orientation or disability
- Complying with international conventions on human rights

### **Ethics**

EQT aims to promote sound ethical practices in the portfolio companies that it owns or in which it has an interest, including;

- Promoting awareness and compliance with relevant laws and regulations
- Avoiding corruption and unethical business practices
- Seeking positive involvement with stakeholders and community

## RI Analysis

When considering the attractiveness and value creation potential of any investment opportunity, EQT conducts a comprehensive investment analysis. As part of that analysis, EQT considers and identifies performance on relevant RI Factors (“RI Analysis”). EQT’s approach is not simply to mitigate risks but also to find opportunities to support value creation by enhanced management, such as reducing waste or controlling energy usage, for example.

The outcome of the RI Analysis will be documented in the materials presented to EQT, which then considers the analysis in its overall review of the investment opportunity.

## Resources, Organization & Reporting

EQT has engaged its exclusive investment advisor EQT Partners<sup>3</sup> to support EQT in the monitoring and evaluation of RI Factors in accordance with the RI Governance model.

The RI Analysis will be included in the materials presented to EQT.

This policy will be reviewed and amended as appropriate from time to time.

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<sup>3</sup> EQT Partners, acting as investment advisor to EQT, has around 120 investment professionals with an extensive industrial and financial competence. EQT Partners has offices in Copenhagen, Frankfurt, Helsinki, Hong Kong, London, Munich, New York, Oslo, Shanghai, Singapore, Stockholm, Warsaw and Zurich.