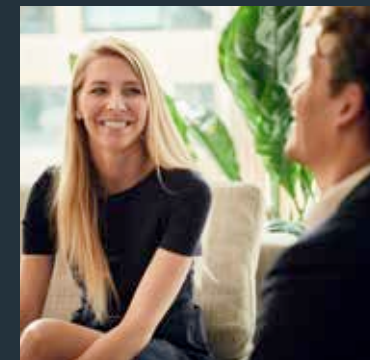


ALTOR

Sustainability
Report

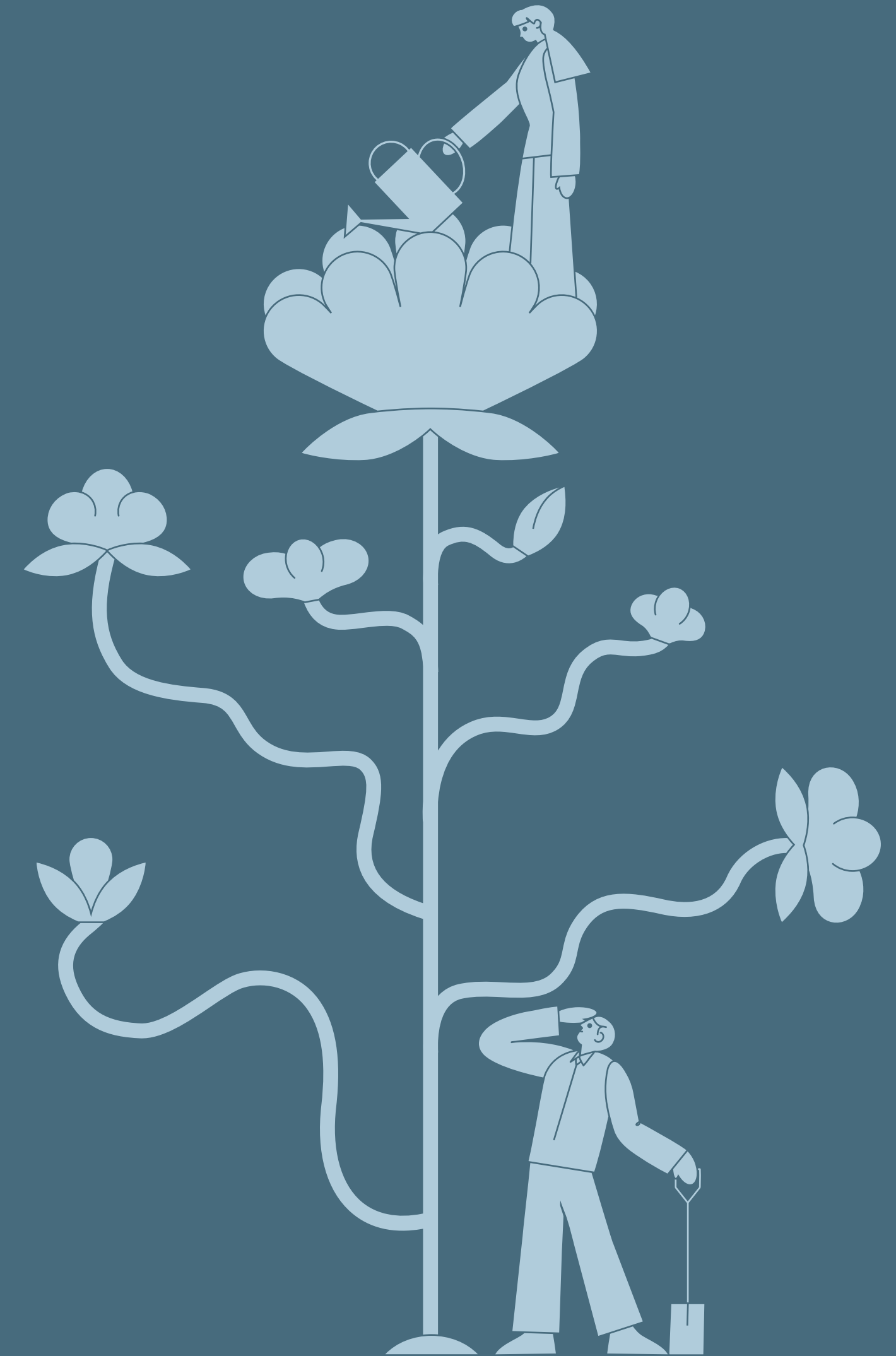
2022



Welcome to our community of
challengers and change makers

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Opening Letter



Klas Johansson and Paal Weberg, Co-managing partners



Our ambition is clear, to make every Altor portfolio company a Sustainability leader.

We are excited to welcome you to our second sustainability report. We would like to start by extending our gratitude to our portfolio companies for all the hard work and achievements they have made during 2022 and look forward to continuing to progress on this journey together.

At Altor, we consider ourselves a community of challengers and change makers. Transformation is in our DNA and the most important transformation that we, our companies and industries need to address today is the green transition. Therefore, Sustainability will remain an integral part of our mission, and a key driver of value creation in the companies and societies we serve. Our ambition is clear, to make every Altor portfolio company a Sustainability leader.

Green transition change makers

We are increasingly committed to pursuing great investment opportunities that also help drive the green transition - not only because we feel a responsibility to support the essential decarbonization of our society, but because we truly believe in the investment potential of these cases. It is especially through decarbonizing the emission-heavy industries (what we refer to as brown-to-green transition), that we can have the greatest impact. Another focus area is to invest in companies where sustainability may not be core to their business models, and where we can raise their sustainability efforts and ambitions from within. With our operational business expertise,

it is arguably these two areas where we can drive the most change towards a more sustainable direction.

We are also fortunate to be located at the heart of some of the world's most exciting climate innovations, and we are constantly inspired and excited by the development of these ventures and all the investment and business opportunities it provides. Thus, it comes as no surprise that many of our recent investments have centred on the intersection of the green transition and new business models. To highlight a few examples: Vianode was founded in just 2021, pioneering the development of sustainable materials for the burgeoning battery market, while H2GS, founded in 2020, is committed to decarbonization, starting with innovative, circular, and highly digitalised green-steel production. Our other acquisitions in 2022: Kaefer, Silo AI, Nordic Climate Group and Svea Solar further emphasise our commitment to supporting the green transition. The green transition is by no means a quick fix but requires focused efforts brought about through long-term partnerships, like in the Vianode case where we partner with Elkem and Hydro. These partnerships are at the heart of how Altor operates, with our experts, advisors, portfolio companies and our employees. These communities help to make Altor and all our partner companies bolder in ambitions and better equipped to succeed.



It is impressive to see improvements in sustainability across the board in tough times like these.



Continuing the sustainability journey

As active owners, our duty and privilege is to support our portfolio companies in addressing the challenges and opportunities they are facing – including sustainability. It is a pleasure to see the commitment they make towards it and to follow the initiatives that are being carried out, day-by-day.

Sustainability also acts as a clear value driver in the exits we make. Last year, we were, amongst others, pleased to successfully divest our majority stake in OptiGroup and fully exit Sbanken. OptiGroup made great progress in their development of sustainable products, while Sbanken pioneered sustainability labelling of funds already back in 2010, now including a “Low-CO2 risk” label, helping customers make conscious choices.

Improvements across the board in troubled times

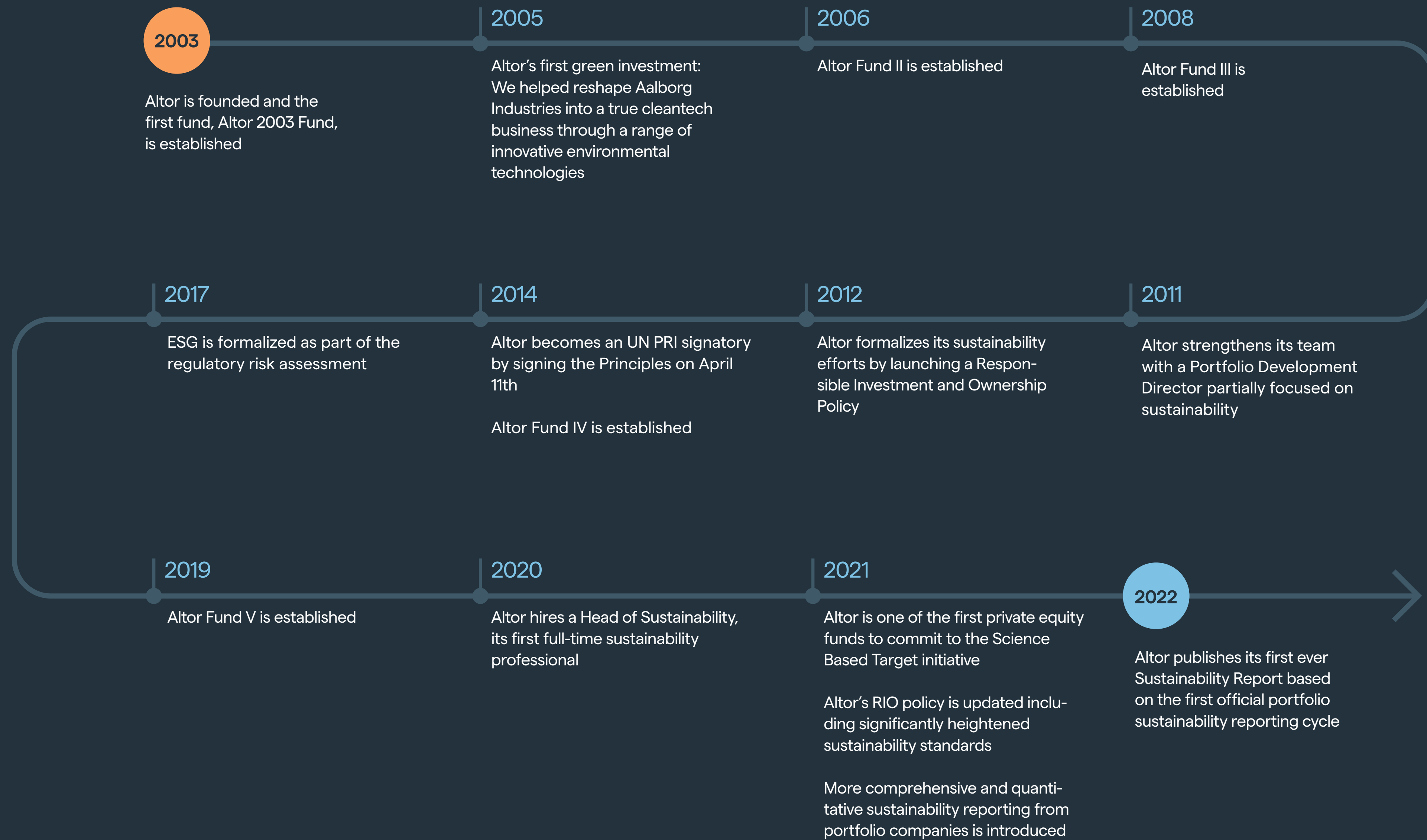
The past few years have been a true test of resilience, with the COVID-19 pandemic and the subsequent war in Ukraine having a profound impact on the lives of many. At the macroeconomic level, 2022 has also been a year of turbulence and uncertainty. We have seen record inflation, supply chain shortages, declining consumer confidence, rapidly rising energy prices and increasing cost of capital, all of which has greatly affected private individuals, households, and naturally also, our portfolio companies. Despite this, they have demonstrated remarkable resilience, showcasing their ability to navigate even the most difficult and unexpected circumstances and it is impressive to see improvements in sustainability across the board in tough times like these.

This is a key feature that continues to define the companies we want to attract and retain – those who are excited about and ready to take a lead in re-defining industries and accelerating speeds of change.

Let’s continue to transform global challenges into business and impact opportunities. **Together.**

Paal Weberg and Klas Johansson
Co-managing partners

Altor at a glance

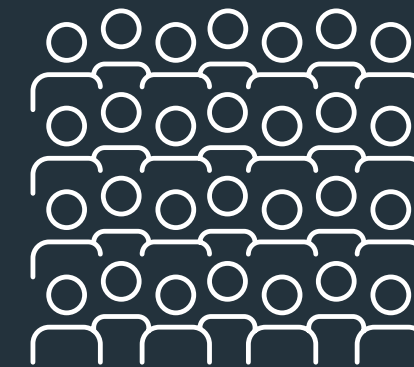


A year of celebration

Altor is turning 20 years in 2023. Just like any twenty-year-old, we are full of energy and excited about what is ahead of us. A spirit of always wanting more, partnering up to re-define industries – characteristics that have been true throughout our first two decades which will be as important and relevant in the years to come. Building the tomorrow is the work of many people and it creates value that lasts. Value we can look back on with founders and management, agreeing that together we made a positive difference. All the partnerships we have entered have put us in the fortunate position as partner of choice to a set of industry-transforming entrepreneurs and companies. It is a position we treasure with gratitude and respect.

A community of challengers and change makers

As the speed of change will only accelerate; companies old and new will seek to resolve urgent global challenges such as climate change or resource scarcity. An explosion of new entrepreneurs will create new solutions to these. It will create profound complexities and put enormous pressures on society, but it will also create opportunities. We don't claim to know exactly what the future will demand of us. But we know this much: no one can do this alone.



100+

Altor employees



93

Platform investments



300+

Add-on acquisitions

EURbn

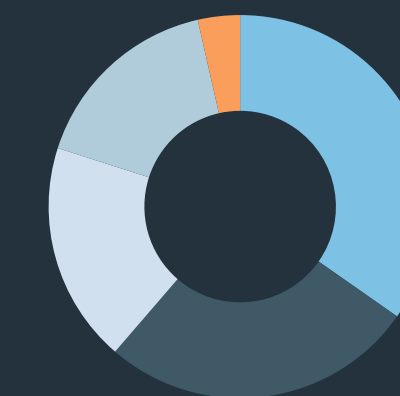
10.0

Commitment in the Altor funds

EURbn

7.0

Invested since inception



Current investments by sector

- Industrial 35%
- Business services 27%
- Consumer 19%
- Financial services 17%
- Tech 4%

A photograph of two women in a professional setting. The woman on the left has long dark hair and is looking towards the woman on the right. The woman on the right has blonde hair and is smiling. The background shows a bookshelf and a plant.

Responsible investing and sustainability approach

The Altor funds are focused on investing in and developing medium-sized companies. The ambition is clear: to create enduring value and make a real difference as a valuable partner for owners and managers in building world-class companies. To make this happen, we work together with an advisory team with extensive international experience in fields such as private equity, consulting, investment banking, sustainability and various industries.

Ownership horizon and how to drive value creation

Altor's ownership horizon can be as long as 15 years. During Altor's ownership our investment and value creation teams support the companies and their management teams to reach their full potential.

The strength and depth of our team allows us to move quickly and boldly into new, attractive opportunities that occur. Whilst spread across sectors and geographies, Altor is truly a one-firm company with a highly collaborative partnership focused on transparency, joint prioritization and teaming up to drive investments and value creation.

Altor makes a significant investment in driving strategic and operational transformation in our portfolio companies. A broad network of seasoned senior experts with significant operating expe-

rience can support as board members or advisors to help drive lasting impact in the companies.

We also have a set of value creation specialists in fields such as Business Transformation, Performance Management, Reporting, Procurement, Sustainability, Talent/Leadership and Communications to support the businesses in order to grow truly great companies. With the build-up of our value creation team, we have been able to accelerate portfolio company transformations, significantly strengthen our portfolio company leadership bench, and improve performance management and reporting, all while making a step change in integrating sustainability into all aspects of our investment activities.

Altor's investments are focused around five sectors:

01 Consumer

02 Industrial

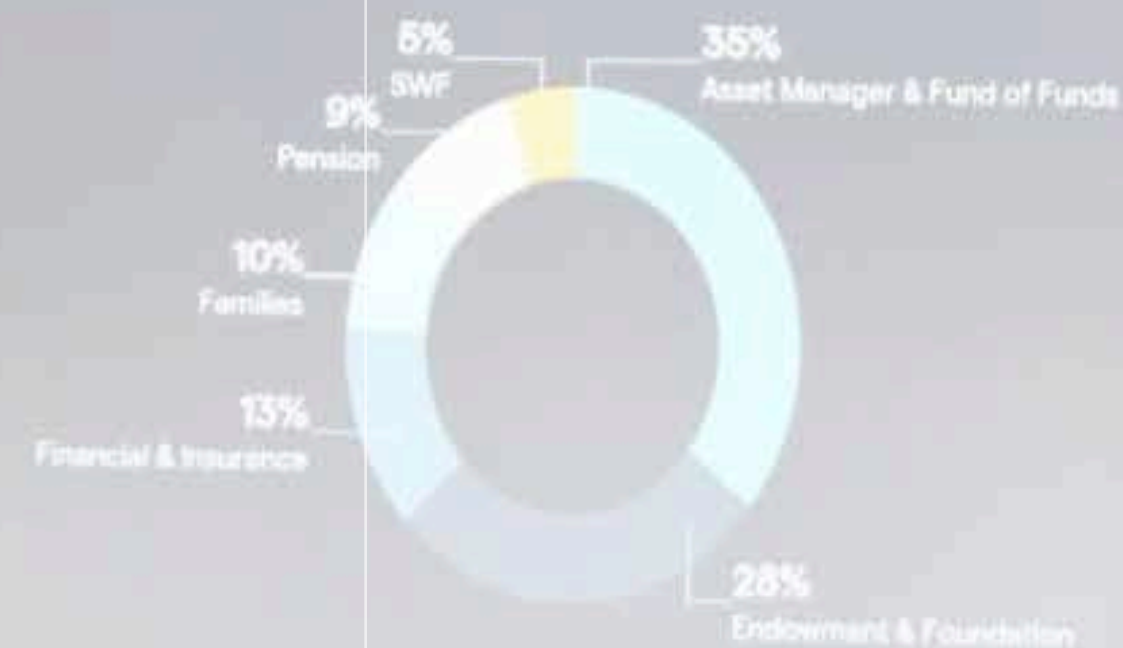
03 Business Services

04 Financial Services

05 Tech

in five funds from a long term

Investors by type



Investments in focus

Our investment strategy is selective, flexible and contrarian. It is based on identifying and realizing sustainable performance improvements, often in complex situations with numerous value creation levers, such as revenue growth, margin expansion and capital efficiency. We have proactive sector-based sourcing to complement our local inbound opportunities in each market. In 2022 we made five new platform investments.

An Altor trademark is the ability to partner up with previous owners and entrepreneurs, as we believe bridging their experience is invaluable. A continued partnership also enables the incumbent owner to participate in the upside of continued value creation. Furthermore, Altor has broad experience in strategic partnerships with financial investors and corporates providing sector insights and expertise.

Altor invests in a broad spectrum of companies and we see an opportunity to create long-term value by investing in both young, high-growth companies as well as more mature firms. In addition, we have been given a flexible mandate from our investors that allows us to selectively invest in public companies and also in growth cases through minority shareholdings and partnerships. Irrespective of the investment, we have been able to successfully apply our governance model with its very active ownership role.

Investment approach

Altor's success is built on a highly rigorous approach and relies on deep insights about each portfolio company and the industry it operates in. Altor evaluates an investment opportunity based on its industry's attractiveness, the company's market position and its value creation potential. Throughout the years, our investment professionals have gained deep insights and significant experience within each prioritized sector. This expertise enables us to identify similar business opportunities, both in sourcing new investments and as an owner.

Immediately after completing an investment, we appoint external board members with appropriate backgrounds and experiences that match our high ambitions. Together with the management team, we develop the strategic agenda and the operating targets benchmarked against companies that are best in class, worldwide.

A detailed roadmap is developed during an intense period where facts are collected to establish a common perspective on competitive position, current performance, and future initiatives. We are allies in helping our companies build truly world-class businesses and thereby creating a community of challengers and change makers.

Sustainability approach to the investment and ownership cycle

Based on Altor's strong commitment to sustainability, our fiduciary duty, and a belief that sustainability has a positive impact on investment returns, sustainability is a natural part of our investment strategy.

Sustainability in the investment phase

Sustainability is critical during screening and sourcing of potential investments. Early exclusions are made based on the formalized exclusionary list in Altor's RIO policy. Screening is also opportunity-driven with a focus on investments supporting the green transition and solutions to other societal challenges. Sustainability is also a mandatory aspect of Due Diligence to understand and get comfort on a potential target's sustainability status, key risks and opportunities. Both our Investment Advisory Committee and the

Fund Board of Directors always considers sustainability in an investment decision. Sustainability risk and/or issues either lead to a recommendation not to proceed, or formalized actions integrated in the three-year value creation plan.

Sustainability in the ownership phase

Sustainability is part of the business value creation plan created within six months of an investment, and at times a key lever of a company. In addition, sustainability is a mandatory discussion topic at least twice a year at each company's Board of Directors' meetings. Naturally, sustainability often plays a big role in strategy retakes of our portfolio companies.

To strengthen awareness and capabilities in the portfolio companies, and allow for best practice sharing, we have set up a functional sustainability network consisting of portfolio company sustainability leads.

These network meetings set a foundation in our work with the portfolio companies to foster understanding of sustainability as a framework for innovation. To continuously assess performance and to be able to meet regulatory requirements, Altor has set-up a comprehensive and quantitative sustainability performance monitoring process to annually track progress against our ambitious sustainability standards in the RIO policy. Finally and as part of exit readiness, we ensure solid processes and governance regarding sustainability where we leverage the work that has been done throughout our ownership.





Our commitments

At Altor, we firmly believe that high sustainability standards (across Environment, Social and Governance) are an integral part of future-proofing businesses. Sustainability is a key lever to generate long-term value. This is why we have joined a number of strategic partnerships to formalize and underline these ambitions. The increased transparency and guidance they offer are important in aligning our business to reach the 1.5°C target set in the Paris Agreement.

Responsible investment and ownership policy

Early in 2012, Altor launched its first Responsible Investment & Ownership Policy (RIO) defining commitments and ambitions around sustainability, was last updated in March 2023. The purpose of the policy is to clarify our sustainability strategy, outline how sustainability is managed throughout Altor's investment and ownership process, and establish the sustainability standards throughout the portfolio. The policy applies to all Altor funds, portfolio companies and business partners. Read the full policy on our website and learn more about our responsible investment and ownership process in the next chapter.

Four prioritized topics linked to the UN Sustainable Development Goals

We have prioritized four sustainability topics linked to UN Sustainable Development Goals (SDGs) to guide our sustainability work. For each topic, there are related sustainability standards in our RIO policy. Our commitments go beyond compliance with rules and regulations as it is our firm belief that strong sustainability practices not only benefit the environment and society, but also drive value creation for the Altor funds.

We place an emphasis on the following four prioritized sustainability topics, which are linked to the SDGs:



01

Climate Action



02

Environmental performance
& Circular resource
management



03

Working conditions
& Living wage



04

Diversity & Inclusion



Climate Action



Our climate targets are in line with the 1.5°C target set in the Paris Agreement.

Science-based targets

We have committed to the Science Based Target initiative (SBTi) and their 1.5°C ambition in line with the Paris Agreement and submitted our near-term targets in March 2023. SBTi will start their review of our targets early August 2023. Our submitted targets will require portfolio companies to have climate targets in line with the SBTi guidance approved no later than 2025.

This includes setting a 1.5°C aligned near-term target to focus on rapid deep emission cuts, which typically means halving emissions by 2030. A target covers a company's entire value chain GHG emissions, including those produced in their own operations (scope 1), purchased electricity and heat (scope 2), and generated by suppliers and end-users (scope 3).

In addition, it includes setting a net-zero target for 2050, while striving for 2045. Net-zero means producing close to zero emissions and using carbon removals to neutralise any residual emissions that are not possible to eliminate. Most companies will require deep decarbonization of 90–95% and the commitment is designed to last beyond Altor's time of ownership for current portfolio companies.

We are actively working with our portfolio companies to support them in developing, setting and implementing ambitious climate targets, in order to accelerate decarbonization of the portfolio.

Transition and physical impact from climate change

Compared to other areas of sustainability, which usually focus on the impact a company has on the greater world, transition and the physical impact of climate change refers to the impact climate change will have on a company. If this is a material topic, Altor expects for portfolio companies to assess it as per guidance by the Task Force on Climate-Related Financial Disclosures (TCFD).

In line with TCFD guidance, Altor worked with an external consultant to conduct a climate scenario analysis scan during the beginning of 2022 with the objective of identifying key risk hotspots in our portfolio. For this initial assessment, we focused on transition risks. The analysis found that Altor's portfolio is only moderately exposed to transition risks, though select portfolio companies may face higher transition risk exposure should society move quickly to decarbonize. For these and other portfolio companies with potentially higher exposure, we have ongoing discussions on adequate mitigation plans.



Environmental performance & circular resource management



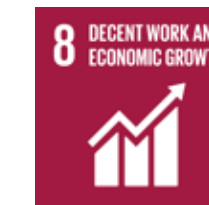
Beyond specific climate actions, we also believe that responsible production and consumption as part of a circular economy is key.

Best-in-class environmental and circular performance

For all environmental aspects determined as material for the respective company and/or industry (such as circular resource management, water, land use, biodiversity) we will help them reach performance in line with or above industry standard – with targets and a milestone plan.

The transition to a low-carbon, circular economy is also a key focus to our investment screening.

Working conditions & living wage



We expect high social standards ensuring that human rights and appropriate working conditions are upheld.

Ensuring living wages

Unfortunately, while it should be taken for granted in the 21st century, not all companies provide a proper living wage. Hence, it is a focus of Altor's active ownership approach to manage up the standards of portfolio companies and their suppliers. At a minimum, to meet national legal minimum wage, industry benchmark standard or living wage definition – whichever is highest. In all circumstances, wages shall be enough to meet basic needs and provide some discretionary income.

Zero tolerance for discrimination

Altor does not tolerate discrimination or harassment of any type. This includes discrimination or harassment based on, but not limited to, age, race, gender, religion, sexual orientation, or disability.

Health and safety in operations and supply chains

We expect a relentless commitment to zero fatalities, zero high- consequence work-related injuries or ill health in a company's own operations and the material part of the supply chain.

Right to freedom of association

We are committed to the employees', contractors', and suppliers' right to freedom of association. This means their right to collective bargaining should be ensured through internal and supplier codes of conduct. We accept no incidents of breaches such as hindering entry, registration, or organizational operation.

Diversity & Inclusion



We strongly believe that diversity wins and that inclusion matters. We know that we have a long way to go, but we are working on it with full force.

Representation, Diversity and Inclusion

Altor actively promotes diversity, both internally and among our portfolio companies, by working towards fair representation through training, addressing unconscious bias, and creating an inclusive culture. This is particularly important in employee recruitment and staffing of leadership positions, with an emphasis on gender diversity.

Altor is committed to equal pay for equal work, and gender diversity in the recruiting funnel. Internally, this is led by a 50% intake target, and the commitment to challenge headhunters to present shortlists with diverse candidates.

We are also working to increase the share of the underrepresented gender in Board of Directors, working towards 50% gender split for independent directors by end of 2023. In addition, we also strongly encourage the Boards in our portfolio companies to work towards at least 30% representation of the underrepresented gender in management teams.



Read the RIO policy to learn more about all of Altor's targets and sustainability standards.

The UN 's principles for responsible investment

An important step was taken in 2014 when the Altor Funds became signatories of the UN Principles for Responsible Investment (PRI). By committing to the six principles of PRI we are improving and continuing our efforts to create a more sustainable financial system. As signatories, we undergo an assessment each year and present the results in Altor's PRI transparency report. Our transparency report is publicly available both on PRI's website and our website



Science based target initiative

In 2021, the Science Based Target initiative (SBTi) presented guidance for the Private Equity sector. The guidance was formed to help private equity funds set and reach targets for their operations and investments in line with the 1.5°C degree target set in the Paris Agreement. Stephanie Hubold, Head of Sustainability at Altor, played an active role in developing the guidance as a member of SBTi's Private Equity Expert Advisory Group. In connection with the launch of the private equity guidance document, Altor committed to the 1.5-degree ambition and having a science-based target approved before the end of 2023. The target will apply to all Altor Funds and portfolio companies.

Other memberships

Altor is a member of several partnerships and associations, as we believe that a collaborative approach is key to accelerating sustainable transformations. Memberships include:

- Venture Capital & Private Equity Associations such as the SVCA, NVCA and Active Owners Denmark. These are associations that seek to improve how the private equity markets function and to increase knowledge among the general public, for example on the sustainability contribution of private equity players.
- Invest Europe, the world's largest association of private capital providers.
- Level 20, a non-profit organization promoting gender diversity in European Private Equity.

Through these partnership organizations, Altor seeks to advance the sustainability agenda in the Private Equity industry. With that purpose, Altor also actively participates in the informal Nordic Responsible Investment forum.

Inspiring change

A conversation on diversity with **Cecilia Lager & Maria Tallaksen**



Cecilia Lager
Board member at
Altor Fund Manager



Maria Tallaksen
Partner at Altor

How would you describe the state of diversity at Altor today and how has this changed?

Maria: When I joined Altor in 2007, I was the first female in the investment team. Whilst I felt incredibly welcomed and valued then, the awareness and sentiment around diversity is much greater now. The organisation really appreciates the value diversity brings and that ultimately, it leads to better decisions. We fully acknowledge diversity extends beyond just gender and should encompass, for example, age, ethnicity, sexual orientation and religion too. However, it is the balance of gender, where we are dedicating most of our current efforts, at least as a first step in this journey. It's no secret we have a long way to go, but I am so encouraged to see this younger and informed generation at Altor take on the challenge.

Cecilia: There's been a huge change in the last three years especially. There's a lot more females presenting investment cases to the board, taking on risk and doing deals. When I started my Finance career in the late 80s, none of us did. Now we have a generation of young women stepping up - I'm so happy for it.



We have a generation of young women stepping up - I'm so happy for it.

Cecilia Lager

What challenge do Altor as a company face in increasing gender diversity specifically?

Maria: We can't escape the truth that today Finance, PE and Altor too, is largely a male-centric environment and one that can structurally reward typical male attributes, such as a high-risk appetite. Incredible women may be overlooked for not necessarily exhibiting these, despite their many other unique qualities. Ensuring we are fully and systemically aware of these differences is a challenge we face, and one that when overcome, can take us a long way.

As women yourself, what personal challenges have you faced in your work and how do you overcome them?

Cecilia: With a background in sport, I learnt that success comes from having coaches that believe

in you. It's the same at work. We're at our best when not afraid and have people around that allow us to make mistakes. Learning to speak up, seek change and those that recognize you, I find, is key to success.

Maria: Personally, it has been about raising the issue of gender diversity in a way that is understood and can be actioned upon. It is not necessarily one single thing that disadvantages women, but the accumulation of lots of small every-day biases that are sometimes difficult to articulate. Raising awareness and educating others through proper trainings is the best way to create that understanding, and in doing so, overcome the small daily challenges we face.

What is your vision for diversity and inclusion at Altor?

Cecilia: It's my vision to have a completely equal workplace, founded on courage and kindness, where we all feel the utmost comfort and security, with men and women, of all different backgrounds. As a starting point, we must have 50% females, including at Partner level, and to get there is not the issue of females alone to solve. I want to see us all, men and women, coming together to crack this and reap the opportunities of higher performance it brings.



A culture free from structural bias and truly rooted in fairness, which celebrates female qualities, as much as it does male ones.

Maria Tallaksen

Maria: I completely agree, but I would also want to see not just 50% females, but 50% female culture. A culture free from structural bias and truly rooted in fairness, which celebrates female qualities, as much as it does male ones – A culture that is fundamentally, as much female as it is male.

What sort of initiatives are you carrying out to increase diversity and inclusion with respect to gender?

Maria: Initially the focus has been on recruitment with a 50% intake target but has increasingly shifted to retention. As part of this, we participate in the SHE conference and hold female breakfast sessions to provide open forums to discuss challenges and solutions. Where I see the most impact coming from, however, is from the unconscious bias training we are running. We have also set a target for advisors to have at least 30% of the underrepresented gender.

How do you inspire younger women working in the firm, who likely see you as role models?

Cecilia: From what I see of Maria: She takes responsibility on tough investments, speaks at conferences and openly talks about her family, while always being herself – Whether having a casual coffee or at a critical meeting, it's the same Maria you see. The leading example she sets is what inspires others.

Case studies



Introduction

The case studies illustrate how Altor portfolio companies work with sustainability in each their own way. While the sustainability value proposition of the cases vary from green transition enablers to green transition industrial scale-ups and generally raising the sustainability ambition within the company, the common denominator is that all cases have worked ambitiously with sustainability in 2022. This year, Altor has chosen to bring forward the sustainability efforts of four portfolio companies:

01

Vianode

Supporting green transition by building industrial leadership in advanced battery materials

02

Svea Solar

Providing renewable energy solutions by installing and servicing solar panels

03

Nordic Climate Group

Taking sustainability leadership through dialogue and engagement with customers, enabling their green transition

04

Network of Design

Raising the sustainability bar by working actively with many of the classical sustainability challenges within the retail industry

Vianode Innovating battery technology





The world needs greener batteries, and we supply the highly-engineered active anode materials to make this possible.

Stian Madshus, Deputy CEO and Head of Development

An introduction to Vianode

Vianode develops highly engineered synthetic graphite, acting as active anode in batteries. Vianode’s breakthrough synthetic graphite technology not only reduces CO2e emissions with up to 90% compared to conventional graphite production, but also directly impacts overall battery performance. This includes faster charging, increased range, longer service life, as well as increased safety and recyclability in EV batteries.

After two years of production at Vianode’s pilot plant, Vianode is now scaling to full industrial production towards 2024. Vianode’s ambition is to drive responsible electrification of society with materials that matter, targeting to provide battery materials to 2 million EVs per year by 2030.

Vianode’s 2022 sustainability progress

Vianode’s overall ambition is to support the green transition of society. In 2022, some of Vianode’s major efforts included:

R&D and technology



- Developed and tested use of recycled graphite in battery cells
- Developed processes for production side-streams, including how to integrate scrap material in production
- Worked to improve data quality and traceability in preparation for the upcoming battery passport regulation
- Participated in research project focusing on “Sustainable materials for the battery value chain” in collaboration with Norwegian partners such as Sintef and Institute for Energy Technology (IFE)

Production



- Invested 2 billion NOK in establishing the new production facility in Herøya, Norway, with the aim of reaching industrial scale production

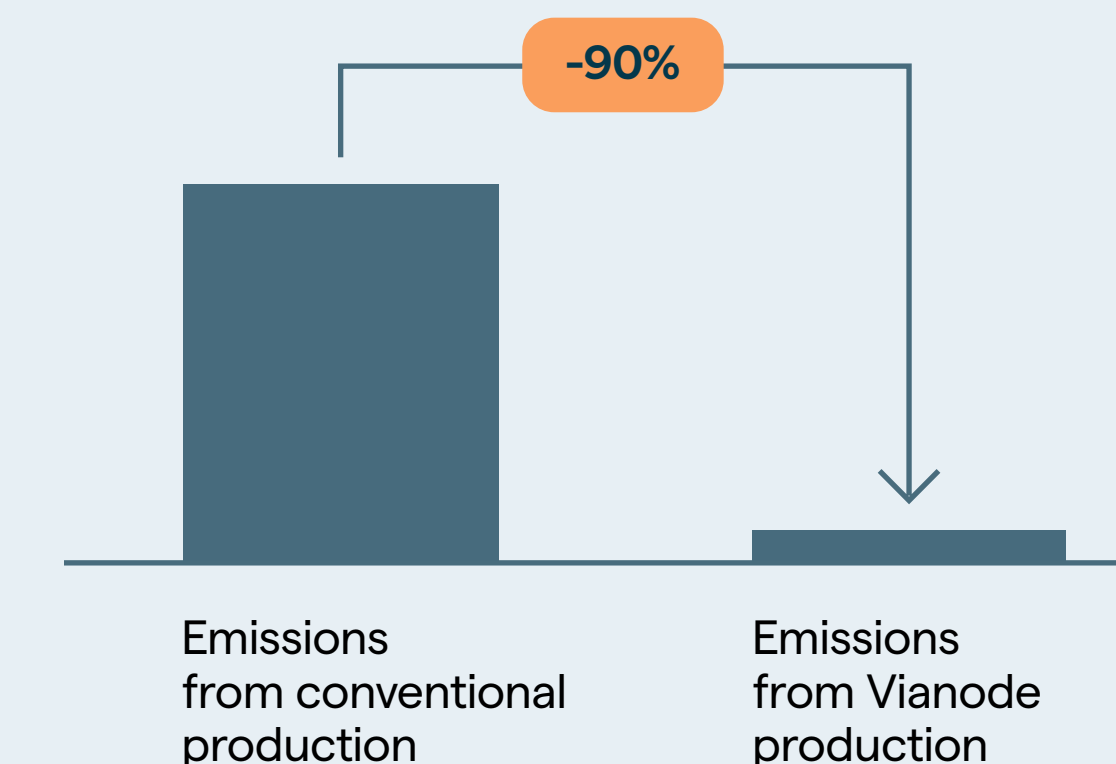
Governance



- Initiated the work of defining their future sustainability strategy
- Formalized policies and processes as part of scaling up the business

2022 Highlights

CO2 emission avoidance



CO2e footprint of product (Kg CO2e per kg product, scope 1, 2 and 3)

< 2,0

Number of nationalities represented at Vianode

15

Nordic Climate Group (NCG) For a better climate





The long-term goal is to contribute, through products, services and business models, to the most sustainable climate solutions with maximum energy efficiency being implemented by NCG’s customers.

Anders Ekdahl, Head of Market and Communication

An introduction to NCG

NCG provides cooling and heating solutions, and today include 63 subsidiaries in Sweden, Norway and Finland. NCG aims to take a leading position in providing heating and cooling installations with lower energy consumption, long service life and with lower CO2e emissions due to use of natural refrigerates. This is done through educating and nudging customers to choose the climate-smart options, always offering the more sustainable solution, and actively engaging in dialogues with customers on the sustainability impact of their product choice. In addition, NCG ensures that sustainability is integrated into the daily work of the subsidiaries through group-wide policies and the NCG academy.

NCG’s 2022 sustainability progress

NCG has an ambition to take sustainable leadership through dialogue and engagement with customers. In 2022, some of NCG’s major efforts included:

Green business



- Completed projects that both demonstrate significant energy efficiency and change to natural refrigerants with a minimal climate footprint are regularly presented as reference cases. During 2022, around 20 projects have been reported. For example, supermarkets, logistics centers, office and residential properties.
- To draw attention to sustainable facilities, an award has been instituted: “For a better climate award” to which the Yasuragi conference facility was awarded in 2022.

Smart business



- Worked to develop the CO2e baseline and set emission reduction targets
- NCG’s brand building affects all operations from employees to customers, from planning to the finished facility. Through the NCG Academy, each technician’s sustainability skills are strengthened

Respectable business

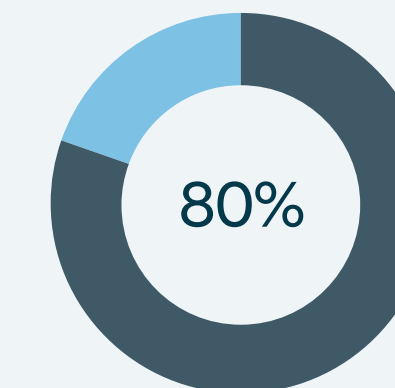


- Conducted values and DNA fit due diligence when onboarding potential new entities to ensure alignment to NCG principles

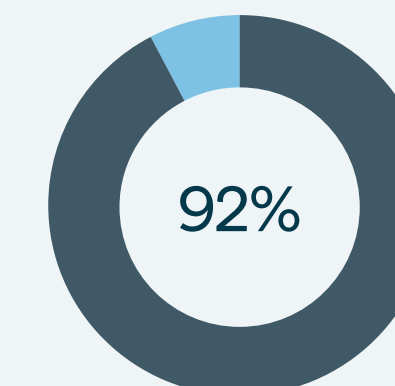
2022 Highlights



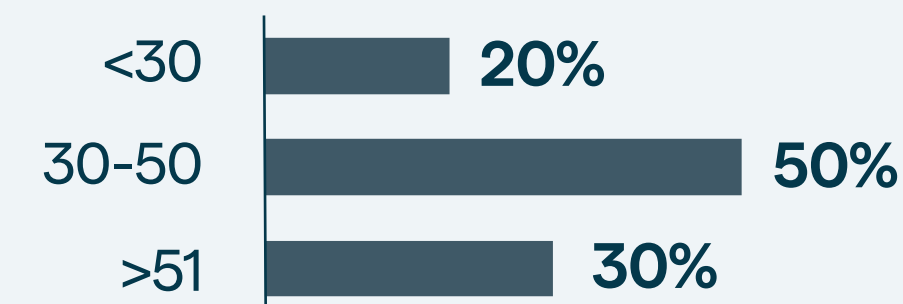
Share of natural refrigerants purchased



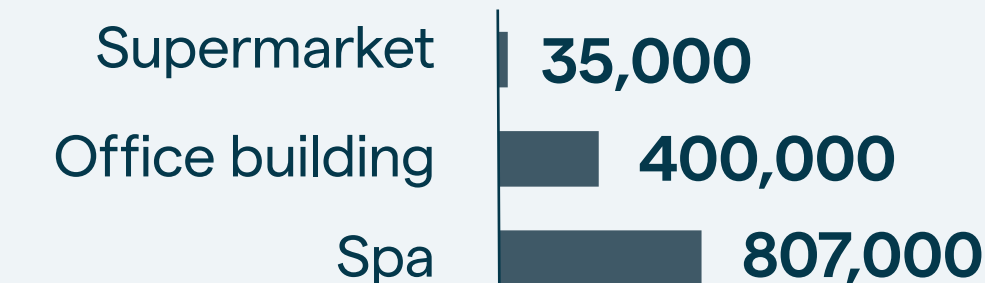
Share of NCG academies with sustainability on the agenda



Age split of employees



Annual CO2e reduction from installation of NCG solution based on representative reference cases (kg CO2e/year)



Svea Solar

Shifting power to solar





In less than two hours, the sun delivers more energy to the Earth than we use in an entire year. Clean, limitless energy.

Malin Cronqvist, Global Head of Sustainability

An introduction to Svea solar

Svea Solar is a leading European one-stop shop for buying, installing and servicing solar panels. Svea’s vision is to lead the shift to a more sustainable future by addressing some of the key pain points related to solar panels, such as making it better looking, more accessible and easier for customers to buy and install. Furthermore, Svea enables customers to control their own energy consumption and production through their energy management app, including when to buy and sell energy to the grid.

Svea considers each employee a power shifter, who not only supports Svea’s efforts to create an integrated, safe and sustainable energy system in Europe, but who also “work sustainably”, putting people and the planet first in everything they do.

Svea solar’s 2022 sustainability progress

Svea’s overall focus is supporting the green transition of customers. In 2022, some of Svea’s major efforts included:

A Sustainable Power Shifter Community



- Established their own training facilities in Sweden and Spain, in which they conducted more than 10,000 hours of training for 576 employees
- Further improved safety efforts by hiring a Senior Safety Specialist, revising trainings and introducing the concept of “One Point Lesson” to learn from every accident and incident

Leading the European power shift



- Established their own CO2e baseline, ensuring full transparency of CO2e emissions across the value chain
- Involved in a research project called SOLVE to help investigate synergies between utility scale solar parks and agriculture – so called agri-photovoltaics

Making solar big, bold and transparent

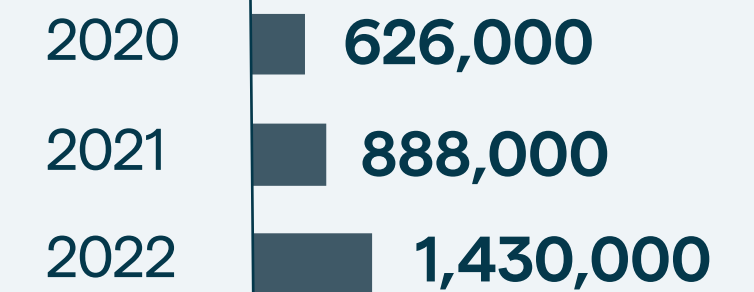


- Developed thorough supply chain due diligence process and became members of Ethical Trading Initiative (ETI) in Sweden
- Initiated risk assessment of suppliers

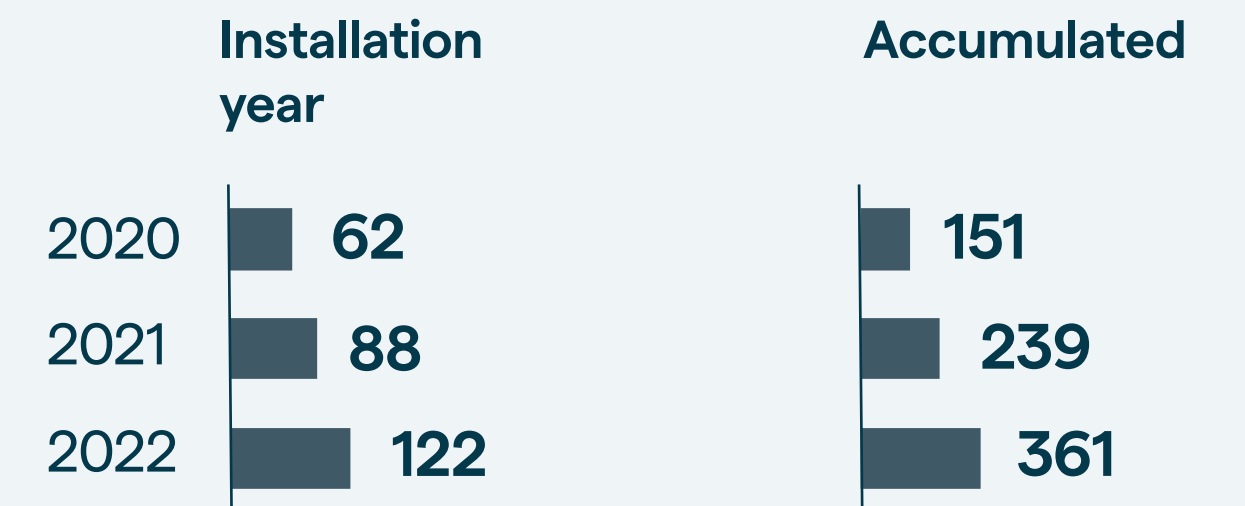
2022 Highlights



Avoided CO2e emissions of customers from switching to solar panels (tons CO2e)



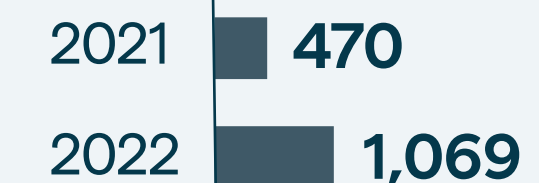
Solar energy installed (MW)



Average CO2e emissions per installed MW (ton CO2e / MW)



Number of power shifters (employees end of year) supporting the green transition



Network of Design (NOD) Durable & timeless design





Most of our products are recyclable, but we advise our customers not to recycle their products. They should pass them on. Our products should last forever.

Therese Hillman, CEO

An introduction to NOD

NOD is a network of design brands in product categories such as home interior, children’s furniture and wallpaper, on a mission to bring carefully selected Scandinavian design to people in every corner of the world. NOD builds on a partnership model where the brands benefit from knowledge sharing and cooperation, especially within sustainability. The sustainability priorities are at the heart of how NOD works throughout the value chain, and the network wants to make up with many of the traditional challenges in the retail industry. NOD is about sustainable materials, local and low-risk suppliers, suppliers showing strong social responsibility, and products that are durable and with design that never goes out of fashion.

NOD’s 2022 sustainability progress

NOD’s overall focus is on raising the bar within sustainability. In 2022, some of NOD’s major efforts included:

Circularit:



- Defined NOD’s circularity design principles
- Defined KPIs and targets for certified and sustainable raw materials and packaging
- Defined 2023 priority projects for the individual companies in the network

Social responsibility in the supply chain



- Assessed environmental, social and ethical risk of each company in the network’s supply chains
- Developed supplier self-assessment templates
- Became members of Amfori to conduct social audits of suppliers in risk countries and to improve work conditions

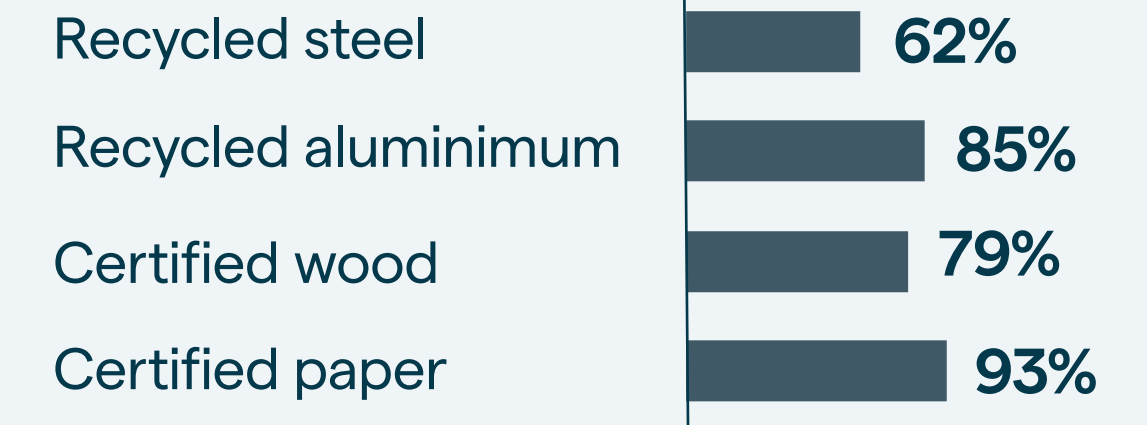
Climate protection



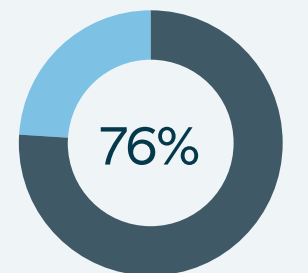
- Estimated emissions in Scope 1, 2 and 3 for 93% of NOD Group companies
- Defined priority projects to reduce emissions
- Reviewed supplier CO2 reduction commitments

2022 Highlights

Sustainable raw materials



Products sourced from near low-risk countries



Suppliers screened for ESG risks



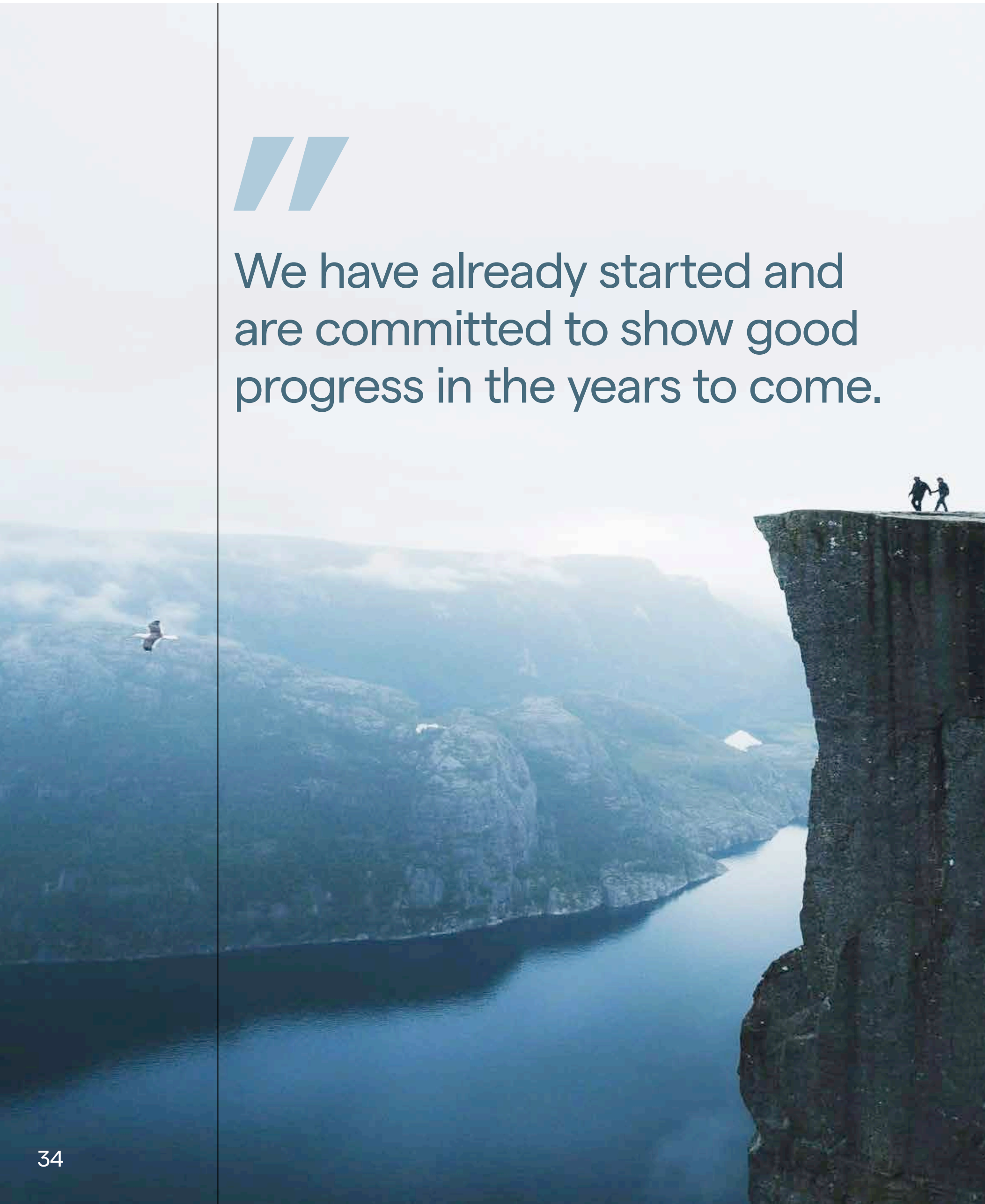
Gender split across the group (identified)



Sustainability performance



We have already started and are committed to show good progress in the years to come.



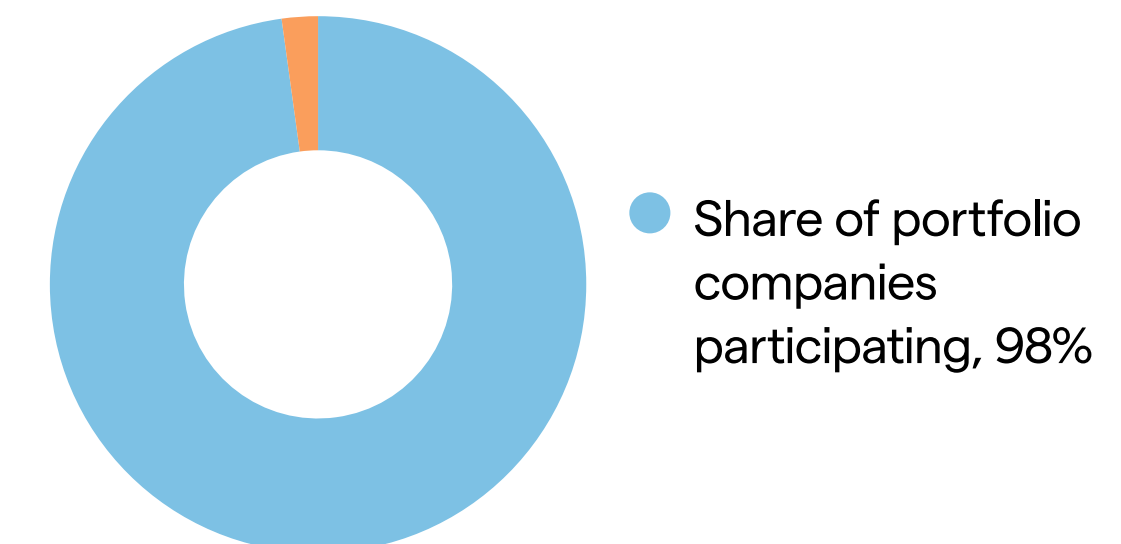
Improvement across the board

Transparent measurements are crucial to track and manage sustainability performance such as decarbonization. Therefore, in 2020 when we heightened our sustainability standards in the RIO policy, we also launched a new comprehensive and quantitative sustainability performance monitoring process. It covers a selection of core KPIs for all portfolio companies to report on that can be aggregated across, as well as additional KPIs based on materiality, to ensure portfolio companies focus on decision-relevant data points.

The second official reporting cycle has provided us with a solid update, covering almost all of the current portfolio companies through the 47 companies that participated. It also shows that we are making progress which is great. But we are far from done and will continue to work together with our portfolio companies towards sustainability leadership.

Several of our portfolio companies are at the beginning of a learning curve when it comes to reporting on sustainability KPIs such as GHG emissions scope 3. We will continue to work with the portfolio companies to continuously expand scope and improve quality of the data. With this portfolio coverage will increase and general comparability will improve. Additionally and as committed last year, PwC has done limited assurance on the PAI indicators to further improve and validate the process.

We have gotten started and are committed to continue to show good progress in the years



Overall Altor performance 2022

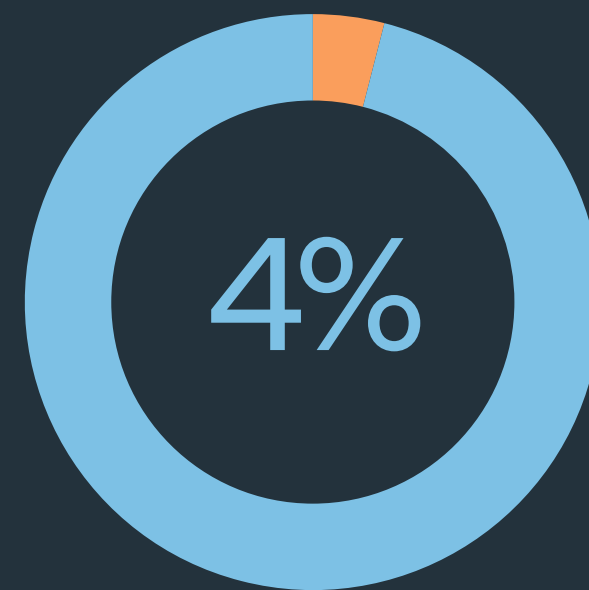
GHG emissions

tCO2e

Scope 1	0
Scope 2	124
Scope 3	3,640,728
Total	3,640,852

- Scope 3 category 15 (investments) represent 99.9% of total Altor 2022 GHG emissions
- Early 2023 Altor submitted science-based targets for scope 1-3 to SBTi and are awaiting the review to start in August 2023
- Scope 3 category 15 are presented as financed which means that portfolio companies' emissions are multiplied by the Altor fund's ownership share.
- As per SBTi guidance, and as the GHG protocol prescribes, estimates are used for datapoints missing within scope 3 category 15. Estimates are based on Upright Project, Normative or prior years.

Renewable energy



Share of renewable energy

209

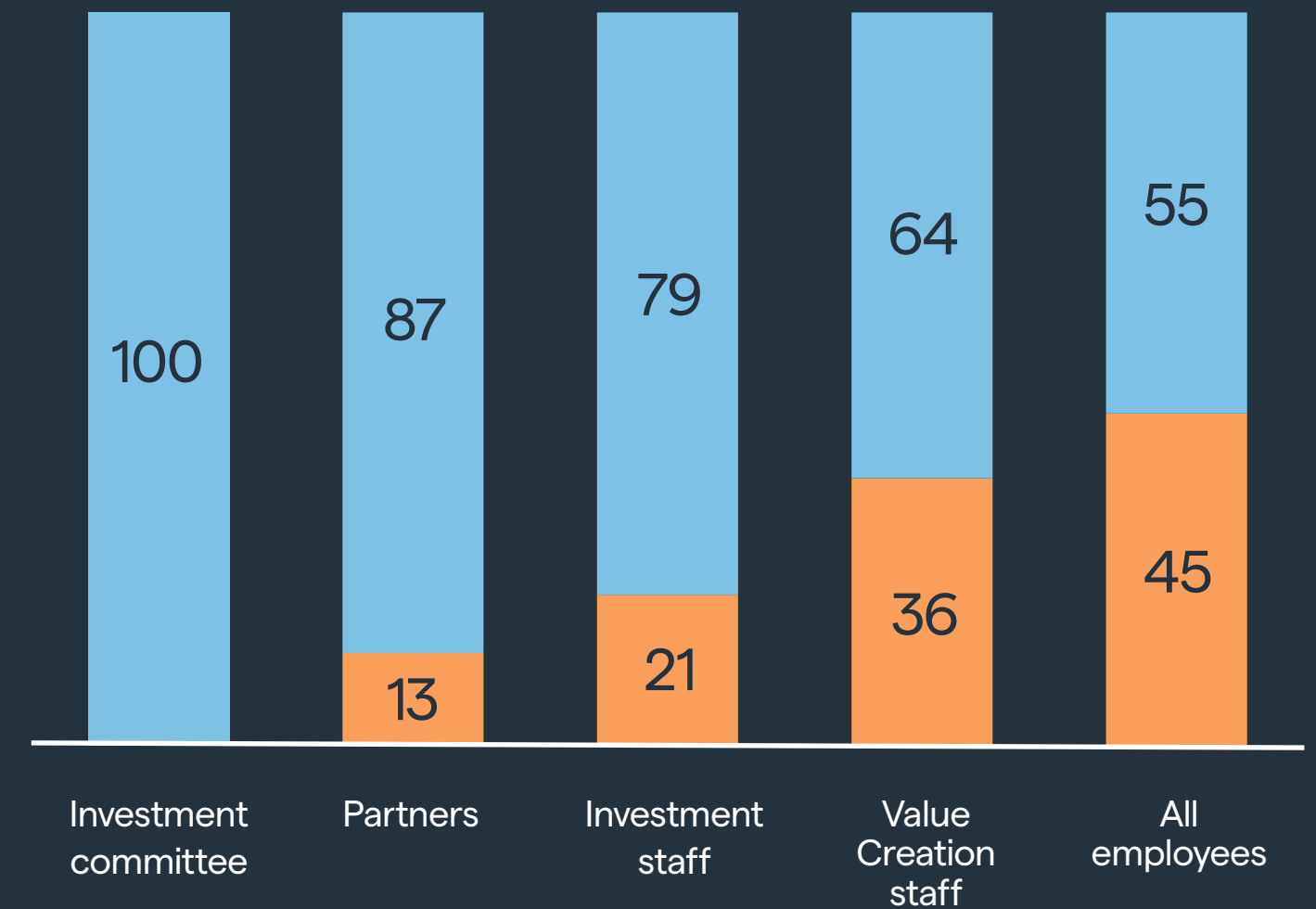
Energy consumption, kWh per sqm

- The science-based targets submitted to SBTi in 2023 include a scope 2 target to increase the share of renewable energy sourced to Altor's offices
- During 2023 progress has been made by sourcing green certificates for several of the Altor offices

Diversity

Gender diversity, %

■ Identify as male
 ■ Identify as female



- Altor has a strong commitment to gender diversity with a target of 50% female intake
- Altor is an active member of Level 20 and have several internal Diversity, Equity and Inclusion initiatives running, previously presented in this report

Environmental portfolio highlights 2022



Financed GHG emissions

tCO2e

Scope 1	128,430
Scope 2	32,286
Scope 3	3,285,529
Total	3,446,245



Financed GHG emission intensit

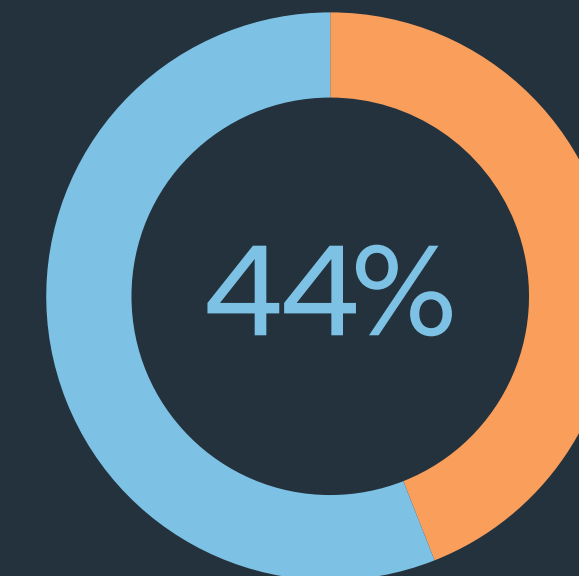
tCO2e/revenue EURm

Scope 1-2	10
Scope 1-3	98



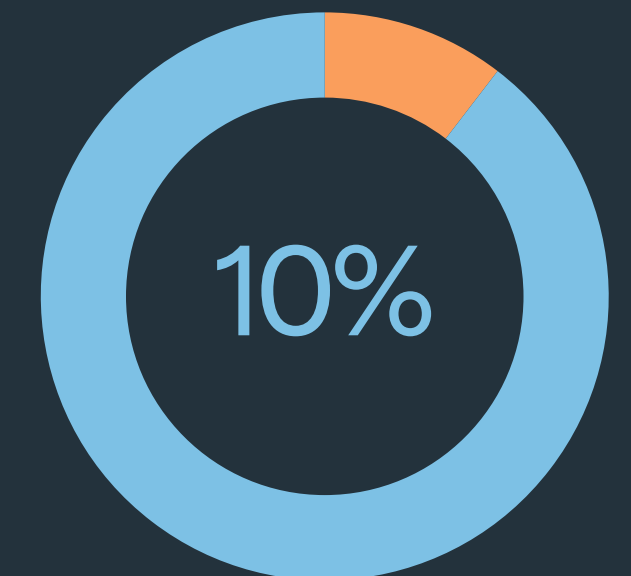
Renewable energy

Share of renewable energy



Science-based target

Share of portfolio companies committed to set a near-term science-based target



- The science-based targets submitted to SBTi and awaiting review includes a portfolio coverage target where Altor will work to increase the number of portfolio companies that in turn submit and get their own science-based targets approved
- Scope 1-2 has been reported by 38 portfolio companies
- Scope 3 has been reported by 29 portfolio companies
- Estimates are not used where data is missing hence data differs from the PAI pages in the appendix
- GHG emissions are presented as financed which means that they are multiplied by the ownership share
- Financed GHG intensity divides GHG emissions by revenue and multiplies by the ownership share

- Maximizing the share of renewable energy is inherent in Altor's requirement for portfolio companies to set science-based target
- Energy consumption has been reported by 35 portfolio companies

- As per Altor's submitted science-based target portfolio companies are expected to have their own targets approved by 2025.
- Science-based target status has been reported by 47 companies.
- Company status can also be sourced from this [link](#).

Social portfolio highlights 2022

Full time employees

77,380

- FTEs has been reported by 44 portfolio companies
- Presented as of 31st December 2022

Employee engagement

Share of portfolio companies with annual employee engagement survey

69%

- As per our RIO policy, we ask portfolio companies to take active measures for employee wellbeing based on annual progress reporting and will further encourage progress on this agenda
- Employee engagement survey has been reported by 45 portfolio companies

Net new hires

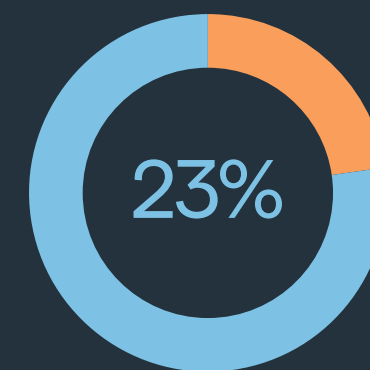
Net new hires

Total **4,932**
Organic **288**

- The Altor portfolio has created 6.8% net employee growth in the last year, 0.4% excluding M&A
- Net new hires has been reported by 44 portfolio companies

Attrition

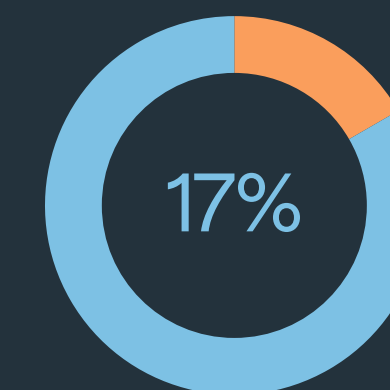
Attrition excluding outlier



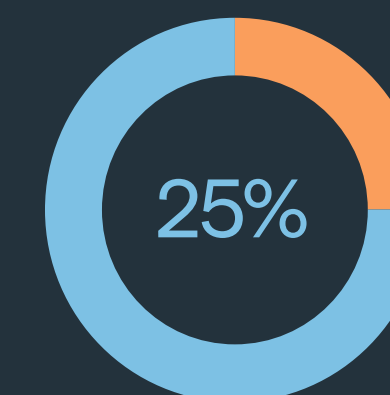
- Reducing attrition is an important priority. Regarding the data reported one portfolio company is an outlier operating in a sector with inherently high attrition. The attrition figure including this company is 52%
- Attrition has been reported by 42 portfolio companies

Gender diversity

Board of Directors identifying as female



C-level management team identifying as female, %



- Altor has committed to work towards 50% gender split for independent directors by end of 2023. Despite progress we are behind our targets
- BoD diversity has been reported by 47 portfolio companies
- We also strongly encourage the Boards in our portfolio companies to work towards at least 30% representation of the underrepresented gender in C-level management teams which is yet to be achieved
- C-level diversity has been reported by 45 portfolio companies

Work related injuries

Injuries **1,041**

Fatalities **1**

Days lost due to injury **6,732**

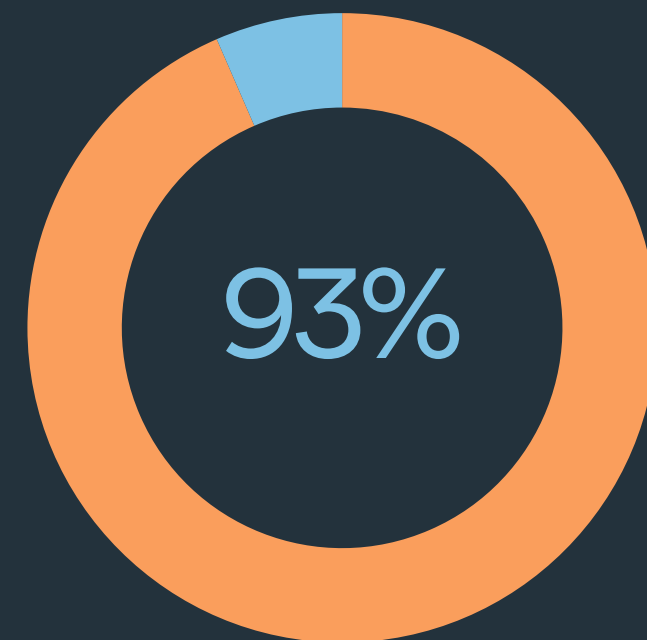
- Altor expects portfolio companies to commit to zero fatalities and high consequence work-related injuries or ill health in own operations as well as in the material parts of their supply chain
- Work-related injuries has been reported by 42 portfolio companies
- The reported fatality relates to a traffic accident during a portfolio company employee's commute to work. Altor has been in contact with the portfolio company to ensure adequate procedures have been followed post the tragic event
- Work-related fatalities has been reported by 44 portfolio companies
- Days lost represent 0.03% of total full time employee working days (using 250 annual working days as a proxy)
- Days lost has been reported by 34 portfolio companies
- Data relates to portfolio companies' own operations, i.e. not including supply chains

Governance portfolio highlights 2022



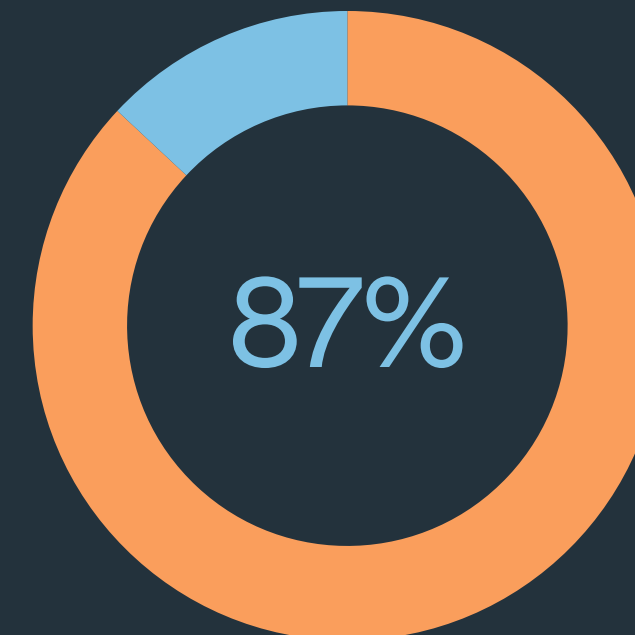
Code of conduct

Share of portfolio companies with a Code of Conduct



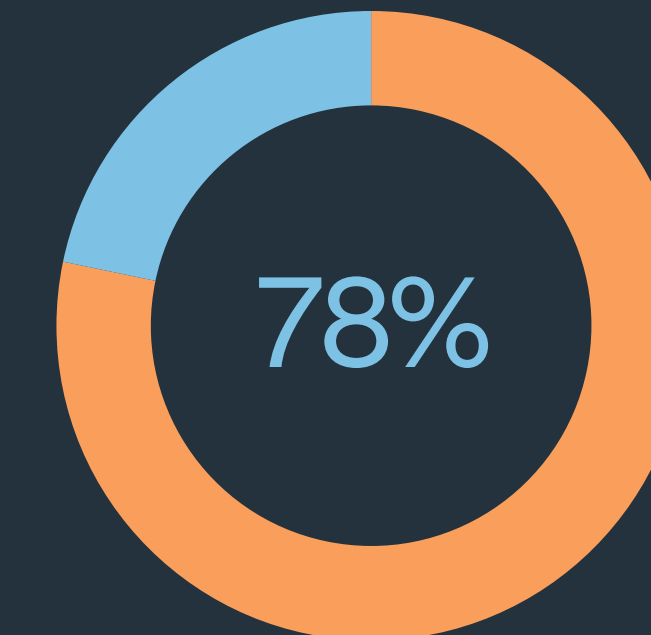
Anti-corruption and anti-bribery

Share companies with an anti-corruption policy and procedures



Whistleblower

Share of portfolio companies with a third-party whistleblowing channel



- Altor expects portfolio companies to have a board approved sustainability-related policy (or equivalent policies), based on material sustainability aspects, and covering at least Altor's Sustainability Standards in the RIO policy as well as high standards of business ethics, including but not limited to being fully compliant with relevant legislation and conventions
- We will continue to work to manage up all compliance KPIs to 100%

• COC has been reported by 46 portfolio companies

• Anti-corruption and anti-bribery has been reported by 46 portfolio companies

• Third-party WBC has been reported by 46 portfolio companies

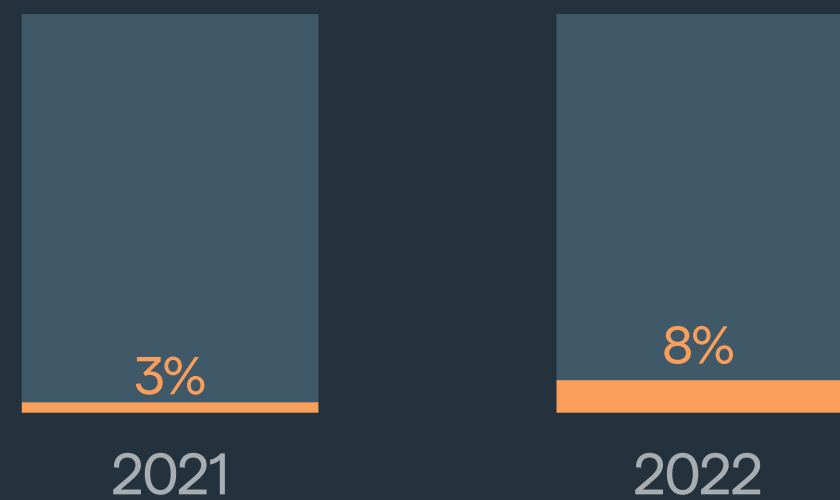
Comparable development highlights

Figures are presented on a like-for-like basis, only including the 36 portfolio companies that adequately participated in both the 2021 and 2022 reporting cycle. Therefore, 2022 figures shown below will differ somewhat from the previous highlight-pages. As mentioned in the sustainability performance intro, the portfolio is on a journey to improve sustainability data in terms of scope and coverage which will enable us to show more comparisons in future reports, both in terms of sustainability KPIs such as GHG emissions as well as comparable

periods. This year when comparing 2022 performance versus 2021 we are happy to see good progress across all highlighted sustainability KPIs and believe that this is a result of all the great work being driven by employees in the portfolio. As an active owner we also hope that the sustainability performance monitoring process where we review portfolio company performance versus the sustainability standards in the RIO policy facilitates and acts as a catalyst for the performance uplift.

Environmental

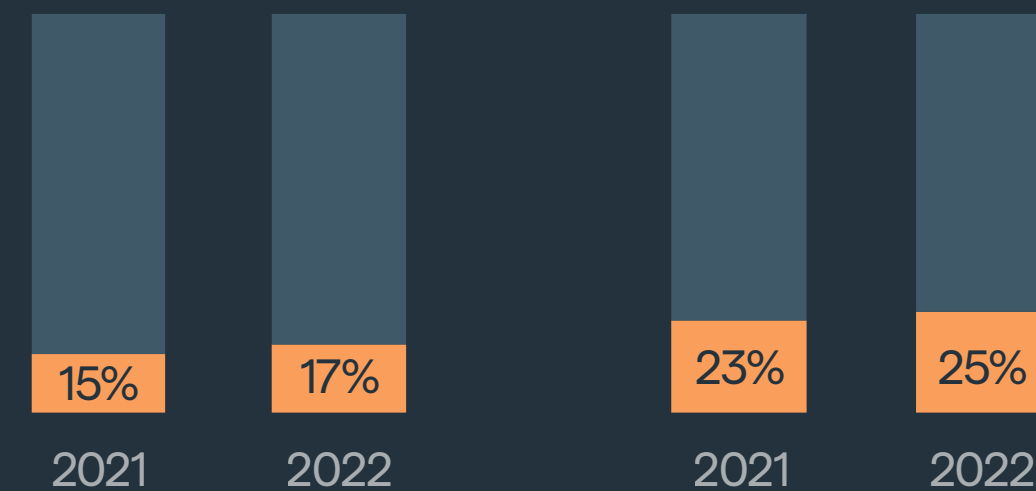
Portfolio coverage Science-Based Targets



Share with SBTI near-term commitment

Social

Gender diversity

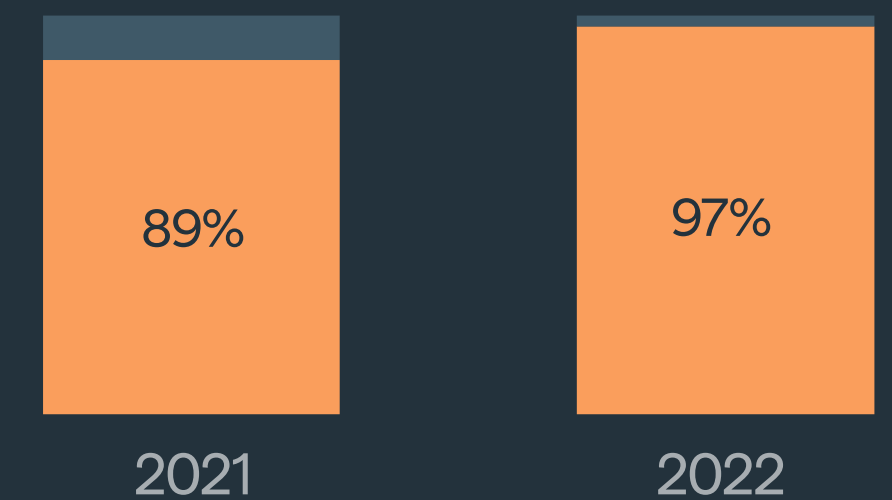


Share of BoD identifying as female

Share of C-level identifying as female

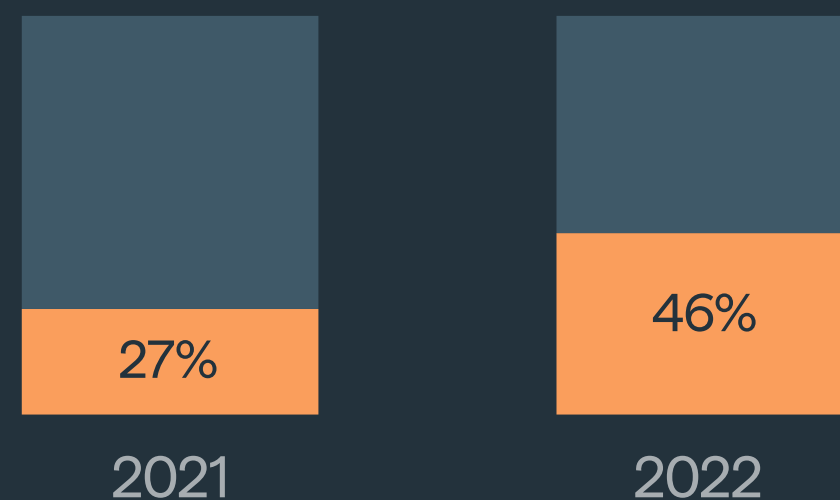
Governance

Code of Conduct



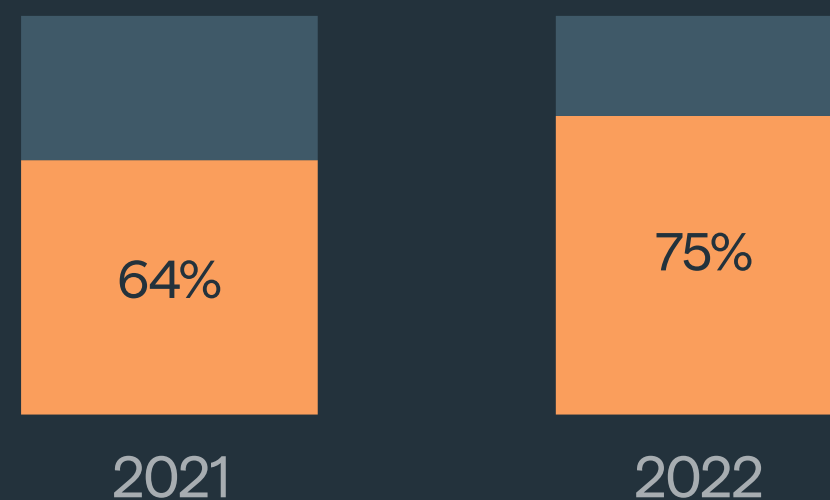
Share with COC

Renewable energy



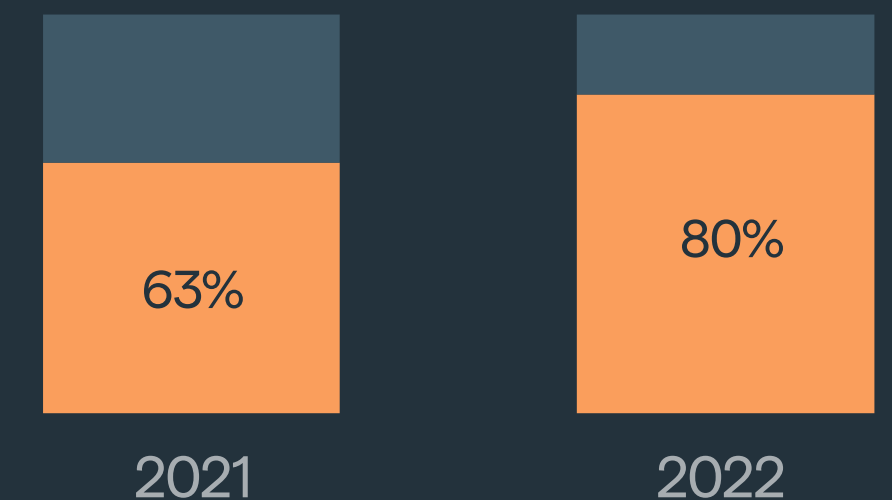
Share of renewable energy

Employee engagement



Share with employee engagement survey

Whistleblower



Share with third-party whistleblower channel

Closing letter

Closing letter

Looking back at 2022, I am once again proud of all the great work, progress, and achievements that both we at Altor and our portfolio companies have made towards our sustainability goals.

For several years now, we have been strengthening our approach to sustainability by firmly embedding it into our business processes. This is as much driven by our desire to take responsibility and contribute our share to the sustainability and climate goals set forth by the global community, as it is driven by our belief that sustainability is a crucial element of value creation. We are pleased to see that our portfolio companies are increasingly embracing our commitments and are underway on their respective sustainability journeys. To accelerate the integration of sustainability into our business processes, we brought on a new member to the Altor community. Fran Owen joins us with experience of advising companies on sustainability and responsible investing. She will be responsible for driving sustainability value creation across our portfolio, which is probably the most important value driver of the decade.

Like many other businesses around the world, our portfolio faced particularly challenging

macroeconomic conditions last year. Rather than diminishing efforts on sustainability, it has instead triggered heightened focus on and attention to the topic by us as owners. As energy supplies have been disrupted globally, the need for more sustainable solutions has become even more imperative. Despite the global challenges, it has been encouraging to see how civil society, policymakers, and the business community have responded, further pushing the sustainability agenda.

2022 also marked several groundbreaking sustainability commitments from the global community. A landmark biodiversity agreement was made at COP15 in December 2022, set to guide global action on the protection of nature, with goals and targets to “halt and reverse” biodiversity loss by the end of the decade. Altor very much support this global commitment and look forward to working with our portfolio companies to translate it into business action. In addition, the adaptation of CSRD will enforce standardized sustainability reporting for large European companies and will over time be applicable to a sizeable portion of our portfolio. We celebrate this development, but we also acknowledge that a lot of work lies

ahead. Driven by important European Commission initiatives, planning corporate due diligence efforts and increasing gender pay-gap transparency will be high on the sustainability agenda of our portfolio companies moving forward.

After committing to set near-term science-based targets in 2021, we have submitted our targets for approval by SBTi, and the related work with our portfolio companies is well underway. A large



Sustainability value creation is probably the most important value driver of the decade.



share of our portfolio companies are looking to strengthen their climate strategies, and we will continue assisting them in this. As Altor, we are further eagerly awaiting SBTi's Net-Zero Sector Standard for Financial Institutions to be published, to complement our near-term target with a net-zero target.

Having said this, it is not in setting targets, but in the efforts to reach those targets where we can make the biggest difference in the transition to a low-carbon future. We are committed to continue investing in the green transition as it is the investment opportunity of our lifetime. Decarbonization will transform industries and we can play a role on the back of our 20-year experience of industrial transformations. Especially so in the carbon intensive sectors, in which several of our current portfolio companies already operate. In this regard, I am particularly thrilled to see Trioworld's commitment to SBTi, which hopefully will set an example for the transition to a circular plastics industry.

Looking ahead, we are excited to see what the next year will bring, and to continue the journey towards a more sustainable future at Altor and together with our portfolio companies. We would like to use this opportunity to welcome our partners across the ecosystem to support us in this journey.

Stephanie Hubold, Head of Sustainability



It is not in setting targets, but in the efforts to reach those targets where we can make the biggest difference in the transition to a low-carbon future.


Appendix



Portfolio overview 2022

Fund	Entry	Company	Altor sector	Revenue EURm	FTEs	SDGs supported ¹⁾	Science-based target		SFDR category
							Committed	Approved	
Fund II	2007	Qmatic	Tech	37	198		No	No	N/A
	2007	WSS	Business services	724	1,563		No	No	N/A
	2008	OptiGroup	Business services	1,652	2,387		No	No	N/A
Fund III	2009	Carnegie	FIG	345	787		No	No	N/A
	2009	CARNEO - CWW	FIG	71	108		No	No	N/A
	2011	SATS	Consumer	388	2,461		No	No	N/A
	2011	Orchid	Industrial	356	2,154		No	No	N/A
	2012	Haarslev	Industrial	218	907		No	No	N/A
	2012	Meltwater	Tech	411	2,200		No	No	N/A
	2013	Rossignol	Consumer	428	1,232		Yes	No	N/A
	2013	Nova Austral	Industrial	82	849		No	No	N/A
Fund IV	2015	Norican	Industrial	534	1,924		Yes	No	Promoting E/S characteristics
	2015	Transcom	Business services	717	26,670		No	No	Promoting E/S characteristics
	2015	Hamlet Protein	Industrial	111	115		No	No	Promoting E/S characteristics
	2016	FlexIT	Business services	128	221		No	No	Sustainable investment: environmental objective
	2016	Retta	Business services	114	1,451		No	No	Promoting E/S characteristics

Notes: Investments made post-2022 are not included in this overview
 Revenue is presented for the calendar year 2022 also for companies with other fiscal year ends
¹⁾SDGs supported are as per portfolio company self-reporting and not an Altor assessment

 More information can be found on our website.

Portfolio overview 2022

Fund	Entry	Company	Altor sector	Revenue EURm	FTEs	SDGs supported ¹⁾	Science-based target		SFDR category
							Committed	Approved	
Fund IV	2017	Tresu	Industrial	48	183		No	No	Promoting E/S characteristics
	2017	Iyuno	Business services	479	2,897		No	No	Promoting E/S characteristics
	2017	RevolutionRace	Consumer	132	122		No	No	Promoting E/S characteristics
	2017	ZahnEins	Consumer	226	2,760		No	No	Promoting E/S characteristics
	2018	Social Eatertainment Group	Consumer	44	290		No	No	Promoting E/S characteristics
	2018	Faun Gruppen	Consumer	170	566		No	No	Promoting E/S characteristics
	2018	Ludvig & Co	Business services	117	1,242		No	No	Promoting E/S characteristics
	2018	Trioworld	Industrial	755	1,478		Yes	No	Sustainable investment: environmental objective
	2019	XXL	Consumer	845	2,906		No	No	Promoting E/S characteristics
	2019	Nordic Tyre Group	Business services	368	325		No	No	Promoting E/S characteristics
2019	iDeal of Sweden	Consumer	46	91		No	No	Promoting E/S characteristics	
Fund V	2019	Nordic Leisure Travel Group	Consumer	1,069	1,677		No	No	Promoting E/S characteristics
	2019	ARC	Tech	116	1,160		No	No	Promoting E/S characteristics
	2020	Eleda	Business services	1,050	2,590		No	No	Promoting E/S characteristics
	2020	OX2	Business services	760	366		Yes	No	Sustainable investment: environmental objective
	2020	Gunnebo	Industrial	398	3,597		No	No	Promoting E/S characteristics

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 Revenue is presented for the calendar year 2022 also for companies with other fiscal year ends
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More information can be found on our website.

Portfolio overview 2022

Fund	Entry	Company	Altor sector	Revenue EURm	FTEs	SDGs supported ¹⁾	Science-based target		SFDR category
							Committed	Approved	
Fund V	2020	NOD	Consumer	78	131		No	No	Promoting E/S characteristics
	2020	Aarke	Consumer	21	41		No	No	Promoting E/S characteristics
	2021	QNTM	Tech	63	547		No	No	Promoting E/S characteristics
	2021	H2 Green Steel	Industrial	0	107		No	No	Sustainable investment: environmental objective
	2021	Toteme	Consumer	88	79		No	No	Promoting E/S characteristics
	2021	Rillion	FIG	24	154		No	No	Promoting E/S characteristics
	2021	Raw Fury	Tech	15	90		No	No	Promoting E/S characteristics
	2021	Multi-Wing	Industrial	109	426		No	No	Promoting E/S characteristics
	2021	Oceansapart	Consumer	85	111		No	No	Promoting E/S characteristics
	2021	Audiowell	Consumer	20	10		No	No	Sustainable investment: social objective
	2022	Svea Solar	Consumer	184	1,070		No	No	Sustainable investment: environmental objective
	2022	Kaefer	Business services	2,063	30,225		No	No	Promoting E/S characteristics
	2022	Nordic Climate Group	Business services	250	1,000		No	No	Sustainable investment: environmental objective
	2022	Silo AI	Tech	15	161		No	No	Promoting E/S characteristics
	2022	Vianode	Industrial	0	75		No	No	Sustainable investment: environmental objective
	2022	FLSmidth	Industrial	2,932	10,977		Yes	Yes	Promoting E/S characteristics

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 Revenue is presented for the calendar year 2022 also for companies with other fiscal year ends
¹SDGs supported are as per portfolio company self-reporting and not an Altor assessment

More information can be found on our website.

PAI indicators – All Altor Funds

Climate and other environment-related indicators

Indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters

<p>131,761</p> <p>tons CO₂e Scope 1 GHG emissions</p>	<p>615</p> <p>tons CO₂e / EURm value of investments Carbon footprint</p>	<p>63%</p> <p>share Non-renewable energy consumption and production</p>	<p>8%</p> <p>share Activities negatively affecting biodiversity-sensitive areas</p>	<p>0%</p> <p>share Violations of UNGC Principles and OECD Guidelines</p>	<p>17%</p> <p>share Board gender diversity</p>
<p>34,593</p> <p>tons CO₂e Scope 2 GHG emissions</p>	<p>2,117</p> <p>tons CO₂e / EURm revenue GHG intensity of investee companies</p>	<p>0.1</p> <p>GWh / EURm revenue Energy consumption intensity per high impact climate sector¹</p>	<p>0.5</p> <p>tons / EURm capital invested Emissions to water</p>	<p>25%</p> <p>share Lack of processes and compliance mechanisms to monitor compliance with UNGC Principles and OECD Guidelines</p>	<p>0%</p> <p>share Exposure to controversial weapons</p>
<p>3,469,867</p> <p>tons CO₂e Scope 3 GHG emissions</p>	<p>0%</p> <p>share Exposure to companies active in the fossil fuel sector</p>	<p>63%</p> <p>share Investments in companies without carbon emission reduction initiatives</p>	<p>847.2</p> <p>tons / EURm capital invested Hazardous and radioactive waste ratio</p>	<p>16%</p> <p>gap Unadjusted gender pay gap</p>	<p>17%</p> <p>share Lack of anti-corruption and anti-bribery policies</p>
<p>3,636,221</p> <p>tons CO₂e Total GHG emissions (Scope 1, 2 & 3)</p>	<p>Disclaimer and notes: This reporting is a voluntary reporting and not the official SFDR PAI periodic reporting. The Altor Funds voluntarily chose to share this reporting to support forwarding the sustainable finance agenda and to increase transparency on sustainability performance. In addition, depending on the fund, this voluntary reporting is an important part of the effort to prepare for future official periodic SFDR reporting in annual reports. Currently the main challenge to be able to consider PAI is to ensure the data quality and reporting timeliness. It shall be noted that some of the Altor Funds are managed by a fund manager who is not under supervision by the Swedish FSA and not subject to the requirements of the SFDR, as further detailed in the coming slides.</p>				

Figures presented are based on data reported directly from the portfolio companies. Where actual data is not available or has not been adequately reported, estimates have been used from the Upright Project. For more information about the Upright Project please refer to this [link](#).

¹As energy consumption was not collected or estimated between the high impact climate sectors this year a company's whole consumption is included if there is exposure to a high impact climate sector. For the reporting of 2023 data an estimation of consumption between the sectors will be requested.

PAI indicators – Altor Fund II

Climate and other environment-related indicators

Indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters

<p>6,647</p> <p>tons CO₂e</p> <p>Scope 1 GHG emissions</p>	<p>702</p> <p>tons CO₂e / EURm value of investments</p> <p>Carbon footprint</p>	<p>87%</p> <p>share</p> <p>Non-renewable energy consumption and production</p>	<p>0%</p> <p>share</p> <p>Activities negatively affecting biodiversity-sensitive areas</p>	<p>0%</p> <p>share</p> <p>Violations of UNGC Principles and OECD Guidelines</p>	<p>16%</p> <p>share</p> <p>Board gender diversity</p>
<p>3,074</p> <p>tons CO₂e</p> <p>Scope 2 GHG emissions</p>	<p>41</p> <p>tons CO₂e / EURm revenue</p> <p>GHG intensity of investee companies</p>	<p>0.0</p> <p>GWh / EURm revenue</p> <p>Energy consumption intensity per high impact climate sector¹</p>	<p>4.0</p> <p>tons / EURm capital invested</p> <p>Emissions to water</p>	<p>0%</p> <p>share</p> <p>Lack of processes and compliance mechanisms to monitor compliance with UNGC Principles and OECD Guidelines</p>	<p>0%</p> <p>share</p> <p>Exposure to controversial weapons</p>
<p>264,515</p> <p>tons CO₂e</p> <p>Scope 3 GHG emissions</p>	<p>0%</p> <p>share</p> <p>Exposure to companies active in the fossil fuel sector</p>	<p>33%</p> <p>share</p> <p>Investments in companies without carbon emission reduction initiatives</p>	<p>18.0</p> <p>tons / EURm capital invested</p> <p>Hazardous and radioactive waste ratio</p>	<p>13%</p> <p>gap</p> <p>Unadjusted gender pay gap</p>	<p>0%</p> <p>share</p> <p>Lack of anti-corruption and anti-bribery policies</p>
<p>274,236</p> <p>tons CO₂e</p> <p>Total GHG emissions (Scope 1, 2 & 3)</p>	<p>Disclaimer and notes:</p> <p>This reporting is a voluntary reporting and not the official SFDR PAI periodic reporting. The Altor Funds voluntarily chose to share this reporting to support forwarding the sustainable finance agenda and to increase transparency on sustainability performance. In addition, depending on the fund, this voluntary reporting is an important part of the effort to prepare for future official periodic SFDR reporting in annual reports. Currently the main challenge to be able to consider PAI is to ensure the data quality and reporting timeliness. It shall be noted that Altor Fund II is managed by Altor Fund II GP Limited, who is not under supervision by the Swedish FSA and not subject to the requirements of the SFDR.</p>				

Figures presented are based on data reported directly from the portfolio companies. Where actual data is not available or has not been adequately reported, estimates have been used from the Upright Project. For more information about the Upright Project please refer to this [link](#).

¹As energy consumption was not collected or estimated between the high impact climate sectors this year a company's whole consumption is included if there is exposure to a high impact climate sector. For the reporting of 2023 data an estimation of consumption between the sectors will be requested.

PAI indicators – Altor Fund III

Climate and other environment-related indicators

Indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters

<p>2,544</p> <p>tons CO₂e Scope 1 GHG emissions</p>	<p>88</p> <p>tons CO₂e / EURm value of investments Carbon footprint</p>	<p>51%</p> <p>share Non-renewable energy consumption and production</p>	<p>13%</p> <p>share Activities negatively affecting biodiversity-sensitive areas</p>	<p>0%</p> <p>share Violations of UNGC Principles and OECD Guidelines</p>	<p>19%</p> <p>share Board gender diversity</p>
<p>6,177</p> <p>tons CO₂e Scope 2 GHG emissions</p>	<p>109</p> <p>tons CO₂e / EURm revenue GHG intensity of investee companies</p>	<p>0.1</p> <p>GWh / EURm revenue Energy consumption intensity per high impact climate sector¹</p>	<p>0.5</p> <p>tons / EURm capital invested Emissions to water</p>	<p>13%</p> <p>share Lack of processes and compliance mechanisms to monitor compliance with UNGC Principles and OECD Guidelines</p>	<p>0%</p> <p>share Exposure to controversial weapons</p>
<p>95,122</p> <p>tons CO₂e Scope 3 GHG emissions</p>	<p>0%</p> <p>share Exposure to companies active in the fossil fuel sector</p>	<p>63%</p> <p>share Investments in companies without carbon emission reduction initiatives</p>	<p>151.9</p> <p>tons / EURm capital invested Hazardous and radioactive waste ratio</p>	<p>14%</p> <p>gap Unadjusted gender pay gap</p>	<p>0%</p> <p>share Lack of anti-corruption and anti-bribery policies</p>
<p>103,844</p> <p>tons CO₂e Total GHG emissions (Scope 1, 2 & 3)</p>	<p>Disclaimer and notes: This reporting is a voluntary reporting and not the official SFDR PAI periodic reporting. The Altor Funds voluntarily chose to share this reporting to support forwarding the sustainable finance agenda and to increase transparency on sustainability performance. In addition, depending on the fund, this voluntary reporting is an important part of the effort to prepare for future official periodic SFDR reporting in annual reports. Currently the main challenge to be able to consider PAI is to ensure the data quality and reporting timeliness. It shall be noted that Altor Fund III is managed by Altor Fund III GP Limited, who is not under supervision by the Swedish FSA and not subject to the requirements of the SFDR.</p>				

Figures presented are based on data reported directly from the portfolio companies. Where actual data is not available or has not been adequately reported, estimates have been used from the Upright Project. For more information about the Upright Project please refer to this [link](#).

¹As energy consumption was not collected or estimated between the high impact climate sectors this year a company's whole consumption is included if there is exposure to a high impact climate sector. For the reporting of 2023 data an estimation of consumption between the sectors will be requested.

PAI indicators – Altor Fund IV

Climate and other environment-related indicators

Indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters

<p>9,252</p> <p>tons CO₂e</p> <p>Scope 1 GHG emissions</p>	<p>1,247</p> <p>tons CO₂e / EURm value of investments</p> <p>Carbon footprint</p>	<p>57%</p> <p>share</p> <p>Non-renewable energy consumption and production</p>	<p>0%</p> <p>share</p> <p>Activities negatively affecting biodiversity-sensitive areas</p>	<p>0%</p> <p>share</p> <p>Violations of UNGC Principles and OECD Guidelines</p>	<p>17%</p> <p>share</p> <p>Board gender diversity</p>
<p>19,692</p> <p>tons CO₂e</p> <p>Scope 2 GHG emissions</p>	<p>282</p> <p>tons CO₂e / EURm revenue</p> <p>GHG intensity of investee companies</p>	<p>0.2</p> <p>GWh / EURm revenue</p> <p>Energy consumption intensity per high impact climate sector¹</p>	<p>0.3</p> <p>tons / EURm capital invested</p> <p>Emissions to water</p>	<p>19%</p> <p>share</p> <p>Lack of processes and compliance mechanisms to monitor compliance with UNGC Principles and OECD Guidelines</p>	<p>0%</p> <p>share</p> <p>Exposure to controversial weapons</p>
<p>2,552,551</p> <p>tons CO₂e</p> <p>Scope 3 GHG emissions</p>	<p>0%</p> <p>share</p> <p>Exposure to companies active in the fossil fuel sector</p>	<p>69%</p> <p>share</p> <p>Investments in companies without carbon emission reduction initiatives</p>	<p>1,051.4</p> <p>tons / EURm capital invested</p> <p>Hazardous and radioactive waste ratio</p>	<p>15%</p> <p>gap</p> <p>Unadjusted gender pay gap</p>	<p>19%</p> <p>share</p> <p>Lack of anti-corruption and anti-bribery policies</p>
<p>2,581,495</p> <p>tons CO₂e</p> <p>Total GHG emissions (Scope 1, 2 & 3)</p>	<p>Disclaimer and notes:</p> <p>This reporting is a voluntary reporting and not the official SFDR PAI periodic reporting. The Altor Funds voluntarily chose to share this reporting to support forwarding the sustainable finance agenda and to increase transparency on sustainability performance. In addition, depending on the fund, this voluntary reporting is an important part of the effort to prepare for future official periodic SFDR reporting in annual reports. Currently the main challenge to be able to consider PAI is to ensure the data quality and reporting timeliness. Altor Fund IV is managed by Altor Fund Manager AB, who is under supervision by the Swedish FSA and subject to the requirements of the SFDR.</p>				

Figures presented are based on data reported directly from the portfolio companies. Where actual data is not available or has not been adequately reported, estimates have been used from the Upright Project. For more information about the Upright Project please refer to this [link](#).

¹As energy consumption was not collected or estimated between the high impact climate sectors this year a company's whole consumption is included if there is exposure to a high impact climate sector. For the reporting of 2023 data an estimation of consumption between the sectors will be requested.

PAI indicators – Altor Fund V

Climate and other environment-related indicators

Indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters

<p>113,317</p> <p>tons CO₂e</p> <p>Scope 1 GHG emissions</p>	<p>298</p> <p>tons CO₂e / EURm value of investments</p> <p>Carbon footprint</p>	<p>72%</p> <p>share</p> <p>Non-renewable energy consumption and production</p>	<p>14%</p> <p>share</p> <p>Activities negatively affecting biodiversity-sensitive areas</p>	<p>0%</p> <p>share</p> <p>Violations of UNGC Principles and OECD Guidelines</p>	<p>16%</p> <p>share</p> <p>Board gender diversity</p>
<p>5,650</p> <p>tons CO₂e</p> <p>Scope 2 GHG emissions</p>	<p>3,685</p> <p>tons CO₂e / EURm revenue</p> <p>GHG intensity of investee companies</p>	<p>0.1</p> <p>GWh / EURm revenue</p> <p>Energy consumption intensity per high impact climate sector¹</p>	<p>0.3</p> <p>tons / EURm capital invested</p> <p>Emissions to water</p>	<p>33%</p> <p>share</p> <p>Lack of processes and compliance mechanisms to monitor compliance with UNGC Principles and OECD Guidelines</p>	<p>0%</p> <p>share</p> <p>Exposure to controversial weapons</p>
<p>557,678</p> <p>tons CO₂e</p> <p>Scope 3 GHG emissions</p>	<p>0%</p> <p>share</p> <p>Exposure to companies active in the fossil fuel sector</p>	<p>62%</p> <p>share</p> <p>Investments in companies without carbon emission reduction initiatives</p>	<p>1,047.7</p> <p>tons / EURm capital invested</p> <p>Hazardous and radioactive waste ratio</p>	<p>18%</p> <p>gap</p> <p>Unadjusted gender pay gap</p>	<p>24%</p> <p>share</p> <p>Lack of anti-corruption and anti-bribery policies</p>
<p>676,646</p> <p>tons CO₂e</p> <p>Total GHG emissions (Scope 1, 2 & 3)</p>	<p>Disclaimer and notes:</p> <p>This reporting is a voluntary reporting and not the official SFDR PAI periodic reporting. The Altor Funds voluntarily chose to share this reporting to support forwarding the sustainable finance agenda and to increase transparency on sustainability performance. In addition, depending on the fund, this voluntary reporting is an important part of the effort to prepare for future official periodic SFDR reporting in annual reports. Currently the main challenge to be able to consider PAI is to ensure the data quality and reporting timeliness. Altor Fund V is managed by Altor Fund Manager AB, who is under supervision by the Swedish FSA and subject to the requirements of the SFDR.</p>				

Figures presented are based on data reported directly from the portfolio companies. Where actual data is not available or has not been adequately reported, estimates have been used from the Upright Project. For more information about the Upright Project please refer to this [link](#).

¹As energy consumption was not collected or estimated between the high impact climate sectors this year a company's whole consumption is included if there is exposure to a high impact climate sector. For the reporting of 2023 data an estimation of consumption between the sectors will be requested.

Underlying data for GHG emissions

Fund	Company	Scope 1 (tCO2e)	Scope 1 methodology	Scope 2 (tCO2e)	Scope 2 methodology	Scope 3 (tCO2e)	Scope 3 methodology	Scope 3 streams reported	Scope 3 categories reported
Fund II	Qmatic	38	Activity-based	365	Location-based	6,944	Spend-based	Upstream / Downstream	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15
	WSS	9,972	Activity-based	4,380	Location-based	418,239	Spend-based	Upstream / Downstream	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15
	OptiGroup	7,000	Activity-based	6,100	Market-based	8,000	Spend-based	Upstream / Downstream	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15
Fund III	Carnegie	0	Other	1,204	Location-based	8,578	Spend-based	Upstream / Downstream	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15
	CWW	6	Activity-based	26	Location-based	1,337	Other	Upstream / Downstream	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15
	SATS	155	Spend-based	18,545	Market-based	264,761	Spend-based	Upstream / Downstream	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15
	Orchid	2,645	Direct monitoring	15,825	Market-based	44,309			
	Haarslev	1,793	Activity-based	2,404	Market-based	59,120	Spend-based	Upstream / Downstream	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15
	Meltwater	236		2,638		5,507			
	Rossignol	4,679	Activity-based	2,329	Market-based	74,459	Direct/Supplier based	Upstream / Downstream	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15
	Nova Austral	924	Spend-based	6,895	Other	105,716	Direct/Supplier based	Upstream / Downstream	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15
	Fund IV	Norican	4,029	Activity-based	7,199	Location-based	3,432,929	Activity-based	Upstream / Downstream
Transcom		2,602	Direct monitoring	10,615	Market-based	18,995	Activity-based	Upstream / Downstream	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15
Hamlet Protein		7,858		1,345		21,602			
FlexIT		147	Spend-based	338	Location-based	322	Direct/Supplier based	Upstream / Downstream	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15
Retta		958	Direct monitoring	103	Location-based	9,787			
Tresu		517		460		30,467			

- Notes:
- GHG emissions are reported as defined by the GHG Protocol. Application of the GHG Protocol is at the discretion of the respective portfolio company.
 - Data reported from portfolio companies is extrapolated based on the share of operations where applicable.
 - Where data has not been properly reported exclusions are made in the highlight and development pages while estimates have been used for the PAI indicator pages. Estimates are based on Upright Project, Normative or prior years and are marked in mid-blue.
 - Methodology options are presented as per EDCI guidance.

Underlying data for GHG emissions

Fund	Company	Scope 1 (tCO2e)	Scope 1 methodology	Scope 2 (tCO2e)	Scope 2 methodology	Scope 3 (tCO2e)	Scope 3 methodology	Scope 3 streams reported	Scope 3 categories reported
Fund IV	Iyuno	14,997		4,328		1,913			
	RevolutionRace	3	Activity-based	3	Market-based	23,153	Activity-based	Upstream / Downstream	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15
	ZahnEins	738		3,031		2,435			
	Social Eatertainment Group	549		462		4,559			
	Faun Gruppen	1,405		1,374		7,324			
	Ludvig & Co	80	Activity-based	3,175	Other	936			
	Trioworld	2,973	Other	11,412	Market-based	1,192,719			
	XXL	144	Activity-based	10,069	Market-based	257,739	Other	Upstream / Downstream	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15
	Nordic Tyre Group	1,246	Spend-based	1,922	Location-based	142,469	Spend-based	Upstream / Downstream	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15
	iDeal of Sweden	12	Activity-based	0	Market-based	16,260	Spend-based	Upstream / Downstream	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15
Fund V	Nordic Leisure Travel Group	345,097	Direct monitoring	3,551	Market-based	203,503			
	ARC	241		1,123		3,638			
	Eleda	17,817	Activity-based	2,416	Market-based	71,728			
	OX2	46	Activity-based	102	Market-based	242,484	Market-based	Upstream / Downstream	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15
	Gunnebo	6,785	Activity-based	7,309	Location-based	50,068			
	NOD	26	Activity-based	49	Market-based	10,582	Spend-based	Upstream / Downstream	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15
	Aarke	0	Direct monitoring	1	Location-based	7,262	Spend-based	Upstream / Downstream	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15

- Notes:
- GHG emissions are reported as defined by the GHG Protocol. Application of the GHG Protocol is at the discretion of the respective portfolio company.
 - Data reported from portfolio companies is extrapolated based on the share of operations where applicable.
 - Where data has not been properly reported exclusions are made in the highlight and development pages while estimates have been used for the PAI indicator pages. Estimates are based on Upright Project, Normative or prior years and are marked in mid-blue.
 - Methodology options are presented as per EDCl guidance.

Underlying data for GHG emissions

Fund	Company	Scope 1 (tCO2e)	Scope 1 methodology	Scope 2 (tCO2e)	Scope 2 methodology	Scope 3 (tCO2e)	Scope 3 methodology	Scope 3 streams reported	Scope 3 categories reported
Fund V	QNTM	210	Direct monitoring	246	Location-based	166	Spend-based	Upstream / Downstream	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15
	H2 Green Steel	0	Activity-based	5	Location-based	2,930	Other	Upstream / Downstream	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15
	Toteme	0	Activity-based	3	Market-based	12,548	Activity-based	Upstream / Downstream	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15
	Rillion	0	Spend-based	72	Other	2,446			
	Raw Fury	0	Other	40	Other	1,919	Other	Upstream / Downstream	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15
	Multi-Wing	286	Activity-based	317	Location-based	85,861	Spend-based	Upstream / Downstream	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15
	Oceansapart	3	Activity-based	131	Market-based	21,640	Spend-based	Upstream / Downstream	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15
	Audiowell	0	Other	0	Other	15	Activity-based	Upstream / Downstream	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15
	Svea Solar	1,525	Activity-based	536	Location-based	113,815	Activity-based	Upstream / Downstream	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15
	Kaefer	31,641	Other	3,400	Location-based	455,698			
	Nordic Climate Group	1,118	Activity-based	100	Market-based	42,644			
	Silo AI	76		353		1,144			
	Vianode	48		52		348			
	FLSmidth	11,069	Direct monitoring	28,010	Market-based	138,478,261	Activity-based	Upstream / Downstream	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15

- Notes:
- GHG emissions are reported as defined by the GHG Protocol. Application of the GHG Protocol is at the discretion of the respective portfolio company.
 - Data reported from portfolio companies is extrapolated based on the share of operations where applicable.
 - Where data has not been properly reported exclusions are made in the highlight and development pages while estimates have been used for the PAI indicator pages. Estimates are based on Upright Project, Normative or prior years and are marked in mid-blue.
 - Methodology options are presented as per EDCI guidance.



Auditor's Limited Assurance Report on Altor's reporting on Principle Adverse Impact Indicators in their Sustainability Report

To Altor Fund Manager, org.number 556962-9149*

Introduction

We have undertaken a limited assurance engagement of Altor's* reporting of indicators for principal adverse impacts ("PAI") indicators for the period 1 January – 31 December 2022. The PAI indicators are presented in Altor's Sustainability Report (see page 47-51).

The definitions of the PAI indicators are explained in Annex I of the Commission Delegated Regulation (EU) 2022/1288 of 6 April 2022 supplementing Regulation (EU) 2019/2088, and measurement is further described in the Joint Consultation Paper Review of SFDR Delegated Regulation regarding PAI and financial product disclosures on 12 April 2023, presenting proposed amendments to the Commission Delegated Regulation (EU) 2022/1288 of 6 April 2022 (criteria).

Management's responsibility

Altor's management is responsible for the reported indicators and for ensuring that the measurement and reporting of PAI indicators is prepared in accordance with the criteria described above, including the responsibility for designing, implementing and maintaining relevant internal controls.

Responsibilities of the auditor

Our responsibility is to express a conclusion on the PAI indicators reported by Altor based on the limited assurance procedures we have performed. Our assignment is limited to the historical information that is presented and thus does not include future-oriented information.

We conducted limited assurance procedures in accordance with ISAE 3000, Assurance Engagements Other than Audits or Reviews of Historical Financial Information. A limited assurance engagement consists of making inquiries, primarily of persons responsible for the preparation of the reported PAI indicators and applying analytical and other limited assurance procedures.

The audit firm applies ISQM 1 (International Standard on Quality Management) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. We are independent in relation to Altor accor-

* Including Altor Fund Manager 556962-9149, Altor Fund II GP Limited (Jersey registration number 91523) and Altor Fund III GP Limited (Jersey registration number 100563).

ding to generally accepted auditing standards in Sweden and have fulfilled our professional ethics responsibility according to these requirements.

Procedures performed

The procedures we performed were based on our professional judgment and, among others, included an assessment of whether the criteria used are appropriate, as well as an assessment of the overall presentation of the principal adverse impacts statement. Our procedures included meetings with representatives from Altor, and selected portfolio companies, who are responsible for the measurement and reporting of PAI indicators, review of internal control and routines for measurement and reporting of PAI indicators, obtaining and reviewing relevant information that supports the preparation of Altor's PAI indicators and controlling the calculations of the PAI indicators based on an assessment of the risk of error.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion about whether the PAI indicators have been prepared, in all material respects, in accordance with the criteria.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion below.

Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that Altor's measurement and reporting of PAI indicators is not, in all material aspects, prepared in accordance with the aforementioned criteria.

Stockholm, 13 June 2023
Öhrlings PricewaterhouseCoopers AB



Daniel Algotsson
Authorised Public Accountant

If you have any questions
please contact us:

→ info@altor.com