



ALTOR

Transparency Report 2022 for Altor in Norway

Altor Equity Partners AS

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1. Introduction

1.1 Notes from the Chairman of Altor Equity Partners AS

Altor Equity Partner's AS overall mission is to build a world-class investment advisory firm and with that ensuring the highest ethical manner in how we do business and act as an employer, as employees and as citizens. This is a commitment to our employees and to the communities in which we operate. Based on this commitment we have adopted guidelines to ensure that we act responsibly.

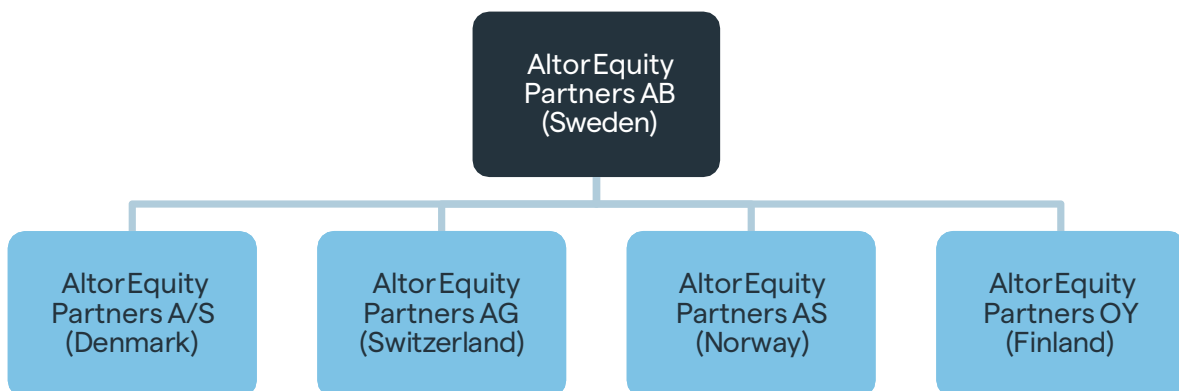
1.2 About Altor Equity Partners AS

Altor Equity Partners AS is a part of the Altor Equity Partners Group, where Altor Equity Partners AB is the Group parent company with its office in Stockholm. Altor Equity Partners Group is an investment advisor to the Altor Funds and are made up of approximately 100 employees whereof 20 are employed by the Norwegian subsidiary. The Altor Equity Partners Group is an investment advisor to the Altor Funds¹ focusing on investments in Nordic and DACH regions and have gradually shifted the operating model towards a cross-office sector focus to maximize the build-up of knowledge and our contributions to each investment situation. The Altor Equity Partners Group believe that this, together with our strong local presence and deep knowledge of each local market is key to our success. We staff our teams cross offices and operate out of offices in Copenhagen, Helsinki, Oslo, Stockholm and Zurich.

Altor was founded in 2003 and consists of its advisory entities ('Altor Equity Partners Group') and Altor Fund Manager AB who is managing the funds domiciled in Sweden². Altor Equity Partners AS did provide investment advisory services to Altor Fund Manager AB during 2022. Funds established before 2014 are domiciled in Jersey³. Altor Equity Partners AS did not provide any investment advisory services to the General Partners of these funds during 2022.

This transparency report only covers Altor Equity Partners AS. For additional information about Altor and Altor's sustainability work please refer to Altor's overall Sustainability report 2022 which can be accessed through this [link](#).

Legal Structure Altor Equity Partners Group



¹The Altor Funds consists of Altor 2003 Fund, Altor Fund II, Altor Fund III, Altor Fund IV, Altor Fund V and Altor Fund VI

²Altor Fund IV, Altor Fund V and Altor Fund VI

³Altor 2003 Fund, Altor Fund II and Altor Fund III

2. Our core values

Altor Equity Partners AS strives to be a world-class investment advisory firm and ensure high environmental, social and governance standards which is illustrated by our five core values that govern how we operate in our daily work.

Teamwork

We facilitate and encourage frequent interaction and joint problem solving, realizing that cooperation and teamwork always improves our work and decisions.

Respect

We behave respectfully towards colleagues and partners, honouring their time and viewpoints, listening to and considering their input, and acknowledging the value of their contribution.

Accountability

We are accountable for our work and are never compromising our commitments towards each other.

Results

We strive to achieve excellent results in everything we do.

Sustainability

We act responsibly and are always taking the social and environmental impact of our actions into consideration while building companies that are long term sustainable in their performance.

3. Governance

Altor Equity Partners Group, have a number of policies which help build the governance foundation of the firm. Even though we are not a regulated business under supervision, we strive to build long term relationships with the highest ethical standards.

3.1 Three lines of defence

During 2022 Altor Equity Partners AS has provided investment advisory services to Altor Fund Manager AB. Altor Fund Manager AB is an AIFM, as defined by AIFMD, and thereby supervised by the Swedish Financial Services Authority. Hence employees within Altor Equity Partners AS are required to follow policies and instructions from Altor Fund Manager AB where a three lines of defence model is applied.

The three lines of defence model applied by Altor Fund Manager AB generally ensures a systematic approach to risk mitigation as well as control and compliance, enabling financial institutions to protect their interests, maintain regulatory compliance and safeguard the interests of their stakeholders.

The first line of defence encompasses the operational management teams responsible for daily business activities and operations. Their key responsibility is to identify, assess and manage risk associated with their respective areas. By embedding risk management practices in the day-to-day operations, the first line of defence ensures proactive risk identification, mitigation and control.

The second line consists of the specialised risk management and compliance functions. These functions are responsible for overseeing the implementation of risk management policies, procedures and frameworks across the organization. They provide guidance, monitor adherence to the regulatory requirements and establish risk appetite limits. The second line of defence collaborates closely with the first line to provide expertise, support and independent oversight. By maintaining an objective viewpoint, they help ensure that risk identification, measurements and mitigation strategies are in place.

The third line of defence is the Internal Audit function. Internal Audit reviews the overall governance framework, risk management practices as well as compliance with policies and regulations. They conduct periodic audits, evaluate controls and provide recommendations for improvements. The Internal Audit function operates fully independently from the first and second line of defence to provide unbiased assessments of the organisation's risk management practices.

In order to ensure that Altor Equity Partners AS standards are met by suppliers, business partners as well as employees we have brought forward numerous risk mitigation measures presented below.

3.2 Internal Code of Conduct

The Code of Conduct adopted by Altor Equity Partners Group provides employees with detailed guidance on ethical, legal and compliance matters as well as expected conduct. The code of conduct comprises key points to ensure high ethical and legal standards most of which are summarized below. In addition, the code of conduct is complemented by topical policies where relevant.

3.2.1 Sustainability

The sustainability vision and strategy defined in Altor's Responsible Investment and Ownership (RIO) Policy available through this [link](#) is managed by the Altor Fund Manager AB and Altor Equity Partners Group. Subsidiaries shall adopt the principles set out in the policy as applicable. Based on our strong commitment to sustainability, our fiduciary duty, and a belief that sustainability has a positive impact on investment returns, sustainability integration is a natural part of our investment strategy.

Our ambition is to assess and evaluate each investment opportunity to ensure that both sustainability risks and opportunities are identified and managed throughout the investment process. Sustainability considerations are an integral part of our sourcing activities and a fully integrated into investment decisions. To ensure the effective integration of sustainability risks, Altor Equity Partners AS investment professionals are supported with sustainability resources and expertise from the central sustainability function as well as external advisors. Sustainability is also a mandatory part of employee onboarding as well as ongoing employee capability building.

The largest share of Altor Equity Partners AS' own operational emissions is from business travel and therefore, as a first step, we are offsetting our flight emissions. However, we recognize that the most material part of our environmental impact is indirectly through the portfolio companies of the Altor Funds that we advise. Scope 3 category 15 (investments) represent 99.9% of total Altor 2022 GHG emissions. We are committed to continue supporting the Altor Funds with advice that enables progress towards the Altor Funds science-based target 1.5- degree ambition, which was recently submitted and is awaiting approval, as well as the work towards environmental practices that are in line with or above industry standards.

3.2.2 Governance

Transparent accounting and reporting

We are committed to provide full, fair, accurate, timely and understandable information in annual reports and other communication. All financial transactions are maintained and compliant with each company's statutory, regulatory or contractual requirements.

Anti-corruption and bribery

We have zero tolerance for all forms of corruption and take active action to ensure that it does not occur within our business activities. To achieve this, we have set principles on bribery, hospitality, gifts and entertainment which must be complied with at all times by all employees.

Anti-Money Laundering and Counter Terrorist Financing

We are committed to the highest norms of business conduct and take measures to combat illegal and unethical practices not only in relation to our own customers, but also in relation to third party business relationships. We are committed to comply with relevant anti-money laundering and counter terrorist financing laws and we strictly forbid knowingly engaging in transactions that facilitate money laundering or otherwise result in unlawful diversion of assets. Furthermore, we are committed to conduct our business in accordance with applicable sanctions laws. Such sanctions may be decided by the United Nations (UN), the European Union (EU), or by foreign public authorities such as the US Office of Foreign Assets Control (OFAC).

Conflict of interest

We strive to perform our business operation with the highest level of integrity. To this end, we have set out procedures to be followed and measures to be adopted to manage any conflicts of interest that may arise.

Fair competition practices

We support free and fair competition. Price-fixing, market sharing, and similar anti-competitive practices are prohibited. Altor Equity Partners AS shall act independently and not try to seek to influence the future market conduct of our competitors.

Legal and tax compliance

We comply with the tax legislations and regulations of each country in which we operate.

Personal account dealing and market abuse

From time to time, insider information of a highly sensitive nature regarding potential and current public investments may exist. It is highly important for Altor Equity Partners AS ensure that no employees conduct personal account dealings that could violate applicable market abuse legislation or that is otherwise inappropriate or harmful to our reputation. Employees who wish to transact in publicly listed financial instruments, invest in non-listed companies or have outside affiliations are required to report such transactions.

IT and information security

We have established a common understanding of how to protect our assets and records to ensure, in the event of an interruption to the systems and procedures, the preservation of essential data and functions as well as the maintenance of services and activities. We encourage our employees to report any detected information security breaches or losses of information.

Personal Data Protection

We recognise the importance of protecting the personal data and privacy of the individuals whose personal data we process, and of acting in accordance with applicable data protection and privacy laws.

3.2.3 Confidential information and privacy

We strive to protect sensitive and confidential information and not misuse information belonging to Altor Equity Partners AS or any of its partners. Employees have a duty of confidentiality, both by law and by way of written agreement, and are responsible for keeping confidential all matters that could provide third parties unauthorised access to confidential information about Altor Equity Partners AS or its affiliates. We will not disclose any confidential, financial or technical information to third parties, unless we have received explicit permission for such disclosures.

3.2.4 Political Involvement

We have a strict neutrality to political parties and candidates. Neither the names nor resources of our employees shall be used to promote the interest of political parties or candidates. Employees may voluntarily participate in political processes. However, an employee may never use Altor Equity Partners AS' services to support any political party and shall always make clear that any expressed political view is the view of that the individual.

3.2.5 Fair labour practices

Forced or child labour

Use of child labour is never tolerated and the minimum age for employment shall be in accordance with the ILO Convention or the age specified by local legislation if higher. The employment of young persons shall not jeopardize their education or their development. Any form of involuntary labour is prohibited. Employees are free to leave their employment after reasonable notice as required by law and contract.

Human rights

We support and respect the protection of the UN's Universal Declaration of Human Rights and the Core Conventions of the International Labour Organization (ILO), and endeavour to ensure that our business partners are not complicit in any breaches of human rights.

Freedom of association

We respects the right of all employees to organize, join associations and bargain collectively or individually, if they wish to.

3.2.6 Working conditions

Physical and psychological work environments

Altor Equity Partners AS strives to be a good employer for all employees and to offer an attractive workplace governed by our Values. Continuously developing the work environment promotes creativity, good health, prevents ill health and provides the preconditions for good performance. A good work environment is an asset.

Non-discrimination, equal opportunities and diversity

We recognize diversity as strength and strive to create an inclusive culture where everyone can contribute and be accepted for who they are. Discrimination against any employee in respect of race, ethnic background, gender, disability, sexual orientation, religion, political opinion, maternity, social origin or similar characteristic is prohibited. Physical, psychological, sexual or verbal harassment or any illegal threats against colleagues or business partner is not tolerated. Employees with the same qualifications, experience and performance receive equal pay for equal work with respect to their relevant peers.

Safety, health and well-being

We are committed to developing a safe and healthy workplace. We follow applicable working environment legislation and we strive to ensure the best possible physical and psychosocial work environment. We strive towards our employees having a joint responsibility to create a good work environment. Each employee has a personal responsibility for his or her own health.

4. Process for due diligence

4.1 The Transparency Act and OECD guidelines for multinational enterprises

The OECD Guidelines for multinational enterprises provides recommendations for responsible business conduct across a range of topics such as human rights, employment and environment. In addition, the Transparency Act similarly introduces requirements for due diligence and transparency in relation to human rights and decent working conditions in connection with the production of goods and the provision of services. As a professional service firm, Altor Equity Partners Group's sourcing of goods is limited, mostly relating to IT hardware. In terms of services Altor Equity Partners Group have long-standing relationships with top-tier professional service firms and several frame agreements in place. In addition, Altor Equity Partners Group maintains a portfolio of contracts on indirect spend such a travel, facility management, etc. for the benefit of the investments. Altor Equity Partners AS is not a party to any such contracts. Altor Equity Partners Group informally screens the largest suppliers and business partners to get insight and comfort on their business practices. To our knowledge no suppliers or business partners are in breach with the OECD Guidelines for multinational enterprises. In addition, and governed by Altor's RIO Policy, the Altor Funds that Altor Equity Partners Group provide investment advisory services to require investment companies to maintain high standards of business ethics and to manage suppliers actively (material part of supply chain) through screening and auditing of both new and existing suppliers.

4.2 How we assess risk

We take risks seriously and continuously implement strategies and internal policies to mitigate all risks. Mitigation processes are described in internal policies available to all employees and through annual online training courses to update employees on potential internal and external risks. We take these measures to ensure a safe working environment, both internally for our employees as well as externally for our business partners. Thus, ensuring a strong reputation throughout Altor as a whole.

Altor Equity Partners AS is an investment advisory firm, mainly providing services to Altor Fund Manager AB. Therefore, the going concern risk linked to the revenue stream is limited to Altor Fund Managers AB's ability to pay, which is assessed as strong.

To combat significant risks, Altor Equity Partners Group jointly procure services to ensure strong supply chain management, cost efficiency and a seamless experience for all parties. Thus, also ensuring that risks of adverse impacts are limited.

5. Significant risks of adverse impacts

5.1 Supply chain and business partners

Altor Equity Partners AS has approximately 70 suppliers including Altor business partners, mainly consisting of world- renowned advisors from some of the top companies around the world as well as smaller suppliers for office supply. At Altor Equity Partners AS it is important that our suppliers ensure and promote fair labour practices which is why we have comprised a list containing three elements which are further described in the section Fair Labour Practices (chapter 3.2.5). We are working on practically implementing these three elements in our supplier and business partner checklist to make sure these controls and checks are more formalized going forward.

6. Grievance mechanisms/Whistleblower channel

Altor Equity Partners AS strives to achieve transparency and a high level of ethics, integrity and respect for the law. Our employees are the most important source of insight for revealing possible misconduct that needs to be addressed. Employees of Altor Equity Partners AS can raise any suspicions of misconduct in confidence through the Altor Funds' third-party **whistleblowing channel**. It is an important tool for reducing risks and maintaining trust in our operations by enabling us to detect and act on possible misconduct at an early stage. Whistleblowing can be done openly or anonymously.

7. Our responsible path into the future

Altor Equity Partners AS are, together with other Group entities and affiliates, continuously working to improve our impact. During 2023 we aim to update our internal processes regarding new suppliers and business partners with new tools to ensure that our values are even more systematically and consistently supported throughout our whole supply chain. We look forward to update on progress in the upcoming years.

Oslo, 30 June 2023



Øistein Widding

Chairman of the Board



Maria Tallaksen

Board member



Hans Ragnesjö

Board member