



## **PUBLIC TRANSPARENCY REPORT**

**2024**

**Nordic Capital**

Generated 25-11-2024

# About this report

PRI reporting is the largest global reporting project on responsible investment. It was developed with investors, for investors.

PRI signatories are required to report publicly on their responsible investment activities each year. In turn, they receive a number of outputs, including a public and private Transparency Report.

The public Transparency Reports, which are produced using signatories' reported information, provide accountability and support signatories to have internal discussions about their practices and to discuss these with their clients, beneficiaries, and other stakeholders.

This public Transparency Report is an export of the signatory's responses to the PRI Reporting Framework during the 2024 reporting period. It includes the signatory's responses to core indicators, as well as responses to plus indicators that the signatory has agreed to make public.

In response to signatory feedback, the PRI has not summarised signatories' responses – the information in this document is presented exactly as it was reported.

For each of the indicators in this document, all options selected by the signatory are presented, including links and qualitative responses. In some indicators, all applicable options are included for additional context.

## Disclaimers

### Legal Context

PRI recognises that the laws and regulations to which signatories are subject differ by jurisdiction. We do not seek or require any signatory to take an action that is not in compliance with applicable laws. All signatory responses should therefore be understood to be subject to and informed by the legal and regulatory context in which the signatory operates.

### Responsible investment definitions

Within the PRI Reporting Framework Glossary, we provide definitions for key terms to guide reporting on responsible investment practices in the Reporting Framework. These definitions may differ from those used or proposed by other authorities and regulatory bodies due to evolving industry perspectives and changing legislative landscapes. Users of this report should be aware of these variations, as they may impact interpretations of the information provided.

### Data accuracy

This document presents information reported directly by signatories in the 2024 reporting cycle. This information has not been audited by the PRI or any other party acting on its behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented. The PRI has taken reasonable action to ensure that data submitted by signatories in the reporting tool is reflected in their official PRI reports accurately. However, it is possible that small data inaccuracies and/or gaps remain, and the PRI shall not be responsible or liable for such inaccuracies and gaps.

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# SENIOR LEADERSHIP STATEMENT (SLS)

## SENIOR LEADERSHIP STATEMENT

### SENIOR LEADERSHIP STATEMENT

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SLS 1	CORE	N/A	N/A	PUBLIC	Senior Leadership Statement	GENERAL

#### Section 1. Our commitment

- Why does your organisation engage in responsible investment?
- What is your organisation's overall approach to responsible investment, and what major responsible investment commitment(s) have you made?

Nordic Capital\* is committed to investing responsibly, with a firm belief that responsible business practice is essential for achieving long-term success and value creation. With a clear commitment to making a positive contribution to society by helping to build strong companies, we drive sustainable development and awareness within our own organisation as well as throughout the portfolio and across all asset classes. Nordic Capital's fundamental ambition is to help our portfolio companies become successful, sustainable businesses. We seek to do this in a responsible way, with a clear understanding of environmental, social, and governance impacts. As a result, sustainability factors are fully integrated into all stages of our investment and ownership processes from sourcing through to exit. Nordic Capital Advisors investment professionals are well placed to address sustainability risks and opportunities with the support of a dedicated in-house Sustainability team and trusted external advisors.

Nordic Capital is a signatory of the United Nations Principles of Responsible Investments (PRI) and we are committed to integrating sustainability factors into all stages of our investment process. Our Responsible Investment Policy takes into consideration the Ten Principles of the United Nations Global Compact (UNGC) and the sustainability objectives set out in the United Nations Sustainable Development Goals (SDGs), which are used as guidelines throughout our investment process. We also encourage our portfolio companies to consider both the Ten Principles of the UNGC and the SDGs when developing their own business strategies and value creation plans. In our role as a responsible owner, Nordic Capital makes the following commitment to our business stakeholders:

- We are committed to complying with applicable laws and regulations in the jurisdictions in which we operate.
- We integrate considerations of sustainability risks into our investment process.
- We expect our portfolio companies to focus on improving their sustainability performance and improve their sustainability risk mitigation efforts, in line with our commitments. We expect them to comply with applicable laws and regulations.
- We integrate and promote transparency on sustainability matters in our communication to our investors and other business stakeholders.
- We are committed to supporting the transition to a low-carbon economy on both Nordic Capital and portfolio level.

Nordic Capital is a member of Invest Europe and local Venture Capital Associations; we follow the professional standards set by those associations. Reinforcing Nordic Capital's support of climate action, we have committed to climate reduction targets in line with the Paris Agreement and Science Based Targets initiative (SBTi) framework. In addition to fulfilling our PRI reporting obligations, we uphold transparent disclosure practices aligned with Invest Europe and EDCI ESG Data Convergence Initiative guidance, as well as the EU Sustainable Finance Disclosure Regulation (SFDR).

Nordic Capital sets clear expectations for portfolio companies to address material sustainability risks and opportunities throughout their value chains. Each portfolio company's board of directors is responsible for developing the portfolio company's sustainability strategy and ensuring its implementation. Nordic Capital Advisors provides training and support to investment professionals and portfolio companies to help them set and achieve sustainability objectives as well as meet Nordic Capital's expectations within our sustainability focus areas. Nordic Capital's long-term commitment to responsible investment and track record of improvements in this area have provided a valuable foundation in the implementation of the evolving regulations, such as the SFDR, both at entity and product level. Nordic Capital is committed to embedding the highest standards of sustainability practices within our own organisation while working hard to drive transformative sustainable change in the companies that we own.

\* Throughout this report, unless otherwise stated "Nordic Capital", "we", "us", "our" (or similar terms) refer to, depending on the context, any, or all (i) Nordic Capital branded entities, vehicles, structures and associated entities (including (a) the general partners and/or delegated portfolio managers, or (b) intermediate investment vehicles, of such Nordic Capital entities and vehicles), and (ii) non-discretionary sub-advisory entities to such general partners and/or delegated portfolio managers (any or all of whom may be referred to as "Nordic Capital Advisors" herein). However, this does not imply from a legal, regulatory or tax perspective, nor should it be inferred, that the entities in the prior sentence are not separate and distinct entities, nor that there is any single Nordic Capital entity.

## Section 2. Annual overview

- Discuss your organisation's progress during the reporting year on the responsible investment issue you consider most relevant or material to your organisation or its assets.
- Reflect on your performance with respect to your organisation's responsible investment objectives and targets during the reporting year. Details might include, for example, outlining your single most important achievement or describing your general progress on topics such as the following (where applicable):
  - refinement of ESG analysis and incorporation
  - stewardship activities with investees and/or with policymakers
  - collaborative engagements
  - attainment of responsible investment certifications and/or awards

Nordic Capital continuously drives sustainable development and awareness within our own organisation as well as throughout the portfolio. Nordic Capital's mission is to find, invest in, and build stronger sustainable businesses that have the potential to shape their industries. Nordic Capital proudly demonstrates growing sustainability commitment and maturity within our portfolio. In 2023, 95% of portfolio companies adopted sustainability strategies and included sustainability on the board agenda at least annually. A notable highlight from the 2023 annual sustainability review underscores the allocation of sufficient internal resources, with 100% of portfolio companies having an assigned individual with overarching responsibility for sustainability.

Key highlights of Nordic Capital's ESG achievements in 2023 include:

- Updated the Responsible Investment Policy to align with new climate reduction commitment, regulatory requirements and governance structure
- Portfolio companies' sustainability maturity increasing, highlighted by improvements at portfolio level across prioritised SDG targets

- New ESG request list and ESG final bid guidance updated to ensure regulated ESG indicators are fully integrated pre-investment phase
- Double materiality assessment toolkit developed, enabling portfolio companies to address materiality assessments in a structure and effective manner
- 156 attendees in sustainability training in three different training modules and spotlight session to increase awareness and share best practices within Nordic Capital and portfolio companies. To date, Nordic Capital has had 1,200 attendees in sustainability training
- Sustainability Summit addressing ESG business integration, with 2/3 of portfolio companies attending and sharing best practice on SBTi, D&I, sustainable operations and exit readiness
- Recognised as “Best ESG GP-Large Cap” by leading industry publication Real Deals Private Equity Awards 2023 which reinforces Nordic Capital’s position as one of the leaders in ESG within the private equity industry
- Published the Annual and Sustainability Review on Nordic Capital's website and a comprehensive ESG report to investors to drive transparency on ESG metrics and performance
- Expanded ESG expert network to ensure strong support across E, S and G topics and the Funds geographical scope
- Extended ESG KPI reporting and data quality processes with portfolio company specific ESG metrics disclosures
- Improved Sustainability Scorecards to further drive sustainable progress and performance across portfolio
- Committed to SBTi climate reduction targets to drive decarbonisation within our own organisation and across the portfolio
- ESG Data Convergence Initiative report completed with high submission rate to improve comparative performance
- Active engagement in Invest Europe ESG reporting framework to set the industry standard and guidelines for ESG reporting
- Developed Ethical AI policy and guidance to promote the responsible and ethical use of Artificial Intelligence within the portfolio
- Developed Human Rights Policy to address human rights in the Corporate Compliance Programme
- Crafted a decarbonisation playbook for portfolio companies to support them on their SBTi journey
- Achieving climate neutral status by undertaking climate reduction activities, selecting zero-carbon resources, and offsetting all carbon emissions
- Established D&I Taskforce to nurture and improve Nordic Capital's gender balance

- Conducted third-party review of ESG reporting to quality assure ESG related processes, reporting and governance
- First limited assurance on SFDR periodic disclosures to increase the level of trust and transparency of our ESG reporting
- Promoted ESG best practices publicly by acting as thought leaders on matters such as diversity, sustainability regulation, and sustainable value creation

Further reflections on Nordic Capital's performance with respect to our responsible investment objectives and targets include the additional important steps taken to deliver on our climate agenda and promoting a healthy workplace with equal opportunities. Reinforcing Nordic Capital's support of climate action, we committed to climate reduction targets in line with the Paris Agreement and SBTi framework. These targets, covering both Nordic Capital and portfolio levels, were approved by the SBTi in July 2024. Central to our values is a steadfast commitment to diversity and inclusion, recognising that there is always room for improvement. In response to this imperative, we established a D&I Taskforce responsible for driving initiatives aimed at fostering D&I within Nordic Capital.

### Section 3. Next steps

#### ■ What specific steps has your organisation outlined to advance your commitment to responsible investment in the next two years?

Nordic Capital remains committed to leveraging our deep sector expertise, operational excellence, and effective leadership when sourcing and evaluating new investment opportunities and guiding the portfolio companies. Nordic Capital believes in the transformative power of private equity to drive positive change for society and the planet. As we chart our course for the future, sustainability is not just an important part of our strategy but a fundamental element for everything we do. We are committed to integrating sustainable practices into both operations and investment advice, reflecting our long-term vision and commitment to a better future. As we look to the two years ahead, we approach them with optimism and caution as we continue Nordic Capital's mission to build healthier and more resilient companies that can make a lasting positive social and environmental impact.

Nordic Capital continues to set additional and more ambitious commitments to advance progress in key focus areas: climate action, diversity and inclusion, human rights, responsible procurement practices, and external verification of ESG data and processes. Aligned with our Responsible Investment framework, progress is measured against environmental, social and governance targets as set out by our five selected UN SDGs and SFDR Principal Adverse Impacts (PAI) metrics, which are considered throughout the investment process. Some key steps to advance our commitment to responsible investment in the coming years include:

- Accelerating our decarbonisation journey in alignment with the Paris Agreement through approved firm and portfolio-level SBTi targets.
- Integrate SBT considerations into Nordic Capital's operations and throughout the investment process to create a positive impact in the market and continue driving best practice.
- Increase portfolio engagement in climate action by leveraging decarbonisation playbook, supporting them along their SBTi journey.
- Continue taking proactive measures to foster a healthy workplace environment, characterised by equal opportunities and well-being.
- Facilitated by Nordic Capital's D&I Taskforce, continue advocating for transformative D&I-related change across the organisation. This includes setting clear definitions, establishing targets, implementing concrete actions to attract and retain diverse talent, and monitoring relevant metrics to ensure progress.
- Continue improving Nordic Capital's Corporate Compliance Programme with a focus on human rights. Deploy the newly developed Human Rights Toolkit comprising a policy template, recommended implementation process, and training on policy and regulatory requirements to prevent violations and protect human rights.



- Deepen our collaboration with EcoVadis to provide portfolio companies robust support in enhancing their procurement practices and managing their supply chains effectively. Offering support at every stage of the procurement process, EcoVadis seamless integration with Nordic Capital's procurement platform allows portfolio companies to monitor and improve the sustainability performance of their suppliers.
- Ensure full compliance with new ESG regulations and promote best practice by staying at the forefront of industry developments including implementation of enhanced internal and external verification of ESG disclosures.
- Strengthen our active ownership model and continuously develop our engagement approach with portfolio companies by building internal competencies, sharing best practices, and maintaining both regular and mandatory reporting to ensure ongoing adherence to and progress in sustainability.

#### Section 4. Endorsement

**'The Senior Leadership Statement has been prepared and/or reviewed by the undersigned and reflects our organisation-wide commitment and approach to responsible investment'.**

Name

Elin Ljung

Position

Managing Director, Head of Communications & Sustainability, Nordic Capital Advisors

Organisation's Name

Nordic Capital

○ A

'This endorsement applies only to the Senior Leadership Statement and should not be considered an endorsement of the information reported by the above-mentioned organisation in the various modules of the Reporting Framework.

The Senior Leadership Statement serves as a general overview of the above-mentioned organisation's responsible investment approach. The Senior Leadership Statement does not constitute advice and should not be relied upon as such. Further, it is not a substitute for the skill, judgement and experience of any third parties, their management, employees, advisors and/or clients when making investment and other business decisions'.

● B

Except where specified either in this 2024 PRI Report or any other documents, any ESG or impact goals, targets, commitments, incentives, initiatives or outcomes referenced in any information, reporting or disclosures published by Nordic Capital are not being marketed to investors or promoted and do not bind any investment decisions made in respect of, or the management or stewardship of, any funds and vehicles managed by Nordic Capital for the purposes of Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector. Any measures in respect of such ESG or impact goals, targets, commitments, incentives, initiatives or outcomes may be overridden, may not be implemented or may not be immediately applicable to the investments of any funds and vehicles managed by Nordic Capital (in each case, at Nordic Capital's sole discretion).



# ORGANISATIONAL OVERVIEW (OO)

## ORGANISATIONAL INFORMATION

### REPORTING YEAR

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 1	CORE	N/A	N/A	PUBLIC	Reporting year	GENERAL

What is the year-end date of the 12-month period you have chosen to report for PRI reporting purposes?

	Date	Month	Year
Year-end date of the 12-month period for PRI reporting purposes:	31	12	2023

## SUBSIDIARY INFORMATION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 2	CORE	N/A	OO 2.1	PUBLIC	Subsidiary information	GENERAL

Does your organisation have subsidiaries?

- ☐ (A) Yes
- ☒ (B) No

## ASSETS UNDER MANAGEMENT

### ALL ASSET CLASSES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 4	CORE	OO 3	N/A	PUBLIC	All asset classes	GENERAL

**What are your total assets under management (AUM) at the end of the reporting year, as indicated in [OO 1]?**

**USD**

(A) AUM of your organisation, including subsidiaries, and excluding the AUM subject to execution, advisory, custody, or research advisory only

US\$ 33,900,000,000.00

(B) AUM of subsidiaries that are PRI signatories in their own right and excluded from this submission, as indicated in [OO 2.2]

US\$ 0.00

(C) AUM subject to execution, advisory, custody, or research advisory only

US\$ 0.00

#### **Additional information on the exchange rate used: (Voluntary)**

As of December 31, 2023, Nordic Capital's AUM for all active funds and vehicles was EUR 30.7 bn, equivalent to USD 33.9 bn

## ASSET BREAKDOWN

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 5	CORE	OO 3	Multiple indicators	PUBLIC	Asset breakdown	GENERAL

Provide a percentage breakdown of your total AUM at the end of the reporting year as indicated in [OO 1].

	(1) Percentage of Internally managed AUM	(2) Percentage of Externally managed AUM
(A) Listed equity	0%	0%
(B) Fixed income	0%	0%
(C) Private equity	100%	0%
(D) Real estate	0%	0%
(E) Infrastructure	0%	0%
(F) Hedge funds	0%	0%
(G) Forestry	0%	0%
(H) Farmland	0%	0%
(I) Other	0%	0%
(J) Off-balance sheet	0%	0%

## ASSET BREAKDOWN: INTERNALLY MANAGED PRIVATE EQUITY

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 5.3 PE	CORE	OO 5	N/A	PUBLIC	Asset breakdown: Internally managed private equity	GENERAL

**Provide a further breakdown of your internally managed private equity AUM.**

(A) Venture capital 0%

(B) Growth capital 0%

(C) (Leveraged) buy-out 100%

(D) Distressed, turnaround or  
special situations 0%

(E) Secondaries 0%

(F) Other 0%

## GEOGRAPHICAL BREAKDOWN

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 7	CORE	Multiple, see guidance	N/A	PUBLIC	Geographical breakdown	GENERAL

**How much of your AUM in each asset class is invested in emerging markets and developing economies?**

### AUM in Emerging Markets and Developing Economies

(F) Private equity (1) 0%

## STEWARDSHIP

### STEWARDSHIP

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 8	CORE	Multiple, see guidance	Multiple indicators	PUBLIC	Stewardship	GENERAL

Does your organisation conduct stewardship activities, excluding (proxy) voting, for any of your assets?

#### (5) Private equity

(A) Yes, through internal staff	<input checked="" type="checkbox"/>
(B) Yes, through service providers	<input checked="" type="checkbox"/>
(C) Yes, through external managers	<input type="checkbox"/>
(D) We do not conduct stewardship	<input type="radio"/>

## ESG INCORPORATION

### INTERNALLY MANAGED ASSETS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 11	CORE	Multiple, see guidance	Multiple indicators	PUBLIC	Internally managed assets	1

For each internally managed asset class, does your organisation incorporate ESG factors, to some extent, into your investment decisions?

(1) Yes, we incorporate ESG factors into our investment decisions

(2) No, we do not incorporate ESG factors into our investment decisions

(I) Private equity	<input checked="" type="radio"/>	<input type="radio"/>
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# ESG/SUSTAINABILITY FUNDS AND PRODUCTS

## LABELLING AND MARKETING

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 18	CORE	OO 11–14	OO 18.1	PUBLIC	Labelling and marketing	1

**Do you explicitly market any of your products and/or funds as ESG and/or sustainable?**

☒ **(A) Yes, we market products and/or funds as ESG and/or sustainable**

Provide the percentage of AUM that your ESG and/or sustainability-marketed products or funds represent:

100%

- ☐ (B) No, we do not offer products or funds explicitly marketed as ESG and/or sustainable
- ☐ (C) Not applicable; we do not offer products or funds

**Additional information: (Voluntary)**

90% of AUM is classified as Article 8 under EU SFDR and the remaining 10% of AUM is subject to clear guidelines to ensure integration of sustainability targets set out in our Responsible Investment Policy and marketing materials of the Nordic Capital funds and vehicles.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 18.1	CORE	OO 18	OO 18.2	PUBLIC	Labelling and marketing	1

**Do any of your ESG and/or sustainability-marketed products and/or funds hold formal ESG and/or RI certification(s) or label(s) awarded by a third party?**

- ☐ (A) Yes, our ESG and/or sustainability-marketed products and/or funds hold formal labels or certifications
- ☒ **(B) No, our ESG and/or sustainability-marketed products and/or funds do not hold formal labels or certifications**

## SUMMARY OF REPORTING REQUIREMENTS

### SUMMARY OF REPORTING REQUIREMENTS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 21	CORE	Multiple indicators	Multiple indicators	PUBLIC	Summary of reporting requirements	GENERAL

The following table shows which modules are mandatory or voluntary to report on in the separate PRI asset class modules. Where a module is voluntary, indicate if you wish to report on it.

Applicable modules	(1) Mandatory to report (pre-filled based on previous responses)	(2.1) Voluntary to report. Yes, I want to opt-in to reporting on the module	(2.2) Voluntary to report. No, I want to opt-out of reporting on the module
Policy, Governance and Strategy	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Confidence Building Measures	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
(I) Private equity	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>

## OTHER ASSET BREAKDOWNS

### PRIVATE EQUITY: SECTORS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 22	CORE	OO 21	N/A	PUBLIC	Private equity: Sectors	GENERAL

In which sector(s) are your internally managed private equity assets invested?

- ☐ (A) Energy
- ☐ (B) Materials
- ☒ (C) **Industrials**
- ☒ (D) **Consumer discretionary**
- ☒ (E) **Consumer staples**
- ☒ (F) **Healthcare**
- ☒ (G) **Financials**
- ☒ (H) **Information technology**
- ☐ (I) Communication services
- ☐ (J) Utilities
- ☐ (K) Real estate



## PRIVATE EQUITY: OWNERSHIP LEVEL

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 23	CORE	OO 21	N/A	PUBLIC	Private equity: Ownership level	GENERAL

What is the percentage breakdown of your internally managed private equity investments by the level of ownership?

☒ (A) A majority stake (more than 50%)

Select from the list:

- ☐ (1) >0 to 10%
- ☐ (2) >10 to 50%
- ☒ (3) >50 to 75%
- ☐ (4) >75%

☒ (B) A significant minority stake (between 10–50%)

Select from the list:

- ☐ (1) >0 to 10%
- ☒ (2) >10 to 50%

☐ (C) A limited minority stake (less than 10%)

## SUBMISSION INFORMATION

### REPORT DISCLOSURE

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 32	CORE	OO 3, OO 31	N/A	PUBLIC	Report disclosure	GENERAL

How would you like to disclose the detailed percentage figures you reported throughout the Reporting Framework?

☒ (A) Publish as absolute numbers

☐ (B) Publish as ranges

# POLICY, GOVERNANCE AND STRATEGY (PGS)

## POLICY

### RESPONSIBLE INVESTMENT POLICY ELEMENTS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 1	CORE	OO 8, OO 9	Multiple indicators	PUBLIC	Responsible investment policy elements	1, 2

Which elements are covered in your formal responsible investment policy(ies)?

- ☒ (A) Overall approach to responsible investment
- ☒ (B) Guidelines on environmental factors
- ☒ (C) Guidelines on social factors
- ☒ (D) Guidelines on governance factors
- ☒ (E) Guidelines on sustainability outcomes
- ☒ (F) Guidelines tailored to the specific asset class(es) we hold
- ☐ (G) Guidelines on exclusions
- ☒ (H) Guidelines on managing conflicts of interest related to responsible investment
- ☒ (I) Stewardship: Guidelines on engagement with investees
- ☒ (J) Stewardship: Guidelines on overall political engagement
- ☒ (K) Stewardship: Guidelines on engagement with other key stakeholders
- ☒ (M) Other responsible investment elements not listed here

Specify:

Approach to investment objectives, RI governance structure, internal/external reporting and verification related to RI

- (N) Our organisation does not have a formal responsible investment policy and/or our policy(ies) do not cover any responsible investment elements

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 2	CORE	PGS 1	Multiple, see guidance	PUBLIC	Responsible investment policy elements	1

Does your formal responsible investment policy(ies) include specific guidelines on systematic sustainability issues?

- ☒ (A) Specific guidelines on climate change (may be part of guidelines on environmental factors)
- ☒ (B) Specific guidelines on human rights (may be part of guidelines on social factors)
- ☒ (C) Specific guidelines on other systematic sustainability issues

Specify:

Fair tax practices, business ethics and legal compliance, supply chain management, biodiversity, healthy and safe working environments, as well as expectation to promote employee well-being and diversity & inclusion

- (D) Our formal responsible investment policy(ies) does not include guidelines on systematic sustainability issues

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 3	CORE	PGS 1, PGS 2	N/A	PUBLIC	Responsible investment policy elements	6

**Which elements of your formal responsible investment policy(ies) are publicly available?**

☒ **(A) Overall approach to responsible investment**

Add link:

[https://www.nordiccapital.com/media/aixh2alc/nordic-capital-responsible-investment-policy-vf\\_2023.pdf](https://www.nordiccapital.com/media/aixh2alc/nordic-capital-responsible-investment-policy-vf_2023.pdf)

☒ **(B) Guidelines on environmental factors**

Add link:

[https://www.nordiccapital.com/media/aixh2alc/nordic-capital-responsible-investment-policy-vf\\_2023.pdf](https://www.nordiccapital.com/media/aixh2alc/nordic-capital-responsible-investment-policy-vf_2023.pdf)

☒ **(C) Guidelines on social factors**

Add link:

[https://www.nordiccapital.com/media/aixh2alc/nordic-capital-responsible-investment-policy-vf\\_2023.pdf](https://www.nordiccapital.com/media/aixh2alc/nordic-capital-responsible-investment-policy-vf_2023.pdf)

☒ **(D) Guidelines on governance factors**

Add link:

[https://www.nordiccapital.com/media/aixh2alc/nordic-capital-responsible-investment-policy-vf\\_2023.pdf](https://www.nordiccapital.com/media/aixh2alc/nordic-capital-responsible-investment-policy-vf_2023.pdf)

☒ **(E) Guidelines on sustainability outcomes**

Add link:

[https://www.nordiccapital.com/media/aixh2alc/nordic-capital-responsible-investment-policy-vf\\_2023.pdf](https://www.nordiccapital.com/media/aixh2alc/nordic-capital-responsible-investment-policy-vf_2023.pdf)

☒ **(F) Specific guidelines on climate change (may be part of guidelines on environmental factors)**

Add link:

[https://www.nordiccapital.com/media/aixh2alc/nordic-capital-responsible-investment-policy-vf\\_2023.pdf](https://www.nordiccapital.com/media/aixh2alc/nordic-capital-responsible-investment-policy-vf_2023.pdf)

☒ **(G) Specific guidelines on human rights (may be part of guidelines on social factors)**

Add link:

[https://www.nordiccapital.com/media/aixh2alc/nordic-capital-responsible-investment-policy-vf\\_2023.pdf](https://www.nordiccapital.com/media/aixh2alc/nordic-capital-responsible-investment-policy-vf_2023.pdf)

☒ **(H) Specific guidelines on other systematic sustainability issues**

Add link:

[https://www.nordiccapital.com/media/aixh2alc/nordic-capital-responsible-investment-policy-vf\\_2023.pdf](https://www.nordiccapital.com/media/aixh2alc/nordic-capital-responsible-investment-policy-vf_2023.pdf)

☒ **(I) Guidelines tailored to the specific asset class(es) we hold**

Add link:

[https://www.nordiccapital.com/media/aixh2alc/nordic-capital-responsible-investment-policy-vf\\_2023.pdf](https://www.nordiccapital.com/media/aixh2alc/nordic-capital-responsible-investment-policy-vf_2023.pdf)

☒ **(K) Guidelines on managing conflicts of interest related to responsible investment**

Add link:

[https://www.nordiccapital.com/imported-media/2325/nordic-capital-code-of-conduct-2021\\_vf.pdf](https://www.nordiccapital.com/imported-media/2325/nordic-capital-code-of-conduct-2021_vf.pdf)

☒ **(L) Stewardship: Guidelines on engagement with investees**

Add link:

[https://www.nordiccapital.com/media/aixh2alc/nordic-capital-responsible-investment-policy-vf\\_2023.pdf](https://www.nordiccapital.com/media/aixh2alc/nordic-capital-responsible-investment-policy-vf_2023.pdf)

☒ **(M) Stewardship: Guidelines on overall political engagement**

Add link:

[https://www.nordiccapital.com/imported-media/2325/nordic-capital-code-of-conduct-2021\\_vf.pdf](https://www.nordiccapital.com/imported-media/2325/nordic-capital-code-of-conduct-2021_vf.pdf)

☒ (N) **Stewardship: Guidelines on engagement with other key stakeholders**

Add link:

[https://www.nordiccapital.com/media/aixh2alc/nordic-capital-responsible-investment-policy-vf\\_2023.pdf](https://www.nordiccapital.com/media/aixh2alc/nordic-capital-responsible-investment-policy-vf_2023.pdf)

☒ (P) **Other responsible investment aspects not listed here**

Add link:

[https://www.nordiccapital.com/media/aixh2alc/nordic-capital-responsible-investment-policy-vf\\_2023.pdf](https://www.nordiccapital.com/media/aixh2alc/nordic-capital-responsible-investment-policy-vf_2023.pdf)

- (Q) No elements of our formal responsible investment policy(ies) are publicly available

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 4	PLUS	PGS 1	N/A	PUBLIC	Responsible investment policy elements	1 – 6

**Does your formal responsible investment policy(ies) identify a link between your responsible investment activities and your fiduciary duties or equivalent obligations?**

☒ (A) **Yes**

Elaborate:

Nordic Capital's mission is to find, invest in and build stronger businesses. It is by supporting the development of strong, sustainable businesses that Nordic Capital seeks to deliver financial returns to investors across economic cycles. We recognise the importance of responsible investment, and that sustainability plays a major part in the way we build long-term business success. Nordic Capital is a signatory of the United Nations Principles of Responsible Investments (PRI) and we are committed to integrating sustainability factors into all stages of our investment process. Our Responsible Investment Policy takes into consideration the Ten Principles of the United Nations Global Compact (UNGC) and the sustainability objectives set out in the United Nations Sustainable Development Goals (SDGs), which are used as guidelines in our investment process. We also encourage our portfolio companies to consider both the Ten Principles of the UNGC and the SDGs when developing their own business strategies and value creation plans.

In our role as a responsible owner, Nordic Capital makes the following commitment to our business stakeholders:

- We are committed to complying with applicable laws and regulations in the jurisdictions in which we operate.
- We integrate considerations of sustainability risks into our investment process.
- We expect our portfolio companies to focus on improving their sustainability performance and sustainability risk mitigation efforts, in line with our commitments. We expect them to comply with applicable laws and regulations.
- We integrate and promote transparency on sustainability matters in our communication to our investors and other business stakeholders.
- We are committed to supporting the transition to a low-carbon economy on both Nordic Capital and portfolio level.

For further information, please refer to Nordic Capital's Responsible Investment Policy and Code of Conduct.

- (B) No

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 5	CORE	PGS 1	N/A	PUBLIC	Responsible investment policy elements	2

Which elements are covered in your organisation's policy(ies) or guidelines on stewardship?

- ☒ (A) Overall stewardship objectives
- ☒ (B) Prioritisation of specific ESG factors to be advanced via stewardship activities
- ☒ (C) Criteria used by our organisation to prioritise the investees, policy makers, key stakeholders, or other entities on which to focus our stewardship efforts
- ☒ (D) How different stewardship tools and activities are used across the organisation
- ☐ (E) Approach to escalation in stewardship
- ☒ (F) Approach to collaboration in stewardship
- ☒ (G) Conflicts of interest related to stewardship
- ☒ (H) How stewardship efforts and results are communicated across the organisation to feed into investment decision-making and vice versa
- ☐ (I) Other
- ☐ (J) None of the above elements is captured in our policy(ies) or guidelines on stewardship

## RESPONSIBLE INVESTMENT POLICY COVERAGE

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 8	CORE	PGS 1	N/A	PUBLIC	Responsible investment policy coverage	1

What percentage of your total AUM is covered by the below elements of your responsible investment policy(ies)?

### Combined AUM coverage of all policy elements

- (A) Overall approach to responsible investment
- (B) Guidelines on environmental factors
- (C) Guidelines on social factors
- (D) Guidelines on governance factors

(7) 100%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 9	CORE	PGS 2	N/A	PUBLIC	Responsible investment policy coverage	1

**What proportion of your AUM is covered by your formal policies or guidelines on climate change, human rights, or other systematic sustainability issues?**

#### AUM coverage

(A) Specific guidelines on climate change

(1) for all of our AUM

(B) Specific guidelines on human rights

(1) for all of our AUM

(C) Specific guidelines on other systematic sustainability issues

(1) for all of our AUM

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 10	CORE	OO 8, OO 9, PGS 1	N/A	PUBLIC	Responsible investment policy coverage	2

**Per asset class, what percentage of your AUM is covered by your policy(ies) or guidelines on stewardship with investees?**

#### ☒ (C) Private equity

(1) Percentage of AUM covered

- ☐ (1) >0% to 10%
- ☐ (2) >10% to 20%
- ☐ (3) >20% to 30%
- ☐ (4) >30% to 40%
- ☐ (5) >40% to 50%
- ☐ (6) >50% to 60%
- ☐ (7) >60% to 70%
- ☐ (8) >70% to 80%
- ☐ (9) >80% to 90%
- ☐ (10) >90% to <100%

☒ (11) 100%

# GOVERNANCE

## ROLES AND RESPONSIBILITIES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 11	CORE	N/A	Multiple indicators	PUBLIC	Roles and responsibilities	1

**Which senior level body(ies) or role(s) in your organisation have formal oversight over and accountability for responsible investment?**

- ☒ (A) Board members, trustees, or equivalent  
☒ (B) Senior executive-level staff, or equivalent

Specify:

Nordic Capital Advisors' Managing Partner, Sector Heads, COO

- ☒ (C) Investment committee, or equivalent

Specify:

Nordic Capital Advisors' Investment Review Committee, Ownership Excellence Team

- ☒ (D) Head of department, or equivalent

Specify department:

Nordic Capital Advisors' Head of ESG

- ☐ (E) None of the above bodies and roles have oversight over and accountability for responsible investment

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 11.1	CORE	PGS 1, PGS 2, PGS 11	N/A	PUBLIC	Roles and responsibilities	1, 2

**Does your organisation's senior level body(ies) or role(s) have formal oversight over and accountability for the elements covered in your responsible investment policy(ies)?**

	(1) Board members, trustees, or equivalent	(2) Senior executive-level staff, investment committee, head of department, or equivalent
(A) Overall approach to responsible investment	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) Guidelines on environmental, social and/or governance factors	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(C) Guidelines on sustainability outcomes	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>



(D) Specific guidelines on climate change (may be part of guidelines on environmental factors)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(E) Specific guidelines on human rights (may be part of guidelines on social factors)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(F) Specific guidelines on other systematic sustainability issues	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(G) Guidelines tailored to the specific asset class(es) we hold	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(I) Guidelines on managing conflicts of interest related to responsible investment	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(J) Stewardship: Guidelines on engagement with investees	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(K) Stewardship: Guidelines on overall political engagement	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(L) Stewardship: Guidelines on engagement with other key stakeholders	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(N) This role has no formal oversight over and accountability for any of the above elements covered in our responsible investment policy(ies)	<input type="radio"/>	<input type="radio"/>

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 11.2	CORE	N/A	N/A	PUBLIC	Roles and responsibilities	1 – 6

**Does your organisation have governance processes or structures to ensure that your overall political engagement is aligned with your commitment to the principles of PRI, including any political engagement conducted by third parties on your behalf?**

● (A) Yes

Describe how you do this:

In alignment with Nordic Capital's commitment to the principles of the PRI, we have established robust governance processes to ensure adequate oversight and accountability for our overall political engagement activities. Since 2014 and the adoption of our first Responsible Investment Policy, Nordic Capital has taken an active role through ongoing engagement in sector initiatives to drive progress, share best practice and create lasting transparent results. Nordic Capital has sought to evolve our organisational model with a series of positive refinements which contribute to a sustainable economic system. Notably, over the last decade Nordic Capital has sharpened our investment framework whilst also introducing dedicated operational support with a distinctive sector model tailored by specialism. This is underpinned by a robust decision-making framework supported by well-informed investment advice. Nordic Capital conducts corporate political engagement activities aligned with transparency and integrity to increase public and investor confidence. Nordic Capital believes that the organisation has strong momentum, clear leadership, clarity of vision and an established culture of teamwork and transparency.

Nordic Capital operates a fully integrated organisational model characterised by:

- i. Sector driven Investment Advisory Teams based across the advisory offices combining sector experience with local presence;
- ii. Specialised and fully integrated Ownership Excellence advisory team committed to maximising value across the portfolio;
- iii. A dedicated in-house Fund Operations unit; and
- iv. Transversal advisory support functions across Capital Markets, ESG, Investor Relations, Legal & Tax, and Controlling & Valuation.

Nordic Capital is a signatory of the United Nations Principles of Responsible Investments (PRI) and has addressed its six principles by integrating sustainability factors into the investment process. Nordic Capital is a member of and represented in Invest Europe's Global Private Equity Council as well as a member of local Venture Capital Associations with representation on SVCA's Board of Directors and Nomination Committee. In 2023, the COO of Nordic Capital Advisors was appointed Chairman of the SNS Center for Business Studies. This independent, non-profit Swedish organisation brings together academia, business, and government for knowledge-sharing and dialogue on critical societal issues. Nordic Capital actively participates in different forums of these organisations and has particularly through these organisations engaged in several initiatives to promote sustainability in the finance industry while reaching out to the broader public. Nordic Capital firmly believes in measuring sustainable impact with clear KPIs and being transparent in our efforts to drive sustainable performance. We are guided by the EU Sustainable Finance Disclosure Regulation (SFDR) and UN's Sustainable Development Goals (SDGs) and committed to the global EDCI ESG Data Convergence Initiative (EDCI) where we can make the greatest contribution and realise significant business opportunities while ensuring to standardise ESG metrics and provide comparative reporting for the private market industry. We follow and promote the professional standards set by these associations.

Given Nordic Capital's Northern European investment focus, sector teams have been purposely organised across local investment advisory offices to ensure on-the-ground deal support and nurturing of local networks. We have governance processes in place to monitor and address transactions and relationships that, if they materialise, may cause or be reasonably likely to result in conflicts of interest. Nordic Capital has clearly defined governance processes and structures to ensure that political engagements are aligned with our commitment to the principles of the PRI. These are e.g., available and further specified in marketing materials for the Nordic Capital funds and vehicles where certain material risk factors are disclosed underlining investment risks, including with respect to the activities of identifying, structuring, completing and realising private equity investments which can involve a high degree of uncertainty and may in some cases be subject to the prevailing capital markets, regulatory or political environment. For further information, refer to our Outside Business Interests Policy, Anti-Bribery Policy and Manual, Insiders Policy, and Political Contributions Policy. Please also refer to the section "Disclose conflicts of interest" in the Invest Europe Code of Conduct.

- (B) No
- (C) Not applicable, our organisation does not conduct any form of political engagement directly or through any third parties

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 12	CORE	N/A	N/A	PUBLIC	Roles and responsibilities	1

**In your organisation, which internal or external roles are responsible for implementing your approach to responsible investment?**

- ☒ (A) Internal role(s)  
Specify:

Nordic Capital Advisors' investment professionals are well placed to address sustainability risks and opportunities with the support of a dedicated in-house Sustainability team and external advisors.

Roles include: Group BoD, portfolio company BoD representatives, chief-level staff, Investment Review Committee, legal advisory teams, Head of ESG, dedicated ESG team, portfolio managers, investment analysts, dedicated RI staff, Investor relations, external advisors e.g., external consultants

- ☐ (B) External investment managers, service providers, or other external partners or suppliers
- ☐ (C) We do not have any internal or external roles with responsibility for implementing responsible investment

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 13	CORE	PGS 11	N/A	PUBLIC	Roles and responsibilities	1

**Does your organisation use responsible investment KPIs to evaluate the performance of your board members, trustees, or equivalent?**

- ☒ **(A) Yes, we use responsible investment KPIs to evaluate the performance of our board members, trustees, or equivalent**

Describe: (Voluntary)

Nordic Capital has an approach to remuneration that promotes sound management of sustainability risks and opportunities in portfolio company investments. At Nordic Capital, ESG factors form an integral part of reviewing performance in areas of ownership and value creation, board meeting contribution, and leveraging Nordic Capital Advisors' ownership excellence toolbox. The performance evaluation and compensation framework for portfolio company board members takes into account a range of criteria, including sustainability and other ESG-related risks identified and managed pursuant to our Responsible Investment Policy. Following the Performance Review Process, training/coaching sessions are undertaken to address areas for individual development. Sustainability is an important part of Nordic Capital's talent assessment and development program. All staff at Nordic Capital are required to attend annual ESG training covering important elements of corporate governance and basic sustainability, performing sustainability risk and opportunity assessments and building sustainable strategies.

Nordic Capital has identified material sustainability Key Performance Indicators (KPIs) aligned with the UN Sustainable Development Goals (SDGs), which are measured to drive and incentivise both portfolio companies' and Nordic Capital's own ESG performance. Specific KPIs for performance evaluation regarding sustainability are developed for each individual as part of our talent development program, where key focus areas are climate action, diversity, and contribution to the SDGs. The KPIs are confidential and typically cover relevant sustainability metrics for the individual's function across areas of gender equality (SDG 5, target 5.5), decent work and economic growth (SDG 8, target 8.3), responsible consumption and production (SDG 12, targets 12.1, 12.6), carbon footprint (SDG 13, target 13.2), and ethical business conduct (SDG 16, target 16.5).

Additionally, Nordic Capital has implemented ESG-linked credit facilities for Fund X, XI and Evo I. The revolving credit facilities strongly underline Nordic Capital's ongoing commitment to integrating sustainability into our own business model, as well as into our investments. A penalty/reward mechanism is integrated into these revolving credit facilities. Failure to maintain a top-tier PRI score on ESG performance in the annual assessment will increase the cost of the facility. Conversely, achieving ambitious, industry-leading ESG targets in the portfolio reduces the cost of the facility. Through these efforts Nordic Capital has established a robust performance evaluation process linked to responsible investment which connects performance throughout the organisation and the Nordic Capital funds and vehicles.

- ☐ (B) No, we do not use responsible investment KPIs to evaluate the performance of our board members, trustees, or equivalent

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 14	CORE	PGS 11	N/A	PUBLIC	Roles and responsibilities	1

**Does your organisation use responsible investment KPIs to evaluate the performance of your senior executive-level staff (or equivalent), and are these KPIs linked to compensation?**

● **(A) Yes, we use responsible investment KPIs to evaluate the performance of our senior executive-level staff (or equivalent)**

Indicate whether these responsible investment KPIs are linked to compensation

● **(1) KPIs are linked to compensation**

- (2) KPIs are not linked to compensation as these roles do not have variable compensation
- (3) KPIs are not linked to compensation even though these roles have variable compensation

Describe: (Voluntary)

Nordic Capital has an approach to remuneration that adheres to sound management of sustainability risks and opportunities in all our investments. At Nordic Capital Advisors, all executive-level staff and investment professionals are reviewed at least annually in their Performance Review Process during which skills, development areas and potential issues are discussed with each individual. ESG factors form an integral part of reviewing performance in areas of ownership and value creation, board meeting contribution, and leveraging Nordic Capital Advisors' Ownership Excellence Toolbox. Following the Performance Review Process, training/coaching sessions are planned to address areas for individual development. Sustainability is an important part of Nordic Capital's talent assessment and development program. The learning agenda includes an intensive introduction program for all new recruits and responsible investing is a fundamental part of it. All staff at Nordic Capital are required to attend annual ESG training containing important elements of corporate governance and basic sustainability, performing sustainability risk and opportunity assessments as well as building sustainable strategies. The performance evaluation and compensation framework for Nordic Capital Advisors' executive-level staff and investment professionals takes into account a range of criteria, including adherence to our due diligence procedures to identify and mitigate risks in each investment, such as sustainability and ESG-related risks, in alignment with our Responsible Investment Policy.

Nordic Capital has identified material sustainability Key Performance Indicators (KPIs) aligned with the UN Sustainable Development Goals (SDGs), which are measured to drive and incentivise both portfolio companies' and Nordic Capital's own ESG performance. Specific KPIs for performance evaluation regarding sustainability are developed for each individual as part of our talent development program, where key focus areas are climate action, diversity, and contribution to the SDGs. The KPIs are confidential and typically cover relevant sustainability metrics for the individual's function across areas of gender equality (SDG 5, target 5.5), decent work and economic growth (SDG 8, target 8.3), responsible consumption and production (SDG 12, targets 12.1, 12.6), carbon footprint (SDG 13, target 13.2), and ethical business conduct (SDG 16, target 16.5).

Nordic Capital monitors, tracks and reports on ESG performance linked KPIs of each portfolio company. These selected KPIs are considered and fully integrated both in individual and portfolio performance reviews as well as disclosed as part of Nordic Capital's reporting. Through these efforts Nordic Capital has established a robust performance evaluation process linked to responsible investment KPIs which connects performance throughout the organisation and the Nordic Capital funds and vehicles.

- (B) No, we do not use responsible investment KPIs to evaluate the performance of our senior executive-level staff (or equivalent)

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 15	PLUS	PGS 11	N/A	PUBLIC	Roles and responsibilities	1

**What responsible investment competencies do you regularly include in the training of senior-level body(ies) or role(s) in your organisation?**

	(1) Board members, trustees or equivalent	(2) Senior executive-level staff, investment committee, head of department or equivalent
(A) Specific competence in climate change mitigation and adaptation	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) Specific competence in investors' responsibility to respect human rights	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(C) Specific competence in other systematic sustainability issues	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(D) The regular training of this senior leadership role does not include any of the above responsible investment competencies	<input type="radio"/>	<input type="radio"/>

## EXTERNAL REPORTING AND DISCLOSURES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 16	CORE	N/A	N/A	PUBLIC	External reporting and disclosures	6

**What elements are included in your regular reporting to clients and/or beneficiaries for the majority of your AUM?**

- ☒ (A) Any changes in policies related to responsible investment
- ☒ (B) Any changes in governance or oversight related to responsible investment
- ☒ (C) Stewardship-related commitments
- ☒ (D) Progress towards stewardship-related commitments
- ☒ (E) Climate-related commitments
- ☒ (F) Progress towards climate-related commitments
- ☒ (G) Human rights-related commitments
- ☒ (H) Progress towards human rights-related commitments
- ☒ (I) Commitments to other systematic sustainability issues
- ☒ (J) Progress towards commitments on other systematic sustainability issues
- ☐ (K) We do not include any of these elements in our regular reporting to clients and/or beneficiaries for the majority of our AUM

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 17	CORE	N/A	N/A	PUBLIC	External reporting and disclosures	6

**During the reporting year, did your organisation publicly disclose climate-related information in line with the Task Force on Climate-Related Financial Disclosures' (TCFD) recommendations?**

- ☐ (A) Yes, including all governance-related recommended disclosures
- ☐ (B) Yes, including all strategy-related recommended disclosures
- ☐ (C) Yes, including all risk management-related recommended disclosures
- ☐ (D) Yes, including all applicable metrics and targets-related recommended disclosures

☒ **(E) None of the above**

Explain why: (Voluntary)

Aligned with TCFD guidelines, Nordic Capital consistently takes further actions to identify significant climate-related exposures, along with associated risks and opportunities, across the portfolio. Based on TCFD recommendations, we have created a tailored framework by analysing the typical sector exposures in each of Nordic Capital's sectors as well as the exposures for our portfolio companies. We conclude that the Nordic Capital portfolio primarily operates in lower-risk sectors and geographies. Nordic Capital considers evolving climate-related reporting recommendations and requirements throughout this process.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 18	PLUS	N/A	N/A	PUBLIC	External reporting and disclosures	6

**During the reporting year, to which international responsible investment standards, frameworks, or regulations did your organisation report?**

☒ **(A) Disclosures against the European Union's Sustainable Finance Disclosure Regulation (SFDR)**

Link to example of public disclosures

[https://www.nordiccapital.com/media/f2bcbmoe/sfdr\\_website\\_disclosure-aug2023.pdf](https://www.nordiccapital.com/media/f2bcbmoe/sfdr_website_disclosure-aug2023.pdf)

- ☐ (B) Disclosures against the European Union's Taxonomy
- ☐ (C) Disclosures against the CFA's ESG Disclosures Standard
- ☒ **(D) Disclosures against other international standards, frameworks or regulations**

Specify:

UN Sustainable Development Goals

Link to example of public disclosures

[https://www.nordiccapital.com/media/tbrjfywy/nordic\\_annual\\_review\\_final\\_15052024.pdf](https://www.nordiccapital.com/media/tbrjfywy/nordic_annual_review_final_15052024.pdf)

☒ **(E) Disclosures against other international standards, frameworks or regulations**

Specify:

EDCI Data Convergence Initiative

Link to example of public disclosures

[https://www.nordiccapital.com/media/tbrjfywy/nordic\\_annual\\_review\\_final\\_15052024.pdf](https://www.nordiccapital.com/media/tbrjfywy/nordic_annual_review_final_15052024.pdf)

- ☐ (F) Disclosures against other international standards, frameworks or regulations

☐ (G) Disclosures against other international standards, frameworks or regulations

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 19	CORE	N/A	N/A	PUBLIC	External reporting and disclosures	6

During the reporting year, did your organisation publicly disclose its membership in and support for trade associations, think tanks or similar bodies that conduct any form of political engagement?

☒ (A) Yes, we publicly disclosed our membership in and support for trade associations, think tanks, or similar bodies that conduct any form of political engagement

Add link(s):

<https://www.investeurope.eu/about-us/invest-europe-governance/invest-europe-platforms/#tab-global-private-equity>  
<https://www.svca.se/om-svca/>  
<https://www.esgdc.org/membership/>  
<https://www.nordiccapital.com/our-impact/sustainability-strategy/>  
<https://www.nordiccapital.com/news-views/views/nordic-capital-s-klas-tikkanen-appointed-chairman-of-newly-formed-reference-group-for-sns/>  
<https://www.nordiccapital.com/our-impact/climate-action/>  
<https://www.linkedin.com/feed/update/urn:li:activity:7209091633672298496/>  
<https://www.linkedin.com/feed/update/urn:li:activity:7209474134433529856/>

- ☐ (B) No, we did not publicly disclose our membership in and support for trade associations, think tanks, or similar bodies that conduct any form of political engagement
- ☐ (C) Not applicable, we were not members in or supporters of any trade associations, think tanks, or similar bodies that conduct any form of political engagement during the reporting year

## STRATEGY

### CAPITAL ALLOCATION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 20	CORE	N/A	N/A	PUBLIC	Capital allocation	1

Which elements do your organisation-level exclusions cover?

- ☒ (A) Exclusions based on our organisation's values or beliefs regarding particular sectors, products or services
- ☒ (B) Exclusions based on our organisation's values or beliefs regarding particular regions or countries
- ☒ (C) Exclusions based on minimum standards of business practice aligned with international norms such as the OECD Guidelines for Multinational Enterprises, the International Bill of Human Rights, UN Security Council sanctions or the UN Global Compact
- ☒ (D) Exclusions based on our organisation's climate change commitments
- ☐ (E) Other elements
- ☐ (F) Not applicable; our organisation does not have any organisation-level exclusions



Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 21	CORE	N/A	N/A	PUBLIC	Capital allocation	1

#### How does your responsible investment approach influence your strategic asset allocation process?

☒ **(A) We incorporate ESG factors into our assessment of expected asset class risks and returns**

Select from dropdown list:

- ☒ **(1) for all of our AUM subject to strategic asset allocation**
- ☐ (2) for a majority of our AUM subject to strategic asset allocation
- ☐ (3) for a minority of our AUM subject to strategic asset allocation

☒ **(B) We incorporate climate change–related risks and opportunities into our assessment of expected asset class risks and returns**

Select from dropdown list:

- ☒ **(1) for all of our AUM subject to strategic asset allocation**
- ☐ (2) for a majority of our AUM subject to strategic asset allocation
- ☐ (3) for a minority of our AUM subject to strategic asset allocation

☒ **(C) We incorporate human rights–related risks and opportunities into our assessment of expected asset class risks and returns**

Select from dropdown list:

- ☒ **(1) for all of our AUM subject to strategic asset allocation**
- ☐ (2) for a majority of our AUM subject to strategic asset allocation
- ☐ (3) for a minority of our AUM subject to strategic asset allocation

☒ **(D) We incorporate risks and opportunities related to other systematic sustainability issues into our assessment of expected asset class risks and returns**

Select from dropdown list:

- ☒ **(1) for all of our AUM subject to strategic asset allocation**
- ☐ (2) for a majority of our AUM subject to strategic asset allocation
- ☐ (3) for a minority of our AUM subject to strategic asset allocation

Specify: (Voluntary)

Fair tax practices, business ethics and legal compliance, supply chain management, biodiversity, healthy and safe working environments, as well as expectation to promote employee well-being and diversity & inclusion

- ☐ (E) We do not incorporate ESG factors, climate change, human rights or other systematic sustainability issues into our assessment of expected asset class risks and returns
- ☐ (F) Not applicable; we do not have a strategic asset allocation process

## STEWARDSHIP: OVERALL STEWARDSHIP STRATEGY

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 22	CORE	OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

**For the majority of AUM within each asset class, which of the following best describes your primary stewardship objective?**

### (3) Private equity

(A) Maximise our portfolio-level risk-adjusted returns. In doing so, we seek to address any risks to overall portfolio performance caused by individual investees' contribution to systematic sustainability issues.



(B) Maximise our individual investments' risk-adjusted returns. In doing so, we do not seek to address any risks to overall portfolio performance caused by individual investees' contribution to systematic sustainability issues.



Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 23	PLUS	OO 5, OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

**How does your organisation, or the external service providers or external managers acting on your behalf, prioritise the investees or other entities on which to focus its stewardship efforts?**

Nordic Capital targets acquiring what it believes are robust, difficult to replicate businesses operating within non-cyclical and resilient sectors with the potential for Nordic Capital to accelerate the businesses' growth and drive transformation through our structured value creation approach. To provide sector teams with a consistent value creation framework, Nordic Capital has developed a value creation approach that the Investment Advisory Team can leverage across sectors. On a case-by-case basis, Nordic Capital partners with quality management teams, entrepreneurs, and advisors to ensure successful delivery of sustainable ownership practices.

Nordic Capital's value creation approach includes:

- Seeking to be experts in what we own;
- Building reporting and transparency on value drivers;
- Building advisor network to lead and advise on implementation; and
- Sharing best practices on value driver implementation.

Value creation across the portfolio is a co-ordinated effort led by Nordic Capital Advisors' sector teams with support from a well-resourced Ownership Excellence function comprising dedicated in-house Operating Advisers, People & Performance professionals, and Procurement Optimisation team. Nordic Capital also leverages our deep external network which has been developed through over 30 years of investing experience, comprising of leading industrialists, operational chairs, and external advisor experts.

In the case of Nordic Capital's portfolio, our ambition is to help investee companies become successful, sustainable businesses. Nordic Capital seeks to do this in a responsible way, with a clear understanding of environmental, social and governance impacts. As a result, sustainability factors are integrated into all stages of the investment and ownership process from evaluation through to exit. Nordic Capital Advisors' deal teams, dedicated in-house sustainability team and external advisors work with portfolio companies to set sustainability plans and expectations during a structured on-boarding process. Sustainability roadmaps are to be fully integrated into value creation plans devised by Nordic Capital Advisors' Ownership Excellence function, which is dedicated to driving value across the portfolio. Nordic Capital offers training, tools, and resources to portfolio companies supporting them to embed sustainability into their business and value creation agendas. Furthermore, Nordic Capital extends support to portfolio companies by providing them access to sustainability playbooks and a sustainability portal.

In respect of the wider PE industry, our ambition is to influence and improve responsible investment practices as well as enhance transparency. As a result of our ESG efforts in 2023 Nordic Capital received industry recognition and was awarded ESG Champion of the Year at the Real Deals PE Awards. Nordic Capital also received a hat-trick of awards at the Real Deals Private Equity Awards, winning 'Pan European House of The Year', 'UK Upper Mid-Cap Deal of The Year' (for The Binding Site), and 'Environmental Social and Governance GP (Large Cap)'. These industry recognitions reinforce Nordic Capital's position as one of the leaders in ESG within the industry. Nordic Capital's ESG work continues to be recognised for our sustainability performance and achievements, as well as credited for close engagement with our portfolio companies. Further, Nordic Capital is an active thought leader and champion for sustainability issues, speaking at industry forums, conferences as well as via many media channels, promoting the role of private equity in sustainable development. This provides an opportunity to share our learnings on the implementation of the PRI reporting framework, the future of sustainability reporting, industry trends and regulatory developments. Nordic Capital also encourages academic research into responsible investment and has sponsored studies into how employment growth can be achieved in different markets and how entrepreneurship can contribute to society at large. As an organisation that builds businesses and creates jobs, we believe it is important to have a thorough understanding of the business environment, its underlying conditions and how it can be improved.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 25	PLUS	OO 5, OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

**Rank the channels that are most important for your organisation in achieving its stewardship objectives.**

- ☒ **(A) Internal resources, e.g. stewardship team, investment team, ESG team, or staff**  
Select from the list:  
● **1**
- ☒ **(B) External investment managers, third-party operators and/or external property managers, if applicable**  
Select from the list:  
● **2**
- ☒ **(C) External paid specialist stewardship services (e.g. engagement overlay services or, in private markets, sustainability consultants) excluding investment managers, real assets third-party operators, or external property managers**  
Select from the list:  
● **4**
- ☒ **(D) Informal or unstructured collaborations with investors or other entities**

Select from the list:

☒ 3

☒ (E) Formal collaborative engagements, e.g. PRI-coordinated collaborative engagements, Climate Action 100+, or similar

Select from the list:

☒ 5

☐ (F) We do not use any of these channels

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 26	PLUS	OO 8, OO 9, PGS 1	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

**How does your organisation ensure that its policy on stewardship is implemented by the external service providers to which you have delegated stewardship activities?**

☒ (A) Example(s) of measures taken when selecting external service providers:

Aligned with PRI principle 4 & 5, Nordic Capital actively promotes acceptance and implementation of the principles within the investment industry and strives to work collaboratively to enhance our effectiveness in implementing the principles. Nordic Capital seeks to be an early adopter and promoter of relevant industry and sector specific ESG initiatives and partially outsources stewardship activities through carefully selected specialised external service providers.

Nordic Capital takes a long-term view to responsible investment and always considers the outlook for development beyond our ownership period. Working closely with management, we evaluate a diverse range of criteria with the goal of enabling growth and sustainable operations. We have seen increasing interest in ESG from strategic buyers and the public financial markets, highlighting the benefit of Nordic Capital's sustainability strategy. Nordic Capital Advisors' proprietary sustainability framework and annual follow up ensures that we are well positioned for increased scrutiny of our ESG processes, performance, and selected initiatives. We actively promote the inclusion of sustainability factors throughout the investment process and maintain ongoing dialogues with portfolio companies to ensure that our operating model is supported by the right internal and external resources.

As part of our active ownership model, Nordic Capital works with selected external advisors who can provide fast and secure implementation of sustainability initiatives across environmental, social, and governance aspects. Nordic Capital has longstanding partners with experience in areas such as sustainability strategy development, sustainability reporting, whistleblowing, data privacy and information security, corporate compliance, decarbonisation, climate data collection and analysis, as well as ESG data management. The external advisor network covers the full geographical reach of the Nordic Capital funds and vehicles. Our ESG trainings and Sustainability Spotlight sessions allows portfolio companies to increase awareness on current topics and access trusted external advisors who offer hands on support.

☐ (B) Example(s) of measures taken when designing engagement mandates and/or consultancy agreements for external service providers:

☐ (C) Example(s) of measures taken when monitoring the stewardship activities of external service providers:

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 27	PLUS	OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

### How are your organisation's stewardship activities linked to your investment decision making, and vice versa?

Nordic Capital targets investments in businesses that can positively contribute to society and works diligently to drive transformative sustainable change within the companies we own. We are committed to embedding high standards of sustainable business practices within our own organisation through our values and core principles that underpin the way that Nordic Capital does business: analysis & tenacity, teamwork, partnership, responsibility, creativity, and contribution.

To ensure that stewardship activities are closely linked to our investment strategy, Nordic Capital carefully selects partnerships to drive sustainable growth throughout the portfolio. Nordic Capital integrates sustainability from sourcing to exit, with diverse stewardship activities as part of our operating model. Across all investments, Nordic Capital takes a long-term view to ownership and always considers the outlook for development beyond our ownership period. Clear expectations for portfolio companies are set out to ensure that sustainability is addressed appropriately at boardroom level and throughout the organisation. To maximise the potential impact of our sustainability efforts, Nordic Capital focuses on areas that are material to the company in question and where Nordic Capital has the genuine ability to influence. To this end, Nordic Capital aims to equip portfolio companies with training, tools, and resources to help them integrate sustainability into their business agendas and value creation plans. To date, Nordic Capital has trained more than 1,200 investment professionals, board members and key management executives in sustainability, resulting in considerable progress and a growing awareness of how businesses can successfully address sustainability risks and opportunities. We are proud to report that our portfolio companies have focused on pushing their sustainability agendas forward during 2023 with some notable highlights that have received industry wide recognition.

There has been a significant increase in the interest from investors and stakeholders in ESG integration and related decision-making activities. Nordic Capital has significantly updated our website under "Our Impacts," where we share our approach to responsible investment. The ambition is to allow a broad range of stakeholders to gain an understanding of ESG at Nordic Capital and our portfolio companies, including targets, progress, and performance. Visitors can easily access key documentation such as the Responsible Investment Policy, PRI Transparency Reports, Climate Reports as well as the Annual Sustainability Review. Maintaining a data driven approach to sustainability, measuring performance and increasing levels of disclosure and transparency are key to fulfilling our stakeholders' expectations. In 2023, Nordic Capital took further steps to integrate ESG metrics into our reporting process, for example by including portfolio specific SDG target performance into annual reporting and adding sustainability updates to regular investor communication such as our Annual Investor Meeting and quarterly updates. This valuable dialogue with LPs and other stakeholders helps us to consider potential enhancements to our well-established Responsible Investment Policy and framework.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 28	PLUS	OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

**If relevant, provide any further details on your organisation's overall stewardship strategy.**

As a signatory to the PRI, Nordic Capital has addressed its six principles by integrating sustainability factors into the investment process. Nordic Capital's first Responsible Investment Policy, adopted in 2014, further strengthened our commitment to driving progress and creating lasting results. Aligned with PRI principle 5, Nordic Capital is committed to "Work together to enhance our effectiveness in implementing the Principles". Nordic Capital's mission is to find, invest in and build stronger businesses. Nordic Capital believes that supporting the development of strong, sustainable businesses will help deliver strong financial returns to investors across economic cycles. We recognise the importance of responsible investment, and that sustainability plays a major part in the way we build long-term business success.

Through Nordic Capital's active ownership model, we engage with our portfolio companies throughout the ownership stage to promote the importance of sustainability, drive sustainable performance and share best practice. Nordic Capital sets out clear expectations for portfolio companies, ensuring that sustainability is addressed appropriately at the boardroom level and throughout the organisation. Nordic Capital believes in industry wide collaboration and the power of knowledge sharing. We want to play our part in driving awareness of sustainability matters and implementing best practice within the private equity industry. It is an important goal for Nordic Capital to develop and enhance our overall stewardship strategy. To achieve this, we prioritise engagement and collaboration, taking a leading role in promoting responsible investment practices alongside other private equity investors.

To support our investment teams and portfolio companies in mitigating risks and seizing opportunities, Nordic Capital's Sustainability team continuously works to enhance our tailored active ownership approach, including engagement strategies, evaluation methods and criteria for assessing ESG performance. We ensure that the integration of ESG considerations into every stage of the investment process is a top priority. Our approach involves assisting portfolio companies in enhancing their sustainability strategies and setting up effective systems for assessment, compliance, and reporting. This also includes providing valuable networking opportunities, use of external resources and partnerships, as well as encouraging cross portfolio collaboration.

## STEWARDSHIP: ENGAGEMENT WITH POLICY MAKERS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 39	CORE	OO 8, OO 9	PGS 39.1, PGS 39.2	PUBLIC	Stewardship: Engagement with policy makers	2

**Did your organisation, or the external investment managers or service providers acting on your behalf, engage with policy makers as part of your responsible investment approach during the reporting year?**

- ☒ (A) Yes, we engaged with policy makers directly
- ☒ (B) Yes, we engaged with policy makers through the leadership of or active participation in working groups or collaborative initiatives, including via the PRI
- ☒ (C) Yes, we were members of, supported, or were in another way affiliated with third party organisations, including trade associations and non-profit organisations, that engage with policy makers, excluding the PRI
- ☐ (D) We did not engage with policy makers directly or indirectly during the reporting year beyond our membership in the PRI

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 39.1	CORE	PGS 39	N/A	PUBLIC	Stewardship: Engagement with policy makers	2

During the reporting year, what methods did you, or the external investment managers or service providers acting on your behalf, use to engage with policy makers as part of your responsible investment approach?

- ☒ (A) We participated in 'sign-on' letters
- ☒ (B) We responded to policy consultations
- ☒ (C) We provided technical input via government- or regulator-backed working groups

Describe:

Nordic Capital understands that policy makers also cover industry associations. Nordic Capital proudly supports ESG initiatives such as: PRI, Invest Europe, SVCA, EDCI ESG Data Convergence Initiative, Initiative Climat International (ICI), Science Based Targets initiative (SBTi) and Level20. We believe that private equity has an important role to play in building a sustainable world and driving change within business to benefit society and the planet. Nordic Capital is committed to actively engage with selected ESG partnerships to share best practice and drive long-term sustainable change in the private equity industry. By actively supporting and partnering with selected ESG initiatives, Nordic Capital assumes various roles within industry associations, acting as a member, signatory, adopter, and promoter.

Nordic Capital holds positions of representation on Invest Europe's Global Private Equity Council, the SVCA's Board of Directors and Nomination Committee, and the esteemed position of Chairman at the SNS Center for Business Studies. Nordic Capital actively engages in democratic forums such as the Swedish Almedalen Week and the Danish Folkemoede, which serve as exemplars of open political discourse and democratic dialogue. Within these gatherings, Nordic Capital hosts roundtable discussions on pertinent policy issues within the private equity industry, engages in meetings with key political figures, and participates as panellists in seminars addressing topics such as responsibility within sustainable financial markets and legal certainty in taxation. On a case-by-case basis, Nordic Capital participates in sign-on letters and policy consultations driven by the initiatives which we support. Similarly, Nordic Capital participates in different ESG related working groups and arranges meetings in local jurisdictions in which we are present.

- ☐ (D) We engaged policy makers on our own initiative
- ☐ (E) Other methods

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 39.2	CORE	PGS 39	N/A	PUBLIC	Stewardship: Engagement with policy makers	2

During the reporting year, did your organisation publicly disclose details of your engagement with policy makers conducted as part of your responsible investment approach, including through external investment managers or service providers?

- ☐ (A) We publicly disclosed all our policy positions
- ☒ (B) We publicly disclosed details of our engagements with policy makers

Add link(s):

<https://www.investeurope.eu/about-us/invest-europe-governance/invest-europe-platforms/#tab-global-private-equity>  
<https://www.svca.se/om-svca/>  
<https://www.esgdc.org/membership/>  
<https://www.nordiccapital.com/our-impact/sustainability-strategy/>  
<https://www.nordiccapital.com/news-views/views/nordic-capital-s-klas-tikkanen-appointed-chairman-of-newly-formed-reference-group-for-sns/>  
<https://www.nordiccapital.com/our-impact/climate-action/>  
<https://www.linkedin.com/feed/update/urn:li:activity:7209091633672298496/>  
<https://www.linkedin.com/feed/update/urn:li:activity:7209474134433529856/>

- ☐ (C) No, we did not publicly disclose details of our engagement with policy makers conducted as part of our responsible investment approach during the reporting year



## STEWARDSHIP: EXAMPLES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 40	PLUS	OO 8, OO 9	N/A	PUBLIC	Stewardship: Examples	2

**Provide examples of stewardship activities that you conducted individually or collaboratively during the reporting year that contributed to desired changes in the investees, policy makers or other entities with which you interacted.**

(A) Example 1:

Title of stewardship activity:

Sub-sector specific ESG playbooks and tools updated – developed decarbonisation playbook for portfolio companies to support them on their SBTi journey.

(1) Led by

- ☒ (1) Internally led
- ☐ (2) External service provider led
- ☐ (3) Led by an external investment manager, real assets third-party operator and/or external property manager

(2) Primary focus of stewardship activity

- ☒ (1) Environmental factors
- ☐ (2) Social factors
- ☐ (3) Governance factors

(3) Asset class(es)

- ☐ (1) Listed equity
- ☐ (2) Fixed income
- ☒ (3) Private equity
- ☐ (4) Real estate
- ☐ (5) Infrastructure
- ☐ (6) Hedge funds
- ☐ (7) Forestry
- ☐ (8) Farmland
- ☐ (9) Other

(4) Description of the activity and what was achieved. For collaborative activities, provide detail on your individual contribution.

Nordic Capital's Sustainability Playbooks and tools provide a step-by-step approach on how to: assess sustainability-related risks and opportunities, develop company-specific sustainability roadmaps, including baselines, targets, KPIs, and key actions to support growth. These resources have proven valuable in helping portfolio companies advance their sustainability agendas.

As an active and engaged owner, Nordic Capital crafted a decarbonisation playbook for portfolio companies to support them on their SBTi journey. In developing the playbook, current portfolio companies who have already embarked on their science-based target setting agenda were involved in order to draw insights from their key learnings with the aim to make the playbook as practical as possible.

(B) Example 2:

Title of stewardship activity:

Annual sustainability training, in three different training modules, and spotlight sessions to increase awareness and share best practices within Nordic Capital and across portfolio companies. To date, Nordic Capital has had 1,200 attendees in sustainability training.

(1) Led by

- ☒ (1) Internally led
- ☐ (2) External service provider led
- ☐ (3) Led by an external investment manager, real assets third-party operator and/or external property manager

(2) Primary focus of stewardship activity

- ☒ (1) Environmental factors
- ☒ (2) Social factors

☒ **(3) Governance factors**

(3) Asset class(es)

- ☐ (1) Listed equity
- ☐ (2) Fixed income
- ☒ **(3) Private equity**
- ☐ (4) Real estate
- ☐ (5) Infrastructure
- ☐ (6) Hedge funds
- ☐ (7) Forestry
- ☐ (8) Farmland
- ☐ (9) Other

(4) Description of the activity and what was achieved. For collaborative activities, provide detail on your individual contribution.

Training and the sharing of best practice is critical and Nordic Capital has developed long standing training programmes on how businesses should address sustainability factors and progress their sustainability agendas over the long term. In total 1,200 professionals have been trained since 2014. In 2023, 156 professionals including Board Directors, executive management from the portfolio as well as Nordic Capital employees attended our proprietary training programmes. Key areas covered include corporate compliance, sustainability strategies, ESG regulation and ESG reporting.

Nordic Capital also hosted a Sustainability Spotlight Session dedicated to ESG Disclosure in 2023, targeting CFOs and Heads of Sustainability within the portfolio, to address the rapidly evolving requirements for ESG disclosure and reporting.

(C) Example 3:

Title of stewardship activity:

Private Equity first-ever ESG Data Convergence Initiative - second reporting cycle completed to improve comparative reporting over the long term

(1) Led by

- ☐ (1) Internally led
- ☒ **(2) External service provider led**
- ☐ (3) Led by an external investment manager, real assets third-party operator and/or external property manager

(2) Primary focus of stewardship activity

- ☒ **(1) Environmental factors**
- ☒ **(2) Social factors**
- ☒ **(3) Governance factors**

(3) Asset class(es)

- ☐ (1) Listed equity
- ☐ (2) Fixed income
- ☒ **(3) Private equity**
- ☐ (4) Real estate
- ☐ (5) Infrastructure
- ☐ (6) Hedge funds
- ☐ (7) Forestry
- ☐ (8) Farmland
- ☐ (9) Other

(4) Description of the activity and what was achieved. For collaborative activities, provide detail on your individual contribution.

Nordic Capital was one of the early adopters and strong promoters of the EDCI ESG Data Convergence Initiative, which seeks to standardise ESG metrics and provides a mechanism for comparative reporting for the private market industry globally. In 2023, this reporting was completed with increased data availability and data coverage rate above 90% across all mandatory metrics.

Nordic Capital has engaged with BCG to enhance data-driven insights and improve comparative reporting over the long term, e.g., through GP focus groups and feedback sessions.

(D) Example 4:

Title of stewardship activity:

Active engagement in Invest Europe ESG Reporting Guidelines - to set the industry standard and guidelines for ESG Reporting

(1) Led by

- ☐ (1) Internally led

- **(2) External service provider led**
  - (3) Led by an external investment manager, real assets third-party operator and/or external property manager
- (2) Primary focus of stewardship activity
  - ☒ **(1) Environmental factors**
  - ☒ **(2) Social factors**
  - ☒ **(3) Governance factors**
- (3) Asset class(es)
  - ☐ (1) Listed equity
  - ☐ (2) Fixed income
  - ☒ **(3) Private equity**
  - ☐ (4) Real estate
  - ☐ (5) Infrastructure
  - ☐ (6) Hedge funds
  - ☐ (7) Forestry
  - ☐ (8) Farmland
  - ☐ (9) Other
- (4) Description of the activity and what was achieved. For collaborative activities, provide detail on your individual contribution.

Nordic Capital is an active member represented in Invest Europe's Global Private Equity Council and member of the Invest Europe ESG Reporting Guidelines Taskforce. A new initiative has been launched to set the industry standard and guidelines for ESG reporting and Nordic Capital's Sustainability team took an active role in the working group to share best practice and create the most advanced and user-friendly guidance on sustainability reporting in the European private capital sector.

(E) Example 5:  
Title of stewardship activity:

Publicly promoted ESG best practices as an active thought leader and champion for sustainability issues, speaking at industry forums and through various media channels.

- (1) Led by
  - **(1) Internally led**
    - (2) External service provider led
    - (3) Led by an external investment manager, real assets third-party operator and/or external property manager
- (2) Primary focus of stewardship activity
  - ☒ **(1) Environmental factors**
  - ☒ **(2) Social factors**
  - ☒ **(3) Governance factors**
- (3) Asset class(es)
  - ☐ (1) Listed equity
  - ☐ (2) Fixed income
  - ☒ **(3) Private equity**
  - ☐ (4) Real estate
  - ☐ (5) Infrastructure
  - ☐ (6) Hedge funds
  - ☐ (7) Forestry
  - ☐ (8) Farmland
  - ☐ (9) Other
- (4) Description of the activity and what was achieved. For collaborative activities, provide detail on your individual contribution.

Nordic Capital is an active thought leader and champion for sustainability issues, speaking at industry forums and via many media channels. Elin Ljung, Head of Communication and Sustainability, Nordic Capital Advisors, has promoted the role of private equity as an agent for positive societal impact, speaking publicly at several events, for example Real Deals ESG Growth Conference, Private Equity Insights DACH, Nasdaq Active Sustainable Ownership and Norrsken Impact Meetup. She also joined the Sustainable Talks Podcast.

## CLIMATE CHANGE

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 41	CORE	N/A	PGS 41.1	PUBLIC	Climate change	General

### Has your organisation identified climate-related risks and opportunities affecting your investments?

☒ (A) Yes, within our standard planning horizon

Specify the risks and opportunities identified and your relevant standard planning horizon:

With a growing focus on sustainable business practices, an increasing attention to related key aspects follows. Nordic Capital believes that a company aware of its impact on the environment is better able to manage associated risks and is more likely to have a long-term sustainable business model in place. Environmental consequences of climate change are affecting day-to-day business operations and pressuring companies to act.

Nordic Capital has conducted an analysis of climate-related risk exposures in the portfolio and developed our thinking on how to incorporate this at a sector level. Based on TCFD recommendations, we have created a tailored framework by analysing the typical sector exposures in each of Nordic Capital's sectors as well as the exposures for our portfolio companies. We conclude that the Nordic Capital portfolio largely operates in lower-risk sectors and geographies. The key physical exposures identified include increased frequency of acute weather events as well as chronic changes such as increase in temperature and precipitation. Transition exposures include regulatory changes, development of new technologies and shifts in customer expectation. The climate exposure framework can be leveraged for both current and potential investments.

Reinforcing Nordic Capital's support of climate action, we committed to climate reduction targets in line with the Paris Agreement and SBTi framework in 2023. These targets, covering both Nordic Capital and portfolio levels, were approved by the SBTi in July 2024. Integrating SBT considerations into our own operations and throughout the investment process is expected to create a positive impact in the market and drive best practices. These actions aim to further motivate companies that are actively working on decarbonisation and engaging in GHG emissions reduction. Nordic Capital believes that actions such as good governance, active ownership, and capacity building are essential for driving change.

Nordic Capital consistently takes further actions to identify significant climate-related exposures, along with associated risks and opportunities, across our portfolio. As a signatory to the PRI-backed Initiative Climat International (ICI), a global, practitioner-led community of private businesses and investors that seek to better understand and manage the risks associated with climate change, we have actively been sharing best practice. Using an environmental lens, Nordic Capital continues to encourage portfolio companies to take a precautionary approach, ensuring resource efficient practices and disclosing information on climate change mitigation. Nordic Capital remains dedicated to reducing our carbon footprint both within the organisation and throughout the entire portfolio. Our ambition is to increase awareness of critical climate considerations amongst our portfolio companies and support them in the process of reducing both their carbon emissions and energy consumption.

☐ (B) Yes, beyond our standard planning horizon

☐ (C) No, we have not identified climate-related risks and/or opportunities affecting our investments

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 41.1	CORE	PGS 41	N/A	PUBLIC	Climate change	General

**Does your organisation integrate climate-related risks and opportunities affecting your investments in its overall investment strategy, financial planning and (if relevant) products?**

● **(A) Yes, our overall investment strategy, financial planning and (if relevant) products integrate climate-related risks and opportunities**

Describe how climate-related risks and opportunities have affected or are expected to affect your investment strategy, financial planning and (if relevant) products:

Nordic Capital recognises our role as a responsible investor to influence the carbon emissions reduction targets and initiatives of our portfolio companies. It is part of ownership excellence and our long-term investment strategy. We encourage portfolio companies to integrate climate change measures into their policies and planning, emphasise the importance of measuring their climate impact, and take action to reduce greenhouse gas emissions. Throughout 2023, Nordic Capital refined our approach to climate issues by identifying key risks and opportunities across the portfolio in line with our SBTi commitment and TCFD guidelines. Adhering to SFDR classification Article 8 and our ESG-linked credit facilities, Nordic Capital aims to meet defined environmental and climate-related characteristics through our investment framework and Responsible Investment Policy. This approach enables Nordic Capital to drive progress on environmental characteristics by systematically tracking developments within our portfolio companies and requiring regular reports on both mandatory and selected additional environmental PAI indicators, as well as on our targets associated with SDG 13.

Reinforcing Nordic Capital's support of climate action, we committed to climate reduction targets in line with the Paris Agreement and SBTi framework in 2023. These targets, covering both Nordic Capital and portfolio levels, were approved by the SBTi in July 2024. Integrating SBT considerations into our own operations and throughout the investment process is expected to create a positive impact in the market and drive best practices. These actions aim to further motivate companies that are actively working on decarbonisation and engaging in GHG emissions reduction. Nordic Capital believes that actions such as good governance, active ownership, and capacity building are essential for driving change. Nordic Capital will work with management teams to set science-based targets in each portfolio company and will report progress in our annual ESG report.

The Nordic Capital toolbox, which includes a clear responsible investment checklist and supporting DDQs to assess specific issues in due diligence, seeks to enable the Nordic Capital funds and vehicles to address and meet the identified environmental and climate related characteristics in a systematic and consistent manner. Nordic Capital requires portfolio companies to develop sustainability plans at the outset of the ownership period. This includes the development of a sustainability strategy, which (i) embeds measurable targets and KPIs, which track and seek to enable the achievement of the environmental and climate related characteristics on an aggregated basis across the portfolio and (ii) is approved and reviewed annually by the portfolio companies' boards of directors. In 2023, Nordic Capital crafted a decarbonisation playbook for portfolio companies to support them on their SBTi journey. In developing the playbook, current portfolio companies who have already embarked on their science-based target setting agenda were involved in order to draw insights from their key learnings with the aim to make the playbook as practical as possible. Nordic Capital encourages all portfolio companies to consider the UNGC's 10 principles together with the SDGs when developing their own sustainability strategies. Nordic Capital actively engages with portfolio companies during the ownership stage to promote the importance of sustainability, drive sustainable performance and share best practice. In many cases, Nordic Capital is the majority shareholder, or in a position to influence the strategic transformation of the portfolio company, and thereby in a strong position to drive the sustainability agenda.

In 2023, further improvements have been made to increase the quality and reliability of ESG-related data by completing a third-party review of Nordic Capital's ESG reporting as well as a limited assurance over SFDR disclosures. Nordic Capital has implemented ESG-linked Credit facilities for Fund X, XI and Evo I through a well-established framework. The revolving facilities strongly underline Nordic Capital's ongoing commitment to integrating environmental considerations into our own business model, as well as into our investments.

- (B) No, our organisation has not yet integrated climate-related risks and opportunities into its investment strategy, financial planning and (if relevant) products

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 42	PLUS	N/A	N/A	PUBLIC	Climate change	General

### Which sectors are covered by your organisation's strategy addressing high-emitting sectors?

#### ☒ (A) Coal

Describe your strategy:

Nordic Capital Advisors has developed a robust method that investment teams apply when performing risk and opportunity assessments during the due diligence phase. This enables Nordic Capital to address sustainability matters in a systematic and consistent manner at the earliest stage. The Nordic Capital toolbox includes a clear responsible investment checklist and supporting DDQs to address sustainability factors and risks in the pre-investment phase. Nordic Capital Advisors has for many years built our ESG analysis to incorporate sector specific issues into the due diligence process.

As part of Nordic Capital's Responsible Investment framework, high-emitting sectors are considered already in the investment phase i.e., throughout sourcing and analysis, DD and pre-closing. Questions on high-emitting sectors are included in the responsible investment critical checklist which is mandatory for all investments.

#### ☒ (B) Gas

Describe your strategy:

Nordic Capital Advisors has developed a robust method that investment teams apply when performing risk and opportunity assessments during the due diligence phase. This enables Nordic Capital to address sustainability matters in a systematic and consistent manner at the earliest stage. The Nordic Capital toolbox includes a clear responsible investment checklist and supporting DDQs to address sustainability factors and risks in the pre-investment phase. Nordic Capital Advisors has for many years built our ESG analysis to incorporate sector specific issues into the due diligence process.

As part of Nordic Capital's Responsible Investment framework, high-emitting sectors are considered already in the investment phase i.e., throughout sourcing and analysis, DD and pre-closing. Questions on high-emitting sectors are included in the responsible investment critical checklist which is mandatory for all investments.

#### ☒ (C) Oil

Describe your strategy:

Nordic Capital Advisors has developed a robust method that investment teams apply when performing risk and opportunity assessments during the due diligence phase. This enables Nordic Capital to address sustainability matters in a systematic and consistent manner at the earliest stage. The Nordic Capital toolbox includes a clear responsible investment checklist and supporting DDQs to address sustainability factors and risks in the pre-investment phase. Nordic Capital Advisors has for many years built our ESG analysis to incorporate sector specific issues into the due diligence process.

As part of Nordic Capital's Responsible Investment framework, high-emitting sectors are considered already in the investment phase i.e., throughout sourcing and analysis, DD and pre-closing. Questions on high-emitting sectors are included in the responsible investment critical checklist which is mandatory for all investments.

- ☐ (D) Utilities
- ☐ (E) Cement
- ☐ (F) Steel
- ☐ (G) Aviation
- ☐ (H) Heavy duty road
- ☐ (I) Light duty road
- ☐ (J) Shipping
- ☐ (K) Aluminium
- ☐ (L) Agriculture, forestry, fishery

#### ☒ (M) Chemicals

Describe your strategy:

Nordic Capital Advisors has developed a robust method that investment teams apply when performing risk and opportunity assessments during the due diligence phase. This enables Nordic Capital to address sustainability matters in a systematic and consistent manner at the earliest stage. The Nordic Capital toolbox includes a clear responsible investment checklist and supporting DDQs to address sustainability factors and risks in the pre-investment phase. Nordic Capital Advisors has for many years built our ESG analysis to incorporate sector specific issues into the due diligence process.

As part of Nordic Capital's Responsible Investment framework, high-emitting sectors are considered already in the investment phase i.e., throughout sourcing and analysis, DD and pre-closing. Questions on high-emitting sectors are included in the responsible investment critical checklist which is mandatory for all investments.

- ☐ (N) Construction and buildings
- ☐ (O) Textile and leather
- ☐ (P) Water
- ☒ (Q) Other

Specify:

Rare earth elements

Describe your strategy:

Nordic Capital Advisors has developed a robust method that investment teams apply when performing risk and opportunity assessments during the due diligence phase. This enables Nordic Capital to address sustainability matters in a systematic and consistent manner at the earliest stage. The Nordic Capital toolbox includes a clear responsible investment checklist and supporting DDQs to address sustainability factors and risks in the pre-investment phase. Nordic Capital Advisors has for many years built our ESG analysis to incorporate sector specific issues into the due diligence process.

As part of Nordic Capital's Responsible Investment framework, high-emitting sectors are considered already in the investment phase i.e., throughout sourcing and analysis, DD and pre-closing. Questions on high-emitting sectors are included in the responsible investment critical checklist which is mandatory for all investments.

- (R) We do not have a strategy addressing high-emitting sectors

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 43	CORE	N/A	N/A	PUBLIC	Climate change	General

**Has your organisation assessed the resilience of its investment strategy in different climate scenarios, including one in which the average temperature rise is held to below 2 degrees Celsius (preferably to 1.5 degrees Celsius) above pre-industrial levels?**

- ☐ (A) Yes, using the Inevitable Policy Response Forecast Policy Scenario (FPS) or Required Policy Scenario (RPS)
- ☐ (B) Yes, using the One Earth Climate Model scenario
- ☐ (C) Yes, using the International Energy Agency (IEA) Net Zero scenario
- ☒ (D) Yes, using other scenarios

Specify:

As part of Nordic Capital's science-based climate reduction target setting, the scenario modelling was based on the 'Pathways to Net Zero: SBTi Technical Summary'. The assessment included the following studies, providing comprehensive coverage of energy and industrial processes CO2 emissions:

- The interquartile range of 1.5°C low/no overshoot scenarios from IPCC (2018), Special Report on Global Warming of 1.5°C (SR15);
- P1 and P3, which were selected by the authors of SR15 as illustrative archetype scenarios used in the report;

- One Earth Climate Model (OECM), which is a model by the Institute for Sustainable Futures at University of Technology Sydney (UTS) with scenarios that reach net-zero by 2050 without overshooting 1.5°C

and with minimal reliance on CO2 removal (Teske et al. 2020);

- NZE, which is the main scenario from the IEA (2021), Net-Zero Roadmap, and;
- Beyond 2°C Scenario (B2DS), which is a scenario from the IEA (2017), Energy Technology Perspectives 2017, that has been used by the SBTi to define well-below 2C SBTs since 2019.

- (E) No, we have not assessed the resilience of our investment strategy in different climate scenarios, including one that holds temperature rise to below 2 degrees

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 44	CORE	N/A	N/A	PUBLIC	Climate change	General

**Does your organisation have a process to identify, assess, and manage the climate-related risks (potentially) affecting your investments?**

- ☒ **(A) Yes, we have a process to identify and assess climate-related risks**

**(1) Describe your process**

Climate change represents significant risks and opportunities for businesses. In addition to assessing climate-related risks and opportunities in our investment process and disclosing climate-related data, Nordic Capital aims to act as a role model by measuring, acting on, and raising awareness about climate issues within our own organisation and across all portfolio companies. To comprehensively address sustainability risks and opportunities, the inclusion of environmental risks is mandatory in all final bid materials. In 2023, the due diligence process and final bid material was updated to also include an ESG data request list and new templates, allowing for a deeper understanding of data availability and company performance already during due diligence. In addition, more ESG-focused external consultants have been leveraged during pre-investment phases and due diligence.

Throughout 2023, Nordic Capital enhanced our approach to climate-related issues by further identifying key exposures, associated risks, and opportunities across the portfolio, aligning with our commitment to the SBTi and tailored TCFD-based framework. In the short term, no significant climate change risks have been identified in our portfolio. As part of our long-term climate strategy, Nordic Capital has developed sector-specific decarbonisation roadmaps to continuously analyse sector exposures and those of our portfolio companies, guiding proactive management efforts. These roadmaps are regularly reviewed to ensure their accuracy and relevance.

Through these measures, Nordic Capital seeks to ensure a thorough and forward-looking approach to identify and assess climate-related risks and opportunities, in alignment with our climate agenda.

**(2) Describe how this process is integrated into your overall risk management**



Nordic Capital Advisors' investment professionals are well placed to address sustainability risks and opportunities including climate related risks with the support of a dedicated in-house Sustainability team and external advisors. The established due diligence process involves various climate related investigations including a review of environmental data disclosed by the target, environmental checklist, detailed discussions with the management team and legal due diligence. Nordic Capital may regularly engage external advisors to do technical due diligence and conduct site visits as part of the risk assessment process.

Climate-risk factors are seamlessly integrated into Nordic Capital Advisors' investment analysis. The Sustainability team collaborates closely with the Investment, Operations, and Legal teams to ensure our sustainability toolkit and playbooks are appropriately applied and reflect structured climate action. These tools undergo regular review, development, and updates to ensure that Nordic Capital remains aligned with industry and regulatory developments.

To ensure effective integration and utilisation of these tools, Nordic Capital Advisors provides ongoing training for investment professionals. We believe that capacity building and training are crucial for driving sustainable performance, aligned with our policies and frameworks. Ensuring our investment professionals have the necessary skills to understand and apply these tools is essential for progress tracking and effective decision-making. This approach supports Nordic Capital in addressing climate risks and opportunities systematically, while also advocating for exemplary industry practices.

☒ **(B) Yes, we have a process to manage climate-related risks**

**(1) Describe your process**

Nordic Capital recognises our role as a responsible investor in influencing carbon emissions reduction targets and initiatives within our portfolio companies. This is integral to our ownership excellence and long-term investment strategy. Reinforcing Nordic Capital's support of climate action, we committed to climate reduction targets in line with the Paris Agreement and SBTi framework in 2023. These targets, covering both Nordic Capital and portfolio levels, were approved by the SBTi in July 2024.

Nordic Capital typically invests in low-carbon-intensity sectors with a commitment to embedding the highest standards of sustainability practice within our own organisation and throughout the portfolio. Through our annual sustainability review, we encourage all portfolio companies to evaluate the impacts of climate change on their operations and to implement effective mitigation actions. During 2023, Nordic Capital made progress on our climate agenda and established comprehensive sector-level decarbonisation roadmaps. We will work with management teams to set science-based targets in each portfolio company and report progress in our annual ESG report.

Based on TCFD recommendations, we have created a tailored framework by analysing the typical sector exposures in each of Nordic Capital's sectors as well as the exposures for our portfolio companies. We conclude that the Nordic Capital portfolio largely operates in lower-risk sectors and geographies. The key physical exposures identified include increased frequency of acute weather events as well as chronic changes such as an increase in temperature and precipitation. Transition exposures include regulatory changes, development of new technologies, and shifts in customer expectations. The Climate exposure framework can be leveraged for both current and potential investments.

**(2) Describe how this process is integrated into your overall risk management**

Nordic Capital places significant emphasis on sustainability considerations throughout the ownership period. Integrating SBT considerations into our own operations and throughout the investment process is expected to create a positive impact in the market and drive best practices. These actions aim to further motivate companies that are actively working on decarbonisation and engaging in GHG emissions reduction. Nordic Capital believes that actions such as good governance, active ownership, and capacity building are essential for driving change. As part of our ownership excellence approach, Nordic Capital advocates for the utilisation of our Sustainability Toolkit and playbooks to consistently enhance strategy development, process maturity and performance across our portfolio year-on-year.

Throughout ownership, Nordic Capital encourages portfolio companies to integrate climate change measures into their policies and planning, emphasising the importance of measuring and reducing greenhouse gas emissions. As part of our climate agenda, we have developed a decarbonisation playbook to support portfolio companies on their SBTi journey. This playbook draws insights from current portfolio companies already engaged in setting science-based targets, making it as practical as possible. Our external climate advisors assist several portfolio companies with carbon assessments, CO2 baseline journeys, and broader decarbonisation projects. This ongoing support helps improve the data quality of our portfolio footprint calculations. We assess our portfolio companies annually and perform climate impact reports in accordance with the Greenhouse Gas Protocol standard.

Decarbonisation is crucial for safeguarding long-term business value, considering rising energy costs, carbon taxation, and the risk of products and services becoming stranded. Nordic Capital recognises the need to de-risk all our funds to ensure the growth of our portfolio companies' value. Increased awareness and knowledge of environmental aspects among our portfolio companies have led to positive improvements in reporting results. Nordic Capital will continue to enhance our approach to management of climate-related risks at both the company and portfolio levels.

- (C) No, we do not have any processes to identify, assess, or manage the climate-related risks affecting our investments

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 45	CORE	N/A	N/A	PUBLIC	Climate change	General

**During the reporting year, which of the following climate risk metrics or variables affecting your investments did your organisation use and publicly disclose?**

- ☒ **(A) Exposure to physical risk**
  - (1) Indicate whether this metric or variable was used and disclosed, including the methodology
    - ☒ **(1) Metric or variable used**
      - (2) Metric or variable used and disclosed
      - (3) Metric or variable used and disclosed, including methodology
- ☒ **(B) Exposure to transition risk**
  - (1) Indicate whether this metric or variable was used and disclosed, including the methodology
    - ☒ **(1) Metric or variable used**
      - (2) Metric or variable used and disclosed
      - (3) Metric or variable used and disclosed, including methodology
- ☐ (C) Internal carbon price
- ☒ **(D) Total carbon emissions**
  - (1) Indicate whether this metric or variable was used and disclosed, including the methodology
    - (1) Metric or variable used
    - (2) Metric or variable used and disclosed
    - ☒ **(3) Metric or variable used and disclosed, including methodology**
  - (2) Provide link to the disclosed metric or variable, including the methodology followed, as applicable
    - [https://www.nordiccapital.com/media/tbrjfywy/nordic\\_annual\\_review\\_final\\_15052024.pdf](https://www.nordiccapital.com/media/tbrjfywy/nordic_annual_review_final_15052024.pdf)
- ☒ **(E) Weighted average carbon intensity**
  - (1) Indicate whether this metric or variable was used and disclosed, including the methodology
    - (1) Metric or variable used
    - (2) Metric or variable used and disclosed
    - ☒ **(3) Metric or variable used and disclosed, including methodology**

(2) Provide link to the disclosed metric or variable, including the methodology followed, as applicable

[https://www.nordiccapital.com/media/tbrjfywy/nordic\\_annual\\_review\\_final\\_15052024.pdf](https://www.nordiccapital.com/media/tbrjfywy/nordic_annual_review_final_15052024.pdf)

☐ (F) Avoided emissions

☐ (G) Implied Temperature Rise (ITR)

☐ (H) Non-ITR measure of portfolio alignment with UNFCCC Paris Agreement goals

☒ **(I) Proportion of assets or other business activities aligned with climate-related opportunities**

(1) Indicate whether this metric or variable was used and disclosed, including the methodology

○ (1) Metric or variable used

● **(2) Metric or variable used and disclosed**

○ (3) Metric or variable used and disclosed, including methodology

(2) Provide link to the disclosed metric or variable, including the methodology followed, as applicable

[https://www.nordiccapital.com/media/tbrjfywy/nordic\\_annual\\_review\\_final\\_15052024.pdf](https://www.nordiccapital.com/media/tbrjfywy/nordic_annual_review_final_15052024.pdf)

☐ (J) Other metrics or variables

○ (K) Our organisation did not use or publicly disclose any climate risk metrics or variables affecting our investments during the reporting year

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 46	CORE	N/A	N/A	PUBLIC	Climate change	General

**During the reporting year, did your organisation publicly disclose its Scope 1, Scope 2, and/or Scope 3 greenhouse gas emissions?**

☒ **(A) Scope 1 emissions**

(1) Indicate whether this metric was disclosed, including the methodology

○ (1) Metric disclosed

● **(2) Metric and methodology disclosed**

(2) Provide links to the disclosed metric and methodology, as applicable

[https://www.nordiccapital.com/media/tbrjfywy/nordic\\_annual\\_review\\_final\\_15052024.pdf](https://www.nordiccapital.com/media/tbrjfywy/nordic_annual_review_final_15052024.pdf)

☒ **(B) Scope 2 emissions**

(1) Indicate whether this metric was disclosed, including the methodology

○ (1) Metric disclosed

● **(2) Metric and methodology disclosed**

(2) Provide links to the disclosed metric and methodology, as applicable

[https://www.nordiccapital.com/media/tbrjfywy/nordic\\_annual\\_review\\_final\\_15052024.pdf](https://www.nordiccapital.com/media/tbrjfywy/nordic_annual_review_final_15052024.pdf)

☒ **(C) Scope 3 emissions (including financed emissions)**

(1) Indicate whether this metric was disclosed, including the methodology

○ (1) Metric disclosed

● **(2) Metric and methodology disclosed**

(2) Provide links to the disclosed metric and methodology, as applicable

[https://www.nordiccapital.com/media/tbrjfywy/nordic\\_annual\\_review\\_final\\_15052024.pdf](https://www.nordiccapital.com/media/tbrjfywy/nordic_annual_review_final_15052024.pdf)

○ (D) Our organisation did not publicly disclose its Scope 1, Scope 2, or Scope 3 greenhouse gas emissions during the reporting year

## SUSTAINABILITY OUTCOMES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 47	CORE	N/A	Multiple indicators	PUBLIC	Sustainability outcomes	1, 2

**Has your organisation identified the intended and unintended sustainability outcomes connected to its investment activities?**

- ☒ (A) Yes, we have identified one or more specific sustainability outcomes connected to our investment activities
- ☐ (B) No, we have not yet identified the sustainability outcomes connected to any of our investment activities

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 47.1	CORE	PGS 47	N/A	PUBLIC	Sustainability outcomes	1, 2

**Which widely recognised frameworks has your organisation used to identify the intended and unintended sustainability outcomes connected to its investment activities?**

- ☒ (A) The UN Sustainable Development Goals (SDGs) and targets
- ☒ (B) The UNFCCC Paris Agreement
- ☐ (C) The UN Guiding Principles on Business and Human Rights (UNGPs)
- ☒ (D) OECD frameworks: OECD Guidelines for Multinational Enterprises and Guidance on Responsible Business Conduct for Institutional Investors
- ☐ (E) The EU Taxonomy
- ☐ (F) Other relevant taxonomies
- ☐ (G) The International Bill of Human Rights
- ☐ (H) The International Labour Organization's Declaration on Fundamental Principles and Rights at Work and the eight core conventions
- ☐ (I) The Convention on Biological Diversity
- ☒ (J) Other international framework(s)  
Specify:  
UN Global Compact, EDCI, SBTi
- ☒ (K) Other regional framework(s)  
Specify:  
SFDR
- ☐ (L) Other sectoral/issue-specific framework(s)
  - ☐ (M) Our organisation did not use any widely recognised frameworks to identify the intended and unintended sustainability outcomes connected to its investment activities

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 47.2	CORE	PGS 47	PGS 48	PUBLIC	Sustainability outcomes	1, 2

**What are the primary methods that your organisation has used to determine the most important intended and unintended sustainability outcomes connected to its investment activities?**

- ☒ (A) Identify sustainability outcomes that are closely linked to our core investment activities
- ☒ (B) Consult with key clients and/or beneficiaries to align with their priorities
- ☐ (C) Assess which actual or potential negative outcomes for people are most severe based on their scale, scope, and irremediable character
- ☒ (D) Identify sustainability outcomes that are closely linked to systematic sustainability issues
- ☒ (E) Analyse the input from different stakeholders (e.g. affected communities, civil society, trade unions or similar)
- ☐ (F) Understand the geographical relevance of specific sustainability outcome objectives
- ☐ (G) Other method
- ☐ (H) We have not yet determined the most important sustainability outcomes connected to our investment activities

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 48	CORE	PGS 47.2	PGS 48.1, SO 1	PUBLIC	Sustainability outcomes	1, 2

**Has your organisation taken action on any specific sustainability outcomes connected to its investment activities, including to prevent and mitigate actual and potential negative outcomes?**

- ☒ (A) Yes, we have taken action on some of the specific sustainability outcomes connected to our investment activities
- ☐ (B) No, we have not yet taken action on any specific sustainability outcomes connected to our investment activities

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 48.1	PLUS	PGS 48	N/A	PUBLIC	Sustainability outcomes	1, 2

**Why has your organisation taken action on specific sustainability outcomes connected to its investment activities?**

- ☒ (A) We believe that taking action on sustainability outcomes is relevant to our financial risks and returns over both short- and long-term horizons
- ☐ (B) We believe that taking action on sustainability outcomes, although not yet relevant to our financial risks and returns, will become so over a long-time horizon
- ☐ (C) We have been requested to do so by our clients and/or beneficiaries
- ☒ (D) We want to prepare for and respond to legal and regulatory developments that are increasingly addressing sustainability outcomes
- ☒ (E) We want to protect our reputation, particularly in the event of negative sustainability outcomes connected to investments
- ☒ (F) We want to enhance our social licence-to-operate (i.e. the trust of beneficiaries, clients, and other stakeholders)
- ☐ (G) We believe that taking action on sustainability outcomes in parallel to financial return goals has merit in its own right
- ☐ (H) Other

## HUMAN RIGHTS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 49	PLUS	PGS 47	PGS 49.1	PUBLIC	Human rights	1, 2

**During the reporting year, what steps did your organisation take to identify and take action on the actual and potentially negative outcomes for people connected to your investment activities?**

☒ (A) We assessed the human rights context of our potential and/or existing investments and projected how this could connect our organisation to negative human rights outcomes

Explain how these activities were conducted:

As part of being an active and engaged owner, Nordic Capital recognises our key role in addressing social issues and human rights across the Nordic Capital funds and vehicles. Nordic Capital respects human rights and the rights of workers, and believes that good relationships between all stakeholders, such as managers, employees, suppliers, and business partners, lead to better business results. Nordic Capital expects portfolio companies to respect and uphold internationally recognised human rights and labour rights, reject the use of any form of forced, child or compulsory labour, and have zero tolerance for any form of discrimination. As part of Nordic Capital's annual sustainability review, we have included questions related to human rights in the social module. Portfolio companies must confirm if they are committed to respect human rights and if they have a due diligence process in place to identify, prevent, mitigate, address, and communicate on adverse human rights impacts. We are developing our approach to identify and act on human rights related issues across the portfolio through engagement and best practice sharing.

In 2023, Nordic Capital expanded our Corporate Compliance Programme with a focus on human rights. It is imperative for companies to address human rights policies and conduct related due diligence as part of a structured risk-based analysis process. This approach helps companies identify and address actual and potential adverse human rights impacts throughout their business and value chain. By doing so, portfolio companies are prepared to comply with legal requirements, meet stakeholder expectations, and mitigate material risks that could affect their long-term value. The Human Rights Toolkit includes a Policy template, a recommended implementation process, and training on policy and regulatory requirements.

- ☐ (B) We assessed whether individuals at risk or already affected might be at heightened risk of harm
- ☐ (C) We consulted with individuals and groups who were at risk or already affected, their representatives and/or other relevant stakeholders such as human rights experts
- ☐ (D) We took other steps to assess and manage the actual and potentially negative outcomes for people connected to our investment activities
- ☐ (E) We did not identify and take action on the actual and potentially negative outcomes for people connected to any of our investment activities during the reporting year

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 49.1	PLUS	PGS 49	N/A	PUBLIC	Human rights	1, 2

**During the reporting year, which stakeholder groups did your organisation include when identifying and taking action on the actual and potentially negative outcomes for people connected to your investment activities?**

- ☐ (A) Workers
- ☐ (B) Communities
- ☐ (C) Customers and end-users
- ☒ (D) Other stakeholder groups
- Specify:

Nordic Capital's key investment sectors: Healthcare, Technology & Payments, Financial Services and Services & Industrial Tech  
 Nordic Capital expects portfolio companies to respect and uphold internationally recognised human rights and labour rights, reject the use of any form of forced, child or compulsory labour, and have zero tolerance for any form of discrimination. Furthermore, Nordic Capital expects portfolio companies to provide healthy and safe working environments, and promote employee wellbeing, gender equality, diversity and inclusion. As part of Nordic Capital's annual sustainability review, we have included questions related to human rights in the social module. Portfolio companies must confirm if they are committed to respect human rights and if they have a due diligence process in place to identify, prevent, mitigate, address, and communicate on adverse human rights impacts. Nordic Capital is continuously developing our approach to identify and act on human rights related issues across the portfolio through engagement and best practice sharing. The stakeholder groups include Nordic Capital's portfolio companies and their respective supply chains.

Sector(s) for which each stakeholder group was included

- ☐ (1) Energy
- ☐ (2) Materials
- ☒ (3) **Industrials**
- ☒ (4) **Consumer discretionary**
- ☒ (5) **Consumer staples**
- ☒ (6) **Healthcare**
- ☒ (7) **Finance**
- ☒ (8) **Information technology**
- ☐ (9) Communication services
- ☐ (10) Utilities
- ☐ (11) Real estate

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 49.2	PLUS	PGS 47	N/A	PUBLIC	Human rights	1, 2

**During the reporting year, what information sources did your organisation use to identify the actual and potentially negative outcomes for people connected to its investment activities?**

- ☐ (A) Corporate disclosures
- ☐ (B) Media reports
- ☐ (C) Reports and other information from NGOs and human rights institutions
- ☐ (D) Country reports, for example, by multilateral institutions, e.g. OECD, World Bank
- ☐ (E) Data provider scores or benchmarks
- ☐ (F) Human rights violation alerts
- ☐ (G) Sell-side research
- ☐ (H) Investor networks or other investors
- ☐ (I) Information provided directly by affected stakeholders or their representatives
- ☐ (J) Social media analysis
- ☒ (K) **Other**

Specify:

Nordic Capital's annual sustainability review

Provide further detail on how your organisation used these information sources:

As part of Nordic Capital's annual sustainability review, we have included questions related to human rights in the social module. Portfolio companies must confirm if they are committed to respect human rights and if they have a due diligence process in place to identify, prevent, mitigate, address, and communicate on adverse human rights impacts. We are continuously developing our approach to identify and act on human rights related issues across the portfolio through engagement and best practice sharing. The stakeholder groups include Nordic Capital's portfolio companies and their respective supply chains. Related data is collected and aggregated annually.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 50	PLUS	PGS 47	N/A	PUBLIC	Human rights	1, 2

**During the reporting year, did your organisation, directly or through influence over investees, enable access to remedy for people affected by negative human rights outcomes connected to your investment activities?**

- ☐ (A) Yes, we enabled access to remedy directly for people affected by negative human rights outcomes we caused or contributed to through our investment activities
- ☐ (B) Yes, we used our influence to ensure that our investees provided access to remedies for people affected by negative human rights outcomes we were linked to through our investment activities

☒ **(C) No, we did not enable access to remedy directly, or through the use of influence over investees, for people affected by negative human rights outcomes connected to our investment activities during the reporting year**

Explain why:

In 2023, no cases of severe human rights incidents (e.g., cases of child/forced labour) were identified. This was confirmed by data collected through our annual sustainability review. Further, Nordic Capital expanded our Corporate Compliance Programme with a focus on human rights. It is imperative for companies to address human rights policies and conduct related due diligence as part of a structured risk-based analysis process. This approach helps companies identify and address actual and potential adverse human rights impacts throughout their business and value chain. By doing so, portfolio companies are prepared to comply with legal requirements, meet stakeholder expectations, and mitigate material risks that could affect their long-term value. The Human Rights Toolkit includes a Policy template, a recommended implementation process, and training on policy and regulatory requirements.



# PRIVATE EQUITY (PE)

## POLICY

### INVESTMENT GUIDELINES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PE 1	CORE	OO 21	N/A	PUBLIC	Investment guidelines	1 to 6

What private equity-specific ESG guidelines are currently covered in your organisation's responsible investment policy(ies)?

- ☒ (A) Guidelines on our ESG approach tailored to the sector(s) and geography(ies) where we invest
- ☒ (B) Guidelines on our ESG approach tailored to the strategy(ies) and company stage(s) where we invest, e.g. venture capital, buy-out and distressed
- ☒ (C) Guidelines on pre-investment screening
- ☒ (D) Guidelines on minimum ESG due diligence requirements
- ☒ (E) Guidelines on our approach to ESG integration into short-term or 100-day plans (or equivalent)
- ☒ (F) Guidelines on our approach to ESG integration into long-term value-creation efforts
- ☒ (G) Guidelines on our approach to monitoring ESG risks, ESG opportunities and ESG incidents
- ☒ (H) Guidelines on our approach to ESG reporting
- ☐ (I) Our responsible investment policy(ies) does not cover private equity-specific ESG guidelines

## FUNDRAISING

### COMMITMENTS TO INVESTORS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PE 2	CORE	OO 21	N/A	PUBLIC	Commitments to investors	1, 4

For all of the funds that you closed during the reporting year, what type of formal responsible investment commitments did you make in Limited Partnership Agreements (LPAs), side letters or other constitutive fund documents?

- ☒ (A) We incorporated responsible investment commitments in LPAs (or equivalent) as a standard default procedure
- ☐ (B) We added responsible investment commitments in LPAs (or equivalent) upon clients' request
- ☐ (C) We added responsible investment commitments in side letters upon clients' request
- ☐ (D) We did not make any formal responsible investment commitments for the relevant reporting year
- ☐ (E) Not applicable; we have not raised funds in the last five years

## PRE-INVESTMENT

### MATERIALITY ANALYSIS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PE 3	CORE	OO 21	PE 3.1	PUBLIC	Materiality analysis	1

During the reporting year, how did you conduct ESG materiality analysis for your potential private equity investments?

- ☒ (A) We assessed ESG materiality at the portfolio company level, as each case is unique

Select from dropdown list

- ☒ (1) for all of our potential private equity investments
  - ☐ (2) for the majority of our potential private equity investments
  - ☐ (3) for a minority of our potential private equity investments
- ☐ (B) We performed a mix of industry-level and portfolio company-level ESG materiality analyses
- ☐ (C) We assessed ESG materiality at the industry level only
- ☐ (D) We did not conduct ESG materiality analyses for our potential private equity investments

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PE 3.1	CORE	PE 3	N/A	PUBLIC	Materiality analysis	1

During the reporting year, what tools, standards and data did you use in your ESG materiality analysis of potential private equity investments?

- ☐ (A) We used GRI standards to inform our private equity ESG materiality analysis
- ☒ (B) We used SASB standards to inform our private equity ESG materiality analysis
- ☒ (C) We used the UN Sustainable Development Goals (SDGs) to inform our private equity ESG materiality analysis
- ☒ (D) We used environmental and social factors detailed in the IFC Performance Standards (or other similar standards used by development-focused financial institutions) in our private equity ESG materiality analysis
- ☒ (E) We used climate disclosures, such as the TCFD recommendations or other climate risk and/or exposure analysis tools, to inform our private equity ESG materiality analysis
- ☐ (F) We used the UN Guiding Principles on Business and Human Rights (UNGPs) to inform our private equity ESG materiality analysis
- ☒ (G) We used geopolitical and macro-economic considerations in our private equity ESG materiality analysis
- ☐ (H) We engaged with the prospective portfolio company to inform our private equity ESG materiality analysis
- ☒ (I) Other

Specify:

The Ten Principles of the United Nations Global Compact (UNGC) are used as guidelines in Nordic Capital's investment process.

## DUE DILIGENCE

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PE 4	CORE	OO 21	N/A	PUBLIC	Due diligence	1

During the reporting year, how did material ESG factors influence the selection of your private equity investments?

☒ (A) Material ESG factors were used to identify risks

Select from dropdown list

- ☒ (1) for all of our potential private equity investments
- ☐ (2) for the majority of our potential private equity investments
- ☐ (3) for a minority of our potential private equity investments

☒ (B) Material ESG factors were discussed by the investment committee (or equivalent)

Select from dropdown list

- ☒ (1) for all of our potential private equity investments
- ☐ (2) for the majority of our potential private equity investments
- ☐ (3) for a minority of our potential private equity investments

☒ (C) Material ESG factors were used to identify remedial actions for our 100-day plans (or equivalent)

Select from dropdown list

- ☒ (1) for all of our potential private equity investments
- ☐ (2) for the majority of our potential private equity investments
- ☐ (3) for a minority of our potential private equity investments

☒ (D) Material ESG factors were used to identify opportunities for value creation

Select from dropdown list

- ☒ (1) for all of our potential private equity investments
- ☐ (2) for the majority of our potential private equity investments
- ☐ (3) for a minority of our potential private equity investments

☒ (E) Material ESG factors informed our decision to abandon potential investments in the due diligence phase in cases where ESG risks were considered too high to mitigate

Select from dropdown list

- ☒ (1) for all of our potential private equity investments
- ☐ (2) for the majority of our potential private equity investments
- ☐ (3) for a minority of our potential private equity investments

☒ (F) Material ESG factors impacted investments in terms of the price offered and/or paid

Select from dropdown list

- ☐ (1) for all of our potential private equity investments
- ☐ (2) for the majority of our potential private equity investments
- ☒ (3) for a minority of our potential private equity investments

☐ (G) Material ESG factors did not influence the selection of our private equity investments

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PE 5	CORE	OO 21	N/A	PUBLIC	Due diligence	1

Once material ESG factors have been identified, what processes do you use to conduct due diligence on these factors for potential private equity investments?

☒ (A) We do a high-level or desktop review using an ESG checklist for initial red flags

Select from dropdown list

- ☒ (1) for all of our potential private equity investments
- ☐ (2) for a majority of our potential private equity investments

- (3) for a minority of our potential private equity investments
- ☒ **(B) We send detailed ESG questionnaires to target companies**  
Select from dropdown list
  - ☒ **(1) for all of our potential private equity investments**
  - (2) for a majority of our potential private equity investments
  - (3) for a minority of our potential private equity investments
- ☒ **(C) We hire third-party consultants to do technical due diligence on specific material ESG factors**  
Select from dropdown list
  - (1) for all of our potential private equity investments
  - ☒ **(2) for a majority of our potential private equity investments**
  - (3) for a minority of our potential private equity investments
- ☒ **(D) We conduct site visits**  
Select from dropdown list
  - (1) for all of our potential private equity investments
  - ☒ **(2) for a majority of our potential private equity investments**
  - (3) for a minority of our potential private equity investments
- ☒ **(E) We conduct in-depth interviews with management and/or personnel**  
Select from dropdown list
  - (1) for all of our potential private equity investments
  - ☒ **(2) for a majority of our potential private equity investments**
  - (3) for a minority of our potential private equity investments
- ☒ **(F) We conduct detailed external stakeholder analyses and/or engagement**  
Select from dropdown list
  - (1) for all of our potential private equity investments
  - (2) for a majority of our potential private equity investments
  - ☒ **(3) for a minority of our potential private equity investments**
- ☒ **(G) We incorporate ESG due diligence findings in all of our relevant investment process documentation in the same manner as other key due diligence, e.g. commercial, accounting and legal**  
Select from dropdown list
  - ☒ **(1) for all of our potential private equity investments**
  - (2) for a majority of our potential private equity investments
  - (3) for a minority of our potential private equity investments
- ☒ **(H) Our investment committee (or an equivalent decision-making body) is ultimately responsible for ensuring all ESG due diligence is completed in the same manner as for other key due diligence, e.g. commercial, accounting, and legal**  
Select from dropdown list
  - ☒ **(1) for all of our potential private equity investments**
  - (2) for a majority of our potential private equity investments
  - (3) for a minority of our potential private equity investments
- ☐ (I) Other
- (J) We do not conduct due diligence on material ESG factors for potential private equity investments

## POST-INVESTMENT

### MONITORING

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PE 6	CORE	OO 21	PE 6.1	PUBLIC	Monitoring	1

During the reporting year, did you track one or more KPIs on material ESG factors across your private equity investments?

- ☒ **(A) Yes, we tracked KPIs on environmental factors**

Percentage of portfolio companies this applies to:

- (1) >0 to 10%
- (2) >10 to 50%
- (3) >50 to 75%
- (4) >75 to 95%

● (5) >95%

☑ (B) Yes, we tracked KPIs on social factors

Percentage of portfolio companies this applies to:

- (1) >0 to 10%
- (2) >10 to 50%
- (3) >50 to 75%
- (4) >75 to 95%

● (5) >95%

☑ (C) Yes, we tracked KPIs on governance factors

Percentage of portfolio companies this applies to:

- (1) >0 to 10%
- (2) >10 to 50%
- (3) >50 to 75%
- (4) >75 to 95%

● (5) >95%

- (D) We did not track KPIs on material ESG factors across our private equity investments

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PE 6.1	PLUS	PE 6	N/A	PUBLIC	Monitoring	1

**Provide examples of KPIs on material ESG factors you tracked across your private equity investments during the reporting year.**

(A) ESG KPI #1

Having a sustainability strategy in place

(B) ESG KPI #2

Having an assigned 'Sustainability responsible' in the company

(C) ESG KPI #3

Greenhouse gas emission intensity (tCO<sub>2</sub>e/sales MEUR)

(D) ESG KPI #4

Zero-carbon energy share of total energy consumption

(E) ESG KPI #5

Female representation at Board of Directors / Female representation in Executive management

(F) ESG KPI #6

Measurement of employee engagement/satisfaction

(G) ESG KPI #7

Organic employment growth in current portfolio (year-on-year)

(H) ESG KPI #8

Code of Conduct in place

(I) ESG KPI #9

Whistleblowing policy or system in place

(J) ESG KPI #10

Having 'Sustainability' as a recurring item on the agenda for the board meetings

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PE 7	CORE	OO 21	PE 7.1	PUBLIC	Monitoring	1, 2

**What processes do you have in place to support meeting your targets on material ESG factors for your private equity investments?**

☒ **(A) We use operational-level benchmarks to assess and analyse the performance of portfolio companies against sector performance**

Select from dropdown list

- ☒ **(1) for all of our private equity investments**
- ☐ (2) for a majority of our private equity investments
- ☐ (3) for a minority of our private equity investments

☒ **(B) We implement international best practice standards, such as the IFC Performance Standards, to guide ongoing assessments and analyses**

Select from dropdown list

- ☒ **(1) for all of our private equity investments**
- ☐ (2) for a majority of our private equity investments
- ☐ (3) for a minority of our private equity investments

☒ **(C) We implement certified environmental and social management systems across our portfolio**

Select from dropdown list

- ☐ (1) for all of our private equity investments
- ☒ **(2) for a majority of our private equity investments**
- ☐ (3) for a minority of our private equity investments

☒ **(D) We make sufficient budget available to ensure that the systems and procedures needed are established**

Select from dropdown list

- ☒ **(1) for all of our private equity investments**
- ☐ (2) for a majority of our private equity investments
- ☐ (3) for a minority of our private equity investments

☒ **(E) We hire external verification services to audit performance, systems, and procedures**

Select from dropdown list

- ☐ (1) for all of our private equity investments
- ☐ (2) for a majority of our private equity investments
- ☒ **(3) for a minority of our private equity investments**

☒ **(F) We conduct ongoing engagement with all key stakeholders at the portfolio company level, e.g. local communities, NGOs, governments, and end-users**

Select from dropdown list

- ☒ **(1) for all of our private equity investments**
- ☐ (2) for a majority of our private equity investments
- ☐ (3) for a minority of our private equity investments

☒ **(G) We implement 100-day plans, ESG roadmaps and similar processes**

Select from dropdown list

- ☒ **(1) for all of our private equity investments**
- ☐ (2) for a majority of our private equity investments
- ☐ (3) for a minority of our private equity investments

☐ **(H) Other**

- ☐ (I) We do not have processes in place to help meet our targets on material ESG factors for our private equity investments

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PE 7.1	PLUS	PE 7	N/A	PUBLIC	Monitoring	1, 2

**Describe up to two processes you have put in place during the reporting year to help meet your targets on material ESG factors.**

**(A) Process one**

Sub-sector specific ESG playbooks and tools updated enabling increased focus on sustainability in investment and ownership phase. Throughout the year, the sustainability team has collaborated closely with Nordic Capital Advisors' Investment, Operations, and Legal teams to enhance the integration of sustainability into our playbooks and toolkits. This effort aligns with Nordic Capital's climate agenda and new regulatory requirements, expanding sector-specific ESG templates and materials. Updates to the due diligence process and final bid materials now include an ESG data request list and new templates. These enhancements enable a more thorough assessment of data availability and company performance during due diligence, focusing on Principle Adverse Impacts (PAI) and selected sustainability criteria. Further refinements to the Sustainability Toolkit for portfolio companies include updates to the Materiality Assessment Tool. This tool assists portfolio companies in conducting double materiality assessments in accordance with evolving regulatory requirements. As part of Nordic Capital's climate agenda, we have developed a decarbonisation playbook to support portfolio companies in their SBTi journey. Drawing insights from current portfolio companies engaged in setting science-based targets, this playbook is designed to be highly practical and actionable.

**(B) Process two**

Training as part of the foundation for an integrated ESG approach. Training and the sharing of best practice is critical and Nordic Capital has developed long standing training programmes on how businesses should address sustainability factors and progress their sustainability agendas over the long term. In total 1,200 professionals have been trained since 2014. In 2023, 156 professionals including Board Directors, executive management from the portfolio as well as Nordic Capital employees attended our proprietary training programmes. Key areas covered include corporate compliance, sustainability strategies, ESG regulation and ESG reporting.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PE 8	PLUS	OO 21	N/A	PUBLIC	Monitoring	1, 2

**Describe material ESG risks and ESG opportunities that you integrate into your 100-day plans, including those accountable for their successful completion and how the process is monitored.**

Nordic Capital funds and vehicles are committed to investing responsibly, with a firm belief that responsible business practice is essential for achieving long-term success and value creation. With a clear commitment to making a positive contribution to society by helping to build strong companies, we drive sustainable development and awareness within our own organisation as well as in the portfolio companies.

On a high-level, the ESG on-boarding is structured as follows:

- Start-up meeting
- High-level maturity assessment
- Training (ESG I & III)
- Materiality analysis initiation

- Alignment with Nordic Capital's decarbonisation roadmap per sector

Nordic Capital Advisors has a structured ESG on-boarding process with guidance on how to successfully integrate sustainability into value creation plans. The deal teams, a dedicated in-house sustainability team and external advisors work with portfolio companies to set sustainability roadmaps and expectations during the structured on-boarding process. The sustainability roadmaps are to be fully integrated into value creation plans devised by Nordic Capital's Ownership Excellence function, which is dedicated to driving value across the portfolio. Moreover, Nordic Capital offers training, tools, and resources to portfolio companies to embed sustainability into the business strategy and value creation agendas. Nordic Capital also offers support to portfolio companies by providing access to ESG playbooks and a sustainability portal. The company specific sustainability value creation plans are developed and finetuned to ensure that they are up to date and aligned with industry best practice and regulatory requirements. Nordic Capital requires that sustainability matters must be addressed at board level and that the sustainability strategy needs to be adopted by the portfolio companies' boards of directors and reported on annually. Nordic Capital monitors each portfolio company through our annual sustainability review and progress in each company is evaluated in the bi-annual portfolio performance reviews.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PE 9	CORE	OO 21	N/A	PUBLIC	Monitoring	1, 2

**Post-investment, how do you manage material ESG risks and ESG opportunities to create value during the holding period of your investments?**

☒ **(A) We develop company-specific ESG action plans based on pre-investment research, due diligence and materiality findings**

Select from dropdown list

- ☒ **(1) for all of our private equity investments**
- ☐ (2) for a majority of our private equity investments
- ☐ (3) for a minority of our private equity investments

☒ **(B) We adjust our ESG action plans based on performance monitoring findings at least yearly**

Select from dropdown list

- ☒ **(1) for all of our private equity investments**
- ☐ (2) for a majority of our private equity investments
- ☐ (3) for a minority of our private equity investments

☒ **(C) We, or the external advisors that we hire, support our private equity investments with specific ESG value-creation opportunities**

Select from dropdown list

- ☒ **(1) for all of our private equity investments**
- ☐ (2) for a majority of our private equity investments
- ☐ (3) for a minority of our private equity investments

☒ **(D) We engage with the board to manage ESG risks and ESG opportunities post-investment**

Select from dropdown list

- ☒ **(1) for all of our private equity investments**
- ☐ (2) for a majority of our private equity investments
- ☐ (3) for a minority of our private equity investments

☐ (E) Other

☐ (F) We do not manage material ESG risks and opportunities post-investment



Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PE 10	PLUS	OO 21	N/A	PUBLIC	Monitoring	1, 2

**Describe how you ensure that material ESG risks are adequately addressed in the private equity investments in which you hold a minority stake.**

Nordic Capital applies a consistent approach to ESG integration across all investments, including minority stakes, as outlined in indicator PE 8. The on-boarding process for minority stake investments follows the same structured approach as all other investments. During the ownership phase, procedures may vary based on the specific partnership and arrangements with the investment partners. Therefore, in the context of minority investments, ESG risks are typically addressed on a case-by-case basis throughout the ownership period.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PE 11	PLUS	OO 21	N/A	PUBLIC	Monitoring	2

**Describe how your ESG action plans are currently defined, implemented and monitored throughout the investment period.**

Following the acquisition of a portfolio company, ESG action plans, or "roadmaps", are developed based on insights from the ESG due diligence process. While it remains the duty of the portfolio company's board of directors to oversee sustainability risks, Nordic Capital proactively encourages portfolio companies to consistently adhere to external sustainability standards at a minimum. In accordance with Nordic Capital's investment framework, we implement the following approach:

Invest well:

When Nordic Capital invests in a company, we initiate a structured on-boarding process to comprehensively assess and identify significant sustainability risks and opportunities. This includes evaluating environmental factors such as carbon footprint, energy efficiency, and waste management, as well as social, ethical, and community impacts, and ensuring compliance with anti-corruption, antitrust, trade sanctions, and data protection regulations. We advocate for integrating this sustainability assessment into the value creation plan, establishing clear objectives, targets and KPIs to track progress over time. Nordic Capital typically expects portfolio companies and their boards of directors to effectively address sustainability issues within two years of investment. We promote the application of responsible investment principles that we have developed, encouraging continuous improvement throughout the ownership period.

Own well:

Nordic Capital Portfolio companies are required to have their sustainability strategies approved and reviewed by their boards of directors as well as to report on their sustainability performance to Nordic Capital as part of the annual sustainability review. Nordic Capital actively engages with our portfolio companies during the ownership stage to promote the importance of sustainability, drive sustainable performance and share best practices. We set out clear expectations for portfolio companies, ensuring that sustainability is addressed appropriately at boardroom level and throughout the organisation. In most cases, Nordic Capital is the majority shareholder or in a position to influence the strategic transformation of the company. To support portfolio companies to mitigate risks and seize opportunities, Nordic Capital Advisors' Sustainability team provides training, tools, and support during the ownership period to help portfolio companies strengthen their sustainability strategies and develop appropriate processes for assessment, compliance, and reporting. This also includes providing networking opportunities, sustainability resources, reporting tools and regular reviews.

Sell well:

Nordic Capital takes a long-term view to ownership and always considers the outlook for development beyond our ownership period. Working closely with management, we always evaluate a diverse range of exit routes with the goal of enabling continued growth and sustainable operations. The target for Nordic Capital is to transfer ownership in the best possible way so that portfolio businesses continue to grow and outperform in the long term. In preparation for exit, steps are taken to ensure the portfolio company is able to improve its performance within sustainability. Nordic Capital measures development during the ownership phase and factors sustainable progress into the sales process. The aim is for the value of sustainability improvements made during the ownership phase to be realised upon exit.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PE 12	CORE	OO 21	PE 12.1	PUBLIC	Monitoring	1, 2

#### How do you ensure that adequate ESG-related competence exists at the portfolio company level?

☒ **(A) We assign the board responsibility for ESG matters**

Select from dropdown list

- ☒ **(1) for all of our private equity investments**
- ☐ (2) for a majority of our private equity investments
- ☐ (3) for a minority of our private equity investments

☒ **(B) We ensure that material ESG matters are discussed by the board at least yearly**

Select from dropdown list

- ☒ **(1) for all of our private equity investments**
- ☐ (2) for a majority of our private equity investments
- ☐ (3) for a minority of our private equity investments

☒ **(C) We provide training on ESG aspects and management best practices relevant to the portfolio company to C-suite executives only**

Select from dropdown list

- ☒ **(1) for all of our private equity investments**
- ☐ (2) for a majority of our private equity investments
- ☐ (3) for a minority of our private equity investments

☒ **(D) We provide training on ESG aspects and management best practices relevant to the portfolio company to employees (excl. C-suite executives)**

Select from dropdown list

- ☒ **(1) for all of our private equity investments**
- ☐ (2) for a majority of our private equity investments
- ☐ (3) for a minority of our private equity investments

☒ **(E) We support the portfolio company in developing and implementing its ESG strategy**

Select from dropdown list

- ☒ **(1) for all of our private equity investments**
- ☐ (2) for a majority of our private equity investments
- ☐ (3) for a minority of our private equity investments

☒ **(F) We support portfolio companies by finding external ESG expertise, e.g. consultants or auditors**

Select from dropdown list

- ☒ **(1) for all of our private equity investments**
- ☐ (2) for a majority of our private equity investments
- ☐ (3) for a minority of our private equity investments

☒ **(G) We share best practices across portfolio companies, e.g. educational sessions or the implementation of environmental and social management systems**

Select from dropdown list

- ☒ **(1) for all of our private equity investments**
- ☐ (2) for a majority of our private equity investments
- ☐ (3) for a minority of our private equity investments

☒ **(H) We include penalties or incentives to improve ESG performance in management remuneration schemes**

Select from dropdown list

- ☐ (1) for all of our private equity investments

- (2) for a majority of our private equity investments
- (3) for a minority of our private equity investments
- ☐ (I) Other
- (J) We do not ensure that adequate ESG-related competence exists at the portfolio company level

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PE 12.1	PLUS	PE 12	N/A	PUBLIC	Monitoring	1, 2

**Describe up to two initiatives taken as part of your ESG competence-building efforts at the portfolio company level during the reporting year.**

**(A) Initiative 1**

Sustainability Summit, spotlights, and functional events

During 2023, Nordic Capital hosted and arranged summits, spotlight sessions and events to increase awareness and share best practices with our portfolio companies. Nordic Capital organised its annual Sustainability Summit in 2023, bringing together 36 representatives from 24 portfolio companies. The Summit provided a platform for sharing best practices and networking opportunities. Key topics included setting SBTi climate targets, enhancing sustainable operations, and preparing ESG agendas for the next phase of ownership. The Nordic Capital Sustainability Spotlight Session was dedicated to ESG Disclosure in 2023, targeting CFOs and Heads of Sustainability within the portfolio, to address the rapidly evolving requirements of ESG disclosure and reporting. All spotlight sessions have been co-hosted by external advisors, to ensure portfolio companies gain access to renowned experts in their respective fields.

Nordic Capital has longstanding partnerships with experts in areas such as sustainability strategy development, sustainability reporting, whistleblowing, data privacy and information security, corporate compliance, decarbonisation, climate data collection and analysis, as well as ESG data management. The external advisor network covers the full geographical reach of our funds and vehicles. Nordic Capital Sustainability spotlight sessions allow portfolio companies to increase awareness on hot topics and access experts who offer hands on support. In addition, sustainability was also integrated into other cross functional events such as the Nordic Capital CFO Summit and the Procurement Summit. Sustainability webinars were also arranged for Chief Human Resources Officers to address gender pay gap and promote D&I within their organisations. Nordic Capital actively engages in various public events and roundtables to share best practice with the industry.

**(B) Initiative 2**

NCPO academy and EcoVadis Partnership

As public awareness of supply chains and related issues grows, there are increasing expectations that companies sufficiently manage their exposure to potential supply chain risks. Nordic Capital's Operations team supports our portfolio companies to develop their procurement practices and supply chain management. The Nordic Capital Procurement Optimisation (NCPO) Programme was launched in 2009 to bring together a community of procurement professionals across the portfolio and ensure that procurement value creation is maximised. The programme offers voluntary trainings through the NCPO Academy to all portfolio companies to ensure that procurement professionals are familiar with best practice in their field and works along four key pillars: Community, NCPO Academy, Cross-portfolio sourcing and Strategy and company-specific programmes. We believe that procurement excellence is regarded as a key value lever that can deliver a sustainable competitive advantage, act as a catalyst for innovation and fuel future growth.

To support portfolio companies in developing and implementing robust supply chain practices Nordic Capital has partnered with EcoVadis, a selected provider of business sustainability ratings, intelligence, and collaborative performance improvement tools for global supply chains. Offering support at every stage of the procurement process, this innovative partnership will enable Nordic Capital's portfolio companies to increase resilience and transparency, while also reducing costs. EcoVadis is seamlessly integrated with Nordic Capital's procurement platform and allows portfolio companies to monitor and improve the sustainability performance of their suppliers via scorecards, benchmarks, carbon action tools and insight guides. The EcoVadis intelligence suite is linked to Nordic Capital's bespoke source-to-contract platform, the NCPO engine, thereby enabling sustainability integration in core procurement processes. Our ambition is to further emphasise education of our portfolio companies and provide enhanced support to ensure steady development of procurement practices. We trust that such initiatives will help safeguard the reputation, operations, and financial performance of our funds and vehicles.

## EXIT

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PE 13	CORE	OO 21	N/A	PUBLIC	Exit	4, 6

During the reporting year, what responsible investment information was shared with potential buyers of private equity investments?

☒ (A) Our firm's high-level commitment to responsible investment, e.g. that we are a PRI signatory

Select from dropdown list

- ☒ (1) for all of our private equity investments
- ☐ (2) for a majority of our private equity investments
- ☐ (3) for a minority of our private equity investments

☒ (B) A description of what industry and asset class standards our firm aligns with, e.g. TCFD

Select from dropdown list

- ☒ (1) for all of our private equity investments
- ☐ (2) for a majority of our private equity investments
- ☐ (3) for a minority of our private equity investments

☒ (C) Our firm's responsible investment policy (at minimum, a summary of key aspects and firm-specific approach)

Select from dropdown list

- ☒ (1) for all of our private equity investments
- ☐ (2) for a majority of our private equity investments
- ☐ (3) for a minority of our private equity investments

☒ (D) Our firm's ESG risk assessment methodology (topics covered in-house and/or with external support)

Select from dropdown list

- ☒ (1) for all of our private equity investments
- ☐ (2) for a majority of our private equity investments
- ☐ (3) for a minority of our private equity investments

☒ (E) The outcome of our latest ESG risk assessment on the asset or portfolio company

Select from dropdown list

- ☒ (1) for all of our private equity investments
- ☐ (2) for a majority of our private equity investments
- ☐ (3) for a minority of our private equity investments

☒ (F) Key ESG performance data on the asset or portfolio company being sold

Select from dropdown list

- ☒ (1) for all of our private equity investments
- ☐ (2) for a majority of our private equity investments
- ☐ (3) for a minority of our private equity investments

☐ (G) Other

☐ (H) No responsible investment information was shared with potential buyers of private equity investments during the reporting year

☐ (I) Not applicable; we had no sales process (or control over the sales process) during the reporting year

## DISCLOSURE OF ESG PORTFOLIO INFORMATION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PE 14	CORE	OO 21	N/A	PUBLIC	Disclosure of ESG portfolio information	6

During the reporting year, how did you report your targets on material ESG factors and related data to your investors?

- ☒ (A) We used a publicly disclosed sustainability report
- ☒ (B) We reported in aggregate through formal reporting to investors
- ☒ (C) We reported at the portfolio company level through formal reporting to investors
- ☒ (D) We reported through a limited partners advisory committee (or equivalent)
- ☒ (E) We reported back at digital or physical events or meetings with investors
- ☒ (F) We had a process in place to ensure that reporting on serious ESG incidents occurred
- ☒ (G) Other

Specify:

Investor-specific questionnaires/surveys: Nordic Capital continuously develops our sustainability evaluation methods to enhance the accuracy and transparency of reporting to investors in the Funds and other important stakeholders. Nordic Capital aims to increase our ability to respond to stakeholders' interests and improve the quality of reporting and communication via formats such as a quarterly reports, investor surveys and sustainability questionnaires.

- (H) We did not report our targets on material ESG factors and related data to our investors during the reporting year

# SUSTAINABILITY OUTCOMES (SO)

## SETTING TARGETS AND TRACKING PROGRESS

### SETTING TARGETS ON SUSTAINABILITY OUTCOMES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 1	PLUS	PGS 48	SO 2, SO 2.1, SO 3	PUBLIC	Setting targets on sustainability outcomes	1, 2

What specific sustainability outcomes connected to its investment activities has your organisation taken action on?

☒ (A) Sustainability outcome #1

(1) Widely recognised frameworks used to guide action on this sustainability outcome

☒ (1) The UN Sustainable Development Goals (SDGs) and targets

☐ (2) The UNFCCC Paris Agreement

☐ (3) The UN Guiding Principles on Business and Human Rights (UNGPs)

☐ (4) OECD frameworks: OECD Guidelines for Multinational Enterprises and Guidance on Responsible Business Conduct for Institutional Investors

☐ (5) The EU Taxonomy

☐ (6) Other relevant taxonomies

☐ (7) The International Bill of Human Rights

☐ (8) The International Labour Organization's Declaration on Fundamental Principles and Rights at Work and the eight core conventions

☐ (9) The Convention on Biological Diversity

☐ (10) Other international, regional, sector-based or issue-specific framework(s)

(2) Classification of sustainability outcome

☐ (1) Environmental

☒ (2) Social

☐ (3) Governance-related

☐ (4) Other

(3) Sustainability outcome name

SDG 5.5 women's participation in leadership: Female representation at Board of Directors (external board members)

(4) Number of targets set for this outcome

☐ (1) No target

☒ (2) One target

☐ (3) Two or more targets

☒ (B) Sustainability outcome #2

(1) Widely recognised frameworks used to guide action on this sustainability outcome

☒ (1) The UN Sustainable Development Goals (SDGs) and targets

☐ (2) The UNFCCC Paris Agreement

☐ (3) The UN Guiding Principles on Business and Human Rights (UNGPs)

☐ (4) OECD frameworks: OECD Guidelines for Multinational Enterprises and Guidance on Responsible Business Conduct for Institutional Investors

☐ (5) The EU Taxonomy

☐ (6) Other relevant taxonomies

☐ (7) The International Bill of Human Rights

☐ (8) The International Labour Organization's Declaration on Fundamental Principles and Rights at Work and the eight core conventions

☐ (9) The Convention on Biological Diversity

☐ (10) Other international, regional, sector-based or issue-specific framework(s)

(2) Classification of sustainability outcome

- ☐ (1) Environmental
- ☒ (2) **Social**
- ☐ (3) Governance-related
- ☐ (4) Other

(3) Sustainability outcome name

SDG 8.3 job creation and growing enterprises: organic employment growth in portfolio

(4) Number of targets set for this outcome

- ☐ (1) No target
- ☒ (2) **One target**
- ☐ (3) Two or more targets

☒ (C) **Sustainability outcome #3**

(1) Widely recognised frameworks used to guide action on this sustainability outcome

- ☒ (1) **The UN Sustainable Development Goals (SDGs) and targets**
- ☐ (2) The UNFCCC Paris Agreement
- ☐ (3) The UN Guiding Principles on Business and Human Rights (UNGPs)
- ☐ (4) OECD frameworks: OECD Guidelines for Multinational Enterprises and Guidance on Responsible Business Conduct for Institutional Investors
- ☐ (5) The EU Taxonomy
- ☐ (6) Other relevant taxonomies
- ☐ (7) The International Bill of Human Rights
- ☐ (8) The International Labour Organization's Declaration on Fundamental Principles and Rights at Work and the eight core conventions
- ☐ (9) The Convention on Biological Diversity
- ☐ (10) Other international, regional, sector-based or issue-specific framework(s)

(2) Classification of sustainability outcome

- ☐ (1) Environmental
- ☐ (2) Social
- ☒ (3) **Governance-related**
- ☐ (4) Other

(3) Sustainability outcome name

SDG 12.1 sustainable consumption and production: % of portfolio companies that have a sustainability strategy in place

SDG 12.6 sustainable practices and reporting: % of portfolio companies that have published a sustainability report

(4) Number of targets set for this outcome

- ☐ (1) No target
- ☐ (2) One target
- ☒ (3) **Two or more targets**

☒ (D) **Sustainability outcome #4**

(1) Widely recognised frameworks used to guide action on this sustainability outcome

- ☒ (1) **The UN Sustainable Development Goals (SDGs) and targets**
- ☐ (2) The UNFCCC Paris Agreement
- ☐ (3) The UN Guiding Principles on Business and Human Rights (UNGPs)
- ☐ (4) OECD frameworks: OECD Guidelines for Multinational Enterprises and Guidance on Responsible Business Conduct for Institutional Investors
- ☐ (5) The EU Taxonomy
- ☐ (6) Other relevant taxonomies
- ☐ (7) The International Bill of Human Rights
- ☐ (8) The International Labour Organization's Declaration on Fundamental Principles and Rights at Work and the eight core conventions
- ☐ (9) The Convention on Biological Diversity
- ☐ (10) Other international, regional, sector-based or issue-specific framework(s)

(2) Classification of sustainability outcome

- ☒ (1) **Environmental**
- ☐ (2) Social
- ☐ (3) Governance-related
- ☐ (4) Other

(3) Sustainability outcome name

SDG 13.2 climate change measures: tCO2e carbon intensity (tCO2e/sales MEUR) in portfolio

- (4) Number of targets set for this outcome
- (1) No target
  - (2) One target
  - (3) Two or more targets
- ☒ (E) Sustainability outcome #5
- (1) Widely recognised frameworks used to guide action on this sustainability outcome
- ☒ (1) The UN Sustainable Development Goals (SDGs) and targets
  - ☐ (2) The UNFCCC Paris Agreement
  - ☐ (3) The UN Guiding Principles on Business and Human Rights (UNGPs)
  - ☐ (4) OECD frameworks: OECD Guidelines for Multinational Enterprises and Guidance on Responsible Business Conduct for Institutional Investors
  - ☐ (5) The EU Taxonomy
  - ☐ (6) Other relevant taxonomies
  - ☐ (7) The International Bill of Human Rights
  - ☐ (8) The International Labour Organization's Declaration on Fundamental Principles and Rights at Work and the eight core conventions
  - ☐ (9) The Convention on Biological Diversity
  - ☐ (10) Other international, regional, sector-based or issue-specific framework(s)
- (2) Classification of sustainability outcome
- ☐ (1) Environmental
  - ☐ (2) Social
  - ☒ (3) Governance-related
  - ☐ (4) Other
- (3) Sustainability outcome name
- SDG 16.5 anti-corruption and anti-bribery: % of portfolio companies that have a Code of Conduct
- SDG 16.5 anti-corruption and anti-bribery: % of portfolio companies that have a whistleblowing policy and/or system
- (4) Number of targets set for this outcome
- (1) No target
  - (2) One target
  - (3) Two or more targets
- ☐ (F) Sustainability outcome #6
- ☐ (G) Sustainability outcome #7
- ☐ (H) Sustainability outcome #8
- ☐ (I) Sustainability outcome #9
- ☐ (J) Sustainability outcome #10

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 2	PLUS	SO 1	SO 2.1, SO 4, SO 5	PUBLIC	Setting targets on sustainability outcomes	1

For each sustainability outcome, provide details of up to two of your nearest-term targets.

#### (A1) Sustainability Outcome #1: Target details

(A1) Sustainability Outcome #1:	SDG 5.5 women's participation in leadership: Female representation at Board of Directors (external board members)
(1) Target name	Female representation at BoD, external



(2) Baseline year	2018
(3) Target to be met by	2025
(4) Methodology	<p>Our Responsible Investment Policy recognises the Ten Principles of the United Nations Global Compact (UNGC) and the UN's Sustainable Development Goals (SDGs). We encourage our portfolio companies to consider these Principles and Goals when developing their own sustainability strategies.</p> <p>The promoted environmental, social, and governance characteristics are measured through progress on five selected SDGs and the consideration of principal adverse impacts as part of the investment decision-making process.</p>
(5) Metric used (if relevant)	%
(6) Absolute or intensity-based (if relevant)	
(7) Baseline level or amount (if relevant):	
(8) Target level or amount (if relevant)	30%
(9) Percentage of total AUM covered in your baseline year for target setting	100%
(10) Do you also have a longer-term target for this?	(2) No

#### **(B1) Sustainability Outcome #2: Target details**

(B1) Sustainability Outcome #2:	SDG 8.3 job creation and growing enterprises: organic employment growth in portfolio
(1) Target name	Organic employment growth in portfolio
(2) Baseline year	2018
(3) Target to be met by	2025
(4) Methodology	<p>Our Responsible Investment Policy recognises the Ten Principles of the United Nations Global Compact (UNGC) and the UN's Sustainable Development Goals (SDGs). We encourage our portfolio companies to consider these Principles and Goals when developing their own sustainability strategies.</p> <p>The promoted environmental, social, and governance characteristics are measured through progress on five selected SDGs and the consideration of principal adverse impacts as part of the investment decision-making process.</p>

(5) Metric used (if relevant)	Above industry peers
(6) Absolute or intensity-based (if relevant)	
(7) Baseline level or amount (if relevant):	
(8) Target level or amount (if relevant)	Above industry peers
(9) Percentage of total AUM covered in your baseline year for target setting	100%
(10) Do you also have a longer-term target for this?	(2) No

### **(C1) Sustainability Outcome #3: Target details**

(C1) Sustainability Outcome #3:	SDG 12.1 sustainable consumption and production: % of portfolio companies that have a sustainability strategy in place SDG 12.6 sustainable practices and reporting: % of portfolio companies that have published a sustainability report
(1) Target name	Sustainability strategy in place
(2) Baseline year	2018
(3) Target to be met by	2025
(4) Methodology	Our Responsible Investment Policy recognises the Ten Principles of the United Nations Global Compact (UNGC) and the UN's Sustainable Development Goals (SDGs). We encourage our portfolio companies to consider these Principles and Goals when developing their own sustainability strategies. The promoted environmental, social, and governance characteristics are measured through progress on five selected SDGs and the consideration of principal adverse impacts as part of the investment decision-making process.
(5) Metric used (if relevant)	%
(6) Absolute or intensity-based (if relevant)	
(7) Baseline level or amount (if relevant):	
(8) Target level or amount (if relevant)	Above 80%

(9) Percentage of total AUM covered in your baseline year for target setting

100%

(10) Do you also have a longer-term target for this?

(2) No

### (C2) Sustainability Outcome #3: Target details

(C2) Sustainability Outcome #3:

SDG 12.1 sustainable consumption and production: % of portfolio companies that have a sustainability strategy in place  
SDG 12.6 sustainable practices and reporting: % of portfolio companies that have published a sustainability report

(1) Target name

Sustainability reporting in place

(2) Baseline year

2018

(3) Target to be met by

2025

(4) Methodology

Our Responsible Investment Policy recognises the Ten Principles of the United Nations Global Compact (UNGC) and the UN's Sustainable Development Goals (SDGs). We encourage our portfolio companies to consider these Principles and Goals when developing their own sustainability strategies.  
The promoted environmental, social, and governance characteristics are measured through progress on five selected SDGs and the consideration of principal adverse impacts as part of the investment decision-making process.

(5) Metric used (if relevant)

%

(6) Absolute or intensity-based (if relevant)

(7) Baseline level or amount (if relevant):

(8) Target level or amount (if relevant)

Above 80%

(9) Percentage of total AUM covered in your baseline year for target setting

100%

(10) Do you also have a longer-term target for this?

(2) No

**(D1) Sustainability Outcome #4: Target details**

(D1) Sustainability Outcome #4:	SDG 13.2 climate change measures: tCO2e carbon intensity (tCO2e/sales MEUR) in portfolio	
(1) Target name	Carbon intensity in portfolio	
(2) Baseline year	2018	
(3) Target to be met by	2025	
(4) Methodology	Our Responsible Investment Policy recognises the Ten Principles of the United Nations Global Compact (UNGC) and the UN's Sustainable Development Goals (SDGs). We encourage our portfolio companies to consider these Principles and Goals when developing their own sustainability strategies. The promoted environmental, social, and governance characteristics are measured through progress on five selected SDGs and the consideration of principal adverse impacts as part of the investment decision-making process.	
(5) Metric used (if relevant)	MSCI ACWI Low Carbon leaders Index	
(6) Absolute or intensity-based (if relevant)	(2) Intensity-based	
(7) Baseline level or amount (if relevant):		
(8) Target level or amount (if relevant)	Below MSCI ACWI Low Carbon leaders index	
(9) Percentage of total AUM covered in your baseline year for target setting	100%	
(10) Do you also have a longer-term target for this?	(2) No	

**(E1) Sustainability Outcome #5: Target details**

(E1) Sustainability Outcome #5:	SDG 16.5 anti-corruption and anti-bribery: % of portfolio companies that have a Code of Conduct SDG 16.5 anti-corruption and anti-bribery: % of portfolio companies that have a whistleblowing policy and/or system	
(1) Target name	Code of Conduct in place	
(2) Baseline year	2018	

(3) Target to be met by	2025
(4) Methodology	<p>Our Responsible Investment Policy recognises the Ten Principles of the United Nations Global Compact (UNGC) and the UN's Sustainable Development Goals (SDGs). We encourage our portfolio companies to consider these Principles and Goals when developing their own sustainability strategies.</p> <p>The promoted environmental, social, and governance characteristics are measured through progress on five selected SDGs and the consideration of principal adverse impacts as part of the investment decision-making process.</p>
(5) Metric used (if relevant)	%
(6) Absolute or intensity-based (if relevant)	
(7) Baseline level or amount (if relevant):	
(8) Target level or amount (if relevant)	Above 80%
(9) Percentage of total AUM covered in your baseline year for target setting	100%
(10) Do you also have a longer-term target for this?	(2) No

#### **(E2) Sustainability Outcome #5: Target details**

(E2) Sustainability Outcome #5:	SDG 16.5 anti-corruption and anti-bribery: % of portfolio companies that have a Code of Conduct SDG 16.5 anti-corruption and anti-bribery: % of portfolio companies that have a whistleblowing policy and/or system
(1) Target name	Whistleblowing policy and/or system in place
(2) Baseline year	2018
(3) Target to be met by	2025
(4) Methodology	<p>Our Responsible Investment Policy recognises the Ten Principles of the United Nations Global Compact (UNGC) and the UN's Sustainable Development Goals (SDGs). We encourage our portfolio companies to consider these Principles and Goals when developing their own sustainability strategies.</p> <p>The promoted environmental, social, and governance characteristics are measured through progress on five selected SDGs and the consideration of principal adverse impacts as part of the investment decision-making process.</p>
(5) Metric used (if relevant)	%

(6) Absolute or intensity-based (if relevant)

(7) Baseline level or amount (if relevant):

(8) Target level or amount (if relevant) Above 80%

(9) Percentage of total AUM covered in your baseline year for target setting 100%

(10) Do you also have a longer-term target for this? (2) No

## TRACKING PROGRESS AGAINST TARGETS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 4	PLUS	SO 2	SO 4.1	PUBLIC	Tracking progress against targets	1

**Does your organisation track progress against your nearest-term sustainability outcomes targets?**

### (A1) Sustainability outcome #1:

(A1) Sustainability outcome #1: SDG 5.5 women's participation in leadership: Female representation at Board of Directors (external board members)

Target name: Female representation at BoD, external

Does your organisation track progress against your nearest-term sustainability outcome targets? (1) Yes

### (B1) Sustainability outcome #2:

(B1) Sustainability outcome #2: SDG 8.3 job creation and growing enterprises: organic employment growth in portfolio

Target name: Organic employment growth in portfolio

Does your organisation track progress against your nearest-term sustainability outcome targets?

(1) Yes

### (C1) Sustainability outcome #3:

(C1) Sustainability outcome #3:

SDG 12.1 sustainable consumption and production: % of portfolio companies that have a sustainability strategy in place  
SDG 12.6 sustainable practices and reporting: % of portfolio companies that have published a sustainability report

Target name:

Sustainability strategy in place

Does your organisation track progress against your nearest-term sustainability outcome targets?

(1) Yes

### (C2) Sustainability outcome #3:

(C2) Sustainability outcome #3:

SDG 12.1 sustainable consumption and production: % of portfolio companies that have a sustainability strategy in place  
SDG 12.6 sustainable practices and reporting: % of portfolio companies that have published a sustainability report

Target name:

Sustainability reporting in place

Does your organisation track progress against your nearest-term sustainability outcome targets?

(1) Yes

### (D1) Sustainability outcome #4:

(D1) Sustainability outcome #4:

SDG 13.2 climate change measures: tCO<sub>2</sub>e carbon intensity (tCO<sub>2</sub>e/sales MEUR) in portfolio

Target name:

Carbon intensity in portfolio

Does your organisation track progress against your nearest-term sustainability outcome targets?

(1) Yes

### (E1) Sustainability outcome #5:

(E1) Sustainability outcome #5:

SDG 16.5 anti-corruption and anti-bribery: % of portfolio companies that have a Code of Conduct  
SDG 16.5 anti-corruption and anti-bribery: % of portfolio companies that have a whistleblowing policy and/or system

Target name:

Code of Conduct in place

Does your organisation track progress against your nearest-term sustainability outcome targets?

(1) Yes

#### (E2) Sustainability outcome #5:

(E2) Sustainability outcome #5:

SDG 16.5 anti-corruption and anti-bribery: % of portfolio companies that have a Code of Conduct  
SDG 16.5 anti-corruption and anti-bribery: % of portfolio companies that have a whistleblowing policy and/or system

Target name:

Whistleblowing policy and/or system in place

Does your organisation track progress against your nearest-term sustainability outcome targets?

(1) Yes

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 4.1	PLUS	SO 4	N/A	PUBLIC	Tracking progress against targets	1

During the reporting year, what qualitative or quantitative progress did your organisation achieve against your nearest-term sustainability outcome targets?

#### (A1) Sustainability Outcome #1: Target details

(A1) Sustainability Outcome #1:

SDG 5.5 women's participation in leadership: Female representation at Board of Directors (external board members)

(1) Target name

Female representation at BoD, external

(2) Target to be met by

2025

(3) Metric used (if relevant)

%

(4) Current level or amount (if relevant)

25%

(5) Other qualitative or quantitative progress

Quantitative progress of the Nordic Capital funds and vehicles is tracked annually on a like-for-like basis.

(6) Methodology for tracking progress

Quarterly data collection and reporting as part of RCF. Annual YoY progress reporting as part of sustainability review.



**(B1) Sustainability Outcome #2: Target details**

(B1) Sustainability Outcome #2:	SDG 8.3 job creation and growing enterprises: organic employment growth in portfolio
(1) Target name	Organic employment growth in portfolio
(2) Target to be met by	2025
(3) Metric used (if relevant)	Above industry peers
(4) Current level or amount (if relevant)	-3%
(5) Other qualitative or quantitative progress	Quantitative progress of the Nordic Capital funds and vehicles is tracked annually on a like-for-like basis.
(6) Methodology for tracking progress	Quarterly data collection and reporting as part of RCF. Annual YoY progress reporting as part of sustainability review.

**(C1) Sustainability Outcome #3: Target details**

(C1) Sustainability Outcome #3:	SDG 12.1 sustainable consumption and production: % of portfolio companies that have a sustainability strategy in place SDG 12.6 sustainable practices and reporting: % of portfolio companies that have published a sustainability report
(1) Target name	Sustainability strategy in place
(2) Target to be met by	2025
(3) Metric used (if relevant)	%
(4) Current level or amount (if relevant)	95%
(5) Other qualitative or quantitative progress	Quantitative progress of the Nordic Capital funds and vehicles is tracked annually on a like-for-like basis.
(6) Methodology for tracking progress	Quarterly data collection and reporting as part of RCF. Annual YoY progress reporting as part of sustainability review.

**(C2) Sustainability Outcome #3: Target details**

(C2) Sustainability Outcome #3:	SDG 12.1 sustainable consumption and production: % of portfolio companies that have a sustainability strategy in place SDG 12.6 sustainable practices and reporting: % of portfolio companies that have published a sustainability report
(1) Target name	Sustainability reporting in place
(2) Target to be met by	2025
(3) Metric used (if relevant)	%
(4) Current level or amount (if relevant)	86%
(5) Other qualitative or quantitative progress	Quantitative progress of the Nordic Capital funds and vehicles is tracked annually on a like-for-like basis.
(6) Methodology for tracking progress	Quarterly data collection and reporting as part of RCF. Annual YoY progress reporting as part of sustainability review.

**(D1) Sustainability Outcome #4: Target details**

(D1) Sustainability Outcome #4:	SDG 13.2 climate change measures: tCO2e carbon intensity (tCO2e/sales MEUR) in portfolio
(1) Target name	Carbon intensity in portfolio
(2) Target to be met by	2025
(3) Metric used (if relevant)	MSCI ACWI Low Carbon leaders Index
(4) Current level or amount (if relevant)	17.5
(5) Other qualitative or quantitative progress	Quantitative progress of the Nordic Capital funds and vehicles is tracked annually on a like-for-like basis.
(6) Methodology for tracking progress	Quarterly data collection and reporting as part of RCF. Annual YoY progress reporting as part of sustainability review.

**(E1) Sustainability Outcome #5: Target details**

(E1) Sustainability Outcome #5:	SDG 16.5 anti-corruption and anti-bribery: % of portfolio companies that have a Code of Conduct SDG 16.5 anti-corruption and anti-bribery: % of portfolio companies that have a whistleblowing policy and/or system
(1) Target name	Code of Conduct in place
(2) Target to be met by	2025
(3) Metric used (if relevant)	%
(4) Current level or amount (if relevant)	98%
(5) Other qualitative or quantitative progress	Quantitative progress of the Nordic Capital funds and vehicles is tracked annually on a like-for-like basis.
(6) Methodology for tracking progress	Quarterly data collection and reporting as part of RCF. Annual YoY progress reporting as part of sustainability review.

**(E2) Sustainability Outcome #5: Target details**

(E2) Sustainability Outcome #5:	SDG 16.5 anti-corruption and anti-bribery: % of portfolio companies that have a Code of Conduct SDG 16.5 anti-corruption and anti-bribery: % of portfolio companies that have a whistleblowing policy and/or system
(1) Target name	Whistleblowing policy and/or system in place
(2) Target to be met by	2025
(3) Metric used (if relevant)	%
(4) Current level or amount (if relevant)	100%
(5) Other qualitative or quantitative progress	Quantitative progress of the Nordic Capital funds and vehicles is tracked annually on a like-for-like basis.
(6) Methodology for tracking progress	Quarterly data collection and reporting as part of RCF. Annual YoY progress reporting as part of sustainability review.

# INDIVIDUAL AND COLLABORATIVE INVESTOR ACTION ON OUTCOMES

## LEVERS USED TO TAKE ACTION ON SUSTAINABILITY OUTCOMES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 5	PLUS	SO 2	Multiple	PUBLIC	Levers used to take action on sustainability outcomes	1, 2, 5

During the reporting year, which of the following levers did your organisation use to take action on sustainability outcomes, including to prevent and mitigate actual and potential negative outcomes?

- ☒ (A) Stewardship with investees, including engagement, (proxy) voting, and direct influence with privately held assets
  - Select from drop down list:
    - ☒ (1) Individually
    - ☐ (2) With other investors or stakeholders
- ☐ (B) Stewardship: engagement with external investment managers
- ☒ (C) Stewardship: engagement with policy makers
  - Select from drop down list:
    - ☐ (1) Individually
    - ☒ (2) With other investors or stakeholders
- ☒ (D) Stewardship: engagement with other key stakeholders
  - Select from drop down list:
    - ☐ (1) Individually
    - ☒ (2) With other investors or stakeholders
- ☒ (E) Capital allocation
  - ☐ (F) Our organisation did not use any of the above levers to take action on sustainability outcomes during the reporting year

## CAPITAL ALLOCATION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 6	PLUS	SO 5	N/A	PUBLIC	Capital allocation	1

During the reporting year, how did your organisation use capital allocation to take action on sustainability outcomes, including to prevent and mitigate actual and potential negative outcomes?

### (A) Across all sustainability outcomes

(1) Capital allocation activities used	(1) Asset class allocation (2) Sector allocation
(2) Explain through an example	<p>Nordic Capital is focused on empowering portfolio companies to navigate challenging market conditions and creating resilient businesses. This is achieved through deep expertise in key sectors, close collaboration with portfolio companies, and providing a blend of financial firepower and operational expertise. Nordic Capital Advisors has developed tailored ESG due diligence templates and materials and launched comprehensive ESG Deal Team Playbooks.</p> <p>These playbooks cover sector-specific ESG topics and provide guidance on the adverse impacts of investment decisions on sustainability factors, as outlined in the SFDR. These resources and playbooks enhance awareness of material ESG considerations and ensure alignment with Nordic Capital's Responsible Investment framework.</p> <p>To support our investment teams and portfolio companies in mitigating risks and seizing opportunities, Nordic Capital's Sustainability team continuously works to enhance our tailored active ownership approach, including engagement strategies, evaluation methods and criteria for assessing ESG performance.</p> <p>We ensure that the integration of ESG considerations into every stage of the investment process is a top priority. Our approach involves assisting portfolio companies in enhancing their sustainability strategies and setting up effective systems for assessment, compliance, and reporting.</p>

### (B) Sustainability Outcome #1:

(B) Sustainability Outcome #1:	SDG 5.5 women's participation in leadership: Female representation at Board of Directors (external board members)
(1) Capital allocation activities used	(1) Asset class allocation (2) Sector allocation

At Nordic Capital, we consider diversity and inclusion to be key contributors to business performance and long-term value creation. Our long-term goal is that the boards, management teams and employees of our portfolio companies will be diversified. In 2023, Nordic Capital established a dedicated D&I Taskforce to spearhead our efforts in promoting D&I across all facets of our operations.

(2) Explain through an example

Nordic Capital endeavours to search and select female board representatives as part of the selection process for appointments to portfolio companies' boards of directors. This involves clear instructions to executive search firms to select a diverse candidate pool. Nordic Capital is typically a controlling owner, allowing higher influence over the portfolio. Nordic Capital actively engages with industry sectors to increase diversity at board level. Through our engagement work, Nordic Capital wants to ensure that diversity and inclusion remain high on the Nordic Capital funds and vehicles' agendas.

### (C) Sustainability Outcome #2:

(C) Sustainability Outcome #2:

SDG 8.3 job creation and growing enterprises: organic employment growth in portfolio

(1) Capital allocation activities used

(1) Asset class allocation  
(2) Sector allocation

(2) Explain through an example

As a private equity firm, Nordic Capital seeks to build businesses that drive innovation, create jobs, and foster employment. Nordic Capital has a long-term view on value creation and leverages its deep sector expertise to maximise and drive sustainable growth. At Nordic Capital, we combine financial expertise, operational capability and entrepreneurial spirit to build resilient and sustainable businesses. Managing employment growth sustainably through economic cycles is key to protecting our portfolio in downturn. This includes a specific focus on people and employment to ensure a healthy balance. Nordic Capital wants to encourage all portfolio companies to recognise the importance of matching talent to the right roles at the right time. The ability to attract, develop, and retain talent, as well as safeguard employees, is critical for all our portfolio companies. In 2023, Nordic Capital's portfolio companies employed in total around 80,000 people across the world and as such this area of responsibility is highly relevant.

### (D) Sustainability Outcome #3:

(D) Sustainability Outcome #3:

SDG 12.1 sustainable consumption and production: % of portfolio companies that have a sustainability strategy in place  
SDG 12.6 sustainable practices and reporting: % of portfolio companies that have published a sustainability report

(1) Capital allocation activities used

(1) Asset class allocation  
(2) Sector allocation

Nordic Capital recognises that, as a private equity investor, we play a key role in shaping businesses and markets. Nordic Capital's ambition is to enable our portfolio companies to integrate sustainability into their business strategy and processes, while simultaneously forming durable business practices and accelerating growth. We see sustainability as a fundamental part of reaching our portfolio companies' full potential. Sustainable business practices and a strong ESG profile of our portfolio companies are a prerequisite for Nordic Capital.

(2) Explain through an example

Nordic Capital actively engages with our portfolio companies during ownership to enhance their understanding of the importance of sustainability. Clear expectations for portfolio companies are set out to ensure that sustainability is addressed appropriately at boardroom level and throughout the organisation. In order to maximise the potential impact of our sustainability efforts, Nordic Capital focuses on areas that are material to the company in question and where Nordic Capital has the genuine ability to influence. To this end, Nordic Capital seeks to equip the portfolio companies by providing supportive training, tools, and resources to help them embed sustainability into their business agendas and value creation plans. To date, Nordic Capital has trained more than 1,200 investment professionals, board members and key management executives in sustainability, resulting in considerable progress and a growing awareness of how businesses can successfully address sustainability risks and opportunities.

**(E) Sustainability Outcome #4:**

(E) Sustainability Outcome #4:

SDG 13.2 climate change measures: tCO2e carbon intensity (tCO2e/sales MEUR) in portfolio

(1) Capital allocation activities used

(1) Asset class allocation  
(2) Sector allocation

(2) Explain through an example

Awareness of the impacts of climate change and the importance of climate action is rapidly growing, placing increased pressure on businesses to act. Nordic Capital is committed to reducing the carbon footprint within our own organisation and throughout the entire portfolio. Applying an environmental lens, Nordic Capital seeks to encourage our portfolio companies to take a precautionary approach, ensuring resource-efficient practices and disclosing information on carbon reduction efforts.

Nordic Capital's ambition is to increase awareness of critical climate considerations and support portfolio companies on their decarbonisation journey.

Throughout 2023, Nordic Capital continuously refined our approach to climate-related issues, actively advocating for more portfolio companies to assess their climate impact.

Reinforcing Nordic Capital's support of climate action, we committed to a climate reduction targets in line with the Paris Agreement and SBTi framework in 2023. These targets, covering both Nordic Capital and portfolio levels, were approved by the SBTi in July 2024. Our external climate advisors support multiple portfolio companies in calculating their carbon emissions, thereby improving the accuracy of our portfolio footprint calculations.

There is an increased awareness and knowledge of environmental aspects amongst the portfolio companies in the Nordic Capital funds and vehicles, showing positive improvement in the reporting results. Nordic Capital consistently takes further actions to identify significant climate-related exposures, along with associated risks and opportunities, across our portfolio.

**(F) Sustainability Outcome #5:**

(F) Sustainability Outcome #5:	SDG 16.5 anti-corruption and anti-bribery: % of portfolio companies that have a Code of Conduct SDG 16.5 anti-corruption and anti-bribery: % of portfolio companies that have a whistleblowing policy and/or system
(1) Capital allocation activities used	(1) Asset class allocation (2) Sector allocation
(2) Explain through an example	<p>Nordic Capital recognises the significance of implementing robust governance mechanisms to prioritise integrity, risk management, and compliance with highest ethical standards. We expect our portfolio companies to work proactively against corruption in all its forms, to place sustainability requirements on their suppliers and to follow-up on their level of compliance. We involve our portfolio companies in a Corporate Compliance Programme, which covers key areas such as anti-corruption, competition, information security, data protection, trade sanctions, whistleblowing, ethical AI and human rights practices. The programme includes training, risk assessments, policy templates and implementation support. Nordic Capital's long-standing Corporate Compliance Training enjoyed a high level of attendance in 2023, with 106 professionals from portfolio companies' Boards of Directors, executive management teams and Nordic Capital advisory employees.</p> <p>During Nordic Capital's ownership, our portfolio companies often experience a rapid pace of transformation. In such an environment, adequate and well-established governance structures lay the foundation on which successful and sustainable business practices can be built. We expect our portfolio companies to put in place relevant policies to their operations. In order to track performance, Nordic Capital monitors how the policies are implemented into the organisation on an annual basis. Our 2023 results indicate that there is a positive trend amongst the portfolio companies to ensure that policies are well implemented shortly after they have been established. The majority of companies with established policies generally report that these policies are well implemented in the organisation within a year after being introduced.</p>



## STEWARDSHIP WITH INVESTEEES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 8	PLUS	SO 5	N/A	PUBLIC	Stewardship with investees	2

**During the reporting year, how did your organisation use stewardship with investees to take action on sustainability outcomes, including preventing and mitigating actual and potential negative outcomes?**

### (A) Across all sustainability outcomes

(1) Describe your approach	<p>At Nordic Capital, we seek to invest in companies that actively work to solve global challenges and contribute positively to society; and we drive sustainable change in the companies we own. Nordic Capital sets out clear expectations for portfolio companies, ensuring that sustainability is addressed appropriately at the boardroom level and throughout the organisation. In many cases, Nordic Capital is a majority shareholder or in a position to strongly influence the strategic transformation of the company. We are proud to report that our portfolio companies have focused on pushing their sustainability agendas forward during 2023 with some notable highlights that have received industry-wide recognition. When a company joins the Nordic Capital portfolio, it joins a strong community. This community includes experienced investors with deep sector expertise, operational and functional experts and industrial advisors, as well as many other companies with a shared ambition to grow and develop.</p>					
(2) Stewardship tools or activities used	<p>(1) Engagement</p> <p>(5) Leveraging roles on the board or board committees (e.g. nomination committees)</p> <p>(6) Taking roles on investee boards</p> <p>(7) Working directly with portfolio companies and/or real asset management teams</p>					
(3) Example	<p>Nordic Capital is an active and engaged owner that works in close collaboration with our portfolio companies. We emphasise that companies should establish fundamental processes to enable sustainability integration across the business and apply a data-driven approach to ensure sustainability performance. Across the portfolio, Nordic Capital promotes sustainability characteristics and views ESG as a key driver of value and a critical requirement for building companies that will thrive and remain competitive over the long term. As such, ESG considerations form an important element of Nordic Capital's investment strategy and value creation framework. Nordic Capital provides our portfolio companies with both internal and external sustainability expertise.</p> <p>Nordic Capital leverages a vast network of external advisors across various sectors, functional areas, and geographies to provide targeted support. This network ensures that portfolio companies receive the right expertise to drive results and accelerate their value creation journey. As part of our portfolio engagement, we encourage the use of the Nordic Capital Sustainability Toolbox and related resources. To ensure robust results, we align sustainability objectives with the UN SDGs, and continuously monitor progress.</p>					

**(B) Sustainability Outcome #1:**

(B) Sustainability Outcome #1:	SDG 5.5 women's participation in leadership: Female representation at Board of Directors (external board members)
(1) Describe your approach	<p>At Nordic Capital, we consider diversity and inclusion to be key contributors to business performance and long-term value creation. Our long-term goal is that the boards, management teams and employees of our portfolio companies will be diversified. In 2023, Nordic Capital established a dedicated D&amp;I Taskforce to spearhead our efforts in promoting D&amp;I across all facets of our operations.</p> <p>Nordic Capital endeavours to search and select female board representatives as part of the selection process for appointments to portfolio companies' boards of directors. This involves clear instructions to executive search firms to select a diverse candidate pool. Nordic Capital is typically a controlling owner, allowing higher influence over the portfolio. Nordic Capital actively engages with industry sectors to increase diversity at board level. Through our engagement work, Nordic Capital wants to ensure that diversity and inclusion remain high on the Nordic Capital funds and vehicles' agendas.</p>
(2) Stewardship tools or activities used	<p>(1) Engagement</p> <p>(4) Nominating directors to the board</p> <p>(5) Leveraging roles on the board or board committees (e.g. nomination committees)</p> <p>(6) Taking roles on investee boards</p> <p>(7) Working directly with portfolio companies and/or real asset management teams</p>
(3) Example	25% female representation on Board of Directors (external board members) in 2023

**(C) Sustainability Outcome #2:**

(C) Sustainability Outcome #2:	SDG 8.3 job creation and growing enterprises: organic employment growth in portfolio
(1) Describe your approach	<p>As a private equity firm, Nordic Capital seeks to build businesses that drive innovation, create jobs, and foster employment. Nordic Capital has a long-term view on value creation and leverages its deep sector expertise to maximise and drive sustainable growth. At Nordic Capital, we combine financial expertise, operational capability and entrepreneurial spirit to build resilient and sustainable businesses. Managing employment growth sustainably through economic cycles is key to protecting our portfolio in downturn. This includes a specific focus on people and employment to ensure a healthy balance. Nordic Capital wants to encourage all portfolio companies to recognise the importance of matching talent to the right roles at the right time. The ability to attract, develop, and retain talent, as well as safeguard employees, is critical for all our portfolio companies. In 2023, Nordic Capital's portfolio companies employed in total around 80,000 people across the world and as such this area of responsibility is highly relevant.</p>
(2) Stewardship tools or activities used	<p>(1) Engagement</p> <p>(5) Leveraging roles on the board or board committees (e.g. nomination committees)</p> <p>(6) Taking roles on investee boards</p> <p>(7) Working directly with portfolio companies and/or real asset management teams</p>

(3) Example	<p>-3% organic employment growth in 2023</p> <p>13% annual average sales growth in portfolio companies since acquisition</p> <p>12% annual average EBITDA growth in portfolio companies since inception</p>
<b>(D) Sustainability Outcome #3:</b>	
(D) Sustainability Outcome #3:	<p>SDG 12.1 sustainable consumption and production: % of portfolio companies that have a sustainability strategy in place</p> <p>SDG 12.6 sustainable practices and reporting: % of portfolio companies that have published a sustainability report</p>
(1) Describe your approach	<p>Nordic Capital recognises that, as a private equity investor, we play a key role in shaping businesses and markets. Nordic Capital's ambition is to enable our portfolio companies to integrate sustainability into their business strategy and processes, while simultaneously forming durable business practices and accelerating growth. We see sustainability as a fundamental part of reaching our portfolio companies' full potential.</p> <p>Sustainable business practices and a strong ESG profile of our portfolio companies are a prerequisite for Nordic Capital.</p> <p>Nordic Capital actively engages with our portfolio companies during ownership to enhance their understanding of the importance of sustainability.</p> <p>Clear expectations for portfolio companies are set out to ensure that sustainability is addressed appropriately at boardroom level and throughout the organisation. In order to maximise the potential impact of our sustainability efforts, Nordic Capital focuses on areas that are material to the company in question and where Nordic Capital has the genuine ability to influence. To this end, Nordic Capital seeks to equip the portfolio companies by providing supportive training, tools, and resources to help them embed sustainability into their business agendas and value creation plans. To date, Nordic Capital has trained more than 1,200 investment professionals, board members and key management executives in sustainability, resulting in considerable progress and a growing awareness of how businesses can successfully address sustainability risks and opportunities.</p>
(2) Stewardship tools or activities used	<p>(1) Engagement</p> <p>(5) Leveraging roles on the board or board committees (e.g. nomination committees)</p> <p>(6) Taking roles on investee boards</p> <p>(7) Working directly with portfolio companies and/or real asset management teams</p>
(3) Example	<p>95% report having a sustainability strategy in place in 2023</p> <p>86% with regular sustainability reporting in place in 2023</p>

#### (E) Sustainability Outcome #4:

(E) Sustainability Outcome #4:	SDG 13.2 climate change measures: tCO <sub>2</sub> e carbon intensity (tCO <sub>2</sub> e/sales MEUR) in portfolio
(1) Describe your approach	<p>Awareness of the impacts of climate change and the importance of climate action is rapidly growing, placing increased pressure on businesses to act. Nordic Capital is committed to reducing the carbon footprint within our own organisation and throughout the entire portfolio. Applying an environmental lens, Nordic Capital seeks to encourage our portfolio companies to take a precautionary approach, ensuring resource-efficient practices and disclosing information on carbon reduction efforts. Nordic Capital's ambition is to increase awareness of critical climate considerations and support portfolio companies on their decarbonisation journey.</p> <p>Throughout 2023, Nordic Capital continuously refined our approach to climate-related issues, actively advocating for more portfolio companies to assess their climate impact. Reinforcing Nordic Capital's support of climate action, we committed to a climate reduction targets in line with the Paris Agreement and SBTi framework in 2023. These targets, covering both Nordic Capital and portfolio levels, were approved by the SBTi in July 2024. Our external climate advisors support multiple portfolio companies in calculating their carbon emissions, thereby improving the accuracy of our portfolio footprint calculations.</p> <p>There is an increased awareness and knowledge of environmental aspects amongst the portfolio companies in the Nordic Capital funds and vehicles, showing positive improvement in the reporting results. Nordic Capital consistently takes further actions to identify significant climate-related exposures, along with associated risks and opportunities, across our portfolio.</p>
(2) Stewardship tools or activities used	<p>(1) Engagement</p> <p>(5) Leveraging roles on the board or board committees (e.g. nomination committees)</p> <p>(6) Taking roles on investee boards</p> <p>(7) Working directly with portfolio companies and/or real asset management teams</p>
(3) Example	17.5 (tCO <sub>2</sub> e)/sales MEUR compared to 98.3 (tCO <sub>2</sub> e)/sales MEUR MSCI ACWI Low Carbon leaders index in 2023

## (F) Sustainability Outcome #5:

(F) Sustainability Outcome #5:	SDG 16.5 anti-corruption and anti-bribery: % of portfolio companies that have a Code of Conduct SDG 16.5 anti-corruption and anti-bribery: % of portfolio companies that have a whistleblowing policy and/or system
(1) Describe your approach	<p>Nordic Capital recognises the significance of implementing robust governance mechanisms to prioritise integrity, risk management, and compliance with highest ethical standards. We expect our portfolio companies to work proactively against corruption in all its forms, to place sustainability requirements on their suppliers and to follow-up on their level of compliance. We involve our portfolio companies in a Corporate Compliance Programme, which covers key areas such as anti-corruption, competition, information security, data protection, trade sanctions, whistleblowing, ethical AI and human rights practices.</p> <p>The programme includes training, risk assessments, policy templates and implementation support. Nordic Capital's long-standing Corporate Compliance Training enjoyed a high level of attendance in 2023, with 106 professionals from portfolio companies' Boards of Directors, executive management teams and Nordic Capital advisory employees.</p> <p>During Nordic Capital's ownership, our portfolio companies often experience a rapid pace of transformation.</p> <p>In such an environment, adequate and well-established governance structures lay the foundation on which successful and sustainable business practices can be built. We expect our portfolio companies to put in place relevant policies to their operations. In order to track performance, Nordic Capital monitors how the policies are implemented into the organisation on an annual basis.</p> <p>Our 2023 results indicate that there is a positive trend amongst the portfolio companies to ensure that policies are well implemented shortly after they have been established. The majority of companies with established policies generally report that these policies are well implemented in the organisation within a year after being introduced.</p>
(2) Stewardship tools or activities used	<p>(1) Engagement</p> <p>(5) Leveraging roles on the board or board committees (e.g. nomination committees)</p> <p>(6) Taking roles on investee boards</p> <p>(7) Working directly with portfolio companies and/or real asset management teams</p>
(3) Example	<p>98% with Code of Conduct in place in 2023</p> <p>100% with a Whistleblowing policy and/or system in place in 2023</p>

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 9	PLUS	SO 5	N/A	PUBLIC	Stewardship with investees	2

**How does your organisation prioritise the investees you conduct stewardship with to take action on sustainability outcomes, including preventing and mitigating actual and potential negative outcomes?**

☒ **(A) We prioritise the most strategically important companies in our portfolio.**

Describe how you do this:

Nordic Capital actively engages with our portfolio companies during ownership to enhance their understanding of the importance of sustainability. Clear expectations for portfolio companies are set out to ensure that sustainability is addressed appropriately at boardroom level and throughout the organisation. In order to maximise the potential impact of our sustainability efforts, Nordic Capital focuses on areas that are material to the company in question and where Nordic Capital has the genuine ability to influence. To achieve this, Nordic Capital equips portfolio companies with training, tools, and resources to integrate sustainability into their business agendas and value creation plans.

Aligned with Nordic Capital's investment framework, all acquired companies take part in a structured on-boarding process where their maturity and competence are internally evaluated. Nordic Capital employs a structured active ownership approach to identify companies that require prioritisation and targeted support on their ESG journey. By assessing material risks and adverse impacts, we identify opportunities for growth and valuation premium potential.

Select from the list:

- ☒ 2
- ☐ 4

☒ **(B) We prioritise the companies in our portfolio most significantly connected to sustainability outcomes.**

Describe how you do this:

Nordic Capital actively engages with our portfolio companies during ownership to enhance their understanding of the importance of sustainability. Clear expectations for portfolio companies are set out to ensure that sustainability is addressed appropriately at boardroom level and throughout the organisation. In order to maximise the potential impact of our sustainability efforts, Nordic Capital focuses on areas that are material to the company in question and where Nordic Capital has the genuine ability to influence. To achieve this, Nordic Capital equips portfolio companies with training, tools, and resources to integrate sustainability into their business agendas and value creation plans.

Nordic Capital sets clear sustainability expectations on portfolio companies. On a case-by-case basis, Nordic Capital identifies which companies in the portfolio that should be prioritised in terms of our selected SDG targets and related sustainability outcomes.

Select from the list:

- ☒ 3
- ☐ 4

☒ **(C) We prioritise the companies in our portfolio to ensure that we cover a certain proportion of the sustainability outcomes we are taking action on.**

Describe how you do this:

Nordic Capital actively engages with our portfolio companies during ownership to enhance their understanding of the importance of sustainability. Clear expectations for portfolio companies are set out to ensure that sustainability is addressed appropriately at boardroom level and throughout the organisation. In order to maximise the potential impact of our sustainability efforts, Nordic Capital focuses on areas that are material to the company in question and where Nordic Capital has the genuine ability to influence. To achieve this, Nordic Capital equips portfolio companies with training, tools, and resources to integrate sustainability into their business agendas and value creation plans.

Aligned with Nordic Capital's investment framework, all acquired companies take part in a structured on-boarding process where their maturity and competence are internally evaluated. Driven by Nordic Capital's ESG-linked credit facilities and related targets, Nordic Capital identifies which portfolio companies should be prioritised. These revolving facilities strongly underline Nordic Capital's ongoing commitment to integrating sustainability into both our business model and our investments.

Select from the list:

- ☒ 1
- ☐ 4

☐ (D) Other

## STEWARDSHIP: ENGAGEMENT WITH POLICY MAKERS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 11	PLUS	SO 5	N/A	PUBLIC	Stewardship: Engagement with policy makers	2

**During the reporting year, how did your organisation use engagement with policy makers to take action on sustainability outcomes, including preventing and mitigating actual and potential negative outcomes?**

### (A) Across all sustainability outcomes

(1) Describe your approach

Nordic Capital understands that policy makers also cover industry associations. Nordic Capital proudly supports ESG initiatives such as: UN PRI, Invest Europe, SVCA, EDCI ESG Data Convergence Initiative, ICI, SBTi and Level20. We believe that private equity has an important role to play in building a sustainable world and driving change within business to benefit society and the planet. Nordic Capital is committed to actively engage with selected ESG partnerships to share best practice and drive long-term sustainable change in the private equity industry.

By actively supporting and partnering with selected ESG initiatives, Nordic Capital assumes various roles within industry associations, acting as a member, signatory, adopter, and promoter. Nordic Capital holds positions of representation on Invest Europe's Global Private Equity Council, the SVCA's Board of Directors and Nomination Committee, and the esteemed position of chairman at the SNS Center for Business Studies.

(2) Engagement tools or activities used

- (1) We participated in 'sign-on' letters
- (2) We responded to policy consultations
- (4) We engaged policy makers on our own initiative

(3) Example(s) of policies engaged on

By supporting selected ESG initiatives, such as Invest Europe and SVCA, Nordic Capital commits to take an active role in the working groups in which we are present to share best practice and drive long-term sustainable change in the European private capital sector. On a case-by-case basis, Nordic Capital participates in sign-on letters and policy consultations driven by the initiatives which we support. Similarly, Nordic Capital participates in different ESG related working groups and arranges meetings with local jurisdictions in which we are present and is committed to respond to demand from regulators, peers and stakeholders.

Nordic Capital actively engages in democratic forums such as the Swedish Almedalen Week and the Danish Folkemoede, which serve as exemplars of open political discourse and democratic dialogue. Within these gatherings, Nordic Capital hosts roundtable discussions on pertinent policy issues within the private equity industry, engages in meetings with key political figures, and participates as panellists in seminars addressing topics such as responsibility within sustainable financial markets and legal certainty in taxation.

## **(B) Sustainability Outcome #1:**

(B) Sustainability Outcome #1:	SDG 5.5 women's participation in leadership: Female representation at Board of Directors (external board members)		
(1) Describe your approach	<p>Nordic Capital understands that policy makers also cover industry associations. Nordic Capital proudly supports ESG initiatives such as: UN PRI, Invest Europe, SVCA, EDCI ESG Data Convergence Initiative, iCI, SBTi and Level20. We believe that private equity has an important role to play in building a sustainable world and driving change within business to benefit society and the planet. Nordic Capital is committed to actively engage with selected ESG partnerships to share best practice and drive long-term sustainable change in the private equity industry.</p> <p>By actively supporting and partnering with selected ESG initiatives, Nordic Capital assumes various roles within industry associations, acting as a member, signatory, adopter, and promoter. Nordic Capital holds positions of representation on Invest Europe's Global Private Equity Council, the SVCA's Board of Directors and Nomination Committee, and the esteemed position of chairman at the SNS Center for Business Studies.</p>		
(2) Engagement tools or activities used	(5) Other methods		
(3) Example(s) of policies engaged on	<p>By supporting selected ESG initiatives, such as Level20, Nordic Capital commits to take an active role in the working groups in which we are present to share best practice and drive long-term sustainable change in the European private capital sector. On a case-by-case basis, Nordic Capital engages through appropriate methods to increase diversity and inclusion in the industry, and respond to demand from regulators, peers and stakeholders on this matter.</p>		

## **(C) Sustainability Outcome #2:**

(C) Sustainability Outcome #2:	SDG 8.3 job creation and growing enterprises: organic employment growth in portfolio		
(1) Describe your approach	<p>Nordic Capital understands that policy makers also cover industry associations. Nordic Capital proudly supports ESG initiatives such as: UN PRI, Invest Europe, SVCA, EDCI ESG Data Convergence Initiative, iCI, SBTi and Level20. We believe that private equity has an important role to play in building a sustainable world and driving change within business to benefit society and the planet. Nordic Capital is committed to actively engage with selected ESG partnerships to share best practice and drive long-term sustainable change in the private equity industry.</p> <p>By actively supporting and partnering with selected ESG initiatives, Nordic Capital assumes various roles within industry associations, acting as a member, signatory, adopter, and promoter. Nordic Capital holds positions of representation on Invest Europe's Global Private Equity Council, the SVCA's Board of Directors and Nomination Committee, and the esteemed position of chairman at the SNS Center for Business Studies.</p>		
(2) Engagement tools or activities used	(5) Other methods		



By supporting selected ESG initiatives, Nordic Capital commits to take an active role in the working groups in which we are present to share best practice and drive long-term sustainable change in the European private capital sector. On a case-by-case basis, Nordic Capital engages through appropriate methods to achieve sustainable employment growth in different markets and the industry at large.

Nordic Capital encourages academic research into responsible investment and has sponsored studies into how employment growth can be achieved in different markets and how entrepreneurship can contribute to society at large. As an organisation that builds businesses and creates jobs, we believe it is important to have a thorough understanding of the business environment, its underlying conditions and how it can be improved. Since 2017, Nordic Capital has sponsored an annual study from research institute the European Centre for Policy Reform and Entrepreneurship (ECEPR) and in 2023, Nordic Capital provided support to The Research Institute of Industrial Economics (IFN), a private and independent foundation that conducts economic research in the Swedish business sector.

Nordic Capital Advisor's COO holds the esteemed position of chairman at the SNS Center for Business Studies, a non-profit Swedish organisation that brings together the worlds of academia, business, and government to share knowledge and dialogue on critical societal issues. The project, spanning for three years, will explore various dimensions to drive productivity growth, including strategies for nurturing future talent, stimulating investments, fostering healthy competition, and optimising trade dynamics within the framework of government and industrial policies.

(3) Example(s) of policies engaged on

#### (D) Sustainability Outcome #3:

(D) Sustainability Outcome #3:

SDG 12.1 sustainable consumption and production: % of portfolio companies that have a sustainability strategy in place  
SDG 12.6 sustainable practices and reporting: % of portfolio companies that have published a sustainability report

(1) Describe your approach

Nordic Capital understands that policy makers also cover industry associations. Nordic Capital proudly supports ESG initiatives such as: UN PRI, Invest Europe, SVCA, EDCI ESG Data Convergence Initiative, iCI, SBTi and Level20. We believe that private equity has an important role to play in building a sustainable world and driving change within business to benefit society and the planet. Nordic Capital is committed to actively engage with selected ESG partnerships to share best practice and drive long-term sustainable change in the private equity industry.

By actively supporting and partnering with selected ESG initiatives, Nordic Capital assumes various roles within industry associations, acting as a member, signatory, adopter, and promoter. Nordic Capital holds positions of representation on Invest Europe's Global Private Equity Council, the SVCA's Board of Directors and Nomination Committee, and the esteemed position of chairman at the SNS Center for Business Studies.

(2) Engagement tools or activities used

(5) Other methods

(3) Example(s) of policies engaged on

Nordic Capital is an active member represented in Invest Europe's Global Private Equity Council and member of the Invest Europe ESG Reporting Guidelines Taskforce. A new initiative has been launched to set the industry standard and guidelines for ESG reporting and Nordic Capital Advisors's sustainability team took an active role in the working group to share best practice and create the most advanced and user-friendly guidance on sustainability reporting in the European private capital sector. Nordic Capital has committed to annually report on own performance in accordance with these Guidelines.

#### (E) Sustainability Outcome #4:

(E) Sustainability Outcome #4:

SDG 13.2 climate change measures: tCO<sub>2</sub>e carbon intensity (tCO<sub>2</sub>e/sales MEUR) in portfolio

(1) Describe your approach

Nordic Capital understands that policy makers also cover industry associations. Nordic Capital proudly supports ESG initiatives such as: UN PRI, Invest Europe, SVCA, EDCI ESG Data Convergence Initiative, iCI, SBTi and Level20. We believe that private equity has an important role to play in building a sustainable world and driving change within business to benefit society and the planet. Nordic Capital is committed to actively engage with selected ESG partnerships to share best practice and drive long-term sustainable change in the private equity industry.

By actively supporting and partnering with selected ESG initiatives, Nordic Capital assumes various roles within industry associations, acting as a member, signatory, adopter, and promoter. Nordic Capital holds positions of representation on Invest Europe's Global Private Equity Council, the SVCA's Board of Directors and Nomination Committee, and the esteemed position of chairman at the SNS Center for Business Studies.

(2) Engagement tools or activities used

(5) Other methods

(3) Example(s) of policies engaged on

By supporting selected ESG initiatives, such as iCI, Nordic Capital commits to take an active role in the working groups in which we are present to share best practice and drive long-term sustainable change in the European private capital sector. On a case-by-case basis, Nordic Capital engages through appropriate methods to better understand and manage the risks associated with climate change and is committed to respond to demand from regulators, peers and stakeholders on this matter.

Reinforcing Nordic Capital's support of climate action, we committed to a climate reduction targets in line with the Paris Agreement and SBTi framework in 2023. These targets, covering both Nordic Capital and portfolio levels, were approved by the SBTi in July 2024. Nordic Capital Advisor's sustainability team took part in a third-party interview for the SBTi education program to improve the quality and approval of SBT target submissions.

## (F) Sustainability Outcome #5:

(F) Sustainability Outcome #5:	SDG 16.5 anti-corruption and anti-bribery: % of portfolio companies that have a Code of Conduct SDG 16.5 anti-corruption and anti-bribery: % of portfolio companies that have a whistleblowing policy and/or system	
(1) Describe your approach	<p>Nordic Capital understands that policy makers also cover industry associations. Nordic Capital proudly supports ESG initiatives such as: UN PRI, Invest Europe, SVCA, EDCI ESG Data Convergence Initiative, iCI, SBTi and Level20. We believe that private equity has an important role to play in building a sustainable world and driving change within business to benefit society and the planet. Nordic Capital is committed to actively engage with selected ESG partnerships to share best practice and drive long-term sustainable change in the private equity industry.</p> <p>By actively supporting and partnering with selected ESG initiatives, Nordic Capital assumes various roles within industry associations, acting as a member, signatory, adopter, and promoter. Nordic Capital holds positions of representation on Invest Europe's Global Private Equity Council, the SVCA's Board of Directors and Nomination Committee, and the esteemed position of chairman at the SNS Center for Business Studies.</p>	
(2) Engagement tools or activities used	(4) We engaged policy makers on our own initiative	(5) Other methods
(3) Example(s) of policies engaged on	<p>By supporting selected ESG initiatives, Nordic Capital commits to take an active role in the working groups in which we are present to share best practice and drive long-term sustainable change in the European private capital sector. On a case-by-case basis, Nordic Capital engages through appropriate methods to encourage strong and transparent corporate governance practices as well as respond to demand from regulators, peers and stakeholders.</p> <p>Nordic Capital actively engages in democratic forums such as the Swedish Almedalen Week and the Danish Folkemoede, which serve as exemplars of open political discourse and democratic dialogue. Within these gatherings, Nordic Capital hosts roundtable discussions on pertinent policy issues within the private equity industry, engages in meetings with key political figures, and participates as panellists in seminars addressing topics such as responsibility within sustainable financial markets and legal certainty in taxation.</p>	

## STEWARDSHIP: ENGAGEMENT WITH OTHER KEY STAKEHOLDERS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 12	PLUS	SO 5	N/A	PUBLIC	Stewardship: Engagement with other key stakeholders	2, 5

**Does your organisation engage with other key stakeholders to support the development of financial products, services, research, and/or data aligned with global sustainability goals and thresholds?**

### (A) Across all sustainability outcomes

(1) Key stakeholders engaged	<p>(1) Standard setters</p> <p>(6) External service providers (e.g. proxy advisers, investment consultants, data providers)</p> <p>(7) Academia</p> <p>(9) Other key stakeholders</p>
(2) Provide further detail on your engagement	<p>Nordic Capital proudly supports ESG initiatives such as: UN PRI, Invest Europe, SVCA, EDCI ESG Data Convergence Initiative, iCI, SBTi and Level20. We believe that private equity has an important role to play in building a sustainable world and driving change within business to benefit society and the planet. Nordic Capital is committed to actively engage with selected ESG partnerships to share best practice and drive long-term sustainable change in the private equity industry.</p> <p>By actively supporting and partnering with selected ESG initiatives, Nordic Capital assumes various roles within industry associations, acting as a member, signatory, adopter, and promoter. Nordic Capital holds positions of representation on Invest Europe's Global Private Equity Council, the SVCA's Board of Directors and Nomination Committee, and the esteemed position of chairman at the SNS Center for Business Studies.</p> <p>On a case-by-case basis, Nordic Capital participates in sign-on letters and policy consultations driven by the initiatives which we support. Similarly, Nordic Capital participates in different ESG related working groups and arranges meetings in local jurisdictions in which we are present.</p>

### (B) Sustainability Outcome #1:

(B) Sustainability Outcome #1:	SDG 5.5 women's participation in leadership: Female representation at Board of Directors (external board members)
(1) Key stakeholders engaged	(8) NGOs

(2) Provide further detail on your engagement	Nordic Capital has been a member of Level20 since 2017 and is committed to increasing diversity and inclusion in the industry. Level20 is a not-for-profit organisation founded in 2015 aligned around a common vision of improving gender diversity in the industry. Through our membership, Nordic Capital has taken an active role to plan and arrange events in Europe aiming to drive female BoD questions in the Private Equity industry.
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**(C) Sustainability Outcome #2:**

(C) Sustainability Outcome #2:	SDG 8.3 job creation and growing enterprises: organic employment growth in portfolio
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(1) Key stakeholders engaged	(7) Academia
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(2) Provide further detail on your engagement	<p>Nordic Capital actively engages with various research institutes. Nordic Capital encourages academic research into responsible investment and has sponsored studies into how employment growth can be achieved in different markets. As an organisation that builds businesses and creates jobs, we believe it is important to have a thorough understanding of the business environment, its underlying conditions and how it can be improved.</p>
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Since 2017, Nordic Capital has sponsored a study from the European Centre for Policy Reform and Entrepreneurship (ECEPR). Nordic Capital engages in various public events and roundtables to share best practice with the industry.

Nordic Capital Advisor's COO holds the esteemed position of chairman at the SNS Center for Business Studies, a non-profit Swedish organisation that brings together the worlds of academia, business, and government to share knowledge and dialogue on critical societal issues. The project, spanning for three years, will explore various dimensions to drive productivity growth, including strategies for nurturing future talent, stimulating investments, fostering healthy competition, and optimising trade dynamics within the framework of government and industrial policies.

**(D) Sustainability Outcome #3:**

(D) Sustainability Outcome #3:	SDG 12.1 sustainable consumption and production: % of portfolio companies that have a sustainability strategy in place SDG 12.6 sustainable practices and reporting: % of portfolio companies that have published a sustainability report
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(1) Key stakeholders engaged	(1) Standard setters
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(2) Provide further detail on your engagement	<p>Nordic Capital is an active member represented in Invest Europe's Global Private Equity Council and member of the Invest Europe ESG Reporting Guidelines Taskforce. A new initiative has been launched to set the industry standard and guidelines for ESG reporting and Nordic Capital Advisors's sustainability team took an active role in the working group to share best practice and create the most advanced and user-friendly guidance on sustainability reporting in the European private capital sector. Nordic Capital has committed to annually report on own performance in accordance with these Guidelines.</p>
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**(E) Sustainability Outcome #4:**

(E) Sustainability Outcome #4:	SDG 13.2 climate change measures: tCO <sub>2</sub> e carbon intensity (tCO <sub>2</sub> e/sales MEUR) in portfolio
(1) Key stakeholders engaged	(1) Standard setters
(2) Provide further detail on your engagement	<p>By supporting selected ESG initiatives, such as iCI, Nordic Capital commits to take an active role in the working groups in which we are present to share best practice and drive long-term sustainable change in the European private capital sector. On a case-by-case basis, Nordic Capital engages through appropriate methods to better understand and manage the risks associated with climate change and is committed to respond to demand from regulators, peers and stakeholders on this matter.</p> <p>Reinforcing Nordic Capital's support of climate action, we committed to a climate reduction targets in line with the Paris Agreement and SBTi framework in 2023. These targets, covering both Nordic Capital and portfolio levels, were approved by the SBTi in July 2024. Nordic Capital Advisor's sustainability team took part in a third-party interview for the SBTi education program to improve the quality and approval of SBT target submissions.</p>

**(F) Sustainability Outcome #5:**

(F) Sustainability Outcome #5:	SDG 16.5 anti-corruption and anti-bribery: % of portfolio companies that have a Code of Conduct SDG 16.5 anti-corruption and anti-bribery: % of portfolio companies that have a whistleblowing policy and/or system
(1) Key stakeholders engaged	(1) Standard setters (6) External service providers (e.g. proxy advisers, investment consultants, data providers)
(2) Provide further detail on your engagement	<p>Nordic Capital is an active member of SVCA, the Swedish Private Equity &amp; Venture Capital Association, an independent, non-profit interest association for companies and people operating in the Swedish private equity field, including both buyout and venture capital as well as business angels and business angel networks. The association, which was founded in 1985, has the task of working for a well-functioning private equity market in Sweden as well as spreading knowledge and educating the public about the Swedish private equity market. Nordic Capital is represented on SVCA's Board of Directors and Nomination Committee. Nordic Capital takes an active role to participate in policy consultations and sign-on letters.</p>

## STEWARDSHIP: COLLABORATION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 13	PLUS	SO 5	N/A	PUBLIC	Stewardship: Collaboration	2

**During the reporting year, to which collaborative initiatives did your organisation contribute to take action on sustainability outcomes, including preventing and mitigating actual and potential negative outcomes?**

### (A) Initiative #1

(1) Name of the initiative	EDCI ESG Data Convergence Initiative
(2) Indicate how your organisation contributed to this collaborative initiative	<p>(C) We publicly endorsed the initiative</p> <p>(H) We contributed to the development of the initiative's materials and/or resources (e.g. co-authored a report)</p>
(3) Provide further detail on your participation in this collaborative initiative	<p>Nordic Capital was one of the early adopters and strong promoters of the ESG Data Convergence Initiative (EDCI), which seeks to standardise ESG metrics and provides a mechanism for comparative reporting for the private market industry globally. In 2023, this reporting was completed with increased data availability and data coverage rate above 90% across all mandatory metrics. Nordic Capital has also engaged with BCG to further increase and improve data-driven insights, which will serve to enhance comparative reporting over the long term.</p>

### (B) Initiative #2

(1) Name of the initiative	Backing Academic Research
(2) Indicate how your organisation contributed to this collaborative initiative	<p>(C) We publicly endorsed the initiative</p> <p>(F) We provided financial support</p> <p>(H) We contributed to the development of the initiative's materials and/or resources (e.g. co-authored a report)</p>

(3) Provide further detail on your participation in this collaborative initiative

Nordic Capital encourages academic research into responsible investment and has sponsored studies into how employment growth can be achieved in different markets and how entrepreneurship can contribute to society at large. As an organisation that builds businesses and creates jobs, we believe it is important to have a thorough understanding of the business environment, its underlying conditions and how it can be improved. Since 2017, Nordic Capital has sponsored an annual study from research institute the European Centre for Policy Reform and Entrepreneurship (ECEPR) and in 2023, Nordic Capital provided support to The Research Institute of Industrial Economics (IFN), a private and independent foundation that conducts economic research in the Swedish business sector.

Nordic Capital Advisor's COO holds the esteemed position of chairman at the SNS Center for Business Studies, a non-profit Swedish organisation that brings together the worlds of academia, business, and government to share knowledge and dialogue on critical societal issues. The project, spanning for three years, will explore various dimensions to drive productivity growth, including strategies for nurturing future talent, stimulating investments, fostering healthy competition, and optimising trade dynamics within the framework of government and industrial policies.

### (C) Initiative #3

(1) Name of the initiative

UN Sustainable Development Goals

(2) Indicate how your organisation contributed to this collaborative initiative

(C) We publicly endorsed the initiative

(3) Provide further detail on your participation in this collaborative initiative

Nordic Capital firmly believes in measuring sustainable impact with clear KPIs and being transparent in our efforts to drive sustainable performance. We are guided by the UN's Sustainable Development Goals (SDGs) on where we can make the greatest contribution and realise significant business opportunities.

### (D) Initiative #4

(1) Name of the initiative

Norrsken Foundation

(2) Indicate how your organisation contributed to this collaborative initiative

(D) We provided pro bono advice, research or training  
(F) We provided financial support



(3) Provide further detail on your participation in this collaborative initiative

Through the partnership with Norrsken Foundation, Nordic Capital employees have the opportunity to engage with impact start up entrepreneurs. During 2023, Nordic Capital employees have contributed their time to act as jury members in Norrsken showcase events where entrepreneurs pitch their ideas to investors, provided mentorship as part of the Norrsken Impact Accelerator Programme, attended the launch of Norrsken East Africa in Rwanda and provided coaching sessions to a number of Norrsken entrepreneurs. The partnership is part of the philanthropy agenda and strategy to build long-term sustainable companies that contribute positively to society which is overseen by the Nordic Capital Corporate and Social Responsibility Committee\*.

\* The Nordic Capital Corporate and Social Responsibility Committee consists of senior partners at Nordic Capital Advisors with a deep and long-term commitment to Nordic Capital's mission, vision and values, and oversees CSR-commitments by Nordic Capital Advisors, its partners and The Nordic Capital Foundations

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# CONFIDENCE-BUILDING MEASURES (CBM)

## CONFIDENCE-BUILDING MEASURES

### APPROACH TO CONFIDENCE-BUILDING MEASURES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
CBM 1	CORE	N/A	Multiple indicators	PUBLIC	Approach to confidence-building measures	6

**How did your organisation verify the information submitted in your PRI report this reporting year?**

- ☐ (A) We conducted independent third-party assurance of selected processes and/or data related to the responsible investment processes reported in our PRI report, which resulted in a formal assurance conclusion
- ☐ (B) We conducted a third-party readiness review and are making changes to our internal controls or governance processes to be able to conduct independent third-party assurance next year
- ☒ (C) We conducted an internal audit of selected processes and/or data related to the responsible investment processes reported in our PRI report
- ☒ (D) Our board, trustees (or equivalent), senior executive-level staff (or equivalent), and/or investment committee (or equivalent) signed off on our PRI report
- ☒ (E) We conducted an external ESG audit of our holdings to verify that our funds comply with our responsible investment policy
- ☐ (F) We conducted an external ESG audit of our holdings as part of risk management, engagement identification or investment decision-making
- ☒ (G) Our responses in selected sections and/or the entirety of our PRI report were internally reviewed before submission to the PRI
- ☐ (H) We did not verify the information submitted in our PRI report this reporting year

## INTERNAL AUDIT

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
CBM 4	CORE	OO 21, CBM 1	N/A	PUBLIC	Internal audit	6

**What responsible investment processes and/or data were audited through your internal audit function?**

- ☒ (A) Policy, governance and strategy  
Select from dropdown list:
  - ☐ (1) Data internally audited
  - ☐ (2) Processes internally audited
  - ☒ (3) Processes and data internally audited
- ☒ (E) Private equity  
Select from dropdown list:
  - ☐ (1) Data internally audited
  - ☐ (2) Processes internally audited
  - ☒ (3) Processes and data internally audited

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
CBM 5	PLUS	CBM 1	N/A	PUBLIC	Internal audit	6

**Provide details of the internal audit process regarding the information submitted in your PRI report.**

Internal auditing is performed annually by the compliance function of Nordic Capital Advisors'. This involves a thorough examination of selected policies, processes, and data pertinent to Nordic Capital's Responsible Investment framework, as reported in our PRI report. The internal audit aligns with a third-party readiness review performed by KPMG, which evaluates key policies and processes associated with the PRI modules: Policy, Governance and Strategy, Private Equity, and Confidence Building Measures. These combined processes ensure that Nordic Capital maintains robust internal controls and governance procedures in line with industry standards. Additionally, Nordic Capital has completed its first limited assurance engagement in accordance with ISAE 3000. This engagement focused on SFDR periodic reporting and related disclosures, aiming to enhance the trust and transparency of our ESG data and reporting.

## INTERNAL REVIEW

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
CBM 6	CORE	CBM 1	N/A	PUBLIC	Internal review	6

**Who in your organisation reviewed the responses submitted in your PRI report this year?**

☒ **(A) Board, trustees, or equivalent**

Sections of PRI report reviewed

☒ **(1) the entire report**

☐ (2) selected sections of the report

☒ **(B) Senior executive-level staff, investment committee, head of department, or equivalent**

Sections of PRI report reviewed

☒ **(1) the entire report**

☐ (2) selected sections of the report

☐ (C) None of the above internal roles reviewed selected sections or the entirety of the responses submitted in our PRI report this year