

Sustainability policy

17 December 2021

TAALERI

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Basic information of the document

Purpose	The purpose of this document is to describe Taaleri Plc's ("Taaleri") view on corporate responsibility and sustainable investing and how these are implemented within the Group
Update frequency	According to need (reviewed at least annually)
Approved by and date (original date)	Taaleri Plc's Board of Directors 17 December 2021
Effective from	17 December 2021
Responsible organisation	Taaleri Plc
Contact person	Karoliina Laine and Siri Markula
Regulation upon which the instruction is based	Not directly based on regulation, but will support the response to regulatory frameworks such as the EU Sustainable Finance and Sustainability Reporting frameworks, some of which are still under development

Version history

Approved (date)	Applied as of (date)	Changes made
17 December 2021	17 December 2021	Policy created

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Introduction and purpose

Taaleri is a Nordic investment and asset manager with an emphasis on renewable energy and other alternative investments. Taaleri has two business segments: Private Asset Management and Strategic Investments. Private Asset Management consists of renewable energy, real estate, bioindustry, and infrastructure businesses. The strategic investment segment includes Garantia Insurance Company ("Garantia"). Taaleri Plc is listed on the Nasdaq Helsinki.

In this policy, we describe Taaleri's commitment to sustainable development and our sustainability practices and models in relation to all our activities. A more general description of our sustainability practices can be found in the *Sustainability* section of this policy — for a more specific description, see the *Sustainable investment* -section. This policy supports our strategic objective of making a positive impact.

This policy applies to all Taaleri employees and members of management and the Board of Directors. The Executive Management Team is responsible for the effective implementation and monitoring of the policy and for resourcing it. It is the responsibility of each team leader and supervisor to actively promote the implementation and development of sustainable practices.

The policy aims to address corporate sustainability and sustainable investment in a broader sustainable development context throughout Taaleri's value chain, considering environmental and social sustainability, as well as good governance practices (ESG). Our aim is to base the policy on generally accepted definitions and concepts, presenting the main elements of Taaleri's activities in a concise and clear manner. Our sustainability work also includes addressing the risks and opportunities of climate change.

Taaleri regularly revises its key sustainability themes and refines them with relevant sustainability topics. We take into account the environmental and social impact of our activities, the related economic impacts as well as the expectations of stakeholders. The definition guides our sustainability work and the content of this policy.

According to the 2021 analysis, the key sustainability themes for Taaleri are:

- A positive impact on the environment and society – creating long-term value
- The implementation of sustainability throughout our operations and activities – a forerunner in impact and ESG investing
- Attracting and retaining talent
- Responsible partnerships

For Taaleri, impact means influencing the environment and the society. Investment markets have an important role to play in building a sustainable future. Taaleri is committed to taking part in this work and promoting positive impact.

It is important for Taaleri to define a common way of working within the company (which was restructured in spring 2021) while accounting for the different characteristics and status of our business activities. Some of our business activities have very long and strong roots in sustainability work, while others are at the beginning of their journey. Depending on the business areas and products, the material sustainability themes and issues vary. We want all our activities to develop through internal cooperation in sustainability work. This policy is based on, among other things, Taaleri's Code of Conduct.

Sustainability

The obligations set out in this *Sustainability* section apply to all our activities, unless otherwise stated and delineated. In this section, we describe the key aspects of our sustainability work and the Group's sustainability-related objectives.

This section of Taaleri's sustainability policy lays down the requirements and approaches of sustainable investment activities and targets. A more detailed description of these approaches can be found in the *Sustainable investing* section. Information on how these approaches are managed, is depicted in the *Managing sustainability* section, whereas information regarding investment processes can be found in the *Application and responsibilities* section of the *Sustainable investing* section.

Strategic approach

Our strategy guides our sustainability and climate work and is founded on the principles of sustainability, and sustainable development. We want to be at the forefront of impact and ESG investing. By impact investing, we mean investing that, in addition to good financial returns, actively promotes solutions to key sustainability issues.

Through our operations we direct capital towards economically profitable undertakings that have a long-lasting positive impact on the environment and society. We believe that our operations have significant potential to deliver economic value, while steering markets towards a more sustainable future.

Furthermore, we understand that sustainable business practices not only benefit our investees and Taaleri, but also serve the society. We create long-term value through directing capital into projects that benefit the environment and the society, by issuing mortgage and rental guarantees to enable affordable living, and by paying taxes.

Garantia's aim is to increase equality by providing guarantee solutions for both owner-occupied and rental housing. In addition, Garantia takes ESG issues into account as part of its assessment of corporate customers.

Compliance and commitments

Compliance is the foundation of Taaleri's operations. Legal compliance and responsible, ethical behaviour are the cornerstones of our business and strongly linked to our cooperation with stakeholders.

Taaleri and its business partners comply with the laws and regulations of at least the countries in which they operate, as well as the market regulations of authorities. In addition, we comply with relevant international requirements for financial market participants and promote the implementation of these requirements in our operations throughout our value chain, for example, by requiring our partners to commit to our standards in their contracts (see the end of this chapter for more information). Especially for projects outside the Nordic countries, we assess the adequacy of local standards and, where necessary, add or clarify our requirements for compliance with international standards.

We respect all internationally recognised human and labour rights. We are committed to the principles of rights set out in the eight core conventions identified by the ILO Declaration on Fundamental Principles and Rights at

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Work and in the International Bill of Human Rights. We are committed to implementing the UN's guiding principles on business and human rights in all our activities. We consider as key fundamental and human rights: not tolerating forced or child labour; preventing discrimination and harassment; ensuring freedom of expression, religion, and peaceful assembly; as well as promoting decent working conditions.

Other relevant international conventions and guidelines, that are central to our corporate sustainability work, include the UN Universal Declaration of Human Rights, the UN Convention against Corruption, the UN Rio Declaration on Environment and Development, the UN Sustainable Development Principles, and the OECD Guidelines for Multinational Enterprises (including the OECD Guidelines for Institutional Investors). As such, our activities comply with and contribute to the minimum safeguards of the EU Framework to Facilitate Sustainable Investment (2020/852), the UN Global Compact Principles, and the Precautionary Principle.

We actively monitor the EU Sustainable Finance Strategy, the regulatory frameworks for sustainable finance and sustainability reporting, and the obligations and guidelines that are evolving with them. For example, we use the EU taxonomy classification system to assess and report on the impacts and sustainability of our financial products and investments. We aim to have our private equity funds classified as investments that promote environmental and social qualities or sustainable investments (EU 2019/2088 Article 8 or Article 9).

In addition, key compliance aspects of our activities include:

- We adhere to the Corporate Governance Code for listed companies maintained by the Securities Market Association, the rules of Nasdaq Helsinki Ltd (Helsinki Stock Exchange), securities market legislation, and the official regulations issued by virtue of it.
- We know our customers and partners as required by law and comply with laws and regulations related to the prevention of money laundering and terrorist financing. We comply with the binding sanctions legislation and monitor the activities of our partners to avoid doing business with those on sanctions lists.
- We do not tolerate corruption, bribery, or other activities that may create an impression of inappropriately influencing a business decision, yield an inappropriate advantage to a party or a person, or that can be seen as trying to influence decision-making in other ways.
- We comply with competition legislation and follow the principles of fair competition.
- We comply with applicable tax regulations and good practices in tax matters.
- We manage and protect personal data in accordance with applicable laws and regulations.

In addition, we contribute to the development of regulation and sustainability work of our business sector in various ways. Taaleri is a signatory to the UN Principles for Responsible Investment (UNPRI) and the CDP on disclosure data, as well as the Net Zero Asset Managers initiative. We are also members of FINSIF (Finland's Sustainable Investment Forum Ry) and FIBS (Finnish Business & Society), the largest corporate responsibility network in the Nordic countries. As a member of the Finnish Venture Capitalists' Association, we participate in its joint sustainable development projects. Below in the *Context and frameworks for sustainable development* section, we describe other voluntary operating and reporting models that we implement.

We promote compliance and policy development, for example by integrating sustainability and risk management into our business in an appropriate way. Taaleri has guidelines for clarifying the implementation of compliance and its Code of Conduct, which are approved by the Board of Directors of either the Group or the businesses.

We transparently communicate our requirements to our partners and monitor the compliance of our direct and most significant partners. At minimum, we include sustainability principles in essential partnership agreements to ensure that our partners are committed to obligations that are important to Taaleri and/or the partnership in question. Taaleri examines its partners' compliance carefully, to ensure that it does not cooperate with companies on any sanction lists. This is done by conducting internal due diligence processes, as well as a credit check and the verification of economic information. We regularly check partner information to ensure that it is up to date. At Garantia, pre-outsourcing and pre-sourcing assessments, audits, and risk assessments, are conducted to evaluate the importance, nature and the extent of the risks associated with an activity, task, or service, as a whole.

Stakeholder cooperation and responsible procurement

We identify and review our stakeholders and our impact on them on a regular basis, as required. We engage actively and fairly with our stakeholders, ensuring that we account for their material perspectives and aspirations for our projects, for example through appropriate mediums and methods of interaction. We seek and utilise opportunities for cooperation and development with our stakeholders.

Taaleri's external stakeholders include customers, shareholders, partners, suppliers and subcontractors, local communities and authorities, NGOs, and the media. In this context, we refer to our partners primarily as stakeholders with whom we have a contractual relationship related to our core business.

Our aim is to ensure that Taaleri's operations meet standards and expectations of our stakeholders, and to support our partners' own responsibility work. We aim to make sure that the products and services available to investors are aligned with the global net zero emissions target.

We set limitations and standards for the type of investments we are involved in to clarify what we expect from our partners in projects. Furthermore, we take sustainability issues into account in our own procurement practices throughout the projects' life cycles, for example by committing suppliers to our sustainability principles. Sustainability factors and requirements are considered also in our other cooperative arrangements.

We evaluate the type of partner, or other stakeholders we get involved with, and assess the legal obligations to them in the case in question, for example through environmental and/or social impact assessments, or licensing processes. We define the appropriate cooperation methods and prioritise the issues to be addressed in each case, depending on the need. If Taaleri's partner has not complied with relevant and agreed ESG and disclosure requirements or good governance practices, we will intervene and seek solutions with the partner where appropriate and possible.

In our private equity business, it is essential to identify the key stakeholders in projects (including potentially vulnerable groups). We work with these stakeholders as necessary throughout the life cycle of the investment. Our aim is to ensure that the impact of our projects and decisions impacting stakeholders are justified, clear and generally accepted. We communicate with local communities, not only in English/Finnish, but also in other local languages as needed and where possible.

Our practices for engaging with partners are described in the *Compliance and commitments* section above. Our principles of ownership and influence are described in the *Active ownership and influence* section to follow.

Context and frameworks for sustainable development

We use applicable sustainability frameworks to identify the sustainability impact associated with our activities, and we use appropriate approaches to manage and remediate our impact. We monitor the development of sustainability frameworks and general market developments on sustainability and best practices and assess how to best take these into account in our operations and risk management.

We promote the UN's sustainable development goals. We analyse the direct and indirect impacts of Taaleri's activities on our value chain, identifying targets and areas where rapid impact and related commercial opportunities are the most significant. These include objectives 7. Affordable and clean energy, and 9. Sustainable industry, innovation, and infrastructure.

We support the Paris Climate Agreement, for example, by committing to the Net Zero Asset Managers' initiative. We align our investments, products, and investment process with the Paris Climate Agreement. This includes a commitment to the net zero emissions of assets under management by 2050 at the latest, and to the setting of an intermediate target. In addition, we promote zero emissions in all our other activities in line with this target.

We use the TCFD framework to assess and report the economic impacts of climate risks and opportunities. In our wider sustainability work and reporting, we also use, where applicable, the GRI, <IR> and SASB frameworks. Moreover, we follow the guidelines of NASDAQ, EU, and Finnish government, as well as follow the principles of the UNPRI. In our projects, we use applicable frameworks to assess sustainability, for example, the Equator Principles and Green Loan Principles are applied in our wind and solar power projects.

In the *Compliance and commitments* section, we list other material international agreements and guidelines that are relevant for our sustainability work.

Sustainability management

Sustainability guides the actions of Taaleri, its personnel, and administration. Taaleri's strategy and objectives guide our sustainability work in a holistic and systematic way. We monitor and report on our sustainability work and progress regularly, both internally and externally, in a transparent and balanced manner.

Sustainability management roles, responsibilities and practices are aligned with Taaleri's Code of Conduct and Corporate Governance Principles and are defined throughout the Group in ways such as:

- The Board of Directors and its committees contribute to guiding and ensuring Taaleri's sustainability work. For example, top-level policies are discussed in the Audit Committee and approved by the Group's Board of Directors. Business specific policy documents are approved by the boards of each business area.
- Management is committed to leading, developing, resourcing, and monitoring the progress of Taaleri's sustainability work. The Group's Executive Management Team has appointed a person in charge of sustainability, who, among other things, ensures regular and appropriate communication on sustainability to the Executive Management Team and the Board of Directors together with the Sustainability Manager. Businesses also define the roles and responsibilities of their sustainability management. The management teams of the businesses must ensure the appropriate content and application of business-specific, or other, guidance.

- The Group has an ESG Committee, to which we appoint ESG experts from the Group functions and the businesses, as well as people who are otherwise responsible for, or monitor the implementation of sustainability work. The committee is responsible for planning, implementing/assigning responsibility for Taaleri's sustainability work, and for enhancing the flow of information between the business units and to the Executive Management Team.
- The Group's Sustainability Manager coordinates sustainability-related cooperation with the ESG Committee and, as appropriate, with other internal and external stakeholders (such as Taaleri's management and sustainability organisations related to Taaleri's activities). The Sustainability Manager supports the specialists of the businesses and the systematisation and quality of the sustainability work, for example through training and brainstorming. They are responsible at the Group level for, among other things, promoting the issues set out in the sustainability roadmap and for data collection and reporting. They also contribute to guiding Taaleri's broader engagement and priorities to align with the company's sustainable development commitments, such as the UNPRI principles.
- We take sustainability risks and ESG factors into account in our normal risk management, compliance and internal audit activities based on how fundamental they are. For example, risk management specialists identify, analyse and address sustainability risks in the Group's and businesses' annual risk mapping and in the day-to-day risk management of the businesses.
- Each employee is responsible, through their own actions and work, for complying with common policies, principles, and guidelines on sustainability and the role of the employee. Supervisors play a key role in ensuring the flow and application of information.

In our remuneration processes, we consider how Taaleri and Taaleri employees' performance has met or complied with established policies, principles, guidelines, as well as the strategic ESG goals set. Our remuneration policy sets an ESG target, or targets, for each employee. These individual targets are aligned with the ESG goals of the Group and/or the business, and appropriate weights are used in the determination of the compensation. We also have a policy of not paying or of limiting performance bonuses/variable remuneration if an individual's performance has not met or complied with the principles of the Group- and/or business-specific responsibility requirements. The principles include the consideration of sustainability risks.

We recognise that there is a growing need for external verification of our sustainability work and data. We identify needs and opportunities for certification and apply for it on a discretionary basis. We also internally promote preparedness for external verification.

Taaleri has a whistleblowing channel, which is available through our website www.taaleri.com. Through this channel, stakeholders and employees can report anonymously their concerns and findings of possible violations of the Sustainability Policy. Such reports are handled in accordance with the principles of timeliness, independence, and confidentiality of the documentation. We are also setting up business- or product-specific reporting channels and grievance mechanisms as needed.

We manage our employees in a caring and responsible way. We take good care of our employees' working conditions, well-being, and equality. We offer our employees meaningful work and a platform for development. Taaleri is developing a HR policy that will describe our HR practices and efforts put into employee well-being.

Sustainability work is an ongoing endeavour, and it is important to continuously increase our knowledge and understanding of the elements of sustainability, and our impact, to close possible gaps and help seek solutions. Hence, we are committed to reviewing and updating this policy regularly. We supplement and clarify its obligations in other Group- and business-specific policies, principles, and guidelines, as necessary. We aim to

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be transparent and clear in our documentation. We strive to keep the interdependencies between sustainability-related materials as clear as possible when publishing new or updated policies, principles, and guidelines.

Sustainable investing

The obligations set out in this *Sustainable investing* section apply to all our investments and the assets we manage, unless otherwise stated and delineated. In this section, we describe the key aspects of our sustainable investing, as well as sustainability objectives and targets regarding our investment activities and targets.

Taaleri carries out investment activities in many different forms: We manage private equity funds that invest clients' assets. Our private equity business also includes co-investments and mandates. Garantia has investment activities, and, in addition, we invest Taaleri's own assets.

Taaleri's authorised alternative fund managers are subject to the EU regulation on sustainability-related disclosures in the financial services sector (2019/2088; the "Sustainable Finance Disclosure Regulation").

General principles and procedures

In all our investments, we follow the principles of responsible investment as defined by the UN. Taaleri has been a signatory to the UNPRI since 2010. Garantia requires companies whose actively managed funds it invests in, to comply with the UNPRI principles.

We make extensive use of a variety of sustainable investment approaches and strategies, which are described in more detail below in the *Principles and procedures for sustainable investment strategies* section. The choice of approach depends on the specific characteristics of the investment instrument and target. We are committed to raising the level of our ambition through the selection, management, and communication of new investments.

Taaleri promotes impact investing by implementing projects that are economically viable and have a positive impact on the environment and/or society. Our goal is to be a forerunner in impact investing. We are pursuing this goal through our private equity business. We make our investment decisions based on economic factors, impact potential, and sustainability assessment. Our aim is to identify and provide investments that make a significant contribution to sustainable development. In this regard, it is essential that we determine that these activities do not have significant negative impacts, and we ensure that their sustainability risks are managed in accordance with Taaleri's policies and guidelines.

We take ESG considerations into account throughout the investment life cycle. We identify risks and respond to them as necessary. Relevant tools, particularly in our private equity business, include various pre-investment analyses and surveys of investment targets; monitoring and tracking of targets and corrective action where necessary; reporting on targets during investments; ESG training of investment or project team members; development of guidelines; and discussions with our investment targets, clients, partners, and other stakeholders.

We collect and analyse ESG data as part of our investment processes and risk management. Particularly in our private equity business we use expert third parties and data sources as necessary and at our discretion, for example for quantitative and qualitative analysis, research, monitoring and tracking of investments.

In our investment activities, we treat our clients equally and act in their best interests.

Principles and procedures for sustainable investing strategies

Impact and thematic investing

We promote impact investing by providing our clients with innovative and impactful investment options related to issues such as climate change and sustainable development. Before establishing new private equity funds, we assess, for example by using the UN Sustainable Development Goals, whether the funds support Taaleri's sustainability objectives and sustainable development,

The private equity funds we manage have multi-year terms, so we assess ESG factors, as well as sustainability risks and opportunities associated with the fund's investment strategy comprehensively over the long term. Moreover, we set sustainability or impact targets for new private equity funds.

We invest Taaleri's own funds especially in areas that support the core business and development of our private equity funds.

In Garantia's investment activities, we aim to increase the share of investments that have a positive impact on the environment or society, by using sustainably categorized products, such as green bonds and sustainable investments. Garantia has also partnered with Taaleri in projects that promote a sustainable future, for example, by providing guarantees for renewable energy fund projects.

ESG integration, favouring, and exclusion

We integrate ESG factors into all our investment processes, taking into account the specific characteristics of the investment target and type such as sustainability risks, life cycle, impact and effectiveness, value creation, financial opportunities, and applicable regulation, agreements and guidelines. We develop and assess our ESG integration appropriately.

We take ESG matters into account when assessing the expected risks and returns of investments and/or asset classes. We also account for the potential climate change-related transition and physical risks affecting our investments.

The ESG integration of our investment processes is based on, among other things, applicable legislation, internationally recognised general norms, commitments, standards, frameworks and practices, investor obligations, as well as Taaleri's policies, principles, and guidelines. We consider, for example, minimum safeguards and environmental and social objectives under the EU's sustainable finance regulatory framework, and we actively monitor developments in these areas.

Based on the above, we develop more specific rules and guidelines for the consideration of ESG factors in different investments and businesses. In developing these rules and guidelines we take into account the identification and management of adverse sustainability impacts and sustainability risks and, as necessary, the approaches of favouring and excluding active ownership and influence. The main approaches related to these are summarised below in the *Exclusion and minimum standards*, and *Adverse sustainability impacts* subsections of this section, as well as in the *Active ownership and influence* section. For example, in private equity funds we reinforce the application of obligations set out in the policies and principles by defining business- or project-specific practical guidelines on issues such as pre-screening of investments, impact assessment, due diligence monitoring, and reporting.

Exclusion and minimum requirements

We identify negative externalities of potential investments and refrain from making investments that, according to our view, have unacceptable negative impacts.

We expect and ensure that the companies we invest in respect human rights, and treat their employees appropriately and equally, manage their environmental impact and comply with good governance, following international standards and minimum requirements for good business practice, such as those published by the UN, ILO, OECD, and the EU. For more information on this, see the *Compliance and commitments* section above.

We monitor our investments for possible breaches of the rules (taking into account national/international law, prohibitions, treaties and embargoes). If the target company is, in our view, breaching standards or otherwise acting irresponsibly, our priority is to influence the company to change its harmful practices. However, if there is no change, the alternative is to divest from the company in question. The decision to divest is made in accordance with the investment guidelines by for instance the Board of the private equity fund manager, consulting ESG and legal experts. For more information on this, see the *Active ownership and influence* section below.

We do not make direct investments in the adult entertainment or gambling industries, or in tobacco or controversial weapons manufacturers. We also avoid investing in a number of other sectors, products and services, as well as in geographic or political areas, where there is an elevated risk for non-compliance and unsustainable practices. In our investment decisions, we take into account the recommendations and analyses of international organisations, for example in regard to conflict zones.

Adverse sustainability impacts

In our investment decisions, we consider the main adverse impacts on sustainability factors. We document our policy on the identification and prioritisation of these impacts and related indicators, as well as on the actions taken and, where appropriate, planned. We carry out documentation at the company and product level in accordance with the EU Sustainable Finance Disclosure Regulation, focusing on companies and funds subject to it, otherwise using and following relevant Taaleri guidance, for example on risk management.

In our private equity business, we actively analyse and manage adverse sustainability impacts through investment screening and approval, good governance of investments and investment activities, and continuous monitoring of our operations.

As a priority, we avoid and prevent negative impact on our investments. If we cannot avoid a significant negative impact in a technically and economically feasible way, we will seek to minimise it. As a last resort, we use remediation or compensation for negative impacts.

Active ownership and stewardship

The principles of ownership and stewardship summarised below, guide our activities as a shareholder, developer and manager of private equity funds or alternative investments, and as a corporate citizen. The principles aim to improve long-term investment returns, the risk/return ratio of investments, customer value, and more broadly, social impact. We want to make sure that we meet our obligations and act in an environmentally and socially sustainable way.

The principles of stewardship and ownership include both binding principles that guide our actions and measures taken at our discretion. We describe the principles below in the *Targets with significant control* and *Targets without significant control* sections. The purpose of this breakdown is to clarify our approach in different situations.

Where appropriate, we supplement our influencing policies and publish information on the implementation in accordance with the EU Sustainable Finance Disclosure Regulation and the Directive on the Exercise of Shareholders Rights in Listed Companies (2007/36/EC). Our stakeholder engagement is described in more detail in the *Stakeholder engagement and responsible sourcing* section.

Target companies we have significant control over

In our private equity business, funds often have full or significant ownership of the company being invested in, or full or significant control over the implementation and/or supervision of their sustainability work.

Our private equity business is most of the time responsible for the development, construction and/or management of a property, and Taaleri is represented on the target company's board. We use all this expertise to improve the performance of our investments, and to reduce their negative impact on the environment and society.

When we exercise significant control, we apply our sustainability policies, principles, and procedures to the target companies. For the target companies we manage, we help plan and implement, or ensure, for example the management of environmental and social issues, and stakeholder cooperation. We actively implement sustainability matters and viewpoints in our governance and decision-making. We oversee these activities, for example, with regular visits to the site by the project manager and/or risk management representatives.

Target companies we have no significant control over

Our investments also include target companies in which we have a minority stake, or we have no significant control. In these cases, Taaleri has more limited stewardship possibilities for the implementation and/or supervision of the target's sustainability work, than described above. Particularly in these cases, other circumstances may also affect Taaleri's ability to assess or monitor the target's responsibility-related obligations and objectives.

In line with this policy, and in accordance with the principle of proportionality, we identify the ESG measures that we consider appropriate for the target to implement, and we take reasonable steps to ensure that these measures are implemented. In addition, before making new investment decisions, we pay particular attention to assessing the sustainability, impact, and sustainability-related risks of the target.

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We work with our target companies to raise awareness and commitment to sustainability and value chain impact management, and to support the development of Taaleri, its other partners and the target companies' sustainability work, impact, and compliance. We encourage our target companies to promote sustainability in their value chain, for example by applying the principles described in this policy.

We always influence target companies if we identify violations of the minimum safeguards or critical adverse sustainability impacts as described in the *ESG integration, preferences, and exclusions* section above. We implement selective stewardship in our investments to help manage other identified positive and negative sustainability factors. We prioritise the areas and issues where we believe to have the greatest potential to contribute to sustainable development. We consider our impact for example, in managing the risks and opportunities related to climate change.

We favour active cooperation wherever possible. Depending on the case, we influence targets through direct meetings together with other shareholders or stakeholders or, for example, by voting at general meetings. We keep a record of the means, mediums, tools, scope, responsibilities, and impacts of active ownership. We take potential conflicts of interest into account when planning measures.

Transparency and reporting

Promoting transparency and reliable information is important to ensuring the implementation and effectiveness of sustainable investment. We report on the promotion and performance of sustainability in our investments at least annually, both externally either publicly and/or to stakeholders, and internally as required, for example through progress reports and presentations.

The accuracy, level, format, cycle, and medium of reporting, depend on the significance of our investments, their characteristics, and the obligations that apply to them. For example, the information we provide on our alternative investment funds complies with EU disclosure requirements in relation to, among other things, the sustainable investment objectives, the ESG factors it promotes, the main adverse sustainability impacts, sustainability risks, and the transparency of remuneration aspects. We promote access to information and transparency on our website.

We define more detailed reporting data collection practices in Group guidelines, business-specific policies, and product-specific disclosures. We recognise that the key to sustainable investment reporting and analysis is to ensure the suitability and robustness of the source data. Where appropriate and possible, we make use of information specific to the target or its content, common models, and databases, independent and verified data, among other things.

We are constantly developing our reporting to respond to the expectations of our stakeholders. For example, under the Net Zero Asset Managers commitment, we provide our clients with information and analysis on net zero investment as well as climate risks and opportunities.

Application and responsibilities

We supplement the obligations set out in the *Sustainable investment* section with business, asset class and/or thematic principles and guidelines, as necessary. We are actively developing sustainable investment practices and documentation, both at Group and business level.

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In the supplementary policies and guidelines, we further define the employees and groups that have responsibilities related to sustainable investment, what these responsibilities are, and how they will be implemented in line with, among other things, the *Sustainability* section of this policy and Taaleri's strategy.

We use governance structures that enable appropriate decision-making, oversight, risk, conflict-of-interest management, and remuneration.

We define roles and responsibilities, for example in relation to the following functions and positions:

- 1) Boards, CEOs, other management, and investment committees of companies managing investments in the private equity business
- 2) Internal control and risk management representatives
- 3) Other specialists (such as ESG, legal and technical experts)

Approval, updates, and availability

The Board of Directors of Taaleri Plc approved this policy on 17 December 2021, whereupon it is implemented throughout the Taaleri Group.

The policy replaces Taaleri's previous Corporate Responsibility Policy (in force since 2019) and, among other things, its supplementary Corporate Governance Policy, and Sustainable Investment Principles. In addition, the policy is linked to other relevant Group, business, and thematic policies, principles, and guidelines, as well as external frameworks such as the UNPRI survey. Taaleri's management and ESG committee updated the policy to reflect our current business operations and objectives.

We will keep this policy up to date by reviewing it at least annually, considering the stakeholder expectations and our business. We will update this policy, as well as supplementary policies and guidelines, as necessary. In this regard, we will give the approval dates of the original document and the updated versions as well as information on the changes made.

The policy is publicly available on our website www.taaleri.com. We will also communicate this separately to the parties concerned, as necessary.

Suspicious of policy violations can be submitted through our whistleblowing channel. For more information, see the section on *Sustainability management*.