

SENTICA RESPONSIBLE INVESTMENT POLICY

INTRODUCTION

Sentica invests mainly in Finnish companies and its fund structures are entirely Finnish. The investors in the funds are typically institutional investors (such as pension insurance companies, funds of funds, and the public sector) from Finland and other European countries. Our task is to develop the companies in which our funds invest in and to generate returns to our investors in the long-term through value creation in these companies. This requires us to act persistently to ensure that the value creation of the companies is on a sustainable level and that the expectations of all significant stakeholders are considered.

In addition to the financial aspect and to secure returns, we also consider in our investment activities the environmental and personnel responsibility as well as the social and governance factors, that is, the ESG issues. Every portfolio company's material responsibility issues are tied to their business processes and risk management. The purpose of this written Responsible Investment Policy is to strengthen and further develop these matters by defining the standards and describing how responsibility issues are addressed and reported in Sentica.

PRINCIPLES OF RESPONSIBLE INVESTING

Sentica's responsible investment principles are based on the following United Nations' Principles for Responsible Investing (PRI):

1. We have incorporated ESG issues into our investment analysis and decision-making processes.

Environmental, social and governance related risks vary among the different industries, markets, and countries. To maximize the value added from the ESG risk assessment, the approach must be pragmatic, and it must focus on the most critical issues and address the most important stakeholders' expectations.

During the Due Diligence (DD) process, all relevant corporate responsibility issues shall be covered in certain DD assignments.

In the Investment Memorandum, corporate responsibility topics are covered in their own section. The section describes the company's current ESG practices, key risks, development issues and planned actions for them as well as which KPIs are used to monitor development and how will they be reported.

2. We are an active owner and incorporate corporate responsibility issues into our ownership policies and practices.

Each portfolio company will create their own corporate responsibility policy that best serves sustainable value creation in that company. It is recommended to integrate the corporate responsibility policy into the company's strategy. The corporate responsibility policy is executed through a plan, which consists of objectives, KPIs, and monitoring of material ESG issues.

Portfolio companies will adopt a Corporate governance policy, which advances good governance and a Code of Conduct, which is based on the company's values.

3. We advance ESG reporting in our portfolio companies.

Portfolio companies will report on all significant corporate responsibility events to their board of directors in their monthly reporting. Corporate responsibility matters are on the agenda in the board meetings yearly e.g. in conjunction with the financial statements.

4. We report on the progression of responsible investing on a regular basis.

Sentica's quarterly reports include a description of the portfolio companies' corporate responsibility-related risks and opportunities, and Sentica's measures to address and manage them.

In addition, we follow the professional standards set by Invest Europe as well as The International Private Equity and Venture Capital Valuation Guidelines (IPEVG) in our reporting. Sentica is a member of the Finnish Venture Capital Association (FVCA) and follows their Code of Conduct norms and other guidelines.

We do not make investments into the following industries: weapons, gambling, tobacco, and alcohol.

SENTICA CORPORATE RESPONSIBILITY POLICY

A company's financial success creates a solid foundation for responsible business, and often responsible actions support financial success. We comply with applicable legislation and authorities' instructions in all our activities. Sentica's and its portfolio companies' corporate responsibility is guided by management principles, which include the following matters:

ENVIRONMENT

- We support actions in tackling climate change and the aims of the Paris Agreement. We target in decreasing the greenhouse gas intensity of the company's operations.
- We advance energy and material efficiency. We aim in the efficient use of raw materials and in reducing waste. Energy efficiency has a substantial impact especially on the process industry and logistics.
- We seek ways to reduce the environmental load especially in production and logistics. Corporate actions must not cause health problems or significant environmental degradation nor pose a threat of such occurrence.

SOCIETY

- We advance safe and healthy working conditions.
- We focus on maintaining personnel's working capacity and well-being at work.
- We endeavor to the continuous development of customer satisfaction. High customer satisfaction provides a ground for sustainable business.
- We follow our own supply chain with a particular aim to advance the compliance of international human rights agreements and the actualization of rights in the working-

life. Suppliers and contractors are required to comply with the relevant ethical guidelines or are obligated to commit to a specific Supplier Code of Conduct.

- We advance positive relations to our social stakeholders.
- We aim in promoting diversity and inclusivity at workplace and improving the gender balance in the board of directors and management teams. The workforce is gender-balanced when the teams have a representation of both genders of 30-70 %.
- We do not accept discrimination. We comply with the legal prohibition of discrimination of employees.

GOVERNANCE

- ESG matters are led by the top management and the leadership management system includes, *inter alia*, the corporate responsibility policy, the corporate governance policy, and the ethical guidelines.
- We do not accept bribery. We comply with the prohibition of bribery in accordance with the Criminal Code which applies to offering and receiving bribes in business.
- We advance free competition. We do not participate in cartels, misuse market power, or restrict competition with illegitimate distribution contracts.
- We act against money laundering. We accept only assets which legal origin have no grounds of suspicion.
- We advance the reliability and fairness of markets by adhering to the regulation against insider dealing.
- We protect confidentiality. High level of information security and data protection is important.