

Sustainability Policy

February 2025

TAALERI

Internal

Basic information of the document

Purpose	To describe Taaleri Plc's ("Taaleri") view on sustainability 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 12 February 2025 (17 December 2021)
Effective from	17 December 2021
Responsible organisation	Group Sustainability
Contact person	Karoliina Laine, Taaleri Plc Sustainability Manager Linda Tierala, Taaleri Plc Director, Investor Relations and Communications
Regulation upon which the procedure is based	Not directly based on regulation but will support the response to regulatory frameworks such as ones related to the EU Sustainable Finance and Sustainability Reporting

Version history

Approved (date)	Applied as of (date)	Changes made
17 December 2021	17 December 2021	Policy created
7 December 2022	7 December 2022	Update: specification of process descriptions, description of net zero targets, material sustainability themes and sustainability impacts, update of negative screening list
14 December 2023	14 December 2023	Update: Updated and refined on the basis of the updated strategy, terminology and modus operandi.
12 February 2025	12 February 2025	Update: Updated and refined on the basis of the updated terminology and modus operandi e.g. related to disclosure structure and governance.

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1. Introduction and basis

1.1. Scope and implementation

In this policy, we describe Taaleri's commitment to sustainable development and our sustainability practices and models in relation to all our operations. We describe the Group's sustainability activities more generally in chapter 2. *Sustainability* and the sustainable investment policy in chapter 3. *Sustainable investing*.

The obligations set out in this policy apply to all our activities, unless otherwise indicated and specified. The focus of our sustainability work is defined through materiality analysis. The policy supports our strategic objective of making a positive impact.

The policy applies to all Taaleri employees and members of the management and the Board of Directors. Supervisors and sustainability experts support implementing the policy.

1.2. Taaleri business

Taaleri is a Nordic investment and asset manager. We make investments both through our private equity funds and through direct investments from our own balance sheet. We combine our deep industrial and financial expertise with capital to create attractive returns for our stakeholders and to build a better future.

Taaleri's business consists of two reporting business segments: Private Asset Management and Garantia. The Private Asset Management segment includes bioindustry, renewable energy and real estate businesses. The Garantia segment includes Garantia Insurance Company Ltd. In addition, the Other group is used to present the Group's non-strategic investments, Taaleri Kapitaali and Group operations not included in the business segments.

Taaleri Energia invests in and develops utility-scale wind power, solar power and energy storage plants and manages energy infrastructure assets over their entire lifecycle. Taaleri Bioindustry systematically invests in the development and production of resource-efficient and sustainable materials on an industrial scale. Taaleri Real Estate specialises in real estate investments, asset management and real estate fund management. Garantia specializes in guarantee insurance. Taaleri Kapitaali provides corporate financing services.

1.3. Continuous development and link to other policies

The Sustainability Policy defines a common way for Taaleri to operate, taking into account the characteristics and starting points of the different businesses. Depending on the business areas and products, different sustainability topics may be in focus. We cooperate internally in order for all our units to develop in their sustainability work.

Sustainable development is an ongoing process. We work continuously to promote and clarify knowledge, know-how and understanding related to sustainability, and to identify possible shortcomings and solutions. This is also reflected in the process to regularly review and update this policy.

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We also supplement and clarify sustainability-related obligations in other Group-specific and business-specific policies, principles and guidelines as needed. We strive to keep the interdependencies between sustainability materials clear when publishing new or updated policies, principles and guidelines.

Taaleri's Code of Conduct forms a basis for this policy. Taaleri's Sustainability Policy and Code of Conduct, as well as our other public Group and business-level sustainability disclosures, are available at www.taaleri.com/en/corporate-responsibility/document-archive. The sustainability disclosures of the funds are available on fund-specific sites, which can be accessed at <https://www.taaleri.com/en/private-equity-funds>. Sustainability is integrated in external and internal reporting of different Taaleri entities.

Taaleri's whistleblowing channel and guidance is available at <https://app.falcony.io/taaleri-wb/links/whistleblowing>. The Whistleblowing channel can be used to report suspicions of actions that may violate our policy documents, among other concerns.

2. Sustainability

2.1. General approach guided by strategy and compliance

2.1.1. Strategic priorities and goals

One of the priorities of Taaleri Plc's strategy is the development of impact and sustainability in all our investments throughout their life cycle. Accordingly, we act and pursue as follows:

- We strive to find and promote solutions to climate and other sustainability challenges with our investments. We emphasize positive impact in our operations.
- We use credible sustainability criteria and targets. We make our investment decisions based on economic factors, impact potential, sustainability, as well as sustainability risk assessments.
- We aim for example to reach net zero GHG emissions by 2050, and to increase volume and share of investments aligned with the EU Taxonomy Regulation (2020/852).

In the Private Asset Management's Funds business, we aim to offer only fund products that promote environmental and social characteristics or make sustainable investments in accordance with Article 8 or Article 9 of the EU Sustainable Finance Disclosure Regulation (2019/2088) (SFDR).

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

2.1.2. Regulatory and other stakeholder expectations

Compliance with laws and meeting other sustainability expectations of our stakeholders are the foundation for conducting business. We monitor development of regulation, voluntary frameworks and positions of our key stakeholders to ensure identifying and fulfilling relevant requirements. We may also influence such requirements, and promote them in our value chain, to support sustainable development more widely.

We strive to clearly communicate our commitments, requirements and positions to our stakeholders. In our disclosures we state for example their regulatory basis and frameworks referenced as applicable, as well as provide information on possible lobbying activities. We publish our memberships in industry associations and similar organizations.

We recognise that there is a growing need for external assurance of our sustainability work and data.

2.2. Thematic positions

2.2.1. Climate change

We want to curb global warming and consider the risks posed by climate change, both in our own operations and our funds' activities. The emission reduction targets we have set affect our investment decisions and the financial products we offer, and aim to reduce the adverse impacts caused.

Taaleri signed the Net Zero Asset Managers (NZAM) commitment in autumn 2021. The Net Zero Asset Managers Initiative is an international initiative targeting asset and wealth managers, where signatories commit to seeking net zero emissions by 2050 in line with the goal of the Paris Agreement to limit global warming to 1.5 °C. To reach net zero, if using offsets, the signatories shall invest in long-term carbon removal, where there are no technologically and/or financially viable alternatives to eliminate emissions. The signatories are also for example committed to publishing Task Force on Climate-Related Financial Disclosures (TCFD) disclosures. Taaleri's climate commitments, targets and performance are disclosed in detail in our reporting and website.

More information on the exclusion and influencing criteria for investments in relation to fossil fuels and fossil energy production can be found in sections 3.3.2.1. *Negative screening and minimum requirements* and 3.3.2.2. *Fossil fuels and fossil energy production* below.

2.2.2. Human rights

Taaleri is committed to respecting all internationally recognised human and labour rights, such as the International Bill of Human Rights and the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work (ILO's eight Core Conventions). We are also committed to following the UN Guiding Principles on Business and Human Rights (UN Guiding Principles) in all our activities. Taaleri also expects its employees, partners and other relevant parties in cooperation to respect these human and labour rights.

In order to implement the aforementioned principles and rights, Taaleri has created a Code of Conduct and guidelines for its employees. We incorporate respect for human and labour rights in all our operations, staff training, communications and management systems.

Taaleri reviews the human rights impact of its operations and funds by conducting due diligence investigations and audits where possible, as well as by carrying out human rights risk assessments in accordance with Taaleri's commitments and key frameworks. Human rights impacts and risks in the value chain are assessed on the basis of their likelihood, severity and reparability. In order to prevent probable and serious risks, adjustment plans are made, including planned corrective actions, responsible persons and schedules. Our human rights impacts and risks are regularly assessed, monitored and reported as applicable. We report on indicators related to human and labour rights as part of the disclosures of the Group, its alternative fund managers and funds. We use these indicators to monitor and manage our impact on human and labour rights.

More information on the exclusion and stewardship criteria for investments in relation to human rights can be found in sections 3.3.2.1. *Negative screening and minimum requirements* and 3.3.2.4. *Human rights* below and, on a general level, in Taaleri's Code of Conduct.

2.3. Stakeholder engagement

2.3.1. Identifying and communicating with stakeholders

We identify a broad group of stakeholders for Taaleri in different contexts and assess how they can affect or be affected by our operations. We engage systematically and fairly with our stakeholders. Our aim is to ensure that we understand and address our stakeholders' key needs and aspirations linked to Taaleri, and manage Taaleri's impacts linked to them.

In the Private Asset Management business, we assess the types of stakeholders involved and the legal obligations to take stakeholder perspectives into account on a case-by-case basis, for example through environmental and/or social impact assessments or licensing processes. Our aim is to ensure, throughout the life cycle of the investment, that the impact of our projects and decisions on stakeholders is justified, clear and generally accepted. We communicate with local communities in local languages if required.

2.3.1. Sustainable procurement and partnerships

Our sustainability procurement practices focus especially on our direct and notable partners. In this context, 'partner' refers primarily to stakeholders with whom we have a contractual relationship related to our core business. We also pay attention to sustainability factors and requirements more broadly in our other cooperative arrangements. We define the appropriate cooperation methods and prioritise the issues to be addressed in each case, depending on the need.

We seek commitment from our partners to obligations and commitments that are important to us by attaching sustainability principles to cooperation agreements using the Group's Partner Code of Conduct or corresponding documents of the business units. Alternatively, we check at least that our partners' own policy documents or sustainability principles are not in conflict with our Code of Conduct. We do this at least for ongoing or business-relevant cooperation agreements of the Group, its subsidiaries and SFDR Article 9 funds.

When entering into contracts, we take into account the terms of breach of these commitments to hold our partners accountable. If a Taaleri partner fails to comply with relevant and agreed sustainability or disclosure requirements or good practices, we intervene and seek solutions with the partner where appropriate and possible.

We set boundary conditions for the kind of investments we are involved in and what we expect from our partners in projects in the Private Asset Management business. Our sustainable investment policy is in section 3. *Sustainable investing* below.

At Garantia, in our pre-outsourcing and pre-sourcing assessment, audit and risk assessment, we evaluate the nature and extent of the risks associated with the activity, task or service, as well as the importance of the activity, task or service as a whole to Garantia.

2.3.2. Whistleblowing

Taaleri Group has a whistleblowing channel for all its stakeholders. The link to the whistleblowing channel is provided on Taaleri websites and section 1. *Introduction and basis* above. The channel itself and guidance is available on an external service provider's website. The service may be used anonymously. The notices are handled appropriately, e.g. timely, confidentially and by the defined people.

We also set up business-specific or product-specific reporting channels and processing mechanisms as needed.

2.4. Sustainability governance and management

2.4.1. Roles and responsibilities

Sustainability governance and management are defined in line with the overall corporate governance model of Taaleri.

Taaleri Group's sustainability administration, management and supervision are divided between the Board of Directors and its committees, the CEO and Executive Management Team, and other roles as defined by them.

- **The Board** is responsible for the administration and supervision of Taaleri's operations in accordance with applicable sustainability-related legislation, rules and regulations. The Audit Committee monitors Taaleri's sustainability-related processes and may for example integrate relevant sustainability aspects in the internal audits it supervises. The Remuneration Committee includes sustainability considerations as part of the preparation of Taaleri Group's incentive schemes.
- **The CEO** is tasked to attend to the practical sustainability management of Taaleri's business operations and to organise sustainability-related administration. The CEO is also responsible for preparing matters for review and decision making by the Board of Directors, implementing the sustainability-related decisions made by the Board and achieving the sustainability goals set by the Board.
- **The Executive Management Team** assists the CEO in planning sustainability-related operations and in operational management and decision-making. It also prepares matters for review by the Board of Directors. The Executive Management Team deals with matters concerning business operations as well as the development and supervision of operations.
 - The Executive Management Team members may divide sustainability-related responsibilities among themselves and appoint other managerial and expert roles, as well as teams/committees, to ensure adequate resources and informing employees.
- **All supervisors and team leaders** actively promote and supervise the implementation and development of sustainable practices within their subordinates and teams.
- **All employees** are responsible for compliance with the common policies, principles and guidelines related to sustainability and the role of the employee.

Taaleri subsidiaries follow similar approach as the Group, considering characteristics of their governance model and operating environment.

- **The managers of businesses and alternative investment fund managers (AIFMs)** ensure that internal and external obligations are met in their business unit and manage the sustainability work of the unit in question. They ensure regular and appropriate communication on sustainability to the highest body of the unit in question, i.e. the Executive Management Team and/or the Board of Directors, which, among other things, approves business/AIFM-specific policy-level documents.

2.4.2. Remuneration

In remuneration, we consider how Taaleri and our employees have met or complied with established policies, principles and guidelines, as well as the strategic sustainability goals we have set. Our remuneration scheme assigns one or more sustainability targets to each individual in the Group, ensuring alignment with the broader sustainability targets set for the Group and/or business units and thereby factoring in sustainability accomplishments in overall remuneration. We also have a policy of non-payment or restriction of performance bonuses/variable remuneration tied to sustainability principles if an individual has not met or complied with Group and/or business-specific sustainability principles. The principles include the consideration of sustainability risks.

3. Sustainable investing

3.1. Characteristics of investment activities at Taaleri

Taaleri Group invests in many different forms: we manage private equity funds investing clients' assets, we manage the portfolios of third-party private equity funds under a mandate, we make direct investments from the Group's balance sheet and carry out investment activities at Garantia Insurance Company.

- Taaleri's authorised AIFMs are subject to the SFDR. Taaleri aims to offer only fund products that either promote environmental and/or social characteristics or make sustainable investments in accordance with Article 8 or Article 9 of the SFDR. We publish SFDR-compliant information on our website in accordance with our obligations. In our private asset management business, funds often have full or significant ownership of the investee companies or full or significant control over the implementation and/or supervision of their sustainability work. The investments of our private equity funds are primarily managed internally. Only a few of our funds invest in investee funds managed by an external party.
- Direct investments include majority and minority investments, including co-investments. We are making new direct investments that meet defined sustainability criteria. In this context, direct investments do not include Group cash management investments.

Garantia's investment activities are primarily guided by Garantia's investment plan and its guidelines for sustainable investing. The mandates we manage are primarily guided by the principles of responsible investment of the third party issuing the mandate. In investee funds managed by an external party, sustainable investing is primarily carried out through stewardship. In general, we focus on applying this policy in investments made after 2021 when the first version of this policy entered into force. In other respects, the obligations set out in this chapter, *3. Sustainable investing*, apply to all our investments and assets under management, unless otherwise indicated and specified.

3.2. General principles and procedures

In all our investments, we follow the UN Principles for Responsible Investment (UNPRI). Taaleri has been a signatory to the UNPRI since 2010. Garantia requires companies in whose actively managed funds it invests to comply with the UNPRI.

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

Taaleri takes sustainability considerations into account throughout the investment life cycle. In our investment activities, we act in the best interests of our clients and treat them equally. We promote impact investing by implementing projects that are economically viable and have a positive impact on the environment and/or society. We implement impact investing especially within our Private Asset Management business and as we make new direct investments. We make our investment decisions based on economic factors, risk assessments, impact potential and sustainability considerations. Our aim is to identify and provide investments that make a significant contribution to sustainable development. We

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investigate the adverse sustainability impacts of our operations and strive to ensure that fund products do not cause significant harm to environmental or social objectives.

The sustainability risks of fund products and Taaleri are managed in accordance with the Group's policies and guidelines. We identify risks and respond to them when necessary. Key tools for managing sustainability risks, particularly in our private asset management business and new direct investments, include investment target and sustainability-related pre-investment analyses, and monitoring, roadmaps, corrective actions when necessary and reporting during investment period, as well as development of guidelines, training of investment or project team members and other discussions with our stakeholders. Taaleri utilizes expert third parties and data sources in these as necessary.

The table below describes the processes and measures related to Taaleri's sustainable investing on a high level, which is supplemented by the steps defined in Figure 1. The application of these in our different investment units is described in the sections below and in the internal guidelines.

Planning	Management	Governance	Reporting
<ul style="list-style-type: none"> • Identification and documentation of material sustainability themes and PAIs • Planning sustainability work using key frameworks • Measuring and target-linking sustainability • Due diligence work • Sustainability as part of the strategy, long-term roadmap, resourcing and budgeting • Updating of policies, guidelines and management methods • Sustainability as part of fund product design 	<ul style="list-style-type: none"> • Sustainability as part of every Taaleri employee's work • Sustainability training • Sustainability impact measurement and performance against set targets • Monitoring the implementation of units and processes, available resources and costs • Monitoring stakeholder expectations and the market environment • Monitoring reporting requirements and regulation 	<ul style="list-style-type: none"> • Integrating sustainability into policies, procedures, processes, strategic decision-making and risk assessments • Collecting and monitoring data and information • Monitoring, management and adaptation plans for sustainability impacts and risks • Processing and documenting any complaints or development proposals • Reassessment, monitoring and development of relevant sustainability themes and impacts 	<ul style="list-style-type: none"> • Sustainability reporting and investor communication • Responding to and reporting on complaints and development proposals • Sharing best practices and influencing them in key working groups • Reporting and progress according to commitments and communication • Compliance with reporting requirements

Figure 1. Sustainability as part of the investment process and decision



3.3. Principles and procedures for sustainable investment strategies

3.3.1. Impact and thematic investing

We promote impact investing by providing our clients with innovative and impactful investment options related to important global issues, such as climate change mitigation. Thematic investing means investing in sectors or businesses that are in line with our strategy, such as renewable energy, real estate or bioindustry. Before establishing new private equity funds or making direct investments, we specifically evaluate whether the fund or investment aligns with Taaleri's sustainability objectives and contributes to sustainable development.

The private equity funds we manage have multi-year mandates, so we assess the sustainability factors, risks and opportunities associated with the fund's investment strategy comprehensively, including over the long term. We set sustainability or impact targets as we establish private equity funds and conduct new direct investments.

In Garantia's investment activities, we strive to increase the share of investments that have a positive impact on the environment or society by using sustainability-related products, such as green bonds.

3.3.2. Sustainability integration, positive and negative screening and our thematic positions

We integrate sustainability factors into all our investment processes, taking into account the specific characteristics of the investee and type of investment, sustainability risks, life-cycle effects and impact, value creation, financial opportunities and applicable obligations, agreements and guidelines. We plan and monitor the implementation of sustainable investment processes appropriately. We also consider sustainability factors when assessing the expected risks and returns of our investees and/or asset classes. In addition, we assess the potential climate-related transition risks and physical risks affecting our investments and their economic impacts. Correspondingly, we develop our processes to more comprehensively take into account risks and impacts related to biodiversity.

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

Based on the above, we develop more specific rules and guidelines for taking sustainability factors into account in different investments and business units. We consider the identification and management of sustainability impacts and risks and, where appropriate, the approaches of positive screening, negative screening, active ownership and stewardship. Key issues related to these are highlighted below in sections *3.3.2.1. Negative screening and minimum requirements*, *3.3.2.5. Principal adverse impacts on sustainability factors* and *3.3.3. Active ownership and stewardship*. For example, in private equity funds, we reinforce the application of the obligations set out in policies and principles by defining business or project-specific practical guidelines on issues such as the identification, impact assessment, due diligence and monitoring of investees. We also provide guidance on sustainability criteria and operating principles for direct investments.

3.3.2.1. Negative screening and minimum requirements

We aim to identify the negative external impacts of potential investments and avoid investments whose negative impacts are, in our view, unacceptable.

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We expect and monitor that investee companies respect human rights, treat their employees appropriately and equally, manage their environmental impact and comply with good governance practices, 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 Taaleri Plc Code of Conduct and sections *2.1.2 Regulatory and other stakeholder expectations* and *2.2.2. Human rights* above.

We monitor our investees for possible breaches of the rules (taking into account national/international law, prohibitions, treaties and embargoes). If an investee company breaches standards or otherwise operates in a way that we consider unsustainable, our priority is to influence the company to change its harmful practices. However, if no change occurs, the alternative is to fully divest our position in the company in question. Such a decision is taken in accordance with the investment guidelines, for example by the Board of the asset management company in consultation with sustainability and legal experts. For more information on this, see section *3.3.3. Active ownership and stewardship* below.

We do not invest in

- i. fossil fuels and fossil energy production as described in section *3.3.2.2. Fossil fuels and fossil energy production* below,
- ii. the adult entertainment or gambling industry,
- iii. the tobacco industry,
- iv. manufacturers of disputed arms or ammunition,
- v. enterprises carrying out animal testing, unless testing on animals is required by law, or
- vi. companies whose activities are, on the basis of a norm-based review, in conflict with Taaleri's Code of Conduct and the above, for example through violations of human rights or competition law.

An appropriate function, in line with our governance model, may be consulted in situations requiring interpretation in regard to the exclusion list above. Basis of forming the conclusion shall be documented.

The above list is not exclusive. We also refrain from investing in several other sectors, products and services, as well as in geographic or political areas where we perceive an elevated risk to sustainability or compliance.

3.3.2.2. Fossil fuels and fossil energy production

Our strategy drives our investments to comply with the emission path aiming to limit global warming to 1.5 °C.

Taaleri excludes investments in fossil fuels and fossil energy production from its strategy. Consequently, we do not invest in these in our Private Assets Management business through our internally managed funds or as a direct investment by the Group without a separate weighty reason, which is handled in accordance with our governance model. We consider crude oil, natural gas, coal and energy peat as fossil fuels.

In addition, we are committed to reducing the fossil fuel dependence across all our investments and to directing capital towards sectors that support the transition away from fossil fuels. We are developing ways to evaluate and influence investment activities more extensively. For more information, see section *2.2.1. Climate change* above.

3.3.2.3. Biodiversity

Biodiversity refers to the variety of ecosystems, species and genes in the world or in a particular habitat type. Nature produces biodiversity-dependent ecosystem services, which in turn sustain economies and societies. Biodiversity is constantly deteriorating, which causes serious impacts on nature and human wellbeing.

Taaleri explores the impact of its investment activities on biodiversity and dependencies on it as part of our responsible investment processes, such as the EU Taxonomy through a review of the "do no significant harm" criteria. We deepen and systematise the relevant assessments and disclosures using, for example, the Taskforce on Nature-related Financial Disclosures (TNFD) and the Science Based Targets Network's nature framework.

3.3.2.4. Human rights

Taaleri reviews the human rights impact of its regular investment operations and funds by conducting due diligence investigations and audits where possible, particularly in our private asset management business and new direct investments, as well as by conducting human rights risk assessments. Human rights impacts and risks are assessed on the basis of their likelihood, severity and reparability. In order to prevent probable and serious risks, adjustment plans are made, including planned corrective actions, responsible persons and a schedule.

Especially for projects located outside of Finland, we assess the adequacy of local operating methods and, where necessary, add or clarify our requirements for compliance with international standards. Those of our projects that have an impact on local communities have complaint mechanisms in place that guarantee privacy. Any complaints are dealt with by project managers and our sustainability experts by seeking the best possible solution with the stakeholder(s) to mitigate or compensate for the damage and avoid it in the future. Complaints and other key human rights issues are reported on as part of the fund reports and annual reports.

These assessments and measures take into account, at minimum, Taaleri's commitments related to human and labour rights and social responsibility, which are described in sections 2.1.2. *Regulatory and other stakeholder expectations* and 2.2.2. *Human rights* above and in Taaleri's Code of Conduct. Human rights risks are described in Taaleri's Sustainability Risk Policy and other disclosures of Taaleri entities.

3.3.2.5. Principal adverse impacts on sustainability factors

In our investment decisions for private equity funds, in particular, we consider principal adverse impacts on sustainability factors. We document our policies on the identification and prioritisation of these impacts and related indicators, as well as on the actions taken and, where appropriate, actions planned. We carry out documentation at company and product level in accordance with the SFDR, focusing on companies and funds with specific SFDR focus at Taaleri, otherwise using and following relevant Taaleri guidelines, for example on risk management, where applicable. Sustainability impacts and their management are described in more detail in the Statements on principal adverse impacts of investment decisions on sustainability factors of our AIFMs and SFDR Article 9 and 8 funds and in our Sustainability Risk Policy.

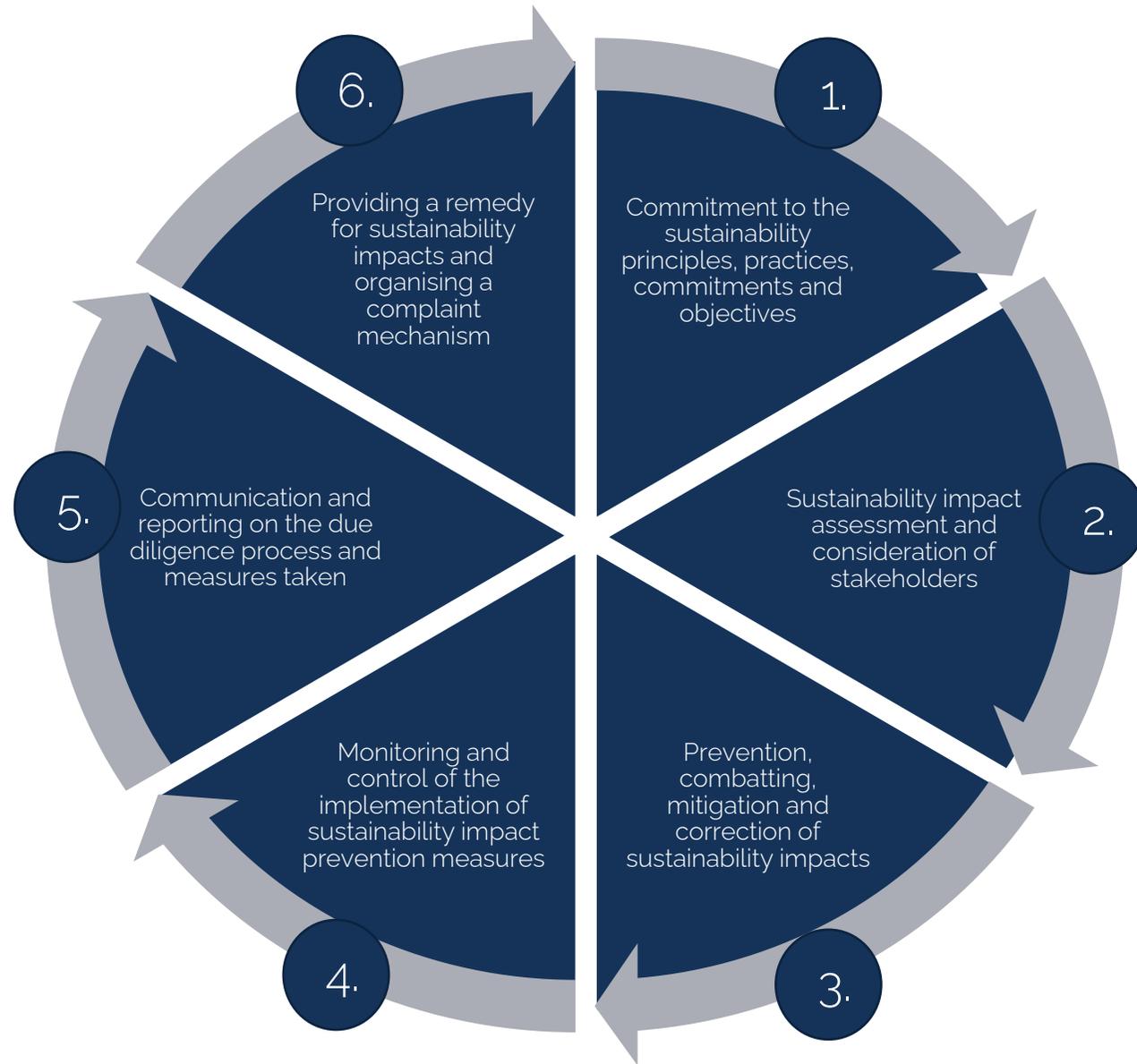
In our private asset management business and new direct investments, we actively analyse and manage adverse sustainability impacts through the identification and approval of investments, good governance practices of investees and investment activities, and continuous monitoring of our operations. As a rule, we aim to avoid and prevent negative impacts of our investments. If we cannot avoid a significant negative

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impact in a technically and economically feasible way, we seek to minimise it. As a last resort, we use remediation or compensation for negative impacts.

3.3.2.6. Due diligence process description

1. Taaleri adheres to the principles and commitments described in this policy in all its activities where applicable and monitors the implementation of these principles in practice.
2. Sustainability risks and impacts are assessed before making an investment. Investee companies and projects are asked to carry out a Life Cycle Assessment (LCA) of environmental impacts or opportunities to do so are explored. Taaleri's key client stakeholders are institutional investors. Sustainability expectations and requirements are discussed with them at the negotiation stage and are also considered at agreement level. As regards other stakeholders, Taaleri cooperates, for example, by participating in key industry working groups. There may also be cooperation with the local community on a project-by-project basis.
3. Policies and processes are adapted based on the risks identified in the sustainability risk analysis. Principal adverse impacts on sustainability factors are measured and monitored. Monitoring is used to plan the measures to be taken to prevent, combat, mitigate and remedy adverse impacts. Monitoring is used to set concrete quantitative targets, for example to reduce emissions.
4. Efforts are made to prevent adverse sustainability impacts through active ownership. The measures taken and implemented are investment-specific.
5. In its investment decisions, Taaleri takes into account the observations made in sustainability and risk assessments, as well as in human rights and other due diligence analyses, and does not invest in investees that are contrary to the strategy, principles or guidelines of the fund or Taaleri. The sustainability of investments is actively monitored, and potential findings, probable and realised risks, and measured impacts are communicated as part of reporting.
6. Taaleri responds quickly to investors' requests for additional information. The Taaleri Group and/or funds provide free and anonymous whistleblowing/complaint channels.



3.3.3. Active ownership and stewardship

The principles of ownership steering and stewardship summarised below guide our activities as a shareholder, developer and manager of private equity or alternative investments, and as a corporate citizen. The principles of ownership steering and stewardship include binding principles that guide our actions as well as measures that we take at our discretion. Taaleri's principles and objectives of active ownership are described in the table below, and related measures below in Figure 2.

Table 1. Principles and objectives of active ownership

Principles of active ownership:	Objectives:
<ol style="list-style-type: none"> 1. Integration of ESG issues into investment analysis and decision-making process 2. When we are active owners of our fund products, in particular, we help to implement ESG issues into the practical operations, principles and policies of our investees. 3. We identify significant sustainability impacts, implement indicators to describe them and report on the sustainability work of the fund and the Group in accordance with disclosure obligations. 4. We promote the implementation of active ownership and sustainability principles in the industry by being an active member in industry organisations and registered associations. 5. We conduct continuous development to improve active ownership measures and stewardship methods. 6. We monitor the actions taken and report on their progress as part of fund reporting. 	<ul style="list-style-type: none"> • Improve long-term ROI, risk/reward ratio of investments, value-added and impact • Improve the consideration of sustainability risks as part of investment and financial operations • Improve societal impact • Reduce the adverse sustainability impacts of economic activities • Improve the way sustainability aspects of operations are considered in decision-making • Promote the development of the industry and investees' best practices for sustainability and industry regulation.

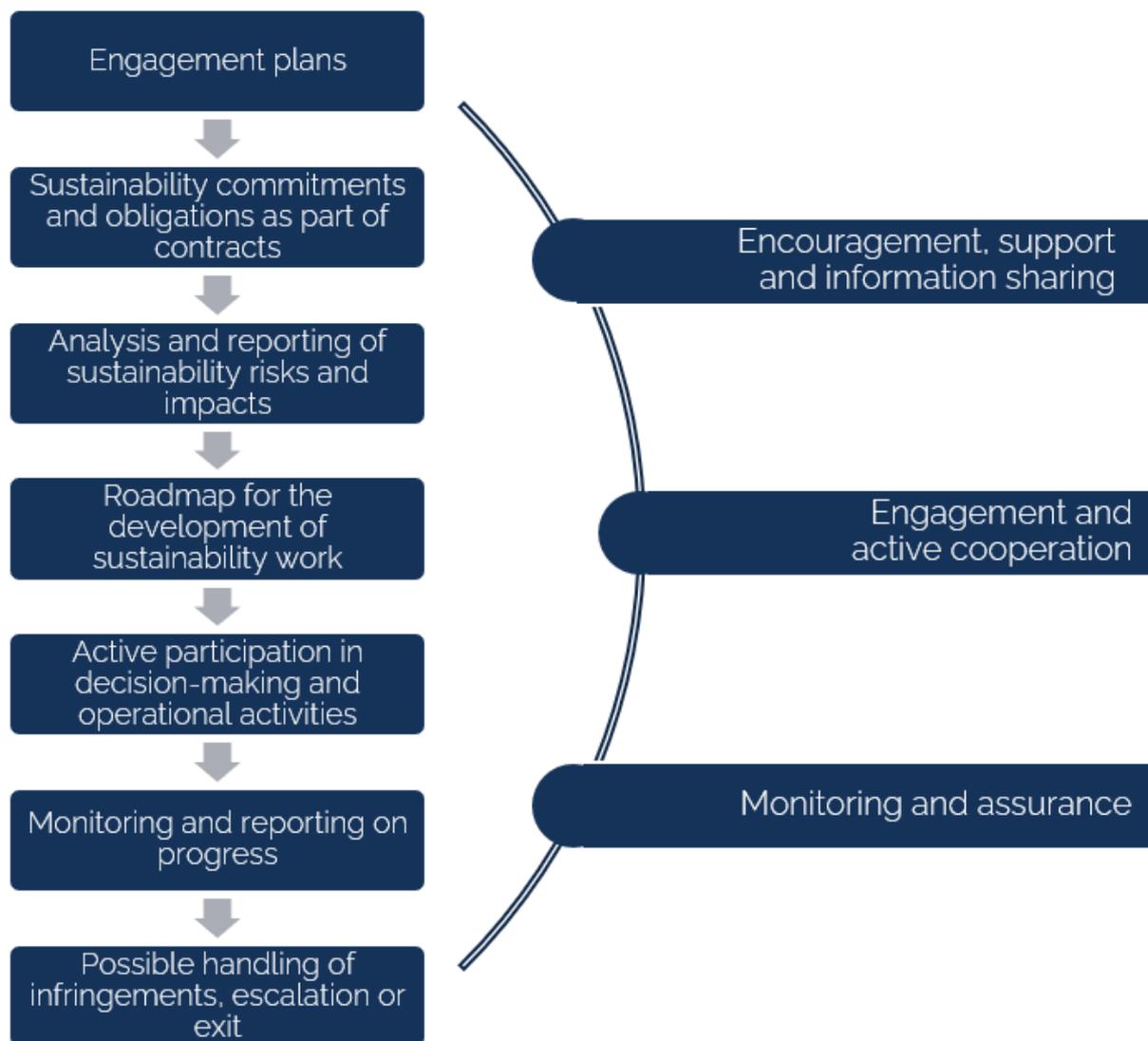


Figure 2. Measures of active ownership

In practice, active ownership is implemented by Taaleri's business units, which are supported by the Group's sustainability experts. The engagement and action plans are drafted by the experts responsible for investment activities and fund management, analysts and sustainability experts in cooperation.

We describe the principles of consideration below in more detail in sections 3.3.3.1. *Targets with significant control* and 3.3.3.2. *Targets without significant control*. The purpose of this breakdown is to clarify our approach in different situations. Our cooperation with stakeholders is described in more detail in section 2.3. *Stakeholder engagement* above.

3.3.3.1. Targets with significant control

Especially in our private asset management business, funds often have full or significant ownership of the investee companies or assets, or full or significant control over the implementation and/or supervision of their sustainability work. Our private equity funds are often responsible for the development, construction and/or management of the investee, and Taaleri has representation on the investee's board of directors. We use Taaleri's expertise to improve the performance of investees 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 investees. For the investees we manage, we plan and implement or ensure, for example, the management of environmental and social issues, and stakeholder cooperation. We actively raise sustainability issues in governance and decision-making. We monitor activities, for example by conducting regular site visits and audits by the project manager and/or risk management representatives.

As an active owner, we help any other investors to develop investees' operations in a more sustainable direction by developing engagement and action plans and setting sustainability targets for operations. The action plans serve as a roadmap for sustainability work. The development work takes into account the life cycle of the fund, including the exit phase and the period thereafter, as well as various short-term and long-term risk scenarios.

3.3.3.2. Targets without significant control

Our investments also include investee companies or assets in which we have a minority stake or do not have significant control. In these cases, Taaleri has more limited possibilities than described above to influence the implementation and/or monitoring of the investee's sustainability work. In these cases, in particular, other circumstances may also affect Taaleri's ability to assess or monitor the investee's sustainability obligations and objectives.

In line with this policy, and in accordance with the principle of proportionality, we identify the sustainability measures that we consider appropriate for the investee to implement and take reasonable steps to ensure that the investee implements them. We conduct sustainability due diligence, including the assessment of impacts and sustainability risks and opportunities of the investee before making a new investment.

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

We always engage investees if we identify minimum standard violations or principal adverse impacts on sustainability factors as described in section 3.3.2. *Sustainability integration, positive and negative screening and our thematic positions* above. We also selectively engage investees to help manage other identified positive and negative sustainability factors. We prioritise the investees and issues where we believe our engagement has the greatest potential to contribute to sustainable development, and consider, for example, the management of the risks and opportunities of climate change.

We favour active cooperation wherever possible. We engage with investees on a case-by-case basis through direct meetings either independently or in collaboration with other shareholders or stakeholders or, for example, by voting at annual general meetings. We keep a record of the means, channels, tools, scope, responsibilities and impacts of active ownership. We take potential conflicts of interest into account when planning measures.

3.4. Transparency and reporting

Promoting transparency and reliable information is important to ensuring the implementation and impact of sustainable investing. We report on the promotion and results of the sustainability aspects of our investments, externally at least annually either publicly and/or to stakeholders, and internally more frequently as required, for example through progress reports and presentations.

The accuracy, level, format, cycle and channel of reporting depend on the significance of our investments, their characteristics and the obligations that apply to them. For example, the information of our SFDR Article 8 and Article 9 funds complies with SFDR requirements in relation to, among other things, the sustainable investment objectives of the product or sustainability factors it promotes and principal adverse impacts on sustainability factors. We promote access to information and transparency through our website.

We define more detailed reporting and data collection practices in Group guidelines, business-specific policies and product-specific disclosures. We recognise that the key to sustainable investing 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 investee or its operating environment, common models and databases and independent and verified data, among other things.

We constantly develop our reporting to evolve with the expectations of our stakeholders. For example, in accordance with the NZAM commitment, we communicate our climate work, emissions and our progress towards our net zero emissions target to our stakeholders.

3.5. Application and responsibilities

We supplement the obligations set out in this chapter 3. *Sustainable investing* with business-specific, asset-class specific and/or thematic principles and guidelines, as necessary. We actively develop sustainable investment practices and documentation, both at Group level and business level.

In the supplementary policies and guidelines, we further define the persons and groups that have responsibilities related to sustainable investing, what these responsibilities are and how they are implemented in line with, among other things, chapter 2 *Sustainability* of this policy and Taaleri's strategy.

We use governance structures that enable appropriate decision-making, oversight, risk and 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 asset management business
- 2) Internal control and risk management representatives
- 3) Other specialists (such as sustainability, legal and technical experts)

4. Definitions and background

Terminology / acronym	Definitions and useful links
CSRD	Corporate Sustainability Reporting Directive (EU) 2022/2464 https://finance.ec.europa.eu/capital-markets-union-and-financial-markets/company-reporting-and-auditing/company-reporting/corporate-sustainability-reporting_en
EU	European Union
ESRS	Delegated Regulation (EU) 2023/2772 as regards European Sustainability Reporting Standards https://eur-lex.europa.eu/eli/reg_del/2023/2772/oj/eng
Group policies	Incl. <ul style="list-style-type: none"> • Taaleri Plc Code of Conduct (25 March 2024) • Taaleri Plc Partner Code of Conduct (19 December 2022) • Taaleri Plc Sustainability Risk Policy (14 February 2025) • Taaleri Plc Personnel Policy (23 September 2024) • Taaleri Plc Remuneration Policy for Governing Bodies • Taaleri Plc Disclosure Policy (19 August 2024) https://www.taaleri.com/en/corporate-responsibility/document-archive
Group reporting	Incl. Taaleri Plc Annual Report 2024 https://www.taaleri.com/en/investors/reports-and-presentations
Group strategy, business model and reporting business segments	As presented in Taaleri Plc Capital Markets Day 2023 and related updates presented in Taaleri Plc Financial Statement Bulletin Q4 2024 and Taaleri Plc Investor presentation July 2024. https://www.taaleri.com/en/investors/reports-and-presentations
Impact	The effect Taaleri has or could have on the environment and people, including effects on their human rights, connected with its own operations and upstream and downstream value chain, including through its products and services, as well as through its business relationships. The impacts can be actual or potential, negative or positive, intended or unintended, and reversible or irreversible. They can arise over the short-, medium-, or long-term. Impacts indicate the undertaking's contribution, negative or positive, to sustainable development.

	<p>Definition based on the EU ESRS.</p> <p><u>Principle adverse impacts:</u> According to the SFDR, principal adverse impacts are considered to be impacts of investment decisions and advice that result in negative effects on sustainability factors.</p>
Impact Investing	<p>Investment enables economic activities, which have positive and negative effects on the environment and society. Impact investing aims to contribute to or catalyse positive effects (e.g., improvements in people's lives and the environment) while achieving a financial return.</p> <p>Definition based on the PRI.</p>
IPCC	<p>Intergovernmental Panel on Climate Change</p> <p>https://www.ipcc.ch/</p>
NZAM	<p>Net Zero Asset Managers</p> <p>https://www.netzeroassetmanagers.org/</p>
Partner	<p>In this context, partners primarily refer to stakeholders with whom Taaleri has a contractual relationship related to Taaleri's core business.</p>
PRI / UNPRI	<p>(UN) Principles for Responsible Investment</p> <p>https://www.unpri.org/</p>
SDG	<p>(UN) Sustainable Development Goals (SDG)</p> <p>https://sdgs.un.org/</p>
SFDR	<p>EU Sustainable Finance Disclosure Regulation (2019/2088)</p> <p>https://eur-lex.europa.eu/eli/reg/2019/2088/oj/eng</p> <p>https://finance.ec.europa.eu/sustainable-finance/overview-sustainable-finance_en</p>
Sustainability [issues / matters / factors] / ESG	<p>Environmental, social and governance (ESG) factors, including environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters, as well as other material governance matters</p> <p>Definition based on the EU ESRS and EU SFDR</p>

Sustainable development	<p>Development that meets the needs of the present without compromising the ability of future generations to meet their own needs.</p> <p>Definition based on the SDGs.</p> <p>Taaleri strives to promote the SDGs.</p>
Taxonomy	<p>Taxonomy Regulation (2020/852/EU) along with its Delegating acts</p> <p>https://finance.ec.europa.eu/sustainable-finance/tools-and-standards/eu-taxonomy-sustainable-activities_en</p>
TCFD	<p>Task Force on Climate-Related Financial Disclosures</p> <p>https://www.fsb-tcf.org/</p>
TNFD	<p>Taskforce on Nature-related Financial Disclosures</p> <p>https://tnfd.global/</p>
UN	United Nations
UNGP	<p>(UN) Guiding Principles on Business and Human Rights</p> <p>https://www.ohchr.org/sites/default/files/documents/publications/guidingprinciplesbusinessshr_en.pdf</p>