



Responsible Investment framework

The following framework defines Litorina's rationale, approach, objectives and commitments for Responsible Investment with respect to environmental, social and governance (ESG) matters

Responsible Investment is a natural part of Litorina's strategy

Our objective is to deliver attractive returns to our investors, through a disciplined approach and a focus on long-term industrial value creation in our portfolio companies

- We recognise that our decisions and portfolio companies have an impact on, and are impacted by, society and the environment. As active owners, it is our responsibility to manage those impacts and promote sustainable business practices.
- We also believe that those companies which effectively manage environmental, social and governance (ESG) matters can better protect and add long-term value and achieve the best returns – in line with our objective
- It is therefore a natural part of our strategy to effectively manage ESG related risks and opportunities in our investment activity, where the key benefits include:

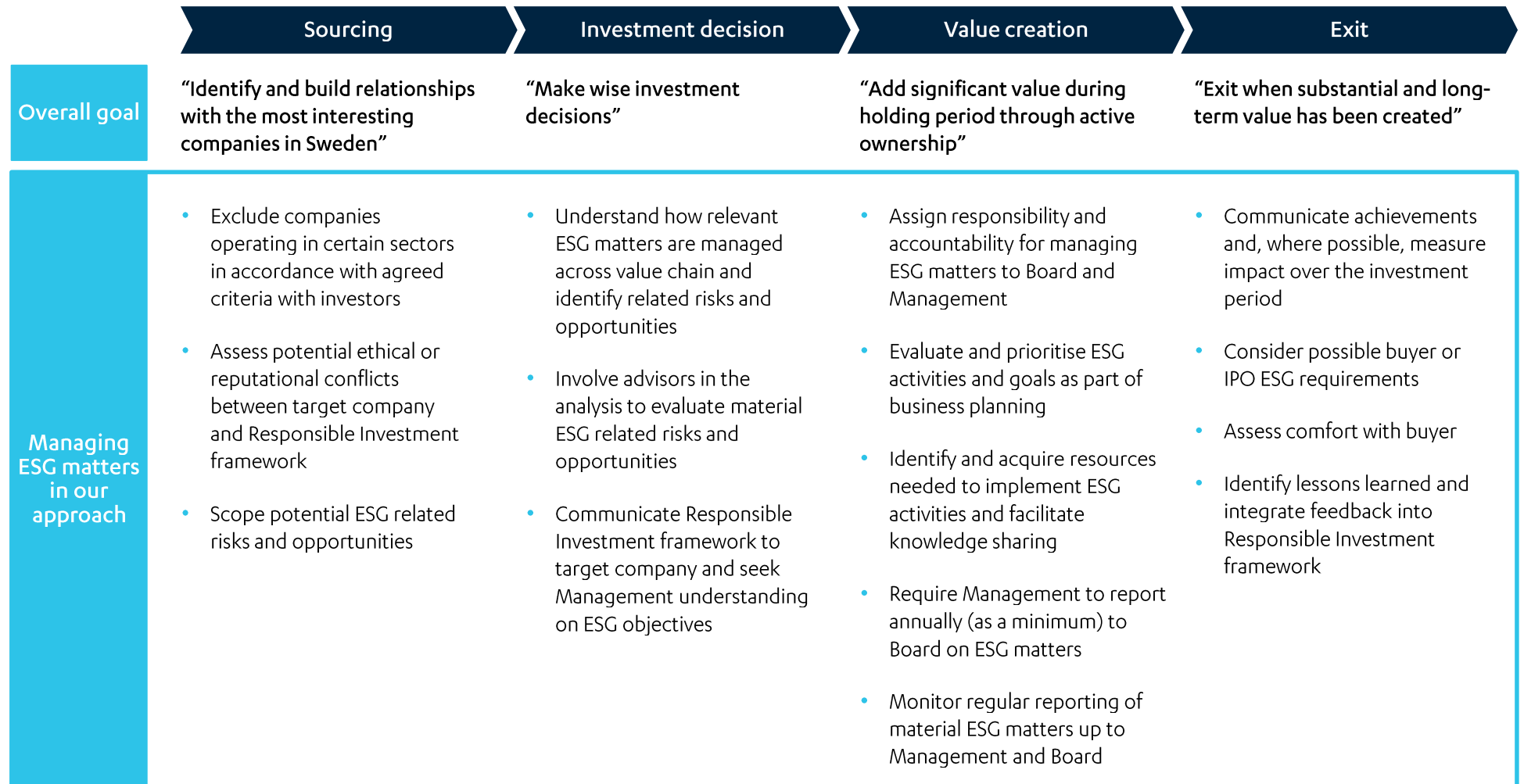
Making wiser investment decisions

Protecting and adding value to portfolio companies

Enhancing our brand as a responsible owner, business partner and employer

Building trust and acceptance in wider society

Litorina integrates ESG matters in its investment approach



Litorina continuously strives to develop and apply best practice in all processes

Litorina is an active owner with ESG objectives

- We recognise that ESG matters can have a material impact on the value of portfolio companies and the communities in which they operate, and therefore as an active owner, we will influence portfolio companies to:
 - mitigate risks related to ESG matters such as reputational, operational or regulatory risks
 - capture potential sources of value from managing ESG matters such as product innovation, reduced costs, improved productivity and brand enhancement
 - pursue long-term continuous improvement in managing ESG matters as industry best practice continues to evolve
- We strive to take a holistic view of ESG matters across the value chain of our portfolio companies, and therefore we will encourage our portfolio companies to influence their suppliers, subcontractors, distributors and other business partners

ESG objectives

Environmental

- Cautious and responsible approach to environmental management of business operations
- Efficient use of natural resources
- Mitigation / Enhancement of product and service impacts on the environment

Social

- Fair treatment of all employees and contractors including respect for international labour and human rights standards, safe and healthy working conditions and responsible labour management
- Fair treatment of customers including consideration of product safety, data protection and responsible marketing practices
- Positive engagement with regulators, communities and other stakeholders impacted by business activities

Governance

- Compliance with relevant laws and regulation and defined future regulation in countries of operation
- High standards of business integrity and work against bribery and corruption in all its forms
- Clearly defined responsibilities and procedures in company management structures with appropriate internal control mechanisms
- Communication and disclosure of how ESG matters are managed

Litorina is committed to Responsible Investment

Implementation

- We will implement and integrate our Responsible Investment framework consistently in all aspects of our investment activity and will set relevant objectives

Accountability

- We will ensure all investment professionals are responsible and held accountable for implementation of our Responsible Investment framework including communication of ESG objectives to our industrial network and relevant business partners

Resources

- We will ensure sufficient information, instruction, training and resources are available to investment professionals and portfolio companies to identify and effectively manage ESG related risks and opportunities

Monitoring

- We will monitor and review the effectiveness and implementation of our Responsible Investment framework on a regular basis, and will strive for continuous improvement

Engagement

- We will encourage dialogue with our key stakeholders on how we can improve our Responsible Investment framework and accommodate ESG matters in a manner that is consistent with their expectations

Reporting

- We will regularly report progress on the implementation of our Responsible Investment framework