

Environmental, Social and Governance Policy for Alfvén & Didrikson AB

Background

The objective of Alfvén and Didrikson AB (A&D) is to generate shareholder value in partnership with co-investors in a co-operation model based on having fun, doing purposeful things and investing in companies with sustainable and profitable business models.

In order to achieve this, we believe that environmental, social, and corporate governance (ESG) issues are of critical importance and will affect the performance of our investments and value of A&D over the long haul. We also believe that working with these issues in a responsible way will align our objectives with broader objectives of society. A&D has therefore adopted this Environmental, Social and Governance Policy ("ESG Policy"). The ESG Policy has been aligned with the United Nations Principles for Responsible Investments.

ESG Policy

A&D's policy is to act at all times as a responsible owner promoting appropriate environmental, social and governance standards in its investee companies. When assessing potential investments, we will always consider environmental, social and governance issues in our investment decisions.

Environment

A&D aims to promote sound environmental practices in our own operations as well as our investee companies, including:

- Complying with current environmental law
- Limiting consumption of environmentally scarce resources
- Limiting the emissions of greenhouse gases and promote climate compensation for unavoidable emissions
- Limiting emission of harmful substances and harmful waste
- Supporting value creation potential from sustainable business practices

Social

A&D aims to promote sound social practices in our own operations as well as our investee companies, including:

- Promoting good employee working conditions such as wages, working hours, health and safety of work force and elimination of child labor
- Promoting employees' right to collective bargaining and opportunity for profit sharing
- Avoiding discrimination, e.g. due to age, race, gender, religion or sexual orientation
- Complying with international conventions on human rights

Governance

A&D aims to promote sound governance practices in in our own operations as well as our investee companies, including:

- A clear owners' agenda for each investee company with clear definition of tasks between each investee company's owners, board of directors and management
- Promoting transparency and involvement with all stakeholders and society
- Avoiding corruption, money laundering and unethical business practices

What we invest in and what we avoid

The companies we invest in should all strive to make the world a better place. When we assess a potential investment opportunity we do a materiality analysis on potential largest positive and negative ESG impact. Each opportunity is unique and for several of our investments there may be industry competitors who we would not invest in due to less compelling business model and ethics from an ESG standpoint. Our aim is that all of our investment companies become role models within their industries on material ESG matters.

There are some industries we would never invest in regardless of their business ethics and stance on ESG. A&D has thus decided to not make any direct investments in companies active in the following industries:

- Tobacco and non-pharmaceutical drugs
- Unlicensed gaming
- Adult entertainment
- Arms and weapons
- Production or distribution of fossil fuels

Supporting our society

We are humble and grateful for having been handed the opportunity to do what we do. In order to give back to the society, we aim to promote the following activities in our own organization as well as promote these practices in our investee companies

- Donations to charitable organization. In A&D we aim to donate up to 1% of our operating costs each year to organisations selected by our employees
- Pro bono work in charitable organisations and educational institutions
- Active mentoring of students and/or other persons who can benefit from our knowledge

Responsibility and reporting

The board of A&D is responsible for ensuring that this ESG Policy is adhered to and will report and discuss these issues at least yearly. A&D will also aim to report and discuss ESG issues in the boards of all its investee companies at least once per year. From 2021 all of our companies are required to report at least three ESG goals that they track annually and report in their Annual Report.

This policy will be reviewed and amended by the board of A&D as appropriate from time to time.

This version has been adopted on April 12, 2021