

ESG Policy for A&D Investee Companies

Purpose

For all investee companies to track and improve their own ESG impact to become better companies and employers and improve their performance long-term.

ESG policy

A&D's policy is to always act as a responsible owner promoting appropriate environmental, social and governance standards in its investee companies. Here are a few examples within each area. There are a range of sources and examples that we encourage you to look closer at.

- Environmental impact: For example, impact on climate change such as lowering CO2 emissions, waste management and water management.
- Social impact: For example, level of diversity and inclusion of employees, human rights including health and welfare of employees, consumer protection.
- Corporate governance and social ownership: For example, corporate behaviour and values, business ethics, employee relations and representation in decision-making, equal employee compensation, and more.

Individual company ESG goals

A&D would like all investee companies to annually:

- Perform a materiality analysis ("väsentlighetsanalys"). Assess the company's most impactful areas that contribute both positively and negatively to the company's total ESG impact.
 - Each industry and company is unique and faces its own challenges. This website provides some good examples of ESG impact in different industries: <https://materiality.sasb.org/>.
 - The maturity of your business also plays a role into what ESG impact is more relevant and your responsibility.
- Choose at least 3 company goals within ESG that you can measure and track progress of. To be included in your annual report from 2021 and onwards
 - For all companies we would want you to include 1) environmental impact (CO2 footprint) and 2) gender equality (board, management and total split).
 - It is up to each company to add at least one more goal.

A&D's ESG goals

- A&D's own ESG policy is attached hereto.
- A&D will report the group's common global footprint and gender equality annually going forward.

Finally, ESG should not be capped by a set of fixed goals on the horizon but be regarded as a process. We expect our guidelines and your goals to develop over time as we develop our companies.