

# Sustainability Report 2022



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A message from us at Priveq

We proudly present our third sustainability report which discloses the development related to ESG during 2022, both within Priveq but also and mainly within our portfolio. We have during the year enjoyed working closely with several of our portfolio companies to support and encourage them to raise their standards within sustainability.

Our motto is that nobody can do it all, but everyone can do something. By integrating sustainability factors in our decision-making, we can capture opportunities created in a transforming industrial landscape and reduce risks from regulatory changes and altered consumer preferences. Overall, we are convinced that Priveq can achieve benefits by continuing to act responsibly as a company and as an active owner, and at the same time contribute to a more sustainable world. Priveq also considers ESG as an important factor for raising capital to our funds. There is an increasing demand from private equity investors to raise the attention for sustainability factors.

2022 has been a year that has been affected to a great extent by Russia's invasion of Ukraine, which has subsequently had a major impact on the economy overall and several areas which

specifically concern sustainability. The subsequent raise in energy costs have increased the awareness to lower energy consumption and decrease the dependency on fossil fuels.

From a Priveq perspective, 2022 has been an active year with one IPO, two investments and nine add-on investments.

In February 2022, Priveq VI invested in Equestrian Stockholm AB, an e-commerce company within horse apparels targeting women. In December an investment was made in Verisec AB, a Swedish cryptography business active within hardware encryption and authentication services. Both companies hold both sustainability opportunities and challenges and we aim to help them establish a structured sustainability governance and ESG strategy.

In May 2022, Priveq successfully listed 4C Group AB on Nasdaq. 4C is active within business risk management advice and software solutions to government, defending military and corporates. The tense political environment in the outside world has made 4C's offering very relevant as a mean for a sustainable and safe future.

We work actively and continuously to improve Priveq's and our portfolio companies' ESG impact and we hope that this report will give you, as a reader, a good overview of these efforts. Additionally, it might also give you some inspiration on how to develop your own sustainability work.

<p><b>Vision</b></p> <p>Priveq shall be the Nordic region's most respected private equity player and the first choice for profitable growth companies and investors.</p>	<p><b>Business concept</b></p> <p>To create long-term value through investments and active ownership in profitable growth companies.</p>	<p><b>Priveq core values</b></p> <p>Through active and responsible ownership we create long-term value together with our partners.</p>
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2,631  
employees\*

730  
mSEK in  
EBITDA\*

7.1  
bnSEK in  
sales\*

+10%  
in sales  
growth\*

\*2022 total figures for Priveq portfolio companies.

## About Priveq

In 1983, the insurance company Skandia started a separate business to invest in unlisted growth companies. This business became fully separated from Skandia, when other high-quality investors were invited to invest in an external fund; in 1998 Priveq was born.

For four decades, Priveq has successfully invested in over 130 companies, whereof 29 have been brought to the stock market. Using our financing resources, knowledge and extensive network of industrial specialists, we have consistently focused on helping profitable growth companies to develop successfully. While our time as owners is limited, Priveq has always had a long-term view of our investments where we base the success on developing companies with sustainable business models.

Our team consists of 17 employees, diversified in terms of age, experience and gender, dedicated to continue to build world class businesses. Additionally, we have an industrial network

consisting of approximately 70 members. This source of extensive knowledge within a wide variety of fields is used in investment processes, but they are also engaged in the boards of directors and as advisors in our portfolio companies. We currently have three active funds, where two, Priveq Investment IV and V with inception years 2011 and 2016, are fully invested. New investments are carried out from Priveq Investment VI, started in October 2020 with a committed capital of approximately €250m.

The investors consist of a reputable mix of Swedish and international institutions, such as pension funds, endowments and insurance companies, and grant a long-term stability for Priveq going forward. Priveq's portfolio consisted of 17 portfolio companies as per December 31st 2022. 16 of them are headquartered in Sweden and one is based in Denmark. The newest additions are Equestrian Stockholm AB, in which we invested in February 2022, and Verisec, in which we invested in December 2022. Our holding in 4C Group AB was divested after year end 2022.

1983

✓ Skandia starts Skandia Investment (now Priveq) to make investments in unlisted companies

1994

✓ Priveq's first investment in Finland, KCI-Konecranes

1998

✓ Priveq becomes an independent company

2007

✓ The first majority investment in Sydtotal

2016

✓ Priveq completes its 25th IPO, ByggPartner i Dalarna

2014

✓ Priveq's first investment in Norway, CSAM Health

2011

✓ Signatory of PRI  
✓ Priveq created its first ESG policy

2008

✓ Priveq completes its 100th investment, SanSac

2019

✓ An ESG strategy was established and more personnel resources were devoted to ESG

2020

✓ Priveq's first investment in Denmark, Trendhim  
✓ ESG is formally a part of the risk assessment and due diligence process in all investment evaluations  
✓ Published our first sustainability report

2021

✓ Priveq started collecting pure ESG data through an independent platform  
✓ All portfolio companies fulfilled Priveq's basic requirements on ESG steering documents

2022

✓ First year of ESG award with the prize being awarded to portfolio company ROL

## The Priveq team



**Senai Ayob**  
Partner & Investment Manager



**Martin Bjarnemar**  
Associate



**Helena Ekstrand**  
Partner & CFO



**Rebecka Gärderup**  
Analyst



**Magnus Hardmeier**  
Partner & Executive Chairman



**Mats Hjerpe**  
Partner & Investment Manager



**Maria Perez Hultström**  
Partner & Investment Manager



**Henrik Jatko**  
Partner & Investment Manager



**Johan Koch**  
Partner & Investment Manager



**Fanny Leksell**  
Investment Manager



**Maria Lundborg**  
Office Manager



**Louise Nilsson**  
Partner and CEO



**Daniel Nylund**  
Associate



**Johanna Svensson**  
Partner & Investment Manager



**Henrik Westfeldt**  
Partner & Investment Manager



**Karl-Johan Willén**  
Partner and ESG responsible



**Jakob Öhmark**  
Controller and ESG manager

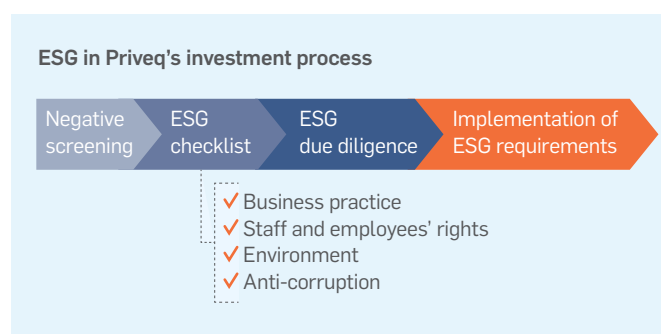


# Priveq's Value Chain

## The Investment Process

**Priveq evaluates about 200 investment opportunities** each year. These companies are screened according to financial investment criteria, the market and industry attractiveness, and our impression of the business idea and the management team. A negative ESG screening is carried out in this phase, where we avoid certain industries such as warfare, betting, tobacco, and pornography. All companies are also assessed according to an ESG checklist where we analyse the industry the company operates in and the ESG maturity of the company. In the following evaluation phase, Priveq meets with the management team and makes a more thorough examination of the business, the market and sustainability issues. The investment opportunity is presented by the investment team to the board of Priveq, which makes a decision regarding whether Priveq shall take on external costs to evaluate the investment further. An approval means that a full due diligence is conducted including legal, financial, commercial, personnel, technical and ESG criteria. This includes evaluating the sustainability risks of the potential investment. Usually,

external consultants with expertise within sustainability take on all or parts of the ESG due diligence. The last stage includes a presentation to Priveq's board of the outcome of the due diligence and the details of the investment terms. The board then makes a final investment decision, and if Priveq agrees with the owners of the company to either buy existing shares or invest in a new issue of shares, capital is contributed from our investors.



## Governance of ESG at Priveq

**Our code of conduct** outlines the basis for our ESG principles. The foundation for our work originates from the United Nations' 10 principles covering environment, human rights, work environment and anti-corruption factors. Each employee at Priveq has signed the Code of Conduct, and it is also approved yearly by the board of directors. Additionally, since 2011 Priveq has been a signatory to the UN-backed Principles for Responsible

Investment (UN PRI), which aims to promote responsible investments. The ESG team at Priveq consists of one responsible partner and one controller who are jointly responsible for the overall work. Since winter 2021, an ESG intern has also been involved to further strengthen the ESG efforts. The responsible investment manager for each portfolio company makes sure that the requirements by Priveq are fulfilled. Among others, these relate

to having steering documents in place, and developing an ESG strategy for the company. The investors get a yearly report on the status of KPIs and ESG implementation, and incidents that would have an impact on the investors are reported at occurrence.



## The Period of Ownership

**During this period,** Priveq ensures implementation of our way of conducting an active ownership. Among the owners, an ownership agenda is agreed upon, where we outline our goals with the company in terms of growth, profitability, investment returns, risk level, ownership period and ESG requirements. The ownership stake of Priveq normally ranges between 30-90 percent, and we have the right to appoint between two and four board members. These members usually consist of one or two employees from the Priveq organisation, and another one or two board members are recruited from our industrial network. One way of pursuing our ownership agenda is through our activities in the board to set strategic priorities and a business plan together with the management. The plan usually includes to grow the company, either organically or by acquisitions, to increase the product offering or geographical reach. The sustainability plan, both in terms of setting up steering documents and a company specific ESG strategy, is also part of the strategic plan. By assisting with reporting templates, policy guidelines and adding knowledge to the company, Priveq aims to build both structure and quality in the company. Through our yearly collection of sustainability data from the portfolio companies we have a tool for tracking and following up on the performance of the companies within the area of sustainability.

We have gained experience in building excellent companies from our work with current and former portfolio companies, and we believe that our efforts within sustainability contributes to increase the value of the company at exit.

## The Exit Process

**Priveq usually engages** a reputable advisor to assist in finding a new ownership to the company. The portfolio company's positive sustainability impact is considered a key selling point for potential investors. The ESG strategies and government policies which have been put into place during Priveq's ownership are expected to increase the company's value. On average, Priveq's ownership period is five-and-a-half years, however it may vary from two to ten years. The portfolio companies are usually exited through a sale to an industrial or financial buyer, and in some cases through an IPO. The capital which is gained from the investment is distributed to our investors.

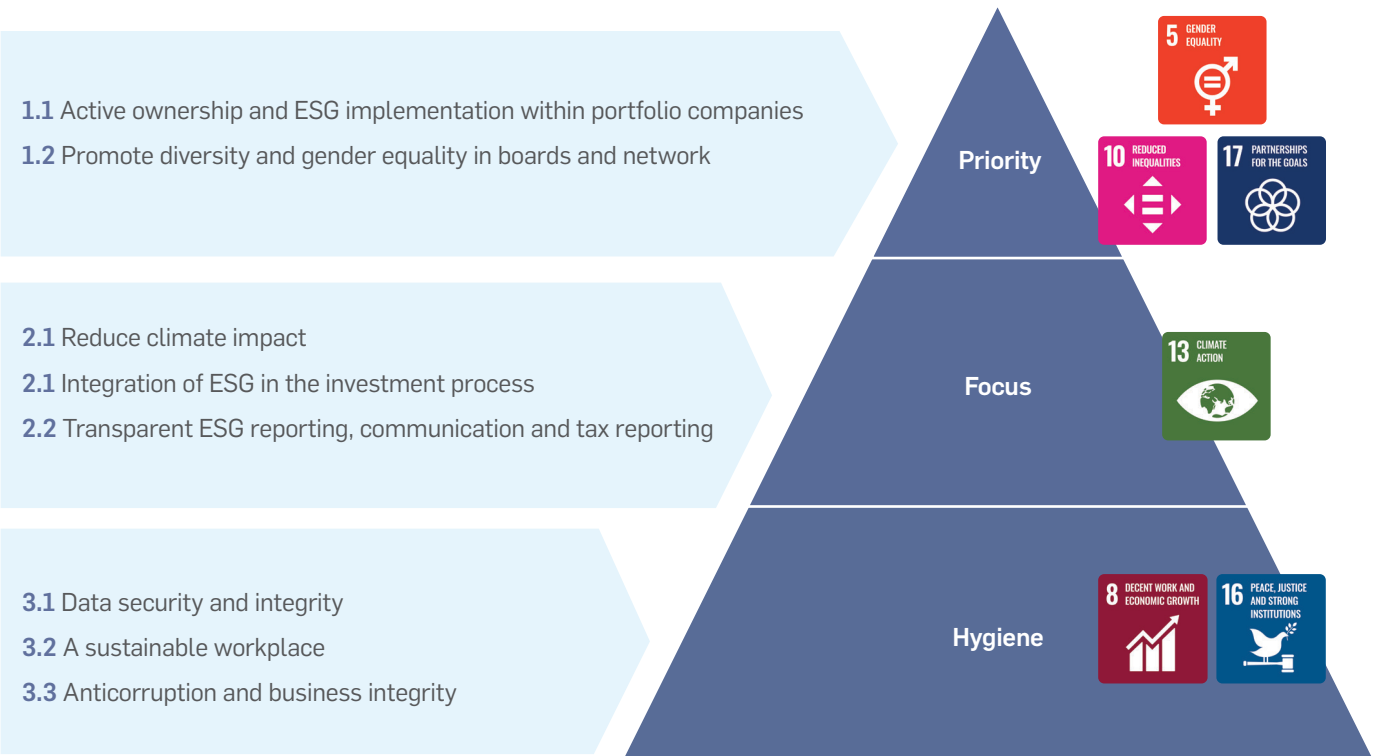






# Priveq's Top Priorities regarding Sustainability

Priveq's ESG aspects and SDGs



To identify within which ESG areas Priveq has the largest impact, and which areas impact Priveq the most, we have performed a double perspective materiality analysis, including an impact analysis.

Dialogues with our investors and representatives from our portfolio companies were combined with dialogues with members of our industrial network, industry organisations and advisors to ensure that the areas which were identified through our internal

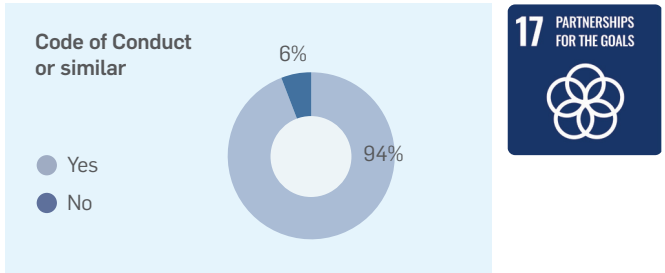
work also aligned with external expectations from our stakeholders. The result is a pyramid with eight areas divided into three sections: hygiene, focus and priority. Hygiene areas are aspects which are important, and in which we consider that our current standards and procedures are sufficient. Within Focus areas we need to develop and increase our efforts, and Priority areas are those in which we believe we can contribute the most within sustainability. These eight top priorities are also linked to the UN Sustainable Development Goals, which are further described on the following pages.

## 1. Priority areas

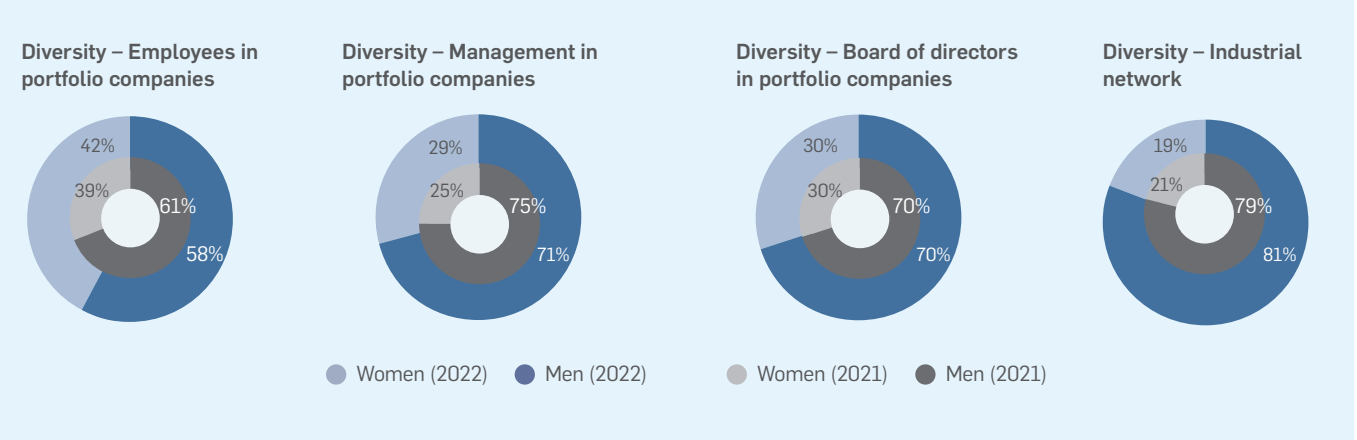
### Priority area 1.1 Active ownership and implementation of ESG in portfolio companies

**Being an owner** to a portfolio of companies with a total revenue of SEK 7.1 billion and 2,631 employees, means that we have the opportunity to make a great sustainability impact. It is our responsibility to ensure that our portfolio companies operate sustainable business models and act within the framework of ethical principles in their respective markets. Within six months of an investment, Priveq requires that the company should be on at least level 1 of Priveq's ESG road map. This means that as a minimum, the company should have a Code of Conduct and a Supplier Code of Conduct, covering UN's 10 principles including environmental issues, human rights, work environment and anti-corruption. A process for handling whistleblowing matters and incident reporting should also be in place. To support our portfolio companies we provide templates for all these steering documents. Once the level 1 criteria are fulfilled, the Priveq ESG team and representatives from the portfolio company work together to reach the next level in the ESG road map, level 2. This level means that a company has developed their own specific ESG strategy. In level 3, the company works systematically and proactively with the ESG strategy as an integrated part in the business operations. During 2022, Priveq has worked even more actively with those portfolio companies which did not yet have a sustainability strategy, to make sure that such a strategy was developed. Some of our companies have worked mainly with

internal resources and Priveq as support, while others have worked together with external ESG consultants. These efforts resulted in that 93 percent of the companies which had been in our portfolio for over a year reached level 2, meaning that we were only one company away from achieving our goal for the year of having all our portfolio companies as of 1st of January 2022 reach level 2 during the year. In 2021 the corresponding percentage was 58 percent. For 2023 we aim towards bringing a larger percentage of our companies to level 3, in addition to bringing the new portfolio companies to level 2. Apart from regular meetings with our portfolio companies, we annually track their progress by collecting ESG data through a digital reporting tool. This helps us to keep track of their sustainability efforts, but also to identify areas in which the portfolio companies might need additional support. The active ownership aspect contributes to the UN Sustainable Development Goal number 17, Partnership for the Goals.







Priveq's portfolio companies	Number of employees 2022	Share of women (%) 2022	Share of women (%)2021
Number of employees < 30 years	696	48%	44%
Number of employees 30–50 years	1,311	41%	37%
Number of employees > 50 years	624	36%	35%
Total	2,631	42%	39%

Priority area 1.2

### Promote diversity and gender equality in boards and network

**Diversity and gender** equality is a crucial ingredient for a competent and creative workforce. As a large part of our industrial network and our board members are men, we recognise that this is an important area to put more resources into. We have a long-term vision to create a 50/50 gender split in all our operational areas, with a yearly goal of adding at least three women to our industrial network. In three years' time, by 2025, we aim to reach a percentage of 40 percent women in all of our boards and our industrial network. While the gender distribution among board members stayed stable, there was an increase among employees and management. The percentage of women among our portfolio companies' employees is now 42 percent, showing a slight increase from last year's 39 percent. The management teams consist of on average 29 percent women which corresponds to an increase of four percentage points from previous year. More information about this development can be found in the coming performance data section. While we are happy to see an overall increase, this is an area in which we will continue to put our efforts in going forward. Within our industrial network we had an decrease of percentage of women with two percentage points (from 21 percent to 19 percent). Thus, we will put extra efforts into improving this during 2023. For board of directors the percentage has been stable at 30 percent since 2021. We will continuously focus on improving our recruitment process to achieve a higher percentage of women in our portfolio companies and industrial network.

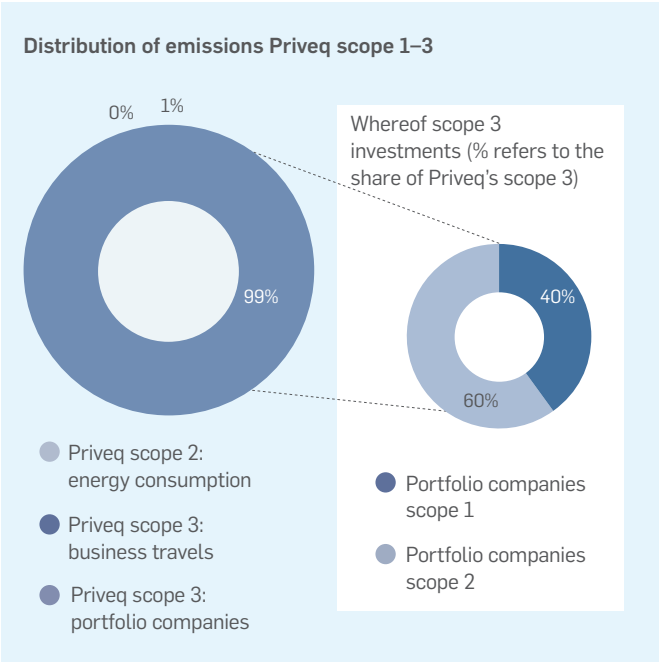


## 2. Focus areas

Focus area 2.1

### Reduce climate impact

**Most areas of** operations do in some way impact the climate. Our largest opportunity to reduce the climate impact within our organisation have been identified to be in our office and when travelling. In the office, Priveq works



Priveq's portfolio companies (ton CO <sub>2</sub> e)	2022	2021
Scope 1	1,658	2,282
Scope 2 (market based)	992	1,583
Scope 3	7,457	6,529

Priveq (ton CO <sub>2</sub> e)	2022	2021
Scope 1	0	0
Scope 2 (market based)	2.9	7.3
Scope 3	1,190	2,115

to sort our waste, and to recycle it when possible. Our electricity comes from 100 percent renewable energy, and office machines and lighting are switched off or put in power saving mode during non-office hours. Train or electrical cars are prioritised as means of business travel when reasonable in terms of time spent. To compensate for part of our travels, Priveq purchases sustainable aviation fuel, with the aim of contributing to increase the demand and thus in the long run promote large scale production of sustainable fuel alternatives. To further compensate for the emissions stemming from our travels Priveq is planting trees to contribute to emission absorption. Additionally, if meetings may be held via a digital meeting application, video or mobile connection and achieve the same goal, travelling should be avoided. The COVID-19 pandemic pushed us into reevaluate the possibilities of



digital solutions, and this mindset has stayed on afterwards. While we do believe in the positive impact of physical meetings, Priveq will continuously aim to limit the amount of traveling by airplane also going forward. Since 99 percent of our emissions can be traced to our portfolio companies, we can make the largest impact through enabling their carbon emission reduction. In 2021 we succeeded in getting all of our portfolio companies to report climate impact data. This has continued in 2022. The data shows a trend of a slight decrease of 3 percent, or 277 tonnes CO<sub>2</sub>e. This decrease was driven by a decrease in scope 1 and scope 2 emissions. Scope 3 emissions have however increased. One reason for this could be that as the portfolio companies improve their data collection methods, a larger share of their emissions is successfully registered. Thus, the trend going forward might be fluctuating between a decrease and an increase reflecting the portfolio companies' improvement in measuring methods. The change in the portfolio composition also affects the fluctuation. The net effect of the two investments and one divestment during the last year is 158 tonnes CO<sub>2</sub>e. The energy consumption also shows a decrease from last year. Priveq works actively to ensure that all our portfolio companies have sustainability policies aimed at reducing climate impact. To support the companies in these efforts, Priveq provides them with a clear plan of action and assistance throughout the process. An example of this is a webinar covering the topic of Scope 3 emissions. This was held by an external sustainability expert, to educate our portfolio companies on data collection and reporting. This does not only assist the portfolio companies, but is also an initiative to improve the quality of the reported data.

Focus area 2.2

Integration of ESG in our investment process

**Companies with their** main business (directly or indirectly) in the war industry, betting industry, tobacco industry, pornography industry, or which do not comply with the principles of UN Global Compact, are directly excluded from potential investments; Priveq does not invest in such companies. The target company's values, principles and business operations are also taken into account when evaluating a potential investment. Companies are required to comply with Priveq's guidelines and demands in ESG matters, or else Priveq must as an owner see the possibility to develop the company's behaviors and organisation in these matters to ensure compliance with our demands. Special emphasis is put on analysing ESG issues if a company is considered to be in risky areas, such as having a high proportion of their operations in developing countries, having large emissions in their production or operating in an industry which has historically been associated with corruption. Priveq includes the ESG perspective from the start of the investment process, for example by evaluating potential investments

through an ESG checklist. This list covers risks related to geographical location of operations, industry and the maturity of the company when it comes to ESG, and how the firm aligns with the UN Global Compact. If the investment opportunity passes the initial review, an ESG due diligence is made, wherein Priveq often uses external ESG experts for all or part of the process. What part and to what extent external experts are used depends on the complexity of the industry and the nature and risks related to the company. The outcome of the ESG due diligence is part of the final investment memorandum which is presented to Priveq's board of directors. To have better defined ESG objectives for each potential investment already defined in the investment memorandum was a goal for 2022. This goal was fulfilled successfully for the investments made in 2022, and the process will continue through 2023.



Focus area 2.3

Transparent ESG reporting, communication and tax reporting

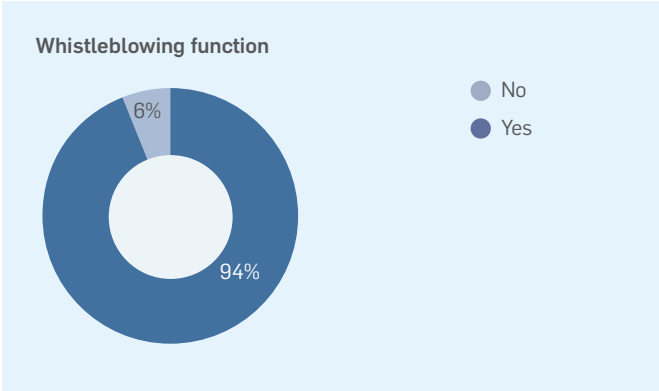
**To be transparent** regarding our operations, and especially concerning our efforts within the ESG area, is important for us. The sustainability data for 2022 has been collected using a web tool developed by Position Green. This system enables us to measure KPI development over time through the securing of accurate data. The system also helps our portfolio companies to keep track of their progress through giving them access to their individual data. This sustainability report is also an important part of being transparent of our work and progress. Since Priveq's start in 1983 all funds (except fund IV, vintage 2011) have been based in Sweden and taxes are paid according to current legislation. In the beginning of 2022 we provided more extensive information regarding ESG on our website to improve our transparency. Continuous education of all our employees is also an important part of ensuring compliance with current sustainability regulations.

3. Hygiene areas

Hygiene area 3.1

Data security and consumer data privacy

**Within our operations** we handle confidential information and data that must be held secure. Thus, to maintain compliance with the rules on protection of personal data to ensure the customer's integrity is crucial. Priveq continuously update our data security routines to ensure compliance with all applicable regulations, such as for example GDPR. An annual data review is carried out to assure compliance. In 2022 we recorded zero cases of data security incidents at Priveq and in our portfolio, which also is our ambition going forward.



Hygiene area 3.2

Sustainable workplace

**The performance of** our employees is what has ensured Priveq's long term success. A healthy work-life balance is at the core of achieving a low personnel turnover and sick leave within our company. A thorough annual health check and financial support for the performance of fitness activities are offered to all employees. All applicable regulations regarding health and safety in the workplace are followed. Sick leave was at 0.44 percent compared to last year's 0.26 percent. During 2022 one new analyst was recruited, and no one left the company.



Hygiene area 3.3

Anti-corruption and business integrity

**To uphold a** high level of business integrity is key in our operations and we accept no form of corruption. All material incidents are to be reported. Additionally, Priveq also has an external whistleblowing system where stakeholders can report anonymously. No corruption incidents were reported at Priveq nor in the portfolio companies during 2022. Only one of our portfolio companies lack a whistleblower system. Priveq invested in this company in December 2022, and we plan to ensure that a whistleblowing system is put into place during 2023.





# Sustainable Finance

Priveq is convinced that cross-border initiatives and regulations are needed to tackle the global climate change challenges. Through its potential ability to mobilise private capital towards sustainable investments, the EU Action Plan on Sustainable Finance is an important contribution. Priveq is closely following the development of the initiative, and work with both long- and short-term strategies to fulfill current and future requirements.

### EU's Sustainability Finance Disclosure Regulation (SFDR)

Priveq is transparent regarding sustainability related information about our funds and our investment process and undertakes to comply with the EU's Sustainability Finance Disclosure Regulation (SFDR) ((EU) 2019/2088). As has been described earlier in this report, sustainability risks are integrated in our

investment decision process. They are also integrated into our remuneration policy to further strengthen all employees' behavior in this matter. The compensation to employees is based on an annual evaluation of both financial and non-financial criteria, including how our employees meet our values, among those sustainability aspects. Our compensation policy also reflects this, where we state that no compensation is paid before we have managed any significant sustainability risks. Priveq does not yet take into account the Principal Adverse Impacts (PAI) in accordance with Article 4 of SFDR. However, to prepare ourselves for future alignment, data concerning all mandatory indicators, and two voluntary indicators, are from the year of 2022 collected from our portfolio companies. In this way we can make sure that both Priveq and our portfolio companies have the necessary processes put into place.

Priveq's funds are currently classified as being Article 6 funds. Within this area we will act in a similar way as with PAI, putting processes and documents in place to prepare our next fund to be classified as an Article 8 fund.

### EU Taxonomy

Priveq supports the establishment of the EU Taxonomy to set up a unified classification system on what can be considered environmentally sustainable economic activities. Priveq does as of now not have any companies classified according to the EU taxonomy in our funds. We are currently not planning to classify any of the companies within our existing funds, but are open to that this might change. In future funds we will evaluate if new investments could qualify for being included in the EU Taxonomy, and will then take a decision on whether the process to classify the company should be initiated.

# Priveq's Portfolio

As per December 31st 2022, Priveq manages three funds with a total of 17 portfolio companies in various industries within both services and production.

One of these companies, 4C, is not included in this report due to the divestment of the company in early 2023. Thus 16 companies are presented in this report. 15 of these are head-quartered in Sweden while one is based in Denmark. In 69 percent of the investments Priveq has a majority shareholding, and in all portfolio companies Priveq holds at least one seat on the board of directors. The total revenue of the portfolio companies in 2022 was approximately SEK 7.1bn with an EBITDA of approximately SEK 730 m. The total number of employees in our portfolio companies was 2,631.

Portfolio company  
Equestrian Stockholm.



Portfolio company Lamiflex.

Company	Fund	Investment year	Sales (mSEK)	Code of Conduct	Supplier Code of Conduct	Anticorruption policy	Whistle-blower	ESG level 2*	Management system
Caybon	Priveq Investment V	2016	984	●	●	●	●	●	●
Danfo	Priveq Investment V	2016	263	●	●	●	●	●	●
Equestrian Stockholm	Priveq Investment VI	2022	188	●	●	●	●	●	●
Frontit**	Priveq Investment V	2018	294	●	●	●	●	●	●
Industri-Matematik	Priveq Investment VI	2021	236	●	●	●	●	●	●
Lamiflex	Priveq Investment V	2018	371	●	●	●	●	●	●
Ljung & Sjöberg**	Priveq Investment V	2017	69	●	●	●	●	●	●
Metenova	Priveq Investment V	2018	234	●	●	●	●	●	●
Parfym.se	Priveq Investment V	2019	251	●	●	●	●	●	●
Plint	Priveq Investment V	2020	457	●	●	●	●	●	●
Ports Group	Priveq Investment IV	2015	261	●	●	●	●	●	●
QleanAir	Priveq Investment IV	2012	455	●	●	●	●	●	●
ROL	Priveq Investment VI	2021	2,101	●	●	●	●	●	●
Swemac	Priveq Investment VI	2021	248	●	●	●	●	●	●
Trendhim	Priveq Investment V	2020	311	●	●	●	●	●	●
Verisec	Priveq Investment VI	2022	227	●	●	●	●	●	●

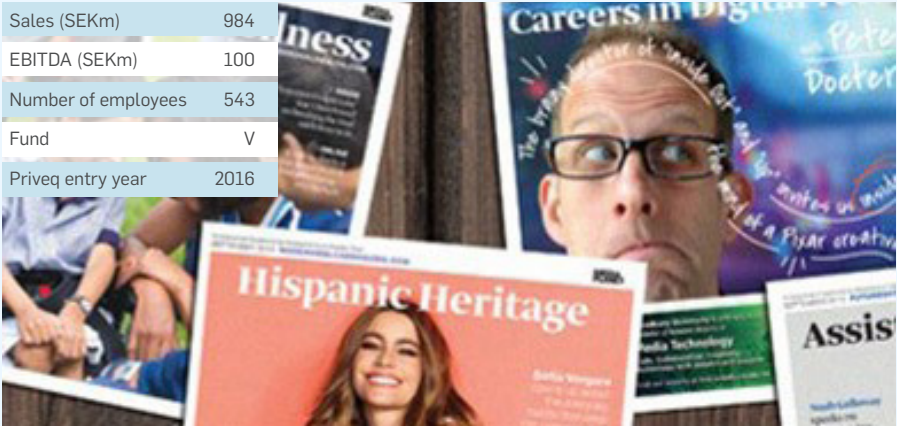
\*An explanation of level 2 can be found on page 9.

\*\*Supplier code of conduct is included in the Code of conduct.



Caybon Group

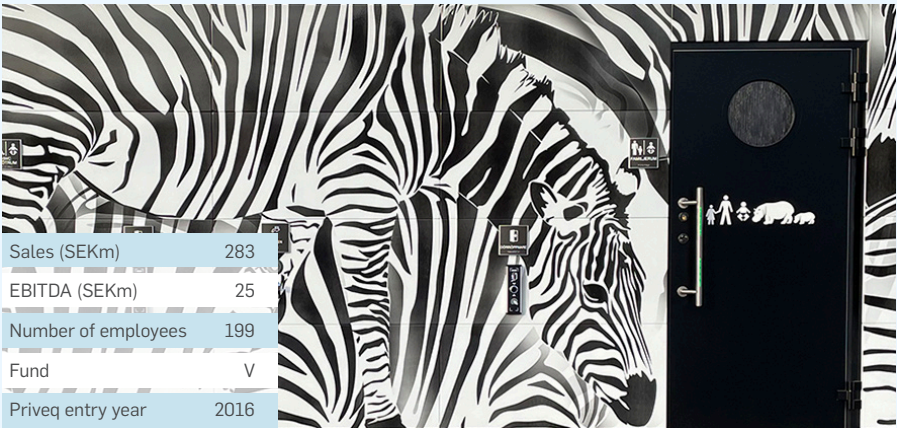
**Caybon is a** digital media company offering content marketing solutions. The group produces and distributes digital campaigns for the largest media platforms through the business units Mediaplanet, N365, Splay One, Newsner, Appelberg and Future Media Group. The company has identified a number of prioritised sustainability areas related to a healthy work environment, data security, climate impact, diversity and equality, and sustainable focused content and independent media. Noteworthy is that compared to 2021, Caybon has managed to increase the share of women in their management team by 16 percentage points in 2022. The increase in CO<sup>2</sup> emissions and electricity consumption is due to expansion.



SOCIAL	2022	2021	ENVIRONMENT	2022	2021
Gender distribution (employees)	59%	61%	Total electricity consumption (kWh)	363,214	345,940
Gender distribution (management team)	30%	14%	District heating (kWh)	131,099	171,166
Gender distribution (BoD)	40%	33%	District cooling (kWh)	40,000	51,000
Workrelated injuries	0	0	Total energy consumption (kWh)	591,313	632,106
Sick Leave	2.3%	2.3%	Energy intensity (energy consumption/ kSEK turnover)	0.60	0.68
Net new hires	-1%	6%	Total CO <sub>2</sub> emissions (ton CO <sub>2</sub> e)	117	95

Danfo

**Danfo delivers public** toilet solutions including complete solutions with products, service and maintenance. The company holds a broad international customer base, mainly consisting of municipalities, leasing companies and outdoor advertising companies. Their ESG focus areas relate to energy consumption, circular business models and a healthy and secure work environment. While Danfo's absolute energy consumption has increased from 2021, the energy intensity has decreased slightly. The increase in Co<sup>2</sup> emissions stem from an increase in scope 3 emisssons, mainly due to increased road transport and improvements in ability of gathering emission data.

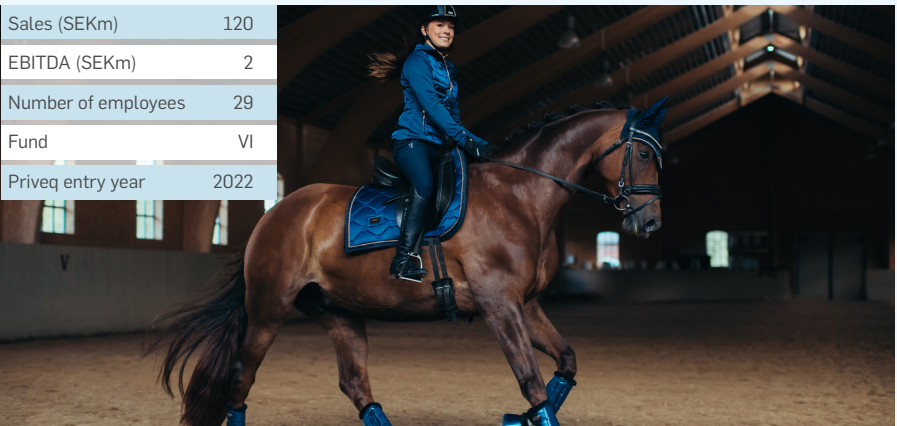


SOCIAL	2022	2021	ENVIRONMENT	2022	2021
Gender distribution (employees)	24%	23%	Total electricity consumption (kWh)	592,191	518,952
Gender distribution (management team)	33%	33%	District heating (kWh)	410,220	385,200
Gender distribution (BoD)	0%	0%	District cooling (kWh)	-	-
Workrelated injuries	49	41	Total energy consumption (kWh)	1,284,917	1,168,394
Sick Leave	2.2%	3.6%	Energy intensity (energy consumption/ kSEK turnover)	4.61	4.89
Net new hires	0%	2%	Total CO <sub>2</sub> emissions (ton CO <sub>2</sub> e)	1028	584

\*Note: Gender distribution in above tables refers to share of women

Equestrian Stockholm

**Equestrian Stockholm designs** and offers an exclusive assortment of products for horses, equestrians and dogs globally. It holds a world leading market position within social media, and expands rapidly both through its own global e-commerce, and its 150 retailers located in 30 countries. The current ESG focus lies in product materials, packaging, supply chain and transportation. Equestrian has managed to more than half their energy intensity in 2022 compared to 2021.



SOCIAL	2022	2021	ENVIRONMENT	2022	2021
Gender distribution (employees)	79%	79%	Total electricity consumption (kWh)	4,000	3,600
Gender distribution (management team)	43%	50%	District heating (kWh)	250,000	250,000
Gender distribution (BoD)	33%	50%	District cooling (kWh)	-	-
Workrelated injuries	0	1	Total energy consumption (kWh)	254,000	253,600
Sick Leave	0.8%	0.7%	Energy intensity (energy consumption/ kSEK turnover)	1.35	3.06
Net new hires	14%	29%	Total CO <sub>2</sub> emissions (ton CO <sub>2</sub> e)	224	246

Frontit

**Frontit is a** strategic partner for change, offering effective consulting services targeting operations and IT to assist companies and organisations with change management. The organisation adds power and competence with the ambition to develop individuals and businesses to their full potential. Frontit has identified four priority areas within ESG: sustainable employees, sustainable business, sustainable company and contributing to a sustainable society. Compared to 2021, the company has reduced their electricity consumption with more than 30,000 kWh.

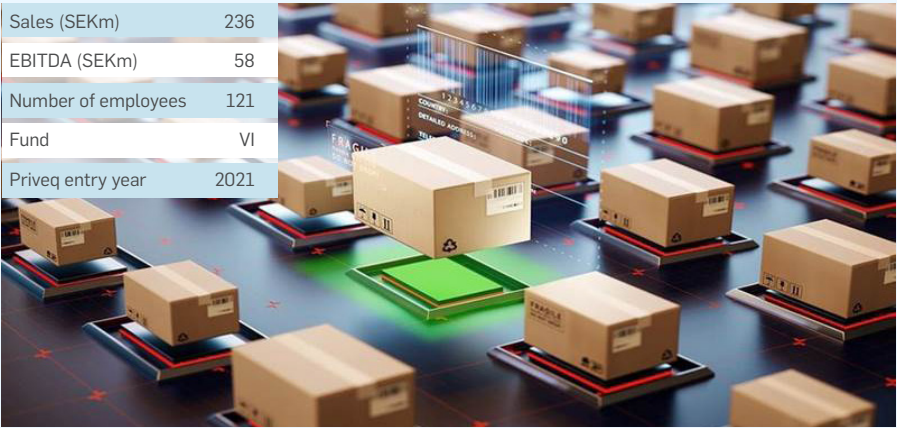


SOCIAL	2022	2021	ENVIRONMENT	2022	2021
Gender distribution (employees)	51%	49%	Total electricity consumption (kWh)	53,545	87,642
Gender distribution (management team)	30%	33%	District heating (kWh)	-	-
Gender distribution (BoD)	25%	25%	District cooling (kWh)	-	-
Workrelated injuries	0	0	Total energy consumption (kWh)	53,545	87,642
Sick Leave	2.0%	2.6%	Energy intensity (energy consumption/ kSEK turnover)	0.18	0.35
Net new hires	11%	9%	Total CO <sub>2</sub> emissions (ton CO <sub>2</sub> e)	72	68



Industri-Matematik

**Industri-Matematik is an** international software development company focusing on supply chain management. IMI delivers scalable solutions to improve control, efficiency and profitability across global supply chain operations. Within sustainability the company focuses on areas of climate, employees, sustainable innovation, ethics and transparency.



SOCIAL	2022	2021	ENVIRONMENT	2022	2021
Gender distribution (employees)	35%	34%	Total electricity consumption (kWh)	71,533	64,507
Gender distribution (management team)	17%	17%	District heating (kWh)	128,288	75,615
Gender distribution (BoD)	50%	50%	District cooling (kWh)	52,054	39,640
Workrelated injuries	0	0	Total energy consumption (kWh)	251,875	179,762
Sick leave	4.4%	3.1%	Energy intensity (energy consumption/ kSEK turnover)	1.20	0.90
Net new hires	17%	22%	Total CO <sub>2</sub> emissions (ton CO <sub>2</sub> e)	21	14

Ljung & Sjöberg

**Ljung & Sjöberg is a** service company specialising in addressing alcohol and drug problems, gambling addiction, stress and co-addiction in the workplace. The company works both on an individual and organisational level with market leading proactive work, a unique treatment process and well-proven range of services. Ljung & Sjöberg has through their operations a focus on the social aspects of sustainability. Compared to 2021, the company has managed to decrease their total energy consumption.



SOCIAL	2022	2021	ENVIRONMENT	2022	2021
Gender distribution (employees)	68%	64%	Total electricity consumption (kWh)	17,222	19,010
Gender distribution (management team)	67%	67%	District heating (kWh)	103,307	-
Gender distribution (BoD)	75%	75%	District cooling (kWh)	-	-
Workrelated injuries	0	0	Total energy consumption (kWh)	120,529	137,917
Sick leave	5.47%	5.5%	Energy intensity (energy consumption/ kSEK turnover)	2.16	2.79
Net new hires	-8%	-9%	Total CO <sub>2</sub> emissions (ton CO <sub>2</sub> e)	4	3

Lamiflex

**Lamiflex provides transport** packaging solutions, with a focus on the steel, aluminum and cable industries. However, the product portfolio has grown to offer complete solutions, including services for recycling and reuse, to a variety of industries. Lamiflex focus areas within ESG are clean energy, responsible production and recycling, anti-corruption, inclusion and equality, and labor rights. Compared to 2021, the company has achieved a positive change on all the environmental KPIs. The large CO<sup>2</sup> emission reduction stems mainly from a decrease in scope 2 through partly changing to renewable electricity sources.



SOCIAL	2022	2021	ENVIRONMENT	2022	2021
Gender distribution (employees)	15%	12%	Total electricity consumption (kWh)	1,565,000	1,717,141
Gender distribution (management team)	15%	8%	District heating (kWh)	-	-
Gender distribution (BoD)	20%	20%	District cooling (kWh)	-	-
Workrelated injuries	3	1	Total energy consumption (kWh)	1,734,640	1,833,770
Sick leave	1.5%	1.8%	Energy intensity (energy consumption/ kSEK turnover)	4.68	6.25
Net new hires	12%	4%	Total CO <sub>2</sub> emissions (ton CO <sub>2</sub> e)	218	680

\*Note: Gender distribution in above tables refers to share of women

Metenova

**Metenova is a** medtech company and leading innovator and manufacturer of magnetic mixers for pharmaceutical end use. The customer base is mainly leading pharmaceutical companies and biological drug producing companies. Metenova has three focus areas within ESG: committed and competent organisation, continuous growth with maintaining profitability and reduce climate impact. The increase in Co<sup>2</sup> emissions is mainly due to increased reporting of purchased air transports following expansion.



SOCIAL	2022	2021	ENVIRONMENT	2022	2021
Gender distribution (employees)	26%	24%	Total electricity consumption (kWh)	48,863	49,100
Gender distribution (management team)	20%	22%	District heating (kWh)	127,660	61,800
Gender distribution (BoD)	17%	17%	District cooling (kWh)	-	-
Workrelated injuries	1	3	Total energy consumption (kWh)	176,523	110,900
Sick leave	2.9%	1.5%	Energy intensity (energy consumption/ kSEK turnover)	0.75	0.75
Net new hires	5%	35%	Total CO <sub>2</sub> emissions (ton CO <sub>2</sub> e)	881	328



Parfym.se

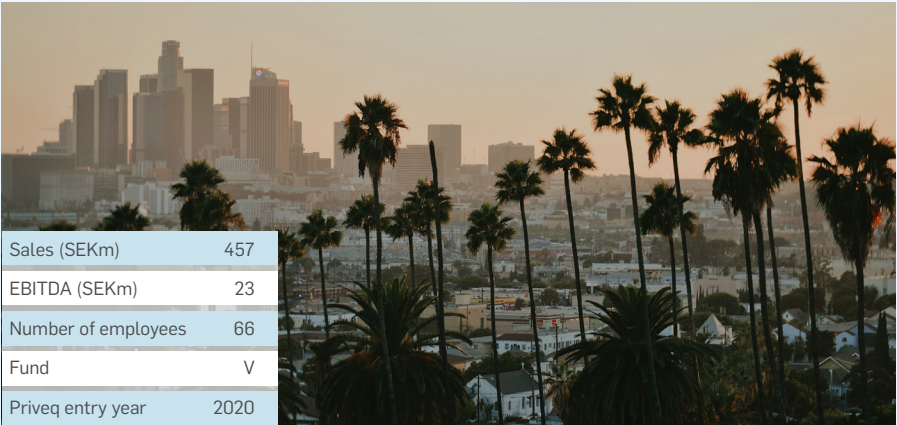
**Parfym is a** Nordic online player within beauty, challenging traditional perfumeries. The company offers products within hair care, makeup, skincare and fragrances from over 200 established brands. Their holistic view on sustainability embraces both people, planet and product to push for more sustainable operations.



SOCIAL			2022	2021	ENVIRONMENT			2022	2021
Gender distribution (employees)			78%	74%	Total electricity consumption (kWh)			106,281	54,605
Gender distribution (management team)			25%	25%	District heating (kWh)			4,716	5,474
Gender distribution (BoD)			50%	33%	District cooling (kWh)			-	-
Workrelated injuries			0	0	Total energy consumption (kWh)			110,997	60,079
Sick leave			0.8%	5%	Energy intensity (energy consumption/ kSEK turnover)			0.44	0.26
Net new hires			17%	32%	Total CO <sub>2</sub> emissions (ton CO <sub>2</sub> e)			84	80

Plint

**Plint is a** media technology and language services company. Their offerings include delivering subtitles and dubbing, as well as developing efficient localisation workflows and software solutions. Among their customers, Netflix, IKEA, Volvo, HBO and Viaplay can be found. The sustainable focus areas of the company are a sustainable workplace, inclusion, cyber security, transparency, ethics and climate.



SOCIAL			2022	2021	ENVIRONMENT			2022	2021
Gender distribution (employees)			62%	60%	Total electricity consumption (kWh)			41,002	33,518
Gender distribution (management team)			50%	50%	District heating (kWh)			164,353	33,518
Gender distribution (BoD)			43%	50%	District cooling (kWh)			-	-
Workrelated injuries			0	0	Total energy consumption (kWh)			205,355	67,036
Sick leave			3.6%	3.2%	Energy intensity (energy consumption/ kSEK turnover)			0.45	0.25
Net new hires			38%	12%	Total CO <sub>2</sub> emissions (ton CO <sub>2</sub> e)			8.32	9

\*Note: Gender distribution in above tables refers to share of women

Ports Group

**Ports Group supports companies** to avoid business risks and losses caused by inadequate protection of trademarks and domain names. Through their services they monitor, manage and protect trademarks and digital assets. Ports current ESG focus is providing a sustainable and secure workplace for their employees, as well as reducing their climate footprint.



SOCIAL			2022	2021	ENVIRONMENT			2022	2021
Gender distribution (employees)			45%	47%	Total electricity consumption (kWh)			110,000	110,000
Gender distribution (management team)			33%	38%	District heating (kWh)			-	24,320
Gender distribution (BoD)			25%	25%	District cooling (kWh)			-	-
Workrelated injuries			0	0	Total energy consumption (kWh)			110,000	134,320
Sick leave			2.0%	2.3%	Energy intensity (energy consumption/ kSEK turnover)			0.76	0.93
Net new hires			0%	-7%	Total CO <sub>2</sub> emissions (ton CO <sub>2</sub> e)			5	16

QleanAir

**QleanAir is a** premium provider for clean air indoor environments where filter technology is used to trap, filter and recycle indoor air. The company develops, designs and sells clean air solutions for the workplace, public areas, hospitals and production facilities. QleanAir is focusing on the SDGs number 3 (Good Health and Well-Being), 8 (Decent Work and Economic Growth), 9 (Industry, Innovation and Infrastructure), 10 (Reduced Inequality) and 12 (Responsible Consumption and Production). The increase in Co<sup>2</sup> emissions is a result of improvements in data collection methods, where purchased road transports are now included, hence 2022 and 2021 data is not directly comparable.



SOCIAL			2022	2021	ENVIRONMENT			2022	2021
Gender distribution (employees)			34%	33%	Total electricity consumption (kWh)			155,026	79,689
Gender distribution (management team)			25%	40%	District heating (kWh)			77,460	-
Gender distribution (BoD)			20%	0%	District cooling (kWh)			-	-
Workrelated injuries			2	0	Total energy consumption (kWh)			232,486	79,689
Sick leave			1.2%	0.0%	Energy intensity (energy consumption/ kSEK turnover)			0.51	0.18
Net new hires			3%	4%	Total CO <sub>2</sub> emissions (ton CO <sub>2</sub> e)			1,636	89



ROL

**ROL manufactures** a range of products, solutions and services focused on work-space, home and store environments. The company targets customer segments within both global blue-chip enterprises, as well as local companies. ROL centers their sustainability work around effective and sustainable supply chain management, smart solutions to influence sustainable behaviors, efficient resource management and healthy and safe workplaces. The company has managed to improve on all environmental KPIs compared to 2021.

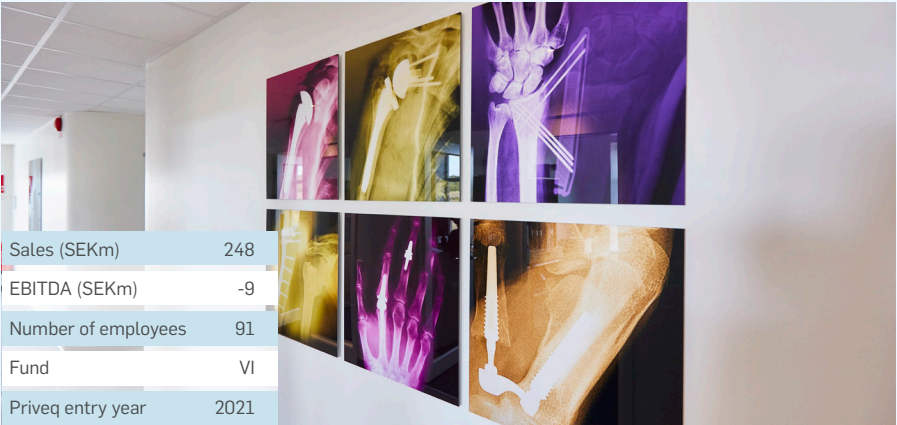
Sales (SEKm)	2,101
EBITDA (SEKm)	113
Number of employees	901
Fund	VI
Priveq entry year	2021



SOCIAL	2022	2021	ENVIRONMENT	2022	2021
Gender distribution (employees)	33%	31%	Total electricity consumption (kWh)	7,849,126	9,055,218
Gender distribution (management team)	0%	0%	District heating (kWh)	1,162,320	1,460,000
Gender distribution (BoD)	50%	40%	District cooling (kWh)	-	-
Workrelated injuries	12	13	Total energy consumption (kWh)	17,265,916	20,912,352
Sick leave	6.7%	5.5%	Energy intensity (energy consumption/ kSEK turnover)	8.20	10.73
Net new hires	-6%	10%	Total CO <sub>2</sub> emissions (ton CO <sub>2</sub> e)	5,556	8,173

Swemac

**Swemac is a** medical device company, which provides the market with innovative and practical solutions for fracture treatment and joint replacement. The company also distributes third party brands within trauma treatment and medical imaging in the Nordics. Currently, the company is represented in 30 markets internationally. The company is working actively with external consultants to set an ESG strategy during 2023. For 2022, Swemac has reduced their energy consumption and energy intensity compared to 2021. The increase in co<sup>2</sup> emissions is mainly due to increased travel.



SOCIAL	2022	2021	ENVIRONMENT	2022	2021
Gender distribution (employees)	41%	35%	Total electricity consumption (kWh)	75,893	58,497
Gender distribution (management team)	41%	50%	District heating (kWh)	56,422	70,000
Gender distribution (BoD)	0%	0%	District cooling (kWh)	-	-
Workrelated injuries	0	0	Total energy consumption (kWh)	161,068	226,484
Sick leave	1.3%	1.5%	Energy intensity (energy consumption/ kSEK turnover)	0.64	1.14
Net new hires	11%	27%	Total CO <sub>2</sub> emissions (ton CO <sub>2</sub> e)	219	149

\*Note: Gender distribution in above tables refers to share of women

Trendhim

**Trendhim is a** Danish e-commerce company, designing and distributing male accessories. The company holds a strong digital platform with 13 different brands in their portfolio. Trendhim currently has a presence in 28 different countries. In regard to sustainability the company focuses on environmentally friendlier transportation of goods, electricity saving initiatives, supply chain management and social inclusion. Trendhim has decreased the CO<sup>2</sup> emissions in 2022 compared to their emissions in 2021.

Sales (SEKm)	311
EBITDA (SEKm)	42
Number of employees	88
Fund	V
Priveq entry year	2020



SOCIAL	2022	2021	ENVIRONMENT	2022	2021
Gender distribution (employees)	46%	45%	Total electricity consumption (kWh)	189,491	72,087
Gender distribution (management team)	15%	15%	District heating (kWh)	-	-
Gender distribution (BoD)	29%	33%	District cooling (kWh)	-	-
Workrelated injuries	0	2	Total energy consumption (kWh)	326,725	227,726
Sick leave	2.70%	1.30%	Energy intensity (energy consumption/ kSEK turnover)	0.70	0.48
Net new hires	-23%	61%	Total CO <sub>2</sub> emissions (ton CO <sub>2</sub> e)	33	40

Verisec

**Verisec offers services** related to payments security, data protection and strong user authentication. As a provider of cryptographic services to customers in many different industries, the company holds a strong and trusted position in several geographies.



SOCIAL	2022	2021	ENVIRONMENT	2022	2021
Gender distribution (employees)	30%	27%	Total electricity consumption (kWh)	13,320	13,320
Gender distribution (management team)	22%	25%	District heating (kWh)	-	-
Gender distribution (BoD)	17%	0%	District cooling (kWh)	-	-
Workrelated injuries	0	0	Total energy consumption (kWh)	13,320	13,320
Sick leave	1.9%	2.0%	Energy intensity (energy consumption/ kSEK turnover)	0.06	1.10
Net new hires	-9%	18%	Total CO <sub>2</sub> emissions (ton CO <sub>2</sub> e)	0.3	0



# KPIs and Performance Data for Priveq’s Portfolio Companies

100 percent of our portfolio companies contributed with their sustainability data for the year of 2022. For the third time we worked with the web-based system from Position Green to collect ESG data. The KPIs for governance and social aspects relate to the status of the portfolio companies as of December 31st 2022, while the environmental data covers the entire year. We have seen a continuous improvement in the quality and accuracy of the data over the years, as the companies have advanced their data collection methods. The changing portfolio composition as a result of investments and divestments is another factor affecting the trend of the ESG data.

GOVERNANCE	2022	2021
Incidents of corruption	0	0
Breaches of customer privacy	0	0
Share of companies with management systems	47%	53%
Management systems used	14	15
- ISO 9001	5	6
- ISO 14001	4	5
- ISO45001	2	2
- ISO 27001	1	1
- Other	2	1
Code of conduct or similar	94%	100%
Whistle blowing function	94%	93%
Anti corruption policy	88%	80%
Employees that have taken part of the anti-corruption policy and the procedures related to it	79%	80%
Members of the management team as well as board of directors that have taken part of the anti-corruption policy and the procedures related to it	51%	68%
Supplier Code of Conduct	94%	80%
Share of companies that assess their suppliers in terms of sustainability	47%	40%
Share of portfolio companies with ESG strategy	81%	53%

**Governance**  
In 2022 we had a rate of 94 percent of our portfolio companies with a Code of Conduct and a whistleblowing function. This can be compared to the SVCA\* member's portfolio companies' average of 66 percent with a whistleblowing function. The only company lacking these is our newest investment, made in December 2022. To get such a system in place is a priority going forward. The KPI related to anti-

corruption policies has increased slightly since last year (from 80 percent to 88 percent). Some portfolio companies include other policies, such as anti-corruption policies, in their Code of Conduct. The percentage of companies with a Supplier Code of Conduct also increased compared to last year. We will continue to strive for 100 percent of our portfolio companies having implemented these policies. The share of companies assessing their supp-

liers regarding sustainability increased slightly (47 percent in 2022 compared to 40 percent in 2021). Our continuous focus will be to support our new portfolio companies in their implementation of necessary policies and processes, as well as develop the work within our entire portfolio in this area.

\*Swedish Private Equity and Venture Capital Association. These numbers are for 2021, as the 2022 data points are not yet available.

SOCIAL	2022	2021
Number of employees	2,631	2,648
- Of which are women (%)	42%	39%
Share of women in management	29%	25%
Share of women in Boards	30%	30%
Unadjusted gender pay gap		
Sick leave	2.2%	3.5%
Workrelated injuries	67	60
New hires – Share of total employees (%)	0.8%	12%

**Social**  
The share of women in our portfolio companies increased slightly over the year, reaching 42 percent for employees compared to 39 percent last year. The largest increase can be found at the management level, with a 20 percent increase reaching 29 percent in 2022. This can be compared to the SVCA member's portfolio companies' average of 26 percent. Share of women in boards is 30 percent, which

is eleven percentage point over the SVCA average of 19 percent.  
The area is of course also affected by the changes in our portfolio composition, meaning that investments and divestments might disproportionally affect the percentage of women from year to year.  
Looking at workrelated injuries, these increased by a number of 7 in 2022. Most of these were minor accidents, and no injury led to fatality. Net new hires were at

0.8 percent, with 685 new hires and 663 people who left the companies. As the portfolio company composition changes over the years, the net new hiring in the current portfolio does not correspond to the absolute change of employees between 2021 and 2022. The net new hire decrease compared to 2021 may be traced back to the slowdown of the economy as a whole.



Portfolio company ROL.



ENVIRONMENT	2022	2021
CO <sup>2</sup> emissions reported (Ton CO <sup>2</sup> e)		
Scope 1	1,658	2,282
Scope 2 (market based)	992	1,583
Scope 3	7,457	6,520
Share of portfolio companies that have reported their CO <sup>2</sup> emissions	100%	100%
Carbon footprint	1.49	1.50
GHG intensity	9.23	9.40
Investments in companies without carbon emission reduction initiatives aligning with the Paris Agreement	75%	-
Co2 emissions per employee	3.84	3.92

ENERGY		
Energy intensity - Energy consumption/kSEK Turnover	3.13	4.28
Electricity (kWh)	11,255,707	12,400,906
District heating (kWh)	2,615,845	2,406,000
District cooling (kWh)	92,054	90,640
Share of non-renewable energy consumption and production	55%	-
Energy consumption intensity per high impact climate sector	0.05	0.07
Fuel consumption		
- Non-renewable energy (kWh)	8,929,603	11,095,630
- Renewable energy (kWh)	0	0
Total energy consumption (kWh)	22,893,209	25,993,176

OTHER		
Exposure to companies active in the fossil fuel sector	0%	-
Activities negatively affecting biodiversity-sensitive areas	0%	-
Emissions to water	0	-
Hazardous waste and radioactive waste ratio (tonnes)	133	-
Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	0	-
Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises	81%	-
Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	0%	0%

Some of the KPIs were not collected for 2021, hence the information for this year is not available.

**Environment**  
**We have had** a continuous level of 100 percent reporting of environmental data. We see an improvement in the data collection methods, although some companies have experienced difficulties in collecting all requested data. In contrast to last year, this year has shown a slight

total decrease in CO<sup>2</sup> emissions. The largest difference from last year is a decrease in scope 1 and 2, and an increase in scope 3 emissions. The reason for the increase in scope 3 emissions is believed to be traced back to an improvement in our portfolio companies' ability to capture these emissions. That the companies

have been able to reduce scope 1 and 2 emissions might reflect that the source of these emissions might be easier to identify and control, thus reduce. The total energy consumption has also decreased compared to 2021.

# Sensitivity analysis

**Key points from** a climate-related risk assessment can be found below. The assessment is based upon risk categories and impacts presented by the Task Force on Climate-Related Financial Disclosures. An analysis has then been made to assess potential impact for Priveq and an outline of Priveq's strategy for mitigation management.

CLIMATE-RELATED RISKS	POTENTIAL FINANCIAL IMPACTS	IMPACT AND MITIGATION MANAGEMENT FOR PRIVEQ
TRANSITION RISKS		
<b>POLICY AND LEGAL</b> <ul style="list-style-type: none"><li>- Increased pricing of GHG emissions</li><li>- Enhanced emissions-reporting obligations</li><li>- Regulation of existing products and services</li><li>- Exposure to litigation</li></ul>	<ul style="list-style-type: none"><li>- Increased operating costs</li><li>- Write-offs and early retirement of assets as a result of policy changes</li><li>- Reduced demand for products and services because of fines and judgements</li></ul>	Increased pricing of GHG emissions would lead to higher costs for the portfolio companies. Priveq aims to mitigate this risk by ensuring that each portfolio company includes reducing GHG emission in their ESG strategy. In regard to reporting obligations, Priveq is closely following the development and arranges education for the portfolio companies on how to report in line with requirements.
<b>TECHNOLOGY</b> <ul style="list-style-type: none"><li>- Substitution of existing products and services with lower emission options</li><li>- Unsuccessful investments in new technologies</li><li>- Costs of transition to new technology with lower emissions</li></ul>	<ul style="list-style-type: none"><li>- Write-offs and early retirement of assets</li><li>- Reduced demand</li><li>- R&amp;D expenditures in new technologies</li><li>- Costs of adopting new practices and processes</li></ul>	Priveq does not invest in companies with high emissions in production nor in unproven technologies. Priveq's portfolio companies are encouraged to invest in technologies which are environmentally friendly, which in turn leads to lower emissions for them and their customers. About 40 percent of Priveq's portfolio consists of service companies where the risks from technology aspects are lower, however it is still crucial that they are knowledgeable within this area.
<b>MARKET</b> <ul style="list-style-type: none"><li>- Changes in customer behavior</li><li>- Uncertainty in market signals</li><li>- Increased cost of raw materials</li></ul>	<ul style="list-style-type: none"><li>- Reduced demand for products and services because of changing customer demand</li><li>- Increased production costs</li><li>- Unexpected shifts in energy costs</li><li>- Change in revenue mix and sources</li><li>- Re-pricing of assets</li></ul>	Priveq aims to continuously perform analysis of changes in customers and market behavior and demand. Stakeholder dialogues are a key component when developing each portfolio company's ESG strategy. As our companies are developing more sustainable offerings for the market, these changes could also provide opportunities.
<b>REPUTATION</b> <ul style="list-style-type: none"><li>- Shifts in consumer preferences</li><li>- Stigmatisation of sectors</li><li>- Increased stakeholder concern or negative feedback</li></ul>	<ul style="list-style-type: none"><li>- Decreased demand from products resulting in reduced revenue</li><li>- Decreased production capacity because of e.g. supply chain interruptions</li><li>- Negative effects on workforce management as a result of employee attraction and retention changes</li><li>- Reduced capital availability</li></ul>	None of Priveq's portfolio companies are active within a sector which today can be deemed to be at the risk of stigmatisation in a foreseeable future. However, three of our portfolio companies are active within the retail consumer sector, a sector in which reputation is key to continue to attract customers. Priveq works actively to make sure that we and our portfolio companies have operations and sustainability strategies which adhere to the relevant laws and policies. Our external communication within the area of sustainability aims at mitigating the reputational risk.
PHYSICAL RISKS		
<b>ACUTE</b> <ul style="list-style-type: none"><li>- Increased severity and occurrence of extreme weather events</li></ul>	<ul style="list-style-type: none"><li>- Reduced revenue because of decreased production capacity</li><li>- Reduced revenue and increased costs as a result of negative impacts on workforce, e.g. health</li></ul>	
<b>CHRONIC</b> <ul style="list-style-type: none"><li>- Changes in precipitation patterns</li><li>- Rising mean temperatures</li><li>- Rising sea levels</li></ul>	<ul style="list-style-type: none"><li>- Early retirement of assets because of damage to assets</li><li>- Increased operating costs</li><li>- Increased insurance premiums</li></ul>	All Priveq's portfolio companies have their main operations within Scandinavia where the impact from climate change is considered relatively low. However, rising temperatures and extreme weather events in other parts of the world will most likely lead to supply chain disruptions. Management of these risks is done through sensitivity analyses and vulnerability assessments.



# Priveq in Society

Priveq believes in the importance of supporting initiatives which make a positive impact for sustainability. By engaging in long-term partnerships with selected organisations which contribute to society through entrepreneurship, education and reduced climate impact we aim at enabling these organisations to increase their possible impact. Some of these organisations are presented below.

## Trine

**Trine** is a crowd-funding initiative enabling private individuals to invest in small-scale solar energy projects. Loans are given to areas normally not covered by electricity networks, and through that villages and societies get access to low-cost and low-CO<sup>2</sup> -impact electricity with the possibility to develop their standard of living. Through this engagement, Priveq invests in solar energy projects in Africa. It aligns with the UN Sustainable Development Goal number 13, **Climate Action**.



## Hello World!

**Priveq chose to** join Hello World! as a long-term partner in 2020. The partnership matches the priority aspect Gender equality and diversity and is a way for Priveq to strengthen the societal contribution to the area. Hello World! is an association which works to improve Sweden's competitiveness by promoting digital creation and learning. The association offers scholarships and subsidised participation fees to enable access to as many youngsters as possible, regardless of background. At camps and meet-ups of Hello World! the children are inspired and taught by students from technical colleges and universities. Today Hello World! has over 12,000 members and has lit over 2,500 digital stars. Priveq is impressed by the achievements made by the organisation and it links with the UN Sustainable Development Goals number 5, **Gender Equality**, and number 10, **Reduced Inequalities**.



Hello World!



## Zelmerlöv & Björkman Foundation

**Priveq began its** partnership with the Zelmerlöv & Björkman foundation in 2021. The foundation itself was founded in 2013 and give youths in poverty an opportunity to get an education. More than 300 students are currently enrolled in the core initiative, Kenswed Academy. Kenswed is placed in Ngong, outside Nairobi in Kenya. Near the school a boarding school, hospital, vocational training center and a dental clinic have been built to provide holistic support for the students. Additionally, scholarships are provided for graduates from the academy who want to pursue higher education. As a long-term partner to Zelmerlöv and Björkman Foundation, Priveq contributes financially to enable more students the opportunity to get an education. The foundation's work aligns with the UN Sustainable Development Goal number 1, **No Poverty**, number 4, **Quality Education**, and number 10, **Reduced Inequalities**.







# Sustainability is included in everything we do

Danfo designs and manufactures turnkey public toilets and offers operation and maintenance for these. Proactive sustainability work is an apparent part of both decisions and actions in day-to-day life at Danfo. This approach extends the lifetime of the product and can even give it a whole new life.

**T**here are several examples of products from Danfo that have been around since the 1980s and 90s and that still hold up even though they are sometimes in quite demanding public environments.

Longevity, more than anything, is at the centre of Danfo's sustainability work. Choosing materials that last and taking care of the products is of equal importance. Proactive maintenance and regular cleaning are two important components of the business model. Danfo has also launched a completely circular concept, which goes by the name Danfo360. In practice, this means that Danfo owns the building and takes full responsibility for the toilet being intact and accessible.



CEO Jonas Olsson speaks about Danfo's sustainability work.

When the contract period is over, Danfo takes the toilet back to the factory in Nora in central Sweden and assesses its condition and what is needed in order for it to circulate back out on the market.

– A public toilet is made available as a service to citizens, and it must be safe, clean and accessible regardless of whether it is in a town square or along a highway. But that does not automatically mean that it has to be new.

Many customers have also realised this, and interest in Danfo's circular business model is growing. Today, ordering used public toilets is not at all unusual.

Eventually, however, even Danfo's products reach the end of their life, at which point a well-thought-out reuse- and recycling process takes place.

– Today we reuse 92.5% of the product's total weight. That is a very good number in our industry.

One reason why such a large part of the product can be processed for reuse is that Danfo prioritises quality. Great importance is placed on choosing materials that last over time and that can be recycled when they have reached the end of their service life. There is also a detailed process to evaluate the toilets when they

return to the factory. Everything is reviewed – facades, foundations, doors, electrical switchboards, and light tubes. Everything that functions is circulated back into the Danfo360 concept or ends up on the spare parts shelf to be reused in future maintenance operations.

**Sustainability has been** included as a natural element in Danfo's operations long before it became a requirement, but in recent years the work has become more methodical and structured. With Priveq as the owner, the quality of the sustainability efforts has been further ensured through both follow-up, training, and a genuine commitment to sustainable development.

*"Access to public toilets is an issue of gender equality."*

In 2022, the focus has been on implementing a climate declaration work with the goal of measuring Danfo's climate footprint and creating commitment to systematically reduce it over time.

– Among other things, we have implemented a climate calculation work according to the GHG Protocol, which is a global standard for climate calculations where both direct and indirect emissions are measured.

The GHG Protocol divides the emissions into three categories: the company's direct emissions (such as machine exhaust gases), emissions from the energy that the company consumes, and emissions that are caused by other parts of the value chain (such as from products delivered by subcontractors).

– The work gives us a clear picture of our climate footprint and also a good basis for seeing what we need to improve to reduce our impact.

**One priority area** is to improve the energy performance of the products. During 2022, Danfo has reviewed solutions for improved u-values (insulator effectiveness), improved weather sealing, and reduced energy consumption.

The goal for 2023 is clear:

– We will further improve our ventilation solutions and offer solar cells for both new and existing buildings. We are also evaluating the possibility of introducing energy classes for our products.

In addition to working with ecological sustainability, there is also a deep commitment to social sustainability.

– Access to public toilets is an issue of gender equality. With innovative solutions, we can help make public environments both safer and more pleasant. We will continue to work to this end during 2023.

## Danfo winner of Priveq ESG award

**Danfo is this year's** winner of the Priveq ESG award, which is given to the Priveq portfolio company that has excelled in the area of sustainability during the year. In addition to the honour, Danfo also wins SEK 50,000 to donate to a charity organisation of their choice.



Danfo has in a praiseworthy manner developed a clear sustainability strategy where they combine responsibility for the earth's resources with clear business benefit. With a circular business model and high goals for reducing their climate footprint, both our planet and Danfo's customers stand to benefit. The sustainability work also includes social aspects where Danfo contributes to creating an inclusive and safe urban environment by utilising innovative technology.

# 92.5%

of Danfo's products are reused.



## About Danfo

**Danfo designs and manufactures** turnkey public toilets and offers comprehensive solutions in the form of product, service and maintenance.

The company was founded in 1969 and has around 200 employees with headquarters and production in Nora, just outside Örebro in central Sweden.

Danfo has a broad international customer base which mainly consists of municipalities, rental companies and outdoor advertising companies.



## 2030 Agenda

**Danfo has a** sustainability strategy that clearly defines goals, measures and responsibilities. It also shows how Danfo's sustainability work contributes to the goals of the 2030 Agenda.



# About The Report

This is Priveq's third sustainability report. The report covers sustainability performance data during 2022 from the management company and the portfolio companies included in funds managed by Priveq on December 31st 2022\*.

The data from the portfolio companies and the management company has been selected based on their relevance and has been collected through the web-based system Position Green. The data refers to the period January 1st to December 31st, 2022, with some additional KPIs from 2021 for comparison purposes. Employee data and environmental data from the portfolio companies have been collected from each companies' internal systems and third parties. Emissions data have been calculated using factors from Greenhouse Gas (GHG) protocol or by third party suppliers. Scope 2 emission figures shown in the report are calculated using GHG's market-based method. The report have not been externally audited.

**The report is available at Priveq's website, [www.priveq.se](http://www.priveq.se).**

**For questions about the report, please contact Priveq's ESG Team Karl-Johan Willén, [karljohan.willen@priveq.se](mailto:karljohan.willen@priveq.se) or Jakob Öhmark, [jakob.ohmark@priveq.se](mailto:jakob.ohmark@priveq.se).**

\*Excluding 4C which was divested in the beginning of 2023.



**PRIVEQ**