

Tesi's sustainability policy

1. BACKGROUND, PURPOSE AND SCOPE

The sustainability policy includes the principles, objectives, and reporting practices regarding the responsibility and impact of the operations of Finnish Industry Investment Ltd and its subsidiaries (later referred to as "Tesi"). When this policy refers to Tesi, the reference applies to the entire group, excluding Industrial Subsidy Ltd. Industrial Subsidy Ltd follows separate materials governing its activities. This policy covers responsibility and impact both in our own operations and in our investment activities. Investment activities include both our direct portfolio companies and fund investments. The positive impacts generated from Tesi's operations are described at the strategy level through our separate impact model.

Tesi's sustainability framework consists of two parts: responsibility and impact. By responsibility, we mean responsible conduct in relation to the economy, environment, people, and governance. In this policy, impact mainly refers to the positive indirect effects on society and the environment that we achieve through our investments. Through our own operations, we also seek to positively influence the development of the private equity market and the business landscape.

State ownership policy guidelines on corporate responsibility and remuneration practices guide the development of our operations. We also implement the Finnish government programme and the UN Agenda 2030 sustainable development goals (SDGs), as well as the long-term targets set by the Finnish government (e.g., the 2035 carbon neutrality goal).

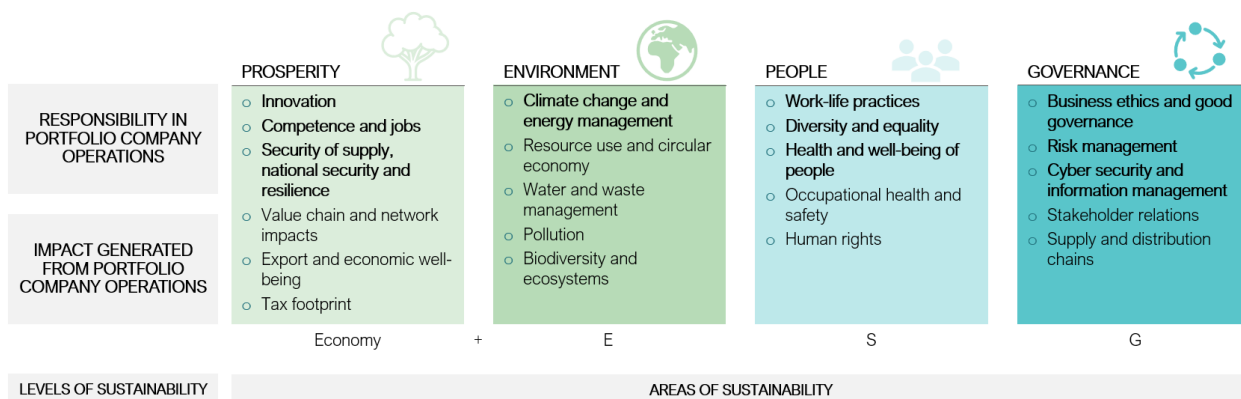
Tesi's Board of Directors approves the sustainability policy and monitors its compliance. The Board of Directors also approves sustainability objectives as part of Tesi's operational plan and remuneration objectives. Responsibility for managing sustainability lies with the CFO, while the entire staff is responsible for implementing it in their own work.

2. BASIC PRINCIPLES OF SUSTAINABILITY

The goal of our sustainability work is to develop our own operations and investment targets with business objectives in mind, while also contributing to broader market development. We aim to identify the most significant positive and negative impacts, risks, and opportunities associated with our activities and to promote sustainable practices to an appropriate extent. In addition to our investment activities, we also promote sustainability in the market by engaging in active dialogue with other investors, conducting research, and sharing materials & tools.

To support our sustainability work, we carried out a double materiality assessment in 2025. Based on the results, we developed the accompanying framework describing the responsibility practices of our portfolio companies and the positive impacts they generate. While all topics in the framework may be material for us or our portfolio companies in certain contexts, a few key themes have been selected from each area to be the particular focus of our work. We therefore see these themes as being material across all our portfolio companies or as particularly promoted through our investment activities. These themes are emphasised in our own operations, in interactions with portfolio companies, and in our reporting.

The same framework is applied, where relevant, in assessing the responsibility of Tesi's own operations.



3. RESPONSIBILITY PRINCIPLES

Environment

We take into account the goals of the Paris Agreement and the national carbon neutrality target in our operations, and we monitor our environmental impacts, for example through annual carbon footprint calculation.

Environmental impacts from Tesi's own operations are relatively small compared to those arising from our investment activities. We expect our portfolio companies to minimise harmful impacts on climate change and to assess and prepare for the risks climate change poses to their business. We encourage our portfolio companies to use international frameworks and initiatives when analysing and reporting on their climate impacts, risks, and actions. We also encourage them to align their strategies with the Paris Agreement targets and to set science-based, concrete, and measurable climate goals.

In our own operations, we also strive to reduce environmental burden. We aim to reduce employee-related CO₂ emissions by enabling good remote meeting practices and tools—every internal meeting can also be attended remotely. We encourage staff to use public transport and offer commuting benefits, such as an employer-subsidised commuter ticket and a work bike benefit.

The largest single contributors to greenhouse gas emissions in our operations are purchases related to IT and services, and business air travel. In our operational choices, we aim to consider environmental perspectives and favor low-emission solutions.

We also provide trainings to increase awareness of sustainability topics.

People

We respect human rights and do our utmost to ensure that our operations do not violate them. In our own operations, we invest in diversity and equality, occupational health and safety, and competence development. We have principles, monitoring, and action plans in place for equality and non-discrimination. We also regularly monitor employee well-being, including a sense of belonging.

We require respect for human rights and good labour practices also from our portfolio companies and fund management companies. Our employees and stakeholders have access to an anonymous whistleblowing channel to confidentially report misconduct or possible human rights violations to company management.

We expect our portfolio companies to consider international standards and initiatives in their

operations. We also encourage them to extend their social responsibility goals and assessments to subcontractor relationships and other partnerships in their value chains.

Governance

Tesi's governance complies with the principles of state ownership steering. In addition to regulation and the Articles of Association, we apply the Finnish Corporate Governance Code for listed companies, as applicable. In line with the Code, our objectives include transparency, comparability, good governance, and harmonisation of information provision. In addition to complying with laws and good governance principles, we are committed to international norms and agreements concerning, for example, employee rights and the environment. We expect the same from our portfolio companies.

Tesi's Code of Conduct, which compiles our ethical business principles, is publicly available on the Group's website. All employees commit to its rules and values, and we promote these principles also in our portfolio companies.

Tax responsibility

Tesi commits itself, and expects its portfolio companies to commit, to comply with tax laws in Finland and in other countries of operation. We do not accept tax evasion and do not engage in aggressive tax planning.

Tax matters are carefully assessed during the due diligence phase of investments. If it appears that a target is clearly aiming to avoid paying taxes, Tesi will not make an investment. We pay taxes in Finland on all our income in accordance with Finnish tax law. We do not receive tax advantages from foreign fund investments. In line with industry practice, we invest in typical fund structures that are flow-through entities.

We report the taxes we pay in accordance with Finnish accounting practices and disclose the geographical domicile of our fund investments as well as other information required of state-owned companies. Tesi does not invest in companies registered in EU's list of non-cooperative jurisdictions for tax purposes. We only invest in funds domiciled in countries that have signed an information exchange agreement with Finland.

Board of Directors outlines Tesi's principles related to taxation.

4. INVESTMENT ACTIVITIES

Principles for responsible and impactful investing

Our most significant impacts are generated through our investment activities, which is why responsible and impactful investing practices are especially important to us. Tesi makes investments in two ways: directly as an investor, or by managing investment capital on behalf of others (the most significant being our fund-of-funds (KRRs¹)). Investment activities take place in two categories: fund investments, where we invest in a fund managed by a management company (the "manager"); and direct investments, where we invest directly in companies. Unless otherwise noted, the measures described in this policy apply to both categories. In managing liquid assets, we consider good practices in responsible investment. Principles related to asset management are not described further in this document.

¹ The Funds of Funds (KRR) are subject to the EU's SFDR regulation (SFDR, EU 2019/2088). The disclosures required under the SFDR can be found on Tesi's [website](#) (in Finnish only).

Through our investment activities, Tesi aims to support the development of the Finnish private equity market, and the growth and internationalisation of growth companies. In addition, Tesi's portfolio companies (direct and indirect via funds) create positive impacts on Finland's economy, environment, and people through their own business activities. These impacts are described in greater detail in the sustainability framework included in this document.

We have selected four investment themes where we see particular potential to advance positive impacts: deep technology, clean economy, health & life sciences, and defence and dual-use technology. In addition to these themes, we invest broadly in other industries as well.

Tesi is committed to following the UN Principles for Responsible Investment. We require openness from portfolio companies regarding sustainability development, in addition to the principles outlined above, which we also apply to ourselves.

Fund managers are made aware of Tesi's current policy at the time of investment and are responsible for raising potential conflicts during the investment period. Tesi's policies are also discussed regularly with fund managers.

Practices for responsible and impactful investing

Sustainability is a part of the entire investment process. The practices are integrated into overall investment activities and are implemented by those responsible for each investment project. The key methods for promoting sustainability are exclusions and enhanced due diligence, integration of sustainability analysis into investment decisions, and active ownership.

We monitor the overall impact of our activities and aim to promote the positive development of responsibility and impact in our portfolio companies throughout the ownership period. In the current strategy period, a particular focus is on developing impact monitoring in investment activities.

Exclusion policies and additional due diligence

Rather than focusing solely on exclusions, we believe in a comprehensive assessment of potential investments. However, we generally exclude from our investments, on ethical grounds, certain activities such as: weapons prohibited or restricted by international arms control treaties ratified by Finland, products or activities deemed illegal by international conventions, adult entertainment, gambling and similar businesses, tobacco-related activities, narcotics, fossil fuels and activities based on them, and radioactive materials and related products (excluding small nuclear power plants and devices used for medical or quality control purposes). The exclusion list is part of Tesi's internal *Investment Criteria* document. Our fund investment partners are also made aware of this exclusion list at the time of investment and commit to flagging any conflicts in their own potential investments.

In our direct investments, we conduct additional due diligence in sensitive sectors, such as:

- activities likely to cause significant harm to EU environmental goals (DNSH)
- defence industry, conventional weapons, and related activities
- dual-use products and technologies
- activities based on genetically modified organisms (GMOs)
- cryptocurrencies and related activities
- video game industry
- businesses targeting or involving children
- consumption-promoting businesses

For direct investments, we carry out a "Know Your Customer" assessment in accordance with detailed internal guidelines. In fund investments, we require fund managers to conduct "Know Your Customer"

assessments on investors investing in the funds.

Integration of sustainability analysis into investment decisions

At Tesi, the assessment of both responsibility and impact is integrated into investment decisions across all categories. We have developed tailored evaluation methods to systematically and comparably analyse deal flow and investment targets. These methods are used to identify risks and opportunities for value creation based on responsibility and impact.

On responsibility, we assess the current state of the portfolio company's responsible practices and seek to develop a plan for development during the ownership period. Depending on the type of investment, assessments may involve comparisons with other market players and/or peer groups. In direct investments, we assess responsibility across governance, environmental, and social dimensions, considering company size and specific characteristics. The assessment focuses mainly on the ESG-related topics listed in our sustainability framework. Evaluations may also involve other syndicate partners as needed. In fund investments, we assess both the manager's approach to responsible investing and the responsibility of their own operations. We also aim to contractually commit fund managers to the UN PRI and to develop their own responsible investment policies and guidelines.

Impact is assessed already during deal flow, including alignment with chosen investment themes and Tesi's impact goals. Before an investment decision, a more detailed impact assessment is conducted. For direct investments, we aim to quantitatively assess the potential for positive impact, focusing on the sustainability framework areas. For funds, we assess the scale of impact both for private equity market development and portfolio company-level impacts.

Results of the assessments are discussed at team and management level when necessary. The results and agreed development actions are incorporated into investment documentation.

Active ownership and monitoring of responsibility during ownership period

During ownership, our goal is to stay up to date with our portfolio companies' activities and to actively influence them. The aim is to develop portfolio companies and create value, but in some cases also to intervene in and resolve specific issues. We meet company management, participate in board meetings, annual general meetings, and investment council meetings, and discuss investments with co-investors. We also share tools and best practices with our portfolio (e.g., for calculating emissions).

In addition to active dialogue, we monitor responsibility development in portfolio companies through annual surveys (for direct investments) and sustainability discussions with fund managers (for fund investments). We assess the development of responsibility in our portfolio at least annually, and relevant matters are discussed in the investment team or management group as needed. We also carry out portfolio-level risk assessments on the subject.

5. REMUNERATION

In remuneration, we follow the principles of the Finnish government's ownership policy. According to the policy, remuneration must be reasonable and transparent, and responsibility must be part of management remuneration.

Company-level objectives are based on the economic and ownership policy objectives set for Tesi, as well as its strategy and operational plan. Promoting responsibility is one of the key company-level remuneration objectives, the specific content of which varies annually. This objective covers the entire staff and management.

6. REPORTING

The responsibility of the Group's operations under this sustainability policy is reported annually as part of the annual report, which is published on our website. Responsibility reporting follows the GRI framework. Responsibility is also reported regularly, at least annually, to the state owner. Tesi's impact is reported annually both directly to the Ministry of Economic Affairs and Employment and publicly through our impact review. The reports cover, among other things, greenhouse gas emissions from Tesi's operations and tax-related principles. Reporting also utilises our sustainability framework.

7. SUSTAINABILITY ANNUAL CALENDAR

