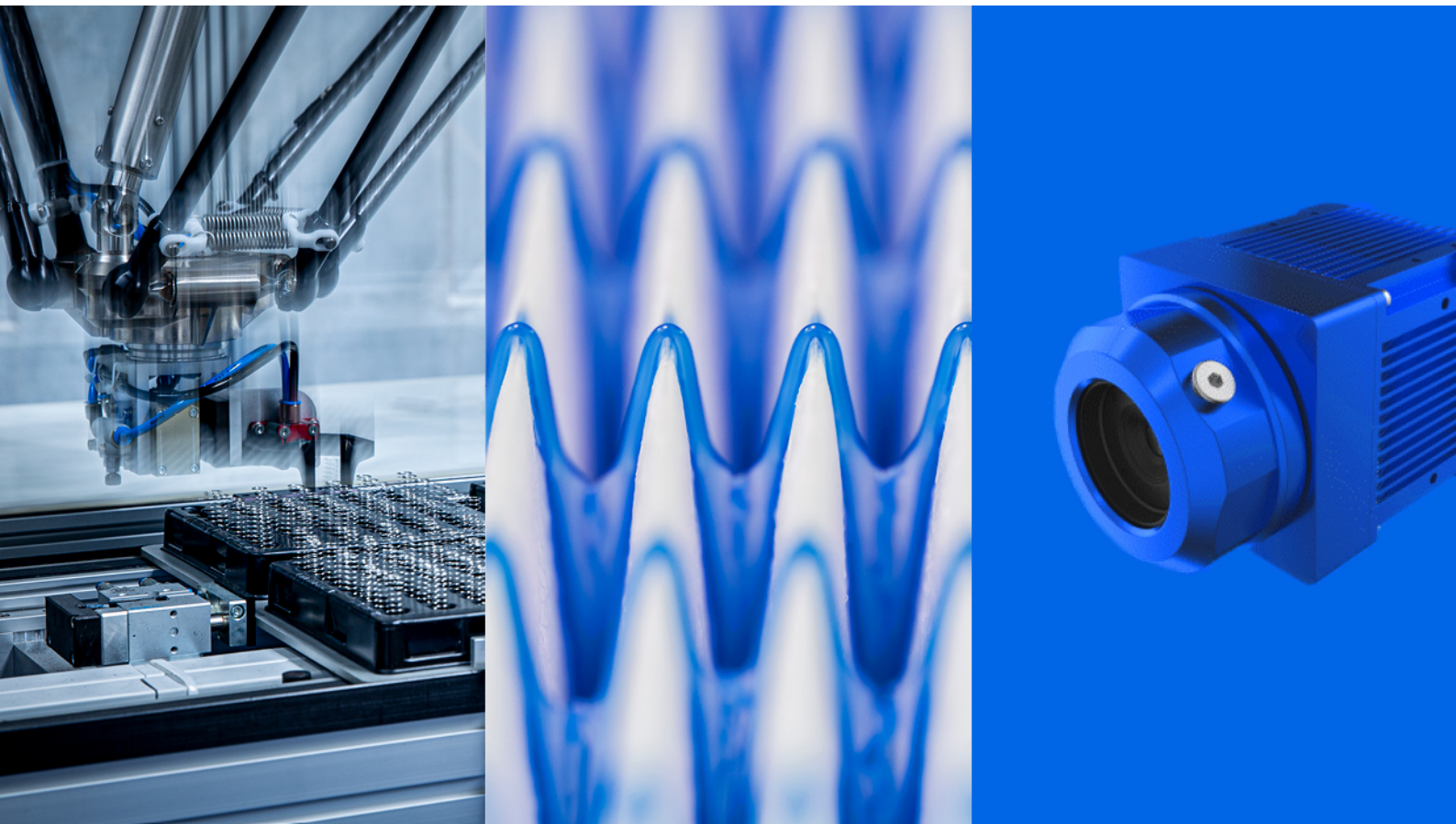




# ESG Policy

December 2025



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## 1. Our Commitment to ESG

We identify small to medium-sized industrial technology companies with sustainable high growth potential and enhance them together with ambitious entrepreneurs. In doing so, we seek to deliver superior risk-adjusted returns to institutional investors that have entrusted us with funds to be managed over a long-term horizon.

Since inception in 2007, PINOVA has been displaying a firm commitment to ESG with the denomination and the logo of the firm referring to a specialized German breed of apples that is characterized by high resource-efficiency.

We acknowledge that returns are not exclusively driven by financial dimensions but rather by a multitude of factors such as strategic degrees of freedom, future growth potential and sustainability of business model. Congruously, our interactions with portfolio companies, stakeholders thereof and investors are characterized by our commitment to integrity, sustainability and long-term orientation and we are convinced that this commitment constitutes a key pillar of our mandate to develop more valuable entities.

We consider it our fiduciary duty to integrate environmental, social and governance aspects as part of our responsible investment approach along all steps of the investment process and have ESG considerations deeply entrenched in our mission statement and corporate values.

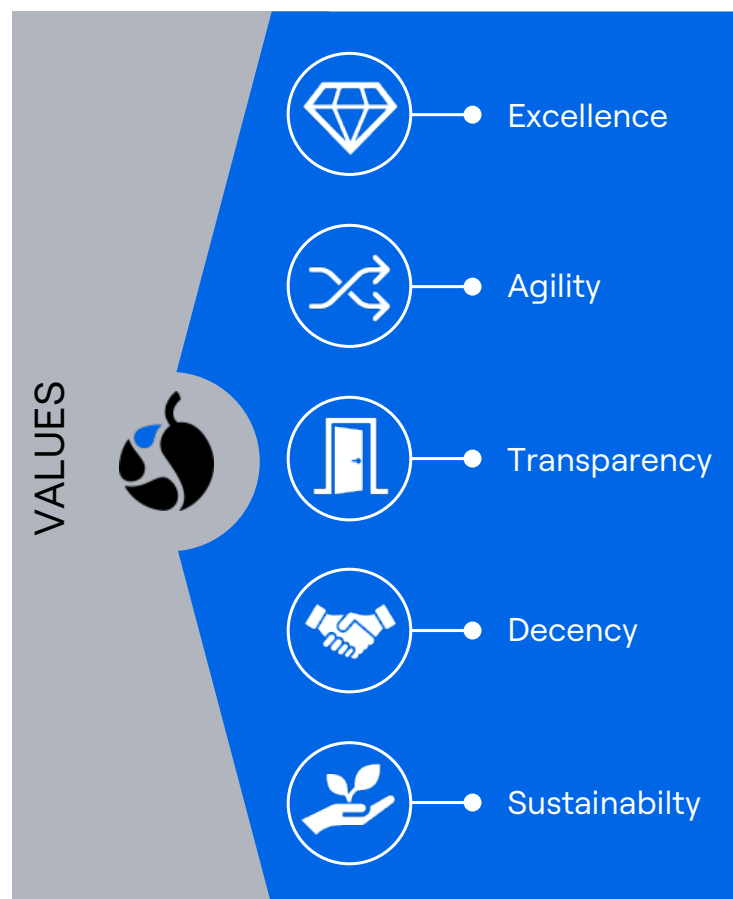


Figure 1: PINOVA Values

### 1.1 Our Motivation

We are aware of the responsibility for our portfolio companies, their workforce, customers, and other stakeholders and ultimately the communities they are embedded in. We commit to proactively fostering our portfolio companies in becoming more sustainable entities and regard this transition as core of our investment approach delivering lasting impact for businesses, shareholders, and communities. We furthermore believe it is our responsibility as investors to contribute to sustainable development in general and a transition to climate neutrality specifically in order to create a better future for the planet and the next generations.

## 1.2 Our ESG Principles

At PINOVA, we have developed a strong set of principles reflecting Responsible Investing, that are integrated within our investment processes. We have been a signatory of the UN Principles for Responsible Investment (PRI) since 2019 and adhere to the six principles for responsible investment:

- **Principle 1:** We will incorporate ESG issues into investment analysis and decision-making processes.
- **Principle 2:** We will be active owners and incorporate ESG issues into our ownership policies and practices.
- **Principle 3:** We will seek appropriate disclosure on ESG issues by the entities in which we invest.
- **Principle 4:** We will promote acceptance and implementation of the principles within the investment industry.
- **Principle 5:** We will work together to enhance our effectiveness in implementing the principles.
- **Principle 6:** We will report on our activities and progress towards implementing the principles.

We are convinced that these elements actively contribute to achieving our investment objectives.

For each environmental, social and governance category we have defined specific topics which we assess at different stages during the investment process. These topics are based on renowned ESG definitions such as from the Sustainability Accounting Standards Board (SASB), the UN PRI, the EU and the BaFin and are summarized in figure 2.



Figure 2: Definition of ESG

### Environment

PINOVA is committed to limit its own as well as the impact of its investments on the environment and supports the Paris Agreement. Before we invest in a company, we analyze any environmental damage that might be relevant to such an investment and identify potential value levers that could improve the environmental impact of the target. After acquiring a company, PINOVA focuses on efficiency in the use of raw materials, introduces programs to reduce scrap and/or limit the company's energy consumption by increasing production efficiency. Moreover, all our portfolio companies are expected to develop and implement their own Environmental policy in accordance with PINOVA's principles.

### *Focus Topic: Climate*

*PINOVA is dedicated to improving climate change mitigation and adaptation through internal measures at the firm as well as by assessing the impact of its potential targets on the climate and any potential risks or opportunities related to the influence of the climate on the company. After acquisition PINOVA will actively support its portfolio companies to become climate neutral.*

### **Social**

PINOVA strongly believes that the firm and its portfolio companies will only be successful, if the workforce enjoys a good working environment. PINOVA aims to promote human rights practices in the portfolio companies it owns, including:

- Considering employee working conditions such as minimum wages, working hours, health and safety of the workforce;
- Supporting the elimination of child labor including possible use of child labor by the suppliers to underlying portfolio companies;
- Avoiding discrimination e.g., based on age, race, gender, religion, sexual orientation or disability;
- Complying with international conventions on human rights.

### *Focus Topic: Diversity & Inclusion*

*PINOVA is especially committed to increasing diversity and inclusion within its own firm as well as at the portfolio companies. After acquisition we foster awareness about the topic at the portfolio companies and provide them with guidance on relevant measures aligned with the commitments of the Diversity Charter.*

### **Governance**

An essential part of PINOVA's Development System is the governance and management structure that is put in place for each portfolio company. The management and advisory board of each portfolio company are responsible for defining strategy and policy, and PINOVA expects this to include the setting of sound environmental, social and governance standards. Each company's management team is responsible for executing the strategy and running the daily operations of the company aligned with PINOVA's ESG policy. PINOVA supports management to promote a culture of compliance.

All our portfolio companies are expected to develop and implement their own Code of Conduct and Values and Ethics guidelines, in accordance with PINOVA's ESG principles.

### *Focus Topic: Transparency & Accountability*

*PINOVA puts a special focus on fostering transparency and establishing a culture of accountability in its portfolio companies. In this context, transparency is increased by development of monthly financial reporting guidelines and accountability is ensured by regular discussions between management and PINOVA. Apart from that, PINOVA installs a board that holds management accountable for implementation of the agreed upon value levers and assists in achievement thereof.*



## 2. ESG Integration in the Investment Process

PINOVA integrates ESG considerations along its whole investment cycle from sourcing until divestment preparation.

### 2.1 Sourcing

During the sourcing phase PINOVA applies positive and negative screening criteria to limit its investment universe according to its investment strategy and ESG commitment.

#### Positive screening criteria

PINOVA's investment strategy is focused on industrial technologies like high-tech components, smart systems and innovative materials as core sectors. Within these sectors investments are aimed at B2B business models with high growth potential and clear technological differentiation.

#### Exclusion of certain sectors

PINOVA applies an extensive list of exclusion criteria to avoid investments in business activities which are considered unethical, harmful to society and/or the environment, or in breach of laws or regulations. The full list of exclusion criteria is illustrated in Appendix I.

### 2.2 Preliminary Decision

The results of the positive and negative screening criteria are summarized and

integrated in the Introduction Memorandum and serve as basis (among other criteria) for the preliminary decision to continue with an indicative offer.

### 2.3 Transaction

During the transaction phase with increased access to the target and relevant information a detailed ESG assessment is conducted to identify any potential risks and opportunities. Based on a checklist, the status of the main sector specific ESG risks and value levers regarding the resources used, activities performed, and impact generated by the business is evaluated (see Appendix II). Moreover, potential climate risks are evaluated, and the company's potential harm and contribution to certain pre-selected UN Sustainable Development Goals (SDGs) and related targets is assessed (see Appendix III).

#### ESG assessment

The ESG assessment is structured along typical business model components as illustrated in figure 3, allowing relevant ESG aspects to be aligned with general business value drivers. It considers all components of the value chain, while flagging critical challenges and material risk factors, and highlighting value creation potentials.

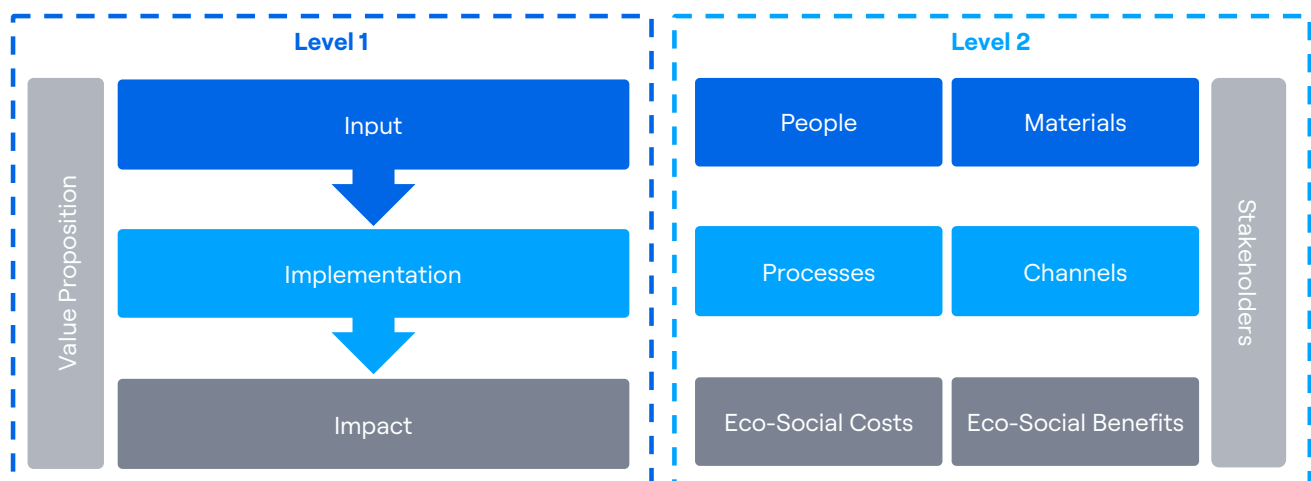


Figure 3: ESG assessment structured along business model components

Based on the results, clear recommendations are provided to define an ESG Roadmap for the holding period. A special focus is set on the identification of sector specific ESG Levers.

The topics described in figure 4 are addressed during the ESG assessment, thereby identifying the most promising ESG-related value drivers. These aspects are discussed with the target as part of the Value Roadmap Session I, a strategy workshop that PINOVA holds before each investment to align strategy with management and define key value levers for the investment period. In addition, the status on data availability regarding a specific set of ESG KPIs (incl. the Principal Adverse Impact indicators according to SFDR) is collected.

A detailed ESG Due Diligence is conducted in cases where the ESG assessment shows critical results or requires highly specific know-how. In this case, the support of external advisors will be used to assess the company-specific risks in order to prepare the final investment decision.

## High-level climate risk assessment

A basic climate risk assessment is conducted based on the TCFD (Task Force on Climate-related Financial Disclosures) approach. It is evaluated if any physical (chronic and acute) and/or transitional (related to technology, regulation, market, reputation) climate-related risks could affect the business operations of the target in the near and long-term future. Furthermore, it is assessed how the company manages or plans to manage these risks. In addition, potential climate-related opportunities are identified and evaluated how these could be leveraged as value drivers.

## SDG assessment

The ESG assessment is complemented by an assessment of relevant UN Sustainable Development Goals (SDGs). This assessment considers the whole business model including the supply chain of the company. It assesses any potential harm or contribution to the selected SDGs and targets.

	Environment	Social	Governance
High-tech components / innovative materials	<ul style="list-style-type: none"> <li>Sourcing sustainable materials</li> <li>Waste, water and energy management</li> <li>Integrating circular economy aspects in production processes and product development</li> <li>Increasing energy efficiency in industrial production processes through the technology</li> <li>Developing environmental technology</li> </ul>	<ul style="list-style-type: none"> <li>Social standards in the supply chain</li> <li>Employee diversity and inclusion</li> <li>Quality management</li> <li>Health and safety management</li> <li>Ease of technology use / training requirements</li> <li>Medtech solutions enabling new medical treatments</li> </ul>	<ul style="list-style-type: none"> <li>Integrity in the supply chain</li> <li>Code of Conduct</li> <li>Compliance controls and monitoring processes</li> <li>Product security</li> <li>Improved monitoring options through automation and measurement technology</li> </ul>
Smart systems	<ul style="list-style-type: none"> <li>Use of refurbished IT hardware</li> <li>Green data centers / cloud services</li> <li>Green coding</li> <li>Low impact websites / software</li> </ul>	<ul style="list-style-type: none"> <li>Recruiting and managing a global, diverse and skilled workforce</li> <li>Quality management</li> <li>Accessibility of the solution (e.g., open source)</li> <li>Promoting diversity, inclusion and equality through technology</li> <li>Contributing to the digitalization of the healthcare sector</li> </ul>	<ul style="list-style-type: none"> <li>Integrity in the supply chain</li> <li>Code of Conduct</li> <li>Ensuring data privacy</li> <li>IT security</li> <li>Contributing to cyber security</li> <li>Facilitating regulatory compliance</li> </ul>

Figure 4: Sector-specific ESG value levers

## 2.4 Investment Decision

The results of all three assessments are combined in an ESG section in the Investment Memorandum which later serves (among other criteria) as basis for the investment decision.

If a positive investment decision is made, an ESG Clause is included in the shareholder agreement. The ESG Clause can be individually adapted to each investment, it shall, however, aim to include the following general commitments for the holding period:

- Measuring, reducing, and compensating GHG emissions;
- Increasing diversity among management & employees;
- Implementing a Code of Conduct / Compliance Management System;
- Monitoring specific ESG KPIs & targets.

## 2.5 Portfolio Management

During the first 180 days after Closing, additional company specific ESG targets are defined together with the new portfolio company and agreed upon in the Value Roadmap Session II. A clear roadmap is established with specific recommendations to achieve the targets until exit. During the holding period progress towards achieving these targets is monitored through annual Value Roadmap Sessions.

## 2.6 Divestment Preparation

In preparation for the divestment at the end of the holding period a summary of the company's ESG performance is collected and provided to interested buyers in the data room. In certain cases where ESG is an important aspect of value creation, an optional ESG factbook can transparently document the progress made and targets achieved during the holding period, describe the status of the company, and highlight further value creation potentials for the future.

## 3. Reporting

Progress on the ESG performance and contribution to SDG Targets is integrated in our portfolio reporting in Q4 of each calendar year. With regards to the SDGs the relevant goals and targets for each portfolio company and how the company contributes or harms these targets (incl. relevant KPIs) is part of the reporting. Regarding the ESG performance, material ESG issues and opportunities will be reported where relevant. The above mentioned ESG and SDG topics will be integrated in regular Fund Reporting as well as external reporting on the company's website. Fund Reporting includes the reporting of any ESG incidents which occurred during the reporting period. Moreover, the status of the PAI indicators will be reported on an annual basis.

## 4. Internal Commitment and ESG Initiatives

PINOVA has been a signatory of the UN PRI since 2019 and adheres to the six principles for responsible investment. Moreover, the sustainable development goals (SDGs) are integrated in our ESG assessment framework. Our reporting of ESG data is aligned with reporting templates from well-known associations such as the European Data Convergence Initiative (EDCI), Invest Europe or the Task Force on Climate-related Financial Disclosures (TCFD).

### 4.1 Responsible Investment Governance Structure

Responsibilities for ESG are clearly assigned. One partner and the Director Value Creation & ESG have the overall responsibility for ESG at PINOVA on a strategic level. All investment teams are trained on the ESG related content and responsible for implementing the ESG processes defined in this policy.



## 4.2 Special Commitment to Climate

We do not only assess climate-related risks and the impact of our portfolio companies on the climate but are also internally committed to reducing our own carbon footprint. We calculate a carbon footprint of our own business activities as asset manager and have defined relevant reduction measures such as introducing a travel guideline which clearly encourages the use of public transportations instead of traveling by car or plane. We strive to continuously improve our impact on the climate and aim to become a climate-neutral company.

## 4.3 Special Commitment to Diversity

We are convinced that increased diversity in decision-making teams leads to increased profitability both at the portfolio and overall fund level. However, diversity rates are currently still considerably low in the Private Equity industry. We therefore promote diversity and inclusion as part of our employment strategy within our own organization. To raise awareness about this topic and actively contribute to increasing diversity we are a signatory of the Diversity Charter ("Charta der Vielfalt").



# Appendix I: Exclusion Criteria

## 1. Excluded Activities

Is the target involved with any of the following activities / products?		Answer	Comment
1.1	Any activity which directly or indirectly results in limiting people's individual rights and freedom or violation of human rights or non-compliance with the relevant applicable treaties, laws and regulations with respect thereto.	No	
1.2	Prisons and detention centres of any form (such as correctional institutions or police stations with detention facilities).	No	
1.3	Any activity known directly or indirectly to result in harmful or exploitative forms of forced labour or harmful child labour, as defined by the International Labour Organisation's Fundamental Labour Conventions.	No	
1.4	Any activity involving significant degradation, conversion or destruction of critical habitats.	No	
1.5	Conversion of natural forests into plantation. This includes irrigated forests, logging, clear cutting or degradation of (and commercial concessions over) tropical natural forests or high conservation value forests in all regions, as well as the purchase of logging equipment for this purpose.	No	
1.6	Unsustainable fishing methods not compliant with the EU laws and regulations (such as drift net fishing in the marine environment using nets in excess of 2.5 km in length and blast fishing).	No	
1.7	Extraction of mineral deposits from the deep sea.	No	
1.8	Extraction or mining of conflict minerals and metals.	No	
1.9	Any activity (i.e., any production, trade, financing or other activity) prohibited under the laws or regulations applicable in the EU or to the Partnership or the relevant Final Recipient, including without limitation (i) any products or activities subject to international phase out or bans and (ii) relating to the protection of biodiversity resources or cultural heritage.	No	
1.10	Any activity relating to the deliberate release of genetically modified organisms.	No	
1.11	Animal and human reproductive cloning.	No	
1.12	Any activity involving live animals for scientific and experimental purposes, including gene editing and the breeding of these animals.	No	
1.13	Sex trade and related infrastructure, services and media, including pornographic media information technologies and internet-related products, services, programs, and application.	No	
1.14	Any activity with political or religious purpose.	No	
1.15	Production of or trade in weapons and ammunition, including any explosives and sporting weapons.	No	
1.16	Tobacco: producing, manufacturing, processing or distribution of tobacco if more than ten percent (10%) of the annual revenues of the Final Recipient are generated from any of these activities.	No	
1.17	Gambling: gambling and related equipment, hotels with in-house casinos if more than ten percent (10%) of the annual revenues of the Final Recipient are generated from any of these activities.	No	

### Result

1. Excluded Activities Check completed

## 2. Restricted Activities

Is the target involved with any of the following activities / products?		Answer	Comment
2.1	Coal mining, processing, transport and storage.	No	
2.2	Oil exploration, production, refining, transport, distribution and storage.	No	
2.3	Natural gas exploration, production, liquefaction, regasification, transport, distribution and storage.	No	
2.4	Electric power generation, including thermal power stations, exceeding the Emissions Performance Standard (i.e., 250 grams of CO <sub>2</sub> e per kWh of electricity), applicable to fossil fuel-fired power and cogeneration plants. Geothermal plants operating at life cycle emissions higher than 100gCO <sub>2</sub> e/kWh.	No	
2.5	Nuclear energy and manufacturing within the nuclear industry (such as processing of nuclear fuel, uranium enrichment, irradiated fuel reprocessing). Research and development initiatives, information technology services and other supply chain activities (which include activities like non-hazardous waste cleaning, decommissioning, inspection services, etc) in the nuclear sector are not Restricted Activities.	No	
2.6	Research, development, production and/or commercialisation of equipment or infrastructure dedicated to military/police use.	No	
2.7	Construction and operation of secure and forensic units in health care facilities.	No	
2.8	For-profit projects in the education sector by kindergarten, primary and secondary schools located outside the European Union, EFTA or UK.	No	
2.9	Waste incineration; collection, treatment and disposal of hazardous waste.	No	
2.10	Any activity in the mining sector	No	
2.11	New and existing hydropower production and storage facilities.	No	
2.12	Unless subject to the Green Exception for items (1) to (10) only, the following energy-intensive and/or high CO <sub>2</sub> -emitting industries and sectors: (1) manufacture of carbon black, soda ash and chlorine (sub-activities of NACE 20.13: manufacture of other inorganic basic chemicals); (2) manufacture of other organic basic chemicals (sub-activity of NACE 20.14); (3) manufacture of plastics in primary forms (NACE 20.16); (4) manufacture of cement (NACE 23.51); (5) manufacture of basic iron and steel and of ferro-alloys (NACE 24.10); (6) manufacture of tubes, pipes, hollow profiles and related fittings, of steel (NACE 24.20); (7) manufacture of other products of first processing of steel (NACE 24.30, incl. 24.31-24.34); (8) aluminium production (NACE 24.42); (9) manufacture of conventionally-fuelled aircraft and related machinery (sub-activity of NACE 30.30); (10) conventionally-fuelled air transport and airports and service activities incidental to conventionally-fuelled air transportation, leasing and renting of aircraft (sub-activities of NACE 51.10, 51.21 and 52.23); and (11) manufacture of nitrogen compounds and fertilizers containing nitrogen compounds (sub-activities of NACE 20.15).	No	

### Result

2. Restricted Activities Check completed

## Appendix II: ESG Checklist

ESG	BM Part	Topic	Status	Comment	Initial Result	Key Value Creation Potentials	Key Potential Risks
	Value Proposition	Are ESG aspects integrated in the vision and strategy of the company?	●		VP		
Environmental	Input	Sourcing sustainable materials (e.g. use of refurbished IT hardware, no conflict minerals)	●		Environmental		
		Selection of environmentally-friendly suppliers (e.g. green data centers / cloud service providers)					
		Waste, water and energy management (incl. Hazardous materials)	●				
	Implementation	Integrating circular economy aspects in production processes and product development	●				
		Green coding					
		Climate change adaptation and mitigation measures					
	Impact	Potential negative impact on the environment (e.g. land degradation, biodiversity loss)					
		Potential positive environmental impact of the product/service (e.g. environmental technology, increasing energy efficiency in industrial production processes, low impact website / software)					
Social	Input	Labour standards in the supply chain			Social		
		Employee diversity & inclusion					
	Implementation	HR Management (incl. Employee attraction, retention, engagement and development)					
		Quality Management					
		Social considerations in product development (e.g. accessibility of the solution)					
		Marketing communications / Ethical Marketing					
		Health & Safety Management					
	Impact	Potential positive social impact of the product/service (e.g. med tech solution enabling new medical treatments, digitalization of healthcare sector)					
		Customer satisfaction & product safety (incl. Usability)					
		Government and community relations					
Governance	Input	Integrity in the supply chain			Governance		
		Code of Conduct (incl. anti-corruption and anti-competitive behaviour)					
	Implementation	Compliance controls and monitoring processes					
		Ensuring data privacy & IT security					
		Reporting & Transparency					
		Executive remuneration & Succession planning					
	Impact	Potential positive impact of the product/service (e.g. improved monitoring options through automation and measurement technology, facilitating cyber security or regulatory compliance)					
		Stakeholder dialogue (e.g. to avoid any potential negative impact)					

## Appendix III: SDG assessment

Does the product / service of the target potentially contribute and/or harm any of the SDGs? [Please rate the impact on a scale from 0 = no impact to 3 = highly significant impact]

Goal	Target	Description	-	+	Comment
<b>Ensure healthy lives and promote well-being for all at all ages</b>					
3	3.8	Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all		2	
<b>Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all</b>					
8	8.2	Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labour-intensive sectors		3	
	8.4	Improve progressively, through 2030, global resource efficiency in consumption and production and endeavour to decouple economic growth from environmental degradation, in accordance with the 10-Year Framework of Programmes on Sustainable Consumption and Production, with developed countries taking the lead		1	
<b>Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all</b>					
9	9.4	By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities		1	
	9.5	Enhance scientific research, upgrade the technological capabilities of industrial sectors in all countries, in particular developing countries, including, by 2030, encouraging innovation and substantially increasing the number of research and development workers per 1 million people and public and private research and development spending		3	
<b>Ensure sustainable consumption and production patterns</b>					
12	12.2	By 2030, achieve the sustainable management and efficient use of natural resources		2	
	12.5	By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse	1		

