

# ESG REPORT 2023

MAJ INVEST EQUITY 5 K/S







<b>INTRODUCTION</b>	<b>4</b>
<b>PORTFOLIO COMPANIES</b>	
Icoteria	6
TourCompass	8
Sovino Brands	10
Roll-o-Matic	12
Good Food Group	14
Wendelbo	16
Ferm Living	18
Genan	20
N'age	22
<b>APPENDIX 1 - ESG POLICY</b>	<b>24</b>
<b>APPENDIX 2 - UN GLOBAL COMPACT</b>	<b>25</b>
<b>APPENDIX 3 - EXCLUSION LIST</b>	<b>26</b>



MAJ INVEST

BUTIK

STANDSTREDE 18

GARDE

# INTRODUCTION

Maj Invest Equity A/S (“MIE”) is a part of the Maj Invest Group, founded in 2005. MIE manages various private equity funds. MIE’s Danish private equity team (“MIE-DK”) manages private equity funds primarily investing in unlisted equities in Denmark and is among the largest private equity advisors in the small and medium-sized enterprise segment in Denmark. Apart from MIE, the Group also comprises the asset management company Fonds-mæglerselskabet Maj Invest A/S, with a total of DKK 81 billion in assets under management (April 2024).

At MIE-DK, we nurture the growth of small and mid-sized companies through an investment approach rooted in long-term partnerships. Our many years of experience, extensive knowledge, and wide network of external operating partners from investments in Danish companies provide a strong foundation for our work.

We collaborate with portfolio companies to establish ESG key performance indicators (KPIs) that are relevant to their specific business areas and stages of maturity, using the Sustainable Development Goals as a framework. We provide expertise and research to help set these goals and follow up on them annually. The findings of these efforts are reflected in this report.

## ESG-focused initiatives

Throughout the year, MIE-DK, as part of the Maj Invest group, has sharpened its sustainability focus on four key pillars: climate, environment, diversity, and inclusion. This focus has extended to Maj Invest Equity 5 K/S (“MIE 5” or “The Fund”). In 2023, inclusion was a central theme at our annual Maj Academy, aimed at educating our investment and management teams. This initiative builds upon our 2022 focus on the broader ESG agenda. The insights gained were incorporated by our portfolio companies, such as Sovino, which included diversity and inclusion in its 2023 ESG strategy.

Another notable sustainability achievement was made by our portfolio company Genan, a leading global recycler of end-of-life tires. In 2023, Genan mapped out its CO2 baseline, conducted a double materiality assessment, and committed to reducing its CO2 emissions in line with the Science-Based Targets initiative, with the assistance of a sustainability consulting firm.

## Moving forward

Throughout 2024, our primary objective will be to strengthen and institutionalize ESG enhancements within our portfolio companies. This entails prioritizing ongoing progress monitoring and enhancing transparency regarding our key focus areas.

<b>MIE 5 at a glance</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Total number of employees	2,316	2,447	2,580
Companies with ESG policies	78%	78%	78%
Underrepresented gender on board of directors	18%	29%	27%
Underrepresented gender in management roles	29%	31%	35%
Incidents of corruption	0	0	0

# ICOTERA

Sector	Information Technology
Initial investment date	03.2017
Web	icoteracom
Ownership	67%
Employees	124
Underrepresented gender at board level	0%
Staff turnover	26%
Absenteeism rate	4%
Workplace accidents	1
Member of UN Global Compact	No



Founded in 2007, Icotera is a leading European developer and provider of fiber-to-the-home CPE gateway and router solutions, distributing products directly to fiber network operators and internet service providers. The company is headquartered in Copenhagen, Denmark, and has an R&D facility in Poland.

Through its solution-oriented business approach, Icotera has become the leading player in the Danish market, expanding its sales across multiple European markets in recent years. This growth has been driven by unique hardware and software solutions tailored to individual customer needs, alongside growth in the European fiber-to-the-home market.

## Sustainability Overview

As a company primarily engaged in the development and manufacturing of hardware products, Icotera recognizes the increasing importance of environmental and social externalities associated with the product life cycle, encompassing manufacturing, transportation, usage, and disposal. Consequently, Icotera has been focusing on designing products with enhanced energy efficiency, viewing this as a strategic differentiator. Additionally, the company is committed to refurbishing products to conserve virgin plastic and

components. By doing this, Icotera aims to become a strategic partner on customers' green transformation journeys.

Other focus areas for the company include employee diversity and inclusion to obtain innovation and capture demand from a diverse population, supply chain management, and materials sourcing.

In line with this, Icotera has developed an ESG strategy consisting of four key pillars: "Minimizing the lifecycle impact of products," "Reducing the climate impact of operations," "Respecting and developing talent," and "Ensuring responsibility across the supply chain."

## Milestones

In 2023, Icotera introduced a Wi-Fi 6 CPE solution made from 98% recycled plastic. Through subsequent software updates, the company managed to enhance the energy efficiency of the access points within this solution. As a result, there has been a reduction in power consumption, ranging between 10 and 15%.

Icotera experienced a slower rollout than expected, which explains why the company did not reach its 2023 target of refurbishing 25,000 units. However,



**Icoteria 2024 KPIs**

**100%**  
supplier signatories to the CoC

**20,000**  
refurbished units

more than 20,000 units were refurbished, and the company aims to maintain this level in 2024, though depending on the pace of the shift in technology. Icoteria’s refurbishment rate is disclosed through Elre-tur, handling the producer liability for electronics in the EU and UK.

Gender diversity is a general issue in the hardware and software industries, which are largely male-dominated. In striving to achieve its 2023 target of 30% representation of women in leading positions, Icoteria faced challenges. To address these challenges, Icoteria supports flexible work arrangements, aimed at fostering an inclusive culture and work-life-balance.

**Future Sustainability Outlook**

Looking ahead, Icoteria maintains its focus on designing energy-efficient products. With the upcoming Wi-Fi 7 solutions, Icoteria prioritizes energy efficiency while maintaining high performance. This includes dynamically adjusting transmission power to minimize interference and power consumption. Additionally, the Wi-Fi 7 CPEs will be made from 98% recyclable plastics. Furthermore, in 2024, Icoteria aims to partner with suppliers to remove single-use plastics from CPE packaging and incentivize customers to opt for recycled plastic CPEs by offering them at competitive prices.

Lastly, in 2024, Icoteria has hired a dedicated ESG manager to strengthen the company’s sustainability expertise, reporting and communication.

This year’s targets	This year’s performance
30% underrep. gender in leading positions	25% underrep. gender in leading positions
100% supplier signatories to the CoC	100% supplier signatories to the CoC
25,000 refurbished units	20,809 refurbished units



# TOURCOMPASS

Sector	Consumer Discretionary
Initial investment date	07.2017
Web	tourcompass.dk
Ownership	61%
Employees	44
Underrepresented gender at board level	25%
Staff turnover	4%
Absenteeism rate	4%
Workplace accidents	0
Member of UN Global Compact	Yes



TourCompass specializes in adventure tours to Africa, Latin America, Asia, and Australia, promoting its offerings through websites and personalized advice from seasoned travel consultants, with clientele from the Nordics, Germany, UK, and the Netherlands.

TourCompass, based in Aarhus, Denmark, has developed solid competencies in digital marketing and proprietary software, enabling efficient client service and high productivity. This digital approach, coupled with travel experience and notable customer satisfaction, are drivers of the company's success.

## Sustainability Overview

Specializing in overseas tours involving air travel and nature excursions, TourCompass recognizes the environmental and social challenges linked to GHG emissions, energy management, ecosystems, biodiversity, and community relations. Therefore, TourCompass acknowledges the opportunity to drive positive development in the countries it travels to.

The company prepares annual climate reports and has developed an ambitious carbon reduction plan aligned with the SBTi, ensuring credibility and transparency.

Moreover, many of the company's tours go to places in the world where people have significantly lower living standards, and TourCompass' tours create jobs, economic growth, increased educational opportunities, and better living conditions, while also respecting the local communities.

Other material risks for TourCompass include customer safety, workforce health and safety, as well as accident management.

In addressing these challenges, TourCompass has outlined four key sustainability focus areas: Reducing carbon emissions throughout tours, supporting disadvantaged local communities, prioritizing animal welfare, and upholding decent conduct that adheres to conventionally accepted standards of propriety and morals.



### Milestones

As previously noted, TourCompass aligns its climate goals with the Paris Agreement, aiming to decrease total GHG emissions by 2030 and achieve net-zero emissions related to their tours by 2050. To facilitate this process, in 2023, the company focused on its own offices and successfully transitioned all electricity purchases at its Danish office to 100% renewable energy.

Furthermore, in 2023, TourCompass collaborated with its partners to eliminate traditional paper vouchers in Peru, Ecuador, and Colombia. Additionally, TourCompass discontinued excursions, such as shark diving in South Africa and dolphin watching in Bali, that did not align with their animal welfare policy. Instead, they focused on supporting recognized reserves and rescue centers endorsed by World Animal Protection.

In 2023, the company supported 5 projects benefiting local communities, including the Masai Pre-school in Tanzania. TourCompass partnered with the NGO Zara Charity to construct the school, donated the kitchen building, and provides monthly contributions for free preschool, meals, and clothing for Tanzanian children.

### Future Sustainability Outlook

In 2024, TourCompass will continue its efforts to reduce CO2 emissions related to its travels, focusing on three key areas: international flights, hotels at destinations, and transportation at destinations.

### TourCompass 2024 KPIs

# 10

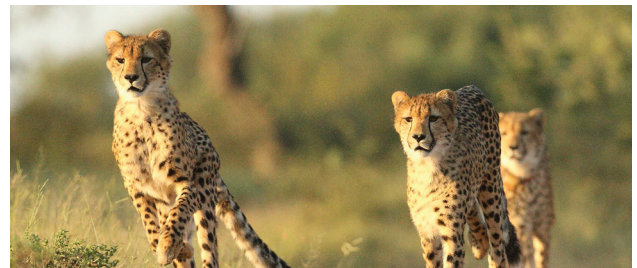
new projects supporting local communities

Introduce electric vehicle transportation at one destination.

Develop a flight booking policy supporting airlines with CO2 targets

During 2024, the company aims to develop a clear flight policy, map the emissions of their 10 best-selling hotels, replace car travel with train travel on one of their best-selling tours, and introduce electric vehicle transportation at one destination.

Furthermore, they will introduce biodiversity as an additional key focus area and increase their focus on conserving threatened ecosystems.



### This year's targets

5 new projects supporting local communities

Uphold World Animal Protection guidelines on 100% of tours

### This year's performance

5 new projects supporting local communities

Upheld World Animal Protection guidelines on 100% of tours

# SOVINO BRANDS

Sector	Food Service
Initial investment date	09.2017
Web	sovinobrands.dk
Ownership	50%
Employees	695
Underrepresented gender at board level	40%
Staff turnover	37%
Absenteeism rate	5%
Workplace accidents	13
Member of UN Global Compact	Yes



Sovino Brands (Sovino) is a restaurant group consisting of 18 restaurants strategically located in the city center of Copenhagen. Each restaurant has its own distinct concept and independent brand, and they all fall within the casual fine dining segment. On a day-to-day basis, the restaurants are operated independently by individual head chefs and restaurant managers, while backed by centralized administration at group level.

## Sustainability Overview

Sovino aims to integrate sustainability into every aspect of the value chain, from sourcing locally to treating employees fairly, offering sustainable menu options, and managing waste responsibly. The ambition is not only to act responsibly across the entire value chain but also to consistently provide consumers with sustainable choices.

As a company operating within the food service sector, specifically in restaurant operations, energy management is a critical focus for Sovino. Kitchen appliances and temperature-controlled dining areas in restaurants are energy-intensive. Furthermore, restaurants generate significant amounts of waste, posing additional material risks, with food waste leading to resource loss and greenhouse gas emissions, and packaging waste arising from suppliers.

In line with this, Sovino developed an ESG strategy in 2023. This strategy addresses these issues and is structured across three pillars: “green transition,” “well-being and diversity,” and “community.”

Within the green transition pillar, the company will focus on energy efficiency, waste management, and sustainable menus, aiming to reduce food waste and source more ethically produced meat from local suppliers and organic food and beverage producers.

The well-being and diversity pillar, along with community initiatives, encompasses efforts to ensure fair and consistent labor practices, promotes a diverse workforce, makes donations, and supports and motivates young people to consider a career path as a trained chef.

## Milestones

During 2023, the company initiated several projects aligned with the strategic focus areas outlined in the ESG strategy.

Within waste management, Sovino introduced an improved waste sorting system in March 2023. By December 2023, Sovino’s recycling rate soared from 38% to 76%, while landfill waste plummeted from 15% in

2022 to just 2% in 2023. As part of this initiative, the company is shifting from heavy reliance on disposable cloths to using laundered and reusable micro-fiber and composite fiber cloths, significantly reducing waste output.

In 2023, diversity and inclusion became strategic priorities for Sovino, prompting the launch of initiatives to promote them. These included a talent program to seek qualified female candidates and support their advancement into management roles. Partnerships were also established with a focus, among other things, on recruiting female trainee chefs.

In addition to the aforementioned focus areas, a key priority has been to establish clear processes for data collection in areas such as sustainable menus and food production

**Future Sustainability Outlook**

In 2024, Sovino will continue to implement its ESG strategy. This includes, among other projects, developing a CO2 baseline to measure its emissions. Additionally, the company will focus on creating sustainable menu options, with a strong focus on reducing food waste at each of its restaurants.

Additionally, as part of the "Next Gen Gastro" project, Sovino will require all restaurants to take in trainee chefs in 2024.

**Sovino Brands 2024 KPIs**

**100%**

established restaurants to take in trainee chefs

**35%**

underrepresented gender in management roles

**20%**

reduction in energy consumption

Increase "very satisfied" employees by 12% to reach a total of 35%, while maintaining overall satisfaction at a high level

**75%**

waste for recycling



This year's targets	This year's performance
100% renewable energy	100% renewable energy
6 KPIs under SDGs 12 and 13 with a focus on organic, local, and animal welfare products	The data collection for these KPIs is still in progress but remains a top priority
20% reduction in energy consumption	11% reduction in energy consumption
70% waste for recycling	69% waste for recycling

# ROLL-O-MATIC

Sector	Food Service
Initial investment date	11.2018
Web	roll-o-matic.com
Ownership	82%
Employees	79
Underrepresented gender at board level	14%
Staff turnover	10%
Absenteeism rate	5%
Workplace accidents	1
Member of UN Global Compact	No



Roll-o-Matic (RoM) is a Danish engineering business that develops, assembles, and sells highly automated, high-speed converting machinery for the production of bags and film on rolls. The company has a proud tradition of building technologically advanced, flexible, and high-quality film converting equipment. Both production and development are located in Denmark, and products are distributed to more than 60 countries worldwide. RoM's recent success is attributable, among other factors, to its ability to develop machinery capable of producing roll bags and film from recycled material and biodegradable or compostable film.

## Sustainability Overview

RoM has an ESG ambition to become the industry leader in providing technology solutions, enabling customers to operate as sustainably as possible to support the circular economy. This commitment is underscored through a dedicated focus on improving energy efficiency and promoting the conversion of recycled plastics within its technology solutions.

Recognizing the resource-intensive nature inherent in production and manufacturing processes, RoM has a prioritized focus on energy management and material sourcing as critical operational priorities.

Furthermore, RoM views product design and lifecycle management as an opportunity to limit the consumption of raw materials. By repurposing items that would otherwise be discarded, the company seeks to both add value and reduce waste.

Both factors are crucial competitive parameters, as well as areas where RoM believes it can make the most significant impact on the environmental agenda.

Other key topics for RoM include employee health and safety, as well as gender diversity. The industrial machinery industry is heavily male-dominated, making gender diversity a high priority for the company to maintain its innovation within the machinery industry.

## Milestones

In line with RoM's primary ESG objectives, in 2023, the company prioritized improving the data related to energy consumption under conditions mirroring actual production settings. This effort aimed at intensifying the company's commitment to energy efficiency, empowering customers to calculate their CO2 emissions throughout their operational processes.

Additionally, the company has been running projects to update the machinery used in the manufacturing processes to convert raw materials into finished products. These upgrades are aimed at prolonging the equipment’s lifespan both in terms of its physical conditions and its technological capabilities.

In 2023, the company continued to work towards achieving better gender distribution. The numerical count of women increased by 50%, particularly in areas traditionally dominated by men. In production, there has been an influx of female labor in the electrician department and warehouse, and the company has also hired a female service engineer.

#### Future Sustainability Outlook

In early 2024, the company initiated a process with an external advisor to develop a roadmap for RoM’s future green agenda, extending 3 to 5 years into the future. This initiative aims to strengthen and enhance the company’s ESG efforts with the goal of becoming the industry leader in providing energy-efficient technology solutions, thereby enabling customers to operate in a more sustainable way.

#### Roll-o-Matic 2024 KPIs

**2**  
trainees

**75**  
training days

**10%**  
reduction in energy

**1**  
large innovation

**60%**  
waste for recycling



This year’s targets	This year’s performance
Ensure educational opportunities by hosting two trainees throughout the year.	The company successfully achieved its goal, hosting two trainees in 2023.
Offer 75 days of employee training opportunities.	The company surpassed its goal, dedicating 92 days to training sessions.
Lower the energy consumption in relation to turnover.	The company surpassed its goal with 8%.
Develop one large-scale technological innovation to ensure higher productivity.	The company improved energy efficiency by enhancing production-related energy consumption data, enabling customers to calculate CO2 emissions.
Increase percentage of total waste delivered for recycling.	The company delivered 55% waste for recycling and did not reach its goal.

# GOOD FOOD GROUP

Sector	Consumer Staples
Initial investment date	01.2019
Web	goodfoodgroup.com
Ownership	64%
Employees	616
Underrepresented gender at board level	17%
Staff turnover	20%
Absenteeism rate	7%
Workplace accidents	24
Member of UN Global Compact	Yes



Good Food Group (GFG) crafts a diverse selection of food items, spanning from jams and honey to frozen fruits, condiments, nuts, oats, and dairy alternatives. These products are sold in more than 70 countries under the company's own brands such as Jakobsens, Svansø, and Skælskør, as well as through private label arrangements with retail and food service partners. Established in 1951, GFG is headquartered in Vejle, Denmark, with production facilities in Denmark, Sweden, Norway, and Poland, complemented by sales offices in the US and Germany.

## Sustainability Overview

GFG is dedicated to helping customers make responsible choices by providing sustainable products that are of consistent high quality and excellent taste. As a participant in the UN Global Compact, the company demonstrates its commitment to sustainability. GFG actively works to minimize its environmental impact, quantifying its scope 1 and 2 emissions and in the data collection process for scope 3.

The company's sustainability initiatives are centered on three key domains: Climate & Environment, Products & Production, and Workplace. This allows GFG to focus on areas where the company can make the

most significant impact while ensuring a consistent approach to sustainability across its operations.

As a producer of processed food, GFG faces material energy risks resulting from large energy-intensive manufacturing facilities for cooking, refrigerating, and packaging. These processes are also heavily reliant on water, introducing further risk.

Other material risks for GFG include nutritional and health concerns such as obesity, product labeling and marketing, packaging lifecycle management, and environmental and social impacts of its ingredient supply chain.

## Milestones

Addressing material ESG risks, GFG has prioritized energy optimization by implementing energy-saving strategies and upgrading equipment in its factories. In 2023, GFG achieved a 6.5% increase in energy optimization compared to the previous year.

CO2 reduction efforts were also highlighted throughout the year. For example, at one factory, GFG emissions were significantly reduced by transitioning from an oil-fired steam boiler to one fueled by wood

pellets. Additionally, adjustments were made to the packaging for jams, resulting in a reduction of transportation requirements by up to 30%.

GFG initiated projects aiming to minimize packaging consumption and deliver sustainable solutions, aligning with customer expectations and EU regulations.

Lastly, in 2023, GFG increased its attention to safety and accidents, resulting in an increased number of reported work accidents. Safety and accident prevention now top the agenda at weekly factory meetings.

The company is implementing measures to register “near accidents” to differentiate them from actual accidents, aiming to learn from these and reduce work-related accidents.

### Future Sustainability Outlook

In 2024, GFG intends to commit to CO2 reduction targets for all its subsidiaries through the SBTi.

Additionally, the company will continue its energy optimization efforts, conducting energy audits and exploring opportunities for green transitions. Lastly, through newly launched sustainable packaging projects, GFG will prioritize the integration of recyclable and recycled materials, such as aluminum foil and plastic, into its packaging materials.

### Good Food Group 2024 KPIs



This year's targets	This year's performance
Energy optimization of min. 5% against 2022	Energy optimization of 6.5% against 2022
Max. 10 work accidents with sick leave	24 work accidents with sick leave
55% recyclable foil & 55% recyclable plastic products	50% recyclable foil & 55% recyclable plastic products
10 waste fractions on all sites in average	9 waste fractions on all sites in average
95% supplier signatories to the CoC	80% supplier signatories to the CoC

# WENDELBO

Sector	Consumer Discretionary
Initial investment date	02.2019
Web	wendelbo.dk
Ownership	67%
Employees	526
Underrepresented gender at board level	25%
Staff turnover	35%
Absenteeism rate	2%
Workplace accidents	10
Member of UN Global Compact	No



Founded in 1955 as a small family upholstery workshop, Wendelbo has transformed over six decades and three generations into an international design company. True to its roots in uncompromising upholstery, Wendelbo seamlessly integrates Danish design heritage with a forward-thinking approach, setting itself apart by exploring beyond traditional boundaries. Collaborating with acclaimed international designers, the company offers a collection that bridges skilled craftsmanship, high quality, and a sophisticated, international design signature.



Today, Wendelbo's furniture is distributed worldwide through a network of over 200 partners, with North America being the largest market. Production takes place in Wendelbo's own facilities in Vietnam, and the company opened its first showroom in Copenhagen in 2020.

## Sustainability Overview

As an international design company, Wendelbo faces material energy and CO2 emission risks due to energy-intensive manufacturing processes in its supply chain. Another key aspect of operating as an international design company is maintaining quality and safety standards across its product line.

In line with these challenges, Wendelbo is committed to minimizing its environmental footprint and promoting sustainable practices. To uphold this commitment, the company has established five sustainability commitments known as the "5 C's": Conscious design, Considered materials, Climate and CO2 transparency, Caring Community, and Codes of conduct. These commitments serve as an outline for tangible and coherent action.

## Milestones

As part of implementing the 5 C's, Wendelbo partnered with Målbar in 2022 to facilitate the calculation of each item's total CO2 footprint. Through this tool integration, Wendelbo successfully screened 17 out of 50 product families in 2023. The company aims to screen all product families by 2025 as part of its ongoing efforts in climate and CO2 transparency.





**Wendelbo 2024 KPIs**

**80%**

supplier signatories to the CoC

**4%**

weight of waste in relation to turnover

In furtherance of climate and CO2 transparency goals, all Danish Wendelbo offices and showrooms transitioned to operating solely on 100% renewable energy by 2023. Additionally, 70-80% of energy needs at Wendelbo’s production facilities in Vietnam are now met through solar power, aligning with the company’s commitment to achieve 100% renewable energy across all facilities by 2030.

As part of Wendelbo’s code of conduct commitment, the company subjected its production facilities to BSCI audits in 2023. BSCI audits ensure fair labor practices, safe working conditions, and environmental protection within supply chains. Wendelbo achieved a high rating, demonstrating its dedication to upholding industry standards.

**Future Sustainability Outlook**

Continuing its focus on climate and CO2 transparency, Wendelbo’s priority for 2024 is to map both its direct and indirect CO2 emissions, aiming to develop strategies for effectively reducing its CO2 footprint.

Furthermore, Wendelbo is working towards achieving FSC® certification as a company by 2026. This certification represents a commitment to supporting well-managed forests and biodiversity conservation, ensuring a more sustainable and ethical global supply chain.

In 2024, Wendelbo will also increase its focus on inclusion by creating opportunities for elderly and disadvantaged individuals.

**This year’s targets**

50% underrepresented gender in management roles

70% supplier signatories to the CoC

0.5% recycled materials in relation to total production

5.65% weight of waste in relation to turnover

**This year’s performance**

50% underrepresented gender in management roles

70% supplier signatories to the CoC

The company has not been able to set up a data collection process for this indicator

4.06% weight of waste in relation to turnover

# FERM LIVING

Sector	Consumer Discretionary
Initial investment date	12.2020
Web	fermliving.com
Ownership	71%
Employees	76
Underrepresented gender at board level	40%
Staff turnover	22%
Absenteeism rate	3%
Workplace accidents	0
Member of UN Global Compact	Yes



Founded in 2006, ferm LIVING is a Danish design brand that combines authentic design with responsible thinking to craft sincere collections for your home. Offering furniture, accessories, and lighting for all rooms, ferm LIVING creates pieces that celebrate life's contrasts.



The brand values authentic design, clear functionality and is dedicated to designing for longevity. From materials and processes to production and delivery, they strive to help shape a sustainable future, making it easier for customers to make responsible choices. ferm LIVING designs are available in over 85 countries, with primary markets in Europe, Australia, and North America.

## Sustainability Overview

ferm LIVING inspires change by empowering customers to make responsible choices when designing

homes that blend personality with a sustainability mindset. ferm LIVING advocates for improved practices, fostering enduring relationships based on mutual value creation, transparent communication, and considerate behavior.

Guided by its responsibility ambition and nine 2030 Commitments spanning planet, society, and community pillars, ferm LIVING works comprehensively to embed sustainable practices throughout its operations. These commitments ensure a cohesive approach to sustainability, influencing business behavior, material selection, production methods, and delivery logistics.

As an interior design company, ferm LIVING faces risks related to material usage, energy consumption, and CO2 emissions due to the energy-intensive nature of its manufacturing processes. Additionally, its global supply chain introduces material risks associated with a diverse group of suppliers. Advancing a circular economy, maintaining quality and safety standards, and attracting and retaining a skilled workforce are further material risks for a company operating in this sector.

### Milestones

In 2023, ferm LIVING addressed key ESG risks, especially through a prioritized focus on supply chain management, responsible products and climate impact, among others.

ferm LIVING has developed a framework called ‘Responsible Suppliers’ to increase sustainable and responsible practices throughout its supply chain. To earn the classification of a ‘Responsible supplier,’ adherence to certifications such as BSCI SA 8000, FSC, and GOTS is mandatory, reflecting the suppliers’ commitment to ferm LIVING’s sustainability mission. As of 2023, 54% of the company’s suppliers met these criteria and were classified as ‘Responsible suppliers’.

ferm LIVING uses Målbar’s Climate Screening Tool to measure the CO2 footprint of its products and materials. In 2023, the company conducted almost 200 product climate screenings. Using the tool, managers can conduct initial screenings of materials and designs to understand the impact, allowing them to make responsible and informed choices early on. Exceeding its 2023 target of conducting 100 climate screenings, the company has made substantial progress in laying the groundwork for establishing a CO2 baseline. This effort marks an important step toward setting CO2 reduction targets.

### ferm LIVING 2024 KPIs

60%

responsible suppliers

36%

responsible products

Establishing a CO2-baseline

### Future Sustainability Outlook

Using Målbar’s Climate Screening estimate of ferm LIVING’S total collection, a CO2 baseline will be established to analyze its full impact (scope 1, 2, and 3) by summer 2024.

Additionally, ferm LIVING is intensifying efforts to promote recycled materials and aims to obtain the Global Recycling Standard certification, ensuring independent verification of each supply chain stage from recycling to final product. Read more in the company’s Responsibility report 2023.

This year’s targets	This year’s performance
32% responsible products	33% responsible products
Claim rate <1.5%	Claim rate 1.1%
% Styrofoam usage	3% Styrofoam usage
40% responsible suppliers	54% responsible suppliers
Climate screenings of 100 products	Climate screenings of almost 200 products
Team engagement survey participation >90% and score 4.07	Team engagement survey participation >95% and score 4.1
Retention rate >90%	Retention rate 78%
<1.0% airfreight	0.5% airfreight

# GENAN

Sector	Industrials
Initial investment date	10.2021
Web	genan.dk
Ownership	51%
Employees	330
Underrepresented gender at board level	40%
Staff turnover	15%
Absenteeism rate	9%
Workplace accidents	1
Member of UN Global Compact	Yes



Genan is the world's largest recycler of end-of-life tires (ELT), headquartered in Viborg and operating three other factories in Germany, Portugal, and the USA. Genan specializes in producing and selling rubber powder, granulates, pellets, and steel, all recovered through an advanced recycling process ensuring high-quality end products.

Genan's recycling process transforms worn-out tires into new rubber and steel, significantly impacting the climate and environment positively. By reusing materials, Genan operates at a high level of the waste hierarchy, reducing CO2 emissions and addressing environmental issues associated with tire disposal.

## Sustainability Overview

At its core, Genan is committed to recycling ELTs in the most environmentally beneficial manner, turning them into valuable resources. Operating at full capacity, Genan can process over 400,000 tons of tires annually, resulting in a significant reduction of CO2 emissions by 280,000 tons each year.

However, energy and GHG emissions pose material risks to Genan. Its production relies on energy-intensive processes, and the company's use of vehicles,

electricity, and heating exacerbates these risks. In response, Genan measures its scope 1, 2, and 3 emissions and assists customers in quantifying their CO2 impact, thereby enhancing transparency.

Additionally, air, water, and soil pollution, microplastics from sold products, and resource use and outflow are additional material concerns for Genan. These concerns prompted the company to commit to the SBTi in 2023, ensuring that these topics remain prioritized. Furthermore, due to the presence of workers at production facilities, employee work conditions, and health and safety also remain key focus areas for Genan.

## Milestones

In 2023, Genan conducted a double materiality assessment to evaluate its environmental and social impact, laying the groundwork for future initiatives. In line with this, the company established a baseline for greenhouse gas emissions (GHG) and committed to the SBTi, aiming for a 42% reduction in emissions by 2030 compared to 2022 levels.

Furthermore, in 2023, and in line with its increased focus on employee health and safety, Genan intensified

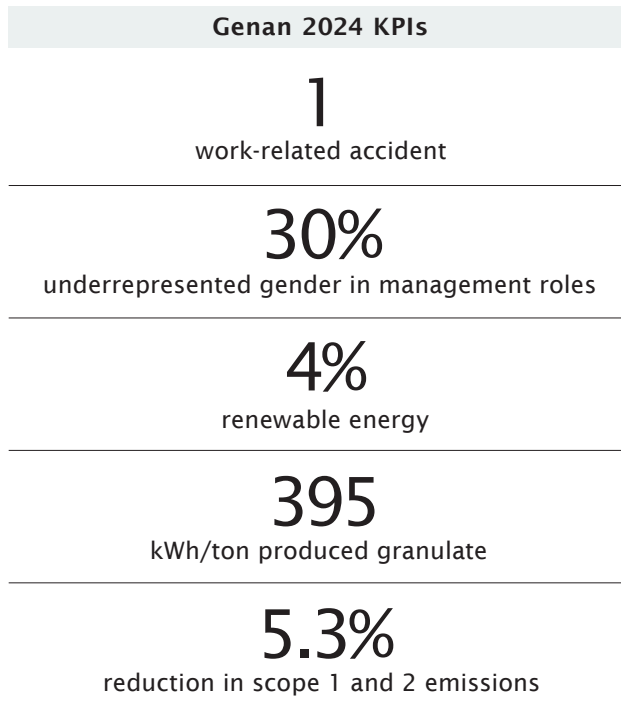
its efforts in this area, successfully reducing the rate of work-related accidents from 7.6 in the previous year to less than 2, showcasing substantial improvement.

Finally, Genan has intensified its efforts to foster an inclusive workforce. In 2023, the company updated and implemented its Code of Conduct and introduced a new Staff Well-being Policy aimed at addressing and mitigating employee unhappiness and stress. As part of these initiatives, internal anti-stress ambassadors were appointed and trained by a professional stress coach.

#### Future Sustainability Outlook

In 2024, Genan will continue its efforts to reduce scope 1 and 2 emissions at the necessary pace to reach the 2030 target. The company will compile an ESG report to demonstrate progress towards this goal.

Additionally, Genan aims to increase the proportion of renewable energy in its energy consumption to 4%, reduce the share of work-related accidents to 1%, and elevate the share of women in management roles to 30%.



This year's targets	This year's performance
7.6 work-related accidents (TF1/TF2)	1.8 work-related accidents (TF1/TF2)
40% underrepresented gender in BoD	40% underrepresented gender in BoD
30% underrepresented gender in management roles	24% underrepresented gender in management roles
433 kWh/ton produced granulate	402 kWh/ton produced granulate

# N'AGE

Sector	Consumer
Initial investment date	11.2021
Web	nage.dk
Ownership	54%
Employees	90
Underrepresented gender at board level	40%
Staff turnover	39%
Absenteeism rate	6%
Workplace accidents	0
Member of UN Global Compact	No



N'AGE specializes in non-invasive cosmetic treatments with the purpose of softening the effect of time and ageing. N'AGE was founded in 2003 and has grown to be the largest and most experienced company in the industry in Denmark. N'AGE has a strong brand built by the founder's reputation within the industry, the use of well-known brand ambassadors, and highly streamlined and upscale clinics.

N'AGE's core values are anchored in aesthetics, ethics, and safety where the overarching approach is rooted in natural, Nordic beauty. The company's treatment portfolio offers the newest technology and the most effective procedures mastered by well-educated cosmetic nurses and customized treatment plans.

### Sustainability Overview

In 2023, N'AGE made significant progress on its sustainability journey. N'AGE developed an ESG strategy to formalize and systematically monitor its sustainability initiatives, demonstrating a commitment to continuous improvement and transparent reporting.

Given the nature of the business, N'AGE is focused on creating a safe and inclusive environment for all employees and upholding the highest standards of business and marketing ethics. Despite the environmen-

tal impact of N'AGE being relatively immaterial, the company remains committed to doing what is possible and necessary in this regard.

Human capital, comprising knowledge, talent, and technical skills, serves as the principal revenue driver of a cosmetics company like N'AGE. This necessitates enhancing diversity in management positions to attract and cultivate top talent, promote employee engagement, and equitable advancement opportunities, thereby boosting productivity and performance.

As N'AGE operates in a highly female-intensive industry, N'AGE faces material risk associated with attracting and retaining a diverse workforce. Another risk relates to the ability to maintain client trust through adherence to industry standards, emphasizing professional integrity.

### Milestone

In 2023, N'AGE addressed the outlined risks by prioritizing efforts to enhance employee satisfaction and engagement while reducing turnover and absenteeism due to illness. Consequently, the company implemented bi-annual employee surveys to quickly address any concerns, and established benchmarks for sickness absenteeism and turnover to monitor

progress and implement preventive measures effectively. During the year, N'AGE introduced a Code of Conduct for suppliers, which is currently in the process of rollout with initial signed deals secured. Moreover, the company implemented a whistleblower system in collaboration with a third-party supplier to ensure anonymity, with all reported cases being addressed and the board informed accordingly. These initiatives significantly reinforce N'AGE's commitment to upholding industry standards and business ethics in general.

Despite low environmental impact, N'AGE is taking measures such as monitoring driven kilometers, sorting and recycling waste, and transitioning to LED lighting when replacing old equipment and making new purchases.

**Future Sustainability Outlook**

In 2024, N'AGE will implement the Code of Conduct among its employees, aiming for a 100% sign-up rate, and targeting 30% of its suppliers to sign the Code of Conduct.



**N'AGE 2024 KPIs**

**max 4.5%**  
sickness absenteeism rate

**score 8**  
on employee satisfaction

**40%**  
underrepresented gender at board level

**30%**  
suppliers signed CoC

**100%**  
employees signed CoC

N'AGE will also continue to enhance employee satisfaction and promote diversity in its workforce, targeting a satisfaction score of 8 on a 0-10 scale in its employee surveys and maintaining a 60/40 balance of women/men at the board level.

The key focus in 2024 will be to follow up on the newly developed ESG strategy and initiate projects to improve in these areas.

**This year's targets**

No specific targets were set for 2023 as the KPIs were still being formulated

**This year's performance**

5.7% sickness absenteeism

Score 7.7 on employee satisfaction on a 0-10 scale

40% underrepresented gender at board level

0% employee signatories to the CoC

# APPENDIX 1 - ESG POLICY

Maj Invest Equity 5 K/S is committed to social responsible investments and adheres to UN's six principles about socially responsible investments (UNPRI), and UN Global Compact's ten principles (see appendix 2).

Maj Invest Equity 5 K/S will not invest in any of the activities listed in the Exclusion List attached as appendix 3. Maj Invest Equity 5 K/S will actively support that the Portfolio Companies comply with the principles of the Partnership's ESG policy.

In this regard, the Manager (Maj Invest Equity A/S) will as a part of the due diligence investigations conducted prior to the first Investment in a Portfolio Company focus on the potential Portfolio Company's compliance with ESG principles and its future ability to comply with ESG principles as a Portfolio Company of Maj Invest Equity 5 K/S. Maj Invest Equity 5 K/S may request a Portfolio Company to issue the ESG Compliance Certificate in connection with completion of the Partnership's first Investment in the Portfolio Company.

It is an important objective of the ESG Policy that the Partnership and the Manager create awareness among the Portfolio Companies of the importance of either being compliant with the principles of the ESG Policy or continuously strengthening the compliance with the principles of the ESG Policy. When working with this objective, the Partnership and the Manager shall approach the Portfolio Companies in a pragmatic way in order to avoid that ESG becomes an administrative burden on the Portfolio Companies that does not create any significant ESG improvements.

The Manager will monitor the Portfolio Companies' ESG performance through the Partnership's board participation, and/or visits and/or reporting and dialogue with the Portfolio Companies. If a Portfolio Company is found to be in severe incompatibility with the Partnership's ESG Policy, the Manager will engage in dialogue with the management and other shareholders of the Portfolio Company, and use the Partnership's influence as a shareholder to convince the Portfolio Company to work towards compliance, and develop a plan for the implementation. As a last resort, the Partnership can consider to divest from the Portfolio Company.

The Manager recognizes that certain of the Partnership's investors have in place ethical guidelines for responsible investments which are applicable also to such investors' investment in the Partnership. In sourcing and reviewing potential investments and in providing investment recommendations to the Investment Committee, the Manager shall - to the extent a copy of the guidelines has been provided to and accepted by the Manager - duly consider and use reasonable efforts in ensuring that any additional restrictions such guidelines may impose are complied with in respect of the Partnership's investments. Guidelines provided and accepted by the Manager at the Initial Closing are attached hereto as appendices.



# APPENDIX 2 - UN GLOBAL COMPACT



## THE TEN PRINCIPLES OF THE UN GLOBAL COMPACT

### Human Rights

1. Businesses should support and respect the protection of internationally proclaimed human rights; and
2. make sure that they are not complicit in human rights abuses.

### Labour

3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
4. the elimination of all forms of forced and compulsory labour;
5. the effective abolition of child labour; and
6. the elimination of discrimination in respect of employment and occupation.

### Environment

7. Businesses should support a precautionary approach to environmental challenges;
8. undertake initiatives to promote greater environmental responsibility; and
9. encourage the development and diffusion of environmentally friendly technologies.

### Anti-Corruption

10. Businesses should work against corruption in all its forms, including extortion and bribery.

# APPENDIX 3 - EXCLUSION LIST

**The Partnership shall not invest in companies with the following activities:**

(i) Production or trade in any product or activity deemed illegal under host country laws or regulations or international conventions and agreements, or subject to international bans, such as pharmaceuticals, pesticides/herbicides, ozone depleting substance, polychlorinated biphenyls (PCBs), wildlife or products regulated under the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES).

Further, the Partnership shall not invest in companies with the following activities, even if such activities may be legal:

(ii) Production or trade in weapons and ammunitions<sup>1</sup>

(iii) Production or trade in tobacco<sup>1</sup>

(iv) Production and dissemination of pornographic material

(v) Production or trade in or use of unbonded asbestos fibers<sup>2</sup>

(vi) Production or trade in radioactive materials. This does not apply to the purchase of medical equipment, quality control (measurement) equipment and any equipment where the radioactive source is considered trivial and/or adequately shielded

(vii) Production or activities involving any form of forced labor<sup>3</sup>/harmful child labor<sup>4</sup>

(viii) Production, trade, storage, or transport of significant volumes of hazardous chemicals, or commercial scale usage of hazardous chemicals. Hazardous chemicals include gasoline, kerosene and other petroleum products

(ix) Production or trade or any other activities where the main objective of such activities is tax evasion

<sup>1</sup> This does not apply to entities that are not substantially involved in these activities.

"Not substantially involved" means that the activity concerned is ancillary to an entity's primary operations.

<sup>2</sup> This does not apply to the purchase and use of bonded asbestos cement sheeting where the asbestos content is less than 20%.

<sup>3</sup> Forced labor means all work or services not voluntarily performed that is extracted from an individual under threat of force or penalty.

<sup>4</sup> Harmful child labor means the employment of children that is economically exploitive, or is likely to be hazardous to, or to interfere with, the child's education, or to be harmful to the child's health, or physical, mental, spiritual, moral, or social development.

# DISCLAIMER

This report has been prepared by Maj Invest Equity A/S ("Maj Invest").

The sole purpose of this report is to provide general information. This report should not be considered an offer, or invitation, to buy or sell any security, foreign currency or financial instrument.

This report is not based on or customised to any investor's financial circumstances. This report does not constitute professional consulting advice and should not be seen as such. This report only provides general information, including on securities and investment certificates. The information in this report should not replace individual professional counselling.

This report is based on information from sources that Maj Invest finds reliable, but Maj Invest has no responsibility in relation to the accuracy of the information or for the consequences of decisions made on the basis of this report, including potential losses.

Maj Invest, Fondsmæglerselskabet Maj Invest A/S and its parent company Maj Invest, and employees of Maj Invest and Fondsmæglerselskabet Maj Invest A/S may hold, trade and execute orders in

securities, foreign currency and financial instruments mentioned in this report. In addition, Maj Invest may provide investment and portfolio advisory services to clients mentioned in this report.

Evaluations in this report are based on estimates and assumptions. Investment in securities is associated with risks. General movements in the market and incidents linked to securities can impact the development in market prices, and as a result prices may differ significantly from the expectations presented in this report. Past performance is not necessarily a guide to future performance. Estimates of future performance are based on assumptions that may not be realised.

This report enjoys protection under Danish copyright law. This report is for the recipient's personal use and may under no circumstances be distributed, copied, reproduced, transmitted, disclosed or otherwise be distributed or published without the prior written consent of Maj Invest, other than to the extent necessary to other persons or employees within the same organisation.



