

Gilde Equity Management (GEM) Benelux ESG Policy

Introduction

Gilde strives to generate superior risk-weighted returns by being a professional and responsible shareholder of successful companies. In our view, engaging in ESG factors is just good business. We make our views explicit in this Gilde ESG policy.

Since our inception, we have been convinced that our focus on long-term profitability is well aligned with good stewardship on ESG factors. We have therefore always seen ESG factors as integral to our investment management approach. Today, there is a clear trend in the investment industry and in society at large, that sustainability (or ESG) is becoming increasingly important. With current developments, this may mean that externalities will influence a company's bottom line even stronger than before.

As part of our investment approach, we require our portfolio companies to foster good relationships with their employees and their social and natural surroundings. This ensures value is created both in the short and in the long-term. A prerequisite for this is that the portfolio companies focus on those issues that are relevant to their strategy, both for ESG and non-ESG factors.

Our policy goes far beyond the exclusion of industries that have negative societal or environmental impacts such as weapons, tobacco or the adult industry (specific exclusions are incorporated in the legal documentation of the funds we manage). We support our portfolio companies to reach best in class levels on all key performance indicators, including the relevant ESG factors. We believe some ESG-topics need greater attention. As a professional investor and shareholder, we want to put additional focus on the reduction of greenhouse gasses.



*"Our problems are man-made; therefore,
they can be solved by man. And man can be as big as he wants"*
President John F. Kennedy, American University Address (1963)

Our story and investment philosophy

Gilde has been a pioneer in private equity since 1982. Our founders showed the Netherlands how companies with potential could benefit from private equity and flourish in their respective markets. Since 1996, as Gilde Equity Management, we have been investing in mid-sized and large enterprises that are rooted in the Benelux and have international aspirations. We are energized by enabling promising companies to exploit their potential and become leaders in their fields. Our investments have taken us all over the world, enabling us to build up a unique network for the benefit of every enterprise we work with.

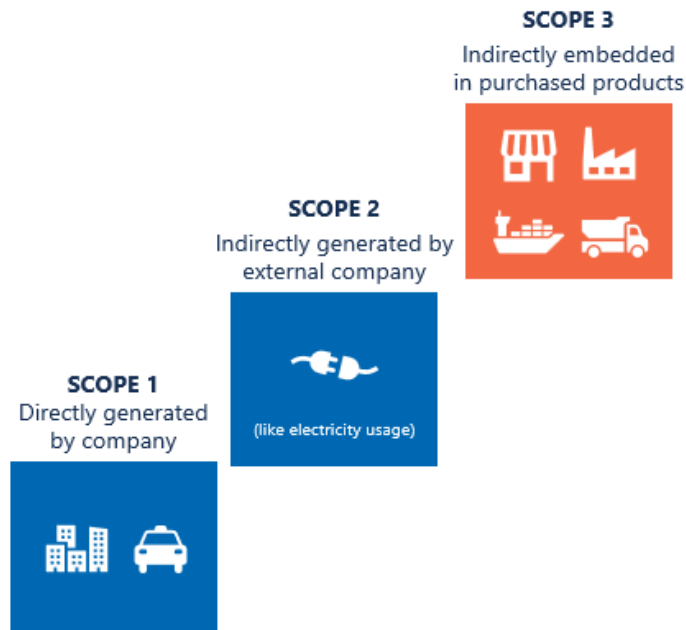
We embrace companies with the right potential and help them to reach full potential. ESG is an integral part of this by reducing risk and creating commercial opportunities. From a position of genuine commitment, we invest in the product or service, process, distribution, software or marketing. In fact, in anything and everything that makes a company stand out in its market. Above all, we invest in the team. The right people in the right places, at the head and at the heart of the company. Working together, we take entrepreneurship to the highest level.

Investment process

Gilde Equity Management (Gilde) has a long-standing tradition of addressing ESG in its investment process, through the motto ESG is just good business. During due diligence, key issues are assessed and addressed post-transaction. In the holding period, action-based and impact-driven ESG efforts are being integrated across the portfolio. During our ESG assessment the Gilde investment teams collaborate with the management of portfolio companies, assisted by specialized advisors. The ambition is to take ESG to the next level, on paper and in practice. We believe in action and setting things in motion.

Monitoring

- We closely follow current and upcoming regulations to align our ESG practices (e.g. EU SFDR1, Taxonomy, CSRD, and TCFD2);
- We track KPIs in line with the ESG Data Convergence Initiative and PAI indicators throughout our portfolio;
- All portfolio companies are on par with ESG-related rules and regulations. Frequent monitoring regarding (emerging) ESG-related topics;
- We create more in-depth insights into carbon emissions through the measurement of Scope 1, 2, and 3 emissions of each portfolio company.



Action

We stay true towards our philosophy, which means that we are action-based and we do not stimulate a "red tape" or a "reporting only" ESG approach. For each investment we have defined 3-5 key ESG objectives, for which a long-term ambition (2030) and subsequent short-term initiatives have been formulated

All portfolio companies have an ESG action plan that are structured around key material themes:

- **E** – Climate & energy, Material circularity, Ecosystem impacts;
- **S** – Employee well-being, Customer impact, Corporate citizenship;
- **G** – Corporate governance, Supply chain management, ESG strategy.

In 2024 we started the implementation of a carbon reduction plan in our own operations and our portfolio companies in line with SBTi. Over the next years we aim to implement decarbonisation plans in all portfolio companies that are compliant with SBTi.

Our portfolio companies' management teams are accountable for the implementation of the ESG action plans. We challenge, support and closely monitor progress of our portfolio companies.

Governance

Gilde aligns its responsible investment practices with the leading international standards and frameworks. While not officially affiliated with these associations, we report our KPIs in line with the EDCI guidelines and set up our ESG policy and management according to the PRI, UN GC, and ILPA. Although we have not formally committed, we align our carbon reduction targets using the SBTi standards. Funds we raise are SFDR article 8 funds. We continuously evaluate the relevance of formalizing our alignment with established frameworks as part of our ongoing commitment to enhancing ESG practices.

The progress on ESG is summarized in an annual ESG report. The report is distributed to our investors along with an Excel data book and a frequently asked questions document, to allow our investors to comply with their own reporting requirements.

Within Gilde Daniel Winkelman (Senior Partner) is responsible for the execution of this policy, which is approved by the general meeting and board of our management company.

ESG is just good business.