FIELDS ENVIRONMENTAL, SOCIAL AND GOVERNANCE POLICY

Context

At FIELDS Group III B.V. ("FIELDS"), we strongly believe incorporating Environmental, Social, and Governance ("ESG") considerations into our portfolio management adds investment value. In addition, we are committed to making a positive contribution to the environment and our society. We structurally engage with our portfolio companies to execute ESG-related value creation initiatives and to ensure they operate in line with the FIELDS ESG principles. From our position as shareholder and board member, we support and – where needed – push for change towards becoming more sustainable.

Scope

This ESG policy applies to FIELDS and any investment fund managed by FIELDS.

Objectives

The FIELDS ESG policy has the following objectives:

- Embed sustainable, ethical and responsible decision making into the entire investment cycle including investments decision, portfolio value creation and exit
- Drive material change towards more sustainable, equitable and ethical operations within our portfolio companies through execution and monitoring of concrete improvement initiatives
- Develop an integrated approach to ESG within our portfolio companies by moving beyond compliance towards embedding relevant improvement initiatives in the broader value creation agenda
- Ensure responsible behaviour and regulatory compliance throughout our portfolio companies and structural reporting to our investors
- Comply with regulations set by the national and European regulators, including but not limited to the Sustainable Finance Disclosure Regulation ("SFDR") on FIELDS level and European Sustainability Reporting Standards ("ESRS") incl. Corporate Sustainability Reporting Directive ("CSRD") in in conjunction with the ESG Data Convergence Initiative ("ESGDC") on the level of our portfolio companies

Principles

At FIELDS we believe that responsible investment leads to higher strategic value of our investments and therefore to a higher return on investments, while also contributing to a more sustainable future for our planet and the people that live on it. FIELDS considers the following ESG principles in the investment process, throughout the holding period, and at exit:

- We engage with our portfolio company management teams to operate based on FIELDS' ESG policy and request for material contribution from each portfolio company through implementation, monitoring, and reporting on ESG improvement initiatives
- We encourage our portfolio management teams to implement corporate governance mechanisms to ensure adherence to national and international regulations and conventions – amongst others to combat corruption, avoid bribery, protect privacy, and avert money laundering
- We as a fund manager comply with national and international laws in the geographies where our funds invest
- We as a fund manager avoid investments in companies that do not maintain ESG standards in line with FIELDS' ESG standards or are not able to meet those standards in the foreseeable future.

Exclusion of sensitive industries

FIELDS refrains from investing in companies that derive a significant portion of income from:

- use, production, sale, offer or distribution of anti-personnel mines, cluster bombs or chemical or biological weapons, or production and/or sale of weapons exclusively developed for military use, portable firearms, or weapons of mass destruction (including chemical, biological and nuclear weapons);
- production or sale of tobacco;
- pornography or prostitution; or
- any other industry encompassing specific sustainability risks in accordance with the Fund Agreement.

Commitment Goals

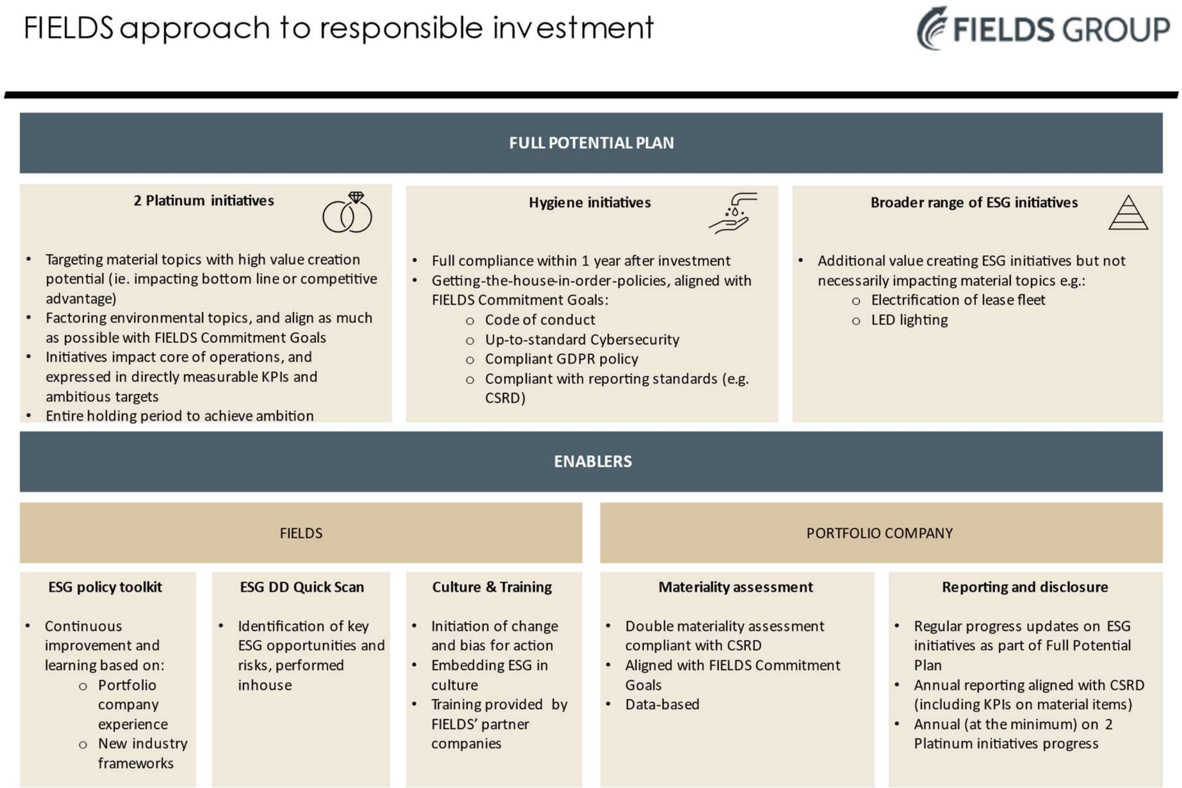
Based on the various materiality frameworks and standards (e.g. MSCI, SASB, ESRS), FIELDS has identified several ESG topics that it deems of particular relevance to building better businesses and to ensure responsible investment practices ("Commitment Goals"). FIELDS is committed to focusing on these particular ESG topics in the roll-out of its policy across the portfolio and requires portfolio companies to consider these Commitment Goals (together with the materiality assessment compliant with CSRD) in identification of the two high impact ESG value creation initiatives ("Platinum initiatives") per company. The FIELDS Commitment Goals are:

FIELDS ESG Commitment Goals

ENVIRONMENTAL	Product lifecycle optimization	• Managing lifecycle impact of products / services sold – including ie. packaging, distribution, use-phase resource intensity, end-of-life • Development of product recycling / circularity services within the core business model
	Sustainable use of raw materials & minimization of waste	• Reduction of usage of key materials / water and maximization of resource efficiency in production • Usage of recycled / recyclable and renewable materials • Development and exploration of usage of substitutes and less impactful raw materials
	Energy management & decarbonization	• Minimization of energy usage (management of energy efficiency and intensity) • Increasing the proportion of renewable energy consumed
SOCIAL	Supply chain	• Minimize negative impact of social externalities at suppliers including human rights and labour practices • Stimulate screening, selection and monitoring of supplier performance on social aspects
	Human capital & diversity	• Create optimally motivated and aligned workforce (ie. via measuring employee engagement / satisfaction) • Promote the building of a diverse and inclusive workforce reflecting local talent pool
	Health & safety	• Create and maintain a safe working environment free of injuries, fatalities and illness • Ensure physical and mental health of workforce through technology, equipment, training and corporate culture • Development and exploration of less harmful alternatives for chemicals used
	Privacy & data security	• Ensure responsible information management and data collection and protection • Manage exposure to privacy regulations (e.g. GDPR), vulnerability to potential data breaches
GOVERNANCE	Mitigation business & governance risk	• Active management of key business risks (customer / supplier dependency, cyclicality, resource scarcity) • Mitigation of regulatory risks (policy, subsidies, taxes, lobbying) – reliance on favourable regulatory environment • Mitigation of governance and key man risks (segregation of duties, polyvalence)
	Compliance to regulation and highest ethical standards	• Adherence to regulation (in its widest perspective) everywhere and always (tax, etc.) • Managing risks with regards to fraud, facilitation payments , and bribery

Implementation of ESG

ESG is implemented throughout the investment cycle, from due diligence through portfolio management to exit. The core of the FIELDS ESG policy centres around the development, implementation, and realization of two high impact ESG Platinum initiatives, complemented by hygiene improvements and a selection of additional responsible investment initiatives. Key enablers include ESG policy toolkit, due diligence, culture & training, materiality assessment, and reporting & disclosure. The FIELDS ESG team with the assistance of an external ESG consultancy firm, guids our portfolio companies to embrace ESG into their DNA.ESG initiatives are thereby an integral part of the Full Potential Plan and standard reporting cycle of each of our portfolio companies:



Pre-ownership

The FIELDS investment team assesses the ESG performance of the target company during the due diligence process. In the due diligence process, the investment team completes a high-level materiality analysis to assess what ESG topics are key to the target company given sector and geography and assesses the risks and opportunities for the target company on the identified material ESG items. To assist investment teams with the materiality assessment, FIELDS has developed a standard approach. If material ESG risks are identified, the FIELDS investment team will already during due diligence develop, quantify (where applicable) and time mitigation initiatives. In case no initiatives for such material ESG risks can be defined, this may have impact on the ultimate investment decision.

Deep-dive and embedding in value creation agenda

Starting early in the holding period, FIELDS aims to support portfolio companies in creating value by increasing their ESG performance. Building on the initial materiality assessment conducted by the FIELDS investment team during due diligence, an external ESG consultancy firm together with FIELDS engages with portfolio management to refine the analysis and identify key levers for value creation. The value creation levers are ideally aligned to the FIELDS Commitment Goals and focused towards environmental topics where possible.

The key value creation initiatives are explicitly incorporated in the full potential plan ("FPP") that the FIELDS team and portfolio management develop for each portfolio company. FIELDS asks each portfolio company to develop two Platinum initiatives (at minimum) that drive material change to the company's ESG performance and to overall company value. These initiatives should materially improve the core of the company's performance and align with the material ESG topics identified in the materiality assessment.

In addition, FIELDS encourages and supports portfolio companies to – where necessary - get the house in order in terms of governance and regulation on topics such as the General Data Protection Regulation ("GDPR"), cyber security, compliant reporting (e.g. CSRD or Central Securities Depository Regulation), and implementation of codes of conduct.

Monitoring, improvement, and disclosure

FIELDS requires portfolio companies to report their progress on execution and implementation of the two Platinum initiatives in the FPP during regular board interactions. Progress is reported on a quarterly basis through the quarterly investor reporting and on an annual basis through the FIELDS ESG report to our LPs. In addition, FIELDS requires portfolio companies to report on KPIs relevant for the material ESG items as identified during due diligence and in alignment with CSRD regulation.

The overall status of the implementation of the FIELDS ESG policy is determined per portfolio company and monitored throughout the holding period:

FIELDS ESG implementation progress monitoring

	Pre-ownership	Ownership			
	ESG DD Quick Scan to identify material items	**Post acquisition deep dive**	**Integration Full Potential Plan**	**Quarterly progress reporting**	**Annual reporting and revision**
Actions	• In-house DD performed by FIELDS team • Identification of material ESG risks and opportunities • Classification of ESG impact profile (minor, medior, major)	• Re-iteration and materiality assessment with management • Identification of key improvement topics • Defining and scoping potential value creation initiatives – aligned with FIELDS Commitment Goals	• Integration of nominated ESG initiatives in Full Potential Plan • Definition of (company specific) KPIs / milestones to monitor progress	• Review of performance in FIELDS quarterly meetings • CSRD KPIs when applicable • KPIs according to the ESG Data Convergence Initiatives	• Reporting according to CSRD included audit • Revision of FPP initiatives and targets; articulation of new initiatives if required / previous completed
Who	FIELDS	Portfolio company FIELDS External ESG consultant	Portfolio company FIELDS External ESG consultant	Portfolio company FIELDS	Portfolio company FIELDS Auditor
Status	Inhouse DD report compiled by FIELDS	Monitored in quarterly company reporting (Datapack)	Monitored in quarterly company reporting (Datapack)	Monitored in quarterly Fund reporting	Monitored in annual report portfolio company and annual FIELDS report

Roles, responsibilities, and governance

The overall responsibility for the FIELDS ESG effort and the execution of its policy is with the FIELDS ESG team, which reports to the FIELDS Investment Committee (consisting of the partners of FIELDS). The individual investment teams are responsible for (i) conducting ESG due diligence, (ii) incorporating ESG initiatives in the overall value creation plan of the portfolio companies, and (iii) monitoring and continuous improvement. The FIELDS Investment Committee is ultimately responsible for investment decisions and incorporation of ESG due diligence considerations in the investment decision.

This policy is updated: August 31, 2023