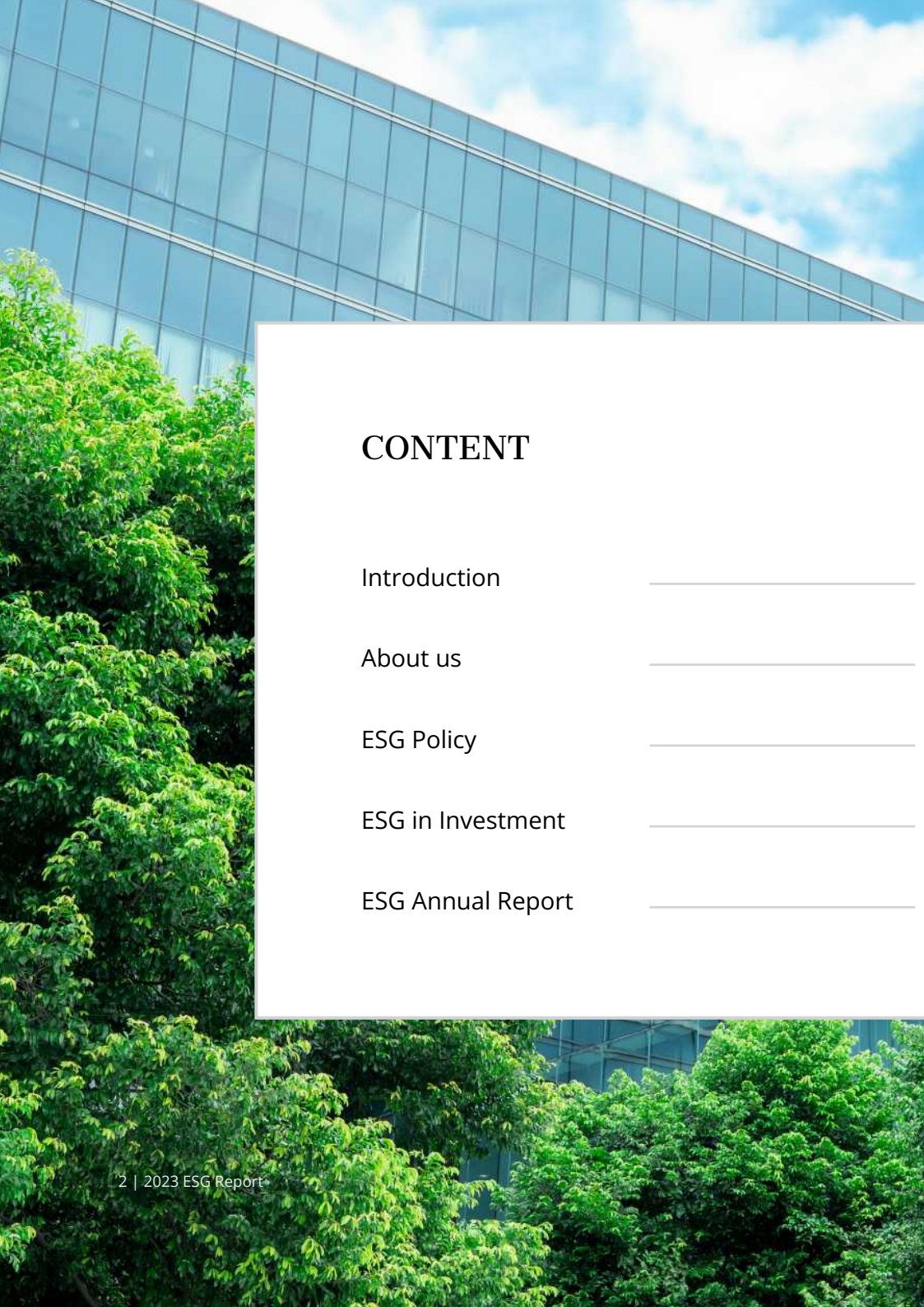


2023 ESG Annual Report

Empowering Change:
Insights from Our ESG Report



RESOURCE
PARTNERS



CONTENT

Introduction	03	Portfolio KPIs	28
About us	06	Case Studies	32
ESG Policy	10	SDGs & UNPRI	42
ESG in Investment	22	Disclaimer	47
ESG Annual Report	26		

Embracing Sustainability: A Vision for Positive Impact



Małgorzata Bobrowska,
ESG Responsible Partner at Resource Partners

As the ESG Partner of Resource Partners, I'm delighted to present this report encapsulating our commitment to Embracing Sustainability and our vision for positive impact.

Sustainability isn't just a checkbox; it's the key element of our investment philosophy. Throughout this report, you'll discover how we integrate sustainability considerations into every aspect of our operations and investments, from due diligence to portfolio management.

We're proud to showcase the tangible results of our efforts, both at the fund level and within our portfolio companies. From reducing carbon emissions and

enhancing workplace diversity to fostering community engagement and promoting ethical supply chains, our portfolio companies are driving meaningful change.

We recognize that the journey towards sustainability is ongoing. We remain dedicated to continuous improvement, setting ambitious targets, and seizing opportunities for innovation.

I would like to extend my gratitude to our investors, portfolio companies, and stakeholders for their support. Together, we can create a more sustainable and inclusive future. Thank you for joining us on this journey of Transparency and Accountability.

Empowering Change: Insights from Our ESG Report

Paulina Janik
Compliance & ESG Officer

We're thrilled to unveil the first edition of our ESG Report, brimming with insights that showcase our dedication to Empowering Change. This report isn't just a collection of data; it's a demonstration of our ongoing journey towards making a meaningful impact in the world.

In these pages, you'll find a comprehensive review of our main Key Performance Indicators (KPIs) for 2023, providing a clear snapshot of our progress. Additionally, you'll discover detailed information on the results of each of our portfolio companies, highlighting the real-world impact of our collective efforts.

As stewards of responsible investment, we've embedded ESG principles into the fabric of our fund. From meticulous due diligence to proactive engagement with our portfolio companies, our



commitment to Empowering Change spreads to every aspect of our operations.

Our portfolio companies are the engines driving transformative change. From sustainability initiatives to fostering inclusive workplaces, they exemplify the tangible outcomes of our collective efforts.

Throughout this report, you'll also find insights into our ESG policy and how it's seamlessly incorporated into our investment process. We believe in transparency and recognize that growth comes from acknowledging areas for improvement. That's why we've included case studies on ESG successes among our portfolio companies, showcasing best practices and lessons learned.

By sharing our experiences and insights, we aim to inspire collaboration and drive collective action towards a more sustainable future.

Transparency & Accountability: Our ESG Commitment

Wojciech Pociecha
Managing Director at Resource Partners



Transparency and Accountability are non-negotiable pillars of responsible business conduct. At Resource Partners, we take these principles to heart as we navigate the intricate ESG landscape.

This report serves as a testament to transparency. We believe in openness and sharing our ESG progress, and challenges.

Accountability is paramount. We and our portfolio companies are held to rigorous standards, ensuring that commitments translate into tangible actions. Whether integrating ESG factors into our investment processes or actively engaging with portfolio companies, we seek impact.

At fund level, robust ESG policies guide our investment decisions. Due diligence, ESG performance monitoring, and active collaboration with companies drives positive change. Our portfolio companies are making significant strides in sustainability. We see them reducing emissions and championing diversity, which reflects the shared commitment to creating value beyond financial returns.



About us

IN A NUTSHELL

Resource Partners is a regional private equity firm founded by a former Carlyle team, operating with an independent General Partner exclusively owned by members of the Investment Team. Our primary focus is on investing in small and mid-cap companies located within the EU countries of Central and Eastern Europe (CEE), with a strong emphasis on consumer sectors. We specialize in products and services that have direct connections with consumers and are positioned within the consumer value chain.

We proactively anticipate and monitor consumer mega-trends and shifts in consumer behaviour. We're at the forefront of business model digitalization, constant innovation, and rapid market entry. We prioritize strategies such as mass customization and close collaboration with modern retailers to expand into new territories and attract new customers.

We are particularly interested in investing in companies that offer made-to-order products or rapid mass customization, those involved in outdoor activities, promoting well-being, and those leveraging digital distribution and delivery channels. With over €400 million successfully raised and invested in CEE companies, our track record speaks volumes. Our dynamic team of 10 investment officers from Poland and Romania, including 5 partners, brings diverse perspectives and expertise to the table.

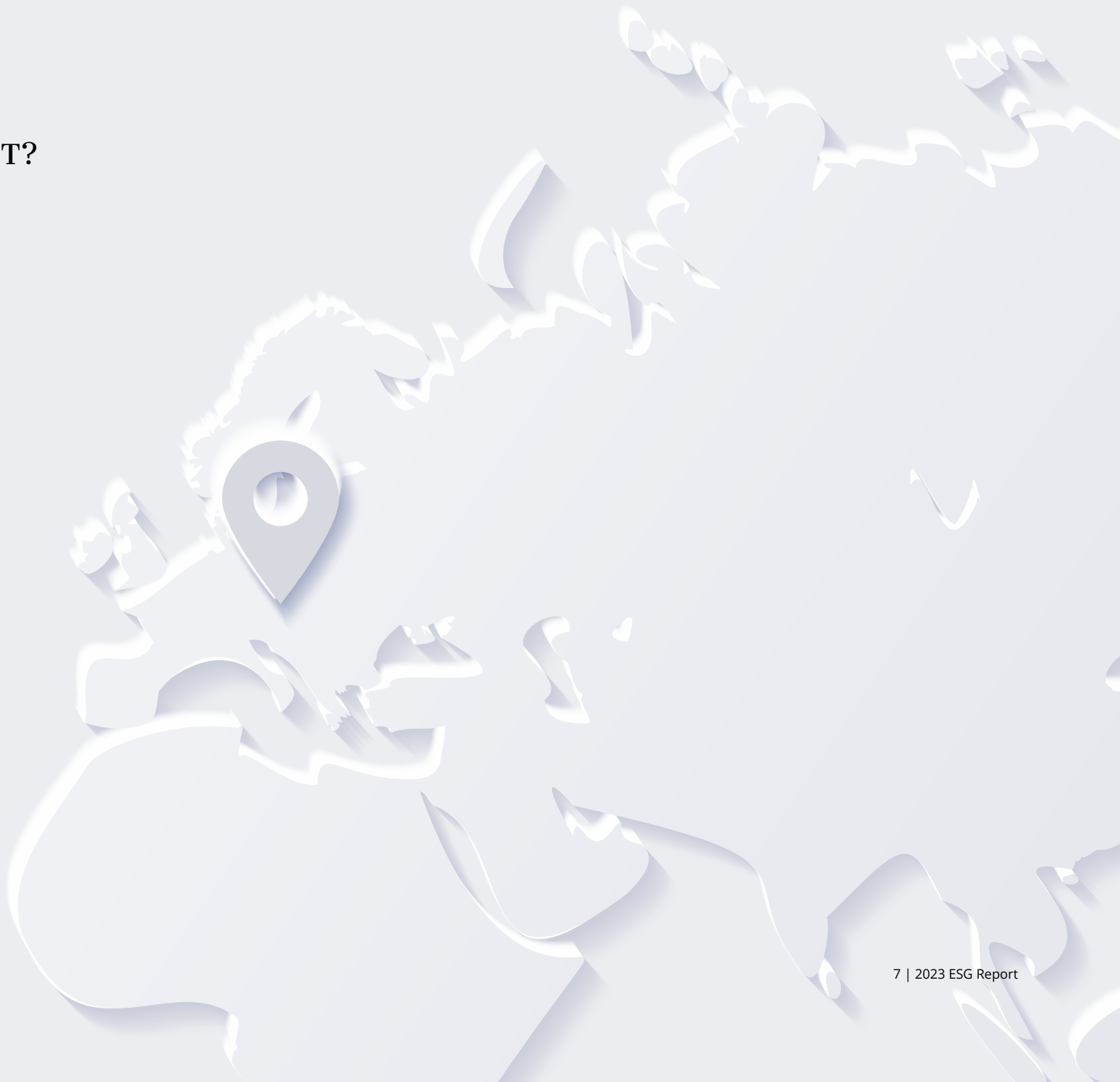
We've successfully executed 17 investments and 12 add-on acquisitions, positioning us as a key player in the regional market. Our deal flow predominantly consists of proprietary transactions, ensuring unique opportunities for our investors and partners alike.



WHERE DO WE INVEST?



Poland
Romania
Lithuania
Estonia
Hungary
Bulgaria
Latvia
Slovakia
Croatia
Czech Republic



RESOURCE PARTNERS ESG MISSION STATEMENT

We regard good business and social responsibility as two sides of the same coin. At Resource Partners, we understand that highly motivated employees are essential for generating successful investments, satisfied investors, and overall business success.

That's why we prioritize the well-being, safety, and career development of our teams, ensuring that all employees uphold our key values and leadership principles. We are committed to advocating transparent policies to enhance sustainability across all our portfolio companies, and we adhere to the strictest corporate governance standards. By doing so, we aim to work in the best interests of our stakeholders and the environment, positioning ourselves as socially responsible investors dedicated to long-term success.

We pride ourselves on being a socially responsible investor, as evidenced by our commitment to ESG principles. Our ESG Policy encompasses a robust set of values and policies that guide our actions as responsible corporate citizens.

Transparency is key to our approach, hence we have implemented comprehensive and transparent procedures related to ESG considerations at every stage of our Investment Process. Our multi-layered ESG organizational structure ensures the effective execution of our ESG strategy across our operations.

To assess and mitigate risks associated with social, environmental, and governance factors within our portfolio companies, we employ a rigorous Risk Rating System. This system quantifies these risks, allowing us to make informed decisions that align with our ESG objectives.

In January 2021, in line with our commitment to responsible investing, we became a signatory to the United Nations Principles for Responsible Investment (UNPRI), further solidifying our dedication to sustainability and ethical business practices.

We are committed to advocating for transparent policies to enhance sustainability across all our portfolio companies.



Resource Partners actively participates in the Level20 initiative, which focuses on enhancing gender diversity within the European private equity industry. This NGO encourages new female talent to join the sector with the target for women to hold at least 20% of senior positions in private equity. The pillars of its activities target identified root causes of female underrepresentation in PE industry: university outreach to stimulate interest in women at early stages of their careers, networking events combined with soft and hard skill training to increase retention, as well as mentoring program to help building the right career paths. What started as Polish Committee of the UK organization, transformed in 2024 into a CEE Hub covering all major CEE geographies.

Małgorzata Bobrowska is a founding member and leader of the Level20 CEE Hub and Polish Chapter.

Ryszard Wojtkowski serves on the mentoring committee within the Level20 program.

Miruna Popa is a board member of the Romanian Chapter of Level20, active in launching the initiative.



Resource Partners' office is situated in a LEED (Leadership in Energy and Environmental Design) certified building, promoting sustainability.

Most Resource Partners staff members commute via subway, including for business meetings, reducing carbon emissions. Resource Partners demonstrates strong commitment to promoting a healthy lifestyle through its active involvement in the PSIK Na Zdrowie! initiative.

Piotr Nocoń is a co-founder of PSIK Na Zdrowie! committee, highlighting the firm's dedication to promoting well-being among members of the Polish Private Equity Association. PSIK Na Zdrowie! fosters physical activity and healthy lifestyle among the industry professionals.



All Managing Partners engage in supporting various community initiatives.

Ryszard Wojtkowski serves as a Council Member for the Civic Development Forum (FOR) and is Chairman of the University Council at the University of Economics in Katowice.

Małgorzata Bobrowska serves as the President of the Polish Private Equity Association (PSIK) and is a co-leader of the Level20 Polish Committee. Additionally, she has dedicated a decade to mentoring the NGO sector through the Social Business Accelerator.

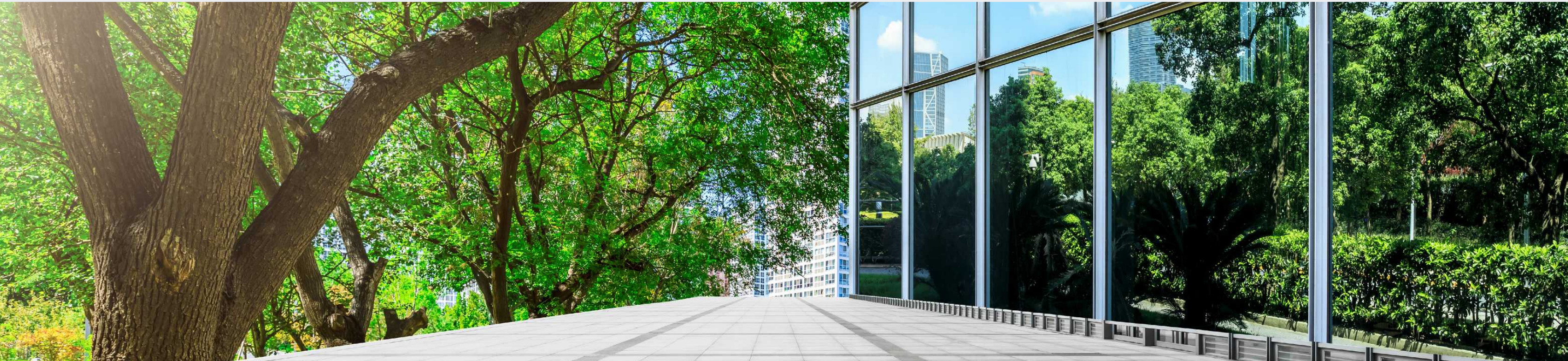
Aleksander Kacprzyk chairs the University Council at Wrocław Medical University and acted as Regional Ambassador for Poland for the MIT Alumni Association. He is also an Advisory Board Member at MIT Enterprise Forum CEE.

Piotr Nocoń chairs Fundacja Pismo, the publisher of Pismo. Magazyn Opinii, a non-profit magazine influencing leaders in Polish economic, social, and cultural spheres.

Dominik Smykla has worked with the Dream Lab Foundation through the Social Business Accelerator for 3 years, supporting families with children facing disabilities by providing medical and educational help. He focuses on financial stability, donor outreach, and organizational efficiency.

ESG Policy

To fulfil our goal of becoming successful, socially responsible investors, we’ve crafted a comprehensive set of values and policies. These principles guide every step of our investment journey, ensuring we operate as conscientious corporate citizens. At the heart of our approach is setting ESG targets for each portfolio company, with a robust management and reporting system in place to uphold good governance practices on this crucial matter.



Resource Partners embodies a set of core values:

- ▶ Creating sustainable value for investors and the communities we engage with
- ▶ Upholding integrity
- ▶ Demonstrating visible leadership
- ▶ Investing in people development
- ▶ Pursuing continuous improvement in our interactions and processes
- ▶ Prioritizing the safety of all stakeholders
- ▶ Embracing best governance practices

Our Partners and Investment Professionals live these values and ‘walk the talk’. We believe successful leadership hinges on:

- ▶ Respecting, trusting, and being fair
- ▶ Demonstrating commitment to employees and associates
- ▶ Maintaining clarity and focus
- ▶ Holding oneself accountable
- ▶ Embracing openness and truthfulness
- ▶ Fostering teamwork

These values guide our approach to addressing key social and environmental issues integral to our daily operations.

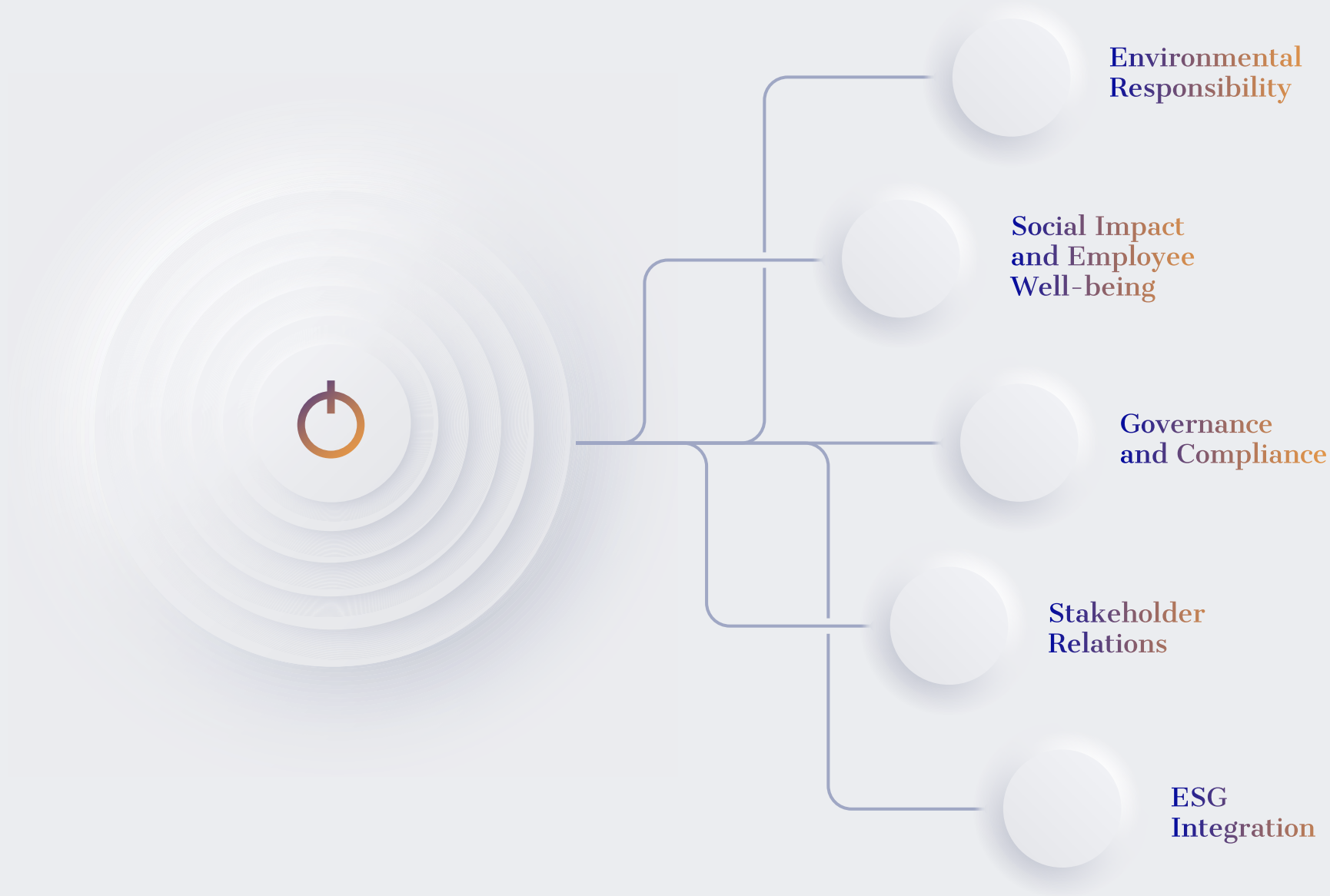
At Resource Partners, we hold ourselves to the highest standards, meeting all governmental requirements as a baseline and exceeding it with additional voluntary commitments. However, we go further by setting and adhering to rigorous internal criteria. Our businesses are mandated to establish ESG Management Systems, integrating relevant policies and procedures. Continual monitoring and improvement of these systems drive enhanced performance across our portfolio companies.

We aim to be exemplary neighbours, prioritizing social and environmental responsibility in all communities where we operate. As both a Fund Manager and a controlling shareholder, we ensure adequate resources are dedicated to implementing and managing the outlined policies.

We believe that fostering socially and environmentally conscious companies aligns seamlessly with our core objective of delivering long-term value to our investors.



We aim to be exemplary neighbours, prioritizing social and environmental responsibility in all communities where we operate.





ENVIRONMENTAL

Resource Partners believes that a thriving environment is essential for societal well-being, our team members, and the prosperity of our business, serving as the bedrock for a sustainable and resilient economy.

We recognize the pivotal role of diverse, robust natural resources—ranging from freshwater and oceans to air, forests, grasslands, and agro-systems—in fostering social and sustainable economic progress. Among these, forests hold particular significance for environmental health and biodiversity, playing a crucial role in maintaining water and air quality while regulating climates. As habitats for numerous wildlife species, forests also serve as a natural timber source.

Society faces a critical challenge: managing competing human demands on land, soil, and vegetation without compromising essential ecosystem functions. At Resource Partners, we are committed to navigating this challenge responsibly and sustainably. We embrace our duty as environmental stewards and recognize the importance of our role as a reputable financial institution in addressing environmental challenges. With this commitment in mind, we pledge to prioritize and promote attention to the following areas in our office operations and when financing portfolio companies:

Energy Efficiency

We view promoting energy efficiency as both sound business practice and a social responsibility. Our focus is on developing, manufacturing, and marketing products that prioritize energy efficiency. Internally, we prioritize energy conservation and efficiency in our operations, while also favouring renewable energy sources whenever possible over non-renewable alternatives.

Waste and Recycling

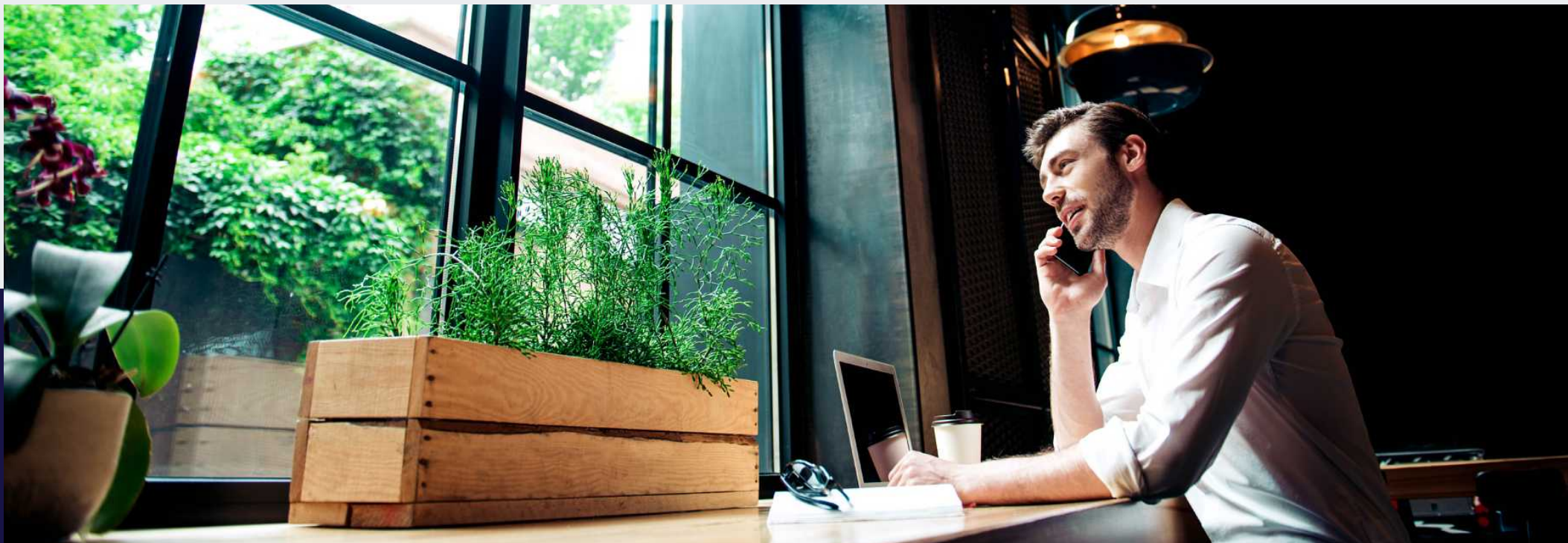
Across all our operations, waste reduction is a primary objective. This ranges from minimizing scrap material in production to decreasing office paper usage. We actively conserve natural resources by reusing and recycling materials, sourcing recycled materials, and opting for recyclable packaging. Hazardous waste, when it is unavoidable, is handled with utmost care, in compliance with all regulations, with a focus on minimizing volumes.

Water and Effluents

Recognizing the importance of water as a scarce resource, we prioritize its efficient use. We commit to implementing measures to ensure proper treatment of effluents from our portfolio companies while minimizing volumes.

Emissions & Greenhouse Gases

We closely monitor emissions to ensure compliance with regulatory standards. We encourage our businesses to measure and disclose their carbon footprints and to actively engage in projects aimed at reducing greenhouse gas emissions.



SOCIAL

At Resource Partners, we recognize that highly motivated individuals drive successful investments and satisfy investors, ultimately leading to business success.



Employment and Employee Motivation

We are dedicated to fostering long-term relationships, bringing our employees and associates along through professional development, continuous learning, and mobility opportunities. We actively monitor diversity across our portfolio companies.

We are committed to growing our businesses and expanding employment opportunities within our portfolio companies. We closely track job creation and losses at the fund level to ensure transparency and accountability.

People Development

We understand that our success hinges on the calibre of our team members. We are dedicated to attracting, retaining, and developing exceptional individuals who not only possess exemplary professional skills and uphold the highest ethical standards but also demonstrate a people- and achievement-oriented mindset. We value leadership, impact-driven attitudes, and self-confidence in our team.

We are committed to fostering a diverse and inclusive environment where employees and associates are judged solely on their skills, experience, and merits. We prioritize continuous skills development for all team members to create high levels of motivation and performance, enabling them to realize their full potential. Our policy ensures that our staff are well-trained, regularly evaluated, and equipped with the knowledge they need to succeed, each with their own tailored development plans.

Health and Safety

We uphold unwavering commitment to health and safety as core values with zero tolerance for compromise. We firmly believe that all injuries, work-related illnesses, and accidents are preventable, and we are dedicated to promoting the highest standards and awareness of safety and health issues. Our safety culture is rooted in prevention, hazard awareness, continuous improvement, and adherence to standards that surpass statutory regulations. Given the independent nature of much of our work, creating a safety culture that is

instinctively embraced by employees and subcontractors is paramount for maximum effectiveness.

Work/Life Balance

We prioritize maintaining a healthy balance between professional responsibilities and personal well-being as a cornerstone for motivation and productivity.

We endeavour to confine work commitments within standard business hours, cultivating an environment where employees and associates can effectively manage their workload without the need for overtime. Encouraging personal development, we support involvement in professional, civic, cultural, or charitable organizations.

Moreover, we embrace flexibility in working arrangements, offering options such as flexible hours, part-time roles, and job-sharing wherever feasible, empowering our team to achieve a harmonious blend of work and life commitments.



Remuneration

We support the foundational principle of equal pay for equal work, ensuring that all employees and associates receive compensation above minimum statutory requirements. We regularly assess and benchmark pay levels to maintain competitiveness in the market. We advocate simplicity in compensation structures to ensure transparency and fairness. It's our commitment that all employees receive their full entitlements, including those related to overtime, sick pay, maternity leave, and any other statutory rights.

Industrial Relations

Resource Partners respects the freedom of association of its employees and upholds the right to collective bargaining within the parameters of local laws. As a fundamental principle, industrial relations at the appropriate level are overseen by the Fund Head or delegated Managing Partner.

We prioritize regular communication with all employees, irrespective of representation, to ensure transparency and inclusivity. In cases where retrenchment may be necessary due to exceptional circumstances, we engage in consultation and endeavour to provide conditions that exceed minimum statutory requirements. Additionally, we offer non-financial assistance to affected employees as part of our commitment to supporting their well-being during transitions.

Suppliers

Suppliers play a vital role as stakeholders in all our companies, and mutually, we are stakeholders in our suppliers to some extent. Indirect reputational risks from suppliers can have significant implications for our companies and investors. Therefore, it's essential to carefully assess these relationships. While it may be challenging for all suppliers to fully align with our values, we aim to be aware of the key values held by our most significant suppliers. This awareness helps mitigate potential risks and ensures alignment with our overarching goals and values.

Consumers

As a Fund specializing in consumer goods and services, we prioritize the rights and well-being of our customers. We precisely adhere to all legal regulations to ensure that consumers can trust in the safety and quality of the products and services they enjoy. Going beyond these minimum requirements, we actively promote regular monitoring of customer satisfaction. This commitment underscores our dedication to providing exceptional experiences and upholding the highest standards in consumer protection.

Community

Despite not being large corporations, our companies hold significant potential to positively impact their communities. In addition to encouraging individual engagement in charity and community activities, we strive to inspire our companies to adopt formal policies for planning and coordinating their community interactions. By proactively engaging with and supporting their local communities, our companies can contribute meaningfully to social well-being and sustainable development.



GOVERNANCE

We advocate for continuous oversight of ESG-related matters as it leads to enhanced motivation and goal attainment.

Grievance Mechanism & Whistleblowing

We prioritize transparency and accountability by providing clear channels for employees to report grievances and ensuring they receive fair treatment. Within each portfolio company, as well as at the fund manager level, employees are informed of where they can report grievances and can expect a fair hearing of the issue. Furthermore, every company under our umbrella is required to establish a whistleblowing procedure. This procedure guarantees that employees can report problems directly to the appropriate authority without fear of retaliation. We are committed to promoting a culture where concerns are addressed promptly and without repercussions.

Cybersecurity

In today's digital landscape, cybersecurity has emerged as a paramount concern for businesses across all sectors. Yet, it often falls through the cracks in governance or responsibility structures. By incorporating cybersecurity as a monitored point within

our ESG framework, we ensure it receives consistent attention and prioritization. This proactive approach helps safeguard our operations, data, and stakeholders from evolving cyber threats, enhancing resilience and trust in our business practices.

Code of Conduct (including bribery and corruption and AML)

It is imperative that both the Fund Manager and every affiliated company maintain a comprehensive written Code of Conduct, duly scrutinized and approved by the Supervisory Board. We strongly advocate for transparency and integrity by encouraging companies to publicly display their Code of Conduct on their websites. This serves to underscore the values and behaviours expected from all stakeholders.

Crucially, the Code of Conduct must explicitly underscore a zero-tolerance approach towards bribery and corruption, in addition to referencing an anti-money laundering policy. By integrating these principles into our governance framework, we reaffirm

our commitment to ethical conduct and regulatory compliance across all levels of our operations.

ESG Management

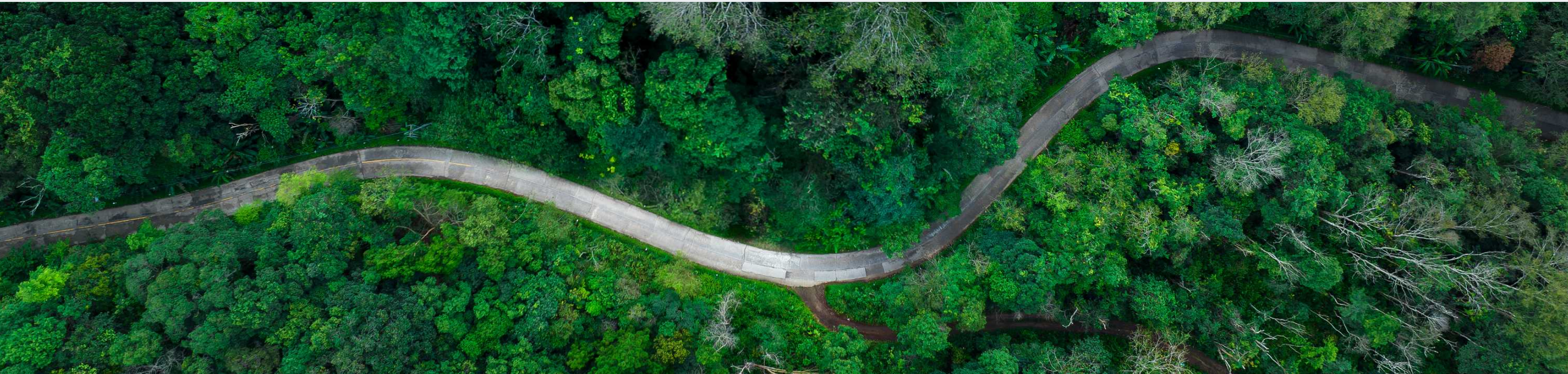
We advocate for continuous oversight of ESG-related matters as it leads to enhanced motivation and goal attainment. Consequently, within each of our portfolio companies, we establish dedicated ESG teams with formal endorsement at the management board level, facilitating the implementation of robust ESG management systems. Moreover, the performance incentives of the management board are tied to the achievement of KPIs. ESG-related issues are a regular agenda item at Supervisory Board meetings. Furthermore, annual internal audits focusing on ESG are conducted to monitor risk ratings and assess progress.

We also made a commitment that our portfolio companies shall be net zero by 2035. We also made a pledge with EBRD to proceed with the Green Investments in an aggregate amount of EUR 10 million.

ESG in investment process

Deal consideration

From the earliest moments of deal consideration we prioritize addressing key issues related to ESG. During this stage, we conduct a preliminary assessment of ESG risks and issues, ensuring the absence of excluded activities and conducting a general risk assessment categorized as high, moderate, or low.



Due diligence

Due diligence is a pivotal phase in our investment process, where we meticulously assess the ESG landscape of potential investments. Our comprehensive due diligence extends beyond regulatory compliance to delve into operational environmental, social, and governance aspects of the target company.

Environmental considerations entail thorough evaluations such as environmental site assessments to identify potential risks and liabilities, scrutiny of environmental permits to ensure compliance with regulations, and assessment of practices related to emissions, hazardous materials storage, waste management, and water and wastewater usage.

On the social front, we prioritize understanding the company's approach to employee welfare, development, and work-life balance. Additionally, we examine industrial relations, grievance mechanisms, and the company's relationships with suppliers, consumers, and the community at large.

Governance is another critical aspect of our due diligence process. We assess the company's corporate governance structure, including board composition, transparency, and adherence to ethical standards such as anti-bribery and corruption measures. Cybersecurity protocols and adherence to codes of conduct are also thoroughly evaluated.

By conducting both external and internal due diligence, we gain a holistic understanding of the target company's ESG performance, identifying risks, opportunities, and areas for improvement. This rigorous assessment ensures that ESG considerations are integrated into our investment strategy from the outset, contributing to long-term sustainable value creation.

100 Day Plan

In our strategic planning, ESG considerations are integrated seamlessly alongside other key business priorities. Specific actions, initiatives, and targets related to ESG are developed and implemented according to their prioritization level. Establishing an ESG team within the company, with formal responsibility at the Board level, is a fundamental step during this phase.

Portfolio Management

Throughout the investment period, ESG remains a core business focus. The Supervisory Board ensures ESG remains on its agenda, reviewing key risks and opportunities identified during due diligence and the initial 100-day plan. Monitoring of key performance indicators (KPIs) allows for tracking progress and assessing overall ESG risk trends.

At year-end, an ESG report is compiled for all portfolio companies, summarizing KPIs, risk ratings, progress updates, and notable incidents or developments. Also achievement of the ESG KPIs is a part of Management Board’s bonus scheme.

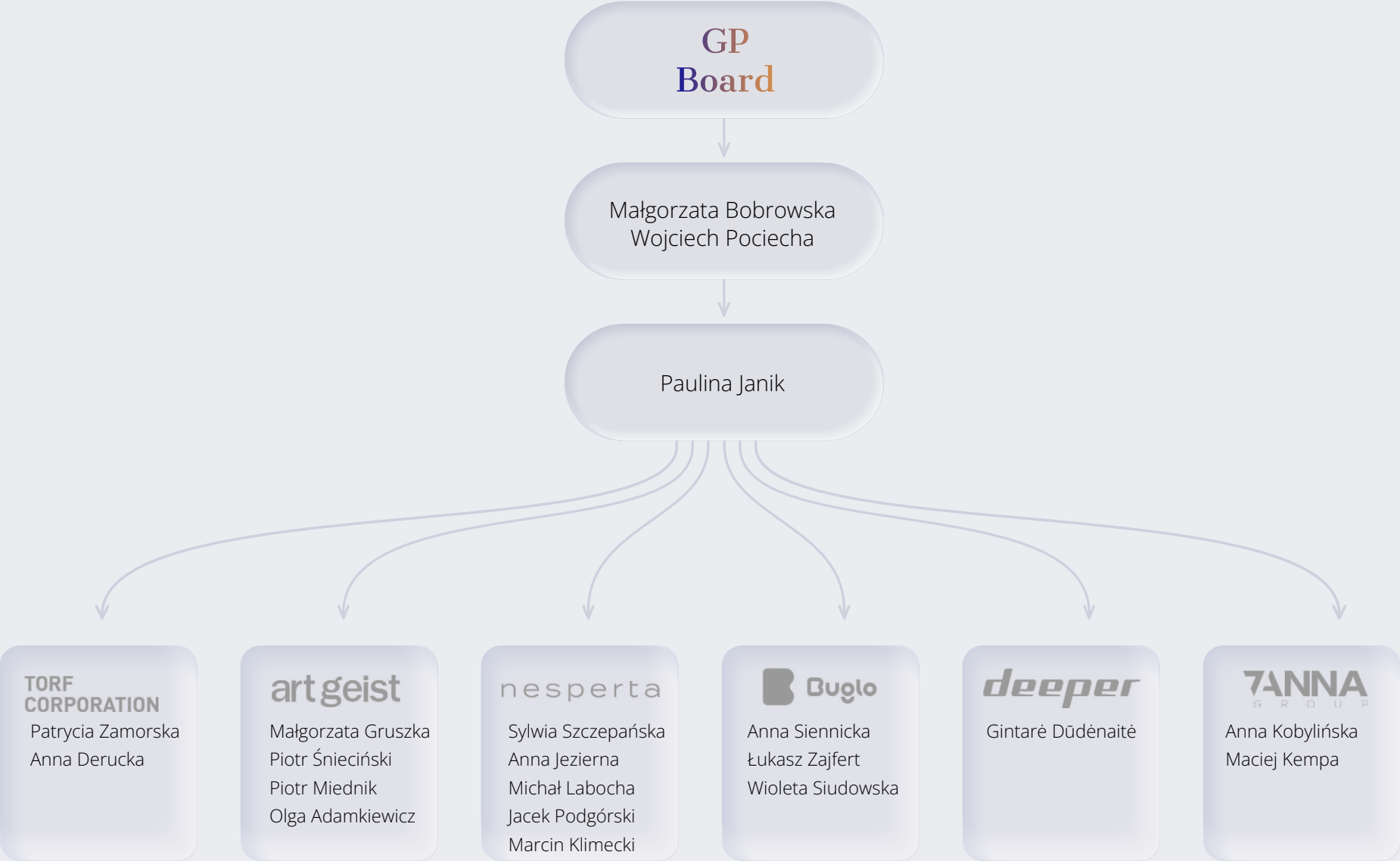
Exit

During the exit process, comprehensive ESG information is provided for vendor due diligence, emphasizing transparency regarding both mitigated risks and seized opportunities throughout the investment lifecycle.

ESG Structure

The organisational structure for ESG is quite straightforward yet multi-layered. The top two levels, GP Board and Resource Partners partner level responsibility are supervisory and should focus on ESG strategy, overall risk levels and exceptional issues.

The Resource Partner ESG Officer plays a crucial role in driving our ESG strategy forward. By delegating responsibilities to Investment Leads at the portfolio company level, they ensure effective implementation of our ESG initiatives. This collaboration is formalized through the companies’ Supervisory Boards, with additional informal cooperation occurring outside board meetings. At the company level, appointing an ESG Manager is essential to oversee the implementation of an Environmental and Social Management System (ESMS) and other ESG operations. The ESG Manager, positioned at a senior level within the company, facilitates direct reporting to the supervisory board, ensuring seamless communication and alignment with our ESG objectives.



ESG Annual Report, risk rating, exclusion list

At Resource Partners, we prioritize transparency, accountability, and responsible stewardship as foundational pillars of our commitment to sustainable business practices. Our annual reporting serves as a comprehensive snapshot of our ESG performance, offering stakeholders valuable insights into our progress, accomplishments, and areas marked for improvement. Through this section of our ESG report, we aim to offer a detailed narrative of our endeavours and outcomes over the past year.



Aligned with industry best practices and global standards, our annual reporting encompasses a broad spectrum of topics, ranging from environmental impact and social responsibility to corporate governance. By openly sharing our performance data, initiatives, and strategies, we endeavour to foster trust and dialogue with our stakeholders, while also propelling continuous enhancement in our ESG practices.

In pursuit of enhancing risk management within our portfolio companies, we have introduced a robust Risk Rating System comprising over 60 metrics designed to quantify social, environmental, and governance risks. This comprehensive system enables us to set up KPIs and track the achievement of our goals, while also calculating the risk rating for each portfolio company.

Our Risk Rating System includes individual goals for every portfolio company, as well as interportfolio goals. In 2023, our interportfolio goals focused on the implementation of whistleblowing systems among our portfolio companies and the measurement of Scope 1 and 2 carbon footprint.

Looking ahead to 2024, we are commencing works on measuring scope 3 carbon emissions and preparing for the implementation of the Corporate Sustainability Reporting Directive (CSRD). These initiatives underscore our commitment to advancing our ESG practices and ensuring alignment with emerging regulatory frameworks.

Additionally, to ensure alignment and accountability, dedicated year-end meetings, organized either by company or for the entire portfolio, convene to review annual results and endorse initiatives for the forthcoming period. This collaborative approach underscores our commitment to proactive risk management and continuous improvement in sustainability performance across our investments.

At Resource Partners, we adhere to a stringent exclusion list comprising our own criteria as well as those of esteemed investors such as the International Finance Corporation (IFC) and the European Bank for Reconstruction and Development (EBRD). This list prohibits involvement in activities such as production or trade of prohibited substances, practices harmful to biodiversity, extractive industries with significant environmental impact, and activities deemed unethical or illegal under international standards.

Portfolio KPIs

Environmental

TORF CORPORATION

artgeist

Buglo

nesperta

TANNA GROUP

deeper

Carbon footprint Scope 1&2	Accidents	ESG team	Energy consumption (kWh)	Renewable Energy (kWh)
measured	3	yes	1.173.907	–
measured	0	yes	346.288	–
measured	8	yes	977.000	45.660
measured	0	yes	345.293	309.496
measured	0	yes	16.427	–
measured	0	yes	27.150	–

Social

TORF CORPORATION

artgeist

Buglo

nesperta

TANNA GROUP

deeper

FTEs	% women in the company	Board diversity (%women in management)	Employee satisfaction level	Whistleblowing sytem
253	64%	75%	75%	yes
237	48%	50%	not measured	yes
341	27%	36%	80%	yes
222.75	70%	37.5%	not measured	yes
49	30%	37.5%	not measured	yes
60	33%	55%	75%	yes

Governance

TORF CORPORATION

artgeist

Buglo

nesperta

7ANNA GROUP

deeper

Code of Conduct	Whistleblowing policy	Number of cybersec breaches	Violation of the local laws, UNGC principles and/or OECD guidelines	AML & anti-bribery training
yes	yes	0	no	yes
yes	yes	0	no	yes
yes	yes	0	no	yes
yes	yes	0	no	yes
yes	yes	0	no	yes
yes	yes	0	no	yes

We are very proud of the exceptional achievements of our portfolio companies throughout 2023, as evidenced by the KPI table. Our collective aim across the portfolio was to measure carbon footprint across Scopes 1 and 2, alongside the establishment of a robust whistleblowing system complete with associated policies. We can announce that this objective has been met with a resounding 100% success rate.

Furthermore, every company within our portfolio has a dedicated team entrusted with overseeing and advancing ESG matters. We are particularly proud by the strides made in promoting diversity, both at the organizational and management levels, evident in the percentage of women represented. Additionally, indicators of employee satisfaction underscore our commitment to create a great workplace environments across our portfolio.

Our focus on governance has been unwavering, resulting in the streamlining of procedures and strategies, the institutionalization of a Code of Conduct across all companies, and the provision of educational initiatives such as AML and anti-bribery trainings.

While we celebrate these accomplishments, we remain cognizant of areas for further enhancement, notably in reducing recorded accidents and increasing renewable energy utilization. Rest assured, addressing these areas will be a key priority as we move forward.

Case Studies



TORF CORPORATION

The Company has measured its Scope 1 and 2 emissions and has implemented a detailed decarbonization strategy. Torf has managed to lower its Scope 1&2 by 15% . Scope 3 has been measured for Pure Trends line and the Company is currently building up the strategy towards its reduction.

The Company minimizes the amount of ingredients used in their products to the essential extent for keeping product quality. The ingredients used in the Pure Trends line are up-cycled - banana blossom flowers, cherry seed oil, and apple seed oil. Torf has also implemented a procedure for the purchase of disinfectant agents, taking into account the environmental impact, as well as the employees' safety.

The Company puts emphasis on the education of both the employees, as well as the clients. The product packagings were designed to communicate the environmental values, but the Company also spreads ESG awareness through its social media. Employees take part in the environment protection days and charities organized by Torf. In 2023 Torf engaged in cooperation with Boskie Karkonoskie foundation, which helps women in work-related crises and supports their entrepreneurship. It also conducted an Entrepreneurship Academy for two grades of local primary school to promote entrepreneurship and support their growth, based on their strengths.

A Top Talents program has been implemented, where the best talents among the Company are recognized and supported, with 100% retention of the

employees within this group and 62% of promotions. Overall employee satisfaction was measured at the level of 76%. Torf also conducts AML & anti-bribery training for its employees.

The Company sees itself as a leader on the sustainability path, and therefore prepared a net-zero strategy with a goal to decarbonize by 2035. This plan outlines specific actions to be taken, divided into phases, with clearly indicated responsibilities to monitor progress and achieve the established goals. The Company aims at further measurements of Scope 3 (for the remaining cosmetic lines) and development of a decarbonization strategy for each of these.

There is also a dedicated ESG team, with management board engagement, to ensure that ESG innovations are included, wherever it is possible. There is ESG responsibility at Board Level (HR Director and Board member), as well as a management bonus plan tied to ESG goals. ESG was put on the agenda of the Supervisory Board twice in 2023. The Company has also implemented a comprehensive Code of Conduct, with environmental sustainability being part of it. Torf also tries to spread the ESG awareness onto its suppliers, collaborating to improve their ESG practices.

90% of the packaging comes from recycled material, and the packages themselves are eco-designed, FSC certified, and with maximum reduction of the packaging weight. Collaboration with a label supplier enabled the Company to create a closed circuit for the labelling, which contributes to transition to the circular economy. The Company uses the up-cycled ingredients, operates an outlet for products with short shelf life among employees and engages in educational activities - communication on packaging, social media campaigns, and promoting environmental values among employees.

In 2023 the Company has been awarded with 1st place in Razem dla Planety (Together for the Planet) contest, organized by BASF, in the category of Sustainability Leader (SME). Packagings for the Pure Trends line have been awarded with 1st prize in an Art of Packaging contest for the approach to ecology, innovation and functionality. Torf Corporation is also carrying out a collaborative project with the Świeradów Forestry District aimed at the rehabilitation and protection of peatlands in the Iżera Mountains.



NESPERTA

The Company has measured its Scope 1 and 2 emissions, and already is undertaking decarbonization activities. The lighting system in Komorniki has been replaced by LED-based, and the Company assesses that its carbon footprint within Scope 2 thanks to this exercise has been lowered in the region of 18-24%. The Company has also created an environmental policy to communicate to employees and interested parties.

Initiatives to reduce and modify packaging (e.g., to include more recycled material) are continuously being planned and implemented. Also Semilac BioColor line was introduced, which is based on bio-renewable ingredients of natural origin, with a bottle made of recycled glass, and 75% PCR plastic cap. Even though the production volume increased by 21%, the amount of packaging used increased only by 6.7%.

A new stream of waste has started to be recycled in a closed circuit – silicone paper. The paper is recycled and reused for the labels by Nesperta, and the recycled silicone is used by another Company for their activity.

Absenteeism has been managed with the introduction of the attendance initiatives, which helped lower the rate by 9% year on year. There have been no accidents in 2023.

The gender split is 70/30 female/male employees. The sales staff are dominated by women (77%). The gender split in the production facility is 60/40 in favour of women. There is a formal policy of non-discrimination and a culture of tolerance is practiced.

A whistleblowing policy and system has been introduced already in 2021 for the employees and other stakeholders. Also, a comprehensive Code of Conduct has been implemented, followed by training sessions with the employees, as well as AML, anti-bribery and cybersecurity trainings. Nesperta is ISO 22716 certified (good manufacturing practices for cosmetics).

The Company has a grassroots approach to community and charity initiatives. In 2023 two donations have been made – one for an organization benefiting deaf people, and a second for a foundation supporting women suffering with breast cancer. Together with the latter, a charity run was organized, in which over 100 employees participated. The campaign “Moc w Naszych Rękach” (“Power in our hands”) was also aimed at raising the awareness and appreciation of the deaf people. As every year, a residential home for senior citizens was supported before Christmas.



Portfolio ESG 2023

TORF CORPORATION

ESG TEAM: Anna Derucka, Patrycja Zamorska

Environmental

- ▶ Carbon footprint measured for Scope 1 and 2, emissions Scope 3 measured for Pure Trends line, reduction of carbon footprint by 15%.
- ▶ Decarbonization strategy for Scopes 1 and 2 with a detailed action plan and responsibilities owners.
- ▶ The ingredients used in the Pure Trends line are up-cycled - banana blossom flowers, cherry seed oil, and apple seed oil. 98% of the palm oil derivatives used in production is RSPO (Mass Balance) certified. The Company minimizes the amount of ingredients used in their products to the essential extent for keeping products quality.

Social

- ▶ Employee satisfaction survey with 76% satisfaction rate.
- ▶ Top Talents Program - the best talents among the Company are recognized are supported, with 100% retention of the employees within this group and 62% of promotions.
- ▶ Charitable activity - helps women in crises and supports their entrepreneurship. It also conducted Entrepreneurship Academy for two grades of local primary school to promote entrepreneurship and support their growth, based on their strengths.

Governance

- ▶ Code of Conduct implementation.
- ▶ AML & anti-bribery trainings.



ESG Risk Summary 2023

Current	Risk Rating 2022	Risk Rating 2023
Social	34%	20%
Environmental	41%	41%
Governance	43%	21%
AVERAGE	39%	27%

ARTGEIST

ESG TEAM: Małgorzata Gruszka, Piotr Śnieciński, Anna Wiśniewska, Olga Adamkiewicz, Piotr Miednik

Environmental

- ▶ Measurements of carbon footprint Scope 1 & 2 emissions, reduction of carbon footprint by 21%.
- ▶ Reduction of stretch foil and bubblewrap usage in packaging and further development of sustainable solutions in this regard.
- ▶ BREEAM certified office building.
- ▶ Audits of majority of suppliers conducted with incorporation of ESG factors.
- ▶ The Company cooperates with Politechnika Wrocławska on a project to create absorbent wallpaper to purify polluted air.



Social

- ▶ System of Production Improvements implemented, where the employee can submit their ideas for changes and potential safety threats detected. This resulted in 0 accidents in 2023.
- ▶ Internal training initiatives - with the "Wiedzieć więcej" initiative employees can participate in trainings of various topics, e.g. related to LinkedIn, AI and ChatGPT. Another initiative is "Poznać Artgeist", where the headquarters employees are shown around the production site, so they can increase their knowledge on the core of Company's business as well as bond with the production employees.
- ▶ Charitable activity - Rakeaton, SOS Children Villages, Company Run.

Governance

- ▶ Code of Conduct.
- ▶ Whistleblowing system & policy.
- ▶ Olga Adamkiewicz, as the CEO, joined 30% Club Poland - a global initiative for gender diversity increase at board and senior management levels in Poland, with aims to achieve no all-men boards by 2025 and increase the share of women on board to 20% by that time, and eventually to at least 30% by 2030.

ESG Risk Summary 2023

Current	Risk Rating 2022	Risk Rating 2023
Social	36%	25%
Environmental	41%	28%
Governance	68%	43%
AVERAGE	48%	32%

NESPERTA

ESG TEAM: Anna Jezierna, Sylwia Szczepańska, Jacek Podgórski, Michał Labocha, Marcin Klimecki

Environmental

- Scope 1 and 2 of carbon footprint emissions measured.
- New stream of waste has started to be recycled in a closed circuit - silicone paper.
- The lighting system in Komorniki has been replaced by LED-based, and the Company assesses that its carbon footprint within Scope 2 has been lowered in the region of 18-24%.
- Reduction of gas consumption by 21%.

Social

- No accidents in 2023.
- The campaign “Moc w Naszych Rękach” aimed at raising the awareness and appreciation of the deaf people.
- Absenteeism level reduced due to attendance initiatives.

Governance

- Code of Conduct.
- AML & anti-bribery trainings.
- Whistleblowing system and policy.
- ISO 22716 certification.



nesperta

ESG Risk Summary 2023		
Current	Risk Rating 2022	Risk Rating 2023
Social	28%	25%
Environmental	51%	41%
Governance	61%	21%
AVERAGE	46%	29%

BUGLO

ESG TEAM: Anna Siennicka, Wioleta Siudowska, Łukasz Zajfert

Environmental

- Installation of the photovoltaics farm and further developments – right now c.a. 5% of the energy used is generated inhouse.
- ISO 14000 (environmental management) – recertification.
- Reduction of the carbon footprint Scopes 1 & 2 by 18% year to year.



Social

- Employee satisfaction level - 86% with 80% participation rate.
- Wellbeing Calendar in which the initiatives for the employees are planned in advance, that evolved from the Buglo volunteers initiatives. The employees engage in the initiatives more on a opportunistic basis, rather than continuous support.
- Increase in the number of FTEs by 20% over the last 2 years.

Buglo

Governance

- Code of Conduct.
- AML & anti-bribery training.
- Whistleblowing system & policy.

ESG Risk Summary 2023		
Current	Risk Rating 2022	Risk Rating 2023
Social	43%	32%
Environmental	44%	31%
Governance	39%	14%
AVERAGE	42%	26%

7 ANNA

ESG TEAM: Anna Kobylińska, Maciej Kempa



Environmental

- Scope 1 and 2 of carbon footprint measured with very modest carbon footprint result.
- Company implemented a new type of ergonomic packaging, plastic-free, that allowed a 20% reduction of box volume as well as lowering the consumption of cardboard (by 20%) and plastics (by 50%). Newly designed packaging eliminates the risk of spine injuries while loading. 7Anna was nominated for ESG Initiative of the Year in the contest organized by PSIK.

Social

- Fitness sessions with personal trainer.
- Cycling training sessions.
- Charitable activities - participation in Kilometers for Children initiative, where every kilometer ridden is converted into money for charitable purposes. This year there have been dedicated charitable activities to help the victims of the war in Ukraine.



Governance

- Code of Conduct implementation.
- AML & anti-bribery trainings.
- Whistleblowing system & policy.

ESG Risk Summary 2023		
Current	Risk Rating 2022	Risk Rating 2023
Social	37%	31%
Environmental	43%	39%
Governance	50%	36%
AVERAGE	42%	35%

DEEPER

ESG TEAM: Gintarė Dūdėnaitė



Environmental

- Promotion of “catch and release” fishing approach.
- Cooperation with Lithuanian Nature Research Centre - Deeper's technology provides bathymetry information relating to the lakebed, possible plant life in the lakes and changes in water levels.
- Scope 1 and 2 of carbon footprint measured with very modest carbon footprint result.



Social

- Mindletic app available to the employees, offering mental health development plans.
- Work-ation - letting the employees work from wherever location they want for a month.
- WomenGoTech initiative, which is an NGO encouraging women to enter the IT/Tech sector. Employees at the Company mentor female students, who are considering tech as a career.
- Employee satisfaction measured at the level of 75%.
- Deeper is involved in a variety of charities. In 2023 there was a collection for SOS Children Villages, and in 2024 the Company plans to cooperate with Kaukeno Foundation, providing aid to people suffering from cancer.

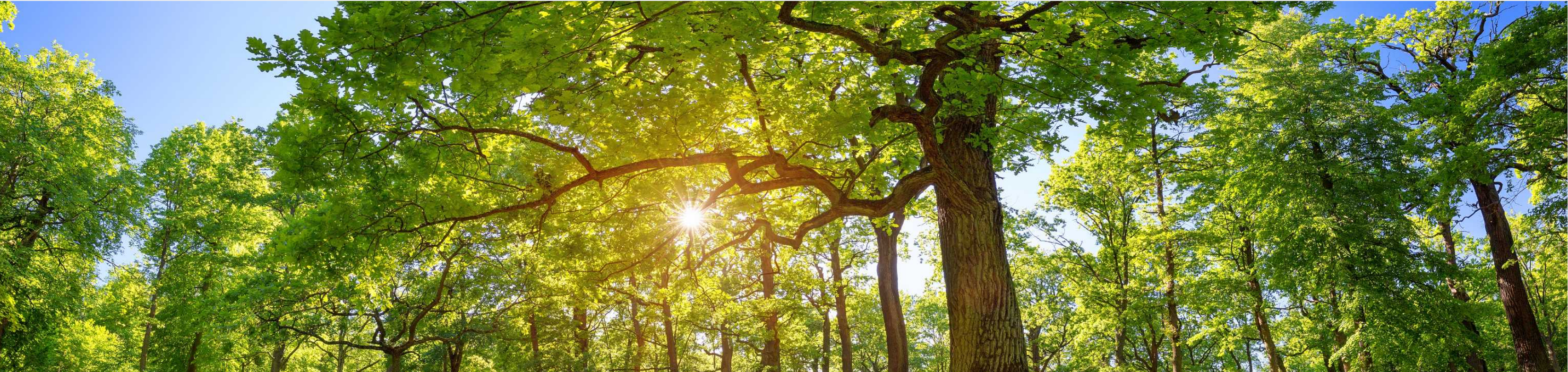
Governance

- Code of Conduct implementation.
- AML & anti-bribery trainings.
- Whistleblowing system & policy.

ESG Risk Summary 2023		
Current	Risk Rating 2022	Risk Rating 2023
Social	36%	31%
Environmental	30%	33%
Governance	32%	25%
AVERAGE	32%	30%

SDGs & UNPRI

The United Nations Sustainable Development Goals (SDGs) are a comprehensive set of 17 interconnected goals established by the United Nations General Assembly in 2015. These goals serve as a universal call to action to end poverty, protect the planet, and ensure prosperity for all by 2030. The SDGs address a wide range of global challenges, including poverty, inequality, climate change, environmental degradation, peace, and justice.



Unless we act now, the 2030 Agenda will become an epitaph for a world that might have been.

António Guterres,
Secretary General
United Nations

Each goal is accompanied by specific targets and indicators designed to measure progress towards its achievement. The SDGs aim to mobilize governments, businesses, civil society, and individuals worldwide to work collaboratively towards a more sustainable and equitable future.

These goals are interconnected and mutually reinforcing, recognizing that progress in one area often depends on progress in others. By addressing these challenges comprehensively and holistically, the SDGs provide a roadmap for achieving a more inclusive, resilient, and sustainable future for people and the planet.

In the context of ESG reporting, the SDGs offer a valuable framework for organizations to align their sustainability efforts, set priorities, and measure their contributions to global sustainable development objectives. By integrating the SDGs into their ESG strategies, companies can demonstrate their commitment to responsible business practices and contribute to positive social and environmental impacts on a global scale.



The United Nations Principles for Responsible Investment (UNPRI) is a globally recognized framework for incorporating ESG factors into investment decision-making and ownership practices. Launched in 2006 by then UN Secretary-General Kofi Annan, the UNPRI initiative aims to promote sustainable investment practices that contribute to long-term value creation and societal well-being.

UNPRI outlines six aspirational principles that signatories commit to incorporating into their investment practices:

1. We will incorporate ESG issues into investment analysis and decision-making processes:

Signatories pledge to consider ESG factors as part of their investment analysis, ensuring that environmental, social, and governance risks and opportunities are adequately assessed alongside traditional financial metrics.

2. We will be active owners and incorporate ESG issues into our ownership policies and practices:

Signatories commit to actively engaging with companies and exercising their ownership rights to promote responsible business practices, transparency, and accountability on ESG issues.

3. We will seek appropriate disclosure on ESG issues by the entities in which we invest:

Signatories advocate for greater transparency and disclosure of ESG-related information by companies, encouraging them to report on their environmental impacts, social performance, and governance practices.

4. We will promote acceptance and implementation of the Principles within the investment industry:

Signatories undertake to promote the adoption of responsible investment principles across the investment industry, fostering a culture of sustainability and responsible stewardship among investors and asset managers.

5. We will work together to enhance our effectiveness in implementing the Principles:

Signatories collaborate with each other and relevant stakeholders to share best practices, develop tools and resources, and advance the implementation of responsible investment principles globally.

6. We will each report on our activities and progress towards implementing the Principles:

Signatories commit to transparently reporting on their adherence to the UNPRI principles, disclosing how they integrate ESG considerations into their investment processes, engage with companies, and contribute to sustainable outcomes.

By becoming a signatory to the UNPRI, institutional investors, asset managers, and other financial institutions demonstrate their commitment to incorporating sustainability considerations into their investment decisions and practices. The UNPRI framework provides guidance and a common language for investors to integrate ESG factors into their strategies, aligning their investment portfolios with long-term value creation, risk management, and positive societal impact.

In the context of ESG reporting, adherence to the UNPRI principles demonstrates a commitment to responsible investment practices and can enhance transparency and accountability in investment decision-making. By integrating the UNPRI principles into their investment processes, organizations can contribute to the promotion of sustainable development goals and drive positive change across financial markets worldwide.

We are proud to confirm that Resource Partners is a committed signatory of the United Nations Principles for Responsible Investment, underscoring our dedication to integrating ESG factors into our investment practices and contributing to sustainable and responsible financial markets.



Disclaimer: This ESG report is intended for informational purposes only and does not constitute investment, legal, or financial advice. The information presented herein is based on data available at the time of publication and is subject to change without notice. While every effort has been made to ensure the accuracy and completeness of the information provided, Resource Partners makes no representations or warranties, express or implied, regarding the accuracy, reliability, or suitability of the information contained herein. Readers are encouraged to conduct their own research and consult with appropriate professionals before making any investment decisions. Resource Partners disclaims any liability for any errors or omissions in the content of this report, and shall not be held responsible for any losses or damages arising from the use of or reliance on the information presented herein.



General Partner

REEEP II Holdings S.à r.l. &
Resource Partners GP III S.à r.l.
14-16, Avenue Pasteur
L - 2310 Luxembourg
Grand-Duché de Luxembourg
reep@resourcepartners.lu

Investment Advisor

Resource Partners Sp. z o.o.
Zebra Tower
Mokotowska 1
00-640 Warszawa
Phone: +48 22 377 7900
office@resourcepartners.eu

