

2022

Annual Sustainability Report

EVOLVER 

A growth partner for small businesses.

Evolver is a value-driven Private Equity investor adhering to the fundamental principles stated in the United Nations' Global Compact and the Principles for Responsible Investment. The Evolver Fund I is an Article 8 fund, meaning that Sustainability is part of the overall value creation package.

As stated in ESG Policy, "Our investments should reflect our values". Contributing to the transition to more sustainable businesses resonates well with Evolver's core values building on responsibility and recognition of the importance of smart and healthy operations.

The ESG performance of our target companies is screened as part of the due diligence process preceding every investment. However, suboptimal ESG performance at the time of acquisition does not prevent Evolver from investing. In some instances, the improvement potential can be identified as a lever for creating value.

in the investment activities are described. The report should be read in light of Evolver's ESG policy, in which Evolver's ambition and focus areas are described in further detail.

The underlying data has been collected by Evolver's Sustainability Officer. The responsibility for providing Evolver with data for portfolio companies lies with the Boards of Directors of the respective portfolio companies.

For further inquiries, please contact Sustainability Officer: lasse.kittelsen@evolverequity.com

About this report

This Sustainability report consists of the annual environmental, social, and corporate governance topics of Evolver Fund I for 2022. In this report the company's recent efforts to integrate Sustainability considerations

Evolver Equity Ltd

Evolver Equity Ltd is a Finnish private equity firm and a registered Alternative Investment Fund Manager operating under the supervision of the Finnish Financial Supervisory Authority.

A growth partner for small businesses, Evolver supports owner-led businesses in realizing their inherent potential.

Evolver manages Evolver Fund I, a small-cap fund focusing on leveraged buyout investments in Nordic SMEs with a strong presence in Finland or Sweden.



To our investors, partners and stakeholders.

Going into 2022 we targeted a minimum of two new platform investments. In the selection process, during which we have reviewed +150 investment opportunities in 2022, we were keen to identify the companies' potential for measuring and improving Sustainability related impact.

The outcome of 2022 was two new platform investments, Toyrock Oy and Spinverse Oy, two Finnish market leaders in their respective industries. Since investing in these companies, both have undergone the introductory Sustainability workshop together with a third-party specialist aiming to support each Evolver-owned company in drafting a Sustainability roadmap based on a relevant double materiality analysis.

By the end of 2022 the companies in which Evolver had invested all have identified the sustainability related areas that are most important for their respective businesses. Based on that, the companies have set relevant KPIs that will be continuously monitored.

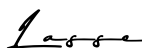
We have been involved in every step of the development and further encourages the companies to evaluate, and when necessary, update roadmaps and KPIs, as well as to set achievable targets. We continue the promotion of a culture that is in line with our Sustainability ambitions.

Going in to 2023, the biggest project is to establish the GHG emission measuring in the Evolver-owned companies that are not yet measuring GHG emissions. Furthermore, defining company-specific emission targets is something we will focus on this year.

Evolver fund I key performance indicators

To breed good governance is one of the apparent positive impacts of Evolver's hands-on involvement in Nordic SMEs. In addition to ensuring a professional level of financial reporting, ESG reporting routines is something that Evolver introduces to every Evolver-owned company. The quarterly reporting is focused on any changes in policies or procedures, identified risks or opportunities, and potential ESG-related incidents. In the annual reporting the focus is on the most significant environmental, social or governance effects of the business. The report consists of a qualitative part and a quantitative part (KPIs), whereas the KPIs are both company specific and fund specific.

The fund specific KPIs that the portfolio companies have been encouraged to introduce are (i) Code of Conduct implementation (Governance) (ii) ratio of renewable energy used (Emission Impact) (iii) equal pay for work of equal value (Equality & Inclusion) and (iv) Employee Net Promoter Score (Employee Engagement). The implementation process for all portfolio companies, as well as for Evolver as a fund manager, started during 2022 and is expected to be complete in 2023.



LASSE KITTELSEN
EVOLVER

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Investment policies, processes and fund terms.

Material changes of relevant investment policies, processes, and fund terms regarding sustainability management.

For Evolver, the most important Sustainability related areas that should be considered in a potential investment are:

- Collaborate with and invest in companies that share Evolver's values regarding human capital and work environment, and that understand the importance of employee well-being.
- Collaborate with and invest in companies that understand the importance of having sufficient processes and routines in place to comply with all relevant national and international legislation regarding environment, work ethics and responsibilities as an employer.
- Avoid working with businesses that are not considered ethical, considered controversial, or that have a significant negative impact on the environment and climate. Unethical or controversial businesses include, but are not limited to, the weapon industry, tobacco, gambling, drugs and pornography. Businesses with high negative impact on the environment and climate include but are not limited to mining and distribution of oil, gas and coal.

During 2022 an updated and more comprehensive Code of Conduct was adopted by the Partners of Evolver. The purpose of the CoC to clearly state the formal requirements relating to Evolver's operations. To further refine the CoC and ensure that the practices described in it become an integral part of the everyday work of all Evolver co-workers, Evolver's core values will be more clearly included in the document as the Evolver brand values are re-visited in a collaborative process planned for in 2023.

Material ESG-related incidents

Material ESG-related incidents during the reporting period

ESG-related incidents reported for the General Partner during 2022 are of occasional nature. The workload can at times be challenging and Evolver is managing the situation by closely observing the Evolver co-workers' situation, especially during periods when projects peak.

Co-workers are encouraged to continuously evaluate the workload and prioritize when there is an apparent risk of unsustainable. Internal and external support is offered if that is considered to be an advantage for co-workers.

Sustainability risks and opportunities

From an overall fund perspective the most tangible sustainability related opportunity lies in supporting the portfolio companies in defining and implementing a systematic way of working with sustainability related matters. Once a company has appointed persons responsible for the company's sustainability agenda, and such person has been given the tools to support the company within the identified relevant areas, the company is able to quickly take meaningful steps towards more sustainable operations. Even more importantly, sustainability targets themselves are identified as value-creating within the company.

One risk that can to some degree be observed in the process is that inadequate communication and/or inclusion of the highest level of management at the early stages of the process can delay or complicate the implementation of sustainability related measures. Anchoring sustainability targets and the value of achieving such targets is key to enabling a smooth process.

The quickly changing regulatory environment can also to some degree be perceived as an overall risk, as especially smaller fund managers such as Evolver have limited resources when it comes to the monitoring of the evolving regulations and, thus, to a certain extent has to rely on external advisors and consequently also has to remunerate such advisors within the limits of the available means.

Evolver equity in 2023

Evolver Equity Ltd/Evolver Fund I

- Within 2023, every portfolio company, as well as Evolver itself, will establish GHG emission calculation reporting
- Further development of the Evolver working environment is planned, including a revisit of the traditional Evolver values and anchoring the values in the current organization
- Implementing a bespoke Code of Conduct based on Evolver's core values

Further encouraging to define targets for KPIs in the Evolver sustainability reporting system

Sustainable development goals and our impact.



Gender Equality

We have identified three SDGs that are clearly important for us throughout the value chain. These have both positive and negative impacts. Evolver's primary focus in the Social and Governance dimensions lies on Gender Equality (SDG 5) and Decent work (SDG 8), as Evolver has a real opportunity to make a positive impact within these areas. In the Environmental dimension, reducing negative climate impact is highly important to Evolver (SDG 13 - Climate Action).



Decent work and economic growth

The preliminary ESG impact analysis indicates that increasing gender equality and supporting decent job creation, entrepreneurship, and encouraging the growth of small and medium-sized enterprises are areas where Evolver can have a meaningful impact. We see every investment as an opportunity to contribute to the transformation to a more sustainable society.



Climate action

To ensure continuous progress and follow-up, we are evaluating the following KPIs for the fund and our portfolio companies: i) Code of Conduct implementation in all portfolio companies (Governance), ii) ratio of renewable energy used (Emission Impact), iii) equal pay for work of equal value (Equality & Inclusion), iv) introducing and following up on the Employee Net Promoter Score (Employee Engagement).



Spinverse

About Spinverse

The core of our business and work with customers is heavily driven by sustainability and global challenges.

Our sustainability areas focus on GHG emissions, energy efficiency as well as eco-friendly solutions and products. In terms of social responsibility, our key areas include employee satisfaction and engagement, employee development, employee turnover and diversity. Our areas of focus concerning governance include GDPR considerations and customer satisfaction.

Sustainability improvements

We conducted an annual Great Place to Work survey to measure how we fair on various cultural, management and overall governance issues. The results showed improvement and reason to be proud.

In the end of 2022, we focused on introducing ESG as a concept to the entire staff, and explored what it really means for us and how we want to get inspired and inspire others through our ESG work. We identified sustainability factors within our customer projects and internal company governance and prepared for the actions to initiate a more systematic ESG approach. Furthermore, we conducted a related workshop facilitated by an ESG consultant, and we are building our

	Employees	90
	EBITDA	21.2%
	Revenue in M€	12.1
	Great Place to Work index	86%

future ESG activities largely on the outcome of these activities.

KPI.S

Since the beginning of our ESG journey at the end of 2022, we have set objectives to identify our key targets and the KPIs and processes necessary to monitor and measure our progress to achieve those targets. Furthermore, a calculation of our company emissions will also provide us with additional KPIs to monitor.



Niklas

NIKLAS WECKSTRÖM
SPINVERSE







Toyrock

About Toyrock

Toyrock aims to be a significant player in Nordic markets as well as a forerunner in terms of operations and sustainability. We've always wanted to be at the forefront when it comes to market development. During 2022, we took significant steps with regard to sustainability and now have even higher targets and expectations for 2023. Sustainability is an increasing demand, particularly within our customer base, and that's why we want to make sure we can respond to those expectations.

Sustainability improvements

In 2022, we examined our current status in terms of responsibility and drafted a roadmap for the coming years to support the company's responsibility goals. We started to work on the company's Code of Conduct, which will be implemented in first half of 2023. We highly value the well-being of our employees and, as a result, we have implemented a quarterly eNPS survey. As an additional means of meeting our customers' expectations, we have taken steps to ensure that our annual sustainability report is as transparent as possible for our external stakeholders.

	Employees	18
	EBITDA	10.4%
	Revenue in M€	21.2
	ENPS	78%

KPI.S

- Employee Net Promoter Score (eNPS)
- Number of absences due to illness
- Carbon footprint of procurement & logistics
- Share of renewable energy
- Net Promoter Score (NPS)
- Proportion of complaints from sold products
- Code of Conduct and training
- Supplier Code of Conduct
- Suppliers' social responsibility certificates



Eero

EERO MÄKITALO
TOYROCK



XPartners




As a multidisciplinary technical consulting group, XPartners takes a collaborative approach to the way the built environment is planned, designed and constructed as a means of improving societal resilience and sustainability.

About Xpartners

The core sustainability areas and services that XPartners focuses on and provides to clients include energy optimisation, climate calculations, life cycle analyses, reuse and circularity and a suite of validation and certification systems for a sustainable built environment, such as BREEAM, LEED, Miljöbyggnad, Well and Citylab. We use our internal collaboration platform Xbase to share and generate new knowledge and services that can be used for all clients in our projects.

Sustainability improvements

On the group level, XPartners has implemented ESG reporting and evolved policies and routines to include sustainability and resilience in all its companies. This includes, for example, the implementation of a new whistleblower system, new KPI reporting, GHG emission calculation and the identification of our Agenda 2030 goals. We are also happy to be members of the Swedish Green Building Council and participants in the UN Global Compact.

	Employees	235
	EBITDA	21%
	Revenue in M€	28.8

KPI.S

- Carbon footprint reporting by GHG Protocol (Co2e), net-zero target 2045, science-based target by 2025
- Agenda 2030 goals implemented through group company goals during 2023
- Risk management, all group companies to perform risk management during 2023
- Diversity goals, target 40/60 women/men, during 2023 minimum one woman in each group company management team
- Improve sustainable services to our clients



Jessica
JESSICA EHRNST
 XPARTNERS



Nordic BIM Group

Nordic leader in innovation consulting - helping customers innovate, grow and solve global challenges.

About Nordic BIM Group

Responsibility has always been central to our operations, and at Nordic BIM Group, we are devoted to a broad range of environmental, social and governance (ESG) commitments. These elevate our business, create value for our shareholders and investors, support our employees and customers and show respect to the local communities in which we work.

We believe ESG is our corporate responsibility as a digital solution provider for the AEC industry, as well as an opportunity to promote good business ethics and focus on a more sustainable and resilient future - the world isn't perfect, and neither are we. This is an ongoing journey and we are working hard to reach our goals. We learn and develop as we go and will be more sustainable over time.

	Employees	60
	EBITDA	25.6%
	Revenue in M€	20.6
	ENPS	+30

KPI.S

- **Reducing CO2 emissions and our environmental load**
 - Continue using 100% renewable energy
 - Reduce our travelling by 10% in 2023 (compared to 2022)
 - Grant 300 Green BIM Certificates
- **Occupational well-being / health**
 - Continue to conduct employee surveys annually and keep employee satisfaction over 4.5/6
- **Community investment**
 - Continue yearly donations of approximately €10,000 to local charity organisations
 - Continue organising 5 community days every year
 - Teach more than 200 AEC students for free

Sustainability improvements

Nordic BIM Group has chosen to focus on three of the 17 UN SDGs and they are linked with our own KPIs.

SDG Number 3 – Good health and well-being

Nordic BIM Group is focusing on our employees' occupational health and well-being. We work actively to achieve the highest possible level of well-being at work.

- Our employee satisfaction rate was 4.72/6 in 2022, and we ranked among the industry's top ten in overall satisfaction, as we came in eighth out of 151 companies. Our goal for 2023 is to maintain a level of more than 4.5.

SDG number 10 – Reduced inequalities

Nordic BIM Group is focusing on local community investments. Every year we do several activities to contribute to our local communities.

- To help shape the future of our industry and create a good foundation for students before entering the job market, we arrange the Archicad Summer Camp, an Archicad basics course for AEC students. The camp is intense, free of charge and in demand. In 2022, we educated over 180 AEC students free of charge.

- Nordic BIM Group organises and participates in 5 community days every year with the goal of giving back to our local communities.
- All three countries donate annually to local charitable organisations. Nordic BIM Group donated a total of EUR 10,000 in 2022.

SDG number 13 – climate action

Nordic BIM Group is working on reducing its CO2 emissions and environmental load. Our products provide our customers with the tools to lower their environmental impact.

- All three countries are using 100% renewable energy.
- We only travel when needed and using the most eco-friendly transportation available.
- We launched the Green BIM Certificate, a training program with a toolkit that helps our customers to design more sustainable buildings.



A handwritten signature in black ink that reads "Arto".

ARTO NIEMINEN
NORDIC BIM GROUP





Inprocon

About Inprocon

Inprocon is a leading Swedish fire protection group comprised of three companies, Maxcon AB, FireTech AB and A-Sprinkler AB. The combined resources of the group facilitate the capability for a greater impact in terms of both sustainability and business development. Inprocon's focus areas regarding sustainability include Work environment, Reduced climate impact and Governance.

Sustainability improvements

Inprocon aims to be the most attractive employer within the industry; an aim that places high demands on our organisation in terms of leadership, the work environment and safety. During 2022, Inprocon initiated the process to implement employee pulse surveys to gain a better view and understanding of our employees' well-being and work situations.

In 2022, Inprocon launched the "Inprocon School", a training program which will enable competence development that is adapted to our organisational needs as well as the needs of our employees. In its first year, the focus of the Inprocon School has been on leadership to improve the management skills of both existing and potential leaders within the group.

To identify what actions can be taken to reduce our negative climate impact, Inprocon will calculate and report its GHG emissions in 2023. In addition, one of

	Employees	149
	EBITDA	7.9%
	Revenue in M€	26.2
	ENPS	24

the group companies, FireTech, has investigated and identified opportunities to promote circular economy as part of their business approach.

Our goal is to reduce our climate impact within identified areas for improvement. This will be reported through the GHG protocol.

Inprocon aims to reduce the percentage of absences due to illness. We also have a Vision Zero approach to occupational injuries, which we are very happy to have achieved during the reporting period.

Inprocon has just begun reporting on eNPS and will set a goal index during the next reporting period.



Sofia

SOFIA ASKEBLAD
INPROCON

Evolver Equity in 2023

Evolver Equity Ltd/Evolver Fund I

Evolver Fund I, currently formally an Article 6 fund, will reposition itself to an Article 8 fund, as it corresponds to the actual ESG ambition and status of the fund.

Common fund KPIs for all Evolver portfolio companies will be introduced and followed up on. These KPIs will reflect the prioritised SDGs for Evolver Fund I.

Further measures will be introduced in order to deepen the materiality analysis of Evolver Fund I's positive and negative impacts. We believe these measures will support Evolver in realizing the full value potential for each investment.

Appendix

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