

30 March | 2023

Investing in the future economy

Your intellectual engine for sustainability conscious investment decisions

Investor requirements shape our approach to ESG DD and transformation roadmaps

Overview

Typical investor requirements

For our investments we need:

1. A synthesis of sust. performance and potential
2. Drill-downs and backups for all material aspects
3. An actionable improvement plan to fix any issues



ESG DD results

- **Overall perspective** on future-fitness of the company
- **Status quo** review of current ESG performance
- **Year one expectation** of possible progress in 12 months
- **Prioritize action list** to fix identified issues and deliver on year one expectation

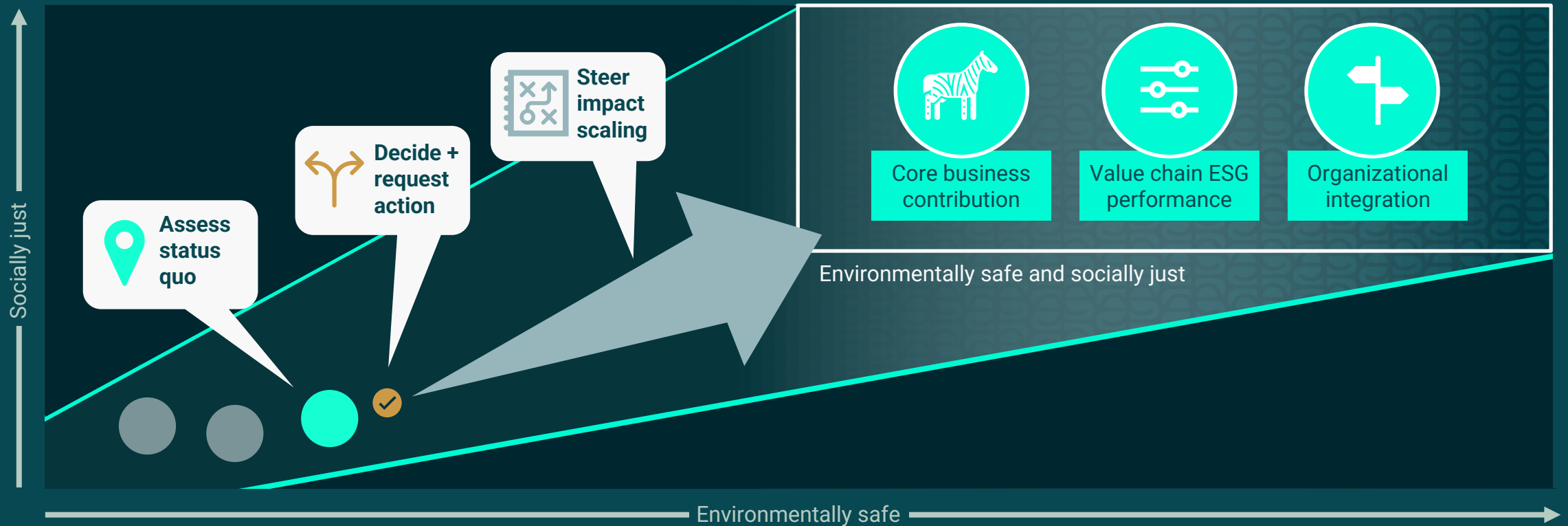
Transformation roadmap

- **Prepare investment decision** with robust fact-base
- **Define ambition and set targets** with leadership team
- **Define program and steer** toward ambition
- **Facilitate annual reviews and prepare exit** based on substantiated impact claims



Together, we can develop your investment portfolio towards the safe and just space of a profitable, future-fit economy

The transformation journey



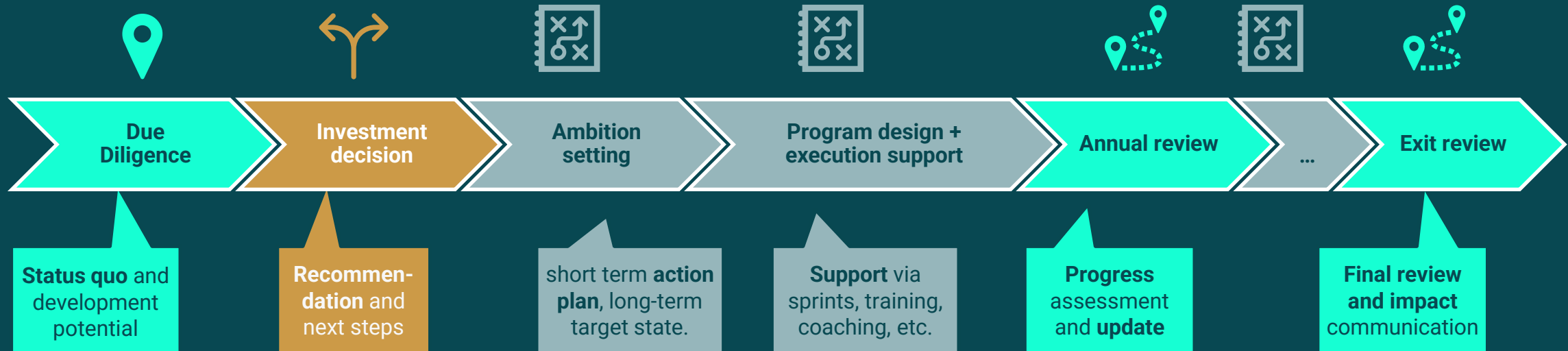
The transformation journey starts with a rigorous due diligence and leads to robust and substantiated impact claims

ESG DD and steering approach

Robust due diligence

Fact-based decision making and structured program execution

Justified impact claims





Core business contribution

Sustainability performance of your value chain

Organizational maturity

Due Diligence: Every journey starts with an honest assessment of your starting point

An ESG DD prepares an investment decision based on a review of contribution, value chain performance and org. integration



Key recommendation – status quo

Dimensions

Average results



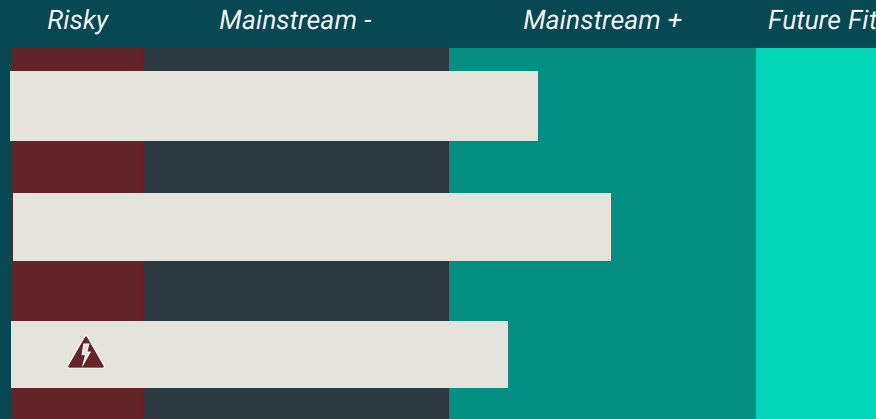
Contribution



Value Chain



Org. integration



Investment perspective

Our perspective:

develop



In our perspective, TC is a relevant investment target, when considering the relevant societal contribution and further development potential:

- TC's packaging machines help preventing food waste and making safe food available
- TC's value chain challenges lie up- and downstream; with packaging waste disposal difficult to influence but important
- TC's organization of sustainability is evolving, with the current linear business model being a red flag 🚩

This anonymized ESG DD reflects our assessment of a producer of packaging machines



Each ESG DD assesses current performance, highlights potential red flags and outlines a year one development expectation

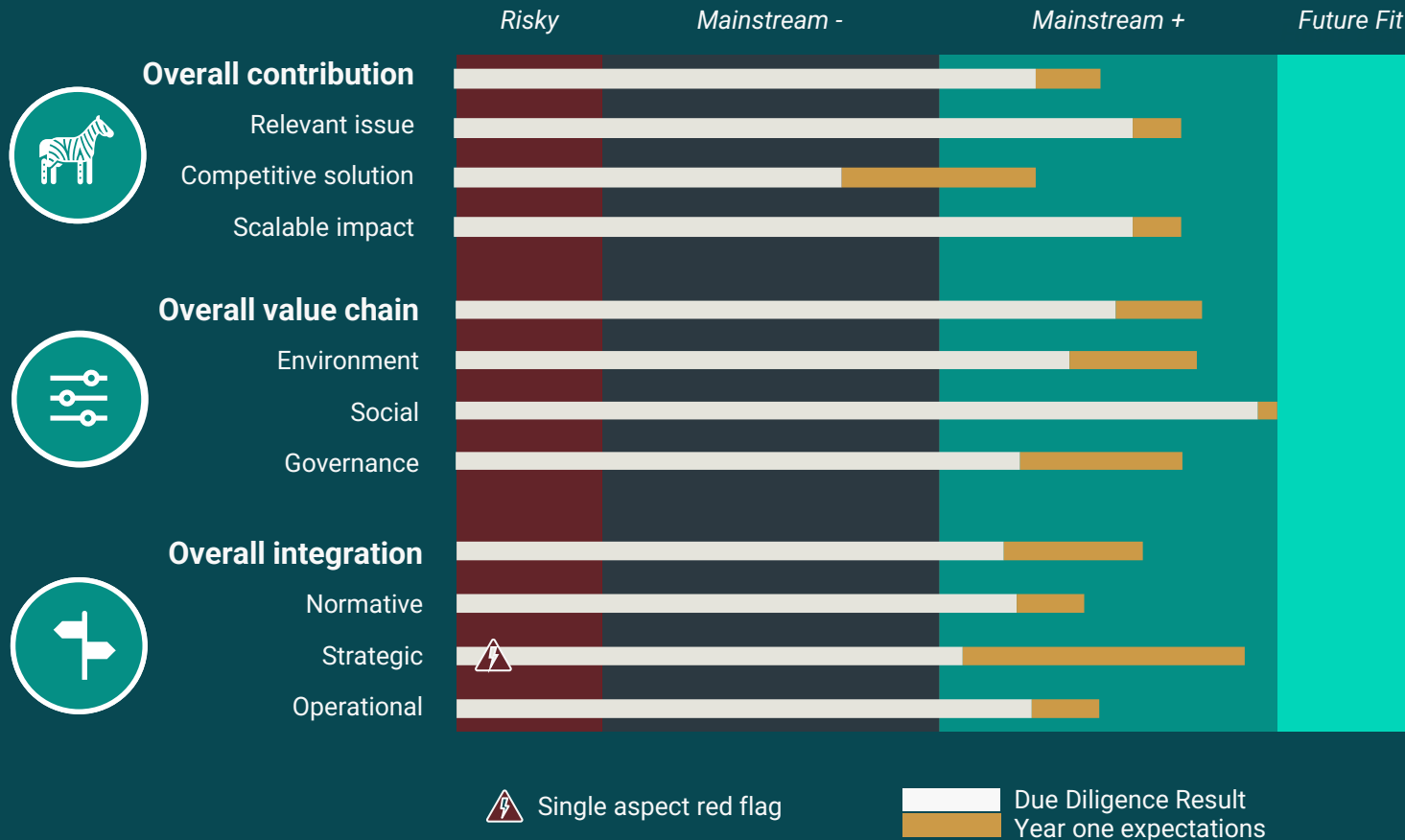


Key recommendation – year one expectation

Dimensions

Impact and sustainability steering over time

Main steps in year one



TC's packaging machines help preventing food waste and making safe food available. Now...

- Establish an impact model to fully grasp contribution
- Focus on competitiveness of solutions (e.g., resource efficiency)
- Prepare scaling of more sustainable solutions

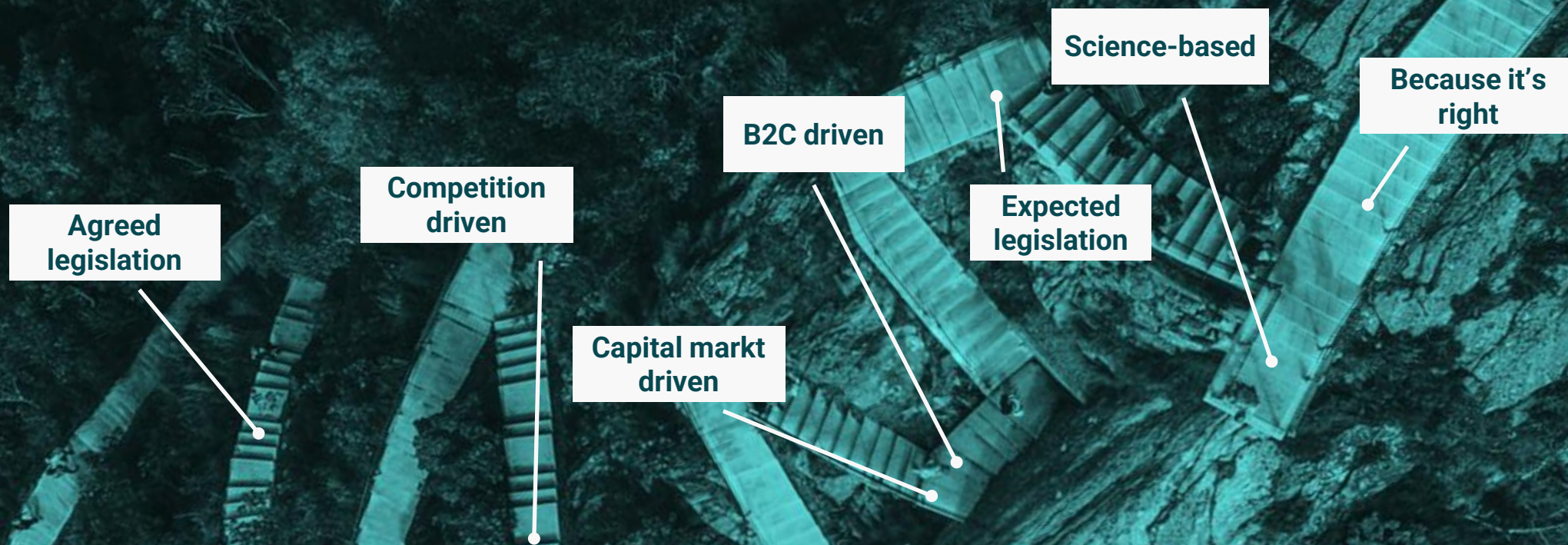
TC's value chain challenges lie up- and downstream; with downstream waste difficult to influence. Now...

- Understand health impacts of current food range
- Understand and tackle downstream waste

TC's organization of sustainability is evolving, with the current linear business model being a red flag. Now...

- Pilot, scale and shift to circular business models
- Align other strategic areas to this shift
- Update operations accordingly

This anonymized ESG DD reflects our assessment of a producer of packaging machines



Ambition setting: Longer-term targets make ambitions tangible, measurable and actionable



Dr. Veronika von Heise-Rothenburg

CFO and Co-Managing Director
Everphone

“Providing a sustainable service for mobile devices is our business.

For Everphone, sustainability means scaling impact, deepening the integration of sustainability in the organization, and improving ESG risk management.

Together with Better Earth, we took a great step forward in validating and enhancing this sustainability program.”

Annual reviews enable fact-based conversations and steering toward the exit ambition



ESG reporting and steering



...support substantiated exit communication

- Provide fact-base to support substantiated impact claims for exit / IPO
- Attract higher multiples and higher valuations based on demonstrated alignment with a future-fit economy, incl. legislative and multistakeholder demands such as Green Deal, UN SDGs, etc.



...inspire next annual program

- Consistently comply with ESG requirements in your own annual reporting, such as SFDR
- Keep your portfolio companies focused on impact and value creation and avoid unnecessarily cumbersome reporting burdens
- Keep your companies on track to deliver on longer term impact aspiration



... meet ESG reporting requirements

- Small funds: understand how and where to integrate sustainability risks in your investment decisions and remuneration policies
- Large funds: learn the principally adverse impacts (PAIs) of your investee and how respond
- Impact funds: define what to report annually and how to substantiate your impact claim



**Annual reviews
help to..**

Ich freue mich über Rückmeldung und die Fortsetzung des Austauschs



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