



Responsible Ownership Report

2022



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About this report

Due to our engagement in World Economic Forum Family Business Community our report is inspired by elements from the World Economic Forum's (WEF) reporting framework for ESG disclosures: *Measuring Stakeholder Capitalism*.

The WEF framework is yet to be widely applied among private family businesses, however Canica recognizes the benefits of applying the framework in our own operations, as well as in the ESG processes and performance management of our investment portfolios in the years to come.

The WEF framework divides 21 indicators into four sustainability aspects: governance, people, planet, and prosperity. Our responsible ownership report identifies the most important work we do within each selected sustainability aspect.



Excellence is the result of caring more than others think is wise, risking more than others think is safe, dreaming more than others think is practical, and expecting more than others think is possible

- Ronnie Oldham

Letter from our Chair



We have a responsibility and an opportunity to make a difference

- Caroline Hagen Kjos

2022 has been a challenging year. A combination of several macroeconomic factors, mainly fuelled by the aftermath of Covid-19 and the war in Ukraine, has impacted companies and individuals worldwide. One of the main economic challenges was the increase in inflation rates triggered by increased demand for goods, supply chain disruptions, and increasing production costs. Prices of goods and services increased which led to a reduced purchasing power of consumers combined with increased living costs. Central banks responded by implementing monetary policies to manage inflation and stabilize economies, and governments have provided fiscal stimulus packages to support businesses and individuals affected by the economic downturn.

Following some profitable years during the Covid-19 pandemic, many business-owners have been forced to reorganize and reprioritize in order to adapt new purchasing patterns and reduced demand. The main focus for our operational companies this year has been on optimizing daily operations and cost management. However, the sustainable agenda has not been put on hold, and many of the companies we have invested in have continued to improve internal measures.

In this report we share key highlights, opportunities, and challenges from our operations and some of the companies we invest in. Despite a challenging year, the Orkla companies have continued their efforts to pursue long-term sustainability goals. In 2022, Orkla committed to net zero emissions of greenhouse gases across the entire value chain by 2045, and the measures for achieving this goal have been approved by the Science-Based Targets

(SBTi) initiative. Anora has also officially committed to set science-based targets, but most importantly was the launch of a new company strategy with sustainability at the very core.

Creating long-term value for society has been a driver in Canica's philosophy since our foundation. However, in recent years growing expectations from the public and other stakeholders, most importantly regulatory institutions and the financial investment community, have pushed us to put further emphasis on aligning our business in a manner that contribute to the achievement of the United Nations Sustainable Development Goals. The fundament of sustainable development is to ensure that we make the world a better place for future generations.

We publish this report with the intention of increasing the transparency of how we manage sustainability in our investment portfolios. In producing and writing this report we learn much about our own operations and the areas where we still have room and need for improvement. Our sustainability work is an ongoing and an evolving effort to ensure that we practice our ownership responsibly.





About Canica

Canica is a privately owned investment company, operating out of Norway and Switzerland. Our objective is to derive the best possible returns while ensuring that the underlying economic activity is responsible and sustainable.

Canica consists of various holding structures with multiple group companies and invests in a range of different sectors mainly divided into three main categories: industrial investments, financial investments and real estate. Canica has a global presence, focused on the Nordics, selected countries in Central Europe and the United States.

We expect companies, where we have a direct or indirect ownership interest, to have a long-term goal of developing profitable business models that do not harm people or the environment, by respecting fundamental human rights, regulations for responsible use and management of natural resources.

We maintain a close dialogue with the companies we invest in and do our best to monitor their sustainability agenda. Even though we have come a long way, we acknowledge that both Canica and the companies we invest in have important tasks ahead to become truly sustainable.

Our responsible investment activities are based on the Paris Agreement and the UN Sustainable Development Goals (SDGs). In the years to come, we will follow the principles of the Corporate Social Responsibility Directive and use the European Sustainability Reporting Standards and EU taxonomy as an investment tool.



Sustainable growth is the key for long-term value creation

– Jan Ole Stangeland, CEO, Canica AS

Our values and principles

Canica stands for the core values of courage, consistency and competence.

Courage means that we aim to show a will to win in every aspect of our business. We seek to acquire and develop companies that have the potential to earn sustainable and attractive returns on our capital.

Consistency means that we aim for a long-term approach towards our investments, always striving for a solid and stable economic foundation to ensure business continuity.

Competency means that we expect our companies to set specific goals to ensure that their value creation is sustainable.

Our moral compass dictates that we shall pursue excellence in everything we do; from the way business is conducted to interactions with each other, our companies, the community around us and other stakeholders.

Our Code of Ethics is outlining our expectations regarding the behaviour of our employees and others representing our organization towards colleagues, our companies, stakeholders, and society. In the first half of 2023, we have also established a Supplier Code of Conduct, outlining our expectations towards suppliers and relevant business partners with regard to business ethics, labour standards and human rights, health and safety, sustainable sourcing, etc.

Canica as a responsible employer

Canica consists of a small and dedicated team with offices in Norway and Switzerland. Our people are our greatest asset, and many of our employees have worked at Canica for decades. Their dedication provides a stable and safe foundation for our companies, as well as unique insights and experience within our sectors. We are also focused on attracting young talents with new perspectives and ideas on how Canica can prepare for the future.

We are represented on the board of several of the companies in which we invest and maintain a close dialogue with the management teams. We strive to ensure an optimal board composition with engaged board members whose competence is relevant for the growth phase of the company. We also aim to engage employee representatives on boards where it is relevant to ensure that the employees' voices are heard.

Health and well-being

The health and wellbeing of our employees are top priorities. Our workplace shall ensure that every employee feel included and valued for their contributions. We do not accept any form of discrimination and take measures to secure a responsible and safe work environment to prevent any physical or psychological harm

Whistleblowing

Our employees are encouraged to report matters worthy of criticism. Notification of objectionable conditions or incidents are legally imposed, and desirable to ensure a safe and healthy work environment for our employees. No incidents were reported in 2022.

Gender balance total employees:

Canica Norway



50% | 50%

Canica Real Estate



25% | 75%

Canica Switzerland



43% | 57%



Responsible ownership

The Code of Ethics, the Supplier Code of Ethics and the Responsible Investment Policy illustrate the expectations we have to ourselves and the companies we invest in. However, our expectations for responsible business

practices are tailored to different ownership levels and structures. This will be addressed to the company board and management and are manifested in company specific guidelines and reporting systems.

A short extract from our Responsible Investment Policy

We have a responsibility to act with the highest level of integrity. Our greatest contribution is how we manage our assets, what expectations we place on our investments, and how we leverage our ownership position to drive sustainable value creation.

- 1. Company Selection and ESG Due Diligence assessments.** We will enforce clear guidelines for how to assess investments from an ESG perspective and work continuously to ensure that our portfolio companies have relevant ESG strategies.
- 2. Investing in a sustainable future.** The global sustainability agenda is addressing important issues and we aim to contribute both directly and indirectly to achieving the SDGs.
- 3. Active ownership.** How we use our ownership position to influence companies' sustainability performance is dependent on both ownership size and investment structure.
- 4. Avoiding harmful activities.** There are certain activities that we will avoid in our investments that are at odds with our ethical and responsible investment practices and represent sectors that are difficult to influence through active ownership.

Our expectations and goals

In 2019 we developed our first written Sustainability Guidelines at Canica. The purpose of this process was to bring more attention to our sustainable agenda for the board of directors, our employees and for the companies we invest in. Prior to this, our sustainability work has been emphasized through board positions and external engagements.

Our Sustainability Guidelines are based on The United Nations Sustainable Development Goals (SDGs) and includes a set of expectations built around issues identified as material to Canica's investment strategy. The SDGs were established in 2015 and represent a global plan to end poverty, fight inequality, and combat climate change. These 17 goals are interdependent and of

equal importance. To identify and evaluate Canica's impact and expectations, we have completed a materiality assessment involving both internal and external stakeholders to identify where Canica has its environmental footprint. Consequently, we have chosen to emphasize our commitment to the seven SDGs that we find most relevant to us as a company.

The UN Sustainable Development Goals



Implementing principles and guidelines

On a general basis, we require that all our investments are aligned with our expectations, and that the companies we invest in continuously work to minimize their environmental footprint. To monitor and secure progress in our portfolio companies we have built internal tools and scorecards based on our Sustainability Guidelines.

Our wholly owned operational companies have established individual ESG strategies with ambitions and goals reflecting both Canica's Sustainability Guidelines and each company's competitive advantages. An evaluation of the company's development within selected KPIs is reported annually.

Impact and sustainability factors have played a central role in Canica's financial investment portfolio for a

long time, and in 2020 we started the process of implementing a formal framework for assessing new investment opportunities. This framework comprise central sustainability factors that must be addressed in our decision-making process before a new investment is made. Furthermore, we continuously and systematically work to ensure that the companies we invest in have relevant strategies for sustainability and strive to implement KPIs to improve their environmental footprint.

In 2021, Canica established an internal sustainability roadmap for how we can improve sustainability work into our real estate portfolio and property management and how we may contribute to new, efficient solutions in the real estate sector concerning its overall environmental footprint. In 2023, we have also

established a new Supplier Code of Conduct comprising a list of principles to guide our everyday behavior, activities and decisions. We expect all suppliers and relevant business partners to implement appropriate and effective policies to ensure compliance with our Supplier Code of Ethics and all relevant laws and regulations.



The Hagen family's mindset towards sustainable value creation is inspiring

- Ingrid Haugen Fougner, Director, Canica AS

Our Sustainability Guidelines:



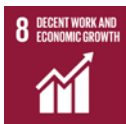
Increased health and well-being

- **Health and well-being in the workplace:** We expect companies to provide a positive work environment that ensure a good physical and mental health for its employees. An essential part of this is to establish a culture for respect and care for people.
- **Public health:** We expect companies to contribute to improving public health and create initiatives for the benefit of both consumers and society.



Workplace-equality

- **Respect for individuals:** We expect that companies treat all individuals with respect and dignity. This includes equal pay for equal work and to offer equal career development opportunities for all employees. We encourage companies to be inclusive and promote diversity in ethnicity, gender, sexual orientation, age and functional abilities.
- **Gender equality:** We expect that all companies actively work towards gender equality. Both genders should be represented throughout all levels of the organisation, including management roles and board positions, with potential action plans for closing any gaps. We encourage companies to adhere to the UN Women's Empowerment Principles.



A responsible employer

- **Responsible employer:** We expect that companies are responsible employers with high ethical standards. This includes that all employees are treated fairly, and that company representatives conduct themselves in an appropriate manner. Moreover, it is expected that companies build a company culture focused on safety, with clear contractual relations, and zero tolerance for corruption across the entire value chain.
- **Safe value chain:** We expect that companies implement appropriate systems to ensure compliance with international rules and regulations across the entire value chain.
- **Measures to prevent breach of labour and human rights:** We expect that companies have a zero tolerance for actions that are in non-compliance with internationally recognised labour and human rights, across all value chains.



Sustainability as a driver for innovation

Innovation is vital for reaching the UN's Sustainable Development Goals and a tool to solve challenges related to environmental and social issues, as well as to achieve economic growth.

We encourage companies to adopt new technology that will contribute to sustainable development and a green transformation.



Responsibility at all levels

- **Responsible consumption:** We expect that companies promote responsible consumption by ensuring good quality and responsible use of chemicals and raw materials.
- **Contributing to a circular economy:** We expect that companies establish a more circular business model and ensure that all resources are fully utilized and recycled at end-of-life.
- **Sustainable resource management:** We expect companies to be aware of the challenges related to resource scarcity. This could relate to extraction of limited resources or land degradation.



Actions for climate

- **Companies shall reduce their greenhouse gas emissions:** We expect that companies reduce emissions directly connected to their operations, and indirectly through the value chain. This involves setting specific goals and implementing measures to meet these goals.
- **Mapping and handling climate risks are integrated into the core of business operations:** We expect that companies understand the importance of climate risks – through mapping, gaining knowledge and adapting to material risks related to climate change. This could include new policies and regulations, expected changes in consumption patterns, and physical risks due to climate change.
- **Companies seek to benefit from opportunities in the wake of climate change:** We encourage companies to investigate opportunities connected to climate change adaptation, and to develop climate friendly products and services, so their clients and/or customers can make more climate friendly choices.



Cooperation as a catalyst

We believe that collaboration is an important tool and a catalyst for sustainable development. We need stronger partnerships locally, nationally and globally – across societal sectors.

We wish to facilitate cooperation and to actively take advantage of relevant synergies to become more sustainable. We encourage our companies to look for new partnerships and to share knowledge to scale their impact.

Our investment portfolio

Our investment portfolio is divided into three categories:



Industrial
investments



Financial
investments



Real estate



Industrial investments

Our industrial investment portfolio comprises investments where we have an active, long-term ownership strategy.

The respective company boards are responsible for supervision of the company's ESG strategy and sustainability efforts. However, Canica maintain a close dialog with the management teams on an annual basis. We expect that all companies establish and report on key performance indicators (KPIs) measuring both societal and financial value creation. For our largest wholly owned industrial companies, we have established a Sustainability Scorecard reflecting our expectations as set out in the Sustainability Guidelines.

The following section highlights the sustainability agenda and performance from some of our industrial investments.



Orkla ASA is a leading industrial investment company. Its scope of activity is brands and consumer-oriented companies. Orkla has a long-term, industrial approach to its portfolio companies, and invests in companies where it can contribute to further value creation through active ownership, industry experience and consumer insight.



” Sustainable growth is the new norm for business and industry

– Nils Selte, CEO, Orkla ASA

At present, Orkla has 12 portfolio companies, including Jotun, Orkla Foods Europe, Orkla Food Ingredients, Orkla Confectionary & Snacks, Orkla Health, Orkla India, Orkla Home & Personal Care, Pizza Out of Home, Orkla House Care, Health and Sports Nutrition, Pierre Robert Group and Lilleborg.

Orkla is listed on the Oslo Stock Exchange and is headquartered in Oslo, Norway.

Sustainability

Orkla has been affiliated with the UN Global Compact since 2005, and actively supports the organization’s ten principles for human and workers’ rights, the environment and anti-corruption. Orkla participates in a global mobilisation to attain the 2030 Sustainable Development Goals (SDGs), which were launched by the United Nations in 2015. Orkla use SDG 12 – responsible consumption and production - as a guiding star for its work.

Orkla’s companies make the transition to sustainable production and consumption by engaging in environmental and social challenges linked to raw material production, developing recyclable packaging solutions, reducing the climate footprint of their products and developing products for a healthy lifestyle.



Key 2022 metrics

Ownership share:

25%

Turnover:

58,4

NOK Billion

Number of employees:

20 471

Gender balance total employees:



47% | 53%



Orkla's sustainability targets up to 2025



ENVIRONMENTAL ENGAGEMENT

Innovate to protect the environment

- > 60% renewable energy
- 65% reduction in greenhouse gas emissions from own operations (70% reduction by 2030) ^{1,2}
- 30% reduction in greenhouse gas emissions in the value chain, outside own operations (50% reduction by 2030) ^{1,3}
- 30% reduction in energy and water consumption ⁴
- 50% reduction in food waste



SUSTAINABLE SOURCING

Deliver products with sustainable raw materials

- Ensure respect for worker's rights
- Achieve verified sustainable production of prioritised raw materials ⁵
- Promote sustainable farming and fishing
- 100% recyclable packaging materials
- 75% packaging made of recycled materials
- 50% plastic packaging made of recycled or renewable materials



NUTRITION & WELLNESS

Make healthy living easier

- Double consumption of products and services that contribute to a healthier lifestyle
- 15% less salt and sugar ⁶
- Inspire people to adopt a healthier lifestyle



SAFE PRODUCTS

Be prepared to handle emerging risks

- 100% food manufacturing facilities at green level ⁷
- 100% approved suppliers ⁷
- Continue to ensure that all products are safe



CARE FOR PEOPLE & SOCIETY

Be the change we want to see

- Create strong local engagement for sustainability
- 100% compliance with Orkla's human rights policy
- Create healthy workplaces with zero injuries
- Women in 50% of leadership positions at all levels
- A culture of integrity everywhere

1) The targets for greenhouse gas reduction have been approved by the Science-Based Targets initiative.

2) Scope 1 and Scope 2 in accordance with the Greenhouse Gas Protocol. Base year 2016.

3) Scope 3 in accordance with the Greenhouse Gas Protocol. Base year 2016.

4) Base year 2014.

5) The assessment of importance is based on the risk related to and scope of the Group's sourcing.

6) Base year 2017.

7) Total effect from salt and sugar reduction activities linked to Orkla's food products. Base year 2015.

8) In accordance with the Orkla Food Safety Standard.

Goals and ambitions

Orkla is committed to contributing to the transition to sustainable production and consumption, and has ambitious sustainability targets for the period up to 2025. These targets include science-based targets for reducing greenhouse gas emissions to limit global warming to 1.5 degrees, verified sustainable raw material production, packaging that is easy to recover, reduction of salt and sugar consumption and a good gender balance at management level in every

part of the group. Orkla’s target of net zero emissions by 2045 was validated in 2022 by the Science-Based Targets initiative (SBTi).

Orkla’s sustainability strategy encompasses five main topics: environmental engagement, sustainable sourcing, nutrition and wellness, safe products and care for people and society. These are areas that are significant both in terms of the corporate responsibility and for our commercial success.

Orkla supports the guiding principles for transitioning to sustainable food production and consumption that are set out in the EU’s Code of Conduct on Responsible Food Business and Marketing Practices. In 2023 Orkla will revise its long-term sustainability ambitions and targets to reflect the change of operating model into an industrial investment company.

HIGHLIGHTS IN 2022

Sustainability-related growth initiatives

In 2022, Orkla achieved a total turnover of NOK 1,240 million for plant-based foods, an increase of 18% from 2021. In total, vegan and lacto-ovo vegetarian products accounted for around 58% of revenues from Orkla’s food products in 2022 (Orkla Foods Europe, Orkla India, Orkla Confectionery & Snacks, Orkla Food Ingredients).

Healthier sustainable consumption

In 2022, the companies continued to provide guidance in the form of campaigns and other information initiatives to enable consumers to make more informed choices. Several companies expanded their use of the Nordic Swan Ecolabel, the Good Environmental Choice program and other external labelling systems, thereby making it easier for consumers to compare products.

Climate and environment

In 2022, due to the extraordinary situation on the energy market, Orkla was not able to cover its total electricity consumption through Guarantees of Origins. This has had an impact on the climate

gas reductions and share of renewable energy for 2022. However, Orkla is well positioned to reach the target of a 65% reduction in greenhouse gas emissions by 2025 for Orkla’s own operations. Orkla is also working systematically to help reduce greenhouse gas emissions in supply chains.

Sustainable raw materials

In 2022, the Orkla companies continued their efforts to achieve verified sustainable production of priority raw materials by 2025, in accordance with the Farm Sustainability Assessment (FSA) tool, a framework developed by the Sustainable Agriculture Initiative Platform (SAI Platform). However, challenging circumstances has led to reduced availability of some raw materials, delays in improvement projects and a need to reprioritize internal resources.

Sustainable packaging

The share of recoverable packaging materials was 96% in 2022. The share of packaging materials that have been recycled or come from renewable sources increased from 67% in 2021 to 70% in 2022, and 14% of plastic packaging

materials were recycled or renewable in 2022, up from 10% the previous year.

Nutrition and wellness

Products that promote a healthier diet accounted for around 19% of turnover in Orkla Foods, Orkla Confectionery & Snacks and Orkla Food Ingredients in 2022. The companies have continued their long-term efforts to reduce use of salt and sugar. The overall effect of all the measures implemented since 2015 is a reduction in consumption of sugar of around 10%* and a reduction in salt consumption of around 5%*.

Diversity, equality and inclusion

The proportion of women in management positions at all levels was 40% in 2022, compared with 41.8% the previous year. The change is mainly attributable to the acquisition of new businesses but also a better database for this year’s reporting. The proportion of women at management team level increased from 38% in 2021 to 39.5% in 2022. In 2022, Orkla introduced a new strategy for promoting diversity and inclusion.

* There is uncertainty attached to these figures due to inadequate documentation of historical data and differences in methods of calculation.



Orkla has identified nine of the global sustainability goals as particularly relevant to their work.

ANORA

Anora Group is a leading wine and spirits brand house in the Nordic region and a global industry forerunner in sustainability.

Anora's portfolio consists of iconic Nordic brands and a wide range of prominent international partner wines and spirits. The business operations also include worldclass industrial operations in distillation, bottling and logistics services. Anora's vision is to be the leading Nordic wine and spirits group delivering growth through sustainability.

Anora is listed on Nasdaq Helsinki and is headquartered in Helsinki, Finland.

Sustainability

Sustainability is at the heart of Anora's strategy and the base of their production set-up. Due to the recent merger, Anora needed a new sustainability roadmap to cover the entire company and the new areas of operations. A new materiality analysis was conducted in the first half of 2022 as a base to Anora's 2030 Sustainability Roadmap, published in November 2022.

Based on the materiality analysis, Anora is viewed as having a strong and proactive approach to sustainability, as well as the ability to act as a Nordic frontrunner of the industry. The analysis revealed that the most strongly highlighted element expressed by the stakeholders was the need to enhance environmentally and socially responsible sourcing. The most important topics include greenhouse gas (GHG) emissions reduction, climate-smart packaging, water use, regenerative agriculture and biodiversity. High product quality and food safety were also noted as priority areas.

“ At Anora, sustainability is both a strategic priority and a key success factor

– Pekka Tennilä, CEO, Anora Group Plc



Anora has identified five of the global sustainability goals as particularly relevant to their work.

Key 2022 metrics

Ownership share:
22,4%

Turnover:
730
EUR Mill

Number of employees:
1 251

Gender balance total employees:



37% | 63%



STRATEGY

The 2030 Sustainability Roadmap is called “Regenerate the Future” and it is divided into three themes, including planet, people and product:

Planet:

- We will enhance circular economy by reducing wastewater by 20%, increasing the recycling rate of waste to 90% and reducing landfill waste to zero by 2030.
- We will achieve carbon-neutral operations at our Koskenkorva Distillery during 2026 and throughout all our own operations by 2030 – without carbon compensations.
- We will support regenerative farming and increase the share of regeneratively cultivated barley in the raw material of our own grain spirit-based products to 30% by 2030.

People:

- We will support and promote a fair and transparent value chain with sustainability certificates and audits covering 100% of risk countries and have our Supplier Code of Conduct signed by 100% of suppliers by 2023.

- We will further ensure diversity, equity and inclusion (DEI) at work in our own operations and extend the work to partners by 2030.
- We will increase the number of safety observations and reduce accidents resulting in absence to zero by 2030.

Product:

- We will make all our packages lightweight, 100% recyclable and made of materials from certified sources or from recycled origin by 2030. The CO₂ footprint of Anora packaging is currently well below the industry average.
- We will further increase the number of sustainable choices and grow our net sales from non and low alcoholic products to 5% by 2030.
- We will continue to collaborate with educative programs to support a modern, responsible drinking culture in the primary countries where our products are consumed.

HIGHLIGHTS IN 2022

Science Based Targets

Anora completed an accounting of the emissions in its entire value chain – scopes 1, 2 and 3 – for the first time in 2022. Anora has committed to setting science-based targets by joining the SBTi (Science Based Targets initiative). This includes setting specific targets for Scopes 1, 2 and 3 that are in line with the Paris Agreement target of limiting global warming to 1.5°C.

Water

In 2022, wastewater generated in Anora's three major plants (Koskenkorva, Rajamäki and Gjelleråsen) was reduced total by 18.8% compared to 2021, partially due to lower production in Koskenkorva.

Recycling

Anora's target is to increase the total recycling rate in Anora's own operations to 90% and to reduce landfill waste to zero by 2030. The recycling and recovery rate in 2022 was 99.8% (99.5% in 2021) but the new target of pure recycling rate is more ambitious.

Climate-smart packaging

The share of climate-smart packaging is 60% of Anora's own products, and climate smart packaging has 60-90% lower CO₂ footprint compared to glass. In 2020, in Finland, Anora introduced the first 100% rPET (post-consumer recycled PET) wine bottles. By the end of 2022, 87% of our PET portfolio was made of 25% rPET material.

Gender equality

In 2022, 37% of our employees were women and 40% of the Board of Directors were women. Anora has further work to do regarding gender balance for the executive management team. Currently, 28.6% of the management team are female.

Responsible drinking culture

In July, Anora made an investment of EUR 5 million in ISH, the award-winning Danish scale-up company in non-alcoholic beverages, making Anora a 16% minority shareholder in the company. In addition, Anora has supported educational programs, aiming to reduce and delay alcohol use of young people, such as *Talk about alcohol in Sweden*, *Ung Dialog* in Norway and *Raiten tuki* in Finland.



Komplett Group is the largest online first electronics retailer in the Nordic area and offers its customers one of the market's broadest selections of consumer electronics and business solutions.

Through its well-known brands Komplett, NetOnNet, Webhallen and Itegra, the group is serving customers in the B2C, B2B and distribution segments. The group operates an efficient and scalable business model and is widely recognised for having an industry leading cost position. Our customers are served from ten webshops, 17 physical stores and 30 complementary self-service, logistics and warehouse shops. With its flexible logistics and delivery platform, the group is at the forefront when it comes to same-day delivery and last-mile service from its warehouses in Sandefjord, Norway, and Stockholm and Borås, Sweden.

Komplett is listed on the Oslo Stock Exchange and is headquartered in Sandefjord, Norway.

Sustainability

In 2020, Komplett developed a 2025 Business Strategy, which serves as a roadmap to become the leading e-retail company in the large and structurally growing Nordic market for electronics and IT products by 2025. The material topics identified for 2022 are closely linked to Komplett Group's sustainability strategy, which is based on three pillars – Circularity, Environment and Tolerance. Each pillar has a distinct set of ambitions and corresponding activities, and we aim to track progress in each of these impact areas.

Komplett Circularity is our path to developing new and circular business concepts focusing on recycling, durability, and reusability. The Komplett Environment principle is designed to help us reduce the impact of our operations on the environment. Komplett Tolerance shall ensure a healthy work environment where our employees feel included and valued.

“ *There is no doubt that operating sustainably is high on our agenda, and moving forward, we will work hard to ensure that we continue to run a healthy business that takes care of its people, surrounding community and the environment.* ”

– Jaan Ivar Semlitsch, CEO, Komplett ASA



Komplett has identified five of the global sustainability goals as particularly relevant to their work.

Key 2022 metrics

Ownership share:

42,4%

Turnover:

14,6

NOK Billion

Number of employees:

1 955

Gender balance total employees:



33% | 67%



foto: Morten Rakke



STRATEGY

Komplett's sustainability strategy is based on three pillars: *Komplett Circular, Komplett Environment, and Komplett Tolerance.*

Komplett Circularity:

- Increase the durability and reusability of everything we sell.
- Ensure that products purchased from Komplett Group are made from more recycled materials.
- Create solutions that make it easier for customers to choose to repair or reuse electronic equipment.
- Introduce longer warranties and upgrade solutions and continue to improve our buyback and leasing options.

Komplett Environment:

We record, document, and limit our emissions through various environmental programs and ISO certifications.

- We work with our suppliers to find transportation solutions with a lower carbon footprint.
- We guide our customers towards more environmentally friendly products

Komplett Tolerance:

- Promote an inclusive work environment by encouraging and mentoring our employees.
- Promote digital inclusion in all areas where we have a presence.
- Develop a complete view of our value chain – taking care of people and resources at all levels.

HIGHLIGHTS IN 2022

Circular services and products

By partnering with waste management actors in Norway and Sweden as well as suppliers, Komplett Group has developed new ways to efficiently collect electronic waste from customers. Further, Komplett ensures that returned products are either refurbished and given a new owner or recycled in an eco-friendly manner, aligning with Komplett Group's goal of promoting sustainable product life cycles. Today, "Komplett FLEX" (launched in 2021), represents approximately 10% of sales in Norway and Sweden. NetOnNet's service "Byt in" (launched in 2020) offered about 8 800 recycled products, worth around eight million SEK, in 2022. The estimated CO₂e savings from NetOnNet's Byt in service is about 600 tonnes.

Waste management

In 2022, the total amount of waste in the Komplett Group was approximately 2 424 tonnes. This is an increase from 2021 due to the inclusion of NetonNet

and Webhallen. For the group, the largest waste fractions were paper and cardboard, wood, general waste and electronic waste. All fractions are in general recycled, either as materials or as energy recovery.

Sustainable packaging

Komplett has introduced new packaging machines at the warehouse in Sandefjord. With the new packaging line in place, as many as 99% of Komplett's orders leaving AutoStore are shipped without plastic. This has led to an annual 16 to 19 tonnes reduction in use of plastic. This has significantly reduced the amount of air being shipped to customers, and decreased the number of trucks and containers transporting our packages by 390 each year. In 2022, NetOnNet reduced 22% plastics and 23% paper in terms of total weight generated waste. To take this even further, the company has during Q4 2022 worked to develop a new packaging strategy which will be implemented in 2023.

Improving climate accounts

In 2022, the group has prioritized improving the data quality in climate accounts and continued mapping the organisation's GHG emissions, including all its subsidiaries in the process. 2022 marks the first year Komplett report on all our subsidiaries' climate accounts, and have dedicated significant time and effort to improve the quality in climate accounts, including the use of recognized and updated conversion factors.

Gamers against Cancer

Komplett's Black Week charity initiative, "Gamers against Cancer", was established in 2020. The community aims to raise money for the Childhood Cancer Society in Norway, an organization that contributes to the fight against childhood cancer. In 2022, the event raised NOK 1.9 million.



F&H Group is Scandinavia’s leading multi-brand house in “Kitchen Living Dining” for the specialist trade, grocery and B2C segments.

F&H Group A/S offers more than 15,000 different products spread across more than 40 strong brands, including Gense, Villa Collection Denmark, BITZ, Rosti, Lyngby Glas, Södahl, Hoptimist and Zone Denmark. The company is headquartered in Denmark, with departments in Norway, Sweden, Germany and China.

Sustainability

F&H’s sustainability strategy was finalized and implemented with the company’s comprehensive long term business plan in 2021. F&H seeks to create a sustainable business model. This includes minimizing the environmental footprint of its products and incorporating sustainability into all business segments. One part of F&H’s sustainability strategy is to own the most sustainable brands on the Scandinavian market. F&H also strive to foster a work environment that puts the health and wellbeing of their employees first.

“ The green transition cannot be solved just by talking about it, but first when companies produce responsible products that are used by millions of consumers worldwide, we are moving ahead

– Knud Lomborg, CEO, F&H Group



F&H has identified six of the global sustainability goals as particularly relevant to their work.

Key 2022 metrics

Ownership share:

93%

Turnover:

1,13

DKK Billion

Number of employees:

371

Gender balance total employees:



60% | 40%



STRATEGY

F&H's sustainability work is focused on three areas:

1. Sustainable products: F&H aims to provide products with minimal environmental footprint, focusing on circular material choices, energy efficient transport and reusable packaging. To make it easier for customers to make sustainable choices, F&H seeks environmental product certifications.

2. Responsible value chain: It is crucial for F&H to ensure quality and ethical business conduct amongst their suppliers. Safe working conditions in the supply chain is especially important. F&H is a long-term member of Amfori and uses audits at the factories as a part of securing this.

3. Future-oriented business: F&H seeks to be an attractive employer that upholds an "Scandinavian" work culture and put the health and wellbeing of their employees first.

HIGHLIGHTS IN 2022

REACH

F&H is actively engaged in the EU Commissions' work related to REACH (Registration, Evaluation, Authorization and Restriction of Chemicals) and wants all its suppliers to join the initiative. All of F&H's products which is defined as food contact material shall comply with Good Manufacturing Practice within 2025 and no products shall contain the chemical substance of PFOS.

Responsible supplier management

All suppliers shall comply with F&H internal standards within 2024. In 2022, the framework for internal supplier audits was finalized.

Calculation of CO²-e emission

F&H has implemented a digital platform

called "Målbar" (Measurable) to measure the products CO²-e emission and calculate its environmental footprint. All calculations are based on the European PEF-standard (Product Environmental Footprint).

Environmental certifications

To ensure environmentally friendly production, F&H aims to certify their products according to relevant certification standards, including FSC, GOTS, GRS and OEKO-TEX. F&H is also GRS certified.

Training and courses

F&H academy had 49 managers through the programme, and 80 logistic employees have taken Lean training at academy level in the last 12 month. In order to

attract young talents, F&H has currently hired 10 apprentices and 8 interns on long/shorts term contracts. F&H has also arranged multiple courses/information for its employees within focus on sustainability, communication methods to prevent greenwashing and sustainable procurement.

Circular Industrial Plastics (CIP)

F&H Group has joined forces against plastic waste in new partnership. The ambition is to increase recycling of industrial plastics by at least 20 percent before 2025 and to create a new platform for recycling of plastics in Danish companies. As part of the project, F&H is now developing a new material for its well known ROSTI products.



Jernia has been a trusted hardware retailer since 1951, playing a key role in helping Norwegians succeed at home.

Jernia has through generations been an important local force, aspiring to help people to succeed at home. With over 130 stores, including an online store, Jernia offers a wide range of high-quality products within hardware, tools, paint and kitchen supplies. In addition, Jernia provides services like repairs, rental of tools, and trade-in programs for recycling that benefit both customers and the environment.

Sustainability

Jernia is committed to decrease its environmental footprint by pursuing a more circular business model. This includes offering high-quality products that are long-lasting and repairable if damaged. Jernia is aware that production materials – as well as the packaging and transportation of products – can be harmful to the environment. The company has therefore implemented several requirements and internal measures when negotiating with suppliers to secure a lower carbon footprint in all stages of the value chain. As a member of the industry-led climate initiative Skift, Jernia cooperates with other Norwegian companies to push for Norway to reach their 2030 climate commitments.

“ Poor quality is expensive, both for the consumer and the environment

– Espen Karlsen, CEO, Jernia AS



Jernia has identified five of the global sustainability goals as particularly relevant to their work.

Key 2022 metrics

Ownership share:

97%

Turnover:

1,22

NOK Billion

Number of employees:

824

Gender balance total employees:



49% | 51%



STRATEGY

Jernia's sustainability strategy is grounded in three principles:

1. Helping customers take care of their products: Offer products and solutions to help customers repair and take greater care of the products they already own.

2. Lasting and repairable products: Jernia will only sell high-quality products with a long lifespan, and that are repairable if damaged.

3. Internal responsibility: Jernia aims to be an industry leader in sustainable trade, and knows that it starts with reducing its internal operations' impact on the environment.

HIGHLIGHTS IN 2022

Sustainable product lines

In 2022, Jernia launched a new product line called Varde including pots and pans with high requirements for responsible and environmentally friendly production. The products are made from 90% recycled high-quality stainless steel (100% recyclable) and is to our knowledge the most sustainable option on the market. Jernia has also started a collaboration with "Miljø Norge" to recycle and re-sell used fire extinguishers.

Recycling as a service

Jernia has established multiple trade-in programs and all 132 stores accept discarded products beyond those required by law. In essence, Jernia contributes to recycling of materials that are damaging to the environment and public health by accepting return of metals and other valuable materials.

As an extra incentive, customers receive a discount when buying a product equivalent to the one they decided to recycle at Jernia.

Recycling in-house

Jernia's recycling rate has steadily increased from 74% in 2020, 81% in 2021 to 86% in 2022. The reduction is due to several reasons such as better sorting routines, more reuse of packaging and switched waste collector to Norsk Gjenvinning.

Climate reporting

Jernia has implemented the GHG Protocol as a framework and delivered its first ever reporting on greenhouse gas accounting in 2021. Jernia is constantly improving its climate report covering scope 1, 2 and 3. In 2022 we reported 80.767 tons of CO₂e, and

99.2 % of these emissions is related to scope 3 and category 1; purchased goods and services.

Miljøfyrtårn (Eco-Lighthouse)

Jernia's headquarter and 92 stores are certified as Eco-Lighthouse per 2022. The goal is to certify all physical stores within 2024. Jernia also requires its suppliers to aim for environmental certifications, such as the Eco-Lighthouse.

Services

Jernia opened its first repair shop in May 2022. Jernia aims to help their customers take good care of their products after purchase. Therefore, Jernia requires suppliers to provide spare parts for repairs. Purchased knives may also be sharpened at all stores. Customers can rent the tools they do not necessarily need to own.



THE WELL

The Well is the largest and most comprehensive spa and lifestyle resorts in the Nordics.

The Spa has a wide variety of saunas, steam rooms, pools and experience showers inspired by the best of Europe's several hundred-year-old bathhouse culture, as well as Asian and Middle Eastern wellness attractions. Multiple treatment rooms are available for a wide selection of carefully selected treatments. The atmosphere offers serenity, peace, and restitution. The Hotel has 104 appointed rooms and suites.

Sustainability

The Well is concerned with taking social responsibility and exists to give people a better life through the elements of nature. Water and energy are part of The Well's identity, and the facilities require a large amount of water and electricity. The Well is committed to preserving the nature, and one of our most important goals is to reduce our own environmental footprint as much as possible. We do this, among other things, through a very modern facility that reuses both water and heat.

” *The Well exists to give people a better life, and through elements of nature we create well-being experiences.*

– Kim Nyheim Ragnarsson,
General Manager, The Well AS



The Well has identified five of the global sustainability goals as particularly relevant to their work.

Key 2022 metrics

Ownership share:
100%

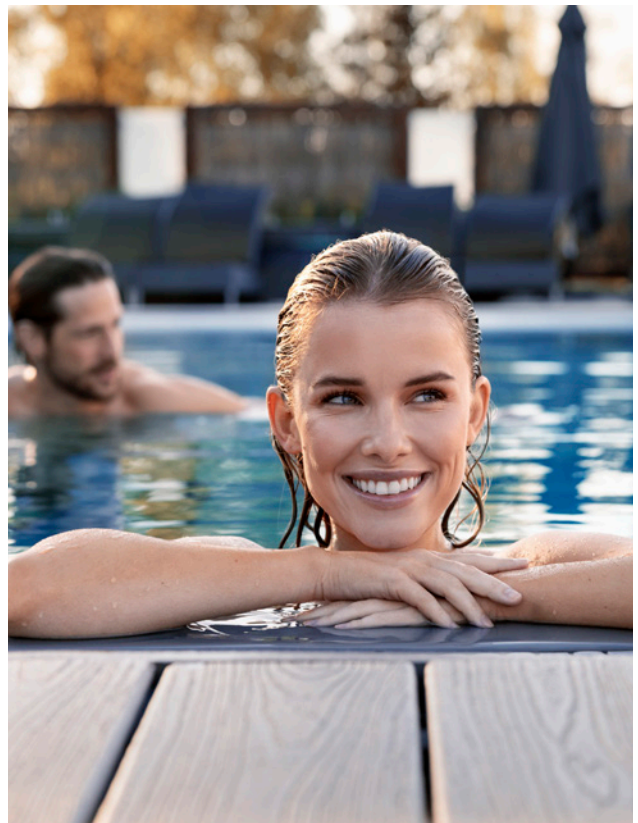
Turnover:
191
NOK Million

Number of employees:
204

Gender balance total employees:



59% | 41%



STRATEGY

The well's sustainability roadmap is grounded in three principles

1. **Good health:** The core concept of The Well is to promote good health and quality of life. The Well is inspired by water and health for rest, self-care and wellbeing which is symbolized in all products and services.

2. **Equality and tolerance:** At The Well you are welcome to express yourself and be who you are. Tolerance and respect for diversity of society are important values for The Well.

3. **Environment:** The Well strives to limit its environmental footprint. This is an important task as the resort use significant amounts of energy and water in daily operations.

HIGHLIGHTS IN 2022

Water consumption

All pools are required to circulate a given amount of water for health and safety reasons. The Well has therefore installed an advanced cleaning and re-use system where 70% of the water goes back into the facility. As such, The Well's daily water supply is reduced by 50,000 liters. The Well is also exploring the ability to become self-sufficient on water consumption. Self-sufficiency in water supply would reduce The Well's environmental footprint significantly.

Installation of solar cells

In 2022, The Well installed solar cells on all available ceiling area. Following some technical difficulties, it was not put into use before May 2023. From May until August 2023, the solar cells have produced 86 110 KWH, amounting to 5% of The Well's total energy consumption in this period.

More plant-based and local products

The Well focus on providing locally produced food and products to limit transportation and support regional value creation. The Naturli Wellness Bar only offers vegan, plant-based, and sustainably produced food.

Equality & tolerance

The Well celebrate Pride annually with a program dedicated to tolerance and inclusion. The Well also seeks to provide healthy working conditions for employees, and in 2021 they improved the health profile of the food served in the cafeteria, established new training and sport opportunities.

Sustainable swimwear collection

In 2022, The Well has created a new swimwear collection consisting of 82% recycled material.



Financial investments

Our financial investment portfolio has exposure to different sectors and asset classes globally. We divide our financial investments into two categories: direct investments and funds.

” *We cannot choose between financial returns and sustainability – we must have both*

- Christer Kjos, CEO, Canica Holding AG

Direct investments

The direct investment portfolio consists of both private and public companies in which Canica has direct ownership stakes. Our commitments, perspectives and ownership shares are diversified and comprise both majority stakes and smaller minority positions.

Funds

The fund investments consist of a wide range of funds strategies. The liquid part of our fund's portfolio has a global uncorrelated return profile, while the illiquid fund portfolio ranges from seed, early stage, and growth to pre-IPO investments.

Sustainability assessment in the investment process

Sustainability risks and opportunities are considered and integrated at an early stage in our overall decision-making process. Working systematically with sustainability in the investment process reduces risks and provides improved financial results over time. An initial sustainability analysis is included in the case building phase to highlight any material concerns.

In the due diligence stage, a specific sustainability questionnaire is completed for direct investments in private

companies, and a score card is produced to map investments across the portfolio and monitor each company's development over time. On the funds side, we rate the external managers on their commitment to sustainability, to what extent sustainability factors are incorporated into their investment process, their governance, and reporting on sustainability factors of their portfolio companies.

” Reaching the patients is the ultimate goal,
healthy returns make it sustainable

– Aitana Peire, Investment Director, Canica Holding AG

Impact portfolios

Our role as a responsible investor is to drive change and support new solutions for a better future for generations to come. As such, we have chosen to focus on some of the most critical concerns of our planet.

The Future of Health

This portfolio consists of direct investments and funds linked to companies that provide solutions for critical health problems and new technological solutions that can improve the efficiency of our health systems. Some of the challenges these companies are working on include cancer, the role of microbiomes and resistance to antibiotics.

The Future of Food Production and Agricultural Solutions

This portfolio consists of investments in innovative agricultural companies that work on sustainable solutions for food production. The technology involved in these solutions involves soil treatment and new protein solutions.





Real estate

Canica Real Estate is a full range real estate company focusing on active ownership, development, rental and property management.

By the end of 2022, Canica Real Estate owned approximately 197 000 square meters of rental space split between warehouses, office buildings, retail and parking spaces. Canica also invests in real estate development through different collaborations and partners.

“ We are property owners with a long-term perspective. We have a desire, but also an obligation, to make a positive contribution to society and urban development in the places we are represented

- Thomas Gundersen, CEO, Canica Eiendom AS

Responsible property owners

The real estate industry has a long list of ESG factors that must be improved. A relevant portion of CO² emitted by buildings relates to the use of construction materials. Due to high levels of energy consumption and a strong dependence on fossil fuels such as oil and gas, real estate is one of the core industries that must implement a more sustainable energy supply.

Canica Real Estate is committed to support a more environmentally friendly real estate sector by becoming

more responsible property owners. In 2021, we completed a materiality assessment and selected six of The United Nations Sustainable Development Goals as a fundament to form our internal sustainability strategy. Specific goals and KPIs are in the process of being implemented.

Canica Real Estate is a member of “Norwegian Green Building Council”, an important network that works with multiple initiatives to educate and form the industry in a more sustainable direction.

STRATEGY

Our strategy is grounded on three different initiatives:

1. Environmental property management: We shall optimize the way we operate our buildings to become more environmentally friendly.

- Energy consumption and our environmental footprint shall be reduced by 30% in 2025 (compared to 2019 numbers).
- Efficient solutions for recycling and waste management shall be implemented in all properties by 2024.
- Zero-emission transportation by 2025.
- All properties, where relevant, shall be certified by BREEAM.

2. Healthy working environments for our tenants: A good indoor climate is important to ensure a good work environment, higher productivity, and the overall wellbeing of our tenants. Facilities such as wardrobes and bicycle parking shall encourage physical activity.

- All buildings shall have a good indoor climate.
- All office buildings shall have wardrobe facilities and bicycle parking within 2025.
- 50% of our parking space shall have EV charging options by 2025.

3. Responsible property management: We strive to be responsible and transparent in our work. We have high ethical standards and expect all our partners and suppliers to act in the same professional manner.

- All suppliers shall comply with our internal Supplier Code of Conduct.
- To secure progress in our sustainability work, improvements and status shall be reported annually to the board of directors.
- Participation in relevant real estate networks supporting a more sustainable agenda.
- Encourage and support diversity and equality.

” We strive to be an attractive landlord with good integrity

– Håkon Aas, Operational Supervisor,
Canica Eiendom AS



Canica Real Estate has identified six of the global sustainability goals as particularly relevant to their work.





HIGHLIGHTS IN 2022

BREEAM Certification

Canica Real Estate will certify all buildings where it is relevant. In the first half of 2023, two of our buildings have been certified as BREEAM-In-Use. Grensen 17 has been classified as “Very Good” and Tollbugata 8 has been classified as “Excellent”.

Energy consumption

Canica Real Estate is in the process of improving the environmental footprint in buildings where possible. In our Supplier Code of Conduct we expect that all suppliers and other business partners shall comply with national environmental legislation and work to achieve energy efficiency and minimize harmful discharge, emissions, and waste production.

Recycling

We have implemented recycling systems in all building and are in line with our 2024 target. However, we may need to improve some of the reporting systems to fully monitor the recycling practice of our tenants.

Bicycle parking and EV charging options

We have developed bicycle parking in all our office buildings in Oslo to facilitate for emission free transportation for our tenants. Implementation of EV charging options on all relevant parking spaces is progressing according to plan.

Zero-emission transportation

Our goal of having zero-emission transportation by 2025 is progressing according to plan. In 2022, 7 out of 10 company cars were either fully electric or hybrid.

Proptech

Canica Real Estate has investigated multiple technological services and solutions to effectively measure energy consumption, emissions, and waste sorting on relevant properties. This research will continue until we find the most suitable partners for our real estate portfolio.

Philanthropic engagements

Canica has supported multiple initiatives, foundations, and research centers for decades to foster medical research, educational institutions, cultural events, and young artists.

A short extract from some of our philanthropic engagements:

Research on Primary Sclerosing Cholangitis

Since 2007, Canica has supported research on primary sclerosing cholangitis (PSC) at the University of Oslo and Oslo University Hospital. PSC is an autoimmune disease that affects the bile ducts in the liver of young people and can lead to liver damage with a need for liver transplantation. The donations have enabled a comprehensive research program organized by the Norwegian PSC Research Center (NoPSC), which has become a world-leading center for research on this condition. The program involves discovering key disease mechanisms, understanding their clinical impact, along with implementation of new tools and therapies in clinical practice.

Cardiovascular Research

Since 2008, Canica, through Stein Erik Hagen's Foundation for Clinical Heart Research (Stein Erik Hagen Stiftelse For Klinisk Hjerteforskning) has supported cardiovascular research at the Center for Clinical Heart Research (CCHR) at the Oslo University Hospital. The strategy of the CCHR is built on systematic researcher-initiated clinical heart research, especially related to myocardial infarction, chronic arterial disease, heart failure and atrial fibrillation, lately with special focus on diabetes and the elderly.

SOLO OSLO

SOLO OSLO will contribute to developing the local art scene by giving newly established artists and mediators an opportunity to develop their practice. A solo exhibition at a museum is an important step in an artist's career and the enhanced professional support around the artist can garner greater visibility and attention both within the art field and among wider audiences.

This series is part of MUNCH's commitment to contemporary art, presented in collaboration with Talent Norway and Canica.

More information about some of our philanthropic engagements can be found on our website canica.no

” Whilst Norwegian research funding increasingly tend to be politically oriented towards short-term objectives, our experience is that the philanthropic support from Canica to a much greater extent has had an emphasis on long-term basic and translational research as a critical basis for transformative changes in patient management.”

- Tom Hemming Karlsen, MD, Professor,
University of Oslo and Oslo University Hospital

” The yearly donations from Canica during the last 15 years have been of utmost importance for the scientific work at Center for Clinical Heart Research (CCHR), enabling us to perform research on high international level in a broad field of cardiovascular disease, from prevention to treatment, also with important international interchange of ideas and researchers.

- Harald Arnesen, MD and Ingebjørg Seljeflot, PhD, Professors,
University of Oslo and Oslo University Hospital

Canica's way forward

We are excited for the work ahead and the many opportunities for improving the positive impact of our investments through responsible ownership and management.

Canica will emphasize further integration of sustainability parameters in all our operations and risk evaluations. An aspect of this work will be to assess sector specific sustainability reporting to better capture the span of our portfolio. In the years ahead, we will build more competence in our organization, extending our understanding of, and involvement in the portfolio companies' internal sustainability strategy and relevant SDGs connected to their sector. We are determined to continue working with the SDG's as a framework for driving strategy and performance of the group.

” ” *I believe that companies are vehicles for change. How we govern our ownership matters for the future success of the planet, and of Canica.*

- Camilla Hagen Sørli,
Member of the Board, Canica AS

