

ESG Report 2022

Afinum 9

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The report provides a brief overview of the activities of Afinum Verwaltungs GmbH, Munich and Afinum Neunte Beteiligungsgesellschaft mbH & Co. KG, Munich ("Fund") and may be subject to revisions or updates.

The report has been compiled by Afinum Verwaltungs GmbH and Value for Good GmbH with utmost diligence, however, we cannot guarantee the accuracy, completeness, or impartiality of the information presented herein.

It is further stated that the information and figures contained in this report have been sourced from the respective portfolio companies and Afinum Verwaltungs GmbH or have been calculated by Afinum and Value for Good itself. Please note that the information has not been audited.

Munich, 12th May 2023

A Message from Our Founders



We have never considered “value creation” and “values” to be contradictory.

12th May 2023

Dear Stakeholders,

We are pleased to present Afinum's inaugural ESG¹ report, which outlines our approach to responsible and sustainable investment and ownership.

At Afinum, we are not only convinced that we can reconcile our social and environmental responsibility with an attractive value enhancement perspective for our investors – we consider it imperative. To be economically successful for the long term, companies will need to remain attractive to both customers and employees – and they will need to be committed to sustainable development goals and be technologically future-viable, too.

In this report, you will learn about our ESG priorities and how we evaluate potential investments based on these priorities, as well as our efforts to promote responsible practices within our portfolio companies and our dedication to transparency and engagement with stakeholders.



We acknowledge the progress we have made so far, but we recognize that there is always more to do. We are serious about continuous improvement and look forward to sharing our progress with you in future reports.

Thank you for your interest in Afinum and our commitment to responsible investment and ownership.

Sincerely,

Dr. Thomas Bühler
Founder & Managing Director

Dr. Gernot Eisinger
Founder & Managing Director

Afinum at a Glance



Founded in January

2000

c. 90%

of our investments are made in the context
of succession solutions for family firms
(primary transactions)

Diverse team of

17

highly experienced investment professionals
+ 6 internal experts and support staff
+ 2 external specialists

19

companies currently in Afinum's
portfolio across different fund
generations

9th

Afinum Fund generation

More than **90**

transactions completed
since 2000

Since its foundation, Afinum has raised funds with
committed equity of

c. EUR 1.8_{bn}

Currently, Afinum has approx. EUR 1.1bn
committed equity capital under management

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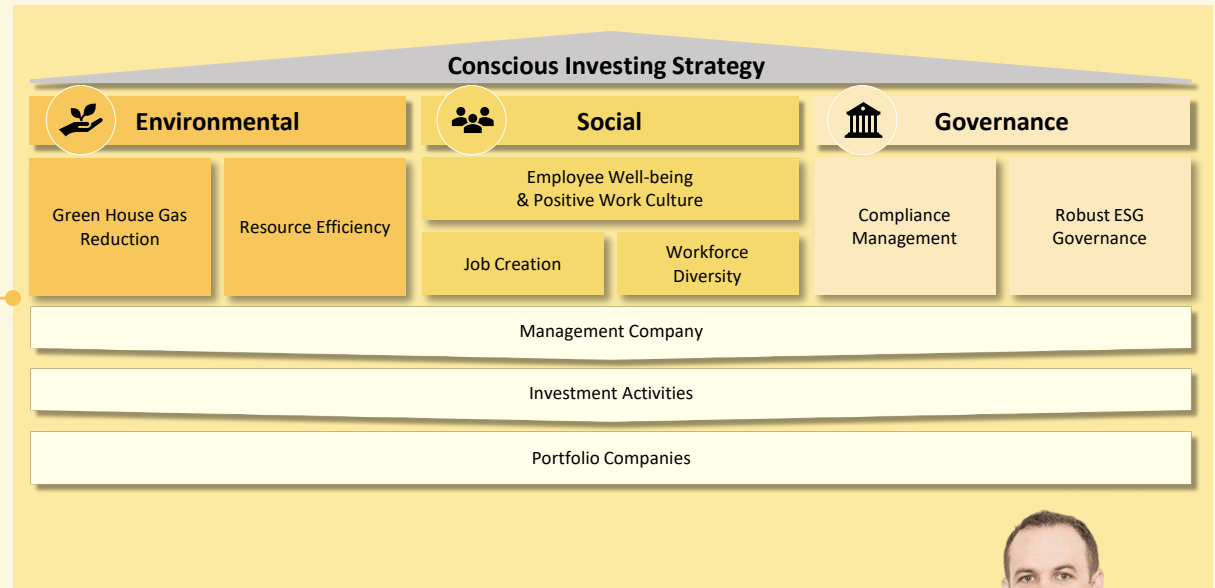


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Our Overarching ESG Strategy

At the core of our investment philosophy lies our Conscious Investing Strategy covering all levels from fund management to portfolio company. Hereby, we ensure that we create value that extends beyond mere strategic and economic gains.

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"For us, ESG represents a long-term journey, and we are currently entering a new stage, recognizing that developments are ongoing."

*Anton Bergmann,
Managing Director, CFO & ESG Officer*



Our Conscious Approach to Value Creation

At Afinum, we strive to create value for our portfolio companies, our investors and society in general – deeply embedding ESG considerations in our approach.

We implement this through a circle of three equally important value parts: The **strategic**, the **economic** and the **conscious**. Each part is split into a well-defined series of individual indicators that we believe represent relevant measurement targets for progress and thus value creation.

Exemplary indicators for **strategic value creation** are a record of successful add-on acquisitions, documented management and company performance in a crisis scenario, and a visible extension of market leadership.

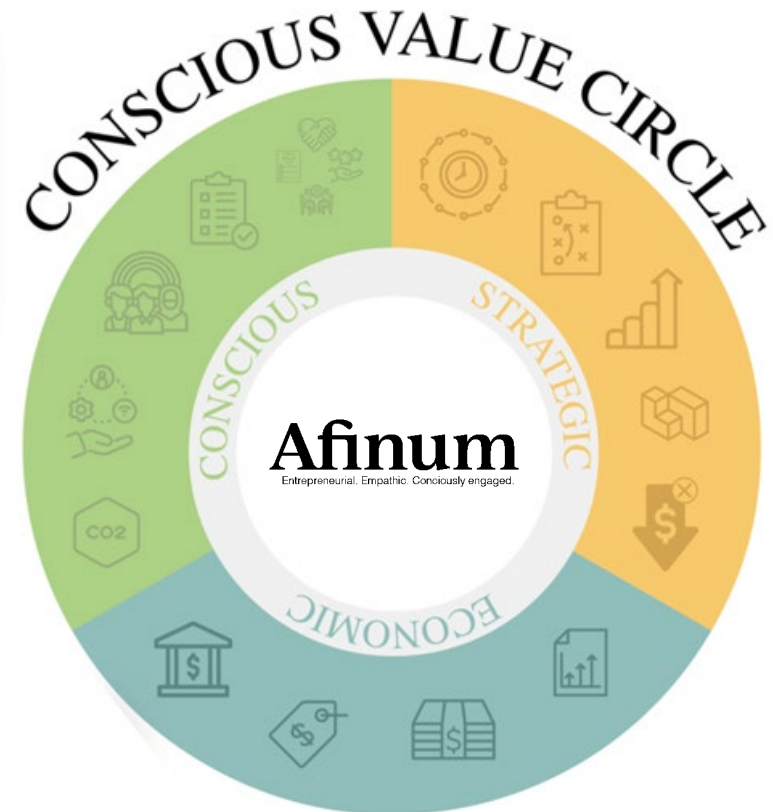
Economic value creation follows a purely quantitative approach in evaluating financial KPIs¹, most notably revenues, EBITDA² and net debt development over a given period.

In addition to strategic and economic value, our team has started to structurally

define and assess conscious **ESG factors within** portfolio companies, starting even before the due diligence process. We currently apply a catalogue of seven indicators in our investment approach that are drawn from industry standards. Our indicators are regularly discussed and refined. We refer to this commitment to ESG as our way to drive **conscious value creation**.

Investing primarily in family firms, we often meet our portfolio companies at the **very start of their ESG journey**. By investing in those businesses, Afinum typically raises awareness, appoints an ESG officer and drives the companies' ESG agenda and strategy.

In addition, we **commit to ESG at the management company level**.



Our Conscious Investing Strategy

We commit to the UN PRI¹ and to contributing to the 17 SDGs², with six focus SDGs. We have set strategic goals for ourselves and our portfolio companies.

We have **set well-defined, strategic goals** across management company and portfolio levels and are measuring them through specific KPIs.

The key levers we strive to utilize from an environmental standpoint are **GHG³ reduction and general resource efficiency**.

We aim to foster social ownership through **employee well-being and a positive work culture, job creation and workforce diversity**.

In addition, we employ rigorous **compliance management** and ensure **robust ESG governance**.

Together with our thematic investment verticals, the strategic goals **help us work towards our six focus SDGs** as illustrated on the right.


3 GOOD HEALTH AND WELL-BEING


Ensure healthy lives and promote well-being for all at all ages:

We prioritize employee well-being within our management company and encourage our portfolio companies to do the same. Through our healthcare vertical, we additionally invest actively in the healthcare space.

5 GENDER EQUALITY


Achieve gender equality and empower all women and girls:

We actively promote increasing the share of women in the management company as well as in the C-level in our portfolio companies and we ensure equal pay across genders.

8 DECENT WORK AND ECONOMIC GROWTH


Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all:

We enable our portfolio companies to have safe work environments and create good jobs and apprenticeships.

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE


Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation:

We invest in and expand R&D capacity for our portfolio companies and push for moving to renewable energy sources.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION


Ensure sustainable consumption and production patterns:

We implement guidelines and initiatives both internally and with our portfolio companies to reduce consumption and waste.

13 CLIMATE ACTION

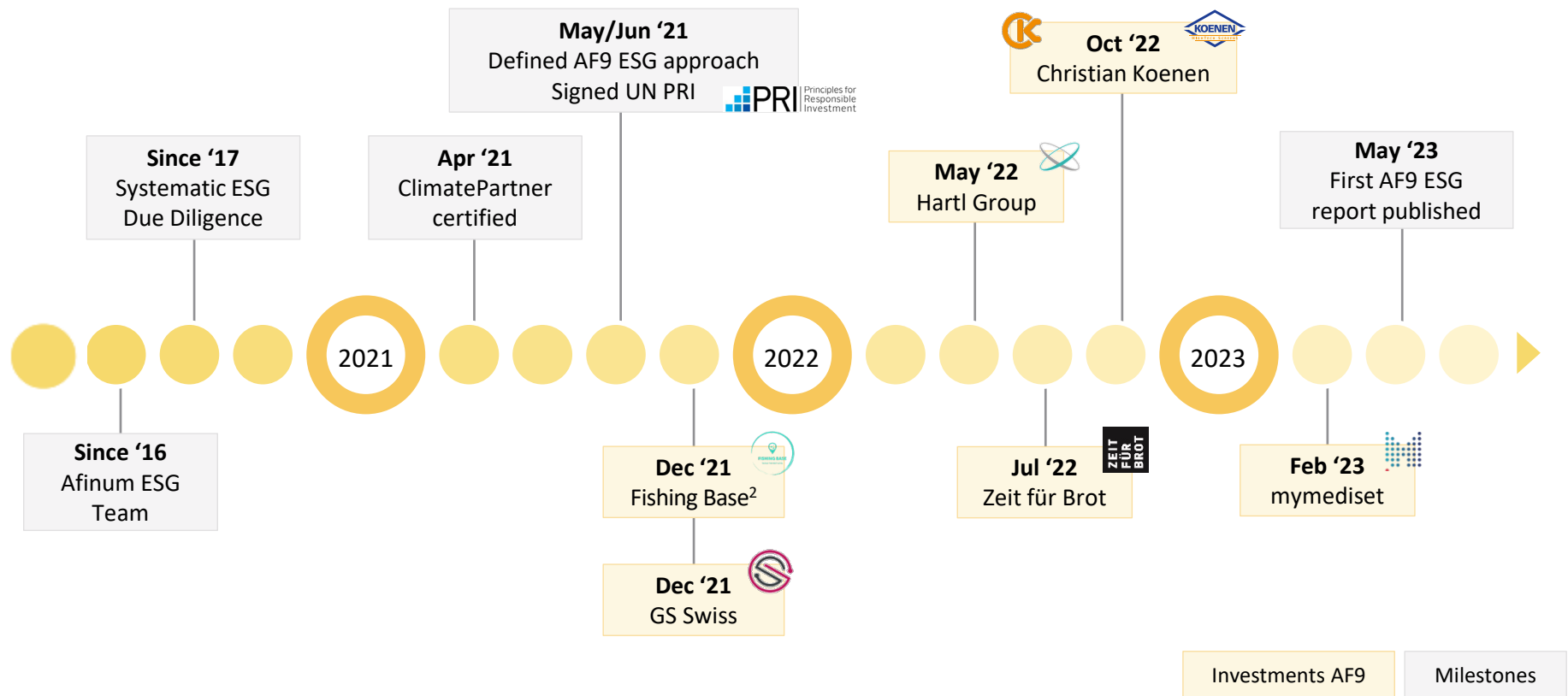

Take urgent action to combat climate change and its impacts:

Climate action is one of the most crucial tasks of our times; we contribute by raising awareness both internally and with our portfolio and by striving to continually reduce GHG emissions.

Our ESG Journey

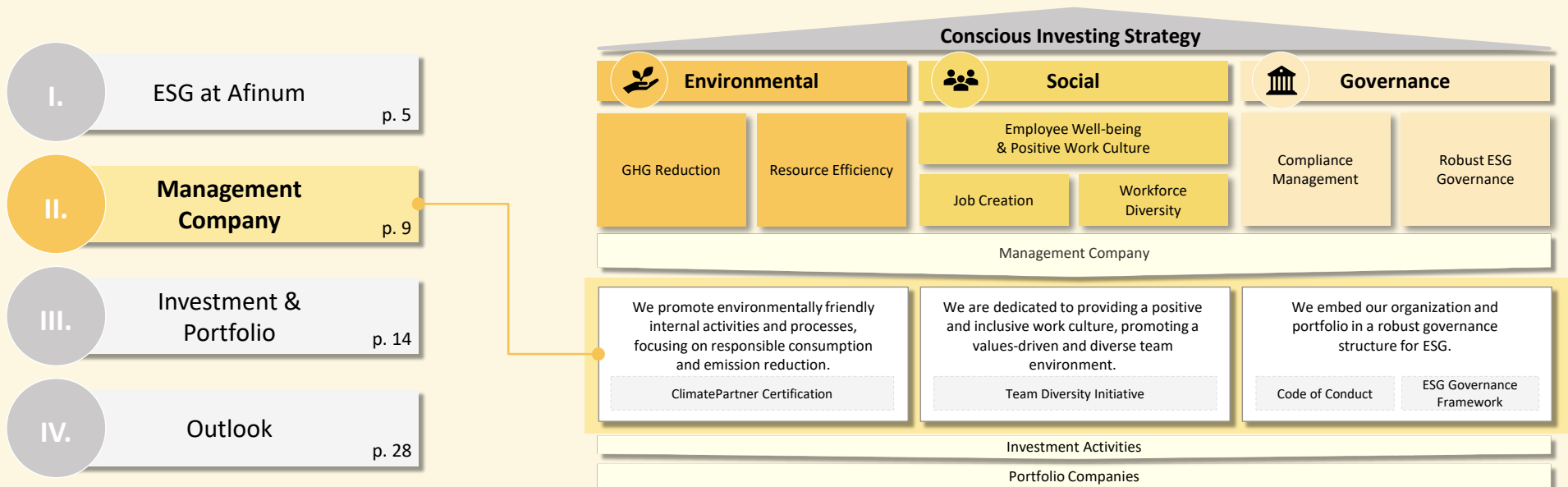


Responsibility has always been part of our DNA. Over the past years, we have developed a holistic and formalized approach to ESG for our management company and our AF9¹ portfolio.



ESG Approach for the Management Company

We aspire to lead by example and therefore care deeply about ESG at the management-company level. We promote sustainable processes, cultivate a diverse and values-driven team, and uphold strong governance frameworks.



Environmental Consciousness at Afinum

Minimizing planetary harm: We promote environmentally friendly internal activities and processes, focusing on responsible consumption and emission reduction.

At management company level, we acknowledge that our **biggest impact on planet and climate is created by our business travel.**

Per our company ESG policy, we avoid travelling by plane and car as much as possible. From 2022 onwards, we introduced a **BahnCard 100 for the full investment team**, enabling environmentally friendly travel. Further, more than 66% of all Afinum employees use regularly a bike for commuting to our offices.

GHG emissions that we cannot avoid are being offset through our ClimatePartner certification.

In addition to reducing GHG emissions, **we strive for responsible consumption of other resources** and have made it explicit in our ESG policy. We promote this through regular internal trainings, thus enabling our employees to be conscious of their individual impact on our planet.

Overall, we are on a **path of growth and are continuously searching for ways and initiatives to institutionalize** our responsible consumption commitment.

In 2023, one of our goals is to **increase awareness and act on waste reduction** in our office by actively avoiding single-use plastics and partnering with reusable packaging systems.

ClimatePartner Certification

While we increase efforts to reduce our environmental footprint, we believe in compensating for the currently unavoidable emissions.

We partnered with ClimatePartner to support us in offsetting our unavoidable emissions in 2020 (certification in April 2021). For 2022, we have compensated for 146.24t CO₂ by investing in a Gold Standard certified project promoting clean wind energy in Chile (trackable via QR code).

 ClimatePartner



Afinum's socially balanced set-up

Team Diversity Initiative

We believe in the value of a truly diverse workforce and continuously strive towards a more inclusive culture. As part of our diversity strategy, we have achieved:

- equal pay across all levels
- 27% women across team
- parental leaves with equal opportunities

To further drive and shape our diversity strategy through an inclusive and participative approach, we have set up the Team Diversity Initiative, a working group across levels, ages and gender.



In 2023, our focus is to attract more female talent by launching recruiting campaigns that increase awareness for already existing flexible career paths.



Prioritizing employee well-being: Dedicated to providing a positive and inclusive work culture, we promote a values-driven and diverse team environment.

Our people are our greatest assets: We value and foster an **appreciative and highly team-oriented environment** and cover as diverse needs as possible to support our employee's well-being. We offer

- remote and part-time work arrangements, e.g., flexible paternity leaves
- joint sports activities and a gym wellness pass
- regular team events, e.g., after work get-togethers, summer retreats and ski trips

We believe in **“on the job” training** and our team is dedicated to passing on their knowledge. Each new employee is assigned a **mentor** who is available for ongoing support from day one. This is complemented by external and internal trainings, like our regularly occurring **“Afinum Academy”**, where external and internal speakers give presentations on current topics, such as Green Transformation.

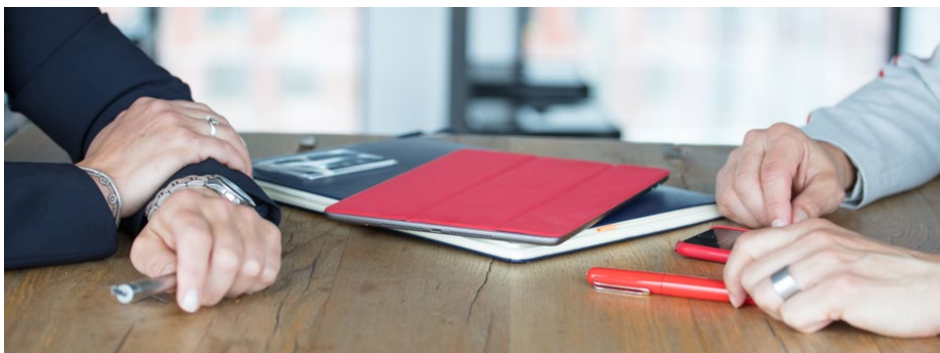
Robust Governance at Afinum

Recognizing strong governance as a key enabler of conscious investing: We embed our organization and portfolio in a robust governance structure for ESG.

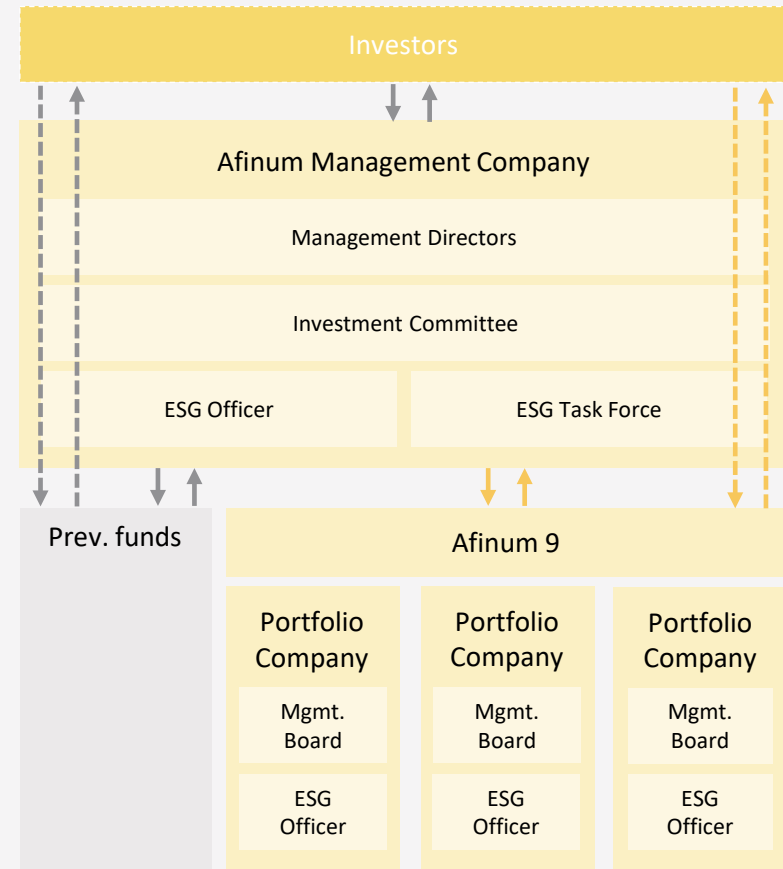
Our overarching governance setup incorporates ESG governance for both our management company and our portfolio. A **Code of Conduct** is presented to and signed by all Afinum employees as well as portfolio company leadership. It is enforced through clear reporting lines and a rigorous **compliance management system**, leading to **zero material ESG incidents in 2021 and 2022 for Afinum 9**.

To specifically ensure resilient governance for all ESG topics, we have set up a **framework** with clear responsibilities and reporting lines from investors to management company and funds, shown on the right-hand side.

Our **ESG Officer** and **Task Force** drive our thematic ESG developments.



ESG governance framework



ESG Scorecard: Afinum Management Company

	Strategic goal	KPI	2021	2022	Comments
Environment	GHG Reduction	Tons of CO ₂ emissions per FTE ¹	5.4 ²	6.6	Afinum strives to provide a pleasant work atmosphere and work-life balance. As a result, Afinum records very low sick days per FTE and has low employee turnover.
		Energy consumption in kWh per FTE	1.0	0.7	
	Resource Efficiency	Volumes of consumed water in cbm per FTE	15.1	14.5 ⁵	
Social	Employee Well-being & Positive Work Culture	Lost Time Injury Frequency Rate ³	-	-	Additionally, the growth strategy is underpinned with continuing new hires and regular training sessions for employees, on the job training not included.
		# Lost days of work per FTE ³	-	-	
		# Sick days per FTE	2.2	2.1	
		% Employee turnover (voluntary)	4.8	4.5	
		# Training days per FTE	4.4	5.0	
	Job Creation	% Net new hires	9.5	4.5	Efforts are in place which aim to increase diversity.
	Workforce Diversity	% Female (all staff/management)	30.0/12.5	27.3/12.5	
Governance	Compliance Management	Afinum Code of Conduct signed by leadership team and implemented in the organization? [Y/N]	Y	Y	
	Robust ESG Governance	ESG Officer appointed? [Y/N]	Y	Y	

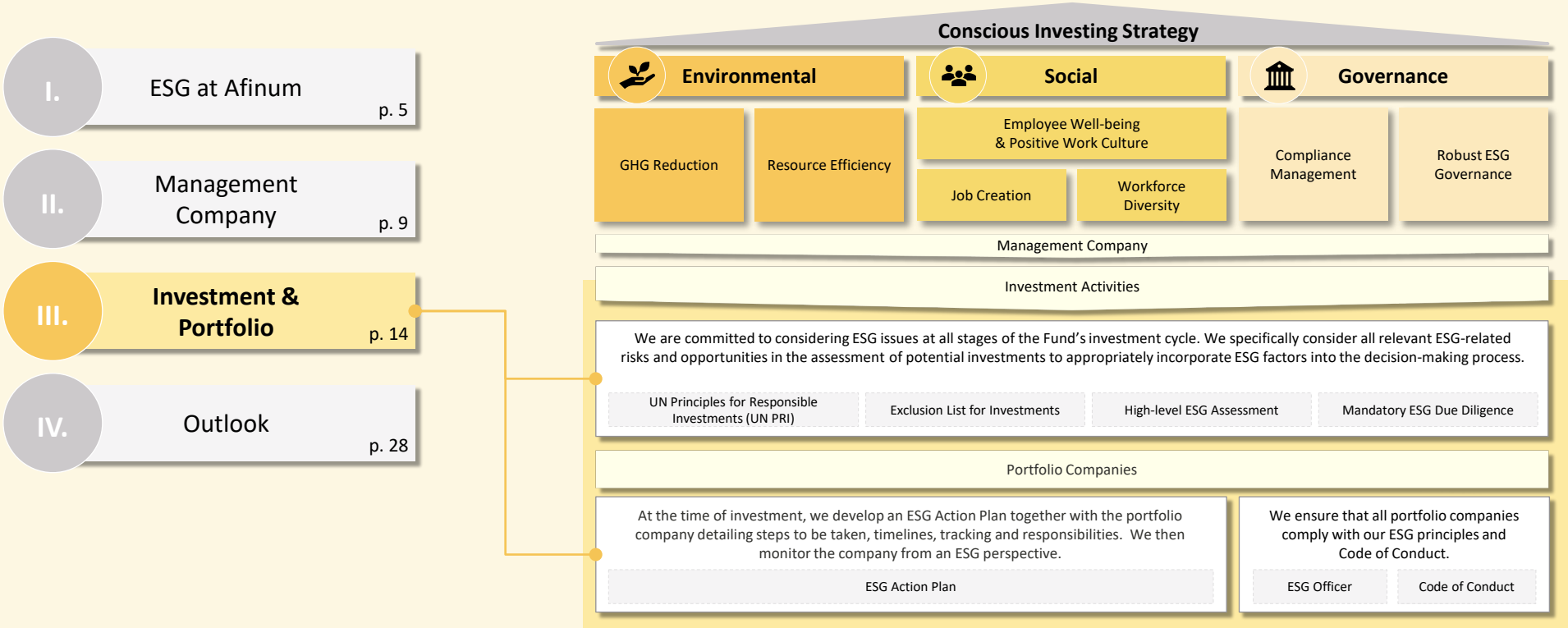
Notes: FTE 2021: 21.00 FTE 2022: 22.00

1) Full Time Equivalent (FTE); 2) In 2021 value, air condition had not been included. For comparability, the value was adjusted with CO₂ emissions value for cooling from 2022;

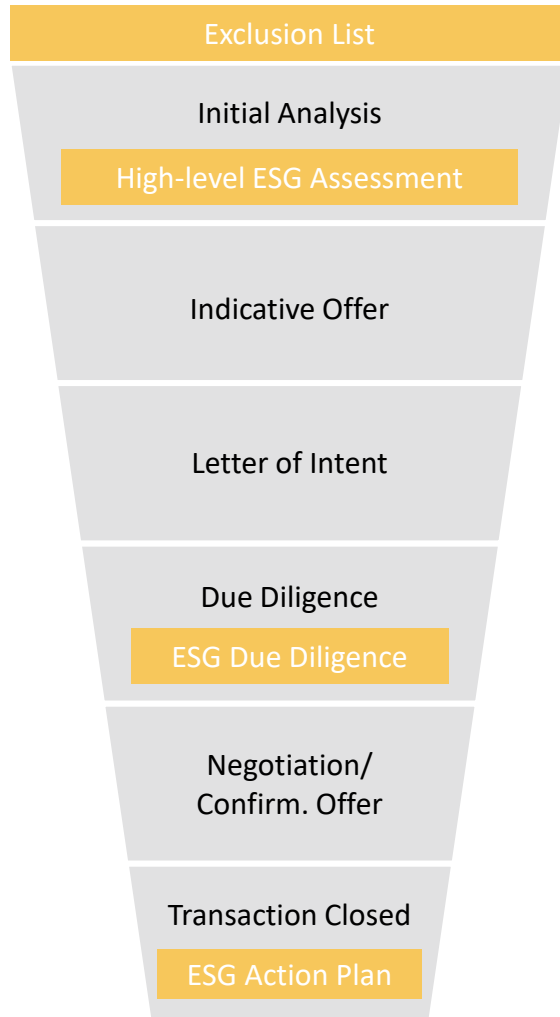
3) Indicators for LTIFR and lost days of work are not applicable as the company does not operate a production facility; 5) Estimate.

ESG Approach for Our Portfolio

Our comprehensive ESG assessments ensure that our investments align with our values and contribute to a more equitable and sustainable world. We work hand-in-hand with our portfolio companies, empowering them to enhance their ESG practices and build a brighter future for all.



ESG in our Investment funnel



Our investment team takes ESG into account from the initial analysis, to the due diligence transaction stage of and into company development.

To ensure that our investments are in line with our ethical and ESG guidelines, **we consider ESG factors from the very start**: Afinum has a strict **exclusion list** as defined in our ESG Policy, which is applied fund-wide and prohibits investments in industries that we do not deem ethical (e.g., weapons production and arms trade, gambling).

Once we have identified potential targets after initial screening that do not conflict with our exclusion list, **our investment team conducts a high-level ESG assessment to flag potential ESG risks** in both operational activities and regarding the position of the target throughout the value chain. Should our team identify significant risks or issues, we do not move forward with an indicative offer. Our **investment committee** is involved in all stages of the funnel and has, at any point in time, the opportunity to decide against a transaction based on ESG risks. In 2022, we did not move forward on some potential targets due to ESG concerns, mainly due to weaknesses in governance or integrity.

Our third layer of ESG considerations comes to life once the target has moved to the **DD¹** stage. In parallel to all other due diligence workstreams, **our ESG advisory firm ERM conducts a comprehensive assessment of the target's material ESG issues and risks.**

We fully acknowledge that we often invest in companies that are only at the beginning of their ESG journeys. We take this **as a great chance for impact and for us to support these companies with their ESG topics**. However, if we deem certain ESG risks identified in the DD too significant, or do not see any potential for change in these cases, we do not move forward with the transaction.

To ensure we can support our portfolio companies on their ESG journey, we do not stop at the DD stage; together with ERM, we **define an ESG Action Plan for all our investments** that is expeditiously implemented after closing.

ESG Approach for Our Portfolio Companies

To promote our ESG priorities within our portfolio, at the time of investment, we develop an ESG Action Plan and ensure compliance with our ESG principles and Code of Conduct.

Many of our portfolio companies are at the very beginning of their ESG journeys – this means that our work with them has significant impact. We make use of several key tools and initiatives:



ESG Action Plan: Through identification and prioritization of risks and opportunities in the ESG space, an action plan is developed at the time of investment in cooperation with the portfolio company's management team and other stakeholders. Details of mitigation actions, timelines, and responsibilities are agreed upon.



ESG Officer: Afinum asks the portfolio company to appoint an ESG Officer who is leading the implementation in collaboration with the respective Management Board. Thus, clear ownership of progress on ESG is ensured.



Code of Conduct: Compliance is ensured through the signing of the Afinum Code of Conduct by the management of every portfolio company at the time of investment. If the portfolio is not already compliant, adequate measures are included in the ESG Action Plan.






KPI tracking: To ensure our portfolio companies' ESG progress is tracked, we have introduced standardized KPIs¹ at entry that will be measured annually by all companies of AF9. The 2021/2022 data provides a baseline for 2023 aspirations.



Notes: 1) We report on these KPIs in the respective portfolio company's scorecard on the following pages.

Overview of AF9 Portfolio¹

 <p>Business model E-learning platform for anglers</p> <p>Location Germany</p> <p>Staff² 29</p> <p>HQ Cologne</p> <p>Invested in since 12/2021</p>	 <p>Business model Specialized provider of highly miniaturized PCBs³</p> <p>Location Switzerland</p> <p>Staff² 173</p> <p>HQ Küssnacht am Rigi</p> <p>Invested in since 12/2021</p>	 <p>Business model Provider of “managed cloud services”⁴</p> <p>Location Germany</p> <p>Staff² 19</p> <p>HQ Hofkirchen</p> <p>Invested in since 05/2022</p>	 <p>Business model Premium bakery-led food-service concept</p> <p>Location Germany</p> <p>Staff² 352</p> <p>HQ Berlin</p> <p>Invested in since 07/2022</p>	 <p>Business model High-precision stencils and screens for technical printing</p> <p>Location Germany/Hungary</p> <p>Staff² 139</p> <p>HQ Ottobrunn</p> <p>Invested in since 10/2022</p>
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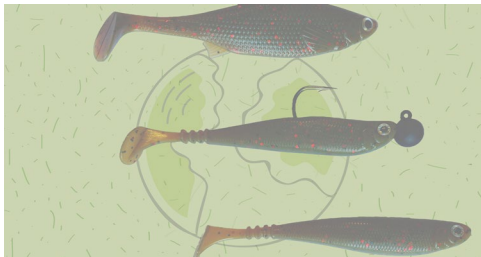
Notes: 1) Overview of companies held in the AF9 portfolio at the end of 2022; 2) Staff reported in FTEs at the end of 2022; 3) Printed circuit boards; 4) Exclusive consideration of the Hartl Group GmbH. Synaforce will be included in the next report.

Case Study: Fishing Base¹



“We educate the next generation of sustainable fishers.”

Hubertus Massong, CEO and Founder



The leading digital platform in the angling sector in the German-speaking region.

Based in Cologne, Fishing Base unifies the largest online-based fishing school in the German-speaking region with well-known eCommerce for fishing tackle.

Selected ESG focus areas

Environmental Protection

As a nature-focused organization, Fishing Base contributes to environmental protection through promoting knowledge of sustainable fishing practices, supply of sustainable fishing equipment and investments in nature conservation projects.

Stakeholder Engagement

Fishing Base invests in building strong relationships with angling associations and environmental authorities and sponsoring social and environmental projects.

Employee Well-being

Fishing Base uses surveys, team-building activities, coaching and training, as well as regular check-ins to retain long-term employees with no significant fluctuations in staff.

Image (left): Prototype of new bait fish, which are phthalate-free and lead-free

2022 Highlights

- Implementation of green product line “green tackle” to promote sustainability
- Appointment of ESG Officer
- Introduction of comprehensive Code of Conduct

2023 Initiatives

- Roll out of supplier Code of Conduct
- Introduction of mandatory ESG training and sign off by all employees
- Promotion of emission-free servers

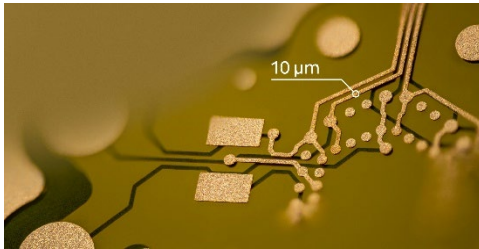
ESG Scorecard: Fishing Base

	Strategic goal	KPI	2021	2022	Comments
Environment	GHG Reduction	Tons of CO ₂ emissions/EUR 100k Revenue	0.1	0.1	Increased energy demand results from Stollenwerk acquisition (incl. additional commercial space and warehouse).
		Energy consumption in kWh/EUR 100k Revenue	67	832	
	Resource Efficiency	Volumes of consumed water in cbm/EUR 100k Revenue	1.4	1.6	
Social	Employee Well-being & Positive Work Culture	Lost Time Injury Frequency Rate ¹	-	-	Due to one employee on long-term sick leave, days per FTE increased in 2022. The employee is of good health again as of the writing of this report.
		# Lost days of work per FTE ²	-	-	
		# Sick days per FTE	4.7	9.1	
		% Employee turnover (voluntary)	30.0	17.0	
		# Training days per FTE	12.0	5.7	
Governance	Job Creation	% Net new hires	30.0	-6.8	Negative net new hires result from the retirement of two managing directors of acquired companies.
	Workforce Diversity	% Female (all staff/management)	16.1/0.0	38.0/14.0	
	Compliance Management	Afinum Code of Conduct signed by leadership team and implemented in the organization? [Y/N]	Y	Y	
	Robust ESG Governance	ESG Officer appointed? [Y/N]	N	Y	

Notes: FTE 2021: 10.00 FTE 2022: 29.40

1) and 2) Indicators for LTIFR and lost days of work are not applicable as the company does not operate a production facility.

Case Study: GS Swiss PCB



“Working with Afinum has been a catalyst for greater ESG action since day one.”

Daniel Puschmann, CEO



Driver of technological and social progress through resource efficiency and community engagement.

GS Swiss manufactures miniaturized high-density interconnect flex, rigid-flex and rigid PCBs that lead the market in the medical industry for small to medium volumes. The company focuses on applications such as implantable defibrillators and hearing aids, thus contributing to a better quality of life for users.

Selected ESG focus areas

Use of Resources

As an industrial player, GS Swiss' biggest impact lays in the efficient use of resources. Therefore, GS Swiss strives to optimize energy and material consumption by reusing water, chemicals and waste. Use of hazardous materials are being tracked.

Employee Well-being

GS Swiss ensures safe workplaces, e.g., through the dedicated work of safety officers, a contact person for health and safety concerns, and a team of well-trained paramedics.

Community Engagement

GS Swiss supports projects related to local sports opportunities for people with disabilities. The company further sponsors training weeks at high schools with a focus on economics.

2022 Highlights

- Appointment of ESG Officer
- Introduction of comprehensive Code of Conduct
- Launch of performance metrics

2023 Initiatives

- Training and signing of Code of Conduct by all employees
- Improvement of Terms of Employment
- Increase of production yields to reduce waste of resources

ESG Scorecard: GS Swiss PCB

	Strategic goal	KPI	2021	2022	Comments
Environment	GHG Reduction	Tons of CO ₂ emissions/EUR 100k Revenue	4.2	4.0	<p>GS Swiss made a strong commitment to its future by hiring 50 new employees in 2022.</p> <p>The company has a high share of female staff in management positions compared to peers.</p>
		Energy consumption in kWh/EUR 100k Revenue	10,271	9,771	
	Resource Efficiency	Volumes of consumed water in cbm/EUR 100k Revenue	47.1	50.7	
Social	Employee Well-being & Positive Work Culture	Lost Time Injury Frequency Rate	17.6	26.7	
		# Lost days of work per FTE	1.2	0.7	
		# Sick days per FTE	10.5	12.8	
		% Employee turnover (voluntary)	4.8	12.2	
		# Training days per FTE	0.2	0.2	
Governance	Job Creation	% Net new hires	7.2	8.7	
	Workforce Diversity	% Female (all staff/management)	32.9/19.4	34.3/15.3	
	Compliance Management	Afinum Code of Conduct signed by leadership team and implemented in the organization? [Y/N]	N	Y	
	Robust ESG Governance	ESG Officer appointed? [Y/N]	N	Y	

Case Study: Hartl Group



“Our energy management enables us to provide top cloud services while minimizing the carbon footprint.”

Peter Hartl, CEO



Providing cloud services using an energy-efficient data center and addressing social responsibility.

Located in Hofkirchen, Hartl Group GmbH is an IT service provider that caters to small- and medium-sized enterprises in the DACH region. Their services include cloud computing, colocation, software solutions, managed services, and data security.

Selected ESG focus areas

Energy Management

Energy efficiency: Hartl Group’s data centers operate at a very high level of energy efficiency with ongoing optimization through modern measurement and building control technology. While photovoltaic systems supply 25% of the total energy demand, the company draws all missing energy from renewable sources.

Energy audit: An energy audit (DIN-EN 16274-1) passed with distinction in December 2022; officials underscored their success stating that: “Hartl Group GmbH, as well as their facilities, are excellently positioned with regard to energy.”

Social Commitment

Hartl Group supports the project “1000 neue Schulen in Entwicklungsländern” (1000 new schools in developing countries), with the company’s donations contributing to the construction of a school in Sukuro, Tanzania.

2022 Highlights

- Appointment of ESG Officer
- Introduction of comprehensive Code of Conduct

2023 Initiatives

- Achieving energy consumption using 100% renewable sources
- Installation of an additional photovoltaic system
- Implementation of an energy management software
- Preparations to receive Blue Angel certificate

ESG Scorecard: Hartl Group

	Strategic goal	KPI	2021 ¹	2022	Comments
Environment	GHG Reduction	Tons of CO ₂ emissions/EUR 100k Revenue	N/A	3.2	The high energy demand compared to other portfolio companies is a result of their business model as cloud service provider.
		Energy consumption in kWh/EUR 100k Revenue	N/A	10,168	
	Resource Efficiency	Volumes of consumed water in cbm/EUR 100k Revenue	N/A	6.1	
Social	Employee Well-being & Positive Work Culture	Lost Time Injury Frequency Rate	N/A	0.0	Hartl Group is expanding and thus hired five new employees in 2022. There were no lost time incidents in 2022.
		# Lost days of work per FTE	N/A	0.0	
		# Sick days per FTE	N/A	7.7	
		% Employee turnover (voluntary)	N/A	5.2	
		# Training days per FTE	N/A	0.6	
	Job Creation	% Net new hires	N/A	15.5	
Governance	Workforce Diversity	% Female (all staff/management)	N/A	34.3/0.0	
	Compliance Management	Afinum Code of Conduct signed by leadership team and implemented in the organization? [Y/N]	N/A	Y	
	Robust ESG Governance	ESG Officer appointed? [Y/N]	N/A	Y	

Notes: FTE 2022: 19.40

1) Monitoring systems are only in place for 2022, data for 2021 cannot be reliably collected in retrospect.

Case Study: Zeit für Brot



“Sustainability is at the heart of Zeit für Brot’s company DNA.”

Stephan Heinrich, Managing Director



Premium food concept committed to responsible and sustainable sourcing and production across the entire value chain.

Zeit für Brot operates an experience-led premium bakery concept, evolving around fresh bread and pastry products, manufactured processing only organic and local raw ingredients in open “experience bakery” units in each store.

Selected ESG focus areas

Supply Chain Management

Zeit für Brot primarily sources its baking ingredients from suppliers certified by the Bioland association to ensure organic origin of all its ingredients, preferably from regional suppliers in proximity of Zeit für Brot.

Circular Economy and Minimal Waste

Zeit für Brot’s leftovers are donated to local food banks. In Berlin, the company has further partnered with a brewery to “recycle” old baked goods in the brewing process. Additionally, Zeit für Brot is committed to sustainable packaging, using only plastic-free or reusable materials (e.g., RECUP deposit system).

Corporate Citizenship

Zeit für Brot regularly donates to social causes. Recently, Ukrainian refugees have received financial support while Ukrainian bakeries were given ingredient donations. This has continued in 2023, with the company’s financial support of earthquake victims in Turkey and Syria.

2022 Highlights

- Emphasis on people development, through leadership trainings and apprenticeships as well as master school support
- Redesign of packaging to only use sustainable materials, e.g., plastic-free or reusable

2023 Initiatives

- Professional tracking and offsetting of CO₂ footprint across the organization
- Adoption of dedicated diversity and inclusion policy
- Close monitoring of salaries and wage levels to avoid gender pay gap
- Provision of further training opportunities

ESG Scorecard: Zeit für Brot

	Strategic goal	KPI	2021	2022	Comments
Environment	GHG Reduction	Tons of CO ₂ emissions/EUR 100k Revenue	1.5	1.3	Zeit für Brot has continued its strong expansion with the recruitment of 74 net employees in 2022. The company has a high share of female staff in management positions.
		Energy consumption in kWh/EUR 100k Revenue	8,539	7,365	
	Resource Efficiency	Volumes of consumed water in cbm/EUR 100k Revenue	53.6	53.6 ¹	
Social	Employee Well-being & Positive Work Culture	Lost Time Injury Frequency Rate	26.9	23.5	
		# Lost days of work per FTE	0.4	0.4	
		# Sick days per FTE	11.4	18.3	
		% Employee turnover (voluntary)	52.2	61.4	
		# Training days per FTE	3.0	4.0	
Governance	Job Creation	% Net new hires	29.9	20.7	
	Workforce Diversity	% Female (all staff/management)	48.0/N/A	50.0/37.6	
	Compliance Management	Afinum Code of Conduct signed by leadership team and implemented in the organization? [Y/N]	Y	Y	
	Robust ESG Governance	ESG Officer appointed? [Y/N]	Y	Y	

Notes: FTE 2021: 287.20 FTE 2022: 352.30

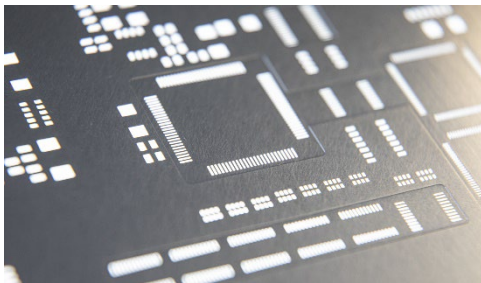
1) Estimate.

Case Study: Christian Koenen Group



“As a future-oriented company, environmental protection is part of our corporate objective.”

Michael Pantel, ESG Officer



A technology leader that demonstrates social and environmental stewardship.

Christian Koenen Group is a global technology and European market leader in the development and manufacture of high-precision premium stencils and screens. These are mission-critical tools in technical printing processes and are broadly applicable across various industries, including electronics, semiconductor, medtech, and renewable energies.

Selected ESG focus areas

Recycling

Christian Koenen Group re-collects, environment-consciously cleans and re-uses screen frames and product packaging materials for new products, and thereby significantly reduces metal and paper waste.

Supply Chain Monitoring

Christian Koenen Group conducts supply chain audits that include environmental, health, and safety issues in the workplace. Deploying a mandatory Supplier Code of Conduct is being evaluated.

Social Commitment

Christian Koenen Group commits to fair employment conditions and is in the process of extending its workforce at several locations. The company further financially supports local social projects as well as global organizations (e.g., Doctors Without Borders).

2022 Highlights

- Appointment and professional training of ESG Officer
- Introduction of relevant ESG KPIs
- Piloting of product-based CO₂ assessment for new customer pitch
- Implementation of comprehensive Code of Conduct

2023 Initiatives

- Assessment of group level CO₂ footprint¹
- Driving of initiatives for further increasing employee well-being
- Implementation of group-wide tracking of waste disposal
- Establishment of whistle-blowing practices

Notes: 1) Including considerations for CO₂ reduction or compensation, e.g., installing own solar modules at production facilities.

ESG Scorecard: Christian Koenen Group

	Strategic goal	KPI	2021	2022	Comments
Environment	GHG Reduction	Tons of CO ₂ emissions/EUR 100k Revenue ¹	N/A	N/A	The low number of lost time incidents testify to the high production safety at Christian Koenen Group.
		Energy consumption in kWh/EUR 100k Revenue	11,840	10,561	
	Resource Efficiency	Volumes of consumed water in cbm/EUR 100k Revenue	16.5	15.6	
Social	Employee Well-being & Positive Work Culture	Lost Time Injury Frequency Rate	9.4	11.4	
		# Lost days of work per FTE	0.0	0.2	
		# Sick days per FTE	9.9	9.9	
		% Employee turnover (voluntary)	10.1	9.4	
		# Training days per FTE	0.5	0.4	
Governance	Job Creation	% Net new hires	1.4	-1.4	
	Workforce Diversity	% Female (all staff/management)	26.8/0.0	28.8/0.0	
	Compliance Management	Afinum Code of Conduct signed by leadership team and implemented in the organization? [Y/N]	N	Y	
	Robust ESG Governance	ESG Officer appointed? [Y/N]	N	Y	

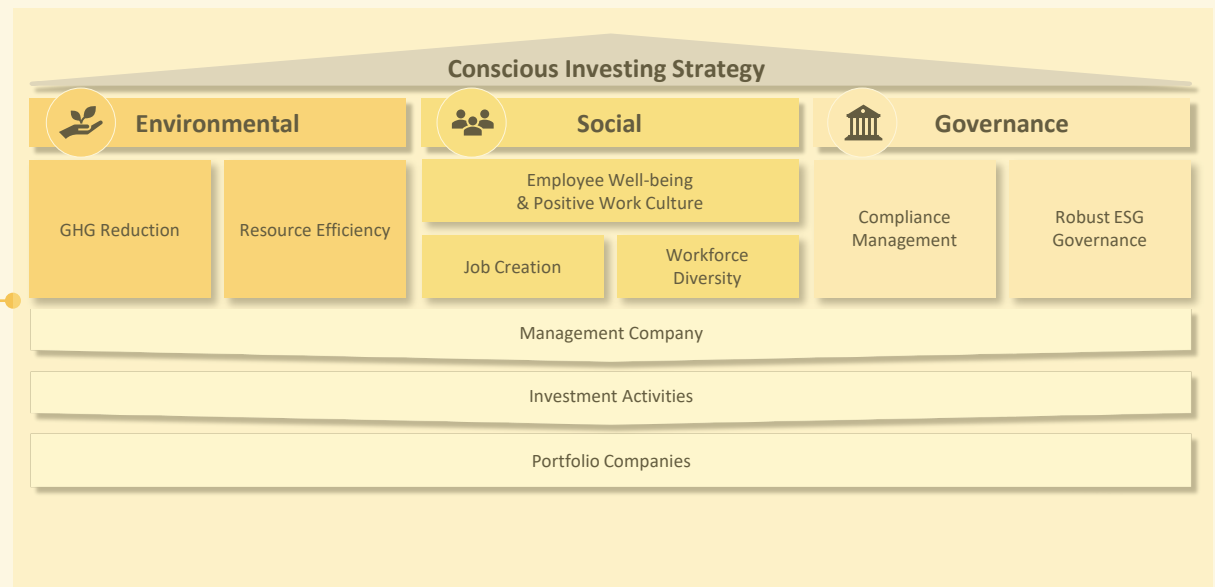
Notes: FTE 2021: 138.00 FTE 2022: 139.00

1) Data on Christian Koenen Group's CO₂ emissions are only partially available.

Outlook

At Afinum, we strive to consistently advance our ESG progress by engaging with our internal and external stakeholders and proactively keeping up with regulatory standards.

I.	ESG at Afinum	p. 5
II.	Management Company	p. 9
III.	Investment & Portfolio	p. 14
IV.	Outlook	p. 28



Outlook and ESG Priorities

We are dedicated to embodying responsibility as we continue to drive positive change through our ESG initiatives and support our portfolio companies' sustainable growth.



Continuing engagement

We commit to **continuous improvement and will continue our ESG efforts** within our portfolio, providing support for Afinum portfolio companies' ESG journeys. This entails not only concrete 2023 initiatives per company that are outlined in previous pages but also the commitment of our management company to engage within our industry. **For 2023, we plan to set targets for Afinum in line with the Science-Based Targets Initiative (SBTi) and further drive our diversity strategy**, especially through focusing on female recruitment.



Staying ahead of regulatory requirements

Since we report for AF9 in accordance with Article 8 SFDR¹, we **disclose all relevant information on sustainability risks and ambitions** as well as our investment process as advised by the EU Sustainable Finance Disclosure Regulation. We will **closely monitor developments in the reporting requirements to ensure that we stay ahead** with any ESG reporting obligations and will continue to transparently communicate and engage with our stakeholders.



Notes: 1) EU Sustainable Finance Disclosure Regulation (SFDR).

Appendix

Appendix: Sources and abbreviations

Abbreviations




AF9	Afinum Fund 9 (Afinum Neunte Beteiligungsgesellschaft mbH & Co. KG)
DD	Due diligence
EBITDA	Earnings before interest, taxes, depreciation and amortization
EHS	Environment, Health and Safety
ESG	Environmental, Social, Governance
FTE	Full-time equivalent
GHG	Greenhouse gas
KPI	Key performance indicator
PCB	Printed circuit board
SDG	Sustainable Development Goals
SFDR	Sustainable Finance Disclosure Regulation

Sources




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All other imagery used in this report is proprietary to Afinum and its affiliated portfolio companies.

Appendix: KPI definitions Management Company

	Strategic goal	KPI	Details for Measurement at Management Company
 Environment	GHG Reduction	Tons of CO ₂ emissions per FTE	We identify emitted CO ₂ through travel and office use per Afinum management company FTE, measured by ClimatePartner. Calculations are made in accordance with the guidelines of the Greenhouse Gas Protocol.
		Energy consumption in kWh per FTE	We identify the amount of consumed energy by electricity and heating in kWh per Afinum management company FTE based on the consumption for the entire building, allocated by square meters of the company office.
	Resource Efficiency	Volumes of consumed water in cbm per FTE	We identify the amount of consumed water in cbm per Afinum management company FTE based on the consumption for the whole building, allocated by square meters of the company office.
 Social	Employee Well-being & Positive Work Culture	Lost Time Injury Frequency Rate (LTIFR)	N/A
		# Lost days of work per FTE	N/A
		# Sick days per FTE	We assess the number of working days lost over total workdays due to illness per FTE during the reporting period.
		% Employee turnover (voluntary)	We assess the number of employees who terminate during the reporting period per number of employees at the reporting period end.
		# Training days per FTE	We assess internal and external training days per Afinum management company FTE during the reporting period, considering 2-4h as half a day of training and > 4h as a full day of training.
 Governance	Job Creation	% Net new hires	We assess the number of net new hires over the reporting period against the total number of Afinum management company FTEs at the reporting period end.
	Workforce Diversity	% Female (all staff/management)	We assess the number of female employees/ management staff over all employees/ management at the reporting period end.
	Compliance Management	Afinum Code of Conduct signed by leadership team and implemented in the organization?	We assess if there is a Code of Conduct for the management company, incl. appropriate measures to implement it in the organization.
	Robust ESG Governance	ESG Officer appointed?	We assess if an ESG Officer has been appointed for the management company.

Appendix: KPI definitions Portfolio Companies

	Strategic Goal	KPI	Details for Measurement at Portfolio Companies
 Environment	GHG Reduction	Tons of CO ₂ emissions/EUR 100k Revenue	We identify emitted CO ₂ to the extent of Scope 1 and Scope 2 emissions per 100k revenue. For green electricity sourced from the power grid, we assume a value of 0 g CO ₂ e/kWh.
		Energy consumption in kWh/EUR 100k Revenue	We identify the amount of consumed energy in kWh per 100k sales based upon electricity and heating usage.
	Resource Efficiency	Volumes of consumed water in cbm/EUR 100k Revenue	We identify the amount of consumed water in cbm per 100k revenue on the basis of utility billing.
 Social	Employee Well-being & Positive Work Culture	Lost Time Injury Frequency Rate (LTIFR)	We assess the number of accidents leading to a lost time > 1 day that occurred per one million hours of work during the reporting period.
		# Lost days of work per FTE	We assess the number of working days lost due to occupational injury or illness per FTE during the reporting period.
		# Sick days per FTE	We assess the number of working days lost over total workdays due to illness per FTE during the reporting period.
		% Employee turnover (voluntary)	We assess the number of employees who terminate during the reporting period per number of employees at the reporting period end, excluding intercompany departures/hires.
		# Training days per FTE	We assess internal and external training days per FTE during the reporting period, considering 2-4h as half a day of training and > 4h as a full day of training.
 Governance	Job Creation	% Net new hires	We assess the number of net new hires (excluding intercompany departures/hires) over the reporting period against the total number of FTEs at the reporting period end.
	Workforce Diversity	% Female (all staff/management)	We assess the number of female employees/ management staff over all employees/ management at the reporting period end.
	Compliance Management	Afinum Code of Conduct signed by leadership team and implemented in the organization?	We assess if there is a Code of Conduct for the portfolio company, incl. appropriate measures to implement it in the organization.
	Robust ESG Governance	ESG Officer appointed?	We assess if an ESG Officer has been appointed for the portfolio company.

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