

EYRIR  INVEST 

Responsible Investment Policy



Purpose and scope

Eyrir Invest is an international investment company focusing on investments in companies which have the potential to become sustainable global leaders.

The purpose of the Responsible Investment Policy (the “Policy”) is to describe the framework governing the approach of Eyrir Invest (the “Company”) to responsible investments and ESG/sustainability.

The Policy applies to all investments and investment decisions made by the Company.

Sustainability and ESG

Sustainability means meeting the needs of the present without compromising the ability of future generations to meet their needs. It means ensuring a balance between economic growth, people and society, and the planet. In a business context, sustainability is about the company's business model, i.e. how its products and services contribute to sustainable development. The key focus areas are environmental, social and governance, ESG.

Creating a cleaner, greener society that is more equal and inclusive will require efforts from every individual, business, organisation and government. Investment companies have an important role in ensuring that the Paris Agreement on limiting global warming to 1.5 degrees Celsius above pre-industrial levels, the UN Sustainable Development Goals (SDG's), and other universal targets are met. We take that role seriously and believe that proactively managing ESG factors is an integral part of such efforts. We also believe sustainability is imperative for a business' adaptability and growth.

Our footprint

Being an investment company with a significant asset base the most material impact Eyrir has on sustainable development is through its investments. Whether it is engaging with companies in our investment portfolio to support and encourage them in integrating sustainability in their governance, operations and business models or directing our funds for new investments to companies and ideas with the clear ambition to have a positive impact on sustainable development this is where we direct our focus and efforts.

By proactively managing ESG factors we mean that we integrate environmental, social and governance factors into our investment processes and actively engage with our investee companies to ensure that they meet our expectations of sound ESG performance and compliance with international norms.

Integrating ESG factors into the Company's decision making is an integral part of sound risk management.

Our core values

Our approach to responsible investments is shaped by our core values; Long-term thinking, Courage, Endurance and Integrity.

These values are reflected in our investment strategy and they guide our everyday practices.



LONG-TERM THINKING

We consider scenarios that might occur in the future and are constantly watching out for new opportunities



COURAGE

We are proactive and exercise leadership when necessary



ENDURANCE

We possess stamina and patience to support as needed the projects we believe in



INTEGRITY

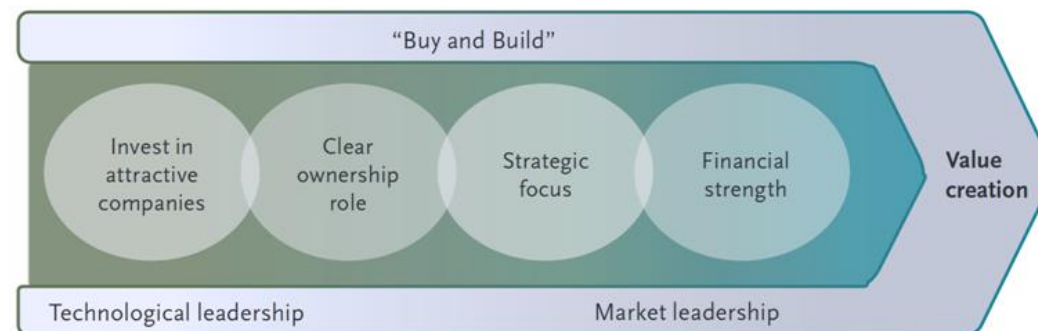
We act responsibly and are trustworthy in all our interactions

Our philosophy

Eyrir Invest's approach to investment and value creation is based on its proven and successful investment strategy: Buy and Build. This strategy entails very active involvement in strategic planning and day-to-day operations.

Main emphasis is placed on:

- › Building a strong leadership team that can lead a company through the business growth process
- › Identifying and developing appropriate distribution channels, focusing on collaboration with parties that have good access to market
- › Making use of Eyrir's strong connections in the international investment environment to succeed in international markets
- › Ensuring that solutions are standardized and scalable, in both production and sales
- › Facilitating and encouraging sharing of knowledge, experiences and best practices among Eyrir's network of investments
- › Scaling up only when a company has a proven business model and distribution channel
- › Active engagement with the company during the lifetime of the investment
- › Following Eyrir's responsible investment policy, considering ESG factors and focusing on green investments



Our vision

We invest in a better future

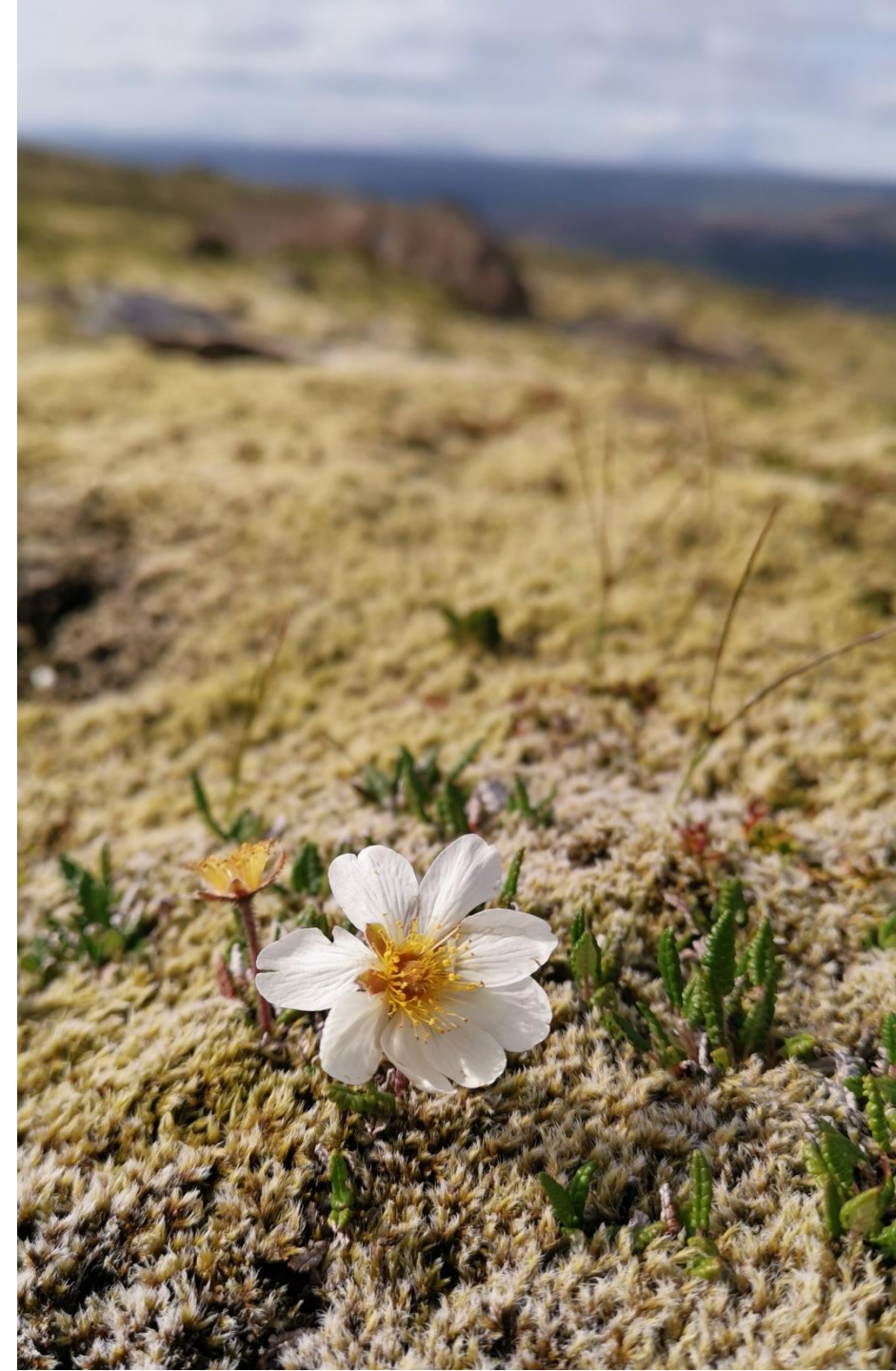
Our investments are focused on sustainable solutions to existing and emerging problems. We believe it is our responsibility to invest in ideas that can facilitate a more sustainable future and are aligned with the UN SDGs.

We invest in passion

We believe that entrepreneurs and start-ups with strong passion and ambition to change the world are more likely to grow and succeed. We therefore look for investment opportunities that incorporate this mindset where our resources can help create a more sustainable world.

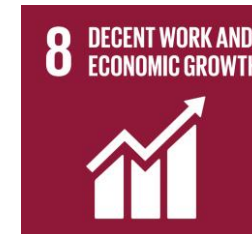
We focus on sustainability

In our view, focusing on sustainability is vital for building long-term value. We therefore expect ESG and sustainability considerations to be key part of our portfolio companies' governance.



Alignment to the UN's Sustainable Development Goals

Our Responsible Investment Policy aims for the companies we invest in to support the United Nations Sustainable Development Goals (SDGs). Our primary focus is on the following SDGs:



Our approach

Our approach to responsible investments is based on three key principles:

1. We integrate ESG factors into our investment analysis and decision-making processes.

Our analysis is based on the type of investments we are considering. When investing in individual companies we use an internal ESG questionnaire* and the Exclusion list to assess potential investment opportunities. We perform ESG due diligence, considering the most material risks and opportunities of new investment opportunities. When investing in funds we make sure that the fund has a defined approach to ESG and that the investment policy resonates with Eyrir Invest's approach and policy on responsible investments and sustainability.

2. We are active owners, we engage with the companies we invest in on ESG issues and best practices.

Throughout the investment lifecycle we exercise our voting rights and engage in a dialogue with the companies we invest in on a regular basis to support and encourage best ESG practices.

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

We monitor the progress on ESG of the companies we invest in and request annual ESG reporting.

*The list is based on Nasdaq's ESG Reporting Guide, the World Economic Forum's Metrics for non-financial information, and Invest Europe's ESG Due Diligence Questionnaire for Private Equity Investors

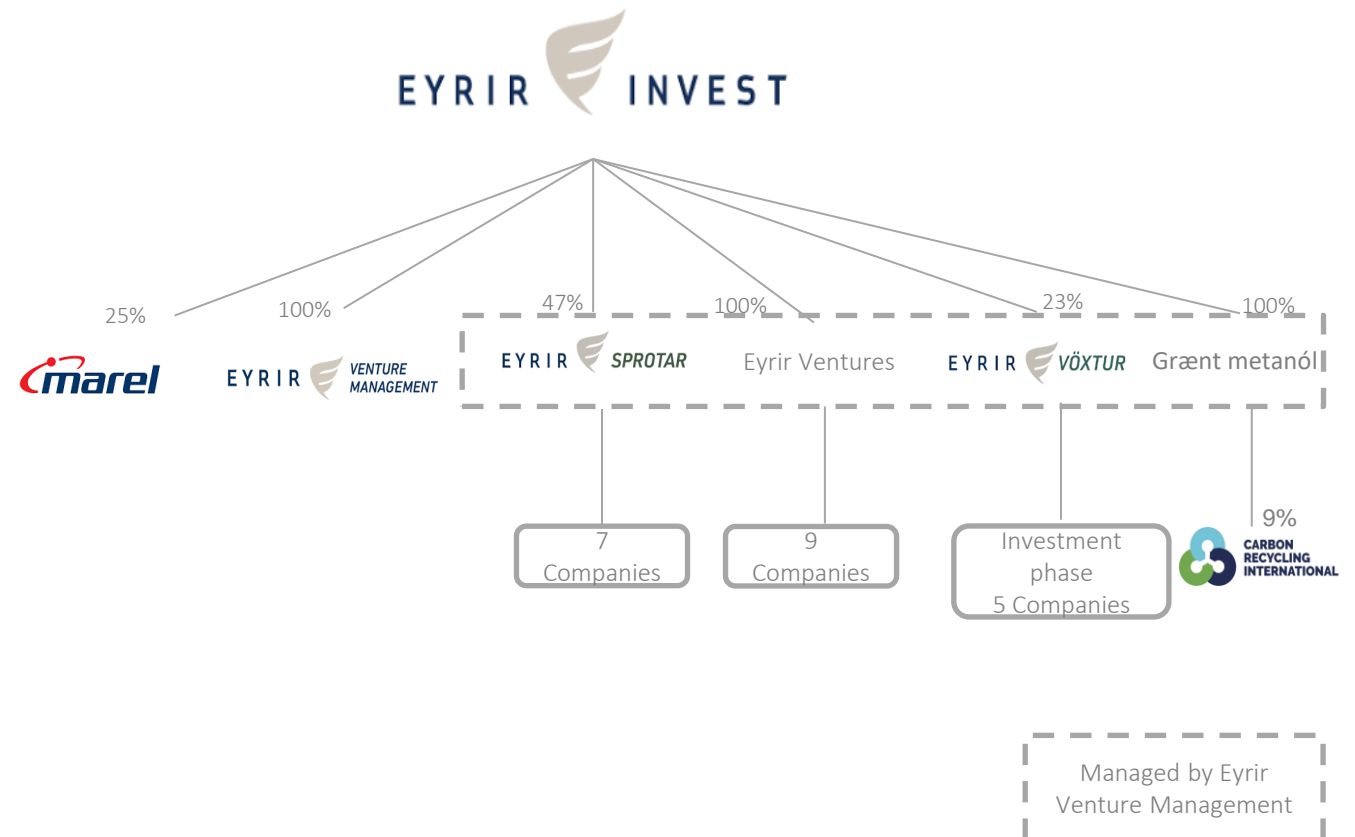
Our investments

Our investments can be classified in two categories:

Marel is Eyrir's largest asset, accounting for around 90% of the total assets. The company was founded in 1983, with revenues of EUR 1,7bn and over 8,000 employees*. It is listed on the stock exchanges in Reykjavik and Amsterdam

Venture assets. Eyrir's start up and growth investments are managed by our subsidiary Eyrir Venture Management (EVM)

We are active owners and engage with all the companies we invest in on ESG issues and best practices. However, due to the different size and maturity of these investments our approach and involvement in the companies' sustainability journey can be different



*As of year end 2022

Marel – Sustainability and ESG

Marel is a global leader in transforming the way food is processed in a sustainable way

Marel has been improving its sustainability impact from day one, with special emphasis on improving its environmental, social, and corporate governance (ESG) profile since 2015

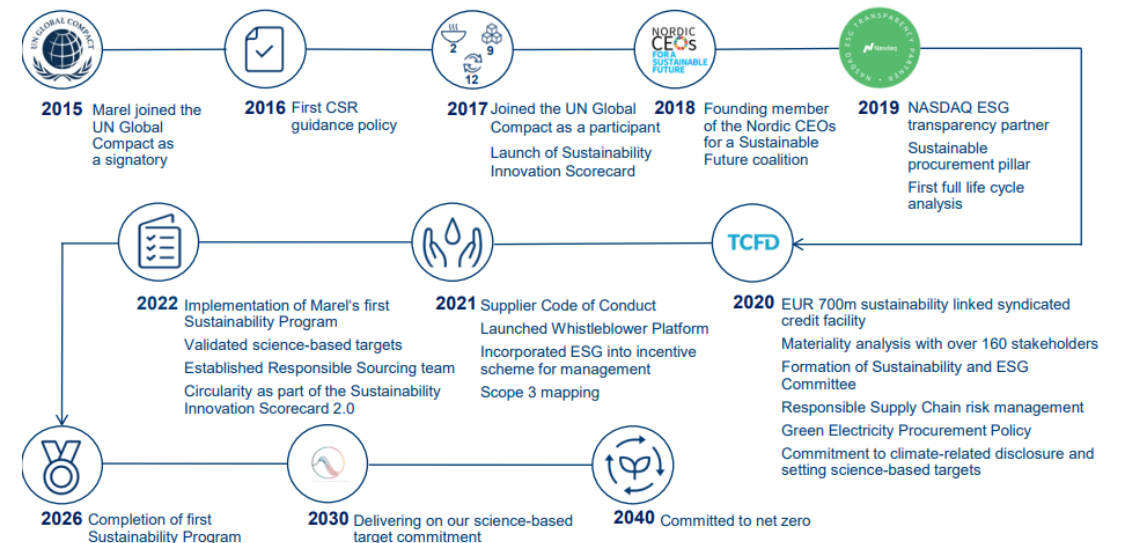
In 2022 Marel accomplishments on their ESG journey included:

- › Validation of their science-based climate targets
- › Improvement of their climate risk- and opportunity analysis through TCFD reporting
- › Incentivizing more employees based on ESG performance
- › Launching a one-of-a-kind sustainability innovation scorecard 2.0
- › Started working on their ambitious 2026 Sustainability Program

Marel publishes detailed information on their work on sustainable development on their website and in their ESG reports and other documents:

<https://marel.com/en/about-marel/corporate-social-responsibility>

Sustainability at Marel



Eyrir Venture Management – Sustainability and ESG

Eyrir Venture Management works closely with the portfolio companies to improve their sustainability efforts

EVM became a signatory to UN Principles for Responsible Investments in 2020. In 2021 EVM created a Responsible Investment Policy to formally incorporate Eyrir's focus on sustainability into all investment activities

ESG is integrated into all decision-making and active ownership activities throughout the investment lifecycle

In 2021 EVM established a new fund, Eyrir Vöxtur, which is an ESG focused fund. The fund invests in companies that have a positive impact on society and the environment

EVM's strategy, implementation and procedures are explained in the Responsible Investment Policy published on EVM's website:

<https://evm.is/sustainable-investments/>

Signatory of:



Exclusion list

Some types of corporates and industries are not compatible with Eyrir Invest's responsible investment vision.

We will not invest in companies that are linked to the activities on the following list. This applies to the companies themselves and their subsidiaries, as well as suppliers that are important for their production or operations.

Industries:

- Research, development or production of weapons and defence
- Tobacco production and manufacturing
- Gambling
- Adult entertainment
- Predatory lending
- Fossil or nuclear energy generation
- Environmentally negative resource extraction, such as rare-earth elements or fossil fuels

Operations and governance:

- Forced or compulsory labour, slave labour, and child labour
- Human rights abuses
- Damaging effects on the environment and high level of greenhouse gas emissions
- Corruption, bribery, money laundering and terrorist financing

Review and Transparency

The ESG and sustainability landscape is ever-changing and governments and regulators are in the process of introducing new rules, regulations and standards that require companies to disclose information on their ESG progress and footprint.

We are committed to our journey of sustainable value creation that embraces the wider demands of people and the planet. We acknowledge that as we continue to learn we will review and modify existing practices to better address environmental and social sustainability matters.

The Company will report on its main responsible investment activities and the progress of this policy on an annual basis to Eyrir Invest's Board of Directors and as a part of the annual financial statements. The Company is also preparing to report and disclose information on the progress of this policy on its website.

This Policy was approved on March 29 2023. It will be reviewed and updated by the Board of Directors of Eyrir Invest as required.

This Policy is available on Eyrir Invest's website.



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