

NEW INDUSTRIAL PARTNERS

ESG CHARTER: OUR APPROACH TO SUSTAINABLE STEWARDSHIP

Purpose and Conviction

At New Industrial Partners, we believe that the long-term resilience and value of an industrial enterprise are inextricably linked to its management of environmental, social, and governance (ESG) factors. We do not view ESG as a separate compliance function, but as a core component of professional stewardship. Our goal is to ensure that the companies we acquire are better positioned for the future than when we found them.

I. Environmental Stewardship

In the industrial and technology sectors, environmental performance is often a proxy for operational excellence. We focus on:

- **Resource Efficiency:** Identifying opportunities to reduce energy intensity, water usage, and raw material waste within manufacturing processes.
- **Decarbonization:** Supporting our portfolio companies in evaluating their carbon footprint and transitioning toward cleaner energy sources where operationally viable.
- **Product Lifecycle:** Encouraging the development of industrial machinery and technologies that help end-users reduce their own environmental impact.

II. Social Responsibility

The strength of a mid-sized industrial company lies in its people and its heritage. We commit to:

- **Occupational Health & Safety:** Prioritizing the physical well-being of every employee. We maintain a zero-tolerance policy for substandard safety conditions.
- **Human Capital Development:** Investing in technical training and professional growth to ensure long-term competitiveness.
- **Operational Heritage:** Respecting the culture and local community ties established by the founders we partner with.

III. Corporate Governance

Transparency and accountability are the foundations of trust between partners. We ensure:

- **Board Integrity:** Establishing clear oversight structures that promote ethical decision-making and risk management.
- **Business Ethics:** Enforcing strict anti-corruption, data privacy, and fair competition standards across all global operations.
- **Alignment of Interests:** Maintaining our independence as a partner-owned firm to ensure our ESG objectives remain aligned with the long-term health of the business.

Integration into the Investment Cycle

- **Due Diligence:** We evaluate ESG risks and opportunities prior to every investment.
- **Transformation:** We work with management teams to set practical, measurable ESG goals during our holding period.
- **Transparency:** We provide our investors with clear, honest updates on the ESG progress of our portfolio.