



EV Private Equity Responsible Investment Policy
Last reviewed: January 2021

EV Private Equity Responsible Investment (RI) Policy

Our Commitment

As proud signatories of the [UN PRI](#), we are committed to incorporating Environmental, Social and Governance factors in our decision making and in the day-to-day management of our firm and portfolio companies. We also endorse the [Ten Principles of the UN Global Compact](#), which means we are committed to the highest standards of governance in the areas of Human Rights, Labour, Environment and Anti-Corruption.

As global investors in the energy sector, we recognise the need for economic and social transformation to achieve the targets of the Paris Agreement. We are committed to playing our part in meeting these targets by only investing in companies or technologies that contribute to this goal. We execute our climate mandate by supporting and following the recommendations of the Task Force on Climate-related Financial Disclosures ([TCFD](#)), and through our proprietary EV IQ™ tool.

Our Approach

Our approach to responsible investment is based upon our core values of Integrity, Inclusion, Intelligence and Imagination.

- Integrity: we apply the highest standards of conduct, ethics and compliance, with zero tolerance to bribery and corruption. We encourage and reward disclosure and transparency.
- Inclusion: we embrace diversity and inclusion, with zero tolerance to discrimination and harassment. We promote an environment of mutual respect, collaboration and openness between our stakeholders. We continuously support our communities and the less privileged.
- Intelligence: we apply our expertise in screening investments that can deliver positive outcomes and returns. We track the development of new practices/ standards, implementing those that are in line with our strategy and/or can improve our role as responsible investors.
- Imagination: we encourage and are constantly developing innovative ways of delivering on our RI strategy.

Our values are not only embedded in our firm's culture but also transpire beyond our organisation, including but not limited to our LPs, GP Board, Advisory Board, portfolio companies and our local communities.

Exclusions

We recognise that a responsible investment approach contributes to long term value creation for investors and society. The opposite also holds true, with the potential to corrupt society's values and deteriorate individual freedoms. We will therefore seek to exclude investment opportunities in any company which:

- deliberately and repeatedly violate the laws, rules and regulations laid down by the national authorities in the markets in which such company operates;
- is subject to trade embargoes imposed by the United Nations or the European Union and endorsed or otherwise officially ratified or approved by the Kingdom of Norway;



- is involved in:
 - the production of tobacco;
 - the manufacturing or production of weapons which, in the course of normal intended use, would breach fundamental humanitarian principles (i.e. atomic, biological or chemical weapons, cluster bombs or anti-personnel landmines); or
- contributes to or is responsible for:
 - serious or systematic violations of human rights (such as murder, torture, deprivation of liberty, forced labour, illegal child labour and other forms of child exploitation);
 - serious violations of the rights of individuals in situations of war or conflict;
 - severe environmental damage;
 - severe or gross corruption; or
 - other serious violations of fundamental and internationally recognised ethical principles.

Scope

Our responsible investment policy applies to EV Private Equity staff, the GP board, operating partners, advisory boards and portfolio companies.

Guidelines and Sustainability Outcomes

We consistently apply our RI guidelines at house level, pre-investment and throughout the stewardship phase. The ESG performance of our firm and our portfolio companies is measured by specific KPIs based upon their [materiality](#) but also on the [SDGs](#) expected outcomes. These KPIs are reviewed on a periodical basis and in line with existing/ incoming standards and frameworks. We track these KPIs over time to determine the achievement (or sub-achievement) of the desired sustainability outcomes.

- Guidelines on environmental factors: strong focus on carbon intensity but also on water/ waste management and ecological impacts. Use of EV IQ™ to determine individual portfolio company's contribution to carbon emissions reduction and used as pre-screening criterium.
- Guidelines on social factors: strongly driven by our core value of Inclusion, we encourage all our stakeholders to adopt similar approach when it comes to gender equality, diversity and support to the local communities. EV not only has its own charity initiative but also encourages portfolio companies to offer their own support. We have also taken a proactive approach in managing the Covid crisis by encouraging home working and use of various government support schemes.
- Guidelines on governance factors: in line with industry trends, we apply stringent governance and compliance on health and safety, employee relations, anti-bribery and corruption, cybersecurity and data protection. Reliance on corporate policies and periodical training to deal with such issues, also including code of conduct, ethical behaviour, whistleblowing, among others. Audit and verification is strongly encouraged. EV also takes part in the public debate for the development of industry best practices.

We rely on secure IT systems to collect and process ESG data such as policies and KPIs.

Our quarterly reporting aims at keeping ESG matters a priority, with a view to continuously measure environmental and social impact and improve the ESG performance of the firm and respective portfolio companies. Improvement targets are periodically set out to our investment teams which are then cascaded to portfolio companies.



Governance Structure

Our governance structure is defined as follows:

- GP board: responsible for approving our RI activities.
- EV Managing Partner and Senior Partners: responsible for championing and for the oversight of the RI strategy.
- EV Compliance Manager (and ESG Officer): responsible for developing and executing on the firm's RI strategy.
- EV Investment Teams are responsible for:
 - Seeking investments that are aligned with our approach to responsible investment
 - Applying ESG due diligence on new investments
 - Communicating material findings to EV Private Equity boards
 - Ensuring follow-up of ESG matters through their board representations
 - Encouraging disclosures from management teams

Our core values of Integrity, Inclusion, Intelligence and Imagination permeate all levels of our organisation, with each individual bearing the responsibility to act based upon them. Conflicts of interest are managed in accordance with our Code of Business Ethics and Compliance Policy, our Whistleblowing Policy and each individual employment agreement.

Miscellaneous

This policy will be reviewed and updated as appropriate and is approved by the GP Board and the Advisory Companies Board.