



EV Private Equity (“EV”) Statement on the Sustainable Finance Disclosure Regulation (SFDR) in relation to (EU) 2019/2088
Last updated: March 2021

SFDR Compliance Statement

Article 6 of the EU Sustainable Finance Disclosure Regulation (“**SFDR**”), Regulation (EU) 2019/2088, requires, amongst other things, investment funds to disclose the manner in which sustainability evaluations and risks are integrated into investment decisions and how the results of such analyses are likely to affect returns. Article 2 (22) of SFDR defines "sustainability risk" as an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of an investment.

Integration of ESG into the investment and stewardship processes

EV’s Responsible Investment policy sets out the way we operate, which is consistent with the SFDR and related regulations. Our investment processes are designed to mitigate sustainability risks and in so doing positively contribute to the Fund’s investment performance.

The ESG performance of our portfolio companies is monitored closely on a regular basis allowing the measurement of its sustainability performance. A set of mandatory ESG KPIs are reported on a quarterly basis and reviewed both quarterly and annually by EV.

Principle Adverse Impacts

EV considers principal adverse impacts (“**PAIs**”) of its investments in accordance with its Responsible Investment Policy taking into account the criteria for environmentally sustainable economic activities in Regulation (EU) 2019/2088 (the “**Taxonomy Regulation**”).

The PAIs are identified and prioritized according to materiality for each portfolio company by considering the scope, severity, probability of occurrence and potentially irremediable character on sustainability factors. The PAIs are identified and evaluated in the screening and due diligence phases of the investment process and are regularly measured, reviewed and actioned during stewardship phase.

EV’s investment activity main sustainability focus is on Climate Mitigation through reduced greenhouse gas (“**GHG**”) emissions, however in addition our stewardship processes are designed to direct the portfolio companies’ operations and business conduct in line with the principle of “Do No Significant Harm (**DNSH**)” and meeting the minimum safeguards to the other five environmental objectives of the Taxonomy Regulation.

Remuneration policies

EV has adopted a remuneration policy in accordance with the AIFMD. Certain employees may be entitled to variable remuneration based on a discretionary and from time-to-time assessment. The inclusion of an ESG integration element is currently being assessed to ensure improved alignment towards EV’s sustainability values and objectives.