



EV Private Equity Responsible Investment Policy
Last reviewed: April 2023

EV Private Equity Responsible Investment (RI) Policy

Our Commitment

As signatories of the [UN PRI](#), we are committed to incorporating Environmental, Social and Governance factors in our decision-making process and our firm's and portfolio companies' day-to-day management. We also endorse the [Ten Principles of the UN Global Compact](#), which means we are committed to their governance standards in 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 responsible investment mandate by adhering to the SFDR, and our climate mandate by our commitment to Science-Based Targets and support to the Task Force on Climate-related Financial Disclosures ([TCFD](#)).

Our Approach

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

- Integrity: we apply high standards of conduct, ethics and compliance, with zero tolerance for bribery and corruption. We encourage and reward disclosure and transparency.
- Inclusion: we embrace diversity and inclusion with zero tolerance for discrimination and harassment. We promote a culture 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 impact and returns. We track the development of new practices, standards and regulations, adjusting our processes accordingly.
- Imagination: we use our imagination to deploy emerging responsible investment practices across our firm and portfolio in an encouraging manner.

Our values are embedded in our firm's culture and transpire beyond our organisation, including but not limited to our investors, boards, portfolio companies and 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, our boards, operating partners, and portfolio companies.

Guidelines and Sustainability Outcomes

We consistently apply our RI guidelines at the 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 on their [materiality](#) and the SFDR Principal Adverse Impacts (PAIs). These KPIs are reviewed periodically and aligned with existing/ incoming standards, frameworks and regulations. We track these KPIs over time to determine the desired sustainability outcomes' achievement (or sub-achievement).

- Guidelines on environmental factors: a strong focus on carbon intensity, water/ waste management, and ecological impacts. Use of [MoreScope](#) to determine portfolio company's contribution to emissions avoidance and used as a pre-screening tool.
- Guidelines on social factors: strongly driven by our core value of Inclusion, we encourage all our stakeholders to adopt a similar approach when it comes to gender equality, diversity and support to the local communities. EV has its own charity initiative and encourages portfolio companies to offer their support.
- 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 periodic training to deal with such issues, also including code of conduct, ethical behaviour, and whistleblowing, among others. Audit and verification are strongly encouraged. We rely on secure IT systems to collect and process ESG data such as policies and KPIs.

Our quarterly reporting aims to prioritize ESG matters, 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 the oversight of the RI strategy.
- EV Partner and Head of Responsible Investment (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 approved by the GP and Advisory Companies Board.