
The Sustainable Investment Policy sets the overall framework for eEquity’s work and integration of sustainability factors and sets out the funds’ sustainability focus areas, based on an economic, environmental and social perspective. The policy is implemented and executed throughout the eEquity structure and outlines how eEquity manages sustainability risks and opportunities across the entire ownership cycle.

Sustainable Investment Policy

Version:	1.0
Responsible/owner:	CFO
Approved by:	Board of Directors
Adopted:	2023-09-27

Introduction

It is central for eEquity to consider sustainability factors in our investment process and ownership activities as we believe it is important for the long-term success of the portfolio companies and the performance of the funds to work with environmental, social and governance (ESG) aspects.

eEquity influences and work together with the portfolio companies through its active management, addressing sustainability aspects and issues.

eEquity's Sustainable Investment Standards

eEquity considers a number of environmental, social and governance factors and these are aligned with the long-term goals and should be considered for our investments as described below.

Risks and opportunities are analysed both prior to investments and during ownership, and the conclusions can form the basis for investment decisions, risk management and to take advantage of opportunities.

Our focus areas are described below.

Environmental

- Emissions of greenhouse gases and climate impacts, considering Scope 1 (directly caused by the company, e.g. through facilities), Scope 2 (indirectly caused, e.g. energy, electricity) and Scope 3 (caused by upstream and downstream activities, e.g. transportation of products).
- Being fully compliant with relevant local and international environmental legislation and conventions and active screening and awareness of upcoming relevant regulation/standards.
- Efficient use of natural resources.

Social

- Actively promoting diversity in the portfolio companies by working towards fair representation of underrepresented groups in the Board, Management teams and the founders. In particular with regards to gender diversity.
- Being fully compliant with relevant local and international legislation and conventions on human rights, including zero tolerance of child or forced labour, and active screening and awareness of upcoming relevant regulation/standards.
- Committing to employees' right through code of conducts.

- Towards all stakeholders, showing zero tolerance of discrimination or harassment of any type, incl. based on age, race, gender, religion, sexual orientation or disability.

Governance

- Ensuring compliance with sustainability related laws and regulations.
- Having a documented corporate governance structure with defined responsibilities and procedures and appropriate internal control mechanisms.
- Maintain high standards of business ethics and work against bribery and corruption.
- Integrate sustainability aspects in the operating model and strategy and track quantitative KPIs.

eEquity's approach

Sustainability applies to the entire investment process, from sourcing and due diligence to portfolio management and exit. We address these topics in a concise and analytical manner to understanding and improve returns of our funds.

The Investment process

Our ambition is to evaluate the sustainability risks in each investment opportunity. Sustainability considerations are fully integrated into investment decisions.

eEquity does not invest in companies relating to the following sectors (the restricted sectors):

- fossil fuel-based energy production
- energy-intensive and/or high CO₂-emitting industries
- tobacco and alcohol industry
- weapons and ammunition
- casinos
- research and development or technical applications supporting internet gambling, casinos, pornography, illegal entry to electronic data and networks or downloads of electronic data

In the continued investment process, and ESG due diligence is performed, and the investment team is most often supported by external advisors. The outcome of the ESG due diligence is considered in the decision making.

eEquity requires that the company complies with the UN Global Compact. If the company does not comply with the UN Global Compact at the time of acquisition eEquity should assess that they can change attitudes and procedures in that matter.

The ownership period

eEquity has established the following requirements for sustainability matters for the portfolio companies.

- All portfolio companies shall at least annually report progress across material sustainability metrics to eEquity, and upon occurrence any potential incidents.
- The portfolio companies shall assign responsibility and accountability for ESG matters.
- Sustainability shall be part of each portfolio company's value creation agenda, including projects and targets.

The exit

eEquity considers sustainability as a key selling point to potential buyers. eEquity seeks to communicate achievements and impacts that have been measured over the investment period.

eEquity's ESG Governance

Disclosure and reporting

eEquity monitors the performance of its investments. Sustainability impacts form part of this monitoring process.

eEquity reports annually on the SFDR and the EU taxonomy Regulation. Also, eEquity has adopted global initiatives and reports on the progress of responsible investment implementation annually to PRI. eEquity further encourages a continuous dialogue with limited partners related to sustainability impacts.

Training

Integrating sustainability requires ongoing competence development of employees, both in general and specifically within the areas that are relevant for each role.

Remuneration

Sustainability risks are considered in the remuneration of key personnel that make investment decisions or provide investment advice.

Non-compliance with the policy

Non-Compliance with or deviations from the policy shall be addressed by the eEquity Board.

Principles of Responsible Investment

eEquity is a signatory of the Principles for Responsible Investment (PRI). eEquity reports to PRI on a yearly basis.

UN Global Compact

eEquity has incorporated the ten principles of the UN Global Compact, meaning that we work together with the portfolio companies to ensure certain responsibilities within 1) Human rights, 2) Labour, 3) Environment and 4) Anti-Corruption.