

ERHVERVSINVEST

Erhvervsinvest Management A/S

Policy for integration of sustainability risks

July 2023

1 Introduction

- 1.1 The present policy for integration of sustainability risks (hereafter: the “Policy”) aims to ensure that Erhvervsinvest Management A/S (hereafter: the “Company” or “EIM”) integrates sustainability in its selection – and ongoing monitoring – of investments (“Portfolio Companies”) in the investments funds managed by EIM (“EI funds”).

2 Overarching objects

- 2.1 The Company invests via EI funds, primarily in equity majorities, and therefore has a significant influence on the Portfolio Companies’ sustainability strategy and profile.
- 2.2 EIM invests in assets, which have satisfactory ESG-profiles, but it is not the Company’s focus to make investments for the purpose of promoting environmental or social conditions nor to make investments in companies with sustainability as their purpose.
- 2.3 The Company supports and promotes UN’s Principles for Responsible Investments (UN PRI). UN’s PRI promotes integration of environmental, social and governance (“ESG”) perspectives in the investment process and the policy for active ownership. UN’s PRI-principles are a natural part of the Company’s investment strategy in order to ensure and increase the return of the Portfolio Companies.
- 2.4 In the practical, procedural work with ESG, the Company will:
- Incorporate ESG in its investment analyses and decision-making processes
 - Demonstrate active ownership and incorporate ESG in the development of the Portfolio Companies
 - Collect relevant information related to ESG from the Portfolio Companies
 - Report to investors of EI funds about activities and developments in connection with the implementation of initiatives related to ESG
- 2.5 In connection with establishing EI funds, a separate ESG policy is prepared as part of the contractual agreements for the EI fund.

3 Integration of sustainability risks in the investment process

- 3.1 It is not part of the existing EI funds’ investment strategy to put emphasis on sustainability factors as part of the selection of investments. As such, EIM does not integrate sustainability risks, understood as environmental, social or governance factors, in the investment process.

4 Screening of investments

- 4.1 The Company does not separately consider an investment opportunity’s negative impact on sustainability factors, which means the impact on environmental, social or governance factors, as EI funds’ investment strategy does not integrate sustainability risks as part of the investment decision process.
- 4.2 EIM’s wish to create growth and return in a sustainable and responsible way means that ESG factors are considered when developing the Portfolio Companies.
- 4.3 Sustainability factors that form part of the appraisal by the Company of an investment opportunity, will likely include:
- **Environment**
 - The company ought to support a precautionary approach to environmental challenges, take initiative to advance greater environmental responsibility and encourage development and widespread use of environmental technologies.

- **Human rights**
 - The company ought to support and respect the protection of internationally declared human rights and ensure that they are not complicit in violations of human rights.
- **Workers' rights**
 - The company ought to preserve freedom of association and effectively recognise the right to collective bargaining, support eradication of all forms of forced labour, support the effective abolition of child labour, and abolish discrimination in all aspects of employment.
- **Anticorruption**
 - The company ought to oppose all forms of corruption, e.g. extortion and bribery, and promote the use of whistleblower schemes.

5 Negative list

5.1 The Company does not wish to participate in transactions or financing of activities which:

- are illegal in the countries in which the transaction or activity takes place
- are legal, but encourages violent conflicts, such as manufacturing or trading weapons
- have tax avoidance as its purpose
- have contributed to systematic denial of human rights
- do not adhere to environmental regulations
- use child labour or forced labour
- is directly related to adult entertainment

6 Active ownership

6.1 The Company will every year choose one ESG factor, on which to focus, across all Portfolio Companies.

6.2 The Portfolio Companies report to the Company on ESG matters as a minimum on an annual basis, and EIM is notified by the Portfolio Companies if any central issues related to ESG matters arise.

6.3 There will a continuous dialogue with management of the Portfolio Companies. As part of this dialogue, questions related to ESG will be addressed.

6.4 Dialogue and focus on improvements will be the preferred tools for questions regarding ESG.

7 Review and approval

7.1 The Policy is reviewed and approved by the Company's board of directors at least once a year. The Policy applies to all employees, who are involved in the Company's investment processes and management of EI funds.

7.2 The Company publishes the Policy on the Company's website www.erhvervsinvest.dk.

7.3 Compliance with the Policy is controlled by the Company's compliance officer, and performed checks are reported to the Company's board of directors.

7.4 The board of directors have most recently reviewed and approved the Policy 10 July 2023.