



ESG Investment Policy

Contents

Purpose	2
ESG investment vision	2
ESG investment commitments	2
ESG investments in practice	3
Review dates and oversight	4
Annex 1: Compliance with United Nation’s Principles	5
Annex 2: Exclusion list	7
Annex 3: Principle Adverse Impact indicators (PAI) as per SFDR	8

ESG Investment Policy

Purpose

Driven by our common purpose as a firm to build sustainable businesses, sustainability is a natural part of our investment strategy. We are actively seeking investments to improve sustainability while creating attractive returns for investors. The purpose of the ESG Investment Policy is to outline our approach to sustainable investment across the full investment life cycle from sourcing to ownership and exit phase. The ESG Guideline offers a more detailed elaboration on the different topics.

We understand “Sustainability” in a comprehensive sense, integrating ESG [Environmental (“E”), Social (“S”) and Governance (“G”)], continuity of actions as well as economic efficiency and profitability for the benefit of everyone.

ESG investment vision

eevolve’s ESG vision is to be the first choice for mindful investors and sustainable businesses.

To achieve our vision, we focus on three key pillars:

1. Building sustainable businesses:
 - ESG considerations are embedded in the whole investment process
 - All portfolio companies advance on one or more SDGs
 - All portfolio companies work towards improving on at least three sustainability goals
 - All investments are in line with SFDR Art.8, some will qualify as SFDR Art.9-conform
2. eevolve foundation:
 - The eevolve foundation is an independent charitable foundation
 - Economic alignment by linking performance participation¹ to sustainability goals and financial engagement of 1% of the management fees are key pillars to our sustainability commitment
 - The independent foundation contributes to projects with a positive impact on society and ecology
3. Engagement in our communities:
 - Our commitment to positive impact is integral to our values and our culture
 - Being part of eevolve includes volunteer activities to engage with local charity initiatives
 - Strengthen our connection with our communities to generate positive social and environmental impact

ESG investment commitments

The firm is a signatory of the United Nations Principles of Responsible Investments². Our ESG Investment Policy also recognizes leading frameworks such as the Ten Principles of the United Nations Global Compact³ and the

¹ At least 1% and up to 10% of performance participation are distributed to the independent eevolve foundation

² See Annex 1

³ See Annex 1

UN Sustainable Development Goals⁴. Our ESG Scorecard is based on the standards of SASB (Sustainability Accounting Standards Board) and guides us during the entire life cycle of the investment process of every portfolio company. We support our portfolio companies in integrating this scorecard in the development of their own sustainability strategies.

Considering the definitions of the Sustainable Finance Disclosure Regulation (SFDR), our fund is classified as Art. 8 fund, promoting environmental and social characteristics for all our investments. Hence, we consider 100% of our investments to be “responsible investments”. While the fund does not have the explicit objective of a “sustainable investment” as per SFDR definition, we do consider and evaluate the respective sustainability impact potential of our investments as part of our investment process.

eevolve’s investment process generally considers the principal adverse impact indicators (PAI) on sustainability factors as per SFDR. Specific PAI indicators, such as “exposure to controversial weapons”, are part of eevolve’s exclusion list⁵. During the due diligence phase the firm seek to obtain information on potential sustainability risks and relevant data for the assessment of the 14 mandatory plus 2 elective PAI indicators⁶ applicable to investments, and take potential adverse impacts into consideration in the investment decision. Should potential impacts conflict with eevolve’s ESG investment principles, investment opportunities may be rejected. Throughout the ownership phase, any potential data gaps will be filled, and the PAI indicators will be collected from all portfolio companies and monitored and reported on an annual basis. In addition, where relevant, improvement measures will be defined to reduce any potentially adverse impacts. The PAIs will be aggregated on portfolio level, and be reported on the firm’s website in the format required by the SFDR.

In our role as a partner, we make the following commitments to our stakeholders:

1. We and our portfolio companies are committed to comply with applicable laws in the relevant jurisdictions.
2. We integrate sustainability opportunities and risks into the entire investment cycle, from sourcing to exit.
3. We actively engage with our portfolio companies to promote continuous improvement and develop them into resilient, sustainable businesses that withstand the test of time.
4. We integrate and promote transparency on sustainability matters in our communication with stakeholders.
5. We contribute to society and environment by sharing our economics.

Over the next decade, we want to build resilient sustainable businesses and provide measurable improvements on society and the planet. We nurture inclusion with investors, portfolio companies, employees, and other stakeholders.

A fundamental requirement for eevolve's investments is that each portfolio company must actively advance the world towards at least one of the SDGs.

ESG investments in practice

Each deal team is ultimately responsible for implementing the ESG Investment Policy during the different phases of the investment process. The deal team will actively cooperate with the board of directors of each portfolio company with regards to definition and implementation of ESG goals. We believe that sustainability assessment and monitoring of portfolio companies should be individualized and rooted in materiality. ESG opportunities and risks considered depend on key characteristics such as the company’s size, sector, operational specifics, or

⁴ See Annex 1

⁵ See Annex 2

⁶ See Annex 3

geographic location. We clearly favor investments with strong ESG opportunity credentials. The team is supported by dedicated Sustainability Advisors.

We are committed to integrating sustainability during the different stages of the investment process.

Sourcing

ESG is integrated in the evaluation of potential investments by applying exclusion list and identifying potential contribution to one or more SDGs. An Initial ESG Screening is conducted to identify potential ESG-related risks and opportunities early in the process. For targets with a sustainability impact potential as per SFDR, an additional Initial Impact Screening is conducted.

Due diligence

With increased availability of information, an Initial ESG Check, followed by a detailed ESG due diligence and, where applicable, an Initial Impact Check followed by a detailed Impact due diligence, complement the systematic assessment. Due diligence is based on dialogue with the management team and onsite visits of the company, to identify and assess key ESG opportunities and risks while understanding how they are considered by the management team. A summary of the ESG analysis is included in every investment memorandum submitted to the Investment Committee.

Portfolio company management

Throughout the ownership phase, our investment team works together with the portfolio company's board of directors and management on sustainability opportunities and risks. Based on the due diligence results and materiality assessment, ESG priorities, targets and Key Performance Indicators (KPIs) are defined together with the management of the respective portfolio company. The investment team maintains a constant dialogue with the portfolio companies' management teams and actively monitors, reports and communicates the evolution of their ESG practices⁷ and the progress towards achieving the ESG targets.

Divestment

In preparation for the exit phase of an investment, steps are taken to ensure the portfolio company is in a strong position to maintain and continually improve its sustainable business practice. Our aim is that the value generated by a forceful approach to sustainability during the ownership period will be realized upon exit.

Review dates and oversight

This ESG Investment Policy has been approved by the firm's board of directors and will be reviewed annually.

⁷ Including PAIs

Annex 1: Compliance with United Nation's Principles

UN Global Compact Ten Principles

The UN Global Compact is a global initiative which was founded to enable businesses in general to be a part of the solution for a more sustainable and inclusive global economy by promoting globally responsible business practices. eevolve commits to adhere to the Ten Principles:

Human Rights

- Principle 1: Support and respect international human rights
- Principle 2: Make sure that the company is not complicit in human rights abuses

Labour

- Principle 3: Uphold the freedom of association and the recognition of the right to collective bargaining
- Principle 4: Eliminate all forms of forced and compulsory labor
- Principle 5: Abolish child labor
- Principle 6: Eliminate discrimination in respect of employment and occupation

Environment

- Principle 7: Support a precautionary approach to environmental challenges
- Principle 8: Undertake initiatives to promote greater environmental responsibility
- Principle 9: Encourage the development and diffusion of environmentally friendly technologies

Anti-Corruption

- Principle 10: Work against corruption in all its forms, including extortion and bribery

UN Principles for Responsible Investment (UN PRI)

We became a signatory to the United Nations Principles for Responsible Investment at the very inception of our firm.

UN Principles for Responsible Investment promotes integrating ESG perspectives into the investment process and active ownership policy as follows:

- Principle 1:** We incorporate ESG risks and opportunities into the investment analysis and decision-making processes.
- Principle 2:** We will be active owners and incorporate ESG issues into our ownership policies and practices.
- Principle 3:** We seek appropriate disclosure on ESG issues by the entities in which we invest.
- Principle 4:** We promote acceptance and implementation of the Principles for Responsible Investment within the investment industry.
- Principle 5:** We work together to enhance our effectiveness in implementing the Principles for Responsible Investment.
- Principle 6:** We report on our activities and progress towards implementing the Principles for Responsible Investment.

Being compliant with these six UN Principles for Responsible Investment is a natural part of our investment strategy and in line with our purpose to safeguard entrusted capital as well as to generate sustainable wealth as stewards of our investors and their beneficiaries.

UN Sustainability Goals (SDGs)

The United Nations' 17 Sustainable Development Goals (SDGs) present a significant opportunity for investors to support the global agenda by deploying increasing amounts of capital to businesses that address critical challenges by continuously improving their impact. eevolve uses the SDGs as a strategic tool applied throughout the investment process, including sourcing, due diligence, portfolio management and divestment.



Annex 2: Exclusion list

We are committed to integrating sustainability and responsibility into all of our investment activities. Hence, we shall not invest in companies we consider unethical or having significant negative impacts, thereby applying the following exclusion criteria:

Excluded activities	Exclusion criteria
Illegal practices	Any activity, production or trade of products deemed illegal under national or international laws
Environmental non-compliance	Demonstrate a pattern of non-compliance with environmental regulations
Emissions	Causing an unacceptably high greenhouse gas footprint without implementing measures to reduce these emissions, including high emission industries like coal and mining, oil and gas
Human rights	Serious violations of human rights and non-compliance with internationally recognized human rights principles (e.g. UN Global Compact)
Controversial weapons	Production, financing or sale of controversial weapons including <ul style="list-style-type: none"> ▪ Anti-personnel mines ▪ Cluster munitions ▪ Nuclear weapons ▪ Bio and chemical weapons
Wildlife or conservation area destruction	Activities that are associated with the destruction or significant impairment of areas (or wildlife) worthy of protection (without adequate compensation in accordance with international standards)
Labor	Products or services that involve harmful or exploitative forms of forced labor or child labor as defined by ILO core labor standards
Discrimination	Racism, bigotry or any other sort of discrimination
Tobacco, gambling or alcohol, prostitution	Controversial business practices: tobacco, gambling, online casinos, alcohol, adult entertainment

Annex 3: Principle Adverse Impact indicators (PAI) as per SFDR

14 mandatory PAI indicators	Unit
1. GHG emissions (Scope 1)	tCO2
2. GHG emissions (Scope 2)	tCO2
3. GHG emissions (Scope 3)	tCO2
4. Activity in the fossil fuel sector	y/n
5. Share of nonrenewable energy consumption and production	%
6. Total energy consumption	GWh
7. Activities negatively affecting biodiversity sensitive areas	y/n
8. Emissions to water	T
9. Hazardous waste	T
10. Violations of UNGC principles and OECD Guidelines for multinational enterprises	y/n
11. Lack of processes and compliance mechanisms to monitor compliance with UNGC principles and OECD Guidelines for multinational enterprises	y/n
12. Unadjusted gender pay gap	%
13. Board gender diversity	%
14. Exposure to controversial weapons	y/n
2 elective PAI indicators (examples)	Unit
15. Carbon emission reduction initiatives	y/n
16. Lack of anti-corruption and anti-bribery policies	y/n