





HitecVision in the transition to a low-carbon economy

As a specialist investor in the energy industry, HitecVision has a strong focus on the coming transition of the world's energy systems towards a low-carbon future. We believe that this change is necessary, and we have decided to be part of the solution rather than part of the problem.

The transition will in itself provide a multitude of investment opportunities for an investor such as us, and we are preparing to expand our investment universe beyond oil and gas to take this into account. At the same time, we know that the change will be gradual, and that oil and gas will be part of the energy picture for decades to come, with continuing opportunities both

for our current portfolio companies and for new investments.

In order to quantify our ambitions and help us steer a course through the transition, we have developed a "decarbonization strategy", which is due to be revised on an annual basis.

The strategy has five key elements, where the first two address HitecVision's own operations, while the next three describe our ambitions for our portfolio.

OUR OWN OPERATIONS

- 1 We will be carbon neutral in our own operations from 2020.
- 2 We will contribute to driving down emissions from our customers, business advisors, banks and other counterparties.

OUR PORTFOLIO

- 3 We will build on our position as a leading energy-focused private equity firm to support the transition to net zero.
- 4 We aim to halve the carbon intensity of our energy producing portfolio companies by 2030.
- 5 We aim to reduce the net greenhouse gas emissions from our other portfolio companies to zero by 2030.

For each of these elements, we have developed further details, as described on the next pages. Our overall target is to achieve net zero climate footprint from our own operations from 2020 and from the portfolio by 2030.

To reach this ambitious goal for the portfolio, we have defined three strategic approaches, for new investments;

energy producing current portfolio companies; and other current portfolio companies. Considering the normal private equity cycle of investments and realizations, our choice of investments in the years to come will contribute to a rebalancing of the portfolio towards carbon neutrality.



OUR OWN OPERATIONS

1 We will be carbon neutral in our own operations from 2020.

1. We will further increase the use of video conferencing and minimize business travel

- The biggest part of our climate foot-print is air travel. We have already reduced this significantly through investments in state-of-the-art video conferencing equipment in every meeting room and on every desk and home office, as well as at the portfolio companies, and we aim to continue the positive development.

- We acknowledge that some travel will always be required to establish and maintain business relations. For any necessary business travels, we will buy natural carbon capture offsets. Any offset schemes will be thoroughly evaluated for real-world outcomes.

2. We will ensure carbon neutrality in our office use through securing 100% renewable electricity for our power consumption.

- Where this is not possible, e.g. where district heating is used, we will buy natural carbon capture offsets to achieve net zero. Any offset schemes will be thoroughly evaluated for real-world outcomes.

2 We will contribute to driving down emissions from our customers, business advisors, banks and other counterparties.

1. We will offer online versions of all meetings and conferences with our investors, business advisors, banks and other counterparties.

2. We will include ESG and carbon footprint strategies as a key criterion in our choice of advisors.

- Including benchmarking against HitecVision's own strategy as per above.

3. We will require from our suppliers that they are able to use video conferencing instead of travel in meetings with us.

- Request that our advisors and other partners limit air travel to a need-to basis.

- Advise business relations on establishing efficient VC systems in line with HitecVision's internal video conferencing systems.

OUR PORTFOLIO

3 We will build on our position as a leading energy-focused private equity firm to support the transition to net zero.

1. We will aim to establish new funds to invest in and build companies focused on low- or no-carbon energy production, infrastructure and solutions, supporting the transition to a net zero energy system.

2. We will leverage the know-how and workforce of our current and future portfolio companies to support our net zero targets.

3. We will work directly and through our investment platforms to back policies that support a just transition, including carbon pricing.

4 We aim to halve the carbon intensity of our energy producing portfolio companies by 2030.

1. For our energy producing portfolio companies, we aim for a reduction of the carbon intensity of their energy production by 50% by 2030, and for net zero by 2050

- Carbon intensity is defined as Scope 1 and 2 emissions per unit of energy produced, expressed in grams of CO₂ equivalent per megajoule.

- The reductions will be achieved through a combination of operational improvements, electrification of oil and gas production, investment in renewable power, carbon capture and storage, and advancing other technological solutions.

- Each company shall establish a Low-Carbon Transition Plan (LCTP) showing how it will halve the carbon intensity of their energy production

by 2030 and reduce it to zero by 2050. The LCTP shall be approved by the board of each company by the end of 2020.

- In line with this, we will advise the portfolio companies on establishing efficient video conferencing systems in line with HitecVision's internal systems, and require that these are used for general purposes as well as in interaction with HitecVision.

2. For all new E&P investments, we will include a price of carbon of USD 75 per tonne CO₂ eq. in our investment analyses.

3. We will aim to make impact investments through energy producing companies where we see the potential for significant reductions of emissions.

5 We aim to reduce the net greenhouse gas emissions from our other portfolio companies to zero by 2030.

1. Each company shall establish a Low-Carbon Transition Plan (LCTP) showing how it will achieve net zero by 2030. The LCTP shall be approved by the board of each company by the end of 2020.

- In line with this, we will advise the portfolio companies on establishing efficient video conferencing systems in line with HitecVision's internal systems, and require that these are used for general purposes as well as in interaction with HitecVision.

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