

Integration of sustainability risk in investment decisions

HitecVision integrates sustainability risk in its investment decision-making process. Sustainability risk means an environmental, social or governance event or condition that, if it occurs, could cause an actual or potential material negative impact on the value of the investment.

Identification and assessment of sustainability risk are integrated in our internal policies and procedures, including HitecVision Responsible Investment Policy (available here). The principles set out in the Responsible Investment Policy and in this statement are further detailed and operationalised in HitecVision's internal policies and guidelines and internal and external control mechanisms.

HitecVision seeks to identify sustainability risks in its pre-investment evaluation and due diligence process, using a dedicated pre-investment ESG assessment tool for new investments, supported by an ESG due diligence checklist and questionnaire which must be signed off by management and/or sellers of the target company. The process covers risks related to the environment, climate, working conditions, labour rights, human rights, corruption, money laundering, and more.

An impact analysis is performed for new investments. This includes climate impact, impact on UN Sustainable Development Goals, and an analysis of Principal Adverse Impacts as set out in the Sustainable Finance Disclosure Regulation.

All new platform investments and significant add-ons are subject to a compliance review prior to a final investment decision. The compliance review includes the investment team using a compliance checklist, followed by an approval process conducted by the internal compliance function and the Compliance Committee. Through the compliance review, the Compliance Committee reviews that sustainability risks have been identified, assessed and documented.

Sustainability risks identified in the pre-investment evaluation and due diligence process form the basis of our subsequent engagement with each portfolio company aimed at managing their risks, thereby reducing the sustainability risks in HitecVision's investments.