

## Statement on principal adverse impacts of investment decisions on sustainability factors

**Financial market participant:** HitecVision Advisory AS

### Summary

HitecVision Advisory AS (**HitecVision**) considers principal adverse impacts of its investment decisions on sustainability factors. The present statement is the consolidated statement of principal adverse impacts on sustainability factors of HitecVision.

This statement provides an overview of the policies on the identification and prioritisation of principal adverse sustainability impacts and a description of the principal adverse impacts and actions taken to reduce such impacts.

This statement will be updated annually by 30 June to cover the relevant reference periods, from 1 January to 31 December the preceding year, the first complete statement to be disclosed by 30 June 2023 and annually thereafter.

### Description of the principal adverse impacts on sustainability factors

Among the most important principal adverse impacts of our investment decisions are environmental impacts, including greenhouse gas emissions and other emissions to the air and the sea; workplace health and safety; and diversity and inclusion. HitecVision has continuous focus on these and other sustainability factors, monitoring for adverse impacts, and identifying potential for contributing to reducing negative impacts through our investments.

Post investment, each portfolio company will usually develop a materiality analysis, ranking its most important ESG issues (alternatively, we may in some cases develop the analysis on behalf of the company). In creating the materiality analysis, the companies (and/or we) analyse and grade each potential ESG issue based on its importance to a range of stakeholders, and to the company itself.

Actions taken post investment are based on three main pillars:

- Ensuring, primarily through the boards of the portfolio companies, that each company has the necessary strategies, policies and actions in place;
- Engaging with each company on a continuous basis to help guide their priorities and discuss outcomes;
- Developing and agreeing comprehensive reporting to us of ESG issues and metrics

Where relevant, we implement HitecVision's governance model, including guidelines for the board (which include a requirement that the board addresses sustainability issues on a regular basis), and a comprehensive compliance program. We perform training for portfolio company non-executive directors and management, covering our compliance program as well as other ESG and reporting requirements.

We ensure a continuous follow-up of ESG issues and reported KPIs in biannual ESG meetings with each portfolio company, as well as ad-hoc engagement on specific issues.

We monitor key ESG KPIs across the portfolio, setting targets and measuring improvement across the portfolio. KPIs include direct and indirect greenhouse gas emissions, carbon intensity metrics, workplace health and safety as well as sick leave metrics, diversity and inclusion metrics, anti-corruption and other governance efforts, and other relevant issues.

All our portfolio companies are required to report to us on a quarterly basis on ESG issues, based on a comprehensive reporting template. The template features a number of ESG related KPIs as described above. The quarterly reporting encourages the portfolio companies to set targets for their ESG efforts and track the outcomes of relevant and material issues.

HitecVision will update this statement with its impact on fourteen mandatory principal adverse impact indicators across its portfolio by 30 June annually. In addition, HitecVision will report on the following two additional indicators:

- Investments in companies without carbon emission reduction initiatives
- Rate of [workplace] accidents

## **Description of policies to identify and prioritise principal adverse impacts on sustainability factors**

HitecVision carries out identification and prioritisation of principal adverse impacts on sustainability factors through our investment process, governed by our investment procedures, in particular our ESG Integration Procedure. Our process includes the use of dedicated ESG assessment tools and the analysis of principal adverse impacts as defined in the Sustainable Finance Disclosure Regulation. Adverse impacts are prioritised mainly based on a materiality assessment and based on the significance of their impacts, as further described above.

## **Engagement policies**

As investments by the HitecVision funds generally target controlling stakes, HitecVision has not adopted any specific shareholder engagement policy applicable to investments in securities traded on regulated markets.

Engagement with portfolio companies is an integral part of HitecVision's objective of ensuring that its portfolio companies operate in an environmentally sound manner, as well as ethically, responsibly and profitably in everything they do. Through its regular engagement with portfolio companies, HitecVision will seek to work with the portfolio companies in addressing and reducing principal adverse impacts as further described above.

## **References to international standards**

HitecVision is a signatory to the UN Principles for Responsible Investment, the Net Zero Asset Managers Initiative and Norsif, the Norwegian forum for sustainable investment. In its reporting, HitecVision applies internationally recognised reporting frameworks including the Global Reporting Initiative (GRI) Standards and the Sustainability Accounting Standards Board (SASB) disclosures. Greenhouse gas emissions are calculated using the GHG Protocol.

<b>Version</b>	<b>Date</b>	<b>Scope</b>
1	9 March 2021	First publication of disclosure
2	1 January 2023	Alignment of disclosure with Commission Delegated Regulation (EU) 2022/1288