

HitecVision Climate Transition Plan

1. Introduction

HitecVision is a leading private equity investor in the European energy industry. HitecVision's objective is to create value by developing and building profitable portfolio companies and, on this basis, generate superior returns for its investors. HitecVision believes that by integrating sustainability considerations into our investment activities, we can improve the long-term performance of our portfolio companies as well as the alignment between investors and society at large.

Our Climate Transition Plan manifests our dedication to future-proofing our fund portfolios.

2. HitecVision's GHG mitigation targets

2.1 Methodology

HitecVision has elected to set GHG targets that cover the companies in our funds. To support our target setting, we have used the Net Zero Investment Framework (NZIF) – 2.0 Target Setting Protocol for Private Equity devised by the UN backed Institutional Investors Group on Climate Change (IIGCC). This framework is designed to provide private equity firms with a pragmatic net zero target setting framework that accounts for the level of influence over portfolio companies and financed emissions.

The NZIF Target Setting Protocol is endorsed by the Net Zero Asset Management Initiative (NZAM), to which HitecVision has been committed since 2022, and is recognised as one of the three credible target-setting protocols for aligning with a 1.5°C trajectory. HitecVision sets two types of GHG mitigation targets defined by the NZIF: portfolio alignment targets and portfolio engagement targets.

2.2 Portfolio alignment targets

With the aim of maintaining a resilient and future-proof portfolio, HitecVision commits to leveraging our influence as an asset manager in an effort to reach the following net zero alignment targets for our funds' portfolio companies: 30% managed in alignment with net zero by 2030, 80% by 2040, and 100% by 2050.

Alignment with net zero is defined by NZIF to be an assessment of whether a portfolio company's climate ambition, governance, Paris-aligned GHG mitigation targets, climate-related disclosures, emissions performance, and climate strategy are in line to achieve net zero by 2050.

NZIF defines net zero as occurring when a portfolio company achieves emission intensity as required by a sector and regional pathway for 2050 and whose ongoing investment plan or business model will maintain this performance.

2.3 Portfolio engagement targets

HitecVision commits to ensuring that all our funds' portfolio companies are informed of HitecVision's net zero alignment targets. All portfolio companies shall also be informed within one year of our aim to have the company managed in alignment with net zero. To achieve our climate mitigation targets, we are dedicated to maintaining progress with our existing mitigation actions while implementing new initiatives, in line with our level of influence within our portfolio companies, defined by our percentage share and number of board seats within the portfolio company.

3. Climate mitigation levers and actions for HitecVision

3.1 Investing in the energy transition

Since 2019, HitecVision has focused its new investment activity on the energy transition in Europe through our New Energy Program. The program directs all new investments made by the HitecVision new energy funds towards the acquisition and establishment of portfolio companies aiding the energy transition. Our long-term goal is to assemble a diverse portfolio focused on the energy transition.

3.2 Navigating net zero alignment of new investments

Prior to making investment decisions, HitecVision will seek to ascertain whether a potential investment is aligned with net zero. When investing in companies not yet aligned with net zero, HitecVision will engage with co-owners and partners to leverage our influence to seek that the company will be managed to be in line to achieve net zero by 2050, ensuring our climate targets inform all investment decisions, fostering long-term value creation.

3.3 New portfolio company engagement

Recognising our influence as asset manager, we will, within the first year of ownership for new portfolio companies, continue to engage with co-owners and shareholders regarding net zero alignment targets. Our commitment is to use our leverage to steer these companies towards governance and operations that align with and achieve net zero, as defined by NZIF, as an important step in future-proofing their business plans.

3.4 Divestment from fossil fuels by 2035

Current investments in companies involved in the Exploration and Production (E&P) of fossil fuels will be realised in accordance with the maturity timelines of the funds holding these investments. As a result, we expect that our funds will reach full divestment from fossil fuels by 2035. Under our New Energy Program, HitecVision will direct new investments from the new energy funds towards the energy transition, a focus that serves as a key lever for achieving our climate mitigation targets.

3.5 Advancing decarbonisation in high-emitting portfolio companies

For high-emitting companies in our portfolio, we pledge to maintain our role as proactive shareholders. This means we will continue to use our influence and collaborate with the portfolio companies' management to escalate their own climate ambitions and to formulate and execute specific decarbonisation actions.

4. Funding supporting our mitigation actions

HitecVision has raised significant funding for our New Energy Program. The new energy funds fuel acquisitions and facilitate the growth of companies contributing to the energy transition.

5. Locked-in GHG emissions

HitecVision does not directly have locked-in GHG emissions from our key assets and products. However, our E&P portfolio companies have significant locked in GHG emissions relating to the extraction and processing of fossil fuels. These locked-in GHG emissions will be phased out through the realisation of our E&P companies as part of the completion of the funds holding these investments, as described above.

6. Supporting disclosures

6.1 EU Taxonomy alignment

We report the alignment of the companies within the New Energy Program which invests in the energy transition, with the EU Taxonomy. The Taxonomy-alignment figures of the new

energy funds are made available to fund investors directly and made publicly available through our annual sustainability report.

6.2 Paris Aligned Benchmarks

HitecVision Advisory is not excluded from the Paris Aligned Benchmarks (PAB). However, our portfolio companies that derive more than 10% of their revenues directly from the exploration, extraction, manufacturing, or distribution of gaseous fuels, are excluded from the PAB.

7. Governance and strategy

7.1 Our Climate Transition Plan is embedded in our investment strategy

With a commitment to embedding the Climate Transition Plan and new climate mitigation targets firmly within our investment strategy, our updated Climate Transition Plan has been reviewed and endorsed by all administrative, management, and supervisory tiers.

7.2 Our progress towards our targets

HitecVision is on track to implement our updated Climate Transition Plan. Notably, we have established climate mitigation targets through the NZIF target setting framework to guide our strategy towards ensuring a climate-resilient portfolio. In connection with these targets, we have conducted an initial assessment to measure the alignment of each portfolio company with the net zero trajectory as laid out by NZIF. We will work actively to engage with each of our portfolio companies to communicate and anchor our targets.

Moving forward, we will track and report the annual percentage of the funds' investments which align with net zero in our annual sustainability reports. Additionally, we will continue to advocate for the portfolio companies to align their reporting with the Task Force on Climate Related Financial Disclosures (TCFD) standards.