

## Policy on the consideration of principal adverse impacts on sustainability factors

Hivest Capital identifies and assesses the principal adverse impacts of its investments on sustainability factors of its investments in accordance with article 4 of the EU Sustainable Finance Disclosure Regulation (EU 2019/2088).

Hivest Capital's exclusion policy helps to mitigate the negative impacts of its investments. We do not invest in companies (i) operating in industries such as tobacco, firearms, pornography, gambling, human cloning, production of GMOs and illegal downloading, (ii) that are not in alignment with human rights or child labor treaties and (iii) that have unacceptably high negative impacts on biodiversity (and are not demonstrating efforts to optimize their environmental footprint).

Prior to every new investment, we conduct, with the help of trusted external consultants, a comprehensive ESG Due Diligence highlighting all principal adverse impacts on sustainability factors. When significant principal adverse impacts are identified, we will elect not to pursue the analysis of the opportunity.

Portfolio companies conform to an annual reporting exercise through which we collect a large number of indicators (including the 14 mandatory indicators required by the EU Sustainable Finance Disclosure Regulation) to measure the impact of our investments and to help define areas of improvement. These indicators enable Hivest Capital to assess positive or negative ESG performance and to continue to improve its shareholding model from one year to the other.

Hivest Capital the following key priorities:

- Social characteristics: company policy related to working conditions and employee well-being, professional development and training programmes;
- Environmental characteristics: energy consumption, air emissions, soil and underground water, and responsible purchasing;
- Governance characteristics: sound and transparent governance practices, structured & organized transformation or development plan, and formalized ESG action plan.

Our process for identifying and monitoring principal adverse impacts and taking actions to mitigate these impacts are described in more details in our Responsible Investment Policy.