

2023 Sustainability Report

HAVN
CAPITAL

Driving Decarbonisation

We scale companies that enable the energy transition, and champion sustainable investment



MAY 2024

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Foreword by HAVN Managing Partner

In 2024, we look forward to making further investments that drive CO₂e avoidance and enhance energy security.

Tomas Hvamb, Managing Partner, Havn Capital

In 2023, against the backdrop of pivotal global events, Havn Capital ('Havn') emerged as a distinguished private equity firm, founded by myself alongside Greg Herrera and Espen Strøm.

Havn's inception builds upon a strategic pivot initiated by EV Private Equity ('EVPE') in 2018, redirecting its focus towards companies facilitating the transition to a low-carbon economy. Recognising the evolving investment landscape, Havn underwent a rebranding in 2023, signalling its distinct dedication to sustainability.

The shadows cast by global events are undeniably chilling. The conflicts in Ukraine and Gaza captured the world's attention, spotlighting regional tensions and geopolitical intricacies. Soaring prices of essential goods and services strained household budgets, resulting in diminished purchasing power and heightened financial uncertainty for individuals and families. For businesses, inflationary pressures translated into escalated production costs, squeezing profit margins and necessitating adaptive strategies to sustain competitiveness.

As 2023 sets records for global temperatures, the challenge of limiting global warming to 1.5°C becomes increasingly daunting. Recognising that the next decade is pivotal, our focus at Havn has shifted towards mitigating the impacts of surpassing this threshold. Rapid decarbonisation stands out as the imperative solution, necessitating a dual approach that combines adapting to climate change simultaneously with actions to reduce or avoid GHG emissions, the latter being Havn's key area of focus.

Despite these challenging times, we are pleased to report robust financial performance among our portfolio companies. Collectively, they have seen a substantial increase in EBITDA, driven largely by topline growth, reflecting the efforts of our stewardship and portfolio company management teams. This year's highlight was our strategic exit from Trainor Group to Apave Group, yielding excellent returns with a realised MOIC of 7.5x and an IRR of 93%. This exemplifies our firm belief in the Havn model of generating value and environmental benefits for our investors, partners, and the wider community.

In 2024, we look forward to making further investments that drive CO₂e avoidance and enhance energy security. The energy transition in Europe is accelerating and we are seeing excellent investment opportunities within our mandate; smaller growth buyout situations of companies that drive the energy transition. Our journey with the carbon accounting platform MoreScope sets us apart from peers in understanding reporting and quantification of CO₂e emission avoidance. At Havn we will continue to use our experience to make meaningful impact.

Tomas Hvamb
Managing Partner

A composite image representing renewable energy. In the foreground, there are several large, dark blue solar panels with white grid lines, reflecting the sky. In the middle ground, two white wind turbines with blue-tipped blades stand against a clear blue sky. In the background, a large concrete dam with multiple buttresses spans across a valley, with a green reservoir in front of it. The surrounding landscape consists of steep, forested mountains under a bright, sunny sky with some light clouds.

Climate Change and the Energy Transition

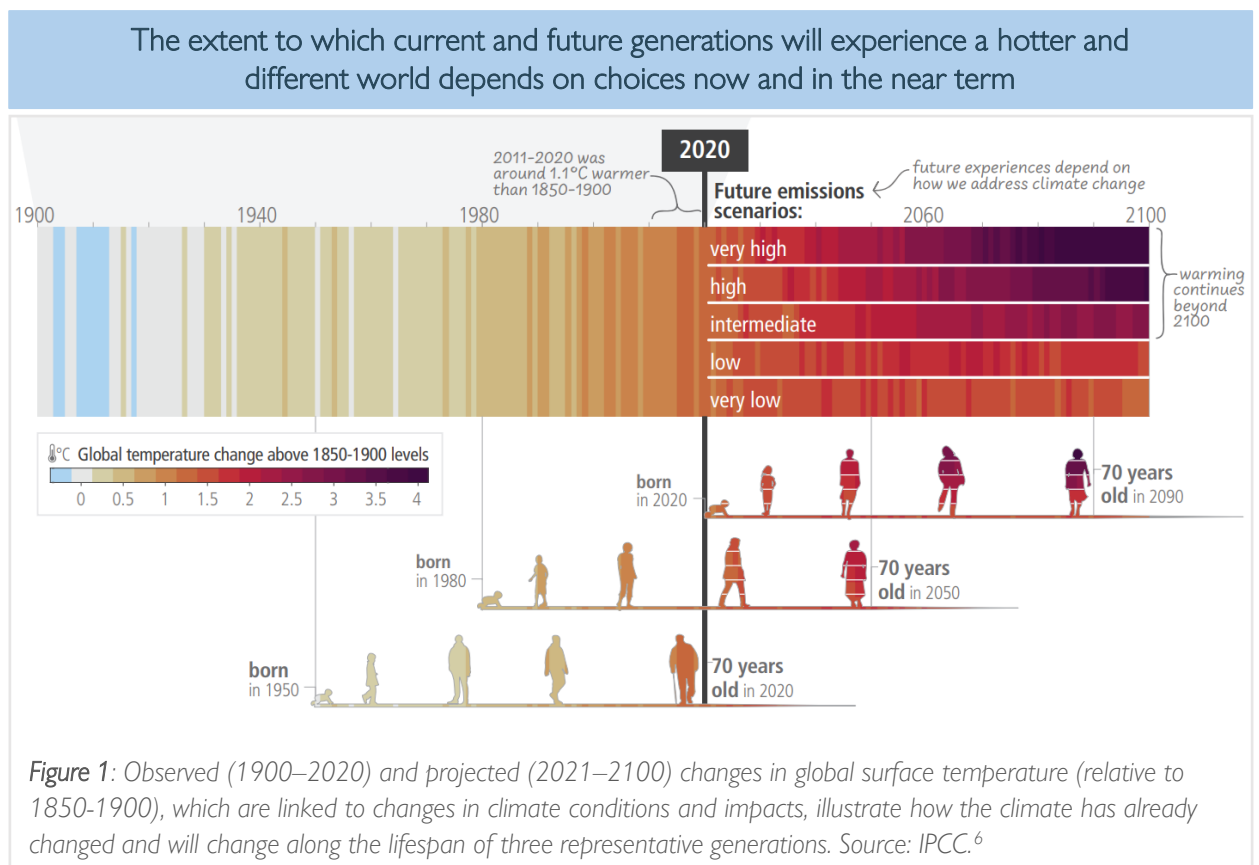
The Need for Mitigating Action

In 2022, global CO₂ emissions from the energy sector reached a record high of 37 billion tonnes, surpassing pre-pandemic levels by 1%¹. Moving into 2023, the month of August marked the hottest temperatures on record, underscoring the escalating impacts of climate change, as indicated in the IEA Net Zero Roadmap.²

Under the Paris Agreement in 2015, 188 nations committed to limiting global warming. With the 28th meeting of the Conference of the Parties

('COP28') in Q4-23 reinforcing these commitments, the urgency of action is becoming increasingly clear.³

The Intergovernmental Panel on Climate Change ('IPCC') released a pivotal 2023 report similarly emphasising the critical need for action (see Figure 1).⁴ Human activities have already caused a concerning 1.1°C global warming, projected to increase to 1.5°C in the first half of the 2030s, if trends persists.⁵



This alarming trend carries extensive implications, affecting not only the environment but also posing risks to health, food security, water resources, economic stability, and beyond.⁷

1. IEA – [Net Zero Roadmap: A Global Pathway to Keep the 1.5 °C Goal in Reach - 2023 Update](#)
2. [Net Zero Roadmap: A Global Pathway to Keep the 1.5 °C Goal in Reach - 2023 Update](#)
3. United Nations Framework Convention on Climate Change – [Summary of Global Climate Action at COP28](#)
4. [IPCC - Climate Change 2023 Synthesis Report](#)
5. [IPCC - Climate Change 2023 Synthesis Report p.7](#)
6. [IPCC - Climate Change 2023 Synthesis Report p.23](#)
7. Source : National Oceanic and Atmospheric Administration

Energy security is moving to the top of the political agenda. The economic rebound that came with the ending of the global COVID-19 lockdowns in the summer of 2021, stimulated global energy consumption.⁸ Further, Russia's invasion of Ukraine in 2022 sent shockwaves throughout the energy markets and brought energy security into sharp focus. These global disruptions have added to the pursuit of renewable energy and net-zero carbon emissions strategies. Worldwide, energy produced locally is being prioritised over energy imports.⁹

Progressive policy is making an impact. Substantial decarbonisation policy packages rolled out in 2022

are catalysing the Energy Transition regionally and pushing it forward globally. The Inflation Reduction Act ('IRA') is accelerating the transition in the US, while the EU Green Deal, REPowerEU, and Fit-for-55 policy packages make Europe's net-zero goal more realistic. DNV's Energy Transition Outlook 2023 report outlines this regional-to-global relationship: 'The 'race to the top' in clean technology amongst the advanced economies will drive global learning benefits.¹⁰ Global warming, energy security and progressive policies form part of the Energy Transition drivers that are discussed in more length further below.

Energy Transition Drivers

The energy industry must play an active role in any agenda relating to the future of energy supply and consumption. We are in the early stages of a new industrial era – the era of clean energy, as outlined in the IEA Energy Technology Perspectives 2023.¹¹ The urgency to transform the global energy system towards secure, resilient, and sustainable supply chains has never been more pronounced, driven by the demand for clean and reliable energy amid climate concerns.

Clean energy sector jobs are projected to increase from 33 to 70 million over 2021-2030, offsetting job losses in fossil fuel-related sectors.¹²

However, clean energy projects, both operational and under development, face challenges such as rising supply chain costs and project financing, impacting profitability. In the near term, transmission and distribution grid constraints are

emerging as the key bottleneck for renewable electricity expansion and related distributed energy assets.¹³ Additionally, shortage of labour and skills are other key challenges.¹⁴

As it stands, the customer base aligned with the NZE ambition is underserved by the European supply chain. Despite challenges like higher capital costs and supply chain issues, the world was investing a record \$1.8 trillion in clean energy in 2023.¹⁵ However, this figure must rise to approximately \$4.5 trillion annually by the early 2030s to align with the NZE pathway.¹⁶

Successfully achieving a net-zero transition involves addressing four independent objectives: emission reduction, affordability, reliability, and industrial competitiveness. Havn recognises the opportunity to invest in scalable solutions that address these four imperatives.¹⁷

8. IMF: Finance & Development, December 2022: The Scramble for Energy p.10

9. DNV: Energy Transition Outlook 2023 p.4

10. DNV – Energy Transition Outlook 2023 p.4

11. IEA - [Energy Technology Perspectives 2023](#)

12. IEA - [Energy Technology Perspectives 2023](#) p.36

13. DNV – Energy Transition Outlook 2023 p.5

14. IEA - [Energy Technology Perspectives 2023](#) p.73

15. IEA – [Net Zero Roadmap: A Global Pathway to Keep the 1.5 °C Goal in Reach - 2023 Update](#)

16. IEA – [Net Zero Roadmap: A Global Pathway to Keep the 1.5 °C Goal in Reach - 2023 Update](#)

17. McKinsey: [Outcomes from COP28: What next to accelerate Climate Action](#) December 21, 2023.

With a focus on the decarbonisation of existing processes and products, replacement of high-emission products and processes, and the introduction of new offerings to support decarbonisation, Havn has identified scaling opportunities within the following primary investment themes:

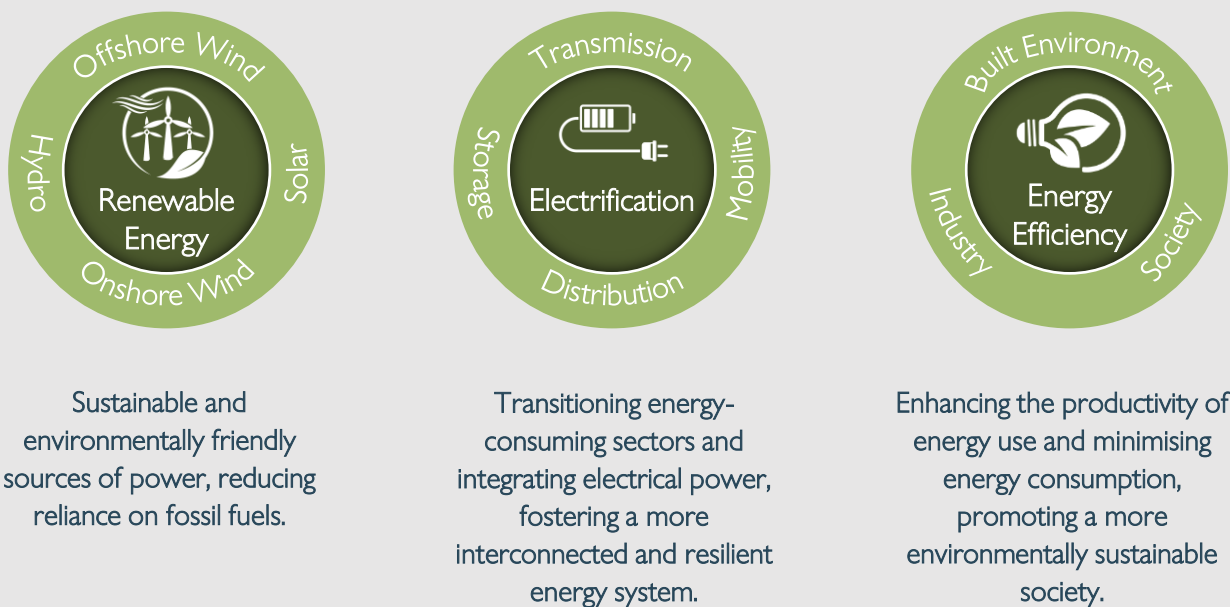


Figure 2: Havn's Primary Investment Themes

In summary, we support the Paris agreement by:

1. Committing to formal GHG emission reduction and avoidance targets for both our existing portfolio and new investments.
2. Driving climate awareness by the collection of climate-related metrics and focusing on GHG emission reduction and avoidance in all our portfolio companies.
3. Carbon offsetting our own (the Havn management company) operations.



Sustainability Disclosures

Building on our Heritage



Under the EVPE brand, Havn became a signatory of the United Nations Principles for Responsible Investments (PRI) in 2019, thereby making a formal commitment to integrating Environmental, Social and Governance ('ESG') principles into its investment processes. Additionally, Havn, under EVPE, is a participant of the UN Global Compact, public supporter of the TCFD (Task Force on Climate-Related Financial Disclosures), signatory of The Climate Pledge and the Net Zero Asset Managers Initiative, and committed to Science Based Targets.

As such, all references to current signatory memberships in this Annual Sustainability Report represent Havn, as established and originally registered under the EVPE brand.

Furthermore, the descriptions in this report made on Havn's approach for making Responsible Investments and targeting positive Climate Mitigating Impact will also be governing current and future new fund initiatives. New Havn funds raised will be incorporated under the Havn brand, and the intention remains to maintain the formal ESG

commitments made and uphold the strong ESG pedigree of Havn Capital I.¹⁸

The 2030 Agenda for Sustainable Development, adopted by all United Nations Member States in 2015, provides a shared blueprint for peace and prosperity for people and the planet, now and into the future.¹⁹ At its heart are the 17 Sustainable Development Goals ('SDGs'), which are an urgent call for action by all countries - developed and developing - in a global partnership.

In 2015, the SDG Compass was launched, providing guidance for how companies can align their strategies as well as measure and manage their contribution to the realisation of the SDGs.

The detailed European Sustainability Reporting Standards ('ESRS') provides a clear picture of sustainability impacts, risks, and opportunities. Relevant for Havn, ESRS contain specific information which Financial Market Participants ('FMP's') need to follow for their own investment practices and reporting procedures, as regulated by the Sustainable Finance Disclosure Regulation ('SFDR').

18. Once Havn Capital II is established, Havn will formally become a registered signatory of; UN PRI, UN Global Compact, the Net Zero Asset Managers Initiative and Science Based Targets initiative.

19. <https://sdgs.un.org/2030agenda>

SFDR amongst others requires FMPs to publish a statement on how their investment decisions consider Principal Adverse Impacts ('PAIs') including a description of the mandatory and voluntary principal adverse sustainability impacts relevant for the product, and of the actions taken.

Havn Capital, which is currently operating one fund reported and disclosed as an SFDR Article 8 fund, is preparing for its next fund initiative which will be marketed as an SFDR Article 9 Impact fund with Climate Change Mitigation as its objective.

Our approach to responsible investment is based on our core values of Partnership, Innovation, and Responsibility



1

Partnership

We act with integrity and our relationships are founded on trust and mutual respect. We truly view our portfolio companies and investors as partners.



2

Innovation

Highlighting our commitment to creative and opportunistic thinking and finding new and sustainable solutions, innovation is essential for driving positive change for our partners.



3

Responsibility

We recognise the profound impact our investments have on people, communities, and the planet. We act with utmost integrity and transparency, aligning our decisions with positive environmental outcomes alongside financial returns.

Figure 3: Havn's core values.

Our values are not only embedded in our firm's culture but also extend beyond our organisation, including but not limited to our investors, boards, portfolio companies and local communities.

The Sustainable Finance Disclosure Regulation (SFDR)

Fund Specific Disclosures

The SFDR is officially known as Regulation EU 2019/2088.²⁰ This European Union ('EU') regulation was adopted as part of the EU legislative framework for sustainable finance.

The disclosure regulation lays down harmonised transparency rules for Financial Market Participants (FMPs) on how they integrate ESG factors into their investment decisions and on their overall and product-related sustainability ambition.



The Regulation aims to reduce information asymmetries in principal-agent relationships with regards to the integration of sustainability risks, the consideration of adverse sustainability impacts, the promotion of environmental or social characteristics, and sustainable investment, by requiring FMPs to make pre-contractual and ongoing disclosures to end investors when they act as agents of those end investors (principals).

Both the existing Havn Capital I fund and new impact fund initiatives, fall under and must comply with the SFDR.

Article 6 – Integration of Sustainability Risks

SFDR Article 6²¹ governs the transparency of the integration of sustainability risks. It requires financial market participants to describe (i) how sustainability risks are integrated into their investment decisions and (ii) how sustainability risk impact assessments may influence Fund returns.

Havn's investment process is guided by our Responsible Investment Policy, which articulates our approach to integrating the consideration of ESG risks and value creation opportunities, including aspects concerning climate change, into our investment processes.

Disclosures related to Principal Adverse Indicators – PAIs

Havn's investee companies are obliged to report on a regular basis on 14 mandatory PAIs (9 environmental and 5 social/governance), in addition to 1 environmental and 1 social/human rights-related metric, chosen from a list including 33 additional indicators.

PAI risks are evaluated in the screening, investment and stewardship phases of the investment process as part of the Havn ESG program. Risk assessments may include, amongst other things, the scope, potential severity, and probability of occurrence of sustainability-related risks.

20. See: [Regulation \(EU\) 2019/2088 of the European Parliament and of the Council of November 27, 2019](#)

21. [REGULATION \(EU\) 2019/2088 Article 6](#)

Disclosure Pursuant to SFDR Article 8

The only existing fund under the Havn brand to date, Havn Capital I, is an Article 8 fund. The Fund has a clearly defined sustainable investment strategy and is thereby promoting the required environmental or social characteristics, while documenting its good governance practices. Havn Capital I submitted its first annual SFDR and PAI Limited Partner statement in July 2023, and is preparing to provide the next annual SFDR statement by no later than July 2024. The Havn Capital I investee companies' PAIs are included in the detailed portfolio section of this 2023 Annual Sustainability Report.

Disclosure Pursuant to SFDR Article 9

The next Havn fund initiative will be an Article 9 fund, thereby committing to having climate change mitigation as its investment objective. This fund will only make sustainable investments, as per the SFDR definition. Havn prides itself on its robust ESG monitoring and transparent reporting, and investors of this new fund will, once established, receive detailed information about the Fund's impact and alignment with its stated ESG goals on a quarterly basis.

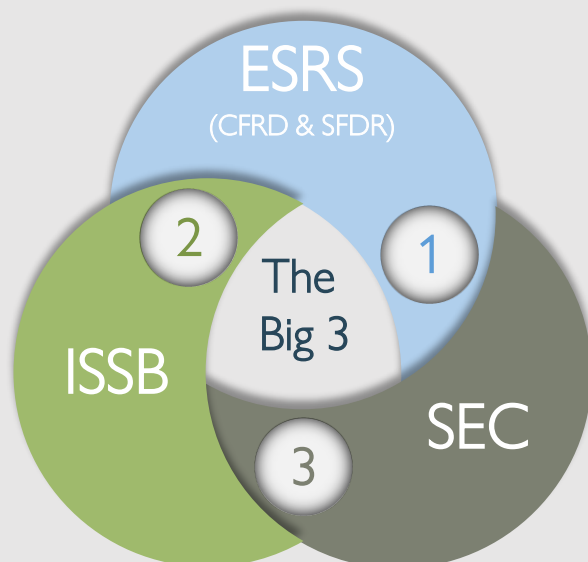
Further, pursuant to Article 9 SFDR reporting obligations, LPs of the fund will receive additional sustainability-related disclosures in the form of pre-contractual, periodic, and website documentation.

New Regulatory Developments in 2023

As sustainability disclosures have become a central focus for all stakeholders, the need for unified reporting standards has become evident. Today, however, many corporates experience challenges of piecemeal reporting, inconsistencies, and confusion, which again limits progress towards stakeholders and/or investors understanding the financial implications of ESG matters.

The myriad of voluntary sustainability reporting standards currently available pose a challenge when comparing and choosing those most appropriate to use and, in many cases, provides an excuse to report partially or not report at all. Some jurisdictions (including the EU, the UK, Hong Kong, and others) have already started implementing mandatory reporting regimes. However, the local requirements may not meet the global demands of investors who need information that is **consistent, decision-useful, cost-effective and comparable** across the globe.

The Financial Sustainability Board created the Task Force on Climate-related Disclosures ('TCFD') in 2015 to develop consistent climate-related financial risk disclosures. The TCFD disclosures cover 11 disclosure topics, grouped into four pillars: governance, strategy, risk management, and metrics/targets. Although it is currently a voluntary framework, jurisdictions around the world are adopting legal requirements that are based on the TCFD's recommendations. The TCFD has been widely accepted by market participants worldwide – with over 4,500 companies covering a market capitalisation of USD 28 trillion.



- The European Sustainability Reporting Standards ('ESRS') | *European Union*
 - Corporate Sustainability Reporting Directive ('CSRD') for Corporates
 - Sustainable Finance Disclosure Regulation for Financial Market Participants
- The Securities and Exchange Commission ('SEC') | *The United States*
- The International Sustainability Standards Board ('ISSB') | *International*

Figure 4: The 'Big Three' reporting disclosures

The new 'big three' disclosure announcements are all modelled, in part, on the TCFD's framework, to enhance interoperability.

The sustainability disclosures required by the ISSB

and in the EU were finalised in June and July 2023, respectively. The ISSB standards represent the culmination of TCFD work. There will be a transfer of TCFD monitoring responsibilities to the ISSB from 2024.

Our Continued Commitment

In summary Havn²² as a Financial Market Participant and an Impact fund manager, is committed to continuing to be;

- A highly scored/rated signatory (since 2019) to the UN Principles for Responsible Investments (PRI). Havn (under the EVPE brand) was awarded the below score for the FY23 reporting cycle, significantly outperforming the PRI median in each module. The FY24 reporting cycle is due at the end of June 2024.
- A listed supporter of the United Nations Global Compact (UNGC) movement, since 2020. With

this, Havn supports the Ten Principles of the UNGC on human rights, labour, environment, and anti-corruption. Communication on Progress (CoP) reports has been submitted for 2021, 2022 and 2023. The 2024 CoP submission is due end of July 2024.

- Aligned with requirements of SFDR for FMP's. This includes considering SFDR-aligned PAI's in our investment decisions, and report annually to LP's on the status of, and actions undertaken to improve, the different PAI's. Havn submitted its first annual SFDR and PAI Limited Partner statement in July 2023

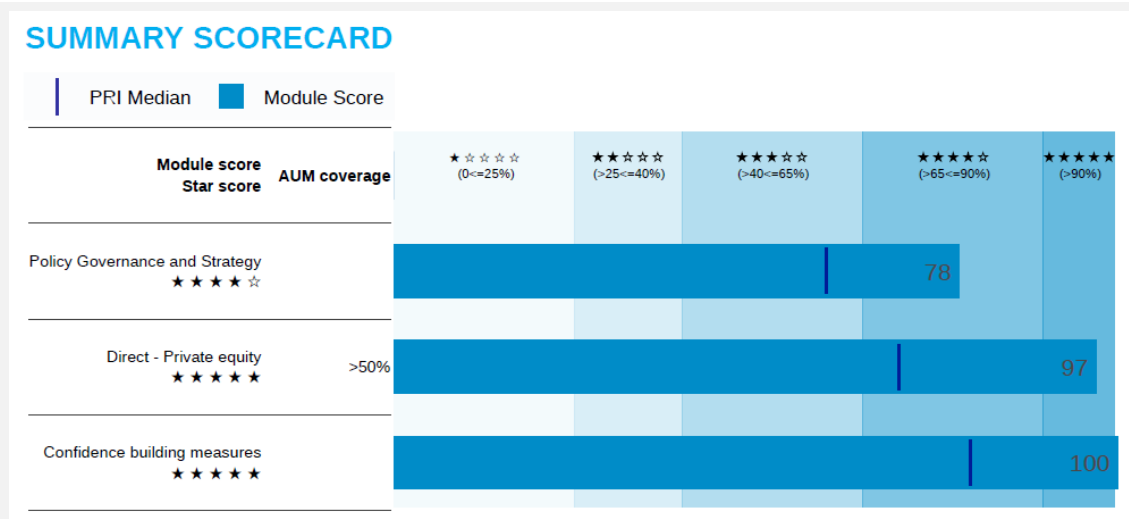


Figure 5: Havn's PRI score for the FY23 reporting cycle

- Focused on investing in businesses with a sustainable business model - with a particular focus on innovative or differentiated products and/or services.
- A commitment to apply a Science Based Target approach to decarbonisation for both the management company and the individual investee companies of the funds we manage.
- Making investments that contribute to delivering quantitative and substantial GHG avoidance.
- Being a public supporter of the TCFD and being a signatory of The Climate Pledge and the Net Zero Asset Managers Initiative.



United Nations
Global Compact



22. Under the EVPE Brand, until the next Havn Capital fundraise is complete, then Havn Capital will become signatories to the list under the Havn Capital brand.

Our Approach to Responsible Investment

Delivering Sustainable Impact Investments

ESG at the Core

At Havn, we are resolute in our commitment to creating, enhancing, and protecting value. Our ambition is to future-proof companies, whilst making a positive and lasting impact. Private sector investments can accelerate action and encourage innovation, changing the future for both people and the planet. By investing in

companies that are committed to high ESG standards and climate change mitigation, we are helping to create a more equitable and sustainable future for all. This aligns with our belief in the triple bottom line – people, planet, and profits – and our commitment to creating long-term value for our investors.²³



Ellie Twigden, here with Havn Chairman Helge Tveit, is Havn's Head of Impact, overseeing our sustainable impact efforts

Today, more than ever, there is a growing pool of opportunities to combine financial returns and sustainability. Getting the ESG approach right is not just about compliance and risk management - at Havn we consider our ESG approach a strategic tool.

By rigorously demanding and driving the integration of ESG best practices alongside our thematic investment strategy, active ownership model, and distinctive value creation approach, we firmly believe that Havn and our individual portfolio companies are futureproofing ourselves. This approach not only fosters positive climate impact, but we also strongly believe it channels superior returns for investors, enhances reputations, mitigates risks, attracts capital, fosters innovation, and ultimately deliver value for all stakeholders.

Although ESG, Impact, and Sustainability are often used synonymously, Havn believes that differentiating between these concepts unlocks their full potential:

- 'ESG' is deeply embedded in Havn's operations and sits across everything we do. It's business value is twofold: serving as both a risk mitigation framework and a value creation driver.
- 'Impact' emphasises Havn's commitment to target and quantify the climate change mitigation potential of portfolio companies.
- 'Sustainable' investment, as defined by the SFDR, guides Havn's approach to both stewardship of existing investments and identifying new investment opportunities.

By clearly distinguishing between these concepts, Havn is able to effectively manage ESG risks, pursue measurable impact, identify areas for value creation and adhere to the principles of sustainable finance.

23. SFDR defines 'sustainable investment' as an investment that meets the following three criteria: 1. Contributes to an environmental or social objective. 2. Does not significantly harm any environmental or social objective. 3. Follows good governance practices.

Our ESG Program

By integrating ESG principles into our decision-making process, we seek to identify companies that are not only financially sound but also demonstrate strong ESG practices. This approach aligns with our core values and helps us to identify companies that are well-positioned for sustainable growth and

success.

ESG and Sustainability is holistically integrated into Havn’s strategy throughout the investment cycle, setting the investee companies up for success long after our ownership period ends.



Figure 6: Havn’s ESG Program through the investment cycle.

ESG within the Investment Phase

ESG considerations play a pivotal role in our investment screening, with ESG due diligence being an integral part of our evaluation process, ensuring we are comfortable with the ESG profile, key risks and potential opportunities of an investment target

In the initial screening phase, Havn implement early exclusions based on a pre-defined list of excluded sectors. We then perform a high-level desktop review using an ESG checklist for initial red flags. These are in line with the SFDR’s PAIs,²⁴ as well as other ESG KPIs bespoke to Havn. Every future investment that Havn makes will have to meet both financial- and elevated impact criteria.

As an essential impact consideration, CO₂e emissions avoidance potential will be quantified using the emissions quantification platform MoreScope. Importantly, 100% of our investments will be sustainable, according to the SFDR definition.

As the investment process progresses, all potential investments go through a mandatory and comprehensive third-party ESG due diligence ('DD') process. This is carried out in addition to customary compliance checks in line with regulatory and investor requirements.

Identified material ESG risks are dealt with prior to completion or through a 100-day plan. ESG opportunities, linked to value creation, are dealt with during the stewardship phase.

24. Principal adverse impacts, according to the (EU) Sustainable Finance Disclosure Regulation ('SFDR'), are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

ESG within the Stewardship Phase

ESG is a key part of our value creation planning process, and a key lever to generate long-term growth. As an active partner to our management teams, we embark on a journey to accelerate profitable growth and support each company in reaching its full impact and value potential. This collaborative partnership approach is predicated on transparency and joint prioritisation.

ESG considerations can be both risk mitigants, as well as value creation levers. For example, tracking and enhancing social performance indicators such as diversity, income equality, and workplace injury rates does not only ensure compliance with ESG and HSSE obligations; it can also be value accretive. Havn anticipates that performance on ESG will be valued by acquirers, and also potentially obtain favourable treatment from third parties such as banks and regulators.

We integrate ESG strategies as part of our 100-day value-creation plans for new investments and ensure that ESG is a mandatory agenda item at Board of Directors meetings at least twice annually. Further, as part of the 100-day plan, we will ask future investee companies to commit to Science-Based Targets and recommend them to become signatories of UN Global Compact.

Havn's ongoing ESG program for portfolio companies comprises a comprehensive monitoring framework to actively manage and improve ESG performance. Implemented in 2019, the program encompasses a systematic collection of key policies and reporting of critical ESG KPIs, via MoreScope.

The introduction of a structured ESG program has contributed to improved awareness, higher frequency of reporting and better data-grounded quality of related discussions at the individual investee company board level. As a result, progress has been seen in the areas of gender representation, job creation, charity support, health and safety and human capital development.

During 2023, our stewardship teams initiated a dialogue with portfolio companies to implement ESG-linked performance metrics to form part of management teams' variable compensation.

ESG at Exit

Transparency on ESG performance, a clear ESG strategy and high ESG standards are important parts of the exit process, where we leverage the work that has been done throughout the stewardship period.

In line with our Responsible Investment policy, Havn compiles buyer lists consistent with Responsible Investment practices. Buyers will be vetted against the following criteria:

- **Financial Stability and Track Record:** This includes assessing their ability to finance the acquisition and their history of managing acquired companies.
- **Reputation and Legal Compliance:** This involves checking if the buyer has been involved in lawsuits, regulatory actions, or has a history of unethical business practices.
- **Alignment of Values and Policies:** This includes their stance on issues like environmental responsibility, social justice, employee rights, and corporate governance.
- **Track Record in ESG Matters:** This involves reviewing their sustainability reports, ESG ratings, and participation in relevant initiatives or compliance with international standards.
- **Future Plans for the Acquired Company:** This might include their plans for managing human resources, community relations, and environmental impact.
- **Compliance with Industry Standards:** Ensuring the buyer adheres to relevant industry standards and best practices, especially those related to responsible investing and ethical business operations.

In summary, Havn operates a well-documented investment practice structured to meet, or even go beyond, the requirements and recommendations of key industry standards for responsible and sustainable investments. At our scale, and with our emphasis on transparency, sustainable business practices and specific focus on climate change mitigation, we truly believe that we, in relative terms, are and will, with our investment activities, be making substantial positive environmental impact. Indirectly and inherently, investments that are also guided towards advancing the UN Sustainable Development Goals

Science Based Target Initiative (“SBTi”)

SBTi is a partnership between CDP (Carbon Disclosure Project), the UN Global Compact, the World Resources Institute (“WRI”) and the World Wide Fund for Nature (“WWF”). SBTi was created to help the private sector drive ambitious climate action by enabling companies to set science-based emissions reduction targets.

Amidst a backdrop of rapidly escalating extreme weather events and a deluge of alarming science-backed reports on issues like temperature shifts and biodiversity loss, the science-based targets aim to equip companies with a definitive roadmap for emissions reduction, aligned with the objectives of the Paris Agreement. Presently, over 4,000 businesses worldwide have embraced this initiative.²⁵ According to SBTi, targets are considered ‘science-based’ when they align with the latest climate science, designed to fulfil the Paris Agreement’s objectives of limiting global warming to 1.5°C above pre-industrial levels.

In November 2021, SBTi launched the Private Equity Sector Science-Based Target Guidance

tailored to the unique business models and asset classes of private equity (PE) firms. SBTi subsequently released their FAQs On The Private Equity Sector Science-Based Target Guidance in June 2023. These documents provide practical guidance for PE firms to set targets for operations and investment portfolios aligned with the emission reductions needed to stay in line with the 1.5°C climate scenario.

Havn, under EVPE, has committed to science-based targets. The targets were validated during 2022 and approved by the SBTi committees.

Our commitments²⁶ are summarised as follows:

- To reduce absolute Scope 1 and 2 greenhouse gas emissions 50% by 2027 from a 2021 base year; and
- That 40% of our private equity investments by invested capital set SBTi-validated targets by 2025, moving to 100% of our private equity investments by invested capital by 2030.



SCIENCE
BASED
TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

25. As per SBTi’s website (<https://sciencebasedtargets.org/how-it-works>), accessed January 2024.

26. Havn will become a signatory under its own branding once Fund II is raised. Further, all new investee companies of this fund will be required to become SBTi signatories and have their targets validated as part of the investment process.

Havn and the Sustainable Development Goals

While Havn does not make explicit disclosures to designate its existing or forthcoming funds as specifically aligned with SDGs, our core investment attributes, coupled with our adherence to regulatory frameworks such as SFDR and UNGC, substantiate our commitment to fostering sustainable business practices. Through these initiatives, we are confident in our efforts to enhance transparency and

accountability, which are widely acknowledged as imperative elements for advancing progress towards the SDGs.

At a high level one can state that by aligning its investment practices with the 10 Principles of UNGC, and by considering Principle Adverse Impacts according to SFDR, Havn is generically and indirectly aligned with several SDGs:



Figure 7: Examples of Havn aligned SDGs

SDG 13 | Climate Change



Most importantly, and at a more detailed level, through its focus on climate change mitigation, its specific investment criteria based on science-based decarbonisation, and its contribution to avoided emissions, Havn's strategy supports SDG 13 directly as follows:

- Committing to decarbonising both of our own and our investee companies' operations and supply chains through continuously improving energy efficiency, reducing the carbon footprint of products, services and processes, and setting ambitious emissions reductions targets in line with climate science.
- Making investments in companies providing innovative low-carbon products and services.
- Making sure our investee companies build resilience in their operations, supply chains and the communities in which they operate.

SDG aligned Investment Practices

Although not being marketed or labelled as an SDG fund, Havn operates a well-documented investment practice structured to meet, or even go beyond, the requirements and recommendations of key industry standards for responsible and sustainable investments that are

inherently guided towards advancing SDGs. With our emphasis on transparency, sustainable business practices, and a specific focus on climate change mitigation, we firmly believe that our investment practices are currently, and will continue to be, making significant contributions toward achieving the ambitious goals outlined by the UN in the global SDGs.

SDG	Havn			Principal Adverse Impact		UNGC			
	Havn Mandate: Avoided Emissions	Decarbonisation journey (SBTI)	Bespoke ESG KPIs	Environmental (PAIs 1-9)	Social & Governance (PAIs 10 – 16)	Human Rights (UNGC 1-2)	Labour (UNGC 3-6)	Environment (UNGC 7-9)	Anti-Corruption (UNGC 10)
1 No Poverty						1, 2	3, 4, 5, 6		
2 Zero Hunger						1, 2		7, 8, 9	
3 Good Health & well-being					PAI #15	1, 2	3, 4, 5, 6		10
4 Quality Education						1, 2			
5 Gender Equality			x		PAI #11, PAI #12	1, 2	3, 4, 5, 6		
6 Clean water and sanitation				PAI #8		1, 2		7, 8, 9	
7 Affordable and Clean Energy	x	x	x			1, 2		7, 8, 9	
8 Decent Work and Economic Growth			x		PAI #10, PAI #13	1, 2	3, 4, 5, 6		

SDG	Havn			Principal Adverse Impact		UNGC			
	Havn Mandate: Avoided Emissions	Decarbonisation journey (SBTi)	Bespoke ESG KPIs	Environmental (PAIs 1-9)	Social & Governance (PAIs 10 – 16)	Human Rights (UNGC 1-2)	Labour (UNGC 3-6)	Environment (UNGC 7-9)	Anti-Corruption (UNGC 10)
9 Industry, Innovation and Infrastructure	x						3, 4, 5, 6	7, 8, 9	
10 Reduced Inequalities			x		PAI #10, PAI #16	1, 2	3, 4, 5, 6		10
11 Sustainable Cities and Communities	x			Table 2 PAI #13		1, 2		7, 8, 9	
12 Responsible Consumption and Production			x	PAI #9, Table 2 PAI #13	PAI#13, PAI #15			7, 8, 9	
13 Climate Action	x	x		PAI #1-6				7, 8, 9	
14 Life Below Water	x			PAI #7, PAI #8, PAI #9				7, 8, 9	
15 Life on Land	x			PAI #7, PAI #9				7, 8, 9	
16 Peace, Justice and Strong Institutions			x		PAI #10, PAI #13, PAI #14, Table 3 PAI #22	1, 2	3, 4, 5, 6		10
17 Partnership for the goals	x					1, 2	3, 4, 5, 6	7, 8, 9	10

Table 1: Mapping of the Havn ESG Program, the Principle Adverse Impact and UNGC 10 Principles in relation to the SDGs.

Carbon Offsets



In 2020, Havn, under the EVPE brand, partnered with ClimatePartner to offset our firm's own greenhouse gas emissions. Subsequent to each offset cycle, Havn receives a certificate identifying us as a partner in climate action and as a climate neutral company in relation to the emissions we report in each calendar year. Renewable energy projects in the ClimatePartner portfolio are registered with international standards.

ClimatePartner's carbon neutrality means that "the carbon footprint of a company, product, service or event has been calculated on the basis of internationally recognised standards and fully offset by supporting certified carbon offset projects".

ClimatePartner supports a wide range of projects across the globe. In 2023, our offset of 85 tonnes of CO₂e allowed us to support the expansion of renewable energy generation in Asia.



One-third of greenhouse gas emissions comes from burning fossil fuels, such as coal and oil. This kind of energy generation is not only finite but has severe negative effects on the climate. To reduce CO₂ emissions, mitigate the effects of climate change, and meet an ever-growing energy demand, it is essential to promote renewable energy sources. Climate projects play an important role in transferring and implementing renewable technologies worldwide. Project activities not only avoid CO₂ emissions but can also reduce a country's dependency on fossil fuels, secure the energy supply, and provide jobs for local people.

The renewable energy generation project thus contributes to the UN SDGs 7 (Affordable and Clean Energy), 8 (Decent Work and Economic Growth) and 13 (Climate Action).



Company with financial
climate contribution

ClimatePartner.com/26950-2404-1001



MoreScope

Measuring, Managing and Reporting

A data-driven platform, empowering companies and investors to quantify lifecycle GHG climate impact, carbon footprint and avoided emissions, providing the data needed to decarbonise their value chains and invest with impact.



MoreScope

The Decarbonisation Journey and Avoided Emissions

Havn, and its predecessor fund manager EVPE, have devoted significant attention to the analysis and quantification of realised and future CO₂e emissions avoidance potential and decarbonisation strategies, all aligned with GHG Protocol compliant carbon accounting.

What started with the proprietary EV IQ™ framework, an analytical toolkit developed by EVPE in 2019 to assess and monitor the GHG performance of its investments, morphed into a spin-out company in partnership with industry specialists to develop a state-of-the-art impact quantification tool, established as the independent SaaS company xIQ in 2021.

After two years of methodology and software development, the company merged with a spin-out company from the research institute SINTEF and became MoreScope. MoreScope today is a comprehensive and commercialised climate platform, that makes it easier and faster than ever to collect, analyse, and quantify climate data.

MoreScope's Value Proposition

MoreScope's data-driven platform allows companies and investors to quantify lifecycle GHG climate impact, carbon footprint and avoided emissions, providing the data needed to decarbonise their value chains and invest with impact.

The MoreScope platform provides guidance according to leading emerging methodologies and has significant smart, automated features to ease the reporting process. MoreScope's proprietary multi-regional input-output algorithm captures emissions in the entire value chain and has a powerful emission factor and parameter library. The technology is based on SINTEF research, leveraging fast and automated data capture through API integrations with customer's existing systems, big data, machine learning and AI.

Avoided Emissions Quantification

The GHG protocol sets a standard for measuring and managing emissions and is widely used for Scope 1 -3. However, there is a need for a methodology to account for forward-looking estimations of avoided emissions, suited for investors like us seeking to quantify the climate impact from potential investments.

Measuring avoided emissions is a complex and challenging process, with key challenges surrounding: the complexity of measurement, input data reliability issues, uncertainty attributing avoidance, establishing a credible and dynamic baseline, and avoiding greenwashing. Transparent data collation and consolidation will be crucial going forward. Initiatives to develop a standardised approach, and parameter library, for quantifying avoided emissions are underway.

MoreScope's Assessment Tool

A key feature in the MoreScope platform is the avoided emissions toolbox – a tool meeting the challenges of credible quantification of realised and forward-looking climate impact. The tool provides guidance according to leading emerging methodologies (such as the WBCSD). MoreScope is also a part of Project FRAME's²⁸ Methodology Working Group, helping to develop and standardise key methodology questions to foster transparency and accountability.

Havn uses MoreScope's Impact Assessment tool to assess CO₂e avoidance potential. Through MoreScope, we can build complex and robust assessments that consider all the effects a climate solution may contribute to. MoreScope considers both directly induced and enabled impact, in a transparent way. The calculations have a sophisticated forecasting functionality, enabling us to project how the avoided emissions of prospective investments may evolve. This dynamic baseline considers sales, market saturation, how parameters and conditions may develop and change, as well as product lifetime, fleet effect and rebound effects.

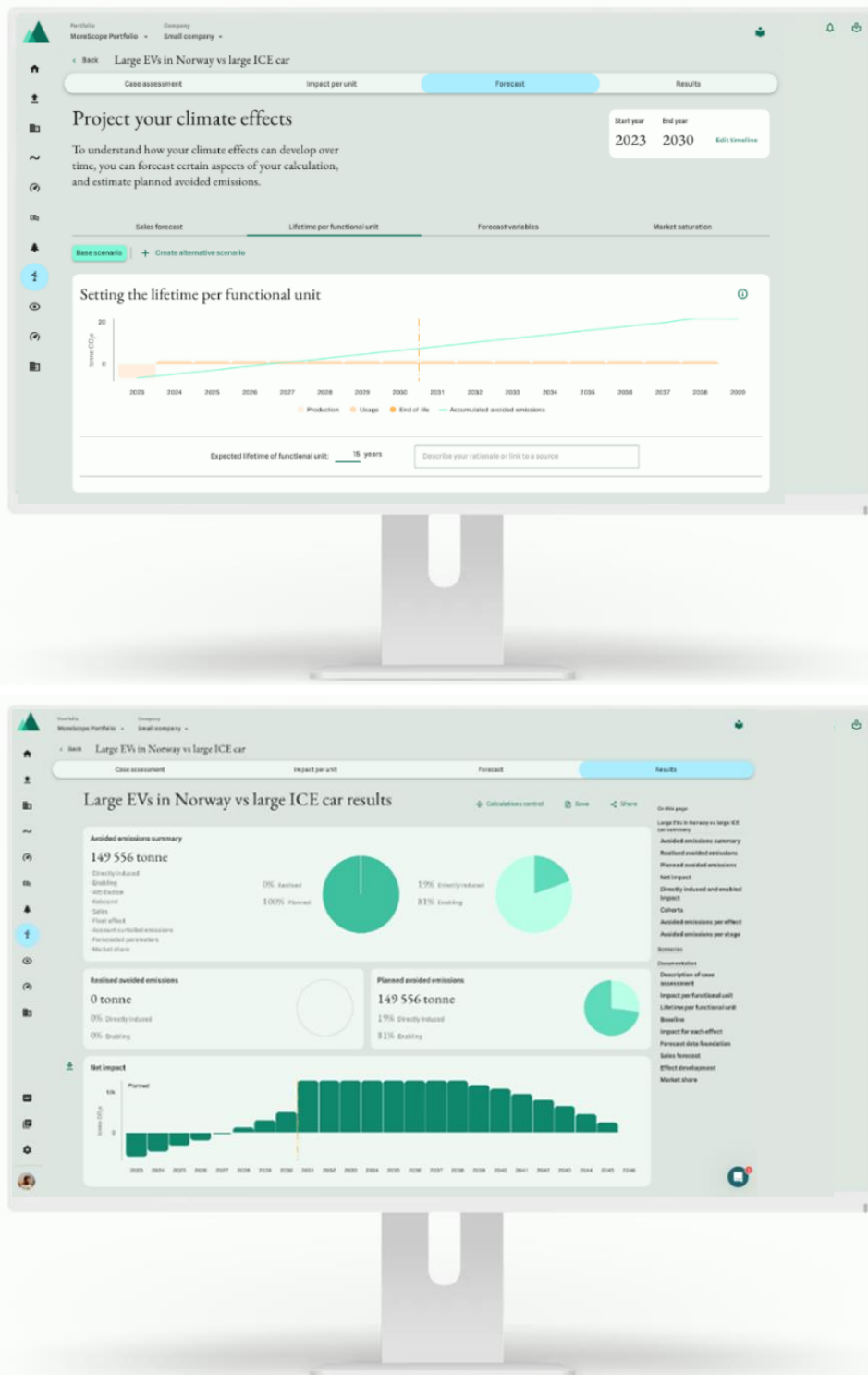


Figure 9: MoreScope's Avoided Emissions module

There is also the option to view impact assessments through different scenarios with MoreScope's scenario builder. For our existing portfolio, we can forecast for planned avoided emissions, on top of the already realised avoided emissions.

27. SINTEF is one of Europe's largest independent research organisations.
28. Project Frame is a non-profit initiative that convenes a large group of investors around forward-looking emissions impact methodology and best practices. Project FRAME currently represents \$470Bn of AUM aiming to create common standards for forward-looking investment impact assessments. See: <https://projectframe.how/about>



Figure 10: MoreScope's Avoided Emissions module

MoreScope's Decarbonisation Tool

Once we have invested in a company, Havn launches the company on a decarbonisation journey, in line with Science Based Targets, using MoreScope's powerful carbon accounting tool.

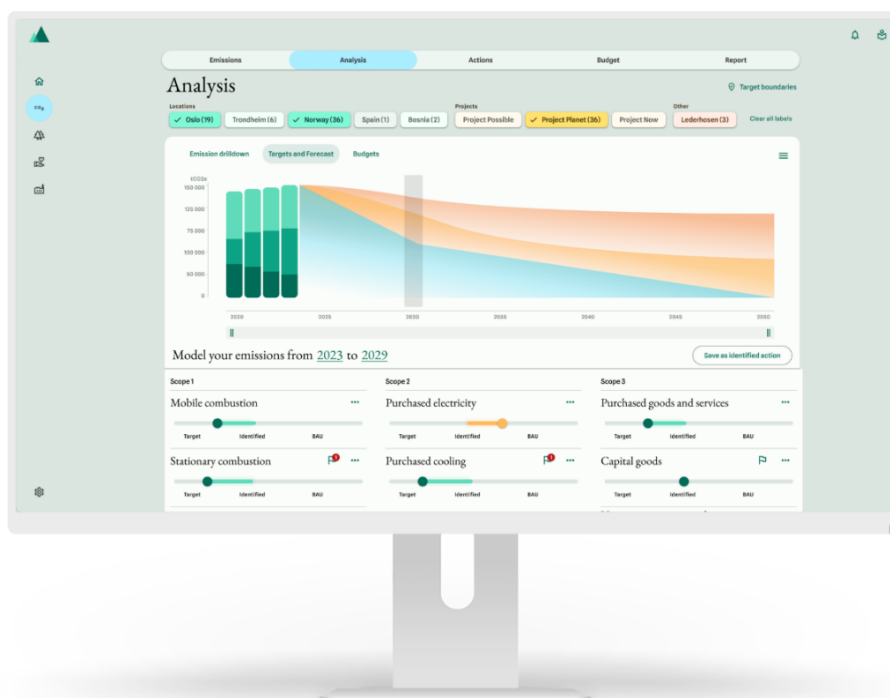


Figure 11: MoreScope's Decarbonisation Journey

Today, MoreScope has a robust parameter library, with over 8700 quality assured data points, to help increase the quality of GHG inventories. Havn leverages this vast emission factor library to document emissions and generate reports compliant with the GHG protocol and other major frameworks.

MoreScope's hybrid approach to carbon accounting combines the ease and speed of top-down spend-based emission estimations with the accuracy of bottom-up activity-based reporting. MoreScope's unique transaction-based algorithm makes it fast and easy to get an overview of material emission sources. This method converts company accounting transactions to greenhouse gas emissions and automatically populates these into Scopes 1-3.

This is highly advantageous in Scope 3, where activity data is often lacking. The hybrid solution allows the user to identify any material emission source in its GHG inventory derived from the top-down analysis, double check and replace the item with more accurate bottom-up activity-based emission calculations. This is done with safeguards in place to ensure no double counting.

Havn uses MoreScope's emission estimates to visualise the decarbonisation journey for our portfolio companies, analysing emission hot spots and setting science-based emissions targets. The tool allows Havn to track progress in line with transition plans, and allows for portfolio roll-up and impact comparisons across assessments and companies.

MoreScope's state-of-the art decarbonisation suite fundamentally enables Havn to go beyond carbon accounting to work on what truly matters; setting science-based targets, planning company activities, and executing on decarbonisation plans.

Havn's Relationship With MoreScope

Havn enjoys a close relationship with MoreScope, having rolled out the tool to our portfolio companies whilst the software was still in its beta phase. This symbiotic relationship enabled Havn to be an early adopter of the software and get our portfolio companies engaged with ESG reporting, whilst also feeding back development items.

Today, Havn is collaborating with MoreScope, assisting them in developing their SFDR reporting tool. An important focus area on our end involves addressing the FMP reporting obligation, ensuring comprehensive provision of Principal Adverse Impact statements. Additionally, Havn is providing strategic counsel aimed at enhancing user functionality within the tool.

An aerial photograph of a city skyline, likely Bangkok, featuring a dense cluster of modern skyscrapers and high-rise buildings. In the foreground, a large, lush green park with many trees and a winding path is visible. A body of water, possibly a lake or a wide river, is situated in the lower right portion of the image, with a few small boats on the water. The sky is filled with soft, white clouds, suggesting a bright but slightly overcast day. A dark blue semi-transparent banner is overlaid across the bottom third of the image, containing the text 'Portfolio Reporting' in white.

Portfolio Reporting

Portfolio Reporting

Our approach to ESG portfolio reporting requires portfolio companies to actively engage and commit to a comprehensive approach covering:



Reporting

Quarterly reporting on ESG KPIs, including PAI indicators



Policies

Develop, implement and maintain key policies



Communication

Transparent communication, including regular discussion of ESG considerations at portfolio company Board level

The quarterly submission of ESG data and regular communication at Board level allows Havn stewardship teams to



Monitor

impact rigorously and regularly



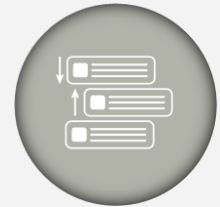
React

quickly to potential adverse impacts, e.g. HSE incidents and data security breaches



Identify

governance gaps in relation to existing or missing policies



Prioritize

areas for corrective action or improvement

As described earlier in the report, our portfolio companies are reporting on ESG matters directly in the MoreScope platform. The software is continuously developing its reporting experiencing and functionality, in tandem with steadily increasing experience on these matters for both Havn employees and within our portfolio companies.

The 'Portfolio Snapshots' offer a deep dive into the sustainability performance of each of Havn's portfolio companies, including SFDR PAI indicators.

Greenhouse Gas (GHG) Emissions Reporting (Scope 1-3)

In 2021, Havn and its portfolio companies embarked on the journey of reporting their greenhouse gas (GHG) emissions. Initially relying on the GHG Protocol's best practices, leveraging emissions factors curated by a third party, the practice has evolved, transitioning to the utilisation of MoreScope, which streamlines and automates several aspects of these calculations.

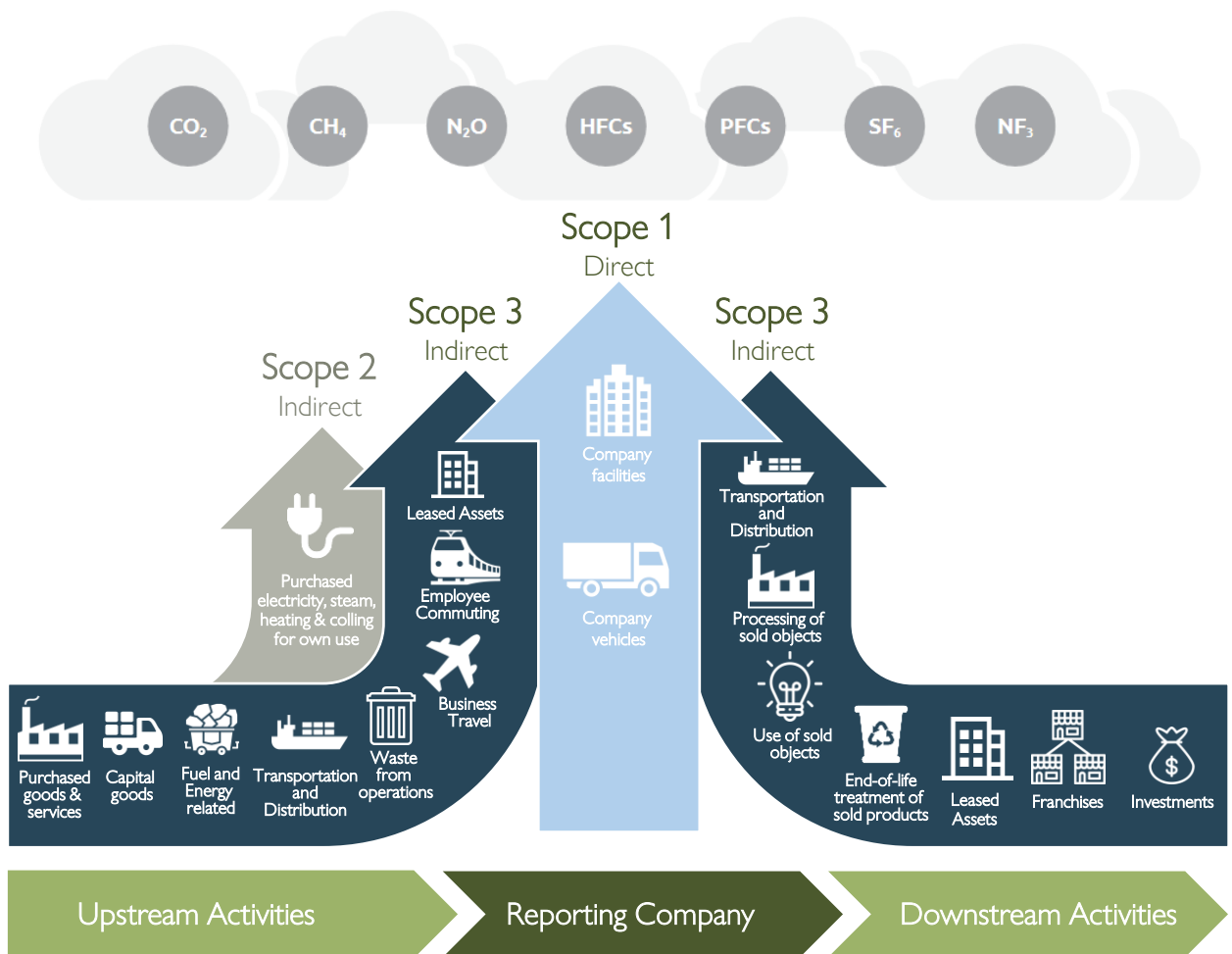


Figure 12: GHG Protocol scopes and emissions across the value chain (Source: GHG Protocol)

In the initial reporting stages, portfolio companies were guided towards the following:

- Focus on materiality ('80:20 rule')
- Request as much primary data as possible from its supply chain. Where such data was not available, rely on the emission factors library ('GHG library') produced by the third party to convert the data into CO₂e
- Make sure Scope 1, 2 and certain Scope 3 categories were reported (categories 4, 6, 7 and 9) due to ease of data obtention. Additionally, portfolio companies were requested to report on emissions stemming from the purchase and use of IT hardware and cloud storage.

1	Purchased Goods and Services	All cradle-to-gate emissions from the extraction, production, and transport of goods and services not included in categories 2–8.
2	Capital Goods	All cradle-to-gate emissions from the extraction, production and transport of capital goods purchased during the accounting year.
3	Fuel and Energy	Extraction, production, and transport of purchased fuels and energy, not already accounted for in Scope 1 and 2, including extraction, production, and transport emissions of purchased fuels and energy, transmission and distribution losses and generation of purchased energy sold to end users.
4	Upstream Transportation and Distribution	In this case the term 'upstream' refers to emissions from the transportation and distribution of products (excluding fuel and energy products) purchased or acquired by the reporting company in the accounting year in vehicles and facilities not owned or operated by the accounting company, as well as other transportation and distribution services purchased by the accounting company in the accounting year (including both inbound and outbound logistics).
5	Waste Generated in Operations	Emissions of waste management suppliers that occur during disposal and treatment of waste generated by the company's operations.
6	Business Travel	Emissions of transportation carriers that occur during the transportation of employees for business-related activities.
7	Employee Commuting	Transportation of employees between their homes and worksites.
8	Upstream Leased Assets	In this case the term 'upstream' refers to operations of assets leased by the company (company is the lessee) not included in Scope 1 and Scope 2.
9	Downstream Transportation and Distribution	In this case the term 'downstream' refers to transportation and distribution of products sold by the company between the company's operations and end consumer (if not paid for by the accounting company) including retail and storage.
10	Processing of Sold Products	Processing by third parties of intermediate products sold by the accounting company.
11	Use of Sold Products	Direct use-phase emissions of the end use of goods and services sold by the company.
12	End-of-Life Treatment of Sold Products	Emission of waste management from the waste treatment and disposal of products sold by the company at the end of life.
13	Downstream Leased Assets	In this case the term 'downstream' refers to emissions from the operations of assets owned by the company and leased to other entities, not included in Scope 1 and Scope 2.
14	Franchises	Emissions from the operations of franchises not included in Scope 1 and 2.
15	Investments	Operations of investments in the accounting year not included in Scope 1 & 2.

Table 2: *The 15 categories of Scope 3 emissions (Source: IPIECA)*

Following the roll-out of the MoreScope platform (end of 2022), portfolio companies received training and started reporting their GHG emissions in MoreScope. The platform provides a clear reporting structure allowing for easy and intuitive navigation and a flexible approach to calculating GHG emissions.

Over time, MoreScope has continued to enhance user experience and functionality. During 2023, the company launched an exciting new feature, enabling companies to derive detailed Scope 1-3 inputs simply by uploading its transactions listings. This will be rolled out to all portfolio companies in 2024, and should significantly enhance the depth of the reporting. Overall, the quality of reporting improved during 2023. We expect the trend to continue into 2024, largely due to the efforts we are seeing from the respective ESG officers, and the enhanced functionality within MoreScope.

		Noova Energy System	Enhanced Well Technologies
Scope 1		✓	✓
Scope 2		✓	✓
Scope 3	Category 1 - Purchased Goods and Services	✓	✓
	Category 2 - Capital Goods	✓	
	Category 3 - Fuel and Energy	✓	✓
	Category 4 - Upstream Transportation and Distribution		
	Category 5 - Waste Generated in Operations	✓	✓
	Category 6 - Business Travel	✓	✓
	Category 7 - Employee Commuting	✓	✓
	Category 8 - Upstream Leased Assets		
	Category 9 - Downstream Transportation and Distribution		✓
	Category 10 - Processing of Sold Products		
	Category 11 - Use of Sold Products		
	Category 12 - End-of-Life Life Treatment of Sold Products		
	Category 13 - Downstream Leased Assets		
	Category 14 - Franchises		
	Category 15 - Investments		

Table 3: GHG Emissions currently reported by portfolio companies

There are some limitations in the GHG reporting methods deployed. For example, some of the input-data is based on internal company records and perceptions, which, as the companies continue to familiarise themselves with the relatively new concept of ESG reporting, can impact both data accuracy and completeness.

As part of our continuous efforts to improve, we strive to address these areas over the course of the next reporting cycle and continue to educate both ourselves and the relevant ESG responsible at our portfolio companies.

The 'Portfolio Snapshots' contain GHG emissions data for each company in absolute terms and as a measure of revenue (carbon intensity). It is further complemented by other climate related PAI indicators (pages 3 and 4 of each portfolio company snapshot), where more details are provided on data limitations and actions taken during the reference period.

Greenhouse Gas (GHG) Emissions Avoidance (Scope 4)

Scope 4 is a term used to describe avoided emissions, meaning GHG emissions that customers or end-users can avoid by using more sustainable products or services. This is also referred to as a measurement of positive climate impact.

The imperative to manage and reduce emissions is steadily gaining prominence among companies, driven by increased awareness among stakeholders and investors regarding the impact of climate change. There is an urgent need to devise climate solutions to curb the current global emissions trajectory. This includes developing strategies to reduce the carbon intensity of products and services, encourage the adoption of low-carbon alternatives, and fostering collaborative efforts with customers and suppliers to curtail the carbon footprint across the entire value chain.



There are two categories of Scope 4 Impact:

1. **Avoided Emissions:** Scope 4 impact that has happened during a discrete period of time, for example an accounting year; and
2. **Projected Avoided Emissions Potential:** forward-looking Scope 4 impact based on projected activity levels and market development assumptions.

As described earlier in the report, a significant focus of Havn's investment activities is climate change mitigation. In pursuit of this objective, our investment screening criteria incorporates an assessment of the Projected Avoided GHG Emissions Potential of each target investment. Likewise, during the stewardship phase, the actual Avoided Emissions contribution of each portfolio company is calculated annually, based on the individual company's actual performance during that financial year.

To date, there is no global standard or a generally accepted framework for estimating and reporting Avoided Emissions. There are however internationally emerging practices, recommendations, and cross-industry collaboration in this area, for example the work undertaken by the World Resource Institute, Mission Innovation and Project FRAME. In March 2023, the World Business Council for Sustainable Development (“WBCSD”)²⁹ published its Guidance on Avoided Emissions.

At a meeting on climate, energy and the environment hosted by Japan in April 2023, G-7 ministers agreed there was ‘value’ in acknowledging avoided emissions and stated that: “A shared, international standard for measuring avoided emissions is recommended to enable a common understanding and reduce the risk of inappropriate use of avoided emissions.”³⁰

In a significant move to support the Energy Transition, Mirova and Robeco, two leading sustainable investment firms, announced in January 2024 the selection of I Care by Bearing Point and Quantis to develop a global database of emission

avoidance factors.³¹ This groundbreaking initiative, backed by 9 founding partners managing over \$2 trillion in AUM, aims to establish a standardised and transparent approach for measuring the environmental impact of various climate solutions.

Since 2020, Havn has applied a methodology originally developed inhouse and later spun out into and adopted by MoreScope, which aligns well with these emerging frameworks.

The steps for calculating Scope 4 in MoreScope (bottom-up analysis) can be summarised as follows:

1. Model customer’s emissions when using the average solution in the market
2. Model customer’s emissions when using portfolio company products or services
3. Calculate the rebound effect i.e. if the product or service offered by the portfolio company leads to usage ramp-up thereby increasing GHG emissions
4. Multiply the above by the unit sales occurred in the year



WORLD
RESOURCES
INSTITUTE



Figure 13: Emerging practices and cross-industry collaboration for estimating Avoided Emissions.

29. The World Business Council for Sustainable Development (WBCSD) is a global, CEO-led organisation that brings together 200+ leading companies to accelerate the transition to a sustainable world. See: [Guidance on Avoided Emissions](#)
 30. See: [Conclusions regarding the Industrial Decarbonisation Agenda](#)
 31. See: [Mirova Press Release 25 January 2024](#)

Portfolio Reported Greenhouse Gas (GHG) Emissions (Scope 1-3 and Scope 4)

The table below comprise the breakdown of the 2023 Scope 1-3 reported emissions

Company	Scope 1	Scope 2	Scope 3	Total Scope 1-3
Enhanced Well Technologies	24	6.7	1,305	1,336
Noova Energy Systems	0	0.5	69	70
Portfolio Total	24	7.2	1,374	1,406

Table 4: Portfolio Scope 1-3 summary overview (in tonnes of CO₂e)

Havn's portfolio Scope 1-3 emissions are reported through the MoreScope platform using principles and methodologies coherent with the two previous (2021 and 2022) annual reporting cycles.

The 2023 emission statements have not been reviewed by a third party, but both the 2021 and the 2022 portfolio emission statements were assessed by PWC Norway. These assessments included spot checks, risks related to data quality, the controls and systems in place and a review of the completeness of the statements.

These PWC assessments concluded that Havn's approach is consistent and coherent with the requirements of the GHG protocol and industry best practices. Please note that the scope of such an assessment does not constitute a verification or external assurance over the full completeness or accuracy of the reported Scope 1-3 emissions.

Based on the assessments, Havn continues to work with its portfolio companies to imprint best practice standards.



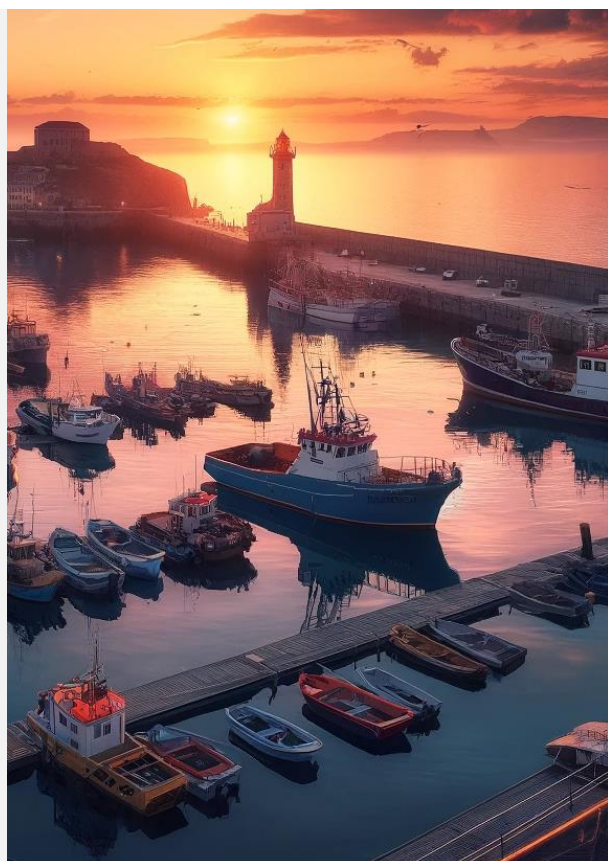
The table below comprise the breakdown of the 2023 Scope 4 reported emissions

Company	Scope 4 (Avoided)
Enhanced Well Technologies	-79,784
Noova Energy Systems	-14,687
Portfolio Total	-94,471

Havn's portfolio companies' Avoided Emissions are also reported through the MoreScope platform using principles and methodologies coherent with the two previous (2021 and 2022) annual reporting cycles.

In 2021 and 2022 PwC Norway assessed Havn's approach and methodology to measure and report on Avoided Emissions. They concluded that the approach was consistent and coherent with the emerging frameworks and guidance on best practices for avoided emissions quantification and reporting. Please note that the nature of such an assessment does not constitute what's qualified as a verification or external assurance over the full completeness or accuracy of the reported emissions.

Based on the assessments, Havn continues to work with its portfolio companies in a consistent manner to imprint best practice standards.



Other Sustainability KPIs

The table below shows the consolidated 2023 performance of active Havn portfolio companies i.e. those listed in the Portfolio Snapshots. The table also shows the comparable 2022 figures.

The Portfolio Snapshots offer more details on the sustainability performance of each portfolio company.

	ESG KPI	2023	2022	Havn Comment
E	Volume of non-hazardous waste recycled (tonnes)	286	31	In general, portfolio companies have improved their process for measuring waste
E	% hazardous waste sent to special treatment	100%	100%	No change
E	% of non-renewable energy consumption and production	0%	3%	No material change
E	% non-hazardous waste recycled	96%	72%	Improvement in recycling processes
S	% women on the board	8%	5%	Slight improvement in board gender diversity
S	% women in management position	20%	9%	Slight improvement in management gender diversity
S	% women employed	23%	23%	No change
S	No. of employees (as of December)	165	143	Slight increase (c.15%) versus prior year
G	No. of health and safety (H&S) non-conformities	17	1	Increased due to significant increase in offshore activity and new technology release
G	No. of LTI	0	1	No material change
G	No. of internal/ operational health and safety audits in the period	4	5	No material change
G	No. of employee satisfaction surveys	2	2	No change
G	No. of Diversity, Equity and Inclusion surveys	2	1	Implementation across both portfolio companies
G	Gender pay gap: % difference	0%	0%	No material change
G	% employee turnover	13%	3%	Slight increase, reflecting tightened market for human resources and headhunting

Table 6: Havn ESG performance 2023 vs 2022

We summarise the positive developments as follows:

- **Gender representation** has continued to improve at all levels. While improvements are modest, the overall trend looks favourable toward more inclusive and diverse teams.
- Operationally, our portfolio companies have demonstrated the development of more thorough controls for **measuring non-hazardous waste** whilst seeking to improve **recycling rates**.

We see an opportunity to improve in the following areas:

- A few H&S non-conformities were registered during the year versus 1 in 2022. Further improvements on this KPI is of key focus for 2024.

We remain committed, under our responsible investment mandate, to ensure that positive ESG impact is generated by our portfolio companies, while at the same time operating under the principles of disclosure and transparency. At the time of writing, corrective actions have been or are being implemented where required.

Effective from 1 January 2024, new regulations on gender balance in the board of directors of medium and large business enterprises have been implemented in Norway, following the same pattern as the current gender requirements for public limited liability companies in the country. There will be a phased implementation period. Both remaining companies in Havn Capital I are committed to complying with the regulations and, at the time of writing, are seeking guidance to understand the impact of the new regulations and potential necessary changes.



Havn's Sustainability KPIs

Havn's Sustainability KPIs

Havn has been measuring and reporting on sustainability KPIs for its own private equity operation activities since 2020. Going through the same process as portfolio companies allows us to better understand their challenges thereby maintaining a realistic, hands-on perspective. The reported KPI's also includes the operations of the legacy EVPE fund operations.

The table below summarises our 2023 and 2022 ESG performance:

		2023	2022
E	CO ₂ emissions (tonnes) - Scope 1	0.0	0.0
E	CO ₂ emissions (tonnes) - Scope 2	4.9	32.5
E	CO ₂ emissions (tonnes) - Scope 3	79.3	96.7
E	% Scope 2 from non-renewable sources	N/A	48%
E	% non-recycled waste	9%	10%
S	% employees working from home	N/A	29%
S	% women on the board	0%	0%
S	% women in management position	17%	15%
S	% women employed	31%	22%
S	No. of employees (as of December)	16	15
G	No. of lost time injuries (LTI)	0	0
G	No. of fatalities	0	0
G	No. of fire risk assessments	2	3
G	No. of fire incidents	0	0
G	No. of internal/ operational health and safety audits in the period	0	2
G	No. of graduates brought in	2	8
G	No. of employee satisfaction surveys	1	1
G	No. of diversity, equity and inclusion surveys	1	0
G	No. of grievances reported by employees	0	0
G	Multiple of CEO annual compensation vs. average employee (excl. Senior Partners+CFO) compensation (salary)	3.1x	3.1x
G	Gender pay gap: % difference	NA	NA
G	No. of violations of the UNGC principles	0	0
G	No. of anti-bribery and corruption incidents	0	0
G	No. of regulatory non-compliances	0	0
G	No. of breaches relating to cyber/data protection policies	0	0
G	No. of cyber/data security audits undertaken	2	2
G	% employee turnover	6%	34%
G	No. of training hours per employee per annum	37	44
G	% employees who undertook ABC training	100%	100%
G	% employees who undertook cybersecurity training	94%	86%

Table 7: Havn Sustainability performance for 2022 and 2023 reporting cycles

Havn's Sustainability KPIs (contd.)

We summarise the material developments as follows:



Scope 2 emissions

2023 saw a significant reduction in Scope 2 emissions. The reduction is mainly attributable to the closure of the Houston office in 2022, accounting for most of the total Scope 2 reduction. Given its geographical location, our Houston office relied on a significant proportion of energy from non-renewable sources relative to our Europe-based office locations.



Scope 3 emissions

Similar to the Scope 2 emissions, Havn registered a reduction of Scope 3 emissions of 16% solely due to the closure of the Houston office. Excluding the Houston-related emissions, the remainder of the organisation saw a modest increase of 6% in its Business Travel and Employee Commuting during 2023. Face-to-face interaction and relationship building are integral parts of our business; we nevertheless remain committed to reducing travel where possible. For example, most of our team- and board meetings take place via video conference, and Havn staff have the discretion to work from home.

In addition to the reported Business Travel and Employee Commuting categories, we noted an increase of 9% in Purchased Goods and Services, while Capital Goods emissions was reduced by ca. 70% due to lower volumes of purchased new equipment - such as laptops, mobile devices and similar.



Employees working from home

During 2023, most employees have elected to limit work from home (or abandon it completely). It remains at the employee's discretion to choose when and how often they wish to commute to our offices.



Gender representation

Havn hired a new female employee to our investment team during both 2022 and 2023 as part of our ongoing commitment to improve gender diversity in the company.

Havn's Sustainability KPIs (contd.)



Employee turnover, satisfaction and DEI survey

During 2023, Havn saw one employee leave the company. This was a significant reduction relative to the 2022 employee turnover, which was impacted by the repositioning of our investment focus and closure of the Houston office. Havn remain committed to upskilling our workforce and maintaining a positive work culture to ensure employee satisfaction and retention. Similar to prior years, an employee survey was conducted to assess the overall employee satisfaction and identify any critical improvement areas.



New graduates

During 2023 we brought in two new graduates (one in Stavanger and one in the UK), providing them with training and mentorship in areas such as emissions quantification, deal origination and investor relations. Our aim is to continue relying on these resources as we see strong benefits in the areas of professional development and diversity of ideas and perspectives.



Anti-Bribery and Corruption (ABC) training

Similar to 2022, ABC refresher training was rolled out at the start of 2023 to all employees, new starters and some of our longer-term interns.



Cybersecurity training and cyber audits

We continue to apply cyber training to Havn staff, with almost our entire staff undergoing relevant training during 2023. Our aim for 2024, is to score 100% staff participation for these courses.

We passed our Cyber Essential Plus certification for the third consecutive year. Our commitment to invest in cybersecurity remains strong.

Portfolio Snapshots

Exited Investments



Trainor Group

Driving Electrification



Havn successfully exited Trainor Group ('Trainor') in August 2023 to Apave Group. The new ownership allows Trainor to continue growing its market-leading platform and drive electrification and digitisation to a large international audience.

An ESG-Centred Value Creation Approach

Havn was attracted to the company due to its alignment with global industry megatrends, particularly electrification and digitalisation. Trainor's strong value proposition acts as a catalyst for a safer and accelerated transition to a more electrified and sustainable society.

By nature of their cutting-edge e-learning solutions and digital ElectriCity platform, Trainor's direct emissions (Scope 1-3) are relatively small. Simultaneously, the company unlocks environmental benefits in its clients' value chains (Scope 4) by reducing travel requirements and non-productive time through participation in Trainor's immersive e-learning solutions.

In addition, and perhaps most material, Trainor plays an important indirect/enabling role for the Energy Transition, by making

sure a vast number of industrial electricians are properly trained and re-certified on a regular and growing basis. Industrial electricians represent an essential part of the skilled labour needed to deliver on the demands required to meet the electrification of our society and decarbonise value chains.

Under Havn's stewardship, Trainor actively participated in our comprehensive ESG program, diligently reporting on a set of ESG-centred KPI's as well as their own emissions data, using MoreScope.

At exit, the company boasted strong ESG credentials, further underpinned by their consistent low staff turnover and high levels of employee satisfaction - an affirmation of its commitment to fostering a positive and healthy work environment.



Motive Offshore Group

A Transition Success



We successfully exited Motive Offshore Group ('Motive') in July 2022 to H2 Equity Partners, following a successful period of growth which concluded with revenue from the renewables market reaching close to 60% at the time of exit.

Motive Well-Equipped to Serve The Blue Economy

Havn was attracted to Motive due to its alignment with global industry megatrends, particularly the fast-growing offshore wind segment.

Havn identified that Motive's broad, well-managed fleet of high-quality rental equipment was capable of delivering significant value across the Blue Economy. It was clear that Motive could provide a key enabling service to the Energy Transition, by supporting the mobilisation and ongoing integrity of offshore renewable assets.

In line with the investment strategy, Havn and the Motive management team developed a dedicated and successful Blue Economy customer acquisition and transition strategy. The strategy drove the accelerated revenue diversification away from oil & gas and into the Blue Economy, including offshore wind and telecoms.

At exit, the proportion of revenue derived from renewable markets had risen to nearly 60%, underscoring Motive's commitment to the Energy Transition agenda.

Under Havn's stewardship, Motive actively participated in our comprehensive ESG program, diligently reporting on a set of ESG-centred KPIs as well as their own emissions data, using MoreScope.

Due to the company's fast-paced growth, as well as the accelerated pivot towards Blue Economy clients, at the time of exit Motive was on track to significantly outperform our avoided emissions projections that were set at an initial assessment performed in 2020.

Portfolio Snapshots

Current Investments



www.enhanced-drilling.com



Headquarters: **Bergen, Norway**



Total Number of Employees (End 2023): **146**



Total 2023 Revenues (EUR million): **54.4**



Case Manager: **Greg Herrera**



Richard Hamre

HSEQ Manager

reports directly to the CEO and the Board of Directors on ESG matters

Utilising an array of patented and field-proven technologies including EC-Drill, Riserless Mud Recovery ('RMR'), and Cutting Transfer System ('CTS'), Enhanced Well Technologies ('EWT') is revolutionising offshore oil and gas drilling practices. In environments where environmental considerations and potential fluid-related pressure challenges are significant, and where there are well productivity challenges, EWT represents a reliable, enabling solution. By facilitating reduced well construction costs, enhancing environmental stewardship, and streamlining operations to minimise both rig time and material usage, EWT significantly curtails customer CO₂e emissions. From an environmental impact basis, their solutions safeguard seabed and marine ecosystems by eliminating harmful discharges.

During the year, EWT has continued to develop and commercialise the EC-Monitor, a cutting-edge technology designed to enhance drilling safety by enabling operators to detect fluids and abnormal pressure with improved precision and efficiency. This provides early warning, enabling the driller to respond to and manage the situation before well control actions are needed - thereby mitigating the possibility of environmental disasters.

EWT remains committed to employing initiatives across its range of activities, consistently striving to reduce the carbon footprint from the company's operations.

The company offsets unabated emissions by supporting a certified carbon offset project that reduces, avoids or removes carbon from the atmosphere.

EWT has a Green Responsibility membership that

includes a third-party documentation system of waste and waste management. In summary, EWT's process for being carbon neutral consists of the following steps: carbon footprint measurements, continuous reduction efforts, the offset of unabated emissions and public disclosure of emissions data and reduction efforts. The company annually publishes ESG reports which can be found on its [website](#) (About – Sustainability).



EC-Drill: an environmentally friendly managed pressure drilling solution

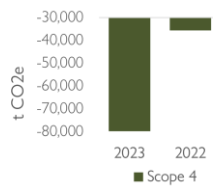
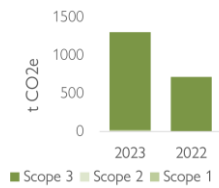
Governance | Key Policies

Anti-Bribery and Corruption	✓
Ethical Conduct	✓
Diversity and Inclusion	✓
Human Rights	✓
Modern Slavery	✓
Information Security	✓
Business Continuity and Disaster Recovery	✓
Whistleblowing	✓
HSE	✓
HR	✓
Expenses	✓
Travel	✓
Authority Matrix	✓

Environmental KPIs

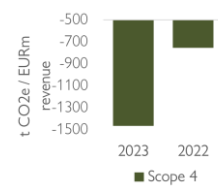
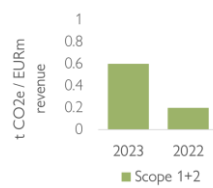
Greenhouse Gas Emissions

	2023	2022		2023	2022
Scope 1 (t CO ₂ e)	24.0	4.9	Scope 4 (t CO ₂ e)	-79,784	-35,592
Scope 2 (t CO ₂ e)	6.7	5.4			
Scope 1+2 (t CO ₂ e)	30.7	10.3			
Scope 3 (t CO ₂ e)	1305.0	718.2			
Scope 1+2+3 (t CO ₂ e)	1335.7	728.5			



Carbon Intensity

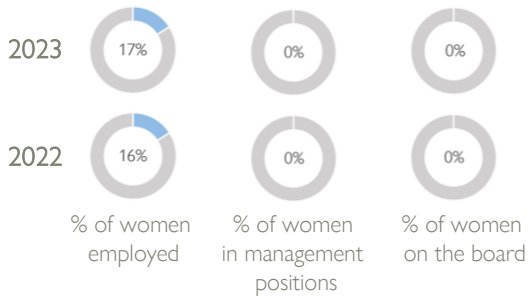
	2023	2022		2023	2022
Scope 1+2 (t CO ₂ e/ million EUR revenues)	0.6	0.2	Scope 4 (t CO ₂ e/ million EUR revenues)	-1466	-755.7



Social KPIs

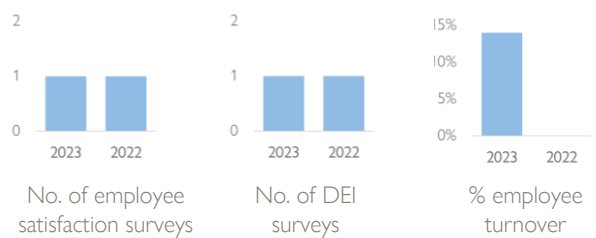
Diversity

	2023	2022
% of women employed	17%	16%
% of women in management positions	0%	0%
% of women on the board	0%	0%



Employee Engagement

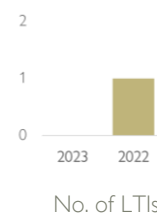
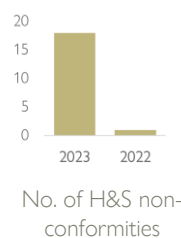
	2023	2022
No. of employee satisfaction surveys	1	1
No. DEI surveys	1	1
% employee turnover	14%	0%



Governance KPIs

HSEQ

	2023	2022
No. of H&S non-conformities	18	1
No. of LTIs	0	1



Adverse sustainability indicator	Metric	Unit	2023	2022	Explanation	Actions Taken	
Climate and Other Environment-Related Indicators							
GHG Emissions	1. GHG emissions	Scope 1 GHG emissions	tonnes	6.8	1.2	Increase primarily related to refinement in calculation of CO ₂ e from forklifts.	
		Scope 2 GHG emissions	tonnes	1.9	1.4		
		From 1 January 2023, Scope 3 GHG emissions	tonnes	370.0	180.9	Experienced rapid growth, resulting in an expansion of international operations, increasing equipment transportation and business travel.	EWT has sought to increase its workforce at international locations to counter these effects.
		Total GHG emissions	tonnes	378.7	183.5		
	2. Carbon footprint	Carbon footprint	tonnes / €M	10.8	8.0		
	3. GHG intensity of investee companies	GHG intensity of investee companies	tonnes / €M	24.6	15.5		
	4. Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector	Y / N	Y	Y	The company's sector exposure is 100% to the fossil fuel sector.	
5. Share of non-renewable energy consumption and production	Share of non-renewable energy consumption and non-renewable energy production of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage	%	0.0%	0.0%		The company's facilities source energy from 100% renewable origin.	
6. Energy consumption intensity per high impact climate sector	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector	GWh/ €M	0.0	0.0			
Biodiversity	7. Activities negatively affecting biodiversity-sensitive areas	Share of investments in investee companies with sites/operations located in or near to biodiversity-sensitive areas where activities of those investee companies negatively affect those areas	Y / N Y = one or more sites located in or near these areas N = no site	N	N		Continuous operating focus on HSEQ, which includes site inspections and safe job analysis for each operation. Specific focus on avoiding harmful discharges to the environment is a key element of this work.
Water	8. Emissions to water	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average	tonnes / €M	0.0	0.0	EWT's technology avoids discharge of cuttings and drilling fluids (chemicals) to the sea by enabling return to the rig.	
Waste	9. Hazardous waste ratio	Tonnes of hazardous waste generated by investee companies per million EUR invested, expressed as a weighted average	tonnes / €M	0.1	0.1		The company has a chemical substitution plan in place.
	13. Non-recycled waste ratio (additional environmental indicator)	Tonnes of non-recycled waste generated by investee companies per million EUR invested, expressed as a weighted average	tonnes / €M	0.0	0.6		The company has a waste recycling project to increase the amount of waste that is recycled.

Adverse sustainability indicator	Metric	Unit	2023	2022	Explanation	Actions Taken	
Social and Employee, Respect for Human Rights, Anti-Corruption and Anti-Bribery Matters							
Social and Employee Matters	10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	Y / N Y = one or more violations in the period N = No violations in the period	N	N		All aspects of this are taken very seriously by the board and management, and driven down the organisation. The company is reporting according to Norway's Transparency Act.
	11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises	Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance /complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	Y / N Y = no such policies available N = policies available	N	N		The company has multiple policies and procedures to ensure compliance with the UN principles, including ethics, code of conduct, whistle-blowing, anti-bribery, diversity & inclusion and ABC supplier code of conduct.
	12. Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies	%	0.0%	0.0%		Implemented mapping and reporting for equal rights.
	13. Board gender diversity	Average ratio of female to male board members in investee companies	%	0.0%	0.0%	The company currently has no female board members	Is committed to improving this metric should the time come to expand the number of, or replace, board members and a candidate of the appropriate skills, knowledge and experience is available.
	14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	Share of investments in investee companies involved in the manufacture or selling of controversial weapons	Y / N	N	N		
	15. Lack of anti-corruption and anti-bribery policies	Share of investments in entities without policies on anti-corruption and anti-bribery consistent with the United Nations Convention against Corruption	Y / N Y = no ABC policy in place N = ABC policy in place	N	N		The company has an ABC policy in place and undertakes annual training for ABC matters

SFDR Classifications

Metric	Value	Explanatory Notes
Sustainable Investment	N	Investment labelled as not sustainable for conservativeness i.e. further regulatory guidance is required.
Taxonomy Eligibility (%)	0%	Currently not eligible according to the Complementary Climate Delegated Act (CDA)
Taxonomy Alignment (%)	0%	Assume no alignment due to sector exposure.



<https://www.noova.no/>



Headquarters: **Stavanger, Norway**



Total Number of Employees (End 2023): **27**



Total 2023 Revenues (EUR million): **84.9**



Case Manager: **Espen Strøm**



Silje Støldal

Manager **Organization & Customer Success**, reports directly to the CEO and the Board of Directors on ESG matters

Noova has made sustainability and improvement of its carbon footprint a priority. Founded in 2005, it has grown to serve over 1,000 customers across various industries. In 2020, Noova started reporting its carbon footprint after qualifying for an Eco-Lighthouse certification. In 2022 the company hired ESG Officer Silje Støldal to further strengthen the company's ESG activities.

Noova's business model is based on delivering the least amount of energy possible to its customers through its technology-driven solutions for energy optimisation and consumption reduction. The technology enables customers to optimise their CO₂ footprint, as well as realise financial savings. Noova firmly believes that sustainability must be profitable to bring about significant change. In addition to its core offering, the company has developed the FLX software, a flexible workplace platform enabling customers to reduce their office's environmental footprint for a productive, sustainable, and flexible work experience.

The company is preparing to report according to the EU taxonomy and the Norwegian Transparency Act. Noova recognises that reporting on ESG initiatives is vital to ensuring transparency and accountability.

The company appreciates the importance of developing an engaging working environment. Noova's employees are known for their expertise and commitment to exceptional customer service. The company invests in its employees'

development, ensuring they have the skills and knowledge to provide the best possible service.

In conclusion, Noova works closely with its customers to reduce their carbon footprint and develop solutions, enabling reduced overall energy consumption and empowering informed decisions about energy consumption and environmental impact.



Noova's proprietary software platform enables reduced energy consumption for customers.

Governance | Key Policies

Anti-Bribery and Corruption	✓
Ethical Conduct	✓
Diversity and Inclusion	✓
Code of Conduct (Harassment, Discrimination, Workplace Violence)	✓
Business Continuity and Disaster Recovery	✓
Whistleblowing	✓
Equitable Pay	✓
Supplier	✓
Carbon offset	✓
HSE	✓
HR	✓

Environmental KPIs

Greenhouse Gas Emissions

	2023	2022		2023	2022
Scope 1 (t CO ₂ e)	0.0	0.0	Scope 4	-14,687	-14,833
Scope 2 (t CO ₂ e)	0.5	0.4	(t CO ₂ e)		
Scope 1+2 (t CO ₂ e)	0.5	0.4			
Scope 3 (t CO ₂ e)	69.0	123.0			
Scope 1+2+3 (t CO ₂ e)	69.5	123.4			



Carbon Intensity

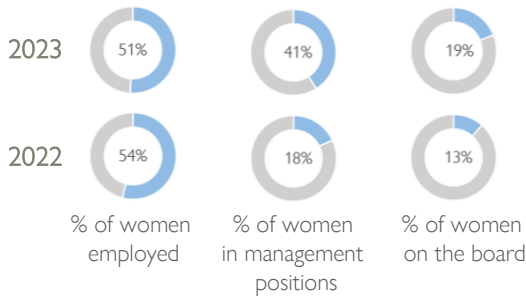
	2023	2022		2023	2022
Scope 1+2	0.01	0.00	Scope 4	-172.9	-98.79
(t CO ₂ e/ million EUR revenues)			(t CO ₂ e/ million EUR revenues)		



Social KPIs

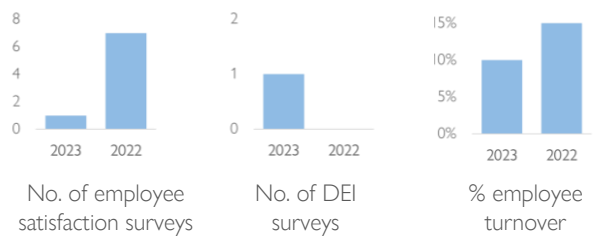
Diversity

	2023	2022
% of women employed	51%	54%
% of women in management positions	41%	18%
% of women on the board	19%	13%



Employee Engagement

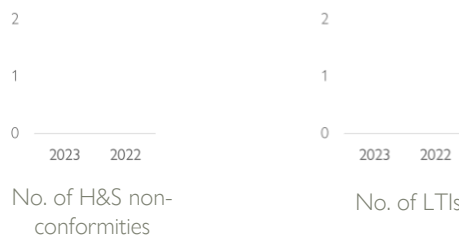
	2023	2022
No. of employee satisfaction surveys	1	7
No. DEI surveys	1	-
% employee turnover	10%	15%



Governance KPIs

HSEQ

	2023	2022
No. of H&S non-conformities	-	-
No. of LTIs	-	-



Adverse sustainability indicator	Metric	Unit	2023	2022	Explanation	Actions Taken	
Climate and Other Environment-Related Indicators							
GHG Emissions	1. GHG emissions (Havn Share)	Scope 1 GHG emissions	tonnes	0.0	0.0	The company has no scope 1 emissions.	
		Scope 2 GHG emissions	tonnes	0.1	0.1		
		From 1 January 2023, Scope 3 GHG emissions	tonnes	13.8	20.1	Energy trading is excluded from the reporting, as Noova is not directly involved in production or consumption and has no direct associated emissions from this.	Main reason behind the reduction was an erroneous entry for 2022 - related to vastly overstated emissions from laptop usage - which has been corrected for 2023.
		Total GHG emissions	tonnes	13.9	20.2		
	2. Carbon footprint	Carbon footprint	tonnes / €M	1.9	2.9		
	3. GHG intensity of investee companies	GHG intensity of investee companies	tonnes / €M	0.8	0.8		
4. Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector	Y / N	N	N	Noova has a diverse customer base which includes some companies in the fossil fuel segment.		
5. Share of non-renewable energy consumption and production	Share of non-renewable energy consumption and non-renewable energy production of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage	%	Not available	6.0%	Due to the company's office relocation during the year, the 2023 data is not available as of the PAI reporting date.	All electricity consumed is sourced from the Norwegian grid, which by nature has a high share of renewable energy.	
6. Energy consumption intensity per high impact climate sector	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector	GWh/ €M	0.0	0.0			
Biodiversity	7. Activities negatively affecting biodiversity-sensitive areas	Share of investments in investee companies with sites/operations located in or near to biodiversity-sensitive areas where activities of those investee companies negatively affect those areas	Y / N Y = one or more sites located in or near these areas N = no site	N	N	All locations are in established industrial areas.	
Water	8. Emissions to water	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average	tonnes / €M	0.0	0.0	Not applicable to Noova's business.	
Waste	9. Hazardous waste ratio	Tonnes of hazardous waste generated by investee companies per million EUR invested, expressed as a weighted average	tonnes / €M	0.0	0.0	Not applicable to Noova's business.	
	13. Non-recycled waste ratio (additional environmental indicator)	Tonnes of non-recycled waste generated by investee companies per million EUR invested, expressed as a weighted average	tonnes / €M	0.0	0.0		Waste is recycled through employment of a Norwegian waste handling company.

Adverse sustainability indicator	Metric	Unit	2023	2022	Explanation	Actions Taken	
Social and Employee, Respect for Human Rights, Anti-Corruption and Anti-Bribery Matters							
Social and Employee Matters	10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	Y / N Y = one or more violations in the period N = No violations in the period	N	N		All aspects of this are taken very seriously by the board and management, and driven down the organisation. The company is reporting according to Norway's Transparency Act.
	11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises	Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance /complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	Y / N Y = no such policies available N = policies available	N	N		All aspects of this are taken very seriously by the board and management, and driven down the organisation.
	12. Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies	%	0.0%	0.0%	Equal pay policy.	Noova is actively engaged in ensuring that female employees earn the same as their male counterparts.
	13. Board gender diversity	Average ratio of female to male board members in investee companies	%	18.6%	13.2%	1 female board member for 11 out of 12 months.	The company is committed to improving board gender diversity going forward.
	14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	Share of investments in investee companies involved in the manufacture or selling of controversial weapons	Y / N	N	N		
	15. Lack of anti-corruption and anti-bribery policies	Share of investments in entities without policies on anti-corruption and anti-bribery consistent with the United Nations Convention against Corruption	Y / N Y = no ABC policy in place N = ABC policy in place	N	N	The company has ABC policy in place.	

SFDR Classifications

Metric	Value	Explanatory Notes
Sustainable Investment	Sustainable	Classified as a sustainable investment as per the SFDR definition.
Taxonomy Eligibility (%)	Some Eligibility	Some activities are eligible under the Complementary Climate Delegated Act (CDA).
Taxonomy Alignment (%)	Some Alignment	The company will be exploring this further during 2024.

Annex

Annex I: RTS PAI Definitions

The PAI indicators are defined by the SFDR as follows:

1. 'scope 1, 2 and 3 GHG emissions' means the scope of greenhouse gas emissions referred to in subpoints (i) to (iii) of point (1)(e) of Annex III of Regulation (EU) 2016/1011;
2. 'greenhouse gas (GHG) emissions' means greenhouse gas emissions as defined in point (1) of Article 3 of Regulation (EU) 2018/842 of the European Parliament and of the Council;¹
3. 'enterprise value' means the sum, at fiscal year-end, of the market capitalisation of ordinary shares, the market capitalisation of preferred shares, and the book value of total debt and non-controlling interests, without the deduction of cash or cash equivalents;
4. 'current value of investment' means the value in EUR of the investment by the financial market participant in the investee company;
5. 'current value of all investments' means the value in EUR of all investments by the financial market participant;
6. 'GHG emissions' shall be calculated in accordance with the following formula:

$$\sum_n^i \left(\frac{\text{current value of investment}_i}{\text{investee company's enterprise value}_i} \times \text{investee company's Scope}(x) \text{ GHG emissions}_i \right)$$

7. 'carbon footprint' shall be calculated in accordance with the following formula:

$$\frac{\sum_n^i \left(\frac{\text{current value of investment}_i}{\text{investee company's enterprise value}_i} \times \text{investee company's Scope 1, 2 and 3 GHG emissions}_i \right)}{\text{current value of all investments (€M)}}$$

8. 'weighted average' means a ratio of the weight of the investment by the financial market participant in an investee company in relation to all investments of the financial market participant;
9. 'GHG intensity of investee companies' shall be calculated in accordance with the following formula:

$$\sum_n^i \left(\frac{\text{current value of investment}_i}{\text{current value of all investments (€M)}} \times \frac{\text{investee company's Scope 1, 2 and 3 GHG emissions}_i}{\text{investee company's €M revenue}_i} \right)$$

10. 'GHG intensity of sovereigns' shall be calculated in accordance with the following formula:

$$\sum_n^i \left(\frac{\text{current value of investment}_i}{\text{current value of all investments (€M)}} \times \frac{\text{The country's Scope 1, 2 and 3 GHG emissions}_i}{\text{Gross Domestic Product}_i(\text{€M})} \right)$$

1. Regulation (EU) 2018/842 of the European Parliament and of the Council of 30 May 2018 on binding annual greenhouse gas emission reductions by Member States from 2021 to 2030 contributing to climate action to meet commitments under the Paris Agreement and amending Regulation (EU) No 525/2013 (OJ L 156, 19.6.2018, p. 26).

Annex I: RTS PAI Definitions (contd.)

11. 'companies active in the fossil fuel sector' means (i) companies that derive any revenues from exploration, mining, extraction, distribution or refining of hard coal and lignite; (ii) companies that derive any revenues from the exploration, extraction, distribution (including transportation, storage and trade) or refining of liquid fossil fuels; and (iii) companies that derive any revenues from exploring and extracting fossil gaseous fuels or from their dedicated distribution (including transportation, storage and trade);
12. 'renewable energy sources' means renewable energy sources as referred to in Article 2(1) of Directive (EU) 2018/2001 of the European Parliament and of the Council²;
13. 'non-renewable energy sources' means energy sources other than those referred to in point (12);
14. 'energy consumption intensity' means the ratio of energy consumption per unit of activity, output or any other metric of the investee company to the total energy consumption of that investee company;
15. 'high impact climate sectors' means the sectors listed in Sections A to H and Section L of Annex I to Regulation (EC) No 1893/2006 of the European Parliament and of the Council³;
16. 'protected area' means an area designated under the European Environment Agency's Common Database on Designated Areas (CDDA);
17. 'area of high biodiversity value outside protected areas' means land with high biodiversity value as referred to in Article 7b(3) of Directive 98/70/EC of the European Parliament and of the Council⁴;
18. 'emissions to water' means direct emissions of priority substances as defined in Article 2(30) of Directive 2000/60/EC of the European Parliament and of the Council⁵ and direct nitrates, direct phosphate emissions, direct pesticides emissions as referred to in that Directive, Council Directive of 12 December 1991 concerning the protection of waters against pollution caused by nitrates from agricultural sources (91/676/EEC)⁶, Council Directive 91/271/EEC of 21 May 1991 concerning urban waste-water treatment⁷ and Directive 2010/75/EU of the European Parliament and of the Council⁸;
19. 'areas of high water stress' means regions where the percentage of total water withdrawn is high (40-80%) or extremely high (greater than 80%) in the World Resources Institute's (WRI) Water Risk Atlas tool "Aqueduct";
20. 'hazardous waste' means hazardous waste as defined in Article 3(2) of Directive 2008/98/EC of the European Parliament and of the Council⁹ and radioactive waste;

-
2. Directive (EU) 2018/2001 of the European Parliament and of the Council of 11 December 2018 on the promotion of the use of energy from renewable sources (recast) (OJ L 328 21.12.2018, p. 82).
 3. Regulation (EC) No 1893/2006 of the European Parliament and of the Council of 20 December 2006 establishing the statistical classification of economic activities NACE Revision 2 and amending Council Regulation (EEC) No 3037/90 as well as certain EC Regulations on specific statistical domains (OJ L 393, 30.12.2006, p. 1).
 4. Directive 98/70/EC of the European Parliament and of the Council of 13 October 1998 relating to the quality of petrol and diesel fuels and amending Council Directive 93/12/EEC (OJ L 350, 28.12.1998, p. 58).
 5. Directive 2000/60/EC of the European Parliament and of the Council of 23 October 2000 establishing a framework for Community action in the field of water policy (OJ L 327, 22.12.2000, p. 1)
 6. OJ L 375, 31.12.1991, p. 1.
 7. OJ L 135, 30.5.1991, p. 40.
 8. Directive 2010/75/EU of the European Parliament and of the Council of 24 November 2010 on industrial emissions (integrated pollution prevention and control) (OJ L 334, 17.12.2010, p. 17).
 9. Directive 2008/98/EC of the European Parliament and of the Council of 19 November 2008 on waste and repealing certain Directives (OJ L 312, 22.11.2008, p. 3).

Annex I: RTS PAI Definitions (contd.)

21. 'non-recycled waste' means any waste not recycled within the meaning of 'recycling' in Article 3(17) of Directive 2008/98/EC;
22. 'activities negatively affecting biodiversity-sensitive areas' means activities (i) leading to the deterioration of natural habitats and the habitats of species and to disturbance of the species for which the protected area has been designated; and (ii) where conclusions or necessary mitigation measures identified by any of the following assessments have not been implemented accordingly:
 - (a) Directive 2009/147/EC of the European Parliament and of the Council;¹⁰
 - (b) Council Directive 92/43/EEC of 21 May 1992 on the conservation of natural habitats and of wild fauna and flora;¹¹
 - (c) an Environmental Impact Assessment (EIA) within the meaning of point (g) of Article 1(2) of Directive 2011/92/EU of the European Parliament and of the Council¹²; and
 - (d) for activities located in third countries, in accordance with equivalent national provisions or international standards, such as the International Finance Corporation (IFC) Performance Standard 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources;
23. 'biodiversity-sensitive areas' means Natura 2000 network of protected areas, UNESCO World Heritage sites and Key Biodiversity Areas ('KBAs'), as well as other protected areas, as referred to in the Annex of Commission Delegated Regulation (EU) .../... of ... supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by establishing the technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to climate change mitigation or climate change adaptation and for determining whether that economic activity causes no significant harm to any of the other environmental objectives¹³
24. 'threatened species' means endangered species (flora and fauna) listed in the European Red List or the IUCN Red List, as referred to in Section 7 of Commission Delegated Regulation (EU) .../...[insert the Commission Delegated Regulation referred to in point 23];
25. 'deforestation' means the human-induced conversion of forested land to non-forested land, which can be permanent, when this change is definitive, or temporary when this change is part of a cycle that includes natural or assisted regeneration, according to the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES) as referred to in paragraph 100 of Decision No 1386/2013/EU of the European Parliament and of the Council¹⁴
26. 'soil degradation' means the diminishing capacity of the soil to provide ecosystem goods and services as desired by its stakeholders, according to the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES) as referred to in paragraph 100 of Decision No 1386/2013/EU;
27. 'UN Global Compact principles' means Principles 1 to 10 or the 'Ten Principles' of the United Nations Global Compact;

10. Directive 2009/147/EC of the European Parliament and of the Council of 30 November 2009 on the conservation of wild birds (OJ L 20, 26.1.2010, p. 7).

11. Council Directive 92/43/EEC of 21 May 1992 on the conservation of natural habitats and of wild fauna and flora (OJ L 206, 22. 7.1992, p. 7).

12. Directive 2011/92/EU of the European Parliament and of the Council of 13 December 2011 on the assessment of the effects of certain public and private projects on the environment (OJ L 026, 28.1.2012, p. 1)

13. [Insert OJ reference]

14. Decision No 1386/2013/EU of the European Parliament and of the Council of 20 November 2013 on a General Union Environment Action Programme to 2020 'Living well, within the limits of our planet' (OJ L 354, 28.12.2013 p. 171).

Annex I: RTS PAI Definitions (contd.)

28. 'inefficient real estate assets' means the real estate assets calculated in accordance with the following formula and where 'nearly zero-energy building (NZEB)', 'primary energy demand (PED)' and 'energy performance certificate (EPC)' shall have the meanings given to them in Article 2(2), (5) and (12) respectively of Directive 2010/31/EU of the European Parliament and of the Council¹⁵:

$$\frac{((\text{Value of real estate assets built before 31/12/2020 with EPC of C or below}) + (\text{Value of real estate assets built after 31/12/2020 with PED below NZEB in Directive 2010/31/EU}))}{\text{Value of real estate assets required to abide by EPC and NZEB rules}}$$

29. 'unadjusted gender pay gap' means the difference between average gross hourly earnings of male paid employees and of female paid employees as a percentage of average gross hourly earnings of male paid employees;
30. 'board' means the administrative, management or supervisory body of a company;
31. 'human rights policy' means a policy commitment approved at board level on human rights covering the economic activities of the investee company consistent with UN Guiding Principles on Business and Human Rights;
32. 'whistleblower' means 'reporting person' as defined in Article 5(7) of Directive (EU) 2019/1937 of the European Parliament and of the Council;¹⁶
33. 'inorganic pollutants' means emissions within or lower than the emission levels associated with the best available techniques (BAT-AEL) ranges set out in the Best Available Techniques Reference Document (BREF) for the Large Volume Inorganic Chemicals- Solids and Others industry;
34. 'air pollutants' means direct sulphur dioxides (SO_x/SO₂) emissions, direct nitrogen oxides (NO_x/NO₂) emissions, , direct non-methane volatile organic compounds (NMVOC) emissions and direct particulate matter (PM_{2.5}) emissions as defined in points (5) to (8) of Article 3 of, as well as direct ammonia (NH₃) and direct total heavy metals (HM) emissions (encompassing cadmium, mercury and lead) as referred to in Directive (EU) 2016/2284 of the European Parliament and of the Council¹⁷; and
35. 'ozone depletion substances' mean substances listed in the Montreal Protocol on Substances that Deplete the Ozone Layer¹⁸.

15. Directive 2010/31/EU of the European Parliament and of the Council of 19 May 2010 on the energy performance of buildings (recast) (OJ L 153, 18.6.2010, p. 13)

16. Directive (EU) 2019/1937 of the European Parliament and of the Council of 23 October 2019 on the protection of persons who report breaches of Union law (OJ L305, 26.11.2019, p. 17).

17. Directive (EU) 2016/2284 of the European Parliament and of the Council of 14 December 2016 on the reduction of national emissions of certain atmospheric pollutants, amending Directive 2003/35/EC and repealing Directive 2001/81/EC (OJ L 344, 17.12.2016, p. 1).

18. OJ L 297, 31.10.1988, p. 21.

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