Disclosure Regulation

Integration of sustainability risks in our investment decision process

Priveq undertakes to comply with the EU's Sustainability Finance Disclosure Regulation (SFDR) ((EU) 2019/2088) and is transparent regarding sustainability related information about our funds and our investment process.

When evaluating possible investments, Priveq takes into account the target companies' values, principles and its business operations. Priveq's requirements are that a target company lives up to Priveq's guidelines and requirements in ESG issues, or that we assess that we, as owners, can change the company's attitudes and behaviors in these issues. When companies are considered to be in risky areas, special emphasis shall be placed on analyzing ESG issues. This applies, among other things, to companies with a high proportion of their operations located in developing countries, companies that directly or indirectly hire staff in low-cost countries, companies with large emissions in their production, companies whose operations have a major impact on the environment, companies that supply products and services to customers in sensitive industries such as the war industry or tobacco and companies that are in industries that have historically been associated with corruption. Regardless of the above, Priveq's principle is to never invest in companies that have their main business (directly or indirectly) in the war industry, the gaming industry (betting), the tobacco industry or pornography.

Sustainability risks are identified, analyzed and documented from the early evaluation phase to final investment decisions according to a predetermined checklist, which includes industry, geographical location and sustainability management. An investment decision is always preceded by an ESG due diligence. Depending on the complexity of the industry, the nature of the company and the potential risks, experts in sustainability are also hired. The sustainability risks that are identified are included in the decision material presented to Priveq's Board of Directors prior to a final investment decision.

As an owner, Priveq requires all portfolio companies to establish a code of conduct and a supplier code that covers the ten principles of the UN Global Compact. Priveq also works to ensure that the portfolio companies establish IT policy, whistleblowing policy, incident reporting and gender equality and diversity policy. In addition, Priveq supports the portfolio companies in establishing their own strategy in sustainability and annually monitors how they are performing in areas such as gender distribution, staff turnover, environmental emissions, etc.

A public sustainability report covering the portfolio companies' and Priveq's ESG activities and KPIs will be published annually.

Integration of sustainability risks in our remuneration policy

Priveq's compensation to employees is determined on the basis of an annual evaluation with both financial and non-financial criteria. The non-financial criteria include how each of Priveq's employees meets our values, including sustainability aspects. This is also reflected in our compensation policy, which states that we do not charge compensation if we have not first managed significant sustainability risks.

No evaluation of adverse sustainability effects (PAI)

Priveq does not take into account the main negative sustainability effects (PAI) of our investment decisions in accordance with Article 4 of SFDR. The main reason is that the methodology, content and legal requirements for assessing these negative effects are still under evaluation. However, Priveq will monitor the development of the legislation and evaluate and update our position accordingly.