

**KeBeK IV**

**ESG POLICY**

## INTRODUCTION

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This document sets out the policy of KeBeK Advisory NV, the statutory manager and general partner ("GP") of KeBeK IV CommV (the "**Fund**"), in relation to the following:

- The integration of sustainability risks into the investment-decision process,
- The integration of sustainability risks into the remuneration policy, and
- Whether and, if so, how principal adverse impacts of investment decisions on sustainability factors are considered.

This document is hereinafter referred to as the "**ESG Policy**" of the GP/Fund.

The Fund, the GP and its staff will adhere to and comply with this ESG Policy and with all applicable sustainability-related disclosure requirements under Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (the "**SFDR**").

***As a general principle, the Fund aims to create value for all shareholders and stakeholders by investing responsibly.***

***The Fund believes that value creation is tantamount to sustainable growth, innovation, meaningful employment and environmental responsibility. Environmental, social and governance risk assessments are therefore included in our investment process and closely monitored during the holding period.***

***This ESG Policy outlines our approach to ESG integration, guiding principles, and responsibilities.***

***Environment*** – We work closely with our portfolio companies to ensure that they adhere to high environmental standards in their operations. Energy saving measures, waste management and sustainable use of natural resources are an integral part of all key business decisions.

***Society*** – We pay attention to the workers and communities in and around our portfolio companies. Ensuring safe working conditions, providing training facilities, creating opportunities for professional and personal development are an integral part of this policy. We prefer compensation policies that align the long-term interests of owners, management and employees.

**Governance** – We set up governance structures at our portfolio companies to allow close monitoring of all key aspects of their operations. We are transparent about our activities and those of our portfolio companies towards our investors. We believe in compliance with all applicable laws and regulations.

***Our approach to ESG-investing is pragmatic, yet effective, and takes into account the specific characteristics (size, sector, history, etc.) of each of our portfolio companies throughout the investment screening process, the investment process, and the entire life cycle of the investment.***

## **ESG integration during the investment decision-process**

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This section describes the manner in which sustainability risks are integrated into the Fund's investment-decision process, for the purposes of Articles 3 and 6 of the SFDR.

During the investment-decision process, which covers the initial screening, negotiations, detailed due diligence and investment and documentation process, we apply (i) an exclusion policy, and (ii) we integrate a number of ESG criteria during the evaluation process.

We establish our exclusion criteria rooted in foundational, overarching, and industry-specific ethical considerations, which pose significant threats to companies and their prospective financial gains. The Fund will not invest in, among others, controversial weapons, pornography and prostitution, tobacco, companies involved in the palm oil, wood pulp or deforestation upstream or downstream value chain or companies involved in the exploration, development and production of oil and/or gas which represents at least five per cent (5%) of their activities are excluded. Furthermore we will not invest in companies that are responsible for, contribute to, or have inadequately responded to previous incidents of **unethical conduct, such as human rights issues, severe labor rights issues, severe environmental damage, and corruption**.

During due diligence and the investment evaluation process, the Fund incorporates the following non-exhaustive list of environmental, social and governance criteria (the "**ESG Criteria**") in the investment process, whereby the approach is tailored to the characteristics of each new potential investment:

- (i) **Environmental considerations:** Company- and/or sector-specific risks related to the environmental impact of the potential investment (if necessary, to be evaluated by a dedicated expert). Also, assessing the management and significance of controversies related to the environment, and evaluating the contribution of products and services towards environmental preservation and ecological transition.
- (ii) **Social considerations:** Assessing the respect of labour laws, as well as sector-specific risks related to health and safety (drawing from European and local sectoral statistics), along with evaluating environmental and social risks within the supply

chain. Additionally, examining the management of quality and risks associated with consumer safety, assessing the management and significance of controversies related to social issues.

- (iii) **Governance considerations:** Assessing the quality of the corporate governance, management team and governance bodies, and evaluating the quality (and necessary improvements) in financial and operational reporting.

We are convinced that mitigating sustainability risks by taking material ESG factors into account improves our investment decisions and lowers the financial risks for our investors. We see the integration of sustainability risks as a natural step in our investment process.

## **ESG monitoring and engagement policy**

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We commit to work with our portfolio companies to make them aware of ESG-themes, the need of monitoring key indicators, and the long-term financial benefits of ESG-advancement. Due to different size of our portfolio companies, and the different stages of ESG-awareness when we initially invest, we adopt a tailored approach for each portfolio company, in which we engage in an ongoing dialogue with the companies on ESG matters to better inform and to **positively influence ESG policies and reporting, with the ultimate goal of making ESG-progress.**

## **POLICY ON THE INTEGRATION OF SUSTAINABILITY RISKS INTO THE REMUNERATION POLICY**

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This section sets out the disclosures in respect of the integration of sustainability risks into our Remuneration Policy, as required under Article 5 SFDR.

The Fund is committed to integrating ESG considerations into its investment processes and fostering sustainable value creation. By aligning the Fund's investments with ESG principles, the Fund aims to deliver positive financial returns while contributing to a more sustainable and equitable future.

At this stage, however, the remuneration policy of the GP and/or the Fund is not linked to ESG-themes. The remuneration of the GP, its staff and the Fund does not encourage excessive risk-taking with respect to sustainability risks.

## POLICY ON THE CONSIDERATION OF PRINCIPAL ADVERSE IMPACTS OF INVESTMENT DECISIONS ON SUSTAINABILITY FACTORS

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This section sets out the disclosures in respect of the consideration of Principal Adverse Impacts on Sustainability ( “**PAIS**”) in the investment decision-making process of the Fund, as required under Article 4 SFDR.

The Fund **currently** does not consider the adverse impacts of its investment decisions on sustainability factors. We apply a tailored approach, based on the specific size, sector, and ESG-progress of our portfolio companies, in which we may at our discretion decide to report on a case-by-case basis. At this stage, however, we are not able to systematically monitor across our portfolio the indicators based on relevant sources of data with regard to adverse sustainability impacts, due to the relatively small size of some of our portfolio companies and/or their lack of experience in ESG-monitoring. We are however committed to work with our portfolio companies to make them aware of the importance of ESG-themes and the related management and reporting.

We will review our ESG Policy from time to time and may decide in the future to integrate PAIS into our investment decision-making process should we have sufficient data and monitoring tools to do so.