

# Maj Invest Equity A/S

Document P-MIE-10-01 of 2 March 2021

## Sustainability Risk Policy

2 March 2021  
MS/RMO

- 1. In general concerning the policy for sustainable financing and sustainability risks**
  - 1.1 This policy ("Policy" or the "Policy") applies to Maj Invest Equity A/S and its employees, ("Maj Invest Equity").
  - 1.2 The ESG Policy is an element of Maj Invest Equity's approach to sustainability and describes how Maj Invest Equity will handle and integrate sustainability risks. The EU regime for sustainable financing (the EU Disclosure Regulation or SFDR) requires Maj Invest Equity to have a separate ESG policy.
  - 1.3 Maj Invest Equity's general approach to sustainability includes membership of PRI and annual reporting according to the PRI standard, a Responsible Investment Policy, consulting partnerships, annual ESG reporting to investors/customers, a voting policy and social responsibility initiatives, which among other things are described at [majinvest.com](http://majinvest.com), see under the link in section 6.2.
- 2. Overall goal and scope**
  - 2.1 The purpose of this policy is to describe how Maj Invest Equity handles and integrates sustainability risks in its investment advisory services and its investment decisions for the private equity funds that are managed by Maj Invest Equity.
  - 2.2 Maj Invest Equity manages several alternative investment funds with two different investment strategies, and according to SFDR is a Financial Market Participant. Several requirements in the EU Disclosure Regulation, including reporting, are relevant for Maj Invest Equity. Due to its size (fewer than 500 employees), Maj Invest Equity is not subject to some of the requirements.
- 3. Definitions**
  - 3.1 Sustainability risks or ESG risks are defined – according to SFDR – as an environmental, social or governance (ESG) event or condition that, if it occurs, could cause an actual or a potential material adverse impact on the value of the investment.

3.2 Sustainability factors are – according to SFDR – environmental, social and employee matters (ESG factors), respect for human rights, anti-corruption and anti-bribery matters.

#### **4. Investors in Maj Invest Equity funds**

4.1 Investors in the funds managed by Maj Invest Equity will receive information concerning sustainability risks, before entering into an investment agreement, among other things concerning i) how Maj Invest Equity integrates sustainability risks in its investment advisory services/investment decisions; and ii) probable impacts of sustainability risks on the returns on the funds managed by Maj Invest Equity; or iii) information on how sustainability risks are not assessed to be relevant for the funds managed by Maj Invest Equity, and the reasons for this.

4.2 Where relevant, investors' preferences in relation to sustainable products will be surveyed as an element of the establishment of an investment agreement. Maj Invest Equity and the investor will assess whether the funds offered by Maj Invest Equity can match the investor's preferences.

4.3 Investors in the Maj Invest Equity funds will receive information about the products/services managed by Maj Invest Equity of which the purpose is sustainability, or for which this is one of several characteristics. Investors will receive quantitative reports concerning sustainable products/services which reflect the requirements in SFDR. These requirements will be implemented later.

4.4 For further information for investors on how Maj Invest Equity handles sustainability risks, see under the link in section 6.2.

#### **5. About Maj Invest Equity's products and sustainability risks**

5.1 Maj Invest Equity manages alternative investment funds (AIFs). Maj Invest Equity's investment teams have fixed processes for the selection of investments in their investment advisory services/investment decision processes. In this process, sustainability factors may be one of several factors in the overall assessment, depending on the individual investment strategy. The approach may vary between strategies, but includes cooperation with external consultants, including with focus on assessment of ESG factors. Read more about this in Maj Invest Equity's Responsible Investment Policy. Maj Invest Equity aims for the funds offered by Maj Invest Equity to include funds with a higher sustainability classification (Article 8 or 9).

- 5.2 As the requirements concerning sustainability classification and reporting enter into force and are incorporated, Maj Invest Equity will present and report sustainability information concerning funds and include this information in investment advisory services.
- 5.3 On an ongoing basis, Maj Invest Equity's management assesses whether actual ESG events or incidents have occurred that entail sustainability risks of significance to the investment advisory services.

## 6. About Maj Invest Equity's information on its website

- 6.1 On its website, Maj Invest Equity must continuously disclose how sustainability risks are integrated into investment advisory services/investment decisions, and whether Maj Invest Equity's investment advisory services take account of the principal adverse impacts on sustainability factors; or alternatively, why Maj Invest Equity, in its investment advisory services/investment decisions does not take account of the investment advisory services/investment decisions' adverse impacts on the sustainability factors; and if relevant, whether and when account will be taken of such adverse impacts. The information will be presented in Appendix 1, which will be kept updated and will be approved annually by the Board of Directors. The information will reflect that Maj Invest Equity has fewer than 500 employees.
- 6.2 Information on Maj Invest Equity's general approach to sustainability is available at: [majinvest.com/en/private-equity/responsible-investment/](https://majinvest.com/en/private-equity/responsible-investment/) and [majinvest.com/en/private-equity/responsible-investment/](https://majinvest.com/en/private-equity/responsible-investment/)
- About Maj Invest Equity's **ESG Policy**
  - About Maj Invest Equity's **mandatory information** concerning sustainability
  - About Maj Invest Equity's **management's assessment of principal adverse impacts** on sustainability factors
  - About Maj Invest Equity's **remuneration policy and sustainability factors**, including
  - About Maj Invest Equity's **general information concerning salary policy and remuneration, and compliance with governance requirements**
- 6.3 Prior to the full implementation of sustainability information and reporting requirements for products/portfolios, Maj Invest Equity has published the following:

*Maj Invest Equity manages alternative investment funds (AIFs) and is subject to elements of SFDR. As the requirements concerning sustainability classification and reporting enter into*

*force and are incorporated, Maj Invest Equity will to a greater extent be able to apply sustainability factors to the management and intermediation of funds. Maj Invest Equity's investment teams select investments according to fixed investment decision processes. The approach may vary between strategies, but includes cooperation with external consultants, including with focus on assessment of ESG factors. Read more about this in Maj Invest Equity's Responsible Investment Policy. Sustainability factors may be one of several factors in the overall assessment, depending on the individual investment strategy. Maj Invest Equity aims for the products/services offered by Maj Invest Equity to include funds with a higher sustainability classification (Article 8 or 9).*

## **7. Infringement and revision**

- 7.1 Responsibility for compliance with this policy is held by the Executive Board of Maj Invest Equity.
- 7.2 In the event of non-compliance with the policy, the Executive Board must notify the Board of Directors. In collaboration with the Board of Directors, the Executive Board will take the measures necessary to ensure that the policy is complied with once again.
- 7.3 The policy is revised annually by the Executive Board, or as required, including on any significant changes in the underlying assumptions, and is approved by the company's Board of Directors.
- 7.4 Questions concerning Maj Invest Equity's ESG Policy may be addressed to the company at [info@majinvest.dk](mailto:info@majinvest.dk).

## **8. Entry into force**

- 8.1 This policy enters into force on 10 March 2021.

Considered by the Board of Directors on 2 March 2021 and approved on 2 March 2021.

Board of Directors:

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Chairman of the Board of  
Directors  
Tommy Pedersen

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Board member  
Maria Hjorth

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Board member  
Nils Bernstein

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Board member  
Jørgen Tang-Jensen

## APPENDIX 1

To the extent that products/services include sustainable products (Articles 8 and 9):

- Details of the policies for the identification and prioritisation of the principal adverse sustainability impacts and indicators
- A description of the principal adverse sustainability impacts and of any actions in relation thereto taken or, where relevant, planned
- Brief summaries of engagement policies (Responsible Investment)
- Reference, where relevant, to adherence to responsible business conduct codes and internationally recognised standards for due diligence and reporting, etc.