

Herkules Responsible Investment (“RI”) Policy

Responsible and active industrial ownership

The Herkules investment approach is to achieve value creation through industrial and long term ownership. The firm is built on a fundamental respect for the history, culture and experience within each individual company. Herkules aims to be a responsible and active owner, focusing on developing companies together with management and employees.

Herkules believes exercising social responsible investing and high ethical standards are prerequisites for ensuring long-term value creation. Herkules is, as such, focused on environmental, social and corporate governance throughout its operations.

Herkules aims to be compliant with EVCA’s ESG Guidelines incorporated in EVCA Code of Conduct, EVCA Governing Principles, EVCA Corporate Governance Guidelines and EVCA Reporting Guidelines.

RI Policy

- Herkules shall act as a responsible owner that seeks value creation through implementation of Environmental, Social and Governance principles
- Herkules shall consider Environmental, Social and Governance factors in all stages of the investment process including in the evaluations of a company and during the period of ownership of the portfolio companies
- Herkules will set expectations to our portfolio companies that they understand and manage their most material ESG challenges and opportunities

RI principles

Environment

Herkules shall support a precautionary approach to environmental challenges and seek environmentally friendly solutions throughout its operations. Herkules shall encourage the portfolio companies to consider their material environmental issues and when relevant the following matters when conducting its business activities;

- the efficient use of resources including energy, raw materials, land and water
- limitation of pollution including green house gas emissions
- ensuring responsible waste management, including handling of harmful waste
- ensuring environmentally friendly supply chain choices where commercially practicable
- the promotion and development of environmentally friendly technologies

Herkules expects portfolio companies to operate in compliance with environmental laws and regulations.

Social

Herkules shall seek to create a sound workplace for its employees with good working conditions and a good working environment. Herkules shall remain committed to respect the human rights of those affected by our investment activities and to comply with applicable national and local labor laws in the countries Herkules invest. Herkules shall encourage the portfolio companies to consider their material social issues and respect basic labor rights when conducting its business activities;

- the employee working conditions such as minimum wages, working hours and the health and safety of the employees
- the freedom of association and the effective recognition of the right to collective bargaining;
- the elimination of all forms of forced and compulsory labor;
- the elimination of child labor; and
- the elimination of discrimination in respect of employment and occupation

Ethics and Corporate Governance

Herkules aim to be characterised by high ethical standards;

- Herkules shall work against corruption in all its forms
- specifically, Herkules shall not invest in companies that are involved in anti-personnel mines, cluster weapons, key components to weapons of mass destruction and direct operation of nuclear power plants. In addition to this, Herkules shall not invest in companies which main activities are pornography or manufacturing of tobacco products

Herkules adhere to generally accepted guidelines for corporate governance, and encourage sound governance practices in its portfolio companies

Herkules shall be transparent and accessible, and engage in honest and open dialogue with its relevant stakeholders