



# CNI Policy on Environmental, Social and Governance

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## 1. Introduction

At CNI we build companies and accelerate their growth. Our investment approach is to fund and support exceptional entrepreneurial businesses that create true and sustainable shareholder value as they grow.

CNI recognises that concern for the climate and environment, respect for human rights including labour rights, high business ethics and good governance are fundamental elements for a sustainable development. CNI strives to contribute to such a sustainable development and has therefore adopted this Policy on Environmental, Social and Governance (ESG) (“the **ESG Policy**”).

The purpose of this policy is to describe internally to employees and externally to investors and investee companies CNI’s position regarding ESG, both in terms of our internal work and how concern for ESG factors influence our investments process.

### *Related policies*

More information on how sustainability risks is integrated into CNI’s investment decision-making process in accordance with the Sustainable Finance Disclosure Regulation is formalised in CNI’s Sustainability-related disclosures policy.

## 2. Investment process

CNI is a long-term growth investor and believes that responsible ownership goes hand in hand with ESG matters. CNI invests in entrepreneurs, their ideas, their workforce and workplaces and thereby strives to generate returns for investors while positively influencing the environment and promoting social development in key areas.

CNI considers ESG matters in the full investment cycle, pre investment and during our ownership as well as when we prepare for divestments. Our greatest possibility for impact lays in considering ESG in the pre-investment phase. Our possibility to impact our investments during the ownership period depends mainly on the ownership stakes our funds hold in the respective portfolio company.

CNI’s investment process considers ESG factor in multiple steps:

### 1. *Negative screening*

### 2. *ESG due diligence*

#### *Negative screening*

CNI excludes certain businesses and sectors that we consider having a negative impact on people or the planet. CNI will never invest in:

- Mining, nuclear or oil and gas industries;
- Companies with practices that harm the life for future generations;
- Companies with practices or products relating to alcoholic beverages, tobacco, gambling/casino operators, pornography and addictive substances;
- Companies that produce weapons including defence material;
- Companies that have a documented history of poor human rights or labour practises; or
- Companies that have documented history of unethical business practices e.g., tax avoidance, corruption or fraud.

#### *ESG due diligence process*

Prior to any investment, CNI conducts a due diligence, evaluating the potential investment case, understanding the business, and mapping the risks and possibilities. The key risks and opportunities identified in the ESG due diligence are included in the investment decision material. CNI’s ESG due diligence checklist is used to evaluate potential investment cases. ESG risks are assessed on (i) their expected magnitude (i.e., degree of impact); and (ii) likelihood of their impact.

## 3. Ownership

CNI strives to maintain a close contact with its portfolio companies. A close contact generates an important information flow that CNI can use in its continuous assessments of ESG risks and opportunities associated with a particular investment. Depending on its ability to influence a particular investment, often

depending on the investment stake, CNI strives to impact portfolio companies to:

- increase diversity,
- strengthen corporate governance, and
- make ethical business decisions.

#### 4. Disclosure on ESG matters to investors

CNI will whenever possible, seek appropriate disclosure by its portfolio companies of key performance indicators; financial as well as ESG related. Transparent and truthful reporting is key when evaluating a fast-growing company. This includes the willingness and ability to measure and follow-up how value is created in terms of e.g., customer satisfaction, efficiency gains, cost reductions, use of resources and more sustainable ways of working.

#### 5. Internal sustainability efforts

CNI is actively supporting Oxfam in the fight of poverty, by making substantial annual donations. Oxfam uses 70% of donations for campaigns, humanitarian, and development programs and 30% for fundraising, administration, and trading programs.