
Regulation 2019/2088 on sustainability-related disclosures in the financial services sector dated 27 November 2019 (SFDR)

Transparency of Sustainability Risk Policy

EIG incorporates material environmental, social and governance (ESG) factors into our investment process in a manner that does not necessarily bind investment decisions to particular outcomes on ESG factors. When evaluating investment opportunities, EIG considers a range of factors associated with such opportunities. EIG critically evaluates material ESG-related risks and opportunities germane to specific investments.¹ Further details of the material ESG factors that EIG routinely considers are set out in EIG's ESG & Climate Policy, and may include:

- Environment: GHG emissions, air quality, energy management, biodiversity and ecological impact, water and wastewater management.
- Social: human rights and community relations policies, employee engagement, diversity & inclusion, workforce health and safety, labor practices.
- Governance: business model resilience, supply chain management, business ethics & transparency, critical incident risk management, management of the legal and regulatory framework.

EIG aims to track relevant ESG data, and where appropriate, integrates such data into the investment research and due-diligence process. EIG routinely requests ESG information from portfolio companies through periodic ESG questionnaires and through direct portfolio company engagement. EIG publishes an annual ESG Report which provides detailed reviews of ESG efforts firm-wide and analysis and updates on ESG matters relating to the broader EIG investment portfolio. In addition, EIG seeks to provide periodic reporting to advisory clients upon request and as required by law and/or the organizational documents of the applicable investment product.

EIG has an internal ESG Committee that meets at least monthly and is responsible for setting the firm's ESG strategy and commitment, reviewing and assesses ESG diligence findings and makes recommendations to existing and proposed investments and making recommendations to the firm's Investment and Executive Committees.

EIG is a signatory to the United Nations-backed Principles for Responsible Investment, furthering its commitment to responsible investment which requires incorporation of ESG issues into investment analysis and decision-making processes. In addition, EIG was the first private equity firm to commit to Partnership for Carbon Accounting Financials (PCAF) to implement a standardized methodology for calculating emissions that can be compared across the financial industry.

Further information on EIG's current ESG program and strategic commitments for the future can be found in the following documents:

- [EIG 2023 ESG Report](#)
- [ESG & Climate Policy](#)
- [PRI Transparency Report 2020](#)
- [Partnership for Carbon Accounting Financials](#)

¹ 'Material ESG Factors' refers to ESG-related risks and opportunities and does not refer to adverse impacts on sustainability factors as set out in the SFDR.

Transparency of adverse sustainability impacts at entity level

EIG has considered, and continues to consider, material ESG factors in its investment process to seek to deliver risk-adjusted returns, but it does not consider principal adverse impacts (PAI) of investment decisions on sustainability factors as specifically set out in Article 4(1)(a) of Regulation 2019/2088 on sustainability-related disclosures in the financial services sector dated 27 November 2019 (SFDR). EIG has chosen not to do so for the present time as it considers that its existing ESG Policy and related procedures are appropriate, proportionate, and tailored to the advisory services it provides. Consideration of PAI in this manner is intended to be supported by European obligations on companies with an EEA nexus to self-report this data.

EIG continues to closely monitor regulatory developments with respect to the SFDR and other applicable ESG-focused laws and regulations, including the implementation of related and secondary legislation and regulatory guidance, and may, where required or otherwise appropriate, make changes to its existing policies and procedures.

Reviewed and updated: January 2024