

DVK III - POLICY ON GENDER EQUALITY AND DIVERSITY

1. BACKGROUND

At DVK III we want to create growth and returns in an ethically and socially responsible manner. This includes prioritising and promoting equal opportunities, gender equality and diversity.

We believe that gender equality and diversity are important principles to adhere to and we believe that improved gender balance and diversity across portfolio funds and underlying portfolio companies will benefit the financial performance and the ecosystem impact of DVK III investments.

Our points of reference for a policy on gender equality and diversity takes point of departure in the codes and guidelines established by Invest Europe (the European Private Equity and Venture Capital Association, EVCA) and the Danish Venture Capital and Private Equity Association (DVCA). Further, our focus on gender equality will mirror the principles set out in the Companies Act Article 139a and the ambition manifested in the guidelines of *UN's Sustainable Development Goals*, more specifically referring to *Goal 5: 'Achieve gender equality and empower all women and girls'* with more specific reference to *target 5.5: "Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life"*, with specific focus on: **5.5.1** *Proportion of seats held by women in national parliaments and local governments* and **5.5.2** *Proportion of women in managerial positions*'.

On an operational level we will incorporate the due diligence guidelines developed by the International Limited Partners Association (“ILPA”) when relevant and applicable.

DVK III is a fund of funds, meaning that DVK III as fund manager invests in funds that invest in companies. DVK III has a direct contact to and contractual relationship with its portfolio of funds but as fund manager, DVK III has no direct influence on or contact to the investments made by its portfolio of funds. Nonetheless, we will strive to promote equal opportunities, better gender balance and diversity across both portfolio funds and their underlying investee companies.

2. SCOPE

This policy on gender equality and diversity shall apply to all operations of DVK III and shall be applicable to all investments made by DVK III (DVK III’s portfolio of funds).

This policy aims to

- (i) promoting *awareness* of structural/cultural challenges related to gender diversity within our organization and within our portfolio of funds with specific focus on equal opportunities and gender diversity in management positions;
- (ii) establishing specific targets and ways to *measure* the promotion and progress of equality between women and men in management positions;
- (iii) identifying *due diligence* steps and monitoring mechanisms to be applied in the business of DVK III.

3. RESPONSIBILITY AND SUPERVISION

This policy is applicable to the board of directors of DVK III and to Vækstfonden as the appointed secretariat and investment manager to DVK III.

Questions regarding this policy should be addressed to CSR Advisor, Marie Lerche Ratzert by e-mail: mlr@vf.dk

DVK III’s investment professionals are primarily responsible for ensuring that the consideration of gender equality and diversity will be integrated into the evaluation of investments and into the monitoring of DVK III’s portfolio of funds.

The management of DVK III is responsible for maintaining and updating this policy to ensure its continued relevance. The implementation of measurable targets, controlling procedures and continuity hereof is anchored in the Fund of Funds department.

4. FOCUS AND PRINCIPLES

At DVK III we aim to promote equal opportunities, gender balance and diversity. We consider this a relevant and important part of optimizing the financial performance of DVK III – as well as to optimizing the long-term ecosystem impact of the DVK III investments. Therefore, we include such considerations in our decision-making, in our daily procedures and in our due diligence procedures.

We consider diversity and a diverse staff composition as vital to achieve an efficient organization and a qualified workforce and to deliver growth and investment returns. This applies to our own organization and to our portfolio of funds and their underlying investee companies. Thus, we strive to obtain/secure equal opportunities when hiring, promoting and dismissing regardless of gender, ethnic origin, religion, nationality, sexual orientation and age – however with an initial primary and actionable focus on gender.

As set out above under “Scope” we will structure our approach under three headlines:

(i) Awareness

DVK III recognizes that awareness and recognition of structural/cultural challenges in relation to gender diversity and (subconscious) bias is necessary to advance equal opportunity, gender balance and diversity. DVK III is dedicated to promote gender balance and women’s opportunities in its own organization and in the venture and private equity industry as such, including by articulating the current inequality in this business area/industry as well as by identifying and sharing best practices in its portfolio of funds and by collecting data and measuring change over time. Further, DVK III will expressly encourage portfolio funds to develop a policy on gender equality and diversity and actionable steps/tools to provide equal opportunities and increased employment and promotion of women – with the objective to strengthen performance and promote greater diversity in the management teams.

(ii) Measure

DVK III believes it is important to establish a number of measurable targets and to collect data across the DVK III portfolio of funds to measure progress over time. Establishing target figures for the share of women at different management levels will make it possible to quantify and monitor the progress in relation to the percentage of women at different management levels both with the fund managers and with the underlying portfolio companies. DVK III will on an annual basis discuss and set targets for the share of women at different management levels with both the fund managers and the underlying portfolio companies. The initial target is to double the share of women at different management levels by 31 December 2020 with both the fund managers and the underlying portfolio companies.

(iii) Due diligence

DVK III commits to consider gender equality and diversity in the course of its due diligence and analysis processes and in the monitoring of its portfolio investments to the extent reasonably practical, always in compliance with its obligations pursuant to applicable Partnership Agreements. Enhancing the dialogue with fund managers on the importance of gender equality and diversity, all things being equal, will generate attention and, hopefully, commitment to the subject.

Based on ILPA's 'Due Diligence Questionnaire, Version 1.2, Most-Recently Revised in September 2018', the following questions will become an integrated part of the due diligence-processes of DVK III:

- 1. Since the closing of the Firm's most recent prior fund, please describe the development/implementation of and/or any significant changes to the Firm's Diversity and Inclusion policy, Code of Conduct, and Family Leave policy;*
- 2. Describe the development/implementation of and/or any significant changes to the Firm's Diversity and Inclusion policy, Code of Conduct, and Family Leave policy that are expected in the next year;*
- 3. Describe the Firm's process for recruiting new employees to the investment team? Operations team? Administrative team?*
- 4. If applicable, describe the Firm's formal mentorship program;*
- 5. What percentage of the Firm's female employees were promoted in the last year? What percentage of the Firm's minority employees were promoted in the last year?*

6. *What percentage of the Firm's female employees departed in the last year? What percentage of the Firm's minority employees departed in the last year?*
7. *For investments made by the Firm during the last five years, what is the average percentage of female board members per company? Average percentage of minorities? Data should be as-of the earlier of the most recent quarter-end or the date the investment was exited. Only include investments in which the Firm held a majority interest (either directly or through "club deals");*
8. *If any claims of sexual or general harassment, misconduct, or discrimination have been made against any of the current and/or former Firm employees (while employed by the Firm) within the last 5 years, please provide details for each claim, including the charges, investigative process, and outcome, including disciplinary action. Note: Individual names should not be provided and are not being solicited in the questionnaire.*

The above ILPA questions do not represent an exhaustive list of questions or topics to be discussed with fund managers, as further questions that are more open-ended will form part of the dialogue to understand the relevant fund manager's policies and approach – and to promote the agenda.