

Epiris

Environmental, Social & Governance Policy

Introduction

We are committed to proactively identifying and managing the environmental, social and governance (“ESG”) issues that affect not only our portfolio companies but also our own operations. We believe that such an approach reduces risk and enhances the value of our investments.

Commitments

Underlying this Policy are three key commitments, namely that we will, to the best of our ability:

- Ensure the identification and management of ESG issues is integrated into the core of our and our portfolio companies’ business activities;
- Ensure we and our portfolio companies comply with relevant laws and regulations and seek to adopt best practice in the countries in which we and they operate as they relate to environmental protection, occupational and public health and safety, human rights, child labour, discrimination, labour and business practices;
- Seek to adopt, and encourage our portfolio companies to adopt, the highest ethical standards, and to consider environmental sustainability and social responsibility in all operations.

Four Pillars

We believe that, whilst every portfolio company will naturally have its own particular set of ESG risks and opportunities, certain ESG issues will be relevant to every portfolio company. We believe that we can be more impactful in respect of the management of these issues by sharing best practice, expertise and resources.

We have defined four such areas, referred to as our Four Pillars, and for each have set an aspirational target to guide our and our portfolio companies’ long-term ambitions:

- Climate change: we and our portfolio companies will support the transition to a lower-carbon economy and will be carbon-neutral by 2030, or as soon as technically and economically practicable thereafter;
- Sustainability: we and our portfolio companies will as far as possible source raw materials from sustainable sources, reduce our raw material consumption, reuse or recycle materials and products at the end of use, and reduce emissions of hazardous substances;
- People: we and our portfolio companies will aim to be employers of choice, to offer an open and inclusive working environment populated by a diverse workforce and which offers opportunities to contribute, collaborate and progress, and to recognise the importance of our people’s physical and mental health and safety; and
- Ethics: we and our portfolio companies will act with integrity and professionalism, with robust governance structures supported by training on key issues.

We recognise that where these aspirational targets require a significant change from the *status quo ante*, they may take many years to achieve in full.

ESG Integrated into Business Activities

We will ensure that ESG is an integral part of our investment selection and management processes.

We will screen all new investments to determine whether they derive a significant proportion of their profits from, or are otherwise involved in, gambling or the production and/or sale of alcohol, armaments, pornography and/or tobacco. We



will not make investments in such companies without ensuring these activities are undertaken lawfully and any issues of concern can be satisfactorily mitigated on ownership.

Before making an investment in a new portfolio company, we will perform discrete ESG due diligence to identify any issues of concern. The findings of this work, as well as an appraisal of any issues relating to our Four Pillars, will be reviewed by the Epiris Investment Committee.

Having made a new investment in a portfolio company, we will work with that company to develop an ESG Plan setting out targets for improvement in relation to both our Four Pillars and any other material ESG risks and opportunities identified. This will also include a set of Key Performance Indicators (“KPIs”) which will be regularly reported to both the portfolio company’s board and our ESG Committee. Working together, we and the portfolio company will monitor progress in implementing the ESG Plan and review and update the ESG Plan annually.

Information regarding the ESG Plan and progress will be not only disclosed to our staff, investors and other stakeholders, but also included in documentation provided to future purchasers of these investments.

Finally, we will lead by example by establishing and executing an ESG Plan in respect of our own operations.

Broader Landscape

The Four Pillars described above are part of a much broader set of ESG issues which will also be considered in the course of due diligence and ESG Plan development and implementation. This broader set includes:

<u>Environmental</u>	<u>Social</u>	<u>Governance</u>
Air and water pollution	Customer satisfaction	Accounting standards
Biodiversity	Data protection & privacy	Anti-competitive behaviour
Climate change	Diversity & equal opportunities	Audit committee structure
Deforestation	Employee attraction & retention	Board structure & committees
Ecosystems services	Employee engagement	Bribery & corruption
Energy efficiency	Government & community relations	Business ethics
Hazardous materials	Human capital management	Compliance
Land degradation	Human rights	Executive remuneration
Resource depletion	Indigenous rights	Lobbying
Waste management	Labour standards	Political contributions
Water scarcity	Labour-management relations	Risk management
	Marketing communications	Separation of Chairman & CEO
	Product mis-selling	Stakeholder dialogue
	Product safety & liability	Succession planning
	Supply chain management	Tax matters
		Whistleblower schemes

Ownership

This Policy has been approved by the Epiris Partners and communicated to all staff, investors in funds managed or advised by Epiris, and companies in which such funds have invested. The Managing Partner of Epiris, Alex Fortescue, is ultimately responsible for ESG issues; he has delegated day-to-day responsibility for Epiris' ESG Policy and approach to the firm's ESG Committee, chaired by Alex Cooper-Evans.

We will ensure, through the development and implementation of ESG Plans, that ESG is on the board agenda of every company in which we invest, and that performance in implementing its ESG Plan is reported by each company not only to its board but also to us at least quarterly.

We recognise that the management of ESG issues is an ongoing and evolving process and therefore are committed to monitoring and reviewing our activities and efforts in order to ensure continual improvement in ESG performance. This Policy, and the underlying framework supporting its implementation, will be reviewed by Epiris' ESG Committee on an annual basis.

Alex Fortescue
Managing Partner
31 December 2020