RESPONSIBLE INVESTMENT POLICY

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CONTENTS

1. INTRODUCTION

This document outlines the fundamental elements of Pacific Equity Partners ("PEP") Responsible Investment ("RI") Policy ("the Policy").

The Policy articulates our strategy for responsible investment, mandating the integration of environmental, social, and governance ("ESG") considerations into our investment activities.

This policy is presented as a separate document but should be considered in conjunction with our ESG report and other comprehensive investment policies and procedures.

The Policy was initially put into effect in 2013 and undergoes periodic reviews conducted by the Executive Committee and PEP's internal dedicated ESG resources.

2. SCOPE

This Policy is applicable to all investments made by PEP, irrespective of the portfolio, industry, or geographical location. PEP's responsible investment policy does not apply to investments made or managed by third party managers of funds or investment vehicles in which PEP invests, as PEP does not exercise control over the investment decisions of such external managers. PEP will continue to exercise its discretion as it relates to responsible investment.

3. RESPONSIBLE INVESTMENT GUIDELINES

PEP's responsible investment guidelines do not apply to investments made or managed by third party managers of funds or investment vehicles in which PEP invests, as PEP does not exercise control over the investment decisions of such external managers. PEP will continue to exercise its discretion as it relates to responsible investment.

3.1. PRINCIPLES FOR RESPONSIBLE INVESTMENT

In alignment with our responsible investment principles, PEP became a signatory to the United Nations Principles for Responsible Investment ("UNPRI") on 14 September 2012.

We adopt and implement the six Principles for Responsible Investment ("Principles") in our investment practice:

- **Principle 1**: We will incorporate ESG issues into investment analysis and decision-making processes.
- **Principle 2**: We will be active owners and incorporate ESG issues into our ownership policies and practices.
- **Principle 3**: We will seek appropriate disclosure on ESG issues by the entities in which we invest.
- **Principle 4**: We will promote acceptance and implementation of the Principles within the investment industry.

- **Principle 5**: We will work together to enhance our effectiveness in implementing the Principles.
- **Principle 6**: We will each report on our activities and progress towards implementing the Principles.

3.2. GOVERNANCE

Our framework for ESG governance is outlined as below:

Executive Committee	The Executive Committee has the ultimate responsibility for implementing our RI approach throughout the organisation.
Investment Committee	The Investment Committee is also accountable for making investment decisions in alignment to our RI policy, which includes assessing ESG risks and opportunities for each investment.
Operational Committee	The Operational Committee is responsible for monitoring the ESG performance of each investment during the holding period and for mandating deal teams to take action to enhance progress when necessary.
Deal teams	PEP's deal teams share the responsibility of adhering to the guiding principles of responsible investment throughout the whole deal lifecycle.
ESG Team	PEP's ESG team is responsible for steering PEP's ESG strategy, supervising its execution, and managing associated reporting

3.3. MATERIALITY OF OUR INVESTMENT

ESG factors introduce potential risks to our investments, and we proactively identify and, when appropriate, manage these risks. An ESG factor becomes material to a business when it is likely to have a significant financial impact on the company or one of its key stakeholders, or when it has a significant and unavoidable impact on the environment and society. Our ESG analysis takes into account externalities that could materialise during our investment horizon, starting from the due diligence stage, continuing throughout the holding period, and extending to the exit stage.

By taking ESG factors into consideration, we also uncover opportunities enhance the brand, reputation, and networks of our portfolio companies or to nurture their human resources, productivity, and innovation capabilities. We expect these advantages to accrue within the typical timeframe for holding our investments.

3.4. ESG TOPICS

Below are examples of ESG criteria that will be assessed as part of our investment decisions:

Environmental	Social	Governance
• **Climate change** • Energy Management • Natural resources use • Water & Wastewater management • Biodiversity and ecological impacts • Waste & Hazardous materials	• **Diversity, Equity & Inclusion** • **Employees health & safety** • Human rights & Community relations • Product quality & Safety • Customer welfare	• **Cybersecurity** • Modern slavery • Business ethics • Risk management • Management of the legal & Regulatory environment

In addition to the comprehensive range of ESG topics that will be factored into our investment decisions, we have pinpointed core focus areas that set the foundational standards for all portfolio companies. These include:

- Climate change, encompassing carbon footprinting and decarbonisation.
- Diversity, equity, and inclusion.
- Safety and security.
- Cybersecurity.

Moreover, we also take into account particular ESG risks and opportunities that are relevant to each unique portfolio company, tailored to the specificities of their respective industries.

3.5. SENSITIVE AND EXCLUDED ISSUES

PEP will not invest in companies that have a direct involvement in the manufacturing, marketing or sale of products that are illegal under applicable local laws, banned by global conventions or related to arms or weaponry. PEP will not invest in entities whose predominant business is gaming, gambling or tobacco. Where a company in PEP's portfolio has a non-incidental involvement in the following activities or sectors, we will take steps to ensure the involvement is and is perceived to be responsible:

- Animal testing;
- Animal furs;
- Gaming;
- Gambling;
- Genetically modified organisms and pesticides;
- Pornography;
- Uranium or nuclear power;
- Tobacco.

4. RESPONSIBLE INVESTMENT APPROACH

The following approach pertains to controlled positions, primarily managed through our Private Equity and Secure Assets investment strategies. In the case of our Capital Solutions and PEP Gateway investment strategies, only the pre-acquisition stages are pertinent, as our positions are non-controlling in nature. PEP's responsible investment approach does not apply to investments made or managed by third party managers of funds or investment vehicles in which PEP invests, as PEP does not exercise control over the investment decisions of such external managers. PEP will continue to exercise its discretion as it relates to responsible investment.

4.1. ESG INTEGRATION INTO INVESTMENT APPROACH

Portfolio Company Lifecycle				
Sourcing	Evaluating	Structuring	Managing	Harvesting
Identify ESG risks and opportunities	Determine materiality of ESG issues	Identify mitigants to ESG risks	Prioritise ESG focus areas	ESG disclosure
Test against PEP policies	Understand future trends	Structure incentives for enhanced performance	Measure and report over time	Value recognition
Due Diligence			Holding Period	Exit

ESG considerations are integrated into every stage of our deal lifecycle, as follows:

4.1.1. DUE DILIGENCE

1. Sourcing

- We evaluate the industry of the target company and determine if it falls within the scope of exclusions or sensitivity outlined in our ESG policy.
- We recognise potential risks and opportunities for enhancing the ESG capabilities of the target company.
- We translate potential impacts of material ESG risks and opportunities on value drivers.

2. Evaluating

- We consider the materiality of ESG considerations. To ensure a comprehensive evaluation, we utilise primary data from the target company, sector and national benchmarks, established sustainability reporting standards, and also take industry trends into account. In cases where it is deemed necessary, we collaborate with external consultants to help gauge the level of risk and opportunity linked to ESG factors.
- We discuss material ESG risks, opportunities and related mitigation plans during PEP Investment Committees. In cases where residual risks have been pinpointed, PEP takes one of the following actions:

- Choose not to pursue a prospective investment when due diligence uncovers substantial ESG risks that cannot be resolved to the satisfaction of the Investment Committee.
- Integrate pertinent provisions into the investment documentation to tackle ESG concerns.
  - Post acquisition and through the course of our ownership, integrate ESG-specific considerations into the regular business planning process, seeking to manage the risk as far as commercially practicable.

3. Structuring

- We seek deal structures that safeguard our investors from potential adverse ESG risks and optimise the benefits arising from ESG opportunities.
- We discuss and agree on incentives fostering positive ESG performance.

4.1.2. HOLDING PERIOD

4. Managing

- We collaborate with the management teams of our portfolio companies to create or refine their ESG strategy and the accompanying execution plan. This involves establishing industry and context-specific targets and implementing a tracking mechanism to monitor their advancements.
- We provide our portfolio companies with tailored resources and initiatives designed to facilitate the exchange of knowledge among other assets within our portfolio, enhancing our collective capabilities.

4.1.3. EXIT

5. Harvesting

When deemed suitable and commensurate with the exit strategy, PEP provides potential future owners with a defined perspective on accomplished ESG enhancements and forthcoming ESG improvement possibilities.

4.2. STEWARDSHIP

Engagement, cooperation and diligent oversight are all fundamental elements of our stewardship strategy. PEP will undertake the following actions alongside its portfolio companies:

- Engage in discussions with board members and management to convey PEP's ESG expectations, which encompass highlighting ESG topics considered pivotal by PEP, as well as other significant ESG issues relevant to their industry.
- Establish objectives for enhancing ESG aspects relevant to them and collaborate with management to outline the actions and timelines required for progress in those areas.
- When suitable, incorporate ESG targets into the short or long-term incentive structures of the portfolio company's management teams.

- Conduct assessments of the ESG performance of portfolio companies, and share the outcomes during PEP's Operational Committee meetings throughout the year.
- Ensure that portfolio companies have access to appropriate tools and platforms for the exchange and acquisition of ESG insights.

4.3. REPORTING AND DISCLOSURE

4.3.1. GENERAL REPORTING

PEP communicates its RI advancements to its Limited Partners in the following ways:

- Through quarterly investor calls and reports, serving as forums to divulge any ESG information we consider essential.
- Through the use of case studies to illustrate our engagement efforts and the integration of ESG practices that have resulted in success stories for our portfolio companies.
- By fulfilling our reporting obligations as mandated by any local or global RI initiative of which we are a member.

PEP will assess and disclose sustainability results in a manner that aligns with our RI approach and conforms to commonly accepted disclosure standards.

4.3.2. INCIDENT REPORTING

In the event of significant ESG incidents, we will notify our Limited Partners, providing them with details regarding the situation and the steps taken to address the occurrences.