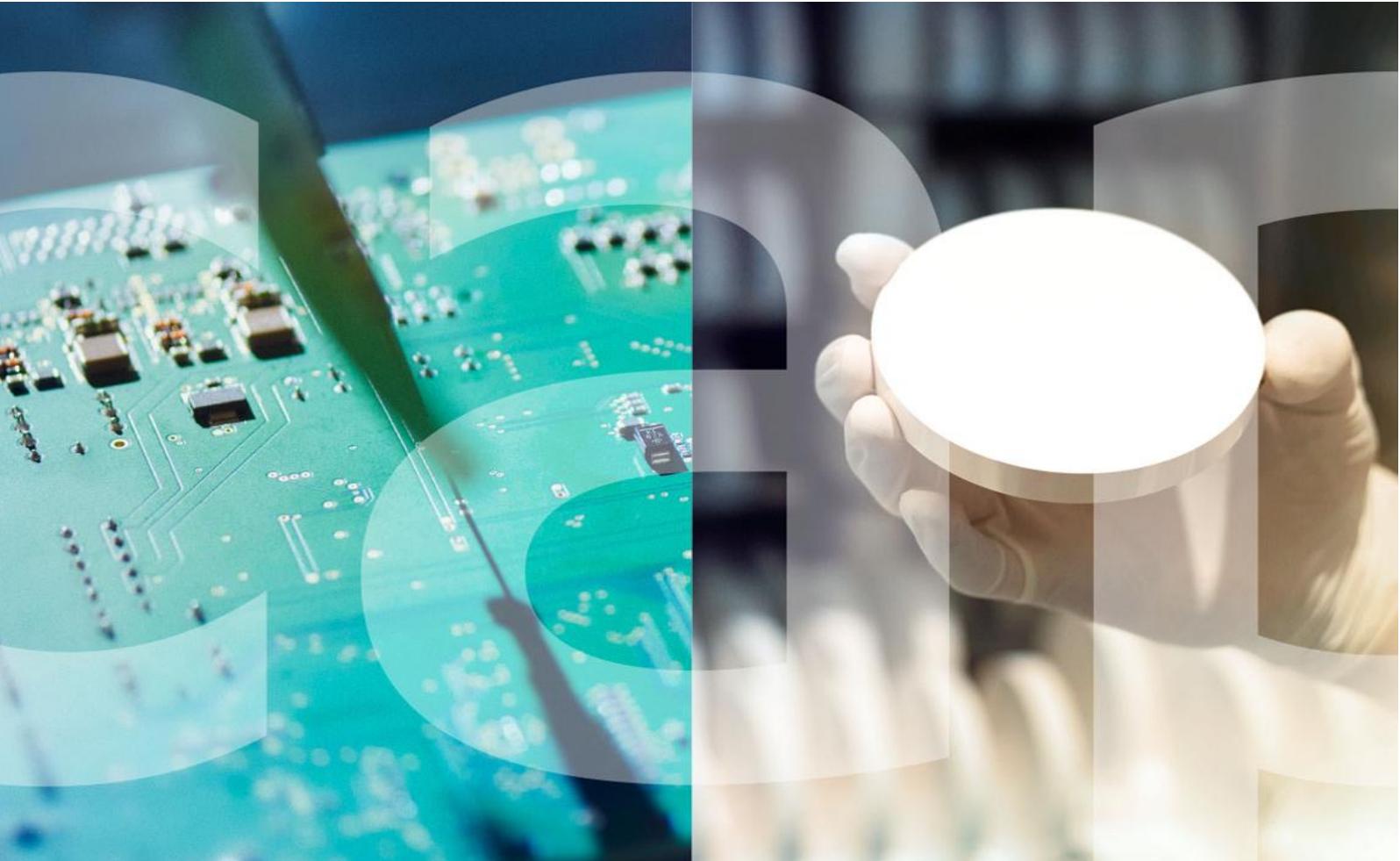


capvis



Responsible Investment Policy

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1. Responsible Investment at Capvis

Capvis AG is the exclusive Investment Adviser of the Capvis funds (together, “Capvis”).

Introduction Capvis places great emphasis on Responsible Investment (“RI”), and is committed to integrating Environmental, Social and Governance (“ESG”) considerations into its investment process through the application of this Responsible Investment Policy (“Policy”). Capvis has been a signatory of the United Nations Principles of Responsible Investment (“UNPRI”) since January 2015, and seeks to apply the six principles in its investments (outlined in Appendix 1). Furthermore, Capvis aims to support the UN Sustainable Development Goals (“SDGs”), where possible.

Purpose The main purpose of this policy is to translate Capvis’ responsible investment views into the investment life cycle. Capvis aims to embed sustainability in the heart of its investment philosophy and this is the reason why Capvis has developed its “Responsible Investment Programme”, with the aim of supporting portfolio companies in realising sustainable progress and gradually improving their ESG maturity (see 3. Responsible Investment Programme for an overview).

What RI means to Capvis To continue to be at the forefront of mid-market private equity investors, Capvis aims to set clear expectations for itself and its portfolio companies using three ESG Pillars (see 2. Relevant frameworks). Thus, the Responsible Investment Programme seeks to align investment and value creation activities with the long-term objectives of Capvis’ investors and broader society, where possible. The programme aims to drive sustainable development by fostering a dialogue between Capvis, its portfolio companies and other stakeholders, as appropriate, on how best to ensure sustainable and long-term success. Furthermore, it helps to serve as a basis for monitoring implementation of agreed improvement initiatives.

Capvis aims to adhere to the highest standards and values of business conduct, act responsibly as an investor, business partner and employer.

- Objectives**
- Capvis adheres to, and requires its portfolio companies to adhere to, the laws, regulations and best practices in all countries of operation;
 - Capvis and its portfolio companies aim to make a positive contribution to the community, to encourage development of its employees and to mitigate the environmental effects of its operations; and
 - Capvis expects each portfolio company to follow self-defined ESG standards and to implement its own ESG policy.

To foster sustainable growth Capvis has set the following goals, which it shall seek to implement, where possible:

- 1) improving carbon footprint;
- 2) supporting the SDGs; and
- 3) improving governance structures.

These goals (which may be updated from time to time) form the foundation of the Responsible Investment Programme and, together with the management of each of its portfolio companies, Capvis strives to identify opportunities to support the achievement of these goals.¹

Transparency Capvis places high importance on transparency in driving positive change. Capvis supports standardised disclosures in relation to sustainability information and strives to achieve transparency in how it incorporates ESG factors into its investment decisions and investment advice.

2. Relevant Frameworks

Capvis' Responsible Investment Programme uses the ESG Pillars below as a primary framework to identify and manage material ESG risks and opportunities throughout the entire investment life cycle. In addition, it may use the SDGs as a guide to identifying company-specific improvement projects.

ESG Pillars With the use of the ESG Pillars, the sustainability and ethical status of Capvis and its portfolio companies is monitored. The ESG Pillars are based on nine underlying metrics, which are included and further outlined in Appendix 2. These metrics are the guiding framework for the programme and are generally combined with a relevant complementary SDG for each metric, as determined by Capvis and/or third party advisers.

“E” for Environmental Capvis' activities and those of its portfolio companies can have an effect on the environment. Therefore, Capvis is committed to - and seeks to encourage its portfolio companies to commit to::

- complying with applicable environmental laws and regulations;
- supporting necessary improvements in energy efficiency measures;
- reducing emissions and energy consumption, where possible;
- mitigating climate change-related risks;
- reviewing material ingredients / product development / production processes for material adverse impacts; and
- considering the application of circular economy processes.

S” for Social Capvis and its portfolio companies strive to respect for human rights, provide suitable working conditions, where relevant, and comply with laws and regulations.

¹ Any ESG measures, targets, goals and/or initiatives referenced are not being promoted to investors and do not bind any investment decisions or the management or stewardship of any funds advised or managed by Capvis AG for the purpose of Regulation (EU) 2019/2088 unless otherwise specified in the relevant fund documentation or regulatory disclosures.

Furthermore, product safety and quality as well as occupational health and safety are cornerstones of Capvis' way of doing business. Capvis is committed to act as a good corporate citizen, to engage with various stakeholders and to be an active member in the communities Capvis' businesses operate in.

Capvis is committed to - and seeks to encourage its portfolio companies to commit to:

- providing good working conditions, including protecting health and safety and offering fair wages;
- committing to act in accordance with internationally recognised human rights and the International Labour Organisation conventions;
- taking steps to prevent child labor and any form of forced labor, including in supply chains;
- committing to core values with respect to human resources, including promoting diversity and inclusion;
- applying the EU General Product Safety Directive, to further ensure product quality and safety, where applicable;
- implementing proper stakeholder engagement processes; and
- considering team diversity as key for future success. The goal to increase diversity based on industry background, experience, educational development, nationality, gender, etc. is embedded in the Capvis Mission.

“G” for
Governance

Capvis has policies and processes relating to anti-bribery and corruption (“ABC”) and anti-money laundering (“AML”) in place and requires from each portfolio company to adopt such policies and processes.

Capvis is committed to - and seeks to encourage portfolio companies to commit to:

- following Code of Conduct principles which support Capvis' values and norms;
- implementing effective IT security practices;
- implementing organisational structures regarding the responsibilities for ESG topics;
- establishing a good Corporate Governance structure by installing a board of directors at each portfolio company with clearly defined roles and responsibilities in a board charter;
- ensuring transparency, through timely and adequate information, and annually reporting ESG progress and outcomes at fund and/or portfolio company levels;
- conducting risk analysis and mitigation.

UN
Sustainable
Development
Goals²

In 2015, the United Nations adopted 17 goals to end poverty, protect the planet and ensure prosperity for all as part of a new sustainable development agenda. Capvis wants to support the sustainable transition that is required in the pursuit of these goals and uses the SDG framework to support ESG discussions and to assist in defining sustainable improvement projects for its portfolio companies. See Appendix 3 for an overview of the 17 goals.

² The SDGs are aspirational in nature. Any analysis involved in determining whether and how certain investments may contribute to the SDGs is inherently subjective and dependent on a number of factors and Capvis AG makes no commitment or guarantee that it is investing in companies that have a formal commitment or plan or take specific actions to support or contribute to the SDGs.

3. Responsible Investment Programme³

The objective of Capvis' Responsible Investment Programme is to support portfolio companies in realising sustainable progress and gradually improving their ESG maturity, the sustainability of their operations and to achieve sustainable growth. Capvis has formalised its view on what constitutes a responsible investment, including a list of sectors which will not be invested in, which has been included in the prohibited industry sectors list (see Appendix 4). This view is furthermore translated into an approach (the Responsible Investment Programme) to improve the performance of Capvis and its portfolio companies.



Strategy & policy

1. ESG strategy and governance An ESG strategy was developed spanning the entire investment life cycle to which the Responsible Investment Policy forms the basis. With a comprehensive ESG integration approach Capvis aspires to generate sustainable value.

Capvis has defined clear roles and responsibilities for overseeing the integration of ESG considerations throughout the investment life cycle such as:

- the Investment Committee is responsible for the final investment selection. ESG considerations are part of the investment / divestment recommendation documentation;
- the Responsible Investment Programme is overseen by Capvis' Management Board; and

³ There is no guarantee that any environmental, social or governance ("ESG") measures or initiatives will be implemented or applicable to the assets held by funds advised or managed by Capvis AG and any implementation of such measures or incentives may be overridden or ignored at the discretion of Capvis AG at any time.

- implementation and monitoring of the Responsible Investment Programme is driven by the Capvis “Green Team”. The team consists of Investment Adviser representatives who focus on integrating and advancing sustainability within Capvis.

Material ESG risks must be reported to the Investment Committee and are managed as part of the internal governance processes, which usually comprise monthly and quarterly portfolio review meetings as well as participation review meetings with participation of portfolio company senior management. The process is overseen by Capvis’ Portfolio and Risk Management function. Furthermore, Capvis employees hold board positions in all portfolio companies thereby seeking to ensure a consistent application of Capvis’ principles and policies across all investments.

2. Sourcing and investment

Considering material ESG factors in line with this Policy is part of the investment process and considered when identifying potential investment opportunities and/or potential investment risks. Capvis is committed to making investments where it believes that a business or asset's practices can be improved through responsible ownership.

Negative screening is performed for illegal and potentially harmful products and services in accordance with Appendix 4. In addition to Capvis’ selection criteria, ESG due diligence is performed, with the assistance of external consultants, as a standard component of the selection process. In the decision-making process, sustainable performance and future potential of investments is actively taken into consideration.

During due diligence the target company’s ESG performance is assessed from a risk-perspective, and the investment opportunity may be declined if a material ESG risk is identified and cannot be remedied. Any material ESG-related findings, where performance can be improved, are included in the value creation plan.

3. Assessment

To identify potential ESG risks and opportunities during the holding period, an annual assessment is conducted and the results and proposed improvement projects are discussed and agreed at board level.

Capvis seeks to assist each portfolio company with the implementation of the Responsible Investment Programme as well as annual monitoring to measure performance and identify material improvements:

- a baseline assessment is conducted with the assistance of external consultants. The assessment is based on an external third party consultant’s proprietary framework that is intended to align with industry standards. Material themes identified across the portfolio company’s value chain by means of a materiality analysis are the focus of the baseline assessment. Furthermore, the identified material themes are linked to relevant SDGs as part of the value creation process;

- as part of the assessment, KPIs are monitored, and, where relevant, targets are set.⁴ Capvis has set portfolio-wide KPIs relating to the ESG pillars above. These KPIs correspond to the three portfolio-wide goals and relate to, amongst other things, carbon footprint (environmental), diversity (social) and the implementation of ESG governance policies (governance). Portfolio company management are engaged to determine the performance on company-specific material themes and KPIs. The company's level of ESG maturity is determined annually via a third-party assessment tool (see Appendix 5); and
- in addition, viable sustainability improvement opportunities are identified, which relate to a material theme and are aligned with at least one SDG.

The results of the assessment are discussed with the board of directors and ESG initiatives and targets may be set for the company. These initiatives aim to support the company in strengthening its ESG management.

4. Execution monitoring

Following the baseline assessment, value creation opportunities are implemented. Capvis' monitoring activities generally include:

- ESG policy implementation: companies are supported in adopting relevant ESG policies. The main policies include an ESG policy, Code of Conduct, Gifts policy, Anti-Bribery and Corruption policy, Whistleblowing policy, and a Privacy and Data Security policy. Capvis aims to take a hands-on approach to guiding companies in integrating relevant policies;
- KPI tracking: necessary data is collected to perform the annual assessments, monitoring progress and performance;
- sustainability projects: monitoring the implementation of initiatives and offering guidance where needed;
- carbon footprint improvement: monitoring carbon footprint, identifying opportunities to reduce footprint, and supporting companies in reducing their footprint, where possible.

5. Reporting

The ESG progress and performance of portfolio companies is assessed annually, during which value creation initiatives are reviewed and new value creation opportunities may be identified. Together with the board of directors of each portfolio company, the ESG performance is reviewed and relevant action is taken. ESG matters are formally discussed at least once a year at portfolio company board-level.

The company-level reports are aggregated in a fund-level report to assess the progress that has been achieved on the three portfolio-wide goals Capvis has defined. The progress on the Responsible Investment Programme is presented at

⁴ Targets or goals do not bind any investment decisions or the management or stewardship of any funds advised or managed by Capvis AG for the purpose of Regulation (EU) 2019/2088 unless otherwise specified in the relevant fund documentation or regulatory disclosures.

least annually to the Investment Adviser's Portfolio Review Committee and to Capvis' investors.

6. Exit As part of the exit readiness documentation, completed ESG initiatives and achievements are summarised in a case study and made available to prospective buyers.

Investment adviser operations

- Investment Adviser operations The Investment Adviser aims to reduce negative impacts from its operations. The Investment Adviser is a participant in the Responsible Investment Programme with annual ESG assessments and reporting as well as implementation of SDG projects that support portfolio-wide goals.
- The Capvis "Green Team" investigates and executes the Investment Adviser's internal sustainability opportunities as well as the education of employees.
- Training All investment managers receive training on how they should engage with portfolio companies on ESG topics.

4. Funds

- Funds
- the Limited Partnership Agreements and Private Placement Memoranda of the funds concerned reference RI/ESG Standards, where necessary.
 - Capvis' funds may be registered with the Jersey Financial Services Commission or the Commission de Surveillance du Secteur Financier in Luxembourg.
 - Capvis strongly believes that the key to the prevention and detection of money laundering and the financing of terrorism lies in the implementation of, and strict adherence to, effective systems and controls, including sound customer due diligence measures based on international standards. Capvis has engaged a third-party service provider to aim to ensure best in class compliance processes are followed in this context.
 - Capvis' designated service provider adheres to the guidelines set out within the Jersey Financial Services Commission's Handbook for the Prevention and Detection of Money Laundering and the Financing of Terrorism (the "AML/CFT Handbook") which establishes standards that match international standards issued by the Financial Action Task Force (the "FATF").
 - the AML/CFT Handbook takes account of the requirements of European Union legislation to counter money laundering and the financing of terrorism and its application of standards set by the FATF.

Capvis, the funds, its portfolio companies as well as its suppliers should commit to:

- living and promoting environmental, social responsibility and sustainability standards;
- promoting good corporate governance;
- minimising risk or negative adverse impacts from their activities by seeking to actively manage their direct carbon footprint;
- encouraging portfolio companies to identify opportunities for value creation; and
- supporting projects and initiatives aligned with certain SDGs.

Conflicts of interest

The Investor Advisory Board of each of the Capvis funds is available for the purpose of consultation in relation to the progress and strategy of the Capvis funds and obtaining advice in relation to potential conflicts of interest in relation to the respective General Partner's and the Investment Adviser's duties to the Capvis funds or in relation to transactions with, for or in connection with the Capvis funds. Prior to the respective General Partner, the Investment Adviser or any of their associates entering into any transaction which would constitute such conflict of interest, its terms shall be submitted to the Investor Advisory Board for review.

The respective General Partners for Capvis funds III, III CV, IV, V and VI mandates its exclusive adviser, Capvis AG, to implement this policy.

This policy will be reviewed periodically and amended as appropriate.

Appendices

Appendix 1: The six UNPRI principles⁵

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- We will incorporate ESG issues into investment analysis and decision-making processes.

 - We will be active owners and incorporate ESG issues into our ownership policies and practices.

 - We will seek appropriate disclosure on ESG issues by the entities in which we invest.

 - We will promote acceptance and implementation of the Principles within the investment industry.

 - We will work together to enhance our effectiveness in implementing the Principles.

 - We will each report on our activities and progress towards implementing the Principles.

Capvis has been a UNPRI signatory since January 2015.

⁵ <https://www.unpri.org/about-us/what-are-the-principles-for-responsible-investment>

Appendix 2: ESG Pillars and related metrics*

Categories	Key metrics
CLIMATE CHANGE 	<ul style="list-style-type: none"> • Environmental compliance
E MATERIAL CIRCULARITY 	<ul style="list-style-type: none"> • Energy efficiency
ECOSYSTEM QUALITY 	<ul style="list-style-type: none"> • Emissions
SOCIETAL IMPACT 	<ul style="list-style-type: none"> • Working conditions
S HUMAN CAPITAL 	<ul style="list-style-type: none"> • Talent management & diversity
FAIRNESS & INCLUSION 	<ul style="list-style-type: none"> • Product quality & safety
BUSINESS ETHICS 	<ul style="list-style-type: none"> • Governance & ethics
G SUPPLY CHAIN CONTROL 	<ul style="list-style-type: none"> • Transparency
ESG FORMALISATION 	<ul style="list-style-type: none"> • Integration of sustainability principles

**Not exhaustive, for a complete overview please refer to ESG expert platforms and professional service providers, e.g. SASB, GRI and MJ Hudson Spring.*

Appendix 3: Sustainable development goals



Appendix 4: Prohibited industry sectors*⁶

Sectors and business activities that Capvis excludes from a responsible investment and a strategic fund perspective:

No investment in a company whose primary business activities relate to:

- pornography or vice;

- the manufacturing, sales, or marketing of weapons, artillery, and ammunition to be used in the act of war or military conflict (“Military Products”), or components of the same, if the primary purpose of such component is for it to be included as a component in a Military Product;

- exploration for oil or gas;

- the manufacture of tobacco products;

- the operation of gambling facilities; or

- the operation of nuclear power plants;

No investment in:

- a company involved in (i) the production, trade and/or distribution of cluster bombs and/or anti-personnel mines (ii) the production of tobacco products or (iii) any activity of prostitution or procuring of prostitutes;

- a company that generates more than 20% of its revenues, from coal-based activities, including, but not limited to, (i) coal extraction, (ii) coal power generation, (iii) sale and production of electricity via a coal powered plant and/or (iv) coal mining; or

- any Portfolio Company which is involved in the illegal manufacture, sale or production of drugs under applicable law.

**as per Capvis Equity V L.P. Limited Partnership Agreement (LPA) and investor side letters*

⁶ The prohibitions listed below may be amended and/or supplemented by additional prohibitions and/or investment restrictions for specific funds. Investors should refer to the fund documentation and/or side letter commitments in respect of each fund for further information.

Appendix 5: Sustainability maturity model



Source: MJ Hudson Spring

Appendix 6: Capvis Code of conduct

	Art 1
Scope	<p>This Code of Conduct defines the fundamental principles applied by Capvis AG, Baar, Switzerland, and its subsidiaries (“Capvis”) in the conduct of their business globally, including in relation to the investment funds advised by Capvis and their respective portfolio companies. The Code of Conduct applies to all employees irrespective of their position within Capvis.</p> <p>The Code of Conduct is supplemented by further policies of Capvis as amended from time to time.</p> <p>We all are responsible for upholding the principles established in this Code of Conduct and all supplemental policies.</p>
	Art 2
Compliance with Laws	<p>We conduct our business in compliance with all applicable laws and regulations.</p>
	Art 3
Ethical Business Practices	<p>We act with honesty and integrity and treat our business partners with respect.</p> <p>We compete fairly and freely and will not do anything that is aimed at hindering, restricting or distorting fair and free competition.</p>
	Art 4
Conflicts of Interest	<p>We make decisions objectively. We ensure that our decision-making process is not influenced by personal interests. If our personal interests are in conflict with the interests of Capvis or any fund or portfolio company advised by Capvis, we will disclose such conflict of interest and ensure that appropriate steps are taken to address the situation. This also applies where the conflict of interest arises through a third party such as a relative or another business in which an employee has an interest.</p>

Bribery and Corruption	<p>Art 5</p> <p>We do not tolerate any form of bribery or corruption. Nobody within Capvis must directly or indirectly demand, accept, offer or grant any advantages in business transactions or in interactions with public authorities or their representatives with the intention to improperly influence decision making processes.</p> <p>Gifts, entertainment and other gratuities may only be offered or received in line with our Employment Regulations.</p>
Money Laundering	<p>Art 6</p> <p>We take appropriate measures to prevent any form of money laundering, use of illegal funds or financing of terrorism or other illegal activities within or as a result of our business operations.</p>
Social Responsibility	<p>Art 7</p> <p>We value diversity and do not tolerate any form of discrimination based on gender, race, religious beliefs, age, nationality, ethnicity, disability or sexual orientation.</p> <p>We protect the integrity of the personal data of our employees and business partners.</p> <p>We respect and support internationally recognised human rights.</p> <p>We are against any form of forced labour, child labour or human trafficking. All work performed within Capvis must be voluntary.</p>
Sustainability	<p>Art 8</p> <p>We are committed to operate our business in a sustainable manner with the goal to limit and reduce the consumption of resources, waste and emissions. We apply the United Nations' Principles of Responsible Investment ("UNPRI") in Capvis' investments. Furthermore, we are committed to the UN Sustainable Development Goals and aim to contribute to the accomplishment of these goals through our operations as well the operations of our investments.</p>

Art 9

Health and Safety

We observe applicable standards for a safe and healthy work environment and take appropriate measures to ensure the safety and wellbeing of our employees.

Art 10

Integrity of Information

We ensure that confidential information of Capvis and our business partners, such as technical and financial information or trade secrets, are appropriately protected and not disclosed without authorization. Third party information of a confidential nature will only be used for the purpose for which it was provided to us.

Art 11

Consequences of Violations

We take all actual or potential violations of this Code of Conduct and any other company policies very seriously. Violations may lead to disciplinary action adequate to the nature and circumstances of the violation.

Art 12

Contact

In case you have any questions or concerns in connection with this Code of Conduct or want to report any potential violation of the Code of Conduct, please contact your supervisor or the Compliance Officer.

Disclaimer

This policy has been prepared by Capvis AG (“Capvis”) for the main purpose of translating Capvis’ responsible investment views into the investment life cycle. It has not been prepared with regard to the circumstances or objectives of any particular person, or the suitability of a particular transaction or investment for any person, and no advisory or other relationship is created by this policy or any related communication.

This policy is directed at professional investors with experience in private equity investments only. Any investment or related transaction is only available to such investors and will only be entered into with such investors. No other person should rely on this policy.

Capvis does not provide investment advice or any other investment services to any person unrelated to Capvis, and Capvis’ only clients are the managers of Capvis funds. Capvis is not responsible to any other person for providing protections that would be afforded to clients or for advising any such person on any transaction or investment. Nothing in this policy should be construed as investment, legal or tax advice.

This policy does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, any investment and should not form the basis for entering into any transaction.

While Capvis seeks to develop or obtain information contained in this policy (“Information”) in a manner that it believes to be reliable, it makes no representation and accepts no liability or responsibility to any recipient of this policy or any other party in respect of the fairness, completeness, accuracy, quality, reliability or continued availability of any Information. Capvis may update, complete, correct or revise this policy or any of the Information at any time without notice, but is under no obligation to do so. Any and all warranties of any kind, express or implied, including without limitation warranties of merchantability, fitness for a particular purpose, title or non-infringement are excluded. To the maximum extent permitted by law, Capvis will not be liable (including in negligence) for any direct, indirect or consequential losses, damages, costs or expenses arising out of or in connection with the use of or reliance on this policy.

There is no guarantee that Capvis AG will successfully implement and make investments that create positive ESG impact while enhancing long-term value and achieving financial returns. To the extent that Capvis AG engages with companies on ESG-related practices and potential enhancements, such engagements may not achieve the desired financial or ESG results or outcomes, or the market or society may not view any such changes as desirable. The act of selecting and evaluating material ESG factors is subjective by nature, and there is no guarantee that the criteria utilized or judgment exercised by Capvis AG will reflect the beliefs or values, internal policies or preferred practices and/or expectations of any particular limited partner or other asset managers or reflect market trends. ESG factors are only some of the many factors that Capvis AG expects to consider in making an investment.

Although Capvis AG considers the application of its ESG framework to be an opportunity to enhance or protect the performance of its investments over the long-term, while also producing beneficial impacts for both society and the environment, Capvis AG cannot guarantee that its ESG framework, which depends in part on qualitative judgments, will positively impact the financial, climate or ESG performance of any individual investment or Capvis AG’s funds as a whole.

Any ESG measures, targets, programmes, commitments, incentives, initiatives, or benefits referenced in this Policy are not promoted to investors and do not bind any investment decisions or the management or stewardship of any funds advised or managed by Capvis AG for the purpose of Regulation (EU) 2019/2088 unless otherwise specified in the relevant fund documentation or regulatory disclosures.