

Epiris

Environmental, Social & Governance Policy

Introduction

Epiris is committed to proactively identifying and managing the environmental, social and governance (“ESG”) issues that affect new portfolio companies and its own internal operations. Epiris believes that such management reduces risk and enhances the value of its investments. This Policy statement sets out the underlying principles and commitments that drive the firm’s approach to ESG management.

In preparing the Policy, Epiris has considered a range of codes, standards and other guidance, including, but not limited to, the British Venture Capital Association (“BVCA”) *Responsible Investment Guide*, the six principles of the UN backed Principles for Responsible Investment (“PRI”) and the PRI’s *Integrating ESG in Private Equity: A Guide for General Partners*. Epiris also considers the opinions of its own staff and the investment criteria of its investors.

This Policy statement has been communicated to all of Epiris’ staff and is a public document, accessible via the firm’s website.

Commitments

Epiris will, to the best of its ability:

Seek to adopt, and encourage its portfolio companies to adopt, the highest ethical standards, and to consider environmental sustainability and social responsibility in all operations.

Ensure compliance with the relevant laws and regulations and promote best practice in the countries in which Epiris and its portfolio companies operate, as they relate to environmental protection, occupational and public health and safety, human rights, child labour, discrimination, labour and business practices.

Integrate the management of ESG issues into the core of its business activities, requiring their consideration during the evaluation of new investments, during its own and its portfolio companies’ day-to-day operations, and making performance against them a specific subject of disclosure to Epiris’ staff, investors and other stakeholders. As such, Epiris will:

- Lead by example by evaluating the key ESG issues associated with its own internal operations and then setting targets for annual improvement.
- Screen all new investments to determine whether they derive a significant proportion of their profits from, or are otherwise involved in gambling, the production and/or sale of, alcohol, armaments, pornography and/or tobacco.

Epiris will not make investments in such companies without ensuring that these activities are undertaken lawfully and the issues of concern can be satisfactorily mitigated on ownership.
- Ensure that wider ESG issues and opportunities are considered formally within the investment appraisal process, with appropriate pre-acquisition due diligence undertaken and specific discussion in its investment committee papers.
- Ensure that on ownership, every new portfolio company is required to evaluate its key ESG risks and opportunities via a standard Epiris process, drawing on the pre-acquisition due diligence where appropriate, and develop Key Performance Indicators (“KPIs”) and set targets to drive improvement and realise opportunities. Actual performance against these KPIs will be required to be reported to Epiris on an annual basis.
- Report Epiris’ own ESG performance and the performance of its portfolio companies to investors and other stakeholders on an annual basis.



- At exit Epiris will include details of a portfolio company's ESG performance in the information to be disclosed to potential buyers, in order to demonstrate the improvements made during the ownership period and the value enhancement achieved.

Areas of Focus

As part of the above, and in addition to compliance with regulatory standards, Epiris specifically commits to promote (amongst other improvement areas) the following, where relevant, in its own operations, and those of its portfolio companies:

Environmental

- Reduction in energy consumption and the generation of the greenhouse gas ("GHG") emissions that contribute to climate change.
- Reduction in the consumption of water, especially in regions of known water stress.
- Reduction in the consumption of raw materials, especially virgin materials or materials likely to result in loss or harm of protected habitats and/or endangered species.
- Reduction in emissions to air and/or water and safeguarding against pollution.
- Enhancement of waste minimisation, reuse and recycling and a reduction of wastes being sent to landfill.

Social

- The wellbeing and health and safety of staff, customers and other interested stakeholders.
- A culture of equal opportunities that helps develop a diverse pool of talented staff and invests in them so that they may meet their potential, be retained and enhance the value of investments.
- The development and sale of products that are safe in use.

Governance

- Implement sound corporate governance by establishing clearly defined roles, procedures and controls within company management structures.
- Adoption of policies, practices and procedures that protect against fraud, bribery and corruption.

Ownership

Epiris recognises that the management of ESG issues is an ongoing and evolving process and therefore is committed to continued monitoring and the reviewing of activities and efforts in order to ensure continued 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
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