

Environmental, Social and Governance (ESG) Policy

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ESG purpose

Cinven is an active owner of businesses that seeks to contribute positively to the environment and society, both at the firm level and through its portfolio.

Responsible investment is a key priority for Cinven and is core to its investment strategy. When sourcing and assessing investment opportunities, and subsequently during its ownership period, Cinven seeks to invest in, and build, businesses that are:

- Mitigating and adapting to climate change;
- Ensuring the efficient and sustainable use of resources;
- Following responsible production and consumption practices;
- Embedding inclusion and diversity into their strategy and operations; and/or
- Upholding best-in-class moral, ethical, governance and labour standards.

Furthermore, Cinven avoids investing in businesses whose products, services or practices cause material environmental or social harm where there is no clear path during Cinven's ownership to:

- Mitigate, remedy or reduce the company's negative impact on the environment and/or society; and/or
- Support the company to have a more positive impact on the environment and/or society.

Cinven believes that a responsible approach towards its portfolio companies (including their employees, suppliers and local communities), the environment and society is an essential part of its success.

Cinven's goal is to build stronger companies in order to create value for its investors, portfolio companies and wider society. As part of this, Cinven is committed to embedding all relevant matters relating to Environmental, Social and Governance (ESG) throughout the investment process, supporting its portfolio companies to become more sustainable during Cinven's ownership and to build a strong platform to continue improving their sustainability performance post-exit.

While Cinven will seek to make such investments and/or build such businesses as described above, Cinven does not represent or warrant that any particular investment will exhibit all or any of the features described above as at the date of investment and would not be obliged to reject an investment opportunity or dispose of an existing investment where it failed or ceased to meet any or all of the features described above. In its capacity as a responsible investor, Cinven will engage with portfolio companies on such ESG matters and at such times, and may prioritise engagement on certain ESG matters over others, in both cases as Cinven determines to be appropriate in its complete discretion.



Scope of this Policy

This ESG Policy (the “Policy”) sets out:

- Cinven’s approach and expectations related to responsible investment;
- Cinven’s governance structure to ensure all relevant matters relating to ESG are assessed and managed appropriately; and
- Cinven’s processes and procedures to ensure all relevant matters relating to ESG are embedded throughout the investment process and in its stewardship of portfolio companies during its ownership period.

This Policy applies worldwide across the Cinven group and the Funds it advises or manages, and describes how Cinven’s ESG approach is implemented with regard to its private equity investments.

The Policy applies to all Cinven employees, who are expected to be aware of the content of, and procedures set out in, the Policy, which are periodically communicated to all employees when the Policy is revised. All employees receive periodic training on how to incorporate considerations of Cinven’s ESG expectations when carrying out their specific role, and to continually work to improve their focus on, and performance in, this important area. Cinven also expects this Policy to be relevant to its portfolio companies and advisors, as it sets out how Cinven engages with third parties on all relevant matters relating to ESG.

Cinven has been a signatory of the Principles for Responsible Investment (PRI) since 2009 and has agreed to its six Principles of Responsible Investment. Upon becoming a signatory to the PRI, Cinven developed its first ESG Policy in 2009. This Policy is aligned to the PRI; and Cinven seeks to comply with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the International Labour Organisation’s (ILO) declaration on Fundamental Rights and Principles at Work, the eight ILO core conventions and the International Bill of Human Rights.

This Policy and/or the procedures for its implementation may be altered at any time by Cinven’s Executive Committee. The Policy and procedures are to be reviewed on an annual basis by the Executive Committee, with support from the ESG Steering Committee.

Cinven strives to act as a responsible and active investor, using its position as a shareholder to encourage its portfolio companies to achieve the highest standards of business integrity and good governance. Cinven considers that good corporate governance and risk management must be embraced and undertaken at a portfolio company level. Relevant procedures should be tailored by the portfolio company to reflect its given industry, sector and activities.



Cinven's core ESG principles

All relevant matters relating to ESG are an important part of Cinven's evaluation of each investment opportunity. The following will be incorporated into Cinven's analysis, where relevant:

Environmental

- Mitigation of, and adaptation to, climate change
- Management of energy, including through consumption/usage and sourcing
- Responsible production and consumption, with a view to transitioning to a circular economy
- Sustainable use and protection of water and marine resources
- Pollution prevention and control
- Management of waste and hazardous materials
- Protection and restoration of biodiversity and ecosystems

Social

- Promotion of inclusive and diverse cultures and teams
- Being non-discriminatory (including on the grounds of gender, race, disability, sexual orientation and age)
- Preservation of human rights, ensuring no exploitation of child labour
- Support of local communities, including avoiding causing harm
- Application of sound labour practices in the workplace
- Protection of customer privacy and data security
- Acting responsibly towards customers, including through selling practices and product labeling
- Having a high regard for occupational health and safety, and the quality and safety of end products
- Responsible sourcing, working with suppliers that hold the same values as Cinven and its portfolio companies
- Consideration and promotion of animal welfare
- Promotion of charitable and/or other not-for-profit causes through corporate donations

Governance

- Transparent and accountable governance and management structures that allocate clear responsibilities and enable effective board reporting
- Effective internal control mechanisms, including appropriate policies and procedures
- Executive remuneration that contributes to long-term success of the business and sound risk management
- Adopting an ethical approach to business practices
- Compliance with both the letter and the spirit of the law, wherever it applies
- Meeting legal requirements, and society's expectations in important areas such as anti-bribery and corruption, competition law, anti-money laundering and sanctions
- Ensuring potential or perceived conflicts of interest are appropriately managed
- Seeking to comply with, and inform, industry standard ESG guidelines and best practices
- Accurate and transparent financial and non-financial reporting



ESG governance structure

Executive Committee

Cinven's Executive Committee is responsible for the firm's ESG strategy and oversees the implementation of this Policy. Within the Executive Committee, Cinven's Chief Administrative Officer is responsible for ESG matters, and Chairs the ESG Steering Committee.

Investment Committee

Cinven's Investment Committee undertakes the firm's investment selection process, including analysing all relevant matters relating to ESG. The Investment Committee determines whether an investment opportunity is aligned with this Policy. To make this determination, the Investment Committee may apply Cinven's ESG Investment Selection Framework (ISF), where relevant. Further information on the ISF is provided in section 5 of this Policy.

Portfolio Review Committee

Cinven's Portfolio Review Committee (PRC) is responsible for overseeing Cinven's post-acquisition investment management including all relevant matters relating to ESG. Its primary role is to review, and periodically refresh, the implementation of Cinven's post-acquisition Value Creation Plan (VCP) for each company, and monitor portfolio performance. For all new portfolio companies, Cinven develops an ESG-specific VCP. The PRC reviews implementation of the ESG-specific VCP and quarterly performance on all relevant matters relating to ESG for Cinven's portfolio companies. The PRC also monitors post-acquisition compliance with this Policy by Cinven's portfolio companies.

ESG Steering Committee

Cinven's cross-disciplinary ESG Steering Committee supports the implementation of this Policy and reports to the Executive Committee regularly on all relevant matters relating to ESG. The ESG Steering Committee advises the Executive Committee on the firm's ESG strategy and, alongside the PRC, monitors quarterly performance on all relevant matters relating to ESG at Cinven's portfolio companies and portfolio-wide.

ESG Investment Selection Framework (ISF) Committee

Cinven's ESG Investment Selection Framework (ISF) Committee provides guidance to the Investment team and Investment Committee on whether an investment opportunity is aligned with this Policy and how to apply the Investment Selection Framework (ISF), where relevant. The ISF is a framework which elaborates on this Policy with respect to each sector that Cinven invests in. Further detail on the ISF is provided in section 5 of this Policy. The ISF Committee is composed of approximately six senior managers from within the firm as agreed by the Executive Committee from time to time.



ESG governance structure continued

Managing conflicts of interest related to responsible investment

Cinven manages conflicts of interest in accordance with the firm's Conflicts of Interest Policy which includes details of procedures to identify, monitor and appropriately manage conflicts of interest throughout the firm's business and the investment process. The key objective of the Conflicts of Interest Policy is to ensure the primacy of the interests of funds and their investors. It seeks to achieve this by requiring the prompt identification of any possible conflict and then the taking of appropriate measures to suitably manage and mitigate that conflict. Management of a conflict may require disclosure and possibly also prior consent of the impacted party before proceeding. Any course of action with a material conflict that cannot be sufficiently mitigated will not be taken.

Cinven's approach to the management of conflicts of interest is aligned to its core ESG principles. Nothing included in this Policy should be taken to overrule the requirements in the Conflicts of Interest Policy.



How Cinven implements the Policy

Sourcing investment opportunities

Cinven's investment selection process including an assessment of all relevant matters relating to ESG. It is supported by the ESG Investment Selection Framework (ISF), a framework which elaborates on this Policy with respect to each sector that Cinven invests in. The ISF outlines three categories which a potential investment opportunity may fall within:

- 1 Misaligned:** Businesses that Cinven will not invest in. This is focused on products, services or practices that are not aligned with this Policy and are therefore out of scope.
- 2 'Review and Explain':** Businesses that Cinven may choose not to invest in. This is focused on products, services or practices that may not be aligned with this Policy and/or are otherwise controversial or potentially involve reputational risk for Cinven.
- 3 Aligned:** Businesses that Cinven will invest in. This is focused on products, services or practices that are aligned with this Policy (i.e. all other businesses that do not fall within (1.) and (2.).

An ESG matter will be in scope of the ISF where it is deemed material by Cinven; where there is no clear path to mitigate, remedy or reduce the environmental and/or social harm during Cinven's ownership; and where Cinven becomes aware of the matter during the investment selection process.

Where an investment opportunity falls within (2.), the Investment team will 'Review and Explain' how the investment opportunity aligns with this Policy and, where this is not conclusive, assess what further focused work is required to help the Investment Committee to form a view on the investment opportunity's alignment with this Policy.

Pre-investment due diligence

Before acquiring a business, Cinven seeks to identify material ESG risks or opportunities within the business and/or any external factors affecting the business. Based on in-depth sector knowledge, Cinven identifies the material ESG risk and opportunity areas for each investment opportunity and assesses the company's ESG Governance and Management capabilities, as well as undertaking reputational risk due diligence. This includes identifying Legal and Compliance-related risks, such as those relating to anti-bribery and corruption, anti-money laundering, competition law, sanctions and data protection.

Relevant matters relating to ESG may be business-specific or common to the industry, sub-sector and/or geography in which the business operates. The relevant matters relating to ESG are assessed through a variety of sources, including regulatory/compliance filings, investor disclosures and/or media reports. This initial exercise is an integral part of Cinven's overall due diligence exercise for each potential acquisition.

Where ESG risks and/or opportunities are identified, Cinven initially prioritises those that are most material. Internal discussions determine whether further assessment is required, and if so, independent analysis and expert advice from specialist external consultants may be sought to, for instance, undertake ESG-specific or additional legal due diligence.



How Cinven implements the Policy continued

Pre-investment due diligence continued

All relevant matters relating to ESG are included in investment papers, presented to, and considered by, Cinven's Investment Committee and Managing General Partner Board. A detailed section on ESG is required in all Investment Committee papers. The Investment Committee must assess all relevant matters relating to ESG before giving its approval and recommending any investment to the Managing General Partner Board for consideration.

If an investment opportunity involves any ESG risks which are deemed unacceptable, it will be rejected on those grounds.

In cases where material ESG risks are identified and deemed acceptable, a plan is developed by Cinven and agreed with management to prioritise, address, manage and/or remedy the risk. In some circumstances, relevant matters relating to ESG are incorporated into deal documentation.

Post-investment stewardship, monitoring and value creation

Once a company is acquired, Cinven implements a standardised approach to engage proactively with management on all relevant matters relating to ESG. Cinven places considerable emphasis on the early integration of ESG into post-investment strategic planning and implementation to ensure that material ESG risks and opportunities are identified and prioritised. As part of this, Cinven develops an ESG-specific Value Creation Plan (VCP) with each portfolio company as part of the broader VCP for the investment.

Cinven's post-investment approach to ESG includes:

A Introduction to Cinven's ESG approach and requirements

As a first step in Cinven's post-investment ESG review and monitoring process, portfolio companies are introduced to Cinven's 'ESG Guidelines for Portfolio Companies' (the "Guidelines"), a document which sets out requirements for the development of an ESG approach including ESG Governance, ESG Management and reporting requirements. In addition, the Guidelines provide useful resources for portfolio companies. Cinven offers support to implement the Guidelines directly and, where relevant, with the support of external ESG advisers.

B Assessment of company's ESG approach and reporting

Portfolio companies complete an ESG Assessment which consists of a comprehensive ESG questionnaire and assessments on specific topics such as climate (i.e. climate-related financial risks and opportunities assessment aligned to the recommendations of the Task Force for Climate Related Financial Disclosures (TCFD), cyber security and governance. Cinven reviews each new portfolio company's completed ESG Assessment, alongside the pre-investment ESG due diligence, to confirm or identify material risks and opportunities. The ESG Assessment includes a review of any existing ESG policies, procedures and reporting, and determines whether improvements or updates are required.



How Cinven implements the Policy continued

C Agree ESG Value Creation Plan with Cinven

Cinven's aims to support portfolio companies to become increasingly sustainable during and after Cinven's ownership through the ESG Value Creation Plan (VCP). Cinven works in close collaboration with senior management, ESG representatives and, where relevant, Board members within its portfolio companies to discuss and agree an ESG-specific VCP, prioritising initiatives and programmes that aim to reduce material ESG risks and/or maximise material ESG opportunities. The ESG-specific VCP of each portfolio company must be aligned with Cinven's approach and expectations related to responsible investment, as articulated in the Guidelines, and Cinven's ESG strategy. As part of this, Cinven works with portfolio companies to develop goals, targets and KPIs to track performance of the ESG-specific VCP. Cinven then works closely with management to monitor progress and support implementation of the ESG-specific VCP, based on where it is able to add value efficiently and effectively.

D Provide ESG performance and reporting updates to Cinven

All portfolio companies are required to report quarterly against ESG KPIs as part of Cinven's ongoing ESG performance monitoring. Cinven supports management to implement an ESG KPI reporting process aligned with Cinven's reporting requirements and, where relevant, to create bespoke, company-specific ESG KPIs. ESG KPIs are selected based upon the topics that are most material to Cinven's portfolio overall and each portfolio company, with reference to best practice external collaborations and reporting guidance such as the Sustainability Accounting Standards Board (SASB) Standards. ESG KPI data is reviewed on a quarterly basis by the relevant Deal team members, Portfolio Review Committee, ESG Steering Committee and by external adviser(s).

In addition, the Boards of Cinven's portfolio companies are required to review all relevant matters relating to ESG on a regular basis, with an executive Board member given specific overall responsibility for ESG matters. As such, Cinven regularly receives ESG KPI data and tracks performance against the ESG-specific VCP, and considers it in conjunction with the financial and operational performance of the respective portfolio company.



How Cinven implements the Policy continued

E Access to best practice and networks through Cinven portfolio and advisers

Cinven promotes responsible business practices among its portfolio companies by continuously sharing best practices, providing practical guidance and support, and enabling access to networks and external ESG advisers, including its Annual Portfolio ESG Conference. Cinven works with its portfolio companies to support them in establishing ESG Governance and Management structures, policies and procedures, provides access to appropriate resources, and requires compliance with regulatory obligations.

F Ongoing engagement to encourage continuous improvement

As part of Cinven's investment strategy, following the initial ESG assessment and ESG-specific VCP development phase, Cinven maintains a regular dialogue with its portfolio companies on all relevant matters relating to ESG. This includes oversight of how ESG considerations identified during the due diligence and post-investment process are being addressed and/or progress with implementing the ESG-specific VCP. If new or additional ESG matters arise during Cinven's ownership of a portfolio company, Cinven's approach mirrors that of its pre-investment approach. Cinven seeks to assess and, where relevant, rectify the situation through discussions with management and the development of an action plan. If a serious ESG risk is identified, the issue is escalated immediately to Cinven's Portfolio Review Committee, ESG Steering Committee and, depending on the gravity of the issue, to the Executive Committee and the Managing General Partner Board.



External reporting

On an annual basis, Cinven publishes an external ESG review which sets out how Cinven's ESG approach continues to progress and evolve, Cinven's management of material ESG risks and opportunities, and select case studies from its portfolio. Cinven seeks to maintain best-in-class practices for all relevant matters relating to ESG in the sectors it invests in.

As a signatory to the PRI, Cinven meets the signatory reporting requirements. Cinven also reports ESG-related information to industry bodies including Invest Europe and the BVCA.

In the UK, Cinven fully complies with the Private Equity Reporting Guidelines (PERG), an independent body which oversees transparency and disclosure within UK private equity. PERG is also responsible for monitoring Cinven for conformity with the Walker Guidelines, a set of enhanced rules on disclosure that apply to certain private equity firms and their larger portfolio companies in the UK.

Approved by the Executive Committee.