

Value4Capital ESG and Responsibility Policy

V4C firmly believes that for long-term success it must operate its business in a responsible manner. For our business to prosper, we must act with the highest integrity, transparency and governance in the interest of a sustainable business, economy and planet.

We are committed to integrating consideration of Environmental, Social and Governance (“ESG”) risks and opportunities into our investment activities. Further, our commitment to Responsibility and integration of ESG into our investment process determines not only how we operate our own business and make our investment decisions, but how we encourage our portfolio companies to act to take account of the interests of their stakeholders.

This ESG and Responsibility Policy (the “Policy”) sets out V4C’s commitment to professional standards, Responsible Investment and integration of ESG considerations into our investment activities. The Policy has been incorporated into our work procedures and internal governance to ensure that the entire firm works to meet these standards.

The Highest Professional Standards

V4C strives to adhere to the highest professional standards in its activities. It seeks to invest responsibly, taking account of Environmental, Social and Governance issues in its own business and those of its investments.

V4C is a member of Invest Europe and firmly adopts its Code of Conduct. That conduct requires the firm and all its collaborators to:

1. Act with integrity;
2. Keep our promises;
3. Disclose conflicts of interest;
4. Act in fairness;
5. Maintain confidentiality; and
6. Do no harm to the industry.

[The Invest Europe Handbook of Professional Standards](#) sets out further details on these core principals of conduct, which this policy supports. It also provides guidance on how to implement these principles in various aspects of the firm’s work, serving as a resource for the management of our activities. All V4C collaborators are expected to use these principles as a litmus test for their activities and decisions.

Acting Responsibly

Various international organisations have set out principles of Responsible Investment, including the [UN Principles for Responsible Investment](#) (“PRI”), to which the firm is a signatory. These and other industry guidance reflects the emerging consensus on the issues and their increasing importance to all investment firms and their investors. V4C expects to evolve this Policy and its practice as the Responsible Investment consensus develops and best practices themselves adapt and improve.

V4C strives to conduct its activities in compliance with the letter and spirit of Responsible Investment, while always fulfilling its primary fiduciary responsibilities to its investors. V4C will:

- Raise and manage funds which qualify for Article 8 of the EU Sustainable Finance Disclosure Regulation (“SFDR”), as not making sustainable investments but promoting, among other characteristics, environmental or social characteristics, or a combination of those characteristics, provided that the companies in which the investments are made follow good governance practices.
- In conjunction with other investment criteria, assess qualitatively and, where feasible, quantitatively the environmental, public health, safety, governance and social issues associated with target companies by evaluating risks and opportunities for improvement during due diligence and working with the portfolio companies to improve their performance on these measures throughout our ownership.
- Seek to be accessible to, and engage with, relevant stakeholders either directly or through representatives of portfolio companies, as appropriate.
- Seek to grow and improve the companies in which we invest for long-term sustainability and to benefit multiple stakeholders, including on environmental, social and governance issues. To that end, we will work through the board of directors or supervisory boards, as applicable, of portfolio companies on environmental, public health, safety, governance and social issues, with the goal of improving performance and minimizing adverse impacts in these areas.
- Seek to use governance structures that provide appropriate levels of oversight, particularly in the areas of audit, risk management and potential conflicts of interest, and to implement compensation and other policies that align the interests of owners and management.
- Remain committed to compliance with applicable national, state, and local labour laws in the countries in which we invest; support the payment of competitive wages and benefits to employees; provide a safe and healthy workplace in conformity with national and local laws; and, consistent with applicable law, will respect the rights of employees to decide whether or not to join a union and engage in collective bargaining.
- Maintain strict policies that prohibit bribery and other improper payments to public officials consistent with all applicable laws and the [OECD Anti-Bribery](#)

Convention.

- Respect the human rights of those affected by our investment activities and seek to confirm that our investments do not flow to companies that utilize child or forced labour or maintain discriminatory policies.
- Provide timely information to investors on the matters addressed herein, and work to foster transparency about our portfolio companies' activities.
- Encourage portfolio companies to advance these same principles in a way that is consistent with their fiduciary duties.

Environment and Sustainability

V4C seeks to minimise the impact of its activities and those of its portfolio companies on the environment and support businesses which conduct their activities with respect to the objectives of sustainability and the avoidance of material adverse impacts on the environment and planet.

We will not invest in companies which fall within the scope of our exclusion list ("Exclusion List"), set out in Appendix 1. This list includes activities making a substantial contribution to carbon generation and greenhouse gas emissions as well as activities that do not respect the development of natural capital. It prohibits us from investment in sensitive activities impacting bio-diversity and ecosystems. We look to the [United Nations Sustainable Development Goals](#), the [EU Taxonomy Regulation \(Regulation \(EU\) 2020/852\)](#), as well as the [Paris Agreement](#) for guidance.

V4C will also encourage its portfolio companies to be environmentally aware and work towards the goal of operating a climate neutral business.

V4C's strategy of focusing on investments in service industries means most of its investment will be Eligible for the EU Taxonomy. During our investment period, we will seek to promote actions that correspond to improved sustainability and a lower impact of the portfolio company on the Principal Adverse Impacts, as set out in the SFDR legislation ("PAI").

Prior to making an investment, V4C will consider and assess:

- (i) The compliance with the proposed investment against our Exclusion List;
- (ii) The potential environmental risks associated with the investment, both past and future by conducting an environmental risk assessment and/or due diligence tailored to the opportunity;
- (iii) The impact of our investment on the environment against the criteria of PAIs; and
- (iv) The post investment actions that we may be able to implement to reduce adverse impacts and ensure future improvements in the identified performance indicators.

V4C will ensure that its approach is robust and allows for (i) timely monitoring, (ii) learning and (iii) improving. For each investment, V4C will align its tracking methodology for climate action and environmental sustainability with the framework defined in EU Taxonomy.

V4C will implement the relevant procedures and guidelines of the [European Bank for Reconstruction and Development's Environmental Guidelines](#) applicable to investment funds in its investment activities as its core operating procedures in this area.

Social

V4C considers promoting of social objectives as a key part of our Policy, as our funds' investment strategy does not generate many environmental opportunities in the portfolio. We will look to the [10 Principles of the UN Global Compact](#) as guidance for our actions and decisions. In particular, V4C seeks (and will encourage its portfolio companies) to:

- invest in projects that encourage economic growth that can have a positive impact on the socio-economic development in the community and foster a better economic resilience.
- make a positive contribution to the communities in which it operates, including involvement in broader industry initiatives and organisations.
- be a responsible employer, creating an equal opportunities culture based on merit and performance.
- develop a workplace that promotes diversity, equality and inclusion, where every individual is valued and encouraged to succeed regardless of gender, race, ethnicity, religion, disability, sexual orientation, social origin, age or experience.
- provide its employees a safe working environment, including a workplace free of known health and safety hazards.
- respect the freedom of association of employees and the right to collective bargaining.
- work with suppliers, partners and investors who share our commitments.

Good Governance

We seek to invest in businesses that work to the highest standards of business ethics by implementing sound financial controls, transparency, monitoring, and compliance standards and by combating bribery, corruption, money laundering and other malpractice.

V4C believes that corporate governance is a critical element of a well-functioning company, enabling it to obtain long-term success. In its investments, V4C will seek to

use governance structures that provide appropriate levels of oversight, particularly in the areas of audit, risk management and potential conflicts of interest and to implement compensation and other policies that align the interests of all stakeholders.

In particular, we will look to Good Governance Practices as set out in SFDR Article 2.17:

- V4C shall remain committed to compliance by it and its portfolio companies with applicable national, state, and local laws in the countries in which we invest.
- V4C shall seek to implement clear and transparent decision-making structures in its own organisation and those of the portfolio companies, appropriate for the size and scale of the organisation. These processes should be clear to our collaborators and partners.
- V4C seeks to promote an awareness among our collaborators of the laws and regulations where the firm operates and their obligations in terms of compliance.
- In our investments, we will ensure compliance with the SFDR requirement that companies follow Good Governance Practices to be eligible for investment. In particular, we focus on ensuring compliance with the following Good Governance Practices, adapted for the private company status and scale of our investments:

Indicator	SFDR topic	Description
Employee Relations	Employee Relations	The company should be compliant with the 3 rd principle on labour relations on the UN Global Compact and not to be on the non-compliance list: the company should uphold the freedom of association and the effective recognition of the right to collective bargaining.
Bribery, corruption, and business ethics	Management Structure	The company should be complaint with the 10 th principle on anti-bribery and corruption of the UN Global Compact and not to be on the non-compliance list.
Reporting	Management Structure	The company shall make all public filings in a timely manner of its financial statements and reports to the respective authorities. It shall make available to shareholders regular and timely reporting of its operations and results as well as material developments in its business.
Tax behaviour	Tax Compliance	The company shall not have controversies on taxation and accounting with the relevant authorities, duly declaring and filing its returns and not engaging in tax avoidance.
Consistent remuneration	Remuneration	The company shall be consistent within the organization in its remuneration policy,

		without pay gap based on gender or other criteria.
Shareholder rights	Management Structure	The company shall be transparent, and all shareholders rights shall be periodically communicated to its shareholders. <i>In private companies, clear and transparent shareholders agreements shall be put in place to make clear the information rights and reporting obligations after the investment.</i>

- We shall seek to support our portfolio companies in improving their governance structures and shall regularly monitor and report on these efforts.

Reporting and Responsibility

V4C shall prepare and make available to investors in its funds an annual ESG report. The report shall include quantitative and qualitative assessments on the progress of V4C and its the portfolio in improving their ESG and sustainability performance. The report shall identify issues of non-compliance with this Policy and other ESG and sustainability issues. The requirement to participate in V4C’s ESG reporting regime shall be included in the investment documentation.

Every member of the V4C is responsible in some way for the implementation of this Policy, as its principals are integrated throughout our work processes. V4C’s Chief Financial Officer and Managing Partner have been designated as the responsible executives for the implementation of this Policy.

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Appendix 1 – Exclusion List

In addition to any fund specific exclusions, V4C makes a commitment not to invest in companies, businesses or projects (“Projects”), and will not support investment into Projects at the portfolio company level, that involve the following activities or the provision of services that directly relate to the problematic activities:

- Meat and dairy industries unless adopting or providing services to support sustainable animal rearing methods that contribute to improved greenhouse gas emissions efficiency.
- Crude oil refineries and installations for the gasification and liquefaction of coal or bituminous shale and services that support such activities.
- Thermal power stations and other combustion installations with a heat output of 300 megawatts or more and nuclear power stations and other nuclear reactors.
- Any installations for reprocessing of nuclear fuel, including high levels of radioactive waste.
- Integrated works for the initial smelting of cast-iron and steel; installations for the production of non-ferrous crude, metals from ore, concentrates or secondary raw materials by metallurgical, chemical or electrolytic processes.
- Integrated chemical installations, i.e. those installations for the manufacture on an industrial scale of substances using chemical conversion processes, in which several units are juxtaposed and are functionally linked to one another and which are for the production of: basic organic chemicals; basic inorganic chemicals; phosphorous, nitrogen or potassium-based fertilisers (simple or compound fertilisers); basic plant health products and biocides.
- Construction of lines for long-distance railway traffic; airports with a basic runway length of 2,100 metres or more; motorways, express roads and new roads of four or more lanes, or realignment and/or widening of existing roads to provide four or more lanes, where such new roads, or realigned and/or widened sections of road would be 10 km or more in a continuous length.
- Pipelines, terminals, and associated facilities for the large-scale transport of gas, oil and chemicals or for the transport of carbon dioxide (CO₂) streams for the purposes of geological storage, including associated booster stations.
- Storage sites for the geological storage of carbon dioxide.
- Large-scale sea ports, inland waterways and ports for inland-waterway traffic.
- Large dams and other installations designed for the holding back or permanent storage of water.

- Groundwater abstraction activities or artificial groundwater recharge schemes.
- Works for the transfer of water resources between river basins.
- Quarries and opencast mining.
- Extraction of petroleum and natural gas.
- Installations for storage of petroleum, petrochemical, or chemical products with a capacity of 200,000 tonnes or more.
- Large-scale logging or deforestation of large areas.
- Construction of high voltage overhead electrical power lines.
- Large-scale land reclamation and sea dredging operations.
- Large-scale primary agriculture or forestation involving intensification, land use change or conversion of priority biodiversity features and/ or critical habitats.
- Plants for the tanning of hides and skins.
- Installations for the intensive rearing of poultry or pigs.
- Project, which may have negative effect to biodiversity, harm archaeological sites and areas of importance for indigenous people.

Further, V4C will not invest in Projects which:

- Are illegal under the laws or regulations of the home jurisdiction for production, trade or activity or contravene any international or relevant national bans or restrictions on relevant activities.
- Involve human cloning.
- Involve research or development of GMOs.
- Involve research, development of technical applications relating to electronic data programs or solutions, which aim specifically at supporting any illegal activity, online gambling and pornography.
- Involve casinos and equivalent enterprises.
- Involve production of distilled alcoholic beverages or tobacco.
- Are exploitive of vulnerable groups or individuals.
- Involve or take advantage of child or forced labour.
- Involve the production or distribution of arms or munitions primarily for military purposes.
- Produce pornography.

- Cause more severe droughts, raise sea levels, result in a loss of biodiversity and other activities which create increasing risks to food and water security, coastal communities and livelihoods.
- Harm natural capital.
- Operate in heavy industries, which cause an increase in the global temperature;
- Have high greenhouse emissions.
- Expand into areas of high carbon stocks or high biodiversity value.