

L-GAM Responsible Investment Policy

1. Introduction

L-GAM recognizes the importance of our impact on the environment and society. We target responsible investments into businesses that make a positive contribution to shareholders, employees, and customers, in line with the long-term oriented investment and management approach that is enshrined in our core values. L-GAM believes that incorporating Environmental, Social and Governance (ESG) principles into its investment and portfolio management processes can enhance investment performance and develop a more sustainable strategy for its portfolio companies, while also benefiting society as a whole.

L-GAM has been a signatory of the United Nations Principles for Responsible Investment (Appendix I) since 2017 and is committed to making these principles an integral part of its investment activities.

Furthermore, L-GAM and its portfolio companies strive to adhere to the ten principles of the United Nations Global Compact (Appendix II), which we believe serve as an important guideline for both our investment activities, as well as the activities of our portfolio companies.

L-GAM has set high standards with this policy and expects to work towards its sustainability goals, which include:

- Limiting its environmental footprint
- Working towards a safe, respectful, diverse, and supportive work environment
- Ensuring business integrity and transparency for itself and its portfolio companies.

2. Purpose and Scope

The purpose of this policy is to articulate L-GAM's responsible investment approach through the investment life cycle, by setting out:

- The approach to integrating the consideration of ESG risks and value creation opportunities into the investment process
- The roles and responsibilities for its implementation
- The reporting and review processes

with which the firm and its professionals strive to comply.

This policy applies to all investments made by funds advised by L-GAM. Exception is made for cases where L-GAM has limited ability to conduct diligence or to influence and control the integration of ESG considerations in an investment — for example, in cases where L-GAM is a minority shareholder or debt provider — and it may not be feasible to implement and monitor ESG-related principles or processes. In such instances, reasonable efforts will be made to encourage portfolio companies to consider and apply such principles wherever appropriate and relevant for their business.

For the purposes of this policy, “material” ESG issues are those issues that L-GAM determines have, or have the potential to have, a direct substantial impact on an organization’s ability to create, preserve, or erode economic value, as well as environmental and social value for itself and its stakeholders.

3. L-GAM's approach

ESG Focus Areas

The L-GAM ESG approach is focused on the following ESG areas, which guide the material ESG topics that may be considered during the ESG due diligence and monitoring process:

Environmental	Social	Governance
<ul style="list-style-type: none"> ○ Emission of greenhouse gases ○ Energy consumption and efficiency ○ Efficient use of natural resources and effective waste management ○ Product development & circularity 	<ul style="list-style-type: none"> ○ Workers rights and conditions ○ Employee health, safety & wellbeing ○ Diversity & Inclusion in the workplace ○ Impact on community 	<ul style="list-style-type: none"> ○ Transparency ○ Business integrity ○ Corporate governance ○ Compliance and Data privacy

Exclusion Policy

L-GAM will not make investments in companies that are incompatible with the corporate values and ESG objectives of the firm. In particular, L-GAM will not knowingly make direct investments in:

- Companies whose principal activity relates to:
 - Pornography or vice
 - The direct 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 in a Military Product
 - Coal-based activities, including, but not limited to coal extraction and coal power generation
 - The manufacture of tobacco products
 - The operation of gambling facilities
- Companies which are involved in:
 - The production, trade and/or distribution of cluster bombs , antipersonnel mines, or nuclear/chemical/biological weapons
 - Any activity of prostitution or procuring of prostitutes
 - The systematic use of harmful or exploitative forms of forced or child labour
 - The illegal manufacture, sale or production of drugs under applicable law.

Asset Selection and Origination

ESG factors are part of the investment process and are considered when identifying potential investment opportunities.

L-GAM includes ESG factors in the early screening and analysis of the targeted investments and their teams. At this stage, investments are screened against the Firm's Exclusion Policy and specific Fund LPAs' restriction policies. The team also seeks to determine whether there are any critical ESG or reputational risks with regards to a target.

Pre-Investment Phase

Once a new investment opportunity is validated, the investment team carries out a due diligence of the targeted company. As part of the due diligence process L-GAM also evaluates the ESG profile of the business and seeks to assess potential ESG-related risks and to identify possible opportunities.

The due diligence will typically focus on an assessment of sector-specific ESG risks and opportunities of the targeted company, and a survey of the company's level of maturity on ESG matters in terms of policies and resources. Potential material issues and mitigation measures are explored, with support from ESG specialists and external advisors where required.

Any material risks and opportunities identified during the pre-investment process are included in the documents presented to the Investment Committee. The investment opportunity can be declined if a material ESG risk is identified and cannot be remedied.

Identified ESG matters or themes to be addressed are discussed with the portfolio companies management and where applicable integrated into value-creation plans and monitored over the lifetime of the investment.

Ownership Phase

During the period of ownership, L-GAM will encourage and assist the management of portfolio companies to identify and address material ESG risks and opportunities and work towards continuous improvement in these areas. It does so by engaging management on key topics or, where appropriate, by conducting ESG reviews and site visits in order to identify opportunities for improvement and ensure value creation.

L-GAM will ask the management of investee companies to undertake that it will operate in line with L-GAM's key ESG guiding principles (see sample Portfolio Company Undertaking in Appendix III) and encourage them to adopt similar business principles.

The progress of each portfolio company towards its ESG objectives is discussed at least once a year in a board meeting, where ESG topics are discussed and presented.

Where L-GAM funds have a minority stake in a portfolio company, the approach will be determined by the level of influence and control L-GAM has with the portfolio company.

Key ESG risks and opportunities are included in the Portfolio Review Committee documents and discussions, where applicable.

Exit

When exiting an investment, L-GAM seeks to evidence the progress made by portfolio companies on ESG, while working closely with the company's management to prepare the company to answer to ESG-related questions from prospective buyers. Where appropriate, we will consider engaging a specialist to conduct sell-side ESG due diligence in preparation for exit, to ensure that a potential buyer has a good understanding of the ESG risks and opportunities.

4. Roles and responsibilities

This policy is directed to all L-GAM employees, who are expected to incorporate sustainability objectives in their approach and to continually improve their performance in this area. Implementation of the policy rests with L-GAM's Portfolio Officer with the support of designated members of the Sustainability Team and is reviewed periodically by the Board of Directors.

L-GAM's Private Equity Investment Professionals are responsible for ensuring that the consideration of ESG issues is integrated into private equity investment decisions. The responsibility for training employees and monitoring the implementation of ESG principles with the portfolio lies with the L-GAM Sustainability Team.

Where required and appropriate, external specialists may be brought in to provide advice within L-GAM and to investee companies, both during the investment assessment process and during the portfolio management of investee companies.

5. Transparency and Reporting

Transparency is key for L-GAM and this is why L-GAM will include ESG matters on its periodic portfolio company report to Investors.

L-GAM will report at its annual Investors' conference agenda on the progress of implementation and impact of its ESG procedures, and any material ESG issues that have arisen or achievements made in its portfolio during the year.

We also complete the annual PRI signatory survey.

6. ESG at L-GAM

L-GAM has taken a series of concrete steps to work towards its sustainability goals in its own operations, including:

- Office equipment and supplies: We strive to be "paperless" where possible, minimizing handouts and copies of presentations and discussion materials. Office IT equipment is generally recycled or sent back to the manufacturer or other third parties for reuse.
- Business Travel and Commuting: We encourage cycle-to-work and the use of public transport where possible on business travel trips and to commute to the office. L-GAM's travel policy encourages remote participation for non-essential meetings.
- Employee health and well-being: our employees are entitled to health and dental plan, which includes a subsidised gym membership, to encourage physical health and well-being
- Personal development: our employees follow a detailed personal development path and plan to improve their skills.

Appendix

I. UN Principles of Responsible Investing

- 1** We will incorporate ESG issues into investment analysis and decision-making processes.
- 2** We will be active owners and incorporate ESG issues into our ownership policies and practices.
- 3** We will seek appropriate disclosure on ESG issues by the entities in which we invest.
- 4** We will promote acceptance and implementation of the Principles within the investment industry.
- 5** We will work together to enhance our effectiveness in implementing the Principles.
- 6** We will each report on our activities and progress towards implementing the Principles.

II. UN Global Compact



III. Portfolio Company Undertaking

L-GAM will request every portfolio company to undertake that the business of such company will be carried out in a manner that:

- a) encourages the efficient use of natural resources and promotes the protection of the environment;
- b) engages to determine (in the case of a high carbon intensity sector) and improve its greenhouse gas footprint;
- c) provides safe and healthy working conditions for its employees and contractors;
- d) treats all employees fairly in terms of recruitment, progression, remuneration and conditions of work, irrespective of gender, race, colour, language, disability, political opinion, age, religion, or national/social origin;
- e) upholds high standards of business integrity and honesty, complies with local laws and international good practice and does not directly or indirectly offer, pay, solicit or accept bribes in any form;
- f) takes account of the impact of its operations on the local community and seeks to ensure that potentially harmful occupational health and safety, environmental and social effects are properly assessed, addressed and monitored; and
- g) implements minimum standards for cybersecurity along with appropriate information protection practices and GDPR compliance.
- h) provides for the reporting as soon as practicably possible to L-GAM of any incident involving the Company that results in any loss of life or any material effect on the environment
- i) Observe the ten principles of the UN Global Compact.