

ENTERPRISING FINANCE B.V.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE RESPONSIBLE INVESTMENT POLICY

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I. INTRODUCTION

At Enterprising Finance we believe that investors and businesses should actively contribute to a positive and sustainable society and life environment. Although individual buyers can vote with their feet by avoiding to buy products that do harm to our environment or are manufactured by firms that behave immorally, do not take into account long term life quality, or do not treat their employees well, often buyers are not aware of the harm done through their product choices or are simply price and quality driven when deciding on their purchases. We believe that as funders of businesses we share a responsibility for standards in environmental, social and governance responsibility.

Beyond this principal belief, we translate our ESG focus into a framework that broadens our investment analysis to identify risks that can be financially material to our investment companies and to advise our businesses how ESG matters can be managed during our investment period to enhance value. Also, by investing after proper ESG diligence review we minimise our and our funds' limited partners' exposure to ESG related affairs.

As a relatively young asset management firm, Enterprising Finance has signed up to the PRI as a provisional signatory and is committed to the PRI's 6 principles.

PRINCIPLES OF RESPONSIBLE INVESTMENT

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. ESG RESPONSIBILITY WITHIN ENTERPRISING FINANCE

ESG matters are a key part of Enterprising Finance's investment considerations. Next to strategy, operational efficiency, financial performance, and legal and fiscal configuration, ESG is a business capability that we analyse when considering an investment. ESG analysis is a skill that all our investment professionals should master and take responsibility for. We do not appoint a separate ESG responsible person. We may use outside agents for ESG matters to support our investment analysis, like we do when we review other business capabilities.

III. ENTERPRISING FINANCE'S LEVEL OF INFLUENCE

Because we are a unitranche loan investor, our funds are by nature not majority owners of businesses and as such have more restricted legal mechanisms to influence our investment companies. Therefore, our ability to exercise influence on ESG related matters is limited.

IV. ENTEPRISING FINANCE'S APPROACH TO RESPONSIBLE INVESTING

Risk management focus

Because we are in-principle constrained in influencing our investment companies, in addressing ESG matters we primarily focus on factors that should withhold us from investing in the first place. Both from a macro level and micro level we try to be as prepared as possible. Macro-wise we analyse and evaluate developments in the political, legal and regulatory, environmental and social areas that are of influence on the operating environment of the businesses we invest in. On a micro level, being the circumstances at our potential investee companies, we place significant emphasis on our potential ESG matters long list and knowledge of specific ESG topics, in order to be better prepared during the deal origination phase when we apply our negative screening list and develop our potential red flags, narrowing this down to a workable ESG diligence review exercise.

Practicing ESG risk management

Firstly, we apply our exclusion list.

Secondly, during our deal screening and diligence review processes we take into account direct environmental impacts such as pollutive manufacturing processes or end products, but also energy efficiency, materials recycling and sourcing choices, and review company policies in these areas.

Thirdly, we consider to what extent ESG risks linked to the countries and categories of purchases have been analysed and what necessary control mechanisms have been put in place to ensure that ethical practices, sound working conditions, respect for human rights and proper environmental production conditions exist at its suppliers.

Post-investment we monitor agreed ESG covenants and representations, if applicable.

ENTERPRISING FINANCE'S EXCLUSION LIST

Businesses that engage in:

1. Illegal activities or the production of illegal goods.
2. The production of and trade in tobacco and distilled alcoholic beverages.
3. The production of and trade in weapons and ammunition.
4. The operation of casinos, amusement arcades and equivalent enterprises.
5. The production or trade in wood or other forestry products other than from sustainably managed forests.
6. Activities or production involving harmful or exploitative forms of forced labour or harmful child labour.

Putting ESG on the agenda

At Enterprising Finance, we believe that debt investors have a role in engaging with investee companies to make them more aware of ESG related matters if there is a requirement to do so. Here lies the ESG area beyond our risk management practice.

Our approach is to not automatically exclude companies from investing in them based on ESG performance. If we think ESG improvements can be made, we may initiate discussions with investee companies on ESG areas which we consider weak, individually or jointly with co-lenders or private equity investors. This strategy does not always yield the desired result. Therefore, if there is the opportunity, especially when owners and management teams ahead of our investment are open to ESG improvement, we may invest on the basis of an agreed plan of improvement that we can monitor post-closing.

During our investment holding, we may also engage with management and owners to understand how values, governance, ethics and human resource management are embedded within the investment company. Beyond effective decision making (which we test as part of our management assessment and legal diligence review) we screen for the existence of a business values statement, a standard on business and individual integrity and behaviour, and policies on diversity, equal opportunity, and health and safety, and try to understand the quality of organisational climate. To the extent possible and required we will engage to improve performance in these areas.

V. MANAGEMENT AND CONTROL OF ESG MATTERS

The managing partners of Enterprising Finance are responsible for this ESG policy and its implementation, management and review. They make sure that ESG considerations are part of our investment process, that our professionals sufficiently develop their ESG skillset, and that our ESG macro views and our tools for ESG analysis and diligence review are maintained and developed.

All professionals within Enterprising Finance are responsible for the ESG policy implementation when reviewing investment opportunities, writing of investment proposals, negotiating investment contracts and monitoring investments. Together with the managing partners they take the initiative to deepen Enterprising Finance's professional knowledge on ESG matters. Since we value our partners' knowledge in this area and promote the sharing of ESG insights, we may invite them to join our ESG trainings where this is beneficial.

This ESG policy itself is reviewed on a regular basis, especially as implementation results in valuable insights that can contribute to future enhancement of ESG policy implementation.

The ESG policy implementation will be performed using the procedural steps as defined and attached to this policy in Annex I. We have used the toolkit of CDC and tools from

other reputable institutions in the area of ESG, such as the International Finance Corporation and the Sustainability Accounting Standards Board as a foundation for our own proprietary ESG assessment procedure.

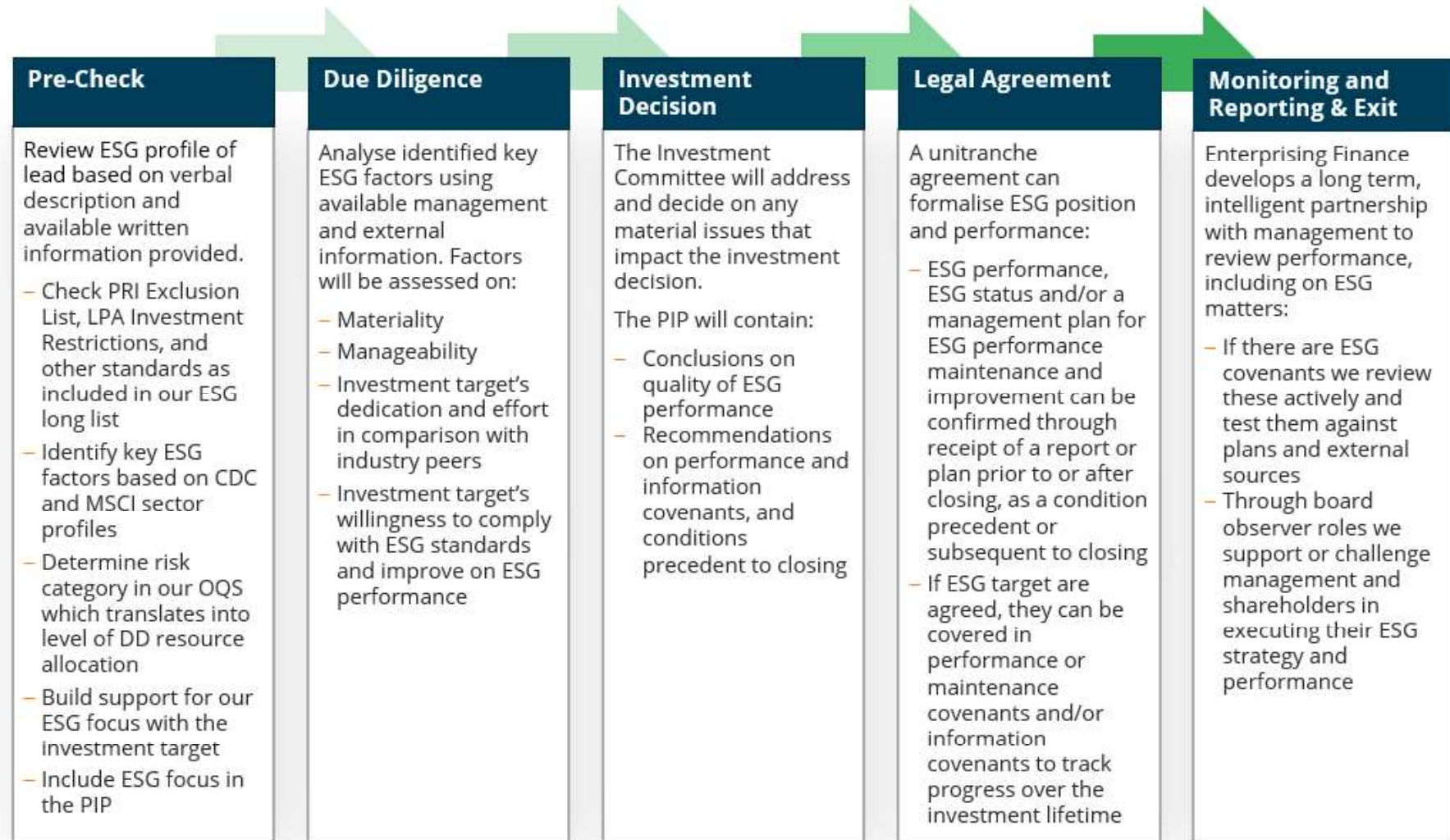
VI. ESG REPORTING

Enterprising Finance is committed to writing an annual ESG review and shall also complete the annual PRI signatory survey, which requires us to explain how we have implemented the PRI.

Annex I

ESG Assessment Procedure

Our ESG analysis is aimed at identifying key risks and opportunities upfront and subsequently assessing their materiality for the investment company and our position as investor.



ESG Assessment Procedure

Glossary

- ESG: Environmental, Social, Governance
- PRI: UN Principles of Responsible Investment
- ESG Long List: Enterprising Finance's exclusion list as agreed with UN PRI, as well as with its investors in the LPA and other fund related documents
- LPA; Limited Partnership Agreement
- CDC: CDC Group's ESG Toolkit (<https://toolkit.cdcgroup.com/investment-cycle/>)
- MSCI: MSCI's ESG Rating Toolkit (<https://www.msci.com/our-solutions/esg-investing/esg-ratings>)
- OQS: Enterprising Finance's Opportunity Quick Scan
- PIP: Enterprising Finance's Preliminary Investment Paper