

## Kester Capital Investment Policy

Kester Capital is a leading mid market private equity firm with multi-sector investments in small to mid market companies. We recognise the importance of managing Environment, Social and Governance (ESG) matters in the businesses in which we invest and are committed to integrating responsible investment principles into the way we do business, while seeking to create the best possible returns on our investments.

### Our Guiding Principles

- To proactively take steps to understand the potential impacts and implications of our investments and other business undertakings, including environment, social, governance and commercial matters.
- To seek to minimise negative impacts and maximise positive impacts through our investment and stewardship activities, by the use of good practice and engagement with our portfolio businesses.
- To be proactive and consistent in managing full compliance in our own undertakings and in relation to the companies in our stewardship, and to go beyond compliance where this will help us to fulfill our responsible investment commitment more effectively.

### Our Operating Principles

We will integrate ESG considerations into our deal making and portfolio stewardship as follows:

- We will seek disclosure of ESG risks and issues before an investment, so that we are making our decisions and future requirements for stewardship in the fullest knowledge possible.
- We will conduct identification, management and monitoring of ESG risks and opportunities within our portfolio at appropriate points in the investment cycle, using our adopted ESG framework and expert tools and training to guide and support us.
- We will use our governance role to engage with our portfolio companies to promote and support ESG management in order to protect and create value and to be responsible in business.
- We will report on our ESG management and stewardship within our own governance structure to enable us to review our performance against our responsible investment commitment.
- We will meet the reporting requirements of our investors on portfolio ESG performance.
- Our ESG integration and management processes will be led by our Investment Team members, who each understand the importance of our responsible investment commitment and principles.
- To the best of our ability, we will conduct our business in line with the Principles of Responsible Investment.

### Our adopted ESG framework

We have adopted the following ESG framework to create a continuity of focus across our ESG integration process. Within these broad themes we are equipped to focus down on the individual ESG matters that may be material in any one business. We use this framework to structure our pre-deal processes, stewardship performance analysis and reporting within our portfolio.

| <b>Governance themes</b>     | <b>Social themes</b>        |                             | <b>Environment themes</b>              |
|------------------------------|-----------------------------|-----------------------------|--|
| Governance & Ethics          | Employment & Staff Care     | Marketplace Responsibility  | Carbon, Emissions<br>Pollution & Waste |
| Risk Management & Compliance | Supply Chain Sustainability | Community Care & Engagement | Natural Resources & Raw Materials      |

### Management commitment

We are committed to providing the support and resources for our Investment Team to implement our Guiding and Operating Principles. We will review our principles and performance periodically to ensure that we are meeting our commitments and managing ESG matters efficiently and effectively.