IK Investment Partners’ Responsible Investment (RI) Policy
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Funds advised by IK Investment Partners Ltd (together referred to as “IK”) have a mission to invest in, and work with, management teams of companies which have strong underlying potential. The IK Funds aim to build lasting value in businesses they invest in by fostering fundamental performance improvements through their active board engagement. By taking into account environmental, social and governance (ESG) factors in our investment process and ownership practice, we strive to create sustainable value for all our stakeholders.

To reflect this IK has adopted this Responsible Investment Policy (“RI Policy”).

Definition of ESG

- Climate change
- Pollution and contamination of land, air and water
- Eco-efficiency and Resource efficiency
- Waste management
- Natural resource scarcity
- Biodiversity
- Labour rights and labour conditions
- Health and safety
- Treatment of customers and communities
- Human rights
- Diversity
- Supply chain management
- Data privacy and cyber security
- Regulation
- Anti-bribery and corruption measures
- Business ethics
- Transparency and accountability
- Board composition and independence
- Shareholder rights
MAKING A DIFFERENCE

Responsible investment is integral to IK’s business philosophy. We strive constantly to institute and maintain high standards of governance and business ethics within IK and the portfolio companies. Working with management teams, we help them recognise and manage the opportunities and risks associated with ESG factors.

IK is well positioned to invest responsibly because of:
- IK Funds perform detailed due diligence before acquisition
- IK Funds are actively represented on the boards of portfolio companies
- Responsible investment is embedded in the IK Way
- We recognise our responsibility to society at large

POLICY GOVERNANCE ARRANGEMENTS

This policy applies to all investments considered or made by IK Funds. IK’s CEO, with support of the Partner Group, owns the RI Policy, and is responsible for overseeing its implementation. It is then the IK investment professionals’ responsibility to ensure that decisions are taken after careful examination of ESG factors and that IK’s RI principles are kept during the entire investment cycle. The effectiveness of the implementation of those principles will be monitored through an annual review.

IK’s RI policy is effective from 1 October 2012, and will be reviewed and amended as appropriate from time to time.

OUR PRINCIPLES

IK’s RI commitments are based on the following principles:
- Respect for the internationally proclaimed human rights principles
- Equal opportunity independent of gender, race or religion
- Freedom of association and the right to bargain collectively
- Working conditions that surpass basic health and safety standards
- The conduct of good governance practices, in particular in relation to bribery and conflicts of interest
- Environmental responsibility

OUR COMMITMENT

- Integrate the above principles into our decision-making process, by carefully considering ESG issues associated with any potential investment during the due diligence phase
- Encourage portfolio companies to follow the above principles by implementing governance structures that provide appropriate level of oversight and by seeking disclosure on ESG issues
- Provide ESG training and support to IK employees involved in the investment process, so that they may perform their work in accordance with the above principles and with this policy
- Seek to be transparent in its efforts to integrate ESG considerations in investments and annually report on its progress towards implementing the above principles
- Comply with national and other applicable laws
- Help promote the implementation of the above principles throughout the private equity industry
- Consider our alignment with other related conventions and standards set by Invest Europe, the UN Global Compact Initiative and the UN Principles for Responsible Investment (PRI)
- Continuously strive to improve ESG performance within IK and our portfolio companies

REFERRAL LIST

IK will not invest in companies that:
- Have demonstrated a systematic denial of basic human rights
- Are engaged in a pattern of non-compliance with environmental regulations
- Participate in child labour or forced labour

Furthermore, the following sectors listed below are considered potentially sensitive from a RI viewpoint, and are not areas in which IK would contemplate a direct investment:
- Gambling
- Tobacco
- Alcoholic spirits
- Pornography
- Armaments & Firearms

The list is not exhaustive, and judgement must be applied for activities not on the list but which carry similar risks.