



POLICY ON RESPONSIBLE INVESTMENT (ESG)

Pacific Equity Partners takes environmental, social and governance (ESG) factors into account through our investment activities. They may affect, positively or negatively, either our own business or the businesses in which we invest. As with anything else that is material through the investment cycle, we look at the risks that ESG factors pose, the opportunities they may create, and how we might identify and manage those risks and opportunities for our business and our portfolio companies.

ESG analysis takes into account externalities that may affect the performance of our portfolio in the medium term, by considering more closely the communities, environment and markets in which our businesses operate. ESG factors may include:

- **Environmental** issues such as the efficient use of natural resources, water, biodiversity, energy and climate change and waste
- **Social** issues such as health and safety, employee conditions, human rights, and the social and economic development of communities affected by our businesses, and
- **Governance** issues such as corporate governance, bribery, privacy and other business integrity issues.

This Policy sets out our approach for considering ESG factors in our investment activity.

This Policy was implemented in 2013 and continues to be applied to date.

1. OBJECTIVES IN CONSIDERING ESG FACTORS

Our business is to provide outstanding returns to our investors. We consider ESG factors as part of our normal commercial and economic analysis, part of the intrinsic value of a company and one of the ways we can add value to a company.

MATERIALITY TO OUR INVESTMENT

ESG factors pose risks to our investments, and we identify and where appropriate manage those risks. An ESG factor will be material to that business if it is likely to have a significant financial impact on it or on one of its primary stakeholders, or a significant and avoidable impact on the environment. By considering ESG factors, we also identify opportunities to build the brand, reputation and networks of our portfolio companies, or to develop their people, productivity and innovation capacity. These advantages may accrue within the typical timeframe for holding our investments.

CONSISTENCY WITH PROFESSIONAL PRACTICE

In addition, taking ESG factors into account is consistent with our professional principles:

- Respect the dignity and well-being of the people in contact with our business
- Operate to the highest standards of integrity, professionalism and performance
- Be open and honest while respecting confidentialities, and
- Be objective, consistent and fair with all its stakeholders.



2. GUIDING PRINCIPLES

In our investment activities, Pacific Equity Partners will, as appropriate and in a timely manner:

- Maintain staff awareness on ESG issues
- Consider and discuss relevant ESG issues in making, holding and exiting investments
- Monitor and engage with portfolio companies on their material ESG issues
- Engage with its investors on ESG issues, and
- Seek appropriate disclosure of ESG issues through the investment cycle.

3. ESG ISSUES

Pacific Equity Partners will appropriately consider, monitor, disclose and engage on environmental, social and governance issues that may affect:

- Our own business
- The businesses in which we invest, and
- The communities, markets, and natural environment in which they operate.

Pacific Equity Partners will consider whether its investments:

- Use natural resources efficiently
- Manage their impact on the environment, including greenhouse gas emissions
- Provide safe and healthy conditions for those working in and for its businesses
- Provide for the safe delivery, use and disposal of their products and services
- Provide working conditions and benefits that foster human capital
- Respect the dignity, well-being and rights of communities affected by and people in contact with its businesses
- Exhibit honesty, integrity and fairness in all business dealings, and
- Are governed in a fair and transparent manner.

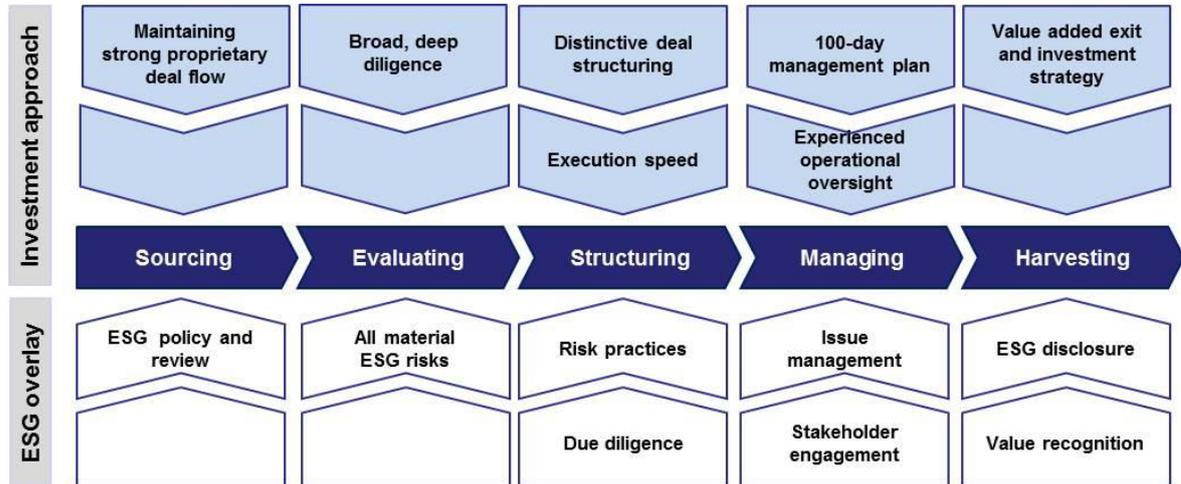
4. SENSITIVE AND EXCLUDED ISSUES

Pacific Equity Partners will not invest in companies with a direct involvement in the manufacturing, marketing or sale of the following products or services: products or services that are illegal under applicable local laws or banned by global conventions, arms or weaponry, tobacco, pornography, or gambling.

Where a company in Pacific Equity Partners' portfolio has a non-incident involvement in the following activities or sectors, we will take steps to ensure the involvement is and is perceived to be responsible: alcohol, animal testing, animal furs, genetically-modified organisms and pesticides, and uranium or nuclear power.

5. ALIGNMENT WITH INVESTMENT APPROACH

ESG factors are considered at each stage of our investment approach.



DUE DILIGENCE

As part of our broad, deep diligence, Pacific Equity Partners takes steps to:

- Gauge how material ESG risks are to the investment decision
- Identify the key ESG issues facing the company’s business and the need for their future management, and
- Determine the strength of the company’s risk management (compliance issues) and ESG systems (non-compliance issues) to prevent against future ESG risks.

ACTIONS DURING OWNERSHIP

During ownership of a portfolio company, we will:

- implement and review any identified ESG-related actions as part of our 100-Day Plan, and monitor any ESG issues identified in due diligence, and
- through the company board:
 - a. Consider engaging with any other parties or stakeholders with similar issues
 - b. Ensure CSR/sustainability governance is in place at the company
 - c. Set expectations for company reporting and information sharing on ESG issues, and
 - d. Ensure risk management systems are in place for general business risks.



SHARING INFORMATION

Pacific Equity Partners will report on relevant ESG issues through its existing reporting processes or as otherwise required by its Limited Partners or by any initiative of which we are a signatory.

Pacific Equity Partners and its portfolio companies may agree to share information between them and with Limited Partners, for example:

1. To appropriately share information and perspectives on ESG governance
2. To agree on how material ESG issues may be disclosed through reports to investors or other stakeholders, and
3. To agree on responses to a material ESG risk or issue raised by a Limited Partner, by Pacific Equity Partners or the portfolio company, or by an interested and credible third party including an industry organisation or government agency.

Pacific Equity Partners may extend that engagement to industry associations, relevant NGOs and other third parties where appropriate.

6. BROADER INITIATIVES

Pacific Equity Partners is a signatory to the UN Principles of Responsible Investment, and is open to joining local or global investor initiatives to improve the ESG performance of investee companies where there is a clear benefit, net of transaction costs, to its stakeholders in doing so.