
Principles of Responsible Investing

January 2018



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I. INTRODUCTION

Access Capital Partners' ("Access") commitment to Socially Responsible Investment (SRI) is deeply rooted in its conviction that sustainable growth cannot be achieved without considering the needs of customers, employees, shareholders, the environment and communities in which its portfolio companies operate. Since inception in 1999, Access' investment philosophy has favoured long-term growth of investee companies, acknowledging that Environmental, Social and Governance (ESG) issues have an impact on the financial outlook of a company and therefore on its value.

Having started to formalize its ESG processes in 2007, Access is convinced of the need to incorporate non-financial aspects into its three activities (Buy-out, Mezzanine & Private Debt and Infrastructure) while maintaining a high level of investment standards.



II. INITIATIVES

Principles for Responsible Investment (PRI)

Principles for Responsible Investment (UN-PRI) instituted by the United Nations. Access formally committed to the application of the PRI in September 2008. As a signatory, Access must report annually to the UNPRI on its progress on implementing the Environmental, Social and Governance investment principles.

Initiative Carbone 2020 (IC20)

Access is aware of its responsibility as a long-term shareholder in their portfolio companies and therefore has decided to be a member of the Initiative Carbone 2020 (IC20) contributing to the COP21 objective of reducing global warming. IC20 aims at bringing about responsible and transparent management of the portfolio companies and as of 2020, it will publish the direct and indirect carbon footprint of its direct portfolio of companies.

Other initiatives

Access participated in the following initiatives:

- ❖ The Guide for Limited Partners on Responsible Investment in Private Equity, published by the PRI in 2009
- ❖ Charte de l'AFIC (Association Française des Investisseurs en Capital) published in 2008, promoting ESG principles
- ❖ Walker Report

III. ENVIRONMENTAL SOCIAL GOVERNANCE (ESG) AT MANAGEMENT COMPANY LEVEL

Access' Commitment

Access pays particular attention to the respect of international law on human rights, and to the application of environmental, social, and governance criteria to the management of its European private equity portfolios. Investment professionals at Access as well as the fund managers (GPs) they have selected must use their reasonable best efforts to incorporate ESG criteria to the management of their portfolio companies, and to annually discuss progress and results.

Over the past years, Access has been very active in promoting awareness, acceptance and implementation of the ESG principles within its GP community.

a. Seat at advisory committees

By being systematically represented at the advisory committees of the underlying funds, Access has the opportunity to:

- Question on how the GP has integrated ESG issues into their investment decisions
- Ensure adequate governance structure is in place
- Encourage GPs to report on the application of their own ESG policies

b. GP meetings

Every year, Access gathers its fund managers to exchange views on the current state of the market. On this occasion, Access reiterates its commitment to UNPRI and encourages GPs to report on the application of their own ESG principles.

Access is a responsible firm

In line with the ESG principles and practices Access applies to its investments, ensuring that the firm itself is managed in a responsible manner is crucial. Access is highly committed to responsible business practices and good corporate governance.

As a firm, Access has taken the following steps in the right direction:

- Increasing use of videoconferencing and collaboration technology to reduce travel and carbon emissions
- Contribution to the paper reduction and sustainable printing initiative through:
 - Processes that reduce the use of paper in general (sending and receiving documents electronically, sharing printed copies, etc.)
 - Paper recycling
 - Printing in black and white
 - Use of recycled paper
- Turning off computers when leaving the office at the end of the day
- Location of Access' offices well connected with public transport
- Committing to calculate, manage and reduce greenhouse gas emissions for Access

Diversity

Access is an equal opportunity employer and does not discriminate against employees or applicants on the basis of age, gender, nationality, or any other basis that is inconsistent with the guiding values within the law of labour.

Corporate governance

Access Capital Partners is committed to meeting high standards of corporate governance. Access Capital Partners SA is registered and authorized as AIFM, and in full compliance with the Autorité des Marchés Financiers of France (“AMF”), under number AMF #GP 99-010. With entities in various jurisdictions, Access hold licenses, registrations and authorizations from a number of national financial regulators including the Financial Conduct Authority (“FCA”), the FIN-FSA in Finland, or the Securities and Exchange Commission (“SEC”) of the United States of America.

Access complies with its Code of ethics drawing from numerous industry initiatives (AFIC/AMF Code of Conduct, Invest Europe Code of Conduct, New York Attorney General’s Public Pension Fund Reform Code of Conduct, GFSC Code of Conduct, FCA Standards, etc.).

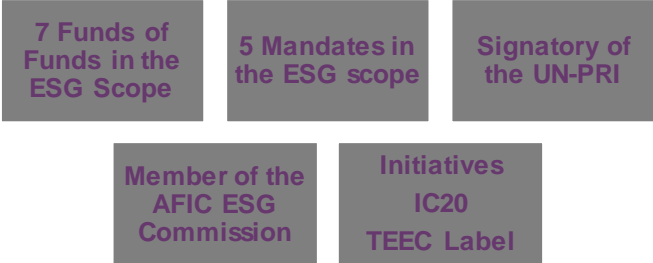
Philanthropy

In 2014, Access became part of the MSF movement (Médecins sans frontières, Doctors Without Borders) to help deliver medical care where the need is greatest.

Team

Access aims to retain and attract talented professionals by offering employee development and training.

Key information



IV. ESG PROCESS AT INVESTMENT LEVEL

Access' overriding objective is to identify and monitor the most relevant ESG issues, both to reduce risk and create value. As part of its standard investment and monitoring processes, Access has developed a 3-step approach which integrates ESG risks and opportunities into its investment process. The ESG framework covers due diligence, annual portfolio monitoring and investment analysis at exit.

Access' Socially Responsible Investment ("SRI") process articulates around the following 3 steps:

Pre- investment stage / Step 1: For each investment under due diligence, Access undertakes an Environmental, Social and Governance assessment with a view to identifying potential issues.

- ❖ **For fund selection:** an SRI engagement questionnaire is sent to each fund manager under due diligence to find out whether and how ESG criteria are taken into consideration when investing in private companies or assets. Informal discussions with the fund management team are carried out during onsite visits to further assess the degree of recognition of ESG issues through the importance of non-financial criteria when analysing a potential acquisition, the existence of responsible investment policies (sector exclusions, audits, etc.), and the willingness to provide ESG related disclosure during the life of the fund / during the holding period of the asset for co-investments. Reviews include on-site visits, interviews with senior management and operational staff and examination of records, policies, handbooks on specific items (environmental policies, governance, health and security for employees, etc.). Whenever necessary, Access would commission ESG-related specialists to carry out independent reviews of ESG.

Further, in the legal documentation, Access seeks a written engagement from the underlying fund manager to use reasonable best efforts to incorporate ESG criteria in the management of its portfolio companies and to report annually on the ESG performance and progress in a portfolio company and to provide Access with an update if significant ESG issue arises in a portfolio asset.

- ❖ **For direct and co-investments:** when evaluating a co-investment/direct investment opportunity, Access assesses the level of ESG integration in the lead investor's due diligence / documentation. Access also identifies, through a specific Access' ESG checklist and discussions with the management team, the potential ESG issues borne by the target investment. Through the ESG' assessment, the Investment team highlights the main ESG risks and opportunities, notably by considering climate change and sustainable development related issues. In the event of Access being an existing investor in a fund managed by the lead-sponsor (most of the cases), Access would have already analysed how ESG criteria are taken into consideration when the fund manager is investing in private companies.

A summary of the ESG analysis pre-investment stage is inserted in the due diligence documentation submitted to the Access Investment Committee.

Objectionable industry sectors

In order to minimize ESG related risks due to certain sector exposure or activities that run high reputational risk, Access and its GPs selected tend to avoid certain industry sectors seen as incompatible with ESG values:

- Gambling
- Production of or trade in arms
- Tobacco or tobacco related products

- Testing on animals
- Endangered or protected wildlife or wildlife products
- Pornography

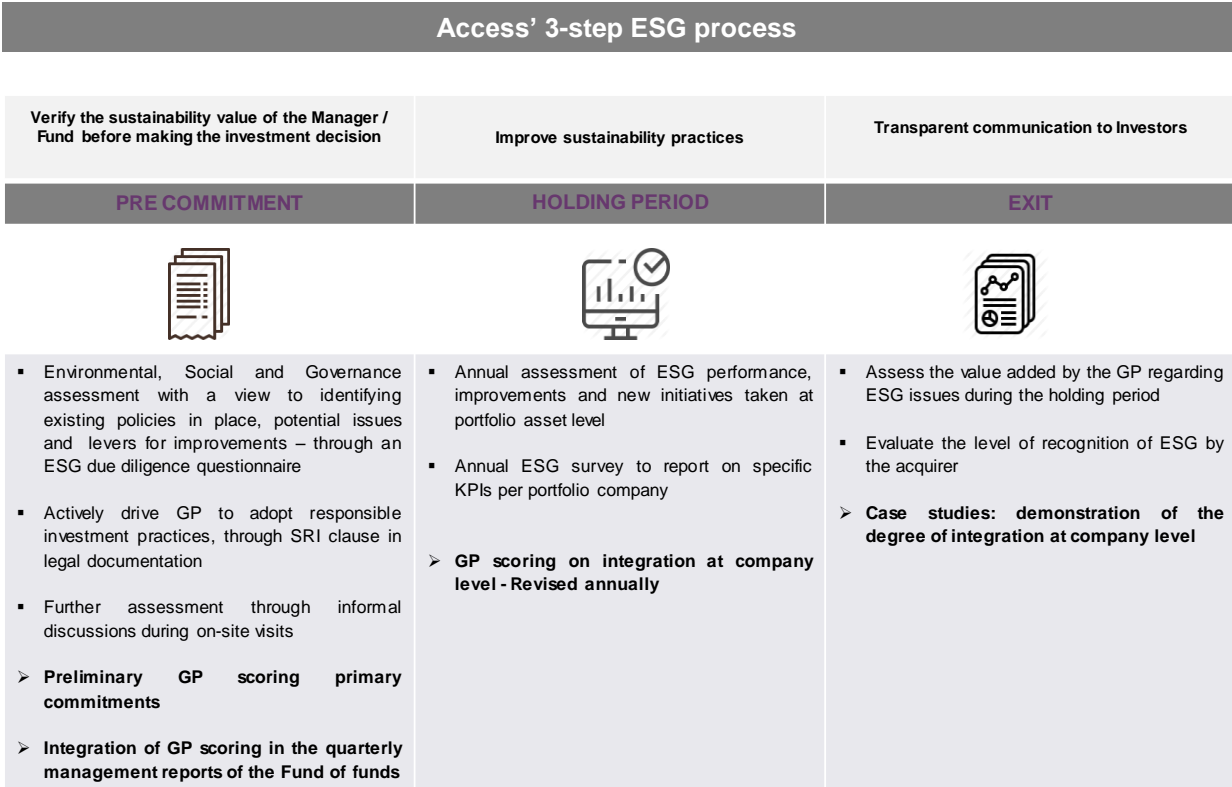
During the lifetime of the underlying fund investment/during the ownership of a company/asset / Step 2:

- ❖ **At Fund of funds level / Underlying fund ESG monitoring:** An annual ESG questionnaire for reporting on specific extra financial data for each portfolio asset is sent to each lead investor / portfolio company. The objective is to monitor the ESG improvement on a yearly basis against potential identified risks. By being systematically represented at the advisory committees of the underlying funds, Access has the opportunity to ask questions on how the fund managers have integrated ESG issues into their investment decisions, ensure an adequate governance structure is in place, and encourage the fund managers to report on the application of their own ESG policies. Whenever necessary, Access seeks more information from the GP: investment memo, environmental and social / organisational audits of the company, adherence to code of business principles. Further, an annual ESG questionnaire for reporting on specific extra financial data for each portfolio company is sent to each underlying fund manager. The objective is to assess the level of integration of the ESG criteria within the portfolio companies and monitor the improvement from underlying companies on a yearly basis.
- ❖ **At direct and co-investment level / Direct co-investment ESG monitoring:** When Access is an existing investor in the fund acting as the lead investor, Access receives annual ESG performance information of the portfolio company through the annual ESG questionnaire. Further, by being represented at the supervisory board of the company, either as a censor or an observer, Access is well positioned to interact with the management team of the company on ESG matters. If not an existing investor, Access will conduct a thorough ESG assessment to identify and monitor the most relevant ESG issues, both to reduce risk and create value. When necessary, external advisors may be engaged to carry out additional ESG-related due diligence.

At exit – Step 3:

- ❖ When a divestment occurs, Access prepares a report capturing the value added itself and its co-investors regarding ESG practices during the holding period and the level of recognition of ESG aspects by the acquirer. An ESG questionnaire is sent to fund managers each time a portfolio company is exited. The questionnaire aims at understanding the progress made by portfolio companies on ESG aspects during the holding period, and how ESG aspects were valued by the acquirer. Additionally, there is a follow up report for direct investments to ensure an adequate application of ESG practices.

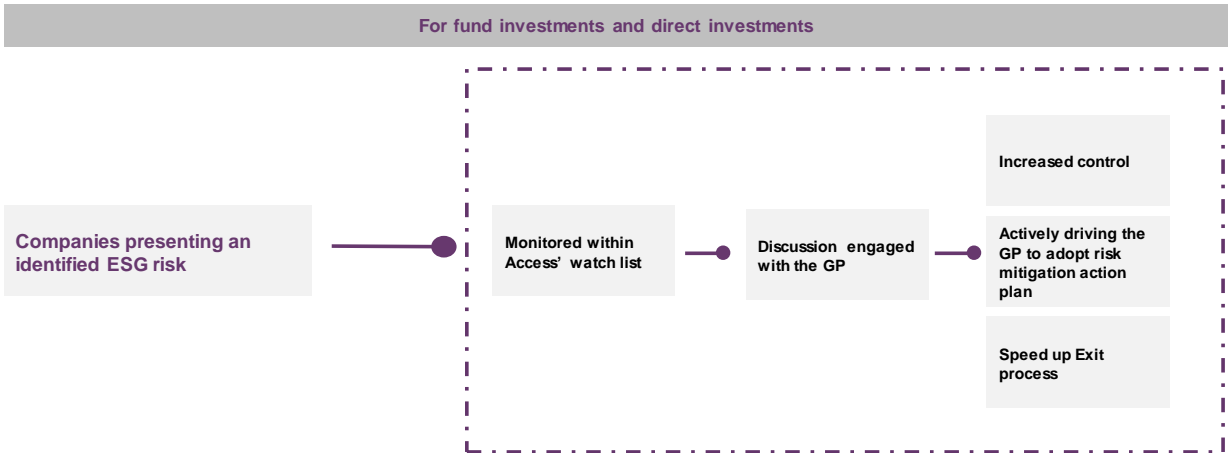
The following figure describes Access objectives and tools at each step of the evaluation of ESG issues at underlying funds' and portfolio companies' level.



ESG Portfolio Monitoring

A company presenting an ESG risk enters Access' watch list and discussion is automatically engaged with the GP/lead investor. Capitalising on its position of meaningful investor (systematically requests and obtains a board seat for its fund commitments), Access is able to influence GP's decisions, notably by:

- Increasing control
- Seeking information / disclosure of actions taken by the GP/lead investor
- Including the issue on the agenda of the Advisory Board of the underlying fund
- Closely monitoring the company (ESG KPIs)
- Driving the GP to speed up the exit process if necessary



Access' policy in case of the absence of ESG criteria in their investment guidelines

When selecting a fund manager, Access pays attention to the GP/lead investor experience and willingness to integrate environmental, social and governance considerations into investment decision making and portfolio management.

Each fund manager/fund under due diligence is provided with a statement explaining Access' commitment to the Principles for Responsible Investment and systematically receives a specific Socially Responsible Investment questionnaire. The questionnaire purpose is to find out whether, and how, the GP takes ESG criteria into account in the decisions related to their investments in private companies.

Inadequate responses do not necessarily result in a decision not to invest since the fund manager will in any case agree to recognize, through a side letter, the Access' commitment to the PRI Principles and use reasonable best efforts to incorporate ESG criteria to the management of the fund.

There is no absolute threshold, and Access believes it's more about the trajectory the GP is on rather than the process already in place. Since 2008, Access has never committed to a fund managed by a GP who had formally refused to engage with the ESG issue. In terms of co-investments, Access will directly review and analyse due-diligence processes to ensure the ESG criteria is taken into consideration when investing in companies.

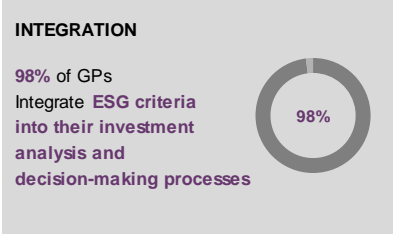
Among Access' universe of relevant fund managers, those showing no interest in ESG issues are now the exception. Access and its GPs selected by Access tend to avoid certain industry sectors seen as incompatible with ESG values:

- Gambling
- Production of or trade in arms
- Tobacco or tobacco related products
- Testing on animals
- Endangered or protected wildlife or wildlife products
- Pornography

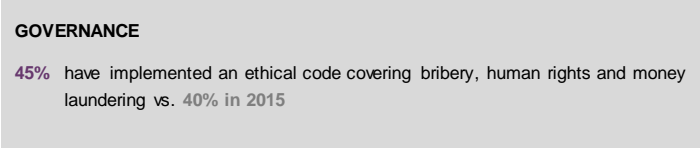
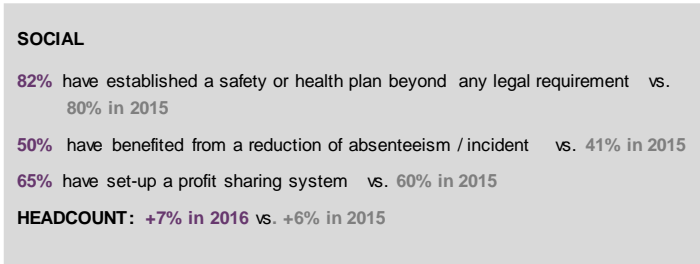
The following table shows an overview of Access ESG portfolio performance based on fund managers input:

Overview of Access' portfolio

ACCESS' GP ESG COMMITMENT



2016 ESG COMPANY PERFORMANCE



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