

Responsible Investment Policy for FSN Capital Partners

We are decent people seeking to make a decent return in a decent way.

FSN Capital seeks to act with the highest level of integrity, taking a responsible approach when interacting with our portfolio companies, our advisors, our investors, local communities, and the environment. FSN Capital publishes an annual ESG report to be transparent about our performance and keep ourselves accountable.

With our investment approach, FSN Capital doesn't see a need for a responsible investment policy that is treated separately from our general investment strategy. Our policy for responsible investments and our investment philosophy are intertwined and in fact two sides of the same coin; tools we apply to ensure that we over time get the best possible combination of controlling risk and enhancing value.

Compliance with UN's Principles for Responsible Investment (UN PRI)

FSN Capital became a signatory to the United Nations-backed Principles for Responsible Investment on September 14, 2012.

UN PRI promotes integrating ESG perspectives into the investment process and active ownership policy. For FSN Capital, being a signatory falls naturally within our investment approach and being compliant with these six UN PRI principles is a natural part of an investment strategy to safeguard and enhance return of our portfolio investments:

1. We always incorporate ESG risks and opportunities into the investment analysis and decision-making process.

- This Responsible Investment Policy defines our formal exclusion criteria.
- We conduct a climate change due diligence in every transaction.
- We conduct an ESG due diligence in every transaction.
- A summary of the key risks and opportunities identified in the climate and ESG due diligence is always included in the investment decision material.
- We always consider the likely impact of key sustainability risks on return by having ESG risks integrated in our Risk Framework.

2. We are active owners and incorporate ESG into our ownership policies and practices.

ESG is a core part of FSN Capital Partners' value creation approach.

We implement both the FSN Capital Governance Framework and the FSN Capital ESG Strategy Framework in every Portfolio Company. With the FSN Capital Governance Framework we set the tone from the top and have minimum requirements with regards to ESG policies, implementation of ESG policies, and governance. The FSN Capital ESG Strategy Framework is our method for establishing an individualized ESG strategy for each Portfolio Company.

As responsible owners, we are dedicated to continuing to push the frontier of what constitutes good ESG governance. Our ESG Frameworks will therefore evolve over time in line with international conventions, standards, and guidelines.

3. We seek appropriate disclosure on ESG risks and opportunities by the entities in which we invest.

4. We promote acceptance and implementation of the UN PRI within the investment industry.

5. We work together to enhance our effectiveness in implementing the Principles.

6. We will each year report on our activities and progress towards implementing UN PRI by completing the annual PRI signatory survey.

FSN Capital's exclusion criteria

We shall not invest in companies that:

1. Have contributed to systematic denial of human rights
2. Demonstrate a pattern of non-compliance with environmental regulations.
3. Show a pattern of engaging in child labour or forced labour.
4. Have an unacceptable high greenhouse gas footprint and have failed to take reasonable steps to reduce these emissions.
5. Produce weapons that through their normal use may violate fundamental humanitarian principles (eg Anti-personnel land mines, Production of cluster munitions, Production of nuclear arms)
6. Are directly related to the following industries:
 - a. Adult entertainment
 - b. Tobacco
 - c. Gambling
 - d. Alcohol

FSN Capital Partners' annual ESG report

FSN Capital has published an annual ESG report since 2014.

We will continue to publish an annual ESG report to transparently report on the progress of both FSN Capital Partners and the Portfolio Companies.

In the annual ESG report we will describe in more detail how ESG is integrated in our investment process and ownership approach, as this naturally evolves over time.

This policy will be reviewed and amended as appropriate from time to time.

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