

TempoCap's Environmental, Social and Governance Policy

1. Introduction

TempoCap recognises the impact that companies may have on the environment and society at large, and the firm is strongly committed to promoting sound principles for the protection of the environment, social responsibility and proper governance practices in the course of its business conduct.

We believe our investment model, our operational capabilities and our commitment to building better businesses enable us to be a responsible custodian of the businesses in which we invest.

This Environmental, Social and Governance Policy (ESG Policy) was developed to ensure that ESG considerations are embedded into the overall conduct of the firm and all aspects of our investment process, whether at the point of selecting an investment, the subsequent monitoring of investments and value creation or at the point of exit.

2. TempoCap's consideration of the United Nations Principles for Responsible Investment (UNPRI)

TempoCap is a signatory of the UN-supported Principles for Responsible Investment ("UNPRI").

As stated in these Principles, we have a duty to act in the best long-term interests of our investors. In this fiduciary role, we believe that environmental, social, and governance (ESG) issues can affect the performance of investment portfolios (to varying degrees across companies, sectors, regions and through time).

We also recognise that applying these Principles may better align investors with broader objectives of society. Therefore, where consistent with our fiduciary responsibilities, we commit to the following:

- Principle 1: We will incorporate ESG issues into investment analysis and decision-making processes.
- Principle 2: We will be active owners and incorporate ESG issues into our ownership policies and practices.
- Principle 3: We will seek appropriate disclosure on ESG issues by the entities in which we invest.
- Principle 4: We will promote acceptance and implementation of the Principles within the investment industry.
- Principle 5: We will work together to enhance our effectiveness in implementing the Principles.
- Principle 6: We will each report on our activities and progress towards implementing the Principles.



For more information on UNPRI please visit www.unpri.org

The Principles for Responsible Investment were developed by an international group of institutional investors reflecting the increasing relevance of environmental, social and corporate governance issues to investment practices. The process was convened by the United Nations Secretary-General.

In signing the Principles, we as investors publicly commit to adopt and implement them, where consistent with our fiduciary responsibilities. We also commit to evaluate the effectiveness and improve the content of the Principles over time. We believe this will improve our ability to meet commitments to beneficiaries as well as better align our investment activities with the broader interests of society.

We encourage other investors to adopt the Principles.

3. Environmental considerations

TempoCap seeks to minimise its own environmental impact and encourages environmental consciousness amongst portfolio companies, asking them to establish and maintain targets to monitor their environmental footprint, uphold compliance with all relevant environmental regulations and ensure the efficient use of resources.

TempoCap does not accept products or components of products or working routines that are unreasonably harmful to the environment or that do not live up to high ethical, environmental and safety-related standards.

Environmental impact and risks are considered prior to any investment decision, and TempoCap seeks to minimise the environmental impacts of the funds' businesses through means such as careful use of resources, optimisation of operations and recycling.

4. Social considerations

TempoCap respects internationally recognised human rights principles and expects portfolio companies to establish and maintain responsible employment practices, to apply national and international labour laws and work to ensure proper working conditions.

It is TempoCap's objective to be socially responsible in all its investments, and to contribute to the development of the communities in which portfolio companies operate by promoting the growth of those companies in a sustainable manner.

TempoCap also recognises the numerous studies showing that diverse teams are more able to innovate, and more likely to continuously evaluate facts, thereby increasing awareness of underlying biases. As such, we believe diverse teams are typically better able to minimise entrenched ways of thinking that can often lead to errors in decision-making processes.

We aim for teams (whether at TempoCap or at its portfolio companies) that are able to represent all sections of society, and for each employee to feel respected and able to give their best. TempoCap does not tolerate discrimination based on gender, age, race, sexual orientation or religion nor does it accept neglect of health and safety issues.



5. Governance considerations

TempoCap acknowledges the importance of good corporate governance in connection with its portfolio companies and seeks assurances that these businesses adhere to all applicable best practice standards.

TempoCap upholds the principles of fair business, marketing and advertising practices and seeks to take reasonable steps to ensure the quality and reliability of the goods and services provided by portfolio companies.

TempoCap will exhibit honesty, integrity, fairness and respect in all its business dealings, and not make representations or omissions, nor engage in any other practices that are deceptive, misleading, fraudulent or unfair.

TempoCap also has an internal framework of policies, procedures and standards that promote appropriate behaviours across all business activities, such as its Equality, Diversity and Inclusion Policy, Harassment and Bullying Policy, Personal Account Dealing Policy etc and its anti-corruption and anti-bribery policies in the company's compliance manual.

6. Application and Reporting

TempoCap seeks to conduct its activities and affairs in compliance with this ESG policy. ESG issues are incorporated into each stage of investment analysis and decision-making processes and TempoCap uses reasonable endeavours to consider the ethical ramifications of the investment activities of the funds. If it becomes clear that TempoCap, the funds or any portfolio company, is in material breach of the adopted ESG policy, reasonably necessary actions will be made to rectify any such breach.

TempoCap works closely with portfolio companies to build businesses with a likeminded commitment towards ESG issues. As a consequence of this, TempoCap seeks to provide portfolio companies with appropriate guidance, and encourages and supports the portfolio companies in adapting to a structured approach to managing ESG risks and opportunities.

TempoCap requires portfolio companies to review their ESG work, and report to TempoCap on their adherence and progress. TempoCap makes use of this information to quantitatively and qualitatively measure ESG issues and their impact across its portfolio, both for internal purposes, to provide feedback to portfolio companies and to provide reports to its investors.

TempoCap is committed to publishing an annual report for its investors detailing the firm's commitment and practices across ESG topics across the portfolio.

The report exhibits, amongst other topics, ratings for TempoCap's portfolio companies across a variety of ESG topics, with ratings also provided to portfolio companies themselves to support continued ESG performance improvements.

TempoCap has developed a proprietary, rules-based approach to rating companies across ESG topics. The rating system uses a number of ESG data points that we have selected, based on guiding principles of data that is (1) available (2) quantifiable and (3) reliable.



An abridged version of the report with any confidential data removed is also made available to the public for download directly from TempoCap's website.

7. Exclusions

In addition to the processes outlined above, funds advised by TempoCap may not invest in any companies:

1. that have contributed to systematic denial of basic human rights
2. that demonstrate a pattern of non-compliance with environmental regulations
3. whose activities are likely to contribute significantly to climate change
4. that show a pattern of engaging in child labour or forced labour
5. that produce or trade in
 - a. weapons or ammunition
 - b. tobacco products
 - c. distilled alcoholic beverages and related products
 - d. online or offline gambling and casinos
 - e. pornography
6. that are headquartered in countries included in the list of "countries at risk" published by the Financial Action Task Force (FATF) and the list of European Union countries and territories not cooperating for tax purposes
7. that have a product, service or business model misaligned with our values and ESG strategy

8. Continuous ESG development and training

As long-term investors, we must consider long-term risks, including those relating to ESG issues. TempoCap is therefore committed to continuously developing our understanding of ESG risks.

All TempoCap team members are required to engage with TempoCap's ESG approach - during the investment process, during our stewardship of an investment and at the point of exit. TempoCap's investment professionals are responsible for ensuring that the consideration of ESG issues is integrated into investment decisions, including highlighting to TempoCap's Investment Advisory Committee (IAC) any major ESG issues they become aware of.

As such, the entire TempoCap team is required to receive ESG training, on at least a bi-annual basis. Completion of such training is mandatory and linked to individuals' performance management.

Each deal lead on any new primary investment must ensure a detailed ESG review is conducted prior to investment. Where possible, TempoCap will seek to incorporate terms relating to sustainability and ESG topics into investment documentation to ensure the commitment of management teams at investee companies, noting this may not be possible in secondary investments. For follow-on investments and exits, ESG issues and opportunities will also be taken into consideration.

The findings from these activities are incorporated into investment memoranda and material issues are discussed at TempoCap's IAC.



TempoCap has had an ESG policy in effect since September 2018. This version of the policy was updated in April 2023.

