



# Responsible Investment Policy

## Introduction

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For Genesis Capital, **Responsible Investing** means building and growing businesses that are good corporate citizens, great employers and operate with sustainable practices. This Policy outlines Genesis Capital's approach to responsible investing throughout our investment lifecycle.



## Our Belief

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As institutional investors, we have a duty to act in the best long-term interest of our investors and other stakeholders, and consider responsible investing to include the fully integrated consideration of all material environmental, social, and corporate governance (ESG) risks and opportunities that impact portfolio performance.

As part of our integrated approach we have adopted **the six Principals for Responsible Investment** outlined by the United Nations Principles for Responsible Investment:

- 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.



## Our Approach

Our approach to responsible investing and impact investing integrates ESG impact and opportunities into each part of our investment lifecycle through our three impact pillars – Fairness, Sustainability and Integrity – Which provide focus points for portfolio value creation and governance

### 01 Fairness

Promote diversity, equality and well-being

Diversity	Promote diversity in all aspects
Inclusion	Promote equal social and economic opportunity
Well-being	Promote health and well-being for our employees

### 03 Integrity

Operate with fairness and integrity

Safe and fair work	Create safe and fair employment
Corporate & Industry	Meet all corporate and industry regulations

### 02 Sustainability

Promote sustainable consumption and production

Climate & Socio-Ecological	Minimise our climate and socio-ecological impact
Consumption	Minimise our energy and resource consumption
Partnership	Promote sustainability within our partnerships



## Range and materiality

While the scope of ESG is a broad and evolving range, we consider market relevant ESG issues and take inspiration from emerging responsible investing trends which may apply to our invested markets. As part of our evaluations, we appreciate that each business is different, and therefore apply a consideration of materiality to our impact and opportunities. Materiality evaluation is considered for each business independently but we will look to consider market and external benchmarking where available.

## Collaboration & engagement

We actively collaborate with our portfolio stakeholders, partners and broader industry stakeholders to set and achieve our responsible investing objectives. This considers, but is not limited to, sharing outcome measures, value creation program activities and areas that may be of common interest to the benefit of ESG risks and opportunities.

## Exclusions

Genesis Capital does not invest in companies that are engaged in:

- Illegal products or any illegal activities as per applicable local laws, or that are banned by global conventions and agreements (e.g. certain pesticides, ozone depleting substances, wildlife products etc.)
- Activities that involve exploitative or harmful forms of forced labour, child labour or otherwise considered as part of the Modern Slavery Act 2018
- Business that have production or other activities that involve:
  - tobacco and alcohol
  - coal or in extraction of geological materials
  - pornography
  - arms or ammunitions
  - gambling

## Investment decisions

We are committed to evaluating ESG risks and opportunities throughout the entire investment management lifecycle, from initial due diligence through to investment ownership and exit. We clearly allocate responsibility for evaluation, documentation and management of ESG issues including:

- Deal team – Each deal team will have allocated an ESG stream lead, sponsored by a Partner, to work with portfolio management to identify and evaluate ESG risk and opportunities
- Investment Committee – Our Investment Committee reviews material ESG considerations for new investments with ultimate responsibility on integration of ESG issues into the investment decisions process
- Portfoliomanagement – The investment team will continuously work with portfolio management throughout ownership to regularly review their ESG footprint and progress against internally developed goals and objectives

## The process

### During diligence

The ESG stream lead works with portfolio management to identify and evaluate material ESG risks, opportunities and the proposed value creation program. This work is ongoing post investment, and is supported by our proprietary detailed evaluation model.

### Investment Committee

The Investment Committee reviews the investment team's ESG findings and value creation program. The Investment Committee will only approve transactions where it feels ESG issues and risks can be appropriately addressed and managed.

### Post investment

The ESG stream lead will work with portfolio management to implement the ESG goals and workplan, which will be integrated within the portfolio company and reviewed by its Board of Directors on a quarterly basis. Genesis will separately review a portfolio company's progress against its clearly-defined goals and objectives on a six-monthly basis.

