



ADVISING ON RESPONSIBLE INVESTMENT

POLICY DOCUMENT





Ansor LLP is an appointed representative of G10 Capital Limited which is authorised and regulated by the Financial Conduct Authority.

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In general, alternative investments such as private equity involve a high degree of risk, including potential loss of principal invested. These investments can be highly illiquid, charge higher fees than other investments and typically do not grow at an even rate of return and may decline in value. These investments are not subject to the same regulatory requirements as registered investment products. In addition, past performance is not indicative of future returns. Future performance is not guaranteed and a loss of principal may occur.



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Ansoor LLP ("Ansoor") is the investment adviser to Ansoor Fund I and Ansoor Fund IB (the "Funds"). Ansoor is committed to advising the Funds on investing responsibly in the UK SME sector. This policy document ("Advising on Responsible Investment" or "Policy") outlines our objectives, underscores the importance of advising on responsible investment to our organisation, and emphasises its alignment with our mission and values.

The mission of Ansoor is as follows: by providing advice to the Funds on investing responsibly in companies in the UK SME sector, we aim to support the growth and development of responsible businesses that drive economic prosperity in the UK.

Our Policy frames our dedication to aligning financial returns with positive societal and environmental outcomes, as well as ensuring the welfare and developing the capabilities and talents of the employees of the companies held by the Funds.

At Ansoor, our core values are integrity, transparency, sustainability and excellence. These principles guide everything we do, ensuring that we stay aligned with our mission and purpose.

Our approach seeks to deliver the following key objectives:



DRIVING HIGH PERFORMANCE:

We aim to deliver consistently top quartile returns for the Funds we advise, while maintaining a commitment to innovation and excellence.



ENSURING HIGH QUALITY:

We strive for the highest quality in everything we do. Through hands-on involvement and proactive engagement, we aim to improve the overall sustainability performance of the companies with which we engage.



SETTING AND SHARING STANDARDS:

We continually develop and replicate best practices across all aspects of our operations. Our Policy serves as a guiding framework for engaging with portfolio companies, encouraging them to adopt leading ESG practices, strengthen their governance structures, and pursue sustainable business approaches.



RESPONSIBLE STEWARDSHIP:

We seek to guide the Funds' engagement with their respective portfolio companies, encouraging them to adopt best ESG practices, enhance their governance structures, and strive for sustainable business practices. Through proactive engagement and a hands-on approach, we aim to foster positive change and improve the overall sustainability performance of those companies.



EMBRACING INNOVATION:

We take pride in our innovative approach, both in our operational methods and the businesses we develop.



RISK MITIGATION:

We recognise that ESG risks can have a material impact on investment outcomes. Our Policy seeks to identify and mitigate such risks through robust due diligence, ongoing monitoring, and engagement with companies held by the Funds we advise. By considering ESG factors, we aim to protect the interests of the Funds we advise.



In June 2019, Ansoar became a signatory to the United Nations Principles of Responsible Investment ("UN PRI"), making a formal commitment to integrate ESG principles into our process.

As a basis for our Policy, we follow the United Nations six principles for responsible investment (the "Principles"):



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.

In addition, Ansoar is focused on aligning with the United Nations Sustainable Development Goals, recognising the importance of integrating sustainability principles into its operations.

The Policy has been developed internally at Ansoar to ensure its alignment with Ansoar's values. Following an internal review process, the Policy has received approval from Ansoar's three founding partners. The Policy is reviewed annually to ensure its continued relevance and effectiveness.

06. OVERALL APPROACH TO RESPONSIBLE INVESTMENT



We ensure high ESG standards throughout our due diligence process.

Ansoor uses the subjects in the table below as a framework to ensure that the full range of potential ESG issues are considered when screening target companies.

ANSOR'S ESG TABLE: AREAS FOR CONSIDERATION

ENVIRONMENTAL	SOCIAL	GOVERNANCE
<ul style="list-style-type: none">Air and water pollutionBiodiversityClimate changeDeforestationEcosystems servicesEnergy efficiencyHazardous materialsLand degradationResource depletionWaste managementWater scarcity	<ul style="list-style-type: none">Customer satisfactionData protection and privacyDiversity and equal opportunitiesEmployee attraction and retentionEmployee engagementGovernment and community relationsHuman capital managementHuman rightsLabour standardsLabour-management relationsMarketing communicationsProduct mis-sellingProduct safety and liabilitySupply chain management	<ul style="list-style-type: none">Accounting standardsAnti-competitive behaviourAudit committee structureBoard compositionBribery and corruptionBusiness ethicsComplianceExecutive remunerationLobbyingPolitical contributionsRisk managementSeparation of chairman and CEOStakeholder dialogueSuccession planningWhistleblower schemes

We implement negative screening to exclude companies involved in activities that are inconsistent with our ethical and sustainability standards. We will not advise the Funds to acquire any business that has a serious negative social impact.

Specifically, we will not advise the Funds to undertake activities in the following sectors: gambling, pornography, tobacco-related, animal testing, endangered or protected wildlife, arms manufacturing or arms trading, or companies with exposure related to human rights violations or environmental degradation.



ADVISING ON INVESTMENT ANALYSIS

We review all target businesses against Anso's ESG Table above to screen for high-level ESG risks before embarking on any detailed due diligence. Any specific issues identified will be reviewed as part of the due diligence and considered at subsequent investment committee meetings of the managers of the Funds we advise.

During due diligence, the target company is assessed against the following criteria:

ESG POLICY AND MANAGEMENT SYSTEMS

- Evaluate the target company's ESG policy and commitment to sustainability.
- Assess the effectiveness of their ESG management systems and processes.
- If no ESG policy is in place, ensure that the company complies with an appropriate policy post acquisition by a Fund.

ENVIRONMENTAL CONSIDERATIONS

- Review the company's environmental impact, including greenhouse gas emissions, energy usage, waste management, and resource consumption.
- Assess the company's approach to environmental risk management and compliance with environmental regulations.

STAKEHOLDER ENGAGEMENT

- Review the company's approach to stakeholder engagement, including how it incorporates stakeholder feedback into decision-making processes.

GOVERNANCE STRUCTURE AND PRACTICES

- Assess the presence of anti-corruption measures and ethical business practices.

SUPPLY CHAIN MANAGEMENT

- Investigate the company's supply chain management practices, including supplier relationships and adherence to ESG standards.
- Assess the potential risks related to human rights violations, labour practices, or environmental impact within the supply chain.

SOCIAL PRACTICES AND HUMAN RIGHTS

- Evaluate the company's labour practices, employee rights, and workforce diversity and inclusion.
- Assess the company's respect for human rights throughout its operations and supply chain.

Further, key ESG findings collected during the due diligence process are summarised in the final investment committee documentation to ensure that the investment manager is informed on ESG matters (this is included even if no ESG risks are identified).

ADVISING ON DOCUMENTATION

Before we advise the Funds to invest in or acquire a target company, that company must commit to adopt to retain or seek to adopt appropriate ESG standards and for the businesses to have their own ESG policies and codes of conduct. This includes appropriate warranties and clauses in employment contracts.

We advise the managers of the Funds which Anso advises to obtain agreements that include appropriate ESG compliance clauses and outline how ESG matters will be handled during the life of the investment.

We also advise that items that need to be addressed going forward (for example, the implementation of stronger governance) are included in a post-acquisition integration plan. At present, there is no formal ESG integration plan adopted by all acquired companies; however, it is intended that this will be introduced in the relatively short term.



GUIDELINES ON OUR APPROACH TO ESG INTEGRATION TO DRIVE LONG-TERM VALUE CREATION

At Anso, we believe that Environmental, Social, and Governance factors are integral to achieving sustainable long-term value creation. This Policy focuses on our determination to ensure that target companies improve their ESG performance.

In addition, we encourage knowledge sharing and provide resources to the companies the Funds are invested in to support their ESG initiatives. This includes access to research, training, and networking opportunities to foster a culture of learning and continuous improvement in sustainability practices.

GUIDELINES ON ESG MONITORING AND REPORTING

Our approach extends beyond the initial due diligence phase, as we maintain a continuous monitoring process for ESG matters throughout the period the Funds are invested. We have established clear guidelines for monitoring ESG performance and risk exposures of companies held by the Funds. Regular assessments are conducted to track progress, identify emerging ESG issues, and implement corrective actions when necessary. This ongoing engagement fosters a culture of accountability and continuous improvement in sustainability practices.

We maintain a robust system for collecting ESG data from portfolio companies held by the Funds. This includes the use of industry standard ESG reporting frameworks (UN Sustainable Development Goals), as well as customised metrics that align with our specific sustainability goals.

- We encourage portfolio companies to provide transparent and accurate ESG data regularly, enabling us to track their progress and performance over time.
- Our monitoring process includes a proactive approach to identify potential ESG risks that may impact portfolio companies.
- We collaborate with portfolio companies to explore innovative solutions and best practices in sustainability, encouraging the adoption of initiatives that can generate positive environmental and social impacts.
- In the event of ESG incidents within portfolio companies, we respond promptly and appropriately to mitigate potential adverse effects.
- ESG considerations are integrated into our regular reporting and communication with the managers of the Funds as part of the quarterly and yearly reporting, as well as in person during presentations relating to the Funds.
- Ansoor will continue to follow developments as the industry adopts EU Regulation 2019/2088 and will continuously monitor market developments regarding data and reporting.
- Ansoor, as a signatory to the UN PRI, upholds a commitment to providing annual reporting on responsible investment practices to UN PRI and the broader public. We prepare and circulate an **Annual Sustainability Report** that showcases our achievements in terms of Environmental, Social, and Governance principles. This report serves as a testament to our dedication to transparency and accountability, as well as highlighting our progress towards ESG goals.



10. GUIDELINES ON ENVIRONMENTAL FACTORS



Our guidelines on environmental factors encompass a range of initiatives aimed at fostering responsible practices and supporting businesses that contribute to a positive environmental impact. These guidelines are as follows:

MONITORING AND REDUCING ENERGY CONSUMPTION / CARBON FOOTPRINT

We encourage the managers of the Funds to actively monitor their investee companies' energy usage and implement initiatives to reduce energy consumption. Simple measures, such as turning off lights and electrical items when not in use, conserve energy and reduce wastage. As part of the companies' regular reporting, we monitor the CO₂ emissions of the companies and support the portfolio companies in their goal of becoming carbon neutral.

PROMOTING RENEWABLE ENERGY GENERATION AND USAGE

We support businesses in adopting renewable energy sources as part of their energy mix. Target companies that invest in and utilise renewable energy solutions are prioritised, contributing to a cleaner and more sustainable energy landscape.

ADVOCATING EFFICIENT AND LOW CARBON VEHICLES

We encourage the adoption of efficient, low carbon vehicles, including electric vehicles ("EVs"), to reduce emissions and reliance on fossil fuels.

ENCOURAGING PUBLIC TRANSPORT USAGE

We advocate for the use of public transport among target companies' employees and operations.

MINIMISING UNNECESSARY TRAVEL THROUGH TECHNOLOGY

We encourage portfolio companies to minimise unnecessary travel through the use of video conferencing and other remote communication technologies.

MAXIMISING RECYCLING AND USE OF RECYCLED MATERIALS

We encourage portfolio companies to participate in recycling initiatives and maximise the use of recycled materials in their products and packaging.

REDUCING PAPER USAGE AND PROMOTING DIGITALISATION

We advocate for portfolio companies to minimize unnecessary printing and promote digitalisation of documents and processes.

In addition, we further prioritise target companies that are able to make a direct positive environmental impact on other businesses or consumers through offering services that reduce energy use and CO₂ emissions.

Our general advice to the Funds is to invest in companies that provide a diverse range of environmental-focused services, spanning from CO₂ emissions measurement facilitated by a digital measurement tool based on spend, to solutions (for example, installation of solar panels or heat pumps) aimed at curbing energy consumption and mitigating CO₂ emissions.

11. GUIDELINES ON SOCIAL FACTORS



We seek to ensure each portfolio business and our own business minimises any adverse social impact and promotes positive social activities and developments, for example through:

EQUAL OPPORTUNITY EMPLOYMENT

All target company businesses are required to be equal opportunity employers, fostering a work environment that does not discriminate against employees or applicants based on age, gender, nationality, race, or religion. We prioritise companies that demonstrate a commitment to diversity and inclusivity, promoting fair and equitable opportunities for all as suitable investments for the Funds.

SAFE WORKING ENVIRONMENT AND HEALTH & SAFETY COMPLIANCE

Ensuring employee safety is a core requirement for each target company. We mandate the establishment of detailed health and safety policies and procedures in compliance with all relevant regulations. Mechanisms for promptly addressing health and safety issues are required, fostering a culture of employee well-being and incident prevention. Warranties are included in any Service Agreement signed by any vendor who has sold their business to the Funds in relation to health and safety compliance.

DATA SECURITY AND COMPLIANCE

Rigorous procedures for the secure handling and storage of sensitive data, including employee and customer data, are mandatory for all target companies. We seek strict adherence to data compliance regulations, including GDPR.

COMMUNITY ENGAGEMENT AND CORPORATE SOCIAL RESPONSIBILITY

We encourage target companies and their employees to actively contribute to their local communities through voluntary work and charitable contributions.

ADHERENCE TO INTERNATIONAL LABOUR STANDARDS IN LOW-COST OR DEVELOPING MARKETS

In low-cost or developing markets, additional checks are encouraged to ensure that international labour standards are adhered to. We advocate for ethical labour practices, fair wages, and safe working conditions. The portfolio companies owned by the Funds advised by Ansor are highly focused on the United Kingdom.



12. GUIDELINES ON GOVERNANCE FACTORS

The following guidelines underscore our commitment to excellence in our governance arrangements and activities:

BOARD COMPOSITION

The Funds we advise require that they hold two positions on the Boards of the companies in which they invest and will seek majority ownership. One of the positions will be as Chair. The Funds we advise require small Boards, comprising of the two Fund appointed members and a CEO and a CFO.

EXECUTIVE COMPENSATION AND ALIGNMENT

We evaluate companies' executive compensation structures to ensure they are aligned with long-term performance and shareholder interests.

ETHICAL BUSINESS CONDUCT AND ANTI-CORRUPTION MEASURES

Companies are expected to adhere to the highest ethical standards and maintain anti-corruption measures. We ensure that each target company has an ethical code in place which includes appropriate professional conduct, anti-bribery and corruption, human rights and anti-money laundering codes.

TRANSPARENCY IN FINANCIAL REPORTING AND DISCLOSURES

We promote practices which ensure transparent financial reporting practices and provide for comprehensive disclosure.

CONFLICT OF INTEREST MANAGEMENT

We scrutinise companies' conflict of interest management practices to ensure fair decision-making and mitigate potential risks as part of the due diligence process. The investment committee documentation of the Funds we advise has a section dedicated to the identification of potential conflicts of interest, whereby a risk assessment is performed.

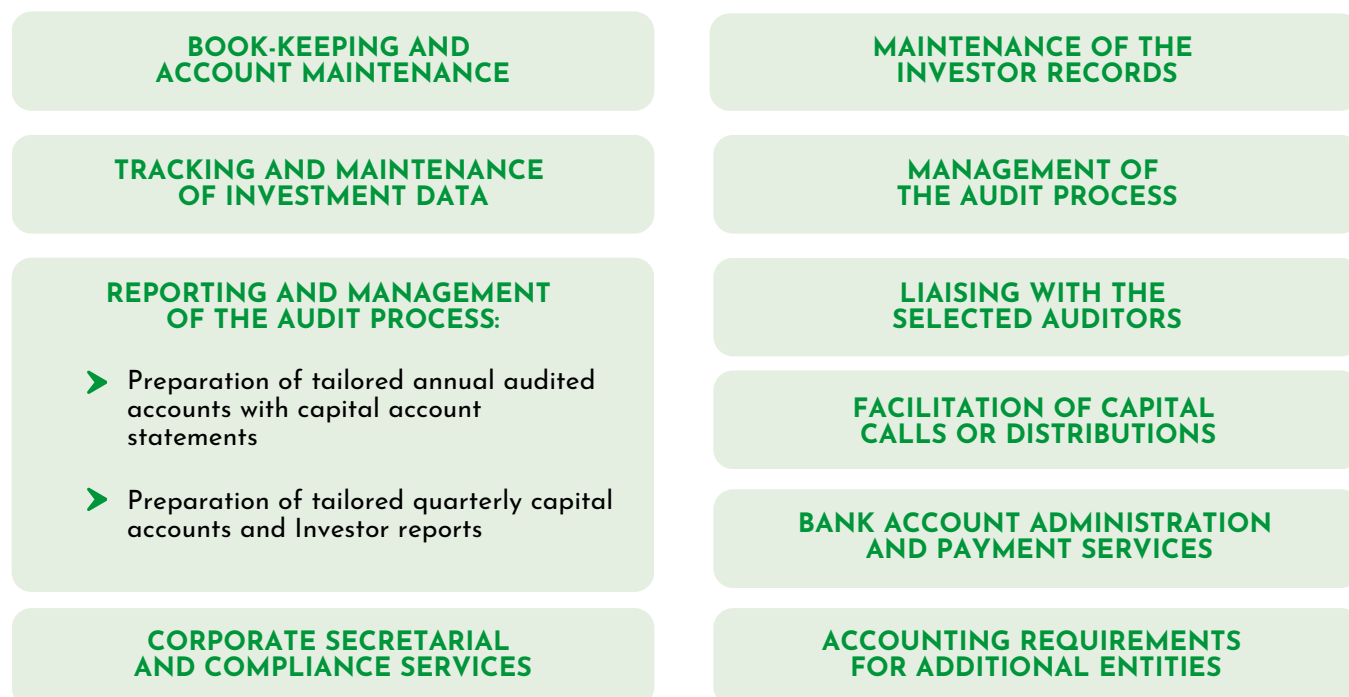
ADHERENCE TO REGULATORY COMPLIANCE

We provide advice on companies that comply with relevant laws, regulations, and corporate governance codes, and this is assessed as part of the legal and commercial due diligence conducted on each potential acquisition by a Fund.



Ansor LLP, for its own governance, uses specialist, independent third-party services to ensure the highest standards of governance and transparency (provided by IQEQ, a specialist in fund administration and compliance services). These include monthly review calls and participation in Ansor LLP board meetings. All relevant activities are recorded in our tracking system.

IQEQ provides the following fund administration services:

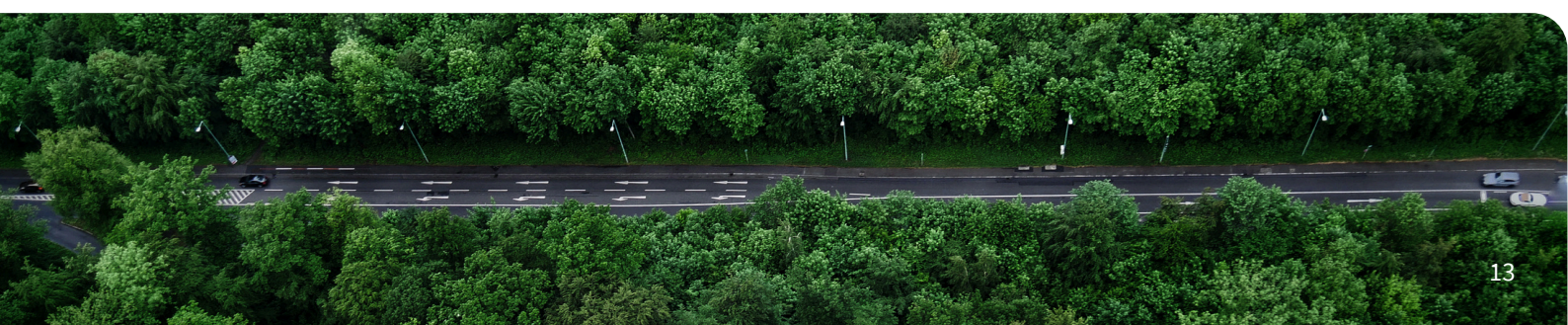


G10 Capital Limited is the AIFM providing the following services:



In accordance with the AIFMD Remuneration Code, all remuneration that is paid to individuals performing regulated activities for the AIFM must be paid in accordance with G10 Capital Limited's AIFMD Remuneration Policy.

All external communications require prior approval by G10 Capital Limited. These communications include financial promotions and communications that are non-promotional but are intended for mass communication.



At AnsoR, we recognise the significant responsibility entrusted to us as stewards of investors' funds.

We embrace our fiduciary duty.

Investment committee members are approved persons under the Financial Conduct Authority's Approved Persons regime; and AnsoR LLP is an Appointed Representative of GIO Capital Limited, a firm authorised and regulated by the Financial Conduct Authority (FRN 648953).

Our commitment as a fiduciary can be summarised as follows:

PUTTING INTERESTS OF THE FUNDS FIRST

As stewards, our primary focus is on putting the interests of our Funds first.

FIDUCIARY DUTY AND REGULATORY COMPLIANCE

We adhere to all relevant regulatory requirements and compliance standards to ensure transparency and accountability in our actions.

CONTINUOUS IMPROVEMENT

Our stewardship is framed by an ongoing commitment to continuous improvement. We regularly review and refine our investment advisory processes and governance practices.

At AnsoR, we adhere to a policy of non-affiliation and non-engagement with political parties. We do not make political contributions.

AnsoR manages its conflicts of interest and in doing will:

- Ensure that all employees are aware of the critical importance of a conflicts of interest policy in carrying out AnsoR's business, and the need to identify and report any perceived conflict of interest promptly;
- Review any actual or potential conflict of interest as soon as it is identified and identify appropriate steps to manage the conflict as necessary; these steps shall have the aim of preventing the risks of damage to the interests of any counterparty;
- Communicate to all relevant employees the procedures to be followed in order to manage the conflict of interest; and
- Keep and regularly update a record of the conflict of interest that has arisen or may arise, and the measures so undertaken in managing the conflict.

We maintain transparency and ethical practices while advocating for responsible corporate behaviour.



The value of investments and the income from them can go down as well as up and is not guaranteed. Past performance does not guarantee future results.

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