

Palatine Private Equity (PPE) LLP is a leading mid-market private equity house with multi-sector investments in UK headquartered businesses. We are committed to the integration of sustainability practices throughout our business culture and operations while we seek to make the best returns possible on our investments, believing this is the right and optimal way to build and protect value in everything we do. We have operated a structured approach to Environment, Social and Governance (ESG) integration in our business since 2010 and have been a signatory to the Principles for Responsible Investment since May 2014. This Code sets out our guide for how we do business and it will apply across all our business process, funds and mandates.

The basis of our approach

- To avoid adverse impacts (where this is unavoidable to take steps to mitigate) and maximise positive impacts on individuals, wider society, the environment and the economy through our investments and other business undertakings.
- Proactively comply with all laws that apply directly to Palatine PE, and go beyond compliance to meet our objectives more effectively. This includes steering our portfolio companies to complete and effective compliance.
- To work with the companies we invest in to help them recognise, monitor and manage the opportunities and risks associated with ESG factors, aiming to create and protect value and build them into more successful and sustainable businesses.
- To demonstrate leadership in sustainable investment and management practices in our business relations and in the communities in which we work.

Climate Action and the Sustainable Development Goals

We recognise that not only could the impacts of climate change be financially material to our portfolio but that as an organisation influencing the growth of companies we have a moral obligation to help address this global issue. In response we will consider climate related matters in our investment strategy and support our portfolio companies to actively monitor and manage their climate change risks and impacts.

Palatine PE supports the United Nations Sustainable Development Goals and we relate our work, and that of our portfolio, to them where relevant. We believe this will bring the goals to the attention of new business audiences.

Working Principles for ESG integration

We work to the following principles within our investment and management processes to ensure we consistently integrate ESG considerations throughout the investment lifecycle, in our investor relations and overall as a business:

1. We follow this Investment Code to **integrate ESG matters** into our deal making, stewardship and other undertakings.
2. We use clearly defined processes, as set out in our Investment Manual, to **integrate ESG considerations into our investment decision making**.
3. Our processes, and the tools that support them, are consistently organised around our **6 Pillars of ESG framework**.
4. **Our team understands** the reasons, issues and opportunities behind the ESG agenda, and receive regular briefings.
5. We take our **governance role** for ESG matters seriously and keep it high on the agenda within our portfolio.
6. We actively **engage with the management teams in our portfolio** to promote and attain better ESG performance.
7. We conduct rigorous, regular **monitoring and reporting** of ESG risks and opportunities in our portfolio.
8. We are a signatory to the UN-supported **Principles of Responsible Investment** and seek to conduct our activities in line with them at all times, including promoting sustainable investment practices to the wider PE community.

The Palatine ESG Framework

We use our bespoke 6 Pillar ESG framework to guide analysis, decision making, and reporting across a consistent set of themes designed to highlight the material matters that are most relevant in each investment:

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| 1. Energy, Carbon & Natural Resources | 2. Pollution & Waste | 3. Supply Chain |
| 4. Health & Safety and Human Resources | 5. Customers and Community | 6. Governance, Compliance and Business Ethics |

Reporting

We report comprehensively on ESG performance at company and portfolio level to our investors annually, and to provide Exit Reports that evaluate and show change in ESG performance over the lifetime of each investment.

Management commitment

We are committed to providing the resources and support for our team to fully implement this Code, and to demonstrate leadership in sustainable investment practices. We undertake to review our approach and performance regularly to ensure we are meeting our commitments and achieving the best we can.

Gary Tipper Managing Partner

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