



## **INTER-RISCO RESPONSIBLE INVESTMENT POLICY**

Inter-Risco, Sociedade de Capital de Risco, SA (Inter-Risco), was established in 1988 and it is one of the leading Portuguese private equity players. Over the last 20 years, the firm has developed a strong brand and an enviable network throughout the fragmented small and medium enterprise (SME) segment, investing more than Eur 200.0 Mn in more than 100 Iberian companies. Inter-Risco team is experienced and multidisciplinary, combining a strong financial background in mergers and acquisitions (M&A), private equity, financial audit and financial and tax consultancy with in depth knowledge of the SMEs market.

As institutional investors, we have a duty to act in the best long-term interests of our beneficiaries in a sustainable manner. In this fiduciary role, we believe that environmental, social, and corporate governance (ESG) issues can affect the performance of investment portfolios (to varying degrees across companies, sectors, regions, asset classes and through time). We also recognize that applying these Principles may better align investors with broader objectives of society. As such we integrate in our Responsible Investment Policy the ESG vectors.

Our Responsible Investment Policy is based on the six principles for responsible investment of the UN Principles for Responsible Investment (PRI), of which we have been subscribers since 2019. In this first years of adoption and adherence to the Principles we faced significant external challenges and hurdles (related to COVID pandemics and latter to war in Ukraine). Nevertheless, interactions took place to incorporate ESG issues into our ownership policies (decision making in terms of investments) and practices at the board levels of portfolio companies, especially when dealing with complex situations/problems that required actions with material impacts on a wide type of stakeholders. Corporate responsibility principle was more than ever in the top of our minds in order to find balanced and sustainable solutions to the challenges we are facing. We recognize that the management of ESG issues is and will be an ongoing and evolving process and therefore we are committed to continued monitoring and reviewing the principles in order to ensure a continuous improvement in ESG performance.

Where consistent with our fiduciary responsibilities, Inter-Risco is committed to the following principles:

- i. We will incorporate Environmental, Social and Corporate Governance (ESG) issues into investment analysis and decision-making processes;
- ii. We will be active owners and incorporate ESG issues into our ownership policies and practices;
- iii. We will seek appropriate disclosure on ESG issues by the entities in which we invest;



- iv. We will promote acceptance and implementation of the Principles within the investment industry;
- v. We will work with the PRI Secretariat and other signatories to enhance their effectiveness in implementing the Principles;
- vi. We will each report on our activities and progress towards implementing the Principles.

### **ESG on Inter-Risco Own Operations**

Inter-Risco has a Code of Ethics and Conduct which has the following fundamental objectives: (i) to make employees, customers, public entities, suppliers and, in general, the entire community unequivocally aware of the values, advocated, lived and demanded by Inter-Risco, fostering growing relationships of trust between all of them and (ii) reinforce Inter-Risco's ethical standards of action as a whole, constituting a pillar of the social responsibility policy developed by the company. Further, Members of the Investment Committee and Board are adherent to the existing principles and responsible for every investment, monitoring and divestment decisions, responsible for investor relations and undertake board membership roles in portfolio firms. Whenever it is possible, the Code of Ethics and Conduct and the internal manual of procedures is rolled out to the investee companies and from there to the relevant stakeholders.

We dedicate time and resources to responsible investment policy, as we understand it as a way to add sustainability to our business. Furthermore, in these first years of adherence, we are putting more effort in creating solid building blocks for the future, assure effectiveness of the actions being undertaken and only after having a solid formal process we will work in the external communication of the investment policy in place.

### **ESG on Investment Selection and Execution**

Inter-Risco has a market-driven investment strategy and pursues a generalist sector approach, prudent management of ESG issues, leads to clear definition of non-invested industries (please see Annex 1). As such, investments are only executed after completing thorough: (i) due diligence performed by third parties on financial, tax, commercial, some ESG topics and legal risks, (ii) an Investment Committee approval, (iii) a management team assessment, (iv) a detailed operating plan and (v) an appropriate valuation.

### **ESG on Portfolio Companies Managed**

Inter-Risco is committed to progressively consider the ESG factor throughout the investment lifecycle and ESG in some cases as part of the governance and operation of portfolio companies.



Although Inter-Risco does not take part in the day-to-day business of its portfolio companies, it places great emphasis in finding the right people to lead its investments. Hence, the existing contact network next to management professionals and head-hunters has been a valuable source of skills for its past investments, securing high quality responsible professionals for key roles in all of its portfolio companies' management teams. Inter-Risco takes an active role in managing ESG matters through the portfolio companies by providing ESG guidelines, supporting and monitoring the performance. In relation to governance, we promote ethical practices and the highest standards of conduct including policies on human-rights, anti-bribery, money laundering and whistleblowing.

Our culture is to work as a Team, to work close with each other, to our investors, management teams, advisors, suppliers and the community. We act with integrity and treat others with respect. Create long term value by fostering human capital and supporting healthier communities and environments.

Due to the different challenges faced by our portfolio companies, ESG analysis and implementation is ongoing and evolving and according to each company's possibilities.

ESG Policy and framework to support its implementation will be reviewed by Inter-Risco Board Members on periodic basis. This policy was revised and approved by Inter-Risco's Board on June 2024 and is effective from this date.



## ANNEX 1

Inter-Risco, as a responsible investor, does not invest in companies nor, directly or indirectly, in entities that carry out any of the following activities, or which are related to or that, directly or indirectly, control companies engaged in such activities:

- (i) activities that limit individual rights and freedoms or violate human rights;
- (ii) the production or distribution of tobacco and tobacco-related products;
- (iii) gambling operations and related products;
- (iv) sex trade and related infrastructure, services and media
- (v) the direct sale, supply, manufacture or distribution of modern armaments or military weapons;
- (vi) human cloning; or
- (vii) any activities related to genetically modified organisms to the extent that (a) such activities do not comply with any applicable legislation and (b) there are no appropriate monitoring procedures carried out by a body or group of respected professionals in relation to such investment which ensure that investment decisions in relation to such companies and compliance with applicable laws are controlled.