



SPARRING
CAPITAL

ESG Charter

Our commitments into action

September 2019

Commitments for partnership and sustainable performance

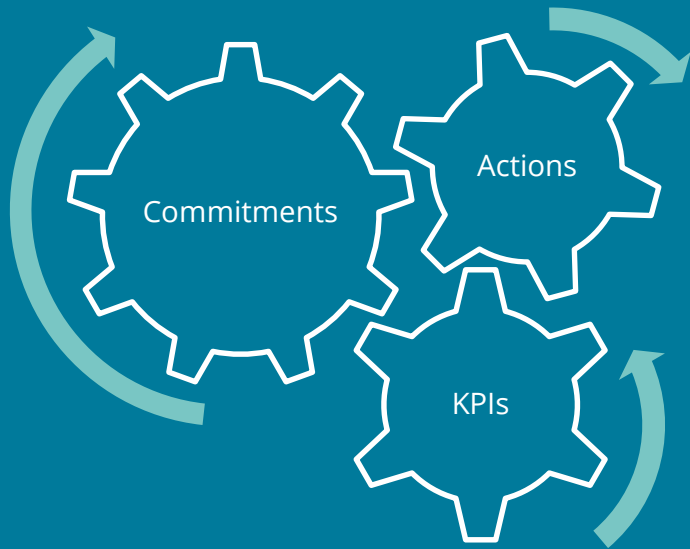
- **Sparring Capital** team believes in the consideration of a **Responsible Investment approach** regarding value creation, core mission for a capital investor
- Thus, our investments are built on a **long-term value creation approach**, in both financial and non-financial terms, and include Environmental, Social and Governance criteria (ESG).
- This charter aims **to formalize our commitments, which have been translated into tangible actions.** It is applicable to all our investment and portfolio management processes.

Our commitments

- **Involvement with managers** in the implementation of an ESG approach
- **Production of an annual report**, intended for our investors, on the ESG matters of companies supported by Sparring Capital
- **An internal organization structured** to allow the application of ESG criteria by each of Sparring Capital's team members

With our investments

A tangible commitment to executives throughout our presence in the capital



- **Shared commitment between Sparring Capital and management:**



- Awareness of management teams to ESG matters
- Integration of ESG matters into shareholder agreements

- **Detailed assessment** of the ESG approach in the portfolio companies of Sparring Capital's funds:



- Implementation of **an ESG review** by a specialized firm and identifying areas for improvement
- Definition of an action plan with the management teams



- **Follow-up of indicators** within each company supported by Sparring Capital, with annual *reporting*



- Follow-up of the ESG roadmap on an annual basis **by the company's governance bodies**

With our Investors

A transparent communication on our actions



- Sparring Capital's **adherence** to ESG best practices



- Formal integration of **ESG analyses into the investment, monitoring and disposal processes of investments**



- Identification of key ESG issues in Investment Committees
- These issues are monitored during the life of the investments (annual reporting, subject formally addressed in the corporate governance bodies)
- During the sale, evaluation of the company's progress on ESG issues



- **Transparency** with our investors



- **Communication of the ESG review results** for each portfolio company in the half-yearly management report following its completion
- **Integration of the main ESG events in the half-yearly reports**
- **Production of an ESG annual report** to provide our investors with a global and dynamic overview of the ESG challenges facing our portfolio companies



With our collaborators

A high degree of attention paid to the development of our teams



- **A collective trust based on a shared project:**

- Autonomy and responsibility
- Transparency on goals and in decision-making
- Team investment in vehicles managed by Sparring Capital



- **An ambition to progress together:**

- Skills development through experience sharing, confrontation with new challenges and external training
- Respect for the professional expectations of each team member



- **A pleasant working environment, thanks to the contribution of all:**

- Shared values (caring, team spirit, listening, integrity)
- Common relaxation moments



A structured ESG internal organization



- **Dedicated organization:** a Partner in charge of ESG in a transversal way, accompanied by a Principal



- **Continuous training** of teams on ESG matters: initial training for new recruits (including interns), biannual experience sharing, annual information meeting (...)



- **Periodic review of ESG goals** concerning the management company as an organization, with a view to continuous improvement



- **Semi-annual monitoring of ESG action plans** for Sparring Capital investments: sharing of key developments within the investment team



Sparring Capital team will focus its ESG on the appropriate degree of application of ESG criteria to supported SMEs / ETIs, in order to adapt this approach to the specific situation of each company.