



Responsible Investment Policy

B-FLEXION Fund Management Jersey

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1 INTRODUCTION

B-FLEXION Fund Management Jersey (“BFMJ”, the “Investment Manager”, or the “Firm”) is a subsidiary of B-FLEXION Group Holdings SA (“B-FLEXION Group”) and is the investment manager to Kedge Capital Fund of Hedge Funds (“KCHF”), Kedge Capital Private Equity (“KCPE”), and Forestay Capital (“Forestay”) fund products. KCHF, KCPE, and Forestay are collectively referred to herein as “Investment Partnership(s)”.

It should be noted at the outset that presently BFMJ’s approach to responsible investment is provided pursuant to a number of related policies, materials, procedures and practices (“together referred to as “Pursuant Materials”), which may be referenced in this Policy in whole or part. Such Pursuant Materials may be under the supervision of BFMJ and/or the Investment Partnerships.

As a responsible investor, BFMJ on behalf of itself, its Investment Partnerships its affiliates and their employees, is committed to upholding the Firm’s core values across its investment practices. This includes considering material environmental, social and governance (“ESG”) considerations as part of its investment policy, strategies and decision-making. These considerations align with the thoughtful and disciplined approach to business and investing BFMJ has followed since its inception.

In acknowledgment of this, and subject to restrictions and applicable law, BFMJ is committed to incorporating ESG factors within its investment practices, to the extent it is applicable and practical¹. BFMJ sees the consideration of such ESG factors as important in its wider investment objective to preserve and grow the value of assets and achieve absolute returns over the long term.

This Responsible Investment Policy (“Policy”) provides an overview as to how BFMJ’s current efforts are aligned to the values of the wider B-FLEXION Group, its commitment and integration of these factors into its investment practices, as well as the governance mechanisms that underpin its approach. Additional details may be found in Pursuant Materials.

BFMJ recognises that responsible investment represents a journey as well as a continuous evolution. As a result, this Policy and Pursuant Materials may be subject to review and modification from time-to-time to reflect further enhancements, changes in the marketplace, investor demands, developments in regulation, standards, governance practices and public policy as well as any internal drivers, amongst other factors.

1.1 Policy scope

Unless otherwise stated, the information provided in this Policy relates solely to the activities of BFMJ and the Investment Partnerships.

The Policy implementations are intended to be applied to BFMJ and any investment activity under BFMJ’s investment management authority, subject to any pre-determined restrictions

¹ ESG factors can be both risk or non-risk based and such application will be determined by the respective entity as appropriate to its ESG integration strategy.

affecting BFMJ and/or its underlying Investment Partnerships and as expressed in relevant documentation. However, there may be circumstances when it is necessary for the application of this Policy to be adapted.

Furthermore, it should be noted, not all Policy constituents will apply equally to BFMJ and each Investment Partnership; the Policy has been established to permit a diversity of approaches relevant to each entity in order to capitalise on the distinct characteristics each provides.

2 POLICY GOVERNANCE, OVERSIGHT AND MANAGEMENT

The internal policies, processes and procedures associated with responsible investment have been considered, reviewed and approved by BFMJ's Board and are structured to permeate throughout its investment practices, as applicable.

Ultimate oversight and responsibility for this Policy will sit with the BFMJ Board, nonetheless, BFMJ and the Investment Partnerships will be responsible for ensuring the day-to-day implementation of responsible investment principles, Policy constituents, as well as Pursuant Materials, as applicable. The broader responsibilities for the BFMJ Board, may include:

- Ensuring the Policy accurately reflects BFMJ's purpose, values and responsible investment approach;
- Updating and reviewing any changed circumstances relevant to this Policy when required and in line with wider policy reviews. This includes considering whether any modifications or improvements are required; and
- Ensuring BFMJ is best placed to respond to changes in the marketplace, investor demands, developments in regulation, standards, governance practices and public policy, as well as any internal drivers, amongst other factors.

2.1 Responsible Investing Review Group

To enhance responsible investment governance, BFMJ has established the Responsible Investing Review Group ("RIRG"). The RIRG is an internal review forum comprising of appropriately experienced employees of B-FLEXION and its Investment Partnerships. The general purpose of the RIRG is to:

- a) **REVIEW** the responsible investment considerations that each Investment Partnership makes in relation to all new investments to ensure alignment with this Policy.
- b) **CONFIRM** to the sponsoring Investment Partnership that:
 - i. the proposed investment meets any pre-determined standards/is aligned with this Policy; or
 - ii. the proposed investment does not meet the pre-determined standards/is not aligned with this Policy; or

- iii. further analysis should be performed such that a decision can be made.
- c) **REPORT** outcomes to the BFMJ Investment Board² and B-FLEXION Fund Management (Ireland) Limited (“BFMI”) Fund Manager while routinely sharing updates and best practices across the Investment Partnerships and B-FLEXION Group.

The RIRG shall comprise eight Standing Members, one of whom is the designated Chairperson. These members are able to govern the implementation of the Policy by virtue of their role and representative function. They will additionally be provided with training opportunities.

The RIRG shall meet prior to each BFMJ Investment Board meeting, in which a new or additional investment allocation is proposed, to review and ratify on the alignment of investments with this Policy. Additional meetings may be held to tackle distinct priorities.

The RIRG will operate independently of BFMJ’s existing Audit, Risk and Compliance teams but will leverage the expertise of the BFMJ control groups and management team, as required.

Further information on the RIRG can be found in [Appendix 1: B-FLEXION Responsible Investing Review Group; Internal review forum overseeing the implementation of BFMJ’s Responsible Investment Policy](#)

2.2 Conflicts of Interest

BFMJ and/or the Investment Partnerships also have regard to the potential for conflicts of interest to arise when conducting their responsible investment and stewardship activities. Examples of responsible investment and stewardship conflicts of interest could include, but are not limited to:

- Differences between BFMJ and/or the Investment Partnerships responsible investment and stewardship policies and the responsible investment and stewardship policies of investors in funds;
- Business relationships between BFMJ and/or the Investment Partnerships and the boards of companies in which BFMJ and/or the Investment Partnerships portfolio or client portfolios are invested;
- Directorships in portfolio companies held by members of BFMJ and/or the Investments Partnerships, if any;
- Investments in funds managed by BFMJ held by members of BFMJ and/or the Investments Partnerships; and/or
- Familial relationships between an employee of BFMJ and/or the Investment Partnerships or an affiliate and a portfolio company (e.g. a spouse or other relative who serves as a director of a portfolio company).

² Ultimate responsibility for any investment decision rests solely with the BFMJ Investment Board.

BFMJ and/or the Investment Partnerships have a duty to take all reasonable steps to identify and manage conflicts of interest. Accordingly, BFMJ and/or the Investments Partnerships have established and implemented clear policies, including that of the Group Compliance Policies & Procedures Manual.

3 NORMATIVE CODES

There have been several public organisations established which advocate and promote responsible investment, some of which have informed BFMJ’s responsible investment considerations. The most prominent of these is the UN supported Principles for Responsible Investment (“PRI”)³.

As part of its commitment and advocacy to promoting this area, BFMJ recognised that the PRI Principles were aligned with its investment approach and as such became a signatory to the PRI in 2022. BFMJ and the Investment Partnerships will continue to explore how the responsible investing framework can continue to evolve in line with the guidelines as set out by the PRI.

BFMJ will also continue to monitor the most relevant organisations advocating responsible investment considerations for any future view about aligning with any of them, as such organisations often constitute informative resources.

4 TRAINING

BFMJ is committed to promoting responsible investment awareness and understanding across the business. In pursuit of this, it encourages its staff to attend conferences and webinars to stay abreast of responsible investment developments.

In addition, BFMJ will provide staff, including Standing Members of the RIRG, with appropriate and timely training on an ongoing basis from relevant internal functions and external groups.

BFMJ will review the responsible investment capabilities and training needs of staff and the RIRG bi-annually at a minimum and, as part of this, will consider additional responsible investment training.

5 RESPONSIBLE INVESTMENT

BFMJ is the investment manager to three diverse businesses, which each apply a distinctive investment strategy investing in a range of asset classes.

- KCHF – invests wholly in third party hedge fund managers.
- KCPE – invests in Fund of Funds and Co-investments.

³ Further information on the PRI and its principles can be found [here](#).

- Forestay – invests minority investments in venture capital, primarily in European technology companies.

Nonetheless, in recognition of BFMJ’s commitment to responsible investing, BFMJ has established a responsible investment framework that enables the consideration of ESG factors material to its investment practices and each Investment Partnership.

BFMJ and the Investment Partnerships recognise that the consideration of ESG factors may inform, enhance and enrich the investment process, as well as their approach to risk management. Moreover, such consideration may enhance the ability to see the whole picture when investing. For example, the discovery of ESG factors, before they expand into events that could threaten the value of an investment, may assist BFMJ and/or the Investment Partnerships in its investment decision-making. Equally, understanding ESG factors may enable BFMJ and/or the Investment Partnerships to capitalise on new investment opportunities.

Moreover, BFMJ views responsible investment as consistent with its fiduciary duties to serve its investors.

BFMJ and the Investment Partnerships recognise that there is no one best way to evaluate ESG factors into the respective investment processes, and as such the evaluation process may evolve over time.

5.1 Asset Class / Product Level Summary

As noted, whilst ultimate oversight and responsibility for this Policy will sit with the BFMJ Board, the BFMJ team and Investment Partnerships will be responsible for ensuring the day-to-day implementation of responsible investment principles, Policy constituents, as well as Pursuant Materials, as applicable. Accordingly, the following section provides a summary of the management and administration of such responsible investment activities by BFMJ and the Investment Partnerships.

5.1.1 Specific Considerations

It should be noted that in some situations, given the timing of an investment, BFMJ and/or the Investment Partnerships may determine that there is insufficient time, or it is impractical to undertake an extensive evaluation of ESG factors with respect to investments.

Furthermore, in certain situations, BFMJ and/or the Investment Partnerships may not be able to complete their evaluation of ESG factors to the fullest effect due to the availability and quality of data. Data addressing ESG factors may be opaque, incomplete, inaccurate or non-existent and ESG factors are not always disclosed by the investments that form part of the respective investable universe. Additionally, available information on an investment’s ESG profile is generally based on historical data, which may not fully reflect the current and/or future situation and performance or the respective risks to which it is exposed.

In both situations above, BFMJ and/or the Investment Partnerships may continue to hold, reallocate, or consider a new investment, following careful consideration. Such decisions will be made based on the expertise of BFMJ, the RIRG and/or the Investment Partnership professionals and are evaluated on a case-by-case basis, subject to risk and other restrictions. While BFMJ and/or the Investment Partnerships seek to incorporate all appropriate information into its investment decision-making process, there can be no assurance that such policies and methodologies will capture all relevant information on ESG factors with respect to investments.

In addition, it should also be noted that negative ESG factors are not dispositive, and investments may still be made notwithstanding the identification of negative ESG factors. If BFMJ and/or the Investment Partnerships concludes that the ESG factors related to a potential investment are too great and/or cannot be appropriately mitigated in a reasonable timeframe, an investment recommendation may not be made, or if made may be rejected. Such decisions will be made based on the expertise of BFMJ, the RIRG and/or the Investment Partnership professionals and are evaluated on a case-by-case basis, subject to risk and other restrictions.

Finally, the relevance and degree of consideration of ESG factors that BFMJ and/or the Investment Partnerships will assess as part of its evaluation for each investment may vary dependent upon circumstances. These factors may include the Investment Partnership's distinct strategies; client objectives; asset class specific considerations; investment style; objectives of the investment strategy, funds(s), portfolio(s); individual research processes; distinct investment characteristics and investment time horizon; external manager and/or company specific matters; sector and market trends; as well as the specific research and portfolio construction requirements of the respective Investment Partnerships, amongst others (all together referred to as "Investment Characteristics"). As a result, the evaluation of ESG factors may be adapted by each Investment Partnership, fund, portfolio, investment team and strategy.

5.1.2 *Criterion*

The first stage of BFMJ and the Investment Partnerships responsible investment framework is to establish the investible universe and the investments that may be subject to the evaluation of ESG factors, alongside fundamental metrics. As noted in [Policy scope](#), the Policy implementations are intended to be applied to BFMJ and any investment activity under BFMJ's investment management authority, subject to any pre-determined restrictions

affecting BFMJ and/or its underlying Investment Partnerships and as expressed in relevant documentation.

BFMJ and the Investment Partnerships approach to the evaluation of ESG factors is one of integration and it therefore does not generally apply formal exclusionary screens or industry or company prohibitions, unless required to by the following, and as stated in the relevant documentation. Such exclusions and prohibitions may include:

- Mandate and/or contractual arrangements which may be fund or share class specific;
- Legal, statutory and/or regulatory;
- Risk and compliance limits; and/or
- Economic sanctions.

Over and above the already noted limitations, BFMJ and/or the Investment Partnership experienced professionals may exercise their experience and judgement when considering the investment universe, notwithstanding as to whether the external managers or companies being assessed are unsustainable either on financial or ESG criteria and so therefore do not meet their investment principles; these decisions will be taken on a case-by-case basis.

Accordingly:

- Entities that are excluded from BFMJ and/or the Investment Partnerships investible universe for any reason and will not be subject to an investment review and the evaluation of ESG factors are referred to as “Out-of-Scope”.
- All other entities that make up BFMJ and/or the Investment Partnerships investible universe and may be subject to an investment review and the evaluation of ESG factors are referred to as “In-Scope”.

5.1.3 ESG Integration

A. KCHF

KCHF invests wholly in third party hedge fund managers and therefore has limited engagement with the underlying portfolio companies and investments. It should also be noted that KCHF does not invest in ESG centric strategies, nor does it apply stock, sector, strategy or manager level exclusions to its investable universe as part of its ESG approach, given these methods are not aligned with KCHF’s mandate.

In recognition of KCHF’s commitment to responsible investing, once an In-Scope entity has been assigned to the research universe, KCHF’s regular investment and operational risk analysis will also consider material ESG factors alongside other fundamental metrics with the results informing its decision-making:

1. Pre-Investment

KCHF’s diligence approach applies to both monitoring existing portfolio investments, as well as when evaluating new investment opportunities. It should be noted, nonetheless, that data available on ESG factors varies by hedge fund manager, asset class and strategy and there is limited ability to assess ESG metrics in a systematic way. As this improves over time, so too will KCHF’s ability to assess such factors.

As an investor in hedge funds managed by external hedge fund managers, KCHF examines ESG integration both at the investment strategy and firm level of a given manager which retains the discretion for the underlying holdings in its portfolio. As such, the ESG considerations that may be evaluated by KCHF include:

- a. Operational Due Diligence ESG Integration
 - i. Corporate Commitment/Approach to ESG – e.g. Firm ESG approach.
 - ii. External Partnerships/Reporting – e.g. PRI signatory.
 - iii. Environmental Pillar – e.g. Carbon footprint.
 - iv. Social Pillar – e.g. DEI.
 - v. Governance Pillar – e.g. Corporate Responsibility.
 - vi. Investor Engagement – e.g. Transparency and frequency of ESG related reporting/disclosures.

- b. Investment Due Diligence ESG Integration
 - i. Investment Responsibility– e.g. Leadership oversight.
 - ii. Investment Integration – e.g. Factor screening risk assessment.

- iii. Stewardship – e.g. Portfolio company engagement.
- iv. Strategic considerations – e.g. Strategic decision making.
- v. Development Areas – e.g. Investment team training.
- vi. Investor Reporting – e.g. ESG metrics/KPI's.

KCHF will continue to revisit and refine the ESG diligence topics.

Furthermore, as part of its ESG assessment, KCHF seeks to understand the ESG integration efforts and priorities of its managers, including how their initiatives may evolve over time. Consequently, KCHF holds managers to account on their stated ESG goals and objectives through active engagement and dialogue. KCHF's ESG integration effort centres, therefore, on information gathering, validation and, where deemed relevant and practical, manager engagement.

2. Investment Execution

ESG factors are an input into, and additive to the investment process, but will not necessarily be the sole determinant in the final investment decision.

3. Post-Investment

KCHF recognises that the evaluation of ESG factors is a process continuing throughout the life of the investment. After an investment allocation is made, KCHF remains an engaged investor and conducts regular portfolio reviews of and is in contact with its managers on an on-going basis. Whilst these reviews cover KCHF's broader relationship with each manager, rather than ESG matters specifically, KCHF asks its managers to highlight any ESG relevant topics during the course of these reviews.

Amongst other factors, the ongoing monitoring reviews are designed to ensure KCHF's investment thesis and theory, the assessment of operational risk standards and the consideration of any applicable ESG risk factors, amongst other factors, continue to remain valid and up to date.

B. KCPE

KCPE has two avenues of investment: Fund of Funds and Co-investments. In both instances, KCPE is a minority investor with limited engagement in the underlying investments and portfolio companies.

In recognition of KCPE's commitment to the importance of ESG, once an entity has been assigned to the research universe, it is considered "in scope" meaning KCPE will evaluate ESG factors alongside other diligence work during the investment process, as well as assessing managers' ESG approaches prior to committing capital:

1. Pre-Investment

a. Fund of Funds ESG Integration

In the Fund of Funds programme, exposure to underlying businesses is typically via a “blind pool” commitment to a private equity fund for which an investment strategy is well-defined, but for which no underlying commitments to portfolio companies have been made.

For each new Funds commitment, KCPE therefore assesses the private equity fund manager’s ESG approach and places reliance (or otherwise) on this.

KCPE’s diligence covers ESG processes which may include, and may not be limited to:

- Whether the fund manager is a PRI signatory or has adopted any industry standards (for example, The American Investment Council Guidelines for Responsible Investment);
- Whether the fund manager has an ESG policy;
- What investment related processes are in place, for example, whether ESG due diligence is performed on every new investment; and/or
- Any other pertinent ESG information provided within the data room.

KCPE will continue to revisit and refine the ESG diligence topics.

b. Co-investments ESG Integration

In Co-investments, KCPE typically commits capital alongside the main private equity manager sponsor, as well as other co-investors, into a specific company. KCPE therefore has direct insight into the company into which it is committing capital.

Co-investments are typically made alongside the private equity fund managers within KCPE’s Funds business, who will have been subject to the diligence described above. As such, KCPE places reliance on this work and the ESG practices of the underlying manager. In addition to analysing the manager, KCPE ensures the investment is aligned with its core values by completing an initial ESG assessment on the company.

2. Investment Execution

ESG factors are an input into, and are additive to the investment process, however, they will not be the sole determinant in the final investment decision.

3. Post-Investment

KCPE recognises that the evaluation of ESG factors is a process continuing throughout the life of the investment. After a commitment is made, KCPE remains an engaged investor and conducts regular portfolio reviews of, and is in continuous contact with, its managers. Whilst these reviews cover KCPE’s broader relationship with each manager, rather than ESG matters specifically, KCPE will consider ESG matters within this broader relationship update.

C. Forestay

Forestay invests minority investments in fast growing start-ups, primarily in the enterprise software sector to foster business innovation. Given the wide-reaching impact that some of the fund's portfolio companies can have, venture capital investors such as Forestay are in a position to help shape their trajectory.

In recognition of Forestay's commitment to the importance of ESG, once an In-Scope entity has been assigned to the research universe, Forestay will evaluate ESG risks, as appropriate alongside other diligence work within its investment advisory process, with the results informing its decision-making:

1. Pre-Investment

As part of the investment evaluation process, Forestay will consider a company's ESG risks through a pre-defined in-house ESG template. This may include, but not necessarily be limited to, factors such as:

- Environmental: Greenhouse gas ("GHG") emissions/regulations, changes in climate, resource constraints, biodiversity and habitat loss, pollution, etc;
- Social: Worker rights and conditions, wellness and mental health, occupational health and safety, diversity & equality, data protection & privacy, etc; and/or
- Governance: Business ethics, management and board structures, regulatory & compliance, investor rights and protection, transparency & accountability, etc.

The relevance and degree of consideration of these ESG risk factors may vary dependent on circumstances such as industry, sector, nature and scale of the business. Moreover, the ESG risk factors detailed above are not exhaustive and Forestay will continue to revisit and refine the list.

Furthermore, Forestay aims to find and recommend investment in the best and most ambitious companies and their founders from a diverse set of demographics, backgrounds, and experiences in order to maximise the fund's performance. Beyond this, Forestay analyses the hiring processes and policies in place at a company before investing to identify inherent bias or blind spots.

Where appropriate or deemed necessary, Forestay will also instruct external experts to perform additional ESG due diligence on potential portfolio companies. Where Forestay engages with experts, in general, material topics that relate to such investments will be discussed and Forestay may present targeted questions on these topics. As part of the engagement of such experts, Forestay may also provide clear and actionable criteria to such experts (and/or the expert network coordinator, as relevant) to support its engagement.

2. Investment Execution

ESG factors are an input into, and additive to the investment process, but will not necessarily be the sole determinant in the final investment decision.

3. Post-Investment

Forestay recognises that the evaluation of ESG factors is a process continuing throughout the life of the investment. Forestay will seek to raise ESG topics at board meetings where they have a director and/or observer seat⁴. After an investment is made, Forestay remains an engaged investor and conducts regular portfolio reviews of, and is in continuous contact with, its investments. Shortly following the completion of each fund investment, Forestay will seek to support portfolio companies to improve their ESG performance – this may be where risks or improvement potential have been identified during due diligence and agreed upon with management. Forestay will also ask portfolio companies to report ESG metrics on a quarterly basis to monitor ESG performance.

5.2 Climate Change

BFMJ and the Investment Partnerships are aware of the responsibility that is placed on all firms to understand and act on the risks posed by climate change and its and/or the Investment Partnerships ESG evaluation may consider relevant environmental factors.

BFMJ and the Investment Partnerships recognise the complexity of this analysis and the need for continued learning and development around its approach.

5.3 Sustainability Outcomes

BFMJ and the Investment Partnerships are aware of the increasing interest from beneficiaries, policy makers and other stakeholders for asset managers to align their investments with the broader objectives of society.

BFMJ and the Investment Partnerships recognise the complexity of this alignment and the need for continued learning and development around its approach.

5.4 Reporting

5.4.1 Internal Reporting

BFMJ and/or the Investment Partnerships' investment evaluations, including on ESG factors, will be documented in appropriate materials with the insights disseminated as necessary; such materials may differ amongst BFMJ and/or the Investment Partnerships.

In addition and as noted in the [Responsible Investing Review Group](#), as part of the Governance process established, the RIRG will review all relevant materials, including but not limited to a standardised Responsible Investment review template the Investment Partnership provides electronically for each new investment in

⁴ It should be noted, Forestay will typically have minority shareholding in its investments and, therefore has limited ability to directly influence engagement outcomes.

advance of the RIRG meeting; confirm conformity/non- conformity with pre-determined standards / alignment with this Policy, and report outcomes to the BFMJ Investment Board and BFMI Fund Manager.

5.4.2 External Reporting

BFMJ and/or the Investment Partnerships may disclose information on investments, including on ESG considerations, when reporting to investors. Such information disclosed may include:

- A commitment to responsible investment (e.g. being PRI signatory);
- Responsible investment policy (at minimum a summary of the high-level approach);
- A description of the investment process and how ESG is considered;
- Stewardship approaches; and/or
- ESG case study/example from existing fund(s).

The frequency of reporting disclosure is on an ad hoc basis or upon request.

6 Stewardship

Stewardship is part of BFMJ and the Investment Partnerships' core values and all view it as important to contributing to the preservation and creation of value for clients' assets.

It should be noted at the outset that presently BFMJ and the Investment Partnerships' approach to stewardship is provided pursuant to a number of Pursuant Materials, which may be referenced in this Policy in whole or part. Such Pursuant Materials may be under the supervision of BFMJ and/or its Investment Partnerships. This reflects BFMJ and the Investment Partnerships view that stewardship forms an integral part of the approach to investing and is not a standalone matter. As such, this stewardship approach statement is intended to provide a summary of BFMJ and the Investment Partnerships stewardship approach and further details can be found in Pursuant Materials.

BFMJ and the Investment Partnerships are committed to promoting and exercising effective stewardship through relevant mechanisms, namely engagement and voting, among the investments represented within its portfolios, as well as wider policy engagement. However, it should be noted that the extent to which BFMJ and/or the Investment Partnerships enjoy access to these mechanisms may differ due to the Investment Characteristics in its funds.

BFMJ and the Investment Partnerships believe that effective stewardship practices can support the wider objective of maximising overall value to beneficiaries/clients.

Furthermore, it should be noted that the analysis and insights developed during stewardship activities, either engagement or voting, will be disseminated with key professionals internally; such analysis and insights may inform the strategy for particular investments.

6.1 Approach to Engagement

As part of BFMJ and/or the Investment Partnerships' investment process, it may choose to engage with relevant stakeholders to the investment in order to discuss certain factors, including on any ESG factors identified, in order to maintain or enhance the value of an investment, amongst other objectives. Moreover, engagement could be non-investee related; for example, engagement with policy makers.

In respect to investee engagement by BFMJ and/or the Investment Partnerships, any engagement might occur at any stage of the investment process but is more likely to take place during the research & due diligence and post-investment stages of the investment processes.

6.1.1 *Special Considerations*

Alongside direct and co-investments made into companies, BFMJ and/or the Investment Partnerships may invest in third party investment managers as part of their investment strategy. In such cases, BFMJ and/or the Investment Partnerships may be minority owners and therefore have limited ability to engage.

6.1.2 *Materiality/Objective of Engagement*

BFMJ and the Investment Partnerships' approach to potential engagement is assessed on a case-by-case basis.

The responsibility for determining an investment engagement strategy in a particular instance typically will reside with experienced professionals in the organisation central to the investment; accordingly such roles can vary in BFMJ and the Investment Partnerships. Nonetheless, key professionals will work in conjunction with the wider investment and non-investment team to develop a particular engagement approach, which may be based on the findings from their fundamental analysis and evaluation of ESG factors.

Investment engagement topics are chosen to, for example, support developing BFMJ and/or the Investment Partnerships knowledge, obtain additional information as part of BFMJ and/or the Investment Partnerships ongoing investment assessment and monitoring of risks and opportunities, understand an investments strategy and long-term prospects, or to influence change and help assist achieving sustainable outcomes, and which may be either bilateral or in cooperation with others.

As such, chosen topics will vary depending on a range of factors which may include the circumstances of the underlying fund/company and prevailing market conditions. BFMJ and/or the Investment Partnerships may also decide to engage on issues that are considered material and integral to its duty to act in the best interests of its investors.

When prioritising BFMJ and/or the Investment Partnerships engagement efforts, the relevant professionals will take into account, for example, the size of investment, the fund/company's sector and relevant best practices for that sector, the perceived significance of the topic that has been identified, the expertise available in respect of the topic (both internal and external), and its perception of its own ability to influence the decision making of the relevant fund/company, amongst other Investment Characteristics.

6.1.3 *Engagement Mechanism and Escalation Measures*

Engagement will be on a case-by-case basis. When engaging with investments, BFMJ and/or the Investment Partnerships preference is to engage with underlying funds/companies to facilitate an open dialogue conducive to resolving any potential areas of concern.

In line with typical methods of engagement this may include, but is not limited to, one or more of the following mechanisms:

- Written correspondence – letter;
- Written correspondence – email;
- Telephone call;
- Meetings (face to face or conference) with company representatives; and/or
- Voting (if able to do so and if not already done).

Given that BFMJ seeks to invest in businesses with high standards of governance and experience, it typically finds that escalation of its engagement is not frequently required.

However, in seeking to act in the best interests of investors, in certain circumstances, if engagement does not lead to the desired change or a satisfactory response, BFMJ and/or the Investment Partnerships may consider taking further measures subject to applicable law and other considerations. Such circumstances may include, but is not exhaustive to, where:

- A management team is unresponsive to repeated engagement over an issue which is material to the investment case;
- A company was not responding appropriately to its concerns; and/or
- A company was failing to appropriately manage risks or opportunities.

Further engagement escalation measures BFMJ and/or the Investment Partnerships could take where able and permissible, but is not limited to, include:

- Being increasingly assertive;
- Directing a question at an Annual General Meeting (“AGM”);
- Filing a shareholder resolution;
- Calling an extraordinary meeting;
- Making a formal complaint to a regulator;
- Reducing a position;
- Overweight or underweight holdings; and/or
- Voting (if able to do so and if not already done).

BFMJ and/or the Investment Partnership do not have any restrictions on the escalation measures it may seek to leverage and may ultimately consider it is better to reduce or exit an investment, rather than to continue the dialogue.

6.1.4 *Insider Trading*

In the event that BFMJ and/or the Investment Partnership inadvertently receives non-public material information when engaging with a company, the company's name is immediately placed on its restricted/insider list, meaning the company cannot be traded.

6.1.5 *Collaborative Engagement*

BFMJ and/or the Investment Partnerships will customarily act on its own when engaging with a company as in the above. Nonetheless, depending on the engagement objectives and where necessary and appropriate, BFMJ and/or the Investment Partnerships may participate in collaborative engagement; in some cases depending on the engagement objectives, joint action has the potential to be more effective than acting alone.

BFMJ and/or the Investment Partnerships will review proposals for collective engagement initiatives on a case-by-case basis, alongside other criteria, such as the size of its investment, wider Investment Characteristics, the sector and any relevant best practices therein, the perceived significance of the engagement topic that has been identified, the expertise available to it in respect of that engagement topic (both internal and external), and any perceived collective ability to influence an outcome.

Any decision to undertake collective engagement will be discussed with the relevant experienced professionals to ensure that the various legal and regulatory issues which may arise can be considered in advance of any decision to act collectively.

6.1.6 *Engagement with Policy Makers*

BFMJ and/or the Investment Partnerships may decide to engage with policy makers on topics, which could be related to responsible investment themes; any decision to do so will be taken on a case-by-case basis.

As part of this, BFMJ and or the Investment Partnerships may choose a range of methods to engage with policy makers. Such methods may include:

- Engaging with policymakers directly.
- Providing financial support, are members of and/or are in another way affiliated with third-party organisations, including trade associations and non-profit organisations, that engage with policymakers.

In such situations, BFMJ and or the Investment Partnerships may choose a range of mechanisms when engaging on topics. Such mechanisms may include:

- Participating in "sign-on" letters on policy topics;
- Responding to policy consultations; and/or
- Providing technical input on policy change.

The RIRG will have oversight of engagement with policy makers to ensure that any engagement activities/political influence are aligned with this Policy, wider Governance requirements, as well as BFMJ and the Investment Partnerships commitment to the 6 Principles of the PRI.

6.2 Reporting

6.2.1 *Internal Reporting*

Where applicable, BFMJ and/or the Investment Partnerships will maintain a log of meetings held with underlying funds/companies and records of voting and of all votes cast, with the insights disseminated as necessary.

6.2.2 *External Reporting*

BFMJ and/or the Investment Partnerships may disclose information on investments, including on stewardship considerations, when reporting to investors.

The frequency of reporting disclosure is on an ad hoc basis or upon request.

7 Appendix 1: B-FLEXION Responsible Investing Review Group; Internal review forum overseeing the implementation of BFMJ’s Responsible Investment Policy

1. Purpose

To enhance responsible investment governance, an internal review forum known as the Responsible Investing Review Group (“RIRG”) has been established to support BFMJ comprising of appropriately experienced employees of B-FLEXION and its Investment Partnerships. The general purpose of the RIRG is to:

- a) **REVIEW:** the responsible investment considerations each Investment Partnership makes in relation to all new investments to ensure alignment with this Policy.
- b) **CONFIRM:** to the sponsoring Investment Partnership that:
 - i. the proposed investment meets any pre-determined standards/is aligned with this Policy; or
 - ii. the proposed investment does not meet the pre-determined standards/is not aligned with this Policy; or
 - iii. further analysis should be performed such that a decision can be made.
- c) **REPORT:** outcomes to the BFMJ Investment Board⁵ and B-FLEXION Fund Management (Ireland) Limited (“BFMI”) Fund Manager, while routinely sharing updates and best practices across the investment partnerships and B-FLEXION Group.

2. Role and Duties

The role and duties of the RIRG will be as follows:

- a) Review all relevant materials, including but not limited to a standardised Responsible Investment review template, the Investment Partnership provides electronically for each new investment in advance of the RIRG meeting.
- b) Virtually convene a quorum of members to discuss the responsible investment considerations in the materials prior to the investment partnership’s investment recommendation to the BFMJ Investment Board.
- c) Determine whether the considerations are both sufficient and in alignment with this Policy.

⁵ Ultimate responsibility for any investment decision rests solely with the BFMJ Investment Board.

- d) Provide feedback to the Investment Partnership to be incorporated into the final investment presentation to the BFMJ Investment Board and if applicable the BFMI Fund Manager.
- e) Communicate the assessment to the BFMJ Investment Board and if applicable the BFMI Fund Board in the form of a Responsible Investing Approval Form sent via email from a standing member of the group.
- f) Routinely share updates and best practices to the investment partnerships, BFMJ Investment Manager, BFMI Fund Manager and the wider B-FLEXION Group.
- g) Have oversight of engagement with policy makers to ensure that any engagement activities/political influence are aligned with this Policy, wider Governance requirements, as well as BFMJ and the Investment Partnerships commitment to the 6 Principles of the PRI.

3. Membership

The RIRG shall comprise eight Standing Members, one of whom is the designated Chairperson. These members are able to govern the implementation of this Policy by virtue of their role and representative function. They will additionally be provided with training opportunities.

Standing Members:

- Responsible Investing Review Group Co-Chairpersons: Ranjani Kearsley (Head of People) or Hannah Tucker (Director of Responsible Investing and Thematic Research)
- BFMJ representative: Ben Burton (Head of Jersey)
- Kedge Capital Hedge Fund representative: Louise Mourgues (Head of Operational Due Diligence)
- Kedge Capital Private Equity representative: Keith Hinchcliffe (Chief Operating Officer)
- Forestay Representative: Jonas Jeandupeux (Vice President)
- B-FLEXION Group representative Damian Jensen (Corporate Communications)
- ~~Business development representative: Ravi Thakur (Principal, US Capital Raising)~~

Invitees:

- BFMI representative: Megan Connolly (Distribution Ireland)
- Secretary: Sally Hardman (Head of Company Secretarial and Company Admin - Jersey)

Each standing member may appoint an alternate delegate as they wish.

4. Quorum

The quorum necessary for the conclusion of any recommendations shall be two Standing Members and the Chairperson. A duly convened meeting of the RIRG at which a quorum is present shall be competent to exercise all its duties.

Should neither co-chairperson be available for the meeting, an approval via email prior to the meeting by one of the co-chairs will alleviate the need for their attendance. In these circumstances, the quorum will be satisfied by any other 3 standing members. However, any request for further information or a rejection by the co-chairperson will delay in the review meeting until an approval can be garnered.

5. Secretary, Meetings and Minutes

A Secretary, in addition to Standing Members, will be appointed to ensure that the RIRG members receive materials in a timely manner to ensure full and proper consideration is given to each evaluation process.

Meetings of the RIRG shall be convened by the Secretary at the request of the sponsoring Investment Partnership or by the Chairperson directly. The Secretary shall minute the material discussion points and conclusions of all meetings, including recording attendance and any disclosed objections.

6. Frequency of Meetings

The RIRG shall meet prior to each BFMJ Investment Board meeting, in which a new or additional investment allocation is proposed, to opine on the alignment of investments with the policy. Additional meetings may be held to tackle distinct priorities.

7. Scope and Industry Engagement

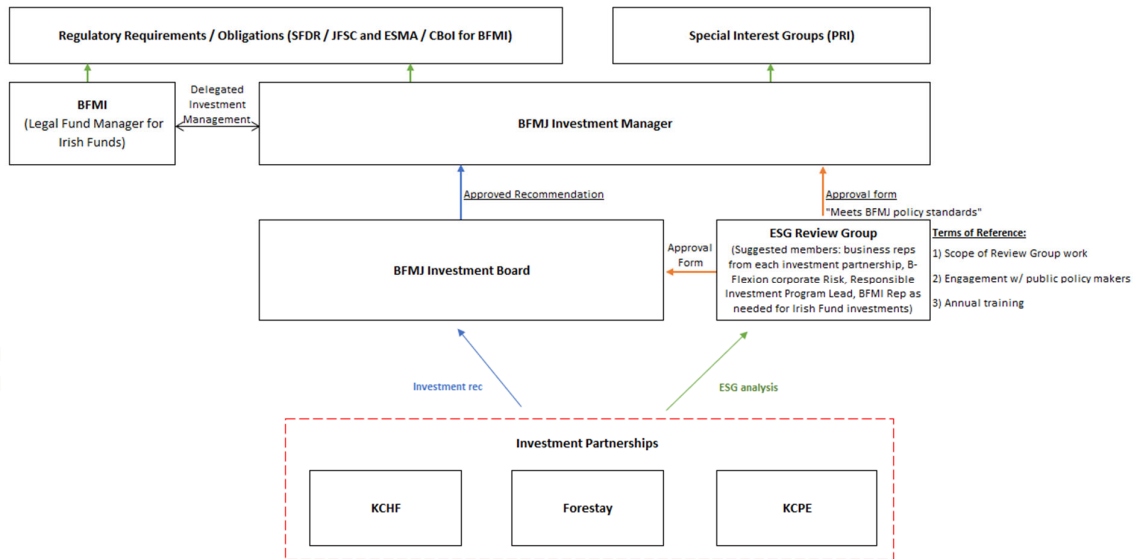
The Forum shall:

- a) Have access, or be able to request access, to sufficient resources to carry out its duties, including access to relevant departments and subject matter experts for assistance as required.
- b) Be provided with appropriate and timely training on an ongoing basis from relevant internal functions and external groups.
- c) At least once a year, review its own performance, constitution, and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to

the BFMJ Investment Board and BFMI, where applicable, for approval. The BFMJ Investment Board and BFMI, where applicable, shall review the Responsible Investing Review Group’s effectiveness annually.

- d) Work and liaise as necessary with industry bodies regarding responsible investment public policy matters.

8. Organizational Structure



The RIRG will operate independently of BFMJ’s Audit, Risk and Compliance teams but will leverage the expertise of the BFMJ control groups and management team.

Further Information

The Responsible Investment Policy (“the “Policy”) may be amended, supplemented, or replaced in whole at any time without notice. While this Policy is provided to you in good faith, no reliance may be placed for any purpose on this Policy. No representation, warranty or undertaking, express or implied, is or will be made and no responsibility or liability is or will be accepted by B-FLEXION Fund Management Jersey or any of their affiliates, investment partnerships, or any fund managed by them or by any of their respective directors, officers, members, partners, employees or agents (the “Relevant Persons”) in relation to the accuracy or completeness of this Policy or any other written or oral information made available by any Relevant Person in respect of the application of this Policy and any such responsibility or liability is expressly disclaimed.