



FFL PARTNERS, LLC

ENVIRONMENTAL, SOCIAL AND GOVERNANCE POLICY

At FFL Partners, we are committed to a responsible approach to environmental, social and governance (“ESG”) issues in the course of our investment activities and throughout our business operations.

We aim to deliver superior risk-adjusted returns to our investors, and our approach to responsible investment supports that. Our ESG program helps us and our portfolio companies to measure, manage and mitigate risks, to promote sustainability, to improve operating efficiency, to reduce environmental impacts, and to build more valuable businesses.

Our belief in responsible investing guides the way in which we evaluate investment opportunities and act as active owners of our portfolio companies. We are a signatory to the PRI and are guided by their six Principles in the approach we take to managing ESG issues. We therefore consider ESG issues throughout the investment and divestment process: in our review of investment opportunities, during due diligence; in the course of monitoring our portfolio company investments; in our exit preparations; and in our interactions with senior management generally. Our representatives usually serve on the boards of our portfolio companies, enhancing our ability to influence their approach to ESG and to monitor their performance.

ESG Categorical Exclusions

We do not believe that it is in the interests of our funds or their investors to make investments in companies principally engaged in the manufacture, distribution or sale of arms or ammunition or tobacco products, nor in companies that generate significant revenues from gambling or pornography. In addition, where we identify any serious ESG issues during our due diligence process we will generally decline to invest, unless we believe that the issues have been or are capable of being remedied, and there is a plan in place to remedy the issues within a reasonable period of time.

Investment Analysis and Decision-Making

During due diligence, ESG issues are assessed to identify material risks and opportunities. These can include key issues we expect all investments to assess for relevance (such as anti-bribery and corruption risks, anti-money laundering procedures, environmental and health and safety issues, forced and child labor, and other labor and human rights issues) as well as other issues bespoke to certain sectors and business models. Our investment teams are trained on these issues, and our outside advisors are instructed to evaluate them. Our investment committee materials include a section on ESG risks and opportunities and our ESG due diligence informs the actions we take while working with acquired companies.

Active Ownership

FFL is an active owner of its portfolio companies and, through the participation of FFL representatives on the boards of our portfolio companies, we encourage best practices in corporate governance. We promote effective portfolio company boards whose role explicitly includes monitoring and managing relevant ESG risks and opportunities, including oversight of appropriate policies, and we ask our management teams to be guided by the UN Global Compact's 10 Principles in the way they conduct business. At a minimum, the board is expected to consider: anti-bribery and corruption risks; anti-money laundering procedures; environmental and health and safety issues; forced and child labor; and other relevant labor and human rights issues.

We recognize that these issues present themselves in different ways across our portfolio companies and our various investment sectors but believe that a portfolio-wide approach can be coupled with company-specific initiatives for maximum impact.

The board of each portfolio company is expected to promote a culture that inculcates the highest standards of integrity throughout the business.

Reporting and Disclosure

We expect our portfolio companies to regularly evaluate progress on and refine their ESG objectives, and to report on material ESG issues periodically, both at the board level and to FFL. To facilitate this, we work with our portfolio companies to identify the key ESG metrics to track and the most efficient method for tracking. We, in turn, make regular reports on ESG activities and strategies, results and progress, to our Advisory Committees.

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FFL maintains a Code of Ethics requiring our employees to act in the best interests of our investment partnerships, abide by all applicable regulations and avoid any action that is, or could even appear to be, legally or ethically improper. We believe in the benefits of a diverse and well-trained workforce at FFL, at our portfolio companies and on the boards of directors of portfolio companies and are committed to creating an equal opportunities culture.

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FFL has an active portfolio across core sectors including business services, consumer, financial services, healthcare and industrials. The Firm is committed to conducting its investment activities in a manner consistent with a responsible approach to ESG issues. We will continue to look for opportunities to promote ESG objectives and to encourage our portfolio companies to advance these same principles and conduct their businesses in a responsible way.

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This Policy represents a statement of intent and is not intended to create legally enforceable obligations.