



ESG Policy

1. Introduction

This policy outlines Tendercapital Limited (the “Firm” or the “Company”) commitment and approach to developing and integrating Environmental, Social and Governance (“ESG”) within the Firm’s culture and its investment framework.

Tendercapital is firmly convinced that the value creation for its stakeholders and in general the development of a sustainable long term strategy for its portfolios require the introduction of environmental, social and corporate governance (“ESG”) guidelines into all the phases of its activity.

Responsible investments are intrinsic to everything the Company does to deliver its primary objective of value creation.

Environmental and social challenges (wealth distribution, pollution, climate change, depletion of natural resources, skewed demographics, etc.) are exposing investors to a specific set of risks: stranded assets, regulatory instability, reputational fallout, environmental surtaxes, costs from lengthy court proceedings and heightened market volatility to name but a few. Those risks contributed to a gradual change in the investment approach with new priorities emerging. Environmental and social sustainability grown up as increasing factors of incidence in investment decisions.

Our priority is to best meet our clients’ long term objectives while fostering the adoption of economic models that are fully consistent with the UN Sustainable Development Goals. This engagement is not only expressed in our investment process and portfolios, it is also reflected in the strong support we bring to collaborative initiatives that contribute to shaping our industry.

Tendercapital Ltd is a signatory of the United Nations Principles for Responsible Investment and is committed to developing its own business in line with those principles.

2. Tendercapital sustainable investment approach

The investment team of the Company has the aim of identifying sustainability factors that are likely to positively affect the financial viability and operations of companies. The team brings together a diverse set of skillsets, including investment banking, macroeconomics, lifecycle analysis and data science in order to reflect the complex nature of sustainability challenges.

The main objective of the team is to define a framework for the incorporation of ESG factors in the investment process. The approach followed by the team and by the whole Company includes:

- Investing in line with the Sustainable Development Goals issued by the United Nations;
- Incorporating the Six Principles for Responsible Investments of the United Nations in the investment analysis and in the decision-making process;
- Promoting internal accountability for the implementation of the above.

Tendercapital also seeks to embed ESG and the above-mentioned sustainability considerations in the wider firm activities.

3. ESG Working Group

Tendercapital has set up a dedicated ESG Working Group in order to carry out the activities as outlined by the UN Principles of Responsible Investment.

The ESG team is composed of four members across different functions: investment, risk, compliance and legal.

The primary objective of the team is to define a framework for the incorporation of the ESG factors in the investment process. Tendercapital believes that environmental, social, and governance integration and engagement is important for all asset classes and investment strategies. The team integrates material ESG considerations into its investment processes in ways that are consistent with their asset classes and strategies.

Incorporating ESG principles ultimately leads to better investment outcomes for the Firm's clients. With its foundation in active management, the team is able to identify and analyse material ESG issues.

Tendercapital defines its ESG research process through the evaluation of a company's purpose and responsibility. For the Company, purpose refers to the impact that the firm expects from its funds while responsibility refers to how Tendercapital manages its ESG risks in achieving its purpose.

The Company's approach to incorporate ESG into its investment process can be divided into 4 steps:

- Promote – Regardless of the sector, Tendercapital prefers to invest in companies that, compared with their peers, have a more deserving behaviour with respect to ESG topics.
- Analyse – Tendercapital ESG working team research assesses the impact of a company's business on the world – and the world's impact on its business – to capture as many risks and opportunities as possible.
- Engage – We engage with companies on ESG-related issues. This includes exercising our shareholder voting rights, helping instil best practices, clarifying our views or holding senior management accountable when issues arise.
- Communicate – Tendercapital communicates its actions and achievements with its clients. The Company provides full transparency related to ESG issues primarily through our website, where we publish fund documentation, reports and policies.

4. Responsible Investment

Tendercapital became a signatory of the United Nations' Principles for Responsible Investing (PRI) in 2017.

As the PRI are becoming the global standard in responsible investing, it was a natural framework for the Firm to adopt those principles in order to further strengthen its on-going commitment to responsible investing and ESG matters generally.

The Company encourages the investment team to utilise ESG knowledge into the investment decision-making process within the relevant strategies.

A strong ESG proposition can enhance investment returns by allocating capital to more promising and more sustainable opportunities (for example, renewables, waste reduction, and innovative materials, energy management).

When it comes to ESG, it's important to bear in mind that a do-nothing approach is usually an eroding line.

5. Environmental

Tendercapital understands that its activity has a footprint on the environment and through its ESG policy has the target to minimize this impact. The Company is committed to foster an environmentally responsible behaviour.

In order to achieve the target of minimize its environmental footprint, Tendercapital will:

- Reduce the production of waste and improve its recycle;
- Use in a more efficient way energy and natural resources;
- Minimize emissions of gases responsible for the greenhouse effect;
- Promote the manufacturing and the use of products derived from natural resources and/or easily recyclable;
- Promote the use of renewable energy (i.e. solar energy, hydro, etc.) and the implementation of energy efficiency plans.

Tendercapital assesses environmental related aspects during the pre-investment due diligence analysis.

6. Social

Taking into account that social aspects are crucial in the investment activity for the effects that they may have on the different company's stakeholders, Tendercapital will:

- Promote the respect of internationally recognized human rights;
- Avoid, directly or indirectly, the use of forced labour or child labour;
- Promote the elimination of discrimination in respect of employment and occupation;
- Promote the equal opportunities and diversity principles;
- Monitor the health and safety risks related to work activities, with the aim to eliminate or minimize those risks;
- Promote a recruiting, developing and retaining system related to human resources able to create a working environment where the contribution of each employee is encouraged, recognized, respected and rewarded;
- Promote the support of its employees to charities and similar organizations and institutions.

Transparency, fairness and meritocracy are the principles that inspire the activity of the Firm. All managers and employees are asked to promote the respect of these principles when working on its investment portfolios.

7. Governance

Governance issues are crucial for an efficient management of a business. For this reason, Tendercapital:

- Acts honestly, fairly and with respect in the execution of its business;
- Adopts proper standards of transparency and accountability in order to reach adequate standards of business ethics;

- Implements procedures, controls and reporting in order to better perform its activity, using an internal control system that covers matters related to environmental, social and ethical topics;
- Integrates into its investment criteria the principles of responsible investments.