

Introduction

At Oriens Capital, we strive to deliver strong financial value to our investors, and we believe that considerations relating to the environment, to people and to governance practices (“ESG”) can directly and materially impact investment outcomes.

As a long-term investor, we believe that a consistent focus on these factors throughout the investment lifecycle allows us to better mitigate risks and identify valuable opportunities. Through our ownership, we work with our portfolio companies to deliver better outcomes supported by strong practices under the pillars of environmental, social and governance. We believe this will not only enhance the long-term value of our portfolio companies for our investors, but also create a long-lasting positive impact for broader stakeholders (employees, customers and communities).

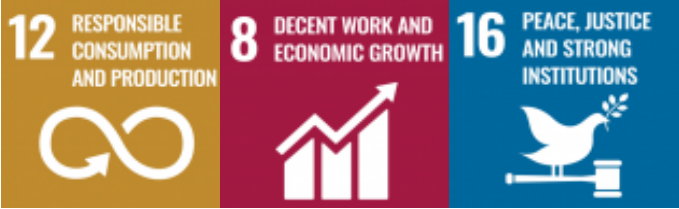
Our Responsible Investing Considerations

Our approach to responsible investing centres around the three pillars of environmental, social and governance. Oriens has designed a framework based on the factors listed below which we consider to be most relevant in a New Zealand context, meaningful to what we do and areas where we think we can make a positive impact.

Environmental	Social	Governance
Climate Change	Health and Safety	Board Structure, Quality and Accountability
Waste and Pollution management	Staff Wellbeing	Risk management
Natural Resources	Inclusivity and Equal Opportunities	Compliance and Regulation
Compliance and Regulation	Compliance and Regulation	Stakeholder Engagement
	Good Community Citizens	

Aligning to the UN SDGs

With relevance to New Zealand private companies, our approach aligns most closely with the following [United Nations Sustainable Development Goals](#) (UN SDGs).



Our Approach

We are focussed on integrating responsible investing considerations into what we do. This means we take account of ESG-related risks and opportunities in the investment decision-making process and seek to exercise positive influence through portfolio companies where we can. It also means we seek to apply the same responsible investing standards we expect of our portfolio companies to Oriens’ own operations. An outline of our approach is shown below.

Oriens Responsible Investing Framework

Pre - Investment ↓ During Investment ↓ In our own business	1.	Exclusions Check	<ul style="list-style-type: none">Screen deals against exclusion listConsult stakeholders and utilise tools and resources to understand a target company's E,S&G issuesBring any responsible investing risks and opportunities to the attention of the ICInclude responsible investing considerations in investment papers, in sufficient detailIdentify key responsible investing actions for each portfolio company
	2.	Initial High-level Responsible Investing Assessment	
	3.	Due Diligence	
	4.	Engagement, Support and Guidance	<ul style="list-style-type: none">Active ownership through investment periodMonitor progress against objective measures standardised across portfolio companiesReport key responsible investing outcomes against UN SDGsReport to stakeholders
	5.	Effective Monitoring	
	6.	Reporting and Communication	
	7.	Apply the same Responsible Investing standards to Oriens’ own operations	<ul style="list-style-type: none">Apply framework to Oriens Capital’s own operationsReport to stakeholders

Our Approach to Responsible Investing Continued...

Pre-investment

During the pre-investment stage, we utilise a range of methods to better understand a target company's ESG-related risks and opportunities:

- Screening investments based on a responsible investing exclusions list (we will not invest in businesses directly involved in the manufacturing of military armaments, tobacco, gambling and pornography)
- Identifying common environmental and social industry risks using the [MSCI ESG Industry Materiality Map](#)
- Consulting with stakeholders of the target company
- Utilising the Oriens Responsible Investing Q&A tool as part of our due diligence process.

We can then form a view on a target company's material ESG-related risks, opportunities and the overall sustainability of its business practices. This helps us to identify opportunities for improvement with a view of both risk mitigation and value enhancement. This will form part of our investment analysis, recommendations and post-transaction investment game plan.

The Oriens Investment Committee will review and discuss key findings and will only proceed with a transaction where it is satisfied that responsible investing concerns are appropriately identified and plans to improve/mitigate can be put in place.

Oriens executives sit on the board(s) of our portfolio companies and oversee strategy toward improving environmental, social and governance practices in portfolio companies.

During Investment

Engagement, Support and Guidance

- Taking our findings in the pre-investment stage, Oriens encourages a responsible investing action plan to be adopted by each portfolio company board, which is designed and executed by management, with progress monitored at board level
- Oriens encourages responsibility for ESG-related workstreams to be assigned to an employee in each portfolio company
- Ongoing support from Oriens will be in the form of overall support at a governance level and sharing of responsible investing tools and resources developed by Oriens.

Effective Monitoring

To help understand progress, Oriens will also seek to monitor responsible investing outcomes through the following activities:

- Data collection and reporting - Portfolio companies report against a standardised set of ESG metrics and on progress against an action plan
- Responsible investing is expected to be a regular agenda item at board meetings

- Performance targets which relate to achieving ESG-related outcomes may be incorporated into portfolio companies' team's KPIs (where appropriate)
- Oriens will support portfolio companies' engagement with third party service providers for best practice consulting / certification (where appropriate).

Reporting and Communication

We will actively report on material outcomes to our stakeholders in relation to responsible investing activities. Outcomes will be reported using a range of metrics aligned to Oriens Responsible Investing Framework.

We will report on these outcomes both internally (to our Investment Committee and Board) and externally (to our investors).

In our own business

We apply the same responsible investing standards we expect of our portfolio companies to Oriens' own operations.

We seek to build capability within our own team, take an active role in the wider investment community and report on our own ESG-related outcomes in a manner consistent with portfolio companies.

Scope

This policy is applicable to Oriens Capital Investment Management Limited (OCIML) and across Oriens Capital Private Equity Fund LP ("Fund 1"), Oriens Capital Fund 2 LP ("Fund 2") and any subsequent funds. The application of this policy across Oriens' portfolio companies will be guided by factors such as size and available resources of each portfolio company, ensuring that its application is fit for purpose. It is also acknowledged that in the situation where Oriens is a minority investor, Oriens may have a lesser ability to influence or set ESG-related performance goals within a portfolio company as outlined by this policy. Oriens will, however, use best endeavours to encourage the portfolio company to adopt appropriate processes and reporting.