

INVESTCORP

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE HIGHLIGHTS REPORT

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September 2020

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG)

# COMMITMENTS AND PROGRESS



**'Investcorp has always embraced responsible principles and actions. We take pride in our firmwide commitment to Environmental, Social and Governance principles and in reporting on our performance and progress.'**

As a business and as people, we recognize that our purpose goes beyond excellence in alternative investing and look to act on broader issues of social good that align with our values and those of our many stakeholders.

For our second ESG Highlights Report, we are providing a snapshot of our actions and impact in this reporting cycle. As our ESG strategy and efforts mature, we encourage you to follow us on this journey.'

— Mohammed Alardhi, Executive Chairman

## ESG COMMITMENTS AND ACTIONS

**As Investcorp continues to grow, we remain focused on working with all of our stakeholders to drive sustainable value by advancing our commitment to strong Environmental, Social and Governance (ESG) practices.**

In 2020, as detailed in these pages, we were compelled by circumstances to marshal our resources and those of our portfolio companies to help our many communities and stakeholders respond to the global pandemic.

Building upon the Firm's history of responsible investing corporate citizenship, Investcorp has appointed Habib Abdur-Rahman, Principal, Corporate Development into a newly established role as ESG lead. In this role, Habib will be responsible for overseeing firmwide adoption of a common ESG alignment framework, leveraging the Firm's successful pilot program in India as a model for implementing and enhancing ESG best practices across all business lines and geographies.

We also continued to roll out initiatives to promote best ESG practices across our operations. We believe these will help further build upon Investcorp's unique culture and world-class talent as key competitive advantages.

### Promoting ESG Best Practices

ESG issues are becoming increasingly important for companies of all sizes as they look to attract capital, retain talent, protect against risks and meet growing expectations to make a positive impact.

At Investcorp, we have built a reputation as a strong corporate citizen and a positive contributor to the social fabric wherever we do business. All of us work hard to promote best practices and sustainable value across all global operations — not just because it is good business, but because it is the right thing to do.

We target assets and opportunities that contribute to the common good, and avoid investments in sectors such as gambling, tobacco, coal, payday lending and weaponry.

## India as ESG Pilot Project

Investcorp launched its group policy on Socially Responsible Investing in early 2019. The Firm's efforts on firmwide adoption and embedding of sound ESG practices since then have been evolving and gaining traction rapidly, with each business line adapting the application of a set of core principles to its markets and activities.

With the opening of Investcorp's India office in 2019, the Firm has accelerated its adoption of a common ESG framework, with an initial aim of becoming fully aligned with this framework for all its investment activities in India as a pilot, and then propagating these across the rest of the Firm worldwide.



Investcorp India partnered with Cambridge University's Consulting Network, one of the UK's largest student-run consultancies, to leverage the talent and perspectives of the next generation of thought leaders and developed an ESG framework that is modeled on the principles of the Sustainability Accounting Standards Board (SASB). Since then, we have commenced integrating ESG principles into our investment strategies in India, starting with a clear focus on ESG risk mitigation across all our investments and transitioning to being an active opportunity seeker over the medium term.

In addition to existing negative screening around Human Rights, Procurement Practices and Emissions, Investcorp's ESG framework for India will initially focus on three core issues — ethical business practices and anti-corruption, efficient utilization of energy and resources, and responsible employment. Through its focus on these core issues, Investcorp will seek to ensure the adoption and ongoing monitoring of sound Labor Practices, Occupational Health & Safety standards, Diversity & Equal Opportunity employment, best-in-class Governance & Transparency and Compliance across all its investments in India.



## New ESG Policies

In 2019, we introduced an ambitious set of ESG policies that have deepened our existing commitment to socially responsible investment, and continue to be guided by emerging discourse to inform our ESG governance and oversight framework. As we progress on our journey to drive responsible investment, we have set up a cross-functional, global team to embed our ESG strategy across asset classes and geographies. We look to continue strengthening the ESG performance of our portfolio companies, their operations and other assets.

### Environment: Waste Reduction

Investcorp has instituted recycling and plastic reduction efforts across all our global offices, and encourages our portfolio companies to do the same.



Investcorp has always been known for upholding the highest standards of governance and of ethical conduct. For details, please see our annual Governance Report.

## Our Long-Standing Commitment to Education

We believe that education improves the world, and we invest in elevating the skills and perspectives of talented students and professionals through numerous local and regional efforts.



### Social: Supporting INJAZ Al-Arab

We share INJAZ Al-Arab's belief in the potential of Arab youth. With our support since its inception, INJAZ acts as the regional hub for Junior Achievement Worldwide. The non-profit provides education and training in workforce readiness, financial literacy and entrepreneurship to hundreds of young people each year — giving them the opportunity to learn how to transform business ideas from concept to reality. Through our partnership with INJAZ Al-Arab, we aim to equip future business leaders with critical skills needed to succeed and thrive. In November 2019, we launched the 'Investcorp Value Creation Award' where we facilitated a case study to university students, representing one of our portfolio companies and discussing value creation initiatives.

4,200<sup>+</sup>  
schools

346  
universities

3.5M<sup>+</sup>  
students

## An Inclusive Culture of Respect Built on Shared Values

The people of Investcorp share a great many qualities — reliability, transparency, judgment, innovation and a relentless focus on results. We select for that. We are also a vital collection of unique individuals, each with ideas of our own that we willingly share and evolve through creative collaboration.



## Embedding D&I into Our DNA

At Investcorp, Diversity & Inclusion (D&I) is not simply a slogan or box-ticking exercise. As a Firm, we are committed to having D&I at our very core and see it as a growing strength of the Firm. In a deliberate and measured way, we are looking through the lens of D&I at our talent acquisition, our policies, our culture and our leadership.

To us, having a diverse mix of skills, perspectives and expertise is a key success driver. As a global Firm comprised of 44 nationalities among our more than 450 global employees, we have always drawn strength from our diversity and we are committed to promoting a more inclusive environment for people of all races, genders, religions, sexual orientations, ethnicities and nationalities.

As part of our D&I strategy, we have partnered with various organizations across the globe to further enhance our commitments. These include the GCC chapter of the 30% Club, CEO Action for Diversity & Inclusion™ (CEO Action), Level 20, and 100 Women in Finance.



Our D&I initiatives include:

- Our approach to hiring focuses on securing world-class talent with strong values and diverse representation across backgrounds, genders and socioeconomic status. Effective fiscal year 2021, all open positions are required to shortlist a 50% minimum of diverse candidates.
- We consistently review and enhance our internal policies to ensure that our employee benefits and resources further our organization's strategic priority of taking care of our employees through an integrated approach to healthcare, wellness and work-life flexibility.
- All employees and new hires undergo unconscious bias, diversity and inclusion training on an annual basis. In addition, Investcorp holds regular interactive workshops to further strengthen awareness and improve D&I.
- We have appointed a diversity lead for each of our offices to ensure that diversity measures are taken and being enhanced across the Firm with a focus on each geography.



### Women's Alternative Investment Summit

In November 2019, Portfolio Strategist Elena Rangelova spoke alongside industry thought leaders at the 11th Annual Women's Alternative Investment Summit hosted by Kirkland & Ellis at the Plaza Hotel in New York City. During her on-stage panel, Elena discussed the investment landscape for hedge funds and strategies that are expected to deliver performance in 2020, with emerging managers and niche strategies identified as potentially attractive options in the current environment.

The summit convened more than 400 senior-level women from the world's leading institutional investors, private equity and venture capital firms, and other alternative investment fields such as real estate, credit, hedge funds, infrastructure and real assets.



## COVID-19 RESPONSE



### Supporting Our Communities in Responding to COVID-19

Investcorp is committed to helping our communities address the many urgent needs stemming from the COVID-19 pandemic. We believe that as a strong, corporate citizen our responsibility goes beyond excellence in investing to support broader issues of social good across all aspects of our business and geographies.

Investcorp and our portfolio companies across the world continue to leverage our expertise and resources to help those in need, providing critical equipment, free services and generous donations.

#### NORTH AMERICA

<b>Investcorp</b>	sponsored 2,000+ free meals for tenants and communities across our US residential properties.
<b>AlixPartners</b>	is supporting numerous pro-bono engagements to help companies retool manufacturing to produce critical medical supplies.
<b>Fortune International</b>	partnered with Chicago-based Lakeview Pantry to donate food and supplies to families impacted by COVID-19.
<b>ICR</b>	donated 7,000+ masks to its local communities, and medical workers at Norwalk Hospital and St. Vincent's Hospital in Connecticut as well as Emory Hospital in Atlanta.
<b>Revature</b>	launched a program to provide 2,000+ hours of free virtual coding courses to essential workers and their families.
<b>United Talent Agency</b>	committed US \$1 million to be donated to social justice causes and organizations.

## EUROPE

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<b>ABAX</b>	helped local municipalities leverage its telematics solutions to digitalize critical, societal infrastructure and enable contact tracing with the coronavirus.
<b>Avira</b>	introduced free trial versions of its premium antivirus software suite “Prime” for consumers in regions most affected by COVID-19.
<b>Dainese</b>	launched a new campaign (protect those who protect us) – to raise funds to provide medical equipment to protect doctors and healthcare professionals.
<b>Eviivo</b>	launched <a href="http://www.staysforheroes.com">www.staysforheroes.com</a> together with its customers to provide 15,000 hotel rooms across the UK for NHS staff and key workers.
<b>Impero</b>	offered a freemium version of the company’s ‘back:drop’ solution to customers in the educational sector.
<b>Softgarden</b>	launched the <a href="http://www.jobs2live.de">www.jobs2live.de</a> initiative, a free job portal for essential jobs across Germany.
<b>Ubisense</b>	is using its real-time location system to help companies return to work safely with social distancing and contact tracing.

## MIDDLE EAST & NORTH AFRICA

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<b>Investcorp</b>	contributed US \$1 million to the Royal Humanitarian Foundation to support its COVID-19 relief campaign in the Kingdom of Bahrain.
<b>Al Borg Medical Laboratories</b>	provided 20,000+ COVID-19 tests in Saudi Arabia and the UAE.
<b>Namet</b>	donated 14 ventilators to 4 hospitals in Turkey.
<b>Reem Hospital</b>	opened an 80-bed hospital in Abu Dhabi in 15 days in response to the pandemic.
<b>Theeb Rent A Car</b>	supported the mobility of individuals with special needs in Saudi Arabia by providing specialized retrofitted cars for free, and also donated 100,000 Saudi Riyals to the ‘Health Endowment Fund.’
<b>Tiryaki Agro</b>	donated 95 tons of grains and pulses to various municipalities across Turkey.

## ASIA

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<b>Investcorp</b>	donated 25,000 face masks and 65,000 medical gowns.
<b>Bewakoof.com</b>	transformed its manufacturing to produce masks, sanitizers, personal protective equipment (PPE) kits, supplying 100,000+ masks.
<b>Indis</b>	distributed essential and non-perishable food items, including 20,000 packets of bread, 1,000 kg of fruit and 50,000 water sachets.
<b>InCred</b>	launched an InCred for Humanity campaign, organizing distribution of free meals and essential supplies to families impacted by the lockdown across India.
<b>Intergrow</b>	distributed meal kits to families across India, helped install hand-washing stations in public places, and donated INR 10 million to the Chief Minister Relief Fund & 1,000+ PPE kits to the Indian Medical Association.