



**Bolster.**  
INVESTMENT PARTNERS

# Our ESG policy.

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# Responsible investing at Bolster.

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Bolster has been active for many years as a committed long-term investor specializing in minority shareholdings. Bolster invests in exceptional Dutch companies with a sharp focus and a proven business model. Bolster supports entrepreneurs in realizing the full potential of their businesses. We are convinced that responsible investment with attention to people, the environment and society, and with a long-term view, contributes to sustainable value creation for all stakeholders involved. Our mission is therefore "To create real, lasting value for our companies and our investors by deploying knowledge, resources and network."

## **What do we mean by responsible investing?**

Bolster wants to be a reliable partner that actively helps its companies to achieve sustainable growth. Companies that value sustainability are characterized by a lower risk profile and better long-term financial results, combined with a positive impact on society.

We use our ESG (Environmental, Social, Governance) policy as a framework to guide us in this regard. ESG plays a role for us both as an investor and shareholder, and also in our position as an employer and user of goods and services.



### How do we implement ESG?

ESG is an integral part of all Bolster's investment activities, from the research phase and due diligence through to the period of share ownership and ultimate sale.

**Research phase:** Our focus on long-term value creation requires first of all a careful selection of companies in which we invest. We will not invest if we have reason to believe that a company is not future-proof over the long term. Bolster therefore does not invest in companies operating in sectors on our ESG Exclusion List (see Appendix B). Bolster uses a risk filter to assess a company on various ESG criteria at an early stage. If it is not yet clear whether a potential investment meets our criteria in specific respects, additional research is carried out. Results from the research phase are included in the investment proposal and discussed in the Investment Committee.

**Due diligence phase:** ESG is a permanent part of our due diligence process and is initially assessed by our investment professionals. If necessary, Bolster will bring in external experts for help in certain specialist fields, such as for an EDD (environmental due diligence), an integrity assessment or an EHS (environmental, health & safety) assessment. If ESG issues that can be remedied have been identified during the due diligence, they are discussed with management and included in the post-closing 100-day plan.

**Share ownership:** As a committed shareholder, Bolster enters into dialogue with its companies and strives to make positive changes on ESG-related topics. Bolster encourages its companies' management teams to be proactive in including ESG topics in their business operations and long-term strategies.

In this we act as a sparring partner, offering support where necessary and seeking external verification such as certifications and quality marks. If the situation so requires (for example, in the event of an increased ESG risk due to a change in business activities or geographical expansion), we ask the management of the companies to identify the risks and, if necessary, draw up a plan to improve the situation.

Bolster's investment professionals are primarily responsible for integrating ESG features into the investment process and encouraging ESG improvements within the portfolio. The relevant ESG factors differ from one company to another and we therefore work to achieve a customized approach. In addition, Bolster selects an ESG topic each year to investigate further across the whole portfolio, in order to provide additional support to the companies. Examples include installing solar panels and identifying and mitigating privacy and cybersecurity risks.

### FUTURE-PROOF

*Our focus on long-term value creation requires a careful selection of companies in which we invest. We will not invest if we have reason to assume that a company will not be future-proof in the long-term.*

### What do we want to achieve at our companies?

The ESG framework makes it possible to view companies from different angles and thus identify opportunities and risks. We take the principles of the UN Global Compact as our starting point and aim for long-term value creation in the following areas:

**Environmental:** Bolster strives to minimize the negative environmental impact of our companies. We encourage them to reduce their ecological footprint, analyse their use of raw materials and their waste streams, and use materials efficiently.

**Social:** We promote good employment practices and encourage our companies to fulfil their social responsibilities. This includes obligations to employees and all other stakeholders, for example by guaranteeing safe and fair working conditions throughout the value chain and ensuring data security and privacy.

**Governance:** Bolster makes every effort to ensure the integrity of our companies and stands for reliable, transparent and decent business practices. This includes honouring agreements, paying taxes, dealing carefully with conflicts of interest and complying with legislation and regulations. We achieve this by regularly engaging in dialogue, keeping companies informed of relevant developments and providing support on relevant governance and policy issues.



## BART DE GRAAFF FOUNDATION

As a partner of the Bart de Graaff Foundation, Bolster helps a “Bikkel” – a young adult with a physical disability – each year to start their own business.

For example, we supported Amy with her dog walking service, West Dogs, in Amsterdam. Amy now has several vans on the road.



### How do we report on ESG?

Each year, Bolster prepares an ESG report that is made available to our investors and companies. In this ESG report, we discuss important developments at our companies, portfolio-wide initiatives and relevant projects and developments concerning Bolster. For our SFDR Statement please refer to Appendix A.

### What do we do ourselves?

Bolster also strives for continuous development on ESG themes. We have implemented several initiatives to minimize our environmental impact. For example, our lease vehicle fleet has been 100% electric since 2021; we use green electricity; we discourage printing and we separate our office waste. As a partner of the Trees for All foundation, we compensate for the remaining carbon footprint by contributing to certified sustainable forest projects.

Bolster aims to be a good employer and recognizes the importance of a healthy and pleasant working environment. In addition, Bolster has set comprehensive employment terms and conditions, including a good pension scheme and extensive opportunities for training and personal development. To support ethical business operations, we have a compliance policy that includes a code of conduct, a whistle-blower scheme, a GDPR policy and an Anti-Money Laundering policy. As an active member of the Dutch Private Equity Association (NVP), we also endorse the NVP code of conduct and NVP membership code.

We also want to contribute positively to relevant social initiatives. For example, Bolster has been involved with the Bart de Graaff Foundation since 2016 as a mentoring company. In addition to providing financial support, we invest our time and make our expertise and network available.

## Finally

We believe that responsible investment is much more about intentions, behaviour and culture than about ticking items off a list. As a company, investor or individual, do you make the right choices at the important moments? Taking into account the interests of all stakeholders and with a long-term outlook, aiming for a sustainable future for humanity, the environment and society? Bolster wants to be a valuable and reliable business partner that invests in lasting relationships and works on sustainable value creation, in good times and bad. You can hold us to that commitment.

## OUR PARTNERS



## **Appendix A – SFDR Statement**

On 10 March 2021, the EU Regulation came into force that requires fund managers with an AIFMD licence, such as Bolster Investment Partners B.V. (“Bolster”), to provide information on sustainability. This includes formulating sustainable investment policies, integrating sustainability risks into the investment process, identifying negative sustainability impacts and, as far as possible, promoting environmental or social improvement measures. Bolster complies with this “Sustainable Finance Disclosure Regulation” (SFDR) on virtually all points, and we would like to refer to our ESG policy in this regard. We would also like to mention below two more topics related to the SFDR.

**Principal Adverse Impacts Reporting:** Bolster currently does not report explicitly on the potential or existing adverse impacts of its investment decisions on sustainability factors. This is because we do not consider it proportionate to do so given the expected limited materiality in relation to the prospective effort required to identify these impacts precisely (disproportionality). Bolster makes use of the exemption (based on Article 4(1)(b)) for AIFMDs with fewer than 500 employees.

**Remuneration policy in relation to sustainability risks:** Bolster’s remuneration policy aims to ensure that the interests of employees are in line with the interests of the investors in Bolster funds, avoiding as far as possible incentives that could result in excessive risk-taking behaviour. All employees receive a fixed salary and participate in our pension scheme. Selected employees co-invest in the Bolster funds, through a carried interest scheme, among others. In addition to the fixed salary, employees may receive variable remuneration, which is largely dependent on a personal review.

Our investment professionals are primarily responsible for integrating ESG aspects into the investment process and encouraging ESG improvements in our companies. They are also assessed on this in the personal review. In addition, collegiality, feedback, compliance and integrity of judgement are explicitly included in the review.

## Appendix B - ESG Exclusion List

### ***Bolster will not invest in:***

- Companies that systematically violate the ILO (International Labour Organization) conventions, international human rights laws, environmental laws, and anti-corruption laws
- Companies engaged in activities directly related to:
  - I. Controversial weapons (manufacturing, maintenance and trade)
  - II. Gambling
  - III. Tobacco production
  - IV. Animal testing for cosmetic purposes or animal testing without application of the 3Rs (reduce, replace, refine)
  - V. Human cloning or genetic modification of organisms (GMO) for non-medical purposes
  - VI. Fur production
  - VII. Pornography
  - VIII. Nuclear energy production

***Bolster may invest in companies*** that have limited (indirect) relationships with the sectors mentioned in (I) through (VIII) e.g., through the *supply chain*.

Examples include:

- Companies that produce/supply generic components and/or services to companies active in (I) through (VIII), or

- Retail companies that sell or distribute products and/or services under (I) through (VIII) in non-material quantities

Should Bolster wish to invest in companies that are covered by the ESG Exclusion List, this investment will require prior unanimous approval from Bolster's *Advisory Committee*.





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