



CASTIK CAPITAL



# ESG policy summary

Delivering superior returns with a unique investment approach



# ESG policy summary

At Castik Capital, we believe that environmental, social and governance considerations (“ESG”) play an important role in an organisation’s ability to execute their business strategy, track performance and create value.

Superior returns and sustainable investing are not mutually exclusive: sustainable investing is a way to increase efficiency, improve transparency, and lower costs, thereby creating value.

Sustainable investment is a key element of our strategy and a driver of financial returns. It differentiates from conventional investment as the strategy will:

- focus on the creation of sustainable, long-term investment returns rather than just creation of short-term returns;
- take into account wider factors as the stability and health of economic and environmental system or the values and expectations of society.

Castik Capital is committed to building a sustainable business which strive to minimize negative impact on sustainability factors and will encourage its Portfolio Companies to be aware of and to manage material environment and social risks affecting their businesses.

This policy lays down principles and guidelines followed by Castik Capital to take into account Environmental, Social and Governance factors and also implement the requirements of the Sustainable Finance Disclosure Regulation (SFDR) on matters related to the integration of sustainability risks in the investment decision process and the consideration of principal adverse impacts of investment decisions on sustainability factors.

Castik Capital considers ESG criteria and principal adverse impacts during the investment decision process and during the Portfolio Companies holding period.

## Investment decision process

Castik Capital uses the SASB Materiality Map (<https://materiality.sasb.org/>) to identify the sustainability factors that are the most material to the assets it invests in. This is performed by mapping the investment sectors of each portfolio Company against the ESG factors.

The SASB matrix identifies 26 sustainability related business issues, grouped into 5 sustainability dimensions:

- environment,
- social capital,
- human capital,
- business model and innovation,
- leadership and governance.

Sectors and companies where material sustainable risks are identified with no mitigation possible are excluded from the investment universe.

### **Principal adverse sustainability impacts monitoring**

Principal adverse sustainability impacts should be understood as those impacts of investment decisions and advice that result in negative effects on sustainability factors.

Castik Capital encourages its portfolio companies to minimize their negative effects on sustainability factors and uses several sustainability indicators to monitor those impacts as developed in the Regulatory Technical Standards (“RTS”) issued by the European Supervisory Authorities (“ESAs”)

Accordingly, Castik Capital shall publish 14 mandatory KPIs:

- 9 climate and other environment related indicators, covering greenhouse gas emissions, biodiversity, water, waste and material emissions;
- 5 social and employee, respect for human rights, anti-corruption and bribery matter related indicators.

Castik Capital may decide to use additional indicators than the ones listed by the RTS deemed relevant to identify and assess additional principal adverse impacts on a sustainability factor.

Data will be provided by the Portfolio Companies for the principal adverse sustainability impacts, following a precise calculation methodology that will be provided by Castik Capital, in line with the RTS.

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