



ESG Charter 2023



UNITING CAPITAL AND PURPOSE

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COLESCO UNITING CAPITAL AND PURPOSE

Colesco is a direct lender that is committed to supporting the multiple transitions that are needed for a more sustainable future

Today, climate change and environmental degradation are key drivers of investment risk and opportunity. In addition, societal megatrends drive significant social and environmental changes. We believe that investors and companies will play a crucial role in accelerating these transitions.

As a dedicated private debt investor, Colesco recognises its responsibility in reducing the adverse impacts potentially arising from any of its investments and aims to make a positive contribution towards key transitions.

Our thematic investment strategy is focused on companies with a strong potential to drive meaningful progress towards three key pillars at the heart of Colesco's purpose: **Energy Transition, Sustainable Food, and Inclusive Society.**

We are committed to do the right thing

Publishing its first sustainability report in 1998 and implementing mandatory sustainability assessments in all its credit processes since 2004, Rabobank has been a pioneer in ESG for over two decades. Colesco's responsible investment strategy capitalises on this long-standing experience ingrained in our people, first with Rabobank and now with Colesco.

Our ESG vision is built on the following key principles:

PEOPLE DRIVEN PROGRESS – We believe that our skilled & experienced team with genuine interest in and commitment to sustainability will drive tangible and long-lasting progress.

INTEGRATED IN EVERYTHING WE DO – We believe responsible investing is not a stand-alone checklist item but instead needs to be embedded in the people, processes, and culture.

JOINT EFFORT OF ALL STAKEHOLDERS – Many sustainability factors cover the full value chain. Successful transitions require continued commitment, alignment, and dedication of all stakeholders.

ESG YIELDS OVERTIME – We are a patient yet dedicated and experienced partner painstakingly driving progress throughout our holding periods.

SUSTAINABLE GROWTH & ADDED VALUE – We believe that a well-embedded ESG approach creates sustainable business models and is a genuine driver of company value.

TO MEASURE IS TO KNOW – Crucial but challenging, eventually progress needs to be substantiated by data, a key area of expertise at the forefront of ESG development.

Do you want to learn more?

In this charter, we outline our approach based on our commitments, and supporting structures and processes.

If you want to learn more about our approach, please contact us directly.



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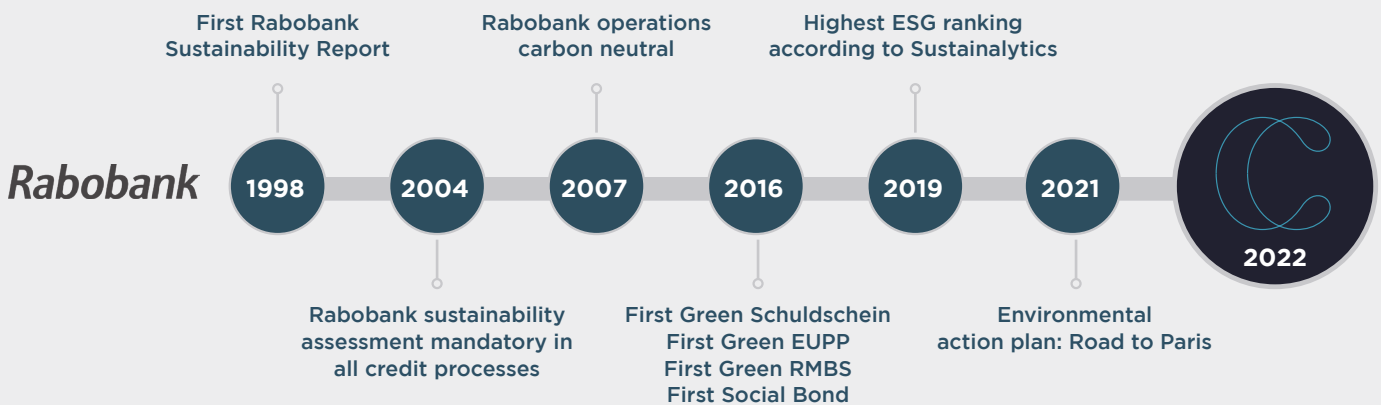
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SOLID FOUNDATION COMBINED WITH ENTREPRENEURIAL MINDSET

Heritage from Rabobank

The Colesco team has grown out of Rabobank Group’s private debt business. Historically Rabobank has been operating in sectors that play a key role in the needed transitions towards a more sustainable future. Recognising its responsibilities, Rabobank

established itself as a pioneer in integrating sustainability within its credit investment practices, with a longstanding commitment to ESG at the group level since 1998.



Leverage our grounding in sustainable and thematic investing

Rabobank’s ESG culture and experience of integrating ESG into private debt is ingrained in our people. Whilst Colesco is run independently, it retains its preferred access to the Group’s breadth and depth of

dedicated ESG resources, extensive ESG knowledge base and rating infrastructure, in addition to its own internal ESG capabilities.



Rabobank established itself as a pioneer in integration of sustainability within credit practices, with a longstanding commitment to ESG



Our culture

We value excellence derived from an entrepreneurial mindset, promoting an open, creative, and collaborative culture, where each team member can make a difference. We do what we promise and we practice what we preach.

At Colesco we are driven by the following core values and behaviours:

WHAT DRIVES US



PASSION

Realising sustainable growth gets us going



PERFORMANCE

We deliver on our promises – and beyond



PURPOSE

Positive societal impact is in our DNA

WHAT TO EXPECT



COMMERCIAL

We create value together with our clients



CONSTRUCTIVE

Our expertise matches our initiative to find solutions for our clients



CONSISTENT

We strive to exceed our clients' expectations

COMMITTED TO SUPPORT TRANSITIONS TOWARDS A MORE SUSTAINABLE FUTURE




Colesco embodies a responsible investing mindset at the core of its business. This is underpinned by the conviction that selecting and supporting companies that are well placed for the transition to a more sustainable future, yields better results for all stakeholders. The investment team assesses both credit quality and sustainability performance at each step of the investment process and pursues active

stewardship during the investment period.

By considering sustainability factors as an integral part of the investment strategy, Colesco can identify and capture emerging opportunities as well as mitigate relevant risks, alongside our aim to move forward the multiple transitions that are needed for a more sustainable future.

Thematic investments

Colesco aims to support transitions needed towards a more sustainable future and has defined three themes to position our contribution. Within its thematic investment approach Colesco will primarily - but not limited to - pursue investments in companies that directly or in the value chain meaningfully contribute to:

 <p>SUSTAINABLE FOODS</p>	 <p>ENERGY TRANSITION</p>	 <p>INCLUSIVE SOCIETY</p>
<p>Feeding 10 billion people by 2050 - structural demand and necessity to reduce carbon footprint will drive the food value chain onwards and upwards.</p>	<p>EUR 28 trillion of investments required to realise Net Zero ambition and reach energy independence in Europe by 2050 - our energy supply chain is being overhauled at an accelerated pace to solve for clean, renewable energy sources.</p>	<p>Societal megatrends will continue to drive our key investment themes - including improvement of accessibility, quality & affordability of healthy lifestyle, healthcare, educating the next generation, and digitalisation. All enabling a more inclusive society.</p>

The following seven UN Sustainable Development Goals ('SDGs') are relevant for our three defined sustainability themes:



Our climate strategy

Colesco recognises that climate change is a crucial challenge in the coming decades and aims to promote an orderly and just transition to a low-carbon society.

We contribute to mitigation and adaptation to climate change via:

Thematic investments. We finance companies that move key transitions such as the energy transition and the more sustainable production of food forward. These are crucial drivers of the transition to a low-carbon society.

Supporting borrowers with reducing their carbon footprint, using margin ratchets and knowledge sharing to both promote and help execute the formulation of ambitious carbon reduction targets.

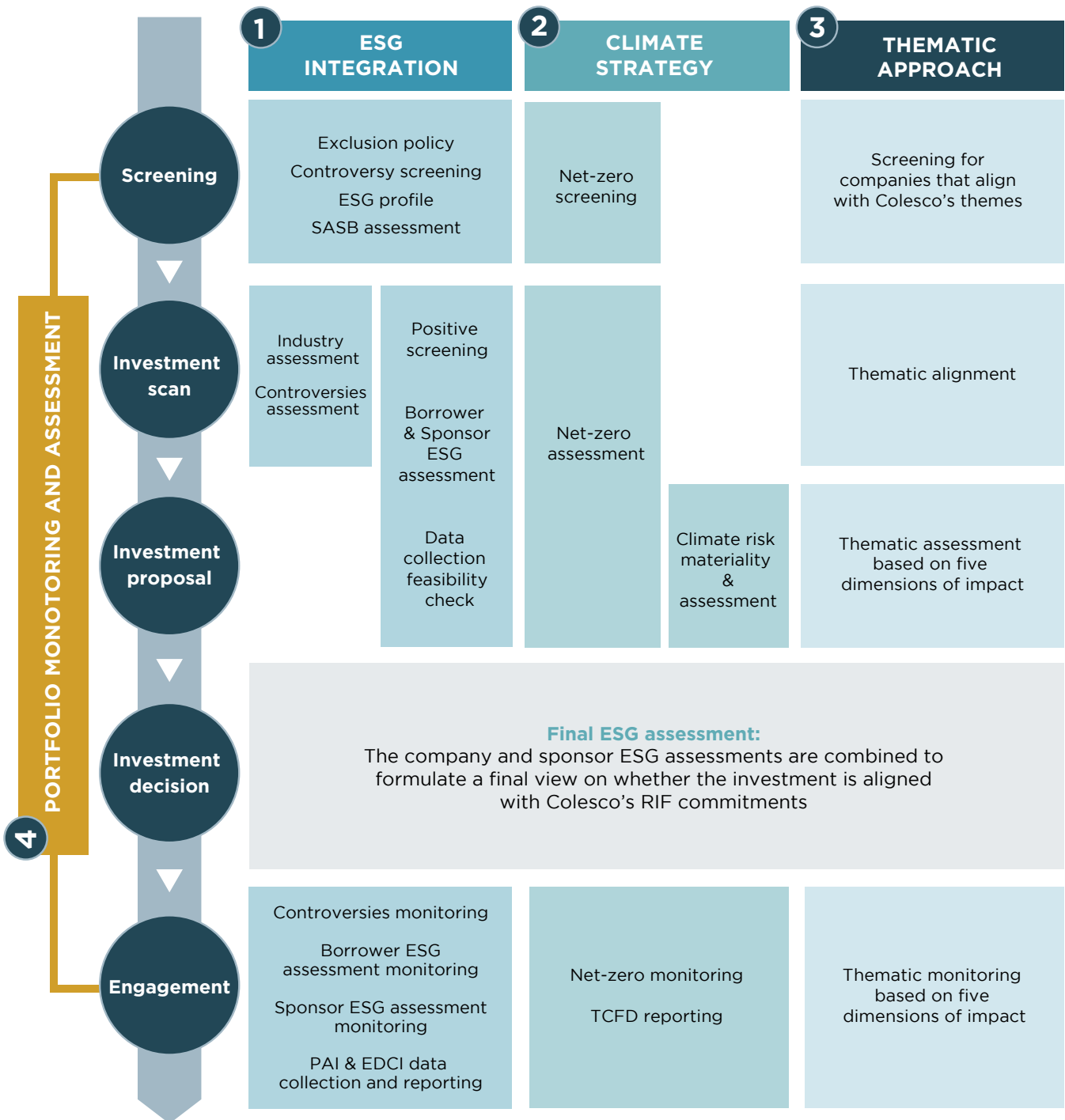
To manage risks and opportunities that result from climate change, and to provide transparency, our annual responsible investment report will align with Task Force on Climate-related Financial Disclosures (TCFD) recommendations.



ESG-considerations are fully integrated in the investment process

Colesco finances companies that perform well on sustainability or have the willingness and ability to do so, and supports them to improve their performance and grow in a healthy and sustainable manner.

We aim to do this via a rigorous investment process:



Stewardship and engagement during the holding period

During the holding period Colesco will actively engage with portfolio companies, to drive change. Our engagement focuses on improving ESG performance, where we work from the following principles:



FOCUSED – We are interested in meaningful quality engagements, with clear and realistic objectives.



LONG-TERM – Successful ESG-engagement can take many months, maybe even years. Therefore we invest in long-term and meaningful relationships with sponsors and portfolio companies.



TRANSPARENCY – Not all engagements will be successful. We're realistic and transparent about our progress.



COLLABORATION – Engagement is more efficient and effective when companies, sponsor, and lenders collaborate. We will proactively share our relevant experience with other portfolio companies and put portfolio companies into contact.



INTEGRATED – We're interested in how engagements contributes to the investment thesis and implement margin ratchet where helpful.

Reporting

The findings on ESG performance and progress are reported back to our investors and shared in our ESG-report.



MARKET INITIATIVES

Ambition comes with responsibility to deliver on the matter. As such we are committed to - amongst others - the following initiatives.

SCREENING FOR INTERNATIONAL STANDARDS

Our Responsible Investment Framework has been built on market leading frameworks and internationally agreed standards.

By aligning with these standards and initiatives - next to capitalise on intellectual capital - we support the sector in building one 'language' and consistency amongst parties. This is essential to accelerate progress towards a more sustainable future.

UN PRI SIGNATORY

We commit to the PRI standards and expect to be a signatory to the standards by 2023.

NET ZERO

We run our own operations net zero. We measure our emissions and reduce where we can. What we can't reduce, we off-set.

For our financed emissions, we align the carbon reduction targets applied to our portfolio with the Net Zero Asset Managers initiative.

More information is available on request, please contact us directly.



Summary of our Responsible Investment Framework



SFDR disclosures

The background is a lush green scene with dense foliage and a bright sunburst effect in the upper right corner. Two large, overlapping, light green circles are superimposed on the scene, framing the central text.

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Colesco recognises its responsibility in reducing the adverse impact of its investments, aims to make a positive contribution and drive the needed transition forward

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