



**LeapFrog Investments Group, Ltd.**

**Disclosures required under the EU Sustainable Finance  
Disclosure Regulation ("SFDR")**

20 July 2022

**PROFIT**with  
**PURPOSE**

## Information about integration of sustainability risks in the investment decision-making process

LeapFrog Investments Group, Ltd. (“LeapFrog”) adheres to global and industry standards for measuring and reporting on financial returns in private equity and contributes significantly to the global pursuit of rigorous ESG and impact measurement. Over the past 15 years, LeapFrog has developed and implemented a proprietary methodology called FIIRM. FIIRM measures Financial performance, Impact, Innovation, and Risk Management, in an integrated way. FIIRM’s Risk Management module contains a set of questionnaires that are completed during due diligence and on an annual basis by companies to monitor sustainability risks and implementation of ESG opportunities. LeapFrog’s Responsible Investment Code guides the firm’s ESG strategy and further outlines how sustainability risks are considered in the investment process.

## No consideration of sustainability adverse impacts

LeapFrog intends to collect, for its current fund, all, or substantially all, of the data in relation to the “adverse sustainability indicators” listed in Table 1 of the Regulatory Technical Standards in relation to each portfolio company on an ongoing basis. However, LeapFrog does not currently intend to publish a statement on its consideration of the adverse impacts of its investment decisions on sustainability factors in the manner set out in Article 4 of the SFDR and the proposed regulatory technical standards on disclosures under SFDR published by the European Commission on 6 April 2022 (the “Regulatory Technical Standards”). LeapFrog does not currently intend to publish a statement because it has determined that it is not in a position to obtain the relevant data from all the portfolio companies currently contained in LeapFrog’s funds. LeapFrog will endeavour to review and re-assess this position, taking into consideration market developments and the future availability of information.

## Remuneration

Under the SFDR, LeapFrog is required to publish information on how its remuneration policy is consistent with the integration of sustainability risks. LeapFrog’s remuneration practice is aimed at aligning remuneration with prudent risk-taking, with its remuneration framework based on a balance of variable to fixed remuneration and the assessment of individual performance. Its approach to remuneration of its employees seeks to: (i) align relevant staff’s incentives with asset owners’ long-term interests and the long-term success of LeapFrog; and (ii) to promote a sound and effective risk management culture to protect the value of the investment portfolios. LeapFrog considers that integration of ESG and sustainability risk considerations, where these are relevant and material for investment performance, are consistent with its remuneration policy, as the incorporation of such considerations into the investment process has the potential to enhance investment performance, which benefits investors, LeapFrog and its staff. Compensation of the entire leadership and senior management of LeapFrog is linked to the performance and delivery of core impact KPIs that are developed and adopted annually.