

Responsible Investment Policy

INTRODUCTION

About Oakley Capital

Oakley Capital (“Oakley”) is a Europe-focused private equity firm that invests in mid-market and lower mid-market companies to help them grow. Oakley supports businesses within three core sectors – Technology, Consumer and Education – providing the financial support and operational expertise that promising entrepreneurs and business founders require to realise the potential of their businesses.

Oakley recognises that sustainability and environmental, social and governance (“ESG”) factors are integral to Oakley as a firm, the Oakley private equity funds that we manage and the businesses that Oakley invests in. Reflecting the view of the wider society, Oakley seeks to be responsive to the demands for increased transparency of how the products and services we choose to invest in and/or collaborate with impact society and the environment. This policy outlines how we as investors will work with our investee companies to grow these businesses responsibly.

Our Beliefs

At Oakley we believe that investing responsibly will protect and create value, beyond the standard drivers of compliance and risk management. We recognise that ESG factors impact our investments. We believe that identifying, assessing, and managing these factors as part of our investment process will help to create more successful, resilient, and sustainable businesses, which in turn will generate enhanced value both in economic terms and regarding its impact on society more broadly. We also believe in leading by example, applying the same sustainability practices we recommend to portfolio companies to our own firm operations and to those of our funds.

Our Commitments

We are committed to investing responsibly and have been a signatory to the United Nations sponsored Principles for Responsible Investment (“PRI”), and its Six Principles, since 2016. The Principles, as outlined below, have been incorporated into Oakley’s business processes and practices.

- Incorporating ESG issues into investment analysis and decision-making processes;
- Being active owners and incorporating ESG issues into ownership policies and practices;
- Seeking appropriate disclosure on ESG issues by the entities in which investments are completed;
- Promoting acceptance and implementation of the principles within the investment industry;
- Working together to enhance effectiveness in implementing the principles; and
- Reporting on our activities and progress towards implementing the principles.

Responsible Investment Policy

Furthermore, Oakley supports international standards including the OECD guidelines, UN Human Rights Declaration and the UN Global Compact, and encourages its portfolio companies, suppliers and business partners to do so as well.

Scope

Our Responsible Investment Policy is applicable across the Oakley group, Oakley Capital Limited (“OCL”) the investment adviser, Oakley Capital GmbH (“OCG”) and Oakley Capital Srl (“OCS”) the sub-investment advisers, and Oakley Capital Manager Limited (“OCML”) the portfolio manager and any future managers and successor funds, all staff employed by these entities and the management of investments made by any Oakley fund made since 2010. The policy outlines the approach that Oakley takes as a firm to investing responsibly across the Oakley funds.

ESG PRIORITIES

ESG at Oakley is set out as a proprietary framework to integrate good business practices, future proof investments and provide transparency to stakeholders. Based on the sectors Oakley primarily invests in, and using industry best practice as well as deep sector experience, we have identified the ESG topics which are most often relevant to our investments. This is our starting point when assessing ESG during due diligence, when engaging with our portfolio companies, and when defining our firm-wide ESG priorities.



Responsible Investment Policy

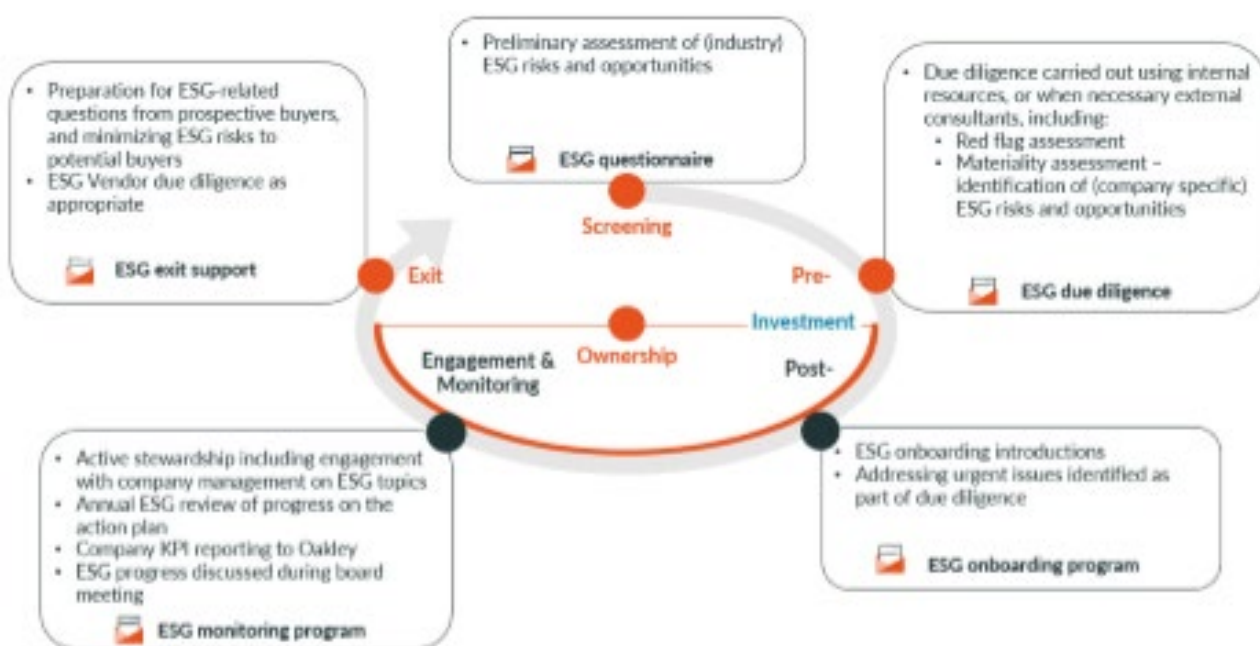
Material ESG considerations may include, but are not limited to:

- Environment: energy & climate change, natural resources (including biodiversity), product design & lifecycle management, pollution & waste;
- Social: diversity, equity & inclusion, people & wellbeing, society and communities, product and/or service quality and safety;
- Governance: cyber security & data privacy, fair & ethical conduct, governance management, supply chain management (environmental & social), business resilience, innovation & technology, sustainable products & proposition.

The materiality of ESG themes is assessed based on the likelihood a risk or opportunity will be realised, and the financial, reputational, and regulatory impact it will have on the business and wider stakeholders. In addition to company-specific material ESG themes, Oakley has defined three portfolio-wide ESG priorities (based on investment focus and global developments): Energy & Climate Change, Diversity & Inclusion, and Cybersecurity & Data Privacy.

OUR APPROACH

Responsible investing principles are an integral part of the life cycle of an investment, during origination and screening, due diligence, and subsequently throughout our period of ownership and realisation. We seek to ensure that relevant ESG factors are considered in all steps of the investment process. The process detailed below is followed for portfolio companies in which Oakley has a majority stake:



Oakley's responsible investment process

Responsible Investment Policy

For portfolio companies where Oakley is a minority investor, Oakley engages with the lead sponsor and typically relies on their ESG engagement and monitoring process if Oakley is satisfied that they are sufficiently robust. If a lead sponsor does not have sufficient ESG resources or capabilities, Oakley would take the lead, however, to date we have partnered with peers that have a robust and well-defined ESG process.

1. Screening

When considering potential new investments, Oakley assesses target companies to understand the ESG risks and opportunities facing the business. An initial screening exercise is undertaken to identify any businesses or sectors which may require further ESG understanding. ESG materiality is assessed using a proprietary ESG framework that is aligned with industry standards such as SASB as well as industry experience.

The screening questionnaire, developed in-house, identifies potential investments which may have operations in activities that may be sensitive to investors from an ESG perspective, such as, for example, the production, marketing, distribution or sale of prescription opioids or alcohol, or operations related to extractive industries. In addition to sector-based screening, geographic assessments are also undertaken. Oakley will avoid investing in companies which do not align with Oakley's values or where unmanageable environmental or social risks have been identified. In particular, Oakley will avoid investments in tobacco, controversial weapons and pornography.

If the investment has operations in any of the sectors or geographies identified as being of higher risk, the investment team will bring these to the attention of the partners and the Head of Sustainability before proceeding to the due diligence phase.

2. Pre-Investment

Due diligence is conducted by the deal team, supported by the Head of Sustainability, to identify material topics and potential red flags. If significant areas of concern or opportunity are identified, further specialist due diligence may be undertaken with support from independent experts. The investment team works with the Head of Sustainability to undertake an ESG assessment relevant to the sector and geography of the target. Questions raised are based on SASB standards and supplemented with deep sector experience.

Sanctions, anti-money laundering, and background checks on the potential investment's top management and key personnel are undertaken with the support of dedicated expert tools.

ESG findings, including risks and opportunities, are included in the investment documents and presented to the Investment Committee for discussion, scrutiny and final approval.

Responsible Investment Policy

Ownership

Oakley is typically a control investor and as such, we strive to be an active investor - to engage with management teams to promote and encourage the adoption of ethical and sustainable business practices and appropriate ESG standards. Oakley is committed to working with portfolio companies to improve the ESG performance and disclosure practices during our ownership period.

3. Post- investment

New investments are introduced to Oakley's ESG processes and framework during an ESG onboarding session within the first three months of completion. Any urgent ESG issues identified during due diligence are addressed as part of the post-acquisition process.

4. Engagement & Monitoring

Oakley views engagement & monitoring as an active partnership with portfolio companies to provide support in helping portfolio companies reach ESG related goals and targets. Companies are required to report annually on portfolio-wide and company-specific KPIs, where relevant. Oakley has defined portfolio-wide KPIs, aligned with industry standards, that we believe will provide meaningful engagement and identify value creation opportunities.

Companies are encouraged to discuss relevant ESG topics at company board meetings at a regular basis, including updates on progress on any key initiatives. These updates form the basis for ESG updates at Oakley Quarterly Portfolio Reviews, of which ESG is a standing agenda item for each company.

5. Exit

Sustainability is viewed as part of each company's long-term value creation, as such our aim is to support companies to continue on their sustainability journey beyond Oakley's ownership period. In preparation for exit, Oakley works closely with the company to answer ESG-related questions from prospective buyers and demonstrate the progress the company has achieved during Oakley ownership. This is often supported by a vendor-side ESG due diligence report.

IMPLEMENTATION AND OVERSIGHT

Senior Oakley Partner, David Till, with support of the Partner Group, is ultimately responsible for the Responsible Investment Policy.

Oakley's sustainability team supports the deal teams in integrating sustainability throughout the investment cycle, starting with training, tool development, and supporting in the execution of internal ESG analyses and the selection of external ESG advisors. Furthermore, portfolio companies are supported in their sustainability journey, through KPI selection, target setting and annual monitoring & reporting. Day-to-day oversight of the policy is the responsibility of the Head of Sustainability.

Responsible Investment Policy

The ESG Committee comprising the Sustainability team, COO, two partners and a rotating investment director, meets monthly to monitor progress and its members are responsible for the implementation of this policy.

All Investment Professionals are required to follow the Responsible Investment Policy as a fundamental part of the Oakley investment checklist and to consider relevant ESG factors as part of their pre-investment and portfolio monitoring responsibilities. Investment Professionals receive regular training on the Responsible Investment Policy, accompanying ESG tools and relevant ESG topics.

REPORTING AND ACCOUNTABILITY

Oakley is committed to being transparent about our ESG performance. Oakley discloses material ESG incidents to its investors on a quarterly basis. We report annually in accordance with the PRI framework, which requires us to explain how we have implemented the six Principles of Responsible Investment. The transparency report is published on the PRI website.

REVIEW

This policy is dated April 2022 and will be reviewed and updated, as appropriate, on an annual basis by Oakley's ESG Committee.