

# Responsible Investment Policy

## Introduction

At Oakley Capital Group Holdings Limited (“Oakley”), we recognise that sustainability and governance of environmental, social, and other operational factors is essential to the success of the businesses we invest in, as well as to our own operations. This Responsible Investment Policy applies to our Private Equity business, including Oakley Capital Limited, Oakley Capital Manager S.à r.l. and Oakley Capital Manager Limited, as well as other entities that form part of the Oakley Group that support the Private Equity business, and outlines our dedication to being a responsible investor and steward, encompassing both our own Firm activities and those of our portfolio companies.

We believe that incorporating sustainability throughout the entire investment lifecycle is a key element for achieving long-term financial success. By identifying, assessing, and managing environmental, social and governance (ESG) factors within our investment process, we aim to foster more resilient, sustainable, and successful businesses, thereby creating enhanced value for our investors, management teams and society at large. Our team is dedicated to supporting portfolio companies in future-proofing their business models and achieving sustainable growth.

We prioritize collaboration and transparency in our approach to responsible investing. We hold ourselves to the same standards we expect from our portfolio companies. Our Employee Handbook, which is integral to our Firm’s operations, sets forth the principles for how we engage with our investors, staff, suppliers, and other stakeholders, always with transparency and integrity.

Our responsible investment guidelines embody the principles outlined by the United Nations-sponsored Principles for Responsible Investment (PRI), to which Oakley has been a signatory since 2016. Additionally, these guidelines have been developed taking into account the OECD guidelines, the UN Human Rights Declaration, and the UN Global Compact. We also encourage our portfolio companies, suppliers, and business partners to adopt these standards by seeking to embed these standards throughout our portfolio management activities and operations.

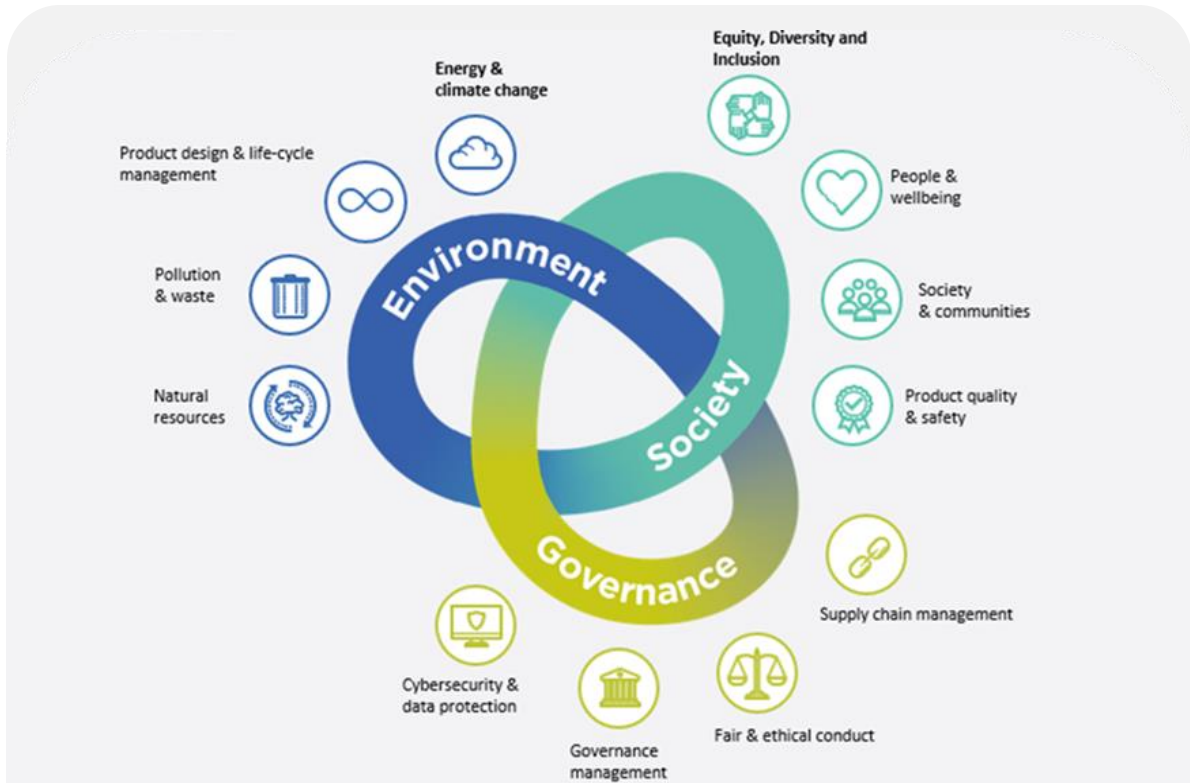
## Our Responsible Investment Guidelines

Oakley employs a materiality approach to identify and prioritize the most relevant ESG factors for each portfolio company. Materiality is considered by Oakley to be a topic or issue that has the potential to have a financial impact on business value, either negatively or positively. In some instances, the financial impact on business value is simple to quantify, in others it is much more challenging and Oakley incorporates industry market data to assess this impact. Oakley encourages our portfolio companies to look at materiality both in terms of how external factors may impact business performance and value, as well as how the business’s operations may impact its stakeholders.

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Oakley recognizes that these factors can vary significantly across different sectors and business models, however, it also believes that there are several non-financial topics which have a financial impact on each business as it grows, regardless of sector, size or geography. These topics, one for each of the Environmental, Social, and Governance pillars, are climate and energy, equity, diversity & inclusion (EDI) and employee engagement, and good governance and cybersecurity, and form the basis of our responsible investment guidelines. Oakley believes that by effectively managing these three topics, portfolio companies will gain a deeper understanding of how sustainability impacts their operations, leading to the development of more robust and resilient businesses. At the same time, Oakley embraces the guidelines around these topics in the management of its own operations.

## Oakley's sustainability themes:



**Climate & energy:** At Oakley we consistently evaluate climate risks as a potentially material factor for both our new investment opportunities and existing portfolio. We uphold the same considerations around climate at Firm level, and in 2024 Oakley started developing its own climate strategy. More details on how Oakley addresses environmental factors, including climate change can be found in [Oakley's 2024 TCFD Report](#).

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*EDI & employee engagement:* Oakley encourages portfolio companies to track and monitor EDI and employee engagement data, as well as identify opportunities for improvement in these areas. Equally, at Firm level Oakley has focused on developing approaches to areas such as recruitment, culture and career development, on the back of employee engagement surveys, to ensure Oakley retains its values and continues to build an inclusive organisation as it grows.

*Good governance & cybersecurity:* Oakley is committed to adopting robust corporate governance structures both in house, and at portfolio company level. In house, Oakley has set up appropriate levels of oversight and accountability of ESG topics, for example EDI & cybersecurity, to dedicated internal committees and working groups (more details in the Governance section of this policy). Across its portfolio companies, Oakley encourages similar high levels of good governance, tracking year-on-year implementation of new company policies, board governance structure and cybersecurity posture.

## Integration of responsible investment in the investment process

Responsible investing principles are an integral part of the lifecycle of an investment. From origination to due diligence, and subsequently throughout Oakley's period of ownership and realisation, Oakley seeks to ensure that relevant sustainability and ESG factors are considered throughout the investment process.

### Pre-Investment (initial screening and due diligence)

When considering potential new investments, the Investment Team are asked to complete a red flag checklist, which has been developed by the Sustainability Team. The red flag checklist is intended to identify potential sustainability red flags or ESG factors which may require additional diligence, at an early stage. The red flag checklist also helps Investment Team rule out investment in companies that operate in excluded sectors including tobacco, pornography and controversial weapons.

As the investment progresses, the Investment Team are assigned a Sustainability Team member to help them identify material ESG factors related to the target, often based on the Sustainability Standards Accounting Board ("SASB") materiality map, as well as experience and in-depth knowledge of various sectors and geographies. Sustainability and ESG factors are considered as part of every due diligence assessment, though the approach may vary. The Investment Team is responsible for working closely with the Sustainability Team lead to agree on an approach.

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

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## Portfolio stewardship (onboarding, monitoring and exit)

Following acquisition, each business is onboarded onto Oakley's Sustainability Programme which focusses on stewardship, protection and creation of value for the businesses we invest in, through the proactive integration of ESG factors. A sustainability focussed on-boarding session is provided to all new management teams by the Sustainability Team within the first few months of completion. Any urgent sustainability issues identified during due diligence are addressed as part of the post-acquisition process and 100-day plan. Follow-up actions identified in due diligence, can include but are not limited to strengthening cybersecurity practices, undertaking a climate risk assessment, and beginning measuring carbon emissions.

We work collaboratively with our portfolio companies throughout the investment lifecycle to instil sustainability best practices in their businesses, providing continual support in their journey toward achieving ESG-related goals and targets. We monitor ~100 sustainability KPIs, aligned with industry standards, that have been carefully selected by the Sustainability Team to facilitate meaningful engagement and identify opportunities for value creation. Part of Oakley's sustainability stewardship programme is to help set up the systems and capabilities to be able to collect these KPIs in the first year of investment, identify improvement opportunities, and monitor progress over time.

In preparation for exit, Oakley works closely with the company to answer ESG-related questions from prospective buyers and proactively demonstrate the progress the company has achieved during Oakley's ownership. This can be supported by a vendor-side ESG due diligence report. We believe strongly in the attractiveness of businesses that have successfully integrated sustainability in their business practices and offerings.

## Scope

Our Responsible Investment Policy is applicable across the Oakley group, including Oakley Capital Limited (the investment adviser), Oakley Capital GmbH, Oakley Capital Srl and Oakley Capital SLU (the sub-investment advisers), Oakley Capital Manager Limited (the portfolio manager), and Oakley Capital Manager S.à r.l. (the alternative investment fund manager), as well as any future managers and successor funds, all staff employed by these entities and the management of its investments. In summary, this policy outlines the approach we take to investing responsibly across the Oakley funds and at Oakley as a firm.

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## Governance

The oversight and management of sustainability risks and opportunities are incorporated into the firm's governance structure and risk management approach. The diagram below summarises Oakley's governance structure for the oversight, assessment and management of sustainability risks and opportunities at the executive and management levels.

### Organisational oversight of sustainability topics:



Our Responsible Investment Policy affirms our commitment to incorporating sustainability considerations throughout the investment process. The European Operations Executive Committee ('EOEC') manages the overall strategy and operations of the business. The EOEC receives regular updates on the progress of sustainability-related initiatives, and commitments and considers the Sustainability Committee's advice when making decisions regarding Oakley's sustainability approach. The Sustainability Committee is tasked with driving the implementation of the Responsible Investment Policy across Oakley. Our Sustainability Team, led by the Head of Sustainability, works closely with the Investment Team to facilitate the daily execution of responsible investment practices, as described in the policy.

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## Reporting

Our goal is to communicate clearly and openly about responsible investment matters with investors, portfolio company management teams, regulators, and our broader stakeholder base.

As part of this commitment, we share updates on our sustainability initiatives and progress at firm and portfolio level in our annual Oakley Responsible Investment Report. A public version of this report is available on our website, while a private version, including more detailed company-by-company performance, is shared directly with our investors each year. Moreover, regular reporting and disclosure of our sustainability activities, including at our annual Investor Day and through our quarterly investor reports, is a key aspect of our commitment to transparency and accountability. As a signatory of the UN PRI ([www.unpri.org](http://www.unpri.org)) Oakley publicly reports its progress on responsible investment matters in the annual Transparency Report, since 2016.

## Approval

This policy reflects Oakley's current values, guidelines and approach to responsible investment. It has been approved by Oakley Capital's SMT and Sustainability Committee and is to be reviewed and updated as required.

This policy has been signed off by the SMT and approved by the TopCo board and AIFM board.