RESPONSIBLE INVESTMENT POLICY

Contents

Document history

Version	Drafted by	Verified by	Board of Directors approval	Update
1	Chief Financial Officer	Compliance Officer	2020_04_30	First version
2	ESG Manager	Compliance Officer	2023_07_21	Updates in ESG Governance and ESG Strategy; insertion of internal activities values
3	ESG Director	Compliance Officer	2024_05_21	Updates in ESG Strategy

1. Who we are

Founded in 1997, Aksia Group SGR S.p.A. ("Aksìa" or "SGR") is an independent operator active in private equity that invests in Italian companies that operate in the "Made-in-Italy" sectors of excellence and are classified as small-medium enterprises (SMEs) or mid-caps.

We carefully select target companies in established and consolidated markets in Italy, addressing investments in companies with high potential for technological innovation, international growth and market consolidation.

We integrate our professional experience with the operational know-how of companies to guide them toward significant and lasting improvements in performance and competitiveness, enabling the creation of industry leaders.

We actively work to guide and support portfolio companies, most of them family businesses, in each stage of the management transformation process, with the goal of increasing competitiveness and sustainability over the long term.

Our experienced and passionate Investment Team, together with Aksìa's network of advisors, constantly works to identify the best strategies and opportunities for growth, while also aiming to build a corporate culture that goes beyond short-term financial gain.

2. Our mission: creating Sustainable Value

We believe that the consideration of Environmental, Social, and Governance (ESG) criteria in investment strategy is crucial to properly assessing the potential risk of our investments and ensuring long-standing value of companies. Indeed, our investment strategy aims to create Sustainable Value by increasing the value of our companies in economic, social, and environmental dimensions over time by adopting responsible finance principles.

The progressive and systematic integration of ESG criteria along all phases of the investment process allows Aksìa to support portfolio companies in their transition to innovative business models capable of generating shared value with stakeholders, maximizing financial returns and positive impacts on people and the environment, and limiting any negative impacts that business activities may entail.

Consistent with this aim, we are publicly committed to follow the six internationally acknowledge Principles for Responsible Investments promoted by the United Nations ("UN PRI"[1]).

3. Scope of the Policy

The Responsible Investment Policy ("Policy") is part of the currently evolving institutional and regulatory framework toward promoting sustainable growth and sets the guidelines for our investing *modus operandi*.

The provisions included in the Policy apply to private equity transactions approved by Aksìa as of the date of their approval by the Board of Directors, including any add-ons relevant in size or potential ESG risks, and to all actively managed and controlled funds and investments. Additional provisions may be defined for funds that have specific ESG strategy (e.g., funds that promote environmental or social features) and will be described in the corresponding documentation.

For minority holdings, we are committed to disseminating this Policy with the intent of raising awareness about these issues and encouraging improvements in the sustainability of corporate performance.

The Policy is inspired by universally recognized principles on respect for people and the environment established by the United Nations through

[1] The Principles for Responsible Investment, promoted by the United Nations, are six voluntary principles aimed at incorporating ESG factors within traditional investment policies. They are the benchmark initiative in the international arena for demonstrating to investors/stakeholders the commitment to sustainable development (https://www.unpri.org/about-us/what-are-the-principles-for-responsible-investment).

the PRI, the Global Compact, and the Sustainable Development Goals of the 2030 Agenda ("Sustainable Development Goals - SDGs"[2]).

4. ESG Governance

Aksìa opts for a widespread and fully integrated model of governance of ESG issues. Specifically, the board of directors ("BoD") of the SGR:

- defines the Funds' strategy and makes investment and divestment decisions on the Funds' managed assets. This ensures that sustainability factors and related risks are appropriately considered and integrated into processes related to business decisions;
- approves this Policy and any amendments thereto, monitors its implementation and reviews its adequacy at least once a year considering the changing external reference context, stakeholder expectations and its strategic positioning choices.

To ensure the continuous exchange of information between the Board of Directors and the operational structure, supervisory responsibility for the overall management of ESG aspects is assigned to a member of the Board of Directors ("ESG Manager"). With respect to the management of the investment portfolio, the ESG Manager coordinates the Investment Team ("Team"), which is responsible for the progressive and systematic integration of ESG criteria along all stages of the investment process and the dissemination of the Policy to portfolio companies and business partners.

Within the Team, an ESG Director operates, with the task of proposing ESG criteria and objectives to be integrated into the investment strategy, facilitating its proper execution, monitoring and reporting on its results, and carrying out engagement activities with portfolio companies and

[2] The 2030 Agenda for Sustainable Development, adopted by all member states of the United Nations in 2015, provides a shared blueprint for peace and prosperity for people and the planet. At its core are the 17 Sustainable Development Goals (SDGs), which represent an urgent call to action by all countries - developed and developing - in a global partnership (https://sdgs.un.org/goals).

third-party associations of reference on sustainability issues. In this regard, Aksìa also participates in externally constituted working groups – such as those organized by UN PRI and AIFI-the Italian Association of Private Equity, Venture Capital and Private Debt – to contribute to the development of best practices in the sector and to remain constantly updated on developments in the external environment.

Finally, the Boards of Directors and Managing Directors of portfolio companies, with the support of the Team, are responsible for defining their own strategies consistent with the Policy guidelines and the adopted business models.

5. ESG Strategy

The SGR has chosen to adopt methods and tools for assessing the sustainability profile of its investment portfolio at the main stages of the business process (selection, management and divestment), so as to support the sustainable value creation of portfolio companies and manage ESG risk.

In this regard, the results of ESG assessments feed into the fund and asset risk assessment models adopted by Aksìa, which consider exposure, among other risk factors, to sustainability risk (ESG risk). In particular:

- at the fund level, this risk category includes an environmental, social, or governance event or condition that, when realized, could cause a significant actual or potential negative impact on the value of the investment;
- at the asset level, this risk category includes the set of elements inherent in investee companies related to the improper management of issues pertaining to the ESG area, which, when realized, could cause a significant actual or potential negative impact on the value of the investment.

The Risk Management Policy (to which we refer for details) requires that general ESG risk safeguards and specific elements of environmental (including greenhouse gas emissions, waste, research and development), social (including occupational health and safety, equal opportunity, supply chain), and governance (including diversity and independence in governing bodies, staff compensation) risks have to be assessed.

ESG assessment at the investment selection phase

During investment selection, Aksìa applies a combined strategy of negative screening and ESG risk and opportunity assessment.

Firstly, Aksìa excludes from the investable universe all companies in sectors that may have particularly significant negative impacts on the environment and society. More specifically, the funds do not invest in companies whose main activity is in the following sectors:

- weapons and armaments of all kinds
- pornography and related material
- gambling and related activities
- tobacco

Other activities, in addition to those listed above, may be excluded in the regulations of each fund depending on the ESG strategy adopted.

Having verified the core activity for the purpose of applying the exclusion principle, Aksìa evaluated ESG themes during the preliminary investment opportunities identification and the following due diligence stage. During the former, preliminary analyses are conducted on the risks and opportunities that characterize the company's industry; the output of these is used to guide due diligence activities on environmental, social and governance issues. This activity is carried out by specialized third-party consultants together with other due diligence (e.g., financial, legal, etc.) and is aimed at investigating, through an assessment model defined following the most widespread international standards, how the following issues are managed:

- Environment:

  - Energy consumption and climate change management
  - Waste management
  - Use of raw materials and natural resources
- Social:
  - Health and safety of workers
  - Human capital development and welfare
  - Respect of human rights, diversity, and equal opportunities
- Governance:
  - Business ethics and integrity (including ESG compliance, anti-corruption and cybersecurity)
  - Sustainability governance
  - Supply chain management

Additional ESG issues may be assessed and evaluated depending on the peculiarities of the profile of the target companies being invested in and the ESG strategy adopted for the specific fund.

The results of the ESG due diligence are used also to carry out the risk assessment of the investment and identify the mitigation actions needed; these elements are taken into account by the Board of Directors when approving the investment.

ESG assessment in the investment management phase

The management of the above issues and the related performance are monitored throughout the year through the periodic collection of data and information and the engagement with the portfolio companies that are carried out through Board of Directors meetings, periodic meetings with management and ad hoc organized meetings on specific issues that are particularly relevant due to the specific business model and the evolution of the external environment.

The main objectives pursued through these activities are to verify if additional risks and opportunities have emerged after the acquisition and confirm the relevance of those already mapped, to verify that the safeguards adopted by the company are working properly, to collaborate with management to develop action plans for performance improvement and to monitor the progress of previously defined plans, and to inform management about emerging trends. The above action plan may be defined even before the investment signing depending on the peculiarities of the profile of the target companies being invested in and the ESG strategy adopted for the specific fund.

In general, each portfolio company is supported in adopting a strategy on the most relevant ESG issues, an appropriate governance model, and an effective performance monitoring and reporting system. For funds having a specific ESG strategy, remuneration schemes linked to this strategy may be defined for the fund's and/or portfolio company's management.
The main results achieved during the investment management phase by each company are discussed and evaluated during regular meetings of the SGR Investment and Management Committee.

ESG assessment in the divestment phase

When divesting, Aksìa conducts an evaluation of the investee company over the holding period, measuring the value in economic, social, and environmental terms created during that period. Finally, it establishes a dialogue with the counterparties to make the buyers sign a commitment to maintain – and, when necessary, further develop – the sustainability path undertaken under the management of the SGR.

6. The values that drive our internal activities

It is our goal to adopt responsible behaviour also during the management of our internal operations, committing ourselves to:

- Adopt a corporate governance model that ensures decision-making autonomy without conflicts of interest and offers investors a transparent and high-profile professional service;
- Develop our human capital by ensuring equal opportunities and recognition based on meritocratic criteria;
- Promote efficiency in energy and resource consumption in our offices.

7. Reporting and transparency

Transparency and accountability towards stakeholders drive our strategy. To this end, Aksìa has a reporting model defined following guidance from industry benchmark regulations and the most widely used reporting standards in the market.

ESG performance of the investment portfolio and of the SGR is monitored and reported by Aksìa to investors and other stakeholders at least annually, also issuing a specific report on the website.