

## ATENA

### (Summary of the) Responsible Investment Policy

This document outlines Atena Equity Partners (“Atena”) commitment to responsible investment practices and its policies concerning the management of environmental, social, and governance (ESG) issues within its Funds and portfolio companies. It includes the guiding principles that Atena aspires to follow and the procedures in place to integrate these principles into its operations.

This policy was specifically developed in response to the creation of Atena’s Fund III, which promotes environmental and/or social characteristics, as per Article 8 classification under the Sustainable Finance Disclosure Regulation (SFDR). Given this ambitious objective, the policy aims to drive a very proactive and transparent approach to responsible investment and ESG management, therefore addressing increasingly demanding expectations of our stakeholders in relation to Fund III.

However, this policy does not fully apply to Fund I and II, as these have been created with different mandates and do not require the same level of governance and disclosure, falling under Article 6 under the SFDR. Despite this, Atena has made efforts to incorporate ESG considerations in its management and reporting initiatives for Fund I and II, which follow the Guidance Principles of this policy. Other Procedures applicable to Fund I and II are:

**Pre-investment Evaluation:** Atena performs ESG due diligences as needed;

**Post-Investment:** Atena prepares and implements a **120-Days Tailored Post-Acquisition Plan;** and

**Portfolio Management:** Atena initiated the collection of a set of ESG KPIs from its Portfolio Companies and reported this information for the first time in its 2023 Sustainability Report.

By actively considering a wide range of sustainability factors, including ESG matters, we aim to achieve robust financial performance and long-term value creation for our portfolio companies.

#### Guidance Principles

Atena's investment approach centres on creating long-term value while recognising its investments' environmental, social, and governance (ESG) implications. We understand our social responsibility and firmly believe that companies capable of managing ESG risks while capitalising on ESG opportunities will excel over the long run, building resilient business models.

Since 2021, Atena has been a signatory to the Principles for Responsible Investment (PRI). We are committed to implementing these six principles and aligning our investment management and advisory activities with the interests of various stakeholders.

Furthermore, we are dedicated to supporting the implementation of projects and practices aligned with applicable UN Sustainable Development Goals by addressing global challenges and upholding the highest governance standards, fostering a culture of compliance within our organisation and our investees.

## Procedures for Implementation of ESG Policies

Atena's incorporation of the ESG Responsible Investment Policy into its investment analysis and decision-making processes across the investment cycle follows these steps:

1. **Pre-Investment Evaluation:** Before making any investment decisions, Atena places a significant emphasis on conducting a thorough pre-investment evaluation that encompasses Screening and ESG due diligence requirements.

Atena constructs an ESG general view of potential investments by conducting screening of excluded activities and running conflict checks, rejecting companies involved in certain activities as formalised in Atena's Management Regulation.

Atena's ESG due diligence requirements are also critical to the investment approval process. We consider ESG evaluation an integral element of our decision-making process when assessing potential investments. This evaluation serves several important purposes:

- **Identification of Sustainability Characteristics:** It enables us to identify the environmental and/or social sustainability characteristics associated with a potential investment. This includes understanding how the investment may impact the environment and society.
- **Assessment of Sustainability-Related Risks and Opportunities:** We use ESG evaluation to assess the sustainability-related risks and opportunities associated with the investment. This helps us gain insights into potential challenges and benefits.
- **Consideration of Principal Adverse Impacts:** Atena considers any potential principal adverse impacts of the investment on the environment or society. This assessment guides our decision-making process and ensures responsible investment.

To ensure a thorough ESG evaluation, Atena collaborates with specialist third-party ESG due diligence advisors. These experts are specifically tasked with identifying industry-specific and financial material sustainability factors related to the investment. Their responsibilities during due diligence include assessing environmental and social aspects, as well as any contingent risks and regulatory issues that might need to be managed including, among others:

- Physical, transitional, and regulatory climate risks; and
- Eligibility under the EU Taxonomy.

The insights and findings from these ESG due diligence efforts are instrumental in our decision-making process. ESG Due Diligence Reports are carefully reviewed and considered by the Partner and Executive Team. Based on these reports, we identify remedial actions when necessary, ensuring that our investments align with our commitment to responsible and sustainable practices.

2. **Post-Investment:** At Atena, our commitment to responsible investing extends beyond the initial investment phase. Investment stewardship, rooted in active ownership, begins when we assume control. During this critical phase, we strategically address ESG opportunities and risks identified during the due diligence process, including any remedial action identified.

Key Elements of Post-Acquisition Planning:

- **Incorporating ESG Insights:** Insights gained from our due diligence process, which includes a thorough ESG evaluation, serve as the foundation for our post-acquisition planning. We recognise that ESG factors are dynamic and essential for sustainable success

- **120-Days Tailored Post-Acquisition Plan:** Atena establishes comprehensive Value Creation Plans within the first 120 days after the acquisition. These plans are also designed to achieve specific sustainability objectives, outline action plans, and set measurable targets. Moreover, they contribute to enhancing corporate governance practices. Atena recognises the importance of tailoring climate, social, and governance action plans to the unique characteristics of each sector and geographical location. This approach allows us to focus on the specific risk profiles associated with each sector and region. Nevertheless, we seek to proactively manage climate risks, encompassing physical, transitional, and regulatory aspects in all cases by including specific plans associated with this topic; and
- **Internal Control Processes:** We implement robust internal control processes to measure, monitor, and manage ESG Key Performance Indicators (KPIs) against annual performance targets. These ESG KPIs are industry-specific and aligned with the criteria identified by the Sustainability Accounting Standards Board (SASB) for each portfolio company.

Our post-acquisition planning process is characterized by a commitment to precision and adaptability. By tailoring our strategies to each portfolio company's specific context, we ensure that our investments remain resilient, sustainable, and aligned with our responsible investment principles.

3. **Portfolio Management:** During the holding period, Atena maintains active investment stewardship, monitoring ESG performance. This encompasses periodically assessing sustainability risks, opportunities, targets, outcomes, and incidents identified during the pre- and post-investment evaluation phases. Ensuring strict compliance with regulatory reporting requirements under the Sustainable Finance Disclosure Regulation (SFDR) remains a primary ongoing objective for our investment team. We leverage the Sustainability Accounting Standards Board (SASB) Key Performance Indicators (KPIs), rooted in financial materiality, for baseline measurement, ongoing monitoring, and proactive management. This approach drives performance toward achieving top and bottom-line objectives, consolidating opportunities, and effectively mitigating risks. Atena maintains continuous monitoring and promptly implements remedial actions when necessary. When appropriate, we arrange sustainability-linked financing to further incentivise responsible investing and align interests with financial stakeholders on sustainability factors. Atena is committed to implementing remuneration practices to ensure consistency with the integration of sustainability risks to promote interests' alignment between investment professionals, ATENA and its investors.
4. **Exit:** Performance aligned with an appropriate ESG policy throughout the investment holding period maximises financial valuation at the exit stage, facilitating access to a broader buyer pool. In suitable cases, we conduct ESG Vendors Due Diligence. This approach ensures that our exit strategies reflect our commitment to responsible investing and maximise value for all stakeholders.

The Responsible Investment Policy undergoes regular review and updates.

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