

RESPONSIBLE INVESTMENT POLICY



Founding principles and objectives

Antin is a long-term investor committed to using environmental, social, and governance (ESG) principles as a tool for value creation, in terms of both mitigating risks and seizing opportunities. The cornerstone of our Responsible Investment (RI) Policy hinges on integrating ESG considerations into our investment process. Throughout the investment cycle, we strongly believe that engaging in ESG matters allows us to diminish business risks, boost productivity, reduce costs, and grow revenue in our portfolio, whilst meeting our fiduciary responsibilities.

We also affirm that awareness of ESG topics amongst employees and stakeholders produces a real and positive change in the way people work. Establishing and maintaining trusting relationships with all actors in the investment process is of key importance to us, and going together with this notion is our belief that being a good corporate citizen is good business practice and creates long-term value for our investors.

For these reasons, ESG values continue to be one of the core aspects of our overall investment strategy and remain a priority in our investment committees, at portfolio review committee meetings, and in discussions with management, boards, investors, and shareholders.

Our commitments

Antin frames its RI Policy around the six principles of the United Nations-supported Principles for Responsible Investment (PRI), which we believe provide an important universal framework through which signatories can work together, learn from each other, and form a collective voice on ESG issues. As such, we commit to:

1. Incorporating ESG issues into our investment analysis and decision-making processes.
2. Being active owners and incorporating ESG issues into our ownership policies and practices.
3. Seeking appropriate disclosure on ESG issues by the entities in which we invest.
4. Promoting acceptance and implementation of the PRI within the investment industry.
5. Working with other investors to enhance our effectiveness in implementing the PRI.
6. Reporting on our activities and progress towards implementing the PRI.

Responsible investment governance

On a day-to-day basis, the implementation of Antin's RI Policy is led by our seven-member Sustainability team.

On a quarterly basis, our Sustainability team reports to Antin's Operational Sustainability Committee, which oversees sustainability progress throughout the organisation and provides strategic guidance and direction on key sustainability-related matters, including responsible investment.

Antin also formed a Sustainability Committee at Board level, chaired by an Independent Director sitting on the firm's Board of Directors. Members of this Committee meet at least bi-annually to oversee the implementation of Antin's sustainability strategy, which covers responsible investment.

Delivering on our commitments

1) Incorporating ESG issues into our investment analysis and decision-making processes

Asset selection and origination

For each of our funds, we maintain an exclusion list of areas in which certain investors, as part of their admission to the relevant fund, have negotiated the right not to participate. This list commonly includes industries and activities such as weapons manufacturing, tobacco production and distribution, prostitution, coal-based businesses, gambling, pornography, drugs- and alcohol-related activities, and any operations involving serious or systematic human rights violations.

During the initial screening of potential investments, we analyse whether a target company operates in any of the sectors on the relevant fund's exclusion list and engage with any affected fund investors accordingly. We then carry out an analysis to identify key ESG issues likely to have a material impact on its financial and operational performance, and flag areas to be further investigated throughout the acquisition process.

ESG due diligence and deal execution

After submitting a non-binding offer, we conduct further due diligence to assess specific ESG-related business risks and opportunities the target company is exposed to. At this stage, we also identify actions to be taken by the target company post-closing to mitigate any residual risks and capture key value-creation opportunities identified. The results of this review are documented and presented to the Investment Committee for consideration before the submission of a binding offer.

2) Being active owners and incorporating ESG issues into our ownership policies and practices

Business transformation and value creation

Antin takes an active role in the companies in which it invests. We aim to acquire majority stakes, and when minority stakes are acquired, we seek to acquire the same rights as larger investors through board representation and a list of reserved matters to ensure we retain joint control over the company. Involvement at the highest level allows us to address ESG risks and opportunities directly with our portfolio companies and initiate change where required.

Post-closing, we thoroughly review a new portfolio company's performance in managing ESG issues material to its business and stakeholders, building upon due diligence conducted during the acquisition process. The results of this review are used to highlight areas of progress and establish an ESG action plan for the portfolio company. Progress towards implementing this plan is monitored throughout the holding period, during regular meetings and site visits.

Exit preparation

Nearing the exit phase, we assess the portfolio company's ESG progress and achievements since its acquisition. Where possible, the positive impacts of various ESG factors on the portfolio company's financial and operational performance are also measured.

This information is then typically incorporated into the exit process to demonstrate to prospective buyers the business value created through ESG.

3) Seeking appropriate disclosure on ESG issues by the entities in which we invest

During the holding phase, we periodically monitor the ESG performance of our portfolio companies as part of the risk management process.

ESG issues are covered during our quarterly Portfolio Review Committee (PRC) meetings, and, where required, addressed directly with our portfolio companies during board meetings.

Moreover, we conduct an annual ESG survey which must be completed by all our portfolio companies. This survey is regularly revised and updated and includes both standardised and company-specific questions across a wide range of ESG areas, including climate change, resource efficiency, environmental pollution, health and safety, human capital management, community engagement, ethics and governance, human rights, and responsible sourcing.

To improve the effectiveness of our ESG data collection and monitoring process, we use an online ESG reporting platform. On this platform, portfolio companies can access the annual ESG survey, report company's data, upload attachments, as well as track and monitor their progress.

4) Promoting acceptance and implementation of the PRI within the investment industry

Antin actively engages with co-investors and sponsors on the rationale for responsible investment and the development of good practices.

We have also communicated our RI Policy and ESG expectations to all relevant stakeholders (i.e. investors, fellow shareholders, company employees, and other third parties), from whom we have received strong acceptance and support for our initiatives.

Furthermore, our participation in ESG-related industry groups and initiatives, such as Invest Europe's ESG Working Group, France Invest's Sustainability Commission, and the Initiative Climat International (iCI), helps to promote the acceptance and implementation of the PRI.

5) Working with other investors to enhance our effectiveness in implementing the PRI

Antin continually collaborates with peers to inform, develop, and promote the widespread adoption of responsible investment practices through various ESG-related industry groups, such as Invest Europe's ESG Working Group, France Invest's Sustainability Commission, the iCI, and the Ceres Investor Network.

We are also an active member of the PRI community, regularly attending and participating in the organisation's events, conferences, workshops, and webinars.

6) Reporting on our activities and progress towards implementing the PRI

Antin provides ESG data and information to investors through periodic reporting.

Our annual Responsible Investment Report includes information about our firm's progress towards implementing the PRI principles as well as the ESG performance of our portfolio companies.

We also provide an ESG update to our investors at our annual Investor Day and regularly communicate our RI Policy to relevant stakeholders (i.e. investors, fellow shareholders, and other third parties).

A materiality-driven approach

We apply the concept of materiality when determining which ESG issues to address in our portfolio. This approach allows us to remain pragmatic and ensure that our ESG efforts align with what matters most to our portfolio companies' business and stakeholders.

To assess the materiality of an ESG issue, we consider the various risks that it could pose to a company's business as well as the value creation opportunities it might offer.

Examples of risks that we consider when assessing the materiality of ESG issues include, but are not limited to:

- Compliance risk, i.e., risk of financial penalties, legal issues, or material business loss resulting from the failure to comply with ESG-related laws or regulations;
- Regulatory risk, i.e., risk of a change in ESG-related laws and regulations that could potentially lead to financial penalties, legal issues, or material business loss;
- Business risk, i.e., risk of material business disruption or revenue loss resulting from inadequate or failed internal processes, people, and systems for addressing a given ESG issue (e.g. employee injuries, fatalities, strikes, environmental pollution incidents, business contract loss, etc.);
- Reputational risk, i.e., risk of possible damage to a company's brand and reputation resulting from the failure to address ESG issues perceived as highly important to key stakeholders.

Examples of value creation opportunities that we consider to assess the materiality of ESG issues include, but are not limited to:

- Reduction in operational costs associated with carbon emissions as well as energy, fuel, and water use;
- Reduction in insurance premium costs associated with employee accidents or environmental or climate change-related threats;
- Reduction in uninsured costs associated with employee accidents (e.g. replacement costs, lost time, extra wages, sick pay, production delays, legal costs, etc.);
- Reduction in employee absenteeism costs (e.g. wages paid to absent employees, high-cost replacement workers, administrative costs, etc.);

- Reduction in employee turnover costs (e.g. costs of recruiting, hiring, and training new employees, etc.);
- Improvement of brand value and reputation;
- Assurance of social license to operate;
- Enhancement of employee productivity, motivation, morale, wellbeing, and engagement.

ESG issues we assess across our portfolio and through our annual ESG survey include, but are not limited to:

Environment

Climate change

- GHG emissions
- Climate adaptation

Resource efficiency

- Energy use
- Water use

Environmental pollution

- Air, water, and soil pollution
- Waste generation
- Biodiversity impacts

Social

Health and safety

- Employee health and safety
- Contractor health and safety
- Customer health and safety

Human capital management

- Labour relations
- Employee wellbeing and satisfaction
- Employee training and development

Community engagement

- Impacts on local communities

Governance

Ethics and governance

- Corporate governance
- Bribery and corruption

Responsible sourcing

- Supply chain ESG risks
- Third-party ESG impacts

Modification

The information in this Policy may be subject to change, both within Antin and outside. Antin reserves the right to revise this Policy, at least every year and/or after any significant change(s).

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