

ESG Policy

Key principles and philosophy

- ESG considerations are a mega trend transforming the private equity business
- ESG is not an “add-on” but an integral part of Aldebaran’s corporate project
- ESG considerations are a key component of the long-term value creation
- ESG is a collective and long-term process involving the entire Team

Aldebaran’s convictions

Aldebaran recognizes the importance of managing environmental and social matters in the businesses in which it invests and is committed to integrating responsible investment principles and sustainability risks into its modus operandi, while seeking to create the best possible returns on its investments.

Aldebaran delivers performance by acting as a partner for the sustainable growth of people and businesses.

Aldebaran is able to influence portfolio companies’ ESG policy to improve sustainability, mitigate negative impacts and risks but also to improve operational efficiency. Aldebaran focuses on the following topics:

- Environmental impact (energy efficiency, soil decontamination, carbon footprint and waste measurement, ...),
- Employee relations (job creation, diversity, safety...),
- Corporate governance (employee shareholding, ethical conduct...),
- Relations with external stakeholders (responsible supply chain...)

ESG is central and native to the culture of the firm. Aldebaran seeks equity stories that are creating value while being meaningful and useful. It aspires to achieve sustainable value creation in its portfolio companies by accelerating their transformation and ensuring durability.

Our ESG commitments to our Employees

We have established an ESG Committee to monitor, share and coordinate the ESG progress and initiatives with the portfolio companies.

Each Deal Team is responsible, during the investment due diligence process, for evaluating the risks and opportunities regarding ESG, as well as defining a roadmap for improvement. During the holding period, each Deal Team is in charge of coaching and monitoring portfolio companies progress, with the support of the ESG Committee.

The entire Team is sensitized and educated through recurring annual trainings.

Our ESG approach is supported and benchmarked by an external consultant to ensure continuous improvement.

Our ESG commitments to our Investors

We undertake to provide transparent and regular information, including:

- An annual ESG Report, prepared by Aldebaran Capital Partners in collaboration with an appointed external consultant, detailing the ESG approach and progress at the level of the portfolio companies,
- The quantitative ESG data, collected annually from the portfolio companies through Aldebaran's dedicated digital tool,
- The presentations made for internal committees (Investment Committee, ESG Committee).

Aldebaran excludes certain investment sectors for ethical reasons (e.g. weapons, tobacco...) and does not invest in non-cooperative countries with regard to the efforts to fight corruption and terrorist financing.

Our ESG commitments to our Portfolio Companies

Aldebaran's ESG approach throughout the investment cycle is based on two key stages:

- Pre-investment due diligence
- Post-investment monitoring

Aldebaran considers Environmental, Social and Governance related issues when making an investment decision. Aldebaran aims to address these ESG issues appropriately at all stages of the investment cycle. During the due diligence process, the Deal Team is in charge of evaluating main ESG risks, opportunities and challenges.

Post-investment, Aldebaran implements a regular monitoring to ensure consistency with ESG standards. Through its governance role, Aldebaran engages with portfolio companies to support ESG management in order to create value. Aldebaran's ESG commitments are shared with portfolio companies and the Team works closely with management teams to elaborate and monitor ESG roadmaps. Aldebaran implements a systematic process with portfolio companies:

- 1) Define and agree an ESG roadmap for progress
- 2) Discuss ESG roadmap monthly at board level to review and monitor progress
- 3) Collect, every first quarter, portfolio companies' KPIs (qualitative and quantitative)
- 4) Analyze & evaluate ESG data with the support of an external consultant
- 5) Compile all ESG information by each Deal Team to present annually to ESG Committee a report for each portfolio company of its ESG roadmap for progress
- 6) Prepare an annual ESG report presenting consolidated data for the Fund, as well as a review for each portfolio company (including progress, action plans and recommendations).