

ACON Investments Responsible Investment Policy

March 2024

INTRODUCTION

ACON Investments, L.L.C. (“ACON”, the “Firm”, or “we”) is a Washington, D.C.-based international private equity investment firm founded in 1996. ACON has managed \$7.0 billion of capital commitments since its inception across its platforms in the United States, Latin America and Europe. The Firm is headquartered in Washington, D.C. with professionals also in Dallas, Los Angeles, New York, Bogotá, Madrid, Mexico City and São Paulo.

During our history, we have been and continue to be committed to upholding the highest governance and ethical standards, creating a diverse and inclusive culture, and integrating key Environmental, Social and Governance (“ESG”) factors at both the Firm and portfolio company levels. We acknowledge our role as corporate citizens and aim to contribute to a better present and sustainable future.

PURPOSE

In December 2021, we became a proud signatory to the United Nations Principles for Responsible Investment (“UN PRI”). The UN PRI’s six principles guide us in the integration of ESG considerations into our investment decision-making process and stewardship practices. This Responsible Investment Policy (this “RI Policy”) outlines ACON’s approach as we aim to include the identification, assessment and management of ESG risks, impacts and opportunities in the investment process. This applies to both the investments we make and to the strategic direction of the Firm. Additionally, ACON became a member of the ESG Data Convergence Initiative (“EDCI”) in 2024, furthering our commitment to assessing the ESG performance of our Firm and our portfolio companies.

SCOPE

ACON is committed to applying the framework described herein to all of the portfolio companies under the Firm’s management and to continuously striving to improve the policies and initiatives set forth at our portfolio companies in respect of ESG matters. Our ability to exert control and/or negotiate and implement change, however, may be limited by factors outside our control such as the level or form of our ownership and the existence of other shareholders with differing views. In these cases, ACON strives to apply this framework to such instances through negotiation of contractual rights and influence at the board and shareholder levels. Certain of our portfolio companies have integrated policies in excess of this RI Policy and, where appropriate and available, we aim to create learnings from these companies and apply them to all our other portfolio companies. Furthermore, we strive for continuous improvements across all aspects of our responsible investing practice including, but not limited to the further formalization and systemization of existing procedures.

ACON'S APPROACH TO RESPONSIBLE INVESTING

At ACON, we strive to find opportunities centered around strategic sustainability, or investments where sustainable outcomes enhance financial returns. We believe that integration of the below ESG factors within our portfolio throughout our holding period allows us to be effective stewards of capital while promoting key values of ours and those of our stakeholders.

Environmental We encourage the efficient use of natural resources, protection of the environment and minimization of adverse impacts, while striving to contribute to the environment and global sustainability.

Social We endeavor to conduct business ethnically and honestly, and to promote positive social outcomes through our investments. This includes in relation to both the employees of our portfolio companies and the communities in which they do business.

Governance We work with the management of our portfolio companies to promote strong, efficient, transparent and effective corporate governance that mitigates risks and safeguards against mismanagement. This includes encouraging our portfolio companies to implement formal policies and procedures and to develop their own corporate social responsibility programs. As we do to ourselves, we challenge each portfolio company to serve as model corporate citizens in their respective geography and industry.

INTERNAL GOVERNANCE

All ACON employees are required to adhere to ACON's corporate governance policies as specified in its Regulatory Compliance Manual and Code of Ethics. Additionally, we have developed both an ESG Committee and ESG Working Group comprising a subset of the ESG Committee. These are cross-functional teams responsible for:

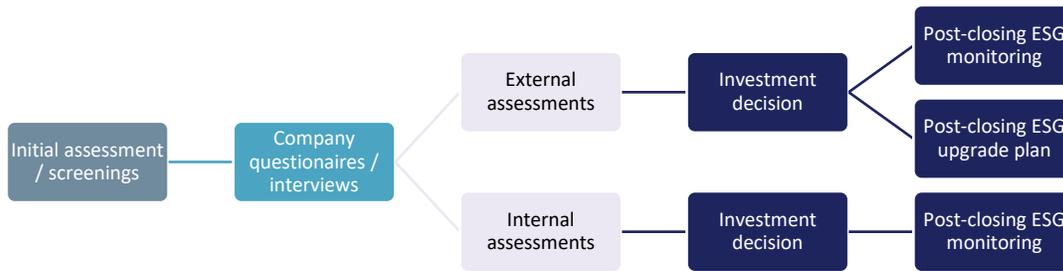
- a) ACON's ESG strategy and policies;
- b) Annual ESG action plans;
- c) Communication with key stakeholders (e.g., employees, investors, portfolio companies, etc.) with respect to ESG matters; and
- d) Assessing ACON's ESG-related performance.

Lastly, in 2021 ACON established a full-time role, Director of Sustainability and ESG, dedicated to the oversight of specific ESG-related tasks.

ESG INTEGRATION

ACON seeks to incorporate ESG factors and considerations from deal inception to exit. In the preliminary assessment of a potential investment, we conduct an analysis based on publicly available sources as well as internal exclusion lists. In the next step of diligence, we attempt to retrieve relevant information from the prospective portfolio company via questionnaires and

interviews. Then, if necessary, the investment team determines the scope of further ESG diligence and identifies various internal and external resources needed to conduct such diligence.



In some instances, we may engage third-party ESG consultants to assist the ACON team in conducting a fulsome assessment of a potential asset, both in regard to the current state of ESG at the company as well as in regard to future goals and objectives ACON would have if the Firm were to invest in the prospective company.

For assets in the current ACON portfolio, investment professionals may engage in an ongoing process alongside company management to effectively monitor ESG risks and to achieve ACON determined ESG goals, where appropriate. The investment team maintains documentation with material updates to keep the respective investment committees informed as to the status of key ESG risks and opportunities.

In alignment with our UN PRI and EDCI commitments, we seek to formalize certain processes and practices across the Firm. This includes measuring and monitoring ESG-related key performance indicators (“KPIs”) related to:

- a) Greenhouse gases (“GHG”) emissions
- b) Net zero
- c) Renewable energy
- d) Diversity
- e) Work-related accidents
- f) Net new hires
- g) Employee engagement

STEWARDSHIP

Our investment professionals are involved at a granular level in the monitoring of ACON’s portfolio companies. Through their hands-on shareholder or board-level involvement, they partner with management teams to help identify, manage, and prevent or mitigate issues that could cause ACON or its investors reputational harm. Additionally, our investment professionals aim to identify opportunities in which they are able to create or increase value through stewardship practices at our portfolio companies.

To assist in our fiduciary and stewardship duties, we require all employees to adhere to our Regulatory Compliance Manual and the Code of Ethics. These documents establish a clear framework of practices that are permitted and those that are not. Further, they establish

procedures that employees can follow in response to any conflicting or controversial situations that may arise.

SUSTAINABLE OUTCOMES

At ACON we acknowledge the relevance of defining and working towards specific sustainable commitments. For us, Climate Change, Biodiversity, Human Rights and Diversity, Equity, and Inclusion (“DE&I”) demand collective actions and objectives; below our specific aims.

Climate Change We believe climate change is one of the most complex threats to our planet, ecosystems and communities, and a common challenge at multiple spaces and levels, including the financial sector. We aim to increasingly align with applicable frameworks and commit to develop, implement and disclose our climate related strategy, targets and governance.

Biodiversity We acknowledge our role as corporate citizens and our responsibility to protect and promote the conservation of biodiversity. In that respect we aim to gradually incorporate relevant frameworks into our processes.

Human Rights We support and encourage the acknowledgement of human rights principles and seek to identify and manage the appropriate frameworks by which we can monitor human rights risks in our investments.

Diversity, Equity and Inclusion We believe that effectively accessing and managing diverse talent inclusive of varied backgrounds leads to improved outcomes. We pride ourselves on investing in the people who drive our business, who lead our portfolio companies and who are touched by our products and services. We strive to provide an inclusive and respectful work environment in which everyone is motivated to fulfil their potential and bring value to our portfolio companies, investors and partners.

Furthermore, we are proud of our long history of fostering diversity. 70% of current ACON U.S. senior management (excluding founders), 71% of all ACON U.S. employees and ~40% of ACON U.S. portfolio company senior management teams identify as members of an ethnic minority or as female.¹

LEGAL AND REGULATORY FACTORS

As investment advisers registered with the United States Securities and Exchange Commission (“SEC”), ACON’s affiliated Registered Investment Advisers (“ACON RIAs”) are required to maintain updated versions of their Form ADV Part 1 (a check the box questionnaire) and Part 2A (a descriptive brochure). ACON RIAs’ updated Form ADV Parts 1 and 2A are publicly available on the SEC’s website at: www.adviserinfo.sec.gov, and the Part 2A brochure is also accessible on ACON’s web investor portal and any time upon request.

¹As of December 31, 2023

MONITORING AND REVIEW

As our journey towards responsible investment is in constant progress, we will review this RI Policy and related commitments periodically. If applicable, the ESG Committee will make necessary updates which will be communicated and disclosed accordingly.

TRANSPARENCY AND REPORTING

The most recent and approved version of this RI Policy will be disclosed on our website. In alignment with our commitment to responsible investment and transparency, we will report on our continued progress at the Firm and portfolio company levels periodically.

/s/ Kenneth Brotman

Kenneth Brotman
Founding Partner

/s/ Jonathan Ginns

Jonathan Ginns
Founding Partner