

## **ATL's Environmental, Social and Governance Policy for Private Equity**

### **General**

ATL believes that taking environmental, social and corporate governance ("ESG") considerations fully into account in its business decisions are essential to creating value for its shareholders by developing a more sustainable long term strategy for its portfolio companies. We have developed ESG analysis and integrate it into our investment process to ensure that risk factors and opportunities are considered throughout the investment cycle. Our activities in the area of ESG do not represent a goal in and of themselves. We implement and track ESG considerations, such as the environmental and social impact of business practices, throughout our private equity investments. In addition to focusing on ESG considerations at portfolio companies, ATL focuses on them in its own operations.

### **Policy**

Our ESG policy has four basic principles:

1. We incorporate ESG issues into our investment analysis and decision-making processes;
2. We are active owners and incorporate ESG issues into our ownership policies and practices where possible;
3. We seek appropriate disclosure on ESG issues by the entities in which we invest;
4. We will promote acceptance and implementation of the principles within our firm and within portfolio companies.

Our policy is modeled on the United Nations Principles for Responsible Investing.

In order to make a meaningful impact and be consistent with our fiduciary responsibility, we will seek to engage in ESG issues across the investment decision-making process and value chain creation. ESG processes will be considered in ATL's investment process from early review to exit. This approach provides a framework and guidance for our investment team as well as our portfolio companies.

Some of the ESG considerations in the investment process include:

- Is the investment in a prohibited sector or country?
- Has ESG-relevant information been gathered through questionnaires, interviews or site visits?
- Does the proposed investment operate in accordance with local laws and international good practice?

If a material ESG concern is discovered in the due diligence process it will be discussed and evaluated by the investment team. After challenges and opportunities are considered, the investment team will either decide not to proceed with the investment or will devise a plan to remedy the ESG concern.

ATL seeks to invest in portfolio companies that are conscious of ESG factors and are committed to developing sustainably. ATL will not exclude an investment if it does not meet all requirements during the due diligence process. If the portfolio company has a vision regarding material ESG issues and has the willingness to evaluate and implement, where possible, steps for further improvement of ESG goals, ATL may still invest in the company. However, when choosing between comparable investments, ATL will likely select the investment with the better ESG practices and performance.

### ***Environmental Policy***

ATL recognizes that its activities and the activities of its portfolio companies may have an impact on the environment. ATL will endeavor to promote, among its own staff and its portfolio companies, environmental awareness and improve staff education and involvement, in order to ensure that its business is environmentally responsible, and make efforts to improve its energy efficiency.

To address key issues of environmental concern and minimize its environmental impact, ATL will endeavor to:

- Seek to reduce the production of and recycle waste;
- Raise awareness of how to use energy, water, manufactured products (e.g., paper) and natural resources efficiently ;
- Monitor electricity usage to identify energy waste;
- Increase use of videoconferencing to minimize air travel;
- Increase use of rail travel as opposed to air/private cars when appropriate;
- Source products that are made from sustainable sources or recycled materials or that are designed to be easy to reuse or recycle when practicable; and
- Eliminate or reduce, where possible, the use of products made from unsustainable natural resources.

ATL also aims to increase the sensitivity of its portfolio companies towards environmental issues and to assess environmental risks and opportunities both in the pre-investment and post-investment stages.

### ***Social Policy***

#### ***Work Place***

Providing a safe workplace with opportunities for personal development and reward nurtures talented people, both at ATL and within its portfolio companies, and ultimately provides the foundation for future success regardless of age, race, gender, sexual orientation or disability. ATL endeavors to ensure proper working and labor conditions, to safeguard the health and safety of the employees and to promote the social development of the communities in which it operates.

#### ***Human Rights***

ATL supports and respects the human rights of its employees and associates and does not maintain discriminatory policies. ATL supports and respects the human rights of those affected by its investments and will not invest in companies that utilize child or forced labor or maintain discriminatory practices. ATL will seek to ensure its portfolio companies do not tolerate abuses of human rights in their companies, or by their directors, officers or employees.

#### ***Labor***

As ATL is committed to compliance with applicable national, state and local labor laws and provides a safe and healthy workplace in conformance with national and local law; ATL will expect the same of its portfolio companies. ATL will seek to ensure its portfolio companies are committed to compliance with applicable national, state and local labor laws in the states/countries in which they operate, support the payment of competitive wages, provide a safe and healthy workplace in conformance with national and local law, and consistent with applicable law, respect the rights of employees to decide whether or not to join a union and engage in collective bargaining.

#### *Local Socioeconomic Development*

ATL insists that its portfolio companies contribute to the communities in which they operate. Some of the ways in which businesses can contribute in a country include: generating sustainable tax revenues, creating new jobs, providing training and education, assisting in the development of local industry through building infrastructure and utilizing local content, and working with local communities on worthwhile projects.

#### Matching Gift Program

The Matching Gift program provides financial support to organizations chosen by our team members. ATL matches donations made by employees to a wide range of nonprofits. ATL matches employee donations to eligible nonprofit organizations dollar for dollar up to \$1,000 per employee annually to incentivize employee giving and community involvement, with a preference for contributions that also require the ATL staff member to be involved personally with and allocate time to the organization to which the contribution is being made.

#### ***Governance Policy***

ATL invests in companies that are expected to meet the interests of investors. Therefore, we pursue an active corporate governance policy. This policy sets out our expectations on transparency, independent board membership, accountability and shareholders rights for the companies in which we invest.

#### *Board composition & proper risk management*

The boards of ATL portfolio companies should consider and review, amongst other things, the strategic direction, quality of leadership and management, the internal controls and the operating performance of those companies. ATL seeks to appoint board members who are competent and have a broad range of skills, expertise, industry and other knowledge useful to the effective oversight of the portfolio company's business. Boards of directors are held accountable to all shareholders.

#### *Executive remuneration*

High level individuals are a vital component of success for any organization. Remuneration policies should allow the recruitment and retention of these individuals and provide appropriate incentive arrangements which reward returns for shareholders.

In considering the pay arrangements for senior executives at ATL portfolio companies, ATL is concerned with the structure of total compensation and to ensure that potential rewards are aligned with shareholder interests.

We note that in order to hire the best individuals, it is necessary for companies to pay at levels which allow them to compete in the market to recruit successful executives. However, the existence of this effect does not justify unwarranted transfers of value to executives. It follows that where individuals have failed, their continuation in a role should be reviewed, and if necessary, they should be removed.

### *Shareholder Communication*

ATL recognizes the importance of engaging and communicating with its shareholders. Building positive relationships with shareholders is critical to smart investing and creating long term value. ATL distributes quarterly reports to its limited partners and invites its limited partners to its Investment Committee meetings at least once a month.

### *Anti-fraud and Anti-corruption*

ATL maintains strict policies that prohibit bribery and other improper payments to public officials consistent with the US Foreign Corrupt Practices Act, similar laws in other countries, and the OECD Anti-Bribery Convention and seeks to ensure its portfolio companies do as well. A zero tolerance policy on corruption is at the heart of ATL's investment selection and due diligence process. A project with corrupt roots, without a solid, transparent and legitimate foundation, is likely to be short-lived and hazardous, especially in the face of a new government hostile to agreements made under prior administrations. Moreover, ATL believes that the eradication of bribery and corruption through improved governance and increased transparency will create a fairer business environment in which to operate and will encourage more effective governance. Good governance is rooted in adherence to regulations and laws. ATL adheres to the regulatory standards in the countries in which it or its portfolio companies operate.

### ***Monitoring and Engagement***

We continuously evaluate our ESG policies and processes to identify opportunities for expansion and improvement. As part of these efforts, ATL's ESG Officer, who has a certification in ESG Performance for Professionals and Investors from the Sustainability Academy, regularly attends conferences on ESG matters and informs the ATL Team of industry developments and best practices with respect to ESG.

ATL will:

- Monitor the portfolio companies in which it has invested and periodically discuss with the management teams of these companies their ESG performance and progress made in the agreed action plans; and
- Require monitoring and disclosure of ESG incidents by its portfolio companies and the remediating actions to be taken in this regard.

### ***Training***

As part of ATL's annual compliance training, all employees review and receive training on ESG matters, including the relevance and importance of ESG factors in ATL's investment activities and portfolio company operations. In addition, ESG matters are regularly discussed by the ATL Team, and as described above, ATL's ESG Officer regularly attends ESG conferences and keeps the ATL Team informed of ESG developments and best practices. By investing in employee training, ATL can ensure that knowledge and messaging on ESG integration is spread throughout the workforce.

### ***Disclosures***

ATL will provide timely information to our limited partners on the matters addressed herein, and will work to foster transparency about its activities.

Upon request, we will seek to disclose information sufficient to enable a potential limited partner that has expressed an interest in ESG management to:

- 1) Assess if ATL is aligned with the LP's ESG-related policy and investment beliefs;
- 2) Assess our policies and processes for identifying ESG-related issues and risk to identify possible areas for future development;
- 3) Understand if and how ATL influences and supports its portfolio companies' management of ESG-related risks and pursuit of ESG-related opportunities; and
- 4) Assess ATL's approach to managing and disclosing material incidents at ATL and its portfolio companies.

During the life of the fund, ATL will seek to disclose information sufficient to enable a LP that has expressed an interest in ESG management to:

- 1) Establish if ATL is acting in a manner consistent with its investment policies and processes regarding ESG management;
- 2) Understand positive and negative ESG-related developments that may impact portfolio companies of the fund; and
- 3) Determine if responses to ATL and portfolio company incidents are consistent with relevant investment terms and the funds policies.

Limited partners will be informed of any changes to ATL's ESG policies and how these policies are being implemented. ATL will disclose actions, if any, it has taken to further develop its approach to managing ESG opportunities and risks in the fund.

Any material developments that have occurred at individual portfolio companies will be summarized at the portfolio company or fund level.

We encourage dialogue with our limited partners and other stakeholders on how we can better manage ESG issues. We will work with our limited partners to foster transparency about our ESG performance.

### ***Responsibility***

ATL aims to improve its commitment to ESG issues continuously. Compliance will review and seek to expand ATL's ESG policy and processes. ATL encourages dialogue on how it can accommodate ESG issues in a way that is consistent with its limited partners' and other stakeholders' initiatives in these areas. If you have any comments and suggestions on the policy, please do not hesitate to contact Candice Richards at [crichards@atlpartners.com](mailto:crichards@atlpartners.com).