ENVIRONMENTAL, SOCIAL AND GOVERNANCE INVESTMENT POLICY

ALPHA PRIVATE EQUITY FUNDS MANAGEMENT COMPANY ("THE COMPANY")

ALPHA PRIVATE EQUITY FUNDS MANAGEMENT COMPANY *Société à Responsabilité Limitée*

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Revision history

Date	Reason for review	Comments/Changes
2016	Adoption of original	
March 2021	Annual review and update	
May 2023	Annual review	Added information on ESG Committee and ESG Manager
March 2024	Annual review	
March 2025	Annual review	
December 2025	Update following IA findings	

We strongly believe that by accommodating a broad set of environmental, social and governance (ESG) issues, we can improve the financial performance of our portfolio companies, make our portfolio companies more attractive to potential acquirers, whilst reducing investors' exposure to reputational risk.

That is why we consider ESG risks into our investment strategies. Our objective is to seek strategic advantages from managing ESG issues and sustainability risks and to maximize business and investment opportunities, whilst concurrently complying with regulations in place and mitigating business and investment risks.

We will also encourage our portfolio companies to apply ESG considerations which are relevant to its size, its activities and its business.

To successfully integrate ESG issues, we shall monitor our portfolio companies to ensure compliance with this ESG policy throughout the Fund's investment cycle, from pre-deal due diligence all the way through to portfolio company management.

This ESG investment policy intends to define how we can manage ESG issues within a structured investment framework and how we can incorporate these issues into both our investment decisions and management of assets. It applies to ALPHA PRIVATE EQUITY FUND 6 (SCA) SICAR and ALPHA PRIVATE EQUITY FUND 7 (SCA) SICAR (the "**Funds**"), represented by ALPHA PRIVATE EQUITY FUNDS MANAGEMENT COMPANY SARL (the "**AIFM**").

This ESG investment policy has been approved by the Board of Managers of the AIFM, and may be amended from time to time to reflect evolutionary changes in ESG practice

1. Regulatory Framework

With regard to ESG, the AIFM is mainly governed by the following piece of regulation (non-exhaustive list):

- Sustainable Finance Disclosure Regulation (EU) 2029/2088
- Corporate Sustainability Reporting Directive (CSRD) & related European Sustainability Reporting Standards (ESRS)
- Delegated Regulation (EU) No 231/2013
- Law of 12 July 2013 on alternative investment fund managers

2. UN Principles

We support and endorse the United Nation Principles of Responsible Investment ("Principles") and the AIFM has been a signatory to the UNPRI principles since 18th November 2011. In accordance with the terms of the 6 Principles:

- We incorporate ESG issues into our investment analysis and decision making.
- We are active owners and incorporate ESG issues into our ownership policies and practices.
- We seek appropriate disclosures on ESG issues from the entities we invest in.
- We promote acceptance and implementation of the Principles within the investment industry.
- We work together to enhance our effectiveness in implementing the Principles.
- We report on our activities and progress towards implementing the Principle

3. ESG Responsibility

Alpha private equity is primarily responsible for ensuring that ESG matters are integrated into investment decisions. To incorporate ESG issues within each step of our investment practices, we have appointed an ESG Manager who is responsible for the execution and continuing development of the ESG policy.

The ESG Manager should ensures that ESG considerations play a role at each stage of the investment process, as well as during the whole investment period and during the disinvestment process.

In this context, the ESG Manager makes sure that all relevant information concerning ESG

items are put at the disposal of the Board of Managers. This information is communicated to the Board of Managers through the various ESG reports for each investment and disinvestment decision on a continuing basis.
When making investment decisions, the Board of Managers of the AIFM will always keep in mind that the ESG factors are a whole series of indicators that they will be required to consider. We shall not consider a company's ESG performance in isolation from the wider issues affecting the investment, including the ultimate impact the ESG factors will have upon the investment.

Alpha private equity established an ESG Committee which gather Senior Managers and ESG Champions. During this ESG Committee team members discuss about ESG reports, monitoring of ESG measures, progress and follow up.

4. ESG Investment Cycle

To successfully integrate ESG issues, Alpha integrates ESG risks and value creation opportunities into its investment process throughout the following Funds investment cycle, from pre-deal due diligence, to the monitoring of portfolio investments and at exit phase.

3.1 Asset selection and origination

Alpha conducts ESG screening and analysis of the targeted investments and their teams. Alpha used its exclusion list to determine its selection.

3.2 Pre-investment phase

Once the opportunity of a new investment is validated, the investment team carries out an analysis of the targeted company. During this process Alpha undertakes an ESG due diligence in order to assess potential ESG related risks and to identify possible opportunities. Experts on the subject matter are engaged in this phase.
During the due diligence process, Alpha, together with the portfolio companies management, identifies ESG aspects that are material and relevant to its portfolio companies.
Before the closing of the investment, the findings of the due diligence are incorporated into an ESG Acquisition Report to be incorporated into the final investment

documentation, which is submitted to the Board of Managers of the Manager. Each binding decision to invest in a new company must be approved only with the support of this acquisition report.

3.3 Ownership phase

Alpha monitors ESG progress within its portfolio by engaging with the companies' management on active management of ESG. Alpha engages its portfolio companies on ESG matters by conducting ESG reviews to identify opportunities for improvement and ensure value creation.

Alpha has established a monitoring system to annually collect and report the relevant ESG KPIs for each portfolio company. An Annual ESG Report is then presented to the Board of Managers for each portfolio company.

3.4 Exit

When exiting an investment, Alpha seeks to show evidence of the contribution of the company's progress on ESG to its performance and highlights the operational added-value that has been created. An ESG Exit Report is completed and each binding decision to sell a portfolio company must be approved only with the support of this exit report.

5. Exclusion policy

The confidential Prospectus of the Funds impose geographical restrictions for investments The list of jurisdictions for potential investments is limited to countries within Western Europe. We therefore do not have any geographical exclusion.

Our exclusion policy includes companies whose sole or primary business purpose is engaging in the following list of excluded activities:

- Direct involvement in the production of anti-personnel landmines, cluster bombs, and/or chemical or biological weapons
- Any direct involvement in the production and/or sale as an end weapon, or the supply of essential and/or customized semi-finished parts, of anti-personnel mines, cluster bombs, nuclear weapons (as well as the upgrading and maintenance of

nuclear weapons), biological weapons and depleted uranium ammunition (as determined at the time of the investment)

- Any exploration for oil and/or gas
- Any manufacturing of or trading in tobacco
- Any gambling activities
- Fur production
- Adult entertainment

In some cases, it is very difficult to determine whether a company is actually engaged in an excluded activity and some companies may have a de minimis revenue stream from an excluded activity, such as a supermarket selling tobacco. In these circumstances, the determination of whether or not a company is engaged in an excluded activity is often an issue of individual conscience. Therefore, our exclusion list implies that each decision to invest in a new company whose activities could be considered as linked to an excluded activity (an "Excluded Activity Linked Investment") must be approved by the unanimity of the Managers present or represented at the meeting of the Board of Managers deciding on such investment, except for the Risk Manager . Furthermore, the Board of Managers will only approve an Excluded Activity Linked Investment if they are satisfied that the particular company is not engaged in an excluded activity, as defined in this ESG investment.

6. Sustainability Risk Appetite, Integration and Mitigation Measures

Sustainability Risk Appetite Statement

The AIFM manages Article 6 funds, which do not require the promotion of environmental or social characteristics nor the pursuit of sustainable investment objectives. Nevertheless, not only in line with SFDR requirements and prudent risk management, the AIFM considers sustainability risks to the extent that such risks may materially affect the financial performance of investments, but also actively includes sustainability considerations in its investment thesis and engage with the Portfolio Companies teams to ensure proactive management of sustainability topics.

The AIFM maintains a conservative risk appetite regarding sustainability risks that could have a material negative impact on portfolio company value or operations. The AIFM seeks to avoid exposures where sustainability risks—such as significant regulatory breaches, severe governance failures or material environmental liabilities—cannot be identified, assessed or mitigated to an acceptable degree.

The AIFM's risk appetite includes:

- Low tolerance for unmanaged governance risks, corruption, legal non-compliance and serious labour or human rights issues
- Low-to-moderate tolerance for environmental or social risks that can be mitigated or remediated during the holding period
- Moderate tolerance for transition-related risks where improvements are realistically achievable and aligned with normal private equity value-creation processes

This approach supports the AIFM's objective of protecting long-term financial value for investors.

Integration of Sustainability Risks into the Risk Management Framework

Identification of Sustainability Risks

Sustainability risks are assessed as part of the AIFM's broader risk management framework and may include:

- Environmental risks: contamination, non-compliance with environmental laws, inefficient resource use, water stress
- Social risks: workplace safety, labour practices, supply-chain disruptions, data protection and cybersecurity issues
- Governance risks: weak internal controls, lack of transparency, regulatory breaches, inadequate board oversight
- Climate-related risks:
    - *Physical risks:* damage to company operations from extreme weather events.
    - *Transition risks:* regulatory changes, increased compliance costs, reputational impacts.

Sustainability Risk Consideration in Due-Diligence

During pre-investment due-diligence for Article 6 funds, the AIFM assesses sustainability risks, including:

- Regulatory compliance and past incidents
- Environmental or social liabilities that may create financial exposure
- Governance structures and management oversight
- Operational practices that may create future risk or cost

Any identified material sustainability risks are reflected in the Investment Committee documentation and considered as part of the investment decision-making process.

Monitoring During the Ownership Phase
During the holding period, the AIFM monitors sustainability risks as part of its standard portfolio monitoring activities. This may include:

- Monitoring of compliance issues, health & safety events or environmental incidents
- Periodic review of governance structures and management controls
- Tracking of material developments that could affect company financial performance and reputation
- Direct engagement with management to ensure mitigation of identified risks

Escalation procedures apply if sustainability risks develop into material operational, legal or financial risks.

Both during the due-diligence phase and the ownership phase the AIFM strive to identify sustainability opportunities that could drive competitive advantages and improve financial performance.

Interaction with Other Risk Categories
Sustainability risks are recognised as potential contributors to other financial and operational risks, including:

- Operational risk: inadequate safety procedures or environmental breaches causing business disruption
- Legal/compliance risk: fines, sanctions or litigation tied to environmental or social regulation
- Reputational risk: negative public or regulatory scrutiny
- Exit risk: potential impairment of exit valuations if significant sustainability-related liabilities remain unresolved

Measures to Mitigate Negative Sustainability Risks within the Portfolio
Risk Mitigation Measures Appropriate for Article 6 Funds

Although the AIFM is not required to promote ESG characteristics, the AIFM is committed to implement mitigation measures where sustainability risks are identified during the due-diligence phase or arise during the ownership phase. These measures include:

- Addressing material legal or regulatory non-compliance at portfolio companies

- Improving internal controls, governance and compliance processes
- Ensuring remediation of health, safety or environmental incidents
- Supporting management in strengthening risk management practices relevant to sustainability risks

Active Ownership and Governance Oversight

Active ownership is a key tool for mitigating material sustainability risks. The AIFM may:

- Encourage the implementation of enhanced governance, reporting or internal policies where required
- Promote robust internal controls and compliance practices
- Monitor progress on the remediation of any identified issues
- Endorse the implementation of sustainability initiatives

These interventions are aimed at risk mitigation and safeguarding investment value.

Incident Reporting and Remediation

Portfolio companies must promptly inform the AIFM of any material incidents relating to environmental breaches, health & safety issues, governance failures or other events.

The AIFM assesses the incident, requests remedial actions where appropriate, and monitors progress until resolution.

Consideration at Exit

Prior to divestment, the AIFM reviews unresolved sustainability risks that may have financial implications. This includes:

- Assessing any outstanding liabilities
- Ensuring that material risks are mitigated, addressed or disclosed
- Evaluating whether remediation supports an optimal exit valuation

7. ESG reports

We have developed three ESG reports which must be completed and submitted to the Board of Managers of the AIFM, covering the whole lifecycle of each investment, as follows:

- ESG acquisition report: each binding decision to invest in a new company must be approved only with the support of this acquisition report

- ESG exit report: each binding decision to sell a portfolio company must be approved only with the support of this exit report
- ESG Annual report: an annual ESG report is presented to the Board of Managers for each company in the portfolio

The above reports will be summarized in an Annual portfolio review, giving a global picture of the ESG situation of the Fund's portfolio of investments

Information contained in the ESG reports are provided by the Local Advisers to the AIFM, based on the company's data, interviews with senior managers and any other resources.

The ESG reports are key elements in the decision making process of the Funds and are included in the Minutes of the Board of Managers of the AIFM. The ESG reports are completed by an Annual ESG Report of the AIFM.

8. ESG reporting to investors

We will communicate the following ESG reports to investors at specific moments:

- ESG Acquisition Report: will be sent to investors together with the investment memorandum after the investment has been completed
- Annual ESG Portfolio Review and ESG report of the AIFM: will be sent to investors together with the Funds Annual Reports
- ESG Exit Report: will be sent to investors when the disinvestment is realized

The investors are free to ask for more ESG information by contacting the AIFM during normal business hours on any working day in Luxembourg.

9. Training and awareness

The AIFM has established and maintained a structured ESG Awareness & Training Programme that ensures all staff including portfolio management teams, risk management, compliance, valuation, operations and senior management—understand the relevance and implications of ESG factors in their daily activities and decision-making processes.

The ESG Awareness & Training Programme includes:

- Mandatory Annual ESG Training. The training which will be adapted to the AIFM organisation and business from time to time will covers at minimum the following;
    - ESG concepts and regulatory expectations (SFDR, Taxonomy, AIFMD requirements).
    - The AIFM's ESG policy and investment strategy.
    - Practical examples of how ESG factors influence investment and risk decisions.

  As part of her controls, the Compliance Officer will ensure a 100% staff completion of the training.

- Regular ESG Communications
    - Quarterly ESG reporting, summarizing:
        - Regulatory updates from CSSF, ESMA, EU.
        - Market developments and case studies.
        - Updates on the AIFM's ESG initiatives and fund-level progress.
    - Ad-hoc ESG reporting to the staff summarizing regulatory updates and the progress made on any ESG initiatives at the level of the AIFM

10. ESG Communication and promotion

We will communicate and promote acceptance of the ESG principles within the AIFM, its affiliates, advisors and partners.

We will also do our best to implement high ESG quality standards within the portfolio companies we are investing in, through close cooperation with their management.

11. Policy monitoring and review

This policy will be regularly reviewed by the Compliance Function and submitted to the Conducting Officers as well as the Board of Managers for approval. The regular updates will aim to reflect the AIFM operations as well as any regulatory updates, new market conditions and stakeholder expectations.

The ESG policy of the AIFM is tested by the Compliance Function as part of the Compliance Monitoring Plan. In addition, this ESG Policy is also tested by the internal audit, as part of the internal audit 3-years plan.

This ESG policy may be amended to be align with the other policies.