

Aurora Growth Capital

# RESPONSIBLE INVESTMENT POLICY

FIRST VERSION: AUGUST 2025



## AURORA GROWTH CAPITAL RESPONSIBLE INVESTMENT POLICY

### 1. INTRODUCTION

Aurora Growth Capital (hereinafter “AGC” or “Aurora”) is a private equity investment strategy managed by Renaissance AIFM S.à r.l (hereinafter “Renaissance”, “AIFM” or the “Company”), a regulated alternative investment fund manager based in Luxembourg, authorized and regulated by the Commission de Surveillance du Secteur Financier (CSSF). AGC focuses on growth/expansion capital investments, providing financial resources and management support to unlock companies’ potential. Aurora is focused in acquiring majority and active minority stakes in high-potential, family-owned Italian SMEs, leaders in their niche market, export driven and with a clear competitive advantage.

Since its inception in 2018 and until 2025, AGC was part of the Neuberger Berman Group LLC (“NB”). Under NB guidance, the investment team of AGC’s investment strategy (hereinafter “AGC Team”) has acquired, over the years, skills and knowledge on sustainability and ESG principles with a solid commitment to financial performance and responsible investing. This strong ESG-driven legacy has equipped the AGC Team — now part of the AIFM — with deep expertise and a refined sensibility in the field. Building upon this heritage and reaffirming its steadfast commitment to sustainability and ESG principles, the AGC Team is supported by Renaissance ESG Team (hereinafter “ESG Team”) to integrate ESG consideration within its investment strategy.

Aurora is subject to Renaissance Sustainability Policy (hereinafter “Sustainability Policy”), which serves as a general framework for integrating sustainability considerations across the different investment management activities of the AIFM. The Sustainability Policy is a guideline on sustainability principles, with the recognition that financially material ESG characteristics can be an important driver of long-term investment returns. Under this framework, the AGC Team, with the support of the ESG Team, has defined its proprietary Responsible Investment Policy (hereinafter “AGC RI Policy” or “Aurora RI Policy”) with the aim to formalize the way in which sustainability and ESG criteria are integrated within AGC’s investment strategy and throughout the diverse phases of the investment lifecycle.

The AGC Team firmly believes that ESG factors, like any other factor, should be incorporated in a consistent manner in line with the specific characteristics and style of its investment strategy. For Aurora Growth Capital, responsible investment means systematically integrating ESG considerations across all stages of the investment lifecycle of private equity funds. As a result, the AGC Team believes it has the opportunity and responsibility to support a proprietary responsible investment approach and to foster ESG best practices across the business community.

This AGC RI Policy describes Aurora’s responsible investment approach in terms of commitment to ESG integration within portfolio management and describes the processes and responsibilities put in place to address material ESG aspects throughout the lifecycle of funds. The AGC RI Policy was drafted in accordance with the six Principles of Responsible Investment (PRI) and considers the ten principles of United Nations Global Compact (UNGC) during the entire investment lifecycle.

### 2. SCOPE

This RI Policy applies to AGC’s private equity investment strategy (including correlated funds and their portfolio companies).

As Aurora funds recurrently make non-controlling stake investments, the AGC Team may not necessarily be able to fully implement this RI Policy. In such cases, Aurora will make reasonable efforts to encourage consideration of relevant ESG-related principles by the portfolio company through its seat(s) in the Board of Directors and through active engagement with the senior management of the portfolio company. Also, in the cases where other circumstances may impact AGC’s ability to assess, set, or monitor ESG-related performance goals, or where the AGC Team identifies material ESG issues that cannot reasonably be addressed, commercial

efforts will be made to encourage the integration of ESG considerations.

### 3. OVERSIGHT

The oversight of the AGC RI Policy is performed by the Renaissance ESG Committee (“ESG Committee”). The ESG Committee, structured at the AIFM level, is composed of the ESG practice leader, ESG manager, senior members of the investment team, head of Investor Relations and members of the control functions of the AIFM, and ensures the Policy is adequately adopted.

The ESG Committee is chaired by the ESG practice leader. Its broader responsibilities include: supporting efforts to define ESG priorities for each investment strategy in line with stakeholder expectations and sector trends, approving ESG-related policies, procedures, plans and targets, overseeing ESG-related reporting and external communication activities, and conducting the annual review of E.U. Sustainable Finance Disclosure Regulation (SFDR)<sup>1</sup> claims, along with the approval of ESG-integrated financial products managed by the AIFM.

The AGC Team, supported by the ESG Team, is responsible for the operative implementation of the Aurora RI Policy within the pre- and post-investment activities and for periodically reporting to the ESG Committee the compliance to the Policy. The ESG Team, which has a cross-functional supporting role at the AIFM level, supports and oversees the AGC Team in integrating and managing ESG matters, providing guidelines and overall review of ESG-related performance and disclosure commitments.

Moreover, the AIFM’s control functions (i.e. Risk Management, Compliance and Internal Audit) are responsible for verifying the RI Policy’s adequate implementation. Each control function performs its periodic monitoring and control responsibilities within the framework of its regular duties and reports level of alignment to the policies principles (and/or any issues of non-compliance) to the AGC Team.

### 4. RESPONSIBLE INVESTMENT APPROACH

AGC’s responsible investment approach is detailed throughout the two main phases of the investment cycle: (i) the **pre-investment phase**, which includes sourcing, due diligence and execution of the investment decision and (ii) the **post-investment phase**, after the transaction is closed, where the onboarding, ownership and exit stages take place. The responsible investment approach explains how ESG factors are integrated within each key phase of the investment cycle, as described in the figure below:



<sup>1</sup> Regulation (EU) 2019/2088 of the European Parliament and of the Council of November 27, 2019, on sustainability-related disclosures in the financial services sector (as amended and/or restated, the “SFDR”) seeks to establish a pan-European framework to facilitate Sustainable Investment, by providing for a harmonized approach in respect of sustainability-related disclosures to investors within the European Union’s financial services sector

## 4.1. PRE-INVESTMENT PHASE

### 4.1.1. Sourcing

When considering an investment opportunity, AGC follows a highly disciplined and thorough investment process, focused on evaluating the various key aspects of the transaction and the potential new portfolio company (hereinafter “the Target”). This generally involves performing a thorough analysis of the industry, competition, business model, historical financial information and business plan, as well as a detailed review of the proposed transaction terms, including valuation, capital structure, legal, governance, and other aspects of the transaction. The Target will predominantly be headquartered within the Italian territory, while retaining a global scope and a sector-agnostic focus. When sourcing a potential investment opportunity, the AGC Team considers ESG aspects within the Target’s preliminary evaluation from a negative ESG screening approach.

#### **Negative screening approach**

The AGC Team excludes companies from the investable universe whose principal purpose is (A) the manufacturing or sale of gambling machines or implements, or the production or direct offering of lotteries, online gambling, casinos, betting shops, bookmakers or bingo halls, (B) the production or sale of pornography whether via cinema, television, publishing, radio, internet or otherwise, (C) the manufacturing, production, packaging, marketing or sale of tobacco; and (D) the manufacturing of controversial weapons<sup>2</sup>, either by being responsible for end manufacture and assembly of controversial weapons, or being responsible for the manufacture of intended use components for controversial weapons. Businesses which violate the United Nations Global Compact (UNGC) Principles, whether through child labour, human trafficking, corruption, forced labour or otherwise shall also be excluded.

There is the potential for additional exclusions regarding ESG considerations driven by the AGC Team, client mandates, third-party ESG label requirements or regulations. For example, some AGC funds could integrate in their exclusion list fossil fuel-related business activities, stepping up their commitment on sustainability.

Investments in companies who supply, service or otherwise deal with companies not in conformity with the “Negative screening approach” shall not themselves be excluded.

### 4.1.2. Due diligence

When evaluating investment opportunities, the AGC Team applies a focused, disciplined, and multi-stage due diligence (“DD”) and decision-making process. The objective is to validate the investment thesis, assess exit strategies, and evaluate the management team’s capability to deliver on the proposed strategy.

The DD process covers financial, commercial, legal, tax, ESG, and other material considerations, and is typically supported by experienced third-party advisors. ESG factors are fully integrated into the DD process to assess the Target’s sustainability profile. The ESG Team works alongside the AGC Team, providing strategic oversight of the ESG DD and reviewing key findings.

As part of ESG DD, a preliminary assessment of sector-specific ESG factors likely to be financially material is carried out using the Sustainability Accounting Standards Board (SASB) framework developed by the IFRS Foundation’s International Sustainability Standards Board (ISSB). Based on this assessment, the Target’s practices are evaluated against internationally recognized ESG standards and best practices. This analysis typically includes, among others, climate and environmental management, labor and human rights practices, governance and compliance structures, and stakeholder engagement.

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<sup>2</sup> Controversial weapons are defined as: biological and chemical weapons (weapons outlawed by the Biological and Toxin Weapons Convention of 1972 and the Chemical Weapons Convention of 1993), anti-personnel mines (weapons that signatories agreed to prohibit the use, stockpiling, production or transfer of under the 1997 Anti-personnel Landmines Convention), cluster munitions (weapons that signatories agreed to restrict the manufacture, use and stockpiling of, as well as components of these weapons, under the 2008 Convention on Cluster Munitions), and/or depleted uranium weapons (depleted uranium weapons, ammunition and armour).

The ESG DD results will be part of the final investment documentation delivered to the investment committee. The AGC investment committee has ultimate responsibility to define if it either approves or declines the potential investment considering, among all other key aspects, the ESG DD results.

## 4.2. POST-INVESTMENT PHASE

### 4.2.1. Onboarding

In the case the investment is approved, the outcomes of the ESG DD process will provide the AGC Team with an overall insight of the asset's ESG maturity and identify gaps and key areas of improvement to be addressed during the post-investment stage. When the ESG DD process identifies material risks or priority areas requiring near-term action, an ESG risk mitigation plan is developed in early consultation with the portfolio company's senior management. This plan is designed to address key ESG issues during the first months of ownership that could impact the asset's reputation, regulatory compliance, or financial performance.

During the onboarding, the preliminary guidelines of an ESG Action Plan are discussed with the new portfolio company's senior management. The ESG Action Plan consists of detailed ESG objectives and targets to be implemented over the years, along with associated actions, timelines, responsibilities and budget considerations.

### 4.2.2. Ownership

During the ownership period, the AGC Team is in charge of continuously monitoring the investments with a value creation goal. The AGC Team, with the ESG Team support, integrates ESG elements in the portfolio company's value creation plan with an ongoing and structured interaction with the portfolio company aimed at fostering continuous improvement in business practices (hereinafter "Active Engagement"). The AGC Team's Active Engagement helps in monitoring ESG progress of portfolio companies and in collecting the ESG data and information to carry out the sustainability reporting. In cases where Aurora is a majority shareholder, the AGC Team encourages portfolio companies, on a best-effort basis, to define and implement an ESG Action Plan, appoint an ESG role within the organization, and undertake recurring third-party ESG assessments to obtain ESG ratings.

It shall be understood that, for portfolio investments where Aurora does not hold a controlling stake, the AGC Team's ability to actively engage may be more limited compared to situations where Aurora holds a majority interest. In such cases—and/or when material ESG issues are identified that cannot be reasonably addressed—AGC Team members will seek to leverage their positions on the board to promote the integration of ESG measures wherever possible.

On an annual basis, each portfolio company is required to develop a sustainability report, consisting of collecting a set of ESG KPIs to voluntary disclosure in line with the most recognized ESG reporting industry standards. The Global Reporting Initiative (GRI)<sup>3</sup> standards and the European Sustainability Reporting Standards (ESRS) are the main reporting frameworks used to monitor and disclose overall ESG performance of each portfolio company. The AGC Team has developed a list of cross-portfolio KPIs that are reported on by portfolio companies on an annual basis no matter their industry or dimension. The list of cross-portfolio KPIs, which is in line with GRI standards, is updated and disclosed within the AGC's ESG annual report that can be found in [Aurora's website](#) as "ESG Spotlight".

AGC is committed to monitoring ESG incidents and issues and the status and progress of the ESG KPIs, presenting them to the ESG Committee when needed or at least once per year. AGC funds' ESG progress and results are expected to be included in the periodic disclosures with investors, when particularly requested, and in AGC's ESG annual report.

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<sup>3</sup> The Global Reporting Initiative (GRI) offers a complete set of sustainability reporting standards. They can be accessed through this [link](#).

### 4.2.3. Exit

When the AGC Team begins considering exit timing, a gap analysis between the level of ESG performance of the portfolio company at the time of divestment versus at the time of acquisition is carried out, highlighting the added ESG value generated through the ownership phase. This gap analysis could be formalized at exit, in an ESG DD vendor report drafted by third-party consultants.

## 5. COLLABORATIONS

As part of Renaissance, the AGC Team collaborates with clients and others in the investment industry to support the broader acceptance and implementation of responsible investing. Activities may include collaborative engagement with a company on a given topic, joint research projects on an ESG topic or support of industry standard ESG disclosure.

The AIFM works with a number of like-minded institutions, including Principles of Responsible Investment (PRI), Task Force on Climate Related Financial Disclosure (TCFD), UN Global Compact (UNGC), ESG Data Convergence Initiative (EDCI) and Science Based Targets initiative (SBTi).

## 6. REVIEW

This RI Policy reflects Aurora Growth Capital current ESG integration approach. It will be reviewed at least annually and revised as appropriate, with or without notice. The AGC Team, supported by the ESG Team, will be responsible for the annual review and update.

#### Disclaimer

For more information, please visit [Aurora's website](#).

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