Oakley Capital

Responsible Investment

ESG Report 2021

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Introduction

Letter from our Managing Partner

Sustainability is woven into our approach

I am proud to present to you Oakley Capital's inaugural ESG Report, which signals our commitment to sustainability and responsible investing.

Since our inception 20 years ago, we have grown into an organisation of over 100 individuals, driven by our collective values of humility, curiosity and collaboration, combined with an entrepreneurial spirit. As our investments have grown in number and size, we have remained true to our goal of partnering with like-minded entrepreneurs with the ambition to build companies that are not only financially successful, but that also make a positive impact in our world, whether that is IU Group's mission to democratise education, TechInsights enabling the next generation of STEM leaders, or Alessi's innovative redesign of everyday objects.

> We aim to help our portfolio companies become more resilient in a fast-changing world, while we do the same.

Peter Dubens
Managing Partner and Co-Founder

Letter from our Managing Partner continued

With each investment, we recognise our privilege and responsibility as stewards of our investors' capital. Whilst the very themes that we now recognise as environmental, social and governance (ESG) implicitly have always been part of our values-based investment approach, in recent years we have increasingly formalised our ESG strategy across our portfolio and the firm itself.

Our Head of Sustainability, Aga Siemiginowska, is spearheading our sustainability initiatives and will share more in this report on our accelerated progress since 2020. As we grow, we are building a diverse and inclusive culture, as Rebecca Gibson, my fellow Partner, will share later in this report. Finally, we are more consciously weaving sustainability into our investment approach and across Technology, Consumer and Education, as Arthur Mornington, Ralf Schremper and Sam Fenton-Whittet, will outline.

All of these developments are occurring against the backdrop of continuing societal challenges that span back to the Global Financial Crisis in 2008 and have continued most recently with COVID-19 and now the war in Ukraine, as well as growing inequality and the climate crisis. Along with exciting technological developments such as blockchain and web 3.0, these macro challenges make our role as responsible stewards even more important. Our mission remains unchanged: to support our portfolio companies by 'future-proofing' their business models and helping them grow sustainably.

This report marks a milestone in our responsible investing journey. As you read on, you will learn more about our ambitions to drive further change across the firm, to build more resilient businesses that can thrive in a changing world and deliver strong outcomes for all our stakeholders.

Peter Dubens
Managing Partner and Co-Founder

2021 year in review

Group

€5bn
assets under management

Five
funds raised

Oakley's USPs

Origination
90%
primary deals

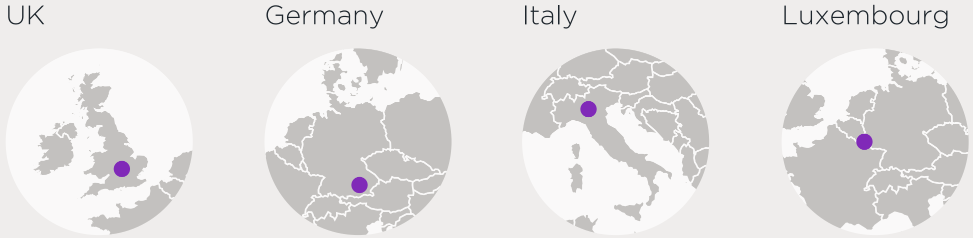
100+
add-on investments

Expert track record
Six
education deals completed

22 high-growth investments across three sectors

Investing in people

Across four offices



Sector champions with hidden pockets of value

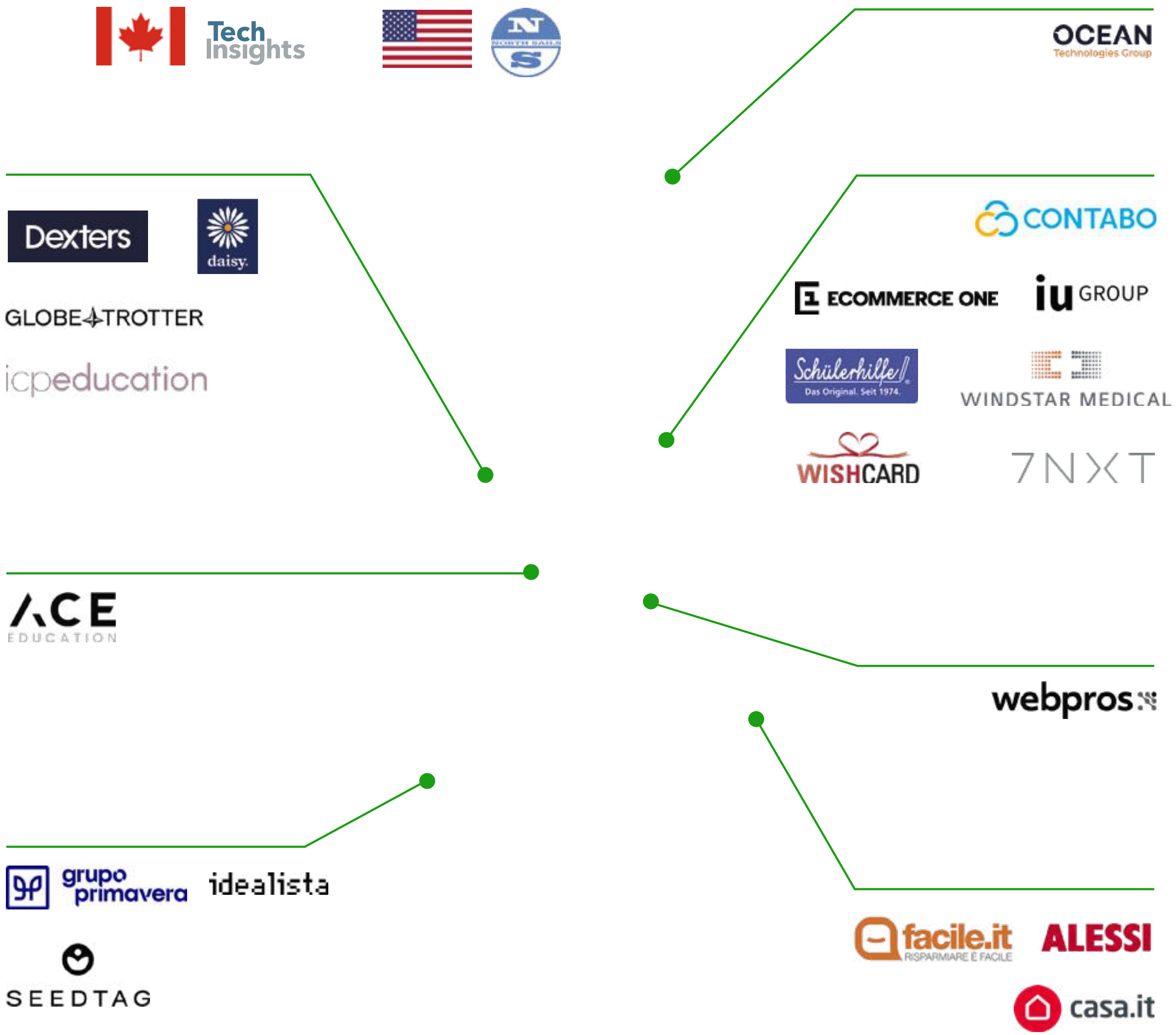
A pan-European portfolio across three core sectors

With its European focus, Oakley believes it is able to uncover attractive investment opportunities where it sees a deep set of primary deals and also the opportunity to pursue repeat play strategies.

Regional variations allow Oakley to replicate the success it has achieved with similar business models across different countries. An example of this development is Oakley's track record in digital consumer platforms such as price comparison websites and real estate listings portals where Oakley has invested in less mature markets and has successfully capitalised on the trend for consumers to increasingly transact online as well as increased internet penetration.

Over time, Oakley has expanded beyond the UK and Northern Europe, geographies in which Oakley historically has strong credentials and networks, and into less mature Southern European markets such as Italy, Spain and Portugal, where the Oakley Team has continued to broaden its network. Coupled with Oakley's deepening presence in Europe with offices in Munich, Germany (2016) and Milan, Italy (2021), Oakley believes that having bases closer to its target markets has helped the firm access attractive new opportunities and continue to work closely with existing management teams.

Oakley believes it has a differentiated offering as one of a limited number of mid-market private equity firms providing access to a truly pan-European portfolio and associated deal flow.



Letter from the Head of Sustainability

We are determined **to lead by example**

At Oakley, being a responsible investor means integrating Environmental, Social and Governance (ESG) themes into our strategy and that of our portfolio companies, to reduce risk and create long-term, sustainable value for the investors who have entrusted us with their capital.

It means investing in companies that benefit society, and are good corporate citizens and good employers. It means working with companies during our period of investment, to help root strong ESG foundations that will enable companies to continue to develop, and create long-lasting sustainable value, after we have exited a business.

> This first ESG report represents an important step forward for us, demonstrating the progress we've made so far and our commitment to transparency.

Aga Siemiginowska
Head of Sustainability

Letter from the Head of Sustainability continued

Although responsibility has always been at the core of how we operate, in 2020 we began to formalise our ESG and sustainability strategy through policy and framework developments. In 2021, we gained momentum both at the firm-level and through the development of a formal portfolio company engagement process. These developments have come during a period of significant global interruption, as mentioned by Peter in his introduction. In addition, over the last year we have seen the latest IPCC reports on climate change and the UK host COP26, which focused on financing the transition to a net-zero world.

With continued social and environmental change, and now a war in Ukraine creating global uncertainty in energy and food supplies, it is ever more important that we manage ESG risks, and unlock ESG opportunities, to ensure the companies we invest in are resilient and sustainable.

We believe that transparency is at the core of being a responsible investor, and we have made great strides in this respect over the last 18 months. As a result, I am incredibly proud to be able to share with you this report, which provides highlights of our approach and ESG journey. We recognise that we are still in the early stages of our journey and that there is a lot more we can, and hope to, do in the years ahead. As the ESG landscape shifts, evolves and becomes increasingly codified and regulated, our approach will continue to develop to strive to meet best practice and also act in the best interest of those who have entrusted us with their capital, as well as the companies we invest in.

Letter from the Head of Sustainability continued

ESG at Oakley

2021 was a milestone year in Oakley's ESG journey. As a firm, we developed and formalised many of our ESG practices, begun actively discussing topics material to our operations, namely diversity, equality and inclusion and climate, and, to support this focus, gathered underlying data on carbon emissions and diversity for the first time. With this report, we are now communicating our progress to our stakeholders.

As Rebecca mentions later in the report, at Oakley we are determined to lead by example. In 2021, we invested a lot of effort developing solid ESG foundations within the firm. Through the ESG Committee, Oakley has established strong, and regular, governance around the management of ESG. All of our Investment Team, including new joiners, have been provided with training on general ESG, as well as specific ESG topics, such as climate. And the approach to ESG due diligence has been refined, providing better assessment and understanding of risk and opportunities, and clearer reporting to the Investment Committee.

In 2021, Oakley also engaged more formally and more deeply with the private equity industry on ESG topics of relevance, as described on page 34.

100%

of Investment Team completed ESG training

Letter from the Head of Sustainability continued

Portfolio – active ownership and a conscious steward

In 2021, Oakley made incredible strides in developing, formalising and implementing a programme that works both for Oakley and the companies we invest in.

As a first step, we identified three portfolio-wide themes to monitor and manage across the portfolio, regardless of sector, geography or size. These three themes are:

- Energy & climate change,
- Diversity, Equality & Inclusion,
- Cybersecurity & data protection.

They are themes that are not only important to our portfolio, but also important to Oakley at firm level. For the portfolio, Oakley is developing group-level support for companies to take initial steps in managing these themes.

100%

of companies where Oakley has a controlling stake have completed annual monitoring

At the same time, Oakley also developed its core ESG Key Performance Indicators, leveraging on emerging industry practice and regulatory frameworks. At a minimum, portfolio companies are expected to report on these key KPIs annually. However, we are also mindful of the fact that our companies are at various stages of their ESG journey, and for some, this is the first time they have actively engaged on ESG. Therefore, Oakley works closely with companies to ensure that they develop ESG programmes that are suited to their business goals and strategy, while developing their reporting capabilities.

The second major milestone was the implementation of a comprehensive ESG monitoring and transparency assessment, in line with developing market standards. The portfolio assessment was launched in April 2021, to introduce portfolio companies to the new reporting tool and ESG questions which Oakley now asks its portfolio companies annually. The 2021 calendar year assessment was launched in January 2022, to gather portfolio company information which is being presented in this report. Monitoring questions not only include Oakley's core ESG KPIs, but also wider questions and discussion based on Oakley's themes and developing regulatory frameworks. The annual assessment is now a formal part of Oakley's engagement programme, and forms the foundation for Oakley to be an active owner and conscious steward of our investments.

Finally, the information that is reported annually is now being used to help in dedicated engagement meetings with management of each of Oakley's portfolio companies. Where possible face to face meetings have been held with all control stake investments. Insightful discussions have led to the development of company specific ESG Action Plans, focused on managing risk and driving value, for the majority of our investments.

A key outcome of Oakley's engagement process has been the realisation by many of our portfolio companies that ESG is not a stand-alone topic, but rather touches on all facets of good business practices. The approach being developed at Oakley aims to ensure that ESG isn't siloed, but rather seen as good operational practice during the ownership phase that will lead to continued and sustainable value creation.

11

out of 15 companies have agreed ESG Action Plans

Looking ahead

If 2021 was a milestone year where we built momentum, 2022 is about sustaining that momentum and finessing our approach further. Unexpected macro level events will likely have an impact on most businesses across the economy. Further uncertainty in what the future brings makes it imperative that Oakley as a firm, and as an active owner, manages ESG risks and opportunities effectively.

In the short term, our goals for 2022 include developing a formalised approach to climate risk, aligning our approach with the TCFD and the further development of a diversity, equality and inclusion strategy at firm level. Over the longer term, we seek to continue to integrate ESG into the investment and portfolio engagement process, and be able to better measure the value created through effective and active ESG management. We are still at the start of our journey, but with the support and encouragement of Peter and the Oakley Partners, Investment Team and portfolio companies, we are excited about what lies ahead.

Aga Siemiginowska
Head of Sustainability

Our journey so far

Consistent progress on ESG

2002

Oakley founded

2016

Signed up to the United Nations Principles for Responsible Investment (PRI)

Signatory of:

PRI Principles for Responsible Investment

2017

Responsible Investment Policy implemented

2018

Joined Level 20 to support women within the private equity industry

2020

- Head of Sustainability hired
- ESG committee established

2021

- Annual ESG monitoring survey launched
- First carbon footprint assessment completed
- Diversity, Equality & Inclusion assessment undertaken

2022

- Growth of Sustainability Team
- Diversity, Equality & Inclusion committee established
- Portfolio Engagement Programme formalised

2021 portfolio ESG highlights[1]

5
additional companies participated in Oakley's cybersecurity assessment programme in 2021 and implemented a cybersecurity roadmap

100%
of companies completed annual ESG monitoring

4
companies have insight into their carbon footprint

2
B-Corp certified businesses

10,750
portfolio company employees[2]

50/50
gender split in portfolio company workforce[2]

11
out of 15 companies have an agreed ESG Action Plan

12
out of 15 companies have implemented a Code of Conduct

11
out of 15 companies have implemented an Anti-Bribery and Corruption policy

1. Based on self-reported data from control ownership companies only on aggregate across the portfolio.
2. Estimation based on mixture of FTE and headcount data.

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Our approach

to ESG

Our ESG priorities

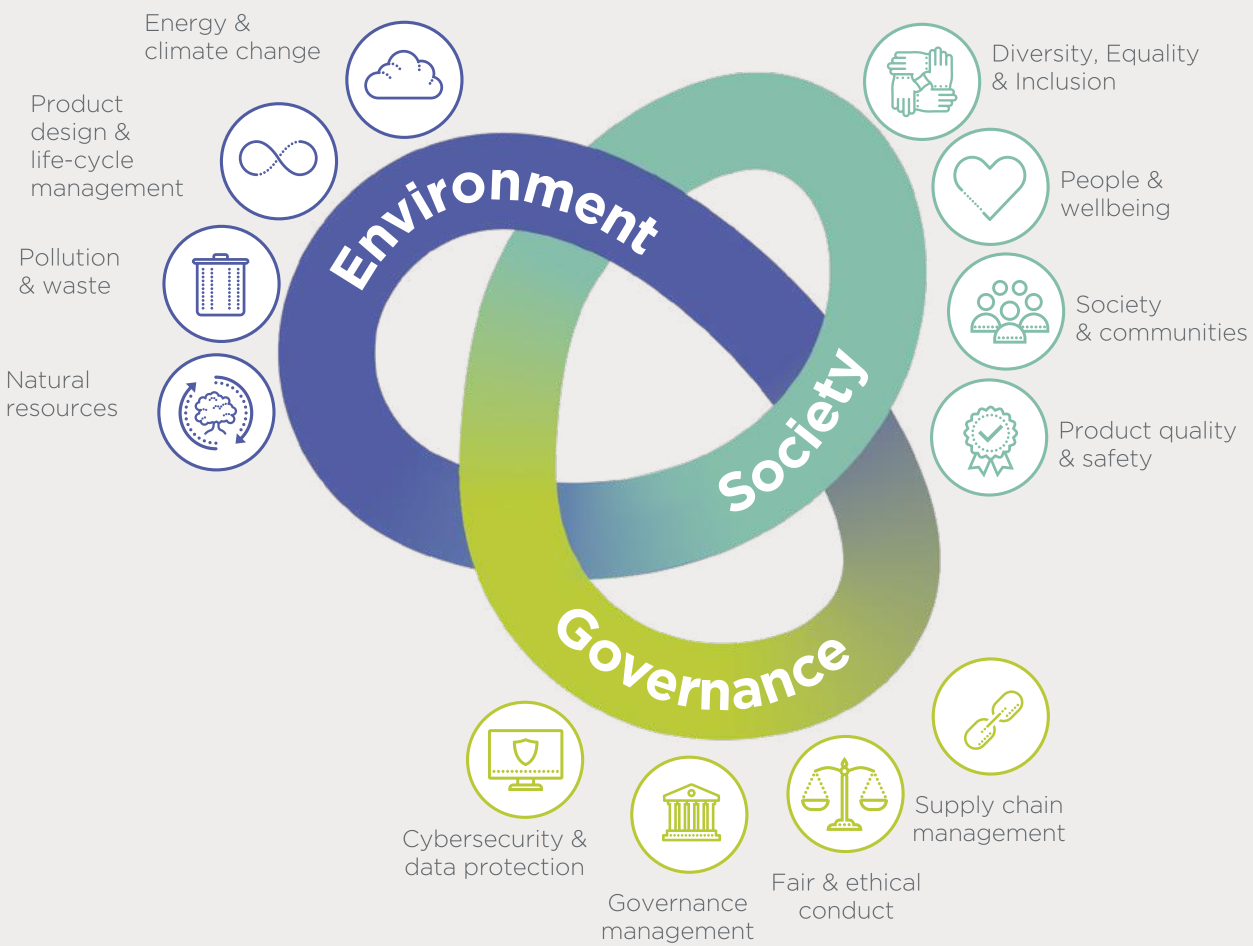
ESG at Oakley is set out as a proprietary framework to integrate good business practices, future-proof investments and provide transparency to stakeholders.

Based on the sectors Oakley primarily invests in, and using industry best practice as well as deep sector experience, we have identified the ESG topics which are most often relevant to our investments. This is our starting point when assessing ESG during due diligence, when engaging with our portfolio companies and when defining our firm-wide ESG priorities.

The materiality of ESG themes is assessed based on the likelihood a risk or opportunity will be realised, and the financial, reputational and regulatory impact it will have on the business and wider stakeholders.

Oakley has defined **three portfolio-wide ESG priorities**

1. **Energy & climate change**
2. **Diversity, Equality & Inclusion**
3. **Cybersecurity & data protection**



Our responsible investment process

The Sustainability Team collaborates with the Investment Team and provides support to company management throughout this process.

Initial screening

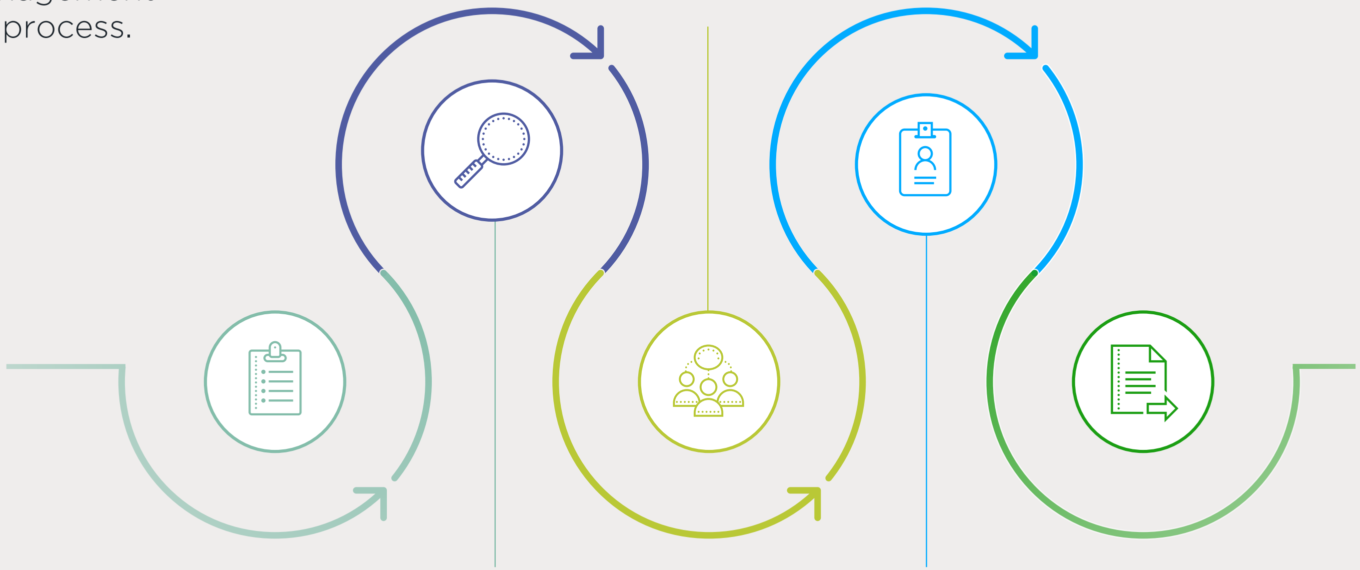
Preliminary assessment of ESG risks and opportunities

Due diligence

- Due diligence carried out using internal resources, or external consultants as appropriate, including:
  - Red flag assessment
  - Materiality assessment – identification of (company specific) ESG risks and opportunities

Onboarding programme

- ESG onboarding with Oakley team
- Addressing urgent issues identified as part of due diligence



Monitoring programme

- Active stewardship including engagement with company management on ESG topics
- Annual ESG monitoring and review of progress
- Company KPI reporting to Oakley
- ESG topics and progress discussed at board meetings

Exit support

- Support in preparing for ESG due diligence from prospective investors
- ESG vendor due diligence as appropriate

ESG governance and oversight

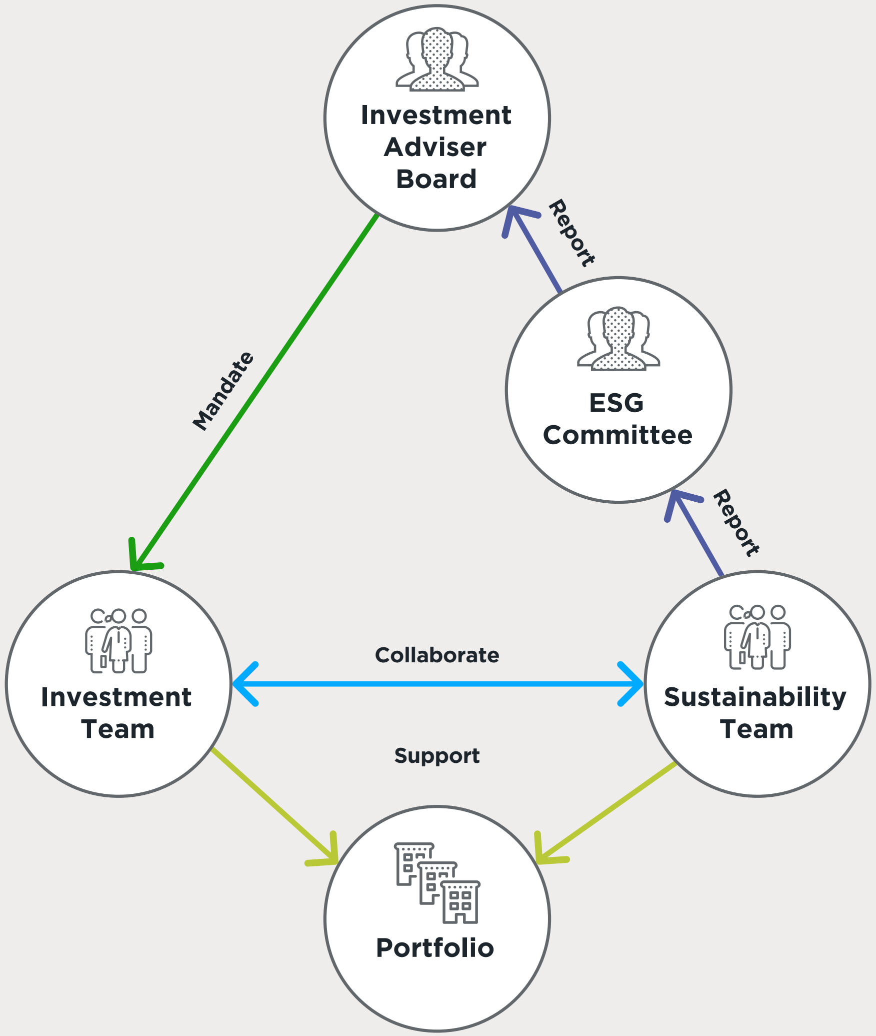
The Board of the Investment Adviser, is ultimately responsible for the Responsible Investment Policy supported by the Oakley Partners and the wider Oakley group.

Oakley's Sustainability Team supports the Investment Team in integrating sustainability throughout the investment cycle, starting with training, tool development and supporting in the execution of internal ESG analyses and the selection of external ESG advisers.

Furthermore, portfolio companies are supported in their sustainability journey, through KPI selection, target setting and annual monitoring and reporting. Day-to-day oversight of the policy is the responsibility of the Head of Sustainability.

The ESG Committee, comprising the Sustainability Team, Chief Operating Officer, two Partners and a rotating Investment Director, meets monthly to monitor progress and its members are responsible for the implementation of this policy.

The ESG Committee reports to the Board of the Investment Advisor on a quarterly basis, and provides relevant ESG advice and/or recommendations to the Oakley funds. All investment professionals are required to follow the Responsible Investment Policy as a fundamental part of the Oakley investment checklist and to consider relevant ESG factors as part of their pre-investment and portfolio monitoring responsibilities. Investment professionals receive regular training on the Responsible Investment Policy, accompanying ESG tools and relevant ESG topics.

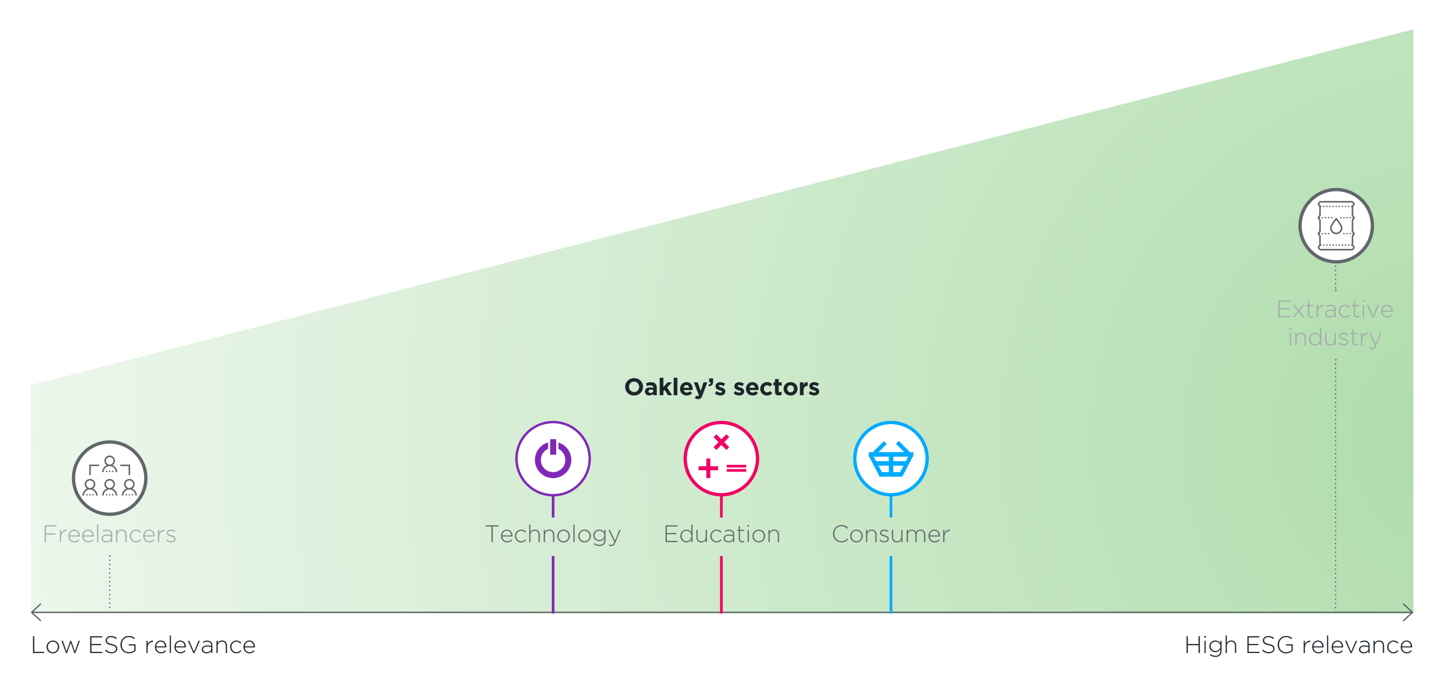


Our ESG universe

Oakley focuses on investing in technology, education and consumer businesses; as such we have very limited exposure to sectors that could be controversial from an ESG perspective. We would not, for example, consider investments in weapons, tobacco or pornography – these exposures are not a part of Oakley's universe. Ultimately, our Investment Committee approves or excludes potential investments, and ensures it is aligned with the moral compass of Oakley. The committee members are briefed on the ESG profile of prospects and take this into account in their decision-making.

Mapping our ESG universe

As we took steps to formalise our ESG approach in 2020, one of the first things we did was develop and map out our ESG universe, to better understand where our sectors and operations sit on the ESG spectrum. We recognise that ESG affects all businesses in different ways, and that there is great variety in how ESG topics will affect, and in turn be managed by, individual companies. Oakley does not invest in any extractive businesses or heavy industry, that are positioned to the right of the scale below, where ESG topics have high relevance to these businesses. Nor are we passive, minority investors in very small businesses, where ESG may be a lesser consideration. Within all the areas and businesses that are open to investment, Oakley's core sectors – technology, education, and consumer- tend to sit in the middle of the scale with regard to ESG relevance. Our investments tend to be asset light, especially in technology and education.



Portfolio materiality

Identifying what matters most

Understanding the ESG materiality of our investments is vital to good portfolio engagement and creating value. Oakley uses the guidance of the Sustainability Accounting Standards Board (SASB), which has been developed to help businesses and investors develop a shared understanding of business risk and value. The Standards help guide disclosure of financially material ESG information by companies to external stakeholders. In the first instance, Oakley uses the sector-specific guidance to help identify ESG issues that are most likely to impact the financial performance of each business within our portfolio. We then overlay deep sector knowledge and understanding of each business to further refine the materiality assessment. The assessment is used as a guide in our portfolio engagement and ESG review process.

Portfolio-wide themes

The company-specific ESG themes are complemented by Oakley's portfolio-wide ESG themes; the themes we see as crucial to conducting good business, mitigating risks and becoming 'future-proof'.

Energy & climate change: we believe that, in today's world, a responsible company understands its environmental impact and takes action to reduce it over time.

Diversity, Equality & Inclusion: we believe diverse teams can make better decisions and generate better results.

Cybersecurity & data protection: we believe in protecting the IP of our companies and the responsible handling of customer and consumer data.

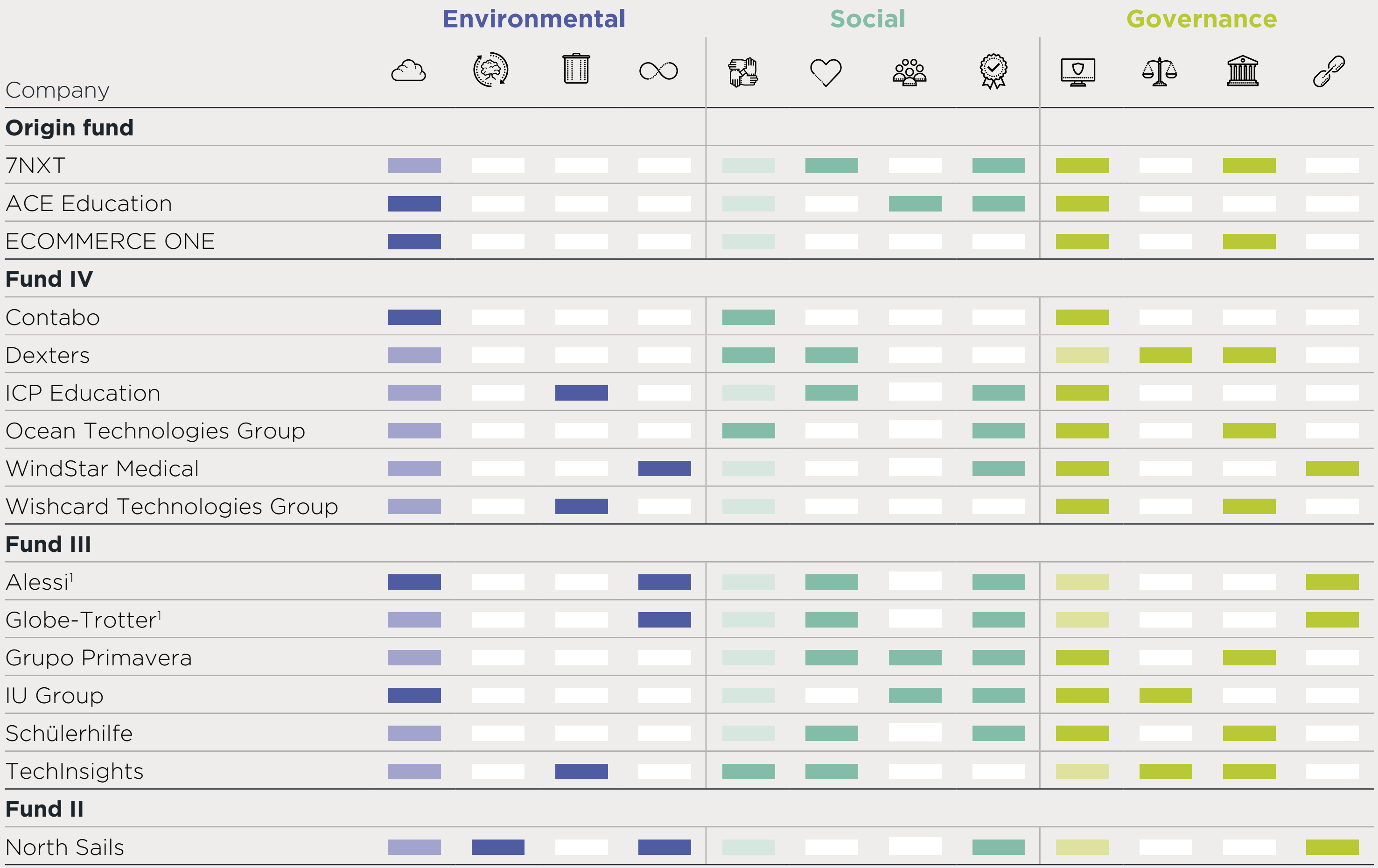
In 2021, we conducted a materiality assessment for all investments where Oakley has a controlling stake (see page 19). Our investments focus on technology and consumer (with limited manufacturing) and education sectors; as such the ESG materiality of our investments focuses predominantly on social and governance themes.

"Meaningful engagement starts with identifying ESG themes core to each business to obtain management buy-in."

Fran Heckman
Sustainability Manager

Portfolio materiality continued

Portfolio materiality heat map



Themes

Environmental

- Energy & climate change
- Natural resources
- Pollution & waste
- Product design & life-cycle management

Social

- Diversity, Equality & Inclusion
- People & wellbeing
- Society & communities
- Product quality & safety

Governance

- Cybersecurity & data protection
- Fair & ethical conduct
- Governance management
- Supply chain management

Key

Material theme

Portfolio-wide theme

1. Part of Iconic Brand Company.

Materiality is assessed based on industry standards and industry knowledge; material themes are discussed and agreed upon by management.

Oakley's core ESG KPIs

Oakley has defined a set of core KPIs that are requested from portfolio companies as part of the monitoring process agnostic of sector, geography and size.

These KPIs form the foundations of ESG management, are aligned with the forming market standards and are key to developing ESG management programmes at portfolio companies. They are the start of our transparency exercise and subsequently ESG strategy development. The portfolio-wide themes – energy & climate change, diversity, equality & inclusion and cybersecurity & data protection – have associated KPIs that are reflected in the core ESG KPIs.

These core ESG KPIs are complemented by company-specific KPIs that are linked to the identified material themes.

Environmental	
Greenhouse Gas Emissions	• Scope 1, 2 and 3 (business travel) emissions
Energy Consumption	• Total # MWh directly consumed energy, including purchased and self produced • Total # MWh of renewable energy consumed from geothermal, solar, sustainably sourced biomass (including biogas), hydropower and wind energy sources
Waste	• Total # tonnes of waste produced • Total # tonnes of hazardous waste produced
Social	
Diversity	• # of women on board • # of board members who self-identify as belonging to an under-represented group • # of women across entire workforce • # of people who self-identify as belonging to an under-represented group across the entire workforce
Employees	• FTEs at year-end • % of employees voluntarily leaving the business • # of newly created roles • Employee engagement survey
Health and Safety	• # of work-related injuries • # of work-related fatalities • Total # of days lost due to work-related injury
Governance	
Governance	• % of employees receiving training on anti-corruption and bribery, and whistle-blowing • # of material ESG incidents, defined as any incident that is reportable to the regulators, or has a significant reputational impact or financial fine
Cybersecurity	• # of attempted data breaches or hacks • # of successful data breaches or hacks

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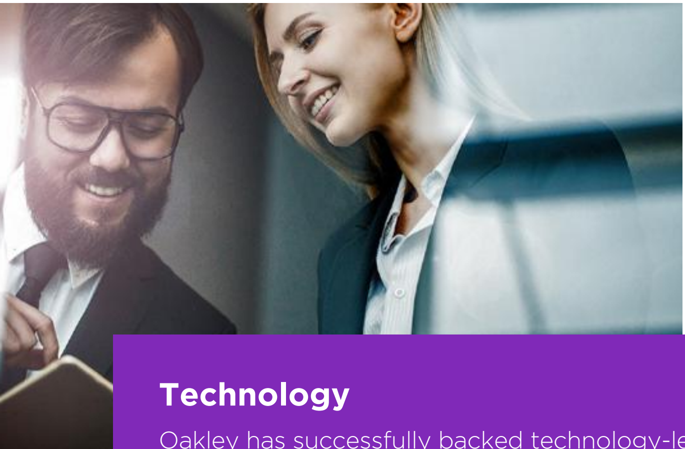
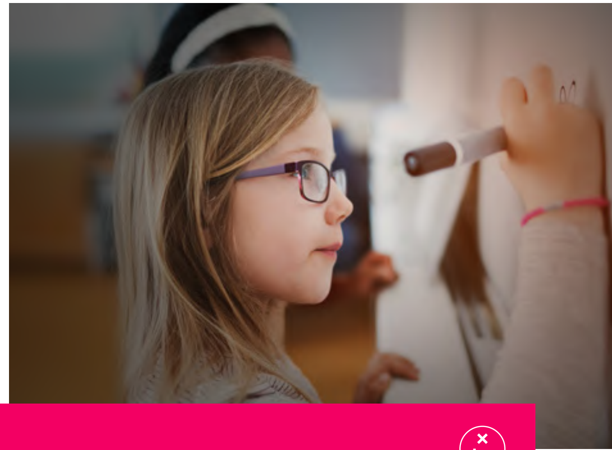
ESG in action

Sector overview

Deep expertise across three sectors





Technology

Oakley has successfully backed technology-led, forward-thinking companies offering B2B solutions that are critical to their customers' success. They help produce sustainable productivity gains for customers, while generating returns for investors. Oakley's heritage in web hosting and telecoms, with companies such as Host Europe and Daisy, has since evolved and extended to adjacent sub-sectors such as cloud-based software as a service solutions, ERP software and e-commerce software as Oakley has adapted to changing consumer demands and business trends such as cloud migration and online sales.

Consumer

Since inception, Oakley has built a strong track record investing in digital marketplaces and consumer brands. At the intersection between consumer and technology, Oakley has repeatedly backed businesses that deliver digital services to consumers such as online price comparison websites and real estate classifieds platforms. Oakley's digital consumer businesses tend to be market leaders with high brand recognition and sustainable growth. Oakley also has a strong track record leveraging its expertise in digitalisation and M&A to help consumer brands develop online D2C channels, and so capitalise on the balance-of-power shift towards well-managed brands and marketplaces, the increasing ability to trade directly with customers and the power of social media-led marketing.

Education

Since investing in a premium private schools group in 2013, Oakley identified the opportunity to consolidate high-quality recurring revenue bases within the fragmented education sector, in which there are few assets of scale. Oakley has successfully grown platforms across tertiary education, vocational training, after-school tutoring and marine e-learning by leveraging its expertise in internationalisation, M&A and particularly in digitalisation, to help companies meet increasing global demand for high-quality, accessible learning.

Technology

Technology can be a catalyst for sustainable change.

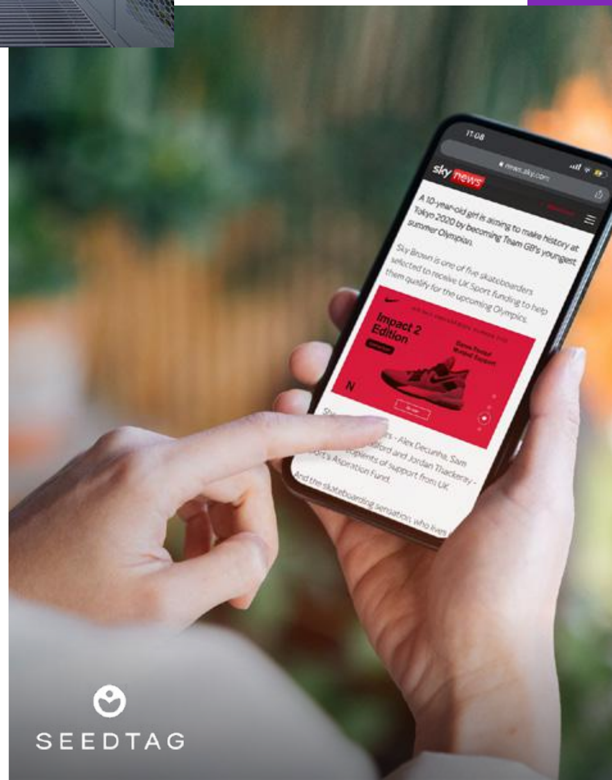
Our tech companies typically focus on selling their IP and information technology infrastructure as a service, providing physical or virtual resources that support the flow, storage, processing and analysis of data.

For these businesses, focusing on social considerations and governance makes them more resilient, and more attractive places to work. This in itself makes them more valuable. We focus on these themes as they can drive the most meaningful change across our asset-light tech portfolio. That is not to say they cannot have an environmental impact, which is why we are evaluating how we can best support all our companies to measure their carbon impact, as Aga touches on in her letter.

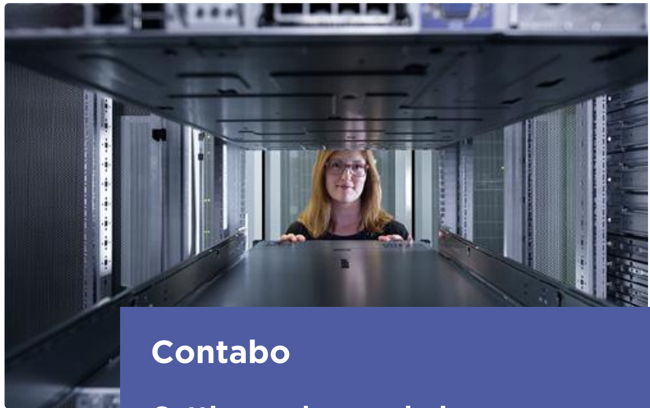
This sector's landscape is rapidly changing with emerging technologies such as artificial intelligence and blockchain, tools that can help companies to find solutions to environmental and social challenges – for instance enhancing supply chain transparency. They can also underpin attractive, investable business models that drive ESG goals – such as Seedtag, which leverages AI to help brands craft marketing campaigns that do not infringe consumers' privacy.

In 2021, we also laid the foundations for measuring and monitoring ESG performance within the sector. That has prompted our tech businesses to begin addressing ESG from an operational perspective: Grupo Primavera introduced formal ESG governance, while Contabo has begun measuring, and taking steps to reduce, its carbon footprint. The learnings from these pilot initiatives will be shared among our portfolio companies as we guide them in their sustainability journey.

Arthur Mornington
Partner



Technology initiatives



Contabo

Cutting carbon emissions

Contabo is a leading cloud infrastructure provider for developers and SMEs.

Contabo owns and operates three data centres, which are the largest contributors to the company's carbon emissions. In 2021, the company conducted an initial carbon footprint assessment, focusing on where it has the biggest impact, namely Scope 2 emissions and the energy use of its data centres.

Once the baseline emissions were understood, energy intensity reduction targets were set. The changes subsequently implemented, including the switch to renewable energy, are projected to reduce the company's Scope 2 footprint by 50%. And in 2022, Contabo aims to better understand its environmental impact by conducting a further carbon footprint assessment, which would encompass Scope 3 emissions.

50%

projected reduction in Scope 2 emissions

Seedtag

Enabling the transition to a privacy-first society

Seedtag is the leading contextual advertising platform in EMEA and Latin America.

Growing concerns around online privacy, along with the transition away from third-party cookies, have set the stage for the fast expansion of this advertising vertical. Our investment in Seedtag and its AI-based contextual technology supports the transition to a society where the privacy and safety of the user are at the core of online marketing campaigns.

Seedtag's product innovation is fast reshaping the contextual advertising industry. Knowledge-sharing is important too, and recently the company shared a six-part podcast that explained every facet of contextual advertising. Seedtag lives up to its values, with a collaborative, fun and diverse culture.

Grupo Primavera

A harmonised approach to ESG

Grupo Primavera is the largest independent provider of business software in Spain and Portugal.

Bringing together nine businesses across Spain and Portugal (with some operations in Angola and Mozambique), Grupo Primavera is focused on building a community of valued customers. In order to do that, a harmonised approach to ESG is necessary.

Ensuring harmonised governance and management of material ESG issues has been a priority since the Group was formed in 2021. A senior-level team reporting to the board has been formed to ensure consistency, while an ESG committee was established at group level, comprising individuals working across the various business units and operational teams.

Consumer

Consumer products present one of the most tangible opportunities to drive change from an ESG perspective.

While most of our investments in this sector are in the digital consumer space, we recognise that ensuring strong ESG integration and action across all our companies will continue to help Oakley build conscious businesses with sustainable value.

Over the last few years, we have seen consumers become more educated and conscious about issues that impact their world. As a result, consumers are increasingly selecting products and services based on perceived values and characteristics that align with their own. This can relate to operational aspects – paying a living wage or reducing a company's carbon footprint – or the inherent sustainability of products themselves, for instance timeless pieces.

We support our companies to manage their operational ESG priorities and develop their strategic positioning, helping them align their business models with a sustainable future. From initial conversations at the beginning of our partnership, we continue our engagement throughout the holding period and on to exit, debating relevant ESG topics as they emerge, and driving progress.

The commitment from our companies has been instrumental in achieving positive change: two of our portfolio companies – Alessi and North Sails – have achieved B-Corp status, a coveted certification that recognises a high-level commitment to local communities and places an equal focus on 'people, planet and profit'.

Ralf Schremper
Partner

Consumer initiatives

North Sails

An Ocean Positive brand

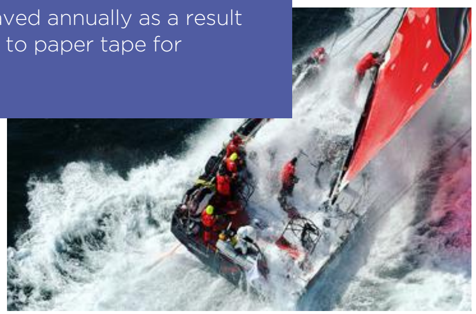
North Sails offers high-performance products for the world's sailors and yachtsmen.

North Sails is on a journey to become an 'Ocean Positive' brand by pursuing meaningful ocean regeneration and protection. Three focus areas have been identified which will help achieve this goal: reducing emissions, producing responsible products and ocean advocacy. Several R&D projects related specifically to sustainable materials are also underway, and a multi-year sustainability action plan is being developed.

The company now has a Chief Sustainability Officer in post, supported by a newly formed sustainability committee. And in June 2021, North Sails' apparel division became B-Corp certified, with other divisions committed to achieving the same certification within the next five years.

$4,710m^2$

of plastic tape will be saved annually as a result of North Sails switching to paper tape for packaging



Dexters

Extraordinary opportunities for development

Dexters are London's leading independent Chartered Surveyors and estate agents.

Dexters is London's only major firm of residential Chartered Surveyors, and the only estate agent in the UK, to be certified as an 'employer-provider' able to offer employees nationally recognised development programmes and industry-specific qualifications, along with the on-the-job coaching that has made Dexters so successful.

The company's apprenticeship and training programme, Dexters Academy, provides Ofsted-accredited training, and is a key part of Dexters' 'spend your career with us' culture. In 2021, approximately 90 students participated in the 15-month programme.

WindStar

A fresh approach to procurement

Windstar is Germany's leading over-the-counter consumer healthcare platform.

Better procurement and supply chain management are helping Windstar grow in a more responsible and transparent way. The company appointed a head of procurement in December 2021, and following an initial 'boots on the ground' assessment to identify supply chain challenges, a three-pronged action plan was established.

This plan includes: development and implementation of a formal supplier code of conduct; formalisation of a supplier audit programme; and a review of logistics practices to improve efficiency. Ultimately, the plan should deliver improvements within the supply chain, efficiencies in quality assessments and reduced environmental impact.

Education

As a values-led responsible investor, Oakley takes a long-term, sensitive approach to investing in education; we never compromise on quality and, as a result, we have now built a brand as a safe custodian of educational institutions.

The education sector is a special industry; entrepreneurs care deeply about the outcomes of the pupils they teach and the effect that they can have on local, and global, communities. After a decade investing in this sector, we have earned a reputation as a partner that educational entrepreneurs can trust.

Previously we may not have formally framed education within an ESG framework. However, it has always been clear to Oakley that managing the social aspects, especially quality, of an educational institution is key to creating long-term value. This requires us to be highly selective about who we partner with, and spending time with the management team to identify how we can further improve the quality of education they provide.

Integrating other aspects of ESG, such as employee engagement, including sustainability topics within the curriculum, or empowering students to set up green teams, can only help strengthen the quality of education our portfolio companies provide and, in doing so, help to build more resilient, sustainable institutions. We look forward to helping more education businesses succeed in their sustainability goals over the coming years.

Sam Fenton-Whittet
Partner

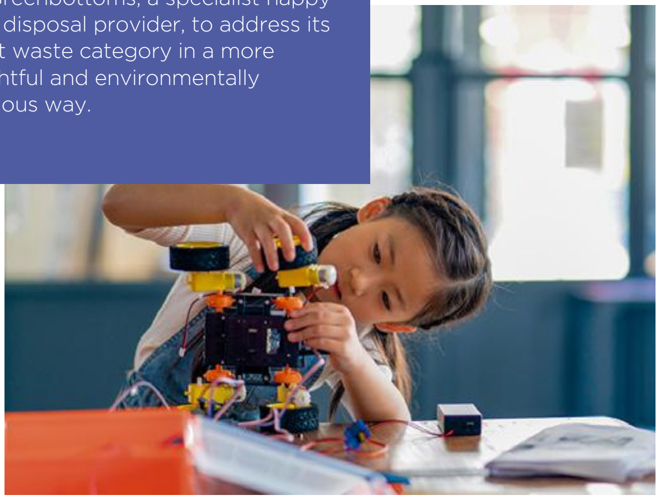
Education initiatives

ICP Education

Evaluating impacts and reducing waste

ICP Education is one of the largest nursery operators in the UK, serving nearly 6,000 children at 49 nurseries across England.

The company is at the start of its sustainability journey, assessing the areas where its operations have the greatest environmental impact. The company has already begun working with Greenbottoms, a specialist nappy waste disposal provider, to address its largest waste category in a more thoughtful and environmentally conscious way.



IU Group

Breaking down barriers to education

IU Group's (IU) mission is to make education accessible to everyone.

With over 20 years of experience as an international university, through its digital education platform and scholarship programmes, IU empowers students to grow, regardless of social background and nationality. The scholarship programmes specifically target students from vulnerable groups to provide them with a high-quality education.

IU uses technology to reshape the education value chain and remove geographical barriers to entry, offering one of the largest vertically integrated education platforms globally. In 2021, IU became one of the founding members of Study Access Alliance programme to provide 100,000 scholarships to students in non-OECD countries. As with all IU scholarships, the aim is to close the gap in access to higher education across the globe.

100,000

pledged scholarships for students in non-OECD countries

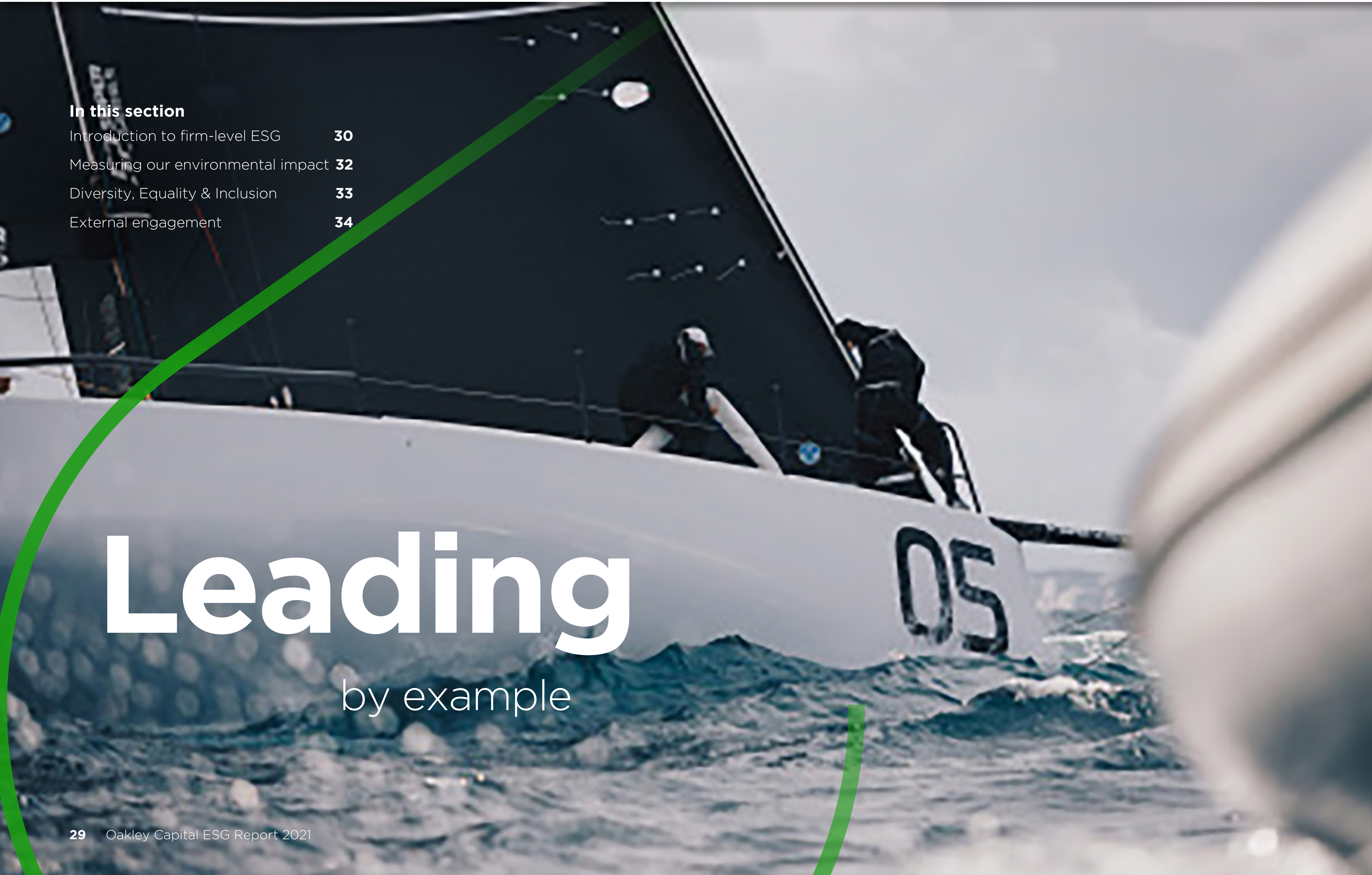
ACE Education

New technology enables better monitoring

ACE Education (ACE) is a private vocational higher education platform in France and Spain.

To improve transparency and management of education quality, ACE has developed an intranet which enables the company to monitor the performance of each of its schools on selected quality KPIs – these include Net Promoter Scores for both teachers and students, among several other metrics. The company also aims to incorporate environmental KPIs for each campus.

Progress is tracked on a continuous basis via dashboards showing campus-specific and aggregate data. The intranet offers ACE the opportunity to actively manage performance, provide students and staff with latest feedback and communicate new initiatives. It's also an effective way to track certain data required by the French government.



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Leading
by example

Introduction to firm-level ESG

Private equity is **evolving quickly**

Oakley's formal sustainability journey began in 2016, when we signed up to the United Nations Principles for Responsible Investment (PRI).

Since then, we have been formalising our ideas on sustainable and responsible investment, as they naturally align with Oakley's values.

Over the last several years, we have achieved considerable progress with our ESG strategy. We have a policy that is updated annually, and expanded our in-house capabilities with the growth of our Sustainability Team, to ensure expertise is shared internally and our portfolio supported accordingly. We encourage our portfolio companies to integrate ESG and sustainability into how they operate because we believe it will make them stronger and more valuable in the long term.
We also believe the same applies

> In 2022, part of being a great partner to our portfolio companies is doing a great job on ESG and sustainability; if we 'walk the talk', then we can credibly offer advice and guidance to the firms in which we invest.

Rebecca Gibson
Partner

Introduction to firm-level ESG continued

to Oakley itself, and that is why it is imperative we set a positive ESG example for our portfolio companies.

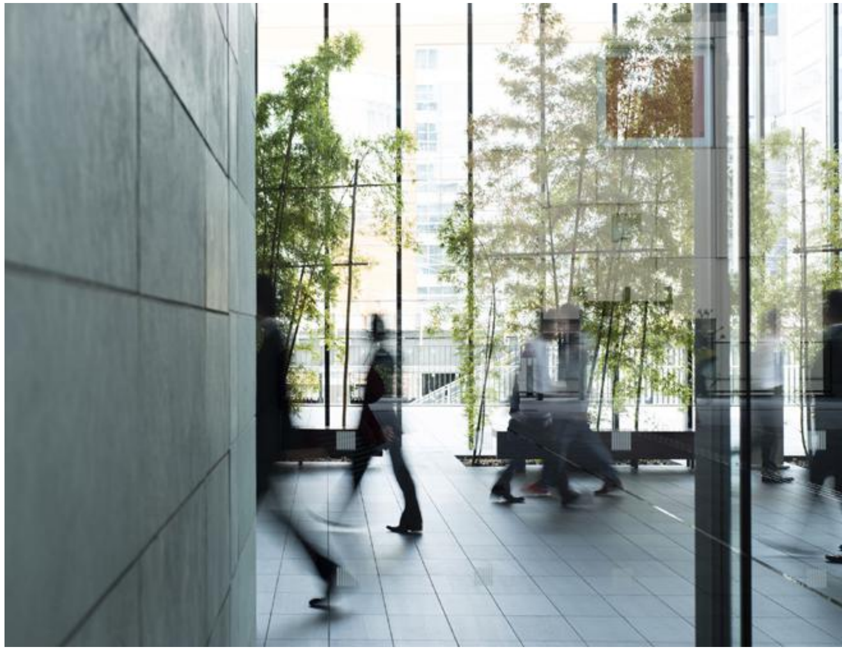
We are intrinsically motivated to improve the sustainability of our operations: it is the right thing to do and it creates an opportunity for closer engagement across our team. It gives us credibility, making us a better partner for our portfolio companies. As such, we are implementing the same monitoring and reporting measures for our own operations that we require of our portfolio companies. 2021 has been a milestone for identifying material ESG themes, setting baselines to track progress, and creating actionable improvement plans. All of which has established transparency and created engagement within the firm.

From an environmental perspective, our focus in 2021 has been to better understand our environmental impact, initially by completing a carbon footprint assessment which we intend to use as a basis for developing our climate strategy. From a people and culture perspective, we have been working on topics related to Diversity, Equality & Inclusion within the firm, starting with a formal, external, DEI assessment. The culmination of our efforts is this report in which we can be transparent about our goals, progress and roadmap for the future.

In order for Oakley to be the preferred partner for entrepreneurs and businesses, we must lead by example, and also stay abreast of ESG-related developments within the private equity world. As such, Oakley is a signatory, member or active working group member of a range of initiatives covering environmental and social topics. We support DEI within our industry through our partnership with Level 20, steer climate action with Initiative Climat International (iCI) and continuously engage with peers in a collaborative effort to deliver on sustainability goals.

We are excited to present to you these first steps in formalising our ESG and sustainability vision.

Rebecca Gibson
Partner



Measuring our environmental impact

At Oakley, we recognise that our business activities have an impact on the environment. In order to better understand what that impact is, in 2021 we committed to measuring our historical carbon footprint and setting an appropriate baseline on which to start thinking about our wider climate strategy and goals which we seek to develop.

As it did with most businesses, COVID-19 significantly changed our working patterns over the last 18 months, with office closures and staff moving to remote working, and we maintained flexible working practices as we came out of the pandemic. As a result, and with the guidance of specialist advisers, we decided it was prudent to measure our emissions for 2019, 2020 and 2021. The data, depicted on the right-hand side, shows the impact that COVID-19 lockdowns and travel restrictions had on our carbon footprint, both in 2020 and 2021, despite continued firm growth.

We decided to offset 2,179 tonnes CO_2e, representing the total 2019–2021 historical emissions, through a partnership with Carbon Footprint Ltd and a Verra Carbon Standard Accredited offset project. This specific project works to prevent unplanned deforestation within the Pacajai area of the Amazon rainforest. Overall, the project is expected to avoid more than 22 million tonnes of CO_2e over a 40-year period through the development of a private conservation reserve which also provides employment to the local population.

Looking ahead

We recognise that this is just the first step of many in understanding and reducing our environmental impact. Our biggest emissions are currently not included in our assessment; these relate to the carbon emissions from our portfolio companies, also referred to as Category 15 of the GHG protocol. Through our portfolio engagement, we have begun working with our portfolio companies to help them assess their carbon emissions. We intend to develop insights into those emissions, and eventually incorporate them into a longer-term climate strategy for Oakley.

Methodology

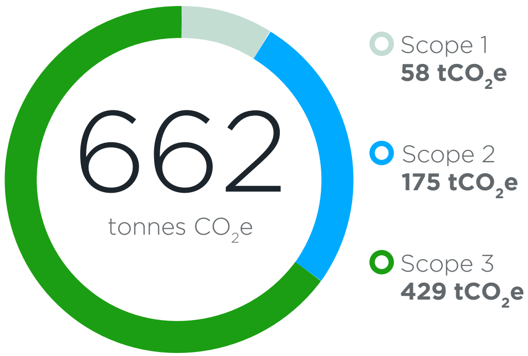
Oakley's carbon footprint assessment was completed in line with the Greenhouse Gas Protocol by external consultants Anthesis, and comprises Oakley's Scope 1, 2 and 3* emissions in tonnes of CO_2e.

	2019	2020	2021 **	% change 2020 to 2021
Scope 1	32	36	58**	60%
Scope 2	107	109	175**	48%
Scope 3*	947	295	429	45%
Total	**1,086**	**431**	**662**	**54%**

* Scope 3 emissions are limited to business travel and employee commuting. Category 15 (direct investments) of the GHG protocol is currently excluded from Oakley's Scope 3 emissions.

** Location-based approach, include Munich and Luxembourg office emissions for the first time.

Emissions for 2021



Scope 1 – Direct emissions

Scope 2 – Indirect emissions (purchased electricity and heating)

Scope 3 – Value chain (limited to business travel and staff commuting)

Diversity, Equality & Inclusion

At Oakley we are committed to Diversity, Equality & Inclusion (DEI).

We make this commitment because we believe that through DEI we can drive meaningful change in how we work and invest, maximising fund performance and engagement with colleagues and partners from across our network.

An inclusive environment

Oakley has a history of welcoming individuals with differing lived experiences. Many of our colleagues joined us from non-traditional career paths, bringing with them a different perspective – and we believe this contributes to what sets us apart from others in our industry.

With this in mind, our goal is to build an inclusive and meritocratic workplace with a supportive and fun culture, where everyone can be themselves. Achieving this will help us attract the best talent, make better decisions and deliver better results for our investors. We will continue to drive meaningful change at Oakley and across our wider industry through the way we recruit and nurture our employees, manage our portfolio and engage with stakeholders.

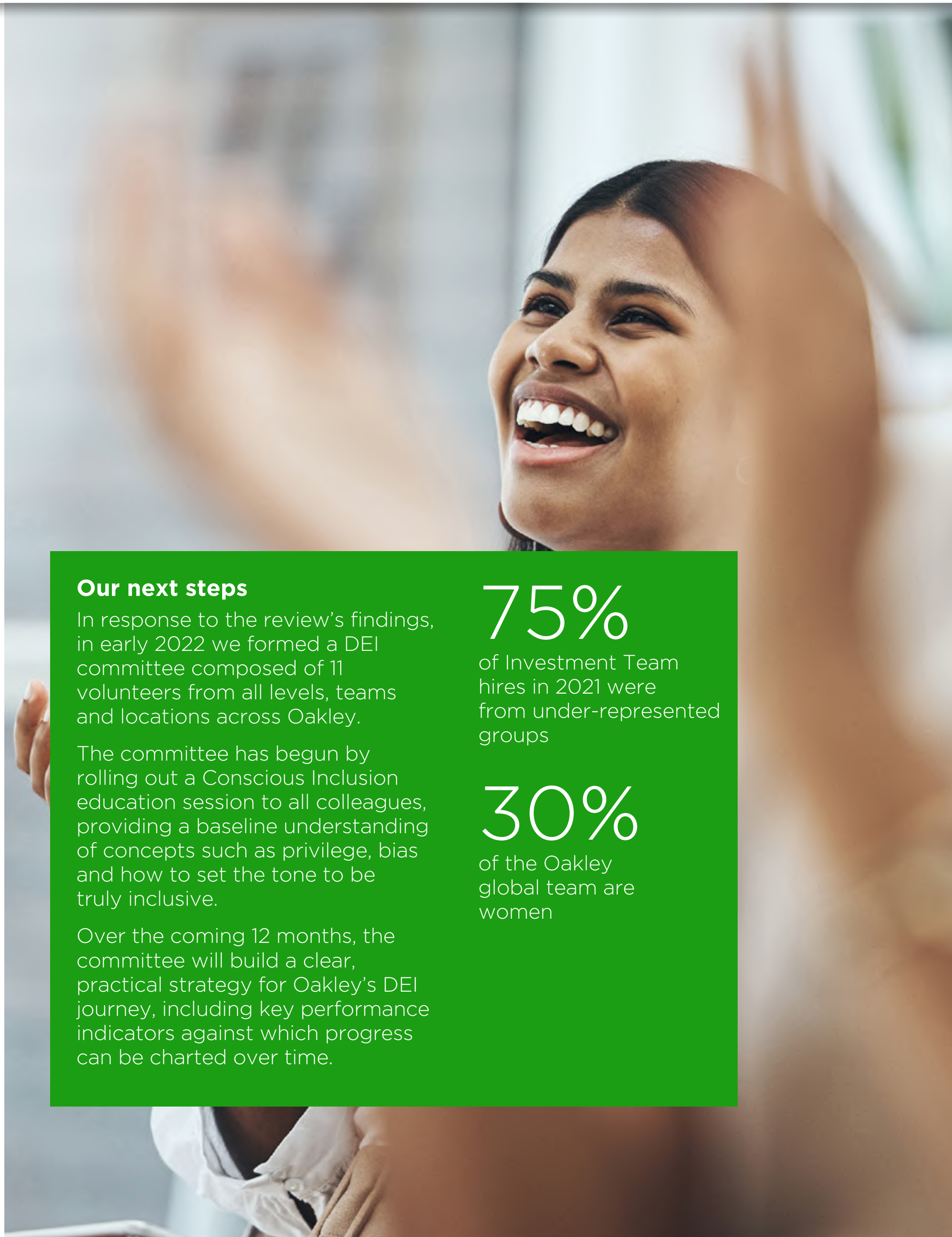
The first step

2021 saw the start of Oakley's formal DEI journey. We appointed an independent DEI consultancy to undertake a thorough qualitative and quantitative review of our current demographics and working environment. Engagement in the review was excellent, with over 90% of employees contributing their perspectives.

Through this process, we came to understand that Oakley colleagues from all backgrounds report a strong sense of inclusion and experience an open, collaborative culture.

We were also able to better understand where our improvement areas lie, which include:

- Ensuring new colleagues feel just as welcome as those who have worked at Oakley for several years
- Continuous, visible senior-level commitment to DEI – including via clarifying our aims and providing firm-wide training
- Improved processes, policies and communication to ensure a 'level playing field' for all Oakley professionals.



Our next steps

In response to the review's findings, in early 2022 we formed a DEI committee composed of 11 volunteers from all levels, teams and locations across Oakley.

The committee has begun by rolling out a Conscious Inclusion education session to all colleagues, providing a baseline understanding of concepts such as privilege, bias and how to set the tone to be truly inclusive.

Over the coming 12 months, the committee will build a clear, practical strategy for Oakley's DEI journey, including key performance indicators against which progress can be charted over time.

75% of Investment Team hires in 2021 were from under-represented groups

30% of the Oakley global team are women

External engagement

Initiative Climat International

Oakley joined the Initiative Climat International (iCI) in August 2021. Supported by the United Nations PRI, the iCI is a collaborative network of UK and global private equity firms working together to tackle climate change within our industry. Oakley is a member of the Regulatory Working Group, which seeks to help provide clarity and guidance to private equity firms on related climate regulations, such as the implementation of the Task Force on Climate-related Financial Disclosures (TCFD).

iCI members seek to foster collaboration and accelerate the private equity industry's move towards a more sustainable future through the following three commitments:

1. We recognise that climate change will have adverse effects on the global economy, which presents both risks and opportunities for investments.
2. We will join forces to contribute to the objective of the Paris Agreement, to limit global warming to well below 2 degrees Celsius and in pursuit of 1.5 degrees Celsius.
3. We will actively engage with portfolio companies to reduce their greenhouse gas emissions, contributing to an overall improvement in sustainability performance.

Invest Europe

Oakley has long been a member of Invest Europe, the world's largest association of private capital providers. In 2021, Oakley joined the Responsible Investment Roundtable, a permanent forum dedicated to responsible investment and ESG within the private equity industry in Europe. In addition, Oakley joined the Sustainable Finance Disclosure Regulation (SFDR) Working Group, which aims to liaise with policy-makers on the development of the regulation and help members understand how SFDR will impact their operations. Oakley was also appointed to the Invest Europe Sustainable Finance Working Group; this group reports to the Invest Europe board and is tasked with helping shape the organisation's approach to sustainability.

Level 20

Oakley has been an active member and sponsor of Level 20, a not-for-profit organisation dedicated to improving gender diversity in the European private equity industry. Oakley is supportive of the organisation's ambition for women to hold 20% of senior positions within our dynamic industry. Oakley works with Level 20 on mentoring and development programmes, events and research.

Signatory of:

Principles for Responsible Investment

We are committed to investing responsibly and have been a signatory to the United Nations PRI, and its Six Principles, since 2016. The Principles, as outlined below, have been incorporated into Oakley's business processes and practices.

1. Incorporating ESG issues into investment analysis and decision-making processes;
2. Being active owners and incorporating ESG issues into ownership policies and practices;
3. Seeking appropriate disclosure on ESG issues by the entities in which investments are completed;
4. Promoting acceptance and implementation of the principles within the investment industry;
5. Working together to enhance effectiveness in implementing the principles; and
6. Reporting on our activities and progress towards implementing the principles.

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