

The logo consists of the letters 'A E A' in a dark blue, sans-serif font, enclosed within a white rectangular box with a dark blue border. The background of the entire slide is a photograph of a smiling woman in a dark blazer and a man in a grey sweater sitting at a desk in an office with large windows overlooking a city skyline.

A E A

# 2023 ESG Report

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This report covers the 2023 calendar year, with select updates through June 30, 2024, and addresses the following investment groups: Middle Market Private Equity (AEA Investors Funds VI, VII and VIII); Small Business Private Equity (AEA Investors SBF IV and V); Private Debt (AEA Middle Market Debt Funds III, IV and V and AEA Mezzanine Fund IV, in each case with respect to investments for which due diligence began on or after July 1, 2022); and Growth (AEA Growth Equity Fund).

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# About Us

**Founded in 1968 by the Rockefeller, Mellon and Harriman family interests and S.G. Warburg & Co., AEA has been positioning businesses for long-term success for over 55 years.**

AEA's legacy is rooted in its relationship-driven approach to investing. Along with the Firm's team of experienced investment professionals, AEA has built an extensive network of industry operators, advisors, executive talent and trusted resources to support businesses and counterparties and drive toward sustainable, long-term growth.

**55+**

years of investing

**15+**

year average tenure of  
AEA's investment Partners

**120+**

global investment professionals

**~\$19B<sup>1</sup>**

in assets under management

**300+**

current and realized portfolio  
investments since 2000

**6 offices worldwide**

New York | San Francisco | Stamford  
| London | Munich | Shanghai

**Middle Market**



**Small Business**

**Private Debt**

**Growth Capital**

# Letter from Our CEO



**We are pleased to share our 2023 ESG Report with you. In this report, we provide details on progress towards our objectives for our fund strategies and our firm.**

**At AEA, our vision is to provide transformational capital to help our business partners build the next generation of successful enterprises.** In a world experiencing profound disruptions arising from heightened geopolitical tensions, significant demographic shifts, escalating climate effects and rapid technological acceleration, executing on our vision not only becomes more complex, but also takes on greater urgency. To continue building sustainable businesses over the long term, we and our management teams must demonstrate both discipline and decisiveness in the near term.

We have long believed that the ability to anticipate and act quickly with respect to ESG risks and opportunities is essential to business success. In that vein, I am pleased to report that **we are fully on-track with respect to achieving our 2025 MMPE goals**. Specifically, in 2023 we reached our desired milestones under each of the following four pillars:

- **Investment Process.** Built climate risk tools for incorporation into ESG due diligence
- **Reporting and Engagement.** Completed digitalization of ESG process flow from due diligence through exit, with company-specific performance scorecards
- **Investment Themes.** Established investment team working group to pursue in-depth thematic research and potential acquisitions
- **Portfolio Company Practices.**
  - *Decarbonization.* Achieved 100% participation rate for 2023 GHG assessment
  - *Board Composition.* As we built out our board of SCIO Automation, the first acquisition by MMPE Fund VIII, we appointed two women to the company's board of directors with significant experience in the software sector, including AI, and in human capital management.

# Letter from Our CEO

**We also fulfilled the commitments we made as a firm and within our industry. These include:**

- **Enhancing our ESG Policy Statement** to memorialize expectations regarding reporting, investment stewardship, external engagement, climate change and human rights
- **Submitting our first, voluntary PRI Report**
- **Establishing a Technology Steering Committee** to oversee our information technology and AI strategies
- **Adopting a Generative AI Policy** to govern our use of this powerful and evolving tool

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As always, the attraction, retention and development of the best talent is a top priority for us, and I am particularly delighted to announce the promotion of Anneka Kamel, one of our most talented female investment professionals, to Partner this year. In addition, our 2023 Associate class is 67 percent diverse and 29 percent female, and we recently welcomed our fourth cohort of summer interns from Historically Black Colleges and Universities.

At AEA, one of our enduring principles is to maintain high standards, be creative and accomplish great things. We know from experience that expanding diversity of background, life experience and thought at our firm, across our portfolio and in our broader community is the pathway to upholding it.

We look forward to hearing your feedback and thank you for your continued partnership and support.



**Brian Hoesterey**

CEO and Partner



# 2023 Highlights

### Our Industry



Principles for Responsible Investment

Submitted first, voluntary PRI report, with first public report due in 2024



INSTITUTIONAL LIMITED PARTNERS ASSOCIATION

Member of ILPA Diversity in Action Initiative; tracking firm and portfolio company board and C-suite diversity using ILPA metrics



ESG Data Convergence Initiative

Submitted our Third annual EDCI submission

Participated in 15+ Industry Conferences and Events

### Our Firm



Promoted female MMPE Principal to Partner



Enhanced ESG Policy Statement to memorialize expectations regarding reporting, investment stewardship, external engagement, climate change and human rights



Adopted Generative AI Policy Statement



Established Technology Steering Committee



100% of incoming investment professionals completed ESG training



100% of AEA team members completed Respectful Workplace training

### Investment Strategies



**MMPE:** Implemented fully digitalized ESG process flow and company performance scorecards; established portfolio company AI Councils to monitor trends and share resources and best practices



**SBPE:** Pursued initiatives focused on employee safety, engagement, retention, and diversity; continued facilitation of deep employee ownership by employees at all levels



**Private Debt:** Strengthened quarterly ESG reviews, with reference to LSTA ESG due diligence questionnaire



**Growth:** Enhanced ESG diligence process for all new investments



**Amateras AEA Joint Venture:** Leveraged female operational talent in investment due diligence and to support portfolio company executives post-close

# Our Principles

## No Names on the Door

While the economic and financial environments in which we find ourselves continually change, the way that we conduct ourselves remains a constant. AEA has spent decades cultivating a one-firm mentality where our team members look forward to coming to work by adhering to four fundamental principles:

Our Principles	What They Mean
1 Performance Focused, Execution Driven Culture	Maintain high standards, be creative, and accomplish great things
2 Teamwork and Partnership	Cultivate a low ego environment. We are one firm with collective responsibility
3 Open Communication and Transparency	Our investment process and partnership model thrive on open communication and invite diverse perspectives
4 Our People Are Our Greatest Assets	Attract and develop the best talent with a promote from within approach

## Relationships Matter

We are also committed to the principle that Relationships Matter. While this is true externally, through our global network of investors, management teams and advisors, it is equally true internally. All who work at AEA are expected to share their experience and knowledge, have collective responsibility for mentoring and developing each other and empower and support each and every person at the firm. It is only as one AEA that we can deliver superior performance to our investors, business partners, employees, and the communities where we and the companies in our portfolios operate.



## Investing in Our Culture: Employee Engagement

In 2022, we conducted an in-depth employee engagement survey which saw significant participation. The survey provided actionable feedback on AEA’s strengths and highlighted opportunities to respond to the needs of a growing organization. In 2023, we retained an external consultant to evaluate the employee survey results, gather further insight from groups of employees, and advise on an action plan. Over the past year, we implemented several changes as part of that plan, including quarterly Town Halls for sharing firmwide updates, periodic CEO check-ins with different AEA cohorts and functions, small-group breakout discussions at our annual strategy meeting, and informal “ask me anything” sessions providing team members with the opportunity to obtain career insights and hear lessons learned from firm leadership. Our work is ongoing, and we plan to conduct interim “pulse” surveys to test employee sentiment on our progress.



AEA

## Our Investment Approach



# Our Investment Approach

**Early in our history, we recognized the value of ESG management – both from a corporate reputation and a value perspective.**

Having made private equity investments and extended financing across many companies and dozens of subsectors, we believe AEA is well equipped to identify risks, share best practices and partner with businesses not only to address ESG challenges, but to seize opportunities with the potential to drive industry growth, create new markets, and generate a competitive advantage.

By integrating ESG considerations into our investment process –from sourcing through due diligence, portfolio operations and exit – we believe we are better positioned to achieve superior results for our stakeholders<sup>2</sup>. We have memorialized our approach in our ESG Policy Statement summarized to the right.

## Our ESG Policy Statement contains the following expectations:<sup>3</sup>



Examination of material ESG issues in due diligence, with any such issues highlighted in Investment Committee materials



Annual ESG program update to Risk Committee



Integration of management of material issues into business processes



Training of incoming investment staff



Regular performance monitoring, with ongoing or new issues highlighted in quarterly investment reviews



Ongoing information sessions for all professional staff



Expectations regarding reporting, investment stewardship, external engagement, climate change and human rights

**In 2023, we updated our ESG Policy Statement to memorialize our expectations regarding reporting, investment stewardship, external engagement, climate change and respect for human rights.**

**All of our investment strategies are governed by our ESG Policy Statement.**  
For more information, please see [Appendix II: Key Reference Materials – ESG Policy Statement](#).

# ESG Governance

We know from experience that strategy execution requires strong governance, particularly for complex initiatives that require broad implementation. In 2021 we established an ESG Steering Committee with senior-level, cross-functional representation from our investment and operating teams, as well as from our firm-level functions, to coordinate strategy development, maintain clear accountabilities, and monitor progress against objectives. Chaired by the Global Head of ESG, the ESG Steering Committee meets twice per year and provides regular updates to the firm’s Management Committee<sup>4</sup> regarding strategy development and execution and to the Risk Committee<sup>5</sup> with respect to policies and procedures.

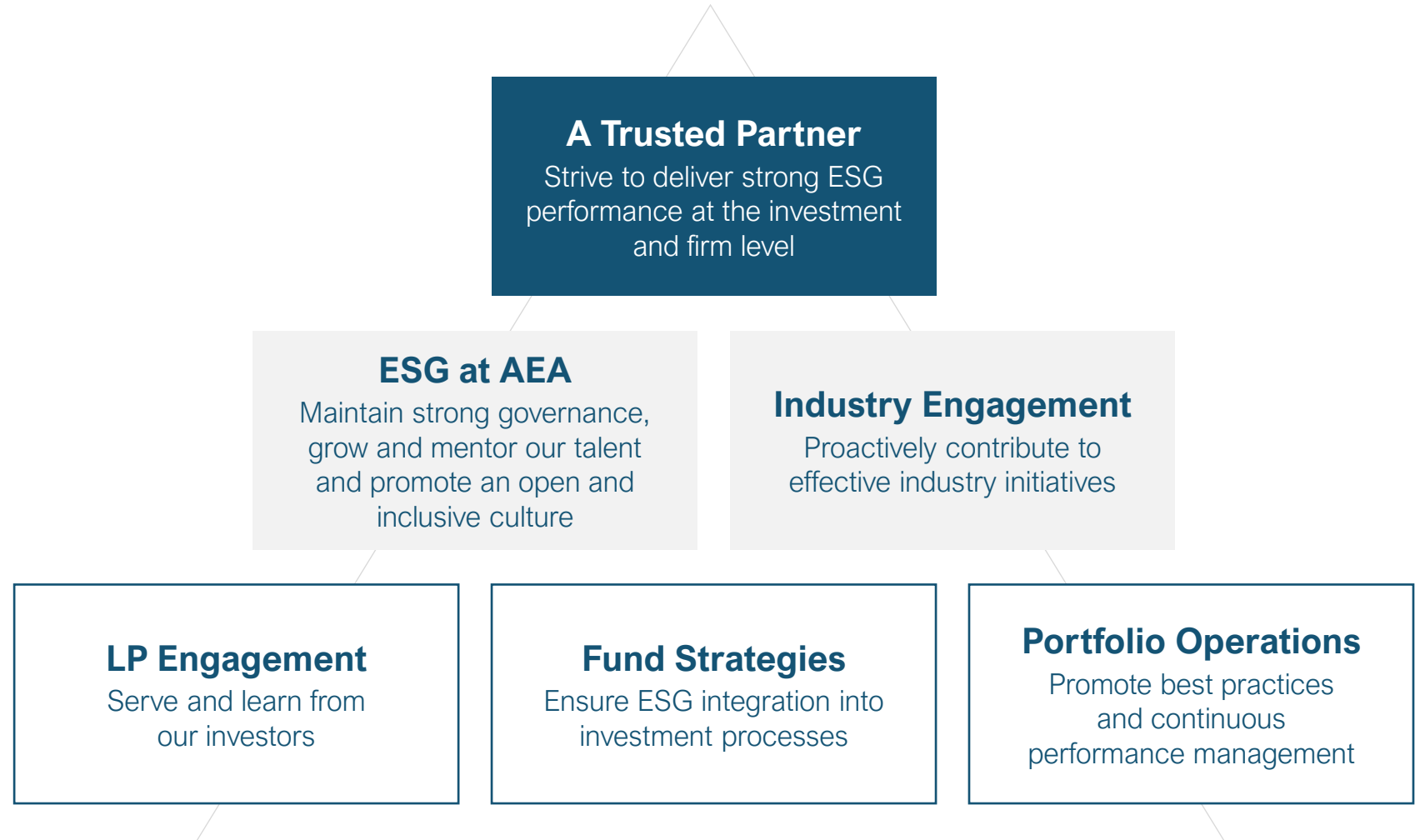


**Our Global Head of ESG drives strategy development, objective-setting and annual planning and reporting in partnership with our broader ESG Leadership team, which includes select operating and investment leaders.**

<sup>4</sup> Members include AEA's Chief Executive Officer, Chief Operating Officer, and the Heads of AEA's MMPE, SBPE, and Debt strategies.  
<sup>5</sup> Members include AEA's Chief Executive Officer, Chairman, Chief Financial Officer, Head of IR and Fundraising, and General Counsel and Chief Compliance Officer.

# ESG Execution Framework

As understanding of the impact that ESG factors can have on business performance continues to grow, we regularly evaluate our policies and practices to ensure that we incorporate developments that we anticipate will become enduring trends. With the arrival of a Global Head of ESG in early 2022, we took the opportunity to reorganize our approach into a comprehensive Execution Framework. We intend to use this Framework to drive all our activities toward serving as a trusted partner that delivers strong ESG performance across all dimensions for our investors, the businesses we partner with, our talent and our other stakeholders.





## **Middle Market Private Equity**

# Middle Market Private Equity: 2025 Strategy

**The ESG landscape continues to change quickly. What was once considered a compliance exercise is now understood by many financial actors as a valuable tool for managing business risks and performance.**

In an environment characterized by the intensifying impacts of climate change, major demographic shifts, heightened geopolitical tensions, and the advent of next-gen AI, anticipating and accurately assessing ESG exposures is more complex than ever. Maintaining rigorous processes and procedures to manage ESG risks and reinforce operational excellence is essential to driving company performance.

We also see increased potential for value creation, however. While historic levels of disruption are generating significant uncertainty, they also carry the potential to create new avenues for investment. Policy and regulatory responses, along with proven, cost-effective technology advances, may accelerate the innovation required to advance the energy transition.

With these factors in mind, we spent the second half of 2022 building out a three-year ESG strategy that addresses each facet of our approach to ESG integration.





# 2025 Goals: We Are on Track

We are pleased to inform you that, as of the publication of this report, we are largely on track to achieve each of our goals within the timeframes we set for ourselves. Our high-level roadmap is set forth below, with details on 2023 execution and 2024 interim objectives on the following page.

		ROADMAP: Next Three Years				
GOALS		2023	▶	2024	▶	2025
Investment Process	Build end-to-end ESG process flow on third party platform	✓		✓		
	Integrate climate risk assessment tools into due diligence	✓		✓		
	Digitalize data collection and performance management on third party platform	✓		✓		
Investment Thesis	Identify ESG-driven investment themes	✓				
Portfolio Company Practices	Pursue Board composition objectives: two diverse directors, at least one whom is female*	✓		✓		✓
	Implement GHG reduction plans			✓		✓
	Imbed ESG performance assessment into value creation reviews	✓		✓		
Reporting	Release first public ESG fact sheet	✓		✓		
	Submit first PRI Report (confidential)	✓				
	Submit second PRI Report (public)			✓		

✓ = in process

✓ = target completion year

\*Applicable with respect to MMPE AEA Investors Fund VIII and subsequent MMPE funds. For more information, please see [Appendix II – Key Reference Materials – MMPE Board Composition Statement](#).

# Execution Milestones



## Investment Process

### 2023:

- ✓ Built climate risk screen for incorporation into ESG due diligence for all potential investments
- ✓ Developed in-depth climate scenario analysis for selective application based on outcomes of climate risk screen

### 2024:

- ✓ Provide training to investment teams for deployment of climate risk tools



## Investment Themes

### 2023:

- ✓ Identified ESG-driven investment themes that play to AEA's historic expertise
- ✓ Established investment team working group to engage in in-depth thematic research and pursue potential acquisitions

### 2024:

- ✓ Incorporate investment themes and opportunities for ESG-driven value creation into due diligence and performance management



## Performance Management and Reporting

### 2023:

- ✓ Completed buildout of end-to-end ESG process flow on third party platform capturing due diligence checklist confirmatory diligence questionnaire, annual survey, GHG assessment results and year-over-year performance scorecards

### 2024:

- ✓ Provide training to investment teams for activation of end-to-end process
- ✓ Deploy performance scorecards to further drive progress and enhance Board oversight of ESG strategy



## Portfolio Company Practices

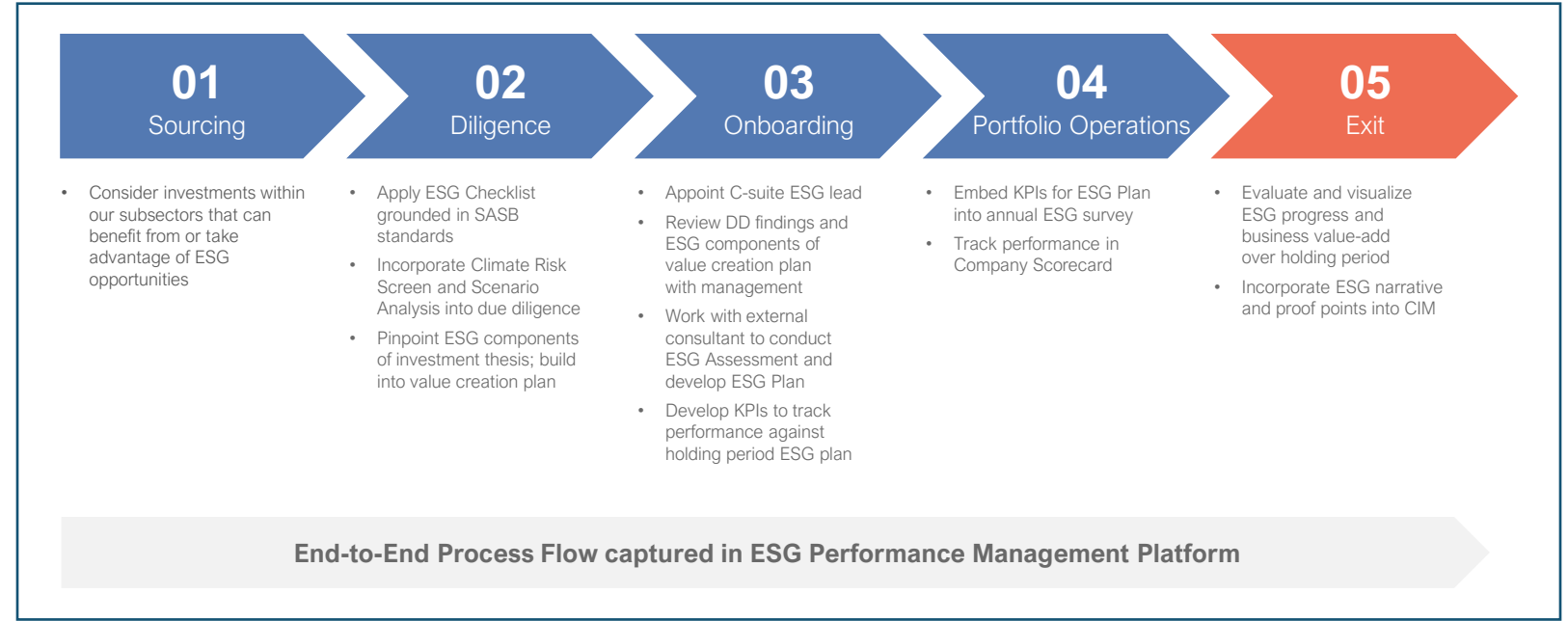
- ✓ *Board Composition*. Appointed two women to the Board of SCIO Automation, the first acquisition by Fund VIII
- ✓ *Decarbonization*. Achieved 100% participation rate for 2023 GHG Assessment. On track to complete GHG reduction diagnostic in 2024
  - ✓ 2024: Develop GHG reduction plans for implementation in 2025

# MMPE Investment Process



**Our investment teams are responsible for integrating ESG into each stage of the investment process, using best practices and tools provided by our ESG Leadership Team coupled with ongoing advice and counsel from our Global Head of ESG.**

By year-end, each stage of the process outlined below will be captured in our new performance management platform. This platform will enhance the ability of Boards and management to identify gaps and monitor progress against their organization's ESG Plan throughout the holding period of the investment.



**We license and apply the SASB Materiality Map® General Issue Categories in our work,**

which provides us with access to additional tools and resources to more effectively integrate SASB standards into our investment process.



# MMPE ESG Scorecard

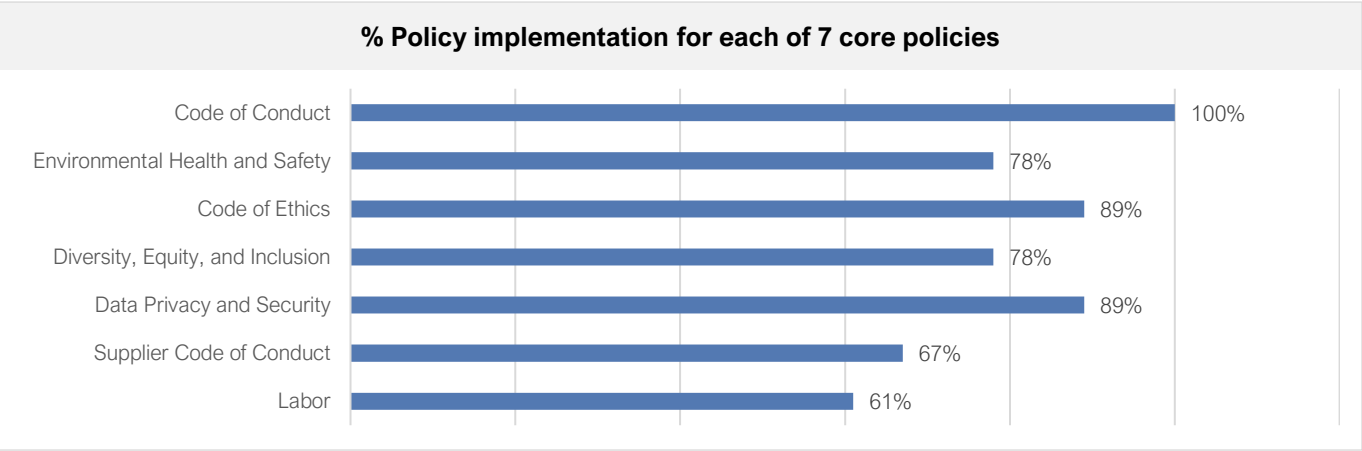
## Reducing GHG Emissions

In 2023, all companies reporting into our third party platform completed a GHG Assessment covering Scopes 1 and 2. Highlights of this year’s assessment included 100% participation and increased access to primary data sources. In 2024, companies will undergo a GHG reduction diagnostic to guide them in development of GHG reduction plans with the best ROI for deployment in 2024.

## Governance: Striving for Operational Excellence

As part of the implementation of our third party reporting platform, we identified seven core policies that exemplify operational excellence. We aim for companies to have each of these policies in place within 18 months of acquisition. To help facilitate this objective, in 2023 we established a resource library on the platform that includes guidance on issues to consider when establishing and implementing key policies.

2023 Scorecard		
Governance	Environmental	Social
<div>&gt; 18 companies onboarded to third party reporting platform</div> <div>&gt; 100% reporting companies participated in this year’s EDCI submission<sup>6</sup></div>	<div>&gt; 100% of companies completed a GHG assessment for 2023<sup>7</sup></div>	<div>&gt; 61% of companies have least one female on the Board</div> <div>&gt; 28% of companies have least two diverse Board members, one of whom is female</div> <div>&gt; 61% of companies conduct employee engagement surveys</div> <div>&gt; Average response rate: 68%<sup>8</sup></div>



<sup>6</sup> Calculated based on 18 companies reporting on Reporting 21 platform. <sup>8</sup> Derived from 12 of 18 companies that reported a response rate.  
<sup>7</sup> GHG assessments cover Scope 1 and 2 emissions.

# Program Highlight: AEA Best Practices Councils



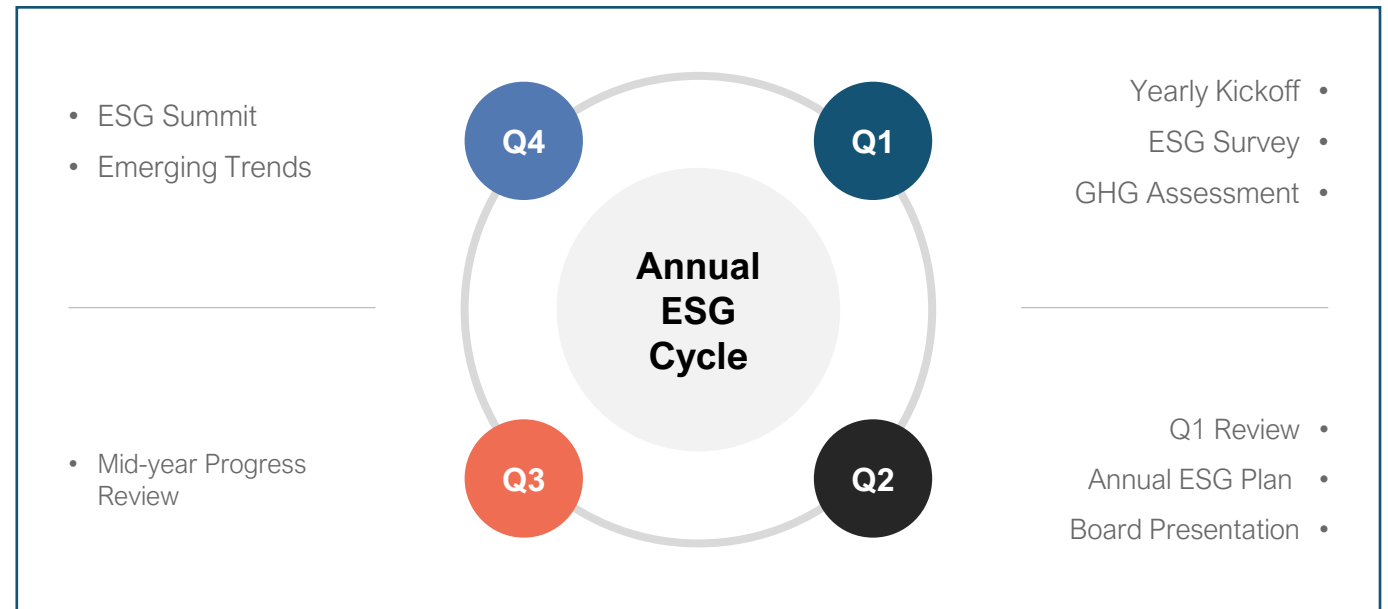
## Annual ESG Summit

The highlight of our ESG Best Practices Cycle is our annual ESG Summit. In November 2023, we held our fourth annual Summit, where we focused on GHG reduction planning, building a sustainable supply chain program, and leveraging business-community partnerships to spark innovation. The event took place at Verdesian, a portfolio company that creates nutrient efficiency products and is located in North Carolina's Research Triangle. We hosted our fifth annual summit in November 2024 at Sitelogiq, and other our portfolio companies, with the aim of increasing cross-portfolio knowledge of how different organizations are incorporating ESG opportunities into their business models and strategies.

A unique aspect of AEA's approach to partnering with its portfolio companies is the regular convening of Best Practices Councils for our CHROs, CFOs, COOs/Supply Chain leaders, our heads of Digital and Marketing, and our ESG leaders. Our Best Practices Council convenings provide a platform for education and training, best practice sharing, and the development of trusted relationships. In 2023, we established new AI Councils clustered around themes and initiatives of greatest relevance to specific subsets of the portfolio.

Our Best Practices Councils provide a platform for education and training, best practice sharing, and the development of trusted relationships. In 2023, we established new AI Councils clustered around themes and initiatives of greatest relevance to specific subsets of the portfolio.

**Our ESG Best Practices Council meets quarterly to discuss recurring and new program elements, stay informed on emerging issues, and help ensure that AEA meets its reporting obligations to PRI, EDCI, and its investors. Roundtable discussions are frequently part of the agenda, enabling participants to raise on-the-ground ESG challenges and brainstorm solutions.**

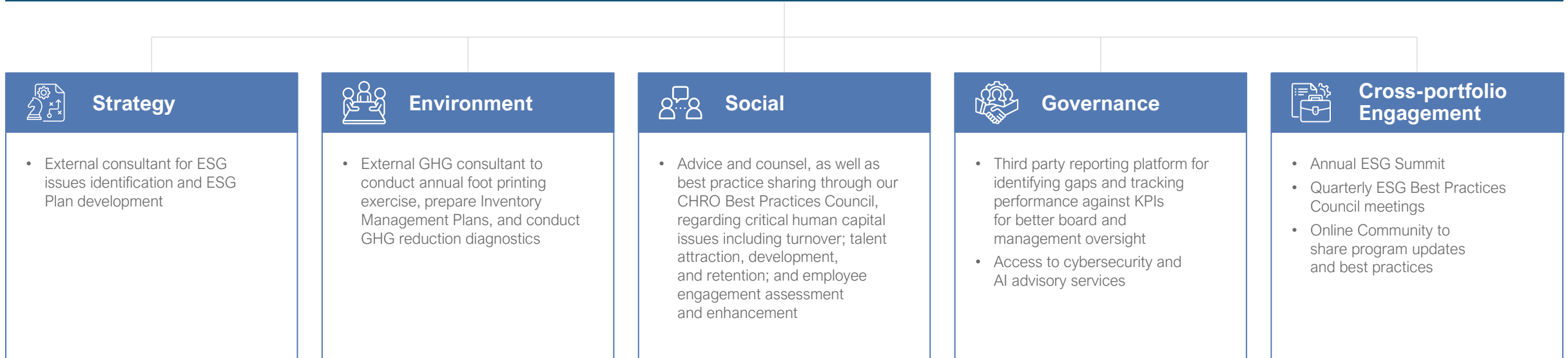




# Portfolio Company Resources

In addition to maintaining a unique, cross-portfolio community of practice, we provide our portfolio companies with access to a variety of ESG resources to support continuous improvement and develop strategies for setting themselves apart from their competitors in the eyes of their customers, current and prospective employees, and current and future investors.

## Portfolio Company Resources: Providing a Pathway to Continuous Improvement





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## **Small Business Private Equity**

# Small Business Private Equity (SBPE)

**As with our MMPE group, our SPBE group has continued to advance its ESG initiatives including preparations for launching a fully digitalized annual ESG questionnaire with respect to the 2023 reporting year. As part of those efforts, SBPE will collect diversity data for portfolio company boards and C-suite teams in accordance with the metrics established by ILPA DIA, along with other EDCI metrics.**

Given the size and asset-lite nature of the businesses in which SBPE invests, the group's historical ESG focus has been on maintaining a positive and healthy work environment for employees with an emphasis on employee safety, engagement, retention, and diversity. We believe that the emphasis we place on company culture is unique within the private equity community and contributes to sustainable, long term value creation.

## **A cornerstone of SBPE's approach is facilitating deep employee ownership ("DEO") by employees at all levels.**

The team works closely with management to facilitate DEO programs which consist of a combination of direct equity investment opportunities and equity grants to high impact employees outside of the senior leadership team, along with a broader management incentive equity plan. The SBPE team encourages senior leaders to host regularly scheduled townhalls and CEO updates to ensure participants understand the impact their work has on company performance and the wealth creation opportunity our DEO programs offer.

**To date, 11 of our companies have formal DEO programs resulting in eight companies with more than 50 employee owners in our companies.**

## **In 2023, SBPE's annual CEO offsite focused on strategies for enhancing company culture, including through implementation of what we believe is a well-designed DEO program.**

The two-day session was facilitated by SBPE partners and moderated by a third-party consultant with expertise in developing high-performance cultures and improving employee experience. Additionally, in May of 2024 the SBPE team brought in Anne Rhoads, the former Chief Human Resources Officer of Southwest Airlines and President of People Ink, to speak to both the SBPE investment team and the senior leaders across the SBPE portfolio to discuss the impact that a performance-driven culture can have on employee satisfaction and the high correlation with long-term growth and value creation.

SBPE also conducted additional CEO programming dedicated to ESG in the summer of 2023, highlighting success stories and fostering best practice sharing across senior leadership teams within the portfolio. The session was moderated by our Global Head of ESG, with the Head of ESG at Scan Global Logistics Transport Group as the keynote speaker.





# Growth



# Growth

**In 2023, AEA Growth continued to use the AEA ESG due diligence checklist implemented in 2022 for all new investments to identify potential issues and develop plans for continuous improvement.**

We also collected and analyzed diversity data for our portfolio company boards and C-suite teams. In 2023, we saw increases in diverse representation at our portfolio companies, as well as within our own AEA Growth team. Other achievements include providing ESG training to our investment professionals and encouraging our portfolio companies to adopt sustainable business practices where appropriate.

For 2024, we aim to further enhance our ESG practices and increase diversity at our portfolio companies, as key drivers of competitive advantage and value creation for our companies and our investors.







## Private Debt

# Private Debt



**We believe that effective management of ESG risk is fundamental to a borrower’s ability to meet its obligations.**

Accordingly, ESG considerations are inherent in our Private Debt group’s financial, operational and strategic risk assessments.

In 2023, our Private Debt team conducted a strategic review and outlined a three-phase approach for ESG integration: Origination and Asset Selection; Diligence; and Monitoring. At the Origination and Asset Selection stage, we screen for and evaluate high-risk ESG industries that could substantially impact creditworthiness. If an opportunity progresses to the Diligence phase, material ESG factors are assessed in more depth and rated as high, medium or low based on available public or borrower-provided information, with findings summarized in Investment Committee memoranda. Finally, if the decision is made to invest, material ESG factors are monitored throughout the holding period, with any significant changes addressed in quarterly portfolio reviews. The team may also consult our external ESG advisor as needed throughout the lifetime of the investment.<sup>9</sup>

## Private Debt Investment Process



**Origination & Asset Selection**  
High-risk Screening



**Diligence**  
Diligence & Investment Committee Memoranda



**Monitoring**  
Quarterly Review



**Amateras AEA**

# Amateras AEA: Changing the Gender Paradigm in Investing



**Substantial research has been conducted regarding the correlation between increased female presence in senior leadership roles and better performance.<sup>10</sup>**

However, we recognize that leveraging female investing and operating talent requires breaking down systemic barriers to the advancement and ongoing inclusion of women across the investing and business landscape.

To address the need for greater diversity to drive returns, in 2022, we announced the formation of [Amateras AEA](#), a women-led joint venture focused on tailored solutions with credit downside protection and structured equity upside. Amateras AEA is led by Managing Partner & Co-Founder Alexandra Jung, who is also Head of AEA's Private Debt strategy and a member of the firm's Management Committee.

Amateras AEA is a differentiated investment platform that merges exceptional investment talent with top diverse industry and operating expertise to provide flexible capital solutions to North American companies in the core and lower middle market. The power of partnership is fundamental to Amateras AEA's approach. By bringing its [Advisory Network](#) of female business leaders together with investee companies, other sponsors, and the industry as a whole, Amateras AEA seeks to change the gender paradigm in investing.

## Driving Outperformance with a Diverse and Differentiated Platform

### Capital Formation

Bring female perspectives to the capital stack through the Amateras AEA leadership team

### Governance & Leadership

Leverage women's expertise by placing members of Amateras AEA's Advisory Network into diligence and advisory roles, including placement on investee company boards

### Access

Bridge the gender gap by providing members of Amateras AEA's Advisory Network and female investee company and co-investor team members with development and wealth creation opportunities

## Partnership

with investee companies, other sponsors, and the broader industry to change the gender paradigm in investing





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## **ESG in Our Firm & Community**

# 2023: Spotlight on Technology

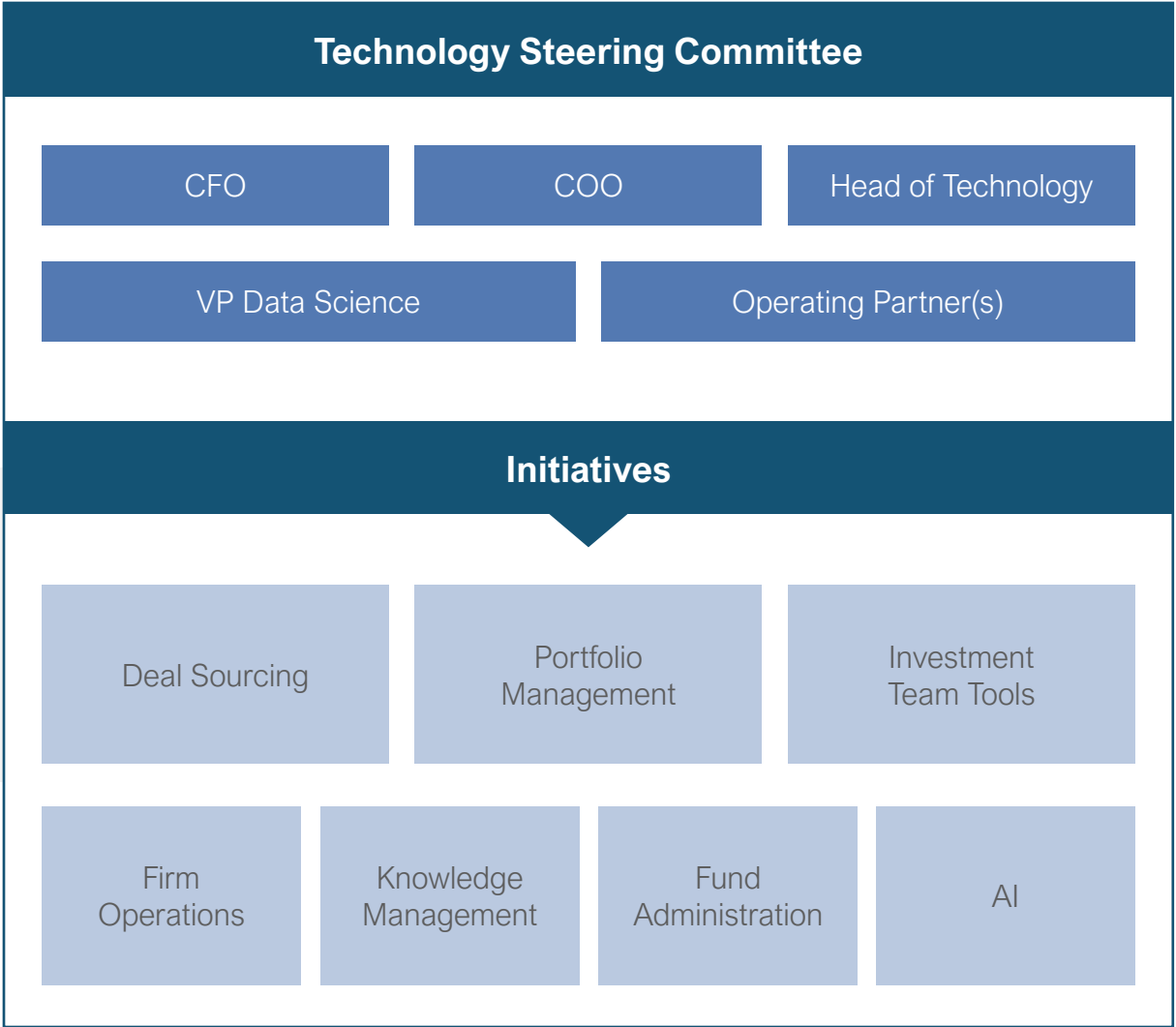
**Our Technology Steering Committee oversees the work of ~10 different workstreams covering initiatives such as digitalization of knowledge management, development of tools to accelerate the work of our deal teams, automation of reporting, and the deployment of proprietary AI tools for a broad array of use cases.**

Members of our Technology Steering Committee include our Chief Operating Officer, Chief Financial Officer, Head of Technology, VP – Data Analytics, and several Operating Partners with expertise in information technology and AI.

We recognize that the promise of generative AI contains comes with known and unknown risks.

Accordingly, in 2023 we adopted a Generative AI Policy that governs our use of this evolving technology. Our Generative AI Policy sets forth pre-approved generative AI tools, constraints on inputting confidential information into non –approved AI tools, requirements for encryption and other cybersecurity controls, and prudence in the use of and reliance on the output of such tools.

In light of evolving legal standards, technological and/or other business changes, the Technology Steering Committee and the Risk Committee anticipate frequent review and updating of AEA’s AI guardrails.



# 2023: Spotlight on Technology

**It is no secret that the convergence of information technology, data science and AI is reshaping industries, accelerating innovation, and recasting the nature of work.**

While 63% of CEOs worry their company can't keep up with technological advancements, 67% of business leaders cite generative AI cited their #1 disruptive opportunity.<sup>11</sup>

As an investment manager focused on deploying transformational capital, we appreciate the profound impact that the rapid pace of technological change has had, and will continue to have, on how we conduct our business, manage our firm, and partner with our portfolio companies to anticipate technology risk and accelerate value creation.

**In 2021, we identified technology enhancement as a strategic priority, with the twin goals of improving our operating efficiency and generating investment insights.**

To answer these needs, we moved quickly to build an internal data science team charged with sharpening our due diligence and portfolio monitoring and optimizing growth strategies for our portfolio companies. We are equally focused on internal process improvements



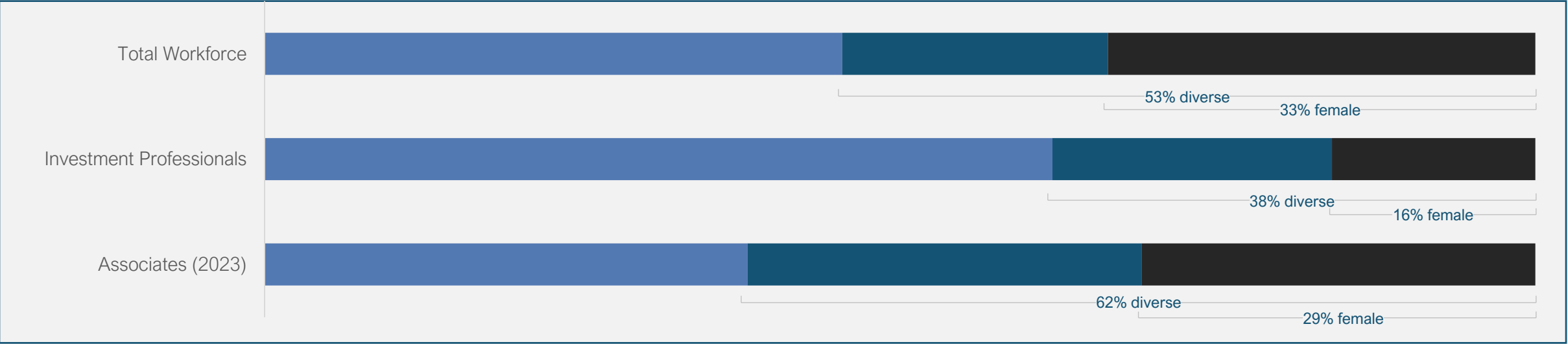
**Building an internal Data Science team has sharpened our due diligence capabilities, honed our approach to portfolio monitoring, and enhanced our ability to optimize growth strategies for our portfolio companies.**

With these foundational objectives and resources in place, we dedicated much of 2023 to building a long-term technology roadmap, with an accompanying governance structure and policies to oversee objective-setting, strategy development and responsible execution.

# Invested in Change: Diversity, Equity, and Inclusion

At AEA, we are invested in change, and are very focused on retaining our diverse talent and growing our diverse talent pipeline. Our culture promotes open communication and invites diverse perspectives, building a shared purpose and lasting relationships that contribute to our investment success.

Firm Demographics<sup>12</sup>



For more information, please see [Appendix II: Key Reference Materials – DEI Statement](#).

<sup>12</sup> Calculated as of January 1, 2024 in accordance with metrics defined by ILPA DIA.



# Expanding the Pipeline



## HBCU Summer Internship Program

A highlight of 2023 was the fourth year of our summer internship program for students of Historically Black Colleges and Universities (HBCUs). Designed for individuals entering their junior year of college, the Program kicks off with a one-week version of our Associate Training Program, followed by rotations through our private equity and debt groups, career panels, interview and resume prep sessions, access to mentorship across the firm and a speaker series with diverse leaders in AEA's external network. In addition to expanding employment opportunities generally, we intend to maintain long-term relationships with each intern to continue our career support and grow our talent pipeline. Many alumni of the program have secured junior internships and full-time jobs in consulting and investment banking and serve as enthusiastic ambassadors for AEA on campus.



In 2024, our HCBU Summer Internship Program will host six participants and includes a 50/50 gender representation from Howard University, Morehouse College and Spelman College. Notably, AEA received 56 applications for six internship spots this summer, an increase of 19% from the previous year.

## Celebrating International Women's Day

In March 2024, AEA celebrated International Women's Day by convening a panel of female executives to discuss the impact of today's geopolitical environment on business and investing with AEA team members and select portfolio company leaders. Panelists included **Penny Pritzker**, Founder and Chairman of PSP Partners and Special Representative for Ukraine's Economic Recovery; **Jyoti Chopra**, Chief People, Inclusion and Sustainability Officer, MGM Resorts and Board member, Schneider National; and **Ginny Wilmerding**, Partner, FGS Global and Board member, Techtronic Industries.



girls who  
invest

o4u OUT FOR UNDERGRAD

We are also pleased to extend our commitment to increasing DEI at the industry level as a sponsor of Girls Who Invest, which supports undergraduate women pursuing investment roles, and of Out4Undergrad, which seeks to increase access by young LGBTQ+ professionals to roles in investment banking, private equity, and consulting.

# Our Talent

## Learning and Development

Our Fourth Principle is that Our People are Our Greatest Assets. We take a holistic, one-firm approach to talent development, underpinned by the principle that it is our collective responsibility to mentor and support one another. Through our apprenticeship model, we create a more resilient and sustainable organization that will continue to generate value for our businesses and our investors.

Learning and development at AEA begins with our Associate Program. New Associates join a specific investment group for the duration of the Program, which allows them to gain evaluation, diligence and underwriting exposure to new opportunities as well as participate in portfolio company management of existing investments. Many of our investment Partners began their AEA careers in the Associate Program, which is designed to build fundamental diligence and analytics skills in a collaborative environment with exposure to professionals firmwide. Many of our Associates have gone on to pursue a wide range of opportunities, including promotion within AEA, business school, roles at other investment firms and entrepreneurial ventures leading business operations.

## Associate ESG Training

As part of our Associate Training Program, every new Associate receives in-depth training on our ESG Policy and approach to implementation.

Beyond the Associate Training Program, continuous training across the firm is comprised of four distinct components:



### Workshops

dedicated to leadership training, providing and receiving feedback, investment negotiations and interview skills



### Digital Insights

and analytics training for all investment professionals



### External expert presentations

on topics such as productivity, technology best practices and promoting diversity and inclusivity in the workplace



### Robust formal performance review

framework as well as ongoing informal performance check-ins throughout the year

The firm has established continuous learning and improvement programs dedicated to all levels of the organization, which AEA believes builds stronger professionals and facilitates more opportunities for career advancement. Continuous review and appraisal processes with the goal to support development at the individual and team levels, provide a formal mechanism to capture feedback from multiple sources and different levels and encourage a culture of responsibility for mentorship.

# AEA in the Community

Giving back has deep roots at AEA. In 2020, AEA formalized an employee gift-matching program and has recently partnered with Bright Funds to launch an online portal for employees to process their match-eligible donations and for AEA to champion the causes our employees are passionate about.

A consistent area of focus for us has been to expand educational opportunity, which leads to enhanced economic opportunity. We are pleased to contribute to the following organizations, all of which are supported by our employees in their mission to help close the inequality gap for underserved communities. We are proud that AEA employees support a number of other worthy causes on a personal basis.



Empowering promising college students with the skills, confidence, experiences, and networks necessary to transition from college to strong first jobs



Giving New York City youth the opportunity for meaningful mentoring relationships with professionals from the fields of finance, media, law, government, the arts and other organizations



Helping elementary school students develop the social-emotional skills essential for academic and life-long success through reading-based mentoring



Providing pro bono consulting to under-represented, under-resourced entrepreneurs in New York City

# Additional Disclosures

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# Additional Disclosures

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