



GREENPEAK Partners

ESG Strategy

Introduction

GREENPEAK Partners¹ is a team of investment professionals driven to build sustainable businesses in sustainable markets for a sustainable world. We believe that a sustainable economy is built by entrepreneurs with a vision to combine economic success with the achievement of ecological, social and governmental ("ESG") criteria beyond today's standards. GREENPEAK Partners recognizes the positive impact of ESG issues on long-term performance value creation, in particular for its investment model of building mid-size businesses by the combination of smaller businesses in the service sector ("Buy & Build Platforms").

Therefore, at GREENPEAK Partners, ESG is a philosophy and a framework for continuous, ongoing work and value creation in the businesses we build and operate. It is deeply aligned with the GREENPEAK purpose "*Building sustainable businesses and partnerships*".

1. Motivation

GREENPEAK Partners have tapped the investment landscape motivated by investing in good businesses for the following reasons:

a) Providing an authentic contribution to humanity

In our own personal environment and from our experience, we see and recognize the urgent need to move our economies away from destroying our planet. We want to convey a sustainable world to our children and next generations.

b) Capitalizing on the mega-trend of sustainability

Assuming that a sustainable economy will be the superior model for all countries and regions in the world, we expect sustainability to become one of the major mega-trends of the 21st century with the opportunity to provide superior returns to our businesses, stakeholders and investors.

c) Using levers as investors to achieve measurable ESG improvements

We use our influence and management capacity or advice (as applicable) to ensure that our businesses effectively and efficiently move in the right direction. We strive to establish metrics and key results to measure improvements and to prove significant positive effects.

2. Objectives

With the implementation of its ESG strategy, GREENPEAK Partners aims at the following objectives:

a) Becoming a role model for investing in good businesses

¹ "GREENPEAK Partners" means GREENPEAK Management GmbH and GREENPEAK Partners Advisory GmbH.

We strive to become the north star for next-generation investment managers, businesses and employees. We will become a reference investment group for customers, suppliers, business sellers and investors and be recognized as such in our peer group and/or in public.

b) Profitability through sustainability

We will enter into profitable investments and will demonstrate that ESG improvements can be a driver of profitability and that this brings additional value to companies' performance.

c) Measure and show ESG improvements

We will define measurable key performance indicators for investments and, where possible and reasonable, agree on improvement targets and engage with investments to achieve an improvement of the ESG performance.

3. Responsible investment process

a) ESG strategy

GREENPEAK Partners implements relevant ESG actions depending on each fund's maturity level and current ESG standards. We follow up the steady evolutions of the ESG framework to keep our ESG policy and practices up to date. These principles are to be applied progressively in GREENPEAK Partners' investments, following a continuous improvement process.

b) Environmental and social characteristics

Some of the funds managed by GREENPEAK Management GmbH promote environmental and social characteristics in accordance with Article 8 SFDR². These funds aim to achieve long-term growth and profitability by building sustainable businesses together with the Buy & Build Platforms and the companies in which the Buy & Build Platforms hold equity or equity-related investments ("Portfolio Companies"). These funds assess the operations of each Portfolio Company held by a Buy & Build Platform against certain core ESG topics, such as reduction of CO2 footprint, female empowerment and partnership culture defined on the basis of materiality for such Buy & Build Platform ("Core ESG Topics") and link the products and/or services provided by the Portfolio Companies held by a Buy & Build Platform to one or more of the Sustainable Development Goals of the United Nations. To measure each Buy & Build Platform's performance in relation to the Core ESG Topics, these funds define certain key performance indicators ("KPIs"). In addition, GREENPEAK Partners has started collecting data on greenhouse gas emissions of Buy & Build Platforms in one of its funds on an annual basis starting with the year 2020. Since the year 2022, Scope 1, 2 & 3 GHG emissions have been measured for all five Buy & Build Platforms of Fund II. Annual reduction targets are set for part of the portfolio.

c) Exclusions

Some of the funds managed by GREENPEAK Management GmbH exclude Portfolio Companies which are engaged in certain activities or which directly or indirectly control another entity whose business includes such activities. Depending on the specific fund, GREENPEAK Management GmbH aims to exclude the following activities:

- the arms industry and arms trading; or

² "SFDR" means Regulation (EU) 2019/2088 (Sustainable Finance Disclosure Regulation).
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- the gambling industry; or
- the tobacco industry; or
- the illegal drugs industry; or
- the sex industry, including prostitution and the production, sale or distribution of pornography products or prostitution, including but not limited to the research, development or technical applications relating to electronic data programs or solutions, which aim specifically at such activities; or
- human cloning & transgenic activities; or
- "GMOs" (i.e., genetically modified organisms) trading or research and development relating to GMOs; or
- child & forced labor; or
- the direct extraction and/or production of oil or gas (excluding, for the avoidance of doubt, the provision of services to businesses involved in the direct extraction and/or production of oil or gas); or
- the direct mining and/or extraction of thermal coal (excluding, for the avoidance of doubt, the provision of services to businesses involved in the direct mining and/or extraction of thermal coal); or
- the provision of products or services which directly constrain or violate human rights in any manner, including human trafficking; or
- projects entailing severe environmental damage; or
- corruption, money-laundering, tax evasion or other forms of corporate crime.

d) Investment Process

For the funds managed by GREENPEAK Management GmbH, Sustainability Risks³ and, where applicable (see Section b) above), Core ESG Topics are integrated into the investment process as follows:

i. Due diligence

To ensure full transparency, sustainability Risks and, where applicable, performance in Core ESG Topics are assessed as part of the ESG due diligence ("ESG DD") carried out for each investment in a Portfolio Company on the basis of an ESG DD questionnaire developed for each Buy & Build Platform. Such ESG DD questionnaire is tailored to (a) the type of industry the Buy & Build Platform is active in and (b) the specific Portfolio Companies which are subject to the ESG DD. The information provided in the ESG DD is reviewed and assessed by the investment team and the ESG officer. GREENPEAK Partners may exclude certain companies from investment to mitigate Sustainability Risks for the respective fund. Moreover, potential improvement areas are suggested as a possible ESG value creation exercise based on the result of the ESG DD.

ii. Investment decision

ESG considerations including Sustainability Risks form an integral part of the evaluations of the investment committee. The result of the ESG DD is presented to the investment committee as part of the investment committee memorandum. Information on Sustainability Risks and, if relevant, Core ESG Topics and potential

³ "Sustainability Risk" means, in accordance with Art. 2 no. 22 SFDR, an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of an investment.

improvement areas will be part of the discussion in the investment committee. The evaluation of the results of the ESG DD (including Sustainability Risks as well information on ESG Core Topics) plays a central role in the final investment decision and evidences the commitment of GREENPEAK Management Company to its core purpose “Building Sustainable Businesses & Partnerships”.

iii. Holding period

During the holding period, GREENPEAK Partners collects and assesses information as part of its annual ESG reporting exercise relating to Sustainability Risks and, where applicable, to Core ESG Topics. GREENPEAK Partners will, where possible and reasonable, engage with a Buy & Build Platform to support an improvement of its performance in the Core ESG Topics. Moreover, GREENPEAK Partners collaborates with the Buy & Build Platforms to set up a system in which (a) the Portfolio Companies will have to promptly notify the Buy & Build Platform and (b) the Buy & Build Platform will promptly have to notify GREENPEAK of events that may give rise to a material Sustainability Risk.

GREENPEAK Partners became a signatory of the United Nations Principles for Responsible Investment (UNPRI) in August 2023.

4. Sustainability in GREENPEAK Partners' operations

For its own operations GREENPEAK Partners has identified the following relevant ESG issues and actions:

<i>Environment</i>	<i>Social</i>	<i>Governance</i>
<ul style="list-style-type: none"> - Encourage use of train instead of airplanes, where possible & reasonable - Reduce paper consumption from prints and favor recycling actions - Green IT infrastructure - Encourage to use electric cars - Encourage use of public transport instead of cars 	<ul style="list-style-type: none"> - Creating a healthy and amicable work environment - Gender equality - Equal pay - Work-life-balance - Active involvement of our partners in their communities - Support health & well-being by offering gym membership to team - Regular and irregular team events 	<ul style="list-style-type: none"> - Establish partnership culture in our businesses and within the investment team - Effective monitoring of our Buy & Build Platforms through transparent board involvement - Set-up of a thorough governance structure to ensure effective monitoring of potential incidents in Buy & Build Platforms

GREENPEAK Partners deploys specific resources to this process including management capacity on partner level and external consultants.

GREENPEAK Partners will evaluate the possibility to reduce the climate footprint of its operations. We thrive to fully understand our environmental impact and assess different options to reduce and offset the footprint of our activities.

Version	Date of publication	Explanation of amendments
1	23 October 2020	First publication of ESG strategy
2	18 May 2021	Revision of existing ESG strategy following first SFDR ⁴ disclosures
3	13 April 2022	Update with refinement of ESG process
4	23 September 2024	Refinement of ESG and SFDR strategy

⁴ "SFDR" means Regulation (EU) 2019/2088 (Sustainable Finance Disclosure Regulation).
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