

Statement on principal adverse impacts of investment decisions on sustainability factors

GREENPEAK Management GmbH, "**GREENPEAK**"; LEI 391200E4JF58XVC8GJ38

Summary

GREENPEAK Management GmbH, "**GREENPEAK**"; LEI 391200E4JF58XVC8GJ38 considers principal adverse impacts of its investment decisions on sustainability factors. The present statement is the consolidated statement on principal adverse impacts on sustainability factors ("**PAI**") of GREENPEAK.

This statement on principal adverse impacts on sustainability factors covers the reference period from 1 January to 31 December 2023 ("**Reference Period**").

GREENPEAK considers adverse sustainability impacts, as expressed through all mandatory PAI indicators plus two additional PAI indicators, throughout the investment lifecycle – from platform inception, during due diligence, in the investment decision, during the asset ownership period to exit.

In general, the process is divided in two parts: pre-investment and asset ownership period.

Pre-investment

- GREENPEAK's investment strategy, creating theme-led buy & build platforms in fragmented service niches with attractive consolidation potential in the DACH+ market in itself reduces the potential for PAI by selecting buy & build platforms in sectors which are not likely to create adverse sustainability factors. PAI are assessed very early on in the process, starting from the development of the investment thesis for each buy & build platform. In developing the business model of the buy & build platforms, a high level screening of adverse principal impacts in the respective industry is undertaken. Investment strategies or industries with potential PAI are rejected.
- The application of exclusions as defined in GREENPEAK's ESG strategy¹ is a further step in reducing potential adverse impacts by ruling out investments in sectors such as the arms industry.
- Once the investment strategy of a buy & build platform is decided, potential sustainability risks and PAI are identified and will be monitored at platform level and for each potential add-on to the buy & build platform ("investee companies").
- For each individual potential investee company, a thorough ESG due diligence ("**ESG DD**") is conducted. This includes screening for potential adverse impacts, which are then discussed in the investment committee before the final investment decision. Critical factors are addressed, potential risks highlighted and mitigating actions are proposed.

¹ See www.greenpeak-partners.com

Asset ownership period

- During the asset ownership period, PAI are assessed in the annual ESG reporting exercise.
- Potential adverse impacts are also monitored at the level of the regular board meetings.

GREENPEAK will continue to monitor its exposure to adverse sustainability indicators and, where applicable, may adapt its strategy in accordance with the publication of each annual quantitative statement.

GREENPEAK uses best efforts to collect data on the PAI indicators for the buy & build platforms and/or investee companies. **"Best efforts"** means that GREENPEAK is committed to obtain data on the PAI indicators from the buy & build platform and/or the investee companies or by carrying out additional research, cooperating with third party data providers or external experts, or making reasonable assumptions.

At this point in time, data availability and data quality for principle adverse impact on sustainability factors of the investment universe is still evolving. This is due to various factors including, but not limited to, alignment and applicability of reporting standards for investee companies, evolving methodologies for calculation of relevant indicators and ongoing efforts in the market and by data providers to make data accessible and standardised.

GREENPEAK expects the data availability as well as quality to improve significantly in the coming years with more experience at the level of the investee companies to report the data as well as with more harmonized standards to emerge.

GREENPEAK prioritizes PAI according to its ESG framework which is applied to all investment activities. At firm level, three ESG Core topics have been defined, consisting of:

- "Reduce GHG emissions" (SDG 3 Good Health and Well-Being)
- "Enable female empowerment" (SDG 6 Gender equality) and
- "Foster a culture of partnership" (SDG 17 Partnerships for the goals).

GREENPEAK adheres to a number of international standards, including the UN Principles of Responsible Investment (UNPRI) and iCI. GREENPEAK has committed itself to apply the logic of the UN Sustainable Development Goals and has contributed to the ESG Data Convergence Initiative since its inaugural year.

Description of the principal adverse impacts on sustainability factors

CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS						
Adverse sustainability indicator	Metric	Impact 2023	Coverage Ratio	Explanation	Actions taken, and actions planned and targets set for the next reference period	
Greenhouse gas emissions	PAI 1 GHG emissions	Scope 1 GHG emissions	1,212 tons CO2e	100 %	<p>Calculation</p> <p>PAI 1 reflects the sum of all scope 1, scope 2 and scope 3 GHG emissions expressed as carbon dioxide equivalents (CO2e) in metrics tonnes which are attributed to investments of GREENPEAK. The share of GHG emissions attributed to an investment is calculated by multiplying the share of our investment in the investee company in relation to the investee company's overall enterprise value, by the respective investee company's overall GHG emissions. The share of GHG emissions attributed to GREENPEAK is then aggregated for all investments managed by GREENPEAK.</p> <p>Explanation</p> <p>Measurement of GHG emissions was conducted by an external provider, based on the GHG protocol.</p>	<p>Actions taken & actions planned</p> <p>GREENPEAK is committed to mitigating climate change. As member of iCI, we support our investee companies to determine their GHG emissions, reduce their impact on climate change and introduce climate strategies.</p> <p>As part of the ESG DD, environmental KPIs such as energy consumption and production, the share of regenerative energy as well as the electrification of the vehicle fleet is assessed.</p> <p>These KPIs are re-assessed in the annual ESG reporting exercise.</p> <p>GREENPEAK actively supports its investee companies in introducing initiatives to reduce GHG emissions, such as electrifying their fleet, introducing alternative sources of energy and increasing the share of regenerative energy.</p> <p>Since 2022, Scope 1, 2 & 3 has been assessed annually for all five Buy & Build platforms of Fund II. Scope 1 &</p>
		Scope 2 GHG emissions	1,718 tons CO2e	100 %		
		Scope 3 GHG emissions	13,366 tons CO2e	100 %		
		Total GHG emissions	16,296 tons CO2e	100 %		

						<p>2 has already been calculated for part of the portfolio since 2020.</p> <p>Data quality will continuously be improved, especially for Scope 3.</p> <p>Annual reduction targets have been set and are monitored for part of the portfolio.</p>
	PAI 2 Carbon footprint	Carbon footprint	142.9 tons CO2e/ million EUR invested	100 %	<p>Calculation</p> <p>PAI 2 represents the sum of all Scope 1, Scope 2 and Scope 3 GHG emissions in tons of CO2 equivalent (tCO2e) attributed to investments of GREENPEAK per million EUR invested. This metric ("Per million EUR invested") is calculated by dividing total GHG emissions (PAI 1) by the total value of all investments managed by GREENPEAK in million EUR.</p>	<p>Actions taken & actions planned</p> <p>Actions taken are in line with those outlined under PAI 1 GHG emissions.</p>

	PAI 3 GHG intensity of investee companies	GHG intensity of investee companies	80.5 tons CO2e/ million EUR revenue	100 %	Calculation PAI 3 is an expression of the weighted average of the GHG intensity of all investments managed by GREENPEAK. The sum of all GHG intensities of investee companies (i.e., the investee companies' Scope 1, Scope 2 and Scope 3 GHG emissions in metric tonnes per million EUR revenue), with each GHG intensity weighted by the relative share of the respective investment in the overall portfolio of investments managed by GREENPEAK.	Actions taken & actions planned Actions taken are in line with those outlined under PAI 1 GHG emissions.
	PAI 4 Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector	0 %	100 %	Calculation PAI 4 reflects the share of investments in companies active in the fossil fuel sectors (which include extraction, processing, storage and transportation of petroleum products, natural gas, and thermal and metallurgical coal) in relation to total investments. Comment No exposure to companies active in the fossil fuel sector.	Actions taken & actions planned No involvement in 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) as part of GREENPEAK's exclusions as defined in the ESG strategy.

	PAI 5 GHG intensity of investee companies	Share of non-renewable energy consumption and non-renewable energy production of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage of total energy sources	92.2 % non-renewable energy consumption as % of total energy consumption 44.4 % non-renewable energy production as % of total energy production	90 % ² 86 %	Calculation PAI 5 expresses the weighted average share of non-renewable energy consumption and production of investee companies. This is calculated by aggregating the percentage of non-renewable energy consumption and production (i.e., non renewable energy sources divided by total energy sources) of investee companies, with each such percentage weighted by the relative share of the relevant investment in the overall portfolio of investments managed by GREENPEAK. Comment Data quality for the non-renewable consumption indicator will be improved next year as it is assumed that the share is significantly lower as reported here.	Actions taken & actions planned Actions taken are in line with those outlined under PAI 1 GHG emissions.
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² For this reference period, the "Coverage Ratio" is calculated on the basis of all investments managed by GREENPEAK as at 31 December 2023. From the next reference period, this will be calculated on a weighted average of all investment managed by GREENPEAK as of 31 March, 30 June, 31 October and 31 December.

	PAI 6 Energy consumption intensity per high impact climate sector	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector	0.00005 GWh/mn EUR invested NACE F: 0.00005 GWh/mn EUR invested	100 %	Calculation PAI 6 reflects the weighted average energy consumption intensity of investee companies per high impact climate sector. This is calculated by aggregating for each high impact climate sector (categorized by Level 1 NACE Code) all relevant investee companies' energy consumption intensities, with each intensity weighted by the relative share of the relevant investment in the overall portfolio of investments in that high impact climate sector. The energy consumption intensity is expressed as total energy consumption in GWh, divided per million EUR revenue.	
Biodiversity	PAI 7 Activities negatively affecting biodiversity- sensitive areas	Share of investments in investee companies with sites/operations located in or near to biodiversity-sensitive areas where activities of those investee companies negatively affect those areas	0 %	100 %	Calculation PAI 7 reflects the share of investments in companies with activities negatively affecting biodiversity-sensitive areas in relation to all investments managed by GREENPEAK. Comment No investments in activities negatively affecting biosensitive areas.	

Water	PAI 8 Emissions to water	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average	0 tons per million EUR invested	74 %	Calculation PAI 8 reflects the sum of all emissions to water attributed to investments of GREENPEAK per million EUR invested. The sum of all emissions to water (in tonnes) attributable to investments managed by GREENPEAK is divided by the value of all investments managed by GREENPEAK in million EUR.	
Waste	PAI 9 Hazardous waste and radioactive waste ratio	Tonnes of hazardous waste and radioactive waste generated by investee companies per million EUR invested, expressed as a weighted average	0.667 tons per million EUR invested	83 %	Calculation PAI 9 reflects the sum of all hazardous waste and radioactive waste attributed to investments of GREENPEAK per million EUR invested. This is calculated by dividing the sum of all hazardous waste and radioactive waste (in tonnes) attributable to investments managed by GREENPEAK by the total value of all investments managed by GREENPEAK in million EUR.	Actions taken The handling and disposal of hazardous and radioactive waste of a potential investee company of GREENPEAK is assessed in the ESG due diligence exercise as well as in the annual ESG reporting exercise. Should findings be identified, mitigating actions are determined and implementation progress is monitored and reported on a regular basis.

ANTI-BRIBERY MATTERS						
Adverse sustainability indicator		Metric	Impact 2023	Coverage Ratio	Explanation	Actions taken, and actions planned and targets set for the next reference period
Social and employee matters	PAI 10 Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	0 %	100 %	<p>Calculation</p> <p>PAI 10 expresses the share of investments in investee companies with involvement in violations of UN Global Compact (UNGC) principles or OECD Guidelines weighted by the share of all investments of GREENPEAK.</p> <p>Comment</p> <p>No violations of UNGC principles or OECD guidelines for Multinational Enterprises.</p>	<p>Actions taken & actions planned</p> <p>Due to GREENPEAK's investment strategy in asset-light business models in the DACH region, investee companies tend to have relatively strong governance structures. Nevertheless, the existence of governance policies, such as a Code of Conduct, anti-corruption and whistleblowing policies is assessed in the due diligence process and, if needed, proposed as an action item post closing.</p> <p>ESG incidents are monitored in the annual ESG reporting exercise. Moreover, ESG incidents would be expected to be reported in regular board meetings between GREENPEAK and its investee companies.</p> <p>GREENPEAK encourages and supports investee companies to introduce structures and policies to improve monitoring of such violations.</p>

	<p>PAI 11 Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises</p>	<p>Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance /complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises</p>	<p>0 %</p>	<p>100 %</p>	<p>Calculation</p> <p>PAI 11 reflects the share of investments in investee companies which lack of formal processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines in relation to all investments managed by GREENPEAK,</p> <p>Comment</p> <p>While no formal processes to monitor compliance with UNGC and OECD guidelines may be in place at all investee companies, the close monitoring of investee companies by GREENPEAK currently ensures that any violations would be noted immediately, reported to investors and mitigated in the most timely manner.</p>	<p>Actions taken</p> <p>Due to the close collaboration of GREENPEAK Partners and the Managing Directors of the buy & build platforms as well as the existence of regular update meetings, a close monitoring of investee companies by GREENPEAK is ensured. Moreover, ESG incidents would be reported in regular board meetings between GREENPEAK and its investee companies. ESG incidents are also monitored in the annual ESG reporting exercise and in the ESG DD.</p> <p>Any violations would be noted immediately, reported to investors and mitigated in the most timely manner.</p> <p>Target set for the next reference period</p> <p>GREENPEAK aims to introduce an ESG governance structure to ensure a formal process and compliance mechanism to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises as well as generally monitoring ESG incidents at the level of the Buy & Build platforms as well as at the level of the investee companies.</p>
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	PAI 12 Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies	-27.7 %	96 %	<p>Calculation</p> <p>PAI 12 reflects the weighted average unadjusted gender pay gap of investee companies. This is calculated by aggregating the unadjusted gender pay gap of investee companies, with each gender pay gap weighted by the share of the relevant investment in the overall portfolio of investments managed. The unadjusted gender pay gap is defined as the difference between the average gross hourly earnings of male and female employees, expressed as a percentage of hourly gross earnings of men.</p>	<p>Actions taken & actions planned</p> <p>GREENPEAK closely monitors the unadjusted gender pay gap for all investee companies and enters into active dialogue for these companies with large deviations from the median. Moreover, the unadjusted gender pay gap is one of the Core ESG indicators of GREENPEAK as part of the Core topic “female empowerment”.</p> <p>It is a top priority for GREENPEAK to achieve an unadjusted gender pay gap at least in line with industry averages, if not better.</p>
	PAI 13 Board gender diversity	Average ratio of female to male board members in investee companies, expressed as a percentage of all board members	15.0 %	100 %	<p>Calculation</p> <p>PAI 13 reflects the weighted average board gender diversity of investee companies. Board gender diversity is expressed as the percentage of female to all board members of an investee company. The weighted average board gender diversity is calculated by aggregating the board gender diversity of all investee companies, with each such diversity weighted by the relative share of the relevant investment in the overall portfolio of investments managed by GREENPEAK.</p>	<p>Actions taken & actions planned</p> <p>Board gender diversity is one of the key sustainability indicator monitored at GREENPEAK³. Utmost attention is dedicated to ensuring that there is female participation in key leadership positions.</p> <p>The share of women in leadership position is a key ESG DD item and is monitored annually in the ESG reporting exercises. Moreover, for some investee companies, action plans are developed to increase the share of women in the top management.</p>

³ Managing directors of all investee companies; board members are excluded as boards are currently informal and no official “Aufsichtsrat”

	<p>PAI 14 Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)</p>	<p>Share of investments in investee companies involved in the manufacture or selling of controversial weapons</p>	<p>0 %</p>	<p>100 %</p>	<p>Calculation</p> <p>PAI 14 reflects the share of investments in investee companies with exposure to controversial weapons in relation to all investments managed by GREENPEAK. Exposure to controversial weapons means that the relevant investee companies manufacture or sell controversial weapons, including anti-personnel mines, cluster munitions, chemical weapons and biological weapons.</p> <p>Comment</p> <p>Controversial weapons are part of the exclusions of GREENPEAK's investments.</p>	<p>Actions planned</p> <p>No actions needed as such investments in the arms industry and arms trading are formal exclusions as defined by GREENPEAK's ESG strategy.</p>
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OTHER INDICATORS FOR PRINCIPAL ADVERSE IMPACTS ON SUSTAINABILITY FACTORS

Adverse sustainability indicator		Metric	Impact 2023	Coverage Ratio	Explanation	Actions taken, and actions planned and targets set for the next reference period
Environmental	PAI 15 Investments in companies without carbon emission reduction initiatives	Share of investments in investee companies without carbon emission reduction initiatives aimed at aligning with the Paris Agreement	45.3 %	98 %	<p>Calculation</p> <p>PAI 15: This indicator reflects the share of investments in investee companies without carbon emission reduction initiatives aimed at aligning with the Paris Agreement in relation to all investments managed by GREENPEAK.</p>	<p>Actions taken & actions planned</p> <p>GREENPEAK is working closely with all investee companies to encourage the introduction of carbon emission initiatives aligned with the Paris Agreement.</p>
	PAI 16 Number of days lost to injuries, accidents, fatalities or illness	Number of workdays lost to injuries, accidents, fatalities or illness of investee companies expressed as a weighted average	82.31 number of days	97 %	<p>Calculation</p> <p>PAI 16: This indicator reflects the number of workdays lost to injuries, accidents, fatalities or illness weighted by the relative share of the relevant investment in the overall portfolio of investments managed by GREENPEAK</p>	<p>Actions taken & actions planned</p> <p>Continue monitoring number of days lost to injuries, accidents, fatalities or illness of investee companies.</p>

Description of policies to identify and prioritise principal adverse impacts on sustainability factors

There are several policies to identify and prioritise PAI. The ESG Strategy of GREENPEAK as well as the SFDR disclosure policy describe GREENPEAK's approach to incorporating ESG and adverse sustainability impacts along the entire investment cycle. It also includes the sectors that GREENPEAK excludes from investment.

The GREENPEAK ESG framework is applied to all investment activities. At firm level, three ESG Core topics have been defined, which prioritise the sustainability focus of its investment activities as well as the PAI.

- “Reduce GHG emissions” (SDG 3 Good Health and Well-Being)
- “Enable female empowerment” (SDG 6 Gender equality) and
- “Foster a culture of partnership” (SDG 17 Partnerships for the goals).

In order to reduce GHG emissions, GREENPEAK has measured Scope 1, 2 & 3 GHG emission for all buy & build platforms for the year 2023. Prior to that, Scope 1 and 2 GHG emissions have been measured for two of the buy & build platforms since 2021.

Reducing GHG emissions is a priority within each of the buy & build platforms and measures are implemented to achieve this target, including, for example, encourage and support investee companies to increase their share of renewable energies, increase the share of electrification in the vehicle fleet (if applicable) and favour travelling by train rather than plane.

Female empowerment is fostered by monitoring the share of women in the workforce and women in leadership positions as well as to encourage measures and policies to increase the share of female participation.

A partnership culture is established for example, by encouraging regular meetings of the investee companies either within a buy & build platform or within clusters of a buy & build platform.

Data collection

GREENPEAK collects real data from its investee companies and makes estimates where necessary. An estimated 95% of the data used for the calculation of the PAI indicators is real data collected from the investee companies. The remainder are reasonable assumptions to the best of knowledge of GREENPEAK. In most cases, data is collected on an annual basis.

Engagement policies

GREENPEAK engages and collaborates closely with the CEOs of the buy & build platforms on developing the ESG strategy of the platforms, defining the purpose and positive contribution of the business model of each platform and implementing measures to promote sustainability factors. This happens at the level of regular meetings between one or more Managing Partners of GREENPEAK and the CEOs of the buy & build platforms as well as regular exchange between GREENPEAK's Chief ESG Officer and the ESG managers/responsibles in the buy & build platforms.

Progress on the implementation of the value creation initiatives is monitored informally through regular updates as well as the annual reporting exercise. Data is collected on the principal adverse impact indicators as well as other indicators.

ESG and sustainability factors are positioned both as risk mitigation factors as well as value creation initiatives. From the first point of contact of any new add-on to a buy & build platform during the ESG due diligence onwards, ESG is a focal point in the conversation between investee companies and GREENPEAK.

References to international standards

As proof of GREENPEAK's deep commitment to responsible investment, we became a signatory of the UN Principles of Responsible Investment (PRI) and committed ourselves to adopt and implement the standards set out in this international framework.

GREENPEAK has committed itself to apply the logic of the UN Sustainable Development Goals. For example, GREENPEAK establishes the link between the products and/or services provided by the investee companies and one or more goals based on a thematic clustering of products and/or services under the goals.

GREENPEAK is a signatory to iCI to demonstrate its commitment to addressing climate change.

GREENPEAK encourages the investee companies to join UN Global Compact and 67% of investee companies (weighted by net asset value) have already joined.

As proof of its collaborative nature, GREENPEAK has contributed to the ESG Data Convergence Initiative since its inaugural year.

Historical comparison

Historical comparison is not yet available due to the first provision of the principal adverse impact statement in for the year 2023.