



GREENPEAK Partners SFDR Disclosure

10 March 2021

1. Introduction

We at GREENPEAK Partners are deeply committed to a sustainable future. The vision of building sustainable businesses in sustainable markets is shared across the entire organization and integrated into every aspect of our investment process. We are convinced that true financial and economic success can only be achieved by respecting the environment, the social texture of our businesses and by implementing the highest possible governance standards. Our philosophy on how to conduct a successful investment business goes way beyond the traditional understanding of business ethics. We apply the highest sustainability standards to everything we do: the GREENPEAK way.

2. ESG integration in the investment process (Art. 3 SFDR)

GREENPEAK Partners has taken a formal decision at the Investment Committee level to integrate environmental, social and governance (ESG) criteria into the entire investment process. ESG aspects are considered at every step along the investment journey, from the early stages of determining in which industry or sector to establish a Buy & Build platform until assessing the overall ESG impact at the time of exit. ESG criteria and financial and economic criteria rank on equal footing in terms of importance and relevance for the investment decision and the evaluation of an investment.

ESG integration is an ongoing process at GREENPEAK Partners, and the approach we take will mature over time. We strive to continuously improve our standards and best practices, adapting them to our learning curve and changes in business practices, technology, the legal framework, and regulation as we grow and evolve.

Process steps

a) Platform selection & set-up

ESG starts playing a role very early in the investment process. The consideration of ESG criteria form an integral part of screening industries and markets for new Buy & Build strategies. The potential for ESG value creation, the positive or negative impact a new strategy can have on the environment and society, and any potential ESG risks and pitfalls are discussed in detail at the Investment Committee. These considerations form part of the decision of whether or not to proceed with an initial idea.

ESG considerations and financial numbers are given equal weight in the process of building a business case. GREENPEAK PARTNERS will abstain from establishing a new

platform in an industry with a net negative impact on the environment or society or known for breaching material governance standards.

There are several examples of ESG integration in the early stage of the investment process.

- In the platform selection process, a hypothesis about ESG KPIs to be tracked is already formed.
- The potential to develop a shared ESG vision as well as the ESG mindset is considered in the selection of the platform manager.
- The letter of intent signed before entering into formal due diligence on a candidate company also contains due diligence requirements for the ESG assessment.

b) Due diligence

ESG is fully integrated into the entire due diligence process at GREENPEAK Partners. ESG is not a separate lens in the analysis of a company but forms an integral part of the risk assessment of a potential investment case. ESG considerations stand side by side with the financial, legal, tax and commercial due diligence of a company.

The following ESG factors are included in the due diligence:

- The integration of ESG factors into the processes of a company
- An assessment of any material environmental, social or governance risks
- The existence of an ESG policy
- The share of renewable energies used
- The consideration of energy efficiency when purchasing technical equipment
- The use & disposal of hazardous materials & chemicals
- The management of waste, including recycling
- The environmental impact of production processes
- The existence of employer evaluation certificates
- The treatment of employees
- The existence of policies regarding diversity & inclusion
- The share of women in senior management
- The composition and diversity of the board (if any)
- The existence of a succession plan

The ESG review also includes preliminary suggestions on actions to be taken to improve the ESG performance of a partner company to live up to GREENPEAK Partners' aspiration of using ESG considerations as a tool for value creation.

c) Investment decision

The result of the ESG due diligence plays a material role in the final decision of the investment committee of whether to proceed with an investment or not. Specifically, GREENPEAK Partners will only invest in sectors, companies, business models which (a) have acceptable ESG standards at the time of the investment decision or (b) where GREENPEAK Partners has the conviction that it can improve ESG practices to such acceptable standards relatively quickly.

d) Monitoring & Reporting

Regular reporting includes not only financial data but also ESG criteria. ESG milestones, priorities and KPIs will initially be tracked and reported on a semiannual basis. At regular review meetings, the progress made towards achieving ESG goals and policies is assessed. Also, the need to adjust policies and procedures to ensure the successful implementation of ESG targets and milestones are discussed. Material ESG risks are reviewed, and the business cases' alignment with GREENPEAK Partners' ESG strategy is evaluated.

According to Article 4 SFDR, we plan to introduce quarterly reporting with the implementation of reporting a Principle Adverse Impact Statement.

An annual ESG report will be published starting in 2022.

3. Principal Adverse Indicator Statement (Article 4 SFDR)

While GREENPEAK Partners is building up its portfolio, we will introduce adequate assessment procedures for Principal Adverse Indicators (PAIs). GREENPEAK Partners intends to comply with Article 4 SFDR and publish a PAI statement in line with the SFDR requirements as of 2022.

4. GREENPEAK Partners' remuneration policy (Article 5 SFDR)

As a registered Alternative Investment Fund Manager (AIFM) and as an Asset Manager in general, GREENPEAK Partners is highly incentivized on the financial success of its investments through the co-investment of the investment team and the disproportionate allocation of profits (so-called carried interest). The Limited Partnership Agreement of GREENPEAK's Fund II, however, links the second step of the carried interest to the simultaneous achievement of defined ESG goals in at least half of the Buy & Build strategies implemented in the Fund. Such goals will be agreed with the Investor Advisory Board after the Final Closing of the Fund when prospectively most of the Buy & Build strategies have been defined, and many of them will have come to life through their first acquisitions.

Linking our carried interest to the achievement of ESG Goals will directly influence the Managing Partners of GREENPEAK Partners and our investment team's more senior members. They become eligible to participate in the carried interest. As all investment decisions will be made by the Managing Partners forming the investment committee and be prepared by the senior staff

members, such link will directly impact such decisions. Furthermore, work on ESG goals will form an essential factor in awarding annual bonuses.

To secure ESG goal achievement, GREENPEAK Partners will include the Senior Partners in charge of managing the individual Buy & Build platform companies in the definition of ESG goals and will link their remuneration to incremental achievements of corresponding ESG goals.