

*Sustainable Finance Disclosure Regulation on entity level in
alignment with Article 3, 4, and 5 of Regulation (EU) 2019/2088*

Article 3: Transparency of sustainability risk policies

As an investment advisor and management company in the alternative investment market, Capital Management Partners GmbH (CMP) recognizes its responsibility to encourage advisory clients, fund managers and portfolio companies to behave in a socially responsible manner. We are committed to gradually build up our sustainability risk management and are in the process of thoroughly integrating sustainability aspects into our business model and investment processes to meet our own expectations as well as those of our stakeholders. With the goal to ensure all our activities are compliant with the local/regional/national laws and to encompass the spirit and goal of investing in a socially responsible and sustainable manner, we have established an ESG policy, which we believe offers significant benefits to our investors, our portfolio companies and society at large.

As a restructuring investor, we are very active in the management of our portfolio companies and as majority shareholder we are in a unique position to exert influence and take part in shaping the ESG approach and improving the ESG performance of our portfolio companies going forward.

Article 4: Transparency of adverse sustainability impacts at entity level

We understand the relevance to identify, assess and mitigate principal adverse impacts (PAI) on sustainability aspects throughout our investment activities. To that end, we established comprehensive due diligence processes to assess potential sustainability risks and impacts of investments, which are considered in all our investment decisions. However, while generally supporting the aim of enhancing transparency regarding the negative impact of investment decisions on sustainability factors, we recognized that the availability, quality, and reliability of relevant data points required under the PAI reporting regime may be still limited, especially in the context of restructuring investments. Therefore, no all-embracing PAI reporting commitment can be made at this stage. Nevertheless, reasonable efforts are made to increase the availability and quality of PAI data points and gradually build up reporting capacities on relevant PAI KPIs as defined within the Regulatory Technical Standards to the EU Sustainable Finance Disclosure Regulation. For the avoidance of doubt, this should not be interpreted as CMP's adherence to the PAI regime.

Article 5: Transparency of remuneration policies in relation to the integration of sustainability risks

CMP's compensation policies are structured to incentivize investment managers to promote sustainable growth within investments. Consequently, the remuneration model includes a variable component that qualitatively considers compliance with the firm's sustainability principles such as successful internal training on these principles, the application of ESG processes and methodologies in the investment process, as well as the regular monitoring and communication of ESG measures. Furthermore, the compensation model of CMP comprises a carried interest component which, among others, reflects the sustainability performance of investments.