

SGT Capital Fund II SCSp

Statement on the Consideration of the Principal Adverse Impacts of Investment Decisions on Sustainability Factors

The Sustainable Finance Disclosure Regulation (“**SFDR**”) is an EU regulation that came into force on 10 March 2021. The SFDR lays down harmonised disclosure rules for investment managers and investment advisors for financial products as defined under SFDR.

SGT Capital Fund II SCSp is an “Article 8 Fund” and expressly promotes the following characteristics: social and employee, respect for human rights, anti-corruption and anti-bribery matters, and ensures that the that the companies in which in invests promote these characteristics and follow good governance practices.

SGT Capital Core ESG Commitments

SGT Capital LLC and all of its subsidiaries and affiliates including the funds under its umbrella (“**SGT Capital**”) is strongly committed to carefully managing environmental, social, and governance (“**ESG**”), regulatory, geopolitical, reputational issues, and stakeholder risk and opportunities now, as this will better position us in the future as diminishing resources, changing consumer demands, evolving norms, and increased regulation are expected to pose greater challenges and opportunities for business around the world. SGT Capital seeks to reduce risk and enhance value by building a proactive focus on these issues across the investment life cycle, wherever possible.

SGT Capital is committed to investing responsibly by:

- (a) Incorporating material ESG, regulatory, geopolitical, and reputational considerations into our investment decision-making and management practices, where relevant. This includes considering key risks and opportunities during the diligence process and, where applicable, then engaging on these issues with the companies in which SGT Capital invests.
- (b) Communicating SGT Capital’s responsible investment approach, progress, and goals transparently to the public, our investors, and other stakeholders.
- (c) Advancing consistent and thoughtful responsible investment processes in the financial industry by collaborating with industry peers, standard-setting organizations, and other stakeholders.
- (d) Maintaining internal governance and culture to ensure that SGT Capital acts as a good citizen in the communities in which we operate.

SGT Capital promotes the following social characteristics

SGT Capital take an active approach to considering ESG-related factors and have prioritized our efforts in areas where we believe we can have meaningful, measurable impact over the long-term. In 2022, we codified this approach by establishing our core ESG commitments and ambitions as investors. Our commitment as investors is to drive, support and assist management teams.

Active Governance & Stewardship

To promote active and engaged governance, holding ourselves accountable for driving value with high integrity in partnership with our investments and portfolio companies

Fair Employment, Engagement, & Well-Being

To treat employees with fairness and respect, building an environment and culture that at its core promotes employee wellbeing and engagement. We actively promote good labour relations and treatment, human rights practices, employee health, wellness, and safety.

Diversity, Equity, & Inclusion

To be champions of DEI and to drive meaningful progress by cultivating a high-performance culture that advances diversity, equity, and inclusion. To assess human resource policies, practices, staffing and organizational culture.

Sustainable Growth & Reducing Climate Impact

SGT Capital has a limited environmental footprint and given the nature of our operations, climate risk is not envisaged to be significant. However, we always take sustainability into active consideration when choosing our portfolio company investments, and rigorously measure the resulting impact over time.

SGT Capital sustainability indicators are reflected in the following relevant principal adverse impact indicators (“PAIs”).

PRINCIPAL ADVERSE IMPACT INDICATORS

| Core Commitment | Focus Area | Metric | Definitions | Answer |
|--|--|---|---|---|
| 1. Active Governance & Stewardship | Partner Diversity | Percentage of women Partners of SGT Capital | Percentage of people who identify as a woman on the Partnership at 2022 year-end | 16.67% |
| | | Percentage of Partner members from under-represented racial or ethnic groups | Percentage of people who self-identify as belonging to an under-represented racial or ethnic group as of 2022 year-end | 0 |
| | | | • For US companies, under-represented groups include: Black, Hispanic, Multiracial, Indigenous, and Asian | |
| | | | • For European companies, under-represented groups include: Black, Multiracial, and Asian. Does not include Hispanic | |
| | | | • For Asian companies, under-represented groups include: Black, Hispanic, Multiracial, Indigenous, and individuals with origins from countries different from the fund's headquarters | |
| | | Total unique Percentage of Partner members who identify as any of the above characteristics | Unique Percentage of people self-identified as belonging to the above-described characteristics of women or under-represented racial or ethnic group | 16.67% |
| 2. Sustainable Growth & Reducing Climate Impact | GHG Emissions & Decarbonization Efforts | Total Number of Partners | Percentage of people on Partner of directors at end of 2022 | 6 |
| | | Has the fund calculated its GHG baseline? | Yes or no response indicating whether the fund has calculated its direct and indirect emissions, accounted for using GHG Protocol (in CO2e) | No, as SGT Capital has a limited environmental footprint and given the nature of our operations, climate risk is not envisaged to be significant. |
| | | If no, when is tracking expected? (if | Estimate year for when carbon baseline is | We will continue to monitor |

PRINCIPAL ADVERSE IMPACT INDICATORS

| Core Commitment | Focus Area | Metric | Definitions | Answer |
|-----------------|------------|---|--|---|
| | | known) | expected to be completed and for which emission scopes (scopes 1-3) | our potential impact of GHG emissions and steps we can take to decarbonise our usage |
| | | If fund has tracked emissions: | | |
| | | What were the fund's Scope 1 emissions for 2022? | Direct emissions due to owned, controlled sources accounted for using GHG Protocol; (GHG Protocol) | N.A. |
| | | What were the fund's Scope 2 emissions for 2022? | Indirect emissions due to purchase of electricity, heat, steam, etc. accounted for using GHG Protocol; (GHG Protocol) | N.A. |
| | | What were the fund's Scope 3 emissions for 2022? | All other indirect emissions accounted for using GHG Protocol; optional metric if fund tracks GHG emissions (GHG Protocol) | N.A. |
| | | Has the fund set targets to reduce its carbon / GHG emissions impact? | Formal efforts to reduce carbon / GHG emissions footprint by a target year from measured baseline | No as SGT Capital has a limited environmental footprint and given the nature of our operations, climate risk is not envisaged to be significant. Partners and employees only travel for meeting if in-person is requested by the client. |
| | | Does the fund have a net zero target? | Formal efforts to accomplish net zero emissions by a target year | No, but we have a travel policy in place to minimise our emissions footprint from travel. We use energy efficient lighting and all lights and climate control are switched off when the office is not |

PRINCIPAL ADVERSE IMPACT INDICATORS

| Core Commitment | Focus Area | Metric | Definitions | Answer |
|--|---------------------------------|--|---|-----------|
| | | | | attended. |
| | | If the fund has an emissions reduction target, is it linked to the Science Based Targets? | Alignment with Science Based Targets initiative (“SBTi”) guidance on emission reductions targets; alignment / validation in progress? | N.A. |
| 3. Diversity, Equity & Inclusion 4. Fair Employment, Engagement, & Well-being 5. Community Engagement | Top Team Roles Diversity | Percentage of women in top team roles | Percentage of women in top team roles at 2022 year-end | 25% |
| | | Percentage of top team members from under-represented racial or ethnic groups | Percentage of people who self-identify as belonging to an under-represented racial or ethnic group as of 2022 year-end | 50% |
| | | | • For US companies, under-represented groups include: Black, Hispanic, Multiracial, Indigenous, and Asian | |
| | | | • For European companies, under-represented groups include: Black, Multiracial, and Asian. Does not include Hispanic | |
| | | | • For Asian companies, under-represented groups include: Black, Hispanic, Multiracial, Indigenous, and individuals with origins from countries different from the fund's headquarters | |
| | | Total unique Percentage of top team members who identify as any of the above characteristics | Unique Percentage of people (i.e., deduped) who self-identify as belonging to the above-described characteristics of women, under-represented racial or ethnic group | 75.00% |
| | | Total Number of top team members | Percentage of people at top team at end of 2022 | 4 |
| | Other Team diversity | Percentage of women in other team roles | Percentage of women in other team roles at 2022 year-end | 33% |

PRINCIPAL ADVERSE IMPACT INDICATORS

| Core Commitment | Focus Area | Metric | Definitions | Answer |
|----------------------------------|----------------------------------|--|---|--------|
| | | Percentage of other team members from under-represented racial or ethnic groups | Percentage of people who self-identify as belonging to an under-represented racial or ethnic group as of 2021 year-end | 33% |
| | | | <ul style="list-style-type: none"> • For US companies, under-represented groups include: Black, Hispanic, Multiracial, Indigenous, and Asian | |
| | | | <ul style="list-style-type: none"> • For European companies, under-represented groups include: Black, Multiracial, and Asian. Does not include Hispanic | |
| | | | <ul style="list-style-type: none"> • For Asian companies, under-represented groups include: Black, Hispanic, Multiracial, Indigenous, and individuals with origins from countries different from the fund's headquarters | |
| | | Total unique Percentage of other team members who identify as any of the above characteristics | Percentage of people self-identified at end of 2022 as belonging to the above-described characteristics of women, under-represented racial or ethnic group | 33% |
| | | Total Percentage of other members | Percentage of people in other team roles at end of 2022 | 3 |
| | | | | |
| 6. Financial Transparency | Anti-Corruption Protocols | Does the fund have an anti-corruption and anti-bribery policy? | Entities with policies on anti-corruption and anti-bribery consistent with the United Nations Convention against Corruption | Yes |
| | | Has the fund ever been cited for corruption or bribery? | Numbers of convictions and amount of fines for violations of anti-corruption and anti-bribery laws | No |
| | | Have the fund's investee companies ever been cited for corruption or bribery? | Numbers of convictions and amount of fines for violations of anti-corruption and anti-bribery laws | No |

PRINCIPAL ADVERSE IMPACT INDICATORS

| Core Commitment | Focus Area | Metric | Definitions | Answer |
|---------------------------------|------------------------------|---|---|--------|
| | | Does the fund have in place an AML and commercial due diligence policy? | | Yes |
| | Salary Equality | Does the fund adhere to gender and racial pay equality? | Average unadjusted gender and racial pay gap is zero | Yes |
| | | What is the SGT Capital Managing Partner pay ratio? | Average ratio within SGT Capital of the annual total compensation for the highest compensated individual to the median annual total compensation for all employees (excluding the highest-compensated individual) | 4x |
| 7. Fair Labour Practices | Safe Labour Practices | Does the fund have measures in place to prevent human trafficking in respect to the production of its products? (Operations and investee companies) | Policies against trafficking in human beings | Yes |
| | | Does the fund have measures in place to prevent child labour in respect to the production of its products? (Operations and investee companies) | SGT Capital ensures that it is not exposed to operations and investee companies at risk of incidents of child labour in terms of geographic areas or type of operation | Yes |
| | | Does the fund have measures in place to prevent forced or compulsory labour in respect to the production of its products? (Operations and investee companies) | SGT Capital ensures that it is not exposed to operations and investee companies at risk of incidents of forced or compulsory labour in terms in terms of geographic areas and/or the type of operation | Yes |
| | Accident Prevention | Does the fund have in place work-place accidents prevention policy? | Workplace accident prevention policy | Yes |
| | | Has the fund had instances of work- | | No |

PRINCIPAL ADVERSE IMPACT INDICATORS

| Core Commitment | Focus Area | Metric | Definitions | Answer |
|-----------------|-------------------------|---|---|--------|
| | | place accidents? | | |
| | | If so, what are the rate of accidents/incidents? | Rate of accidents expressed as a weighted average | N.A. |
| | | If so, what are the average Percentage of days lost due to injuries, accidents, fatalities, or illness? | Percentage of workdays lost to injuries, accidents, fatalities or illness of investee companies expressed as a weighted average | N.A. |
| | Discrimination | Has the fund had instances of work-place discrimination? | | No |
| | | If so, number and type of discrimination incidents. | Percentage of incidents of discrimination reported in investee companies expressed as a weighted average | N.A. |
| | | | Percentage of incidents of discrimination leading to sanctions in investee companies expressed as a weighted average | |
| | Raising Concerns | Does the fund have in place whistle-blower protection policy? Please can you send me a copy. | Policies on the protection of whistleblowers | Yes |
| | | Does the fund have in place a framework for employees to raise concerns internally? (Freedom of expression) | Grievance/complaints handling mechanism related to employee matters | Yes |