

SUSTAINABILITY-RELATED DISCLOSURES

Product name: CEECAT Capital Fund III SCSp

Legal entity identifier: 3912009BY8YCUAQD5U15

ARTICLE 10 SFDR DISCLOSURE: WEBSITE PRODUCT DISCLOSURE FOR FINANCIAL PRODUCTS THAT PROMOTE ENVIRONMENTAL OR SOCIAL CHARACTERISTICS

(a) Summary

The financial product promotes environmental and social characteristics. The portfolio companies of the fund operate in various sectors.

In order to cover the variety of its investments and sectoral issues, the fund adopts a 2-level strategy. The fund wants to promote common characteristics for all investments as well as specific characteristics per sector.

(b) No sustainable investment objective

This financial product promotes environmental or social characteristics but does not have as its objective sustainable investment.

(c) Environmental or social characteristics of the financial product

In the first instance, the fund will promote the following 3 common characteristics:

Common characteristics:

A° Ensuring a better representation of women in governance bodies by implementing diversity and gender policies (recruitment, training, promotion etc.)

B° Mitigating global warming by promoting initiatives to monitor and reduce greenhouse gas emissions

C° Promoting the involvement of portfolio companies in local communities' development (by financing charity initiatives, developing employment, recruiting local students etc.)

Secondly, the fund has defined specific characteristics for the different investment sectors:

Sector-specific characteristics:

Manufacturing / Industry:

- Promote the use or production of renewable energy and improve energy efficiency
- Promote health & safety for employees and subcontractors

Healthcare:

- Ensuring employee loyalty, satisfaction and retention through value sharing
- Promote health & safety and well-being at work

Tech & Business Services:

- Promote the integration of young employees and support their promotion

- Promote eco-responsible digital or green IT to reduce the social, economic and environmental footprint of digital processes

Consumer goods:

- Improving the sustainability in purchasing (raw material sourcing, other purchases)
- Promoting the revaluation of products

Consumer services/retailers:

- Promoting waste reduction
- Promote health & safety and well-being at work

(d) Investment strategy

The fund aims to promote and invest in the growth of small and mid-cap companies in Emerging in Europe. The fund offers capital solutions for companies promoting growth, enhanced corporate governance and environmental and social responsibility. The fund focuses on sustainable business models: cost leaders, companies with high barriers to entry, high degree of R&D, technology/automation, and management teams that can quickly adapt to change.

The fund's buyout seeks to invest in portfolio companies through a majority or significant minority stake. The fund aims to build a mixed portfolio of majority and minority owned. The majority ownership target is between 50,1% and 100%. In case of minority ownership (with control between 25% and 50%) the fund ensures that it has specific rights over:

- Approval of business plan, capex, indebtedness, senior management remuneration
- Control over key management functions including sole right to appoint CFO and change/hire CEO if targets not met
- Exit rights including drag along and preferred returns

The fund targets holding periods of 5 years.

The fund aims to invest in companies in a variety of sectors. This strategy will allow the fund to promote common characteristics but also to diversify the social and environmental characteristics it intends to promote by selecting sector- specific ones. The aim invest in portfolio companies through a majority or significant minority stake will allow the fund to guide decisions to promote the defined sustainable characteristics.

The company will invest in several target sectors, namely

- Manufacturing / Industry
- Healthcare
- Technology and business services
- Consumer goods
- Consumer services / Retail

The strategy is implemented on a continuous basis through the annual sustainability review of the portfolio companies. Indeed, the fund aims to promote environmental and social characteristics and

will monitor each year the sustainability performance of the companies. The analysis of the data collected during the annual ESG reporting campaign will allow the fund to mitigate sustainability risks and principal adverse impacts of investments on sustainability factors and encourage the portfolio companies to improve their performance.

(e) Proportion of investments



The financial product will allocate 100% of its investments in companies promoting “E/S characteristics” as each company will monitor characteristics promoted by the fund depending on the sector and the activity of the investment. Should the fund contain any cash at any point in time of the fund, the binding elements outlined by the investment strategy will also apply to such assets. Nevertheless, the fund is allowed to hold cash up to a maximum of 1% of the commitments.

(f) Monitoring of environmental or social characteristics

To measure the attainment of environmental and/or social characteristics defined for each company and promoted by the Fund, the indicators defined for each company will be collected every year via the Annual ESG Portfolio Questionnaire. The questionnaire is addressed by the Firm to all portfolio companies, starting from the reporting campaign on the fiscal year during which the company entered the portfolio, until the company exit from the portfolio. To ensure data quality, answers to the questionnaire are reviewed by an external third party and consistency checks are carried out.

The indicators monitored to check that sustainable characteristics are being promoted are:

For the common characteristics, the following indicators:

A° Ensuring a better representation of women in governance bodies by implementing diversity and gender policies (recruitment, training, promotion etc.)

- Share of women in the workforce (%)
- Share of women on the Board (%)
- Share of women in the 10 highest paid profiles (%)
- Implementation of policies to promote diversity at the management level (training of managers on diversity issues, diversity charter...) (yes/no)
- Implementation of long-term plans to promote better diversity (including training to avoid gender bias and promoting higher education for women within the community)

B° Mitigating global warming by promoting initiatives to monitor and reduce greenhouse gas emissions

- Initiatives to reduce energy consumption (yes/no)
- Waste sorting and recycling policy (yes/no)
- Energy monitoring policy (yes/no)
- Carrying out a carbon assessment/Monitoring of greenhouse gas emissions in the past 3 years (yes/no)

- Initiatives to reduce greenhouse gas emissions (yes/no)

C° Promoting the involvement of portfolio companies in local communities' development (by financing charity initiatives, developing employment, recruiting local students etc.)

- Number of trainees employed throughout the year (from schools in the region) on 31/12
- Amount donated to local organisations (in euros)
- Number of jobs created in the regional basin (number)
- Use of local service providers and companies (yes/no)
- Time spent on charity work, volunteering (hours)

For the sector-specific characteristics, the following indicators:

- Manufacturing / Industry:
 - Promote the use or production of renewable energy and improve energy efficiency
 - Monitoring of energy consumption (yes/no)
 - Production or consumption of renewable energy (yes/no)
 - Amount of renewable energy consumed (kWh)
 - Implementation of an energy efficiency policy (yes/no)
 - Promote health & safety for employees and subcontractors
 - Frequency rate of accidents at work (%)
 - Severity rate of accidents at work (%)
 - Carrying out a satisfaction survey on the work conditions among employees (yes/no)
 - Formalization of an occupational health and safety policy (yes/no)
 - Formalization of a policy for monitoring the working conditions of subcontractors (yes/no)
 - Monitoring of work-related accidents and creation of a "near miss" form (yes/no)
- Healthcare:
 - Ensuring employee loyalty, satisfaction and retention through value sharing
 - Implementation of value-sharing mechanisms (profit-sharing, participation etc.) (yes/no)
 - Offering health insurance contracts beyond the legal requirements (yes/no)
 - Formalization of a social benefits policy (yes/no)
 - Formalization of an employee retention policy (definition of career plans, internal promotion mechanisms, organization of interviews with employees) (yes/no)
 - Promote health & safety and well-being at work
 - Implementation of a policy of well-being at work (yes/no)
 - Carrying out a satisfaction survey on the quality of life at work among employees (yes/no)
 - Formalization of an occupational health and safety policy (yes/no)

- Monitoring of work-related accidents and creation of a "near miss" form (yes/no)
- Tech & Business Services:
 - Promote the integration of young employees and support their promotion
 - Share of young employees in the workforce (%)
 - Share of managers under 25 (%)
 - Implementation of support policies for young employees (yes/no)
 - Initiatives to train young employees for top management positions (yes/no)
 - Promote eco-responsible digital or green IT to reduce the social, economic and environmental footprint of digital processes
 - Selection of equipment with criteria of durability / reparability / traceability of raw materials (yes/no)
 - Training to raise awareness of the environmental impact of digital technology (yes/no)
 - Implementation of practices to extend the life of equipment (yes/no)
 - Formalization of a policy for recycling and reuse of digital equipment (yes/no)
 - Employee training on Green IT issues & Implementation of Green IT practices in software research and development (yes/no)
 - Proposal of responsible data hosting solutions (yes/no)
- Consumer goods:
 - Improving the sustainability in purchasing (raw material sourcing, other purchases)
 - Formalization of an exclusion list of countries for raw material purchases (yes/no)
 - Identification system for suppliers or subcontractors at risk (yes/no)
 - Implementation of sustainable procurement procedures (yes/no)
 - Introduction of CSR criteria in the evaluation of suppliers (yes/no)
 - Integration of CSR criteria in supplier selection (yes/no)
 - Share of recycled materials purchased (%)
 - Integration of CSR clauses in contracts (yes/no)
 - Promoting the revaluation of products
 - Implementation of a recycling policy (yes/no)
 - Initiatives to upgrade products deemed defective to be put on the market (yes/no)
 - Initiatives to avoid overproduction (yes/no)
 - Share of products recycled (%)
- Consumer services / Retail
 - Promoting waste reduction
 - Monitoring of the amount of waste generated (yes/no)
 - Formalisation of a waste recovery policy (yes/no)
 - Waste reduction initiatives (yes/no)
 - Share of waste recovered (%)

- Promote health & safety and well-being at work
 - Implementation of a policy of well-being at work (yes/no)
 - Carrying out a satisfaction survey on the quality of life at work among employees (yes/no)
 - Formalization of an occupational health and safety policy (yes/n

(g) Methodologies

The fund will collect annual ESG data from portfolio companies according to their sector of activity. This data will be used to verify that companies are making progress on the indicators linked to the selected sustainable characteristics. The data will be collected and consolidated in an annual ESG report.

(h) Data sources and processing

The data sources used to measure the attainment of the environmental and/or social characteristics defined for each company are the direct data provided by each portfolio company via their answers to the Annual ESG Portfolio Questionnaire. To ensure data quality, answers to the questionnaire are reviewed by an independent CSR consultancy firm and coherence checks are carried out. The reliability of the data is also checked during a telephone interview between the management of the portfolio company and the CSR consultant.

(i) Limitations to methodologies and data

The fund consolidates ESG data in an ESG report. The indicators requested from portfolio companies may not be available. However, best efforts to ensure data completion and coherence will be made to be able to measure the achievement of the characteristics. If necessary, the fund can assist companies in completing the ESG grid. Some of the data may be incorrect. Telephone interviews with management will help to ensure that the data is reliable. The possibility of companies not responding to the questionnaire is very limited as the fund invests through majority stake and in case of minority stake the fund ensures that it has specific rights (Approval of business plan, Control over key management functions including etc.).

(j) Due diligence

The fund conducts an ESG due diligence. It measures the ESG performance (using score per issues) and determines the materiality of the ESG issues. The due diligence phase enables to define an action plan post-investment to accompany the company in monitoring its ESG performance evolution and setting objectives.

(k) Engagement policies

The fund invests in companies with a majority stake or a minority stake but with specific rights (as mentioned in section i)).

As a result, the fund may promote selected sustainable characteristics in agreement with the portfolio companies. The fund manager is committed to dialogue and exchange with the portfolio company to support the improvement of its ESG maturity. The fund reserves the right to conduct specific

interviews with a company if it is involved in controversy or if its ESG performance is unsatisfactory. The fund is also committed to publish an annual ESG report.

(I) Designated reference benchmark

No reference benchmarks have been identified for the Fund.