

Sustainable Finance Disclosure Regulation – Capital D Management LLP and Capital D GP S.à r.l.

Capital D complies with its obligations under Regulation (EU) 2019/88 as supplemented by the Delegated Regulation (EU) 2022/2188 (the “SFDR” or the “Regulation”). Capital D Fund 2 SCSp (the “Fund”) is classified as Article 8 under SFDR.

1. Integration of Sustainability Risk

A sustainability risk means “an environmental, social or governance (“ESG”) event or condition that, if it occurs, could cause an actual or potential material negative impact on the value of the investment.”

Sustainability risks are integrated into the investment decisions of Capital D and are taken into account during the investment process of the Fund in accordance with Capital D’s investment approach and our ESG frameworks and undertakings. We integrate ESG best practices throughout our investment cycle and processes, as per our publicly available ESG policy. In particular, when assessing prospective investments, we systematically use our ESG scorecard which was developed in-house taking into account best practices from PRI, Invest Europe, Global Compact and the UN’s Sustainable Development Goals (“SDGs”). Not only does it help us evaluate the current impact of a prospective investee company on the planet and society, but it also guides us in determining the areas we can focus on for improvement. This is captured in our Investment Committee materials and becomes part of the Value Creation Plans of our investee companies, which we start preparing before closing the acquisition.

2. Principal Adverse Impacts (PAIs) of investment decisions on sustainability factors

Capital D also considers and reports on principal adverse impacts of investment decisions on sustainability factors (“PAIs”) in respect of Fund 1 and Fund 2.

Capital D considers PAIs across its business, and reports PAIs on a product-by-product basis in accordance with Article 4 of SFDR.

However, it does not report PAIs in aggregate at entity level in accordance with Article 4 of SFDR.

3. Remuneration policies and sustainability risks

Our Remuneration Policy specifically addresses the obligations outlined in Article 5 of the Regulation: “Financial market participants and financial advisers shall include in their remuneration policies information on how those policies are consistent with the integration of sustainability risks.”

Capital D uses external compensation benchmarks and ensures its salary model is fair, clear, motivating and aligned with KPIs for various levels in the organisation. This is reviewed as appropriate, typically on an annual basis.

Capital D GP S.à r.l. has one employee (effective January 2024). External compensation benchmarks have been used to determine remuneration and the salary model will be reviewed as appropriate, typically on an annual basis.