Capricorn PARTNERS

SFDR WEBSITE DISCLOSURE - articles 3, 4 and 5

Introduction

Capricorn Partners qualifies as a “financial market participant” pursuant to EU Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector (the SFDR).

Under the SFDR, financial market participants are required to publish information on their website, including on their policies on the integration of sustainability risks in their investment decision-making process and on how they consider principal adverse impacts of investment decisions on sustainability factors.

Capricorn Partners herewith discloses the way Sustainability Factors and Risks are integrated into the investment decision process and the results of the assessment of the likely impacts of Sustainability Risks on the returns of this Company.

In this section, the following definitions apply, in accordance with the SFDR:

"Sustainability risk" means an environmental, social or management situation or condition which, if it occurs, could cause an actual or potential material negative effect on the value of the investment.

"Sustainability factors" mean environmental, social and employee matters, respect for human rights, anti- corruption and anti-bribery matters.

Capricorn promotes Sustainability Factors in all but one of the funds that are subject to the SFDR. The promotion of the sustainable factors is mainly achieved through the thematic approach of the investment strategy of each fund. In addition, each investee company must fallow good governance practices and all the investments that consider the EU criteria for environmentally sustainable investments may not significantly harm any environmental or social objective.

Nevertheless, each fund remains also exposed to Sustainability Risks.

Sustainability Risks Integration (art 3 SFDR)

Sustainability Risks are integrated into the investment decision making and risk monitoring to the extent that they represent a potential or actual material risk or identify an opportunity to put in place remedial actions to mitigate these risks.

The impacts following the occurrence of a Sustainability Risk may be numerous and vary depending on the specific risk, region, and asset class (quoted or non-quoted equities). In general, where a Sustainability Risk occurs in respect of an asset, there will be a negative impact on, or entire loss of, its value.

We refer to the Capricorn Partners ESG Policy for a more detailed description of the way Sustainability Factors and Risks are integrated into the due diligence procedure, the investment decisions process and the follow-up of the investment business.

Principal Adverse Sustainability Impacts statement (art 4 SFDR)

Financial market participants are required under the SFDR to disclose whether they consider principal adverse impacts of their investment decisions on sustainability factors and if this is the case, to disclose a statement on their due diligence policies regarding those impacts.

Capricorn Partners does not consider principal adverse impacts of investment decisions on sustainability factors on entity level, within the meaning of the SFDR. The reason for that is that Capricorn Partners is an SME with limited resources and personnel. Therefore, we are not capable of determining exactly in a quantifiable manner what the adverse impacts of our investment decisions would be based on the different criteria set forth in the SFDR and its guidelines. Also the lack of availability of relevant data, due to the fact that we merely invest in small and medium sized entities with limited resources, plays an important role in this decision.

However, in its role as financial market participant, Capricorn Partners considers potential negative impacts of investment decisions in accordance with its ESG Policy. These potential negative impacts are being selected and monitored on an ongoing

basis by Capricorn Partners in a qualitative manner. Extreme negative outliers are analyzed more into detail and respective actions will be taken on a case-by-case basis (e.g., engagement with the respective companies or even exclusion of the respective asset) with the general goal to reduce negative impacts. In addition, Capricorn Partners makes a best effort to consider including principal adverse impacts on product level for all newly incorporated funds and funds that are still in the fundraising stage. Lastly, we are continuously monitoring further regulatory guidance and the development of industry and market practice in this area, in order to decide whether we will include PAIs in the future on entity level.

Integration of ESG risks in the remuneration policy (art 5 SFDR)

Pursuant to the SFDR, Capricorn Partners is required to explain how its remuneration policy is consistent with the integration of sustainability risks.

Capricorn's remuneration policy considers sustainability risks in its remuneration policy by ensuring that performance is not evaluated only on financial performances but considers several other principles such as effective risk management, care for investors and for each other in the organisation, following the code of conduct etc...

Integration of Sustainable Factors in the remuneration policy of Capricorn Partners is described in the last chapter of the ESG Policy and in the Human Resources Policy. Each member of staff is also bound by a Code of Conduct setting forth a conflicts of interest procedure, a voting rights policy for the portfolio companies and a market abuse policy which must be strictly followed.

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