Transparency of Sustainability Risk Policies according to Article 3 of the Regulation (EU) 2019/2088 ("SFDR")

1. Background

The SFDR requires financial market participants to publish information about their policies on the integration of sustainability risks in their investment decision-making process.

Sustainability risks are defined as environmental, social or governance events or conditions that, if they occur, could cause an actual or a potential material negative impact on the value of the investment.

Sustainability risks may be caused by environmental, social and governance factors ("ESG Factors"). Environmental risks may arise from climate change, resource scarcity, pollution, or regulatory changes related to environmental protection. Social risks can include labor practices, human rights issues, community relations, and product safety concerns. Governance risks can involve issues related to board composition, executive compensation, conflicts of interest, and compliance with legal and ethical standards.

Sustainability risks may affect all known risk types (i.e. market risk, liquidity risk, operational risk, legal and regulatory risk and reputational risk) and contribute as a factor to the materiality of these risk types. Failure to adequately address sustainability risks can lead to reputational damage, legal and regulatory penalties, increased operational costs, and potential loss of investor confidence.

2. Integration of Sustainability Risk in the Investment Process

Tach2yone GmbH ("T2Y") recognizes that ESG Factors play a pivotal role in preserving the economic, environmental, and social value of its investments, the communities in which they operate, and its stakeholders. Therefore, T2Y has incorporated ESG factors into its investment processes through identifying, assessing, mitigating, and monitoring potential risks and opportunities associated with ESG factors. Sustainability risks that may arise from ESG Factors are included with all relevant financial risks in T2Y's investment process and are considered in its investment decisions as well as evaluated and monitored on an ongoing basis. This allows T2Y to make more informed investment decisions, enhancing its long-term performance and reputation while also aligning with evolving stakeholder expectations.

Pre-investment, sustainability risks and opportunities of potential investments are evaluated based on a range of factors surrounding the environmental implications of the target company's products and operations, its social practices, and governance structure. As part of this evaluation, T2Y assesses whether the target company has taken precautions against potential environmental disasters that could disrupt business operations, such as having disaster recovery plans in place. This includes negative as well as positive screening criteria, which are assessed during the initial screening of a target company through desk research and proprietary questionnaires. The screening criteria are used to filter out companies that are active in controversial sectors or that engage in controversial business practices and therefore are associated with high sustainability risks. At the same time, they are used to identify companies that provide technological solutions for the mitigation of and adaption to climate change and therefore tend to be associated with low sustainability risks, especially climate risk, while also having solid management structures and following good governance practices, which allow them to effectively manage any potential sustainability risks.

The results of the screening on ESG Factors are presented to the investment committee and are considered in the investment decision.

Furthermore, T2Y regularly monitors the ESG performance of its investments through a proprietary questionnaire and desk research to identify emerging sustainability risks such as portfolio companies' involvement in controversies related to environmental, social or governance matters during the management period of investments. Potential sustainability risks are addressed by engaging with the portfolio companies on ESG issues and encouraging them to improve their sustainability practices.

Every member of the T2Y team is actively involved in the implementation of the policies and strategies.

Moreover, T2Y is a signatory of the Principles of Responsible Investment ("PRI"), a voluntary framework designed to foster and incentivize the inclusion of ESG issues within the decision-making and ownership practices of asset managers. By aligning with PRI, T2Y reaffirms its commitment to responsible investment practices and its dedication to considering ESG Factors throughout all aspects of its operations.

Annex: Publication history

Version	Publication Date	Description of the changes
1.0	18 December 2024	Initial Publication

Statement on Principal Adverse Impacts of Investment Decisions on Sustainability Factors

Financial market participant Tach2yone GmbH, LEI: 391200XRPJJPMY900A49

Summary

Tach2yone GmbH (“**T2Y**”), LEI: 391200XRPJJPMY900A49, considers principal adverse impacts of its investment decisions on sustainability factors. The present statement is the consolidated statement on principal adverse impacts on sustainability factors of T2Y.

This statement on principal adverse impacts on sustainability factors covers the reference period from 1 January 2024 to 31 December 2024. However, it is noted that T2Y has not closed an alternative investment fund yet and therefore this statement is limited to T2Y and the actions planned and targets set for reference period beginning from 1 January 2025.

T2Y is a growth equity investor committed to facilitating and accelerating the green energy transition by investing in companies with innovative technologies for the energy transition value chain, paired with financially viable business models that can be scaled up industrially. Its current only alternative investment fund Tach2yone Growth Equity Fund I GmbH & Co KG, which has not held its first closing yet, is envisaged to have a sustainable investment objective in accordance with Article 9 of Regulation (EU) 2019/2088 (“**SFDR**”). As a part thereof, T2Y will consider the principal adverse impacts of its investment decisions.

Principal adverse impacts (in the following also “**PAI**”) are the negative impacts in relation to the business activities of T2Y’s investee companies on sustainability factors. Sustainability factors mean environmental, social and employee matters, respect for human rights, anti-corruption, and anti-bribery matters.

At T2Y, the consideration of PAIs is deeply integrated into the overall investment process and forms an integral part of the investment decision as well as the ongoing monitoring of portfolio companies and encompasses:

- the collection of PAI data from its target companies in the due diligence phase as well as an annual collection of PAI data from investee companies;
- the assessment of investee companies regarding their PAI;
- the inclusion of the result of the PAI assessment of target and investee companies in the investment and deinvestment decision;
- the monitoring of the PAI of investee companies through a yearly renewal of the PAI assessment process and, depending on the result, engagement with investee companies on reduction targets and plans.

T2Y measures, evaluates, monitors, and reports the principal adverse impacts of its investments in companies along all mandatory PAI indicators from Table 1, Annex I of Regulation (EU) 2022/1288 as well as the following additional PAI indicators from Table 2 and table 3 of Annex I of Regulation (EU) 2022/1288:

- Investments in companies producing chemicals
- Number of convictions and amount of fines for violation of anti-corruption and anti-bribery laws

The PAI data is sourced directly from the target and investee companies with the support of an external provider (if necessary). T2Y uses best efforts to receive as complete PAI data as possible from the companies. For that purpose, T2Y as well as the data provider may provide advice to the companies in sourcing the data. T2Y may also complete data gaps by estimates based on own research or research from the data provider or other external service providers or ESG experts. If neither data from the companies nor estimations are available, T2Y takes

additional measures in identifying principal adverse impacts of investee companies, which includes a controversy screening and will disclose potential data gaps by providing a coverage quota for each PAI.

Deutsche Zusammenfassung:

Tach2yone GmbH (“**T2Y**”), LEI: 391200XRPJJPMY900A49, berücksichtigt die wichtigsten nachteiligen Auswirkungen seiner Investitionsentscheidungen auf Nachhaltigkeitsfaktoren. Bei der vorliegenden Erklärung handelt es sich um die konsolidierte Erklärung zu den wichtigsten nachteiligen Auswirkungen auf die Nachhaltigkeitsfaktoren von T2Y.

Diese Erklärung zu den wichtigsten nachteiligen Auswirkungen auf die Nachhaltigkeitsfaktoren bezieht sich auf den Bezugszeitraum vom 1. Januar bis zum 31. Dezember 2024. Es sei darauf hingewiesen, dass T2Y bislang noch keinen alternativen Investmentfonds geclosed hat und sich diese Erklärung daher auf T2Y und die für den am 1. Januar 2025 beginnenden Bezugszeitraum geplanten Maßnahmen und gesetzten Ziele beschränkt.

T2Y ist ein Wachstumskapitalinvestor, der sich zum Ziel gesetzt hat, die grüne Energiewende durch Investitionen in Unternehmen mit innovativen Technologien entlang der Energiewertschöpfungskette zu beschleunigen, gepaart mit finanziell tragfähigen, industriell skalierbaren Geschäftsmodellen. T2Y’s derzeit einziger Investmentfonds Tach2yone Growth Equity Fund I GmbH & Co KG, welcher noch kein Closing abgehalten hat, strebt ein nachhaltiges Anlageziel im Sinne von Artikel 9 der Verordnung (EU) 2019/2088 ("**SFDR**") an. Als Teil dessen berücksichtigt T2Y die wesentlichen negativen Auswirkungen seiner Anlageentscheidungen.

Wesentliche nachteilige Auswirkungen (im Folgenden auch "**PAI**") sind die negativen Auswirkungen in Bezug auf die Geschäftstätigkeit von Unternehmen, in die T2Y investiert, auf Nachhaltigkeitsfaktoren. Unter Nachhaltigkeitsfaktoren sind Umwelt-, Sozial- und Arbeitnehmerbelange, die Achtung der Menschenrechte sowie die Bekämpfung von Korruption und Bestechung zu verstehen.

Bei T2Y ist die Berücksichtigung von PAI tief in den gesamten Investitionsprozess integriert und bildet einen integralen Bestandteil der Investitionsentscheidung sowie der fortlaufenden Überwachung der Portfoliounternehmen und umfasst:

- die Erhebung von PAI-Daten bei den Zielunternehmen in der Due-Dilligence-Phase sowie eine jährliche Erhebung von PAI-Daten bei den Portfoliounternehmen;
- die Bewertung der Zielunternehmen hinsichtlich ihrer wichtigsten negativen Auswirkungen;
- die Einbeziehung des Ergebnisses der PAI-Bewertung der Zielunternehmen in die Investitionsentscheidung;
- die Überwachung der wichtigsten negativen Auswirkungen der Portfoliounternehmen durch eine jährliche Erneuerung des PAI-Bewertungsprozesses und, je nach Ergebnis, das Engagement mit Portfoliounternehmen hinsichtlich Reduktionszielen und -plänen.

T2Y misst, bewertet, überwacht und berichtet die wichtigsten negativen Auswirkungen seiner Investitionen in Unternehmen entlang aller obligatorischen PAI-Indikatoren aus Tabelle 1, Anhang I, (EU) 2022/1288 sowie der folgenden zusätzlichen PAI-Indikatoren aus Tabelle 2 und Tabelle 3 von Anhang I, (EU) 2022/1288:

- Investitionen in Unternehmen, die Chemikalien herstellen
- Anzahl der Verurteilungen und Höhe der Geldstrafen für Verstöße gegen Korruptions- und Bestechungsvorschriften

Die PAI-Daten werden direkt von den Ziel- und Portfoliounternehmen bezogen (bei Bedarf mit Unterstützung eines externen Anbieters). T2Y bemüht sich nach besten Kräften, möglichst vollständige PAI-Daten von den Unternehmen zu erhalten. Zu diesem Zweck können sowohl T2Y

als auch der Datenanbieter die Unternehmen hinsichtlich der Methodologien zur Erhebung der Daten beraten. T2Y kann auch Datenlücken durch Schätzungen schließen, die auf eigenen Recherchen oder Recherchen des Datenanbieters oder anderer externer Dienstleister oder ESG-Experten beruhen. Wenn weder Daten von den Unternehmen noch Schätzungen verfügbar sind, ergreift T2Y zusätzliche Maßnahmen zur Identifizierung der wichtigsten negativen Auswirkungen der Zielunternehmen, wozu auch ein Kontroversen-Screening gehört.

Description of the principal adverse impacts on sustainability factors

In compliance with regulatory requirements, the quantitative principal adverse impacts on sustainability factors of T2Y's investment decisions will be available in the table below after the end of the next reference period on 31st December 2025 and until 30th June 2026.

Adverse sustainability indicator		Metric	Impact [2024]	Explanation	Actions taken, and actions planned and targets set for the next reference period
Greenhouse gas emissions	1. GHG emissions	Scope 1 GHG emissions	N/A	N/A	Actions planned for next reference period Indirect consideration through PAI 3 (GHG intensity of investee companies, see below).
		Scope 2 GHG emissions	N/A	N/A	Actions planned for next reference period Indirect consideration through PAI 3 (see below).
		Scope 3 GHG emissions	N/A	N/A	Actions planned for next reference period Indirect consideration through PAI 3 (see below).
		Total GHG emissions	N/A	N/A	Actions planned for next reference period Indirect consideration through PAI 3 (see below).
	2. Carbon footprint	Carbon footprint	N/A	N/A	Actions planned for next reference period Indirect consideration through PAI 3 (see below).
	3. GHG intensity of investee companies	GHG intensity of investee companies	N/A	N/A	Actions planned for next reference period T2Y has set a threshold for PAI 3. A target company that exceeds this value is not considered in the further investment process. If post-investment the GHG intensity of a portfolio increases and exceeds the threshold, T2Y engages with the company on a reduction plan and measures to reduce the company's GHG intensity.

Adverse sustainability indicator		Metric	Impact [2024]	Explanation	Actions taken, and actions planned and targets set for the next reference period
Greenhouse gas emissions	4. Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector	N/A	N/A	<u>Actions planned for next reference period</u> T2Y intends not to invest in companies generating substantial revenues from the exploration, mining, extraction, production, processing, storage, refining or distribution, including transportation, storage and trade, of fossil fuels. If post-investment an investee company performes substantial business activities in the fossil fuel sector, T2Y will use best efforts to engage with the company on the establishment of a transition plan to transition away from or mitigate those business activities.
	5. Share of non-renewable energy consumption and production	Share of non-renewable energy consumption and non-renewable energy production of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage of total energy sources	N/A	N/A	<u>Actions planned for next reference period</u> T2Y has set a threshold for the share of non-renewable energy consumption for its investee companies. A target company that exceeds this threshold may only be considered in the further investment process if it has a credible transition plan. If post-investment an investee company increases its share on non-renewable energy consumption and exceeds the threshold, T2Y will use best efforts to engage with the company on a reduction plan and measures to reduce the company’s non-renewable energy consumption. T2Y does not intend to invest in companies that generate substantial revenue from the production of non-renewble energy. If post-investment a company starts to substantially produce non-renewable energy, T2Y will use best efforts to engage with the company on the establishment of a transition plan to shift business activities away from the production of non-renewable energy production.

Adverse sustainability indicator		Metric	Impact [2024]	Explanation	Actions taken, and actions planned and targets set for the next reference period
Greenhouse gas emissions	6. Energy consumption intensity per high impact climate sector	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector	N/A	N/A	Actions planned for next reference period T2Y has set a threshold for the energy consumption intensity for its investee companies in high impact climate sectors. A target company that exceeds this threshold is excluded from the investment process. If post-investment a portfolio increases its energy consumption intensity in high impact climate sectors and exceeds the threshold, T2Y will use best efforts to engage with the company on a reduction plan and measures to reduce the company's energy consumption.
Biodiversity	7. Activities negatively affecting biodiversity-sensitive areas	Share of investments in investee companies with sites/operations located in or near to biodiversity-sensitive areas where activities of those investee companies negatively affect those areas	N/A	N/A	Actions planned for next reference period T2Y intends not to invest in companies with sites/operations located in or near to biodiversity-sensitive areas where activities of those investee companies negatively affect those areas. If post-investment a company should establish sites/operations in or near to biodiversity-sensitive areas and negatively affect those areas, T2Y will use best efforts to engage with the company on actions to mitigate the negative effects.

Adverse sustainability indicator		Metric	Impact [2024]	Explanation	Actions taken, and actions planned and targets set for the next reference period
Water	8. Emissions to water	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average	N/A	N/A	Actions planned for next reference period T2Y has set a threshold for the tons of water emissions generated by its investee companies. A target company that exceeds this value is not considered in the further investment process. If post-investment the emissions to water of an investee company increase and exceed the threshold, T2Y will use best efforts to engage with the company on the establishment of a reduction plan and measures to reduce the company's amount of water emissions.
Waste	9. Hazardous waste and radioactive waste ratio	Tonnes of hazardous waste and radioactive waste generated by investee companies per million EUR invested, expressed as a weighted average	N/A	N/A	Actions planned for next reference period T2Y has set a threshold for the waste and radioactive waste generated by its investee companies. A target company that exceeds this threshold may only be considered in the further investment process if it is not involved in controversies regarding their hazardous waste management and has a waste management policy. If post-investment the amount of hazardous and radioactive waste of an investee company increases and exceeds the threshold, T2Y will use best efforts to engage with the company on the establishment of a reduction plan and measures to reduce the company's amount of hazardous waste and radioactive waste generated.

INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS					
Adverse sustainability indicator		**Metric**	**Impact [2024]**	**Explanation**	**Actions taken, and actions planned and targets set for the next reference period**
Social and employee matters	10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	N/A	N/A	<u>Actions planned for next reference period</u> T2Y does not intend to invest in companies that are involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises. Target companies involved in violations of those standards are excluded from the investment process. If post-investment violations are detected, T2Y will use best efforts to engage with the company on the implementation of mitigation measures.
Social and employee matters	11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises	Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance /complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	N/A	N/A	<u>Actions planned for next reference period</u> T2Y intends not to invest in companies without policies to monitor compliance with the international standards from PAI 11. As a minimum requirement to fulfil this criteria, companies need to acknowledge standard human and labor rights and confirm that they have no violations of the UN Global Compact principles or the OECD Guidelines for Multinational Enterprises. If post-investment a lack of such processes should be detected, T2Y will use best efforts to engage with the company on the implementation of adequate processes.

Adverse sustainability indicator		Metric	Impact [2024]	Explanation	Actions taken, and actions planned and targets set for the next reference period
	12. Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies	N/A	N/A	Actions planned for next reference period T2Y has set a threshold for unadjusted gender pay gap of its investee companies. A target company that exceeds this threshold can only be considered in the further investment process if the company has a gender diversity policy and is not involved in controversies regarding gender equality. If post investment the gender pay gap at an investee company deteriorates and exceeds the threshold, T2Y will use best efforts to engage with the company on measures and targets to reduce its unadjusted gender pay gap.
	13. Board gender diversity	Average ratio of female to male board members in investee companies, expressed as a percentage of all board members	N/A	N/A	Actions planned for next reference period As a general rule, T2Y intends to invest only in companies with a diversified board. However, this might not always be viable for T2Y's target companies due to their size and development stage. If there is no woman on the management board, the company should at least have a gender diversity policy and should not be involved in controversies regarding gender equality. If post-investment an investee company changes the composition of its management board, so that there is no female representation anymore, T2Y will use best efforts to engage with the company to encourage a diverse leadership.

Adverse sustainability indicator		Metric	Impact [2024]	Explanation	Actions taken, and actions planned and targets set for the next reference period
	14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	Share of investments in investee companies involved in the manufacture or selling of controversial weapons	N/A	N/A	Actions planned for next reference period Target companies generating revenues from the manufacturing or selling of controversial weapons are excluded from the investment process. If post-investment a company establishes business activities related to the manufacturing or selling of controversial weapons, T2Y will use best efforts to engage with the company within the scope of remedies available to T2Y to immediately stop such business activities.

Other indicators for principal adverse impacts on sustainability factors					
Additional climate and other environment-related indicators					
Adverse sustainability indicator		**Metric**	**Impact [2024]**	**Explanation**	**Actions taken, and actions planned and targets set for the next reference period**
	15. Investments in companies producing chemicals	Share of investments in investee companies the activities of which fall activities of which fall under Division 20.2 of Annex I to Regulation (EC) No 1893/2006 (" Manufacture of pesticides and other agrochemical products")	N/A	N/A	Actions planned for next reference period T2Y intends not to invest in companies in the sector "Manufacture of pesticides and other agrochemical products". Target companies active in this sector are excluded from the investment process. If post-investment a company establishes business activities related to the manufacturing of pesticides and other agrochemical products, T2Y will use best efforts to engage with the company to stop such business activities.
Additional indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters					
	16. Number of convictions and amount of fines for violation of anti-corruption and anti-bribery laws	Numbers of convictions and amount of fines for violations of anti-corruption and anti-bribery laws by investee companies		N/A	Actions planned for next reference period T2Y intends not to invest in companies that are convicted to more than minor fines for violations of anti-corruption and anti-bribery laws. Companies convicted for more than minor fines concerning violations of anti-corruption and anti-bribery laws are excluded from the investment process. If post-investment an investee company gets convicted to more than minor fines concerning such violations, T2Y will use best efforts to engage with the company on mitigation measures that prevent violations in the future.

Description of policies to identify and prioritise principal adverse impacts on sustainability factors

As part of its proprietary sustainable investment framework, T2Y assesses the risks and opportunities of potential and current investments with regards to sustainability factors, which includes principal adverse impacts. Accordingly, principal adverse impacts are an integral part of the pre-investment selection process of target companies and post-investment monitoring process of investee companies.

In the following, T2Y's policies to consider the principal adverse impacts on sustainability factors of its investment decisions as part of its sustainable investment framework are described:

<u>Identification of principle adverse impacts</u>

T2Y identifies the principle adverse impacts on sustainability factors for its target companies and for its investee companies. Therefore, measures to assess the principal adverse impacts of companies are integrated into the pre-investment due diligence and investment decision process as well as the monitoring process during the management phase.

Before closing an investment, T2Y conducts an assessment of the principal adverse impacts on sustainability factors of the target company. In a first step, T2Y collects data on the principal adverse impacts of the target company. In a second step, T2Y evaluates the principal adverse impacts of the target company. The results of the assessment form part of the investment decision. Companies may be excluded from the investment process due to their negative impact on sustainability factors or involvement in controversies related to environmental or social issues or their governance. Please refer to the section "Description of the principal adverse impacts on sustainability factors" for the relevant measures per PAI indicator in the reference period.

Post-investment, T2Y ongoingly monitors the principle adverse impacts of its investee companies. For that purpose, the PAI data collection and evaluation process is repeated annually. Additionally, T2Y regularly examines the potential involvement in sustainability-related controversies of its investee companies. The examination may be based on desk research by T2Y and / or through a consultation of external ESG experts. As result of the annual review process of the investee companies' principal adverse impacts, T2Y may engage with companies by entering into dialogue with representatives of the investee company to discuss strategies and targets to lower or mitigate the companies' principle adverse impacts on sustainability factors.

T2Y identifies the principal adverse impacts of its target companies and investee companies based on all PAI indicators for investments in companies from Table 1 of Regulation (EU) 2022/1288 ("**SFDR Delegated Regulation")** as well as one additional PAI indicator from Table 2 of SFDR Delegated Regulation and one additional PAI indicator from Table 3 of SFDR Delegated Regulation. Please refer to the section "Description of the principal adverse impacts on sustainability factors" for the full list of indicators T2Y uses to measure, evaluate, and monitor the principal adverse impacts of its target companies and investee companies.

<u>Prioritization of principal adverse impacts</u>

Prioritization of principal adverse impacts plays a role in the selection of the additional PAI indicators from Table 2 and Table 3 of SFDR Delegated Regulation, which are to be considered in the investment and portfolio monitoring process, as well as in the methodologies to determine the actions taken regarding the principle adverse impacts. Prioritization is mainly done based on data availability and quality, T2Y's investment focus and thereby the probability of occurrence of the impacts as well as the irreversibility and the consequences in terms of scope and severity of the principle adverse impacts. For example, additional PAI indicators are primarily selected according to the highest expected data availability and quality, which ensures that viable measures can be taken regarding those impacts. Also, besides considering data availability, the actions taken regarding the PAI indicators in the investment process depend on the probability of occurrence and severity of the negative impacts. For example, T2Y has set specific assessment criteria regarding the PAI indicators, that must always be fulfilled by target companies for some PAI indicators since due to the investment focus the impacts are likely to occur or are deemed to be severe, while the assessment criteria for other PAI indicators can be overridden by an escalation process since the impacts are deemed less severe overall.

<u>Data sources</u>

The PAI data is sourced directly from the investee companies through a questionnaire. Pre-investment, the questionnaire is sent to target companies during the due diligence phase. Post-investment, the questionnaire is sent to investee companies on an annual basis. For the data collection process, the portfolio companies can make use of an external provider (if necessary).

To receive as complete PAI data as possible for the companies, T2Y or the service provider may support the companies in questions regarding the methodologies to measure their PAIs. If a company cannot provide PAI data, the external service provider, other external experts or T2Y may complement the PAI data with estimates based on additional research from publicly available information or other information provided by the company and by making reasonable assumptions, e.g. under consideration of the size and industry of the company. <u>Margins of error resulting from the methodologies to assess the PAI of companies</u> Missing PAI data may impact the possibility to identify the principal adverse impacts of target companies or investee companies and therefore apply appropriate actions regarding the principal adverse impacts (e.g. exclusion from investment process or engagement with company to agree on remedy solutions). Therefore, T2Y has implemented measures that are applied in case of missing data. This includes a minimum coverage rate, where companies not fulfilling the minimum coverage rate for their PAI data are excluded from the investment process, and controversy checks regarding the relevant sustainability factors where PAI data is missing. Additionally, incorrect PAI data may impact the assessment of target companies and the investment decision taken. However, the probability of incorrect data is seen as relatively low since PAI data directly reported by the companies is used preferably and estimates may only be used in limited cases where no PAI data from the company is available and can also not be sourced in collaboration with the company. <u>Governance and responsibilities regarding the consideration of PAI in the investment process</u> T2Y's sustainable investment framework including the policies and processes regarding the consideration of principal adverse impacts in the investment and monitoring process of investee companies was approved by T2Y's governing body on 06 November 2024. The consideration of principal adverse impacts is deeply integrated into the overall investment process and forms an integral part of the investment decision as well as the ongoing monitoring of investee companies. The pre-investment principal adverse impact assessment of target companies as well as the ongoing monitoring process during the management phase is conducted by the T2Y investment team. T2Y may also use the expertise of external ESG consultants or service providers for that purpose.
Engagement policies T2Y is not obliged to and does not maintain an engagement policy referred to in Article 3g of Directive 2007/36/EC of the European Parliament and of the Council. However, engagement is incorporated into T2Y's sustainable investment framework. Within this framework, engagement with investee companies forms an integral part of the post-investment monitoring process and includes all indicators listed in the section "Description of the principal adverse impacts on sustainability factors". Should a company display substantial negative changes in regard to its principal adverse impacts in relation to the assessment criteria applied pre-investment or be involved in controversies regarding environmental or social issues or its governance, T2Y enters into dialogue with the company to find solutions to remedy the adverse impacts or controversies and agree on a strategic time plan, measures and targets to solve the identified issues. In case a company repeatedly acts non-responsive to engagement approaches by T2Y and does not agree on remediation plans and targets, T2Y may consider disinvestment as a last resort and final step of escalation.
References to international standards In its commitment to sustainable investing and fostering a network of impact investors, T2Y has joined several sustainable investor associations. In relation to addressing principal adverse impacts of investment decisions, this includes the commitment to the United Nations Principles for Responsible Investment (UN PRI), of which T2Y is a signatory. While the UN PRI are not related to any specific PAI indicators, signatories commit to integrating environmental, social and governance issues into their investment analysis and decision-making processes. At T2Y, this encompasses, among others, the integration of the PAI indicators listed in the section "Description of the principal adverse impacts on sustainability factors" into its assessment of target companies with the results being an integral part of the investment decisions. Please refer to the section "Description of policies to identify and prioritise principal adverse impacts on sustainability factors" for details on the methodology and data used in relation to the PAI indicators.

T2Ys investment processes are currently not strategically aligned with the climate objectives of the Paris Agreement. Since T2Y currently does not commit to a specific carbon emissions reduction pathway or net zero target, forward-looking climate scenarios are not deemed relevant within the overall strategy and are therefore not used.

Historical comparison

A historical comparison of the principle adverse impacts associated with T2Y's investment decisions is not available yet since T2Y has made one equity investments so far.

Annex: Publication history

Version	Publication Date	Description of the changes
1.0	18 December 2024	Initial Publication

Transparency of Remuneration Policies in relation to the Integration of Sustainability Risks according to Article 5 of the Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector ("SFDR")

1. Background

According to SFDR financial market participants are required to include a statement in their remuneration policy in accordance with sectoral legislation, in particular Directives 2009/65/EC, 2009/138/EC, 2011/61/EU, 2013/36/EU, 2014/65/EU, (EU) 2016/97 and (EU) 2016/2341 on how those policies are consistent with the integration of sustainability risks and publish that information on their websites.

The SFDR defines sustainability risks as environmental, social or governance events or conditions that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment.

2. Remuneration Policies and Integration of Sustainability Risks

Tach2yone GmbH ("T2Y") is a registered (sometimes referred to as sub-threshold) alternative investment fund manager within the meaning of Article 3 (2) of AIFMD (Directive 2011/61/EU) and § 2 (4) of the KAGB (German Investment Code), respectively. According to this sectoral legislation, T2Y is not required to, and therefore does not, establish and maintain a remuneration policy.

While sustainability risks are considered within T2Y's investment processes, the remuneration of T2Y's Board of directors, senior advisors or team members is not explicitly tied to the adequate management of sustainability risks or the achievement of sustainability targets. However, a portion of T2Y's carried interest will be linked to the attainment of certain ESG performance indicators.

T2Y aims to cultivate a culture where every team member is fully committed to integrating ESG considerations into T2Y's investment activities and fostering sustainable practices.

Annex: Publication history

Version	Publication Date	Description of the changes
1.0	18 December 2024	Initial Publication

Sustainability-related Product Disclosure according to Article 10 of the Regulation (EU) 2019/2088 (“SFDR”) for Financial Products that have sustainable Investments as their Objective

1. Summary

English

Tach2yone Growth Equity Fund I GmbH & Co. KG (“the Fund”) is a private equity fund focusing on investments in companies along the green energy value chain. The Fund is managed by Tach2yone GmbH, a registered alternative investment fund manager (“Kapitalverwaltungsgesellschaft”) (“T2Y”).

The Fund has sustainable investments as its objective in accordance with Article 9 SFDR.

Sustainable investments as stated in Article 2(17) SFDR are investments in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

As its sustainable investment objective, the Fund aims at supporting the attainment of UN SDG 7 “Affordable and clean energy”, UN SDG 9 “Industry, innovation and infrastructure”, and UN SDG 13 “Climate Action” through investing in growth companies along the green energy value chain that provide technological innovations and solutions to meet the critical needs of the Green Energy transition (provided that up to 20% of the commitments may be utilized for investments supporting the attainment of other UN SDGs). The UN SDGs (“United Nations Sustainable Development Goals”) are a set of 17 goals created by the United Nations to advance prosperity, living standards, health, and other social conditions as well as peace and environmental protection globally by 2030.

To reach its sustainable investment objective, the Fund applies a sustainable investment strategy during which each target company is assessed as to its positive contribution to the sustainable investment objective, its potential negative impacts on sustainability factors and its governance practices.

The Fund’s investments positively contribute to the sustainable investment objective by providing equity capital to companies offering products, services or technologies that support the attainment of UN SDG 7, 9, and / or 13. Companies must generate at least 50% of their total revenue with such products, services or technologies to be considered for infdatavestment (in exceptional cases, the revenues can also contribute to the attainment of other UN SDGs). Alternatively, a company may also contractually commit to using the capital provided exclusively for business activities contributing to UN SDG 7, 9, and / or 13, if it does not fulfill the 50%-threshold (provided that up to 20% of the commitments may be utilized for investments supporting the attainment of other UN SDGs).

To ensure that the Fund’s investments not only positively contribute to its sustainable investment objective, but also, at the same time, do not significantly harm any sustainable investment objective, the negative impacts of companies’ business activities on the environment and society, are taken into account when making an investment decision. Those negative impacts are measured based on the principle adverse indicators from Annex I of Regulation (EU) 2022/1288 (“SFDR Delegated Regulation”) (“PAI Indicators”). Companies have to fulfill T2Y’s predefined specifications and thresholds for the PAI indicators to be considered for investment. For a limited number of PAI Indicators, alternative assessment criteria may be taken into account in the case of non-compliance with the specifications and thresholds, to determine if the requirement of no significant harm is still fulfilled.

Furthermore, the Fund only intends to invest in companies that follow good governance principles, in particular with respect to sound management structures, employee relations, remuneration of staff and tax compliance and in alignment with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. Target companies' governance principles are assessed through a proprietary good governance due diligence process, based on information and documents provided by the companies as well as additional research by T2Y and may also include information by external experts. The Fund only invests in companies for which T2Y has no indication that the company has violated or is violating good governance principles.

Additionally, the Fund applies sector-based exclusion criteria, which generally excludes investments in companies that generate revenues with business activities in controversial sectors as well as exclusions regarding controversial business practices.

100% of the Fund's investments follow the Fund's sustainable investment strategy and therefore qualify as sustainable investments. The Fund may also invest, on an ancillary basis, monies in cash deposits or other short-term negotiable instruments as cash management tool for liquidity purposes.

Portfolio companies' ongoing compliance with the sustainable investment strategy is continuously monitored through an annual assessment. Additionally, T2Y monitors portfolio companies' potential involvement in environmental, social or governance-related controversies. As a result of the monitoring, T2Y may engage with portfolio companies on solutions to remedy adverse impacts or controversies and agree on a strategic time plan, measures, and targets to solve the identified issues.

To measure the attainment of its sustainable investment objective, the Fund applies the sustainability indicator "SDG Alignment", which measures the aggregated, portfolio-weighted revenue share of portfolio companies generated from products, services and technologies that contribute to the attainment of UN SDG 7, 9 and / or 13 (provided that up to 20% of the commitments may be utilized for investments supporting the attainment of other UN SDGs).

T2Y sources the data on environmental, social and governance factors ("ESG data") relevant to the Fund's sustainable investment strategy directly from the companies with the support of an external provider (if needed). While data may be missing or may be inaccurate, T2Y has implemented measures to improve the data availability (e.g. estimations based on reasonable assumptions, additional assessment criteria), so that those limitations do not affect the attainment of the sustainable investment objective.

To meet its due diligence obligations, T2Y thoroughly screens all target companies of the Fund, including with regard to their environmental, social and governance related risks and opportunities. Any investment decision is presented to the investment committee and approved by the investment committee and T2Y's managing directors.

The Fund does not have a reference index and its primary investment objective is not to reduce carbon emissions.

Deutsch

Tach2yone Growth Equity Fund I GmbH & Co. KG (“the Fund”) ist ein Private Equity Fonds, der sich auf Investitionen in Unternehmen entlang der Wertschöpfungskette für erneuerbare Energien fokussiert. Der Fonds wird von der Kapitalverwaltungsgesellschaft Tach2yone GmbH (“T2Y”) verwaltet.

Der Fonds hat nachhaltige Investitionen zum Ziel in Übereinstimmung mit Artikel 9 der Verordnung (EU) 2019/2088 (“SFDR”).

Nachhaltige Investitionen gemäß Artikel 2(17) SFDR sind Investitionen in eine Wirtschaftstätigkeit, die zur Erreichung eines Umweltziels oder sozialen Ziels beiträgt, vorausgesetzt, dass diese Investition keine Umweltziele oder sozialen Ziele erheblich beeinträchtigt und die Unternehmen, in die investiert wird, Verfahrensweisen guter Unternehmensführung anwenden.

Der Fonds hat sich das nachhaltige Anlageziel gesetzt, durch Investitionen in Wachstumsunternehmen entlang der Wertschöpfungskette erneuerbarer Energien die Erreichung der UN-SDGs – UN SDG 7 „Bezahlbare und saubere Energie“, UN SDG 9 „Industrie, Innovation und Infrastruktur“ und UN SDG 13 „Maßnahmen zum Klimaschutz“ – zu fördern (bis zu 20% der Kapitalzusagen können für Investitionen verwendet werden, welche zur Erreichung anderer UN SDGs beitragen). Diese Unternehmen bieten technologische Innovationen und Lösungen an, um eine grüne Energiewende voranzutreiben. Die UN SDGs (“United Nations Sustainable Development Goals”) umfassen 17 Zielsetzungen, die von den Vereinten Nationen initiiert wurden um Wohlstand, Lebensstandards, Gesundheit und andere soziale Bedingungen wie Frieden sowie den Schutz der Umwelt weltweit bis 2030 zu fördern.

Um sein nachhaltiges Investitionsziel zu erreichen, wendet der Fonds eine nachhaltige Anlagestrategie an. Im Rahmen der nachhaltigen Anlagestrategie werden die Zielunternehmen im Hinblick auf ihren positiven Beitrag zum nachhaltigen Investitionsziel, ihre potenziellen negativen Auswirkungen auf Nachhatligkeitsfaktoren sowie ihre Unternehmensführung bewertet.

Die Investitionen des Fonds tragen zum nachhaltigen Investitionsziel bei, indem sie Eigenkapital für Unternehmen bereitstellen, die Produkte, Dienstleistungen oder Technologien anbieten, die die Erreichung des UN SDG 7, 9, und / oder 13 fördern. Unternehmen müssen mindestens 50% ihres Umsatzes mit solchen Produkten, Dienstleistungen oder Technologien erwirtschaften, um als Investition für den Fonds in Frage zu kommen (bis zu 20% der Kapitalzusagen können für Investitionen verwendet werden, welche zur Erreichung anderer UN SDGs beitragen). Für den Fall, dass ein Unternehmen diesen 50%-Schwellenwert nicht erreicht, kann es dennoch als Investition in Frage kommen, sofern sich das Unternehmen vertraglich dazu verpflichtet, das bereitgestellte Kapital nur für Wirtschaftsaktivitäten zu verwenden, die zu den UN SDGs 7, 9, und / oder 13 beitragen (bis zu 20% der Kapitalzusagen können für Investitionen verwendet werden, welche zur Erreichung anderer UN SDGs beitragen).

Um sicherzustellen, dass die Investitionen des Fonds nicht nur zum nachhaltigen Investitionsziel beitragen, sondern auch gleichzeitig keinem nachhaltigen Anlageziel schaden, werden die negativen Auswirkungen, die die Wirtschaftsaktivitäten eines Unternehmens auf die Umwelt und Gesellschaft haben kann, in die Investitionsentscheidung miteinbezogen. Diese negativen Auswirkungen werden anhand der Indikatoren für negative Auswirkungen auf Nachhaltigkeitsfaktoren aus Anhang I der Verordnung (EU) 2022/1288 („PAI-Indikatoren“) gemessen. Die Unternehmen müssen von T2Y definierte Ausprägungen und Schwellenwerte / Maximalwerte einhalten, um als Investition für den Fonds in Frage zu kommen. Für eine begrenzte Anzahl an PAI-Indikatoren können alternative Bewertungskriterien herangezogen werden, sollte ein Unternehmen die definierten Ausprägungen und Schwellenwerte nicht einhalten, um festzustellen, ob keine erhebliche Beeinträchtigung von nachhaltigen Zielen vorliegt.

Zudem beabsichtigt der Fonds nur in Unternehmen zu investieren, die Prinzipien guter Unternehmensführung anwenden, insbesondere im Hinblick auf solide Managementstrukturen, die Beziehungen zu den Arbeitnehmern, die Vergütung von Mitarbeitern sowie die Einhaltung der Steuervorschriften, und damit im Einklang mit den OECD-Leitsätzen für multinationale Unternehmen und den Leitprinzipien der Vereinten Nationen für Wirtschaft und Menschenrechte stehen. Die Unternehmensführung der Unternehmen wird durch einen proprietären Due Diligence Prozess geprüft, basierend auf Informationen und Dokumenten, die von den Unternehmen bereitgestellt werden, sowie zusätzlichen Recherchen von T2Y und ggf. Informationen und Einschätzungen von externen Experten. Der Fonds investiert nur in Unternehmen, bei denen T2Y keine Anhaltspunkte dafür hat, dass das Unternehmen gegen Prinzipien guter Unternehmensführung verstößt bzw. verstoßen hat.

Zusätzlich werden bei dem Fonds branchenbezogene Ausschlusskriterien angewendet, mit denen Investitionen in Unternehmen, die Umsätze in kontroversen Geschäftsfeldern generieren, ausgeschlossen werden. Zudem werden Ausschlusskriterien hinsichtlich kontroverser Geschäftspraktiken angewendet.

100% der Investitionen des Fonds folgen der nachhaltigen Anlagestrategie und qualifizieren sich damit als nachhaltige Investitionen. Der Fonds kann ergänzend auch Liquiditätsanlagen als Bareinlagen oder andere kurzfristig handelbare Anlageinstrumente zum Zweck der Liquditätssteuerung tätigen.

Die kontinuierliche Übereinstimmung der Portfoliounternehmen mit der nachhaltigen Anlagestrategie wird mithilfe einer jährlich wiederholten Bewertung überwacht. Zudem überwacht T2Y die Portfoliounternehmen im Hinblick auf deren potenzielle Verwicklung in Umwelt-, soziale oder die Unternehmensführung betreffende Kontroversen. Als Konsequenz kann T2Y bei Bedarf in Kontakt mit den Unternehmen treten, um Lösungen zu finden, die darauf abzielen, die negativen Auswirkungen oder Kontroversen zu beheben und sich auf einen Zeitplan, Maßnahmen und Ziele zu verständigen, um die identifizierten Probleme zu lösen.

Um die Erreichung des nachhaltigen Investitionsziels zu messen, verwendet der Fonds den Nachhaltigkeitsindikator „SDG Alignment". Das „SDG Alignment" des Fonds misst den aggregierten, portfoliogewichteten Umsatzanteil der Portfoliounternehmen mit Produkten, Dienstleistungen und Technologien, die zur Erreichung des UN SDG 7, 9 und / oder 13 beitragen (bis zu 20% der Kapitalzusagen können für Investitionen verwendet werden, welche zur Erreichung anderer UN SDGs beitragen).

T2Y erhebt die Daten zu den relevanten Umwelt- und sozialen Faktoren sowie zur Unternehmensführung („ESG-Daten") direkt von den Unternehmen. Zur Unterstützung beim Datenerhebungsprozess ist ein externer Dienstleister beauftragt. Zwar können die ESG-Daten unter Umständen unvollständig oder falsch bzw. ungenau sein, allerdings wird dadurch die Erreichung des nachhaltigen Investitionsziels nicht beeinträchtigt, da T2Y Maßnahmen ergriffen hat, um die Datenverfügbarkeit unter den gegebenen Umständen zu optimieren (z.B. durch Schätzungen basierend auf verhältnismäßigen Annahmen, zusätzliche Bewertungskriterien).

Um seiner Sorgfaltspflicht nachzukommen, überprüft T2Y alle Zielunternehmen gründlich, auch im Hinblick auf deren Risiken und Chancen hinsichtlich ESG-Faktoren. Jede Investitionsentscheidung wird dem Investmentkomittee vorgelegt und von den Geschäftsführern bestätigt.

Der Fonds verwendet keinen Referenzindex und verfolgt auch nicht primär ein Treibhausgasemissionsreduktionsziel als nachhaltiges Anlageziel.

2. No Significant Harm to the Sustainable Investment Objective

The Fund has sustainable investments as its objective in accordance with Article 9 of Regulation (EU) 2019/2088 ("SFDR").

Sustainable investments as stated in Article 2(17) SFDR, are investments in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

To ensure that the Fund's sustainable investments do not cause significant harm to any environmental or social investment objectives, the negative impacts of a company's business activities on the environment and the society as well as their governance is evaluated during the Fund's investment process, accounted for in the investment decision, and ongoingly monitored post-investment.

A company's negative impacts on the environment and society are assessed based on the indicators for principal adverse impacts on sustainability factors („PAI indicators") set forth in Annex I of SFDR Delegated Regulation. The following PAI indicators are considered in the pre-investment analysis of target companies, the investment decision and the post-investment monitoring of portfolio companies:

Table 1, Annex I, SFDR Delegated Regulation	
PAI indicator	Threshold
1. GHG emissions	N/A; Implicitly covered via PAI 3.
2. Carbon footprint	N/A; Implicitly covered via PAI 3.
3. GHG intensity	< 20,000 t CO2e / EUR m
4. Exposure to companies active in the fossil fuel sector	No
5. Share of non-renewable energy consumption and production	Consumption < 95% Production = 0% or n/a;
6. Energy consumption intensity per high impact climate sector	<30 GWh/ EUR m
7. Activities negatively affecting biodiversity-sensitive areas	No
8. Emissions to water	<30,000 t
9. Hazardous waste and radioactive waste ratio	<30,000 t
10. Violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises	0 and no good governance due diligence fail
11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises	No compliance processes or good governance due diligence fail
12. Unadjusted gender pay gap	<40%
13. Board gender diversity	0%
14. Exposure to controversial weapons	No

Table 2, Annex I, SFDR Delegated Regulation	
9. Investments in companies producing chemicals	No
Table 3, Annex I, SFDR Delegated Regulation	
17. Number of convictions and amount of fines for violation of anti-corruption and anti-bribery laws	non-neglectable fines

To evaluate if a company's business activities significantly harm sustainable investment objectives, T2Y defined specifications and thresholdsregarding the PAI indicators for the companies the Fund invests in (please refer to table 1).

Portfolio companies have to fulfill the defined criteria, i.e. specifications and **thresholds**, for each of the PAI indicators in order to be evaluated as not causing significant harm and therefore be considered as sustainable investment for the Fund.

If a company does not comply with certain and a limited number of criteria or there is only limited data available to measure the PAI, a process is initiated to determine if the company can still be considered a sustainable investment. This includes minimum requirements for the PAI data coverage, and additional assessment criteria for a limited number of PAI indicators. Only in the case of a successful process, establishing that there is no evidence that the company significantly harms any environmental or social objectives, the company can be considered as a sustainable investment.

The ongoing compliance of portfolio companies with the PAI specifications and thresholds is monitored by an annual re-assessment of the PAIs of the portfolio companies. Additionally, portfolio companies are regularly monitored by T2Y (at least once every quarter) as to arising controversies regarding environmental, social and governance issues based on desk research.

Should a company display substantial changes in its PAIs during the management period, so that it does not fulfill the defined specifications and thresholds anymore or should the involvement in substantial controversies regarding its environmental or social impact or governance be detected, T2Y enters into active dialogue with the portfolio company to find solutions to remedy the violations. Where there is no improvement perspective or the company is not responsive, disinvestment may follow as a last resort and final stage of escalation.

Additionally, the Fund's sustainable investments only provide capital to companies that T2Y has evaluated as following good governance practices, in particular with respect to sound management structures, employee relations, remuneration of staff and tax compliance and in alignment with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights.

The OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights define guidelines for responsible business conduct, covering areas such as human rights, labor rights, environment, bribery, consumer interests, information disclosure, science and technology, competition, and taxation.

Companies' governance practices are assessed during the investment process based on information provided by the companies on their governance structures, processes, and guidelines. This includes for example the companies' involvement in illegal practices, their measures against corruption including extortion and bribery, their respect of human rights, labor rights and diversity of their workforce, their remuneration practices, and their tax transparency. The information is evaluated and validated by T2Y through documents provided by the company, additional research as well as any other insights from the dialogue with the companies.

Post-investment, the portfolio companies' compliance with good governance principles is continuously monitored by renewing the assessment process described above annually. Additionally, arising controversies regarding governance issues concerning the portfolio companies are regularly monitored by T2Y (at least once every quarter) based on desk research.

3. Sustainable Investment Objective of the Financial Product

The Fund's sustainable investment objective is to support the attainment of the following United Nations Sustainable Development Goals ("UN SDG"): UN SDG 7 "Affordable and clean energy", UN SDG 9 "Industry, innovation and infrastructure", and UN SDG 13 "Climate Action" (provided that up to 20% of the commitments may be utilized for investments supporting the attainment of other UN SDGs).

The UN SDGs are a set of 17 goals created by the United Nations to advance prosperity, living standards, health, and other social conditions as well as peace and environmental protection globally by 2030.

The Fund's investments contribute to its sustainable investment objective by providing equity capital to growth companies developing or producing technological solutions that advance decarbonization through renewable energy production or an increase in energy efficiency, thereby reducing the financing gap for the green energy transition and therefore ultimately supporting the attainment of UN SDG 7, 9 and 13.

A company's contribution to UN SDG 7, 9 and / or 13 (provided that up to 20% of the commitments may be utilized for investments supporting the attainment of other UN SDGs) is based on its revenue with products, services and / or technologies, that support the attainment of UN SDG 7, 9 and / or 13.

The Fund only invests in companies that generate at least 50% of its revenues from products, services and / or technologies that contribute to the attainment of UN SDG 7, 9 and / or 13 (provided that up to 20% of the commitments may be utilized for investments supporting the attainment of other UN SDGs) or, alternatively, that contractually commit to exclusively using the capital provided for such activities.

The Fund's investments are not aligned to specifically contribute to the environmental objectives set out in Regulation (EU) 2020/852 ("EU Taxonomy").

4. Investment Strategy

The Fund's investment strategy is to provide long-term investment returns by making equity and quasi-equity investments (including, but not limited to shareholder loans, convertible loans, bridge loans and other securities providing access to share capital) in a portfolio of growth and mature companies being predominantly active in the sector of energy transition, which can be linked to energy infrastructure, environmental services and energy technology and innovation. Please refer to the Fund's Limited Partnership Agreement for details on the general investment strategy.

To attain the sustainable investment objective, the Fund follows a sustainable investment strategy where the Fund's investments ("Investments", includes capital invested, cash and cash equivalents) qualify as sustainable investments according to Art. 2(17) SFDR.

In a first step, the Fund's investment strategy applies sector-based exclusion criteria, which generally excludes investments in companies that generate revenues with business activities in controversial sectors as well as exclusions regarding controversial business practices.

The Fund applies the following sector-based exclusions: It does not invest in companies that generate revenue from

- Manufacturing tobacco products
- Gambling and betting activities
- Manufacturing of controversial weapons (i.e. cluster ammunition, biological weapons, chemical weapons) (excluding suppliers of components of controversial weapons)
- Adult entertainment
- Alcohol production
- Recreational cannabis

The Fund applies the following exclusions based on controversial business practices: It does not invest in companies where

- Severe human rights violations according to the principles of the UN Global Compact are identified.
- The use of forced labor or child labor according to the principles by the International Labour Organization (ILO) laid out in the ILO Declaration on Fundamental Principles and Rights at Work is identified.

In a second step, the business activities of companies are analyzed regarding their contribution to the attainment of UN SDG 7, 9, and / or 13 based on information provided by the company as well as additional research by T2Y. Companies have to generate at least 50% of its revenues from products, services and / or technologies that support the attainment of UN SDG 7, 9, and / or 13 ("SDG-aligned revenues") (provided that up to 20% of the commitments may be utilized for investments supporting the attainment of other UN SDGs) to be considered in the further investment process. If a company generates less than 50% SDG-aligned revenues, but contractually commits to using the equity capital provided through the investment by T2Y exclusively for business activities that contribute to the attainment of UN SDG 7, 9 and / or 13 (provided that up to 20% of the commitments may be utilized for investments supporting the attainment of other UN SDGs), the company can also be considered in the further investment process.

Besides positively contributing to the attainment of UN SDG 7, 9 and / or 13 (provided that up to 20% of the commitments may be utilized for investments supporting the attainment of other UN SDGs), companies' business activities also must not significantly harm sustainable investment objectives. Therefore, in the further investment process, companies' negative impacts on the environment and society are analyzed based on the PAI indicators from Annex I (EU) 2022/1288 as described in the section "No significant harm to the sustainable investment objective". Companies have to fulfill defined thresholds and specifications (please refer to table 1) with regard to the PAI indicators to be considered in the further investment process. In case a company does not comply with certain and a limited amount of thresholds / specifications, a process may be initiated to determine if the company can still be considered for an investment by applying alternative assessment criteria. In this case, a company must fulfill the additional assessment criteria to be considered for investment.

As a last step, T2Y qualitatively assesses a company's governance practices based on information provided by the company as well as additional research by T2Y to determine if a company follows good governance practices.

T2Y understands good governance as acting and managing a company responsibly with regards to employees, clients, business partners / suppliers, shareholders, affected communities and the society as a whole.

Good governance practices include sound management structures (including risk management / audit, anti-corruption and anti-bribery practices, transparency, anti-money-laundering practices), the respect of employees' human and labor rights, the respect for diversity of the workforce, the provision of decent working conditions, the fair remuneration of staff and tax compliance.

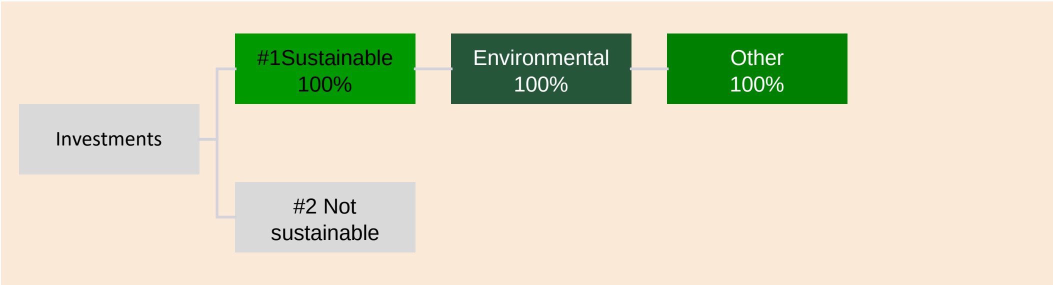
Companies are only considered for investment, if T2Y evaluated that these companies apply good governance practices based on T2Y's evaluation of information provided by the company on its governance structures, processes and guidelines and a validation of the information through a proprietary good governance due diligence.

5. Proportion of Investments

100% of the Fund's Investments are used to meet the sustainable investment objective in accordance with the binding elements of the investment strategy and therefore qualify as sustainable investments ("#1 Sustainable"). The minimum share of sustainable investments is comprised exclusively of sustainable investments with an environmental objective ("Environmental"), that are not aligned with the EU Taxonomy ("Other").

Investments in companies generating at least 50% of their revenues with products, services and / or technologies that contribute to the attainment of UN SDG 7, 9 and / or 13 (provided that up to 20% of the commitments may be utilized for investments supporting the attainment of other UN SDGs) fully count towards the share of sustainable investments (provided that they also do not harm environmental or social objectives, apply good governance practices and comply with the exclusion criteria). Additionally, where a company generates less than 50% of its revenues with products, services and / or technologies that contribute to the attainment of UN SDG 7, 9 and / or 13 (provided that up to 20% of the commitments may be utilized for investments supporting the attainment of other UN SDGs), but contractually commits to exclusively using the capital provided through the investments for such activities, the whole investment counts towards the share of sustainable investments. The Fund therefore applies an entity-based approach to evaluate the share of sustainable investments.

The Fund may invest, on an ancillary basis, monies in cash deposits or other short-term negotiable instruments pending re-investment, the completion of an investment or the payment of distributions. Due to their technical nature as cash management tool used for liqudity purposes, these assets are not considered long-term investments and do not form part of the Fund's investment strategy. However, these have to comply with minimum environmental and/ or social safeguards, in particular with regard to the "no signifacant harm" principle, which will be assessed by SFDR information provided by the relevant company



6. Monitoring of Sustainable Investment Objective

A company's compliance with the sustainable investment strategy is assessed and documented pre-deal during the investment process. The Fund can only make investment decisions that comply with the sustainable investment strategy and its binding elements.

The ongoing compliance of the portfolio companies with the binding elements of the Fund's investment strategy is continuously monitored and documented during the management phase through annual assessments of the portfolio companies. Should a company not comply with the defined criteria anymore, T2Y engages with the portfolio companies to find solutions to remedy the discrepancies. Where there is no improvement perspective or the company is not responsive, disinvestment may follow as a last resort and final stage of escalation.

7. Methodologies

The Fund applies T2Y's proprietary sustainable investment framework. Within the framework, the sustainability indicator "SDG Alignment" is used to measure the attainment of the Fund's sustainable investment objective.

The Fund's "SDG Alignment" measures the aggregated, portfolio-weighted revenue share of portfolio companies generated from products, services and technologies that contribute to the attainment of UN SDG 7, 9 and / or 13 (provided that up to 20% of the commitments may be utilized for investments supporting the attainment of other UN SDGs).

The Fund's "SDG Alignment" is reported as part of its sustainability-related disclosures within its annual report.

8. Data Sources and Processing

The data used to measure the companies' positive contribution to the Fund's sustainable investment objective as well as to evaluate their potentially negative effects on the environment and society based on the PAI indicators, their good governance practices and the exclusion criteria applied within the investment process is sourced directly from the companies through a questionnaire.

Pre-investment, the questionnaire is sent to target companies during the due diligence phase. Post-investment, the questionnaire is sent to portfolio companies on an annual basis.

For the data collection process, the company is responsible. If necessary, T2Y may assist by connecting with an external provider, who is specialized in supporting companies in collecting PAI data. T2Y obtains the data from the service provider and processes the data internally for the use within the investment decision process, the post-investment monitoring process as well as for reporting purposes.

To receive as complete ESG data as possible by the companies, T2Y or the service provider may support the companies in questions regarding the methodologies to measure the requested data points. In the case a company cannot provide the relevant data, the external service provider, other external experts or T2Y may complement the data with estimates based on additional research from publicly available information or other information provided by the company and by making reasonable assumptions, e.g. under consideration of the size and industry of the company.

9. Limitations to Methodologies and Data

Limitations may mainly arise from missing or inaccurate ESG data.

Missing ESG data may impact the possibility to identify a company's positive contribution to the sustainable investment objective, its principal adverse impacts or its compliance with good governance principles. This may affect the ability to assess a company's compliance with the Fund's sustainable investment strategy. To address this limitation, T2Y uses best efforts to obtain as complete PAI data as possible by supporting the companies with the methodologies to source the data as well as by complementing the data with proprietary estimates or estimates by the external service provider used or any other ESG experts. Additionally, T2Y has implemented measures that are applied in the case of missing ESG data, especially for the PAI data, which may be complex to source for the companies as well as to estimate. The measures include a minimum coverage rate for the PAI data, where companies not fulfilling the minimum coverage rate for their PAI data are excluded from the investment process, and controversy checks regarding the relevant sustainability factors where PAI data is missing.

Additionally, inaccurate ESG data may impact the assessment of target companies and the investment decision taken. However, the probability of incorrect data is seen as relatively low since PAI data directly reported by the companies is used preferably and estimates may only be used in limited cases where no PAI data from the company is available and can also not be sourced in collaboration with the company.

Through T2Y's best efforts to source as complete ESG data as possible, the direct sourcing of data from the portfolio companies as well as the measures implemented in the case of missing data, the sustainable investment objective is not affected by the described limitations.

10. Due Diligence

Due diligence is part of the Fund's overall investment process. Pre-investment, target companies are thoroughly screened, including regarding their environmental, social and governance related risks and opportunities. After the investment has been made, the investee companies are subject to ongoing monitoring. The due diligence is conducted by T2Y and may be complemented by assessments from external service providers. Any investment decision is presented to the investment committee and approved by T2Y's managing directors.

11. Engagement Policies

Engagement with the Fund's portfolio companies forms an integral part of the post-investment monitoring process.

Should T2Y detect any substantial negative changes in regard to a portfolio company's principal adverse impacts in relation to the assessment criteria applied pre-investment or should T2Y find evidence, that a portfolio company is involved in controversies regarding environmental or social issues or its governance, T2Y enters into dialogue with the company to find solutions to remedy the adverse impacts or controversies and agree – within its role as shareholder - on a strategic time plan, measures and targets to solve the identified issues.

In the case a company repeatedly acts non-responsive to engagement approaches by T2Y and does not agree on remediation plans and targets, T2Y on behalf of the Fund may consider disinvestment as a last resort and final step of escalation.

The engagement efforts take into account the size of the investment and strategic positioning regarding the portfolio companies.

12. Attainment of the Sustainable Investment Objective

The Fund does not have a reference index and its primary investment objective is not to reduce carbon emissions. Rather, the Fund's investment objective is to support the attainment of UN SDG 7 "Affordable and clean energy", UN SDG 9 "Industry, innovation and infrastructure" and UN SDG 13 "Climate Action". Up to 20% of the commitments may be utilized for investments supporting the attainment of other UN SDGs. This is attained through investing in growth companies along the green energy value chain that provide technological innovations and solutions to meet the critical needs of the Green Energy transition and therefore support the attainment of the aforementioned UN SDGs.

Annex: Publication history

Version	Publication Date	Description of the changes
1.0	18 December 2024	Initial Publication