

## Orlando Capital GmbH: Sustainability-related disclosures

Date: May 2<sup>nd</sup>, 2022

Date of Update: July 27<sup>th</sup>, 2023 (clarification on the consideration of principal adverse impacts, implementation of recent legislative and regulatory developments as well as editorial amendments)

Date of Update: June 25<sup>th</sup>, 2024 (clarification on the consideration of principal adverse impacts)

Date of Update: 1 January, 2025 (implementation of OC V premium GmbH & Co. KG and Trilenos GmbH & Co. KG as financial product, implementation of recent legislative and regulatory developments as well as editorial amendments, clarification on the consideration of principal adverse impacts)

### I. Art. 3 SFDR – Sustainability risks

Orlando Capital GmbH (“**Orlando**”, LEI: 529900OD736HBKWCZ017) considers sustainability risks as part of its investment decision-making process. Sustainability risks are environmental, social or governance events or conditions, the occurrence of which could have an actual or potential material adverse effect on the value of the investment. Orlando considers sustainability risks as part of the due diligence process prior to any investment as well as in the holding phase of each investment. This also includes an assessment of sustainability risks. Such assessment is being conducted through a two-step approach (see section “*Methodologies for environmental or social characteristics*”) as appropriate in light of the circumstances of the individual case. The results of such an assessment are taken into account when the investment decision is being taken. However, Orlando remains free in its decision to refrain from investing or to invest despite sustainability risks in which case Orlando can also apply measures to reduce or mitigate any sustainability risks. At all times, Orlando will apply the principle of proportionality taking due account of the strategic relevance of an investment as well as its transactional context.

### II. Art. 4 SFDR – Statement on principal adverse impacts of investment decisions on sustainability factors

#### Summary

Orlando considers principal adverse impacts of its investment decisions on sustainability factors. Sustainability factors include environmental, social and employee concerns, respect for human rights and the fight against corruption and bribery.

The present statement is the first consolidated statement on principal adverse impacts on sustainability factors of Orlando for the following financial products (jointly the “**Fund**”):

- Orlando Capital V GmbH & Co. KG (the “**Fund V**”),
- Orlando Capital V Institutional GmbH & Co. KG (the “**Institutional V**”),
- Orlando Capital V Structured GmbH & Co. KG (the “**Structured V**”),
- OC V premium GmbH & Co. KG (the “**Feeder Entity**”) and
- Trilenos GmbH & Co. KG (the “**Trilenos**”).

Orlando applies a pre-defined set of sustainability indicators at portfolio company level. Since the sole purpose of the Feeder Entity is to invest in the Structured V and of the Institutional V, the Structured V and Trilenos is to invest in Fund V, data will only be collected at the level of Fund V’s portfolio companies. The set of sustainability indicators contains the mandatory indicators as set forth in no. 1 to 14 of Table 1 of Annex I of the Regulatory Technical Standards (Delegated Regulation (EU) 2022/1288, “**RTS**”) as well as the indicators no. 8 of Table 2 and no. 4 of Table 3 of Annex I. At all times, Orlando applies the principle of proportionality taking due account of the strategic relevance of an investment as well as its transactional context.

This statement on principal adverse impacts on sustainability factors covers the reference period from January 1, 2023 to December 31 2023. Since the Fund did not make any investments yet, Orlando was not able to collect data for the reference period and, hence, did not identify any adverse impacts of its investment decisions. The first aggregated statement on principal adverse impacts containing portfolio data will be published by Orlando in 2025.

#### Zusammenfassung

Orlando berücksichtigt bei Investitionsentscheidungen die „wesentlichen negativen Auswirkungen“ (PAIs) auf Nachhaltigkeitsfaktoren. Zu den Nachhaltigkeitsfaktoren zählen Umwelt, Soziales und Unternehmensführung, die Achtung der Menschenrechte sowie die Bekämpfung von Korruption und Bestechung.

Die vorliegende Erklärung ist die erste konsolidierte Erklärung von Orlando zu den „wesentlichen negativen Auswirkungen“ auf Nachhaltigkeitsfaktoren für die folgenden Finanzprodukte (gemeinsam der „Fonds“):

- Orlando Capital V GmbH & Co. KG (der „Fonds V“),
- Orlando Capital V Institutional GmbH & Co. KG (das „Institutional V“),
- Orlando Capital V Structured GmbH & Co. KG (das „Structured V“),
- OC V premium GmbH & Co. KG (die „Feeder Entity“) und
- Trilenos GmbH & Co. KG (die „Trilenos“).

Orlando wendet vordefinierte Nachhaltigkeitsindikatoren auf Ebene der Portfoliounternehmen an. Da der einzige Zweck von der Feeder Entity darin besteht, in Structured V zu investieren, und von Institutional V, Structured V und Trilenos darin besteht, in Fonds V zu investieren, werden die Daten nur auf der Ebene der Portfoliounternehmen von Fonds V erhoben. Die Auswahl an Nachhaltigkeitsindikatoren enthält die Pflichtindikatoren gemäß Nr. 1.1 bis 14 der Tabelle 1 des Anhangs I der Technischen Regulierungsstandards (Delegierte Verordnung (EU) 2022/1288, „RTS“) sowie die Indikatoren Nr. 8 der Tabelle 2 und Nr. 4 von Tabelle 3 von Anhang I. Orlando wendet stets den Grundsatz der Verhältnismäßigkeit an und berücksichtigt dabei in angemessenem Ausmaß die strategische Relevanz einer Investition sowie deren Transaktionskontext.

Diese Erklärung zu den „wesentlichen negativen Auswirkungen“ auf Nachhaltigkeitsfaktoren deckt den Referenzzeitraum vom 1. Januar 2023 bis zum 31. Dezember 2023 ab. Da der Fonds noch keine Investitionen getätigt hat, konnten keine Daten für den Referenzzeitraum erhoben werden. Die erste aggregierte Erklärung zu den wichtigsten negativen Auswirkungen, die Portfoliodaten enthält, wird 2025 von Orlando veröffentlicht.

Description of the principal adverse impacts on sustainability factors

<b>Indicators applicable to investments in portfolio companies*</b>						
*Where the term "investee companies" is used herein it shall have the meaning "portfolio companies"						
<b>Adverse sustainability indicator</b>		<b>Metric</b>	<b>Impact [year n]</b>	<b>Impact [year n-1]</b>	<b>Explanation</b>	<b>Actions taken, and actions planned and targets set for the next reference period</b>
<b>CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS</b>						
Greenhouse gas emissions	1. GHG emissions	Scope 1 GHG emissions				
		Scope 2 GHG emissions				
		Scope 3 GHG emissions				
		Total GHG emissions				
	2. Carbon footprint	Carbon footprint				
	3. GHG intensity of portfolio companies	GHG intensity of portfolio companies				
	4. Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector				
	5. Share of non-renewable	Share of non-renewable energy consumption and				

	energy consumption and production	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				
	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				
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				
Water	8. Emissions to water	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average				
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				
<b>INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS</b>						
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				
	11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines	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				

	for Multinational Enterprises	UNGC principles or OECD Guidelines for Multinational Enterprises				
	12. Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies				
	13. Board gender diversity	Average ratio of female to male board members in investee companies, expressed as a percentage of all board members				
	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				
<b>Other indicators for principal adverse impacts on sustainability factors</b>						
Water, waste and material emission  (no. 8 of Table 2 Annex I RTS)	Exposure to areas of high water stress	Share of investments in investee companies with sites located in areas of high water stress without a water management policy				
Social and employee matters  (no. 4 of Table 3 of Annex I RTS)	Lack of supplier code of conduct	Share of investments in investee companies without any supplier code of conduct (against unsafe working conditions, precarious work, child labour and forced labour)				

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

Orlando has implemented certain policies to identify and prioritize principal adverse impacts of its investment decisions on sustainability factors. These policies have been approved by the governing body of Orlando in February 2023. The responsibility for their implementation and application has been allocated to the transaction and operations team.

Orlando applies the mandatory indicators as set forth in no. 1 to 14 of Table 1 of the RTS as well as the indicators no. 8 and of table 2 and no. 4 of table 3 of Annex I. When Orlando identifies principal adverse impacts on sustainability factors at portfolio company level, it will discuss on a case-by-case basis with each portfolio company appropriate actions to mitigate such adverse impacts, in particular in light of the circumstances of the individual case, considering other impacts of the investment, its size, strategic importance and transactional context.

The indicators in no. 1 to 14 of Table 1 of Annex I are mandatory according to the RTS. The other indicators were chosen by taking into account their relevance with respect to Orlando's business strategy.

After an investment, *i.e.*, during the holding period, Orlando checks for adverse impacts on sustainability factors in regular intervals. The relevant data is collected from the portfolio companies quarterly by using the mandatory table from the RTS. At

the end of each reference period, Orlando aggregates the relevant data. When assessing principal adverse impacts, Orlando prioritizes the adverse impacts by taking into account the probability of occurrence and the severity of those impacts.

Information relating to any of the indicators used is primarily obtained from the portfolio companies. However, if information is not readily available, Orlando will use its best efforts to obtain the information or making reasonable assumptions. Thus, errors cannot be excluded completely. Yet, Orlando will always endeavor to identify such errors or inaccuracies and to intervene as appropriate.

The so described policies will be re-evaluated on a regular basis, *i.e.*, annually, in particular to reflect any legal or regulatory changes as well as data availability and further developments in the market. Hence, in the future, Orlando may also use other indicators to identify and assess additional principal adverse impacts.

#### Engagement policies

Orlando established an engagement policy to reduce the (principal) adverse impacts assessed through the indicators set forth in the table above in accordance with its set targets: Orlando will engage with its portfolio companies and organize, for instance, individual trainings for the respective portfolio companies to support them in avoiding or mitigating such adverse impacts. The specific indicators addressed differ by portfolio company. Where there is no reduction of principal adverse impacts over more than one period, Orlando will support respective projects, for instance, through sparring with project management.

#### References to international standards

Orlando is, as of today, signatory of the Principles of Responsible Investment (PRI). Apart from that, Orlando is not a member of any international bodies, organizations or required by any national or international convention or standard to comply with any further requirements. Orlando has, as of today, not committed to comply with the objectives of the Paris Agreement. Orlando does not use a forward-looking climate scenario as ambitious targets are set independent of external projections.

### **III. Art. 5 SFDR – Remuneration disclosure**

As a registered alternative investment fund manager within the meaning of section 2 (4) of the KAGB, Orlando does not have, and does not need to have, a remuneration guideline or policy in accordance with the requirements of the KAGB. Sustainability risks are not considered with respect to the determination of the remuneration.

### **IV. Art. 10, 8 SFDR – Sustainability-related disclosures**

The following disclosures relate to Orlando Capital V GmbH & Co. KG. Since the sole purpose of the Institutional V, the Structured V, the Feeder Entity and Trilenos is to invest in Fund V, the following disclosures apply indirectly also to these funds as their committed capital mirrors the investment strategy of the Fund.

#### Summary

The Fund considers certain environmental and/or social characteristics as part of its investment decisions but does not seek to make sustainable investments as defined in the SFDR. The consideration of environmental and/or social characteristics is carried out both before and after the investments. For this purpose, information is initially and regularly obtained from the portfolio companies by means of qualitative queries. Following a two-step approach during the investment decision phase and to identify material sustainability risks and opportunities, Orlando subjects each potential investment to an institutionalized ESG due diligence process.

#### Zusammenfassung

Der Fonds berücksichtigt bestimmte ökologische und/oder soziale Merkmale im Rahmen seiner Investitionsentscheidungen, strebt aber keine nachhaltigen Investitionen im Sinne der SFDR an. Die Berücksichtigung von Umwelt- und/oder Sozialmerkmalen erfolgt sowohl vor als auch nach den Investitionen. Zu diesem Zweck werden zunächst und regelmäßig Informationen von den Portfoliounternehmen durch qualitative Abfragen eingeholt. Der Fonds bezieht Exklusionsaspekte (negatives Screening) in seinen Entscheidungsprozess ein. Die in diesem Abschnitt beschriebenen Handlungen und Entscheidungen erfolgen jeweils durch Orlando für den Fonds.

### No sustainable investment objective

The Fund promotes environmental or social characteristics but does not have as its objective sustainable investment.

### Environmental or social characteristics of the financial product

The environmental and/or social characteristics promoted by the Fund are its investment exclusions. These exclusion criteria are binding for each portfolio company of the Fund. In addition, investments are not made if ESG due diligence reveals significant risks.

Beyond that, as part of the ESG approach of the Fund, Orlando strongly believes that the Sustainable Development Goals can help as an integrated approach to address the complex nature of sustainable development in a balanced and integrated manner. The SDGs encourage companies to reduce their negative impacts while enhancing their positive contribution to the sustainable development agenda. Although the first addressees of the SDGs are nations, the SDGs explicitly call on all businesses to use their resources and innovation to solve the challenges of sustainable development. To that end, Orlando's investment strategy for the Fund will foster to contribute to specific SDGs, which can be linked to a clear investment case and commercial opportunity.

As an environmental characteristic, the Fund includes companies that contribute to, but are not limited to, at least one, of the following SDGs: Climate Action, Industry Innovation and Infrastructure, Responsible Consumption and Production. As a social characteristic, the Fund includes companies that contribute to, but are not limited to, at least one, of the following SDGs: Good Health and Well-being, Decent Work and Economic Growth, Industry, Innovation and Infrastructure, Reduced Inequalities, Responsible Consumption and Production.

Orlando regularly measures progress on the SDGs. This SDG monitoring is an instrument to track and monitor the status of SDG implementation and contribution of each portfolio company. The results of the monitoring will be used to derive more targeted actions and to obtain a progressive target-performance comparison. SDG monitoring is provided and evaluated by an external ESG service provider together with Orlando as part of a regular ESG assessment.

### Investment strategy

The Fund will focus on majority investments in portfolio companies with a revenue between EUR 100 million and EUR 1 billion, including portfolio companies that pursue a buy-and-build strategy or should be used as the basis for establishing a buy-and-build strategy; it will not focus on a specific industrial sector. The Fund will focus on investments in the DACH region (Germany, Austria and Switzerland) as well as the Nordics.

The Fund's ESG approach comprises part of its investment strategy, which is consistently applied for every portfolio company investment. The Fund shall not invest, guarantee or otherwise provide financial or other support, directly or indirectly, to companies, including portfolio companies, or other entities whose business activity consists of:

- (a) Any illegal economic activities;
- (b) Any illegal research or innovation activities;
- (c) Production of, or trade with, tobacco and distilled alcoholic beverages;
- (d) Production of, or trade with, other non-alcoholic recreational drugs and related products than tobacco and distilled alcoholic beverages;
- (e) Financing and production of, or trade in, weapons and ammunition of any kind;
- (f) Pornography;
- (g) Research, development or technical applications relating to electronic data programs or solutions, which are intended to enable to illegally enter into electronic data networks or download electronic data.

A fundamental aspect of Orlando's ESG approach is the governance and management structure that is established for each portfolio company. During the acquisition and holding phase, the organization, implementation and monitoring of good governance are analyzed. The management of each company is responsible for implementing possible recommendations for action in the area of governance and compliance. Orlando supports the portfolio companies in fostering a culture of compliance and good governance.

### Proportion of investments

The Fund invests fully in line with its investment strategy and investment restrictions. The Fund does not intend to make any investments which are not aligned with its environmental or social characteristics. The Fund does not make and does not intend to make sustainable investments; hence, no portion of its investments can be expected to be aligned with the Taxonomy.

### Monitoring of environmental or social characteristics

The Fund has an increased awareness of the impact of sustainability risks on risk management and thus on the value potential of investments. The Fund consults with the portfolio companies on an *ad-hoc* basis and will carry out further checks if there are indications of potential issues with the Fund's ESG approach. Therefore, the Fund monitors compliance with the ESG requirements on an ongoing basis. External monitoring mechanisms are not provided.

Orlando regularly measures progress on the SDGs. This SDG monitoring is an instrument to track and monitor the status of SDG implementation and contribution of each portfolio company. The results of the monitoring will be used to derive more targeted actions and to obtain a progressive target-performance comparison. SDG monitoring is provided and evaluated by an external service provider together with Orlando as part of a regular ESG assessment.

### Methodologies for environmental or social characteristics

Currently the Fund applies qualitative and quantitative assessments with regard to environmental or social characteristics. The Fund conducts its initial assessment in the course of its due diligence. The ESG due diligence is based on a standardized framework which follows a two-step approach:

Step 1: Initial screening of investments based on the exclusion criteria as well as on a high-level red flag analysis is the first step in the investment process. For potential investments that pass the initial screening, each potential investment is subjected to a materiality analysis, which assesses the impact of sustainability risks on the investment.

Step 2: In the second stage of the investment process, a comprehensive full ESG due diligence is conducted. The scope and extent of the full ESG due diligence depends on the material areas identified in the first stage.

The results of the due diligence are evaluated and documented in relevant investment document(s). Material ESG risks and opportunities are prioritized depending on their materiality and are anchored in the company's value creation plan. Specific measurable ESG targets are determined.

### Data sources and processing

Information is obtained from the portfolio companies. An external review or verification of the information obtained will only be carried out if misrepresentations are suspected.

### Limitations to methodologies and data

The information collected from the portfolio companies as part of the due diligence on behalf of the Fund is externally verified only if and to the extent misrepresentations are suspected. Thus, it cannot be ruled out completely that false information may remain undetected in certain cases. As the Fund's investments are made for several years, the Fund considers it a priority to establish and maintain a trustful working relationship with the Fund's portfolio companies in order to ensure compliance with the restrictions described in this section.

### Due diligence

An initial assessment of how an investment relates to the aforementioned characteristics is carried out as part of the due diligence process through an informal process as appropriate in light of the circumstances of each individual case. As a rule, primarily qualitative statements of an environmental or social nature and to a limited extent quantitative statements or relating to corporate governance are requested from the portfolio companies and then taken into account in the investment decision-making process.

### Engagement policies

Orlando encourages and requires the engagement of all portfolio companies. This means that the Fund aims to engage with companies on ESG issues where it believes there is a reasonable opportunity to positively influence their behavior and positioning. To that end, after acquisition, Orlando shares the ESG policy with the portfolio company and material risks and opportunities identified during the due diligence phase are anchored in the company's value creation plan. To ensure that the necessary measures and their implementation are targeted effectively, company specific ESG targets are committed, and Orlando recommends the portfolio company management teams to establish dedicated ESG managers. In addition, the portfolio companies are encouraged to attend relevant ESG congresses to network and share best practices, if relevant for the value creation plan.

During the period of ownership, Orlando fosters a close exchange with the decision-makers at the portfolio companies. The Fund conducts regular ESG assessments of each portfolio company including the measurement of standardized and company specific ESG KPIs to monitor developments along the defined ESG targets as well as an update of ESG risks and opportunities. Orlando reviews the ESG assessment results and consults with the portfolio companies, conducting further evaluation when there is evidence of potential ESG issues that Orlando may want to prioritize. To achieve meaningful impact, Orlando makes specific priority recommendations for improvement of identified risks and opportunities and ensure clear responsibilities and deadlines, where appropriate.

The implementation of identified ESG measures is reviewed at least twice a year in a management meeting and - if appropriate - in the internal monthly general partner meetings.

### Designated reference benchmark

No index has been designated as a reference benchmark to meet the environmental or social characteristics promoted by the Fund.

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