



Responsible Investment Strategy

Update: October 2026

1. Purpose and Scope

At Beyond Capital Partners (BCP), responsible investment follows from our philosophy of “good entrepreneurship”: we are convinced that long-term economic success depends on sound governance, engaged people and the responsible use of resources. Integrating environmental, social and governance (ESG) factors is therefore part of how we select, develop and exit investments, and a key lever of our mission to transform “Regional Heroes into National Champions”.

This Responsible Investment Strategy sets out how BCP:

- Integrates sustainability risks and opportunities into investment decisions;
- Exercises active ownership to improve the ESG performance of portfolio companies across the investment cycle;
- Allocates capital to business models with a measurable positive environmental or social contribution; and
- Reports transparently on its approach and progress.

The strategy applies to all investment activities of the funds managed and advised by BCP and to all members of the BCP team involved in these activities. Fund-specific sustainability commitments are set out in the respective fund documentation and SFDR disclosures.

2. Commitments and Frameworks

Our approach is anchored in the following regulations and internationally recognised initiatives:

- **Sustainable Finance Disclosure Regulation (SFDR):** We integrate sustainability risks into our investment decisions. Beyond Capital Partners Fund III is classified under Article 8 SFDR. It promotes environmental and social characteristics, commits to a minimum proportion of 20% of sustainable investments (commonly referred to as “Article 8+”) and considers principal adverse impacts on sustainability factors at product level. At entity level, BCP does not consider principal adverse impacts; the reasons are set out in our separate statement under Article 4 SFDR.
- **Principles for Responsible Investment (PRI):** As a PRI signatory, we incorporate ESG issues into our investment analysis, decision-making and ownership practices and report annually on our progress.
- **United Nations Global Compact (UNGC):** As a participant in the UNGC, we support its ten principles on human rights, labour, environment and anti-corruption and promote them within our sphere of influence.
- **UN Sustainable Development Goals (SDGs):** We focus on those SDGs to which our investments and our own operations can make a measurable contribution, and we review this selection as our portfolio evolves.
- **European Sustainability Reporting Standards (ESRS):** Although not subject to mandatory reporting under the CSRD, we apply the ESRS on a voluntary basis to identify our material topics and structure our sustainability reporting.

3. Material Sustainability Topics

Our priorities are based on a Double Materiality Analysis (DMA) conducted in December 2024 in line with the ESRS methodology and reviewed in 2025. The DMA considers both impact materiality (how BCP and its portfolio companies affect people and the environment) and financial materiality (how sustainability matters affect BCP's risks and opportunities), taking into account our value chain and stakeholder input. The following topics were identified as material:

Environment	Social	Governance
E1: Climate Change	S1: Own Workforce	G1: Business Conduct
E4: Biodiversity and Ecosystems	S2: Workers in the Value Chain	Own topic: Digital Resilience
E5: Circular Economy	S4: Consumers and End-users	Own topic: Corporate Management and Culture

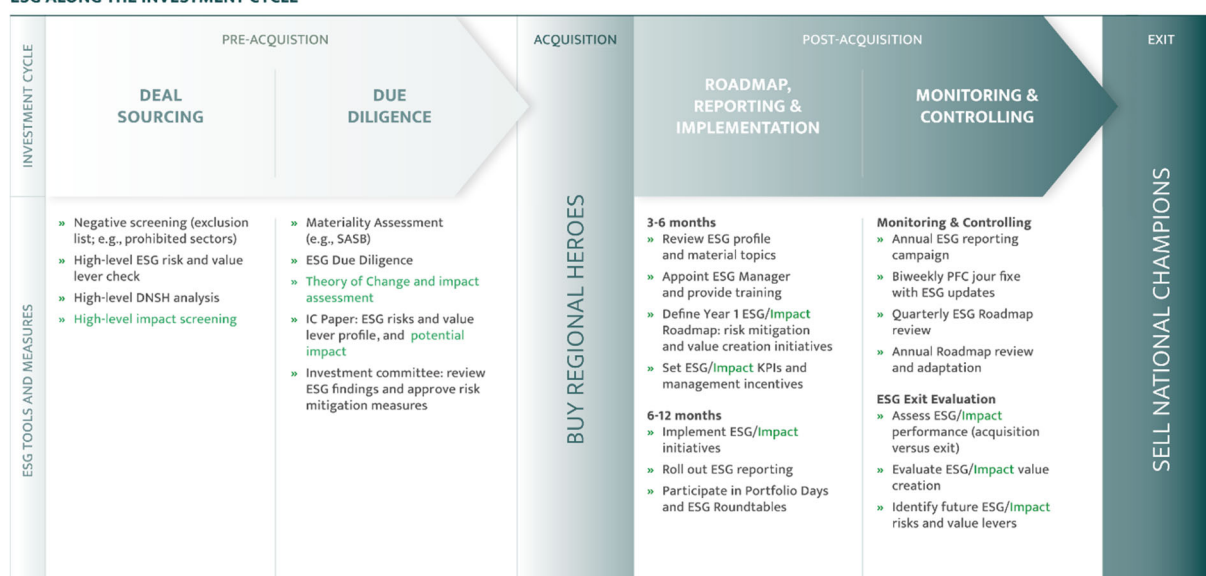
In addition, we address skills shortages, innovation and expansion into new business areas, and sustainable corporate management and culture as company-specific topics.

Given our focus on asset-light businesses in B2B services, IT & software, healthcare & well-being, and lifestyle & entertainment, our greatest leverage typically lies in social and governance topics, such as workforce, skills and compliance. We address climate change systematically through carbon accounting and emissions-reduction planning across the portfolio.

4. ESG Along the Investment Cycle

Our “ESG Along the Investment Cycle” framework, introduced in 2023 and refined regularly since, translates this strategy into practice. All investments follow this process as a minimum. Investments considered for the impact allocation of Fund III undergo additional impact-related steps (highlighted in green).

ESG ALONG THE INVESTMENT CYCLE



Impact-related

4.1 Pre-Acquisition: Deal Sourcing

- **Negative screening:** Every opportunity is screened against our exclusion list (summarised below), which rules out sectors and business models incompatible with our values.
- **ESG risk and value lever check:** A high-level review identifies material ESG risks and value creation potential at an early stage.
- **DNSH analysis:** A high-level “do no significant harm” assessment identifies potential adverse environmental or social effects.
- **Impact screening:** Opportunities with potential for the impact allocation are screened against our impact themes (see Section 5).

Exclusion list. We do not invest in, or otherwise provide financial support to, companies:

- whose business activity is illegal under applicable laws or regulations;
- that are engaged in human cloning or genetically modified organisms;
- that substantially focus on the production of and trade in tobacco products and distilled alcoholic beverages;
- whose business activity is directly linked to gambling, casinos or pornography, including software specifically aimed at internet gambling, online casinos or pornography;
- that substantially focus on the production of and trade in weapons and ammunition of any kind, unless such activities form part of explicit European Union policies;
- that substantially focus on enabling illegal access to electronic data networks or the illegal downloading of electronic data; or
- that substantially focus on the production or distribution of fossil fuels or nuclear energy.

4.2 Pre-Acquisition: Due Diligence and Investment Decision

- **Materiality assessment:** Sector-specific material topics are identified using recognised standards such as the SASB Standards.
- **ESG due diligence:** A mandatory third-party ESG due diligence, carried out in consultation with our Director Capital Formation & Sustainability and complemented by an internal ESG due diligence questionnaire, assesses financially material issues, including regulatory exposure, workforce stability, governance quality and climate-related risks, and forms the basis for the company’s future ESG roadmap.
- **Theory of Change and impact assessment:** For potential impact investments, we develop a Theory of Change and assess the expected impact (see Section 5).
- **Investment Committee:** The Investment Committee paper sets out the ESG risk and value lever profile and, where relevant, the potential impact. The Investment Committee reviews the ESG findings and approves the required risk mitigation measures. ESG factors inform valuation, transaction structuring and the investment decision.

At acquisition, the agreed ESG priorities and mitigation measures are carried into the company’s 100-day plan.

4.3 Post-Acquisition: Roadmap, Reporting and Implementation

Within the first three to six months, together with management, we:

- Review the company's ESG profile and material topics;
- Appoint a senior ESG lead, supported by an ESG manager where appropriate, and provide ESG onboarding and training;
- Define a Year One ESG/Impact Roadmap with risk mitigation and value creation initiatives; and
- Set ESG/Impact KPIs and link them to the variable compensation of first-level management, in line with our Portfolio Company Management Remuneration Policy.

Within six to twelve months, portfolio companies implement the ESG/Impact initiatives, roll out ESG reporting and participate in our Portfolio Days (annual) and ESG Roundtables (semi-annual), which foster knowledge exchange and best practice across the portfolio.

4.4 Post-Acquisition: Monitoring and Controlling

- **Annual ESG reporting campaign:** All portfolio companies report ESG data, including Scope 1–3 greenhouse gas emissions, via a dedicated ESG data platform.
- **Regular reviews:** ESG updates are part of the bi-weekly portfolio company jour fixe; ESG Roadmaps are reviewed quarterly and reviewed and adapted annually.

4.5 Minimum Standards for Portfolio Companies

Building on our material topics, we expect portfolio companies to meet the following standards within the stated time frames after acquisition:

- **Compliance:** Comprehensive compliance policies within six months, supported by compliance training for relevant employees.
- **Double Materiality Analysis:** A company-level DMA within twelve months.
- **Cybersecurity and data protection:** An assessment of cybersecurity maturity and established IT security, cybersecurity and GDPR processes, including emergency procedures, within twelve months.
- **Biodiversity:** A biodiversity policy within twelve months for companies with significant exposure to biodiversity impacts.
- **Climate:** A Scope 1–3 emissions assessment within 18 months and, where climate change is material, a climate mitigation strategy or emissions-reduction plan within the same period.

4.6 Exit: ESG Exit Evaluation

Ahead of an exit, we assess the company's ESG and impact performance at exit compared with acquisition, evaluate the ESG and impact value created, and identify future ESG and impact risks and value levers. Documenting this progress gives prospective buyers a transparent view of the company's resilience and sustainability profile.

5. Impact Investment Strategy

Beyond ESG integration, we deploy capital specifically in business models that address structural challenges such as demographic change, skills shortages and resource efficiency. Beyond Capital Partners Fund III commits to a minimum proportion of 20% of sustainable investments, split equally between environmental and social objectives.

Our impact themes are:

- **Climate change mitigation:** Solutions that contribute to reducing greenhouse gas emissions.
- **Circular economy:** Resource efficiency, waste reduction and circular business models.
- **Health and well-being:** Improving access to, and the quality and efficiency of, healthcare and other essential services.
- **Education:** Valuable and comprehensive education, skills development and lifelong learning.

Potential impact investments undergo an enhanced pre-deal process, led by the deal team and supported by the Director Capital Formation & Sustainability:

- **Impact due diligence:** The expected impact is assessed using the Five Dimensions of Impact developed by the Impact Management Project (what, who, how much, contribution and risk).
- **Impact Score:** An internal Impact Score determines whether an investment meets the minimum threshold to qualify for the impact allocation.
- **Theory of Change:** A clear impact logic maps the causal chain from activities and outputs to the intended outcomes.
- **Impact KPIs and targets:** Two to three specific, measurable KPIs per investment, selected from the Fund's catalogue of sustainability indicators, are defined pre-acquisition, monitored throughout the holding period and evaluated at exit.

The results of the impact assessment form part of the Investment Committee paper.

6. Governance and Responsibilities

- **Investment Committee:** Takes all investment decisions, including the review of ESG findings and the approval of risk mitigation measures.
- **Director Capital Formation & Sustainability:** Coordinates the implementation of this strategy, supports deal teams in ESG and impact assessments, and steers portfolio-wide ESG reporting, training and knowledge exchange.
- **Deal and portfolio teams:** Integrate ESG considerations into investment analysis, due diligence and ongoing portfolio stewardship.
- **Portfolio company management:** Retains operational responsibility for ESG performance, supported by the appointed ESG lead and manager.

ESG training is mandatory for BCP deal teams and for portfolio company executives and ESG managers. This strategy is approved by Christoph D. Kauter, Managing Partner, and reviewed annually to reflect regulatory developments, stakeholder expectations and lessons learned.

Escalation of ESG incidents: Material ESG incidents at portfolio companies are escalated via the BCP portfolio team to the Director Capital Formation & Sustainability and to Christoph D. Kauter, Managing Partner. Remedial actions are agreed with the company's management and reflected in its ESG Roadmap.

7. Responsible Business Conduct at BCP

We apply the same standards to our own operations. Our Compliance Manual consolidates key policies, including our Code of Conduct, Anti-Bribery and Corruption Policy, Conflicts of Interest Policy, Anti-Money Laundering Policy, Equal Opportunities Policy and Whistleblower Policy, which provides a confidential reporting channel. Our Travel Policy prioritises rail travel and digital collaboration to reduce the climate impact of business travel.

8. Transparency, Reporting and Engagement

- **Sustainability Report:** We publish an annual Sustainability Report, voluntarily aligned with the ESRS, covering our approach, material topics, targets and portfolio progress.
- **Regulatory disclosures:** We publish SFDR disclosures for our funds and report annually to the PRI.
- **Investor communication:** We engage with our Limited Partners on ESG matters through regular reporting, our Annual General Meeting, Portfolio Days and responses to ESG questionnaires.

We contribute to the responsible investment ecosystem through the following memberships and collaborations:

- Signatory of the Principles for Responsible Investment (PRI)
- Participant in the UN Global Compact (UNGC)
- Sponsor of Level 20, promoting women in private equity
- Member of the German Private Equity and Venture Capital Association (BVK)
- Sponsor of the German Impact Investing Initiative (Gii)
- Member of the Federal Initiative for Impact Investing (BIII)