

## **Sustainability-related disclosures pursuant to Regulation (EU) 2019/2088 ("SFDR")**

Date of publication: March 10, 2021

Date of update: November 22, 2022; addition of Armira Growth Fund I GmbH & Co. KG and implementation of required language and structure pursuant to the RTS

Date of update: October 18, 2023; reflection of envisaged change of legal form of Armira Growth Management GmbH and insertion of details regarding another financial product

### **I. Sustainability risks**

Armira Administration GmbH (LEI: 391200ZRDDLOLSDEE690) and Armira Growth Management GmbH & Co. KG (LEI: 391200PDU5RZVDPED134; both entities together hereinafter jointly referred to as "**Armira**") consider sustainability risks as part of their 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. Armira considers sustainability risks as part of its due diligence process prior to any investment. This also includes an assessment of sustainability risks. Such assessment is being conducted through an informal process as appropriate in light of the circumstances of the individual case. The results of such assessment are taken into account when the investment decision is being taken. However, Armira remains free in its decision to refrain from investing or to invest despite sustainability risks, in which case Armira can also apply measures to reduce or mitigate any sustainability risks. At all times, Armira will apply the principle of proportionality taking due account of the strategic relevance of an investment as well as its transactional context.

### **II. No consideration of adverse impacts of investment decisions on sustainability factors**

Armira does not consider adverse impacts of its investment decisions on sustainability factors as defined in the SFDR and, hence, does not use the sustainability indicators listed in Annex I of the Delegated Regulation (EU) 2022/1288 (as amended from time to time, "**RTS**") to identify and assess potential adverse impacts.

Sustainability factors are environmental, social and employee concerns, respect for human rights and the fight against corruption and bribery. Given that the SFDR, the Regulation (EU) 2020/852 ("**EU Taxonomy**") and especially the RTS, which determine the sustainability indicators to be used and provide details on mandatory processes to obtain the relevant data, are relatively new legislative acts, there is only little practical experience with regard to the application of their respective provisions. Therefore, legal and practical uncertainties remain when applying those provisions to the strategies pursued by Armira. If and to the extent that the legal uncertainties will be resolved and a practicable market and administrative practice will evolve in this regard, Armira will evaluate considering principal adverse impacts of its investment decisions as defined in the SFDR and with regards to the indicators listed in Annex I of the RTS.

Apart from that, Armira already collects its own set of KPIs across all portfolio companies on a voluntary basis. The KPI set comprises both several indicators as set out in Annex I of the RTS as well as self-defined KPIs according to Armira standards.

### **III. Remuneration disclosures**

As a registered alternative investment fund manager within the meaning of section 2 (4) of the German Investment Code (*Kapitalanlagegesetzbuch*, "**KAGB**"), Armira does not have and does not need to have a remuneration guideline or policy in accordance with the requirements of the KAGB.

## **IV. Sustainability-related disclosures**

### **1. Armira Growth Fund I GmbH & Co. KG**

Financial product: Armira Growth Fund I GmbH & Co. KG (the "**Armira Growth Fund I**" / der "**Armira Growth Fonds I**")

LEI: 391200NV8KUD54UE1F79

#### Summary

The Armira Growth Fund I considers certain environmental and/or social characteristics as part of its investment decisions and monitoring processes 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 an investment. For this purpose, information is initially and regularly obtained from the portfolio companies by means of qualitative queries. The Armira Growth Fund I incorporates exclusion (negative screening) aspects during the decision-making process. Thereby the Armira Growth Fund I considers several ESG themes to be the key to responsible investing. The actions and decisions described in the following section are each made by Armira Growth Management GmbH & Co. KG for and on behalf of the Armira Growth Fund I.

#### Zusammenfassung

Der Armira Growth Fonds I berücksichtigt bestimmte ökologische und/oder soziale Merkmale im Rahmen seiner Investitionsentscheidungen und Monitoring-Prozesse, strebt aber keine nachhaltigen Investitionen im Sinne der SFDR an. Die Berücksichtigung von Umwelt- und/oder Sozialmerkmalen erfolgt sowohl vor als auch nach einer Investition. Zu diesem Zweck werden zunächst und regelmäßig Informationen von den Portfoliounternehmen durch qualitative Abfragen eingeholt. Der Armira Growth Fonds I bezieht Exklusionsaspekte (negatives Screening) in seinen Entscheidungsprozess ein. Dabei betrachtet der Armira Growth Fonds I mehrere ESG-Themen als Schlüssel für verantwortungsvolles Investieren. Die in diesem Abschnitt beschriebenen Handlungen und Entscheidungen erfolgen jeweils durch Armira Growth Management GmbH & Co. KG für den Armira Growth Fonds I.

#### No sustainable investment objective

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

#### Environmental or social characteristics of the financial product

The Armira Growth Fund I promotes environmental and/or social characteristics by implementing certain investment exclusions (see section 'Investment strategy') during the decision-making process.

#### Investment strategy

The purpose of the Armira Growth Fund I is to build, hold and manage (including to divest) a portfolio of equity and equity-related investments in portfolio companies. The Armira Growth Fund I will conduct investments in Portfolio Companies from all sectors with innovation capacity and growth potential. As such, investments are expected to be spread across a wide range of economic activities. The Armira Growth Fund I intends to make its initial investments in particular, without limitation, in the growth stage financing rounds of the respective portfolio company. The Armira Growth Fund I shall focus its investments primarily on companies

that have their registered office or center of business activities primarily in Europe, with a focus on the DACH region (*i.e.*, Germany, Austria and Switzerland).

The Armira Growth Fund I is bound by the investment restrictions and limitations set out in the Armira Growth Fund I's limited partnership agreement and shall procure that such requirements, restrictions and limitations are complied with at all times. In particular, the Armira Growth Fund I will screen each investment opportunity against its investment exclusions and no investments will be made in the area of such exclusions.

The Armira Growth Fund I 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 activity (*i.e.*, any production, trade or other activity, which is illegal under the laws or regulations applicable to the Armira Growth Fund I or the relevant portfolio company);
- b) The production of, and trade in, tobacco, non-alcoholic recreational drugs and related products as well as distilled alcoholic beverages;
- c) The financing and production of, and trade in, weapons or ammunition of any kind;
- d) Retail banking;
- e) Oil and gas or metals and mining exploration, extraction or operations;
- f) Data programs intended to enable to illegally (i) enter into electronic data networks, or (ii) download electronic data;
- g) Casinos and gambling;
- h) Adult Entertainment.

Good governance practices are assessed through an informal process as appropriate in light of the circumstances of each individual case. Such practices include, in particular, sound management structures, employee relations, remuneration of staff and tax compliance within the portfolio companies. Moreover, the Armira Growth Fund I will conduct regular monitoring of the good governance practices in its portfolio companies during the holding period. If the Armira Growth Fund I becomes aware of severe governance issues, it will investigate them and work with all parties involved to find an appropriate solution.

### Proportion of investments

The Armira Growth Fund I will invest fully in line with its investment strategy and investment restrictions, *i.e.*, will only make investments which are aligned with its environmental or social characteristics (*i.e.*, its investment exclusions). The Armira Growth Fund I does not make and does not intend to make sustainable investments within the meaning of article 2 no. 17 SFDR or environmentally sustainable investments within the meaning of Art. 3 Taxonomy; hence, no portion of its investments will be aligned with the Taxonomy.

### Monitoring of environmental or social characteristics

The Armira Growth Fund I has an increased awareness on the impact of environmental or social characteristics on risk management and thus on the value potential of investments. In order to monitor the environmental or social characteristics promoted by the Armira Growth Fund I (*i.e.*, its investment exclusions), the Armira

Growth Fund I consults with the portfolio companies in regular intervals and will carry out further checks in order to identify potential issues with such characteristics. Therefore, the Armira Growth Fund I monitors compliance with its environmental or social characteristics (*i.e.*, its investment exclusions) on an ongoing basis. External monitoring mechanisms are not in place.

## Methodologies for environmental or social characteristics

The Armira Growth Fund I applies qualitative assessments with regard to its environmental or social characteristics (*i.e.*, its investment exclusions).

The Armira Growth Fund I conducts an initial assessment of the promoted environmental or social characteristics in the course of its due diligence. Based on the results of such assessment the Armira Growth Fund I identifies pre-investment whether the environmental or social characteristics promoted by the Armira Growth Fund I are met. During the holding period, the so conducted assessment forms the basis to measure and monitor if the characteristics are continuously being met.

## Data sources and processing

In order to attain each of the environmental or social characteristics promoted by the Armira Growth Fund I (*i.e.*, its investment exclusions) the Armira Growth Fund I obtains the relevant data from its (potential) portfolio companies through an informal process in the course of the due diligence conducted prior to each investment. Moreover, during the holding period, the Armira Growth Fund I relies on publicly available data to continuously check the compliance with the investment exclusions. Hence, most data is obtained from the (potential) portfolio companies; however, a part of the relevant data may be estimated or supplemented by information publicly available. An internal or external review or verification of the information obtained will be carried out if misrepresentations are suspected.

## Limitations to methodologies and data

The information collected from the (potential) portfolio companies through the informal process carried out by the Armira Growth Fund I is internally or 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 Armira Growth Fund I's investments are made for several years, the Armira Growth Fund I considers it a priority to establish and maintain a trustful working relationship with its portfolio companies in order to ensure compliance with the environmental or social characteristics promoted by the Armira Growth Fund I (*i.e.*, its investment exclusions). Further limitations, in particular with regard to the accuracy of the data and reliability of the data sources used, are not apparent at this time.

## Due diligence

An initial assessment of how an investment relates to the environmental or social characteristics promoted by the Armira Growth Fund I (*i.e.*, its investment exclusions) is carried out as part of the due diligence through the informal process and, where required based on the inherent ESG risk of the portfolio company, through an enhanced analysis. As a rule, purely qualitative statements of an environmental or social nature or relating to corporate governance are requested from the portfolio companies and then taken into account in the investment decision-making process. An internal or external review or verification of the information obtained will only be carried out if misrepresentations are suspected.

## Engagement policies

Engagement is not part of the environmental or social investment strategy of the Armira Growth Fund I.

## Designated reference benchmark

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

## **2. Armira III GmbH & Co. KG**

Financial product: Armira III GmbH & Co. KG ("**Armira III**")

LEI: 39120092DJVE9NZ5WN76

The sustainability-related disclosures relating to the Armira Growth Fund I apply accordingly to Armira III except for the investment strategies.

Armira III shall predominantly invest in Portfolio Companies with a material relation to Germany, Austria, Switzerland or Italy, whereby Armira shall, in particular, consider the headquarter, the company history or the business focus of the respective portfolio company. Armira III intends to focus on established, profitable mid-sized companies with sustainable business models (*Mittelstand*) from all sectors with innovation capacity and growth potential and shall predominantly engage in all types of leveraged buy-outs as well as growth capital investments, preferably, without limitation, obtaining controlling stakes in portfolio companies alone or together with other vehicles managed, sponsored or advised by Armira.