

# Sustainable Finance Disclosure

The below disclosures are applicable to Oakley Capital Manager S.à r.l. (a Luxembourg-based alternative investment fund manager (AIFM)) (“OCMS”), Oakley Capital GmbH (“OCG”) (a German-based investment firm operating under the MiFID II framework) and Oakley Capital Manager Limited (“OCML”) (a non-EU alternative investment fund manager managing certain alternative investment funds (“AIFs”)) that have been registered for marketing in the European Union under the national private placement regimes made available under the Alternative Investment Fund Managers Directive (2011/61/EU) (“AIFMD”), and are made pursuant to the entity level disclosure requirements of the EU Sustainable Finance Disclosure Regulation (Regulation (EU) 2019/2088) (“SFDR”).

Although our organisation is spread geographically, we operate as one ‘Oakley’, where sustainability is an important factor in our decision-making process. We have therefore chosen to include entity level disclosures for Oakley Capital Limited (“OCL”) on a voluntary basis, as OCL acts as an investment advisor to OCG. The disclosures are made in accordance with Articles 3(1), 4(1)(b), 4(5) (b) and 5(1) of the SFDR.

## **ARTICLE 3(1) - ENTITY LEVEL SUSTAINABILITY RISK DISCLOSURE**

Oakley considers sustainability risks and factors during the investment process, as outlined in our Responsible Investment Policy (“Policy”). The Policy outlines Oakley’s approach to the assessment and management of environmental, social and governance (ESG) issues during the investment process. The Policy is applicable across OCL, OCG, OCML, and OCMS including future managers and successor funds, all staff and all investments made since 2010. The Policy outlines the approach we take to investing responsibly across the Oakley funds and at Oakley as a firm.

The Policy sets out the principals to assess and manage sustainability risks when making an investment decision, and for ongoing management of the portfolio. Oakley will always assess a target company’s ESG risks and opportunities during the due diligence process. In situations where ESG risks or opportunities require further scrutiny, external specialists will be instructed to undertake detailed ESG, or specific topic, assessments. Should material findings be identified, they will be analysed and presented by the deal team to the Investment Committee in the specific ESG section of the Investment Memorandums. If the risks identified during the due diligence process are too great and cannot be appropriately mitigated, Oakley will not pursue the investment.

# Sustainable Finance Disclosure

Oakley has an ESG Committee comprising four Partners and the Head of Sustainability. The Committee meets monthly to monitor progress and members are responsible for the implementation of the Policy.

All Investment Professionals are required to follow the Policy and to consider relevant ESG factors as part of their pre-investment and portfolio monitoring responsibilities. Investment Professionals receive regular training on the Policy, accompanying ESG tools and relevant ESG topics.

## **ARTICLE 4(1)(B) / 4(5)(B) - PRINCIPAL ADVERSE IMPACTS (PAI) DISCLOSURE**

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

Oakley does not consider the adverse impacts of its investment decisions on sustainability factors within the meaning of Article 4(1)(b) of the SFDR. The current sustainability impact profile of an investment is not determinative of investment decisions made by the Oakley entities, and Oakley does not seek specifically to reduce negative externalities that may be associated with portfolio companies. Oakley will keep this decision under review.

### **No consideration of adverse impacts of investment advice on sustainability factors**

Oakley does not consider the adverse impacts of its investment advice on sustainability factors within the meaning of Article 4(5)(a) of the SFDR, primarily for the same reasons set out above in respect of investment decisions.

## **ARTICLE 5(1) - ENTITY LEVEL REMUNERATION POLICY DISCLOSURE**

Oakley's remuneration policies are consistent with its approach to the integration of sustainability risks into the investment decision making process to ensure sound and effective risk management.

As sustainability risks are a type of financial risk, Oakley acknowledges that failure to consider such risks, like other financial risks, could have an adverse impact on the performance of investments and the performance of funds managed by Oakley.

Oakley's remuneration arrangements seek to reward long term performance and require all staff to have regard to Oakley's ESG policies and guidelines. Investment professionals are compensated through a combination of fixed and variable remuneration and the structure of remuneration is designed to align the long term interests of investment professionals with the funds that they manage so as to avoid excessive risk taking, including with respect to sustainability risks.

To the extent that sustainability risks have an adverse impact on performance, this is likely to be reflected in the overall level of variable remuneration awarded to staff.

# Sustainable Finance Disclosure

## **Transparency of the promotion of environmental and/or social characteristics**

With respect to alternative investment funds managed by OCMS that promote, among other characteristics, environmental and social characteristics within the meaning of Article 8 of the SFDR, further information with respect to description of such environmental and social characteristics and the methodologies used to assess, measure and monitor these characteristics will be made available to investors in the relevant fund's virtual data room or, if applicable, investor portal, alongside other information relating to the financial product, including marketing communications.

Current or prospective investors in alternative investment funds managed or advised by Oakley should be aware that any reference in this website or promotional materials to environmental, social or sustainability considerations is not intended to qualify Oakley's duty to act in the best interests of the AIFs or the investors of the AIFs they manage and the integrity of the market.