

Ufenau German Asset Light

At Eye Level with Entrepreneurs



ESG Report 2021

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About This Report

We are delighted to present the **Ufenau 2021 ESG Report**. 2020 was dominated by the Covid-19 pandemic. In particular, the safety of our portfolio company teams, and our employees and their families was and is our top priority.

But aside of this extraordinary situation, we at Ufenau, are in general mindful of the responsibility we have towards our investors, our portfolio companies, the management teams and their employees as well as all employees at Ufenau and its stakeholders. Our awareness of the potential impacts of our investments drives our everyday actions and decision-making. Our objective is to positively impact the ecosystem we are active in, including all our share- and stakeholders.

For 10 years, Ufenau is focusing on “Asset Light” service companies. Hence, people are and have always been the most important success factor of our investments and our company. Ufenau’s core segment and geographical reach is dominated by high ESG standards, compared to other regions around the globe. While “Asset Light” service companies typically have less critical ESG topics (e.g. emissions), in addition our geographical focus on German speaking Europe and Benelux is also characterized by a very high ESG level.

With our focus on growth and in particular Buy-&-Build, we are forming groups that due to size are better prepared for a sustainable future. Further we are constantly trying to improve the business models of our portfolio companies to achieve benefits for all share- and stakeholders.

Ufenau has four active closed-end German Asset Light funds all based in the European Union and setup under the AFIMD regime. All funds are managed by an individual General Partner. The advisory company of the General Partners is Ufenau Capital Partners AG, based in Switzerland which is regulated by the Swiss financial authority FINMA. Hereinafter all entities are collectively named “Ufenau”.

For 2021 our strategy remains unchanged, and we strongly focus on finding and developing attractive investments!



Ralf Flore
Managing Partner



Dieter Scheiff
Managing Partner



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Partner



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Investment Focus and Strategy

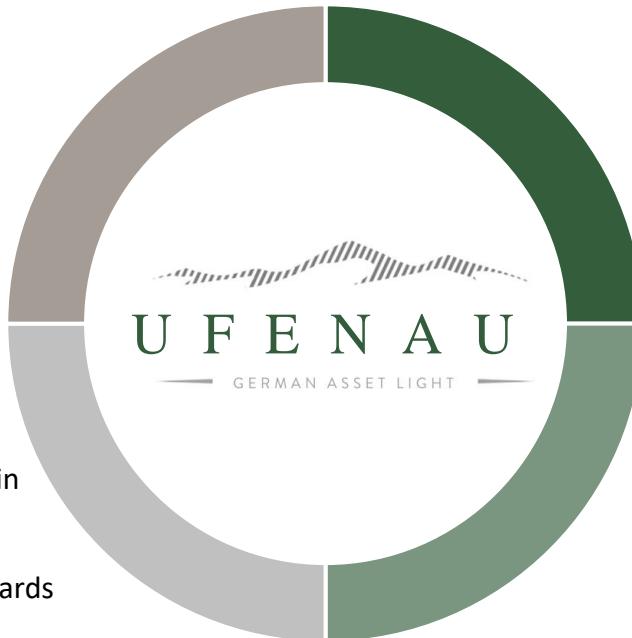
Asset Light

- Acquisitions of majority stakes in service companies within fragmented industries
- Focus on Business Services, Education & Lifestyle, Healthcare and Financial Services



D/A/CH, Benelux and Spain

- Germany, Austria, Switzerland, Benelux, Spain
- Europe's strongest economic region
- In general markets with advanced ESG standards



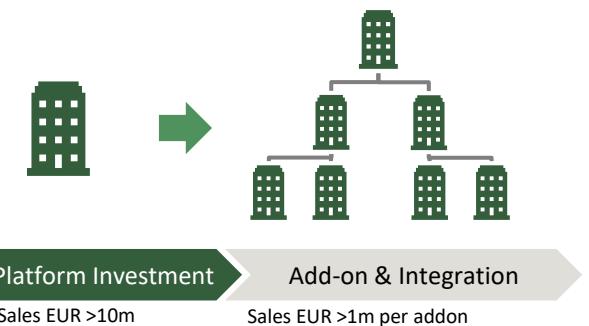
Small to Medium Sized Companies

- Target sales of EUR 10-150 million for an initial platform investment
- Add-ons from EUR 1-100 million sales
- Profitable & cash-flow positive



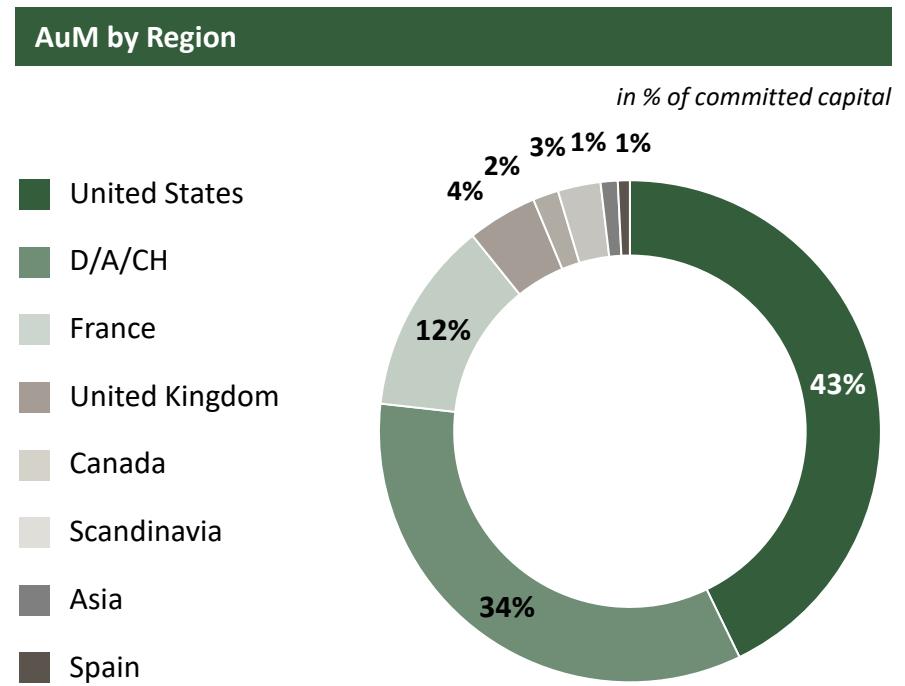
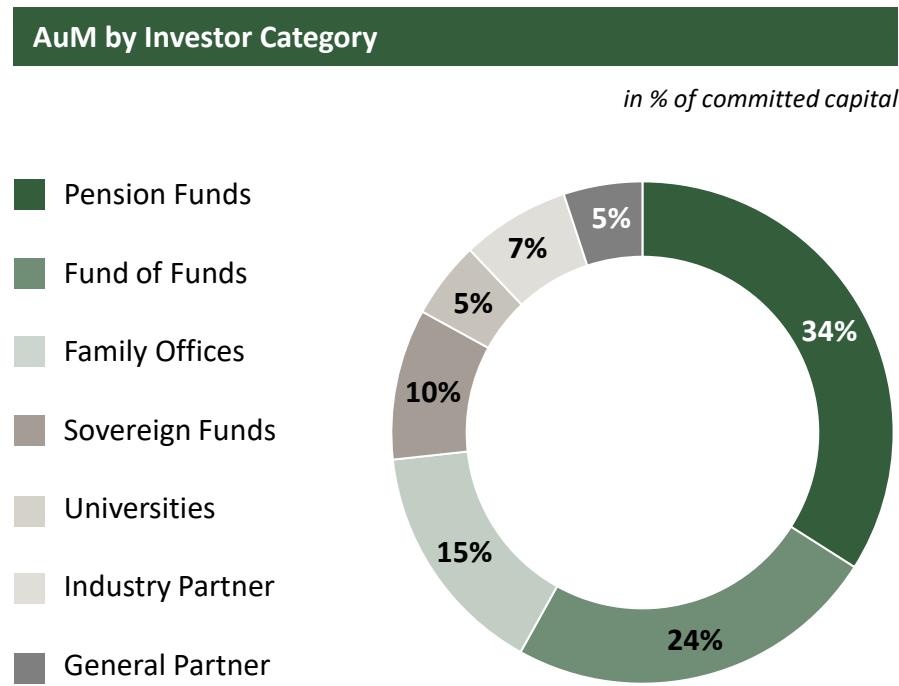
Buy-&Build

- Strategic add-on acquisitions supporting organic growth
- Professionalization of SME's



Assets Under Management

Ufenau currently comprises of 3 active main funds (Ufenau IV, V, VI) and 1 active co-investment fund.



Ufenau's Responsible Investment Policy

In developing Ufenau's ESG policy, we considered the United Nations Principles for Responsible Investments as well as our specific investment focus, strategy and geographical reach. Ufenau will, in accordance with our fiduciary responsibility to our share-and stakeholders:

1	Identify ESG issues throughout the due diligence process related to potential investments and refuse to invest in any business that willfully exploits people and/or creates damage to society.	4	Respect human rights of those affected by our investment activities and seek to confirm that our investments do not support companies that utilize child or forced labor or maintain discriminatory policies.
2	Adhere to the highest standards of conduct to avoid even the appearance of negligent, unfair, or improper practices. Proactively comply with applicable national, state, and local labor laws in the countries in which Ufenau invests; support the payment of competitive wages and benefits to employees; provide a safe and healthy workplace in conformance with national and local law; and consistent with applicable law, respect the rights of employees to decide whether or not to join a union and engage in collective bargaining.	5	Ensure all Ufenau Capital Partners employees are aware of the firm's culture of social responsibility dating back to its inception and encourage them to strengthen that culture. Encourage all firm professionals to engage in nonprofit giving and socially responsible volunteer activities.
3	Seek to grow and improve portfolio companies while benefiting multiple stakeholders. Ufenau will work with portfolio companies with the goal of improving performance and minimizing adverse impacts.	6	Encourage dialogue with LPS and stakeholders on how ESG issues can be managed in a way that is consistent with their initiatives. Work with our Limited Partners to foster transparency with regard to the ESG performance.
		7	Have the resources to achieve implementation of the firm's ESG initiatives including.

As Signatory Ufenau adheres to the UN PRI

The Principles for Responsible Investment is a United Nations' initiative launched in 2006 by Kofi Annan. It encourages its signatories in the finance sector (asset owners, investment managers and service providers) to respect its core principles.

Ufenau Capital Partners AG became a signatory to the United Nations-backed Principles for Responsible Investment (PRI) in 2019.

Signatory of:



THE UN PRINCIPLES FOR RESPONSIBLE INVESTMENT (PRI)

1

We will incorporate ESG issues into investment analysis and decision-making processes.

2

We will be active owners and incorporate ESG issues into our ownership policies and practices.

3

We will seek appropriate disclosure on ESG issues by the entities in which we invest.

4

We will promote acceptance and implementation of the Principles within the investment industry.

5

We will work together to enhance our effectiveness in implementing the Principles.

6

We will each report on our activities and progress.

Sustainable Development Goals (SDGs)

The Sustainable Development Goals (SDGs) were adopted by more than 150 world leaders at the United Nations Sustainable Development Summit in September 2015. The 17 goals articulate the shared aspirations of governments, investors, non-governmental organizations, and businesses to end poverty, protect the planet, and seek to ensure prosperity for all. The SDGs emphasize the role of the private sector in addressing challenges such as climate change, economic inequality, innovation, and sustainable consumption among other priorities. We believe that the SDGs articulate some of society's most pressing challenges and thus have become core to how we select impact investments.



SDGs related to the Ufenau Investment Strategy

As growth investor, Ufenau focusses on majority investments in profitable “Asset Light” service companies which are mainly active in Germany, Austria and Switzerland (D/A/CH Region).

Considering the Ufenau Investment Focus and Strategy, the following 7 SDGs are the most relevant to focus on in the portfolio:

3 GOOD HEALTH AND WELL-BEING



4 QUALITY EDUCATION



6 CLEAN WATER AND SANITATION



8 DECENT WORK AND ECONOMIC GROWTH



12 RESPONSIBLE CONSUMPTION AND PRODUCTION



15 LIFE ON LAND



17 PARTNERSHIPS FOR THE GOALS



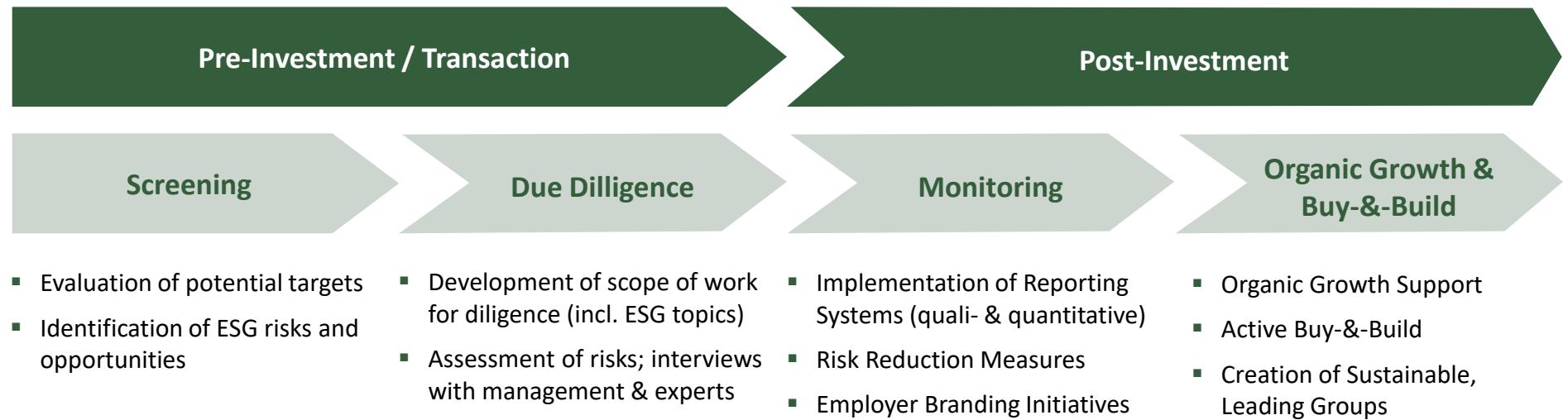
Western-Europe in general but the jurisdictions Germany, Switzerland and Austria in particular, are very advanced in their ESG efforts and standards. Nevertheless, Ufenau and the Private Equity industry in general has an important role in supporting change in scale and pace as each country continues its journey towards the SDGS.

Source: Top 10 of inrate.com ESG Country Rating 2019

	ESG Country Rating 2019	Ufenau Exposure	Ranking Score
1	Denmark	✓	92 / 100
2	Sweden	✓	90 / 100
3	Switzerland	✓	88 / 100
4	Norway		87 / 100
5	Netherlands	✓	86 / 100
6	Germany	✓	85 / 100
7	Austria	✓	84 / 100
8	Luxembourg	✓	83 / 100
9	Finland		83 / 100
10	Iceland		81 / 100

ESG in the Ufenau Investment Process

Ufenau's Sustainability and Environmental, Social, and Governance ("ESG") considerations are reflected throughout the whole investment process starting with the screening process. When Ufenau is sourcing new opportunities, ESG matters are always considered. Clearly defined exclusion criteria together with Ufenau values, guide deal teams as to which deals not to pursue, and to which deals that will fit into the Ufenau portfolio. In addition to the above, placing our trust in the management, board and owners and their set of values are fundamental to move forward on a potential deal. The scope of the due-diligence depends on the respective jurisdictions, industry, company specifics and general risk exposure, but always include an assessment of the integrity of the management teams in multiple dialogues. During the internal and external investment assessment meetings, relevant ESG topics are challenged by the Investment Team. To the extent relevant, investment materials will also include plans for the improvement of any of the identified ESG issues.



COVID-19: How we handle the situation

Since beginning of the Covid-19 outbreak in Q1 2020, Ufenau's daily operations have been aligned with the recommended measures by the Swiss health authority. The safety of our portfolio company teams, and our employees and their families was and is our top priority.

After the full lock-down in the first half of 2020, Ufenau established a shift working model which allowed to separate our team in 2-4 shifts, thereby minimizing the infection risk of the whole team. Office attendance was and is not obligatory since the first lock-down and our staff can choose their preferences. Masks are mandatory if a team members visits the office. Ufenau has further upgraded its IT systems to ensure a high level of security also from the home office (VPN connections for working stations and mobile devices).

Ufenau monitored the Covid-19 procedures of its portfolio very closely since beginning of the crisis. Since Q1 2020 it was our objective to provide our investors with a high level of transparency. Therefore, between Q1 und Q3 2020, we shared weekly and then followed by bi-weekly Covid-19 status updates. These updates contained the health / infection situation of the portfolio companies' staff as well as a financial impact analysis.

Since end of 2020 home office is mandatory in whole Switzerland. Onsite meetings are only allowed to be held for crucial situations. Ufenau will stick to these official rules until the situation changes.

SDGs in Ufenau's Portfolio

3 GOOD HEALTH AND WELL-BEING



4 QUALITY EDUCATION



6 CLEAN WATER AND SANITATION



8 DECENT WORK AND ECONOMIC GROWTH



12 RESPONSIBLE CONSUMPTION AND PRODUCTION



15 LIFE ON LAND



17 PARTNERSHIPS FOR THE GOALS



	3	4	6	8	12	15	17
R&M	✓			✓	✓		✓
MAC IT	✓			✓	✓		✓
Matrix	✓			✓	✓		✓
IKOR	✓			✓	✓		✓
MYTY	✓	✓		✓			✓
GarLa Gruppe	✓		✓	✓		✓	✓
IRS Group	✓	✓		✓	✓		✓
HPS	✓	✓		✓			✓
European AV Group	✓			✓			✓
Lavatio	✓			✓	✓	✓	✓
Swiss IT Security	✓	✓		✓			✓
Altano	✓	✓		✓		✓	✓
Kanalservice Holding	✓	✓		✓	✓		✓
Corius	✓	✓		✓			✓
Doktorhus	✓	✓		✓			✓
Fair Damage Control	✓	✓		✓			✓
Trans Europa Express	✓	✓		✓			✓

ESG Case Studies



Case Studies upon request due to confidentiality reasons

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The information contained herein does not constitute an offer to sell or an invitation to subscribe for limited partnership interests in an Ufenau fund. An offer to subscribe for interests in Ufenau Funds may be made only to qualified investors on the basis of an official approved subscription documentation.

Prospective investors and other stakeholders should not construe any of the information herein as providing accounting, tax or legal advice on the suitability of an investment in Fund for any particular investor. Prospective investors and stakeholders must rely upon their own examination of the terms of an investment in the Fund, and upon their own representatives and professional advisors, including legal counsel, accountants, and tax advisors as to the accounting and tax treatment of such investment, suitability of such investment, and the legal and other aspects of an investment in the Fund.

An investment in private equity is speculative and involves a high degree of risk, including risk of loss of the entire investment and is suitable only for sophisticated investors. Certain significant risks include, but are not limited to, lack of liquidity for an indefinite period of time and uncertain economic conditions (including the effect of bankruptcy). A prospective investor in Ufenau Fund should carefully review the confidential subscription documentation in respect of the Fund and the constitutional documents of the Fund, understand the risks and conflicts of interest set forth therein, and should consult with its legal and tax advisors.

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