

SUSTAINABILITY-RELATED DISCLOSURES

CREST II – Fundo de Capital de Risco Fechado

9 March 2023 (version 1)

This disclosure applies to Crest II – Fundo de Capital de Risco Fechado (PTCNDDIM0001) (the Fund) and is made pursuant to disclosures pursuant to article 10 of Regulation 2019/2088 on Sustainability-Related Disclosure in the Financial Services Sector (SFDR).

A) SUMMARY

This financial product promotes environmental or social characteristics, but does not have as its objective sustainable investment.

Environmental or social characteristics of the financial product

The Fund promotes environmental or social characteristics through negative screening, ESG due diligence, ESG assessment and active engagement.

Investment strategy

The investment strategy of Crest Capital Partners – Sociedade de Capital de Risco, S.A. (Crest) integrates ESG considerations at all stages of the investment process of the Fund with the overall goal of reducing ESG risks as well as principal adverse impacts and progressively improving ESG performance of portfolio companies.

Crest includes indicators related to good governance practices in the annual ESG assessment that monitors each portfolio company's progress on ESG performance. As a result of the monitoring process, Crest might promote specific improvements and updates on governance policies.

Proportion of investments

All (100%) investments of the Fund promote environmental and social characteristics. There will be no sustainable investments as defined under SFDR and the Fund will not be aligning to the screening criteria set out under the EU Taxonomy.

The Fund gains exposure through direct investment in targeted investment entities.

Monitoring of environmental or social characteristics

The continued monitoring of environmental or social characteristics is defined by Crest's Responsible Investment Policy. The activities implemented to measure the attainment of the environmental and social characteristics of the Fund can be summed up in the following: ESG risk evaluation during the due diligence process, ESG performance evaluation of portfolio companies, principal adverse impact assessment. Each year, an assessment is required of each portfolio company and results determine the level of subsequent engagement.

Methodologies

Crest applies to each portfolio company an ESG framework with common and specific metrics that provide an overall view of ESG performance and progression. The ESG framework is applied by external consultants that assess material ESG criteria and compare performance with previous years as well as industry averages and current trends.

Data sources and processing

The majority of ESG data is obtained from portfolio companies – during the due diligence process and through annual surveys.

To ensure data quality and coherence across portfolio level, Crest hires external experts to implement the ESG assessments and support portfolio companies in the entire reporting process.

Limitations to methodologies and data

Crest's investment team is primarily reliant on the relevant portfolio company manager in gathering this data and on the existence of appropriate data collecting processes. Such limitations do not affect how the environmental or social characteristics promoted by the Fund are met.

Due diligence

The due diligence on the underlying assets of the financial product is carried out by portfolio management teams with the support of external ESG consultants.

Engagement policies

Promoting effective portfolio engagement and stewardship is a key part of our investment process. We undertake various engagement activities with portfolio companies during the holding period. We seek to influence and improve ESG practices, enhance sustainable long-term financial performance and mitigate adverse impact on sustainability factors.

Crest is present in all shareholders' decision-making (with majority vote) and in all relevant decisions taken by the Board of Directors. Crest has direct responsibility for voting and does not use the services of any external proxy voting agencies.

Crest engages its investors by frequently communicating progress across the portfolio. Portfolio companies regularly participate in meetings to discuss their performance over the year and there is a broad discussion on the overall ESG performance of the portfolio.

Designated reference benchmark

No index is designated to attain the environmental or social characteristics promoted by the Fund.

B) NO SUSTAINABLE INVESTMENT OBJECTIVE

This financial product promotes environmental or social characteristics, but does not have as its objective sustainable investment.

C) ENVIRONMENTAL OR SOCIAL CHARACTERISTICS OF THE FINANCIAL PRODUCT

The Fund promotes environmental or social characteristics through negative screening, ESG due diligence, ESG assessment and active engagement.

- The Fund promotes certain minimum environmental and social safeguards through applying exclusion criteria on negative environmental or social characteristics and good governance principles in accordance with Crest's Responsible Investment Policy.
- The Fund conducts ESG due diligence and integrates ESG principles into offers and shareholders agreements.
- The Fund applies an ESG framework that supports investments in measuring and improving the ESG performance of the Fund and each of the portfolio companies.
- The Fund applies an active engagement approach during the holding period that contributes to a continuous improvement on ESG and principal adverse impacts. Crest is present in all shareholders' decision-making (with majority vote) and in all relevant decisions taken by the Board of Directors. Crest has direct responsibility for voting and does not use the services of any external proxy voting agencies.

A combination of material indicators on sustainability and principal adverse impacts are used to measure the attainment of the environmental or social characteristics promoted by this financial product.

Information related to the Fund's performance with respect to the promotion of environmental or social characteristics is included in an annual investor report.

D) INVESTMENT STRATEGY

What investment strategy does this financial product follow?

The Fund's investment strategy consists in making significant gains by means of medium and long-term investment in companies headquartered in Portugal with high strategic

value or headquartered outside of Portugal in case of follow-on investments. Revenues from such companies may be sourced globally.

Crest works on building a diversified portfolio for investors to avoid concentrated risk exposures. The Rules and Regulations of the Fund expressly prohibit investments higher than 15% of the total subscription amount in a single portfolio company or group of companies.

Crest's investment strategy integrates ESG considerations at all stages of the investment process of the Fund with the overall goal of reducing ESG risks as well as principal adverse impacts and progressively improving ESG performance of portfolio companies.

The following list summarises the goals of the investment process detailed in the Responsible Investment Policy, which can be found on our website (<https://www.crest-cp.com/sustainability/responsible-investment-policy>):

- Comply with all relevant regulations at the manager level and at portfolio company level.
- Avoid controversial sectors that run high reputational or ESG risk and conduct thorough ESG due diligence.
- Support portfolio companies to manage and minimise ESG impacts and principle adverse impacts.
- Monitor and report progress of ESG initiatives and indicators of portfolio companies. ESG updates are included in quarterly and annual reporting to investors.

What is the policy to assess good governance practices of the investee companies?

Crest includes indicators related to good governance practices in the annual ESG assessment that monitors each portfolio company's progress on ESG performance. As a result of the monitoring process, Crest might promote specific improvements and updates on governance policies. Such indicators relate to management structures, employee relations, corporate culture, remuneration of staff and tax compliance and the absence of negative events.

E) PROPORTION OF INVESTMENTS

All (100%) investments of the Fund promote environmental and social characteristics. There will be no sustainable investments as defined under SFDR and the Fund will not be aligning to the screening criteria set out under the EU Taxonomy.

The Fund gains exposure through direct investment in targeted investment entities.

F) MONITORING OF ENVIRONMENTAL OR SOCIAL CHARACTERISTICS

The continued monitoring of environmental or social characteristics is defined by Crest's Responsible Investment Policy.

The activities implemented to measure the attainment of the environmental and social characteristics of the Fund can be summed up in the following: ESG risk evaluation during the due diligence process, ESG performance evaluation of portfolio companies, principal adverse impact assessment.

Each year, an assessment is required of each portfolio company and results determine the level of subsequent engagement. If certain indicators are flagged as having a high impact or an opportunity for better performance is found, Crest works with the respective portfolio company in developing the necessary improvement actions.

In deciding the appropriate action, Crest considers, among other things, the severity and scope of individual adverse impacts and the probability of occurrence and severity of adverse impacts, including their potentially irremediable characteristics, as well as significant sustainability opportunities.

To have continued overview of compliance by portfolio companies, Crest also requires monthly updates on ESG issues from portfolio companies. Crest's ESG team has regular meetings and follow ups with ESG managers from portfolio companies.

Summary reporting data is included in quarterly and annual investor meetings and reports.

G) METHODOLOGIES

Crest applies to each portfolio company an ESG framework with common and specific metrics that provide an overall view of ESG performance and progression. The ESG framework is applied by external consultants that assess material ESG criteria and compare performance with previous years as well as industry averages and current trends.

H) DATA SOURCES AND PROCESSING

The majority of ESG data is obtained from portfolio companies – during the due diligence process and through annual surveys.

Other publicly available information from other sources, such as the S&P Risk Atlas, is also considered by external consultants during the materiality assessment of each portfolio company to profile and compare company performance against industry trends.

To ensure data quality and coherence across portfolio level, Crest hires external experts to implement the ESG assessments and support portfolio companies in the entire reporting process.

Crest is unable to determine with precision the proportion of data that is estimated.

I) LIMITATIONS TO METHODOLOGIES AND DATA

Crest's investment team is primarily reliant on the relevant portfolio company manager in gathering this data and on the existence of appropriate data collecting processes.

Such limitations do not affect how the environmental or social characteristics promoted by the Fund are met. Our active stewardship approach ensures timely identification of data and processing limitations and ensures the implementation of continuous improvement efforts.

J) DUE DILIGENCE

The due diligence on the underlying assets of the financial product is carried out by portfolio management teams with the support of external ESG consultants.

Our ESG due diligence questionnaire is based on Invest Europe's ESG Due Diligence Questionnaire for Private Equity Investors and their Portfolio Companies.

K) ENGAGEMENT POLICIES

Promoting effective portfolio engagement and stewardship is a key part of our investment process. We undertake various engagement activities with portfolio companies during the holding period. We seek to influence and improve ESG practices, enhance sustainable long-term financial performance and mitigate adverse impact on sustainability factors. Assisting portfolio companies to report on the principal adverse impacts is part of our engagement efforts.

As a fiduciary investor, Crest's investment stewardship approach starts with the accountability and engagement of the Board and the investment team. Crest also holds accountable the Boards at the portfolio companies and expects them to deliver on their commitments. The Board of Directors of all portfolio companies include members of the investment team of Crest. The investment team engages regularly with the management teams of the portfolio companies on all matters, including strategy, performance, risk, board composition and ESG factors. To monitor the compliance by portfolio companies, Crest requires monthly updates on ESG issues from portfolio companies. Throughout the year, Crest's ESG Officer has regular meetings and follow-ups with ESG managers from portfolio companies. ESG alerts must be reported to the Board of Directors at portfolio level as well as Fund level. At Fund level, a strategy is defined to influence the portfolio manager to remedy any ESG-related issues.

Crest is present in all shareholders' decision-making (with majority vote) and in all relevant decisions taken by the Board of Directors. Crest has direct responsibility for voting and does not use the services of any external proxy voting agencies.

Crest engages its investors by frequently communicating progress across the portfolio. Portfolio companies regularly participate in meetings to discuss their performance over the year and there is a broad discussion on the overall ESG performance of the portfolio and individual ESG management.



Our stewardship efforts also involve promoting a dialogue between ESG analysts and the representatives of the company and other stakeholders.

L) DESIGNATED REFERENCE BENCHMARK

No index is designated to attain the environmental or social characteristics promoted by the Fund.