

Template pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: Halcyon Equity Partners S.C.A. SICAR

Legal entity identifier: To be provided

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

Yes
 No

<input type="checkbox"/> It will make a minimum of sustainable investments with an environmental objective: ___% <ul style="list-style-type: none"> <input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy 	<input type="checkbox"/> It promotes Environmental/Social (E/S) characteristics and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments <ul style="list-style-type: none"> <input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with a social objective
<input type="checkbox"/> It will make a minimum of sustainable investments with a social objective: ___%	<input checked="" type="checkbox"/> It promotes E/S characteristics, but will not make any sustainable investments

What environmental and/or social characteristics are promoted by this financial product?



The Partnership's environmental and social characteristics are:

1. To maintain ESG policies and invest in companies with low exposure to industry-specific material ESG issues (e.g social violations, carbon footprint etc) and monitor how well a company is managing those issues.
2. To avoid investing in companies that violate global environmental and social norms. Exclusion is applied by the Partnership that prohibits investing in or obtaining exposure to companies that are deemed by the General Partner to violate United Nations Global Compact (UNGC) principles. This helps to avoid investments that, at a minimum, do not

meet social and environmental norms with regards to human rights, labour, and anti-corruption, as well as environmental degradation.

3. To promote certain minimum environmental and social safeguards by applying specific exclusion criteria on corporates that are involved in controversial weapons production, military weapons production, thermal coal mining or production, or tobacco production.

● **What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?**

The Partnership uses the following sustainability indicators to measure how the environmental and social characteristics of the Partnership are attained:

1. The Partnership has no exposure to companies deemed by the General Partner to be breaching the UNGC principles.
2. The Partnership has no exposure to companies excluded by the exclusion criteria relating to controversial weapons production, military weapons production, thermal coal mining or production, or tobacco production.

● **What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?** Not applicable – the Partnership does not commit to making sustainable investments.

● **How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?** Not applicable.

— — *How have the indicators for adverse impacts on sustainability factors been taken into account?*

Not applicable.

— — *How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?*

Not applicable.

Does this financial product consider principal adverse impacts on sustainability factors?



X

Yes, the Partnership considers principal adverse impacts (PAIs) on sustainability factors.

Through pre-investment global norms and activity-based exclusions, the following PAIs are considered:

- Exposure to companies active in the fossil fuel sector (PAI 4, Table 1)
- Violations of the UN Global Compact Principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises (PAI 10, Table 1)

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.



- Exposure to controversial weapons (PAI 14, Table 1)

Through ESG integration and investment due diligence processes, the following PAIs may be considered:

- Indicators related to GHG emissions and fossil fuel exposure (PAI 1-4, Table 1)
- Board gender diversity (PAI 13, Table 1)

Through post-investment stewardship activities, such as engagement or voting, the following PAIs may be considered:

- Indicators related to GHG emissions and fossil fuel exposure (PAI 1-4, Table 1)
- Violations of the UN Global Compact Principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises (PAI 10, Table 1)
- Board gender diversity (PAI 13, Table 1)

Material environmental and social issues such as those listed in the PAIs are regularly identified by investment professionals and are incorporated as part of the General Partner’s proprietary research processes. The General Partner also references third-party ESG research and data for additional information and relative industry positioning.

No

Not applicable.

What investment strategy does this financial product follow? The Partnership will primarily seek to invest in equity/quasi-equity instruments through share acquisitions, share capital increases and other structures, with the ability to invest alongside anchor investors and other financial or strategic investors. The Partnership may (i) take minority participations in Portfolio Companies with significant controlling rights and (ii) do majority buyouts (LBOs & MBOs) transactions alongside strategic or other financial investors.

● ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

The Partnership has the following binding elements:

1. The General Partner seeks to make investments in companies with attractive ESG characteristics and limiting exposure to companies with higher sustainability risks.
2. The General Partner assess violations of UNGC principles based on third-party data and internal research. Any company deemed to be breaching UNGC principles will be excluded from the Partnership's investment universe and the Partnership will have 0% exposure to such companies.
3. The Partnership applies activity-based exclusion criteria for certain products and services and will have 0% exposure to companies excluded under this policy. The exclusion criteria for the Partnership includes companies which are involved in:
 - the manufacture or production of controversial weapons (any revenue from anti-personnel mines, cluster munitions, nuclear weapons in countries not party to the Non-Proliferation Treaty (NPT), biological weapons, chemical weapons, depleted

uranium weapons.).

- military weapons production which represents 10% of revenue or greater.
- tobacco production
- thermal coal mining or production.

● **What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?** There is no committed minimum rate to reduce the scope of the investment considered.

● **What is the policy to assess good governance practices of the investee companies?** The General Partner has developed Global Governance Principles that set out expectations for corporate governance on issues such as board independence, accountability and composition, as well as culture, remuneration, shareholder rights, amongst others. The assessment of good governance practices is supported by a broad range of governance information from third-party ESG data sets.

● **What is the asset allocation planned for this financial product?** 100% of the Partnership's invested capital will be in investments aligned with any one or more of the E/S characteristics of the Partnership. The Partnership does not commit to making sustainable investments.

● **How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?** The Partnership does not use derivatives for attaining the environmental or social characteristics promoted by the Partnership.

● **To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?** The Partnership does not commit to making sustainable investments or to making Taxonomy-aligned investments. It is expected, however, that in pursuing its environmental characteristics, the Partnership will contribute to one or more of the following environmental objectives as set out in the Taxonomy Regulation: climate change mitigation and/or climate change adaptation.

● **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy¹?**

Yes:
 In fossil gas In nuclear energy

¹ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

[include note for financial products referred to in Article 6, first paragraph, of Regulation (EU) 2020/852 that invest in environmental economic activities that are not environmentally sustainable economic activities]

 are sustainable investments with an environmental objective that do not take into account the criteria for environmentally sustainable economic activities under the EU Taxonomy.

[include note only for financial products referred to in Article 6 of Regulation (EU) 2020/852

Taxonomy-aligned activities are expressed as a share of:

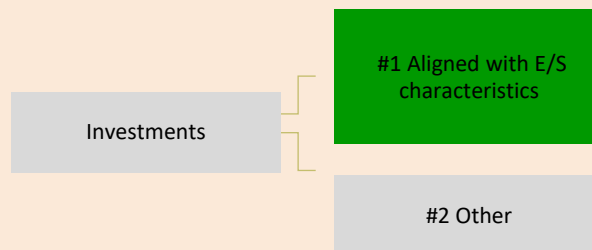
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



x No

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.

Taxonomy-aligned of investments



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.
#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

- **What is the minimum share of investments in transitional and enabling activities?**
There is no committed minimum share of investments in transitional and enabling activities.



What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

There is no minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy.



What is the minimum share of socially sustainable investments?

There is no committed minimum share of socially sustainable investments.



What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

Not applicable.



Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes? The Partnership has not designated an index as a reference benchmark to attain the environmental or social characteristics it promotes.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

Not applicable.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

Not applicable.

- ***How does the designated index differ from a relevant broad market index?***

Not applicable.

- ***Where can the methodology used for the calculation of the designated index be found?***

Not applicable.

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.



Where can I find more product specific information online?

More product-specific information can be found on the website:
www.halcyonequitypartners.com