

SOL´ s ESG Policy

This policy is about how SOL takes account of its economic, social and environmental impact in the way it operates as a business. By demonstrating our commitment to sustainability, we aim to align our business values, purpose and strategy with the needs of our Limited Partners, whilst embedding such responsible and ethical principles into everything we do.

1. Environment & Climate Change Protection of the environment in which we live and operate is part of SOL´ s values and principles and we consider it to be sound business practice. Care for the environment is one of our key responsibilities and an important part of the way in which we do business.
 - a. Environmental efforts at SOL´ s level. In this policy statement we commit our company to:
 - complying with all relevant environmental legislation, regulations and approved codes of practice;
 - protecting the environment by striving to prevent and minimise our contribution to pollution of land, air, and water;
 - seeking to keep wastage to a minimum and maximise the efficient use of materials and resources;
 - managing and disposing of all waste in a responsible manner.

The nature of our work as an investment advisor means that we do not inherently have a high environmental impact, but we will take consideration of environmental issues in the professional services we provide and endeavour to reduce our environmental impact. We will actively promote that our employees will reduce their environmental impact by:

- reducing all our transportation requirements wherever possible and utilising public transport and such facilities as TEAMS / web-ex and conference call facilities;
- ensuring that all lights and equipment is switching off when not required;
- ensuring that water is used efficiently;
- installing a water fountain in all our offices to reduce the use of plastic bottles;
- discouraging unnecessary printing (amongst others by using tablets and apps);
- printing in mono and double sided wherever possible;

- recycling all waste (shredding all business documentation);
 - working with like-minded suppliers who take steps to minimise their environmental impact.
- b. Environmental efforts at our portfolio level. Our mission is to provide equity solutions to European small/mid-market companies and currently the level of reporting by those companies from an ESG perspective is relatively low. Additionally, SOL´ s position as a minority shareholder or investments in companies, which are financially distressed and which prioritize short-term financial stability over ESG principles, may not always allow us to implement increased reporting on ESG, which is unfortunately not often front of mind for target companies. Nevertheless, we intend to implement the ESG´ s basics in any of our investments and develop alternative reporting / measurement concepts with the support of specialists to get a clearer sense of our carbon footprint and to initiate discussions with portfolio companies currently having the greatest negative impact.
2. Transparency: we firmly believe that transparency is crucial for building trust, and we take a proactive approach to communicating both financial and non-financial performance.
- a. Transparency with our portfolio and our business counterparties: from first meeting to realization, we aim to take an open and straightforward approach to doing business with our portfolio companies. Our active partnership style of investing provides numerous opportunities for communication and feedback with our portfolio management teams.
 - b. Transparency with investors in the funds we manage or advise: we aim to provide investors in SOL with the highest standards of communications. We do this in many ways including regular investor meetings, as well as through the various other forms of interaction that take place, including the Annual General Meeting, Advisory boards and other such forums.
 - c. Transparency with our staff: we believe that it is important to keep our staff well informed about what SOL is doing. As we have a relatively small number of employees, we are able to achieve this through individual or team-based discussions.

3. Responsible investing: Our vision is to be recognized as a leading investor in our niche based on the returns we deliver to our investors and our responsible approach to investing. We believe that companies with high environmental, social and governance standards are typically better run, have fewer business risks and ultimately deliver better value.

We are considering to become signatories to the UN Principles for Responsible Investing (“PRI”) within the next 12 months and will thereafter embed (further) RI policies in our investment philosophy and in our portfolio company review processes. According to our current RI policy we intend to use our influence as an investor - via board seats, monthly meeting with management or monthly meeting with sponsors - to promote a commitment in our portfolio companies to:

- a. comply, as a minimum, with applicable local and international laws;
- b. mitigate adverse environmental and social impacts and enhance positive effects on the environment, workers and relevant stakeholders;
- c. hold high standards of business integrity and good corporate governance and
- d. strive to improve on environmental, social or governance matters.

The Senior Investment Team will encourage and support the Fund’s portfolio companies in their continuous improvement of all aspects regarding material ESG issues.

Vienna, June 10th, 2021