



**ICELAKE**

## **Website disclosure**

**Website information to be disclosed pursuant to Article 8(1) and (2)  
of Regulation (EU) 2019/2088 1 (SFDR)**

**Version: October 2022**

**Strictly Private and Confidential**

**Product name**

IceLake Capital Fund II Coöperatief U.A. (“the fund”)

**Legal entity identifier**

Legal entity identifier: not applicable

**Summary**

This financial product does not have a sustainable investment objective. The fund is not committed to make investments that qualify as ‘sustainable investments’, however, it may make these. The fund promotes the following environmental and social characteristics:

- The fund excludes investments that are inconsistent with its exclusion criteria (which outlines precluding products, behaviour, and country affiliations, see ‘ESG Policy’ on IceLake website)
- The fund excludes investments with exposure to unmanageable ESG risks (where it assesses whether a risk is ‘unmanageable’ during due diligence and/or continuous engagement)
- The fund applies an ESG framework that supports all asset companies on the systematic assessment of, and improvement on their performance on ESG factors

Pursuant to the fund’s investment strategy, it invests in exceptional companies with strong market positions that can benefit from our support in executing their growth strategies, such as buy & builds and international expansion. The investment approach is based on the following guidelines:

1. Sectoral focus on high potential business services
2. Exclusive focus on high potential small- and mid-cap companies
3. Focus on companies with attractive fundamentals

The fund integrates ESG into its investment process, leading to a structural monitoring of, and improvement on ESG themes. When selecting investments, IceLake Capital always takes ESG interests into account, and excludes investments based on a list of exclusion criteria (see ‘ESG Policy’ on IceLake website). In the acquisition phase, ESG considerations are an integral part of IceLake Capital’s decision-making process. After investing in a company, IceLake Capital works together with management to create strategic and operational plans and provide the support necessary to realise these plans. Herein, a four-step approach is employed. Upon exit, it’s an explicit goal to have established ESG practices to such an extent that companies can continue these practices independently. If considered relevant, an ESG vendor due diligence is conducted and disclosed to potential new shareholders.

More information related to IceLake Capital’s implementation of the SFDR and IceLake Capital’s approach to ESG can be found on the website.

**Does this financial product have a sustainable investment objective?**

This financial product does not have a sustainable investment objective. The fund is not committed to make investments that qualify as ‘sustainable investments’, however, it may make these.

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

The fund promotes the following environmental and social characteristics:

- The fund excludes, through its exclusion criteria, companies engaged in any of the following (see also ‘ESG Policy’ on IceLake website):

- Controversial behaviour, including :
  - Breach of human rights and labour standards per UN Global Compact Principles and OECD Guidelines for Multinational Enterprises
  - Bribery and corruption as defined by local laws and the OECD Anti-Bribery Convention
  - Other forms of unethical or illegal behaviour by company management
- Controversial products, including:
  - The production of tobacco
  - The production, trade and/or distribution of cluster bombs
  - Running or marketing of gambling activities
  - Any activities and services affiliated with prostitution and pornography
- Controversial country affiliation:
  - Businesses related to any countries on the UN, EU and US sanctions lists, depending on the nature of sanctions in place during the investment period
- The fund excludes investments with exposure to unmanageable ESG risks (where it assesses whether a risk is 'unmanageable' during due diligence and/or continuous engagement)
- The fund contributes to the ESG awareness and responsiveness of its portfolio companies by applying on them, and making available to them, a proprietary ESG framework (see below) that supports them in the systematic assessment of, and improvement on their performance on ESG factors

IceLake Capital works with external ESG specialists to assist on data use and methodology such that awareness of recent developments is ensured, and the latest insights are applied. ESG risks and performances are measured through a proprietary framework that assesses performance on material themes, mapped across the following ESG categories: climate and energy, material circularity, ecosystem impact, employee well-being, customer impact, corporate citizenship, corporate governance, supply chain management, and ESG-related business resilience.

This fund has not designated a reference benchmark for the purpose of attaining the environmental or social characteristics promoted by the fund.



### What investment strategy does this financial product follow?

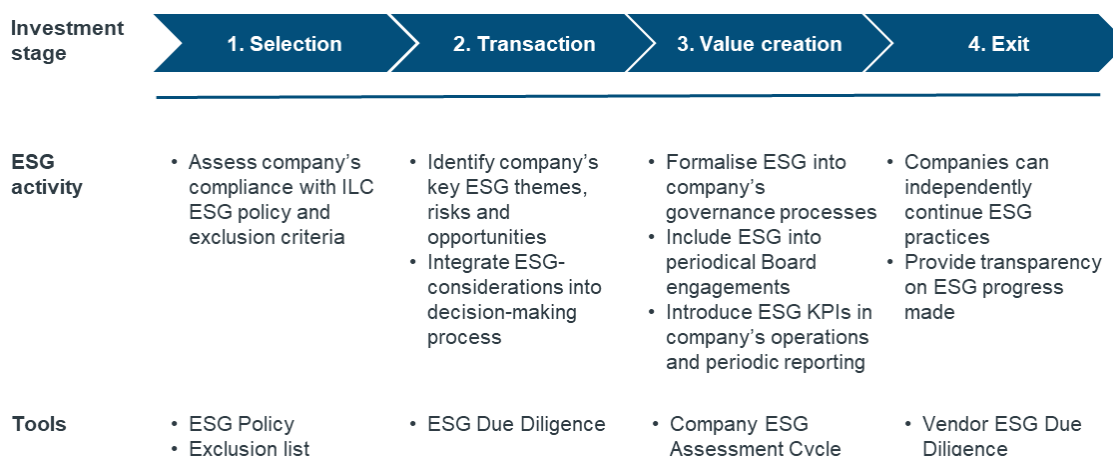
**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance on a continuous basis.

Pursuant to the fund's investment strategy (described in more detail in IceLake Capital Fund II Due Diligence Questions), the fund invests in exceptional companies with strong market positions that can benefit from our support in executing their growth strategies, such as buy & builds and international expansion. The investment approach is based on the following guidelines:

1. Sectoral focus on high potential business services
2. Exclusive focus on high potential small- and mid-cap companies
3. Focus on companies with attractive fundamentals

The structural implementation of ESG-related considerations into the investment strategy is ensured through its integration in all four stages of the investment process (see fig. 1).

**Figure 1: The IceLake Capital investment process with integrated ESG activities**



### 1. SELECTION

When selecting investments, IceLake Capital always take ESG interests into account, and exclude investments based on a list of exclusion criteria covering precluded behaviour, products, and country affiliations (see 'ESG Policy' on IceLake website). When selecting investments, IceLake Capital furthermore aims to flag any other potential ESG-related concern outside of the listed criteria.

### 2. TRANSACTION

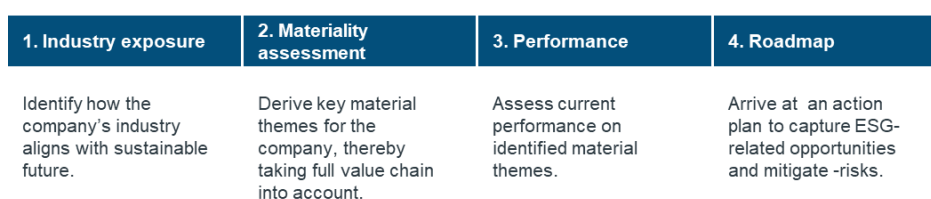
ESG considerations are an integral part of our decision-making process on potential acquisitions. IceLake Capital systematically performs ESG-related due diligence on all potential acquisitions, supported by an external ESG specialist advisor. Herein, ESG-related risks and opportunities are identified. Findings of the due diligence are discussed in the investment committee and serve as a starting point for risk mitigation and value-creation post-acquisition.

### 3. VALUE CREATION

After investing in a company, IceLake Capital works together with management to create strategic and operational plans and provides the support necessary to realise these plans. During active partnership with companies, periodic ESG assessments are conducted. The ESG-related risks and opportunities become an integral part of our deliberations with company management, and progress is actively tracked and supported.

To capture all relevant ESG-related issues, a four-step framework is applied (fig. 2). This framework aligns with several internationally recognised reporting frameworks and standards, including the Greenhouse Gas Protocol, SASB and the UN PRI.

**Figure 2: Four-step framework to assess ESG-related issues**



## 4. EXIT

IceLake Capital's goal is to establish ESG practices to such an extent that portfolio companies can continue these independently after an exit. If considered relevant, an ESG vendor due diligence is provided to potential new shareholders. This gives us the opportunity to provide transparency on the improvements on ESG-related themes that the company has made while in our portfolio.

To underline our ambition on ESG, IceLake Capital aims to provide maximal transparency on ESG topics to stakeholders. Adhering to SFDR guidelines, we publish the appropriate disclosures on our website, namely IceLake's entity-level considerations on sustainability-related risks, consistency of our remuneration policy with sustainability-related risks, and entity-level considerations on principle adverse impacts (PAIs). Additionally, ESG progress reports on fund- and company-level progress on ESG themes will be annually shared through investor committee meetings.



### What is the asset allocation planned for this financial product?

The fund will allocate all its assets to investments that align with environmental and/or social characteristics. The fund is not committed to make investments that qualify as 'sustainable investments', however, it may make these.

### How are the sustainability indicators, used to measure the attainment of each environmental or social characteristic, monitored throughout the lifecycle of the financial product? What methodologies are used to measure the sustainability indicators?

Throughout the lifecycle of the fund, sustainability indicators are monitored during annual ESG reviews of the portfolio companies. Please refer to the section on investment strategy for a detailed description of the methodologies.

### What data sources are used to attain the environmental or social characteristics? What measures are taken to ensure data quality? How is the data processed? What proportion of the data is estimated?

IceLake Capital works with external ESG specialists to assist on the gathering and processing of data. Information from portfolio companies is obtained directly with an ESG data gathering platform. This data is then validated, processed, and assessed by the external ESG consultant. The result of which is in turn validated by the respective portfolio companies and by IceLake's own coordinator.

Data on carbon footprints includes scopes I, II and III (where available). Where, due to a lack of available actual data, estimations on carbon emissions must be made, this is done in accordance with the GHG Protocol's industry-specific calculation tools.

Benchmark data is obtained either through the extensive database of the external ESG specialists, or from established sources, e.g. national statistics agencies.

**What are the limitations of the used methodologies and data sources? How do these limitations not affect the attainment of the environmental or social characteristics?**

IceLake Capital works with external ESG specialists to assist on data use and methodology such that awareness of recent developments is ensured, and the latest insights are applied.

Limitations may arise when estimations are made. The use of estimations is potentially less reliable than observed data, so extra caution is taken to ensure that an accurate picture is portrayed. Estimations will be made, where possible, in accordance with common practice and protocol and reflect the true reality as closely as possible. Estimations are always clearly indicated to avoid misrepresentation.

**What due diligence processes on the underlying assets are in place? What internal and external controls are in place to carry out the due diligence?**

Please refer to the section on investment strategy above for a detailed description of the due diligence processes.

**Is engagement part of the environmental and/or social investment strategy? If so, please describe the engagement policies implemented, including any management procedures applicable to sustainability-related controversies in investee companies.**

Yes, engagement is part of the environmental and/or social investment strategy. Please refer to the section on investment strategy above for a detailed description.