



Bregal
Unternehmerkapital

Remuneration policy in relation to the
integration of sustainability risks

EU Sustainable Finance Disclosure Regulation

The Sustainable Finance Disclosure Regulation ("SFDR" or "the Regulation") entered into force on 10 March 2021. The Regulation requires in-scope firms to provide information to investors with regards to the integration of sustainability risks, the consideration of adverse sustainability impacts, the promotion of environmental or social characteristics, and sustainable investment.

Bregal Investments LLP, as a UK firm, and Bregal Unternehmerkapital GmbH are not directly subject to SFDR. However, they have elected to comply with certain provisions of the SFDR.

This document specifically addresses Article 5 of the Regulation:

"Financial market participants and financial advisers shall include in their remuneration policies information on how those policies are consistent with the integration of sustainability risks, and shall publish that information on their websites."

This document applies in respect of Bregal Investments LLP and Bregal Unternehmerkapital GmbH (together "BU"). BU has determined that this policy applies in respect of its investment decisions and also in respect of the provision of investment advice and so references to investment decisions should be read as including the provision of investment advice.

More information related to the SFDR, and BU's approach to ESG and Responsible Investment in general, can be found on BU's website <https://www.bregal.de>, including:

- Sustainability risk policy
- Principal adverse impact statement
- Responsible Investment Policy

Bregal BU's Remuneration Policy

This document provides a summary of the relevant provisions of BU's Remuneration Policy for the purposes of Article 5 of the Regulation.

BU's Remuneration Policy aims to promote sound and effective risk management, and to discourage risk-taking which is inconsistent with the risk profiles, rules, or instruments of incorporation of the alternative investment funds of which BU provides investment advice to, and to avoid conflicts of interest.

The Remuneration Policy has been adopted by the management of the firm in accordance with the principle of proportionality.

Remuneration policy considerations in relation to the integration of sustainability risks

BU's Remuneration Policy promotes sound and effective risk management with respect to sustainability risks, ensuring that the structure of remuneration does not encourage excessive risk-taking with respect to sustainability risks.

More particularly, remuneration of the employees having a material impact on the relevant funds' risk profile is comprised of fixed and variable remuneration. Remuneration levels shall be justified according to performance of the individual concerned. The total amount of variable remuneration shall be based on a combination of the assessment of the performance of the employee and the overall results of the fund, as well as the conduct of the employee under the internal procedures, performance under BU's Responsible Investment policy, and compliance requirements applicable.

BU also considers the effect of potential conflicts of interest on remuneration in a way that is consistent with the integration of sustainability risk.

Board approval and revision

The Remuneration Policy is approved by the management of each BU entity. It shall be reviewed by the management or each BU entity at least annually and updated if deemed necessary or desirable.