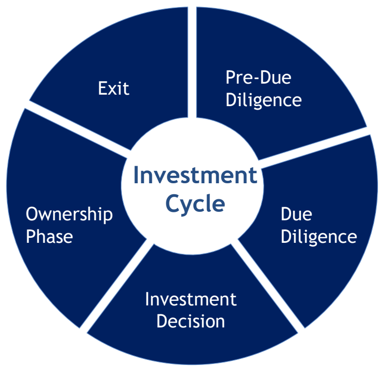
LMC acknowledges the increasing importance of ESG and implements its ESG strategy on all levels of operations

Vision
ESG Integration throughout the full Investment Cycle



3 key areas to implement our ESG strategy on all levels

Investors

- We are committed to transparently report our ESG strategy and actions to LP‘s
- We are happy to provide additional questionaires from LP‘s if requested

Investments

- We consider and check ESG criteria before investing
- We extract ESG performance from our portfolio companies
- We support and monitor ESG initiatives within our portfolio companies

Within LMC

- We endavour to provide our team a dynamic and fair working environment with equal working conditions
- We have processes in place to make sure we comply with all legal provisions and avoid risks

2019

ESG-Reporting
Gradual introduction of LMC ESG KPI Reporting (85 KPIs)on a quarterly basis

ESG-Measures
Companies are asked to start acting on the reported data (renewable electricity, paper-free offices, work-related accidents,..)

2020

Due Diligence Process
LMC started to incorporate ESG KPI’s in its investment decision process

2021

Development Analysis
Past KPI reports were used to conduct an analysis on the improvements in our portfolio companies

Update ESG-Reporting
Introduction of our own Scoring System based on previous KPI’s and add. derived from Taxonomy, TCFD, SDFR, SDG’s

Going-forward

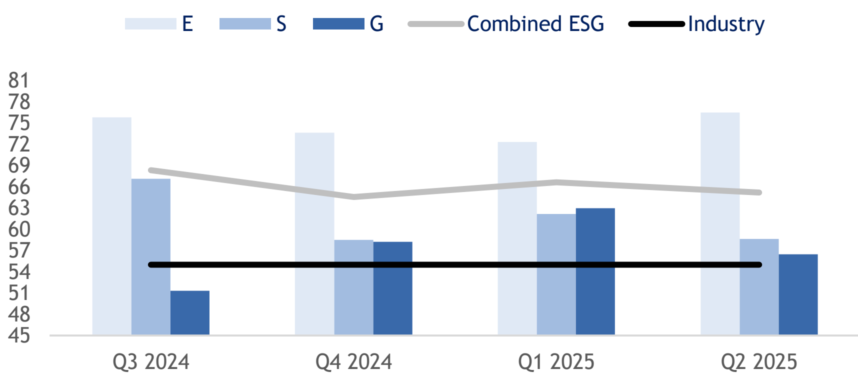
Implementation on all levels
Full execution of our ESG strategy in all 3 key areas

The Status Quo for all portfolio companies has been collected over the last months and benchmarked against its industry

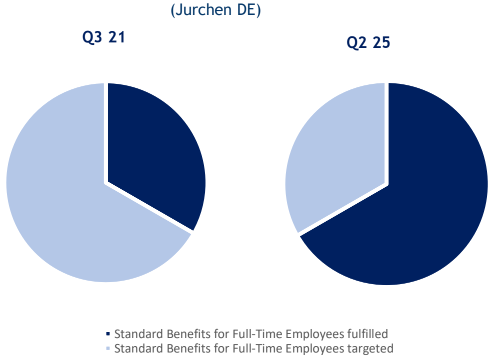
Development of ESG KPI‘s of Portfolio Companies

- Jurchen Technology

Scoring Overview last 12 Months



Benefits Standard for Full-Time Employees
(Jurchen DE)



ESG Initiatives

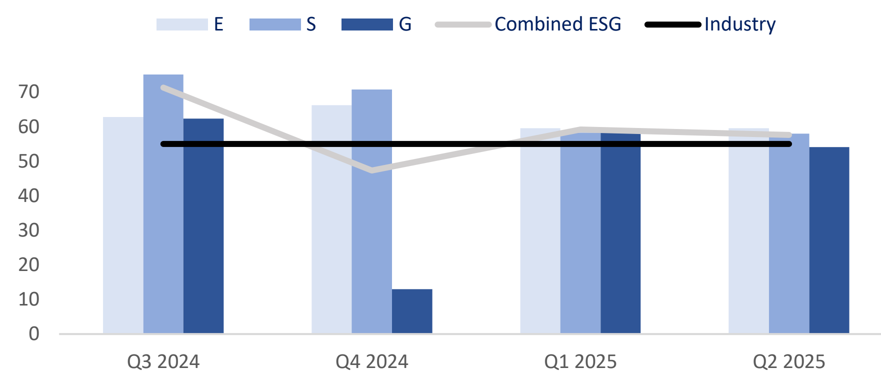
- Supporting the shift towards a more **sustainable** usage of **energy consumption** with the portfolio company Jurchen Technology.

- Total number of leaks, thefts, or losses of customer data detected=0
- Number of corruption cases = 0

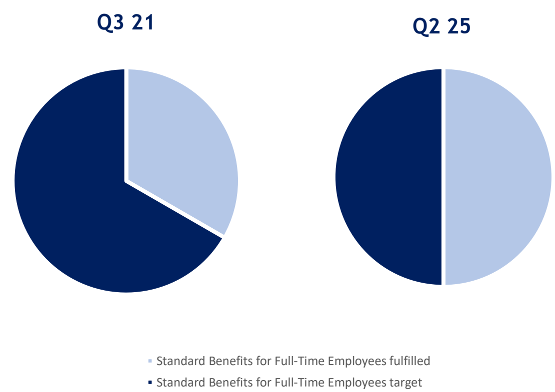
Development of ESG KPI‘s of Portfolio Companies

- Kettler Trading

Scoring Overview last 12 Months



Benefits Standard for Full-Time Employees



ESG Initiatives

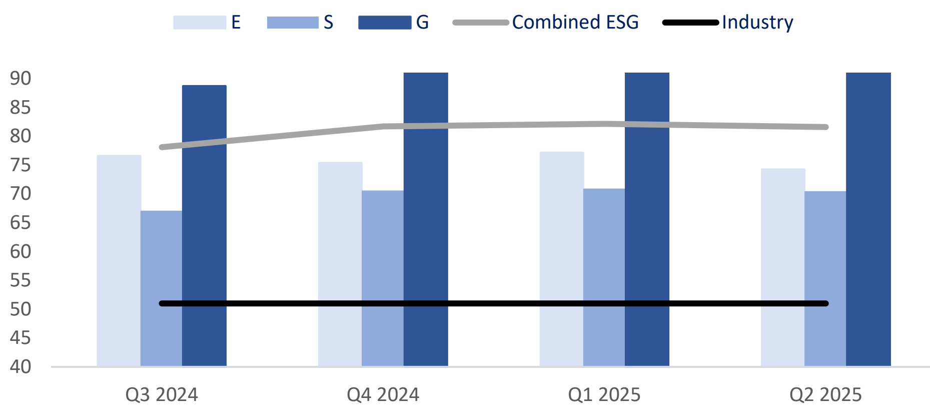
- Supporting **women in management position** by the recruitment of two women for Kettler‘s management team.
- Reduced carbon footprint and more flexibility/work satisfaction for employees through mobile working possibility with home office
- Zero cases of disregard for health and safety impacts of own products
- 0% of sales are generated in countries that do not accept human rights values

The Status Quo for all portfolio companies has been collected over the last months and benchmarked against its industry

Development of ESG KPI's of Portfolio Companies

- KNISTR

Scoring Overview last 12 Months



Q3 22

E	S	G
53	72	65

66

Q2 25

E	S	G
74	71	94

82

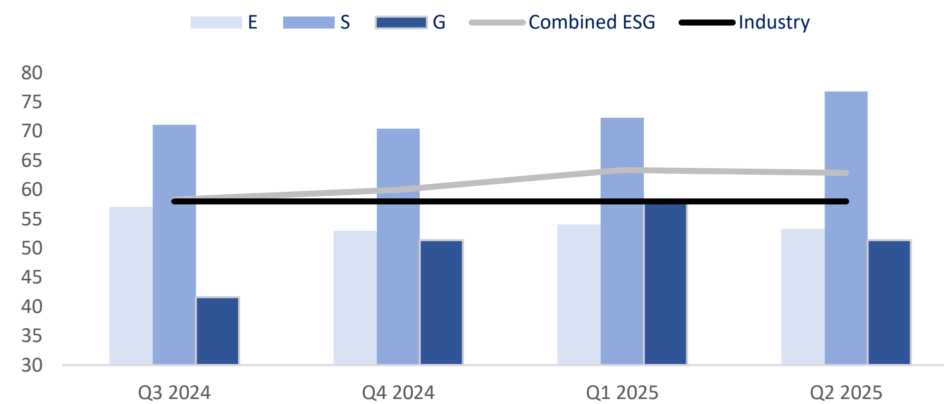
ESG Initiatives

- **Percentage of women** in relation to the total workforce amount up to 43 %
- 100 % of employees receive **regular performance appraisals** and career development reviews
- Full-Time employees receive 100 % of all possible **voluntary benefits** as standard benefits
- Employees receive up to 10 additional vacation days for non-profit work
- Various community projects including donations for social causes

Development of ESG KPI's of Portfolio Companies

- ACISO

Scoring Overview last 12 Months



Percentage of women to total number of employees:

Q3 22	Q2 25
54 %	47 %

Distribution of age structure for all full-time employees in percent:

Age group:	Q3 22	Q2 25
1. under 30 years old	31%	41%
2. 30-50 years old	53%	43%
3. above 50 years old	16%	16%

ESG Initiatives

- ACISO makes sure to comply with laws and regulations regarding **environmental aspects**, as well as auditing its suppliers for these aspects
- 22 % of total energy consumption originates from **renewable energy**
- 81 % of sales improve **health care** within cities/communities
- Establishment of physio practices within ELEMENTS gyms to combine gym activities with professional health services

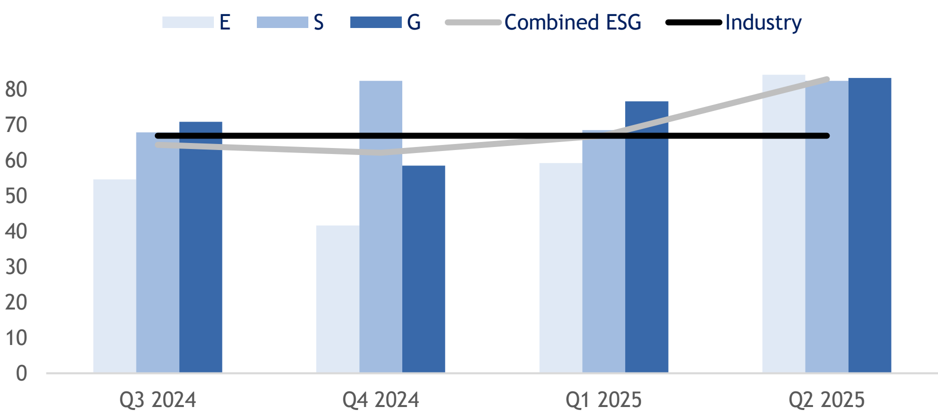
The Status Quo for all portfolio companies has been collected over the last months and benchmarked against its industry

Development of ESG KPI's of Portfolio Companies

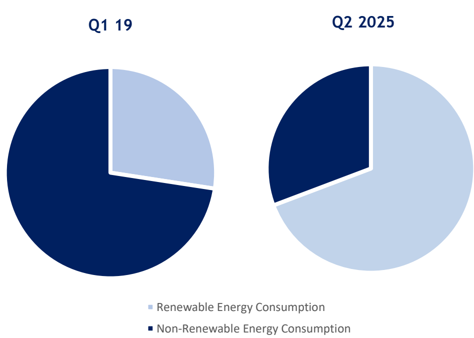
WECUBEX

- Wecubex

Scoring Overview last 12 Months



Renewable Energy in Relation to Total Energy



ESG Initiatives

- Repair and exchange of ceiling lighting as well as restoration of windows/doors in the factory building, which will both lead to **lower energy consumption.**
- Zero complaints received in relation to breach of consumer data protection
- 20 % of workforce below the age of 30 years
- Offer for workforce to participate in trainings related to human rights guidelines 2 days per year

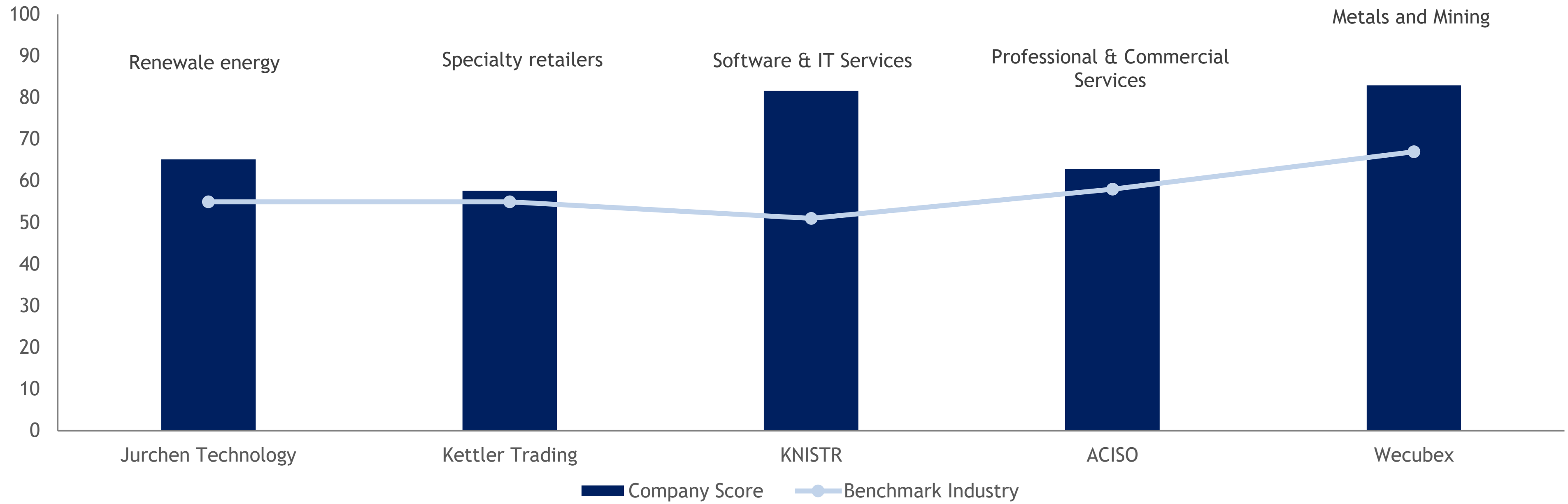
The Status Quo for all portfolio companies has been collected over the last months and benchmarked against its industry

Excerpt of ESG Projects initiated by Q2 2025

- Summary of all companies

Topic	Project	Definition
Management	Whistleblowing	Software solution for whistleblowing issues by e.g. EQS Integrity Line, Wespond
Employee retention	Physical activities	Fitness studio membership; BGM/BGF measures by partner directly on site
Resource Use	Paperless work administration	License for Dokusign to reduce paper consumption even further; general changeover to reduce paper consumption
Product Responsibilty	Sustainable raw materials	Increase of eco-materials as well as recycled materials
Resource Use	Installation of charging stations	Construction of charging stations for e-vehicles
Emissions	Energy saving measures	Working off a separate list of energy-saving measures
Product Responsibilty	Red Flag markets/industries	Definition of specific selling markets and industries as red-flag
Employee retention	Green Day corporate event	Audience for employee ideas regarding sustainability improvements for the company
Customer attractiveness	Awards/certificates/external presentation	Participation in ESG awards/certifications; presentation of ESG on website, inclusion in sales presentation
Employee retention	App for „Jobrad“	To increase usage, intro of competitive app for the use of the e-bike via e.g. health insurance
Resource Use	Environmental criteria/labor conditions of suppliers	Checking new suppliers for environmental criteria and working conditions
Resource Use	Product packaging	Use as little plastic as possible and low-color packaging
Innovation	Holistic energy concept	Energy-saving measures in the ELEMENTS, merchandise etc.

Scoring Result of every Portfolio Company was above their respective iundustry benchmark in Q2 2025

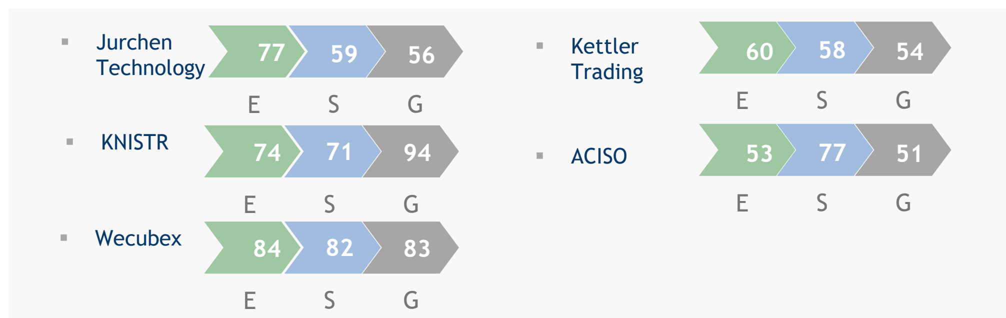


Selection of standards and regulations that serve as basis for measurements:

- EU Taxonomy (2020) by European Commission
- SDG‘s (2015) by United Nations
- Task Force for Climate Related Financial Disclosure (2015) by TCFD
- Sustainable Financial Disclosure Regulation SFDR (2019) by European Commission
- UNGC GRI Standards (2016) by United Nations

Portfolio overall managed to receive a **“B“ Score.**

"B" Score indicates good relative ESG performance and above-average degree of transparency and reporting material ESG data.



Next steps on manifesting the ESG strategy on portfolio company level as well as fund level have been identified and tackled

Investors

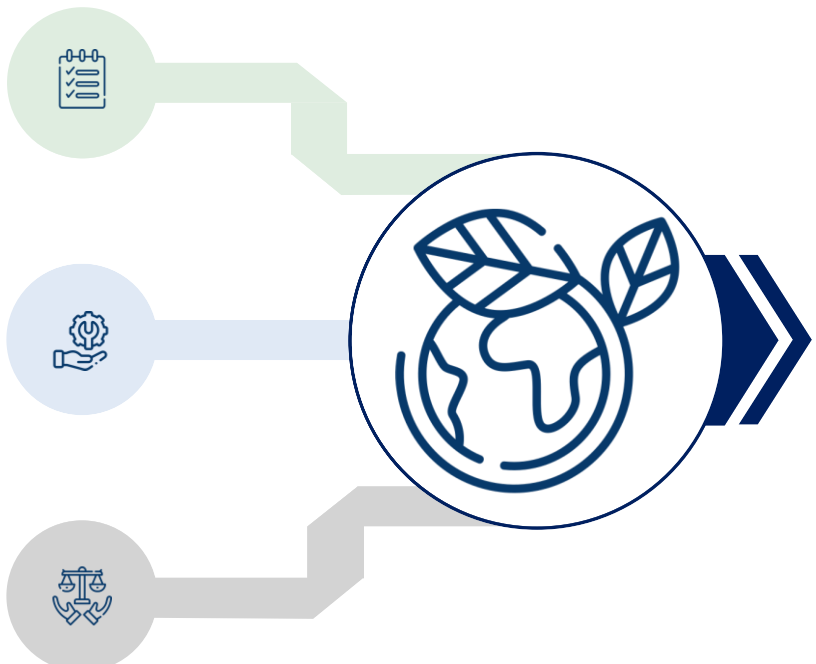
In order to strengthen the trust in our methodology and enhance our commitment even further, we are now signatory of **UNPRI** for our Fund III. Fund III will classify as Article 6 concerning the SFDR regulations. All relevant information has been uploaded to our website to comply with regulation and provide transparency. Please find the link here: www.lafayettemittelstandcapital.com/esg

Investments

The collection of the status quo for the portfolio company has started for the first charter. The initiated **workshop** took place where the ESG concept, our strategy as well as our mission was displayed. In addition, an **ESG action plan** was formulated with **specific ESG projects** for the respective portfolio company.

Within LMC

LMC’s corporate culture is shaped by a positive and dynamic working environment where we place great importance on cooperation and collaboration. Our associates are offered to participate in yearly third party trainings chosen by themselves. For the future we will continue to embrace our culture to new team members including interns.



ESG Mission Statement

ESG Integration throughout the full Investment Cycle and full execution of our ESG strategy in all 3 key areas with the aim to minimize environmental footprint and improve societal aspects without harming profits