Cerberus Capital Luxembourg S.à r.l.

Sustainability-related Disclosures

Disclosure pursuant to SFDR Article 3 – sustainability risk policies

Capital Management, L.P. and its affiliated entities', including Cerberus Capital Luxembourg S.à r.l. ("CCL") (collectively, "Cerberus" or the "Cerberus Group"), has adopted an Environmental, Social, and Governance ("ESG") Policy (the "Policy") which considers the integration of sustainability considerations in investment decision-making processes as required by Article 3 of the Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector ("SFDR" of the "Regulation"). The Policy was adopted on June 5, 2023. This document provides a summary of the information set forth in the Policy as it relates to the integration of sustainability considerations in the investment decision-making processes.

Sustainability risk is defined in SFDR as "an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment". The Policy provides a general framework for consideration of material (as defined in the Policy) ESG issues across asset classes, whilst also being consistent with and subject to any applicable fiduciary, legal, regulatory, or contractual duties. Cerberus Group investment desks may implement an ESG sub-policy which will apply to solely to such investment desk but only to the extent it does not conflict with the Policy.

The Policy sets out that consideration of ESG issues, including sustainability risk, generally occurs during three key phases of the investment process:

1. **Due Diligence -** As a part of the due diligence process, we will generally endeavour to gather ESG information concerning the target investment that we consider to be relevant to our investment decision-making. Through this process we aim to identify and address material ESG issues, however Cerberus' investment activities cover a wide range of opportunities, some of which involve limited information rights (and in some cases, no information rights). Cerberus' diligence practices will vary depending on many factors, including, but not limited to, the transaction type, investment strategy, and target.
2. **Investment Decision-Making Processes -** Cerberus may seek to assess whether the underlying business or asset has environmental, social and/or governance issues, and/or is engaged in responsible and ethical practices. There is no one-size-fits-all list of factors or weighting of such factors that can be applied formulaically, and often, a range of factors might be in tension. ESG considerations may be assessed on an investment-by-investment basis or as part of a broader discussion and are only some of the factors considered when making an investment decision. In some cases, assessment of issues that may be material may involve industry-specific considerations, as well as consideration of regulatory, reputational, science-based, socio-economic, or geopolitical factors.
3. **Post-Investment, Controlled Companies -** With respect to investments in which Cerberus is able to exercise control through its investment, during the course of operating a new or existing portfolio company we will seek to integrate ESG factors and goals, as we consider appropriate, into the operating plan and, at least annually, monitor progress towards reaching those goals.

Disclosure pursuant to SFDR Article 4 – No consideration of adverse impacts of investment decisions on sustainability factors

As per Article 4 of the Regulation, financial market participants shall disclose whether they consider or not impacts of investment decision on sustainability factors at firm level. After a thorough analysis of the Regulation and taking into consideration the nature of the business of the AIFM, CCL has determined not to consider Principal Adverse Impact ("PAI") for the following reasons:

- The mandatory indicators published in the Regulatory Technical Standards are not practical and cannot be used in the context of private markets where such information is not available consistently or is not reliable enough to ensure a meaningful reporting.
- The stance taken at firm level with regards to PAI applies equally to all the AIFs managed by the AIFM. In the case of CCL, none of the AIFs it manages fall under article 8 or article 9 of the Regulation. As such, the AIFM is not able to certify that all its AIFs will consider PAI.

The AIFM will keep assessing the feasibility and potential value-added to investors of considering the PAI at firm level and as such, the above position may be revised in the future.

The Cerberus Group management entities (including, for the avoidance of doubt, the Delegate Portfolio Managers) do not currently consider the adverse impacts of investment decisions on sustainability factors within the meaning of and in the manner prescribed by Article 4 of the SFDR, as they believe that the detailed underlying rules contained in the regulatory technical standards merit a thorough evaluation, including to ascertain the availability of the data set required to be reported. In addition, there currently is a lack of available data in respect of the indicators for adverse impact, in particular, in connection with social factors. However, such management entities (including, for the avoidance of doubt, the Delegate Portfolio Managers) will continue to assess and monitor potential sources of data that could allow for the monitoring of such indicators.

Disclosure pursuant to SFDR Article 5 – remuneration policy

As per Article 5 of SFDR, financial market participants are required to 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. All Identified Staff (being defined as "Categories of staff, including senior management, risk takers, Control Functions and any employee receiving total remuneration that takes them into the same remuneration bracket as senior management and risk takers, whose professional activities have a material impact on the AIFM's risk profile or the risk profiles of the AIF that it manages and categories of staff of the entity(ies) to which portfolio management or risk management activities have been delegated by the AIFM, whose professional activities have a material impact on the risk profiles of the AIF that the AIFM manages") receive a combination of fixed and variable Remuneration with the ratio of fixed to variable Remuneration, among other factors, ensuring that the Remuneration structure applicable to the Identified Staff has a limited impact on the risk profile of the AIFs under the AIFM's management.

In light of the limited impact of the AIFM's Remuneration structure in respect of Identified Staff on the risk profile of the AIFs, in addition to the nature of the business of the AIFM (including the delegation of the portfolio management activity for the AIFs to the relevant entities appointed), the AIFM believes there is no risk of misalignment with the sustainability risks associated with the investment decision making process of the AIFM in respect of the AIFs.

Where portfolio management is delegated, each portfolio manager shall ensure that it adopts remuneration policies and procedures which are consistent with the integration of sustainability risks, if sustainability risks are integrated into the investment decision making process. The AIFM shall seek periodic confirmations from each delegate portfolio manager that these policies are being complied with and that its remuneration structures are not encouraging excessive risk-taking with respect to sustainability risks, and remuneration is limited to risk adjusted performance.