

2024 ESG Report

ECM Equity Capital Management GmbH

Part 1

Introduction



Axel Eichmeyer

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At ECM, we have integrated ESG considerations in every step of our investment process. We take a pragmatic approach to ESG and believe this will contribute to the long-term success of our investments!

25 July 2025

Dear Readers,

As ECM we take a pragmatic approach to Environmental, Social and Governance (ESG) matters – it’s not Woodstock but good business practice. Our mission as the first institutional investor has always been to support the development of “bigger and better” companies.

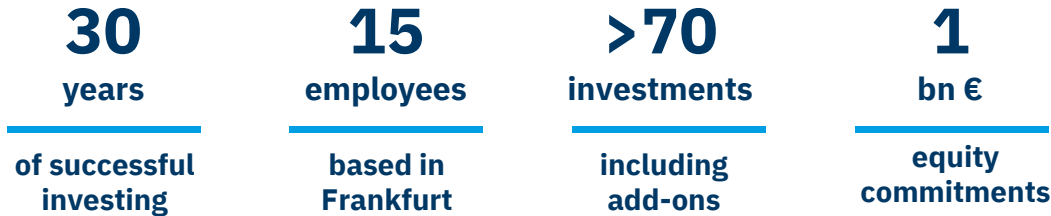
ESG is an integral component of our approach to create value for our investors. As a sustainability focused shareholder, we acknowledge and embrace our responsibility towards the environment, the employees, the communities and the broader society connected with both us and the portfolio companies of the ECM-managed funds.

This includes a diligent and comprehensive consideration of ESG matters throughout our investment processes. Our aspiration is to make a meaningful and lasting contribution to the sustainable development of the companies in which we invest. This active stewardship supports the performance of the portfolio companies as well as the long-term success of ECM.

As we release this first ESG Report, I want to express our gratitude to all of our partners in particular the investors in the ECM-managed funds and management teams / founders of our portfolio companies for your continued support. It is through our collective effort that we can drive forward the agenda of responsible and sustainable investing supporting the development of “bigger and better” companies.

Independent private equity firm

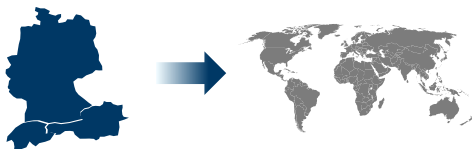
ECM is an independent private equity firm managing the German Equity Partners (GEP) funds. Since 1995, ECM has been a trusted partner for small and medium-sized enterprises (SMEs) and entrepreneurs, supporting their growth and further development with extensive experience and dedicated personal commitment.



Investment focus

ECM has since inception focused on primary investments, i.e. situation where ECM-managed funds have acted as the first institutional investor. This involves taking majority positions in the context of ownership successions, corporate divestitures and partnership investments with founders. We are looking to partner with entrepreneurial management teams in SMEs with differentiated business models.

DACH-based
with potential to grow globally



Targeted Sectors



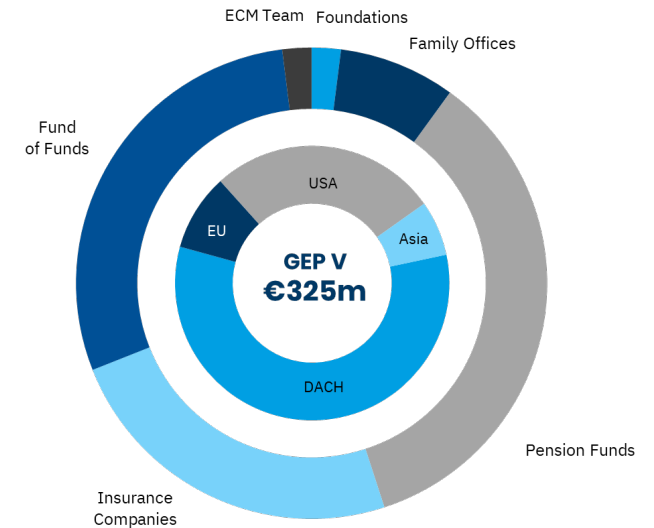
Partnership approach

We pursue a partnership approach – both internally at ECM and in the way we interact with portfolio company management teams. Culture and values matter! We believe in team work, open communication and flat, non-hierarchical structures. We share a passion for building bigger and better companies and supporting management teams in successfully developing portfolio companies.



Investor base

The funds managed by ECM have a diversified investor base with a long-term investment horizon. Investors in the GEP funds seek to participate in the exciting growth opportunities in the small cap market in the DACH region. Our current fund, GEP V, has capital commitments of €325m.



ESG is embedded at firm level and across the entire investment value chain

We – at ECM – commit ourselves to act and invest as a responsible and ethical shareholder which includes a thorough consideration of ESG matters throughout the investment process. This is consistent with our aspiration to make our significant contribution to the long-term sustainable development of portfolio companies.

Our ESG efforts are spearheaded by an ESG Steering Committee and Head of ESG. Our ESG policy gets updated and refined on a regular basis. The ECM team receives regular ESG updates and annual external training.

We have integrated ESG considerations into the entire investment process – from initial analysis to value creation during the ownership period and ultimate exit.



External resources are used to support this process – both at ECM and within in the portfolio companies. An annual ESG review conducted by a third-party expert was introduced in 2023 to systematically capture the ESG development of the GEP V portfolio companies.

Guiding principles

ECM is committed to supporting the development of sustainably successful “bigger and better” portfolio companies which have the potential to grow, provide employment and generate economic benefits in an environmentally and socially responsible manner.

ESG principles are an element of that commitment. Companies that carefully manage ESG risks and opportunities today, should be better positioned tomorrow.

We believe that the financial resources of our funds in combination with our active ownership approach can help SMEs address various challenges and to generate sustainable benefits for all stakeholders. This ensures the long-term success of portfolio companies beyond their ownership by ECM-managed funds.

To that end, we have the clear ambition that every year every portfolio company shows measurable progress in their ESG management, reflected in an annual improvement of the respective company's ESG Key Performance Indicators.

ECM Focus Topics

At ECM we follow a holistic approach to ESG as reflected in our Core ESG principles. In addition, we have set three specific Focus Topics which we will particularly promote both within our portfolio companies as well as within our own organization:



Decarbonization



Employee Wellbeing



Good Governance

Part 2

ESG Approach

Holistic approach

ECM takes a pragmatic and holistic approach to ESG. Key elements of this strategic approach are:

1. Integration of ESG matters across the entire investment process
2. Analysis of both risks and value creation potential
3. ESG embedded in the ECM Value Impact System
4. Rigorous and systematic approach to ESG development
5. Transparency through KPI measurement and progress tracking

ESG integrated in ECM's Value Impact System

ECM deploys a structured value creation framework to address complexity and grow businesses: Value Impact System. ESG is firmly embedded in this Value Impact System ensuring consistent advancement of ESG related matters during the ownership period of the ECM-managed funds.

Typical ECM targets are primary transactions in the lower mid-market in the DACH region, which often involve elements of complexity. The ECM value creation approach involves turning “complexity into clarity” and creating “bigger and better” companies. An integral part of that process is to support sustainable growth and the professionalization of the portfolio companies. As such, ESG related aspects form an integral part of the ECM investment approach.

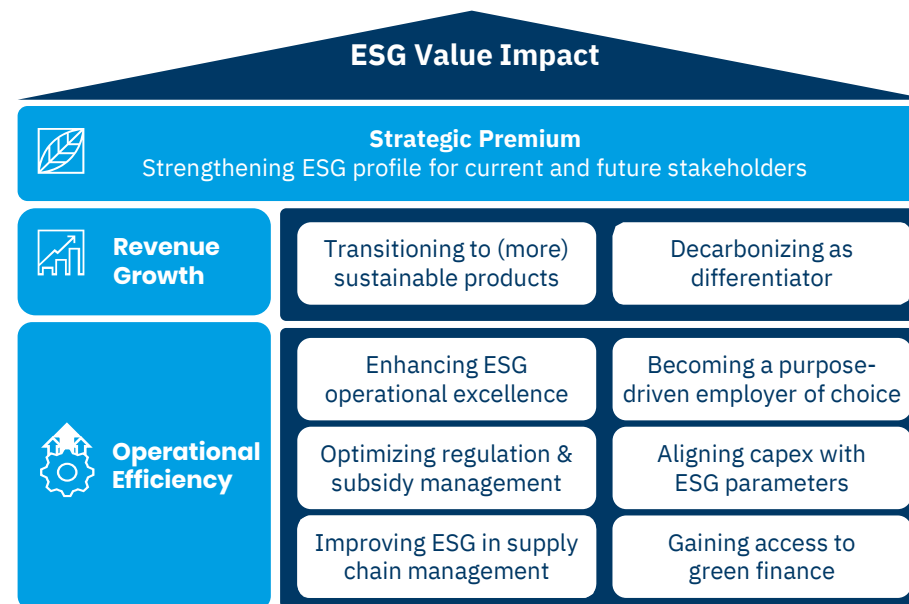


Value creation angles

All investment opportunities and portfolio companies are evaluated applying ECM's ESG Value Impact framework. Within the framework different value creation angles are analysed and classified in the following categories:

1. Creating a strategic premium
2. Supporting revenue growth
3. Improving operational efficiency

Based on the initial assessment, value creation initiatives are identified and included in the individual value creation plan of each investment.



Guiding theme

ECM is committed to supporting the development of sustainably successful “bigger and better” portfolio companies which have the potential to grow, provide employment and generate economic benefits in an environmentally and socially responsible manner. ECM’s Core ESG Principles are an element of that commitment.

Companies that carefully manage ESG risks and opportunities today should be better positioned tomorrow. ECM believes that the financial resources of funds in combination with an active ownership approach can help SMEs address various challenges and to generate measurable sustainable benefits for all stakeholders. This ensures the long-term success of portfolio companies beyond their ownership by ECM-managed funds.

ESG standards

Being a signatory of the UN Principles for Responsible Investment and member of Invest Europe underscores ECM’s ESG commitment. The guidance provided by these standards is reflected in our ESG Policy and we fully embrace the transparency framework.

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Our commitment at ECM is clear: sustainable success is built on the foundation of responsible stewardship. By putting ESG on the agenda, we support the Funds’ portfolio companies in addressing tomorrow’s challenges head-on and generating long-term value for all.



- Isabel Berger, Head of ESG

ECM’s Core ESG Principles

- 1 Ensure that our investment process recognises the potential impact of businesses on the environment, employees, communities and on society at large
- 2 Act in an environmentally responsible manner, aiming for a sustainable approach to the efficient use of resources for improving environmental performance, standards and compliance and to avoid the irresponsible disposal of hazardous products and unnecessary waste
- 3 Respect and promote human rights in line with the United Nations Guiding Principles on Business and Human Rights and the Universal Declaration of Human Right. We do not exploit child or forced labour and comply with all relevant health and safety requirements
- 4 Be non-discriminatory regarding gender, race, disability, political opinion, sexual orientation, age, religion, social or ethnic origin and seek equality in all employment practices
- 5 Ensure that management structures and policies reflect the need for transparency and accountability
- 6 Act with integrity and honesty at all times
- 7 Comply with both the letter and the spirit of applicable laws, regulations, guidelines and best practices, including industry-specific standards and codes of conduct
- 8 Establish procedures to prevent bribery and/or money laundering in all of our operations
- 9 Consider the potential impact of business operations on animal welfare and where possible avoid animal cruelty

Key Performance Indicators

In order to turn principles into action ECM applies the following sets of Key Performance Indicators (KPIs) to assess and monitor ESG progress:

1. Indicators relating to ECM Focus Topics

While we follow a holistic approach to ESG as reflected in our Core ESG Principles described above, we have set the three Focus Topics Decarbonization, Employee Wellbeing and Good Governance which we will particularly promote within our portfolio companies as well as within our own organization.

Each portfolio company is assessed on the maturity and performance within each Focus Topic. The maturity component assesses the status of the Focus Topics' strategic integration within the organization. The performance component evaluates the progress and effectiveness of relevant measures based on quantitative and qualitative KPIs.

2. Principal Adverse Impact Indicators

We have initiated the collection of selected principal adverse impact (PAI) indicators defined by the EU Sustainable Finance Disclosure Regulation in order to eventually assess potential negative impacts of the portfolio companies on sustainability aspects. We are currently working on improving data availability and quality in order to be able to publish a PAI entity statement in the future.




3. Indicators suggested by the ESG Data Convergence Initiative as well as Invest Europe

To contribute to the streamlining of meaningful and globally comparable ESG metrics in the private equity industry, we aim to collect the indicators suggested by the ESG Data Convergence Initiative and Invest Europe.

The above KPIs are measured and reviewed on an annual basis. This process is generally supported by an independent third-party advisor.

Measurement of ECM Focus Topics

ECM supports the funds' portfolio companies throughout the ownership period in advancing the three Focus Topics and monitors their progress based on a defined set of maturity and performance criteria. An excerpt is illustrated below:

	 Decarbonization	 Employee Wellbeing	 Good Governance
Focus Topic	Decarbonization	Employee Wellbeing	Good Governance
Description	Consistent assessment of carbon emissions and adoption of reduction strategies supporting the goals of the Paris Agreement	Objective to strengthen employer branding and becoming employers of choice	Establishment of strong governance frameworks fostering integrity, business ethics and compliance
Selected Maturity Criteria	<ul style="list-style-type: none"> Carbon footprint Integration of CO₂ emission reduction on strategic level Renewable energy sources 	<ul style="list-style-type: none"> Family-friendly workplace Employee benefits Staff development concepts 	<ul style="list-style-type: none"> Implementation of Code of Conduct Installation of Compliance Officer Integration of Risk Management System
Selected Performance Criteria	<ul style="list-style-type: none"> CO₂ emissions (Scope 1, 2 and 3) Avoided emissions Renewable energy consumptions 	<ul style="list-style-type: none"> Sick leave Employee churn rate Regretted losses Non-regretted losses 	<ul style="list-style-type: none"> Qualitative assessment

Integration of ESG Principles in the Investment Process

ESG considerations deeply embedded across the entire investment process



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- ECM screens investment opportunity for business/sector restrictions
 - ECM excludes certain sectors and business activities not aligned with its sustainability values
 - Review of available documents by ECM deal teams to assess relevant and material ESG aspects
 - Preliminary assessment reflected in ESG Quick Check as part of Pre-Screener
 - Mandatory external ESG Due Diligence on target company
 - ECM has defined a standard ESG due diligence scope of work
 - ECM's Investment Proposals include a section on ESG findings from due diligence
 - Sign-off for investment opportunity from Head of ESG required prior to IC decision
 - Investment Committee discusses ESG performance and value creation strategy
 - Providing management teams ongoing support including access to expertise and resources to achieve their ESG-related goals
 - Annual external ESG performance reviews
 - ESG on the agenda of quarterly Advisory Board meetings
 - Reporting to funds' investors
 - ESG vendor reports as appropriate
 - ESG assessments and ESG Policy shared with potential buyers

Part 3

Portfolio Performance

ESG Value Impact in practice

All GEP V portfolio companies have been evaluated by an independent third party applying ECM's ESG Value Impact framework. For each company specific value creation angles have been identified and recommendations to realize those potentials have been provided. As transparent measurements are crucial to track and advance sustainability performance, annual external ESG reviews are performed throughout GEP V's ownership period.

Examples of identified value creation angles

The chart on the right-hand side serves to illustrate examples of value creation angles identified for selected portfolio companies.

ONE HIRING

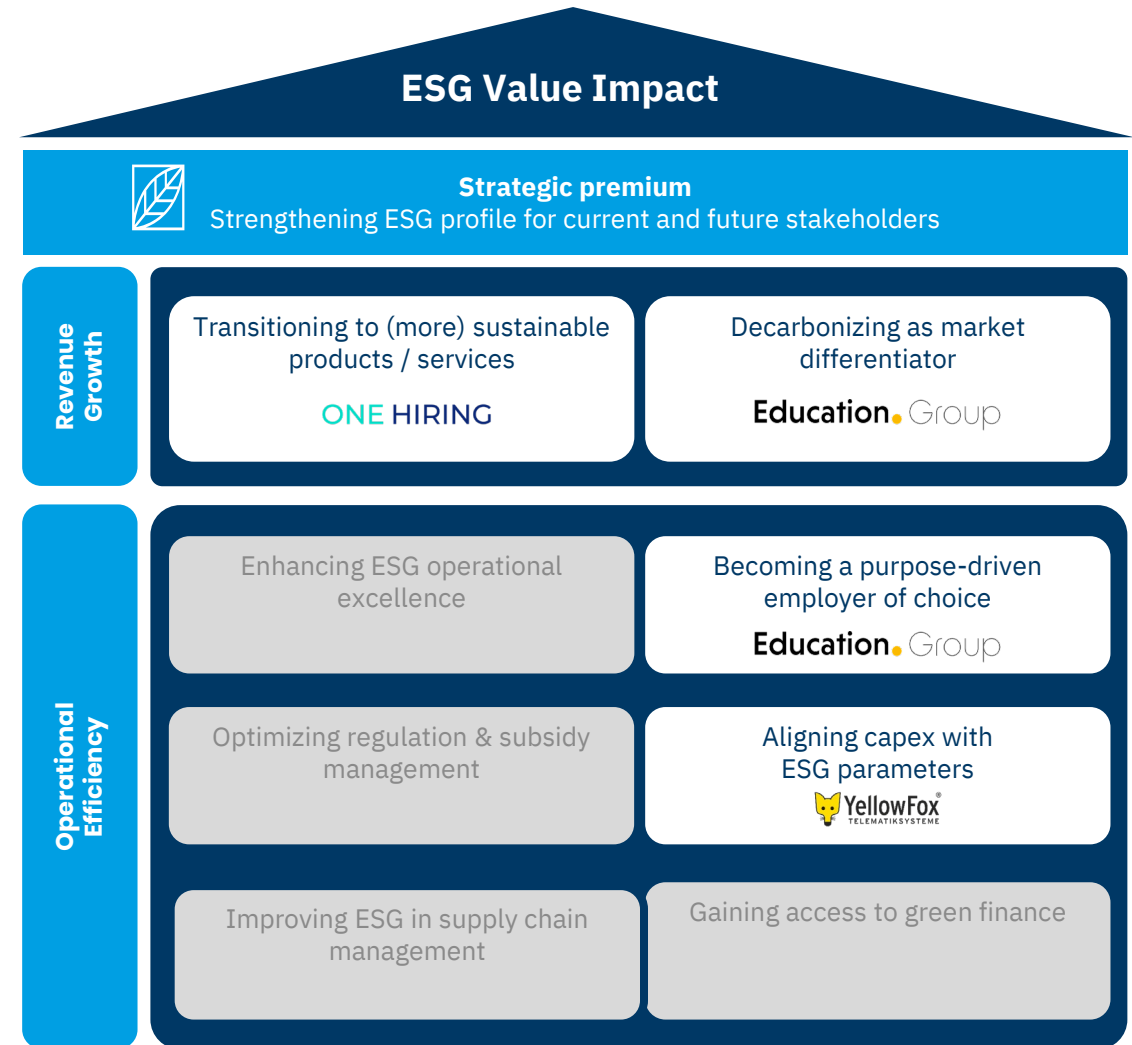
Recruiting specialist One Hiring has recognized the increased demand for sustainability experts in the market and has established a practice group for ESG experts as an additional service offering.

Education Group

The Education Group has developed a dedicated 'Academy goes green' initiative aimed at decarbonizing both own operations as well as franchise partners. First pilot projects already show success in attracting new customers, especially from younger generations with increased sustainability awareness. Furthermore, Education Group was honored with the TOP JOB award, being recognized as the Employer of the Year for 2025.



YellowFox is currently converting its own fleet of company cars to electric/hybrid vehicles and is planning to build a new office incorporating green building standards, e.g. by using photovoltaic systems. These initiatives aim to improve the company's sustainability profile and to meet increasing ESG expectations of relevant stakeholders.



GEP V Portfolio Performance

Based on the annual update review GEP V has accomplished an advancement across all ESG areas in 2024. The majority of high priority recommendations identified during the ESG assessments conducted in 2023 have been completed and the portfolio companies are continuing to address any remaining medium and low priority recommendations.

In addition to the qualitative assessment, ESG performance is measured based on specific KPI sets. While data quality and availability have increased there is still room for improvement regarding the comparability of data between the years. Therefore, the following exemplary KPIs reflect 2024 performance. We recognize that this is a journey, and we are committed to supporting our portfolio company management teams in their efforts to further improve data availability and quality.



Exemplary Social Indicators

Social indicators include a broad spectrum of health and safety topics as well as human resource KPIs. In addition, an aggregated employee well-being score is monitored which is based on qualitative aspects such as providing a family-friendly workplace. The table below provides a subset of monitored social KPIs.

71%	of portfolio companies conduct employee satisfaction surveys	1%	Average accident rate
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Social achievement in spotlight

Education Group

Education Group has received the TOP JOB award for Employer of the Year 2025 highlighting the company’s excellent work culture and talent management.



Exemplary Governance Indicators

Over the past year, the GEP V portfolio companies have made further progress with regards to good governance. ECM monitors several qualitative governance indicators and supports their implementation. The table below presents a sample of relevant governance KPIs.

100%	of portfolio companies have implemented a whistleblower process	100%	of portfolio companies have implemented a Code of Conduct
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Governance achievement in spotlight

DATAPART®

Datapart has rolled-out a new Code of Conduct which is aligned with UN Global Compact Principles and has been integrated in annual compliance trainings.



Exemplary Environmental Indicators

ECM actively encourages its portfolio companies to decarbonize and monitors progress based on a dedicated decarbonization score. It is worth noting that none of the GEP V portfolio companies has a negative impact on biodiversity-sensitive areas or water resources. The table below shows an excerpt of environmental KPIs.

79 tCO₂e/m€	Average GHG emission intensity* based on revenue	17t	Total hazardous waste of GEP V companies
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Environmental achievement in spotlight

detax

Due to a regulatory change, the portfolio company Detax is now allowed to provide digital package leaflets for its products thereby reducing packaging and paper waste.

*GHG emission intensity in 2024 was calculated based on the data available as of June 2025. To this date GHG emission data for 86% of portfolio companies was available, some companies used estimates to fill data gaps where necessary. Portfolio companies are still actively improving their data quality and availability.

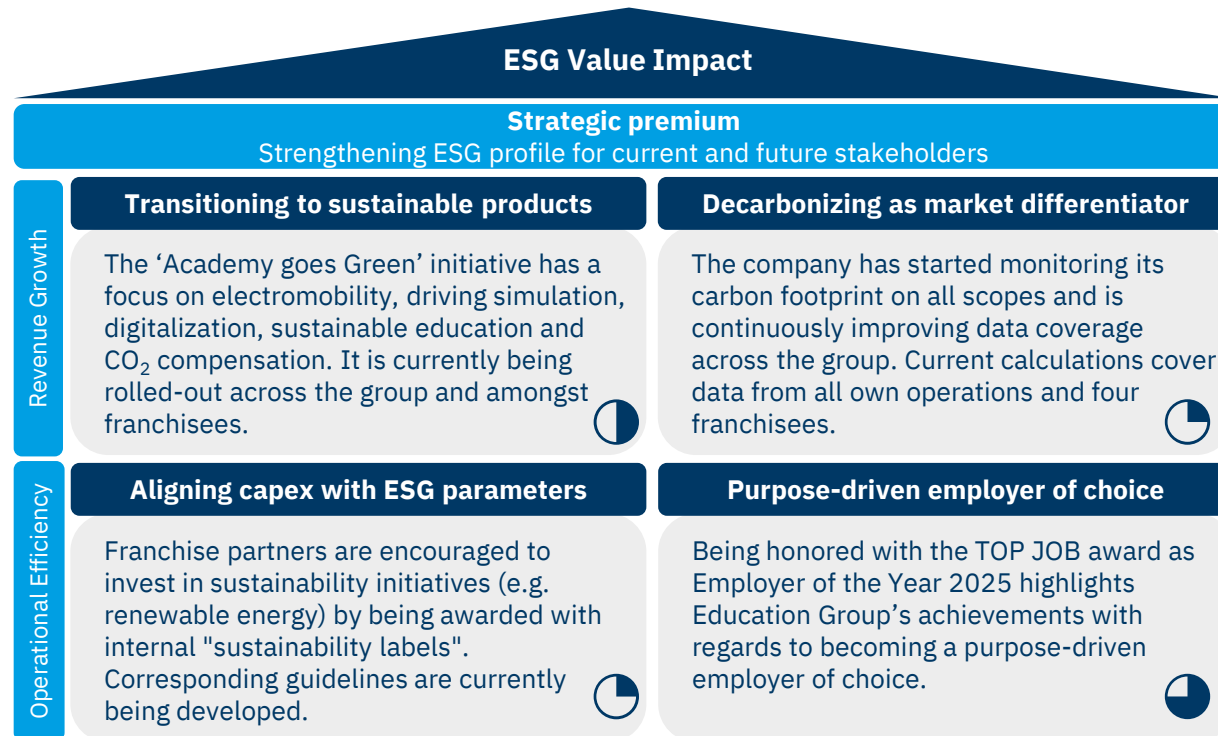
Case Study – Education Group (1/2)

ESG Overview

Business description

Education Group’s business model comprises of (1) own driving schools under the brand Academy, (2) training centers of driving instructors as well as (3) Academy franchise partners. The business model covers the entire education value chain also addressing the shortage of skilled driving instructors and professional drivers.

Status of identified ESG value creation angles

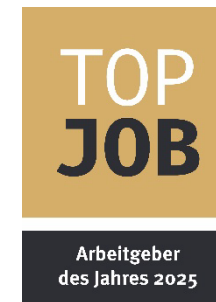


● Status in %

Performance on ESG KPIs

Education Group has improved several KPIs within the three ECM Focus Topics. A major achievement was the TOP JOB award for Employer of the Year 2025 confirming the company’s excellent work culture and talent management. The Code of Conduct has been extended to incorporate a clear reference to UNGC and OECD guidelines. In terms of environmental improvements, data quality for monitoring of Scope 1, 2, and 3 emissions has been enhanced, by collecting data from all own operations and four additional franchise partners. Additionally, the 'Academy Goes Green' initiative pilot phase has been completed with five franchise partners and will now be rolled out. The majority of recommendations from the initial ESG assessment conducted in 2023 have been completed, with some recommendations in progress and a few scheduled to be addressed in the next cycle.

Progress on ESG recommendations



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The TOP JOB award confirms that we as a group of companies have succeeded in establishing a strong value-based work culture and reassures customers that the same values are upheld at all Education Group driving schools.


– Ruth-Anna Gräff-Weißmann, CEO

Case Study – Education Group (2/2)

ESG Performance 2024

Performance on selected Environmental KPIs

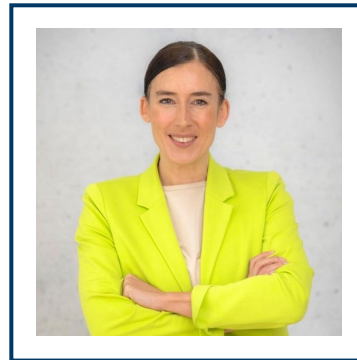
Education Group continuously improves its data quality and coverage regarding environmental KPIs. Currently its scope 1 and 2 emissions fully cover own operations, whereas scope 3 currently covers business travel and four franchisees. The ESG team is continuously working on achieving full coverage of all franchisees in the future. Compared to 2023, Education Group's share of renewable energy has successfully been increased from 33% to 58% in 2024.

Carbon footprint (tCO ₂ e)		Share of renewable energy	Impact on biodiversity, water and waste		
Scope 1	1,882	 58%	0 Biodiversity-sensitive areas affected	0t Emissions to water generated	0t Hazardous waste generated
Scope 2	17				
Scope 3	271				

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With the Education Group, I aim to demonstrate that we are fully aware of our responsibility and that successful sustainability integration is possible in our industry.

- Ruth-Anna Gräff-Weißmann, CEO



Performance on selected Social KPIs

Education Group has developed a group-wide health and safety concept which is currently being rolled-out together with a digital HR platform. The sick leave rate at Education Group has been reduced to 6% in 2024, compared to 8% in 2023. Education Group has a strong diversity commitment.



Performance on selected Governance KPIs

Education Group has made significant progress towards good governance by appointing a designated compliance officer and implementing a robust risk management system. All five good governance topics monitored by ECM have been effectively implemented.



Appendix

TCFD at ECM

ECM supports the Task Force on Climate-related Financial Disclosures (“TCFD”). To foster transparency and establish a foundation for future reporting, ECM voluntarily publishes its TCFD aligned disclosure for the first time this year. ECM is committed to enhancing the depth and quality of its ESG assessments in the coming years to ensure the resilience of its portfolio companies with regards to climate-related risks.

Governance

Board’s oversight of climate-related risks and opportunities

Managing climate-related risks and opportunities is one important element of ECM’s responsible investment approach. The main oversight responsibility lies with the Managing Partners. A high-level climate risk assessment is conducted as part of every ESG Due Diligence on new investment opportunities and the Managing Partners as members of the Investment Committee are informed about the results.

Sustainability matters relating to portfolio companies are regularly discussed during Advisory Board (“Beirat”) meetings. They are also evaluated at least once a year as part of the third party ESG review to monitor progress on ESG-related value creation topics including climate-related targets such as decarbonization measures.

Investors are regularly updated on the progress. This includes presentations at the Annual General Meeting and access to ESG reviews of portfolio companies via a virtual data room.

Management’s role regarding climate-related risk and opportunities

At ECM the ESG Steering Committee supervises progress on the achievement of climate-related targets and monitoring of climate related risks. It consists of the Head of ESG, one Managing Partner and one Partner. The Investment Professionals at ECM are responsible for the assessment and monitoring of climate-related topics at the portfolio company level throughout the entire investment process from origination to exit.

Strategy

Climate-related risks and opportunities over the short, medium and long term

Given the sectoral and geographical investment focus of the ECM-managed funds, climate-related risks are generally low in the short term. However, they could increase in the medium to long term with regards to potential costs of financed emissions and the risk of stranded assets which should be taken into account in the selection of future investments. Climate-related opportunities relate primarily to supporting the reduction of portfolio companies’ carbon footprint. In addition, the ECM-managed funds may invest in companies which through their products or services provide solutions for climate mitigation or adaptation.

With respect to the current portfolio companies, potential physical risks relate primarily to the adverse effects of rising mean temperatures on working conditions which may result in additional costs. The main transitional risks for the portfolio companies arise through increasing regulatory and market pressure to decarbonize, e.g. through CO₂ emission taxes and carbon footprint reporting requirements. In addition, changing consumer preferences related to increasing climate awareness could lead to customer losses if not adequately addressed by the companies.

Key opportunities for most portfolio companies have been identified regarding their reputation in terms of differentiating from competitors through effective decarbonization. Some companies identified opportunities that are already reflected in their product offering, e.g. using telematic systems to monitor CO₂ emissions for customers or offering degassing solutions that lead to a reduction of environmentally harmful emissions.

Risk Management

Climate-related risk management processes

ECM's approach to ESG and climate-related risk management is integrated throughout the entire investment process. During due diligence, an initial high-level climate risk analysis is performed for all investment opportunities, taking into account relevant physical and transitional risks. This analysis is based on the TCFD logic (Governance, Strategy, Risk Management, Metrics and Targets) and where relevant, different climate scenarios will be taken into account for the potential investment. Newly acquired portfolio companies are provided by the due diligence provider with relevant recommendations to further reduce any identified risks and to leverage any potential opportunities. In addition, all portfolio companies are asked to report their carbon footprint on an annual basis to ECM and to implement respective reduction measures. Progress with regards to all ESG and climate-related recommendations including CO₂ emission reduction measures is monitored and documented at least on an annual basis through a formalized third-party ESG performance review.







Metrics and Targets

Metrics on climate-related risks

ECM is committed to continuously move towards carbon neutrality through reductions of its Scope 1, 2, and 3 emissions, thereby contributing to the Paris Agreement objectives. It is ECM's ambition to reach carbon neutrality primarily through emission reductions and only compensate for emissions where absolutely necessary, using credible and certified carbon offset projects. In order to also achieve carbon neutrality in the scope 3 category, ECM strongly encourages all portfolio companies to implement relevant decarbonization measures and monitor their progress. They are asked to report their carbon footprint annually and encouraged to set their own reduction targets.

Assessment of climate-related risk and opportunities

The following table provides an overview of the average risk indicator and the average opportunity indicator across all portfolio companies of the GEP V Fund that have been identified in a climate-related risk assessment:

	Type	Description	Risk low, medium, high	Opportunity yes, no
Physical risks	 Acute	Event driven risks including increased severity of extreme weather events such as cyclones and floods	Low	No
	 Chronic	Risks on the business activities and its supply chain from longer-term shifts in climate patterns (e.g. sustained higher temperatures) that may cause sea level rise or chronic heat waves	Low	No
Transitional risks	 Technology	Effects of new climate-related technologies, e.g. substituting existing products and services with lower emissions options, increased costs to transition to lower emissions technology	Low	Yes
	 Market	Effects of new market dynamics e.g. shifts in supply and demand for certain commodities, products and services	Low	Yes
	 Policy and legal risk	Effects of policy actions that attempt to constrain or promote climate-related actions as well as effects of increased litigation or legal risks due to a growing value of loss and damage arising from climate change	Low	No
	 Reputation	Reputational risk tied to changing customer or community perceptions of an organization's contribution to or detraction from the transition to a lower-carbon economy	Low	Yes

Carbon footprint of ECM in tCO₂e

Scope 1	Scope 2	Scope 3 (including investments)
5	21	2,340