Disclosures in accordance with EU Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector (the "SFDR").

- *Art. 3 SFDR: information about Mandarin Investment Management ("MIM" or the "AIFM")'s policies on the integration of sustainability risks in its investment decision-making process*;

MCP Team seeks, internally and at investee company level, to:

- Always comply with both the letter and the spirit of the law, wherever it applies.
- Ensure that it takes a responsible approach to investing throughout its investment cycle.
- Commit to sustainability to the maximum extent possible at MCP level, as well at investee company level.
- Act responsibly with respect to the environment, aiming for a sustainable approach to the use of resources, avoiding irresponsible disposal of hazardous products and unnecessary waste.
- Understand sustainability and its link to growth and value.
- Actively manage environment, social and governance (ESG) issues.
- Ensure that it recognises the potential impact of businesses on the environment, workers, communities and society, as well as the potential impact of climate change on the businesses in which MCP Funds are invested.
- Ensure that there is always respect of human rights and no exploitation of child labour.
- Ensure there is no bribery or corruption in any of the dealings negotiated.
- Act with integrity always in all the dealings.
- Ensure that the internal management structures and policies reflect the need for transparency, accountability, equality and probity in the management of the businesses.
- Comply with industry standard ESG guidelines and best practices, and actively manage ESG considerations and risks effectively.
- Improve the understanding of climate risks and opportunities and build climate resilience into the corporate strategy.
- Foster and cultivate a culture of diversity and inclusion (whether on grounds of gender, race or disability), by encouraging employee development and retention.

Sustainability risks are integrated in MCP's investment decision processes, namely through the implementation of:

I. A written policy, describing the actions to be taken when screening potential new investments, the monitoring process of each investment and the information made available to the potential buyer when exiting investments.
II. ESG targets with respect to each investment.
III. Investment exclusion list, including certain types of industries that MCP Team will seek to avoid investing in. These are businesses: i) which MCP Team thinks do not reflect the trajectory of a changing world and/or ii) are fundamentally misaligned with MCP values and/or iii) for which MCP Team has limited to no ability to affect business model change. The list includes the following industries:
    a. Weapon manufacturing and trading.

b. Gambling and gaming.
c. Production and trading of items related to sexual activity.
d. Production and trading of products containing tobacco, marijuana, cocaine, other similar drugs unless they are to be used for therapeutic purposes.

- *Art. 4 SFDR: a statement on due diligence policies with respect to the principal adverse impacts of MIM's investment decisions on sustainability factors*:

Responsible investment, and subsequently responsible ownership, require proper analysis, judgement and mitigation of risk. MCP Team:

i) takes into consideration the principal adverse impacts of its investment decisions on sustainability factors and has integrated sustainability risks into the investment process and risk management.
ii) aims to invest in companies that take a responsible approach towards the environment, society and corporate governance.

Before acquiring any business, MCP Investment Team, with the support of ESG external specialists, identifies whether there are any ESG related key risks or opportunities. ESG considerations are included in the Investment Report, which is presented to, and considered by, the Portfolio Manager, the Executive Committee and the Advisory Committee. The two internal bodies must give their positive feedback before any investment is recommended to the Board for final approval. In this phase, MCP Team considers whether it deems the risk(s) unacceptable, and thus rejects the investment opportunity, or determines that any risk(s) identified need to be addressed, managed or rectified during its ownership. In cases where material ESG risks are identified and deemed acceptable, a plan is developed by MCP and agreed with management to prioritise, address, manage and/or remedy the issues in the post-acquisition implementation process. In some instances, further obligations or warranties from the vendor may be sought, for instance in the purchase documents or as on-going obligations. Sustainability risks are rooted also in MCP's firm-wide risk policy which outlines MCP's risk management framework.

Once a company is acquired, MCP has a standardised approach to engage proactively on ESG matters. MCP puts emphasis on the early integration of ESG management in the post-investment phase to ensure that material ESG matters are properly prioritised. From a corporate governance perspective, MCP seeks to ensure that its portfolio companies' boards take responsibility and accountability for all ESG-related topics. MCP's portfolio companies are required to participate in a periodic post-acquisition ESG review and monitoring process. The post-acquisition review process includes evaluation of the resources allocated to ESG at each portfolio company. Through early engagement, MCP identifies and discusses ESG matters with the most appropriate employees, helping them to develop tools and approaches to manage ESG.

Following the implementation phase, MCP team maintains regular dialogue with its portfolio companies, through formal board meetings, *ad hoc* informal meetings and calls between MCP Team and the relevant ESG representatives within the portfolio company. In the periodic calls,

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the ESG KPIs reported by the portfolio companies are reviewed and discussed, together with the outcomes of the action plans that have been agreed in occasion of the first investment by MCP. If new or additional ESG matters arise during MCP's ownership of a portfolio company, MCP Team's approach mirrors that of its pre-acquisition approach. MCP seeks to assess and rectify the situation through discussion with management and the development of an action plan. If a serious ESG risk is identified, the issue is escalated immediately to MCP's Portfolio Manager and, depending on the gravity of the issue, to the Executive Committee and the Board. From 2020, MCP Team has started a monitoring program with selected portfolio companies: the companies are required to fill in an annual compliance questionnaire to inform monitoring efforts and to ensure MCP can promptly identify any potential ESG issues.

MIM reports ESG issues in several ways to the Investors of the AIFs under management, including regularly updating on any material developments or issues in the quarterly Investors' Report.

- *Art. 5 SFDR: information on how MIM's remuneration policy is consistent with the integration of sustainability risks*:

MCP's approach to remuneration was designed in such a way to be consistent with the integration of material sustainability risks in investment decisions. Remuneration in MCP is based on a combination of fixed and variable parts. For those members of the staff who are actively involved in the monitoring and management of sustainability risks, the remuneration policy considers also ESG qualitative and quantitative parameters for the allocation of the variable component. However, these are established in a way that the compensation plan does not encourage excessive risk taking with respect to sustainability risks.

You are welcome to contact us for more information on how MCP Team integrate ESG across its own corporate activities and the invested companies, by email corporate@mcpinvest.lu or by phone +352 220 117 23.

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