MUSTARD SEED + PARTNERS

MS+ PARTNERS FUND I

SFDR ARTICLE 9 WEBSITE DISCLOSURE

SFDR – Article 10(1) of Regulation (EU) 2019/2088, & Articles 38 to 49 Commission Delegated Regulation (EU) 2022/1288 Website Disclosure

High Growth,
Global Impact.

August 2024

This document constitutes the website product disclosure for financial products that have sustainable investments as their objective. Under the EU Sustainable Finance Disclosure Regulation (SFDR), all Article 9 SFDR funds are required to publish sustainability-related information document on their website

This document is not sufficient to allow investors to commit to acquiring interests, units or shares of the Mustard Seed + Partners Growth Fund I SICAV-RAIF nor any other particular alternative investment fund, shall not amount to subscription forms or similar documents whether in a draft or a final form nor amount to constitutional documents, a prospectus or offering documents of a not yet established fund in a final form. This document does not constitute an offer or an invitation to subscribe to interests, units or shares of the Mustard Seed + Partners Growth Fund I SICAV-RAIF nor any other alternative investment funds and that the information presented herein should not be relied upon because it is incomplete and may be subject to change.

SUMMARY

The European Parliament and the Council of the European Union published Regulation 2019/2088 on the 27th November 2019, referring to sustainability-related disclosures in the financial services sector. The purpose of this regulation, known as the Sustainable Finance Disclosure Regulation (**SFDR**), is to improve transparency on the sustainability of investment decisions, and to classify financial market participants according to their environmental, social, or governance (**ESG**) commitments and positive contributions to environmental and social goals.

Mustard Seed + Partners GP S.À.R.L (**General Partner**, the **Firm**, and/or **MS+**) is the investment advisor of the Mustard Seed + Partners Growth I SICAV-RAIF (the **Fund**, **Fund I**, **Alternative Investment Fund**, or **Financial Product**), a pan-European impact-focused growth equity fund registered in Luxembourg. The Fund is managed by Innpact Fund Management S.A., a Luxembourg registered Alternative Investment Fund Manager (**AIFM**), regulated by the Commission de Surveillance du Secteur Financier (**CSSF**).

MS+ invests in fast-growing European businesses, with global 'lock-step' potential where impact and financial returns are mutually reinforcing. In other words, our companies' revenues are driven by the impact that they create. This has been our approach to impact since our inception in 2015, and to substantiate our commitment to this notion, our general partner portion of carried interest is explicitly tied to the impact performance of our portfolio companies. The Fund intends to make significant minority through to control investments and aims to achieve out-sized returns by applying a thematic impact approach to conventional growth equity opportunities across Western Europe (the UK, France, Germany, Benelux, the Nordics, and Southern Europe).

The Fund's mission is to *back European champions with a sustainability purpose to scale solutions that address the world's largest environment and social challenges*. As a result, the Firm has established a sustainability investment[1] objective which best reflects our Founders' intended approach and mission statement:

> **"MS+ endeavours to utilise a thematic approach inspired by societal megatrends to support businesses which either advance climate change mitigation, reducing greenhouse gas emissions in alignment with the Paris Agreement, resource efficiency to reduce unsustainable consumption and waste levels to support the transition to a circular economy, or fair labour and health-and-wellbeing standards."**

MS+ has outlined key considerations for the Fund in adherence to Article 9 requirements of the SFDR, specifically:

1) Key considerations towards ensuring no significant harm to our sustainable investment objective, implementing a detailed, uniform framework of evaluation for target investments which takes into consideration minimum safeguards, investment restrictions and exclusions, good governance, and principal adverse impacts;
2) Detailed breakdown of our sustainable investment strategy delineated across our two core investment themes – Environmental Sustainability (Climate Solutions and Resource Efficiency), and Societal Sustainability (Societal Growth across education and healthcare);
3) Detailed investment process identifying how our consideration to impact, and sustainability more broadly, is deeply embedded throughout our due diligence and portfolio monitoring processes;

[1] Note: In accordance with Article 2(17) of the SFDR Regulation, "sustainable investments" are defined as; "*an investment in an economic activity that contributes to an environmental objective, as measured, for example, by key resource efficiency indicators on the use of energy, renewable energy, raw materials, water and land, on the production of waste, and greenhouse gas emissions, or on its impact on biodiversity and the circular economy, or an investment in an economic activity that contributes to a social objective, in particular an investment that contributes to tackling inequality or that fosters social cohesion, social integration and labour relations, or an investment in human capital or economically or socially disadvantaged communities, provided that such investments do not significantly harm any of those objectives and that the investee companies follow good governance practices, in particular with respect to sound management structures, employee relations, remuneration of staff and tax compliance.*"

4) Methodology and monitoring processes in which we engage with portfolio companies and associated management teams to address, reverse, and optimise current businesses practices to advance their environmental and/or social sustainability impact; and,

5) Determination of our relative success and how we attain our intended sustainability investment objective, as well as identifying the ways in which we evaluate our attainment (as well as the potential limitations in scope and data).

NO SIGNIFICANT HARM TO THE SUSTAINABLE INVESTMENT OBJECTIVE

Following the entry into force of the SFDR regulation and the Commission Delegated Regulation (EU) 2022/1288, MS+ has implemented an detailed impact investment review process and reporting framework that provides additional granularity on Principal Adverse Impacts (PAIs) and adherence to the minimum safeguards outlined in the existing international guidelines like the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, combined with a proprietary sustainability risk matrix and consideration to good governance template of future portfolio companies.

In addition to the assessment of PAIs and adverse sustainability impacts in general, and as per the Fund's Articles of Incorporation (AoI) and Private Placement Memorandum (PPM), the Fund does not invest, guarantee or otherwise provide financial or other support, directly or indirectly, to companies or other entities (i) established in or which maintain a business relationship with entities incorporated in a Non-Cooperative Jurisdiction, or (ii) whose business activity consists of:

1. **An illegal economic activity, i.e., any production, trade or other activity, which is illegal under the laws or regulations applicable to the Fund or the relevant Portfolio Company, including, without limitation, human cloning for reproduction purposes;**
    - Additional activities which will be excluded from our Investment appraoch, as referred to in Article 19 of the Regulation EU no. 1291/2013 of the European Parliament and of the Council, include:
    - Research aiming at human cloning for reproduction purposes;
    - Research intended to modify the genetic heritage of human beings, which could make such changes heritable (excluding research relating to cancer treatment of the gonads); and
    - Research intended to create human embryos solely for the purpose of research or for the purpose of stem cell procurement, including by means of somatic cell nuclear transfer;
2. **The production of or trade in tobacco or distilled alcoholic beverages and related products;**
    - Companies involved in any activities related to controversial weapons (as referred to in international treaties etc);
    - Gambling, casinos, pornography or equivalent enterprises;
    - The research, development or technical applications relating to electronic data programs or solutions, which aim specifically at:
        - Gambling and casinos, pornography; or
        - Which are intended to enable illegal entry into electronic data networks or download electronic data

In addition, when providing support to the financing of the research, development or technical applications relating to human cloning for research or therapeutic purposes, or genetically modified organisms (GMOs), MS+ shall ensure the appropriate control of legal, regulatory, and ethical issues linked to such human cloning for research or therapeutic purposes and/or GMOs.

Mandatory for all invested portfolio companies, MS+ will analyse and evaluate all PAIs stated in Table 1 ("Statement on principal adverse impacts of investment decisions on sustainability factors")[2] of the SFDR as part of our initial underwriting and due diligence investment process. In addition, MS+ will consider a selection of relevant additional PAIs from Tables 2 and 3 specific to our investment approach, noted below:

[2] PAIs 15 to 18 of Table 1 are not applicable to the Fund, and will not be reported.

Table 2 (Selected optional PAIs):

- 4. Investments in companies without carbon emission reduction initiatives
- 5. Breakdown of energy consumption by type of non-renewable sources of energy
- 6. Water usage and recycling

Table 3 (Selected optional PAIs):

- 7. Incidents of discrimination
- 9. Lack of a human rights policy
- 15. Lack of anti-corruption and anti-bribery policies

Information pertaining to all mandatory PAIs within Table 1 will be collected and evaluated at the due diligence stage of investment, either obtained directly from the portfolio company management team, a trusted third-party advisor / consultant mandated by MS+, or from publicly available depositories / data sets. To the extent the information is not readily available, MS+ may consider applying proxy data points / indicators from reputable sources at the discretion of the general partner. For the optional PAIs selected from Tables 2 and 3, MS+ will determine which indicators are relevant (if any) for each individual investment and incorporate them into the same due diligence process.

All findings pertaining to PAIs will be evaluated on a line-by-line basis to help form an overall qualitative "score", which forms one of the core pillars of MS+'s "sustainability risk matrix".

All data collected as part of the underwriting process are reported internally and stored for future reference. In particular, PAI and related findings for all companies which are successfully invested in by MS+ and held within the Fund will be distributed to relevant and applicable stakeholders in line with MS+ reporting policy.

Additionally, MS+ will screen 100% of investments against the PAB exclusion list, per the ESMA 2024 Fund Naming Convention, in addition to further exclusions noted above by MS+, to ensure these types of businesses are excluded from the portfolio. For example:

- Are involved in any activities related to controversial weapons.
- Are involved in the cultivation or production of tobacco.
- Are found in violation of the United Nations Global Compact (UNGC) principles or the Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises.
- Derive 1% or more of their revenues from the exploration, mining, extraction, distribution or refining of hard coal and lignite.
- Derive 10% or more of their revenues from the exploration, extraction, distribution or refining of oil fuels.
- Derive 50% or more of their revenues from the exploration, extraction, manufacturing or distribution of gaseous fuels.
- Derive 50% or more of their revenues from electricity generation with a GHG intensity of more than 100g CO_2 e/kWh.

SUSTAINABLE INVESTMENT OBJECTIVE OF THE FUND

Our sustainable investment objective is rooted in the belief that the best businesses of the future are those that will play key roles in solving global social and environmental challenges. As a result, we have formed a sustainable investment objective which seeks to fully align with our mission statement, investment focus, and ultimate ambitions as impact investors:

> **"MS+ endeavours to utilise a thematic approach inspired by societal megatrends to support businesses which either advance climate change mitigation, reducing greenhouse gas emissions in alignment with the Paris Agreement, resource efficiency to reduce unsustainable consumption and waste levels to support the transition to a circular economy, or fair labour and health-and-wellbeing standards."**

In order to deliver on our sustainability investment objective, MS+ has established a thematic investment approach that has been shaped by the team's dedicated impact investment experience, as well as our deep understanding of growing environmental and societal needs and macroeconomic megatrends supporting our strategy:

- **Climate Solutions** Climate change and net zero commitments are megatrends that will require massive investments, creating a generational opportunity for the next decades;
- **Resource Efficiency** Growing global middle-class, coupled with unsustainable consumption and economic growth are depleting natural resources, creating opportunities for innovative companies building a more circular economy;
- **Societal Growth** Structural demographic and societal changes driven by aging population, migration, urbanisation and technology disruption, are resulting in growing social inequalities, and require new solutions.

The Fund intention is to invest entirely into sustainable investments, with a minimum target allocation of 70% to climate and environmental focused investments and a minimal 10% allocated to social sustainable investments.

To realise the Fund's sustainable investment objective, the Fund invests in portfolio companies that actively and demonstrably contributes to at least one of our core sustainability criteria. Specifically, the environmental sustainable objective of the fund is addressed against the following criteria:

1. **Effective positive contribution to address climate change and decarbonisation, measured against at least one of the following UN SDG(s); SDG 7 (affordable and clean energy), and SDG 13 (climate action)**

2. **Reduced unsustainable consumption and waste levels measured against at least one of the following UN SDG(s); SDG 9 (industry, innovation and infrastructure), SDG 11 (Sustainable cities and communities), SDG 12 (Responsible consumption and production)**

For the social sustainable objective of the fund, we have considered the following criteria:

3. **Advancement of fair labour and health and wellbeing standards measured against at least one of the following UN SDG(s); SDG 3 (Good Health and Wellbeing), SDG 4 (Quality education), SDG 8 (decent work and economic growth)**

For any investment to be considered "investible", at least one of the three criterion must be fulfilled at the point of investment, and then annually review and reported upon until final sale of the company.

The Fund does not consider any referenced index to meet its sustainability investment objectives or compare the overall sustainability-related impact of the Fund's investments against the impacts of said index or of a broad market index. Given the investment strategy, which encompasses both environmental and social sustainable investments, there is no single benchmark which aligns with our strategy.

Instead, MS+ defines a set of impact metrics and annual performance targets which enable, at any point in time, the calculation of an "impact multiple" of each company according to the target.

INVESTMENT STRATEGY

The MS+ investment strategy is built fundamentally around the belief that companies which have the ability to generate scalable and sustainable solutions to important societal and environmental issues will deliver attractive financial returns. We back companies whose businesses' core product or service is inherently beneficial to society. No matter who the future stakeholders are, positive impact is at the core of the business and can never be stripped away. We define this as the "Virtuous Venture Cycle" concept.

In defining sustainable investment opportunities appropriate for the Fund, our key objectives are (i) to align commercial performance and impact outcomes, (ii) to identify, form and implement Impact KPIs, some examples of which have been noted previously, that have a measurable environmental and/or societal impact characteristics, and (iii) to leverage tested frameworks and lessons learned from our multiple decades of dedicated impact investing experience.

Our investment strategy is guided by the following key principles:

- **Thematic Alignment** Targeting solutions-oriented businesses that align with our three identified macro-driven investment themes, contributing measurably to address global challenges. In practice, we focus on companies whose core business activity contributes a solution to a global environmental or social challenges identified by our targeted subset of UN SDGs
- **Scalable Solutions** Backing businesses with proven and scalable business models, benefitting from clear market demand, differentiated solutions or technology, predictable cash-flows, leadership positions and breakthrough potential
- **Active Governance** MS+ is an active “hands-on” investor, leveraging growth private equity levers to drive outcomes. Our playbook is focused on scaling platforms, operational value creation, and business repositioning around core sustainability values. We exclusively focus on situations where we can add value through our network and expertise
- **Impact Management** Actively measuring, and seeking to maximise, both financial performance and impact contribution towards our specific UN SDGs through rigorous impact management and performance tracking

With respect to the specific evaluation of the “sustainable” nature of the Fund’s investments, the Firm will adhere to the following investment process and methodology:

Investment Process

I. Initial Screening

We will evaluate potential and existing portfolio companies (held within our venture vehicles) against our key selection criteria. Specifically, the Investment Team will progress only investment opportunities which provide evidence (or the potential) to i) measurably address a global societal or environmental challenge, ii) benefits directly from global sustainable megatrends, where we have a deep network and experience in the sector or technology, iii) and sits within one of our three investment themes which form our overall sustainable investment objective: climate solutions, resource efficiency and societal growth. Any opportunity outside of our thematic scope will be deprioritised in our investment pipeline.

Additionally, MS+ will screen 100% of investments against the PAB exclusion list, per the ESMA 2024 Fund Naming Convention, to ensure these types of businesses are excluded from the portfolio:

- Are involved in any activities related to controversial weapons.
- Are involved in the cultivation or production of tobacco.

- Are found in violation of the United Nations Global Compact (UNGC) principles or the Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises.
- Derive 1% or more of their revenues from the exploration, mining, extraction, distribution or refining of hard coal and lignite.
- Derive 10% or more of their revenues from the exploration, extraction, distribution or refining of oil fuels.
- Derive 50% or more of their revenues from the exploration, extraction, manufacturing or distribution of gaseous fuels.
- Derive 50% or more of their revenues from electricity generation with a GHG intensity of more than 100g CO_2 e/kWh

II. Due Diligence

Outlined seperately under “Due Diligence”.

II.II “Establishing Impact KPIs”

To ensure that the target company and the Fund is fully aligned to our overall sustainable investment objective, as well as the mission statement of the Founders, the Firm also establishes specific company impact KPIs structured around the three investment criterion mentioned previously. MS+, in parallel with the management teams, will adopt targeted UN SDGs which seek to measure the company’s environmental and societal impact during ownership.

Furthermore, to maximise our alignment to our environmental and societal impact, we fully align the general partner’s economic incentive structure for MS+ to the positive outcome of these Impact KPIs (i.e. the general partner’s Fund’s carried interest allocation). Please refer to our prospectus for more information.

II.III Sustainability Risk Rating

Following our initial due diligence screening process, in conjunction with our evaluation of the PAIs, we amalgamate all the relevant information to determine a proprietary “Sustainability Risk Matrix” score based on the IFC E&S Risk Categorization and IFC PS which will lay the initial foundation of our on-going monitoring and assessment, should we invest in the company. The matrix will be qualitatively scored based on Low, Medium, High, “Deal Breaker”. The risk considerations evaluated will be based on these four categories:

4. **Respect for human rights (including fair labour rights)**
5. **Environmental & Climate impact**
6. **Socio-Economic impact – transition to circular economy**
7. **“Do no significant harm” – in conjunction with PAIs**

All four considerations are equally weighted, delivering a final average score. Any investment which includes a “deal breaker” rating will not be considered for investment at the time of assessment[3].

[3] MS+ reserves the right to reevaluate the target company at a later point at time, at which point, we may score the company differently and ultimately choose to invest if we believe the “deal breaker” characteristics have either not materialised as first perceived, or have been managed and abated by the management team and/or market evolution/pressures.

III. Investment Decision

Should an investment successfully meet our criteria for investment from a commercial, financial, risk and sustainability standpoint, and receive unanimous support for investment by our investment committee, MS+ will proceed to negotiations to close on the investment.

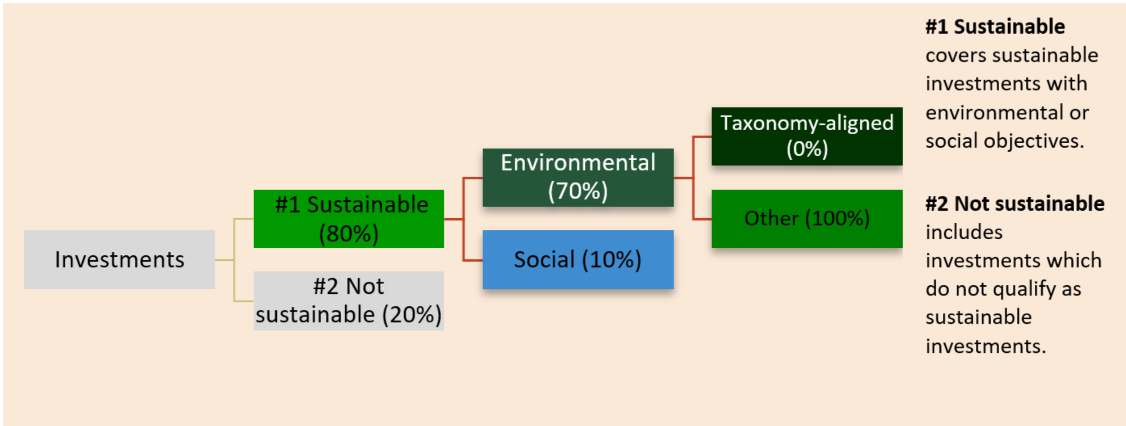
III. Monitoring

Following initial investment, MS+ will require management teams to report on impact and sustainability indicators, in addition to our impact KPIs on a regular basis, at least every quarter (during ownership), together with their underlying financial reports.

IV. Reporting

MS+ will regularly report on the sustainability and impact indicators of all underlying portfolio companies, and overall, at the fund level, to investors on a quarterly basis, with a full impact review completed and shared with investors annually.

PROPORTION OF INVESTMENTS



Source: ESMA, European Securities and Markets Authority

There is an expectation that the Fund may hold at least 80% of its total committed capital (excluding fees and associated fund costs) will be held in sustainable investments, with a small residual balance held for on non-sustainable investments, for instance, in the form of cash and cash reserves for the purposes of liquidity management.

The minimum of 80% of sustainable assets will be split as follows; a) minimum 70% allocated to environmentally sustainable investments, and b) minimum 10% allocated to social sustainable investments.

Up to 20% will be held in non-sustainable investments, for instance, in the form of cash and cash reserves for the purposes of liquidity management. No minimum environmenal and social safeguards will be in place for this portion of the fund.

Sustainable investments with an environmental objective aligned with EU Taxonomy

The Fund will not target a minimum percentage of sustainable investments with an environmental objective that are aligned with the EU Taxonomy. Consequently, the minimum target percentage will be 0%.

However, for every relevant investment, we will perform the necessary evaluation to consider EU Taxonomy, and where applicable, will report and retrospectively indicate the percentage of the portfolio which meets the conditions for EU Taxonomy once the Fund is fully deployed.

MONITORING OF SUSTAINABLE INVESTMENT OBJECTIVE

MS+ will endeavour to continually monitor the performance of each underlying portfolio company relative to the PAIs and sustainable investment objective and criteria adherence. In addition, in accordance with the guidelines set by the SFDR, MS+ will disclosure this information annually to both the regulator, as well as to the Fund's key stakeholders.

MS+ determines the attainment of the sustainable investment objective principally through two main principles:

1. **Measurement of performance against one or a combination of the three core sustainability criteria outlined above; and**

2. **Quantitative measurement of individual portfolio company Impact KPIs which reflects the allocation of carried interest between the General Partner and our investors.**

MS+ applies specific company impact KPIs to monitor and accelerate the lock-step growth in sustainable impact and financial returns. As a result, MS+ does not have harmonised impact KPIs at the portfolio Level which can accurately measure both environmental and social sustainable investments. Instead, MS+'s thematic approach shaped over 30 years' of shared European Impact investing experience has enabled us to establish core sub-theme focuses across climate solutions, resource effieiency and societal growth – whereby some degree of homogenity across impact KPIs can be sought. For instance:

Environment Sustainable assets:

- Climate solutions (example KPI): Tons of CO_2 emissions saved
- Resource efficiency (example KPI): Tons of CO_2 emissions avoided

Social Sustainable assets (Societal Growth):

- Future of Work & Learning (example KPI): Number of students or candidates which secure employment
- Health & Wellbeing (example KPI): Number of hospital appointments avoided through consultation / Number of active users suffering from mental health or vulnerable members of society supported

Ongoing Monitoring and Assessment

- We monitor the sustainability performance of our portfolio companies on a regular basis (e.g., annually) against at least one of our three criteria
- Additionally, we will continually refer to the information gathered as part of our PAIs assessment (via our due diligence template), as well as our initial Sustainability Risk Matrix determined at the point of investment through to the latest available quarter (during ownership)
- We will utilise various methods for ongoing monitoring, including:
  - Reviewing company sustainability reports
  - Tracking relevant industry developments
  - Engaging with company management on sustainability practices

  - Referencing our findings with management teams and other portfolio companies within our network
- We will also refer our findings to our third party ESG-specialist data collection company, selected at the discretion of the firm, to assist with the determination of all specific sustainability information.

Record Keeping

- We maintain comprehensive records of all pre-investment assessments and ongoing monitoring activities. These records document:
  - Information gathered during due diligence
  - Investment decision rationale
  - Monitoring data and engagement activities

METHODOLOGIES

As impact investors, we have the mandate and responsibility to report on the impact that our investments are creating and be accountable for it. In addition, we are committed to using the impact data generated by our companies to learn more about the effects of their solutions, iterate through regular feedback loops and inform operational and product changes. At this stage, it is important to define key concepts at stake:

- **Performance** Refers to the track record of each company in underachieving, achieving, or overachieving the target values for each goal
- **Impact Multiple** Is the ratio between the target value defined at the time of investment and the performance at the time of evaluation
- **Overall Impact Goal** Refers to the weighted average of all impact goals of a specific company
- **Portfolio Impact Goal** Refers to the weighting of the overall impact goal of each company with the capital invested in each company

Our team is responsible for monitoring progress on the performance of the selected impact goal(s) for each company. Monitoring takes place in the following occasions:

- **Board Meetings** Where we play an active role in business and impact discussions
- **Investor Updates** Whereby performance on impact goals is included as part of the regular updates we receive from portfolio companies. Reporting is locked into the legal documents of each of the portfolio companies

We report progress on impact performance every quarter to our investors. The output of this stage of the impact process is the regular monitoring of impact performance of each portfolio company.

With respect to specific sustainability indicators relevant to individual investments, MS+ will assess the evolutions of these indicators throughout ownership and track relative performance via our sustainability risk matrix analysis (performed during due diligence), in addition to providing key findings on indicators reported via our Fund's annual impact report.

DATA SOURCES AND PROCESSING

All relevant fund specific data will be collected using a reputable third-party outsource provider, to ensure the impact-related data of our portfolio companies is accurate and relevant to ensuring we attain the sustainable investment objective of the financial product. The company platform enables businesses to easily gather all ESG data in one location, automate ESG reporting and certification processes, and collaborate with third parties, such as specialised ESG consultants, to improve ESG scores or make specific ESG improvements. Its goal is to make sustainability simple, measurable, and affordable for businesses. The business was founded in 2021 and is based in Paris, France.

LIMITATIONS TO METHODOLOGIES AND DATA

Investment companies within the scope of the sustainable investment objective for the Fund are typically nascent, high growth companies (Series B, C, D, and late-stage growth). Invariably, these businesses are run by lean management teams that are not substantially built-out compared to large-scale corporations and institutions. Consequently, the collection, oversight, and evaluation of data may vary from portfolio company-to-company. Therefore, to mitigate this risk to a sufficient extent, MS+ has elected to invest in external advisory support from a trusted third party provider, a market leading platform for obtaining and processing ESG data.

DUE DILIGENCE

In addition to the commercial and financial assessment of potential investments, MS+ will gather specific environmental and societal sustainable information on target companies, focused primarily on:

- Environmental and social practices;
- Corporate and Governance structure
    - In particular, adherence to the minimum safeguards outlined in the existing international guidelines like the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights; and
- Alignment with our three sustainability criteria to measure alignment to our sustainable investment objective

Specifically regarding our consideration towards good governance, MS+ has devised a specific diligence template which evaluates management structure, employee relations, staff renumeration, and tax compliance, to form an overall qualitative score for each target investment.

Our sustainability due diligence process is conducted through multiple communication channels via the management teams, including physical and virtual on-site visits, as well as external reference calls, and engagement with our proprietary network and advisory board.

Where necessary, we will consult a reputable external consultant to conduct an independent study to supplement our findings. Additionally, we will refer to industry-wide information and supporting materials (where relevant).

ENGAGEMENT POLICIES

We host an impact workshop for each company we partner with. In this workshop, we co-select the impact KPIs alongside the management team. This ensures higher fidelity to the selected goals and an increased sense of ownership, as opposed to it being imposed on the team. In particular, any perceived sustainability linked controversies will be identified at the outset of an investment with management, at which point an action plan will be devised during ownership to abate this associated risk.

This workshop is delivered by our team but can also include external stakeholders if needed for specific industry expertise. The workshop typically runs for two hours, and its structure varies according to the circumstances of each company. We do this to ensure MS+ is fully tailored to management team's needs.

When selecting impact KPIs, we consider the following principles:

- **Reflect the Root Cause(s) of the Problem** An impact goal should assess the contribution towards the root cause of the problem instead of being linked to its consequences. A goal that addresses the causes of the problem is a proxy for a higher degree of change observed
- **Protect Against Perverse Incentives** A perverse incentive is an incentive to act in a manner that goes against the desired outcome. Perverse incentives include parking (neglecting beneficiaries that are less likely to achieve outcomes) and cherry picking (selecting beneficiaries that are more likely to achieve outcomes)
- **Ensure Sustainment of the Outcome** An impact goal should avoid myopic effects and be able to capture a lasting effect that goes beyond the direct exposure of people and the planet to the company's solution

ATTAINMENT OF THE SUSTAINABLE INVESTMENT OBJECTIVE

MS+ determines the attainment of the sustainable investment objective principally through two main principles:

1. **Measurement of performance against one or a combination of the three core sustainability criteria outlined above; and**

2. **Quantitative measurement of individual portfolio company Impact KPIs which reflects the allocation of carried interest between the Firm and our investors.**

MS+ applies specific company impact KPIs to monitor and accelerate the lock-step growth in sustainable impact and financial returns. As a result, MS+ does not have harmonised impact KPIs at the portfolio Level which can accurately measure both environmental and social sustainable investments. Instead, MS+'s thematic approach shaped over 30 years' of shared European Impact investing experience has enabled us to establish core sub-theme focuses across climate solutions, resource effieiency and societal growth – whereby some degree of homogenity across impact KPIs can be sought. For instance:

Environment Sustainable assets:

- Climate solutions (example KPI): Tons of CO_2 emissions saved
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Social Sustainable assets (Societal Growth):

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