

## **Statement on principal adverse impacts of investment decisions on sustainability factors**

**Financial market participant** MB Partners Oy

### **Summary**

MB Partners Oy considers principal adverse impacts of its investment decisions on sustainability factors. The present statement is the statement on principal adverse impacts on sustainability factors of MB Partners Oy.

This statement on principal adverse impacts on sustainability factors covers the reference period from 1 January to 31 December 2023.

This statement describes how MB Partners Oy (“MB”) considers principal adverse impacts of its investment decisions on sustainability factors as part of MB’s investment process and ownership, including the monitoring of principal adverse impacts, and addresses the requirements of European Union Sustainable Finance Disclosure Regulation (SFDR) 2019/2088 article 4 concerning the reporting of sustainability factors. This statement is reviewed annually.

MB manages and advises buyout funds, which invest mainly in mid-sized enterprises in Finland. As a part of MB’s approach to sustainability and responsible investment MB strives to avoid and reduce the negative effects of its investment decisions on sustainability factors, which are also called as the principal adverse sustainability impacts. Sustainability factors refer to environment-related matters, social and employee matters, anti-corruption, and anti-bribery matters and respect for human rights. MB’s investment activities or its investee companies may cause adverse impact on sustainability factors.

On the entity level MB, considers principal adverse impacts of its investment decisions on sustainability factors by measuring and monitoring its investee companies’ aggregated principal adverse impacts on sustainability factors. MB reports the mandatory principal adverse indicators applicable to investments in investee companies set by Regulatory Technical Standards under SFDR (RTS) and two voluntary indicators, however, taking into account that there may be limitations to the availability and quality of the required data.

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**Description of the principal adverse impacts on sustainability factors**

*[Information referred to in Article 7 in the format set out below]*

The following table includes a description of principal adverse impacts on sustainability factors and the results of the metrics. MB reports – concerning MB Equity Fund VI Ky (“the Fund”) – all mandatory indicators which are applicable to investments in investee companies and which are listed in Regulatory Technical Standards Table 1 under SFDR. In addition, the following indicators mentioned in the section “Other indicators for principal adverse impacts on sustainability factors” are reported: non-recycled waste ratio and number of days lost to injuries, accidents, fatalities or illness. There may be some limitations concerning the availability and quality of data and these limitations are described in the section “Description of policies to identify and prioritise principal adverse impacts on sustainability factors”, under subsection number 2.

**Indicators applicable to investments in investee companies**

Adverse sustainability indicator	Metric	Impact 2023	Impact 2022	Explanation	Actions taken, and actions planned and targets set for the next reference period	
<b>CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS</b>						
Greenhouse gas emissions	1. GHG emissions	Scope 1 GHG emissions	1 926,1 tCO2	679,6 tCO2		MB engages with the investee companies, through board work and by providing feedback based on the portfolio company ESG survey, to influence the investee companies’ plans and development work to calculate and monitor GHG emissions, to set climate-related targets and to reduce emissions.  As the investee companies are growth oriented enterprises, it is not necessarily always possible to reduce absolute amount of
		Scope 2 GHG emissions	160,2 tCO2	157,9 tCO2		
		Scope 3 GHG emissions	785,4 tCO2	Not available	Reported from the period 2023 onwards.	
		Total GHG emissions	2 871,7 tCO2	837,5 tCO2	Scope 3 emissions not included in 2022.	
	2. Carbon footprint	Carbon footprint	71,8 tCO2/M€	26,2 tCO2/M€	Scope 3 emissions not included in 2022.	

	3. GHG intensity of investee companies	GHG intensity of investee companies	24,9 tCO2/M€	12,3 tCO2/M€	Scope 3 emissions not included in 2022.	<p>GHG emissions in the investee companies, but the long-term goal is to reduce relative proportion of greenhouse gas emission and that the investee companies monitor and analyse their GHG emissions and set goals to reduce emissions in a way that is suitable for their business.</p> <p>Investee companies report their Scope 3 GHG emissions from the period 2023 onwards. However, the calculations of Scope 3 GHG emissions have limitations for each investee company and the data coverage of Scope 3 emissions varies substantially. In addition, the data includes estimates made by the investee companies. The aim is to improve the coverage and data quality of Scope 3 GHG emissions gradually. The absolute amount of Scope 3 GHG emissions is expected to increase as the data coverage improves, but the long-term goal is to reduce relative proportion of Scope 3 GHG emissions.</p>
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					<p>The total amount of GHG emissions have increased in the reference period 2023 mainly due to one new investment in the fund and one major add-on investment in existing investee company. In addition, Scope 3 GHG emissions are included. These have also an effect on the indicators Carbon footprint and GHG intensity of the investee companies.</p> <p>According to MB's exclusion list, MB applies a particularly careful and enhanced assessment in its investment decisions regarding industries or activities in which it has identified a significant exposure to climate risks.</p>
	4. Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector	0%	0%	<p>According to MB's exclusion list, MB applies a particularly careful and enhanced assessment in its investment decisions regarding industries or activities in which it has identified a significant exposure to climate risks.</p> <p>Companies active in the fossil fuel sector are not likely to be part of MB's investment activities.</p>

	5. Share of non-renewable energy consumption and production	Share of non-renewable energy consumption and non-renewable energy production of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage of total energy sources	46,8%	35,9%	None of the investee companies are engaged in energy production. The impact relates to the share of non-renewable energy consumption.	MB engages with the investee companies, through the board work and by providing feedback based on the portfolio company ESG survey, to influence the investee companies' plans and development work to increase the relative share of renewable energy consumption (and production) in a way that is suitable for each investee company.
	6. Energy consumption intensity per high impact climate sector	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector	Section F: 0.01 GWh/M€	Section F: 0,01 GWh/M€	Two investee companies in the portfolio operated only partially in high impact climate sectors during the reference period 2023. However, our calculation of the indicator assumes that the companies operated fully in high impact climate sectors. Thus, the reported value of the	MB identifies investee companies with high energy consumption and investee companies operating in a high impact climate sector, as well as the intensity of energy consumption of those investment sites. MB engages with the investee companies, through board work and by providing feedback based on the ESG survey to influence the investee companies' plans and development work to improve energy consumption efficiency.

					indicator is higher than the energy consumption intensity of the actual high impact climate sectors in question. Further, the value of the indicator for one of the two companies is so small, that according to MB's assessment, it does not exceed the reporting threshold.	
Biodiversity	7. Activities negatively affecting biodiversity-sensitive areas	Share of investments in investee companies with sites/operations located in or near to biodiversity-sensitive areas where activities of those investee companies negatively affect those areas	0%	0%		In case an investee company is identified as operating in biodiversity-sensitive areas MB engages with the investee company, through board work, to influence the investee company's plans and development work to reduce or prevent negative impacts on biodiversity.  According to MB's exclusion list, MB does not invest in

						activities/businesses related to endangered or protected wildlife or products based on these. In addition, according to MB's exclusion list, MB applies a particularly careful and enhanced assessment in its investment decisions regarding industries or activities where it has identified a significant risk of violating environmental regulations.
Water	8. Emissions to water	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average	0 tonnes/M€	0 tonnes/M€	As part of its business, one of the investee companies spreads small amounts of fertilizers and pesticides on green areas. However, according to MB's interpretation, this is not considered as direct emissions into water. The substances in question may leak into waterways with runoff	MB engages with the investee companies, through board work and by providing feedback based on the portfolio company ESG survey, to influence the investee companies' plans and development work to reduce possible emissions to water and to reduce the negative effects resulting from possible emissions.

					water, but according to MB's interpretation and assessment, the emissions are indirect and the amounts so small that MB does not report them here.	
Waste	9. Hazardous waste and radioactive waste ratio	Tonnes of hazardous waste and radioactive waste generated by investee companies per million EUR invested, expressed as a weighted average	0 tonnes/M€	0 tonnes/M€		MB engages with the investee companies, through board work, to influence the investee companies' plans and development work to secure the careful handling of hazardous waste, to enhance the utilization, to recycle and, if necessary, to reduce the use of the potentially hazardous materials and to reduce the negative effects caused by the said hazardous waste.
INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS						
Social and employee matters	10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for	0%	0%		MB respects human rights and understands that promoting human rights is important for carrying out its business. MB seeks to contribute to addressing



		<p>Multinational Enterprises</p>			<p>adverse human rights impacts.</p> <p>MB engages with the investee companies, through board work, to influence the investee companies' plans and development work in order to respect human rights, promote social and environmental issues, fight corruption and promote other good governance practices. MB actively monitors the events of possible ESG violations referred to in this section and reports them to its investors and through this statement. Should a violation referred to in this section occur in an investee company, MB as an active owner in cooperation with the investee company will take corrective measures.</p> <p>According to MB's exclusion list, MB applies a particularly careful and enhanced assessment in its investment decisions regarding industries or activities where MB has identified a significant risk of violating human rights, violating labor or environmental legislation,</p>
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						or violating the rights of employees.
	11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises	Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance/complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	0%	0%		<p>MB respects human rights and understands that promoting human rights is important for carrying out its business. MB seeks to contribute to addressing adverse human rights impacts.</p> <p>MB engages with the investee companies, through board work, to influence the investee companies' plans and development work to respect human rights, promote social and environmental issues, fight corruption and promote good governance. The goal is that the investee companies have sufficient policies to comply with the principles mentioned in this section, and that if the policies are missing or deficient, measures are taken to create such policies.</p>
	12. Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies	22%	32%		MB engages with the investee companies, through board work, to influence the investee companies' plans and development work to promote gender equality among the employees of the

						investee companies. The target is that the investee companies pay attention to the causes of the gender pay gap.
	13. Board gender diversity	Average ratio of female to male board members in investee companies, expressed as a percentage of all board members	20%	16%		MB promotes the diversity of investee company boards when appointing board members in investee companies. The goal is that both genders are represented in the board of each investee company.
	14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	Share of investments in investee companies involved in the manufacture or selling of controversial weapons	0%	0%		According to the exclusion list MB does not invest in companies which produce or trade controversial weapons.
<b>Indicators applicable to investments in sovereigns and supranationals</b>						
Adverse sustainability indicator		Metric	Impact [year n]	Impact [year n-1]	Explanation	Actions taken, and actions planned and targets set for the next reference period
Environmental	15. GHG intensity	GHG intensity of investee countries	Not applicable	Not applicable		

Social	16. Investee countries subject to social violations	Number of investee countries subject to social violations (absolute number and relative number divided by all investee countries), as referred to in international treaties and conventions, United Nations principles and, where applicable, national law	Not applicable	Not applicable		
<b>Indicators applicable to investments in real estate assets</b>						
Adverse sustainability indicator		Metric	Impact [year n]	Impact [year n-1]	Explanation	Actions taken, and actions planned and targets set for the next reference period
Fossil fuels	17. Exposure to fossil fuels through real estate assets	Share of investments in real estate assets involved in the extraction, storage, transport or manufacture of fossil fuels	Not applicable	Not applicable		
Energy efficiency	18. Exposure to energy-inefficient real estate assets	Share of investments in energy-inefficient real estate assets	Not applicable	Not applicable		
<b>Other indicators for principal adverse impacts on sustainability factors</b>						
[Information on the principal adverse impacts on sustainability factors referred to in Article 6(1), point (a) in the format in Table 2]						
[Information on the principal adverse impacts on sustainability factors referred to in Article 6(1), point (b), in the format in Table 3]						

CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS						
Adverse sustainability indicator		Metric	Impact 2023	Impact 2022	Explanation	Actions taken, and actions planned and targets set for the next reference period
Water, waste and material emissions	13. Non-recycled waste ratio	Tonnes of non-recycled waste generated by investee companies per million EUR invested, expressed as a weighted average	0,7 tonnes/M€	0,0 tonnes/M€		<p>MB engages with the investee companies, through board work, to influence the investee companies' plans and development work to promote careful handling of waste, to enhance the utilization, and to improve recycling practices.</p> <p>The non-recycled waste ratio has increased in the reference period 2023 mainly due to one new investment in the fund, improved calculation methods in the investee companies, and estimates made by MB regarding one of the investee companies.</p>
INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS						
Social and employee matters	3. Number of days lost to injuries, accidents, fatalities or illness	Number of workdays lost to injuries, accidents, fatalities or illness of investee companies expressed as a weighted average	417	Not available	On one of the investee companies, there are limitation on the data availability on one of the company's	MB engages with the investee companies, through board work, to influence the investee companies' plans and development work to secure and improve the occupational health and safety processes and practices of the investee

					subsidiaries, and thus the data coverage of this indicator is not full.	companies. MB has encouraged the investee companies to further develop their data gathering procedures in order to improve the data coverage and quality for the next reporting period.
<p><i>[Information on any other adverse impacts on sustainability factors used to identify and assess additional principal adverse impacts on a sustainability factor referred to in Article 6(1), point (c), in the format in Table 2 or Table 3]</i></p> <p>No any other information is reported.</p>						
<p><b>Description of policies to identify and prioritise principal adverse impacts on sustainability factors</b></p> <p><i>[Information referred to in Article 7]</i></p> <p><b>1.</b></p> <p>a) MB Funds Responsible Investment and Ownership Policy describes MB Funds’ approach and operating principles to identify and prioritise principal adverse impacts on sustainability factors. The policy is published in MB’s webpage (www.mbrahastot.fi): <a href="#">MB Funds Responsible Investment and Ownership Policy</a>. The governing body of MB has approved the policies most recently on 27 January 2023. The policies are updated on a regular basis.</p> <p>b) The board of directors supervises the overall implementation of the policies.</p> <p>The MB investment team members, with the support of the sustainability and communications manager, are responsible for the implementation of the policies and consideration of principal adverse sustainability impacts during the entire investment cycle.</p> <p>MB’s project team members appointed for each potential investee case, with the support of the sustainability and communications manager, are primarily responsible for integrating material sustainability matters into the analysis and decision-making process of the investment. The deal partner of the investment case is also responsible for including the results of the impact assessment of identified sustainability risks in the investment decision process.</p>						

During the ownership period there are at least two MB investment teams members represented in the board of directors of a portfolio company. These MB investment teams members initiate and facilitate sustainability activities through the board work.

- c) This section describes the policies to identify and prioritise principal adverse impacts of MB's investment decisions on defined sustainability factors taking due account of MB's size, the nature and scale of its activities and the type of financial products it makes available.

As a part of MB's approach to sustainability and responsible investment MB strives to avoid and reduce the negative effects of its investment decisions on sustainability factors. Sustainability factors refer to environment-related matters, social and employee matters, anti-corruption, and anti-bribery matters and respect for human rights. MB's investment activities or its investee companies may cause adverse impact on sustainability factors.

Responsible investment process at MB – which is fully integrated to MB's operating model - consists of (i) MB's commitment to sustainable and responsible investment, (ii) ESG due diligence, (iii) MB's active ownership, (iv) monitoring, (v) reporting and (vi) ESG development at exit. As a part of this process and the determined policies, MB applies a combination of complementary methodologies to identify and prioritise principal adverse sustainability impacts of its investment decisions.

MB recognizes that the principal adverse sustainability impacts and their materiality may vary between investee companies depending for example on industry, sector, nature of the business, size and location of the company. In addition, the degree and the methodologies that the principal adverse sustainability impacts are considered in the investment decisions and portfolio management process depend on several aspects, such as the availability of reliable and comprehensive data, identified sustainability risks, and assessment of material sustainability factors.

In the sourcing and screening of potential investment cases, an exclusion list is applied. MB will not invest in any of the following activities: production of, or trade in, controversial weapons, endangered or protected wildlife or wildlife products, gambling, tobacco or tobacco related products, adult entertainment and legal cannabis products. Furthermore, MB applies very careful and enhanced evaluation and monitoring concerning industries or activities where it has identified a heightened sustainability risk of the following: violation of human rights, violation of rights at work or labor standards, violation of environmental regulation and significant exposure to climate risks.

ESG due diligence is conducted in every investment opportunity reaching a due diligence phase. As a part of ESG due diligence, a review to identify principal adverse sustainability impacts as well as an evaluation of probability of occurrence and severity of those impacts is conducted. ESG due diligence includes the evaluation of both sustainability risks and opportunities. Identification of positive sustainability impacts enables MB to identify and prioritise investment opportunities that have lower level of adverse sustainability impacts. During the ESG due diligence information is collected from the potential investment target with information requests and through interviews. If

necessary, data collected from third parties may be utilized. The identification and prioritization of the principal adverse impacts, including the evaluation of probability of occurrence and severity of those impacts, is based on materiality analysis, ESG Due Diligence checklist, external frameworks and tools, industry benchmarks as well as MB Funds' own analysis, and complemented with consultancy from external specialist when necessary. In case a material ESG issue or a material adverse impact on a sustainability factor is identified in the due diligence, an action plan to bring the issue to a satisfactory level under MB's ownership is prepared. Further, if any severe ESG failure or negative aspect is emerged in the ESG due diligence, and this cannot be corrected during MB's future ownership, the continuation of the investment process will be carefully assessed and terminated if necessary.

The character, the probability of occurrence and the severity of the impacts are typically evaluated by assessing the character of the impact (strength/weakness) and by weighting it with the estimated probability of the impact. The results are grouped and ranked into subsets in order to identify matters or themes with high risk and requiring immediate actions as well as material themes, risks of which are estimated to be manageable. The analysis may also identify such findings of high risk or severity which are not possible to remedy and may result in the rejection of that particular investment opportunity. The key findings of the ESG due diligence with the results of the impact assessment of the identified sustainability risks are considered in MB's investment decision-making process. Both quantitative and qualitative factors are considered in the investment decision making.

During the MB Funds' ownership and the value creation phase the aim is to reduce the principal adverse impacts of the portfolio companies. Key results from the ESG due diligence are integrated in the portfolio company's value creation plan and during the value creation period the board of directors, together with the management, are responsible for the development of sustainability matters in the company. The board work of the portfolio companies includes setting targets and monitoring the development of sustainability work to ensure that the management of the portfolio companies are committed to drive development in material sustainability matters and initiatives as well as reducing the principal adverse impacts on sustainability factors. MB Funds portfolio companies are monitored regularly through MB Funds' continued engagement, and they report annually the results of the principal adverse sustainability indicators. MB conducts an ESG survey for its investee companies on a regular basis to collect the data for principal adverse impacts. Through the ESG survey the identification and prioritization of principal adverse impacts on sustainability factors are ensured during the ownership period.

d) and

e)

The data used in the ESG due diligence, in the management of the portfolio companies and in the calculations of the indicators which are reported in this statement, is received mainly from the potential portfolio companies and the portfolio companies (all together "portfolio companies"). Portfolio companies produce information with different kinds of methodologies and the data they have available may be limited. A portfolio company may make assumptions or estimates. Thus, at the MB entity level the comparability of the data may suffer. The



data received from the portfolio companies has not been assured. Further, when analysing and estimating the overall impact of an investment, industry benchmarks, data or forecasts provided by third party experts and MB's own estimates may be utilized. The availability, quality and/or reliability of data may be limited. It is possible that some negative impacts cannot be identified at all during the due diligence. Thus, the probability and the severity of principal adverse impacts always include uncertainty, the degree of which may vary substantially.

2.

The data used in the calculations of the indicators, which are reported in this statement, is received mainly from the investee companies. Regarding the environmental indicators of the Table 1, MB has made own estimates concerning some of the individual portfolio companies or MB has supplemented the data received from a portfolio company. Regarding the indicator 1 Scope 3 GHG emissions, there are limitations in data availability and quality for each investee company, and the data coverage for Scope 3 GHG emissions varies substantially between the investee companies. In addition, the data includes estimates made by the investee companies. Further this has an impact also on the indicators 1 (Total GHG emissions), indicator 2 (Carbon footprint), and indicator 3 (GHG intensity of investee companies). Regarding indicator 8 (Emissions to water) and indicator 9 (Hazardous waste and radioactive waste), updated formulas set in Final Report on RTS by The European Supervisory Authorities (JC 2023 55, 4 December 2023) have been applied in the metrics calculation in 2023. However, this has not affected the results of those metrics.

The optional PAI indicators of Table 2 and Table 3 have been selected based on available data and priorities set by MB Funds Responsible Investment and Ownership Policy. Regarding the Table 2 indicator 13 (Non-recycled waste ratio) MB has made its own estimates concerning one individual portfolio company. Regarding the Table 3 indicator 3 (Number of days lost to injuries, accidents, fatalities or illness) on one of the investee companies, there are limitation on the data availability on one of the company's subsidiaries, and thus the data coverage of this indicator is not full. The updated formulas set in Final Report on RTS by The European Supervisory Authorities (JC 2023 55, 4 December 2023) have been applied in the metrics calculation in 2023. MB has encouraged the investee companies to further develop its data gathering procedures in order to allow MB to report the data in the next period.

### **Engagement policies**

*[Information referred to in Article 8]*

MB focuses mainly on majority equity investments. MB is an active owner. MB uses a combination of actions in different phases of the investment cycle to strive at avoiding and reducing the principal adverse impacts identified. At the beginning of the ownership period, MB introduces its Responsible Investment and Ownership Policy as well as the approach and expectations on sustainability to the management teams of the portfolio companies. The key results from the ESG due diligence are integrated in the portfolio company's value creation plan.

MB initiates, facilitates and monitors sustainability activities through the board work as the company's management is responsible for the implementation of the agreed activities and potential corrective measures concerning any negative ESG-related failures or events. There are at least two MB investment team members represented on each board of the portfolio companies. Typically, the sustainability development in the portfolio companies includes activities such as ensuring company's management commitment to sustainable business, defining company specific material ESG focus areas with targets and KPIs, integrating sustainability in the company's communication as well as addressing sufficient resources in sustainability development. MB's engagement through the board work focuses especially on those adverse impact indicators which have been identified as material for that particular investee company.

MB monitors the portfolio companies' progress in their sustainability initiatives and the performance of certain principal adverse sustainability indicators in order to be able to regularly track the probability of occurrence and severity of adverse sustainability impacts. Relevant ESG data is collected from the portfolio companies on a regular basis as well as on an ad-hoc basis when necessary, and the data encompasses both quantitative and qualitative information. Where there is no reduction of the principal adverse impacts over more than one period reported on (and the adverse impacts have not been reduced to the possibly set minimum level), the principal adverse impacts are considered with more enhanced board work, for example through updated target setting and enhanced monitoring.

On the entity level MB measures and monitors its investee companies' aggregated principal adverse impacts on sustainability factors. MB considers the mandatory principal adverse indicators set by RTS and two voluntary indicators, however, taking into account that there may be limitations to the availability and quality of the required data.

### **References to international standards**

*[Information referred to in Article 9]*

While MB is not a signatory of United Nations Principles for Responsible Investment (UN PRI), MB's approach to responsible investment is based on UN PRI. When analysing how UN PRI -principles have been fulfilled in its investment operations, MB conducts a portfolio company ESG survey for its investee companies on a regular basis. The survey monitors the development of the sustainability work at the investee companies as well as collects and monitors the principal adverse impact indicators in accordance with RTS ("Indicators applicable to investments in investee companies"). Those indicators are reported in this statement. Methods, scope of data coverage and data sources are described earlier in the section "Description of policies to identify and prioritise principal adverse impacts on sustainability factors", subsections 1 c-e and 2. In addition, the portfolio companies' adherence to sustainability-related standards is reviewed in the ESG survey.

MB does not yet use a forward-looking climate scenario. MB considers climate related matters by measuring and monitoring GHG emissions, carbon footprint, carbon intensity of the investee companies and by considering the share of investments in companies active in the fossil fuel sector. At the

moment the use of a forward-looking climate scenario is not relevant when taking into account MB's and its investee companies' size, the nature and scale of MB's activities and the resources available.

**Historical comparison**

*[Information referred to in Article 10]*

MB shall include historical comparison with every previous period reported up to the last five previous periods. The first reporting period was the year 2022 and the second reporting period was the year 2023.

*Table 2*

**Additional climate and other environment-related indicators**

<b>Adverse sustainability impact</b>	<b>Adverse impact on sustainability factors (qualitative or quantitative)</b>	<b>Metric</b>
<b>Indicators applicable to investments in investee companies</b>		
CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS		
Emissions	1. Emissions of inorganic pollutants	Tonnes of inorganic pollutants equivalent per million EUR invested, expressed as a weighted average
	2. Emissions of air pollutants	Tonnes of air pollutants equivalent per million EUR invested, expressed as a weighted average
	3. Emissions of ozone-depleting substances	Tonnes of ozone-depleting substances equivalent per million EUR invested, expressed as a weighted average
	4. Investments in companies without carbon emission reduction initiatives	Share of investments in investee companies without carbon emission reduction initiatives aimed at aligning with the Paris Agreement
Energy performance	5. Breakdown of energy consumption by type of non-renewable sources of energy	Share of energy from non-renewable sources used by investee companies broken down by each non-renewable energy source
Water, waste and material	6. Water usage and recycling	1. Average amount of water consumed by the investee companies (in cubic meters) per million EUR of revenue of investee companies

emissions		2. Weighted average percentage of water recycled and reused by investee companies
	7. Investments in companies without water management policies	Share of investments in investee companies without water management policies
	8. Exposure to areas of high water stress	Share of investments in investee companies with sites located in areas of high water stress without a water management policy
	9. Investments in companies producing chemicals	Share of investments in investee companies the activities of which fall under Division 20.2 of Annex I to Regulation (EC) No 1893/2006
	10. Land degradation, desertification, soil sealing	Share of investments in investee companies the activities of which cause land degradation, desertification or soil sealing
	11. Investments in companies without sustainable land/agriculture practices	Share of investments in investee companies without sustainable land/agriculture practices or policies
	12. Investments in companies without sustainable oceans/seas practices	Share of investments in investee companies without sustainable oceans/seas practices or policies
	13. Non-recycled waste ratio	Tonnes of non-recycled waste generated by investee companies per million EUR invested, expressed as a weighted average
	14. Natural species and protected areas	1. Share of investments in investee companies whose operations affect threatened species
2. Share of investments in investee companies without a biodiversity protection policy covering operational sites owned, leased, managed in, or adjacent to, a protected area or an area of high biodiversity value outside protected areas		
15. Deforestation	Share of investments in companies without a policy to address deforestation	
Green securities	16. Share of securities not issued under Union legislation on environmentally sustainable bonds	Share of securities in investments not issued under Union legislation on environmentally sustainable bonds
<b>Indicators applicable to investments in sovereigns and supnationals</b>		
Green securities	17. Share of bonds not issued under Union legislation on environmentally sustainable bonds	Share of bonds not issued under Union legislation on environmentally sustainable bonds

<b>Indicators applicable to investments in real estate assets</b>		
Greenhouse gas emissions	18. GHG emissions	Scope 1 GHG emissions generated by real estate assets
		Scope 2 GHG emissions generated by real estate assets
		Scope 3 GHG emissions generated by real estate assets
		Total GHG emissions generated by real estate assets
Energy consumption	19. Energy consumption intensity	Energy consumption in GWh of owned real estate assets per square meter
Waste	20. Waste production in operations	Share of real estate assets not equipped with facilities for waste sorting and not covered by a waste recovery or recycling contract
Resource consumption	21. Raw materials consumption for new construction and major renovations	Share of raw building materials (excluding recovered, recycled and biosourced) compared to the total weight of building materials used in new construction and major renovations
Biodiversity	22. Land artificialisation	Share of non-vegetated surface area (surfaces that have not been vegetated in ground, as well as on roofs, terraces and walls) compared to the total surface area of the plots of all assets

*Table 3*

**Additional indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters**

<b>INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS</b>		
<b>Adverse sustainability impact</b>	<b>Adverse impact on sustainability factors (qualitative or quantitative)</b>	<b>Metric</b>
<b>Indicators applicable to investments in investee companies</b>		
Social and employee matters	1. Investments in companies without workplace accident prevention policies	Share of investments in investee companies without a workplace accident prevention policy
	2. Rate of accidents	Rate of accidents in investee companies expressed as a weighted average
	3. Number of days lost to injuries, accidents, fatalities or illness	Number of workdays lost to injuries, accidents, fatalities or illness of investee companies expressed as a weighted average

	4. Lack of a supplier code of conduct	Share of investments in investee companies without any supplier code of conduct (against unsafe working conditions, precarious work, child labour and forced labour)
	5.Lack of grievance/complaints handling mechanism related to employee matters	Share of investments in investee companies without any grievance/complaints handling mechanism related to employee matters
	6. Insufficient whistleblower protection	Share of investments in entities without policies on the protection of whistleblowers
	7. Incidents of discrimination	1.Number of incidents of discrimination reported in investee companies expressed as a weighted average 2.Number of incidents of discrimination leading to sanctions in investee companies expressed as a weighted average
	8. Excessive CEO pay ratio	Average ratio within investee companies of the annual total compensation for the highest compensated individual to the median annual total compensation for all employees (excluding the highest-compensated individual)
Human Rights	9. Lack of a human rights policy	Share of investments in entities without a human rights policy
	10. Lack of due diligence	Share of investments in entities without a due diligence process to identify, prevent, mitigate and address adverse human rights impacts
	11.Lack of processes and measures for preventing trafficking in human beings	Share of investments in investee companies without policies against trafficking in human beings
	12.Operations and suppliers at significant risk of incidents of child labour	Share of investments in investee companies exposed to operations and suppliers at significant risk of incidents of child labour in terms of geographic areas or type of operation
	13.Operations and suppliers at significant risk of incidents of forced or compulsory labour	Share of the investments in investee companies exposed to operations and suppliers at significant risk of incidents of forced or compulsory labour in terms in terms of geographic areas and/or the type of operation
	14.Number of identified cases of severe human rights issues and incidents	Number of cases of severe human rights issues and incidents connected to investee companies on a weighted average basis
Anti-corruption and anti-bribery	15.Lack of anti-corruption and anti-bribery policies	Share of investments in entities without policies on anti-corruption and anti-bribery consistent with the United Nations Convention against Corruption

	16.Cases of insufficient action taken to address breaches of standards of anti-corruption and anti-bribery	Share of investments in investee companies with identified insufficiencies in actions taken to address breaches in procedures and standards of anti-corruption and anti-bribery
	17.Number of convictions and amount of fines for violation of anti-corruption and anti-bribery laws	Numbers of convictions and amount of fines for violations of anti-corruption and anti-bribery laws by investee companies
<b>Indicators applicable to investments in sovereigns and supranationals</b>		
Social	18. Average income inequality score	The distribution of income and economic inequality among the participants in a particular economy including a quantitative indicator explained in the explanation column
	19. Average freedom of expression score	Measuring the extent to which political and civil society organisations can operate freely including a quantitative indicator explained in the explanation column
Human rights	20. Average human rights performance	Measure of the average human right performance of investee countries using a quantitative indicator explained in the explanation column
Governance	21. Average corruption score	Measure of the perceived level of public sector corruption using a quantitative indicator explained in the explanation column
	22. Non-cooperative tax jurisdictions	Investments in jurisdictions on the EU list of non-cooperative jurisdictions for tax purposes
	23. Average political stability score	Measure of the likelihood that the current regime will be overthrown by the use of force using a quantitative indicator explained in the explanation column
	24. Average rule of law score	Measure of the level of corruption, lack of fundamental rights, and the deficiencies in civil and criminal justice using a quantitative indicator explained in the explanation column

<sup>(1)</sup> Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014 (OJ L 171, 29.6.2016, p. 1).

<sup>(2)</sup> Regulation (EU) 2018/842 of the European Parliament and of the Council of 30 May 2018 on binding annual greenhouse gas emission reductions by Member States from 2021 to 2030 contributing to climate action to meet commitments under the Paris Agreement and amending Regulation (EU) No 525/2013 (OJ L 156, 19.6.2018, p. 26).

<sup>(3)</sup> Regulation (EU) 2018/1999 of the European Parliament and of the Council of 11 December 2018 on the Governance of the Energy Union and Climate Action, amending Regulations (EC) No 663/2009 and (EC) No 715/2009 of the European Parliament and of the Council, Directives 94/22/EC, 98/70/EC, 2009/31/EC, 2009/73/EC,

2010/31/EU, 2012/27/EU and 2013/30/EU of the European Parliament and of the Council, Council Directives 2009/119/EC and (EU) 2015/652 and repealing Regulation (EU) No 525/2013 of the European Parliament and of the Council ([OJ L 328, 21.12.2018, p. 1](#)).

<sup>(4)</sup> Regulation (EC) No 1893/2006 of the European Parliament and of the Council of 20 December 2006 establishing the statistical classification of economic activities NACE Revision 2 and amending Council Regulation (EEC) No 3037/90 as well as certain EC Regulations on specific statistical domains Text with EEA relevance ([OJ L 393, 30.12.2006, p. 1](#)).

<sup>(5)</sup> Directive 98/70/EC of the European Parliament and of the Council of 13 October 1998 relating to the quality of petrol and diesel fuels and amending Council Directive 93/12/EEC ([OJ L 350, 28.12.1998, p. 58](#)).

<sup>(6)</sup> Directive 2000/60/EC of the European Parliament and of the Council of 23 October 2000 establishing a framework for Community action in the field of water policy ([OJ L 327, 22.12.2000, p. 1](#)).

<sup>(7)</sup> Directive 2008/98/EC of the European Parliament and of the Council of 19 November 2008 on waste and repealing certain Directives ([OJ L 312, 22.11.2008, p. 3](#)).

<sup>(8)</sup> Council Directive 2011/70/Euratom of 19 July 2011 establishing a Community framework for the responsible and safe management of spent fuel and radioactive waste ([OJ L 199, 2.8.2011, p. 48](#)).

<sup>(9)</sup> Directive 2009/147/EC of the European Parliament and of the Council of 30 November 2009 on the conservation of wild birds ([OJ L 20, 26.1.2010, p. 7](#)).

<sup>(10)</sup> Council Directive 92/43/EEC of 21 May 1992 on the conservation of natural habitats and of wild fauna and flora ([OJ L 206, 22.7.1992, p. 7](#)).

<sup>(11)</sup> Directive 2011/92/EU of the European Parliament and of the Council of 13 December 2011 on the assessment of the effects of certain public and private projects on the environment ([OJ L 26, 28.1.2012, p. 1](#)).

<sup>(12)</sup> Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by establishing the technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to climate change mitigation or climate change adaptation and for determining whether that economic activity causes no significant harm to any of the other environmental objectives ([OJ L 442, 9.12.2021, p. 1](#)).

<sup>(13)</sup> Directive (EU) 2019/1937 of the European Parliament and of the Council of 23 October 2019 on the protection of persons who report breaches of Union law ([OJ L 305, 26.11.2019, p. 17](#)).

<sup>(14)</sup> Directive 2010/75/EU of the European Parliament and of the Council of 24 November 2010 on industrial emissions (integrated pollution prevention and control) ([OJ L 334, 17.12.2010, p. 17](#)).

<sup>(15)</sup> Directive (EU) 2016/2284 of the European Parliament and of the Council of 14 December 2016 on the reduction of national emissions of certain atmospheric pollutants, amending Directive 2003/35/EC and repealing Directive 2001/81/EC ([OJ L 344, 17.12.2016, p. 1](#)).

<sup>(16)</sup> Directive 2010/31/EU of the European Parliament and of the Council of 19 May 2010 on the energy performance of buildings (recast) ([OJ L 153, 18.6.2010, p. 13](#)).