

## No consideration of adverse impacts of investments decisions on sustainability factors

This document sets out disclosures by MV Credit S.à.r.l. (the “Firm”), in respect of the principal adverse impacts of our investment decisions on sustainability factors.

The EU Sustainable Finance Disclosure Regulation (“SFDR”) requires the Firm to make a “comply or explain” decision whether to consider the principal adverse impacts (“PAIs”) of our investment decisions on sustainability factors, in accordance with a specific regime as outlined in SFDR. The Firm has decided not to comply with that SFDR regime. The Firm is therefore required to publish and maintain on our website a statement to explain our reasons for not complying with the PAI regime in SFDR, and information as to whether and when we intend to comply with such regime.

### 1. Non-compliance with the PAI regime in SFDR

- 1.1. The Firm has carefully evaluated the requirements of the PAI regime in Article 4 SFDR
- 1.2. The Firm is supportive of the policy aims of the PAI regime, to improve transparency to clients, investors and the market, as to how financial market participants integrate consideration of the adverse impacts of their investment decisions on sustainability factors. However, taking account of the Firm's size, we consider that it would be disproportionate to comply with the specific regime in the SFDR
- 1.3. In addition, the Firm is also concerned about the lack of reasonably priced / readily available data to comply with many of the technical reporting requirements of the PAI regime, as we believe that issuers and market data providers are not yet ready to make available all necessary data for the PAI regime
- 1.4. The Firm will keep its decision not to comply with the PAI regime under regular review
- 1.5. Notwithstanding our decision not to comply with the PAI regime, the Firm also wishes to re-affirm our overall commitment to ESG matters. We summarise in the remainder of this document the positive ESG-related initiatives and policies adopted by the Firm. For the avoidance of doubt, none of the following information is intended to suggest that the Firm complies with the PAI regime

### 2. ESG investment policy

- 2.1. The Firm has implemented an ESG investment policy. Under this policy, the Firm has integrated consideration of ESG issues into our investment processes, with the goal of delivering attractive sustainable long-term risk-adjusted returns and effective investment solutions through responsible investing. This is performed by seeking to mitigate the negative impact of investments on environmental, social and governance factors and by engaging with all stakeholders to promote ESG best practices
- 2.2. Our ESG investment policy is available on our website at: <https://www.mvcredit.com/esg-policy-statement>.

### 3. Engagement policy

- 3.1. The Firm fully acknowledges the importance of engagement on ESG issues and has formalized its own approach in its dedicated engagement policy, which applies to all direct lending investment funds managed by MV Credit. Our engagement policy sets out how we integrate engagement both with borrowers and private equity sponsors (shareholders) in our investment strategy. This includes how we:
  - Monitor borrowers on relevant matters (including social and environmental impact and corporate governance), based on their current ESG performance as assessed by our annual ESG questionnaire
  - Open dialogue with borrowers experiencing poor ESG scoring to help them identify the main ESG metrics to focus on, based on their activity and improve their capacity to make requested disclosures. The Firm can also offer some dedicated education sessions to provide guidance on how to improve the borrower's ESG score
  - Cooperate with private equity sponsors to share data, define priority work streams and address ad-hoc ESG-related events during the lifetime of the investment
  - Potentially incentivise borrowers to improve their performance against pre-determined ESG criteria via ratchet mechanisms (Sustainability-Linked Loans); and
  - Manage actual and potential conflicts of interests in relation to our engagement
- 3.2. Our engagement policy is available on our website at: <https://www.mvcredit.com/esg>.

### 4. Adherence to responsible business codes and international standards

4.1. In connection with ESG, the Firm adheres to responsible business codes and internationally recognised standards for due diligence and reporting. For these purposes, the Firm refers to its status as a signatory and / or member to the following codes and standards:

- Principles for Responsible Investment since 2012
- Task Force on Climate-related Financial Disclosures since 2020