



MB Funds' Responsible Investment and Ownership Policy

December 2025

Version history

Version	Effective from:	Summary of revisions:
Version 1	March 2021	Document published
Version 1.1	October 2021	Alignment of terminology according to SFDR requirements
Version 2	December 2025	MB Funds approach to sustainability updated, Exclusion list updated



I. Introduction

According to MB Funds' ("MB") investment strategy, MB invests in established businesses that have promising growth potential and the capacity to further develop their position in the market. MB views that companies which effectively manage sustainability risks and identify sustainability drivers creating value, are better positioned to remain resilient and to succeed in a rapidly evolving business environment. MB's responsible owner mindset allows cooperation with high-performing companies with long term value creation potential and the making of future-proof investments. MB integrates sustainability risks and opportunities (also called Environmental, Social and Governance, "ESG", factors) into its investment strategy, practices and decision-making processes. Through the systematic integration of ESG factors into our investment strategy and processes, we support our portfolio companies' long-term growth while safeguarding and enhancing long-term, responsible returns for our investors.

The purpose of this Policy is to outline MB's commitment and how we apply a range of approaches to manage sustainability risks throughout our investment lifecycle, and how we drive positive impact together with our portfolio companies. In addition, MB seeks investee companies with positive sustainability opportunities, and we contribute to capitalise on the sustainability potential of the current portfolio companies to enhance their value creation. MB assesses sustainability of an investment target as well as the potential impacts of sustainability risks based on the sustainability (ESG) topics illustrated in Appendix 1.

MB Funds' Responsible Investment and Ownership Policy is applicable to all MB equity funds (subject to their legal documentation) and is integrated in the decision-making and ownership practices through the whole investment process – from the deal sourcing and the investment phase through the ownership period and till the exit. The Policy describes MB's approach to sustainability in general as well as the processes and practices implemented regarding responsible investment and active ownership. In addition, the Policy describes the integration of sustainability risks in investment decision-making process in accordance with EU regulation 2019/2088 on sustainability-related disclosures (SFDR) in the financial services sector.

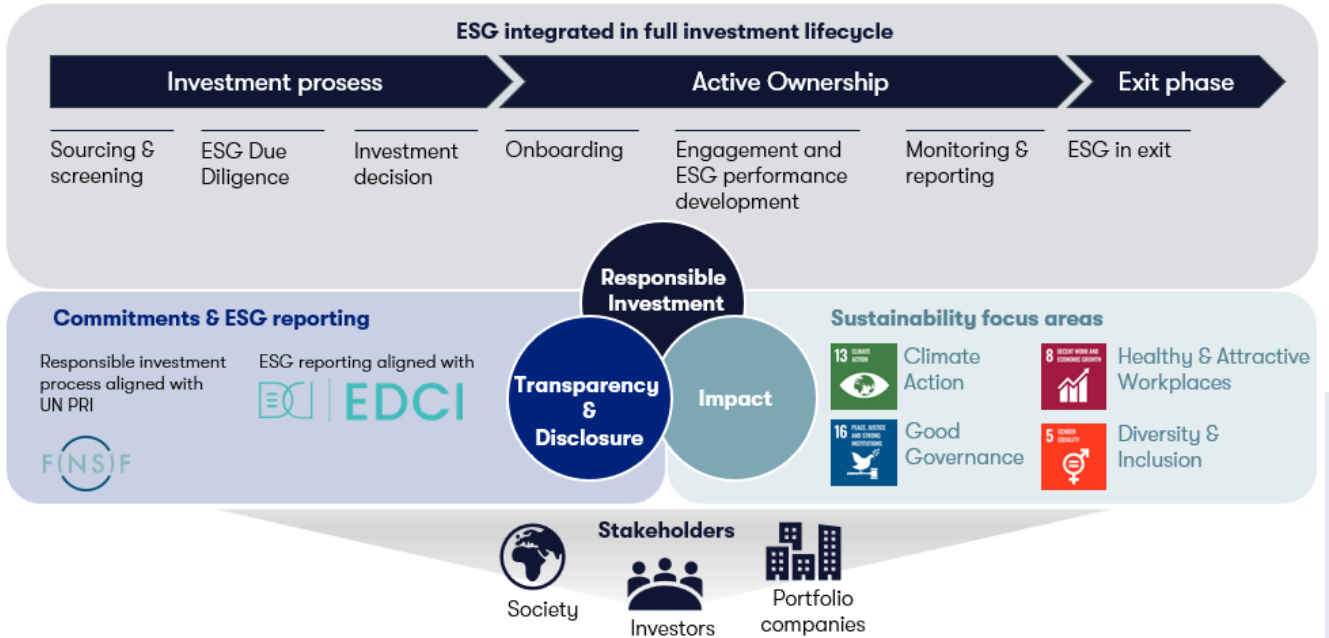
MB Funds' Responsible Investment and Ownership Policy is reviewed regularly and updated when necessary. The Board of Directors or the Investment Committee of the Alternative Investment Fund Manager (whichever applicable) of each fund approves the Policy and MB Funds' sustainability strategy and is responsible for overseeing their implementation. With regards to any of the target companies or the portfolio companies, the MB representatives on the board of each investee case, with the support of the sustainability and communications manager, are primarily responsible for the implementation of ESG considerations during the entire investment cycle.

II. Approach and Commitments

Sustainability at MB

MB's solid approach to sustainability sets the frames for MB's sustainability work and communication. MB's approach towards sustainability captures key stakeholders' expectations on sustainability and thus directs MB's resources and activities on material ESG matters. MB's sustainability work is divided into three elements – Responsible investment, Impact, and Transparency and disclosure. MB is committed to responsible investment, fosters positive impact through the portfolio companies and is transparent in its communication.

MB's Approach to Sustainability



Commitment to responsible investment

The responsible investment process of MB is based on United Nations Principles for Responsible Investment (UN PRI), and it covers the decision-making and ownership practices that are applied through the investment process. MB commits to the following six PRI principles:

- **Principle 1:** We will incorporate ESG issues into our investment analysis and decision-making processes.
- **Principle 2:** We will be active owners and incorporate ESG issues into our ownership policies and practices.
- **Principle 3:** We will seek appropriate disclosure on ESG issues by the entities in which we invest.
- **Principle 4:** We will promote acceptance and implementation of the Principles within the investment industry.
- **Principle 5:** We will work together to enhance our effectiveness in implementing the Principles.
- **Principle 6:** We will each report on our activities and progress towards implementing the Principles.

Sustainability focus areas

MB has prioritized four sustainability focus areas linked to UN Sustainable Development Goals (SDGs) to guide our sustainability work. These themes represent material ESG topics that are essential for value creation and impact across the portfolio companies as well as within MB's own investment activities and processes. In addition to these priorities, MB supports companies in developing a sustainability strategy based on a company-specific materiality assessment and in evaluating ESG risks and opportunities in their business, leading to tailored goals and KPIs for measurement and reporting. The foundation of MB's active ownership is to advance each company's sustainability performance in line with the topics most relevant to its business.



MB's sustainability focus areas:

- Climate Action (SDG 13)
- Healthy and Attractive Workplaces (SDG 8)
- Good Governance (SDG 16)
- Diversity and Inclusion (SDG 5)

III. Implementation of the Responsible Investment and Ownership

Deal sourcing and investment phase

Sustainability risks and opportunities are considered in the deal sourcing and the investment analysis to assess potential target companies' exposure to various sustainability risks as well as to seek companies with positive environmental and social impacts and value-creating sustainability opportunities. ESG due diligence is conducted as a dedicated workstream in every investment opportunity reaching DD phase. In ESG due diligence, the focus is on understanding the material ESG matters for a specific company and its industry i.e., sustainability risks and opportunities that are integrated in a company's operating environment, business model and value creation, and that have a financial impact. In addition, the likely impacts of identified sustainability risks and opportunities on the investee company's business are assessed and documented, including possible risk mitigation recommendations. The findings from the ESG due diligence are included in the MB's Investment Committee materials and decision-making.

MB's project team members appointed for each investee case, with the support of the sustainability and communications manager, are primarily responsible for integrating material ESG matters into the analysis and decision-making process of the investment. Responsible partner of the investment case is also responsible for including the results of the assessment of identified sustainability risks in the investment decision process.

Ownership period

MB's key principles as an active owner are a trust-based partnership and productive cooperation with the management of the portfolio companies. MB is genuinely committed to engaging the portfolio companies to develop their ESG performance and to make a lasting impact on their selected focus areas.

MB's investment team members work together with the portfolio companies on sustainability issues through MB's ownership period. MB initiates and facilitates sustainability activities through board work as the company's management is responsible for the implementation of the agreed activities. Sustainability work development and the conclusions from the ESG Due Diligence are integrated into the company's business plan and strategy work from the very beginning of MB's ownership. Further, MB's approach to responsible investment is introduced to new portfolio companies, including MB's expectations, reporting practices, and the support available from MB. During the ownership period, MB applies a set of best-practice tools for advancing sustainability within portfolio companies, including activities such as ensuring commitment to sustainable business and addressing sufficient resources to ESG work, identifying and managing material sustainability risks, opportunities and impacts, setting ESG targets and KPIs, establishing systematic ESG reporting as well as sharing knowledge and best practices within MB portfolio. We maintain continuous



engagement with each portfolio company and drive the advancement in overall sustainability management and performance in material sustainability topics.

Progress of the portfolio companies' sustainability activities and ESG performance are monitored regularly at the board level. In addition, the portfolio companies report annually on their sustainability performance to MB.

Exit phase

By the exit phase, MB's goal for all the portfolio companies is to have established a solid sustainability approach embedded in their core business. Companies are supported in demonstrating long-term value creation and impact as part of their business development, and in providing stakeholders with relevant ESG information. With integrated sustainability approach and solid ESG performance the companies can demonstrate enhanced valuation and reduced risk profile.

IV. Exclusions and Activities with Enhanced Due Diligence

MB will not invest in any of the following activities:

- Companies that are in severe breach of or systematically fail to comply with the international norms and conventions such as UN Global Compact, UN Guiding Principles on Business and Human Rights, ILO Core Conventions, as well as applicable sanction regimes;
- Production of, or trade in, controversial weapons (e.g., cluster munitions, anti-personnel land mines, nuclear weapons, biological and chemical weapons, depleted uranium); or
- Directly related to the following industries:
 - Gambling, gaming casinos and equivalent enterprises;
 - Tobacco or tobacco related products;
 - Pornography/Adult entertainment; or
 - Legal cannabis products
- Extraction and/or production of thermal coal or fossil oil.

MB avoids investing in companies whose operations cause significant negative environmental or social harm and there is no clear transition plan to mitigate such adverse impacts through active ownership. Furthermore, MB applies very careful and enhanced due diligence 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
- Significant exposure to climate risks.



V. Transparency and Disclosure

Transparency is essential for building trust with stakeholders and ensuring accountability. Clear and consistent disclosure fosters confidence, drives continuous improvement, and supports long-term value creation. MB provides annual reporting to its investors on responsible investment activities as well as on the progress of sustainability within the portfolio companies and within MB's own operations. ESG topics are also presented regularly through portfolio reporting, ongoing meetings and other investor interactions. In addition, MB promptly discloses any ESG-related incidents or breaches. MB's sustainability performance monitoring process is comprehensive and data-driven, covering ESG metrics of the EDCI (ESG Data Convergence Initiative). MB actively supports the portfolio companies in strengthening the quality and transparency of their ESG reporting, reinforcing accountability across the value chain. MB promotes transparency in private equity industry and publishes information on our approach to sustainability on our website.

Under the EU Sustainable Finance Disclosure Regulation (SFDR), the applicable disclosures are published in accordance with the respective disclosure requirements of the funds. MB Funds discloses statements on principal adverse impacts of investment decisions on sustainability factors (PAI indicators) on our website.

Appendix 1. Sustainability topics that are typically assessed and integrated into investment decision-making.

Sustainability risks and opportunities are integrated in MB's investment decision-making. MB assesses sustainability of the investment target as well as the potential impacts of sustainability risks based on the following sustainability (ESG) topics. The relevance, materiality and the impact of the listed sustainability topics vary from one company to another. The list is not comprehensive and there may be company or industry specific risks or opportunities that are not included in the list.

Environmental	<ul style="list-style-type: none"> • Greenhouse gas emissions and impact on climate • Environmental footprint (including e.g., energy efficiency, resource management, waste management, water management) • Pollution & environmental hazards • Biodiversity • Environmental impacts of product and services
Social	<ul style="list-style-type: none"> • Human rights and labor conditions • Health and safe working conditions • Employee well-being • Employee learning, development and retention • Diversity and non-discrimination • Engagement with stakeholders e.g., employees, customers, suppliers and communities • Supply chain organization and traceability
Governance	<ul style="list-style-type: none"> • Ethical business conduct • Anti-corruption and anti-bribery • Sustainability related standards & certificates • Board composition & independency • CEO & Management Team • Remuneration policies • Cyber security and data privacy • Whistleblowing