

ESG policy

Introduction

The concept of responsible investment refers to an approach to investing which explicitly acknowledges the relevance of Environmental, Social and Governance (ESG) factors in investment decision-making, as well as the long-term health and stability of the financial market as a whole. Furthermore, it recognizes that the generation of long-term sustainable returns is dependent on stable, well-functioning and well-governed social, environmental and economic systems.

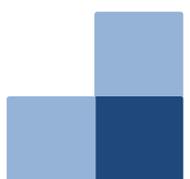
ESG factors can impact companies in the following ways:

- Capital and operating expenditure
- Liabilities and associated balance sheet implications
- Operational disruption
- Competitive position
- Cash flow forecasts
- Legal compliance
- Access to capital
- Management controls
- Demand for goods/services
- Reputation/brand

Therefore, it is important to consider them in the investment process in order to create and protect the economic, environmental or social value of an investee.

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1 Purpose

MTIP commits to consider material ESG issues during the pre and post investment phases and therefore defines in this policy its approach to integrate the ESG factors into investments.

Material ESG issues have the potential or have a direct substantial impact on the investee's ability to create or protect economic value, as well as environmental and social value for itself and its stakeholders.

For the purposes of this policy, "material" ESG issues are defined solely by MTIP.

2 Scope

This policy will apply to all investments considered made by MTIP following the date hereof, and will be interpreted in accordance with local laws and regulations.

In cases where MTIP determines it has limited ability to conduct diligence or to influence and control the integration of ESG considerations in the investment—for example, in cases where MTIP is a minority shareholder, or where other circumstances affect MTIP's ability to assess, set, or monitor ESG-related performance goals—it will not necessarily be feasible to implement ESG-related principles.

In such instances where MTIP believes it to be appropriate, reasonable efforts will be made to encourage these portfolio companies to consider relevant ESG-related principles.

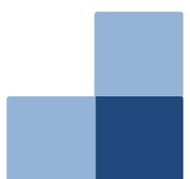
3 Roles and responsibilities

MTIP's investment professionals are primarily responsible for ensuring that the consideration of ESG issues is integrated into investment decisions.

The ESG responsible person is in charge of facilitating the implementation of this policy in investments globally and for maintaining and updating the policy yearly to ensure its continued relevance.

Every investment professional following an investee is responsible to ensure that ESG data are collected according to the [MTIP approach to ESG integration](#).

This policy was reviewed and approved by the appropriate decision-makers.



4 Goals

MTIP applies the **6 principles for responsible investment** issued by the United Nations¹.

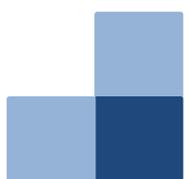
<p>1 We will incorporate ESG issues into investment analysis and decision-making processes.</p> 	<p>2 We will be active owners and incorporate ESG issues into our ownership policies and practices.</p> 	<p>3 We will seek appropriate disclosure on ESG issues by the entities in which we invest.</p> 
<p>4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

MTIP believes that proactive measures are less costly than regulation or forced compliance. Furthermore, ESG factors reduce the risk exposure and lead to higher revenues leading to sustainable investment results in both financial and societal benefits.

Thus, in accordance with our fiduciary responsibility to our clients, MTIP seeks to:

- Consider environmental, public health, safety, and social issues associated with target companies when evaluating (pre-investment phase), and as well during the period of ownership (post-investment phase)
- Be accessible to, and engage with, relevant stakeholders either directly or through representatives of portfolio companies, as appropriate.
- Grow and improve the companies in which MTIP invests for long-term sustainability and to benefit multiple stakeholders, including on environmental, social, and governance issues. To that end, MTIP will work through appropriate governance structures (e.g., board of directors) with portfolio companies with respect to environmental, public health, safety, and social issues, with the goal of improving performance and minimizing adverse impacts
- Respect the human rights of those affected by MTIP's investment activities and seek to confirm that MTIP does not invest in companies that utilize child or forced labor or maintain discriminatory policies.
- Adhere to the highest standards of conduct to avoid even the appearance of negligent, unfair, or improper practices. Proactively comply with applicable national, state, and local labor laws in the countries in which we invest; support the payment of competitive wages and benefits to employees; provide a safe and healthy workplace in conformance with national and local law;
- and, consistent with applicable law, respect the rights of employees to decide whether or not to join a union and engage in collective bargaining.

¹ <https://www.unpri.org/about>



5 MTIP approach to ESG integration

ESG factors are integrated alongside the investment process at MTIP. This ensure the early identification of the relevant ESG factors for the investments, and where to further focus our attention in case of an investment.

The ESG process works as follow:



5.1 PRE-INVESTMENT

Due diligence

Screening

- Review the ESG material factors
- Evaluate the risks exposure and the risk mitigating actions

Company deep dive

- Adapt the questions to the Company deep dive
- Adapt the questions to the company business / region if necessary
- Perform ESG assessment

Investment decision

Findings

- Include the due diligence findings into the decision process

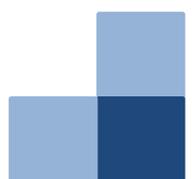
Investment committee

- Review the findings with the investment strategy and decide to invest or not

Comments

During the due diligence phase, MTIP uses a proprietary tools to assess the ESG risks of the company under examination. Findings are reviewed and included in an overall ESG assessment. The ESG assessment is added to the investment memorandum and submitted to the Investment Advisory Committee for approval.

MTIP is documenting, for internal use, the overall assessment results of each investment submitted to the investment committee.



5.2 POST-INVESTMENT

Investment agreement

100 days plan

- Identify and communicate the steps to resolve the ESG issues
- Material ESG issues are incorporated in the management phase

Engagement

- Training
- Leverage expertise and knowledge

Ownership

Monitoring & Management

- Implement the operational changes in the companies
- Track the ESG incidents and revise the ESG analysis if needed
- Review the ESG data per survey

Reporting to LPs

- Report yearly the material ESG developments
- Communicate to the LP any material incident

Comments

During the 100 days plan, based on the ESG overall assessment, MTIP communicates and agrees with the investee on the next steps to mitigate all the ESG issues or to realize the ESG opportunities.

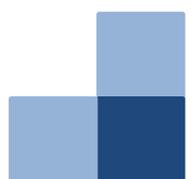
Training of investees is discretionary and is designed by MTIP in case by case. Internal training on ESG is also provided to relevant employees of the firm.

In case of ESG incident, where its materiality is assessed by MTIP judgement and expertise in ESG risks, LPs are informed in a timely manner.

ESG reports² may include material changes of ESG factors, performances measures and relevant disclosures at the investee or fund level.

MTIP is documenting, for internal use, the ESG issues, incidents, progress and actions at least on a yearly basis, as part of the ESG reporting.

² The format of the report may vary among public report, investors report or internal report.



5.3 EXIT

Exit**Present ESG results**

- Summarize all the key achievements performed during the ownership
 - Present the actions, which led to value increase in the selling materials
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6 Continuous improvement on ESG topics

The ESG responsible person educates himself continuously on this topics and share with the investment professionals his latest knowledge, as part of his yearly assessment of the ESG policy and practices.

Furthermore, dialogue with LPs and other stakeholders is encourage to improve our reporting and disclosures and the way we manage ESG issues.

