



MEDITERRA CAPITAL

Responsible Investment Policy

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ESG Overview

At Mediterra Capital, we are committed to a responsible investment approach that integrates environmental, social and governance issues (ESG) into our investment decisions and the core initiatives of our portfolio companies. We recognize that these principles are embodied in the United Nations Global Compact Ten Principles and in the UN Principles for Responsible Investment (PRI).

As a socially responsible investor, Mediterra Capital aims to invest in companies that act responsibly in terms of environmental, ethical, governance and social issues. We passionately believe that this approach not only makes us good corporate citizens but also contributes to long-term value creation for our investors.

Our Approach

At Mediterra Capital, our responsible investment approach extends across the entire investment lifecycle, from pre-investment analysis to post-investment management. We are committed to integrating environmental, social, and governance (ESG) considerations into each phase of our investments to create lasting value and contribute positively to society.

As a part of our responsible investing strategy, we also strive to contribute towards the United Nations Sustainable Development Goals (SDGs) through our own activities and those of our portfolio companies. We believe that we have an important part to play in achieving these goals for a more prosperous, equitable, and sustainable world. We have started to identify metrics and KPIs for applicable SDGs in all our portfolio companies. We are following and measuring our portfolio companies' performance on SDGs. We are also participating in initiatives and/or projects of our investors such as IFC and EBRD to promote SDGs.

Pre-Investment Assessment

Before committing to any investment, we conduct a comprehensive pre-investment assessment that includes ESG due diligence, stakeholder engagement, and alignment with PRI principles.

Post-Investment Management

Following an investment, we actively engage with portfolio companies to integrate ESG considerations into their operations, and decision-making processes. This includes setting ESG targets, monitoring performance, advocating for responsible business practices, following up remediation of due diligence findings through Environmental and Social Activity Plans and Value Creation Plan.

Our Commitment

At Mediterra Capital, our commitment to responsible investment is unwavering. Mediterra recognizes that these principles are embodied in the UN Principles for Responsible Investment (PRI) therefore we have formally committed to the UN-PRI in 2020. We align our actions with the six Principles for Responsible Investment (PRI), embracing them as our guiding framework. As a signatory, Mediterra will annually report to UN-PRI on its progress on implementing the environmental, social and governance investment principles. Our commitment includes:

- **Compliance with Local Laws and Regulations:** We rigorously follow all local laws and regulations in every country where Mediterra Capital and its portfolio companies operate. This ensures that we meet the highest E&S standards as mandated by local authorities.
- **Adherence to IFC and EBRD Environmental and Social Policies:** We primarily follow the procedures set by Environmental and Social Policy of the European Bank for Reconstruction and Development (EBRD) and International Finance Corporation (IFC). These policies serve as a benchmark for our E&S practices, and we ensure that our investments align with its requirements.
- **Respect for EBRD and IFC Environmental and Social Exclusion List:** We are committed to respecting and upholding the EBRD and IFC Environmental and Social Exclusion List, which outline activities and projects that are not in line with responsible E&S practices. We do not engage in investments that fall within this exclusion list.

Reporting and Transparency

We are committed to transparency in our responsible investment efforts. We yearly report on ESG performance to our stakeholders, reinforcing our commitment to accountability and continuous improvement.

Conclusion

This Responsible Investment Policy is a testament to our dedication to responsible investment practices. We believe that by adhering to these principles and integrating ESG considerations into our investments, we can create sustainable value for our investors, stakeholders, and society at large.