

Article 10(1) of Regulation (EU) 2019/2088, related to the transparency of the promotion of environmental or social characteristics and of sustainable investments on websites for Article 9 (1), (2) & (3) products

SFDR requirements (RTS level 1) for the 10th of march 2021

SUSTAINABLE GROWTH FUND II, SCSP, SICAV-SIF

Description of E / S characteristics - SFDR art 10 (1) (a)

The Fund has sustainable investment objectives in accordance with Art. 9 Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (the "SFDR").

The sustainable investment objectives pursued by the Fund are those of:

- o climate change mitigation
  - o sustainable use and protection of water and marine resources
  - o transition to a circular economy
  - o pollution prevention and control
- as provided for under the Taxonomy Regulation EU 2020/852

The investment advisor to the Fund, SGM Advisors (CI) Ltd (the "Advisor") seeks to achieve the Sustainable Objectives by identifying for consideration by the alternative investment manager to the Fund, Alter Domus Management Company S.A. (the "AIFM"), investments which meet the investment objective, strategy and restrictions set out in the confidential private placement offering memorandum ("Offering Memorandum") of the Fund. In terms of assessing, monitoring and measuring the sustainable nature of potential investments, the Investment Advisor complements traditional, quantitative techniques of analysing financial risk and return with qualitative and quantitative analyses of environmental, social and governance ("ESG") policies, performance, practices and impacts.

The investment and monitoring process of the Investment Advisor's in terms of ESG is through an environmental and social management process ("ESMP").

Information on the methodologies used to assess, measure and monitor the environmental or social characteristics - SFDR art 10 (1) (b)

Pre-Investment Phase

Within the investment due diligence process, the Investment Advisor ranks and prioritizes the most relevant ESG risks and opportunities which result in a score for the effectiveness of ESG risk management and the main ESG opportunities as follows:

1. The Advisor first evaluates the proposed investment applying the Fund's ESG policy as outlined in the Offering Memorandum, including ensuring that the investment is aligned with the Principals on Responsible Investing ("PRI"). Only once a prospective portfolio investment is determined meet these requirements will the Advisor progress to the second stage.

2. The Advisor then determinates the ESG rating and opportunities presented by the investment utilising the FMO (Financierings-Maatschappij voor Ontwikkelingslanden) also known as the Netherlands Development Finance Company methodology, utilising the FMO Toolkit. (FMO commissioned Steward Redqueen to co-develop the toolkit application and further develop the process, methodologies and questions that are taken into consideration in the establishing the rating, risks, and opportunities.) The ESG Toolkit is web based (esg-toolkit.com) and pulls data from a number of different data sources when evaluating a potential portfolio company, including:

- o EPI database (a cooperation of Yale University and Columbia University provides a well-developed and broad source of environmental performance monitoring by country);
- o Social risks data (from Transparency International and the Cingranelli-Richards (CIRI) Human Rights Dataset);
- o Social and environmental risks and impacts (using IFC Performance Standards);
- o Corporate Governance Data (using the Corporate Governance Development Framework);
- o Business Integrity (drawing on the CFA Institute's Code of Ethics and Standards of Professional Conduct and CDC Group's Toolkit).

The FMO Toolkit must result in an ESG Risk scoring of Medium/Low or better (e.g. Medium/Low or Low) and an ESG Management Score of 75% or better.

3. The Advisor will assess the proposed investments alignment with the 17 UN Sustainable Development Goals ("SDGs"). While the Advisor assess an investment against all of the SDGs, the investments as a general matter are expected to align with one or more (and often align with three or four) of the following SDGs:

- o Goal 6. Ensure availability and sustainable management of water and sanitation for all
- o Goal 7. Ensure access to affordable, reliable, sustainable and modern energy for all
- o Goal 8. Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all
- o Goal 9. Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation
- o Goal 10. Reduce inequality within and among countries
- o Goal 11. Make cities and human settlements inclusive, safe, resilient and sustainable

oGoal 12. Ensure sustainable consumption and production patterns

from (i) a quantitative standpoint where the required data is available and the relevant SDG provides for quantitative measures that can be shown to tracking towards the relevant goal; or (ii) a qualitative standpoint where the relevant metrics are not fully defined by reference to the relevant SDG, but a clear logical description of impact can be provided.

The results of the above investment due diligence process are captured in the investment memorandum which is considered by the Advisor's investment committee in making its final recommendation to the AIFM.

#### Monitoring Phase

The monitoring of an investment relies on the initial due diligence and ESG focused investment process set out above. Variance from this baseline are evaluated and reported on in respect of an investment on a quarterly basis. Consistent with the PRI, the Advisor will engage with the portfolio company in relation to ESG matters.

The Fund reports quarterly and annually to investors regarding the degree to which the Sustainable Objectives are being achieved, including metric variances arising in respect of an investment.

Information from Prospectus compliant to Art. 9 - SFDR art 10 (1) (c)

See related PPM

Information from Yearly Report compliant with Art. 11 - SFDR art 10 (1) (d)

No periodic report published yet