

SUSTAINABILITY RISK POLICY (ARTICLE 3 SFDR)

1 JUNE 2022



This statement is consistent across The Cordiant Group, or 'Cordiant'. 'The Cordiant Group' or 'Cordiant' refers to Cordiant Capital Inc. (registered as a Portfolio Manager and an Exempt Market Dealer with the Autorité des Marchés Financiers, the Ontario Securities Commission and other Canadian regulators as well as a Registered Investment Advisor with the U.S. S.E.C. and as an Investment Fund Manager in Quebec and Ontario); Cordiant Luxembourg S.A. (regulated as an AIFM by the Commission de Surveillance du Secteur Financier of Luxembourg); Cordiant Digital Infrastructure Management LLP as well as affiliated entities.

Article 3 Transparency of sustainability risk policies statement

Sustainability risk is defined by Article 2(22) of Regulation (EU) 2019/2088 as “an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment”.

This statement is a brief description of how The Cordiant Group integrates ESG and impact risks throughout the lifecycle of Cordiant’s investment decision-making process. A central pillar of Cordiant’s investment approach is the combination of sustainability and responsibility with attractive risk-adjusted returns within Cordiant’s chosen investment sector. Cordiant merges traditional investment approaches with ESG analysis and impact Investing principals to consider both risk mitigation and positive ESG impacts on investment IRRs. Cordiant has a long-standing recognition that ESG risk mitigation and analysis has frequently been of significant financial relevance, recognising the need to identify, reduce and mitigate material risks posed by ESG factors, events and/or conditions. Full details of Cordiant’s approach to responsible investment and the integration of ESG and impact analysis can be found in the respective entities’ [Responsible Investment Policies](#).

Sustainability Risk Integration - Dedicated ESG Risk Management Process

Cordiant seeks to use a dedicated ESG Risk Management Process to assist in the identification, management, and mitigation of ESG risks that may have a material impact on investee companies. The process will, where possible, be implemented as follows:

Phase 1: Identification of Applicable Environmental and Social Laws & Standards

Phase 2: ESG and Impact Risk Assessment and Categorisation

Phase 3: Environmental, Social and Governance Assessments (including the use of SASB Metrics)

Phase 4: Stewardship and Engagement with Investee Company

Phase 5: Development of ESG Action Plan ‘ESGAP’

Phase 6: Monitoring and Reporting (using SASB Metrics)

Phase 7: Annual Review

Cordiant seeks to implement the ESG risk management process in order to ensure a comprehensive and consistent approach is implemented against ESG and impact risks.

PRINCIPAL ADVERSE IMPACT (‘PAI’) STATEMENT (ARTICLE 4 SFDR)

1 JUNE 2022



The following is the principal adverse impact statement of the Cordiant Group or 'Cordiant'. 'The Cordiant Group' or 'Cordiant' refers to Cordiant Capital Inc. (registered as a Portfolio Manager and an Exempt Market Dealer with the Autorité des Marchés Financiers, the Ontario Securities Commission and other Canadian regulators as well as a Registered Investment Advisor with the U.S. S.E.C. and as an Investment Fund Manager in Quebec and Ontario); Cordiant Luxembourg S.A. (regulated as an AIFM by the Commission de Surveillance du Secteur Financier of Luxembourg); Cordiant Digital Infrastructure Management LLP as well as affiliated entities.

Article 4: Transparency of adverse sustainability impacts at entity level

Pursuant to Article 4 Transparency of adverse sustainability impacts at entity level of 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, herein ('SFDR'), Financial Market Participants ('FMP') are required to publish and maintain on their websites a statement disclosing whether the entity considers principal adverse impacts ('PAI') of investment decisions on sustainability factors. Where entities consider principal adverse impacts, the FMP is required to disclose further information in accordance with Regulatory Technical Standards ('RTS') complimentary to SFDR.

Sustainability factors are defined by Article 2(24) of Regulation (EU) 2019/2088 as 'environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.' Cordiant therefore defines principal adverse impacts of investment decisions on sustainability factors as the most significant negative impacts to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters arising from activities, events, or conditions from investment decisions.

While the Cordiant Group considers material sustainability factors in its investment decisions and aims to collect relevant data given the size and sectors of the company it invests in, at the release of this statement the Group does not consider principal adverse impacts as defined by the SFDR regulation. With the adoption of the Regulatory Technical Standard, Cordiant recognises that it might not currently be able to consider and report all applicable PAI indicators, with a challenge at present being the sourcing of reliable information directly from Cordiant's financial products' investees or borrowers. Therefore, Cordiant is currently in the process of working towards implementing processes and policies to ensure accurate reporting of indicators.

REMUNERATION POLICY STATEMENT (ARTICLE 5 SFDR)

1 JUNE 2022



This Remuneration Statement is consistent with, and is intended to promote, effective risk management within The Cordiant Group, or 'Cordiant'. 'The Cordiant Group' or 'Cordiant' refers to Cordiant Capital Inc. (registered as a Portfolio Manager and an Exempt Market Dealer with the Autorité des Marchés Financiers, the Ontario Securities Commission and other Canadian regulators as well as a Registered Investment Advisor with the U.S. S.E.C. and as an Investment Fund Manager in Quebec and Ontario); Cordiant Luxembourg S.A. (regulated as an AIFM by the Commission de Surveillance du Secteur Financier of Luxembourg); Cordiant Digital Infrastructure Management LLP as well as affiliated entities.

Article 5 : Transparency of remuneration policies

The Cordiant Group holds firmly the principle that all employees, regardless of age, disability, gender, race, religion or belief, sexual orientation or any other distinction should receive equal pay for the same, or broadly similar, work, for work rated as equivalent and work of equal value. Remuneration is overseen by the Boards of the relevant related entities and is implemented by senior management. Employees' remuneration includes a combination of fixed (salary and benefits) and variable remuneration (including merit bonuses and profit sharing). While Cordiant does not currently have a remuneration policy explicitly considering sustainability factors, variable remuneration takes into account compliance with the Group's policies and procedures including its Responsible Investment Policy. Moreover, Cordiant does not encourage short-term risk-taking that exceeds the level of tolerated risk of the affiliated entities and considers sustainability factors to have an important impact on the risk profile and performance of investments.

The Group is currently reviewing its remuneration policy in relation to the integration of sustainability risks.