

Sustainability-related disclosures

ARCUS EUROPEAN TRAINS SCSp “AET” or “the Fund”

Legal entity identifier: NA

EN – English – Website section ‘Summary’

(a) Summary

The following information relates to AET, and is provided in accordance with Article 10(1)(a) to (c) of the 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 launch and final closing of AET pre-dates the application of SFDR and the publication of the first draft version of the Regulatory Technical Standards (the "RTS") of the SFDR, therefore AET has not made, and doesn't have, any pre-contractual SFDR commitments. Notwithstanding this, as part the Arcus' ESG management approach, AET promotes environmental and/or social characteristics, but does not have an objective of sustainable investment. The information required pursuant to Article 10(1)(d) of SFDR, being the periodic reports to be provided in accordance with Article 11 and annex IV of the SFDR, will be published following the date on which periodic reporting is first provided in respect of the Fund.

Section	Summary
No sustainable investment objective	The Fund has a minimum allocation of 0% sustainable investments, although in practice the Fund may make sustainable investments (within the meaning of the SFDR) such that the actual percentage may be above this level.
Environmental or social characteristics	This section describes the environmental and social characteristics within the meaning of the SFDR that the Fund promotes.
Investment strategy	This section describes the investment strategy of the Fund used to meet the environmental and social characteristics promoted by the Fund, which is to make infrastructure investments in mid-market segment across Europe, relevant to the primary investment themes, being: Energy Transition, Digitisation, and Decarbonisation and Interconnected Transportation. This section also describes the Fund's policy to assess good governance practices.
Proportion of investments	This section states that the Fund expects its investee companies to promote environmental and social characteristics but does not have an objective of sustainable investment within the meaning of SFDR.
Monitoring of environmental or social characteristics	This section describes how the environmental and social characteristics promoted by the Fund are monitored across all the Fund's investee companies throughout the lifecycle of the Fund. This section also refers to the "Due diligence" and "Investment strategy" sections for specific detail on the monitoring of such characteristics at the investment selection and the investee company level respectively.
Methodologies	This section refers to the "Investment strategy", "Monitoring of environmental or social characteristics" and "Due diligence" sections, which describe how Arcus measure the attainment of the selected environmental and social characteristics promoted by the Fund.
Data sources and processing	This section describes how the Fund collects data from portfolio companies, the measures used to ensure data quality, how data is processed and the proportion of data that are estimated.
Limitation to methodologies and data	This section mentions the limitations of the methodologies and data sources used, in particular, the limitation posed by insufficient or sparse data which may result from portfolio companies not having clear and robust data systems in place.
Due diligence	This section describes the screening process that Arcus applies to select potential investments as part of the investment decision-making process.
Engagement policies	This section refers to the "Investment strategy" section which details the manner in which Arcus engages with portfolio companies to ensure good governance practices.
Designated reference benchmark	There is no index designated as a reference benchmark.

NL – Nederlands – Website ‘Samenvatting’

(a) Samenvatting

De volgende informatie heeft betrekking op AET (of het Fonds) en wordt verstrekt in overeenstemming met artikel 10, lid 1, onder a) tot en met c), van Verordening (EU) 2019/2088 van het Europees Parlement en de Raad van 27 november 2019 betreffende informatieverschaffing over duurzaamheid in de financiële dienstensector (de "SFDR"). De lancering en definitieve afsluiting van AET dateert van vóór het in werking treden van SFDR en de publicatie van de eerste ontwerpversie van de technische reguleringsnormering (de "RTS") van de SFDR, daarom heeft AET geen pre-contractuele SFDR-verplichtingen. Desondanks promoot AET, als onderdeel van het ESG-beleid van Arcus, ecologische en/of sociale kenmerken, maar heeft het geen doelstelling om duurzaam te beleggen. De op grond van artikel 10, lid 1, onder d), van de SFDR vereiste informatie, zijnde de periodieke verslagen die moeten worden verstrekt overeenkomstig artikel 11 en bijlage IV van de SFDR, zal worden gepubliceerd na de datum waarop de periodieke verslaglegging voor het eerst met betrekking tot het Fonds is verstrekt.

Paragraaf	Samenvatting
Geen duurzame beleggingsdoelstelling	The Fund has a minimum allocation of 0% sustainable investments, although in practice the Fund may make sustainable investments (within the meaning of the SFDR) such that the actual percentage may be above this level.
Ecologische of sociale kenmerken	In deze paragraaf worden de ecologische en sociale kenmerken, die het Fonds promoot, in de zin van de SFDR beschreven.
Beleggingsstrategie	In deze paragraaf wordt de beleggingsstrategie van het Fonds beschreven die wordt gebruikt om te voldoen aan de ecologische en sociale kenmerken die door het Fonds worden gepromoot, namelijk het doen van infrastructuurinvesteringen in het middensegment in heel Europa, met een focus op de sectoren Digitaal, Transport, Logistiek & Industrie en Energie. In deze paragraaf wordt ook het beleid van het Fonds beschreven om praktijken op het gebied van goed bestuur te beoordelen.
Aandeel van de investeringen	In dit deel wordt gesteld dat het Fonds van de ondernemingen waarin wordt belegd verwacht dat zij ecologische en sociale kenmerken promoten, maar dat het Fonds niet de doelstelling heeft om duurzaam te beleggen in de zin van SFDR.
Monitoring van ecologische of sociale kenmerken	In deze paragraaf wordt beschreven hoe de ecologische en sociale kenmerken die door het Fonds worden gepromoot, worden gemonitord gedurende de gehele levenscyclus van het Fonds. In deze paragraaf wordt ook verwezen naar de <i>paragrafen "Due diligence"</i> en <i>"Beleggingsstrategie"</i> voor specifieke details over de monitoring van dergelijke kenmerken op respectievelijk het niveau van de beleggingsselectie en het niveau van de ondernemingen waarin wordt belegd.
Methoden	In deze paragraaf wordt verwezen naar de <i>paragrafen "Beleggingsstrategie"</i> , <i>"Monitoring van ecologische of sociale kenmerken"</i> en <i>"Due diligence"</i> , die beschrijven hoe Arcus de verwezenlijking meet, van de geselecteerde ecologische en sociale kenmerken die door het Fonds worden gepromoot.
Gegevensbronnen en -verwerking	In deze paragraaf wordt beschreven hoe het Fonds gegevens verzamelt van de ondernemingen waarin wordt belegd, welke maatregelen worden genomen om de kwaliteit van de gegevens te waarborgen, hoe de gegevens worden verwerkt en welk deel van de gegevens wordt geschat.
Beperking tot methodologieën en gegevens	In deze paragraaf worden de beperkingen van de gebruikte methodologieën en gegevensbronnen vermeld, met name de beperking die wordt veroorzaakt door ontoereikende of schaarse gegevens die het gevolg kunnen zijn van het feit dat portefeuillebedrijven niet over duidelijke en robuuste gegevenssystemen beschikken.
Due diligence	In deze paragraaf wordt het screeningproces beschreven dat Arcus toepast om mogelijke investeringen te selecteren als onderdeel van het besluitvormingsproces.
Beleid voor betrokkenheid	Deze paragraaf verwijst naar de paragraaf <i>"Beleggingsstrategie"</i> , waarin de manier wordt beschreven waarop Arcus samenwerkt met de ondernemingen waarin wordt geïnvesteerd om goede bestuurspraktijken te waarborgen.

Aangewezen referentiebenchmark

Er is geen index aangewezen als referentiebenchmark.

FR – Français – Section ‘Résumé’ du site web

(a) Résumé

Les informations suivantes concernent le AET (ou le Fonds) et sont fournies conformément à l'article 10(1)(a) à (c) du règlement (UE) 2019/2088 du Parlement européen et du Conseil du 27 novembre 2019 relatif aux informations à fournir en matière de développement durable dans le secteur des services financiers (le « SFDR »). Le lancement et la clôture définitive de l'AET sont antérieurs à l'application du SFDR et à la publication de la première version préliminaire des normes techniques réglementaires (les « RTS ») du SFDR. Par conséquent, l'AET n'a pris aucun engagement précontractuel au titre du SFDR et n'en a pas. Néanmoins, dans le cadre de l'approche de gestion ESG d'Arcus, AET promeut des caractéristiques environnementales et/ou sociales, mais n'a pas pour objectif l'investissement durable. Les informations requises en vertu de l'article 10(1)(d) du SFDR, à savoir les rapports périodiques à fournir conformément à l'article 11 et à l'annexe IV du SFDR, seront publiées après la date à laquelle les rapports périodiques sont fournis pour la première fois en ce qui concerne le Fonds.

Section	Résumé
Aucun objectif d'investissement durable	Le Fonds a une allocation minimale de 0 % en investissements durables, bien que dans la pratique, le Fonds puisse effectuer des investissements durables (au sens du SFDR) de sorte que le pourcentage réel puisse être supérieur à ce niveau.
Caractéristiques environnementales ou sociales	Cette section décrit les caractéristiques environnementales et sociales au sens du SFDR que le Fonds promeut.
Stratégie d'investissement	Cette section décrit la stratégie d'investissement du Fonds utilisée pour répondre aux caractéristiques environnementales et sociales promues par le Fonds, qui consiste à réaliser des investissements dans des infrastructures du segment intermédiaire du marché à travers l'Europe, en mettant l'accent sur les secteurs du numérique, des transports, de la logistique et de l'industrie, ainsi que de l'énergie. Cette section décrit également la politique du Fonds en matière d'évaluation des bonnes pratiques de gouvernance.
Proportion des investissements	Cette section indique que le Fonds attend de ses sociétés bénéficiaires qu'elles promeuvent des caractéristiques environnementales et sociales, mais qu'il n'a pas d'objectif d'investissement durable au sens du SFDR.
Suivi des caractéristiques environnementales ou sociales	Cette section décrit comment les caractéristiques environnementales et sociales promues par le Fonds sont surveillées dans toutes les sociétés dans lesquelles le Fonds investit tout au long du cycle de vie du Fonds. Cette section renvoie également aux sections « Due diligence » et « Stratégie d'investissement » pour plus de détails sur la surveillance de ces caractéristiques au niveau de la sélection des investissements et des sociétés bénéficiaires respectivement.
Méthodologies	Cette section fait référence aux sections « Stratégie d'investissement », « Suivi des caractéristiques environnementales ou sociales » et « Diligence raisonnable », qui décrivent la manière dont Arcus mesure la réalisation des caractéristiques environnementales et sociales sélectionnées et promues par le Fonds.
Sources et traitement des données	Cette section décrit comment le Fonds collecte les données auprès des sociétés en portefeuille, les mesures utilisées pour garantir la qualité des données, la manière dont les données sont traitées et la proportion de données estimées.
Limitation des méthodologies et des données	Cette section mentionne les limites des méthodologies et des sources de données utilisées, en particulier la limitation posée par des données insuffisantes ou éparpillées qui peuvent résulter du fait que les sociétés en portefeuille ne disposent pas de systèmes de données clairs et robustes.

Diligence raisonnable	Cette section décrit le processus de sélection qu’Arcus applique pour choisir les investissements potentiels dans le cadre du processus décisionnel en matière d’investissement.
Politiques d’engagement	Cette section renvoie à la section « Stratégie d’investissement » qui détaille la manière dont Arcus collabore avec les sociétés de son portefeuille afin de garantir de bonnes pratiques de gouvernance.
Référence désignée	Il n’y a pas d’indice désigné comme référence.

(b) No sustainable investment objective

AET promotes environmental or social characteristics, but does not have an objective of sustainable investment within the meaning of SFDR. As such, it is subject to Article 8 of SFDR.





AET has a minimum allocation of 0% to sustainable investments, although in practice the Fund may make sustainable investments (within the meaning of the SFDR) such that the actual percentage may be above this level. As the Fund does not commit to making sustainable investments, it is not obliged to include disclosures around sustainable investments. However, through this disclosure Arcus demonstrates a transparent approach to its investors and other stakeholders.

(c) Environmental or social characteristics




AET will use the following indicators to measure attainment of the promoted environmental and social characteristics. AET’s progress against and alignment with the promoted environmental and social characteristics will be included in annual periodic disclosures that will be appended to the Fund’s annual financial statements, along with the Article 22 periodic disclosures mandated under the Alternative Investment Fund Managers Directive (“AIFMD”). The three environmental and three social characteristics are considered generally material across the infrastructure sector.

For the avoidance of doubt, the indicators used to measure attainment of the promoted environmental and social characteristics may be subject to change to the extent that more sophisticated indicators emerge as the ESG landscape develops. Arcus will continue to monitor the suitability of its chosen indicators to ensure they remain fit for purpose. Any change to the indicators will be notified to investors in the annual reports.

Table 1

Environmental impacts	Characteristics	Indicators (as relevant reported annually)	SDGs (as relevant)
GHG emissions	Actively promote reducing CO2 emissions intensity and aim to set a CO2 reduction target for emissions within operational control.	<ul style="list-style-type: none"> Scope 1&2 GHG emissions (tCO2e) in line with the GHG protocol in contrast to a benchmark year; Scope 3 GHG emissions from of the five most material scope 3 emissions categories; GHG intensity in tonnes of GHG emissions by EUR millions of revenue (tCO2e); Illustrating efforts and contribution to SDG 7 “Affordable and clean energy” and, SDG 9 “Industry, innovation and infrastructure”. 	 
Energy efficiency	Actively promote reducing energy intensity and the use and production of renewable energy.	<ul style="list-style-type: none"> Energy intensity (Energy consumption in GWh per million EUR of revenue of the Fund); Total energy consumption/ production by portfolio company including energy source (renewable/non-renewable); Illustrating efforts and contribution to SDG 7 	 

“Affordable and clean energy” and, SDG 9 “Industry, innovation and infrastructure”.

Climate change	Assess the resilience of the portfolio companies in line with TCFD recommendations.	<ul style="list-style-type: none"> Annual reporting on Climate Related Risks and Opportunities Provide transparency on the resilience of the portfolio in line with the TCFD recommendations (or its successor) illustrating efforts and contribution to SDG 13 “Climate action”. 	
Social Impacts	Characteristics	Indicators (as relevant reported annually)	SDGs (as relevant)
Diversity and equal opportunity	Committed to develop and promote diversity and equal opportunity for all employment practices and activities.	<ul style="list-style-type: none"> Total employees, gender balance; Gender balance of the Board; Average unadjusted gender pay gap. 	
Health and safety	Committed to maintaining safe and healthy working conditions through control of health and safety risks at investee companies and a safe environment for all those attending the working premises.	<ul style="list-style-type: none"> The number of recordable injuries among employees and contractors; The number of lost-time injuries among employees and contractors; Hours of health and safety training received by employees; Efforts made towards the SDG. 	 
Labour standards and human rights	Committed to ensure human rights and labour standards are met, in line with local laws and regulations of each country of operation.	<ul style="list-style-type: none"> Annually report on compliance with UNGC principles for Human Rights and Labour. 	

(d) Investment strategy

In the deployment of this Fund Arcus will seek out investment opportunities that are relevant to the primary investment themes, being: Energy Transition, Digitisation, and Decarbonisation and Interconnected Transportation. Arcus will only make investments with governance structures which provide outright control, co-control or where it has the capacity to significantly influence key matters such as business strategy, capital structure, management team composition and significant operational initiatives.

Arcus allocates significant internal resources to managing investments in portfolio companies. A dedicated Asset Manager is appointed to each portfolio company with responsibility for managing the investment, governance of the investment and for shareholder-level interaction with the business including in relation to ESG. Asset Managers spend a significant amount of their time building and maintaining relationships, supporting portfolio company executives and applying experience and judgment to key decisions.

With respect to corporate governance, senior Arcus personnel, including the Asset Manager, sit on the key operating and shareholder boards of all its investee companies. Arcus directors seek to

regularly challenge company management in a constructive and supportive manner, and seek to ensure that high standards of governance are observed.

Clear and effective governance positions are an essential prerequisite in every investment. Arcus then establishes a strong and effective board, with the appropriate governance structures (e.g., sub-committees, frequency of meetings) and populated with the right combination of Arcus representatives, co-shareholders, executive management and independent non-executive directors. The management of ESG risks, mitigants and opportunities are also incorporated into the business's governance approach.

As a responsible asset manager, Arcus takes a proactive approach and considers Environmental, Social and Governance factors in its investment decision making process. The investment professionals at Arcus aim to make well-balanced decisions within its risk appetite, and otherwise mitigate risks and explore opportunities in the best interest of its Investors.

The Arcus investment strategy focuses exclusively on private market infrastructure investments in Europe. Within this geography, Arcus is focused on four sectors: digital, transport, logistics & Industrials and energy. Arcus believes that the provision of high-quality infrastructure is critical to Europe's future economic growth, environmental protection, societal development and reduction of inequalities. Arcus applies a targeted screening of transactions and will not invest in:

- Companies that derive their revenue from the transport, trade and/or manufacture of armaments, civilian firearms, nuclear biological or chemical weapons, cluster munitions, landmines or other similar weaponry or associated strategic products;
- Companies that derive their revenue from the production or sales of, or involvement in adult entertainment, alcohol, animal experimentation, gambling, or tobacco;
- Companies that derive their revenue from the exploration, mining and/or refining of fossil fuels in solid, liquid and/or gas form (i.e. thermal coal, crude oil, natural gas);
- Companies that derive their revenue from the use of uranium, or thorium for electricity generation;
- Companies that derive their primary source of revenue from the use of fossil fuels for electricity generation;
- Companies that derive their revenue from building, operating or owning pipelines that facilitate transport or export of fossil fuels unless there is a clear strategy to transition the product type away from fossil fuels, with the exception in the case of natural gas related assets (such as distribution networks) where Arcus is satisfied these assets represent an interim low(er) carbon emission bridge prior to practical zero carbon alternatives becoming available;
- Companies that have a history of poor health and safety or environmental management;
- Companies that have a history of corrupt practices;
- Companies that have poor governance and ethics practices inter alia, child labour or human rights abuses; or
- Companies that do not demonstrate the ability or willingness to manage current and potential ESG risks effectively, unless Arcus believes that by virtue of its involvement, it will be able to significantly improve the situation, and rapidly cause the investee company to conform to the principles laid out in the ESG policy.

The exclusions process is governed by the Investment Committee, Arcus European Investment Manager Netherlands B.V. ("AEIMNL") board and GP board of the relevant investment vehicle. Throughout the origination process, Arcus considers ESG factors. This includes initial ESG screening, governance assessment, ESG risk and opportunity due diligence and Investment Committee assessment of results as part of the investment decision making process.

(e) Proportion of investments

The Fund has a minimum allocation of 0% sustainable investments with environmental objectives that are not aligned with the EU Taxonomy, furthermore the Fund has a minimum allocation of 0% socially sustainable investments.

In the deployment of this Fund Arcus will seek out Investment opportunities that are relevant to the primary investment themes described in the Investment strategy and believes there is a clear potential for some of these investment opportunities to be classified as sustainable investments with environmental and/or social objectives (although which may not be aligned with the EU Taxonomy) such that the actual percentage may be above this level. If this is the case, Arcus expects that such investments will also be aligned with the promotion of the three environmental and three social characteristics that have been set out in Table 1 in section (c) Environmental or social characteristics of the financial product. These characteristics are considered generally material across the infrastructure sector. The Fund will report on these indicators and demonstrate progress and alignment against the UN SDGs as part of its annual investor reporting.

With respect to investments for certain specific purposes such as hedging or liquidity, Arcus anticipates that these will be negligible.

The Fund will not make use of derivatives to attain the environmental or social characteristics it promotes.

(f) Monitoring of environmental or social characteristics

Arcus' focus on managing ESG risks and pursuing ESG-aligned infrastructure opportunities stems from its aim to consistently act in the best interests of its investors and stakeholders. Arcus believes that incorporating ESG factors into policies and procedures builds responsible investee companies, generates sustainable value for all stakeholders and delivers better long-term results for investors.

Arcus seeks to ensure that all investee companies act responsibly and operate in compliance with the relevant laws and regulations applicable in the countries and industry sectors in which the business operates. Arcus places particular emphasis on industry best practice in respect of key matters such as operational health and safety.

ESG risks and opportunities are continually assessed by the Arcus Asset Manager and formally monitored as part of monthly board reporting. ESG, including climate change-related risks and opportunities, are monitored at a firm level quarterly through quarterly risk reporting and ESG reporting. Climate change-related risks and opportunities are also integrated into the annual TCFD reporting cycle. The investment risk reporting is shared with the Investment Committee on a quarterly basis and any urgent issues are reported on an ad hoc basis to the Investment Committee and the ESG Committee.

The three environmental and three social characteristics that have been set out in Table 1 above are considered generally material across the infrastructure sector. The Fund will use the indicators listed as part of each of the characteristics to measure attainment of the promoted environmental and social characteristics. Please see below under the heading (j) Due diligence with respect to the Fund's monitoring of environmental or social characteristics of portfolio companies at the investment selection stage. The Fund's progress against and alignment with the promoted environmental and social characteristics will be included in annual periodic disclosures that will be appended to the Fund's annual financial statements, along with the Article 22 periodic disclosures mandated under AIFMD. For the avoidance of doubt, due to the diversified investment allocation in the Fund, not all environmental and social characteristics will be relevant to every Fund investment and therefore investments will report on specific indicators relevant to them. Accordingly, Arcus will also provide reporting on the Fund's data coverage of the indicators.

In addition, one of the quarterly Arcus Asset Review Meeting topics for each investee company focuses on ESG. The agenda for this meeting includes discussing the investee company's ESG approach; key ESG risks and opportunities (including climate change); key ESG KPIs reported and







performance over time; and areas considered targets for the ESG continuous improvement programme.

(g) Methodologies

In addition, in its ESG policy, available on the Arcus’ website, Arcus identifies ESG factors or characteristics that are material to AET and the broader infrastructure industry. The materiality of ESG factors is determined by the likelihood, magnitude and time-horizon of the ESG factors materialising.

The three environmental and three social characteristics that have been set out in Table 1 above are considered generally material across the infrastructure sector. For each of the six characteristics, Arcus has defined clear and measurable indicators. Arcus will provide transparency to AET investors through annual reporting on the corresponding indicators. To the extent possible, the indicators have been aligned with relevant international or industry standards.

As part of its ESG management Arcus has committed to responsible investment with relevant policies and procedures aligned with the following international principles and standards:

 <p>PRI Principles for Responsible Investment</p> <hr/> <p>Arcus is a signatory to and supporter of the six UN Principles for Responsible Investment.</p>	 <p>UN GLOBAL COMPACT</p> <hr/> <p>Arcus is a signatory participant and supporter of the ten Principles of the United Nations Global Compact on human rights, labour, environment and anti-corruption.</p>	 <p>UK STEWARDSHIP CODE</p> <hr/> <p>Arcus is a signatory to the twelve Principles of the UK Stewardship Code assessed by the FRC.</p>
 <p>TCFD</p> <hr/> <p>Arcus aligns its disclosures with the recommendations of the Task Force on Climate-related Financial Disclosures (“TCFD”) and continues its commitment under the framework now integrated into the ISSB’s global sustainability standards.</p>	 <p>G R E S B</p> <hr/> <p>Arcus is a member of the GRESB infrastructure benchmark supporting and encouraging all assets and funds participation in the benchmark.</p>	 <p>Initiative climat International</p> <hr/> <p>Arcus is a signatory of the initiative Climat International to action on climate change.</p>

additionally, Arcus is supportive of the 2030 Agenda for Sustainable Development adopted by the United Nations Member States in 2015. within the framework of the Sustainable Development Goals (“SDGs”), Arcus has a particular dedicated to



advancing thirteen of the seventeen SDGs outlined below. This focus is strategically chosen as these goals are closely aligned with Arcus’s investment philosophy and the prevailing long-term trends impacting the core European markets. These trends include the decarbonisation of the economy driven by climate change, demographic shifts leading to rapid urbanisation and increasing telecommunication data usage.

Arcus' investment strategy is primarily led by commercial assessment of the infrastructure characteristics of a potential opportunity. Nevertheless, Arcus firmly believes in the significance of ESG factors in relation to infrastructure assets and that a commitment to good ESG practices aligns with the best interests of its investors and other stakeholders.

(h) Data sources and processing

Arcus recognises ESG data is instrumental to provide transparency to its Investors and other stakeholders. Consistent data collection policies and processes allow regular reporting on progress compared to long-term ESG targets. Through participation in widely recognized benchmarks and commitments to international reporting standards, Arcus enables its key stakeholders to compare the Fund's performance against its peer group.

The data sources used to ascertain the environmental and social characteristics set out in Table 1 above will be taken directly from the investee companies into which the Fund is invested. To ensure data quality is adhered to, the Fund will have standardised data templates and calculation methodologies that are consistently followed and are practical to process. The data will be collected on a quarterly basis to be included in broader annual reporting obligations. Reporting data will be provided on an investee company level to investors and on a broader cumulative basis where possible. The data will be predominantly processed in excel. If estimates are required in collecting data, the Fund reporting will disclose where that has been the case.

Table 1 above sets out the indicators linked to each of the environmental and social characteristics have been aligned with widely recognized benchmarks and international reporting standards. Each characteristic has been linked with one or more relevant SDGs and annually Arcus reports how the characteristics have contributed to these SDGs. Environmental intensity metrics have been included in the indicators to ensure investors can distinguish investee company size and growth profile from their environmental impact.

(i) Limitations to methodologies and data

Arcus do not anticipate material limitations to the methodologies referred to in section (g) "Methodologies" or section (h) "Data sources and processing" above. However, investors should be aware that investee companies may fail to meet reporting or performance targets where insufficient, incomplete or inherently uncertain data is available or where investee companies don't have clear and robust data systems in place. If so, Arcus will work with the investee companies to improve the reporting and monitoring processes.

(j) Due diligence

Throughout the origination process, Arcus considers ESG factors. The first level of screening for ESG risks and opportunities occurs during the Arcus origination team meetings. A traffic light system is used for each opportunity to assess its ESG profile. This decision is taken by the deal origination team and is reviewed by the ESG team. In cases where the ESG profile is red, the opportunity will be automatically discontinued.

When an investment opportunity enters the diligence phase, further analysis is undertaken on ESG risks and opportunities, typically involving the appointment of third-party independent experts or consultants.

Once an investment opportunity has passed the screening and due diligence phases, the results of the due diligence exercise are provided to the Investment Committee via a final Investment Approval Request ("IAR") that includes an evaluation of the material ESG Factors and any relevant Principal Adverse Impacts ("PAIs").

(k) Engagement policies

Please refer to sections (d) "Investment Strategy" which details the manner in which Arcus engages with portfolio companies to ensure good governance practices.

(l) Designated reference benchmark

Not applicable – there is no index designated as a reference benchmark.



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We invest. We manage. We grow.