

Sustainability Policy of ECM Fund Management Ltd.

Q4 2025

1. Introduction

This Sustainability Policy (hereafter the "**Policy**") is provided for transparency purposes pursuant to the requirements of the EU Sustainable Finance Disclosure Regulation (**SFDR – Regulation (EU) 2019/2088**). It sets out the Environmental, Social and Governance (hereafter the "**ESG**") strategy and robust governance framework adopted by ECM Fund Management Ltd (hereafter the "**Fund Manager**").

This Policy describes the Manager's governance and risk-management framework for integrating sustainability considerations, ensuring a holistic and consistent integration of sustainability factors in decision-making. It applies to all funds managed by the AIFM, proportionate to their investment strategies, and is intended solely for transparency purposes, it does not constitute an offer, invitation, or recommendation to invest in any fund or investment vehicle.

2. Policy Objectives

The purpose of this Policy is to define the principles, objectives, and governance framework through which the Fund Manager integrates ESG considerations and sustainability risks into its investment management and operational activities. This approach applies not only to fund-specific investment activities but also to the Fund Manager's broader operational, compliance, and corporate governance functions, ensuring ESG considerations are embedded at all organizational levels.

This Policy is designed to ensure a credible, consistent, and structured approach to ESG integration across all stages of the investment process, in line with the Fund Manager's regulatory obligations under the SFDR and broader expectations of responsible investment. It reflects the Fund Manager's commitment to identifying, assessing, and managing sustainability risks in a proactive and transparent manner, while maintaining strong ethical standards and regulatory compliance.

The Policy establishes a clear ESG governance structure within the Fund Manager. This includes defined roles and responsibilities for ESG oversight and decision-making, as well as internal procedures for reviewing and updating ESG-related practices. The methodologies applied for ESG evaluation, screening, and monitoring are regularly reviewed to ensure consistency with emerging best practices and evolving regulatory expectations. Key roles in ESG governance include senior management accountability, compliance function oversight, and periodic reporting to the board or designated ESG committee, where applicable.

3. ESG Integration in Asset Management

As an authorised Alternative Investment Fund Manager (AIFM), the Fund Manager is responsible for integrating ESG factors and sustainability risks into the investment management processes of the funds under its management.

As the regulated entity with overall responsibility for compliance with SFDR and risk management across all managed funds, the Fund Manager applies ESG principles throughout the investment lifecycle, including origination, due diligence, investment decision-making, and portfolio monitoring. ESG integration is implemented in a manner that is proportionate to each fund's investment strategy, regulatory classification, risk profile, and the degree of control or influence the Manager holds over portfolio companies.

In its role as a financial market participant under the EU Sustainable Finance Disclosure Regulation (SFDR – Regulation (EU) 2019/2088), the AIFM complies with entity-level obligations under Articles 3, 4, 5, and 6 SFDR and takes note of the EU Taxonomy Regulation (EU) 2020/852 regarding environmentally sustainable economic activities.

The Fund Manager's ESG strategy is aligned with the responsible-investment principles established by its parent, ECM Partners Inc., a signatory to the UN Principles for Responsible Investment (UN PRI). While the AIFM is not itself a UN PRI signatory, it adheres to the same principles, ensuring consistent consideration of sustainability risks and opportunities across its managed funds and mandates.

This Policy operates alongside the individual Sustainability Policies adopted at the fund level. While those policies define the specific environmental or social objectives, exclusions, and monitoring frameworks applicable to each fund, this document outlines the overarching ESG governance framework and SFDR compliance approach adopted by the AIFM. These fund-specific policies define the applicable environmental and social characteristics, investment exclusions, and monitoring frameworks applicable to each fund, while this document sets out the AIFM's overarching ESG governance and SFDR compliance approach.

The Manager continuously monitors regulatory developments and updates this Policy as needed to reflect guidance and regulatory expectations from CySEC regulation and other relevant authorities.

3. Commitment to Responsible Investment

As a regulated AIFM, the Fund Manager is responsible for implementing and overseeing a robust ESG screening and categorisation framework as a key component of its investment management and risk oversight obligations. The AIFM's approach is guided by the responsible-investment principles established at group level by ECM Partners Inc., a signatory to the UN Principles for Responsible Investment (UN PRI).

ESG considerations, including environmental and social risks, are integrated into the due diligence process. Where risks or gaps are identified, the Fund Manager ensures that corrective actions are agreed upon and contractually embedded in investment documentation, with clear timelines and monitoring mechanisms.

The AIFM seeks to incorporate material ESG considerations into its governance, risk-management and investment-oversight processes, proportionate to the size and nature of its activities and consistent with its fiduciary duties to investors. ESG integration is viewed primarily as a tool for risk management and value preservation, rather than as an exclusionary or purely ethical framework.

The Fund Manager continuously monitors ESG performance and compliance of portfolio companies, ensuring adherence to labour standards, health and safety, environmental risk mitigation, and resilience planning. This includes verifying implementation of safe hazardous materials handling and emergency preparedness protocols.

The Fund Manager actively engages with portfolio companies to promote ESG improvements, leveraging ESG data and third-party assessments. It ensures transparent and timely reporting of ESG matters, including periodic investor updates, regulatory disclosures and internal governance reporting mechanisms.

While investment decisions are made independently in accordance with CySEC and AIFMD requirements, the AIFM fosters a culture of responsible ownership, encouraging its investment teams and service providers to proactively identify and manage sustainability-related risks and opportunities throughout the investment life cycle.

In line with the UN PRI Principles, the AIFM commits to:

- incorporate ESG issues into its investment analysis, decision-making, and monitoring processes where relevant and proportionate;
- seek appropriate disclosure from portfolio companies and investment partners on ESG matters;
- promote best practice and awareness of sustainability issues among its staff and stakeholders; and
- provide transparency on implementation through SFDR website disclosures and periodic investor communications.

This commitment underpins the AIFM's role in supervising the sustainability frameworks of the funds under its management and ensures alignment between entity-level governance and product-level sustainability objectives.

4. Integration of Sustainability Risks

Sustainability risks are defined as environmental, social or governance events or conditions that, if they occur, may potentially or actually have a material adverse impact on the value of an investment, form part of the broader investment-risk landscape.

The Fund Manager integrates these risks comprehensively into its investment decision-making processes, reflecting the Fund Manager's commitment to responsible investment and ESG compliance. While sustainable investment is not the primary objective of all funds

managed, sustainability risks are systematically considered in accordance with Article 3 of the SFDR and embedded within the Fund Manager's broader investment and risk management frameworks.

For the funds and mandates under its management, the AIFM ensures that sustainability risks are appropriately identified and monitored throughout the investment process in accordance with each fund's governing documents and, where applicable, its Sustainability Policy. The AIFM reviews how these risks are addressed by the appointed investment teams, advisers, or delegates, and evaluates their impact on the overall portfolio risk profile.

During the initial screening phase, the Fund Manager identifies potential sustainability risks associated with prospective investments, assessing their financial materiality and relevance. In parallel, the Fund Manager applies exclusion criteria to avoid investments in sectors or companies considered controversial or likely to cause significant adverse environmental or social impacts, consistent with the Fund Manager's Sustainability Investing Policy. All findings are reviewed by the appropriate internal governance bodies, including the Investment Committee and the Board of Directors, prior to investment approval.

The Manager's Risk Management Function ensures that sustainability risks are included within the Manager's overall risk-management system and are periodically reviewed alongside other material risks. The Compliance Function and senior management oversee adherence to this Policy and ensure that the approach remains consistent with CySEC and AIFMD requirements.

This integrated framework allows the AIFM to identify, manage, and monitor sustainability risks across its managed funds and mandates, thereby supporting prudent investment decision, safeguarding investor interests and fulfilling the AIFM's fiduciary duty to deliver long-term, risk-adjusted returns in accordance with applicable regulatory standards.

5. Principal Adverse Impacts (PAIs)

Under Article 4 of the EU Sustainable Finance Disclosure Regulation (SFDR- Regulation (EU) 2019/2088), financial market participants are required to disclose whether they consider the principal adverse impacts ("PAIs") of investment decisions on sustainability factors.

At this stage, the Fund Manager does not formally consider PAIs in its investment or risk-management processes within the meaning of Article 4(1)(a) SFDR. This decision is taken in line with Article 4(1)(b) SFDR and is based on the principle of proportionality, considering the Manager's size, the nature of its investment strategies, and the availability and quality of relevant ESG data across its target markets.

The nature of the AIFM's control oriented investment strategy and long-term holding periods means that frequent, real time PAI reporting is not expected to materially influence investment decisions on ongoing or dynamic basis, given the nature of the AIFM's investment style. Instead, the AIFM prioritises a tailored, engagement driven approach to ESG, including the development and oversight of ESG Improvement Plans at the portfolio

company level, which it considers more effective and actionable in its specific investment context.

Nevertheless, the AIFM recognises the importance of identifying and mitigating potential adverse impacts on environmental and social factors and remains committed to aligning with evolving regulatory expectations.

Accordingly:

- Qualitative assessments of material ESG risks and potential negative externalities are integrated into investment oversight and due-diligence procedures, as described in Section 4 of this Policy;
- The AIFM continuously monitors development in SFDR Level 2 Regulatory Technical Standards (RTS), including updates to PAI indicators set, methodologies and data requirements to ensure ongoing alignment with regulatory expectations and marker practices;
- The AIFM maintains a roadmap to periodically reassess its position on PAI consideration, including the feasibility of reporting on selected indicators as data coverage and infrastructure improve.

Should the AIFM, in the future, decide to begin formal consideration of PAIs, it will update this Policy and its website disclosures accordingly.

Where individual funds under the AIFM's management promote environmental or social characteristics, or pursue sustainable-investment objectives, the relevant fund-level Sustainability Policy and disclosure documents will address the consideration of PAIs and the methodologies applied, as appropriate.

6. Remuneration Policy and ESG Alignment

In accordance with Article 5 of the EU Sustainable Finance Disclosure Regulation (SFDR) and the AIFMD Remuneration Guidelines. The Manager ensures that its remuneration practices promote sound and effective risk management support a long term value creation approach and do not encourage excessive risk-taking, including with respect to sustainability risks.

The Manager's Remuneration Policy links variable compensation to long-term performance, prudent conduct, and compliance with the Manager's internal policies and regulatory obligations.

Sustainability-related factors are considered qualitatively, rather than through quantitative ESG performance targets, and are assessed as part of the overall evaluation of employee behaviour, risk awareness, and contribution to responsible investment outcomes.

When determining individual performance and bonus outcomes, senior management may take into account:

- adherence to the AIFM's compliance, governance, and ESG integration standards;
- cooperation in identifying or mitigating material sustainability risks within managed funds; and
- contribution to fostering a culture of responsible investment, including awareness of environmental and social impacts in decision making processes.

The Remuneration Policy is reviewed periodically to ensure continued alignment with CySEC, AIFMD, and SFDR requirements.

For funds that promote environmental or social characteristics or pursue sustainable investment objectives, any ESG-related performance criteria are defined at the fund level within the respective Sustainability Policy or governing documentation.

7. Good Governance Practices

The Manager ensures that investments are made only in companies demonstrating sound governance practices. This includes assessing management structures, board composition and effectiveness, executive remuneration policies aligned with long-term value creation, employee relations, whistleblower protections, internal audit functions, tax compliance, data protection, and stakeholder engagement. Where governance weaknesses are identified, the Manager works with portfolio companies to implement targeted governance improvement plans as part of broader ESG initiatives. The Manager also promotes diversity and inclusion within leadership teams as key elements of good governance. By integrating these governance considerations into investment oversight and active engagement, the Manager supports sustainable value creation and responsible stewardship across its portfolio.

8. ESG Improvement and Active Ownership

The Manager takes an active role in supporting portfolio companies to enhance their ESG performance throughout the investment period. Upon acquiring a new investment, a tailored ESG Improvement Plan is developed collaboratively with the company, setting clear objectives, responsibilities, and timelines. These plans are reviewed quarterly and updated annually, with oversight from the Manager and, where relevant, board representatives. Typical plans assess baseline ESG performance and set short- to medium-term goals across key areas such as environmental compliance, diversity and inclusion, governance practices, and operational efficiency. Progress is tracked using defined KPIs, with ongoing monitoring aligned to the company's scale and maturity.

The Manager leverages its influence to ensure implementation of ESG improvements, recognizing their role in driving sustainable value creation and enhancing financial performance. In some cases, management incentives may be linked to achieving ESG targets to further align interests.

9. Transparency and Reporting

The AIFM recognises transparency as a core pillar of responsible investment, stakeholder trust and regulatory compliance.

In accordance with the obligations under the EU Sustainable Finance Disclosure Regulation (SFDR – Regulation (EU) 2019/2088) and the SFDR Level 2 Regulatory Technical Standards (RTS), the AIFM ensures that sustainability-related information is made available in a clear, accurate and accessible manner through its corporate website, pre-contractual documentation, and periodic investor reports.

Website Disclosures

The AIFM maintains a dedicated sustainability section on its website where it publishes all required entity level SFDR disclosures, including:

- A summary of how sustainability risks are integrated into its investment decision making and risk-management processes, pursuant to Article 3 SFDR;
- A statement on whether and how the AIFM considers the principal adverse impacts (PAIs) of investment decisions on sustainability factors, in line with Article 4 SFDR;
- A description of how its remuneration policy is consistent with the integration of sustainability risks, in accordance with Article 5 SFDR.

These disclosures are reviewed at least annually or more frequently if there are material changes in regulation, strategy, or operational practices.

Fund-Level Disclosures

Each fund managed by the AIFM is classified and the relevant pre-contractual disclosures and ongoing reporting reflect the applicable sustainability approach.

Fund specific disclosures include a description of the environmental and/or social characteristics promoted or the sustainable investment objectives pursued, together with the relevant methodologies, screening criteria, data sources and performance indicators.

Pre-contractual Disclosures

Pre-contractual Disclosures materials for each fund are prepared in accordance with the SFDR and Level 2 RTS. These documents contain clear and proportionate sustainability disclosures, depending on the classification and investment strategy of each product.

Periodic Reporting

Sustainability-related information is reported to investors at least annually. The AIFM applies the mandatory SFDR periodic reporting templates as set out in the RTS, including disclosures on the extent to which environmental or social characteristics were met, progress against any ESG indicators or targets and details on due diligence, engagement and sustainability risks.

10. Governance and Oversight

The Board of Directors retains ultimate responsibility for the oversight and periodic review of this Policy, while the Fund Manager is accountable for its implementation and operational

integration across all managed funds. The Fund Manager oversees the day-to-day management of ESG matters, supported by internal ESG specialists and, where appropriate, external advisors to provide specialized expertise.

ESG performance is regularly reviewed and discussed in key forums such as Investment Committee meetings, portfolio reviews, and risk management reports, underscoring its integral role in decision-making. The Investment Committee evaluates ESG risks and opportunities during the investment approval process, which can influence investment structuring, terms, or selection.

To ensure consistent integration of ESG practices across operations and compliance with regulatory and investor requirements, the Fund maintains robust internal controls and monitoring mechanisms.

11. ESG Training and Internal Awareness

The Fund is committed to ensuring that all relevant personnel are well-equipped to support and implement its ESG objectives. Regular training programs are conducted, covering key topics such as SFDR compliance, ESG data management, sustainability risk assessment, stakeholder engagement, and evolving regulatory requirements. Participation in these training sessions is mandatory for investment professionals, risk managers, compliance officers, and board members. Furthermore, the Fund fosters a culture of continuous learning by encouraging staff to engage in external ESG forums, workshops, and certification programs.

12. Policy Review and Continuous Improvement

This Policy is subject to an annual review, or more frequent updates when significant changes occur in regulations, market dynamics, or the Fund's strategic direction. The review is conducted at least annually by the Manager's Compliance and Risk functions and requires approval by the Board of Directors. This process ensures that the Policy remains consistent with applicable regulations, including SFDR, AIFMD, CySEC directives, and the EU Taxonomy Regulation, as well as aligned with the Manager's operational practices and strategic objectives.

Revisions may also be made on an ad-hoc basis to reflect material changes in the Manager's organisational structure or investment activities or relevant EU or national regulatory guidance; or ESG-related frameworks adopted by the ECM group or its managed funds.

The Fund actively benchmarks its ESG practices and performance against industry peers and recognized standards to drive ongoing enhancement. Feedback from investors and other stakeholders is actively sought and incorporated into future updates, reinforcing the Fund's commitment to transparency, responsible investment, and leadership in sustainability.

Through this comprehensive review process, the Manager seeks to strengthen its responsible-investment approach, enhance transparency, and maintain alignment between entity-level governance and fund-level sustainability objectives.

Approval and Effective Date

This Policy has been reviewed and approved by the Board of Directors of ECM Fund Management Ltd. on 10 November 2025 and is effective as of 19 November 2025.

The Policy will be reviewed at least annually, or sooner if required by regulatory or strategic developments.

Appendix - Reference Frameworks

The Manager's approach to ESG integration and sustainability risk management is informed by the following international standards and guidelines, as applicable:

- UN Principles for Responsible Investment (UN PRI)
- OECD Guidelines for Multinational Enterprises
- UN Global Compact
- ILO Core Conventions on Labour Standards
- UN Guiding Principles on Business and Human Rights
- EBRD Environmental and Social Policy (Performance Requirements)
- EU Sustainable Finance Disclosure Regulation (SFDR – Reg. (EU) 2019/2088)
- EU Taxonomy Regulation (Reg. (EU) 2020/852)
- Commission Delegated Regulation (EU) 2022/1288

These frameworks are referenced for alignment purposes and do not impose additional binding obligations beyond those applicable under CySEC regulation.