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**ENVIRONMENTAL, SOCIAL & GOVERNANCE (ESG)  
MANAGEMENT SYSTEM**

**JULY 2024**  
**(UPDATED DECEMBER 2024)**

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**REVISION HISTORY**

<b>Version</b>	<b>Board Approval Date</b>	<b>Name of document &amp; summary of changes made</b>
VF1	02/11/2021	MCP Policy #11 ' <i>Environmental, Social &amp; Governance (ESG) Policy</i> '
VF2	01/08/2024	MCP Policy #11 ' <i>Environmental, Social &amp; Governance (ESG) Management System</i> ' This document was established to implement a comprehensive ESG manual document, the scope and detail of which ranges far beyond the first ' <i>policy</i> ' document mentioned above. In addition, it includes operational procedures which did not exist previously.
VF2.1	N/A (i.e. non-material change)	Amendment made to the timeframe for serious incident reporting to LPs (i.e. three days instead of ' <i>reasonable time period</i> ').
VF3	12/12/2024	Amendments made, as summarized hereafter: <ul style="list-style-type: none"> <li>• Section 6.1.2 (<i>ESG Risk Categorization</i>): the definitions and contents of ESG risk categories have been aligned to be consistent with those set out under MCP's Policy #19 '<i>Risk Management Policy</i>';</li> <li>• Section 8.2.3 (<i>ESG and Impact Data</i>): restated SDGs have been restated to align with their description as per other documents of the Company (i.e. PPM and other ESG policies);</li> <li>• Section 9 (<i>MCP Stakeholder Engagement Plan</i>): the section has been updated and expanded to include clear mechanism for external communication and clear grievance management procedures, with a new section 9.4 dedicated to such topic; and</li> <li>• Annex 8 (<i>Initial Portfolio ESG Framework</i>) has been newly established and added to the previous version of the ESG MS.</li> </ul>

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GLOSSARY

<b>Terms</b>	<b>Definition</b>
<b>AfDB</b>	African Development Bank Group
<b>AML-CFT</b>	Anti-Money Laundering (AML) and Combating the Financing of Terrorism (CFT)
<b>BC Code</b>	IMO Code of Practice for Solid Bulk Cargo
<b>BLU Code</b>	Code of Practice for the Safe Loading and Unloading of Bulk Carriers
<b>COF</b>	Compliance Oversight Function of MCP, as exercised by the Compliance Director
<b>CSR</b>	Corporate Social Responsibility
<b>DFI</b>	Development Finance Institution
<b>EHS</b>	Environmental Health Safety
<b>EHSG</b>	Environmental Health Social Guidelines
<b>Employees</b>	Means employees, officers, managers, directors, agents and representatives of the Company, including any senior management members or executives and including any temporary, interim or part-time employee or agent and including any interns
<b>E&amp;S</b>	Environmental and Social
<b>ESDD</b>	Environmental and Social Due Diligence
<b>ESG</b>	Environmental Social and Governance
<b>ESG DD</b>	Environmental Social and Governance Due Diligence
<b>ESG MS</b>	Environmental Social and Governance Management System
<b>ESMS</b>	Environmental and Social Management System
<b>Executive Management</b>	Any designated members of senior management (including any senior advisers) who hold and exercise such duties and functions for MCP
<b>GIIP</b>	Good International Industry Practice
<b>IBC Code</b>	International Code for the Construction and Equipment of Ships carrying Dangerous Chemicals in Bulk
<b>IC</b>	Investment Committee
<b>IFC</b>	International Finance Corporation
<b>IFRS</b>	International Financial Reporting Standards
<b>LLC</b>	Limited Liability Company
<b>ILO</b>	International Labor Organization
<b>ILPA</b>	Institutional Limited Partners Association
<b>IMDG</b>	International Maritime Dangerous Goods Code
<b>IMO</b>	International Maritime Organization
<b>International Grain Code</b>	International Code for the Safe Carriage of Grain in Bulk
<b>Investment Committee</b>	A dedicated body established by MCP to be responsible for overseeing and deciding on investments on behalf of a Managed Fund
<b>ISSB</b>	International Sustainability Standards Board
<b>LPs</b>	Limited Partners
<b>Managed Fund(s)</b>	Any collective investment scheme(s) whose investment duties and affairs are managed by MCP (including MPLFI)
<b>MDB</b>	Multilateral Development Banks
<b>MCP</b>	Maha Capital Partners
<b>MPLFI</b>	Maha PortLog Fund I LP, an exempted limited partnership registered in the Cayman Islands and whose investment management activities have been delegated to the Company
<b>NGOs</b>	Non-governmental organizations

<b>Terms</b>	<b>Definition</b>
<b>OECD</b>	Organization for Economic Co-operation and Development
<b>OHS</b>	Occupational Health and Safety
<b>Policy</b>	means this ESG MS
<b>Portfolio Investment(s)</b>	Any investment transaction in companies, assets, securities and/or interests, realized by MCP in exercising its investment management duties in respect of a Managed Fund
<b>QFC</b>	Qatar Financial Centre
<b>QFCRA</b>	Qatar Financial Centre Regulatory Authority
<b>RMF</b>	Risk Management Function of MCP, as exercised by the Risk Officer
<b>SEF</b>	Senior Executive Function of MCP, as exercised by the CEO (and as may be assisted by members of the Executive Management)
<b>SEP</b>	Stakeholder Engagement Plan
<b>SMS</b>	Safety Management System
<b>TCFD</b>	Task Force on Climate-Related Financial Disclosures
<b>UNFCCC</b>	United Nations Framework Convention on Climate Change
<b>UN SDG</b>	United Nations Sustainable Development Goals
<b>UN-PRI</b>	United Nations Principles for Responsible Investment
<b>WBG</b>	World Bank Group

## 1. INTRODUCTION

Maha Capital Partners LLC (“**MCP**” or the “**Company**”) is an investment manager licensed and authorized to provide financial services to investors by way of collective investment schemes (“**Managed Fund(s)**”). MCP’s investment strategy is to focus on essential infrastructure in emerging and developing markets. MCP’s first Managed Fund is the Maha PortLog Fund I (“**MPLFI**”), which is an infrastructure sector focused fund investing in ports, port logistics and port-related infrastructure.

MCP recognizes the potential for its investments in essential infrastructure to have significant developmental impact. Accordingly, MCP considers responsible investment and careful consideration of environmental, social and governance (“**ESG**”) factors as essential for risk management and to maximize ESG opportunities for value creation.

### 1.1. ESG MS PURPOSE

This ESG management system (“**ESG MS**”) describes the policies, procedures, systems and tools that MCP uses to uphold its ESG commitments and manage ESG impacts across the entirety of its operations, including the management of fund investments. This includes provisions to successfully integrate ESG considerations into MCP’s business strategy, decision-making processes, operational and investment activities, as well as the culture of the organization. The purposes of this ESG MS are to:

- **Integrate ESG:** ensure effective incorporation and management of ESG considerations throughout the Company’s strategy, decision-making, investment analysis and day-to-day business activities;
- **Enhance ESG performance:** provide guidance to drive ESG performance of the Company and its Managed Funds. This includes incorporating meaningful stakeholder engagement and working collaboratively with a view to ensuring consistency in practices and improve ESG outcomes;
- **Establish key principles and standards:** define and communicate key ESG principles, standards, guidelines, and requirements that the Company follows and encourages other stakeholders to follow through active stewardship;
- **Manage ESG risks and opportunities:** provide a structured framework with a view to systematically identifying, assessing, and managing ESG risks and opportunities, thereby ensuring sustainable value creation, long-term success across the investment portfolio and sustainable returns to investors;
- **Ensure accountability and compliance:** promote accountability and compliance with relevant ESG regulations, standards and best practices, supporting the overall goal of ethical and responsible investment;
- **Sustainability reporting:** promote accountability and transparent reporting of ESG performance by the Company and its Managed Funds. The reports shall include data on carbon emissions, energy use, labor practices, community engagement, and governance structures; and
- **Aggregated impact measurement:** provide a structured framework to collect and combine data on the social, environmental, and economic impacts of investments to assess their overall effect.



## 1.2. ESG MS SCOPE

This ESG MS describes the principles, policies, systems and tools required to address ESG impacts, risks and opportunities in MCP and its Managed Funds, including its individual underlying investments (i.e., Portfolio Investments).

This ESG MS applies to any and all of MCP's Employees and agents.

Commensurate with the level of control and influence it holds in its Portfolio Investments, MCP intends to use active stewardship to encourage Portfolio Investments and other stakeholders to incorporate ESG into their operations, including key requirements contained in this ESG MS.

## 1.3. ESG MS COMPLIANCE

Any concerns, doubts or questions regarding the meaning of terms, requirements and modalities of enforcement of this ESG MS, as well as any breach thereof, must be notified promptly to the ESG Officer and escalated jointly to the Risk Management Function ("**RMF**") and Compliance Oversight Function ("**COF**") of the Company.

Any breach of the terms of this ESG MS may result in serious consequences for an Employee from a personal standpoint, including disciplinary actions (which may include and range up until suspension or termination of employment or mandate) and including civil and criminal actions and liabilities as well as fines and penalties and damages and other financial penalties.

## 1.4. ESG MS REVIEW

The ESG Officer will perform a regular review (at least once every two years) of the contents and ongoing effectiveness of this ESG MS and its alignment with the Company's, stakeholders' and international requirements.

Reviews should take into consideration improvements of the ESG MS to support ESG objectives, organizational risk appetite and management structures and operational needs of the Company and its Managed Funds. Additionally, it will aim to incorporate internal and external grievances, feedback from stakeholders, lessons learned from incidents, accidents, changes in applicable legal and regulatory requirements, as well as updates in international standards and guidelines.

Internal review may be supported by external ESG specialists (as necessary). This last review was conducted with the support of ESG Africa.

Any amendments shall require the ESG Officer to prepare and submit an amended Policy for review and approval of the RMF, COF, SEF and ESG & Risk Committee (and, once such is performed, of the Board of Directors) within the earliest timeframe feasible. The ESG & Risk Committee may also review this ESG MS from time to time (or appoint or instruct a competent professional) based on operational or other considerations.

## 1.5. ESG MS DISCLOSURE

This document and associated ESG MS documentation shall be shared with all of MCP's Employees, investors, Portfolio Investments, contractors, and others, as required. An abridged or summarized version of this document shall be made publicly available on MCP's website.

## 2. ESG STRATEGY

### 2.1. ESG DRIVERS

At MCP, we firmly believe that responsible investment is essential to long-term value creation and business success. We have a fiduciary duty to act in the best interests of our beneficiaries and we believe that careful consideration and management of ESG risks and opportunities better position MCP to structure stronger, more resilient and profitable investments, which generate sustainable returns for our investors.

MCP recognizes its activities can have significant development impacts on various economic, social, institutional, technical and environmental matters of importance. MCP has the potential to be an accelerator for public welfare through its ability to improve trade, connectivity and competition, mobilize access to private capital and promote public-private partnerships.

Addressing ESG concerns in line with best practice also promotes good corporate social responsibility and alignment with investor and wider societal priorities. This in turn is a value driver in building reputation and trust with our stakeholders.

### 2.2. ESG APPROACH

Our philosophy is to integrate ESG considerations across all of MCP's business activities at both the Company and Managed Fund's levels. This means incorporating ESG factors in all material strategy, analysis, decision-making, management and reporting related to our operational and investment activities. For funds under management, MCP incorporates ESG considerations throughout the investment lifecycle (from acquisition to divestment) across all Portfolio Investments.

We aim to foster a culture of responsibility, integrity, and inclusivity within MCP and be active stewards of our investments by influencing positive ESG practices within our investees. Our ESG policies, procedures and tools apply comprehensively to every Employee and agent and, where appropriate and to the best extent practicable, MCP extends this to suppliers, contractors and other third parties associated with its operations.

Commensurate with its level of control and influence, MCP intends to work with and support our Portfolio Investments to incorporate ESG into their operations, including requirements contained in this ESG MS. Additionally, we actively engage with stakeholders and policymakers to align interests and develop innovative solutions that drive sustainable development. MCP is also committed to promoting the acceptance and implementation of sound ESG investment practices.

To implement our ESG commitments, we prioritize establishing strong policies and procedures for monitoring, evaluating and reporting on ESG compliance and performance. MCP also views these frameworks and systems as needing regular review and enhancements to ensure continuous improvement and alignment with evolving standards and practices.

Finally, effective ESG management depends on having sufficient resources and skills, supported by training or external experts as needed and an appropriate governance framework to ensure implementation and accountability. MCP is committed to formalizing and facilitating transparent disclosures on ESG compliance, reporting to its oversight functions, its investors as well as the general public.

### 2.3. ESG COMMITMENT

MCP is committed to pursue ESG objectives and sustainable investing. Guided by international standards and industry best practice, MCP has developed a set of overarching ESG objectives

which we aim to consistently apply across all business activities, regardless of asset class, industry, location, etc. We are dedicated to making a meaningful impact through:

- **Environmental** – addressing climate change by enhancing energy efficiency, managing pollution and preserving biodiversity, and preparing for climate-related challenges. Aligned with the Paris Agreement, we aspire to achieve carbon neutrality by 2050 and actively promote energy efficiency;
- **Social** – upholding human rights, supporting diversity and inclusion, fostering community partnerships, promoting inclusive economic growth, and ensuring data ethics and security in all our operations. We strictly prohibit investments in activities involving war crimes, weapons, gambling, forced labor, child labor, exploitation of migrant workers, embargoed countries, and other unethical practices; and
- **Governance** – promoting ethical business conduct, strengthening transparent corporate governance practices, managing conflicts of interest, ensuring fair compensation, implementing anti-corruption measures, protecting whistleblowers and fostering effective communication.

This translates into operational commitments at every level of our operations, as follows:

- We integrate environmental priorities into our practices, from office management to site operations; we consider pollution, energy consumption and waste reduction;
- We promote social responsibility in our business activities, supporting local job creation, creating a safe and respectful workplace culture, encouraging diversity and equality; and
- We act and lead with integrity, implementing robust corporate governance standards and policies, supported by risk management framework and compliance oversight processes with a view to ensuring best practices.

ESG issues may be reviewed from time to time to ensure relevance of implemented policies, systems and tools (with evolving standards, techniques and implementation feedback). These overarching ESG objectives provide a framework for developing more specific ESG management and action plans at Portfolio Investment level. They also serve as a foundation for determining ESG materiality and setting appropriate assessment and reporting metrics.

### 3. GUIDING PRINCIPLES AND STANDARDS

We aim to demonstrate our dedication to responsible business practices and our commitment to making a meaningful impact on ESG issues by aligning with selected best international standards and frameworks.

MCP and its funds under management shall not invest in any Portfolio Investment that, in its reasonable opinion, cannot be expected to meet the minimum requirements set out below over the life of the investment. MCP may invoke other international standards and / or guidelines as deemed appropriate.

#### 3.1. ALIGNING WITH ESG LAWS AND BEST PRACTICES

##### 3.1.1. Laws and regulations

MCP is a limited liability company established in (and operating from) the Qatar Financial Centre (“**QFC**”) in the State of Qatar, licensed by the Qatar Financial Centre Authority (“**QFCA**”) and duly authorized by the Qatar Financial Centre Regulatory Authority (“**QFCRA**”) to provide investment management services to investors on behalf of funds or partnerships established in different

jurisdictions. MCP undertakes business activities and transactions in accordance with the terms of its authorization and abides by the applicable laws, regulations and rules issued by the QFCA, the QFCRA and the State of Qatar.

Additionally, MCP also considers the developmental priorities of different States in which we operate, either directly as MCP or indirectly via fund investments in Portfolio Investments. Moreover, our ESG assessments and management plans take into account Nationally Determined Contributions, Long Term Strategies and National Adaptation Plans.

MCP, Managed Funds and its Portfolio Investments are committed to comply with all applicable national and local laws and regulations relevant to the jurisdictions in which they operate.

### 3.1.2. International norms

We champion responsible business conduct, with the objective of ensuring we respect the values and principles embodied in the following international conventions, declarations and standards:

- the United Nations Framework Convention on Climate Change ("**UNFCCC**") and the Paris Climate Agreement;
- the United Nations Sustainable Development Goals ("**UN SDGs**");
- the Universal Declaration of Human Rights and the International Covenant on Civil and Political Rights (together the International Bill of Human Rights).
- the International Labor Organization ("**ILO**") Declaration on Fundamental Principles and Rights at Work and ILO fundamental conventions;
- the UN Guiding Principles on Business and Human Rights; and
- the OECD Guidelines for Multinational Enterprises.

### 3.1.3. ESG implementation standards

We have reviewed industry and international principles, standards and best practices for ESG and identified several key frameworks that will guide and support our ESG implementation. We have designed our ESG MS to align with these appropriate to the nature and scale of our business and investments.

At the very inception of MCP, we publicly committed to be a signatory of the UN Principles for Responsible Investment ("**UNPRI**"), which is the world's leading proponent for responsible investment and facilitates collaboration between financial institutions, asset owners and investors. Where consistent with our fiduciary duties, we seek to implement and promote the six aspirational principles and publicly report on our ESG activities.

At the investment level, our partnerships and stewardship of Portfolio Investments are guided by adherence to key international frameworks and agreements focused on development impact, including IFC Performance Standards on environmental and social sustainability as well as standards and guidance issued by other development finance institutions ("**DFIs**") and multilateral development banks ("**MDBs**"), including the AfDB's Integrated Safeguards System.

For assessment, reporting and disclosure, our ESG commitments will be measured, monitored and reported using elements drawn from the Global Reporting Initiative ("**GRI**") Standards, which standardizes and quantifies ESG impacts and the Sustainability Accounting Standards Board ("**SASB**") Standards, which sets out financially material ESG themes based on sector of activity.

MCP's materiality reporting will also take into account International Financial Reporting Standards ("IFRS") Sustainability Disclosure Standards released by the International Sustainability Standards Board ("ISSB") namely IFRS S1 General requirements for disclosure of sustainability-related financial information and IFRS S2: Climate-related disclosures.

In addressing climate-related issues, our policies are aligned with the recommendations of the Task Force on Climate-related Financial Disclosures ("TCFD"). We are committed to achieving carbon neutrality by 2050, reflecting our dedication to sustainability and responsible environmental stewardship.

For a comprehensive set of principles, standards and rules, see [Annex 1: ESG Reference Standards](#).

#### 3.1.4. Investor requirements

MCP commits to adopt minimum requirements from the ESG strategy and framework of existing and future investors and ensure investments in Portfolio Investments align with investors' ESG priorities over the life of the investment.

### 4. MATERIAL ESG ISSUES

MCP tailors its ESG assessments according to its different business activities. We acknowledge that materiality differs according to activity, context and strategic objective and that considerations need to be adjusted to different stakeholders. Material ESG issues are those that MCP considers will have a significant impact on our ability to create, preserve or erode value, where value includes not only financial value but also social and environmental value and measured by qualitative metrics.

We are guided by the four-step approach set out in GRI 3 Principles for Material Topics. First, we describe the context of the activity, referring to typically applicable ESG categories and standards. Second, we identify actual and potential ESG impacts at the project or activity-level that have a substantial impact on our ability to create, preserve or erode value. Third, we assess the significance of these impacts by applying internal and external benchmarks and risk measures, as well as stakeholder input, to determine relevant material ESG issues. Finally, we prioritize the most significant issues for reporting.

The process to determine materiality will be reviewed regularly to improve assumptions, subjective judgements, sources and evidence, as well as to ensure we adapt to changing environments, stakeholder priorities and international guidance.

#### 4.1. COMPANY MATERIALITY ASSESSMENT

We determine the material ESG topics for MCP at the company level guided by the SASB Standards for Asset Management & Custody Activities as well as GRI G4 Financial Services Sector Disclosures.

As an investment manager for infrastructure funds, the most significant potential impacts on MCP's economy, environment and people arise from the proper conduct of financial services, maintaining business ethics, upholding labor standards and promoting ESG incorporation in the Company and via its investments (see Table 1).

Table 1 – Material ESG Topics at the Company level

Category	Issues / Receptors
Financial products and services	Transparent information disclosure Appropriate product and service labeling Fair advice
Business ethics & governance	Anti-corruption Anti-money laundering and combating the financing of terrorism (AML-CFT) Conflicts of interest Whistleblower policies Financial stability and risk management Governance oversight and audit
Employee welfare, diversity & inclusion	Job creation Labor practices and working conditions Gender and ethnic representation
ESG incorporation	ESG integration and implementation Climate-related transition risks Emissions tracking and reporting Resources and waste management
Stewardship and active asset ownership	ESG incorporation by investees Human rights along the value chain Governance and audit

Operational ESG risks and impacts for MCP are identified, assessed and managed as part of MCP’s internal risk assessment methodology and reporting. This is regularly reviewed, with input from external stakeholders, management and board. Further, MCP benchmarks identified ESG impacts to external standards, including changing industry and regulatory priorities.

**4.2. FUND MATERIALITY ASSESSMENT**

To ensure effective execution of our ESG commitments, we conduct impact assessments for different investment strategies at the individual Portfolio Investment level. Overall impacts are then considered at the Managed Fund level to address individual portfolio contributions to systemic sustainability issues.

Potential ESG impacts vary according to context and setting, such as nature, type and size of the Portfolio Investment, location, baseline environment, social context and affected communities. Because impacts are context specific, it is difficult to fully standardize or predict which impacts are likely to be significant, and which mitigation measures are most appropriate to manage them.

MCP shall consider each potential Portfolio Investment on a case-by-case basis to account for inherent sector and country/geographic specific risks as well as any specific transaction risks and shall assess the potential impacts within the context of the potential Portfolio Investment’s area of influence. Mitigation will be defined through the impact assessment process and will be tailored for each potential Portfolio Investment.

In developing the framework for considering material E&S topics for Portfolio Investments, MCP is guided by IFC Performance Standards and IFC Environmental, Health and Safety Guidelines (“**EHSGs**”).

The IFC Performance Standards sets out a framework for identifying and managing E&S risks through a comprehensive process of impact identification, supported by key considerations for continuous stakeholder engagement, cumulative impacts assessment and adaptive management. Assessment findings are documented in an Environmental and Social Impact Assessment (“**ESIA**”) with mitigation measures in the Environmental and Social Management Plan (“**ESMP**”), which is implemented and monitored.

Further guidance at the industry level is set out in the EHSs, which are technical reference documents containing general and industry-specific examples of Good International Industry Practice (“GIIP”). The General EHSs are applicable to all sectors and provide a cross-cutting analysis of EHS relevant to most projects involving construction, and contain general guidance on handling of hazardous materials, community issues, worker health and safety issues and decommissioning.

Using EHSs for Infrastructure in tandem with the General EHS Guidelines shall ensure a comprehensive approach to addressing environmental, health, and safety issues.

These EHSs for Infrastructure provide specific measures and standards to manage environmental, health, and safety issues primarily associated with infrastructure projects, along with recommendations for their management as part of a comprehensive environmental and social management system for a given project. Recommendations for the management of EHS issues common to most large industrial and infrastructure projects, including sitting and cumulative impact considerations, are provided in the General EHS Guidelines.

Governance topics are informed by MCP’s own governance priorities and considerations from SASB Standards for Engineering & Construction Services and Marine Transportation.

**4.2.1. MPLFI Materiality Assessment**

MCP’s first fund, MPLFI, invests in ports, port logistics and port-related infrastructure. Accordingly, MCP has also taken into consideration the EHS Guidelines for Ports, Harbors, and Terminals, which is applicable to commercial ports, harbors and terminals for cargo and passengers’ transfer. These guidelines provide specific measures to manage EHS issues primarily associated with port and terminal construction and operations, along with recommendations for developing a comprehensive ESMS for a given project. Other EHSs may also be relevant depending on the context of the investment including: EHS Guidelines for Shipping, EHS Guidelines for Crude Oil and Petroleum Product Terminals, and EHS Guidelines for Railways.

Significant ESG categories and types of issues that could potentially be affected by MPLFI’s potential investments in Portfolio Investments are presented in Table 2.

Table 2 – Material ESG Topics at MPLFI’s Portfolio Investment level

Category	Issues / Receptors
Physical	Land (e.g. landform, landscape) Soil (e.g. quality) Surface water (e.g. quality and availability) Ground water (e.g. quality and availability) Air (e.g. quality) Acoustic environment (e.g. quality) Marine water and sediments (e.g. quality) Coastal geomorphology and processes Climate and GHG emissions
Biological	Protected / sensitive habitats Flora (aquatic/terrestrial) Fauna (aquatic/terrestrial) Ecosystem services
Resource-based livelihoods	Land, water or resource-based livelihoods (e.g. farming, grazing, fishing) Recreation and tourism Economy and labor
Community	Human rights Vulnerable groups (e.g. ethnic minorities) Indigenous peoples

	Commercial / private assets Visual amenity Social cohesion Public infrastructure (e.g. transportation, health care, waste management, energy, water supply and sanitation) Public safety
Workers	Occupational health and safety Labor and working conditions
Governance	Country transparency and sanctions Business ethics, including anti-corruption, conflicts of interest and/or AML-CFT Oversight, reporting and audit
<u>Note:</u> elements of the physical environment are only considered to be resources when they are utilized by human or biological receptors.	

The impacts typically inherent with ports and port logistics infrastructure and operations have been detailed in [Annex 2: Industry-Specific Impacts and Management](#).

A Portfolio Investment’s ESG risks and impacts are identified, assessed and managed by local ESIA and ESMPs conducted by internal or external consultants. These are conducted by local management or with the support of MCP and its Strategic Partners. These are regularly reviewed, with input from external stakeholders, regulators, Portfolio Investment management and board, with progress and incidents required to be reported to MCP.

#### 4.2.2. Climate Risk Assessment

MCP has also assessed climate risks and opportunities in the infrastructure sector, considering both physical and transition risks, as well as their direct and indirect impacts.

MCP and its Managed Funds has developed an initial framework to identify and assess risks in [Annex 3: Portfolio Climate Risk Assessment](#).

### 5. ORGANIZATIONAL GOVERNANCE, ROLES AND RESOURCES

MCP is committed to the effective implementation of its ESG Strategy and policies and ensures this through visible leadership, appointment of functions and allocation of necessary resources.

#### 5.1. GOVERNANCE STRUCTURE

MCP takes direct responsibility for managing ESG-related activities concerning the Company and its Managed Funds, through the following organizational structures.

- ESG & Risk Committee: responsible for oversight and review of all ESG-related activities in MCP. The Committee is the primary governing body that provides guidance on Company-level ESG objectives and strategy and is charged with ensuring operational activities are in line with the ESG MS (previously ESG Policy). Such Committee may review the IC’s investment decisions only to the extent of ensuring their compliance with MCP policies.

Investment Committee (“**IC**”): a dedicated body (including independent members) responsible for recommending investments, oversight of investment policies, investment strategy and performance of Managed Funds. As the decision-making body for the Managed Fund’s Portfolio Investments, the IC is required to consider ESG and sustainability matters along with all other material considerations (financial, operational, strategic, risk, etc.) in evaluating any investment, management and divestment opportunities.

- CEO and Executive Management: MCP’s senior management and leadership (including the CEO and senior advisers) are responsible for oversight and management of MCP’s day-to-day activities to achieve business objectives, implement fund investment strategies, and



comply with relevant legal, regulatory and risk management requirements. In such context, the CEO is responsible for implementing the ESG strategy for MCP and its Managed Funds in accordance with this ESG MS.

- **ESG Officer:** designated function responsible for coordinating ESG activities, developing and updating policies and oversight of ESG implementation at the Company level as well as in the investments for Managed Funds. The ESG Officer works closely with the Execution Team as part of ESG engagement with Portfolio Investments and is responsible for monitoring and reporting to senior management, ESG & Risk Committee, Board of Directors, as well as Managed Fund’s investors and other stakeholders. The ESG Officer is supported by the Execution Team as well as external consultants (as needed).
- **Execution Teams:** responsible for ensuring that all investments integrate ESG considerations as set out in this ESG MS. Under MCP’s transversal risk allocation, Execution Teams are involved in and facilitate support for ESG information gathering, screening, due diligence and analysis. They manage liaison and oversight of Portfolio Investment’s assessments, management, monitoring and reporting of material ESG impacts and action plans.
- **External Consultants:** MCP engages third-party subject matter experts as required to support the Execution Team with due diligence, specialist studies, and ongoing monitoring. This support will be defined, facilitated and monitored by the ESG Officer and senior management and is commissioned through the issuance of defined terms of reference.

In addition to the above, MCP’s governance framework includes transparent and timely reporting to Limited Partners (“**LPs**”) on ESG issues (see section 8) and to conduct consultation on ESG requirements and priorities as part of meaningful consultation (see section 9). MCP may also coordinate engagement and communication through the Managed Funds LP Advisory Committees, which consist of appointed representatives for LPs.

**5.2. ROLES AND RESPONSIBILITIES**

**5.2.1. CEO and senior management**

MCP’s chief executive officer (“**CEO**”) and its senior management play a pivotal role in ESG management. They are responsible for embedding ESG considerations into the Company’s culture which is crucial for ensuring that ESG principles are effectively integrated into strategy and operations.

Table 3 – ESG responsibilities of CEO and senior management

Leadership & Vision	Governance & Accountability	Resource Allocation	Stakeholder Engagement	Risk Management	Performance & Impact	Ethical Leadership
<ul style="list-style-type: none"> <li>• <b>Sets the tone at the top</b> by demonstrating a strong commitment to ESG and integrating ESG into the Company’s core values and culture</li> <li>• <b>Develops a clear vision and strategy</b> for ESG that aligns with the</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Implements robust governance oversight</b> of ESG initiatives, including the establishment of relevant committees and reporting lines</li> <li>• <b>Holds accountable</b> senior management and other key</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Commits necessary resources</b> (budget and personnel) to implement and sustain ESG initiatives</li> <li>• <b>Ensures MCP has the necessary capacity</b> and expertise to manage ESG impacts</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Engages with key stakeholders</b>, (investors, employees, customers, regulators, etc.) to communicate the company’s ESG commitments and progress</li> <li>• <b>Promotes transparency</b> by ensuring</li> </ul>	<ul style="list-style-type: none"> <li>• Leads efforts to <b>identify and assess ESG risks</b> and integrating these considerations into the company’s overall risk management framework</li> <li>• Oversees the development and <b>implementati</b></li> </ul>	<ul style="list-style-type: none"> <li>• <b>Monitors and evaluates ESG performance</b> against established targets and benchmarks</li> <li>• <b>Promotes a culture of continuous improvement</b> by regularly reviewing and enhancing ESG policies and practices</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Upholds high ethical standards</b> and ensuring that the company’s operations are conducted in a socially and environmentally responsible manner</li> <li>• <b>Ensures compliance</b> with relevant laws, regulations,</li> </ul>

Company's overall mission and goals	stakeholders for meeting ESG objectives and targets		regular, clear, and accurate reporting on ESG performance and impacts	<b>on of strategies to mitigate ESG risks</b>		and industry standards related to ESG
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### 5.2.2. ESG Officer

The ESG Officer is the key coordinator to ensuring that ESG principles are effectively integrated into the Company's operations, the Managed Fund's investment process and portfolio management.

Table 4 – ESG responsibilities of ESG Officer

Strategy	Portfolio Investments	Monitoring and Reporting	Governance & Accountability	Stakeholder Engagement	Capacity Building & Training	Risk Management
<ul style="list-style-type: none"> <li>• <b>Implements and reviews ESG strategy</b> to align with MCP's business strategy and the fund's overall investment objectives</li> <li>• <b>Establishes an ESG framework</b> that outlines MCP's and the fund's commitment to responsible investing and sustainable practices</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Incorporates ESG criteria into due diligence</b> to evaluate potential investments (assessing the ESG risks and opportunities)</li> <li>• <b>Integrates ESG into decision-making</b> processes to manage risks and pursue opportunities</li> <li>• <b>Actively stewards and engages</b> with Portfolio Investments to promote better ESG practices</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Regularly monitors ESG performance</b> of Portfolio Investments and assessing progress against ESG targets and action plans</li> <li>• <b>Oversees annual assessment of ESG</b> for Portfolio Investments</li> <li>• <b>Ensures transparent and regular reporting</b> on ESG performance to investors and other stakeholders, including disclosures on ESG risks, opportunities, and impacts</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Establishes and maintains governance structures</b> to oversee ESG implementation within Execution Team and the Portfolio Investment's management</li> <li>• <b>Holds accountable</b> Portfolio Investment management accountable for meeting ESG commitments and objectives</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Engages with stakeholders</b> including investors, regulators, and industry bodies, to understand their ESG expectations and incorporate their feedback into MCP's ESG strategy</li> <li>• <b>Clearly communicate</b> ESG policies, practices, and performance to stakeholders, fostering trust and transparency</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Provide training and development opportunities</b> for the Execution and Management Teams to enhance their understanding and capability in managing ESG issues</li> <li>• <b>Evaluates resources</b> for effective implementation of ESG initiatives, recommending hiring dedicated ESG professionals or engaging external experts as needed</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Identifies and mitigates ESG risks</b> across MCP and the fund's portfolio and developing strategies to ensure the resilience and sustainability of investments</li> <li>• <b>Prepares crisis management plans</b> to respond to ESG incidents or crises within MCP or the Portfolio Investments</li> </ul>

### 5.2.3. Risk Officer

The Risk Officer exercises the RMF and is charged with implementing MCP's wider Risk Management Framework. The Risk Officer supports ESG implementation and performs oversight of ESG risks as part of risk management, monitoring and reporting.

### 5.2.4. Legal Director and COF

The COF has oversight of compliance aspects and modalities of enforcement with respect to any Portfolio Investment, including any compliance of a Portfolio Investment with the requirements of this ESG MS. The COF also oversees the relevant recordkeeping, documentation, monitoring and reporting of ESG activities through the Company's corporate governance and oversight structure. In addition, the Legal Director also oversees all legal and regulatory aspects related to ESG for the Company and its Managed Funds, including Portfolio Investments.

### 5.3. ESG RESOURCE CAPACITY

To ensure the effective application of the ESG MS, it is crucial to maintain sufficient organizational capacity, competency and resources within the Company and Managed Fund's Portfolio Investments.

MCP is committed to assigning appropriate ESG resources and functions (both dedicated and supporting) at both levels and conducting regular reviews.

#### 5.3.1. Budget

The CEO and Board are responsible for determining the ESG-related budget for the Company. Budgetary requirements for the ongoing implementation of the ESG MS will be defined internally by MCP on an annual basis. The allocated budget may be supplemented throughout the year as needed to address evolving requirements and priorities.

The Investment Committee is ultimately responsible for approving drawdowns and budget disbursements to Portfolio Investments on an as needs basis to support transaction timelines.

#### 5.3.2. Capacity assessment

The ESG Officer will conduct ongoing assessments to ensure sufficient ESG resources are available to manage ESG risks and impacts effectively; to facilitate sustainability and impact monitoring and reporting; and adapt and improve the ESG MS continuously, aligning with the evolving needs and contexts of the Company, Portfolio Investments and international standards.

In assessing sufficiency of capacity and resources, the ESG Officer will consider:

- number of personnel and resources dedicated to ESG activities, skill and experience of personnel, allocation time, functions and responsibilities, and effective outcomes;
- number of Portfolio Investments under management, evaluating whether the current ESG resources can handle the volume of ESG activities;
- complexity and severity of ESG risk-levels at the Company level and associated with each Portfolio Investment to ensure appropriate resource allocation; and
- ethno-cultural contexts of Portfolio Investments, diverse backgrounds and cultural settings of the Portfolio Investments, in order to tailor ESG strategies effectively.

Where necessary, training and/or external consultants will be engaged to provide additional insights and expertise. When appointing external third-parties, MCP will strive to ensure consultants:

- have the requisite skills, capacity and experience in the sector and location of investment;
- are experienced in identifying ESG risks, impacts and value-add opportunities; and
- are familiar with MCP's ESG requirements and regulations of the project's country.

This structured approach will help maintain the robustness of the ESG MS, with a view to ensuring that both the Company and Fund's Portfolio Investments are well-equipped to manage ESG challenges.

**6. ESG MANAGEMENT THROUGH THE INVESTMENT LIFECYCLE**

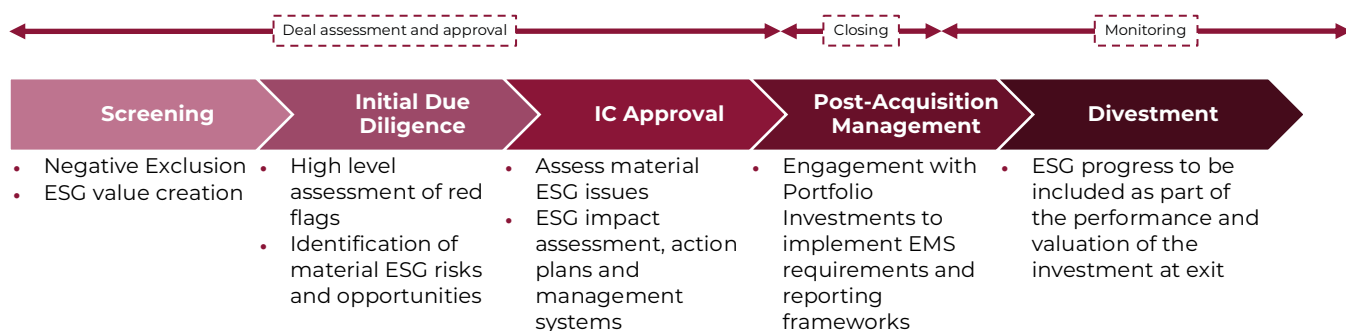
To operationalize the implementation of MCP’s ESG Strategy, this ESG MS sets out an approach to integrating ESG considerations into all the Company’s activities, including investment decision-making for Managed Funds.

During the investment process, the Company will assess the ESG impacts associated with the potential Portfolio Investment, the scope of projects to be developed, as well as the capacity of the potential Portfolio Investment to address such impacts.

MCP will review the ESG impact assessment, management processes and resource capacity for all Portfolio Investments. The scope of the ESG assessment and further due diligence requirement will be based on the nature of operations and potential for higher risk. Risks of investments will depend on project size, impact on key areas (such as biodiversity areas, human rights, labor, health and safety), potential irreversible impacts, land use, extent of ESG issues, and existence of ESIA and environmental and social management system (“**ESMS**”), as well as the quality of the overall documentation governing such matters in relation to the Portfolio Investment.

The integration of ESG factors into each step of the investment process is presented in Figure 1.

Figure 1 – ESG Integration in the Investment Lifecycle



**6.1. SCREENING**

The ESG risks screening will be undertaken based on initial review of the potential Portfolio Investment using information from public sources, with the following objectives:

- Screen investment against MCP’s **Ethical Prohibitions and Exclusions List** (section 6.1.1);
- High-level identification of **ESG opportunities** to generate positive financial, social, and environmental value; and
- Assign **ESG risk category**, which determines the nature and scope of the due diligence.

This is an initial benchmark to determine whether to include an investment opportunity into the transaction pipeline for the Managed Fund.

### 6.1.1. Ethical Prohibitions and Exclusions List

MCP upholds strong ethical and screening obligations and adheres to transparency in ownership and management across all investing activities.

#### 6.1.1.1. Integrity checks

The Company acknowledges that ethical risks may be associated with investments in transportation, infrastructure and logistics, and therefore seeks to ensure that any Portfolio Investment does not knowingly involve activities deemed illegal under applicable local laws or international conventions and agreements. MCP also will not conduct investments in companies that are suspected of or face substantiated allegations of unethical or illegal activities.

MCP conducts additional due diligence on companies to confirm ultimate beneficial ownership. During due diligence, MCP identifies the corporate structures, intermediate vehicles and beneficial owners of the potential Portfolio Investment, of its Strategic Partners or co-investors and of related parties. MCP will not invest in or transact with companies with undisclosed beneficial ownership or owners and assets which are subject to sanctions and restrictions that would prohibit such transaction.

MCP references internationally recognized 'blacklists' (i.e., international sanctions and embargo lists) to investigate if any of those entities mentioned above, or their key persons, management, or controlling shareholders are sanctioned. If issues arise which cannot be confirmed through further investigation using sufficiently reliable evidence, MCP may consider additional background checks conducted by an independent investigator and/or law firm. These background checks will include reviewing the potential Portfolio Investment, its officers, board members, and controlling shareholders for compliance with MCP's integrity principles mentioned above and also ensuring that these groups are not involved in activities defined in the Exclusions List.

#### 6.1.1.2. Exclusions List

MCP has identified a number of activities that raise significant ethical risks and shall not invest in companies or accept investments from investors associated with such activities listed in the Exclusions List (see below Figure 2). The list serves as a screening tool for all investments. Potential investees are required to verify that none of their business activities are included in the Exclusions List.

Figure 2 – Exclusions List

- Forced labor or slavery of any kind
- Child labor
- Wages below industry or national minimum standards
- Country under general embargo
- Person, group or entity subject to international trade prohibition, restriction or sanction
- War crimes or crimes against humanity
- Production of coal or energy based on coal
- Production of alcoholic beverages, tobacco and luxury consumer goods
- Production of, or trade in, weapons, ammunition and other military or paramilitary goods, including nuclear weapons
- Production of, or trade in, nuclear reactors and related products
- Production of, or trade in, unbonded asbestos fibers and other harmful substances subject to international phase-out (pharmaceuticals, pesticides, herbicides, ozone-depleting substances, polychlorinated biphenyls (PCBs), etc.)
- Trade in endangered wildlife or related products
- Speculative trade in platinum, pearls, precious stones, gold and related products

- Trafficking (i.e., collecting, digging, treating, transporting or selling) diamonds and other precious stones not adhering to Kimberly Process (or similar)
- Mining, processing and trade in conflict minerals (tin, tantalum, tungsten and gold) not complying with Responsible Minerals Initiative)
- Transboundary trade of wastes
- Palm oil cultivation and associated processing not complying with Roundtable on Responsible Palm Oil
- Gambling, casinos or betting games of any kind
- Prostitution, pornography or human trafficking of any kind
- Unsustainable fishing methods
- Logging in unmanaged primary tropical rainforests
- Harmful use of animals for scientific purposes such as cosmetics and drug testing
- Negative significant impact on local or national food security
- Any potential illegal activity (e.g., drugs, extortion, theft, embezzlement, trafficking of human organs, etc.)

**6.1.2. ESG Risk Categorization**

The ESG risk categorization involves a contextual risk assessment of the investment proposal combined with a readiness assessment of how the investment is likely to comply with ESG requirements.

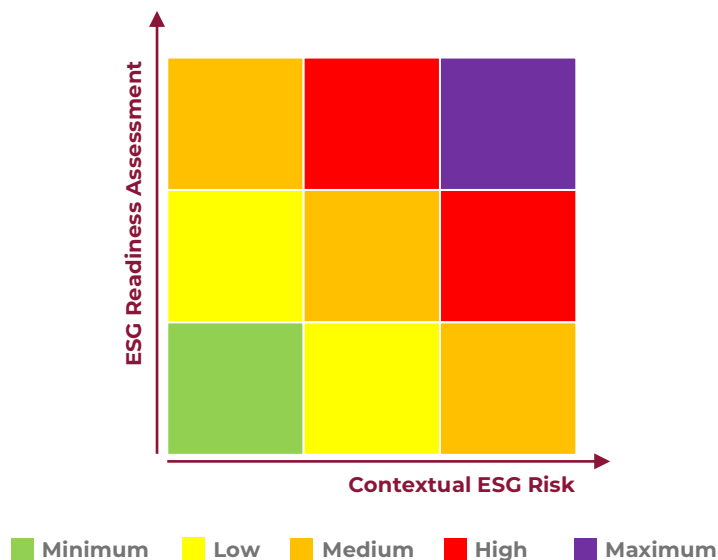
The contextual ESG related risks vary based on asset class, sector, duration, maturity, location, context, strategic partners, market competition and contribution to fund strategy. These factors are typically assessed by the Execution Team. The ESG contextual risk rating is also informed by the definitions from the IFC Environmental and Social Review Procedures Manual

Table 5 – ESG Risk Category Definitions

Minimum Risk	Low Risk	Medium Risk	High Risk	Maximum Risk
Minimal or no adverse ESG impacts.  ESG impacts are generally limited to common issues that can be easily managed such as occupational health and safety, labor standards and in some cases, energy efficiency in office environments.	Low or minor adverse ESG impacts.  ESG impacts are few in number, minor in scope, reversible and easily managed.  Minor significant adverse ESG impacts.	Potential for limited adverse ESG impacts that are moderate in number, generally site specific, largely reversible and readily addressed through well-known mitigation measures.  Limited significant adverse ESG impacts that are diverse, irreversible or unprecedented.	Significant adverse ESG impacts that are high in number, cover a regional scope, complex, and take time to reverse.  Impacts are difficult to mitigate.	Major or critical adverse ESG impacts that are diverse, wide ranging, irreversible or unprecedented.  Impacts cannot be mitigated or only at high cost.

The ESG Officer then conducts a ESG readiness assessment of the Portfolio Investment’s ability and willingness to address ESG impacts, risks and opportunities to align with, implement and achieve MCP’s ESG commitments. This is also ranked ‘High, Medium or Low’.

Figure 3 – ESG Risk Categorization



The combined risk rating will then determine the ESG risk category, which is used to determine the scope of the ESG due diligence to be conducted as follows:

- **Minimum risk:** internal basic ESG due diligence
- **Low risk:** internal general ESG due diligence
- **Medium risk:** internal enhanced ESG due diligence, with optional external support
- **High risk:** internal enhanced ESG due diligence, supported by external ESG advisors, experts or consultants
- **Maximum risk:** enhanced ESG due diligence from external ESG experts, advisors or consultants

## 6.2. INITIAL DUE DILIGENCE

During the initial due diligence, the Company employs internal procedures and desktop resources to identify and assess red flags and major concerns. All material ESG risks are considered in the context of inherent sector risks (see above section 4.2), the scale of the company’s operations, the surrounding location and jurisdiction (considering biodiversity, climate, socio-economic, and cumulative impacts).

Depending on the nature of the contemplated transaction, assessments conducted by the Company will be based on information provided by the investee (e.g., via a dataroom), third-parties or public sources. Assessments aim to cover:

- Identification and assessment of potential **ESG red flags and major concerns;**
- Identify material ESG risks and opportunities;
- Identification and assessment of local and **applicable ESG laws**, regulations, frameworks and **guidelines from MCP’s reference standards.**
- Potential for compliance with MCP’s ESG MS and reference standards.

If the investment qualifies, then the IC will be asked to provide initial approval and budget to undertake an appropriate level of ESG due diligence prior to the investment being realized.

### 6.3. IC APPROVAL DUE DILIGENCE

This stage involves continued due diligence to comprehensively assess all material ESG issues and assess costs related to required ESG action plans to fully inform the final investment decision. Key steps to prepare for the IC's approval include:

- **Information gathering and review**

- Review potential investment documents, contracts, licenses and policies and procedures related to the Portfolio Investment or asset.
- Complete ESG checklist (or request Portfolio Investment to respond) to systematically identify major risk areas that need special attention, highlighting areas requiring a full and comprehensive ESG action plan (see [Annex 4: ESG Due Diligence Checklists](#)).
- Conduct an onsite visit to gather firsthand information and identify any ESG concerns.
- Identification of applicable standards and guidelines using the MCP reference framework.

- **Assessment of ESG risks and opportunities**

- Conduct impact assessment of all material ESG issues: to ensure all relevant ESG risks are identified and understood, especially financially material issues, before making an investment decision.
- This may require the support of external ESG consultants (see [Annex 5: ESG DD Terms of Reference](#)).

- **ESG Action Plan and capacity assessment**

- Develop an ESG Action Plan that outlines necessary actions to comply with MCP's ESG requirements.
- Consider costs and resources to undertake these corrective ESG measures.
- Evaluate ability and willingness of the potential Portfolio Investment's capacity and commitment to implement the required changes and improvements within a reasonable timeframe.
- MCP assesses the ESG due diligence findings as well as the investee's readiness and capability to implement the ESG action plan and meet MCP's ESG requirements.

The IC will consider the merits of the investment (taking into account legal, financial, commercial and ESG viability), compare it with other investment opportunities, the investment mandate and fund parameters. If the IC decides to proceed with and approve the investment, then the ESG action plan will need to be formalized.

- **ESG Action Plan** should be developed collaboratively with the senior management of the Portfolio Investment to ensure buy-in, and should include:

- **Priority ESG issues:** specific issues identified that need to be addressed as matter of higher or lesser priority;



- **Risk levels:** assessment of the severity and likely impact of each ESG issue;
- **Actions required:** specific measures to mitigate or eliminate identified ESG risks and impacts;
- **Delegated responsibilities:** assignment of ESG tasks to appropriate personnel or teams within the Portfolio Investment;
- **Implementation timeline:** clear deadlines and milestones for each action item; and
- **Costs:** estimate of the financial resources needed to implement the actions (where possible).

The Execution Team should ensure the correct ESG requirements are included in the investment-related documents and adequate resources are committed to allow effective and appropriate development and implementation of an ESG MS at the level of Portfolio Investments.

#### 6.4. PORTFOLIO MANAGEMENT

Commensurate to its ownership and influence in the Portfolio Investment, MCP plans to be an active investor to promote responsible business operations and increased awareness of ESG as follows:

- Engage with Portfolio Investments with respect to their commitment to meeting specified ESG requirements at the time of investment, including the implementation of any defined ESG Action Plans;
- Undertake active stewardship for ESG integration by Portfolio Investments;
- Facilitate ESG alignment through monitoring and reporting (see section 8); and
- Exercise of voting and control to promote ESG issues.

Portfolio Investments are expected to have the resources, capacity, and expertise to:

- Develop and implement its own effective ESG Management Plan or Management System;
- Identify, mitigate, monitor and report on ESG risks and impacts
- Implement Grievance Redress Mechanisms (where applicable);
- Develop Gender Action Plans and other relevant policies (where applicable);
- Conduct Environmental and Social Impact Assessments ("**ESIAs**") for construction and expansions of existing operations (where applicable);
- Respond to ESG incidents, accidents, and grievances in a timely and effective manner;
- Nominate dedicated ESG point of contact, being an individual who participates in regular (at least annual) ESG assessment survey or progress discussions; and
- Provide relevant ESG updates to senior management and the board.

The resource allocation is determined by each Portfolio Investment, generally driven by its size and stage of development. Earlier stage companies may integrate ESG obligations within the operations function and later stage companies are likely to hire dedicated ESG professionals.

MCP, in collaboration with its Strategic Partners, may provide resources and support during the initial establishment phases.

MCP will actively steward Portfolio Investments to align ESG objectives with this EGS MS. MCP and its Strategic Partners may also provide dedicated resources and expertise to support capacity building and ESG implementation. MCP will use influence, leverage governance oversight structures and use contractual agreements to set formal expectations. These may be around resources, monitoring and reporting ESG performance, breaches and rectification.

#### 6.5. DIVESTMENT

To ensure the sustainability of ESG standards, MCP will, to the extent possible, propose to the new investor the need for the continuity of high ESG standards and good practices by the Portfolio Investment. MCP will seek to meet with potential investors, share ESG resources and, when selling shares to other investors, ask about sustainable investing practices.

The Company's framework for operationalizing the integration of ESG throughout the Company's investment process as well as the supporting tools and documentation required is summarized in Table 6.

Table 6 – Responsibilities for ESG Integration in Investment Process

Step	Responsibilities	Activities	Outputs
I. Screening	ESG Officer	<ul style="list-style-type: none"> <li>Screening against Ethical Prohibitions and Exclusions List (see Figure 2)</li> <li>Identify high-level key E&amp;S Risks &amp; Opportunities</li> <li>Assign <b>ESG Risk Category</b> see Figure 3)</li> </ul>	<ul style="list-style-type: none"> <li>Confirmation of ESG screening in Managed Funds' <b>Transaction Pipeline</b></li> </ul>
II. Initial Due Diligence	ESG Officer Execution Team	<ul style="list-style-type: none"> <li>The ESG Officer, supported by the Execution Team, reviews the investment opportunity, identifies and assess ESG red flags and material risks and opportunities.</li> <li>The ESG Officer assesses local laws and regulations and applicable international standards for ESG.</li> <li>The ESG Officer assess potential for compliance with MCP's ESG MS.</li> <li>The ESG Officer drafts the <b>IC Initial Approval Memo</b> (see <a href="#">Annex 6</a>)</li> </ul>	<ul style="list-style-type: none"> <li>IC Initial Approval Memo (see <a href="#">Annex 6</a>)</li> </ul>
III. IC Approval	IC	<ul style="list-style-type: none"> <li>MCP may conduct onsite visits and gather firsthand information.</li> <li>The ESG Officer, supported by the Execution Team, may send out or complete the <b>ESG DD Checklist</b> (see <a href="#">Annex 4</a>)</li> <li>If independent experts are required, the ESG Officer conducts a Request for Proposal (RfP) in accordance with MCP procurement procedures using <b>ESG DD Terms of Reference</b> (see <a href="#">Annex 5</a>)                             <ul style="list-style-type: none"> <li>MCP appoints a suitably qualified consultant to conduct the ESG due diligence.</li> <li>The ESG Officer and Execution Team will review the draft ESG due diligence report, including any necessary ESG action plans and provide feedback to the consultants</li> </ul> </li> <li>The ESG Officer to complete evaluation of ESG risk and opportunities impact assessment and formulate any necessary ESG action plans.</li> <li>The ESG Officer drafts the <b>IC Offer Approval Memo</b> (see <a href="#">Annex 7</a>), including any conditions for ESG implementation.</li> </ul>	<ul style="list-style-type: none"> <li><b>IC Offer Approval Memo</b> (see <a href="#">Annex 7</a>) includes ESG conditions (ESG Action Plan, etc.)</li> <li>Document Control                             <ul style="list-style-type: none"> <li><b>ESG DD Checklist</b> (completed and signed) (see <a href="#">Annex 4</a>)</li> <li>RfP for external consultant <b>ESG DD Terms of Reference</b> (see <a href="#">Annex 5</a>)</li> <li>Procurement Process for external consultants</li> <li>Final ESG DD Report</li> </ul> </li> </ul>

Step	Responsibilities	Activities	Outputs
IV. Post-Acquisition Management	Portfolio Manager ESG Officer	<ul style="list-style-type: none"> <li>• MCP to engage with Portfolio Investments to implement ESG action plans mentioned in the <b>IC Offer Approval Memo</b> (see <a href="#">Annex 7</a>).</li> <li>• MCP to require timely and transparent reporting (at least annually with quarterly updates).</li> <li>• MCP to require timely reporting of incidents.</li> <li>• MCP to incorporate Portfolio Investment activities in sustainability reporting.</li> </ul>	<ul style="list-style-type: none"> <li>• Asset Monitoring Schedule including ESG action plan follow-up</li> <li>• Quarterly/Annual ESG Reports</li> <li>• Major Incidents Reports (if applicable)</li> <li>• ESG KPI reporting                             <ul style="list-style-type: none"> <li>- UNPRI Transparency Report</li> <li>- Sustainability Report</li> </ul> </li> </ul>
V. Divestment	ESG Officer	<ul style="list-style-type: none"> <li>• ESG maturity and impact to be included as part of the performance and valuation of the investment at exit</li> <li>• Identify opportunities (e.g., buyers who have the credentials and track record) to continue and progress the ESG strategy</li> </ul>	<ul style="list-style-type: none"> <li>• Document Control                             <ul style="list-style-type: none"> <li>- RfP for external consultant <b>ESG DD Terms of Reference</b> (see <a href="#">Annex 5</a>)</li> <li>- Procurement Process for external consultants</li> <li>- Final ESG DD Report</li> <li>- Responsible Exit Plan</li> </ul> </li> </ul>

## 7. ESG PERFORMANCE MANAGEMENT AT PORTFOLIO INVESTMENTS

In the first 100 days after an effective entry into the asset or company, MCP shall establish (or shall direct and arrange for the competent agent, contractor or local party to establish) an initial framework for ESG management and reporting (see [Annex 8: Initial Portfolio ESG Framework](#)), which shall be designed to take into consideration the objectives of this ESG MS.

Over time, the Portfolio Investments should grow and develop capacity and expertise to implement more detailed and nuanced ESG Frameworks which shall aim to include the following elements.

### 7.1. ENVIRONMENTAL AND SOCIAL MANAGEMENT SYSTEMS (“ESMS”)

To align with the relevant IFC Performance Standards and other applicable guidelines, each Portfolio Investment should establish a comprehensive Environmental and Social Management System (“**ESMS**”) that encompasses the following components:

- Policies: develop and implement E&S policies that outline the Portfolio Investment’s commitment to managing E&S risks and impacts;
- Risk register: create and maintain a risk register to identify, assess and manage potential E&S risks;
- Management programs: establish management programs that include relevant ESMS and procedures to address identified risks and impacts;
- Organizational competence: ensure the organization has the necessary competencies, roles, and responsibilities defined for effective E&S management;
- Emergency preparedness and response plan: develop a plan to prepare for and respond to emergencies, to ensure the safety and security of personnel and stakeholders;
- Stakeholder engagement plan: implement a plan to engage with stakeholders, including mechanisms for consultation, information disclosure, and addressing stakeholder concerns;
- External communication and grievance mechanism: establish a system for external communication, including a grievance mechanism to receive and address complaints from stakeholders; and
- Monitoring and evaluation: continuously monitor and evaluate E&S performance, with mechanisms for reporting and feedback to ensure ongoing improvement.

These components should be developed, implemented, and maintained in accordance with the requirements of the relevant IFC Performance Standards, MCP’s ESG Policy and ESG MS, and any specific ESG Action Plans, and any other standards agreed upon with MCP to address identified ESG issues.

#### 7.1.1. General approach

Port operation activities should be conducted in accordance with applicable international regulations and standards, including:

- International Labor Organization (“**ILO**”) Code of Practice for Safety and Health in Ports (2005);

- General Conference of the International ILO Convention concerning Occupational Safety and Health in Dock Work, C-152, (1979);
- General Conference of the ILO Recommendation concerning Occupational Safety and Health in Dock Work, R-160 (1979);
- IMO Code of Practice for Solid Bulk Cargo ("**BC Code**");
- International Code for the Construction and Equipment of Ships carrying Dangerous Chemicals in Bulk ("**IBC Code**");
- International Code for the Safe Carriage of Grain in Bulk ("**International Grain Code**");
- Code of Practice for the Safe Loading and Unloading of Bulk Carriers ("**BLU Code**"); and
- International Maritime Dangerous Goods Code ("**IMDG Code**").
- Port marine safety

Port operators have crucial responsibilities to ensure the safe operation of ships within harbor and port areas. Their duties encompass a wide range of safety measures, from ensuring passenger safety to managing safe access and maneuvering ships carrying chemicals and oil. To effectively manage these responsibilities, port operators should implement a comprehensive Safety Management System ("**SMS**").

Key Components of an Effective SMS for Port Operators:

- **Initial Risk and Hazard Assessments**
  - Conduct thorough assessments to identify potential hazards and risks associated with port activities; and
  - Consider factors such as ship types, cargo types, and environmental conditions.
- **Safety Protocols and Procedures**
  - Develop and document safety protocols for various operations, including docking, loading/unloading, and emergency responses; and
  - Ensure these protocols comply with international and local maritime safety regulations.
- **Consideration of Coastal and Seabed Alterations**
  - Assess and monitor alterations to coastal processes, seabed, and coastal geomorphology; and
  - Evaluate how these changes impact navigational and vessel berthing activities.
- **Regular Operational Hazard Assessments**
  - Conduct regular assessments of port activities to identify new or evolving hazards; and
  - Adapt the SMS accordingly to address these hazards and mitigate risks.

- **Training and Awareness Programs**

- Provide ongoing training for port personnel on safety procedures and hazard identification; and
- Raise awareness about the importance of adhering to safety protocols.

- **Incident Reporting and Investigation**

- Establish a robust incident reporting system to capture any safety incidents or near misses; and
- Investigate incidents thoroughly to identify root causes and implement corrective actions.

- **Continuous Improvement**

- Regularly review and update the SMS based on operational experiences and feedback; and
- Foster a culture of continuous improvement to enhance safety performance.

By implementing and maintaining an effective SMS, port operators can ensure the safe operation of ships, protect passengers, and minimize the risks associated with handling hazardous materials.

MCP's ability to contribute to the effective implementation of the ESMS depends on MCP's level of ownership and control, and the regulatory framework and organizational capacity that governs and supports each Portfolio Investment's E&S management.

## 7.2. EMERGENCY PREPAREDNESS AND RESPONSE PLAN

The Company will ensure Portfolio Investments establish an emergency preparedness and response plan guided by [Annex 9: Outline of an Emergency Preparedness and Response Plan](#).

This will ensure that all relevant management personnel are advised in a timely manner of any significant ESG impact events that may trigger interest from a range of internal and external stakeholders and safeguard the health and safety of the workers and the surrounding communities and limit potential damage to investment asset.

In the event of an ESG impact event (e.g. environmental disaster, dispute with local community, adverse media reporting, adverse government or regulatory findings), all responses will be managed by MCP and its Strategic Partners in accordance with its external communications policies.

Potential emergency scenarios associated with port and port logistics are provided in [Annex 9](#).

## 7.3. PORTFOLIO INVESTMENT RISK PRIORITIZATION

MCP will maintain a Portfolio Investment risk register, prioritizing assets based on ESG risks. This prioritization will assist in determining the effort levels and resources applied to a Portfolio Investment (see [Annex 10: Portfolio Investment Risk Register Template](#)).

#### 7.4. SITE VISIT MONITORING SCHEDULE

MCP will maintain a Portfolio Investment site visit monitoring schedule that will assist in determining the frequency and timing of Portfolio Investment site visits, aligned to the risk register.

In addition, third-party independent ESG/EHS audits may be considered as and when required by the ESG Action Plan, national law and/or other stakeholders.

A regular ESG/impact performance review will be undertaken by the Execution Team.

#### 7.5. PORTFOLIO INVESTMENT MANAGEMENT ESG KPIS

MCP will endeavor to include ESG related aspects into Portfolio Investment management key performance indicators (“**KPIs**”) and measurement of impact (see section 8).

#### 7.6. PORTFOLIO INVESTMENT ENGAGEMENTS

The ESG Officer will meet periodically with the Portfolio Investment to discuss ESG/impact performance of the Portfolio Investment, what risks need to be managed, how to optimize positive outcomes and report on impacts.

A standard level of monitoring and reporting will be applied by MCP to all investments via governance and oversight frameworks and, where necessary, supported by legal agreements.

##### 7.6.1. Knowledge management

Effective portfolio knowledge management is essential for capturing, sharing, and utilizing knowledge across all Portfolio Investments. It ensures that best practices, lessons learned and critical information are accessible, promoting continuous improvement and innovation. MCP shall follow a structured approach to establishing a robust portfolio knowledge management system (see [Annex 11: Portfolio Knowledge Management Framework](#)).

By implementing a comprehensive knowledge management framework, Portfolio Investments can leverage their collective knowledge to drive performance, innovation, and sustainable growth.

### 8. ESG MONITORING AND REPORTING

Monitoring and reporting on ESG performance allows the Company to gauge progress against agreed ESG objectives and activities and demonstrate this to internal and external stakeholders.

#### 8.1. FUND LEVEL REPORTING

##### 8.1.1. Commitment to transparency

- Annual sustainability reports to LPs and public transparency reports published to UN PRI are key elements of our efforts to hold ourselves accountable to stakeholders;
- Annual reports will be supplemented by quarterly updates designed to track ESG risk and opportunity evolution, status of ESG Action Plan implementation and headline ESG KPIs;
- ESG incidents will be escalated to the portfolio company’s board in a timely manner, and LPs will be notified of material (high-risk) incidents; and



- MCP plans to appoint external ESG consultants to review or audit MCP and MPLFI’s ESG MS implementation and performance.

**8.1.2. Key elements of annual sustainability and transparency reports**

- Portfolio Investments’ progress along pre-investment ESG Action Plans, including evolution of their ESG opportunity, risk profiles and materiality assessment;
- Impact and value add of our Portfolio Investments on local economies and other ESG KPIs defined during investment execution phase (aligned with best-in-class ESG standards and recommendations – GRI, SASB and TCFD);
- ESG scorecard issued by UN PRI, including benchmarking with peers;
- Quality of ESG governance, including the policy framework, allocation of execution responsibilities and oversight functions; and
- ESG systems, processes and methodologies designed to identify ESG opportunities and risks, including matters relating to climate change.

Table 7 – MPLFI ESG Reporting

Report	Preparer	Frequency	Recipient Stakeholders				
			LPs	Board/ ESG & Risk Comm	IC	MCP Team	Public
<b>Internal</b>							
ESG internal audit	MCP / consultant	Annual		✓	✓	✓	
ESG Activities Report	MCP	Annual		✓			
ESG in investor reports	MCP	Quarterly	✓				
<b>External</b>							
Sustainability report	MCP	Annual	✓	✓	✓	✓	
UN PRI Transparency report	MCP	Annual	✓	✓	✓	✓	✓
Political risk insurers’ ESG reports	MIGA / Private insurers	Annual / biennial	✓	✓	✓	✓	

MCP will consider use of external consultants to review or audit ESG reports and or activities as workstreams develop.

**8.2. PORTFOLIO INVESTMENT LEVEL**

MPLFI will monitor the ESG performance of all its Portfolio Investments through an annual ESG Assessment. The Portfolio Investments will be required to comply with E&S covenants, applicable E&S requirements and ESG action plans (“**ESG Action Plans**”).

MPFLI will monitor the Portfolio Investments' ESG Action Plans from investment to completion date, and annually to ensure that companies are implementing and able to report on compliance with their ESG Action Plans.

The required compliance and other monitoring indicators are reported by Portfolio Investments on an annual basis. MCP shall analyze this information and include important insights and trend analysis in its annual report to the Managed Fund's investors.

The following ESG related reports shall be obtained companies in the Portfolio Investment level:

- Major Incidents Reports;
- Quarterly ESG Updates;
- ESG / Impact Data; and
- Annual ESG assessment including KPIs.

#### 8.2.1. Major incident and accident reports

Portfolio companies are also expected to maintain records of ESG incidents, OHS incidents, HR incidents, gender-based violence incidents, and other company specific forms of incidents. Portfolio companies are expected to immediately report serious ESG incidents or breach of contract immediately. If necessary, MCP may seek to conduct a site visit and assess the incident with interviews of management, employees, contractors, and affected communities. Serious incidents include:

- **Fatalities, serious injuries, and accidents at work.** This includes any fatalities, serious injuries and other occurrences affecting: (1) MCP employees or contractors, (2) portfolio level employees or contractors, or (3) community workers employed at the portfolio level. Reporting includes death and injuries from workplace accidents, accidents related to workplace transport or equipment, murder, kidnapping, or workplace violence;
- **Fatalities, serious injuries, and accidents impacting local communities and others.** Fatalities, serious injuries, or accidents where a MCP staff, portfolio-level staff, or project-related person is at fault or may be at fault are considered serious incidents;
- **Conflicts, disputes, and disturbances leading to loss of life, violence or the risk of violence.** This would include inter-community or inter-ethnic violence caused or exacerbated by investment activities, and conflicts that have the potential for violence towards Managed Fund/portfolio-level' personnel and/or local communities;
- **Human rights violations.** This would cover human rights violations (including any forced labor or slavery) or public accusations of human rights violations attributed to investee workers or contractors or community members;
- **Forced evictions.** This would cover the forcible eviction of people from Portfolio Investments owned or operated upon land;
- **Theft, fraud, corruption, or other major financial crimes.** This would cover any fraud, theft, or other major financial crimes and would cover both Managed Fund/portfolio-level staff;

- **Large, irreversible, and financially impactful property damage.** This would cover any Managed Fund/portfolio-level property damage either created by natural disaster, fault of the company management, or company employees; and
- **Environmental impacts or public accusation of significant environmental** impacts attributed to investing activities that have led to or could lead to serious contamination, destruction or degradation of natural habitats or areas of high biodiversity value.

Portfolio Investments are also expected to log and share any legitimate grievances received through their grievance redress mechanism. In addition, MCP commits to ESG incident reporting to its investors directly or via the LP Advisory Committee within three (3) days following any serious ESG incidents at the Portfolio Investments.

### 8.2.2. ESG reports

#### MCP ESG reporting template for ports

The MCP ESG reporting template for ports involves detailing relevant metrics and indicators that align with international standards and MCP's ESG policy (see Annex 12: Annual E&S Monitoring Report Template).

#### KPIs

MCP intends to track the KPIs outlined in Annex 13: ESG Performance Monitoring KPIs.

### 8.2.3. ESG and impact data

As part of its responsible investing strategy, MCP also contributes to the SDGs through its investments with a focus on collaboration, health, lives, and livelihoods, with industry, innovation and infrastructure as a cross-cutting theme. In addition to environmental initiatives, each Portfolio Investment will be encouraged to establish a social impact strategy, conduct a needs assessment, and identify key development impact initiatives for funding to positively impact local communities and help de-risk the investment. MCP is further considering specific objectives related to training, education and equality to support local communities.

The proposed projects should clearly define the problem (including baseline KPIs), outline the project to resolve the problem, and anticipate outcomes and impacts (positive changes in baseline KPIs). All projects will undergo integrity checks and selection by the ESG Officer.

Figure 4 – ESG and Impact Data



## 9. MCP STAKEHOLDER ENGAGEMENT PLAN & GRIEVANCE MANAGEMENT MECHANISM

### 9.1. INTRODUCTION

MCP recognizes that managing stakeholders is intrinsically linked to obtaining its social license to operate as well as its success. We are committed to fostering transparent, respectful, and mutually beneficial relationships with all our stakeholders. This stakeholder engagement plan and grievance management mechanism outlines our approach to engaging with stakeholders, ensuring their voices are heard, concerns are addressed, contributions are taken into account and seek resolution to any such grievances. Our objective is to build strong, trust-based relationships that support our mission and contribute to the sustainable development of the countries where we operate.

The level, scale, detail and effort of stakeholder engagement need to be commensurate with the ESG risks of the relevant Portfolio Investment

### 9.2. STAKEHOLDER IDENTIFICATION AND ANALYSIS

Key aspects of stakeholder identification:

- **Stakeholder Groups:** identify key stakeholders, including local communities, employees, investors, government agencies, NGOs, suppliers, and customers;
- **Interests and Concerns:** understand and document the interests, concerns, and expectations of each stakeholder group; and
- **Impact and Influence:** assess the impact and influence of each stakeholder group on MCP's operations and decision-making processes.

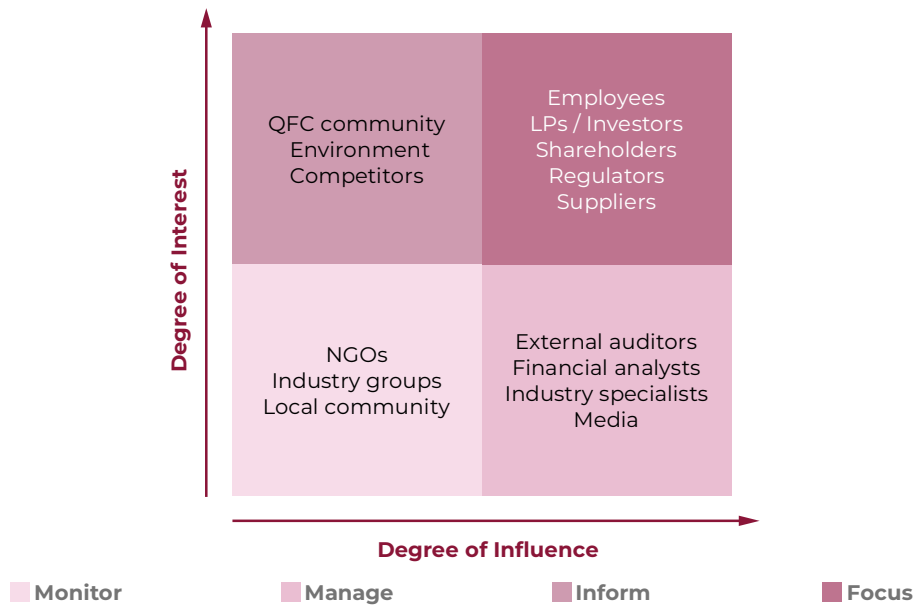
It is important to have a structured approach that includes identifying stakeholders' specific interests and concerns, employing tailored engagement methods, and maintaining transparent and open communication. By fostering strong relationships with all stakeholders, MCP can ensure sustainable and successful outcomes that benefit both the port investment and the wider community. Some of the MCP key stakeholders to manage and inform are listed below.

#### 9.2.1. Investment management stakeholders

MCP conducts investment management activities in and from the QFC. Key stakeholders are professionals and services personnel predominately based in the financial services and infrastructure sectors, in both private markets and the public sector.

The results of the stakeholder mapping at the Company level are set out in Figure 5.

Figure 5 – MCP Stakeholder Mapping

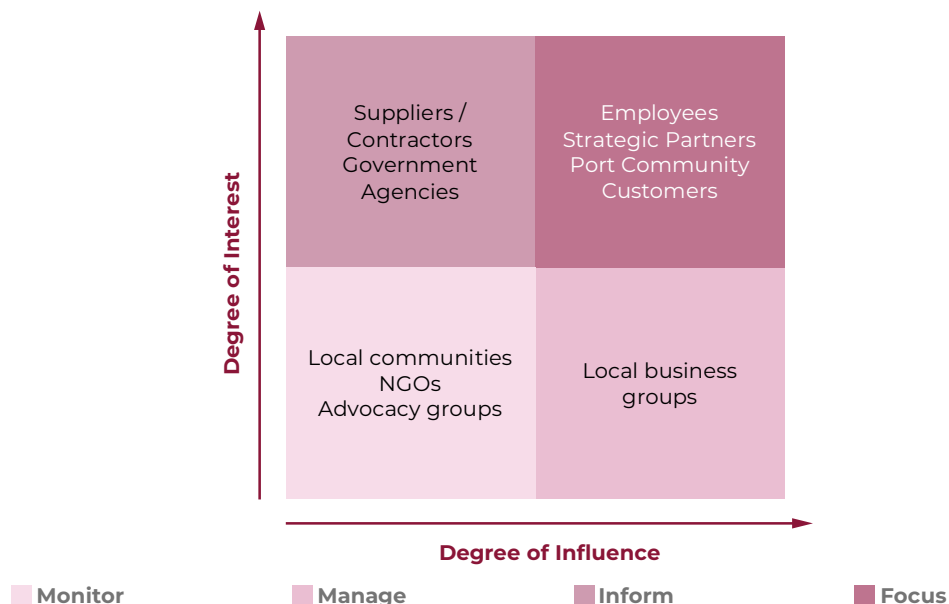


9.2.2. Port and port logistics stakeholders

In the context of port operations, a diverse range of stakeholders is involved, each with unique interests, concerns, and influences. Effective stakeholder engagement in port operations is crucial for obtaining the social license to operate and ensuring smooth, sustainable, and successful operations.

Below is an overview of the key stakeholders in port operations.

Figure 6 – MPLFI Stakeholder Mapping for Port Operations

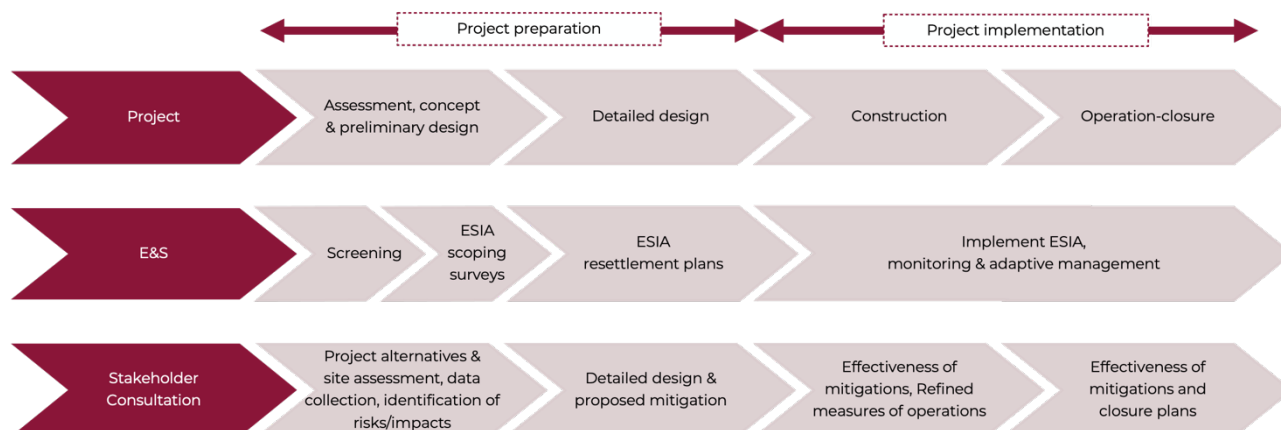


The ESG Officer will develop and implement tailored plans to engage with specific stakeholders based on their category and most effective communication strategies set out in Table 8.

Table 8 – Stakeholder Engagement Actions

Monitor	Manage	Inform	Focus
<p>It's always best to know where you stand with any stakeholders, but there's no need to involve the least interested, least influential group with regular updates.</p> <ul style="list-style-type: none"> <li>• Periodic engagement</li> <li>• Public meetings</li> <li>• Interviews</li> </ul>	<p>Put the work in to anticipate and manage the needs of these stakeholders. However, as they are less directly interested in MCP, it's best not to bombard them with regular updates.</p> <ul style="list-style-type: none"> <li>• Senior management consultation</li> <li>• Partnership in development programs</li> <li>• Working groups</li> <li>• Effective grievance mechanisms</li> </ul>	<p>Keep these stakeholders completely informed, talking to them regularly. This group may be able to help with the project details and can give early warnings of issues arising.</p> <ul style="list-style-type: none"> <li>• Regular consultation</li> <li>• Transparent reporting</li> <li>• Public meetings</li> <li>• Collaborative projects</li> <li>• Effective grievance mechanisms</li> </ul>	<p>Fully engage with the most interested, most influential stakeholders, making the greatest efforts to keep them satisfied.</p> <ul style="list-style-type: none"> <li>• Regular targeted consultation</li> <li>• Informed participation in planning</li> <li>• Opportunities for partnerships</li> <li>• Participatory monitoring</li> <li>• Information workshops</li> <li>• Effective grievance mechanisms</li> </ul>

### 9.3. STAKEHOLDER ENGAGEMENT ACROSS THE PROJECT CYCLE



### 9.4. GRIEVANCE MANAGEMENT MECHANISMS

Grievance management mechanisms are key to identifying, evaluating and addressing any complaints or concerns from both internal (i.e., staff) and external stakeholders (as identified in above section 9.2). The purpose is to identify and proactively resolve issues of non-compliance or genuine concerns around the business activities and services provided by MCP and/or its Portfolio Investments.

A multi-tiered grievance management system offers flexibility in receiving and addressing external stakeholder concerns in a transparent, constructive, timely, confidential (if needed), culturally sensitive and accessible manner.

**Informal Resolution Process:** direct and informal dialogue and interactions.

**Formal Grievance Mechanism:** structured and formal process for handling grievances.

**Stakeholder Forum:** involving a panel of special interest stakeholders with expertise and influence.

**Dispute Resolution:** involving a formal dispute resolution system (e.g., mediation, arbitration, advocacy, governmental authority/agency, courts, justice system, etc.)

The above should also be supported by formal disclosure and information campaigns about the different mechanisms and their related processes.

For a more detailed summary, please refer to Annex 14: Guidelines to Portfolio Investment Grievance Mechanism.

#### 9.4.1. Formal grievance mechanisms

Figure 7 – Process flow for grievance management mechanisms



### Step 1: Submission

- Publicize the grievance mechanisms and submission channels: make the procedure for filing grievances publicly available and easily accessible (i.e., website or office). Clearly state contact details of the grievance officer or team (i.e., Compliance Officer or ESG Manager). Provide channels through which external stakeholders can submit their grievances (i.e., email, phone, post, online forms or in-person at offices)
- Types of grievance to be addressed:
  - Manager: issues with services, products, policies, billing, investor relations, misbehavior, wrongdoing, illegal behavior, etc.
  - Port operator: issues with local hiring, unexpected impacts, or damages linked to environmental and social commitments, community concerns, etc.

### Step 2: Receive and record, and Step 3: Acknowledge receipt

- Acknowledgement of grievance: ensure that every grievance received is acknowledged promptly and provide a reference number for tracking purposes
- Documentation and reporting: maintain proper records of all grievances received and actions taken, for internal audits, compliance monitoring and reporting

### Step 4: Assessment

- Assessment: the initial assessment of the nature of the grievance received is conducted to determine whether it is a genuine grievance:
  - An issue, concern, problem or claim (perceived or actual) that an individual or community group wants a company or contractor to address and resolve
  - Questions, requests for information and suggestions are not grievances
  - Grounds for the grievance should also be screened to prevent nuisance claims
- Team allocation: depending on the nature of the grievance and the expertise required from the assessors, relevant team members, a specific committees or external consultants (being



impartial and independent subject matter experts) may be organized to investigate and make a recommendation on the matter

#### Step 5: Investigation and resolution

- Investigation and resolution: conduct a thorough investigation of each grievance. This may involve gathering relevant information, contacting the parties concerned, proceed with hearing them and evaluating any supporting evidence and documents
- Timeframes: grievances should aim to be resolved within a clearly defined timeframe (i.e., **4 weeks**). Depending on the complexity of the matter, the team may need to extend for a further **4-week period**. Notwithstanding, the team must provide a response (interim or final) at the end of the **8-week period**

#### Step 6: Follow-up and close out

- Regular updates to complainants: maintain clear communication channels to keep the complainant informed about the progress and status of their grievance at various stages
- Review and analysis: periodically review the grievance mechanism records to identify any patterns or trends in the grievances received, as well as to improve and prevent similar grievances in future.

#### 9.4.2. Investment manager grievance mechanisms

At the manager level, MCP has already established a number of policies and procedures, which apply to both internal and external stakeholders. These are also publicized on MCP's website, accompanied by relevant submission channels (i.e., dedicated emails). The Compliance Officer is responsible for oversight and monitoring of these frameworks:

- '*Complaints Management Policy and Procedure on the Handling of Complaints*', in relation to financial services and products
- '*Whistleblowing Policy*' in relation to misbehavior, wrongdoing or illegal acts

In addition, for internal stakeholders, MCP's Employee Handbook sets out a dedicated HR Manual that include the HR policies and code of conduct for staff, which set out expectations around employee behavior, equality and anti-bullying policies and other related matters. In the first instance, internal grievances should be directed to and addressed by the HR Manager. The HR Manager maintains a record of issues and reports to management accordingly.

Currently, arrangements exist to escalate matters to the Legal and Compliance Director, Senior Management, and externally as and when required. Within the QFC, the Employee Standards Office (ESO) is an external forum dedicated to preventing and resolving employee-related disputes, and to create and maintain sound, balanced and constructive employment relations. The next revision of the HR Manual will formalize the escalation policy and grievance mechanism for employees (see section 9.4.1).

#### 9.4.3. Port operator grievance mechanisms

At the Portfolio Investment level, both internal and external grievance mechanisms will need to be tailored to address specific issues and context of the operator.

The internal grievance mechanism is expected to be addressed by HR or HSE policies for employment and should outline the purpose, scope, types of grievances (e.g., recruitment, employment conditions, working conditions, discrimination, harassment, etc.), handling procedures, responsibilities, and access methods for workers. A grievance register should be implemented to track complaints, including details such as the complainant's information, date of complaint, nature of the complaint, acknowledgement of receipt, resolution measures, and closure date. The persons eligible to raise such grievances should also be informed of these mechanisms and their related formal review processes.

All Portfolio Investments should include stakeholder outreach and consultation, with dedicated communication plans and meetings. Relevant issues are highly contextual and range from local hiring, impacts from operations and local economy to environmental and social issues, community concerns, social development initiatives, etc. The stakeholders' engagement plan and external grievance mechanism will be addressed as part of the ESIA and ESMP and can be supplemented by additional communication plans, mechanisms and frameworks as needed.

#### 10. TRAINING AND CAPACITY BUILDING

MCP recognizes the importance of education, training and awareness of their investment professionals in relation to the ESG responsibilities and obligations of MCP and its Portfolio Investments. Therefore, MCP is committed to ensuring that personnel involved in the provision of services to MCP's Managed Funds receive adequate and timely training in the following areas:

- The ESG MS, including its objectives, responsibilities of team members, considerations and requirements when analyzing investment opportunities, reporting obligations, etc.;
- Compliance obligations for executives relating to policies and procedures dealing with management of ESG responsibilities; and
- Responsibilities and liabilities of portfolio level company directors.

#### 11. DISCLOSURES OF INFORMATION

MCP commits to transparency and accessibility in its operations with investors, Portfolio Investments, and relevant stakeholders including nationally designated authorities.

When appropriate and required, MCP and its Managed Funds will disclose ESIA's and ESG Action Plans of Portfolio Investments. Companies may also be required to have and disclose Land Acquisition and Resettlement Action Plan, Livelihood Restoration Action Plan, Indigenous Peoples Plan (where applicable), and other information that is required by investors including AfDB. Portfolio Investments are also expected to engage in meaningful stakeholder engagement and to have publicly available grievance mechanisms (see also [Annex 12: Guidelines to Portfolio Investment Grievance Mechanism](#)).

MCP will provide investors with annual reporting and ESG and impact reporting.

## ANNEXURES

Annexures are operational references, tools and templates that guide implementation of ESG actions. These are comprehensive and indicative resources that are regularly updated as living documents and adapted for use according to the nature, scale and complexity of different investments and ESG issues.