

KVIP International V Luxembourg SLP-RAIF

Sustainability-related website disclosure Article 10 (SFDR)

Date of publication: 26 September 2023

Date of update: not applicable

Work in Progress

The purpose of this document is to provide transparency on the sustainability objective pursued by this product in accordance with Article 10 of the EU Sustainable Finance Disclosure Regulation (SFDR). It is not marketing material. Please refer to the prospectus of the fund before making any final investment decisions.

Contents

Summary	3
No significant harm to the sustainable investment objective	4
Sustainable investment objective of the financial product	4
Investment strategy	5
Proportion of investments	6
Monitoring of sustainable investment objective	6
Methodologies	7
Data sources and processing	8
Limitations to methodologies and data	8
Due diligence	9
Engagement policies	9
Attainment of the sustainable investment objective	10

SUMMARY

This disclosure is made by Knight Vinke Asset Management (Monaco) SAM (the “Manager”), a Monegasque public limited company (société anonyme Monégasque) incorporated and existing under the laws of Monaco, on behalf of KVIP International V Luxembourg SLP-RAIF (the “Fund”), pursuant to Article 10 of the EU Sustainable Finance Disclosure Regulation 2019/2088 (“SFDR”).

The Fund is classified as an “Article 9” product under SFDR and as such, the Fund has a sustainable investment objective.

The Fund’s sustainable investment objective (“Sustainable Investment Objective”) is to accelerate the process of Energy Transition. The primary Environmental Objective of the Fund corresponding to Article 9 of Regulation (EU) 2020/852 is climate change mitigation. Energy Transition themes (sustainable activities) include, but are not limited to, renewable & low-carbon transitional energy, energy efficiency, circular economy and resource efficiency, sustainable transport, green buildings and infrastructure.

In order to assess whether investments cause significant harm to any sustainable investment objective, the Manager conducts an ESG analysis for each investment, as further detailed below. The ESG analysis includes review of each company’s mandatory indicators included in table 1 Annexe I of the Delegated Regulation against pre-determined quantitative thresholds and the evolution of those mandatory indicators during the holding period both on an “as is” basis and as a result of a potential investment by the Fund. The underlying research includes assessment covering the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. In this regard, the Fund’s portfolio shall exclude companies where, based on the Manager’s judgement, a potential Fund investment will create a significant adverse impact on environmental or social sustainable objectives.

The Fund’s investment strategy consists of investing in large-cap public companies, particularly energy conglomerates and utilities. In order to accelerate the Energy Transition, the Manager seeks to build a consensus amongst key stakeholders, often including government, regulators, unions, the financial press, rating agencies, public opinion, etc. with the aim of guiding these companies towards acceleration of Energy Transition investments. The Manager believes that working closely with the largest companies in this sector and building the broadest possible stakeholder consensus for change represents one of the few investment strategies that can truly “move the dial” for Energy Transition.

A minimum of 90% of the portfolio will be invested in companies who contribute to the environmental sustainable investment objective, and may hold up to 10% of total investment in “#Not sustainable” investments, such as cash, for liquidity purposes. The minimum share of sustainable investments with an environmental objective aligned with the EU Taxonomy is 10%.

The Manager is responsible for ensuring all material sustainability risks are identified as part of the due diligence process. The Manager’s Investment Committee oversees the Manager’s approach to ESG analysis and integration to ensure it is in line with the firm and fund level commitments.

The Manager uses a variety of different sources to obtain ESG data, including company and issuer disclosures and reports and data provided by external data suppliers such as Bloomberg. Limitations include lack of reported company data, especially for some of the principal adverse impacts (PAI) metrics.

The Fund has not designated a reference benchmark for the purpose of attaining its sustainable investment objective.

NO SIGNIFICANT HARM TO THE SUSTAINABLE INVESTMENT OBJECTIVE

How do the sustainable investments of the Fund not cause significant harm to any environmental or social sustainable investment objective?

The Manager ensures sustainable investments do not cause significant harm to any environmental sustainable investment objective via its ESG analysis. The Manager screens each investment against the mandatory Principal Adverse Impacts (PAIs) set out in Table 1 of the Delegated Regulation 2022/1288 (the “Delegated Regulation”) based on a proprietary analysis combining both quantitative and qualitative thresholds, as further described below.

In this regard, the Fund’s portfolio shall exclude companies where, based on the Manager’s judgement, a potential Fund investment will create a significant adverse impact on environmental or social sustainable objectives.

How the indicators for adverse impacts are taken into account?

In order to ensure that the investments of the Fund do not significantly harm (“DNSH”) any environmental or social sustainable objective, the Manager will review each company’s mandatory indicators included in table 1 Annexe I of the Delegated Regulation against pre-determined quantitative thresholds and the evolution of those mandatory indicators during the holding period both on an “as is” basis and as a result of a potential investment by the Fund. Pre-determined quantitative thresholds are based on the eightieth percentile of the indicators for a group of peers mainly comprised of the 35 largest utilities in Europe and 15 largest utilities in the United States and Canada. Where the prospective investment indicators exceed the pre-determined threshold, the Manager conducts a further qualitative review to ensure that the investment of the Fund do not significantly harm any environmental or social sustainable objective.

In case of insufficient data, the Manager will conduct further due diligence and qualitatively assess the company’s activity to ensure that it does not significantly harm any sustainable objective.

Are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work and the International Bill of Human Rights?

Alignment with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights is tested as part of the Manager’s process to identify sustainable investments. Companies found in breach of one of these standards will not be eligible for the Fund.

SUSTAINABLE INVESTMENT OBJECTIVE OF THE FINANCIAL PRODUCT

The Fund’s sustainable investment objective is to accelerate the process of Energy Transition by investing in and engaging with large-cap public companies, particularly energy conglomerates and utilities.

The primary environmental objective of the Fund corresponding to Article 9 of Regulation (EU) 2020/852 is climate change mitigation. Energy Transition themes (“**sustainable activities**”) include, but are not limited to, renewable & low-carbon transitional energy, energy efficiency, circular economy and resource efficiency, sustainable transport, green buildings and infrastructure.

INVESTMENT STRATEGY

(a) Description of the investment strategy used to attain the sustainable investment objective.

Knight Vinke is a high impact public equities investor and a specialist in corporate governance. Over the past 20 years, the firm has developed a highly effective and consensual multi-stakeholder approach to corporate engagement. It has an unrivalled track record in promoting changes in strategy and/or structure within large-cap public companies – particularly energy conglomerates and utilities such as E.ON, Eni, Engie and Royal Dutch Shell. The energy sector (broadly defined) is responsible for 75% of global greenhouse gas emissions.

The Fund’s sustainable investment objective is to accelerate the process of Energy Transition and its investment strategy consists of investing in and engaging with large-cap public companies, particularly energy conglomerates and utilities. The selection of investee companies is based on fundamental analysis and integrates the potential to accelerate Energy Transition as part of the company selection process. Amongst others, the Fund considers good governance policy and the Principal Adverse Impacts in the investment process.

More specifically, the Manager seeks to build a consensus amongst key stakeholders, often including government, regulators, unions, the financial press, rating agencies, public opinion, etc. with the aim of guiding these companies towards changes in strategy that will accelerate Energy Transition. The Manager believes that a broad coalition of this kind can be far more effective than any group of shareholders seeking to impose changes on the Board and Management by means of the ballot box.

The Manager believes that working closely with the largest companies in this sector and building the broadest possible stakeholder consensus for change represents one of the few investment strategies that can truly “move the dial” for Energy Transition.

(b) Description of the policy to assess good governance practices of the investee companies, including with respect to sound management structures, employee relations, remuneration of staff and tax compliance.

Knight Vinke is a high impact equity investor and a specialist in corporate governance. The firm was established in 2003 with seed capital from CalPERS’ Corporate Governance Program. Over the past 20 years, the firm has developed a highly effective and consensual multi-stakeholder approach to corporate engagement which places much less emphasis on shareholder voting (which can be very divisive and is more often than not ineffective). Companies whose stakeholders are open to constructive dialogue are deemed, in principle, to have good governance.

Review of key stakeholders, governance practices and controversies is an integral part of due diligence part of the investment process implemented by the Manager.

PROPORTION OF INVESTMENTS

What is the asset allocation and the minimum share of sustainable investments?

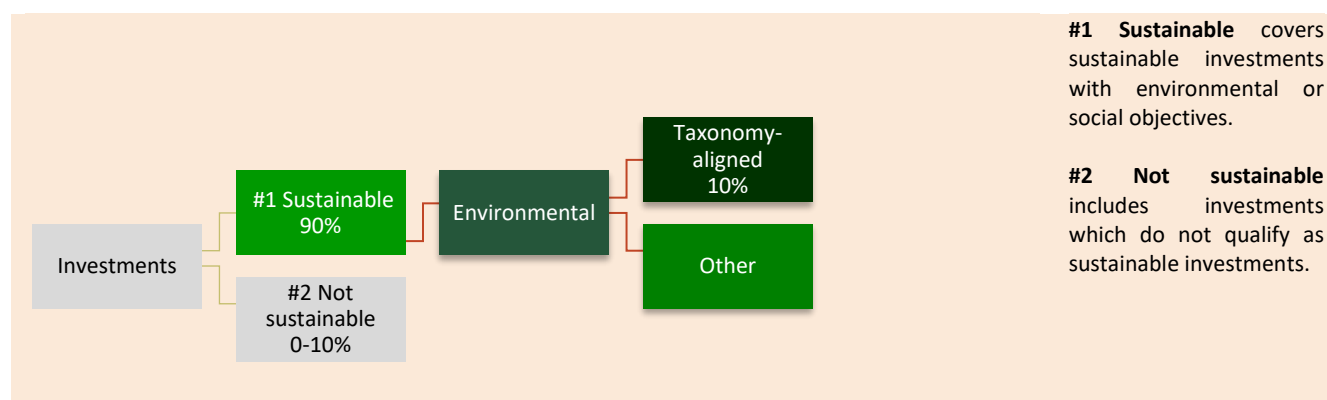
The Fund will invest at least 90% of its committed capital in sustainable investments with an environmental objective (#1 Sustainable). The remaining may be undeployed capital, cash held as ancillary liquidities or hedging instruments that do not qualify as sustainable investments (#2 Not sustainable).

In order to allow for the build-up of the portfolio, the percentage of committed capital invested in sustainable investments may be lower than the above threshold during the ramp-up period. However, investors' attention is drawn to the fact that the Fund will only make sustainable investments.

The minimum share of sustainable investments with an environmental objective aligned with the EU Taxonomy is 10% and is measured by capital expenditure as the Manager has determined it to be the most appropriate measure with regard to the investment strategy of the Fund.

All or vast majority of fund investments are expected to be direct exposures (i.e. holding the underlying company equity securities).

The Fund does not commit to investments in transitional and enabling activities within the meaning of the EU Taxonomy, therefore the minimum share of investments in these activities is set at 0%.



MONITORING OF SUSTAINABLE INVESTMENT OBJECTIVE

Description of how the sustainable investment objective and the sustainability indicators used to measure the attainment of the sustainable investment objective are monitored throughout the lifecycle of the financial product.

The following sustainability indicators are used and monitored to measure the attainment of the sustainable investment objective of the Fund:

- the percentage of the Fund portfolio invested in sustainable investments (as defined below));
- Quantitative and qualitative assessments relating specifically to acceleration in Energy Transition such as increase in planned investment in sustainable activities as reflected in the latest and future business plans published by portfolio companies from year to year.

A sustainable investment is an investment in any company that meets the following conditions (a “sustainable investment”):

- a) more than 20% of revenues are derived from sustainable activities; or
- b) more than 50% of investment (capital expenditure) is dedicated to sustainable activities; or
- c) the company does not yet meet conditions (a) and (b) but Knight Vinke (the “**Management Company**” or the “**Manager**”) has designed a plan that, through stakeholder engagement, seeks to significantly improve the target company’s environmental performance. In this context, an improvement in a company’s environmental performance will be deemed significant if (i) it results in an acceleration in investment in sustainable activities or (ii) it results in the share of revenues from sustainable activities increasing by at least 10%. For companies in category (c), should the Manager determine that it is or will not be able to achieve its sustainability objective within five (5) years, it will exit from the relevant investment.

Investment in a particular issuer is contingent upon the issuer either meeting thresholds on revenue or capex from sustainable activities or the Manager having a plan that seeks to impact the strategy through engagement to improve target company environmental performance. These hurdles are analysed, confirmed and documented by the Manager.

The Manager also takes into account principal adverse impacts (PAIs) in its investment decisions, via its ESG analysis. The Manager updates its ESG analysis periodically. The Manager reviews the status and objectives for its engagement at least every 12 months. Where the classification of the issuer as a sustainable investment is contingent upon the Manager’s engagement plan, if the Manager’s engagement fails to produce positive environmental outcome within 5 years following the investment, the Fund will exit the investment.

Description of the related internal or external control mechanisms.

Knight Vinke’s Investment Committee is responsible for all aspects of the investment process, including ESG analysis and monitoring of the attainment of the sustainable investment objective.

METHODOLOGIES

Description of methodologies used to measure the attainment of the sustainable investment objective and how the sustainability indicators to measure the attainment of that sustainable investment objective are used.

The Manager’s investment team conducts ESG analysis for prospective portfolio companies for the Fund as part of the initial due diligence review and on a periodic basis following the investment and documents

the ESG considerations considered for the portfolio companies. ESG analysis is reviewed and approved by the Manager's Investment Committee.

The Fund reports against its objective at least on an annual basis; a number of portfolio company and Fund level sustainability indicators are collected and/or calculated and made available to the business by the investment team.

DATA SOURCES AND PROCESSING

(a) Description of the data sources used to attain the sustainable investment objective of the financial product.

To carry out its assessment, the Manager relies on its in-house Investments team. Assessments are mainly based on internal review of public documents published by issuers and data from other sources of information such as Bloomberg platform, sell-side financial analysts and news databases.

(b) Description of the measures taken to ensure data quality.

The Manager scrutinises the data quality of each provider during due diligence assessment, typically through evaluation of the issuer relative performance on the different metrics in relation to other comparable companies in the sector.

(c) Description of how data are processed.

As described above, the data used partly derives from external data providers (such as Bloomberg) that provide raw data on issuer level. We seek to obtain as much and the most granular company data possible.

The external data received may be enriched with additional external data sets and complemented by manual collection of data published by issuers.

Data is then analysed as part of the Manager's ESG analysis to assess the prospective investments alignment with the Fund's criteria for the sustainable investments.

(d) Description of the proportion of data that are estimated.

Whilst we prioritise reported data over estimated data, the Manager will conduct further due diligence and qualitatively assess the company's activity in case of lack of reported data. Due to the variety of quantitative and qualitative metrics, the Manager is currently not able to calculate and provide the proportion of estimated data.

LIMITATIONS TO METHODOLOGIES AND DATA

(a) Description of limitations to the methodologies and the data sources.

The primary limitation to the methodology or data source is the lack of corporate disclosure, in particular in relation to the principal adverse impact indicators beyond carbon emissions.

(b) Description on why such limitations do not affect the attainment of the sustainable investment objective.

The Manager can obtain from companies reporting or calculate the data needed (revenue from sustainable activities and capex to sustainable activities) to assess the alignment of the prospective portfolio companies with the Fund's criteria for sustainable investment.

With regards to the DNSH principle, in case of lack of data, the Manager will conduct further due diligence and qualitatively assess the company's activity to ensure that it does not significantly harm any sustainable objective.

DUE DILIGENCE

Description of the due diligence carried out on the underlying assets of the financial product, including the internal and external controls on that due diligence.

All new investments are subject to due diligence and an approval process. Key elements for the value creation and sustainability plan and engagement strategy are developed during the due diligence process, prior to making an investment.

As part of due diligence, the Manager undertakes extensive forensic analysis relating to portfolio companies, which substantially increases the effectiveness of its multi-stakeholder approach to corporate engagement. This analysis includes the following:

- Review of consolidated financial statements that are made available to the public on a regular basis, of segmental accounts that are included in the notes, and of strategy presentations and other information occasionally published by management, and
- Retrieving and review of the accounts (for up to 10 years) of all material subsidiaries and then reconstructing the consolidated financial statements from the bottom up. This is not a trivial task as some companies in the energy and utilities sectors have several thousand subsidiaries (often one subsidiary for each power plant or key asset).

The Manager's due diligence process is iterative, with valuations updated and the strategy and engagement approach revalidated as frequently and as thoroughly as required in light of new information or ongoing analysis.

Knight Vinke's Investment Committee is responsible for all aspects of the investment process, including due diligence.

ENGAGEMENT POLICIES

Description of the engagement policies implemented where engagement is part of the sustainable investment objective, including any management procedures applicable to sustainability-related controversies in investee companies.

The Manager will engage with and foster positive change in portfolio companies to accelerate the Energy Transition.

Key elements of the engagement strategy are developed for each prospective investment during the due diligence process, prior to making an investment.

The Manager applies a consensual multi-stakeholder approach which recognises that many stakeholders can be more influential than any group of minority shareholders. The Manager seeks to build a consensus amongst key stakeholders, often including government, regulators, unions, the financial press, rating agencies, public opinion, etc. with the aim of guiding the portfolio companies towards acceleration of Energy Transition investments. Large part of the interaction with key stakeholders takes place confidentially.

The Manager believes that working closely with the largest companies in this sector and building the broadest possible stakeholder consensus for change represents one of the few investment strategies that can truly “move the dial” for Energy Transition.

ATTAINMENT OF THE SUSTAINABLE INVESTMENT OBJECTIVE

Description of how an index designated as reference benchmark is aligned with the sustainable investment objective of the financial product.

The Fund has not designated a reference benchmark for the purpose of attaining its sustainable investment objective.