

## SFDR Prospectus

Classification: minimum requirements

Description of how sustainability risks are considered in investment process:

### Screening:

During screening phase, according to its Fund's exclusion criteria, Xenon doesn't take into consideration companies that have: (i) contributed to systematic denial of basic human rights; (ii) demonstrate a pattern of non-compliance with environmental regulations; (iii) show a pattern of engaging in child labour or forced labour; (iv) produce weapons; or (v) are directly related to adult entertainment, tobacco, and gambling.

Prior to making any investment, Xenon assesses the sustainability of each company and documents any material findings in its investment papers. During the due diligence process, Xenon reviews potential investments for both ESG related risks and opportunities. Xenon will review any issues and potential remedies in detail during Team meetings and will always involve external specialists where necessary.

### Investment:

Xenon incorporates ESG consideration in the valuation of a potential acquisition. Prior to making any investment, Xenon assesses the sustainability of each company and documents any material findings in its investment papers. During the due diligence process, Xenon reviews potential investments for both ESG related risks and opportunities. Xenon will review any issues and potential remedies in detail during Team meetings and will always involve external specialists where necessary.

### Deal Structuring:

During deal structuring Xenon work to ensure it operates from a strong sustainable platform to help maximise the success of the investment. Xenon has identified a set of standards that all portfolio companies are expected to consistently meet. These standards range from reporting and financial controls to environmental matters, work-place safety, employee welfare, and governance.

In cases where material ESG issues are considered during the due diligence process, Xenon will seek to document, for internal use, the issues considered, findings, and next steps, if any, and subject to Xenon's determination of what is reasonable and appropriate for each investment, Xenon will work with portfolio company management to support the development of a corrective action plan.

The vast majority of Xenon deals implies controlling ownership; in case of a minority stake Xenon will try not to change this approach.