

Mercer Private Investment Partners VII SICAV-SIF – Sub-Fund Credit Opportunities (the "Sub-Fund")

Disclosure of product information for financial products targeting environmental or social characteristics (Art. 8) on the website in accordance with Regulation (EU) 2019/2088 on sustainability-related disclosure requirements in the financial services sector

<p>I. No sustainable investment objective</p> <p>The financial product promotes environmental or social (E/S) characteristics but does not aim at sustainable investments. The financial product considers “principal adverse impacts“ (PAI) on sustainability factors.</p>
<p>II. Environmental or social characteristics of the financial product</p> <p>The Sub-Fund promotes E/S characteristics by predominantly investing in target funds (primaries, secondaries) and co-investments (the “Investments”) with a view to mitigating ESG risks that can result in credit deterioration. The Sub-Fund intends to contribute to the limitation of adverse impacts on the climate and associated environmental challenges and to a more inclusive and equitable society. The ESG investment strategy of the Sub-Fund will focus on Investments that are ESG risk aware selected based on a rigorous investment due diligence process, supported by a proprietary screening process, combined with the exclusion of activities that are considered as harmful from an ESG perspective. The Sub-Fund seeks to achieve a diversified portfolio of assets across different sub-sectors/strategies of the opportunistic and/or special situations Investments. The Sub-Fund is not considering the EU criteria for environmentally sustainable economic activities as defined under the EU Taxonomy Regulation in its investment decisions.</p>
<p>III. Investment strategy</p> <p>The Sub-Fund is investing directly or indirectly in opportunistic and/or special situations Investments that are tied to the market dislocation caused by inflation, rising interest rates and overall market volatility.</p> <p>The ESG investment strategy of the Sub-Fund is considering the following elements:</p> <ul style="list-style-type: none"> i. exclusions screening; ii. dedicated due diligence of the GP/lead-investor with respect to their ESG policies, capabilities and processes; and iii. analysis of the classification and disclosure of the Investment according to the Sustainable Finance Disclosure Regulation (“SFDR”) or equivalent standards.
<p>IV. Proportion of investments</p> <p>The Sub-Fund's investment strategy will be realized indirectly, either via target funds or co-investments. The Sub-Fund aims to primarily create an opportunistic and/or special situations focused portfolio of Investments, that is well diversified across different sectors and sub-sectors. The planned asset allocation with respect to the split between “#1 aligned with E/S characteristics” and “#2 other” may not be complied with during a transitional period of four years. The planned asset allocation remains applicable until the Sub-Fund begins realizing its assets.</p> <p>#1 aligned with E/S characteristics: min. 51%</p> <p># 2 other: up to 49%</p>
<p>V. Monitoring of environmental or social characteristics</p> <p>Investments that contribute to the achievement of the promoted environmental and social characteristics are periodically reviewed for alignment with the binding elements detailed in section “Investment Strategy”. The review is based on information provided by the target fund manager/lead-investor. As part of an internal process, the Sub-Fund manager ensures a four-eye check for each investment in the context of selection and monitoring. With regard to external controls, the Sub-Fund will monitor evolving best practices periodically and realign its positioning regarding external controls accordingly.</p>
<p>VI. Methodologies for environmental or social characteristics</p> <p>The Sub-Fund seeks to attain the promoted characteristics by focusing on the following binding elements:</p> <p>Exclusions screening</p> <p>The Sub-Fund has defined exclusions with respect to different sectoral activities and behaviours/activities for the Sub-Fund’s assets contributing to the promoted E/S characteristics – please see the list in the full website disclosures</p> <p>https://investment-solutions.mercer.com/global/all/en/investment-solutions-home/responsible-investment-private-markets.html</p>

GP/Lead-Investor Due Diligence

Mercer has developed a proprietary framework to classify GPs and strategies on their approach to ESG, which not only enables us to understand how our underlying managers are performing in terms of ESG but also to identify areas to monitor more closely going forward and in which to engage with the managers. The scores represent Mercer's assessment of the degree to which ESG factors are incorporated within a GP's investment philosophy.

Disclosure assessment

Further the following elements are assessed during the investment due diligence:

- i. the classification of the Investment under the SFDR or equivalent disclosure standards (where available);
- ii. the contribution of the Investment to the promoted E/S characteristics measured by the relevant sustainability indicators (see above).

VII. Data sources and processing

The Sub-Fund qualifies as a fund of fund structure that invests in unlisted investments where no, or respectively very limited, information about the underlying investments is publicly available. The data sources used by the Sub-Fund to achieve the E/S characteristics promoted are based on information and documentation provided by the respective target fund manager/lead-investor as part of the due diligence and ongoing monitoring. The data collection for the Investments is initiated on a periodic basis. The required data is based on the Sub-Fund's regulatory commitments and communicated to the target fund managers / lead-investors during the initial due diligence as well as in case of any material changes. The Sub-Fund will reassess periodically the proportion of data that is estimated, usually in line with the annual reporting process of the Sub-Fund.

VIII. Limitations to methodologies and data

The data sources are in principle limited regarding primary target fund investments during the initial due diligence as the assessment cannot be made with respect to existing investments but is focused on the processes of the target fund manager, and the disclosure of the target fund in addition to side letter representations. Further, the data received by the Sub-Fund is in principle provided by the target fund manager/lead-investor based on information obtained directly from the underlying investments. The completeness, accuracy and consistency of the obtained data may face certain limitations which is addressed in the periodic data management process assessment of the target fund manager/lead-investor.

The Sub-Fund does not expect these limitations to materially affect the attainment of the ESG investment allocation (see section "Proportion of Investments"). The Sub-Fund will periodically reassess relevant limitations and their impact on the attainment of the E/S characteristics promoted.

IX. Due Diligence

The Sub-Fund has, besides the usual business and legal due diligence process, established a dedicated ESG due diligence process per Investment: As a first step for every Investment the compliance with the exclusion policy of the Sub-Fund is assessed. Further the SFDR product classification of the Investment – if available – is considered. Dependent on the results of the first and second step, the Investment is subject to a dedicated ESG Due Diligence at the level of the target fund manager/lead-investor as well as the level of the Investment (fund, Co-Investment).

X. Engagement policies

Engagement is not part of the E/S investment strategy of this Sub-Fund

XI. Designated reference benchmark

No index has been designated as a reference benchmark to meet the E/S characteristics.