

**Mercer Private Investment Partners VII SICAV-SIF –
Sub-Fund SPD GERMANY (the "Sub-Fund")**

**Sustainability-related disclosures required for Article 8 financial products Regulation
(EU) 2019/2088 on sustainability-related disclosures in the financial services sector**

Preamble

The Sub-Fund promotes social and environmental characteristics by predominantly investing in target funds (primaries, secondaries) and co-investments with a view to **mitigating environmental, social and governance 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**. Given the nature of the strategy, focussed on debt investments, the Sub-Fund may opportunistically support further evolving and relevant opportunities for underlying senior private debt asset managers to engage with portfolio companies and their sponsors on ESG. For example, through the use and structuring of margin ratchets linked to ESG related performance indicators.

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 senior private debt universe.

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Sub-Fund.

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.

Sustainable Finance Disclosure Regulation Level 2 – Website Disclosure PIP VII – SPD GERMANY

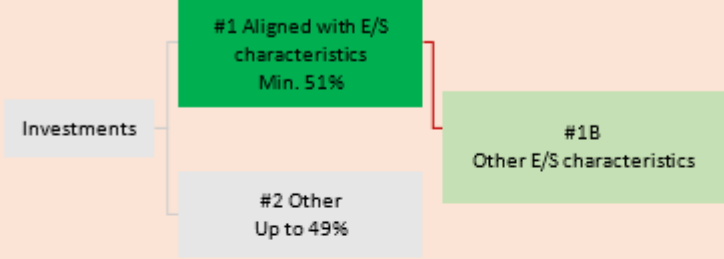
Section	Regulatory Requirements	Disclosure draft
Summary Article 25 – SFDR L2	<p>In the website section ‘Summary’ referred to in Article 24, point (a), financial market participants shall summarise all the information contained in the different sections referred to in that Article about the financial products that promote environmental or social characteristics. The summary section shall have a maximum length of two sides of A4-sized paper when printed.</p>	<p><i>Note:</i></p> <p><i>Please refer to the dedicated summary document for more information.</i></p>
	<p>The website section ‘Summary’ referred to in Article 24, point (a), shall be provided in at least the following languages:</p> <p>(a) one of the official languages of the home Member State and, where different and where the financial product is made available in more than one Member State, in an additional language customary in the sphere of international finance;</p> <p>(b) where the financial product is made available in a host Member State, one of the official languages of that host Member State.</p>	
No sustainable investment objective	<p>In the website section ‘No sustainable investment objective’ referred to in Article 24, point (b), financial market participants shall insert the following statement: “This financial product promotes environmental or social characteristics, but does not have as its objective sustainable investment.”</p>	<p>This financial product promotes environmental or social characteristics but does not have as its objective sustainable investment.</p>

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Article 26 – SFDR L2	<p>Where the financial product commits to making one or more sustainable investments, financial market participants shall in the website section ‘No sustainable investment objective’ referred to in Article 24, point (b), explain how the sustainable investment does not significantly harm any of the sustainable investment objectives, including all of the following:</p>	<p>The Sub-Fund has no sustainable investment objective and does not intend to make sustainable investments. Therefore, this section is not applicable.</p>
	<ul style="list-style-type: none"> ▪ how the indicators for adverse impacts in Table 1 of Annex I, and any relevant indicators in Tables 2 and 3 of that Annex I, are taken into account; 	
	<ul style="list-style-type: none"> ▪ whether the sustainable investment is 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. 	
Environmental or social characteristics of the financial product Article 27 – SFDR L2	<p>In the website section ‘Environmental or social characteristics of the financial product’ referred to in Article 24, point (c), financial market participants shall describe the environmental or social characteristics that the financial products promotes.</p>	<p>The Sub-Fund promotes social and environmental characteristics by predominantly investing in target funds (primaries, secondaries) and co-investments (the “Investments”) with a view to mitigating environmental, social and governance risks that can result in credit deterioration.</p> <p>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. Given the nature of the strategy, focussed on debt investments, the Sub-Fund may opportunistically support further evolving and relevant opportunities for underlying senior private debt asset managers to engage with portfolio companies and their sponsors on ESG. For example,</p>

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		through the use and structuring of margin ratchets linked to ESG related performance indicators.
Investment strategy Article 28 – SFDR L2	<p>In the website section ‘Investment strategy’ referred to in Article 24, point (d), financial market participants shall describe all of the following:</p> <ul style="list-style-type: none"> ▪ the investment strategy used to meet the environmental or social characteristics promoted by the financial product; 	<p>The Sub-Fund is investing directly or indirectly in senior private debt Limited Partnerships, commingled funds and other similar investment vehicles, mainly including (i) senior debt and unitranche debt investments (including corporate debt, structured credit, specialty finance, as well as real estate debt, infrastructure debt, and other asset-backed debt instruments, amongst others), and (ii) subordinated debt instruments, while reducing the risks through diversification.</p> <p>The ESG investment strategy of the Sub-Fund is based on the following elements:</p> <ul style="list-style-type: none"> (i) exclusions screening <p>The Sub-Fund has defined exclusions with respect to the following sectoral activities and behaviours/activities for the Sub–Fund’s assets, contributing to the promoted environmental and social characteristics:</p> <ol style="list-style-type: none"> 1. Any investment which has been found in severe and systematic violation of the UN Global Compact, unless effective remediation actions are already in place. 2. Any direct investment related to the exploration, extraction and refining of (solid, liquid and gaseous) fossil fuels including unconventional

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		<p>sources such as oil sands, and hydraulic fracking representing more than 10% of the turnover of a company.</p> <ol style="list-style-type: none"> 3. Any direct investment related to the energy generation from thermal coal, oil and conventional nuclear representing more than 10% of the turnover of a company, unless there is a formalized plan at entry from the relevant target fund manager/lead-investor to manage (e.g. divest, rehabilitate, transition) such investments with the objective to abate thermal coal, oil and conventional nuclear energy generation within a five-year period following acquisition. The Sub-Fund will not finance new development projects for energy generation based on thermal coal or oil. 4. Any investment that derives direct revenues from controversial weapons, pornography and “adult entertainment”, or research with embryonic stem cells. 5. Production and sale of armaments representing more than 10% of the turnover of a company. <p>(ii) dedicated due diligence of the target fund manager/lead-investor with respect to their ESG capabilities and processes</p> <p>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.</p> <p>(iii) analysis of the classification and disclosure of the Investment according to the Sustainable Finance Disclosure Regulation (“SFDR”) or equivalent standards</p>

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		<p>Further the following elements are assessed during the investment due diligence:</p> <ul style="list-style-type: none"> ▪ the classification of the Investment under the SFDR or equivalent disclosure standards (where available); ▪ the contribution of the Investment to the promoted environmental and/or social characteristics measured by the relevant sustainability indicators (see above). <p>Investments contributing to the attainment of the promoted environmental and/or social characteristics are required to pass the good governance requirements detailed below.</p>
	<ul style="list-style-type: none"> ▪ 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. 	<p>The Sub-Fund's investment strategy will be realized indirectly, either via target funds or co-investments. The Sub-Fund's management is assessing the good governance practices deployed by the target fund managers or lead investors with respect to the underlying investment (structure), i.e. on a process basis. With respect to co-investments the Sub-Fund's management is considering the good governance requirements based on information provided by the lead investor for the specific underlying asset. Mercer is ensuring during the due diligence process to comply with required legal standards and market practice.</p>
<p>Proportion of investments</p> <p>Article 29 – SFDR L2</p>	<p>In the website section 'Proportion of investments' referred to in Article 24, point (e), financial market participants shall insert the information referred to in Article 14 and shall distinguish between direct exposures in investee entities and all other types of exposures to those entities.</p>	<p>The Sub-Fund aims to primarily create a senior private debt portfolio consisting of Limited Partnerships, commingled funds and other similar investment vehicles, that is well diversified across different sectors and sub-sectors. At least 51% of the Sub-Fund's underlying primary fund, secondary fund and co-investment commitments will be aligned with E/S characteristics (# 1) (based on commitments made at the end of the Sub-Fund's investment period).</p>

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		<p>Investments that fall into the category #2 ("Other") refers to Investments that are not expected to promote environmental and/or social characteristics, as well as ancillary assets such as cash and other balance sheet items. There are no minimum environmental or social safeguards defined for category #2 Other.</p> <p>The planned asset allocation with respect to the split between #1 Aligned with E/S characteristics and #2 Other (see below) 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> <div data-bbox="1115 675 2069 1209" style="border: 1px solid black; padding: 10px; background-color: #f9f9f9;">  <pre> graph LR Investments --> N1["#1 Aligned with E/S characteristics Min. 51%"] Investments --> N2["#2 Other Up to 49%"] N1 --> N1B["#1B Other E/S characteristics"] </pre> <p>#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.</p> <p>#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.</p> </div>
Monitoring of environmental	In the website section 'Monitoring of environmental or social characteristics' referred to in Article 24, point (f), financial market participants shall describe how the	Investments that contribute to the achievement of the promoted environmental and social characteristics according to the section " <i>Proportion of Investments</i> " are periodically reviewed for alignment with the binding elements detailed in

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<p>or social characteristics</p> <p>Article 30 – SFDR L2</p>	<p>environmental or social characteristics promoted by the financial product and the sustainability indicators used to measure the attainment of each of those environmental or social characteristics promoted by the financial product are monitored throughout the lifecycle of the financial product and the related internal or external control mechanisms.</p>	<p>section “<i>Investment Strategy</i>”. The review is based on information provided by the target fund manager/lead-investor (e.g. ESG reporting, side letter confirmations, process documentation). The periodic ESG reporting per investment represents an essential basis for assessment. 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. This allows the consistent monitoring of compliance with the binding elements as well as the “<i>Proportion of Investments</i>”.</p> <p>Regarding external controls, the Sub-Fund will monitor evolving best practices periodically and realign its positioning regarding external controls accordingly.</p>
<p>Methodologies for environmental or social characteristics</p> <p>Article 31 – SFDR L2</p>	<p>In the website section ‘Methodologies for environmental or social characteristics’ referred to in Article 24, point (g), financial market participants shall describe the methodologies to measure how the social or environmental characteristics promoted by the financial product are met.</p>	<p>The Sub-Fund is focusing on the GP/Lead-Investor due diligence assessment results in combination with the results of the disclosure assessment of the Investments to promote the environmental and/or social risk-aware characteristics of the Sub-Fund to the characteristics of the Investments.</p> <p>The environmental and/or social characteristics focus with respect to the sustainability indicators underlying the GP/Lead-Investor due diligence may differ within the limits of the investment objective from Investment to Investment.</p> <p>The Sub-Fund is deriving a dedicated Mercer ESG due diligence score based on the assessment of the target fund manager/lead-investor as well as the disclosure of the underlying investment which is used as a binding element for the selection of investments as well as reporting purposes.</p>
<p>Data sources and processing</p>	<p>In the website section ‘Data sources and processing’ referred to in Article 24, point (h), financial market participants shall describe all of the following:</p>	

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Article 32 – SFDR L2	<ul style="list-style-type: none"> ▪ the data sources used to attain each of the environmental or social characteristics promoted by the financial product; 	<p>The Sub-Fund qualifies as a fund of fund structure that invests in unlisted investments (target fund investments as well as co-investments) where no, or respectively very limited, information about the underlying investments is publicly available.</p> <p>The data sources used by the Sub-Fund to achieve the environmental and social 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. As far as possible, the fund will assess and scrutinize the information received, taking into account existing information.</p>
	<ul style="list-style-type: none"> ▪ the measures taken to ensure data quality; 	<p>The Sub-Fund is striving to implement a data quality process that considers relevant dimensions with respect to data received from the target fund manager/lead-investor.</p> <p>Data received will be stored in a relevant ESG database where best in class data governance requirements are considered.</p>
	<ul style="list-style-type: none"> ▪ how data are processed; 	<p>The data collection for the Investments is initiated on a periodic basis (at least annually for the financial year-end). 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 underlying processes of the target fund manager/lead-investor relevant for data management are assessed on a periodic basis with respect to different considerations (e.g. accuracy, consistency). Received data is critically assessed as relevant based on the results of the periodic process assessment to allow for processing and inclusion for relevant reporting and fund management requirements.</p>

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	<ul style="list-style-type: none"> ▪ the proportion of data that are estimated. 	<p>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.</p> <p>Please refer to limitations of methodologies and data for further reference.</p>
<p>Limitations to methodologies and data</p> <p>Article 33 – SFDR L2</p>	<p>In the website section 'Limitations to methodologies and data' referred to in Article 24, point (i), financial market participants shall describe all of the following:</p>	
	<ul style="list-style-type: none"> ▪ any limitations to the methodologies referred to in Article 24, point (g), and to the data sources referred to in Article 24, point (h); 	<p>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 ("blind pool risk") but is focused on the processes of the target fund manager, and the disclosure of the target fund in addition to side letter representations.</p> <p>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.</p> <p>Methodologically, no material limitations are expected.</p>
	<ul style="list-style-type: none"> ▪ how such limitations do not affect how the environmental or social characteristics promoted by the financial product are met. 	<p>The Sub-Fund does not expect these limitations to materially affect the attainment of the ESG investment allocation (see section "Proportion of Investments") or the promoted environmental and social characteristics as dedicated processes, as detailed above, are established to ensure the Sub-Fund's alignment with the binding elements (see section "Methodology") for the committed ESG investment allocation.</p>

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		<p>The Sub-Fund will periodically reassess relevant limitations and their impact on the attainment of the environmental and social characteristics promoted.</p>										
<p>Due Diligence</p> <p>Article 34 – SFDR L2</p>	<p>In the website section ‘Due diligence’ referred to in Article 24, point (j), financial market participants shall describe the due diligence carried out on the underlying assets of the financial product, including the internal and external controls on that due diligence.</p>	<p>The Sub-Fund has, besides the usual business and legal due diligence process, established a dedicated ESG due diligence process per Investment:</p> <p>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).</p> <p>The Sub-Fund is considering within the due diligence the following topics:</p> <table border="1" data-bbox="1115 911 2069 1342"> <thead> <tr> <th data-bbox="1115 911 1592 1007">GP/Lead-investor ESG considerations</th> <th data-bbox="1592 911 2069 1007">Fund/Co-investment ESG considerations</th> </tr> </thead> <tbody> <tr> <td data-bbox="1115 1007 1592 1099">Overall ESG Governance, Track Record and Capabilities</td> <td data-bbox="1592 1007 2069 1099">Exclusion strategy and positive screening</td> </tr> <tr> <td data-bbox="1115 1099 1592 1192">ESG standards, industry associations, reporting framework</td> <td data-bbox="1592 1099 2069 1192">Investment process alignment – consideration of sustainability risks</td> </tr> <tr> <td data-bbox="1115 1192 1592 1284">Sustainability at the Firm level</td> <td data-bbox="1592 1192 2069 1284">Investment process alignment – consideration of climate risks</td> </tr> <tr> <td data-bbox="1115 1284 1592 1342">Diversity at the Firm level</td> <td data-bbox="1592 1284 2069 1342">ESG resources</td> </tr> </tbody> </table>	GP/Lead-investor ESG considerations	Fund/Co-investment ESG considerations	Overall ESG Governance, Track Record and Capabilities	Exclusion strategy and positive screening	ESG standards, industry associations, reporting framework	Investment process alignment – consideration of sustainability risks	Sustainability at the Firm level	Investment process alignment – consideration of climate risks	Diversity at the Firm level	ESG resources
GP/Lead-investor ESG considerations	Fund/Co-investment ESG considerations											
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Diversity at the Firm level	ESG resources											

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		Firmwide ESG Report	ESG engagement and monitoring
			ESG LP reporting
<p>Engagement policies</p> <p>Article 35 – SFDR L2</p>	<p>In the website section ‘Engagement policies’ referred to in Article 24, point (k), financial market participants shall describe the engagement policies implemented where engagement is part of the environmental or social investment strategy, including any management procedures applicable to sustainability-related controversies in investee companies.</p>	<p>Engagement is not part of the environmental or social investment strategy of this Sub-Fund.</p>	
<p>Designated reference benchmark – Optional</p> <p>Article 36 – SFDR L2</p>	<p>In the website section ‘Designated reference benchmark’ referred to in Article 24, point (l), financial market participants shall describe whether an index has been designated as a reference benchmark to meet the environmental or social characteristics promoted by the financial product, and how that index is aligned with the environmental or social characteristics promoted by the financial product, including the input data, the methodologies used to select those data, the rebalancing methodologies and how the index is calculated.</p>	<p>No index has been designated as a reference benchmark to meet the environmental or social characteristics promoted by the financial product.</p>	

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	Where part or all of the information referred to in paragraph 1 is published on the website of the administrator of the reference benchmark, a hyperlink shall be provided to that information.	