

Mercer Private Markets S.A. SICAV – UCI Part II – Mercer Semi Liquid Private Debt Fund (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/or environmental characteristics by investing in Underlying Funds and /or Co-Investments in the private debt universe, 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/or to a more inclusive and equitable society and/or to improved living standards by focusing on Underlying Funds and Co-Investments that are ESG risk aware. Underlying funds and Co-Investments are selected based on a systematic investment due diligence process that is based on a proprietary ESG analysis at both Underlying Investment Manager/GP/Lead Investor level and investment level and complemented with exclusions regarding certain activities and behaviours which are harmful to society in the opinion of the Portfolio Manager.

Given the nature of the strategy, focussed on private debt investments, the Sub-Fund may opportunistically support further evolving and relevant opportunities for underlying private debt asset managers to engage with portfolio companies and their sponsors on ESG.

The Sub-Fund seeks to achieve a diversified portfolio of assets across different sub-sectors/strategies of the private debt universe.

Sustainable Finance Disclosure Regulation Level 2 – Website Disclosure – Mercer Private Markets S.A. SICAV – UCI Part II – Mercer Semi Liquid Private Debt Fund (“the Sub-Fund”)

Section	Regulatory Requirements	Disclosure draft
Summary Article 25 – SFDR L2	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.	<i>Note:</i> Please refer to the dedicated summary document for more information.
	The website section ‘Summary’ referred to in Article 24, point (a), shall be provided in at least the following languages: (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; (b) where the financial product is made available in a host Member State, one of the official languages of that host Member State.	
No sustainable investment objective Article 26 – SFDR L2	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.”	This financial product promotes environmental and/or social characteristics but does not have as its objective sustainable investment.
	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:	The Sub-Fund has no sustainable investment objective and does not intend to make sustainable investments; therefore this section is not applicable.
	<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	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.	The Sub-Fund promotes social and/or environmental characteristics by investing in Underlying Funds and/or Co-Investments in the private debt universe, 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/or to a more inclusive and equitable society and/or to improved living standards by focusing on Underlying Funds and Co-Investments that are ESG risk aware. Underlying Funds and Co-Investments are selected based on a systematic investment due diligence process that is based on a proprietary ESG analysis at both Underlying Investment Manager/GP/Lead Investor level and investment level and complemented with exclusions regarding certain activities and behaviours which are harmful to society in the opinion of the Portfolio Manager.
Investment strategy	In the website section ‘Investment strategy’ referred to in Article 24, point (d), financial market participants shall describe all of the following:	
	<ul style="list-style-type: none"> the investment strategy used to meet the environmental or social characteristics promoted by the financial product; 	To achieve its objective, the Sub-Fund will invest in Underlying Funds and Co-Investments and in doing so achieve broad exposure to private debt strategies including some or all of, but not limited to direct lending, specialty finance, asset-based

Section	Regulatory Requirements	Disclosure draft
Article 28 – SFDR L2		<p>finance, structured credit and opportunistic credit. The Sub-Fund may maintain an allocation to shorter duration and/or liquid assets for liquidity management purposes.</p> <p>The ESG investment strategy of the Sub-Fund is considering the following elements:</p> <ul style="list-style-type: none"> (i) exclusion screening; (ii) dedicated due diligence of the Underlying Investment Manager/GP/Lead Investor with respect to their ESG policies and capabilities; and (iii) ESG assessment at Underlying Fund and Co-Investment level. <p>Further information on the investment strategy of the Sub-Fund can be found in the investment strategy section of the Issue Document.</p> <p>The Sub-Fund seeks to attain the promoted environmental and social characteristics by focusing on the following binding elements:</p> <p>Exclusions screening</p> <p>The Sub-Fund has defined exclusions with respect to the following sectoral activities and behaviours/activities for the Sub-Fund's investments contributing to the promoted environmental and/or social characteristics.</p> <ol style="list-style-type: none"> 1. Any direct investment which has been found in severe, systematic and ongoing violation of the principles of the UN Global Compact, the UN Guiding Principles or similarly robust equivalent principles concerning human rights, labour, environment, and anti-corruption, unless the Portfolio Manager can provide a clear plan for effectively addressing and rectifying these violations. 2. Any direct investment in a company that derives direct revenues from controversial weapons. Controversial weapons include cluster munitions, anti-personnel landmines, biological, chemical or nuclear weapons and depleted uranium ammunition/armour. 3. Any direct investment in a company that generates direct revenue from the production of tobacco products, and any direct investment in a company that generates more than 50% of revenue from the distribution of tobacco products. 4. Any direct investment in thermal coal extraction, arctic drilling and oil tar sands mining representing more than 10% of the turnover of the company. 5. Any direct investment in new projects related to the energy generation from thermal coal, oil and conventional nuclear representing more than 10% of the turnover of the company. <p>Underlying Investment Manager/GP/Lead Investor Due Diligence</p> <p>Mercer has developed a proprietary scoring framework to classify Underlying Investment Managers/GP/Lead Investor and strategies on their approach to ESG, which not only enables the team to understand how underlying managers are performing in terms of ESG but also to identify areas to monitor more closely going forward. On the Underlying Investment Manager/GP/Lead Investor level, the score represents Mercer's assessment of the degree to which ESG factors are incorporated within an Investment Manager's corporate culture.</p> <p>ESG assessment at investment level</p> <p>The Underlying Investment Manager due diligence is complemented by an ESG assessment at the Underlying Fund/Co-Investment level, which focuses on the degree of ESG integration within the investment strategy.</p> <p>To be considered as being aligned with E/S characteristics, the following minimum score is required:</p> <ul style="list-style-type: none"> • They score a minimum of two (out of four) on both the Underlying Manager/GP/Lead Investor Assessment and the Underlying Fund/Co-Investment Assessment; or • They score at least a three (out of four) in one of either the Underlying Manager/GP/Lead Investor Assessment or the Underlying Fund/Co-Investment Assessment <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> <p>The Sub-Fund allows for subscriptions and redemptions during the year. The Portfolio Manager will assess the alignment of the investments contributing to the promoted environmental and/or social characteristics, before the first investment and at a</p>

Section	Regulatory Requirements	Disclosure draft
	<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>minimum on an annual basis in line with other reporting requirements. In case the Portfolio Manager notices throughout the holding period that an investment is not (fully) aligned anymore with the exclusion policy, the Portfolio Manager will engage with the Underlying Investment Manager/GP/Lead Investor of the Underlying Fund/Co-Investment to assess the situation.</p> <p>The Sub-Fund's investment strategy will be realized indirectly, either, via Underlying Funds and/or Co-Investments. The Sub-Fund's management is assessing the good governance practices deployed by the Underlying Investment Managers/GP/Lead Investor with respect to the underlying investment (structure), i.e. on a process basis. With respect to single asset deals, the Sub-Fund's Portfolio Manager is considering the good governance requirements based on information provided by the Lead-Investor for the specific underlying asset/portfolio company.</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 create a private debt portfolio consisting of Underlying Funds and Co-Investments, that is well diversified across different sectors and sub-sectors.</p> <p>At least 51% of the Sub-Fund's commitments will be targeted on Investments that are aligned with E/S characteristics (# 1)</p> <p>Investments that fall into the category #2 ("Other") refers to Underlying Funds and Co-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. For the avoidance of doubt, those investments that are not expected to promote environmental and/or social characteristics are not subject to exclusion screening and/or have not met the minimum score on the Underlying Fund/Co-Investment assessment and manager assessment.</p> <p>The Sub-Fund may maintain an allocation to shorter duration and/or liquid assets for liquidity management purposes.</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 adhered to during the Ramp-Up Period and the divestment period. Considering the semi-liquid nature of the Sub-Fund, the planned asset allocation may be temporarily not adhered to due to subscriptions and redemptions.</p> <div data-bbox="1374 1161 2783 1661"> <pre> graph LR Investments[Investments] --- Branch(()) Branch --- #1["#1 Aligned with E/S characteristics Min. 51%"] Branch --- #2["#2 Other"] </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>
<p>Monitoring of environmental or social characteristics</p>	<p>In the website section 'Monitoring of environmental or social characteristics' referred to in Article 24, point (f), financial market participants shall describe how the environmental or social characteristics promoted by the financial product and the sustainability indicators used to measure the attainment of each of</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 <i>"Investment Strategy"</i>. The review is based on information provided by the Underlying Investment Manager/GP/Lead Investor. As part of an internal process, the Portfolio Manager</p>

Section	Regulatory Requirements	Disclosure draft
Article 30 – SFDR L2	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.	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.
Methodologies for environmental or social characteristics Article 31 – SFDR L2	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>The Sub-Fund is is focused on the following sustainability indicators to measure the promotion of environmental or social characteristics:</p> <ul style="list-style-type: none"> alignment with the exclusion screening Underlying Investment Manager/GP/Lead Investor ESG due diligence assessment results ESG assessment results at Underlying Fund/Co-Investment level <p>The environmental and/or social characteristics focus with respect to the sustainability indicators underlying the Underlying Investment Manager/GP/Lead Investor. Due diligence may differ within the limits of the investment objective from investment to investment.</p>
Data sources and processing Article 32 – SFDR L2	<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> <ul style="list-style-type: none"> the data sources used to attain each of the environmental or social characteristics promoted by the financial product; the measures taken to ensure data quality; how data are processed; the proportion of data that are estimated. 	<p>The Sub-Fund qualifies as a fund of fund structure that invests in Underlying Funds and/or Co-Investments in the private debt universe 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 environmental and social characteristics promoted are based on information and documentation provided by the respective Underlying Investment Manager/GP/Lead Investor as part of the due diligence and ongoing monitoring, and such information may not be audited. 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 Underlying Investment Manager/GP/Lead Investor 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.</p> <p>The Sub-Fund is striving to implement a data quality process that considers relevant dimensions with respect to data received from the Underlying Investment Manager/GP/Lead Investor, focusing on completeness and consistency with respect to the required information/data. Data received will be stored in a relevant ESG database where best in class data governance requirements are considered.</p> <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 Underlying Investment Managers/GPs / Lead Investors during the initial due diligence as well as in case of any material changes. The underlying processes of the Underlying Investment Manager/GP/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. Controls are in place for the preparation of the information requested from the Underlying Investment Managers/GPs/Lead Investors as well as for the analysis of the received information and preparation for the relevant reporting.</p> <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. It is not expected that, considering the binding elements of the Sub-Fund, neither for Underlying Funds or Co-Investments that estimates are used in the due diligence phase. Refer to “Limitations of methodologies and data” for further reference.</p>
Limitations to methodologies and data Article 33 – SFDR L2	<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 underlying data is in principle obtained directly from the underlying investments of the respective Underlying Fund/Co-investment provided by the Underlying Investment Manager/GP/Lead Investor and the completeness, consistency and quality of this data may face certain limitations.</p>

Section	Regulatory Requirements	Disclosure draft												
		Methodologically, no material limitations are expected considering the binding elements defined by the Sub-Fund. The Sub-Fund does not expect these limitations to materially affect the attainment of the ESG investment allocation or the promoted environmental and social characteristics and will periodically reassess relevant limitations and their impact on the attainment of the environmental and social characteristics promoted.												
	<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.	The Sub-Fund does not expect that these limitations materially adversely affect the achievement of the ESG investment allocation (see section "Proportion of Investments") and the promoted environmental and social characteristics, as the selection of Underlying Funds and Co-investments is focusing on the ESG investment allocation as well as the delivery of the promoted environmental or social characteristics considering the Underlying Investment Manager/GP's/Lead Investors consideration and management of data.												
Due Diligence Article 34 – SFDR L2	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>The Portfolio Manager has developed a proprietary scoring framework to classify Underlying Investment Managers/GP/Lead Investor and strategies on their approach to ESG, which not only enables the team to understand how underlying managers are performing in terms of ESG but also to identify areas to monitor more closely going forward. On the Underlying Investment Manager/GP/Lead Investor level, the score represents the Portfolio Manager's assessment of the degree to which ESG factors are incorporated within an Investment Manager's corporate culture.</p> <p>The Underlying Investment Manager due diligence is complemented by an ESG assessment at the Underlying Fund/Co-Investment level, which focuses on the degree of ESG integration within the investment strategy.</p> <p>A dedicated process documentation is established that details the internal controls. These include controls to ensure all applicable Sub-Fund guidelines are observed at all times, processes to ensure four-eye checks on proposed transactions, and independent oversight by Risk and Compliance functions as required.</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>The investment is subject to a dedicated ESG Due Diligence at the level of the Underlying Investment Manager/GP/Lead-investor as well as the level of the investment (Underlying Fund/Co-Investment). The Sub-Fund is considering within the due diligence inter alia the following topics (non-exhaustive):</p> <table><tr><th>GP/Lead-investor ESG considerations</th><th>Fund/Co-investment ESG considerations</th></tr><tr><td>Overall ESG Governance, Track Record and Capabilities</td><td>Exclusion strategy and positive screening</td></tr><tr><td>ESG standards, industry associations, reporting framework</td><td>Investment process alignment – consideration of ESG risks and climate risks</td></tr><tr><td>Sustainability at the Firm level</td><td>ESG resources</td></tr><tr><td>Diversity at the Firm level</td><td>ESG LP reporting</td></tr><tr><td>Firmwide ESG Report</td><td>ESG engagement and monitoring</td></tr></table> <p>Further, the Underlying Investment Manager/GP/Lead-investor due diligence is complemented by an ESG assessment at the Underlying Fund or Co-investment level, which focuses on the degree of ESG integration within the investment strategy under consideration. To be considered as being aligned with E/S characteristics, the following minimum score is required as either:</p>	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 ESG risks and climate risks	Sustainability at the Firm level	ESG resources	Diversity at the Firm level	ESG LP reporting	Firmwide ESG Report	ESG engagement and monitoring
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 ESG risks and climate risks													
Sustainability at the Firm level	ESG resources													
Diversity at the Firm level	ESG LP reporting													
Firmwide ESG Report	ESG engagement and monitoring													

Section	Regulatory Requirements	Disclosure draft
		<ul style="list-style-type: none"> ▪ They score a minimum of two (out of four) on both the Underling Investment Manager/GP/Lead-Investor Assessment and the Underlying Funds and/or Co-Investments Level Assessment or ▪ They score at least a three (out of four) in one of either the Underlying Investment Manager/GP/Lead-Investor Assessment or the Underlying Funds or Co-Investments Level Assessment <p>The due diligence process is a layered approach based on dedicated ESG themes and topics that are to be assessed and documented by the Portfolio Manager. During the due diligence process, the Portfolio Manager is in close contact with the Underlying Investment Manager/GP/Lead-investor of the envisaged investment. The Portfolio Manager has established a dedicated process for the preparation and validation of the results of the due diligence.</p> <p>External controls at the level of the Underlying Investment Manager/GP/Lead-investor are a topic that may be considered in the due diligence phase as relevant.</p>
Engagement policies Article 35 – SFDR L2	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.	Engagement is not part of the environmental or social investment strategy of this Sub-Fund.
Designated reference benchmark – Optional Article 36 – SFDR L2	<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>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.</p>	<p>No index has been designated as a reference benchmark</p>