Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Product Name: Catalyst Growth Equity Fund I
Legal Entity Identifier: 254900CAKCMV9GH3A608

Sustainable investment objective

Does this financial product have a sustainable investment objective?

● ● [x] **Yes** ● ● [ ] **No**

[x] It will make a minimum of **sustainable investments with an environmental objective**: 5%

- [ ] in economic activities that qualify as environmentally sustainable under the EU Taxonomy
- [x] in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

[x] It will make a minimum of **sustainable investments with a social objective**: 5%

[ ] It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments

- [ ] with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
- [ ] with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
- [ ] with a social objective

[ ] It promotes E/S characteristics, but **will not make any sustainable investments**

What is the sustainable investment objective of this financial product?

The sustainable investment objective of the Fund is to make investments with the intention to generate positive, measurable social or environmental impact, with a particular focus on accelerating the development of technological solutions, to achieve the following outcomes (Impact Outcomes):

- Planetary Health, which includes but is not limited to adaptation and mitigation of climate change by avoiding and/or reducing greenhouse gases, supporting clean energy, reduction of waste or pollution, supporting sustainable agriculture or biodiversity.
- Human Health, which includes but is not limited to preventing disease, improving healthcare delivery or equipment leading to better patient outcomes, supporting digital healthcare, drug discovery or advancements in mental health solutions.
- Access and Inclusion, which includes but is not limited to enhancing availability of services or products that positively impact people's lives or tackle societal challenges, including by improving access to basic needs such as financial services, clean water, education, and digital access and connectivity.

No reference benchmark has been designated for the purpose of attaining the sustainable investment objective. The Fund's investments are not in EU taxonomy-aligned environmentally sustainable economic activities.

Sustainability indicators measure how the sustainable objectives of this financial product are attained.

What sustainability indicators are used to measure the attainment of the sustainable investment objective of this financial product?

%GAV in Planetary Health
%GAV in Human Health
%GAV in Access and Inclusion
%GAV in B Impact Assets
%GAV in C Impact Assets
%GAV in investments aligned to SDG3 - Good Health and Wellbeing
%GAV in investments aligned to SDG9 - Innovation and Infrastructure
%GAV in investments aligned to SDG10 - Reduced Inequalities
%GAV in investments aligned to SDG11 - Sustainable Cities and Communities
%GAV in investments aligned to SDG12 - Responsible Consumption
Number of people reached including people treated, customers served in target services

Number of people reached in either an under-served market, or of a product designed to cater to under-served individuals/groups
Carbon - Aggregate - Absolute CO2eT Emissions Saved / Avoided
Research & Development Expenditure contributing to the Impact Outcomes

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

- **How do sustainable investments not cause significant harm to any environmental or social sustainable investment objective?**
  Before investment and at least annually during the holding period, a check is performed to validate that sustainable investments exclude economic activities that are deemed to cause harm to people and/or the environment. Further, fourteen mandatory and four optional Principal Adverse Impact (PAI) indicators from the Annex I of EU Commission Delegated Regulation 2022/1288 are considered to establish materiality of the PAI indicator to the potential investment to ascertain that investment does not cause significant harm. Do No Significant Harm test is embedded in the initial due diligence and periodic monitoring process.

  - **How have the indicators for adverse impacts on sustainability factors been taken into account?**
    Assessment of PAI indicators is performed before each investment to determine suitability for the Fund and at least annually during the holding period to inform areas for engagement with the issuers and determine appropriateness of investment classification as sustainable. Where data is available, quantitative assessment is performed. For remainder of PAIs, qualitative analysis is used to evaluate the impact.

  - **How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?**
    Due diligence performed before investment and annually during the holding period includes consideration of alignment with the UN Guiding Principles on Business and Human Rights. If potential investment is assessed to be in breach of the UN Guiding Principles on Business and Human Rights or OECD Guidelines for Multinational Enterprises, it will not be acquired. For existing investments, the Manager will engage with the company.

Does this financial product consider principal adverse impacts on sustainability factors?

☒ Yes, at the product level, the Fund considers principal adverse impacts through assessing and monitoring fourteen mandatory and four optional principal adverse indicators from the Annex I of EU Commission Delegated Regulation 2022/1288. PAI indicators are collected from issuers for each applicable reference period with use of a systematized process and a best effort basis. Adverse impacts are considered for engagement with the issuers.

Corporate mandatory indicators:
1. Greenhouse gas (GHG) emissions
2. Carbon footprint
3. GHG intensity of investee companies
4. Exposure to companies active in the fossil fuel sector
5. Share of non-renewable energy consumption and production
6. Energy consumption intensity per high impact climate sectors
7. Activities negatively affecting biodiversity-sensitive areas
8. Emissions to water
9. Hazardous waste and radioactive waste ratio
10. Violations of UNGC principles and OECD Guidelines for Multinational Enterprises
11. Lack of processes and compliance mechanisms to monitor compliance with UNGC principles and OECD Guidelines for Multinational Enterprises
12. Unadjusted gender pay gap
13. Board gender diversity
14. Exposure to controversial weapons

Corporate voluntary indicators:
Investments in companies without carbon emission reduction initiatives
Investments in companies without workplace accident prevention policies
Lack of human rights policy
Lack of anti-corruption and anti-bribery policies

The information on how principal adverse impacts on sustainability factors were considered will be available in the Annual Report of the Fund.

☐ No

What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The Fund will seek to achieve its Investment Objective by investing in equity and equity-like instruments (including convertible notes and preference shares) of companies (the Portfolio Companies) (each a Portfolio Company Investment).

The Fund will have flexibility to invest in both primary and secondary capital of Portfolio Companies that the Investment Committee believes are aligned to the identified Impact Outcomes. The Fund intends to invest globally and adopts a thematic approach to access and support companies tackling major sustainability challenges, with a particular focus on accelerating the development of technological solutions. The Fund actively seeks to generate intentional, positive impact and aims to establish a proactive role in many of the Portfolio Company Investments.

The Fund does not invest in activities that are considered to be harmful to the society or the environment. The Fund screens out any issuers that are in breach of international standards and/or are operating in sectors deemed not complying with ESG principles.

The Fund has developed a proprietary framework to screen and measure investments for their positive social and environmental impact. The Fund has aligned its Impact Framework with the Global Impact Investing Network (GIIN) definitions. The Fund screens for businesses that deliver intentionality, additionality, materiality and measurability, with theory of change defined for each investment (theory of change articulates the challenge, causes, solution needs and market opportunities to address).

The Fund employs the IMP 5 dimension framework to assess impact in potential investments (What, Who, How Much, Contribution, Risk). Alongside the above framework, the “ABC” of enterprise impact and quantification of

investor contribution forms the latter half of M&G Catalyst's impact analysis framework, referred to as "IMP + ACT". The IMP Framework (IMP) that tests if the potential investment avoids harm (A), benefits people and the planet (B) or contributes to solutions (C). The above-mentioned IMP Framework is coupled with the investor contribution (ACT), where M&G Catalyst identifies the Fund's contribution on a scale of 1 to 4 defined as: 1 – provide flexibility on risk-adjusted returns, 2 – engage actively, 3 – grow new / under supplied capital markets, 4 – combination of engage actively and grow new / under supplied capital markets.

There are three Impact Outcomes against which each Investment is measured – Planetary Health, Human Health and Access and Inclusion. Due to the inherent nature of the Impact Outcomes targeted by the Fund, it is expected that the Fund's investments will also be contributing to a number of the UN Sustainable Development Goals ('SDGs').

- **What are the binding elements of the investment strategy used to select the investments to attain the sustainable investment objective?**

  Each investment is evaluated with use of Fund's Impact Framework which includes the following steps and criteria:

  - Theory of change is developed and assignment is made to one of Fund's three themes to determine fit with the Fund's impact strategy.
  - The impact is assessed with use of the five dimensions of impact (What, Who, How Much, Contribution, Risk), as well as, IMP+ACT Classification System (A, B. C). Intentionality, additionality, materiality and measurability form part of impact analysis. The Fund invests only in assets that demonstrate sufficient degree of impact and meet B or C classification.
  - Assessment to determine whether investment makes a contribution to UN Sustainable Development Goals (SDGs) is conducted with reference to relevant sub-targets.
  - Type of investor contribution is assessed.

  The aggregate of amounts invested by the Fund into Portfolio Companies shall comprise of at least 20% of its Aggregate Fund Commitments to one Impact Outcome objective and at least 20% of its Aggregate Fund Commitments to a second Impact Outcome objective, to form an aggregate exposure of at least 40% to two separate Impact Outcome objectives. This minimum will apply from the end of Investment Period.

  The Fund may not make an Investment in any Portfolio Company which, at the time of making a particular Portfolio Company Investment, is within scope of the following:

  - **Global Norms.** Companies assessed to be in violation of the United Nations Global Compact (UNGC) principles or the Organisation for Economic Cooperation and Development (OECD) Guidelines of Multinational Enterprises. Companies assessed to be in violation mean companies that are found to be in severe, repeated and/or systemic breach of these rules.
  - **Controversial Weapons.** Companies involved in any activities related to controversial weapons (meaning controversial weapons as referred to in international treaties and conventions, United Nations principle and, where applicable, national legislation). This includes companies assessed to be involved in anti-personnel mines, cluster munitions, chemical and biological weapons, nuclear weapons outside the non-proliferation treaty, depleted uranium and white phosphorous munitions, blinding laser, non-detectable fragment weapons. A 0% revenue threshold for such companies is applied.
  - **Fossil Fuels.** Companies involved in the exploration, mining, extraction, manufacturing, distribution (including transportation, storage, trade and retail) or refining of thermal coal, conventional and unconventional oil and gas and companies involved in the fossil fuel power generation. A combined revenue threshold of 5% for such companies is applied. A 1% revenue threshold is applied to the exploration, mining, extraction, distribution or refining of hard coal and lignite. Companies that derive 50% or more of their revenues from electricity generation with a GHG intensity of more than 100g CO2e/kWh and excluded[1].
  - **Adult Entertainment.** Companies involved in the production and / or distribution of adult entertainment. A 5% revenue threshold for such companies is applied.
  - **Gambling.** Companies involved in the provision of gambling-related services. A 5% revenue threshold for such companies is applied.
  - **Tobacco.** Companies involved in the production and cultivation and / or distribution of tobacco. A 0% revenue threshold for production and cultivation of tobacco is applied and a 5% threshold for the distribution of tobacco is applied.

- **Defence and Other Weapons.** The Fund excludes companies that derive revenues from the production or sale of weapons systems, components, and/or support systems and services or the manufacture and retail of civilian firearms and ammunition. For the avoidance of doubt, this does not include the provision of generic systems and services that are not weapons-specific. A 5% revenue threshold for such companies is applied.
- **Predatory lending.** Companies whose primary business activity is payday lending and/or coercive loan origination. A 5% revenue threshold for such companies is applied.
- **Cannabis.** Companies or corporations which earned any revenue from producing or selling cannabis for non-medical or recreational purposes, which shall include production and sale of end products containing cannabis for the same purposes. A 5% revenue threshold for such companies is applied. Any revenue derived from medical cannabis must be explicitly permissible under applicable legislation.
- **Alcohol.** Companies involved in the production and/or distribution of alcohol for consumption. A 5% revenue threshold for producers and a 10% revenue threshold for distributors (wholesale and retail) is applied.

[1]Due to data limitation, screening for GHG intensity may not be practical, therefore the Manager may monitor revenues from the sources of power generation that are known to have GHG intensity exceeding 100g CO2 e/kWh (typically power generation from combustion, e.g. fossil fuels as a proxy. Where for a particular company it can be evidenced that emissions are below 100g CO2 e//kWh it is allowed as an investment even if it falls under one of the monitored sources of power generation.

After the purchase of an investment, the Portfolio Manager will continue to monitor the limits listed above but they may be exceeded for reasons beyond the control of the Portfolio Manager. If they are exceeded after purchase the Portfolio Manager will record such matters and adopt as a priority objective to resolve that situation, but it will not be considered a breach. The Portfolio Manager shall be under no obligation to dispose of the assets in the event that limits are infringed after the acquisition of an asset and may disregard them where it believes that to do so is in the best interests of the Shareholders but no further acquisitions of such asset will be made while the limits are infringed.

The investment restrictions applying to thermal coal, as set out in the Portfolio Manager's Thermal Coal Investment Policy, apply to the Fund and may have an effect on the assets in which the Fund invests. The effect is limited to types of assets that are in scope of the Coal Policy.

EU Paris-aligned Benchmark (PAB) Exclusions
The Fund applies PAB exclusions defined in Article 12(1)(a)-(g) of Commission Delegated Regulation (EU) 2020/1818. These exclusions are incorporated into the exclusions list above.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

- **What is the policy to assess good governance practices of the investee companies?**

Good governance practices of investee companies are assessed prior to making an investment and monitored during the holding period as part of initial due diligence and periodic monitoring. Governance factors considered include, but are not limited to: sound management structures, employee relations, remuneration of staff and tax compliance. The Sub-fund does not invest in companies that do not pass good governance test performed as part of initial due diligence. Material governance issues arising from periodic monitoring are considered for engagement with investee companies.

Asset allocation describes the share of investments in specific assets.

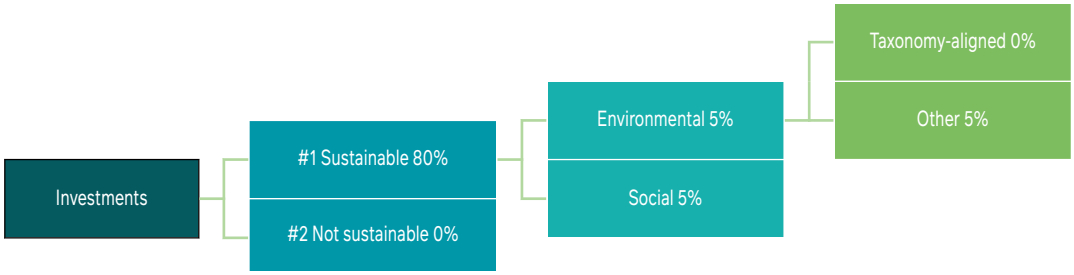
What is the asset allocation and the minimum share of sustainable investments?

A minimum of 80% of the Fund's Gross Asset Value is in sustainable investments. A minimum of 5% of the Fund's Gross Asset Value is aligned to the environmental objective and a minimum of 5% of the Fund's Gross Asset Value is aligned to the social objective. Fund's strategy assumes flexibility for the portfolio to have varying proportions of investments targeting environmental and social outcomes over time. A minimum of 0% (and a maximum of 20%) of the Fund's Gross Asset Value are other investments not aligned to the sustainable investment objective.

Minimum commitments outlined above apply from the end of Investment Period. This is due to the fact that closed-end funds, such as this Fund, build up their portfolios over a period of time.

All asset allocations below are expressed as a % of Fund's Gross Asset Value. They reflect planned asset allocation resulting from the commitments outlined in the paragraph above.

Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies.
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



#1 Sustainable covers sustainable investments with environmental or social objectives.
#2 Not sustainable includes investments which do not qualify as sustainable investments.

- **How does the use of derivatives attain the sustainable investment objective?**
  The Fund does not use derivatives to attain the sustainable investment objective.

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

The Fund does not currently take into account the EU criteria for environmentally sustainable economic activities as defined in the Taxonomy Regulation. The Fund will not actively target investments in taxonomy-aligned assets as part of its investment policy and, therefore, the Manager expects that 0% of the Funds' investments will be aligned with the environmental objectives under the Taxonomy Regulation.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

- **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?**

☐ Yes:
  ☐ In fossil gas ☐ In nuclear energy
☐ No

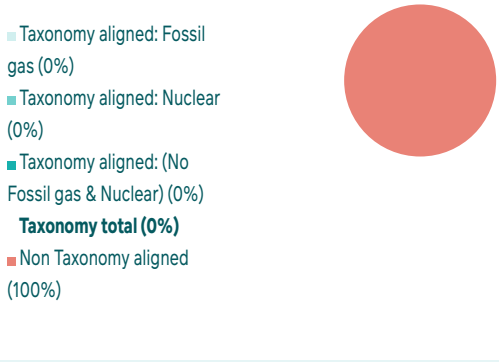
[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

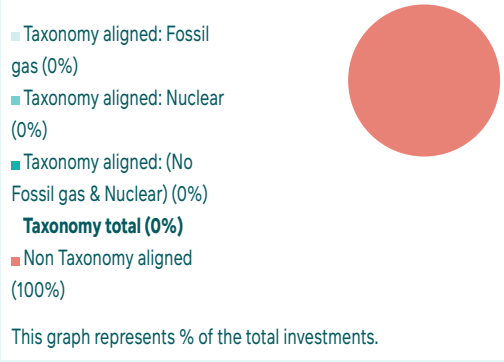
Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

The two graphs below show the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.

1. Taxonomy-alignment of investments **including sovereign bonds***



2. Taxonomy-alignment of investments **excluding sovereign bonds***



This graph represents % of the total investments.

* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.

- **What is the minimum share of investments in transitional and enabling activities?**
  The Fund does not set a minimum share of investments in transitional and enabling activities.

are environmentally sustainable investments that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?
The minimum share of sustainable investments with an environmental objective is 15% of Fund's Gross Asset Value. None of these assets are expected to be aligned to EU Taxonomy because the Fund does not currently take into account the EU criteria for environmentally sustainable economic activities as defined in the Taxonomy regulation.

What is the minimum share of sustainable investments with a social objective?
The minimum share of sustainable investments with a social objective is 15% of Fund's Gross Asset Value.

What investments are included under "#2 Not sustainable", what is their purpose and are there any minimum environmental or social safeguards?
"Not Sustainable" investments consist of cash and cash equivalents and investments held for hedging or liquidity purposes. For such assets no minimum environmental or social safeguards have been put in place.

Is a specific index designated as a reference benchmark to meet the sustainable investment objective?
No reference benchmark has been designated for the purpose of attaining the sustainable investment objective.

Reference benchmarks are indexes to measure whether the financial product attains the sustainable investment objective.

- **How does the reference benchmark take into account sustainability factors in a way that is continuously aligned with the sustainable investment objective?**
  Not applicable.

- **How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?**
  Not applicable.

- **How does the designated index differ from a relevant broad market index?**
  Not applicable.

- **Where can the methodology used for the calculation of the designated index be found?**
  Not applicable.



Where can I find more product specific information online?
More product-specific information can be found on the website:
www.mandg.com/investments/institutional/en-global/sustainability-related-disclosures

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