

ANNEX I

Template principal adverse sustainability impacts statement

Table 1

Statement on principal adverse impacts of investment decisions on sustainability factors

Financial market participant

MML UK Advisor LLP [LEI: 636700LE3HEQ1GRL2V02]

Summary

MML UK Advisor LLP (thereafter referred to as MML) has a strong commitment to responsible investing, integrating Environmental, Social and Governance (ESG) factors into its investment process. All newly launched MML funds are classified as Article 8 under the European Union's Sustainable Finance Disclosure Regulation (SFDR).

MML considers principal adverse impacts of its investment decisions on sustainability factors. The present statement is the consolidated statement on principal adverse impacts (PAIs) on sustainability factors of MML UK Advisor LLP in respect of MML Enterprise Fund I SCSp (the "Fund") and covers the reference period from 1 January to 31 December 2024.

This statement is the first disclosure that has been produced in relation to the Fund (Cosegic, Kickmaker, QBS Technology and Rewire) and therefore there is no historical comparison prior to the reference period. For the next reference period from 1 January to 31 December 2025, a historical comparison will be included.

MML monitors and reports on all mandatory PAIs in respect of the Fund. Two additional indicators were selected and focus on carbon reduction plans and human rights. All data is in Table 1 below.

Data from primary sources was collected directly from the investee company in the Fund. Where this was unavailable, reasonable estimations were applied – this has been noted in the 'Explanation' column for full transparency. In addition to disclosing on the PAI data, this statement also:

- Provides relevant explanation of the data, highlighting where improved data quality will be prioritised in future reference periods
- Describes actions that have been taken or intend to be taken to support investee companies to mitigate adverse impacts
- Describes the policies and processes to identify and prioritise principal adverse impacts on sustainability factors
- Sets out how MML engages and works with investee companies to positively influence sustainability performance and mitigate the risk of adverse impacts occurring
- Outlines how international standards and frameworks underpin sustainability related policies and processes of MML

- Provides a comparison of the current reference period PAI data to the previous reference period

Description of the principal adverse impacts on sustainability factors

Indicators applicable to investments in investee companies								
Adverse sustainability indicator	Metric	Metric unit	Impact year 2024	Impact year 2023	$\frac{\text{Impact year 2024} - \text{Impact year 2023}}{\text{Impact year 2023}} \times 100\%$	Explanation	Actions taken, and actions planned and targets set for the next reference period	
CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS								
Greenhouse gas emissions	1. GHG emissions	Scope 1 GHG emissions	tCO2e	37.97	--	N/A	100% data coverage Cosegic, Kickmaker, QBS calculated their Scope 1 and 2 using primarily activity-based data, with the exception of Rewire. Rewire was unable to provide primary data sources to calculate their Scope 1, 2 and 3 GHG emissions and have used a	MML continues to monitor GHG emissions of its investee companies annually. A key focus will be to support the management teams in improving the GHG emissions data quality and accuracy. Actions include supporting the investee management teams
		Scope 2 GHG emissions	tCO2e	34.37	--	N/A		
		Scope 3 GHG emissions	tCO2e	3697.96	--	N/A		
		Total GHG emissions	tCO2e	3770.30	--	N/A		
	2. Carbon footprint	Carbon footprint	tCO2e / MEUR	44.83	--	N/A		
3. GHG intensity of investee companies	GHG intensity of investee companies	tCO2e / MEUR	56.04	--	N/A			

							<p>spend-based, estimated area approach to provide an indicative estimate but may not fully reflect actual or material emissions.</p> <p>Emissions for Scope 3 were calculated for Cosegic and Kickmaker using a high-level, top down approach (proxy) to provide an indicative estimate and may not fully reflect actual or material emissions.</p>	<p>to review their carbon accounting data collecting processes to improve data quality in Scope 1 and 2. Further encouragement will be provided to support Scope 3 materiality assessments, establish data availability and identify data owners within the company to calculate their partial or full material Scope 3 emissions.</p>
	4. Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector	%	0.00	--	N/A	<p>100% data coverage</p> <p>None of the investee companies in MML Enterprise Fund I SCSp are active in the fossil fuel sector.</p>	<p>MML will not invest in companies that derive revenues from the fossil fuel sector.</p>
	5. Share of non-renewable energy consumption	Share of non-renewable energy consumption and	%	56.1	--	N/A	<p>100% data coverage</p> <p>Cosegic, Kickmaker, QBS</p>	<p>Efforts to reduce non-renewable energy consumption is on-</p>

	and production	non-renewable energy production of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage of total energy sources					calculated their energy using primarily activity-based data, with the exception of Rewire. Rewire was unable to provide primary data sources and have estimated energy (no reported gas) for this reference period.	going with continued focus to transition to renewable energy contracts where possible. MML will continue to review and assess the consumption and production of non-renewable energy within the MML Enterprise Fund I SCSp.
	6. Energy consumption intensity per high impact climate sector	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector	GWh/MEUR revenue		--	N/A	None of the investee companies in MML Enterprise Fund I SCSp are classified in high impact climate sectors.	
Biodiversity	7. Activities negatively affecting biodiversity-sensitive areas	Share of investments in investee companies with sites/operations located in or near to biodiversity-sensitive areas where activities of those investee companies	%	0.00	--	N/A	100% data coverage. None of the investee companies in MML Enterprise Fund I SCSp have reported their sites or operations are located in or near to biodiversity-sensitive areas where activities of those investee	MML will continue to monitor any negative impact on biodiversity caused by activities of one of the investees of the MML Enterprise Fund I SCSp on an annual basis.

		negatively affect those areas					companies negatively affect those areas	
Water	8. Emissions to water	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average	tonnes of emissions to water / MEUR	0.00	--	N/A	100% data coverage Emissions to water is typically reported as not tracked due to the limited relevance to their operations, particularly in service-based or low impact industry/sectors.	MML continues to assess materiality across the portfolio and will continue to monitor any reported emissions to water on an annual basis.
Waste	9. Hazardous waste and radioactive waste ratio	Tonnes of hazardous waste and radioactive waste generated by investee companies per million EUR invested, expressed as a weighted average	tonnes of hazardous waste / MEUR	0.00	--	N/A	100% data coverage. Reported hazardous waste amount is only 0.005 tonnes from Kickmaker which is considered negligible in the context of the portfolio's overall environmental impact.	MML will continue to monitor hazardous waste generation across the MML Enterprise Fund I SCSp.
INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS								
Social and employee matters	10. Violations of UN Global Compact	Share of investments in investee	%	0.00	--	N/A	100% data coverage. None of the	MML does not invest in companies which cause,

	principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises					investee companies in MML Enterprise fund have reported any violations against the UNGC principles or OECD Guidelines for Multinational Enterprises.	contribute or are linked to violations of international norms and standards in a material manner, focusing in particular on UN's Global Compact Principles, International Labor Organization's (ILO) Conventions, OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights.
	11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises	Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance /complaints	%	100.00	--	N/A	100% data coverage. All of the investee companies in MML Enterprise fund have not implemented any policies or processes to ensure compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises.	Annual monitoring of violations, grievances and complaints to the UNGC principles or OECD Guidelines for Multinational Enterprises is in place. Flagged incidents will be reviewed with management for remedial actions, and processes

		handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises						correctly implemented.
	12. Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies	%	19.33	--	N/A	100% data coverage. All of the investee companies in MML Enterprise Fund I SCSp reported an unadjusted pay gap percentage.	MML will continue its annual monitoring of the unadjusted pay gap percentage with plans to working with management to plan a strategy to reduce the gap for the next reference period.
	13. Board gender diversity	Average ratio of female to male board members in investee companies, expressed as a percentage of all board members	%	92.87	--	N/A	100% data coverage PAI 13 indicator measures the weighted average share of male board members across investee companies, based on the current value of each investment. Cosegic and QBS Technology Group	MML will continue its annual monitoring to ensure that diversity, equity and inclusion policies are in place that cover all levels of the organisation and all operating sites.

							have reported 0% female board members.	
	14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	Share of investments in investee companies involved in the manufacture or selling of controversial weapons	%	0.00	--	N/A	100% data coverage. None of the investee companies in MML Enterprise Fund I SCSps are involved in the manufacture or selling of controversial weapons.	MML does not invest in companies involved in the manufacture or selling of controversial weapons
ADDITIONAL INDICATORS FOR PRINCIPAL ADVERSE IMPACTS ON SUSTAINABILITY FACTORS								
CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS								
Emissions	4. Investments in companies without carbon emission reduction initiatives	Share of investments in investee companies without carbon emission reduction initiatives aimed at aligning with the Paris Agreement	%	72.3	--	N/A	100% data coverage. QBS Technology Group has implemented a carbon emissions reduction plan this reference period	MML will continue its annual review of emissions generated and support management teams to ensure a company-wide implementation of a carbon emission reduction initiative for the next reference period.
INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS								

Human Rights	9. Lack of a human rights policy	Share of investments in entities without a human rights policy	%	29.5	--	N/A	100% data coverage. Only Cosegic has not implemented a Human Rights Policy during the current reference period.	MML will continue its annual review of progress and ensure the Human Rights policy covers all operating sites.
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Description of policies to identify and prioritise principal adverse impacts on sustainability factors

MML has a structured approach to identifying and prioritising the principal adverse impacts (PAIs) on sustainability factors, supported by both internal policies and external frameworks. A dedicated ESG Policy is in place which serves to focus investment practices and an ESG Working Group oversees policies and approaches, as well as promoting new initiatives. To operationalise MML’s responsible investment policy and manage PAIs effectively, each investee company participates in a robust assessment and engagement process.

Pre-investment screening

Identifying and mitigating sustainability risk is a fundamental component of MML’s responsible investment process which begins pre-investment at the screening stage. MML’s exclusions policy prohibits any investment in:

- Tobacco
- Pornography
- Controversial weapons: MML will not make any investments in companies manufacturing and/or distributing controversial weapons. These are defined as weapons having a disproportionate impact on civilian population such as chemical weapons, nuclear weapons, anti-personnel landmines and cluster bombs.
- Coal: MML will not make an investment related to the extraction or burning of coal.
- Gambling: MML will not make any investments in companies whose main activity consists of operating casinos, gambling / betting venues or websites.

ESG Assessments

Every investee company entering the Fund goes through a robust ESG assessment and MML has partnered with an expert sustainability consultancy to support with this. There are two phases to the assessment:

The first phase is an ESG due diligence process which considers 42 ESG topics. Material topics are identified and analysed for both risk exposure and mitigating activities. Policies and activities of the business are carefully reviewed and engagement is critical to formulate a well-informed

understanding of sustainability risk across the business. Risk areas are all RAG rated from low (green) to high (red) and, should a risk be classified as red (i.e. high risk exposure and inadequate mitigating activities in place), MML will either work closely with the target company to discuss how the risk can be managed or, in severe cases, will not go ahead with the investment. A key output of the ESG due diligence process is a 100-day plan which includes recommendations to support companies to address any potential risks identified. An ESG section is included in pre-deal Investment Committee papers and discussed at Investment Committee meetings.

The second phase of the assessment involves re-engagement with the portfolio company 3-6 months post investment, giving time for the business to have implemented the recommendations of the ESG due diligence report. During this second phase, companies are evaluated against a comprehensive framework. 64-85 topics covering the broader areas of Environment, Social, Supply Chain, Governance, and ESG Integration are reviewed. Topics in the framework include, but are not limited to:

- Environmental impact from activities, energy consumption, recycling etc.
- Contribution to the wider community, including charitable efforts, inclusion of all stakeholders for relevant discussions
- Managing and adhering to a high code of ethics; considering social responsibility, maintaining strong anti-corruption policies
- Ensuring equality of opportunity, remuneration based on contribution, the health and safety of staff at work, the learning and development needs of individuals.

Business activities are assessed against defined scoring criteria, resulting in both a current and target score. Clear, tailored recommendations are provided to help the business implement initiatives and policies that mitigate the risk of adverse impacts and drive meaningful progress over the next 12 months. Upon completion of the review, a customised online ESG performance tracker is developed. This tracker outlines the agreed action points and assigns responsibility to specific members of the investee company's team. It serves as a practical tool to prioritise actions and enables both management and the board to effectively monitor progress.

ESG metrics

Over 150 ESG metrics are collected and monitored annually. The composition of these metrics set is based on the ESG Data Convergence Initiative (EDCI), SFDR PAI data as well as LP requests. This has been one of the major developments in MML's stewardship approach over the last year. Portfolio companies are scored and work with specialists to provide detailed action plans to drive improvement and monitor how each company is progressing. This approach ensures that key ESG impacts and risks are identified and managed, progress is tracked, and both portfolio companies and MML are prepared for sound and transparent reporting with high-quality data.

In addition to the above, the following activities are in place:

- Carbon calculations: All investee companies are required to calculate their Scope 1 and 2 emissions annually. Some companies conduct a full scope 1, 2 and 3 carbon calculation and have developed net zero targets and carbon reduction strategies. In addition, MML carries out an annual carbon footprint as a private equity company

- Climate-related risks and opportunities assessment: MML has conducted a climate-related risks and opportunities assessment of its portfolio looking at four time horizons. Further detail and a summary of the outcomes of this assessment can be found in the [2023 MML ESG Impact Report](#) (pgs 15 &16).
- Impact Report: MML publishes an annual ESG Impact Report (latest one can be found [here](#)). This document describes the sustainability journey of MML, its responsible investment policy and summaries the sustainability KPIs and highlights of MML’s portfolio.

Engagement policies

MML engages a third-party, specialist sustainability consultancy to support investee companies with the above activities and processes.

The representatives of the Investment Advisor who sit on the board of directors of a portfolio company will be responsible for overseeing and encouraging progress against the agreed action points. To support the proactive monitoring of ESG performance and progression, the Investment Advisor will recommend that ESG is included in board meeting agendas. The Investment Advisor has also developed a knowledge sharing network and will provide regular ESG training and knowledge sharing with the management teams of the portfolio companies.

MML prides itself in being a responsible investor and is committed to ensuring that all investee companies demonstrate responsible business practices. Should it come to light that an investee company is generating a negative sustainability impact, MML will engage the company to seek a resolution and appropriate remediation. Depending on the nature of the issue, an action plan will be developed with the company that may require external party assistance to ensure that the matter is adequately addressed. In extreme cases, where the investee company is unwilling to respect the responsible business policies that MML mandates, MML will consider termination of the relationship.

References to international standards

The MML ESG policies, processes and sustainability standards are guided by the following international standards and frameworks:

- UN Principles for Responsible Investment (UN PRI): MML has been a signatory to the UN PRI since 2019.
- UN Global Compact (UNGC): MML supports and promotes the Ten Principles relating to human rights, labour, environment, and anti-corruption, which are reflected in its exclusions policy as well as both the ESG due diligence and assessment frameworks.
- UN Guiding Principles on Business and Human Rights (UNGPs), OECD Guidelines for Multinational Enterprises and ILO Core Labour Standards: The principles and guidelines of all of these standards are foundational to the frameworks that each investee company is assessed against. Particularly relevant are those topics related to company practices on working conditions, modern slavery, anti-bribery and corruption, supply chain engagement, customer safety and privacy and environmental practices (such as energy, water, waste, climate change and carbon).
- ESG Data Convergence Initiative (EDCI); Invest Europe: MML report annually in line with the EDCI and Invest Europe
- The United Nations Sustainable Development Goals (SDGs): The Investment Advisor will identify which SDGs each portfolio company is most closely aligned with and therefore which SDGs the company can meaningfully contribute to

- GRI and SASB: The criteria of the sustainability assessment framework has been informed by international frameworks and standards such as GRI and SASB.
- TCFD: The climate-related risks and opportunities assessment that was carried out in 2023 was aligned with the Task Force on Climate-related Financial Disclosures (TCFD) methodology.
- In 2021 MML became recognised as a Carbon Neutral® company. An annual carbon calculation of MML is carried out and reduction opportunities identified.

Historical comparison

This statement is the first statement and there is, therefore, no historical comparison of the PAIs in the Fund. For the next reference period (1 January 2025 to 31 December 2025), a historical comparison will be included.