

New Yellow River Fund SCSP does not consider the adverse impacts of investment decision on sustainability factors due to:

1. New Yellow River Fund SCSP does not have as an objective to invest in sustainable companies or those who specifically promote environmental benefits or social characteristics.
2. However, we are conscious and sensitive to these considerations and we consider such factors when evaluating potential investments. In fact, New Yellow River Fund SCSP invests in new digital technologies which are intrinsically beneficial from a sustainability risk viewpoint (eg fiber optic network necessary to supply the infrastructure for advanced telecommunications, including 5G, and new LiDAR, a key smart component for autonomous vehicles, drones, IoT, and advanced manufacturing)
3. In this regard, for any new portfolio company investment we will specifically include due diligence pre-investment questions regarding consistency in application of sustainability criteria and policies, detection of any sustainability risks or risk gaps, and action plan to address them if any. We will specifically include the conclusion of such due diligence findings in the memoranda to the Investment Committee which information will be the basis for any discussion and decision on the new investment by the IC.
4. With regards to existing investments, we will regularly evaluate the portfolio companies' compliance with our sustainability policies and any potential risk gaps. Although we frequently take minority positions and we may not control sustainability policy application by such companies, we will at least aim at being a positive influence to steer them towards greater awareness and compliance.