



Article 10 (SFDR)

Website disclosure for an Article 8 fund

Lebanon Economic Empowerment Fund (LEEF)

Product name: Lebanon Economic Empowerment Fund (LEEF) S.A, SICAV- RAIF

Legal entity identifier: N/A

Does this financial product have a sustainable investment objective?

Yes

No

It will make a minimum of **sustainable investments with an environmental objective: ___%**

in economic activities that qualify as environmentally sustainable under the EU Taxonomy

in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

It will make a minimum of **sustainable investments with a social objective: ___%**

It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it had a 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**



A. Summary

English version: The Lebanon Economic Empowerment Fund (LEEF) aims to enhance job creation and preservation of current jobs in Lebanon, promote value creation and local transformation, and improve access to essential goods for people in Lebanon by providing much needed credit facilities to privately owned businesses, in an environment where bank lending has considerably slowed down. LEEF will provide debt capital exclusively to qualified privately-owned Lebanese businesses, including SMEs and micro-enterprises.

To ensure that the Fund's investments contribute to the promoted environmental and/or social (E/S) characteristics, LEEF has defined clear steps as part of its investment strategy. First, during the pre-finance phase, the investment team checks potential clients against both the Fund's impact criteria as well as the Fund's Exclusion List. Indeed, LEEF, nor any of its lending clients, may carry or finance any activity on the Exclusion List of the Fund, which is further described in the investment strategy section below. Second, during the due diligence phase, the investment team based in Lebanon conducts further on-site analyses on the expected impact of the company and identifies if they respect the following international principles of respect for human rights and international conventions of the International Labour Organization (ILO), also further described below in the investment strategy section. Third, based on the findings of the due diligence, a credit memorandum is prepared and submitted to the investment committee, containing a description of the alignment of the company with the impact criteria of the Fund. Fourth, the Fund's team and the investee client agree on selected impact indicators, which client companies will report on to the Fund's team on a defined frequency. In addition to the core indicators of the Fund (listed above as the Fund's sustainability indicators), each investment will have its own set of metrics, depending on the investee's sector and business model. Where pertinent, the Fund's investment-specific metrics will be based on the Impact Reporting and Investment Standards (IRIS+) and will also include other

sector-specific metrics. During the financing period, client companies will be requested to send regular updates on the list of impact indicators at the agreed upon frequency. The Fund's team will monitor the impact data collected and review assumptions based on new evidence.

The Fund's impact and ESG management process is deployed throughout the lifetime of each investment. The binding elements of the investment strategy are applied at different stages of the investment process to ensure that all selected investments comply with the social characteristics promoted by LEEF: (i) Alignment with at least one of the social characteristics promoted by the Fund; (ii) Compliance with LEEF's Exclusion List; (iii) Compliance with national applicable national laws on labor, environment, health, safety and social issues, as well as with the above-mentioned international principles of respect for human rights and international conventions of the International Labour Organization (ILO); (iv) Possession of all necessary environmental and social permits applicable to the activity of the company.

In addition, all investee companies will be required to provide reporting on agreed-upon impact indicators at agreed frequency (cf. Investment negotiation).

Finally, in an effort to measure the attainment of the social objectives of the Fund's sustainable investments, key indicators that will be measured across the portfolio have been defined (cf. 'Monitoring of sustainable investment objective').

Version française : Le Fonds d'autonomisation économique du Liban (« Lebanon Economic Empowerment Fund » - LEEF) vise à renforcer la création d'emplois et la préservation des emplois actuels au Liban, à promouvoir la création de valeur et la transformation locale, et à améliorer l'accès aux biens essentiels pour les Libanais en fournissant des facilités de crédit indispensables aux entreprises privées, dans un environnement où le crédit bancaire s'est considérablement ralenti. LEEF fournira des capitaux d'emprunt exclusivement aux entreprises libanaises privées qualifiées, y compris les PME et les micro-entreprises.

Pour s'assurer que les investissements du Fonds contribuent aux caractéristiques E/S promues, LEEF a défini des étapes claires dans le cadre de sa stratégie d'investissement. Premièrement, pendant la phase de préfinancement, l'équipe d'investissement vérifie que les clients potentiels remplissent les critères d'impact du Fonds et qu'ils ne sont pas sur la liste d'exclusion du Fonds. En effet, LEEF, ni aucun de ses clients prêteurs, ne peut exercer ou financer toute activité figurant sur la liste d'exclusion du Fonds, qui est décrite plus en détail dans la section Stratégie d'investissement ci-dessous. Deuxièmement, lors de la phase de diligence raisonnable, l'équipe d'investissement basée au Liban procède à des analyses supplémentaires sur site de l'impact attendu de l'entreprise et détermine si elle respecte les principes internationaux de respect des droits de l'homme et les conventions internationales de l'Organisation internationale du travail (OIT) également décrites plus en détail ci-dessous dans la section sur la stratégie d'investissement. Troisièmement, sur la base des conclusions de la diligence raisonnable, un mémorandum de crédit est préparé et soumis au comité d'investissement, contenant une description de l'alignement de l'entreprise avec les critères d'impact du Fonds. Quatrièmement, l'équipe du Fonds et le client conviennent d'indicateurs d'impact sélectionnés, dont les entreprises clientes feront rapport à l'équipe du Fonds à une fréquence définie. En plus des indicateurs de base du Fonds (énumérés n tant qu'indicateurs de durabilité du Fonds), chaque investissement aura son propre ensemble de mesures, en fonction du secteur et du modèle d'entreprise de l'entreprise bénéficiaire. Le cas échéant, les mesures spécifiques à l'investissement du Fonds seront basées sur les normes de reporting d'impact et d'investissement (« Impact Reporting and Investment Standards » - IRIS +) et comprendront également d'autres mesures spécifiques au secteur. Pendant la période de financement, les entreprises clientes seront invitées à envoyer des mises à jour régulières de la liste des indicateurs d'impact à la fréquence convenue. L'équipe du Fonds surveillera les données d'impact recueillies et examinera les hypothèses sur la base de nouvelles preuves.

Le processus de gestion d'impact et ESG du Fonds est déployé tout au long de la durée de vie de chaque investissement. Les éléments contraignants de la stratégie d'investissement sont appliqués à différentes étapes du processus d'investissement pour s'assurer que tous les investissements sélectionnés respectent les caractéristiques sociales promues par LEEF : (i) Alignement avec au moins une des caractéristiques sociales promues par le Fonds ; (ii) Conformité avec la liste d'exclusion de LEEF ; (iii) Conformité avec les lois nationales applicables en matière de travail, d'environnement, de santé, de sécurité et de questions sociales, ainsi qu'avec les principes internationaux susmentionnés de respect des droits de l'homme et les conventions internationales de l'Organisation internationale du travail (OIT) ; (iv) Possession de tous les permis environnementaux et sociaux nécessaires applicables à l'activité de l'entreprise.

En outre, toutes les entreprises bénéficiaires seront tenues de fournir des rapports sur les indicateurs d'impact définis à une fréquence convenue.

Enfin, dans le but de mesurer l'atteinte des objectifs sociaux des investissements durables du Sous-Fonds, des indicateurs qui seront mesurés sur l'ensemble du portefeuille ont été définis (cf. 'Monitoring of sustainable investment objective').



B. No sustainable investment objective

This financial product promotes environmental or social characteristics but does not have as its objective a sustainable investment.



C. Environmental or social characteristics of the financial product

What are the environmental or social characteristics promoted by this financial product?

The Lebanon Economic Empowerment Fund (LEEF) aims to enhance job creation and preservation of current jobs in Lebanon, promote value creation and local transformation, and improve access to essential goods for people in Lebanon by providing much needed credit facilities to privately owned businesses, in an environment where bank lending has considerably slowed down.



D. Investment strategy

What investment strategy does this financial product follow and how is the strategy implemented in the investment process on a continuous basis?

LEEF will provide debt capital exclusively to qualified privately-owned Lebanese businesses, including SMEs and micro-enterprises.

To ensure that the Fund's investments contribute to the promoted E/S characteristics, LEEF has defined clear steps as part of its investment strategy.

First, during the pre-finance phase, the investment team checks potential clients against both the Fund's impact criteria as well as the Fund's Exclusion List. Indeed, LEEF, nor any of its lending clients, may carry or finance any activity on the Exclusion List of the Fund, which includes:

1. Production or trade in any product or activity deemed illegal under Lebanese, French, Luxembourg laws or regulations or international conventions and agreements, or subject to international bans, such as ozone depleting substances, PCB's (Polychlorinated Biphenyls) and other specific hazardous pharmaceuticals as well as pesticides/herbicides or chemicals, wildlife or products regulated under the Convention on International Trade in Endangered Species or Wild Fauna and Flora (CITES);
2. Production or activities involving harmful or exploitative forms of forced labor¹/harmful child labor².
3. Production or distribution of ammunition or weapons, and weapons carriers.³
4. Tobacco companies or any company involved in the production of significant components of cigarettes (such as filters) or companies with significant ownership in those companies.
5. Companies where any beneficial owner, shareholder, director, or employee are subjected to US or EU sanctions or are dealing with a country subject to US, EU, or UN sanctions.
6. Gambling, casinos and equivalent enterprises.
7. Production or trade in radioactive materials⁵. This does not apply to the purchase of medical equipment, quality control (measurement) equipment and any equipment where the radioactive source is considered to be trivial and/or adequately shielded.
8. Production or trade in unbounded asbestos fibers⁴; This does not apply to purchase and use of bonded asbestos cement sheeting where the asbestos content is less than 20%.
9. Drift net fishing in the marine environment using nets in excess of 2.5 km. in length.
10. Production, trade, storage⁵ or transport of significant volumes of hazardous chemicals⁶, or commercial-scale use of hazardous chemicals. Hazardous chemicals include gasoline, kerosene, and other petroleum products.
11. Cross-border trade in waste and waste products, unless compliant with the Basel Convention and the underlying regulations;
12. Commercial logging operations for use in primary tropical moist forest;
13. Pornography and/or prostitution;
14. Media;
15. Destruction⁷ of High Conservation Value areas⁸
16. Production or trade in wood or other forestry products other than from sustainably managed forests;
17. Production or activities that impinge on the lands owned, or claimed under adjudication, by indigenous peoples, without full documented consent of such peoples.
18. Activities of any person or entity on any list of specifically designated nationals or designated persons or entities held by a Sanctioning Body or who is in a country or territory which is subject to trade, economic or financial sanctions embargoes or travel bans imposed, administered or enforced by a Sanctioning Body, to the extent that the financing would currently be prohibited by a Sanctioning Body.
19. Individuals or entities involved in money laundering, terrorism financing, tax avoidance, tax fraud and tax evasion.

¹ Forced labor means all work or service, not voluntarily performed, that is extracted from an individual under threat of force or penalty.

² Harmful child labor means the employment of children that is economically exploitive, or is likely to be hazardous to, or to interfere with, the child's education, or to be harmful to the child's health, or physical, mental, spiritual, moral, or social development.

³ This does not apply to project sponsors who are not substantially involved in these activities. "Not substantially involved" means that the activity concerned is ancillary to a project sponsor's primary operations.

⁴ This does not apply to purchase and use of bonded asbestos cement sheeting where the asbestos content is less than 20%.

⁵ For the avoidance of doubt, storage of petroleum products for energy back-up purposes and for use in processes where feasible alternatives do not exist are allowed in countries that face challenges in terms of access to energy. Investing in entities whose business is to store petroleum products is prohibited.

⁶ Hazardous chemicals include gasoline, kerosene and other petroleum products (but excluding liquefied petroleum gas and other gases used to supper clean household cooking solutions).

⁷ Destruction means the (1) elimination or severe diminution of the integrity of an area caused by a major, long-term change in land or water use or (2) modification of a habitat in such a way that the area's ability to maintain its role is lost.

⁸ High Conservation Value (HCV) areas are defined as natural habitats where these values are considered to be of outstanding significance or critical importance (See <http://www.hcvnetwork.org>).

20. Entities incorporated or established in jurisdictions that are listed in the relevant EU policy on non-cooperative jurisdictions, are identified as high risk third countries prior to article 9.2 of Directive 2015/894 or do not effectively comply with applicable EU standards.
21. Individuals or entities that fall within the scope of EU restrictive measures. The consolidated list of EU restrictive measures is available at www.sanctionsmap.eu.
22. Individuals or entities associated with terrorism or appearing on the list maintained by the Security Council Committee established pursuant to resolution 1267 (1999)⁹.
23. Individuals or entities having had a final judgment or final administrative decision for fraud, corruption, involvement in a criminal organization, money laundering, terrorist-related offences, or trafficking in human beings or for an irregularity affecting the EU's financial interest.
24. Coal prospection, exploration, mining or processing.
25. Petroleum oil exploration, production and refineries
26. Standalone fossil gas exploration and/or production¹⁰
27. Transport and related infrastructure primarily¹¹ used for coal for power generation
28. Crude Oil Pipelines
29. Construction of new or refurbishment of any existing coal-fired power plan (including dual)
30. Construction of new or refurbishment of any existing HFO-only or diesel-only power plant¹² producing energy for the public grid¹³
31. Any business with planned expansion of captive coal used for power and/or heat generation¹⁴

Second, during the due diligence phase, the investment team based in Lebanon conducts further on-site analyses on the expected impact of the company and identifies if they respect the following international principles of respect for human rights and international conventions of the International Labour Organization (ILO):

- not employ or make use of forced labor in accordance with ILO Convention No. 29 (Forced Labor) and ILO Convention No. 105 (Abolition of Forced Labor);
- not employ or make use of child labor in accordance with ILO Convention No. 138 (Minimum Age) and ILO Convention No. 182 (Worst Forms of Child Labor);
- pay wages which meet or exceed industry or legal national minima;
- not discriminate in terms of recruitment, progression, terms and conditions of work and representation, on the basis of personal characteristics unrelated to inherent job requirements, including gender, race, color, caste, disability, political opinion, sexual orientation, age, religion, social or ethnic origin, marital status, membership of workers' organizations;
- respect human rights of migrant and foreign workers as regards child and forced labor prohibitions, minimum wages standards, and issues concerning workplace safety;
- adopt an open attitude towards workers' organizations and respect the right of all workers to join or form workers' organizations of their own choosing, to bargain collectively and to carry out their representative functions in the workplace in accordance with ILO Convention No. 87 (Freedom of Association and Right to Organize) and ILO Convention No. 98 (Right to Organize and Collective Bargaining);
- provide reasonable working conditions including a safe and healthy work environment, working hours that are not excessive in accordance with ILO Convention No. 1 (Hours of

⁹ Accessible via: https://www.un.org/sc/suborg/en/sanctions/1267/aa_sanctions_list

¹⁰ Gas extraction from limnically active lakes is excepted from this exclusion.

¹¹ "Primarily" means more than 50% of the infrastructure's handled tonnage.

¹² For indirect equity through investment funds, investments (up to a maximum of 20% of the fund) in new or existing HFO-only or diesel-only power plants are allowed in countries that face challenges in terms of access to energy and under the condition that there is no economically and technically viable gas or renewable energy alternative.

¹³ I.e. where energy efficiency measures do not compensate any capacity or load factor increase.

¹⁴ This does not apply to coal used to initiate chemical reactions (e.g. metallurgical coal mixed with iron ore to produce iron and steel) or as an ingredient mixed with other materials, given the lack of feasible and commercially viable alternatives. For the avoidance of doubt, use of coal as back-up in power generation, for household cooking purposes and for processes where feasible alternatives do not exist supporting companies' activities are permitted (such as use in machinery, vehicles and equipment).

Work (Industry) and clearly documented terms of employment, respecting any collective bargaining agreements that are in place or (where these do not exist or do not address working conditions) or conditions established, by collective agreement or otherwise, for work in the trade or industry concerned in the area where the work is carried out.

Third, based on the findings of the due diligence, a credit memorandum is prepared and submitted to the investment committee, containing a description of the alignment of the company with the impact criteria of the Fund.

Fourth, the Fund's team and the investee client agree on selected impact indicators, which client companies will report on to the Fund's team on a defined frequency. In addition to the core indicators of the Fund (listed above as the Fund's sustainability indicators), each investment will have its own set of metrics, depending on the investee's sector and business model. Where pertinent, the Fund's investment-specific metrics will be based on the Impact Reporting and Investment Standards (IRIS+) and will also include other sector-specific metrics. During the financing period, client companies will be requested to send regular updates on the list of impact indicators at the agreed upon frequency. The Fund's team will monitor the impact data collected and review assumptions based on new evidence.

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The Fund's impact and ESG management process is deployed throughout the lifetime of each investment. The binding elements of the investment strategy are applied at different stages of the investment process to ensure that all selected investments comply with the social characteristics promoted by LEEF:

- Alignment with at least one of the social characteristics promoted by the Fund;
- Compliance with LEEF's Exclusion List;
- Compliance with national applicable national laws on labor, environment, health, safety and social issues, as well as with the above-mentioned international principles of respect for human rights and international conventions of the International Labour Organization (ILO);
- Possession of all necessary environmental and social permits applicable to the activity of the company.

In addition, all investee companies will be required to provide reporting on agreed-upon impact indicators at agreed frequency.

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

As part of LEEF's ESG Risk Assessment, the governance risks of all investee companies are analysed to ensure that all investee companies meet minimum requirements in term of good governance practices prior to the disbursement of any financing. The following components of good governance practices are analysed:

- Commitment to good governance, which includes the analysis elements such as:
 - Basic corporate formalities - board of directors, shareholder identification and meetings, charter/articles of Incorporation/Association
 - Board independency from management
 - Core functions identified
 - Governance structure development
- Functioning of governing bodies, which includes the analysis elements such as:
 - Frequency of board meetings
 - Review of organizational policies
 - Board management reports
 - Skill requirements of board members
 - Fairness of board elections

- Board rotation
- Strategic vision, which includes the analysis of elements such as:
 - Existence and quality of strategic plan
 - Strategic plan development, monitoring and evaluation
- Transparency and ethics, which includes the analysis of elements such as:
 - Accounting and auditing practices
 - Internal audit practices
 - Financial statements disclosure
 - External audit practices
 - Conflict of interest
 - Political independency
 - Confidentiality
 - Written guidelines for ethical behaviour
- Risk management, which includes the analysis of elements such as:
 - Environmental and social risk management systems
 - Risk identification
 - Stakeholder engagement and consultation

Under the analysis of social risks of potential investee companies, the following components are analysed: working conditions, social conditions in supply chains, customer satisfaction and impact on local communities. All investees are required to comply with national regulations related to labour law.

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

Yes

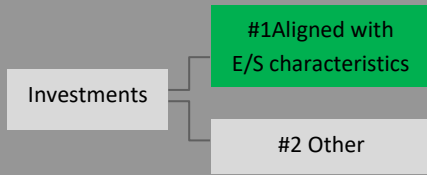
No



E. Proportion of investments

What is the planned asset allocation for this financial product?

A minimum of 75% of the Fund's net assets will be invested in Lebanese privately owned businesses and will therefore be aligned with the E/S characteristics promoted (#1). The remaining (<25%) includes cash positions held as ancillary liquidity and will not incorporate E/S characteristics (#2). It is the intention for the Fund to be substantially fully invested in risk assets subject to a limited level of necessary liquidity; mindful that there will be, at times of fresh investment capital into the Fund, a reasonable lag between investment and deployment.



#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.

#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.

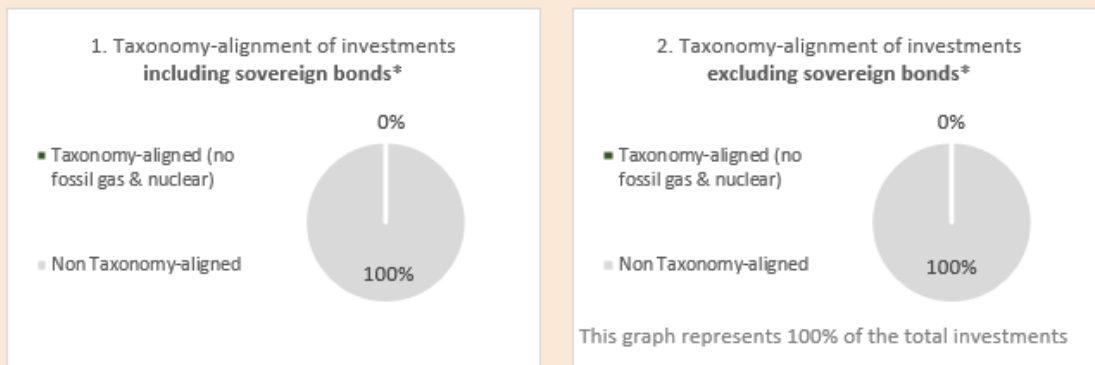
To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

The Fund does not commit to make sustainable investments in the sense of the SFDR or the EU Taxonomy.

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy¹⁵?

- Yes
- In fossil gas In nuclear energy
- No

The two graphs below show in green 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.*



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

¹⁵ 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.

What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

The remaining include cash positions held as ancillary liquidity, which will not incorporate E/S characteristics (#2). No specific minimum environmental and social safeguards are applied to these positions.



F. Monitoring of environmental or social characteristics

What sustainability indicators are used to measure the attainment of the environmental or social characteristics promoted by this financial product?

The following indicators will be measured across the portfolio:

- Number of new jobs created within investee companies (permanent/temporary) (gender/youth disaggregated)
- Number of jobs maintained within investee companies (permanent/temporary) (gender/youth disaggregated)
- Value added by investee companies (calculated as: turnover- operational costs)
- Number of essential goods/products created and transformed in Lebanon
- Value of essential goods/products created and transformed in Lebanon
- Number of end beneficiaries/final clients (individuals) in Lebanon served with essential goods/products
- % of sales of essential goods/products in the Lebanese market
- Value of essential goods/products sold in the Lebanese market

How are the environmental or social characteristics and the sustainability indicators monitored throughout the lifecycle of the financial product and the related internal/external control mechanism?

The Fund’s impact process is deployed throughout the lifetime of each investment, and ensures that the E/S characteristics promoted by the Fund and associated sustainability indicators are monitored throughout the lifecycle of the financial product:

- **Pre-investment – screening:** During the pre-investment phase, the investment team checks potential clients against the Fund’s impact criteria and the Fund Exclusion List.
- **Pre-investment – due diligence:** During the due diligence phase, the investment team conducts further analyses on the expected impact of the company.
- **Pre-investment – investment committee:** A credit memorandum is prepared and submitted to the investment committee, containing a description of the alignment of the company with the impact criteria of the Fund,
- **Investment negotiation – definition of impact metrics:** Upon conclusion of the investment, the Fund’s team and the investee client agree on selected impact indicators which the client will report to the Fund’s team on a defined frequency. Assumptions used to calculate some indicators will be defined if needed. We may include conditions in the credit agreement related to the monitoring of a specific dedicated Action Plan, or/and the observance of certain activities or/and the compliance of certain indicators.
- **Investment period – ongoing impact monitoring:** Client company sends regular reports on the list of impact indicators defined, at the agreed frequency. The Fund’s team monitors the impact data collected and reviews assumptions based on new evidence.



G. Methodologies

What is the methodology to measure the attainment of the environmental or social characteristics promoted by the financial product using the sustainability indicators?

As highlighted above, upon conclusion of the investment, the Fund's team and the investee client agree on selected impact indicators which the client will report on to the Fund's team at a defined frequency. Depending on the specific business model of the investee company, a certain number of the Fund's sustainability indicators will be included in the company's selected impact indicators. Then, at least on a yearly basis, the Fund team will collect data from investee companies on the company's selected impact and sustainability indicators and aggregate the data at the level of the Fund to measure its attainment of the E/S characteristics it promotes.



H. Data sources and processing

What are the data sources used to attain each of the environmental or social characteristics including the measures taken to ensure data quality, how data is processed and the proportion of data that is estimated?

As per the Fund's investment strategy, upon conclusion of each investment, the Fund's team and the investee client agree on selected impact indicators on which the client will report to the Fund's team on a defined frequency. Across its portfolio, the LEEF Fund will seek to collect and consolidate data for the sustainability indicators of the Fund. In addition to these core impact indicators, each investment will have its own set of metrics depending on its sector and business model.

To ensure data quality, the selection of these metrics is guided by the following principles:

- **Measurability:** selected metrics need to be easily measurable by investees of the Fund and aligned with existing market data based on existing and planned resources.
- **Proportionality:** considering the Fund's ticket sizes and the target investees.
- **Relevance:** selected metrics should be relevant to the target investees and enable the Fund to measure the attainment of the E/S characteristics it promotes.

Investee companies will report against the agreed-upon impact indicators on a defined frequency and at least annually. As mentioned above, the Fund team then aggregates the data at the level of the Fund to measure its attainment of the E/S characteristics it promotes.

Additionally, the investment team may use evidence-based assumptions/data from investees as inputs for its impact measurement. These assumptions may, for instance, be based on pre-existing customer surveys, research, interviews and observations. Additional in-depth impact analyses may be carried out upon availability of resources.



I. Limitations to methodologies and data

What are the limitations to the methodologies and data sources? (Including how such limitations do not affect the attainment of the environmental or social characteristics and the actions taken to address such limitations)

Given the types of investments and the maturity level of the market on extra financial data collection and reporting, LEEF cannot commit on the response rate on the indicators questionnaires sent to investee companies, especially in the first years. Nonetheless, LEEF is committed to promoting this

reporting exercise to its portfolio companies to increase the response rate and thus publish consolidated data on a representative scope of its activity. In addition, all investee companies will be screened prior to investment against the Fund’s impact objectives and will therefore inherently contribute to the E/S characteristics promoted by the Fund through their regular business operations. Furthermore, by applying the principles of measurability and relevance described above to the selection of metrics against which portfolio companies will have to report, the Fund aims to maximize response rates.



J. Due diligence

What is the due diligence carried out on the underlying assets and what are the internal and external controls in place?

Once prospective investee companies have been sourced, a series of Know-Your-Customer (KYC) begin in a detailed credit review process that is outlined below:

- First site visit done by at least one of the members of the Cedar Oxygen team based in Lebanon and generation of a site visit report
- Validation + first degree KYC name conducted by specialised service providers in both Europe and within Lebanon.
- The Lebanese credit report, known as the *Centrale des Risques* (CdR) report, is obtained and a full KYC file is created before eventual onboarding.
- A detailed credit memo is prepared by the credit team for eventual submission to risk and Investment Committees after the structure and credit worthiness of the proposed transaction is cleared by the senior credit and risk executive.
- The full credit memo is presented to the risk committee, and after their approval, the proposed transaction is submitted to the Investment Committee, which requires a unanimous vote to approve the transaction to become an asset of the Fund.
- The oversight of the Fund processes is guided by the following governance committees: Investment Committee, composed of four (4) members and which require a unanimous vote to approve files; a risk committee composed of risk, credit, and compliance experts from both Bamboo Capital Partners and Cedar Oxygen; and an advisory board composed of outside industry experts, who assist in guiding strategy and propose suggestions to the Board of Directors.



K. Engagement policies

Is engagement part of the environmental or social investment strategy?

Yes

No



L. Reference benchmark

Has a reference benchmark been designated for the purpose of attaining these characteristics promoted by the financial product?

Yes

No