



MKB GROWTH
EQUITY

MACKINNON, BENNETT & CO. ENVIRONMENTAL, SOCIAL, AND GOVERNANCE REPORT

2022

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LETTER FROM THE CEO

Dear Stakeholders,

It is with great pleasure that I present our 2022 environmental, social, and governance ("ESG") report. In this report we showcase our ongoing efforts to integrate sustainability practices into our operations and across our investment process. We are committed to providing regular updates on our progress and achievements to keep our stakeholders engaged and informed about our ESG and impact management practices.

At the heart of our mission is the relentless pursuit of superior returns through thematic investing with a view to fostering tangible, global change in the process. Our investment strategy, fortified by our core values — clarity, conciseness, fact-based decision-making, and entrepreneurial trailblazing — centers around investments in clean energy, mobility and transportation, the built environment, and related industrial sectors.

The importance of responsible investment and having a positive environmental impact grows more evident daily, as society grapples with global challenges such as climate change, resource scarcity, and social inequalities. In light of these pressing issues, we've crafted a Responsible Investment Policy. Aligned with our mission and values, this policy is our foundation for driving positive change, solidifying our steadfast dedication to sustainable practices.

Since inception, MKB has invested in 15 companies focused on driving positive change across our four main target investment sectors. We take great pride in the accomplishments of our portfolio companies and their management teams, including both their contributions to a greener future and the returns generated for our investors.

In addition to highlighting the environmental and social impact of our portfolio, this report details how we incorporate ESG and impact considerations throughout the investment process, and how we actively engage with our companies to continuously improve their performance. We recognize that there is still work to be done, particularly when it comes to capturing specific indicators related to diversity, equity, and inclusion ("DEI"), as well as carbon emissions and effecting long-term behavioral change within our portfolio companies.

As we continue on our investing journey, we are confident that our commitment to ESG and impact will contribute to a more resilient, sustainable, and prosperous future for all. Thank you for your support and trust, and we welcome thoughts and feedback on this report.

Sincerely,

Kenneth MacKinnon
CEO and Co-Founding Partner,
MacKinnon, Bennett & Company Inc.



FORGING A SUSTAINABLE & RESILIENT FUTURE

One Investment at a Time

In 2007, MacKinnon, Bennett & Co. (“MKB”) was founded with a clear vision to advance the clean energy transition. With strong dedication, the firm has fully embraced the imperative of its time: the need to create a cleaner world for future generations.

Since our inception, our thesis-driven approach has led us to make financially compelling investments in 15 pioneering companies that are driving innovations to address pressing environmental challenges while facilitating the transition to a low-carbon economy. Together with our network of entrepreneurs, investors, and stakeholders, we strive to amplify and accelerate this momentum of change.

At MKB, we firmly believe that aligning financial success with social and environmental responsibility, and upholding a strong governance ethos, paves the way for a sustainable and resilient future—one investment at a time.



2022 HIGHLIGHTS



ENVIRONMENTAL

100%

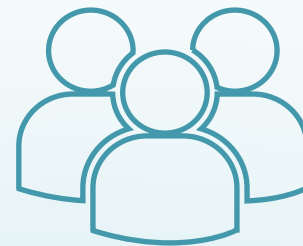
of our portfolio¹ is focused on promoting environmentally-responsible products and services

1.9MT+

CO₂ savings were enabled through our portfolio's products and services, equivalent to planting more than 87 million trees²

22%

of our portfolio companies are powered by renewable or cleaner-burning energy



SOCIAL

2K+

jobs were supported across our portfolio

26%

of C-suite managers across our portfolio are female and 20% are racially/ethnically diverse

100%

employee retention at MKB



GOVERNANCE

78%

of our portfolio companies have a formal corporate mission statement including a social or environmental commitment

44%

of our portfolio companies have a designated person or committee to oversee ESG-related matters

100%

of our portfolio companies have policies related to health and safety, anti-harassment, and anti-discrimination

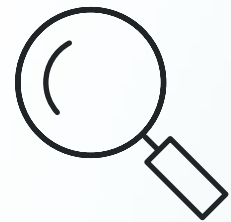
¹Highlights include nine out of 12 portfolio companies.

²CO₂ savings enabled presented not adjusted for ownership or holding period.

ABOUT MKB

OUR JOURNEY

15 Years of Energy Transition Investing



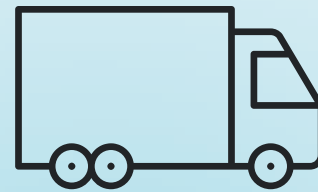
2007

Launched
research and
incorporated MKB



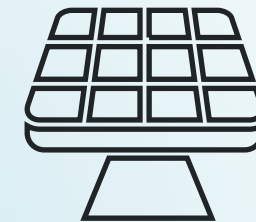
2010

First energy
investment



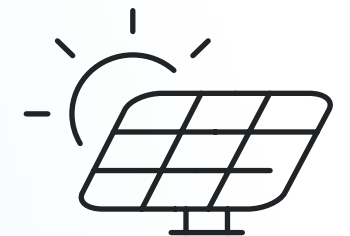
2012

First mobility
investment



2016

First energy
transition
diversified fund



2020

Second energy
transition
diversified fund

OUR TEAM

MKB’s greatest asset is its people, and we take immense pride in fostering a culture of excellence that is united, transparent, and entrepreneurial. Our investment team has expanded organically and consists of highly experienced professionals from various backgrounds, including corporate finance, engineering, operations, and governance. Further, our finance and operations teams provide instrumental support in scaling the firm to facilitate MKB’s growth. The firm’s 15 employees¹ include a dedicated investment team of 11 based in Montreal, Toronto, and Houston, and a business operations team of four based in Montreal.

We are particularly proud of our high retention rate, having retained our core investment team members for well over a decade. This steadfast commitment underscores the dedication of our team members to our cause and the collective strength of our team working towards shared goals.

¹At the date of publishing this report, there were 15 employees. However, our employee count at the end of 2022 was 14. Therefore, all metrics throughout this report are calculated based on 14 employees.



Ken MacKinnon
CEO & Co-Founding Partner



Antonio Occhionero
Managing Partner



Chanel Damphousse
Partner



Jesse Teichman
Partner



Vivian Koen
Partner



Patrick Bennett
Partner



Geetanjali Kanwar
Senior Associate



Saul Muskin
Senior Associate



Connor Campbell
Senior Associate



Christie Sirois
Associate



Caelan Davey
Analyst



James Palucci
Vice President, Finance



Nikoo Asadi
Director of Operations



Anthony Barbaro
Corporate Controller



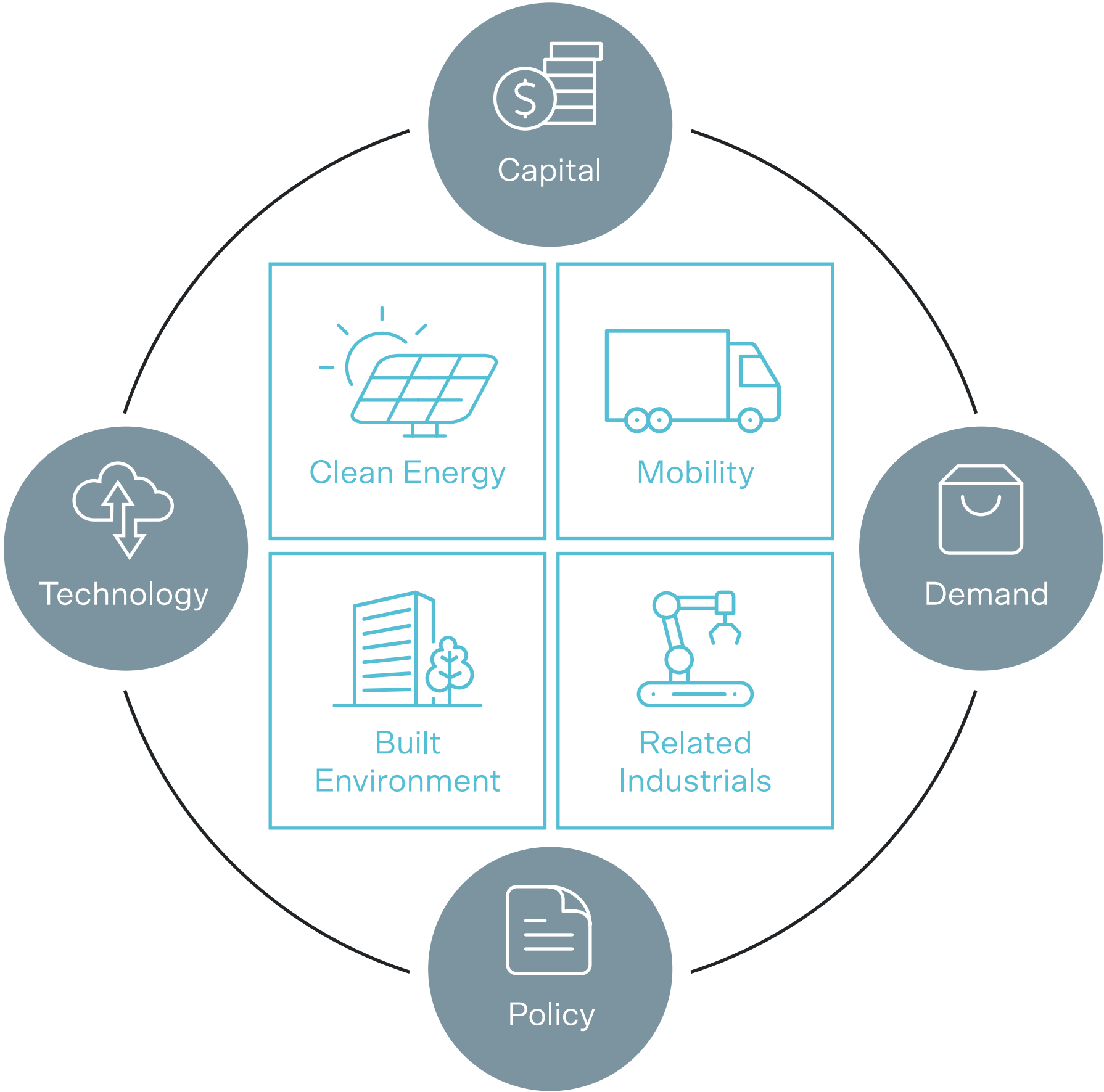
YuMin Chang
Operations Associate

OUR INVESTMENT FOCUS

MKB is a prominent North American private investment firm that provides growth capital to innovative companies in the clean energy, mobility, the built environment, and related industrial sectors.

A decade ago, our principal market outlook was that the world was approaching an inflection point in a widespread economic transformation driven by the transition towards decarbonized, digital, and electrified energy and transportation systems. This view was not ubiquitously shared in the entrepreneurial and investment communities. While compelling tailwinds propelled the early days of the energy transition, many doubted the potential for rapid, impactful change, given the influence of entrenched forces and the scale of the challenge itself.

Today, there is a much broader recognition of the energy transition and the opportunity it presents — “climate tech” has now become mainstream. Secular tailwinds, resulting from the convergence of technological innovation, encouraging policy environments, accessible capital, and the urgency for climate action, are accelerating transformation in these crucial sectors.

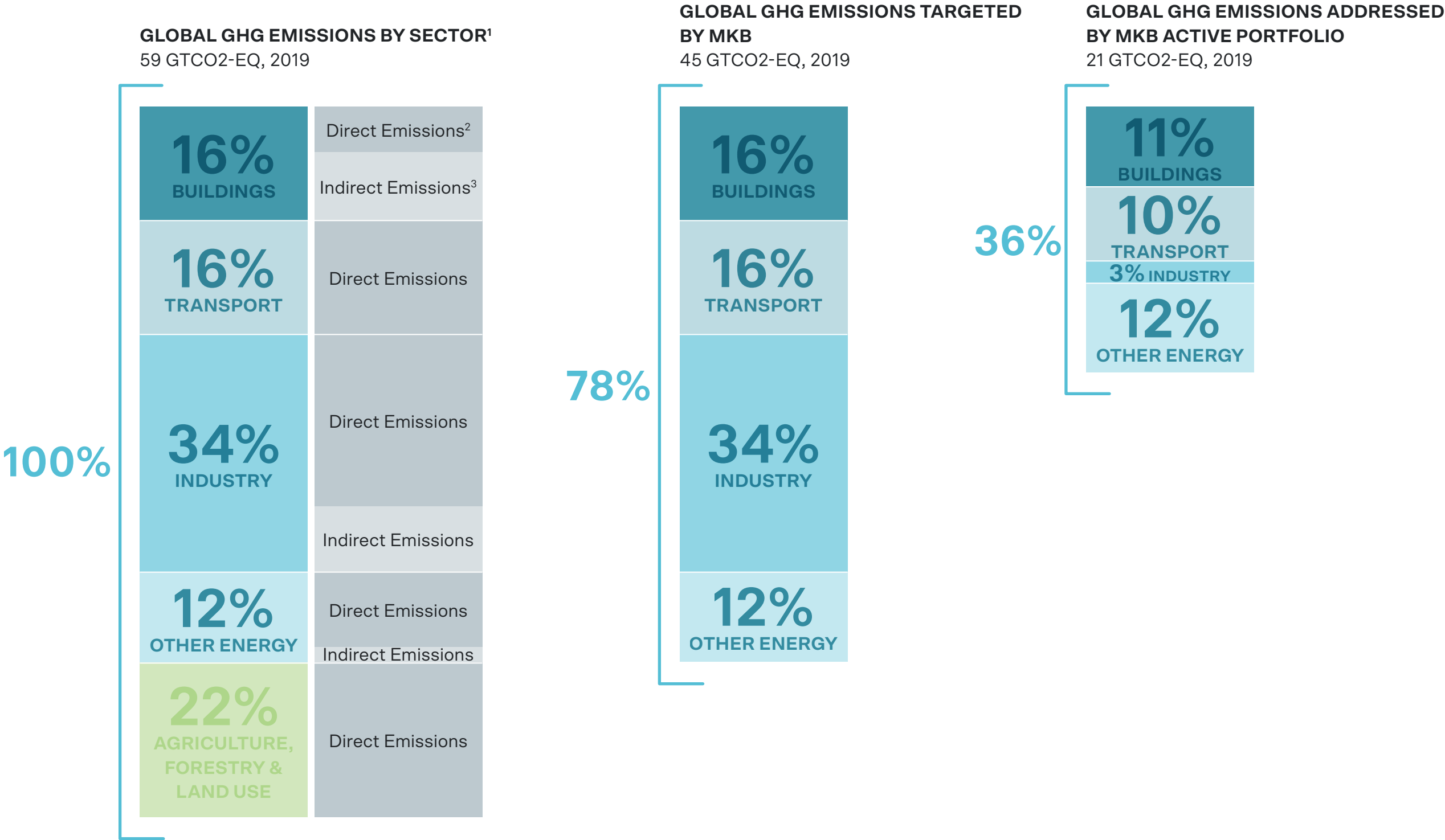


APPROACH TO IMPACT INVESTING & ESG

APPROACH TO IMPACT INVESTING

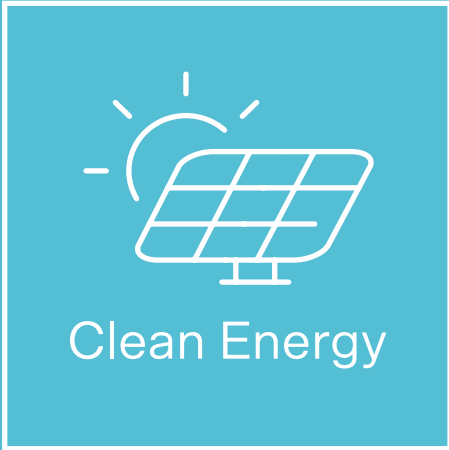
MKB strategically invests its capital in key sectors responsible for 78% of global greenhouse gas ("GHG") emissions. Our approach involves detailed evaluations of macro-level trends, markets, value chains, competitive landscapes, and technological advancements within our chosen investment sectors. We actively seek disruptive concepts, innovations, and transformative forces that reshape the provision of products and services. This extensive analysis informs our investment thesis, allowing us to concentrate on subsectors and business models that demonstrate the greatest potential for facilitating the transition within these sectors.




As of December 31, 2022, MKB's active portfolio addresses sectors responsible for 36% of global GHG emissions.






PORTFOLIO SPOTLIGHT








Company	Focus	Description	Opportunity	Solution	Impact
 Palmetto	Clean Energy	Technology-enabled residential solar development platform.	Residential solar is a rapidly growing market with relatively low penetration in the US. Despite its cost-saving potential, penetration of rooftop solar remains in the low single-digit percentages.	Palmetto employs software and innovative business strategies to minimize operational expenses like customer acquisition, permitting, and financing, thereby enhancing access for residential customers.	By lowering the cost of installed solar for customers, Palmetto is accelerating the adoption of carbon-free, distributed energy.
 Bboxx	Clean Energy	Off-grid solar and energy product platform for the developing world.	There remain hundreds of millions of people globally without access to electricity.	BBOXX provides underserved communities in developing regions with an alternative to traditional grid and fossil-fuel power, offering pay-as-you-go off-grid solar energy solutions.	By providing access to clean electricity in sub-Saharan Africa and Asia, BBOXX is improving living standards and preventing the lock-in of fossil fuel power infrastructure.
 RAPTOR MAPS	Clean Energy	Solar lifecycle management platform and aerial inspections provider.	Global utility scale solar is expanding quickly, yet many systems are underperforming due to a lack of a unified asset management platform.	Raptor Maps offers a digital tracking system for asset owners, Original Equipment Manufacturers (OEMs), financiers, and operators, facilitating informed actions that elevate production and diminish downtime.	Through its focus on asset optimization and maximizing uptime, Raptor Maps amplifies solar energy generation, empowering asset owners to scale up and foster a cleaner energy system.





Company	Focus	Description	Opportunity	Solution	Impact
	Shared Mobility	Car-sharing service that facilitates urban mobility.	Urban vehicle ownership is increasingly undesirable for consumers and cities due to growing congestion and parking-related challenges.	Communauto offers Canada's largest fleet of station-to-station and one-way car sharing vehicles.	By taking cars off city streets and relying primarily on hybrid and electric vehicles, Communauto cuts down on emissions.
	Traffic Digitization	Traffic data management platform and technology provider.	Transportation authorities face increasing pressure from aging urban infrastructure and traffic congestion.	Miovision offers an AI-driven system that helps cities ease traffic and cut vehicle emissions with smart transportation tools.	By enhancing the way traffic moves, Miovision cuts down on congestion and, in turn, emissions.
	Fleet Electrification	Autonomous Electric Vehicle (EV) battery swapping technology provider.	Public and residential EV charging are not viable options for commercial fleets.	Ample's modular battery swapping solves the energy delivery challenge for electric transportation by utilizing autonomous robotics and smart-battery technology.	Accelerating the electrification of commercial fleets via a platform that delivers a full charge to any electric car in minutes.




Company	Focus	Description	Opportunity	Solution	Impact
	Electrification	Smart EV charging network operator and technology provider.	With electric vehicles set to account for over 40% of North American car sales by 2030 ¹ , there's a pressing need for a robust charging network.	Flo's rugged hardware and vertically integrated network offers one of the most reliable charging solutions for public, commercial, and residential customers.	Accelerating the energy transition by building a network of charging infrastructure to facilitate electrification.
	Shared Mobility	Mobile bike shop operator facilitating logistics for the cycling industry.	As cities and consumers increasingly support micromobility as a form of transportation and exercise, servicing, logistics, and retail remain challenges for the cycling industry.	Velofix provides a fleet of mobile bike shops across North America that deliver, service, and repair bicycles.	By promoting exercise and micromobility-based transportation, Velofix contributes to healthy living and reduced transportation emissions.
	Shared Mobility	Electric micromobility operator.	Car trips for distances under three miles can be replaced by more eco-friendly modes of transportation.	Bird Canada provides a fleet of e-scooters and e-bikes to reduce reliance on cars for shorter distances.	More micro-electric vehicles can lead to fewer cars on the road, thereby reducing the amount of carbon emissions and traffic congestion.

¹[Bloomberg NEF Insights](#)



Company	Focus	Description	Opportunity	Solution	Impact
	Smart Energy	Smart home energy monitoring software provider.	The rise in electrified homes has spiked interest among consumers and utilities in real-time energy tracking, aligning with a growing emphasis on demand-based grid control.	With software embedded in smart meters and electric panels, Sense's home energy monitor provides an in-depth, real-time analysis of power consumption for each appliance.	Sense enables the reduction of home energy consumption and associated power-related GHG emissions through its monitoring capabilities.
	Heating, ventilation, and air conditioning (HVAC)	Digital procurement and support platform for HVAC field technicians.	According to Bluon, the \$70 billion HVAC parts market has a disorganized and inefficient buying system. Improving this system and giving HVAC workers better training can enhance how the equipment performs and its energy use.	Bluon's app is leading the digitization of HVAC e-commerce and decentralizing access to training and technician support.	By providing access to the right information at the right time, Bluon enables high performing HVAC equipment, thereby reducing instances of breakdowns and energy loss.



Related
Industrials

Company	Focus	Description	Opportunity	Solution	Impact
CarbiCrete	Cement	Carbon negative concrete technology company	As the most widely used substance on earth (after water) with more than 4 billion tons created annually, cement represents approximately 8% of global CO ₂ emissions ¹ .	Carbicrete's technology enables the production of cement-free, carbon-negative concrete made with industrial by-products and captured CO ₂ .	Carbicrete is helping to decarbonize a heavy emitting industry and enabling the long-term storage of captured CO ₂ .

¹PSCI, Cement and concrete: the environmental imapct

APPROACH TO ESG MANAGEMENT

At MKB, we are committed to promoting responsible ESG practices throughout our operations and investment process. Our approach is focused on cultivating a high-performing culture that is aligned with ESG best practices. This is translated into our work through two key strategies:

1. Proactive engagement with stakeholders for inclusion and enhanced transparency.
2. Incorporating ESG considerations into both pre- and post-investment decision-making processes.

This comprehensive approach underlines our commitment to responsible practices and the creation of a significant positive impact.



STAKEHOLDER ENGAGEMENT & MATERIALITY ANALYSIS

In accordance with the Global Reporting Initiative ("GRI") recommendations, MKB conducted a consultation exercise to gather invaluable insights from our key stakeholders. This collaborative process has enabled us to identify and prioritize material topics that stakeholders expect to receive disclosures on. By actively involving our stakeholders in this engagement, we can share reports that align with their expectations and address their specific concerns.

Our engagement included online surveys, asking stakeholders to prioritize various ESG and impact-related topics. These surveys were followed by a number of one-on-one interviews with some stakeholders to delve deeper into their responses and encourage them to share additional feedback. The list of material ESG topics are listed on the right side of the page.

MKB stakeholders

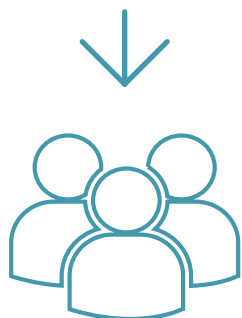
- Employees
- Limited partners
- Industry groups
- Portfolio companies
- Regulators
- Local communities
- Service providers



ENVIRONMENTAL

Managing energy and GHG emissions
across our investment portfolio

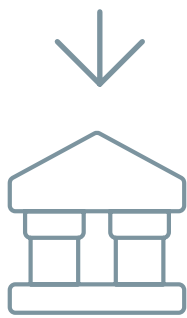
—
Managing climate risk
across our investment portfolio



SOCIAL

Health, safety, and wellbeing
across our internal operations and
investment portfolio

—
Diversity, equity, and inclusion
across our internal operations and
investment portfolio



GOVERNANCE

Ethics, integrity, and compliance
across our internal operations and
investment portfolio

—
Cybersecurity across our internal
operations and investment portfolio








—
**ESG integration in the investment
process**

—
Risk management across our
investment portfolio

—
Transparency and public disclosure
across our internal operations and
investment portfolio

ESG INTEGRATION ACROSS THE INVESTMENT PROCESS

MKB implements responsible ESG practices by identifying, measuring, and managing ESG and impact risks and opportunities at every phase of the investment process, while aligning with relevant globally recognized standards, frameworks, and initiatives. Our ESG questionnaires to portfolio companies include disclosures in alignment with the GRI, SASB, and the ESG Data Convergence Initiative (“EDCI”). MKB plans to become a member of EDCI in the near future.

Framework	Description	Tool	Pre-investment	Post-investment	Alignment with the Sustainable Development Goals	Alignment with global standards & frameworks
Measurement	Data collection	Questionnaire (Excel or third-party platform)	Data collection and mapping of results	Annual data collection and mapping of results	<div>7 AFFORDABLE AND CLEAN ENERGY</div> <div></div>	<div></div> <div></div> <div></div>
	Risk assessment by Investment Committee	Slide in Confirmatory Diligence Investment Memo	Investment Committee discussion around identified risks	Revisit ESG risk assessment at each follow-on financing		
Engagement	Formalize commitment	Term Sheet, Side Letter, Constituting Documents	Legal obligations to report and collaborate	-	<div>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</div> <div></div>	
	Develop roadmap to improve ESG practices	Roadmap template	-	Develop roadmap and share goals with management	<div>11 SUSTAINABLE CITIES AND COMMUNITIES</div> <div></div>	
	Enforce ESG roadmap	Board membership, HR/Finance & Audit (FAC)	-	Advance roadmap and periodic check-in		
Monitoring	Annually monitor progress	ESG Questionnaire	-	Track annual performance vs. plan	<div>13 CLIMATE ACTION</div> <div></div>	
Reporting	Report findings to Limited Partners (LPs)	Annual Report	-	Compile portfolio results and report on findings		

PRE-INVESTMENT CONSIDERATIONS

MKB conducts an ESG review for all its prospective portfolio companies. Our proprietary ESG questionnaire covers a wide range of elements, supplemented by assessments conducted during preliminary and confirmatory diligence periods. The insights gleaned from this questionnaire are presented to the Investment Committee through the Confirmatory Diligence Investment Memo. Supported by a deep understanding of the ESG risks and opportunities identified during due diligence, MKB’s Investment Team proactively engages with the management of prospective portfolio companies to address any material issues prior to making investment decisions. In addition to the below ESG topics, we seek to understand the general long-term impact the company’s products and/or services have on key stakeholders and our key investment sectors. Impact-related information is gathered more anecdotally, and specific indicators may be collected based on the nature of each company’s core business.

ESG Topics Considered at the Due Diligence Phase

Environmental	Social	Governance
GHG Emissions Management	DEI	Corporate Governance
Energy Management	Health and Safety	Board Structure
Certifications, Permits, and Licenses	Human Rights	Culture, Ethics, and Integrity
Waste Management	Talent Development	Compliance
Sourcing of Materials	Supply Chain Risk	Cybersecurity



POST-INVESTMENT CONSIDERATIONS

In the post-investment phase, we capitalize on the insights gained from the due diligence process to tailor our engagements and actively pursue opportunities for positive change. As our portfolio matures, we anticipate that ESG and impact data will yield increasingly meaningful and insightful outcomes, while being mindful of the need to interpret data in the context of geography and the growth stage of each portfolio company.

Our engagement efforts encompass the identification of areas where ESG and impact management can be enhanced. Some engagements are general in nature, urging companies to adopt more robust corporate governance policies, while others are specific, such as driving increased diversity metrics at the executive or board level.

To assist our recommendations in being considered and implemented, an MKB representative maintains close communication with each portfolio company, offering feedback and guidance as required. MKB seeks to incorporate specific clauses within the Shareholder Agreement to ensure adherence to targeted ESG and impact practices.



ONGOING MONITORING & REPORTING POST-INVESTMENT

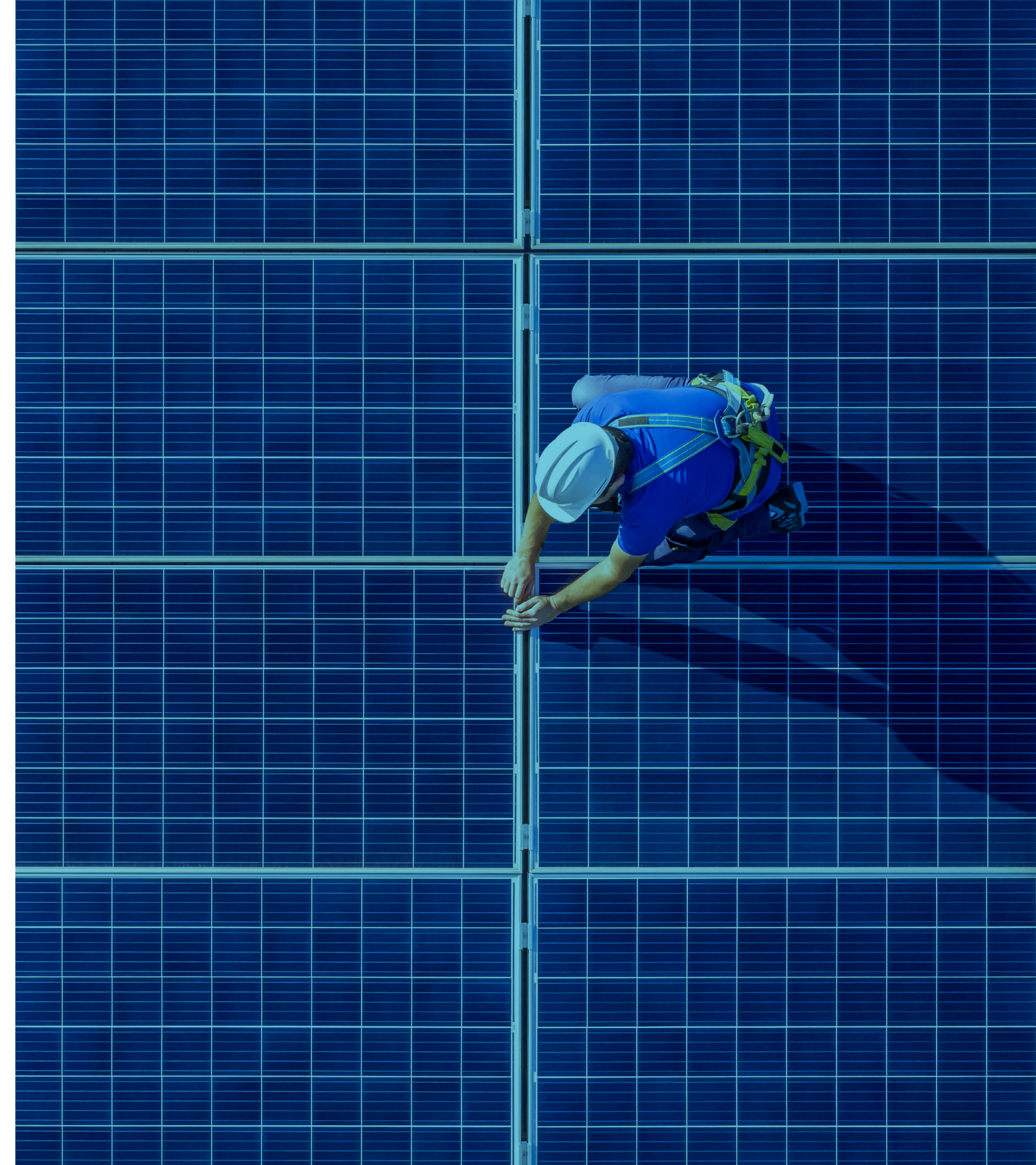
We engage our portfolio companies in an annual ESG questionnaire to measure improvements across time, with indicators in this questionnaire evolving as our portfolio matures and we align with more ESG and impact frameworks. We then report findings from these questionnaires to our limited partners through annual reports.

We recognize the rapid evolution of the ESG and impact landscape, and we commit to periodically assessing our practices to ensure they remain transparent, relevant, and effective. As part of this commitment, we stay up-to-date with new developments, regulations, and best practices and may revise our processes to adapt to these changes.



MANAGING MATERIAL ESG & IMPACT INCIDENTS

We define a material ESG and impact incident to include violations of the portfolio company's code of conduct, as well as incidents that might cause a negative impact on the company's stakeholders, reputation, and/or value. Should an incident take place, the Investment Team outlines the associated exposure and materiality, and puts an action plan in place with the management of the portfolio company. At such time, MKB informs all relevant stakeholders of the matter and provides regular updates until the issue is resolved.



2022 ESG PERFORMANCE

PORTFOLIO ESG PERFORMANCE

We are pleased to present an integrated overview of the collective ESG performance of nine of our 12 active portfolio companies. The following figures provide a snapshot of our shared dedication to environmental management, emphasizing our commitment to renewable energy and enabling CO₂ savings. This information underscores our collective progress and ongoing commitment to these critical areas impacting the sustainability of the planet.

Indicators Related to Overall ESG Management

Overall ESG Management Practices	2022 ¹
Companies that have a designated person or ESG oversight committee for ESG-related matters	44%
Companies that have a formal, written corporate mission statement that includes a social or environmental commitment	78%

Indicators Related to Environmental Management

Environmental Conservation Practices	2022
Companies that provide, or are powered by, renewable or cleaner-burning energy (e.g., solar panel manufacturers/installers, hybrid vehicles) rather than market alternatives	22%
Total CO ₂ savings enabled by product/service (metric tons)	1,936,230 ²
Environmental Indicators Tracked	2022
Companies that monitor and record energy consumption	44%
Companies that measure the amount of CO ₂ saved due to their products and/or services	56%

¹Overall percentage of the nine included portfolio companies.

²Based on five companies monitoring this indicator.

PORTFOLIO
ESG
PERFORMANCE

Indicators related to DEI

Across the nine companies represented in this section, our portfolio proudly supports the employment of **2,236 full-time individuals**.

DEI Policies			2022 ¹
Diversity and Inclusion Policy			78%

DEI KPIs			
2022			
	Board of Directors	Management Team	Full-time Employees
Female	10%	26%	27%
Racially/Ethnically Diverse	14%	20%	16%

Indicators Related to Corporate Governance

Corporate Governance Policies	2022
Code of ethics	89%
Anti-harassment Policy	100%
Anti-discrimination Policy	100%
Policy on pay performance reviews	78%
Policy on benefits, training, and leave	89%
Grievance resolution process	67%
Health and Safety Policy	100%

¹Overall percentage of the nine included portfolio companies.

MKB ESG PERFORMANCE

At MKB, we hold ourselves accountable for implementing the ESG practices that we promote among our portfolio companies. We have established an ESG Committee that includes a partner and a representative from each of the investment, finance, and operations teams. The Board entrusts senior management with the task of overseeing ESG performance and interacting with our stakeholders. Periodic updates on the impact of our investments are provided by the senior management.

ESG Committee Members



Chanel Damphousse
Partner



Geetanjali Kanwar
Senior Associate



James Palucci
Vice President, Finance



Nikoo Asadi
Director of Operations

Environmental Management at MKB

Environmental Activity Data			
	Unit	2021	2022
In-suite Electricity	kWh	1,671	27,878
Common Electricity	kWh	1,920	1,964
Natural Gas	m3	645	740
Water	m3	11	104
Waste	KG	13	21
Steam	lbs	0	175

The 2021 numbers include the Toronto office only. The 2022 numbers include both the Toronto and Montreal offices.

MKB ESG PERFORMANCE

DEI at MKB

Our commitment to fostering DEI stems from our belief that embracing a diverse range of ideas, talents, skills, backgrounds, and perspectives fosters a more innovative environment. We value the unique attributes that each individual brings to the table, including age, gender and sexual orientation, ethnicity, culture, and all other defining factors. Inclusion is ingrained in our culture at MKB, and also within our policy that has ‘zero tolerance’ for discrimination of any form. The table below illustrates the percentages in relation to the total number of employees.

Diversity Overview				
	2021		2022	
	Female	Racially/Ethnically Diverse	Female	Racially/Ethnically Diverse
Firm Leadership & Partners	20%	10%	14%	14%
Investment Team	10%	20%	14%	14%
Finance Team	0%	0%	0%	0%
Operations Team	10%	10%	14%	14%
Total	40%	40%	43%	43%

LOOKING FORWARD

In 2022, we evolved our reporting to be in alignment with global standards and included disclosures that are of interest to our stakeholders. Moving forward, we are committed to making this ESG report an annual exercise as we continue to practice transparency and accountability.

In 2023, MKB aims to further improve policies, practices, and processes related to ESG topics both within our operations and across our portfolio companies, thereby driving positive change in our investments. We intend to enhance and streamline our ESG data collection capabilities by implementing digital tools, enabling us to make more informed decisions and offer enhanced support to our portfolio companies.

We are also exploring methods to deepen our impact measurement and management. Our goal is to transition from anecdotal impact observations to a balanced approach between quantitative and qualitative long-term impact metrics. We are optimistic about the future and believe our dedication to ESG practices, impact, and innovation will continue to drive our growth and positively impact our stakeholders.

Always in the pursuit of excellence, we wholeheartedly welcome comments, ideas, and feedback that hold us accountable and nurture our growth and development. Please reach out to our **Director of Operations, Nikoo Asadi**, at: ESG@mkbandco.com

The MKB team.



GRI CONTENT INDEX

GRI Disclosure	2022 Performance
GRI 2: General Disclosures 2021: 1. The Organization and its Reporting Practices	
Disclosure 2-1: Organizational details	MKB is a leading North American specialized private investment firm
Disclosure 2-2: Entities included in the organization’s sustainability reporting	MKB’s ESG report encompasses all of its wholly owned entities
Disclosure 2-3: Reporting period, frequency and contact point	<ul style="list-style-type: none"> • Reporting Period: January – December 2022 • ESG Report Publication Date: August 2023 • Contact point: esg@mkbandco.com
Disclosure 2-4: Restatements of information	None
Disclosure 2-5: External assurance	MKB did not seek external assurance for the 2022 ESG Report.
GRI 2: General Disclosures 2021: 2. Activities and Workers	
Disclosure 2-6: Activities, value chain, and other business relationships	MKB provides growth capital to companies at the forefront of innovation in clean energy, mobility, the built environment, and related industrials. Its objective is to accelerate the transitions underway in fundamental sectors of the economy, while making a sustainable impact and generating attractive returns for its investors
Disclosure 2-7: Employees	<ul style="list-style-type: none"> • MKB’s team includes 14 full time employees. • 13 employees are based in Canada and 1 is based in the U.S. • Total: 14. Male: 8 (57%), Female: 6 (43%)
Disclosure 2-8: Workers who are not employees	MKB does not have workers who are not employees. MKB works with third-party consultants whose work is controlled by their own organizations.
GRI 2: General Disclosures 2021: 3. Governance	
Disclosure 2-10: Nomination and selection of highest governance body	MKB is governed by its shareholder agreement which details a process for nomination and selection of its board members. Each individual fund is governed by a General Partner (“GP”) which is typically controlled by the fund partners.
Disclosure 2-11: Chair of the highest governance body	The Board Chairman is a minority shareholder and is not a senior executive. The Chairman is a trusted advisor of the firm.
Disclosure 2-12: Role of the highest governance body in overseeing the management of impacts	The GP is responsible for supervising ESG-related performance and stakeholder engagement. The fund partners, in collaboration with the ESG committee, oversee the implementation of the ESG policy and ensure regular updates on the impacts of our investments. Although the ESG Committee is not a board committee, it plays a critical role in executing all ESG-related matters.
Disclosure 2-13: Delegation of responsibility for managing impact	<ul style="list-style-type: none"> • The CEO, who is a board member, delegates the responsibility of overseeing ESG-related mandates to the ESG Committee, which includes one member of the management, as well as one member each from the investment, finance, and operations teams. • The CEO, along with the ESG Committee, reviews the annual ESG report. • There is no mandate for the board to delegate sustainability-related matters or review reporting.

GRI 2: General Disclosures 2021: 3. Governance	
Disclosure 2-14: Role of the highest governance body in sustainability reporting	Refer to Disclosure 2-12 and 2-13.
Disclosure 2-16: Communication of critical concerns	Disclosure of concerns is performed during board meetings or as required. If necessary, the board will gather to discuss critical issues that must be addressed prior to the next formal quarterly meeting.
GRI 2: General Disclosures 2021: 4. Strategy, Policies & Practices	
Disclosure 2-22: Statement on sustainable development strategy	As part of our commitment to accelerate the transition, MKB strives to create a high performing ESG culture throughout the lifecycle of an investment. Our Responsible Investment Policy, supported by pre-investment and post-investment measures, is the foundation to enable this commitment.
Disclosure 2-26: Mechanisms for seeking advice and raising concerns	MKB does not currently have an official whistleblower policy in place, although it is under development. However, we promote a culture of openness and accountability, and we are committed to transparency. We encourage employees to come forward with any concerns that may lead to reputational damage.
Disclosure 2-27: Compliance with laws and regulations	There were no instances of non-compliance during the reporting period.
Disclosure 2-28: Membership association	<ul style="list-style-type: none"> • Canadian Venture Capital & Private Equity Association (CVCA), member since 2018 • Reseau Capital, member since approximately 2016 • MaRS, member since approximately 2020 • Propulsion Quebec, member since October 2020
GRI 2: General Disclosures 2021: 5. Stakeholder Engagement	
Disclosure 2-29: Approach to stakeholder engagement	Refer to page 21 of this report.
Disclosure: 2-30: Collective bargaining agreements	There are no employees covered by collective bargaining agreements. MKB does not stop any employee from participating in any collective bargaining activities.
GRI 3: Material Topics 2021	
Disclosure 3-1: Process to determine material topics	Refer to page 21 of this report.
Disclosure 3-2: List of material topics	Refer to page 21 of this report.
Disclosure 3-3: Management of material topics	Refer to page 21 of this report.
GRI 203: Indirect Economic Impacts 2016	
Disclosure 203-1: Infrastructure investments and services supported	Refer to pages 15-19 of this report.
GRI 204: Procurement Practices 2016	
Disclosure 204-1: Proportion of spending on local suppliers	90% of the operating expenses in 2022 were spent on local Canadian suppliers.

GRI 205: Anti-corruption 2016	
Disclosure 205-2: Communication and training about anti-corruption policies and procedures	All MKB governance body members, employees, and business partners are aware and well-informed of our anti-corruption policies and procedures. Each stakeholder group receives communication regarding our policies through different engagements, whether it’s through employee onboarding or the employees’ handbook that they sign annually. Investors receive the policies in the investment data rooms.
GRI 401: Employment 2016	
Disclosure 401-1: New employee hires and employee turnover	<p>Four new employees were hired in 2022:</p> <ul style="list-style-type: none"> • Male: 2, Female: 2 • Racially/Ethnically Diverse: 2 • Ages 30 & below: 2, Ages between 30 – 50: 2 • Turnover rate: 0%
Disclosure 401-2: Benefits provided to full-time employees that are not provided to temporary or part-time employees	<p>All permanent full-time employees receive the following benefits:</p> <ul style="list-style-type: none"> • Life insurance • Health insurance • Long-term disability and invalidity coverage • Parental leave • Retirement provision • Vacation
Disclosure 401-3: Parental leave	<p>All MKB employees, regardless of gender, are entitled to parental leave:</p> <ul style="list-style-type: none"> • 1 Female employee took parental leave • 1 Female employee returned to work upon completion of her parental leave • There has been no turnover of employees who have taken parental leaves during the reporting period.
GRI 405: Diversity & Equal Opportunity 2016	
Disclosure 405-1: Diversity of governance bodies and employees	<p>Board of Directors:</p> <ul style="list-style-type: none"> • Male: 3 (100%) • Racially/Ethnically Diverse: 0 <p>Executive Management (Partners only):</p> <ul style="list-style-type: none"> • Male: 4 (67%), Female: 2 (33%) • Racially/Ethnically Diverse: 2 (14%) <p>All MKB Employees:</p> <ul style="list-style-type: none"> • Male: 8 (57%), Female: 6 (43%) • Racially/Ethnically Diverse: 6 (43%) • Members of the LGBTQ+ Community: 1 (7%)

GRI 418: Customer Privacy 2016	
Disclosure 418-1: Substantiated complaints concerning breaches of customer privacy and losses of customer data	<ul style="list-style-type: none"> • No complaints were received during the reporting period. • MKB has updated its information security practices several times over the last five years. • MKB operates on the cloud and has endpoint security and augmented email security. In 2020, partly to reflect changes in the context of remote work accelerated by COVID protocols, MKB introduced multifactor authentication on systems for which it is responsible, as well as Patch Management protocols. We introduced a security awareness training session in 2021 and in 2022 we added new tools to further improve our backup, email security, phish protections, and security training. • In 2023, we will review and update our policies to ensure we formalize updates with respect to risk mitigation and implementing additional tools. We will continue to ensure our team receives cybersecurity awareness training to stay updated on latest developments.
GRI 404: Training & Education 2016	
Disclosure 404-1: Average hours of training per year per employee	<p>A total of 350 training hours were provided during the reporting period. This is an average of 23 hours per employee, which includes internal and external development training activities.</p> <ul style="list-style-type: none"> • Males: 142 hours (40%), Females: 208 hours (60%) • Operations teams: 115 (33%), Investments Teams: 235 (67%)
Disclosure 404-2: Programs for upgrading employee skills and transition assistance programs	<ul style="list-style-type: none"> • MKB provides internal and external development training activities. Each employee is reimbursed up to \$2,000 CAD annually to pursue professional development training related to their position. • Professional development training programs are selected by employees and approved by their supervisors. Some of the programs MKB’s team members have registered for this year include DEI, programs offered by the Canadian Securities Institute (CSI), the GP Academy Program offered by BDC, and programs related to improving negotiation skills.
Disclosure 404-3: Percentage of employees receiving regular performance and career development reviews	100% of employees receive annual performance and career development reviews.

SASB CONTENT INDEX

Topic	Code	Accounting Metric	2022 Performance
Transparent Information & Fair Advice for Customers	FN-AC-270a.1	(1) Number and (2) percentage of covered employees with a record of investment-related investigations, consumer initiated complaints, private civil litigations, or other regulatory proceedings	Zero
	FN-AC-270a.2	Total amount of monetary losses as a result of legal proceedings associated with marketing and communication of financial product-related information to new and returning customers	Zero
	FN-AC-270a.3	Description of approach to informing customers about products and services	MKB conducts fund/investment related communication to LPs by email, depositing communication in LPs’ online accounts and/or during semi-annual investor presentations. When it comes to our fundraising activities, we engage our clients through in-person meetings and conference calls.
Employee Diversity & Inclusion	FN-AC-330a.1	Percentage of gender and racial/ethnic group representation for (1) executive management, (2) non-executive management, (3) professionals, and (4) all other employees	All MKB Employees: <ul style="list-style-type: none">• Male: 8 (57%), Female: 6 (43%)• Racially/Ethnically Diverse: 6 (43%)• Members of the LGBTQ+ Community: 1 (7%) Executive Management (Partners only): <ul style="list-style-type: none">• Male: 4 (67%), Female: 2 (33%)• Racially/Ethnically Diverse: 2 (14%)
Incorporation of Environmental, Social, and Governance Factors in Investment Management & Advisory	FN-AC 410a.1	Amount of assets under management, by asset class, that employ (1) integration of environmental, social, and governance (ESG) issues, (2) sustainability themed investing, and (3) screening	100% of assets under management are related directly or indirectly to investments that integrate ESG and impact considerations.
	FN-AC 410a.2	Description of approach to incorporation of environmental, social, and governance (ESG) factors in investment and/or wealth management processes and strategies	Refer to pages 22-26 of this report.
	FN-AC-410a.3	Description of proxy voting and investee engagement policies and procedures	Proxy voting is allowed if the registered signatory either appoints a representative through a resolution to vote on behalf of the LP or submits a signed resolution. In its role as a fiduciary for our clients, MKB emphasizes accountability, the alignment of management and shareholder interests, and transparency when exercising its proxy voting duties.

Topic	Code	Accounting Metric	2022 Performance
Business Ethics	FN-AC-510a.1	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behavior, market manipulation, malpractice, or other related financial industry laws or regulations	Zero
	FN-AC-510a.2	Description of whistleblower policies and procedures	MKB fosters a culture of transparency and accountability and encourages all employees to promptly report any concerns to senior management, especially those that might harm our reputation or violate our ethical standards.
Activity Metric	FN-AC-000.B	Total assets under custody and supervision	Not applicable as MKB is an investment manager and not a custodian.

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