

MKB
Environmental, Social, and Governance Report

2023

Table of Contents

- 03 Letter from MKB
- 05 2023 Highlights
- 06 About MKB
- 10 Approach to Impact & ESG
- 17 2023 ESG Performance
- 25 Looking Forward
- 26 GRI Content Index
- 31 SASB Content Index



Letter from MKB

Dear Stakeholders,

I am pleased to present MKB’s 2023 Environmental, Social, and Governance (“ESG”) Report. This edition expands upon the standards we introduced in our 2022 report, reaffirming our commitment to transparency in reporting. Your support and the positive reception of our previous reports have encouraged our continued effort to integrate ESG principles into our investment practice and across our operations throughout 2023.

At MKB, we prioritize directing our growth capital towards decarbonization solutions that can be deployed and scaled to achieve financial sustainability in the near term. I am delighted to report that in 2023, our portfolio contributed towards the avoidance of more than 2.9M tCO₂ of gross carbon emissions. To put it in perspective, this is equivalent to planting around 132M trees.

In 2023, we welcomed a new investment to our portfolio — XNRGY, a frontrunner in designing and manufacturing energy-efficient commercial heating, ventilation, and air conditioning (“HVAC”) systems. Their dedication to building sustainable, innovative HVAC solutions that reduce carbon footprint, conserve water, and lower energy consumption exemplifies the kind of impact we seek through our strategic investments. During the year, MKB successfully exited from two industry-leading companies: Communauto, Canada’s largest car-sharing platform, and Miovision, a proven technology company driving the digitization of North America’s traffic infrastructure.

With that, our portfolio now includes 11 active investments in clean energy, mobility, the built environment, and related

industrial sectors. The companies all aim to make a tangible, positive impact by tackling pressing climate, social, and resource-related problems, collectively contributing to five of the 17 United Nations Sustainable Development Goals (“SDGs”).

Throughout 2023, our progress in advancing ESG and impact practices was further underscored by our partnership with a third-party platform to streamline the ESG data collection process across our portfolio. This will facilitate more efficient, transparent, and accurate reporting and progress monitoring. This approach to managing ESG data is paving the way for us to become an ESG Data Convergence Initiative (“EDCI”) signatory in 2024. Such a step would further highlight our focus on making more ESG disclosures available in our industry, which would help us set benchmarks and improve our overall performance.

I look back to the past year with pride, appreciating what we have accomplished, not only in terms of financial performance but also in our focus on identifying, investing in, and supporting companies shaping a more sustainable future. The MKB team and I are optimistic and energized by what lies ahead. We extend our deepest gratitude for your continued trust and support and welcome any feedback you might have.

Sincerely,

Kenneth MacKinnon
Co-founder & Senior Partner
MKB



Shaping a Sustainable & Resilient Tomorrow

One Investment at a Time

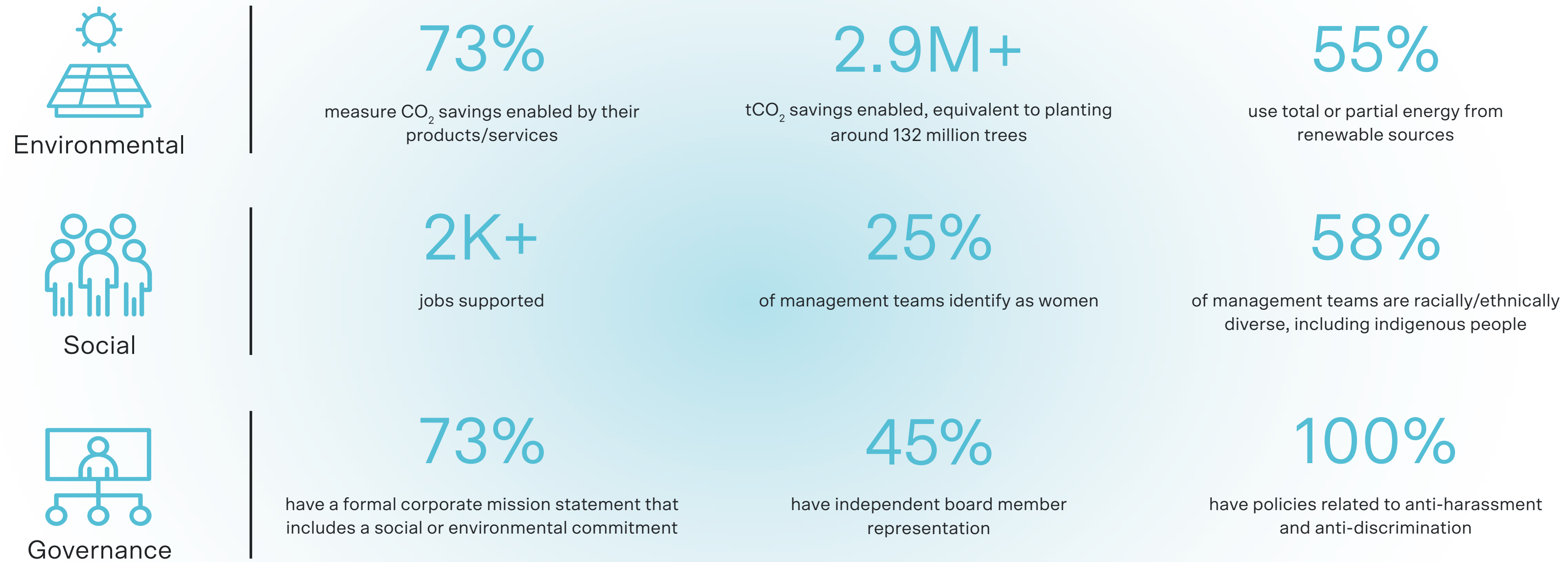
MKB began its journey in 2007 with a clear and distinct mission: propel the clean energy transition. Driven by our commitment, we embraced the imperative of forging a cleaner and more sustainable world for the next generations.

Since inception, our thesis-driven approach has led us to make financially compelling investments in companies advancing the transition to a low-carbon economy. Together with our portfolio companies and an engaged network of forward-thinking entrepreneurs, investors, and stakeholders, we aspire to drive a collective change.

At MKB, we strongly believe in the synergy of financial prosperity with social and environmental consciousness, underpinned by strong governance ethos, as a pathway to crafting a brighter, more sustainable future — one investment at a time.





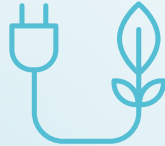




2023 Highlights Across Our Portfolio



About MKB

Our Journey

16 years of Energy Transition Investing
















 2007 Launched research and incorporated MKB		 2012 First Mobility Investment		 2020 Second Energy Transition Fund		 2024 Third Energy Transition Fund
	 2010 First Energy Investment		 2016 First Energy Transition Fund		 2023 First Public ESG Report	

Our Investment Focus

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

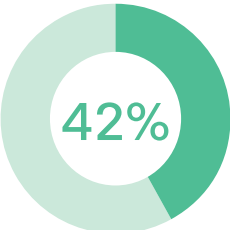
A decade ago, our principal market outlook was that the world was approaching an inflection point in a widespread economic transformation driven by the transition towards decarbonized, digital, and electrified energy and transportation systems. This view was not ubiquitously shared in the entrepreneurial 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 that it presents — “climate tech” is accelerating. Secular tailwinds from the convergence of technological innovation, encouraging policy environments, accessible capital, and the urgency for climate action are accelerating transformation in these essential sectors.

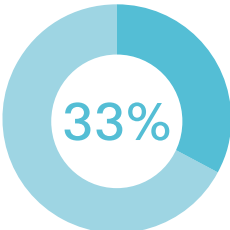
 Clean Energy	 Mobility	 Built Environment	 Related Industrials
 Technology-enabled residential solar development platform.	 Smart EV charging network operator and technology.	 Smart home energy monitoring software.	 Low-cost, carbon negative concrete technology.
 Solar lifecycle management platform and aerial inspections provider.	 Mobile bike shop operator facilitating logistics for the cycling industry.	 Digital procurement and support platform for HVAC field technicians.	
 Off-grid solar and energy product platform for the developing world.	 Micro-mobility fleet of electric scooters.	 High-efficiency HVAC solutions for mission-critical users.	
	 Autonomous EV battery swapping technology.		

Our Team

The MKB team is comprised of highly experienced professionals from various backgrounds, including corporate finance, engineering, operations, and governance. The finance and operations teams provide instrumental support in scaling the firm to facilitate MKB’s growth. The company has 12 employees, including a dedicated investment team of eight based in Montreal, Toronto, and Houston, and a business operations team of four based in Montreal.



Female Employees



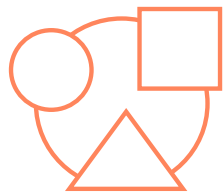
BIPOC Employees

6

Years Average Tenure

365

Training Hours



LGBTQ+ & Veteran Employees



Training Partners



Ken MacKinnon
Co-founder & Senior Partner



Antonio Occhionero
Managing Partner



Chanel Damphousse
Partner



Jesse Teichman
Partner



Geetanjali Kanwar
Principal



Saul Muskin
Principal



Christie Sirois
Associate



Caelan Davey
Analyst



James Palucci
Vice President, Finance



Nikoo Asadi
Director of Operations



Anthony Barbaro
Director of Finance



YuMin Chang
Operations Associate

Approach to Impact & ESG

Impact & ESG Manifesto

Our Manifesto addresses material topics that we identified through a stakeholder engagement process in 2022.

Environmental Impact

- Invest in carbon emission reduction solutions that can be deployed and scaled profitably within MKB's fund horizon
- Assess carbon emission reduction potential alongside trade-offs and environmental justice considerations

Social Responsibility

- Promote diversity and inclusion at Portfolio C-suite and Board level

Governance Leadership

- Advance adoption of best governance practices
- Promote well-balanced board and sub-committees
- Embed ESG commitment in company legal documents

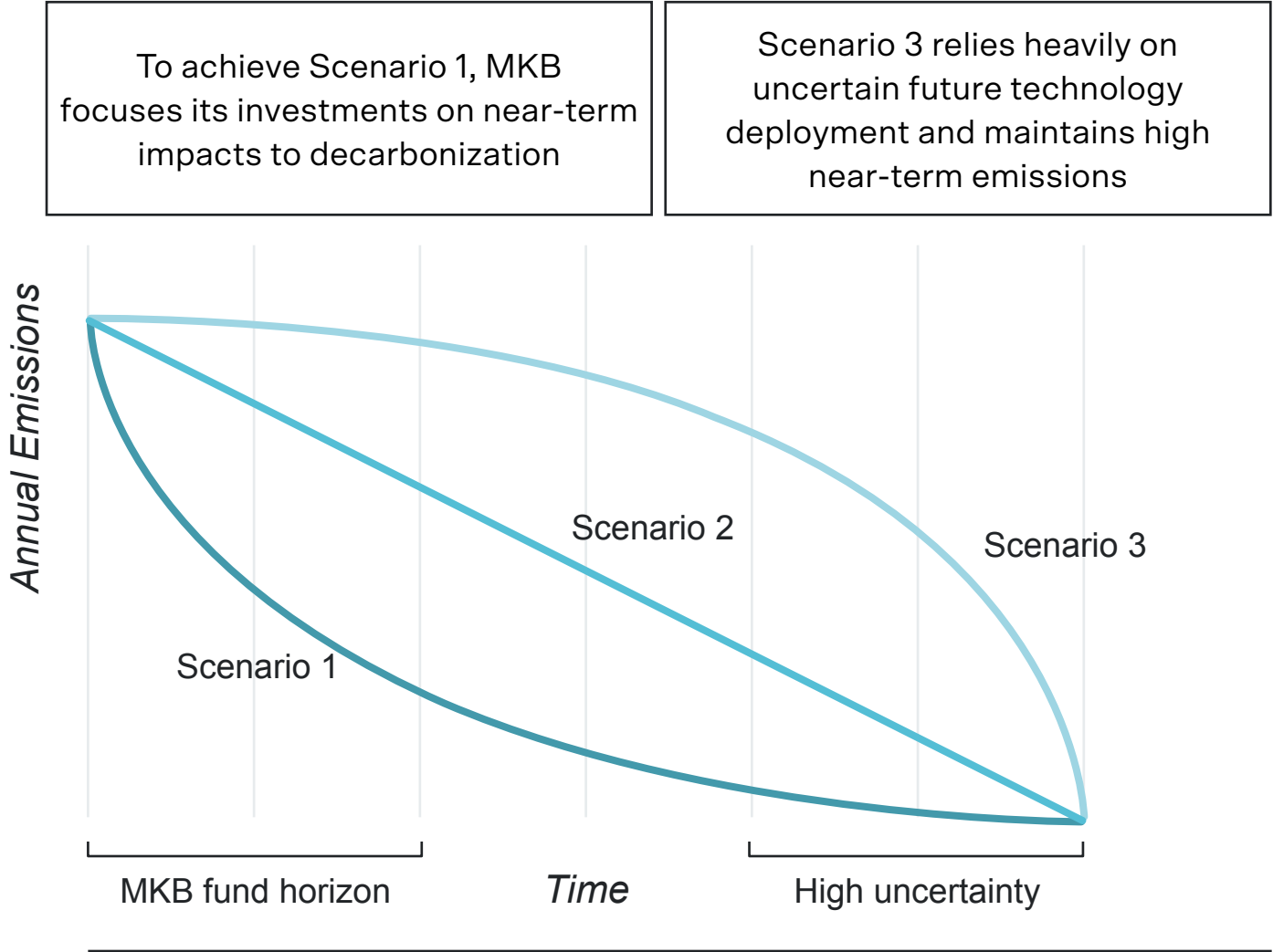
ESG Implementation

- Implement robust ESG performance measurement and reporting
- Adapt to evolving ESG best practices through active stakeholder dialogue

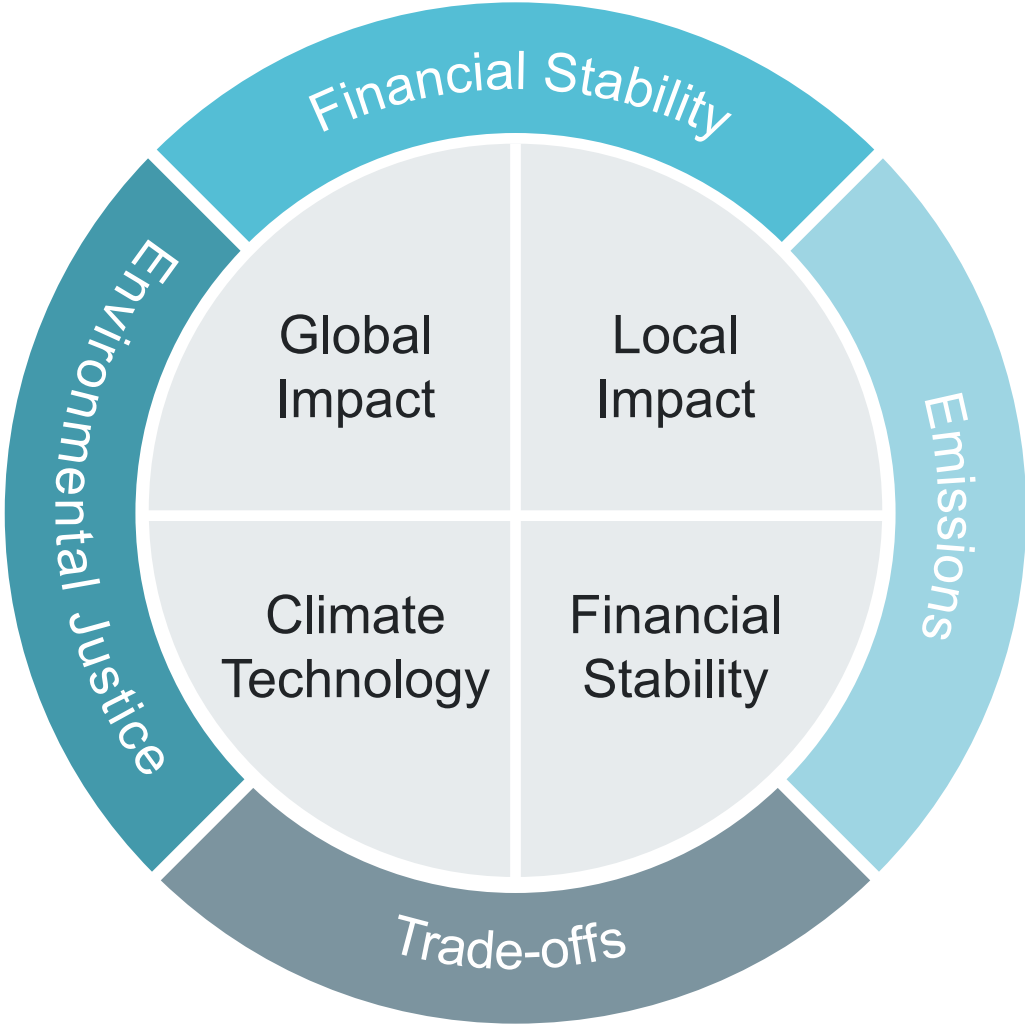


Impact Considerations

We prioritize solutions with near-term carbon emission reduction potential.














Time Value of Carbon: MKB views decarbonization through the lens of the Time Value of Carbon, whereby carbon emissions avoided today are more impactful than those avoided in the future. MKB focuses its investments on solutions that can be deployed, scaled, and achieve financial sustainability (profitability) in the near-term. MKB aims to accelerate the transition and achieve Scenario 1 in the graphic above.



MKB's Impact lens: Carbon emissions should be viewed in tandem with any trade-offs, Environmental Justice considerations, and solution providers' ability to achieve financial sustainability. The tools through which to achieve global and community impact include direct climate technologies, as well as those enabling technologies that make decarbonization faster, easier, or more profitable.

Alignment with the SDGs

Our portfolio contributes to five of the 17 UN SDGs

	7 AFFORDABLE AND CLEAN ENERGY	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	11 SUSTAINABLE CITIES AND COMMUNITIES	12 RESPONSIBLE CONSUMPTION	13 CLIMATE ACTION
 Palmetto®	●		●		●
 Bboxx	●	●	●		●
 RAPTOR MAPS	●			●	●
 ample		●	●		●
 flo		●	●		●
 velofix			●		
 BIRD		●	●		●
 sense	●		●	●	●
 bluon®	●	●			●
 XURGY	●	●		●	●
 CarbiCrete		●		●	●

ESG Integration Across The Investment Process

The ESG Committee, alongside the Investment Team, advance Impact & the ESG Manifesto via a thoughtful process.

	Framework	Description	Tool	Pre-investment	Post-investment
01	Measurement	Data collection	Questionnaire (Excel or third-party platform)	Data collection and mapping of results	Annual data collection and mapping of results
		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
02	Engagement	Formalize commitment	Term Sheet, Side Letter, Constituting Documents	Legal obligations to report and collaborate	-
		Develop roadmap to improve ESG practices	Roadmap template	-	Develop roadmap and share goals with management
		Enforce ESG roadmap	Board membership, HR/Finance & Audit (FAC)	-	Advance roadmap
03	Monitoring	Annually monitor progress	ESG Questionnaire	-	Track annual performance vs. plan
04	Reporting	Report findings to Limited Partners (LPs)	Annual Report	-	Compile portfolio results and report on findings

ESG Material Topics

MKB reviews the ESG factors of companies being considered for investment. Our ESG questionnaire covers a broad range of elements and is supplemented by assessments conducted during preliminary and confirmatory due diligence periods. The information collected from this questionnaire is presented to the Investment Committee in the Confirmatory Diligence Investment Memo. Our Investment Team engages with companies’ management to address any critical issues based on the ESG risks and opportunities identified during due diligence. This proactive approach helps us make informed investment decisions.

During the post-investment phase, we use the insights gained from the due diligence process to customize our engagements and actively seek positive changes. As part of our commitment to responsible investing, we regularly engage with our portfolio companies to assess their progress on ESG issues. To track improvements, we administer an annual ESG questionnaire covering a range of indicators. As our portfolio matures and we align with evolving best practices, we update the questionnaire to reflect the latest standards and expectations. By measuring and monitoring our portfolio companies' ESG performance, we aim to drive positive impact and long-term value for all stakeholders.

In the case of ESG incidents, we promptly assess, collaborate on action plans, and keep stakeholders informed until they are resolved. No material incidents occurred in 2023.

Material Topics		
Environment	Social	Governance
Greenhouse Gas Emissions Management	Diversity, Equity & Inclusion	Corporate Governance
Energy Management	Health and Safety	Board Structure
Waste Management	Human Rights	Culture, Ethics & Integrity
Certifications, Permits, and Licenses	Talent Development	Compliance
Sourcing of Materials	Supply Chain Risk	Cybersecurity

Impact & ESG Committee

Cross-functional committee leads MKB's Impact & ESG strategy and implementation efforts.



Chanel Damphousse
Partner

Investment



Geetanjali Kanwar
Principal

Investment



James Palucci
Vice President, Finance

Finance



Nikoo Asadi
Director of Operations

Operations

2023 ESG Performance

Portfolio Performance - Environment

Overall ESG Management Practices	2023
Designated ESG Person or Oversight Committee	64%
Written Corporate Mission Statement that Includes ESG Commitment	73%
ESG or Sustainability Policy	27%

Environmental Indicators ¹	2023
Total CO ₂ Savings Enabled by Product/Service (tCO ₂) ²	2,957,220
Measure CO ₂ Saving Enabled by Their Products/Services	73%
Monitor/Report Their GHG Emissions	64%
Scope 1 Reported Emissions (tCO ₂)	593
Scope 2 Reported Emissions (tCO ₂)	1,405
Partial/Total Electricity Consumption Powered by Renewable Energy	55%
Exposed to Water-Related Risks	0%
Operate on Ecologically-Sensitive Sites	0%

¹ Figures are self-reported by each portfolio company. They are not externally verified or audited.
² CO₂ saving estimates are self-reported by each portfolio company. They have not been adjusted for ownership or duration.

Portfolio Performance - Social

DEI Policies	
Companies with:	2023
Diversity, Equity & Inclusion Policy	91%
Family Leave Policy	100%

Representation Among Team Members		
2023		
	Female	Racially/Ethnically Diverse
Board of Directors	10%	13%
Management Team	25%	58%

Portfolio Performance - Governance

Overall Corporate Governance Policies	
Companies with:	2023
Code of Ethics	82%
Anti-harassment Policy	100%
Anti-discrimination Policy	100%
Whistleblower Policy	64%
Benefits, Training, and Leave Policy	91%
Grievance Resolution Process	64%
Health and Safety Policy	91%
Data & Cyber Security Policy	73%
Audit Committee	55%
Human Resources Committee	55%
Independent Board Members	45%
Policies on Pay and Performance Reviews	73%

Portfolio Spotlight: FLO

Scaling Electric Vehicle Adoption

Founded in 2009, FLO aims to help address climate change and accelerate the adoption of electric vehicles by offering the best EV charging experience. The company is the designer and operator of one of North America's largest EV charging networks, with over 100,000 stations sold. As a vertically integrated enterprise, FLO oversees the entire lifecycle of charging stations, from their design to network operations. Its accompanying products and services offer a reliable, easy charging experience, whether at home, work, or on the go. Today, North America's annual transportation sector emissions exceed 2.0 [gtCO₂](#), close second to Asia-Pacific. FLO aims to reduce the carbon footprint of North America's mobility sector by speeding up the transition to electric transportation.

Through its products and services, FLO seeks to demonstrate that reliability is not just a promise but a reality for its users. The company's network has consistently demonstrated stability, ensuring a smooth EV charging experience for hundreds of thousands at their homes and in urban and suburban areas from Alaska to Los Angeles and New York to Newfoundland. The key benchmark for FLO's network is uptime – an indicator of reliability, measuring the time a charging station has been operational. The average uptime for FLO's network is 98%+, higher than the [97%](#) mandated by the US Federal Highway Administration. For comparison, a 2022 University of California, Berkeley study of the reliability of public charging stations in the Bay Area found that only 72.5% were functional.

Looking ahead, the company aims to continue charting the EV industry's way forward, playing an important role in reducing the transportation sector's emissions within the global mission to achieve net-zero emissions by 2050, in line with the United Nations Net Zero Coalition.

Aside from continuing to expand its EV charging network, develop innovative products, and offer convenient services, FLO seeks to identify opportunities for advocacy and engagement with authorities to develop policies and programs that accelerate the electrification of the transportation sector and [support equitable charging access for everyone](#). The company will continue expanding its collaboration with various stakeholders, including municipalities, utility companies, institutional and educational facilities, and businesses, in a joint effort to advance transport electrification across North America.



100K+
Charging Stations Sold Across North America to Date

1.5M+
Charging Sessions per Month

273K+
mCO₂ in Carbon Avoided, 2021 & 2022

"Reliable, accessible charging solutions are not just conveniences, but catalysts driving the widespread adoption of EVs. The broader and more reliable charging infrastructure we have, the more we will ease and accelerate EV adoption for drivers. While selling 100,000 chargers was an important step, it is just the start – we aim to deliver the best EV charging experience and make it dramatically more accessible across North America."



Louis Tremblay
President & CEO

Portfolio Spotlight: Palmetto

Increasing Residential Clean Energy Adoption

Palmetto is a technology company accelerating the adoption of clean energy across the United States. The company has both business-to-business and direct-to-consumer channels, focusing on lowering barriers to adoption and technology as the driver of scale. Palmetto offers end-to-end solar energy products and services – from system installation and financing to tracking, maintenance, and support. The company eases homeowners in taking more educated ownership of their utility choices, lowering their energy bills, and embracing smarter and more transparent household energy management. Palmetto was founded in 2010 and is headquartered in Charlotte, North Carolina.

The US is the world's biggest GHG emitter, and residential energy use accounts for roughly [20%](#) of its total. If considered a country, the US residential sector will be the sixth largest emitter in the world - similar to Brazil and more than Germany. Yet, Palmetto estimates that less than 5% of American households utilize solar electricity.

By fueling the rapid expansion of solar energy across the US, Palmetto addresses a critical issue on the national and global levels: climate change. Since it was founded, the company has helped hundreds of thousands of residential and business users across 25 states switch to solar and help decarbonize the US power grid. Today, Palmetto covers over 126 utilities with a service area of more than 72 million households, and its clean energy operating platform has facilitated over one billion US dollars in clean energy transactions.

Palmetto serves individuals with varying needs and budgets, allowing them to buy or lease a solar installation and easily access a range of energy intelligence solutions. Clients can also take advantage of a 25-year maintenance service, dedicated customer support, and in-house project management.

Palmetto's business model focuses on reducing customer acquisition costs to make clean technology available to everyone, passing those soft cost savings along to consumers and helping them lower and stabilize their energy bills over time. **"The first month's electric bill was at least \$150 less than what we were paying,"** shares Debbie Hayward, a Palmetto client, in a Google review.



161M+
kWh in Clean Electricity Generated, 2023

US\$1Bn+
In Clean Energy Transactions Facilitated to Date

2M+
tCO₂ Carbon Reduction to Date



"Embracing clean energy is one of the most impactful decisions a household can make. It's not just about cutting energy costs or increasing property value; it's about contributing to a global movement towards sustainability. As a company, we're committed to reducing costs to make clean technology available to everyone and making this transition as seamless and rewarding as possible - proving that green energy is both practical and transformative."

Chris Kemper
Founder, CEO
& Chairman

Portfolio Spotlight: Bboxx

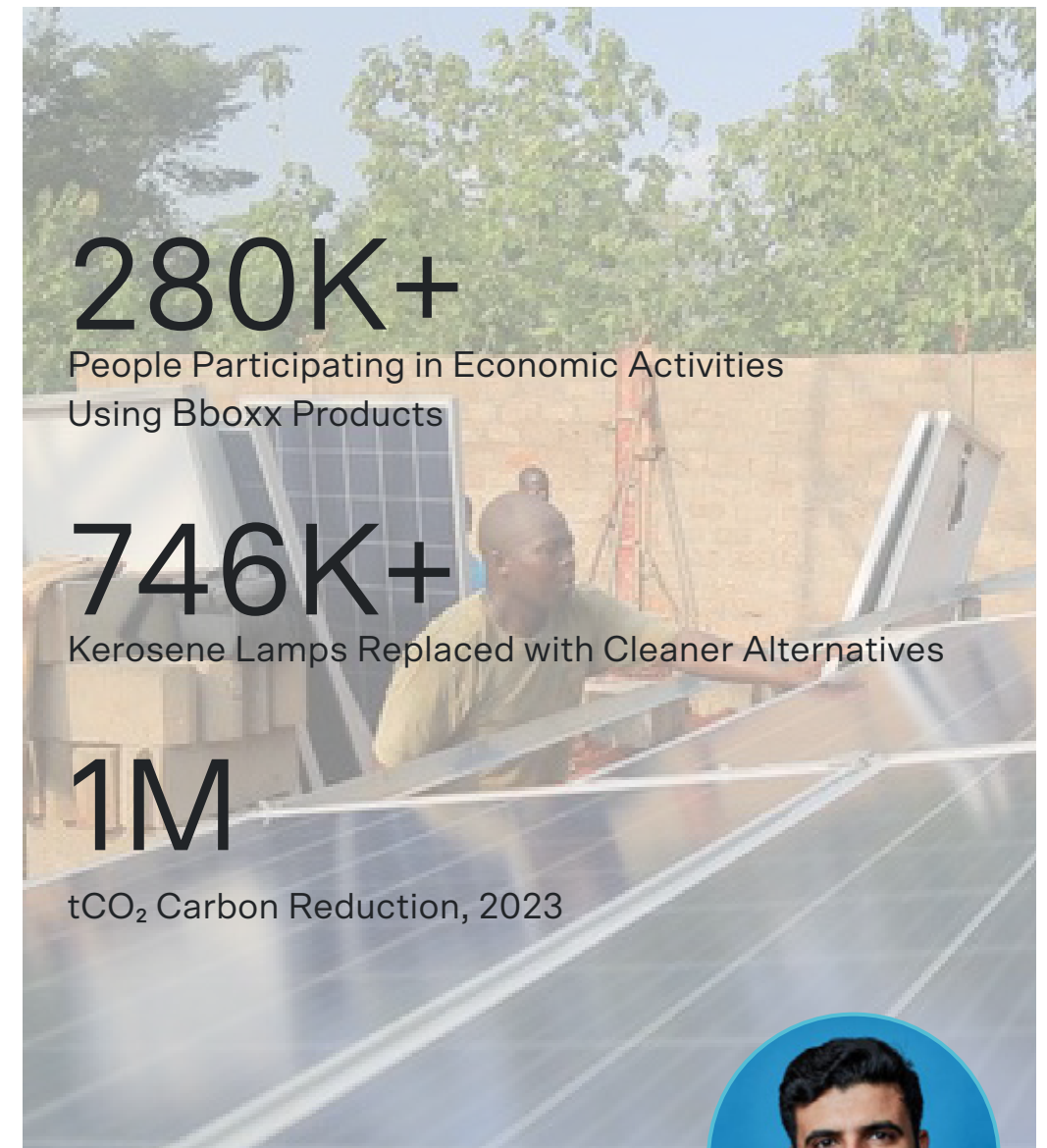
Making Clean Energy & Technology Accessible

Founded in 2010, Bboxx is a data-driven super platform, transforming lives and unlocking potential by connecting consumers and deploying innovative products across Africa. The company helps rural and urban communities enter the digital economy and improve their wellbeing by connecting customers to solutions such as green energy, clean cooking, financial services, and technologies like smartphones and e-mobility – many for the first time. Bboxx operates as a vertically integrated business. Its operational model combines brains – the proprietary integrated operating system, Bboxx Pulse® – with delivery through one of the largest on-the-ground networks in Africa, with over 4,000 staff. Through Bboxx Pulse®, individuals, businesses, and communities can access various products and services, including:

- "Plug-and-play" solar systems for household and business use across urban, suburban, and rural off-grid areas
- Digital solutions for cleaner, healthier, and more affordable liquified petroleum gas cooking for low-income households and businesses that depend on harmful and inefficient fuels such as charcoal and wood
- Solar-powered water pumps to help farmers increase productivity
- Affordable smartphones to provide full mobile connectivity
- E-mobility solutions to accelerate clean transportation development across Africa

The solutions are available in flexible payment terms, including pay-as-you-go. For those who want to transition to cleaner energy and cooking but can't afford it, Bboxx even offers cash loans with credit scores powered by Bboxx's data-driven approach. The service is also available for users looking for business funding or to cover school, medical, or other fees and expenses. Bboxx's network is not only helping underserved communities and businesses access solutions for essential needs, but it also forges strategic partnerships with governments, investors, utility providers, and the private sector to support the overall wellbeing of people across Africa. For example, Bboxx's network, alongside its partners, has helped bring initiatives like the Tomorrow's Rural Home and the Tomorrow's Connected Community to life and contribute positively to the development of underserved communities across Africa.


The ["Tomorrow's Connected Community"](#) program, in particular, embodies Bboxx's vision of achieving 100% electrification and improving the quality of life of rural communities. The initiative aims to power an entire village of 300 houses and 4,000 people in the southern part of Togo with solar electricity. The community can also access other utility products and services, such as clean cooking solutions, internet services, and water pumps. All of the services are managed through Bboxx Pulse®.



280K+
People Participating in Economic Activities
Using Bboxx Products

746K+
Kerosene Lamps Replaced with Cleaner Alternatives

1M
tCO₂ Carbon Reduction, 2023



"By 2030, 85% of the people worldwide who lack electricity will be in Sub-Saharan Africa, highlighting the importance of our mission. Going forward, we intend to continue working and innovating to help more people in Africa access essential utilities and value-added services like clean cooking, internet, and financial products."

Mansoor Humayun
CEO

MKB Performance

At MKB, we hold ourselves accountable for implementing the ESG practices that we promote among our portfolio companies. The Board entrusts senior management to oversee ESG performance and interact with stakeholders. Periodic updates on the impact of our investments are provided by the senior management.

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 everyone 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 our policy does not tolerate discrimination.

As an example, the MKB Family Leave Policy is designed to support our employees during the birth of a child or when they assume parental responsibilities for a newborn or an adopted child. At MKB, we recognize that families come in diverse forms, and we are committed to supporting all parents. The policy outlines additional maternity, paternity, and parental benefits, which complement government-provided support. Our inclusive policy extends to all parents, whether the child joins their family through birth or adoption.

Environmental Activity ¹		
	Unit	2023
In-suite Electricity ²	kWh	27,279
Common Electricity ³	kWh	4,382
Natural Gas	m3	585
Water	m3	135
Waste	lbs	375
Steam	lbs	62

¹Consumption includes both the Toronto and Montreal offices.

²In-suite electricity refers to electricity used in MKB’s offices.

³Common electricity refers to the portion of electricity consumed by MKB in common areas (i.e., elevators, restrooms, and other shared areas in our office building).

Representation Among Team Members			
2023			
	Female	Racially/Ethnically Diverse	Total Employees
Investment Team	38%	25%	8
Operations Team	100%	100%	2
Finance Team	0%	0%	2
Overall Firm	42%	33%	12

Looking Forward

In 2023, we further streamlined our data collection process for our portfolio companies through the annual ESG survey. We provided our portfolio with an online platform to enable improved accuracy of the data reported. As our survey was aligned with the Disclosures of EDCI, we anticipate becoming an EDCI signatory in 2024.

In 2024, we aim to continue identifying areas for improvement both on our firm and portfolio levels. Ongoing engagement with our portfolio helps us identify areas in which we can support the different companies with monitoring and reporting on meaningful ESG data.

We look forward to the future with confidence as we work toward achieving our objective to accelerate the energy transition. We are inspired by consumers, corporations, governments, and investors aligning across the G20 to advance the transition.

Demand for climate tech is burgeoning, and MKB's seasoned team is well-positioned to seize upon the current environment and help shape, invest in, and fast-track the decarbonization of the global economy. We invite our stakeholders to join us on this journey.

As always, we 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	2023 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 2023 • ESG Report Publication Date: May 2024 • Contact point: esg@mkbandco.com
Disclosure 2-4 Restatements of Information	No restatements.
Disclosure 2-5 External assurance	<ul style="list-style-type: none"> • MKB did not seek external assurance for the 2023 ESG Report. • Raymond Chabot Grant Thornton (“RCGT”) audits MKB’s financial statements.
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 12 full-time employees. • 10 employees are based in Canada and 2 are based in the U.S. • Male: 7 (58%), Female: 5 (42%)
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 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 Impact & ESG Committee, oversee the implementation of the ESG policy and ensure regular updates on the impacts of our investments. Though the Impact & 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 Impact & ESG Committee, which includes one member of the management team and one member each from the investment, finance, and operations team. • The CEO, along with the Impact & ESG Committee, review the annual ESG report. • There is no mandate for the board to delegate related sustainability matters or review reporting.

GRI 2: General Disclosures 2021: 1. The organization and its reporting practices	
Disclosure 2-14 Role of the highest governance body in sustainability reporting	Refer to Disclosures 2-12 and 2-13.
Disclosure 2-16 Communication of critical concerns	Concerns are disclosed 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 and practices	
Disclosure 2-22 Statement on sustainable development strategy	In our drive to advance the energy transition, MKB is committed to establishing a strong ESG ethos throughout the entire span of an investment. Our Responsible Investment Policy, reinforced by initiatives undertaken pre-investment and post-investment, is the cornerstone of 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 • Two of our team members won the Clean50 Award: Kenneth MacKinnon in 2021 and Geetanjali Kanwar in 2023. This award aims at accelerating collaboration towards a job-rich, cleaner, healthier, innovation-based low-carbon economy supporting all Canadians.
GRI 2: General Disclosures 2021: 5. Stakeholder engagement	
Disclosure 2-29 Approach to stakeholder engagement	Refer to page 21 of the 2022 ESG 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 the 2022 ESG Report .
Disclosure 3-2 List of material topics	Refer to page 16 of this report and page 21 of the 2022 ESG Report .
Disclosure 3-3 Management of material topics	Refer to page 21 of the 2022 ESG Report .
GRI 203: Indirect Economic Impacts 2016	
Disclosure 203-1 Infrastructure investments and services supported	Refer to pages 4, 7 and 8 of this report.
GRI 204: Procurement Practices 2016	
Disclosure 204-1 Proportion of spending on local suppliers	90% of the operating expenses in 2023 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. Furthermore, our fund administrators at SS&C have an independent anti-money laundering (“AML”) department that vets all LP transactions related to funds under their management.	
GRI 401: Employment 2016			
Disclosure 401-1 New employee hires and employee turnover		1 new employee was hired in 2023: • Male: 1, Female: 0 • Racially/ethnically diverse: 0 • Ages 30 & below: 1, Ages between 30 – 50: 0 Turnover rate: 14%	
Disclosure 401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees		All permanent full-time employees receive the following benefits: • Life insurance • Health and Medical insurance • Dental Insurance • Vision • Long-term disability and invalidity coverage • Parental leave • Vacation	
Disclosure 401-3 Parental leave		All MKB employees, regardless of gender, are entitled to parental leave: • 1 Male employee took paternal/parental leave in 2023. • 1 Male employee returned to work upon completion of his parental leave. • There has been no turnover of employees who have taken parental leaves during the reporting period.	
GRI 404: Training and Education 2016			
Disclosure 404-1 Average hours of training per year per employee		A total of 365 training hours were provided during the reporting period. This is an average of 30 hours per employee, which includes internal and external development training activities.	

GRI 404: Training and Education 2016	
Disclosure 404-2 Programs for upgrading employee skills and transition assistance programs	<p>MKB offers both internal and external training opportunities for development. Each staff member receives an annual reimbursement of up to CAD 2,000 for professional development training pertinent to their role. Some of these trainings include:</p> <ul style="list-style-type: none"> • Quarterly cyber security trainings • Company-wide ESG trainings • The investment team received training from the Dunsky advisory team on the recent Hydro Quebec action plan on how Quebec can achieve net zero by 2050 • Energy Transition Industry knowledge sessions led by BNEF analysts • Our VPs have attended trainings in governance • Our VP of Finance has attended GP Academy Finance and Operations • Our Director of Operations received a DEI certification and started compliance-related courses (“CSI”) • The Finance team attended valuation courses provided by CPA Canada <p>These initiatives ensure that our team is always equipped with the latest knowledge and skills relevant to their positions.</p>
Disclosure 404-3 Percentage of employees receiving regular performance and career development reviews	100% of employees receive annual performance and career development reviews.
GRI 405: Diversity and 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: 3 (75%), Female: 1 (25%) • Racially/Ethnically Diverse: 0 <p>All MKB Employees:</p> <ul style="list-style-type: none"> • Male: 7 (58%), Female: 5 (42%) • Racially/Ethnically Diverse: 4 (33%), Members of the LGBTQ+ Community: 1 (8%)
GRI 418: Customer Privacy 2016	
Disclosure 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	<p>No complaints were received during the reporting period.</p> <p>MKB has updated its information security practices several times over the last five years.</p> <p>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.</p> <p>In 2023, we reviewed and updated our policies to ensure we formalized updates with respect to risk mitigation and implementing additional tools. We continue to ensure our team receives cybersecurity awareness training to stay updated on latest developments.</p>

SASB Content Index

Topic	Code	Accounting Metric	2023 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 through 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	<p>Board of Directors</p> <ul style="list-style-type: none"> • Male: 3 (100%) • Racially or Ethnically Diverse: 0 <p>Executive Management (Partners only):</p> <ul style="list-style-type: none"> • Male: 3 (75%), Female: 1 (25%) • Racially or Ethnically Diverse: 0 <p>All MKB Employees:</p> <ul style="list-style-type: none"> • Male: 7 (58%), Female: 5 (42%) • Racially or Ethnically Diverse: 4 (33%), Members of the LGBTQ+ Community: 1 (8%)
Incorporation of Environmental, Social, & 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 11-15 of this report.
	FN-AC-410a.3	Description of proxy voting and investee engagement policies and procedures	Proxy voting is accepted provided the subscribed signatory provides a resolution appointing a representative to vote on the LP's behalf or alternatively provides a signed resolution. MKB pays particular attention to accountability, alignment of management and shareholder interests, and transparency in exercising its proxy voting responsibilities as a fiduciary for our clients.

Topic	Code	Accounting Metric	2023 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 promotes a culture of openness and accountability and is committed to transparency. All employees are encouraged to come forward to senior management with any concerns that may lead to reputational damage or breach of our ethics.
Activity Metric	FN-AC-000.B	Total assets under custody and supervision	Not applicable as MKB is not a custodian.

Connect

Montreal | Toronto | Houston
www.mkbandco.com