



Responsible Investing Policy



MUBADALA

Background

As a global investment company with a mandate to generate strong risk-adjusted financial returns for our shareholder - the Government of Abu Dhabi - Mubadala is committed to Responsible Investing, which involves the integration of Environmental, Social and Governance principles and considerations into our investment management process and ownership practices.

Mubadala believes that ESG factors are fundamentally linked to our ability to protect and create long-term value at both the asset and portfolio levels. As a result, Responsible Investing is important to achieving our mandate of generating strong risk-adjusted returns over the long term, while building a sustainable future.

As a global responsible investor, Mubadala strives to comply with all laws and regulations as well as observe customs and cultures, both locally and internationally. We aspire to leverage a diversity of perspective, combining our global experience and knowledge with local insight and skill.

Purpose

The purpose of this policy is to establish a framework to govern Mubadala's approach to Responsible Investing and ESG, which includes providing guidance on integrating ESG factors into our investment decisions and activities across the investment lifecycle.

Objectives

Mubadala believes that the inclusion of ESG principles and considerations into the investment process can unlock incremental value from our investments by opening up new opportunities and mitigating ESG-related risks over time. Taken together, these steps can contribute to achieving both financial returns and a more sustainable future.

The objectives behind the Responsible Investing Policy are summarized as follows:

- Continue developing a culture of awareness by building our organizational ESG fluency to better identify, understand and proactively manage ESG-related principles and considerations at the asset, portfolio and corporate levels.
- Drive focus and resources towards the identification and management of material ESG-related principles and considerations.
- Identify material ESG-related matters and processes across our portfolio that can be improved and drive such improvement through monitoring and reporting, over time.
- Leverage our scale and global presence to promote Mubadala as a steward and advocate of ESG principles and Responsible Investing.

Principles

The growth and evolution of our organization necessitates that we continuously strengthen and further institutionalize our approach to, and management of, ESG-related principles and considerations. We achieve this by investing in the ongoing improvement and deeper integration of Responsible Investing into asset management, new capital deployment and our corporate operations.

Mubadala plans to achieve our objectives by adopting the following principles:

1. Review and incorporate ESG-related principles and considerations and their potential impact on financial returns, society and the environment in capital investment and asset management decisions.
2. Seek out and work with partners who: (i) share Mubadala's perspective on ESG matters; (ii) invest in businesses that currently deliver (or are capable of delivering) a positive ESG impact; and (iii) will work with Mubadala to enhance overall investment ESG performance.
3. Encourage appropriate disclosure on ESG principles and considerations by the entities in which we invest.
4. Tailor our approach to the assessment of ESG-related principles and considerations to the specific context of a transaction, including the industry, asset class, region-related regulatory and cultural aspects, ownership structure, ability to influence decision making, as well as investment/company-specific considerations and characteristics.
5. Inform our ESG judgments and decisions with rigorous analysis based on industry trends and forward-looking scenarios, historical performance and research by credible third parties.

Implementation & Responsibilities

In addition to building a more sustainable future, the correct observance of ESG principles and considerations has the potential to create positive impact on financial returns, both directly and indirectly. Accordingly, our intention is to incorporate ESG factors into our corporate operations, as well as our investment and asset management decisions.

ESG integration

Mubadala's goal is to implement a Responsible Investing culture at all levels of our organization through the following steps:

At institutional level: ESG principles and considerations are to be identified and assessed by Corporate Divisions in consultation with the respective stakeholders. Controls and action plans may be implemented to address the main ESG principles and considerations, including enhancements of policies, processes or capability.

At portfolio level: ESG principles and considerations are to be identified and assessed as part of the periodic review of portfolio strategy and performance. This review should consider a number of factors including the ESG performance of the portfolio and the main ESG trends affecting our investments, sectors and asset classes.

At individual investment level: ESG principles and considerations are to be evaluated in line with the Screening and Due Diligence, Investment Decision, Asset Management and Exit sections below.

Screening and Due Diligence

The deployment of capital in new opportunities primarily focuses on investments with robust governance that are expected to deliver strong risk-adjusted returns over time, while taking ESG factors into account.

When analyzing a new investment, Mubadala reviews and assesses ESG-related principles and considerations that are material to the specific nature of the transaction (including the industry, transaction structure, asset class, as well as historical ESG profile and performance of the investment). Consistent with this approach, Mubadala may invest with a plan to transform and transition an investment to improved ESG practices and performance.

Mubadala's sector teams' ESG due diligence reviews are supported by the Responsible Investing Unit (see Our Governance, Roles and Responsibilities section below). The nature of the screening and due diligence undertaken will be driven, to the extent possible, by the asset class of the investment and our ability to influence decisions at the relevant investment level as set out below:

High Influence Directs: The investment team conduct and assess ESG screening and due diligence to understand the target's ESG profile, including performance, approach, opportunities, and risks. Due diligence can take into consideration a number of data sources, including engagement with company management, onsite or virtual visits, and/or industry-specific analysis.

Low Influence Directs and Private Debt: In circumstances where: (i) Mubadala is investing alongside partners and has a less prominent role; or (ii) Mubadala is investing in private debt, the investment team's ESG screening and due diligence analysis may consist of:

- An assessment of the lead sponsor/partner institution's ESG approach and historical performance;
- A review of any ESG-related documentation or analysis made available as part of an investment proposal; and/or
- A discussion with either the company and/or the lead sponsor/partner institution as dictated by the dynamics of the specific transaction.

Fund Investments: Due to the indirect nature of fund investments, investment teams focus their ESG due diligence on the fund's investment mandate, strategy, ESG procedures and related historical performance, as well as the fund manager's credentials, ESG policies and, where available and practicable, the historical ESG performance of the fund manager's underlying portfolio investments.

Public Equities: Investment teams conduct a review that may include industry specific analysis, external ESG ratings and publicly available information on the company's ESG policy, its historical performance and outlook on ESG matters, as well as its approach to, and management of, ESG related principles and considerations.

Investment Decisions

A summary of ESG principles and considerations resulting from screening and due diligence activities is included in presentations submitted to Mubadala's various investment committees for consideration in the investment decision when such investment cases are being brought before the concerned investment committee for approval.

Asset Management

Mubadala encourages our staff to consider opportunities which may potentially improve ESG management practices, performance and reporting at the companies and funds in which we invest.

Investment teams evaluate the performance of our investments on an ongoing basis across a number of criteria, including ESG-related performance. If a particular investment continues to underperform, including on material ESG-related issues, the investment team should explore options for remediation and mitigation.

Our mode of engagement on ESG matters when undertaking asset management activities should be aligned with the nature and structure of our individual investments, which in part dictates our ability to influence outcomes. The anticipated mode of engagement for each asset class is set out below, though may differ as circumstances dictate:

High Influence Directs: Investment teams maintain consistent engagement with their respective investments, actively promoting (where appropriate and proportionate) the consideration of ESG-related principles and considerations that are material to the specific investment, as informed by the relevant industry characteristics and the investment's historical performance.

Low Influence Directs and Private Debt: Investment teams review ongoing ESG performance and promote ESG policies, approaches and goals through engagement with the lead sponsor/partner institution, at the governance bodies where Mubadala has a seat, and with the company, where appropriate.

Fund Investments: Investment teams monitor the ESG performance of our fund investments through LP reporting and engagement, through which we also emphasize Mubadala's views on ESG performance. Investment teams periodically convey to each fund's investor relations function Mubadala's focus on Responsible Investing, the importance of ESG principles and considerations, as well as information relevant to this Responsible Investing Policy.

Public Equities: Investment teams actively monitor public ESG disclosures of their public equity investments along with other material ESG-related principles and considerations. Investment teams will (where appropriate and proportionate) periodically convey to the company, via its investor relations function or otherwise, Mubadala's focus on Responsible Investing, the importance of ESG principles and considerations, as well as information relevant to this Responsible Investing Policy.

Exit

ESG considerations are becoming an increasingly influential criteria in divestment decisions, where investments with stronger ESG profiles have been shown to contribute to achieving higher financial returns as investors give stronger valuations to companies that implement ESG best practices. Investments with a strong ESG profile also have the additional benefit of mitigating post-exit risk to Mubadala.

Mubadala will prepare appropriate ESG materials for exit, including incorporating material ESG considerations into vendor due diligence or other relevant divestment process documentation.

Our Governance, Roles and Responsibilities

Mubadala recognizes that a robust and effective governance model is critical to achieving our objectives under this policy and to delivering strong and sustainable risk-adjusted returns.

Responsible Investing Unit

To support the ongoing institutionalization of ESG-related principles and considerations, Mubadala has established the Responsible Investing Unit to serve as the steward of our Responsible Investing Framework. The Responsible Investing Unit shall report to Mubadala's Chief Strategy & Risk Officer. Its key responsibilities will include:

- Overseeing Mubadala's Responsible Investing initiatives established under this policy;
- Promoting the consistent application of Responsible Investing across Mubadala through engagement, training, and execution support;
- Providing specialist guidance to investment teams and Corporate Divisions, including assistance and guidance on ESG due diligence;
- Owning, managing and coordinating Mubadala's overarching institutional relationships with external ESG-related parties, including external ESG consultants and advisors, ESG ratings agencies, and Mubadala's participation in institutional initiatives such as the IFSWF, the OPSWF and others; and
- Ensuring that the Responsible Investing Framework remains relevant and effective

Responsible Investing Steering Group

The Responsible Investing Unit's efforts will be guided by our Responsible Investing Steering Group, which will meet on an ongoing basis, and as required, to provide institutional guidance to the Responsible Investing Unit on specific ESG-related matters, the evolution of the Responsible Investing Framework and other aspects specific to Responsible Investing within Mubadala. The Responsible Investing Steering Group includes members of Mubadala's Investment Committee and shall possess the requisite seniority to sponsor, support and implement Mubadala's Responsible Investing mandate.

Investment Teams

Mubadala's investment teams will identify, assess, manage and communicate ESG principles and considerations throughout an investment's lifecycle in line with this Responsible Investing Policy. Investment teams shall develop and implement asset-specific ESG-related actions to create and protect the value of assets, manage asset ESG performance and protect Mubadala's reputation.

Related Policies and Initiatives

This Responsible Investing Policy is the foundation of Mubadala's Responsible Investing Framework, which also includes Group-wide ESG performance measurement, monitoring and management activities, ESG training and development for our staff, stakeholder management and ESG-related communications efforts. Together, the Responsible Investing Policy and the wider Responsible Investing Framework underscore Mubadala's position on ESG-related issues.

Mubadala promotes ESG stewardship on a global stage and is a member of various ESG initiatives such as the IFSWF, which articulates guidance on appropriate governance, accountability arrangements, and the conduct of investment practices for Sovereign Wealth Funds. Mubadala is also a member of the OPSWF, which has the stated mission to improve the resilience and sustainable growth of large, long-term diversified asset pools by accelerating the integration of climate change analysis into the asset management model. Additionally, Mubadala contributes to the Government of Abu Dhabi's objectives on ESG-related matters through engagements such as the Abu Dhabi Climate Change Task Force.

Communication and Reporting

Mubadala's Responsible Investing Framework is supported by external and internal communication and reporting measures, including:

- Externally publishing Mubadala's Annual Review, which provides an integrated account of our financial and non-financial performance, including developments and outcomes related to our Responsible Investing efforts;
- Internal periodic reporting to Mubadala's key decision-making bodies, including (as appropriate) the ARCC, relevant internal investment committees, and the Management Committee, on the effectiveness of the Responsible Investing Framework and the implementation of this Responsible Investing Policy;
- Presentation of material findings of ESG due-diligence and ongoing deal evaluations to the relevant internal investment committees;
- Periodic presentation of material ESG considerations throughout the investment period, which involves oversight of the on-going ESG status of investments and engaging with relevant Mubadala governance bodies on matters of material divergence from expectations.

We also encourage the adoption of sound ESG communication and reporting by our investments. This may include communication on ESG integration outcomes, rationale for key decisions, significant changes in ESG process or personnel, and reporting on stewardship activity. We will encourage our investments to adopt an ESG reporting framework appropriate for the nature of the investment, which may include adoption of the United Nation's Sustainable Development Goals, or adherence to guidelines produced by the Global Reporting Initiative, the Sustainability Accounting Standards Board or the Task Force on Climate-Related Financial Disclosures (in respect of climate-related issues). Mubadala will encourage our investments to provide timely reporting on material ESG topics and events.

Policy Owner

Version:	1.0
Classification:	Public
Owner:	Head of Responsible Investing The Policy Owner is responsible for periodically reviewing and updating this Policy so as to reflect regulatory, best practice, and business developments
Last Review Date:	June 2021
Next Review Date:	June 2022

Abbreviations & Definitions

ARCC: Audit, Risk & Compliance Committee

Corporate Divisions: Corporate-level functions including Finance, Legal & Regulatory, Strategy & Risk, Human Capital & Emiratization, Communications, Digital & Corporate Services, and Internal Audit

ESG: Used to describe environmental, social and governance considerations, including sustainability and resilience

Fund Investments: An investment managed by a third party, which could include pooled investments from multiple investors (eg co-mingled funds or limited partnerships) or a separately managed account that is managed for one investor

High Influence Direct: Direct investments where we own a majority or significant minority interest¹

IFSWF: International Forum of Sovereign Wealth Funds

Low Influence Direct: Direct investments where we own a minority interest

LP: Limited Partner

Mubadala: Mubadala Investment Company PJSC and our affiliates

OPSWF: One Planet Sovereign Wealth Funds

Responsible Investing: Incorporating ESG principles and considerations into the investment lifecycle

Responsible Investing Framework: Mubadala's framework for our Responsible Investing mandate and ESG principles

¹ The significance of a minority interest is determined by Mubadala's assessment (in our sole discretion) of our ability to directly impact the decision making of the specific investment. This concept considers, among other things, the degree of control or negative control, Board and Committee representation, voting rights, secondment of employees, etc.