



INVEST ENERGY

SUSTAINABLE INVESTING POLICY

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SCOPE

This Sustainable Investing Policy (“the Policy”) applies to Invest Energy, its subsidiaries and affiliates (collectively, “Invest Energy”). The Policy outlines Invest Energy’s commitment to conduct business on behalf of our funds and in accordance with fundamental environmental, social and governance (ESG) considerations. Invest Energy’s sustainable investing approach comprises the adoption of a sustainable investment lens and the embedding of ESG factors into Invest Energy’s investment and asset management process to generate enhanced risk-adjusted returns.

MISSION & COMMITMENT

Invest Energy was founded in 2009 with the mission to fight climate change by furthering the transition of the energy sector – a key driver of CO₂ emissions and, consequently, global warming. Our longstanding commitment to this cause is based on the firm understanding that limiting the rise in global temperature to a minimum requires a significant reduction in CO₂ emissions towards net zero over the next years.

Beyond our specific mission, we believe that embracing sustainable investing standards will drive value creation for our stakeholders – including our clients and their beneficiaries, our employees, shareholders, business partners and broader society – in the long term.

We recognise that sustainable investing is fundamental to our fiduciary duty to our clients and their beneficiaries. We understand the importance of sound stewardship in managing investors’ capital, and our sustainable investing approach ensures that our interests and values are closely aligned to those of our clients and shareholders as well as our investment partners and the communities in which our investments operate.

TRACKING OF CO₂ SAVINGS

Investments by Invest Energy-managed funds enable the deployment and operation of infrastructure that provides alternatives to conventional energy sources through clean energy generation, energy efficiency measures and enabling the widespread use of clean energy. These are the three pillars of a successful energy transition and achieving CO₂ savings through each of our transactions is an integral part of our investment strategy.

We track the emissions avoided at investment and fund level and work together with an external expert consultant to quantify CO₂ savings in accordance with the World Resources Institute’s Greenhouse Gas (GHG) Protocol as well as the recommendations by the Partnership for Carbon Accounting Financials (PCAF).

THE PRINCIPLES FOR RESPONSIBLE INVESTMENT

As a signatory of the UN-supported Principles for Responsible Investment (PRI), Invest Energy views ESG analysis as a fundamental part of investment risk management and potential value creation.

Furthermore, Invest Energy is committed to reporting on its managed investments and their sustainability performance. Invest Energy is committed to the six UN PRI Principles:

We will incorporate ESG issues into investment analysis and decision-making processes.

We will be active owners and incorporate ESG issues into our ownership policies and practices.

We will seek appropriate disclosure on ESG issues by the entities in which we invest.

We will promote acceptance and implementation of the Principles within the investment industry.

We will work together to enhance our effectiveness in implementing the Principles.

We will each report on our activities and progress towards implementing the Principles.

SUSTAINABILITY OVERSIGHT

To ensure that sustainability principles are represented at executive management level, we have established a steering group, which includes our Co-CEOs as well as dedicated sustainability professionals with investment and consulting expertise. This group is leading our efforts to embrace the principles of sustainable investing, continually reviewing, and enhancing our frameworks and contributing to industry discourse and thought leadership on these matters.

The Executive Management, represented by the Co-CEOs in the steering group, is responsible for approving the sustainability strategy, which includes plans, targets, and performance indicators, and sets the direction ahead.

INVESTMENT ACTIVITIES GUIDED BY SUSTAINABILITY

We are convinced that the incorporation of sustainability principles into our investment activities will lead to a more balanced risk-return profile for our investors and a long-term path of growth.

We formally incorporate the PRI and other investment-specific ESG factors into investment

screening and due diligence across all Invest Energy-managed funds. To this end, we have created a proprietary framework to ensure a consistent and transparent approach to ESG due diligence. In most cases, due diligence is based on standardised questionnaires and assessments, which were developed with the investment teams and adopted by the respective fund's investment committee. The framework is designed to review a specific set of sustainable investing matters and potential risk factors, and provides transparency to clients.

Our investment process is designed to reject proposed investments if certain essential sustainability criteria are not met at the point of initial screening. However, an investment that does not meet all criteria at the initial screening may be taken forward if we believe that the required standards can be achieved at the time of formal investment, typically through robust negotiations with asset owners

and other counterparties on specific measures to remove or mitigate the identified deficiencies. From time to time, funds may invest in situations that do not meet all criteria at completion, provided that the investment team can demonstrate a clear plan and ability (given governance provisions) to achieve the required standard within a reasonable time period after closing (e.g. by implementing action plans developed in the light of due diligence findings).

AVOIDANCE CRITERIA

We will never knowingly invest in businesses which:

- Violate human rights as defined by the Universal Declaration of Human Rights (and reflected in the UN Global Compact);
- Exploit forced labour or child labour as defined by the International Labour Organisation;
- Manufacture or trade ammunition and/or controversial weapons;
- Manufacture, sell or distribute adult entertainment, pornography or sexually explicit content;
- Are involved in banned products and activities under global conventions.

Moreover, by nature of our mission, our investment strategy and client mandates, no fund managed by Invest Energy invests in coal-powered energy generation.

MONITORING AND ENGAGEMENT

Invest Energy monitors material and relevant ESG risks and opportunities on an ongoing basis during ownership, including through implementing monitoring strategies during the portfolio management period. Monitoring of sustainability-related topics is conducted through detailed and standardised reporting, site visits/inspections and regular meetings with stakeholders. We believe that active ownership through regular monitoring of specific and relevant matters can support sustainable outcomes and value creation.

REPORTING ON PROGRESS

Invest Energy provides transparency to its stakeholders – client, employees and shareholders – by reporting on the progress towards key sustainability metrics on a regular basis, e.g. through:

- Quarterly reports to clients
- Annual certification of CO₂ savings
- Annual sustainability report to stakeholders
- UN PRI reporting

CONTACT & VERSION

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Officer) Version: 2.0 (last updated: October 2021)