



Environmental, Social and Governance Policy

Energy Impact Partners (EIP) is a private equity firm whose mission is to achieve superior, risk-adjusted returns for our investors, to deliver strategic value to our corporate partners and portfolio, and to accelerate the transition towards a decarbonized, decentralized, and electrified future. This statement outlines our commitment to integrating environmental, social and governance (ESG) principles into EIP's operations and investment decision making processes.

1. Objective and Scope

EIP's investment focus is on technologies that positively impact the environment by reducing CO2 emissions, improving the resiliency of critical infrastructure, providing access to clean and affordable electricity, effectuating more efficient use of networks, and electrifying fossil-fuel intensive industries, such as transportation. While environmental considerations hold a prominent role in EIP's investment thesis, we recognize the societal importance and obligation as investors to also consider ESG factors that are less material to our investment focus.

We believe that using best practices to implement this ESG policy contributes to capturing opportunities and mitigating risks that will drive long-term value to EIP's portfolio companies and enhance the risk-adjusted performance of our investments. Therefore, we are committed to integrating ESG criteria into our investment decision making process. This policy applies generally to all categories of investments made by EIP across its North American, European, Venture, Growth, Credit and Infrastructure investment vehicles.

2. Roles and Responsibilities

EIP's ESG processes require the broad participation of all investment teams on an ongoing basis, as well as the investment committees, with input and support offered by EIP's research and strategy and operations teams. The Investment Committee is solely responsible for weighing all ESG risks and opportunities into its investment decisions in accordance with this policy.

The Chief Impact Officer, Peter Fox Penner, and VP - Head of ESG, Bethany Gorham, are the owners of this policy and responsible for ensuring that procedures are implemented according to industry measurement and reporting best practices. The Chief Impact Officer and Head of ESG also monitor overall firmwide compliance with our ESG policy and is charged with evaluating its efficacy and continual improvement over time.

Generally, ESG data collection, processing, metrics computation, and reporting is carried out by a dedicated ESG team within EIP, who report directly to the firm's CEO.

3. Principles for Responsible Investment (PRI)

EIP has signed the PRI and has committed to:

- Incorporate ESG themes in investment analyses and decision-making processes,
- Be active owners and incorporate ESG themes in its exercise of ownership,
- Work toward satisfactory reporting of ESG themes from the companies which EIP has invested in,
- Cooperate to ensure an efficient implementation of these principles; and
- Report on its activities and implementation of said principles.



4. How EIP integrates ESG into its investment activities and operations

Pre-Investment Process: We collect data on ESG factors from our potential investments as a part of our diligence process to assess both opportunities as well as any substantial risks. Additionally, EIP's strategic partners have a strong interest in adopting clean energy technologies that improve the environmental performance of their own operations; therefore, we also consider how our potential portfolio companies can support EIP's partners with capturing ESG opportunities when we make investment decisions. Before we invest, we conduct a preliminary analysis of key ESG risks and opportunities then our ESG team scores each investment based on materiality and fit of relevant metrics. This information is incorporated into the investment approval memo prior to EIP making an investment. The Chief Impact Officer or a member of EIP's ESG task force presents such findings to the Investment Committee, who in turn considers ESG factors as a part of the final investment decision.

Post-Investment: After we make an investment, we collect annual ESG data from our portfolio companies. We combine the data we collect with our own analysis to create and publish an annual impact measurement report focused on the positive ESG impacts enabled by EIP's investments during the previous full calendar year.

Measurement and Reporting: Our approach to ESG measurement follows an individualized, long-term evaluation methodology, as advocated by the Sustainability Accounting Standard Board (SASB). We therefore prioritize measurement of ESG factors that are most material under the SASB definition.¹ With our primary focus on clean energy technologies, our energy and environmental ('E') metrics are generally most material for the majority of EIP's portfolio companies. Additionally, many of our investments play sophisticated foundational roles in facilitating the clean energy transition by changing underlying energy, utility, and transportation infrastructure, and therefore require non-traditional 'E' metric assessments. To learn more about EIP's impact measurement approach and computations, the most recent report can be [downloaded here](#).

Commitment to Carbon Neutrality: EIP is committed to a carbon neutral footprint. We measure and offset EIP's Scope 2 emissions from purchased electricity and Scope 3 emissions from employee travel.

5. Disclosure and transparency

EIP believes that consideration of material ESG issues aligns with our fiduciary duty as responsible investors to increase our understanding of possible material risks, as well as to identify potential investment opportunities. Therefore, we report on the material ESG performance of our investments using well-established, transparent methods.

Energy Impact Partners is a signatory of the United Nations Principles for Responsible Investment (UNPRI).

Energy Impact Partners is a signatory of the Task Force on Climate Related Disclosures (TCFD).

Energy Impact Partners is also a member of Invest Europe, where it aims at having an active role and at harmonizing its ESG policies, approach, and operations with best in class for its size.

6. Excluded Investments

Consistent with our investment thesis and mission, we do not invest in companies that:

1. Production or other activities that involve forced labor, child labor, modern slavery, human trafficking, or other labor practices, in each case that are prohibited under US and EU laws.
2. Production, distribution, or sales of any illegal products or activities, or engagement in any illegal activities under applicable laws, regulations, or international conventions and agreements (including but not limited to certain pesticides, chemicals, wastes, ozone depleting substances, displacement or resettlement of local

¹ SASB Materiality Map <https://materiality.sasb.org/>



ENERGY IMPACT PARTNERS

- or indigenous people, trade in hazardous materials, destruction of protected habitats, and endangered or protected wildlife or wildlife products).
3. Manufacture, distribution or sales of arms or ammunition or their component parts principally intended for such purpose.
 4. Manufacture or sell pornography or prostitution
 5. Principal engagement in the manufacturing of or trading in tobacco and alcohol.
 6. Principal engagement in the extraction, manufacturing of or trading in coal, oil or natural gas or whose primary purpose is to increase the production of these materials, unless using technology intended to reduce net greenhouse gas emissions.
 7. Involvement in the supply or purchase of sanctioned products, goods to or from countries or regions covered by United Nations sanctions.
 8. AI or UAV technologies that involve applications of facial recognition for use by policing entities for the detention, arrest, apprehension, or investigation of an individual.
 9. Use of live animals for scientific and experimental purposes, including the breeding of these animals for such purpose.
 10. Production or other activities that exposure populations to toxic substances that are prohibited under US and EU laws.

This policy was put in effect April 1, 2020 and most recently modified July 3, 2020. It will be reviewed and updated periodically.

Hans Kobler

Founder & Managing Partner