



## Environmental, Social and Governance Policy

Energy Impact Partners LP (EIP) is a global investment platform with a mission to lead the transition to a sustainable energy future while seeking to achieve superior, risk-adjusted returns for our investors. EIP brings together entrepreneurs and forward-looking energy and industrial companies to advance innovation. This statement outlines our firmwide commitment to integrating environmental, social and governance (ESG) factors that impact the current and future financial, economic, reputational, and legal prospects of EIP and our investments (ESG factors) into EIP's operations and investment decision making processes.

### 1. Objective and Scope

EIP's investment focus is on innovations and technologies that positively impact the transformation of critical industries towards a decarbonized, more energy-efficient future, including, for example, by reducing CO2 emissions, improving the resiliency of critical infrastructure, effectuating more efficient use of networks, and electrifying transportation and other traditionally fossil-fuel intensive industries. We believe that thoughtful management and consideration of ESG risks and opportunities will drive long-term value to EIP's portfolio companies and enhance the risk-adjusted performance of our investments. In addition to ensuring that our investments are consistent with our investment mandate, we believe that we can and should strive to generate value beyond financial returns by considering ESG factors in our investment decisions that will have positive social and environmental impacts. Accordingly, we are committed to integrating the assessment of ESG factors into our investment decision making process.

This policy applies generally to all categories of non-fund investments made by EIP across its North American, European, Venture, Growth, Credit and Infrastructure investment vehicles, however, focus on certain ESG factors in the investment decision making process may vary to address differences in asset class, geography, legal and regulatory frameworks, time horizon, investment size and specific client goals. Following the initial investment decision, in cases where EIP has a limited ability to influence or control the integration of policies and practices that drive positive ESG outcomes by, or to monitor performance with respect to ESG factors of, its investments, EIP will incorporate elements of this policy where possible.

### 2. Roles and Responsibilities

The applicable Investment Committee for an investment is ultimately responsible for weighing material ESG risks and opportunities into its investment decisions in accordance with this policy, however, integration of this policy is a firmwide undertaking. Investment teams partner with EIP's dedicated Impact & Sustainability team to incorporate screening, assessment and monitoring of ESG factors into investment decision making processes on an ongoing basis and receive input and support from EIP's operations and research and innovation teams, our Limited Partner ESG Advisory Board and subject matter experts.

EIP's Chief Impact Officer, Peter Fox Penner, is the architect of this policy and responsible for ensuring that procedures are implemented according to industry measurement and reporting best practices. The Chief Impact Officer also monitors overall firmwide compliance with our ESG policy and is charged with evaluating its efficacy and continual improvement over time as industry best-practices and standards evolve.

Generally, ESG data collection, processing, metrics computation, and reporting is carried out by a dedicated Impact & Sustainability team within EIP, supervised by the Chief Impact Officer, who reports directly to the firm's Chief Executive Officer.

### 3. Principles for Responsible Investment (PRI)

EIP has signed the PRI and has committed, to the extent consistent with its fiduciary responsibilities, to:

- Incorporate ESG issues in investment analyses and decision-making processes,
- Be an active owner and incorporate ESG issues into our ownership policies and practices,
- Seek appropriate disclosure on ESG issues from the companies which EIP has invested in,
- Promote acceptance and implementation of these principles within the investment industry,
- Work with other signatories of the PRI to enhance our effectiveness in implementing these principles, and
- Report on our activities and progress towards implementation of these 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 an analysis of key ESG risks and opportunities which includes a high-level/desktop review against an ESG checklist for initial red flags. Before final investment, our Impact & Sustainability team score each investment based on ESG factors, including its projected carbon savings, other environmental factors, and social factors to assess its overall ESG performance. EIP also reviews and evaluates corporate governance practices of the portfolio companies as part of its due diligence processes prior to making an investment. This information is incorporated into the final investment approval memo that is provided to the applicable Investment Committee prior to EIP making an investment.

*Post-Investment:* During the ownership period, EIP seeks to engage with portfolio companies on ESG issues, including good governance, through representation on their boards (where applicable) or through other available methods of engagement: We collect annual ESG data from our portfolio companies and combine the data we collect with our own analysis to create and publish an annual impact measurement report (Impact Report). This report is focused on the positive ESG impacts enabled by EIP's investments during the previous full calendar year.

*Measurement and Reporting:* It is EIP's policy to report annually on its portfolio's carbon impacts and ESG performance. Our approach to ESG measurement follows an individualized, long-term evaluation methodology. 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 located here: <https://www.energyimpactpartners.com/our-impact/>.

*Commitment to Carbon Neutrality:* EIP is committed to neutralizing its carbon footprint. We measure and offset EIP's Scope 1 and 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 performance of our investments with respect to material ESG factors using leading industry methods and metrics. Commencing in 2019, we have published an annual Impact Report, which includes the positive quantitative and qualitative environmental outcomes enabled by our portfolio companies in the most recently ended year.

EIP has also committed to relevant industry standards for responsible investment. We are a signatory of the PRI and the Task Force on Climate Related Disclosures (TCFD).

## 6. Excluded Investments

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

- i. Engage in 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.
- ii. Engage in production, distribution, or sales of any illegal products or activities, or engage in any illegal or prohibited activities under applicable laws, regulations, or international conventions and agreements (including but not limited to use, sale or production of certain pesticides, chemicals, wastes or ozone depleting substances; displacement or resettlement of local or indigenous people; trade in hazardous materials; destruction of protected habitats, and certain activities involving endangered or protected wildlife or wildlife products).
- iii. Manufacture, distribute or sell arms, ammunition or their component parts principally intended for such purpose.
- iv. Manufacture or sell pornography or engage in the business of prostitution.
- v. Principally engage in the manufacturing of, or trading in, tobacco or alcohol.
- vi. Principally engage 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 increasing production of these materials using technology intended to reduce net greenhouse gas emissions.
- vii. Are involved in the supply or purchase of sanctioned products or goods to or from countries or regions subject to United Nations sanctions.
- viii. Develop, provide or distribute 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.
- ix. Use live animals for scientific and experimental purposes, including the breeding of these animals for such purpose.
- x. Engage in production or other activities that expose 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 15 September 2023. It will be reviewed and updated periodically to reflect changes in applicable laws, regulations, standards and industry demands.



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Hans Kobler, Founder & Managing Partner