Delivering responsible and sustainable returns to our partners and investors through our selection and active ownership of portfolio companies in clean energy and sustainable natural resources sectors

I. BACKGROUND
Angeleno Group is almost exclusively invested in companies that develop products and services to profoundly reduce greenhouse gas emissions and proactively respond to critical sustainability and global challenges of our time.

As a clean energy and natural resources private investment firm, our role is to select well-positioned companies and assist in bringing their environmental innovations to market and scale so that we can achieve strong financial returns for our investors. We take this role seriously. In this context, we seek to foster our portfolio companies’ growth into responsible, sustainable enterprises with strong governance, risk and compliance (GRC) mechanisms and social and environmental management systems (SEMS).

Our approach to Responsible and Sustainable Investing (RSI) supports and aligns with our values and our commitment to value creation and disciplined portfolio management. As such and where appropriate within the objective of our investment program and or our fiduciary responsibilities to our limited partners, we will be increasingly (i) incorporating considerations of environmental, social and governance (ESG) issues into decision making, (ii) encouraging management of ESG issues in our capacity as active owners, (iii) engaging with portfolio companies and other stakeholders on ESG, (iv) communicating with stakeholders on our firm’s ESG approach and performance and (v) providing ESG competencies within our sphere of influence.

Our RSI policy is designed to be adaptive and collaborative, and to be iterative and evolving based on changing market conditions and our portfolio composition.

II. DEFINITIONS
Our definition of “Responsible and Sustainable Investing” incorporates relevant elements of the United Nations-supported Principles for Responsible Investment (PRI) and other codes, standards and guidelines for our industry.

We define “environmental, social and governance” (ESG) as a set of policies, management systems, strategies, actions and commitments to support responsible and sustainable growth, proactively address risk, increase operational efficiency, foster innovation and complement execution on organizational mission and investment objectives. The scope of ESG considerations reflect those as defined by the Global Reporting Initiative (GRI), Sustainability Accounting Standards Board (SASB), International Corporate Governance Network (ICGN), Impact Reporting and Investment Standards (IRIS), Task Force for Climate-Related Financial Disclosures (TCFD) and other leading frameworks. We also consider the principles set forth in the United Nations Global Compact, United Nations Guiding Principles on Business and Human Rights and International Labor Organization (ILO) Conventions.
We define “stakeholders” as those who can contribute to the successful execution of strategic objectives, and those who are impacted by business activities. For Angeleno Group, stakeholders include our investors, partners, employees and portfolio companies. For portfolio companies, stakeholders include their customers, vendors, partners, employees, investors and communities served.

III. PURPOSE
The purpose of our RSI policy is to enhance the efficacy of existing processes and functions within our firm to deliver long-term value to our investors and partners.

IV. SCOPE
The scope of Angeleno Group’s RSI policy extends to both pre-investment and post-investment, and is applicable to our firm’s three fundamental strategies to achieve differentiated returns:

a. **Deal Sourcing and Selection**

ESG risks and competencies will be considered within our deal sourcing and selection processes.

b. **Disciplined Portfolio Management**

ESG management principles will be encouraged in alignment with our commitment to disciplined portfolio management throughout the holding period of our investments.

c. **Value Creation in Our Portfolio Companies**

Value creation efforts will consider the role of ESG practices within portfolio companies in creating value and accelerating sustainable growth.

V. PRE-INVESTMENT
Our application of ESG considerations during pre-investment is designed to enhance, without replacing or modifying, our current investment philosophy and related pre-investment activities:

a. **Investment Philosophy and Related Strategies**

We are stage-agnostic, and actively select companies that are innovative, well managed and well positioned for high-growth. As such, many of our portfolio companies are early stage investments (fewer than 100 employees and/or not yet cash flow positive). For early stage investments, given the more limited nature of their financial and human resources, we will consider the ability of their management teams to responsibly and successfully execute their strategy and the ability of their technologies to provide environmental benefits that serve marketplace needs. For later stage investments, we will consider a broader range of ESG issues.

b. **Diversification and Risk Management**

We invest broadly across the energy and natural resources industries and its value chain to ensure a diverse portfolio and to manage portfolio risk along a specific set of risk factors. ESG considerations will be incorporated as appropriate to enhance diversification and risk management within our portfolio. We have developed a risk
factor specifically to address and measure the existence or absence of RSI principle risks.

c. **Due Diligence**

We will analyze ESG risks, competencies and other considerations as part of our due diligence prior to making an investment for applicable portfolio companies. As appropriate, we will also engage in dialogue with management on its ESG strategies and discuss associated goals, targets and commitments prior to making an investment.

**VI. POST-INVESTMENT**

We will engage with portfolio companies on ESG to support execution on their core business strategies and to encourage responsible and sustainable growth:

a. **Active Ownership**

As active owners, our approach is pragmatic and focused on creating value. We acknowledge that portfolio companies’ approaches to ESG will need to be structurally, developmentally, and financially appropriate; particularly for early stage investments. We are typically minority participants in our portfolio companies, and our degree of influence that comes from serving on the boards of portfolio companies varies accordingly. Within this capacity, we will engage with management and other co-investors on the board to proactively address ESG risks and opportunities.

b. **Collaborating with and Supporting Portfolio Companies**

We will collaborate with and support our portfolio companies as they grow to encourage strong ESG management practices that are value-accretive. We recognize that each portfolio company will have a unique set of ESG risks and opportunities depending on its stage, sub-sector, business model, stakeholders and geographies served, supply chain, product and services life cycle, applicable regulations and other factors; and such differences will be considered.

We will actively engage with the management of portfolio companies that have reached specified growth milestones in revenue, EBITDA and number of employees. During engagement, we will discuss these portfolio companies’ ESG practices and encourage increased ESG actions and commitments. To support portfolio companies, we will provide access to relevant ESG standards and best practice documentation, and to subject matter experts within our firm and network.

Our engagement will occur on an annual and ongoing basis. For portfolio companies that meet the specified milestones at the time of investment, we will begin engagement during the following annual cycle that follows the one-year anniversary of the date of initial investment. Angeleno Group reserves the right to consider qualitative factors in addition to the specific growth milestones when selecting portfolio companies for active engagement.

Early stage portfolio companies that do not meet the specified growth milestones for active engagement will also be encouraged to develop ESG practices as appropriate to their scope of operations. While our active engagement with these companies on ESG may be more limited, portfolio companies are expected to maintain strict
compliance with applicable environmental, labor and product responsibility laws and regulations.

VII. STAKEHOLDER ENGAGEMENT
We are committed to active dialogue, collaboration and partnership with our investors, portfolio companies and interested stakeholders on ESG issues. Additionally, we will encourage our portfolio companies to engage with their stakeholders on ESG issues.

VIII. GOVERNANCE
The governance of this policy emphasizes collaboration, accountability, and formal review:

a. Responsibility and Accountability

Angeleno Group’s ESG Committee has the highest level of direct responsibility for oversight and management of this policy and related efforts. The ESG Committee is comprised of one of Angeleno Group’s Managing Partners, our Chief Operating Officer and our Vice President of Finance and Sustainability. The ESG Committee is chaired by our Vice President of Finance and Sustainability.

This policy, as amended from time-to-time, will be a component of our Employee Handbook that is provided to all employees.

b. Formal Review

On an annual basis, Angeleno Group’s ESG Committee will formally review the RSI Policy.

c. Escalation

Portfolio companies and firm employees should escalate ESG issues that present significant risks or opportunities to our Chief Operating Officer, Vice President of Finance and Sustainability, and/or Managing Partners. We will encourage and expect our deal teams to think about and seriously implement ESG principles into the deals they manage.

d. Transparency

A key tenant of the PRI encourages transparency in the operation of an ESG program. Angeleno Group aligns with the PRI and believes that increased transparency will foster a productive exchange of ideas. We will strive to report on our progress in a transparent manner as we execute on our RSI policy.

e. Feedback

All partners, employees and stakeholders are also encouraged to provide feedback related to our RSI Policy. Feedback will be incorporated into our annual review of the policy.

IX. ESG COMPETENCIES
Angeleno Group will continue to build its ESG competencies to respond to changing market conditions, and to support our three fundamental strategies for differentiated returns: superior deal sourcing and selection, disciplined portfolio management and value creation in our portfolio companies.