

# RESPONSIBLE AND SUSTAINABLE INVESTING

2022 ESG REPORT



12<sup>th</sup> Annual Edition

## TABLE OF CONTENTS

---

<b>Letter from Our Leadership</b>	1
<b>About this Report</b>	2
<b>2022 Impact Highlights</b>	3
<b>Firm Profile</b>	5
<b>Creating Shared Value</b>	7
<b>Investment Focus Areas</b>	9
<b>Impact in Action</b>	11
Renewable Energy	12
Energy and Resource Efficiency	14
Water	17
Smart Cities	18
Sustainable Forestry	21
Diversity, Equity and Inclusion	22
<b>ESG at Angeleno Group</b>	25
Our Culture and Commitments	26
Stakeholder Engagement	29
Portfolio Management	33
<b>Further Acceleration and Integration</b>	35
<b>Invitation to Dialogue</b>	36
<b>TCFD Reporting Index</b>	37

**LETTER FROM OUR LEADERSHIP**

.....

**We view responsible and sustainable investing as a catalyst to drive strong business results, create value and navigate a changing world.**

We are excited to share Angeleno Group’s 2022 ESG Report with you. In this Report, you will learn more about what motivates our team every day — how we think about and approach responsible and sustainable investing; the investment and research themes that shape our strategy; and, most importantly, how our portfolio companies are working to advance the transition to a low-carbon economy and contribute to broader sustainable development goals.

In 2022, there were a number of notable policy developments and industry milestones that are relevant to our investment strategy and focus areas. These include but are not limited to the following: (1) The Inflation Reduction Act (IRA), a landmark piece of climate legislation, passed in the United States. The IRA’s true impact toward catalyzing clean energy investment and accelerating demand for our portfolio companies’ products and services may not be felt for several years, but it is widely perceived as catalytic for continued growth and investment in clean energy. (2) Renewable energy sources are now growing faster than any other form of energy generation<sup>1</sup>. (3) 90% of global GDP is now tied to net zero pledges, up from 16% in 2019<sup>2</sup>.

Angeleno Group’s Responsible and Sustainable Investing Program continues to support our investment teams and portfolio companies as they seek to manage risks, identify opportunities and connect stakeholders to a heightened sense of purpose. The concept of connection — applying systems thinking and considering interdependencies — was a central theme from our most recent annual engagement cycle with portfolio companies on ESG topics. This theme of connection is evident across our portfolio companies, many of which fall into multiple of our seven investment themes such as renewable power, energy storage and sustainable mobility.

There are still many sustainability challenges to address and problems to solve: including ensuring access to affordable, reliable clean energy for all; creating economic opportunities for historically disadvantaged groups within the low-carbon transition; making certain that workers are respected and treated fairly across the supply chain; and protecting communities from extreme weather events such as wildfires and hurricanes. Nonetheless, we remain optimistic that our deployment of growth capital can help companies scale innovative solutions with the potential to advance equity and resilience in addition to accelerating decarbonization of the economy.

At Angeleno Group, we are focused on creating shared value through our mid- to late-stage venture and growth capital investments, active management approach, and stakeholder engagement activities. On behalf of our entire team, we look forward to continued partnership with our investors, portfolio companies and stakeholders to help responsibly and profitably grow businesses that are contributing to a more sustainable world.

  
**Yaniv Tepper**  
Co-Founder and  
Managing Partner

  
**Daniel Weiss**  
Co-Founder and  
Managing Partner

  
**William Miller**  
Chief Operating Officer

  
**Michelle Kincanon**  
Senior Vice President,  
Sustainability and Operations

<sup>1</sup> US Energy Information Agency, September 2022  
<sup>2</sup> Net Zero Tracker (<https://zerotracker.net>), as of September 15, 2023

## ABOUT THIS REPORT

---

This is Angeleno Group's twelfth annual report on our Responsible and Sustainable Investing activities – and our fifth report as a PRI signatory.

### **Topics And Standards**

In this Report, we aim to share information on our firm's strategy and progress across material environmental, social and governance (ESG) issues.

We also strive to align with best practices within the Principles for Responsible Investment (PRI), Global Reporting Initiative (GRI), Sustainability Accounting Standards Board (SASB) and Task Force for Climate-related Disclosures (TCFD) frameworks.

Within the TCFD framework, disclosures herein are designed to provide readers with relevant information on Angeleno Group's climate-related strategy, governance, risk and opportunity management practices, and metrics considered.

### **Reporting Period and Disclaimers**

This Report covers calendar year 2022 unless otherwise noted. The information contained in this Report is provided solely for informational purposes. Please note that data and information herein have not been audited and is often sourced directly from our portfolio companies.

Certain content within this Report may be considered to be "forward looking" information within securities law, for which readers are cautioned not to place undue reliance. This information does not constitute financial product advice or provide a recommendation to enter into any investment.

Securities highlighted in this presentation have been selected to illustrate Angeleno Group's investment approach and/or market outlook and are not intended to represent the performance of any investment managed by Angeleno Group or be an indicator for how any investments have performed or may perform in the future. Each security highlighted in this Report has been selected solely for this purpose and has not been selected on the basis of performance or any performance-related criteria.

The securities discussed herein do not represent an entire portfolio and in the aggregate may only represent a small percentage of a portfolio's holdings. Client portfolios are actively managed and securities discussed in this Report may or may not be held in such portfolios at any given time.

## 2022 IMPACT HIGHLIGHTS

---

### Angeleno Group

#### Commitments

<p>Signatory to <b>Principles for Responsible Investment</b> since 2018</p>	<p>2<sup>nd</sup> year of commitment to <b>net zero</b> carbon emissions from our own operations</p>
---	--

#### Corporate Citizenship

<p><b>30+ organizations</b> supported through charitable contributions that prioritize climate action, leadership development, public health and community service</p>	<p><b>Employee matching</b> for personal charitable contributions and legacy of <b>volunteerism</b> within city of Los Angeles</p>
--	--

#### Diversity, Equity & Inclusion

<p>Firmwide <b>Diversity and Inclusion Pledge</b> with all employees receiving unconscious bias training</p>	<p>Increasing <b>representation of women</b> on boards and senior management teams of portfolio companies</p>
--	---

#### Stakeholder Engagement

<p>Insights from distinguished industry leaders, scientists and former policymakers on Angeleno Group's <b>Board of Advisors</b></p>	<p>Engagement with leading organizations and their endowments* to educate and heighten awareness of <b>sustainability and ESG issues</b> in relation to institutional investing</p>
--	---

\* Includes the California Community Foundation, The Caltech Seed Fund, Los Angeles Cleantech Incubator, Pacific Council on International Policy, UCLA Institute of the Environment and Sustainability and the World Resources Institute.

## 2022 IMPACT HIGHLIGHTS

### Our Portfolio Companies

ESG Impact Priorities	Portfolio Companies	Impact Highlights
Renewable Energy	Kinematics	<ul style="list-style-type: none"> <li>Deploying smart drive technologies to improve reliability and performance of large-scale <b>solar trackers</b></li> </ul>
	TPI Composites <sup>3</sup>	<ul style="list-style-type: none"> <li>Producing composite blades that serve the global onshore <b>wind energy</b> market</li> </ul>
	Edeniq	<ul style="list-style-type: none"> <li>Providing proprietary analytics methodology for accurate measurement of <b>low carbon fuels</b></li> </ul>
Energy and Resource Efficiency	Stem	<ul style="list-style-type: none"> <li>Using the power of artificial intelligence to optimize <b>energy storage</b> and solving renewable energy intermittency challenges</li> </ul>
	ZincFive	<ul style="list-style-type: none"> <li>Delivering sustainable, circularly-designed <b>batteries</b> for mission-critical applications</li> </ul>
	Renew Financial	<ul style="list-style-type: none"> <li>Enabling homeowners to access <b>affordable financing</b> for increasing eco-efficiency and renewable energy</li> </ul>
	Fictiv	<ul style="list-style-type: none"> <li>Creating a platform with potential to digitize, localize and decarbonize <b>product manufacturing</b></li> </ul>
Water	Patriot	<ul style="list-style-type: none"> <li>Expanding <b>wastewater treatment</b> capabilities</li> </ul>
Smart Cities	Locana	<ul style="list-style-type: none"> <li>Using <b>location intelligence</b> to inform climate adaption and mitigation strategies in urban and rural areas</li> </ul>
	Span	<ul style="list-style-type: none"> <li>Re-inventing <b>home energy management</b> to advance adoption of clean energy technology and electric vehicles</li> </ul>
	mPrest	<ul style="list-style-type: none"> <li>Leading the transition to <b>distributed energy resources</b></li> <li>Developing <b>wildfire response</b> models for utilities.</li> </ul>
	INRIX	<ul style="list-style-type: none"> <li>Tackling <b>traffic congestion</b> through data and analytics</li> </ul>
Sustainable Forestry	New Forests	<ul style="list-style-type: none"> <li>Making <b>forestry carbon credits</b> scalable and credible</li> <li>Applying forest conservation experience to accelerate <b>sustainable agriculture</b></li> </ul>

<sup>3</sup> Angeleno Investors II, L.P. fully exited in 2020 its position in TPI Composites (NASDAQ: TPIC). Positions in TPI Composites are currently held by Angeleno Group, LLC and Angeleno Global Equities, L.P.



## FIRM PROFILE

.....

**Founded in 2001, Angeleno Group provides growth capital for next generation clean energy and climate solutions companies.**

### **Investing in Next Generation Clean Energy and Climate Solutions Companies**

We invest opportunistically in a range of deal types, with a strategy that is sector-focused and research-driven. Since its founding, Angeleno Group has become one of the longest-standing dedicated sustainability-oriented investment firms, making growth investments on a global basis with investment professionals and operating partners in the United States and Australasia. Our headquarters are in Los Angeles, California.

### **Our Portfolio**

Angeleno Group invests in a diverse energy and climate solutions focused portfolio, having selected companies from a variety of energy market verticals, including utility-scale solar, specialized composite wind turbine blades, intelligent transportation, water treatment solutions, energy efficiency finance, energy storage, environmental and remediation services and other applications that promote efficient long-term management of natural resources. We believe that Angeleno Group’s sector focus allows portfolio companies to benefit from the firm’s longstanding relationships and deep industry experience.

Our current investment focus areas and research priorities are as follows:

Clean Energy Transition: Renewable Power at Scale	Next Generation Energy Storage
Resource Efficiency in Water, Agriculture and Sustainable Inputs	Critical Infrastructure and Resiliency
Industrial Energy Efficiency and Digital Manufacturing	Carbon Mitigation and Climate Adaptation
Sustainable Mobility and Smart Cities	

### **Our Investment Approach**

Angeleno Group’s investment process seeks to generate returns and mitigate risk at each stage of the investment cycle. We believe Angeleno Group’s perspective helps create value on behalf of both portfolio companies and investors, supporting entrepreneurs and management teams through the development and execution of strategic plans that leverage the insights and networks of the firm. Our investment philosophy and strategy are founded on this vision.

### **Our Team, Advisors and Operating Partners**

Together with our advisors and operating partners, Angeleno Group has breadth and depth of experience in leadership and operations across virtually every major segment and geography of the clean energy and climate solutions landscape. Angeleno Group’s team of seasoned investment professionals has decades of combined investing, operating and advisory experience,

including private equity, venture capital and technology development. In addition, we have built a strong group of operating partners and advisors with sector insights and leadership at operating companies that complements and further enhances the capabilities of the broader Angeleno Group team.

## Principles for Responsible Investment

Angeleno Group is a signatory to the United Nations-supported Principles for Responsible Investment (PRI). We aim to align Angeleno Group’s Responsible and Sustainable Investing Program to support each of the six PRI principles:

<p><b>1. Incorporate ESG issues into investment analysis and decision-making processes</b></p> <p>Angeleno Group completed its twelfth year of executing on its formal Responsible and Sustainable Investing Program. Our ESG Committee oversees execution on our Responsible and Sustainable Investing Policy.</p>
<p><b>2. Be active owners and incorporate ESG issues into our ownership policies and practices</b></p> <p>Angeleno Group completed its twelfth year of active ESG engagement with portfolio companies that met the specified growth milestones in its Policy.</p>
<p><b>3. Seek appropriate disclosure on ESG issues by the entities in which we invest</b></p> <p>Portfolio companies continued to complete ESG questionnaires pursuant to our Policy. Additionally, several of our portfolio companies – including Kinematics, New Forests, Renew Financial, Stem and TPI Composites – reported publicly on ESG strategies and impact metrics in 2022.</p>
<p><b>4. Promote acceptance and implementation of the Principles within the investment industry</b></p> <p>Angeleno Group and its senior investment professionals continue to engage with for-profit and not-for-profit organizations and their endowments to educate and heighten awareness of ESG issues and their relevance to institutional investing.</p>
<p><b>5. Work together to enhance our effectiveness in implementing the Principles</b></p> <p>We continued to collaborate with portfolio companies to establish annual ESG action plans and performance targets. Angeleno Group also convenes industry, scientific and policy leaders to advance a low-carbon economy and discuss ESG-related trends and opportunities.</p>



## CREATING SHARED VALUE

Angeleno Group’s Responsible and Sustainable Investing Program seeks to create value in six key areas.

Researching and Defining Sustainable Investment Opportunities	Enhancing Deal Sourcing
Engaging with Management Teams	Driving Environmental and Social Impact
Promoting Sustainable Development	Complementing Exit Strategies

### Researching and Defining Sustainable Investment Opportunities

Angeleno Group focuses on investing in companies that develop products and services that aim to reduce greenhouse gas emissions and proactively respond to other critical global sustainability challenges.

Part of the firm’s investment research involves identifying key factors for portfolio company selection. Examples of investment criteria that help guide portfolio company selection include:

Investment Criteria	Description
Tools / Technology	We like to invest in technology-agnostic tools that we believe can enable many industry participants to flourish.
Capital Efficiency	We seek to identify companies with efficient and flexible capital models to reduce risk and dilution.
Near Term Markets	We look for significant and realistic near-term markets, which can be leveraged to longer-term and larger opportunities.

The evaluation of material ESG topics help to inform how we select investments and partner with portfolio companies to achieve growth and scalability objectives.

### Enhancing Deal Sourcing

Angeleno Group’s investment process seeks to generate returns and mitigate risk at each stage of the investment cycle. Our sourced deals include growth equity, mid- to late-stage venture capital, and opportunistic investments. Our application of ESG considerations prior to investing provides an additional lens that we anticipate will further create value for our investors.

### Engaging with Management Teams

Angeleno Group partners with experienced entrepreneurs and works to build successful companies. By focusing on ESG – and specifically the power of insights and relationships, we believe that we can better support the management teams within our portfolio.

Angeleno Group aims to serve as a catalyst to drive growth and profitability through deep industry, regulatory and corporate finance experience, and a global focus on business development and strategy. With two decades of experience supporting clean energy entrepreneurs, Angeleno Group works to identify and build the industry leaders of tomorrow.

## Driving Environmental and Social Impact

As a clean energy and climate solutions dedicated investment firm, our focus is to select well-positioned companies and assist in bringing their environmental innovations to market and scale with the goal of achieving strong financial returns for our investors.

In this context, we seek to foster our portfolio companies' growth into responsible, sustainable enterprises with strong ESG practices. We also seek to accelerate our portfolio companies' abilities to produce meaningful outcomes in support of the UN 2030 Sustainable Development Goals; and the broader long-term transition to a low carbon and more inclusive economy. Key metrics that we use to measure the degree of economic, environmental and social impact outcomes within our portfolio include the metric tons of avoided greenhouse gas emissions and the number of "green" jobs created globally.

## Promoting Sustainable Development

As part of our commitment to advancing responsible investment, we aim to illuminate connections where our portfolio companies can support meaningful progress toward the UN 2030 Sustainable Development Goals, a leading global framework.

Through our investments, we continue working to drive progress to support these global goals – prioritizing opportunities to advance energy, water, infrastructure, climate change resiliency, job creation and gender equality:

 <p><b>5 GENDER EQUALITY</b></p> <p>Advancing gender equity and empowering women and girls</p>	 <p><b>6 CLEAN WATER AND SANITATION</b></p> <p>Enabling sustainable management of water and sanitation for communities</p>	 <p><b>7 AFFORDABLE AND CLEAN ENERGY</b></p> <p>Achieving renewable energy at scale, and increasing energy efficiency</p>
 <p><b>8 DECENT WORK AND ECONOMIC GROWTH</b></p> <p>Creating green jobs globally across local economies</p>	 <p><b>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</b></p> <p>Delivering leading-edge technologies to make cities smarter and more resilient</p>	 <p><b>13 CLIMATE ACTION</b></p> <p>Reducing global greenhouse emissions and supporting climate change adaptation solutions</p>

## Complementing Exit Strategies

The average holding period for our investments varies, but in broad terms, we expect to hold investments for four to eight years. Our engagement with selected portfolio companies on ESG issues is focused on managing growth and supporting our portfolio companies to achieve shared goals.

## INVESTMENT FOCUS AREAS

---

Angeleno Group has identified seven near-term investment focus areas and research priorities.

### 1. The Clean Energy Transition: Renewable Power at Scale



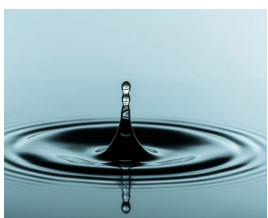
Throughout the 20th century, fossil fuels generated electricity and powered transportation vessels at a lower cost per unit of energy than renewables. However, in recent years, the convergence of technology advances and market demand for clean energy have reached an inflection point in the low-carbon transition and renewable sources of electricity, such as solar and wind, can now, in many settings, generate power at lower cost than conventional sources of energy. As a result, the majority of new installed global electricity generation capacity has been and is expected to be renewable, presenting exciting opportunities for existing as well as new businesses.

### 2. Next Generation Energy Storage



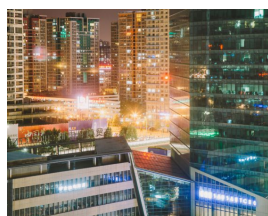
Angeleno Group believes advanced battery technologies are poised to dramatically change how we produce and consume energy in the foreseeable future. We believe the potential for energy storage use in a wide range of industries and applications – from transportation (electric vehicles), to data centers (mission-critical power), to the built environment (backup power and demand charge reductions across commercial, industrial and residential segments) to renewables (to address intermittency issues) – is driving substantial and growing demand and the need for various types of energy storage technologies.

### 3. Resource Efficiency: Water, Agriculture and Sustainable Inputs



As the world population exceeded 8 billion in late 2022, sources of potable water, acreage of arable land, and quarries of minable minerals continue to decline. Resource efficiency is now an urgent, global, and expensive problem given population pressures exacerbated by climate change. We believe that key innovations in waste management, clean water availability, sustainable agriculture, and responsible production of raw materials are vital to address these global challenges.

### 4. Critical Infrastructure and Resiliency



Most of the world's energy infrastructure network is aged, outdated, inflexible, and highly vulnerable to attack. Based around centralized power generators and a hub-and-spoke power grid, the system is highly fragile if compromised. Furthermore, climate change is putting increased stresses on the grid and exposing its vulnerability under this centralized architecture. We believe that innovation in distributed energy resource management systems, cybersecurity and industrial controls, as well as technologies that predict damage to infrastructure, monitor emissions and environmental conditions, and help companies and governments adapt to climate change, will be central to creating the future of the grid.

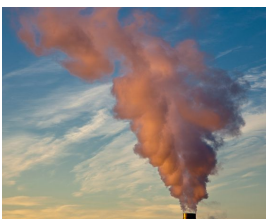
## 5. Industrial Energy Efficiency and Digital Manufacturing



Competitive and environmental pressures on industrial resources are spurring a boom in technologies that make factories, supply chains, and data processing more efficient than ever. We believe this structural shift in industrial processes and manufacturing provides fertile ground for innovative technology and service companies focused on productivity and waste reduction. In our view, these businesses are having a significant impact on climate change by advancing sustainability in factory

environments through sustainable design, responsible material sourcing, localization of supply chain, cradle-to-cradle manufacturing, and real-time emissions monitoring among other areas.

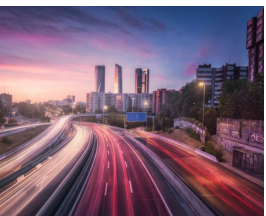
## 6. Carbon Mitigation and Climate Adaptation



Climate change is a multi-dimensional challenge involving science, economics, society and politics. Responding to climate change involves both reducing the levels of greenhouse gases in the atmosphere (“mitigation”) and adapting to climate change effects already occurring (“adaptation”). It is estimated that addressing the impacts of climate change will require tens of trillions of dollars over a period of decades, employing both existing technologies and approaches while also relying

on new advancements and methodologies.

## 7. Sustainable Mobility and Smart Cities



With more than half the world’s population living in urbanized areas today, modern cities and transportation systems have a critical role to play in accelerating the clean energy transition. Cities are home to a variety of energy-intensive sectors and major transport systems that support global economic activity around the world. From electric scooters and electric buses to energy-efficient appliances and the sharing economy, electrification is driving investment in a wide range of technologies and

business models, including clean transit options, charging infrastructure, and urban sustainability improvements in smart cities around the world.

Angeleno Group believes the rapidly changing economics of clean energy – coupled with sustainability imperatives from governments and corporations, the need to upgrade aging infrastructure and technological innovation in the low-carbon economy – creates multi-decade tailwinds for these investment focus areas.

## IMPACT IN ACTION

---

**We provide growth capital to companies that we believe have innovative solutions that respond to major global sustainability challenges.**

Through our investments and our role as active partners with our management teams, we believe that Angeleno Group is strongly positioned to drive substantive impact on critical environmental and social issues. As a result of our targeted investment approach, we are focused on supporting demonstrative impact across the following priorities.

### **Renewable Energy**

Critical to decarbonization, demand for renewable energy is increasing every year. That growth continues to accelerate – outpacing demand for conventional energy sources. The growth in demand for renewable energy reflects the decline in cost and widespread interest across consumers, including corporations, individuals and property owners.

### **Energy and Resource Efficiency**

Energy production and consumption is currently the largest source of global greenhouse gas emissions. Angeleno Group seeks to invest in companies that identify compelling and profitable ways to enhance resource efficiency in commercial and industrial applications.

### **Water**

Many of the water systems around the world that keep ecosystems thriving and support a growing human population have become stressed. Water stress is further exacerbated by rising temperatures, which are believed to disrupt precipitation patterns. Pollution also threatens the health of freshwater and coastal aquatic ecosystems, which are critical for food production, sanitation and the survival of communities.

### **Smart Cities**

We believe the advancement of smart cities will be critical to managing climate risks. As electrification increases our reliance on grids, it will be necessary to increase grid resilience and security. Sustainable mobility is also central to making cities smarter, safer, less congested and polluted, and more vibrant.

### **Sustainable Forestry**

The world's forests are critical to climate regulation and rich in biodiversity and ecosystem services necessary to support health and prosperity. Halting the loss and degradation of these natural systems and promoting their restoration have the potential to contribute over one-third of the total climate change mitigation that scientists believe is required by 2030.

### **Diversity, Equity and Inclusion**

We believe that advancing diversity, equity and inclusion is a powerful accelerator to achieving financial success and enabling each of our portfolio companies to achieve their respective missions.

**In this section, we share 2022 highlights from our portfolio companies across these six impact priorities.**



RENEWABLE ENERGY

.....

Angeleno Group actively invests in growth companies that we believe are working to dramatically increase the adoption of solar, wind and other forms of renewable energy.

**Intelligent Solar Tracking Solutions**

**Kinematics** is a global provider of solar and industrial slew gear actuators for motion control in mission-critical applications, with over two million operating units in the field servicing customers in North America, South America, Europe, Australia and Asia.

Kinematics has contributed to the installation of more than **60 gigawatts of renewable energy capacity to date.**

In 2022, Kinematics launched its new SmartDrive™ tracker with sensors that continuously report essential drive conditions to the cloud, which accelerates the capture of data – giving Kinematics’ product designers quicker insights into field performance for further improvements in efficiency, safety and reliability. Typical solar trackers rely on modeling and site-level weather data to estimate when a tracker is under unusual stress or not operating at optimal performance.



An industry first, the SmartDrive™ tracker directly measures tracker health and actuator capacity during all stages of operation and life. SmartDrive’s real-time direct sensing technology enables benefits such as improved wind protection control, actuator capacity design optimization, data-driven insurability, and asset monitoring not possible with traditional methods.

To ensure both efficiency and reliability when extreme weather events occur, Kinematics’ design labs have also successfully integrated clutch technology – intended to slip when the torque exceeds the “normal” operating range of the equipment – to its slew drives. The ability to efficiently manage these impulse forces within the system capacity, before damage occurs, can deliver significant value in terms of equipment cost, maintenance, uptime, and safety.

**Leveraging ESG Principles to Support Growth**

In 2022, Kinematics conducted its first formal materiality assessment, launched an executive-led ESG Committee and published its first-ever ESG Report. Additionally, Kinematics responded to the CDP Climate Information Request and EcoVadis survey for the first time. Priority initiatives within Kinematics’ ESG program include (1) Driving meaningful climate action; (2) Deepening engagement with employees and suppliers; and (3) Advancing diversity, equity and inclusion.

In 2022, Kinematics also continued to build out and strengthen its organization and announced key hires in the areas of sales, field service support, product management and corporate development. Since 2021, the company has more than doubled the size of its US team.



## Global Deployment of Wind Energy

**TPI Composites** (NASDAQ: TPIC)<sup>4</sup>, is a leading wind blade manufacturer and the only independent manufacturer of composite wind blades with a global footprint. In 2016, TPI Composites completed the largest pure-play wind equipment initial public offering in U.S. capital market's history. TPI Composites has manufactured over 84,000 wind blades since 2001. In 2022, TPI Composites produced nearly 9,000 wind blades, representing approximately 38% of the global onshore wind energy market, excluding China.

TPI Composites estimates the potential reduction of **410 million** metric tons of carbon dioxide from blades produced in 2022<sup>5</sup>.



In 2022, TPI Composites continued to expand its partnerships with industry-leading wind turbine OEMs, including ENERCON, General Electric, Nordex, Siemens Gamesa, and Vestas. In part due to the support provided by the Inflation Reduction Act, TPI Composites secured a ten-year lease extension at its manufacturing facility in Iowa to support General Electric's domestic wind blade production objectives.

TPI Composites also released its fourth annual ESG report, covering its 2022 ESG performance. Notably, TPI Composites has set a goal to become carbon neutral by 2030 with 100% of its energy coming from renewable sources.

## Low-Carbon Fuel Production and Credits

**Edeniq** is an environmental testing company focused on fiber and cellulosic analytical testing of low-carbon fuels. Edeniq has developed and commercialized a sophisticated proprietary analytics methodology for accurate measurement of low carbon fuels. Entitled Intellulose®, Edeniq's technology platform consists of a suite of analytical chemistry methods for the quantitative determination of sugars and carbohydrates in grains and agricultural materials.

Edeniq provides a capital-light and operationally efficient solution that can be simply integrated into existing biorefineries that already produce ethanol.

Edeniq's core Intellulose® solution offering is the output of a mass balance calculation to grain ethanol manufacturers that quantifies the volume of cellulosic or fiber ethanol produced during the fermentation process. The inputs for the mass calculation are analytical data points generated from customer process samples using the Edeniq analytical chemistry methods. The cellulosic or fiber ethanol volumes are then used by the ethanol producer to obtain credits or premiums under state and federal programs such as California's Low Carbon Fuel Standard, Oregon's Clean Fuels Program, or the U.S. Renewable Fuel Standard. Edeniq has 13 filed patents and nine registered trademarks.

<sup>4</sup> Angeleno Investors II, L.P. fully exited in 2020 its position in TPI Composites (NASDAQ: TPIC). Positions in TPI Composites are currently held by Angeleno Group, LLC and Angeleno Global Equities, L.P.

<sup>5</sup> Data point from TPI Composites 2022 ESG Report.

## ENERGY AND RESOURCE EFFICIENCY

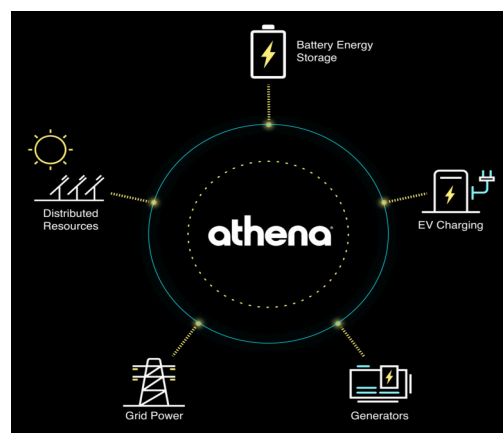
Angeleno Group actively invests in energy efficiency technologies that reduce rates of household, commercial and industrial energy loss and consumption.

### Artificial Intelligence to Empower Next Generation Energy Solutions

**Stem** (NYSE: STEM) delivers and operates battery storage solutions that maximize renewable energy generation and help build a cleaner, more resilient grid. Stem has developed a market-leading Athena® platform that utilizes the power of artificial intelligence to lower energy costs, reduce carbon emissions and solve renewable intermittency across the world's largest network of distributed energy storage systems.

Stem helps to solve critical challenges that have historically impeded broader adoption of renewable and distributed energy systems.

Currently, Stem has over two gigawatt hours of storage capacity across 950 sites operating or contracted. Stem's customers include Fortune 500 companies, project developers, utilities and independent power producers. In 2021, Stem became the world's first public pure-play smart energy storage company.



### A Unified Platform for Solar and Storage

In 2022, Stem completed its acquisition of Also Energy Holdings, Inc. The transaction combines Stem's capabilities with AlsoEnergy's market-leading solar asset performance monitoring software to deliver a unified Athena® platform across solar and storage assets. AlsoEnergy's PowerTrack flagship application for users throughout the value chain, drives insightful decisions that improve business efficiencies and financial and energy performance.

### Advancing Electric Vehicle (EV) Adoption

Stem has announced a joint eMobility offering with ChargePoint, a leading EV charging company. The offering will integrate Athena® with ChargePoint's Express Platform to reduce costs and maximize lifetime asset value for customers.

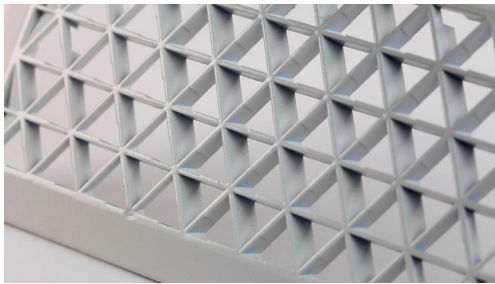
### Unlocking Seven Value Streams Through Co-Optimization

Stem helps its customers co-optimize seven compelling value streams within energy markets: (1) day-ahead markets, (2) real-time energy markets, (3) frequency regulation, (4) capacity market, (5) coincident peak reduction, (6) solar shifting incentives, and (7) solar investment tax credit earnings. Athena®'s Bidder™ technology can forecast market prices and solar generation while continuously delivering market-ready price and quantity bids. Bidder™ also helps customers meet resource adequacy requirements, optimize wholesale market revenue, and participate in wholesale energy markets in California, Maryland, Massachusetts, New Jersey, Pennsylvania and Texas.

## Digitizing, Decarbonizing and Democratizing Manufacturing

**Fictiv** is a sustainable digital manufacturing software platform enabling automation, localization and decarbonization of supply chain operations. Often referred to as the “Uber for manufacturing”, Fictiv’s ecosystem delivers unprecedented manufacturing agility and speed through a digital quote-to-order platform, highly vetted and managed global partner network, and team of manufacturing experts that manage programs and inspect quality every step of the way.

Fictiv is creating a platform with the potential to make product manufacturing less carbon intensive and more accessible to historically disadvantaged entrepreneurs.



Unlike traditional contract manufacturers, Fictiv’s operations are built around a digital core that leverages proprietary algorithms to deliver instant pricing, design for manufacturability feedback, and production transparency. Fictiv’s portfolio of optimized manufacturing services includes 3D printing, computer numerical control machining, urethane casting, and injection molding.

Since inception, Fictiv has manufactured 22 million parts for both early-stage companies and large enterprises – helping them innovate with agility and get products to market faster. Fictiv has also partnered with Dot Neutral to provide a carbon neutral shipping program. All of the projects listed at Dot Neutral are hand selected, verified and registered with the Climate Action Reserve, American Carbon Registry, or Verra. Additionally, Fictiv has been named to *Inc. Magazine’s* 2022 Best in Business List for its impact on furthering STEM education.

## Eco-Efficient Battery Storage for Mission Critical Applications

As an alternative to lead-acid and lithium-ion batteries, **ZincFive’s** nickel-zinc batteries offer a longer operating life, a smaller environmental footprint and a wider operating temperature range.

ZincFive’s nickel-zinc batteries are reliable, energy-efficient, fully recyclable at end-of-life and made with non-toxic materials.

These attributes help to ensure that backup power is always available for traffic signals and critical infrastructure. ZincFive’s battery solutions are deployed across mission-critical applications for transportation systems, data centers, the automotive industry and emergency responders. In 2022, ZincFive announced a new battery solution for generators, and a more compact, next-generation battery cabinet for the data center industry. In addition, ZincFive has joined the Initiative for Responsible Mining Assurance (IRMA), as part of its continued commitment to safeguard human rights, communities impacted by mining, and the broader environment.



## Integrating Hydrogen into Microgrids

In 2022, ZincFive partnered with Kaizen Clean Energy to develop an industry-first integrated distributed energy solution for electric vehicle charging, hydrogen fueling, and backup power for the grid and critical assets – including data centers. Pairing ZincFive’s battery solutions with Kaizen Clean Energy’s hydrogen generators is anticipated to reduce the cost of using hydrogen.

## Financing Solutions for Residential Customers

PACE financing – invented by Renew Financial – has been named by Scientific American as one of the "top 20 ideas that can change the world". PACE programs allow property owners to finance costs of renewable energy, safety, and energy-efficient home improvements at a fixed interest rate with flexible payment terms.

Renew Financial estimates that its programs have helped to customers avoided **1.6** million metric tons of greenhouse gas emissions, save over **2.2** billion gallons of water and create nearly **20,000** green jobs in local communities.

In 2022, Renew Financial, a specialty finance technology company, continued to deliver value through Property Assessed Clean Energy (PACE) programs in the U.S. These programs play a critical role in enabling homeowners to upgrade their homes with energy efficiency, renewable energy, climate resilience and water efficiency enhancements.

PACE financing has helped over 250,000 homeowners make eligible improvements to their properties generating over \$12 billion in gross economic output in states where PACE is available, including Renew Financial's service areas in California and Florida. In 2022, Renew Financial's residential PACE program in California surpassed \$945 million in energy efficiency and renewable energy investments.

In August 2022, Renew Financial reported the highest net promoter score (NPS) in the company's history. Renew Financial's NPS – an important indicator of customer satisfaction – was 77, compared to the average NPS of 34 for companies within the financial services industry.

## Empowering Homeowners to Prepare for Extreme Weather Events

In the years to come, extreme weather events are expected to become more severe. Anticipating this challenge, Renew Financial has partnered with the Federal Alliance for Safe Homes (FLASH) to expand the awareness and knowledge of the residential PACE program as a resource for property owners to finance home upgrades that strengthen their homes and safeguard their families from natural and manmade disasters.

FLASH is a national leader in home-resiliency education, advocacy and innovation. The FLASH Strong Homes Initiative provides resilient construction upgrades for homes constructed by volunteer organizations to benefit natural disaster survivors.

To date, Renew Financial has invested more than \$100 million in Florida alone to finance projects to make homes safer, more efficient and more resilient.





## WATER

---

Angeleno Group invests in companies with innovative solutions that protect local access to clean water supplies in remote and urban locations around the world.

### Clean Water, Healthy Ecosystems

**Patriot Environmental Services** (“Patriot”) is a provider of comprehensive, vertically integrated environmental services, including emergency spill response, hazardous waste management and transportation, wastewater treatment and environmental remediation.



Over the company’s history, Patriot has played a critical role to support coastal clean-up efforts.

For example, Patriot quickly mobilized when an undersea pipeline spilled approximately 25,000 gallons of crude oil into waters off Southern California and placed a 25-acre ecological reserve at risk in 2021. Within days, Patriot was able to assemble 1,500 trained workers within its network to clean up the spill’s residue. Following successful remediation, officials declared that affected shoreline segments were returned to their original condition.

Patriot estimates the ability to process up to **50** million gallons of wastewater annually at its treatment facility in Portland, Oregon.

Patriot also significantly expanded its wastewater treatment capabilities – acquiring a facility in Portland, Oregon that features a state-of-the-art treatment system with onsite laboratory and solid separation technology for waste streams with substantial suspended sediment. Patriot maintains two wastewater facilities in California, including its award-winning facility in Orange County. In 2022, Patriot opened a regional office in Phoenix to better serve the region.

### Acquisition by Environmental Services Provider to Deliver More Value to Customers

In August 2022, Patriot Environmental Services announced the completion of its acquisition by Heritage-CrystalClean, Inc., one of the largest environmental service providers in the United States, which also provides hazardous waste services and systems to treat water sources contaminated with polyfluoroalkyl substances (PFAS) – often referred to as “forever chemicals” that have been identified to have potential links with numerous health conditions including certain types of cancer.

Patriot participated for five consecutive years in Angeleno Group’s annual ESG engagement cycle and action plan development process. During that period, we partnered with Patriot’s leadership team to develop annual ESG targets and monitor material ESG risks and opportunities. Angeleno Group is proud to have supported Patriot’s ability to protect ecosystems and public health within communities.

## SMART CITIES

---

Angeleno Group invests in companies that make cities “smarter” – using insights from real-time data to make communities more efficient, nimble, resilient and connected.

### **At the Forefront of Location Intelligence**

**Locana** is a global leader in both enterprise geospatial solutions and innovative applications using proprietary and open-source mapping technologies. Taking a location-first approach to problem solving, Locana builds, implements and connects solutions across a wide range of end users including utilities, land and facility management, critical infrastructure, defense, conservation, international development, and technology organizations.

We believe that solutions to today’s greatest challenges – from climate change to aging infrastructure – can be advanced by putting data into a geographic context.

Technologies, including satellites, sensors, vehicles, wearables, and the internet of things (IoT), continue to drive the creation and awareness of spatial data and demand for innovative analysis. Additionally, machine learning and artificial intelligence provide new ways to collect, enrich and tailor data to enable smarter cities. Industry analysts refer to this moment as a “golden age” for location intelligence – propelled by rapidly increasing data collection and capture from a myriad of sources including sensors, employee tablets, fleet vehicles, infrastructure assets and consumer applications.

### **Modernizing Infrastructure**

Utilities are increasingly recognizing the need to plan for a clean energy future, with many targeting zero carbon emissions by 2050 and increasing investments in solar, wind, and energy storage. Simultaneously, the emergence of extreme weather events, cyberattacks threats and aging assets are converging to impact utilities and their partners.

Lemur™ – Locana’s mobile geographic information systems (GIS) solution – is designed to help utilities connect systems for optimal asset management through instant access to maps and related information. This mobile solution delivers enterprise mapping capabilities that complement field service apps. Lemur™ is also used to provide simulations for scenario analyses. Lemur™ has been recognized as an SAP Endorsed App within its Industry Cloud portfolio. The collaboration with SAP is expected to make Lemur™ visible to potential customers through SAP's global sales and marketing channels.

### **Advancing Economic Development in Africa**

Locana uses mapping technology in support of sustainable social and economic development around the world – serving national governments, donor and aid organizations, and international non-governmental organizations – to enhance their work with improved location intelligence and visibility. Examples include efficiency gains in crop optimization, development funding and humanitarian relief. Locana’s solutions have been deployed in Ethiopia, Ghana, Burkina Faso, Mali, Rwanda, Kenya, Tanzania, Nigeria, Senegal and South Africa.



## Smart Cities Need Smarter Homes

Consumers are increasingly adopting clean energy technologies such as solar, batteries, electric vehicles and heat pumps. Standard electrical panels, originally developed in the 1950s, are a barrier to adopting and installing these upgrades.

**Span.IO** (“Span”) is reinventing the electrical panel to feature precise energy monitoring, real-time controls and optimization intelligence across appliances through its Span Home App.

Span helps solve the challenges of electrification and micro-grid balancing, ensuring that the smart homes of the future have better optimization of power consumption.



Developed by former Tesla engineers, the SPAN Panel serves as the power router that intelligently manages household electrical loads which is especially critical in the energy transition to electrification. The SPAN Panel also integrates with rooftop solar and battery backup, extending average backup time by an estimated 40%. In 2022, Span delivered its first SPAN Drive charging station for its customers’ electric vehicles. The charging station connects to the SPAN Panel and integrates intelligently with the rest of the home energy system.

In 2022, Span was named to *Fast Company*’s 10 Most Innovative Energy Companies List and raised additional funds to further develop its suite of energy products and solutions. The Amazon Alexa Fund participated in a 2022 funding raising round, noting that Span’s energy control and automation as an important new area for innovation as Amazon continues to expand its smart devices portfolio and home services business.

## Inflation Reduction Act

The Inflation Reduction Act is expected to support Span’s objective to make the management of home energy accessible, intuitive, and convenient for all homeowners; and bring residential electrification at scale. Span’s customers are expected to benefit from three key incentives within the Inflation Reduction Act: (1) the High-Efficiency Electric Home Rebate, (2) Energy Efficient Home Improvement Credit and (3) Residential Clean Energy Credit.

Low-and-moderate-income households are eligible for incentives toward the purchase and installation of a SPAN Panel. Further, the Inflation Reduction Act provides homeowners with incentives to further electrify their homes with heat pumps, space heating appliance and load centers – in addition to purchasing electric vehicles and rooftop solar. Collectively, the incentives within the Inflation Reduction Act have the potential to accelerate the role of Span’s products and services to support decarbonization.

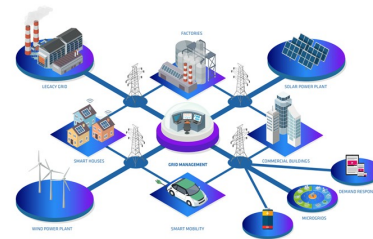
Across Angeleno Group’s portfolio of investments, we believe the Inflation Reduction Act has the potential to be a strong catalyst to increase demand for products and services. Examples include increased support for investment in renewable energy and energy efficiency solutions. We also believe that the Inflation Reduction Act can help catalyze innovation in emerging technologies to support decarbonization. The Inflation Reduction Act’s reach may also be augmented by the Bipartisan Infrastructure Law, the CHIPS & Science Act and other complementary legislative priorities within the United States, European Union and other jurisdictions.

## An Orchestrator and Optimizer for Distributed Energy Systems

Distributed energy systems enable the generation, consumption and storage of electricity from numerous sources — including grid-connected residential solar and electric vehicles — across decentralized locations. **mPrest** is a leading developer and provider of distributed asset orchestration and optimization software for energy, defense and commercial markets.

mPrest's intelligent grid "system of systems" applications directly address evolving energy challenges — including sharp changes in energy demand, extreme weather events and cybersecurity threats.

Leveraging its experience in real-time mission-critical command and control software, mPrest's unique software technology — comprised of modular building blocks — gathers data from millions of sensors and subsystems, applies big data analytics utilizing its AI algorithms, and enables cross-discipline correlations in real-time.



In 2022, mPrest continued to expand its global reach with new distributed energy projects in Australia and Brazil. mPrest was also selected to support a state-funded, community-scale microgrid enabling solar photovoltaics, energy storage, and electric vehicles within a lower-income neighborhood near San Francisco.

## Wildfire Risk Prediction and Response

Utilities are recognizing the critical need to develop advanced technologies that can detect and immediately respond to wildfires. In Oregon, mPrest is building a data analytics platform that visualizes and assesses real-time risks to Portland General Electric based on current and forecasted weather conditions and uses hundreds of different variables including local vegetation, soil condition, probability of ignition detection and likely response times in specific areas. It provides a risk score to guide decisions on whether to implement public safety power shutoffs. mPrest is also partnering with BIS Consulting to create a first-of-its-kind Wildfire Risk Model Solution for utilities.

## Transportation Analytics to Tackle Urban Congestion

**Inrix** is a leading developer of connected car services and transportation analytics that is committed to making mobility smarter, safer, and more efficient.

Annually, traffic congestion results in billions of dollars in avoidable costs and contributes to poor air quality and greenhouse gas emissions.

In 2022, Inrix launched new features and improvements to its INRIX IQ Signal Analytics to help transportation engineers better understand traffic signal performance and visualize discrete vehicle paths across more than 40,000 intersections. INRIX Signal Analytics, already used by agencies in 12 states in the United States and now available in Germany, became the first intersection analytics platform based exclusively on anonymous connected vehicle data.

Inrix also announced INRIX Parking Demand, a first-of-its-kind innovation to identify exact areas in each city experiencing high parking demand and predict future needs. By combining up-to-date parking and vehicle data, automakers, businesses, and cities now have access to accurate parking predictions to help reduce congestion, stress and tail pipe emissions.

## SUSTAINABLE FORESTRY

---

Major shifts in demand-supply dynamics, sustainability considerations and investment are reshaping the forestry sector and enabling the scalability of a compelling new impact investing asset class.

### **Conservation Can Be Profitable, Circular and Empower Communities**

**New Forests** is a global investment manager of nature-based real assets and natural capital strategies.

With approximately AUD 10 billion in assets under management globally and more than 15 years of experience, New Forests has a diversified portfolio of sustainable timber plantations and conservation areas, carbon and conservation finance projects, agriculture, timber processing and infrastructure. New Forests is a Certified B Corporation®, a member of the World Business Council for Sustainable Development and a member of the Net Zero Asset Managers Initiative.



New Forests' investment strategies support the role of forests as nature-based solutions, provide sustainable wood fiber for the growing circular bioeconomy, and contribute to the sustainable development of regional economies and rural communities.

Ten years ago, New Forests financed and developed the first forest carbon project in the California regulatory carbon market in partnership with the Yurok Tribe and since has developed more than 30 forest carbon projects covering nearly 425,000 hectares and has generated nearly \$175 million of income to First Nations tribes from the sale of carbon credits.

In 2022, New Forests announced an additional \$328 million in investor commitments for forestry funds in Africa and Asia. Additionally, New Forests launched its New Agriculture business division that aims to combine its forestry experience with agriculture to optimize land values in addition to supporting conservation, sustainable food production, carbon sequestration and community benefits.

### **Announced Transaction for Global Expansion**

In 2022, the joint acquisition of New Forests by Japanese investment firms, Mitsui and Nomura was announced. Mitsui and Nomura will provide capital to support New Forests' strategic growth initiatives and the global expansion of its forestry investment platform. In addition, New Forests expects to leverage Nomura's global distribution network particularly across Japan and more broadly in Asia.

The acquisition is also expected to further propel New Forests' 2030 vision to have investments in forestry, agriculture and other land use be central to the transition to a sustainable future.

## DIVERSITY, EQUITY AND INCLUSION

Angeleno Group's goal is to partner with and support our portfolio companies as they focus on increasing diversity, equity and inclusion in all forms.

### Our Pledge

Signed by every member of our team, the Angeleno Group Diversity and Inclusion Pledge is intended to reinforce a coordinated commitment among Angeleno Group's partners, officers and staff to increase equity for all, including women, Blacks, Latinos, Asians, Native Americans, LGBTQ+, disabled and veteran Americans. We pledge to continue making our workplace a trusting place to have complex and difficult conversations about diversity and inclusion, to bring awareness to unconscious biases, and to share both best and unsuccessful practices along the way.

100% of Angeleno Group partners and staff have completed training on diversity and inclusion, unconscious bias and microaggressions in the workplace.

All partners and managers have also completed an additional training module on the prevention of discrimination and harassment.

### Increasing Representation of Women on Boards

Within our sphere of influence, Angeleno Group actively encourages our portfolio companies to increase the representation of women on their Boards of Directors. Over the past three years, we have supported the additions of multiple women to board roles – including our Board of Advisors.

Angeleno Group Managing Partner Daniel Weiss served as Chair of the Nominating and Governance Committee of **TPI Composites**, and Angeleno Group Partner Anil Tammineedi serves on the Nominating, Governance and Sustainability Committee of **Stem**. In their board committee roles combined, they have supported bringing five women onto the Board of Directors of portfolio companies over the last three years. Angeleno Group Board of Advisors member Dr. Laura Tyson chairs the Nominating, Governance and Sustainability Committee of **Stem**. In 2022, **Fictiv**, **Span** and **ZincFive** each added women to serve on their Board of Directors.

### Elevating Women in Key Management Positions

In 2022, six of our portfolio companies announced strategic promotions and/or hires that draw upon the experience and capacities from a distinguished set of women. Several of these roles are STEM-focused. For example, **Renew Financial** named Michaela James as its new Chief Information Technology Officer. **Span** named Joy Lenz as Senior Vice President of Engineering and Lakshmi Ganesh as its Director of Engineering. Ms. Ganesh was also recently tasked with overseeing Span's cloud platform. **Fictiv** appointed Alpana Kapoor to serve as its Vice President of Software Engineering.

Fictiv's management team also includes women in the following executive roles: Chief Operating Officer, Chief Revenue Officer and Chief of Staff.

## Targets to Increase Representation and Equity

Angeleno Group's portfolio companies are increasingly recognizing the need to set targets to increase representation and equity among the dimensions of gender and race.

By 2025, **TPI Composites** aims to have 25% women in its Global Leadership Team and 25% racial and ethnically diverse persons in its U.S. Leadership Team. In 2022, **Renew Financial** launched its second set of formal diversity, equity and inclusion targets.

## Stepping Up for Girls and Women in Under-Resourced Communities

For several years, Angeleno Group has actively supported Step Up, an organization that propels girls living or going to school in under-resourced communities to fulfill their potential by empowering them to become confident, college-bound and career-focused. Angeleno Group also connects our portfolio companies with opportunities to support Step Up.

**Kinematics** has supported Step Up since 2019. In 2022, Kinematics participated in a Step Up Experienceship session focused on mentoring Step Up first-generation college students interested in career exploration, including in STEM fields, and educating them on how their skills and passions can lead to fulfilling careers. Both **Locana** and **Renew Financial** have also participated in past Step Up workshops and summits to help mentor and inspire young women.

In 2022, **Locana** also continued to provide critical support to the non-profit organization 500 Women Scientists – which is dedicated to making science open, inclusive and accessible. Notably, Locana has helped to create a new system that can not only handle the more than 20,000 women who use the system, but also one that offers a secure and safe environment for women to communicate and collaborate around the world.

### An “Experienceship” with Angeleno Group

Over a two-week period, Angeleno Group hosted a Summer 2022 Step Up Experienceship for three young women focused on the clean energy and climate solutions sectors, our firm and our investments.

During the two-week Experienceship, our team provided educational sessions on venture capital, private equity and public markets investing in addition to our perspectives on the clean energy transition and critical success factors for growth equity companies. We also invited women leaders from our portfolio companies to provide their perspectives to the Step Up Experienceship participants.

**Kinematics'** Vice President of Global Sales and Business Development volunteered her time sharing her own career journey with the cohort of college students and presented on a career roadmap slide encouraging the young women to plan out their future career goals. **Renew Financial's** Vice President of Government Affairs also volunteered her time to lead a networking session for the Experienceship participants.

The Experienceship participants had the opportunity to shadow Angeleno Group's weekly Investment Team meeting and engage in career clarity activities with our partners and staff. The Experienceship concluded with the participants presenting to Angeleno Group their capstone presentation, where they evaluated opportunities to increase the success of a clean-tech company.



## Energy Equity to Enable a Just Transition to a Low-Carbon Economy

The World Resources Institute has described a just transition as equitably distributing the costs and benefits of climate action in which affected communities receive the support, social protection and investments they need to work and thrive in a zero-carbon future. Increasingly, Angeleno Group's portfolio companies are executing on opportunities to advance energy equity as they bring their products and services to scale.

Disadvantaged communities have been historically overburdened by pollution, underinvestment in clean energy infrastructure, and lack of access to energy-efficient housing and transportation.

**Stem** is focused on the role of energy storage to alleviate issues related to energy equity— by bringing the benefits of energy storage and access to uninterrupted electricity to under-resourced schools, hospitals, housing, religious centers and other community spaces. As part of California's Self-Generation Incentive Program, Stem and its sales channel partners have been selected to deploy more than \$35 million in new energy storage projects to support disadvantaged and low-income communities throughout California. Beneficiaries will include educational institutions, nonprofits and small businesses.

**Span** is propelled by an objective to make the management of home energy accessible, intuitive, and convenient for all homeowners. With the passing of the Inflation Reduction Act, lower income households – defined as households with a median family income of less than 80% of the area median income – can receive incentives of up to \$6,500 to purchase SPAN panels in addition to other incentives for wiring, installation and other home energy efficiency upgrades.

**Renew Financial's** innovative low-cost, upfront financing solution supports homeowners that traditionally may have greater difficulty accessing affordable financing. This financing can be used to protect homeowners – including those in disadvantaged or under-served communities – from unexpected costs and risks associated with extreme weather events.

### PledgeLA

In 2022, Angeleno Group became a member of PledgeLA – a collective of Los Angeles-based technology companies and venture capital firms working to create measurable change and build a technology sector that truly reflects the diversity within Los Angeles including but not limited to people of color, women, veterans, people with disabilities, and LGBTQ+. PledgeLA members are committed to the following three tenets: (1) increase community engagement; (2) actively and continuously improve equity, diversity, and inclusion at all levels of their organizations and in their investment decisions; and (3) hold themselves accountable by measuring and transparently reporting on progress and impact.

### Inspirational Women Awards

Angeleno Group Senior Vice President of Sustainability and Operations Michelle Kincanon was recognized as a Small Company Executive of the Year finalist at the second annual *Los Angeles Times* Inspirational Women Forum and Awards ceremony in October 2022<sup>6</sup>. The ceremony recognized female business leaders who have demonstrated noteworthy success and accomplishments within Southern California. Ms. Kincanon was recognized in part due to her role in spearheading Angeleno Group's Responsible and Sustainable Investing Program.

<sup>6</sup> Los Angeles Times Inspirational Women Awards, October 2022 (<https://www.latimes.com/b2b/inspirationalwomen>); The Los Angeles Times was not directly compensated for this recognition. Angeleno Group did purchase a table for Angeleno Group personnel to attend the ceremony.



ESG AT ANGELENO GROUP

We are guided by our Responsible and Sustainable Investing Policy, which extends to both pre-investment and post-investment considerations, and applies to our firm’s fundamental strategies to achieve differentiated returns.

Firm Strategies	Our Approach and Application
Deal Sourcing and Selection	ESG risks and competencies are considered within our deal sourcing and selection processes.
Disciplined Portfolio Management	ESG management principles are encouraged in alignment with our commitment to disciplined portfolio management throughout the holding period of our investments.
Value Creation in Our Portfolio Companies	Value creation efforts consider the role of ESG practices within portfolio companies in creating value and accelerating sustainable growth.

**Focusing on Emerging ESG Topics Across the Value Chain**

Our Responsible and Sustainable Investing Program aims to be adaptive and responsive to emerging ESG topics. Climate risk management, cybersecurity, employee engagement and retention, and equity based on gender and race are examples of some of the emerging ESG topics that we emphasize through portfolio company engagement.

As part of our approach to Responsible and Sustainable Investing, we also emphasize the management of value chain risks and opportunities. Supply chain risks, such as those related to non-adherence with the UN Guiding Principles on Human Rights, International Labor Organization conventions and OECD Guidelines for Multinational Enterprises, are emphasized. As such, we assess portfolio companies’ current practices. Within the sphere of our influence, we also promote the benefits of practices, such as establishing Supplier Codes of Conduct and engaging in supplier audits.

**Governance of Responsible and Sustainable Investing**

The governance of our Responsible and Sustainable Investing Policy and Program emphasizes accountability, engagement and formal review. Angeleno Group’s ESG Committee has the highest level of direct responsibility for oversight and management of our Responsible and Sustainable Investing Policy and Program. The ESG Committee is comprised of one of Angeleno Group’s Managing Partners, our Chief Operating Officer and chaired by our Senior Vice President of Sustainability and Operations.

The participation of a Managing Partner on our ESG Committee enables direct line of sight and coordination on any relevant matters with Angeleno Group’s Investment Committees. On an annual basis, Angeleno Group’s ESG Committee formally reviews our policy, incorporating stakeholder feedback. We also created a formal issues escalation mechanism wherein portfolio companies and firm employees should escalate ESG issues that present significant risks or opportunities to our Chief Operating Officer, Senior Vice President of Sustainability and Operations and/or Managing Partners.

## OUR CULTURE AND COMMITMENTS

---

As we engage with our current and prospective portfolio companies on responsibility and sustainability, we believe that it is important that we “walk the talk” and aspire to lead by example at Angeleno Group in the areas of environmental, social and governance.

### Environmental Stewardship

Our corporate headquarters are LEED® Gold certified. Our corporate headquarters were selected in part due to the building’s sustainable attributes, which include natural and LED lighting, low flow toilets, onsite recycling and 100% self-reliance for landscape irrigation. We promote reuse and recycling within our offices and the use of all-electric or hybrid vehicles for commuting to work.



Approximately 70% of our team currently drive all-electric or hybrid vehicles, and electric vehicle charging stations are available on-site. In 2022, we implemented a new policy to reimburse employees for electric vehicle charging fees at our corporate headquarters.

### Net Zero Commitment

To reflect our values and commitment to supporting decarbonization, Angeleno Group for its second consecutive year committed to net zero carbon emissions from our own operations.

In 2022, Angeleno Group’s greenhouse gas emissions were an estimated 90 metric tons of carbon dioxide equivalents. Scope 3 emissions sources in our boundary were business travel and employee commuting, which comprised approximately 50% of total Scope 1, 2 and 3 emissions.

To calculate our emissions, we use The GHG Emissions Calculation Tool, an Excel-based tool from the Greenhouse Gas Protocol and the World Resources Institute that helps companies estimate their greenhouse gas emissions based on the GHG Protocol.

To meet our net zero commitment, Angeleno Group partnered with non-profit Climate Vault to fund carbon dioxide removal within government-regulated compliance markets.

Recognizing the importance of utilizing a credible and verifiable approach to reaching net zero emissions from operations, we were pleased to partner with Climate Vault based on its ability to participate in government-regulated compliance markets and also directly support emerging technologies. Angeleno Group expects to support future carbon dioxide removal technologies that are vetted by Climate Vault’s Technology Chamber, which features carbon dioxide removal experts from Harvard, MIT, Princeton, Scripps, and University of Virginia. Angeleno Group Board of Advisors member **Dr. Ernest Moniz**, who served as the 13th United States Secretary of Energy, is Chair of Climate Vault’s Technology Chamber.

## Corporate Citizenship

Angeleno Group and its partners continue to support national and local organizations that align with our sector focus and support the communities where our firm and portfolio companies operate:

2022 Focus Areas	Organizations Supported by Angeleno Group
Climate and Ecosystem Protection	<ul style="list-style-type: none"> <li>▪ AltaSea</li> <li>▪ The Nature Conservancy</li> <li>▪ Surfrider Foundation</li> <li>▪ World Resources Institute</li> </ul>
Leadership Development	<ul style="list-style-type: none"> <li>▪ Buckminster Fuller Institute</li> <li>▪ Boy Scouts of America</li> <li>▪ Community Partners</li> <li>▪ Coro Southern California</li> <li>▪ Geffen Academy at UCLA</li> <li>▪ Los Angeles Cleantech Incubator</li> <li>▪ Mar Vista School</li> <li>▪ National Outdoor Leadership School</li> <li>▪ Proyecto Pastoral</li> <li>▪ Step Up Women’s Network</li> <li>▪ Whittier College</li> </ul>
Policy, Research and Culture	<ul style="list-style-type: none"> <li>▪ California Institute of Technology (Caltech)</li> <li>▪ Capital &amp; Main</li> <li>▪ Nuclear Threat Initiative</li> <li>▪ Pacific Council on International Policy</li> <li>▪ University of California, Berkeley</li> </ul>
Public Health	<ul style="list-style-type: none"> <li>▪ American Cancer Society</li> <li>▪ American Red Cross</li> <li>▪ Cardinal Glennon Children's Foundation</li> <li>▪ Didi Hirsch Mental Health Services</li> <li>▪ Epilepsy Foundation</li> <li>▪ Los Angeles Regional Food Bank</li> </ul>

In 2022, we also made in-kind donations of computer equipment to support a local middle school. Additionally, as a token of appreciation to our Board of Advisors, Angeleno Group made select contributions to charitable organizations on members’ behalf.

## Employee Volunteerism

Our employees have a proud history of actively volunteering in local communities. For example, since 2019, our team’s support through volunteerism and donations has provided approximately 16,000 meals to local families in our community. Angeleno Group also matches employee charitable contributions.

In 2022, Angeleno Group Managing Partner Daniel Weiss was honored by Proyecto Pastoral for his decades-long support of the organization at its 35<sup>th</sup> Anniversary Gala. Proyecto Pastoral’s mission is to empower the East Los Angeles community of Boyle Heights through grassroots projects in education, leadership, and service.

## ESG-Focused Investment Selections in Company Retirement Plans

Angeleno Group has ESG-focused investment selections incorporated into its retirement plan choices for participants. The objective of this option is to further institutionalize our commitment to ESG and identify opportunities to deepen our impact across all relevant investment activities.

## Ethics and Governance

To strengthen our longstanding commitment to strong ethics and governance, Angeleno Group enacted an Investment Management Ethics Pledge for all partners, officers and staff. Angeleno Group's Ethics Pledge clearly outlines our obligations with regard to managing potential conflicts of interest, ensuring respect in the workplace and maintaining compliance with all laws. We also recognize the power that our industry has to drive both private value creation and sustainable, positive societal transformation. As such, Angeleno Group's Ethics Pledge is designed to both reflect and further promote our firm's cultural strengths and ability to serve all stakeholders.

## Angeleno Group's Board of Advisors

Angeleno Group's Board of Advisors represents a group of distinguished industry leaders, sector scientists and former policymakers who provide insights on strategic issues, high-level business matters and bring to bear their professional experience and distinguished backgrounds relevant to our portfolio companies and initiatives.

In 2022, Angeleno Group's Board of Advisors continued to leverage their expertise and insights to produce thought leadership pieces and advocate for policy solutions to support the transition to a sustainable, low-carbon economy. For example, Angeleno Group Board of Advisors member **Dr. Laura Tyson** and Angeleno Group Managing Partner **Daniel Weiss** co-authored an op-ed, published on Earth Day 2022 in Project Syndicate, to advocate for increased public-private partnerships and collaboration to drive innovation and sustainable investment, bringing the necessary scale and speed to global decarbonization.

## Biennial CEO Summit and Investor Retreat

In 2022, Angeleno Group held its ninth biennial CEO Summit and Investor Retreat to convene its limited partners, advisors, CEOs of its portfolio companies and distinguished guests. The retreat focused on the latest technology, business developments and growth capital opportunities in the resource efficiency and sustainability industry, along with providing an overview of key investment activity within the Angeleno Group funds – both private and public – as well as a review of the current investment landscape.

Navigating the transition to a low-carbon future in an uncertain global economy was a common thread across the series of keynote discussions, fireside chats and presentations. The meeting featured perspectives from Angeleno Group Board of Advisors **General Peter Pace**, who served as the 16th Chairman of the Joint Chiefs of Staff, on effective leadership in the current geopolitical environment, and **Dr. Ernest Moniz**, who served as the 13<sup>th</sup> United States Secretary of Energy, on disruptive changes and opportunities on the energy technology landscape. Other distinguished speakers included **Dr. Matthew Slaughter**, Dean of the Tuck School of Business at Dartmouth and former member of the US Council of Economic Advisers; **Her Excellency Mary Robinson**, former President of Ireland and UN Secretary General's Special Envoy for Climate Change.; former **Mayor Eric Garcetti** of Los Angeles; **Dr. Pedro Pizarro**, President & CEO of Edison International; **Dr. Francis Arnold**, Nobel Laureate and Professor at Caltech; and **Ani Dasgupta**, President and CEO of the World Resources Institute.

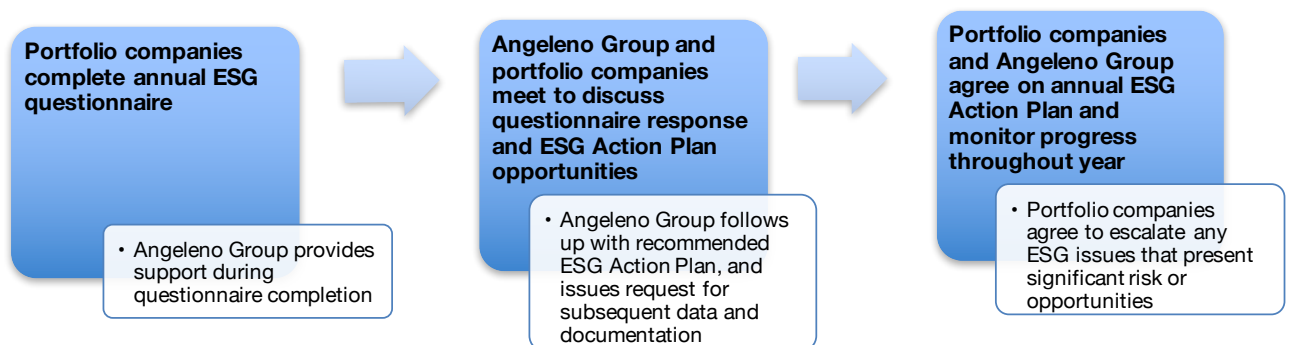
## STAKEHOLDER ENGAGEMENT

We aim to create shared value through active and thoughtful engagement with portfolio companies, investors, employees, business community peers and universities.

### Portfolio Company Engagement

Pursuant to our Responsible and Sustainable Investing Policy, we engaged in an annual post-investment ESG engagement cycle with the portfolio companies that met the revenue, EBITDA and/or employee count guidelines within our policy. Because all portfolio companies complete a pre-investment ESG questionnaire prior to investment, post-investment engagement on ESG issues is informed by our pre-investment engagement activities.

We recently completed our twelfth year of post-investment portfolio company engagement on ESG issues for the reporting year 2022. Over the past twelve years, we believe that we have developed an effective process, which begins with the distribution of a tailored ESG questionnaire and culminates with the development of an ESG Action Plan:



In our first year of engagement with a portfolio company, we aim to (1) assess what ESG programs, policies and management systems are currently in place; (2) discuss the greatest ESG risks, opportunities and business drivers; and (3) provide the foundation for subsequent ESG engagement cycles. In the following years of engagement, we identify and refine key performance indicators with associated targets. These key performance indicators and targets are included in our portfolio companies' annual ESG Action Plans.

### Integrating The Task Force for Climate-Related Financial Disclosures

Established by the Financial Stability Board, the Task Force on Climate-related Financial Disclosures (TCFD) is a market-driven initiative that has developed a set of recommendations for voluntary and consistent climate-related financial risk disclosures.

In 2022, Angeleno Group continued to integrate the TCFD framework into its portfolio engagement process. In our post-investment ESG questionnaire, portfolio companies evaluate their degree of potential exposure to TCFD risk and opportunity categories over short-term, medium-term and long-term horizons. We then review their TCFD assessments and provide feedback on an annual basis. Across our portfolio companies, our common theme is the prevalence of unique, compelling opportunities to support both climate change mitigation and adaptation.



## **Investor Engagement**

Each year, we receive valued feedback from our investors, advisors and portfolio companies, which we review to help us evolve our ESG program and inform each year's upcoming engagement cycle. As a result of past investor engagement, we have identified and executed on the opportunity to develop formal ESG Action Plans with specific goals and targets to stimulate both short-term and long-term improvements.

## **Industry Engagement**

Angeleno Group's investment professionals, Board of Advisors and portfolio companies actively engage with industry to promote responsible investment, provide thought leadership and contribute to the development and deployment of solutions to critical sustainability and global environmental challenges.

### **Intentional Endowments Network**

In 2022, Angeleno Group became a member of the Intentional Endowments Network, which connects endowments, asset managers and nonprofit partners to supporting investing for a more equitable, low-carbon and regenerative economy.

### **Sustainability Accounting Standards Board (SASB)**

Our Chief Operating Officer Bill Miller has served on the SASB's Industry Working Group for the Renewable Resources & Alternative Energy sector, providing guidance to assist public corporations to develop sustainability disclosure information for investors. Our Senior Vice President of Sustainability and Operations Michelle Kincanon has also passed Level I of the Fundamentals of Sustainability Accounting Credential from SASB.

### **World Resources Institute (WRI)**

Angeleno Group Managing Partner Daniel Weiss serves on the Board of Directors of the WRI, a leading organization – spanning more than 60 countries – that is focused on solving global challenges related to critical topics including climate, energy, food, forests, water and cities. Mr. Weiss is the co-chair of WRI's Global Leadership Council, a select group of leaders committed to helping WRI achieve its mission of moving human society to live in ways that protect the Earth's environment and its capacity to provide for the needs and aspirations of current and future generations.

### **Additional Engagement to Support Responsible Investing**

In 2022, Angeleno Group Managing Partner Daniel Weiss and Partner Anil Tammineedi spoke on panels to discuss next generation investments in climate and energy solutions and ESG strategies at VerdeXchange's 15<sup>th</sup> annual clean tech conference. Mr. Weiss also participated in a roundtable discussion at the Ninth Summit of Americas – hosted by the United States – to anticipate investment needs in emerging markets and developing economies for climate mitigation and adaptation. Additionally, Mr. Weiss hosted an Open Minds event that convened a diverse set of non-partisan climate and energy experts focused on creating, debating and refining decarbonization solutions that also balance the needs for affordable energy and global economic growth. Our Chief Operating Officer Bill Miller serves on the Southern California Private Equity/Venture Capital regional board of the Financial Executives Alliance (FEA). Mr. Miller has presented to the national FEA membership on creating shareholder value from ESG.



## **Academic Engagement**

We believe that academic institutions provide fertile ground for innovation and the productive exchange of ideas. Angeleno Group aims to help create shared value – focusing on advancing responsible investment within the city of Los Angeles and across the United States.

### **UCLA Institute of the Environment and Sustainability**

Angeleno Group actively supports the UCLA Institute of the Environment and Sustainability (IoES), whose mission is to move science to action on the frontlines of environmental progress and is recognized for having pioneered a unique, hands-on approach to environmental research and practice. Angeleno Group Managing Partner Daniel Weiss currently serves as co-chair on UCLA IoES's Board of Advisors. Angeleno Group's partners and staff also continue to actively participate in UCLA IoES events, which bring together students, technical experts and leaders to explore the business community's role in advancing environmental solutions.

We continue to support and participate in events across the UCLA campus. In 2022, Angeleno Group Partner Anil Tammineedi continued to serve as a senior faculty advisor to UCLA Anderson School of Management's Executive MBA students. Mr. Tammineedi currently serves on the investment committee of Anderson Venture Impact Partners, a self-sustaining student-led investment fund housed under UCLA Anderson's Center for Impact investing in early-stage, mission-oriented companies in education, health care, environmental sustainability and financial inclusion. He also provides lectures to students on the topics of impact investing and entrepreneurship.

### **USC Marshall School of Business**

In 2022, Angeleno Group was featured for the fourth consecutive year as a case study for the "Investing in Impact Ventures" course within the Lloyd Greif Center for Entrepreneurial Studies at the USC Marshall School of Business. The "Investing in Impact Ventures" course examines the many meanings of "impact", the methods of measuring that impact, and the interplay between investment and impact. As part of the course, Angeleno Group Managing Partner Yaniv Tepper mentored approximately 75 USC Marshall School of Business students – walking through a case study on investing in solar, and providing real world perspectives on issues and critical success factors. The case study – entitled Impactful Investments and Exits: Angeleno Group and GT Solar – has been published by Harvard Business Publishing Education.

### **Additional Engagement with Universities**

In 2022, Angeleno Group initiated a collaboration with five graduate students at The Nicholas School of the Environment at Duke University. The collaboration is focused on evaluating classic asset allocation models through the lens of modern portfolio theory while also layering carbon cost considerations. The collaboration includes both qualitative research and quantitative analysis, including financial modeling and regression analysis.

Angeleno Group Managing Partner Yaniv Tepper also led a Renewable Energy Finance Roundtable workshop for students at the Massachusetts Institute of Technology Sloan School of Management.

Additionally, Angeleno Group provides university students with the opportunity to receive real-world experience through internships with the firm. We hosted 2022 undergraduate interns from the University of California-Berkeley, UCLA, Ponomo College and Stanford University.

## **Affiliations to Support Economic Development and Innovation**

We actively donate time, talent and resources to support economic development and innovation<sup>7</sup>. In 2022, our affiliations and engagement activities included the following:

### **California Community Foundation**

Angeleno Group Managing Partner Daniel Weiss serves on the Board for the California Community Foundation, which has been entrusted with nearly \$2.6 billion in assets to advance its mission to lead positive systemic change that strengthens Los Angeles communities. He also serves on the California Community Foundation's Investment Committee.

### **The Caltech Seed Fund**

In 2022, Mr. Weiss was named to the Investment Advisory Committee for a new internal venture fund to support the commercialization of Caltech technology and the university's mission to expand human knowledge and benefit society through research integrated with education.

### **Cities of Tomorrow Challenge**

In 2022, Angeleno Group participated in the Venture Pitch Day for the Cities of Tomorrow Challenge, hosted by HSBC in collaboration with the World Resource Institute and the World Wildlife Fund. The challenge is part of a HSBC partnership designed to cultivate innovative climate solutions and eventually guide their growth to an impactful scale.

### **Economic Advisory Council for Federal Reserve Bank of San Francisco**

Angeleno Group Managing Partner Daniel Weiss served on the Federal Reserve Bank of San Francisco's Economic Advisory Council. Economic Advisory Council members provide observations, opinions, and advice to members of the Board of Directors and management of the Bank on current and pending developments in the regional and national economies.

### **Los Angeles Cleantech Incubator (LACI)**

Angeleno Group is a longtime supporter of LACI. Committed to working with regional stakeholders to create 600,000 green jobs by 2050, LACI is focused on creating an inclusive green economy by unlocking innovation through startups, transforming markets and enhancing communities. The organization also maintains targeted goals to decrease greenhouse gas emissions and to improve air quality and social equity.

In 2022, Angeleno Group Managing Partner Daniel Weiss participated in a LACI roundtable focused on breaking through decarbonization obstacles through public-private partnerships. Speakers included current United States Special Presidential Envoy for Climate John Kerry.

### **Pacific Council on International Policy**

Angeleno Group is a longtime supporter of the Pacific Council on International Policy, a non-partisan collaborative that is focused on advancing global issues from within California and Los Angeles. In 2022, Angeleno Group participated in a series of roundtable discussions on the intersection between climate and cities – including issues related to food, water and disaster response. The discussions concluded with the establishment of policy recommendations.

---

<sup>7</sup> Please note that, during the reporting period, Angeleno Group did not make any known direct or indirect political contributions to individual candidates or political action committees.

## PORTFOLIO MANAGEMENT

---

Our approach to Responsible and Sustainable Investing (RSI) supports and aligns with our values and our commitment to value creation and disciplined portfolio management.

### **Pre-Investment Due Diligence**

As part of our Responsible and Sustainable Investing Policy, Angeleno Group will analyze ESG risks, competencies and other relevant considerations as part of our due diligence prior to making an investment. As appropriate, we will also engage in dialogue with management on ESG considerations prior to making an investment.

We actively select companies we view as innovative, well managed and positioned for high growth. For later stage investments, we consider a broader range of ESG issues. For earlier stage investments – given the more limited nature of their financial and human resources, we 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.

To support our due diligence processes, we utilize a pre-investment questionnaire for prospective investments that highlights a set of prioritized ESG risks and opportunities. In 2022, we refreshed our pre-investment questionnaire to deepen alignment with the UN Sustainable Development Goals and Task Force for Climate-related Financial Disclosures (TCFD) frameworks.

Our application of ESG considerations is intended to complement, without replacing, our firm's principles and associated investment strategies.

### **Post-Investment Support and Collaboration**

In alignment with our firm's principles and its Responsible and Sustainable Investing Policy, we collaborate with and support our portfolio companies as they grow to encourage strong ESG management practices that are value accretive.

To support portfolio companies, we also make available information on applicable ESG standards and best practices. We also provide access to subject matter experts within our firm and network. Our engagement with portfolio companies occurs on an ongoing basis and culminates each year with our annual engagement and reporting process.

We select portfolio companies for active ESG engagement based on specific revenue, EBITDA and/or employee count milestones.

For reporting year 2022, Angeleno Group completed its twelfth annual active ESG engagement cycle with participating portfolio companies.

## A Targeted, Adaptive Approach

Angeleno Group recognizes that each portfolio company will have a unique set of ESG risks and opportunities depending on its stage, sub-sector, business model, stakeholders, operating locations, supply chain, product and services life cycle, revenue, employee count, applicable regulations and other factors. As such, we consider these differences when assessing and managing environmental, social and governance issues within our portfolio. However, as our portfolio companies grow in revenue and employee count, we typically find that a common set of ESG issues are of high materiality across our portfolio.

## Applying a Materiality-Based Lens

When assessing material issues for our portfolio companies, we use the Global Reporting Initiative (GRI) Standards to conduct a materiality assessment during our first year of active ESG engagement with portfolio companies. We also consider the Sustainability Accounting Standards Board (SASB) framework to prioritize ESG topics and metrics for portfolio companies. Across our entire investment portfolio, we have prioritized the following ESG topics:

Environmental	Social	Governance
<ul style="list-style-type: none"> <li>▪ Product and Service Benefits</li> <li>▪ Operational Efficiency</li> <li>▪ Compliance and Responsible Practices</li> </ul>	<ul style="list-style-type: none"> <li>▪ Human Capital Development</li> <li>▪ Diversity, Equity &amp; Inclusion</li> <li>▪ Health, Safety &amp; Wellness</li> <li>▪ Positive Community Impacts</li> <li>▪ Supply Chain Responsibility</li> <li>▪ Compliance and Responsible Practices</li> </ul>	<ul style="list-style-type: none"> <li>▪ Sustaining Growth</li> <li>▪ Corporate Culture and Reputation</li> <li>▪ Risk and Crisis Management</li> <li>▪ Board Integrity</li> <li>▪ Ethical Behavior</li> <li>▪ Compliance and Responsible Practices</li> </ul>

## Mapping to the UN Sustainable Development Goals

The UN Sustainable Development Goals serve as an important guidepost for engagement on ESG issues. Through ESG engagement with portfolio companies, we collaborate to prioritize and illuminate the specific UN Sustainable Development Goals where we believe each portfolio company is uniquely positioned to drive progress as they work to achieve their core business objectives.

## Developing ESG Action Plans

In 2022, we continued to partner with our portfolio companies to develop annual ESG Action Plans, which provide a structured framework for which we can measure progress each year. Our ESG Action Plans are focused on stimulating annual ESG improvements that will also strengthen the organization and support current objectives to grow and scale their businesses. Each ESG Action Plan includes key performance indicators and targets, which we review during our annual engagement cycles. Angeleno Group’s goal is to serve as a partner and to provide support and advice to our portfolio companies as they execute on their annual ESG Action Plans.

### ESG Thematic Voting Policy for Public Equities

In 2022, we continued to engage proxy advisory service provider Glass Lewis and received its voting recommendations based on its ESG Thematic Voting Policy to inform Angeleno Group’s proxy voting decisions. The ESG Thematic Voting Policy includes guidance for resolutions on climate risk, board diversity, board-level oversight on ESG, and the election of directors.

## FURTHER ACCELERATION AND INTEGRATION

---

As we execute in the second decade of Angeleno Group's Responsible and Sustainable Investing Program, we are committed to continuous evolution and broadening our impact.

### **Strategic Investments and Industry Leadership**

Angeleno Group maintains a dynamic pipeline of investment opportunities, sourced through our own bottom-up research, as well as our proprietary network of senior advisors and investors. Our focus in 2023 and onwards is to make new investments in next generation clean energy and climate solutions companies and continue to drive value and create exits for our current investments.

We plan to continue to provide our investors and portfolio company management teams with deep sector experience with our team of investment professionals and our active, distinguished Board of Advisors. Our advisory group is comprised of industry leaders, technology experts and regulatory officials, which include former senior leaders of the U.S. Congress and Executive Branch agencies. Additionally, we will continue to cultivate our extensive network of strategic limited partners which includes more than 25 former CEOs and board members from leading global energy and engineering companies including AECOM, AEP, Chevron, Edison, Exelon, Semptra and Shell.

### **Value Creation, Risk Management and ESG Engagement**

As our Responsible and Sustainable Investing Program evolves, Angeleno Group remains focused on making continued improvements and achieving demonstrative outcomes to enhance existing value creation and risk management mechanisms within our portfolio.

**We will continue to leverage this Program in support of our primary goal to provide accretive returns to our investors from both prospective and current investments.**

We acknowledge that portfolio companies' approaches to ESG will need to be structurally, developmentally, and financially appropriate. Angeleno Group is typically a minority participant in our portfolio companies, and our degree of influence that comes from serving on the boards of portfolio companies varies accordingly. Within our capacity as a minority participant, we will continue to engage with management and other co-investors on the board to proactively address ESG risks and opportunities. In 2023, we plan to continue the collaboration with the portfolio companies that participated in our twelfth engagement cycle – monitoring their progress and providing support as they execute on their ESG Action Plans, and to engage with additional portfolio companies.

### **Expanding our Reach and Supporting our Investment Strategies**

We aim to continue to engage our portfolio companies and employees through our Responsible and Sustainable Investing Program, Diversity and Inclusion Pledge and related activities. Additionally, we plan to further align our ESG activities to proactively respond to changing market conditions and support our three fundamental strategies for differentiated returns: (1) deal sourcing and selection, (2) disciplined portfolio management and (3) value creation in our portfolio companies. We look forward to working collaboratively with our portfolio companies and investors to achieve greater prosperity for those we collectively serve.



## INVITATION TO DIALOGUE

---

We believe that collaboration, active dialogue and engagement are important components of our approach to responsible and sustainable investing.

### **An Open Door**

Angeleno Group encourages comments, feedback and questions on this Report, our Responsible and Sustainable Investing Program and environmental, social and governance topics related to our firm and our portfolio companies.





## TCFD REPORTING INDEX

To support readers, content in Angeleno Group's 2022 ESG Report has been mapped to the four sections of the Task Force for Climate-related Financial Disclosures (TCFD) framework. (For additional information on TCFD, please visit <https://www.fsb-tcfid.org>.)

### Governance

TCFD Disclosures	ESG Report References
Board's oversight of climate-related risks and opportunities	Governance of Responsible and Sustainable Investing, page 25 Please note the Angeleno Group does not have a Board of Directors.
Management's role in assessing and managing climate-related risks and opportunities	Integrating the Task Force for Climate-related Financial Disclosures, page 29

### Strategy

TCFD Disclosures	ESG Report References
Climate-related risks and opportunities identified over short-term, medium-term and long-term horizon	Investment Focus Areas, pages 9-10 Impact in Action, pages 11-24
Impact on businesses, strategy and financial planning	Creating Shared Value, pages 7-8 Stakeholder Engagement, pages 29-32
Impact of different scenarios, including a 2°C or lower scenario	Investment Focus Areas, pages 9-10

### Risk Management

TCFD Disclosures	ESG Report References
Process for identifying and assessing climate-related risks	Portfolio Management, pages 33-34
Processes for managing climate-related risks	Integrating the Task Force for Climate-related Financial Disclosures, page 29
Integration into overall risk management	ESG at Angeleno Group, page 25

### Metrics and Targets

TCFD Disclosures	ESG Report References
Metrics used by the organization to assess climate-related risks and opportunities	Driving Environmental and Social Impact, page 8
Scope 1, 2 and 3 greenhouse gas emissions	Net Zero Commitment, page 26
Targets used and performance against targets	Net Zero Commitment, page 26