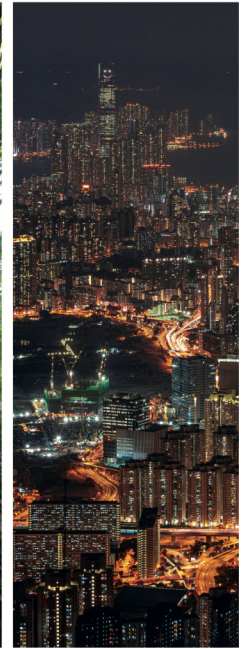
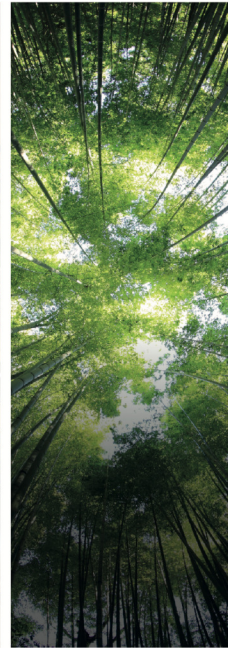
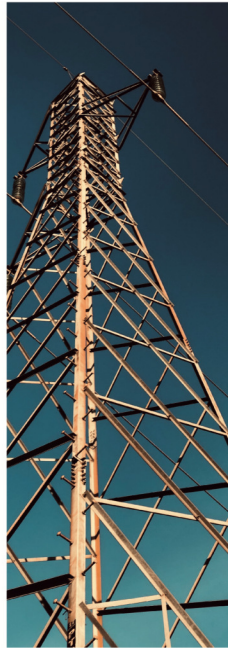


# RESPONSIBLE AND SUSTAINABLE INVESTING POLICY



**ANGELENO GROUP  
RESPONSIBLE AND SUSTAINABLE INVESTING (RSI) POLICY**

Last Reviewed: February 28, 2023

**Delivering responsible and sustainable returns to our partners and investors through our selection and active ownership of next-generation clean energy and climate solutions companies**

**I. BACKGROUND**

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.

As a clean energy and climate solutions investment firm, our role is to select well-positioned companies and assist in bringing their environmental innovations to market and scale so that we can achieve strong financial returns for our investors.

In this context, we seek to foster our portfolio companies' growth into responsible, sustainable enterprises with strong environmental, social and governance (ESG) practices. We also seek to accelerate our portfolio companies' abilities to produce meaningful outcomes in support of the 2030 Sustainable Development Goals; and the broader, long-term transition to a low carbon and more inclusive economy.

Our approach to Responsible and Sustainable Investing is consistent with our investment strategy and aligns with our commitment to value creation and disciplined portfolio management. As such and where appropriate within the objective of our investment program and or our fiduciary responsibilities to our limited partners, we are increasingly (i) incorporating considerations of ESG issues into decision making, (ii) encouraging the management of identified ESG issues in our capacity as active owners, (iii) engaging with portfolio companies and other stakeholders on ESG, and (iv) communicating with stakeholders on our firm's ESG approach and performance.

This Policy is designed to be adaptive and collaborative, and to be iterative and evolving based on changing market conditions and our portfolio composition.

**II. DEFINITIONS**

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

We define ESG as a set of policies, management systems, strategies, actions and commitments to support responsible and sustainable growth, proactively address risk, increase operational efficiency, foster innovation and complement execution on organizational mission and investment objectives.

The scope of ESG considerations reflect those as defined by the Global Reporting Initiative (GRI), Sustainability Accounting Standards Board (SASB), International Corporate Governance Network (ICGN), Impact Reporting and Investment Standards (IRIS), Task Force for Climate-Related Financial Disclosures (TCFD) and other leading frameworks. We also

consider the human rights principles set forth in the United Nations Global Compact, United Nations Guiding Principles on Business and Human Rights, International Labor Organization (ILO) Conventions and Organization for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises.

We define “stakeholders” as those who can contribute to the successful execution of strategic objectives, and those who are impacted by business activities. For Angeleno Group, stakeholders include our investors, partners, employees and portfolio companies. For portfolio companies, stakeholders include their customers, vendors, partners, employees, investors and communities served.

### III. PURPOSE

The purpose of this Policy is to enhance the efficacy of existing processes and functions within our firm to deliver long-term value to our investors and partners.

To support this purpose, we focus on material ESG considerations within our investments. Priority ESG considerations include:

**Environmental:** Our portfolio companies’ ability to deliver environmental benefits through its products or services, differentiate themselves in the market, and sustain their competitive advantage is consistent with our fundamental goal of delivering accretive value to our investors. In evaluation of the environmental offering of a portfolio company’s products or services, we consider factors that include clean energy, water, waste and biodiversity; and long-term actions to support sustainability broadly and the 2030 Sustainable Development Goals.

**Social:** We believe that portfolio companies should be focused not only on attraction but also on retention and cultivation of its human capital – which includes a steadfast commitment to strong employee engagement practices. We also believe that promoting diversity in both thought and representation is an important value accelerator. Additionally, we prioritize social impact in the context of health, safety, community and human rights.

**Governance:** We assess the general quality of our portfolio companies’ governance systems in the context of their role to support and enable sustained growth. We expect portfolio companies to articulate, understand, regularly evaluate and develop mitigation plans for identified risks, including risks associated with climate change, data privacy and information protection.

### IV. SCOPE

The scope of Angeleno Group’s Responsible and Sustainable Investing Policy extends to both pre-investment and post-investment, and is applicable to our firm’s three fundamental strategies to achieve differentiated returns:

#### a. Deal Sourcing and Selection

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

**b. Disciplined Portfolio Management**

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

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

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

**V. PRE-INVESTMENT APPROACH**

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

**a. Investment Philosophy and Related Strategies**

We actively select companies that are innovative, well managed and well 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.

**b. Diversification and Risk Management**

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

**c. Due Diligence**

We 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 its ESG strategies and discuss associated goals, targets and commitments prior to making an investment. We also utilize a pre-investment ESG questionnaire for privately held investments.

**d. Screening and Exclusions**

We are exclusively focused on investing within clean energy and climate solutions sectors, and actively avoid investments in carbon intensive companies, and/or in companies with harmful products, such as tobacco and firearms.

**VI. POST-INVESTMENT ACTIVITIES**

We engage with our portfolio companies, which are privately held at the time of investment, on ESG to support execution on their core business strategies and to encourage responsible and sustainable growth:

**a. Active Ownership**

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

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

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

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

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

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

## **VII. INVESTMENTS IN PUBLIC EQUITIES**

In addition to our portfolio companies, Angeleno Group initiates and maintains positions in publicly held companies.

We monitor ESG issues and performance for Angeleno Group's investments in public equities using primary, secondary and third-party research. Within our proxy voting and other relevant stewardship activities, we commit to promoting ESG best practices, including those related to low carbon transition plans, whenever applicable. This includes engaging a proxy advisory service provider and receiving its voting recommendations based on their ESG thematic voting policy to help guide Angeleno Group's proxy voting decision making process.

Should Angeleno Group become the beneficial owner of a public corporation, dependent upon the materiality of the holding, we may seek to initiate an active and ongoing ESG engagement process with the company's management team and, as applicable, third-party ESG data providers.

When we engage with third-parties, including but not limited to prime brokers, administrators, custodians and service providers, to support our investments in public equities, we seek to align with organizations that can support the requirements within our Responsible and Sustainable Investing Policy.

## **VIII. STAKEHOLDER ENGAGEMENT**

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

We aim to support the transition to a low carbon economy through our participation in local, regional and national sustainability initiatives that consider the role of public policy. We do not actively make direct financial contributions to influence public policy.

Through Angeleno Group's stakeholder engagement activities, we seek to both provide and expand our ESG competencies.

## **IX. GOVERNANCE**

The governance of this Policy emphasizes collaboration, accountability, and formal review:

### **a. Responsibility and Accountability**

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

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

### **b. Formal Review**

On an annual basis, Angeleno Group's ESG Committee will formally review this Policy.

### **c. Escalation**

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. We encourage and expect our deal teams to think about and seriously implement ESG principles into the deals they manage.

Angeleno Group's ESG Committee and Investment Committee also support the ongoing evaluation of potential ESG issues within our investments.

Depending on the nature of the issue, we determine the level of further escalation measures to undertake. Further escalation measures can include engagement with co-investors and management teams; and potential divestment of our ownership position, depending on the issue.

**d. Transparency**

A key tenant of the PRI encourages transparency in the operation of an ESG program. Angeleno Group aligns with the PRI and believes that increased transparency will foster a productive exchange of ideas. As such, we aim to communicate and report on our progress in a transparent manner as we execute on our Responsible and Sustainable Investing Policy, and will continue to publish the Angeleno Group ESG Report annually on our website.

**e. Feedback**

All partners, employees and stakeholders are also encouraged to provide feedback related to our Responsible and Sustainable Investing Policy. Feedback is incorporated into our annual review of this Policy.