SUSTAINABILITY-RELATED DISCLOSURES

Last updated October 2023

Product name/legal identifier: EIP Flagship Fund III (Lux Feeder) SCSp.

Energy Impact Partners LP ("**EIP**" or the "**Portfolio Manager**") has launched EIP Flagship Fund III (Lux Feeder) SCSp (the "**Fund**"), an Article 9 fund under the Sustainable Finance Disclosure Regulation ((EU) 2019/2088) ("**SFDR**"), represented by its general partner EIP Flagship Fund III GP (Lux) SARL (the "**General Partner**") and managed by its alternative investment fund manager, Ocorian Fund Management S.à r.l. (the "**AIFM**").

This document sets out the website disclosures required for such funds, for the purposes of Article 10 of SFDR and as outlined in Article 37 of the Regulatory Technical Standards under the SFDR ("**SFDR RTS**"). Reference is made to EIP's environmental, social and governance ("**ESG**") and impact measurement policies and practices, which are described in more detail at www.energyimpactpartners.com/impact.

This document is divided into 2 parts: (i) a summary of the disclosures and (ii) a detailed description for each of the elements disclosed, both being published as website disclosures.

Summary

As the Fund's delegated portfolio manager, EIP pledges to be an ethical partner. This means that we focus on delivering competitive returns for our investors and seek to invest in businesses that benefit society through economic and social development. We believe that working towards implementing high sustainability or ESG standards at the companies in which we invest, is the best way to mitigate investment risk and an opportunity to create value.

No Significant Harm to the Sustainable Investment Objective

The Portfolio Manager will evaluate all proposed investments at the time of consideration and periodically thereafter to ensure that each investment does not do significant harm to the Fund's sustainable investment objective(s). The Portfolio Manager implements a screening process that eliminates any potential investments that violate the excluded activities in its ESG policy and gathers information on the 14 mandatory PAI indicators (detailed below) to ensure that the potential investments do not constitute a significant harm.

Sustainable Investment Objectives

The purpose of the Fund is to make equity investments in companies that offer attractive financial returns to investors and help advance the transition to clean, decarbonized, sustainable energy systems. All investments made by the Fund will be sustainable investments within the meaning of the SFDR, with one of the following three environmental or social objectives:

- Climate and environmental sustainability
- Resilience and reliability in energy supplies
- Sustainable economic development

The Fund's environmental and social objectives also align with many United Nations Sustainable Development Goals ("**SDGs**").

Investment Strategy

The Fund seeks to deliver attractive risk-adjusted returns while meeting its environmental and social objectives through a strategy that includes the following elements:

1. Evaluate investment opportunities using the expertise of the Portfolio Manager's strategic coalition as

well as in-house and network experts;
2. Leverage the Portfolio Manager's strategic coalition to make investments that are likely to be adopted and scaled rapidly within and beyond the Portfolio Manager's coalition members;
3. Negotiate and implement sound financial terms and structures; and
4. Work closely with the Fund's investee companies to improve both their financial and ESG performance.

The Portfolio Manager will review each portfolio company's good governance prior to making an investment and periodically thereafter over the lifecycle of each investment. Issues that the Portfolio Manager considers in assessing good governance include but are not limited to sound management structures, employee relations, remuneration of staff and tax compliance.

Proportion of Investments

Many of the Fund's investments will contribute to both social and environmental objectives. With respect to minimum levels of alignment with environmental and social objectives, a minimum of 50% of the Fund's portfolio company investments will be invested in sustainable investments with an environmental objective, a minimum of 10% of the Fund's portfolio company investments will be invested in sustainable investments with a social objective. A small proportion of the Fund's assets at any given time may be in uninvested cash.

Direct and Indirect Exposure

The Fund will primarily make direct investments in investee companies. In connection with certain investments, the Fund and/or its portfolio companies may employ hedging strategies (whether by means of derivatives or otherwise and whether in support of financing techniques or otherwise) that are designed to reduce the risks to the Fund and/or such portfolio companies of fluctuations in interest rates, securities, commodities and other asset prices and currency exchange rates, as well as other identifiable risks. The Fund may at times also have exposure to cash and cash equivalent positions for purposes of cash, liquidity, and risk management.

Monitoring of Sustainable Investment Objective

In most of its investments the Portfolio Manager obtains either a board seat or board observer position. This enables regular participation by the Portfolio Manager's representative(s) who monitor the company on an ongoing basis to ensure it continues to meet the environmental or social objective that was the basis for investment. If there are any changes to a company's products, services, or business practices that call into question its ability to meet these objectives, the Portfolio Manager representative for that company will notify the Impact and Sustainability team (**"I&S Team"**) and formulate a plan for corrective action.

Methodologies

The Portfolio Manager measures whether an investment is impactful through (i) environmental objectives and (ii) social objectives. For the first, the Portfolio Manager assigns an environmental KPI to each portfolio company and categorizes its portfolio as either foundational or directly measurable. For the second, the Portfolio Manager tracks whether and how a portfolio company is increasing the reliability and resilience of energy supplies, as well as its contribution to a sustainable economic development. All sustainability indicators are tracked on at least an annual basis and calculations are disclosed publicly in the Portfolio Manager's annual impact report and technical appendix.

Data Sources and Processing

The Portfolio Manager periodically gathers data from the portfolio companies, including data on the KPIs to track the alignment of the portfolio company with the sustainability objectives. The metrics assessed include but are not limited to reductions in carbon emissions, fuel savings, water savings, and other metrics tied to the expansion of clean technologies and markets, as well as a broader set of data on the ESG attributes of portfolio companies (such as diversity indicators).

Limitations to Methodology and Data

Generally, the main limitation to the methodology for calculating KPIs is the availability and quality of data. In some cases, the impact assessment methodology may be limited by uncertainty in the mechanisms of impact causation that underlie all impact calculations. However, the Portfolio Manager believes that the majority of limitations will come from data availability and quality.

Due Diligence

The Portfolio Manager conducts impact and sustainability due diligence with the lead of the I&S Team. The impact and sustainability due diligence begins pre-investment with an all-encompassing questionnaire and independent research, it is complemented by external consultants, and it is then passed to the investment committee in the form of a report that assesses the investment's ability to meet the Fund's objectives.

Engagement Policies

The Portfolio Manager's official representative to each company maintains an ongoing dialog with the company that includes its sustainability objectives and overall sustainability and ESG attributes and performance. In addition, the I&S team expects to have periodic interactions with companies related to information, questions and assistance on sustainability matters. The team is developing and will provide materials to all investee companies designed to educate and improve sustainability in specific areas.

Attainment of the Sustainable Investment Objective.

The Fund does not employ a specific benchmark for the evaluation of its portfolio.

The following section provides a detailed description of the various topics summarized in the first part of these disclosures.

1. No Significant Harm to the Sustainable Investment Objective

The Portfolio Manager will evaluate all investments at the time of consideration for investment and periodically thereafter, including an annual assessment, to ensure that each investment does not do significant harm to the sustainable investment objective(s) of the Fund. The Portfolio Manager's approach to this evaluation has two major portions. The first portion consists of a screening process that eliminates any potential investments that violate the excluded activities in its ESG policy, which include activities that involve:

(i) Forced labor, child labor, modern slavery, human trafficking, or other labor practices, in each case that are prohibited;

(ii) Sales of any illegal products or activities, or engage in any illegal or prohibited activities under applicable laws, regulations, or international conventions and agreements (including but not limited to use, sale or production of certain pesticides, chemicals, wastes or ozone depleting substances; displacement or resettlement of local or indigenous people; trade in hazardous materials; destruction of protected habitats; and certain activities involving endangered or protected wildlife or wildlife products).

(iii) The manufacture, distribution or sales of arms, ammunition or their component parts principally intended for such purpose;

(iv) The manufacture or sale of pornography or engagement in the business of prostitution;

(v) Principally engage in the manufacturing of, or trading in, tobacco or alcohol;

(vi) Principally engage in the extraction, manufacturing of, or trading in coal, oil or natural gas or whose primary purpose is to increase the production of these materials, unless increasing production of these materials using technology intended to reduce net greenhouse gas emissions;

(vii) The supply or purchase of sanctioned products or goods to or from countries or regions subject to United Nations sanctions;

(viii) Development, provision or distribution of AI or UAV technologies that involve applications of facial recognition for use by policing entities for the detention, arrest, apprehension, or investigation of an individual;

(ix) The use of live animals for scientific and experimental purposes, including the breeding of these animals for such purpose;

(x) Engagement in production or other activities that expose populations to toxic substances that are prohibited under US and EU laws;

The above excluded activities are referred to in the remainder of these Disclosures as the "**Excluded Economic Activities**".

Companies with material business operations in any of these Excluded Economic Activities are eliminated from further consideration.

The second step of the Portfolio Manager's DNSH evaluation consists of gathering information on each of the following 14 PAI indicators and ensuring that the potential investments' level of activity with respect to each of these indicators does not constitute a significant harm.

1. GHG emissions, Scopes 1-3;
2. Carbon footprint;
3. GHG intensity;
4. Exposure to companies in the fossil fuel sector;
5. Share of non-renewable energy used;
6. Energy consumption in high-intensity sectors;
7. Activities negatively affecting biodiversity-sensitive areas;
8. Emissions to water;
9. Hazardous and radioactive waste ratio;
10. Violations of the UN Global Compact Principles and the OECD Guidelines for Multinational Enterprises;
11. Lack of compliance processes for the above principles and guidelines;
12. Unadjusted gender pay gap;
13. Board gender diversity ; and
14. Exposure to controversial weapons

The Portfolio Manager includes the 4th and 14th mandatory PAIs within the exclusion criteria for portfolio companies.

For each of these elements, the Portfolio Manager will gather and evaluate information on the current levels of each element and the potential investee's plans for maintaining or reducing each adverse impact through changes in operations or policies. The Portfolio Manager will continue to gather and report information on each of these PAIs annually.

How have the indicators for adverse impacts on sustainability factors been taken into account?

The Portfolio Manager considers monitoring of PAIs (amongst other metrics) as a tool to ensure that its investments meet DNSH criteria for the environment and social objectives. If adverse impacts are identified in a company during ESG due diligence (but which the Portfolio Manager has determined do not cause significant harm) these will be addressed during ownership, e.g., through the company board and the post-investment plan or ESG action plan. This ensures that potential adverse impacts are mitigated through the ownership period.

Data on relevant PAIs are assessed during due diligence and collected throughout the ownership phase. The data is monitored and subject to internal performance reviews, with a view to making sure that potential adverse impacts on sustainability factors are considered, and that mitigating actions are implemented.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

As already noted, the Fund's investments will not include any portfolio companies engaged in the Excluded Economic Activities. These exclusions are fully consistent with and implement many of the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights.

In addition, EIP is a signatory to the United Nations Principles for Responsible Investment ("**PRI**"). As such, the Portfolio Manager has committed to the extent consistent with its responsibilities to:

- incorporate ESG issues in investment analyses and decision-making processes;
- be an active owner and incorporate ESG issues into our ownership policies and practices;
- seek appropriate disclosure on ESG issues from the companies which the Fund has invested in;
- promote acceptance and implementation of these principles within the investment industry;
- work with other signatories of the PRI to enhance the Fund's effectiveness in implementing these principles; and
- report on our activities and progress towards implementation of these principles.

In addition to the preceding, and of relevance to the OECD Guidelines and UN Guiding Principles, the Portfolio Manager will not invest in companies that pay wages that are below industry or national minima or are incorporated in EU non-cooperative jurisdictions for tax purposes (blacklist) at the time of investment.

To create a systematic way of screening against minimum safeguards, key areas of human/labour rights risks are identified which draw upon the frameworks above, and that are most applicable to investments in the clean energy and reliability/resilience sectors, are included in the Portfolio Manager's information-gathering process during the due diligence process. The Portfolio Manager recognizes that due diligence is at the core of minimum safeguards and is an integral instrument to ensure alignment with minimum safeguards during ownership.

During the Fund's ownership period, the Portfolio Manager's ongoing engagement with each of the Fund's portfolio companies will monitor company activities for any adverse changes to minimum safeguards. In addition, the Portfolio Manager will collect and evaluate the same information that it gathered during diligence concerning minimum safeguards on at least an annual basis. If this information reveals minimum safeguards inconsistent with the OECD Guidelines or the UN Guiding Principles the Portfolio Manager will take prompt action to engage with the company to address these inconsistencies.

2. Sustainable Investment Objective of the Financial Product

The purpose of the Fund is to make equity investments in companies that offer attractive financial returns to investors and help advance the transition to clean, decarbonized, sustainable energy systems. All investments made by the Fund will be sustainable investments within the meaning of the SFDR, with a social objective and/or an environmental objective.

The Portfolio Manager will apply binding criteria to the selection of investments such that:

- all investee companies will contribute to one or more of the Fund's environmental or social objectives; and
- no investee companies will be engaged in the Excluded Economic Activities.

- <u>Environmental Objectives</u>

1. Climate and environmental sustainability

The investments made by the Fund meeting this objective are expected to make contributions that may include:

- Allowing households, urban areas, businesses, regions and/or economies to adjust their operations in light of the increased severity or frequency of weather events or the consequences of weather events. This includes investments that improve planning or preparing for such events, reducing the harmful or costly impacts of such events, or improving amelioration of the impacts of such events, such as restoring business operations following weather-induced outages.

- Increasing the amount and/or quality and/or lower the cost of energy supply that has lower environmental impacts, including impacts on historically disadvantaged communities and populations. These environmental impacts may include reduced emissions of hazardous or radioactive pollutants, reduced freshwater consumption, reduced impact on natural systems and biodiversity and/or reduced air and water emissions.

- Reducing the demand for energy services through the adoption of more efficient energy use technologies, demand response, or other end use technologies or practices that reduce the need for, or shift the timing of, demands on the energy system.

- Facilitating increased or improved clean energy supplies and/or reduced or more flexible energy demands through investment in foundational investments that facilitate or enable energy systems, network owners and operators, and other participants in energy systems to adopt cleaner supply solutions or reduce demands.

This includes technologies and businesses that make environmental impact measurement tools or provide impact measurement, companies that increase customer engagement with energy providers or other elements of the energy network, companies that make energy systems more efficient and/or customer friendly, companies that enable energy networks to be better managed or optimized to reduce environmental impacts, and/or companies that enable energy end users to shift from energy sources with higher environmental impacts to those with lower impacts.

- <u>Social Objectives</u>

1. Increased reliability and resilience of energy supplies

The investments made by the Fund meeting this objective are expected to make contributions that may include:

- Improving the reliability and resilience of energy supplies. Energy supplies are social goods that are critically related to public health, safety, and economic development. Interruptions in energy supply networks can cause extreme threats to hospitals, medical patients reliant on life-sustaining medical equipment, stranded travelers, visitors to large public spaces, and many others. Interruptions also incur financial and environmental costs when batch process interruptions cause spoilage, and many other types of business operations are disrupted. As interruptions extend in length their costs grow, including safety threats to occupants.

- Reliability and resilience of energy supplies is a social objective because its purpose is to reduce the frequency and severity of energy supply interruptions, which cause all of the harms noted above. Investments contributing towards this objective may include investments in companies that:

  (i) protect energy supplies from physical or cyber threats;

  (ii) improve the diagnosis of supply problems;

  (iii) reduce the probability of outages by increasing the flexibility or manageability of the energy networks; and/or

  (iv) aid in the restoration of service following an outage.

2. Sustainable economic development

The investments made by the Fund meeting this objective are expected to:

- Support jobs and job creation among target populations of disadvantaged and underrepresented groups and/or in historically disadvantaged communities. This in intended to contribute to inclusive economic growth and a more equitable clean energy transition and provide decent working conditions (such as living wages, training and diversity and inclusion), primarily located in the United States and the European Union.

The Fund's environmental and social objectives also align with many United Nations SDGs.

3. Investment Strategy

The investment strategy used to meet the environmental and social objectives of the financial product.

The Fund seeks to deliver attractive risk-adjusted returns while meeting its environmental and social objectives through a strategy that includes the following elements:

1. evaluate investment opportunities using the expertise of the Portfolio Manager's strategic coalition as well as in-house and network experts;
2. leverage the Portfolio Manager's strategic coalition to make investments that are likely to be adopted and scaled rapidly within and beyond the Portfolio Manager's coalition members;
3. negotiate and implement sound financial terms and structures; and
4. work closely with the Fund's investee companies to improve both their financial and ESG performance

We generally seek investments that share the following features:

- Potential to become the leader in their segment.
- Proven technologies with commercial validation of the solution.
- Defensible market, business model, or intellectual property position.
- Capital-efficient businesses with significant operating leverage and/or a strong recurring customer component.
- Fair market valuations that can be validated with industry multiples.
- A clear path for us to add value directly or through our partner network.
- Competent and cohesive management teams with strong leadership.

Figure 1 further illustrates the Fund's investment strategy. In this figure, strategic relevance refers to the relevance of the company's business mission to directly or indirectly accelerate the clean energy transition and thus the fulfilment of the environmental and social objectives of the Fund.

Figure 1

The Portfolio Manager evaluates the corporate governance of each of the portfolio companies in which it invests. The Portfolio Manager will review each portfolio company's good governance prior to making an investment and periodically thereafter over the lifecycle of each investment. Issues that the Portfolio Manager considers in assessing good governance include sound management structures, employee relations, remuneration of staff and tax compliance.

During the ownership period, the Portfolio Manager will seek to engage with portfolio companies on ESG issues, including good governance, through representation on their boards (where applicable) or through other available methods of engagement.

Further details on the Portfolio Manager's approach to good governance are provided in its ESG policy, posted at www.energyimpactpartners/impact.

5. Proportion of Investments

Asset Allocation

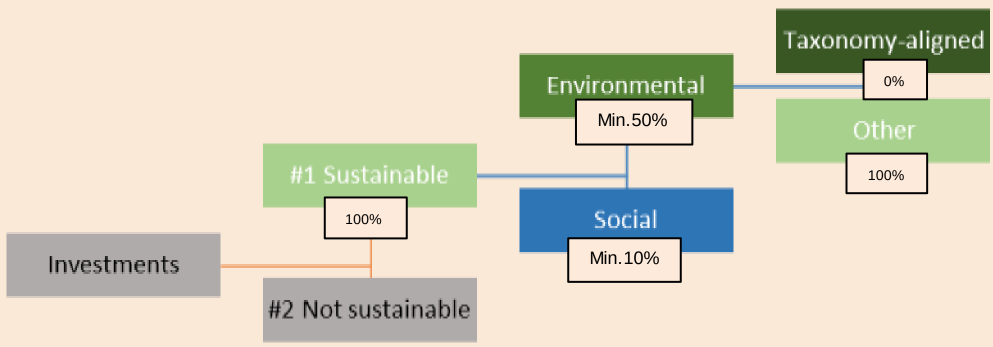
Many of the Fund's investments will contribute to both social and environmental objectives. With respect to minimum levels of alignment with environmental and social objectives:

- A minimum of 50% of the Fund's portfolio company investments will be invested in sustainable investments with an environmental objective. The environmental objective is climate and environmental sustainability.

- A minimum of 10% of the Fund's portfolio company investments will be invested in sustainable investments with a social objective. The social objective is reliability and resilience of energy supplies and/or sustainable economic development.

- 100% of the Fund's portfolio company investments will be sustainable investments with either an environmental and/or social objective.

- A small proportion of the Fund's assets at any given time may be in uninvested cash.



#1 Sustainable includes sustainable investments with environmental or social objectives.

#2 Not Sustainable includes investments which do not qualify as sustainable investments.

Direct and indirect exposures

The Fund will primarily make direct investments in investee companies. In connection with certain investments, though, the Fund and/or its portfolio companies may employ hedging strategies (whether by means of derivatives or otherwise and whether in support of financing techniques or otherwise) that are designed to reduce the risks to the Fund and/or such portfolio companies of fluctuations in interest rates, securities, commodities and other asset prices and currency exchange rates, as well as other identifiable risks. The Fund may at times also have exposure to cash and cash equivalent positions for purposes of cash, liquidity, and risk management.

6. Monitoring of Sustainable Investment Objective

In most of its investments the Portfolio Manager obtains either a seat on the board of directors or as an observer of the board of directors. This enables regular participation by Portfolio Manager's representatives who monitors the company on an ongoing basis to ensure that the company continues to meet the environmental or social objective that was the original basis for investment If there are any changes to the company's products, services, or business practices that call into question its ability to meet these objectives, the fund's representative to that company notifies the impact and sustainability team and formulates a plan for corrective action.

In addition, each investment made by the Fund agrees as part of our investment to continue the practices that enable it to meet the chosen investment objective. At the time of investment the company and the Fund agree on at least one KPI that measures the company's progress against its objective. The company's representative monitors progress on this KPI on an ongoing basis. In addition, once a year the Fund requires that the company formally report its progress on its KPI and additional data that enables the Fund to further evaluate the company's progress meeting its sustainability objective. This data is analyzed and published in the company's annual reporting under the SFDR and its own impact and sustainability report.

7. Methodologies

- Environmental Objectives

1. Climate and environmental sustainability

The Portfolio Manager will use the following sustainability indicators, as appropriate, to measure whether an investment contributes to climate and environmental sustainability:

- In respect of contributions towards adaptation to moderate negative impacts of climate change, the Portfolio Manager chooses at least one Key Performance Indicator ("**KPI**") that is appropriately correlated to the climate-adaptation-role and function of the investment. The Portfolio Manager (i) tracks this KPI (and potentially others) on at least an annual basis and (ii) seeks to increase the contribution of the investment to adaptation by providing a variety of forms of assistance.

- In respect of other contributions, the Portfolio Manager analyses how the investment changes the production or use of energy in all prominent current and planned use cases. This analysis leads to a determination as to whether the contribution of the investment to climate and environmental sustainability can be judged qualitatively or quantitatively. The Portfolio Manager refers to the former type of investment as foundational ("**F**") and the latter as directly measurable ("**DM**"). Foundational companies play a key role in facilitating and enabling technologies and processes that support global climate and environmental sustainability, but fulfil this function in a common-benefit mode that does not allow quantitative attribution of specific amounts of carbon.

- For F investments, the Portfolio Manager chooses a KPI that is appropriately correlated to the climate and environmental sustainability-enabling role and function of the investment. The Portfolio Manager (i) tracks this KPI on at least an annual basis and (ii) seeks to increase the contribution of the investment to climate and environmental sustainability by providing a variety of forms of assistance.

- For DM investments, the Portfolio Manager performs an analysis of the carbon savings (in metric tons of carbon dioxide equivalent) that the investment will enable as part of the value chain(s) in which the investment operates. Over the same time period, and in a common measurement framework, the Portfolio Manager also measures energy savings in physical units. For all companies the Fund invests in, regardless of the specific Fund objective with which the relevant company investment is aligned, the Portfolio Manager will measure Scope 1, 2, and 3 GHG emissions in collaboration with the relevant company, publish these results, and work with each company to reduce GHG emissions intensity and in some cases adopt and implement net zero targets. GHG emissions savings are measured using several advanced metrics, including actual savings enabled in a year, lifetime savings enabled by financed measures, and projected enabled savings. The Portfolio Manager's calculations are among the most sophisticated and transparent in the industry. The details of the Portfolio Manager's calculations are disclosed publicly in its annual impact report and technical appendix available at www.energyimpactpartners.com/impact.

- Social Objectives

1. Increased reliability and resilience of energy supplies

The Portfolio Manager will use the following sustainability indicators to measure whether an investment contributes to increased reliability and resilience of energy supplies:

- The Portfolio Manager chooses at least one KPI that is appropriately correlated to the reliability and resilience-role and function of the investment. The Portfolio Manager (i) tracks this KPI (and potentially others) on at least an annual basis and (ii) seeks to increase the contribution of the investment to reliability and resilience of energy supplies by providing a variety of forms of assistance.

- Examples of KPIs that may be applicable to the Portfolio Manager's investments in reliability and resilience include (i) measures of the frequency and duration of outages, such as System Average Interruption Duration Index ("**SAIDI**"), the Customer Average Interruption Duration Index ("**CAIDI**"), and the System Average Interruption Frequency Index ("**SAIFI**"), as well as other traditional electric grid reliability metrics; (ii) measures of change in the vulnerability of energy supply structures to physical harm, such as the maximum wind speed ratings of transmission towers; (iii) measures of cybersecurity, such as the number of threat actors actively managed or the number of threats identified and turned into alerts; (iv) measures of reduced outage duration; and (v) other similar metrics.

2. Sustainable economic development

The Portfolio Manager will use the following sustainability indicators to measure whether an investment contributes to sustainable economic development:

- The Portfolio Manager chooses a KPI that is appropriately correlated to the sustainable economic development-role and function of the investment. The Portfolio Manager (i) tracks this KPI on at least an annual basis and (ii) seeks to increase the contribution of the investment to sustainable economic development by providing a variety of forms of assistance.

8. Data Sources and Processing

Using a variety of metrics (such as reductions in carbon emissions, fuel savings, water savings, and other metrics tied to the expansion of clean technologies and markets) as well as a broader set of data on the ESG attributes of portfolio companies (such as diversity indicators), the Portfolio Manager periodically measures and reports on the impacts enabled by its portfolio companies.

Once the Portfolio Manager receives ESG data from its portfolio companies, it performs its own internal process in an attempt to ensure accuracy and completeness and proactively follows up with companies if significant discrepancies are identified or if more information to improve the quality or completeness of the data is needed. Every portfolio company has an associated KPI associated to the different sustainability objectives.

The Portfolio Manager's impact measurement philosophy follows a conservative approach focused on providing meaningful analysis: estimated data are generally not used (except for industry averages and other proxy data elements in internal carbon footprint calculations). The sources of external data include but are not limited to:

- The International Energy Agency
- The U.S. Energy Information Administration
- Statistical agencies of the European Union
- The U.S. Department of Commerce
- Major trade associations
- Academic journals; and
- Reports from leading consulting firms.

Identified data gaps are made transparent in a dedicated technical appendix to the Portfolio Manager's reporting.

9. Limitations to Methodologies and Data

Generally, the main limitation to the methodology for calculating KPIs is the availability and quality of data. In some cases, the impact assessment methodology may be limited by uncertainty in the mechanisms of impact causation that underlie all impact calculations. However, the Fund believes that the majority of limitations will come from data availability and quality.

The data collected on activity levels that are inputs to computing the KPI are subject to a variety of sources of error in collection within the company, mischaracterization in transmittal, occasional missing values and/or other sources of error. The computation from which company activity data is converted into a particular sustainability KPI is also subject to a variety of sources of error, including:

- Available data may not apply to the particular product or service offered by the company, particularly when the company is offering a product or service that has not yet been seen in the marketplace;

- Available data may apply to a broad category or products or services, rather than applying to the particular investment made by the fund;

- Available data may be subject to time lags that cause the data to be less than current;

- Available data may not be accurate for the particular geographic region in which the company operates, or may apply to a very broad geographic area that includes the company's operations but also many other dissimilar companies.

While these limitations can be significant in certain cases, we believe the data we are able to access and the calculations we make with them are sufficiently accurate to attain of the Fund's sustainability objective. Because the fund invests only in solutions that are qualitatively certain to provide support to the Fund's sustainability objective, the limitations cited above represent uncertainties regarding the precise level of sustainable KPIs that we will achieve, not uncertainties regarding whether the investments will serve our objectives.

10. Due Diligence

Impact and sustainability diligence is conducted by the Fund's impact and sustainability team working closely with other persons within the Fund who are working on other aspects of diligence. The process for conducting sustainability diligence is:

1. The potential investment is asked to fill out an extensive questionnaire that includes providing data on all aspects of company operations necessary to evaluate the suitability of the investment for the Fund, including the potential investments' objective, whether the investment maintains good

governance practices and minimum safeguards, and whether the company does not create significant harm.

2. The I&S team conducts independent research on publicly available information that contributes to the team's understanding of the sustainability attributes of the company.

3. All this information is analyzed by the I&S team. It is typical during this analysis to have discussions with the company and other EIP personnel to discuss and clarify sustainability data relevant to the diligence process.

4. If any deficiencies are found, either the Fund and the company agree on a plan to remediate the deficiency, or the investment does not proceed.

5. In parallel, the I&S team works with an independent outside consultant, ESG capital, to determine (a) whether the company's carbon impacts are quantifiable in tons of carbon saved as its key KPI and (b) if so, prepares an estimate of this KPI over the next five years for use during the further evaluation of the investment by the Fund.

6. ESG Capital, the outside consultant, also participates in the ongoing activities of the I&S team, including weekly meetings during which all sustainability diligence activities are reviewed.

7. The I&S team prepares a report for the investment committee in the form of several PowerPoint slides that summarizes the team's conclusions regarding the investment's ability to meet the Fund's objectives, the selected KPI for the investment, and the DNSH, the good governance, and minimum safeguards qualification of the company. In addition, the report provides a relative score, compared to other fund investments, for the overall environmental attributes of the firm and another score regarding the overall social and governance attributes of the firm.

8. All sustainability diligence materials are archived and/or stored in a dedicated, auditable data base.

11. Engagement Policies

The Portfolio Manager's official representative to each company maintains an ongoing dialog with the company that includes its sustainability objectives and its overall sustainability and ESG attributes and performance. In addition, the I&S team expects to have periodic interactions with companies when the team has information to share with companies or the companies reach out the team with questions or requests for assistance on sustainability matters. In addition, the team is developing and will provide materials to all fund companies designed to educate and improve the company's sustainability in specific areas. For example, the team has developed a diversity, equity, and inclusion toolkit designed specifically to assist its companies with improving their DEI policies. This will be provided to all fund companies going forward, and companies are encouraged to contact the I&S team for assistance implementing these policies.

Finally, once a year the I&S team will offer to meet with investee companies in a dedicated meeting during which the company and the team will comprehensively review the sustainability performance of the company and how this has changed since the last annual reporting period. This process is intended to engage the company and assist it in improving its sustainability attributes.

12. Attainment of the Sustainable Investment Objective

The fund does not employ a specific benchmark for the evaluation of its portfolio companies.