



SUSTAINABILITY POLICY

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MISSION & COMMITMENT

SUSI Partners was founded in 2009 with the mission to fight climate change by furthering the transition of the energy sector – a key driver of CO₂ emissions and, consequently, global warming. Our longstanding commitment to this cause is based on the firm understanding that limiting the rise in global temperature to a minimum requires a significant reduction in CO₂ emissions towards net-zero over the next years.

As a fund manager dedicated to investing in sustainable energy infrastructure, we direct institutional capital towards projects which help to decarbonise energy production, increase energy efficiency and enable the utilisation of clean energy. These are the three pillars of a successful energy transition and achieving CO₂ savings through each of our transactions is an integral part of our investment strategy.

Beyond our specific mission, we believe that embracing sustainable environmental, social and corporate governance (ESG) standards will drive value creation for our stakeholders – including our clients and their beneficiaries, our employees, shareholders, business partners and broader society – in the long term.

Sustainability is one of our core values and an integral part of our corporate culture.

Our sustainability approach therefore comprises two dimensions: building a responsible and resilient organisation [[see chapter](#)] as well as embedding ESG factors into our investment and asset management process [[see chapter](#)] to generate enhanced risk-adjusted returns.

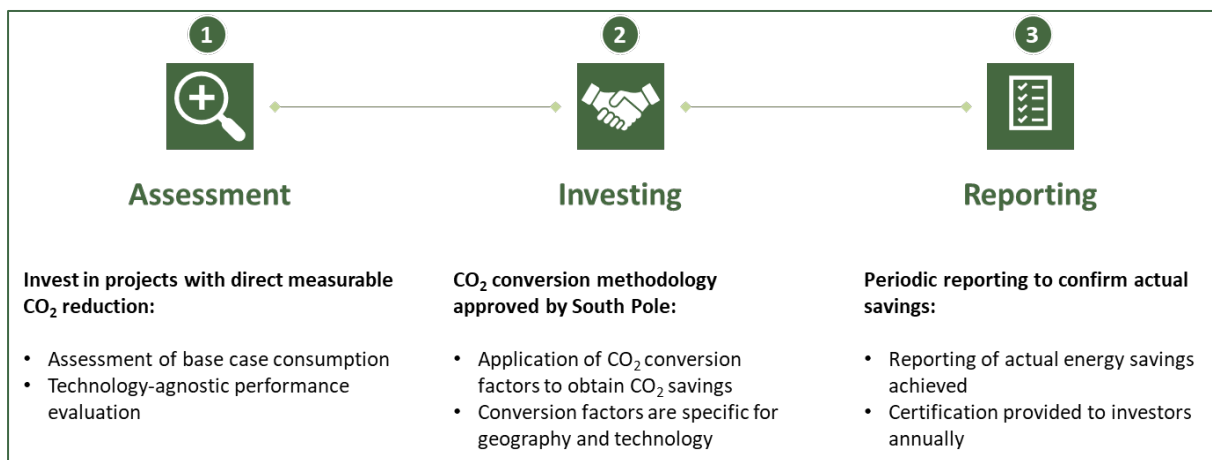
UN SUSTAINABLE DEVELOPMENT GOALS



Due to our mission and investment focus, we specifically support the United Nations Sustainable Development Goals (SDGs) on affordable and clean energy (7); industry, innovation and infrastructure (9); and climate action (13). At the same time, we work towards achieving the broader SDG ambitions through our business activities and operations. Based on an analysis of the SDGs' 169 underlying targets, we are identifying further areas where we believe we can make a positive impact by 2030 and will map our progress – both on the corporate and the investment side – against the respective goals as part of regular internal reviews and reporting, starting with the year 2020.

TRACKING CO₂ SAVINGS AND FOOTPRINT

Investments by SUSI Partners funds enable the deployment and operation of technologies that provide alternatives to conventional energy sources through clean energy generation, energy efficiency enhancements and clean energy utilisation. We track the emissions avoided at asset and fund level and work together with South Pole Group to quantify CO₂ savings in accordance with the World Resources Institute’s Greenhouse Gas (GHG) Protocol, as well as the recommendations by the Partnership for Carbon Accounting Financials (PCAF). The general process is as follows:



This investment focus on emissions reductions is matched by our corporate commitment to achieving CO₂ neutrality at an operational level by year-end 2021 (Scope 1/2). Using the standards of the GHG Protocol, we seek to track and assess emissions as follows:

- Scope 1 (direct): company-owned vehicles; fuel combustion;
- Scope 2 (indirect): purchased electricity for own use;
- Scope 3 (indirect – across supply chain): production of purchased materials, product use, outsourced activities, contractor-owned vehicles, waste disposal, employee business travel.

Based on these figures, we calculate our firm’s overall CO₂ footprint and set appropriate reduction targets [see chapter]. We offset unavoidable emissions by supporting initiatives to mitigate climate change, e.g. through the conservation or creation of natural carbon sinks, and to promote social progress via established partners such as South Pole. In doing so, we apply compensation levels that follow international standards and are guided by the SDGs in selecting projects.

SUSTAINABLE PRACTICES AT FIRM LEVEL

Our firm-wide sustainability approach is based on a number of ESG factors guiding our efforts to build an organisation that is successful in the long term and generates sustainable value for our stakeholders.

ENVIRONMENTAL

Across our operations, we seek to use natural resources efficiently, ultimately becoming a carbon-neutral and zero-waste company. Specifically, we:

- Avoid CO₂ emissions from business travel by using videoconferencing tools or environmentally friendly means of transportation, e.g. trains instead of flights or fossil-fuel cars, whenever possible;
- Offset unavoidable CO₂ emissions by supporting initiatives to fight climate change, e.g. automatically through use of the Cornécard Climate Credit Card available to employees and used for booking travel, accommodation and other business-related expenses, as well as through additional investments in projects and initiatives;
- Encourage employees to commute to work and use public transport in their leisure time by sponsoring the Halbtax ticket in Switzerland – and support working from home by providing modern work tools and technology;
- Reduce energy consumption in our offices, e.g. through motion-sensor lamps and use of LED wherever possible → 2021: headquarter move to new green building in Zurich with state-of-the-art energy efficiency measures, heating/cooling system and renewable energy source;
- Use paper, ink and other office materials responsibly, e.g. no paper-based reporting to investors, use of iPads for presentations, printing in b/w and on both sides → if printing is necessary, we use FSC-certified paper, 100% recycled & produced with less water and energy;
- Avoid single-use plastic and paper cups in our offices;
- Have a comprehensive waste management system in place which includes central bins to separate recyclables (PET, paper/cardboard, aluminium, glass) from waste;
- Support environmental causes through CO₂ compensation initiatives or corporate volunteering, e.g. by enabling reforestation projects and protecting biodiversity.

SOCIAL

We are committed to providing equal opportunities and creating a rewarding, respectful and inclusive workplace for our people independent of their gender, ethnicity, religion, sexual orientation or cultural background. We acknowledge that this approach must be reflected and embedded in all people-related processes – from recruitment to development and performance management – and that additional efforts are needed to formalise and implement our HR policy framework throughout 2020. As part of this, we are assessing whether further education, targets and initiatives are required to ensure our workforce adequately reflects a diverse society. In addition

to equal employment and anti-discrimination, our framework will also cover aspects including, but not limited to, personal conduct, anti-harassment, health & prevention and speaking up.

We strive to continuously improve our employee offering and processes in line with industry standards, and our strategy currently addresses the following aspects:

- Employee wellbeing:
 - Financial benefits in addition to fair compensation → pension scheme, private accident and disability insurance, half-fare travel card, discounted meals in staff canteen, jubilee programme with an additional 10 paid holidays and unpaid extended leave, discounted banking offer;
 - Health benefits → flu vaccination and promoting a healthy lifestyle through various initiatives including free gym access, fresh fruit in the office and outdoor team activities;
- Diversity & inclusion → unbiased hiring practices, e.g. gender-neutral job postings, anonymised screening of CVs, balanced interview approach, flexible working time and home office, parental leave offering, mentorship programmes, transparent promotion guidelines;
- Training & development → supporting role-specific skills training and education, e.g. contributing to the cost of professional qualifications, facilitating in-house knowledge transfer sessions; participation in industry networks to exchange best-practice and shape developments in the financial industry;
- Performance management → clear objective setting and fostering regular feedback conversations between managers and their team members;
- Fair and transparent compensation guidelines ensuring long-term alignment through equity incentive plans and retention mechanism;
- Annual employee survey to gauge commitment and engagement levels;
- Analysis of exit interviews to identify what and how we can improve.

Furthermore, we recognise that defining and embedding a set of shared values and behaviours across the organisation is key to engaging our people and achieving our strategic goals together. As part of our performance management approach, compensation and promotion decisions have to be based on clearly defined performance factors as well as individual behaviour and conduct.

In addition to measures ensuring the wellbeing and satisfaction of our employees, we strive to have a positive impact on broader society by supporting community projects through corporate volunteering and CO₂ compensation initiatives. Selection is based on our purpose and values as well as the SDGs.

GOVERNANCE

We are a FINMA-regulated financial company and value independent oversight by the relevant public authorities, auditors and our Board of Directors. In line with our fiduciary duty to our clients and their beneficiaries, we have firm policies and guidelines in place, while monitoring compliance and managing consequences. Among other things, our policies cover the following areas:

- Risk management
- Conflicts of interest
- Personal transactions
- Cross border business
- Anti-money laundering
- IT security
- Data protection

We continuously review our overall compliance framework to ensure it is in line with industry best-practice and reflects stakeholder requirements.

Furthermore, we have a number of corporate processes in place, e.g. on handling operational errors or ensuring business continuity in various scenarios – including natural catastrophes, pandemics and system failures. As our business grows and evolves, we are making further improvements and additions to our key processes to support the robustness and resilience of our company.

We are committed to the highest quality in reporting and communications to both internal and external stakeholders. Our open feedback culture allows us to deal with issues honestly and constructively, while meeting documentation provides transparency and enables progress tracking.

Finally, regular stakeholder interaction and engagement with our Board of Directors supports our efforts to continuously assess and strengthen our governance practices across the firm.

INVESTMENT ACTIVITIES GUIDED BY RESPONSIBILITY AND SUSTAINABILITY

We recognise that responsible investing (RI) is fundamental to our fiduciary duty to our clients and beneficiaries. We understand the importance of sound stewardship in managing investors' capital, and our RI approach ensures that our interests and values are closely aligned to those of our clients and shareholders – as well as the communities in which we operate.

We are convinced that the incorporation of sustainability principles into our investment activities will lead to a more balanced risk-return profile for our investors and a long-term path of growth.

SIGNATORY OF THE PRINCIPLES FOR RESPONSIBLE INVESTMENT

As a proud signatory of the UN-supported Principles for Responsible Investment (PRI), we view ESG analysis as a fundamental part of investment risk management and potential value creation across all our funds. PRI is the world's leading proponent of responsible investing. It works to understand the investment implications of ESG factors and to support its international network of investor signatories in integrating these factors into their investment and ownership decisions. We are committed to the six Principles:

We will incorporate ESG issues into investment analysis and decision-making processes.

We will be active owners and incorporate ESG issues into our ownership policies and practices.

We will seek appropriate disclosure on ESG issues by the entities in which we invest.

We will promote acceptance and implementation of the Principles within the investment industry.

We will work together to enhance our effectiveness in implementing the Principles.

We will report on our activities and progress towards implementing the Principles.

ESG FACTORS EMBEDDED IN INVESTMENT AND ASSET MANAGEMENT PROCESS

We formally incorporate the PRI, SDGs and other ESG factors into investment screening and due diligence across all SUSI Partners funds. To this end, we have created a framework that is designed to review a specific set of RI matters, assesses potential risk factors and provides transparency to clients.

Our investment process is designed to reject proposed investments if certain essential RI criteria are not met at the point of initial screening. However, an investment that does not meet all criteria at the initial screening may be taken forward if we believe that the required standards can be achieved at the time of formal investment, typically through robust negotiations with asset owners and other counterparties. From time to time, funds may invest in situations that do not meet all criteria at

completion, provided that the investment team can demonstrate a clear plan to achieve the required standard within a reasonable time period after closing (e.g. by implementing action plans developed in the light of due diligence findings).

We will never knowingly invest in businesses which:

- Violate human rights as defined by the Universal Declaration of Human Rights (and reflected in the UN Global Compact);
- Exploit forced labour or child labour as defined by the International Labour Organisation;
- Manufacture or trade ammunition and/or controversial weapons;
- Manufacture, sell or distribute adult entertainment, pornography or sexually explicit content;
- Are involved in banned products and activities under global conventions.

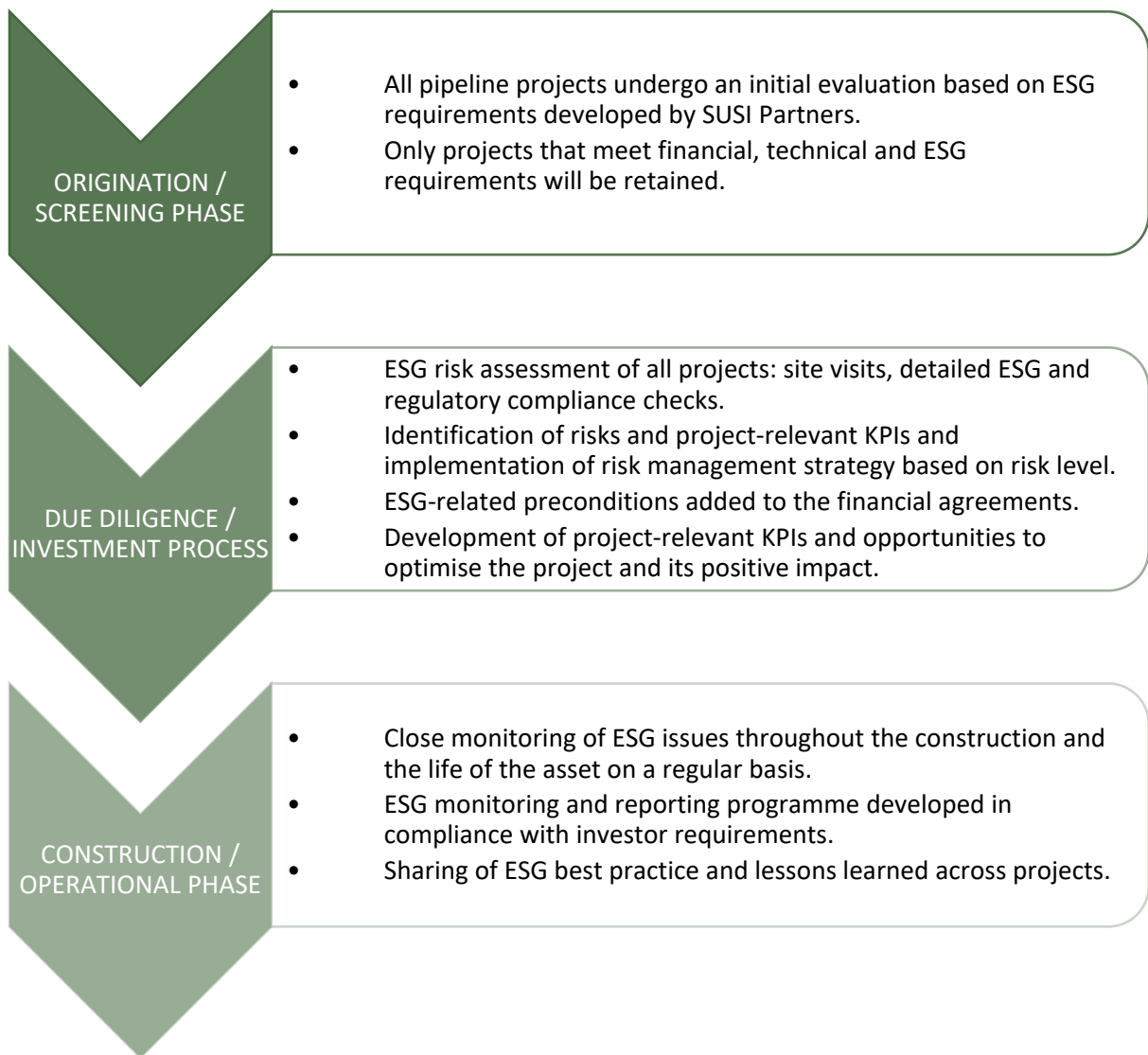
Moreover, by nature of our mission and our investment strategy, no fund managed by SUSI Partners invests in coal-powered energy generation.

In 2020, we established an ESG framework system throughout all SUSI funds to ensure a consistent and transparent approach to ESG due diligence. In most cases, due diligence is based on standardised questionnaires and assessments, which were developed by the investment teams and ratified by the respective fund's investment committee.

The ESG approach is systematically embedded across our investment and asset management processes. The assessment and identification of potential for improvement take place as soon as investment opportunities are identified using the criteria mentioned below. In practice, each project is thoroughly assessed through an initial due diligence analysis prior to investment. If ESG topics are highlighted during this process, risk mitigation procedures are included in the project documentation and specific risk indicators are identified for the implementation of continuous monitoring. In general, the methodology used in the ESG analysis process for investment opportunities is built around the following steps:

1. Verification of the eligibility of the project against the exclusions established by SUSI Partners for its various funds;
2. ESG framing of the project in regulatory terms and needs for its development;
3. Detailed analysis of ESG issues;
4. Determination of ESG risks and key performance indicators (KPIs);
5. Identification of the ESG mitigation and monitoring strategy.

In the asset management phase, i.e. during the construction and operation of an asset, the ESG analysis is based on detailed criteria whose scope is adjusted according to the type of project and identified relevant KPIs.



ESG ANALYSIS FRAMEWORK

Our analysis framework covers ESG criteria at different levels: corporate/SUSI Partners (level 1), investments (level 2), and supply chain/counterparties (level 3). The framework is used to identify relevant issues and risks at the respective level as well as to determine the implementation modalities for each level that will allow these issues to be effectively considered.

A number of key criteria is shown below:

	FACTORS	CRITERIA	LEVEL 1	LEVEL 2	LEVEL 3
ENVIRONMENTAL	General environmental policy	<ul style="list-style-type: none"> ▪ Environmental policy ▪ Training ▪ Environmental protection expenditure 	<ul style="list-style-type: none"> ✓ ✓ 	<ul style="list-style-type: none"> ✓ ✓ ✓ 	<ul style="list-style-type: none"> ✓ ✓

		<ul style="list-style-type: none"> ▪ Climate change risk management approach 		✓	
	Control of pollution and environmental waste	<ul style="list-style-type: none"> ▪ Emissions ▪ Water ▪ Soil ▪ Noise ▪ Waste 	✓ ✓ ✓	✓ ✓ ✓ ✓	✓ ✓ ✓
	Sustainable use of resources	<ul style="list-style-type: none"> ▪ Energy consumption ▪ Water consumption ▪ Resource consumption 	✓ ✓ ✓	✓ ✓ ✓	✓ ✓ ✓
	Biodiversity	<ul style="list-style-type: none"> ▪ Protected areas and species ▪ Minimisation and compensation ▪ Deforestation 		✓ ✓ ✓	✓ ✓ ✓
SOCIAL	Employment	<ul style="list-style-type: none"> ▪ Job creation ▪ Diversity ▪ Representation of workers ▪ Working conditions ▪ Management of complaints and grievances 	✓ ✓ ✓ ✓ ✓	✓ ✓ ✓ ✓ ✓	✓ ✓ ✓ ✓ ✓
	Safety	<ul style="list-style-type: none"> ▪ Safety procedures and programmes ▪ Results in terms of safety for workers and users ▪ Procurement procedure 	✓ ✓	✓ ✓ ✓	✓ ✓ ✓
	Economic and social impact	<ul style="list-style-type: none"> ▪ Impact on local employment and the economy ▪ Questions from stakeholders (employees, unions, suppliers, neighbouring populations, etc.) ▪ Relations with local development and support actors 	✓ ✓	✓ ✓ ✓	✓ ✓ ✓
GOVERNANCE	Management	<ul style="list-style-type: none"> ▪ Stakeholder involvement 	✓	✓	✓
	Compliance	<ul style="list-style-type: none"> ▪ Certifications / labels ▪ Compliance with laws and regulation ▪ Sanctions / penalties ▪ ESG policy and procedures of partners 	✓ ✓ ✓	✓ ✓ ✓	✓ ✓ ✓

GOVERNANCE STRUCTURE

To ensure that sustainability topics are represented at senior management level, we have established a steering group, which includes our Co-CEOs and dedicated professionals. This group is leading our efforts to embrace the principles of sustainable investing as well as corporate responsibility, continually reviewing and enhancing our framework and contributing to industry discourse and thought leadership on these matters.

Executive Management, represented by the Co-CEOs in the steering group, is responsible for approving the sustainability strategy including plans, targets and performance indicators and, together with the Board of Directors, sets the direction ahead.

TRAINING

Sustainability is an integral part of our annual employee survey. Results from the survey confirm that most of our employees care about ESG issues and place great value on working in an organisation that is committed to fighting climate change and which contributes to global sustainability goals. This support is vital and engagement by employees at all levels of the company facilitates adequate governance across our activities.

Our employees are required to participate in sustainability training at least annually which consists of an update on the latest ESG considerations, best practice and lessons learned. The training content may vary based on employees' role profiles – and beyond the mandatory sessions, we aim to provide additional workshops on specific areas of interest. Finally, our sustainability culture plays a vital role in our hiring, onboarding and performance management processes.

MONITORING & REPORTING ON PROGRESS

We provide transparency to our stakeholders – including employees, shareholders and clients – by reporting on our progress towards key sustainability metrics on a regular basis, e.g. through:

- Quarterly reports to clients
- Annual certification of CO₂ savings
- TCFD reporting
- Annual sustainability report to stakeholders
- PRI reporting (annually)
- UN Global Compact reporting (annually)

As we are committed to reflecting the changing needs of our stakeholders, we continuously review and recalibrate our sustainability framework based on regular interaction and engagement.