EOS Investment Management Group

ESG Policy
Clean Energy Strategy

Policy Relating to Resource Usage & Management

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1. Purpose

This Policy supports the EOS IM Group overarching ESG Policy.

The purpose of this Policy is to outline the approach to be taken by EOS IM in relation to Clean Energy various aspects at the Portfolio Company level in relation to the utilisation of resources, emissions as a biproducts of the activity e.g., waste and greenhouse gases and for products used. It is recognised that the types and levels of consumption, output and products used will vary over the various stages of the lifecycle of each company (solar plants). The stages being:

i) Development / Pre-construction (including sourcing and authorisation)
ii) Construction (including design)
iii) Operation
iv) Divestment / Decommissioning

This Policy will be supplemented by procedures to be followed by EOS IM and parties appointed at the various stages to support the investment.

2. Resource, Emissions & Products

The key areas considered by this Policy are:

Resource Consumption & Management

- Energy
- Water

Emissions / Waste

- Greenhouse gas
- Waste management and Biproducts of activity

Products

- Materials
- Manufacture
- Installation
- Recycling

3. Stages and Impact

The stages of the lifecycle will have different levels of impact, as summarised below.

Phase	Utilisation
Development / Pre-Construction	Impact - Minimal utilisation of resources and emissions/waste Generation of resources - Nil
Construction	Impact – Maximum level of impact across the lifecycle, requiring the combination of materials and construction activities. The activity will create requirements for resources and emissions in the manufacture of the solar panels, trackers, inverters, and other products required for the solar plant to function. The transportation to the site and the construction will require resources and create emissions. Generation of resources – Contribution to the local community and wider business environment through employment and other generative activities as part of construction. This provides also indirect positive financial impacts, in addition to the direct contributions, such as local infrastructure and money flows to support the local economy (e.g., hospitality sector).
Operation	Impact – The solar plants will require a minimal resource consumption to operate, e.g., personnel to perform maintenance, security, and transportation of personnel to perform maintenance. Emissions - The solar plants will generate minimal emissions when operating Generation of resources – The solar plant will be a significant net generator of energy, during the operational hours.
Divestment	In the event that the plants are divested, prior to decommissioning, the solar plants will continue as per the Operation stage.
Decommissioning	Impact – The decommissioning stage will be the second most intense stage in terms of resource consumption. Provided the construction design and the materials used are appropriate, the emissions impact should be minimal. Materials should be largely recyclable. During the

	decommissioning phase, the design and methodology is required to have a reduced environmental impact on the land, habitats, and minimised required energy consumption. Generation – Nil

4. Addressing and Minimising Impacts

EOS IM to address the ESG impacts has adopted the following approach.

4.1 Baseline Requirements

In order for an investment to be approved, it must meet the baseline requirements related to ESG.

4.1.1 Power Plant Authorisation / Permitting Process

In order to obtain the authorisation and relevant permits required to build and operate the solar plants, the application process includes the consideration and confirmation of various ESG topics. In particular, for the permit and authorisation to be granted, the process requires the applicant to provide evidence that the project will meet criteria concerning:

- baseline environmental and social conditions of the planned construction
- endangered species and sensitive ecosystems
- pollution prevention
- cumulative impacts of existing projects
- socio-economic impacts
- protection of cultural property
- health, safety, and security.

Each of this topic is required to be specifically analysed, evaluated, and satisfactorily addressed as part of the assessment performed by the independent public authorities before the granting of permits and authorisations.

These requirements, therefore, are to form part of the investment assessment in determining if project is to be progressed.

4.1.2 Due Diligence

The Investment Policy requirement is for the independent due diligence reports to be provided and for there to be no material issues, which the project is unable to address.

a) ESG Due Diligence

As part of the overarching due diligence requirements, all projects require ESG Due Diligence assessments by independent external experts, to confirm the inclusion of the requirements set out under the authorisation and permitting processes, as well as adherence to the EU Directive standards. Investments by the Fund are restricted to EU jurisdictions and therefore the EU Directive standards are mandatory as part of the investment process.

The minimum ESG Due diligence standards will include, aligned with the European Investment Bank standards and the "IFC Equator Principles":

- Environmental Impact Assessment
- Planning permission
- Environmental and social management system requirements
- Stakeholder engagement
- Grievance mechanism
- Independent monitoring and reporting programme
- Reporting & transparency

b) Technical Due Diligence

As part of the overarching due diligence requirements, all projects require Technical Due Diligence assessments by independent external experts, to confirm the inclusion of the requirements set out to construct the project, including the competency of the key contractors to deliver the construction (build and parts), meeting the required specifications (including additional requirements set by the relevant authorities e.g. arising from the Environmental Impact Assessment). The delivery of a project which meets the requirements including ESG being a baseline requirement.

4.2 ESG Operational Requirements during Phases of Investment

The management of the key areas topics to be addressed include the following requirements.

4.2.1 Energy Consumption / Management

Clean energy plants both generate and utilise energy, during their lifecycle. The primary objective of the investments is to generate clean energy, reducing the carbon footprint of consumption, which at the same time creating an economic return.

During the Development / Pre-construction phase there is minimal utilisation, except for travel to potential locations. There are no specific measures taken to reduce consumption except for encouraging travel to be kept to a minimum.

During the Construction phase the key actions to reduce and manage energy consumption should include:

- Design: To be efficient to construct, reducing overall time and resource required. To incorporate the future requirements for decommissioning, in a manner that is effective to reduce ESG impact across all areas.

- Purchasing: To use reputable major suppliers with an ESG approach, to purchase materials, in a manner designed to have lower manufacturing impacts, long term life, recyclability and strong ratios for productivity to reduce the offsets against energy consumption during construction and decommissioning.

- Installation: To be carefully planned and monitored in a manner designed to make the construction efficient. Thus, minimising time and energy consumption requirements.

- Energy consumption: to be minimised using where applicable self-powered offices equipped with PV panels installed on the roof

- Local Companies: Where feasibly local companies will be utilised and local human resource, reducing energy consumption arising from travel.

During the Operation, the solar plant will be a significant generator of clean energy. Only minimal consumption of energy is required to operate the facilities and support maintenance (e.g., security cameras, monitoring system, etc.).

During Divestment (if occurs prior to decommissioning), the status is the same as for the Operation phase.

During the Decommissioning phase, the solar plant will be a consumer of energy, having ceased its generating function. The solar plants are constructed in a manner that during the decommissioning phase has a reduced environmental impact on the land, habitats, enhanced recyclability of materials and minimised required energy consumption. In this phase, the key actions to reduce and manage energy consumption should include:

- Design: At construction, the design is to specifically take into account the efficiency at decommissioning, reducing overall time and resource required. Through the incorporation of the future requirements for decommissioning, it is intended to effectively to reduce ESG impact across all areas and the energy consumption required to return the land to the appropriate standards.

- Purchasing: Through the original purchasing methodology the materials are required to have a high level of recyclability, linked to the efficient removal.

- De-construction: To be carefully planned and monitored in a manner designed to make the de-construction and land reclamation energy efficient. Thus, minimising time and energy consumption requirements.

- Local Companies: Where feasibly local companies will be utilised and local human resource, reducing energy consumption arising from travel

The solar plants are constructed in a manner that during the decommissioning phase, has a reduced environmental impact on the land, habitats, enhanced recyclability of materials and minimised required energy consumption.

4.2.2 Water Consumption & Management

In addition to the legal requirements related to managing and protecting water supplies, the ESG approach is in overarching terms to (i) minimise water consumption, (ii) reduce wastage and (iii) prevent pollution and contaminants.

Aligned generally with energy consumption, the primary areas of consumption will be during the manufacturing, construction, and de-commissioning phases. The same key approaches are taken in relation effective design, planning and usage.

Usage will be monitored to assist in the management of the resource.

It is anticipated that the building, operation and decommissioning of the solar plants will draw upon the local water supplies. Thus, the local area will not be significantly impacted by the water consumption from the solar plant at other times. The design, planning and implementation for the construction and decommissioning are to take this into account, using techniques to manage consumption, reduce wastage, manage the potential for pollution and contamination. In addition to always meet the required national and local regulations and consent requirements.

These techniques include but are not limited to the management of the abstraction of the water, filtration/extraction/settlement treatment, appropriate drainage facilities being established, control of storage and discharging of water and other chemicals, water run-off assessments, avoidance of spillages and the use of chemicals which are potential pollutants, appropriate disposal of such contaminants.

4.2.3 Green House Gas Emissions and Management

Aligned with the energy consumption the GHG emissions primarily arise from the manufacture of the components, construction, and decommissioning. During the operational phase of the investment, the solar plants, through their energy generation will result in them being net reducers of GHG emissions.

The Policy is to reduce the impact of GHG emissions during the manufacturing stage thorough the purchasing policy, using major suppliers with ESG policies and long-lasting efficient components. This is to minimise the impact of the GHG emissions over the lifetime of the solar plant and when compared the electricity levels generated per PV unit.

The impact during the construction phase is to be managed through the efficiently planned programme and the application of effective construction techniques.

During the decommissioning stage, the impact is reduced and managed through the methodology used for the construction to ease removal (with minimised impact to the landscape) and the use of PV panels which can be recycled efficiently.

Usage will be assessed and estimated to assist in the management of the resource.

4.2.4 Waste Management

Waste is considered to be any substance or object which the holder intends to discard or is required to discard.

Aligned generally with energy consumption, the primary periods when waste management requirements are at the highest will be during the manufacturing, construction and decommissioning phases, including the manufacture of the products to be used in the construction of the solar plant. The same key approaches are taken in relation effective design, planning and usage.

The objective is for the actions required at these phases to: (i) eliminate through design, (ii) reduce through planned minimisation techniques, (iii) reuse materials, (iv) recycle / recover waste and (v) safely dispose of waste.

The impact during the manufacturing stage is reduced thorough the purchasing policy, using major suppliers with ESG policies and manage waste ethically.

The policy requires that waste management is handled appropriately, avoiding and preventing material impacts on the flora and fauna, local habitats, landscape and local community. Contractors during the construction phase are required to operate in a manner to maintain manageable levels of waste, appropriately stored on-site, prevent spillage, avoid scenarios such as wind-blown solid wastes and to manage the recycling and safe removal of waste by certified contractors.

Particular care is to be taken in relation to identifying and restricting the usage of materials which will give rise to hazardous waste. The handling of such waste being managed appropriately in a manner designed to ensure appropriate handling and/or other potential issues that may arise.

Usage will be monitored and documented to assist in the management of the resource.

4.2.5 Other Emissions

During the Construction and Decommissioning phase, the activities will give rise to other forms of emissions such as dust, emissions (other than GHG), odours, noise and light. Depending upon the location of the site, the impact of these emissions may vary on the local community and area. The objective is to minimise the impact and amount of such emissions.

The primary methodology for the prevention of such issues is through the same key approaches that are taken in relation effective design, planning and usage.

Techniques to be applied will include but not be limited to dust suppression through considered location of site stores, location of travel routes, application of reduce speeds of vehicles, damping down dust with water, use of efficient machinery to reduce emissions, location of lighting

Other emissions will be monitored and documented to assist in the management of the resource.

4.2.6 Products, including Components and Building Materials

When procuring materials for the construction, installation and operation of the solar plant, there is a requirement to consider both the suppliers and the materials. This is designed to ensure that they both meet the criteria for the project in terms of deliverability, functionality and ESG.

The purchase policy for the major supplies including solar panels, tracker and inverters, requires the selected suppliers to be included within the technical due diligence. Suppliers being selected with a sound reputation and professional approach to manufacturing the products in accordance with the appropriate legal requirements. Major suppliers will be required to have an established an ESG approach. The assessment is intended and designed to consider significant social factors such as the prohibition of dealing with companies which breach the requirements to prevent modern day slavery.

Materials are to be subject to assessment, covering areas such as but not limited to: (i) sourcing, (ii) sustainability, (iii) nature of materials (e.g. toxicity), (iv) ability to efficiently use the materials, (v) longevity, (vi) recyclability and (vii) disposal (when required).

A key requirement is to prevent the usage of prohibited substances, reduce usage of advisory substances (are not banned, but prefer not to use) and use preferred substances. Where feasible materials which are recyclable will be used, maintaining the longer term ESG viability of the solar plant.

The purchase policy for the major supplies including solar panels, tracker, and inverters, requires the selected suppliers to be included within the technical due diligence. The efficiency of installation reducing the resourcing usage, in addition to the effectiveness of the construction of the solar plant.

The careful planning for each stage of the construction will include the assessment of materials, to avoid situations of over or mis-ordering, which may lead to unnecessary wastage. This is managed by the contractor and is part of the contractor obligations.

The materials will be assessed against the criteria set for each project, to assist in the management of the resource.

5. Change Management & Policy Review

This Policy will be subject to review on at least a yearly basis unless an amendment is required sooner. All material changes to the Policy are to be approved by the EOS IM Board.