



Impact and Environmental, Social and Governance (ESG) Policy

Effective Date: October 2023

Impact and ESG Management

As venture investors, Braemar Energy Ventures (“Braemar”) is heavily focused on what transformative growth in our assets will mean for Environmental, Social and Governance (“ESG”) risk management over time. Given that ESG risks and opportunities can look very different across periods of investment and divestment, it is through this lens that we train our investment teams on these issues and guide our outside advisors that may be employed to evaluate them. In addition to maximizing impact, we focus on opportunities where we believe we can improve ESG performance to produce meaningful outcomes and deliver double bottom-line (i.e., economical and societal) benefit. Importantly, in implementing this ESG and Impact Policy, we are committed to integrating the consideration of material ESG factors into investment due diligence and company engagement processes, where appropriate and consistent with our fiduciary duty.

Purpose, Scope and Application

This ESG and Impact Policy (“Policy”) defines the approach for Braemar to integrate ESG risks and opportunities into the investment process and identifies roles and responsibilities associated with implementation of this approach.

Braemar’s Investment Committee materials include a section on ESG risks and opportunities and our ESG due diligence informs the actions we take while working with acquired companies. We are committed to measuring and reporting the impact of our efforts in a manner that is transparent and leverages existing proven frameworks. Determination of materiality draws upon guidance from the Sustainability Accounting Standards Board (“SASB”) materiality map and industry standards, as well as consideration of the company’s sector and operating geography.

ESG Integration

Pre-investment due diligence

During due diligence, we assess ESG issues to identify both material risks and opportunities. This process can include key issues we expect all investments to assess for relevance (such as those related to antibribery and corruption risks, anti-money laundering procedures, environmental and health and safety issues, forced and child labor, modern slavery and other labor and human rights issues) as well as issues that are bespoke to certain sectors and business models. Following transaction closure, we integrate diligence findings into our investment management and

monitoring processes (including integration post-close implementation planning). In general, our due diligence activities cover these ESG factors, but are not limited to the following:

Environmental factors

- Energy and resource management
- Hazardous waste management
- Air quality
- GHG emissions
- Ecological impacts of project development
- Physical impacts of climate change

Social factors

- Employee wellness
- Employee health and safety
- Product safety and customer welfare
- Employee diversity, equity, and inclusion
- Data privacy and security
- Human rights

Governance factors

- Business Ethics
- Compliance with ESG related regulation

We invest in leading companies where financial performance and positive societal impact are aligned with three sustainability-related outcomes. By leaning into these themes, we believe that we can create value for our investors and meaningfully scale solutions to some of the world's biggest challenges as identified by the United Nation Sustainable Development Goals (“UN SDGs”)

Sustainability-related outcomes, per UN SDGs

- SDG 7: Affordable and Clean Energy
- SDG 9: Industry, Innovation, and Infrastructure
- SDG 11: Sustainable Cities and Communities
- SDG 12: Responsible Consumption and Production
- SDG 13: Climate Action

Approach to human rights

Braemar’s core investments are focused on enterprises located in North America and Europe. Nonetheless, we recognize that these companies may engage in the sourcing of materials or the sale of products on a global scale. In line with our ESG policy, we are committed to addressing the broader implications of these global operations. We recognize that our operations and decisions have far-reaching implications for individuals, both within our organization and throughout our value chain. As such, we have embraced a comprehensive human rights approach that guides our

actions and decisions. This approach entails specific screenings for risks of human rights violations as part of its ESG risk assessment. Braemar assesses risks to determine whether human rights is a material risk factor for a particular investment, using the following data points:

Country risk:

- 1) Freedom House Global Freedom Scores
- 2) International Trade Union Confederation (ITUC) Global Rights Index

Sector/commodity/thematic risk: Screening based on-

- 1) U.S. Department of Labor List of Goods Produced by Child Labor or Forced Labor
- 2) Companies that fall into the high-risk sector, commodity, or thematic risk areas of: Agriculture, minerals and extractives sector, textile, garment, and footwear sector¹

Company risk: Review of human rights performance of any companies included in the Corporate Human Rights Benchmark (CHRB).

Where Braemar finds that there is an elevated level of human rights violations due to country, sector/commodity, or company-specific risks, it will conduct a deeper level of diligence to better understand the company's management of such risks in line with the UN Guiding Principles for Business and Human Rights. This includes whether the company has a human rights policy, a process for human rights due diligence that is commensurate with the scale of its business and severity of risk, and appropriate mechanisms to provide access to remedy in the event that human rights violations occur.

Approach to exclusions

Braemar's strategy is to invest in clean energy technology solutions and services. As such, we do not believe that it aligns either with our strategy or indeed our own interests (or those of our investors) to make investments in companies which derive revenue from antithetical pursuits, such as involvement in controversial weapons, civilian firearms, fossil fuel production, or companies that have violations of labor rights, human rights, anticorruption, or environmental standards as defined by the U.N. Global Compact principles.* In addition, where we identify any serious ESG issues during our due diligence process we will generally decline to invest, unless we believe that the issues have been or are capable of being remedied, and there is a plan in place to remedy the issues within a reasonable period of time.

**For more information, see United Nations Global Compact, 2020. The Ten Principles of the UN Global Compact at <https://unglobalcompact.org/what-is-gc/mission/principles%20%20>*

¹ Sectors for which OECD has developed sector-specific guidance due to heightened risk.

Measuring impact - Reporting and Disclosure

We expect our portfolio companies to regularly evaluate progress on and refine their ESG and impact objectives, as well as report on material ESG and impact issues periodically, both at the board level and to Braemar. To facilitate this, we work with our portfolio companies to identify key ESG and impact metrics to track and advise the most efficient method for tracking. We, in turn, make regular reports on ESG and impact activities and strategies, results and progress, to our advisory committees and other stakeholders.

Governance

Braemar aims to create accountability within our organization and provide transparency to our clients regarding our approach to ESG and impact. Day to day implementation of our ESG and Impact program is led by our ESG and Impact Lead and Managing Partner, who review all aspects of the ESG and Impact program and are responsible for verifying internal compliance with our ESG and Impact policy. The ESG and Impact Team includes an executive leader of the firm, who sits on the investment committee, and plays an advisory role with Braemar deal professionals if potential ethical conflicts arise in sourcing and diligence. Although ESG leadership sits with the ESG Lead, accountability for the implementation and success of the ESG and Impact program is shared by each of our investment partners.

Transparency and Reporting

Braemar will share information on relevant and/or material ESG topics with its investors, where applicable and upon request.

Update and Revision

This policy is effective from December 15, 2020, and we will seek to apply it to our activities from that date. The policy was last updated on October 30, 2023. It represents a statement of intent and is not intended to create legally enforceable obligations.

Disclaimer

This ESG and Impact Policy applies to all investments considered and managed by the deal professionals, to the extent practicable and in accordance with Braemar's fiduciary duties and investment mandates. No specific ESG consideration, risk or factor will be determinative in the due diligence and investment decision-making process. Braemar in its sole discretion may periodically update or change the process for conducting its ESG assessment and implementation of this policy.

Owner of Policy: Braemar ESG and Impact Team
Date of Last Review: April 2024
Date of Next Review: April 2025