



Environmental, Social, and Governance Policy
Effective Date: December 2020

At Braemar Energy Ventures (BEV), we believe in the value of responsible investing. We are an energy and sustainable technology investor focused primarily on venture- and expansion-stage companies with superior technologies and business processes, experienced management, and the potential for substantial capital appreciation. We think that environmental, social, and governance (ESG) factors are materially relevant to our investments, and as such, we use ESG to guide the way in which we evaluate investment opportunities and act as owners of our portfolio companies. We are a signatory to the Principles for Responsible Investing (PRI), and we align with their six Principles in the approach we take to managing ESG across our business. In addition to this, BEV's ESG Policy and underlying procedures are also informed significantly by our support of the recommendations of the Task Force on Climate Related Financial Disclosures (TCFD) and the Paris Agreement.

We aim to deliver superior risk-adjusted returns to our investors, which we believe our approach to responsible investment enhances. We therefore consider ESG issues throughout the investment and divestment process: in our review of investment opportunities, during due diligence, in the course of monitoring our portfolio company investments, in our exit preparations, and in our interactions with senior management generally. Our representatives typically serve on the boards of our portfolio companies, enhancing our ability to influence their approach to ESG and to monitor their performance, and we look to report performance as relevant to our stakeholders. Our ESG program helps us and our portfolio companies to measure, manage and mitigate risks, promote sustainability, improve operating efficiency, reduce environmental impacts, and build more valuable businesses.

ESG Exclusions

We do not believe that it is in our own interests, or those of our investors, to make investments in companies principally engaged in the manufacture, distribution or sale of arms, ammunition, or tobacco products, nor in companies that generate significant revenues from gambling or pornography. 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.

Investment Analysis and Decision-Making

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 anti-bribery and corruption risks, anti-money laundering procedures, environmental and health and safety issues, forced and child labor, and other labor and human rights issues) as well as other issues 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:

- Environmental
 - Energy and resource management
 - Hazardous waste management

- Social
 - Employee wellness
 - Product safety and customer welfare
- Governance
 - Business Ethics
 - Compliance with ESG related regulation
 - Data privacy and security
- Sustainability-related outcomes
 - Investment aspects related to the UN Sustainable Development Goals (SDGs)

As venture investors, we are heavily focused on what transformative growth in our assets will mean for 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. Our 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.

Asset Ownership

As is typical in venture investing, we are an active owner of our portfolio companies, and, through the participation of BEV representatives on company boards, we encourage best practices in ESG and corporate governance more broadly. As active investors, we take seriously our commitment to corporate responsibility and transparency and strive to account for these considerations wherever consistent with the fiduciary duty that we owe to our limited partners, and our investment objectives are aligned with this. We promote effective portfolio company boards whose role explicitly includes monitoring and managing relevant ESG risks and opportunities, including oversight of appropriate policies. At a minimum, the board is expected to consider anti-bribery and corruption risks, anti-money laundering procedures, environmental and health and safety issues, forced and child labor, and other relevant labor and human rights issues. We recognize that these issues present themselves in different ways across our portfolio companies and in various stages of growth, but believe that a portfolio-wide approach can be coupled with company-specific initiatives for maximum impact. As such, we will assist the boards of each company to assess and address additional ESG issues beyond these, as relevant for each company.

Reporting and Disclosure

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

Accountability and Transparency

BEV aims to create accountability within our organization and provide transparency to our clients regarding our approach to ESG. Day to day implementation of our ESG program is led by our ESG Lead, who reviews all aspects of the ESG program and is responsible for verifying internal compliance with our ESG policy. The ESG Lead is an executive leader of the firm, sits on the investment committee, and plays an advisory role with BEV deal professionals if ever 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 program is shared by each of our investment partners.

Update and Revision

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

Owner of Policy: Braemar ESG Lead
Date of Last Review: November 2019
Date of Next Review: November 2021