

Responsible Investment Policy

Everwood Capital, S.G.E.I.C., S.A.



<i>Approval</i>		<i>Reviews and amendments</i>	
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Introduction and purpose

Everwood Capital, S.G.E.I.C., S.A. (hereafter referred to as “**Everwood**” or “**the firm**”) is a leading investment management firm in the field of renewable energy, with complementary investments in private equity in transport and logistics.

As a managing company of several funds focused on the acquisition of renewable energy assets, Everwood believes in its contribution towards a low carbon economy and is committed on doing so through the promotion and implementation of responsible investment practices. In this context, Everwood became a signatory of the United Nations Principles for Responsible Investment (UN PRI) in 2017, recognizing the importance of incorporating non-financial aspects such as environmental, social and corporate governance (ESG) in all its investment decisions.

Accordingly, this Responsible Investment Policy (hereafter referred to as “**the Policy**”) formalises Everwood’s commitment to implement a responsible approach to the investment cycle and the management of its own operations through the consideration of environmental, social and governance (ESG) factors. The firm’s investment strategy, focusing on the acquisition of renewable energy assets, is key to achieving its ambition to contribute to the attainment of the United Nations Sustainable Development Goals (SDGs). In this context, this Policy further provides a framework for the activities undertaken during the entire investment cycle to ensure the accomplishment of its responsible investment commitment.

By putting into practice this Policy, Everwood firmly believes that its approach to responsible investment not only creates sustainable value for its investors, but also aligns its strategy to the needs of the society as a whole.

In this regard, Everwood integrates sustainability risks into its investment decisions. In compliance with its transparency obligations towards its investors and other stakeholders, the details on the policy of incorporating these risks required by Article 3 of the Regulation are described in this Responsible Investment Policy.

Everwood considers the Principal Adverse Impacts on Sustainability Factors (PIAS) in its investment decisions within the meaning of Article 4.1. of the Regulation. Identifying and quantifying the principal adverse sustainability impacts of the Fund's investments are vital in assessing whether the investment is realising significant harm to any other environmental or social objectives. Accordingly, principal Adverse Impacts are calculated annually to monitor the evolution of negative impacts generated by the Fund's investments.

Everwood's Remuneration Policy includes information on the consistency of the remuneration system with the integration of sustainability risks, as established in Article 5 of the Regulation.

This Policy has been approved by Everwood’s ESG Committee and is distributed to all directors and employees on an annual basis. Additionally, the firm internally reviews and amends the Policy on a regular basis to ensure it is aligned with the provisions established by the firm, both at a strategic and operational level, and the requirements or recommendations issued by regulatory bodies or any other competent authority.

Policy scope

The scope of this Policy takes into account Everwood’s entire investment cycle, from the pre-investment to the exit phase, and includes all Everwood’s funds and investment processes. While this Policy is

applicable to all the firm's employees, Everwood also ensures that all subcontractors are aligned with the same values.

With regards the Everwood's investment strategies, it is acknowledged that, while the principles followed to integrate ESG are consistent across all funds, the materiality of some specific ESG factors being considered during the investment cycle may vary according to the investment sector. Therefore, given that Everwood's investment strategy focuses on the acquisition of renewable energy assets with minor investments in real estate and private equity, the ESG factors will be determined according to their relevance in each sector.

Investment framework and commitment

Everwood's responsible investment framework is based on existing internal guidelines that constitute the minimum applicable standards to ensure an honest and ethical conduct among all employees and activities of the firm. Some of these internal guidelines include Everwood's Management Regulations, the Conflict of Interest Management Policy and the Manual for Prevention of Money Laundering.

Moreover, and aligned with the firm's commitment as a Signatory of the UN PRI, the framework of the present Policy considers the six principles of responsible investment established by the international body:

- 1 To incorporate ESG issues in every step of our investment process.**
- 2 To be active managers and incorporate ESG issues into our ownership policies and practices.**
- 3 To seek appropriate disclosure on ESG issues by our portfolio companies.**
- 4 To promote acceptance and implementation of the Principles within the investment industry.**
- 5 To work together to enhance our effectiveness in implementing these Principles.**
- 6 To report on our activities and progress towards implementing these Principles.**



Additionally, the Sustainable Development Goals ("SDGs") adopted by the United Nations in 2015 with the aim to combat the challenges facing the world in terms of social, environmental and economic development, are also part of Everwood's guidelines to responsible investment.

Everwood has committed to a responsible investment approach since its foundation through the development of a renewable energy portfolio and incentivizing the adoption of solar energy in Southern

Europe. In this context, the ESG criteria has provided Everwood with a framework to incorporate environmental, social and good governance factors in the decision-making processes, providing a more in-depth investment analysis than that provided by traditional exclusively financial criteria, thus enabling the firm to better manage risks and promote long-term returns. The way in which ESG aspects are incorporated into Everwood's investment cycle is as follows:



Environment:

Aware of the importance of global warming and the potential impacts in society, Everwood's investment strategy seeks to contribute to the fight against climate change through the decarbonisation of the economy. In alignment with its ambition, the firm analyses the environmental impacts and risks of its investment across the whole investment cycle. Additionally, Everwood's activity is not limited to investing, as it also actively promotes the knowledge and use of renewable energies, proving to investors that sustainability and profitability can be complementary objectives.



Social:

Everwood believes that people are a fundamental element of any organisation, representing structures of added value, both for the firm and wider society. Therefore, the firm recognizes the importance of a responsible management of social aspects and is committed to building honest and stable human relations, within a framework of equal opportunities. In this context, Everwood establishes fair and equitable hiring policies ensuring that both employees and third-party subcontractors are hired based on objective factors such as preparation and skills, regardless of personal circumstances. Due to the nature of its investments, Everwood does not only assess the impact on direct employees, but also on the labour and social conditions of the third parties hired, as well as the impact on the local communities in which the activities take place. In this context, the firm puts a special focus on engaging with its communities, establishing communication channels with local actors and ensuring, to the extent possible, that their needs are considered across all the phases of investment.



Governance:

Everwood understands that a sound corporate governance structure of both the management company and the structures of its investments is essential to creating long term value for its stakeholders. Hence, Everwood is responsible for, and committed to, acting at all times in a transparent and honest manner and to maintaining the highest ethical standards during all activities. In addition, through its commitment to incorporate the best governance practices within its management, Everwood relies on external experts for matters related to internal control, data protection policy and anti-money laundering, who help the firm ensure compliance with the legal requirements.

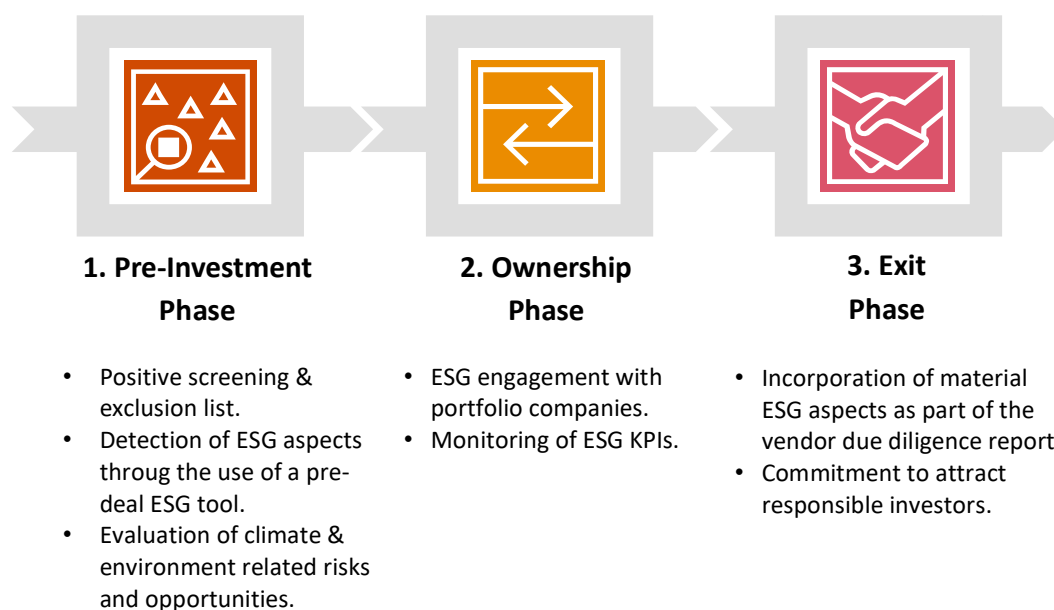
Internal governance structure

Everwood counts with an ESG Committee comprised by top-level managers of the firm that is in charge of supervising and approving the Responsible Investment Policy and is the ultimate responsible for assuring its implementation across the firm. Additionally, the ESG Committee counts with the presence of an external ESG expert who advises Everwood in order to ensure the incorporation of best practices into the firm's responsible investment framework and procedures, including the monitoring of the portfolio's ESG performance and reporting.

Regarding the integration of ESG issues in the investment process, all of Everwood's investment professionals are responsible for assessing and managing these issues during the entire investment cycle. This includes the execution of the reporting and communication commitments. The Investment Committee, through the technical and legal due diligence, is responsible for assessing the ESG issues for every investment considered and ensuring that all investments take into account the principles set by this Policy.

Responsible investment integration in the investment cycle

Everwood's responsible investment approach involves different actions along the entire investment cycle:



1 Pre-Investment Phase



Derived from the investment objective of Everwood's current strategy, focused on renewable energy, the firm counts with a positive screening criteria which defines the set of activities and sectors that will be considered during the pre-investment phase.

Nevertheless, regarding those funds in which the investment objective is not so clear, Everwood, aligned with the list of excluded and restricted activities of the European Investment Bank Group¹, has defined an exclusion list of specific sectors and activities that do not meet the company's investment principles. Among other activities, this list includes companies whose activity involves or is associated with:

1. Direct sale, supply and production of modern weapons or military weapons.
2. The production or distribution of tobacco and tobacco-related products.
3. The production or distribution of alcohol and alcohol-related products.
4. Pornography.
5. Human cloning.
6. Projects which result in limiting people's individual rights and freedom, or violation of human rights.
7. The development and/or implementation of projects unacceptable in environmental and social terms.

In order to assess potential ESG risks and opportunities of each potential investment, Everwood has developed an internal pre-deal ESG tool that will allow the firm to detect relevant ESG issues and make better informed decisions. By integrating specific variables of potential projects (geography, sector, etc.), the tool can identify the main ESG risks (red flags) and opportunities to which it is exposed, allowing Everwood to perform a global comparison between various potential investments from an ESG point of view.

In the case where the pre-deal assessment results in various red-flags, Everwood commits to carry out further analysis to allow for better decision making or ensure proper measures are put in place to prevent potential negative impacts. In this context, the investment team shall include any material ESG risks arising from the pre-deal assessment as part of the Investment Committee Memorandum, ensuring that these are considered through the pre-investment phase.

During the analysis and due diligence of all potential investments, climate and environment related risks and opportunities are carefully examined, and when required, special impact mitigation measures are implemented. Natural hazards are also part of the analysis, such as earthquakes, rains, flooding or strong winds.

¹ The entire list of activities which are not supported by the European Investment Bank Group can be found in the EIB Group Climate Bank Roadmap 2021-2025, in the annex 2 (from page 87): <https://www.eib.org/en/publications/the-eib-group-climate-bank-roadmap>

2 Ownership Phase



Everwood is committed to enhance its investments' sustainable performance by frequently engaging and sharing ESG best practices and insights between its portfolio companies. Additionally, the firm will also promote these actions among its subcontractors, as well as any external party providing a service to the firm.

During the ownership phase, Everwood takes into consideration the results obtained during previous analysis carried out during the pre-investment phase and applies them into the management of its portfolio through the promotion of environmental and social practices. In this regard, Everwood ensures a responsible and efficient use of resources and seeks to create a positive impact in the communities where it operates through the promotion of local employment and engagement with local actors.

As part of its commitment to responsible investment, Everwood will regularly monitor the ESG performance of its investments with the aim to uncover potential opportunities and prevent material issues which could adversely affect the firm and its investments in the future. To the most possible extent, Everwood is committed to carry out further evaluations on issues raised and work together with the portfolio companies to define and implement ESG actions to reverse any potential risk.

For this purpose, the firm has defined a list of specific ESG KPIs which will be monitored on an annual basis with the use of an internal data management tool developed to ensure that data is collected in a proper and homogeneous form. These KPIs reflect the main ESG factors relevant to the firm's activities and are grouped under Climate & Other Environment Related indicators, Social indicators and Governance indicators. Performance data is gathered and reviewed by the relevant investment team and consolidated by Everwood's CFO and controller and revised by the ESG Committee.

Additional KPIs may be added according to each investment's specific characteristics, however, and in alignment with the requirements of the SFDR, at least a minimum of KPIs must be monitored and disclosed as part of Everwoods' investors periodic report and in the corporate website.

3 Exit Phase



The divestment phase of an investment presents an opportunity to highlight the added value obtained through the management of ESG aspects during the previous phases. In this context, Everwood is committed to include material sustainability aspects as part of the vendor due diligence report and any other relevant divestment process documentation.

Furthermore, the firm actively seeks to attract potential investors who positively value the incorporation of ESG management actions during the investment cycle and who are aligned with Everwood's responsible investment principles.

Transparency, communication and reporting

Aligned with the firm's commitment to transparency and responsibility, Everwood will communicate its portfolio's sustainability performance to its Limited Partners through the publication of fund annual reports and/or ESG-specific reports. Further information will also be provided to Everwood's investors on request. As a further commitment to transparency, Everwood is committed to periodically publish the evolution of several KPIs in relation to the ESG performance of its investment portfolio, making it available on the firm's website for the benefit of all Everwood's stakeholders.

Finally, Everwood commits to complying with the European Union's regulation on sustainability-related disclosures in the financial services sector (SFDR), which includes various levels of disclosure at Everwood-level and product-level. Additionally, as a signatory of the UNPRI, Everwood is committed to disclose a Transparency Report on an annual basis, which is also publicly available on their website.

