

Energy Transition Investments (“ETI”)

Definition of Key Messages to be Reported under SFDR

TRILANTIC | EUROPE

Website Product Disclosure

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Entry into force -
1 January 2023

1. Summary

1. Summary

Website section 'Summary' for financial products that promote environmental or social characteristics

Art. 25

- Financial market participants shall summarise all the information contained in the different sections.
- The summary section shall have a maximum length of two sides of A4-sized paper when printed.
- Languages:
 - Home member state (at least one official languages).
 - Host member state (at least one official languages).

The Fund promotes environmental characteristics but does not have as its objective sustainable investment. However, at least 50% of the Fund assets will cover sustainable investments, taking into account PAIs and in alignment with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights to ensure de Do No Significant Harm (DNSH) principle.

The Fund will mainly focus on businesses that have the potential of enabling, directly or indirectly, the energy transition and contributing to climate change mitigation. In that context, ETI has identified a number of verticals that will serve as non-exhaustive guidelines for the Fund's investment focus:

- Clean power
- Energy infrastructure & technology
- Sustainable industry
- Sustainable transport
- Sustainable buildings

Sustainability factors are integrated throughout the investment lifecycle by enabling the identification and management of key sustainability risks, impacts and opportunities arising from investments through the incorporation of additional layers of scrutiny and due diligence in investment analysis-and-decision-making, as well as in risk monitoring. In this context, the Fund relies on thematic criteria, exclusion criteria, valuation criteria and engagement practices to ensure that investments meet the environmental characteristics promoted.

2. No Sustainable Investment Objective

2. No sustainable investment objective

Website section 'No sustainable investment objective' for financial products that promote environmental or social characteristics

Art. 26

- Financial market participants shall insert the following statement: *"This financial product promotes environmental or social characteristics but does not have as its objective sustainable investment"*.
- Where the financial product commits to making one or more **sustainable investments**, explain how the sustainable investment **does not significantly harm** any of the sustainable investment objectives:
 - How PAIs are taken into account
 - The sustainable investment is aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights

This financial product promotes environmental or social characteristics but does not have as its objective sustainable investment.

However, at least 50% of the Fund's assets will cover sustainable investments as defined by Regulation (EU) 2019/2088. In this context, the Fund will pursue a reduction of negative externalities caused by these investments, following the instructions under the principle "Do No Significant Harm". The due diligence process will adhere to responsible business conduct codes and internationally recognised standards for due diligence and reporting, such as the due diligence for responsible business conduct developed by the OECD and the PRI and will be aligned with the Paris Agreement's main goal to make finance flow towards low-carbon technologies and ultimately pursue efforts to limit the temperature increase to 1.5 degrees Celsius above pre-industrial levels.

The indicators used to measure the main adverse impacts will be in line with EU regulations, more specifically with the environmental (GHG emissions, water and waste management) and social (board gender diversity, gender pay gap, etc.) indicators included in the technical development standards of the SFDR (draft RTS SFDR). These indicators may be subject to customization based on the specific characteristics of each target and portfolio company and could be eventually updated in line with the evolving applicable EU legislation and the international best practices in this context.

Information on the PAIs on sustainability factors will be integrated into the periodic information that investors will receive and will be reported to them before June 30, 2023. PAIs will be taken into account to ensure that the investment does not significantly harm any of the sustainable investment objectives.

3. Environmental or Social Characteristics of the Financial Product

3. Environmental or social characteristic of the financial product

Website section 'Environmental or social characteristics of the financial product' for financial products that promote environmental or social characteristics

Art. 27

- Financial market participants shall describe the environmental or social characteristics that the financial products promotes.

The Fund contributes towards the energy transition and will mainly focus on businesses that have the potential of enabling, directly or indirectly, the energy transition and contributing to climate change mitigation. In that context, ETI has identified a number of verticals that will serve as non-exhaustive guidelines for the Fund's investment focus:

- ▶ Clean power
- ▶ Energy infrastructure & technology
- ▶ Sustainable industry
- ▶ Sustainable transport
- ▶ Sustainable buildings

Focusing on these verticals enables the contribution to the achievement of at least two specific UN Sustainable Development Goals (SDGs) as defined by the 2030 Agenda for Sustainable Development:

Goal 7: Affordable and Clean Energy. Particularly, the Fund is aligned with the following targets under ODS 7:

- ▶ 7.2: By 2030, increase substantially the share of renewable energy in the global energy mix. To measure contribution towards this objective, the Fund will rely on the following indicator : renewable energy share in the total final energy consumption

Goal 13: Climate Action. Particularly, the Fund is aligned with the following targets under ODS 13:

- ▶ 13.1: Integrate climate change measures into national policies, strategies, and planning. To measure contribution towards this objective, the Fund will rely on the following indicator: total greenhouse gas emissions per year.

However, the Fund does not exclude the possibility of contributing towards the achievement of other SDGs in the future, as new investments are made.

4. Investment Strategy

4. Investment strategy

Website section 'Investment strategy' for financial products that promote environmental or social characteristics

Art. 28

- Financial market participants shall describe the following:
 - (a) the **investment strategy** used to meet the environmental or social characteristics promoted by the financial product;
 - (b) the **policy to assess good governance practices** of the investee companies, including with respect to sound management structures, employee relations, remuneration of staff and tax compliance.

The **investment strategy** followed to meet the environmental or social characteristics promoted by the financial product is thoroughly explained in the Fund's ESG Policy (insert link) and mainly relies on:

- **Thematic criteria:** the Fund will mainly focus on businesses that have the potential of enabling the energy transition;
- **Exclusion criteria:** The Fund will not invest in any illegal or controversial sectors, or in business models that do not comply with (i) the OECD Guidelines for Multinational Enterprises, or (ii) the United Nations Guiding Principles on Business and Human Rights
- **Valued criteria:** an adequate performance against ESG indicators such as the reduction in GHG emissions, the use of renewable energies, the responsible consumption of water resources or the implementation of diversity and labour inclusion policies will be positively valued.
- **Engagement:** The Fund will engage in constructive dialogue with portfolio companies in line with its Engagement Policy to help them drive timely implementation of ESG considerations.

Additionally, the following measures are currently in place at the Fund level to assess **portfolio companies' good governance practices**:

- Review compliance by the portfolio company with applicable local and national laws;
- Review/establish as appropriate anti-corruption practices, including extortion and bribery;
- Establish a proper decision-making board of directors that acts in the best interest of the company, including appointment of independent directors, as appropriate;
- Review/establish as appropriate the portfolio company's policy on disclosure and transparency with relevant stakeholders; and
- Ensure portfolio company's diligent and transparent cooperation with regulatory and supervisory authorities.
- Review the remuneration policy of the invested company.
- Ensure compliance with tax obligations

5. Proportion of Investments

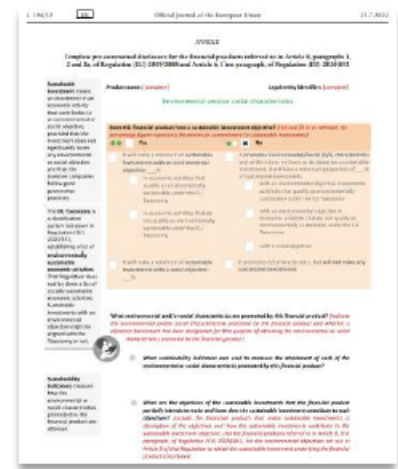
5. Proportion of investments

Website section 'Proportion of investments' for financial products that promote environmental or social characteristics

Art. 29

- Financial market participants shall insert the information referred to **'Pre-contractual information'**

As we have highlighted above, the Fund promotes environmental features, but does not have sustainable investment as an objective. Nevertheless, at least 50% of the Fund's assets will cover sustainable investments as defined by Regulation (EU) 2019/2088, whereas the rest of the Fund's assets may target investments that promote other environmental and social (E/S) characteristics that do not necessarily qualify as sustainable investments.



Attach the pre-contractual disclosure following the previous statement

6. Monitoring of Environmental or Social Characteristics

6. Monitoring of environmental or social characteristics

Website section 'Monitoring of environmental or social characteristics' for financial products that promote environmental or social characteristics

Art. 30

- Financial market participants shall describe how the environmental or social characteristics promoted by the financial product and the sustainability indicators used to measure the attainment of each of those environmental or social characteristics promoted by the financial product are monitored throughout the lifecycle of the financial product and the related internal or external control mechanisms.

The investment team will monitor portfolio companies on a regular basis to ensure that ESG factors are being managed as agreed at investment stage and that guidance provided during continuous engagement is being effectively implemented in order to attain its objective of enabling the energy transition.

7. Methodologies for Environmental or Social Characteristics

7, Methodologies for environmental or social characteristics

Website section 'Methodologies for environmental or social characteristics' for financial products that promote environmental or social characteristics

Art. 31

- Financial market participants shall describe the methodologies to measure how the social or environmental characteristics promoted by the financial product are met.

The team will define specific or portfolio-wide indicators building upon the ones identified during the due diligence process and keep track of the performance of portfolio companies against them.

8. Data Sources and Processing

8. Data sources and processing

Website section 'Data sources and processing' for financial products that promote environmental or social characteristics

Art. 32

- Financial market participants shall describe all of the following:
 - (a) the data sources used to attain each of the environmental or social characteristics promoted by the financial product;
 - (b) the measures taken to ensure data quality;
 - (c) how data are processed;
 - (d) the proportion of data that are estimated.

To conduct ESG analysis and evaluation and measure compliance with the environmental or social characteristics promoted through this Fund and the sustainable investments made, Trilantic may use its own methodology together with third-party tools and support to process and analyse information provided by the companies in the investment pipeline (Non-Financial and Sustainability Reports, Balance Sheet, Annual Accounts, Cash Flow Statement) as well, as other publicly available data from external providers that is deemed relevant.

9. Limitations to Methodologies and Data

9. Limitations to methodologies and data

Website section 'Limitations to methodologies and data' for financial products that promote environmental or social characteristics

Art. 33

- Financial market participants shall describe all of the following:
 - (a) any limitations to the methodologies and to the data sources referred before;
 - (b) how such limitations do not affect how the environmental or social characteristics promoted by the financial product are met.

The sustainability reporting regulation is continuously evolving and requires the adaptation of measurement and systems by companies. That's why some companies don't have all the necessary information, but it's part of our strategy to help them develop the right systems to report it.

10. Due Diligence

10. Due diligence

Website section 'Due diligence' for financial products that promote environmental or social characteristics

Art. 34

- Financial market participants shall describe the **due diligence** carried out on the underlying assets of the financial product, including the internal and external controls on that due diligence.

Trilantic will build upon the work done during the screening and categorization phase to conduct a detailed company deep dive and obtain a full understanding of relevant ESG risks, opportunities, and adverse impacts. The company deep dive's approach will be tailored to the industry sector, geographical region, and business model of the target company. Key findings on sustainability considerations which have been identified during the investment's evaluation will aim to be discussed with the management of the target company.

During this phase, the investment team will also assess target companies' commitment, capacity, and track record in terms of ESG standards and expected performance. When material ESG issues are identified, they may be included in discussions with the Investment Advisory Board of the Fund.

In the Fund's view, sustainability risks, if they occur, may cause an actual or potential material negative impact on the value of the relevant investment and hence the Fund's portfolio. ESG risks identified during the due diligence and structuring processes must often be validated post-acquisition with full access to the company resources to prepare an action plan and where relevant, the development and potential mitigation of those risks. This will be done in the upcoming stages of the investment process: investment decision and ownership phase.

11. Engagement Policies

11. Engagement policies

Website section 'Engagement policies' for financial products that promote environmental or social characteristics

Art. 35

- Financial market participants shall describe the **engagement policies implemented** where engagement is part of the environmental or social investment strategy, including any management procedures applicable to sustainability-related controversies in investee companies.

Please, direct to the following website ([link](#)) to find further information about our Engagement Policy, which contains the following main aspects:

- Responsible investments and the exercise of shareholder engagement
- Means of shareholder engagement and monitoring of portfolio companies
- Collaboration with other shareholders
- Communication with relevant stakeholders
- Managing insider information
- Conflict of interests
- Transparency

12. Designated Reference Benchmark

12. Designated reference benchmark

Website section 'Designated reference benchmark' for financial products that promote environmental or social characteristics

Art. 36

- Financial market participants shall describe **whether an index has been designated as a reference benchmark** to meet the environmental or social characteristics promoted by the financial product, and how that index is aligned with the environmental or social characteristics promoted by the financial product, including the input data, the methodologies used to select those data, the rebalancing methodologies and how the index is calculated.
- Where part or all of the information referred to in paragraph 1 is published on the website of the administrator of the reference benchmark, a hyperlink shall be provided to that information

Given the type of assets in which the Fund intends to invest, no specific benchmark index has been designated to determine whether the product achieves the sustainable objectives pursued or the E/S characteristics promoted.