Triple Point.

Triple Point Energy Transition

Environmental, Social, and Governance (ESG) Integration Policy

September 2025

Commitment

Triple Point Group (Triple Point) has made a clear commitment to sustainable business within our company mission. As part of this firm-wide commitment, each investment team has undergone a detailed investment process review to create an individual ESG programme, capturing the specific ESG requirements of our different investment and service products, which have then been summarised in their respective ESG integration policies. These policies are in addition to Triple Point's Responsible Investment Guide, which outlines key responsible investment positions adopted by Triple Point Group.

The Energy team looks for opportunities to support energy transition solutions and energy projects. This ESG integration policy applies to the ESG investment, ownership and reporting processes associated with the Energy Transition strategy. In addition to this policy, the team will collaborate with investors to implement specific requirements.

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1. Background and context

Triple Point was founded in 2004 with a clear goal: to unlock investment opportunities that deliver purpose and profit. We back businesses and organisations that drive positive outcomes for people and the planet, while generating strong and sustainable returns for our investors.

For Triple Point, sustainability is defined as the consideration of both the current and the future state of the planet for all its inhabitants, to make decisions that will protect, improve, and not exploit people or the environment. We believe doing so results in better outcomes for our business, our customers, and society.

Our definition is built on our belief that the economy, environment and society are an interlinked system which will only function successfully if the boundaries of each are understood and respected. Society needs a sustainable economy, which takes account of this system and its boundaries, allowing people today to thrive without compromising the success of future generations.

We believe that capital markets can be a force for good to this end, and that they must be if a sustainable economy is to emerge. Our approach to sustainability consists of three steps:

- **Understanding the challenges** - we ask of all our activities how they will contribute or not to a more sustainable economy.
- **Leading by example** - by exhibiting behaviours and judgment that demonstrate our sustainability commitments and reassure our customers we act as a trusted partner.
- **Picking the best assets** - providing funding to assets and businesses capable of thriving in a sustainable economy while driving long-term profits for our clients.

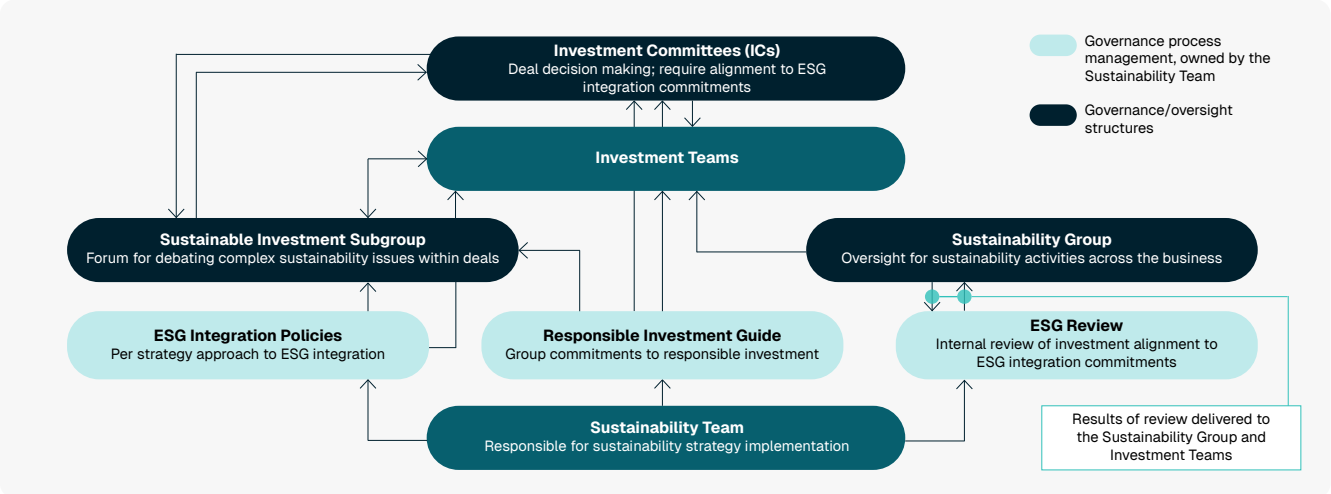
Outcomes relative to this approach are published in an annual sustainability report - the Triple Point Blue Book.

To support our sustainability commitments, Triple Point has designed and implemented a series of ESG integration policies across its various investment strategies. The purpose of each policy is to identify, monitor and manage ESG issues to minimise the risk of Triple Point investing in ways that could undermine our ESG principles.

We continuously review our ESG integration activities through our governance structures and this policy is updated annually to reflect the activities undertaken. Triple Point's sustainability commitments are governed through three core elements. First, all investments must be approved by the Triple Point Investment or Credit Committee, whose members receive ESG training. This review process ensures investment decisions are aligned with the strategy's ESG commitments and the organisation's ethos on corporate responsibility and responsible investment.

Second, Triple Point has a Sustainability Group which meets quarterly. The group reviews sustainability activities across the business including agreed KPIs, with members consisting of the two managing partners and key relevant business function heads. The meetings are minuted by Company Secretary.

Reporting into this group is the Sustainable Investment Subgroup. This subgroup is responsible for discussing deals which present complex ethical, responsible, or sustainable investment issues. Third, Triple Point's Head of Sustainability is responsible for overseeing an annual ESG performance review of ESG integration by each investment strategy, to ensure teams are implementing the ESG activity committed to. The results and follow-up action of this review are shared with the Sustainability Group and with the investment teams.



2. Approach to identifying energy transition opportunities

The Energy team takes a holistic approach to energy transition and how energy solutions can contribute to a low-carbon UK energy system. Assets offering a wide range of solutions are explored, including energy generation, energy storage and distribution, and efficient low carbon consumption. The team will explore all opportunities aligned to creating efficiencies and contributing (directly or indirectly) to lowering carbon consumption, reducing emissions, and/or protecting existing ecological systems which stabilise our climate, including nature-based solutions (NBS).

By investing in all aspects of the transition pathway, we seek to contribute to the longer-term commitment for the UK economy to cut its carbon emissions by at least 68% by 2030, compared to 1990 levels, and reduce them to Net Zero by 2050.

Opportunities in nature-based solutions and biodiversity

To achieve the global goals for climate, biodiversity, and land degradation, yearly funding in nature-based solutions (NBS) must triple by 2030 (relative to 2020 levels) and quadruple by 2050, reaching the necessary $8.1 trillion. As NBS interventions are rooted in the protection and enhancement of natural capital, scaling finance in this area simultaneously safeguards the ecosystems that underpin long-term resilience. The Energy team regards NBS as a significant prospect and is actively monitoring the sector, analysing instances of good practices, and exploring areas that align well with the team's strategic approach.

The strategic opportunities we look to support are aligned with our holistic approach to the energy transition:

A

Nature-based solutions

Contributing to decarbonisation through CO_2 emission capture and the prevention of greenhouse gas release, whilst delivering benefits to local communities, biodiversity, and the long-term preservation of natural capital.

B

Distributed Energy Generation

Lower-carbon, decentralised energy generation is typically far less carbon intensive than centralised fossil fuel generation.

C

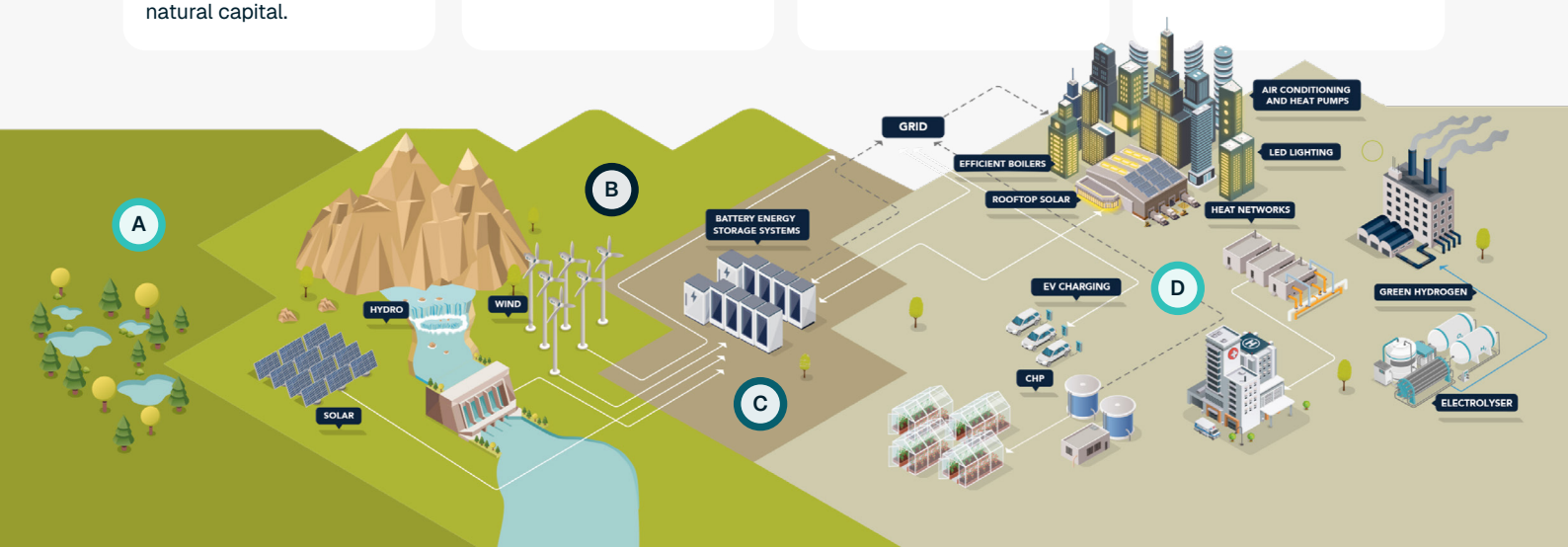
Energy Storage and Distribution

Better aligning the supply and demand for energy and providing frequency response to deliver a more resilient and efficient energy system.

D

Onsite Energy Generation, Heat Networks and Efficient, Low-Carbon Consumption

Reducing demands placed on the energy system, either through generating energy on site, utilising heat networks, or through demand reduction measures



3. Rationale for ESG integration

Triple Point – as a responsible investor – integrates ESG factors across all themes. We believe that all decision-making must actively understand and manage ESG risk and opportunity; therefore, we assess a broad range of material ESG factors to minimise negative externalities and unintended negative consequences, and identify opportunities to support behaviours that promote improved environmental and social outcomes.

ESG: Bringing added value

Extreme weather, environmental trends, gradual resource degradation, poor governance, deteriorating community relations and potential loss of the social licence to operate are all examples of ESG risks to an operational asset.

Conversely, strong ESG analysis and engagement can help identify resource efficiencies, reduce environmental footprint, drive innovation, improve community relations, and protect the social licence to operate. We also believe infrastructure investment can offer solutions to the wider systemic issues we face as a society, in particular climate change, and this forms the focus of our Energy Transition strategy.

We believe taking these ESG issues into account throughout the decision-making process goes beyond responding to industry expectation. We believe it is critical for risk mitigation and when done well, can enhance returns as well as preserve value for our investors.

4. Approach to ESG integration

We integrate ESG within each step of the decisionmaking process for assets we support, taking account of the effects that ESG factors may have on asset success. Our approach to ESG analysis is materiality-focused, whereby we consider the characteristics of the target asset (e.g. the development phase, the type of asset) to guide the nature of the analysis and the expectations we place around engagement.

There are two core ESG integration processes during due diligence: climate risk analysis and ESG analysis.

Climate risk analysis is conducted for all assets during the construction or operational phase. The team investigate physical and transitional risk, understanding the potential impacts on project success.

ESG risk analysis is conducted for all assets, regardless of project phase. The high-level due diligence topics are consistent (i.e. covering climate, biodiversity, human and labour rights, stakeholder engagement, and governance topics), whilst the phase and the type of asset determine the materiality of the sub-topics. The team seek a satisfactory level of data and evidence regarding the counterparties' approach to risk management for these material issues. Areas of concern are scrutinised, and appropriate mitigations and future improvements are agreed. Opportunities which are judged to have the fewest areas of concern coupled with robust and transparent data and evidence are more likely to be supported.

Managing counterparty risk

Recognising the high risk and sustainability challenges associated with certain energy sectors, Triple Point's list of excluded sectors (in the Responsible Investment Guide) includes thermal coal. In addition, fossil fuel extraction and support services, as well as nuclear, are sectors that require additional due diligence prior to decision-making.

These views on energy sectors extend to considerations on co-investors on energy projects/ assets. Triple Point view several high-emitting sectors – including the fossil fuel sector – as currently essential but recognise the need to transition to lower-carbon practices. We believe that to play a genuinely impactful role in the energy transition, we will be required to work alongside/coinvest with fossil fuel companies. For example, large oil and gas companies are in a strong position to play a driving force in the energy transition through large capital expenditure and investment in clean energy infrastructure.

In order to manage this exposure, the Energy team will only co-invest into assets/projects with actors who are on a genuine path to transition/ diversification; they will also assess whether the co-investment might inadvertently contribute to greenwashing strategies; and they will be more likely to co-invest into assets/projects where fossil fuel actors hold a minority stake, as opposed to a majority.

	ESG risk analysis & due diligence (DD)	
	Risks	**Examples of DD topics**
Development phase	When financing a project in the development phase, evidence is required to determine that the developer considers sustainability before and after planning is submitted. Risks related to the due diligence topics should be proactively minimised to prevent costly delays and regulatory challenges.	Flood risk assessment; land quality assessment; BNG and ecology assessment; previous site use; landscape and visuals; expected impact of noise pollution; stakeholder engagement strategy planning; Local Authority specific minimum requirements and recommended best practice; reporting requirements; community engagements.
Construction phase	The risks specific to the construction phase of an energy infrastructure asset relate to labour (human/labour rights risks), the construction materials (particularly regarding sourcing and waste), as well as more general climate and biodiversity impact-related risks.	Risks from climate change to upstream supply chain sectors; approach to biodiversity impacts from construction; materials sourcing and efficiency; waste and hazardous materials management; health and safety on site; contractor employment practices and modern slavery prevention; local community engagement; supply chain management.
Operational phase	Once an asset is in its operational phase, there should be more processes in place, more measurable data, and more information available on the asset. Therefore, we would expect to see clear evidence that the DD topics are seriously considered, as the absence of this evidence would exacerbate regulatory and reputational risks.	Climate risk management and reporting; energy efficiency; ecological impacts of processes and physical assets; waste and hazardous materials management; approach to human/ labour rights; modern slavery prevention; stakeholder relation activity; supply chain management; emissions reduction plan.

5. Implementation of ESG integration

We have conducted a careful review of our decision-making processes to enable the implementation of practical, proportionate and material ESG integration. There are two key elements to our approach to implementation:

i. Management (Culture, Capacity & Governance) - this refers to the allocation of appropriate resourcing, training and senior support to ESG integration. It demonstrates Triple Point's actions have integrity aligned with the strategic position of the company and oversight from senior management.

ii. Decision-Making Process - this refers to action taken in the decision-making process to assess and improve ESG factors affecting the target asset, how these factors might affect a decision to support an opportunity, and how we monitor assets once they are in the portfolio. The approach taken will differ depending on whether the opportunity is an equity or debt deal.

The details below provide insight on the management of these two key areas of our approach. The details and examples are not exhaustive but seek to provide clear evidence of the comprehensive nature of our integration process.

i. Management (Culture, Capacity & Governance)

Who	ESG Action
Team	• Triple Point Group have introduced a programme of ESG training for the Energy team, and team members are encouraged and supported to undertake appropriate training and learning opportunities. • All team members are expected to show ownership for good ESG throughout the decision-making process, and this expectation is explicitly shared with new hires. • Individuals are empowered to ask new questions of partners/counterparties to drive best ESG practice.
Investment Committee (IC)	• IC members receive ESG training and are expected to critically review the ESG integration information submitted.
External review	• Specific external oversight is integrated according to mandate requirements.
Triple Point Sustainability Group	• The Sustainability team report into the Sustainability Group, providing support and action for investment teams' ESG integration process and evolution. • The Sustainability team report key portfolio ESG information to the Sustainability Group for critical review. The Group is also responsible for reviewing results and actions from the annual ESG integration review and agreeing any necessary escalation to the Management Committee.
Prospects/ Clients	• Explicit reference to importance of ESG intermediary and client relationships.

5. Implementation of ESG integration

ii. Decision-Making Process

Lending Step	ESG Action		
	Integration (all deals)	Integration (equity deals)	Example
Screening	• The energy transition credentials of the project are assessed according to their ability to enable the energy transition to net zero across the spectrum of the energy system in the UK. • Any potential deal is screened to ensure it does not present an unacceptable ESG risk. • At all times, screening will adhere to specific investment mandate requirements.		• Renewable energy capacity, biodiversity risk, etc.
Heads of terms	• The main counterparty is made aware that we will require reporting of certain data. This helps align expectations and values.		• Scope 1 and 2 CO2 emissions reporting might be required for assets in the construction/ operational phase.
Pre-investment due diligence (DD)	• Especially if the asset is in the construction or operational phase, an investigation of the physical and transitional risks which may impact project success takes place. • An ESG analysis is conducted, ensuring focus on material topics of assessment. Areas of concern are further scrutinised. • We reference and raise importance of good ESG with any service providers, site managers etc. • We track where a deal is rejected or explicitly selected due to ESG factors.	• In the event any ESG risks are identified during DD, the issues are flagged for additional scrutiny and, if appropriate, they will be selected as areas of change prior to investment or for future engagement for improvement.	• See 'ESG risk analysis & due diligence' table.
Pre-costs review	• Discuss ESG weaknesses/concerns identified at DD and confirm ESG compliance. • Identify and seek missing information, with named individual assigned to follow up.		• ESG factors may result in further information being requested before proceeding to IC.
Investment Committee (IC)	• IC papers include ESG analysis results and draw attention to any strengths and weaknesses		• We would highlight where ESG factors have influenced opinion on an asset e.g. energy transition benefits being offset by undesirable water pollution.
Portfolio management	• Ongoing compliance with ESG requirements, via borrower reporting (reporting requirements are tailored to the nature of the asset). • ESG KPIs are tracked, with assigned owners.	• Monitoring any areas of ESG concern and seeking improvement, via assigned owners. • Exploring areas of innovation where we can drive new or best practice in behaviours for the asset or the wider industry.	• ESG factors may result in our requiring ongoing monitoring of an issue with an asset (in an equity deal) e.g. biodiversity management outcomes.
Further funding/exit	• In-life events related to ESG are monitored and may impact appetite to support assets managed by the same entity again.	• We follow a Responsible Exit Policy which requires considering the intent of the counterparty in acquiring the debt or equity. We establish the ESG valueadded during holding period, by interrogating ESG metrics.	• We seek reassurance that high quality management of the asset will be maintained.

6. Data and reporting

Triple Point believes transparency in approach and data is important to the development of a stronger sustainable investment market. It looks to take a careful and defendable approach to this challenge.

The Energy team will share asset-specific performance data which demonstrates how the asset contributes to energy transition through appropriate data and KPI reporting.

Below are some of the metrics the team might report, depending on the phase and type of asset:

Development phase	Projected energy capacity
	Projected biodiversity net gain
Construction phase	Scope 1 and 2 CO_2 emissions
	Embodied carbon emissions
	Water use on site
	Waste produced on site including hazardous waste
Operational phase	Scope 1, 2 and, where possible, Scope 3 CO_2 emission
	Emissions intensity
	Energy efficiency measures
	Renewable energy production
	Waste management data
	Activities affecting biodiversity

7. Policy statement

Triple Point is committed to continually strengthening and improving ESG integration. This policy is reviewed by the aforementioned teams and the Sustainability Group and updated as appropriate.

Jonathan Hick

Jonathan Hick
Head of Energy Transition
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