INVESTMENTS
WITH **PURPOSE**
FOR **PROFIT**
BY **PEOPLE**
FROM TRIPLE POINT

Triple Point Investment Management:

Responsible Investment Guide

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INTRODUCTION

As an investment manager, we want to select the best assets possible on behalf of our clients to maximise returns for them. We have a preference for assets which create, and benefit from, a sustainable economy and increase positive outcomes for people and the planet. In establishing this selection, we strive for best practice in sustainable and responsible investment practice and ESG integration. We believe embedding sustainability will improve and protect returns through forward-thinking and considered action – our approach to responsible investment is a core component of Triple Point's sustainability commitments. This guide sits alongside individual ESG integration policies[1] adopted by each strategy Triple Point provides investment management services for, and our annual Sustainability Report (The Blue Book).

[1] Details are captured in ESG Integration Policies which exist for each investment pillar, and are available on our website: https://www.triplepoint.co.uk/approach-to-sustainability/116/

1. KEY RESPONSIBLE INVESTMENT POSITIONS

Understanding the sustainability profile alongside ESG integration is a key step in the investment process (from due diligence to exit) for all Triple Point strategies. The scale of our influence and our assessment of issues will vary according to each investment strategy or mandate. Our influence on an investee and the type of data available to us will be altered, for example, by whether our investment exposure is via project finance or majority equity ownership and by the nature of the underlying investment. Individual ESG integration processes apply to each strategy managed by Triple Point, with the process documented in their individual ESG Integration Policies.

The following outlines key responsible investment positions, adopted across all strategies of the business, to provide our Group position on the topics and issues which we consider relevant and important to all our activities.

1.1 Respect for human rights

We are committed to respecting human rights.

Our practice for this key responsible investment position is informed by international conventions and protocols, codes of conduct and internationally relevant guides on this particular subject, including:

- UN-supported Principles for Responsible Investment (PRI)
- United Nations Global Compact
- United Nations Sustainable Development Goals
- Universal Declaration of Human Rights
- United Nations Guiding Principles on Business and Human Rights

While protecting and fulfilling human rights is a legal obligation and the responsibility of governments, it is widely recognised that all businesses have the potential to impact human rights.

We expect companies or assets that we invest in to comply with internationally recognised human rights principles and to take proportionate and reasonable action to prevent and manage any adverse impact on human rights. Human rights-related issues include human rights abuses, modern slavery, living wages, child labour, occupational health and safety, the rights of indigenous people and displacement of local communities, freedom of association and collective bargaining, and international humanitarian law.

Our expectations in these areas apply both to the investee companies themselves (where applicable) and to their supply chains. We recognise the challenge in demonstrating compliance where complex supply chains exist. In such scenarios, we again expect reasonable and proportionate measures to reduce the risk of human rights breaches. Where possible we also seek to raise awareness of the issue through dialogue and increased due diligence.

Our commitment to human rights:

- Integration of salient human rights into Triple Point's due diligence processes[2]. Human rights due diligence processes are guided by the severity of the risks and practical considerations such as company size, the nature and context of its operations and our exposure to and influence on the entity.
- Promote fair treatment, equal opportunity and health and safety of employees.
- Encourage companies we are exposed to identify, assess and respond to human rights risks in their supply chains through relationships with supply chain partners.
- Consider equity and inclusion, to enable fair and equal opportunities for all workforces.

1.2 Climate change

Our climate change strategy is informed by scientific perspective, long-term protection of assets and regulatory requirements. We seek to contribute to, and limit inhibiting, action towards financing the transition to a low-carbon economy.

Guidance from the Intergovernmental Panel on Climate Change (IPCC) 1.5°C scenario states that coal usage should be phased out globally by 2040 to limit the global temperature rise to 1.5°C, with an earlier date of 2030 set for OECD countries. In line with our commitments to reduce our financed

[2] Triple Point employees are supported in this process via additional internal guidance on this topic.

emissions in line with a science-aligned pathway, Triple Point does not invest in thermal coal activities. This exclusion covers projects associated with mining thermal coal, as well as in coal-fired power generation, as defined by the Science-Based Targets Initiative Guidance.

In addition, Triple Point view a number of high-emitting sectors as currently essential but recognise the need to transition to lower carbon practices. We believe that these industries must change their resource-intensive activities to diminish the negative climate implications. These sectors include coal, gas, oil, utilities, cement, steel, aviation, intensive farming, heavy and light duty road vehicles, shipping, aluminium, agriculture, forestry, fishery, chemicals, construction and buildings, textile and leather, and water. The team ensures additional due diligence, and a case-by-case approach is adopted for these sectors[3]; we do not exclude these sectors but pay particular attention to the potential role the company can play in the transition process, and we have a focus on ensuring the business demonstrates strong responsible business behaviours in relation to ESG factors. We would have a preference that in providing funding to these sectors we are contributing to action driving more sustainable business outcomes.

When assessing opportunities related to technology or other service providers whose primary customers operate in resource-intensive sectors, our approach considers the indirect role these providers play. We assess whether they contribute to greater efficiency, improved governance, or regulatory compliance within those sectors. Whilst we are mindful that these companies are not directly engaged in high-impact activities, we seek assurance that they are not enabling the proliferation of harmful practices or overly dependent on the exponential growth of sectors facing long-term sustainability risks.

Triple Point publicly report carbon emissions, including financed emissions, in an annual sustainability report. Triple Point also publicly support the Task Force on Climate Related Financial Disclosures (TCFD) and will disclose in line with regulatory requirements.

We have published net zero targets and are committed to a net zero transition; with the ambition to reach net zero emissions by 2050. We acknowledge this ambition is reliant on system change, political action, grid decarbonisation and pathway availability.

We continue to monitor our approach to net zero by reviewing available scientific pathways, and reflecting on our own asset exposure changes. We will re-base and refine our targets accordingly.

We currently remain signatories to the Net Zero Asset Managers Initiative and report in line with this commitment.

Actions taken towards our climate strategy:

- Identify and integrate climate-related physical and transition risks to build resilient portfolios.
- Direct investment flows to support the transition to a low-carbon economy.
- Minimise funding of activities which directly contribute to worsening the climate crisis by leveraging our approach to exclusions and the Sustainable Investment Subgroup (SISG) where high-emitting sector exposure is debated.
- Encourage portfolio companies in setting net zero commitments and appropriate transition plans.
- Engage investee companies to better understand and support their disclosure and management of risks and opportunities.

1.3 Biodiversity

Biodiversity loss is at unprecedented levels and presents a systemic risk. A healthy natural environment is essential to a thriving economy and society. Nature-based services are recognised as critical, yet are undervalued commercially. We recognise the importance of integrating biodiversity risk into our investment process, and where it is applicable, collaborate with portfolio companies and asset operators to encourage positive performance and, where possible, provide transparency through reporting and target setting. In decision-making the firm will take into consideration the potential impact of activities on biodiversity according to available information and seek to balance any potential conflict between growth, or industry type (e.g. nuclear), with minimising impact whilst also seeking to take account of other environmental challenges. Triple Point are committed to developing more comprehensive and consistent biodiversity reporting and increasing our due diligence on this

[3] Deals that undergo additional due diligence are often brought for discussion at the Sustainable Investment Subgroup (SISG). The SISG at Triple Point is a governance body providing review and advice on deals which present more complex sustainable and responsible investment issues through exposure to sectors or behaviours which may compromise our sustainable investment commitments.

topic. The firm commits to engaging with market-wide initiatives and disclosure frameworks (for example the Task Force on Nature-related Financial Disclosures, TNFD), and are motivated to increase the positive impact and reduce the negative impact on biodiversity through our investing activities.

1.4 Good Governance

Triple Point expects all partner businesses to make reasonable and appropriate efforts to uphold strong corporate governance, and we refer to best practice identified in our foundational frameworks to guide these expectations.

Corporate governance encapsulates a broad range of factors, each considered when assessing a business's behaviour. Triple Point are committed to working with businesses that meet an acceptable level of sustainability and demonstrate the governance expectations set out in each individual ESG integration strategy.

Examples of considerations and business behaviours Triple Point take action on include, but are not limited to:

Regulatory compliance history
We take into account an organisation's history of regulatory breaches, whether they relate to environmental, social, governance, or financial matters. We consider the severity and scope of the breach, the organisation's response, whether it is a recurring issue, and the measures that have been implemented to prevent future breaches.

Key individuals
We assess key individuals to ensure their conduct and reputation do not call into question their business ethics, suitability as a counterparty, or present reputational risk to Triple Point by association. Particular focus is given to their role within the organisation and the extent of their influence over decision-making, especially in relation to the asset or project with which Triple Point will be involved. Where appropriate, full Know Your Client is conducted.

Integrity and transparency of counterparties
We require all counterparties to uphold values of integrity and transparency. We continue to increase monitoring the business behaviours of counterparties we are exposed to and we will seek further information on incidents of concern to evaluate the specific case. We consider whether the proceeds of our support are intended for a use that we can consider purposeful and a source of pride; in particular we consider whether greenwashing may be an underlying motivator.

1.5 Approach to stewardship

Guidelines on engagement with investees
Triple Point understands stewardship to be the use of our influence to maximise overall long-term value including the value of common economic, social, and environmental assets, on which returns and clients' and beneficiaries' interests depend.
We enact our stewardship role through the influence channels available due to our exposure to multiple asset classes. It is important to note that given our current private market investment activities, we do not have the opportunity to partake in any proxy voting, therefore our stewardship approach does not cover such activities.

We act as good stewards of responsible behaviour. Where the asset class and nature of investment allows, we will adopt direct action to influence investees towards more responsible behaviours. We believe that for many of our investments, the very act of asking questions and raising awareness of sustainability issues is a valuable stewardship action.

Guidelines on engagement with other key stakeholders
Triple Point are members of sector-specific working groups and networks. We believe that through constructive discussion and market wide knowledge-sharing, we can encourage positive improvements to our assets whilst simultaneously adopting a transparent approach to support others in the market that are undertaking similar projects with similar objectives. We also recognise that as a relatively small private asset manager, we need to participate in collective influence to garner change, particularly in some of the most challenging areas such as supply chains associated with energy transition. We also recognise we cannot participate in all possible collaborations and initiatives, and select those where we feel we can learn, contribute and impact our sphere of investing most effectively.

Guidelines on overall political engagement
The extent of any political engagement by Triple Point is limited and managed through our Management Committee. Should activity increase we would do so via a transparent framework.

2. IMPLEMENTATION OF RESPONSIBLE INVESTMENT

Triple Point has a considered approach to counterparty risk, recognising that certain sectors, business ecosystems, and business counterparties present a greater level of sustainability-linked risk, which may ultimately present a risk to the successful delivery of a mandate.

This section describes how sector, wider economic ecosystem risk factors, and quality of business factors are considered. Alongside this guidance we have also developed an internal guide which provides practical steps to support our investment teams in responsible investment implementation. Appropriate governance and support are also available for investment teams.

2.1 Sector exposure and exclusions

We recognise that as responsible investors we have an obligation to actively engage with our portfolio companies to help mitigate material sustainability risks. However, there are certain sectors where we believe engagement is not possible, will not be effective, or where we decide to take a prudent approach though a negative screen.

The following table details our approach to exposure to specific activities/sectors where we consider engagement not to be effective, which are at odds to Triple Point's purpose, and/or which constitute undesirable exposure for a large number of our clients and customers.

Through the implementation of sectoral exclusions, we aim to be consistent in our approach to decision making across all Triple Point strategies. For example, Triple Point have significant investments in six lending and leasing businesses which implement the following exclusion guidance and responsible lending practices, aligning to the other investment strategies.

The table below reflects a willingness to accept some indirect exposure to problematic sectors which reflects the interconnected nature of these activities with a wide range of services which remain essential to the economy.

Scope of exclusion guidance

- The revenue threshold of a counterparty refers to their sales mix at the start of Triple Point's exposure. Analysis is conducted to understand how much, if any, revenue is derived from the specific activities/sectors.
- We recognise a counterparty's sales mix may change during the holding period. At the point of exposure, we conduct due diligence to understand if there is a clear risk of the threshold being breached in the near term; if this is the case, we will not move forward.
- The counterparty's sales mix is confirmed to have remained within the required threshold parameters at the conclusion of the term before any new exposure is taken.

2. IMPLEMENTATION OF RESPONSIBLE INVESTMENT

Table 1: Activity/sector exclusions

	Definition	Revenue threshold (relating to total revenue of a single counterparty exposure[4])
Tobacco and related products	**Producers:** Triple Point define producers as companies manufacturing the finished tobacco or related product. Tobacco producers refers to companies that manufacture tobacco and related products, including companies that grow or process raw tobacco leaves. Tobacco related products include cigarettes, roll your own tobacco, pipe tobacco, cigars, cigarillos, smokeless tobacco, heated tobacco, and herbal products for smoking. Disposable vapes are within this exclusion.	0%
	Related revenues: Companies with revenue derived from tobacco and related products. This includes both upstream and downstream operators, such as suppliers, distributors, licensors, retailers, and logistics.	50%
Adult entertainment (including pornography and violent content)	**Producers:** Companies that produce adult content. Any content that includes, but is not limited limited to sexually explicit videos, live entertainment of an adult nature, production of adults-only material that includes online products labelled 'erotica', 'porn' or 'adult entertainment' or content which portrays unlicensed acts[5] of physical aggression by one human being against another.	0%
	Related revenues: Companies with industry related revenues. This includes both upstream and downstream operators, such as suppliers, distributors, retailers, broadcasters, financial or marketing services (e.g., online payment service providers) for any content that includes, but is not limited to: sexually explicit video games, live entertainment of an adult nature, producer of adults-only material that includes online products labelled 'erotica', 'porn' or 'adult entertainment' or content which portrays unlicensed[5] acts of physical aggression by one human being against another.	50%
Gambling (excluding charitable lotteries)	**Operators:** Businesses whose main activity is owning or operating gambling facilities (online or offline gambling facilities inclusive). Online bookmakers, betting shops, casino operators, bingo halls and arcades are examples of the type of businesses that Triple Point exclude.	0%
	Related revenues: Companies with gambling related revenues. This includes both upstream and downstream operators, such as suppliers, licensors, general retailers, financial products, or services (e.g., online payment service providers) and other businesses where gambling is not their main activity.	50%
Controversial or unconventional weapons	**Producers:** Companies that produce any controversial or unconventional weapons. The list of weapons we exclude are (see full list of related treaties below[6]): cluster bombs, landmines, depleted uranium weapons, chemical and biological weapons, blinding laser weapons, non-detectable fragments, and incendiary weapons (white phosphorus). This excludes companies that manufacture components of weapons systems and support service systems.	0%
	Related revenues: Companies that derive revenues from components of controversial weapon systems, support systems and services designed for controversial weapons use, in addition to distributers, financial services, insurers or other related revenues arising from working with any of the weapons listed above.	10%
Animal testing	**Cosmetic, personal care, household goods or industrial manufacturing purposes (i.e. non-medical, pharmaceutical or healthcare purposes):** Companies that conduct animal testing, or manufacture products that have been tested on animals, for products that fall into the following categories: cosmetic, personal care, household goods or industrial manufacturing.	0%[7]
	Medical, pharmaceutical, healthcare, veterinary, scientific, or environmental purposes: where animal testing is required as part of clinical trials for purposes listed above, the company has been granted specific licence / permission to work with animals (ie. from the Home Office)[8], and the company is committed[9] to demonstrating best practice in line with a set of guiding principles called the 'Three Rs' (Refine experiments to ensure suffering is minimised; Reduce the number of animals to a minimum; Replace animals with alternative techniques where possible).	No exclusions

[4] A counterparty refers to the entity or project that will be the main beneficiary of debt or equity from a Triple Point Company or Investment Fund.

[5] This does not include for example, a licensed war or horror movie, but does include unlicensed, illegal content.

[6] Cluster munitions – Convention on Cluster Munitions (or Oslo Treaty); Anti-personnel mines – Anti-Personnel Mine Ban Convention (or Ottawa Treaty); Depleted uranium weapons (International Coalition to Ban Uranium Weapons); Chemical weapons (Chemical Weapons Convention); Biological weapons (Biological Weapons Convention); Blinding laser weapons (Convention on Certain Conventional Weapons, Protocol IV on Blinding Laser Weapons); Non-Detectable Fragments (Protocol on Non-Detectable Fragments Protocol I); Incendiary weapons (Convention on Certain Conventional Weapons Protocol III on Prohibitions or Restrictions on the Use of Incendiary weapons).

[7] Exclusion does not apply where a company is clearly and actively driving positive change in the sector and demonstrates adherence to a best practice responsible animal testing policy (ie. 3Rs Alternative). A case-by-case approach is adopted.

[8] The counterparty should evidence their license / permission from the relevant authority.

[9] Commitment to best practice should be evidence through a formal policy document.

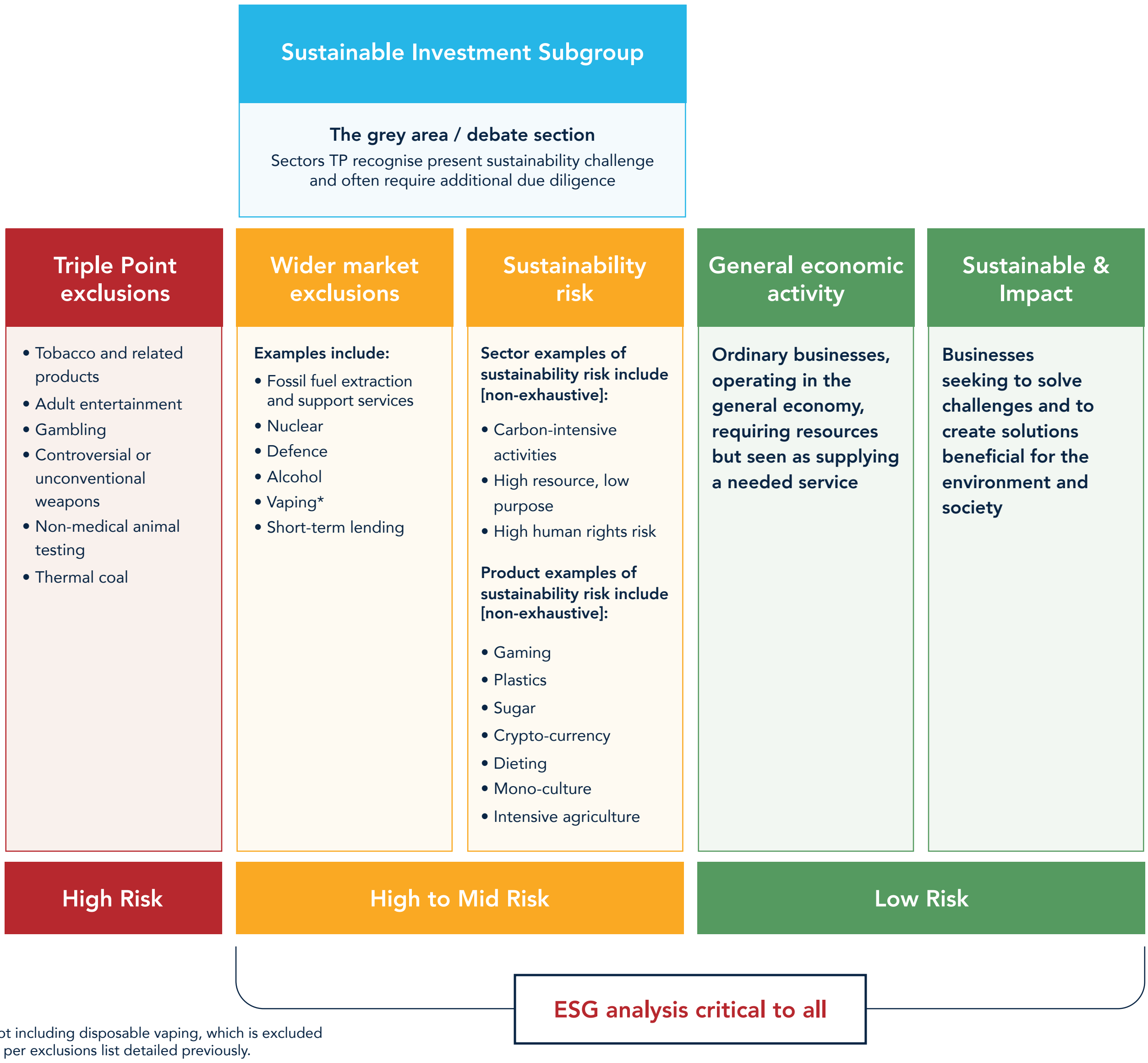
2. IMPLEMENTATION OF RESPONSIBLE INVESTMENT

Outside of these activities/sector exclusions, we grade other activities/sectors according to the perceived risk they present. In this grading we consider reputation and the impacts of sustainability trends on long-term licence to operate and likely continued business success. In this assessment we also take the nature of the exposure into account, for example if exposure is through project finance or is indirect and how this alters our influence and exposure to the risk. Chart 1 shows how we categorise sectoral risk:

- Exclusions (see Table 1)
- Reputational risk/wider market exclusions
- Sustainability risk
- General economic activity
- Positive sustainability and impact

Deals falling within the grey area / debate section are subject to additional due diligence, and a case-by-case approach is adopted. The Sustainable Investment Subgroup is responsible for discussing deals presenting complex sustainable investment issues. This group reports into the Sustainability Group, which reviews all sustainability activities across the business. The Sustainability team is responsible for sustainability strategy implementation.

Chart 1: Sustainability sectoral risk



* Not including disposable vaping, which is excluded as per exclusions list detailed previously.

2.2 Wider ecosystem risk

The wider ecosystem risk encompasses the dependencies associated with the businesses' operations. When assessing a potential business counterparty, we seek to understand and evaluate the indirect exposures experienced as a result of the business in question.

Potential deals are assessed to understand the business ecosystem that the company operates in, highlighting any potential sustainability related risks in consideration to the following:

Supply chain risks

- The sustainability credentials of the direct supply chain the business operates within. Demonstrating the strength of the established business relationships with supply chain partners and level of engagement to uphold strong behaviours.
- The wider market value chain, understanding other counterparties to the business, and the longevity and sustainability risks associated with the given sector. We consider the complexity and resilience of supply chains in the face of emerging climate risks and possible reliance on production which contributes to human rights abuse, and the possibility that the supply chain will require changing.

Jurisdiction of entity

- The jurisdictions of the business operations, and ultimate parent companies, are considered in relation to how the business operates, including labour rights, human rights, and environmental risks.
- Where jurisdictional risk arises, the sovereign and jurisdictional tool is used by the investment teams to support due diligence processes (see annex section 3.1).

2.3 Quality of business

The quality of business evaluation focuses on the operations and governance of a given business. We assess each business on its sustainability credentials and how the business operates. In the case of project finance, use of proceeds is considered as the first priority, with further supporting assessment of the business behaviours of any associated entities or parent company.

This aspect of implementing the responsible investment approach is closely associated with section 1.4: Good Governance, where we seek assurance that the company operates in a manner that meets Triple Point's expectations in relation to a wide range of sustainability and ESG factors. Notably these include demonstrating adherence to regulation in compliance, confidence in key individuals within the business, and displaying integrity and transparency throughout all areas of business. Our analysis of the quality of a business is an important factor in our assessment which seeks to reduce the risk of reputational damage, and to promote positive and long-lasting relationships with sustainable counterparties.

3. ANNEX: SOURCES OF MONEY

3.1 Sovereign and jurisdictional risk

Triple Point recognise the importance of human rights and freedom as essential pillars of a just society. We have implemented a measured and practical strategy to manage exposure to sovereign counterparties regarding the sources of money we accept.

Our approach is informed by publicly available data from reputable sources including Freedom House[10] and Transparency International[11], with decisions supported by the sustainability team and the Sustainability Investment Subgroup members. Jurisdictions identified as high risk to Triple Point trigger further due diligence and internal discussion to further understand the source of the funds on a case-by-case basis. Teams are supported in this process by an internal guide which is reviewed annually.

This approach aligns with our company-wide risk management strategy, utilising methods that support Triple Point's responsible investment commitment.

3.2 Individual customer related risk

The process for accepting money from retail investors includes a Know Your Customer (KYC) check, guarding Triple Point from exposure to financial crime, and ensuring compliance with relevant financial crime regulations.

Where there is concern that an individual's background or source of wealth may expose Triple Point to additional reputational risk, then further due diligence is conducted on a case-by-case basis to protect the company.

This activity is managed by our Money Laundering Reporting Officer.

[10] https://freedomhouse.org/
[11] https://www.transparency.org/en

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