CCE Holding GmbH
ESG-POLICY
approved by Mr. Martin Dürnberger, CEO CCE Holding GmbH
on
24 December 2021

Background

CLEAN CAPITAL ENERGY Holding (CCE) plans, builds, finances and manages alternative investments in the high-growth global sector of photovoltaics with the aim of creating sustainable and stable long-term returns for our investors. Our team's long-standing experience in developing, financing, building and operating photovoltaic systems goes hand in hand with our outstanding industry, market and technology expertise, forming the basis for professionalism in all photovoltaic installations delivered by CCE.

CCE's mission is to be the solution partner for the future of energy supply. From the outset, CCE's top priority has been to supply environmentally-friendly energy for the future. At CCE, we pursue a solution-oriented approach that reflects our experience along the entire value chain – from development, planning and financing, right up to the construction and operation of photovoltaic systems. Around the globe, we offer solutions ranging from small systems for single-family homes to medium-sized commercial and large-scale ground-mounted systems, next to complex off-grid systems with energy storage. With this approach, CCE is already today contributing to a consistent global energy transition.

Purpose and Scope

This Policy lays out CCE's ESG principles and commitments and describes our approach to addressing ESG in our processes. Where relevant, this is further described in process documentation and reporting.

This Policy sets out ESG principles and requirements for the investment process. CCE management, investment professionals and other staff are responsible for ensuring that the Policy is complied with in their daily operations.

Personnel is expected to adhere to the highest standard of integrity. In cases where there may be lack of clarity or guidance from the Policy, or in cases where the Policy is not adhered to, personnel shall report any issues of concern or discrepancy to the Management Board.

This Policy applies to CCE's management of all CCE's investments. In cases where CCE does not have full ownership or control of the investment, CCE shall use commercially reasonable efforts to encourage the implementation of this Policy or similar policy elements.

This Policy also serves to provide transparent communication to investors, employees, and other stakeholders about CCE's approach to ESG. This Policy is publicly available.

ESG Principles

ESG factors affect long-term returns, and long-term financial value creation relies on responsible and sustainable management of our activities.

CCE activities are dedicated to renewable energy, particularly within solar photovoltaic power projects. The activities encompass large scale solar parks, PV roof systems on commercial properties and multi-family homes, and PV solutions for single family homes.

Globally, power generation is an important contributor to greenhouse gas emissions. Through our sole focus on renewable energy, CCE contributes to reduction in greenhouse gas emissions from the power generation sector. However, we recognize that there may also be negative consequences from our activities.

CCE is committed to operating its activities in a sustainable manner, taking long-term environmental, social and governance consequences into consideration in our activities.

We adhere to relevant laws and regulations in all the markets in which we perform our activities. Additionally, we use reasonable commercial efforts, having regard for the size and context of our operations, to align our activities with established and recognized international guidelines and recommendations, in particular the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights.

We consider ESG risks and impacts also for the supply chain. We take an active approach to identifying and addressing supply chain risks where we consider these to be material and we take action to address negative externalities where we believe we can have an impact.

We value transparency and provide relevant ESG reporting to investors and other stakeholders.

Responsible investment approach

Consideration of ESG risks and opportunities forms an important part of our investment approach. We consider the impact of ESG risks both for new investment and when we evaluate initiatives related to the ongoing asset management of the investments.

<u>Sustainability themed investments and exclusions:</u>

CCE invests only in the renewable energy sector with a focus on solar photovoltaic. We believe the sector provides investment opportunities with an attractive risk-return balance, while at the same time contributing to reducing global GHG emissions. Due to the nature of our investment approach, with a sole focus on renewable energy, we exclude investments in the fossil fuel sector.

<u>ESG integration:</u>

Evaluation of ESG factors is an integrated part of investment decisions. Where relevant ESG risks are identified, we perform a further analysis to evaluate the impact of these risk, and we consider mitigating measures when deemed to be required.

As a part of the ESG integration, formal ESG objectives are identified and reported upon for each investment.

<u>Supply chain and procurement:</u>

CCE recognises that the global photovoltaic supply chain is complex and entails potential ESG risks that may impact the investments, the environment, and stakeholders. This includes ESG factors such as for example life-cycle carbon footprint analysis, other environmental impacts and human resource risks. Consequently, CCE believes it is important to monitor and manage ESG risks arising from the solar photovoltaic supply chain.

CCE scores the relevant suppliers on ESG factors. As part of the analysis, we use 3rd party service providers to provide information on the ESG impact of suppliers. This supplier ESG score is an integral factor in the procurement decision.

During 2022, we plan to implement ongoing ESG risk assessment and ESG monitoring of key suppliers. If we identify suppliers with elevated ESG risks, we will implement mitigating measures, such as switching supplier where commercially viable, or working with the suppliers to reduce the ESG impact.

<u>Engagement:</u>

CCE personnel are responsible for the ongoing management of the investments. In its role as shareholder, CCE appoints representatives to the governing bodies of the investments, e.g., the Board of Directors. Through our ownership and representation, we encourage ongoing development of ESG according to priorities for each investment. Where we invest alongside other shareholders, we work with our co-shareholders to ensure an appropriate prioritization of ESG.

ESG due diligence

CCE conducts ESG due diligence prior to investments. The purpose of this is to ensure that all relevant and material ESG risks and opportunities are considered prior to investment decisions.

The ESG due diligence is conducted by the investment team in co-operation with external expertise where required. The ESG due diligence process ensures that relevant and material ESG risks are identified, their impacts are analysed, and the risks are treated or mitigated where required. The results of the ESG due diligence are presented to CCE management prior to investments.

ESG risks

ESG risks may vary depending on the specific market, value chain and the particular investment. Therefore, ESG risk may differ from investment case to investment case. However, based on a materiality assessment conducted by CCE, we have identified ESG factors that are expected to be relevant for a large part of our activities. The below will always be considered, and a detailed analysis and written evaluation will be performed where material risks are identified:

<u>Environmental</u>:

- Biodiversity and habitat
- Contamination, in particular contaminated land
- Climate change; Greenhouse gas emissions
- Climate change; Climate change adaptation, resilience and physical risks

- Circular economy, waste management, and materials usage
- Energy usage
- Water usage & water scarcity
- Water emissions (to groundwater, rivers, etc.)
- CCE does not invest in companies or projects where the business is based on fossil fuels.

Social:

- Health and safety; employees, contractors, community and other stakeholders
- Stakeholder relations; including local community, local employment and partnering, where relevant
- Working conditions and labour rights; including forced and child labour, inclusion and diversity, freedom of association, and employee engagement

Governance:

- Board Chair independence
- Board ESG oversight
- Bribery, corruption, fraud and financial crime
- Conflict of interest management
- Delegating authority and independence of decision making and control
- Digital security, including cybersecurity and data protection
- Executive compensation
- Political contributions and lobbying
- Shareholder rights
- Whistle-blower protection

Where we identify Environmental, Social or Governance risks that may have a material impact on the investment or which may significantly impact stakeholders or the environment, mitigating measures will be evaluated, implemented, and reported upon.

EU Sustainable Taxonomy 1

The European Parliament and the Council has introduced legislation to classify investments according to criteria for environmentally sustainable economic activities. As part of the investment process, CCE evaluates the alignment with the EU Sustainable Taxonomy criteria for Significant Contribution to Climate Change Mitigation, Do No Significant Harm (DNSH) to other environmental objectives, and Minimum Safeguards (MS). For activities that are defined according to the EU Sustainability Taxonomy[2], it is our ambition to achieve a high degree of alignment with the EU Taxonomy criteria.

1 REGULATION (EU) 2020/852 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 18 June 2020 on the establishment of a framework to facilitate sustainable investment and amending Regulation (EU) 2019/2088.
2 The EU Sustainable Taxonomy includes electricity generation using solar photovoltaic technology. However, the taxonomy does not currently include all economic activities.

For investments that are currently not aligned with the EU Sustainability Taxonomy criteria, we will aim to align these investments with the criteria over time, where commercially feasible.

Significant contribution:

Electricity generation using solar photovoltaic technology is defined as making a significant contribution to climate change mitigation. Therefore, CCE activities in this area meet the criteria. CCE activities in other areas will be evaluated as required.

Do No Significant Harm:

For electricity generation using solar photovoltaic technology, the DNSH criteria encompass the following:

- Climate change adaptation
- Transition to a circular economy
- Protection and restoration of biodiversity and ecosystems

These criteria are evaluated as part of the ESG risks being evaluated, as described above (ESG Risks).

Minimum Safeguards:

With regards to the Minimum Safeguards, CCE strives to align its activities according to internationally recognized principles and guidelines, as described above under (ESG Principles).

SFDR regulation

The European Parliament and the Council has introduced legislation regarding sustainability-related disclosures. Starting in 2022, CCE will collect and report where relevant to clients, on the mandatory Principal Adverse Impacts (PAIs)[3] as specified in the draft Regulatory Technical Standards. In addition to the mandatory PAIs, CCE has identified the following additional PAIs considered to be particularly relevant for CCE's activities, which we will also monitor:

- Exposure to areas of high water-stress.
- Supplier code of conduct.

The additional PAI "Exposure to areas of high water-stress" is included due to the medium or high water--stress in some of the regions in which we invest and develop projects, e.g., in Chile.

The additional PAI "Supplier code of conduct" is included due to ESG risks arising from the global solar panel supply chain, for example related to the potential use of forced labour in the manufacturing of components, and environmental risks related to disposal of panels at their end-of-life.

[3] According to the European Supervisory Authorities draft Regulatory Technical Standards, 2 February 2021, the mandatory PAIs relate to the following subjects: GHG emissions, carbon footprint, GHG intensity, fossil fuel exposure, non-renewable energy consumption and production, energy consumption intensity for high impact climate sectors, biodiversity, emissions to water, and hazardous waste.

Implementation of this Policy

The management of CCE is responsible for maintaining and updating this Policy as required by changes to market practice, regulation, voluntary standards or as otherwise deemed necessary.

The adoption and implementation of this Policy at the asset level is the responsibility of the relevant governance body of each investment, e.g., the investment's Shareholder Meeting, Board of Directors, or Management level (as applicable).