

The background features several overlapping circular and semi-circular patterns. On the left, there are concentric circles in shades of red and orange. In the center, there are patterns of parallel lines in green and orange. On the right, there are white concentric circles and a grid-like pattern of lines. The overall color palette is warm, with beige, cream, and light brown tones.

metier

Climate Change Policy

November 2023

Table of Contents

<i>1. Introduction.....</i>	<i>4</i>
<i>2. Scope.....</i>	<i>4</i>
<i>3. Governance.....</i>	<i>4</i>
<i>4. Strategy.....</i>	<i>4</i>
<i>5. Risk Management.....</i>	<i>5</i>
<i>6. Monitoring and Review.....</i>	<i>6</i>
<i>7. Reporting.....</i>	<i>6</i>
<i>8. Regular Revision of the Climate Change Policy</i>	<i>6</i>

Glossary

Terms	Definition
Environmental	Where we refer to the environment or environmental factors, we refer to the quality and functioning of the natural environment and natural systems. This includes aspects related to biodiversity management, greenhouse gas (GHG) emissions and reductions, climate change and climate action, energy efficiency, water efficiency, changes in land use, pollution prevention and waste management.
Social	When we refer to the social factors, we refer to the rights, well-being and interests of people and communities. These include diversity, equality, inclusion, human rights, workplace health and safety, freedom of association and freedom of expression, human capital management and employee relations, labour standards in the supply chain, the prevention of child and forced labour, relations with local communities, consumer protection, economic empowerment, training and skills development.
Governance	When we refer to governance or governance factors, we refer to the governance of Metier and its Portfolio Companies. Governance includes aspects such as board structure, leadership, diversity, skills and independence, executive pay, shareholder rights, stakeholder interaction, disclosure of information, business ethics, bribery and corruption, internal controls and risk management, and, in general, issues dealing with the relationship between a company's management, its board, its shareholders and its other stakeholders.
Impact	When we refer to impact, we refer to tangible positive outcomes such as decent job creation, improved environmental quality, gender equality and the creation of sustainable, socially responsible businesses that drive market development which ultimately benefits our broader communities, with the aim that such impact is measured, responsible and sensitive to all stakeholders. Impact is essentially the intentional desire to contribute to addressing economic, environmental and societal issues while having a measurable economic, social or environmental benefit.
GHG	Greenhouse gases.
Responsible Investment	As an investor, Metier considers ESG, business integrity and Impact aspects when making investment decisions and influencing Portfolio Companies.
ESG	When we refer to ESG, we refer to the consideration of environmental, social and governance risks and impacts in investment analysis, investment decisions and portfolio management.

Funds	Funds refers to investment funds managed by Metier through an investment pool created with the sole purpose of gathering investors' capital and investing that capital collectively through a portfolio of companies.
Portfolio Companies	Portfolio Companies refer to the companies where the investors' capital has been invested.

1. Introduction

Metier recognises the importance of climate action and the potential impacts of climate change on society. Metier acknowledges the scientific consensus that climate change is caused by human activities, specifically the emission of greenhouse gases (GHG). Hence, Metier supports the goals of the Paris Agreement to limit global warming to 2°C above the natural baseline, with the ambition of not exceeding 1.5°C.

While Metier supports these goals, we also recognise that a certain amount of climate change is unavoidable due to historic GHG emissions, and that in addition to reducing GHG emissions, actions related to adaptation and resilience are required. The impacts of climate change pose a risk to Metier, its Portfolio Companies, and other stakeholders, while the transition to a low carbon economy will also provide opportunities. Metier has therefore developed this policy, which sets out our approach to managing climate change.

In alignment with the Metier Responsible Investment Policy, this climate change policy sets out Metier’s objective to uphold international standards of best practice on climate change, to the extent reasonably achievable by the firm. This policy is aimed at improving our alignment with the goals of the Paris Agreement under the United Nations Framework Convention on Climate Change (Paris Agreement), Sustainable Development Goal (SDG) 13 on Climate Action and supporting our adoption of the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

2. Scope

This policy has been established as a reference framework applicable to all Metier investment activities, current and future. Portfolio Companies may adopt and implement this framework to strengthen their approach to climate change. The policy is also a source of information and guidance for the Metier management and investment teams.

As a responsible investor, where we have the power to do so, we will use our influence to ensure that our Funds and their Portfolio Companies align with and commit to the core and binding principles of this policy.

3. Governance

Overall governance of climate change related matters will be addressed by the Metier board, and climate change will be included as an agenda item at every board meeting either separately or integrated into broader social and environmental management.

Principal responsibility for coordinating matters related to climate change management will be vested with the E&S Officer. However, climate change is a cross-cutting issue and relevant climate-related roles and responsibilities will be integrated into current Metier staff responsibilities, as applicable. This includes investment and Portfolio Company management activities.

4. Strategy

Metier is committed to responsible investment by including climate change considerations in our business decision making and investment processes. Climate risks and opportunities are likely to have both positive and negative impacts on the value of a Fund over time. Metier will

adopt the TCFD recommendations to understand its financial exposure to climate risk and assist Portfolio Companies to disclose this information in a clear and consistent way. The TCFD alignment will be primarily against the four pillars recommended by the TCFD, namely:

- Strategy: align by identifying opportunities to reduce GHG emissions across the portfolio, where reasonable and within our control, to enhance the climate change resilience of Metier and its Funds;
- Governance: ensure accountability through considering and taking responsibility for Metier and its Funds' climate impact at the Board and executive management levels;
- Risk management: establish processes to identify, assess, and manage climate-related risks; and
- Metrics: measure progress against the emission reduction target by tracking Fund metrics. These metrics will be reported in our annual reports.

Metier will evaluate the long-term trends and impact of material and applicable climate related risks and opportunities on the investment strategy for each Fund. This evaluation will, over time, consider a range of different scenarios including the transition to a low-carbon economy. In addition to the long-term trends, Metier will determine whether there are material climate risks or opportunities in new transactions. To support this, climate change-related physical and transition risk identification and management processes will be embedded in investment processes. Where opportunities exist, Metier will aim to leverage opportunities to support Portfolio Companies in reducing or avoiding GHG emissions through activities such as improving resource efficiency or developing renewable energy sources.

Through understanding climate change-related risks relevant to our Funds and Portfolio Company activities, Metier will support the development and implementation of climate resilience and adaptation plans.

Metier will develop and publish its climate change targets by 30 September 2024. These targets will be aligned with the Paris Agreement. Metier will also develop a transition plan that will set out how we aim to achieve our climate change targets.

5. Risk Management

To manage climate change related risks, we will:

- Identify, assess and manage physical and transition risks throughout the investment cycle;
- As defined in the Exclusion List, analyse activities at high risk from the global transition and high-carbon energy generation in considering prospective investments;
- Give attention to investments that have climate-related benefits such as decarbonisation, renewable energy, resilience, or adaptation;
- Evaluate the GHG emission footprint of our Funds and its Portfolio Companies through the adoption and application of consistent GHG accounting;
- Assess the GHG emissions of Portfolio Companies to identify priority investees with whom to engage;
- Support Portfolio Companies, as may be appropriate, to decarbonise and reach climate goals; and
- Actively work with Portfolio Companies to adopt TCFD principles and practices.

Climate change related risk management will be incorporated into Metier group and Fund risk management processes for both existing and future investments.

6. Monitoring and Review

Climate-related metrics serve as indicators of performance across the TCFD pillars and provide a feedback loop to support continuous improvement against Metier's climate targets. Metier will define relevant and material climate-related metrics for each Fund and at the Fund Manager or firm level.

For new and existing investments, the deal teams together with the E&S Officer will be responsible for undertaking data collection of climate-related risks and opportunities, GHG data and other sustainability metrics.

The designated E&S Officer will validate the data and quantify the GHG emissions and other sustainability and development impact metrics. The material metrics will be collated and reported to the Board and investors.

7. Reporting

A designated E&S Officer will take responsibility for preparing an annual E&S monitoring report providing an overview of the portfolio's GHG emissions and other sustainability and development impact metrics.

8. Regular Revision of the Climate Change Policy

Metier recognises that this Policy, with its associated tools and processes, will need to be reviewed on a regular basis to ensure it continues to help us meet our climate change ambitions, remains consistent with our investment beliefs and priorities, and is relevant given changing market regulations and expectations. As a consequence, and to comply with our commitment to continuous improvement, we undertake to update and review this policy every two years.

9. Metier Climate Change Targets (published September 2024)

9.1 All Metier investment executives and principals to attend climate-related training by June 2025.

9.2 Metier as a firm, to align with the TCFD, and publicly disclose climate related aspects by September 2025.

9.3 Use its reasonable endeavours to measure GHG emissions (Scope 1 and Scope 2) of Portfolio Companies as follows:

- a) For existing Portfolio Companies, measure and disclose GHG emissions by September 2025 to the extent possible; and
- b) For new Portfolio Companies, measure and disclose GHG emissions within 12 months from investment to the extent possible.

9.4 Metier will establish quantitative energy efficiency improvements and/or GHG emission reduction targets for its portfolio of companies to be achieved by end-2030 and mid-period targets to that date, that are bespoke given the nature of the Portfolio Company and its context. This will entail:

- a) By March 2026, a baseline and 5-year targets will be established for current Portfolio Companies;
- b) New Portfolio Companies will have similar targets established within 18-24 months of investment; and
- c) Where Portfolio Companies reduce energy use or GHG emissions as part of the business-as-usual baseline, appropriate climate-related targets will be established.