



2022 Sustainability & Impact Report

Ecofin has a long history of sustainable investments. Thematic-focused opportunities and risk factors have been integrated into the investment teams' processes since the founding of the firm in the 1990s, well before ESG became a focus for most investors. Our investment professionals have always been our subject matter experts and continue to integrate financial and non-financial factors into their evaluation criteria to drive returns and thematic impact for investors.

Where our philosophy stands apart from other managers is our conviction that impact and responsible investing should not focus on those companies that have already completed a transformation. We believe real change happens when companies undertake a path of improvement and we stand ready to support and encourage those paths. It was based on our philosophy of impact investing, that we created our Sustainability & Impact (S&I) Policy. By developing a set of guiding principles for our sustainable and impact investing practices, we have outlined a systematic process that allows for consistency and accountability. We endeavor to demonstrate how our commitment to positively impacting clients and communities will continue to optimise investor returns, while maximising the measurable impact of their investments.

The goal of this report is to show the societal and environmental impacts that result from having an investment driven, thematically focused and sustainable strategy. We want to create a repeatable framework for reporting that includes both quantitative and qualitative components. The firm's Guiding Principles for Sustainability and Impact reflect our desire to maximise the measurable impact of our investments, with accountability, transparency and integrity. Those guiding principles are:

1. **Investment Driven:** We seek to provide superior, long-term risk-adjusted returns and differentiated sources of income for our clients
2. **Thematic Focused:** A proven track record and expertise of investing in essential assets and companies with long-term growth profiles
3. **Sustainability Minded:** A systematic approach that incorporates ESG into assessing the sustainability of business models to limit downside risk and capture forward-looking opportunities
4. **Actively Engaged:** Utilise our long-standing market reputation to engage with portfolio companies and investments in an effort to drive continuous improvement in their sustainability practices and metrics
5. **Impact Oriented:** Strive to make positive societal and environmental impacts by aligning definitive goals with measurable outcomes, and accountability with transparency reporting

The Sustainability & Impact Team works closely with the investment teams and across the firm to carry out the key goals and five guiding principles with an authentic, credible and systematic approach. We work to identify data and reporting gaps, areas for on-going training, and to assist with the implementation of the S&I Policy.

We are excited to publish these reports to further conversations with investors around our intentionality, implementation, and outcomes. With the rapidly changing environment surrounding sustainability, ESG and impact, we have worked to implement best practices in reporting but embrace a culture of continuous improvement and are excited to see future reports continue to evolve. We envision each future report will be more comprehensive, data driven, and informative than the last and we welcome feedback from investors and peers on ways to enhance our reporting.

Warm regards,
The Sustainability & Impact Team

Who we are

STRATEGY INVESTMENT TEAM

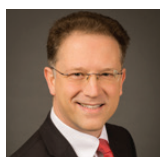


Max Slee
Portfolio Manager and Director



Matthew Breidert
Senior Portfolio Manager and
Managing Director

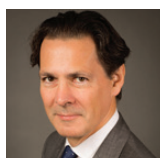
LISTED EQUITIES INVESTMENT TEAM



Michel Sznajer, CFA
Portfolio Manager and Director



Ethan Zhang, CFA
Investment Analyst



Jean-Hugues de Lamaze
Managing Director, Senior Portfolio Manager



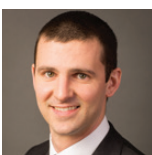
Matteo Rodolfo, CFA
Investment Analyst



Elsbeth Dick, CFA
Director – Product Specialist &
Investor Relations



Anny Giavelli
Sustainable Investment Strategist



Michael Perry, CFA
Director and Investment Analyst

SUSTAINABILITY & IMPACT TEAM



Greg Murphy
Managing Director - Head of Impact



Ben Bor
Senior Analyst



Emma Kurtz
Analyst

Contents

- 05** **Section One**
Executive summary
- 07** **Section Two**
Our approach
- 08** **Section Three**
Our affiliations
- 10** **Section Four**
Introduction of the 4 master themes
- 14** **Section Five**
Master theme SDG alignment
of top ten holdings
- 16** **Section Six**
Top 10 holdings profile

Section One

Executive summary

The world needs investments that provide solutions for global challenges, especially in times of crisis. For the first time we are creating impact reports for each of the thematic strategies to tell the stories of how the investments in each of our thematic strategies are providing critical solutions and furthering the objectives of the United Nations Sustainable Development Goals (SDGs).


The first section of the report discusses our approach and the reasons why reporting on these topics is so essential.

The body of the report introduces the four master themes that underpin our Energy Transition strategy. We believe the transition to a more circular, lower carbon economy is creating significant investment opportunities. We describe how our master themes are positioned both to enable and benefit from these changes. We also map each investment master theme against the UN Sustainable Development Goals.

Mapping positive impact is only the first step. Where possible, we have sought to provide quantitative and qualitative discussions, as well as examples of the impacts being made by our investments.

The last section of the report attempts to provide a wider assessment of the environmental, social and governance (ESG) factors we evaluate when making investments.

The world is in a period of enormous change. Investors like you and asset managers like us have important roles to play in providing solutions that support positive social and environmental outcomes. We work hard to win your trust and support in the investments that we make. We hope you find this report helpful as you evaluate your goals.



“ Of all the fuel that industrial companies use for energy, we estimate that almost 50% could be replaced with electricity using available technology. ”



Section Two

Our approach

Our investment proposition to investors is borne from the belief that societies need to accelerate the transformation to a greener, decarbonised and more sustainable economy. We believe that addressing climate change and circularizing the economy is not only good for the future but has and will continue to deliver compelling risk-adjusted investment opportunities as we expect these trends to drive earnings growth for years and decades to come. Our investment team endeavors each day to anticipate the future and identify the companies that are making that future a reality.

This report details how we believe our four master themes of clean transportation, electrification, industrial efficiency and environment, are inherently tied to multiple United Nations SDGs and the companies owned by this strategy are positively pushing our economy and society toward the lower carbon, more circular future.

Environmental, Social and Governance (ESG) is key to our investment strategies. For more than a decade, the analysis of ESG factors has been an integral part of our investment analysis and decision-making process. In 2009, we were awarded the first environmental mandate from the largest sovereign wealth fund in Europe, helping us further integrate ESG, but also building our understanding of sustainability as a source of durable wealth creation and organising our engagement to deliver impact as a key commitment to our investors.

This report also provides a look at our ESG assessment of our top ten holdings as a way to illustrate what these companies do and the factors we consider when making our investments.


Section Three

Our affiliations

Signatory of:



- Our parent company is a signatory to the United Nations Principles for Responsible Investment (UNPRI), the leading global network for financial industry participants and investors who are committed to integrating ESG considerations into their investment practices and ownership policies.
- Ceres Foundation's Investor Network (Ceres), which is designed for organisations focused on sustainability and climate action to work together to share best practices and research. From our Ceres affiliation, we were able to join the Net Zero Asset Managers Initiative which is a group of global investment managers who have pledged to support the goal of net zero emissions by 2050.
- Carbon Disclosure Project (CDP) Non-Disclosure Campaign actively engages companies that have received the CDP disclosure request on behalf of investors but have not provided a response. The objective of the campaign is to drive further corporate transparency around climate change, deforestation and water security, by encouraging companies to respond to CDP's disclosure request.
- Task Force on Climate-Related Financial Disclosure (TCFD). The TCFD is committed to market transparency and stability. We believe that better, more transparent and comparable, information will allow companies to incorporate climate-related risks and opportunities into their risk management and strategic planning processes. As this occurs, companies' and investors' understanding of the financial implications associated with climate change will grow, empowering the markets to channel investment to sustainable and resilient solutions, opportunities, and business models.
- Our stewardship policies statements were designed to be in-line with the ICGN Global Stewardship Principles, which is an internationally recognised framework for investors to implement their fiduciary obligations on behalf of clients and beneficiaries.
- Global Impact Investors Network (GIIN) is a champion of impact investing, dedicated to increasing the scale and effectiveness of impacting investing around the world. The GIIN seeks to further the impact investing industry by providing measuring and reporting infrastructure, education, and research.

A silver Ford Focus electric car is parked at a charging station. The car's front is visible, showing the charging port on the left side with a charging cable plugged in. The license plate is Oregon 800 FJM. In the background, there is a modern building with a glass facade and a grid-like structure. The word "CHARGING STATION" is written vertically on the right side of the image.

// Projections show that in 20 years there will be between 300 and 500 million electric vehicles on the roads. //

Section Four

Introduction of the 4 master themes

The climate modeling work that Syukuro Manabe and Klaus Hasselmann started conducting in the 1960s & 70s was based on a simple premise that was also documented on August 9, 2021 by the UN Intergovernmental Panel on Climate Change (IPCC) which published a report of nearly 4,000 pages that addressed the most up-to-date physical understanding of the climate system and climate change, read the full report [here](#).

The simple premise understood by both the models of Manabe and Hasselmann as well as the IPCC report is that: “There is a near-linear relationship between cumulative anthropogenic CO₂ emissions and the global warming they cause.”

What that means is that every ton of greenhouse gas emitted heats up the atmosphere a little bit while every ton avoided prevents heating, and any greenhouse gases removed reverses warming.

Scientifically establishing that CO₂ and temperature travel in lockstep is a key tool in establishing international treaties around emissions such as the 2015 Paris-agreement and has been instrumental in gaining traction around the world for a push to net zero emissions by 2050.

While this push toward a lower carbon future has only just begun, it appears obvious that the effort to transition our economy and society from the carbon-intensive present to a low-intensity future will have rippling ramifications across every part of our economy and society.

Solving problems has always been the basis for building good businesses and solving the problems around emissions will be no different. Like the technology boom spawned by the internet over the last 25-30 years, the next 30 years will be dominated by new investment, advances, and technology around reducing emissions and making our planet and our place on that planet more sustainable.

Our Energy Transition strategy attempts to identify and invest in these opportunities, and it does so through four main investment themes:



Electrification: Companies enabling low carbon or decarbonised electricity to take significantly higher market share of total energy consumption in the future



Clean transportation: Companies in zero emissions vehicle value chain as well as technologies improving the emissions and fuel efficiency of combustion engine vehicles.



Industrial and building efficiency: Technologies improving energy efficiency, production yield, emissions, and waste reduction in industrial processes. Companies that enable lower emissions and improve energy efficiency in building operation and construction.



Environmental: Companies involved in recycling, waste-to-energy, and the circular economy.

“Waste does not exist in nature because ecosystems reuse everything that grows in a never-ending cycle of efficiency and purpose.”

– Frans van Houten, CEO Royal Philips

Electrification:

The electrification of the economy is a megatrend. Ultimately traditional energy sources like natural gas and crude oil are being phased out by cleaner and renewable energy, simply put, we believe electricity wins.

Electricity today is about 20% of global market share inside the energy pie and we believe this doubles over the next 20 years¹.

We believe the electricity market share will double because there are four big verticals pulling on electricity that are ultimately tied to renewable energy. These factors include decarbonising the supply chain, the emerging prevalence of electric vehicles, green hydrogen, which we believe will become the precursor to decarbonising heavy industry, and utilities will continue to decarbonise. This shift in energy consumption presents unique opportunities to invest in the forefront of the technologies and process innovations that are leading to continuous improvement in efficiency and reductions in emissions.



// Fossil-fuel combustion attributed to residential and commercial buildings accounts for roughly 29% of total U.S. greenhouse gas emissions. //

Center for Climate and Energy Solutions-C2ES Climate Innovation 2050

Clean transportation:

The EnergyTransition strategy invests in companies that are actively working to produce and enhance the clean transportation industry. This industry is working to offer the convenience of modern transportation without the environmental impact. Efficiency of the transportation sector is crucial to reach the goal of net zero emissions. In order to reduce emission intensity, we must improve or replace typical internal combustion engines with electric powertrains. By choosing the “cleaner is better” approach, the global demand for fossil fuels will decrease.

In 2020, there were 10 million electric vehicles on the road, a 43% increase from 2019 and we see no signs of a slowdown². While conventional and overall new car registrations fell in 2020, electric vehicle sales share increased 70% to 4.6% of all registrations³. Several governments are offering fiscal incentives and competitive costs to owners to further the movement to a green fleet.

29% of greenhouse gas emissions in the U.S. are from transportation⁴. This makes transportation, including land, air and sea the fourth-largest source of global climate pollution. EnergyTransition is taking steps to decarbonise the transportation sector, making its part critical in stabilising the climate.

Industrial and building efficiency:

Efficiency is often seen as the less glamorous cousin to clean energy on the path to net zero emissions, however efficiency is equally important for Energy Transition as decarbonising the electric grid.

According to the Global Alliance for Buildings and Construction, nearly 40% of total global energy-related CO₂ emissions come from buildings and building construction. Existing building infrastructure is inefficient with many estimates pointing to the fact that a third or more of energy resources are currently wasted in existing buildings. The existing stock of buildings cannot be completely rebuilt, in fact, two-thirds of today's existing building stock will still exist in 2040. Without massive increases in efficiency, these buildings will continue to waste energy and generate emissions. These statistics become more as climate change will likely increase the need for HVAC globally.

In addition to the existing building stock, Architecture2030.org estimates that the global building floor area will double between now and 2060. To accommodate the largest wave of urban growth in human history, the world is expected to add 2.4 trillion ft² (230 billion m²) of new floor area to the global building stock, **the equivalent of adding an entire New York City to the world, every month, for 40 years.**

Achieving net zero emissions from new construction will require energy efficient buildings that use no on-site fossil fuels and are 100% powered by on- and/or off-site renewable energy.

The good news is that the world is seeing building efficiency success. For example, the U.S. building sector has not increased its energy consumption since 2005 even though the U.S. has added over 50 billion square feet (4.7 billion square metres) to its building stock, and today CO₂ emissions in the entire sector continue to decline and are down 30% from 2005 levels⁵. This trend must continue, accelerate, and spread around the world.

Environmental:

Our current culture of one-time-use consumption is unsustainable. The U.S. EPA has estimated roughly 42% of all greenhouse gas emissions are caused by the production and use of goods, including food, products and packaging. Reducing, reusing and recycling will conserve that energy and dramatically reduce our carbon emissions.

Extracting raw materials requires large amounts of energy and causes pollution, whether it is logging a forest, mining for minerals or drilling for oil. Processing these materials requires more energy and causes more pollution. Once they're used, the goods are often simply dumped in a landfill.


















In contrast, a circular or zero waste approach conserves natural resources and reduces pollution from extraction, manufacturing and disposal. Reducing and reusing means fewer products are made, as people buy less and as products are made to last. Recycling keeps waste out of landfills and incinerators and provides manufacturers with recycled instead of raw materials to make new goods.

ZERO waste is good for the environment. It's take 20x less energy to make an aluminum can from recycled materials than raw materials.



Section Five

Master theme SDG alignment of top ten holdings

Master Themes	Portfolio Example	Thematic Focus	Thematic Outcomes	Thematic Impact
Electrification	<ul style="list-style-type: none"> China Longyuan Power Group EDP Energias de Portugal SA Exelon Corp Nextera 	<p>“Electricity Wins”</p> <ul style="list-style-type: none"> Captures the growing electricity market as a piece of the broader energy market Renewable growth within electricity generation; good for the environment – good for the company 	<ul style="list-style-type: none"> Measurable reduction in GHG and other pollutants in comparison to local grid. Continued replacement of coal and other fossil fuel generating plants with renewables. Fewer coal plants in a grid equates to fewer GHG and particulate emissions and Fewer tons of coal being mined. Providing cheap and abundant electricity to consumers and industry. Economic growth and higher employment 	      
Clean transportation	<ul style="list-style-type: none"> Contemporary Amperex Technology Co., Ltd Rohm Co, Ltd TE Connectivity Volkswagen AG 	<ul style="list-style-type: none"> Transition from internal combustion engines to electric powertrains Improvement of combustion engine efficiency and reduce emissions intensity 	<ul style="list-style-type: none"> Improving air quality by displacing emitting transportation with clean transportation. Reducing global demand for fossil fuels 	   
Industrial and building efficiency	<ul style="list-style-type: none"> Autodesk Schneider Electric SA 	<ul style="list-style-type: none"> Developing products that are more efficient Construction of buildings to be more energy efficient Industrial efficiency in manufacturing Materials and techniques efficiencies that go into building (heat pumps) Making existing structures more energy efficient 	<ul style="list-style-type: none"> Companies working to enhance the efficiency of buildings and industrial equipment. Companies who's products and services reduce waste in construction and industrial processes. 	    
Environmental		<ul style="list-style-type: none"> Turn waste to energy Improve water usage efficiency 	<ul style="list-style-type: none"> Keeps biomass out of landfills. Helps protect groundwater. Encourages reuse and recycling. 	



“ It's takes 20x less energy to make an aluminum can from recycled materials than raw materials. ”

Section Six

Top ten holdings profile

We believe that companies with a thorough understanding of ESG issues are more capable of mitigating risks and enhancing their performance over the long term. Knowledge of ESG factors and risks and active ownership are integral to Ecofin's investment philosophy and process.

The following section examines the 10 largest holdings of the strategy and reports on a wider assessment of the environmental, social and governance factors we evaluate within our investment framework.

-
- 17** Autodesk
 - 20** China Longyuan Power Group
 - 23** Contemporary Amperex Technology Co, Ltd
 - 26** EDP - Energias de Portugal, S.A.
 - 29** Exelon
 - 32** NextEra Energy, Inc.
 - 35** Rohm Semiconductor
 - 38** Schneider Electric
 - 41** TE Connectivity
 - 44** Volkswagen

All MSCI data as of 20/10/2021. Top ten holdings as of 30/6/2021. Covanta and Spark excluded due to acquisition before report date.

The top ten holdings provided should not be considered a recommendation to purchase or sell any particular security. The top ten holdings may vary and are subject to change without notice. It should not be assumed that any holdings discussed were or will be profitable.

Top ten holdings profile

Autodesk



Master Theme:



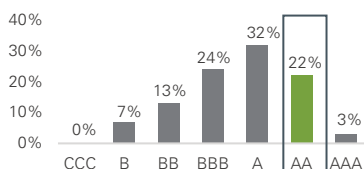
INDUSTRIAL AND
BUILDING EFFICIENCY

MSCI ESG Ratings

CCC | B | BB | BBB | A | **AA** | AAA

ESG Rating Distribution

MSCI ACWI Index constituents, software & services



Company overview

Autodesk is a global leader in 3D design, engineering, and entertainment software and services. With expertise across architecture, engineering, construction, design, manufacturing and entertainment, Autodesk offers innovative technology products. It is spread among major geographic regions with U.S. being its biggest single market. The core of its strategy is to provide valuable automation and insight into customers' design.

Ecofin sustainability thesis

Autodesk provides cloud software solutions that significantly improve efficiency and reduce waste in two main verticals: Architecture, Engineering & Construction (AEC), and Manufacturing. ADSK's AEC software suite enables customers to improve efficiency and reduce waste in construction. Through ADSK's software offering, it enables customers to design more energy efficient buildings. ADKS's manufacturing software suite digitalises the design, simulation and manufacturing process, thereby significantly improving industrial efficiency. It has already successfully achieved net zero emissions goals ahead of schedule.

SDG commitment

UN Global Compact Participant

Autodesk is focusing to following goals to maximise positive impact through its operation, products and philanthropic activities. It contributes to environmental goals including 7 and 13 by having already achieved net zero GHG emissions target across business and value chain. It has committed to using 100% renewable energy in all the operations.

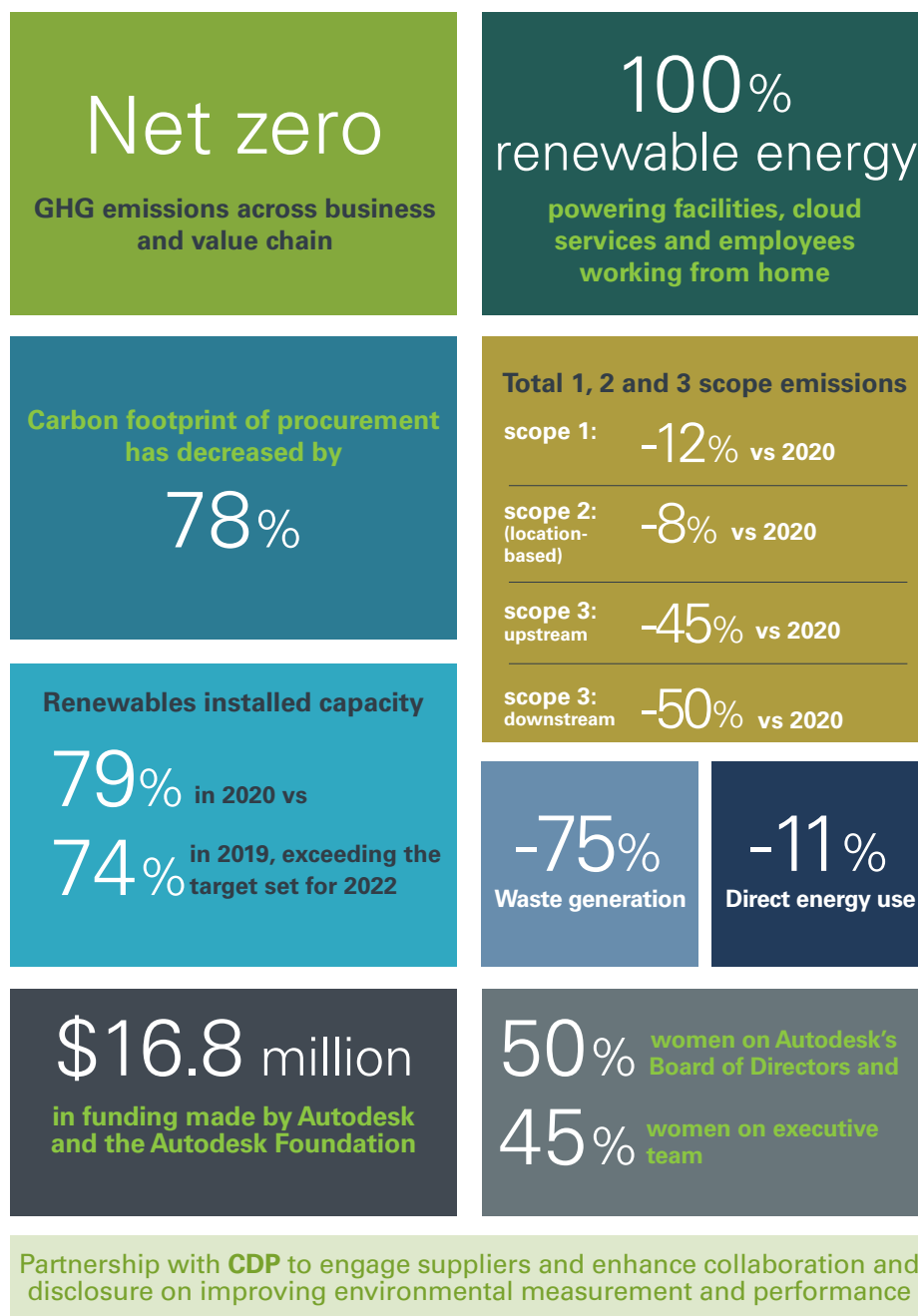
Principles and Global Goals Addressed in their most recent Communication on Progress





Sustainability profile

Autodesk anchors its business model to sustainability. Its sustainability policies have few areas of focus: energy efficiency, digital transformation, increasing resilience and prosperity of global communities. They have led Autodesk to become a net zero GHG emissions company across the business and value chain. In 2020, 100% of office and data center electricity is from renewable energy sources. They have set new science based GHG emissions reduction targets to be aligned with the latest climate science 1.5 degrees pathway. They continue to engage with customers and suppliers to help them decarbonise.



Top ten holdings profile

Autodesk



ENVIRONMENT

Company ESG targets

- **Science Based Target initiative (SBTi) approved** – 1.5°C
 - **Reduction of Scope 1 and 2** emissions by 50% by FY2031 vs FY2020
 - **Reduction of Scope 3** emissions from purchased goods and services, fuel and energy-related activities, business travel, and employee commuting 55% per dollar of gross profit by FY2031
 - **26.5% of its suppliers** by emissions covering purchased goods and services and business travels, will have science-based targets by FY2027.
 - 100% renewable energy powering all facilities, cloud services and employees working from home, achieved and ongoing
- Net zero carbon emissions for scope 1, 2 and 3 annually, achieved and ongoing
- Continue to use an **internal price on carbon**
- Continue to integrate **sustainable design capabilities into products and services**
- Engage suppliers to **set GHG reduction targets**



SOCIAL

By 2024

- Increase the number of **women in tech roles globally by 25%**
- Increase the number of **women in sales roles globally by 25%**
- Increase the number of U.S. employees who are underrepresented **people of colour by 30%**
- Increase the number of U.S. **Black employees by 100%**
- Increase the number of leaders in the U.S. who are **people of colour by 40%**
- Increase the number of **Black and Latinx leaders in the U.S. by 300%**

Source: Autodesk

This document does not constitute or form part of any offer to issue or sell, or any solicitation of any offer to subscribe or purchase, any shares in any fund managed by Ecofin UK. This document only provides outline information on a strategy. The information contained in this document are for background purposes only and do not purport to be full or complete. No reliance may be placed for any purpose on the information contained in this document or their accuracy or completeness. Ecofin UK believes that the source of the information included in this document is reliable. However, no representation, warranty or undertaking, express or implied, is given as to the accuracy or completeness of the information contained in this document by Ecofin UK and no liability is accepted by Ecofin UK for the accuracy or completeness of any such information. This presentation is provided for discussion and informational purposes only, to provide background information with respect to Ecofin and its family of registered investment advisors' activities and is not an offer to sell or the solicitation of an offer to buy an interest in any current or future vehicles or funds controlled by Ecofin.

Top ten holdings profile

China Longyuan Power Group



Master Theme:



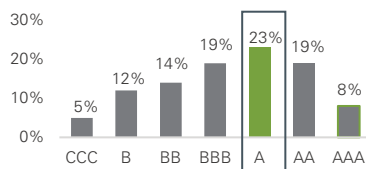
ELECTRIFICATION

MSCI ESG Ratings

CCC | B | BB | BBB | **A** | AA | AAA

ESG Rating Distribution

MSCI ACWI Index constituents, utilities



Company overview

China Longyuan designs, develops, manages, and operates wind farms. It is the largest wind power developer and operator in China and Asia and one of the largest ones in the world. The Company also operates other power projects including solar power, tidal power, biomass power, and geothermal power services. In addition, it manufactures and sells power equipment, and it provides consulting, maintenance, and training services to wind and other renewable power generation plants.

Ecofin sustainability thesis

As a leader in China's new energy sector, Longyuan emphasizes the importance of corporate social responsibility and regards it as a crucial component to fulfil its mission to develop clean energy for China. Longyuan actively promotes and advocates low carbon practices across the industry and contributes significantly to the emission reductions in China and therefore the Paris agreement net zero goals. It maintains its leadership in the global wind power generation sector. It added 1,113 MW of wind power capacity in 2019 with its total installed capacity to exceed 20,000 MW, with its offshore installed capacity ranking third in the world. Its cumulative power generation was 50.736 billion kWh, of which wind power generation is 40.732 billion kWh, an increase of 3% yoy.

Furthermore, it has been enhancing its corporate social responsibility policies and practices, which are considered by the company as crucial elements to drive clean energy development in China.

China Longyuan is driving the energy transition process by providing affordable and clean energy solutions and accelerating adoption of renewables.

SDG commitment

With its strong commitment to accelerate adaptation of renewables and its sustainability driven practices, we believe Longyuan is aligned with the following SDGs:



Top ten holdings profile

China Longyuan Power Group



Sustainability profile

China Longyuan is a leader in China's new energy sector and the largest wind producer in China and the world with over 19GW of wind assets. Renewables cost of production in China are falling below fossil fuel costs, making the need for subsidies obsolete and therefore reducing the risk of accumulating receivables on the balance sheet. China Longyuan has had mid-teens growth even before China committed to net zero and renewables were more expensive than fossil fuel electricity assets. Growth of renewables in China is expected to accelerate with China Longyuan as a key beneficiary.

**Effective
management of sulfur
dioxide emission
with solid green management
practices**

**Increased investments in
environmental protection and
completed
116 environmental
protection projects**

**Overseas
Corporate Responsibility
Model Enterprise Award
at the 2019 China Corporate Social
Responsibility Report Summit**

**Won the outstanding award
of the China Energy Group's
2019 Award Fund
with its efficient energy
management and innovation**

**Comprehensive and efficient implementation of CSR
policy 2019 with focus on key social responsibilities.**

Top ten holdings profile

China Longyuan Power Group



ENVIRONMENT

Company ESG targets

- Utilise **renewable energy generation** to replace fossil fuel energy
- Work to promote the **sustainable development of the Company and the industry**
- Significant contribution to China's recent commitment to **peak its carbon dioxide emissions** before 2030 and **achieve carbon neutrality** before 2060
- Maintain policies that led China Longyuan to win **Overseas Corporate Responsibility Model Enterprise Award**

Source: China Longyuan Power Group

This document does not constitute or form part of any offer to issue or sell, or any solicitation of any offer to subscribe or purchase, any shares in any fund managed by Ecofin UK. This document only provides outline information on a strategy. The information contained in this document are for background purposes only and do not purport to be full or complete. No reliance may be placed for any purpose on the information contained in this document or their accuracy or completeness. Ecofin UK believes that the source of the information included in this document is reliable. However, no representation, warranty or undertaking, express or implied, is given as to the accuracy or completeness of the information contained in this document by Ecofin UK and no liability is accepted by Ecofin UK for the accuracy or completeness of any such information. This presentation is provided for discussion and informational purposes only, to provide background information with respect to Ecofin and its family of registered investment advisors' activities and is not an offer to sell or the solicitation of an offer to buy an interest in any current or future vehicles or funds controlled by Ecofin.

Top ten holdings profile

Contemporary Amperex Technology

CATL

Master Theme:



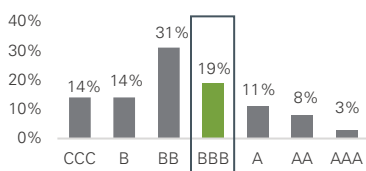
**CLEAN
TRANSPORTATION**

MSCI ESG Ratings

CCC | B | BB | **BBB** | A | AA | AAA

ESG Rating Distribution

MSCI ACWI Index constituents, auto components



Company overview

Contemporary Amperex Technology Co., Limited (CATL) is a China-based supplier of power battery systems primarily used in electric vehicles. The company is primarily engaged in the research, development, manufacture and sales of new energy vehicle power battery systems and energy storage systems. The Company's main products include power battery systems, energy storage systems and lithium battery materials. The company's products are mainly used in the fields of electric passenger cars, electric buses and special vehicles, such as electric logistics cars.

Ecofin sustainability thesis

CATL is a global leading manufacturer of electric vehicle batteries and energy storage systems. It continues to dominate the global EV battery market having posted the largest market share in 2020. The company's leadership in production cost, battery technology and production capacity accelerate adoption of EVs globally by increasing battery energy density and reducing battery cost rapidly. It maintains its efforts in battery innovation to promote highly efficient electric power systems.

CATL is committed to delivering excellent contributions to green energy resolution for the society and provide a platform of pursuing well-being for employees. CATL continues to implement the protection of labor rights, human rights, occupational health and safety in enterprises and supply chains, actively fulfilling social responsibilities.

SDG commitment

The company is supporting all of the United Nation's SDGs:



Contemporary Amperex Technology

CATL

Sustainability profile

Contemporary Amperex Technology strongly believes in sustainability and works to achieve results in environmental protection and emission reductions. It has been committed to providing batteries and energy storage solutions with improved production efficiency and reduced energy intensity. It has submitted its proposal to concretely support the implementation of the national carbon neutrality strategic plan. Recently it has achieved significant emission reduction. To underscore the importance of sustainability CATL organised a sustainable development month aimed at raising and enhancing employee awareness of the 17 UN SDGs.

Carbon emissions per
unit product decreased by

8.5%

over 2019

130,902 tons

carbon emissions decreased

coal per unit

product decreased by

8% in 2020 vs 2019

218

energy-saving and emission
reduction programs

18.7%

energy efficiency increased

photovoltaic power

generated electricity

22.58 million kWh

60%

of packing recyclability rate

CNY

309,677,200

invested in poverty alleviation

Contemporary Amperex Technology

CATL



Company ESG targets

- Raise awareness about waste sorting and providing guidance to their employees on correctly and safely disposing of waste.
- Integrate the **ISO 14001** environmental management system, implement the **ISO 50001** energy management system, and **commit to producing carbon-neutral aligned battery products**.
- Work to find a process that can **accurately measure the entire lifecycle of products**.
- CATL continues to prioritise corporate social responsibility and keep production processes clean, with few pollutants.
- **Contribute to China's national goals** of peaking CO2 emissions ahead of 2030 and achieving carbon neutrality by 2060

Source: Contemporary Amperex Technology

This document does not constitute or form part of any offer to issue or sell, or any solicitation of any offer to subscribe or purchase, any shares in any fund managed by Ecofin UK. This document only provides outline information on a strategy. The information contained in this document are for background purposes only and do not purport to be full or complete. No reliance may be placed for any purpose on the information contained in this document or their accuracy or completeness. Ecofin UK believes that the source of the information included in this document is reliable. However, no representation, warranty or undertaking, express or implied, is given as to the accuracy or completeness of the information contained in this document by Ecofin UK and no liability is accepted by Ecofin UK for the accuracy or completeness of any such information. This presentation is provided for discussion and informational purposes only, to provide background information with respect to Ecofin and its family of registered investment advisors' activities and is not an offer to sell or the solicitation of an offer to buy an interest in any current or future vehicles or funds controlled by Ecofin.

Top ten holdings profile

EDP



Master Theme:



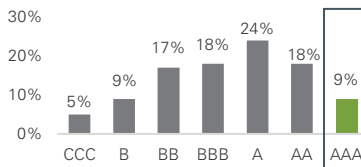
ELECTRIFICATION

MSCI ESG Ratings

CCC | B | BB | BBB | A | AA | **AAA**

ESG Rating Distribution

MSCI ACWI Index constituents, utilities



Company overview

EDP is Portugal's largest utility and one of the largest wind power developers in the world. It operates in 16 countries and produces nearly 70% of its output renewable resources. EDP was an early mover into renewable energies and since 2006 has invested over €20 billion in renewables, of which 75% has been in onshore wind and 40% in the U.S., through its listed renewables subsidiary EDPR. As a fully integrated utility, EDP is also heavily involved in the distribution and transmission of electricity, both in Europe (across Portugal and Spain) and in Brazil, where it owns Energias do Brasil. Through a partnership with Engie, EDP is also present as a key player in the offshore wind arena.

Ecofin sustainability thesis

EDP is a leader in renewable energy deployment and climate change mitigating efforts from utilities companies, therefore it contributes significantly to the global decarbonisation process. The company has been focusing on low carbon intensity operations as growth opportunities. Furthermore, its carbon neutrality targets are among the most ambitious ones set by integrated utility companies.

SDG commitment

UN Global Compact Participant

With its strong ambitions to reduce emissions and promoting renewable energies, several environmental SDGs are embedded in business growth strategy. Through different programmes and policies, EDP is committed to contribute to a significant number of other SDGs.

Principles and Global Goals Addressed in their most recent Communication on Progress





Sustainability profile

EDP intends to grow through a business model adapted to the challenges of sustainable development. Their sustainability strategy is based on two pillars: to lead the Energy Transition and to commit to the Environment and Society. EDP has already achieved some significant decarbonisation milestones. They are also engaged in different initiatives to enhance their societal commitments.

Carbon neutrality by

2030

Avoided CO₂
emissions in customers:

1.4 MtCo₂

Energy efficiency

3.6 TWh

saved energy by
customers since 2015

Total 1, 2 and 3 scope emissions

scope 1: -35% vs 2019

scope 2: -30% vs 2019

scope 3: -1.3% vs 2019

Renewables installed capacity

79% in 2020 vs

74% in 2019, exceeding the
target set for 2022

Electricity production from
renewable sources

74% in 2020 vs

67% in 2019

Top ten holdings profile

EDP



Company ESG targets

- **Science Based Target initiative (SBTi) approved** – 1.5°C: **reduction of 98%** of Scope 1 and 2 emissions and **reduction of 50%** of Scope 3 emissions by 2030 vs 2015
- 78% renewable installed capacity by 2022. **100% renewable generation** by 2030
- >1,000 MW of solar installed capacity (centralised and distributed) by 2022
- Internalise the TCFD **recommendations 100%** by 2022
- By 2022, **100% carbon neutral** EDP office buildings
- **Coal-free** by 2025
- **>80% of revenues** to align with EU taxonomy by 2030



- **Female workforce** overall to reach **30%** in 2025 and **35%** in 2030
- **SDGs social investment** to reach **50 million** Euro in 2025 and **100** in 2030



- **Female leadership** to reach **30%** in 2025 and **35%** in 2030
- Maintain top management compensation to ESG matrices

Source: EDP

This document does not constitute or form part of any offer to issue or sell, or any solicitation of any offer to subscribe or purchase, any shares in any fund managed by Ecofin UK. This document only provides outline information on a strategy. The information contained in this document are for background purposes only and do not purport to be full or complete. No reliance may be placed for any purpose on the information contained in this document or their accuracy or completeness. Ecofin UK believes that the source of the information included in this document is reliable. However, no representation, warranty or undertaking, express or implied, is given as to the accuracy or completeness of the information contained in this document by Ecofin UK and no liability is accepted by Ecofin UK for the accuracy or completeness of any such information. This presentation is provided for discussion and informational purposes only, to provide background information with respect to Ecofin and its family of registered investment advisors' activities and is not an offer to sell or the solicitation of an offer to buy an interest in any current or future vehicles or funds controlled by Ecofin.

Top ten holdings profile

Exelon



Master Theme:



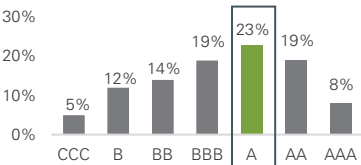
ELECTRIFICATION

MSCI ESG Ratings



ESG Rating Distribution

MSCI ACWI Index constituents, utilities



Company overview

Exelon is a utility services company involved in every part of the energy value chain: power generation, from nuclear, natural gas to wind and solar, energy sales, as well as rate-regulated transmission and distribution network. Its six utilities serve 10 million electric and gas customers in 48 states. Its strongly committed to provide green and innovative energy products. As the owner of nearly 19,000 MW of zero-carbon generation capacity at 23 nuclear units, Exelon has the cleanest generation fleet of the largest investor-owned power producers in the U.S. Currently it produces 11.1% of U.S. zero carbon electricity supply. Its subsidiaries are involved in grid modernisation projects and the electrification of transportation to help the U.S. to reach the Paris Agreement goals.

Ecofin sustainability thesis

As the pre-eminent leader in the nuclear power generation, Exelon contributes significantly to the pathway towards decarbonisation. Beyond the nuclear portfolio, the company’s utility business is investing in its transmission and distribution infrastructure to enable additional growth in renewable power generation. Furthermore, Exelon is investing in research and development partnership that fund clean energy technology development including hydrogen, biofuels, battery storage, and carbon capture.

Exelon drives the energy transition being the largest producer of zero carbon electricity in the U.S. and having the lowest carbon intensity among major power producers.

SDG commitment

Exelon’s business is focused on address three SDGs as priority: SDG 7, 9 and 13. As an energy company, the main contribution comes from new technologies and systems to enable clean and efficient energy use. By modernising electric and gas infrastructure, Exelon aims to ensure universal access to affordable and reliable energy services.

Furthermore, Exelon’s operations and internal policies are also aligned with other secondary SDGs. For example, Exelon is strictly connected to the local communities through engagement and partnerships and it provides grow and workforce development opportunities. The stakeholder engagement strategy has been key in building dialogues with different groups of stakeholders.





Sustainability profile

Exelon strives to conduct business in a way that is sustainable for employees, customers, and the communities in which they work and live. Exelon achieved their carbon reduction goals years ahead of schedule and are now working to electrify 30 percent of its utility vehicle fleet by 2025 and 50% by 2030. The strong sustainability focus has led Exelon to be largest producer of carbon-free energy in the U.S.

The company has also joined other global calls to address inequality by creating different initiatives including Racial Equity Task Force (RETF) with executive leadership.

Deployed
\$6.6 billion
 in capital to enhance resilience, reliability
 and infrastructure modernisation, with
 plans to invest further
\$27 billion
 in the next 3 years

Achieved
95.4%
 capacity factor at nuclear fleet,
 avoiding approximately 78 million
 metric tons of GHG emissions

In 2020, owned-generation
 intensity rate was
93.9 pounds
 of CO₂/MWh, which is 89%
 lower than the national average
 emission rate

Helped utility customers save
22.3 million MWh
 and avoid
8.1 million metric tons
 of CO₂e through energy
 efficiency programs

In 2020, returned
98% of water used by its facilities directly to its source

Clear GHG emissions reduction trends:

Total Exelon GHG Emissions			
	2018	2019	2020
Scope 1	9,526	9,395	8,493
Scope 2 (location-based: As delivered)	6,120	6,103	5,228
Total Scope 1 & 2	15,646	15,498	13,720
Relevant Scope 3	197,376	180,732	178,659

Top ten holdings profile

Exelon



ENVIRONMENT

Company ESG targets

- Exelon's utilities will electrify **30 percent** of their vehicle fleet by 2025, increasing to **50 percent** by 2030
- Exelon's utilities announced on April 14, 2021 that they will **reduce their collective GHG emissions** by at least **50 percent below** 2015 levels by 2030
- Reduce emissions in direct control by **15%** by 2022 vs 2015

Source: Exelon

This document does not constitute or form part of any offer to issue or sell, or any solicitation of any offer to subscribe or purchase, any shares in any fund managed by Ecofin UK. This document only provides outline information on a strategy. The information contained in this document are for background purposes only and do not purport to be full or complete. No reliance may be placed for any purpose on the information contained in this document or their accuracy or completeness. Ecofin UK believes that the source of the information included in this document is reliable. However, no representation, warranty or undertaking, express or implied, is given as to the accuracy or completeness of the information contained in this document by Ecofin UK and no liability is accepted by Ecofin UK for the accuracy or completeness of any such information. This presentation is provided for discussion and informational purposes only, to provide background information with respect to Ecofin and its family of registered investment advisors' activities and is not an offer to sell or the solicitation of an offer to buy an interest in any current or future vehicles or funds controlled by Ecofin.

Top ten holdings profile

NextEra Energy



Master Theme:



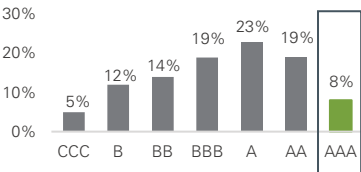
ELECTRIFICATION

MSCI ESG Ratings



ESG Rating Distribution

MSCI ACWI Index constituents, utilities



Company overview

NextEra Energy provides sustainable energy generation and distribution services. The Company generates electricity through wind, solar, and natural gas. Its principal subsidiaries are Florida Power & Light, a rate-regulated electric utility serving approximately 5 million customers in Florida, and NextEra Energy Resources which, with its affiliated entities, is the largest generator of energy from wind and sun in the world. NextEra also develops and builds battery storage projects and is involved in pipeline infrastructure management.

Ecofin sustainability thesis

NextEra management continuously emphasizes the company’s vision of being the largest and cleanest energy provider in the world and its position to lead the decarbonisation of the U.S. economy. The company’s ownership of both a regulated utility in a forward-thinking state and its competitive renewable development platform uniquely positions it to solve customer needs and reliability concerns while advancing technologies that can ultimately be used at scale to reduce emissions around the world. NextEra’s development of decarbonised electric grid will also benefit the industrial and transportation sectors. Management’s recent discussions around green hydrogen opportunities in industrial processes illustrate how the company can continue to expand its sustainability efforts beyond renewable power generation.

SDG commitment

With its strong ambitions to reduce emissions and promoting renewable energies, several environmental SDGs are embedded in business growth strategy. NextEra is directly aligned with 3 SDGs as priority but all other SDGs are indirectly aligned with various aspects of the corporate strategies.



Top ten holdings profile

NextEra Energy



Sustainability profile

NextEra's approach to sustainability engages all levels of the company from the board of directors to employees and it is underscored by a commitment to sustainable business practices. The company believes that a combination of low-cost renewables and energy storage technologies will lead to the net zero path of energy sector. These practices have allowed NextEra to have produced a nearly 98% of power through clean or renewable sources in 2020. Climate related risks and opportunities are deeply embedded in the capital expenditures, acquisitions and revenues and have also influenced the renewable energy deployment and grid hardening initiatives.

At FPL, the operational strategy has incorporated all the environmental factors by modernising the generation fleet and reducing the use of oil by approximately 99% since 2001. The company is also phasing out coal rapidly in the upcoming years. With the new installation plan of solar panels, more focus will be on deploying solar in the next stage.

NextEra Energy Resources, on the other hand, is specialised in low-cost wind and solar generation assets, increasingly paired with battery storage.

The company has conducted an extensive scenario analysis to model the U.S. energy grid with the purpose to determine concrete actions to achieve net zero goals by 2050.

In 2020, NextEra's sulfur dioxide, nitrogen oxides and CO₂ emission rates were **97%, 79% and 47%** lower, respectively, than the U.S. electric power sector average

56.6%
of reduction in CO₂ emissions rate in 2020 from 2005

24.2%
reduction in absolute CO₂ tons emitted in 2020 from 2005

In 2020 Nextera added **4,672 MW** of wind and solar generation which represented **over 13%** of all solar and wind capacity added in the US for the year.

FPL's generation fleet has saved customers **\$11.3 billion** in fuel costs and avoiding more than **165 million tons** of CO₂ emissions since 2001

74.6%
increase in clean electricity generation in 2020 from 2005

\$14.7 billion
invested in America energy infrastructure in 2020

98%
of the power was generated by renewables in 2020

Top ten holdings profile

NextEra Energy



Company ESG targets

- NextEra's goal is to reduce their CO₂ emissions rate **67%** by 2025 from an adjusted 2005 baseline, equivalent to a nearly **40% reduction** in absolute CO₂ emissions despite nearly doubling expected electricity generation in the same period
- From 2019-2022, NextEra Energy Resources expects to bring online an additional **3,800 to 7,300 megawatts** of clean, **emissions-free solar energy**
- Commitment to **converting 60%** of their light-duty vehicle fleet to electric or plug-in hybrid by 2030
- FPL **increase in battery storage** deployment with approximately **700 MW** of additional battery storage, for a total of **1,200 MW of battery storage** by 2030
- '30-by-30' plan to **install 30 million solar panels** in Florida by 2030, representing one of the largest solar expansions in the world

Source: NextEra Energy

This document does not constitute or form part of any offer to issue or sell, or any solicitation of any offer to subscribe or purchase, any shares in any fund managed by Ecofin UK. This document only provides outline information on a strategy. The information contained in this document are for background purposes only and do not purport to be full or complete. No reliance may be placed for any purpose on the information contained in this document or their accuracy or completeness. Ecofin UK believes that the source of the information included in this document is reliable. However, no representation, warranty or undertaking, express or implied, is given as to the accuracy or completeness of the information contained in this document by Ecofin UK and no liability is accepted by Ecofin UK for the accuracy or completeness of any such information. This presentation is provided for discussion and informational purposes only, to provide background information with respect to Ecofin and its family of registered investment advisors' activities and is not an offer to sell or the solicitation of an offer to buy an interest in any current or future vehicles or funds controlled by Ecofin.

Top ten holdings profile

Rohm Semiconductor



Master Theme:



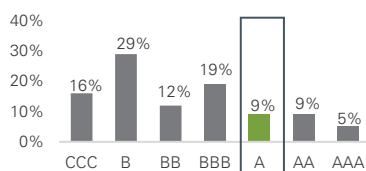
**CLEAN
TRANSPORTATION**

MSCI ESG Ratings

CCC | B | BB | BBB | **A** | AA | AAA

ESG Rating Distribution

MSCI ACWI Index constituents, semiconductors & semiconductor equipment



Company overview

Rohm is a Japanese-based company mainly engaged in the manufacture and sale of electronic components. The Company operates in three segments. The Large-Scale Integration (LSI) segment provides analogs, logics, memories, Micro Electro Mechanical Systems (MEMS) and others. The Semiconductor Device segment manufactures and sells diodes, transistors, light emitting diodes and semiconductor lasers. The Module segment offers print heads, optical modules, power modules. The Company also offers resistors, tantalum capacitors.

Ecofin sustainability thesis

Rohm is a leading manufacturer in power semiconductor devices used in electric vehicles, autonomous driving systems and industrial automation equipment. With the electrification of power trains, more sophisticated and high-quality power semiconductor devices are needed to ensure the efficiency and safety of power management in vehicles. Rohm being a leader in this field has enabled faster adoption and development of electric vehicles. The company also aims to continue undertaking the conservation of the global environment through eco-friendly products, the reduction of the environmental load of its production activities, the effective utilisation of resources and other green initiatives.

We believe the use of compound semiconductors and in particular silicon carbide is a key efficiency driver for both electric cars and wind turbines where it reduces power conversion losses. Rohm is among a limited number of companies in the world who can produce silicon carbide wafers at scale, and we believe is best positioned to take advantage of the coming growth in the sector.

SDG commitment

UN Global Compact Participant

The company considers SDGs a common objective for the society, therefore it is working to develop products aimed at resolving social issues and undertaking environmental conservation activities to contribute to SDGs achievement. Through its CSR policy, the company has identified different priority issues linked to SDGs.

Principles and Global Goals Addressed in their most recent Communication on Progress





Sustainability profile

Rohm's sustainability vision is centred on resolving social issues through energy conservation and miniaturisation of customer products by focusing on power and analog solutions. Rohm has formally established "The ROHM Group Environmental Vision 2050" in 2021 and announced its carbon neutrality targets. Medium-term management plans were formulated in their policy "Moving Forward to 2025" as a strategic measure to achieve their management vision and re-identify sustainability priority issues.

The company has also established four key areas of focus in its environmental policy including increasing resources utilisation efficiency and reducing CO₂ emissions. Furthermore, based on the cooperation of the company's business partners, Rohm promotes the creation of eco-friendly products, creating a management system that prevents prohibited substances from being received, used, or shipped, and supplying products that ensure worry-free use by its customers.

Zero GHG

emissions by 2050 to "Pledged to
be net zero GHG emissions
by 2050"

58.2%

Reduction of CO₂ emission per
production unit in 2020 vs 1990

33.2%

of reduction of CO₂ emissions
in 2020 vs 2005

68.1%

Reduction of GHG emission
in 2020 vs 1995

10.3%

Reduction of CO₂ emissions
through value chain in 2020 vs 2010

Higher than

99%

of waste recycling rate since 2009

52.2%

Reduction waste generation per
production unit in 2020 vs 2000

Maintain

100%

of the development rate of eco-
friendly products

Top ten holdings profile

Rohm Semiconductor



ENVIRONMENT

Company ESG targets

Committed to near term Science Based Targets – the company has made a public commitment to set a science based target aligned with the SBTi's target-setting criteria within 24 months.

TargetYear - FY2030

- **Reduce Scope 1 & 2 emissions by 50.5%** compared to 2018
- Reduce Scope 3 emissions from use of sold products by 15% compared to 2018
- **Reduce per-unit emissions by 45% compared to fiscal 2018**
- Aiming for 100% renewable energy by 2050



SOCIAL

TargetYear - FY2025

- Establish a system to train world-class next-generation leaders and professionals
- Initiate engagement survey in entire group, improve annual scores and achieve employee engagement score at or above industry average
- Increase global female manager ratio to 15% by 2025 and to 20% by 2030
- **Achieve and maintain "0" lost time accidents**



GOVERNANCE

Target Year - FY2025

- Increase the female or foreign national officer ratio at head office to 10%
- **Increase the number of independent outside directors to a majority of the board of directors**
- Introduce a compensation system linked to the Medium-term management plan (financial and non-financial targets)
- Evaluate the effectiveness of the Board of Directors once every three years

Source: Rohm Semiconductor

This document does not constitute or form part of any offer to issue or sell, or any solicitation of any offer to subscribe or purchase, any shares in any fund managed by Ecofin UK. This document only provides outline information on a strategy. The information contained in this document are for background purposes only and do not purport to be full or complete. No reliance may be placed for any purpose on the information contained in this document or their accuracy or completeness. Ecofin UK believes that the source of the information included in this document is reliable. However, no representation, warranty or undertaking, express or implied, is given as to the accuracy or completeness of the information contained in this document by Ecofin UK and no liability is accepted by Ecofin UK for the accuracy or completeness of any such information. This presentation is provided for discussion and informational purposes only, to provide background information with respect to Ecofin and its family of registered investment advisors' activities and is not an offer to sell or the solicitation of an offer to buy an interest in any current or future vehicles or funds controlled by Ecofin.

Top ten holdings profile

Schneider Electric



Master Theme:



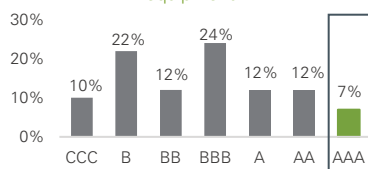
**INDUSTRIAL AND
BUILDING EFFICIENCY**

MSCI ESG Ratings

CCC | B | BB | BBB | A | AA | **AAA**

ESG Rating Distribution

MSCI ACWI Index constituents, electrical equipment



Company overview

Schneider Electric provides energy management and industrial automation solutions globally. It manufactures products including circuit breakers and switches, electric protection, power grid automation and electric car charging systems. The company reaches a broad range of markets such as residential and commercial buildings, utilities, oil and gas companies, machine manufacturers and data centres. The first major segment of its operations is energy management, which provides an end-to-end technology enabled by EcoStruxure. The other segment is industrial automation, which also includes control activities across discrete, process and hybrid industries.

Schneider has the headquarter in France and its operations in more than 100 countries. The Asia Pacific region, North America and Western Europe are the main geographies of revenue generation.

Ecofin sustainability thesis

Schneider has been a leader in energy transition for more than a decade with its product, services and software offerings that aim to increase energy efficiency for customers. With its strong focus on innovation, it is also a technology enabler for electrification of buildings and renewable integration at medium and low voltage level. The company has defined a very clear environmental strategy with specific medium- and long- term targets and objectives and different initiatives to sustain its profitable growth strategy. Going beyond reduction of carbon footprint, sustainability factors are deeply embedded in its business strategies, R&D, manufacturing, procurements. They represent the fundamentals of the value propositions for customers.

SDG commitment

UN Global Compact Participant

Through sustainability strategies and other implementation tools including Schneider Sustainability Impact and Schneider Sustainability Essentials, the company is aligned with and contributes to all 17 SDGs. The company has provided specific progress and achievements for each of SDGs in their sustainability roadmap. For example, to contribute to a climate positive world in line with SDGs 7, 9, 11, 12, 13 and 17, Schneider is growing green revenue to reach 80% and to engage with suppliers to reduce their emissions.

Principles and Global Goals Addressed in their most recent Communication on Progress





Sustainability profile

Schneider considers energy transition as an opportunity of business growth but also to lead the world towards a net zero future. It has been a significant contributor in the past 15 years by providing products and services to achieve low-carbon and energy efficiency goals. It has launched different programs to reduce emissions directly and indirectly, they cover company's operations but also suppliers and customers. Furthermore, it has set specific objectives and quarterly assessment through their barometer Schneider Sustainability Impact. The company uses this tool to address any challenges related to sustainability and to improve any material matters. Its 2021-2025 program aims to accelerate sustainability efforts while giving more people access to energy and equal opportunities. It intends to emphasise the importance of sustainability goals at company level but also engage with stakeholders and create system values.

The company is also committed to embed a carbon pricing of Euro 30-130 /ton in strategic supply chain and R&D decisions to fully consider the externality cost of CO₂.

Strong environmental and social impact in 2020:

80%

renewable electricity by
accelerating the installation of
onsite solar panels in 2020

400,000 tCo₂

Scope 1 and 2 emissions reduced
in 2020 since 2017

157,588

million metric tons CO₂ saved for
customers since 2018

10%

CO₂ efficiency in transportation in
2020 vs 2017: Schneider has been
piloting low carbon transportation
technologies

99%

cardboard and pallets for transport
packing from recycled or certified
sources in 2020

120,000

metric tons of avoided primary
resource consumption

206

sites labelled Toward Zero Waste to
Landfill and the program has saved
OVER 1m euro

96.3% waste recovery in
2020

29.6% less water intensity
since 2017

Top ten holdings profile

Schneider Electric



ENVIRONMENT

Company ESG targets

- **Science Based Target initiative (SBTi) approved** – 1.5° C . This means their emissions numbers are approved officially by Science Based Target initiative
- Reduction of scope 1 and 2 GHG emissions 100% and absolute scope 3 emissions by 2030 vs 2017
- Increase annual sourcing of renewable electricity from 30% in 2018 to 100% by 2030

Others:

- Double energy productivity vs 2005
- Shift 100% of company fleet to electric cars
- Engagement with suppliers towards a carbon net zero supply chain



SOCIAL

By 2025:

- Train 1 million underprivileged people in energy management
- Support 10,000 entrepreneurs
- Train 10,000 trainers
- Give access to green electricity to 50 million people

By 2030:

- Give access to green electricity to 80 million people



GOVERNANCE

<1% pay gap for both females and males

- 100% of employees paid at least a living wage
- Increase gender diversity, from hiring to managers and leadership team
- 75% employee engagement score

Source: Schneider Electric

This document does not constitute or form part of any offer to issue or sell, or any solicitation of any offer to subscribe or purchase, any shares in any fund managed by Ecofin UK. This document only provides outline information on a strategy. The information contained in this document are for background purposes only and do not purport to be full or complete. No reliance may be placed for any purpose on the information contained in this document or their accuracy or completeness. Ecofin UK believes that the source of the information included in this document is reliable. However, no representation, warranty or undertaking, express or implied, is given as to the accuracy or completeness of the information contained in this document by Ecofin UK and no liability is accepted by Ecofin UK for the accuracy or completeness of any such information. This presentation is provided for discussion and informational purposes only, to provide background information with respect to Ecofin and its family of registered investment advisors' activities and is not an offer to sell or the solicitation of an offer to buy an interest in any current or future vehicles or funds controlled by Ecofin.

Top ten holdings profile

TE Connectivity



Master Theme:



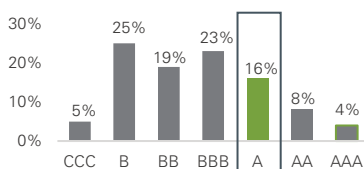
**CLEAN
TRANSPORTATION**

MSCI ESG Ratings

CCC | B | BB | BBB | **A** | AA | AAA

ESG Rating Distribution

MSCI ACWI Index constituents, electronic equipment, instruments and components



Company overview

TE Connectivity is a global industrial technological leader. The Company designs and manufactures connectivity and sensors solutions. It operates through three segments: Transportation Solutions, Industrial Solutions and Communications Solutions. The Transportation Solutions segment offers connectivity and sensor technologies. Its products are used in the automotive, commercial transportation and sensors markets. The Industrial Solutions segment offers products that connect and distribute power, data and signals; these include terminals and connector systems and components; heat shrink tubing; relays, and wire and cable. The Communications Solutions segment is a supplier of electronic components for the data and devices and appliances markets.

Ecofin sustainability thesis

Core to TE's purpose is creating a sustainable future— through the way it designs its products and solutions. TE produces connectors for transportation, industrial and communication solutions which will benefit the transition to EVs and increase the adoption of industrial automation solutions. The company regularly reviews the impacts of its operations, with a focus on water, waste, materials use and GHG emissions. They believe that GHG emissions have the most significant impact on the environment, hence their continuous efforts in reducing their carbon footprint.

Currently Te Connectivity procures renewable energy at more than 30 locations around the world and they continuously increasing renewables sources to reduce energy use. For example, in early 2021 the company started to secure renewable and carbon-free electricity in the U.S. and Germany.

SDG commitment

UN Global Compact Participant

Since 2011, TE Connectivity has been a signatory of the UN Global Compact. The company has been strongly committed to alignment of its products, operations, engagement, and business development with UN SDGs.

A clear example of alignment is TE Connectivity providing 370,000 insulating piercing connectors for a project that connects 1.5 million people to the electrical grid in Cameroon, where 38% of population still lacks access to electricity

Principles and Global Goals Addressed in their most recent Communication on Progress





Sustainability profile

TE Connectivity has established its sustainable goals through its “One Connected World” vision plan, which has been welcomed with enthusiasm by all stakeholders. This plan includes three areas of focus: Environmental and social management of product creation and supply chain, environmental management of operations, and social performance, including inclusion and diversity, safety, human rights, and the community.

The company has also established new baseline for Scope 1 and 2 emissions and new energy efficiency operating standards have been implemented since last year. It continuously monitors its energy usage across sites to track emissions, which has been the biggest cause of environmental impact.

**Absolute GHG emissions Scope 1
& 2 decreased by**
1.8%
in 2020 vs 2019

37% of energy intensity
reduction and
28% of absolute energy usage
reduction in 2020 vs 2010

35% of GHG emissions
intensity reduction and
27% of absolute GHG
emissions reduction in
2020 vs 2010

93%
reduction of SF6 gas releases from
electron beams in 2020 vs 2010

29%
of water usage reduction
in 2020 vs 2010

Top ten holdings profile

TE Connectivity



ENVIRONMENT

Company ESG targets

On the environmental front, by 2030 the company aims to:

- 100% of facilities in **water-stressed locations meet reduction targets**
- **Decrease waste** disposed
- 35%+ **greenhouse gas (GHG) emissions reduction**

Which implies:

- **Reduce GHG emissions by 18%** by 2025
- Set **water reduction targets for facilities in water-stressed areas** and have 50% of them meeting targets by 2025



SOCIAL

To increase the social performances, the 2030 targets are:

- **Zero** accident workplace
- Strengthen their workplace culture, in which **all differences are valued** and **all opinions count**
- **Impact 3 million** in next-generation technology education
- Implement a **global human rights program**

Source: TE Connectivity

This document does not constitute or form part of any offer to issue or sell, or any solicitation of any offer to subscribe or purchase, any shares in any fund managed by Ecofin UK. This document only provides outline information on a strategy. The information contained in this document are for background purposes only and do not purport to be full or complete. No reliance may be placed for any purpose on the information contained in this document or their accuracy or completeness. Ecofin UK believes that the source of the information included in this document is reliable. However, no representation, warranty or undertaking, express or implied, is given as to the accuracy or completeness of the information contained in this document by Ecofin UK and no liability is accepted by Ecofin UK for the accuracy or completeness of any such information. This presentation is provided for discussion and informational purposes only, to provide background information with respect to Ecofin and its family of registered investment advisors' activities and is not an offer to sell or the solicitation of an offer to buy an interest in any current or future vehicles or funds controlled by Ecofin.

Top ten holdings profile

Volkswagen



Volkswagen

Master Theme:



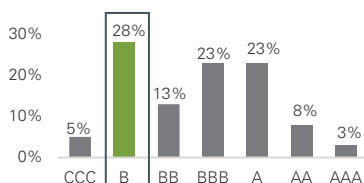
CLEAN
TRANSPORTATION

MSCI ESG Ratings

CCC B BB BBB A AA AAA

ESG Rating Distribution

MSCI ACWI Index constituents, automobiles



Company overview

Volkswagen manufactures and sells automobiles globally with headquarters in Wolfsburg, Germany. The company operates in different segments including passenger cars, motorbikes, and commercial vehicles under more than 10 independently operating brands, such as VW, Audi, Porsche, Lamborghini. Within the Automotive division, its Power Engineering manufactures large-bore diesel engines, turbomachinery, special gear units, and propulsion components.

Ecofin sustainability thesis

Volkswagen has a strong vision about battery EV being one of the key solutions to achieve Paris agreement goals. Volkswagen was the second largest original equipment manufacturer in terms of battery EV volume sold globally in 2021. By tripling sales of EV the company was able to reduce CO₂ fleet average in Europe by approximately 20%. It is one of the first movers among traditional original equipment manufacturers to electrify its offering and promote the concept of digitally connected and climate-neutral mobility. Its technology innovation helps to accelerate EV penetration.

The company is committed to carbon neutrality at group level by 2050 at the latest including supply chains, business divisions and customer use of vehicles. It has set strong decarbonisation targets, among which some near term targets have been approved by Science Based Targets initiative (SBTi). From 2020 it has launched different initiatives with focus on circular economy. It also engages with most suppliers to enhance climate responsibilities along the supply chain.

SDG commitment

UN Global Compact Participant

Volkswagen is linking its sustainability strategy and business activities to all 17 Sustainable Development Goals. The company is contributing to the achievement through different focus areas including decarbonisation, circular economy, workforce, and responsible supply chains and businesses.

Principles and Global Goals Addressed in their most recent Communication on Progress



Top ten holdings profile

Volkswagen



Volkswagen

Sustainability profile

Volkswagen has made huge efforts to anchor sustainability strategy to the group's core business. 53 group sites already obtain 100% electricity from renewable energy sources. A Group Steering Committee for Sustainability, the highest body just below the Board of Management at group level, has been established with the key responsibility to manage and implement sustainability related measures.

Aiming to minimising environmental impacts along the entire lifecycle, Volkswagen is implementing a comprehensive decarbonisation program which includes the whole life cycle of the vehicles. The three key milestones to be achieved include CO₂ reduction or avoidance, energy supply through renewable sources along the entire value chain, and offsetting unavoidable CO₂ emissions.

As part of CEO Alliance, which represents different sectors with annual revenue of more than €600 billion and 1.7 million employees in Europe, the Group contributes to the collective commitment of investing more than €100 billion in their decarbonisation roadmaps in the upcoming years and climate protection plans.

12%

absolute GHG emissions reduction

internal CO₂ fund of
€25 million
per year

15%

CO₂ reduction from engaged
suppliers in 2020, equivalent of 9.26
million tons

EU passenger car fleet
average emission
reduction of
20%

Improved battery technologies:
50%
less CO₂ per kWh
of battery capacity in the
new ID.3 vs e-Golf

Volkswagen Naturstrom
100% CO₂ free
100% renewable electricity
at 53 sites

first car maker to support
extensive expansion of
wind farms and
solar plants
in Europe

17.7%
reduction in freshwater use per
vehicle in 2020 vs 2010

Supplier engagement leader on
climate change
in 2020 by CDP

Battery recycling pilot facility
aiming for
90% recyclability

Top ten holdings profile

Volkswagen



Volkswagen



ENVIRONMENT

Company ESG targets

Science Based Target initiative (SBTi) approved targets – **Well below 2°C by 2030**

- Reduce absolute scope **1 and 2 GHG emissions 30% by 2030** from a 2018 base year.
- **Reduce scope 3 GHG emissions** from use of sold products of light duty vehicles **30%** per vehicle km by **2030** from a 2018 base year.

Other targets:

Decarbonisation

- **Carbon neutrality by 2050**

by 2025:

- Investment of **€14 billion** in decarbonisation including in new European solar and wind generation
- Volkswagen decarbonisation Index score to be **reduced by 30%**

by 2030:

- Reduce CO₂ emissions in Europe by an average of 17 tons per vehicles, **-40%** at company level vs 2018, -30% at Group level;
- 100% of renewable energy in externally purchased electricity globally except for China

Sustainable e-Mobility

- Invest around **€35 billion** in electric mobility across the Group by 2025
- By 2030, at least 70% of all unit sales in Europe being all-electric vehicles
- By 2030, at least 50% of unit sales in North America and China being all-electric vehicles
- Individual life cycle carbon neutrality for ID.3

Circular Economy

- By 2025, reduce production-related environmental impact with respect to CO₂, energy, water, waste, and volatile organic compounds by 45% per vehicle vs 2020

Resources efficiency

- By 2025, reduce the production-related environmental externalities (carbon, energy, water, waste, volatile organic compounds) by 45% per vehicle compared to 2010.

Source: Volkswagen

This document does not constitute or form part of any offer to issue or sell, or any solicitation of any offer to subscribe or purchase, any shares in any fund managed by Ecofin UK. This document only provides outline information on a strategy. The information contained in this document are for background purposes only and do not purport to be full or complete. No reliance may be placed for any purpose on the information contained in this document or their accuracy or completeness. Ecofin UK believes that the source of the information included in this document is reliable. However, no representation, warranty or undertaking, express or implied, is given as to the accuracy or completeness of the information contained in this document by Ecofin UK and no liability is accepted by Ecofin UK for the accuracy or completeness of any such information. This presentation is provided for discussion and informational purposes only, to provide background information with respect to Ecofin and its family of registered investment advisors' activities and is not an offer to sell or the solicitation of an offer to buy an interest in any current or future vehicles or funds controlled by Ecofin.

Important disclosures

The UN Sustainable Development Goals are a collection of 17 goals developed by the United Nations that are designed to be a framework in which countries aim to tackle a range of issues, from combating climate change to ending poverty and hunger.

The United Nations-supported Principles for Responsible Investment (PRI) initiative is recognised as the leading global network for investors and financial industry participants who are committed to integrating environmental, social and governance (ESG) considerations into their investment practices and ownership policies.

This report is provided for discussion and informational purposes only to provide background information with respect to Ecofin and its family of registered investment advisors' activities and is not an offer to sell or the solicitation of an offer to buy an interest in any current or future vehicles or funds managed by Ecofin.

This document is being issued by Ecofin Advisors Limited (Ecofin UK) on its Energy Transition strategy.

This document does not constitute or form part of any offer to issue or sell, or any solicitation of any offer to subscribe or purchase, any shares in any fund managed by Ecofin UK. This document only provides outline information on a strategy. The information contained in this document are for background purposes only and do not purport to be full or complete. No reliance may be placed for any purpose on the information contained in this document or their accuracy or completeness. Ecofin UK believes that the source of the information included in this document is reliable. However, no representation, warranty or undertaking, express or implied, is given as to the accuracy or completeness of the information contained in this document by Ecofin UK and no liability is accepted by Ecofin UK for the accuracy or completeness of any such information. This presentation is provided for discussion and informational purposes only, to provide background information with respect to Ecofin and its family of registered investment advisors' activities and is not an offer to sell or the solicitation of an offer to buy an interest in any current or future vehicles or funds controlled by Ecofin.

This report contains forward-looking statements. These forward-looking statements include all statements regarding the intent, belief or current expectations regarding matters covered and all statements which are not statements of historical fact. The forward-looking statements involve known and unknown risks, uncertainties, contingencies and other factors, many of which are beyond our control. Since these factors can cause results, performance and achievements to differ materially from those discussed in the report, you are cautioned not to place undue reliance on the forward-looking statements.

All investing involves risk. Principal loss is possible. The risks of investing vary depending on an investor's particular situation.

Nothing contained in this communication constitutes tax, legal or investment advice. Investors must consult their tax advisor or legal counsel for advice and information concerning their particular situation and should carefully read specific fund documentation for particular situations.

Past performance is no guarantee of future results.

MSCI ESG Research LLC's ("MSCI ESG") Fund Metrics and Ratings (the "Information") provide environmental, social and governance data with respect to underlying securities within more than 31,000 multi-asset class Mutual Funds and ETFs globally. MSCI ESG is a Registered Investment Adviser under the Investment Advisers Act of 1940. MSCI ESG materials have not been submitted to, nor received approval from, the US SEC or any other regulatory body. None of the Information constitutes an offer to buy or sell, or a promotion or recommendation of, any security, financial instrument or product or trading strategy, nor should it be taken as an indication or guarantee of any future performance, analysis, forecast or prediction. None of the Information can be used to determine which securities to buy or sell or when to buy or sell them. The Information is provided "as is" and the user of the Information assumes the entire risk of any use it may make or permit to be made of the Information.

The MSCI ESG Fund Ratings is designed to assess the resilience of a fund's aggregate holdings to long term ESG risks. Highly rated funds consist of issuers with leading or improving management of key ESG risks.

- AAA, AA: Leader- The companies that the fund invests in tend to show strong and/or improving management of financially relevant environmental, social and governance issues. These companies may be more resilient to disruptions arising from ESG events.
- A, BB, BB: Average- The fund invests in companies that tend to show average management of ESG issues, or in a mix of companies with both above-average and below-average ESG risk management.
- B, CCC: Laggard- The fund is exposed to companies that do not demonstrate adequate management of the ESG risks that they face or show worsening management of these issues. These companies may be more vulnerable to disruptions arising from ESG events.

The Fund ESG Rating is calculated as a direct mapping of "Fund ESG Quality Score" to letter rating categories.

- | | |
|-----------------|-----------------|
| • 8.6- 10: AAA | • 7.1- 8.6: AA |
| • 5.7- 7.1: A | • 4.3- 5.7: BBB |
| • 2.9- 4.3: BB | • 1.4- 2.9: B |
| • 0.0- 1.4: CCC | |

Important disclosures

The “Fund ESG Quality Score” assesses the resilience of a fund’s aggregate holdings to long term ESG risks. Highly rated funds consist of issuers with leading or improving management of key ESG risks, based on a granular breakdown of each issuer’s business: its core product or business segments, the locations of its assets or revenues, and other relevant measures such as outsourced production. The “Fund ESG Quality Score” is provided on a 0-10 score, with 0 and 10 being the respective lowest and highest possible fund scores.

The “Fund ESG Quality Score” is assessed using the underlying holding’s “Overall ESG Scores”, “Overall ESG Ratings”, and “Overall ESG Rating Trends”. It is calculated in a series of 3 steps.

Step 1: Calculate the “Fund Weighted Average ESG Score” of the underlying holding’s “Overall ESG Scores”. The Overall ESG Scores represent either the ESG Ratings Final Industry-Adjusted Score or Government Adjusted ESG Score of the issuer. Methodology for the issuer level scores are available in the MSCI ESG Ratings Methodology document.

Step 2: Calculate adjustment % based on fund exposure to “Fund ESG Laggards (%)”, “Fund ESG Trend Negative (%)”, and “Fund ESG Trend Positive (%)”.

Step 3: Multiply the “Fund Weighted Average ESG Score” by (1 + Adjustment %).

For more information please visit <https://www.msci.com/esg-fund-ratings>

Ecofin is a sustainable investment firm with roots dating to the 1990s and a global footprint with offices in the U.S. and UK. Our core belief is we can deliver strong risk-adjusted returns and create a healthier planet and society. Our strategies offer global solutions in private and public securities that address global challenges in climate action, water and social impact. Through these strategies we seek to achieve positive impacts that align with UN Sustainable Development Goals and are accessible through a variety of vehicles. Ecofin Investments, LLC is the parent of registered investment advisers Ecofin Advisors, LLC and Ecofin Advisors Limited (collectively “Ecofin”).

Learn more at www.ecofininvest.com

-
1. The Wall Street Journal-The Electrification of Everything: What You Need to Know
 2. Automotive World, November 23, 2020 “Risky business: the hidden costs of EV battery raw materials
 3. International Energy Agency, Transport: Improving the sustainability of passenger and freight transport
 4. Environmental Defense Fund
 5. Architecture 360