STRATEGIC COMMITMENT

Strategic Climate Commitment

Navegar · For Public Disclosure

The 2015 Paris Agreement sets long-term goals to guide all nations to substantially reduce global greenhouse gas ("GHG") emissions to hold global temperature increase to well below 2°C above pre-industrial levels and pursue efforts to limit it to 1.5°C above pre-industrial levels, recognizing that this would significantly reduce the risks and impacts of climate change. The Paris Agreement also has a goal of providing finance to developing countries to strengthen resilience and enhance abilities to adapt to climate impacts.

> We commit on a best-efforts basis to aligning our business practices with the goals of the Paris Agreement through the implementation of the commitments, goals and processes set out in Navegar's Climate Risk Management Framework ("Framework").
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> We commit on a best-efforts basis aligning our business practices with national climate commitments under the relevant countries' Nationally Determined Contributions ("NDC") and Long-Term Strategies ("LTS").[1]
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> We commit that Navegar will not engage or invest in any new project or activity primarily[2] and directly related to the extraction, processing and/or trading of coal and peat.
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> We commit that Navegar will not engage or invest in projects that are primarily in oil or gas upstream activities (exploration, production, extraction, or related services).

Our approach is guided by the following principles:

- **Fiduciary Duty:** We believe that the long-term impacts of climate change pose a material financial risk and that considering these risks is consistent with our fiduciary duty to our investors and beneficiaries.
- **Transparency:** We are committed to transparency in our approach to climate-related issues, including our methodology, portfolio exposures, and engagement activities.
- **Continuous Improvement:** We will regularly review and update the Framework and methodology to reflect best practices and evolving scientific understanding of climate change within the context of the investment sectors and geographies targeted by the funds managed by the Company.
- **Engagement:** We believe in active ownership and constructive engagement to the extent our leverage permits, with portfolio companies to support positive climate change outcomes.

We will, where possible and where we have leverage, seek to reduce the relative GHG emissions intensity of our portfolio companies over time. In addition, we will assess the climate-related risks and opportunities associated with potential investments and, where possible, work with our portfolio companies to evaluate climate risks and opportunities in relation to their business operations and expansion plans.

[1] Database of Nationally Determined Contributions: https://ndcpartnership.org/country-action

[2] "Primarily" means that the project or activity is or will be a part of the regular, ordinary course of business and revenue-generating operations of the potential portfolio company.