Octopus Renewables Infrastructure Trust (“ORIT”)

ESG Policy

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octopus energy generation investing for impact

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DOCUMENT CONTROL

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1	May 2022	ORIT ESG Policy	No change	MS	LH
2	May 2023	ORIT ESG Policy	Updated to OEGEN, no material updates.	MS	LH
3	May 2024	ORIT ESG Policy		MS	LH

Frequency of Review

The policy is set by Octopus Energy Generation and reviewed annually. It is approved by the Head of Funds and Sustainability on behalf of the Investment Manager.

The policy is subsequently presented to the ORIT Board to note.

Octopus Renewables Infrastructure Trust ESG Policy

Introduction

Octopus Renewables Infrastructure Trust's ("ORIT") investment mandate lends itself to climate change mitigation, but our intention is to seek out positive impact opportunities beyond that, and find ways to enhance the environment and communities we operate in.

ORIT has developed an Environmental, Social and Governance ("ESG") and Impact strategy which is based around three stakeholder pillars:

- Performance - delivering resilient investment returns for investors
- Planet - having no significant harm to the environment and enhancing positive impact where possible
- People - managing and mitigating possible negative impacts to society (workers, communities, customers) and promoting a just transition to a green energy future

This framework embeds ESG considerations into investment processes, asset management and reporting.

This ESG policy is one element of ORIT's broader ESG and Impact strategy and sets out ORIT's approach taken by the Investment Manager, Octopus Energy Generation[1] ("OEGEN", "us" or "we"), to mitigating ESG risks in relation to Performance, Planet and People when investing and managing renewable energy assets and other investments whilst achieving its core impact objective to accelerate the transition to net zero emissions. ORIT invests in a range of renewable energy assets across Europe and Australia, including onshore and offshore wind farms, solar photovoltaic (PV) parks, and other related renewable energy assets and businesses. The principles outlined in this policy have been specifically tailored to address the unique requirements and challenges associated with these types of investments.

Purpose

This policy sets out principles and objectives for how we consider opportunities and potential adverse impacts for each of our stakeholder groups: Performance, Planet and People. This policy holds us to account for executing the policy, and reporting against Performance, Planet and People specific KPIs which are tracked against targets and reviewed on an annual basis. We will provide an annual impact report, outlining the measures taken to minimise ESG risks and optimise impact

[1] Octopus Energy Generation ("OEGEN") is a trading name of Octopus Renewables Limited ("ORL"), which is authorised and regulated by the Financial Conduct Authority under Firm Reference Number 473797. ORL is a wholly owned subsidiary of Octopus Energy Group Limited ("OEGL") and is part of the Octopus Energy Generation business within OEGL.

opportunities. This policy will be shared with all material suppliers managing or acting on behalf of the assets or companies owned by ORIT to support full supply chain alignment with these principles.

ESG Risk Management Framework

To manage ESG risk factors we apply one, or more, of four key principles:

- **Avoid:** Informed decision not to become involved with a risk e.g., decline investments with significant ESG risks identified during due diligence

- **Transfer**: Shift the risk to someone else e.g., insuring or contractual guarantees;

- **Mitigate**: Appropriate policies, processes, procedures to reduce either the likelihood of an occurrence or its consequence or both; and

- **Accept**: Informed decision to accept risk or the residual risk having considered the above potential impacts.

Every investment ORIT makes is assessed against its Performance, Planet and People framework through an ESG scoring matrix ("ESG matrix"). This ensures the investments adhere to ORIT's ESG Policy and there is a minimum scoring threshold for investment approval. The ESG matrix is designed to ensure:

- timely investment team and investment committee ("IC") discussion on key ESG risks inherent in a new investment, and
- action is taken to investigate, mitigate and/or approve a transactions' ESG risk factors.

Materiality of risks included in the ESG matrix is determined using guidance from the Sustainability Accounting Standards Board (SASB) framework, that identifies financially material ESG risks by asset class. An assessment of each deal is conducted three times throughout the investment process. The matrix has a total possible score of 15, with a score of 9 required to comply with ESG Policy and a score of 10 to meet ORIT's impact targets.

After making an investment the OEGEN Asset Board (for generation assets) and the OEGEN Fund Board ("Customer Board" for portfolio company investments) is responsible for ensuring that each investment adheres to this policy. Should any material risks in the generation asset portfolio be identified, a mitigation strategy would be agreed, and the Investment Manager's Asset Management team would be responsible to oversee the implementation of the strategy by our third-party asset managers. Asset management plans are created to meet/exceed ESG requirements, and the OEGEN commits to regularly reviewing and monitoring our external service providers. For portfolio company issues, a mitigation strategy and stewardship action plan would be determined. This is usually executed through our Board seats on portfolio companies.

ESG Principles

The table below outlines our ESG principles for mitigating ESG related risks and how we intend to implement them.

	Principle	How
Performance (including " G")	Comply with all applicable laws and respect international good practice.	• We will uphold high standards of business integrity and honesty. • We will act in good faith, albeit enforcing contracts robustly where necessary to protect shareholders, employees, the community, or the environment. • We will not directly or indirectly offer, pay, solicit, or accept bribes in any form and have put in place an anti-bribery policy and annual staff training.
	Provide safe and healthy working conditions for employees and contractors.	• We have a well-established Asset Management team that ensures we use a risk management approach that helps us identify and prioritise key H&S risks, in line with OEGEN's Health and Safety Policy. The Head of Asset Management, Directors, specialist HSE consultants and head of H&S oversee this. • We only work with competent partners who share our values regarding health and safety. Counterparties are expected to maintain their own safety standards and assess subcontractors for competence and compliance. • All employees and contractors are aware of their Health and Safety responsibilities. • We investigate incidents and share lessons learned with the wider team to prevent recurrences in the future. • Incidents and high potential near misses will be reported through Board and SteerCo processes. • We are committed to creating a psychologically safe workplace in which everyone feels comfortable sharing ideas, asking questions, or expressing concerns. • We will encourage whistleblowing and maintain open communication channels between employees / contractors and management. We have put in place a whistleblowing policy.
	Strive for a high standard of performance through a governance structure that robustly implement	• We will adhere to the OEGEN Responsible Investment Policy • We will consider ESG risk factors in investment decisions, ensuring appropriate due diligence is undertaken.

	controls and risk management frameworks.	• We will maintain a risk register and monitor materiality and mitigation measures on an ongoing basis. • We will uphold the robust conflicts management process documented in the OEGEN Conflict Policy. • We govern Investment Transactions through OEGEN's Allocation Committee and Investment Committee. • We have Internal governance, risk, and oversight committees in place for portfolio management through the Asset Board & Customer Board. • We will seek to be proactive in asset management optimisation assessments and implementation of return-enhancing projects. • In line with our Engagement and Stewardship Policy, where appropriate, we will seek to collaboratively develop ESG performance goals, plans and trajectories for achieving them with associated KPIs, and report against them annually.
Planet (" E")	Consider the impact of any operations on the environment, mitigating potential adverse effects.	• We will assess the impact of operating on the environment, contracting our outsourcers to comply with all planning and development conditions. • We will consider improvement initiatives e.g. Biodiversity, focusing on sites where there is robust local support for such issues, particularly from the landowner(s).
	Implement social and environmental policies and procedures which enable identification, management and monitoring of any risks/opportunities provides a framework for action	• We will review contracted outsourcers environmental policies and ways of working. • We will seek to engage key stakeholders to identify areas of materiality for impact measurement • We will assess the impact of climate change-related risks and engage with relevant stakeholders to mitigate these.
	Recognise the importance of the sustainable use of natural resources and the protection of the environment and support investors communicate the	• We will consider opportunities for additional environmental protection/enhancement and where possible include initiatives to build these into the ongoing site management strategies. • We will promote the adoption of sustainable resource management strategies, where appropriate (e.g., water management plans).

	positive impact of their investment	
People ("S")	Promote fair treatment of all employees, irrespective of matters such as race, gender, nationality, disability, political or religious beliefs.	• We will seek to avoid the risk of indirectly supporting modern slavery or human rights abuses and have put in place OEGEN's equal opportunities and modern slavery policies. • We mandate that the Tier 1 Suppliers and Contractors implement effective strategies to address human right risk in their own operations and in their supply chain. We encourage adherence to OEGEN's supplier code of conduct (whose standards are in line with international labour standards[2]), or request that the Suppliers and Contractors adhere to their own supplier code of conduct that is equally robust.
	Considers the impact of any operations on local communities, mitigating potential adverse effects	• We will work with our outsourcers to engage with local communities to assess, monitor and address, where possible, social and community impacts. • We will consider ways to share some of the benefit of the operation with local communities. • We will encourage, where possible, local employment by our contractors.
	Seek a 'just transition' for workers and communities as the world's economy responds to climate change	• We will work, where possible, with contractors to promote job creation in the local community (within 30km). • We will engage key stakeholders early-on for inclusive collaboration.

Related Practices

In addition to this policy, we have a number of policies and processes that support our commitment to ESG matters, including but not limited to:

- OEGEN's "Responsible Investment Policy"
- OEGEN's "Equity, Diversity and Inclusion Policy"
- ORIT's "Modern Slavery Policy and Statement"
- ORIT's "Anti-bribery policy"
- ORIT's "Policy for the prevention of tax evasion"

[2] International labour standards can be defined as in alignment with the OECD Guidelines for Multinational Enterprises and UN Guiding Principles on Business and Human Rights, including the International Labour Organisation's ('ILO') declaration on Fundamental Rights and Principles at Work, the eight ILO core conventions and the International Bill of Human Rights.

- OEGEN’s “Whistleblowing Policy”
- OEGEN’s “Conflicts Policy”.

OEGEN’s “Stewardship and Engagement Policy”, third-party risk management framework and “Supplier Code of Conduct” helps to ensure ESG matters across the supply chain are managed in line with this policy.

OEGEN’s ESG Team monitors fund management teams’ adherence to the Group and fund policies, which are reviewed annually and approved by the relevant Boards. Escalation of non-adherence, risks and or issues would be to either the Customer Board, Asset Board or OEGEN Board depending on the nature of the breach.