

Sustainability Risks Integration Policy

Statement about the integration of sustainability risks in investment and portfolio monitoring activities and transparency of remuneration policies in relation to the integration of sustainability risks

Pursuant to Article 3 and Article 5 of Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector ([Disclosure Regulation or SFDR](#)).

I. Purpose

Anterra Capital integrates sustainability risk assessment into our investment strategies and decision making. A sustainability risk is an environmental, social or governance (ESG) event or situation which, if it occurs, could have an actual or potential material adverse impact on the value of an investment.

The purpose of this policy is to define the framework by which Anterra Capital manages sustainability risks in our business activities. This policy aims to foster an operating culture that promotes sustainable and ethical behavior in our own business, and also to ensure our investments are best protected from material sustainability risks which might have a negative effect on environment, society, performance, or reputation.

II. Scope

The Sustainability Risks Integration Policy applies to the management of Anterra Capital and to the investment products that are managed by Anterra Capital. It includes all Anterra Capital's business operations and investment decision-making processes that are under its control.

Our process has developed over time, some of the processes set out in this policy reflect our current process but not necessarily the process for all historical investments.

III. Identification of sustainability risks

Sustainability risk considerations are integrated into our investment decision framework as part of the overall risk assessment, and typically occurs at these stages:

- (1) Screening - involves both an exclusion policy (investment areas we completely rule out) and an inclusion criteria, whereby potential new investments should address at least one of our identified "grand impact challenges" (refer to "Our Commitments").
- (2) Due Diligence - includes a long list of matters that we classify as part of "good housekeeping" including potential legal, regulatory, financial, business, environmental,

governance and social issues. Introduced as part of our process for our second fund (Fund II, closed in 2021), we prepare an Impact Assessment Thesis setting out in more detail how we believe a target investment scores against its potential to address a grand impact challenge. Our Thesis is reviewed by and discussed with our independent Impact Advisory Committee prior to presenting an investment opportunity to our Investment Committee for final investment approval. The Impact Assessment Thesis forms part of the final investment memorandum.

- (3) Follow-on Investments - Any follow-on investment into a portfolio company would include a reassessment of key ESG and impact factors. For Fund II investments this would include a reassessment against the framework prepared at the initial investment, discussed with the Impact Advisory Committee.

How sustainability risk considerations are integrated in practice might differ among our investment teams as the relevance, availability of information and time horizon of sustainability risks will vary depending on the investment characteristics. Each potential investment is assessed on a case by case basis, and the specific risks identified might be standalone or broader, impacting multiple investments.

IV. Management & Monitoring of Sustainability Risks

The ongoing management and monitoring of sustainability risks can be summarised in the following stages:

- (1) Active ownership – we typically take a board seat on all material investments which provides a direct line of communication on all matters, including sustainability risks.
- (2) Impact Advisory Committee - we retain an independent committee of experts on a continuous basis to discuss either (i) new investments or (ii) any exceptions arising from existing investments. At least annually we meet with our Impact Advisory Committee to review the progress of our Fund II portfolio companies against their grand challenge and to seek feedback on whether changes are required in light of macro factors, and also how we can improve our process.
- (3) PAI monitoring – we collect annual PAI data from the portfolio to monitor data quality and movements between periods. The data is analysed with any observations and clear actions summarized in annual PAI statements which are shared with investors.

V. Sustainability Risks Related Remuneration Policy

Anterra does not have a remuneration policy which directly links to sustainability risks. Employee remuneration includes fixed and variable components, is assessed at least annually and is based on overall performance levels assessed during employee appraisals.

Appraisals are an assessment of professional development based on multiple parameters dependent on role, but incorporate elements such as adherence to and alignment with Our Commitments.

Our employees sign Our Commitments annually, which acknowledges their support for our core vision, values, behaviors and commitments; these include ESG issues.

VI. Responsibilities

Executive management is ultimately responsible for the general oversight and adherence to this policy, along with our internal compliance officer.

Anterra is also supported by certain committees which, depending on the portfolio company in question, and the fund the investment sits within, has either an advisory role or explicit responsibility with respect to Anterra decision making. These committees include:

- The Investment Committee
- The Limited Partner Advisory Committee
- The Impact Advisory Committee

VII. Communication

This Policy is available to all employees, along with Our Commitments which is signed by all employees annually. This policy is also made available on our website.

VIII. Policy revision

This Policy is reviewed each year or in the event of any change in related government policy.

IX. Contact

For more information, please contact Michael Topalian (finance director & compliance officer) or send an email to compliance@anterracapital.com.

This Policy was last updated and approved on September 30, 2024