

ESG Summary 2022

Just as we invest in technological development, we too invest in measuring and monitoring our ESG performance. During 2022 we continued our assessments with independent raters Inrate and Impak (see p.6); combining a quantitative ESG assessment with a qualitative look at our alignment with the UN SDGs where applicable. Alongside some broader ESG initiatives, we share the details of these evaluations in this report, starting with the highlights:

B-

Overall ESG score: above average in its sector (C+)

32%

...better than the sector average for our Environmental portfolio rating

35%

...better than the sector average for our Social portfolio rating

6%

...better than the sector average for final impact grading

We are proud to score above average for our sector and as always see this input as a starting point for future improvements. Following our conception in 2020 this continues to be a focus alongside extending our Impact analysis throughout the portfolio and due diligence processes for future investments.

ESG Rating

ESGTI's environmental and social impact ratings for our portfolio show superior ESG grades than the sector average.

With promotion of sustainable agriculture and a focus on renewable energy technologies, efficiencies and investments, we are able to drive high social and environmental scores.

Equally, as energy solutions gain momentum within our portfolio, these contribute to an increase in environmental ratings in 2022.

	ESGTI 2021	ESGTI 2022	Benchmark
Environmental Impact	B (0.5)	B+ (0.6)	C+ (0.4)
Social Impact	A- (0.7)	A- (0.7)	B- (0.4)
Overall Impact	B- (0.5)	B- (0.5)	C+ (0.4)

All results obtained from the independent ESG rating agency, Inrate. Benchmarks are sector specific and property of Inrate.

Environmental Impact



“ESG TI drives strong environmental results via the promotion of sustainable agriculture, production of low impact electric instruments and the retail of wind power”



The Eko Agro Group focuses on natural resource preservation, sustainable agricultural practices and improving farmers' livelihoods



Likewise, the Group's activities in forest conservation, cultivation of perennial and non-perennial crops rate it potentially eligible for EU Taxonomy



AltEnergis scores are 31% above the industry, driven by business activities within renewable energy generation and energy efficiencies



Rhéon Medical sits in the top 5% in the health sector due to production of equipment with low environmental impact and non-intrusive treatments



Sky Energy's focus on renewable energy sources and technological innovation sits it 71% above the sector benchmark



Énielle contributes to positive environmental impacts with the use of natural ingredients and production of cruelty-free products.



Overall
Environmental
Impact Score

Social Impact



“ESGTI’s Social grade is supported by production of health equipment, cruelty-free cosmetics and cooperation with local farmers”



The Eko Agro Group's emphasis on community engagement and profit sharing with farmers places its social score 21% higher vs. the sector



Medical device innovation from both BioEleSonic and Rhéon Medical lead to health improvements for individuals and the whole society: driving social impact



Rhéon Medical is a top scorer in the health sector (24% above benchmark) due to production of equipment with very positive social contribution



ESGTI’s Life Science portfolio companies all target current unmet medical needs within the realm of non-intrusive and personalized treatment



We are also transparent that Énielle presents merely neutral social benefits since its product provides consumer benefits but not for basic needs



Overall
Social
Impact Score

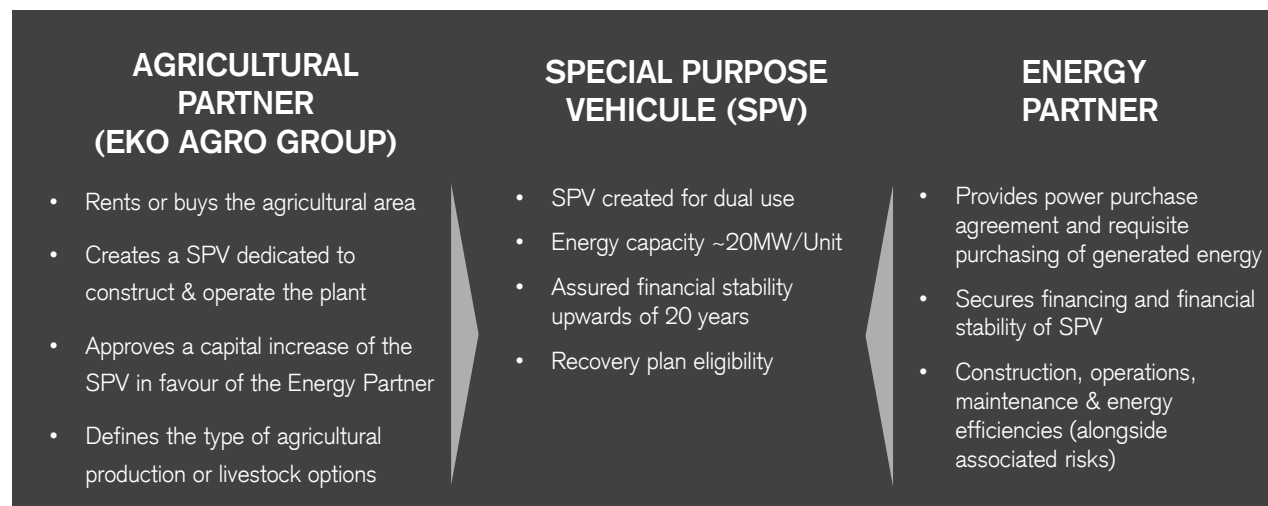
A Focus on Agriphotovoltaics



Agriphotovoltaics, or agrivoltaics for short, is the simultaneous use of agricultural land for both solar photovoltaic power generation and agriculture.

In a major initiative developed by The Eko Agro Group at the end of 2022, the next few years will see the development of agrovoltaic plants across Italy. These plants will be owned by a dedicated special purpose vehicle created by the Group and co-developed with an assigned energy partner. By combining agriculture with energy, we tap into a powerful symbiosis to drive sustainable solutions further.

- Exploiting agricultural land to produce solar energy without competing with food production can significantly accelerate our transition to renewable energy
- Incentivised by the Italian government in 2022, agricultural operators can leverage the fast-track procedure for plants producing under 20 MWp
- By partnering with a major energy operator, the Group ensures the technical, operational and know-how capabilities for photovoltaic systems



Technology Driving Positive Impact

Through its investments in piezoelectric technology, gearbox condition monitoring sensors and turbocharger efficiencies, AltEnergis is considered to contribute to SDG target 9.5 by aiming to improve the technological capabilities of industrial sectors through research and innovation.

AltEnergis generates positive material impacts and mitigates all of its negative impacts, and consequently has been classified by Impak as a “B” company, or “Benefits Stakeholders”. Within the commonly used SDG framework, AltEnergis is considered to positively contribute in the following ways:



Investing and commercializing the development of technologies that enable energy efficiency and waste reduction



Working with Universities and commercial stakeholders to allow high-tech to be developed and integrated into the commercial space



Piezoelectric technologies offering technology which increases efficiency of energy created by ca. 100x



Piezoelectric device - reducing reliance on batteries and wastage related to throw away/replacement batteries



Turbocharging technology - increasing the energy efficiency of internal combustion engines by 5-7%



Gearbox sensor technology – reducing catastrophic failures, increasing ability to repair rather than replace.

impak score™

The Impak Score - assessed and provided by our external impact rating partner Impak - complements a quantitative and qualitative analysis of the impact of an organisation, scoring it's capacity to generate positive impacts and mitigate its negative impacts.

After assessing the activities and technological focus of AltEnergis, the company achieved a positive score as “beneficial to stakeholders”. This means its activities are seen to have various effects



on important outcomes for people and the planet. AltEnergis will strive for a “C” classification; usually associated with post-launch activities and a demonstrated impact in market where mitigation of negative impacts can also be quantified and monitored.

Z Does/may cause harm

A Act to avoid harm

B Benefit stakeholders



C Contribute to solutions

Overview of independent valuers and their methodology



Evaluator: Inrate

Analysis period: Q4 2022

Methodology: Inrate assesses all impacts of a company's products and services along the entire value chain, comprising Environmental and Social Impact, direct and indirect. Using a proprietary Impact Matrix it assesses four impact-related indicators: climate impact i.e. greenhouse gas emissions, other environmental impacts such as water and land usage, biodiversity loss, emissions, direct social impacts i.e. consumer health or product security issues, and indirect social impacts. For each activity and sub-activity of the IBAC (Inrate Business Activities Classification), the Impact Matrix defines generic impact scores on a scale of 1 (highest positive impact) to 0 (highest negative impact), based on scientific data and research, economic data and scientific studies.

Benchmarking: Inrate's IBAC is based on a defined standard set of products and services covering approximately 350 activities and 110 sub-activities. Within this Inrate classifies each company with regard to its activities and the shares of turnover for which they account.

Coverage of analysis: ESGTI and portfolio companies



Evaluator: Impak

Analysis period: Q3-Q4 2022

Methodology: Impak assesses individual companies and rates their alignment with international standards, notably:

- Negative & positive alignment to SDGs including the percentage of activities of the company that have a positive contribution to SDGs
- The way in which the company mitigates its negative impacts
- Potential eligibility to the EU Taxonomy
- Environmental and Social Governance assessment
- Climate Strategy evaluation

Benchmarking: International standards such as the UN SDG sub-goals, EU Taxonomy requirements and the Sustainable Finance Disclosure Regulations.

Coverage of analysis: AltEnergis